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HOUSE OF REPRESENTATIVES—*Tuesday, November 18, 1975*

The House met at 12 o'clock noon.

Father Philip P. Shannon, St. Philip Neri Church, Bronx, N.Y., offered the following prayer:

O God of might, wisdom, and justice, through whom authority is rightly administered, laws are enacted, and judgments decreed, we beg Your blessing upon this, the House of Representatives of our Nation. Grant them the wisdom and the humility to realize that they represent You as well as the people they so ably serve. Confirm in them the conviction that all good law must be founded upon Your law. Grant them strength and courage through every lengthened day and sleepless night. Where there is darkness, enlighten them; where there is doubt, counsel them; where there is fatigue and discouragement, sustain them. Accept their generous gifts of mind and body, the sacrifice of their personal lives offered for the commonweal of this greatest Nation on Earth. This prayer we offer, Lord, in Your name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Heiting, one of his secretaries, who also informed the House that on November 14, 1975, the President approved and signed bills of the House of the following titles:

H.R. 6334. An act to amend further the Peace Corps Act, and for other purposes; and

H.R. 10585. An act to increase the temporary debt limitation until March 15, 1976.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6461. An act to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting, and for other purposes.

FATHER PHILIP P. SHANNON

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, we are honored and pleased to have with us this morning as a visiting chaplain, Father Philip Shannon of St. Philip Neri Church on the Grand Concourse in Bronx, N.Y. While we did not so intend, it seems appropriate that a member of the clergy from the city of New York should have offered the prayer on this particular day when we anticipate taking up legislation of such vital importance to our city.

Father Shannon is a native New Yorker. He attended high school and 2 years of college at Bronx Cathedral College and then completed his education at St. Joseph's Seminary in Yonkers. He was ordained in 1940 and then served 10 years as a Navy chaplain, including service with a guerrilla group in China. His assignments thereafter included 12 years at the parish of St. Angelo Marici in the Bronx. He was appointed pastor of St. Philip Neri in 1971.

Father Shannon was one of 14 clergymen who founded the Northwest Bronx Community and Clergy Coalition, which has been a remarkable organization bringing together many different groups to work together for the preservation and betterment of the community. This is typical of Father Shannon's work, not only in his own parish, but in the community as a whole. He is dedicated to the concept of brotherhood and to encouraging within the community a determination to mobilize its own resources for civic improvement and for constructive governmental action. Affiliated with St. Philip Neri parish are a strong senior citizens program and many other excellent activities.

We in the Bronx are happy and proud that Father Shannon was here to offer the opening prayer this morning.

THE REVEREND PHILIP P. SHANNON

(Mr. BIAGGI asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. BIAGGI. Mr. Speaker, the opening prayer today was so eloquently delivered by the Reverend Philip P. Shannon, pastor of the St. Philip Neri Church located in the Bronx, N.Y.

It gives me a special and personal pleasure to pay tribute to this outstanding man of God, who I am proud to say is the pastor for myself and the entire Biaggi family. While Father Shannon's parish extends into several congressional districts in the Bronx, I am privileged to be the only Member who belongs to the St. Philip Neri parish.

Father Shannon was installed as the pastor of St. Philip Neri Church on July 11, 1971. On March 2, 1974, the church celebrated its 75th anniversary of service to the people of the Bronx. In his 4 years as pastor of St. Philip Neri, Father Shannon has provided the highest caliber of spiritual leadership. He was instrumental in the efforts which led to the restoration and renovation of the church and to his credit, the St. Philip Neri Church is recognized as one of the most beautiful churches in all of New York.

Under the expert leadership of Father Shannon, the St. Philip Neri Church has adapted itself to meet the every need of its parishioners. A church can no longer just serve as a house of worship, it must actively communicate the Word of God through service to the community. During Father Shannon's tenure, he has established a parish center which is used by both the young and the old of the parish. He works and guides those in trouble, and those alone. Father Philip Shannon typifies the active involved priest of the 1970's and his efforts have gained him the respect and love of his parishioners.

It is my pleasure to welcome Father Shannon to the House of Representatives today. He is a man for whom I have profound respect as he has provided years of spiritual guidance for the entire Biaggi family. It is fitting that on this day when this very House will consider legislation to save New York City, we have the added dimension and guidance of Father Shannon's prayer to assist us in our deliberations. Let us hope that the word of God will influence us in our actions today and in the future.

NEW YORK CITY NEEDS CONTROL

(Mr. RYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYAN. Mr. Speaker, I am not opposed to giving assistance to New York City. But, I am opposed to doing so until I am reasonably sure that their enormous costs no longer exceed their already enormous taxes and consequently shrinking revenues.

New York has been called Fun City. Perhaps it is true. But, fun for whom? Fun for the patrolman who gives a pint of blood and gets the rest of the day off? Fun for the busdriver who works 8 hours and gets paid for 11 hours of work? Fun for the nonteaching person for every two teachers in the school system? Fun for the sanitation man who in his 20th year works all the overtime he can get and draws $24,000 to $25,000 per year and then, in his early forties, retires on half pay for the rest of his life? Fun for the subway coin changer who gets $229 a week, while his neighbor next door draws $164 a week for working as a bank clerk?

I am not really sympathetic to those who respond to such criticism by replying "it's tough to live in New York" or "it's expensive to live in New York." It is tough to live in the San Francisco Tenderloin, or in West Oakland, too. And who can afford meat in either place? The chances are that in New York or the San Francisco Bay area it is even tougher for the wage earner in private employment who must buy the same meat, milk, and vegetables—when he or she can afford it.

When will we see the people in New York City government take the necessary steps to control their own appetite for wages that is far higher than the citizens can afford to pay their own public servants so that they too do not have to come to the Congress for financial assistance that all comes out of our national pockets?

CALL OF THE HOUSE

Mr. HANSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 712]

Andrews, N.C.
Andrews, N. Dak.
Ashley
Burke, Fla.
Chisholm
Conable
Conte
Conyers
Dellums
Dent
Diggs
Drinan
Esch
Evins, Tenn.
Fary
Fraser
Frey
Gaydos
Goodling
Harsha
Hastings
Hébert
Heinz
Hinshaw
Jarman
Jones, Ala.
Karth
Kindness
Landrum
Mathis
Moorhead, Pa.
Mosher
Rhodes
Rostenkowski
Scheuer
Stanton, J. William
Stephens
Thornton
Udall
Ullman
Vander Jagt
Wiggins

The SPEAKER. On this rollcall 391 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONGRATULATIONS TO OUR NEW CLERK, EDMUND LEE HENSHAW, JR.

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, I want to congratulate you upon your recent appointment of Edmund Lee Henshaw, Jr., of Virginia, as Clerk of the U.S. House of Representatives. I commend you upon your excellent choice of a gentleman whom many of us know as a friend and whom we know best as Ted Henshaw.

Mr. Henshaw, who was sworn in yesterday as our present Clerk of the U.S. House of Representatives, is, at age 49, young enough to be aggressive, hard working and diligent regarding all tasks assigned him, and yet experienced enough that he will be an excellent Clerk and is one with whom the Members of the U.S. House of Representatives are acquainted and in whom we have much confidence.

Congratulations and best wishes to our friend Ted Henshaw, who in a formal way now is our Clerk, Edmund Lee Henshaw, Jr.

GENERAL LEAVE

Mr. HUBBARD. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the subject of our new Clerk, Edmund Lee Henshaw, Jr.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

JOINT COMMITTEE ON DEFENSE PRODUCTION SHOULD NOT BE ABOLISHED

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, I was sorry to hear the remarks just made by the distinguished gentleman from Pennsylvania (Mr. COUGHLIN). It so happens that the joint committee which his amendment would abolish was instrumental in bringing out the recently revealed facts on the hunting lodge scandals and various other improper practices by Department of Defense officials and Government contractors.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair, in view of the noise that was in the Chamber, was unable to hear all of the remarks of the gentleman from Pennsylvania which, I understand, referred to activities of the Senate and to Members of the other body. This is in violation of the Rules of the House, and any remarks made by the gentleman from Ohio should not touch upon that subject. Any remarks made by the gentleman from Pennsylvania that touched upon that subject should be removed from the RECORD and should not be put in the RECORD.

Mr. SEIBERLING. Mr. Speaker, my remarks are directed solely to facts related to the House action last Friday.

As a result of investigations this year by the joint committee, the DOD sent letters of admonition to 22 officials who had accepted gratuities from one contractor and initiated an investigation to determine whether other companies had also offered special favors. Had the joint committee not been pursuing its investigation, the original whitewash could well have gone on and the loophole in DOD regulations could have remained unnoticed, so that these forms of improper influence would have been allowed to continue.

It is certainly an unhappy coincidence that this move to abolish this committee was made after the committee had actually started to uncover these scandalous practices by Government contractors and Government officials. I suggest that the House conferees in the conference committee would be well advised to recede and drop this very ill-advised and ill-informed amendment, which passed the House when there was no advance notice, no informed debate, and no hearings in the committee on this subject.

PRIVATE CALENDAR

The SPEAKER. This is the day for the call of the Private Calendar. The Clerk will call the first individual bill on the Private Calendar.

BOULOS STEPHAN

The Clerk called the bill (H.R. 1391) for the relief of Boulos Stephan.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

KEVIN PATRICK SAUNDERS

The Clerk called the bill (H.R. 1645) for the relief of Kevin Patrick Saunders.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

GABRIEL EDGAR BUCHOWIECKI

The Clerk called the bill (H.R. 1647) for the relief of Gabriel Edgar Buchowiecki.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

LEONARD ALFRED BROWNRIGG

The Clerk called the bill (H.R. 2399) for the relief of Leonard Alfred Brownrigg.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

JULIET ELIZABETH TOZZI

The Clerk called the bill (H.R. 1425) for the relief of Juliet Elizabeth Tozzi.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

VALERIE ANN PHILLIPS, NEE CHAMBERS

The Clerk called the bill (H.R. 4046) for the relief of Valerie Ann Phillips, nee Chambers.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MITSUE KARIMATA STONE

The Clerk called the bill (H.R. 4113) for the relief of Mitsue Karimata Stone.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without objection.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

JOHN T. KNIGHT

The Clerk called the bill (H.R. 6852) for the relief of John T. Knight.

There being no objection, the Clerk read the bill as follows:

H.R. 6852

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in accordance with the decision of the Chief Commissioner of the United States Court of Claims in Congressional Reference Case Numbered 2–71, John T. Knight against The United States, filed on August 31, 1973:

(a) The Secretary of the Army is authorized and directed to determine the amount of effective date of the retirement pay to which John T. Knight, of New Orleans, Louisiana, would have been entitled if (1) the Office of the Surgeon General of the Army in reviewing his case in 1947 had found that the said John T. Knight was, at the time he was relieved from active duty in 1947, permanently incapacitated for active service and that his incapacity for active service was the result of an incident of service as a commissioned officer in the United States Army incurred in line of duty not due to his own misconduct and such a finding had been approved by the president or his delegate; and (2) the Department of the Army thereupon had certified John T. Knight in the grade of colonel to the Veterans' Administration for the receipt of retired pay under the Act of April 3, 1939 (53 Stat. 557; 10 U.S.C. 3687),

(b) Upon such determination, the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said John T. Knight after deducting any disability compensation he has received from the Veterans' Administration, retired pay in such amount upon such conditions which would have been applicable if such certification had been made pursuant to the Act of April 3, 1939 (53 Stat. 557; 10 U.S.C. 3687),

(c) From the date of enactment of this Act it shall be held and considered that John T. Knight has been retired for physical disability and the Secretary of the Army is directed to pay him retired pay accordingly, and to accord him other perquisites of a colonel, Army of the United States, retired.

With the following committee amendment:

Strike all after the enacting clause and insert the following:

That, notwithstanding any statute of limitations, pertaining to suits against the United States, or any lapse of time, or bars of laches, jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment upon any claim of John T. Knight, of New Orleans, Louisiana, arising out of his claim against the United States for disability retirement pay for a disability allegedly incurred or aggravated while serving in the Armed Forces of the United States.

SEC. 2. Suit upon that claim may be instituted at any time within one year after the date of the enactment of this Act. Nothing in this Act shall be construed as an inference of liability on the part of the United States. Except as otherwise provided in this Act, proceedings for the determination of that claim and review and payment of any judgment or judgments on that claim shall be had in the same manner as in the case of claims over which that court has jurisdiction under section 1491 of title 28 of the United States Code.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill conferring jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon the claim of John T. Knight."

A motion to reconsider was laid on the table.

TERRENCE JAROME CAGUIAT

The Clerk called the bill (H.R. 1758) for the relief of Terrence Jarome Caguiat.

There being no objection, the Clerk read the bill as follows:

H.R. 1758

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Terrence Jarome Caguiat shall be deemed to be an immediate relative within the meaning of section 201(b) of that Act and may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That, in the administration of the Immigration and Nationality Act, Terrence Jarome Caguiat may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf of Mr. and Mrs. Romeo Caguiat, a citizen of the United States and a lawfully resident alien, respectively, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS MALGORZATA KUZNIAREK CZAPOWSKI

The Clerk called the bill (H.R. 2495) for the relief of Miss Malgorzata Kuzniarek Czapowski.

There being no objection, the Clerk read the bill, as follows:

H.R. 2495

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Miss Malgorzata Kozniarek Czapowski may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, and a petition filed in her behalf by Mrs. Maria Czapowski a citizen of the United States, may be approved, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA SYLVIA MACIAS ELLIOTT

The Clerk called the bill (H.R. 2940) for the relief of Maria Sylvia Macias Elliott.

There being no objection, the Clerk read the bill, as follows:

H.R. 2940

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Maria Sylvia Macias Elliott may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Raymond A. Elliott, citizens of the United States, pursuant to section 204 of this Act: *Provided,* That the natural parents or brothers and sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUSAN ROSEMARY HARWOOD

The Clerk called the bill (H.R. 2941) for the relief of Susan Rosemary Harwood.

There being no objection, the Clerk read the bill, as follows:

H.R. 2941

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(B3) of the Immigration and Nationality Act, Susan Rosemary Harwood shall be held and considered to be a returning resident alien at the time of her admission to the United States on August 21, 1974.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YOLANDA E. VEZ

The Clerk called the bill (H.R. 5052) for the relief of Yolanda E. Vez.

There being no objection, the Clerk read the bill as follows:

H.R. 5052

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Yolanda E. Vez may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Fulgencio Vez and his wife, Adelina, lawfully admitted for permanent residence, pursuant to section 204 of the Act. Section 204(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

With the following committee amendments:

On page 1, lines 7 and 8, strike out the language "lawfully admitted for permanent residence," and substitute in lieu thereof the language "a lawfully resident alien and a citizen of the United States, respectively."

On page 1, line 11, strike out the word "case." and substitute case: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS LEONOR YOUNG

The Clerk called the bill (H.R. 7882) for the relief of Miss Leonor Young.

There being no objection, the Clerk read the bill, as follows:

H.R. 7882

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Miss Leonor Young may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mrs. Barbara Jennings Dudrow, citizen of the United States, pursuant to section 204 of this Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act. The provision of section 245(c) of the Act shall be inapplicable in this case.

With the following committee amendment:

On page 1, line 7, before the word "citizen" insert the word "a".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD DRAG

The Clerk called the bill (H.R. 7908) for the relief of Edward Drag.

There being no objection, the Clerk read the bill as follows:

H.R. 7908

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Edward Drag may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mr. and Mrs. Zigmund Fronczak, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That other relatives of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 1, line 8, strike out the words "other relatives" and substitute "the natural parents or brothers or sisters".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUK CHIN AND HAE SUK CHIN

The Clerk called the bill (H.R. 1394) for the relief of Suk Chin and Hae Suk Chin.

There being no objection, the Clerk read the bill as follows:

H.R. 1394

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Suk Chin and Hae Suk Chin, may be classified as children within the meaning of section 101(b)(1)(F) of the Act, and a petition filed in their behalf by Arlene Roemer a citizen of the United States, may be approved pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiaries shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Section 204(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MEE KYUNG CHO AND HEE KYUNG CHO

The Clerk called the bill (H.R. 1395) for the relief of Mee Kyung Cho and Hee Kyung Cho.

There being no objection, the Clerk read the bill, as follows:

H.R. 1395

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Mee Kyung Cho and Hee Kyung Cho may be classified as children within the meaning of section 101(b)(1)(F) of the Act, and a petition filed in their behalf by Mr. and Mrs. Louis J. Marchese, citizens of the United States, may be approved pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendments:

On page 1, line 6, after the word "Act," strike out the word "and" and insert in lieu thereof the language "upon approval of".

On page 1, line 8, after "United States," strike out "may be approved".

On page 1, line 10, after the words "of the" strike out the word "beneficiary" and substitute the word "beneficiaries".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUN YANG KIM AND SUN MI KIM

The Clerk called the Senate bill (S. 1653) for the relief of Sun Yang Kim and Sun Mi Kim.

There being no objection, the Clerk read the bill as follows:

S. 1653

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 204(c) of the Immigration and Nationality Act limiting the number of petitions which may be approved for children shall be inapplicable to a petition filed by Mr. and Mrs. Sanders D. Newman, United States citizens, to classify Sun Yang Kim and Sun Mi Kim as children within the meaning of section 101(b)(1)(F) of that Act. The natural brothers and sisters of the beneficiaries shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 1, line 9, after the word "natural" insert "parents and".

The committee amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YONG WON LEE

The Clerk called the bill (H.R. 8907) for the relief of Yong Won Lee.

There being no objection, the Clerk read the bill, as follows:

H.R. 8907

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Yong Won Lee may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mr. and Mrs. Melvin Haas, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 2. Section 204(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DINO MENDOZA PASCUA

The Clerk called the Senate bill (S. 55) for the relief of Dino Mendoza Pascua.

There being no objection, the Clerk read the Senate bill, as follows:

S. 55

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Dino Mendoza Pascua may be classified as a child within the meaning of section 101(b)(1)(F) of such Act upon approval of a petition filed in his behalf by Staff Sergeant and Mrs. Anthony M. Garcia, citizens of the United States, pursuant to section 204 of such Act. The natural brothers and sisters of the said Dino Mendoza Pascua shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 1, at the end of line 8, insert "parents and".

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JESUS CORTEZ PINEDA

The Clerk called the Senate bill (S. 447) for the relief of Jesus Cortez Pineda.

S. 447

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Jesus Cortez Pineda may be classified as a child within the meaning of section 101(b)(1)(F) of such Act upon approval of a petition filed in his behalf by Mr. and Mrs. David Pineda, citizens of the United States, pursuant to section 204 of the said Act: *Provided,* That the brothers or sisters of the said Jesus Cortez Pineda shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendments:

On page 1, line 7, strike out "citizens of the United States," and insert in lieu thereof the following: "a citizen of the United States and a lawfully resident alien, respectively,".

On page 1, line 8, after the words "That the" insert the words "natural parents or".

The committee amendments were agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HEUNG SOON KIM

The Clerk called the Senate bill (S. 605) for the relief of Heung Soon Kim.

There being no objection, the Clerk read the Senate bill as follows:

S. 605

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Heung Soon Kim shall be classified as a child within the meaning of section 101(b)(1)(F) of such Act, upon approval of a petition filed in her behalf by Mr. and Mrs. James Lyos, citizens of the United States, pursuant to section 204 of such Act, except that section 204(c) of such Act, relating to the number of petitions which may be approved on behalf of children, shall not apply. The natural brothers or sisters of Heung Soon Kim shall not, thereafter, by virtue of relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 1, at the end of line 10, after the word "natural" insert "parents and".

The committee amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SANG KOOK CHUNG AND HWA SOON CHUNG

The Clerk called the bill (H.R. 1396) for the relief of Sang Kook Chung and Hwa Soon Chung.

There being no objection, the Clerk read the bill as follows:

H.R. 1396

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Sang Kook Chung and Hwa Soon Chung may be classified as children within the meaning of section 101(b)(1)(F) of the Act, and a petition filed in their behalf by Mr. and Mrs. John Datz, citizens of the United States, may be approved pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendments:

On page 1, line 6, after the word "Act," strike out the word "and" insert in lieu thereof the language "upon approval of".

On page 1, line 8, strike out the language "may be approved".

On page 1, line 10, strike out the word "beneficiary" and substitute the word "beneficiaries".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AE SOOK SONG AND MI YUN LEE

The Clerk called the bill (H.R. 1397) for the relief of Ae Sook Song and Mi Yun Lee.

There being no objection, the Clerk read the bill, as follows:

H.R. 1397

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Ae Sook Song and Mi Yung Lee may be classified as children within the meaning of section 101(b)(1)(F) of the Act, and a petition filed in their behalf by Mr. and Mrs. Peter Elliott, citizens of the United States, may be approved pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 2. Section 204(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

With the following committee amendments:

On page 1, line 6, after the word "Act", strike out the word "and" and insert in lieu thereof the language "upon approval of".

On page 1, lines 7 and 8, strike out the language "may be approved".

On page 1, lines 9 and 10, strike out the word "beneficiary" and substitute the word "beneficiaries".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NORTH CENTRAL EDUCATIONAL TELEVISION, INC.

The Clerk called the bill (H.R. 2493) for the relief of North Central Educational Television, Inc.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMDR. STANLEY W. BIRCH, JR.

The Clerk called the bill (H.R. 8027) for the relief of Comdr. Stanley W. Birch, Jr.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MARIA DEL CARMEN ALVARADO MARTINEZ

The Clerk called the bill (H.R. 1399) for the relief of Maria Del Carmen Alvarado Martinez.

There being no objection, the Clerk read the bill, as follows:

H.R. 1399

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Maria Del Carmen Alvarado Martinez may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by John David Stein and Maria Esperanza Alvarado Atilano de Stein, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act. Section 204(c) of the Immigration and Nationally Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

With the following committee amendments:

On page 1, lines 8 and 9, strike out the language "citizens of the United States, pursuant to section 204 of the Act:" and insert in lieu thereof the language: "a citizen of the United States and a lawfully resident alien, respectively, pursuant to section 204 of the Act, and the provisions of section 245(c) of the Act shall be inapplicable in this case:"

On page 2, line 2, after the word "Act." strike out the remainder of the bill.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JENNIFER ANNE BLUM

The Clerk called the bill (H.R. 4038) for the relief of Jennifer Anne Blum.

There being no objection, the Clerk read the bill, as follows:

H.R. 4038

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Jennifer Anne Blum, also known as Hui Yu may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Captain and Mrs. Robert J. Blum, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 1, line 7, after the words "Captain and" strike out "Mr." and substitute "Mrs."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIOLETTA CEBREROS

The Clerk called the bill (H.R. 5648) for the relief of Violetta Cebreros.

There being no objection, the Clerk read the bill, as follows:

H.R. 5648

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Violetta Cebreros may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Leroy M. Bowman, citizens of the United States, pursuant to section 204 of this Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHU WOL KIM

The Clerk called the bill (H.R 5750) for the relief of Chu Wol Kim.

There being no objection, the Clerk read the bill, as follows:

H.R. 5750

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Chu Wol Kim may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her hehalf by Ralph Solem and Darlyne Solem, citizens of the United States, pursuant to section 204 of the Act: *Provided,* that the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Section 204(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KOVILJKA C. CLENDENEN

The Clerk called the bill (H.R. 6392) for the relief of Koviljka C. Clendenen.

There being no objection, the Clerk read the bill, as follows:

H.R. 6392

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Koviljka C. Clendenen may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her hehalf by Wilbur G. Clendenen and Virginia M. Clendenen, citizens of the United States, pursuant to section 204 of the Act.

With the following committee amendment:

On page 1, line 8, strike out the word "Act," and substitute in lieu thereof the following: "Act: *Provided,* that the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under this Immigration and Nationality Act."

The committee amendment was agreed to.

Mr. BLOUIN. Mr. Speaker, the House is considering today a private bill which I introduced (H.R. 6392) and for which I rise today to urge my colleagues' support.

This bill speaks to a very specific and very unfortunate problem of a young Yugoslavian student in my district who, without our help—and the passage of this bill—will be forced to leave this country, to abandon her studies, to abandon her adoptive parents, to abandon what is, from all apparent indications, a bright and hopeful future.

Koviljka Dragisic Clendenen came to this country in 1971 from her hometown of Jablanica, Yugoslavia. At the time, 4 years ago, she was 16 years old, and was granted admission to this country on a student visa to study criminal justice at Kirkwood Community College in Cedar Rapids, Iowa. Two years later, in 1973, she was legally adopted by her aunt and uncle, with whom she had been living, Mr. and Mrs. Wilbur Clendenen. Mrs. Clendenen, who derived U.S. citizenship through her father, was born in Yugoslavia and the family was particularly helpful to Koviljka in helping her adjust to her new environment and the educational challenges which she encountered.

Due to the present provisions of immigration laws, Ms. Clendenen cannot continue her residence in this country under her original visa; nor does she qualify for permanent residence by reason of adoption, due to the fact that such status is bestowed only on adopted children aged 14 or less. At the time of her adoption, Koviljka was 16. My bill, Mr. Speaker, substitutes for the inadequacy of the law and grants to Koviljka the status of permanent citizenship by reason of adoption under which she will be eligible for naturalization after a period of 5 years.

Ms. Clendenen's adoptive parents, constituents of mine in the Second District, have been married for 14 years; they are both employed and both able and willing to provide for Koviljka's support and welfare. They are an active and closely knit family and I am convinced from my knowledge of this case that a loving and enduring relationship exists between this young woman and her adoptive parents—a relationship which would quite unnaturally and unnecessarily be shattered were we to insist on strict application of the present law. We need not allow that tragedy to happen, and I ask the support of my colleagues in the House for this bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMITTING THE RECALL TO ACTIVE DUTY OF REAR ADM. J. EDWARD SNYDER, JR., U.S. NAVY (RETIRED) IN A COMMAND STATUS AS OCEANOGRAPHER OF THE NAVY

The Clerk called the bill (H.R. 7113) to permit the recall to active duty of Rear Adm. J. Edward Snyder, Jr., upon retirement in a command status as the Oceanographer of the Navy.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mrs. HOLT. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mrs. HOLT and Mr. CHARLES W. WILSON of California objected.

The SPEAKER. Two objections are heard. The bill is withdrawn from the Private Calendar.

JUNG SHIK YANG

The Clerk called the bill (H.R. 8451) for the relief of Jung Shik Yang.

There being no objection, the Clerk read the bill, as follows:

H.R. 8451

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Jung Shik Yang may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Herbert Barth Ray and Sharyn Eileen Ray, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act. Section 204(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANGEL PADER CABAL

The Clerk called the bill (H.R. 8555) for the relief of Angel Pader Cabal.

There being no objection, the Clerk read the bill, as follows:

H.R. 8555

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Angel Pader Cabal, the widower of a citizen of the United States, shall be held and considered to be within the purview of section 201(b) of that Act and the provision of section 204 of such Act shall not be applicable in this case. Upon enactment of this Act the said Angel Pader Cabal shall be eligible to apply for permanent residence under section 245 of the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the further call of the Private Calendar be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONFERENCE REPORT ON H.R. 10029, MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR, 1976

Mr. SIKES. Mr. Speaker, I call up the conference report on the bill (H.R. 10029) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of November 12, 1975.)

Mr. SIKES (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I feel strongly that the conference agreement we have reached on this year's military construction request not only represents an excellent compromise between the positions of the two houses, but one which will benefit the military services and the taxpayer.

New budget authority provided for fiscal year 1976 is $3,585,014,000 and for the transition period $359,100,000. The allowance for the transition period is the same as the budget request. The amount of the reduction for fiscal year 1976 is $524,006,000, or about 13 percent, below the budget request. The committee has looked very carefully at all of the items in the fiscal year 1976 request and deferred those which could properly be deferred, or which should be restricted, or which do not appear to be required at this time.

While the reductions are significant, the fact remains that this bill is the largest approved for military construction in recent years. The committee is not reluctant to provide what is needed for military construction. We advocate adequate construction for housing accommodations and efficient working spaces and needed operational facilities. However, we feel it is beneficial to the services and to the taxpayers that we carefully monitor the requests that are made. This we have done. In this effort I have had the finest cooperation that could be obtained from a dedicated and hard-working committee. All of these outstanding members of this body and from a very able and effective staff.

The Congress need have no reluctance to give full support to the program set forth in this bill. Not only have the line items been carefully screened, but we now are alerted to the prospect that next year's military construction program will be a very austere one. All of the projects in the bill will be needed.

Now let me discuss some of the specific features of the bill.

We have asked the services to restudy certain long-range plans which we felt were overly expensive and which did not sufficiently demonstrate economic benefits. Examples are the Army's plans for one-station training and the stationing of its brigades and divisions and the Navy's plans to relocate ammunition activities. A past example of an area in which the committee's actions have saved substantial amounts is the facilities which the Air Force requested to support the airborne command post at Andrews Air Force Base. The committee did not concur in establishing permanent facilities at Andrews. It has now reportedly been decided to move these aircraft to Offutt Air Force Base, Nebr. About $20 million was saved by not building facilities at Andrews. The new site is less vulnerable to enemy attack and utilizes some existing facilities.

On the other hand, many of the projects approved in the fiscal year 1976 request will save significant amounts of defense dollars in future years. As an example, the $131,918,000 approved for energy conserving projects at military installations will be amortized in less than 5 years.

The total conference agreement is $66,291,000 over the House bill but $75,281,000 less than the Senate had provided.

The Senate and the conferees supported the House position that careful consideration should be given future utilization of existing facilities in an efficient manner before plans go forward to replace facilities now in place with new, more expensive facilities elsewhere. Particular attention is directed to Army plans for utilization of training facilities, with special emphasis on Fort Dix, N.J. Conferees direct the attention of all the services to language in this regard contained in the House and Senate reports accompanying the fiscal year 1976 military construction appropriation bill. This language applies to the utilization where possible of existing facilities everywhere. It is important that the military be identified with all parts of America.

DIEGO GARCIA

Among the items of principal discussion is Diego Garcia. The conferees discussed the Senate's Diego Garcia amendment at length. House conferees expressed agreement with their Senate counterparts that negotiations between leading world powers regarding mutual arms restraint in the Indian Ocean is highly desirable and should proceed at the earliest practical time; however, the Senate amendment to the House bill would have had the undesirable effect of prolonging completion of the Diego Garcia project and increasing costs significantly as a result of split procurements and escalated prices. We know that the Russians have moved a missile ship and missile component into their base in Somalia. It commands the approach to the Red Sea and the Persian

Gulf. We have no such installation or armament. After much discussion the conferees agred to modify the Senate amendment with the full expectation that the administration will report to the proper committees of Congress regarding negotiation initiatives before April 15, 1976.

The Navy would be permitted and is expected to arrange their procurement contracts to minimize cost and delay and procurement of materials for the fiscal year 1976 but to limit expenditures to amounts appropriated for fiscal year 1975 until April 15, 1976, except that funds in the amount of $250,000 from the fiscal year 1976 appropriations may be used to procure, construct, and install aircraft arresting gear.

The intent of the conferees is to permit planning and the procurement of long lead-time items and to allow construction on the fiscal year 1976 appropriations to proceed in full subsequent to April 15 without further action by the Congress.

ENIWETOK ATOLL

Another item of disagreement was the appropriation of $20 million added by the Senate for the clean-up of Eniwetok Atoll in the Pacific. The House had refused to fund this item because of the uncertainty of the results and the costs associated with the project. Testimony before the House Committee indicated that a total of $57 million might be required for the entire project, which would involve not only decontamination but rehabilitation of the atoll, construction of homes for the natives, and subsistence until the atoll could be made self-supporting. The cost of a project which might or might not be successful would run to more than $100,000 per person.

The people of Eniwetok were displaced so that nuclear testing could take place there. The committee is mindful that spokesmen for the executive branch of the United States gave assurances that they would be allowed to return to their homes when the atoll was no longer needed for testing.

Nevertheless, the conferees believe other alternatives should be explored by the Department of Defense and the Department of the Interior to examine all options in order to determine the best and most economical means of fulfilling this responsibility. Fewer than 150 people were removed from the atoll. This number and their descendants are now approximately 450. We do not know that the atoll would support 450 people. That number would certainly increase significantly in the years ahead. Additional information is needed on the exact numbers of Eniwetok natives and their descendants who actually plan to return to the atoll in the event that a program of restoration there is deemed advisable after careful study of alternatives.

The atoll is badly contaminated, in some areas to a depth of several feet. All of the contaminated soil would have to be removed, carried to a safe disposal area and dumped, and fresh soil hauled in to rebuild the atoll. Desirable plants would have to be planted, complete housing plus all needed facilities would have to be built and sustenance provided for years. A similar project is underway at Bikini and the results are far from satisfactory. The conferees are agreed that further study is needed on alternative procedures before vast sums are spent on what could be an ineffective program.

TRIDENT FACILITIES

The conferees restored $25,000,000 of the $70,000,000 reduction made by the House in facilities requested at Bangor, Wash., in support of the Trident weapons system. While the resulting reduction of $45,000,000 in new budget authority is not specifically applied to any portion of the Trident request, the conferees are particularly concerned about technical problems which are present in the Navy's plans to construct a drydock at the Trident support site. In the opinion of the conferees, these technical problems are such that they could, at worst, cause the type of dry dock planned to be prohibitively expensive or technically infeasible.

Accordingly, the Navy is directed to report its plans with regard to dry dock construction to the Committees on Appropriations of the Senate and the House of Representatives for their approval before initiating any construction work at the site; in other words, anything other than long leadtime procurement as proposed by the House. Furthermore, the Navy is directed to keep the Committees on Appropriations fully informed and up to date on technical problems regarding this dry dock at all times.

ALEUTIAN ISLANDS

Some of my colleagues have seen the obsolete and unusable structures, as well as debris of war, remaining as a result of military operations in World War II in the Aleutian Islands of the State of Alaska. Through the years nothing has been done to clean up this eyesore. Accordingly, the Department of Defense is directed to evaluate the problem posed by debris and obsolete buildings and provide the Congress with its recommendations on the best course to be followed there.

Additionally, the conferees agree that the Department of Defense should conduct a study on the plans for utilization and on the feasibility and cost of clearing the island of Kahoolawe in the State of Hawaii of unexploded ordnance. This is a valuable range which the Navy is utilizing. There are objections in some areas to the continued use of the property for this purpose. The committee is not recommending a course of action; it is simply requesting information.

The conferees expect these reports to be submitted to Congress within a 12-month period.

FLEET COMMAND CENTER, PEARL HARBOR

At the Naval Station, Pearl Harbor, Hawaii, the Fleet Command Center deleted by the House was restored and, in addition, a machine shop which was deleted by the House was added. I personally questioned the need for the Fleet Command Center at this time, but the Navy made a strong case saying it is probably their most needed project in this year's budget.

I shall provide for the record the specifics about committee action for each of the services.

For the Army the conference allowance was $790,025,000, which is $1,688,000 over the House bill and a reduction of $22,917,000 from the amount provided by the Senate. In addition, as will be discussed later, a House reduction of $12,382,000 in Army family housing was restored.

Significant actions include a $3,700,000 reduction—versus a House trim of $7,400,000—in a barracks complex at Fort Lewis, Wash., to reduce the scope of this project to correspond with a lesser requirement at that location. In addition, at Fort Stewart/Hunter Army Airfield, Ga., a portion of a barracks complex, plus housing, deleted by the House, was restored based upon higher requirements. The committee expects the Army to follow directions set forth in the statement of the managers with regard to several studies to be undertaken in this area. At Fort Benning, Ga., facilities in support of one-station training were deleted but minor additions were allowed for training ranges and for adjustments in carryover balances. However, House language requiring the Army to obtain prior approval of the committee before awarding a barracks complex at this station have been modified to require certification of the practicability of the design chosen by the Army and the Office of the Secretary of Defense. The conferees directed that study be given to greater interservice support before a new aeromedical research laboratory at Fort Rucker, Ala., is constructed. Its value is recognized but the conferees seek to avoid the possibility of duplication. The House agreed to a portion of the Senate reduction in new Army budget authority as a result of unobligated balances in the NATO infrastructure account. However, I should stress that we have taken no action which would deprive that account of funds if they are needed.

The conferees provided $770,018,000 for the Navy, which is $41,291,000 over the House bill and $29,308,000 under the Senate allowance. Among significant items resolved, the Senate receded to the House position in restoring $4,383,000 for a needed bachelor enlisted quarters at Dam Neck, Va., and deferring $12,000,000 to commence the relocation of ammunition handling facilities from St. Juliens Creed to Yorktown, Va., pending further study of methods to accomplish a reduction in hazards without spending over $46 million as a result of this entire relocation.

At the Long Beach Naval Shipyard and at Naval Air Station, Miramar, in California, items deleted by the Senate were restored. Some $2,000,000 which the House had deleted to reduce the scope of the naval hospital, Bremerton, Wash., was restored because of serious concern by the Senate that this action would harm the project. However, the House will continue to scrutinize the scope of hospitals requested by the Navy and other services to attempt to eliminate overbuilding.

In Hawaii, a machine shop modernization added by the Senate at the Naval Shipyard, Pearl Harbor, and a fleet command center at the Naval Station, Pearl

Harbor, which had been deleted by the House were funded. The scope of the latter project is dependent upon the services following through the plans to centralize certain data processing functions at that location. For construction at the Trident support site, Bangor, Wash., the House had provided $109,967,000 and the Senate, $159,967,000. The conference allowance of $134,967,000 will provide ample funds to award all projects which should be awarded during fiscal year 1976. We are seriously concerned with technical problems with the drydock here and have asked the Navy to report back to the two Appropriations Committees on this project.

The Senate amendment No. 3 would have delayed construction of the second increment of the Uniformed Services University of the Health Sciences by 90 days. This would have caused serious disruptions in the schedule to establish this medical school. The House insisted that this amendment be deleted and the Senate receded.

For the Air Force, the conference agreement provides $550,644,000, which is $9,365,000 over the House bill and $3,056,000 under the Senate.

Among the significant actions taken were the restoration of a House cut of $2.2 million for the alteration of a systems management facility and the deletion of a $5,135,000 logistics management facility added by the Senate at Wright-Patterson Air Force Base, Ohio. Officers quarters at Webb Air Force Base, Tex., in support of training were restored. At Andrews Air Force Base, Md., airmen dormitories and some $600,000 of utilities required to support them were funded. At Langley Air Force Base, Va., ammunition storage facilities were deferred to allow the Air Force and Navy to carefully study the use of nearby Navy facilities at Yorktown. The Senate added $3 million funding for access roads and the House concluded these were needed.

For military construction, Defense agencies, the Senate concurred in the House allowance of $19,300,000 and deletion of the $20,000,000 authorized for the cleanup of Enewetak Atoll. This project was deferred until additional information on what is required is obtained and further study of alternative methods of meeting responsibilities to the people involved is conducted.

For military construction, Naval Reserve, the House cut of $1,565,000 was restored, but with the direction that the Navy present additional information on its plans for centralizing its reserve activities in New York State for the approval of the Committees on Appropriations of the Senate and House of Representatives.

Amendments 7 and 8 deal with Army family housing. In particular, the House receded from its action deleting $12,382,000 requested for 375 units of housing at Fort Stewart/Hunter Army Airfield, Ga. Later information indicates that if the Army is to locate a brigade and associated forces at Stewart/Hunter, the additional housing would be required.

We bring to the House today a bill which will make the services more attractive to military personnel and their families, and one which will improve their effectiveness in training programs. It will increase efficiency and produce overall savings through replacement of outmoded facilities which are costly to maintain.

In plain English, this is a good bill which the House can confidently support.

A table comparing new budget—obligational—authority recommended in the bill for fiscal year 1976 and the period ending September 30, 1976, with amounts approved for fiscal year 1975, budget requests for fiscal year 1976 and the transition period, and the respective recommendations contained in the House and Senate bills follow:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1976

Item	New budget (obligational) authority, fiscal year 1975 (enacted to date)	Budget estimates of new (obligational) authority, fiscal year 1976/Transition	New budget (obligational) authority recommended in the House bill	New budget (obligational) authority recommended in the Senate bill	New budget (obligational) authority recommended by conference action	Conference action compared with—			
						New budget (obligational) authority, fiscal year 1975 (enacted to date)	Budget estimates of new (obligational) authority, fiscal year 1976/Transition	New budget (obligational) authority recommended in the House bill	New budget (obligational) authority recommended in the Senate bill
Military construction, Army	$566,825,000	$957,900,000	$788,337,000	$812,942,000	790,025,000	+133,200,000	−167,875,000	+1,688,000	−22,917,000
Transition period		37,100,000	37,100,000	37,100,000	37,100,000				
Military construction, Navy	606,376,000	854,000,000	728,727,000	799,326,000	770,018,000	+163,462,000	−83,892,000	+41,291,000	−29,308,000
Transition period		17,200,000	17,200,000	17,200,000	17,200,000				
Military construction, Air Force	456,439,000	703,600,000	541,279,000	553,700,000	550,644,000	+94,205,000	−152,956,000	+9,365,000	−3,056,000
Transition period		14,000,000	14,000,000	14,000,000	14,000,000				
Military construction, Defense agencies	31,260,000	141,500,000	19,300,000	39,300,000	19,300,000	−11,960,000	−122,200,000		−20,000,000
Transition period		1,000,000	1,000,000	1,000,000	1,000,000				
Transfer, not to exceed	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)				
Transition period									
Military construction, Army National Guard	59,000,000	62,700,000	62,700,000	62,700,000	62,700,000	+3,700,000			
Transition period		1,500,000	1,500,000	1,500,000	1,500,000				
Military construction, Air National Guard	35,500,000	63,000,000	63,000,000	63,000,000	63,000,000	+27,500,000			
Transition period		1,000,000	1,000,000	1,000,000	1,000,000				
Military construction, Army Reserve	43,700,000	50,300,000	50,300,000	50,300,000	50,300,000	+6,600,000			
Transition period		2,500,000	2,500,000	2,500,000	2,500,000				
Military construction, Naval Reserve	22,135,000	36,400,000	34,835,000	36,400,000	36,400,000	+14,265,000		+1,565,000	
Transition period		400,000	400,000	400,000	400,000				
Military construction, Air Force Reserve	16,000,000	18,000,000	18,000,000	18,000,000	18,000,000	+2,000,000			
Transition period		1,000,000	1,000,000	10,000,000	100,000				
Total, military construction	1,927,235,000	2,887,400,000	2,306,478,000	2,435,668,000	2,360,387,000	+433,152,000	−527,013,000	+53,909,000	−75,281,000
Transition period		75,700,000	75,700,000	75,700,000	75,700,000				
Family housing, Defense	[1] 1,255,984,000	1,329,237,000	1,319,862,000	1,332,244,000	1,332,244,000	+76,260,000	+3,007,000	+12,382,000	
Transition period		316,639,000	310,639,000	310,639,000	310,639,000				
Portion applied to debt reduction	−103,430,000	−107,617,000	−107,617,000	−107,617,000	−107,617,000	−4,187,000			
Transition period		−27,239,000	−27,239,000	−27,239,000	−27,239,000				
Subtotal, family housing	1,152,554,000	1,221,620,000	1,212,245,000	1,224,627,000	1,224,627,000	+72,037,000	+3,007,000	+12,382,000	
Transition period		283,440,000	283,400,000	283,400,000	283,400,000				
Homeowners assistance fund, Defense	5,000,000					−5,000,000			
Transition period									
Grant total, new budget (obligational) authority	3,084,789,000	4,109,020,000	3,518,723,000	3,660,295,000	3,585,014,000	+500,225,000	−524,006,000	+66,291,000	−75,281,000
Transition period		359,100,000	359,100,000	359,100,000	359,100,000				

[1] Includes $10,194,000 appropriated in 2d Supplemental Appropriations Act, 1975 (Public Law 94-32).

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield to the distinguished gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

Mr. Speaker, the gentleman described the fact that the Soviet Union has some type of missile site somewhere over off the Indian Ocean, and then the gentleman said that we have no such site there.

We are not to imagine that Diego Garcia is to become a missile site, are we?

Mr. SIKES. It is not being built for a missile site. It is intended primarily as a communications station and a refueling base. We have no base facilities in that very large and important area.

The gentleman will recall that during the last war in the Mideast no one would sell us oil. We had to transport it all the way from the Philippines, 4,000 miles away.

In the case of an emergency there are important American interests in the Indian Ocean area and the Mideast which we should be in a position to protect. This would at least give us a needed communications facility and an adequate refueling station and naval facility.

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentleman for clarifying the fact at least that it will not be a missile site.

Mr. SIKES. We know that the Russians are moving forward throughout the world. They have access to a number of facilities in the area. We do not. We are simply trying to insure that we can protect our interests in the Indian Ocean area by being able to operate in the area.

Mr. JOHN L. BURTON. I just think it is an unwise expenditure of funds.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I thank the gentleman for yielding.

I am concerned about the Diego Garcia matter. I am concerned that we may be delaying too long.

I have supported the development of Diego Garcia.

In the opinion of the gentleman in the well, does the April 15 date cause any problems?

Mr. SIKES. Mr. Speaker, to answer the gentleman, I would prefer not to have any delay. We specifically allowed the Navy to go ahead with planning and long lead-time procurement. Before accepting a delay we discussed the matter in detail with Navy officials. The Navy says that it can live with this without a serious problem.

The Senate felt very strongly that there should be a waiting period in order to encourage negotiations for arms limitation in the area.

I think it is a vain hope, but we join in hoping for the best, and the Navy tells us that a limited delay in which planning and long lead-time procurement is permitted will not be a serious problem to them.

Mr. CHARLES H. WILSON of California. The gentleman will recall that just prior to the time this came up in the Senate and as the conference committee was meeting, there was a scare tactic thrown out insofar as former residents of Diego Garcia were concerned, who were relocated to their previous home. The implication was that they had been mistreated.

Did the record develop the fact that adequate money had been paid for the relocation of these people, and that if there was any misconduct, it was misconduct by their own country rather than by the United States or by Great Britain?

Mr. SIKES. The information that I have, if I may respond to the distinguished gentleman, is that there are no natives who were indigenous to the island. This is British territory on which we have a long-term use agreement. Natives had been brought to the island for contract work there. It was considered proper to make arrangements for them to be transferred to another area. Arrangements were made for them to be transported to Mauritius.

There have been complaints about the way the Mauritian Government has handled this problem, but that is not a matter for which either the United States or Great Britain can be blamed.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I thank the gentleman.

Mr. TALCOTT. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I will be happy to yield to my distinguished colleague, the gentleman from California (Mr. TALCOTT). He has rendered very valuable service and made excellent contributions to the work of the committee.

Mr. TALCOTT. Mr. Speaker, I thank the gentleman for yielding.

I think it should be worth noting that there really were no natives of Diego Garcia. They were contract laborers brought in to work in the copra fields, and due to a misrepresentation I believe there was talk about natives of Diego Garcia. Actually, there were none.

Mr. SIKES. The gentleman is correct.

Mr. PATTEN. Mr. Speaker, will the gentleman yield?

Mr. SIKES. Yes, I yield to my distinguished friend from New Jersey.

Mr. PATTEN. Mr. Speaker, I think another committee is looking into this, and there is no point in our discussing it further here.

Mr. SIKES. That is the way I understand it.

Mr. Speaker, the gentleman from New Jersey, the ranking member of the subcommittee more than anyone else, has been responsible for the committee's efforts to insure that we will continue to use existing military facilities wherever they may be so that we will have a military presence in all parts of the country with the least possible cost to the taxpayers.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I would like to address a question to the distinguished chairman, the gentleman from Florida (Mr. SIKES) regarding the Aberdeen Proving Grounds. Is my estimation correct that the conferees adopted the position of the other body and gave full funding at the $7 million level for the new animal experimental facilities at Aberdeen?

Mr. SIKES. That is correct.

Mr. BAUMAN. I thank the gentleman.

Mr. SIKES. I yield now such time as he may require to the distinguished ranking minority member who has been of great help in the work of the subcommittee and who also has been outstanding in insuring that the military will use facilities which they now have wherever it is possible to do so and to insure a military presence throughout the country.

Mr. McEWEN. Mr. Speaker, I thank the gentleman for yielding to me. At the outset may I say to the chairman and members of the committee that I deeply appreciate the excellent job that I feel was done in this conference. I say that as one who, because of some unknown virus that laid me low last week and confined me to my home, was not able to participate as in prior years in the conference with the Senate on our military construction appropriations.

May I say that the chairman, the gentleman from Florida (Mr. SIKES), in his usual fine manner has covered the important points of this conference report. I would say that the gentleman has emphasized some points here that I think, Mr. Speaker, should have been emphasized. He has also paid to the gentleman from New Jersey, the ranking majority member (Mr. PATTEN), the recognition that is well deserved. The gentleman from New Jersey has been diligent in his concern for the utilization of facilities that the Army now has, such as the great training facility at Fort Dix, N.J. I appreciate the emphasis that the chairman of the subcommittee has given to this and his statement that the military should be identified with all parts of the country.

Mr. Speaker, there are those of us who have expressed concern that the military may be injuring its own potential for performing its mission by removing itself from many areas of this country. So I would echo what the gentleman from Florida has said that the military look at the language contained in both the House and Senate reports and the conference report on this appropriations bill.

I, too, Mr. Speaker, would echo the expressions of appreciation by the chairman to the members of this committee who are a joy to work with, who are cooperative, who are concerned with the needs of our military. Just as we all need to have a home, so does the military both here and overseas. So as I say, I echo his feelings that this has been a fine committee to work with, with a small but very excellent and dedicated staff without whose assistance we would not have been able to bring this report to the Members.

At this point, Mr. Speaker, I would like to yield such time as he may consume to the gentleman from California (Mr. TALCOTT). In so doing may I say I am most appreciative for his handling of the conference which he attended in my absence, and I appreciate the gentleman's contributions very much.

Mr. TALCOTT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to say that there are really three points that are worth mentioning about this conference report. First, this was the first open conference between the House and Senate on an appropriation bill, and I think we got along very well. I recommended open conferences where there are no national security measures involved. Second, we came back with every point in agreement, with not even technical disagreements. I think this may be a first for a committee also.

We were able to maintain the House position, at least on all of the critical items, and this is a pretty good point.

I have only one reservation about the whole bill, and that is that sometimes I think that we do not provide enough maintenance for our huge military facilities, and deferred maintenance, so it may cost us more in the long run.

I was both honored and pleased to serve as a conferee on the part of the House on the bill H.R. 10029, military construction appropriations, 1976, for several reasons. The first, and most important reason was that we managed to hold the fiscal line, and we have a bill which is $524,006,000 under the budget. Anytime we can come to the floor with any bill which is more than half a billion dollars below the budget I consider it a victory for fiscal integrity.

For the first time in recent memory we were able to hold an open conference on this bill, with the exception of two classified items which had to be considered in executive session. I believe that the public interest is best served by open deliberations, particularly on appropriations matters. For that reason I firmly hope that ours will only be the first of a long series of open conferences.

Unfortunately, the distinguished gentleman from New York (Mr. McEwen), who has rendered great service and who has been most diligent as a member of our subcommittee, was unable to participate in the conference due to illness. I can assure you that we missed having the assistance of his vast knowledge of the military construction program, and his ability to negotiate reasonable compromise between the positions of the two Houses.

The conference report clearly shows that we reached reasonable compromise on virtually every item in the conference. I am pleased to report to the House that while the conference finally adopted a total $66,291,000 above the House bill, we were $75,281,000 below the Senate bill. On two particularly difficult issues, Diego Garcia and restoration of Eniwetok Atoll, we have returned with compromises which essentially uphold the House position.

The individual decisions of the committee on conference indicate that the Military Construction Appropriations Subcommittees of both Houses of the Congress are determined to adequately provide for the needs of our national defense, but that we are also going to take a close and careful look at all budget requests to make absolutely sure that they are justified during this budget period.

We decided to deny funds for the acquisition of the mineral rights of Fort Polk, La., because the conferees felt that there was insufficient justification available at the present time, and that a case has not been made for the need to acquire these rights. We have directed the Army to make a study of the necessity for acquiring these rights, and the valuation of the rights, and to report back to the Appropriations Committees.

At Fort Stewart-Hunter Army Airfield the conferees have provided necessary family housing, and required troop barrack spaces, but have denied tactical equipment shops and other requested facilities pending completion of a study of the stationing of a mechanized division minus one brigade at this location.

At Fort Benning, Ga., the conferees have provided funds requested for training ranges for advanced individual infantry training, but have denied funds for facilities for basic combat training. The conferees were in agreement that the Army has not yet justified the new concepts of one-station training, or one-station unit training, and that funding requests to implement this philosophy are premature. The conferees have directed that the Army make a full analysis of these concepts and report to the Congress prior to November 30, 1976, on their findings.

During the conference on this bill it was apparent that all conferees were deeply concerned that careful consideration must be given to full utilization of existing facilities. This Nation has made major capital investments in military installations in all parts of the country. In fact, the Department of Defense controls the greatest assemblage of prime capital investment in the world. I, and other Members of Congress, have often felt that the importance of proper management of this valuable resource is not fully appreciated within the Pentagon. It is often difficult to judge the effectiveness of military management policies because we lack the profit analysis used in the commercial world. However, commonsense indicates that our ability to properly manage the large, and still growing, investment in real estate and durable goods is dependent on the ability of the Pentagon to adapt new management methods and theories to the unique military mission in an ever-changing environment. I urge the Department of Defense to carefully examine current management policies, and to determine if there is opportunity for improvement through the adoption of new policies, the further education and training of officers who will be directly responsible for the proper management and utilization of defense resources, or through a reordering of priorities.

Many members of the conference were not pleased that, because overall reductions in defense spending have been mandated, it has become necessary to forego maintenance in order to meet operational needs. This policy has been dictated by circumstances beyond the control of Pentagon planners, but it will inevitably lead to increased costs for maintenance and repair in future years. Many buildings and facilities on military bases are now more than 30 years old. As required maintenance is deferred from year to year, those buildings and facilities are rapidly deteriorating. Within the next few years we will be forced to either spend substantial amounts to fully rehabilitate existing buildings and facilities, or to spend even more to replace them.

Our distinguished chairman, the gentleman from Florida, has detailed the agreements included in this conference report with his usual clarity, and there is no need to be redundant. However, I would like to take a moment or two and describe two particular decisions of the conference.

The first was our decision to strike the full $20,000,000 requested in the budget for restoration of Eniwetok Atoll in the Pacific. The committee on conference had received information that the full costs associated with cleaning the atoll of radioactive wastes would require stripping some 3-to-5 feet of soil from the top of the atoll, and disposing of it. Then new soil would have to be found, and brought in by barge to replace that contaminated by radioactivity. Despite the best efforts of the United States, it appears that the northern portion of the atoll may well remain uninhabitable for another 30 years. The eventual cost of this operation will probably near $50 million, or well over $100,000 for each and every individual now claiming to be an Eniwetokan. The conference felt that there was very little information available on which to justify expenditures of this magnitude, and that a full and thorough study is needed on the various alternatives before funds are made available for this project. We need much more accurate information concerning our obligations, if any, the prospective costs and the various options.

Our second decision concerned the Culver amendment added by the Senate which would have blocked any expenditure of funds in this bill for the Diego Garcia project before July 1, 1976. There was no dispute on the amount provided for the project, and that amount was not an item in conference.

The Senate conferees felt very strongly that the Culver amendment should be retained. They argued that both Houses of Congress should provide sufficient time for the governments of the United States and the Soviet Union to negotiate a mutual limitation on military forces in the Indian Ocean area. The House conferees agree that this is a highly laudable goal. but pointed out that the United States first proposed such a limitation in 1971. In 60 months the Soviet Union has not responded to that initiative by the United States, and there is little, if any, evidence that the Soviets have any current intention of negotiating such an agreement in the next 6 months. In any case, the House conferees agree that the goal of the Culver amendment is worth one last effort on the part of the United States. Therefore, we have agreed to limit expenditures before April 15, 1976, to those funds necessary to provide an aircraft arresting system for the airfield on Diego Garcia. This safety feature is required at once because that is the only available alternate landing field for American aircraft operating in the Indian Ocean area. The conferees have also agreed to give the Navy authority to proceed with the acquisition of long leadtime items by utilization of prior year funding.

This conference report is the result of 2 arduous days of negotiations, and I believe that it represents the best available compromise between the versions of the bill agreed to by the House and the other body. I thank our distinguished chairman, and the other House conferees, who did an excellent job in fighting to maintain the House position. The Department of Defense has a mission which is greater in scope, more difficult in execution, more complicated in planning, more subject to change and surprise than any other government or business, and has more people telling it what to do.

So we have a difficult bill. We have to be concerned for the taxpayers, careful with our national defense, and considerate of military personnel. I believe the conference report is well founded. Mr. Speaker, I urge the adoption of the conference report.

Mr. McEWEN. Mr. Speaker, I yield back the remainder of my time.

Mr. SIKES. Mr. Speaker, I yield such time as he may require to the distinguished gentleman from Oklahoma (Mr. STEED) who has come to the committee this year for the first time. The committee has been very proud to welcome him, and we do appreciate his excellent contribution.

Mr. STEED. Mr. Speaker, I think that the committee has brought forth a very creditable bill, one entitled to the support of all of the Members.

I just want to make one remark. I think that for those who have the feeling that some of the standing military forces of the Nation have been cut down, I believe they will get some comfort from the fact that this bill especially takes good care of the National Guard and the Reserve forces. I personally am very pleased that we have seen fit to give them the attention and the help that this bill provides for them.

Mr. SIKES. Mr. Speaker, I yield such time as he may require to the distinguished gentleman from New Jersey (Mr. PATTEN).

Mr. PATTEN. Mr. Speaker, I will never cease to wonder at the stature of the great Representatives we get from the State of Oklahoma.

Mrs. MINK. Mr. Speaker, I wish to take this opportunity to thank the honorable chairman of the House Appropriations Subcommittee on Military Construction and members of the House conference committee for adding their support and concurrence on an amendment to the military construction appropriation bill which adds funding for a major renovation project at Pearl Harbor. The inclusion of $3.356 million to the bill to fund modernization of the Pearl Harbor machine shop will now enable the implementation of this vitally important project.

As this honorable body may recall, I first brought this important and long delayed project to the attention of my colleagues on October 8 in our debate on the military construction legislation. It was my intention to offer an amendment which would have added this amount of $3.356 million to the bill. However, during the discussion on the floor of this House, I received assurances from the honorable chairman of the Military Construction Appropriations Subcommittee that the project would receive consideration when the bill was discussed in conference committee with the Senate. I am very grateful for the inclusion of the required amounts in this report.

Mr. Speaker, as I have previously stated in past discussions of this issue, the Pearl Harbor Naval Shipyard in 1962 proposed modernization of the machine shop as part of the Navy's shipyard improvement program. The need at that time was to replace World War II vintage equipment and to rearrange and consolidate the shop along more functional lines to increase productivity and reduce costs.

The Navy's projections indicate that were the modernization program to be delayed until the fiscal year 1977, the cost for this project would climb to $5.117 million. The inclusion of the full authorized amount as contained in the conference report would mean a savings of more than 50 percent.

It is not only a matter of the tremendous savings which has concerned me, but the urgency for initiation and completion of this project. The overhaul and repair necessary for complex surface ships and submarines require modern facilities essential for work on mechanical components. The work carried on in the machine shops accounts for approximately 30 percent of the required work for ship overhaul. The capability to perform these functions and the requirements of modern, complex surface ships and submarines overtax the facilities now available.

Because of its strategic location, Pearl Harbor must have the capability to develop its readiness to the maximum. The nearest facility with this machine specialized component is otherwise more than 2,000 miles away.

May I again thank the chairman and members of the House conference committee for including the $3.356 million as part of the Navy construction program in the conference report on H.R. 10029. The action of the House conferees is certainly appreciated, and will certainly be applauded by my constituency in Hawaii and the U.S. Navy.

Mr. SIKES. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. STEIGER of Wisconsin. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 349, nays 59, not voting 25, as follows:

[Roll No. 713]

YEAS—349

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Blanchard
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fuqua
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Harsha
Hastings
Hawkins
Hays, Ohio
Hébert
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madigan
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Mikva
Milford
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rostenkowski
Roush
Rousselot
Runnels
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Stephens
Stokes
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik

Vigorito
Waggonner
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—59

Abzug
AuCoin
Badillo
Bedell
Biester
Bingham
Blouin
Bonker
Brodhead
Burke, Calif.
Burton, John
Burton, Phillip
Carr
Chisholm
Conyers
Crane
Dellums
Drinan
Early
Edgar
Edwards, Calif.
Frenzel
Goodling
Harkin
Harrington
Hechler, W. Va.
Heckler, Mass.
Holtzman
Jacobs
Kastenmeier
Maguire
Mezvinsky
Miller, Calif.
Mitchell, Md.
Moffett
Mottl
Nolan
Obey
Ottinger
Pressler
Rangel
Rees
Richmond
Riegle
Rosenthal
Roybal
Ruppe
Ryan
Scheuer
Schneebeli
Schroeder
Seiberling
Solarz
Stark
Steiger, Wis.
Studds
Udall
Wirth
Young, Ga.

NOT VOTING—25

Andrews, N. Dak.
Burke, Fla.
Conable
Dent
Fary
Fraser
Frey
Gaydos
Gibbons
Hayes, Ind.
Hillis
Hinshaw
Holland
Jones, Ala.
Leggett
Madden
Mathis
Melcher
Mosher
Passman
Rhodes
Rose
Stanton, J. William
Vander Jagt
Weaver

The Clerk announced the following pairs:

Mr. Dent with Mr. Frey.

Mr. Passman with Mr. Andrews of North Dakota.

Mr. Leggett with Mr. Madden.

Mr. Mathis with Mr. Hillis.

Mr. Melcher wiht Mr. Burke of Florida.

Mr. Gaydos with Mr. J. William Stanton.

Mr. Gibbons with Mr. Vander Jagt.

Mr. Rose with Mr. Conable.

Mr. Fraser with Mr. Hinshaw.

Mr. Hayes of Indiana wth Mr. Jones of Alabama.

Mr. Fary with Mr. Weaver.

Messrs. RIEGLE, RICHMOND and MILLER of California changed their vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SIKES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the matters discussed in connection with the conference report on the military construction bill, and to include certain statistical facts.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

FOURTH ANNUAL REPORT ON HEALTH ACTIVITIES, FEDERAL COAL MINE HEALTH AND SAFETY ACT OF 1969—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

I am pleased to submit to you the Fourth Annual Report on Health Activities covered by the Federal Coal Mine Health and Safety Act of 1969, Public Law 91–173.

The report is a compendium of coal mine health research, medical examinations of coal miners, and other activities of 1973. It covers the implementation of the coal mine health programs carried out by the National Institute for Occupational Safety and Health of the Department of Health, Education, and Welfare.

It is encouraging to note that, in 1973, the Department published the final results of the first round of medical examinations of coal workers as required in the act, and that the Department's coal mine health research program continued to move significantly toward its goal of preventing the development and progression of coal workers' pneumoconiosis.

I commend this report to your attention.

GERALD R. FORD.

THE WHITE HOUSE, *November 18, 1975.*

SIX NEW PROPOSED RESCISSIONS AND THREE NEW DEFERRALS UNDER CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 94–309)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose six new rescissions totaling $1,289.1 million in budget authority. In addition, I am reporting three new deferrals totaling $15.2 million in budget authority and two supplementary reports to deferrals previously transmitted that increase the amount deferred by $4 million.

The six proposed rescissions are for education programs of the Department of Health, Education, and Welfare. The rescissions would reduce Federal spending for programs that are responsibilities of State and local jurisdictions, fail to effectively focus on the persons in need of assistance, or are not justifiable on programmatic grounds.

Approval of the rescissions will reduce spending by $182 million this year, by $61 million in the transition quarter, by $839 million in 1977, and by $208 million in later years. I reiterate my firm belief that the American people want to avoid excessive Federal spending. Agreement by the Congress with these rescission proposals is an important step in avoiding unnecessary increases in Federal expenditures.

The deferrals reported are all routine in nature. Two of the deferrals are for programs of the Department of Health, Education, and Welfare. Another deferral is for a program of the Department of State. Two more deferrals concern administration of the general revenue sharing program in the Department of the Treasury.

The details of each rescission proposal and deferral are contained in the attached reports.

GERALD R. FORD.

THE WHITE HOUSE, *November 18, 1975.*

CONFERENCE REPORT ON S. 1517, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEAR 1976

Mr. HAYS of Ohio. Mr. Speaker, I call up the conference report on the Senate bill (S. 1517) to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of November 13, 1975.)

Mr. HAYS of Ohio (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with, as I intend to explain the report.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. The gentleman from Ohio (Mr. HAYS) is recognized.

Mr. HAYS of Ohio. Mr. Speaker and Members of the House, I want to begin by telling a little story about one of my favorite characters in English history, who was the 8th Duke of Devonshire. He was one of Queen Victoria's principal ministers. He was also the richest man in England, and he did not like politics, he did not like public service, but he felt that because of his wealth and his prestige and his title he owed it to the country to serve, which he did. One day he was presenting the budget in the House of Lords, and most everybody was asleep—contrary to what usually is the case in this Chamber, where everybody is talking—and he stopped right in the middle of his budget report and said, "Damn dull."

Mr. Speaker, that may be the case with what I am going to present to the Members, which is the conference report on the State Department authorization. It is a little dull, and so consequently I am going to try to keep it brief and to the point and explain only the bare essentials. If the Members have any questions, I will try to answer them.

Mr. Speaker, the conference report on S. 1517 authorizes appropriations for the fiscal year 1976 for the Department of State, the foreign buildings program, and the Arms Control and Disarmament Agency.

The conference report also contains an authorization involving fiscal year 1975 foreign building funds which relates to an exchange of property in Egypt.

As the Members may recall, the House approved each of these authorizations in four separate bills earlier this year.

The Senate, instead of taking up the House-passed bills, decided to pass its own omnibus bill containing comparable authorizations—but also adding funds for the U.S. Information Agency, for which Agency the House has not authorized fiscal year 1976 funds to date.

In order to go to conference with the Senate, the House had to take up the Senate bill, strike out all of its language, and substitute the texts of the House-approved bills. The conference report on S. 1517 is a reconciliation of some 39 differences between the Senate bill and the House amendment.

I would like to explain briefly how the principal differences were resolved.

First, with respect to budget differences, the Senate bill authorized $1,201,485,000 in appropriations for the fiscal year 1976, while the amount authorized in the House amendment was 905,090,000.

The conferees agreed to a total of $869,931.

This reduction in both authorizations resulted largely from the deletion of certain items from the conference report. The Senate authorization of $274,014,000 for the USIA was deleted without prejudice in order to give the House the opportunity to act on the authorization in separate legislation. The conferees also deleted the Senate's authorization of $65,640,000 for the Board for International Broadcasting since an identical authorization has been enacted in separate legislation.

The remainder of the reductions reflected in the conference substitute resulted from compromise totals for the following categories: administration of foreign affairs; U.S. contributions to international organizations; and educational exchange programs.

With respect to fiscal year 1977 authorizations, the House amendment contained authorizations of $20 million for the U.N. University Endowment Fund, $55,060,000 for Foreign Service Buildings, and $11,950,000 for the Arms Control and Disarmament Agency. The Senate bill did not contain comparable authorizations. The Senate receded to the House position.

The only changes in these authorizations made by the conferees apply to the contribution to the U.N. University and to the total amount authorized for the Arms Control and Disarmament Agency.

The authorized contribution to the U.N. University was reduced to $10 million and the fiscal year 1977 ACDA authorization was lowered to $11,310,000. The latter reduction came about because the House figure included $640,000 for legally mandated pay and benefit increases. The conferees reduced the authorization by that amount, but authorized the additional appropriation of "such sums as may be necessary" for these purposes.

Mr. Speaker, the Senate bill contained a number of policy provisions which the House conferees did not believe to be germane to this legislation—and—at our insistence—these provisions were not included in the conference report.

The conference report does, however, contain several important policy provisions which are germane. I would like to briefly explain these provisions:

With regard to the Arms Control and Disarmament Agency, the conference report contains provisions which will strengthen the Agency's effectiveness in the field of arms control. The provisions also expand Congress access to information concerning the impact of proposed weapons programs on arms control policies. For the most part, these provisions were contained in the House amendment and accepted by the Senate conferees.

The Senate bill provided for the establishment of a grievance procedure for officers and employees of the Foreign Service. The House amendment did not include a comparable provision. The House conferees agreed to a modified version of the Senate provision which embodies a procedure recently agreed to by negotiators from the Department of State and the American Foreign Service Association.

The Senate bill earmarked $1 million for the establishment by the U.S. Passport Office of the proposed travel document and issuance system. The House amendment prohibited the use of funds for this purpose. The conference report retains the House prohibition while making available not more than $100,000 for the preparation of a report to Congress on the desirability and cost implications of such a system.

The Senate bill also authorized the completion of the U.S. 1974 contribution to UNESCO. However, the House conferees insisted that this provision be dropped since there has been no indication that UNESCO has stopped its discriminatory political activities.

Finally, the conference report contains two additional provisions which I would like to highlight.

First, it prohibits the appointment of ambassadors based primarily on financial contributions to political campaigns.

Second, the report provides for the establishment of an emergency refugee migration assistance fund with a ceiling of $25 million.

Mr. Speaker, those are the major budgetary and policy provisions of the conference report.

The conferees worked very diligently to achieve this agreement. I am convinced that it represents good and necessary legislation. I urge its adoption.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report. I think the gentleman from Ohio (Mr. HAYS) has very ably described the scope of the bill. We feel that the conferees on both sides have worked out a good bill, and in my opinion the conference report should be supported.

Mr. HAYS of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I join with my distinguished colleague from Ohio (Mr. HAYS) in urging adoption of the conference report on the Foreign Relations Authorization Act for fiscal year 1976.

As already noted, this was a somewhat unique conference effort in the sense that the Senate combined in one bill what the House had considered in three separate bills. Given that complicating factor, it was therefore a challenge for the House conferees to uphold the best interests of this body. I believe we more than met that challenge.

The portion of the conference report to which I address myself is part 2 of title I dealing with the Arms Control and Disarmament Agency.

You will recall, Mr. Speaker, that the House originally passed the 1976–77 ACDA authorization legislation in the form of H.R. 7567 on July 9, by the resounding vote of 382 to 28. The strength of that vote was a decisive influence in the outcome of the conference.

Thus, while this conference report represents a sound compromise between the differing versions passed by each body, I am pleased to say that the House language prevailed in a large measure. I therefore recommend the compromise version with a certain pride and satisfaction. The strong will of the House, as expressed in the decisive vote of 382 to 28 on July 9, has been preserved and protected.

As considered and passed by the House, H.R. 7567 had two basic objectives. First, it was intended to enhance the role of the Arms Control and Disarmament Agency in more effectively implementing U.S. arms control policies. Second, it was also intended to strengthen the capability of Congress to get information on the impact of proposed weapons systems on those arms control policies. Both of those objectives are preserved by the conference report. Indeed, they are strengthened.

Particularly crucial in this connection is the language on page 4 of the report dealing with the "arms control and disarmament impact statement." What the conference committee achieved here was an appropriate compromise which, in effect, combined the key elements of both bills.

As originally passed by the House, the impact statement requirement applied to "any program of research, development, testing, engineering, construction, deployment or modernization with respect to armaments, ammunition, implements of war, or military facilities." Basically, what the Senate did was to apply that requirement only to nuclear-related developments.

The compromise devised by the conferees was, as I said earlier, the appropriate one of simply combining both versions. Thus, the end product is assuredly one that upholds not only the interests of the House as embodied by H.R. 7567 but also incorporates the Senate position. It is in short, completely worthy of full support. I therefore urge my colleagues to adopt the conference report.

Mr. FOUNTAIN. Mr. Speaker, although I signed the conference report on S. 1517, the Foreign Relations Authorization Act for fiscal year 1976, and support its adoption, I would like to state for the Record my opposition to section 205 of the report which relates to the U.S. contribution to the United Nations University Endowment Fund.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HAYS of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members

The vote was taken by electronic device, and there were—yeas 358, nays 52, not voting 23, as follows:

[Roll No. 714]

YEAS—358

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Armstrong
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fuqua
Giaimo
Gilman
Goldwater
Gonzalez
Gradison
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hightower
Holtzman
Horton
Howard
Howe
Hubbard
Hungate
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—52

Abdnor
Alexander
Archer
Ashbrook
Bafalis
Bauman
Brinkley
Brodhead
Byron
Collins, Tex.
Conlan
Crane
Devine
Dickinson
Florio
Frenzel
Ginn
Goodling
Grassley
Hammerschmidt
Hefner
Hillis
Holt
Hughes
Hutchinson
Ichord
Jones, Okla.
Kelly
Kemp
Ketchum
Kindness
Latta
Lott
McDonald
Martin
Moore
Moorhead, Calif.
Myers, Ind.
Pressler
Rousselot
Satterfield
Schroeder
Schulze
Shuster
Snyder
Spence
Steiger, Ariz.
Symms
Taylor, Mo.
Wilson, Bob
Young, Alaska
Young, Fla.

NOT VOTING—23

Andrews, N. Dak.
Burke, Fla.
Conable
Dent
Fary
Fraser
Frey
Gaydos
Gibbons
Hébert
Hinshaw
Holland
Jones, Ala.
Mathis
Melcher
Mosher
Passman
Patman, Tex.
Skubitz
Stephens
Treen
Vander Jagt
Wilson, C. H.

The Clerk announced the following pairs:

Mr. Dent with Mr. Fary.

Mr. Hébert with Mr. Burke of Florida.

Mr. Passman with Mr. Stephens.

Mr. Patman with Mr. Holland.

Mr. Charles H. Wilson of California with Mr. Conable.

Mr. Melcher with Mr. Treen.

Mr. Mathis with Mr. Fraser.

Mr. Gaydos with Mr. Frey.

Mr. Gibbons with Mr. Skubitz.

Mr. Jones of Alabama with Mr. Vander Jagt.

Messrs. GINN, KETCHUM, ABDNOR, ASHBROOK, HEFNER, TAYLOR of Missouri, KEMP, DEVINE, MYERS of Indiana, and HILLIS changed their vote from "yea" to "nay."

Mr. BOLAND changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the Senate bill S. 1517 just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EDUCATION OF HANDICAPPED CHILDREN

Mr. BRADEMAS. Mr. Speaker, I move to suspend the rules and agree to the conference report on the bill (S. 6) to insure the right to an education for all handicapped children and to provide financial assistance to the States for such purpose.

The Clerk read the title of the conference report.

The SPEAKER. Is a second demanded?

Mr. QUIE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

(For conference report and statement see proceedings of the House of November 14, 1975.)

The SPEAKER. The gentleman from Indiana (Mr. Brademas) will be recognized for 20 minutes and the gentleman from Minnesota (Mr. Quie) will be recognized for 20 minutes. The Chair now recognizes the gentleman from Indiana (Mr. Brademas).

Mr. BRADEMAS. Mr. Speaker, I move to suspend the rules and agree to the conference report on the bill S. 6, the education of all handicapped children.

Mr. Speaker, I am delighted to report to this body that after extensive negotiations between the Committee on Labor and Public Welfare of the other body and the Committee on Education and Labor on S. 6, the education of all handicapped children bill, we have reached a consensus which is embodied in the conference report now before this body.

Mr. Speaker, first of all let me express appreciation for the efforts of the Members of the committee who have worked and cooperated in bringing this matter to a successful resolution.

In particular, Mr. Speaker, I would like to thank the distinguished chairman of the Education and Labor Committee, the gentleman from Kentucky (Mr. Perkins), and the distinguished ranking minority member of the Education and Labor Committee (Mr. Quie), for their important contribution to this bill.

Let me also say a word of particular appreciation for the gentleman from California (Mr. George Miller), the gentleman from Florida (Mr. Lehman), and the gentleman from Vermont (Mr. JEFFORDS), who were responsible for some of the most innovative aspects of the bill.

Mr. Speaker, indeed, let me thank all the members of the subcommittee from both sides of the aisle who worked so hard and long on this historic legislation.

Mr. Speaker, I would be remiss if I did not also thank the Members from the other body for their contributions: The major sponsor of the bill there, the chairman of the Labor and Public Welfare Committee, the junior Senator from New Jersey, Mr. WILLIAMS; the senior Senator from West Virginia, Mr. RANDOLPH, and the senior Senator from Vermont, Mr. STAFFORD.

Mr. Speaker, let me make these observations.

The bill before us is similar in most respects to the bill that passed the House on July 21. The House bill was ordered reported by the Subcommittee on Select Education, which I have the honor to chair, by a unanimous bipartisan vote. Further, the bill was reported from the Education and Labor Committee by a vote of 37 ayes and no nays.

Mr. Speaker, the House thereafter passed the bill by an overwhelming margin of 375 to 44.

The conference report extends for 2 additional fiscal years, 1976 and 1977, the entitlement formula commonly referred to as the Mathias amendment for providing Federal funds for the education of handicapped children.

This provision, which was contained in the House bill, was incorporated in the Education Amendments of 1974 and was used as a means of allocating funds for fiscal year 1975.

Full appropriations under this formula would be approximately $680,000,000 annually. The conferees, however, have placed a limit on appropriations for the Mathias amendment formula for the fiscal year 1976 of $100,000,000 and, for fiscal year 1977, $200,000,000.

Beginning in fiscal year 1978, the conference bill establishes a new formula for distribution of Federal funds for the education of handicapped children.

The new formula agreed to is similar to that passed by the House.

The new formula would provide for funding of part B—which provides assistance to States for education of handicapped children—of the present Education of the Handicapped Act by which new formula the Federal Government makes a commitment to pay a gradually increasing percentage of the national average expenditure per pupil times the number of handicapped children receiving special education and related services.

The percentage escalates on a yearly basis until 1982 when it becomes a permanent 40 percent for that year and subsequent years.

In fiscal year 1978, the percentage will be 5 percent; in fiscal year 1979, the percentage will be 10 percent; in fiscal year 1980, the percentage will be 20 percent; and in fiscal year 1981, the percentage will be 30 percent.

Mr. Speaker, under the bill before us today, the moneys received under part B must be spent first on providing a free appropriate public education for handicapped children who are now being served and second, on more adequately serving those children who are severely handicapped. These provisions are identical to the provisions found in the House bill.

In addition, the conferees accepted the House provision which directs that Federal moneys must be spent only on those "excess cost" factors attendant to the high cost of educating handicapped children. Before State and local educational agencies can receive Federal funds, they must first spend as much on their handicapped children as they spend on their nonhandicapped children.

Mr. Speaker, this new formula will serve as an incentive mechanism to channel Federal funds to States and local schools based on the number of handicapped children being served. The Federal share of the cost of educating handicapped children will rise gradually and by 1982 be approximately 20 percent of the overall cost of such education.

The conferees have adopted this gradual increase in expenditures due to many factors including both the budget restraints with which Congress must be concerned and the need to provide an orderly growth for the program. The overall cost of the conference bill is, therefore, less than the amount approved by either the House or the Senate.

Mr. Speaker, another aspect of the conferees' effort to change the program gradually is the provision in the bill that the present program would be extended for the next few years without change, but in fiscal year 1978, Federal funds would be divided, 50 percent to the States and 50 percent to the local school systems. Thereafter, 75 percent of the funds would be expended by the local school systems with the remaining 25 percent spent by the States, for administrative costs, technical assistance, and supportive services. However, where local schools are unable to or unwilling to provide a handicapped education program, the States are allowed to finance such education programs directly. I should point out that under existing law, all Federal moneys for handicapped education flow only to the States.

Mr. Speaker, I should also note that under the conference report, a State will receive no less money than it received during the fiscal year 1977, the last year of the present formula.

Mr. Speaker, I would also like to point out that the conferees accepted the House provision which was addressed to the potential problem of "overcounting" children as handicapped in order to generate the largest possible Federal allocation. The measure before us prohibits counting more than 12 percent of the school age population 5 to 17 as handicapped.

The bill also puts a limitation on the number of children to be considered as coming under the heading of "specific learning disability." The conference adopted the House provision which allows no more than 2 percent of the handicapped population to be considered as "specific learning disabled." This 2 percent cap will remain effective until the Commissioner of Education prescribes final regulations which establish diagnostic procedures to determine if the child is "learning disabled."

Mr. Speaker, the conference bill, as did the House version, requires the development of an individualized written education program for every handicapped child served, to be designed initially in consultation with parents or guardian, and to be reviewed and revised as necessary at least annually.

The conferees accepted the Senate provision which provides that by September 1, 1978, all handicapped children 3 to 18 years of age must be receiving a free appropriate public education; and that by September 1, 1980, all handicapped children between 3 to 21 years of age must be given a free public education. The House had originally called for this provision by September 1, 1978.

Mr. Speaker, a most significant provision, authored by Senator KENNEDY of Massachusetts, has been accepted by the House from the Senate bill which provides incentive grants to States of $300 for each handicapped child being served between the ages of 3 and 5.

The bill states that each State and local education agency must establish and maintain procedures for parents and guardians to examine all relevant records with respect to identification, evaluation and educational placement of the child and must give prior notice to parents whenever the agency plans to initiate or change any educational action on the child.

Mr. Speaker, the bill also provides for an impartial due process hearing to be conducted by the State and local education agency. This provision is similar to that adopted earlier by the House.

The bill further requires that the Commissioner of Education conduct directly or by grant or contract investigations and evaluations to assure effective implementation of the program including the collection of data on the number of handicapped children by type of handicap in each State who need special education; expenditures for special education by the State, local, and Federal level; and the number of handicapped children moved from a regular classroom environment.

Mr. Speaker, I urge Members of the House to give their strong support to the education of all handicapped children bill.

This measure is necessary, Mr. Speaker, if we are to insure that all children in the United States receive the free education to which they are entitled. The need for this bill arises from a set of grim and depressing facts:

There are over 8 million handicapped children in the United States; yet only 3.9 million are currently receiving an appropriate education; 1.75 million handicapped youngsters are receiving no aid at all; and 2.5 million children are receiving inadequate education.

In short, Mr. Speaker, over 50 percent of the handicapped children in this Nation are being denied the educational opportunity which can help some of them become self-sufficient adults.

Mr. Speaker, today we can make a significant commitment to the over 8 million handicapped children of this Nation.

It is a commitment that is long overdue, for our educational system completely excludes 1.75 million of these handicapped children and provides inadequate educational services to over half the total population of handicapped children. This is a waste of one of our most valuable resources, our young people and the potential they possess to become contributing and self-sufficient members of this society.

Mr. Speaker, for the past 3 years the Subcommittee on Select Education, which I have the honor to chair, has been engaged in a variety of oversight and evaluation activities which directly relate to the education of the handicapped. We found over these 3 years a need for comprehensive legislation that at least four major developments have generated.

First, there have been landmark judicial decisions in which the courts have recognized the rights of each handicapped child to have a free appropriate public education. Thus far there have been some 46 court cases regarding the right to an education for each handicapped child.

Second, State legislatures have passed new laws to guarantee each handicapped child within their States the right to a free public appropriate education.

Third, the lack of fiscal resources on the part of the States has either postponed or prevented implementation of such court decisions and State statutes.

And fourth, increased awareness of the educational needs of handicapped children and the continuous development of identification and programing techniques have dramatized the importance of educating handicapped children in this country.

All of these developments pose a challenge to the Federal Government to expand its role in the education of the handicapped if this Nation is to make substantial progress in providing full educational opportunities for the handicapped children of our land.

Mr. Speaker, in conclusion, let me once more remind Members that the measure before us has enjoyed overwhelming bipartisan support in both the House and Senate during consideration of the legislation earlier this year. I hope that there will be equally strong support on both sides of the aisle in the conference report before us.

Mr. PERKINS. Mr. Speaker, the conference report before us is a much needed measure for it will have the Federal Government assume a much greater responsibility in the education of many children who have in the past been neglected or overlooked. I speak of children suffering physical and mental handicaps.

Since 1965, there has been a gradual increase in Federal financial aid to assist in the education of children who are deaf or blind or handicapped by other physical and mental impairments. But in comparison to the need, these Federal efforts at best can be described as modest.

During this same period of time court decisions in increasing numbers are requiring full educational opportunity for all handicapped children and this has created enormous financial burdens for already overburdened local and state educational resources.

The time has come for the Federal Government to shoulder a proportionate share of these costs and the conference report before us provides for that sharing in a responsible and meaningful fashion.

At the outset, Mr. Speaker, I want to compliment the distinguished chairman of our Subcommittee on Select Education, Representative JOHN BRADEMAS. The legislation before us culminates many years of hard work and it is largely because of his determination and effective leadership that we are presenting to the House a bill which all Members can support.

I would be remiss if I did not mention also the great contribution of the ranking minority member of the Committee, AL QUIE, and the work of GEORGE MILLER of California and BILL LEHMAN who were responsible for some of the most innovative aspects of the bill dealing with procedural safeguards and learning disabilities and Mr. Speaker, to all the members of the subcommittee from both sides of the aisle who worked so hard and long on this comprehensive legislation.

Mr. Speaker, Members should understand that while this legislation will place the Federal Government in a more active role of financing the education of handicapped children, it does so in gradual fashion and in a manner which can only be described as fiscally responsible. We are considering this conference report under suspension of the rules because of our agreement in conference which provides maximum authorizations more stringent than was the case in either the original Senate bill or the House amendment.

Let me cite one example to illustrate. Both the Senate bill and the House amendment contain maximum authorizations for the current fiscal year of $660,000,000. The conference report before us places a $100,000,000 ceiling on the amount which can be appropriated for this fiscal year.

I would add at this point, Mr. Speaker, that because of this, the conference report conforms to the budget resolution. In subsequent fiscal years, the authorizations are again limited to amounts below what had been authorized in either the original Senate bill or the House amendment.

Mr. Speaker, in our conference proceedings, there were many issues to be dealt with other than authorizations. One particularly difficult issue related to the difference in the Senate bill and the House amendment with respect to the flow of Federal moneys. Under the Senate bill, states were entitled an allocation whereas in the House amendment, entitlements were authorized for local educational agencies.

Our compromise is very much a compromise on this issue with the State beginning in fiscal year 1979 authorized to receive 25 percent of the allocation and with local school districts entitled to the remaining 75 percent. This split in the allocation does not occur until fiscal year 1979, in order to allow States flexibility so that Federal funds can and will be concentrated in those areas where, because of poor economic conditions, local school systems are not able to provide handicapped children with an appropriate education.

First priority for spending under the legislation is to provide services for handicapped children who are not now being served. The flexible approach in the conference report with respect to the current fiscal year, fiscal year 1977 and fiscal year 1978 will allow for the concentrations of moneys so that this priority can be met.

The conference report retains a provision from the original Senate bill which precludes Federal moneys going directly to a local school district unless a district is entitled to $7,500 or more. I find this provision somewhat troublesome particularly when it is considered in connection with the rather severe restrictions we have placed on the availability of Federal moneys. It should create no problem in the 1980's when there are ample authorizations. However, in the intervening couple of years, it will undoubtedly mean that many local school districts will be denied direct Federal financing because of the $7,500 limitation.

Accordingly, I wish to emphasize another provision in the conference report which requires that the State educational agency utilize funds which revert to the State because of the $7,500 limitation on handicapped children residing in the area of that local school district.

I wish to make it clear that there is no intention that the benefits of this program be denied handicapped children in any local school district because of the $7,500 limitation. That limitation only affects the flow of money. It does not affect the extension of benefits.

The conference report provides great flexibility in how benefits are to be accorded handicapped children in this situation—and it may very well be and should be that the State will simply return to the local school district Federal moneys which would have been available to it except for the $7,500 limitation.

The most important point to be made which I will again repeat is that while the flow of money may be altered, there is no intention that there be any disruption in providing the benefits of this act to handicapped children in any local school district despite the size of its entitlement.

Mr. Speaker, finally there are a number of procedural safeguards in this legislation which are designed to further the congressional goal of insuring a full educational opportunity for all handicapped children. It was my desire to establish these procedures and safeguards without overburdening local school districts and State educational agencies. I think we have been able to do this.

I believe that the conference report quite properly recognizes the rights of handicapped children and their parents while at the same time insures that these rights will be respected without demanding unnecessary and time-consuming action on the part of our local schools.

Mr. Speaker, this is an excellent bill, and I urge every Member of the House to support it.

Mr. Speaker, at this point I would like to insert a chart showing the authorizations in the respective versions of S. 6:

COMPARISON OF ESTIMATED MAXIMUM AUTHORIZATIONS FOR PT. B OF THE EDUCATION OF THE HANDICAPPED ACT IN RESPECTIVE VERSIONS OF S. 6

Fiscal year	Appropriations	Estimated maximum authorizations Senate bill	Estimated maximum authorizations House amendment	Conference agreement
1. Basic program:				
1976	$100,000,000	$666,000,000	$666,000,000	[1] $100,000,000
1977	[2] 110,000,000	1,172,000,000	666,000,000	[1] 200,000,000
1978		1,810,000,000	3,800,000,000	[3] 378,000,000
1979		2,129,000,000	3,800,000,000	[3] 775,000,000
1980			3,800,000,000	[3] 1,200,000,000
1891			3,800,000,000	[3] 2,320,000,000
1982 (and subsequent years)			3,800,000,000	[3] 3,160,000,000
2. Incentive grant program for preschool children aged 3 to 5: 1978 and subsequent fiscal years)				[4] 200,000,000

[1] Dollar ceiling.

[2] Advance funding.

[3] Estimated maximum authorizations resulting from formula under which there is gradually escalating percentage of the national average expenditure per public school child times the number of handicapped children being served. Following is the scale of percentages: Fiscal year 1978, 5 percent; fiscal year 1979, 10 percent; fiscal year 1980, 20 percent; fiscal year 1981, 30 percent; fiscal year 1982, 40 percent.

[4] Maximum estimated authorization based on number of preschool children aged 3 to 5 being served times a maximum of $300.

Mr. BRADEMAS. Mr. Speaker, I reserve the balance of my time.

Mr. QUIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this conference report carries practically everything of merit that was in the House bill. I do not know when I have been in a conference where the House was able to hold as much of its bill intact as it did in this conference. I say that we had a superior piece of legislation and one which is recognized as one that will go a long way to help alleviate the problem that presently exists for many handicapped children who do not receive special education.

We have placed in this legislation, a provision which was in the House bill, that by September 30, 1978, all handicapped children 5 years of age and over shall be served within the States. By 1980, the preschool age children who can benefit from special education shall be served as well.

Not only have we guaranteed them a right to an education, but I think we have written adequate provisions which will protect those rights and guarantee that a child will not be improperly labeled or improperly placed in an educational setting which will not suit his or her unique educational needs. The bill further guarantees that each handicapped child will have an individualized program which is designed to meet his or special needs. As you know, not every handicapped child is the same; and by designing educational programs which specifically address specific needs and problems, I believe that handicapped children will benefit more from our educational programs. One of the reasons why I feel so strongly that the individualized education program will be so beneficial is that we require that it be developed with the involvement of a child's parent or guardian. By having a child, the parent, and his or her teacher involved in planning, it is my belief that the end result has to be positive.

Mr. Speaker, there are many features in this bill which have already been described by my colleagues. I think the best way to describe this bill is that it provides incentives to States and localities to provide services to handicapped children. Although the Federal Government will never assume a significant part of the costs for providing services to handicapped children, the money that will be provided through this legislation will be given out to those who serve the most children. We have taken deliberate steps to help prevent children from being improperly counted or mislabeled simply to help the States and localities to get more money, by placing a 12-percent cap on the number of handicapped children who may be counted when compared to the State's total number of children ages 5 to 17. In addition, to prevent funds from being commingled into the general education budget of a local school district, we have mandated that the money served cover only the excess costs involved with educating handicapped children. In this way, a school district will have to spend on a handicapped child exactly what it will spend on any other child before it can spend one penny of the Federal dollars. I think this is a good provision and is a reasonable use of Federal dollars.

We had a few controversies. One was the question of whether the money should go directly to the local school districts, as we provided in the House bill, or whether it should go to the State, and the State make those decisions on how to distribute it among the school districts or retain it. What we have provided here is that in 1979 wherever a school district can provide special education for its handicapped children, then it can be assured that it will receive its share of 75 percent of the money will go directly to the school district. Until then, the States can prepare and get ready for it. In the event that there are not enough handicapped children in a school district, the State may provide special education from these funds directly itself. States will get 5 percent for administration, and 20 percent to provide additional services to the local school districts, or else they can provide technical assistance, in-service training and so forth. But, in that case, the State must put up an equal share of the money they receive from the Federal Government, which really is no problem because they are already way ahead of the Federal Government. All projects under the 20 percent must be jointly funded by State as well as Federal money.

The one place the House did change is where we provided a separate authorization of $300 per child for the preschool-age children in order to encourage that they be served. While I felt that we should have gone ahead with the measure as we had it in the House where only one authorized amount be provided, the conferees felt that we ought to follow the Senate. In this conference report, I will bow to that decision and support the conference report, but hope that no appropriation be made for that provision.

The big change, however, which I would point out is that we drastically reduced the authorization in the first years of this program. In fact, it is less than it would have been at any time under the bill that went through the House. When the bill went through the House, the first year 1976 would have been authorized at $680 million, it is estimated. We sent back a conference report that authorized $100 million. That $100 million is exactly the same as the appropriation which this Congress has already enacted. The second year, 1977, instead of $680 million as in the House bill, we placed it at $200 million in the conference report.

The Congress has forward funded for 1977 at $110 million, so it is $90 million over that which is already forward funded.

It is my understanding that in the Committees on Appropriations and the Committee on the Budget there was a desire to go to a higher figure than that, but authorization limitations prevented them from doing it. We put in what we thought was a lid on the amount under which a supplemental appropriation can be written for fiscal year 1977 of only $90 million above where we are at the forward funding for 1977.

In the year 1978, we used 5 percent of the average per pupil expenditure in the schools times the number of children who are served, instead of 50 percent as in the House bill. It is doubtful the authorization would go above $380 million; but it is very unlikely in fiscal year 1978 that all of the children who are estimated could be served will be actually served. Therefore, it seems to me that, if we take the figure at about the level we are at now, the authorization in 1978 is about $250 million, as compared to practically $4 billion in the House bill.

So what we are certain of is an authorization of $100 million this year, $200 million the year after, possibly $250 million the year after that, but not more than $380 million, and then each year it increases from 5 to 10 to 20 to 30 percent, and finishes off at 40 percent of average per pupil expenditures in a State.

I do not know in the subsequent years whether we will appropriate at those levels or not. I think what we are doing here is laying out the goal. Ignoring other Federal priorities, we thought it acceptable if funding reaches that level. However, there will be another Congress by that time, as well as many appropriations processes, and at that later time if it is felt too high a level has been set and false promises have been made, we could be making the change at that time.

So we came back, I might point out, with a bill that we drastically cut back from that which went through this body, and that is the reason why we come under the suspension of the rules.

The Department of Health, Education, and Welfare is not in total agreement with this legislation. They have sent up correspondence in which they opposed certain parts of it. Let me give the Members one example.

In the last Congress, we required that the Office of Education, in writing rules and regulations, submit them back to the Congress for 45 days before they go into effect so that the Congress could take action and reject those rules and regulations if we felt they did not conform to law. We found, in the interpretation of that language, that HEW was going to be sending up proposed rules and regulations at the time they printed them in the Federal Register, when everybody in the country had 30 days in which to respond. So Congress would have only an additional 15 days and then not be able to have that review time of 45 days after the final regulations were proposed.

This bill provides that after the final regulations come out, the Congress does have 45 days in order to react to them and take action in opposition to it if they see fit.

Throughout the years, the executive branch has been unhappy with that, but I am in favor of it because I think it will enhance the oversight responsibilities of Congress and we will be more certain regulations are written with the legislative intent in mind. Besides HEW's expected objections, undoubtedly the Office of Management and Budget feels that we still have too high authorizations.

My expectation, I would say to my colleagues, is that the President will veto this bill. I want the Members to understand that, that it is my estimation that the President will veto this bill. If he does that, I also want to tell the Members, as opposed to what I said when the bill went through the committee and the House—for then I said I would vote to sustain the President's veto—if he does veto the bill, now I say I shall vote to override the veto. I do this because, as I said, up to now we have drastically scaled down the authorization for the legislation. In its first three years we have cut authorizations $4,580,000,000 from $5,260,000,000 to $680,000,000. We scaled down the level where I did not feel we were making false promises so that if we were going to dramatically increase the appropriation, we have scaled it down along an amount that is within the realm of possibility, and in the other areas of the bill, where the Department of Health, Education, and Welfare is unhappy with what we did, I believe we did it correctly, and for that reason I will support the legislation.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding.

Even though the bill is scaled down, is this not somewhat of a departure from the past by making it permanent legislation?

Mr. QUIE. Mr. Speaker, this is a departure from the past in this legislation by making it permanent legislation, but it is not a departure from the past to make education legislation permanent. For instance, much of vocational education legislation for years has been permanent legislation.

Mr. SYMMS. Mr. Speaker, I thank the gentleman.

Mr. GUDE. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Speaker, for years, handicapped citizens of this country have been kept in the dark, deprived of a free, full public education.

There is no question that previous emphasis on institutionalization were not only dehumanizing, but neglected the basic precept that these persons have the same rights as other human beings. Most importantly, institutionalization more often than not effectively prevented any chances for a handicapped individual to perform productive work or to engage in any other meaningful occupation to the fullest possible extent of his capabilities.

The House report on this bill is careful to point out that of the 8 million children, birth to 21 years of age, with handicapping conditions, only 3.9 million are receiving an appropriate education and that 1.75 million such children are receiving no educational services at all.

Let there be no mistake about it, the present situation is costing the taxpayers billions of dollars. Without having the means to develop their full capabilities, the handicapped individual is forced to rely on welfare payments or subsidies to State and local institutions.

A great number of court cases have documented the right of handicapped persons to a free, full public education. In 1972, in Mills against Board of Education of District of Columbia, the U.S. District Court of the District of Columbia said that all children regardless of any exceptional conditions have a constitutional right to publicly supported education.

Last year, this body passed Public Law 93–380 which modified the system of assistance under part B, State grant programs for the education of the handicapped. It changed the program of State allotments to one of entitlements for fiscal year 1975. This special one-time grant was based on a formula figuring the State's number of children 3 through 21 times $8.75.

Under S. 6, this formula would be continued for 2 additional fiscal years. No State would receive less than its previous fiscal year's allocation or $300,000, whichever is greater.

In fiscal year 1978, S. 6 changes the formula authorizing sums equal in amount to 5 percent of the national average per-pupil expenditures times the number of handicapped children in the Nation. The percentage increases to a permanent 40 percent—estimated at $500 this year—in 1982.

I am pleased with an incentive grant to States of $300 per preschool handicapped child aged 3 to 5. I want to stress, however, that education for children in this age group is as important as later stages in the child's development and that the bill should have required some sort of mandatory funding for preschool education.

The bill represents an important step toward protecting the rights and assuring the welfare of our handicapped citizens.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I shall not speak at much greater length, because the gentleman from Minnesota (Mr. QUIE) and the gentleman from Kentucky (Mr. PERKINS) have already touched on the major provisions of the bill.

I will simply reiterate, however, that the moneys received under part B must be spent first on providing a public education for handicapped children not now being served, and, second, on more adequately serving those children who are severely handicapped. Both of those provisions in the conference report are identical to the provisions found in the House bill.

In addition, I would observe, Mr. Speaker, that the formula in the bill will serve as an incentive to channel Federal funds to States and local schools based on the number of handicapped children they are actually serving.

The conferees have adopted the gradual increase in expenditures to which the gentleman from Minnesota (Mr. QUIE) made reference for a number of reasons, the two most important of which were the budget restraints which we in Congress must be concerned with, and, second, the need to provide orderly growth for the program.

That is why the overall cost of the bill is less than the amount approved by either the House or the Senate.

I also want to draw attention to the outstanding work of the gentleman from California (Mr. MILLER) and the gentleman from Vermont (Mr. JEFFORDS) in developing an impartial due-process hearing with respect to the programs made available under the bill.

Finally, Mr. Speaker, I would observe that there are some 8 million handicapped children in this country, and yet less than 4 million of them are currently receiving an appropriate education. The education for all handicapped children bill represents a long overdue opportunity for us to make a commitment to insuring an opportunity for an education to these children in our society.

I hope, Mr. Speaker, that the bill will enjoy today the same strong support from Members on both sides of the aisle that it has enjoyed in terms of support through the subcommittee and the committee of the House and at the same levels in the other body.

Mr. Speaker, I urge a strong vote for the conference report.

Mr. QUIE. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. TAYLOR).

Mr. TAYLOR of Missouri. Mr. Speaker, I rise in support of this conference report.

However, I would like to point out that I think it is very significant that while we are spending this money to train and hire the handicapped of this Nation and while we are showing our concern for the handicapped, that an entity of the Federal Government, the U.S. Postal Service has entered into a labor contract that significantly reduces the number of handicapped people who can be employed within the Postal Service. I think this is an ill-advised contract that demonstrates a calloused attitude toward the handicapped and one that certainly deserves the attention of the Members of this House since its inflationary provisions will soon be felt by every user of the Postal Service when they are introduced to the 13-cent stamp.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Missouri. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I would remind the gentleman that shutting out the handicapped is consistent with closed union shops, in most places in the country.

Mr. TAYLOR of Missouri. That is true.

Mr. QUIE. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I believe that providing for the education of handicapped children is an important matter. Consequently I voted for H.R. 7217, now S. 6, in the Education and Labor Committee.

I voted against the bill, however, when it came to the House floor. I was deeply concerned about the irresponsible and unrealistic authorization levels in the bill. If fully funded expenditures could have run as high as $680 million for fiscal year 1976 and 1977 and $2.4 billion to $3.9 billion for each year thereafter. This is in contrast with the $100 million we appropriated for the program in 1975.

To hold out the prospect of such a high level of funding seemed totally unrealistic. It was unrealistic to hold out to the education community that we could spend $2 to $4 billion a year on this program. An objection I have had about many Federal aid programs is that false hopes are raised and then appropriations do not match the authorizations.

The conference committee has taken a more realistic approach. The fiscal year 1976 authorization level is $100 million, the same as the previous year. The 1977 authorization is increased to $200 million. For 1978 and beyond, a gradual yearly increase in the authorization is provided for.

Although I still have some doubts about the level of funding, this bill is vastly improved over both the House and Senate versions. I commend the conferees for taking a more realistic approach and therefore I will vote for the adoption of the conference report.

Mr. QUIE. Mr. Speaker, I yield back the balance of my time.

Mr. BRADEMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. FORD).

Mr. FORD of Michigan. Mr. Speaker, I rise in support of the conference report accompanying H.R. 7217, the Education for All Handicapped Children Act of 1975. As one who sponsored similar legislation for the past several years, I am particularly happy to see this approach final passage, and I commend the distinguished chairman of the Subcommittee on Select Education, Mr. BRADEMAS, for his long and dedicated efforts in bringing this bill before us. I would also like to commend the conferees for adopting the concept of funding which I have always favored—the concept that local educational agencies should be the major recipients of Federal funds for educating handicapped children. As one of the cosponsors of this legislation, I truly believe the Education for All Handicapped Children Act is an historic landmark in meeting the challenge of educating America's more than 8 million handicapped young people.

Last year, many significant advances were made in the education of handicapped children. In the Education Amendments of 1974, Congress significantly expanded the authority for a basic aid to States program for the education of handicapped children with a clear intent that the 1 year emergency authorization under that measure would not be sufficient for the long term purposes of providing adequate support to States and local communities to meet the education needs of handicapped children. We have met the implicit mandate with H.R. 7217. The need for a strong measure like the Education for All Handicapped Children Act of 1975 is made evident by a set of grim and depressing facts:

Today, only about 40 percent of the more than 8 million handicapped children who could be in school are receiving an education appropriate to their needs. The remaining 60 percent are receiving inadequate educational assistance, if they are in school at all. And furthermore, over a million physically, emotionally and mentally disabled children are not reeciving any education at all.

Let me take a moment, Mr. Speaker, to cite the principal feaures of the conference report:

First. It contains authorizations for fiscal year 1976 and 1977, respectively, of $100 million and $200 million for existing handicapped education programs, under the present entitlement formula commonly referred to as the Mathias formula.

Second. Beginning in fiscal year 1978, a new incentive mechanism becomes effective to channel Federal funds to States and local schools. Allocations will be based on the number of handicapped children aged 3 to 21 in a State who received a free appropriate education. The Federal share of the cost of educating handicapped children will rise gradually until it reaches approximately 40 percent by 1982. In fiscal year 1978, the Federal funds will be divided, half to the States, and half to local schools.

Thereafter, 75 percent of the funds will be expended by local school systems with the remaining 25 percent being spent by the States for administrative costs, technical assistance, and supportive service. Where local schools are unable to provide a handicapped education program, the States can finance it directly. Under existing law, all Federal moneys for handicapped education flow only to the States.

Third. A program of incentive grants to States of $300 for each handicapped child being served between the ages of 3 and 5 is established. In order to receive Federal funds, local or State education agencies must spend at least as much for each handicapped child as for every other child within the State or school district.

Fourth. It provides machinery for assuring handicapped children and their parents that the children are receiving an appropriate education. School systems applying through the State educational agency must agree to provide a free, public education to all handicapped children of school age by September 30, 1980.

Finally, there are provisions for grievance procedures at State and local levels, provisions for the development of an individualized program for each handicapped child, and provisions for grants to pay part or all of the cost of altering existing buildings to remove architectural barriers.

I am happy to be able to report that my own State of Michigan has made great strides towards achieving the 1980 goal of serving all handicapped children. Michigan's school code mandates that local school districts must provide specialized programs and services designed to maximize the potential of every handicapped person, and I would like my colleagues to know that many of the parents of handicapped children in my own congressional district have voluntarily organized to assist their schools in making education for the handicapped programs a success.

Mr. Speaker, it is clear that Michigan had the foresight to recognize the special needs of the handicapped and, more importantly, has long been involved in the necessary planning to provide for an effective delivery of ancillary services to the handicapped, along with meeting their education needs through special programs. The State of Michigan should be commended for its efforts. I am pleased that we have before us the Conference Report to H.R. 7217, the Education for All Handicapped Children Act of 1975, which will provide the incentive for other states to initiate programs and services for the handicapped.

Once again, Mr. Speaker, I urge my colleagues to vote for passage of this needed legislation.

Mr. BELL. Mr. Speaker, I rise in support of the conference report on the Education of All Handicapped Children Act.

The conferees worked long and hard in drafting this compromise, and I believe that a viable agreement has been reached—one that will greatly aid the handicapped children of this country while at the same time not overburden our fragile economy.

I hope that my colleagues will unanimously accept this conference report. It is the result of a strong bipartisan effort and thoughtful negotiations.

The gentleman from Minnesota (Mr. QUIE) and the gentleman from Indiana (Mr. BRADEMAS) deserve special recognition for their untiring efforts in this regard.

Again, I urge my colleagues to agree to this compromise so that we can begin educating the more than eight million handicapped children in America.

Mr. MICHEL. Mr. Speaker, there are, it seems to me, a number of things that must be said about the Education for Handicapped Children Conference report, because it raises issues which go to the heart of Federal responsibilities for social programs.

Abraham Lincoln gave us the concept that the Government ought to do for its citizens only those things which they were unable to do for themselves. Well, there are many things that the handicapped are unable to do for themselves, and frankly, I can think of no areas which more legitimately come under Lincoln's definition than services to the handicapped.

The courts in this country have been recognizing the inherent discrimination against the handicapped in recent years, and so we now find ourselves in a position where massive new sums of money are going to have to be spent, by someone, on special education. The Constitution, the courts are saying, requires it, and no one is going to suggest an amendment making the handicapped officially second-class citizens. So it must be done. The question is, how is it to be done?

And for that matter, why hasn't it already been done? For a number of years, I think many of us have been in the process of having our consciousnesses raised on issues like this one, but when you get right down to it, isn't it reasonable to suppose that Federal support for special education ought to have preceded support for general education? Do we have our priorities backwards? And if so, is it possible that we might want to explore some potential trade-offs, whereby we assume a greater share of education for the handicapped expenses while at the same time reducing our commitments in other areas.

That is one aspect of the question, how is it to be done. Others have to do with the specifics of our approach. Here, I think some criticism of S. 6 and this conference report is in order. For example:

The S. 6 formula, based on the product of a rising percentage of the average national per pupil expenditure and the number of handicapped children served, will result in multi-billion dollar authorizations. Given present fiscal conditions, such large sums will not be appropriated in the immediate future; thus, their "promise" will only falsely raise the expectations of the families of millions of handicapped children. A comparison of the specified appropriation levels of $100 million for fiscal year 1976 and $200 million for fiscal year 1977 when compared to the original $6.8 billion figure for fiscal year 1977–79 certainly demonstrates the gap involved. S. 6 also authorizes additional incentive grants of $300 per child to States serving handicapped children aged 3 to 5. This would increase potential expenditures by between $80 and $300 million.

S. 6 would impose a large number of new administrative demands on Federal, State, and local officials. For example, the uniform accounting procedure necessary to compute excess costs, as required by the legislation, would be difficult and costly to implement. Further, State and local officials might prefer to continue or establish financial reports relevant to their own particular situation. Also, the bill mandates an individualized education program for every handicapped child served. This may mean that 8 million plans would be required. The cost of developing and recording these programs will be large and, like the item mentioned above, will serve to siphon off as administrative expenses money better spent on providing educational services to handicapped children.

I am also concerned at the bill's failure to clearly define "excess costs," a critical point in light of how part B money must be spent; the requirement that the Commissioner of Education establish criteria and prescribe diagnostic procedures relating to specific learning disabilities, notwithstanding the evolving state of the art; and the increased danger of mislabeling educationally disadvantaged children as handicapped by awarding money on the basis of the number of students served.

When we embark on a massive new idea, it is well to consider whether the details will overwhelm us. I think that is a reasonable point with regard to this bill.

It is also well to ask whether the goal we set is achievable at all. The cost of assuring an adequate education for all handicapped children is staggeringly immense. If we are to pay it, either at the Federal or State level, sacrifices in other areas are going to have to be made. The people must understand this straightout, or we shall find that we do not have their support for our program.

I have no doubt about the overwhelming vote that will be cast for this conference report and I do not know how many times I want to be taken through the wringer in making my point with respect to those ever increasing millions and billions of dollars we're obligating ourselves for in the future.

The original measure that passed this House was just out of this world and I'm glad to see that reason did prevail in the conference and that the figures now agreed upon are much more within ball park range.

Mr. CONTE. Mr. Speaker, I rise in support of the conference report to the Education for all Handicapped Children Act (S. 6). I stand here as I did before in support of H.R. 7217, which passed this House on July 29, 1975 and was subject to the conference report we are now considering.

I should like to commend the gentleman from Indiana (Mr. BRADEMAS), who authored the House version as well as the rest of the members of the Education and Labor Subcommittee on Select Education involved in the passage of this legislation. The Congress has attempted several times in the past years to pass such a comprehensive piece of legislation. It is my hope that this legislation which is expected to clear both Houses will prove to be the long awaited step towards a national program to "insure" quality education to all handicapped Americans who number in the millions.

I am most proud to note that Massachusetts has the most extensive education for the handicapped program in the 50 States. Massachusetts public law chapter 766 was used as a guide by the Senate Education and Labor Committee while they were involved in the initial drafting of S. 6.

I am most pleased to note that the conference report contains an additional important program that was not contained in the bill considered by the House (H.R. 7217).

The bill in its present form provides special incentive grants for preschool handicapped children. This would provide local school disricts with $300 per handicapped child ages 3 to 5. I think this is a tremendous move in the right direction towards supplementing the education of the handicapped child when the need is most important in those early years. As my colleagues on the Appropriations Subcommittee on Labor-HEW know, I have a consistent history of support for funding programs such as Head Start and the follow through programs. I actively resisted all attempts by the administration to begin a phase out of these important programs. The funds provided in this section will only enhance the effectiveness of Heard Start and Follow Through.

Fellow Members, this legislation has been a long time in coming. Present programs are not nearly satisfactory enough to supplement the education of handicapped Americans. Existing programs are unrelated, segmented and suffer lack of adequate financial support. This legislation rectifies the aforementioned problems and puts education for the handicapped in its proper perspective—an "essential" supplementary program due each and every handicapped American.

I urge my colleagues to support this conference report.

Thank you, Mr. Speaker.

Mr. MINISH. Mr. Speaker, I rise in support of S. 6, the Education for All Handicapped Children Act.

As a cosponsor of this bill, I am pleased that the conferees have developed a workable and constructive program to assist the education needs of the much neglected handicapped child in our country.

It is long past time, Mr. Speaker, that the Government recognize its responsibility to see to it that each individual has the opportunity to reach his or her highest potential. The pending legislation is a giant step toward that goal.

Recent statistics reveal that there are approximately 8 million handicapped children in the United States. Only 3.9 million of these children are receiving appropriate education, leaving 2.5 million with an inadequate education and another 1.75 million handicapped receiving no education at all—a tragic waste of human resources.

The conference report before the House today amends the Education for the Handicapped Act to provide educational assistance to all handicapped children, and to extend for 2 additional years the present entitlement formula for payments to States. Beginning in fiscal 1978 a new formula involving a gradually increasing Federal share would be established. The bill calls for expenditures to educate handicapped children; $100 million in the present fiscal year up to $3.16 billion in fiscal 1982.

In my own State of New Jersey recent data compiled by the New Jersey Department of Education which indicated that out of an estimated 231,000 handicapped children in 1972–73, there were still 80,000 handicapped children for whom special educational programs were not available. This untenable situation persists even though a law mandating that all eligible handicapped children be provided with an appropriate education is in force.

Mr. Speaker, I urge overwhelming approval for S. 6. The time has come to reject the false notion that persons with disabilities are cases for charitable action only, unable to make valuable and significant contributions to our society.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I rise in support of the conference report on S. 6, the Education For All Handicapped Children Act of 1975, and urge my colleagues to join me in voting for its passage. Our distinguished colleagues who served on the conference committee for this legislation deserve our commendation for their thoroughness and diligence in producing such an exceptional piece of legislation.

Under the terms of the conference report, all handicapped children between the ages of 3 and 21 will have available to them a free appropriate public education which emphasizes special education and related services designed to meet their unique needs.

Additionally, the rights of handicapped children and their parents or guardians are protected through extensive procedural safeguards and due process provisions.

Under the terms of the conference report, 25 percent of all Federal funding for the handicapped will be directed to State Departments of Education to provide support services and direct services to those handicapped children who are not now being reached and to the most severely handicapped children within each disability classification. Local education agencies and intermediate educational units will be eligible to receive 75 percent of all Federal funding, thereby strengthening the opportunity for local participation in the education of handicapped children. This is an excellent provision that will ensure adequate funding for local initiatives and programs to meet the educational needs of handicapped children. I am pleased that my colleagues emphasized this strong local role and responsibility, and I am confident that the local agencies will develop imaginative programs in keeping with the intent of the Congress.

I am also pleased with the provision of the conference report that assures that handicapped children will receive the educational benefits of this program in the company of children who are not handicapped. Of course, practical limitations will have to be set on this participation, but the provision strongly underscores my own personal conviction that handicapped children must be made to feel that they are a useful and appreciated component of American society. Further, I believe the opportunity to share learning experiences with handicapped children will broaden the personal growth of classmates who are not handicapped. Lessons of patience, understanding and the ability to provide peer encouragemnt are just as valuable as traditional educational lessons to the future citizens of this Nation.

Mr. Speaker, the authorization levels called for in S. 6 are realistic and prudent, and in keeping with our congressional concern for fiscal prudence.

Starting with a modest authorization of $100 million for fiscal year 1976, the authorizations will increase each fiscal year until they reach $3.1 billion by 1982.

My own State of New Jersey spent $195 million in fiscal year 1975 through combined State and local funding for the handicapped. Average Federal assistance for handicapped children in New Jersey currently comprises 4 cents out of every dollar. As you can see, Mr. Speaker, the initial authorization for this much-needed Federal program is modest, indeed.

Mr. Speaker, I strongly urge my colleagues to join me in supporting and voting for this legislation which will provide the right to a good education to those children, who, through fate or circumstance, have entered life a little less fortunately endowd than we would wish. This legislation will provide the opportunity for those children to reach their educational potential and to develop their personal talents and capabilities.

Mr. Speaker, education of our children is the best investment this country can make. And education of our children means all of our children. This legislation will help provide the tools of education and self-sufficiency to children who need and deserve our help, and I urge its passage by this House.

Mrs. MINK. Mr. Speaker, I rise in support of the conference report to S. 6, the Education for All Handicapped Children Act of 1975.

Handicapped children have the same right as a nonhandicapped child to participate in our public school system and enjoy the benefits of a public education. Historic court decisions in recent years have affirmed this right of handicapped children to a free public education.

Regrettably, equal educational opportunity has yet to become a reality for millions of handicapped children. The Bureau of Education for the Handicapped estimates that of the 8 million handicapped children in our country, 1.75 million are totally excluded from our educational system and another 2.5 million do not receive an appropriate education.

Last year, the Congress took the first major step to achieve the goal of the right to an education for handicapped children. The Education Amendments of 1974—Public Law 93-380—authorized the first entitlement for handicapped children for 1 year only based on the number of all children aged three to 21 in each State. That same law also required all States to establish a goal of providing full educational opportunities for all handicapped children; provided procedures for which insured that handicapped children and their parents are guaranteed procedural safeguards in decisions regarding identifictaion, evaluation, and educational placement of handicapped children; and insured that handicapped children are educated where possible with children who are not handicapped.

As existing law was moving toward a more significant Federal contribution to our handicapped children by changing the State grant program into a State entitlement program for 1 year only, the conference report before us today makes this Federal entitlement a permanent program. It extends for 2 additional years the entitlement formula adopted last year by the Congress limiting the authorization to $100 million for fiscal year 1976 and $200 million for fiscal year 1977. Beginning in fiscal year 1978, a new entitlement formula permanently takes effect. This new formula is based on the number of handicapped children 3 to 21 years of age in a State receiving a free appropriate education multiplied by an increasing percentage of the national average per pupil expenditure: 5 percent for fiscal year 1978; 10 percent for fiscal year 1979; 20 percent for fiscal year 1980; 30 percent for fiscal year 1981; and 40 percent for fiscal year 1982 and thereafter.

As the conference bill provides for a significant increase in the Federal contribution to the education of handicapped children, States will also be required to provide a commensurate increase in their commitment to the education of handicapped children. The conference bill provides that the Federal funds a school district receives is to be used only for the excess cost of educating a handicapped child, or those costs above and beyond the average annual per pupil expenditure of a local school district.

To guarantee that handicapped children will be provided a free appropriate public education, the conference report sets a timetable for States to provide this education. In order to be eligible for assistance, States must assure that by September 1, 1978, all handicapped children 3 to 18 years of age have a free public education available to them; and that by September 1, 1980, all handicapped children between 3 and 21 years of age be given a free public education.

Obviously, it is important that handicapping conditions be identified at an early age and service be provided to such children at that time. A child will benefit the most when services can be provided during his early years. Because the conference bill makes it permissive to serve preschool children in those States where State law does not authorize service to children in this age group, the conference report contains a special incentive grant for special educational and related services to handicapped children aged 3 to 5 years of age in the amount of $300 per child.

In order to involve both parents and children in the educational process so they will be able to fully participate in decisions regarding the education of their child, the bill requires that an individualized education program for each handicapped child must be established at the beginning of each school year. Such program must be reviewed and revised at least annually during the school year.

The bill also establishes a grievance and compliance mechanism to protect the rights of handicapped children. It provides for procedures for parents and guardians to examine all relevant records with respect to identification, evaluation and educational placement of their child and to give prior notice to parents whenever changes are to be made. It also, in initiating the complaints may be accompanied by counsel, present evidence, cross-examine witnesses and obtain written finds of facts and decisions. The decision of the local educational agency may be appealed to the State level and the decision on the State level can be appealed to a State or district court.

The bill before us today describes the current condition of the education for handicapped children in our country; defines the areas of responsibilities that rests with the three levels of government; and the methods by which these present conditions shall be reversed. The bill seeks to achieve the goal of equal educational opportunity for all handicapped children.

Mr. WIRTH. Mr. Speaker, I rise in support of this legislation mandating Federal support for appropriate education for handicapped children. I find it difficult to believe that anyone could not support the idea that handicapped children should have access to an education that responds to their special needs.

I would like to point out that Colorado is one of a number of States that have taken their own initiative in this area. The Education of the Handicapped Act, the Federal version, dovetails with efforts which are underway in Colorado to assure handicapped children an adequate education. I commend Chairman PERKINS' committee for attending to the concerns of the Colorado educators in defining the complex relationship between Federal and State guidelines for handicapped education.

Colorado educators have been actively concerned about education for handicapped children for a long time. In 1972, studies showed that slightly more than one-third, roughly 35,000, of the 90,000 handicapped children in Colorado were receiving the educational services that they needed. In 1973, the Colorado Legislature passed H.B. 1164 in response to the needs of these children who had been overlooked by the traditional school system. The Colorado law is moving into the initial stages of implementation this fall. It is a very comprehensive law, which covers the education of children from the ages of 5 to 21.

For the handicapped children in Colorado, at least, this Federal legislation is extremely timely. For handicapped children across the country, it is high time the Congress documented its commitment to the education of the handicapped.

Mr. BRADEMAS. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Indiana (Mr. BRADEMAS) that the House suspend the rules and agree to the conference report on the Senate bill S. 6.

The question was taken.

Mr. QUIE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 404, nays 7, not voting 22, as follows:

[Roll No. 715]

YEAS—404

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Fuqua
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—7

Burlison, Mo.
Collins, Tex.
Crane
Krueger
McDonald
Martin
Symms

NOT VOTING—22

Andrews, N. Dak.
Conable
Dent
Evins, Tenn.
Fary
Fraser
Frey
Gaydos
Gibbons
Hébert
Hinshaw
Jacobs
Jones, Ala.
Keys
Mathis
Melcher
Michel
Mosher
Shriver
Vander Jagt
Wilson, C. H.
Wilson, Tex.

The Clerk announced the following pairs:

Mr. Dent with Mr. Charles Wilson of Texas.

Mr. Hébert with Mr. Conable.

Mr. Gaydos with Mr. Andrews of North Dakota.

Mr. Evins of Tennessee with Mr. Gibbons.

Mr. Fary with Mr. Mathis.

Mr. Charles H. Wilson of California with Mr. Jacobs.

Mr. Jones of Alabama with Mr. Frey.

Mrs. Keys with Mr. Shriver.

Mr. Melcher with Mr. Vander Jagt.
Mr. Fraser with Mr. Michel.

So (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report (S. 6) just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

Mr. FOLEY. Mr. Speaker, I move to suspend the rules and agree to the conference report on the bill (H.R. 8841) to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and for other purposes.

The Clerk read the title of the conference report.

The SPEAKER. Is a second demanded?

TELLER VOTE

Mr. SYMMS. Mr. Speaker, I am opposed to this conference report and I demand a second and I demand the second be ordered by tellers.

The SPEAKER. Would the gentleman from Idaho object to ordering the second without objection? Would the gentleman object to unanimous ordering the second?

Mr. SYMMS. Yes, Mr. Speaker, I object to unanimously ordering the second and I demand that it be ordered by tellers.

The SPEAKER. The question is, Will the second be ordered?

Tellers were ordered, and the Speaker appointed as tellers Mr. FOLEY and Mr. SYMMS.

The House divided, and the tellers reported that there were ayes 106, noes 17.

So a second was ordered.

The SPEAKER. The gentleman from Washington (Mr. FOLEY) will be recognized for 20 minutes and the gentleman from Idaho (Mr. SYMMS) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I rise in support of the conference report on H.R. 8841, a bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, and for other purposes.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the distinguished majority leader.

LEGISLATIVE PROGRAM

(By unanimous consent M. O'NEILL was allowed to speak out of order.)

Mr. O'NEILL. Mr. Speaker, I rise to give the program the remainder of the day.

At this particular time, we have the conference report on H.R. 8841, the Extension of the Federal Insecticide, Fungicide, and Rodenticide Act. Following this, we will bring up Senate Joint Resolution 121, quarterly adjustments of support prices for milk. That will be followed by H.R. 30, establishing the Hells Canyon National Recreation Area in the States of Oregon, Idaho, and Washington, and for other purposes.

I am sure that because of what has been rumored about, the Members of the House are aware of the fact that the New York bill is off for today. It will be on tomorrow, with 3 hours of general debate. We are hoping that we will be able to complete the New York bill by tomorrow.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I am delighted to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding to me.

Is it the intent of the majority leadership to bring up the rule on the New York City bill first, or will there be other matters prior to that point in the schedule? Will that be the first legislative item?

Mr. O'NEILL. We are anticipating that it will be the first item. I know of no conference reports or anything of that nature intervening, but if there is something of importance, then it would be subject to change. However, the intent at this time is that the first item on the calendar tomorrow at 12 o'clock would be the rule on the New York bill.

The rule has been reported by the Rules Committee.

Mr. ROUSSELOT. Could the gentleman tell us, in the guarantee bill that came out of the Committee on Banking and Currency, whether the amendments to the bankruptcy codes will be included? Assuming those committees were able to meet in time, is it the intention of the leadership to try to have the bankruptcy provisions in order so that it could be offered immediately following the Banking and Currency Committee bill?

Mr. O'NEILL. That, of course, would be under the jurisdiction of the Committee on the Judiciary. I do not know whether they are prepared to do anything of that nature or not.

If the gentleman would allow me to continue, it is my understanding that at 4 o'clock this afternoon the President of the United States is going to make an announcement with respect to his views on New York. I understand he is going to make some suggestions to the Congress concerning that bill. I presume that his suggestions would be in order on the bill. If they are not in order, I would have to assume that the Rules Committee would have to reconsider the rule. Other than that, I cannot answer the question about the bankruptcy part of the bill.

Mr. ROUSSELOT. The only reason I asked the question is because it is my understanding that the Committee on the Judiciary has not met on this issue today and is not yet prepared to include such provisions. Is it the position of the leadership that they will have worked on the bankruptcy bill by tomorrow?

Mr. O'NEILL. I am not totally familiar with what the Committee on the Judiciary is doing with regard to this bill.

Mr. ROUSSELOT. I appreciate the gentleman's comments. It is my hope that we will address ourselves to those amendments because those anticipated changes are very much a part of this issue.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, would the gentleman tell me what it was he said about the Hells Canyon bill? Was it the rule or the legislation?

Mr. O'NEILL. We intend to bring up the rule and the legislation.

Mr. SYMMS. Today?

Mr. O'NEILL. Yes, today.

Mr. SYMMS. We will actually have the legislation today?

Mr. O'NEILL. Following the quarterly adjustments of support prices for milk, we would consider the Hells Canyon bill, having cleared it with the Committee on Rules and having cleared it with the leaders of the committee. We do hope to be through here at a reasonable hour. I suppose that will be sufficient for the gentleman to go through with his daily routine of trying to prevent legislation coming up.

I do not know the reason for that unless he does not want the Hells Canyon National Recreation Area, but there has been a discussion as to whether it would come up Thursday. In view of the fact that the New York bill is off the calendar, the present intent is that the Hells Canyon National Recreation Area bill will be brought up. The rule will be brought up today and the bill can be debated and completed. We hope that we will be able to do that by a reasonable hour. A reasonable hour would be 6 o'clock.

Mr. FOLEY. Mr. Speaker, I was very happy to yield to the distinguished majority leader for that announcement, and I hope that the minority floor leader will be glad to yield half that time from his side so that we will have a balanced consideration of the pending matter.

Mr. Speaker, I rise in support of the conference report on H.R. 8841, a bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act and for other purposes. Prompt action on this bill is required by the Congress since the funding authorization for administration of FIFRA has just expired.

The conference report is a constructive measure which retains the basic features of the bill as adopted by the House. H.R. 8841, as passed by the House, was the result of extensive hearings by the Committee on Agriculture in which testimony was received highly critical of administration of the act. The bill is an attempt to meet these criticisms in a constructive manner. It continues to pay heed to the concern for health and the environment. However, it brings into focus other concerns in the cost-benefit equation so as to maintain a proper balance in the decisionmaking process. In the Senate amendments to H.R. 8841 some of the provisions agreed to by the House were changed. In conference the House prevailed on a number of these issues. On others a compromise was struck but the basic intent of the House provisions was preserved.

I would like to summarize what are the changes agreed to by the conference committee.

First. Relates to extension of the funding authorization.

The House bill provided a 1-year extension of the authorization for appropriations through September 30, 1976, at a level of $47,868,000 for the year.

The Senate amendment extended the authorization another year through September 30, 1977, at a level of $47,200,000 for the second year.

The conference substitute adopts the House provision with an amendment to extend the authorization through March 31, 1977, at a level of $23,600,000 for the period October 1, 1976, through March 31, 1977.

Second. Relates to the provision for consultation with the Secretary of Agriculture on proposed or final form of regulations.

The House bill required the Administrator of EPA to provide the Secretary of Agriculture with copies of proposed regulations and the final form of regulations within a prescribed time period to publication for his comment prior to issuance.

The Senate amendment retained this provision of the House bill but provided for publication in the Federal Register of any advance notification to the Secretary of proposed or final regulations simultaneous with the notification to the Secretary.

The conference substitute adopted the Senate amendment.

Third. Relates to the self-certification form for private applicators.

The House bill provided that the standards prescribed by the Administrator for certification of a private applicator "shall" be demed fulfilled by his signing a sef-certification form with information and affirmations to carry out the act, and may incude an affirmation that the private applicator completed an approved training program, so long as the program does not require the private applicator to "take" any examination. According to the House committee report, it was intended that if a State were to submit for approval a more rigorous plan for certification of private applicators, the Administrator would be authorized to approve the plan, although the plan could not be required by the Administrator if it were not requested by the State. Under the House bill, no person could be required to take an exam as a condition of self-certification, unless a State were to mandate it.

The Senate amendment retained the basic provisions of the House bill regarding the certification of private applicators of pesticides, but provided, instead, that the certification "may"—rather than "shall—be deemed fulfilled by his signing a self-certification form, and that the training program completed by the private applicator cannot require the private applicator to "pass"—rather than "take"—an examination.

The conference substitute adopts the House provision with an amendment to make clear that a State plan shall qualify for approval if it provides for certification standards for a private applicator to be deemed fulfilled by his completing a certification form with the information and affirmations as specified in the House provision, but that a State would have the option, at its election, to submit for approval a different plan which comports with the requirements of the act.

Fourth. Relates to the Scientific Advisory Panel.

The House bill provided for appointment of a scientific advisory panel with which the Administrator of EPA must consult on notices of intent issued under section 6(b) and on proposed and final form of regulations. The conference report adopts a Senate amendment which provides that the Administrator: May require of nominees information necessary to determine their fitness for appointment; shall publish in the Federal Register their name, address and professional affiliation; and shall issue regulations regarding conflicts of interest.

Fifth. Relates to integrated pest management.

The House bill provided for EPA and the States to make available to individuals at their request instructional materials on integrated pest management. The conference report adopts the Senate amendment which added to this a provision that this be done in accordance with section 23(c) of the act; namely, in cooperation with the Extension Service.

Sixth. Relates to a new provision added by the Senate to H.R. 8841 to settle a controversy that developed regarding data compensation.

The Senate amended section 3(c)(1)(D) of FIFRA which requires that an applicant for registration of a pesticide pay reasonable compensation if he relies on the test data submitted by another applicant. The amendment provides that: First, only data submitted on or after October 21, 1972, is compensable; second, the data compensation provision applies to all applications for registration submitted on or after October 21, 1972; third, both parties to a dispute on compensation of data are given the same rights in the courts; and fourth, registration of a pesticide is not to be delayed pending the determination of a dispute on reasonable compensation.

The House bill had no specific language amending section 3(c)(1)(D). However, in the discussion of the bill on the House floor, it was stated that it was the committee's intent that on new registrations, the reasonable compensation data provision be applied regardless of when the data relied on was originally received by EPA. If, however, a reregistration is made of a pesticide registered originally prior to October 21, 1972, and data to support the reregistration was in the files of EPA prior to such date, no compensation would be required at the time of reregistration.

The conference substitute adopts the Senate amendment with a modification which: First, provides that all data submitted in support of an application on or after January 1, 1970—in lieu of October 21, 1972, as provided in the Senate amendment—is compensable; and second, makes clear that the provision with regard to compensation for producing test data to be relied upon shall apply with respect to all applications for both registration and reregistration submitted on or after October 21, 1972.

On the other issues in disagreement, the House prevailed in the conference. Mr. Speaker, the conference report is a sound measure and deserves the support of my fellow Members of the House.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, will the gentleman go over the provision of the individual applicator and tell us as to whether or not he has to take some kind of a course and pass an examination.

Mr. FOLEY. Mr. Speaker, very briefly, this is what the conferees agreed on:

If a State at its own option and by its own authority wished to require the taking and the passing of a test, the Administrator could approve such a State-submitted plan, but in the absence of a State-originated or State-submitted plan the Administrator cannot require the taking of a test or require anything other than certain affirmations of the applicator, such as an affirmation that the private applicator completed an approved training program, together with such information as was required in his judgment to carry out the purposes of the act.

In other words, the only difference between the adoption of this provision, as accomplished by the House in its earlier consideration, and the conference report is that the conference report makes clear that a State can submit to the Administrator a State plan calling for rigorous requirements for self-certification and the Administrator may approve such a State-originated and State-suggested plan. In the absence of that situation the requirements as set forth in the House bill would remain.

Mr. KAZEN. Mr. Speaker, I thank the gentleman.

Mr. SYMMS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the parliamentary maneuver I just tried to accomplish and was unsuccessful in accomplishing was not done as an attempt to try to slow down the process of the House; it was done only to protect my rights on the minority side so that the House would be able, if the second were voted down, to consider this conference report under the regular order of the House so that I could then offer a motion to recommit with instructions. I took this parliamentary action because there is one particular part of this conference report that I object to, and I found myself in the position that I cannot accept the entire conference report because of this one particular item, which I think is significant and one which I think the

Members of the House should understand.

According to rule XXVII of the Rules of the House, "All motions to suspend the rules shall, before being submitted to the House, be seconded by a majority by tellers, if demanded."

If the demand for the second had been voted down, we could have gone back to that regular order of conference report consideration and it would have been in order for me at that time to offer a motion to recommit the conference report with instructions to the House conferees to insist on retaining the House language for a 1-year extension.

Mr. Speaker, the big issue here is that we have the Environmental Protection Agency running roughshod over the American people. The one thing that we as Members of Congress must do if we are to stand up for people instead of fire ants, if we are to help people instead of having encephalitis, and if we want to stand up for people instead of mosquitos, is to keep the EPA under a very tight rein and control, and, therefore, the 94th Congress must review what they do in the next 12-month period.

As this conference report now reads—and I was on the conference committee, and I appreciate the chance to sit in conference, although I did not sign the conference report—it will be the 95th Congress that will have to review to us what Russell Train and the people in the Environmental Protection Agency have done to the American people. I say, "to the American people"—not for them but to them. They will have to tell the Congress what they have done to the people in the next 18 months.

So by voting for this conference report we would be releasing our responsibilities as Congressmen and Congresswomen to the EPA and allowing them to go ahead and do what they want to do in the next 18 months, or until May 1, 1977.

Mr. Speaker, in my opinion we ought to bring them back in here next summer and find out if they are again running the gestapo informer line and running a system where they have people ratting on their neighbors if they are suspected of using pesticides improperly.

Even though they stopped this practice, I would like to know next summer if they are going to keep it up. We should also find out whether they are going to have a little more commonsense when it comes to allowing tussock moths to eat up good acres of timberland, ruin watershed and destroy jobs, and we should find out whether the gypsy moth is going to be allowed to eat up the forests in the Eastern part of the United States and whether they are going to let mosquitos continue to carry sleeping sickness around this country. We are allowing the bureaucrats to run this country, and the Congress of the United States is supposed to be setting the policy.

Therefore, Mr. Speaker, I would really like to see this conference report voted down today, then let us bring it up under regular order, and next instruct the conferees to go back to the other body and ask them to recede on amendment No. 3, which is with respect to the time element. Then I think the conference would cooperate with us on this in the other body.

I think at that point we could review FIFRA in 1976, in May or June of that year.

I know we have a lot of business, but I think this is too important an issue to let it go by without the Members realizing what it is that we are voting on.

Mr. GOODLING. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. Yes, I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I ask the gentleman this question: Does this legislation now mean—and I will be personal—that my 79-year-old father who has farmed for 54 years has to go and get certified or does he not?

Mr. SYMMS. I think perhaps I should let the gentleman from Virginia (Mr. WAMPLER) answer that question.

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. Yes, I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Speaker, I thank the gentleman for yielding.

It is my understanding under the conference report that the father of the gentleman from Pennsylvania (Mr. GOODLING) or anyone else would not be required to take a written test or to pass a written test unless it was part of a plan submitted by the Commonwealth of Pennsylvania.

It was my understanding that the Administrator of the EPA can approve a State-submitted plan which may or may not require it, but there is nothing in the conference report that would require it.

Mr. GOODLING. If the gentleman will yield further, I got the impression from the chairman when he was answering that question that the Administrator could determine that. He determines whether some one person or something of that nature is properly certified or capable of using these things.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I thank the gentleman for yielding.

The House-passed version of the bill and what is written in the conference report is that the Administrator, on his own authority, must approve a State plan which provides for a self-certification form.

The SPEAKER pro tempore (Mr. PIKE). The time of the gentleman from Idaho (Mr. SYMMS) has expired.

Mr. SYMMS. Mr. Speaker, I yield myself 2 additional minutes.

Mr. FOLEY. Will the gentleman yield further?

Mr. SYMMS. Yes, I yield to the gentleman from Washington.

Mr. FOLEY. To continue, Mr. Speaker, it is my understanding that the Administrator must approve a self-certification form that does not require the taking of a test, if he does it on his own authority; but he can require that the self-certification form contain information from the applicant and affirmations as to his ability to use pesticides that are, in his judgment, necessary in order to carry forth the purposes of the act.

Mr. GOODLING. If the gentleman will yield further, the person making the application, then, would make that determination as to whether he feels he can or cannot handle the pesticide?

Mr. FOLEY. If, for example, I am an applicant, and I assert that I am knowledgeable in the use of pesticides and that I am capable of applying them in accordance with the items on the form, I would have to complete the affirmations and provide the information that may be required in the form.

The Administrator can require that the form for self-certification contains the information regarding experience or whatever the applicant needs to submit, including any affirmations on the part of the applicant that the Administrator might deem necessary to carry out the purposes of the act.

Mr. GOODLING. Mr. Speaker, I thank the gentleman.

Mr. JONES of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. Mr. Speaker, I would say to the gentleman from Pennsylvania (Mr. GOODLING) that as the author of the self-certification amendment in the House Committee on Agriculture, I was a member of the conference committee between the House and Senate. I am completely satisfied with the language contained in the report at the present time.

Mr. SYMMS. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. WAMPLER), the distinguished ranking minority member of the committee.

Mr. WAMPLER. Mr. Speaker, I rise in support of the conference report on H.R. 8841.

This bill is the result of many months of effort by the Committee on Agriculture and reflects what I perceive to be a reasonable compromise between agricultural, environmental, congressional and executive branch points of view.

I believe the 18-month extension of appropriations authority will continue to give EPA both the responsibility and the authority to protect the environment.

At the same time the new procedures for the issuance of regulations and cancellation of pesticide registrations should provide a better way for agricultural and economic realities to be balanced into the administration of this law.

I would also like to draw to the attention of the House the fact that the House version on self-certification was substantially retained by the conferees, and the amendment of the other body requiring farmers to take tests but not to pass them was deleted. Thus in the days ahead I am hopeful the EPA will implement the FIFRA statute with more commonsense than has been the case in the past.

This final bill is truly the result of bipartisan give-and-take here in the Congress, and although there are some things in it that I personally would have written differently, I believe it does reflect a broad cross-section of opinion in the committee and in the House.

It is also a bill which I believe will be signed by the President and enacted into law, thus proving again that when the Congress and the administration really work at working together we can all do so.

The final issue to be disposed of today is whether the conference report should be approved under suspension procedure.

I believe it should, because the authorization for the expenditure of funds on the FIFRA program expired last Saturday, November 15.

If the House and the Senate were to unduly delay the enactment of this bill it would cause great inconvenience to the EPA and could quite possibly cause both administrative and legal complications in the implementation of the law, so let us do it today.

In summary, I would like to commend my chairman, the gentleman from Washington, for both his patience and his leadership throughout the consideration of not only this FIFRA bill, but its two predecessors that were enacted into law earlier this year.

The time has come for us to finish our work on this bill and to move on to other matters.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I appreciate the gentleman yielding to me.

I would say that I too share the gentleman's appreciation for the way that the Members on the minority side are treated in the House by the Committee on Agriculture and I appreciate that. But does not the gentleman agree with me that in the bottom line of this legislation that the administrator of the Environmental Protection Agency still has just as much power as he had in the past, and after this is enacted, there will be really no substantial change insofar as the authority of the committee is concerned, or the authority of anybody down at EPA as far as holding them back so as to make them take a more commonsense approach; nothing in this bill changes that, nor changes the power over the Director of EPA?

Mr. WAMPLER. Mr. Speaker, as the gentleman from Idaho knows, I was one of the sponsors of the so-called Poage-Wampler amendment which would have Agriculture on matters pertaining to the required concurrence of the Secretary of implementation of new regulations and on cancellation proceedings under FIFRA. But it is my belief as a part of the oversight functions of the Committee on Agriculture, and our hearings, which were extensive, that the EPA now understands what this committee means and what the Congress means and that while there perhaps has been no substantial change in the law, as the gentleman from Idaho has referred to it, I do feel we do have a meeting of the minds and a mutuality of understanding presently with the EPA, and hopefully their performance will be better in the future than it has been in the past.

But, at the expiration of this legislative authority, should the gentleman from Virginia still be a member of the Committee on Agriculture, and I find that EPA has not performed better than they have in the past, then we will take another hard look at it at that time.

Mr. SYMMS. If the gentleman will yield further, I appreciate the gentleman's point of view, but I only wanted to point out from a reading of the report here that there are many of us in this country who feel like EPA's performance in the past, since their inception, and since this law has been on the books, that they have been operating not really what I would call as environmentalists or conservationists or even as preservationists but that they have put themselves in the role of obstructionists to a commonsense process to the detriment of America's economic well-being.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SYMMS. I yield 4 additional minutes to the gentleman from Virginia.

Many times they serve as obstructionists to the commonsense process of American economic well-being, whereby the American people can have the best environment of all with bread and butter on the table and a warm place to live and sleep. By doing some of the things they do arbitrarily and capriciously, they make these decisions on emotion and politics and not on scientific fact or judgment.

We can go back and talk about the Sweeney report, where they did the whole study, 1,500 pages, on DDT. All the scientists recommended that they not take DDT off of the market, but the EPA for political reasons took DDT off the market and removed it from the shelves. I think this is the thing I am most concerned about. I am sorry this bill did not go one step further and really slap the wrist of EPA, tie it down, and chain it by law, thus stating that they cannot run roughshod over the American people.

It is of course the middle-class people of this country who pay the price for these arbitrary decisions. It is the middle-class people who pay more for food. The middle-class people do not have jobs when the timber industry is destroyed. The middle class do not enjoy recreational values in the Northwest which are lost because of the watershed and other problems brought on by the EPA. That is my concern.

I do not have any major ax to grind for not wanting to use this product or that product, but I think it is high time Congress really faced this problem and not allow EPA to get off the hook. I just hope Members of this House will follow through when the 95th Congress comes back here and see that the EPA has carried out the wishes of the gentleman from Virginia (Mr. WAMPLER), the gentleman from Texas (Mr. POAGE), and others who have made it tough on the EPA when they have been before the committee.

I hope we will follow through, and that the spirit of this Congress will see that the Congress runs the show and not the bureaucrats downtown.

Mr. WAMPLER. Mr. Speaker, in commenting on the remarks of the gentleman from Idaho, let me say in this legislation there is provision for the appointment of a scientific advisory panel. In my judgment, this will go a long way toward removing some of the objections of the gentleman from Idaho and others. Under the provisions of their conference report, the Administrator of EPA must consult with this scientific advisory panel on notices of intent issued under section 6(b) and on proposed and final form of regulation. This will be helpful in bringing about a balance between desirable and achievable environmental goals and the realities of life as they pertain to the economics of farming and the production of food and fiber.

It would be my hope that the EPA would carry out the spirit of this bill and appoint people from the agricultural, environmental, and scientific communities to give us the necessary balance to achieve desirable environmental standards.

Mr. Speaker, I yield back the remainder of my time.

Mr. FOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. VIGORITO).

Mr. VIGORITO. Mr. Speaker, I wish to express my support for the conference report on H.R. 8841, which extends and amends the Federal Insecticide, Fungicide, and Rodenticide Act.

The conference version of that bill extends funding authorization for FIFRA through March 31, 1977, which represents a middle position between the 1-year extension in the House-passed bill and the 2-year authorization approved by the Senate.

The substantive amendments to the FIFRA legislation incorporated in the conference version represent an attempt to strike a reasonable balance between the need for food production and a workable situation for farmers who must produce that food and the parallel need to protect human health and the environment from degradation as a result of pesticide usage.

Specifically, the conference version retains the final authority over decisions to cancel or reclassify pesticides or to adopt new administrative regulations in the Administrator of the Environmental Protection Agency, but with provisions to assure that the Secretary of Agriculture is afforded an opportunity for meaningful input into such decisions at an early stage in their consideration. Further, the measure makes explicit that the Administrator of EPA shall consider, analyze, and elaborate the impact on food production of any such decisions, and that a scientific advisory panel also have an input into EPA decisions on pesticides at an early stage.

Other important parts of this measure provide for an expedited certification procedure for private applicators of pesticides, and explicate more clearly the procedure under which companies which submit original data in support of an application for pesticide registration are to be recompensated for such data by other formulators of pesticides.

Mr. Speaker, I urge our colleagues to support the conference report on H.R. 8841.

Mr. FOLEY. Mr. Speaker, I have no further requests for time and will conclude briefly.

Mr. Speaker, I just want at this time to express my appreciation to all of the members of the Committee on Agriculture, the distinguished vice chairman, the gentleman from Texas (Mr. POAGE), the distinguished minority leader, the gentleman from Virginia (Mr. WAMPLER), and all who have spent countless days in the consideration of this very complex legislation.

I believe that the conference report represents an important step forward in the oversight that I think we all feel the Congress needs to undertake with respect to programs authorized by the legislative branch of Government. I can assure all Members that regardless of whether this bill is extended for 18 months, as in the conference report or only for a year, the Committee on Agriculture will be very careful and energetic in its responsibilities to oversee the operation of this particular program charged to its jurisdiction. I hope that the confidence of the Members of the House can be expressed by strong support of this conference report.

The SPEAKER. The question is on the motion offered by the gentleman from Washington (Mr. FOLEY) that the House suspend the rules and agree to the conference report on the bill H.R. 8841.

The question was taken.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 334, nays 76, not voting 23, as follows:

[Roll No. 716]

YEAS—334

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Fuqua
Giaimo
Gilman
Goldwater
Gonzalez
Gradison
Green
Gude
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NAYS—76

Abdnor
Ashbrook
Bauman
Beard, Tenn.
Bell
Brinkley
Brown, Ohio
Burgener
Burke, Fla.
Byron
Clancy
Clawson, Del
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Davis
Derrick
Devine
Dickinson
Edwards, Ala.
Evans, Ind.
Findley
Flynt
Ginn
Goodling
Grassley
Guyer
Hagedorn
Haley
Hansen
Holland
Holt
Hutchinson
Ichord
Jenrette
Johnson, Colo.
Ketchum
Kindness
Lagomarsino
Landrum
Latta
Lloyd, Tenn.
McCollister
McDonald
Miller, Ohio
Mottl
Pettis
Quillen
Randall
Roncalio
Rousselot
Runnels
Santini
Satterfield
Schneebeli
Sebelius
Shipley
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Steiger, Ariz.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Thone
Wiggins
Winn
Young, Fla.

NOT VOTING—23

Andrews, N. Dak.
Butler
Conyers
Dent
Fary
Frey
Gaydos
Gibbons
Hastings
Hébert
Hinshaw
Jones, Ala.
McEwen
Mathis
Melcher
Michel
Mosher
Rees
Teague
Vander Jagt
Wilson, C. H.
Wilson, Tex.
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert and Mr. Dent for, with Mr. Teague against.

Mr. Gaydos and Mr. Conyers for, with Mr. Mathis against.

Mr. Young of Georgia and Mr. Charles H. Wilson of California for, with Mr. Charles Wilson of Texas against.

Until further notice:

Mr. Rees with Mr. Butler.

Mr. Fary with Mr. Andrews of North Dakota.

Mr. Gibbons with Mr. Frey.

Mr. Jones of Alabama with Mr. Vander Jagt.

Mr. Melcher with Mr. McEwen.

Mr. Hastings with Mr. Hinshaw.

So (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON BANKING, CURRENCY AND HOUSING TO FILE CONFERENCE REPORT ON S. 1537, AMENDMENTS TO THE DEFENSE PRODUCTION ACT

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Currency and Housing may have until midnight tonight to file a conference report on S. 1537, amendments to the Defense Production Act.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report on the bill H.R. 8841.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PROVIDING FOR CONSIDERATION OF SENATE JOINT RESOLUTION 121, QUARTERLY ADJUSTMENTS OF SUPPORT PRICES FOR MILK

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 854 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 854

Resolved, That upon adoption of this resolution it shall be in order to move, section 303(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (S.J. Res. 121) to provide for quarterly adjustments in the support price for milk. After general debate, which shall be confined to the joint resolu-

> tion and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from California (Mr. Sisk) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 854 provides for an open rule with 1 hour of general debate waiving the provisions of section 303(a) of Public Law 93-344—the Congressional Budget Act of 1974—which provides for the quarterly adjustments of support prices for milk.

Senate Joint Resolution 121 allows for the support price of milk to be adjusted by the Secretary of Agriculture at the beginning of each quarter to reflect any estimated change during the immediately preceding quarter in the index of prices paid by farmers for production items, interest, taxes, and wage rates. During the past few years farmers have experienced consistent increases in the costs of milk production. Although the support price for milk has been adjusted at least annually the changes have followed rather than kept pace with increases in the costs for producing milk.

Senate Joint Resolution 121 would assure dairy farmers that the milk support price which serves as a floor for the milk price would reflect costs on a more current basis. Farmers would be enabled to estimate the minimum level of purchasing power that the milk they produce would give them over the next year.

Mr. Speaker, I urge the adoption of House Resolution 854 in order that we may discuss and debate Senate Joint Resolution 121.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 854 is the rule making it in order for the House to resolve itself into the Committee of the Whole for the consideration of Senate Joint Resolution 121, section 303(a) of the Congressional Budget Act of 1974—relating to the mandatory adoption of the first concurrent resolution on the budget before providing new spending authority—to the contrary notwithstanding. The rule further allows for 1 hour of general debate with amendments to be offered under the 5-minute rule.

Under existing law price supports for manufacturing milk are usually set at the beginning of the marketing year—April 1—at such level not in excess of 90 percent nor less than 75 percent of the parity price therefor as the Secretary determines is necessary. It has been the practice of the Department of Agriculture that the support level, in dollars and cents, announced on April 1, is not changed again until the beginning of a new marketing year, even though the dollar level of support subsequently falls below the original percent of parity and in some cases even below the absolute minimum of 75 percent of parity.

Senate Joint Resolution 121 provides that effective for the period starting with the date of enactment and ending on March 31, 1978, the support price of milk shall be adjusted by the Secretary at the opening of each quarter. Such adjustment is to reflect any estimated change during the immediately preceding quarter in the index of prices paid by farmers for production items, interest, taxes, and wage rates. The support prices are to be announced not later than 30 days prior to the start of each quarter.

Mr. Speaker, I endorse the adoption of this rule and the ultimate passage of this joint resolution for I do not think the administration has been as concerned about this area of the agricultural industry as it should be.

Mr. FINDLEY. Mr. Speaker, I oppose the rule on this bill, because it takes a major step toward destroying the fiscal discipline that the Budget and Impoundment Control Act of 1974 was supposed to establish.

House Resolution 854 sets forth the terms and conditions under which the House will debate Senate Joint Resolution 121, a bill to increase dairy price supports every 3 months between now and March 31, 1978.

Whether price supports should be increased or not this often is the basic issue involved in the bill and whether the House wants to increase these supports that frequently is yet to be decided.

But for now, it is apparent that the issue is whether the House will waive the application of the budget control statute so this dairy bill can be considered right now.

House Resolution 854 states on page 1, line 1 as follows:

> *Resolved*, that upon the adoption of this resolution it shall be in order to move, Section 303(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding . . . etc.

Section 303(a) of the statute which is proposed to be waived states as follows:

> FIRST CONCURRENT RESOLUTION ON THE BUDGET MUST BE ADOPTED BEFORE LEGISLATION PROVIDING NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, OR CHANGES IN REVENUES OR PUBLIC DEBT LIMIT IS CONSIDERED
>
> SEC. 303. (a) IN GENERAL.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) which provides—
>
> (1) new budget authority for a fiscal year;
>
> (2) an increase or decrease in revenues to become effective during a fiscal year;
>
> (3) an increase or decrease in the public debt limit to become effective during a fiscal year; or
>
> (4) new spending authority described in section 401(c)(2)(C) to become effective during a fiscal year;
>
> until the first concurrent resolution on the budget for such year has been agreed to pursuant to section 301.

Subsection (b) sets forth the exceptions to subsection (a) and obviously does not apply to Senate Joint Resolution 121.

> (b) EXCEPTIONS.—Subsection (a) does not apply to any bill or resolution—
>
> (1) providing new budget authority which first becomes available in a fiscal year following the fiscal year to which the concurrent resolution applies; or
>
> (2) increasing or decreasing revenues which first become effective in a fiscal year following the fiscal year to which the concurrent resolution applies.

It seems to me, Mr. Speaker, that a valid point of order would have vested against House Joint Resolution 121 at this time, had not the rule waived it.

Thus it seems only appropriate that if the House is really serious about establishing any meaningful control of Federal spending for fiscal year 1976, this legislation should be delayed until it can be folded into the fiscal year 1977 budget in an orderly manner.

To bring out a $60 million budget buster on a point of order waiver certainly does not augur well for the new Budget Committee's credibility as our budget watchdog.

Let us then defeat this rule and take this bill up next year when it can be made part of the regular budget process.

GENERAL LEAVE

Mr. LOTT. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks in the Record on House Resolution 854.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
November 18, 1975.

Hon. CARL ALBERT,
The Speaker,
U.S. House of Representatives.

DEAR MR. SPEAKER: Under Rule III, Clause 4 (Section 647) of the Rules of the House of Representatives, I herewith designate Mr. W. Raymond Colley, Deputy Clerk, to sign any and all papers and do all other acts for me under the name of the Clerk of the House which he would be authorized to do by virtue of this designation, except such as are provided by statute, in cases of my temporary absence or disability.

If Mr. Colley should not be able to act in my behalf for any reason, then Mr. Benjamin J. Guthrie, Assistant to the Clerk, shall similarly perform such duties under the same conditions as are authorized by this designation.

These designations shall remain in effect for the 94th Congress or until revoked by me.

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, U.S. House of Representatives.

QUARTERLY ADJUSTMENTS OF SUPPORT PRICES FOR MILK

Mr. JONES of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate joint resolution—Senate Joint Resolution 121—to provide for quarterly adjustments in the support price for milk.

The **SPEAKER**. The question is on the motion offered by the gentleman from Tennessee.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate joint resolution, Senate Joint Resolution 121, with Mr. KAZEN in the chair.

The Clerk read the title of the Senate joint resolution.

By unanimous consent, the first reading of the Senate joint resolution was dispensed with.

The **CHAIRMAN**. Under the rule, the gentleman from Tennessee (Mr. JONES) will be recognized for 30 minutes, and the gentleman from Vermont (Mr. JEFFORDS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Tennessee (Mr. JONES).

Mr. JONES of Tennessee. Mr. Chairman, I defer to my distinguished colleague, the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Chairman, I yield 6 minutes to the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, I would like to make an argument for the benefit of consumer-oriented Congressmen that I do not think has been made before.

I do not think we as Congressmen from dairy districts have done an adequate job so far.

I want to argue that it is in the consumers' best interests to keep the family dairy farmer in business. Because of his strong desire to remain on the farm, he and the members of his family make great sacrifices to keep the cost of milk low.

I held dairy hearings in my district at my own expense, and prior to hearings, I ran a poll, a very unscientific poll I imagine one could say; certainly not statistically valid, but a poll that does indicate strongly the conditions that exist with family dairy farmers.

I asked four questions, Mr. Chairman. I asked the farmers how many hours a week the farmer worked. I asked the farmer how many hours a week other members of the family worked on the farm. I asked him how many days off a year he had, and how many days off a week he had.

Mr. Chairman, I would like to give the Members the results of this informal poll because it is very revealing, and I think people from consumer areas are not aware of conditions.

The average family farmer, according to my poll, works 80 hours a week. The other members of the family work another 60 hours a week. It is a total of 140 hours a week.

This includes children doing chores before and after school, and even the wife who helps the farmer in the barn very often.

The number of days off a week that is less than one-tenth of 1 day, and the number of days off they have a year is 1—1 day of vacation a year.

Their net income, after taxes, is $4,880. The average farm family is below the poverty level, and it is pretty ironic, when one thinks that they probably have a $100,000 investment in that family farm.

Here we have family farmers working for about 70 cents an hour, if one considers all the different members of the family. And with an investment of $100,000, they are netting less than the poverty level.

I cannot think of any other people in America who are working for less.

Let me read from some of these questionnaires that I submitted for filling out.

Here is one from a Roger Slaghter from Ilion, R.D. 2, N.Y. He has had 1 week off in 11 years.

Most of them have had no time off.

Here is a David Huxtable from West Winfield, N.Y. He answers the question this way:

> I have had 2 weeks off since graduation from Cornell University in 1959. One of these weeks was for our honeymoon. I do get away occasionally to go to Farm Bureau meetings.

Here is another one, from Charles Casler of West Winfield, N.Y. He says:

> I take a couple of days off during the summer to go some place with my kids, but usually milk in the morning and evenings on those days.

Here is one more, from Ted Dahlem, from R.D. 2, Amsterdam, N.Y. He has four kids in his family, a boy, Joe, age 11; Mary, 10; Jimmy, 9; and Chris, 7. They all work for a total of something like 100 hours a week.

I remember the Dahlen mother standing up during the farm hearings and pointing out those little kids and saying:

> Joey works very nearly as hard as his dad.

This little 11-year-old boy stood up and puffed out his chest and was very proud of the fact.

I say this, Mr. Chairman: If these farmers go bankrupt, and they are continuing to do that; they are going out of business very rapidly; if they continue to leave the farm and an acute shortage develops in our milk producers, they are going to be replaced by big operators who have to pay time and one-half and double time and pension benefits. The cost of milk will skyrocket. Cheap milk will disappear with cheap labor.

I have described these conditions so that the Members will have two strong reasons for supporting this measure, along with an amendment that would increase the parity price to 85 percent, one which will allow us to continue a cheap milk supply by keeping the self-sacrificing hard-working family farmers in business. The second reason is to give a living wage to one of America's hardest working groups of people.

Members of the House, if we have true concern for people who work for low pay, long hours, and if we really care about the working conditions of rural women and children, not just urban people, we will all support this measure and will lighten their burden.

One more reason why I think we should vote for this bill, is that there is a lot more at stake here than the tragedy that befalls a particular family when they go bankrupt, though that in itself is great indeed. The greatest loss of all, I feel, should the family farm disappear from our land, is the loss of a way of life—a way of life that symbolizes many of the principles that have made America great; a way of life that has meant hard work and great personal sacrifice; a respect for and a dependence on the Almighty by a group of people who continue to work impossibly long hours under extremely difficult circumstances. People who, because of their desire for independence, for being their own boss, for their desire to work in close proximity to nature, make awesome sacrifices.

The **CHAIRMAN**. The time of the gentleman has expired.

Mr. JEFFORDS. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I am happy to yield to my colleague, the gentleman from New York.

Mr. HASTINGS. Mr. Chairman, I rise in support of this legislation and I wish to commend the gentleman upon his remarks and I join him in those remarks.

Mr. MITCHELL of New York. Mr. Chairman, as I started to say, these people make awesome sacrifices. I do not want to see their way of life vanish from our American scene. For these reasons I intend to support this bill.

The bill before us does not go nearly far enough towards providing a fair return, but it is a signal to the family dairy farmer that we are aware of their plight and it is a good step in the right direction.

For those Members who care about low milk prices as well as helping hard-working, independent, self-sacrificing people, I urge them to support this measure.

Mr. PATTISON of New York. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from New York.

Mr. PATTISON of New York. Mr. Chairman, I appreciate the gentleman yielding to me and I rise in support of the measure and I commend the gentleman for the remarks he has made and I wish to associate myself with them.

Mr. MITCHELL of New York. I thank the gentleman.

Mr. JONES of Tennessee. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, not often do I make a statement from the well of this great body. I do so today, because I feel sincerely that I have a real cause to discuss and to answer any questions that I may be able to on this important bill Senate Joint Resolution 121.

Mr. Chairman, Senate Joint Resolution 121, as amended, provides for quarterly adjustments in the support price for milk. It is the same as the bill adopted by the Senate with one change. Specifically, the bill provides that effective for the period beginning with the date of enactment of this subsection and ending on March 31, 1978, the support price of milk shall be adjusted by the Secretary at the beginning of each quarter to reflect any estimated change during the immediately preceding quarter in the index of prices paid by farmers for production items, interest, taxes, and wage rates. Such support prices shall be announced by the Secretary not later than 30 days prior to the beginning of each quarter. The House Committee amendment changed the terminal date of the bill from March 31, 1979, to March 31, 1978, to coincide with the termination period with the balance of the major farm legislation.

Under existing law price supports for manufacturing milk are usually set at the beginning of the marketing year—April 1—at such a level not in excess of 90 percent nor less than 75 percent of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply of pure and wholesome milk and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs.

It has been the general practice of the Department of Agriculture that the support level, in dollars and cents, announced on April 1, is not again changed until the beginning of a new marketing year even though the dollar level of support subsequently falls below the original percent of parity and in some cases even below the absolute minimum of 75 percent of parity prescribed by law. After 6 months of the current marketing year had passed the dollars and cents support level set on April 1, based on 77.8 percent of parity, had fallen to approximately 72 percent of parity.

This occurs because increases in prices paid by farmers caused the parity price for milk to increase in months subsequent to April 1. Therefore, the dollars and cents value level of support announced at the beginning of the marketing year decreases as a percent of parity over the ensuing 12 months.

Under the resolution, the level of price support established April 1, of each year, however, would be adjusted the following July 1, October 1, and January 1, to reflect estimated changes in the index of prices paid by farmers for production items, including interest, taxes, and wage rates.

On October 1, 1975, the Secretary of Agriculture did in fact raise the support price of milk to $7.71, 80 percent of parity. If Senate Joint Resolution 121 had been in effect dairy farmers would have derived a great deal more benefit from the price increase since they would have known when and how much the price would be increased. Such information is invaluable to the farmer in planning his operation.

During the past few years, farmers have experienced persistent increases in the cost of milk production. They, like others in the economy, have been victims of the inflationary trend. Although the support price level for milk has been adjusted at least annually, the changes have followed rather than kept pace with increases in the costs for producing milk.

While the Secretary increased the support level on October 1, there is no assurance that he would continue to make adjustments on a quarterly basis—in fact, he has announced he would reexamine the situation but only on a semiannual basis and without stating what criteria would guide his actions in the future.

Passage of Senate Joint Resolution 121 would assure dairy farmers that the milk support price, which serves as a floor for the milk price, would reflect costs on a more current basis. Farmers would be enabled to estimate the minimum level of purchasing power that the milk they produce would give them over the next year. This would serve to stabilize the production of milk and alleviate some of the farmer's uncertainty. It would also alleviate the shocks created by large yearly adjustments in the support level, and help avoid milk shortages which cause sharp increases in the price to consumers. Rapid increases in milk prices tend to hurt both farmers and consumers. When prices rise rapidly, consumers cut back on usage and farmers lose part of their market.

USDA has made comments that under the existing statute, producers have assurance that the support price for milk, once announced, cannot be lowered during the marketing year and that under the quarterly adjustments required by Senate Joint Resolution 121 they would lose that assurance.

It is the intent of Senate Joint Resolution 121 that quarterly adjustments would be made upward as required but that the Secretary of Agriculture could—and the committee intends that he should—maintain prices at the higher level in the event the formula moved downward for a temporary period of time as happened in October of this year. More important than this argument is the fact that farmers would have assurance through the quarterly adjustments, that the price control level would be responsive to the rising cost of production items during the inflationary period now confronting the nation and which likely will continue through March 31, 1978.

Before, when we passed quarterly adjustments, we were criticized for not having had adequate hearings. This time the Dairy and Poultry Subcommittee has held hearings on the dairy situation throughout the country. We started out with a 2-day hearing in Vermont to hear from dairymen from all over the Northeast. This was followed by a 2-day, three-location hearing in Wisconsin. The subcommittee then had a 1-day hearing in Minnesota, a 2-day, two-location hearing in California, a 1-day hearing in New York, a 1-day hearing in Pennsylvania, a 2-day, two-location hearing in Tennessee, and a 1-day hearing in Washington State. We are still to visit Louisiana for a 1-day hearing there.

In addition to the field hearings we had a 1-day hearing where we heard Members of Congress who wished to make a statement. At the conclusion of these statements which took less time than we anticipated, we asked if there were other persons in the hearing room who would like to make statements. Representatives of the National Farmers Union and National Milk Producers Federation both made short statements as did a representative of milk producers from Pennsylvania.

The resolution has no opposition from the agricultural community, All the major farm organizations have endorsed it. In the testimony from consumer groups we have heard—Vermont and California—there appears to be no opposition on their part to the legislation. The only opposition encountered to the bill has been from the Department of Agriculture and they have been so unconcerned that they did not even bother to answer our request for the Department's position.

Mr. Chairman, I urge that Members of the House join me in support of this resolution.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Tennessee. I yield to the gentleman from Virginia.

Mr. WAMPLER. I thank the gentleman for yielding.

Mr. Chairman, I commend the distinguished gentleman from Tennessee (Mr. JONES) for his chairmanship of the Subcommittee on Dairy and Poultry of the House Committee on Agriculture. He has been a very effective leader in dairy legislation.

I commend the subcommittee for holding field hearings. I think this has been extremely helpful to the Committee on Agriculture to have the benefit of these hearings. So often dairy hearings are held in Washington, D.C., which precludes many of our dairy farmers from attending. We do have experts from many of the national organizations who are available in Washington, D.C.

It is my understanding that the gentleman from Vermont (Mr. JEFFORDS) will offer an amendment that will provide for 85 percent of parity. Is that the gentleman's understanding?

Mr. JONES of Tennessee. That is my understanding.

Mr. WAMPLER. The present resolution with the Jeffords amendment would provide the same provisions as in the dairy section of the Emergency Price Support Bill of 1975 as reported by the House Committee on Agriculture. It would provide for 85 percent of parity with quarterly adjustments. Is that correct?

Mr. JONES of Tennessee. Yes, substantially.

I appreciate the gentleman from Virginia (Mr. WAMPLER) as the ranking minority member on the Committee on Agriculture for making these remarks. It has been my pleasure to work with the gentleman and I thank him for his help.

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. JONES of Tennessee. I yield to the gentleman from New York.

Mr. McHUGH. Mr. Chairman, as a member of the Dairy and Poultry Subcommittee of the Committee on Agriculture I also commend the distinguished chairman, Mr. JONES of Tennessee, for his leadership of this subcommittee.

As the gentleman mentioned, the many field hearings, including the hearing held in my own district in upstate New York, enabled us to hear much moving testimony from many of the dairy farmers in the country. I think this bill is a first step, and only a first step, in bringing some equity into the dairy industry which has been suffering for many years.

I thank the chairman for his leadership, and I urge my colleagues to support the legislation before us.

Mr. JONES of Tennessee. Mr. Chairman, I thank the gentleman from New York very much. I thank him personally for the very great job he did on the committee.

Mr. NOLAN. Mr. Chairman, will the gentleman yield?

Mr. JONES of Tennessee. I yield to the gentleman from Minnesota.

Mr. NOLAN. Mr. Chairman, I would like to add my commendation and praise to the committee chairman for the great job he has done in handling this piece of legislation. It is an honor and a privilege to serve on the subcommittee.

Mr. JONES of Tennessee. I thank my friend for his comments.

Mr. RISENHOOVER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Tennessee. I yield to the gentleman from Oklahoma.

Mr. RISENHOOVER. Mr. Chairman, I rise in support of the resolution also and in support of the amendment for 85 percent of parity.

Within the past month four more family dairy operations in my district in northeastern Oklahoma have gone out of business. If the price of beef should increase 10 points I suspect all the dairymen in my district would cease to produce milk and dairy products.

What we will do if we do not help the dairy producers in this country to survive is we will end up in the position where we are now with oil, with the Arabs who are producing oil on which we are dependent.

I commend the gentleman from Tennessee and the Agriculture Committee for their work in getting this legislation before the House.

Mr. JONES of Tennessee. Mr. Chairman, I thank the gentleman. The gentleman is absolutely right. We are facing a real problem as far as milk production is concerned.

Mr. JEFFORDS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to elaborate in more detail on the provisions of Senate Joint Resolution 121 to provide for quarterly adjustments in the support price for milk, which is being considered by the House today. However, before I do let me briefly discuss the background of our subcommittee's efforts to understand the issues involved. As has been pointed out by myself and my colleagues on the Dairy and Poultry Subcommittee, we have conducted what is perhaps one of the most extensive series of field hearings ever held on the problems confronting a particular industry. Every major dairy region in the United States has been visited during the course of the seven field hearings held to date and we have received testimony from more than three hundred individual dairy farmers and representatives of dairy cooperatives and other farm organizations. Included also in this group have been agricultural economists from several universities and colleges and representatives of various consumer organizations. The effort made by our subcommittee has on several occasions resulted in the foregoing of other commitments and responsibilities we have as Members of the House of Representatives. However, the opportunity to observe these problems firsthand has made the extension of these efforts worth it. We have spent a great deal of our time listening to and evaluating the testimony received and I therefore feel qualified to discuss some of the more relevant aspects of the problems facing our Nation's dairy farmers today.

The problems that plague the dairy industry are not new but they have intensified in that last 2 years to the point that if major comprehensive legislation to resolve these problems is not forthcoming soon, we will see the total disappearance of a segment of the agricultural sector which for years has provided us with a plentiful supply of milk and milk products, namely, the family farm unit. If this happens it will have two immediate and long lasting detrimental effects on our economy. First. The cost of purchasing milk, cheese, butter, and other dairy products will increase to consumers as supplies will be short and the production of milk will be concentrated in the hands of fewer and fewer large products. Second. The economic impact in the rural communities in terms of loss of agriculture related employment would be critical. Many people do not realize that close to one-third of the employment in the United States is in agricultural related industries. Fewer purchases of farm production items such as fuel, fertilizer, and feed made by dairymen in the community would also be devastating to agribusinesses that depend heavily on the health and well-being of the farms in their area. The family dairy farm unit can compete successfully in the dairy industry and has done so over the years. However, it cannot compete when an unresponsive artifically established pricing structure does not allow for a break-even return on milk receipts over production costs. The pricing structure and the basic premises on which it rests needs an overhaul and it needs it soon if we are going to help the dairy farmer survive.

If my other colleagues in the House had had the opportunity to witness at first hand to listen to and read the testimony our subcommittee has received they would have come to the same inescapable conclusions as we have that all of the symptoms of an industry in distress are clearly evident. The number of dairy farmers quitting the business continues at an accelerated rate. In the New York, New Jersey, and Boston milk marketing areas alone over 1,000 producers quit the business from the summer of 1974 to 1975. In Wisconsin alone over nine hundred dairy farmers sold out in the first 4 months of 1975, an increase of about 100 over the total number that quit the business in the entire year of 1974. Total milk production is on the decline as are cow numbers. U.S. milk production for 1975 may be as much as one-half billion pounds below 1974 production. Absolute cow numbers are declining at a rate of 5,000 per month and, nationally, total dairy cow numbers have fallen below 11 million. This present decline would escalate if slaughter prices for cull animals would reach a point where a slim profit could be made on their sales. In every major dairy area visited, testimony was received which showed that the cost of producing 100 pounds of milk in many instances exceeded the receipts from sales. Established dairy farmers with a historical record of operating a successful family dairy farm for a long time have had to borrow against the equity they have been able to accumulate over the years, in order to stay in business.

Young farmers find it close to impossible to maintain a dairy business and make heavy repayments on operating and real estate loans with high interest rates. The average age of the dairy farmers in the United States is 55, which certainly points out that it is not a business that is attracting a large number of young people. Once a dairy business is sold the chances are high that it will remain out of dairying forever as the initial capital investment requirements are too high and the chances of success are too limited.

What will Senate Joint Resolution 121 do to alleviate some of the problems facing the dairy industry today? The answer is that its impact will be slight. This piece of legislation represents only a very small step and by itself does not address the fundamental problems of the dairy industry. It is projected that if the quarterly adjustment provisions were in effect today that it would add approximately 10 cents to the support price level at the end of a given quarter. A few pennies added to the support level at the end of each quarter will not cure the basic faults in the pricing system. Senate Joint Resolution 121 provides for quarterly updates to the index paid by farmers for production items, interest, taxes, and wage rates. If it becomes law it will accomplish the following:

First. Cushion the current market price which has shown an upturn in recent months.

Second. The cushioning effect will also lend some stability to the present price received by the dairy farmer.

Third. Have no impact for some time on consumer prices since the support price is well below current market prices.

Fourth. Provide for quicker responses to changing economic conditions since adjustments in the index of prices paid will be made quarterly rather than on a yearly or semi-annual basis.

It should also be pointed out what it will not do:

First. Be sensitive to differences in production costs such as feed, fuel, fertilizer, and wages from one major dairy region to another, a factor we have noted during the course of our hearings.

Second. Help in any significant way to avoid sharp swings in milk prices experienced in the past.

Third. Take into account the many differences in utilization rates in the various milk shed areas and the basis for which prices are structured within the Federal milk marketing orders.

Fourth. Insure that young people can enter and stay in the dairy business.

Fifth. Do little to prevent the further erosion in the number of dairy farmers quitting the business.

Sixth. Will have no immediate impact on the prices dairy farmers are currently receiving for milk.

I have brought these points out in order to more clearly emphasize the gravity of the present situation. Shortages in milk suppliers due to the roller coaster effect experienced during 1973 and 1974 which forced many dairymen out of business has resulted in a strengthening of the prices farmers are currently receiving. Unless more positive corrective action is taken this favorable situation will only be temporary and we run the risk of having a similar downswing in prices as happened in the second half of 1974. Senate Joint Resolution 121, by itself, will not prevent this from happening.

However the amendment I plan to offer will bring the support price in closer alinement with the present market price, therefore insuring greater market stability. Thank you, Mr. Chairman.

Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. Moore).

Mr. MOORE. Mr. Chairman, I simply want to say I am 100 percent in favor of this bill for the reasons stated by the chairman of the subcommittee and by the ranking minority member of the subcommittee.

I represent the dairy industry in my district. It has been hard hit. In fact, in the last calendar year we lost something like 15 or 20 percent of the dairymen in my district because of the high cost of doing business and the inflexibility of the rule.

As a matter of fact, due to the generosity of the chairman of the full committee and the chairman of the subcommittee, hearings are going to be held this coming Friday, November 21, to look into the reasons for the trouble in the dairy industry and what can be done about it.

I am sure this bill will be in the minds of the dairymen, so we can assist them with their problems. I think the consumers, and all of us have consumers in our districts, and we have to realize that the cost of milk in relation to the dairy industry is very important. If the dairy industry fails, I think we will see the cost of milk go up; so I urge all of us to vote for this bill. It is not going to cost anything in terms of money, but it will give the Department of Agriculture the needed flexibility to insure them to take care of the needs for milk and to insure the consumer being able to buy milk at a reasonable price. I think most of us agree the price of milk is too high already.

Mr. JEFFORDS. Mr. Chairman, I yield back the balance of my time.

Mr. JONES of Tennessee. Mr. Chairman, I yield such time as he may consume to my friend, the gentleman from Mississippi (Mr. Bowen).

Mr. BOWEN. Mr. Chairman, Senate Joint Resolution 121 as a measure designed to help deal with one of the most pressing agricultural problems facing our Nation. Simply put, it would, by requiring the quarterly adjustment of the price support level for milk, assure dairy farmers that the price assurance provided through the dairy price support program will be more nearly attuned to the cost of milk production. Such a move is particularly urgent at this time since we are once again witnessing a decline in milk production that means higher prices for consumers and threatens the adequacy of supply for this market.

For the past several years, dairy farmers have been caught in one of the tightest cost-price squeezes even encountered. Production costs have skyrocketed but milk prices have not kept pace.

In 1972, we produced almost 120 billion pounds of milk in the United States. That year the milk supply was in very close balance with the demand for milk and dairy products. During late 1972 and early 1973, prices for milk and dairy products began to rise seasonally. Unfortunately, rather than permit market forces to operate so as to bring forth the additional production needed, the administration ordered repeated expansions of dairy product imports for the express purpose of depressing prices.

While these actions were not immediately successful, the ultimate result was the accumulation of inventories of dairy products in this country and a decline in the farm price for milk of almost 25 percent from March to July of 1974. Dairy farmers have still not recovered from the devastating effects of that blow.

In the past, declining numbers of dairy farmers and dairy cows has been made up for by larger units and higher production per cow. This is not the case today.

There are many reasons for this phenomena but they all come down to the fact that despite the willingness to put in 7-day weeks, 52 weeks a year, the dairy farmer just is not receiving enough return to provide the living needed for his family.

We all know what inflation has done to our economy. On the farm it has been even sharper. Fertilizer, fuel, feed, equipment, taxes, interest rates—every item the producer faces has increased in cost in the last few years. In some cases, these increases have been as much as 200 to 300 percent.

The dairy farmer has witnessed the erosion of his investment.

Faced with this situation, the dairy farmer has had little alternative. He has been forced to cut back. For some, this has taken the form of culling herds more closely. For others it has meant reductions in rates of feeding. For all too many others, the choice has been to leave the business entirely.

As this has been done, we have seen milk production fall. From the balanced situation we saw in 1972, when production was almost 120 billion pounds, we saw it drop to 115.4 billion pounds in 1973; 1974 production was almost identical with the 1973 level. Today, the production of milk is once again declining.

The reasons behind this drop are to be found in the income statements of dairy farmers from New York to California, from Minnesota to the gulf coast. Farmers are no longer able to hold on in hopes of better times. Their alternatives have been narrowed so drastically that many no longer have any real choice. Dairy farmers are going out of business. Dairy cow numbers are falling. Milk production per cow is down.

All of this points in one direction. Less milk.

And when this happens, the problem ceases to be one bearing on the dairy farmer alone. It becomes a problem for the consumer as prices move up sharply. It becomes a problem for policymakers looking at means of controlling the toll of inflation.

Twice before we have passed this legislation only to have it vetoed. In December of last year we passed a bill providing for quarterly adjustment and 85 percent of parity. In April of this year we passed an emergency farm bill that would have provided for quarterly adjustments and 80 percent of parity.

Each time this legislation has been passed we were criticized because it would be too costly and because we had not held sufficient hearings to justify the need for the legislation. This time we have held the hearings, we know that the need for the legislation is there. And, we also know that the administration has consistently overestimated the cost of the legislation—as it has other legislation that it opposes.

Mr. Chairman, I urge the other Members of the House of Representatives to support this bill.

Belatedly the administration has finally acted unilaterally to do what it opposed before, increase dairy supports from 75 percent of parity to 80 percent of parity. Now the time has come for Congress to add the badly needed quarterly adjustments, and it is my strong personal conviction that we should also increase dairy support to 85 percent of parity.

Mr. JONES of Tennessee. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Washington (Mr. Meeds).

Mr. MEEDS. Mr. Chairman, I thank the gentleman for yielding to me. I rise in strong support of this legislation, and want to express here my gratitude to the chairman of the committee, to the gentleman from Mississippi and to the gentleman from Vermont for conducting hearings in the Second Congressional District of Washington.

These hearings produced evidence that during the time that the price of milk was increasing by 2 and 3 and 4 percent, the cost of feed, the cost of machinery, of fertilizer, of land rentals, was increasing sometimes in the area of 30, 40, and as much as 90 percent. That was a period of time during which the dairymen in our area, fighting against higher prices for feeds in Canada and in the export market, were placed and are still being placed in a very poor position to indeed make ends meet.

We have the somewhat dubious distinction of losing the most dairy farmers by percentage in the past few years in the entire United States in the State of Washington, largely due to this price-cost squeeze which dairy farmers are caught in. That is a price-cost squeeze which will be not totally remedied by the legislation before us and by the amendment to be offered by the gentleman from Vermont, but which will be alleviated considerably.

I hope the committee will give its strong endorsement to this legislation.

Mr. JONES of Tennessee. Mr. Chairman, I yield such time as he may require to the gentleman from Wisconsin (Mr. BALDUS).

Mr. BALDUS. Mr. Chairman, members of the committee, I too would like to give high praise to the chairman of the subcommittee, the gentleman from Tennessee (Mr. JONES), for his activity on the committee and in taking the Members around.

Mr. Chairman, I rise in support of the resolution. Sixty of our colleagues have joined me in introducing legislation in the House—to adjust milk prices quarterly—a bipartisan group representing 25 States, just like Senate Joint Resolution 121, the one before us.

The story of farming has been one of increasing costs. The pricing mechanisms for milk are based in the cost of production—plus a little left over to insure a fair return. The old rule of thumb I was taught was that there ought to be enough left over to buy a new pair of overalls.

Congress, in its wisdom, long ago realized that as costs increased through the year—and prices failed to keep up with them, the farmer would come out on the short end. So in 1949 Congress gave the Secretary of Agriculture authority to make annual adjustments of the price.

Congress never anticipated, however, double-digit inflation—the thief in the night that haunts the ledger book of every hard-working farmer. When farming becomes a losing business for an entire year, it is no business at all—and the farmer does what he must do—leave the farm. In a period of rapidly rising costs, such as we have experienced over the years, annual adjustments are inadequate.

In all candor, I should point out that quarterly adjustments carry with it the possibility that the price will be adjusted downward as well as upward if the cost of production declines. Representing as I do, the congressional district that produces more milk than any in the country, I believe I can say that farmers are willing to live with that possibility. They want to be treated fairly, not to be given an unfair advantage.

We are here dealing with an administrative change which will require that a function of the Secretary of Agriculture will occur four times a year rather than once a year. We are simply telling the Secretary that annual or semiannual adjustments are not enough—and that adjustments on a quarterly basis will insure that the market prices do not lag significantly behind quoted support price levels, as they have for most of last year.

Price instability contributes directly to supply instability—and supply instability leads full circle to price fluctuations again. The cycle of first inadequate supply, then too much supply, then too little again is as damaging to the industry as four-fold increases in baling wire costs or three-fold increases on the price of fertilizer. Asking farmers to live with their losses is not more sensible than asking a starving man to wait a year before helping him. Two thousand dairy farmers decided they could wait no longer last year and went out of business.

I am in favor of increasing the parity support price dairy farmers receive. Eighty percent is too little—85 percent is good—90 percent is better. One hundred percent should be regarded as equitable to others. But I want my colleagues to understand that even this inconspicuous quarterly adjustment provision—in and of itself—would be a measure of assurance to dairy farmers that a stable market is in the making.

Dairy farming consists of a series of decisions that need to be made in advance of their actual occurrence—planting corn, leaving fields in hay or alfalfa, buying fertilizer, et cetera. Farmers need a stable situation in order to feel comfortable in making those decisions.

Quarterly adjustments are a step in the direction of increased stability in prices—a step in the direction of a stable and maintained supply of milk—and a step in the direction of stability in the price to the consumer.

The House Dairy and Poultry Subcommittee has conducted field hearings across the Nation this year in Vermont, Wisconsin, Minnesota, Washington and California. I personally attended hearings in three of these States.

One message has come through loud and clear at these hearings: "We cannot continue to operate our dairy farms through periods of boom and bust." All dairy farmers ask for is some stability in their market, and I believe quarterly adjustments would help give them a modicum of that stability.

Mr. Chairman, the quarterly adjustment principle has been accepted by this House twice in the last year. This resolution is a modest proposal. I believe it to be a fair one that will produce stability rather than inflation and I ask that it be speedily approved.

Mr. JONES of Tennessee. Mr. Chairman, I yield such time as he may require to my good friend and member of the subcommittee, the gentleman from California (Mr. KREBS).

Mr. KREBS. Mr. Chairman, I would like to join the members of the subcommittee in their remarks in expressing my deep appreciation to the chairman, the gentleman from Tennessee (Mr. JONES) for his untiring efforts in making this legislation possible; for his efforts and cooperation with those Members who have held hearings in their respective districts.

I would also be remiss if I did not express my appreciation to the ranking minority Member, the gentleman from Vermont (Mr. JEFFORDS), for his efforts with regard to this legislation.

Mr. Chairman, I rise today to express my support for Senate Joint Resolution 121—legislation to implement quarterly adjustments in the support price for milk, and urge the adoption of the amendment to establish such support at 85 percent of parity.

The Agricultural Act of 1949 mandates that reviews of the support be conducted at least annually by the Secretary of Agriculture. In 1949, and for many succeeding years, an annual review was sufficient. For the last few years, however a single adjustment per marketing year has not been frequent enough to keep pace with the ever-spiraling rate of inflation that has hit our economy—and with such force. Since 1969, the Secretary has on only two occasions made more than one adjustment in a single marketing year. Senate Joint Resolution 121 would benefit consumers immensely in that it would stabilize the prices which farmers are currently receiving by preventing the sharp price swings that dairymen—and consequently consumers—have experienced in the past.

The act of 1949 provides that the support be established at a level between 75 and 90 percent of parity. Over the years, the Secretary has set the support in the 75 to 80 percent range. However, inflation during the course of a marketing year has caused the index to slip back, so that the de facto support has actually been several percentage points lower.

There is precedent for the institution of higher support levels. The last Congress saw the same need which faces us today when it passed the Agriculture and Consumer Protection Act of 1973, which established the percentage of parity support between an upper level of 90 percent and a lower level of 80 percent. That act, however, expired last March.

Senate Joint Resolution 121 incorporates a new concept with regard to the parity index and provides for increased flexibility. In the past, the index has taken into account a family living factor which has oftentimes served to, in effect, balance the weight given to production items. The weight given to production items is perhaps the most variable of all those included in the parity formula and thus should be weighed in a manner such that its impact upon the final outcome of the index is properly noted. The proposal before us today would eliminate the family living factor, thereby increasing the weight of the remaining factors—among them, costs of production.

Senate Joint Resolution 121 also provides for adjustment, either upward or downward, in the support price. Under current law, the Secretary may adjust the price upward only, once it has been set at the beginning of the marketing year. I believe that the additional flexibility allowed by movement in either direction is necessary for equitable treatment of both farmers and consumers.

Over the past few months, hearings conducted around the country by the Dairy Subcommittee of the House Committee on Agriculture have brought forth firsthand testimony from dairymen regarding the imminent need for this legislation. Without wanting to sound like a prophet of doom, let me recount for you some statistics from my home State of California.

In 1950 California boasted 19,428 dairies, while in 1974 there remained just slightly over 3,400. In other words, ladies and gentlemen, 15 years ago there were approximately six times as many dairy farmers as there are today. These discouraging figures cause me to wonder just how many farmers will remain in the dairy business in 1990, when another 15 years will have elapsed.

Although this news is very unsettling, it is hardly a revelation. The Department of Agriculture, as well as the Congress, has been aware of this problem for some time now.

Last spring, at the persistent urging of many members of this House, Agriculture Secretary Earl Butz initiated a policy conducting a semi-annual review of the dairy price support situation and of adjusting the support in response to that review. As a result of that review, the support price was raised in early October from $7.24 to $7.71 per hundredweight. This represented an increase from 75.5 percent to 80 percent of parity. While the accelerated review period and increase in parity support level have provided some relief to our dairymen, it has hardly been enough.

Legislation has consistently been introduced this session, as well as in the 93d Congress, to provide for quarterly review. It was part and parcel of the emergency farm bill, H.R. 4296, which the Congress passed earlier this year. It has been the subject of nine House bills, two Senate bills, two House resolutions, five House joint resolutions, and the Senate joint resolution which we have under consideration today.

In closing, I want to make clear that this legislation would have no immediate impact on the prices farmers are currently receiving, since current prices are well above the proposed support level.

I submit the time has come to act, and to act now, before more of our dairy farmers are forced out of business—to the detriment of both farmers and consumers.

Mr. JONES of Tennessee. Mr. Chairman, I have no further requests for time.

Mr. JEFFORDS. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. Steiger).

Mr. STEIGER of Wisconsin. Mr. Chairman, I rise in support of this resolution. I think the Members of this House were aware that when the effort was made on the farm bill—which regrettably was vetoed—I said at the time that the most important feature of that was the quarterly adjustment. This resolution would put in place the concept of a quarterly adjustment of parity price supports.

It is the method by which I hope the American dairy farmer can achieve a degree of stability while at the same time assuring that we do not then go below the level established by the Congress. The amendment to be offered by the gentleman from Vermont to establish the level at 85 percent is absolutely necessary.

It is so because if we fail to do that, then clearly we run the great risk of further depressing the price at some point this winter or spring. The 85-percent level with a quarterly adjustment makes sense both for farmers and consumers.

Since 1974 the dairy industry has experienced one of the worst cost price squeezes in its history. Dairy farmers throughout the country have lost faith in the pricing system and many are waiting for a more opportune time to liquidate.

By establishing the parity price at 85 percent and adjusting it quarterly to account for changing economic conditions we will achieve greater stability to the price system. This can avoid the constant shifts in supply levels which have created such havoc on milk, butter and cheese prices. What happened in 1974 can happen again this winter but with this resolution the farmers market price can be stable thus preventing the wide fluctuations in dairy prices which have not aided consumer prices.

I urge adoption of this resolution.

Mr. VIGORITO. Mr. Chairman, I rise in support of this bill, Senate Joint Resolution 121, which provides for quarterly adjustments in the support prices for manufacturing milk.

The Subcommittee on Dairy and Poultry of the House Agriculture Committee has held a series of field hearings on problems in dairying this year, and the need for more frequent adjustment of milk price supports in relation to rapidly changing production costs in dairying has been emphasized by witnesses at all of these hearings. For instance, that position was taken by several witnesses at the subcommittee hearing that was held in Meadville, Pa., on September 19.

The legislation is particularly needed at this time because of the extreme volatility of input costs faced by dairymen during recent months and years. The milk-feed ratio, for example, which indicated the number of pounds of concentrated dairy ration that can be purchased with the receipts to farmers for one pound of milk, has fluctuated very widely in recent years—from as high as 1.72 in August 1972 to as low as 1.16 in August 1974.

Such rapid changes in feed costs, in relation to the price producers receive for their milk, makes it very difficult for dairymen to plan with any certainty and confidence. Since feed costs are included in the formula through which price supports are calculated; adjustment of the price supports on a quarterly basis would help greatly to keep milk prices more commensurate with changes in feed costs—and the costs of other production items.

While this legislation would be of benefit to dairy producers, its cost to the Treasury should, on balance, be minimal. The legislation does not increase the price support level at all; it merely keeps it more current, in relation to the parity index.

Mr. Speaker, I urge my colleagues to vote for this very minimal measure, in order to give some encouragement to the Nation's hard-pressed dairy producers.

Mr. McHUGH. Mr. Chairman, I rise in strong support of this bill—Senate Joint Resolution 121—to provide for quarterly adjustments in the support price for milk. In so doing, I want, first of all, to congratulate the distinguished chairman of our Dairy and Poultry Subcommittee, Mr. Jones of Tennessee, for his leadership on this matter. He has made it possible for us to take a close look at the dairy industry in this country and to better appreciate the difficult conditions under which many of our farmers must strive to make their livelihood. The field hearings which we have held throughout the country have provided us with an insight we would not have had otherwise, and I am hopeful that this bill represents the first step in providing more equity for our depressed family farms.

This is not the first time we have been on the House floor pleading for help for our dairy producers. Earlier this year, we considered and passed the emergency farm bill which, among other things, required quarterly adjustments. Unfortunately, President Ford vetoed that legislation and it did not become law. Now we have another opportunity to act constructively in this area.

I realize, Mr. Chairman, that at the moment milk prices are on the rise and are well above the support level. This results from the current shortage of milk in relation to consumer demand. However, if history is any barometer, we can expect this situation to change as supplies increase, as surely they will. The fact is that our dairy farmers have generally found themselves in a severe cost-price squeeze. Their costs of production have steadily increased, while their returns have been on the decline.

The Department of Agriculture estimates that the cost of milk production increased by 17 percent in 1974. During the same period, the price farmers received for their product declined by 20.8 percent. As a result, the country lost 20,000 dairy farmers who found it impossible to survive under those conditions.

This loss of dairymen is not simply a personal tragedy for the families who have lost their livelihood and indeed their way of life. It is a threat also to the American consumer. For if we continue to see our producers leave their farms, we will surely experience a decline in milk production in this country. The result will be short supplies at home with inevitably higher prices. In the alternative, of course, we could rely more heavily upon imported dairy products, but hopefully we have learned from our petroleum experience that such reliance provides no comfort to the American consumer.

No, Mr. Chairman, the answer for producer and consumer alike is a system which assures a fair return to producers who are prudent and efficient businessmen. We should not subsidize the lazy or the inefficient, but neither should we tolerate the liquidation of some of our finest producers because they cannot realize an adequate return when costs are escalating and prices are depressed.

This bill will not resolve all of the problems inherent in the dairy industry. It will simply provide that at a time of rapid inflation, the Secretary of Agriculture will have the authority to more quickly adjust the basic support level to reflect the farmer's real costs. At present such an adjustment can be made only twice a year. With the authority to adjust quarterly, he could more promptly respond to the cost pressures which our farmers have experienced in recent times.

In addition to providing for quarterly adjustments, Mr. Chairman, I understand an amendment will be offered on the floor to provide for a minimum support level of 85 percent of parity for manufactured milk. I will support this amendment and urge my colleagues in the House to do the same. Based upon the testimony we heard during our field hearings, I believe such a floor is reasonable. Inasmuch as the current market price for milk is above the support price of 85 percent, the amendment would not cost the Government a penny under current conditions. Without taking this action, however, there is danger that when and if the price declines, we will see once more an exodus from the industry.

In my view, setting the support level at 85 percent will provide a more stable market. It will prevent the sharp swings in price that we have observed before, a benefit to the consumer and producer. It will set a more realistic floor on the price of dairy products and permit the producer to plan for the future with greater assurance. In short, Mr. Chairman, I believe that the legislation under consideration is responsible and constructive, and I strongly urge that it be supported.

Mr. GILMAN. Mr. Chairman, I rise today in support of Senate Joint Resolution 121, requiring quarterly adjustment of dairy price supports.

I recently held a dairy hearing in my congressional district, and the message that continually came across was that dairy farmers are not receiving enough of a price for their product. Costs of production are continually escalating, while returns on their labor and investments are decreasing. For instance, the Departmet of Agriculture estimated that farmers in 1974 received an average of $8.24 per hundredweight of milk nationwide, while it cost them an average of $9.09 to produce that same amount of milk. It is obvious that if this trend continues, many more small dairy farms will be forced to close.

That is actually what is happening in my area of New York. Since 1968, the number of dairy farms has gone from some 677 to approximately 300. It is becoming less and less profitable to remain in farming.

Furthermore, Mr. Chairman, the current system of setting price support levels is not in tune with today's economic realities. Presently, the Secretary of Agriculture establishes the price support level in April for the following market year. However, our economy is in such a state of flux that during the course of the year the price support level may be unrealistic. Inflationary rates may rise to a degree which renders the price support level inadequate. On the other hand, if the economy turns around and prices become lower, the Federal Government could find itself providing too much support.

To account for possible fluctuations in prices, the price support level should be adjusted more frequently. A quarterly adjustment would help the Federal Government respond more readily to the needs and economic realities confronting our Nation's dairy farmers. Accordingly, I urge my colleagues to support this important measure.

Mr. JONES of Tennessee. Mr. Chairman, I, along with other readers of the Nashville Tennessean newspaper recently had the opportunity to read a very well written article by one of Tennessee's finest journalists, Mr. Nat Caldwell, on the plight of two Tennessee dairy farmers.

I think this particular article is especially significant when one takes into consideration the fact that it focuses in on dairy farmers who are considered among the most efficient in the Middle Tennessee area. Still, though they practice good, sound marketing, and management principles, their message of economic strangulation comes through loud and clear.

As the Agriculture Committee's Subcommittee on Dairy and Poultry, which I chair, concludes its field hearings, I want to assure every Member of this body that this newspaper story exemplifies testimony that we have heard in every city and State that we have visited to date. Everywhere the story is the same: This Nation's dairy farmers are caught in a severe cost-price squeeze.

That squeeze is forcing many out of business and those that are staying in business are systematically cutting back on production in order to minimize the losses that they are suffering.

I thought that other Members of this body might be interested in reviewing this article. Mr. Caldwell, as is his style, has captured the true picture of the current dairy situation and the time it takes to read this piece is well worth the effort. I would, therefore, request that the following article be included in today's issue of the RECORD:

"You just keep wondering if there'll be any natural cow's milk produced in Tennessee by 1985," Billy Noland, 35, a prize-winning dairyman, with a prize-winning family and cows, said last week.

"Why? Because by that time—unless the economics of milk production change drastically—all of the dairymen may either be broke or committed for crazy."

The net revenue last year from the very high producing Noland dairy in Millview community seven miles east of Franklin was $18,000, on an inventment by the young Noland family in excess of $225,000.

And that net income includes wages for the labor that mans this $225,000 milk factory, wages for an 80-hour-plus work week for Billy and Barbara Noland, and about a 35 hour work week for Beverly, 15, and her younger sister, Brenda, 10.

There's neither time nor money for even one week of vacation a year and the only time off the Nolands get is when they go to church or to an awards dinner to watch their children win blue or purple ribbons with their championship Holstein cows and calves. The awards are for honors like that of being designated 'outstanding young Williamson County farmer of the year."

This information came not from the Nolands—who are somewhat modest—but from the field man for Dairymen, Inc., producer-owned milk marketing cooperative. Robert Reed, Robertson County milk producer and president of the coop's Middle Tennessee division, had been asked earlier last week for answers to this question:

"Can't Middle Tennessee dairymen and their families learn to scrounge a bit and tighten their belts and stop squeezing us consumers?"

The question was asked last week in a Nashville grocery store on the day after milk prices took their second rise since September 15.

The housewife paid an additional three to six cents a gallon that day. On September 15 the increase had been eight cents a gallon. The lady who complained said that, for once in these inflationary times, she knew who caused this price rise. The store manager had told her that the price paid dairymen for raw milk had gone up 30 cents a hundred pounds.

She had been asked to pay only a nickel more on the gallon.

Mrs. Barbara Noland pointed out that there is a "whale of a difference between 100 pounds of raw milk" and one gallon of processed milk in cartons on the store shelf.

First off, 100 pounds of raw milk would make about 11.5 gallons. The dairy farmer, she suggested, had gotten only a half or a little less than half of the retail price increase.

The president of the cooperative marketing organization that handles milk for the majority of Middle Tennessee dairymen sent this writer to Williamson County to interview the Noland family and the George Brooks family in an effort to answer the Nashville milk consumer's question about "scrounging" and "belt tightening."

He had labelled Noland and Brooks as two of "the most efficient producers of milk in our area, and also two of the very few young men still operating in the dairy business." The Robertson County milk producer and coop executive, Robert Reed, operates his own dairy farm at Cross Plains. He continued:

"George Brooks and his family have won awards, too. He was the star witness among dairymen before the House Agriculture subcommittee when it held its hearings here a few weeks ago on the problems of the milk producers in this country.

"We don't pick losers for our annual selection as champion cooperator of the year. That's what George was last year."

The man who was labelled as "definitely not a loser" by Reed certainly sounded like one, if current yardsticks of success are considered.

"My take home pay in 1974 was $4,453," Brooks said last week, as he temporarily left the milking line in his giant dairy barns to his brother and partner, an eleventh-grade high school student sister, and a hired man.

"My investment in my third of this 1,000-acre, 250-cow milking herd is in excess of $300,000," Brooks said. "My annual share of the interest payments is $17,689, and I'm generally the one who persuades my brother and my father to let's buy a few more cows to try to bring production up and spread out costs over a few more head of cattle."

Then, with some prompting from Mrs. Brooks, he continued:

"It cost this farm last year $6.87 to produce a hundred pounds of milk, and that does not include another $1.95 per hundred pounds that goes to pay interest and principal on the debt or a total actual cost of $8.82. We got paid around $9.21 a hundred pounds."

Brook's wife broke in:

"That simply means that, last year and this year, George gave to the area consumer absolutely free, his labor—90 hours a week and his management time and skills. I almost wonder if he wouldn't have done better and risked less at the gambling tables in Las Vegas."

Mrs. Noland had explained earlier that six cents of the eight cents per gallon retail price increase had gone to merchants and that only two and a half cents of last week's retail price increase of three to six cents went to dairy farmers.

Brooks added that two years ago his dairy was selling its surplus baby calves for $45 to $75 each for purchasers to raise for beef or replacement heifers.

"Last week we sold ten for about two dollars each," he said, "That's why my wife will be busy trying to raise all of the baby calves she can find the time to raise, with the help of the children."

U.S. Rep. Ed Jones of West Tennessee, who grew up a dairyman near Trenton, and who was chairman of the House dairying subcommittee that held its recent hearings on the plight of dairymen here, said yesterday that 40 such hearings across the country had convinced him that the Nolands and the Brooks are correct.

"What they say and imply about the current economics of producing milk is exactly true," Jones said. "Something has got to be done and something probably will be done by this Congress. On top of that next nominee of the Democratic Party for President must have a good strong program, with appeal for both consumers and farmers, that will assure better prices to farmers and lower prices to consumers."

"With most of our dairy farmers in Tennessee well past 55 years old, we can't keep inviting our few younger farmers like the Nolands and the Brooks to sell out and quit."

Jones added, however, that regardless of the 80 and 90-hour work week, he doubts that many dairy farmers will leave the farm.

There should have been something more rewarding than a lesson in the malfunctions of the so-called law of supply and demand in the trip to the two dairies. And there was. Middle Tennesseans won't be forced to drink synthetic milk by 1985. Mrs. Noland and Mrs. Brooks said some reassuring things. Mrs. Noland said:

"I wouldn't raise my two daughters any other way or any other place. Keeping them busy is half the battle won. Nobody ever heard of a pot party in a dairy barn, and nobody ever will."

And Mrs. Brooks' reaction to issues outside and economic realm were almost the same. She said:

"I grew up the daughter of a career army enlisted man, never staying at any base longer than a year or two. The healthiest place I know of for my four-year-old daughter and my year and a half old son to grow up and learn how to work hard is at the job of helping make ends meet on a hard pressed dairy farm."

Mr. NOLAN. Mr. Chairman, I wish to commend Congressman Ed Jones on his skillful chairmanship of the Dairy and Poultry Subcommittee. Under his able leadership, the subcommittee held extensive hearings, including one in my home State of Minnesota, to examine the roots of the current dairy crisis. These hearings confirmed our worst fears. Dairy farmers by the hundreds are being forced out of business by a severe cost-price squeeze. In Minnesota alone some 6,000 dairy farmers have quit within the last 2 years.

The current dairy support price system has given little relief to these hard-pressed producers, and a once-a-year adjustment of these prices has been ineffective in stabilizing the industry. Costs continue to escalate while the price of milk rises and falls in response to seasonal supplies. The higher milk prices caused by fall shortages are small comfort during the spring, when the glut of milk on the market results in prices which plummet to such low levels that farmers often receive less than 75 percent of parity. Unless this trend is reversed, dairy farmers are going to continue to quit in such numbers that we may soon find ourselves dependent upon foreign dairy suppliers.

This bill is a fundamental step in the direction of stability in the dairy industry. First, it calls for the Secretary of Agriculture to adjust milk support prices each quarter to reflect seasonal fluctuations. Second, it calls for the adjustment to be made on the basis of changes in production costs, interest, taxes, and wage rates This will go a long way toward correcting an inequity in the current formula. For example, while feed often accounts for as much as 50 percent of a dairy farmer's production costs, it is currently only allotted a 12-percent weight in the parity index. This means that while the cost of corn has tripled for the dairyman, the parity index has been incapable of fairly reflecting this situation.

Mr. Chairman, this bill is essential to the preservation of a healthy and viable American dairy industry, and I urge my colleagues to support it.

Mr. JEFFORDS. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. JONES of Tennessee. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding the foregoing provisions of this section, effective for the period beginning with the date of enactment of this subsection and ending on March 31, 1979, the support price of milk shall be adjusted by the Secretary at the beginning of each quarter to reflect any estimated change during the immediately preceding quarter in the index of prices paid by farmers for production items, interest, taxes, and wage rates. Such support prices shall be announced by the Secretary not later than thirty days prior to the beginning of each quarter.".

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 8, strike "March 31, 1979," and insert in lieu thereof "March 31, 1978,".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Jeffords: Page 1, line 9 after the words "shall be", insert the words: "established at 85 per centum of the parity price therefore and shall be".

Mr. JEFFORDS. Mr. Chairman, I am sure that this amendment comes as no surprise, as many Members have already mentioned it in their discussion. It is an essential second part to the bill which we are passing here today, and without this we will in effect not end the problems of the dairy farmers nor will we even temporarily alleviate them. What we want to do and what the subcommittee desires to do is to hopefully stabilize the price of milk, which will be beneficial both to the dairymen and to the consumers.

Mr. Chairman, we have already heard much discussion about the bill itself, and we realize that its main provisions provide for updating on a quarterly basis support price for milk: based on prices dairy farmers pay for production items. The problem, however, is that the present price support of milk is at 80 percent of parity, and I must point out that to adjust the support price upward or downward a few cents at the ending of each quarter will not result in bringing stability to the market. As we have seen in the past, unless the support price is set high enough to keep dairy farmers in business, we will have a increasing number of dairy farmers quitting the business, a continuing rise in the price of milk to the consumer. This can be definitely proved by looking at the prices. To illustrate this let me present some retail and market price comparisons: see insert of prices 73-46 by glancing at these figures we can see that in the critical period of March 1974 to June 1974 the price support of milk fell some 23 percent. However, the consumer price fell only 1½ percent, to 2 percent, almost a negligible amount.

A great many farmers went out of business, and again we are seeing the results of that as the price for the consumer is going up.

This amendment, in conjunction with the bill, is consistent in helping to stabilize the current market and helps prevent more farmers from going out of business in months ahead followed by increases in prices to the consumer.

I want to point out very clearly that because the price of milk has gone up very significantly this fall, due to the number of farmers who have gone out of business, resulting in decreased milk production the base price for milk is presently well above 85 percent parity level. The present price mover for milk priced under the Federal milk marketing order (Minnesota Wisconsin Price is $8.60 per hundredweight, substantially higher than 85 percent parity which is equivalent to 8:19 per hundredweight. I include the following table:

COMPARISON OF SUPPORT PRICE, MINNESOTA-WISCONSIN PRICE AND THE RETAIL PRICE OF MILK 1973–75

	Minnesota-Wisconsin price per hundredweight	Retail milk prices (per half gallon)	Support price per hundredweight
March 1973	5.55	0.619	5.29
June 1973	5.73	.627	5.29
September 1973	6.91	.663	[1] 5.61
December 1973	7.94	.753	5.61
March 1974	[2] 8.15	[3] .789	6.57
June 1974	[2] 6.31	[3] .799	6.57
September 1974	6.69	[3] .775	6.57
December 1974	6.41	.792	7.24
March 1975	6.86	.789	7.24
June 1975	7.11	.774	7.24
September 1975	8.27	.770	7.24
October 1975	8.60	----------	[4] 7.71
November 1975	[5] 8.70	----------	7.71

[1] August adjustment.
[2] Decrease of 23 percent.
[3] Decrease of 1½ percent to 2 percent.
[4] October adjustment.
[5] Projected.

So we will not see, at least immediately, any effect at all on consumer prices.

Next spring, when the flush period for milk production is at its height, it is conceivable and quite probable that the market price of milk will drop down to the support price level. When the farmers have the assurance they will receive at least $8.19 per hundredweight for their milk, they will be more likely to stay in business. By keeping more dairymen in business, we will avoid short supplies of milk and prevent retail prices to consumers from soaring.

Mr. Chairman, the purpose of my amendment is to stabilize milk prices so we do not have these terrible fluctuations in the market that are harmful to the farmer and equally harmful to the consumer.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my distinguished colleague for yielding.

I am concerned also about the dairy farmer, but I am even more concerned about the consumer. How does it happen that when the support price falls from something around $8 to something around $6, the resulting drop in price to the consumer is only 1½ percent?

What is the problem here? Why does the consumer not reap the benefit from what the farmer is obviously suffering? It is not that I want the farmer to suffer, but I want to know what happens. What is the mechanism here?

Mr. JEFFORDS. Mr. Chairman, this is a question that I also want answered. I appreciate the gentlewoman's asking this question.

I hope that it will be answered when our subcommittee gets into further hearings, because, as I pointed out, it is essential that we do have something on a more permanent basis. I would hope when we have further hearings here in Washington we can get into the question of what happens to the retail price and why it does not come down when the prices farmers receive drops sharply.

I think it is obvious that somebody along the line is holding the price up just as long as they possibly can in order to make every dollar they possibly can at the expense of the consumers and, unfortunately, at the expense of the farmers.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield for one more question?

Mr. JEFFORDS. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, in the mechanism that we are setting up or that we have now set up, because this is just an amendment that is pending, is there any method for requiring that these prices be reflected in benefits to the consumer?

The CHAIRMAN. The time of the gentleman from Vermont (Mr. JEFFORDS) has expired.

(By unanimous consent, Mr. JEFFORDS was allowed to proceed for 2 additional minutes.)

Mrs. FENWICK. Mr. Chairman, if the gentleman will yield further, let me expand on my question.

Is there any way of requiring that in the flush periods, when the cows come in in the spring, this be effected to benefit the consumers? Is there any way of making that price support reflect itself for the benefit of the consumer when prices are going down and when there is an increase in volume?

Mr. JEFFORDS. Mr. Chairman, of course, the question is whether this should be done by regulation or whether it should be done through investigation or through antitrust action or through other means to insure it does not happen as it does continuously now. Certainly this is one of the areas we want to look into to see what can be done and that the farmer will not suffer and be blamed for increased retail prices.

First, we want to keep the market price at a reasonable level so he will not get out of the business; and second, we want consumer prices to stay consistent and to get the benefit of price reductions when there is an oversupply of milk.

Mr. Chairman, we want to investigate this field thoroughly in subcommittee, and we want to find the answers and develop a solution to this problem.

Mrs. FENWICK. Mr. Chairman, if the gentleman will yield further, I have one last question.

If we do vote for this, may we be assured that this aspect of the consumer's interests will be carefully examined and hearings will be held on this subject?

Mr. JEFFORDS. Mr. Chairman, we have in our committee, as the gentlewoman knows, people who are very definitely interested in this subject, and extremely dedicated to the consumer interests. I am sure that we will do all we can to see that the consumers' interests are protected. It makes sense for all of us. There are many more consumers in our district than farmers.

Mr. JONES of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Tennessee.

Mr. JONES of Tennessee. Mr. Chairman, I would like also to agree with the gentleman in the well in his statement that we will do all we can to see that these prices are adjusted so far as the distributor and the producer are concerned and for the benefit of the consumer.

Mr. DOWNEY of New York. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from New York.

Mr. DOWNEY of New York. Mr. Chairman, I thank the gentleman for yielding.

I have not supported these quarterly adjustments in the past, but I am beginning to understand in my tenure here in the House of Representatives that the problems of our dairy farmers are also the problems of all our citizens, including those in New York, and I intend to support the gentleman's amendment and the bill.

The CHAIRMAN. The time of the gentleman from Vermont (Mr. JEFFORDS).

(By unanimous consent, Mr. JEFFORDS was allowed to proceed for 3 additional minutes.)

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from New York.

Mr. RICHMOND. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Vermont (Mr. JEFFORDS), and I would like to comment that actually this is a very sound amendment.

Basically this amendment is not going to hurt the consumer by one penny, because, as we know, milk lives on the basis of supply and demand. Right now there is a great oversupply of milk anyway, and there is a limit as to how much the consumer will pay.

Mr. Chairman, I believe this is a safe amendment. It will help the farmers, and it will not hurt the consumers one bit. I am all for it.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Chairman, I thank the gentleman for yielding.

I commend the distinguished gentleman from Vermont (Mr. JEFFORDS) for offering this amendment.

I think this amendment to the resolution that is currently before us will do much to stabilize not only the production but the price of milk in this country.

Just yesterday I was privileged to address the annual convention of the Milk Producers Federation in New Orleans, La. On that occasion I had the opportunity to visit hundreds of dairy producers from all over the United States.

Let me assure the committee that they are vitally interested in this legislation because I think it does offer the hope and incentive that are needed to keep our producers in production.

If we can adopt this legislation today and it becomes law, I think it will make a great contribution in avoiding these peaks and valleys that have been so typical of the dairy production cycle throughout the last several years.

Mr. Chairman, I compliment the gentleman for offering the amendment. I support it and hope it will be adopted.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. Yes; I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I would also like to compliment the gentleman from Vermont (Mr. JEFFORDS) for offering this amendment. It has my wholehearted support.

I spoke earlier in the year on the basis of the 85-percent adjustment.

I think the gentleman from Vermont has very adequately backed up his amendment with his arguments in the well. I think, if nothing else, this adjustment to 85 percent of parity will stop the outflow of our dairy production in this country, which has been shifting overseas and which has been running the small dairy farmers out of business in this country.

Therefore, Mr. Chairman, I compliment the gentleman in the well for his amendment, and I am sure that it will have the full backing of the entire House.

Mr. NOLAN. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. Yes; I yield to the gentleman from Minnesota.

Mr. NOLAN. Mr. Chairman, I want to compliment the gentleman from Vermont (Mr. JEFFORDS) for his amendment.

Mr. Chairman, I rise in support of the amendment offered by the distinguished gentleman from the State of Vermont (Mr. JEFFORDS).

We have all heard this afternoon about the desperate situation facing the American dairy farmer. He is at the mercy of seasonally fluctuating milk prices, and the current price support system does little to alleviate the effects of the present cost-price squeeze. Unless some stability is brought into the industry, more and more dairymen will be forced out of business, and America will be confronted by a milk shortage of major proportions.

Mr. JEFFORD's amendment is crucial to the stabilization of the industry. First, it gives the American dairyman the assurance he needs to continue operating. It is ridiculous to expect someone to stay in business when he knows that he constantly faces the possibility of receiving only a 75 percent return on his labor. This amendment gives that additional margin to carry him through the spring when market prices are depressed by milk surpluses. In addition, it closes the gap which currently exists between the subsistence prices caused by the spring flush and the more substantial prices resulting from the fall shortages.

The second major benefit will be to the consumer, for stability in the market means stability in the grocery store. Past experience has taught us that while the higher fall milk prices are passed on to the consumer, the subsequent drop in the spring rarely results in comparable reductions in the grocery store. By smoothing out these annual market price variations, the consumer will notice fewer abrupt increases in the cost of milk. In fact, the increased milk production which this amendment will encourage may well mean a drop in milk prices for the consumer.

Mr. Chairman, I urge the adoption of this amendment.

Mr. TRAXLER. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. Yes; I yield to the gentleman from Michigan.

Mr. TRAXLER. Mr. Chairman, I thank the gentleman for yielding.

I want to compliment the gentleman on the amendment.

I want to express sincere thanks on behalf of the farmers of the Eighth District of Michigan, the largest dairy district in Michigan, for the consideration that the subcommittee has given to this delicate subject.

I would also like to extend to the gentleman in the well an invitation to come up and visit with us, not at this time of the year because it is not such a good time now, but I want the gentleman to know that he is welcome.

Mr. JONES of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. Yes, I yield to the gentleman from Tennessee.

Mr. JONES of Tennessee. Mr. Chairman, I rise in support of the amendment and ask that we proceed to a vote.

Mr. VIGORITO. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Pennsylvania.

Mr. VIGORITO. Mr. Chairman, I support this increase in the price support on manufacturing milk to 85 percent of parity, which would result in a price support level of $8.19 per hundredweight.

Based upon current market prices for milk, the $8.19 support level would not result in any additional costs to the Government or to consumers—since it would still be below average current market prices for milk.

Mr. Speaker, I urge my colleagues to support this committee-endorsed amendment to the bill.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. Mr. Chairman, I rise in support of the amendment to Senate Joint Resolution 121, providing for the quarterly adjustment of support prices for milk, combined with an increase in the parity price to 85 percent. Under current law, USDA sets milk price supports each April 1 between 75 to 90 percent of parity, with the present support level set at 80 percent. Senate Joint Resolution 121 would require the Secretary of Agriculture to adjust supports not later than 30 days prior to the beginning of each quarter. The adjustments are to reflect changes in the farmers' cost of production index which have occurred during the past quarter.

Regardless of one's attitudes toward farm price supports, the purposes of the program are better served by enabling the supports to more accurately reflect the current costs of dairy farming which, of course, is what they are designed to do. As a result of the economic uncertainty prevailing in the dairy farming industry today, in large part a result of the inflationary policies that have been pursued by our Government for so many years, annual adjustments simply do not allow the dairy farmer to cope with inflation. Each percentage increase in the rate of inflation reduces to that extent the effective level of parity received by the farmer.

I have no illusions that this bill will resolve longer range problems of the dairy industry. In Minnesota, dairy farming continues to be one of the most precarious of family business enterprises. Two thousand dairy farming operations were lost during fiscal 1975, with more than 5,000 lost during the past 2 fiscal years. Milk production on the remaining farms is at its lowest level in more than two decades, and the number of milk cows is declining drastically. Credit is extremely tight, due particularly to depreciating livestock herds, and dairy farmers are now experiencing one of the most prolonged cost-price squeezes of any commodity segment of agriculture.

I believe that quarterly adjustments represent a reasonable approach to help stabilize the dairy industry and protect the dairy farmer from the worst ravages of inflation. Dairy feed costs are up 12 percent from a year ago, farm machinery costs are up, and fuel costs, as everyone knows, have soared out of sight. Yet, on a national basis, milk prices have averaged 3 percent lower this year than last. To those who question the increased costs resulting from quarterly adjustments, and this is certainly a legitimate concern, I would respond that we could reduce that cost to nothing by putting our Federal Government's economic house in order. In the meantime, I think that Senate Joint Resolution 121 serves well both the farmer and the consumer—who will be assured a more stable supply of dairy products at reasonable prices—and ought to be supported.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. JEFFORDS).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments? If not, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KAZEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee having had under consideration the Senate joint resolution (S.J. Res. 121) to provide for quarterly adjustments in the support price for milk pursuant to House Resolution 854, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

The title was amended so as to read: "to provide for quarterly adjustments in the support price for milk and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate joint resolution (S.J. Res. 121) just passed by the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

TO ESTABLISH THE HELLS CANYON NATIONAL RECREATION AREA IN THE STATES OF OREGON, IDAHO, AND WASHINGTON

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 869, Rept. No. 94-672), which was referred to the House calendar and ordered to be printed:

H. Res. 869

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 30) to establish the Hells Canyon National Recreation Area in the States of Oregon, Idaho, and Washington, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 30, the Committee on Interior and Insular Affairs shall be discharged from the further consideration of the bill S. 322, and it shall then be in order in the House to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions contained in H.R. 30 as passed by the House.

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 869 and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution.

The SPEAKER. The question is, will the House now consider House Resolution 869.

The question was taken, and two-thirds having voted in favor thereof, the House agreed to consider House Resolution 869.

The SPEAKER. The gentleman from Missouri (Mr. Bolling) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. Del Clawson) pending which I yield myself such time as I may consume.

Mr. BOLLING. Mr. Speaker, this is a one hour rule which provides to consider the amendment in the nature of a substitute recommended by the committee as an original bill for the purpose of amendment. It also provides that after the passage of the bill H.R. 30, the committee will be discharged from further consideration of the Senate bill S. 322, and it shall then be in order to move to strike out all after the enacting clause of the Senate bill and insert in lieu thereof the provisions contained in H.R. 30. I have not heard of any opposition to this rule and I, therefore, reserve the balance of my time.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 869 provides for 1 hour of equally divided general debate on H.R. 30, a bill establishing the Hells Canyon National Recreation Area in the States of Oregon and Idaho, and for other purposes. The rule is open and makes the committee substitute in order as an original bill for the purpose of amendment, to amend S. 322 with House-passed language. There are no waivers of points of order.

The purpose of the bill is to protect a 68-mile segment of the Snake River along the Oregon-Idaho border. A National Recreation Area of some 662,000 acres is provided along the 68-mile segment. An additional 33 miles of river will be placed in the study provisions of the Wild Life Scenic River Act.

Testimony before the Rules Committee of representatives from Idaho revealed that H.R. 30 prematurely prohibits the multiple-purpose development of the Middle Snake, an option which should be protected until more is known about the economic future. No serious consideration has been given to the alternative plans for protecting the environment and at the same time utilize the bountiful natural resources in the area. Public hearings were not held in the local area of the State of Idaho.

The total cost of this legislation is $21,500,000.

Mr. Speaker, while there may be controversial points in this bill, I propose we adopt the rule and allow the House work its will on H.R. 30.

Mr. Speaker, I have a request for time, and I now yield 5 minutes to the gentleman from Idaho (Mr. Hansen).

Mr. HANSEN. Mr. Speaker, I strongly plead that this is a rule that should not be granted for the consideration of H.R. 30, a bill to establish the Hells Canyon National Recreation Area. In fact, it would seem to me that it may be in order that this be tabled or rejected because there have been no field hearings held in the State of Idaho by either the House Committee on Interior and Insular Affairs or the Subcommittee on National Parks and Recreation.

Some 200 years ago, Mr. Speaker, a tea party in Boston struck a blow for personal rights against arbitrary government decisions made without proper representation. As we go into our Bicentennial birthday observance, would it not be ironic to deny these basic rights to the citizens of a sovereign State in a matter so grave as to affect the general prosperity of the people and even their very livelihood? This is, indeed, the case, Mr. Speaker, where grave concern for water rights, the lifeblood of Idaho's agricultural economy, has been voiced by virtually every responsible agricultural organization in the State, and where the total upstream impact of the Hells Canyon decision lies. Should not these concerns be heard and assurances of protection of basic rights vital to life itself be properly developed before the luxury of recreational commitments is crystallized?

Let me emphasize, Mr. Speaker, preservation is not the issue. This legislation involving a project in Idaho and having its major and maximum impact on Idahoans is before us under protest from the key water and agricultural interests of the State and over the opposition of both Members of Congress from Idaho. There are many other issues and considerations involved, but the basic issue on which I make our plea is to help grant the people of the sovereign State of Idaho a right to be heard in Idaho where the average man can have proper access to his government on a matter of such grave importance to his future and well-being.

I would hope that this could be done if this House could defer granting a rule so that our pleas and protests on behalf of the people of Idaho might be finally heard and accepted.

Mr. Speaker, I submit the following material for the Record at this point:

U.S. Rep. George Hansen said today the vote reporting the Hells Canyon bill to the House floor left a "clutter of unanswered questions back in the House Interior Committee."

The Committee gave the bill a lop-sided 34-4 vote Thursday, sending the controversial legislation to the House, where Hansen said a floor fight could be expected.

"The majority votes in the Committee were ecology votes, by members who apparently don't understand the circumstances, who don't know the Snake River and its uses, and, over the objections of both of Idaho's Congressmen," Hansen said. "They can brag in their own Districts about casting their ecology vote for this year, but, it was done at Idaho's expense."

Hansen said the floor debate will be over the questions the Interior Committee "chose to ignore."

"First, why didn't the Committee respond to the repeated requests of major Idaho interests concerned for field hearings? No field hearings have been held on this in Southern Idaho, and the failure to ask the people of this area, which bears the major impact, what they thought about this legislation is pure legislative arrogance.

"Second, why didn't the Committee answer the questions of major Idaho interests concerned about the protection of up-stream water rights? Federal pre-emption of upstream water isn't just a chance; it is a real live possibility. Who lives with the problem of shortages of irrigation water? The Committee, or the farmers of Idaho?

"Third, locking up the Snake River in Hells Canyon prohibits future use of this stretch of the river for hydroelectric power. Can anyone, in an energy-short nation, be so sure of what our future needs are going to be that we can arbitrarily lock up such an asset? A continued moratorium for a reasonable period of time on any change in the use of Hells Canyon waters would seem to be a much more reasonable answer.

"And fourth, why, in a time of high-energy costs, didn't the Committee ask the people of Idaho if they want to forgo further development of hydro-electric power in their State, and pay the much higher rates for electricity demanded by coal or nuclear power generating plants?"

ELECTRICAL ENERGY—AMERICA AT THE CROSSROADS

Efficient use of energy and vast resources have given us the American way of life. Both are vital to our continued growth, prosperity and security.

It is, therefore, important that we establish a balance between practical economic development and utilization of energy sources and proper preservation and restoration of our environment. However, no real balance can be attained without answering basic questions on energy matters.

If we don't want to harness our rivers for electricity because it "disturbs their natural state"—

"If we don't want coal-fired production of electricity because of "pollution"—

If we don't want nuclear plants to generate electricity because of "leaks" and other "concerns"—

If we can't use oil for electrical generation because of high costs and shortages—

If we haven't the immediate technology to develop solar, fusion and other exotic sources of electricity—

Then, Mr. Consumer, Mr. Businessman, Mr. Industrialist and Mr. Farmer:

Where will we secure adequate electricity for our needs?

Where will we secure scarce electricity at a cost we can afford?

Where will we obtain all the electrically produced goods and services we are so accustomed to as modern Americans?

Where will we obtain the electrically produced and operated weaponry which provides security to Americans and relative peace and stability to the world?

Decisions on future electrical power needs must be made. Since everyone is an employee or consumer or both, then everyone has a vital interest in seeing that the right decisions regarding energy and the environment are made.

Note: Of special regional consideration to Idaho and the mountain west is the fact that climate, high irrigation requirements, and distance from markets and sources of supply place us at a serious disadvantage in cost of production which must somehow be offset if we are to survive in economic competition with other areas. Therefore, if hydroelectric generation of power is roughy half the cost of coal and a fourth the cost of nuclear, how many river sites can we forego before the consumer collapses under high power bills, before the farmer finds the cost prohibitive to pump water to thirsty crops and before business and industry are priced out of the market and close their doors?

Mr. Speaker, I urge that the rule not be adopted.

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Speaker, we understand the gentleman's opposition to the legislation, but the gentleman would agree, would he not, that the legislation is supported by the Governors of the three States of Washington, Oregon, and Idaho?

Mr. HANSEN. That is my understanding.

Mr. TAYLOR of North Carolina. And it is supported by all six of the Senators representing the three States?

Mr. HANSEN. That is my understanding.

Mr. TAYLOR of North Carolina. And it is supported by the majority of the Congressmen of the areas from the downstream States?

Mr. HANSEN. From the downstream States, that is correct. I would also like to add for the benefit of the gentleman who is chairman of the subcommittee that there have been no hearings upstream from the area of Hells Canyon where the recreation area is to be established by either the House or the Senate. There are vested interest involved. Members of this body from areas downstream could be very happy to have more water made available to their areas. I can see the advantage to them. But, we have interests to protect also and I do not believe our interests have been properly looked to in the development of this legislation. Therefore, there is no position I can take on this but a negative one until my people have been assured that their water rights will be guaranteed if they come to a confrontation with the Federal Government.

Mr. TAYLOR of North Carolina. If the gentleman will yield, is Boise upstream from that site?

Mr. HANSEN. Boise is upstream.

Mr. TAYLOR of North Carolina. The gentleman is aware that the Boise paper took a poll and found the people there were 2 to 1 in favor of the legislation?

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Speaker, the Boise paper also took a poll and found in 1974 that two out of every three people were for my opponent and I got elected, so we cannot give them too much credit at all.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield to the gentleman from Florida (Mr. HALEY), chairman of the Committee on Interior and Insular Affairs, such time as he may consume.

Mr. HALEY. Mr. Speaker, I want to call to the attention of the gentleman in the well, the gentleman from Idaho (Mr. HANSEN), the fact that I have heard about Hells Canyon for 23 years that I have been in Congress. If all the hearings were put together in one place I think we would have a good sized boxcar full of papers on those hearings because I think we have explored this thing upstream and downstream and sideways and everything else. I do not know what good an additional hearing in this matter would accomplish.

Mr. DEL CLAUSON. Mr. Speaker, I have no further request for time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. TAYLOR of North Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 30) to establish the Hells Canyon National Recreation Area in the States of Oregon, Idaho, and Washington, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 30, with Mr. MURPHY of Illinois in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

The CHAIRMAN. Under the rule the gentleman from North Carolina (Mr. TAYLOR) will be recognized for 30 minutes and the gentleman from Kansas (Mr. SEBELIUS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, H.R. 30, introduced by Congressman ULLMAN and many others, as amended by the Committee on Interior and Insular Affairs, would establish a national recreation area to be managed by the U.S. Forest Service along the Snake River in Oregon and Idaho. Included within the boundaries of this 662,000-acre unit would be rugged peaks and canyons, the lake formed by the existing Hells Canyon Dam, and portions of the Imnaha and Rapid River drainages.

Most important, however, is the protection given to Hells Canyon itself, the deepest gorge on the North American continent. The Snake River flows wild and free through this spectacular canyon within the proposed area. Some 68 miles of the river are placed under the protection of the Wild and Scenic Rivers Act. In addition, another 33 miles of the Snake River are designated for potential addition to the Wild and Scenic Rivers System. This segment of the river, extending north from the boundaries proposed for the National Recreation Area, will be studied for its suitability as a component of the national system, and a recommendation will be made for future action by the Congress.

I might point out that the protection given to the river is supported by the administration. The administration did recommend a smaller land area than that included in the recreation area, but the administration strongly recommended that this last unimpounded segment of the Middle Snake River should flow freely and no dams should be placed upon it.

The Governors of Idaho, Oregon, and Washington joined in a bipartisan statement supporting this legislation. The six Senators representing the three States support the legislation as do a majority of the House Members.

Our committee first took interest in the Hells Canyon legislation in the 92d Congress. We made a fiield inspection of the area at that time, flew over it in a helicopter and floated down the river and determined that it is one of the most majestic, scenic areas in our Nation.

Hearings were conducted in Washington and the bill was marked up by the committee during the 93d Congress. Many local people testified at the hearings and others submitted statements for the record.

The Senate passed a bill similar to H.R. 30 during the 93d Congress and conducted field hearings in Idaho and Oregon. The Senate has again passed similar legislation, S. 322, during this session of Congress.

Washington hearings were conducted on H.R. 30 by the National Parks and Recreation Subcommittee during this session of Congress.

Our markup in the committee this year resulted in the adoption of several amendments. The amended language makes several changes in H.R. 30. We adopted an amendment by Mr. SEBELIUS which places the lower 33 miles of the Snake River segment in the study category of the Wild and Scenic Rivers Act. The bill now conforms to the recommendation of the administration for the protection of the Snake River in this area. In addition, the adjustment of the National Recreation Area boundary to the Washington-Oregon border eliminates some 9,000 acres of private lands from inclusion in the area. Additional amendments by Mr. MEEDS were also adopted which clarify that controlled timber harvesting may continue to take place within the recreation area.

We considered and rejected two amendments in the committee consideration of H.R. 30 which may be offered again when the bill is considered in the House. One amendment would remove some 55 miles of the Snake River from the protection intended by this bill, and permit the construction of two hydroelectric dams in Hells Canyon. This amendment obviously goes against the recommendation of both the committee and the administration for preserving this last free-running segment of the Middle Snake River. There is no question that we are foregoing some hydroelectric potential by passing H.R. 30, but the committee has considered this and made the decision that other values should prevail in this case.

Another amendment which we may expect today would substitute a study of the area in question for the text of H.R. 30. This proposal was also rejected by the committee. Our determination was that Hells Canyon has been a source of study and controversy for many years, dating back to 1946, and that we should not back away from making decisions on the matter.

The bill limits land acquisition costs to $10 million which would come out of the Land and Water Conservation Fund. However, the bill specifies that not more than 5 percent of the privately-owned land can be taken by condemnation, so it is not expected that the land acquisition cost would reach anything like the $10 million authorized. The bill authorizes $10 million for development and $1½ million to protect historic sites. The legislation passed the House Interior Committee by a vote of 32 to 4.

Mr. Chairman, this bill gives us an opportunity to preserve and protect one of the most scenic areas in our Nation, and I strongly recommend its approval.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield myself an additional 2 minutes.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my distinguished colleague for yielding to me. I am happy to see the Congress beginning to protect our wild and scenic rivers, the disappearance of which has brought disappointment to so many of us.

However, I am disturbed to see that this new bill—perhaps I misunderstand it, and for that purpose I ask the question—seems to go back. The language that was struck protected a far larger area, and we now seem to be moving to protect a much smaller area. Am I mistaken?

Mr. TAYLOR of North Carolina. There was some compromising in the committee. We did adjust it so as to leave out 9,000 acres of privately owned land, but the bill still includes a larger area for protection than is recommended by the administration. It is in the nature of a compromise, and we think we have the best in it.

Mrs. FENWICK. I see this section 3 in the old bill incorporated the Rapid River and the Snake River into the National Wild and Scenic Rivers System, whereas now it is a limited portion of each of those rivers.

Mr. TAYLOR of North Carolina. The area involved is much more than what had been involved if we had just placed the rivers in the National Wild and Scenic Rivers System, because much more than a narrow strip on either side of the river is protected by the bill.

This is at the bottom of a mighty gorge, and we place the lands within the gorge in wilderness, but in no case do we go back of the rim of the gorge.

Mrs. FENWICK. We do not?

Mr. TAYLOR of North Carolina. No, but we reach up to near the top of the gorge.

Mrs. FENWICK. We do not protect the rim? We are going to have all kinds of honkytonks on the rim.

Mr. TAYLOR of North Carolina. We include additional areas outside the rim as a part of the national recreation area, and there are protections in the bill on the use of these lands.

Mrs. FENWICK. I thank the gentleman.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Chairman, we may have a shortage of time. If we do, I would like to ask that the gentleman be yielded some 2 additional minutes for some questions.

Mr. SEBELIUS. Mr. Chairman, I would be willing to yield 3 additional minutes to the gentleman from North Carolina for the purpose of answering some questions asked by the gentleman from Idaho.

Mr. HANSEN. Mr. Chairman, I would like to compliment the gentleman, the chairman of the full committee, for his diligence, and my difference of opinion in no way reflects on anything except the fact that we happen to have a difference of opinion as to what should happen to the Hells Canyon area of Idaho.

I think for clarification purposes, I would like to correct the record and state that Evel Knievel, in his motorcycle exploits, jumped over the Snake River Canyon—or attempted to jump over the Snake River Canyon—which is near Twin Falls, Idaho, several hundred miles from where Hells Canyon is; but nevertheless, they are both of spectacular dimensions.

Also for the benefit of clarification, I would just like to say that the ridge is so high that the gentlewoman from New Jersey is talking about, that it is the top of a mountain and I doubt that there will be any honkytonk problems up there.

I would like to ask these questions: We talk about study and we talk about hearings, such as the chairman of the full committee mentioned a moment ago. I would like to ask the gentleman, the chairman of the committee, if there were any real hearings in the State of Idaho addressed to the problem of water rights as envisioned in this legislation, and what would happen to them, especially as things have developed with regard to recent court cases especially involving another recreation area at Sawtooth National Recreation Area. Has this ever been addressed in hearings?

Mr. TAYLOR of North Carolina. I will state to the gentleman that, as has been pointed out, this is the segment which has been discussed and studied and restudied often over a period of years.

The subcommittee did go to Idaho and did look at the river, back in the 92d Congress. We did conduct hearings here in Washington during the 93d Congress. Many people from the area came and testified. Again, the record was kept open, and others were permitted to take statements. We conducted hearings again in this Congress. The Senate conducted hearings both in Oregon and in Idaho on this issue in the 93d Congress.

Mr. HANSEN. But the Senate has never conducted hearings upstream from the Hells Canyon; is that correct?

Mr. TAYLOR of North Carolina. I could not state that, but if the gentleman says that is correct, I am sure it is.

Mr. HANSEN. And the House subcommittee has never conducted field hearings upstream from the proposed site.

Is the gentleman familiar with the fact that the former Senator from the State of Idaho, Len Jordan—while we are throwing names around here—is very unalterably opposed to this proposed legislation?

Mr. TAYLOR of North Carolina. Yes; I received some correspondence from former Senator Jordan, and I think he and the gentleman who is speaking are pretty much in agreement on that.

Mr. HANSEN. Does the gentleman also understand that, beyond the fact that the Federal Government has declared opposition to this for the reason stated by the gentleman earlier, that they also have considered some other questionable proposals, such as mineral development in the area, and so forth, which could complicate this legislation?

Mr. TAYLOR of North Carolina. As I pointed out, the administration is opposed to creating a national recreation area. However, they agree that the river should remain a free-flowing stream.

The three governors agreed that the streams should be free-flowing and no dams should be constructed.

Mr. SEBELIUS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise in basic support of this bill which would establish the Hells Canyon National Recreation Area in the States of Oregon and Idaho.

The Hells Canyon has had a long history of debate and controversy over what would constitute the best use of this deep canyon and river resource. The issue has been argued for more than 2 decades, and this bill is, without question, designed to put the debate to final rest through the decision to be made today by this body.

The Hells Canyon is said to constitute the deepest gorge on the face of the North American continent—as measured from the river bottom to the highest peaks nearby. It is without a doubt a magnificent and spectacular resource. And it is this best and deepest part of the Hells Canyon which would lend itself well to the construction of dams for hydroelectric power generation, as well as the preservation of some spectacular scenery and a yet-remaining stretch of wild river. It is obvious that we cannot have both, and the decision we make here today will finally decide the issue one way or another.

Mr. Chairman, I realize the decision of which way to go on this may not be clear-cut and easy for some Members, as it was not initially easy for me. We all are greatly aware of the need for more power, now and in the future. I am particularly sensitive to that need, as well as to the preciousness of water for agricultural purposes. However, in this case, I recognize that the Hells Canyon is a geographic feature which is very extraordinary. There is none other quite like it. The Snake River, which flows through the Hells Canyon, is already heavily dammed both above and below the Hells Canyon. The Hells Canyon is the last remaining stretch of wild river remaining on the Snake River of any magnitude. Certainly, we must be able to afford to keep this one last spectacular stretch free of dams.

I am particularly further impressed with this need, when I am told that the amount of new power to be generated by dams here would merely supply enough power to satisfy 9 months of new growth demands for the Pacific Northwest area which such power would serve.

I am not in favor of losing for all time, the very last of any of our remaining superlative natural resources, and I believe that is what this bill would constitute, if it were amended to permit dams to be constructed within the Hells Canyon.

The administration position strongly favored the preservation—free from any dams—of the same stretch of the Snake River which this bill protects. In that regard, this bill and the administration position are in accord, and I too, strongly support this protection of the river.

Now Mr. Chairman, there is an amendment which will probably be offered today, and it was offered before and fully debated and finally rejected by the committee, which is labeled as a compromise. Now I caution my colleagues, that this amendment is no compromise. It is the amendment which is vigorously sought and endorsed by the power interests, and they would be extremely gleeful over its adoption. That in itself should tell you that it does not represent a compromise.

This amendment would leave the upper part of the Hells Canyon—the deepest and most spectacular part—open for future possible dam construction, and would allocate the lower part of the river—which is the least suitable for either dams or scenic preservation, to be left for those who want to protect the scenic values of this area. This is hardly a compromise, and I want to make sure that this fact is amply underscored for the benefit of my colleagues.

Mr. Chairman, I have had several reservations over other aspects of this bill, but these other concerns were fully debated by the subcommittee and the full committee, and the will of the committee is quite fully reflected in the bill we are now debating.

I won some amendments and I lost some. I think the bill is too expensive. The taking of the Imnaha Valley on the west side includes several million dollars worth on inholding that are not necessary to carry out the purposes of the bill. I do, however, accept the will of the committee so I urge the support of my colleagues in H.R. 30 as it was reported by the committee.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 6 minutes to the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Chairman, the controversy over Hell's Canyon and the Middle Snake River in Idaho, Oregon, and Washington has been raging since 1946. It started as a question of public versus private power, then merged into an argument over high dams versus low dams, and it has finally come to an argument concerning dams versus no dams.

In 1971, in the Federal Power Commission hearings, an administrative law judge authorized two dams in the area covered here but recommended a moratorium on the building of those dams until September 11, 1975. I do not need to remind my colleagues that that time has already passed.

The other body has passed this bill or a bill very similar to this on two occasions, and it has not passed in this body.

Mr. Chairman, the time for decision-making is at hand. We must make a decision as to whether or not we are going to leave the Middle Snake, the deepest, last-remaining, free-flowing river in the United States, in its free-flowing state or whether we are going to build dams on that river.

I am going to get right to the question of tradeoffs, because there are tradeoffs here. I think we must all recognize there are. We have in that stretch of river the capability—and there will be an amendment on this subject—to build two hydroelectric dams which will produce somewhere in the area of 637 or 647 megawatts of power, firm power, and almost 1,200-some megawatts of peaking power.

On the other hand, we have in the Middle Snake, in the Imnaha, in the Grande Ronde, and in the Salmon Rivers some of the last remaining spawning grounds for salmon and steelhead in the entire upper reaches of the Columbia. This is the Columbia River system, which has over 100 dams on it now, with 300 miles of dams, and this is the last remaining undammed site in the whole Columbia River drainage system. That anadromous fish run was almost decimated by the building of the last four dams on the Snake River, with the last one completed in 1969, and with each of the last four dams the anadromous fish, the steelhead and salmon runs, decreased by 15 percent for each one of those dams. That accounted for a 60-percent decrease in that period of time as a result of those four dams.

If we do construct dams on this reach of the Snake River, it is going to have a totally deleterious effect on the anadromous fish runs, on the sturgeon, on the trout, on the bass which are presently in this area.

Therefore, when we are told that we are going to lose some power, that is true: We are indeed going to lose some power. I will discuss that when the amendment is offered, but there are tradeoffs. Those tradeoffs consist of the decimation of that very valuable anadromous fish run and dam, and that very beautiful deep-gorge Middle Snake River which has been left over these years, and through all of this controversy, unimpaired by dam building and left for us to make this decision today.

Mr. Chairman, I hope the decision will be in favor of the legislation before us and that we will, indeed, preserve the Middle Snake River for ourselves and for our posterity.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Chairman, I thank the gentleman for yielding.

I think we are talking about an either/or dam or a no-dam proposition. However, would not the gentleman concede that the defeat of this legislation today would only refer it back to a moratorium that does not necessarily mean that the dams would be authorized?

Mr. MEEDS. Indeed, I do not agree at all. In fact, I think the defeat of this legislation would be very harmful because it would put us back at the end of the moratorium which was declared and which terminated on September 11, 1975, and would leave in place the authorization for two dams. Therefore, we could expect then to have at least two dams built if we defeated this legislation.

Mr. HANSEN. If the gentleman will yield further, what is the 1978 figure we talk about with respect to a moratorium?

Mr. MEEDS. I do not know of any 1978 moratorium. There was a moratorium proposed in the Senate.

There was a moratorium proposed and passed in the Senate in about 1968, a 10-year moratorium passed in the Senate, which never passed this body. It was offered by one of the authors of the present bill.

The Senate has twice repudiated that moratorium by the passage of the legislation before us, so there is no moratorium. We have run out of moratoriums. We have run out of time. It is time now to make our mind up about preserving this area.

Mr. HANSEN. If the gentleman will yield further for this one brief question, then would the Symms amendment not properly preserve the area long enough for additional studies?

Mr. MEEDS. If the amendment of the gentleman, as I understand it, is passed, it would provide another 3-year moratorium.

Mr. HANSEN. Mr. Chairman, I thank the gentleman.

Mr. SEBELIUS. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho (Mr. Symms).

Mr. SYMMS. Mr. Chairman and members of the committee, this proposed legislation is right in the heart of my congressional district.

It has a long history. The gentleman form Washington (Mr. Meeds) is quite right in saying that we have been debating this for many, many years. In fact, they were debating it when I was in grade school. They were debating whether we should have a high dam built by public-power interests or low-head dams built by private-power interests. I can remember that debate going on when I was in the seventh or eighth grade. It has been going on for a long time. This is true.

Where I differ with my friend, the gentleman from Washington (Mr. Meeds), is in the length of time since it became politically popular for people to be in favor of locking up vast acres of natural resources. I would point out that a large percentage of the Nation's wild rivers are in Idaho.

The committee suggests that we lock up mineral interests when we do not know what they are. The Forest Service has control over the land. It is really unnecessary, from a development standpoint or from the standpoint of protection of the land, to lock up the minerals whose amount is not yet known.

We have a study going on that is going to cost $1,300,000 by the Bureau of Mines to do a study of this proposed 700,000 acres. That is as yet not completed. It is a significant point to think about.

We are buying $25 billion worth of power from foreign countries. What is the committee proposing to do? They are proposing to lock up what can be the equivalent to 4 to 2 billion barrels of oil fuel right in the heart of the Snake River

The gentleman from Oregon (Mr. Duncan) has an amendment he will offer which will allow for two small-head dams to be built in the Snake River above the confluence of the Imnaha and Salmon Rivers that would not interfere with the anadromous fishing runs. This would take care of the power interests. But that would not do anything for the timber interests or the mineral interests.

The best position is the position that Frank Church, who is a distinguished Senator from Idaho, and former Senator Jordan from Idaho, came up with in 1968. The Church-Jordan proposal in 1968 was that we have a moratorium. Until September of 1978, we study this whole issue and set it aside and then make a determination as to where we want to go from there.

I think that they came up with a good conclusion in 1968. If anything has changed since then, it has only changed to point out that maybe we had better be careful about locking up this river and locking up all of the resources.

My position has not been in favor of this legislation. The fact is I have difficulty supporting the amendment to be offered by the gentleman from Oregon (Mr. Duncan). The fact is I do not know whether I will support it or not, depending on how my moratorium amendment fairs. The gentleman from Oregon only addresses one problem and that is that of the power interests.

One of the things I think many Members do not realize on this bill is that 67 percent of Idaho is owned by the Federal Government. I do not know what the percentage is from the State of Washington, but some 98 percent in Alaska and 80 percent in Nevada. And I think it is around the 50 percent level in Oregon and Washington. This has a big impact on the daily lives of the people who live in those States because we are really just tools or puppets of what the Federal Government decides to do to us. It affects the economy and it affects our lives.

I believe the best thing we could do today would be to accept my amendment, which will be in the nature of a substitute. Let's put this whole issue on the back burner for 3 years, complete the mineral study of the entire resources in that area, and finish the study so we can settle the issue.

There is another issue that I have not mentioned before and that is the upstream water rights. The Congress of the United States, and this was brought out by the House Committee on Interior and Insular Affairs, has already issued so many Federal commitments to the water upstream that they have granted enough rights to use all of the water in the Snake River. That is one of the questions that has not been answered.

There is already going on a lawsuit between the State of Iowa and the U.S. Forest Service.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SEBELIUS. I yield 2 additional minutes to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman.

For example, Mr. Chairman, the question has never been answered yet as to whether or not the Forest Service owns the water in the Sawtooth Recreational Area, or the State of Iowa. Whose water is it? That is going to have to be settled; the power people must have that answered. I know we hear a lot concerning this matter and the distinguished chairman has referred to those in favor of this, the three Governors in the Pacific Northwest are in favor of this. That is true; they are. I would not mislead my colleagues on that point. But I would say this; that the one man who probably has had more experience in the Snake River than any other man, is the former Senator from Idaho, Mr. Jordan, and he is opposed to this legislation.

He lived right below the mouth of the Hells Canyon and raised his family down there. The stories he can tell about the Snake River are experienced, stories about the river being almost dry before the days when we built the dams. You could walk across the rivers then. One could not drive jet boats up and down the river like one can today.

I think this position is far too important for the House to overlook. We are considering it late in the afternoon because both sides have taken part in a hurried process. I am not impugning the motives of the chairman of the subcommittee for this, but it just happens this is the way the legislative process works. It just happens that it came up today before the Thanksgiving recess, and I appreciate that, but I do not think the Members of the House have any idea what we are talking about or voting on. What we are talking about is a situation where the recreational tradeoffs we are weighing here, the fact that only 10,000 people visit this area annually. If we had water and power development in there, there would be a half million people who would enjoy the recreational aspects of the Hells Canyon and the deepest gorge.

It would change the water level some, possibly 90 feet. I do not know whether that is significant. These are questions that are unanswered.

My position is not to stand here and tell the Members that that is what should be done with the river. I am trying to tell the Members that the studies are not completed. The chips are not in yet.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SEBELIUS. Mr. Chairman, I yield 4 additional minutes to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman.

Despite the studies that we have had, and despite all the discussion we have had, we still do not know what would be the best use of the Middle Snake River. If we pass this legislation today and it is signed into law by the President, I say to the Members that the people in the Pacific Northwest will be in bread lines, and they will be short of energy before they ever realize they have a river that they could develop.

Theodore Roosevelt once said conservation resources also include the development of these resources. We are power-short in the Pacific Northwest. Bread and butter is a very important part of good environment, warm houses, and low-cost energy to drive our economy. We have great energy consumption in the United States. We have cyanite ore up in Idaho from which aluminum is made. The Ethyl Corp. has been turned down by the power companies because there is not enough electricity for them. They wanted to spend a half billion dollars in Lewiston, Idaho, to build a plant to process the ore. They cannot do it. This is why I think my amendment for a 3-year moratorium really has merit.

I could go on and on for a long time about this. I just think this is a tragedy that the House will pass legislation which will affect the lives of the people who live in this area. We are in a recession. We have unemployment, and what do we have to do to get out of it? We have got to put people back to work. The labor unions are opposed to this bill in its present form; the administration is opposed to this bill; and I think we are rushing in here. I wish more Members of the House were here to weigh this with serious consideration.

We do not have to cast a vote against or for environmentalists. Cast a vote for my amendment in the nature of a substitute when the opportunity comes, and we can put the whole thing on the back burner and wait for the studies to be completed. Then the Congress can come in here and take action.

The two gentlemen who came up with that idea, Senator CHURCH and Senator Jordan 10 years ago were correct when they took that position. That position would still be the proper position to take today.

I do not want to have any feud with the chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. ULLMAN) whose district adjoins mine. I understand he is tired of arguing over this. I am sure that is the situation with my former colleague whose seat I now occupy. They decided to solve the problems some way.

What I am saying is there is a lot of electrical energy there. There is a lot of copper in that area. There are all kinds of minerals, and we do not even know what they are yet, and we are passing this legislation before we can get the horse out of the barn. I think it is a mistake.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to my colleague, the gentleman from Idaho.

Mr. HANSEN. I thank the gentleman for yielding.

Mr. Chairman, I commend my colleague, the gentleman from Idaho, for his statement and his understanding of the problem, also for the amendment that he plans to offer which would study the matter for an additional period of time, which I think is important.

I should like to ask the gentleman two questions. One would be with regard to power problems. Is it not true that at this time they are having difficulty with environmental considerations over being able to take care of our shortage of power by falling water, or atomic energy, or coal-fired plants?

Mr. SYMMS. That is certainly true. As a matter of fact, the Idaho Power Co. tried to spend several hundred million dollars to build a powerplant, a coal-fired plant, southwest of Boise in the desert, and the same people who are opposing building dams on the Snake River are also opposing the building of the powerplant.

They say they do not need any power. They are shortsighted.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SEBELIUS. I yield the gentleman 2 additional minutes.

Mr. HANSEN. Mr. Chairman, if the gentleman will yield further, this is the first time I have ever seen the gentleman in the well on the dole, for time that is not money.

I would also like to ask the gentleman about power costs. The State of Idaho is basically a very arid State. It takes a great deal of pumping, which requires electricity, to get the water up on the land. The controversy we have over Hells Canyon is that it would eliminate perhaps one of the last possibilities we have for solving our power needs and at a low cost as compared to coal and nuclear possibilities. Is this one reason the gentleman feels we should have some kind of moratorium or study for the next 3 years?

Mr. SYMMS. It certainly would be one of the reasons. A great many people who will be affected by this are the constituents of the gentleman in the Second District of Idaho who are upstream from the water the legislation will affect. There are some 2 million acres of arid land. We could put upstream water on the land if we have development of the Snake River.

The whole State of Idaho relies on irrigation projects. If one flies over the State he can see what irrigation does for the State. There is green on one side where there is irrigation and there is arid land on the other side.

Idaho is a young State. We have achieved Statehood only around the turn of the century or just before that date. We have not had time to develop as the States of the Eastern Seaboard and the South who have had large population centers for a couple of hundred years. That is not the case in Idaho. We still need the time to develop our State as other States have had instead of trying to make a playground out of the area for wealthy people for this recreation. We need to develop this land for our own tax base. I think it is a shame for the Congress to handle this in such a rapid time. I would like to see more time for us to develop this.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 7 minutes to the gentleman from Oregon (Mr. DUNCAN).

Mr. DUNCAN of Oregon. Mr. Chairman, I take this time to advise the House that during the 5-minute rule I propose to offer amendments which in committee were known as the Roncalio amendments.

The gentleman from Idaho is quite right. They do not address themselves to any of the problems in the bill which he raises except the single proposition that the 55-mile stretch of the river from the mouth of the Imnaha upstream to the base of the present Hells Canyon dam ought not to be set aside in perpetuity and the hydroelectric potential of that stretch of the Middle Snake denied to this country as we are engaged in such a tremendous struggle to try to meet the energy requirements of this country.

I offer this amendment with a great deal of reluctance. I was pleased to join in the sponsorship of this bill with my colleague, the gentleman from Oregon (Mr. ULLMAN), and my esteemed colleague, the gentleman from Washington (Mr. MEEDS). I joined in the sponsorship but at the time I put in the CONGRESSIONAL RECORD a reservation of rights, recognizing at that time the potential power that existed and not being able to anticipate what our power problem would be in this country at the time this bill came up for decision.

In the past 11 months I have heard Mr. Zarb appear in front of committee after committee and impress upon us the seriousness of the energy crisis. My own chairman has skillfully generaled bills through this House over the energy crisis and has convinced me over the past 11 months that this Nation does face an energy crisis and we must take every step possible to attempt to alleviate that.

Even so I thought we could still solve this problem with thermal facilities in the Pacific Northwest, and the nuclear facilities and the coal-powered facilities.

Accordingly, all the different interests in the Pacific Northwest, the public and private power interests, the non-Federal users of Federal power, come together in sponsoring what is called the hydrothermal tube. It envisioned the construction of a timetable schedule of facilities which I think if constructed on schedule would probably eliminate the necessity for these dams in Hells Canyon. But what is the picture of those 19 proposed projects? There are only two that as of a reading today are on schedule. Some of them are more than 2 years behind schedule.

The sad fact of the matter is that with the circulation of a nuclear moratorium in the State of Oregon, which I think has a good chance of passing, I think we are going to be faced with a severe crisis in the Northwest. We ought to forestall it by accepting the Roncalio-Duncan amendments to this bill today.

We know that all of us go home and talk in our campaigns that we do not need to really choose between having clean environment or poor environment and a growing economy. We have got a chance today to say, "Yes, we don't have to make that choice." Today we can accept the Duncan amendments and we can have both an environmental area that all of posterity can enjoy in the Pacific Northwest and we can still carve out of that the ability to produce the power that we need to furnish jobs for the growing population in our area.

What do these amendments do? They simply make changes in the bill that would permit two dams to be built upstream of the Imnaha River. Now, my friend, the gentleman from Washington, suggested this is going to have a prodigious impact on the fishing resources of the Columbia-Snake district. I suggest that is not so. I have studied it for a long time to make sure, if I could, what the impact is going to be on fishing. The big spawning grounds left in that area are on the Salmon and Imnaha. The two dams proposed are both above the Imnaha River. The testimony in front of the committee on the question of fish spawning in this stretch of the Snake says that it is limited to a few hundred fish. As a matter of fact, the design of these two dams is proposed to be such that actually it can very well be an enhancement of the fishery resources below those dams by the use of slotted gates and releasing the water at lower levels, at lower temperatures, to enhance the environment for those salmon.

What other fish are we concerned with, trout? The trout in a reservoir have a tendency to congregate where the fresh water streams are coming in, so the fishermen will not be able to find them all over the reservoir but they ought to be in the mouth of the river.

There will be a decrease in the amount and size of largemouth bass, but a corresponding increase in small-mouth bass.

The sturgeon I was concerned about, but the latest information I have out of the Oregon Fish Commission is that there has been a superb recovery of the great white sturgeon behind the dams of the Columbia River. At this point, I have no reason to believe even the sturgeon would be adversely affected by these installations.

So with respect to the fishery resources, if we are going to build a hydroelectric facility, there is no place we could build it where it will have less of an impact on the fishery resources than this.

Now, in all fairness, I have to say the reason that is so is because the Idaho Power Co. years ago built three dams, low dams, in the middle Snake River and literally destroyed the anadromous fish resources in that area. As reprehensible as that was and as much as I regret it, I think what we have to do is take a look at the situation that faces us today and regardless of the cause, there is very minimal impact on the fishery resources of the Snake River by the construction of these dams.

I have hiked that river and I have boated that river.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 1 additional minute to the gentleman from Oregon.

Mr. DUNCAN of Oregon. My credentials in this area, I think, are impeccable. When I served in the Congress before, I served on the Interior Committee and was able to contribute some amendments which helped to get the passage of the wilderness bill in the first place, and I voted in support of the scenic rivers bill. I opposed the installation of those low dams in the Middle Snake River when I was in the State legislature.

But, I want to be able to go back to my people and my constituency and say, "Look, I have made speeches to you about making compromises, about having jobs in a green, pleasant environment. Here is what I have done. We are bringing to you a Hells Canyon Scenic Area, but we are carving out of it the right to build two dams which indeed will change the nature of the river and of Hells Canyon, but not necessarily for the worst. The scenery will be changed, but depending on what your perspective is, it will not necessarily be for the worse."

Mr. Chairman, I urge the Members to consider carefully the amendment and the opportunity that the Members have to strike a blow, both for the preservation of America and for the preservation of jobs.

Mr. SEBELIUS. Mr. Chairman, I have no further requests for time, and I reserve the balance of my time.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 3 minutes to the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Chairman, I am grateful to our eminent and excellent chairman of the National Parks Subcommittee for the opportunity to say just a few words today.

I carried this battle through the subcommittee and the full committee for the past many, many months in the firm belief that in fairness we ought to ask every State to give, and to give in some degree of fairness to that which is asked of its neighboring States when it comes to gutting the environment and making the necessary sacrifices so that all America can solve its energy problems and help with the fight on inflation, in order to keep some semblance of green grass, air, and water, with an environment safe and preserved for the way of life of the various States.

I do not think the results to be hoped for and strived for can be achieved when one State, such as Wyoming, is asked to give up its waters in all four directions after having seen five or six dams built on the Platte River, one on the Snake River and several on the other rivers leaving the State; when Wyoming is asked to go into a pellmell surface coal mining program unprecedented in the history of this country, with an exponential increment in hundreds of tons per year, now resulting in strip mining unbelievably great in its impact upon the human beings who live in our State; when we are asked at the same time to permit open uranium mining, a burst of oil and gas activity resulting in an impact on our cities unprecedented in what is now called the Gillette syndrome which results in:

First, the highest suicide rate of anyplace else in America; second, acres and acres of mobile homes without the sign of a bookmobile for the kids; without the sign of a park for kids to play in; without a bit of grass anyplace for the kids to play in; the winds blowing more and more sagebrush and dust around week after week so that people can get their coal; homes left in an ugly, ugly atmosphere for raising kids; with all the problems attendant to the high binders of the Klondike—what does Idaho say?

"Oh, we have the finest scenic rivers in the world. We have hundreds of miles of pristine and scenic rivers now in the Scenic Rivers System, but we will not let you take 35 miles more or build a single dam."

What is the tradeoff on the two small dams? The tradeoff is a total of 6 million tons of coal per year. That is what somebody is going to have to mine someplace and ship to Idaho to do the equivalent that these two dams would produce. To lock up the potential, if we take the one installation or both, 6 million acre feet of water per year that could, with proper irrigation practices, produce tremendous quantities of food and fiber.

This is something that we should be thinking about when it is said, "Oh, we will not permit another dam on the Snake River."

There is no greater exponent for scenic rivers, national recreation areas, parks and wilderness than I am; but I think this should be built fairly and in fair consideration to the adjoining States.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 7 minutes to the gentleman from Oregon (Mr. ULLMAN), a principal author of the bill.

Mr. ULLMAN. Mr. Chairman, the Hells Canyon of the Snake River flows along the border between the States of Oregon and Idaho. On the Idaho side is the district of the gentleman from Idaho (Mr. SYMMS); on the Oregon side is my district. The Hells Canyon area of the Snake, sometimes called the Grand Canyon of the Snake, is one of the most spectacular and scenically beautiful areas not just in America but in the whole world.

Mr. Chairman, I became interested in Hells Canyon 25 years ago and was deeply involved in the fight to build the Hells Canyon Dam back in the late 1940's and early 1950's. I think time has proven that we would have been far better off to have built a high-storage dam at Hells Canyon. Instead, three smaller dams were built by Idaho Power Co.

The lower of those three dams, the Hells Canyon Dam, is at approximately the same site that we had recommended for the High Hells Canyon Dam.

The area we are talking about today is below that damsite, and it is the deepest part of the canyon. In the Idaho side the canyon rises some 7,000 feet above the canyon floor. Along the Oregon rim that I have traveled many times on foot, on horseback or by jeep, we have the most awesome and beautiful view that I have ever seen. With the sun moving across the sky the canyons that rise up 7,000 feet over on the Idaho side change by the minute, and it is indeed one of our great spectacular scenic areas that simply must be preserved.

Mr. Chairman, I became interested in how to best do this a number of years ago and developed the concept of a Hells Canyon recreation area. We have attempted to put together a management concept that provides the best possible utilization, as well as preservation of the resources. We would put the canyon walls into a wilderness area. That certainly seems to me to be the only kind of management that one could possibly arrive at, in looking at that resource. There is some farm activity, mostly grazing, all of which should be allowed to continue on the floor and banks of the canyon face. It has been my intention from the beginning that that be the case. However, the essential features of the canyon walls must remain undisturbed.

The rim on both sides would be kept in a very much natural preserved area. But I have long supported a well-contained roadway along the top of the Oregon rim that would make this tremendously scenic area available to all Americans. And in this bill we have provided a study that hopefully will lead to that kind of a rim access, but carefully controlled and screened by the Government in a way to protect the natural beauty of the rim area.

Mr. Chairman, after working on this bill for 4 or 5 years we have finally developed a concept that is agreed upon on the Senate side and agreed upon by the committee and, hopefully, the House on this side, that does provide the kind of management that is best suited for the area.

Let me say that all of the Members of the Oregon delegation in the House and the two Senators from Oregon are cosponsors of the legislation. I believe the same is true in the State of Washington. We have full support of all of the Members of the House there and both of the Senators.

In the State of Idaho, as the Members know, we have the opposition of the two Congressmen, but we have the support of the two Senators, one a Democrat and the other a Republican.

Mr. Chairman, let me say to the chairman of the subcommittee, the gentleman from North Carolina (Mr. TAYLOR), that I recall when he and I and several others flew in a helicopter over the canyon a number of years ago. Ever since that time the chairman of this subcommittee has been interested in the area, and he knows how spectacularly beautiful it is. I want to thank him and congratulate him for all the support and outstanding leadership he has given on this issue through the years.

I want to say to my friend, the gentleman from Washington (Mr. MEEDS), that I appreciate his efforts as the good right arm of the committee. I want to thank and congratulate him for all of his efforts.

I wish to congratulate as well the chairman of the full committee, the gentleman from Florida (Mr. HALEY). The gentleman is my long-time friend, one who has stood with me so many times in fighting for Indian legislation and other kinds of legislation coming out of the Committee on Interior and Insular Affairs. I want to thank him and congratulate him.

Mr. Chairman, I am glad to see that my good friend, the gentleman from Oregon (Mr. DUNCAN), stood up, because I did not want to leave him out. However, I want to say that I strongly oppose the amendment that will be offered by my good and distinguished friend, the gentleman from Oregon (Mr. DUNCAN).

Mr. Chairman, I think we crossed the bridge of damming this section of the river a long time ago. I came to the conclusion 5 years ago that there never would be a dam built in this stretch of the canyon. Subsequently I reached the conclusion that it would be totally impossible from almost any point of view, whether it be economic or whether it be from the point of view of the conservation interests of the Nation. I came to a later conclusion that even if the dam could be built, it should not be built.

The highest and best use of this vast and spectacularly beautiful area is to allow this free-flowing river to remain in its present state in this tremendous canyon, and we should save it for America's posterity. That is what this bill does.

Mr. Chairman, I strongly oppose the amendment which will be offered by the gentleman from Idaho (Mr. SYMMS). This area has been studied to death. We are now at the point of decision, and it is time to make a final disposition of this area and adopt this bill.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I would be glad to yield to the gentleman from Oregon.

Mr. AuCOIN. Mr. Chairman, I thank the gentleman for yielding.

I would like to commend the gentleman from Oregon (Mr. ULLMAN) for his leadership in this matter. It was my pleasure to be a cosponsor of this historic legislation.

I would also like to commend the distinguished chairman of the subcommittee for the leadership and guidance he has provided and for his patience. I wish also to congratulate the chairman of our full committee for his leadership.

Mr. ULLMAN. Mr. Chairman, I want to express my appreciation to the gentleman from the Virgin Islands (Mr. DE LUGO) for all the help he has given us. I wish as well to thank all the other members of the committee and of the subcommittee. The committee and the subcommittee have supported this legislation for the interests of conservation of this area for the American people.

Mr. Chairman, I strongly urge that we vote down the amendments and support the bill.

Mr. DE LUGO. Mr. Chairman, I would like to take this opportunity to express my strongest support for H.R. 30, a bill to establish the Hells Canyon National Recreation Area in the States of Oregon, Idaho, and Washington. As a cosponsor of this important legislation and as a member of the subcommittee from which it was reported, I would especially like to commend my good friend and colleague, Congressman AL ULLMAN for his long and effective support for a Hells Canyon National Recreation Area.

As the original sponsor of this legislation, Congressman ULLMAN persisted throughout the closing days of the 93d Congress in a valiant effort to bring the bill to the House floor. While a series of unfortunate parliamentary maneuvers and the end of the session itself prevented final consideration of the measure, Congressman ULLMAN has continued his efforts throughout the 94th Congress, and they have now brought the dream of a national recreation area for this unparalleled region in the Pacific Northwest that much closer to reality.

Future generations will also be able to enjoy the vigorous outdoors and the pristine beauty of the unspoiled area, largely through the dedicated efforts of this one man.

Mr. SEBELIUS. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the Clerk will read the committee amendment in the nature of a substitute now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) to assure that the natural beauty, and historical and archeological values of the Hells Canyon area and the seventy-one-mile segment of the Snake River between Hells Canyon Dam and the Oregon-Washington border, together with portions of certain of its tributaries and adjacent lands, are preserved for this and future generations, and that the recreational and ecologic values and public enjoyment of the area are thereby enhanced, there is hereby established the Hells Canyon National Recreation Area.

(b) The Hells Canyon National Recreation Area (hereinafter referred to as the "recreation area"), which includes the Hells Canyon Wilderness (hereinafter referred to as the "wilderness"), the components of the Wild and Scenic Rivers System designated in section 3 of this Act, and the wilderness study areas designated in subsections 8(d) of this Act, shall comprise the lands and waters generally depicted on the map entitled "Hells Canyon National Recreation Area" dated September 1975, which shall be on file and available for public inspection in the office of the Chief, Forest Service, United States Department of Agriculture. The Secretary of Agriculture (hereinafter referred to as "the Secretary"), shall, as soon as practicable, but by no later than eighteen months after the date of enactment of this Act, publish a detailed boundary description of the recreation area, the wilderness study areas designated in subsection 8(d) of this Act, and the wilderness established in section 2 of this Act in the Federal Register.

SEC. 2. (a) The lands depicted as the "Hells Canyon Wilderness" on the map referred to in subsection 1(b) of this Act are hereby designated as wilderness.

(b) The wilderness designated by this Act shall be administered by the Secretary in accordance with the provisions of this Act or in accordance with the provisions of the Wilderness Act (78 Stat. 890), whichever is the more restrictive, except that any reference in such provisions of the Wilderness Act to the effective date of that Act shall be deemed to be a reference to the effective date of this Act. The provisions of section 9(b) and sction 11 of this Act shall apply to the wilderness. The Secretary shall make such boundary revisions to the wilderness as may be necessary due to the exercise of his authority under subsection 3(b) of this Act.

SEC. 3. (a) Subsection 3(a) of the Wild and Scenic Rivers Act (82 Stat. 906) is hereby amended by adding at the end thereof the following clauses:

"(11) Rapid River, Idaho.—The segment from the headwaters of the main stem to the national forest boundary and the segment of the West Fork from the wilderness boundary downstream to the confluence with the main stem, as a wild river.

"(12) Snake, Idaho and Oregon.—The segment from Hells Canyon Dam downstream to Pittsburgh Landing, as a wild river; and the segment from Pittsburgh Landing downstream to an eastward extension of the north boundary of section 1, township 5 north, range 47 east, Williamette meridian, as a scenic river.".

(b) The segments of the Snake River and the Rapid River designated as wild or scenic river areas by this Act shall be administered by the Secretary in accordance with the provisions of the Wild and Scenic Rivers Act

(82 Stat. 906), as amended, and the Secretary shall establish detailed boundaries therefor in accordance with subsection 3(b) of that Act: *Provided*, That the Secretary may not undertake or permit to be undertaken any activities on adjacent public lands which would impair the water quality of the Rapid River segment.

SEC. 4. (a) Notwithstanding any other provision of law, or any authorization heretofore given pursuant to law, the Federal Power Commission may not license the construction of any dam, water conduit, reservoir, powerhouse, transmission line, or other project work under the Federal Power Act (41 Stat. 1063), as amended (16 U.S.C. 791a et seq.), within the recreation area: *Provided*, That the provisions of the Federal Power Act (41 Stat. 1063) shall continue to apply to any project (as defined in such Act), and all of the facilities and improvements required or used in connection with the operation and maintenance of said project, in existence within the recreation area which project is already constructed or under construction on the date of enactment of this Act.

(b) No department or agency of the United States may assist by loan, grant, license, or otherwise the construction of any water resource facility within the recreation area which the Secretary determines would have a direct and adverse effect on the values for which the waters of the area are protected.

SEC. 5. (a) Section 5(a) of the Act of October 2, 1968 (82 Stat. 906), as amended, is further amended by adding the following new paragraph:

"(57) Snake, Washington, Oregon, and Idaho: the segment from an eastward extension of the north boundary of section 1, township 5 north, range 47 east, Williamette meridian, downstream to the town of Asotin, Washington.".

(b) The Asotin Dam, authorized under the provisions of the Flood Control Act of 1962 (76 Stat. 1173), is hereby deauthorized.

SEC. 6. (a) No provision of the Wild and Scenic Rivers Act (82 Stat. 906), nor of this Act, nor any guidelines, rules, or regulations issued hereunder, shall in any way limit, restrict, or conflict with present and future use of the waters of the Snake River and its tributaries upstream from the boundaries of the Hells Canyon National Recreation Area created hereby, for beneficial uses, whether consumptive or nonconsumptive, now or hereafter existing, including, but not limited to domestic, municipal, stockwater, irrigation, mining, power, or industrial uses.

(b) No flow requirements of any kind may be imposed on the waters of the Snake River below Hells Canyon Dam under the provisions of the Wild and Scenic Rivers Act (82 Stat. 906), of this Act, or any guidelines, rules, or regulations adopted pursuant thereto.

SEC. 7. Except as otherwise provided in sections 2 and 3 of this Act, and subject to the provisions of section 10 of this Act, the Secretary shall administer the recreation area in accordance with the laws, rules, and regulations applicable to the national forests for public outdoor recreation in a manner compatible with the following objectives:

(1) the maintenance and protection of the freeflowing nature of the rivers within the recreation area;

(2) conservation of scenic, wilderness, cultural, scientific, and other values contributing to the public benefit;

(3) preservation, especially in the area generally known as Hells Canyons, of all features and peculiarities believed to be biologically unique including, but not limited to, rare and endemic plant species, rare combinations of aquatic, terrestrial, and atmospheric habitats, and the rare combinations of outstanding and diverse ecosystems and parts of ecosystems associated therewith;

(4) protection and maintenance of fish and wildlife habitat;

(5) protection of archeological and paleontologic sites and interpretation of these sites for the public benefit and knowledge insofar as it is compatible with protection;

(6) preservation and restoration of historic sites associated with and typifying the economic and social history of the region and the American West; and

(7) such management, utilization, and disposal of natural resources on federally owned lands, including, but not limited to, timber harvesting by selective cutting, mining, and grazing and the continuation of such existing uses and developments as are compatible with the provisions of this Act.

SEC. 8. (a) Within five years from the date of enactment of this Act the Secretary shall develop and submit to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives a comprehensive management plan for the recreation area which shall provide for a broad range of land uses and recreation opportunities.

(b) In the development of such plan, the Secretary shall consider the historic, archeological, and paleontological resources within the recreation area which offer significant opportunities for anthropological research. The Secretary shall inventory such resources and may recommend such areas as he deems suitable for listing in the National Register of Historic Places. The Secretary's comprehensive plan shall include recommendations for future protection and controlled research use of all such resources.

(c) The Secretary shall, as a part of his comprehensive planning process, conduct a detailed study of the need for, and alternative routes of, scenic roads and other means of transit to and within the recreation area. In conducting such study the Secretary shall consider the alternative for upgrading existing roads and shall, in particular, study the need for and alternative routes of roads or other means of transit providing access to scenic views of and from the Western rim of Hells Canyon.

(d) The Secretary shall review, as to their suitability or nonsuitability for preservation as wilderness, the areas generally depicted on the map referred to in section 1 of this Act as the "Lord Flat-Somers Point Plateau Wilderness Study Area", and the "West Side Reservoir Face Wilderness Study Area", and the "Mountain Sheep Wilderness Study Area" and report his findings to the President. The Secretary shall complete his review and the President shall, within five years from the date of enactment of this Act, advise the United States Senate and House of Representatives of his recommendations with respect to the designation of lands within such area as wilderness. In conducting his review the Secretary shall comply with the provisions of section 3(d) of the Wilderness Act and shall give public notice at least sixty days in advance of any hearing or other public meeting concerning the wilderness study area. The Secretary shall administer all Federal lands within the study areas so as not to preclude their possible future designation by the Congress as wilderness. Nothing contained herein shall limit the President in proposing, as part of this recommendation to Congress, the designation as wilderness of any additional area within the recreation area which is predominately of wilderness value.

(e) In conducting the reviews and preparing the comprehensive management plan required by this section, the Secretary shall provide for full public participation and shall consider the views of all interested agencies, organizations, and individuals including but not limited to, the Nez Perce Tribe of Indians, and the States of Idaho, Oregon, and Washington. The Secretaries or Directors of all Federal departments, agencies, and commissions having a relevant expertise are hereby authorized and directed to cooperate with the Secretary in his review and to make such studies as the Secretary may request on a cost reimbursable basis.

(f) Such activities as are compatible with the provisions of this Act, but not limited to, timber harvesting by selective cutting, mining, and grazing may continue during development of the comprehensive management plan, at current levels of activity and in areas of such activity at the time of enactment of this Act. Further, in development of the management plan, the Secretary shall give full consideration to continuation of these ongoing activities in their respective areas.

SEC. 9. (a) The Secretary is authorized to acquire such lands or interests in land (including, but not limited to, scenic easements) as he deems necessary to accomplish the purposes of this Act by purchase with donated or appropriated funds with the consent of the owner, donation, or exchange.

(b) The Secretary is further authorized to acquire by purchase with donated or appropriated funds such lands or interests in lands without the consent of the owner only if (1) he deems that all reasonable efforts to acquire such lands or interests therein by negotiation have failed, and (2) the total acreage of all other lands within the recreation area to which he has acquired fee simple title or, lesser interests therein without the consent of the owner is less than 5 per centum of the total acreage which is privately owned within the recreation area on the date of enactment of this Act: *Provided*, That the Secretary may acquire scenic easements in lands without the consent of the owner and without restriction to such 5 per centum limitation: *Provided further*, That the Secretary may only acquire scenic easements in lands without the consent of the owner after the date of publication of the regulations required by section 10 of this Act when he determines that such lands are being used, or are in imminent danger of being used, in a manner incompatible with such regulations.

(c) Any land or interest in land owned by the State of Oregon or any of its political subdivisions may be acquired only by donation. Any land or interest in land owned by the State of Idaho or any of its political subdivisions may be acquired only by donation or exchange.

(d) As used in this Act the term "scenic easement" means the right to control the use of land in order to protect esthetic values for the purposes of this Act, but shall not preclude the continuation of any farming or pastoral use exercised by the owner as of the date of enactment of this Act.

(e) The Secretary shall give prompt and careful consideration to any offer made by a person owning land within the recreation area to sell such land to the United States. The Secretary shall specifically consider any hardship to such person which might result from an undue delay in acquiring his property.

(f) In exercising his authority to acquire property by exchange, the Secretary may accept title to any non-Federal property, or interests therein, located within the recreation area and, notwithstanding any other provision of law, he may convey in exchange therefor any federally owned property within the same State which he classifies as suitable for exchange and which is under his administrative jurisdiction: *Provided*, That the values of the properties so exchanged shall be approximately equal, or if they are not approximately equal, they shall be equalized by the payment of cash to the grantor or to the United States as the circumstances require. In the exercise of his exchange authority, the Secretary may utilize authorities and procedures available to him in connection with exchanges of national forest lands.

(g) Notwithstanding any other provision of law, the Secretary is authorized to acquire mineral interests in lands within the recreation area, with or without the consent of the owner. Upon acquisition of any such interest, the lands and/or minerals covered by such interest are by this Act withdrawn from entry or appropriation under the United States mining laws and from disposition under all laws pertaining to mineral leasing and all amendments thereto.

(h) Notwithstanding any other provision of law, any Federal property located within the recreation area may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the purposes of this Act. Lands acquired by the Secretary or transferred to his administrative jurisdiction within the recreation area shall become parts of the national forest within or adjacent to which they are located.

Sec. 10. The Secretary shall promulgate, and may amend, such rules and regulations as he deems necessary to accomplish the purposes of this Act. Such rules and regulations shall include, but are not limited to—

(a) standards for the use and development of privately owned property within the recreation area, which rules or regulations the Secretary may, to the extent he deems advisable, implement with the authorities delegated to him in section 9 of this Act, and which may differ among the various parcels of land within the recreation area;

(b) standards and guidelines to insure the full protection and preservation of the historic, archeological, and paleontological resources in the recreation area;

(c) provision for the control of the use of motorized and mechanical equipment for transportation over, or alteration of, the surface of any Federal land within the recreation area;

(d) provision for the control of the use and number of motorized and nonmotorized river craft: *Provided*, That the use of such craft is hereby recognized as a valid use of the Snake River within the recreation area; and

(e) standards for such management, utilization, and disposal of natural resources on federally owned lands, including but not limited to, timber harvesting by selective cutting, mining, and grazing and the continuation of such existing uses and developments as are compatible with the provisions of this Act.

Sec. 11. Notwithstanding the provisions of section 4(d)(2) of the Wilderness Act and subject to valid existing rights, all Federal lands located in the recreation area are hereby withdrawn from all forms of location, entry, and patent under the mining laws of the United States, and from disposition under all laws pertaining to mineral leasing and all amendments thereto.

Sec. 12. The Secretary shall permit hunting and fishing on lands and waters under his jurisdiction within the boundaries of the recreation area in accordance with applicable laws of the United States and the States wherein the lands and waters are located except that the Secretary may designate zones where, and establish periods when, no hunting or fishing shall be permitted for reasons for public safety, administration, or public use and enjoyment. Except in emergencies, any regulations of the Secretary pursuant to this section shall be put into effect only after consultation with the appropriate State fish and game department.

Sec. 13. Ranching, grazing, farming, timber harvesting, and the occupation of homes and lands associated therewith, as they exist on the date of enactment of this Act, are recognized as traditional and valid uses of the recreation area.

Sec. 14. Nothing in this Act shall diminish, enlarge, or modify any right of the States of Idaho, Oregon, or any political subdivisions thereof, to exercise civil and criminal jurisdiction within the recreation area or of rights to tax persons, corporations, franchises, or property, including mineral or other interests, in or on lands or waters within the recreation area.

Sec. 15. The Secretary may cooperate with other Federal agencies, with State and local public agencies, and with private individuals and agencies in the development and operation of facilities and services in the area in furtherance of the purposes of this Act, including, but not limited to, restoration and maintenance of the historic setting and background of towns and settlements within the recreation area.

Sec. 16. (a) There is hereby authorized to be appropriated the sum of not more than $10,000,000 for the acquisition of lands and interests in lands within the recreation area.

(b) There is hereby authorized to be appropriated the sum of not more than $10,000,000 for the development of recreation facilities within the recreation area.

(c) There is hereby authorized to be appropriated the sum of not more than $1,500,000 for the inventory, identification, development, and protection of the historic and archeological sites described in section 5 of this Act.

Sec. 17. If any provision of this Act is declared to be invalid, such declaration shall not affect the validity of any other provision hereof.

Mr. TAYLOR of North Carolina (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the Record, and open to the amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Symms: Strike out all after the enacting clause and insert in lieu thereof the following:

That in order to consider preserving for the purposes of outdoor recreation and public enjoyment the natural features of the Hells Canyon area in the States of Idaho and Oregon, the Secretary of Agriculture (hereafter referred to as the "Secretary") is authorized and directed to study the feasibility and suitability of establishing a Hells Canyon National Recreation Area in the States of Idaho and Oregon. The boundaries of the study area shall generally be those represented on a map entitled "Study Area—Potential Hells Canyon National Recreation Area", dated February 1975, which shall be on file and available for public inspection in the office of the Chief, Forest Service, United States Department of Agriculture: *Provided*, That lands beyond those boundaries but immediately adjacent thereto may also be considered in the conduct of the study, and references thereto may be incorporated within the final study report.

Sec. 2. (a) The Secretary shall submit to the President and to the Congress of the United States, within three years of the date of enactment of this Act, a report of his findings and recommendations as a result of this study. The report shall contain, but shall not be limited to, findings and recommendations with respect to—

(1) the identification of the various natural, scenic, scientific, historic, and recreational values of the area;

(2) the scope and types of opportunities inherently available and developable for outdoor recreation activity in the forms of hiking, camping, fishing, hunting, nature study, and water and winter sports;

(3) the existing and proposed types of resource uses and land classifications within the area, with particular reference to outdoor recreation, but also including compatible consumptive resource utilization in such forms as wood and fiber production, mineral extraction, grazing and water resources development. The Secretary shall specifically review all undeveloped and unimproved portions of the study area as to their suitability or nonsuitability for preservation as wilderness in accordance with the provisions of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132), and he shall comply with sections 3(c) and (d) of the Wilderness Act in the conduct of this review; and

(4) the existing and proposed development relevant to any of the items specified above, but with particular emphasis on that associated with outdoor recreation.

(b) In conduct of this study, the Secretary shall consult with the Federal Power Commission and any other Federal agencies and State and local governmental bodies and officials which may have an interest in the future use and disposition of the study area.

Sec. 3. Unless and until otherwise provided by Congress, the land and interests in lands described by reference to the map cited in section 1 of this Act shall remain classified, withdrawn, set aside, or otherwise dedicated to the use or uses designated prior to June 1, 1974, and no license or permit shall be issued nor shall any application for a license or permit be accepted for filing under the Federal Power Act (41 Stat. 1063; U.S.C. 791–823), as amended, with respect to that reach of the Middle Snake River running between Idaho and Oregon and Idaho and Washington extending from Hells Canyon Dam to a point at river mile 146.5 above the mouth of the Snake River where the Asotin Dam project was authorized by the Flood Control Act of 1962, pending the study authorized by section 1 of this Act, or at any time before September 30, 1978: *Provided*, That nothing herein shall change or affect, for the purposes of any action which may be taken subsequent to such period, the present status, equities, positions, rights, or priorities of any party or parties to an application for license or permit pending before the Federal Power Commission on the date of enactment of this Act.

Sec. 4. There are hereby authorized to be appropriated not to exceed $200,000 for the conduct of the study authorized by this Act.

Mr. SYMMS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. SYMMS. Mr. Chairman, I would urge that the House consider this amendment, and I sincerely hope that it will be adopted. I urge its immediate acceptance.

Mr. Chairman, Congress is premature in designating the Hells Canyon National Recreation Area. Too many questions remain unanswered about this Nation's future supplies of minerals, energy and agricultural products. Too little serious consideration has been given to alternate management plans which would protect the wilderness quality of some stretches along the Middle Snake, at the same time allowing Idaho people to utilize the bountiful natural resources of the area. H.R. 30 will permanently prohibit the multiple purpose development of the Middle Snake—an option which should be protected until we know more about the economic future.

It had been my hope to have the cooperation of the Interior Committee in declaring a moratorium on dam construction or any changes in present uses within the proposed NRA boundaries until September 30, 1978. This buys the time we need. It also protects the esthetic qualities of the area in the interim.

It is important that this Congress look at what they are trading away for the sake of protecting an extra 50 miles or so of river.

Were the power companies to go ahead with their proposed installations, enough kilowatt hours would be provided annually to meet the residential needs of 2.3 million people. In trade-off this means 12 million barrels of Arab oil each year, or 4 million tons of coal from the Montana coal fields. That hydroelectric complex could be situated in such a way that fisheries are not appreciably affected and 50 miles of river downstream would remain free flowing.

Of critical concern to thousands of Idahoans is the demand upon water needed by upstream irrigators for present projects and the development of close to 5 million acres of desert for agricultural purposes.

The legislation written by Mr. Ullman purportedly offers protection to the forest products industry—assurance that cutting will proceed as usual. Those are good words, but we may be pipe dreaming. It has been the actual practice of the Forest Service to proceed with caution on sales within specially classified areas. Experience has shown there is little hesitancy on the part of extreme environmental organizations to drag forestry policy into court.

Mining, too, is adversely affected by the legislation. The Middle Snake is rich in copper and other minerals in short supply in this country. Under this legislation prospecting will cease and it is likely that any serious effort to work patented claims would result in condemnation.

Grazing will continue if H.R. 30 is enacted, but the Forest Service is already in the midst of reviewing existing permits and reducing the allowable animal units per month. This review must undoubtedly continue if the NRA is to be managed with emphasis on recreation.

In my own mind, I don't believe Idahoans are necessarily getting the best deal on recreational potential, either. In the earlier part of this century, Hells Canyon was a magnificent, desolate canyon that few people had the experience of seeing. It was ripped by floods every spring and offered a tenuous living for the few people who lived along its walls. All this changed with the construction of the Hells Canyon Dam. Boaters now use that reservoir, housed in campgrounds provided by the power company. Roads constructed for the purposes of building that dam are used by thousands each year who would otherwise have had no motorized access to the most rugged stretches of the canyon. It is true that Idaho lost a part of the wilderness experience with the construction of that dam, but it exchanged that experience for the opportunity to share Hells Canyon with millions who enjoy motoring and still-water boating.

This is the kind of trade-off we are talking about should the Pacific Northwest decide in future years that its energy requirements cannot be met without additional hydroelectric development.

Mr. Chairman, these are value judgments to be made and I don't think we need to be in any great hurry in reaching them. Idaho's economic and social development lags far behind the Eastern United States—a situation we do not lament. It concerns me though that in the rush to protect America's finest recreational and wilderness settings, Idaho carries the burden far out of proportion to our sister States. We cannot afford this. We should not be put in the position of having our options closed down before we can realistically assess our future.

Mr. MEEDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not intend to take my full 5 minutes because we have already taken almost 30 years to study this matter.

The controversy began in 1946 and has continued to the present day. There have been studies upon studies upon studies upon studies of the Middle Snake River with regard to the feasibility of power, with regard to feasibility of minerals, and with regard to the feasibility of timber.

The timber encompassed in the area here would not run the mills in the area for 3 days or would just barely run them for 3 days.

The Forest Service has done a very good job in drawing the boundaries of the national recreation area in such a way as to exclude the known valuable deposits of minerals. Geological surveys were made and conducted by that department.

The legislation before us is supported by all three Governors, who are asking for passage now, not later. There has been a bipartisan effort by the Governors, by all six Senators in the three States. There has been a bipartisan effort there and by 10 or 11 of the 13 Members of the House delegation.

I think, perhaps, Mr. Chairman and members of the committee, that I can best sum up by quoting from a letter which was sent to the Honorable Robert Packwood, Senator from the State of Oregon, by Daniel Goldstein, Assistant General Counsel of the Federal Power Commission, on November 15, 1974. I will just quote a part of it.

He says:

> As I explained to you on November 14, the matter of the Snake River litigation before this agency has produced so much paperwork that one would believe that all of the documents could easily fill a railroad boxcar.

Mr. Chairman, that is the extent of the studies done by the Federal Power Commission. There are others done by the Forest Service, by the U.S. Geological Survey, and by the States of Idaho, Oregon, and Washington.

We have studied the matter amply, as the gentleman from Oregon (Mr. Ullman) said; and I think it is time to act on the studies which have shown that this is the highest and best use.

Mr. TAYLOR of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. Yes; I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Chairman, I would like to associate myself with the remarks just made by the gentleman from Washington (Mr. Meeds).

This amendment would take all the work in the hearings and the decisions that have been made by the committee here in the last three Congresses and set them aside in favor of an unnecessary study. It really represents a last-ditch effort to prevent this issue from being resolved. In short, this amendment is just a way to do nothing.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Idaho (Mr. Symms).

The question was taken; and on a division (demanded by Mr. SYMMS) there were—ayes 15, noes 20.

So the amendment in the nature of a substitute was rejected.

AMENDMENTS OFFERED BY MR. DUNCAN OF OREGON

Mr. DUNCAN of Oregon. Mr. Chairman, I offer a series of amendments and ask unanimous consent that they may be considered en bloc.

The Clerk read as follows:

> Amendments offered by Mr. Duncan of Oregon: Page 15, line 11, strike out "seventy-".
>
> Page 15, line 12, strike out "one-mile" and "Hells Canyon".
>
> Page 15, line 13, strike out "Dam" and in lieu thereof insert: "river mile 192".
>
> Page 16, line 2, after "1975," insert: "as modified to conform to this act,".
>
> Page 17, line 10, strike out everything and in lieu thereof insert: "river mile 192".
>
> Page 17, line 11, strike out everything except the word "down".
>
> Page 18, line 6, after "area" and before the colon insert: "below river mile 192".
>
> Page 18, line 10, strike out "in exist-".
>
> And on line 11 strike out "ence".
>
> Page 18, line 12, after "construction" insert: "or application pending".
>
> Page 18, line 16, after "area" insert: ", other than a project under application referred to at Sec. 4(a),".

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon (Mr. Duncan) that the amendments be considered en bloc?

Mr. MEEDS. Mr. Chairman, reserving the right to object, and I do not intend to object, I would just ask the gentleman from Oregon if what is proposed here is to get before the body the so-called Roncalio amendment which was offered in the committee, and the effect of all of this is to get the Roncalio amendment before the committee?

Mr. DUNCAN of Oregon. I am so advised and believe and therefore the gentleman is correct.

Mr. MEEDS. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. DUNCAN of Oregon. Mr. Chairman, this is the amendment that I discussed during the general debate. It does not disturb in any way the so-called wild areas that the sponsors of the bill are attempting to preserve. All it does is to permit the construction of two dams for which applications are pending before the Federal Power Commission, in that middle stretch of the Snake River from a point 55 miles below the present Hells Canyon Dam up to the existing Hells Canyon Dam.

Mr. Chairman, I have listened to the debate and I am pleased that the gentleman from Oregon (Mr. ULLMAN) the chairman of the Ways and Means Committee recognizes that my support of this bill is contingent on this amendment, otherwise I would have thought that my discussion during the general debate was entirely wasted.

I do support the preservation in our country of scenic and wilderness areas and I do support the concept of permitting certain streams to run in a free and unimpeded fashion. However, the Snake River really does not qualify as such nor does the entire Columbia River system because it has been dammed and dammed and dammed and now it produces tremendous quantities of energy on which the entire economy of the Pacific Northwest depends.

The Members have heard the gentleman from Wyoming express the feelings of a representative of that State sitting as it does on quantities of virtually untapped reserves of coal.

Why would not the people from Montana and Wyoming be reluctant to have their States ripped up to produce this coal to generate electricity for the Pacific Northwest when we are not willing to tap our own resources in even such a limited fashion as is proposed by this amendment?

The gentleman from Oregon (Mr. ULLMAN) said that this great Hells Canyon area must be preserved inviolate, that it is some 7,000 feet deep—and it is—but I would ask the Members of this House how many, standing on the brink of that 7,000 foot gorge, could look down and detect a 52-foot difference in the level of the water that is flowing in the Snake River? That is all that these dams would do, would be to raise that level by some 52 feet. Certainly the white water would be gone. To some that would be a loss, but in its place comes a broad sweeping, beautiful stretch of quiet water that I would venture to say would offer recreational opportunities to far more people than the few, like myself, who have hiked and who have boated in the Pacific Northwest. And I love it as much as anyone else.

We are talking in these times of energy shortage about an installation that would save 12 million barrels of oil a year or 4 million tons of coal. We are talking about hydroelectric projects that could produce energy which is the equivalent required by a population of 2,300,000 people. That is just a little bit in excess of the total population of the State of Oregon. Some would say that it is an infinitesimal addition to our total power source. I say that this House, that can seriously debate subsidies for woodburning equipment and even for burning animal wastes, that can subsidize incremental conservation items such as insulation and weatherstripping, certainly cannot afford to throw away 6 billion kilowatts of energy a year.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

Is the gentleman aware that 4 million tons of coal a year would be less than one-half of 1 percent of the coal production that would be contemplated at a time when the dams would be completed?

Mr. DUNCAN of Oregon. If the gentleman says that those figures are accurate, I would accept them. I would say to the gentleman in addition that when I put my name on as sponsor of this bill the first of this year, I fully hoped and believed that it would be possible to produce the energy requirements in my area in thermal facilities, but I know the difficulties that exist in trying to strip mine coal in the West.

I debated for almost an hour in my office last night with very sincere people who are circulating a moratorium petition in the State of Oregon against the construction of any more nuclear powerplants. I say to this body and to my constituency, and to the country, that if we cannot get power from coal and we cannot get power from nuclear fission, and we are not going to be able to build a hydroelectric project—which is the most beneficial and the least environmentally offensive installation—where is the power going to come from?

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SYMMS, and by unanimous consent, Mr. DUNCAN of Oregon was allowed to proceed for 2 additional minutes.)

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

In answer to the question that my friend on the committee, the gentleman from Ohio (Mr. SEIBERLING) brought up, this project that the gentleman proposes, as I understand it, would provide enough electrical energy for 2.3 million people. I think it is on that sheet that I gave the gentleman.

Mr. DUNCAN of Oregon. That is right.

Mr. SYMMS. That is a substantial part of it. I have reservations about the gentleman's amendment because he does not take care of mineral or timber interests. But the point I think that the gentleman is making is one that should be well taken. I am on the Committee on Interior and Insular Affairs with the gentleman from Ohio. He does not want to build nuclear plants; he does not want to dig coal; he does not want to do anything to accomplish the development of electric energy. These people need these businesses and opportunities, and I think the gentleman is offering an amendment that is concerned about the plight of middle-class Americans. These are the people who need the jobs. We are trying to get this economy going again.

Mr. DUNCAN of Oregon. I would like to respond and say I know the environmental problems that exist and the battles that have been fought over these problems, but we have had a lot of unrest in this country during this recession that we are trying to work our way out of.

I would just like to say that if we are not able to produe the power to create the jobs we need in this country, I suspect the social problems we will be facing in this Congress in the years to come are going to make the environmental problems that we apprehend in this bill look like pretty small potatoes.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I would like to say to the gentleman from Idaho, as he knows, I strongly supported a bill to permit strip mining of coal with proper reclamation provisions. I think my record speaks for itself on that.

Mr. DUNCAN of Oregon. The gentleman's record speaks for itself.

Mr. MEEDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hate to take the time of the Committee in this late hour but the gentleman has proposed an amendment which I think should be discussed in some detail because it is an important amendment.

As I said earlier I am not going to come to the well of the House and say there are not tradeoffs involved in this legislation, but I would like to put those tradeoffs in some perspective. The compromise proposed by the gentleman from Oregon contemplates the building of two dams. The two dams with total production would be about 657 megawatts of firm power and over 1,200 megawatts of peaking power. This is equivalent to 75 percent of one large nuclear or coal-fired plant. It is 3.6 percent of the generating capacity of the Pacific Northwest grid. It is two-thirds of one year's growth for the Pacific Northwest when it would go on line.

I do not know if my friend from Oregon is aware of it, but the fact is the Bonneville Power is no longer even considering these dams in their projects. They, like the other gentleman from Oregon (Mr. ULLMAN), concluded some time ago that there simply were not going to be dams in the Middle Snake River. The tradeoffs are clearly inimical, despite what the gentleman from Oregon says, to the anadromous fish.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I commend the gentleman in the well.

I would like to read just part of the

telegram from the Governors of our three States, Gov. Cecil Andrus, of the State of Idaho, Gov. Daniel Evans, of the State of Washington, and Gov. Robert Straub, of the State of Oregon. They are two Democrats and one Republican. In a long telegram they say this:

> As the House considers H.R. 30, your bill to establish the Hells Canyon National Recreation Area, we wish to state again our enthusiastic support for this excellent legislation. The preservation of the free-flowing Middle Snake River is a matter of high priority to our states.
>
> The Pacific Northwest has benefited from extensive hydro electric development of the Columbia-Snake River system. Today, of the 530 river miles from near Portland to near Boise, all but the 101 miles of the Middle Snake River have been dammed. It is essential that we maintain a balance by preserving this last remnant.
>
> The Middle Snake is an essential resource for our region's economically vital river and ocean salmon fishing industry. The diverse public recreational values of the river are well known. Hells Canyon itself is the deepest gorge on our continent, and provides nationally-significant values.
>
> H.R. 30 has been carefully drawn to preserve these many values and to make them available for the enjoyment of the American people.
>
> Dams have been proposed in Hells Canyon for decades and the people of the northwest have long debated this isue. Now, as the near unanimous support of our congressional delegations for H.R. 30 demonstrate, northwesterners want this remaining wild river preserved.
>
> As we work to meet the energy needs of this region, we recognize that strong state energy policy, founded on conservation, is vital. Damming the Middle Snake will not appreciably help, as the maximum energy production from such dams would meet less than one year's growth in regional energy loads. Other solutions are available, and we are actively pursuing them.
>
> We have weighed the trade offs carefully, and we believe strongly that dams should be prohibited on this last wild stretch of the Snake River. The Hells Canyon National Recreation Area is in the regional and the national interest.
>
> Please convey our views in support of H.R. 30 to your colleagues in the House, together with our respectful request that H.R. 30 have their support in its present form, without amendment.

Mr. MEEDS. Mr. Chairman, I thank my friend, the gentleman from Oregon (Mr. ULLMAN).

I will continue on the question of the anadromous fish. The fact is the Game Departments of Idaho, Oregon, and Washington have responded to the very proposal which the gentleman places before us. I want to read briefly from a mailgram of July 28 to the chairman of our committee, the gentleman from Florida (Mr. HALEY), from Joseph C. Greenley, director of the Idaho Department of Fish and Game; John McKean, acting director of the Oregon Fisheries and Wildlife Commission; and Carl Crouse, director of the Washington Department of Game, in which they have said in part:

> The "compromise" plan, as set forth in the Roncalio amendment to H.R. 30, is not a meaningful compromise. Applicants have relinquished only one of a possible four dam sites available to them. Any of the remaining combinations of dams above the Imnaha River would cause extensive and irreversible damage to existing fish and wildlife resources both above and below the Imnaha River.

They add further:

> Our agencies are convinced that the Roncalio amendment would result in loss of the major portion of the unique fish and wildlife values found in the only remaining free-flowing portion of the Mid-Snake River. We reiterate our opposition to construction of any further dams in this river reach and urge your rejection of the Roncalio amendment.

Now, I know the gentleman is a fisherman, but in this instance I think I would depend on the advice of the directors of the State Game Department in Idaho, of the State Fisheries and Game Department of Oregon and of Washington, all three of whom have signed that telegram.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(By unanimous consent, Mr. MEEDS was allowed to proceed for an additional 3 minutes.)

Mr. MEEDS. Mr. Chairman, finally, after the Roncalio amendment was proposed, we received the following telegram, from which I shall quote from the three Governors of Oregon, Washington and Idaho:

> The Governors of the States of Oregon, Washington and Idaho agree that the so-called compromise offered by the utilities is totally unacceptable.
>
> The fifty-mile stretch of free flowing river between the existing Hells Canyon Dam and the high mountain sheep site is the most spectacular part of the canyon and river. Dam construction in that area is not a compromise at all, but a defeat of the major thrust of H.R. 30.

I just conclude by reading a portion of a telegram by Gov. Daniel J. Evans of Washington:

> The price of damming the Middle Snake River is simply too high. It would destroy a priceless wild river scenic wilderness canyon and, of crucial importance to us, further decimate the chinook salmon, steelhead, and other fisheries so important to commercial fishing industry and our sportsmen/recreation. Please convey to your colleagues on the subcommittee my strong support for the present legislation as passed by the Senate including the deauthorization of Asotin Dam.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, I do not argue with the position the gentleman quotes as taken by the Fish and Game Commissions. I do not expect any of them to support dam sites. If we ask them specific questions, they agree the impact is the least on the fisheries with these dams of any dams we could possibly build.

Mr. MEEDS. I think the gentleman would agree if we had listened to them a long time ago, we would have a lot better fisheries in the Pacific North West.

Mr. DUNCAN of Oregon: Mr. Chairman, will the gentleman yield further?

Mr. MEEDS. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Is there any projected nuclear, electric or coal-burning project that will satisfy in one project all the energy needs of the country?

Mr. MEEDS. No, nor do I know these dams would add over 3.6 percent of the energy needs for 1 year.

Mr. DUNCAN of Oregon. And what we are doing is incrementally adding to the needs. All I am suggesting is that these dams are one part of the total effort and a significant part.

Mr. MEEDS. I agree with the Governor of the State of Washington when he says the price is simply too high.

Mr. RONCALIO. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the Duncan amendments.

Mr. Chairman, I hope not to use the 5 minutes. I know the hour is late.

Mr. Chairman, I would like to suggest in rebuttal to my good friend, the gentleman from Washington (Mr. MEEDS), that the gentleman is right when the Governor said the price is too high.

Of course, the Governor is right. The price is too high. We ought not to have dams on the Snake River. We ought not to have penitentiaries, either, but we have them. No one advocates abolishing them and nobody is saying we ought not to have Federal strip mine legislation, but we have to have it for the same reason we have penitentiaries.

How sweet it would be if we could leave this pristine lovely area with the additional 35 miles of river unimpeded, so we would have 980 miles, instead of 930 miles. That is the relationship of this amendment to the rest of the West.

The price is not too high if we would be fair. The price is not too high if we want to fix it, unless we have nuclear power moratoriums coming out there. We have some who say we should abolish strip mining. Others say they want no part of using natural gas under a burner, because it is so wasteful.

Where will the energy come from if we do not take a reasonable step and ask everybody to make a reasonable contribution toward solving our problems? This amendment offered by the gentleman from Oregon (Mr. DUNCAN) calls for a reasonable solution, and I hope all the Members will give it their support with a resounding vote for this amendment, and then the completion of an excellent wilderness area for Idaho.

Mr. TAYLOR of North Carolina. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendments.

Mr. Chairman, let us look at the present level of development of the Columbia-Snake River System. The great Bonneville Dam is located in the far downstream waters of Columbia. From there an unbroken chain of dams march up the Columbia and Lower Snake Rivers for over 300 miles before coming to the stretch of free-running river which H.R. 30 would protect. Then there is another succession of 14 more impoundments on the Upper Snake. The river segment we are trying to preserve represents the only gap in a series of impoundments that stretch for 530 miles.

We had the same issue before Congress when an attempt was made to permit dams in the Grand Canyon of Colorado and that effort has been defeated time and again.

To me, this amendment is more vicious than the Symms amendment. The Symms amendment would substitute study for immediate action.

This amendment would destroy forever the free-flowing character of the Snake River in the heart of the mightiest gorge on this continent. If the amendment is rejected, another Congress, in its wisdom, will have an opportunity to reconsider our action and approve the dams, if approval is thought desirable.

But if the amendment is accepted, and the dams are constructed we will have lost forever the right to protect the free-flowing character of the Snake River in the Hells Canyon area.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Oregon (Mr. DUNCAN).

Mr. DUNCAN of Oregon. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred and five members are present, a quorum.

Mr. DUNCAN of Oregon. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

The question was taken; and on a division (demanded by Mr. SYMMS) there were—ayes 27, noes 43.

So the amendments were rejected.

PARLIAMENTARY INQUIRY

Mr. DUNCAN of Oregon. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DUNCAN of Oregon. Mr. Chairman, can I still get a recorded vote on that?

Thee CHAIRMAN. A recorded vote has been refused.

Are there additional amendments? If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MURPHY of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 30) to establish the Hells Canyon National Recreation Area in the States of Oregon, Idaho, and Washington, and for other purposes, pursuant to House Resolution 869, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SEBELIUS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 342, nays 53, not voting 38, as follows:

[Roll No. 717]

YEAS—342

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blouin
Boggs
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Chappell
Chisholm
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derwinski
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frenzel
Fuqua
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Jacobs
Jarman
Jeffords
Johnson, Colo
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mann
Martin
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Smith, Iowa
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, N C.
Teague
Thompson
Thone
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Waggonner
Walsh
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NAYS—53

Archer
Armstrong
Ashbrook
Bauman
Burke, Fla.
Burleson, Tex.
Butler
Casey
Cederberg
Clawson, Del
Collins, Tex.
Crane
Daniel, Dan
Daniel, R. W.
Dickinson
Downing, Va.
Duncan, Oreg.
Flynt
Hansen
Hastings
Hyde
Ichord
Johnson, Calif.
Kemp
Ketchum
Kindness
Lott
McCollister
McDonald
Mahon
Michel
Milford
Miller, Ohio
Montgomery
Myers, Ind.
Nichols
Poage
Railsback
Randall
Roberts
Robinson
Rousselot
Satterfield
Schneebeli
Shuster
Smith, Nebr.
Snyder
Steiger, Ariz.
Stuckey
Symms
Taylor, Mo.
Wampler
Wiggins

NOT VOTING—38

Andrews, N. Dak.
Blanchard
Boland
Clay
Conlan
Dent
Derrick
Devine
Diggs
Evins, Tenn.
Fary
Findley
Fountain
Frey
Gaydos
Gibbons
Hébert
Heinz
Hinshaw
Jenrette
Jones, Ala.
Landrum
Mathis
Melcher
Mosher
Moss
Obey
Passman
Patman, Tex.
Patten, N.J.
Slack
Steiger, Wis.
Thornton
Udall
Vigorito
Wilson, C. H.
Young, Alaska
Young, Tex.

The Clerk announced the following pairs:

Mr. Dent with Mr. Clay.

Mr. Boland with Mr. Derrick.

Mr. Hébert with Mr. Evins of Tennessee.

Mr. Udall with Mr. Diggs.

Mr. Patman with Mr. Fary.

Mr. Melcher with Mr. Fountain.

Mr. Patten with Mr. Andrews of North Dakota.

Mr. Passman with Mr. Heinz.

Mr. Gaydos with Mr. Frey.

Mr. Landrum with Mr. Devine.

Mr. Mathis with Mr. Hinshaw.

Mr. Slack with Mr. Findley.

Mr. Charles H. Wilson of California with Mr. Steiger of Wisconsin.

Mr. Moss with Mr. Young of Alaska.

Mr. Jenrette with Mr. Jones of Alabama.

Mr. Obey with Mr. Gibbons.

Mr. Young of Texas with Mr. Mosher.

Mr. Vigorito with Mr. Thornton.

Messrs. ROSTENKOWSKI and MOORHEAD of California changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 869, the Committee on Interior and Insular Affairs is discharged from the further consideration of the Senate bill S. 322.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. TAYLOR OF NORTH CAROLINA

Mr. TAYLOR of North Carolina. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Taylor of North Carolina moves to strike out all after the enacting clause of the bill S. 322 and insert in lieu thereof the provisions of H.R. 30 as passed, as follows:

That (a) to assure that the natural beauty, and historical and archeological values of the Hells Canyon area and the seventy-one-mile segment of the Snake River between Hells Canyon Dam and the Oregon-Washington border, together with portions of certain of its tributaries and adjacent lands, are preserved for this and future generations, and that the recreational and ecologic values and public enjoyment of the area are thereby enhanced, there is hereby established the Hells Canyon National Recreation Area.

(b) The Hells Canyon National Recreation Area (hereinafter referred to as the "recreation area"), which includes the Hells Canyon Wilderness (hereinafter referred to as the "wilderness"), the components of the Wild and Scenic Rivers System designated in section 3 of this Act, and the wilderness study areas designated in subsections 8(d) of this Act, shall comprise the lands and waters generally depicted on the map entitled "Hells Canyon National Recreation Area" dated September 1975, which shall be on file and available for public inspection in the office of the Chief, Forest Service, United States Department of Agriculture. The Secretary of Agriculture (hereinafter referred to as "the Secretary"), shall, as soon as practicable, but by no later than eighteen months after the date of enactment of this Act, publish a detailed boundary description of the recreation area, the wilderness study areas designated in subsection 8(d) of this Act, and the wilderness established in section 2 of this Act in the Federal Register.

Sec. 2. (a) The lands depicted as the "Hells Canyon Wilderness" on the map referred to in subsection 1(b) of this Act are hereby designated as wilderness.

(b) The wilderness designated by this Act shall be administered by the Secretary in accordance with the provisions of this Act or in accordance with the provisions of the Wilderness Act (78 Stat. 890), whichever is the more restrictive, except that any reference in such provisions of the Wilderness Act to the effective date of that Act shall be deemed to be a reference to the effective date of this Act. The provisions of section 9(b) and section 11 of this Act shall apply to the wilderness. The Secretary shall make such boundary revisions to the wilderness as may be necessary due to the exercise of his authority under subsection 3(b) of this Act.

Sec. 3. (a) Subsection 3(a) of the Wild and Scenic Rivers Act (82 Stat. 906) is hereby amended by adding at the end thereof the following clauses:

"(11) Rapid River, Idaho.—The segment from the headwaters of the main stem to the national forest boundary and the segment of the West Fork from the wilderness boundary downstream to the confluence with the main stem, as a wild river.

"(12) Snake, Idaho and Oregon.—The segment from Hells Canyon Dam downstream to Pittsburgh Landing, as a wild river; and the segment from Pittsburgh Landing downstream to an eastward extension of the north boundary of section 1, township 5 north, range 47 east, Willamette meridian, as a scenic river.".

(b) The segments of the Snake River and the Rapid River designated as wild or scenic river areas by this Act shall be administered by the Secretary in accordance with the provisions of the Wild and Scenic Rivers Act (82 Stat. 906), as amended, and the Secretary shall establish detailed boundaries therefor in accordance with subsection 3(b) of that Act: *Provided*, That the Secretary may not undertake or permit to be undertaken any activities on adjacent public lands which would impair the water quality of the Rapid River segment.

Sec. 4. (a) Notwithstanding any other provision of law, or any authorization heretofore given pursuant to law, the Federal Power Commission may not license the construction of any dam, water conduit, reservoir, powerhouse, transmission line, or other project work under the Federal Power Act (41 Stat. 1063), as amended (16 U.S.C. 791a et seq.), within the recreation area: *Provided*, That the provisions of the Federal Power Act (41 Stat. 1063) shall continue to apply to any project (as defined in such Act), and all of the facilities and improvements required or used in connection with the operation and maintenance of said project, in existence within the recreation area which project is already constructed or under construction on the date of enactment of this Act.

(b) No department or agency of the United States may assist by loan, grant, license, or otherwise the construction of any water resource facility within the recreation area which the Secretary determines would have a direct and adverse effect on the values for which the waters of the area are protected.

Sec. 5. (a) Section 5(a) of the Act of October 2, 1968 (82 Stat. 906), as amended, is further amended by adding the following new paragraph:

"(57) Snake, Washington, Oregon, and Idaho: the segment from an eastward extension of the north boundary of section 1, township 5 north, range 47 east, Willamette meridian, downstream to the town of Asotin, Washington.".

(b) The Asotin Dam, authorized under the provisions of the Flood Control Act of 1962 (76 Stat. 1173), is hereby deauthorized.

Sec. 6. (a) No provision of the Wild and Scenic Rivers Act (82 Stat. 906), nor of this Act, nor any guidelines, rules, or regulations issued hereunder, shall in any way limit, restrict, or conflict with present and future use of the waters of the Snake River and its tributaries upstream from the boundaries of the Hells Canyon National Recreation Area created hereby, for beneficial uses, whether consumptive or nonconsumptive, now or hereafter existing, including, but not limited to, domestic, municipal, stockwater, irrigation, mining, power, or industrial uses.

(b) No flow requirements of any kind may be imposed on the waters of the Snake River below Hells Canyon Dam under the provisions of the Wild and Scenic Rivers Act (82 Stat. 906), of this Act, or any guidelines, rules, or regulations adopted pursuant thereto.

Sec. 7. Except as otherwise provided in sections 2 and 3 of this Act, and subject to the provisions of section 10 of this Act, the Secretary shall administer the recreation area in accordance with the laws, rules, and regulations applicable to the national forests for public outdoor recreation in a manner compatible with the following objectives:

(1) the maintenance and protection of the free-flowing nature of the rivers within the recreation area;

(2) conservation of scenic, wilderness, cultural, scientific, and other values contributing to the public benefit;

(3) preservation, especially in the area generally known as Hells Canyon, of all features and peculiarities believed to be biologically unique including, but not limited to, rare and endemic plant species, rare combinations of aquatic, terrestrial, and atmospheric habitats, and the rare combinations of outstanding and diverse ecosystems and parts of ecosystems associated therewith;

(4) protection and maintenance of fish and wildlife habitat;

(5) protection of archeological and paleontologic sites and interpretation of these sites for the public benefit and knowledge insofar as it is compatible with protection;

(6) preservation and restoration of historic sites associated with and typifying the economic and social history of the region and the American West; and

(7) such management, utilization, and disposal of natural resources on federally owned lands, including, but not limited to, timber harvesting by selective cutting, mining, and grazing and the continuation of such existing uses and developments as are compatible with the provisions of this Act.

Sec. 8. (a) Within five years from the date of enactment of this Act the Secretary shall develop and submit to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives a comprehensive management plan for the recreation area which shall provide for a broad range of land uses and recreation opportunities.

(b) In the development of such plan, the Secretary shall consider the historic, archeological, and paleontological resources within the recreation area which offer significant opportunities for anthropological research. The Secretary shall inventory such resources and may recommend such areas as he deems suitable for listing in the National Register of Historic Places. The Secretary's comprehensive plan shall include recommendations for future protection and controlled research use of all such resources.

(c) The Secretary shall, as a part of his comprehensive planning process, conduct a detailed study of the need for, and alternative routes of, scenic roads and other means of transit to and within the recreation area. In conducting such study the Secretary shall consider the alternative for upgrading existing roads and shall, in particular, study the need for and alternative routes of roads or other means of transit providing access to scenic views of and from the Western rim of Hells Canyon.

(d) The Secretary shall review, as to their suitability or nonsuitability for preservation as wilderness, the areas generally depicted on the map referred to in section 1 of this Act as the "Lord Flat-Somers Point Plateau Wilderness Study Area", and the "West Side Reservoir Face Wilderness Study Area", and the "Mountain Sheep Wilderness Study Area" and report his findings to the President. The Secretary shall complete his review and the President shall, within five years from the date of enactment of this Act, advise the United States Senate and House of Representatives of his recommendations with respect to the designation of lands within such area as wilderness. In conducting his review the Secretary shall comply with the provisions of section 3(d) of the Wilderness Act and shall give public notice at least sixty days in advance of any hearing or other public meeting concerning the wilderness study area. The Secretary shall administer all Federal lands within the study areas so as not to preclude their possible future designation by the Congress as wilderness. Nothing contained herein shall limit the President in proposing, as part of this recommendation to Congress, the designation as wilderness of any additional area within the recreation area which is predominately of wilderness value.

(e) In conducting the reviews and preparing the comprehensive management plan required by this section, the Secretary shall provide for full public participation and shall consider the views of all interested agencies, organizations, and individuals including but not limited to, the Nez Perce Tribe of Indians, and the States of Idaho, Oregon, and Washington. The Secretaries or Directors of all Federal departments, agencies, and commissions having a relevant expertise are hereby authorized and directed to cooperate with the Secretary in his review and to make such studies as the Secretary may request on a cost reimbursable basis.

(f) Such activities as are as compatible with the provisions of this Act, but not limited to, timber harvesting by selective cutting, mining, and grazing may continue during development of the comprehensive management plan, at current levels of activity and in areas of such activity at the time of enactment of this Act. Further, in development of the management plan, the Secretary shall give full consideration to continuation of these ongoing activities in their respective areas.

Sec. 9. (a) The Secretary is authorized to acquire such lands or interests in land (including, but not limited to, scenic easements) as he deems necessary to accomplish the purposes of this Act by purchase with donated or appropriated funds with the consent of the owner, donation, or exchange.

(b) The Secretary is further authorized to acquire by purchase with donated or appropriated funds such lands or interests in lands without the consent of the owner only if (1) he deems that all reasonable efforts to acquire such lands or interests therein by negotiation have failed, and (2) the total acreage of all other lands within the recreation area to which he has acquired fee simple title or, lesser interests therein without the consent of the owner is less than 5 per centum of the total acreage which is privately owned within the recreation area on the date of enactment of this Act: *Provided,* That the Secretary may acquire scenic easements in lands without the consent of the owner and without restriction to such 5 per centum limitation: *Provided further,* That the Secretary may only acquire scenic easements in lands without the consent of the owner after the date of publication of the regulations required by section 10 of this Act when he determines that such lands are being used, or are in imminent danger of being used, in a manner incompatible with such regulations.

(c) Any land or interest in land owned by the State of Oregon or any of its political subdivisions may be acquired only by donation. Any land or interest in land owned by the State of Idaho or any of its political subdivisions may be acquired only by donation or exchange.

(d) As used in this Act the term "scenic easement" means the right to control the use of land in order to protect esthetic values for the purposes of this Act, but shall not preclude the continuation of any farming or pastoral use exercised by the owner as of the date of enactment of this Act.

(e) The Secretary shall give prompt and careful consideration to any offer made by a person owning land within the recreation area to sell such land to the United States. The Secretary shall specifically consider any hardship to such person which might result from an undue delay in acquiring his property.

(f) In exercising his authority to acquire property by exchange, the Secretary may accept title to any non-Federal property, or interests therein, located within the recreation area and, notwithstanding any other provision of law, he may convey in exchange therefor any federally owned property within the same State which he classifies as suitable for exchange and which is under his administrative jurisdiction: *Provided,* That the values of the properties so exchanged shall be approximately equal, or if they are not approximately equal, they shall be equalized by the payment of cash to the grantor or to the United States as the circumstances require. In the exercise of his exchange authority, the Secretary may utilize authorities and procedures available to him in connection with exchanges of national forest lands.

(g) Notwithstanding any other provision of law, the Secretary is authorized to acquire mineral interests in lands within the recreation area, with or without the consent of the owner. Upon acquisition of any such interest, the lands and/or minerals covered by such interest are by this Act withdrawn from entry or appropriation under the United States mining laws and from disposition under all laws pertaining to mineral leasing and all amendments thereto.

(h) Notwithstanding any other provision of law, any Federal property located within the recreation area may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the purposes of this Act. Lands acquired by the Secretary or transferred to his administrative jurisdiction within the recreation area shall become parts of the national forest within or adjacent to which they are located.

Sec. 10. The Secretary shall promulgate, and may amend, such rules and regulations as he deems necessary to accomplish the purposes of this Act. Such rules and regulations shall include, but are not limited to—

(a) standards for the use and development of privately owned property within the recreation area, which rules or regulations the Secretary may, to the extent he deems advisable, implement with the authorities delegated to him in section 9 of this Act, and which may differ among the various parcels of land within the recreation area;

(b) standards and guidelines to insure the full protection and preservation of the historic, archeological, and paleontological resources in the recreation area;

(c) provision for the control of the use of motorized and mechanical equipment for transportation over, or alteration of, the surface of any Federal land within the recreation area;

(d) provision for the control of the use and number of motorized and nonmotorized river craft: *Provided,* That the use of such craft is hereby recognized as a valid use of the Snake River within the recreation area; and

(e) standards for such management, utilization, and disposal of natural resources on federally owned lands, including but not limited to, timber harvesting by selective cutting, mining, and grazing and the continuation of such existing uses and developments as are compatible with the provisions of this Act.

Sec. 11. Notwithstanding the provisions of section 4(d)(2) of the Wilderness Act and subject to valid existing rights, all Federal lands located in the recreation area are hereby withdrawn from all forms of location, entry, and patent under the mining laws of the United States, and from disposition under all laws pertaining to mineral leasing and all amendments thereto.

Sec. 12. The Secretary shall permit hunting and fishing on lands and waters under his jurisdiction within the boundaries of the recreation area in accordance with applicable laws of the United States and the States wherein the lands and waters are located except that the Secretary may designate zones where, and establish periods when, no hunting or fishing shall be permitted for reasons for public safety, administration, or public use and enjoyment. Except in emergencies, any regulations of the Secretary pursuant to this section shall be put into effect only after consultation with the appropriate State fish and game department.

Sec. 13. Ranching, grazing, farming, timber harvesting, and the occupation of homes and lands associated therewith, as they exist on the date of enactment of this Act, are recognized as traditional and valid uses of the recreation area.

Sec. 14. Nothing in this Act shall diminish, enlarge, or modify any right of the States of Idaho, Oregon, or any political subdivisions thereof, to exercise civil and criminal jurisdiction within the recreation area or of rights to tax persons, corporations, franchises, or property, including mineral or other interests, in or on lands or waters within the recreation area.

Sec. 15. The Secretary may cooperate with other Federal agencies, with State and local public agencies, and with private individuals and agencies in the development and operation of facilities and services in the area in furtherance of the purposes of this Act, including, but not limited to, restoration and maintenance of the historic setting and background of towns and settlements within the recreation area.

Sec. 16. (a) There is hereby authorized to be appropriated the sum of not more than $10,000,000 for the acquisition of lands and interests in lands within the recreation area.

(b) There is hereby authorized to be appropriated the sum of not more than $10,000,000 for the development of recreation facilities within the recreation area.

(c) There is hereby authorized to be appropriated the sum of not more than $1,500,000 for the inventory, identification, development, and protection of the historic and archeological sites described in section 5 of this Act.

Sec. 17. If any provision of this Act is declared to be invalid, such declaration shall not affect the validity of any other provision hereof.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to establish the Hells Canyon Recreation Area in the States of Oregon and Idaho, and for other purposes.".

A motion to reconsider was laid on the table.

A similar House bill (H.R. 30) was laid on the table.

NATIONAL COUNCIL OF CHURCHES OF CHRIST URGES PRESIDENT FORD NOT TO TURN HIS BACK ON NEW YORK CITY

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I believe that as the House prepares to consider H.R. 10481, the bill to provide the Federal Government with the legal authority required to deal with the financial crisis of the city of New York, Members of the House will be interested to know the text of a telegram communicated to President Ford by the National Council of the Churches of Christ urging the President not to turn his back on the people of New York City.

The text of the telegram to which I refer, dated November 6, 1975, follows:

November 6, 1975.

Hon. Gerald Ford,
President.

Dear Mr. President: The National Council of the Churches of Christ has consistently related itself to the urban concerns of our nation and to the needs of the poor and marginal persons who increasingly are concentrated in our cities.

We respectfully submit that you are not adequately assessing the urban nature of this nation, nor the serious plight you will create for millions of people in many parts of this interrelated urban nation when you turn your back on the people of New York City.

In so doing you are consigning many poor and middle class persons to joblessness, dislocation, loss of necessities and a limited economic future.

Regardless of the mistakes of New York's leaders, which are matched in many cities and the Federal government, we cannot ignore the American tradition of helping our neighbors and the moral reality that as a nation we are one interdependent neighborhood. The course you have chosen sets a dangerous pattern of unconcern and disregard for what are the urban problems of us all.

We urge you to reconsider your limited and divisive approach to New York's problems. It is a damaging thing to attempt to set the rest of the nation against any one city, or cities against small towns, or Democrats against Republicans when we so desperately need a President of all the people.

Particularly in this our bicentennial year, we need leadership that calls us to rise above temporal and partisan concern and find our strength as a people by working together for the hallowed causes of freedom and justice.

NATIONAL COUNCIL OF CHURCHES.

W. Sterling Cary, President, Hinsdale, Ill.

William P. Thompson, President-Elect, Princeton, N.J.

Mildred Baltzell, First Vice President, Dallas, Tex.

The Most Reverend Archbishop Torkom Manoogian, 2d Vice President, New York City, N.Y.

The Reverend Mrs. Eunice Santana Velez, 3d Vice President, Arecibo, Puerto Rico.

Claire Randall, General Secretary, New York City, N.Y.

PROBLEMS WITH LEGISLATION ON GUN CONTROL

(Mr. FLYNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FLYNT. Mr. Speaker, there are many proponents of and much discussion about legislation on gun control. The proposals range from a requirement to register all guns to an outright prohibition of private ownership. Many of those who are most vocal about gun control speak from emotion and varying degrees of ignorance on this subject.

I have recently received a very thoughtful letter from the district attorney of the Griffin Judicial Circuit of Georgia on the subject of gun control. The honorable Ben J. Miller, a distinguished lawyer of wide experience, has been district attorney of the Griffin Judicial Circuit since July 1, 1969, and speaks from intimate knowledge of crimes involving guns. He very wisely identifies the problem as one of crime control rather than gun control and offers sound recommendations based upon his long and successful experience as a district attorney.

I offer his letter as a scholarly comment on crime control and a recommended solution to crime control and gun control.

NOVEMBER 7, 1975.

Hon. JOHN J. FLYNT, Jr.,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FLYNT: Please accept this letter as my thoughts concerning the recent publicity of pending legislation in the National Congress concerning control of hand guns.

I have been the District Attorney of the Griffin Judicial Circuit since July 1 of 1969, which comprises a four-county area immediately south of Atlanta, with a population of approximately 90,000 people. During this period of time, I have processed over 2,600 felony cases and have tried over 300 felony trials. I have no trial assistants, so my thoughts represent my own experience and not second-hand information.

The only logical reason for any legislation aimed at controlling hand guns is for the purpose of crime control. In examining crime control and the role of the hand gun in the light of the rising crime rate, crime can be placed in two categories:

I CRIMES OF PASSION

The most common types of these crimes are homicides, aggravated assaults, and certain sexual offenses. I have tried all of the above cases with hand guns involved; I have also tried all of the above cases with a variety of other weapons, such as knives, razors, rifles, shotguns, sticks, baseball bats, broken bottles, and a variety of other types of instruments capable of inflicting bodily harm. One of the most aggravated cases of passion that I have ever been involved in involved the bare hands and the booted feet of the assailant. A check of the statistics which I keep reveals less than 50% of the crimes in these categories are committed with a hand gun, and my experience is that the availability of hand guns bears no relation to the rate of commission of these crimes. It is my opinion, based on having processed hundreds of these cases, and having talked with many defendants involved, that an attack motivated by passion will be made with whatever weapon the attacker can conveniently find at hand.

II. CRIMES FOR PROFIT

Included in this category are burglaries, thefts, forgeries, and robberies. Persons committing burglaries, thefts, forgeries, and other crimes involving fraud are rarely armed and almost never have attendant circumstances of violence. The main category of violent profit crimes are robberies. Approximately 50% of the armed robbery cases processed by me are with hand guns, with the others divided between rifles, shotguns, knives, and other weapons, with sawed-off shotguns amounting to 10%; which violates both State and Federal law. All robberies are planned, premeditated crimes and if a hand gun is available it would probably be used. If not, another weapon would be substituted. In short, if "A" decides to rob "B", "A" will do it with whatever instrumentality he can find to accomplish it.

If a law banning private ownership and possession of hand guns is passed, it cannot be effectively enforced. Such a law must make some provision of enforcement, and the Constitution prohibits searches and seizures without probable cause, leaving a criminal provision as the only means of enforcement. In addition thereto, the Constitution further provides for adequate compensation for the hand guns surrendered, which simple mathematics will show to be an astronomical figure.

However, don't think for a minute "Uncle Joe" is going to give up "Grandpappy's 45" just because "those folks up in Washington pass a law." So Congress will be in the position of making criminals of law-abiding citizens who own and possess hand guns for legitimate purposes, i.e., sporting use and personal defense; and herein lies the real problem: crime control, not gun control.

The law banning private possession and ownership of hand guns, if adhered to, would prevent a private citizen from doing for himself what the State and Federal Governments cannot any longer do for him, i.e., protect his person and property. The rising crime rate is a fact so well established, statistics here would only be redundant. The plain fact is that since the early 1960's, the criminal justice system has been a failure. For whomever's fault it might be, this decade and a half of social reform in the criminal justice system has been a total and complete failure. This country has changed in this length of time from an orderly society with a manageable crime rate to a society that does not permit its law-abiding citizens free access to public, and in some cases, private, places without fear. This is not speculation. This is a fact. To suggest that a law banning hand guns, even if enforceable, would cure or even affect this situation, is like the proverbial ostrich hiding its head in the sand. Many of the social reformers responsible for this dilemma believe that the punishment of crime bears no reasonable relationship to the rate of crime. I call their attention to the lack of assassinations and attempted assassinations on heads of State in those countries which treat such with public execution.

My years in the criminal justice system suggest two things that would, if done, alter the existing situation:

1. Speedy trials of persons accused of crimes with an equally speedy appellate process, insuring an end to the now seemingly endless appellate process.

2. Fair but meaningful sentences commensurate with the crime committed for those found guilty, with strict parole rules that are enforced.

Accomplish this, and crime control can be accomplished; and the need for a meaningless scapegoat such as gun control will not be necessary.

With kind regards I remain,
Very truly yours,
BEN J. MILLER.

ANNOUNCEMENT AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DANIELSON. Mr. Speaker, I missed roll Nos. 673 through 688. I wish the RECORD to show how I would have voted on each of these questions had I been present.

THURSDAY, NOVEMBER 6, 1975

Roll No. 673. H.R. 10230, the National Science and Technology Policy and Organization Act of 1975. I would have voted "yea."

Roll No. 674. House Resolution 836 provided for the consideration of H.R. 6346 to make permanent authorization of appropriations for carrying out title V of the Rural Development Act of 1972. I would have voted "yea."

FRIDAY, NOVEMBER 7, 1975

Roll No. 675. The House resolved itself into the Committee of the Whole for the consideration of H.R. 9019. I would have voted "yea."

Roll No. 676. H.R. 9019 to revise and extend the program for the establishment and expansion of health maintenance organizations. I would have voted "yea."

Roll No. 677. H.R. 1753, Tabulation of Population for State Legislative Apportionment Act. I would have voted "yea."

Roll No. 678. H.R. 6346 makes permanent the authorization of appropriations for carrying out title V of the Rural Development Act of 1972. I would have voted "yea."

MONDAY, NOVEMBER 10, 1975

Roll No. 680. H.R. 10035 establishes the Judicial Conference of the District of Columbia. I would have voted "yea."

Roll No. 681. H.R. 4237 provides for additional law clerks for the judges of the District of Columbia Court. I would have voted "yea."

Roll No. 682. H.R. 9958 transfers certain real property of the United States to the District of Columbia Redevelopment Land Agency. I would have voted "yea."

Roll No. 683. An amendment to section 739 of Public Law 93–198 (H.R. 10041) which retains the Federal enclave and gives the President the authority to appoint an official from within the Federal Government to serve as director of the National Capital Service Area. I would have voted "yea."

Roll No. 684. H.R. 6461 amends certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting. I would have voted "yea."

TUESDAY, NOVEMBER 12, 1975

Roll No. 686. The House rejected a motion to recommit the conference report for H.R. 8365, making appropriations for the Department of Transportation and related agencies for fiscal year 1976, and the transition period, to the committee of conference with instructions to the House conferees that they insist on the House position with respect to Senate amendments Nos. 25 and 26 dealing with railroad research and development. I would have voted "nay."

Roll No. 687. The House receded and concurred in Senate amendments Nos. 49 and 50 to H.R. 8365, the transportation appropriations bill. I would have voted "yea."

Roll No. 688. House Resolution 855 condemns the resolution adopted by the General Assembly on November 10, 1975, which wrongly equates Zionism with racism and racial discrimination. I would have voted "yea."

WOMEN IN PUBLIC BROADCASTING

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, during hearings and floor debate in the House on H.R. 6461, the Public Broadcasting Financing Act of 1975, public witnesses and Members of Congress alike questioned public broadcastings' commitment to meet the needs and interests of women, both in employment and programing. In view of this, I would like to draw the attention of my colleagues to a publication released today by the Corporation for Public Broadcasting—"The Report of the Task Force on Women in Public Broadcasting."

The report states:

> Overwhelming evidence points to the existence of pervasive under-representation of women throughout the public broadcasting industry, both in employment and in program content. The disparity is especially marked at the decisionmaking levels in all aspects of public broadcasting.

The report documents this statement with extensive normative and statistical data on the underrepresentation of women. And, most importantly, it makes significant recommendations "for the development of affirmative equitable treatment of women in public broadcast programing and employment at all levels."

CPB is to be commended for conducting such a thorough and comprehensive study and for disseminating it to the public. These actions point to CPB's recognition of its role in meeting the needs and interests of people—both men and women—throughout the United States, as stated in the Public Broadcasting Act of 1967. As a Member of the House who has been a long-time supporter of public broadcasting, I applaud CPB's efforts to more effectively include and serve the sex which comprises more than half our population.

However, I consider this study a first step by CPB in meeting its responsibilities to women under the Public Broadcasting Act. The report should serve as a catalyst to CPB and public broadcasting in general to expand the number of women employed by the national public broadcasting organizations and by local public television and radio stations, especially at the management and professional levels, and to integrate women more fully into public broadcasting's program offerings. In this respect, public broadcasting—financed in part by Federal dollars—can serve as an example to commercial broadcasting.

A clause in H.R. 6461—passed November 10 by the House and November 17 by the Senate—states that CPB officials should be available at any time to report to Congress on public broadcasting's activities and progress, especially in terms of its responsiveness to minorities and women. It is our responsibility to fulfill this oversight function. In terms of women in public broadcasting, we can best do this by familiarizing ourselves with the report and monitoring CPB's progress in carrying out its recommendations. Otherwise, the report will take the route of other studies—conducted, cataloged, and cast aside. I urge the Members of the House to hold CPB accountable for implementing this report. We have the data. We have the recommendations. We have the right to oversight.

THE ELIMINATION OF EPA

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 15 minutes.

Mr. CRANE. Mr. Speaker, as with many other Government regulatory agencies, the Environmental Protection Agency was started with the best of intentions—to eliminate dirty air, water pollution, and other forms of ecological decay. Its goal was to make the American society a more pleasant place to live.

To oppose the goal for cleaner air is very much like opposing motherhood. Everyone clearly is for it. Yet, the best idea carried to an extreme defeats itself. Freedom, without some concern for order, becomes anarchy. Order, without an abiding concern for freedom, becomes tyranny.

In very much the same way, the Environmental Protection Agency, subordinating all other goals and purposes of our complex society to the single desire for ecological purity, has carried a good idea to a dangerous extreme.

Prof. Irving Krisol recently noted that:

> There is now considerable evidence that the environmentalist movement has lost its self-control—or, to put it bluntly, is becoming an exercise in ecological fanaticism. . . . In just about every aspect of American life, the environmentalists are imposing their regulations with all the indiscriminate enthusiasm of Carrie Nation swinging a baseball bat in a saloon. Common sense seems to have gone by the board, as has any notion that it is the responsibility of regulators and reformers to estimate the costs and benefits of their actions. . . . Making the world safe for the environment is not the same thing as making the environment safe for our world

A prime example of EPA's arrogance can be found in Cook County, Ill., where EPA has mandated emission controls testing on autos that travel into Chicago's downtown loop. Although studies have shown that the results of this program will, at best, reduce the level of carbon monoxide in Chicago by less than 0.5 percent, EPA has threatened to withdraw funds from Illinois if the county fails to implement the conditions of the EPA order.

EPA has refused to cooperate with Cook County officials, and has been totally contemptuous of the bipartisan congressional concern. Practical considerations, such as expense and efficiency, have been ignored by the Federal regulators, and it is this indifference on the part of EPA that is at fault here.

Today, we have mounting unemployment. This situation is especially serious in Detroit among those employed by the automobile industry. According to the General Motors Corp., consumers will be levied $1,225 per car for the equipment required to meet Federal motor vehicle standards in 1978. Unleading gasoline will increase oil requirements about 1 million barrels a day, and ultimately cost consumers tens of billions of dollars, according to the Department of the Interior. Beyond this, there is substantial scientific evidence leading to the conclusion that there is no concrete link between auto exhausts and harmful health effects. According to the Ethyl Corp., which has won its suit to hold up leadless gasoline, in 50 years of study not one person has been found to have any identifiable toxic effects from lead in motor vehicle exhaust.

The Environmental Protection Agency denies that its actions are harmful to an already recessionary economy. A recent EPA bulletin, under the heading "Environmental Jobs," states that:

> Environmental protection creates many more jobs than are lost by the closing of marginally profitable plants because of air and water pollution regulations. About

> 55,000 persons now work in EPA-financed construction, and that number is expected to rise to 125,000 by mid-1977, according to Russell Train, EPA administrator.

What the EPA overlooks is that those working at such jobs are not producing wealth, but expending it. The Indianapolis Star editorially noted that:

> The first thing to consider is that all those persons now at work on EPA-financed construction are getting paid to a large extent not by industry, at no cost to the taxpayers, but by government in the form of EPA handouts, which cost the taxpayers plenty. . . . Isn't there a nasty autocratic ring to the way EPA Administrator Train calmly snuffs out those "marginally profitable plants?" Maybe they were once the means of employing quite a few Americans in the American free enterprise system.

What is happening, the Indianapolis Star concludes, is that,

> . . . America's marvelously productive free enterprise system is being slowly but surely phased out and a lumbering, wretchedly unproductive bureaucratic system phased in to take its place.

In their enthusiasm, EPA administrators have done our Nation serious damage. Dr. Marion Clawson, acting president of Resources for the Future, pointed out that,

> The environmental revivalism of the mid-1960s was overdue, but many of the actions it spawned were ill-conceived, illusory in their results, or even harmful. Electric power companies were encouraged or forced to shift from coal to oil or gas as a source of energy, only shortly to be forced to reconvert at considerable expense when supplies of gas and oil were inadequate. Legislation required banning of chemicals which might cause cancer in humans, regardless of how low the probability and regardless of the adverse consequences to food supply and thus to health.

The EPA has often acted in an irrational manner. In January 1975, EPA gave the United States Steel Corp. a choice of closing its plant in Gary, Ind., or paying a $2,300 a day fine because it could not meet bureaucratic antipollution requirements. United States Steel decided to close the plant, throwing 2,500 workers out of jobs—together with 1,500 employees in related industries. EPA was not happy. Administrator Russell Train, according to the Washington Post of January 2, 1975, said that he was "shocked" by the United States Steel decision.

United States Steel responded by stating that:

> It is the company's view that continued operation is either environmentally acceptable or it is not—and does not become acceptable with a daily fine. Thereby the company has concluded it cannot accede to such principle.

If the EPA continues to have its way jobs will be lost across the country, just as they were lost in Gary. The tax burden of the average citizen will also continue to grow. National expenditures for pollution control will reach $80 per citizen annually in 1976, equivalent to about 2 percent of the average family income, the Council on Environmental Quality reported on December 13, 1974. The $80 figure is about double the level in 1973. It includes expenditures by government at all levels, industry and citizens that are attributable to Federal environmental laws.

EPA has not only been militant, but has often been wrong as well. The catalytic converter, standard equipment on 85 percent of Detroit's cars, has now backfired. After 4 years of promoting the device as the quickest way to clean up auto emissions, EPA now believes that converter is, itself, a dangerous polluter. Unless the problem can be overcome, the EPA is embarrassed once again.

There has not only been a lack of concern for the best interests of American workers and American business on the part of EPA administrators, but also a questionable degree of honesty. An engine developed by Robert and Edward LaForce was said to have a way to separate gasoline so that there are increases in the engine's ability to burn normally unused fuel particles and to be efficient in its internal combustion engine. EPA test reports indicated that the car suffered significant horsepower loss when compared with a standard Hornet, and that it failed to meet 1975 emission standards in simulated city driving. This triggered a 2-month investigation by the Senate Commerce Committee and further tests have been ordered. These tests cast doubt on the developer's claims, but also failed to prove the EPA's denunciation of the engine's potential.

Discussing this case in an editorial in its March 15, 1975, issue, the Phoenix Gazette, notes that,

> Investigators said they discovered the EPA's reference to comparing the LaForce car to an economy-tuned Hornet was misleading. "Actually," the report reads. "the changes that were made by EPA personnel to the 1974 Hornet to transform it into the economy-tuned vehicle were much more than simple calibration changes. The changes made. . . constituted tampering with the vehicle to the extent that any manufacturer or dealer who made identical changes would have violated the law." EPA admitted the charges, just as it has admitted knowing that the catalytic converter emits sulfur-acid mists—and keeping quiet about it.

It is high time that the entire notion of an Environmental Protection Agency be seriously reconsidered. Environmental problems are handled most effectively on State and local levels and that is where they should remain. In case after case we have seen the manner in which Federal regulatory agencies have fueled inflation and have acted contrary to the public interest. The examples with regard to the EPA, only a small number of which have been mentioned here, are voluminous—and have been amassed in the very brief time since its creation.

It is for these reasons that I urge the elimination of this unwieldy inefficient, and costly agency. In the long run, the best interest of our environment will be served not by the perpetuation of this bureaucratic leviathan but by its timely elimination.

GOVERNMENT OVER-REGULATION BURDENS THE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 10 minutes.

Mr. MILLER of Ohio. Mr. Speaker, for a long time I have advocated a substantial reduction in the amount of paperwork and bureaucratic red tape caused by Federal Government over-regulation. Unnecessary rules and regulations impose a heavy burden on all sectors of our economy and make us a far less productive society than our industrial competitors. Several months ago I cosponsored legislation, H.R. 9801, which would give Congress a 60 day period to disapprove such burdensome Federal regulations. This would be the first step in bringing the bureaucracy under control.

A recent editorial in the Wall Street Journal emphasizes the costs and harmful effects of heavy regulation to businesses, both large and small. For the benefit of my colleagues I wish to insert the editorial in the RECORD at this point:

> NOVEMBER 17, 1975.
>
> THE JUNGLE
>
> The chief executive officer of the Goodyear Tire & Rubber Co. raised some eyebrows with his recent comment about federal regulators. In a letter to Congressmen and Senators from the 25 states in which Goodyear operates plants, Charles Pilliod Jr. noted that his firm spent more than $30 million last year in complying with government regulations—enough to pay 3,400 workers in Akron their regular wages for an entire year.
>
> We suppose it is only a matter of time before someone accuses Goodyear's boss of being a Colonel Blimp or worse. The most likely someones would be the politicians who have unleashed the hordes of regulators among us. By Mr. Pilliod's reckoning, the number of federal employes engaged in regulatory activities is about 63,000 and they will cost taxpayers over $2 billion in salaries and other expenses this year. That's a lot of people and a lot of money but the direct cost is peanuts compared with the cost of compliance. If the Goodyear experience were translated to the entire country, using the size of the company's work force relative to the national work force as the basis for calculation, the compliance cost nationwide figures out to some $16 billion. That may well be conservative.
>
> Certainly some government regulation is necessary. But it's hard to weigh those figures cited above and not feel genuine sympathy for the beleaguered businessmen. particularly the smaller businessmen who can't afford the lawyers and accountants necessary to guide them through the bureaucratic thicket. It really is a jungle out there, aswarm not so much with ghoulies and ghosties and long-legged beasties but with government inspectors armed with enough rules and regulations to keep squadrons of healthy paperhangers in business for the rest of their natural lives.

WHERE DO WE BUS FROM HERE?

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Mrs. HOLT) is recognized for 5 minutes.

Mrs. HOLT. Mr. Speaker, yesterday's Supreme Court decision approving forced mass busing for racial balance between Wilmington, Del., and suburban counties is a bad omen for future chaos and even violence in public education.

Today, education is experiencing serious disorders because of mass busing for racial balance within established school districts. But just imagine the destructive potential of merging suburban with city school districts for racial balance.

Mr. Speaker, Congress must stop the courts from playing the racial numbers game. Quality education should, and must, be the goal of education policy.

Does anybody suppose that the students of Boston are obtaining a good education in the hostility and disorder caused by forced busing?

Can there be anybody who seriously suggests that education has been improved in Louisville, Ky., because of mass busing for racial balance?

Surely, nobody claims that the schools of Prince Georges County, Md., have been improved by forced, mass busing?

The Supreme Court is now straining to carry the busing policy further to merge city and suburban school districts. I can assure you that this vastly increases the threat of the most serious kinds of disorder.

Mr. Speaker, social engineering is destroying education in this country by shattering the connection between communities and their schools. The overwhelming majority of parents in our country are angry at forced busing for racial balance in schools, and they have been led to believe this Congress has abandoned them.

How else can they explain the strange and continuing absence of action on this problem by the House Judiciary Committee? How else can they explain the inability of Congress to legislate to restrain the courts?

Well, some of us continue to work very hard on this matter, and I assure you our efforts will never cease. As of this morning, I have signatures of House Members on a letter asking the House Judiciary Committee to conduct hearings an antibusing legislation.

Only yesterday, the House Republican Policy Committee voted to ask the Judiciary Committee to conduct hearings and send to the House legislation which would stop the courts from imposing forced busing.

Mr. Speaker, I appeal to Members of this House to sign the letter urging the Judiciary Committee to act to make a record of the busing experiment. The Congress must not continue to avoid dealing with this most critical issue of enormous public concern.

AMENDMENT TO SUPPLEMENTAL APPROPRIATIONS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, last week I offered an amendment to the supplemental appropriations bill to add $1.5 million to title II–B for library training programs. I pointed out that the education appropriations bill only included $500,000 for these programs, a cut of 75 percent from the 1975 funding level which was $2 million.

Chairman Flood stated that there was already $1.5 million allocated for this program; I would like to enter in the Record at this point a portion of a letter from the American Library Association which explains my position:

In his dialogue with you, Mr. Flood said there is already $1.5 mililon for these programs in the education appropriations act (P.L. 94–94). He is combining the $500,000 provided for training with $1 million provided for research and demonstrations also authorized by HEA title II–B. A comparison between fiscal year 1976 funding to date with that provided last year for these two programs is as follows:

	Fiscal year 1975	*Fiscal year 1976*
HEA II–B Training	$2, 000, 000	$600, 000
HEA II–B Research and Demonstrations	1, 000, 000	1, 500, 000
Total HEA II–B	3, 000, 000	1, 500, 000

As you can see, while the total funding for title II–B is $1.5 million, the amount for the training programs is only $500,000, less $1.5 million which I attempted to include in my amendment.

Mr. Speaker, the Record shows that in 14 years in the House I have only 5 times offered an amendment to an appropriation bill—always, as in this case, because of real, clear, and present human needs.

I hope the deficiencies in the supplemental appropriation bill of last week will soon be corrected. My amendment would have been well within the budget, unlike several multimillion dollars appropriated in that same supplemental, which were, by the committee's own admission, unbudgeted.

DANGERS IN POLITICAL ACTIVITIES BY FEDERAL EMPLOYEES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. Holtzman), is recognized for 10 minutes.

Ms. HOLTZMAN. Mr. Speaker, I reluctantly opposed H.R. 8617 which in a loose and careless manner, would repeal much of the Hatch Act.

As one who was elected without support of the political machine, I understand very well the importance of citizen participation in the political process. Plainly, democracy functions best through the active and concerned involvement of all its citizens. It is, therefore, only for the gravest reasons that anyone's right to participate in the political process ought to be restricted.

But I think—and this country has recognized for 90 years—that justification does exist for limiting the political activity of Federal employees. Under the Hatch Act at present, Federal employees are not barred from voting, attending meetings or contributing to political campaigns. They are only prohibited from active campaigning or soliciting money and support for candidates. Removing those limitations, particularly without adequate safeguards, creates grave dangers for the public and Federal employees alike.

First, if there is one lesson we should have learned from Watergate, it is that we must strive to reduce, rather than increase, political influence in the Federal law enforcement and investigative agencies. This bill would, instead, authorize and invite the politicizing of the Justice Department, FBI, U.S. Attorneys' Offices and Internal Revenue Service, as well as the CIA, National Security Agency and Defense Intelligence Agency. The dangers are twofold: That law enforcement and investigative powers will be used to serve political ends, and that law enforcement and investigative offices, which should be wholly merit operations, will instead return to the spoils system.

In addition, the administration of justice must not only be free of political influence in fact; it must be perceived as fair and impartial as well. We all acknowledge the vital necessity for restoring credibility to law enforcement agencies. But who will believe that a U.S. Attorney who has endorsed a local candidate can conduct a complete, impartial investigation of that candidate's activities? And who will believe that a District Director of Internal Revenue pledged to a particular candidate will give that candidate's tax returns a thorough audit?

The proponents of this bill simply say that law enforcement officials engage in political activities now and, therefore, we might as well allow these activities to become legal. I think the answer to this kind of abuse is not to condone it by legalization, but to stop it by enforcing existing penalties.

Without, at minimum, barring political activities by all high level law enforcement personnel, this bill is fatally flawed.

Second, the bill does not provide effective remedies in the event of wide scale abuses prior to an election. Thus, for example, if a Federal supervisor were to require his employees to campaign on behalf of a particular candidate, the aggrieved opponent would have virtually no preelection remedy under the cumbersome enforcement procedure in this bill. Without effective preelection remedies, this bill does not protect the aggrieved candidate or the public.

The third problem is that some Federal employees whose support is desired will be coerced by their supervisors into engaging in various political campaigns. The bill's supporters purport to refute this by saying that there will be serious penalties for coercion. This argument is not persuasive. A superior has many subtle ways of pressuring an employee that are difficult to detect. The superior is often responsible for an employee's promotion or the conditions under which the employee must work. He or she can make an employee's life pleasant or difficult. The protections in this bill are simply not adequate, and in my judgment many Federal civil servants will be subject to subtle but effective pressure to campaign or contribute to campaigns against their will.

The fourth danger in this bill is illustrated by an argument made by some of its supporters. They have said that the bill will allow Federal employees to demonstrate their gratitude to members who have been responsive to their needs in the past. Clearly, some persons see this bill as an effort to obtain additional campaign support in return for past actions on behalf of Federal employees.

Federal civil servants ought to be properly reimbursed for the valuable work that they do for the public. Wage increases and fringe benefits ought to be decided on the basis of what is fair and what the Government can afford. They should not be decided just on the basis of how much political muscle civil servants can bring to bear at election time.

Finally, because of the importance of this issue, I asked my constituents for their opinion in a questionnaire. Their vote was nearly 2 to 1 against weakening the Hatch Act. I think that my constituents accurately perceive the need for continued protection to the public and the Federal civil service afforded by much of the Hatch Act.

For these reasons, I could not support this bill.

THE ADOPTION OF THE ADMINISTRATIVE PROCEDURE ACT OF 1946

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. FLOWERS) is recognized for 10 minutes.

Mr. FLOWERS. Mr. Speaker, on October 9, 1975, I introduced a series of six bills, H.R. 10194 to 10199, to improve administrative procedures. The foundation for administrative justice in this country is the Administrative Procedure Act adopted in 1946. Since that date the act has not been materially changed other than by addition of what is popularly known as the Freedom of Information Act.

However, the Administrative Procedure Act has deficiencies and as early as 1953, the President's Conference on Administrative Procedure was formed to recommend improvements. The conference's report in 1955 together with that of the Hoover commission and its Task Force on Legal Services convinced the American Bar Association that it should join in these efforts. In the 22 years since the commencement of this activity a number of basic reforms have been generally recognized as desirable; however, differences of approach and lack of joint congressional action have frustrated enactment of legislation. Finally in 1972 the American Bar Association adopted resolutions endorsing 12 proposals for change. All of these proposals have been reviewed by the Administrative Conference of the United States and other interested parties and finally we are at a point where they are firm, positions have crystalized, and the matter is fit for quick and long awaited congressional action. H.R. 10194 to 10199 are designed to implement these and other reforms in administrative procedure.

Specifically, H.R. 10194 would implement two ABA recommendations which have been endorsed by the Administrative Conference of the United States and against which no significant opposition has developed. Section 1 of this bill refines the concept of rule to exclude proceedings which affect one individual or firm. However, to preserve flexibility in agency action and to accommodate suggestions of the Administrative Conference the phrase ratemaking and cognate proceedings is added to the Administrative Procedure Act.

Section 2 of H.R. 10194 narrows the exceptions to the rulemaking requirements of 5 U.S.C. 553(a). It limits the military and foreign affairs exceptions in section 553(a)(1) to those matters which should be kept secret in the interest of national defense or foreign policy. By requiring that such determinations be made by Executive order and that such orders be properly applied, the proposal strikes a balance between the goal of executive accountability and legitimate concerns over foreign and defense security interests. The other change made by section 2 is to delete the current exceptions for rulemaking in matters relating to "public property, loans, grants, benefits, or contracts." These exceptions have been widely criticized because of the significance of Federal Government grant, loan, contract and property management activity.

H.R. 10195 and H.R. 10196 are alternative bills dealing with the problem of separation of functions in agency adjudication. The purpose of both bills is to limit agency personnel who engage in investigating and prosecuting activity from either participating in or making the initial decision, from advising that decisionmaker, or from serving as a supervisor to the decisionmaker. Such a combination of roles might affect the decisionmaker's objectivity and would certainly affect public confidence in the fairness of the proceeding. H.R. 10195, which is supported by the ABA, totally prohibits supervisory contacts and limits communication with decisionmakers to situations where notice to and opportunity for participation by other parties has been afforded. H.R. 10196 is the Administrative Conference's version. It is the same as H.R. 10195 except that it allows a high level agency employee who had no connection with a particular ratemaking—or similar—proceeding to provide informal advice to the decisionmaker even though such employee may have general responsibility for investigatory or prosecutory functions.

H.R. 10197 contains a series of ABA proposals which the Administrative Conference has not endorsed. Section 1 clarifies the requirement of an initial decision in adjudication and restricts the rulemaking, ratemaking, and initial licensing situations in which the agency can dispense with a recommended decision by the administrative law judge in three respects: First:

> An expedited decision [must be] imperatively and unavoidably required to prevent public injury or defeat legislative policies.

This is stronger than the current language which requires finding that—

> Due and timely execution of [agency] functions imperatively and unavoidably requires [dispensing with an initial decision].

Second. Tentative agency decisions are never an acceptable alternative to recommended decisions of the administrative law judge.

Third. Agency employees may not recommend decisions in lieu of the administrative law judge.

Also, it should be noted that section 1 reflects changes which are called for by H.R. 10198, section 1. Although the Administrative Conference supports requirements for recommended or initial decisions in adjudication, the Conference believes that in initial licensing, rulemaking, and ratemaking the need for expeditious action may outweigh the value of such an initial or recommended decision and that an agency should have flexibility in determining whether it needs the decision of the presiding officer.

Section 2 of H.R. 10197 directs the Administrative Conference to develop uniform rules of procedure for adjudicatory proceedings. These rules would be binding on all agencies. To finance the preparation of the uniform rules the sum of $250,000 is appropriated. Despite the ABA's request that this effort be launched, the Administrative Conference has asked that it not be given this duty. The Conference prefers to simply recommend uniform rules to the agencies in those areas where the need is most apparent.

Section 3 of H.R. 10197 deals with ex parte communications between interested parties and those agency personnel who are involved in the decisional process. The section defines the phrase "ex parte communications," prohibits such communications, requires agency personnel who receive such prohibited communications to place them in the public record, and directs agencies to consider any violations of these requirements in deciding the merits of a proceeding. Also the section sets forth the point in time at which these restrictions take effect. The ABA supports the legislation. Although the Administrative Conference approves the purpose of the legislation, it has not endorsed it because it has not yet decided whether legislation or agency rules are the most effective way of handling the problem.

Section 4 of H.R. 10197 authorizes agencies to provide by rule for abridged procedures for use in on-the-record hearings when all interested parties consent. The Administrative Conference opposes this proposal because it believes that agencies already have this power and because it fears that enactment of such a provision might be construed to invalidate certain procedures presently employed in the absence of unanimous consent. The ABA rejects these arguments.

Section 5 of H.R. 10197 provides a technique for handling the problems of adverse agency publicity in connection with matters being investigated or prosecuted. The ABA proposes this reform because it believes such publicity can both cause unwarranted harm to private businesses and individuals and produce bias at the agency which undermines a party's right to a fair hearing. To guard against these problems the bill relies upon four proposed provisions. First, agencies are directed to refrain from initiating unwarranted prejudicial publicity; second, agencies are required to notify adversely affected persons of proposed adverse publicity 72 hours in advance—unless there is an emergency or the circumstances otherwise make such notice impractical; third, agencies are required to give equal publicity to subsequent statements which modify the original criticism; and fourth, aggrieved parties are given a broad right to seek judicial relief. Of course, the section is not intended to reduce the public's right to obtain information from the Government and language to guard against such an interpretation is included. The Administrative Conference opposes the enactment of this section on the grounds that existing remedies are adequate to protect proceedings from prejudicial bias and prejudgment, and that agency rules containing standards for adverse publicity are a preferable method for protecting private parties. The ABA has characterized the Conference's standards as only providing minimum safeguards agains adverse publicity and as being merely hortatory in nature.

Two ABA proposals which are endorsed by the Administrative Conference but objected to by other groups are contained in H.R. 10198. Section 1 authorizes agencies to create appeal boards to review decisions of presiding officers—usually administrative law judges—and to limit review of decisions by both the administrative law judges and the appeals boards. These two reforms are urged since they lessen the burden on agency heads to review routine adjudicatory matters. To protect the integrity of appeal board process, language has been added establishing the qualifications of persons sitting on such boards, insulating them from agency employees performing investigatory and prosecutory functions, and protecting them from removal.

Section 2 of H.R. 10198 provides all agencies with minimum and uniform subpena powers from all formal proceedings and makes subpenas available to all parties. To facilitate agency action, the section requires agencies to allow administrative law judges to issue subpenas and allows agencies to seek enforcement of their own subpenas at the district court level. Agencies which presently have even broader subpena powers are unaffected by this proposal.

Finally, H.R. 10199 implements a series of recommendations of both the ABA and the Administrative Conference dealing with judicial review of administrative action. Section 1 amends 5 U.S.C. 702 to abolish the defense of sovereign immunity in equitable actions against the United States. It also amends 5 U.S.C. 703 to remove uncertainty as to who may be named as a defendant when the United States is sued. Section 2 gives Federal courts general jurisdiction over Federal questions without regard to the amount in controversy. Presently 28 U.S.C. 1331 requires that $10,000 be the amount of damages alleged. Section 3 amends 28 U.S.C. 1391(e) dealing with venue to permit the joinder of third parties in litigation in which the Federal Government is the defendant. None of these changes affect explicit limits on judicial review of agency action elsewhere in the statutes. All of these recommendations have been long advocated and their removal ends a source of occasional injustice to American citizens.

In closing I express the hope that this Congress can act on these matters. Over 20 years of work preceded our deliberations.

LEGISLATION TO IMPROVE VETERANS COST-OF-INSTRUCTION PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. CORNELL) is recognized for 5 minutes.

Mr. CORNELL. Mr. Speaker, I am introducing today legislation that will extend and improve the veterans cost-of-instruction—VCI—program which was originally established by Congress in 1972.

This legislation was designed to provide incentives for colleges and universities to inaugurate programs and activities that would serve the special needs of today's veteran. In particular, under VCI provisions these educational institutions provide local outreach programs both to recruit veterans and to inform them of the benefits they have accrued through military service; they serve to assist veterans in readjusting to academic life; and they offer counseling for the educationally disadvantaged.

There is no question of the success and beneficial impact of the VCI program during the 3 years of its operation. Hundreds of educational institutions have participated to the great benefit of thousands of our Vietnam-era veterans. Mr. Speaker, when we are asked what this Government is doing to help the younger veterans, I can cite no better example of our efforts than the VCI program.

I would like to outline briefly the main provisions of the measure I am introducing today.

First, the bill would extend the authorization of the program for 3 years, through fiscal year 1978.

Second, the bill specifically encourages the use of the VA work-study program as a means of providing outreach, recruitment, and counseling services to educationally disadvantaged veterans.

Third, the bill would require each institution receiving VCI grants to submit an annual report on its program and activities to the Commissioner of Education. The Commissioner, in turn, would send a summary of these reports with his observations and recommendations to the Congress not later than 60 days after the end of each fiscal year.

Fourth, the bill attempts to address the serious and growing problems of confusion and redtape by requiring the Commissioner of Education to coordinate the activities of the VCI program with those of the Veterans' Administration.

Fifth, the bill requires that the VCI program be administered by an identifiable administrative unit in the Office of the Commissioner in order to insure proper administrative assistance and program support for institutions receiving VCI awards.

Mr. Speaker, in this period of high unemployment with over 20 percent of our young veterans jobless, there is certainly need for the extension and expansion of this program as provided in the Veterans Cost-of-Instruction Extension Act. I am privileged to introduce into the House today this measure which Senator ALAN CRANSTON, of California, proposed in the Senate on November 11.

RESPA NEEDS TO BE CHANGED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 15 minutes.

Mr. LAFALCE. Mr. Speaker, I received numerous communications from people in western New York concerning the effects of the Real Estate Settlement Procedures Act—RESPA. I think many of their comments are highly relevant and I would like at this time to share them with my colleagues.

Edward Murty of Buffalo:

> A great deal of additional work has been created which could potentially drive up the cost of closing without any concurrent benefit to the (consumer).

Herbert Solomon of Williamsville:

> This act has . . . worked hardships on people buying and selling real estate. We do not understand what purpose this act is trying to accomplish.

Lauren D. Rachlin of Buffalo:

> The main way that the consumer is hurt by the RESPA requirements is the extensive time lag in securing mortgage commitments.

Frank N. Cuomo of Buffalo:

> If we really want to protect the "consumers," I suggest we give them an opportunity to sue for treble damages if he has been misled or misinformed, but let's scrap RESPA.

James Edgar Hunt of Niagara Falls:

> The education of the buyer should take place prior to the signing of the purchase contract.

Robert Lipp of Buffalo:

> Although the motivation for (RESPA) was admirable, the legislation has created substantial additional work for the attorney, the real estate broker, the lending institution and the consumer.

James M. Buckley of Buffalo:

> I agree with the intent of the legislation to help educate buyers, but it seems to me that there must be a simpler method of doing this.

David K. Diebold of Buffalo:

> At best the RESPA forms are unclear to consumers, that their use complicates rather than simplifies the average real estate transaction, and that the Act does not serve any useful purpose in its present form.

Gerald J. O'Brien of Buffalo:

> I have found (RESPA) cumbersome and ineffective in accomplishing its objective.

Stanley Jay Keysa of Lancaster:

> Locally, I don't believe that there has been substantial difference in the disclosure of the cost . . .

Frank L. Lojacono, Jr., of Kenmore:

> I always felt we could handle our own problems, but, (RESPA) has created more problems.

Thomas E. O'Brien of Buffalo:

> RESPA just adds more paper work . . . and does not provide the buyer or seller with any more information . . .

Chester S. Grove of Lockport:

> Rescue us from the bewildering maze of RESPA.

William J. Worthington of Buffalo:

> RESPA is simply another layer of paper work that was ill conceived, unnecessary, and serves absolutely no purpose.

Elaine E. Salvo of Buffalo:

> RESPA forms are impossible for the sophisticated to interpret, let alone the unsophisticated consuming public. They must be made simpler.

Ferdinand F. DiBartolo, Jr., of Clarence:

> (RESPA) represents one more unwarranted intrusion into the affairs of private citizens.

Michael J. Suhalla of Lancaster:

> I have . . . noted delays and added expenses which are incurred because of (RESPA).

Mary N. Menz of Buffalo:

> We are constantly asked . . . "Why was RESPA enacted?" since the benefits are minimal but the aggravation is horrendous.

Ivan Sundholm of Grand Island:

> (RESPA is) a very cumbersome and unnecessary law.

Carlton S. Moore, Jr. of Buffalo:

> Until such time that all 50 states are centralized in both law and in fact, no federal law can hope to legislate with unity and fairness.

John K. Adams of Buffalo:

> (RESPA) is like using a big club to knock away a little mosquito . . .

Mario J. Rossetti of Buffalo:

> The Federal Government ventured into an area where it should not tread.

Hugh B. Chace, Jr. of Niagara Falls:

> (RESPA) is another example of the nowadays all too frequent legislative use of a blunderbuss to kill a fly.

Harry Brand of Buffalo:

> Like many consumer-oriented statutes, RESPA is and will ultimately hurt the consumer.

M. Robert Koren of Buffalo:

> (RESPA) is another example of where the Federal government, through an ill conceived, hastily put-together measure, is attempting to exercise control in a domain where such control is unnecessary and unwarranted.

Francis W. Greune of Buffalo:

> RESPA is a classic example of overkill.

John B. Walsh of Buffalo:

> Well meaning groups (which push for laws like RESPA), like a filament in a light-bulb, . . . burn brightly and even brilliantly but, unfortunately, in an almost total vacuum.

Ronald Willig of Williamsville:

> The purposes of (RESPA) are definitely not being achieved and only adding many new problems. . . .

Robert B. Moriarty of Buffalo:

> There are absolutely no areas respecting real estate transactions where federal legislation can help. Government is best which governs least.

Samuel A. Magistrale of Buffalo:

> Federal legislation fails to meet the problems that are mainly of a localized nature.

Robert J. Schutrum of Buffalo:

> The Federal government should not be involved in real estate transactions. . .

Harold B. Ehrlich of Buffalo:

> I see no reason for RESPA.

Paul H. Seaman of Lockport:

> It appears to me to be extremely unrealistic for planners at the Washington level to enact sweeping legislation allegedly designed to improve (an already very good) condition.

John J. Gruber of Buffalo:

> We would suggest that the Federal government stay away from real estate transactions and permit supervision . . . by the (states) . . .

Last but far from least, Mr. Speaker, are two gentlemen from Buffalo who not only communicated with me with respect to RESPA but who also generously took the time and effort to prepare and present testimony to the Housing Subcommittee when it held hearings on this subject.

Vincent J. Moore, an attorney who represents one of Buffalo's major lending institutions:

> We calculate that the RESPA requirements have increased the number of documents generated in each residential real estate loan transaction by an average of well over fifteen. This increase is especially significant considering the already substantial documentation presently included in loans guaranteed by the Veteran's Administration or insured by the Federal Housing Administration. A Veteran's Administration loan for example, properly completed, will contain four different closing statements: the VA Form 26–1820; the lender's closing statement; the ordinary buyer-seller closing statement; and now, the RESPA Settlement Statement. After closing, the borrower/consumer may well be totally baffled due to the paper-form overkill.
>
> The man hours required for each RESPA loan, including a conservative estimate of the necessary work by realtors due solely to RESPA requirements, has increased by an average of 2 hours and 45 minutes.
>
> Lenders, depending upon their work volume and diligence, have had to increase their staff by one to three people solely to handle RESPA responsibilities to fully carry out RESPA compliance.
>
> Postage expense has substantially increased, since RESPA compliance often requires many separate mailings for each loan.

Raymond F. Roll, Jr., a member of the board of directors of the Erie County Bar Association, spoke on behalf of that organization:

> The position of the Erie County Bar Association may be summarized as follows: RESPA should be repealed.
>
> RESPA has failed to effect the changes intended by Congress at the time of its enactment. The statement of Congressional findings and purpose in the initial section of the Act indicates a Congressional intention to reduce the cost involved in real estate transactions and protect the home buyer from certain abuses. In our opinion, experience has confirmed that the complex and confusing format mandated by RESPA and the regulations necessarily promulgated thereunder have been counterproductive and have, in fact, stifled the commerce and created unnecessary additional burdens of expense for sellers and buyers of real estate.
>
> The Association, however, believes that certain provisions of RESPA have merit and could be enacted (or allowed to remain in effect). These provisions are:
>
> Special information booklet (§ 5 Reg. 82.5).
> Prohibition against kickbacks (§ 8).
> Limitation on escrow deposits (§ 10).
>
> The above RESPA provisions which we believe could be continued do not address themselves to areas of great concern. However, the obvious advantage of informing prospective buyers and mortgagors *in advance of contracting* for the purchase of real estate and its financing make the HUD pamphlet useful. The advantage of prohibiting "kickbacks" in connection with needed services (and the prohibition against determination of suppliers) is obvious as is a reasonable limitation on funds required to be held in escrow (primarily for property tax purposes) by lenders."

Mr. Speaker, these comments speak for themselves more eloquently than I could. I hope that the amendments to RESPA which we have been considering become law as expeditiously as possible.

NEED TO INVESTIGATE EMPLOYMENT OF FORMER DEFENSE EMPLOYEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 5 minutes.

Mr. ASPIN. Mr. Speaker, a retired Air Force major general—now one of Northrop's Corp.'s top Washington lobbyists—has directly violated the law by failing to file reports with the Pentagon on his activities.

Maj. Gen. Winston "Whimpy" P. Wilson who retired in August 1971 as chief of the Air National Guard, failed to file any of three annual reports required by law on his employment as a defense contractor employee.

Section 410 of Public Law 91–121 enacted in 1969 requires that—

> Any former military officer . . . shall file with the Secretary of Defense . . . a report containing . . . a brief description of his duties and work performed by him for the defense contractor.

The law also provides that anyone who "fails to comply with the filing requirements of this section shall be guilty of a misdemeanor and upon conviction shall be punished by not more than 6 months in prison or a fine of not more than $1,000 or both."

Mr. Speaker, according to the Pentagon's records, General Wilson has never filed a report for any of the 3 years after his retirement.

I am asking the Justice Department to immediately investigate the case and strictly enforce the law.

It is interesting to note that General Wilson received $115,000 as a consultant to Northrop Corp. between his retirement and 1974, according to a Defense Contract Audit Agency—DCAA—report publicly released last month.

The DCAA report on Northrop's activities says that Wilson's work discloses "substantial entertainment activity and expenses incurred in connection with Northrop's hunting lodge."

Wilson, in a letter quoted by the DCAA audit report specifically identifies DOD and the Departments of the Army, Navy, and Air Force, as agencies which he must contact "to answer questions and obtain information necessary for the furtherance of business of the Northrop Corp."

Wilson's letter also says that he "represents the Eastern Regional Office for many official functions in the Washington community and attends official committees and entertains when necessary to enhance the image of Northrop."

Mr. Speaker, unfortunately, it is impossible to know how many other military officers working for defense contractors have evaded the law and should be punished.

I am asking the Justice Department to make a thoroughgoing investigation of the employment of former Defense employees.

General Wilson's case came to light only because of DCAA's report and Northrop's questionable activities. There is no telling how many other retired military officers and civilian employees in DOD have illegally avoided filing these reports.

THE NEED FOR REVIEW OF THE FOOD STAMP PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. EVANS) is recognized for 5 minutes.

Mr. EVANS of Indiana. Mr. Speaker, on Thursday, November 13, 1975, the House of Representatives passed H.R. 10647, the supplemental appropriation for fiscal year 1976, and during its consideration Representative FINDLEY of Illinois offered an amendment to reduce the eligibility level for a household to receive food stamps whose aggregate income level does not exceed the poverty level as defined by the Office of Management and Budget. Although I was in agreement with the gentleman's sentiment about the importance of reforming our food stamp program, I voted against his amendment and I would like to take this opportunity to express my reasons.

Our food stamp program and its rules and regulations are in shambles allowing many individuals to abuse and misuse the food stamp program for their own benefit. There is a strong desire on the part of many Americans to revise and to reform our food stamp program to curtail abuses and to revise it in such a manner so that it only assists those Americans who are in dire need.

I do not favor trying to resolve many of these serious and complex problems in a piecemeal fashion, such as the case would have been with the acceptance of the Findley amendment. I strongly urge our Committee on Agriculture to expedite its review of our food stamp program. I know that it will be a difficult task to wade through this quagmire, but I hope we in Congress will have an opportunity to debate and act on a legislative proposal that will limit the distribution of food stamps to people in need—our poor working families and those individuals living on fixed and often inadequate incomes. It is imperative for this legislation also to eliminate the growing abuses of the food stamp program by a wide-range section of our society.

An effective and meaningful legislative measure is the proper and most effective means of dealing with this growing problem, and not the fractional method of legislating via individual amendments. It is for these reasons that I voted against the Findley amendment.

GENERAL LEAVE

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from New Mexico (Mr. RUNNELS).

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

DEMOCRATIC COALITION CALLS FOR STRONGER DEFENSES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 15 minutes.

Mr. FLOOD. Mr. Speaker, one of the well known magazines published in the Washington area is Tactics, the only professional "psywar" journal, of which Edward Hunter is editor. Its address is Box 3541, Arlington, Va. 22203.

The June 20, 1975 issue of Tactics featured an article summarizing a 32-page statement by the Coalition for a Democratic Majority—1823 Jefferson Place, N.W., Washington, D.C. 20036—on "For An Adequate Defense" which called upon liberals and Democrats to "take the lead in rallying America to increase our defense capabilities, both nuclear and conventional."

The June 20 article of Mr. Hunter was condensed and featured in the November 6, 1975 issue of the Manchester (N.H.) Union Leader with a signed front page editorial by William Loeb, its publisher.

It is appropriate to state that Mr. Loeb is a son of the former secretary to President Theodore Roosevelt and that he and Mr. Hunter have been two of the most valiant fighters to prevent the Panama Canal from being given away. The Canal, as a vital element in sea power, is essential for national defense as well as for interoceanic commerce.

Because of the timeliness of the indicated newsstory, I quote it with the signed editorial by Mr. Loeb and a biographical sketch of Edward Hunter as parts of my remarks:

[From the Manchester, New Hampshire, Union Leader, Nov. 6, 1975]

SMART LIBERALS, SMART DEMOCRATS

(By William Loeb)

There really are some smart and patriotic liberals and some smart and patriotic Democrats.

If you don't believe it, read the article at the top of our back page today about the 32-page statement entitled "For an Adequate Defense," recently made public by the Coalition for a Democratic Majority.

This statement calls upon liberals and Democrats to "take the lead in rallying America to increase our defense capabilities, both nuclear and conventional."

Furthermore, it warns: "The nation is in great danger. Our danger is increasing every day. The Soviet Union continues to pursue a policy of expansion that threatens our vital interests in Europe, the Middle East, and other parts of the world."

It is very encouraging to realize that there is this segment of the Democratic party and this group of liberals which is completely realistic about the presently terribly dangerous position of the United States.

[From the Manchester Union Leader November 6, 1975]

STARTLING WARNING COMES FROM UNEXPECTED SOURCE—AND IS IGNORED BY NEWS MEDIA: DEMOCRATIC COALITION CALLS FOR STRONGER DEFENSES

The Coalition for a Democratic Majority (1823 Jefferson Pl., NW., Washington, D.C. 20036) has made public a 32-page statement entitled, "For an Adequate Defense." It calls upon liberals and Democrats to "take the lead in rallying America to increase our defense capabilities, both nuclear and conventional," and warns:

"The nation is in great danger. Our danger is increasing every day. The Soviet Union continues to pursue a policy of expansion that threatens our vital interests in Europe, the Middle East, and other parts of the world. It pursues its goals directly and through proxies, by exploiting and exacerbating local tensions and situations of conflict."

This "expansionist foreign policy" isn't a matter of just political skulduggery, the statement declares, but "is backed by a military building program which has no peacetime parallel in world affairs."

It adds "In terms of real defense capability, the United States is in many respects pursuing a course of unilateral disarmament, especially with regard to the Navy and other conventional forces.... In the face of the Soviet military build-up, and Soviet foreign policy, our defense budget is an invitation to disaster.

"While the Soviets build toward superiority in strategic forces, spending annually about twice as much on them as we do, we have unilaterally frozen the level of our strategic forces. Moreover, we have denied ourselves qualitative improvements that are within reach and are needed to implement our developing strategic doctrine."

Our "conventional defense capabilities"—not only ours but those of our allies—must be increased, too, the statement adds, pointing out:

"The Soviets continue to arm and supply client states, and to foment proxy wars which have proved extremely difficult to contain."

This is a startling document, that calls a spade a spade in the old-fashioned, American manner, not only as regards the dangers, but what to do about them. The statement is particularly significant, considering its source in the Democratic Party.

But its impact was drastically reduced by its failure to reach the public generally. The N.Y. Times and Washington Post sent reporters to the press conference at which the statement was released, but not a word about it appeared in either paper.

The story that, in their editorialized judgment of the news, these papers decided to suppress, concerned the nation's capacity to survive. But there was more to it than their own concept of what the people could be trusted to read.

Any survey reaching the same conclusion is censored in the same manner, by the press and radio-television themselves. The curtain is penetrated here and there, but not enough to exert whatever influence the facts warranted, if objectively reported.

The Tass-like suppression of the news did not even spare the Congress.

About 100 members of Congress in a concerted effort to alert the American people to the literal danger of conquest or "liquidation" by Kremlin forces that were fast outpacing the Americans in practically all areas went on record. Speech after speech on the floor of Senate and House gave the incontrovertible details. This was in mid-1971.

This practically unprecedented alert to the American people by the legislators voted into high office was simply boycotted by the press gallery in House and Senate, and by the press and radio-TV. Probably never before in our history—or any other country's history—had an unelected clique of newspapermen arrogated to themselves the authority to censor an elected parliament that was speaking in such forcible manner.

Certainly, no subject should warrant more investigatory attention of the Congress than this continuity in suppression of information concerning survival of our nation in case of conflict. Instead, we are being indoctrinated in the acceptance of defeat as some kind of proof of national maturity.

Therefore, the "For An Adequate Defense" alert by the foreign policy task force of the Coalition for a Democratic Majority should be welcomed and publicized by every Republican, or anyone else who understands the terribly critical state of our defenses.

Stress upon this, too, can help those Democrats who are fighting the capture of the party by extremists of the left.

A reading of the statement, "For an Adequate Defense," leaves no doubt that concern over the survival of Israel was a strong incentive. But a cursory view of the Middle East should convince anyone that Soviet Russia is fomenting and exploiting the Israeli issue as a tactic by which to obtain control of the Mediterranean, ultimately dominate the Middle East, and by using this as a base, destroy Europe and complete the isolation of the United States.

What must be supported in the statement is that portion of it—its primary theme—that we "can no longer afford the luxury of political evasion and party politics on the life-and-death issues of foreign policy and national defense." The life-and-death issue is the swift Soviet approach to "a catastrophic and military imbalance" against ourselves.

The Democratic Coalition's statement, "For an Adequate Defense," was preceded by a long, in-depth statement entitled "The Quest for Detente," by the same task force headed by Eugene Rostow. (Both as a packet obtainable at $1 by writing Coalition for a Democratic Majority, 1823 Jefferson Place, N.W., Washington, DC 20036.)

The first study points out that Moscow does not refer to detente "except in talking to the West," but considers it an American, semantic acceptance of the Red "peaceful coexistence" line.

But, as the analysis adds, this does not stop the Soviet Union from maneuvering the U.S. into a spot where "we may well suffer irreversible defeats."

"Irreversible defeats," of course, is a soft term for conquest or annihilation.

A thankful welcome should be given by us to the theme of these two statements, that our nation is "in great danger," because Soviet Russia is racing ahead in military research, while we stand still or even cut back in our defense.

But we need not deceive ourselves on other points in the statements, or have any illusions regarding the non-partisan character of the approach. The task force has done a beautiful job of whitewashing Democratic guilt for the plight in which we find ourselves. This is understandable, of course, because otherwise, those particularly in the Democratic Party, for whom it has been prepared, could not be influenced.

A dangerous illusion which the task force presents in both statements is the "balance of power" approach. This is just another version of "balanced terror" and the "convergence" theory. The USSR, in convergence, would mellow, and the U.S. would harden, so both would become alike. We would harden, for sure, into communism, but there would be no mellowing by the Reds.

In spite of all of these negatives, the positive side of "The Quest for Detente" and "For An Adequate Defense" makes them valuable documents. They can help bring together those whose basic motivation, irrespective of fallacies and illusions, is a free U.S.

WHO'S WHO IN THE WORLD

Hunter, Edward, editor, author, b. N.Y.C., July 2, 1902. s. Edward and Rose (Weiss) H.; self-educated; m. Tatiana Pestrikoff, June 30, 1932 (div. May 1961); children—Robert, Tate Ann. Reporter and news editor of various inewspapers, including Newark Ledger, New Orleans Item, N.Y. Post, N.Y. American; Reporter Paris edit. Chgo. Tribbune, 1924–25; news editor Japan Advertiser, Tokyo, 1927; editor Hankow (China) Herald, 1928–29, Peking Leader, 1929–30; covered Japanese conquest of Manchuria, Spanish Civil War, Italian conquest of Ethiopia. Internat. News Service, 1931–36; Chmn. Anti-Communist Liaison, Inc., 1962—; also pub.-editor monthly Tactics. Cons. psychol. warfare USAF, 1953–54. Served as propaganda warfare specialist AUS, with morale operations sect. OSS, Asia, World War II. Author; Brain-Washing in Red China, 1951, rev. edit., 1971; Brainwashing; The Story of Men Who Defied It, 1956, reprinted 1971; The Story of Mary Liu, 1957; The Black Book On Red China, 1958; The Past Present: A Year in Afghanistan, 1959; In Many Voices: Our Fabulous Foreign-Language Press, 1960; Attack By Mail, 1963. Contrib. articles on psychol. warfare, polit. extremism numerous periodicals. Clubs: Overseas Press, Silurians. Address: 4114 N. 4th St. Arlington, VA 22203.

THE FEDERAL TRADE COMMISSION AND ITS AUTHORITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. STUCKEY) is recognized for 5 minutes.

Mr. STUCKEY. Mr. Speaker, today I am introducing a concurrent resolution relating to the authority of the Federal Trade Commission to prescribe rules preempting State and local laws.

The purpose of the Federal Trade Commission is to protect both consumers and competitors from deceptive trade practices. To implement this policy the FTC directs its action toward curtailment of unfair competition. Their objectives to increase competition and thereby lower prices are admirable, indeed.

The various sovereign States also have an interest in protecting their citizens from unfair competition. In my State of Georgia the legislature passed and the Governor signed the Fair Business Practices Act of 1975 with this purpose in mind. In fact, there are currently 48 States which have enacted laws more or less similar to the FTC law.

In the past 6 months the FTC has taken it upon themselves to strike out in an uncharted course. They are attempting to usurp State powers and preempt State laws through their regulatory authority in such fields as retail drugs, credit, funerals, and optometry. This is clearly contrary to congressional intent in its passage of FTC laws. In fact, the Magnuson-Moss Warranty—Federal Trade Commission Act made it clear by title II of the act that it was not intended to preempt State and local jurisdictions.

Furthermore, it is hard for me to believe, and the FTC has yet to prove, that Federal regulations in these fields would in fact be an economic benefit to the consumers. There is an obvious cost-benefit situation which has yet to be established. Would Federal regulation in a State where unfair competition in a particular industry has not been proven lower the costs to the consumer in that State? The cost of Federal regulation would surely be passed on to consumers regardless of the compliance with State laws. This national regulation would tend to increase the consumers' costs locally.

Finally, the States tend to be more responsive to the needs of their citizens, and the protective powers of the States are vested in the various attorney generals. If there is a crisis within a State, it should be that State's executive, legislative, and judicial branches which should respond to protect the interest of its citizens. The burden and costs of Federal regulation should not be borne by the innocent of other States.

U.S. FOREIGN AID COMMITMENTS AND THE U.N. RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) is recognized for 5 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, much has already been said in this body about the recently adopted U.N. resolution equating Zionism with racism.

I have joined my colleagues in deploring this outrageous action, and I strongly believe that we must reassess some of our policies on the extension of economic and military aid to those countries who supported the Zionism resolution.

Yesterday's New York Times contains two timely editorials on this subject, and I commend them to the attention of my colleagues.

Mr. Speaker, I am not convinced that this Nation must assume the role of arms merchant to the world just to keep our international payments position in balance. I seriously question the wisdom of supplying the capability for military aggression to those nations who have not demonstrated sufficient political maturity.

The adoption of the Zionism resolution is a case in point. This ill-conceived and rash action violates the very principles upon which the United Nations was founded, and endangers the fragile peace that has been so arduously constructed in the Middle East. Surely, this was not an act of political maturity. Accordingly, I believe the United States has every reason to examine the bilateral aid agreements it has developed with the countries which supported thet U.N. Zionism resolution. Support of the resolution is tangible evidence that these countries lack sound political judgment and the restraint that should be exhibited by a responsible member of the world community. Such lack of responsibility and restraint should not be rewarded; and the supplying of arms to these nations should be curtailed or substantially reduced until such time as their official actions and policies merit resumption of such aid.

Mr. Speaker, the editorials from the New York Times underscore this viewpoint, and I believe my colleagues will benefit from the thoughtful views expressed in the editorials.

Mr. Speaker, the two editorials from the New York Times are included at this point in my remarks:

REEXAMINING ARMS AID

An inevitable reaction to the United Nations General Assembly vote branding Zionism as a form of racism will be far closer Congressional scrutiny of the various aid commitments of the United States to foreign countries. If governments choose to bid for Arab money by voting to promote racism and anti-Semitism, to destroy human rights and to undermine the United Nations itself, they can well expect a corresponding sense of outrage and loss of sympathy in this country.

An emotional and unthinking meat-ax approach to the problem would, however, do more harm than good. American aid flows in many forms. No good purpose can be served by endangering socially beneficial programs for population control or land productivity in the world's poorest countries; such ill-considered reprisals would punish ordinary people for the callous misjudgments of their governments, and would certainly be counterproductive.

The same cannot be said for military aid, particularly for the "support assistance" that enables governments to build up their military capabilities. Another form of aid that deserves re-examination, for more reasons than the anti-Zionist vote, is the program of arms sales, especially the granting of credits to countries that wish to purchase American-made weapons.

Sen. Hubert H. Humphrey of Minnesota has just introduced legislation calling for a far-ranging revision of the practices that would allow the Ford Administration to conclude weapons sales and gifts worth $12.4 billion this fiscal year. The United States has no moral or political interest in standing as arms merchants to the world, especially to countries whose U.N. votes show how little they regard the principles for which this nation stands. The balance-of-payments problem, important though it is, should under no circumstances be the determining factor in American arms sales—nor should the attitudes of foreign arms suppliers, no matter how greedy or unscrupulous.

REEXAMINING ECONOMIC AID

American economic and development aid is another matter. The pending $1.3 billion authorization bill for development assistance, which goes to conference committee in a few days, will still leave the world's richest nation near the bottom of the list of aid contributors in percentage of gross national product. In 1961 the United States gave 51 percent of all the world's development aid; it was 19 percent in 1974. The rejection by half of Black Africa and other Third World countries of the American campaign in the U.N. against the anti-Zionist resolution doubtless reflects, at least in part, the decline of stature that has accompanied the decline in American generosity toward the world's impoverished people.

One way to halt the erosion of Congressional and public support for foreign aid is to improve the chances that aid will do the job most Americans feel it should be doing—and has failed to do. The Senate version of the development assistance bill would do that by requiring the President progressively to concentrate the bulk of American aid on the poor countries that take the most vigorous action to help themselves in four critical areas. Aid would be related to achievements in land reform, greater self-sufficiency in food production, reduced infant mortality and control of population growth, with annual reports to the Congress on what has been achieved.

The greatest advances in food output have been made in countries that have given land to the tiller as well as better fertilizer and technology. Better nutrition, in turn, is demonstrably the most effective way to reduce infant mortality, which, paradoxically, helps to reduce rather than to increase population growth. Farm parents who firmly expect their first two or three children to live turn away from the practice of having seven or eight children as insurance against childhood deaths.

The pending Senate aid bill, if approved in conference, could put development assistance on this right track. It would encourage help from those who help themselves, but it would not forestall any subsequent Congressional action to discourage Third World governments from undermining the United Nations and human rights worldwide.

PERSONAL STATEMENT ON ARAB BOYCOTT SUIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 25 minutes.

Mr. BINGHAM. Mr. Speaker, 25 Members of the House have joined in a suit against Secretary of Commerce Rogers Morton and Interior Secretary Thomas S. Kleppe seeking to enjoin them from encouraging American companies from cooperating with the Arab boycott.

I strongly sympathize with the purposes of that suit, as indicated by the fact that I have introduced legislation of my own, H.R. 4967, that would clearly prohibit American firms from cooperating, in any way, with the Arab boycott. That legislation, if enacted, would help achieve the same goal that inspired the law suit—to break the grip of the Arab embargo.

It is precisely because of my proposed legislation, however, and my position as chairman of the Subcommittee on International Trade and Commerce, that I am not a plaintiff in the suit. My subcommittee plans further hearings and legislative action on H.R. 4967—action which might well involve testimony and other personal involvement by Secretary Kleppe and Secretary Morton or his successor.

Much as I deplore the apparent actions of these officials in conjunction with the Arab boycott, I feel it would be inappropriate for me to preside over legislative proceedings involving officials against whom I was plaintiff in a suit. Rather than impair my ability to achieve strong legislation against the Arab boycott, and risk having to disqualify myself from critical legislative proceedings, I felt compelled to forgo adding my name to the list of plaintiffs in the suit.

A NEW DIRECTION: DAY TREATMENT AND IN-HOME SERVICES FOR CHILDREN AND FAMILIES—PART II

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, together with 27 House cosponsors, I am today reintroducing the Community Based Day Treatment and In-Home Services to Children and Families Act.

The legislation was drafted after receiving the comments of some 50 national child welfare organizations and experts. A focal point of concern in these comments was the premium that Federal legislation and funding now places on the institutionalization of children in trouble. While it is now possible for an agency to be compensated for the provision of residential foster care, it is almost impossible to secure reimbursement for providing assistance to a child or its family in order to keep the family unit intact. Institutional foster care will always be the treatment of choice for some children. Yet it is equally clear that tens of thousands of children are annually placed in residential foster care because alternatives are not available.

My bill will foster the development of alternative programs of care. It authorizes child welfare agencies to provide federally reimbursable day treatment and in-home services to children or families in trouble. As an incentive to States and localities to develop community based programs of care, the legislation provides for an annual $50 million transitional authorization for 2 years and 90 percent Federal matching.

To be successful, I believe social legislation must combine two qualities: a compassionate understanding of the human dimensions of a problem; and a hard-headed concern for sound management of social programs.

In preparing this remedial legislation, I have been careful not to overlook a central fact which explains why so many children come into foster care. Most foster care placements involve massive failures of parents in their normal functioning. Many of these parents have succumbed to mental illness, physical disablement, during abuse, alcoholism, and other severe pathological conditions. These disabilities are the root causes of "foster children," and they are not remediable through foster care. That is why my bill makes possible the provision of services to restore the healthy functioning of parents whose personal difficulties are most often responsible for the long-term tenure of children in foster care.

In proposing new legislation, I am also cognizant that the dramatic increase in public investment in human services has not brought a corresponding increase in the effectiveness of programs. This is certainly true of institutional foster care. At the same time, the scope and diversity of the demands on our constrained resources increase. This imposes a special responsibility to seek the most cost effective remedies in pressing social problems.

Numerous studies have confirmed that in-home services are less costly and more cost effective than institutional foster care. Recently, the National Council for Homemaker-Home Health Aid Services published a survey of the literature which summarizes the research findings in this area. I am enclosing in the RECORD for the benefit of my colleagues extracts from the survey which specifically discuss the cost savings of in-home services for children and families in trouble. A list of the House sponsors of the Community Based Day Treatment and In-Home Services for Children and Families Act follows the survey extract:

COSTS OF HOMEMAKER-HOME HEALTH AID AND ALTERNATIVE FORMS OF SERVICE

Costs of homemaker-home health aide services to disturbed children and adults.—Some disturbed or disabled children or adults requiring personal services, household support and professional treatment by health and social service professionals can be cared for at home, given an appropriate array of services. The homemaker-home health aide who is especially trained to provide personal services and household support can make it possible for the ill or troubled person to live at home, carrying on as normal a life as possible.

Experienced, mature homemaker-home health aides with special training and skills are being placed more and more frequently in homes where buildup of family problems threatens to lead to family break-up or other serious problems. For example, a disorganized mother or a mother who is simply overwhelmed may be helped to change the family patterns of working and relating. A teaching homemaker-home health aide works with the mother in close cooperation with a social worker and other appropriate members of a therapeutic team, to assist with and demonstrate new ways of coping with the demands being made upon her.

The situation precipitating the use of the teaching aspect of homemaker-home health aide service may cover any of a wide range of problems. One of these may be the presence in a home of a disturbed child for whom the alternative to in-home treatment would have been residential treatment, a very expensive form of care, which cannot act upon the root causes in the family of the child's disturbance.

The executive director of the Wiltwyck School for Boys, which has initiated a project using a teaching homemaker-home health aide (whom they call a homemaker/organizer) to prevent placement of children or hasten their return home from placement, presented a paper in 1972 in which he compared in-home and out-of-home care costs. The comparison provides illustrative cost data for this type of need:

> "It costs approximately $18,000 to keep a child in residential treatment facilities for a year. We estimate . . . that a homemaker/organizer will cost somewhere between $13,000 and $14,000 yearly, taking into account the supportive staff and structures needed.
>
> We estimate that a homemaker/organizer can work with between one and three families per year, with three to five children in each family. A comparison of the figures indicated clearly that the homemaker/organizer program is a less expensive service option than the others on a unit cost basis."[1]

Costs of residential treatment centers.—Robert Elkin reported in 1969 on the costs in 32 children's residential institutions. He classified institutions according to the components of program. Costs were included whether they were incurred by the agency or by a parent organization. Imputed costs were included for donated goods and services, but capital costs such as land, plant, equipment purchase, repairs and replacements, and depreciation were excluded. The annual range of costs for the children's institutions in 1966–67, even with these major exclusions, was from $2,234 to $22,976 per child.[2] Institutional care does not, of course, come "cheaper by the dozen" for large families, as in-home care does.

Costs of homemaker-home health aide services to dependent and neglected children.—It has been demonstrated that homemaker-home health aide services with supporting professional services can prevent foster care. About ten years ago, Santa Clara, California, undertook to provide teaching homemakers to families which had been divided or were threatened with placement of one or more children in foster care. Fifty-nine such families with 299 children were provided with homemaker-home health aide services. As a result, only thirteen children had to be returned to or placed in foster care. The estimated monetary saving by such action was very large. Homemaker-home health aide salaries for the three years amounted to $53,292, whereas placement of even 100 of the children in foster care for more than one year would have cost, for board alone, at least $100,000.

Exploration into costs for 24-hour live-in homemaker-home health aide services revealed that many agencies do not provide it. Of the agencies which do provide the service, some charge a flat rate, and some charge at the hourly rate for anywhere from 14–18 hours. Minimum wage and hour laws, especially those reporting time-and-a-half for overtime have posed a problem. Three shifts of homemaker-home health aides have been used in some instances, but this is generally recognized as an impractical and unsatisfactory solution, especially from the standpoint of the family served. Twenty-four homemaker-home health aide service, even at the highest rates of well over $100 per day, is more economical than out-of-home care if the alternative is, for example, a day in the hospital, foster placement of more than one child, or if out-of-home care results in breakup of a family over a longer period of time than a homemaker-home health aide would have had to be in the home. The decision to place a child in a foster home because the alternative of 24-hour homemaker-home health aide service is more costly than a day of foster care is poor economy if, as frequently happens, the "day" of foster care extends to a childhood of days in foster care which could have been avoided by the use of a few days, weeks or months of homemaker-home health aide service intervention to hold the family together. From the perspective of the overall case, in the long run, placement in foster care would cost far more than the use of homemaker-home health aide service.

A new element in relation to care of dependent children has been introduced by the current adoption situation. With a shortage of babies for placement, agencies can, more easily than ever before, place other children in adoption. The practice of subsidizing adoptions has also made it easier to place children permanently. It would seem efficient to use homemaker service for short-term family emergencies, and work toward helping the family get back to normal as early as possible. Where it seems unlikely that a child can remain with his family because of intractable problems such as continuing neglect or abuse, as determined by professional assessment, supported by observations of the homemaker-home health aide, the agency could immediately begin to work toward adoption, before the child or children get too old and harder to place, and before they become emotionally damaged by a series of impermanent foster homes. Foster care would be used only when family disintegration was irreversible, but the children were too old or for other reasons impossible to place in adoption.

Costs of foster care for children.—Foster care is a generic term which may include foster family placement, agency-operated group homes, as well as institutional care for dependent children. The problems in reports of foster home costs are lack of completeness and lack of information about what factors are included in arriving at cost. Grow and Smith reported:

> "We find that one of every ten agencies does not know whether the rates paid to foster parents actually cover the cost of care. When we add to this the finding that over half the agencies reported that their rates do not cover costs, but at the same time over half the agencies believe their rates are high enough to obtain and retain foster parents, a serious question must be raised. Are foster parents still viewed as service recipients, or at best, agency volunteers . . . ? . . . the findings suggest that agencies still do not see a relationship between adequate board rates and the recruitment and retention of good foster homes."[3]

From such a statement one might question the true cost of foster family care figures. Also, little attention is paid to the "shadow costs" of the extra expenses of the foster family itself, as well as the administrative expense of operating the agency.

Board payments to foster parents are only part of the cost of foster care. In November 1973, payment to foster parents in the New York City area was $155 a month, with additional payments made for clothing, haircuts, and other extras. The City, however, pays the child care agency furnishing and supervising the home approximately $12 a day, or $360 a month per child. In arriving at the cost required to provide foster care services for a family, the $360 must be multiplied by the number of children put into care from that family and also by the number of months each child remains in care. Moreover, there can be further subsidy from the voluntary agency. As can be seen, foster care can be an expensive service even without including the administrative costs of the City's Bureau of Child Welfare or the Department of Social Services, the agency legally responsible to the public for the care and financing of care for all public wards.

Fanshel and Shinn studied in detail the cost of foster care over a span of five years for 624 New York City children who entered care in 1966. Costs per child and per family are given in this study for a day's care, a four year period, and as projections by family until each child reaches maturity. Based on the actual four year cost, the authors calculated that a child entering the system in infancy and remaining in care until age eighteen would cost an estimated $112,500. In comparison to cost data for rearing a child in his own home, as published by Jean Pennock in *Family Economics Review*, December 1970, they state . . . "the cost of foster care appears to be about five times the expense a family on a low-cost budget would incur, in rearing its own child."[4]

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[1] T. George Silcott, "An Alternative to Placement of Children: The Homemaker/Organizer" (New York City: National Council for Homemaker-Home Health Aide Services, Inc., 1972).

[2] Robert Elkin, *Relating Program to Costs in Children's Residential Institutions* (Washington, D.C.: The American University School of Government and Public Administration, 1969), pp. V–1–V–4.

[3] Lucille J. Grow and Michael J. Smith, *Board Rates for Foster Family Care* (New York: Child Welfare League of America, 1970), pp. 23, 24.

Again, the estimates in this study do not include costs of operating the Bureau of Child Welfare as the public's administrative agent responsible for child welfare services for New York children.

In New York City the average per diem reimbursement rate for fiscal 1972–73 from the state and city to voluntary child care institutions was about $30.50 per day per child, $915 a month. In addition, agencies receive from $.41 to $11 a day per child for Medicaid. Although the per diem rate for institutional care is approximately the same whether the child is in residential treatment or cared for in an institution for neglected, dependent children, the Medicaid rate is greater if the child is in a treatment center.

I am joined in sponsorship of this bill by the following Members of Congress:

Bella Abzug (D–NY).
Herman Badillo (D–NY).
Charles Carney (D–Ohio).
Shirley Chisholm (D–NY).
John Conyers, Jr. (D–Mich).
Charles Diggs (D–Mich).
Robert Edgar (D–Pa).
Donald Fraser (D–Minn)
Michael Harrington (D–Mass).
Ken Hechler (D–W. Va).
Henry Helstoski (D–NJ).
Elizabeth Holtzman (D–NY).
Matthew McHugh (D–NY).
Parren Mitchell (D–Md).
John Murphy (D–NY).
Robert Nix (D–Pa).
Richard Ottinger (D–NY).
Edward Pattison (D–NY).
Claude Pepper (D–Fla).
Charles Rangel (D–NY).
Frederick Richmond (D–NY).
Peter Rodino (D–NJ).
Benjamin Rosenthal (D–NY).
Edward Roybal (D–Calif).
James Scheuer (D–NY).
Henry Waxman (D–Calif).
Antonio Won Pat (D–Guam).

THERE'S NO SUCH THING AS AN OFF-DUTY JACK McKEEVER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Thompson) is recognized for 5 minutes.

Mr. THOMPSON. Mr. Speaker, on November 21 I shall be unable, because of committee business, to attend a banquet in honor of a wonderful man who has been my friend of more years than either he or I would care to be recorded. Suffice it to say, the precise figure would be in the vicinity of 40 years.

Chief McKeever is a "cop" in the best tradition of the word, by birth, by inclination, by temperament—you name it—a totally unique man who enjoys the respect of his fellow officers, his subordinates, the citizens of the city of Trenton and, yes, even those whom he has had to discipline.

I take great pride in my association with Jack, his father and his family and think that my colleagues will be heartened by the splendid article in the Trenton Sunday Times of November 16 by Joe Piscione, who has captured Jack's character in a really marvelous way.

There's No Such Thing as an Off-Duty Jack McKeever

(By Joe Piscione)

Jack McKeever slid his service revolver out of its holster and into his overcoat pocket, where he could get to it more quickly. His instincts were working.

Only minutes before, a couple of arrogant types had walked into Wagner's Cafe on the corner of Chambers and Locust and begun asking questions about liquor prices. Now they were in the back room liquor store with the owner and Jack McKeever was smelling trouble.

"Those guys are going to try to stick this place up," he told Dick Tindall, the only other customer in the bar. Almost before the words were out of his mouth there was a cry for help from the back room.

There is no such thing as an off duty cop. Jack McKeever proved that in the lightning quick seconds that followed. He could have shot the first stickup man at the entrance to the back room. The guy had a knife in his hand and a very unfriendly attitude.

Instead, Jack McKeever belted the guy in the chops and floored him. Then he turned his attention to the second stickup man. This one had a gun. Jack McKeever gave him the same treatment he'd given his partner, and the guy and his gun went flying in different directions.

Out in the bar Dick Tindall was so excited he ran into the men's room looking for a telephone. Even after he found the phone, he dialed the wrong number. By the time a uniformed cop got to Wagner's the stickup men were neatly arranged on the floor, somewhat the worse for wear, and Jack McKeever was standing over them, mentally preparing his report.

"You know," he was saying the other day, "I got a lot of mileage out of that one back in 1964. I got a citation from the mayor and a Resolution of Commendation from City Council. I even got the State PBA Valor Award. But it was all accidental. I was on my way home from work and I stopped in to pick up a couple of quarts of ale. I just happened to be in the right place at the right time."

That's the way it's been going for Jack McKeever for 34 years. At least, that's how long it's been since the day he was appointed to the Trenton police force.

Following in the footsteps of his father, who was State PBA president in 1926 and 1927, Jack McKeever spent his first 15 years on the force actually avoiding promotion, so that he could play an active role in PBA matters. For five years he served as president of the Trenton PBA local. For nine years he was the local delegate to the state group. And for five of those years he served as a state vice president.

Jack McKeever was also one of the organizers of the local PAL and the chairman of the state PBA Legislative Committee. Years after the 40-hour week was commonplace in New Jersey, the Garden State's police forces were still checking in on a six-day basis. It was Jack McKeever's committee that got the Legislature to make the needed adjustment, just 15 years ago.

In Trenton area Jack McKeever became the guy to talk to if police help was needed for a worthy cause or if a sense of humor was needed to brighten up a banquet. He was almost a stranger to his wife and family.

In 1956, 15 years after he joined the force, Jack McKeever was promoted to detective. Since then he has made a steady climb up the latter of command, and two months ago he received his appointment as Deputy Chief of Police.

Through it all he has been one of the force's best-liked human beings, both among his fellow cops and the city's civilian population. He has almost made a career of toasting the success and accomplishments of others, and now his time has come.

On Friday, Nov. 21, at Cedar Gardens, the family and friends of Jack McKeever will get together for a testimonial dinner in his honor. The excuse, of course, is his promotion to Deputy Chief, but the reason is the tremendous respect and admiration the man has earned in a career of dedication and service. The spacious banquet hall at Cedar Gardens has been sold out, which is a testimonial in itself.

"It's going to be a big moment in my life," Jack McKeever says. "I guess I've had my share of high points. I wanted to be a cop ever since I can remember and it's been a rewarding life. If I had it all to do over again there's just no other way I'd do it."

Here's looking at you, Jack McKeever.

WAYS AND MEANS OVERSIGHT SUBCOMMITTEE ANNOUNCES HEARING ON ERISA FORM 5500

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, on Thursday, November 20, 1975, the Ways and Means Oversight Subcommittee will hold the first in what may be a series of hearings on the Internal Revenue Service's Annual Report Form 5500 required under the Pension Reform Act of 1974. The hearing will be from 10 to 12 in H–208 in the Capitol.

The subcommittee will hear from representatives of small business of problems created for plans with under 100 participants by the requirements of the IRS Form 500.

SENIOR CITIZENS SEMINAR

(Mr. EILBERG asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. EILBERG. Mr. Speaker, on October 18, 1975, I conducted a senior citizens seminar in my district to discuss the problems and views of our senior citizens today.

This seminar provided a panel of experts from city, State and Federal agencies concerned with senior citizens' problems, myself, and leaders of senior citizens' organizations in my district with an opportunity for a wide and free exchange of ideas. I believe that all involved benefited from this discussion which lasted for more than 3 hours.

This seminar provided me and the panel members with first-hand information on how existing programs are working. It also provided valuable information to the leaders of the senior citizens' organizations about where they can get help and information to aid them in dealing with the problems facing their members today.

Because of the great number of people who attended the seminar, it was necessary to limit the statements to 5 minutes each. So my prepared statement, which was considerably longer, and those of some other people, were not presented. I believe these statements may be of some interest to persons who are concerned about the problems of our older and retired citizens and at this time I would like to enter them into the Record.

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[4] David Fanshel and Eugene B. Shinn, *Dollars and Sense in the Foster Care of Children* (New York: Child Welfare League of America), 1972.

Prepared Statement of Representative Joshua Eilberg

I am pleased to have this opportunity to be here with you today. I hope this seminar will help each of us understand more thoroughly the needs of our older people and what might be done to meet these needs.

Firstly, I would like to take a few minutes to discuss some of the major issues in aging today.

INCOME

The greatest problem confronting senior citizens continues to be that of an inadequate retirement income. This problem becomes more severe during inflationary periods such as we now are experiencing. Although significant action has been taken in recent years to increase the purchasing power of older people, we still do not have a system which assumes economic security for every retired person.

The Social Security program is the primary income source for most elderly people and sole income source of many. As you may know, the Social Security system has become more costly because it has provided increasingly higher benefits and covered more types of beneficiaries over the years. The 1975 trustees report on the Social Security trust fund shows that the cash benefit program is underfinanced both in the short run and the long run. As a result there has been widespread discussions as to whether the program is financially sound. Some people feel they will not receive the benefits that are rightfully theirs because they fear more money is being paid out in benefits than is being paid into the program through employee and employer contributions.

The 94th Congress is in the process of examining the Social Security system so that its financial soundness will be maintained. It wants to assure beneficiaries that their benefits will be paid; and, at the same time, Congress does not want to create an economic burden for employed individuals contributing to the program. I personally agree with many experts in the field of Social Security that the short-term financial problems inherent in the system are clearly managable without radical change and that any long-range problems in financing can, and will, be met in such a way as to fully redeem the promises made to Social Security beneficiaries.

In addition to resolving the financing problems, Congress is making sure Social Security recipients receive the benefits that are rightfully theirs. Congress would not accept the President's proposal to place a 5-percent ceiling on the cost-of-living increase in benefits due last July in order to curtail inflation and cut government spending. I, along with other members in the House of Representatives, sponsored a resolution that flatly refused to go along with the President's proposal, and to assure Social Security recipients that they would receive the full 8-percent benefit increase with their July 1975 check. Although I agree with the President that inflation must be curbed, I do not feel we should begin by reducing income and services direly needed by retired individuals.

I also sponsored legislation to increase the amount a Social Security recipient may earn in employment and still receive his full Social Security benefit. My proposal would raise the ceiling on the so-called retirement test from $2,500 to $3,600 in order to improve the purchasing power of many older people who want to continue employment.

Recipients of the supplemental security income program—the guaranteed income program for needy aged, blind and disabled individuals—also received an 8 percent cost-of-living increase last July. Currently there are over 66,000 elderly persons in Pennsylvania who are receiving SSI benefits. There is evidence, however, that many more are eligible for benefits but are unaware of their rights to them. For this reason I sponsored legislation to establish an outreach program through which potentially eligible recipents will be informed about available benefits.

I also cosponsored bills designed to improve the supplemental security income program. My proposals would provide a housing supplement to certain SSI recipients based on their income and would assure that SSI benefits are not reduced or terminated when a person's social security benefits are increased. In addition, they would grant financial assistance to SSI recipients who are faced with a financial emergency.

The supplemental security income program was implemented January 1, 1974, to provide nationally uniform benefit levels and to replace the Federal-State welfare program for needy elderly individuals. Congress currently is undertaking a comprehensive study to determine how the program can more effectively meet the income needs of elderly individuals.

HEALTH CARE AND OTHER SOCIAL SERVICES

We must realize that in addition to economic security, older people have other needs. Many depend on supportive social services to lead independent and dignified lives. In general, we must examine the deep-rooted question of how to put more money in the hands of elderly people and at the same time provide needed social services with the resources available to us.

Congress recently passed the Health Service Act which provides funds for home health care services. This legislation which was signed into law last July authorized funds to initiate the development of home-health care agencies in areas where such agencies are not now available, and to expand home health care services provided by existing agencies. Funds also are authorized for training personnel to provide home health care services. Home health services include a wide range of services such as visiting nurse services, physical therapists, and assistance from home-makers who do minimal household chores such as clean, prepare meals and dress and bathe individuals. It has been demonstrated that home health care services help persons in need of such care maintain maximum self-sufficiency in their own homes rather than become institutionalized unnecessarily. Home health care services also can hold down personal health care costs.

Other health care proposals before Congress are those which would establish various forms of national health insurance. National health insurance received wide consideration during the 93rd Congress, and numerous bills have been introduced this session. Together they embody widely divergent points of view on such issues as: the proper role of the Federal government in financing and administrating health insurance; the portion of the population to be covered under such a program; the scope of benefits which would be insured; and the potential effect of the program on the organization and delivery of health services throughout the country.

I cosponsored the Health Security Act of 1975 which is a national health insurance proposal introduced by Senator Kennedy in the Senate and Mr. Corman in the House of Representatives. This legislation would create a strictly public program which would be Federally financed and Federally administered. Private health insurance carriers would not participate. The program would establish a compulsory national health insurance system covering the entire population and offering a wide range of health benefits with some limitations applied only to nursing home care, dental care, prescription drugs and mental health services. The program would be administered by a Health Security Board and financed by a Federal payroll tax on employers and employees, a tax on unearned income and self-employment earnings, and by Federal general revenues. Medicare would be eliminated and medicaid would continue only as a supplemental program, paying for those services not covered in full under the Act.

I strongly feel that health care is a right for all Americans. The Congress must develop a program that provides quality health care and a rational financing mechanism to support a carefully designed health insurance program. Although President Ford has said that he would veto any health legislation this year, the Congress is going right ahead with action in this area. The Committee on Ways and Means will be conducting hearings on national health insurance later this month. It seems unlikely, however, that a national health insurance proposal will be enacted this Congress; and more likely that health insurance will be a campaign issue during the next Presidential campaign.

At present, medicare affords valuable protection for individuals who have acute or short-term illnesses. This program, however, does not provide adequate protection for individuals who are afflicted with chronic illnesses and who are in need of preventive and therapeutic services. For these reasons I cosponsored several bills that would expand covered services under Medicare. My proposals would increase coverage of optometrists' services, provide coverage of outpatient prescription drugs, increase coverage of home health services, as well as cover the payment of annual flu shots.

I also am concerned with the inadequate coverage of nursing home care under the Medicare program. Medicare's requirement for 3 days of inpatient hospital care as a condition to entitlement to nursing home benefits, while a very good fiscal control, is preventing needed services from being financed. Medicare now covers only 100 days of skilled nursing home services. Costs of additional nursing home care must be assumed by the patient if he is not eligible for Medicaid.

In addition to added nursing home care coverage, there is a clear cut need for a variety of specialized housing in our District. We need homes that provide a range of services from skilled nursing care to support services such as group meals and home maintenance assistance.

Congress in enacting the Older Americans Act of 1965 recognized that Federal assistance would help States develop and establish services designed to meet the special needs of older persons. Since 1965, the Older Americans Act has been expanded and now every State has a State agency on Aging with successful programs for the elderly. The Pennsylvania Office for the Aging, located in Harrisburg, like all State agencies on aging, divides the State into so-called planning and services area, and where feasible, establishes area agencies on aging. Pennsylvania now has 40 area agencies on aging with one located in Philadelphia. The area agencies on aging introduce older people in need of services to the available services in the community. Where services do not exist, they may establish them.

The grant programs under the Older Americans Act provides for services such as escort services, information and referral services, day care services, nutrition services, counseling, and education and recreation activities. They also provide training to persons who work in the field of aging and make funds available for research in the field of aging.

The 94th Congress now is in the process of expanding services under the Older Americans Act. Both the House and the Senate passed their respective versions of the 1975 Amendments to the Older American Act and now conferees are ironing out the differences in the two bills. It is expected that the 1975 amendments will be signed into law before long.

You may be aware that the new social services program under title XX of the Social Security Act became effective October 1, 1975. This program replaced the Federal-State social services program for welfare recipients and former or potential welfare recipients in order to provide services to persons based solely on their income. Elderly individuals as well as other adults and families are eligible for services if their monthly gross income is less than 115 percent of the State's median income adjusted for family size. States must charge reasonable income related fees for services provided to persons whose incomes are between 80 and 115 percent of the State's median family income which would be adjusted for family size.

Although States must provide 3 services directed at SSI recipients there remains a large area of discretion in the State with regard to the extent and kinds of services they may provide. Older persons, however, can attend public hearings conducted by the State social service agency to inform the State of their social service needs.

My concern with the new title XX program stems from the income means test that must be given to potential recipients. I do not feel older persons should have to subject themselves to a periodic means test to receive needed services. I also am concerned that the law provides for no group eligibility. Each individual must establish his own eligibility before receiving services in a senior citizen center or nutrition program that is funded in part with title XX funds.

For this reason I introduced legislation that would repeal the income means test for social services provided to groups predominately comprised of low-income persons aged 60 and over. Subsequently, the Department of Health, Education, and Welfare amended its regulations so that senior citizens receiving services in a group setting would not have to undergo an income means test. This new regulation will be in effect through March by which time Congress may have repealed the individual means test for a group setting. HEW also is permitting States to redetermine eligibility of participants every six months, rather than every three months as previously required.

PROPERTY TAXES

As you know, the property tax is a burden for many persons in all age groups, but it is particularly burdensome for elderly individuals on limited retirement incomes. In 1974, for instance, the average homeowner paid about 3.9 percent of his income in property taxes while elderly homeowners paid on the average of about 8.1 percent. Elderly renters also feel the property tax squeeze in the form of higher rents. Moreover, real estate taxes are expected to rise in coming years causing an even greater burden for our elderly who already are witnessing a depletion of their lifetime savings.

This, as you can see, is a real problem which Federal Government and the State governments are trying to solve by providing property tax relief for low and moderate income elderly persons. On the State level, there has been a recent and most dramatic upsurge to provide a form of property tax relief. In Pennsylvania, for example, persons age 65 or over, widows aged 50 or over and permanently disabled persons are entitled to tax assistance against real property taxes due on their homesteads for any calendar year. The amount of the assistance ranges from 100 percent of realty taxes if the individual's annual household income is not over $999 to 10 percent if household income is between $6,000 and $7,499. The maximum assistance allowed is $200.

Many persons, however, feel the states have not gone far enough in providing property tax relief and recommend Federal action. Several bills have been introduced in the Congress addressing this matter. Some bills would provide for property tax relief for low-to-moderate-income persons through a Federal rebate or refund. Other proposals would provide a "Federal circuit breaker" to assist the elderly. This means that elderly taxpayers would get a Federal tax credit for State or local property tax payments in excess of a specified amount relative to income. Some authorities feel that as an alternative to building a circuit breaker directly into the Federal tax structure, the Federal Government might provide States with incentive grants to establish their own State property tax relief programs.

In summary, I would like to emphasize that many doors are open to us as we seek to provide the best possible benefits and services for the elderly in our community. The basic question is how to do it effectively and economically? What is the best mix of money programs and service programs that we can put together with the funds available? I now would like to listen to your ideas, so we can work together to ensure that the elderly of today and tomorrow get the services they both need and deserve.

Prepared Statement of Mary McCann, Board Member, St. Matthews Senior Citizens Action Alliance

I believe it was in 1970 that I attended my first forum conducted by you. At that time you stated that you had introduced a bill whereby senior citizens would pay only $1.00 for prescriptions. Five years later it has still not been passed. What happened to it?

Senior citizens are living longer today, but with this extended life span we are also developing bodily ailments. With the price of drugs today, some senior citizens have to live with their ailments, because they cannot afford to pay the price of drugs.

I realize that you cannot do anything of this nature alone, but please urge your fellow Congressmen and Senators to do something to relieve this situation of pain and suffering of these poor older persons.

I also urge you to do your part about the Health Care Act. Some of these people would be better off in their own homes if they had someone to come in every day to help them. This program would be a saving to the government, rather than having to pay to put them in nursing homes or other institutions.

Prepared Statement of Irvin J. Sannit, Secretary of the Senior Citizens Committee of the Philadelphia Council AFL–CIO

I am Irvin J. Sannit, Secretary of the Senior Citizens Committee of the Philadelphia Council AFL–CIO.

The Philadelphia Council AFL–CIO appreciates the opportunity to give its views on what should be done for our senior citizens. The AFL–CIO is vitally interested in every endeavor which would make life more comfortable and secure for our senior citizens.

The AFL–CIO supports the immediate passage of the Kennedy-Corman Health Security Bill (S–3, HR–21). The time is now for an adequate health delivery system for all of our citizens. Such needed legislation would provide preventive health care so that better health will be in store for our senior citizens in their later years. It is long past due for a strong system of health care cost controls. Medical costs have been pyramiding at a tremendous pace.

Medicare costs keep rising because there are no adequate cost controls in hospital and medical costs. Social Security Commissioner James B. Cardwell has announced that out-of-pocket hospitalization costs for the nation's 24.1 million Medicare beneficiaries will go up 13 per cent on January 1, 1976. Each person on Medicare will have to pay the first $104 of hospital bills, up from the present $92. This is deemed necessary to keep pace with hospital costs. Costs for all other extended coverage and extended nursing home care will also rise. The Medicare B (doctors' bills coverage) has remained at $6.70 because of a quirk in the law but the Administration has asked Congress to remove the freeze so that the charge can keep pace with medical costs. This is a burden which becomes heavier and heavier periodically. This helps to point up the need for health care legislation (S–3, HR–21).

This year was the fortieth anniversary of social security. You would think that this would be firmly established in our national policy. We now find a new upsurge of attacks clothed in the pretense that they speak for the tax burdened worker.

A panel made up of most of the former Secretaries of the Department of Health, Education, and Welfare and all the living former social security commissioners produced a detailed defense of social security.

It is important to note that those who oppose the enactment of a comprehensive National Health Security bill such as the Kennedy-Corman legislation are using such attacks on the soundness of social security. These attacks have the double purpose of destroying social security and killing the enactment of health care legislation.

The following is a quote from a speech by William Hutton, Executive Director, National Council for Senior Citizens, on this subject:

"We can only conclude that there is the grave possibility that President Ford is willing to put the elderly through needless heartache and fear about the future of social security in order to obtain his own goal of blocking passage of national health insurance."

The title of the speech, "The Blind Side of the White House—or, Why the Elderly Must Look to Congress for Help." That is why it is so crucial that we turn to such Congressmen as you to help us accomplish our aims. It also is necessary that Congress override the vetoes of vital legislation. I urge everyone to read this speech.

An important piece of legislation is S–388 which would create an autonomous Social Security Administration. It also would separate the Social Security Trust Funds from the Federal budget and would prohibit the mailing of political messages with benefit checks.

An acute need is for high health and safety standards in nursing homes. The Senate Special Committee on Aging Subcommittee on Long-Term Care, headed by Senator Frank E. Moss, has produced an all-inclusive report on the state of nursing homes. This is a much needed study and all efforts should be made to bring nursing homes to excellent standards. Senator Moss has introduced a bill—S–1568—to require the U.S. Department of Health, Education, and Welfare to establish a rating system for nursing homes participating in federal programs. It is time to stop paying for keeping older people in warehouses for the dying. Skilled, reputable nursing homes should welcome the attention being given to this issue.

Close attention has to be given to the deplorable conditions which prevail in too many of boarding homes. This is a field which has been neglected for too long.

Legal services for the aging should be made in all community programs under the auspices of the new Legal Services Corporation. This is a basic need for our elderly who often find themselves the victims in the consumer field and all other services which affect their lives.

It is time to talk about housing for the elderly. The Administration is actively engaged in placing obstacles in the way of construction of low-cost housing for the elderly. A section of the Housing and Community Development Act of 1974 calls for the 202 Housing for the Elderly Program.

This program had worked successfully from 1959 until arbitrarily halted by President Nixon in 1969. This would allow non-profit organizations to receive long-term, low-interest operating loans from the U.S. Department of Housing and Urban Development to construct and operate housing rental units for low-income elderly. The regulations have been rewritten by HUD Secretary Hills so that the loan money would be available only for short-term construction loans with no preference for non-profit sponsors. This would effectively freeze out non-profit sponsors and would mean that the very poor elderly that Congress intended to help would have to pay high rentals for low-income rental units.

The issues discussed are all very important to senior citizens. However, there are many important items which affect senior citizens. President Ford tried to hold the social security increase to 5% when the recommendation was 8% which was still inadequate. He also tried to raise the cost of food stamps. The means test for programs for the elderly under Title XX of the Social Security Act must be permanently eliminated.

The President is determined to fight inflation at the expense of the elderly by cutting back on the level for programs to assist the elderly.

I would like to close this statement by calling attention to the very conservative 22 year record of President Ford as a Congressman to know why the elderly must look to Congress for help.

Prepared Statement of Anthony G. Massott, President of the Philadelphia Postal Retirees Senior Citizens Club

. I am Anthony G. Massott, President of The Philadelphia Postal Retirees Senior Citizen's Club. We have approximately 130 members. We are affiliated with The National Council of Senior Citizen's Inc. AFL–CIO, The Pennsylvania Association of Older People, and The Central Associaton of Senior Citizens of Philadelphia. I am also a member of The Philadelphia Council AFL–CIO, Senior Citizen's Committee. I am here only as a representative of The Postal group.

We are concerned, as responsible citizens, with the depressed state of the economy, and the callous disregard for the welfare of senior citizens, and working people, by the administration.

We appreciate the efforts of Congress Eilberg on our behalf, and commend him for them.

We believe that unemployment and inflation are the major areas that require immediate action by Congress, with special emphasis on extension and expansion of income tax cuts, not tied to a reduction in spending.

In the field of Social Legislation, we fully support The Kennedy-Corman Health Insurance Bill, and request that public hearings be scheduled at the earliest possible time. We request action to make good nursing home care available to all Americans, at reasonable rates. We request your support of efforts to force The Department of Housing and Urban Development to fully implement title 202 of The Housing Act, for which some 800 million dollars has been appropriated, but not used.

I realize these programs are opposed by the administration, but with the full support of the liberal members of Congress, progress can and will be made.

One item of particular concern to our group could be incorporated into The Tax Reform Bill; exemption of federal civil service retirement annuities from income tax. We believe it is an injustice to tax our annuities, while social security benefits are not taxed, regardless of the total income of the recipient. We respectfully request that you use your influence to impress on the members of the ways and means commission, the importance of this legislation.

Thank you for the privilege of presenting our views.

Prepared Statement of Dora N. Schatz, Legislative Chair Person, the Senior Citizens Central Association of Philadelphia and Vicinity

The Senior Citizens Central Association of Phila. and its Northeast Branch feel the time has come to consider seriously an alternative to Nursing Home Care of the elderly ill.

Today the concentration must be focused on reasonably priced and efficient home maker services.

Studies, testimonies in Washington, one after another, have proved the elderly ill improve more quickly and happily when given care in their own homes.

The drastic reduction in cost financially to the Medicare and Medicaid program and to the families of the elderly are dramatic. The sad and tragic conditions in our present Nursing Homes, the increasing number of elderly as time goes on, makes this more and more vital.

Congressman Eilberg, we call upon you to give this modern approach your earnest attention. The new trend for middle aged women to join the labor forces means there are less and less children of the elderly to care for their parents.

1976 must be the start of a new and vigorous fight for home maker services.

Prepared Statement of Sol M. Balkind, Senior Citizen

The Medicare program will require on January 1st, 1976, to pay the first $104.00 of their medical bill, up from the present $92.00. Since 1969 the "65 Special" provided by the Blue Cross & Blue Shield to help people on Medicare has risen 62%. For a couple on the "65 Special" quarterly payments were as follows:

July 1969, $28.20; Jan. 1, 1970, $31.20; Jan. 1, 1971, $32.20; Sept. 1973, $34.50, Jan. 1974, $36.90; and Jan. 1975, $46.50.

Naturally, what will happen on January 1st, 1976, there will be an increase in the "65 Special" if we look at preceding occurrences. Where is the money going to come from? The Social Security recipients are at their wits end to meet natural living standards today. True we received two 7% increases since 1969, but inflation has decreased our living standards to the point of lowest level.

The primary issue of old people today is major illnesses, the inevitable fact is that body function breaks down slowly and we have sickness. With the going price of hospital stay at the minimum from $100–150 per day, it would indeed take a king's ransom to pay for a normal illness. Must we, after all your parents, go to charity to solve this problem? We have been good law abiding citizens, who paid our honorable taxes, desire a fair shake. We know, nature provides no free lunches, should not your Senior Citizens keep their self respect by receiving a grant. We are as good as the Nation's railroads.

I would suggest, therefore, an added item to your 22 points, a freeze on the price of the 65 Special, the federal government paying the difference.

Prepared Statement of Rev. Nevin L. Kershner, Pastor and Administrator of the Philadelphia Protestant Home

I am the Rev. Nevin L. Kershner, Pastor and Administrator of the Philadelphia Protestant Home at 700 Gilham St. We are a home for the aging consisting of 180 Residents, 70 of whom receive some sort of Nursing Care. Our Residents have chosen this home, usually because the program and style of life best meet their needs. We are sponsored by churches of various religious persuasions, ten of which are within the boundaries of your district. Speaking on behalf of myself, the Board of Directors, the Residents, the Supporting Churches and our many friends, we compliment you in making this forum available for us to discuss the issues which face older Americans and those who minister to them.

We respect the rights and dignity of all people. We are appalled with the attitude that because a person is 65 or retired he should be taken out of circulation and placed in the "Out of Date file." As long as possible, people should have the right to live as they choose and make their own decisions. When health or other reasons make this impossible, the elderly should still be treated with dignity and respect. Life is to be lived and enjoyed. This is basically our philosophy.

In the light of our philosophy there are a few comments I would like to make.

H.R. 2041 would establish a guaranteed minimum income for the elderly. I strongly support the idea and feel that the figures you suggest might be a good starting point. I strongly favor increasing the income of the elderly thus giving them choices, rather then increasing food stamps, getting free bus rides or discounts. The latter is demeaning.

H.R. 4165 which would increase the $3600 the outside earnings not subject to Social Security deductions fits right into the above comments. It would give the elderly who are able an opportunity to increase their income. A person should be able to earn sufficient money that with this Social Security and pensions he would have about the same income as he had before retiring. The necessities of life, food, clothing, housing and medical care, don't cost less because a person reaches 65 or retires.

H.R. 2836 addresses itself to include qualifying drugs of out-patients under Medicare. Too frequently the elderly are unaware of the limitations of medicare until it is too late. A book could be written on that subject alone. Qualifying drugs necessary for maintaining health or curing serious illness would be a step in the right direction.

H.R. 8577 would attempt to reach eligible people under the SSI benefits. One basic problem is that Social Security cannot properly interpret SSI as it presently exists. The Residents of our Home are denied SSI on the grounds that Room and Board in non-profit homes is a charitable contribution. Granted that Webster interprets charity as Christian love, but until the Home can pay staff, vendors and services it purchases with Christian love, we need money to operate. When SSI was first passed, most districts interpreted Room and Board as Charity and hence made Residents in such facilities ineligible. However H.R. 13631 was passed to correct that interpretation. Nevertheless we are continually being told in our district office that they have not received any notification contrary to their original interpretation.

Our rates for Resident Care are $7.50 a day. These rates are less than you suggest under H.R. 2041. Even receiving the SSI for those eligible in our Home, the Home would still have to supplement daily care by more than $1,000 a year. Who can live on $1620 a year? This is what we could receive from a Resident who received SSI. Yet our local office still refuses to even make our Residents eligible for this pittance.

The problems of Homes for the Aging and Nursing Homes today created by people who meant well is so astounding that it almost defies human reason or imagination. We now have smoke and fire doors magnetic that close with magnetic devices knocking over the confused nursing patient or trapping a wheel chair patient. We have constructed walls to make what once were attractive sitting areas now look like jail cells. We have been forced to serve milk and jellies in containers which the crippled hands of many elderly cannot open. We have been forced to remove locks from doors which now strip the individual of any privacy. If this nonsense keeps on going we will price care out of reach of millions of elderly who need and desire the type of care and services which homes such as ours provide.

I agree with the Special Committee on Aging of the United States Senate on one basic point. There has been a failure in Publice Policy. However, it is time that legislation be tempered with reason. In far too many cases figures have been taken out of context, or a minority situation has been purported to be the majority. Is it any wonder that the majority of Homes have one or more deficiencies? With all the inspections, by the time you have one interested party satisfied, another comes along. The cost of meeting all these codes is tremendous. Who can measure the time of staff involved with the inspection teams and the appeals? The requirements for Nursing charts have become so immense that one Nurse suggested that we put the Nursing Chart in bed and hang the patient on the chart rack. I appeal for reason.

Thank you for the opportunity to speak.

Prepared Statement of Sister M. Beata, Administrator of the Blessed John Neumann Nursing Home

My name is Sister M. Beata. I am Administrator of the Blessed John Neumann Nursing Home, a short term Convalescent Home in the Greater Northeast.

Reviewing the list of bills introduced into the legislature dealing with the problems of senior citizens, it is very evident that government is attempting to give more attention to the concerns of the elderly.

As Administrator of a short term Convalescent Nursing Home, I would like to share our concerns which encompass many across the board. Due to the uniqueness of our policies regarding admission, discharge and/or transfer, I shudder to realize what is happening in our State when it comes to hospitalization then institutionalization, and then what, of our sick elderly?

What am I really saying? What is happening to our sick elderly across the State? What is the Federal Government doing, either to force the State to comply with its mandated regulations, or assist the State in accomplishing these objectives?

How many sick elderly can remain by themselves in independent living situations with only home health agencies looking in, or food stamps, or increased Social Security Insurance? Some, yes—The vast majority, I would dare say no. How many sick elderly, because of lack of nursing home beds, are shuttled off to non-licensed boarding homes, or returned to their single room apartment to starve to death, or die in squalor from disease in a rat or pest infested environment?

Why is there a lack of nursing home beds?

There is not a lack of nursing home beds as such, but there is the inability of nursing homes to remain open to render service to the sick and the elderly due to the high cost of remaining open, and meeting all the governmental, state and local regulations and with inadequate reimbursement from the State. Regulations and standards, as such, we do need.

The question is not necessarily with the regulations, whether they are logical, practical and just. The problem, the concerns, are with the State's lack of equitable reimbursement for simply the "care of the sick elderly in nursing homes"—not even addressing the subject of "Quality" care of the sick elderly and all its ramifications.

Does anyone know the cost of caring for an elderly sick person in a nursing home? Are you familiar with the regulations governing nursing homes, which may or may not be just, practical; may or may not produce a safe, clean, sanitary environment? Everyone is familiar with the horrendous costs, the fire hazards, the maltreatment, the abuses in nursing homes. Most people don't know what nursing home care actually costs and others who attempt to guess, exaggerate the true figures.

In a scientific study of a cross section of 2,000 persons' responses to the question "How much would nursing home care cost as opposed to hospital care which is approximately $100.00 a day?"—the responses varied. 15% stated the cost would be $80.00 or more, 3% said it would be $150.00 and 35% did not know. Only 14% gave the right answer, between $20.00 and $30.00 a day. Many people who require nursing home care do not seek it because they over-estimate the cost, while others know very little or just what they read or hear about nursing homes in the media.

There is good reason for confusion about nursing home costs, because there are various types of nursing homes that provide different levels of care to people. Skilled nursing facilities, such as ours, certified under government programs, provide round the clock nursing care and restorative health and therapy services. State and Federal funded programs, such as Medicaid, finances nursing home care. This is precisely where the problem is. The State reimbursement for Skilled Nursing Care is only $20.00 a day. The State does not even pay that. It is the patient's Social Security and other income subtracted from the allotted $20.00 a day, that the nursing home receives from the state.

Increasing the Social Security, money that comes from the tax payer's pocket, does nothing for the recipient in a nursing home but reduces the amount the State, in turn, pays the provider, i.e., the nursing home, for health services to the institutionalized elderly.

Nursing Homes costly? Of course, they should be! It costs money to provide professional health care and services to people round the clock. It costs money to implement rules and regulations requiring high cost qualified personnel. It costs money to install life-safety equipment and implement regulations that are somewhat ambiguous and redundant.

And what about the cost, the average daily costs of all nursing homes? Where does this money go? Approximately 95% of the cost goes right back into the economy. 60–62% is labor cost, 21–22% is operating cost, i.e., food supplies, building maintenance, and about 15–16% is fixed cost such as equipment, building, interest, and taxes.

This is the reason there are so few nursing home beds available. Who can stay in business and render services at this low price—this low reimbursement by the State and still survive? Most nursing homes cannot afford to operate on this budget, therefore, close all doors to the Medicaid-State funded recipients. Who of our elderly sick can afford to pay their way on a private basis? Very few! Social Security is less than adequate to cover health services any place. Unless the legislature takes a long, hard look at what is happening to our elderly—who cannot—or are barred from entering nursing homes, because of the inadequate State payment system, and does something about it, there will be still fewer nursing home beds available.

You who have elderly loved ones or you who shortly will need this type of assistance, what are you doing about the problem confronting us?

Write to your legislators, both State and Federal. Request that they move to implement House Resolution 154 now! House Resolution 154 is requesting the State to increase the rate $5.00 a day immediately! Our Federal legislators can, through legislation, force the State to move to a cost related system as quickly as possible. This is the only answer to the nursing home bed shortage, to the quality care we want to render, to an open door policy for all people regardless of their ability or inability to pay. This is what you can do, to assist and improve the role of the nursing home, in health care today. Thank you!

Prepared Statement of Mrs. Bertha Rabinowitch, Member and Volunteer Chairman of the Housing Committee of the Lay Advisory Committee of the Federation Walk-In Service for Older Adults

Housing for the elderly has taken on emergency proportions. Most of these people are on fixed incomes, therefore creating a great hardship. In many cases, in order to maintain a domicile, they curtail their expenditures for other necessities which are so important for their physical and mental well-being. Their need to skimp on food and other items—particularly medication—strips them of the peace of mind and dignity which they have earned as hard working, tax paying citizens.

Those persons who have managed to hold onto a property of their own find it extremely difficult to keep up with the continuously rising costs of repairs, real estate taxes and utilities.

Persons who require rental units are finding it increasingly difficult to find apartments within their means. Owners, due to their increased costs are taking advantage of the "era of inflation", give tenants 30 days notice of increases that reach unrealistic proportions. Because the owners know how limited housing has become, and the high cost of labor, many of them have permitted their properties to fall into disrepair.

Single individuals who have an extremely low monthly income have to share someone's home—with or without board—as the case may be. At the present time, the cost of renting a room (without food) is the same as a three-room apartment cost only a couple of years ago.

Since many older persons cannot afford large living quarters and in many instances are physically unable to give them the necessary care, it would be an excellent plan if we could acquire large numbers of government sponsored efficiency type apartments—through small home owners as well as builders.

The mental anguish and physical discomfort suffered by these untold numbers of older people who deserve a better break in the waning years of their lives, is a blot on our democratic society and takes on a nightmarish quality with the realization that this is the richest, most powerful country in the world.

Prepared Statement of Bernard R. Marks, ACSW Assistant Executive Director, Jewish Y's Centers Senior Citizens

There are many problems facing senior adults today and I commend you for arranging this Seminar. I call to your attention two immediate problems:

ELIGIBILITY CERTIFICATION

Title XX, which became effective October 1, 1975, is the Federal regulation which prescribes services to the elderly. It requires Eligibility Certification. The Department of Health, Education, and Welfare, has postponed for six months the implementation of this Eligibility Certification requirement. Several legislators including Congressmen Green, Heinz, Nix, and Senator Schweiker, from Pennsylvania, have introduced bills to eliminate the Eligibility Certification. I urge that you, Mr. Congressman, make one of your legislative priorities the elimination of this "Means Test".

Note that if the "Means Test" is not eliminated, hundreds of Northeast senior citizens will choose not to participate in services they now receive. It is beneath their dignity. I would expect that this will create additional pressures on you as our Congressman and Ward Leader. In addition, social agencies like the JYC will be required to change staff assignments solely for the purpose of "Means Test" certification. In reality, this would mean that a portion of my staff's time would be diverted from direct service responsibility in order to maintain the additional required paper work.

HOT LUNCHES

Currently the JYC provides daily 120 congregate meals and 30 homebound meals, a nutritious hot lunch program funded under Title VII through the Department of Welfare of the Commonwealth and the local area office on Aging, the Philadelphia Corporation for Aging. There is constant demand for us to increase this food service. We urge that every effort be made to broaden the funding source so that we will be able to expand the congregate and home-delivered meal service. (Meals-On-Wheels).

POPULATION

The Senior Adult population in the Northeast and particularly the 4th Congressional District has increased rapidly during the past decade. The available population data is now dated five years, from the 1970 census. Utilizing this data, we find that there is within a 2½ mile radius of the JYC Senior Center/NE, 6600 Bustleon Avenue:

Population of 60 years + of more than 27,000;

Population of 65 years + of more than 18,000;

Population of 75 years + almost 6,000;

More than 15% of the Senior Adult population had income below the poverty level of 1970; and

More than 19% reside alone.

With this dense Senior Adult population I know that you will be pleased to learn that the Federation of Jewish Agencies and the Jewish Y's and Centers of Greater Philadelphia have converted the Neighborhood Centre building at 6600 Bustleton Avenue, corner of Magee, into a Senior Adult Center now known as Senior Center/Northeast. This building is now the largest facility providing group services to the elderly in the Delaware Valley. In accordance with the census data above, note that the building is strategically located.

To further guarantee administrative leadership and supervision I, as the Assistant Executive Director of JYC, have been assigned as the Director of the Senior Center/Northeast. It is my conviction that I will maintain our present services and give leadership in the development of new services for the elderly in the Northeast community.

HOUSE SHOULD RECONSIDER ACTION TO TERMINATE JOINT COMMITTEE ON DEFENSE PRODUCTION

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, I believe it is important for someone to take strong exception to the action taken last Friday by a voice vote in the House to adopt an amendment to the Defense Production Act that would terminate the Joint Committee on Defense Production. I have no personal interest in the extension of that committee's life, since I am not a member of it and have no expectation that I will become a member. I do feel, though, that the House was seriously misled by the statements in connection with the amendment.

The supporters of the measure to terminate this joint committee charged that it should be abolished because it had not done any substantive work and served no purpose. The facts are otherwise.

In fact, the joint committee has undertaken a timely and comprehensive investigation into the all-too-friendly relationships that have grown up between some Defense contractors and some of the Government officials responsible for making procurement decisions. It was this committee which exposed the hunting lodge scandals and other improper practices by which Defense contractors curried favor with Defense Department officials. It was this committee which called the DOD whitewash of these practices to Secretary Schlesinger's attention, resulting in the strong action he has taken. It was this committee which also called to his attention the loophole in the DOD regulations which permitted these practices and thereby brought about DOD action to clear up that loophole.

This was hardly a frivolous investigation. After it was brought to DOD's attention by the joint committee, the DOD sent letters of admonition to 22 officials who had accepted gratuities from one contractor, and initiated an investigation to determine whether other companies had also offered special favors to military officials. Had the joint committee not been pursuing its investigation, the original whitewash would have stood, the loophole would have remained unnoticed, as it had been for 10 years, and these forms of influence buying would have been allowed to continue to undermine the integrity of the Federal contractual process.

The supporters of this amendment, which was enacted in haste without the benefit of committee hearings, stated that the joint committee serves no purpose and has done no substantive work. Let us examine the truth of those charges. First, it is important to consider the size of this joint committee and the amount of money we are discussing. This is a committee with a staff of seven people, including secretaries, and a yearly budget of approximately $150,000. It is probably the smallest substantive permanent committee on Capitol Hill. Balancing that against all that it has accomplished reflects quite well on this committee. Its influence buying investigation alone would more than justify the continued existence of this joint committee. But the committee has not ignored its equally important day-to-day oversight responsibilities.

This year, the joint committee has conducted vigorous investigations of the security of national stockpiles, investigated the feasibility and desirability of establishing national economic stockpiles, reviewed the Defense priorities system in public hearings, and monitored the performance of the Cost Accounting Standards Board. It exposed the fact that one of this country's most powerful corporations, the U.S. Steel Co., was in effect blackmailing the Trident submarine program by refusing to accept cost accounting standards, and also exposed the failure of the Department of Defense to vigorously enforce these standards.

It has initiated a broad investigation to determine whether current cost accounting standards and auditing techniques are adequate to identify and capture misallocated contract costs. It reviewed the DOD's program to improve its relations with Defense contractors, and it initiated an investigation of possible improper use of influence in the awarding of franchises to operate banking facilities on military bases. It authored comprehensive amendments to the Defense Production Act which would tighten antitrust immunity provisions regarding voluntary intra-industry agreements authorized by the DPA, and it prepared Senate Banking Committee hearings on the extension of the DPA.

This is truly an ambitious schedule for such a small committee. But I would emphasize that these are not merely impressive sounding plans. These things have already been done by the Joint Committee on Defense Production.

The committee has even bigger plans. It recently ordered the General Accounting Office to investigate charges of industry payola to government officials, and it has gone directly to industry itself to find out what sorts of entertainment are being provided to Government officials. Within the past month, the committee has developed information which indicates that DOD officials are not the only Government officials willing to accept favors from contractors—NASA officials are also implicated. I am advised that the committee is vigorously pressing this investigation, and is continuing its day-to-day oversight of DPA programs.

Yet the supporters of legislation to terminate this joint committee contended that the committee has done no work. To test the validity of these charges and propose corrective action, the customary and proper course would have been to present their charges in public hearings before the Banking Committee, so that the joint committee would have a chance to respond to their criticism and so that members of this body would have a chance to study the merits of each side's case. Instead, the amendment was offered on the floor without advance notice and at a time when the chairman of the committee was not present to answer the charges. And, most unfortunate of all, the amendment to abolish the joint committee was offered just after the joint committee had begun to press a number of controversial investigations.

One must assume that the Members supporting this amendment had not been made aware of the joint committee's substantial recent activities. Otherwise the effect of their action terminating the first broad congressional investigation of Defense Department contracting practices in many years would place the House in the position of appearing to condone the improper practices already revealed or, at least, to prevent further exposures of such practices.

In view of these serious implications,

one must hope that the House and Senate conferees will eliminate this ill-advised amendment from the Defense Production Act amendments and that the House will back its conferees in climbing down from what could turn out to be a very uncomfortable, embarrassing and expensive limb.

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, on rollcall No. 708, taken on November 17, 1975, which was the yeas and nays on H.R. 9691, I was on the floor and apparently did not keep my card in the machine sufficiently to record my "nay" vote. I had voted nay because I think that the changes in procedure are cosmetic and do not help in solving the problem of improper tax treatment for some of our pensioners from military service. I am concerned that questionable disability findings will continue even with the passage of this bill.

SCIENCE AND GROWING OLD

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, as chairman of Subcommittee No. 2 of the House Select Committee on Aging, having jurisdiction over health maintenance and long-term care for the elderly, naturally I am very much concerned about the longevity and the quality of life for the elderly.

Hence, I was particularly interested to read an editorial in the Washington Post of this morning entitled, "Science and Growing Old." Surely, we are all concerned about maintaining life for all of our people and assuring a quality of life which is satisfying and gratifying to those who live. We have done too little both to maintain the length of life of the elderly and to improve the quality of lives of those who do live to what we now call an old age. Those are the concerns of our committee and our subcommittee.

I include the editorial in the Washington Post entitled, "Science and Growing Old" in the Record immediately following these remarks:

Science and Growing Old

Ponce De Leon's disappointment notwithstanding, mankind is still searching for the secret to eternal youth. Unlike the 15th Century Spanish explorer, modern science has decided the solution lies within our bodies, not in the kind of water we drink. The process of aging that leads to natural death is now thought to occur in one of two ways. There is, some scientists believe a "pacemaker" or clock in the brain, possibly located in the hypothalmus. Others believe each of our billions of cells may contain "clocks" of their own. In the current issue of BioScience, the theories are laid out, along with an introductory comment by Dr. Gairdner B. Moment of Goucher College.

Dr. Moment poses the central question with which science is now contending: "What is the possibility of a radical discovery, extending not just life expectancy so that more people will have out the proverbial three score years and ten, but a discovery extending the maximum lifespan to 200, 500, or even 10,000 years?" He labels such a discovery as "highly improbable," but notes that "science in the past has been full of surprises." And if such a "surprise" were at last to burst upon mankind, Dr. Moment asks, "at what age would you choose to stop the clock? Would an age of 9 or 10 seem the really best years, or the late teens, or perhaps young adulthood, or would you prefer a comfortable middle age? It is to be hoped that few would opt for 800 years of shuffleboard and bingo."

This fanciful notion that we might one day be able to stop our clock at June or September, indefinitely postponing December, has been with mankind for a very long time. The investment in curatives intended to stave off the ravages of age runs in the millions if not billions, from ginseng root in the Orient to health spas and mud baths in Europe. In all this flurry to reverse the course of nature, however, there is all too little concern for the quality of life among those who now must contend with infirmities of age.

Today in the United States, the indigent elderly live at bare subsistence. Those who end their days in commercial nursing homes frequently discover they are being "warehoused" until they die. We segregate the old in "homes" and colonies, dismissing them and the experience they have amassed along with the wisdom they might offer. Saddest of all, the elderly, irrespective of race and class, are frequently the victims of fraud and violent crime. Many of this nation's elderly spend their last days barricaded behind the doors of their homes, fearful of even a short trip to the grocer.

The German philosopher, Martin Heidergger, argued that the realization that we must one day die is what gives meaning to the time we are living, and it is worth noting that some efforts are being made to give more meaning to the so-called sunset years. Several gerontological research efforts have been concerned with those illnesses that affect the aged and how they might be cured. One that has received a great deal of attention, but so far has experienced no breakthrough, is senile dementia, a syndrome so many elderly persons and their families dread. That is but one area in which science can be helpful to those of advanced years. It is all very well to dream of playing bingo at 800. But research on making old age more comfortable and less vulnerable to thugs and con artists ought to be our immediate, practical concern.

LATVIAN INDEPENDENCE DAY

(Mr. PRICE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, I would like to join with my colleagues today in noteing the 57th anniversary of Latvian Independence Day.

On November 18, 1918—one short week after signing the armistice which ended World War I—Latvia was proclaimed an independent democratic republic. The years since, much the same as the years before this historic event, have not been easy ones for the Latvian people. The Baltic States have always played a defensive part in European history, their almost indefensible borders pressed upon by more powerful and populous peoples since the Middle Ages. Thus, after an heroic two year war of liberation, in 1920 Latvia was declared a sovereign nation by all powers only to lose its hard-won independence in the opening years of World War II.

Since that time Latvians have lived without the hope or expression of those basic freedoms we take for granted in a free society. The men and women of Latvia live without the rights of free religion, speech and press, but not without the hope of someday regaining their independence.

Mr. Speaker, next week this Nation celebrates a national day of thanks for the abundance we in the United States possess. It is fitting that, as we give thanks for our material well-being, we also remember the intangible rights of each American. This is what sets this country apart from the nondemocratic states in the world, and it is right that we also give thanks for those brave men and women who cherish this same spark of freedom in Latvia, awaiting the day that the spark bursts into the flame of true freedom. Truly, such dedication is something to be thankful for.

ST. MARTIN OF TOURS CHURCH 25TH ANNIVERSARY

(Mr. PRICE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, on Sunday, November 23, St. Martin of Tours Church in Washington Park will celebrate its 25th anniversary at its current site. For a quarter of a century, St. Martin's has been an institution in Washington Park, a gathering place for all residents of all faiths.

The generosity and concern of the members of the parish for their neighbors is well known and in my mind this has added greatly to the stability and community mindedness of the area as a whole. For in these times of national mobility, Washington Park and St. Martin's present a welcome change—a community modern yet holding to older traditions, a community where families come and stay for many years, each adding its own contribution to the welfare of the whole.

This stability is in great part due to the care and concern manifested by the pastors of St. Martin's. In the past 25 and more years, St. Martin's has benefited by the administration of three excellent pastors. Rev. Francis Beykirch founded the parish and moved his congregation to its present location, establishing St. Martin's School as the number of children in the parish grew. His good work was continued by Rev. Paul Holthaus, pastor until his retirement from the active ministry. And under the leadership of Rev. Walter MacPherson, current pastor and a former assistant, the church, school and related organizations have been modernized and improved, making the parish one of the finest in the Diocese of Belleville.

But new construction and modernization, though important, are not the keys to the success of St. Martin's. Rather, the concern of the people of the parish for their neighbors, their community and their Nation is the true hallmark of this parish. For 25 years these men, women, and children have worked together for the good of all, always putting forth their best efforts. Those who leave do so regretfully. but taking with them the experiences of a truly dedicated group of people.

This Sunday the results of these years of labor will be recognized. To Reverend MacPherson, to all the clergy who have served at St. Martin's and especially to the parishioners past and present, I extend my congratulations and best wishes for continued success.

CONFERENCE REPORT ON S. 1537

Mr. REUSS submitted the following conference report and statement on the bill (S. 1537) to amend the Defense Production Act of 1950, as amended:

CONFERENCE REPORT (H. REPT. No. 94–673)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1537) to amend the Defense Production Act of 1950, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Defense Production Act Amendments of 1975".

SEC. 2. The first sentence of section 717(a) of the Defense Production Act of 1950 is amended by striking out "November 30, 1975" and inserting in lieu thereof "September 30, 1977: *Provided*, That all authority hereby or hereafter extended under title III of this Act shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts".

SEC. 3. Section 708 of the Defense Production Act of 1950 is amended to read as follows:

"SEC. 708. (a) Except as specifically provided in subsection (j) of this section and subsection (j) of section 708A, no provision of this Act shall be deemed to convey to any person any immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

"(b) As used in this section and section 708A the term 'antitrust laws' means—

"(1) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1890 (15 U.S.C. 1 et seq.);

"(2) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies and for other purposes', approved October 15, 1914 (15 U.S.C. 12 et seq.);

"(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.);

"(4) sections 73 and 74 of the Act entitled 'An Act to reduce taxation, to provide revenue for the Government, and for other purposes', approved August 27, 1894 (15 U.S.C. 8 and 9);

"(5) the Act of June 19, 1936 chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a); and

"(6) the Act entitled 'An Act to promote export trade and for other purposes approved April 10, 1918 (15 U.S.C. 61–65).

"(c)(1) Except as otherwise provided in section 708A(o), upon finding that conditions exist which may pose a direct threat to the national defense or its preparedness programs, the President may consult with representatives of industry, business, financing, agriculture, labor, and other interests in order to provide for the making by such persons, with the approval of the President, of voluntary agreements to help provide for the defense of the United States through the development of preparedness programs and the expansion of productive capacity and supply beyond levels needed to meet essential civilian demand in the United States.

"(2) The authority granted to the President in paragraph (1) and subsection (d) may be delegated by him (A) to individuals who are appointed by and with the advice and consent of the Senate, or are holding offices to which they have been appointed by and with the advice and consent of the Senate, (B) upon the condition that such individuals consult with the Attorney General and with the Federal Trade Commission not less than ten days before consulting with any persons under paragraph (1), and (C) upon the condition that such individuals obtain the prior approval of the Attorney General, after consultation by the Attorney General with the Federal Trade Commission, to consult under paragraph (1). For the purpose of carrying out the objectives of title I of this Act, the authority granted in paragraph (1) of this subsection shall not be delegated to more than one individual.

"(d)(1) To achieve the objectives of subsection (c)(1) of this section, the President or any individual designated pursuant to subsection (c)(2) may provide for the establishment of such advisory committees as he determines are necessary. In addition to the requirements specified in this section, any such advisory committee shall be subject to the provisions of the Federal Advisory Committee Act, whether or not such Act or any of its provisions expire or terminate during the term of this Act or of such committees, and in all cases such advisory committees shall be chaired by a Federal employee (other than an individual employed pursuant to section 3109 of title 5, United States Code) and shall include representatives of the public, and the meetings of such committees shall be open to the public. The Attorney General and the Federal Trade Commission shall have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting.

"(2) A full and complete verbatim transscript shall be kept of such advisory committee meetings, and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be made available for public inspection and copying, subject to the provisions of section 552 (b)(1) and (b)(3) of title 5, United States Code.

"(e)(1) The individual or individuals referred to in subsection (c)(2) shall, after approval of the Attorney General, after consultation by the Attorney General with the Chairman of the Federal Trade Commission, promulgate rules, in accordance with section 553 of title 5, United States Code, incorporating standards and procedures by which voluntary agreements may be developed and carried out.

"(2) In addition to the requirements of section 553 of title 5, United States Code—

"(A) general notice of the proposed rulemaking referred to in paragraph (1) shall be published in the Federal Register, and such notice shall include—

"(i) a statement of the time, place, and nature of the proposed rulemaking proceedings;

"(ii) reference to the legal authority under which the rule is being proposed; and

"(iii) either the terms of substance of the proposed rule or a description of the subjects and issues involved;

"(B) the required publication of a rule shall be made not less than thirty days before its effective date; and

"(C) the individual or individuals referred to in paragraph (1) shall give interested persons the right to petition for the issuance, amendment, or repeal of a rule.

"(3) The rules promulgated pursuant to this subsection incorporating standards and procedures by which voluntary agreements may be developed shall provide, among other things, that—

"(A) such agreements shall be developed at meetings which include—

"(i) the Attorney General or his delegate,

"(ii) the Chairman of the Federal Trade Commission or his delegate, and

"(iii) an individual designated by the President in subsection (c)(2) or his delegate,

and which are chaired by the individual referred to in clause (iii);

"(B) at least seven days prior to any such meeting, notice of the time, place, and nature of the meeting shall be published in the Federal Register;

"(C) interested persons may submit written data and views concerning the proposed voluntary agreement, with or without opportunity for oral presentation;

"(D) interested persons may attend any such meeting unless the individual designated by the President in subsection (c)(2) finds that the matter or matters to be discussed at such meeting falls within the purview of matters described in subsection (b)(1) or (b)(3) of section 552 of title 5, United States Code;

"(E) a full and verbatim transcript shall be made of any such meeting and shall be transmitted by the chairman of the meeting to the Attorney General and to the Chairman of the Federal Trade Commission;

"(F) any voluntary agreement resulting from the meetings shall be transmitted by the chairman of the meetings to the Attorney General and to the Chairman of the Federal Trade Commission; and

"(G) any transcript referred to in subparagraph (E) and any voluntary agreement referred to in subparagraph (F) shall be available for public inspection and copying, subject to subsections (b)(1) and (b)(3) of section 552, title 5, United States Code.

(f)(1) A voluntary agreement may not become effective unless and until—

"(A) the individual referred to in subsection (c)(2) who is to administer the agreement approves it and certifies, in writing, that the agreement is necessary to carry out the purposes of subsection (c)(1); and

"(B) the Attorney General (after consultation with the Chairman of the Federal Trade Commission) finds, in writing, that such purpose may not reasonably be achieved through a voluntary agreement having less anti-competitive effects or without any voluntary agreement.

"(2) Each voluntary agreement which becomes effective under paragraph (1) shall expire two years after the date it becomes effective (and at two-year intervals thereafter, as the case may be), unless (immediately prior to such expiration date) the individual referred to in subsection (c)(2) who administers the agreement and the Attorney General (after consultation with the Chairman of the Federal Trade Commission) make the certification or finding, as the case may be, described in paragraph (1) with respect to such voluntary agreement, in which case, the voluntary agreement may be extended for an additional period of two years.

"(g) The Attorney General and the Chairman of the Federal Trade Commission shall monitor the carrying out of any voluntary agreement to assure—

"(1) that the agreement is carrying out the purposes of subsection (c)(1);

"(2) that the agreement is being carried out under rules promulgated pursuant to subsection (e);

"(3) that the participants are acting in accordance with the terms of the agreement; and

"(4) the protection and fostering of competition and the prevention of anticompetitive practices and effects.

"(h) The rules promulgated under subsection (e) with respect to the carrying out of voluntary agreements shall provide—

"(1) for the maintenance, by participants in any voluntary agreement, of documents, minutes of meetings, transcripts, records, and other data related to the carrying out of any voluntary agreement;

"(2) that participants in any voluntary agreement agree, in writing, to make available to the individual designated by the President in subsection (c)(2) to administer the voluntary agreement, the Attorney General and the Chairman of the Federal Trade Commission for inspection and copying at reasonable times and upon reasonable notice any item maintained pursuant to paragraph (1);

"(3) that any item made available to the individual designated by the President in subsection (c)(2) to administer the voluntary agreement, the Attorney General, or the Chairman of the Federal Trade Commission pursuant to paragraph (2) shall be available from such individual, the Attorney General, or the Chairman of the Federal Trade Commission, as the case may be, for public inspection and copying, subject to subsections (b)(1) and (b)(3) of section 552 of title 5, United States Code;

"(4) that the individual designated by the President in subsection (c)(2) to administer the voluntary agreement, the Attorney General, and the Chairman of the Federal Trade Commission, or their delegates, may attend meetings to carry out any voluntary agreement;

"(5) that a Federal employee (other than an individual employed pursuant to section 3109 of tile 5 of the United States Code) shall attend meetings to carry out any voluntary agreement;

"(6) that participants in any voluntary agreement provide the individual designated by the President in subsection (c)(2) to administer the voluntary agreement, the Attorney General, and the Chairman of the Federal Trade Commission with adequate prior notice of the time, place, and nature of any meeting to be held to carry out the voluntary agrement;

"(7) for the attendance by interested persons of any meeting held to carry out any voluntary agreement, unless the individual designated by the President in subsection (c)(2) to administer the voluntary agreement finds that the matter or matters to be discussed at such meeting falls within the purview of matter described in subsections (b)(1) or (b)(3) of section 552 of title 5, United States Code;

"(8) that the individual designated by the President in subsection (c)(2) to administer the voluntary agreement has published in the Federal Register prior notification of the time, place, and nature of any meeting held to carry out any voluntary agreement, unless he finds that the matter or matters to be discussed at such meeting falls within the purview of matters described in subsection (b)(1) or (b)(3) of section 552 of title 5, United States Code, in which case, notification of the time, place, and nature of such meeting shall be published in the Federal Register within ten days of the date of such meeting;

"(9) that—

"(A) the Attorney General (after consultation with the Chairman of the Federal Trade Commission and the individual designated by the President in subsection (c)(2) to administer a voluntary agreement), or

"(B) the individual designated by the President in subsection (c)(2) to administer a voluntary agreement (after consultation with the Attorney General and the Chairman of the Federal Trade Commission), may terminate or modify, in writing, the voluntary agreement at any time, and that effective, immediately upon such termination or modification, any antitrust immunity conferred upon the participants in the voluntary agreement by subsection (j) shall not apply to any act or omission occurring after the time of such termination or modification; and

"(10) that participants in any voluntary agreement be reasonably representative of the appropriate industry or segment of such industry.

"(i) The Attorney General and the Chairman of the Federal Trade Commission shall each promulgate such rules as each deems necessary or appropriate to carry out his responsibility under this section.

"(j) There shall be available as a defense for any person to any civil or criminal action brought for violation of the antitrust laws (or any similar law of any State) with respect to any act or omission to act to develop or carry out any voluntary agreement under this section that—

"(1) such act or omission to act was taken in good faith by that person—

"(A) in the course of developing a voluntary agreement under this section, or

"(B) to carry out a voluntary agreement under this section; and

"(2) such person fully complied with this section and the rules promulgated hereunder, and acted in accordance with the terms of the voluntary agreement.

"(k) The Attorney General and the Federal Trade Commission shall each make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this section. Such surveys shall include studies of the voluntary agreements authorized by this section. The Attorney General shall (after consultation with the Federal Trade Commission) submit to the Congress and the President at least once every year reports setting forth the results of such studies of voluntary agreements.

"(l) The individual or individuals designated by the President in subsection (c)(2) shall submit to the Congress and the President at least once every year reports describing each voluntary agreement in effect and its contribution to achievement of the purpose of subsection (c)(1).

"(m) On complaint, the United States District Court for the District of Columbia shall have jurisdiction to enjoin any exemption or suspension pursuant to subsections (d)(2), (e)(3)(D) and (G), and (h)(3), (7), and (8), and to order the production of transcripts, agreements, items, or other records maintained pursuant to this section by the Attorney General, the Federal Trade Commission or any individual designated under subsection (c)(2), where the court determines that such transcripts, agreements, items, or other records have been improperly withheld from the complainant. In such a case the court shall determine the matter de novo, and may examine the contents of such transcripts, agreements, items, or other records in camera to determine whether such transcripts, agreements, items, or other records or any parts thereof shall be withheld under any of the exemption or suspension provisions referred to in this subsection, and the burden is on the Attorney General, the Federal Trade Commission, or such designated individual, as the case may be, to sustain its action.

"SEC. 708A. (a) Except as specifically provided in subsection (j) of this section and section 708(j) of this Act, no provision of this Act shall be deemed to convey to any person any immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

"(b) As used in this section—

"(1) The term 'international energy supply emergency' means any period (A) beginning on any date which the President determines allocation of petroleum products to nations participating in the international agreement is required by chapters III and IV of such program, and (B) ending on a date on which he determines such allocation is no longer required. Such a period may not exceed ninety days, but the President may establish one or more additional periods by making the determination under clause (A) of the preceding sentence. Any determination respecting the beginning or end of any such period shall be published in the Federal Register.

"(2) The term 'international agreement' means the Agreement on an International Energy Program, signed by the United States on November 18, 1974.

"(3) The term 'Administrator' means the Administrator of the Federal Energy Administration.

"(4) The term 'petroleum products' means—

"(A) crude oil,

"(B) natural gas liquids and other liquids produced in association with crude oil or natural gas,

"(C) refined petroleum products, including but not limited to gasoline, kerosene, distillates, residual fuel oil, refined lubricating oil, and liquefied petroleum gases; and

"(D) blending agents and additives used in conjunction with crude oil and refined petroleum products.

"(c) The requirements of this section shall be the sole procedures applicable to the development or implementation of voluntary agreements or plans of action to accomplish the objectives of the international agreement with respect to international allocation of petroleum products and the information system provided in such agreement, and to the availability of immunity from the antitrust laws respecting the development or implementation of such voluntary agreements or plans of action.

"(d)(1) To achieve the purposes of the international agreement with respect to international allocation of petroleum products and the information system provided in such agreement, the Administrator may provide for the establishment of such advisory committees as he determines are necessary. In addition to the requirements specified in this section, such advisory committees shall be subject to the provisions of the Federal Advisory Committee Act and section 17 of the Federal Energy Administration Act of 1974, whether or not such Acts or any provisions thereof expire or terminate during the term of this Act or of such committees, and, in all cases, such advisory committees shall be chaired by a Federal employee (other than an individual employed pursuant to section 3109 of title 5, United States Code) and shall include representatives of the public, and the meetings of such committees shall be open to the public. The Attorney General and the Federal Trade Commission shall have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting.

"(2) A full and complete verbatim transcript shall be kept of such advisory committee meetings, and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be made available for public inspection and copying, subject to the provisions of sections 552 (b)(1) and (b)(3) of title 5, United States Code.

"(3) For the purposes of this section, the provisions of subsection (a) of section 17 of the Federal Energy Administration Act of 1974 shall apply to any board, task force, commission, committee, or similar group, not composed entirely of full-time Federal employees (other than individuals employed pursuant to section 3109 of title 5, United States Code) established or utilized to advise the United States Government with respect to the development or implementation of any agreement or plan of action under the international agreement.

"(e) The Administrator, subject to the approval of the Attorney General, after both of them have consulted with the Federal Trade Commission and the Secretary of State, shall promulgate, by rule, standards and procedures by which persons engaged in the business of producing, refining, marketing, or distributing petroleum products may develop and implement voluntary agreements and plans of action which are required to implement the provisions of the international agreement which relate to international allocation of petroleum products and the information system provided in such agreement.

"(f) The standards and procedures under subsection (e) shall be promulgated pursuant to section 553 of title 5, United States Code. They shall provide, among other things, that—

"(1) (A) Meetings held to develop or implement a voluntary agreement or plan of action under this section shall permit attendance by interested persons, including all interested segments of the petroleum industry, consumers, committees of Congress, and the public, shall be preceded by timely and adequate notice with identification of the agenda of such meeting to the Attorney General, the Federal Trade Commission, committees of Congress, and (except during an international energy supply emergency) to the public, and shall be initiated and chaired by a Federal employee other than an individual employed pursuant to section 3109 of title 5, United States Code; except that (i) meetings of bodies created by the International Energy Agency established by the international agreement need not be open to interested persons and need not be initiated and chaired by a Federal employee, and (ii) the Administrator, in consultation with the Secretary of State and the Attorney General, may determine that a meeting held to implement or carry out an agreement or plan of action shall not be public and that attendance may be limited, subject to reasonable representation of affected segments of the petroleum industry (as determined by the Administrator, after consultation with the Attorney General) if he finds that a wider disclosure would be detrimental to the foreign policy interests of the United States.

"(B) No meetings may be held to develop or implement a voluntary agreement or plan of action under this section, unless a Federal employee other than an individual employed pursuant to section 3109 of title 5, United States Code, is present; except that during an international energy supply emergency, a meeting to implement such an agreement or plan of action may be held outside the presence of such an employee (and need not be initiated or chaired by such an employee) if prior consent is granted by the Administrator and the Attorney General. The Administrator and the Attorney General shall each make a written record of the granting of any such prior consent.

"(2) Interested persons permitted to attend such a meeting shall be afforded an opportunity to present in writing and orally, data, views, and arguments at such meetings.

"(3) A verbatim transcript or, if keeping a verbatim transcript is not practicable, full and complete notes or minutes shall be kept of any meeting held or communication made to develop or implement a voluntary agreement or plan of action under this section, between or among persons who are parties to such a voluntary agreement, or with respect to meetings held or communications made to develop a voluntary agreement; except that, during any international energy supply emergency, in lieu of minutes or a transcript, a log may be kept containing a notation of the parties to, and subject matter of, any such communication (other than in the course of such a meeting). Such minutes, notes, transcript, or log shall be deposited, together with any agreement resulting therefrom, with the Administrator, and shall be available to the Attorney General and the Federal Trade Commission. Such minutes, notes, transcripts, logs, and agreements shall be available for public inspection and copying, except as otherwise provided in section 552(b)(1) and (b)(3) of title 5, United States Code, or pursuant to a determination by the Administrator, in consultation with the Secretary of State and the Attorney General, that such disclosure would be detrimental to the foreign policy interests of the United States.

No provision of this section may be exercised so as to prevent committees of Congress from attending meetings to which this subsection applies, or from having access to any transcripts or minutes of such meetings, or logs of communication.

"(g) Subject to the prior approval of the Attorney General and the Federal Trade Commission, the Administrator may suspend the application of—

"(1) sections 10 and 11 of the Federal Advisory Committee Act,

"(2) subsections (b) and (c) of section 17 of the Federal Energy Administration Act of 1974,

"(3) the requirement under subsection (d)(1) of this section that meetings be open to the public; and

"(4) the second sentence of subsection (d)(2) of this section;

if the Administrator determines in each instance that such suspension is essential to the implementation of the international agreement as it relates to the international allocation of petroleum products or the information system provided in such agreement and if the Secretary of State determines that the application of such provisions would be detrimental to the foreign policy interests of the United States. Such determinations by the Administrator and the Secretary of State shall be in writing, shall set forth, to the extent possible consistent with the need to protect the security of classified national defense and foreign policy information, a detailed explanation of reasons justifying the granting of such suspension, and shall be published in the Federal Register at a reasonable time prior to the effective date of any such suspension.

"(h)(1) The Attorney General and the Federal Trade Commission shall participate from the beginning in any meeting to develop or implement voluntary agreements authorized under this section and, when practicable, in any meeting to implement plans of action authorized under this section. Each may propose any alternative which would avoid or overcome, to the greatest extent practicable, possible anticompetitive effects while achieving substantially the purposes of this section. A voluntary agreement or plan of action under this section may not be implemented unless approved by the Attorney General, after consultation with the Federal Trade Commission. Prior to the expiration of the period determined under paragraph (2), the Federal Trade Commission shall transmit to the Attorney General its views as to whether such an agreement should be approved, and shall publish such views in the Federal Register. The Attorney General, in consultation with the Federal Trade Commission, the Secretary of State, and the Administrator, shall have the right to review, amend, modify, disapprove, or revoke, on his own motion or upon the request of the Federal Trade Commission or any interested person, any voluntary agreement or plan of action at any time, and, if revoked, thereby withdraw prospectively the immunity which may be conferred by subsection (j) of this section.

"(2) Any voluntary agreement entered into pursuant to this section shall be submitted in writing to the Attorney General and the Federal Trade Commission twenty days before being implemented (where it shall be made available for public inspection and copying subject to the provisions of subsection (g) of this section); except that during an international energy supply emergency, the Administrator, subject to approval of the Attorney General, may reduce such twenty-day period. Any action taken pursuant to such voluntary agreement or plan of action shall be reported to the Attorney General and the Federal Trade Commission pursuant to such regulations as shall be prescribed under subsections (i)(3) and (i)(4).

"(i)(1) The Attorney General and the Federal Trade Commission shall monitor the development and implementation of voluntary agreements and plans of action authorized under this section to assure the protection and fostering of competition and to prevent anticompetitive practices and effect.

"(2) In addition to any requirements specified under subsections (e) and (f) of this section and in order to carry out the purposes of this section, the Attorney General, in consultation with the Federal Trade Commission and the Administrator, shall promulgate regulations concerning the maintenance of necessary and appropriate records related to the development and implementation of voluntary agreements and plans of action pursuant to this section.

"(3) Persons developing and implementing voluntary agreements or plans of action pursuant to this section shall maintain those records required by such regulations. Both the Attorney General and the Federal Trade Commission shall have access to and the right to copy such records at reasonable times and places and upon reasonable notice.

"(4) The Attorney General and the Federal Trade Commission may each prescribe pursuant to section 553 of title 5, United States Code, such rules and regulations as may be necessary or appropriate to carry out their respective responsibilities under this section. They may both utilize for such purposes and for purposes of enforcement any and all powers conferred upon the Federal Trade Commission or the Department of Justice, or both, by any other provision of law, including the antitrust laws, the Antitrust Procedures and Penalties Act, or the Antitrust Civil Process Act; and wherever any such provision of law refers to 'the purposes of this Act' or like terms, the reference shall be understood to be this section.

"(j)(1) There shall be available as a defense for any person to any civil or criminal action brought for violation of the antitrust laws (or any similar law of any State) with respect to any act or omission to act to develop or carry out any voluntary agreement under this section that—

"(A) such act or omission to act was taken in good faith by that person—

"(i) in the course of developing a voluntary agreement under this section, or

"(ii) to carry out a voluntary agreement under this section; and

"(B) such person fully complied with this section and the rules promulgated hereunder, and acted in accordance with the terms of the voluntary agreement.

"(2) In any action in any Federal or State court for breach of contract there shall be available as a defense that the alleged breach of contract was caused solely by action taken during an international energy supply emergency in accordance with a voluntary agreement authorized and approved under the provisions of this section.

"(k) No provision of this section shall be construed as granting immunity for, nor as limiting or in any way affecting any remedy or penalty which may result from any legal action or proceeding arising from, any acts or practices which occurred (1) prior to the date of enactment of this section, (2) outside the scope and purpose or not in compliance with the terms and conditions of this section, or (3) subsequent to the expiration or repeal of this section or Act.

"(l)(1) The Administrator, after consultation with the Secretary of State, shall report annually to the President and the Congress on the performance under voluntary agreements or plans of action to accomplish the objectives of the international agreement with respect to international allocation of petroleum products and the information system provided in such agreement.

"(2) The Attorney General and the Federal Trade Commission shall each submit to the Congress and to the President, at least once every six months, reports on the impact on competition and on small business of actions authorized by this section.

"(m) The authorities contained in this section with respect to the executive agreement, commonly known as the Agreement on an International Energy Program dated November 18, 1974 and referred to in this section as the international energy agreement, shall not be construed in any way as advice and consent, ratification, endorsement, or any other form of congressional approval of the specific terms of such executive agreement or any related annex, protocol, amendment, modification, or other agreement which has been or may in the future be entered into.

"(n) Any action or agreement undertaken or entered into pursuant to this section shall be deemed to be undertaken or entered into in the United States.

"(o) If S. 622, Ninety-fourth Congress (the Energy Policy and Conservation Act) is enacted, then (effective on the effective date of the provisions of S. 622 which relate to international voluntary agreements to carry out the International Energy Program) this section and section 708 shall not be applicable to (1) any voluntary agreement or plan of action developed or implemented to carry out obligations of the United States under the international agreement, or (2) any voluntary agreement or plan of action which relates to petroleum products and which is developed, in whole or in part, to carry out the purposes of a treaty or executive agreement to which the United States is a party or to implement a program of international cooperation between the United States and one or more foreign countries."

SEC. 4. (a) Any voluntary agreement—

(1) entered into under section 708 of the Defense Production Act of 1950 prior to the effective date of this Act, and

(2) in effect immediately prior to such date may continue in effect (except as otherwise provided in section 708A(o) of the Defense Production Act of 1950, as amended by this Act) and shall be carried out in accordance with such section 708, as amended by this Act, and such section 708A.

(b) No provision of the Defense Production Act of 1950, as amended by this Act, shall be construed as granting immunity for, nor as limiting or in any way affecting any remedy or penalty which may result from any legal action or proceeding arising from, any acts or practices which occurred (1) prior to the date of enactment of this Act, (2) outside the scope and purpose or not in compliance with the terms and conditions of the Defense Production Act of 1950, or (3) subsequent to the expiration or repeal of the Defense Production Act of 1950.

(c) Effective on the date of enactment of this Act, the immunity conferred by section 708 or 708A of the Defense Production Act of 1950, as amended by this Act, shall not apply to any action taken or authorized to be taken by or under the Emergency Petroleum Allocation Act of 1973.

SEC. 5. The second sentence of section 710 (e) of the Defense Production Act of 1950 is amended to read as follows: "Members of this executive reserve who are not full-time Government employees may be allowed transportation and per diem in lieu of subsistence, in accordance with title 5 of the United States Code (with respect to individuals serving without pay, while away from their homes or regular places of business), for the purpose of participating in the executive reserve training program.".

SEC. 6. Section 712(c) of the Defense Production Act of 1950 is amended by striking out the following: "The cost of stenographic services to report such hearing shall not be in excess of 40 cents per hundred words.".

SEC. 7. The last sentence of subsection (g) of section 717 of the National Defense Production Act of 1950 is amended to read as follows:

"In promulgating such standards and major rules and regulations for the implementation of such standards, the Board shall take into account, and shall report to the Congress in the transmittal required by section 719(h) (3) of this Act, the probable costs of implementation, including inflationary effects, if any, compared to the probable benefits, including advantages and improvements in the pricing, administration, and settlement of contracts."

SEC. 8. Section 720 of the Defense Production Act of 1950 is amended—

(1) in subsection (h) thereof by striking out "March 31, 1976" and inserting in lieu thereof "December 31, 1976" and by striking out "October 1, 1976" and inserting in lieu thereof "March 31, 1977";

(2) in the last sentence of subsection (i) (2) by striking out "not to exceed $75,000 to remain available until October 1, 1976" and inserting in lieu thereof "not to exceed $150,000 to remain available until March 31, 1977";

(3) in subsection (l) thereof by striking out "not to exceed $500,000 to remain available until October 1, 1976" and inserting in lieu thereof "not to exceed $1,484,000 to remain available until March 31, 1977"; and

(4) in subsection (j) thereof by inserting the following new paragraph:

"(3) The Commission is authorized to contract with public or private agencies, institutions, corporations, and other organizations."

SEC. 9. This Act and the amendments made by it shall take effect on the one hundred and twentieth day beginning after the date of its enactment, except that the amendment made by section 2 shall take effect upon the date of enactment of this Act.

And the House agree to the same.

HENRY S. REUSS,
THOMAS L. ASHLEY,
JAMES J. BLANCHARD,
JOHN J. LAFALCE,
THOMAS M. REES,
JERRY M. PATTERSON of California,
GLADYS NOON SPELLMAN,
STEWART B. MCKINNEY,
RICHARD T. SCHULZE,
BILL GRADISON,
Managers on the Part of the House.

WILLIAM PROXMIRE,
JOHN SPARKMAN,
HARRISON WILLIAMS,
JOHN TOWER,
ED BROOKE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1537) to amend the Defense Production Act of 1950, as amended, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

EXPIRATION OF THE ACT

House

Section 2 of the House amendment extended the life of the Defense Production Act to November 30, 1977, *provided* that all authority extended under title III of the Act (relating to loan guarantees for the purpose of expanding productive capacity and supply) shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

Senate

Section 2 of the Senate bill extended the Defense Production Act until September 30, 1977, to conform to the end of the federal fiscal year and in accordance with the practice of extending the Act for two year intervals.

Conference substitute

Section 2 of the conference substitute combines the termination date of the Senate bill with the House amendment's proviso relating to appropriations for title III programs of the Defense Production Act.

JOINT COMMITTEE ON DEFENSE PRODUCTION

House

The House amendment provided in section 8 for the repeal, effective July 1, 1976, of the requirements relating to the Joint Committee on Defense Production contained in section 712 of the Defense Production Act.

Senate

The Senate bill contained no provision.

Conference substitute

The House recedes to the position of the Senate on the understanding that the termination of the Joint Committee on Defense Production will be coincident with the termination of the Defense Production Act, as set forth in section 717(a) of that Act, and that the Congress will review the renewal of the Joint Committee at the same time as it considers the extension of the Defense Production Act.

AUTHORIZATION FOR EXPENSES FOR THE JOINT COMMITTEE

House

The House amendment contained no provision.

Senate

The Senate bill in section 9 removed the $100,000 limitation on expenses for the Joint Committee on Defense Production to be paid from the contingent fund of the House of Representatives, as established in section 712 (e) of the Defense Production Act.

Conference substitute

The Senate recedes to the position of the House amendment.

STENOGRAPHIC SERVICES FOR THE JOINT COMMITTEE

House

The House amendment contained no provision.

Senate

The Senate bill in section 8 deleted a requirement contained in section 712(c) of the Defense Production Act that the cost of stenographic services to report hearings shall not be in excess of 40 cents per hundred words.

Conference substitute

The House recedes to the provisions of the Senate bill.

NATIONAL DEFENSE EXECUTIVE RESERVE

House

The House amendment contained no provision.

Senate

The Senate bill, in section 5, amended the second sentence of section 712(e) of the Defense Production Act to provide that members of the National Defense Executive Reserve who are not full-time employees of the government may be allowed transportation and per diem in lieu of subsistence, as prescribed under title 5 of the United States Code for individuals serving without pay while away from their homes or regular places of business for the purpose of participating in the executive reserve training program.

Conference substitute

The House recedes to the provision of the Senate bill.

COST ACCOUNTING STANDARDS BOARD

House

The House amendment in section 6 modified section 719 of the Defense Production Act to provide for (1) the establishment by the Cost Accounting Standards Board of criteria and procedures for cost-benefit analyses of cost-accounting standards, (2) the evaluation of each standard, rule, or regulation in accord with these criteria, and (3) for the certification and transmission to the Congress of such evaluations with a copy of the proposed standard, rule, or regulation. It additionally provided for a summary of such cost-benefit evaluations, as well as a cost-benefit evaluation of all prior major standards and rules and regulations, to be included in the annual report of the Cost Accounting Standards Board of August 15, 1976.

Senate

The Senate bill contained no provision.

Conference substitute

Section 7 of the conference substitute provides that, in promulgating standards and major rules and regulations, the Cost Accounting Standards Board shall take into account and report to the Congress on the probable costs of implementation, including inflationary effects, if any, compared to the probable benefits, including advantages and improvements in the pricing, administration and settlement of contracts.

The substitute for section 6 as added by the House of Representatives to S. 1537 incorporates the salient new provisions of section 6, the requirement for the cost-benefit analysis respecting Board rules and regulations and the specific attention to any inflationary effects of proposed standards, rules, and regulations. It also explicitly recognizes the Board's consistent practice heretofore of reporting to the Congress on its analysis of probable costs and benefits respecting proposed cost accounting standards. The substitute does avoid the imposition of the detailed and very time-consuming process set out in section 6 and thus preserves the time and energy of the Board for its task of promulgating cost accounting standards without further prolonged delay.

NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES

House

The House amendment provided in section 7 that the National Commission on Supplies and Shortages will report to the President and the Congress on specific recommendations not later than December 31, 1976, as compared to March 31, 1976, as currently provided for, and, further, that the Commission might continue to prepare and publish reports and recommendations until March 31, 1977, as compared to October 1, 1976, as currently provided for. It also authorized funding in the amount of $150,000 for an advisory committee to the Commission, in lieu of the $75,000 presently authorized. Additionally, it authorized an increase of funds not to exceed $1,484,000 to carry out the activities of the Commission, which is authorized to contract with public or private agencies, institutions, corporations, and other organizations.

Senate

The Senate bill contained no provision.

Conference substitute

The Senate recedes to the provisions of the House amendment.

ANTITRUST IMMUNITY FOR VOLUNTARY AGREEMENTS

House

Section 3 of the House amendment modified section 708 of the Defense Production Act to provide in subsection (a) that, except as specifically provided in subsection (i), no provision of the Act shall be deemed to convey to any person any immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

It further provided in subsection (b) that, as used in section 708, the term "antitrust laws" means the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies, approved July 2, 1890 (26 Stat. 290), as amended; the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1974 (38 Stat. 730), as amended; the Act entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes" (38 Stat. 717), as amended; sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes," approved August 27, 1894 (28 Stat. 579), as amended; the Act of June 19, 1936 (49 Stat. 1526); and the Act entitled "An Act to promote export trade and for other purposes" (40 Stat. 516), as amended.

It further provided in subsection (c) that except as otherwise provided in subsection (1)(4), upon finding that conditions exist which may pose a direct threat to the national defense or its preparedness programs, the President may consult with representatives of industry, business, financing, agriculture, labor, and other interests in order to provide for the making by such persons, with the approval of the President, of voluntary agreements to help provide for the defense of the United States through the development of preparedness programs and the expansion of productive capacity and supply beyond levels needed to meet essential civilian demand in the United States.

The authority granted to the President in paragraph (1) of subsection (c) may be delegated by him to individuals who (1) are appointed by and with the advice and consent of the Senate, or (2) are holding offices to which they have been appointed by and with the advice and consent of the Senate.

It further provided in subsection (d) that the individual or individuals referred to in subsection (c) shall (after consultation with the Attorney General and the Chairman of the Federal Trade Commission) promulgate rules on the record after opportunity for a hearing under the provisions of sections 556 and 557 of title 5 of the United States Code incorporating standards and procedures by which voluntary agreements may be developed and carried out.

Notwithstanding section 553 of title 5 of the United States Code general notice of the proposed rulemaking referred to in paragraph (1) of subsection (d) shall be published in the Federal Register, and the notice shall include a statement of the time, place, and nature of the public rulemaking proceedings; reference to the legal authority under which the rule is being proposed; and, either the terms of substance of the proposed rule or a description of the subjects and issues involved. It further provided that the required publication of a rule shall be made not less than thirty days before its effective date; and that the individual or individuals referred to in paragraph (1) of subsection (d) shall give interested persons the right to petition for the issuance, amendment, or repeal of a rule. It also provided that the rules promulgated pursuant to this subsection incorporating standards and procedures by which voluntary agreements may be developed shall provide, among other things, that such agreements shall be developed at meetings which include the Attorney General or his delegate, the Chairman of the Federal Trade Commission or his delegate, and, an individual designated by the President in subsection (c)(2) or his delegate, which are chaired by the individual referred to in the above clause. It further provided at least seven days prior to any such meeting, notice of the time, place, and nature of the meeting shall be published in the Federal Register; that interested persons may submit written data and views concerning the proposed voluntary agreement, with or without opportunity for oral presentation; that interested persons may attend any such meeting unless an individual designated by the President in subsection (c)(2) finds that the matter or matters to be discussed at such meeting falls within the purview of matters described in subsection (b) of section 552, title 5, United States Code; that a full and verbatim transcript shall be made of any such meeting and shall be transmitted by the chairman of the meeting to the Attorney General and to the Chairman of the Federal Trade Commission; that any voluntary agreement resulting from the meetings shall be transmitted by the chairman of the meetings to the Attorney General and to the Chairman of the Federal Trade Commission; and, that any transcript referred to above and any voluntary agreement also referred to above shall be available for public inspection and copying, subject to subsection (b) of section 552, title 5, United States Code.

It further provided in subsection (e) that voluntary agreement may not become effective unless and until the individual referred to in subsection (c)(2) who is to administer the agreement approves it and certifies, in writing, that the agreement is necessary to carry out the purposes of subsection (c)(1); and that the Attorney General (after consultation with the Chairman of the Federal Trade Commission) finds, in writing, that such purpose may not reasonably be achieved through a voluntary agreement having less anti-competitive effects or without any voluntary agreement.

Each voluntary agreement which becomes effective under the above paragraph shall expire two years after the date it becomes effective (and at two-year intervals thereafter, as the case may be), unless (immediately prior to such expiration date) the individual referred to in subsection (c)(2) who administers the agreement and the Attorney General (after consultation with the Chairman of the Federal Trade Commission) makes the certification or finding, as the case may be, described in the above paragraph with respect to such voluntary agreement, in which case, the voluntary agreement may be extended for an additional period of two years.

The House amendment further provided in subsection (f) that the Attorney General and the Chairman of the Federal Trade Commission shall monitor the carrying out of any voluntary agreement to assure that the agreement is carrying out the purpose of subsection (c)(1); that the agreement is being carried out under rules promulgated pursuant to subsection (d); and that participants are acting in accordance with the terms of the agreement.

It further provided in subsection (g) that the rules promulgated under subsection (d) with respect to the carrying out of voluntary agreements shall provide that for the maintenance, by participants in any voluntary agreement, of documents, minutes of meetings, transcripts, records, and other data related to the carrying out of any voluntary agreement, the participants in any voluntary agreement agree, in writing, to make available to the individual designated by the President in subsection (c)(2) to administer the voluntary agreement, the Attorney General, and the Chairman of the Federal Trade Commission for inspection and copying at reasonable times and upon reasonable notice any item maintained pursuant to in this paragraph. Also provided in subsection (g) of the House amendment was that any item made available to the individual designated by the President in subsection (c)(2) to administer the voluntary agreement, the Attorney General, or the Chairman of the Federal Trade Commission pursuant to the preceding paragraph shall be available from such individual, the Attorney General, or the Chairman of the Federal Trade Commission, as the case may be, for public inspection and copying, subject to subsection (b) of section 552 title 5, United States Code; and, that the individual designated by the President in subsection (c)(2) to administer the voluntary agreement, the Attorney General, and the Chairman of the Federal Trade Commission, or their delegates, may attend meetings to carry out any voluntary agreement. Furthermore, that a Federal employee (other than an individual employed pursuant to section 3109 of title 5 of the United States Code) shall attend meetings to carry out any voluntary agreement; that participants in any voluntary agreement provide the individual designated by the President in subsection (c)(2) to administer the voluntary agreement, the Attorney General, and the Chairman of the Federal Trade Commission with adequate prior notice of the time, place, and nature of any meeting to be held to carry out the voluntary agreement; for the attendance by interested persons of any meeting held to carry out any voluntary agreement, unless the individual designated by the President in subsection (c)(2) to administer the voluntary agreement finds that the matter or matters to be discussed at such meeting falls within the purview of matters discussed in subsection (b) of section 552, title 5, United States Code; that the individual designated by the President in subsection (c)(2) to administer the voluntary agreement has published in the Federal Register prior notification of the time, place, and nature of any meeting held to carry out any voluntary agreement, unless he finds that the matter or matters to be discussed at such meeting falls within the purview of matters discussed in subsection (b) of section 552, title 5, United States Code, in which case, notification of the time, place, and nature of such meeting shall be published in the Federal Register within ten days of the date of such meeting; that the Attorney General (after consultation with the Chairman of the Federal Trade Commission and the individual designated by the President in subsection (c)(2) to administer a voluntary agreement), or that the individual designated by the President in subsection (c)(2) to administer a voluntary agreement (after consultation with the Attorney General and the Chairman of the Federal Trade Commission), may terminate or modify, in writing, the voluntary agreement at any time, and that effective immediately upon such termination any antitrust immunity conferred upon the participants in the voluntary agreement by subsection (i) shall not apply to any act or omission occurring after the time of the revocation. In addition, subsection (g) provided that participants in any voluntary agreement be reasonably representative of the appropriate industry or segment of such industry.

The House amendment further provided in subsection (h) that the Attorney General and the Chairman of the Federal Trade Commission shall each promulgate such rules as he deems necessary or appropriate to carry out his responsibility under this section.

In subsection (i) of the House amendment, it provided that there shall be available as a defense for any person to any prosecution or civil action brought for violation of the antitrust laws (or any similar law of any State) with respect to any act or omission to act to develop or carry out any voluntary agreement under this section that such act or omission to act was taken in good faith by that person in the course of developing a voluntary agreement under this section, or to carry out a voluntary agreement under this section; and, that such person fully complied with this section and the rules promulgated hereunder, and acted in accordance with the terms of the voluntary agreement.

The House amendment also provided in subsection (j) that the Attorney General and the Federal Trade Commission shall each make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this section. Such surveys shall include studies of the voluntary agreements authorized by this section. The Attorney General shall (after consultation with the Federal Trade Commission) submit to the Congress and the President at least once every year reports setting forth the results of such studies of voluntary agreements.

The House amendment further provided in subsection (k) that the individual or individuals designated by the President in subsection (c)(2) shall submit to the Congress and the President at least once every year reports describing each voluntary agreement in effect and its contribution to achievement of the purpose of subsection (c)(1).

In addition, it provided in subscetion (l) that in the case of any international voluntary agreement the rules promulgated pursuant to subsection (d) incorporating standards and procedures by which voluntary agreements may be developed shall provide that any such agreement shall be developed at meetings which include the Secretary of State or his delegate, that a full and verbatim transcript shall be made of any such meeting and shall be transmitted by the chairman of the meeting to the Secretary of State; that any such voluntary agreement resulting from the meetings shall be transmitted by the chairman of the meetings to the Secretary of State; that interested persons may not attend any such meeting if the Secretary of State or his delegate finds (after consultation with the Attorney General), in writing that on account of the matter or matters to be discussed at such meeting it would be detrimental to the foreign policy interests of the United States to permit such persons to attend such meetings; and that any transcript of a meeting held to develop any such voluntary agreement may not be made available for public inspection and copying if the Secretary of State or his delegate finds (after consultation with the Attorney General), in writing, that to do so would be detrimental to the foreign policy interests of the United States.

Moreover, such agreement may not become effective unless and until the Secretary of State finds that such agreement is consistent with the foreign policy interests of the the United States. Subsection (l) further provided that the rules promulgated under subsection (d) with respect to the carrying out of voluntary agreements shall provide that participants in any such agreement shall agree, in writing, to make available to the Secretary of State for inspection and copying at reasonable times and upon reasonable notice any item maintained pursuant to subsection (g) with respect to such agreement; that any item referred to in subsection (g) with respect to such agreement may not be made available for public inspection and copying if the Secretary of State or his delegate finds (after consultation with the Attorney General), in writing, that to do so would be detrimental to the foreign policy interests of the United States; that the Secretary of State or his delegate may attend meetings to carry out any such agreement; that participants in any such agreement provide the Secretary of State with adequate prior notice of the time, place, and nature of any meeting to be held to carry out any such agreement; and, that interested persons may not attend any such meeting if the Secretary of State or his delegate finds (after consultation with the Attorney General), in writing, that on account of the matter or matters to be discussed at such meeting it would be detrimental to the foreign policy interests of the United States.

Subsection (l) of the House amendment further provided that the requirements which are made applicable specifically in the case of international voluntary agreements under the above paragraph of subsection (l) shall be in addition to any requirements made applicable to voluntary agreements generally under the other subsections of this section; except that if any requirement under the above paragraph of subsection (l) is inconsistent with the corresponding requirement under any other subsection of this section, the latter requirement shall be considered to be modified to the extent necessary to give effect to the requirement under the above paragraph of this subsection.

For the purposes of subsection (l), the term—"international voluntary agreement" refers to the Voluntary Agreement and Program Relating to the Agreement on an International Energy Program signed by the United States on November 18, 1974; and, any voluntary agreement developed under rules promulgated pursuant to subsection (d) to carry out the purpose of subsection (c)(1) and which is certified by the Secretary of State as necessary to carry out the purposes of an international agreement to which the United States is a party or as necessary to implement a program of international cooperation between the United States and one or more foreign countries.

"Foreign country" means any country other than the United States.

If Senate bill 622, Ninety-four Congress (the Energy Policy and Conservation Act) is enacted, then (effective on the effective date of the provisions of Senate bill 622 which relate to international voluntary agreements to carry out the International Energy Program) this section shall not be applicable to (A) any international voluntary agreement described in the above paragraph, or (B) any international voluntary agreement described in the above paragraph which relates to crude oil, residential fuel oil, or refined petroleum products."

The House amendment further provided in section 4 that any voluntary agreement entered into under section 708 of the Defense Production Act of 1950 prior to effective date of this Act and in effect immediately prior to such date shall continue in effect but shall be carried out in accordance with that section as amended by this Act.

Section 5 of the House amendment additionally provided that this Act and the amendments made by it shall take effect on the one hundred and twentieth day beginning after the date of its enactment, except that the amendment made by section 2 shall take effect upon the date of enactment of this Act.

Senate

Sections 3 and 4 of the Senate bill altered section 708 of the Defense Production Act of 1950, as amended, to provide in subsection (a) that, except as specifically provided in subsection (j), no provision of the Act shall be deemed to convey to any person any immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

In subsection (b), it defined the term "antitrust laws" as used in section 708 to mean the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (23 Stat. 290), as amended; the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 730), as amended; the Act entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes" (38 Stat. 717), as amended; sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894, (28 Stat. 579), as amended; the Act of June 19, 1936 (49 Stat. 1526); and the Act entitled "An Act to promote export trade and for other purposes" (40 Stat. 516), as amended.

It further provided in subsection (c) that upon finding that conditions exist which may pose a direct threat to the national defense or to its preparedness programs, the President is authorized to consult with representatives of industry, business, financing, agriculture, labor, and other interests, with a view to providing for the making of voluntary agreements and programs by such persons, and may request the undertaking or entering into of such voluntary agreements or programs, in accordance with the provisions of this section, for the purpose of assuring adequate productive capacity and supply for mobilization.

The authority granted in paragraph (1) of subsectoin (c) shall be delegated only to officials who shall for the purpose of such delegation be required to be appointed by the President, by and with the advice and consent of the Senate, unless otherwise required to be so appointed, and upon the condition that such officials consult with the Attorney General and with the Federal Trade Commission not less than ten days before making any request thereunder, and upon the condition that such officials obtain the prior approval of the Attorney General, after consultation by the Attorney General with the Federal Trade Commission, to any request thereunder. For the purpose of carrying out the objectives of title I of this Act, the authority granted in paragraph (1) of this subsection (c) shall not be delegated except to one and only one official of the Government.

It further provided that the authority granted in paragraph (1) of this subsection (c) shall be exercised only if the official designated pursuant to subsections (c)(2) and (d)(1)(B) of section 708 certifies, with a written justification to be published in the Federal Register prior to approval of any proposed voluntary agreement, that such voluntary agreements and programs are necessary to accomplish the objectives of paragraph (1) of subsection (c) and if the Attorney General, after consultation with the Federal Trade Commission, certifies, in a report setting forth the competitive consequences of the proposed voluntary agreement, also to be published in the Federal Register, that such objectives cannot reasonably be accomplished through alternative means having lesser anticompetitive effects. Each voluntary agreement or program authorized under this section, together with any associated advisory committee provided for under subsection (d), shall expire two years from the date of the entering into force of the voluntary agreement, except that it may be extended for two more years every two years after the official designated pursuant to subsections (c)(2) and (d)(1)(B) of section 708 determines that its continuance is necessary to further the objectives of subsection (c)(1) and sets forth a detailed explanation of the reasons justifying its continuance, consistent with the need to protect the security of classified national defense information, to be published in the Federal Register at a reasonable time prior to the date of expiration; and the Attorney General, after consultation with the Federal Trade Commission, determines that such objectives cannot reasonably continue to be accomplished through alternative means having lesser anticompetitive effects. It provided that upon making the determination that there no longer exists a requirement for a voluntary agreement or program or associated advisory committee, the official designated pursuant to subsections (c)(2) and (d)(1)(B) of section 708 shall recommend to the President that such voluntary agreement or program or associated advisory committee be terminated, setting forth the reasons for the recommendation, and shall inform the Attorney General and the Federal Trade Commission of the intended termination and date of its effect. It further provided that the requirements of section 708 shall be the sole procedures applicable to the development or implementation of the voluntary agreements or programs to accomplish the objectives of subsection (c)(1) of section 708 and to the availability of immunity from the antitrust laws respecting the development or implementation of such voluntary agreements or programs.

Subsection (d) of section 708 of the Senate bill provides that to achieve the objectives of subsection (c)(1) of this section 708 the official designated pursuant to subsections (c)(2) and (d)(1)(B) of section 708 may provide for the establishment of such advisory committees as he determines are necessary. In addition to the requirements specified in section 708 any such advisory committee shall be subject to the provisions of the Federal Advisory Committee Act, whether or not such Act or any of its provisions expire or terminate during the term of this Act or of such committees, and in all cases such advisory committees shall be chaired by a Federal employee, other than an individual employed pursuant to section 3109 of title 5, United States Code, and shall include representatives of the public, and the meetings of such committees shall be open to the public. The Attorney General and the Federal Trade Commission shall have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting.

In subsection (d)(1)(B) it provided that the authority granted in the paragraph above shall be delegated only to officials who shall for the purpose of such delegation be required to be appointed by the President, by and with the advice and consent of the Senate, unless otherwise required to be so appointed, and upon the condition that such officials consult with the Attorney General and with the Federal Trade Commission not less than ten days before making any request thereunder, and upon the condition that such officials obtain the prior approval of the Attorney General, after consultation by the Attorney General with the Federal Trade Commission, to any request thereunder. For the purpose of carrying out the objectives of title I of this Act, the authority granted in the above paragraph shall not be delegated except to one and only one official of the Government. A full and complete verbatim transcript shall be kept of such advisory committee meetings, and shall be taken and deposited together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be made available for public inspection and copying, subject to the provisions of section 552 (b)(1) and (b)(3), of title 5, United States Code.

Subsection (c) provided that the official designated pursuant to subsections (c) paragraph (2) and (d)(1)(B) of section 708 shall promulgate, by rule, subject to the prior approval of the Attorney General and the Federal Trade Commission, standards and procedures by which representatives of industry, business, financing, agriculture, labor, and other interests may develop and implement voluntary agreements and programs necessary to accomplish the objectives of subsection (c) paragraph (1) of section 708.

It further provided in subsection (f) that the standards and procedures under subsection (e) shall be promulgated pursuant to section 553 of title 5, United States Code. They shall provide, among other things, that such agreements and programs shall be developed by meetings of committees, councils, or other groups which include representatives of the public, of interested segments of the relevant industry or industries and of consumers, and shall in all cases be chaired by a Federal employee other than an individual employed pursuant to section 3109 of title 5, United States Code; meetings held to develop a voluntary agreement or program shall permit attendance by interested persons; and be preceded by timely and adequate public notice, published in the Federal Register not less than ten days in advance of any such meeting, including identification of the agenda of such meeting; interested persons shall be afforded an opportunity to present, in writing and orally, data, views, and arguments at such meetings; and a full and complete verbatim transcript shall be kept of any meeting, conference, or communication held to develop or implement a voluntary agreement or program under this section and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be available for public inspection and copying, subject to provisions of section 552(b)(1) and (b)(3) of title 5, United States Code.

It further provided that no provision of this section may be exercised so as to prevent committees of Congress from attending meetings to which this subsection applies, or from having access to any transcripts or minutes of such meetings, or any logs of communications.

Subsection (g)(1) provided that the official designated pursuant to subsections (c) (2) and (d)(1)(B) of section 708 may exempt, subject to the prior approval of the Attorney General and the Federal Trade Commission, types or classes of meetings, conferences or communications from the requirements of subsections (d)(2) and (f) (4) of section 708: *Provided*, That such meetings, conferences, or communications are ministerial in nature and are for the sole purpose of implementing a voluntary agreement or program authorized pursuant to this section. Such ministerial meeting, conference, or communication may take place in accordance with such requirements as the Federal Trade Commission may prescribe by rule. Such persons participating in such meeting, conference, or communication shall cause a record to be made specifying the date such meeting, conference, or communication took place and the persons involved, and summarizing the subject matter discussed, consistent with the need to protect the security of classified national defense information. Such record shall be filed with the Federal Trade Commission and the Attorney General, where it shall be made available for public inspection and copying.

Subsection (g)(2) provided that the official designated pursuant to subsections (c)(2) and (d)(1)(B) of section 708 may suspend, subject to the prior approval of the Attorney General and the Federal Trade Commission, the application of sections 10 and 11 of the Federal Advisory Committee Act, subsection (d)(2) of section 708, the requirement under subsection (f)(2) of section 708 that meetings be open to the public; and the second sentence of paragraph (f)(4) of this section; if the official designated pursuant to subsections (c)(2) and (d)(1)(B) determines in each instance that such suspension is essential to protect the security of classified national defense information and that application of such provisions would be detrimental to the defense of the United States.

Subsection (g) further provided that on complaint, the United States District Court for the District of Columbia has jurisdiction to enjoin any exemption or suspension pursuant to subsections (g)(1) and (g)(2) of section 708 and to order the production of the records filed with the Attorney General and the Federal Trade Commission as set forth in subsection (g)(1) of section 708 where the court determines that such records have been improperly withheld from the complainant. In such a case the court shall determine the matter de novo, and may examine the contents of such agency records in camera to determine whether such records or any parts thereof shall be withheld under any of the exemption or suspension provisions set forth in subsections (g)(1) and (g)(2) of section 708 and the burden is on the agency to sustain its action.

Subsection (h) of the Senate bill provided that the Attorney General and the Federal Trade Commission shall participate from the beginning in any meeting to develop or implement voluntary agreements authorized under this section and, when practicable, in any meeting to implement programs authorized under section 708. Each may propose any alternative which would avoid or overcome, to the greatest extent practicable, possible anticompetitive effects while achieving substantially the purposes of subsection (c)(1) of section 708. A voluntary agreement or program under this section may not be implemented unless approved by the Attorney General and the Federal Trade Commission. The Attorney General or the Federal Trade Commission shall have the right, after consultation with the official designated pursuant to subsections (c)(2) and (d)(1)(B) of section 708 to review, amend, modify, disapprove, or revoke, on its own motion or upon the request of any interested person, any voluntary agreement or program at any time, and, if revoked, thereby withdraw prospectively the immunity which may be conferred by subsection (j) of section 708. Any voluntary agreement or program entered into pursuant to this section shall be submitted in writing to the Attorney General and the Federal Trade Commission twenty days before being implemented, and it shall be made available for public inspection and copying, subject to the provisions of subsection (g) of section 708. Any action taken pursuant to such voluntary agreement or program shall be reported to the Attorney General and the Federal Trade Commission pursuant to such regulations as shall be prescribed under subsections (i)(3) and (i)(4).

Subsection (i) provided that the Attorney General and the Federal Trade Commission shall monitor the development and implementation of voluntary agreements and programs authorized under section 708 to assure the protection and fostering of competition and to prevent anticompetitive practices and effects. The Attorney General and the Federal Trade Commission shall promulgate joint regulations concerning the maintenance of necessary and appropriate documents, minutes, transcripts, and other records related to the development and implementation of voluntary agreements and programs pursuant to section 708. In subsection (i)(3) the Senate bill provided that persons developing and implementing voluntary agreements and programs pursuant to this section shall maintain those records required by such joint regulations. Both the Attorney General and the Federal Trade Commission shall have access to and the right to copy such records at reasonable times and places and upon reasonable notice. In subsection (i)(4) it provided that the Federal Trade Commission and the Attorney General may each prescribe pursuant to section 553, title 5, United States Code, such rules and regulations as may be necessary or appropriate to carry out their responsibilities under this Act. Each may utilize for such purposes and for purposes of enforcement any and all powers conferred upon the Federal Trade Commission or the Department of Justice, or both, by any other provision of law, including the antitrust laws, the Antitrust Procedures and Penalties Act, or the Antitrust Civil Process Act; and wherever such provision of law refers to "the purposes of this Act" or like terms, the reference shall be understood to be to section 708.

In subsection (J) the Senate bill provides that there shall be available as a defense to any civil or criminal action brought under the antitrust laws (or any similar State law) in respect of actions taken to develop or implement a voluntary agreement or program (provided that such actions were not taken unnecessarily for the purpose of injuring competition) that such action was taken in the course of developing a voluntary agreement or program pursuant to this section, or pursuant to a voluntary agreement or program authorized and approved in accordance with this section, and such persons fully complied with the requirements of this section and the rules and regulations promulgated hereunder. Persons interposing the defense provided by section 708 shall have the burden of proof, except that the burden shall be on the plaintiff with respect to whether the actions were taken unnecessarily for the purpose of injuring competition.

It provided in subsection (K) that no provision of section 708 shall be construed as granting immunity for, nor as limiting or in any way affecting any remedy or penalty which may result from any legal action or proceeding arising from, any acts or practices which occurred prior to the date of enactment of this section, or outside the scope and purpose or not in compliance with the terms and conditions of this section, or subsequent to the expiration or repeal of this section or Act.

In subsection (h), the Senate bill provided that the official designated pursuant to subsections (c)(2) and (d)(1)(B) of this section shall report annually to the President and to the Congress on performance under each voluntary agreement or program authorized and approved in accordance with this section on its contribution to achievement of the objectives of subsection (c)(1) of section 708. The Attorney General and the Federal Trade Commission are each directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this Act. Such surveys shall include studies of the voluntary agreements and programs authorized by this section. The Attorney General and the Federal Trade Commission shall each submit to the Congress and the President at least once every year reports setting forth the results of such studies of voluntary agreements and programs authorized by this section.

It provided in subsection (m) that effective on the date of enactment of the Act, the immunity conferred by section 708 would not apply to any action taken or authorized to be taken by or under the Emergency Petroleum Allocation Act of 1973. Effective one hundred and twenty days after the date of enactment of this Act, the provisions of and immunity conferred by this section shall not apply to any actions taken or authorized to be taken by or under the Agreement on an International Energy Program, signed by the United States on November 18, 1974."

Section 4 of the Senate bill further amended the Defense Production Act of 1950 by adding after section 708, the new Section 708A which provided in subsection (a) that except as specifically provided in subsection (j) of this section and section 708(j) of this Act, no provision of this Act shall be deemed to convey to any person any immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

In Subsection (b) it defined the term "antitrust laws" as used in section 708A to mean the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (26 Stat. 290), as amended; the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 730), as amended, the Act entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes" (38 Stat. 717), as amended; sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes," approved August 27, 1894 (28 Stat. 579), as amended; the Act of June 19, 1936 (49 Stat. 1526); and the Act entitled "An Act to promote export trade, and for other purposes" (40 Stat. 516), as amended.

It defined the term "international energy supply emergency" to mean any period (A) beginning on any date which the President determines allocation of petroleum products to nations participating in the international agreement is required by chapters III and IV of such program, and (B) ending on a date on which he determines such allocation is no longer required. Such a period may not exceed ninety days, but the President may establish one or more additional periods by making the determination under clause (A) of the preceding sentence. Any determination respecting the beginning or end of any such period shall be published in the Federal Register.

It defined the term "international agreement" to mean the Agreement on an International Energy Program, signed by the United States on November 18, 1974.

It defined the term "Administrator" to mean the Administrator of the Federal Energy Administration. Also it defined the term "petroleum product" to mean crude oil, natural gas liquids and other liquids produced in association with crude oil or natural gas, refined petroleum products, including but not limited to gasoline, kerosene, distillates, residual fuel oil, refined lubricating oil, and liquefied petroleum gases; and blending agents and additives used in conjunction with crude oil and refined petroleum products.

The Senate bill provides in subsection (c) that the requirements of section 708A shall be the sole procedures applicable to the development or implementation of voluntary agreements or plans of action to accomplish the objectives of the international agreement with respect to international allocation of petroleum products and the information system provided in such agreement, and to the availability of immunity from the antitrust laws respecting the development or implementation of such voluntary agreements or plans of action.

It further provided in subsection (d) that to achieve the purposes of the international agreement with respect to international allocation of petroleum products and the information system provided in such agreement, the Administrator may provide for the establishment of such advisory committees as he determines are necessary. In addition to the requirements specified in section 708A, such advisory committees shall be subject to the provisions of the Federal Advisory Committee Act and section 17 of the Federal Energy Administration Act, whether or not such Acts or any of their provisions expire or terminate during the term of this Act or of such committees, and in all cases such advisory committees shall be chaired by a Federal employee, other than an individual employed pursuant to section 3109 of title 5, United States Code, and shall include representatives of the public, and the meetings of such committees shall be open to the public. The Attorney General and the Federal Trade Commission shall have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting. A full and complete verbatim transcript shall be kept of such advisory committee meetings, and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be made available for public inspection and copying subject to the provisions of section 552 (b)(1) and (b)(3) of title 5, United States Code. For the purposes of section 708A, the provisions of subsection (a) of section 17 of the Federal Energy Administration Act shall apply to any board, task force, commission, committee, or similar group, not composed entirely of full-time Federal employees, other than individuals employed pursuant to section 3109 of title 5, United States Code, established or utilized to advise the United States Government with respect to the formulation or carrying out of any agreement or plan of action under the international agreement.

The Senate bill further provided in Subsection (e) that the Administrator, subject to the approval of the Attorney General, after both of them have consulted with the Federal Trade Commission and the Secretary of State, shall promulgate, by rule, standards and procedures by which persons engaged in the business of producing, refining, marketing, or distributing petroleum products may develop and implement voluntary agreements and plans of action which are required to implement the provisions of the international agreement which relate to international allocation of petroleum products and the information system provided in such agreement.

It provided in subsection (f) that the standards and procedures under subsection (e) shall be promulgated pursuant to section 553 of title 5, United States Code. They shall provide, among other things, that meetings held to develop or implement a voluntary agreement or plan of action under this section shall permit attendance by interested persons, including all interested segments of the petroleum industry, consumers, committees of Congress, and the public, shall be preceded by timely and adequate notice with identification of the agenda of such meeting to the Attorney General, the Federal Trade Commission, committees of Congress, and (except during an international energy supply emergency) to the public, and shall be initiated and chaired by a Federal employee other than an individual employed pursuant to section 3109 of title 5, United States Code; except that meetings of bodies created by the International Energy Agency established by the international agreement need not be open to interested persons and need not be initiated and chaired by a Federal employee, and the Administrator, in consultation with the Secretary of State and the Attorney General, may determine that a meeting held to implement or carry out an agreement or plan of action shall not be public and that attendance may be limited, subject to reasonable representation of affected segments of the petroleum industry (as determined by the Administrator, after consultation with the Attorney General) if he finds that a wider disclosure would be detrimental to the foreign policy interests of the United States. Subsection (f) additionally provided that no meetings may be held to develop or implement a voluntary agreement or plan of action under section 708A, unless a Federal employee other than an individual employed pursuant to section 3109 of title 5, United States Code, is present; except that during an international energy supply emergency, a meeting to implement such an agreement or plan of action may be held outside the presence of such an employee (and need not be initiated or chaired by such an employee) if prior consent is granted by the Administrator and the Attorney General. The Administrator and the Attorney General shall each make a written record of the granting of any such prior consent. Interested persons permitted to attend such a meeting shall be afforded an opportunity to present in writing and orally, data, views, and arguments at such meetings. A verbatim transcript or, if keeping a verbatim transcript is not practicable, full and complete notes or minutes shall be kept of any meeting held or communication made to develop or implement a voluntary agreement or plan of action under this section, between or among persons who are parties to such a voluntary agreement or, with respect to meetings held or communications made to develop a voluntary agreement; except that, during any international energy supply emergency, in lieu of minutes or a transcript, a log may be kept containing a notation of the parties to, and subject matter of, any such communication (other than in the course of such a meeting). Such minutes, notes, transcript, or log shall be deposited, together with any agreement resulting therefrom, with the Administrator, and shall be available to the Attorney General and the Federal Trade Commission. Such minutes, notes, transcripts, logs. and agreements shall be available for public inspection and copying, except as otherwise provided in section 552 (b)(1) and (b)(3) of title 5, United States Code, or pursuant to a determination by the Administrator, in consultation with the Secretary of State and the Attorney General, that such disclosure would be detrimental to the foreign policy interests of the United States.

Subsection (f) further provided that no provision of section 708A may be exercised so as to prevent committees of Congress from attending meetings to which subsection (f) applies, or from having access to any transcripts or minutes of such meetings, or logs of communication.

The Senate bill further provided in subsection (g) that subject to the prior approval of the Attorney General and the Federal Trade Commission, the Administrator may suspend the application of sections 10 and 11 of the Federal Advisory Committee Act, subsections (b) and (c) of section 17 of the Federal Energy Administration Act, the requirement under subsection (d)(1) of section 708A that meetings be open to the public; and the second sentence of subsection (d)(2) of section 708A—if the Administrator determines in each instance that such suspension is essential to the implementation of the international agreement as it relates to the international allocation of petroleum products or the information system provided in such agreement and if the Secretary of State determines that the application of such provisions would be detrimental to the foreign policy interests of the United States. Such determinations by the Administrator and the Secretary of State shall be in writing, shall set forth, to the extent possible consistent with the need to protect the security of classified national defense and foreign policy information, a detailed explanation of reasons justifying the granting of such suspension, and shall be published in the Federal Register at a reasonable time prior to the effective date of any such suspension.

The Senate bill provided in subsection (h) that the Attorney General and the Federal Trade Commission shall participate from the beginning in any meeting to develop or implement voluntary agreements authorized under section 708A and, when practicable, in any meeting to implement plans of action authorized under this section. Each may propose any alternative which would avoid or overcome, to the greatest extent practicable, possible anticompetitive effects while achieving substantially the purposes of this section. A voluntary agreement or plan of action under this section may not be implemented unless approved by the Attorney General, after consultation with the Federal Trade Commission. Prior to the expiration of the period determined under paragraph (2) of this subsection (h), the Federal Trade Commission shall transmit to the Attorney General its views as to whether such an agreement should be approved, and shall publish such views in the Federal Register. The Attorney General, in consultation with the Federal Trade Commission, the Secretary of State, and the Administrator, shall have the right to review, amend, modify, disapprove, or revoke, on his own motion or upon the request of the Federal Trade Commission or any interested person, any voluntary agreement or plan of action at any time, and, if revoked, thereby withdraw prospectively the immunity which may be conferred by subsection (j) of section 708A.

Paragraph (2) of subsection (h) further provided that any voluntary agreement entered into pursuant to section 708A shall be submitted in writing to the Attorney General and the Federal Trade Commission twenty days before being implemented (where it shall be made available for public inspection and copying subject to the provisions of subsection (g) of section 708A; except that during an international energy supply emergency, the Administrator, subject to approval of the Attorney General, may reduce such twenty-day period. Any action taken pursuant to such voluntary agreement or plan of action shall be reported to the Attorney General and the Federal Trade Commission pursuant to such regulations as shall be prescribed under subsections (i)(3) and (i)(4).

Subsection (i) of the Senate bill provided that the Attorney General and the Federal Trade Commission shall monitor the development and implementation of voluntary agreements and plans of action authorized under this section to assure the protection and fostering of competition and to prevent anticompetitive practices and effect.

Paragraph (2) of subsection (i) provided that subsections (e) and (f) of section 708A and in order to carry out the purposes of this section, the Attorney General, in consultation with the Federal Trade Commission and the Administrator, shall promulgate regulations concerning the maintenance of necessary and appropriate records related to the development and implementation of voluntary agreements and plans of action pursuant to this section.

In paragraph (3) of subsection (i) it was provided that persons developing and implementing voluntary agreements or plans of action pursuant to section 708A shall maintain those records required by such regulations. Both the Attorney General and the Federal Trade Commission shall have access to and the right to copy such records at reasonable times and places and upon reasonable notice.

Paragraph (4) of subsection (i) provided that the Attorney General and the Federal Trade Commission may each prescribe pursuant to section 553 of title 5, United States Code, such rules and regulations as may be necessary or appropriate to carry out their respective responsibilities under this section. They may both utilize for such purposes and for purposes of enforcement any and all powers conferred upon the Federal Trade Commission or the Department of Justice, or both, by any other provision of law, including the antitrust laws, the Antitrust Procedures and Penalties Act, or the Antitrust Civil Process Act; and wherever any such provison of law refers to the purposes of this Act or like terms, the reference shall be understood to be section 708A.

It provided in subsection (j) that there shall be available as a defense to any civil or criminal action brought under the antitrust laws (or any similar State law) in respect of actions taken to develop or implement a voluntary agreement or plan of action by persons engaged in the business of producing, refining, marketing, or distributing petroleum products (provided that such actions were not taken unnecessarily for the purpose of injuring competition) rather that such action was taken in the course of developing a voluntary agreement or plan of action pursuant to this section, or pursuant to a voluntary agreement or plan of action authorized and approved in accordance with this section, and that such persons fully complied with the requirements of this section and the rules and regulations promulgated hereunder.

Persons interposing the defense provided by section 708A shall have the burden of proof, except that the burden shall be on the plaintiff with respect to whether the actions were taken unnecessarily for the purpose of injuring competition. In any action in any Federal or State court for breach of contract there shall be available as a defense that the alleged breach of contract was caused solely by action taken during an international energy supply emergency in accordance with a voluntary agreement authorized and approved under the provisions of this section.

Subsection (k) of the Senate bill further provided that no provision of section 708A shall be construed as granting immunity for, nor as limiting or in any way affecting any remedy or penalty which may result from any legal action or proceeding arising from, any acts or practices which occurred (1) prior to the date of enactment of this section, (2) outside the scope and purpose or not in compliance with the terms and conditions of this section, or (3) subsequent to the expiration or repeal of this section or Act.

Subsection (l) of the Senate bill provided that the Administrator, after consultation with the Secretary of State, shall report annually to the President and the Congress on the performance under voluntary agreements or plans of action to accomplish the objectives of the international agreement with respect to international allocation of petroleum products and the information system provided in such agreement. Also, the Attorney General and the Federal Trade Commission shall each submit to the Congress and to the President, at least once every six months, reports on the impact on competition and on small business of actions authorized by this section.

The Senate bill provided in subsection (m) that the authorities contained in section 708A with respect to the executive agreement, commonly known as the Agreement on an International Energy Program dated November 18, 1974, shall not be construed in any way as advice and consent, ratification, endorsement, or any other form of congressional approval of the specific terms of such executive agreement or any related annex, protocol, amendment, modification, or other agreement which has been or may in the future be entered into.

Subsection (n) of the Senate bill provided that any action or agreement undertaken or entered into pursuant to section 708A shall be deemed to be undertaken or entered into in the United States.

Section 6 of the Senate bill provided that the provisions of sections 708 and 708A as amended and added respectively by this Act, shall become effective one hundred and twenty days after the date of enactment.

Section 7 of the Senate bill amended section 713 of the Defense Production Act of 1950 by adding at the end thereof the following new sentence: "Any action or agreement undertaken or entered into pursuant to section 708A of this Act shall be deemed to be undertaken or entered into within such areas.".

Conference substitute

As regards antitrust immunity for voluntary agreements requested for national defense purposes, the conference substitute combines the provisions of the House amendment with a series of procedural safeguards adapted from the Senate bill, as requested by the Senate and agreed to by the House.

These modifications to section 3 include:

Adding to section 708(c) (2) of section 3 of the House amendment the language in section 708(c) (2) of section 3 of the Senate bill which requires the prior consent of the Attorney General to making a request for a voluntary agreement (Section 708(c) (2) of section 3 of the conference substitute);

Adding to section 3 of the House amendment the advisory committee provisions contained in section 708(d) of section 3 of the Senate bill (Section 708(d) of section 3 of the conference substitute);

Substituting in section 708(d) (1) of section 3 of the House amendment the provisions set forth in sections 708 (e) and (f) of section 3 of the Senate bill requiring the approval of the Attorney General for voluntary agreement standards and procedures and requiring a rulemaking proceeding under the terms of section 553 of title 5, United States Code (Sections 708(e) (1) and (2) of section 3 of the conference substitute);

Adding at the end of section 708 of section 3 of the House amendment the language in section 708(g) (3) of section 3 of the Senate bill, providing for jurisdiction of the United States District Court for the District of Columbia to enjoin improper withholding of information required to be supplied under particular provisions of the Act (section 708(m) of section 3 of the conference substitute);

Adding to section 708(f) of section 3 of the House amendment the language of section 708(i) (1) of section 3 of the Senate bill, providing that the Attorney General and the Chairman of the Federal Trade Commission shall monitor voluntary agreements to assure the protection and fostering of competition and to prevent anticompetitive practices and effects (section 708(g) (4) of section 3 of the conference substitute); and

Adding to section 3 of the House amendment the language from section 708A(m) (1) of section 3 of the Senate bill which restricts the applicability of the grant of immunity from antitrust action from applying to actions taken under the Emergency Petroleum Allocation Act of 1973 (Section 4(c) of the conference substitute).

For voluntary agreements related to the International Energy Agreement signed by the United States on November 18, 1974, the Conference substitute adopts the provisions of section 4 of the Senate bill, as modified by the inclusion of the language of the House amendment regarding the grant of antitrust immunity—proposed section 708 (i) of section 3 of House amendment in lieu of proposed subsection (j) (except paragraph (3) thereof), of section 708A of section 4 of the Senate bill—and as modified by the stipulation in the House amendment that the voluntary agreement provisions of the Defense Production Act shall not be applicable to any international agreement or to any international voluntary agreement relating to crude oil, residual fuel oil, or refined petroleum products if the Energy Policy and Conservation Act (S. 622) is enacted.

Specifically, the conference substitute alters section 708 of the Defense Production Act to provide that, in subsection (a), except as specifically provided in subsection (j) of this section, and subsection (j) of section 708A no provision of this Act shall be deemed to convey to any person any immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

In subsection (b), the conference substitute defines the term "antitrust laws" to mean the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890 (15 U.S.C. 1 et seq.); the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies and for other purposes," approved October 15, 1914 (15 U.S.C. 12 et seq.); the Federal Trade Commission Act (15 U.S.C. 41 et seq.); sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes," approved August 27, 1894 (15 U.S.C. 8 and 9); the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a), and the Act entitled "An Act to promote export trade and for other purposes," approved April 10, 1918 (15 U.S.C. 61–65).

The conference substitute states further in subsection (c) that, except as otherwise provided in section 708A(o), upon finding that conditions exist which may pose a direct threat to the national defense or its preparedness programs, the President may consult with representatives of industry, business, financing, agriculture, labor, and other interests in order to provide for the making by such persons, with the approval of the President, of voluntary agreements to help provide for the defense of the United States through the development of preparedness programs and the expansion of productive capacity and supply beyond levels needed to meet essential civilian demand in the United States.

Furthermore, the authority granted to the President in paragraph (1) and subsection (d) may be delegated by him to individuals who are appointed by and with the advice and consent of the Senate, or are holding offices to which they have been appointed by and with the advice and consent of the Senate, and upon the conditions that such individuals consult with the Attorney General and with the Federal Trade Commission not less than ten days before consulting with any persons under paragraph (1), and that such individuals obtain the prior approval of the Attorney General, after consultation by the Attorney General with the Federal Trade Commission, to consult under paragraph (1). For the purpose of carrying out the objectives of title I of this Act, the authority granted in paragraph (1) of this subsection may not be delegated to more than one individual.

In section 3 of the conference substitute, subsection 708(d) provides to achieve the objectives of subsection (c) (1) of section 708, that the President or any individual designated pursuant to subsection (c) (2) may provide for the establishment of such advisory committees as he determines are necessary. In addition to the requirements specified in this section, any such advisory committee is subject to the provisions of the Federal Advisory Committee Act, whether or not such Act or any of its provisions expire or terminate during the term of this Act or of such committees, and in all cases such advisory committees are chaired by a Federal employee, (other than an individual employed pursuant to section 3109 of title 5, United States Code) and include representatives of the public, and the meetings of such committees are open to the public. The Attorney General and the Federal Trade Commission must have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting.

A full and complete verbatim transcript must be kept of such advisory committee meetings, and is taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement are available for public inspection and copying, subject to the provisions of section 552 (b)(1) and (b)(3), of title 5, United States Code.

Subsection 708(e) provides that the individual or individuals referred to in subsection (c)(2) shall, after approval of the Attorney General after consultation by the Attorney General with the Chairman of the Federal Trade Commission promulgate rules in accordance with section 553 of title 5, United States Code incorporating standards and procedures by which voluntary agreements may be developed and carried out.

In addition to the requirements of section 553 of title 5 of the United States Code general notice of the proposed rulemaking referred to in paragraph (1) must be published in the Federal Register, and the notice shall include a statement of the time, place, and nature of the public rulemaking proceedings, reference to the legal authority under which the rule is being proposed, and either the terms of substance of the proposed rule or a description of the subjects and issues involved. In addition, the required publication of a rule shall be made not less than thirty days before its effective date, and the individual or individuals referred to in paragraph (1) shall give interested persons the right to petition for the issuance, amendment, or repeal of a rule.

The rules must provide, among other things, that such agreements shall be developed at meetings which include the Attorney General or his delegate, the Chairman of the Federal Trade Commission or his delegate, and the President's designee, and which are chaired by the President's designee. Also the rules must provide for: at least seven days prior to any such meeting, notice of the time, place, and nature of the meeting shall be published in the Federal Register, interested persons may submit written data and views concerning the proposed voluntary agreement, with or without opportunity for oral presentation, interested persons may attend any such meeting unless the President's designee finds that the matter or matters to be discussed at such meeting falls within the purview of matters described in subsection (b)(1) or (b)(3) of section 552, title 5, United States Code, a full and verbatim transcript shall be made of any such meeting and shall be transmitted by the chairman of the meeting to the Attorney General and to the Chairman of the Federal Trade Commission, any voluntary agreement resulting from the meetings shall be transmitted by the chairman of the meetings to the Attorney General and to the Chairman of the Federal Trade Commission, and any transcript referred to above and any voluntary agreement referred to above shall be available for public inspection and copying, subject to subsections (b)(1) and (b)(3) of section 552, title 5, United States Code.

In section 3 of the conference substitute, subsection 798(f) provides that a voluntary agreement may not become effective unless and until the individual appointed by the President approves it and certifies, in writing, that the agreement is necessary to carry out the purposes of subsection (c)(1) and the Attorney General (after consultation with the Chairman of the Federal Trade Commission), finds, in writing, that such purpose may not reasonably be achieved through a voluntary agreement having less anti-competitive effects or without any voluntary agreement.

(2) Each voluntary agreement which becomes effective under this provision expires two years after the date it becomes effective (and at two-year intervals thereafter, as the case may be), unless (immediately prior to such expiration date) the individual referred to in subsection (c)(2) who administers the agreement and the Attorney General (after consultation with the Chairman of the Federal Trade Commission) makes the certification or finding, as the case may be, described above with respect to such voluntary agreement, in which case, the voluntary agreement may be extended for an additional period of years.

Subsection 708(g) requires that the Attorney General and the Chairman of the Federal Trade Commission monitor the carrying out of any voluntary agreement to assure that the agreement is carrying out the purpose of subsection (c)(1); that the agreement is being carried out under rules promulgated pursuant to subsection (e), that the participants are acting in accordance with the terms of the agreement, and the protection and fostering of competition and the prevention of anticompetitive practices and effects.

Subsection 708(h) of section 3 of the conference substitute the rules promulgated under subsection (e) with respect to the carrying out of voluntary agreements provides for the maintenance, by participants in any voluntary agreement, of documents, minutes of meetings, transcripts, records, and other data related to the carrying out of any voluntary agreement, that participants in any voluntary agreement agree, in writing, to make available to the President's designee, the Attorney General, and the Chairman of the Federal Trade Commission for inspection and copying at reasonable times and upon reasonable notice any item maintained pursuant to the above provision, that any item made available to the President's designee, the Attorney General, or the Chairman of the Federal Trade Commission pursuant to paragraph (2) shall be available from such individual, the Attorney General, or the Chairman of the Federal Trade Commission, as the case may be, for public inspection and copying, subject to subsections (b)(1) and (b)(3) of section 552 of title 5, United States Code, that the President's designee, the Attorney General, and the Chairman of the Federal Trade Commission, or their delegates, may attend meetings to carry out any voluntary agreement, that a Federal employee (other than an individual employed pursuant to section 3109 of title 5 of the United States Code) shall attend meetings to carry out any voluntary agreements, that participants in any voluntary agreement provide the President's designee, the Attorney General, and the Chairman of the Federal Trade Commission with adequate prior notice of the time, place, and nature of any meeting to be held to carry out the voluntary agreement, for the attendance by interested persons of any meeting held to carry out any voluntary agreement, unless the President's designee finds that the matter or matters to be discussed at such meeting falls within the purview of matters described in subsection (b)(1) or (b)(3) of section 552, title 5, United States Code, that the President's designee has published in the Federal Register prior notification of the time, place, and nature of any meeting held to carry out any voluntary agreement, unless he finds that the matter or matters to be discussed at such meeting falls within the purview of matters described in subsection (b)(1) or (b)(3) of section 552, title 5, United States Code, in which case, notification of the time, place, and nature of such meeting shall be published in the Federal Register within ten days of the date of such meeting, that the Attorney General (after consultation with the Chairman of the Federal Trade Commission and the President's designee), or the President's designee (after consultation with the Attorney General and the Chairman of the Federal Trade Commission), may terminate or modify, in writing, the voluntary agreement at any time, and that effective immediately upon such termination any antitrust immunity conferred upon the participants in the voluntary agreement by subsection (i) shall not apply to any act or omission occurring after the time of the revocation, and that participants in any vountary agreement be reasonably representative of the appropriate industry or segment of such industry.

In addition, subsection 708(i) of section 3 of the conference substitute provides that the Attorney General and the Chairman of the Federal Trade Commission shall each promulgate such rules as he deems necessary or appropriate to carry out his responsibility under section 708.

Subsection 708(j) provides as a defense for any person to any criminal or civil action brought for violation of the antitrust laws (or any similar law of any State) with respect to any act or omission to act to develop or carry out any voluntary agreement under section 708 that such act or omission to act was taken in good faith by that person in the course of developing a voluntary agreement under this section, or to carry out a voluntary agreement under section 708, and that such person fully complied with this section and the rules promulgated hereunder, and acted in accordance with the terms of the voluntary agreement.

Subsection 708(k) requires the Attorney General and the Federal Trade Commission to each make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this section. Such surveys shall include studies of the voluntary agreements authorized by this section. The Attorney General shall (after consultation with the Federal Trade Commission) submit to the Congress and the President at least once every year reports setting forth the results of such studies of voluntary agreements.

Subsection 708(l) requires the President's designee to submit to the Congress and the President at least once every year reports describing each voluntary agreement in effect and its contribution to achievement of the purpose of subsection (c)(1).

Subsection (m) gives the United States District Court for the District of Columbia jurisdiction to enjoin any exemption or suspension pursuant to certain subsections of the Act, and to order the production of records maintained by the Attorney General, the Federal Trade Commission or pursuant to section 708, any individual designated under subsection (c)(2) where the court determines that such records have been improperly withheld from the complainant. In such a case the court shall determine the matter de novo, and may examine the contents of such records in camera to determine whether such records or any parts thereof shall be withheld under any of the exemption or suspension provisions referred to in this subsection, and the burden is on the Attorney General, Federal Trade Commission, or such designated individual, as the case may be, to sustain its action.

Furthermore, section 3 of the conference substitute adds to the Defense Production Act a section 708A, relating to the International Energy Agreement which provides in subsection (a) that except as specifically provided in subsection (j) of this section and section 708(j) of this Act, no provision of this Act shall be deemed to convey to any person any immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

Subsection (b) defines the term "international energy supply emergency" to mean any period beginning on any date which the President determines allocation of petroleum products to nations participating in the international agreement is required by chapters III and IV of such program, and ending on a date on which he determines such allocation is no longer required. Such a period may not exceed ninety days, but the President may establish one or more additional periods by making the determination under the first clause of the preceding sentence. Any determination respecting the beginning or end of any such period must be published in the Federal Register. Also, the conference substitute provides the following definitions relating to international energy program voluntary agreements: "international agreement" means the Agreement on an International Energy Program, signed by the United States on November 18, 1974. "Administrator" means the Administrator of the Federal Energy Administration, and "petroleum product" means crude oil, natural gas liquids and other liquids produced in association with crude oil or natural gas, refined petroleum products, including but not limited to gasoline, kerosene, distillates, residual fuel oil, refined lubricating oil, and liquefied petroleum gases, and blending agents and additives used in conjunction with crude oil and refined petroleum products.

Section 708A(c) of section 3 of the conference substitute provides that the requirements of this section shall be the sole procedures applicable to the development or implementation of voluntary agreements or plans of action to accomplish the objectives of the international agreement with respect to international allocation of petroleum products and the information system provided in such agreement, and to the availability of immunity from the antitrust laws respecting the development or implementation of such voluntary agreements or plans of action.

In section 708A(d) of section 3, the conference substitute provides that: to achieve the purposes of the international agreement with respect to international allocation of petroleum products and the information system provided in such agreement, the Administrator may provide for the establishment of such advisory committees as he determines are necessary. In addition to the requirements specified in section 708A, such advisory committees shall be subject to the provisions of the Federal Advisory Committee Act and section 17 of the Federal Energy Administration Act, whether or not such Acts or any of their provisions expire or terminate during the term of this Act or of such committees, and in all cases such advisory committees shall be chaired by a Federal employee, other than an individual employed pursuant to section 3109 of title 5, United States Code, and shall include representatives of the public, and the meetings of such committees shall be open to the public. The Attorney General and the Federal Trade Commission must have adequate advance notice of any meeting and may have an official represenative attend and participate in any such meeting. A full and complete verbatim transcript must be kept of such advisory committee meetings, and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be made available for public inspection and copying, subject to the provisions of section 552(b)(1) and (b)(3) of title 5, United States Code. For the purposes of this section, the provisions of subsection (a) of section 17 of the Federal Energy Administration Act apply to any board, task force, commission, committee, or similar group, not composed entirely of full-time Federal employees (other than individuals employed pursuant to section 3109 of title 5, United States Code) established or utilized to advise the United States Government with respect to the formulation or carrying out of any agreement or plan of action under the international agreement.

Section 708A(e) of section 3 of the conference substitute requires that the administrator, subject to the approval of the Attorney General, after both of them have consulted with the Federal Trade Commission and the Secretary of State, shall promulgate, by rule, standards and procedures by which persons engaged in the business of producing, refining, marketing, or distributing petroleum products may develop and implement voluntary agreements and plans of action which are required to implement the provisions of the international agreement which relate to international allocation of petroleum products and the information system provided in such agreement.

Additionally, section 708A(f) of section 3 of the conference substitute provides that the standards and procedures under subsection (e) shall be promulgated pursuant to section 553 of title 5, United States Code. They must provide, among other things, that meetings held to develop or implement a voluntary agreement or plan of action under this section shall permit attendance by interested persons, including all interested segments of the petroleum industry, consumers, committees of Congress, and the public, must be preceded by timely and adequate notice with identification of the agenda of such meeting to the Attorney General, the Federal Trade Commission, committees of Congress, and (except during an international energy supply emergency) to the public, and shall be initiated and chaired by a Federal employee (other than an individual employed pursuant to section 3109 of title 5, United States Code), except that (i) meetings of bodies created by the International Energy Agency established by the international agreement need not be open to interested persons and need not be initiated and chaired by a Federal employee, and (ii) the Administrator, in consultation with the Secretary of State and the Attorney General, may determine that a meeting held to implement or carry out an agreement or plan of action shall not be public and that attendance may be limited, subject to reasonable representation of affected segments of the petroleum industry (as determined by the Administrator, after consultation with the Attorney General) if he finds that a wider disclosure would be detrimental to the foreign policy interests of the United States.

This same subsection requires the standards to allow meetings to be held to develop or implement a voluntary agreement or plan of action under this section, only if a Federal employee other than an individual employed pursuant to section 3109 of title 5, United States Code, is present; except that during an international energy supply emergency, a meeting to implement such an agreement or plan of action may be held outside the presence of such an employee (and need not be initiated or chaired by such an employee) if prior consent is granted by the Administrator and the Attorney General. The Administrator and the Attorney General shall each make a written record of the granting of any such prior consent. Also, interested persons permitted to attend such a meeting must be afforded an opportunity to present in writing and orally, data, views, and arguments at such meetings. Lastly, a verbatim transcript or, if keeping a verbatim transcript is not practicable, full and complete notes or minutes shall be kept of any meeting held or communication made to develop or implement a voluntary agreement or plan of action under this section, between or among persons who are parties to such a voluntary agreement or, with respect to meetings held or communications made to develop a voluntary agreement; except that, during any international energy supply emergency, in lieu of minutes or a transcript, a log may be kept containing a notation of the parties to, and subject matter of any such communication (other than in the course of such a meeting). Such minutes, notes, transcript, or log shall be deposited, together with any agreement resulting therefrom, with the Administrator, and shall be available to the Attorney General and the Federal Trade Commission. Such minutes, notes, transcripts, logs, and agreements shall be available for public inspection and copying, except as otherwise provided in section 522 (b)(1) and (b)(3) of title 5, United States Code, or pursuant to a determination by the Administrator, in consultation with the Secretary of State and the Attorney General, that such disclosure would be detrimental to the foreign policy interests of the United States. However, no provision of this section may be exercised so as to prevent committees of Congress from attending meetings to which this subsection applies, or from having access to any transcripts or minutes of such meetings, or logs of communication.

The conference substitute, in section 708A (g) of section 3, states that, subject to the prior approval of the Attorney General and the Federal Trade Commission, the Administrator may suspend the application of section 10 and 11 of the Federal Advisory Committee Act, subsections (b) and (c) of section 17 of the Federal Energy Administration Act, the requirement under subsection (d)(1) of section 708A that meetings be open to the public, and the second sentence of subsection (d)(2) of section 708A; if the Administrator determines in each instance that such suspension is essential to the implementation of the international agreement as it relates to the international allocation of petroleum products or the information system provided in such agreement and if the Secretary of State determines that the application of such provisions would be detrimental to the foreign policy interests of the United States. Such determinations by the Administrator and the Secretary of State shall be in writing, shall set forth, to the extent possible consistent with the need to protect the security of classified national defense and foreign policy information, a detailed explanation of reasons justifying the granting of such suspension, and shall be published in the Federal Register at a reasonable time prior to the effective date of any such suspension.

The conference substitute establishes, in section 708A(h) of section 3, that the Attorney General and the Federal Trade Commission shall participate from the beginning in any meeting to develop or implement voluntary agreements authorized under this section and, when practicable, in any meeting to implement plans of action authorized under this section. Each may propose any alternative which would avoid or overcome, to the greatest extent practicable, possible anticompetitive effects while achieving substantially the purposes of this section. A voluntary agreement or plan of action under this section may not be implemented unless approved by the Attorney General, after consultation with the Federal Trade Commission. Prior to the expiration of the period determined under paragraph (2), the Federal Trade Commission shall transmit to the Attorney General its views as to whether such an agreement should be approved, and shall publish such views in the Federal Register. The Attorney General, in consultation with the Federal Trade Commission, the Secretary of State, and the Administrator, shall have the right to review, amend, modify, disapprove, or revoke, on his own motion or upon the request of the Federal Trade Commission or any interested person, any voluntary agreement or plan of action at any time, and, if revoked, thereby withdraw prospectively the immunity which may be conferred by subsection (j) of section 708A. Any further voluntary agreement entered into pursuant to section 708A shall be submitted in writing to the Attorney General and the Federal Trade Commission twenty days before being implemented (where it shall be made available for public inspection and copying subject to the provisions of subsection (g) of section 708A); except that during an international energy supply emergency, the Administrator, subject to approval of the Attorney General, may reduce such twenty-day period. Any action taken pursuant to such voluntary agreement or plan of action shall be reported to the Attorney General and the Federal Trade Commission pursuant to such regulations as shall be prescribed under subsections (i) (3) and (i) (4).

Under section 708A(i) of section 3, the conference substitute states that the Attorney General and the Federal Trade Commission shall monitor the development and implementation of voluntary agreements and plans of action authorized under this section to assure the protection of fostering of competition and to prevent anticompetitive practices and effect. In addition to any requirements specified under subsections (e) and (f) of section 708A and in order to carry out the purposes of this section, the Attorney General, in consultation with the Federal Trade Commission and the Administrator, shall promulgate regulations concerning the maintenance of necessary and appropriate records related to the development and implementation of voluntary agreements and plans of action pursuant to this section. Persons developing and implementing voluntary agreements or plans of action pursuant to this section shall maintain those records required by such regulations. Both the Attorney General and the Federal Trade Commission shall have access to and the right to copy such records at reasonable times and places and upon reasonable notice. The Attorney General and the Federal Trade Commission may each prescribe pursuant to section 553 of title 5, United States Code, such rules and regulations as may be necessary or appropriate to carry out their respective responsibilities under this section. They may both utilize for such purposes and for purposes of enforcement any and all powers conferred upon the Federal Trade Commission or the Department of Justice, or both, by any other provision of law, including the antitrust laws, the Antitrust Procedures and Penalties Act, or the Antitrust Civil Process Act; and wherever any such provision of law refers to 'the purposes of this Act' or like terms, the reference shall be understood to be section 708A.

Section 708A(j) of section 3 of the conference substitute states that there shall be available as a defense for any person to any criminal or civil action brought for violation of the antitrust laws (or any similar law of any State) with respect to any act or omission to act to develop or carry out any voluntary agreement under this section that such act or omission to act was taken in good faith by that person in the course of developing a voluntary agreement under this section, or to carry out a voluntary agreement under this section; and that such person fully complied with this section and the rules promulgated hereunder, and acted in accordance with the terms of the voluntary agreement. It further provides that in any action in any Federal or State court for breach of contract there shall be available as a defense that the alleged breach of contract was caused solely by action taken during an international energy supply emergency in accordance with a voluntary agreement authorized and approved under the provisions of this section.

The conference substitute provides, in section 708A(k) of section 3, that no provision of this section shall be construed as granting immunity for, nor as limiting or in any way affecting any remedy or penalty which may result from any legal action or proceeding arising from, any acts or practices which occurred (1) prior to the date of enactment of this section, (2) outside the scope and purpose or not in compliance with the terms and conditions of this section, or (3) subsequent to the expiration or repeal of this section or Act.

The Administrator, after consultation with the Secretary of State, shall report annually to the President and the Congress on the performance under voluntary agreements or plans of action to accomplish the objectives of the international agreement with respect to international allocation of petroleum products and the information system provided in such agreement.

In section 708A (l) of section 3 of the conference substitute provision is made for the Attorney General and the Federal Trade Commission each to submit to the Congress and to the President, at least once every six months, reports on the impact on competition and on small business of actions authorized by this section.

Section 708A(m) of section 3 of the conference substitute states that the authorities contained in this section with respect to the executive agreement, commonly known as the Agreement on an International Energy Program dated November 18, 1974, shall not be construed in any way as advice and consent, ratification, endorsement, or any other form of congressional approval of the specific terms of such executive agreement or any related annex, protocol, amendment, modification, or other agreement which has been or may in the future be entered into.

Section 708A(n) of section 3 of the conference substitute states that any action or agreement undertaken or entered into pursuant to this section shall be deemed to be undertaken or entered into in the United States.

Section 708A(o) of section 3 of the conference substitute provides that, if S. 622, ninety-fourth Congress (the Energy Policy and Conservation Act) is enacted then (effective on the effective date of the provisions of S. 622 which relate to international voluntary agreements to carry out the International Energy Program) sections 708 and 708A shall not be applicable to any international agreement or any international voluntary agreement which relates to crude oil, residual fuel oil, or refined petroleum products.

In section 4, subsection (a), the conference substitute states that any voluntary agreement entered into under section 708 of the Defense Production Act of 1950 prior to the effective date of this Act and in effect immediately prior to such date shall continue in effect but shall be carried out in accordance with that section as amended by this Act. It further provides, in subsection (b) that no provision of the Defense Production Act of 1950, as amended by this Act, shall be construed as granting immunity for, nor as limiting or in any way affecting any remedy or penalty which may result from any legal action or proceeding arising from, any acts or practices which occurred (1) prior to the date of enactment of this Act, (2) outside the scope and purpose or not in compliance with the terms and conditions of the Defense Production Act of 1950, or (3) subsequent to the expiration or repeal of the Defense Production Act of 1950.

Section 4(c), of the conference substitute states that, effective on the date of enactment of this Act, the immunity conferred by section 708 or 708A of the Defense Production Act of 1950, as amended by this Act shall not apply to any action taken or authorized to be taken by or under the Emergency Petroleum Allocation Act of 1973

HENRY S. REUSS,
THOMAS L. ASHLEY,
JAMES J. BLANCHARD,
JOHN J. LAFALCE,
THOMAS M. REES,
JERRY M. PATTERSON,
GLADYS NOON SPELLMAN,
STEWART B. MCKINNEY,
RICHARD T. SCHULZE,
BILL GRADISON,
Managers on the Part of the House.

WILLIAM PROXMIRE,
JOHN SPARKMAN,
HARRISON WILLIAMS,
JOHN TOWER,
ED BROOKE,
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders hereafter entered, was granted to:

(The following Members (at the request of Mr. TREEN) to revise and extend their remarks and include extraneous matter:)

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

Mr. CRANE, for 15 minutes, today.

Mr. MILLER of Ohio, for 10 minutes, today.

Mrs. HOLT, for 5 minutes, today.

(The following Members (at the request of Mr. WEAVER) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Ms. HOLTZMAN, for 10 minutes, today.

Mr. FLOWERS, for 10 minutes today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. CORNELL, for 5 minutes, today.

Mr. LA FALCE, for 15 minutes, today.

Mr. ASPIN, for 5 minutes, today.

Mr. EVANS of Indiana, for 5 minutes, today.

Mr. RUNNELS, for 30 minutes, today.

Mr. MEZVINSKY, for 30 minutes, today.

Mr. FLOOD, for 15 minutes, today.

Mr. STUCKEY, for 5 minutes, today.

Mr. DOMINICK V. DANIELS, for 5 minutes, today.

Mr. BINGHAM, for 25 minutes, today.

Mr. KOCH, for 5 minutes, today.

Mr. THOMPSON, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. MURPHY of New York, for 60 minutes, November 19.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. EILBERG and to include extraneous matter not withstanding the fact that it exceeds four pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,287.

Mr. MEEDS, to revise and extend his

remarks and to include extraneous matter during general debate on H.R. 30.

(The following Members (at the request of Mr. TREEN) and to include extraneous material:)

Mr. ARCHER.
Mr. SARASIN.
Mr. BELL.
Mr. COUGHLIN.
Mr. HAMMERSCHMIDT.
Mr. DON H. CLAUSEN.
Mr. MILLER of Ohio in four instances.
Mr. O'BRIEN.
Mr. PEYSER in two instances.
Mr. HUTCHINSON.
Mr. WHITEHURST
Mr. BROWN of Ohio in two instances.
Mr. ROBINSON.
Mr. MCCLORY.
Mr. KEMP in three instances.
Mr. WHALEN.
Mr. HYDE in two instances.
Mr. LAGOMARSINO.
Mr. RHODES.
Mr. DERWINSKI in two instances.
Mr. CEDERBERG.
Mr. STEIGER of Arizona in two instances.
Mr. J. WILLIAM STANTON.

(The following Members (at the request of Mr. WEAVER) and to include extraneous matter:)

Mr. MCHUGH.
Mr. REUSS in two instances.
Mr. DINGELL.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. FORD of Michigan.
Mr. MONTGOMERY.
Mr. DOWNEY of New York.
Mr. MURTHA.
Mr. MCDONALD of Georgia in two instances.
Mr. EVINS of Tennessee in three instances.
Mr. DELANEY.
Mr. FRASER in five instances.
Mr. MILLER of California in two instances.
Mrs. BURKE of California.
Mr. RICHMOND.
Mr. MOAKLEY in two instances.
Mr. NOWAK.
Mr. WOLFF in 10 instances.
Mr. ROE.
Mr. SYMINGTON.
Mr. STOKES.
Mr. EILBERG in two instances.
Mr. TEAGUE in two instances.
Mr. HELSTOSKI in four instances.
Mr. JAMES V. STANTON in two instances.
Mr. CLAY in 10 instances.
Mr. RANGEL.
Mr. SOLARZ in two instances.
Mr. BINGHAM.
Mr. KOCH in five instances.
Mr. HARRINGTON.
Mr. UDALL.
Mr. THOMPSON.
Mr. STARK.
Mr. JACOBS.
Mr. VANIK in three instances.
Mr. ROONEY.
Mr. BONKER.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1517. An act to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes.

ADJOURNMENT

Mr. WEAVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 38 minutes p.m.), the House adjourned until tomorrow, Wednesday, November 19, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2069. A letter from the Chairman, Commodity Futures Trading Commission, transmitting the first report on the activities of the Commission, covering the period since its formation on April 21, 1975, pursuant to section 8 of the Commodity Exchange Act, as amended (88 Stat. 1392); to the Committee on Agriculture.

2070. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriations to the Veterans' Administration for "Compensation and Pensions," "Readjustment Benefits," "Medical Care," "Medical and Prosthetic Research," "Medical Administration and Miscellaneous Operating Expenses," and "General Operating Expenses" have been apportioned on a basis which indicates a necessity for supplemental appropriations, pursuant to section 3679(e)(2) of the Revised Statutes; to the Committee on Appropriations.

2071. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 1-65, "To amend publication of sample ballots requirements; and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

2072. A letter from the Director, Defense Security Assistance Agency, transmitting quarterly reports on foreign military sales direct credit and guaranty agreements, pursuant to sections 36(a) (3) and (4) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

2073. A letter from the Adjutant General, Veterans of Foreign Wars of the United States, transmitting a report on the audit of the books of the Quartermaster General of the VFW for the year ended August 31, 1975, pursuant to section 3 of Public Law 83-504; to the Committee on the Judiciary.

2074. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Federal Building and U.S. Courthouse, Market and 4th Streets, Camden, N.J., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2075. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the John W. McCormack Post Office and Courthouse Building, Boston, Mass., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2076. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing alterations at the Central Intelligence Agency Building, McLean, Va., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2077. A letter from the Acting Administrator of General Services, transmitting an amendment to the approved prospectus for the Winder Building, Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2078. A letter from the National Adjutant, Disabled American Veterans, transmitting the report of the proceedings of the organization's 54th annual convention, including a report of receipts and expenditures as of December 31, 1974, pursuant to 44 U.S.C. 1332 and section 3 of Public Law 88-504 (H. Doc. No. 94-310); to the Committee on Veterans' Affairs and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAYS of Ohio: Committee on International Relations. H.R. 6949. A bill to make the film "Wilma Rudolph Olympic Champion," which was produced by the U.S. Information Agency, available for certain limited use within the United States in conjunction with promotion of the 1976 Olympic Games.

(Rept. No. 94-671). Referred to the Committee of the Whole House on the state of the Union.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 869. Resolution providing for the consideration of H.R. 30. A bill to establish the Hells Canyon National Recreation Area in the States of Oregon, Idaho, and Washington, and for other purposes.

(Rept. No. 94-672). Ordered to be printed.

Mr. REUSS: Committee of conference. Conference report on S. 1537 (Rept. No. 94-673). Ordered to be printed.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 870. Resolution providing for the consideration of H.R. 8578. A bill to amend the Community Services Act of 1974 to increase the Federal share of financial assistance to community action agencies (Rept. No. 94-674). Referred to the House Calendar.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 871. Resolution providing for the consideration of H.R. 8631. A bill to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes (Rept. No. 94-675). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BINGHAM (for himself, Mr. BAUCUS, Mr. ROSENTHAL, Mr. TSONGAS, and Mr. JOHN L. BURTON):

H.R. 10794. A bill amending the Trading With the Enemy Act to repeal the embargo on U.S. trade with North and South Vietnam; to the Committee on International Relations.

By Mr. BOLLING (for himself, Mr. LONG of Louisiana, Mr. MOAKLEY, Mr. MURPHY of Illinois, Mr. PEPPER, and Mr. SISK):

H.R. 10795. A bill to establish rules and procedures for the congressional review (and possible disapproval) of biennial balanced economic growth plans, and for other purposes; to the Committee on Rules.

By Mr. DON H. CLAUSEN:

H.R. 10796. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. CORNELL (for himself and Mr. Edgar):

H.R. 10797 A bill to amend the Higher Education Act of 1965 to extend the veterans cost-of-instruction payments program, and for other purposes; jointly to the Committees on Education and Labor, and Veterans' Affairs.

By Mr. FAUNTROY (for himself, Mr. Badillo, Mr. Conte, Mr. Fisher, and Mr. Simon):

H.R. 10798. A bill to extend as an emergency measure for 1 year the District of Columbia Medical and Dental Manpower Act of 1970; to the Committee on the District of Columbia.

By Mr. KASTENMEIER (for himself, Mr. Danielson, Mr. Drinan, Mr. Badillo, Mr Pattison of New York, Mr. Railsback, and Mr. Wiggins):

H.R. 10799. A bill to amend title 10 of the Economic Opportunity Act of 1964; to the Committee on Education and Labor.

By Mr. KASTENMEIER (for himself and Mr. Young of Georgia):

H.R. 10800. A bill to amend title 18 of the United States Code to provide a code of accountability and liability for Government officials engaged in making and implementing national security policy; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mrs. Burke of California, Mr. Gude, Mr. Leggett, Mr. Mitchell of Maryland, Mr. Nix, Mrs. Schroeder, and Ms. Holtzman):

H.R. 10801. A bill to amend certain provisions of the Controlled Substances Act relating to marihuana; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Ms. Abzug, Mr. Badillo, Mr. Carney, Mrs. Chisholm, Mr. Conyers, Mr. Diggs, Mr. Edgar, Mr. Fraser, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Helstoski, Ms. Holtzman, and Mr. McHugh):

H.R. 10802. A bill to amend part B of title IV of the Social Security Act to provide, as the primary form in which services are to be furnished under the child-welfare services program, for supportive day treatment and in-home services to children and families; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Mitchell of Maryland, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Pattison of New York, Mr. Pepper, Mr. Rangel, Mr. Richmond, Mr. Rodino, Mr. Rosenthal, Mr. Roybal, Mr. Scheuer, Mr. Waxman, and Mr. Won Pat):

H.R. 10803. A bill to amend part B of title IV of the Social Security Act to provide, as the primary form in which services are to be furnished under the child-welfare services program, for supportive day treatment and in-home services to children and families; to the Committee on Ways and Means.

By Mr. LLOYD of California (for himself, Mr. D'Amours, Mr. Derwinski, Mr. Eshleman, Mr. Jacobs, Mr. Lott, Mr. Lujan, Mr. Mottl, Mr. Risenhoover, Mr. Rousselot, Mr. Russo, Mr. Whitehurst, and Mr. Charles H. Wilson of California):

H.R. 10804. A bill to abolish certain Federal regulatory agencies and to bring about the abolition of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; jointly to the Committees on Government Operations, and Rules.

By Mr. NOWAK (for himself and Mr. Dominick V. Daniels):

H.R. 10805. A bill to amend the Bankruptcy Act to provide emergency relief under certain circumstances to political subdivisions who are creditors of railroads; to the Committee on the Judiciary.

By Mr. PATTERSON of California:

H.R. 10806. A bill to amend the Flood Disaster Protection Act of 1973 with regard to the amount of insurance required on buildings and mobile homes which are in areas having special flood hazards; to the Committee on Public Works and Transportation.

By Mr. VAN DEERLIN (for himself, Mr. Eckhardt, Mr. Metcalfe, and Mr. Scheuer):

H.R. 10807. A bill to amend the Motor Vehicle Information and Cost Savings Act to authorize appropriations, to provide authority for enforcing prohibitions against motor vehicle odometer tampering, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CORMAN:

H.R. 10808. A bill to amend section 1110 of the Social Security Act to provide specific authorization for the conduct (by the Social and Rehabilitation Service in the Department of Health, Education, and Welfare) of cooperative international research and demonstration projects in social welfare; to the Committee on Ways and Means.

By Mr. LITTON:

H.R. 10809. A bill to reduce the payments by the United States to the United Nations, and for other purposes; to the Committee on International Relations.

H.R. 10810. A bill to amend title 39, United States Code, to require certain mail collection services with respect to permanent residential addresses receiving door delivery; to the Committee on Post Office and Civil Service.

By Mr. NICHOLS:

H.R. 10811. A bill to provide that the reservoir formed by the lock and dam referred to as the Jones Bluff Lock and Dam on the Alabama River, Ala., shall hereafter be known as the R. E. Bob Woodruff Reservoir; to the Committee on Public Works and Transportation.

By Mr. KEMP (for himself, Mr. Addabbo, Mr. Brown of Ohio, Mr. Brown of Michigan, Mr. Derwinski, Mr. Dickinson, Mr. Eshleman, Mrs. Holt, Mr. Hyde, Mr. Pattison of New York, Mr. Robinson, Mr. Rooney, Mr. Rousselot, Mr. Vander Jagt, and Mr. Walsh):

H.J. Res. 729. Joint resolution to clarify and reaffirm Government purchasing policies; to the Committee on Government Operations.

By Mr. ROE:

H.J. Res. 730. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Day; to the Committee on Post Office and Civil Service.

By Mr. STUCKEY (for himself, Mr. Bevill, Mr. Bowen, Mr. Flynt, Mrs. Keys, Mr. Nedzi, Mr. Pattison of New York, Mr. Butler, Mr. Cederberg, Mr. Cochran, Mr. Guyer, Mr. Hutchinson, Mr. Hyde, Mr. Johnson of Pennsylvania, Mr. Lott, Mr. Myers of Indiana, Mr. Sebelius, Mr. Shriver, Mr. Skubitz, Mr. Symms, Mr. Walsh, Mr. Whitehurst and Mr. Winn):

H. Con. Res. 483. Concurrent resolution relating to the authority of the Federal Trade Commission to prescribe rules preempting State and local laws; to the Committee on Interstate and Foreign Commerce.

By Mr. STUCKEY (for himself, Mr. Waggonner, Mr. Ginn, Mr. Florio, Mr. Grassley, Mr. Milford, and Mr. Armstrong):

H. Con. Res. 484. Concurrent resolution relating to the authority of the Federal Trade Commission to prescribe rules preempting State and local laws; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mr. FISHER introduced a bill (H.R. 10812) for the relief of Gloria Alvarado, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of the rule XXII.

308. The SPEAKER presented a petition of Leo E. Kerner, Jr., mayor, Village of Jean Lafitte, La., relative to the authority of the Army Corps of Engineers; to the Committee on Public Works and Transportation.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 10612

By Ms. ABZUG:

Page 343, line 20, through page 358, line 11: strike out section 1212.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of October 31, 1975 (page 34595):

H.R. 9700. September 18, 1975. Agriculture. Transfers all functions and duties of the Federal Crop Insurance Corporation and the Secretary of Agriculture under the Federal Crop Insurance Act to the Federal Commodity Insurance Corporation. Extends appropriations to allow such corporation to insure commodities against loss due to unavoidable causes.

H.R. 9701. September 18, 1975. Ways and Means, Amends the Internal Revenue Code and the Highway Revenue Act of 1956 to extend the taxes on certain fuels and automotive items through fiscal year 1992.

H.R. 9702. September 18, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a deduction the ordinary and necessary expenses paid during the taxable year for the repair or improvement of property used by the taxpayer as his principal residence. Permits an owner of rental property as an option to amortize expenditures for the restoration of rental housing.

H.R. 9703. September 18 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9704. September 18, 1975. Judiciary. Declares the English language requirement for United States citizenship under the Immigration and Nationality Act inapplicable to a certain individual.

H.R. 9705. September 19, 1975. Banking, Currency and Housing. Amends the National Housing Act to increase the maximum loan amounts for the purchase of mobile homes.

Sets forth the maximum project capital grant and maximum local grants-in-aid for Project No. Mass. R–107.

H.R. 9706. September 19, 1975. Education and Labor. Limits to 5 years the period in which State and local educational agencies may be held accountable to the Federal Government for the use of equipment purchased with funds from programs administered by the Office of Education.

H.R. 9707. September 19, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to further define the term "navigable waters" as it applies to the issuance of permits for dredged or fill materials by the Corps of Engineers.

Authorizes waiver of requirements for review and approval of certain activities in or on United States waters by the Secretary of the Army and the Chief of Engineers.

H.R. 9708. September 19, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to authorize exemptions to certain interstate pipeline suppliers of natural gas to high priority consumers on a temporary basis. Removes controls on certain sales of natural gas produced by independent producers until June 30, 1976.

Amends the Energy Supply and Environmental Coordination Act of 1974 to authorize the Federal Energy Administrator to prohibit the burning of natural gas where adequate alternatives are available.

Grants standby authority to the President to allocate propane during natural gas shortages.

H.R. 9709. September 19, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to direct the Federal Power Commission to exempt certain sales of natural gas from regulation. Removes Federal controls on certain activities relating to the sale of natural gas produced by independent producers on non-Federal lands. Authorizes the Commission to issue certificates of public convenience and necessity for the transportation of such natural gas to certain high-priority areas of consumption where a shortage of natural gas exists.

H.R. 9710. September 19, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to authorize the Federal Power Commission to make certain sales of natural gas exempt from the provisions of such Act.

H.R. 9711. September 19, 1975. Education and Labor. Amends the Comprehensive Employment and Training Act of 1974 to prohibit the use of allocated funds under provisions of the Act for payment of allowances or compensation to persons convicted of draft evasion or desertion.

H.R. 9712. September 19, 1975. Judiciary. Establishes a Federal minimum death benefit to be paid to eligible survivors of Federal, State, or local law enforcement, corrections, and firefighting personnel.

H.R. 9713. September 19, 1975. Agriculture. Amends the Food Stamp Act of 1964 to stipulate that the present in a household of an otherwise able-bodied adult person shall not make such household ineligible for food stamps if such person is or has been mentally ill and is regularly participating in a treatment and rehabilitation program.

H.R. 9714. September 19, 1975. Veterans' Affairs. Extends the maximum period of eligibility for veterans' educational benefits from 36 to 45 months. Entitles veterans to 2½ months of educational benefits for each month of service on active duty.

H.R. 9715. September 19, 1975. Education and Labor. Amends the Occupational Safety and Health Act of 1970 by directing the Secretary of Labor to (1) render on-site consultation and advice to any employer, upon the request of such employer, concerning compliance with the Act; and (2) establish programs for the education and training of employers and employees concerning hazards in particular industries.

H.R. 9716. September 19, 1975. Merchant Marine and Fisheries. Directs the Secretary of Commerce to establish fishing vessel safety and health standards. Establishes a program of certification of compliance with such standards. Establishes a program of loan guarantees for owners of commercial fishing vessels in order to meet safety and health standards.

Declares absolute liability on the part of employers for injury or death suffered by employees while on board a commercial fishing vessel. Establishes a program of fishermen's benefits for death, disability, and illness.

H.R. 9717. September 19, 1975. Public Works and Transportation. Terminates the authorization for the Tocks Island Reservoir project in New Jersey, New York, and Pennsylvania. Requires that property acquired by the Secretary of the Army pursuant to such authorization be transferred to the Secretary of Interior.

H.R. 9718. September 19, 1975. Judiciary; Rules. Amends the Administrative Procedures Act to stipulate that certain rules proposed by Federal agencies shall take effect only if, after a certain period of time, either House of Congress does not pass a resolution disapproving such proposed rule. Establishes procedures for exercising Congressional disapproval of such proposed rules.

H.R. 9719. September 19, 1975. Interior and Insular Affairs. Allows States or localities to elect to receive payments from the Secretary of the Interior based on the amount of certain public lands within the boundaries of such governmental units in lieu of the sum of amounts made available to the States and localities under various provisions of law governing such public lands.

H.R. 9720. September 19, 1975. Post Office and Civil Service. Prohibits civil service disciplinary action in the case of a civil service employee who refuses to comply with directives to report as directed for the service of State or local process in connection with State or local tax claims against such employee.

H.R. 9721. September 19, 1975. Banking, Currency and Housing. Authorizes the United States Governor of the Inter-American Development Bank to vote for certain resolutions involving stock and resources of the Bank.

Increases appropriations for United States stock subscriptions and resource participation in the Bank.

Authorizes the United States Governor of the Bank to vote for certain resolutions involving inter-regional capital stock of the Bank, admission of non-regional members, and membership of the Bahamas and Guyana.

Authorizes the President to accept participation for the United States in the African Development Fund.

H.R. 9722. September 19, 1975. Interstate and Foreign Commerce. Amends the Controlled Substances Act to establish specific penalties for anyone who robs any pharmacy of any narcotic or other controlled substance and for any assault or killing which occurs in the course of such robbery.

H.R. 9723. September 19, 1975. Science and Technology. Amends the Federal Nonnuclear Energy Research and Development Act of 1974 to establish a program of Federal loan guarantees through the Administrator of the Energy Research and Development Administration for the demonstration of innovative technologies for the conversion of fossil fuels to synthetic fuels on a full-scale commercial basis.

H.R. 9724. September 19, 1975. Science and Technology; Interior and Insular Affairs. Directs the Secretary of the Interior to establish a program of energy research and development and resource assessment for the exploration of oil and gas on the Outer Continental Shelf. Establishes additional programs of research, development, and demonstration within various Federal agencies to be conducted in cooperation with the Secretary of the Interior.

H.R. 9725. September 19, 1975. Interior and Insular Affairs. Regulates surface coal mining operations through a permit program administered by the Secretary of the Interior. Requires applicants to meet minimum environmental protection performance standards. Allows States to establish surface mining control programs at least as stringent as minimum Federal standards.

Includes provisions to fund mineral resources research programs and to provide for reclamation of abandoned mine sites.

H.R. 9726. September 19, 1975. Ways and Means. Amends the Social Security Act to reduce the length of time a divorced woman's marriage to an individual covered under Old-Age, Survivors' and Disability Insurance must have lasted in order for her to qualify for wife's or widow's benefits on his wage record.

H.R. 9727. September 19, 1975. Ways and Means. Amends the Social Security Act to increase the amount of outside earnings permitted each year without reduction in Old-Age, Survivors and Disability Insurance benefits.

H.R. 9728. September 19, 1975. Ways and Means. Amends the Internal Revenue Code to allow certain individuals sixty-five years of age and over or who are disabled a limited credit against income tax for the amount of real property taxes paid or accrued or the amount of rent constituting real property taxes paid during the taxable year.

H.R. 9729. September 19, 1975. Judiciary: Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulations of Lobbying Act.

H.R. 9730. September 19, 1975. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to stipulate that recently enacted authorizations of salary increases for Senators and Representatives be limited only to adjustments taking place in 1975.

H.R. 9731. September 19, 1975. Ways and Means. Amends the Social Security Act to specify certain minimum staff-to-child ratios to be included by the Secretary of Health, Education, and Welfare when imposing staffing standards for day care centers.

H.R. 9732. September 19, 1975. Ways and Means. Amends the Social Security Act to specify certain minimum staff-to-child ratios to be included by the Secretary of Health, Education, and Welfare when imposing staffing standards for day care centers.

H.R. 9733. September 19, 1975. Judiciary; Merchant Marine and Fisheries. Amends the Outer Continental Shelf Lands Act to authorize disposition of certain revenues from leases on the Outer Continental Shelf to affected coastal States.

H.R. 9734. September 19, 1975. Small Business. Amends the Small Business Act to revise the eligibility requirements for small business home-building firms for assistance under the Act. Stipulates that determinations by the Small Business Administration of the reasonable assurance of repayment of prospective loans shall be made on a case-by-case basis.

H.R. 9735. September 19, 1975. Ways and Means. Amends the Internal Revenue Code to declare all income tax returns to be confidential, and prohibits the disclosure or inspection of such returns unless specifically authorized by this Act.

H.R. 9736. September 19, 1975. Ways and Means. Amends the Internal Revenue Code to exempt from the tax on trusts and estates a trust created and maintained exclusively for the purpose of providing care for a member of the grantor's immediate family who is mentally incapable of caring for himself.

H.R. 9737. September 19, 1975. Ways and Means. Directs the Secretary of Labor to make unemployment compensation payments to States for individuals who become unemployed as a result of the inability of the employer to obtain adequate supplies of natural gas.

H.R. 9738. September 19, 1975. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress.

H.R. 9739. September 19, 1975. Post Office and Civil Service. Repeals recently enacted authorizations of pay increases in the salaries of Senators and Representatives.

H.R. 9740. September 19, 1975. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to stipulate that recently enacted authorizations of salary increases for Senators and Representatives be limited only to adjustments taking place in 1975.

H.R. 9741. September 19, 1975. Ways and Means. Amends the Internal Revenue Code to exempt cooperative housing corporations, condominium management associations, and residential real estate management associations from taxation on certain types of income.

H.R. 9742. September 19, 1975. Banking, Currency and Housing. Amends the definitions, under the Federal Deposit Insurance Act, of "deposit," "branch," and "affiliate." Revises certain regulations pertaining to insured banks with respect to (1) acquisition of banks organized under laws other than those of the United States; (2) reports of condition; (3) termination of insured status; (4) assumption of liabilities; and (5) insurance of real estate of an insured bank.

Amends the Bank Service Corporation Act to impose Federal regulation upon bank services contracted to another entity by an insured bank.

Redefines the class of persons liable for criminal penalties for misconduct in connection with the Federal Deposit Insurance Corporation.

H.R. 9743. September 19, 1975. Banking, Currency and Housing. Permits the Federal Reserve Board to assess civil penalties for violations of the Federal Reserve Act. Prohibits extensions of credit by a member bank to persons with interests in such bank.

Allows the Federal Reserve Board (1) to terminate activities of a bank holding company engaged in unsound banking practices; and (2) to assess civil penalties for violations of the Bank Holding Company Act of 1956.

Authorizes the Federal Reserve Board to issue cease-and-desist orders to any bank under the Federal Deposit Insurance Act for unsound business practices.

H.R. 9744. September 19, 1975. Education and Labor. Amends the Occupational Safety and Health Act of 1970 by authorizing the Secretary of Labor to make loans to any unit of general local government to assist such government in complying with occupational safety and health standards required by an approved State plan.

H.R. 9745. September 19, 1975. Banking, Currency and Housing. Directs the Secretary of the Treasury to coin and issue a two-cent piece emblematic of the Bicentennial of the American Revolution.

H.R. 9746. September 19, 1975. Ways and Means. Amends the Social Security Act with respect to Old-Age, Survivors, and Disability Insurance by directing the Secretary of Health, Education, and Welfare to establish procedures for expediting (1) replacement of lost, stolen or misdelivered benefit checks; (2) initial benefit payments; (3) hearings on eligibility; and (4) final determinations of eligibility.

H.R. 9747. September 19, 1975. Interior and Insular Affairs. Revises the Act establishing the Big Thicket National Preserve in Texas to provide for an orderly transfer of all right and title to real property in the designated area.

H.R. 9748. September 19, 1975. Government Operations. Sets forth guidelines to be followed in the classification of material as "Defense Data" for purposes of determining whether its dissemination must be limited in the interest of national defense.

H.R. 9749. September 19, 1975. Science and Technology. Amends the Federal Nonnuclear Energy Research and Development Act of 1974 to establish a program of Federal loan guarantees through the Administrator of the Energy Research and Development Administration for the demonstration of innovative technologies for the conversion of fossil fuels to synthetic fuels on a full-scale commercial basis.

H.R. 9750. September 19, 1975. Ways and Means. Amends the Social Security Act to postpone the application of certain Federal standards governing the provision of child day care services.

H.R. 9751. September 19, 1975. Public Works and Transportation. Amends the Noise Control Act of 1972 and the Federal Aviation Act of 1958 to transfer responsibility for preparation of standards for the control and abatement of aircraft noise and sonic boom to the Environmental Protection Agency, after consultation with the Secretary of Transportation and Federal Aviation Administration.

H.R. 9752. September 22, 1975. Interstate and Foreign Commerce. Amends the Social Security Act to stipulate that all future social security benefit increases shall be disregarded in determining the eligibility of an individual for medical assistance, or the status or extent of coverage of an individual under the medicaid program.

H.R. 9753. September 22, 1975. Ways and Means. Amends the Social Security Act to establish a guaranteed minimum annual income for all residents of the United States who are age 60 or over.

H.R. 9754. September 22, 1975. Post Office and Civil Service. States that it is the policy of Congress that Federal employees be encouraged to voluntarily participate in political process. Sets forth guidelines for such participation. Establishes a Board on Political Activities of Federal Employees to hear and decide alleged violations of the guidelines set forth in this Act.

H.R. 9755. September 22, 1975. Interstate and Foreign Commerce. Authorizes the President or his delegate, the Federal Power Commission, and the Federal Energy Administration to provide necessary supplies of natural gas to high priority consumers on an emergency basis until June 30, 1977. Amends the Natural Gas Act to authorize exemptions from various regulatory provisions for such emergency transactions.

Amends the Energy Supply and Environmental Coordination Act to authorize the Federal Power Commission to prohibit the use of natural gas as boiler fuel by major fuel burning installations if adequate alternatives are available.

Grants standby authority to the President to allocate propane during natural gas shortages.

H.R. 9756. September 22, 1975. Ways and Means. Amends the Social Security Act to remove the limitation upon the amount of outside income which an individual may earn while receiving Old-Age, Survivors, and Disability Insurance benefits.

H.R. 9757. September 22, 1975. Education and Labor. Establishes in the Department of Labor a Construction Industry Collective Bargaining Committee having jurisdiction over, and the power to resolve, labor disputes within the construction industry which may occur between the parties to a collective bargaining agreement.

H.R. 9758. September 22, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to extend various authorization provisions of such Act through fiscal year 1977.

Authorizes approval of waste treatment user charge systems based upon ad valorem taxation by the Administrator of the Environmental Protection Agency. Extends Federal reimbursement for advanced construction to publicly owned treatment works on which construction began between July 1, 1972, and June 30, 1973, inclusive.

Allows the Administrator to accept state certification as discharging his responsibilities under certain provisions of the Act. Authorizes extensions for certain compliance deadlines contained in the Act by the Administrator within prescribed limits.

H.R. 9759. September 22, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to extend various authorization provisions of such Act through fiscal year 1977.

Authorizes approval of waste treatment user charge systems based upon ad valorem taxation by the Administrator of the Environmental Protection Agency. Extends Federal reimbursement for advanced construction to publicly owned treatment works on which construction began between July 1, 1972, and June 30, 1973, inclusive.

Allows the Administrator to accept state certification as discharging his responsibilities under certain provisions of the Act. Authorizes extensions for certain compliance deadlines contained in the Act by the Administrator within prescribed limits.

H.R. 9760. September 22, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income the value of legal services provided under a legal service plan maintained by an employer or any amounts paid under a legal services plan maintained by an employer for the benefit of employees.

H.R. 9761. September 22, 1975. Judiciary. Prohibits employees of the United States from engaging in specified national security crimes. Imposes penalties for the commission of such crimes.

Establishes as independent office to be known as the Legal Office of National Security Affairs to be directed by the National Security Solicitor for the purpose of enforcing the prohibitions specified in this Act.

H.R. 9762. September 22, 1975. Education and Labor. Amends the Higher Education Act to authorize eligible lenders of federally insured student loans to permit endorsement of the note or other written agreement which evidences the loan which the Commissioner of Education shall insure.

H.R. 9763. September 22, 1975. Judiciary. Amends the Gun Control Act of 1968 with respect to the licensing and recordkeeping of handgun dealers.

Prohibits the importation, manufacture, sale, transfer, or modification of handguns meeting certain specifications. Prohibits multiple handgun sales. Regulates secondary handgun sales, imitation of firearms, serial number identification, and firearm transport by mail.

Establishes a Federal Handgun Owner's Identification Card system. Sets forth national and state handgun registration standards.

Creates a Federal Firearms Enforcement Policy Coordinating Council. Authorizes the Administrator of the Law Enforcement Assistance Administration to make grants for the development of State firearms misuse prevention systems.

H.R. 9764. September 22, 1975. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to prohibit Members of Congress from receiving any pay increase during the session of Congress unless such increase is to take effect not earlier than the first day of the next Congress.

H.R. 9765. September 22, 1975. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to prohibit Members of Congress from receiving any pay increase during a session of Congress unless such increase is to take effect not earlier than the first day of the next Congress.

H.R. 9766. September 22, 1975. Post Office and Civil Service. Abolishes the United States Postal Service. Repeals the Postal Reorganization Act. Reenacts former legislation relating to postal services. Reestablishes the Post Office Department as an executive department of the Federal Government.

H.R. 9767. September 22, 1975. Armed Services. Authorizes the Board of Commissioners of the United States Soldiers' and Airmen's Home to collect a fee from the members of the Home. Increases the deductions from the pay of armed forces enlisted men and warrant officers and appropriates nonjudicial forfeitures under the Uniform Code of Military Justice, for support of the Home.

H.R. 9768. September 22, 1975. Armed Services. Authorizes the Secretary of the Army and the Secretary of the Air Force to prescribe the frequency of inspections of the Army National Guard and the Air National Guard, respectively.

H.R. 9769. September 22, 1975. Armed Services. Authorizes eligible persons to receive health benefits under contracts entered into by the Secretary of Defense without regard to such persons' eligibility for compensation for service-connected disabilities or death from the Veterans' Administration.

H.R. 9770. September 22, 1975. Ways and Means. Amends the Tariff Schedules of the United States to reduce the import duty on vanadium pentoxide (anhydride) to 6 percent for a two-year period.

H.R. 9771. September 22, 1975. Public Works and Transportation. Amends the Airport and Airway Development Act of 1970 with respect to the National Airport System Plan, the distribution of funds, project approval, the Federal share of costs, and future obligations of the Federal sector.

H.R. 9772. September 22, 1975. Public Works and Transportation. Amends the Airport and Airway Development Act of 1970 with respect to the National Airport System Plan, the distribution of funds, project approval, the Federal share of costs, and future obligations of the Federal sector.

H.R. 9773. September 22, 1975. Education and Labor. Amends the Federal Coal Mine Health and Safety Act of 1969 by: (1) transferring to the Secretary of Labor the responsibility for administering those provisions of the Act currently administered by the Secretary of the Interior; (2) making the Act applicable to all mines and mining operations; and (3) revising procedures for promulgating and enforcing mine health and safety standards.

Repeals the Federal Metal and Nonmetallic Mine Safety Act of 1966.

H.R. 9774. September 22, 1975. Education and Labor. Amends the Federal Coal Mine Health and Safety Act of 1969 by (1) revising the procedures and eligibility standards for receiving black lung disability benefits; (2) creating a Black Lung Disability Insurance Fund and requiring coal mine operators to pay premiums into such fund; (3) transferring certain functions under the Act from the Secretary of Health, Education, and Welfare to the Secretary of Labor; and (4) revising the name, membership, and responsibilities of the committee on coal mine health research.

H.R. 9775. September 22, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9776. September 23, 1975. Education and Labor. Directs the Commissioner of Education to increase the local contribution rate for a local educational agency having property of insufficient assessed valuation to generate revenue from a reasonable tax levy necessary to provide a level of education for all children of such agency equivalent to that maintained in the school districts of the State which are generally comparable to the school district of such agency in order to provide such a comparable level of education for such local educational agency.

H.R. 9777. September 23, 1975. Interstate and Foreign Commerce; Ways and Means. Amends the Emergency Petroleum Allocation Act of 1973 to establish a program of phased decontrol of crude oil prices. Imposes a tax on the deregulation profits derived from domestic crude oil. Allows a credit against the tax for profits re-invested in the continued exploration and development of crude oil resources. Establishes limitations on the amount of such plowback investments to be utilized as a tax credit.

H.R. 9778. September 23, 1975. Post Office and Civil Service. States that it is the policy of Congress that Federal employees be encouraged to voluntarily participate in political process. Sets forth guidelines for such participation. Establishes a Board on Political Activities of Federal Employees to hear and decide alleged violations of the guidelines set forth in this Act.

H.R. 9779. September 23, 1975. Ways and Means. Amends the Social Security Act by entitling an Old-Age, Survivors, and Disability Insurance claimant to a reconsideration of the initial decision concerning such claimant's eligibility for benefits.

Allows such claimant to request a hearing on the reconsideration determination. Requires that such a hearing be presided over by an administrative law judge and conducted on the record.

H.R. 9780. September 23, 1975. Judiciary. Prohibits the importation, manufacture, sale, purchase, transfer, receipt, possession or transportation of handguns and handgun ammunition except as authorized by the Secretary of the Treasury or for use by the United States, and law enforcement officials.

Amends the Internal Revenue Code to allow a tax credit to an individual for the voluntary transfer of a handgun to a law enforcement agency.

H.R. 9781. September 23, 1975. Merchant Marine and Fisheries. Revises existing laws relating to the management of the National Wildlife Refuge System. Establishes a Bureau of National Wildlife Refuges in the Department of the Interior.

Establishes a system of classification of component units within the National Wildlife Refuge System. Designates certain lands in Alaska for inclusion in the system as national wildlife refuges or wildlands.

H.R. 9782. September 23, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to extend Federal reimbursement for advanced construction to those publicly owned treatment works on which construction was initiated between July 1, 1972, and June 30, 1975, inclusive. Authorizes additional appropriations for reimbursement to States for advanced construction of such treatment works.

H.R. 9783. September 23, 1975. Judiciary. Prescribes the death penalty for any person who murders the President of the United States.

H.R. 9784. September 23, 1975. Interstate and Foreign Commerce. Directs the Secretary of the Interior to establish a fossil fuel rail banks to preserve railroad facilities in areas in which fossil fuel natural resources are located.

H.R. 9785. September 23, 1975. Public Works and Transportation. Amends the Airport and Airway Development Act of 1970 with respect to the National Airport System Plan, the distribution of funds, project approval, the Federal share of costs, and future obligations of the Federal sector.

H.R. 9786. September 23, 1976. Agriculture. Specifies the authority of the Secretary of Agriculture to act in concert with State authorities or authorities from certain foreign nations to eradicate, suppress, control, and prevent or retard the spread of plant pests.

H.R. 9787. September 23, 1975. Judiciary. Prescribes the death penalty for any person who murders or attempts to murder the President of the United States.

H.R. 9788. September 23, 1975. Veterans' Affairs. Specifies that recipients of veterans pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 9789. September 23, 1975. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate a segment of the New River in North Carolina as a component of the National Wild and Scenic Rivers System. Stipulates that requirements with respect to boundaries, classification of segments, and development planning shall be satisfied by actions taken by the State of North Carolina rather than appropriate Federal agencies.

H.R. 9790. September 23, 1975. Post Office and Civil Service. Authorizes appropriations through September 30, 1979, to reimburse the Postal Service for effective and regular postal services with certain delivery requirements.

Amends the Postal Reorganization Act with respect to the composition and administration of the Postal Rate Commission, and procedures for changes in postal rates and classes.

Establishes the Commission on Postal Service to study the public service aspects of the Postal Service with respect to cost estimates, appropriations support, rate increases, ratemaking procedures, and definition of services.

H.R. 9791. September 23, 1975. Ways and Means. Amends the Social Security Act to increase the primary insurance amount under the Old-Age, Survivors', and Disability Insurance program.

H.R. 9792. September 23, 1975. Ways and Means. Amends the Social Security Act to revise certain eligibility requirements for Old-Age, Survivors', and Disability Insurance benefits. Authorizes (1) payment of full OASDI benefits to disabled wives, husbands, widows and widowers without regard to age; (2) OASDI benefits for essential spouses of disability beneficiaries without regard to age or children in care; (3) payment of child's insurance benefits based on the wage record of a supporting relative in certain cases; and (4) computation of a married couple's benefits based on their combined earnings record. Repeals certain earnings tests used in reducing OASDI benefits.

H.R. 9793. September 23, 1975. Ways and Means. Amends the Social Security Act by eliminating the waiting period for medicare coverage in the case of certain disabled individuals under age 65 who are applying for re-enlistment to such coverage.

H.R. 9794. September 23, 1975. Standards of Official Conduct. Requires all Congressional offices to maintain a public register in which each lobbyist making a contact with such Member of Congress shall be required to report the date of the contact, the name of the lobbyist and his organization, and the views which are being promoted.

H.R. 9795. September 23, 1975. Education and Labor. Amends the Federal Coal Mine Health and Safety Act of 1969 by (1) revising the procedures and eligibility standards for receiving black lung disability benefits; (2) creating a Black Lung Disability Insurance Fund and requiring coal mine operators to pay premiums into such fund; (3) transferring certain functions under the Act from the Secretary of Health, Education, and Welfare to the Secretary of Labor; and (4) revising the name, membership, and responsibilities of the committee on coal mine health research.

H.R. 9796. September 23, 1975. Post Office and Civil Service. Limits the 1975 cost-of-living adjustment for Federal executive salaries to annual rate increase of five percent.

H.R. 9797. September 23, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from a taxpayer's capital assets property used in, or related to, his trade or business, which was provided to, or acquired by, him at no cost to him.

H.R. 9798. September 23, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from a taxpayer's capital assets property used in, or related to, his trade or business, which was provided to, or acquired by, him at no cost to him.

H.R. 9799. September 23, 1975. Interior and Insular Affairs. Prohibits mining activities within any area of the National Park System. Repeals certain existing provisions which permit mining in specified national parks, monuments, and memorials.

H.R. 9800. September 23, 1975. Interior and Insular Affairs. Regulates surface coal mining operations through a permit program administered by the Secretary of the Interior. Requires applicants to meet minimum environmental protection performance standards. Allows States to establish surface mining control programs at least as stringent as minimum Federal standards.

Includes provisions to fund mineral resources research programs and to provide for reclamation of abandoned mine sites.

H.R. 9801. September 23, 1974. Judiciary; Rules. Requires that whenever any officer or agency of the executive branch of the Federal Government proposes to prescribe certain rules and regulations or to make changes in rules or regulations, such proposals must be submitted to each House of Congress with a report containing a full explanation thereof. Stipulates that such rule, regulation, or change shall become effective unless either House of Congress disapproves the same within 60 days.

H.R. 9802. September 23, 1975. Interstate and Foreign Commerce; Public Works and Transportation; Ways and Means. Amends Interstate Commerce Commission procedures regarding the Rail Services Planning Office. Alters procedures with respect to (1) railroad ratemaking, (2) abandonment, service continuation, and administration under the Regional Rail Reorganization Act of 1973, and (3) mergers and consolidations.

Prohibits discriminatory State taxation and sets forth employee protection procedures under the Interstate Commerce Act.

Establishes the Rail Transportation Fund to assist railroads financially. Authorizes grants to stabilize railroad employment.

Imposes certain Federal excise taxes on transportation to be paid into the Federal Transportation Account. Transfers the Highway Trust Fund to such account to provide financial assistance to certain transportation programs.

H.R. 9803. September 24, 1975. Ways and Means. Amends the Social Security Act to postpone the application of certain Federal standards governing the provision of child day care services.

H.R. 9804. September 24, 1975. Ways and Means. Amends the Internal Revenue Code to direct the Secretary of the Treasury to set forth procedures for tax claims and the rights and obligations of a taxpayer during an audit.

Establishes an Office of Taxpayer Services within the Internal Revenue Service to assist taxpayers in the filing of returns.

Restricts access to tax returns filed by taxpayers.

H.R. 9805. September 24, 1975. International Relations. Sets forth regulations for the processing of grievances by Foreign Service officers, employees, or their survivors. Directs the Secretary of State to establish a board to consider and resolve such grievances.

H.R. 9806. September 24, 1975. Judiciary. Eliminates the jurisdiction of the Supreme Court and the Federal district courts to hear cases involving the construction of State statutes or regulations relating to the assignment of pupils to public schools based on race, creed, color, or sex.

H.R. 9807. September 24, 1975. Ways and Means. Revises the eligibility requirements for Disability Insurance benefits for blind persons under the Social Security Act. Revises the method of computing the primary insurance amount for blind persons under the Social Security Act.

H.R. 9808. September 24, 1975. Agriculture; Education and Labor. Authorizes the Secretary of Agriculture to make multidisciplinary research grants to land-grant colleges and State agricultural experiment stations to study the economic, sociological and other pressures under which families live today and possible ways to relieve such pressures.

H.R. 9809. September 24, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to authorize the Federal Communications Commission to grant licenses and license renewals for five year terms.

Revises the Act to allow certain appeals from orders or decisions of the Commission to be brought in the United States court of appeals for the circuit in which the broadcast facility is, or is proposed to be located.

Requires the Commission to examine its broadcast license renewal process to determine how the process can be simplified.

H.R. 9810. September 24, 1975. Agriculture. Prohibits the importation of any dairy product into the United States unless it has been inspected and found to be wholesome and unless the foreign farms and plants in which such products were produced comply with all inspection, grading and other standards prescribed by the Secretary of Agriculture.

"William S. Middleton Memorial Veterans' Affairs. Designates the Veterans' Administration hospital at Madison, Wisconsin as the "William S. Middleton Memorial Veterans' Hospital".

H.R. 9812. September 24, 1975. Ways and Means. Amends the Internal Revenue Code to prevent landlords who are on an accrual basis of accounting from deducting real property taxes before the taxable year during which the payment of such tax is made.

H.R. 9813. September 24, 1975. House Administration. Designates and adopts the flower known commonly as the apple blossom as the national flower of the United States, and requests the President to proclaim such designation and adoption.

H.R. 9814. September 24, 1975. House Administration. Authorizes and establishes procedures for public financing of primary and general election campaigns of candidates for election to Congress.

H.R. 9815. September 24, 1975. Judiciary. Requires that persons possessing firearms obtain a certificate for such firearms from the Secretary of the Treasury. Prohibits the possession of firearms by certain individuals and directs the Secretary to deny applications for certificates to such individuals. Prohibits the transfer of firearms to persons who do not possess a certificate.

Authorizes the Secretary to declare periods of amnesty to allow persons in illegal possession of firearms to surrender such firearms for reasonable compensation.

H.R. 9816. September 24, 1975. Ways and Means. Amends the Internal Revenue Code to designate the home of a State legislator for income tax purposes.

H.R. 9817. September 24, 1975. Veterans' Affairs. Requires that cost-of-living increases in monthly social security benefits, railroad retirement annuities, or public or private retirement annuities, endowments, or similar plans shall not be considered in determining the annual income of persons entitled to veterans' pensions and compensation.

H.R. 9818. September 24, 1975. Banking, Currency and Housing. Suspends sections of the Real Estate Settlement Procedures Act of 1974 which pertain to uniform settlement statements, advance disclosure of settlement costs, and disclosure of previous selling price.

H.R. 9819. September 24, 1975. Government Operations. Abolishes the Environmental Protection Agency and transfers environmental functions to various Federal departments and agencies. Directs that all regulations promulgated by the Environmental Protection Agency be reviewed by the appropriate Federal agency as designated under this Act.

H.R. 9820. September 24, 1975. Judiciary. Incorporates the National Federation of Music Clubs.

H.R. 9821. September 24, 1975. Ways and Means. Amends the Social Security Act to eliminate the prohibition against payment of aid to families with dependent children in cases where there is an unemployed father receiving unemployment compensation under State or Federal law.

H.R. 9822. September 24, 1975. Ways and Means. Amends the Internal Revenue Code to direct the Secretary of the Treasury to set forth procedures for tax claims and the rights and obligations of a taxpayer during an audit.

Establishes an Office of Taxpayer Services within the Internal Revenue Service to assist taxpayers in the filing of returns.

Restricts access to tax returns filed by taxpayers.

H.R. 9823. September 24, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from a taxpayer's capital assets property used in, or related to, his trade or business, which was provided to, or acquired by, him at no cost to him.

H.R. 9824. September 24, 1975. Interior and Insular Affairs. Prohibits mining activities within any area of the National Park System. Repeals certain existing provisions which permit mining in specified national parks, monuments, and memorials.

H.R. 9825. September 24, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to authorize the Federal Communications Commission to grant licenses and license renewals for five year terms.

Revises the Act to allow certain appeals from orders or decisions of the Commission to be brought in the United States court of appeals for the circuit in which the broadcast facility is, or is proposed to be located.

Requires the Commission to examine its broadcast license renewal process to determine how the process can be simplified.

H.R. 9826. September 24, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income a limited amount received during the taxable year as a pension or annuity or other benefit under a public retirement system or by any individual sixty-five years of age or over.

H.R. 9827. September 24, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by allowing the Secretary of Health, Education, and Welfare to establish a State as one area for which a Professional Standards Review Organization may be designated, under certain circumstances.

H.R. 9828. September 24, 1975. Public Works and Transportation. Amends the Tennessee Valley Authority Act of 1933 to increase the limitation on the amount of bonds authorized to be issued by the Tennessee Valley Authority.

H.R. 9829. September 24, 1975. Ways and Means; Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services and nursing home care under the Medicare and Medicaid programs of the Social Security Act.

Establishes a Home Health Patient Ombudsman in the Department of Health, Education, and Welfare.

Establishes procedures whereby the Secretary of the Treasury may collect debts owed by individuals to a State for certain medical assistance benefits.

Increases the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Housing Act.

H.R. 9830. September 24, 1975. Banking, Currency and Housing. Extends the authority for the flexible regulation of interest rates on deposits and share accounts in depository institutions until July 1, 1976.

Directs the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the Comptroller of the Currency to maintain the existing interest rate differential between (1) commercial banks and (2) savings banks, building, savings and loan, and homestead associations, with respect to individual retirement accounts.

H.R. 9831. September 24, 1975. Post Office and Civil Service. Prohibits Members of Congress from receiving any pay increase during a session of Congress unless such increase is to take effect not earlier than the first day of the next Congress.

H.R. 9832. September 24, 1975. Merchant Marine and Fisheries. Amends the Fish and Wildlife Act of 1956 to authorize the Secretary of Commerce to make loans to owners or operators of fishing vessels for the repair or replacement of damaged or destroyed property resulting from the actions of foreign vessels. Provides for cancellation of repayment of such loans where the destruction or damage was caused solely by the foreign vessel and not by the negligence or intentional actions of the loan recipient.

H.R. 9833. September 24, 1975. Judiciary. Prescribes the death penalty for any person who murders or attempts to murder the President of the United States. Prescribes incarceration for any term of years or for life for manslaughter or attempted manslaughter of the President of the United States.

H.R. 9834. September 24, 1975. Judiciary. Makes (1) the use of a firearm to commit any felony or (2) the carrying of any firearm in the commission of a felony. Directs that such additional sentence shall not be suspended nor probation granted.

Increases the penalties for a second or subsequent conviction of using a firearm to commit a felony or carrying a firearm during the commission of a felony.

H.R. 9835. September 24, 1975. Judiciary; Banking, Currency and Housing. Amends the Civil Rights Act of 1968 to prohibit discrimination on the basis of sex or marital status. Amends the National Housing Act to prohibit such discrimination in the extension of mortgage assistance.

H.R. 9836. September 25, 1975. Ways and Means. Amends the Internal Revenue Code to allow a divorced parent who retains custody of the child for more than one-half of the calendar year if such child is under the age of 15 or is physically or mentally incapable of caring for himself to deduct the expenses for household and dependent care services necessary for gainful employment.

H.R. 9837. September 25, 1975. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to ban the introduction or delivery for introduction into, or the transportation, selling, or receiving in interstate commerce of any animal, or food product thereof, with knowledge that the drug diethylstilbestrol has been introduced into such animal or food product.

H.R. 9838. September 25, 1975. Merchant Marine and Fisheries. Establishes a program for the management of United States fisheries, to be administered by the Secretary of Commerce. Creates seven regional Marine fisheries councils to prepare fisheries management plans.

Establishes a United States fisheries conservation and management zone extending to the territorial sea. Requires permits for fishing by foreign vessels in the fisheries zone. Establishes procedures for Congressional disapproval of certain international fisheries agreements.

H.R. 9839. September 25, 1975. Ways and Means. Directs the Secretary of Labor to provide Federal payment of State unemployment compensation benefits attributable to services performed in certain Federally funded public service jobs under the Comprehensive Employment and Training Act of 1973.

H.R. 9840. September 25, 1975. Merchant Marine and Fisheries. Establishes a program for the management of United States fisheries, to be administered by the Secretary of Commerce. Creates seven regional Marine fisheries councils to prepare fisheries management plans.

Establishes a United States fisheries conservation and management zone extending to the territorial sea. Requires permits for fishing by foreign vessels in the fisheries zone. Establishes procedures for Congressional disapproval of certain international fisheries agreements.

H.R. 9841. September 25, 1975. Judiciary. Amends the Crime Control Act of 1973 to include the Trust Territory of the Pacific Islands.

H.R. 9842. September 25, 1975. Ways and Means. Amends the Social Security Act to increase the amount of the lump-sum death payment under the Old-Age, Survivors and Disability Insurance program.

H.R. 9843. September 25, 1975. Post Office and Civil Service. Limits the 1975 cost-of-living adjustment of Federal executive salaries to 5 percent.

H.R. 9844. September 25, 1975. Judiciary. Prescribes the death penalty for any person who murders or attempts to murder the President of the United States.

Prescribes incarceration for any term of years or for life for manslaughter or attempted manslaughter of the President of the United States.

H.R. 9845. September 25, 1975. Post Office and Civil Service. Stipulates that recently enacted authorizations of salary increases for Senators and Representatives be limited only to adjustments taking place in 1975.

H.R. 9846. September 25, 1975. Public Works and Transportation. Amends the Urban Mass Transportation Act of 1964 to increase the amount of the Federal grant which may be made for long range and emergency mass transportation projects from 80 to 90 percent of the project costs.

H.R. 9847. September 25, 1975. Post Office and Civil Service. Stipulates that recently enacted authorizations of salary increases for Senators and Representatives be limited only to adjustments taking place in 1975.

H.R. 9848. September 25, 1975. Judiciary. Makes (1) the use of a firearm to commit any felony or (2) the carrying of any firearm in the commission of a felony. Directs that such additional sentence shall not be suspended nor probation granted.

Increases the penalties for a second or subsequent conviction of using a firearm to commit a felony or carrying a firearm during the commission of a felony.

H.R. 9849. September 25, 1975. Merchant Marine and Fisheries. Establishes a program for the management of United States fisheries, to be administered by the Secretary of Commerce. Creates seven regional Marine fisheries councils to prepare fisheries management plans.

Establishes a United States fisheries conservation and management zone extending to the territorial sea. Requires permits for fishing by foreign vessels in the fisheries zone. Establishes procedures for Congressional disapproval of certain international fisheries agreements.

H.R. 9850. September 25, 1975. Merchant Marine and Fisheries. Establishes a program for the management of United States fisheries, to be administered by the Secretary of Commerce. Creates seven regional Marine fisheries councils to prepare fisheries management plans.

Establishes a United States fisheries conservation and management zone extending to the territorial sea. Requires permits for fishing by foreign vessels in the fisheries zone. Establishes procedures for Congressional disapproval of certain international fisheries agreements.

H.R. 9851. September 25, 1975. Post Office and Civil Service. Authorizes Federal agencies to establish a temporary flexible scheduling program for employees. Stipulates that such flexible scheduling shall be reviewed by the Civil Service Commission and shall become permanent unless disapproved by either House of Congress.

H.R. 9852. September 25, 1975. Banking, Currency and Housing. Amends the National Housing Act to incerase the maximum loan amounts for the purchase of mobile homes.

H.R. 9853. September 25, 1975. Ways and Means. Amends the Social Security Act to include optometrists' services and medical vision care under the Medicare supplementary medical insurance benefits program.

H.R. 9854. September 25, 1975. Ways and Means. Includes the services of clinical psychologists under the coverage of the Medicare supplementary medical insurance program of the Social Security Act.

H.R. 9855. September 25, 1975. Banking, Currency and Housing. Repeals the Real Estate Settlement Procedures Act.

H.R. 9856. September 25, 1975. Ways and Means. Amends the Internal Revenue Code to allow individuals to deduct the amount by which the amount of tuition paid by the taxpayer during the taxable year to any institution of higher education for the education of the taxpayer, his spouse, or any dependent exceeds 3 percent of the adjusted gross income of the taxpayer.

H.R. 9857. September 25, 1975. Banking, Currency and Housing. Amends the National Housing Act to require that benefits to correct or compensate for substantial defects in certain mortgaged homes be available without regard to whether the owner or former owner resides in such dwelling.

H.R. 9858. September 25, 1975. Post Office and Civil Service. Declares Thomas Jefferson's Birthday a legal public holiday.

H.R. 9859. September 25, 1975. Interstate and Foreign Commerce. Establishes a national health insurance program under the Social Security Act. Authorizes the Secretary of Health, Education, and Welfare to reinsure insurance carriers participating in federally approved State health insurance plans. Directs the secretary to establish standards for coverage and premiums. Directs the Secretary to establish and operate Federal plans in noncooperating States.

H.R. 9860. September 25, 1975. International Relations. Requires, under the Foreign Assistance Act of 1961, termination of investment insurance issued by the Overseas Private Investment Corporation in any case in which the insured investor attempts to bribe or engages in bribery of a foreign official.

H.R. 9861. September 25, 1975. Ways and Means. Makes appropriations for the Department of Defense for fiscal year 1976 and the period beginning July 1, 1976 and ending September 30, 1976.

H.R. 9862. September 26, 1975. Veterans' Affairs. Grants aid and attendance allowances to veterans who have suffered the loss or loss of use of two extremities and who are not at present paid a monthly aid and attendance allowance unless the veteran is not receiving aid and attendance allowances by reason of his hospitalization.

H.R. 9863. September 26, 1975. Rules. Requires committees of the Senate or House of Representatives, in the report accompanying each bill or joint resolution of a public character reported by such committees, to include a statement estimating the number and complexity of reports which would be required to be made by private business enterprises, especially by small business enterprises, as a result of the enactment of such bill or joint resolution.

H.R. 9864. September 26, 1975. Merchant Marine and Fisheries. Increases the amount of subsistence payments to students at State maritime academies.

H.R. 9865. September 26, 1975. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer a limited deduction for tuition expenses for himself or his dependents at an eligible educational institution.

H.R. 9866. September 26, 1975. Education and Labor. Amends the Federal Coal Mine Health and Safety Act of 1969 by (1) revising the procedures and eligibility standards for receiving black lung disability benefits; (2) creating a Black Lung Disability Insurance Fund and requiring coal mine operators to pay premiums into such fund; (3) transferring certain functions under the Act from the Secretary of Health, Education, and Welfare to the Secretary of Labor; and (4) revising the name, membership, and responsibilities of the committee on coal mine health research.

H.R. 9867. September 26, 1975. Interstate and Foreign Commerce. Requires franchisers to give franchisees 90 days notice with limited exceptions, of intent to cancel, or fail to renew, a franchise agreement. Allows such cancellation or failure to renew only for certain specified reasons. Requires a franchisor to compensate a franchisee for the value of the franchisee's business when the franchisor, for a legitimate business reason fails to renew the franchise. Sets forth the judicial remedies available to a franchisee for a violation of this Act by a franchisor.

H.R. 9868. September 26, 1975. Government Operations. Requires, with certain exceptions, that meetings of Government agencies be open to the public.

H.R. 9869. September 26, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to permit cost benefit analysis of certain light density rail lines. Sets forth regulations for the discontinuance of rail passenger service and the abandonment of light density lines. Authorizes the Secretary of Transportation to provide service continuation subsidies to certain out-of-service and light density lines during transition to the final system plan.

Authorizes the Secretary of Transportation to make grants to States (1) to assist the establishment and implementation of State rail plans, and (2) to assist the maintenance of passenger rail service.

H.R. 9870. September 26, 1975. Veterans' Affairs. Prescribes requirements for a program of independent study to be considered full-time for the purposes of coverage under the program for veterans' educational benefits.

H.R. 9871. September 26, 1975. Agriculture. Amends the Food Stamp Act of 1964 by revising (1) eligibility standards; (2) the method of determining the amount of the coupon allotment; (3) administration of the program by State agencies, including the eligibility certification procedure and duties imposed on issuing agents; and (4) the method of computing the Federal share of program costs and of making payments to the States. Transfers the functions of the Secretary of Agriculture under the Food Stamp Act of 1964 to the Secretary of Health, Education, and Welfare.

H.R. 9872. September 26, 1975. Post Office and Civil Service. Extends Federal death and disability benefits to firemen not employed by the United States who are killed or disabled in the line of duty.

H.R. 9873. September 26, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to suspend regulatory authority over certain activities relating to the resale of natural gas in interstate commerce for a five-year period. Exempts certain sales of natural gas from regulation by the Federal Power Commission.

H.R. 9874. September 26, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income the gain from the sale of a principal residence held for a minimum length of time.

H.R. 9875. September 26, 1975. Ways and Means. Amends the Internal Revenue Code (1) with respect to the tax on distributions of income of controlled foreign corporations, (2) to repeal the investment credit for investment in certain depreciable property, (3) to terminate qualified stock option plans and restricted stock option plans, (4) to repeal the exclusions for earned income from foreign sources, (5) to deny a credit for foreign taxes paid on petroleum production income, and (6) to terminate the Domestic International Sales Corporation exemption.

H.R. 9876. September 26, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to authorize the Federal Power Commission to make certain sales of natural gas exempt from the provisions of such Act.

H.R. 9877. September 26, 1975. Interior and Insular Affairs. Amends the Mineral Leasing Act of 1920 to direct the Secretary of the Interior to establish a comprehensive exploratory program for coal deposits.

Regulates surface coal mining operations through a permit program administered by the Secretary of the Interior. Requires applicants to meet minimum environmental protection standards. Allows States to establish surface mining control programs at least as stringent as minimum Federal standards.

Authorizes financial assistance to State mining and mineral research institutes. Establishes a special fund for the reclamation of abandoned mine sites.

H.R. 9878. September 26, 1975. Judiciary. Prescribes the death penalty for any person who murders the President of the United States. Stipulates penalties for kidnapping or attempting to kill the President of the United States.

H.R. 9879. September 26, 1975. Judiciary. Includes Columbia and Greene Counties, New York, in the northern judicial district of New York.

H.R. 9880. September 26, 1975. Appropriations. Appropriates a portion of unexpended basic and water facilities appropriations under the Housing and Urban Development Act of 1965 for the liquidation of certain contracts, relating to grants to State and local governments for community development programs, under the Housing and Community Development Act of 1974.

H.R. 9881. September 26, 1975. Banking, Currency and Housing. Amends the Housing and Community Development Act of 1974 to increase the financial limitations placed upon liquidation of U.S. obligations by the Secretary of Housing and Urban Development to make grants to States and local governments for community development programs.

H.R. 9882. September 26, 1975. Public Works and Transportation. Amends the Federal-Aid Highway Act of 1973 to direct the Secretary of Transportation to carry out a demonstration project in Metairie, La., for the relocation of rail lines to eliminate certain ground level railroad highway crossings. Redefines the term "highway" for purposes of the Act.

H.R. 9883. September 26, 1975. Interior and Insular Affairs. Authorizes development of certain improvements to the Lyndon Baines Johnson Memorial Grave on the Potomac in order to facilitate or enhance pedestrian and vehicular access to the memorial.

H.R. 9884. September 26, 1975. Interstate and Foreign Commerce. Directs the Federal Power Commission to exempt certain transactions involving sale or transportation of natural gas to certain locations where there exists a natural gas shortage.

H.R. 9885. September 26, 1975. Judiciary. Authorizes the admission of a certain individual to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9886. September 26, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for rental losses incurred as a result of termination of such individual's tenant's supplemental security income benefits by the Department of Health, Education, and Welfare.

H.R. 9887. September 26, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9888. September 29, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to authorize exemptions to certain interstate pipeline suppliers of natural gas to high priority consumers on a temporary basis. Removes controls on certain sales of natural gas produced by independent producers until June 30, 1976. Amends the Energy Supply and Environmental Coordination Act of 1974 to authorize the Federal Energy Administrator to prohibit the burning of natural gas where adequate alternatives are available. Grants standby authority to the President to allocate propane during natural gas shortages.

H.R. 9889. September 29, 1975. Ways and Means. Amends the Internal Revenue Code to extend, until December 31, 1977, the time period during which a will governing the transfer of an interest in property may be amended or conformed so that the interest which is in a trust which is a charitable remainder annuity trust, a charitable remainder antitrust, or a pooled income fund will be deductible.

H.R. 9890. September 29, 1975. Agriculture. Authorizes the Secretary of Agriculture to distribute seeds for use in home gardens.

H.R. 9891. September 29, 1975. Agriculture. Authorizes the Secretary of Agriculture to distribute seeds for use in home gardens.

H.R. 9892. September 29, 1975. Science and Technology. Amends the National Science Foundation Act of 1950 to establish a system of peer review of scientific research and science education support grants. Directs the National Science Foundation to establish specific goals and priorities for scientific research and educational programs.

H.R. 9893. September 29, 1975. Merchant Marine and Fisheries. Amend the Coastal Zone Management Act of 1972 to establish a National Shellfish Advisory Committee to evaluate the impact of Federal laws on the shellfish industry.

Authorizes the Secretary of Commerce to make grants to coastal States in order to assist the development and management of shellfish resources in the coastal zone.

H.R. 9894. September 29, 1975. Ways and Means. Amends the Social Security Act to include optometrists' services and medical vision care under the Medicare supplementary medical insurance benefits program.

H.R. 9895. September 29, 1975. Judiciary. Prescribes the death penalty for any person who murders the President or the Vice President of the United States.

H.R. 9896. September 29, 1975. Post Office and Civil Service. Limits the 1975 cost-of-living adjustment for Federal executive salaries to an annual rate increase of five per cent.

H.R. 9897. September 29, 1975. Banking,

Currency and Housing. Requires each depository institution within a standard metropolitan statistical area to make available to the public certain information regarding the number and total dollar amount of mortgage loans which were originated, or purchased by that institution during each fiscal year.

Directs the Board of Governors of the Federal Reserve System to study the feasibility of certain other disclosure requirements.

H.R. 9898. September 29, 1975. Judiciary. Eliminates the jurisdiction of any court of the United States to compel attendance by a pupil at a public school other than the one nearest his residence.

Prohibits any department, agency, officer, or employee of the United States from withholding or threatening to withhold any Federal financial assistance to coerce or induce the implementation or continuation of any plan or program the effect of which would be to require that any pupil be assigned to a public school other than the one nearest his residence.

H.R. 9899. September 29, 1975. Ways and Means. Amends the Internal Revenue Code to exempt certain articles sold to any nonprofit volunteer firefighting or rescue organization for its exclusive use from the taxes on special fuels, automotive and related items, petroleum products, or communication services.

H.R. 9900. September 29, 1975. Ways and Means. Amends the Internal Revenue Code to exempt certain articles sold to any nonprofit volunteer firefighting or rescue organization for its exclusive use from the taxes on special fuels, automotive and related items, petroleum products, or communication services.

H.R. 9901. September 29, 1975. Judiciary; Standards of Official Conduct. Requires candidates for Federal office, Members of Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 9902. September 29, 1975. Judiciary. Permits the broadcasting, transportation, and mailing of advertising or other information and materials concerning lawful gaming activities.

H.R. 9903. September 29, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Pipeline Safety Act of 1968 to require that State regulations for intrastate pipeline transportation be compatible with certain Federal standards. Authorizes the Secretary of Transportation to assume responsibility for regulation of intrastate pipelines where no State program is certified.

Authorizes additional appropriations for the purposes of the Act through fiscal year 1977.

H.R. 9904. September 29, 1975. Judiciary. Makes applicable to individuals convicted for the first time of using a firearm in the commission of a felony, the rules for suspended or probationary sentences and for minimum sentences now applicable to second and subsequent convictions.

H.R. 9905. September 29, 1975. Post Office and Civil Service. Repeals existing Presidential authority to submit alternative comparability pay plans for Federal employees to the Congress.

H.R. 9906. September 29, 1975. Interstate and Foreign Commerce; Ways and Means; Interior and Insular Affairs. Establishes a national policy to encourage the substitution of coal for natural gas as the primary energy source in fossil-fuel fired electric powerplants and industrial facilities. Amends the Clean Air Act to allow consideration of non-environmental factors such as technology and economics in the standard-setting and enforcement process.

Establishes tax incentives for the development of coal as an alternative fuel source. Authorizes Federal grants for mining and mineral research programs.

Authorizes the Department of Housing and Urban Development to provide assistance and incentives for the development of district or centralized heating systems.

H.R. 9907. September 29, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9908. September 29, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9909. September 30, 1975. Education and Labor. Establishes in the Department of Labor a Construction Industry Collective Bargaining Committee having jurisdiction over, and the power to resolve, labor disputes within the construction industry which may occur between the parties to a collective bargaining agreement.

H.R. 9910. September 30, 1975. Ways and Means. Amends the estate tax provisions of the Internal Revenue Code to allow a limited deduction from the gross estate of the value of the decedent's interest in a family farming operation which passes to an individual related to him or his spouse.

H.R. 9911. September 30, 1975. Ways and Means. Amends the Internal Revenue Code to allow an individual to deduct amounts not otherwise deductible which are paid or accrued to a lessor during the taxable year to the extent that such amounts represent the individual's proportionate share of real estate taxes and interest on indebtedness paid by such lessor on the house or apartment building used by such individual as a principal residence.

H.R. 9912. September 30, 1975. Education and Labor. Revises the Federal Metal and Nonmetallic Mine Safety Act to authorize additional standards to protect the health and safety of miners. Includes provisions to authorize inspections by Federal officials, to require reporting of major accidents, and to establish procedures for enforcement of standards and emergency relief.

Establishes the Office of Assistant Secretary for Metal and Nonmetallic Mine Safety in the Department of Labor. Transfers regulatory and enforcement authority from the Secretary of the Interior to the Assistant Secretary, to the Secretary of Health, Education, and Welfare, and to the newly-established Federal Metal and Nonmetallic Mine Safety Commission.

H.R. 9913. September 30, 1975. Agriculture. Amends the Federal Laboratory Animal Welfare Act to authorize the Secretary of Agriculture to promulgate standards for the transportation, handling and care of certain animals in interstate or foreign commerce.

Prohibits the attendance at, promotion of, or supply of, animal fighting ventures.

Sets forth regulations with respect to the transportation and handling of certain classes of animals.

H.R. 9914. September 30, 1975. Interstate and Foreign Commerce. Amends the Controlled Substances Act to establish specific penalties for anyone who robs any pharmacy of any narcotic or other controlled substance and for any assault or killing which occurs in the course of such robbery.

H.R. 9915. September 30, 1975. Judiciary. Makes certain technical amendments to the Federal Rules of Evidence and the Federal Rules of Criminal Procedure.

H.R. 9916. September 30, 1975. Interstate and Foreign Commerce. Extends appropriations for emergency medical services systems, under the Public Health Service Act.

Authorizes the Secretary of Health, Education, and Welfare to make certain additional grants for emergency medical service projects and to make grants and enter into contracts with eligible schools and training centers for training programs in the techniques and methods of providing emergency medical services.

H.R. 9917. September 30, 1975. Ways and Means. Amends the Social Security Act by entitling an Old-Age, Survivors, and Disability Insurance claimant to a reconsideration of the initial decision concerning such claimant's eligibility for benefits. Allows such claimant to request a hearing on the reconsideration determination. Requires that such a hearing be presided over by an administrative law judge and conducted on the record.

H.R. 9918. September 30, 1975. Merchant Marine and Fisheries. Directs the Secretary of the Interior to regulate the trapping and capture of mammals and birds on Federal lands. Establishes an advisory commission to recommend to the Secretary acceptable methods for trapping and capture of mammals and birds.

Prohibits use of unacceptable traps in interstate or foreign commerce. Prescribes regulations to prohibit the interstate shipment of hide, skin, feathers, or resulting products of the use of unacceptable traps.

H.R. 9919. September 30, 1975. Interior and Insular Affairs. Directs the Secretary of Health, Education, and Welfare to make grants and provide scholarships to encourage Indians to enroll in health-related training programs. Authorizes the Secretary to expend funds to better meet Indian health care needs, to provide hospitals and other health facilities, and to supply unmet needs for safe water and sanitary waste disposal facilities. Requires the Secretary to contract with urban Indian organizations to assist such organizations to establish and administer health programs to benefit urban Indians.

H.R. 9920. September 30, 1975. Government Operations. Amends the Privacy Act of 1974 to allow Federal agencies to disclose records to any Member of either House of Congress without prior consent of the person to whom the record pertains.

H.R. 9921. September 30, 1975. Ways and Means. Amends the Social Security Act with respect to Old-Age, Survivors, and Disability Insurance by directing the Secretary of Health, Education, and Welfare to establish procedures for expediting (1) replacement of lost, stolen or misdelivered benefit checks; (2) initial benefit payments; (3) hearings on eligibility; and (4) final determinations of eligibility.

H.R. 9922. September 30, 1975. Judiciary. Prescribes the death penalty for any person who murders or attempts to murder the President of the United States.

H.R. 9923. September 30, 1975. Interior and Insular Affairs. Repeals certain provisions of existing law to prohibit mining activities within certain areas of the National Park System.

H.R. 9924. September 30, 1975. Government Operations. Directs the National Commission on the Observance of International Women's Year to organize and convene a national conference to be known as the National Women's Conference.

H.R. 9925. September 30, 1975. Government Operations. Amends the Privacy Act of 1974 to allow Federal agencies to disclose records to any Member of either House of Congress without the prior consent of the person to whom the record pertains.

H.R. 9926. September 30, 1975. Judiciary. Amends the Bankruptcy Act to establish procedures for relief of public agencies which become insolvent. Requires that such public agencies submit plans for the adjustment of such debts.

H.R. 9927. September 30, 1975. Education and Labor. Establishes in the Department of Labor a Construction Industry Collective Bargaining Committee having jurisdiction over, and the power to resolve, labor disputes within the construction industry which may occur between the parties to a collective bargaining agreement.

H.R. 9928. September 30, 1975. Education and Labor. Establishes in the Department of Labor a Construction Industry Collective Bargaining Committee having jurisdiction over, and the power to resolve, labor disputes within the construction industry which may occur between the parties to a collective bargaining agreement.

H.R. 9929. September 30, 1975. Judiciary. Allows certain lottery information which is permitted to be published in newspapers, to be published in other periodicals as well.

H.R. 9930. September 30, 1975. Public Works and Transportation. Establishes an independent Federal Aviation Agency. Transfers to the Administrator of the newly-created Agency the functions, powers, duties, personnel, assets, liabilities, contracts, property, records and unexpended funds of the Secretary of Transportation and the Administrator of the Federal Aviation Administration under legislation with respect to air transportation.

H.R. 9931. September 30, 1975. Judiciary. Amends the patent laws of the United States to provide for public examination and review of claims relating to applications for patents.

H.R. 9932. September 30, 1975. International Relations. Amends the Export Administration Act of 1969 to stipulate that no information obtained under such Act may be withheld from Congress.

H.R. 9933. September 30, 1975. Ways and Means. Amends the Internal Revenue Code to increase the Federal estate tax exemption.

H.R. 9934. September 30, 1975. Education and Labor. Amends the Domestic Volunteer Service Act of 1973 to authorize volunteers in the Service Corps of Retired Executives to provide assistance to any home health agency which provides home health services.

H.R. 9935. September 30, 1975. Interstate and Foreign Commerce. Authorizes the President to establish a system of mandatory allocation of Canadian crude oil to United States refineries on a priority basis.

H.R. 9936. September 30, 1975. Post Office and Civil Service. Repeals recently enacted authorizations of pay increases in the salaries of Senators and Representatives.

H.R. 9937. September 30, 1975. Interior and Insular Affairs. Prohibits mining activities within any area of the National Park System. Repeals certain existing provisions which permit mining in specified national parks, monuments, and memorials.

H.R. 9938. September 30, 1975. Merchant Marine and Fisheries. Establishes a program for the management of United States fisheries to be administered by the Secretary of Commerce. Creates seven regional marine fisheries councils to prepare fisheries management plans.

Establishes a United States fisheries conservation and management zone extending to the territorial sea. Requires permits for fishing by foreign vessels in the fisheries zone. Establishes procedures for Congressional disapproval of certain international fisheries agreements.

H.R. 9939. October 1, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to direct the Federal Power Commission to establish controls on the price of new natural gas. Allows small producers and producers of new, liquefied or synthetic natural gas to charge rates in excess of price control levels.

Establishes minimum production requirements for natural gas. Directs the Federal Power Commission to prohibit boiler fuel use of natural gas and propane. Sets forth procedures for allocation of natural gas for emergencies and for essential agricultural purposes.

H.R. 9940. October 1, 1975. Ways and Means. Amends the Internal Revenue Code to apply lower tax rates to unmarried individuals and to repeal the special rates for a head of household.

H.R. 9941. October 1, 1975. Post Office and Civil Service. Stipulates that the rate of postage for letters of private individuals shall not exceed ten cents per ounce per letter.

H.R. 9942. October 1, 1975. Government Operations. Amends the Privacy Act of 1974 to allow Federal agencies to disclose records to any Member or the designate of such Member of either House of Congress without the prior consent of the person to whom the record pertains.

H.R. 9943. October 1, 1975. Education and Labor. Establishes in the Department of Labor a Construction Industry Collective Bargaining Committee having jurisdiction over, and the power to resolve, labor disputes within the construction industry which may occur between the parties to a collective bargaining agreement.

H.R. 9944. October 1, 1975. Public Works and Transportation. Revises the cost estimates applicable to additional mileage of the Interstate Highway System which the Secretary of Transportation may authorize.

H.R. 9945. October 1, 1975. Public Works and Transportation. Revises the cost estimates applicable to routes of the Interstate Highway System from which the Secretary of Transportation has withdrawn approval.

H.R. 9946. October 1, 1975. Post Office and Civil Service. Repeals recently enacted authorizations of pay increases in the salaries of Senators and Representatives.

H.R. 9947. October 1, 1975. Interior and Insular Affairs. Amends the Chesapeake and Ohio Canal Development Act to authorize the Secretary of the Interior to extend the boundaries of the Chesapeake and Ohio Canal National Historical Park.

H.R. 9948. October 1, 1975. Atomic Energy. Amends the Atomic Energy Community Act of 1955 to direct the Administrator of the Energy Research and Development Administration to make assistance payments to the Los Alamos School Board and the county of Los Alamos in New Mexico.

H.R. 9949. October 1, 1975. Ways and Means. Amends the Social Security Act by entitling householders to Old-Age, Survivors, and Disability Insurance coverage. Amends the Internal Revenue Code to redefine self-employment for the purpose of social security taxation to include the nonremunerated services of householders.

H.R. 9950. October 1, 1975. Banking, Currency and Housing. Requires financial institutions to maintain and make available to the public certain information on real estate loans and savings accounts.

Directs the Federal Reserve Board to prescribe regulations to carry out the purposes of this Act.

H.R. 9951. October 10, 1975. Government Operations. Amends the Privacy Act of 1974 to allow Federal agencies to disclose records to any Member or committee of either House of Congress without the prior consent of the person to whom the record pertains.

H.R. 9952. October 1, 1975. Interstate and Foreign Commerce. Requires the Consolidated Rail Corporation, under the Regional Rail Reorganization Act of 1973, to provide rail service over certain light density lines.

Sets forth the Federal share of a rail service continuation subsidy for 10 fiscal years.

Directs the Rail Services Planning Office to analyze certain rail lines not designated for inclusion in the final system plan, and designate certain rail lines which should be transferred to the Corporation or are operating profitably.

H.R. 9953. October 1, 1975. Interior and Insular Affairs. Repeals certain provisions of existing law to prohibit mining activities within certain areas of the National Park System.

H.R. 9954. October 1, 1975. Ways and Means. Amends the Internal Revenue Code to authorize a member of the legislature of any State, the Commonwealth of Puerto Rico, or any territory or possession of the United States to elect to treat as his or her home either the place where the legislature meets or the legislative district which such member represents.

H.R. 9955. October 1, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to provide for the divestiture from United States ownership of the Mar-A-Lago National Historic Site in Florida.

H.R. 9956. October 1, 1975. Post Office and Civil Service. Establishes fixed rates of compensation for Members of Congress and officers of the House and Senate. Repeals provisions of the Federal Salary Act of 1967 relating to comparability pay increases for such officials.

H.R. 9957. October 1, 1975. International Relations. Prohibits military, economic, or other assistance or sale of defense articles and services under the Foreign Military Sales Act unless the President determines that (1) the foreign country concerned has taken adequate steps to control narcotics; or (2) an emergency exists requiring assistance for national security or humanitarian reasons.

H.R. 9958. October 1, 1975. District of Columbia. Directs the Mayor of the District of Columbia to transfer certain designated real property of the United States to the District of Columbia Redevelopment Land Agency.

H.R. 9959. October 1, 1975. Ways and Means. Amends the Social Security Act to specify circumstances and conditions under which an individual who is enrolled in a Federal health services benefit program may receive benefits under the medicare program.

H.R. 9960. October 1, 1975. Banking, Currency and Housing. Directs the Secretary of Housing and Urban Development to convey certain lands to the city of Fayetteville, Georgia.

H.R. 9961. October 1, 1975. Banking, Currency and Housing. Amends the National Housing Act to require that at least 20 percent of mortgages purchased under portions of the Act be secured by residences in certain metropolitan areas.

H.R. 9962. October 1, 1975. Interstate and Foreign Commerce; Ways and Means. Directs the President to establish a maximum price ceiling for domestically produced crude oil at $11.50 per barrel. Removes oil import tariffs and provides for refunds of any such duties collected after October 1, 1975 to the ultimate consumers of such petroleum products.

Stipulates that the President shall not have the authority to adjust imports of petroleum and petroleum products.

H.R. 9963. October 1, 1975. Interstate and Foreign Commerce. Requires the Consolidated Rail Corporation, under the Regional Rail Reorganization Act of 1973, to provide rail service over certain light density lines.

Sets forth the Federal share of a rail service continuation subsidy for 10 fiscal years.

Directs the Rail Services Planning Office to analyze certain rail lines not designated for inclusion in the final system plan, and designate certain rail lines which should be transferred to the Corporation or are operating profitably.

H.R. 9964. October 1, 1975. Judiciary. Sets forth penalties for killing certain civilian officials or employees of the Corps of Engineers of the Department of the Army.

H.R. 9965. October 1, 1975. Judiciary. Directs the Comptroller General of the United States to settle the claim of a certain company for publication of a specified Army Reserve Officer's Training Corps recruiting advertisement.

H.R. 9966. October 1, 1975. Judiciary. Stipulates that a certain former Federal employee shall be allowed credit for civil service retirement purposes, for a specified period of service with the Veterans' Administration.

H.R. 9967. October 2, 1975. Banking, Currency and Housing. Directs the Federal Home Loan Bank Board to establish an Urban Reinvestment Fund to coinsure up to 80 per cent of the risk of any mortgage eligible under the regulations of this Act.

H.R. 9968. October 2, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income interest on certain industrial development bonds where the proceeds from such bond issue are used to build a dam which has the purpose of furnishing water for irrigation purposes and which has a subordinate use in connection with the generation of electric energy by water, so long as substantially all of the stored water is contractually available for release for irrigation purposes and the water so released is available on a reasonable basis to members of the general public.

H.R. 9969. October 2, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to authorize exemptions to certain interstate pipeline suppliers of natural gas to high priority consumers on a temporary basis. Removes controls on certain sales of natural gas produced by independent producers until June 30, 1976. Amends the Energy Supply and Environmental Coordination Act of 1974 to authorize the Federal Energy Administrator to prohibit the burning of natural gas where adequate alternatives are available.

Grants standby authority to the President to allocate propane during natural gas shortages.

H.R. 9970. October 2, 1975. Judiciary. Makes it a Federal offense to fire any firearms or propel any object at or commit any vandalism against any railroad train operated in interstate commerce.

H.R. 9971. October 2, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for the expenses of education above the twelfth grade paid by the taxpayer for providing an education for himself or any other individual.

H.R. 9972. October 2, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to authorize exemptions to certain interstate pipeline suppliers of natural gas to high priority consumers on a temporary basis. Removes controls on certain sales of natural gas produced by independent producers until June 30, 1976. Amends Energy Supply and Environmental Coordination Act of 1974 to authorize the Federal Energy Administrator to prohibit the burning of natural gas where adequate alternatives are available.

Grants standby authority to the President to allocate propane during natural gas shortages.

H.R. 9973. October 2, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to allow 120 days for Congressional review before the final system plan is deemed approved. Amends such Act with respect to the length of the period for which certain offers for sale of railroads under the final system plan remain effective.

H.R. 9974. October 2, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 with respect to procedures for reviewing local service lines.

Makes available (1) financial assistance for interim service, rehabilitation, and reinstitution of certain rail lines in the State final plan.

Authorizes the Secretary of Transportation to make grants to States to assist in the establishment and implementation of State rail plans.

H.R. 9975. October 2, 1975. Agriculture. Authorizes the Secretary of Agriculture, under the Consolidated Farm and Rural Development Act, to make direct and insured loans to farmers with low net income or low net worth for acquiring and improving owner-operated farms without regard to the $225,000 limit on such loans.

H.R. 9976. October 2, 1975. Ways and Means. Includes the services of clinical psychologists under the coverage of the Medicare supplementary medical insurance program of the Social Security Act.

H.R. 9977. October 2, 1975. Banking, Currency and Housing. Amends the Emergency Loan Guarantee Act to permit the Emergency Loan Guarantee Board to guarantee bonds to States and municipalities. Extends the termination date of the Emergency Loan Guarantee Act.

H.R. 9978. October 2, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to extend Federal revenue-sharing for local governmental units until September 30, 1982. Stipulates that amounts equal to each States' share of revenue-sharing funds be allocated among local units as specified in the original Act.

H.R. 9979. October 2, 1975. Education and Labor. Amends the Rehabilitation Act of 1973 to authorize the Secretary of Health, Education, and Welfare to conduct projects to demonstrate the feasibility of wage supplements to handicapped individuals employed in certain rehabilitation facilities.

H.R. 9980. October 2, 1975. Post Office and Civil Service. Amends the Federal Salary Act of 1967 to remove Members of Congress from consideration from comparability pay increases by the Commission on Executive, Legislative, and Judicial Salaries.

H.R. 9981. October 2, 1975. Education and Labor. Authorizes the Secretary of Health, Education, and Welfare to provide assistance to projects designed to develop plans for delivery of human services within a State or interstate area. Establishes criteria for the development of allied human services plans by States and localities.

H.R. 9982. October 2, 1975. Interstate and Foreign Commerce; Ways and Means. Amends the Emergency Petroleum Allocation Act of 1973 to establish a program of phased decontrol of crude oil prices. Imposes a tax on the deregulation profits derived from domestic crude oil. Allows a credit against the tax for profits re-invested in the continued exploration and development of crude oil resources. Establishes limitations on the amount of such plowback investments to be utilized as a tax credit.

H.R. 9983. October 2, 1975. Ways and Means. Revises the eligibility requirements for Disability Insurance benefits for blind persons under the Social Security Act. Revises the method of computing the primary insurance amount for blind persons under the Social Security Act.

H.R. 9984. October 2, 1975. Public Works and Transportation. Permits the Secretary of Transportation to reduce Federal-aid highway funds to any State which has not made provision for free access to emergency vehicles on any toll road, tunnel, or the approaches thereto within the jurisdiction of such State.

H.R. 9985. October 2, 1975. Ways and Means. Amends the Social Security Act to maintain the inpatient hospital deductible under the medicare program at its 1975 level.

H.R. 9986. October 2, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire additional lands for the George Washington Birthplace National Monument in Virginia.

H.R. 9987. October 2, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to direct the Federal Power Commission to establish controls on the price of new natural gas. Allows small producers and producers of new, liquefied or synthetic natural gas to charge rates in excess of price control levels.

Establishes minimum production requirements for natural gas. Directs the Federal Power Commission to prohibit boiler fuel use of natural gas and propane. Sets forth procedures for allocation of natural gas for emergencies and for essential agricultural purposes.

H.R. 9988. October 2, 1975. Ways and Means. Amends the Social Security Act to reduce from 60 to 45 the age at which a woman otherwise qualified may become entitled to widow's insurance benefits.

H.R. 9989. October 2, 1975. Banking, Currency and Housing. Repeals the Real Estate Settlement Procedures Act.

H.R. 9990. October 2, 1975. Public Works and Transportation. Enables States to qualify for Federal highway safety funds without including in the State highway safety program any requirement for motorcycle drivers or passengers eighteen years of age or older to wear safety helmets.

H.R. 9991. October 2, 1975. Ways and Means. Amends the Social Security Act to include optometrists' services and medical vision care under the Medicare supplementary medical insurance benefits program.

H.R. 9992. October 2, 1975. Armed Services. Repeals the Military Selective Service Act.

H.R. 9993. October 2, 1975. Banking, Currency and Housing. Extends for two years the authority for the flexible regulation of interest rates on deposit and share accounts in depository institutions. Sets forth regulations with respect to the interest rate differentials on such accounts.

Directs the National Commission on Electronic Fund Transfers to make reports to certain Congressional Committees with respect to electronic fund transfer systems, monitoring of such systems, judicial decisions in this area, and recommendations for legislation and regulation.

Requires depository institutions within standard metropolitan statistical areas to make available to the public certain information regarding the number and total dollar amount of mortgage loans which were originated, or purchased by, that institution.

H.R. 9994. October 2, 1975. Post Office and Civil Service. Grants court leave to Federal employees called as witnesses on behalf of any party other than the United States or the District of Columbia in connection with any judicial proceeding to which a State or local government is a party.

H.R. 9995. October 2, 1975. Armed Services. Stipulates that warrant officers of a uniformed service who accept appointments as commissioned officers shall not receive less than the pay and allowances to which they were previously entitled as warrant officers.

H.R. 9996. October 2, 1975. Armed Services. Increases the allowable annual income amount for the payment of income supplements to certain widows of retired members of the uniformed services by the Secretary concerned.

H.R. 9997. October 2, 1975. Armed Services. Stipulates that certain annuities paid to the spouse or children of a retired serviceman shall be increased by the same total percent that armed services retired or retainer pay may be increased.

H.R. 9998. October 2, 1975. Judiciary. Amends the Bankruptcy Act to establish procedures for relief of public agencies which become insolvent. Requires that such public agencies submit plans for the adjustment of such debts.

H.R. 9999. October 2, 1975. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

SENATE—*Tuesday, November 18, 1975*

The Senate met at 9 a.m. and was called to order by Hon. Richard Stone, a Senator from the State of Florida.

PRAYER

Rabbi Ian Wolk, Temple Shalom, Chevy Chase, Md., offered the following prayer:

God of our Fathers, it is written: "Justice, justice you shall pursue." And in the pursuit of that justice have we received in our Biblical tradition the notion that humankind must strive for that which is right, that which reflects the greatest nobility of the human spirit. Within that tradition is written even the example to be set by leadership, by those who would govern: *Be sure to set * * * over yourself one of your own people * * * he shall not keep many horses, nor have many wives, lest his heart go astray; nor shall he amass silver and gold to excess. When he is seated on his throne, he shall have a copy of this Teaching written for him. Let it remain with him * * * so that he may learn to revere the Lord his God, to observe faithfully every word of this Teaching.*—Deuteronomy.

You have, therefore, established for humankind a criterion for living together as a community, as a nation. May those who serve You here in this body find the humility, the sacred sense of the trust with which they are empowered, and the direction of the heart that will enable them to work for the betterment of all men and women. May they indeed pursue justice, so that Your blessing may come to rest upon them: the blessing of light, of Your favor, of peace. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C. November 18, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Richard Stone, a Senator from the State of Florida, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. STONE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, November 17, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 302—SUBMISSION OF A RESOLUTION TO ESTABLISH A SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR-MANAGEMENT FIELD

Mr. GRIFFIN. Mr. President, today I present for the Senate's consideration a resolution which would establish a select committee to investigate abuses in the labor-management field.

In particular, I would expect such a select committee to focus on the mysterious disappearance of James R. Hoffa, former president of the International Brotherhood of Teamsters, its implications, if any, for Teamster members and others in the country, as well as a number of serious allegations relating to investment of Teamster pension funds.

The select committee contemplated by this resolution would have jurisdiction and objectives similar to those of the McClellan committee, which did such an outstanding job in the same field back in the 1950's. It will be recalled that the work of the McClellan committee culminated in enactment of the Labor-Management Reporting and Disclosure Act of 1959, often referred to as the Landrum-Griffin law.

I am conscious of the fact, Mr. President, that some of my colleagues may question the need for establishment of another committee, in light of the fact that two existing committees of the Senate may have jurisdiction. I refer, of course, to the Committee on Labor and Public Welfare and the Government Operations' Subcommittee on Permanent Investigations.

However, I might also point out that similar questions were raised back in 1957, when Congress and the Nation became aroused by widespread reports of improper activities of a similar nature.

Then, as now, there was a conflict or question of jurisdiction as between the same two standing committees of the Senate. In 1957, the conflict was resolved by establishing a bipartisan committee made up of four Democratic and four Republican Senators, which was headed, of course, by the distinguished Senator from Arkansas (Mr. McClellan).

Aside from any possible conflict of jurisdiction as between the two named standing committees, it should be obvious that the comprehensive investigation which is necessary would require the concentrated effort of a dedicated committee over a considerable period of time.

I doubt that either of two existing committees would be able at this time to lay aside many other matters as to which they have responsibilities in order to devote the necessary time and attention to this particular investigation.

Fortunately, the precedent of the McClellan committee in the 1950's is available; and I submit that it offers a most appropriate example for the Senate to follow in this situation.

Mr. President, the need is urgent for a McClellan-type investigation which would focus in particular on possible connection between organized crime and some segments of organized labor. The existing situation cries out for determined and courageous action by Congress as well as by the executive branch of Government.

I shall not repeat again the many reports and allegations that have prompted introduction of this resolution. But I call attention to a speech I delivered on the Senate floor printed in the Congressional Record for September 19, 1975, beginning at page 29463, together with a number of newspaper articles printed in connection therewith.

Since I delivered the speech, I might say that I have received communications and petitions signed by hundreds of Teamster union members pleading for and supporting such an investigation.

The mystery of what happened to Jimmy Hoffa is intriguing. But even more important is the question: Why?

If it is true that elements of organized crime do exert considerable influence over investment decisions involving Teamster pension funds—perhaps in a way that does not violate existing laws—it is time that something be done about it—for the protection of millions of workers who must rely on the integrity of those pension funds in their retirement years.

Mr. President, I urge my colleagues to move expeditiously to adopt this resolution, so the committee can get to work. It will have a tough, arduous task to perform, but the sooner it gets started the better for millions of union workers and for the country.

I ask unanimous consent that the text of the resolution be printed at this point in the Record, and I send the resolution to the desk and ask unanimous consent that it be placed on the calendar.

Mr. President, in addition I ask unanimous consent to have printed in the Record an article which appeared in the November 24, 1975, issue of Newsweek.

The ACTING PRESIDENT pro tempore (Mr. Metcalf). Is there objection? The Chair hears none, and it is so ordered.

Mr. GRIFFIN. I thank the Chair.

S. Res. 302

Resolved, That there is hereby established a select committee of the Senate, which may be called, for convenience of expression, the Select Committee on Improper Activities in the Labor or Management Field, to conduct an investigation and study of the extent, if any, to which criminal or other illegal, improper or unethical activities are engaged in by any persons, acting individually or in combination with others in the field of labor-management relations or in related groups, organizations, insurance pension or other programs established for the interest, benefit, participation, or welfare of employees or employers to the detriment of the interests of the public, employees or employers, and to determine whether in its judgment any occurrences which may be revealed by the investigation and study indicate the necessity or desirability of the enactment of new legislation to safeguard and/or strengthen the integrity of labor-management relations and the collective bargaining system.

SEC. 2. (a) The select committee created by this resolution shall consist of eight members of the Senate, four of whom shall be appointed by the President of the Senate from the majority members of the Senate upon the recommendation of the majority leader of the Senate, and four of whom shall be appointed by the President of the Senate from the minority members of the Senate upon the recommendation of the minority leader of the Senate. For the purposes of paragraph 6 of rule XXV of the Standing Rules of the Senate, service of a Senator as a member, chairman, or vice-chairman of the select committee shall not be taken into account.

(b) The select committee shall select a chairman and vice-chairman from among its members, and adopt rules of procedure to govern its proceedings. The vice-chairman shall preside over meetings of the select committee during the absence of the chairman, and discharge such other responsibilities as may be assigned to him by the select committee or the chairman. Vacancies in the membership of the select committee shall not affect the authority of the remaining members to execute the functions of the select committee and shall be filled in the same manner as original appointments to it are made.

(c) A majority of the members of the select committee shall constitute a quorum for the transaction of business, but the select committee may fix a lesser number as a quorum for the purpose of taking testimony or depositions.

SEC. 3. That the select committee is authorized and directed to do everything necessary or appropriate to make the investigation and study specified in the first section. Without abridging or limiting in any way the authority conferred upon the select committee by the preceding sentence, the Senate further expressly authorizes and directs the select committee to make a complete investigation and study of the activities of any and all persons or groups of persons or organizations of any kind which have any tendency to reveal the full facts in respect to the following matters or questions:

(a) The disappearance of James R. Hoffa, former International President of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, hereinafter identified as IBT;

(b) Any and all agreements, promises, commitments, pledges, surety arrangements or agreements or financial transactions of any nature entered into between any person or group of persons representing, or authorized to represent, acting as consultants or authorized to act as consultants in any capacity to and/or for the IBT or any of the IBT pension funds or other welfare and/or benefit funds associated with, employed by, directed by or controlled by the IBT or IBT pension or welfare funds and any other person, group of persons, associations, partnerships or corporations, the purpose of which is, was or would be to secure or resecure, finance or refinance the development, construction or improvement of any real estate or real property of any nature;

(c) Any and all transactions, agreements, loans of money or any other item of value or commitments to loan money or any other item of value, entered into between any person or group of persons representing or authorized to represent, acting as consultants or authorized to act as consultants in any capacity to and/or for the IBT or any of the IBT pension funds or other welfare and/or benefit funds associated with, employed by, directed by or controlled by the IBT or IBT pension or welfare funds and any person or group of persons, association, partnership or corporation engaged in any business venture of any nature established for or engaged in gambling or gaming enterprises of any nature, or any business venture of any nature established to or engaged in the manufacture and/or supply of gambling or gaming paraphernalia;

(d) Any and all group health and/or accident insurance policies, or insurance policies or agreements of any nature entered into by or between any person or persons with any insurance or reinsurance company for the benefit of any or all members of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America;

(e) Any and all allegations of influence, control or domination exercised by any person or group of persons alleged to be involved in or associated with organized criminal syndicate activity over the affairs, agreements, administration or day-to-day activity or operations of any person or groups of persons associated together for the benefit of labor and management organizations;

(f) Whether the integrity of labor and management relations is inadequately safeguarded, because of a lack of appropriate legislation, or because the existing laws of the United States are inadequate, either in their provision or manner of enforcement, and if so, whether new legislation should be enacted.

SEC. 4. (A) to enable the select committee to make the investigation and study authorized and directed by this resolution, the Senate hereby empowers the select committee as an agency of the Senate:

(a) To employ and fix the compensation of such clerical, investigatory, legal, technical and other assistants as it deems necessary or appropriate;

(b) To sit and act at any time or place during sessions, recesses and adjournment period of the Senate;

(c) To hold meetings for taking testimony on oath or two receive documentary or physical evidence relating to the matters and questions it is authorized to investigate or study;

(d) To require by subpoena or otherwise the attendance as witnesses of any persons who the select committee believes have knowledge or information concerning any of the matters or questions it is authorized to investigate and study;

(e) To require by subpoena or order any department, agency, officer, or employee of the Executive Branch of the U.S. government, or any private person, firm or corporation, or any officer or former officer or employee of such firm or corporation to produce for its consideration or for use as evidence in its investigation and study any books, checks, cancelled checks, correspondence, communications, document, papers, physical evidence, records, recordings, tapes, or materials relating to any of the matters or questions it is authorized to investigate and study which they or any of them may have in their custody or under their control;

(f) To make to the Senate any recommendations it deems appropriate in respect to the willful failure or refusal of any person to appear before it in obedience to a subpoena or order, or in respect to the willful failure or refusal of any person to answer questions or give testimony in his character as a witness during his appearance before it, or in respect to the willful failure or refusal of any officer or employee of the Executive Branch of the United States government or any person, firm, or corporation, or any officer or former officer of same, to produce before the committee any books, checks, cancelled checks, correspondence, communications, documents, financial records, papers, physical evidence, records, recordings, tapes, or materials in obedience to any subpoena or order;

(g) To take depositions and other testimony on oath anywhere within the United States or in any other country;

(h) To procure the temporary or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing Committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946;

(i) To use on a reimbursable basis, with the prior consent of the United States government department or agency concerned and the Committee on Rules and Administration, the services of personnel of any such department or agency;

(j) To use on a reimbursable basis or otherwise with the prior consent of the Chairman of any other of the Senate Committees or the Chairman or any Subcommittee of any Committee of the United States Senate the facilities or services of any members of the staffs of such other Senate Committees or any Subcommittees of such other Senate committees whenever the Select Committee or its Chairman deems that such action is necessary or appropriate to enable the Select Committee to make the investigation and study authorized and directed by this resolution;

(k) To have direct access through the agency of any members of the Select Committee, Chief Majority Counsel, Minority Counsel, or any of its investigatory assistants jointly designed by the Chairman and the ranking minority member to any date, evidence, information, report, analysis or document or papers relating to any of the matters or questions which it is authorized and directed to investigate and study in the custody and under the control of any department, agency, officer, or employee of the Executive Branch of the United States government, having the power under the laws of the United States to investigate any alleged criminal activities or to prosecute persons charged with crimes against the United States which will aid the Select Committee to prepare or conduct the investigation and study authorized and directed by this resolution;

(l) To procure either through assignment by the Rules Committee or by renting such offices and other space as may be necessary to enable it and its staff to make and conduct the investigation and study authorized and directed by this resolution;

(m) To expend to the extent it determines necessary or appropriate any monies made available to it by the Senate to perform the duties and exercise the powers conferred upon it by this resolution and to make the investigation and study it is authorized by this resolution to make;

(B) Subpoenas may be issued by the Select Committee acting through the Chairman or any other member designated by him and may be served by any person designated by such Chairman or other member anywhere within the borders of the United States. The Chairman of the Select Committee, or any other member thereof, is hereby authorized to administer oaths to any witnesses appearing before the Committee.

(C) In preparing for or conducting the investigation and study authorized and directed by this resolution, the Select Committee shall be empowered to exercise the powers conferred upon Committees of the Senate by Section 6002 of Title 18 of the

United States Code or any other Act of Congress regulating the granting of immunity to witnesses.

SEC. 5. The Select Committee shall have authority to recommend the enactment of any new Congressional legislation which its investigation considers it is necessary or desirable to safeguard the integrity and purity of labor-management relations.

SEC. 6. The Select Committee shall make a final report of the results of the investigation and study conducted by it pursuant to this resolution, together with its findings and its recommendations as to new Congressional legislation it deems necessary or desirable to the Senate and at the earliest practicable date, but no later than December 31, 1976. The Select Committee may also submit to the Senate such interim reports as it considers appropriate. After submission of its final report, the Select Committee shall have four calendar months to close its affairs, and on the expiration of such four calendar months shall cease to exist.

SEC. 7. The expenses of the Select Committee through December 31, 1976, under this resolution shall not exceed $1,250,000.00 , of which amount not to exceed $250,000.00 , shall be available for the procurement of the services of individual consultants or organizations thereof. Such expenses shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman of the Select Committee.

The article ordered to be printed in the RECORD, is as follows:

THE TEAMSTERS AND THE MOB

These are high times for the Teamsters union. It is the biggest and the richest union in the nation, fighting and making alliances where it pleases. Its leaders claim the friendship of Richard Nixon, the former President who—before his downfall—invited them into the White House and soothed the itch of their expulsion from the AFL–CIO. With former Teamster president Jimmy Hoffa missing for three months and presumed dead, his successor Frank Fitzsimmons is free to enjoy the perks of power challenged only by a few rank-and-file dissidents and the likes of Ralph Nader. The 1957 McClellan committee investigation, with its gamy revelations of corruption in the union, is a distant fading memory.

But history may be repeating itself. Last week, teams of investigators from the Labor Department, the FBI and the Internal Revenue Service were into the second month of a nationwide investigation of the union's financial dealings, particularly with the underworld. Fitzsimmons himself was under fire for his personal and professional relationships with mobsters and his trusteeship of the union's enormous assets, including the $1.3 billion Central States pension fund. In Detroit, Hoffa's son James P., a lawyer who has no previous union experience, took what some said was the first step in a campaign to win his father's job. And in Washington, Michigan Sen. Robert Griffin said he will introduce a resolution this week calling for a new McClellan-type investigation of the union. "I think it is high time we have that kind of investigation again," said Griffin, coauthor of the Landrum-Griffin labor-reform bill. If the mob really influences the Teamsters, he said, "to what extent . . . has the mob taken over control of the economic life of this country?"

After his own extensive look into the union, Newsweek's Tom Joyce reported last week that the mob's hold on the Teamsters and its finances is as strong these days as it was during the McClellan investigation eighteen years ago. Fitzsimmons, a bumbling nonentity picked by Hoffa for the presidency, has all but relinquished day-to-day control of the union to secretary-treasurer Murray (Dusty) Miller while he himself plays golf and flits about the country in one of the union's jets. Major union policy, insiders say, is most often set not by Fitzsimmons but by William (Bill) Presser, 68, a beefy, old-line Teamster from Cleveland with longstanding ties to the underworld and a conviction on his record for helping to misuse $590,000 in union funds. For advice on where the union's hundreds of millions of dollars in pension money should be invested, these insiders add, Fitzsimmons still relies heavily on Allen Dorfman, a one-time $75,000-a-year adviser to the Central States pension fund who officially lost his job in 1972 for taking a $55,000 bribe from a textile manufacturer who wanted to borrow $1.5 million.

Investigators from the FBI, the IRS and the Labor Department are focusing on the Central States pension fund, which is nourished by employers' contributions of $22 per week for each of the 400,000 union members. For years, first under Hoffa and now under Fitzsimmons, the fund has been a ready source of investment funds both for mobsters and the promoters of shaky enterprises. It has poured nearly $60 million into Rancho La Costa, a plush, 5,600-acre country club and resort near San Diego run, in part, by former bootlegger and gambler Morris (Moe) Dalitz and Allard Roen, an admitted stock swindler.

PALS AND PALACES

Fitzsimmons has a palatial home there worth, according to one awed Teamster official, "at least $250,000—I've never seen anything like it." The fund currently also has $11 million tied up in a Connecticut jai alai palace, the opening of which has been stalled by an investigation into charges that kickbacks to politicians and other illegal acts were committed during its construction.

But the fund's favorite investment turf is Las Vegas, and its favorite current investor is a somewhat mysterious attorney named Allen Glick. Glick, who lives in a closely guarded home in La Jolla, Calif., referred to by neighbors as "the fortress," has borrowed a tidy $160 million from the fund and invested much of it in hotels and gambling casinos along the Strip, including the Stardust, Fremont, Hacienda and Airport Marina Hotel and Casino. The Teamsters also have invested in the nearby Caesars Palace and Circus Circus. In addition to his Las Vegas investments, Glick profited handsomely on at least one occasion from one of the Central States funds' many bad investments. Between 1964 and 1971, the fund invested heavily in a California development called Beverly Ridge Estates, which owed the fund $13 million when the fund foreclosed. The fund later turned the property over to Glick for only $7 million—which he borrowed from the fund at just 4 per cent interest.

DEATH IN SAN DIEGO

The 33-year-old Glick keeps a low profile, not even permitting his children to play at neighbors' homes. Last week, however, he got some unwanted attention. The wife of a San Diego doctor, Mrs. Tamara Rand, who with her husband had filed a suit charging Glick with cheating them on a real-estate investment scheme, was found shot to death in her home.

Police theorized that Mrs. Rand had been executed by a hired killer. Glick, said San Diego homicide Lt. Ed Stevens, will be one of those questioned in the case.

Ostensibly, Central States fund loans must be approved by a sixteen-member board composed of Teamster leaders and trucking-industry representatives. In reality, however, union insiders say Fitzsimmons has the final word, and he leans heavily for guidance on Allen Dorfman. Last year, Dorfman and several others were under indictment on charges of defrauding the pension fund when a key government witness was killed in his office by shotgun blasts fired by gunmen wearing ski masks. Dorfman and the other defendants were later acquitted.

The Central States fund has been generous not only with many of the shady characters who have approached it for loans but with the union and company trustees who manage it. They collect a hefty $400 per day plus expenses when they work on fund business and, according to Labor Department records, this has helped some of them to build six-figure union incomes. Bill Presser, who is suffering from cancer and living in semi-retirement in Florida, is one. Earlier this year, he was dismissed as a fund trustee after pleading guilty to misusing union money. During 1974, however, he drew nearly $30,000 from the pension fund in addition to about $80,000 in salary from the four other Teamster posts he holds.

This spirit of generosity does not prevail when rank-and-file members of the union apply to the fund for pension benefits. Although firm figures are not available, the Professional Drivers Council for Safety and Health (PROD), a truckers organization with ties to Ralph Nader, estimates that only one of ten teamsters is ruled eligible for pension benefits when he reaches retirement age. Richard B. Kay, a Cleveland attorney who has handled a number of lawsuits by rank-and-filers trying to obtain benefits from the fund, charges that fund officials are "following a calculated plan to put as many hurdles as they can in the way of people claiming pensions in order to offset the actuarial losses from their bad investments." By denying benefits to 1,000 members for one year, he says, the fund can make up a loss of $3.6 million.

To qualify for a pension, a teamster must not only prove that he has twenty year's service but meet a number of other standards, many of them difficult to achieve. For example, when a teamster retires, it is often up to him to prove his eligibility—and he may find that smaller firms that once employed him years ago have simply disappeared and left no records. A teamster who buys and operates his own truck may lose his eligibility, even though he is required to continue paying dues to the union.

"A DIRTY DEAL"

Clifford Bond, of Dayton, Ohio, is one oldline teamster who ran afoul of regulations when he applied for a pension. Bond had been a member of the union for 23 years when, in 1971, he was injured in a loading-platform accident and forced to retire at the age of 59. Despite the fact that he had been a Teamster for well over twenty years, Bond was turned down when he applied for a pension. Fund officials cited a five-year "break in service" between 1956 and 1961 when Bond worked as a dispatcher, a job they claimed was "not a traditional Teamster classification." Bond and his wife now exist solely on social-security payments. Say Bond: "I'm getting a dirty deal."

The same cannot be said of Frank Fitzsimmons, the rotund, 67-year-old president of the union. "Fitz" draws a salary of $125,000 a year, has an unlimited expense account, is headquartered in a union-owned home in Bethesda, Md., and has his California home besides. Fitz was installed in the job by Hoffa, a buddy from their early days in Detroit, when Hoffa himself was jailed in 1964 for jury-tampering and manipulating the unions pension funds.

HOFFA'S LAMENT

When Fitzsimmons took office, the understanding was that he would step aside once Hoffa got out of jail—but after a brief taste of life at the top, Fitz got other ideas. He became President Nixon's only prominent labor supporter, visiting with him both in Florida and at San Clemente. And when Hoffa was finally paroled, he learned to his dismay that it was with the provision that he be barred from holding union office until 1980. To the day he disappeared, Hoffa maintained that the restriction had been arranged by Fitzsimmons and former Presidential counsel Charles Colson—who, as it happened, soon joined a law firm, taking with him a $100,000 annual retainer from the Teamsters.

In his autobiography, published one month after his disappearance from the parking lot of a suburban Detroit restaurant, Hoffa charged Fitzsimmons with "letting known racketeers into the Teamsters" and "making vast loans from the . . . Teamster pension fund to known mobsters." Hoffa was in a position to know; he still had many friends in the union and he had done much the same thing himself. In any event, a number of police officials and Hoffa supporters in the union theorize that he had evidence to back his charges and planned to make that evidence public as part of his campaign to regain the union presidency. But if that was his plan, he disappeared before he could carry it out, and despite an intensive search of rumored burial grounds in Michigan and the posting of rewards totaling more than $300,000, no trace of Hoffa has been found.

Nowadays, according to union insiders, Fitzsimmons seems more interested in playing golf than in running the union. One recent golf match was with Nixon, who emerged from seclusion at San Clemente as a participant in a Fitzsimmons-sponsored charity tournament at La Costa. He was in interesting company. Besides the top Teamster hierarchy, the 174 golfers included Dorfman and Anthony (Tony Pro) Provenzano, a convicted labor racketeer and onetime Teamster vice president who has been questioned in the Hoffa disappearance.

With Fitz chronically on the golf links, much of the power in the Teamsters has been assumed by Bill Presser. "Presser is closer to Fitz than anyone else," one Teamster official told Newsweek. "He has more to say than anyone else. But you don't see this—it happens behind closed doors." As an example of the power Presser wields, this source cited the elevation of his son, Jackie, to become a trustee of the Central States fund. "There was a lot of opposition," the official said. "Fitz was advised not to permit this because it was obvious nepotism and it was felt Presser had done enough harm. But Bill put his foot down and Fitz agreed. So did the others."

Last week, Fitzsimmons was the principal speaker at a $100-a-plate "coming out party" in New York for Provenzano. The dinner, which raised $160,000 for a scholarship fund, celebrated the fact that because five years have expired since his release from prison, Provenzano is now free to hold union office again. There was no immediate sign that he would, but Fitzsimmons stressed to a reporter: "I think Tony is a wonderful man, and if I decide I need an organizer or I need him, I'll appoint him. That's all."

That encounter with a member of the press was a rare event for Fitzsimmons, who finds public expression difficult. When he was appointed to the wage-price control board by his old friend Nixon back in 1971, for example, he was asked what action he planned to take. Replied Fitz solemnly: "We intend to do what we can to implement the problem that is at hand today. As far as our position is concerned, the Teamsters is the same as has been outlined here that once we determine, we will stand back of our decision."

Fitzsimmons and the Teamster leadership find themselves increasingly isolated from the mainstream of organized labor, politics and even the union's rank and file. In response to an angry attack by George Meany at the AFL–CIO convention last month, the Teamsters abruptly canceled a non-raiding agreement with AFL–CIO unions, a move that could touch off a rash of jurisdictional battles. And while Fitzsimmons's alliance with Nixon served to keep government investigators at bay, that no longer holds true. In fact, NEWSWEEK has learned, President Ford has been strongly urged by advisers to keep the Teamsters at arm's length—and perhaps significantly, Secretary of Labor John Dunlop seems determined to press his new investigation, even asking Congress for extra funds to finance it.

THE REFORM MOVEMENT

Across the country, there are nearly a dozen rank-and-file Teamster groups pressing for internal changes in the union. According to John Sikorski, a spokesman for PROD, his organization has been "flooded with letters asking us to help reform the Teamsters."

But rank-and-file revolts have had notoriously short lives in the Teamsters. The real threat to Fitzsimmons and his cohorts comes from the Administration investigators and, if Senator Griffin has his way, an independent Senate investigation on Capitol Hill. Fitz professes not to be worried. "I assure you that we will cooperate 1,000 per cent in a full investigation of the Central States pension fund," he recently told Teamster members. "Not," he hastened to add, "that it needs it." But as with Hoffa before him, Fitzsimmons may yet find that the fund is his—and his union's—most vulnerable point.

Mr. McCLELLAN. Mr. President, I congratulate the distinguished Senator from Michigan (Mr. GRIFFIN) upon the introduction of this resolution.

It is quite apparent that there is need for another investigation into labor-management relations and particularly with respect to the infiltration of organized crime and other criminal elements into business and labor organizations.

During the last 2 or 3 years, I have received complaints from union members about the dictatorial and undemocratic processes by which their union is governed and especially with respect to union expenditures and the management of their pension fund.

I believe the investigations conducted by the Senate Select Committee which I chaired some 18 years ago, and which resulted in the enactment of the Landrum-Griffin bill, were very productive and helpful, and I am persuaded that another comparable investigation at this time would also be fruitful and point to the need for further remedial legislation in the field of labor-management relations.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum on the time of the distinguished Senator from Michigan, the acting Republican leader.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New York (Mr. JAVITS) is recognized for not to exceed 15 minutes.

EMERGENCY MEETING OF NEW YORK HOSPITAL OFFICIALS

Mr. JAVITS. Mr. President, we have been discussing very seriously here in committees—and we will, I hope, very soon be considering in the Senate—the problem of the financial crisis of the largest city in my State and the premier city of the United States, New York City.

Yesterday, in order to bring to the Senate as much information as I could on the consequences of a default which has been very much discussed, I had an emergency meeting with hospital officials of the city.

Mr. President, when the President of the United States spoke of essential services, he named three. He named police, fire, and sanitation.

I am sure that the other essential "services" were excluded not by design, but simply because the President was highlighting what are normally considered the police powers of a State and a city in respect to its own preservation.

There are a number of other areas, however, Mr. President, which are essential. One of them is medical services and hospital care. Generally, in a great crisis like this, and with a city of 8 million which is the crossroads of the world, this is a colossal problem.

Similarly, another would be education. We have about 1,100,000 children in the schools. If they are turned loose on the streets, I do not know that we have enough U.S. troops to control what might happen.

The third, of course, is water supply.

There may be others, but these are certainly an additional three to the President's trilogy.

So, as I said, to bring pragmatic information to the Senate, I had an emergency meeting with the various hospital and other health care officials, brought together under the auspices of the United Hospital Fund of New York, which is the voluntary organization that does a great deal to raise money for the hospitals; the Greater New York Hospital Association, which is the association of the hospitals themselves that includes both voluntary and public so-called city hospitals; and with the Health and Hospital Planning Council of Southern New York, Inc., which is a federally inspired agency dealing with planning and general coordination of operations of the hospitals in the region.

We have 67 voluntary nonprofit hospitals, 32 proprietary hospitals, and 18 operating municipal hospitals. They operate approximately 38,500 beds and over 1 million patients were treated last year, excluding patients in mental institutions, TB hospitals, and other long-term care facilities.

Indeed, approximately half a million patients were out of State residents, because, as I say, New York is such a crossroads.

At the meeting we had medical school deans, hospital administrators, the doctors who are in charge of these various overall functions I have described, and concerned citizens.

Without regard to affiliation—whether nonprofit, voluntary teaching hospital, nonprofit community hospital, or public hospital—there was one message from the top doctors and dedicated public servants all: Mr. Terenzio, who represents the United Hospital Fund of New York, Dr. Haldeman, who is the head of the Health and Planning Council of Southern New York, and Dr. Connorton, who is the head of the Greater New York Hospital Association. All of them said the question is for us here in the Congress who shall live and who shall die.

Who shall live and who shall die? These are the stakes being played for by New York's 8 million citizens, as New York City struggles for fiscal survival.

The losers are not institutions but people—people whose only fault is to fall victim to a life-threatening emergency when the health care delivery system—physicians, pharmacists, hospitals, et cetera—has collapsed for lack of financial support.

The life and death stakes for the 1.5 million people who depend on medicaid is readily understood. If New York City defaults it will not provide the 25 percent matching funds which are necessary to continue the Federal medicaid dollars to pay for medical care for the poor.

At the same time, the effect of the city's financial crisis on New York City hospitals services impacts more than tangentially on non-New Yorkers. For, only last year approximately 600,000 Americans across the Nation sought and were provided health care at the nationally, indeed internationally, known centers of medical excellence located in New York City.

This irreplaceable resource of medical service is in danger of permanent destruction because of the threatened breakdown of the sensitive financial interrelationship between the hospitals and the city, such as the affiliation contracts between the public and voluntary sector hospitals.

The great interdependency of the hospitals and the city is caused by the medicaid program payment network. The city acts as the paying agency for medicaid, and then claims reimbursement from the State for 75 percent of its $821 million annual payment to the hospitals.

In the event of bankruptcy, this entire amount will not be available to the hospitals—not just the city's 25 percent share.

Unless hospitals continue to receive regular payment of bills for care provided, they will not be able to meet their payrolls or pay their vendors—which, in a very short time, will lead to disruption to critically needed services.

Another significant factor is the New York City program of hospital ambulatory care for the near poor.

Many areas of New York City have almost no physicians in private practice, and so large numbers of patients have looked to the hospitals for their ambulatory care. While the proportion of these patients covered by medicare and medicaid varies widely at these hospitals, it appears that on the average about half are covered. Many of the remainder are people earning slightly more than the $5,000 per annum medicaid eligibility limit on income for a family of four—this means the near poor, employed in relatively low-paying jobs, earning barely enough to cover the costs of rent, food, and clothing; how can they possibly pay the costs of medical care?

Hospitals are unable to collect from the near poor more than 10 to 15 percent of the cost of ambulatory care. Yet, if ambulatory care becomes unavailable as a result of the present financial crisis, it is likely that many of these people will become hospitalized at costs far exceeding those of providing ambulatory care.

Still another effect of a city default would be a serious adverse impact on Blue Cross—which provides hospitalization coverage for about 1 million city employees and their dependents. Clearly Blue Cross ability to provide continued coverage for these people would be threatened if premiums are not paid for them by the city. This in turn would further limit cash flow to hospitals and seriously hamper their continued ability to pay their employees and vendors.

While all hospitals are on an "endangered species" list, the situation with respect to the 18 public hospitals in New York City is substantially more severe. The hospitals of the New York City Health and Hospitals Corp. face a special danger—extinction—since all of their money is channeled to them by the city. An interruption of cash flow would make it impossible to operate their 12,500 beds. It would be catastrophic to try to close these hospitals abruptly, and yet continued service would be impossible if city funds, including personnel pay checks, are not forthcoming.

And if public hospitals fail to perform, our disadvantaged citizens will have no place to turn. Clearly the voluntary nonprofit hospitals, which already provided $434 million in services to medicaid patients last year, would not be able to continue to do so.

The problem is that such citizens of New York are not able to pay the high costs of necessary medical care.

The problems of the public hospitals and the cities are not only matters of the budget for current services but also a matter of manpower. The public hospitals and the low-income areas they serve are proving unattractive to physicians who prefer to practice in more pleasant surroundings, especially when their services are better rewarded.

Furthermore, public hospitals have relied heavily on house staff—interns and residents—to provide important parts of their services. Yet such medical manpower education is jeopardized with the collapse of medical school residency training affiliation programs with public hospitals—which New York could no longer support in the event of default.

Perhaps we can best understand the price of failure by visualizing the potential toll of human misery that no auditors pencil can "cost out":

The diabetic who must die for lack of insulin, because there is no longer a funding mechanism to enable him to obtain it.

The heart attack victim who must die because the citywide ambulance dispatching service has been cut back in the interest of "fiscal restraint."

The premature baby who must die, because the specialized services necessary to sustain life are no longer available.

Such tragedies must not be allowed to occur. Sick people should not be made the victims of a New York City default, or of a health care system plagued by a multitude of intricate problems caused by complex factors—past and present—that must be addressed in a rigorous, yet thoughtful way.

My top priority is to assure the uninterrupted delivery and availability of health care services essential to all the people of New York. This requires the economic viability of its health care institutions in the event of default.

At the same time, I believe it is appropriate to demand immediate and continuing action to correct the malfunctions of the health care system if we are going to ask all the taxpayers of America to support our health care needs. The dose of preventive medicine that needs to be swallowed by New York City is a bitter one, but I am convinced that the continued health of the system is worth it.

In fact I believe it is possible that out of adversity we can work together to devise solutions that will strengthen our health care system, and serve as a model for what can be done by U.S. cities.

Health care is not the only area in which New York City's problems mirror those of the Nation. However, it is a unique area because its victims are particularly vulnerable and certainly not to blame. The personal consequences to the health of individuals simply cannot wait the solutions of the public and private establishments.

A city default would send, not ripples, but shock waves through the entire health care system.

To insure the survival of both the voluntary and private health sector—and the survival of essential health care services for people—I propose the creation of a structure that can see us through the short-range emergency and provide the foundation for health care of the future.

To achieve that goal I intend to act as a catalyst between the White House, the Department of Health, Education, and Welfare, the Congress, and New York City and State officials to insure continued medicaid funding without regard to city inability to provide its 25-percent matching funds.

This can be achieved in the short term—let us say 6 months in the event of default—if the city agrees to close down such public hospitals whose occupancy rates are below the national average, and at the same time provides utilization review to guarantee that the hospital's patients need medical care in that facility, and not as a place to stay for lack of other facilities.

At the same time as unnecessary, understaffed and underutilized public hospitals close and as the poor turn to the 67 voluntary nonprofit hospitals, these hospitals must set in motion utlization review teams and PSRO's—professional standards review organization—to oversee admissions in order to guarantee their appropriateness and medical necessity—for admission, in the first place, and also length of stay, once admitted.

I am not talking about a case-by-case preadmission standard, but rather the development of appropriate parameters of criteria for hospital admission, and standards for what levels of service are to be provided. We can no longer accept, for example, the provision of unlimited batteries of X-rays and laboratory tests as a teaching experience, when other less costly and limited methods are equally effective.

While ambulatory care is, I believe cost-effective in the long term, we may, for the short run, have to be prepared to adopt priorities and new utlization review mechanisms respecting what maladies may be treated—perhaps even limiting this to emergency care.

At the same time, it will be necessary to set in place a different drug benefit program. First, by insuring that medicaid prescriptions can be filled at a hospital outpatient department and that the drug provided is the lowest cost therapeutic bioequivalent drug. Moreover, the prescription drug benefit may very well need to be a more limited nature, for example restricted to lifesaving and long-term maintenance drugs.

The future level of reimbursement respecting all hospital admissions may well also have to be changed. The present "reasonable costs" procedures contain no incentive for efficient performance, nor disincentive to inefficiency. And, at the same time, there is no effective limit on what is reasonable cost. It cannot be "business as usual" if Federal medicaid support without matching funds is expected. It may be necessary to have reimbursement levels pegged to the cost of the most efficient provider of the same range of services.

These may be Draconian measures, but if aid is to be forthcoming, nothing less will suffice. And I believe such assistance is essential for survival of our premier city and her people.

The cutbacks in services cannot be made in a vacuum nor on an arbitrary basis. Therefore, I intend to call upon the White House to lend us the leadership and expertise of Jack Veneman, who has had a distinguished career as Under Secretary of the Department of Health, Education, and Welfare respecting health policy. He would head up a task force to set such changes in motion, with the cooperation and participation of the appropriate State and city officials.

Until this is undertaken, I will work to insure that each voluntary nonprofit hospital would be guaranteed by the Federal Government that it would receive directly its share of medicaid expenditures, in direct proportion to its total operating budget, without regard to city matching funds being provided.

I believe such a commitment by New York that fully recognizes the problems of an overextended system and takes corrective action to deal with it—without blaming the innocent victims—the sick, the poor, all of us—will be favorably received.

Adversity, which forces us to take stock, may lead us to demonstrate to the Nation that health costs can be contained, that cooperative health planning can work, and that accessible and essential health services for all citizens can be provided.

Now, Mr. President, the point that I wish to end with, because this is such a tragic situation, is that, one, this is an essential service and in any consideration of the essential services which are made in respect of New York, medical services are absolutely as essential as police, fire, and sanitation.

Second, Mr. President, that some form of assistance simply must come or there will be a tremendous toll in New York, especially of the poor and near-poor, many of whom will die—I say that not to be dramatic but it is a fact—because of this situation. America's heart has never been closed and stony to people who are in that condition wherever they may be throughout the world, whether it is Bangladesh, Africa, Latin America, or any other place far, far away from home. It is about to happen to our premier city. I hope very much that the President will understand that, and this message is addressed to him as much as it is to the Members of the Congress, and that the Members of Congress will understand that.

Of course, we all know in our hearts that we are not going to let it happen. The only question is, when will we start to do it? And when we do, will it be infinitely more expensive only because we delayed while the problem waited in the anteroom?

Mr. President, whatever we do, we must do it now, or we will reap a whirlwind of consequences infinitely more expensive, disastrous to our country, and, as the President will tell us when he comes home, unbelievable. I use that word again advisedly, Mr. President: Unbelievable to hundreds of millions throughout the world to whom New York is America, and who simply will be unable to understand how we could allow the greatest city in the country and in the world to be in a debacle because of the failure to extend to it the credit help—not money; there will not be any money, everyone agrees it will be repaid—the credit help which this city, and indeed the State of New York or it will go, too, now need, and are in such a perilous situation, literally on the brink, facing December 1, but a few short days from now, while we fiddle and Rome burns.

Mr. President, there is a deep tragedy now developing in this country—a deep, deep tragedy. And as our hearts go out to the sick and the endangered because of their health and because of illness and disease, and the emergencies of life, I thought it would be instructive and interesting to show New York's crisis by this analysis of its situation in the field of medical service.

Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum entitled "What Default Will Do To New York City's Hospital Services."

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

WHAT DEFAULT WILL DO TO NEW YORK CITY'S HOSPITAL SERVICES

I. If default occurs 20 voluntary hospitals may go into receivership . . . unless New York's 117 voluntary, public and proprietary hospitals are included in the list of "essential services" to the City and continue to receive regular Medicaid payments for care they provide.

II. Financial studies indicate that over $70 million of inpatient receivables—representing 25 percent of the total—are due our hospitals under the Title XIX (Medicaid Program) for which the City serves as fiscal agent.

If Medicaid payments to our hospitals do not receive the highest priority under any contingency plan formulated with respect to a possible default, at least twenty of the voluntary hospitals would have less than fifty cents ($.50) in current assets for every dollar of currently outstanding liabilities.

Other hospitals would have to severely curtail their services, lay off thousands of employees and engage in heavy borrowing to survive. The total effect on the health of the populace and whatever remaining economic viability left in the City would be catastrophic.

In other words, an annual $821 million in Medicaid payments channeled through the City will be lost to the hospitals and many hospitals will be lost to the people.

III. Also at risk would be about $100 million in mental health program money which is paid via the City plus smaller amounts for addiction services.

IV. Blue Cross provides hospitalization coverage for about 1,000,000 City employees and their dependents. Blue Cross's ability to provide continued coverage for these people if premiums are not paid for them by the City would be threatened. This in turn would further limit cash flow to hospitals.

V. Compounding the problem, the Social Security Administration has announced that it is changing its Medicare payment methods to withdraw $30 million in cash flow from the 100 hospitals in Southern New York which have been on the Periodic Interim Payment method since the program began in 1966.

VI. All of the money of the hospitals in the New York City Health and Hospitals Corporation is channeled to them via the City. It would be catastrophic for millions of patients to try to close these hospitals, yet continued services would be unlikely.

VII. What is at stake here? At stake is a $2.6 billion dollar business, one of New York City's largest industries, employing about 150 thousand people and caring for 1,121 million patients in 38,503 beds. 8.2 million outpatient visits and 1.3 million visits to ambulatory care centers and 3.4 million emergency visits were also included in the care provided by these hospitals.

VIII. More than $1 billion went for supplies last year—goods, foods, pharmaceuticals—and services. Because of the huge spread in area of New York City's hospitals, many of these things were bought outside of the five borough area, thus a default would deeply affect the Metropolitan Area.

IX. Almost 1,200,000 days of care annually are provided by these hospitals to persons who do not reside in New York City. More than 500,000 of these days of care are provided to out of state residents, reflecting New York City's preeminence as a national center for medical care—a resource which will be in deep jeopardy if default occurs.

BACKGROUND INFORMATION

Even before default hospitals in New York City were in a crisis situation.

In 1969, the State legislature enacted the "cost control" law which did nothing to limit costs to the hospital but put a cap on hospitals' income causing reimbursement to be made on a prospective basis, i.e. a rate is promulgated at the beginning of a fiscal year which determines payment by Medicaid and Blue Cross (in New York City more than 50% to total hospital income) and the hospital is expected to function within that amount.

As a result of the severe inflation experienced during the last five years the net effect is that the hospitals have experienced deficits which determines payments by Medicaid and of almost all of them, forced three into bankruptcy and caused banks to limit their loans for operating purposes.

In the United States, the average hospital ended the year 1974 with a surplus equal to 2% of expenses; in New York City there was a deficit of 3.3% of expenses.

Yet New York has been the most efficient State in the country in utilization of its beds. Bed construction has been limited since 1963 and as a result occupancy was 88% last year vs. the national average of 74%.

The second and probably more significant major factor which has reduced hospital reserves is ambulatory care, which is mostly provided in the larger hospitals.

Many areas of New York City have almost no physicians in private practice and so patients have looked to the hospitals for their ambulatory care. While the number of ambulatory patients covered by Medicaid and Medicare varies widely among the hospitals, it appears that about half are so covered. The remainder are the "working poor" earning slightly more than their eligibility level for medicaid. This means that they are employed in relatively low-paying jobs, and earn enough to cover rent, food and clothing.

These people seldom can afford more than 10–15% of the cost of their care. As a result, the cumulative ambulatory care deficit in the voluntary hospitals alone exceeds $65 million a year.

If these people become inpatients the care of some of them will be paid for by Blue Cross, which usually covers inpatient but not outpatient care. Many of the rest become, through unemployment due to illness, eligible for Medicaid—a counterproductive cycle which could be prevented by a relatively small sum ($65–75 million) targeted to ambulatory care. It is interesting to note that the national figure for unreimbursed ambulatory care is estimated at just twice the figure for New York City.

Presently, because they have reduced their personnel, the City takes five weeks to determine Medicaid eligibility; they used to take three weeks. The difference increases the hospital's accounts receivable by an annualized figure of $17.5 million. It takes three months for a Medicaid claim to be paid after the service has been given and the bill is submitted. To offset this in part, the City has advanced $70 million; the advance should be higher. Medicaid rates this year, due to uncontrollable items such as the jump in malpractice insurance rates, lead to an $18 million underpayment.

Each of the above makes any interruption in cash flow more unmanageable for the hospitals.

The ACTING PRESIDENT pro tempore. The time of the Senator from New York has expired.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m., with statements therein limited to 5 minutes, unless the leadership desires to go immediately into executive session to consider the Rumsfeld nomination.

The Senator from Virginia is recognized.

THE MEANING OF DEFAULT ON NEW YORK BONDS

Mr. HARRY F. BYRD, JR. Mr. President, one of the most far-reaching pieces of legislation to come before Congress in a decade is the proposal to have the resources of all the American people guarantee the private investments of a few.

The legislation proposes that the Federal Government guarantee New York City bonds against default.

What does default mean?

It means that the bondholders will not be paid the interest—and incidentally, in this case it is tax-free interest—on the bonds which they hold. It also means that the payment of the bonds which mature immediately will be deferred.

So what the proposal would do is have the Federal Government guarantee the bondholders against default. The major bondholders are the large New York City banks.

Mr. President, there are hundreds of millions of dollars involved in this matter. Individuals and institutions will benefit to the extent, in regard to individuals, of thousands, tens of thousands, and hundreds of thousands of dollars; and in regard to institutions, the banks of New York City will benefit to an unknown extent, but to the extent of tens of millions and perhaps hundreds of millions of dollars.

President Ford last July took a strong position on the principle involved. He said a bailout of the bondholders of New York City would not be in the public interest, and would be in fact a bottomless pit for the American taxpayers.

President Ford took that strong position in July. He took the same strong position in August. He took the same and an even stronger position in September, and he took the same and an even stronger position in October; and he has maintained that position up to this point. To date, President Ford continues in his strong and, in my judgment, correct stand.

If President Ford continues to stand firm, the American people will win the fight against the combined power of the New York City banks and the New York City politicians.

There are some who feel that President Ford will cave in and reverse his position. But President Ford has taken the position that he has as a matter of principle and as a matter of appropriate concern for the American taxpayer. If he should reverse himself, I suppose that would mean that the New York City bankers combined with the New York City politicians will win the fight over the American people. But if President Ford reverses himself, it would take quite awhile, I would judge, to restore his credibility.

Mr. President, over the weekend I read 568 pages of the Banking Committee hearings on this subject. Some of those pages I have read for the second and third time. Nowhere have I found that the information is being submitted to the Senate as to how much each of those New York banks would benefit by the legislation which is proposed.

I hope that if and when such legislation comes before the Senate, there will be no shortcuts taken, and that it will follow the normal procedures.

I say again, there are hundreds of millions of dollars involved, and there is vast speculation in the bonds, forecasting the enactment of bailout legislation for New York.

The New York Times on Sunday, November 16, published an article on this subject entitled "Price Flurry in City Bonds." I ask unanimous consent that the article be printed in the RECORD at this point.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. MANSFIELD. Mr. President, I seek recognition, and yield my time to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I thank the Senator. As a part of the same insertion, I ask unanimous consent to have printed in the RECORD a short article by the able economist, Eliot Janeway, published in the Washington Star of Friday, November 14.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star, Nov. 14, 1975]

ELIOT JANEWAY SAYS . . .

In this year of rule reversals, the stock market has been disregarding the old one that the market fears uncertainty. Being up in the air about New York's debt maturities has kept the market up and rising. But there has never really been a chance that Washington would come up with the money to roll over maturities and pay interest as usual. Talk about instant disaster following the inevitable announcement of deferrals and interest cuts has always been exaggerated. Yesterday's steady market reaction to its first official view of the coming moratorium proves it.

[From the New York Times, Sunday, Nov. 16, 1975]

PRICE FLURRY IN CITY BONDS

(By John H. Allan)

For the past year, investors owning New York City bonds have faced a unrelenting stream of bad news that pushed the value of their securities lower and lower. In the secondary market, meanwhile, yields on New York City bonds rose higher and higher.

Earlier this month, the prices reached depths scarcely believable. New York City bonds were offered to investors at 40 cents on the dollar and even less. At those prices, the yield was 30 percent or more.

The low prices have caused two developments lately—speculative buying on the hunch the Federal Government will at the last moment come to the aid of the city to avert default, and tax swapping.

Last week, the speculative buying increased as President Ford appeared less adamantly opposed to some sort of financial aid for New York State and two other influential Republicans—Arthur R. Burns, chairman of the Federal Reserve Board and John J. Rhodes, House Minority Leader—appeared to lean toward support of legislation to aid the city.

The increased optimism over the outlook for the city's financial problems—whether justified or not—caused some good-sized moves in the bond market. The 11 percent Municipal Assistance Corporation issue scheduled to mature Feb. 1, 1983, jumped 89-bid on Wednesday morning to 96-bid at noon Thursday.

In other words, a dealer who was willing to pay only $4,450 for a $5,000 M.A.C. bond on Wednesday said he would pay $4,800 a little more than one day later. The Municipal Assistance Corporation is a state agency established earlier this year to help the city refinance its short-term notes, but M.A.C. later found itself unable to sell new securities in the financial markets.

On Friday, New York City and M.A.C. securities showed little further change as investors and speculators alike sat back to see how the interplay between Washington and Albany on rescuing the city would finally turn out.

Normally when new issues of state and city bonds are offered to investors, the total is divided into annual series. Some of the bonds mature each year from, say, one or two years out to 30 or 40 years. Usually, yields increase as the maturity of the bonds gets longer.

The city, for example, sold $294 million of bonds three years ago, pricing them to yield from 3.50 percent on those maturing in a year and a half up to 6 percent for those coming due in 2013. Bonds due in 1981 originally yielded 5.10 percent. Those due in 1982 yielded 5.20 percent. Those due in 1983, 5.25 percent, and so on.

With the steep decline in New York City bond prices over the last several months, these close distinctions have disappeared and the market has lacked breadth, depth and resiliency. Last Wednesday, to cite one example, New York City 7 percent bonds maturing Aug. 1, 1976, were offered by one firm at 68 percent of their face value. Another offered the same issue at 50 per cent.

Prior to the city crisis, these bonds would have been offered at no more than a point or two apart in price.

The huge price range for similar bonds has caused some speculators to pick over the list of New York City bonds in the hope of finding bargains. The amount of this sort of activity has been light, bond dealers reported last week, but it was definitely present.

The speculative buying helped lift bond prices on Wednesday and early Thursday, but slackened later and prices leveled off as traders began to question just how Federal aid would be given and what changes in interest payments or bond maturities bondholders might be required to accept.

Then, later in the week, Treasury Secretary William E. Simon refused to say that the Ford Administration had really changed its position on Federal aid for New York, and the week's puff of optimism evaporated.

The price wiggles, occurring on very little trading volume, only reemphasized the utter chanciness of the market for New York City bonds.

For holders who want to record losses for income tax purposes, however, trading in the city's bonds can make a lot of sense. Because 1975 has been a relatively good year for the stock market (the Dow Jones industrial average climbed more than 50 percent from its low in December 1974 to its high in mid-July), investors may want to record some losses to offset gains and thereby reduce their taxes.

Last week, it would have been possible for someone holding New York City bonds to switch out of 5 percent securities maturing in 1978 that he bought at, say, 90 and that had sunk to 55½ and into 5.40 percent bonds due in 1979 that were also offered at about 55. The investor would wind up with very nearly the same security (and face the same worries about default) but at least he would have recorded a transaction with some favorable tax consequences.

Because the market for New York City bonds has become so illiquid, these switches can only be done at some cost. Bond firms don't want to increase their inventories of New York City securities, and they thus try to operate more as ordermatching brokers than dealers.

For investors who hold New York City securities with no need to switch issues for tax purposes and no desire to speculate that the Federal Government will come to their rescue, the outlook is confused.

Some of the offerings present intriguing investment puzzles. Would you, for example, be tempted to buy $135,000 of 9½ percent revenue anticipation notes that New York is scheduled to pay off Dec. 11—less than four weeks away? The notes were offered Thursday at 79 cents on the dollar, an annualized return of roughly 300 percent.

How about New York City 7½ percent bonds that mature in 1990? Some were offered Friday at 60 cents on the dollar, a price that would produce a yield of about 14.10 per cent.

Mr. HARRY F. BYRD, JR. Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Is there further morning business?

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

APPROVAL OF BILLS

A message from the President of the United States announced that he had approved and signed the following bills:

On November 13, 1975:

S. 896. An act to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes.

S. 1542. An act to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and other purposes.

S. 1649. An act to amend the Act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum

On November 14, 1975:

S. 24. An act to carry into effect certain provisions of the Patent Cooperation Treaty, and for other purposes.

S. 2667. An act to extend the Emergency Petroleum Allocation Act of 1973.

SIX NEW RESCISSIONS IN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Stone) laid before the Senate the following message from the President of the United States, which, pursuant to order of January 30, 1975, was referred jointly to the Committees on Appropriations, Budget, and Labor and Public Welfare:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose six new rescissions totalling $1,289.1 million in budget authority. In addition, I am reporting three new deferrals totalling $15.2 million in budget authority and two supplementary reports to deferrals previously transmitted that increase the amount deferred by $4 million.

The six proposed rescissions are for education programs of the Department of Health, Education, and Welfare. The rescissions would reduce Federal spending for programs that are responsibilities of State and local jurisdictions, fail to effectively focus on the persons in need of assistance, or are not justifiable on programmatic grounds.

Approval of the rescissions will reduce spending by $182 million this year, by $61 million in the transition quarter, by $839 million in 1977, and by $208 million in later years. I reiterate my firm belief that the American people want to avoid excessive Federal spending. Agreement by the Congress with these rescission proposals is an important step in avoiding unnecessary increases in Federal expenditures.

The deferrals reported are all routine in nature. Two of the deferrals are for programs of the Department of Health, Education, and Welfare. Another deferral is for a program of the Department of State. Two more deferrals concern administration of the general revenue sharing program in the Department of the Treasury.

The details of each rescission proposal and deferral are contained in the attached reports.

Gerald R. Ford.

The White House, *November 18, 1975.*

ANNUAL REPORT ON HEALTH ACTIVITIES—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Stone) laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

I am pleased to submit to you the Fourth Annual Report on Health Activities covered by the Federal Coal Mine Health and Safety Act of 1969, Public Law 91–173.

The report is a compendium of coal mine health research, medical examinations of coal miners, and other activities of 1973. It covers the implementation of the coal mine health programs carried out by the National Institute for Occupational Safety and Health of the Department of Health, Education, and Welfare.

It is encouraging to note that, in 1973, the Department published the final results of the first round of medical examinations of coal workers as required in the act, and that the Department's coal mine health research program continued to move significantly toward its goal of preventing the development and progression of coal workers' pneumoconiosis.

I commend this report to your attention.

Gerald R. Ford.

The White House, *November 18, 1975.*

MESSAGES FROM THE HOUSE

At 10:02 a.m., a message from the House of Representatives delivered by Mr. Mackney, one of its reading clerks, announced that the House insists upon its amendment to the bill (S. 1537) to amend the Defense Production Act of 1950, as amended, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. REUSS, Mr. ASHLEY, Mr. BLANCHARD, Mr. LAFALCE, Mr. REES, Mr. PATTERSON of California, Mrs. SPELLMAN, Mr. MCKINNEY, Mr. SCHULZE, and Mr. GRADISON were appointed managers of the conference on the part of the House.

The message also announced that the Speaker has appointed, effective at the close of business on November 15, 1975, Edmund Lee Henshaw, Jr., of Virginia, to act as and to exercise temporarily the duties of the Clerk of the House of Representatives.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the enrolled bill (S. 2195) to establish a National Center for Productivity and Quality of Working Life; to provide for a review of the activities of all Federal agencies including implementation of all Federal laws, regulations, and policies which impede the productive performance and efficiency of the American economy; to encourage joint labor, industry, and Government efforts to improve national productivity and the character of working conditions; to establish a Federal policy with respect to continued productivity growth and improved utilization of human resources in the United States; and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. STONE).

At 11:20 a.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House has passed the following bills, each with an amendment in which it requests the concurrence of the Senate:

S. 2114. An act to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes; and

S. 2327. An act to suspend sections 4, 6, and 7 of the "Real Estate Settlement Procedures Act of 1974."

The message also announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 1535. An act to increase the amount of benefits payable to widows of certain former employees of the Lighthouse Service;

H.R. 5630. An act to amend the Federal Boat Safety Act of 1971 in order to increase and extend the authorization for appropriations for financial assistance for State boating safety programs;

HR. 6851. An act to increase the retired pay of certain members of the former Lighthouse Service;

H.R. 8089. An act to amend section 404(d) of title 37, United States Code, relating to per diem expenses of members of the uniformed services traveling on official business;

H.R. 8618. An act to amend the Occupational Safety and Health Act of 1970 to provide additional consultation and education to employers, and for other purposes;

H.R. 9570. An act to authorize the sale and shipment incident to such sale of the chemical substance carbonyl chloride by the Department of Defense;

H.R. 9573. An act to amend section 501 of title 37, United States Code, to limit the total cumulative entitlement to payment for unused accrued leave to sixty days, and for other purposes;

H.R. 9691. An act to amend title 10 of the United States Code in order to make certain disability retirement determinations by the Secretaries of the military departments subject to review by the Secretary of Defense;

H.R. 10284. An act to amend title XVIII of the Social Security Act to assure that the prevailing fees recognized by medicare for fiscal year 1976 are not less than those for fiscal year 1975, to extend for three years the existing authority of the Secretary of Health, Education, and Welfare to grant temporary waivers of nursing staff requirements for small hospitals in rural areas, to maintain the present system of coordination of the medicare and Federal Employees' Health Benefit programs, and to correct a technical error in the law that prevents increases in the medicare part B premiums; and

H.R. 10561. An act to amend chapter 4 (which relates to credit billing) of the Truth in Lending Act with respect to the use of cash discounts, and for other purposes.

At 1:52 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10029) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

At 3:10 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1517) to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes.

At 4:20 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6) to insure the right to an education for all handicapped children and to provide financial assistance to the States for such purpose.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8841) to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and for other purposes.

ENROLLED BILL SIGNED

At 6:55 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the Speaker has signed the enrolled bill (S. 1517) to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. STONE) laid before the Senate the following letters, which were referred as indicated:

PROPOSED ACT BY THE COUNCIL OF THE DISTRICT OF COLUMBIA

A letter from the Chairman of the Council of the District of Columbia transmitting pursuant to law, a draft of a proposed act adopted by the Council (with accompanying papers); to the Committee on the District of Columbia.

REPORT OF THE NATIONAL SCIENCE FOUNDATION

A letter from the Director of the National Science Foundation transmitting, pursuant to law, a report entitled "Federal Support to Universities, Colleges, and Selected Nonprofit Institutions, Fiscal Year 1974" (with an accompanying report); to the Committee on Labor and Public Welfare.

PROPOSED ALTERATIONS OF CERTAIN PUBLIC BUILDINGS

Two letters from the Acting Administrator and two letters from the Administrator of General Services, each enclosing a prospectus for alterations at (1) Camden, New Jersey, Federal Building and U.S. Courthouse; (2) the Boston, Massachusetts, John W. McCormack Post Office and Courthouse Building; (3) the Central Intelligence Agency Building, McLean, Virginia; and (4) the Winder Building in Washington, D.C. (with accompanying papers); to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, with an amendment and an amendment to the title:

S. Res. 251. A resolution to express the sense of the Senate that the President should, upon visiting the People's Republic of China, request that appropriate Chinese officials use their good offices to obtain a full and complete accounting of members of the United States Armed Forces missing in action and confined as prisoners of war in Southeast Asia (Rept. No. 94–457).

By Mr. BURDICK, from the Committee on the Judiciary, with amendments:

S. 2597. A bill to amend the Bankruptcy Act to add a new chapter thereto providing for the adjustment of the debts of major municipalities (Rept. No. 94–458).

By Mr. SPARKMAN, from the Committee on Foreign Relations:

S. 961. A bill to extend on an interim basis the jurisdiction of the United States over certain areas and fish in order to protect the domestic fishing industry, and for other purposes (Rept. No. 94–459) (Reported adversely, together with additional and supplemental views). Referred to the Committee on Armed Services.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1975—SUBMISSION OF A CONFERENCE REPORT (REPT. NO. 94-460)

Mr. PROXMIRE, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1537) to amend the Defense Production Act of 1950, as amended, which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Nathaniel Davis, of New Jersey, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

STATEMENT OF POLITICAL CONTRIBUTIONS

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Nathaniel Davis.

Post: U.S. Ambassador-Designate to Switzerland.

Nominated: October 29, 1975.

Contributions, amount, date and donee:

1. Self, none except standard income tax form check-off—not designated by party.

2. Spouse, joint contribution, $50.00, Oct., 1975, Sargent Shriver campaign.

3. Children and spouses, none—all minors.

4. Parents, none—both dead since 1952, or earlier.

5. Grandparents, none—all dead for many years.

6. Brothers and spouses, I have none.

7. Sisters and spouses:

(a) Mr. and Mrs. Thomas Durham (half sister and husband), Star Route 2, Goshen, N.H. Income tax checkoff; $5.00 for Harry Spanos' campaign for nomination for Governor of New Hampshire, 1974.

(b) Miss Louis F. Davis (half sister), 24 Spring Trail NW, Carroll Valley, Fairfield, Pa. 17320. Miscellaneous contributions not exceeding $25.00 each, totalling less than $100 since Jan. 1, 1971.

(c) Mr. and Mrs. Bliss Woodruff (sister and husband), 51 Berkeley St., Nashua, N.H.

1. Jan. 1974—$100 Democratic State Committee of N.H.

2. Approximately $100 in other miscellaneous smaller contributions.

3. Permitted use of house for political candidates' meetings (the candidates paying for beverages and other expenses except for one occasion when $150 food and beverage expense was borne by the Woodruffs for a party for the George McGovern candidacy in the N.H. Primary in 1972).

4. August, 1975—$50 to the candidacy of John Durkin for the U.S. Senate. (Also gave free room to a Durkin campaign worker for approximately one month).

5. September, 1975—100 Democratic State Committee of N.H.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

NATHANIEL DAVIS.

Subscribed and sworn (or affirmed) before me this 3rd day of Nov. A.D. 1975, at Washington, D.C.

STELLA MAKARA,
Notary Public.

Commission expires July 31, 1977.

James W. Spain, of Florida, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Republic of Tanzania.

STATEMENT OF POLITICAL CONTRIBUTIONS

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Spain, James W.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, none.

3. Children and spouses:

Patrick J. Spain, none; Sikandra, none; Stephen J., none; and William J. none.

4. Parents: Mary E. Spain, none; Patrick J. Spain, none (deceased).

5. Grandparents, none (all deceased).

6. Brothers and spouses, none.

7. Sisters and spouses, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

JAMES W. SPAIN.

Subscribed and sworn (or affirmed) before me this 2nd day of July A.D. 1975, at District of Columbia.

STELLA MAKARA,
Notary Public.

Commission expires July 31, 1977.

Walter L. Cutler, of Maine, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zaire.

STATEMENT OF POLITICAL CONTRIBUTIONS

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Walter L. Cutler.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, none.

3. Children, Allen B. and Thomas G. Cutler.

4. Parents, Dr. and Mrs. Leon A. Bradley.

5. Grandparents, none.

6. Brothers and spouses, none.

7. Sister, Sally D. Cutler, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

WALTER L. CUTLER.

Subscribed and sworn (or affirmed) before me this 29th day of September A.D. 1975, at Washington, District of Columbia.

[SEAL] MARY E. MISSUKIAN,
Notary Public.

Commission expires ——— ———.

Mary S. Olmsted, of Tennessee, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Papua, New Guinea.

STATEMENT OF CONTRIBUTIONS

1. I have appeared before a notary public and sworn that no campaign contributions have been made by me or by any member of my family during the past four years.

Nominee: Mary S. Olmsted.

Contribution, amount, date, and donee:

1. Self, none.

2. Spouse, (no spouse).

3. Children, (no children).

4. Parents: Mr. and Mrs. George O. (Zadia S.) Olmsted, (deceased more than four years).

5. Grandparents: Mr. and Mrs. Henry T. (Mary S.) Olmsted, (deceased more than four years). Mr. and Mrs. John A. (Sarah R.) McDonald, (deceased more than four years).

6. Brothers and spouses: Mr. and Mrs. John M. (Loretta S.) Olmsted, none.

7. Sisters and spouses (no sisters).

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

MARY S. OLMSTED.

Subscribed and sworn before me this day, October 21, of A.D. 1975, at Port Moresby, Papua, New Guinea.

JOHN F. CHARLTON,
Vice Consul.

(The foregoing nominations of Ambassadors from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. SPARKMAN, from the Committee on Foreign Relations, without reservation:

Ex. F, 93rd Congress, 2d session. Treaty on extradition between the United States of America and Australia, signed at Washington on May 14, 1974 (Exec. Rept. No. 94-16).

Ex. G, 93rd Congress, 2d session. Treaty on extradition between the United States of America and Canada, signed at Washington on December 3, 1971, as amended by an exchange of notes of June 28 and July 9, 1974 (Exec. Rept. No. 94-17).

Ex. C, 94th Congress, 1st session. Protocols for the Further Extension of the Wheat Trade Convention and of the Food Aid Convention, which together constitute the International Wheat Agreement, 1971, formulated by a conference of governments at London on February 14, 1975, and open for signature in Washington from March 25 through April 14 (Exec. Rept. No. 94-18).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, November 18, 1975, he presented to the President of the United States the following enrolled bill:

S. 2195. An act to establish a National Center for Productivity and Quality of Working Life; to provide for a review of the activities of all Federal agencies including implementation of all Federal laws, regulations, and policies which impede the productive performance and efficiency of the American economy; to encourage joint labor, industry, and Government efforts to improve national productivity and the character of working conditions; to establish a Federal policy with respect to continued productivity growth and improved utilization of human resources in the United States; and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 1535. An act to increase the amount of benefits payable to widows of certain former employees of the Lighthouse Service; to the Committee on Commerce.

H.R. 5630. An act to amend the Federal Boat Safety Act of 1971 in order to increase and extend the authorization for appropriations for financial assistance for State boating safety programs; to the Committee on Commerce.

H.R. 6851. An act to increase the retired pay of certain members of the former Lighthouse Service; to the Committee on Commerce.

H.R. 8089. An act to amend section 504 (d) of title 37, United States Code, relating to per diem expenses of members of the uniformed services traveling on official business; to the Committee on Armed Services.

H.R. 8618. An act to amend the Occupational Safety and Health Act of 1970 to provide additional consultation and education to employers, and for other purposes; to the Committee on Labor and Public Welfare.

H.R. 9570. An act to authorize the sale and shipment incident to such sale of the chemical substance carbonyl chloride by the Department of Defense; to the Committee on Armed Services.

H.R. 9573. An act to amend section 501 of title 37, United States Code, to limit the total cumulative entitlement to payment for unused accrued leave to 60 days, and for other purposes; to the Committee on Armed Services.

H.R. 9691. An act to amend title 10 of the United States Code in order to make certain disability retirement determinations by the Secretaries of the military departments subject to review by the Secretary of Defense; to the Committee on Armed Services.

H.R. 10284. An act to amend title XVIII of the Social Security Act to assure that the prevailing fees recognized by medicare for fiscal year 1976 are not less than those for fiscal year 1975, to extend for 3 years the existing authority of the Secretary of Health, Education, and Welfare to grant temporary waivers of nursing staff requirements for small hospitals in rural areas, to maintain the present system of coordination of the medicare and Federal employees' health benefit programs, and to correct a technical error in the law that prevents increases in the medicare part B premiums; to the Committee on Finance.

H.R. 10561. An act to amend chapter 4 (which relates to credit billing) of the Truth in Lending Act with respect to the use of cash discounts, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. THURMOND:

S. 2682. A bill for the relief of Clarence R. Floyd, and his wife and children. Referred to the Committee on Finance.

By Mr. TOWER:

S. 2683. A bill for the relief of Dr. Reynaldo Pedrola Perez, Raquel Perez, his wife, and Marine Freinde Perez, their daughter. Referred to the Committee on the Judiciary.

By Mr. MONDALE:

S. 2684. A bill for the relief of Willy Van Dooljeweert. Referred to the Committee on the Judiciary.

By Mr. STEVENS (for himself, Mr. MAGNUSON, Mr. HARTKE, and Mr. GRAVEL):

S. 2685. A bill to further amend the act of March 12, 1914, as amended, to authorize the financing of capital improvements on the Alaska Railroad. Referred to the Committee on Commerce.

By Mr. BARTLETT:

S. 2686. A bill to extend from February 1, 1976, to October 1, 1977, the period during which payment may be made for certain child day-care services under titles IV and XX of the Social Security Act without regard to certain new staffing standards imposed by or under such title XX. Referred to the Committee on Finance.

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 2687. A bill for the relief of Thomas E. Reilly. Referred to the Committee on the Judiciary.

By Mr. CHILES:

S. 2688. A bill for the relief of Marion G. Denton. Referred to the Committee on the Judiciary.

By Mr. BROOKE:

S. 2689. A bill for the relief of Bernard Robert Pages. Referred to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 2690. A bill to establish a National Information Center to increase the availability to State and local governments of information relating to Federal domestic assistance program. Referred to the Committee on Government Operations.

By Mr. WILLIAMS:

S. 2691. A bill to amend section 106 of title 38, United States Code, to deem certain service performed by members of the Women's Air Force Service Pilots to have been active duty for purposes of laws administered by the Veterans' Administration. Referred to the Committee on Veterans' Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENS (for himself, Mr. MAGNUSON, Mr. HARTKE, and Mr. GRAVEL):

S. 2685. A bill to further amend the act of March 12, 1914, as amended, to authorize the financing of capital improvements on the Alaska Railroad. Referred to the Committee on Commerce.

Mr. STEVENS. Mr. President, for more than 50 years the Alaska Railroad has been a vital segment of Alaska's transportation system. Running between Anchorage and Fairbanks, it is the primary transportation link to Alaska's interior. Alaska's bush population rely on the passenger and freight services which the railroad provides. This past year, it has been a prime mover of pipeline construction material.

All is not well, however. The Alaska Railroad may soon join other railroads with problems of poor performance, derailments, and loss of railroad traffic. The Federal Government, although often critical of the management practices of the Nation's privately owned railroads, has neglected to provide for its own railroad. Stated simply, the Alaska Railroad is experiencing the effects of deferred maintenance. Additional rolling stock is needed and what is available is obsolete.

If the Alaska Railroad is to survive as a healthy transportation system, I think it is clear that both ties and rails must be replaced and other fixed facilities must be maintained. The Alaska Railroads' roadbed and track have not been rehabilitated since the early 1950's. As of the beginning of fiscal year 1974, the Alaska Railroad had a backlog of deferred maintenance estimated to total $19 million.

The railroad is also in desperate need of rolling stock. It has locomotives in service which are over 20 years old and railcars which are over 50 years old. A recent FRA study recommended that the Alaska Railroad acquire 1,870 new cars and 15 locomotives to fulfill its traffic and revenue opportunities.

In direct response to these problems, Senator MAGNUSON and I had included in the Department of Transportation appropriation bill $10.2 million for the Alaska Railroad. The Senate House Conferees recognized the seriousness of the situation and approved an appropriation of $9 million. This appropriation, however, will only provide for the railroad's most urgent needs. What is needed is a long term plan to correct deferred maintenance, acquire new rolling stock, and to provide for the optimum performance of the Alaska Railroad.

The legislation which I introduce today, cosponsored by Senator MAGNUSON and Senator HARTKE, would help correct the situation which presently exists. It would give the railroad the authority to incur obligations backed by the United States for capital replacements, improvements, and maintenance. Not only would this measure give the Alaska Railroad a more independent status in managing its own affairs, it would more importantly allow the railroad to maximize market opportunities and generate revenues.

Mr. President, in the next few years, the Alaska Railroad will be asked to more than double its handling capacity to meet the pipeline and interior Alaska demands. If the railroad is going to provide this service and remain as a healthy transportation system, something must be done now. A continued policy to defer maintenance and to operate obsolete rolling stock will cause the Alaska Railroad to follow the same plight which has befallen too many of our Nation's railroads.

Mr. President, I ask unanimous consent that a letter which Senator MAGNUSON and I addressed to Secretary Coleman regarding the Alaska Railroad, together with Secretary Coleman's response and the text of the bill be printed in the RECORD.

There being no objection, the letters and bill were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
March 21, 1975.

Hon. WILLIAM T. COLEMAN,
Secretary, Department of Transportation,
Washington, D.C.

DEAR SECRETARY COLEMAN: Enclosed please find a copy of a letter which I recently received from a constituent of mine, Mr. Fred Tolan. Mr. Tolan raises a number of disturbing questions regarding the Federal Government's policies in connection with its ownership and operation of the Alaska Railroad. This is not the first time this Committee has received information indicating that the Department of Transportation may be pursuing the same sort of discredited management policies that have proved so disastrous with the Penn Central and other railroads now covered by the Regional Rail Reorganization Act. I would very much appreciate your responding to the following inquiries:

(1) what is the current extent of the deferred maintenance on the Alaska Railroad;

(2) what Federal funds have been supplied to the Alaska Railroad, excluding those funds provided in connection with the 1964 earthquake, in excess of revenues for purposes of correcting deferred maintenance or making or protecting long-term investment facilities;

(3) what increases in traffic over the Alaska Railroad have occurred over the last five years, and what are projected traffic levels for the next five years;

(4) what transportation alternatives exist to utilization of the Railroad, and what environmental and energy consequences would result from the utilization of these alternatives;

(5) please detail the specific extent of deferred maintenance in terms of rail replacement, tie replacement, maintenance of other fixed facilities, and rolling stock needs;

(6) what requests has the Alaska Railroad made of the Department to overcome deferred maintenance;

(7) what requests has the Department of Transportation made to the Office of Management and Budget for funds to correct deferred maintenance on the Alaska Railroad;

(8) what amounts are budgeted?

In the past several years, both the Department and the Committee have been faced with a number of extremely serious problems in rail transportation. Many of these problems have resulted from the sort of policies that are apparently being followed in connection with the Alaska Railroad. While there are explainable reasons why private enterprise might adopt policies of deferred maintenance, there is absolutely no reason of which I am aware for the Federal Government following these discredited railroad practices. Because of the great concern for the future health and utility of this vital transportation facility, the Senate Commerce Committee is considering holding oversight hearings on the Alaska Railroad.

Your prompt attention to this inquiry will be appreciated.

Sincerely yours,

WARREN G. MAGNUSON,
Chairman.

TED STEVENS,
U.S. Senator.

WASHINGTON, D.C.,
June 12, 1975.

Hon. TED STEVENS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEVENS: Thank you for your letter of March 21, 1975, enclosing the correspondence you received from Mr. Fred Tolan regarding the Alaska Railroad. Our response to your inquiries is in the order they appeared in your letter.

1. As of June 30, 1974, the backlog of the capital improvement and replacement program items was approximately $17 million. At that time, FRA proposed a two-year phased program for eliminating the deferred maintenance (see #6). By the beginning of Fiscal Year 1976, this backlog was estimated by FRA to be $19 million. The capital improvement and replacement program is estimated at $8.9 million in Fiscal Year 1975 and $3.5 million in Fiscal Year 1976.

2. In Fiscal Year 1975 an appropriation of $6,031,000 was made to the Alaska Railroad for right-of-way improvement and equipment. Subsequent to 1939, no funds were provided except to meet emergency events such as the 1964 earthquake and World War II rehabilitation program which were $26 million and $95 million, respectively.

3. Listed below are the freight and passenger traffic statistics for the Alaska Railroad over the last five-year period. Fiscal Year 1975 freight traffic is projected to exceed the Fiscal Year 1974 level by approximately 45 percent. This projection is based on the present capability of the Alaska Railroad's facilities and equipment. Any projections of traffic for the next five years are, at best, problematical.

The traffic in direct support of the pipeline as presently programed will peak sometime during the last quarter of calendar year 1976. Under present conditions, it is projected there will be no substantial increase in freight tonnage handled by the Alaska Railroad. The current interest in extracting solid fuel and other minerals from Alaska deposits holds great potential for new, non-pipeline related traffic for the railroad. However, these possibilities are still in the planning stages. The Federal Railroad Administration (FRA) is initiating a study to determine the Railroad's future economic potential and capability.

Of an estimated 1,950,000 ties now in place in mainline, yard tracks, and sidings, 75,000 ties are untreated and require replacement. An additional 75,000 ties are needed to replace ties damaged by repeated winter shimming and ties which have exceeded their useful life. Currently 20,000 ties require replacement each year. Due to the 25-year life cycle of ties, the replacement will increase to 60,000 ties per year by 1978. This is brought about by the accelerated placement of the original ties during that period of time of the post-war rehabilitation of the Railroad.

No major widening of subgrade shoulders has been performed on the Railroad since the earthquake repair of 1964 and 1965; approximately 250 miles of mainline subgrade requires widening of shoulders to standard width.

Under a continuing program, 340 miles of crushed gravel ballast have been placed in the mainline. A total of 140 miles of mainline track is presently on pit run ballast which should be replaced with crushed gravel ballast to increase the life of the ties and rail.

Continued deterioration of untreated wood in timber trestles requires four years of heavy maintenance work to bring these structures up to an acceptable standard by replacing stringers, ties, caps, and piling with treated materials. The structural steel in bridges is in good condition with the exception of bridge painting which will require a three to five year program to correct. Existing wood piling supporting several of these steel structures should be replaced with steel piling for further stability, reliability, and to eliminate fire hazards.

Buildings on The Alaska Railroad have an average age of 20 years. Most of the shop buildings are in good structural condition; however, heating systems, electrical distribution systems, roofs and exterior walls require rehabilitation. Housing requires a continuing program of building two new section house facilities each year to replace buildings that were built during the original construction of the Railroad.

Tunnel portals and interior sets on the Whittier line were installed in 1942-1943 with untreated timbers. At the present time they have exceeded their normal life and require replacement. Timbers used in tunnel portals and interior sets in the tunnels between Seward and Fairbanks also require replacement.

The Alaska Railroad's freight car fleet averages over 30 years in age versus an industry average of about 13 years. A study by the FRA completed in 1973 indicated the need to increase the present fleet by about 1,500 cars. This increase was projected as a result of the U.S. railroads' reluctance to provide interchange cars for the Alaska Railroad since turn around time was about 35 days per car. The current Alaska Railroad car fleet is approximately 1,400 cars of which 400 should be retired upon the acquisition of replacements.

Alaska railroad traffic

[Millions]

	Revenue ton miles of freight	*Percent change from previous year*
Fiscal year 1970	269.0	+18
Fiscal year 1971	214.4	−20
Fiscal year 1972	311.6	+45
Fiscal year 1973	258.1	[1] −17
Fiscal year 1974	280.8	+9

	Passenger miles	*Percent change from previous year*
Fiscal year 1970	12.5	+11
Fiscal year 1971	15.0	+20
Fiscal year 1972	16.6	+11
Fiscal year 1973	11.6	[1] −30
Fiscal year 1974	12.9	+11

[1] New Fairbanks-Anchorage highway opened.

4. The transportation alternatives of highway, air and pipeline exist in addition to the Railroad. I cannot verify the data in Mr. Tolan's letter as to the absolute impact of the consequences of shifting Alaska Railroad traffic to other modes. However, studies done by the United States Railroad Association indicate that for railroads in the northeast and midwest, the shift from high volume rail routes to truck would increase shipper costs and be less fuel efficient.

5. The Alaska Railroad roadbed and track were rehabilitated during the period from 1948 to 1956 and 115 lb. rail used for the 480 miles of mainline track from Seward and Whittier through Anchorage to Fairbanks, Alaska. Negative cash flows during most of the past fifteen years has resulted in an accumulation of deferred maintenance particularly in roadbed and track. With internally generated funds in FY 1976, about $1 million of the planned $3 million maintenance of way program can be completed. Most of these maintenance of way projects require long lead time procurement for materials. Uncertainty as to available funds does not allow the Railroad to order in large quantities; this results in higher unit costs.

New demands for coal and gravel movement have surfaced since the 1973 study. To meet this growing need, the Railroad is currently seeking at least 100 reconditioned hopper cars. The funding for these cars is available as part of the estimated $3 million earned profit for Fiscal Year 1975.

In addition, the Railroad's locomotive requirements are highly dependent upon engines whose age has increased operating costs to exorbitant levels. At least 14 additional new locomotives are needed to allow reasonable operating costs and reliable service.

6. The Alaska Railroad requested $7.3 million for Fiscal Year 1976 and $10.2 million for Fiscal Year 1976.

7. The Department has supported requests to the Office of Management and Budget of $7.3 million in 1975 and $8.0 million in 1976 for correcting deferred maintenance and for capital improvements.

8. The amount budgeted for Fiscal Year 1975 is $6,031,000, but no Federal funds are budgeted for Fiscal Year 1976.

The Department of Transportation does not intend for the Alaska Railroad to become a "Penn Central." Indeed, the Railroad has responded well to the needs of the pipeline construction effort, and I am confident it will continue to meet the needs of the Alaskan community in the future.

However, the Railroad must operate in a business-like way. Solutions to the need for capital improvement and expansion should be handled along the lines of a commercial business. The Department is now investigating various ways that this might be best accomplished. With rail traffic expanding, the Railroad's revenues will also be able to assume a larger share of its capital requirements.

I share your concern for the efficient operation of The Alaska Railroad. We would be pleased to provide any additional information you may desire.

Sincerely,

WILLIAM T. COLEMAN, Jr.

S. 2685

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That the Act of March 12, 1914, as amended, is hereby further amended by adding a new section 5 as follows:

"SEC. 5. CAPITAL IMPROVEMENTS

(a) Notwithstanding the provisions of section 665 of Title 31, and section 5 of Title 41, or any other provision of law to the contrary, to finance capital improvements on the Alaska Railroad or to acquire or purchase or lease, rolling stock or other necessary equipment, the Secretary of Transportation ("Secretary") is authorized to borrow money for such purposes; lease for a term of years rolling stock or other necessary equipment; issue evidence of indebtedness or other obligations; and pledge or mortgage the properties of the railroad, including revenues to secure payment of the obligations.

(b) Obligations or leases issued or entered into by the Secretary on behalf of the railroad shall have a maturity date or term as the case may be, including all extensions and renewals thereof, no later than 20 years from the date of issuance, or the useful life of the property acquired or leased, whichever shall be the earlier. The total face value of all obligations issued by the Secretary for such purposes shall not exceed $150 million.

(c) All obligations issued by the Secretary under this section shall constitute general obligations of the United States of America backed by the full faith and credit of the Government of the United States of America.

(d) In the event the revenues of the railroad, after payment of all operating expenses, are insufficient to make payment of principal and interest or rental due on any obligations issued by the Secretary, the Secretary shall pay to the holders of the obligations the amounts due and payable on such obligations. The Secretary shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations sufficient to meet the payments due on obligations issued by the Secretary, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. There are authorized to be appropriated to the Secretary sums as may be necessary to pay the principal and interest on the notes or obligations issued by him to the Secretary of the Treasury.

Mr. MAGNUSON. Mr. President, I am pleased to join with Senator STEVENS in sponsoring this badly needed legislation. As chairman of the Senate Commerce Committee, I have become increasingly concerned with the ability of the Alaska Railroad to adequately handle the increasing demands of commerce in Alaska and between Alaska and the Continental United States. As most of my colleagues here realize, Seattle is the major shipping point for freight and passengers to and from Alaska, and the Senate Commerce Committee has received an increasing amount of information that the Alaska Railroad is not only not able to adequately handle the increased demands being placed on it today, but is going to fall even shorter in attempting to meet tomorrow's transportation needs if the current policies of deferred maintenance are continued.

Mr. President, I hope that by now the wisdom of cutting costs by deferring maintenance on railroads is well known. Certainly it is well known by the members of the Senate Commerce Committee, who have to deal with this problem in the context of the deterioration of the Northeast and Midwest railroads. It is a false economy, and that should be enough to assure that no prudent railroad owner would follow it unless he is contemplating going out of the railroad business. For the Federal Government to pursue these policies in light of the deterioration that has been caused by the now discredited practice on our privately owned railroads is almost unbelievable. I intend to schedule hearings on this legislation in the near future, and during the course of these hearings I am sure that the needs of the Alaska Railroad will be fully explored. It may well be that the Congress will have to sever the relationship that presently exists between the Department of Transportation and the Alaska Railroad just as we had to do with the U.S. Railway Association and the National Railroad Passenger Corp.

Mr. HARTKE. Mr. President, today I am cosponsoring legislation designed to give the Alaska Railroad the power to borrow funds needed to take advantage of changes in the market for rail transportation in the State of Alaska. This legislation is being introduced by Senator STEVENS, Senator MAGNUSON, and myself in order to serve as a focus in hearings that will be held by the Senate Commerce Committee this fall concerning the problems of the Alaska Railroad.

I have become increasingly disturbed in recent months as more and more facts have come to light concerning the policies that are being followed by the Department of Transportation in connection with the Alaska Railroad. It appears as if we have learned little from such exercises as the Regional Rail Reorganization Act. The deferral of needed maintenance has occurred at an alarming rate on the properties of the Alaska Railroad, and the rolling stock is by far the oldest of any carrier in the entire United States. With these facts in mind, Senator STEVENS and Senator MAGNUSON advocated an appropriation of $10.2 million to begin the job of overcoming this deferred maintenance. That appropriation passed the Senate. The Senate House Conference Committee approved an appropriation of $9 million.

As chairman of the Surface Transportation Subcommittee, I am faced almost every day with the effects of the policies that are currently being pursued by the Federal Government on the Alaska Railroad. In view of this management neglect, I intend to explore the possibility of giving the railroad a more independent status than it currently has. Not only would this status be designed to assure that the public's investment in these properties is adequately maintained, but it would also allow the railroad to function in a more commercially flexible manner so that market opportunities are maximized and it is able to generate the maximum possible revenue.

By Mr. BARTLETT:

S. 2686. A bill to extend from February 1, 1976, to October 1, 1977, the period during which payment may be made for certain child day-care services under titles IV and XX of the Social Security Act without regard to certain new staffing standards imposed by or under such title XX. Referred to the Committee on Finance.

Mr. BARTLETT. Mr. President, today, I have introduced legislation which would extend by 20 months a delay in the imposition of new staffing standards for child day-care centers provided under title XX of the Social Security Act. Under a measure already approved by Congress, these unreasonable and arbitrary standards were postponed until February 1, 1976.

To delay until October 1, 1977, the imposition of these standards is perfectly reasonable, and compatible with HEW's plans to conduct a study of necessary and appropriate changes in the staffing standards of day-care centers and report to the President by July 1, 1977. The delay I propose would thus allow 90 days for the HEW Secretary to formulate his recommendations. There is no reason why new standards of any kind should be imposed prior to the completion of that study. It would be a great disservice to the present day-care system, and all the patrons of that system, to implement any changes in the staffing standards which have not been properly studied.

In addition, the stringent standards to be imposed February 1 will have the effect of closing down many day-care centers, because of the cost of additional staffing. Centers which can bear the cost of additional staffing will be forced to increase the cost of their services, thereby denying services to many families. Certainly we cannot justify the imposition of these standards without a thorough study to determine whether the standards are necessary and appropriate. The legislation I introduce today would simply provide time for the completion of such a study.

Other legislation has been offered as a remedy to the problems facing our day-care centers. One measure, S. 2425, proposed by Senator LONG, would in effect call for a Federal subsidy of a portion of the cost of additional staffing for day-care centers. Again we seem to have been offered a choice between the two basic approaches with which Congress most often responds to problems: Either pass a law, and then study it to determine whether it was proper, or appropriate millions of dollars and throw money at the problem.

The legislation I introduce offers an alternative—a modest delay so that we may study the problems facing day-care centers, and then develop reasonable and responsible solutions.

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 2687. A bill for the relief of Thomas E. Reilly. Referred to the Committee on the Judiciary.

Mr. STEVENS. Mr. President, Mr. Thomas E. Reilly of Anchorage, Alaska, has sustained losses amounting to $7,649.75, as a result of his evacuation from Vietnam. I am today requesting that Mr. Reilly be reimbursed the sum of $3,327.39, such amount representing the difference between the amount Mr. Reilly received from the Secretary of State as compensation for loss of household goods and effects.

By Mr. KENNEDY:

S. 2690. A bill to establish a National Information Center to increase the availability to State and local governments of information relating to Federal domestic assistance programs. Referred to the Committee on Government Operations.

THE FEDERAL DOMESTIC ASSISTANCE INFORMATION ACT OF 1975

Mr. KENNEDY. Mr. President, the Federal Domestic Assistance Information Act of 1975, which I am introducing today, will establish a national Information Center to provide State and local community leaders with information about Federal domestic assistance programs.

There are over 1,000 Federal domestic assistance programs. There are major differences among these programs with regard to the type of project and the type of community that qualify for support. At present, a Massachusetts community, for example, that wishes to seek Federal aid must read through the entire Catalog of Federal Domestic Assistance to determine which programs, if any, the community might qualify for. This is an awkward and extremely time-consuming procedure, and one that must be repeated each time Federal assistance is sought. Moreover, as programs are changed continually, and as the Federal catalog is published only annually, the information contained in the catalog quickly becomes outdated.

At the present time, the Department of Agriculture is developing a computerized information system for the use of rural communities. I commend the Department of Agriculture for its pioneering work in this area. However, as I have maintained for many years, what is needed is a system that will serve all communities, both rural and urban. At a time when the responsiveness of the Federal Government is under question by the citizens of Massachusetts and elsewhere, this bill will provide a system which will bring Federal aid into the computer age.

The bill will establish an information center in the General Services Administration that will maintain a computerized data bank containing current information on all Federal domestic assistance programs. Any community will have access to the system by computer terminal, at a nominal cost, to obtain a complete listing and description of programs for which the community is potentially eligible. For example, a community planning to construct a new hospital can determine what Federal aid is available for this purpose.

Establishing the information center provided by this bill will:

Greatly simplify the procedure for learning about Federal assistance programs.

Permit a more equitable allocation of Federal aid among communities.

Provide a valuable service to all communities, both urban and rural, in Massachusetts and the other 49 States.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2690

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Domestic Assistance Information Act of 1975".

SEC. 2. (a) The Administrator of General Services (hereinafter referred to as the "Administrator") shall establish within the General Services Administration a Federal Domestic Assistance Information Center (hereinafter referred to as the "Information Center").

(b) The Administrator shall appoint a Director of the Information Center (hereinafter referred to as the "Director"), who may employ such other personnel as may be necessary to carry out the provisions of this Act.

SEC. 3. (a) The Director shall establish and operate a computerized information system which—

(1) includes all Federal domestic assistance programs contained in the Catalog of Federal Domestic Assistance, to be revised daily, as necessary to provide the most current information available;

(2) provides ready access to information contained therein to state and local governments;

(3) indexes all Federal programs by category as determined by the Director; and

(4) provides each state and local government seeking information with a list of applicable programs and a description of each program, including—

(A) the number and title of the program in the Catalog of Federal Domestic Assistance,

(B) the Federal agency which administers the program,

(C) the objectives of, and accomplishments under, the program,

(D) the types of assistance provided by the program and any restrictions on the use of such assistance,

(E) the eligibility requirements and the processes of applying for and awarding assistance under the program,

(F) the requirements, if any, after assistance is granted,

(G) the regulations, literature, and guidelines, if any, issued pursuant to the program, and

(H) the sources for further information on the particular program and related programs.

(b) The Director shall establish and collect a fee based upon the incremental cost of services provided to a particular state or local government, including the cost of computer time, but not of system maintenance.

(c) The functions of the Secretary of Agriculture relating to the Federal Assistance Programs Retrieval System are transferred to the Director, and such personnel, property, and records as are determined by the Director of the Office of Management and Budget to be used primarily with respect to functions being administered through the Federal Assistance Programs Retrieval System are transferred to the Information Center.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. WILLIAMS:

S. 2691. A bill to amend section 106 of title 38, United States Code, to deem certain service performed by members of the Women's Air Force Service Pilots to have been active duty for purposes of laws administered by the Veterans' Administration. Referred to the Committee on Veterans' Affairs.

VETERANS' BENEFITS FOR THE WOMEN'S AIR FORCE SERVICE PILOTS

Mr. WILLIAMS. Mr. President, we have witnessed many blatant cases of sex discrimination which required remedial congressional action, and we have had lengthy disputes over these institutionalized inequities in our society.

I have been pleased to join in several legislative initiatives to eliminate these injustices. In particular, I am proud to have been among the first to nominate a woman to a service academy, and I was also very pleased to author the original Senate version of the Equal Credit Opportunities Act. That legislation has finally been put into effect. It is interesting to note how long it has taken to protect women from the savage practice of credit discrimination even when no one could present any evidence to justify it.

Although we usually concentrate our legislative efforts on preventing future injustices from occurring, we should also attempt to correct past inequities whenever we can. Therefore, I believe we should give due recognition to the contribution made by the Women's Air Force Service Pilots during World War II.

Even before American participation in World War II, there were some proposals to use women pilots to free male pilots for combat duty. For example, the famed aviatrix, Jacqueline Cochran, wrote to Mrs. Franklin D. Roosevelt in 1939, and said the major difficulty that would be encountered in a major mobilizaton would be pilot procurement rather than aircraft procurement. She suggested that women could be used to fly ambulance aircraft, couriers, commercial, and military transport aircraft to release men for combat duty.

No action was taken even after the mobilization of the Reserves in 1940 to establish a women's flight program, so Miss Cochran and a number of American female pilots went to England to act as ferry pilots. After the American entry into the war most of these women returned to the United States, and a women's flying program in support of the war effort was established.

There was no specific legislation authorizing this establishment of the women's flight training programs. Rather, the Army Air Force relied on a rather vague general authorization that was several years old concerning pilot training. This vague authority finally resulted in the founding of the Women's Air Force Service Pilots.

After the creation of the Women's Air Force Service Pilots, there was some sentiment for the militarization of this organization. From the time they were organized these female pilots were considered civil service employees. This resulted in their receiving $172.50 per month, which was considerably less than $225 monthly pay which a second lieutenant performing similar duties received. The second lieutenant, incidentally, often had much less experience.

The proposals for militarization were not, however, based on any theories regarding equal pay for equal work. Instead, the rationale was to exert more authority over them since they were not subject to all the same rules as their male counterparts. It was of particular concern to the military that these women had the right to resign, even without just cause.

Had they been militarized, it clearly would have been to their benefit. Aside from the lower amount of pay they received, the Women's Air Force Service Pilots did not have any progressive schedule of advancement. They had no Government insurance. Even the right to military hospitalization in case of sickness or accident was in question.

One of the most unfortunate aspects of the failure to militarize the Women's Air Force Service Pilots was that it left them without any rights or veterans benefits after deactivation; they had no reserve status that might otherwise have been possible; the next of kin of those who died in the service received no insurance, and were even denied the right to display the gold star.

Even with the relative disadvantages which I mentioned, there was an overwhelming response from American women who were eager to serve their country. More than 25,000 women applied for this training. The Government accepted 1,830 and 1,074 were graduated, or 58.7 percent of the total. Of those who were graduated, 900 or 83.6 percent were still with the organization when it was inactivated.

These female pilots flew about 60 million miles for the Army Air Forces after their training. They suffered 38 fatalities; that is about one for every 16,000 hours of flying. Their accident and fatality rates compare very favorably with those for male pilots in similar work.

The Women's Air Force Service Pilots program was inactivated on December 20, 1944, as a result of the substantially reduced demand for pilots. But there were few groups of citizens who showed this degree of devotion, loyalty, patriotism nad self-sacrifice. As a service pilot during this same period, I would also like to say that they also showed a remarkable professional ability.

The outstanding achievement of these women would usually merit extraordinary recognition. At this time, however, I am only proposing to correct a longstanding injustice. I wish to accord them the same few benefits they would receive if they were men. Therefore, I am today introducing legislation which would treat the service performed by the Women's Air Force Service Pilots as active duty for purposes of laws administered by the Veterans' Administration. With my legislation, these gallant pilots will finally be entitled to the same benefits that their male counterparts, who were officially in the military can receive.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 283

At the request of Mr. Helms, the Senator from Georgia (Mr. Talmadge) was added as a cosponsor of S. 283, a bill to limit the jurisdiction of Federal Courts in cases involving voluntary prayer in the public schools.

S. 2229

At the request of Mr. Bayh, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 2229, a bill to direct the National Commission on the Observance of International Women's Year, 1975, to organize and convene a National Women's Conference and for other purposes.

S. 2426

At the request of Mr. Dole, the Senator from Pennsylvania (Mr. Hugh Scott) was added as a cosponsor of S. 2426, a bill to establish a reduced rate of postage for letters sealed against inspection mailed by private citizens.

S. 2538

At the request of Mr. Kennedy, the Senator from Minnesota (Mr. Mondale) and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of S. 2538, the National School-Age Mother and Child Health Act of 1975.

S. 2598

At the request of Mr. Packwood, the Senator from New York (Mr. Buckley) was added as a cosponsor of S. 2598, a bill to require adequate inspection of all meat and dairy products.

S. 2634

At the request of Mr. Abourezk, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 2634, a bill which would provide a more permanent type of funding for Indian community colleges.

S. 2642

At the request of Mr. Thurmond, the Senator from Minnesota (Mr. Humphrey) and the Senator from Texas (Mr. Tower) were added as cosponsors of S. 2642, a bill to authorize the Secretary of the Interior to establish the old Ninety Six and Star Fort National Historical Park in the State of South Carolina, and for other purposes.

S. 2664

At the request of Mr. Packwood, the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of S. 2664, the Indian Tribal Government Tax Status Act.

SENATE RESOLUTION 296

At the request of Mr. Mondale, the Senator from Rhode Island (Mr. Pell), the Senator from Utah (Mr. Moss), the Senator from Minnesota (Mr. Humphrey), and the Senator from Maryland (Mr. Mathias) were added as cosponsors of Senate Resolution 296, a resolution relating to the sale of arms.

SENATE RESOLUTION 304—SUBMISSION OF A RESOLUTION TO REFER A BILL TO THE COURT OF CLAIMS

(Referred to the Committee on the Judiciary.)

Mr. CHILES submitted the following resolution:

S. Res. 304

Resolved, That S. 2688, entitled "A bill for the relief of Marion G. Denton", together with all accompanying papers, is hereby referred to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code, for further proceedings in accordance with applicable law.

SENATE CONCURRENT RESOLUTION 77—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE AUTHORITY OF THE FEDERAL TRADE COMMISSION

(Referred to the Committee on Commerce.)

Mr. CURTIS (for himself, Mr. Allen, Mr. Eastland, Mr. Fannin, Mr. Brock, Mr. McClure, and Mr. Thurmond) submitted the following concurrent resolution:

S. Con. Res. 77

Whereas, laws of the United States may preempt, in whole or in part, laws of the States and their political subdivisions;

Whereas, in the absence of a specific delegation of authority, the determination of whether, or to what extent, a law of the United States preempts the laws of the States and their political subdivisions is solely within the power of the Congress, or, if the Congress fails to make such determination, within the power of the courts;

Whereas, the Federal Trade Commission, in connection with the issuance of a Proposed Trade Regulation Rule under the Federal Trade Commission Act stated that ". . . it is the Commission's intent in issuing this proposed rule to override contrary state or local law. The rule is an interpretation of the Federal Trade Commission Act (15 U.S.C. section 41, et seq.) and constitutes a declaration of federal law. Under the supremacy clause of the United States Constitution, the rule will become the supreme law of the land on the matters it covers and within the confines of the Commission's jurisdiction, preempting all repugnant state or local laws."; and

Whereas, the reports of the Senate Committee on Commerce (S. Rept. 93–151) and the House Committee on Interstate and Foreign Commerce (H. Rept. 93–1107) on the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act stated that the amendments to the Federal Trade Commission Act made by title II of that Act were not intended to preempt State and local jurisdiction: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress has not delegated to the Federal Trade Commission any authority to determine whether, or to what extent, any rule validly issued under the Federal Trade Commission Act, and particularly sections 5 and 18 thereof, preempts the laws of the States and their political subdivisions.

SEC. 2. The Secretary of the Senate shall transmit copies of the concurrent resolution to the chairman and members of the Federal Trade Commission.

Mr. CURTIS. Mr. President, I do not believe that the Congress of the United States has delegated authority to the Federal Trade Commission to preempt State and local laws.

In all its years of existence, the Government of the United States has been administered through three separate and independent branches—executive, legislative, and judicial. Now, we hear a growing number of people, organizations, and institutions saying there is a fourth branch, regulatory agencies, which could become as powerful if not more powerful than any of the others by virtue of powers delegated to or usurped by these regulatory agencies themselves.

While President Ford and others have urged deregulation processes, ironically, we find that more and more rules and regulations are being promulgated by these agencies.

Some rules and regulations which are designed for the consumer have raised the costs of providing products and services and have, as a result, raised the price of the products and services to the consumer. While the intention of the regulations is to protect consumers, it sometimes does just the opposite and makes the product or service unavailable.

Another example of the expansion of regulatory powers is an agency having a preconceived biased position and then making an investigation intended solely to support that position. There are indications that some of these investigations are prejudiced in the true sense of the word. The result of that bias is sensational hostile publicity.

Where there supposedly are alleged unfair or deceptive practices, the investigation of them and the action based on the investigation should be objective. Unless an objective study is undertaken the finding cannot be considered valid.

I feel that we as legislators must be cognizant of the growing trend of these regulatory agencies to usurp power which has not been specifically delegated to them by the Congress. An example of this trend is the recently proposed trade regulation rule announced by the Federal Trade Commission. The proposal is printed in the August 29 Federal Register.

Today, I am submitting a Senate concurrent resolution which will expose what some feel is the Federal Trade Commission's usurpation of powers which have not been specifically delegated to them by the Congress. In an act which established the Federal Trade Commission in 1914, and the measure which extended its authority this year, Congress did not give the right to that Agency to establish rules which would become the supreme law of the land on matters it covers and within the confines of the Commission's jurisdiction, thereby preempting all State and local laws.

I urge that it be the sense of the Congress that a fourth branch of Government not be created. It is our responsibility to see that these regulatory agencies act within the authority delegated to them by the Congress. Therefore, I ask that you support this Concurrent Resolution No. 77, which relates to the Federal Trade Commission's prescribing rules preempting State and local laws.

AMENDMENTS SUBMITTED FOR PRINTING

EQUAL TREATMENT OF CRAFT AND INDUSTRIAL WORKERS—H.R. 5900

AMENDMENT NO. 1129

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill (H.R. 5900) to protect the economic rights of labor in the building and construction industry by providing for the equal treatment of craft and industrial workers.

AMENDMENTS NOS. 1130, 1131, AND 1132

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY submitted three amendments intended to be proposed by him to the bill (H.R. 5900), supra.

AMENDMENT NO. 1133

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to amendment No. 1058 proposed to the bill (H.R. 5900), supra.

AMENDMENT NO. 1134

(Ordered to be printed and to lie on the table.)

Mr. ROTH submitted an amendment intended to be proposed by him to amendment No. 1084 proposed to the bill (H.R. 5900), supra.

AMENDMENT NO. 1135

(Ordered to be printed and to lie on the table.)

Mr. ROTH submitted an amendment intended to be proposed by him to amendment No. 1091 proposed to the bill (H.R. 5900), supra.

AMENDMENT NO. 1136

(Ordered to be printed and to lie on the table.)

Mr. ROTH submitted an amendment intended to be proposed by him to amendment No. 1058 proposed to the bill (H.R. 5900), supra.

AMENDMENT NO. 1137

(Ordered to be printed and to lie on the table.)

Mr. WILLIAMS submitted an amendment intended to be proposed by him to amendment No. 1058 proposed to the bill (H.R. 5900), supra.

AMENDMENT NO. 1138

(Ordered to be printed and to lie on the table.)

Mr. WILLIAMS (for himself and Mr. JAVITS) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 5900), supra.

AMENDMENTS NOS. 1139 THROUGH 1147

(Ordered to be printed and to lie on the table.)

Mr. WILLIAMS submitted nine amendments intended to be proposed by him to the bill (H.R. 5900), supra.

AMENDMENT OF THE EXPORT ADMINISTRATION ACT—S. 953

AMENDMENT NO. 1148

(Ordered to be printed and referred to the Committee on Banking, Housing and Urban Affairs.)

PUBLIC PRESSURE AGAINST THE ARAB BOYCOTT

Mr. CHURCH. Mr. President, I intend to submit an amendment designed to erode the strength of the Arab boycott against U.S. firms by making it increasingly difficult for the U.S. Government or any domestic concerns to comply with that boycott. The last sentence of section 4(b) of the Export Administration Act states that all domestic firms which receive requests for the furnishing of information which has the effect of furthering or supporting restrictive trade practices or boycott policies of a foreign country must report this fact to the Secretary of Commerce. The bill S. 953 introduced by Senator STEVENSON would expand the reporting requirements and remove any doubt as to their compulsory nature. My amendment to S. 953 would do two things: First, it would require firms to specify what action, if any, they have taken in response to such requests; and second, it would provide for publication by the Department of Commerce of the information furnished by the reporting firm unless the President made an affirmative finding that such publication was not in the national interest.

This is in contrast to the present law which requires an affirmative finding by the Secretary of Commerce that it is in the national interest to make public the names of reporting firms. Thus, the effect of the amendment would be to automatically publish the name of reporting firms unless the President intervened to make a determination that such public disclosure would not be in the public interest. In that case, the President would have to specify precisely what national interest is being served by nondisclosure.

Unfortunately, the Administration's interpretation of this law has leaned in favor of condoning noncompliance by American firms and of acquiescing to the Arab boycott policy. In 1964, Business International, a respected American management consulting firm, reported that 167 U.S. firms were identified on the Arab League Boycott list. The Subcommittee on Multinational Corporations in its hearing of February 26, 1975, released an Arab boycott list which contained the names of over 1,500 U.S. corporations. The subcommittee's hearing also left the regrettable impression that as far as the Army Corps of Engineers, the Department of Defense and the Department of State were concerned, little had been done to convey our government's objections to boycott policies followed by Arab League countries. In fact, departments of the U.S. Government ended up sanctioning these distasteful practices by allowing U.S. contractors to comply with them.

Recent congressional hearings indicated that Mr. Morton, Secretary of Commerce, has not enforced the reporting provision in the Export Administration Act. He refused to reveal the names of those companies which had either complied with the boycott or were requested to provide information pursuant to such a policy.

Later, the Administration did go so far as to issue a regulation, pursuant to the Export Administration Act, which would require American firms to tell the Commerce Department whether or not they had complied with the boycott. The second step Secretary Morton undertook, after 3 days of hearings before Congressman John Moss' Subcommittee on Oversight and Investigation, was to remove a notice of questionable legality which the Department stamped on every tender contract containing a boycott clause. The statement removed read that the contract—containing the boycott clause—was not otherwise contrary to U.S. law. Now, the Department has a new stamp which says that such a contract is against U.S. policy. However, no action that I know of has been taken against those firms which violate U.S. policy by complying with the boycott.

In this same testimony before the Moss subcommittee, Secretary Morton refused to disclose the names of those firms which did report to the Commerce Department on the grounds that this kind of information was of a proprietary and confidential nature. Eminent legal scholars like Prof. Raoul Berger of Harvard Law School argue that withholding this kind of information has nothing to do with proprietary matters. It is just old-fashioned executive privilege, which harks back to the Watergate days. At this point, Mr. President, I ask unanimous consent that an editorial in the New York Times of October 23 discussing some of these issues be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

By Any Other Name

(By Anthony Lewis)

Washington, October 22.—The Commerce Department recently circulated to American business an Iraqi Government invitation for bids on a large housing project. It was a condition of the offer that bidders use no subcontractors doing business with Israel, and promise generally to observe the terms of the Arab boycott of Israel. Taken literally, that might require assurance that a company making a bid has no Jews on its board of directors.

The Iraqi offer was not unusual in its terms. Virtually all the growing Arab business is conditioned on observance of the boycott. That phenomenon obviously raises important questions for this country—questions that Congress might be expected to explore.

A House Commerce subcommittee is trying to do just that: Find out how American business is responding to the Arab offers and pressures, and how relevant law is being enforced. But it has run into a stone wall in the executive branch. The Secretary of Commerce, Rogers Morton, has refused to give the committee readily available information and even declined to comply with a subpoena.

Mr. Morton's No has a significance beyond the particular issue of the Arab boycott. Richard Nixon has left, but the executive habit of resisting effective Congressional scrutiny goes on. The Morton case shows how officials find new and ingenious ways to keep Congress uninformed and hence powerless.

There is no claim that foreign or military secrets are involved, or confidential Government communications. Mr. Morton has in a most gingerly way avoided using the words "executive privilege." What he says is that Congress has voted to conceal the information from itself. It is an argument of bootstrap ingenuity.

A 1969 law declares trade boycotts of this kind to be against U.S. policy. It requires companies to report to the Commerce Department any request to join in a boycott, and their response. These reports are what the subcommittee wants. Mr. Morton says he cannot supply them because another section of the act tells him not to "publish or disclose" information "deemed confidential."

That kind of provision is often found in statutes, for such purposes as keeping business data from competitors. The notion that it applies to Congress itself could have sweeping effects. A quick search by the Library of Congress turned up 113 statutes with similar confidentiality clauses.

Moreover, Mr. Morton got an opinion from Attorney General Edward H. Levi to support him. Now the Secretary of Health, Education and Welfare, David Mathews, has made the same kind of argument in refusing information to Congress on Medicare scandals. There are signs of a concerted new stratagem that could be, in the words of the House subcommittee chairman, John E. Moss, "more pernicious than executive privilege."

Fortunately the subcommittee seems unlikely to roll over for Secretary Morton. It has just had the advantage of advice from a notable expert in the area, Prof. Philip B. Kurland of the University of Chicago Law School. Mr. Kurland is a conservative scholar and a close friend and admirer of Attorney General Levi. His testimony should be regarded as reasonably detached and weighty. It was devastating.

The recent abuse of "excecutive privilege" had put it "in bad odor," Mr. Kurland said. "But attempts to frustrate Congressional inquiry into executive action smell the same whatever the title."

Mr. Levi's reasoning, Professor Kurland said, could "best be described as sophistical." It amounted to saying that when Congress speaks of confidentiality in a statute, without mentioning its own position, it should be presumed to be denying the information to itself.

"I should think the presumption would go in the opposite direction," Mr. Kurland said. "The Congressional function of oversight and investigation is a power and duty of primary importance to our constitutional system"—and Congress should be presumed not to have abdicated the function unless it expressly states that intention.

The involvement of Attorney General Levi in the affair of the Arab boycott inquiry is one of its most troubling aspects. Many have counted on him to bring principle, scholarship and independence to that office. But this opinion is of rubber-stamp character, reflecting not scholarly detachment but a predilection for executive secrecy.

One of Mr. Levi's great predecessors, Robert H. Jackson, had a chance to make amends for such an Attorney General's opinion. As a Supreme Court justice he considered the same issue and rejected his former view. It would be "charitable," he wrote, to assume that he had not read the opinion he signed, but he could not say that. And so Justice Jackson quoted Dr. Johnson's explanation for an error in his dictionary: "Ignorance, sir, ignorance."

Mr. CHURCH. Whatever legal interpretation proves ultimately correct, we now find ourselves at the point where this administration has mustered barely enough courage to comply with the law already on the books. It is therefore apparent that the Congress must seize the initiative to make ineluctably clear our Government's opposition to the Arab boycott.

Those companies who have refused to comply with the boycott and have rebuffed any attempts to implement a secondary boycott need support for their position. When they report their experience to the Secretary of Commerce, we can only assume that their findings are filed away. They lose contracts they may be interested in obtaining in Arab countries. Undoubtedly, many of these firms are outdistanced by U.S. competitors who prefer to go along with Arab League trade restrictions. I maintain that publishing the full list will raise public pressure against firms which do comply with the boycott and strengthen the position of those who resist. Under these circumstances, the very least reward will be self-respect.

Furthermore, I do not think this amendment will place American firms at a long-term competitive disadvantage in their effort to land contracts in Arab countries. American technology stands on its own and time and again we have seen Arab governments ignore their own boycott against a particular firm manufacturing a product or service which they really wanted. At the same time, my amendment would back our Government's negotiating an end to the boycott.

Surely our effort to remove the boycott is in keeping with the American peace drive in the Middle East. If what the administration tells us is correct about the United States gaining greater respect in the Arab world, then the time is ripe to negotiate an end to the boycott. The quickest way to gain momentum in this effort is through public support, the most effective diplomatic tool I know of in a democratic society.

AMENDMENT OF THE REGIONAL RAIL REORGANIZATION ACT OF 1973—S. 2368

AMENDMENT NO. 1149

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. KENNEDY. Mr. President, I am submitting an amendment today to S. 2368 which I introduced on September 17, 1975, in order to assure the preservation of the branch lines proposed for abandonment under the final system plan submitted by the U.S. Railway Association.

In the review of the issues involved with the subsidy of these lines, it has been evident that several questions remain unclear if the final system plan takes effect: First, how will the actual transfer of those lines that States and local and regional transportation authorities desire to maintain be carried out; second, how will there be assurance that the existing carrier or ConRail will maintain service, even with a promised subsidy; and third, how will liability protection for the States be assured?

To resolve these issues, it may be necessary to obtain additional time in order that a de facto abandonment does not foreclose action in the public interest to maintain service.

For that reason, I am submitting an amendment which will include the transfer of branch lines proposed for abandonment for a 1-year period during which service will be required. After that period, the currently existing situation would apply; however, the States, localities and regions would be able to deal solely with ConRail in acquiring the branch lines proposed for abandonment which they feel must be maintained.

The additional period also will permit a review of the analysis used initially which drew substantial criticism from numerous observers.

SECOND CONCURRENT RESOLUTION ON THE BUDGET—SENATE CONCURRENT RESOLUTION 76

AMENDMENT NO. 1150

(Ordered to be printed and to lie on the table.)

TAX REFORM AMENDMENT TO CONCURRENT BUDGET RESOLUTION

Mr. KENNEDY. Mr. President, I send to the desk an amendment to Senate Concurrent Resolution 76, the Senate second concurrent budget resolution, and I ask that it may lie on the table and be printed.

The purpose of the amendment is to restore a part of the first concurrent budget resolution calling for additional revenues for tax reform, by providing for $200 million in such revenues for fiscal year 1976 and $100 million in such revenues for the transition quarter in 1976.

Mr. President, I believe it is important for the Senate to go on record at this time, in its budget resolution, in support of tax reform. I agree with the committee's conclusion that it is unrealistic, at this date, to expect large revenue gains from tax reform in fiscal year 1976. The first concurrent resolution, adopted last May, contained $1 billion in such additional revenue gains for fiscal year 1976. The $1 billion figure was carried over into the House second concurrent budget resolution, passed last week.

It is extremely unlikely, however, that tax reform revenues of this magnitude will be received in the remainder of fiscal year 1976, even if tax reforms are enacted this year or early next year and are made effective for all of calendar year 1976. The reason for the low returns is that the fiscal year ends on June 30, 1976, whereas the overwhelming majority of tax reform revenues for the calendar year would not be collected until late 1976 and the early part of 1977, long after fiscal year 1976 has ended. Nevertheless, the portion of revenue received in fiscal year 1976, although relatively small, is still sufficient to be recognized in the second concurrent budget resolution.

The situation is approximately the same with respect to the transition quarter. As the calendar year 1976 proceeds, some tax reform revenues are received, and the amounts received in the transition quarter, July 1, 1976, to September 30, 1976, are significant enough to be recognized in the second concurrent resolution.

The amendment is based on the enactment of $1.6 billion in tax reforms for calendar year 1976, a reasonable target based on the current stage of pending legislation in the House of Representatives. The calculations supporting the amendment for the fiscal year and the transition quarter are reached by the following steps:

The tax reform provisions in the pending major Ways and Means Committee tax bill, H.R. 10612, would generate new revenues of $745 million, based on changes in calendar year 1976 tax liability. Translated onto a fiscal year basis, the changes would provide a net decrease of $73 million in revenues for fiscal year 1976, and a net increase of $47 million for the transition quarter.

The five major strengthening tax reform amendments proposed for consideration on the House floor—dealing with the minimum tax, tax shelters, carryback of capital losses, DISC, and withholding tax on interest and dividends paid to foreign investors) would raise $873 million in calendar year 1976. According to the revenue estimating assumptions of the Joint Committee on Internal Revenue Taxation, approximately $300 million of these 1976 calendar year revenues would be received in fiscal year 1976, and $67 million would be received in the transition quarter.

Thus, in fiscal year 1976, the tax reform provisions of the Ways and Means Committee bill plus the proposed strengthening amendments would yield a net revenue increase of $227 million—$300 million minus $73 million. In the transition quarter, the Ways and Means Committee bill plus the strengthening amendments would yield a net revenue increase of $114 million—$47 million plus $67 million.

The amendment I am proposing to the Budget Resolution rounds these figures down to $200 million for fiscal year 1976 and $100 million for the transition quarter. The additional revenues from tax reform would be used to reduce the budget deficits stated in the resolution.

Mr. President, I believe that the principal at stake here is an important one. Major tax reform legislation is about to be considered by the House of Representatives and will soon be considered by the Senate. By acting now to include a modest tax reform provision in the concurrent budget resolution, we can demonstrate our support for meaningful tax reform as a high priority in the Senate. The revenues I am proposing are not pie-in-the-sky figures, but a realistic estimate of what can be achieved under the sort of responsible tax reform effort that is now well underway.

Acceptance of this amendment does not commit any member to any particular tax reform. But it does offer each of us a way to make a commitment to prompt and worthwhile tax reform, consistent with the effective groundwork now being laid by our colleagues in the House.

Mr. President, I hope that the amendment will be approved, and I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1150

On page 2, line 2, strike out "$74,800,000,000" and insert "$74,600,000,000".

On page 2, line 4, strike out "$300,800,000,000" and insert "$301,000,000,000".

On page 2, line 6, strike out "$6,400,000,000" and insert "$6,200,000,000".

On page 2, line 12, strike out "$6,400,000,000" and insert "$6,200,000,000".

On page 2, line 21, strike out "$15,300,000,000" and insert "$15,200,000,000".

On page 2, line 23, strike out "$84,800,000,000" and insert "$84,900,000,000".

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 132

At the request of Mr. TUNNEY, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of amendment No. 132, intended to be proposed to the bill (S. 729) to improve judicial machinery.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Richard J. Arcara, of New York, to be U.S. attorney for the western district of New York for the term of 4 years, vice John T. Elfvin, elevated.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, November 25, 1975, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARINGS

Mr. MUSKIE. Mr. President, on November 25, the Subcommittee on Intergovernmental Relations, Committee on Government Operations, will commence hearings on a subject that should be of concern to all of us—that is, the problems that American citizens have in dealing with the Federal Government. This hearing will be a prelude to legislation I plan to introduce in the near future to help make Federal program operations more productive and efficient.

The November 25 hearing will be held in the city council chamber of Lewiston City Hall, beginning at 9:30 a.m.

ADDITIONAL STATEMENTS

THE BUSING OF OUR SCHOOLCHILDREN

Mr. TOWER. Mr. President, the Senate Committee on the Judiciary has, for the time being, completed its hearing on various proposals to amend the Constitution of the United States to prohibit the compulsory busing of our schoolchildren.

The people of Texas have shown time and again by overwhelming margins that they are opposed to forced busing for the purposes of achieving racial balances. This is true, as well, of nearly three-fourths of the people throughout the Nation. What this means is that most people, including those of every race and national origin, want good quality education, but they want it in the neighborhood school.

Court-ordered busing plans have wreaked havoc on school systems throughout the country, resulting in violence, in children being kept out of school, and in the financial collapse of school systems. Recent reports about the decline of college entrance examination board scores reflect, I believe, the imminent demise of quality education which has been hastened by forced busing. My own State of Texas had progressed during the 1960's to the point where quality education was available to all in the neighborhood school. At present, however, there are several cities in Texas which are laboring under existing or impending busing plans. These court decisions of recent months and years have forced school systems to devote their time and energy to plans for implementing busing rather than to teaching and learning.

The most crucial—at present—of the problems in Texas exists in the city of Dallas. In July the Fifth Circuit Court of Appeals in New Orleans handed down an order for the creation in Dallas of a student assignment plan which in all likelihood will include suburban areas of Dallas. I find this to be senseless social experimentation with our children, for the fifth circuit noted in its ruling that—

> There is in this record no suggestion of violations by the outlying independent school districts in Dallas county of previous desegregation rulings so as to warrant imposition of a multidistrict plan.

During my tenure in the Senate I have consistently and adamantly opposed the massive forced busing of children out of their neighborhoods for desegregation purposes, and in the 94th Congress I have once again taken action to correct this untenable situation. I firmly believe that the only sure way to end busing is to remove from the courts, through constitutional amendment, the authority to order the transportation of students to achieve racial balance. Earlier this fall, I offered such an amendment, Senate Joint Resolution 137, and on October 28 I testified on its behalf before the Senate Judiciary Committee. I would like to request that the text of this testimony be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. TOWER. Mr. President, unfortunately, because of time limitations and other restrictions, it was not possible for everyone who so desired to testify before the Judiciary Committee on these proposals. One group which was not able to do so was the Citizens for Neighborhood Schools in Dallas. I would like to include in the RECORD at this point the written testimony of Mrs. Kathy Carter, representing the Citizens for Neighborhood Schools. We in the Congress have a tendency to become rather myopic, and I think then it is doubly important for us to make an effort to understand and appreciate how the average person back home feels about issues. Mrs. Carter's testimony is, I believe, an excellent example of how the people of Texas feel about busing.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF MRS. KATHY CARTER

Mr. Chairman and Distinguished Committee Members: My name is Kathy Carter, Chairwoman of Citizens for Neighborhood Schools. Our organization represents the concerns of approximately 300,000 people in Dallas County, Texas; and I want to thank you for the opportunity to present our testimony on forced busing.

Let me emphasize that I speak not as a trained lawyer or as a sociologist, but as a concerned parent, a parent interested in the growth and values of my children and all children in a complex and changing world.

Citizens for Neighborhood Schools was formed in Dallas in 1971 by parents of every ethnic group in our city, parents who cared deeply about their important role in the moral and educational development of their children; yet, parents who felt the frustration of watching their children being maneuvered as pawns in an idealistic dream, known as forced busing, that was in reality a child's nightmare.

We, as parents, believe that in a time of increasingly rapid social change and rootlessness, when more than one in three marriages ends in divorce, our children must be given some roots upon which they can grow, upon which they can depend. Traditionally, in America these roots have been fostered through a child's home and the natural environment of the neighborhood, with its familiar churches and friends.

I want my son to have the fun that all little boys have, which grown men look back on as fond memories—of wading in creeks, of extracurricular activities in school or of playing ball with neighborhood friends—all the small things in life that have been part of the American childhood. I do not want him to have to replace such memories with those of long bus rides to and from unfamiliar areas.

We in Citizens for Neighborhood Schools wonder what the benefits of busing are that could justify the further rootlessness of our children? Even the original proponents of busing are now pointing out that it solves no problems—it creates them. Busing does not solve segregation—it furthers it. Busing does not improve education—it bankrupts school districts. Busing does not ease racial tensions—it inflames them.

Mr. Chairman, these problems are evident across the nation; but let me illustrate what has happened in Oak Cliff, the area of Dallas in which my family resides. Before the 1971 court order requiring the busing of Oak Cliff children, Oak Cliff was becoming the only naturally integrated area of Dallas, with a 30% black and 14% Mexican-American population. Blacks, browns, and whites lived together as neighbors and friends. Since that busing order, which would have required my three children to be bused to six different schools in six years, never to attend the same school together, Oak Cliff is becoming a re-segregated area that is presently more than 60% black. Our shopping centers are now ghost towns and many homes that have not been abandoned are being sold at give away prices. From 1970 to 1974, student enrollment in the Dallas Independent School District dropped from 174,206 to 149,373. This year the projected loss is 7,463, or 5.1% of the entire student population. Much of that loss is being felt in Oak Cliff. This is a sad situation when I remember that before the order, we lived together in peace. Instead of spending money to upgrade education for all children, Dallas now spends $500,000 annually for school security forces, not to mention the thousands being spent on buses. Such folly, and we ask in the name of what?

Our country is steeped in democratic traditions; and we are proud of that fact. Surely, one of the finest examples of democratic thought is expressed in the Declaration of Independence, which declares that "governments are instituted among men, deriving their powers from the consent of the governed;" yet, the nightmare of busing continues, despite the fact that 75% of all Americans oppose it How can this be so in a democracy? Indeed, it can only further the disrespect of our laws at a time when more respect is so desperately needed.

Mr. Chairman, the United States Constitution is a cherished and fragile document. We commend anyone who thinks carefully about changing it. However, the minds and welfare of our children are also cherished possessions. We must act to protect them from the senselessness of an unworkable socio-economic experiment.

Citizens for Neighborhood Schools urges your Committee to report out a constitutional amendment prohibiting forced busing, for the sake of our children, our schools and our country.

EXHIBIT I

TESTIMONY OF SENATOR JOHN TOWER BEFORE THE SENATE JUDICIARY COMMITTEE

I would like to begin my remarks here today by expressing my appreciation to you and the distinguished members of this committee for your recognition of the seriousness of the situation facing public school systems throughout the Nation as exemplified by your scheduling of these hearings to address the problem of forced busing.

During my tenure in the Senate I have consistently and adamantly opposed the massive forced busing of our schoolchildren out of their neighborhoods, and consequently in the 94th Congress I have again taken action to deal with the untenable problem of busing. S.J. Res. 137, a joint resolution to amend the Constitution of the United States to ensure the right of students to attend their neighborhood public schools. This amendment states:

> The right of students to attend the public school nearest to their place of residence shall not be denied or abridged on account of race, religion, sex, or national origin.

Further, it delegates to the Congress the authority to provide for the enforcement of the amendment through legislative action.

There are, however, a number of proposals before this committee to amend the Constitution to prohibit the assignment of students out of their neighborhoods for the purpose of achieving racial balance. The important thing is that the committee arrives at a decision to report at least one of these proposals to the full Senate for thorough debate. In all fairness to the people of this Nation whom we represent, we can no longer delay consideration of this critical and emotional issue.

Each member of the Congress is aware of the problems facing our Nation's public school systems. Judicial abuse of our Constitutional guarantees has brought chaos to American education. This social experimentation with our children is senseless and inexcusable. Clearly, the Federal courts have actively ignored the will of the people. I feel, therefore, that it will take nothing less than a Constitutional amendment to withdraw this matter from the jurisdiction of the courts. The question has been raised—can massive court-ordered busing—a practice which is repugnant to the vast majority of the American people—be stopped without a Constitutional amendment? I strongly doubt it. It has been argued by many experienced and responsible officials, both in and out of Government, that a Constitutional amendment to prohibit busing is not a proper way to proceed. I understand the scrupled objections to a Constitutional amendment on busing, and to some degree I sympathize with them.

Perhaps, though, there is something more fundamental at stake—government of, by, and for the people. When the majority is thwarted by a few, the system of representative democracy breaks down and citizens lose faith in their entire system of government or teach their children to disobey the laws of the land. We have seen too often in the past what deep-seated hostilities to government that thoughtless, though well-intentioned Federal policies can create. The bill of rights itself took the form of amendments to the Constitution. The busing issue today has acquired an urgency scarcely less compelling than some of the issues which produced the first ten amendments.

Mr. Chairman, if there were any educationally sound reason to have compulsory busing, perhaps the people of this country would not object to it so strenuously, but no such reason exists. In the years that busing has been used by the courts as a remedy for segregation, it has caused disruption and dissension in our school systems and has not improved educational opportunities for anyone. The Federal courts have wrecked havoc on public education in Texas. School districts which at one time stood as fine examples of quality education have, since the 1971 Supreme Court decision in *Swann* v. *Charlotte-Mechlenberg,* been forced to divert their energies, their resources, and their inspirations away from quality education and toward plans to bus thousands of children out of their neighborhoods to schools across town for the absurd purpose of complying with court orders requiring quota systems. In Boston and Louisville and other cities throughout the Nation, upstanding citizens have become dissenters and lawbreakers or have fled from their neighborhoods. Worst of all, they have taught their children to fear or hate people of other races or cultural backgrounds. In short, busing has exacted its toll, and it has been a painful and dangerous one. I am totally opposed to this use of our children as pawns in our struggle for integration and social justice.

Why, then, do we have busing. We must ask this question with great urgency and objectivity. We have busing because it is the easy solution. Our children and our public schools are a captive group. Children, because of their age and their station in life, are unable to resist effectively. Schools are publicly financed and therefore legally vulnerable. It can be said that placing these burdens on the schools and the children is unfortunate but necessary. I disagree. It is too easy to use our children and our schools for social experimentation. We have become concerned with too many things other than teaching and learning, and in the process we have suffered the loss of quality education.

The time has come for us to direct our desegregation efforts toward less disruptive alternatives. We must remain committed to the desegregation of our public schools, but we cannot uproot the entire educational system in the process. Busing is the physical means of getting our children to school. Our primary concern should be what they get once they are inside the school. We must commit ourselves to both quality and equality in education. This includes the amount of money spent for teachers and teaching devices as well as for physical plants and facilities. The key to improving educational opportunities, however, does not lie with the expenditure of more money, but with the parents. The key to achieving integration and improving opportunities for minority groups does not lie with what we can force on the children, but in changing our social patterns. We must, then, dedicate ourselves to confronting the issues which brought about busing in the first place. Forced busing is the wrong solution to a very real problem. We must not perpetuate this problem by exacerbating pre-existing hatreds.

Mr. Chairman, on numerous occasions since I have been in the Senate, many of my colleagues and I have worked hard and long to adopt statutory language to prohibit the forced transportation of students. On several occasions we have been successful in adopting anti-busing provisions, but we have not succeeded in putting an end to the abhorrent practice of busing. The judicial branch of our Government stands alone in its support of busing and has effectively asserted its will over this Nation.

We must face the facts squarely. It is wrong to prohibit a child from attending the school closest to his home because of his race—whether he is black and is prevented from doing so by deliberate segregation or whether he is white and is bused out of his neighborhood for the sake of racial integration. We cannot allow ourselves to be ruled by judicial fiat. We can do nothing less than remove from the courts, by constitutional amendment, the authority to order busing. We must represent the majority of Americans who demand an end to court-ordered busing, as we must demand a return to quality education in the neighborhood school.

Mr. Chairman, I urge this committee to take prompt action to report out a constitutional amendment for consideration by the full Senate.

BIRMINGHAM, ALA., YOUNGEST OF THE WORLD'S GREAT CITIES

Mr. ALLEN. Mr. President, as an installment in its continuing series of articles on "A Bicentennial Salute to American Cities," the magazine Nation's Business, in its November 1975 edition, features Birmingham, Ala., the financial and industrial hub of the State of Alabama.

Mr. President, I feel that this article, "Overcoming Adversity With Vision," about Birmingham, one of America's greatest cities, will be of widespread interest to Members of the Senate and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A BICENTENNIAL SALUTE TO AMERICAN CITIES: BIRMINGHAM OVERCOMING ADVERSITY WITH VISION

Birmingham is a city built on adversity and immense quantities of iron ore, coal and limestone.

It was not situated where it was supposed to be, and, except for the theatrics of one of its early developers, Alabama's largest city today would probably be called Elyton, not Birmingham.

From its beginnings, Birmingham has been kept on course by men of vision and confidence. Such men have nurtured it through periods of plague, financial panic, and racial upheaval.

Where it was once one of America's dirtiest cities, it is now one of the cleanest. A one-industry town for so many of its years, Birmingham no longer has its fortunes tied solely to the ebb and flow of iron and steel. Industrial diversification is the keystone of the new Birmingham, as it marches forward in its second century. Racial eruptions of the 1960's have been replaced by cooperation between blacks and whites in the 1970's.

Unlike cities whose creations were an accident of history, Birmingham was born on purpose.

That strange red rock

Indian braves who roamed that part of Alabama used the strange red rock which abounded in the green valleys and hills for war paint, and their squaws found it an excellent source of dye. White men who followed were impressed with the red rock for another reason—it was iron ore. And then they found limestone, used in extracting iron, and coal.

A state geologist in 1858 proclaimed the area rich in minerals, and iron was produced there for the Confederacy during the Civil War. It was not long before the railroads started laying tracks in the direction of north central Alabama.

Two railroads agreed to build a city at the point where their lines would cross. But one railroad failed to proceed on schedule, and the plan for a new city at the juncture point was scrapped.

Land speculators, however, were ready when the other line reached the area. They formed the Elyton Land Co., picked a site near the hamlet of Elyton, eight miles southeast of the earlier site, and bought 4,457 acres at $25 an acre. Then they used the railroad as a baseline to lay out a new community.

A year later, on Jan. 27, 1871, a charter for a new city was issued, and Birmingham was born. Prophetically, the first building, aside from a railroad camp, was a blacksmith shop.

Early city planners

Col. James R. Powell, a dashing figure of a man, was elected president of the land company. He was a huckster of the first water. Taking the auctioneer's block, he sold for $100 the first parcel of land, a lot at the corner of First Avenue North and 19th Street.

The colonel and his cohorts knew a city would emerge. The entire 4,457 acres were marked off in squares whose symmetrical patterns remain as a grid of streets in central Birmingham today. The Elyton Land Co. investors were city planners before the phrase was invented. They immediately set aside and donated land for churches of various faiths. A manufacturer of brick was invited to settle with the pledge that his entire output would be bought for the city's buildings.

One year after its birth, Birmingham had 125 houses, a 37-room hotel, 52 stores, two lumber mills, two grist-mills, a newspaper, an extensive livery stable, two bakeries, five boardinghouses and two restaurants.

In May, 1873, a referendum was ordered in Jefferson County to determine whether the courthouse should be moved from Elyton to the burgeoning new community. Col. Powell, who had given Birmingham its name after a visit to the iron-center city of that name in England, was convinced that the town which got the courthouse would ultimately emerge as the leader. He went to work.

Political stratagem

The state legislature of that post-Civil War reconstruction era permitted balloting in any voting precinct, regardless of residence. Blacks made up a large part of the population, and they were allowed to vote. Col. Powell set up a large barbecue spread near the Birmingham railroad station, on the site of the proposed new courthouse, and invited all blacks.

A chronicler of the time noted:

"Col. Powell, mounted on old man Dobbin's calico pony, with a drawn sword in his hand, was at the depot to marshal his forces and march them to the ground, where long tables improvised for the occasion were now groaning beneath the load of savory meats just from the smoking pits."

Then, as the hungry voters were about to assault the groaning tables, "someone caused it be whispered among them that the tall, dignified gentleman on the calico pony was Gen. Grant, and then forthwith every mother's son of them was prepared to exercise the prerogative of a free American citizen by voting for Birmingham as Gen. Grant wanted them to do."

The courthouse was moved. Today, Elyton is a neighborhood in Birmingham.

Fortunes were made and lost overnight by investors in Elyton Land Co. property. It was not unusual to plunk down $1,000 for a piece of land and turn around and sell it for $3,000. Or to invest $5,000 and lose it all a week later.

Cholera strikes

In the summer of 1873, Birmingham was almost wiped out in its infancy. A cholera epidemic killed 128 people and most survivors fled in terror.

About that same time, there was a panic in Wall Street, and young Birmingham's hopes of developing industry were dashed. But the streak of confidence which has always run deep in the city pulled Birmingham through. That winter, banker Charles Linn staged a New Year's Eve ball at his new First National Bank building. The people came, dressed in their finest gowns and suits. It helped lift the mood of depression and uncertainty.

A few months later, Col. Powell, now mayor, invited the New York Press Association to hold a joint meeting with the Alabama Press Association in Birmingham. No matter that the little town's streets were a sea of mud, and the comforts of man were few. Mayor Powell's glib tongue sent the New York reporters back with glowing accounts of developments in Birmingham.

The cholera epidemic and other setbacks, however, had brought the Elyton Land Co. to the brink of bankruptcy.

Really missing the boat

One creditor, William H. Woodward, pressed the developers for payment of an $18,000 debt. He was offered 80 cents on the dollar, enough land to pay the debt in full, or some of the company's stock at $50 a share. Mr. Woodward refused all three. If he had taken the stock he could have sold it ten years later at a $1,750,000 profit. He was one of the few local men who did not have faith in the future of Birmingham.

By 1878, five years after the epidemic, the city's population had dropped from 4,000 to 1,200. Those who stayed staked an uncertain future on the mineral riches which lay virtually untapped beneath their feet. Crude attempts at making iron were barely successful. Birmingham became the laughingstock of the iron world.

But the small iron makers who had invaded Birmingham held on. They experimented with making pig iron with coke instead of the charcoal they has been using until then. The experiment was a success. The iron makers needed high-grade coking coal and found it nearby. Pratt Coal & Coke Co. was founded. Elyton Land Co. donated land for an iron-making furnace. The iron boom was on.

The first of Birmingham's rolling mills opened in 1880. Foundries and machine shops followed. Land profits again soared. An original $100 share of Elyton Land Co. stock was now worth $6,400.

By 1890, there were 25 blast furnaces in Birmingham, now bustling with 26,178 inhabitants. Six railroads converged on the city. Alabama ranked as the nation's fourth state in iron and steel production, largely because of Birmingham.

Birmingham bounded back again from a real estate market collapse in 1887, only to hit by the panic which swept the country in 1893.

The Elyton Land Co. once more fell on hard times. It couldn't meet interest payments on huge debts. Finally, in 1899, the courts ordered it sold, and a new firm, the Birmingham Realty Co., took its place.

J. P. Morgan's contribution

Birmingham continued to weather the economic ups and downs, but a financial panic that engulfed the country in 1907 almost sounded the city's death knell. However, U.S. Steel Corp. moved in and bought the Tennessee Coal, Iron, and Railroad Co., an important employer which was about to under.

Four years later, things were at the crisis stage again. If U.S. Steel didn't decide to put money into expanding or developing its Birmingham venture, the operation would be shut down.

There then occurred a meeting in New York City that was accepted as the meeting that made Birmingham.

The New York Chamber of Commerce was staging its 143rd annual banquet. Gov. Emmet O'Neal of Alabama was the principal speaker. It was a fancy affair. Thomas Edison was there. So was Andrew Carnegie. Most importantly, J. Pierpont Morgan, Sr., the most powerful man in the history of American finance, was seated next to Gov. O'Neal.

Shortly before was to step up to the podium, the governor appeared jittery. J. P. Morgan leaned over and advised Mr. O'Neal not to drink the table wine being served. At the financier's feet was a silver bucket. He selected a bottle and told his dinner companion:

"Here is a 12th century wine which I believe you will prefer."

Whether the wine was really of that rare a vintage was not ascertained, but it performed wonders for the governor. He spoke eloquently of his state in general and Birmingham in particular as a place for eastern money to be invested. Later, Mr. Morgan told Mr. O'Neal:

"Governor, you have set your state ahead by 25 years. We're going ahead with our improvements in Birmingham."

When Mr. Morgan spoke for U.S. Steel, it was usually the final word. The company expanded in Birmingham. It is still doing so today. Three huge new furnaces, meeting every enviromental standard, are built or being built to take the place of all existing U.S. Steel open hearth and blast furnaces in Birmingham.

Growth in health

Today, Birmingham's most treasured landmark, a gigantic statue of Vulcan, mythical god of metalworking, looks out from its lofty perch atop Red Mountain on a city in the throes of change.

The smokestacks of industry still reach up from the valley, but health care and education are the new adrenalin of growth. Although U.S. Steel is Birmingham's No. 1 employer, No. 2 is the University of Alabama and its Medical Center spread over 270 acres of former slum property near the downtown business district.

The university has a $67 million annual payroll providing jobs for 6,700 men and women, and it generates an additional 13,000 jobs throughout Jefferson County. Half of the university's work force is at the Medical Center.

A third of the university's students are being trained in health fields. About 175 new physicians will graduate next year.

The Medical Center, a huge complex of treatment as well as training facilities, boasts the nation's only hospital devoted entirely to diabetic research and treatment.

There are hospitals for children, for people with eye diseases, and for the crippled, and there is a special center for developmental and learning disorders. Vast cancer research is in progress. Some 1,200 open-heart surgeries were performed last year.

The Medical Center offers a vital service to doctors around the state, notably in rural areas. Night or day, doctors call in with problems and consult with specialists in practically every medical field. More than 100,000 such calls have been registered over the past five years.

Ten thousand students are enrolled at the university today—double the number only a half-dozen years ago.

Dr. Jerry D. Young, the university's vice president for finance, says: "We've been able to attract an outstanding faculty because of the dedication of this institution to excellence, even while it has been experiencing tremendous growth. We've always poured money into people first and buildings last."

How businessmen acted

The university's growth came concomitantly with the city's industrial diversification.

While iron and steel remain symbols of economic might in Birmingham, automation has reduced the need for workers in the industry. U.S. Steel alone, although continuing to expand production, has cut its work force from 25,000 to 12,000. Other jobs have been lost as red ore mining has dropped off in the area. Steelmakers have stepped up importation of ore from South America, keeping local supplies in reserve for later use.

Employment generally, however, has been increasing in Birmingham, and diversification helped preserve jobs during the recession.

In 1970, a group of businessmen, working with the Birmingham Area Chamber of Commerce, formed the Metropolitan Development Board and raised $1 million for a drive to lure business to the area. Since then, more than 180 firms have settled in Birmingham, many attracted by the mushrooming of health care, some by needs of the steel industry. Also, expansion of wholesale distribution and warehousing is adding significantly to the economy.

Racial turmoil—and change

Thomas E. Bradford, Sr., first president of the development board and a retired businessman, says: "We set out to bring jobs and dollars to the area and we are succeeding."

Birmingham has had image problems to overcome.

In 1963, the Rev. Martin Luther King, Jr., led a massive drive for integration in Birmingham. There was anti-integration violence. Police Commissioner Eugene (Bull) Connor pledged to "fill the jail with intergrationists." He did.

To many an outsider, Birmingham became Commissioner Connor, fire hoses and dogs turned on civil rights demonstrators, and racial conflagration. The image has been difficult to dispel.

On the other hand, the "long, hot summer" of 1963 served to turn Birmingham around. Mr. Bradford explains:

"It brought things to a head. They might have seethed for years. Our racial problems got Birmingham united."

S. Vincent Townsend, Jr., vice president and assistant to the publisher of the city's afternoon newspaper, The Birmingham News, agrees: "We have had a change of attitudes at all levels. It's unbelievable."

Mr. Townsend played a leading role in the 1963 formation of Operation New Birmingham, a group of 27 men and women—nine from business, nine from the black community, and nine from the city and county governments—determined to stem the tide of racial confrontation and to launch a vigorous effort to improve the lot of the city's large black population.

They set out to get blacks housing, jobs, and improved education. Police methods were subjected to intense public scrutiny. The police force was integrated.

Blacks in office

Birmingham "made a lot of progress but we also spent a lot of time defending ourselves, time we could have used to accomplish more progressive, meaningful things," says The News' Managing Editor John W. Bloomer.

From the standpoint of the blacks, a significant turning point occurred in 1968 when Mayor George G. Seibels, Jr., picked Arthur Shores to fill an unexpired term on the City Council. Mr. Shores is a black attorney who achieved national prominence in 1956 when he won Autherine Lucy admission to the University of Alabama in Tuscaloosa. She was the school's first black student.

Mr. Shores, whose home was bombed twice during racial flareups, has since been elected and reelected to the City Council. In one runoff election against five white candidates, he led the field, outpolling some of the white candidates even in their own predominantly white neighborhoods.

Today, blacks are represented on practically every local political body. Two of the five members of the Board of Education are black, and one of the blacks is chairman. Sitting with Mr. Shores on the City Council is another black, Dr. Richard Arrington, Jr., executive director of the Alabama Center for Higher Education, which was set up by eight predominantly black colleges.

Black-white cooperation is perhaps nowhere better exemplified than among the 14 white and seven black members of the Jefferson County delegation to the Alabama House of Representatives. They elected as their chairman black Rep. Chris McNair, father of one of four little girls killed in a notorious Birmingham church bombing in 1963.

Trying harder

"Birmingham has tried harder than some other cities," Dr. Arrington says. "We have a way to go, because unemployment among blacks is still from four to seven percent higher than among whites. But in efforts to improve community relations, we stand out. Communication is good. We spend a lot of time identifying problems."

He concedes it will take years to change racial attitudes, and he cites this as a major cause of a continuing migration of whites to the suburbs.

"We are constantly seeking to stabilize the population," Dr. Arrington says. "We are trying to make the schools attractive. I'm not opposed to school busing, but I don't think it's good for Birmingham. I would give more priority to government structures. In other words, upgrade the schools and give more representation to the blacks, from superintendents and principals on down."

There has been virtually no busing for racial balance in Birmingham. The ratio of blacks to whites is approaching 50-50 in the city population of approximately 295,000. Population of the metropolitan area is more than 780,000.

Birmingham leaders wonder why the image going back to 1963 persists, considering the magnitude of the progress since then.

"I wish the national press would come back and look at us now," says David Hamilton, president of the Birmingham Area Chamber of Commerce. "Birmingham is a sleeping giant that is being roused."

Giving a city vitality

Mr. Hamilton, who is also president of the Hamilton & Shackleford, Inc., insurance agency, would prefer to talk about the city's present than its past. He would rather talk about the gleaming new airport and its $40 million aviation complex. Or the $50 million Birmingham-Jefferson Civic Center which is enhancing the cultural richness of the city.

"But Birmingham can be most proud of its people," he says. "The people give Birmingham its vitality. When things need to be done, it is people who do it."

One of Birmingham's most colorful and successful businessmen is globe-trotting John M. Harbert, III, president of Harbert Corp., a construction firm which he started with $5,000 won in a dice game on a troopship bringing him home from World War II fighting in Europe. The company's volume last year totaled $81 million.

"Birmingham has more aggressive leadership and more opportunity than any place I know," he declares.

Mr. Harbert's firm has done construction work in Latin America and Africa, and it has now moved into the Middle East. Mr. Harbert recently signed a $52 million contract with oil-rich Abu Dhabi to build a water distribution system for that Persian Gulf emirate.

Like Col. James Powell, John Harbert has a keen sense of public relations.

When he won a multimillion-dollar contract to build a superhighway into downtown Birmingham, it placed him in direct confrontation with residents of two apartment buildings, mostly women.

There were hints of lawsuits to prevent the noise and traffic inconvenience. Mr. Harbert invited the apartment dwellers to cocktail parties, explained every phase of construction to them, and put up bleachers from which they could watch hard hats build the road. The highway went through without a hitch.

Not seeking a boom

Robert Henry Woodrow, Jr., president and chairman of Alabama's largest bank, Birmingham's First National, is encouraged by what is now happening on his city's economic scene.

"We're on the soundest ground we've ever been on," he says. "Much of it we owe to the Medical Center, which has broadened our economic base. We are not looking for, and don't want a boom type of growth. We want steady, stable development of all our resources."

Mr. Woodrow harks back to that 1963 image.

"When we recruit people from the college campus to work in our bank, it's a problem to get them to come to Birmingham just to look us over," he explains. "It's the same at the Medical Center. The preconceived picture is there. But I don't know of anyone who has come in to look and has turned us down as a place to live and work."

Birmingham prides itself on being an ideal place to live and work.

$100 million cleanup

This city, where a federal court order shut down industry in 1971 during an air pollution crisis, created environmental improvement awards to honor firms which curbed pollutants. Curb pollutants, they did. Some smokestacks which had spewed forth as much as 38,000 pounds of particulate matter an hour now put out only 19 pounds.

In all, industry in Birmingham spent more than $100 million to clean up the air.

For the culture lover, there is much to offer. The city has one of the South's finest art museums, containing part of the world-famous Kress collection and an unmatched collection of Wedgwood china. The Festival of Arts held each spring is the world's oldest continuing event of its kind. Opera and theater are popular and there is a 70-member professional symphony.

South Central Bell Telephone Co. has said it established its headquarters in Birmingham because the city cuts grass and not trees. A city showplace is Birmingham Green, a vista of trees, flowers, and shrubbery lining 20th Street, the downtown shopping area.

Offices in the woods

An eight-minute drive from downtown is Office Park, a 75-acre woodland complex of office buildings. Among its 100 or so tenants are names like Du Pont, General Electric, Republic Steel, and Alcoa.

When private developers Ervin Jackson and the late N. H. Waters unveiled plans for the office community, one of their competitors put an ad in the local newspapers asking: "Who wants to go and listen to the owls?" Many companies did, and similar office parks now are springing up around the country.

Because of its location adjacent to the exclusive Mountain Brook residential community, stringent zoning laws are in effect at Mr. Jackson's development. Buildings are held to two stories in height, and no signs are permitted on buildings. Business inventories are taboo. A branch bank was forced to get a zoning variance, since coin and currency are considered inventory.

Nearby is another part of the changing face of Birmingham—posh Brookwood Village, whose 90 stores cater to Birmingham's most affluent suburbs. This $20 million shopping center, developed by Shepherd Realty Co., Inc., is the only one of its kind that has been able to lure Rich's out of the Atlanta area. In its first year at Brookwood, the department store's sales exceeded projections by 30 percent.

Few people have had a longer view of Birmingham in evolution than Sidney W. Smyer, Sr., 78, retired chairman of the Birmingham Realty Co., successor to the old Elyton Land Co. Mr. Smyer, who joined the firm in 1930, took a lot of abuse during the racial nastiness in the early 1960's.

Good citizens took charge

As president of the Chamber of Commerce, he fought to restore racial peace and resolve black grievances. He became a prime target of the Ku Klux Klan. Bricks were hurled through windows of his home and office. He was awakened at night by obscene, threatening phone calls.

"Fortunately, good citizens were in the majority, and they took charge," he remembers. "I think all this—bad as it was—has made us a better community. It has provided us with a new climate. Now, business, especially big business, is willing to establish here. Our blacks and whites have learned to live together."

Arthur D. Shores, the black city councilman, would agree with that. Still practicing law at 71, he says he saw these changes coming 40 years ago. As a youth, he couldn't get into an Alabama law school, so he went to the University of Kansas. To the man whose legal work brought integration to the University of Alabama, the changes must seem indeed profound.

Last spring, he was summoned to the same university and told the board of trustees had just voted unanimously to award him an honorary degree. Further, he was told to pick his degree.

In June, Arthur Shores took his place on a University of Alabama graduation stage and accepted with pride and long memories an honorary degree of humanities.

THE FEDERAL THREAT TO THE INDEPENDENCE OF PRIVATE SCHOOLS

Mr. BUCKLEY. Mr. President, when distinguished educators refuse to comply with orders from the Federal Government, their conscientious objection must demand the attention of every Member of the Congress. I am referring to recent public declarations by the board of trustees of Hillsdale College in Michigan, and by President Dallin Oakes of Brigham

Young University, explaining the policies which will be allowed by the institution which he heads as well as by the Hawaii Campus of Brigham Young, the Latter Day Saints Business College, and Ricks College in Idaho.

The Department of Health, Education, and Welfare has claimed that, if so much as a single student at a particular school is the recipient of veterans' benefits, a Federal student loan, or other Federal assistance, then all the programs of that institution are to be considered federally funded and, hence, subject to the regulatory jurisdiction of the Department. Recognizing that that claim could mean the end of independent private education in America, the trustees of Hillsdale College have resolved "that Hillsdale College will, to the extent of its meager resources and with the help of God, resist by all legal means this and all other encroachments on its freedom and independence." Those strong words, echoing the tone of the Declaration of Independence, are also reminiscent of its spirit.

Speaking on behalf of Brigham Young University and other Mormon schools, President Dallin Oakes has declared that those institutions cannot accept 6 of the 43 regulations issued by HEW implementing the 37 operative words of title IX of the Education Amendments of 1972, which stated:

> No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.

In themselves, those words have not been controversial. As I understand it, Brigham Young University does not take issue with them. For my part, I certainly find no fault with them. But there are many serious defects in the departmental regulations through which HEW has greatly expanded the meaning of those words to impose upon the colleges of this country a straitjacket, not of equality, but of conformity.

Time and again, the Congress has been confronted with variations on this same theme. The laws which we enact are distorted beyond recognition by Federal bureaucrats through their implementing regulations. This was the situation which I deplored a few weeks ago in this chamber concerning HEW's capricious insistence that the teachers in Buffalo, N.Y., be assigned on the basis of race. It was the case with regard to HEW's regulations implementing title XX of the Social Security Act, relating to individual means tests for the elderly who attend federally funded senior centers. It was the case with regard to the Social Security Administration's now defunct proposal to terminate the 8½ percent nursing care differential under medicare.

Every Member of the Congress should realize by now that, on a case-by-case basis, we cannot hope to undo every bit of regulatory mischief committed by the Federal bureaucracy. The Congress has neither the time nor the staff to oversee the day-to-day operations of the entire Federal bureaucracy. We are being overwhelmed by the sheer mass of Federal regulations. They confuse us with their number; they confound us with their complexity; they infuriate us with their disregard for the rights of citizens and for the expressed will of the Congress. In other words, they affect the Congress in exactly the same way as they affect the man in the street.

That is why, even if we do not agree fully with the position taken by Brigham Young University and Hillsdale College vis-a-vis HEW's interpretation of title IX, we should all be able to understand the plight of those schools. For it is the very same dilemma which more and more Americans will face: How to reconcile their reverence for the law with their increasing awareness that something is terribly wrong with the Government in Washington. Alien to the structure of the Constitution, a fourth branch of Government has grown to overshadow those three which were created by the Philadelphia Convention in 1788. Because they are so far beyond popular control, and even beyond effective control of the people's representatives, the freewheeling tendencies of Federal administrative agencies constitute a grave threat to republican principles and to democratic ideals alike.

I am certain that, sooner or later, the Congress will be forced by public outrage to curb those agencies through corrective legislation which will require their closer adherence to the legislative intentions of the Congress.

Until that happens, we can expect the sad repetition of circumstances like those which have led several colleges to refuse compliance with HEW's decrees. Because I know my colleagues in the Senate will share my respect for the conscientious attempt by those schools to abide by both the law and their own devoutly held principles, I ask unanimous consent that their judicious and reasoned statements be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

HILLSDALE COLLEGE RESOLUTION

Whereas the Board of Trustees of Hillsdale College has been made aware of new restrictive regulations imposed by the Department of Health, Education and Welfare promulgated under the guise of implementing Title IX of the Education Amendments of 1972; and

Whereas Hillsdale College has maintained its freedom and independence of federal control by consistent refusal of federal aid to education, federal grants and any and all forms of subsidy by the Federal government; and

Whereas, by the regulations aforementioned, the Federal government now seeks to impose its control over such freedom and independence through the subterfuge that a few of the students of Hillsdale College receive federal aid through the medium of such programs as Veterans Benefits and the National Direct Student Loan Fund; and

Whereas it is the conviction of the Board of Trustees of Hillsdale College that such regulations are excessive of the authority granted by Congress and violative of the inalienable rights of freedom and choice of this institution and are therefore immoral and illegal; and

Whereas Hillsdale College has traditionally far exceeded the social benefit purported to be achieved in such regulations by natural and voluntary non-discrimination: Now therefore be it

Resolved, That Hillsdale College will hold to its traditional philosophy of equal opportunity without discrimination by reason of race, religion or sex, but such non-discrimination will be voluntary, thus preserving equality with dignity and encouraging friendship based on recognition of equal worth and mutual respect; and be it

Resolved further, That Hillsdale College will, to the extent of its meager resources and with the help of God, resist by all legal means this and all other encroachments on its freedom and independence.

HILLSDALE COLLEGE,
Hillsdale, Mich., October, 1975.

DEAR FRIEND OF HILLSDALE: Hillsdale has long prided itself on its independence from political funding. That independence has permitted the maintenance of high standards because we have avoided the pressures which politicized education produces. We have been able to offer quality education to generations of students, without regard to race, sex or religion.

Our independence has been based upon the non-acceptance of federal funds for any purpose whatsoever. There have been students on campus who are individual recipients of federal loans, grants, veterans benefits and similar programs, but such funds have never been accepted by the school as an institution. Now the federal bureaucracy has changed the rules. Beginning in October, 1975, Hillsdale College and all other independent colleges and universities are to be regarded as "recipient institutions" if they have any students on campus who receive individual funding through government programs. The American Association of Presidents of Independent Colleges and Universities has recognized the threat and is marshalling a campaign of determined resistance.

Acceptance of such status as a "recipient institution" opens the door to federal control of Hillsdale College. The entire weight of federal guidelines, covering faculty, students, curriculum, dormitories and every aspect of our existence, would potentially dominate our campus if we once accept the premise that aid to an individual student makes Hillsdale College a recipient of federal funds.

The issue at stake is *not* equal treatment for minority groups or women. Hillsdale College had already pioneered in nondiscriminatory treatment for over a century before the first federal legislation on the subject. Our record of non-discrimination speaks for itself. We have consistently displayed a willingness to measure our faculty and students by the only yardstick with any real meaning: individual performance.

Now through a bureaucratic ploy Hillsdale's independence is presumably to give way to the social engineers in Washington. Rather than allow such a federal takeover of our campus, we are prepared to refuse compliance with the government edicts now proposed. None of us at Hillsdale underestimates the power of the federal government to harass and possibly destroy those who do not comply, but we feel the fight must be made if independent education is to endure in America.

At the October 10, 1975, meeting of the Board of Trustees, the decision was unanimously and vigorously made to resist federal control with every means at our disposal. It is with great pride that I enclose a copy of the Trustee Resolution.

The Trustees fully appreciated how high the stakes are likely to be. If the bureaucracy now withdraws the scholarships and veterans benefits of those students attending Hillsdale College, the federal government will be discriminating against those students and will in effect be denying them an education at the accredited college of their choice. The college itself will also be penalized. In an age when independent higher education already faces inflation, governmentally subsidized competition, and a continuing reduction of private revenue through more and more stringent tax policy, the difficulties of meeting the budget and surviving have grown larger each year. Now we are faced with the additional burden of aiding those students against whom the government proposes to discriminate.

The additional financial burdens are enormous, but Hillsdale College feels the fight must be made. In addition to the large operating deficits which the school must face, the October 10 meeting of the Trustees also discussed an endowment campaign of $25,000,000 for scholarships and faculty salaries to perpetuate our independence—whatever new tax policies or bureaucratic whims may lie ahead.

We need help now as never before. The question involved is nothing less than whether or not the private sector can survive in our present society. At Hillsdale, we believe the answer is a resounding affirmative. With your help, we will prove that the job can be done.

All my best,

GEORGE ROCHE, *President*.

NOTIFICATION OF BRIGHAM YOUNG UNIVERSITY POLICY OF NON-DISCRIMINATION ON THE BASIS OF SEX

Brigham Young University is committed to equal opportunity for men and women in education and employment. Its Board of Trustees has adopted a policy forbidding sex discrimination.

The University is already in compliance with many of the regulations issued under Title D of the Education Amendments Act of 1972 by the United States Department of Health, Education and Welfare. Any past policy or practice of the University which may have implied discrimination on the basis of sex has been corrected.

While affirming the goal of equal opportunity, Brigham Young University challenges the legality and constitutionality of certain Title IX regulations because they exceed the statutory authority of the Department and infringe on religious freedom.

BYU's opposition to parts of 6 of the 43 designated regulations issued by an executive agency should not be taken as defiance of the law or of the Federal Government. The University believes its position is authorized by the Constitution and laws of the United States. BYU will comply with any regulations which the courts ultimately sustain as lawful.

This notification also states the position of Brigham Young University-Hawaii Campus, LDS Business College, and Ricks College.

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REQUIREMENT FOR NOTICE

On July 21, 1975 the United States Department of Health, Education and Welfare published extensive regulations purporting to enforce Title IX of the Education Amendments of 1972, which prohibits sex discrimination in federally assisted educational programs. Section 86.9 of the regulations gives each educational institution 90 days to publish a notice that it does not discriminate among applicants for admission or employment or among students or employees on the basis of sex. Educational institutions are also required to state their policies for compliance with the Title IX Regulations.

POLICY FORBIDDING SEX DISCRIMINATION

The Board of Trustees of Brigham Young University endorses the goal of equal opportunity for men and women in education and employment. Brigham Young University does not discriminate on the basis of sex among its students or employees, or among applicants for admission or employment. We support the nondiscrimination laws and have modified various University policies or procedures which in the past may have been interpreted as discrimination on the basis of sex.

POSITIVE ACTIONS TAKEN

The University has taken major steps to insure equal opportunities for men and women. University scholarships are now awarded without discrimination. Women's athletic programs have received increased financial support, and women's access to facilities and their opportunities for participation have increased significantly. Housing regulations for women are no longer more restrictive than those for men. Salaries of women faculty and staff members are regularly reviewed to insure that women are receiving equal pay for equal work. Policies are in effect which guarantee nondiscrimination in hiring and promotion and any inequities are being identified and corrected. University departments and colleges have been challenged to avoid sex stereotyping in textbooks, curriculum, and student advisement. University leaders are urging women students to pursue their educational interests with seriousness and vigor.

REFUSAL TO FOLLOW CERTAIN REGULATIONS

Title IX (the statutory law) forbids sex discrimination in every "education program or activity receiving federal financial assistance." However, the regulations issued by the Department purport to dictate policies and activities in many areas of the University, whether or not such policies or activities involve "education" and whether or not they concern a "program or activity receiving federal financial assistance." The regulations effectively ignore these important qualifying words in the statute. They extend government powers well beyond those granted by the statute by insisting that if any part or area of an institution receives direct or indirect federal financial assistance (such as by enrolling students who receive federal aid), then the entire institution is subject to federal regulation. We reject this all-inclusive interpretation, believing that many of the regulations are unlawful because they exceed the Department's statutory authority under Title IX.

BYU has traditionally refused all federal grants. We have limited our receipt of federal funds to a few programs in which the government receives a service equal in value to its payments. While some of our students receive federal assistance (such as veteran's benefits), the statute does not suggest that payments to students should be a basis for regulating every educational policy and activity of the institution. We therefore believe that most of our activities are not subject to the regulations.

We also believe that some of the regulations are unconstitutional because they violate the due process clause or the constitutional guarantee of the freedom of religion.

Nevertheless, we voluntarily choose to follow many of the regulations because we believe them to embody policies which are fair and just. But where we believe the regulations are unconstitutional or illegal and where they prohibit or interfere with the teaching or practice of high moral principles, we will not follow them.

UNLAWFUL REGULATIONS

H.E.W. regulations the University will not follow are:

1. §86.2(g) and (h): Contrary to the broad definitions in this regulation, a university program or activity not receiving federal financial assistance is not subject to the regulations. However, the University will not discriminate on the basis of sex in any university program or activity regardless of the applicability of the regulations.

2. §86.12: The University will notify the Department that it is exempt from certain regulations on the ground of religious belief. However, the Constitution forbids the Department from making any judgment as to the content or sincerity of religious belief. We will resist any attempt by the Department to rule on the validity of our constitutional claim.

3. §§86.21(c), 86.40, and 86.57(b): Brigham Young University will not follow the provisions of these regulations to the extent that they prohibit certain inquiries into or actions based upon the marital or parental status or the pregnancy or termination of pregnancy of present or prospective students or employees. BYU teaches and enforces strict adherence to the highest Christian standards of sexual morality. Our standards of behavior and our admissions, hiring and dismissal policies related to sexual behavior are identical for both sexes. Where an inquiry or action prohibited by the regulations may be necessary to create or enforce the moral climate we desire at BYU, we will disregard the contrary requirements of the regulations.

4. § 86.31(b)(5): BYU will continue to enforce rules of appearance which differ for men and women because we believe that differences in dress and grooming of men and women are proper expressions of God-given differences in the sexes. We will resist the imposition of a unisex standard of appearance.

5. §§ 86.31(c) and 86.37,b): BYU will not discriminate in any federally financed student aid programs or in the University's own financial aid. BYU will also endeavor to persuade private donors to refrain from discrimination on the grounds of sex. Because this regulation would require us to breach agreements with previous donors, the University will continue to administer existing privately financed student aid according to the conditions imposed by the donors. We believe the regulations' requirement that universities not administer financial aid restricted to one sex deprives private donors of property without due process of law. Congress must not have intended that a statute forbidding misuse of federal aid serve as the basis for depriving private donors of their right to use their property as they see fit.

6. §§ 86.37(c) and 86.41: The sections of the regulations dealing with athletics are not clear. They have been the subject of widespread controversy over their meaning and coverage. We do not concede that these regulations apply to our athletic program, which is not an "education program or activity receiving federal financial assistance." Our women's athletic program is among the best in the nation. We are confident that our voluntary efforts to improve athletic opportunities for women will meet or exceed the requirements of the regulations within the three-year implementation period.

OUR POSITION IS LAWFUL

Our stand in opposition to these regulations should not be taken as defiance of the law or the federal government. We believe our position is lawful—that it is the Department of Health, Education and Welfare that is violating the constitutional and statutory law. Our Chuch teaches the necessity of "obeying, honoring and sustaining the law" (Articles of Faith 12) and of "befriending that law which is the constitutional law of the land" (Doc & Cov. 98:6). Therefore, we will comply with any regulation ultimately sustained as lawful by the courts of the United States. In the interim we will follow the policies outlined above, which represent our best judgment on the meaning of the constitution and laws that govern us.

While we have based our refusal to comply with certain regulations on the grounds that they exceed statutory authority and violate our constitutional rights relating to religion, we also oppose such regulations on moral grounds. The teaching of honesty, integrity and chastity must not become exclusively the province of religion. If our government not only abandons the advocacy of moral standards but positively prohibits the practice of such values at teaching institutions, as these regulations appear to do, the destruction of America as a great nation will be both imminent and inevitable.—BRIGHAM YOUNG UNIVERSITY, October 16, 1975.

JOINT COMMITTEE ON DEFENSE PRODUCTION OPENS NEW INQUIRY

Mr. PROXMIRE. Mr. President, since early this year, the Joint Committee on Defense Production, acting under the authority of its chairman Congressman WRIGHT PATMAN, has been inquiring into the relationships between defense contractors and the Department of Defense. The day-by-day operations of this continuing inquiry have been delegated to me as vice chairman of the joint committee.

A good deal of information has been developed which will be examined in committee hearings later this year. In the meantime, however, I have asked the joint committee staff to open a new inquiry into the acceptance of gratuities from contractors by employees of the National Aeronautics and Space Administration.

This is a matter of particular concern to me since I also chair the NASA Appropriations Subcommittee.

The joint committee has determined that a number of NASA employees have accepted invitations for free weekends at a hunting facility on the Eastern Shore of Maryland leased by Rockwell International.

Apparently, this activity has occurred for a number of years and with several people being more than one-time guests of Rockwell. The number of NASA employees known to have accepted the hospitality of Rockwell International, in violation of Executive Order 11222, currently is small—about five.

To its credit, NASA management has undertaken an investigation into these situations. Five inspectors have been placed on the case, and interviews are proceeding at NASA headquarters. There are additional allegations of other NASA guests at the Rockwell facility that cannot be confirmed at this time.

The NASA investigation is not limited to entertainment at the Rockwell facility but also includes receipt of other gratuities such as Redskin tickets and use of hospitality suites and other locations.

As vice chairman of the joint committee, I have directed the committee staff to work with NASA and provide any assistance that might be necessary to determine the full extent of unethical or illegal lobbying by NASA contractors.

The Rockwell case is particularly disturbing in that they are the primary contractors for the $6.4 billion Space Shuttle program—a program that accounts for about one-third of NASA current annual expenditures. Not even in the Defense Department is one agency so dependent on one contractor as NASA is on Rockwell International.

I have urged NASA officials to immediately obtain from Rockwell International all pertinent data regarding the use of the Eastern Shore lodge or any other facility by NASA employees.

A CONSERVATIVE VIEW

Mr. McCLURE. Mr. President, as James J. Kilpatrick said in his column released Sunday, November 16, the legal services program is a disaster. I recall that the original bill was so objectionable that the version which ultimately passed seemed almost moderate in comparison, even though it set up an agency outside the watchful eye of either the Congress or the executive. Without adoption of the Green amendment eliminating backup centers, the bill simply would never have become law. Likewise, had it not been for a beleaguered President trying to court favors from those trying to impeach him, the bill would probably have been vetoed.

Subsequently, President Ford said that he had selected a conservative board—one that would administer the law to the benefit of the needy rather than serve the radicals. Many of us heaved a sigh of relief.

Now we find that things are not going so well. The Legal Services Board apparently is in some disarray and they have hired controversial figures to run the program. Furthermore, hearings are already being held in the House on legislation to get rid of the Green amendment even before we see how the program works.

It is not backup centers we should be considering, but ways to bring this program back to its original purpose—to provide legal aid for the truly needy. Evidently that will not be accomplished until the Corporation is put back into the regular structure of Government like most other agencies.

Mr. President, I ask unanimous consent that the article by James J. Kilpatrick and an article from Human Events be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star, Nov. 16, 1975]

THE LEGAL SERVICES DISASTER

(By James J. Kilpatrick)

WASHINGTON.—The new Legal Services Corporation, launched with great hope a year ago, now promises to become a disaster instead. Legal activists have taken charge. The eager beavers soon will be back at the same old stand, gnawing away at a noble ideal.

Forgive me, if you will, a personal word: This story hurts. Against the warnings and advice of my brother conservatives, I fought for the act creating the Legal Services Corporation. The idea was to set up a permanent agency to assist the poor in coping with the law—and the idea is sound. To provide a lawyer for the family about to be wrongfully evicted, to help the ignorant old woman who cannot cope with Social Security, to counsel the gullible debtor hounded by powerful creditors—to give the little people of our society a fair shake with the law is an obligation of fairness, decency, and right.

That was what the new Legal Services Corporation was intended to provide. Congress rejected the activism that discredited the former legal services program within the Office of Economic Opportunity. Through what was known as the Green Amendment, after Congresswoman Edith Green of Oregon, Congress specifically repudiated the "backup" centers that fueled the radical movements. When the bill at last was adopted, we thought we had a pretty good act.

It has all gone sour. Instead of a strong board headed by a skilled chairman, we have a wishy-washy board and a divisive chairman. Such a board could be tolerated if the full-time staff commanded confidence, but the newly-appointed staff evokes dismay. The Green Amendment is about to be nullified and circumvented. A worse beginning could scarcely be imagined.

Much of the blame for this fiasco rests upon Gerald Ford. It was his responsibility to find the right nominees for the board and to fight for their confirmation. Mr. Ford was never much interested. Two of his nominees asked that their names be withdrawn; a third nominee lost in Senate committee. Mr. Ford indifferently sent up other names, and at last got an 11-man board confirmed. In the nature of things, we expected—and we got—a handful of liberal members, but with Mr. Ford in the White House, conservatives had a right to expect a board with a working conservative majority. It hasn't turned out that way.

The chairman, unhappily, is Roger C. Cramton, dean of the Cornell Law School. He doubtless has many good qualities, but the White House was warned in advance that Cramton is abrasive, tactless, and high-handed. Last week's events demonstrated the truth of the warning. Cramton rammed through the election of two radically oriented law school deans as president and executive vice president of the corporation.

The corporation president is to be Thomas Ehrlich, 38, dean of Stanford University Law School. A socially minded activist, Ehrlich is identified in California with a proposal to compel lawyers to contribute a percentage of their time to poor clients. A Stanford associate says Ehrlich has a "keen mind and a strong sense of power."

Ehrlich alone might be acceptable. As the weekly Human Events observes, what infuriates conservatives is Ehrlich's insistence upon F. Clinton Bamberger, Jr., dean of Catholic University Law School, as his executive officer. Bamberger is a former president of NLADA. He has been a storm center at Catholic University, where the student newspaper once charged him with "playing a game of politics and opportunism."

At the board's October 6–7 meeting, nine members were present. They voted unanimously for Ehrlich, but when Chairman Cramton presented Bamberger's name, four members balked. They had read a Human Events article reviewing Bamberger's record, and they wanted to know more about him. On a showdown vote, former Senator Berger of Texas and Attorney Glen Stophel of Chattanooga abstained. The chairman's caustic attitude toward young Professor Berger set tongues wagging.

President Ford may yet salvage something. Board member William J. Janklow of South Dakota resigned two weeks ago, never having attended a meeting. If Ford will nominate a respected and strong-minded conservative in his place, the bad beginning may be corrected. Otherwise the maddening prospect is not for legal aid only, but for legal activism also.

[From Human Events]

MCGOVERNITE CLINCHES LEGAL SERVICES SPOT

Despite the uproar in conservative circles over the projected appointment of two liberal activists—Stanford Law School Dean Thomas Ehrlich and Catholic University Law School Dean E. Clinton Bamberger—to be president and vice president respectively of the new Legal Services Corporation (see HUMAN EVENTS, Nov. 8, 1975), the Corporation's board voted formally on November 5 to approve them both. The board's action was taken publicly after an acrimonious secret session that previous day at which board Chairman Roger Cramton, dean of Cornell Law School, was upbraided by board members for his failure to consult with them sufficiently on the candidacy of Bamberger, a McGovernite and a former director of OEO's legal services program who is regarded by conservatives as far more extremist and dangerous, though less competent, than Ehrlich.

At their October 4 meeting, the board had interviewed and tentatively approved Ehrlich, whose appointment as president of the legal aid program for the poor was announced to the press on October 17. In the meantime Cramton had conducted a telephone poll of individual board members to test their reaction to Bamberger, whom the board had not interviewed and about whom some members had serious reservations. Nonetheless, Cramton's office issued a press release in late October indicating that Bamberger would be appointed executive vice president—the key staff position—and on November 4 Cramton convened a meeting of the board to ratify the selection.

Incensed by Cramton's apparent attempt to confront the board with a fait accompli, by Ehrlich's arrogant insistence on the retention of Bamberger (a demand the board was not aware of when they originally approved Ehrlich) and by Bamberger's stipulation that he be allowed to attend all meetings of the board including their executive sessions, two conservative members of the board, J. Melville Broughton of Raleigh, N.C., and former Sen. Marlow Cook (R.-Ky.) not only voted against Bamberger but withdrew their endorsement of Ehrlich.

Another board member complained that he first learned of Bamberger's impending appointment when he read it in the newspapers while several board members who denied they had committed themselves to Bamberger during the telephone poll were severely chastised by Cramton for "reneging."

In the showdown vote, Ehrlich was approved 7 to 2, while Bamberger received only five affirmative votes, with Cook and Broughton voting a firm "no" and Glenn Stophel, a moderate-conservative from Tennessee, and 28-year-old Marshall Breger from Texas, protesting the Bamberger selection through abstaining. Legal services insiders surmise that several of the five who voted for Bamberger did so under duress, fearing that rejection of Bamberger would provoke Ehrlich's resignation and plunge the program into chaos.

Appalled at these shenanigans, a number of conservative senators are reportedly preparing to call for Bamberger's resignation to make way for the legitimate selection of a new vice president. Some are even questioning the propriety of Cramton's continuance as chairman, given the erosion of his credibility among his fellow board members.

Conservatives blame President Ford's personnel office, until recently under the supervision of Donald Rumsfeld (now Ford's nominee for the position of secretary of defense), for the legal services debacle.

Roger Cramton, despite the absence of conservative credentials and a reputation for abrasiveness that would seem to have disqualified him for the chairmanship, was the personal choice of William Walker, a Rumsfeld protégé who was formerly chief of the White House personnel office and now heads the U.S. trade negotiating team in Geneva, Switzerland.

Glee Smith, another Ford appointee who was recommended to the White House by Sen. Dole (R.-Kan.) as a moderate-conservative, has consistently sided with the liberal faction on the board. Finally William Janklow, the Republican attorney general in South Dakota who was put forward by the White House as a member of the conservative bloc on the board, has resigned after receiving a note from the board reprimanding him for having failed to attend a single board meeting.

Though conservatives in Congress feel that the situation is probably beyond repair, they are still pressing Ford to undo some of the damage by appointing a conservative to replace Janklow.

Among the persons conservatives are urging Ford to consider for the Janklow vacancy are Alan MacKay, former OEO general counsel, Blake Tartt of the Fulbright & Jaworski law firm in Houston, Tex., William Fuchs of Pennsylvania and former Rep. Edith Green (D.-Ore.), who has just returned from a lengthy trip to the Far East. The trip was the reason Mrs. Green gave for her refusal to accept a previously tendered nomination to the board.

The appointment of someone like Edith Green is deemed by some conservatives to be particularly critical in view of a persistent attempt by the legal aid interest groups, abetted by Cramton and his interim general counsel, Kennedyite Louis Oberdorfer, to circumvent a provision of the legal services statute known as the "Green Amendment."

The amendment, which passed the House by an overwhelming margin, calls for the dismantling of the so-called backup centers, elite public interest components of the federally funded legal aid program which, in Mrs. Green's phrase, has served as the "cutting edge" for law reform and social advocacy. The fate of the Green Amendment will be a subject for discussion at the board's next meeting on December 11 at the Marvin Center at George Washington University.

The selection of Green, however, is not likely to please the majority of conservatives in Congress who were promised a conservative Corporation. Even allowing for some good moves by the White House from here on—and that is by no means assured—the Corporation is almost certain to be an arm of the poverty activists.

Columnist James J. Kilpatrick, who has been a strong supporter of the Corporation's creation, writes that it may turn into a "disaster" because of the Bamberger selection and the general lack of good staff. "Much of the blame for this fiasco," he writes, "rests upon Gerald Ford." Kilpatrick also reports that the opposition to Bamberger by four members of the Corporation's board of directors came about because they had "read a Human Events article reviewing Bamberger's record, and they wanted to know more about him."

ECONOMIC PLANNING EXPERIENCE IN NORWAY AND SWEDEN

Mr. HUMPHREY. Mr. President, on Thursday of last week Congressman Gillis W. Long presented a report to the Joint Economic Committee on a trip he made in August of this year to investigate planning activities in Norway and Sweden. The committee has been holding hearings on economic planning activity and plans to continue this investigation in the future.

I have found Congressman Long's report very interesting and helpful. In it he points out that while many European countries have had a great deal more experience in economic planning and policy coordination than the United States, we were very important in pushing them in this direction during the period of the Marshall plan following World War II. One of the conditions necessary to receive Marshall plan funds was that the recipient be able to offer a plan of how those funds would be spent over several years. This approach proved so helpful that several countries have expanded it and it has become an integral part of economic policymaking.

Mr. President, I ask unanimous consent that the text of the report by Congressman Long be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

An Investigation of Planning Activities in Norway and Sweden

(By Congressman Gillis W. Long)

INTRODUCTION

In August of 1975 I visited Norway and Sweden to discuss economic planning activities. I spent several days in each country and had an opportunity to meet with a number of officials in various branches of government and in the central banks and also with many private businessmen. Attached to this report is a list of those individuals.

Three things have come out of this trip which bear careful consideration and further study.

First, the position of planning bodies within the institutional framework must be considered carefully. Norwegian officials feel quite strongly that economic planning should be fully integrated into the ordinary decisionmaking process.

Second, the method used in Sweden to affect investment by private industry and to avoid large cyclical swings merits a more detailed investigation. My first impression indicates that this might be useful to the United States, and I have asked the staff of the Joint Economic Committee to prepare a more detailed analysis of the Swedish Investment Fund.

Third, problems involved in trying to coordinate economic policies differ due to population, geography, institutional arrangements and other factors. It was suggested to me that the activities of other countries be explored, particularly those of The Netherlands, which has a great deal of experience in this area, and those of France because of the problems associated with planning in a country roughly the size of the United States. It also was suggested that the French have done a better job of integrating private industry into the planning process through their credit policies than have other countries.

PLANNING IN NORWAY

The Government of Norway has committed itself to pursue a general economic policy which aims at full employment, rapid economic growth, and a reasonable distribution of income both between social groups and the different geographical areas of the country. In order to achieve these objectives the Government influences economic development in many ways. When the authorities intervene actively, either by influencing the private sector or through actual investment or by other means, an overall plan must coordinate the means that will be utilized to achieve the determined objectives.

This basic objective has guided Norwegian economic policymaking since World War II. The United States provided considerable impetus to coordinating economic activities through planning by requiring detailed plans of the uses of funds provided under the Marshall Plan. These plans proved so helpful that they have been expanded considerably in scope, institutionalized into the government policymaking framework, and lengthened in time frame. Planning efforts also have become more sophisticated with the addition of mathematical models.

Planning in Norway serves three primary purposes. The first of these is to improve the design of public policy by laying out the policy in a coherent fashion rather than allowing it to be developed haphazardly. The second is to assure coordination among different objectives. This allows the Government to assure that the country's resources are being used fully and at the same time avoid trying to do more than resources would allow. The third purpose of planning is educational. By showing where government policy is headed, the people and the representatives in Parliament can have a more rational debate about whether this direction is the most appropriate one.

The degree to which each of these goals has been achieved is debatable. It is clear that widespread discussions of economic policy have had an influence on policymaking. There seems to be general agreement on the overall policy goals and the methods of achieving them among government officials, members of the Parliament, and business leaders.

The Government is able to influence the economy through a series of positive and negative levers—positive levers to encourage full utilization of resources and negative levers to prevent excessive demand. Positive levers include normal monetary and fiscal policy; negative levers include licenses for buildings, concessions to exploit natural resources, and quality controls. Regulation of credit availability and the interest rate can be used to encourage or discourage total demand as necessary.

Each year the Government prepares two budgets: a State budget which includes the taxing and spending plans for the national government and a national budget which includes total economic activity. This national budget is both a plan and a forecast. It describes physical resources that are available, the manpower, the projected consumption and investment, and the projected State budget. The national budget is the framework within which policy functions.

Obviously there are many differences between the United States and Norway. The parliamentary system of government allows a plan to be formulated within the executive area of the Government and assures its adoption by the legislature. The size of the country assures that leaders within Government, labor, business, and industry have a great deal of contact on an informal basis. This allows diverse points of view to influence the process of formulating an economic plan on an informal basis without institutional arrangements. The small size of the country also makes statistical data collection far easier so that it can be done more frequently. These and other differences, of course, limit the extent to which a large country like the United States could pattern its planning activities after those of a small country like Norway.

One crucial aspect of Norwegian planning, however, should be carefully considered by any country, large or small, which is contemplating an institutionalized planning activity. This is the degree to which planning activities have been integrated into the normal decisionmaking process.

The following is taken from a Finance Ministry report on planning legislation:

> The economic planning organization is, in many countries, outside the actual central government administration. This is more for historical reasons than the result of the conscious and rational decision with regards to administrative expediency. It had often not been practicable when establishing a new apparatus to absorb it into the existing administration.
>
> In Norway it has been possible from the very beginning in 1945 to build economic planning into the traditional central administration. The existing administrative apparatus has thus been effectively exploited and has gradually acquired more and more the character of a modern planning organization. This development is very much preferable to building up a new organization outside central administration. The founding of an independent organization may easily lead to unnecessary duplication of work, to unnecessary rivalry and to confusion of responsibility. It should also be mentioned that a more independent economic planning apparatus will be less informed of government plans and intentions and would have fewer possibilities of producing realistic plans which could be put into action.
>
> It should be clearly understood when the location of the planning setup is determined that economic planning must be the responsibility of Government. When building up the administrative apparatus, care must be taken to avoid an arrangement which leads to a situation where the really vital questions are considered more or less divorced from the politically responsible ministers.
>
> This viewpoint dictates that the planning organization be kept within the central government administration and that it be placed in the ministry which has the closest contact with the application of economic policy, the Finance Ministery: In my discussions with those invloved in economic planning within the Finance Ministry, it was stressed repeatedly that no sharp distinction was made between economic planning and ordinary decisionmaking. Planning is really the coordination of many decisions which would be made in any event.

The role of credit policy in economic planning needs to be discussed explicitly because it is quite important and it is quite different from the way the United States manages its credit policies. Those I talked with, both within the executive branch of the Government and at the central bank, stressed that it would be impossible for the central bank to pursue an independent policy. While the bank might be asked on specific measures, it is Parliament that frames policy and the instruments used to pursue that policy. An annual credit budget is formulated which estimates both planned investment and estimated savings.

Estimates of planned investment are based on entensive surveys of private industry and always produce an excess demand for credit relative to estimated savings. This is due partly to a policy of keeping interest rates artifically low and controlling the flows of foreign currency into and out of the country. A generally restrictive fiscal policy has allowed a lenient monetary policy to be followed. Since the demand for credit always exceeds the supply, some rationing is necessary.

Certain sectors of the Norwegian economy have been singled out for special credit treatment. These include residential construction, fisheries, agriculture, and education. A special state credit bank has been established for each one of these areas in the economy. In formulating its national budget, the Parliament decides on the amount of credit which should be made available to each one of these sectors, and that credit then is made available to the state bank. The remaining credit is allocated both among other industries and among various regions of Norway. The decision on how to allocate this credit is a cooperative one made by the private banks, the Ministry of Finance, and the Central Bank of Norway. Everyone stressed cooperation among these various parties, but it is clear that the Government has the legal authority to direct credit allocation in some detail, and that the Ministry of Finance has a great deal of weight in these decisions. While the total amount of nongovernment credit is discussed in the Parliament, it is generally discussed in terms of total volume and not in terms of specific allocation.

There appears to be a general public consensus in Norway that direct credit controls and rationing are appropriate devices for the Government to use in influencing economic decisions. My discussions with the private industrial leaders indicate that they have not felt unduly constrained by these government policies. This is true in spite of the fact that private industry cannot circumvent government credit regulations by borrowing outside the country for any period of time since government permission is necessary before a private borrower can accept a long-term loan from a foreign source.

In summary, while there are many advantages that a small country may have over a large one incoordinating its economic activities, it is clear to me that there are some important lessons to be learned from Norwegian planning efforts. The most important of these is the manner in which planning is integrated into the normal everyday decisionmaking process. Such problems as duplication of work, unnecessary rivalry, confusion of responsibility and inadequate information can arise easily when planning activities are separated from those who make decisions and have the responsibility of implementing them. These problems are formidable and must be avoided.

It also is clear that planning does not play a static role in the Norwegian economy. It began as an effort to lay out the uses of Marshall Fund money and it has been expanded to include the entire economy. The Government prepares a national budget for the overall economy, a State budget for the Government itself, and credit budgets for various special sectors of the economy. These budgets are prepared both on an annual basis and in the form of a four-year projection. Even longer term projections currently are in the process of being formulated.

Just as we in the United States are trying to learn from the Norwegians about their planning activities, the Norwegians actively are engaged in learning from others who undertake some form of planning. Discussions with various officials disclosed that certain Norwegian activities have been patterned after French and Dutch planning. Several officials suggested that since France is a large country and has many of the problems associated with large countries, it would be particularly useful for the United States to investigate the economic planning process in France.

PLANNING IN SWEDEN

The central aims of economic policy in Sweden are similar to those of other Western countries—full employment, rapid economic growth, a more uniform distribution of income, reasonable price stability, balanced foreign payments.

The following statement from *The Swedish Budget 1975–76* expresses the priority assignment among these various goals:

> The primary aim of policy is to maintain full employment. To this end policy is directed at a further expansion of production and demand, even if this leads in the short run to greater strains on the external balance. But in order to comply with the aim of full employment in the long run, policy must also be designed to promote conditions for a restoration of the external balance which was lost in 1974.

The problem of achieving these goals with policies which will work in the short term and be consistent with the long-term framework has been the central theme of recent planning efforts.

The basic outline of planning activities in Sweden is similar to that in Norway. Two budgets are prepared each year—one for the total economy and one for the Government. The Government's budget is concerned with the allocation of resources within the total framework specified in the overall budget. The annual budget is supplemented by the "long-term survey" which covers a five-year period.

The annual budget—which could be called a plan for the total economy—is the result of many intraparty discussions. It is prepared by the various Ministers who have frequent discussions with each other and with various private industries most heavily affected. Most of these discussions are held on an informal basis and they still exert substantial influence in formulating the national budget.

These annual budgets are quite detailed with special emphasis on housing and labor policy. Overall, the Government pursues a "tight" fiscal policy and depends on special credit or manpower policies to achieve the desired targets. Public works and financial incentives to stimulate geographic and vocational mobility are common devices used to maintain low unemployment rates.

The division of responsibility between fiscal and monetary policy to achieve the stated goals also is agreed upon informally. However, the interrelationships among those persons responsible for formulating these policies is far greater in Sweden than in the United States. For example, the Deputy Finance Minister is Chairman of the Board of the Central Bank. This Board is composed of six members elected by Parliament; five of them are active members of Parliament. Once a decision has been made, it becomes the responsibility of the Central Bank—called the Riksbank or Parliament's Bank—to provide adequate credit to finance those activities approved by Parliament.

The long-term reports should be regarded mainly as forecasts, with some discussions of economic policy alternatives, rather than as plans. The most recent report was prepared in 1970 covering the 1971–75 period; it was updated in 1973 and extended to 1977. These surveys deal with the development of the basic sectors of the Swedish economy during the forthcoming period and are based on detailed surveys with private business firms and other organizations in the private and public sectors. This approach to the long-term forecast results in a considerable exchange of information between representatives of the various sectors of the economy during the preparation of the report. The result of this survey is to disclose inconsistencies between various plans, which must be resolved either by the market mechanism or by government policy. In general, these reports have not been regarded as official government policy, but rather as a method of transmitting information about activities in the various sectors of the economy. The Swedish long-term survey often was contrasted with French long-term plans which are much more a statement of government policy. Businessmen seem to be very pleased with the Swedish type of planning activity because it furnishes a broad outline of government policies and provides a stable framework for business activity.

One of the most interesting aspects of Swedish planning is their system of investment funds. This system is designed to smooth out fluctuations in investment and thereby contribute to economic stability. During prosperous periods business is encouraged to make deductible allocations of profits to investment funds for later use in that business, subject to government approval. The intention is to have these allocations simultaneously restrain the normal increase in business spending on plant and equipment during the boom period so that less urgent projects will be deferred until a later date. During a recession, on the other hand, the funds are released by the labor market authorities in order to encourage the earlier scheduling of planned projects for employment-creating purposes. The system thereby dampens fluctuations in business investment—restraining investment when business activity is at a high level, and stimulating investment during periods of downturn. Sweden has been experimenting with various forms of investment funds since 1938, and major revisions in the legislation were enacted in 1963. The present law allows each company to allocate up to 40 percent of its profits before taxes in any one year to the investment funds. Of this allocation 46 percent is deposited in the Bank of Sweden in a block account with no interest paid.

The basic incentive in the investment fund system is that firms are allowed to deduct additions to the fund from their current profits before paying tax. The tax on these profits does not have to be paid at all, provided they are used at a time that is accepted by the authorities. Moreover, if the funds are used at a time when the Government finds this appropriate from the point of view of economic stability, the firm is allowed to deduct from current profits an additional 10 percent of the amount taken from the investment fund.

Investment funds may be released in three ways. First, a company is permitted five years after an allocation to use up to 30 percent of the fund for purposes specified by the law. This 30 percent represents the so-called "presector" which was established mainly to induce companies to set aside investment funds. The other two ways permit the discretionary use of sterilized funds when the release is authorized either by the Crown or by the Labor Market Board. The Labor Market Board normally establishes a release period, which may be fixed either for an individual fund or generally. This is to achieve proper economic timing of investment projects. The law also contains a requirement for a firm to draw on its fund for a specified project at a specified time, but this provision of the law has never been used. Investment funds may be used to finance physical investment in plant and equipment and on occasion to finance temporary inventory investment.

Although I was not able on this short trip to explore the experience with investment funds to the extent that I would have liked, it is an innovative proposal and certainly merits more consideration. Accordingly, I have asked the staff of the Joint Economic Committee to prepare a more detailed analysis of the Swedish Investment Fund and the way in which it has been used.

While the Swedes did not discuss the integration of economic planning activities into the normal decisionmaking process as explicitly as the Norwegians did, it is clear that this has been done. The annual budget is prepared in the Ministries which have the direct responsibility for making and carrying out economic policy. The long-term survey is prepared largely within the Finance Ministry but with the cooperation and input of businessmen and the other necessary government agencies.

NORWAY

Minister Per Kleppe, Minister of Finance.

Mr. Thorvald Moe, Budget Department, Ministry of Finance.

Mr. Per Schreiner, Planning Department, Ministry of Finance.

Mr. Arna Oien, Director General, Economic Policy Department, Ministry of Finance.

Mr. Petter Jakob Bjerve, Director, Central Statistical Bureau.

Mr. Per Sevaldson, Central Bureau of Statistics.

Mr. John Tvede, Norges Bank (Central Bank of Norway).

Professor Lief Johansen, Faculty of Social Sciences, University of Oslo.

Mr. Carsten H. Schanche, President, Aker Group.

Mr. Halvor Gjestland, Vice President and Financial Manager, Aker Group.

Mr. Einar Joys, Senior Vice President, Det Norske Oljeselskap A/S (Norwegian Oil Company).

Mr. Erik Brand Olimb, President, Det Norske Oljeselskap A/S (Norwegian Oil Company).

SWEDEN

Mr. Krister Wickman, Governor, Riksbanken (Bank of Sweden).

Mr. Goran Backstrand, Swedish Secretariat for Future Studies.

Mr. Lars Ingelstrom, Swedish Secretariat for Future Studies.

Mr. Bengt Ake Berg, Budget Chief, Finance Ministry.

Mr. Carl-Hohan Aberg, Planning Chief, Finance Ministry.

Professor Börge Kragh, Finance Ministry.

Mr. Gunnar Ribrant, Deputy Assistant Secretary, Industry Ministry.

Mr. Rune Olsson, Assistant Secretary, Housing Ministry.

Mr. Östein Johansson, Chief, Bureau for Planning and Research, National Industrial Agency.

EDUCATION AND WORK

Mr. JAVITS. Mr. President, more than 1 year ago, in one of his first major addresses, President Ford told an audience at Ohio State University:

> "I will do everything in my power to bring education and employers together in a new climate of credibility—an atmosphere in which universities turn out scholars and employers turn them on.

He added:

> I have asked the Secretaries of Commerce, Labor and HEW to report to me new ways to bring the world of work and the institutions of education closer together.

Since then, the need for rethinking our attitudes and policies toward education and work has been dramatically illustrated. Among other things, unemployment has soared to the highest rates recorded since the Depression. But this development is only partially accounted by our economic slump because so many good jobs go begging for lack of qualified applicants.

At the same time, the projections are that the number of college graduates is increasing faster than the number of jobs traditionally requiring a college education. The youth unemployment rate, triple that of the work force as a whole, evidences the inability of our public education and training institutions to prepare them for work. Our manpower programs reflect more a concentration on public employment and income transfer than on training for work and vocational advancement. Adults are too often immobilized in their jobs and unable to find the information, counseling, institutions, and financial resources necessary to change their careers.

Yet, in spite of such continuing examples of the breakdown between education and work, and the President's charge to three members of his Cabinet, the administration has not yet made public the results of these efforts. In fact, the agencies have not recently indicated that they are even working on this important subject.

One of the most significant efforts seems to have been made outside of the Government by the National Manpower Institute, a private group headed by former Secretary of Labor Willard Wirtz. While the executive agencies have been marking time, Willard Wirtz has assembled leaders from business, labor, and education to draw up a comprehensive plan for developing, as they call it, "a lifetime continuum of education and work opportunities" for all Americans.

And, now NMI is ready to release a well thought out strategy for action. Here is a sampling of what it suggests:

Youth should have opportunities to intersperse work and service experience with their formal schooling. Adults should be allowed to go back to school either to make up the years of education they missed, or to get a midcareer shot of schooling making them more productive or giving them an opportunity to prepare for a useful, active retirement.

Governmental statistics should be improved to provide clearer, more accurate projections of our future manpower needs so that we will avoid such wasteful practices as training persons for jobs which will not materialize.

Communities should establish local councils to help ease the transition for students and wage earners back and forth between classrooms and work places.

And these are just some of the suggestions, all of which should be read by the administration and the Congress when NMI's report is formally published later this month in the "Boundless Resource: A Prospectus for an Education-Work Policy."

Moreover, they should be a challenge to public officials. It is fortunate that leading spokesmen from the often contentious elements of education and industry can agree on a plan, while the Federal Government has marked time for the last 15 months.

Indeed, it is past the time for all of us to move forward to develop better coordination between learning and earning.

In the words of Mr. Wirtz:

> The new American imperative commends the new American prospect: of growth unlimited, based on the fuller development of what is inside people as individuals, through a new coordination of the classically equal, but separate forces of education and work.

SAINT ATTACKS TOUGHEST BATTLE

Mr. JOHNSTON. Mr. President, it has come to my attention that a young man from my home State of Louisiana has begun a fight against the dreaded Hodgkins disease. He is Ray Hester of New Orleans. Ray is familiar to many in the New Orleans area for his years of action on the football field. Ray played linebacker for Holy Cross High School, Tulane University, and the New Orleans Saints. It is especially shocking for one of Ray's youth and physical conditioning to suddenly face such a weakening, and even deadly disease.

Some of Ray's friends have formed a committee called "Ray of Hope" to sponsor events which will help defray the cost of his illness. I want to add my support to this committee and my encouragement to Ray and his family as they battle this disease.

Mr. President, an article appeared recently in the Birmingham News which portrays the very mature attitude Ray is taking toward his future. I ask unanimous consent that it be printed in the RECORD so that it might be an inspiration to others in similar circumstances.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SAINT ATTACKS TOUGHEST BATTLE

(By Ray Hester)

NEW ORLEANS.—Linebacker Ray Hester, 26, has Hodgkins disease, and doctors say he has only a 50–50 chance to live.

Hester played three years on special teams with the New Orleans Saints in the National Football League and last year worked his way up to a starting linebacker's post with the World Football League's Hawaiians.

He's proud of his reputation as a scrapper and regards his disease as just another challenge—the toughest he's ever faced, but nothing he can't whip.

"I've thought the whole thing through," he said. "After you come to the realization that you may die and face up to it, then you put yourself in the right mental frame of mind.

"With the mental part behind you, you turn to the physical. The idea of facing two years of treatment which the doctors can't guarantee will work isn't what you call encouraging.

"But what the heck, I'm still here. I've been through some pain on the football field. So you take it as if comes."

Hester said the treatment will involve cobalt treatments and injections—"A real bummer.

"I've lost my sense of taste, and I guess that's because of the drugs I'm on. I've also lost the feeling in my fingertips, and I don't know what's causing that."

He has also lost 35 pounds.

"People keep telling me how good I look. Well, maybe I look good to them, but I'm used to looking like a football player."

Hester has bucked the odds and won before, making the Saints squad after signing as a free agent, then working his way into a starting job with the Hawaiians after starting at the bottom of a list of 12 linebackers.

He worked in real estate sales for a while last season, but said that kept him away from his children too much. His son Kyle is 4 and his daughter Kristen is 3. "Then I landed a job selling, of all things, disability insurance. Two days after I got the job, I learned about my illness".

He pointed out another ironic aspect of his situation—his high school teammate Butch Duhe died of a brain tumor in his sophomore year at Louisiana State University.

"In our senior year at Holy Cross, Butch and I were cocaptains. I thought about what the odds would be of cocaptains dying at an early age.

"When you're in a situation like this, you learn to have a deeper appreciation of everything. I never knew I had so many friends. Some of them are talking of raising money to help with expenses. It's sort of embarrassing. It almost makes you feel obligated to die.

"I'm not thinking of dying. I'm thinking about living."

CZECHOSLOVAKS COMMEMORATE INTERNATIONAL DAY OF STUDENTS

Mr. TAFT. Mr. President, I ask unanimous consent that a statement by the Cleveland Chapter of the Czechoslovak Society of Arts and Sciences in America concerning the International Day of Students be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PROCLAMATION TO THE INTERNATIONAL DAY OF STUDENTS, NOVEMBER 17

November 17 is a reminder of one of the most important, and in consequence, most far reaching, acts in the history of the human race.

This historical facts of this act can be summarized very briefly. On November 17, 1939, the remnants of the model of democracy in Central Europe—the first Czechoslovak Republic—were trembling under the ironclad boots of Hitler's Storm Troopers. That fall there were peaceful demonstrations organized by the University students against the oppression and the tactics of the occupying forces. The Gestapo broke up these orderly protests with rifles and machine guns. There were those who died instantly in the streets and those who were injured.

The Nazis quickly realized that a relatively small number of individuals, strong in intellect, is sufficient to kindle a small flame into a blazing torch when the opportunity arises, and were determined to solve this problem to their advantage. Their opportunity arrived on November 16 when thousands attended the funeral of their colleague, a student of medicine—Jan Opletal—who succumbed to the injuries sustained during the previous encounter with the Gestapo. The show of solidarity and the quite dignified determination in the minds of the future leadership of the nation convinced the occupiers that they had to act immediately if they hoped to break the will of the nation.

During the night, from November 16 to November 17, they surrounded and occupied all student dormitories and university buildings. The students were transported to various concentration camps, their leaders and several members of the faculty were executed the same day and the institution of learning—which since 1348 had been the source and the center for those who seek the rays of light—suddenly was deprived of its functions by those who were capable of functioning only in the darkness. All Czech high institutions of learning were closed on November 17, 1939, under the pretense that such a condition was only a temporary punishment which would last for three years. From the very beginning, the actual behavior of the Nazis made it clear, however, that they had no intention of ever reopening the Czech universities again.

If the representatives of the "Master race" hoped to destroy the will and determination of the nation by denying it the development of its intellect, they grossly miscalculated, since this act resulted only in closing the ranks and in increasing the passive resistance. Six years of Nazi occupation may have been comparable to eternity for those who lived through it but it is only a brief period in the history of time, too brief to fully feel the effect of the denial of education. The full impact of such an act has to be examined from a longer-term aspect.

From this point of view, it was the nation which suffered the consequences in the end. The impact was felt after the disappearance of the oppressors, during the reconstruction period, when the country desperately needed fresh and diligent intellect, unstained and unburdened by the past, but in its place there appeared a wide and difficult bridge to gap. To fill such a vacuum became relatively easy for another oppressive philosophy, which again thrives in the darkness.

The message of November 17 comes through very clearly. No group of people espousing a philosophy from which emanates a design to oppress and dominate can succeed as long as in the path of these sinister plans stands a healthy and strong intellect. A military might may halt the advance of those who operate in the absence of light, but to defeat these forces require a live and strong candle-power source.

Let November 17 be our daily reminder that the fruit we hope to harvest depends on the seed we plant and the way we cultivate the fruit-bearing tree. Our best guarantee for our own welfare and decency after the torch is passed from the hands of our generation to those of our future governors is to secure for them the best possible education they are capable of absorbing.

Furthermore, the human race on this planet has been ushered into a new era. An era in which new scientific discoveries from probing into the very substance of matter and life stagger our imagination and make a man feel very powerful, but also an era which allows a man to view his base from a vantage point heretofore impossible and see how fragile his little blue island really is in the vastness of the universe. One can only hope that by seeing the fragility of his home base, a man will fully realize the futility of his actions which are motivated only by the desire for power and domination over the physically weaker. Such hope will be justifiable if the power to reason, acquired through the unimpeded and unperturbed flow of knowledge and information, is allowed to reach every human being desiring it.

Let us hope that the traumatic events and experiences of those nations, which for various reasons cannot always guide their own destiny, were not suffered in vain.

We are about to celebrate 200 years of the continuation of a system which is dear to us and whose continuation we take for granted. It is a system which, for its survival, requires a great deal of those qualities which for most of us do not come automatically, but have to be grafted and cultivated.

Let us enter our third century first with the conviction that the human race can be protected from the destructive attacks on the human intellect which inevitably result in the physical destruction, and second, with the resolution that we will use all our strength and capabilities to effect the realization of our conviction.

If for no other reason, this must be the legacy of November 17.

Czechoslovak Society of Arts and Sciences in America, Cleveland Chapter,
STANLEY J. MARSIK,
President.

Mr. TAFT. Mr. President, this statement describes far more eloquently than I can the history and meaning of the International Day of Students. This day is of great significance, not only to the Czechoslovak people, but to all peoples. It commemorates not only a tragic time in the history of Czechoslovakia, but a tragic situation that is found all to often throughout the world—the situation where free thought is repressed by force.

It is particularly appropriate that we remember the events of November 17, 1939 — when Nazi totalitarianism smashed the great tradition of Czechoslovak higher learning—in 1975, when free thought in Czechoslovakia remains under the repression imported from Moscow in 1968.

I hope my colleagues will join with me on this day to remember the meaning of the International Day of Students, and to join with the Czechoslovak people throughout the world in waiting for the day when thought will be free, everywhere.

SYNTHETIC FUELS—A NEW CHALLENGE

Mr. MOSS. Mr. President, I rise today to speak about synthetic fuels—a new challenge.

The history of America is in a sense a chronicle of the discovery and exploitation of her abundant energy resources, both human and mineral. Our railroads were built by human sweat with steel forged in the fires of coal. By consuming millions of barrels of oil and hundreds of billions of cubic feet of gas in a day, our modern chemical and utilities industries provide us with the ultimate conveniences of our everyday life—clothing, heat, electricity at the flick of a switch. In the past we have been sometimes witless in the use of our resources and they no longer seem so abundant. In fact, we still have ample natural assets—for example, some 400 billion tons of coal are yet to be mined. But we know these resources are no longer without end. We are forced to learn to act with wisdom. Wisdom is the ability to act in the present so that the future is well-served. We often think that wisdom is demonstrated by contemplation but it is tested only in the arena of action.

We, in Utah, have need for wisdom—now. In the desolate, forbiddingly beautiful stretches of eastern Utah, there are an estimated 180 billion barrels of synthetic oil bound up in tons of oil shale. We also have about 4 billion tons of coal that are minable. Sometime soon, the energy bound up in these resources will be called on. An industry is being created to utilize our western coal and oil shale. It is the synthetic fuels industry. I am going to speak about some of the technical, economic, and social consequences of bringing this oil shale and coal into production in a synthetic fuels industry. The complexity and scale of this effort make it critical that we exercise all the wisdom we can muster.

Why is the fuel synthetic? The "oil" in oil shale is not the oil we are familiar with. It is bound up in a greasy material called kerogen that is distributed throughout the oil shale rock itself. Although oil shale can be burned directly, it is not a very efficient fuel and you would have to use a ton of it to obtain the same heat available from 25 gallons of oil. To avoid dealing with the bulk, methods have been found to process the shale directly into crude oil or into a natural gas substitute. Similarly, methods have been developed for turning coal into crude oil or pipeline gas.

The development of a synthetic fuels industry will be a very expensive proposition—financially, technically, ecologically and in terms of the number of people who must be trained and relocated to bring it into existence. Why should we commit ourselves to such an undertaking? What needs will it answer? What difficulties must be dealt with if we decide to go ahead?

Energy shortages and the galloping inflation of energy costs have made all Americans aware of the need for change in our energy use patterns and policies. The dependence of our utilities and chemical industries on expensive imported oil and natural gas must change. We cannot afford to be subject to the possible blackmail of foreign nations.

Ultimately we hope our energy will be supplied by the perpetually renewable founts of solar energy or the virtually inexhaustible sources tapped by the controlled fusion process. But between now and the year 2000 we must depend on our more abundant fossil fuel sources.

The oil shale of the Green River Formation in Colorado, Utah and Wyoming is the world's largest known hydrocarbon deposit. Combine this with the 400 billion tons of coal in our country and we have the obvious resources for supplying our near and mid-term energy needs. The synthetic fuels industry can turn oil shale into a high energy, easily transported fuel. It can turn our coal, most of which is too dirty by our environmental standards, into a clean, versatile and energy-dense fuel. Since much of the deposits that will be used by the synthetic fuels industry lie in undeveloped areas of the Western States, it offers the possibility of an economic boom for money-poor and job-poor parts of our country.

There are, of course, enormous difficulties involved. The full scale commercial liquefaction and gasification reactors themselves will be technical tour de forces. In one of the proposed gasification processes, the reactor will be a high strength steel alloy cylinder some 200 feet high. Since it must sustain high pressures and also temperatures up to 1,800° F during a lifetime of 25 years or so, the metallurgical skill involved in fabrication and assembly has to be of extremely high quality.

Another area where there are important difficulties is ecology. The West as a whole has a very fragile ecosystem whether you look at the prairies, the desert, or the mountains. The controlling factor of this delicacy is the water or, more precisely, its lack. And a synthetic fuel industry is an insatiable consumer of water. For example, a large oil shale industry producing 1 million barrels of oil per day would require 121,000 to 189,000 acre-feet of water per year. In Utah's share of the Upper Colorado River basin there is only 107,000 acre-feet of water available in a year. Thus, we must be very clear in our own minds that we want to use our water for. The size of the plant we wish to support will determine the water we have for other purposes.

The major method of mining the coal and oil shale will be strip mining. Western coal is a low density coal and oil shale is also a low density ore. This means that for every ton of shale ore processed, most of it comes out of the plant as slag that is mostly useless. Disposal of this water is critical to maintaining the ecological balance in the vicinity of the plants. Another consideration that must be balanced against the certain benefits of these industries is the possibility of a local lowering of air quality.

Finally, another major ecological concern is reclamation of the strip mined land. Precisely because there is so little water in these areas, the reestablishment of a viable plant and animal population is much in doubt. Although strip mined land in Germany has been successfully reclaimed, the climate there is different from the climates of our Western States. There is already research going on in this area of ecology but more is needed.

The ultimate barrier that must be faced is the financial one. No matter how important producing synthetic fuels may be, it will require huge amounts of money. Private industry is notoriously hesitant to spend much of its money on process development. This is especially so when the end product may wind up costing more than what comes from natural sources.

The problem has fallen to the Government to find ways of making ventures into a synthetic fuels industries profitable to the oil and gas producers and suppliers. The Government also must make it attractive for coal mine operators to open up new mines and to increase the production in old ones. These operations require large capital outlays and high risk. Most of this capital will come from the banks; so another aspect of the Government's problem is to reduce the risk of lending money to the new industry. Finally, reasonable production goals must be decided on and a schedule must be set so that all the costs, technical and ecological as well as financial, can be absorbed. The task is enormous. But we must carry it out if the goal of independence from foreign oil producers is to be met.

The consideration and resolution of these problems has occupied the time and attention of both the President and Congress for most of this year. The authorization bill for the Energy Research and Development Administration—ERDA—as passed by the Senate increased the agency's request for oil shale development by $16 million and added $13 million to the requests for coal gasification. The agency's request for $96 million for coal liquefaction was passed without change. These figures indicate congressional concern and commitment to the importance of synthetic fuels in the Nation's overall energy development. In addition to these appropriations, the bill also includes a $6 billion loan guarantee program for synthetic fuel demonstration plants. The agency would be authorized to guarantee a loan for up to 75 percent of the total cost of the project. This is part of the plan to interest the banks in lending money for synthetic fuels plants. Other bills, including the Clean Air Act amendments of 1975, are concerned with promoting the development and use of synthetic fuels. One of the schemes suggests a Government guaranteed base price in the event that natural oil and gas prices are lower than synthetic fuel prices. But as much money as this may seem, it is a pittance when compared to the total cost of bringing the industry to a commercial stage.

A recent report from the White House Energy Resources Council estimates that it would cost $20 billion to establish an industry that would produce the equivalent of a million barrels of oil a day by 1985. Right now we import 6 million barrels of oil a day. Thus, if we want to achieve energy independence, you can begin to see the industrial and financial scale of things that is being proposed.

Can we do this by 1985? The same report is doubtful. It states that 350,000 barrels a day is a much more attainable goal. It minimizes risk to the Government and prevents a large investment in technologies that may become obsolete as they are being constructed. The huge costs, the difficulty of meeting environmental standards and the shortage of water in the West also make the million barrel a day goal by 1985 unrealistic. The report also asserts that oil shale is the most competitive of the synthetic fuel sources, since its technology is most fully developed. Oil shale would be especially attractive if the world oil price rises much above its present price of $11 a barrel.

At this point, it must be clear to you the immensity of the task presented by the creation of a synthetic fuels industry. Its scale, technical and financial, dwarfs the space program. It will require cooperation and mutual support between Government and private business that has not been seen since World War II. It will require major changes in the lifestyle of the Nation as a whole—new skills to operate the industry must be developed; familiar and loved landscapes must be changed; new people will make new communities and ultimately we must become reconciled to paying more for the energy we use.

We must make decisions now that will control our future for at least the next 30 years. We must decide how much energy we absolutely must have. We must find ways to reduce wasteful uses of energy. In the West, we must decide how we wish to use our water in exploiting our energy resources. Some of the beauty of our country may be sacrificed. Where, exactly how, and for how long are questions we must answer. We must remember, after all, that the synthetic fuels industry is only expected to be an interim solution to our problem.

The problems are complex but not discouragingly complex. Our future depends critically on what we do now. Never in our history have Americans had so little leadtime for such important decisions. Wisdom is indeed what we need. And we can find it in the moral and intellectual substance that 200 years as a Nation has given us. It is a frightening time in which to live but it is also challenging. America has not yet backed down from such challenges—and we will not do so this time.

A TRIBUTE TO PETER ZENKL

Mr. BUCKLEY. Mr. President, on Saturday, November 15, a champion of freedom was laid to rest in the Czech National Cemetery in Chicago. Peter Zenkl, former lord mayor of Prague and vice premier of Czechoslovakia under President Eduard Beneš, never stopped working for his country's liberty and never gave up hope that it would one day shake off Communist rule just as it 30 years ago was resurrected from Nazi tyranny.

Twenty years ago, the distinguished journalist, Edward R. Murrow, who knew Zenkl, wrote a moving tribute to him which is worth quoting here:

> It was no accident that nearly all competent Western observers who visited Czechoslovakia in the years between the wars labelled it a "model democracy." Czechoslovakia was at the same time an inspiration and a challenge to its neighbors. And one of the principal reasons that this was so was that small, smiling and vigilant statesman known as Peter Zenkl. He was three times Lord Mayor of Prague; was Minister of Social Welfare and Public Health under President Benes—leader of the largest anti-communist party of Czechoslovakia. He witnessed the saddest sight a patriot can behold—the death of his nation without battle, when Czechoslovakia was betrayed by her Western Allies.
>
> Dr. Zenkl is a fighting man, with as much faith in free men's ability to govern themselves as any man I have ever known. He spent six years in Nazi concentration camps, was condemned to death, but managed to survive those last few indescribable days of horror at Buchenwald. When this reporter had the honor of finding him there, he was not a broken man; he had not even bent. His faith in his country, in democratic processes, in the dignity of the individual and his right to be free, were undiminished.
>
> Czechoslovakian communist in Buchenwald, seeing me in the company of Zenkl, warned me against him. They said "Beware of old Zenkl. He still believes in that old fashioned nonsense, like Masaryk, Benes, and Woodrow Wilson." They hated and feared him because, fortified with an idea, he would not break. They promised to destroy him if he returned to his native land. It never occurred to him to do anything else. He became deputy Prime Minister under Dr. Benes. And then, for the second time, saw his country go down under the flood of a foreign tyranny. Finally he managed to escape, and now resides in this country.
>
> Peter Zenkl knows as much about fighting communism as any man I know. He spent much of his mature life doing exactly that. He is an inspiration for all men who seek freedom. The hatred of his fellow-countrymen in Buchenwald, the fact that the communists in Czechoslovakia still fear and malign him, are both tributes to the power of the man and of the idea he cherishes.
>
> Technically, I presume Dr. Zenkl is now classified as a "refugee." But he will be at home wherever freedom flourishes and men are prepared to fight for it.

In their last salute to Peter Zenkl, Americans of Czechoslovak ancestry can join the people of Czechoslovakia in saying to him, Odpocivej v pokoji: Rest in peace. But to the people of Czechoslovakia, to whom Peter Zenkl has left an inestimable legacy of democratic ideals, we offer his fondest hope for them: Necht' Narod Zije ve Svobode: May the people live in liberty.

That message is meant especially for the younger generation of Zenkl's countrymen, who, though they had never known any rule but communism, asserted their own claim to freedom in the Prague spring of 1968. Since the Soviet divisions rolled into their towns and cities in August of that year, many have paid dearly, as did Peter Zenkl, for their resistance.

Mr. President, as a tribute to them, I submit to the Senate a roster of honor: the names of some of those Czechoslovak historians who, because of their devotion to the truths of the past, are considered threats to the present lies of their Communist rulers. I ask unanimous consent that their names be printed in the RECORD both as a sign of our solidarity with them and as a reminder to their government that their plight is known in this country.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

DIRECTORY/VERZEICHNIS

Barto, Jaroslav—Formerly: instructor at the Institute of Technology in Bratislava; party member until 1970. Specialty: problems of constitutional relations between Czechs and Slovaks.

Bartonek, Vlastislav (1921)—Formerly: instructor at the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member since 1945, expelled in 1970. Currently: museum curator.

Bartosek, Karel (1930)—Formerly: research associate at the Historical Institute of the Academy of Sciences; party member since 1946, resigned in 1969. Specialty: contemporary history, history of the antifascist resistance and the so-called Czech question in the 20th century. Currently: school fireman.

Beer, Ferdinand (1926)—Formerly: instructor at the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member 1945–70. Specialty: history of the resistance in World War II. Currently: clerk in a building cooperative.

Belda, Josef (1920)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member 1948–70. Specialty: history of Czechoslovakia since 1948. Currently: fireman in a factory.

Bencik, Antonin (1925)—Formerly: research associate at the Institute for Military History; party member 1945–70. Specialty: the resistance movement in World War II. Currently: factory worker, then clerk in a building firm.

Beranek, Jan. (1924)—Formerly: research associate at the Institute for Military History and editor in chief of the journal "History and Armed Forces"; party member 1948–70. Specialty: history of World War I. Currently: laborer.

Bradac, Zdenek (1928)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member 1946–70. Specialty: history of the Czechoslovak Communist party between the two World Wars. Currently: fireman in a factory.

Brod, Toman (1929)—Formerly: research associate at the Institute for History East European; in Theresienstadt and Auschwitz 1942–45; party member 1948–70. Specialty: history of Czechoslovak military units in the West during World War II. Currently: laborer, then taxi driver.

Brach, Radko (1931)—Formerly: professor of Czechoslovak history at the Military Academy of Politics; party member 1946–70. Specialty: foreign policy of Czechoslovakia through 1939. Currently: laborer.

Brachova, Vera (1930)—Formerly: editor of the journal "History and Armed Forces"; party member until 1970. Specialty: Communist party activity in the army before World War II. Currently: clerk in various firms.

Caha, Miroslav (1925)—Formerly: instructor at the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member 1945–70. Specialty: the nationality problem in Czechoslovakia after 1945. Currently: stock clerk.

Cerney, Bohumil (1922)—Formerly: research associate at the Historical Institute of the Academy of Sciences and associate editor of the Czechoslovak Historical Review; party member 1944–70. Specialty: the German question between the two World Wars and the German exiles in Czechoslovakia after 1933; the history of Antisemitism. Currently: stock clerk.

Cervinka, Frantisek (1923)—Formerly: lecturer in modern Bohemian history at the Charles University, Prague; party member 1948–70. Specialty: history of nationalism in the 19th century. Currently: disability pensioner.

Dolezal, Jiri (1925)—Formerly: research associate at the Historical Institute of the Academy of Sciences; party member 1945–70. Specialty: history of the Slovak resistance of 1944; history of the resistance in World War II. Currently: stock clerk.

Durman, Karel (1932)—Formerly: lecturer in modern history on the philosophical faculty of the Charles University, Prague; Party member 1948–70. Specialty: history of the Near East in world politics 1918–59. Currently: night watchman, then clerk in a technical library.

Dvorakova, Eva (1932—Formerly: instructor at the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member 1947–70. Specialty: history of the Czechoslovak Communist party. Currently: clerk at the State Library.

Dzvonik, Michal (1928)—Formerly: lecturer on the philosophical faculty of the University of Bratislava; party member until 1970. Specialty: history of the Slovak Soviet republic. Currently: librarian at the Bratislava museum.

Fabian, Juraj—Formerly: instructor at the University of Bratislava; party member until 1970. Specialty: Hungarian Irredentism against Czechoslovakia.

Faltan, Samo—Formerly: research associate at the Historical Institute in Bratislava; party member until 1970. Specialty: history of the so-called Slovak State and of the antifascist struggle.

Fejlek, Vojtech (1926)—Formerly: chief of the military historical archive; party member until 1972. Specialty: history of the Czechoslovak army. Currently: clerk.

Fiala, Jan (1929)—Formerly: research associate at the Institute for Military History; party member 1947–70. Specialty: history of the Czechoslovak army. Currently: laborer.

Fris, Edo—Formerly: research associate at the Historical Institute in Bratislava; party member until 1970. Specialty: international aspects of the Slovak rising.

Gajan, Koloman (1918)—Formerly: professor of modern history on the philosophical faculty of the Charles University, Prague; in a concentration camp during World War II; party member 1945–70. Specialty: history of Franco-Czechoslovakian and German-Czechoslovakian relations. Currently: foreign language instructor.

Gajanova, Alena (1922)—Formerly: research associate at the Historical Institute of the Academy of Sciences; party member 1945–70. Specialty: Czechoslovakian foreign policy 1918–38. Currently: unemployed.

Graca, Bohuslav—Formerly: director of the Institute for the History of the Slovak Communist party; party member until 1970. Specialty: history of the so-called Slovak State, particularly its rise.

Graus, Frantisek (1921)—Formerly: professor of Czechoslovak medieval history on the philosophical faculty of the Charles University, Prague, and editor in chief of the Czechoslovak Historical Review; party member 1942–1969. Currently: professor of medieval history at the University of Basel, Switzerland.

Grivna, Jan—Formerly: instructor on the philosophical faculty of the University of Presov; party member until 1970. Specialty: Russian history in the 16th and 17th century.

Hajek, Milos (1921)—Formerly: director of the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; in concentration camp 1944–45; party member 1942–70. Specialty: history of the labor movement and the Third International. Currently: disability pensioner.

Hanzel, Villiam (1920)—Formerly: lecturer at the Academy of Politics of the Central Committee of the Czechoslovak Communist party: party member 1940–70. Specialty: history of farm labor since 1945. Currently: disability pensioner.

Helesic, Frantisek (1932)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member until 1970. Specialty: history of the Czechoslovak Communist party. Currently: auto mechanic.

Hodic, Josef (1925)—Formerly: professor at the Military Academy of Politics; party member 1945–70. Specialty: history of Czechoslovakia since 1945. Currently: clerk.

Hoffmann, Rudolph—Formerly: prorector of the Military Academy of Politics; party member until 1970. Specialty: history of the European people's democracies.

Hochsteiger, Tibor (1927)—Formerly: commander of the Institute for Military History; party member until 1970. Specialty: history of the Czechoslovak army. Currently: mason.

Hosticka, Vladimir (1929)—Formerly: research associate at the Institute for East European history; party member until 1970. Specialty: the history of Czech-Russian relations. Currently: sales clerk.

Hradilak, Zdenek (1931)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member 1948–70. Specialty: history of the Czechoslovak Communist party. Currently: laborer.

Huckova-Stvrtecka, Anna—Formerly: research associate at the Institute for the History of the Slovak Communist party; party member until 1970. Specialty: history of the so-called Slovak State and of the anti-fascist struggle.

Hubl, Milan (1927)—Formerly: rector of the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member 1946–70. Specialty: history of the Second International. Currently: in prison since January 1972.

Hyndrak, Vaclav (1923)—Formerly: research associate the Institute for Military History; in concentration camp 1943–45. Specialty: history of the Czechoslovak army. Currently: in prison since January 1972.

Churan, Milan (1931)—Formerly: editor of the journal "History and the Present"; no party affiliation. Specialty: recent Czechoslovakian history. Currently: employee of technical publishing house.

Janacek, Frantisek (1932)—Formerly, lecturer at the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member 1948–70. Specialty: history of the Czechoslovakian National Front. Currently: stock clerk.

Janecek, Oldrich (1923)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party. Specialty: history of Czechoslovak military units in the Soviet Union. Currently: laborer.

Jarosova, Vera (1930)—Formerly: lecturer at the Institute for Social Policy of the Charles University, Prague; party member 1948–70. Specialty: history of the Slovakian labor movement. Currently: chauffeur.

Jechova, Kveta (1930)—Formerly: instructor at the Academy of Fine Arts; party member 1954–70. Specialty: history of the Czechoslovak Communist party and its relations to the artistic avant-garde. Currently: clerk.

Kalinova, Lenka. Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member 1950–70. Specialty: history of Czechoslovakia since February 1948. Currently: disability pensioner.

Kaplan, Karel (1927)—Formerly: research associate at the Historical Institute of the Academy of Sciences; party member 1947–70; member of the Committee for the Rehabilitation of the Victims of Political Trials 1968–69; for eight weeks in prison 1971 and released without trial. Specialty: history of the Czechoslovak Communist party since 1945. Currently: laborer.

Karnik, Zdenek (1931)—Formerly: lecturer in contemporary history on the philosophical faculty of the Charles University, Prague; party member 1954–70. Specialty: history of the labor movement and the Czechoslovak Communist party. Currently: clerk.

Kasik, Vladimir (1925)—Formerly: professor of contemporary history on the philosophical faculty of the Charles University, Prague; party member 1945–70. Specialty: history of the First International. Currently: unemployed.

Kavka, Frantisek (1920)—Formerly: professor of Czecholovak medieval history on the philosophical faculty of the Charles University, Prague; party member 1948–70. Specialty: history of the Hussite movement; history of the Charles University. Currently: custodian of a depot of the Prague Jewish museum.

Kladiva, Jaroslav (1919)—Formerly: professor of contemporary history on the philosophical faculty of the Charles University, Prague; party members 1939–70; in concentration camp during World War II. Specialty: problems of the cultural revolution 1945–48. Currently: disability pensioner.

Kladivova, Vlasta (1921)—Formerly: lecturer in Russian history and history of the Soviet Union on the philosophical faculty of the Charles University, Prague; party member 1939–76. Specialty: modern Russian history. Currently: pensioner.

Klima, Arnost (1916)—Formerly: rector of the Pedagogical Academy, Prague; party member 1940–70. Specialty: history of the revolution of 1848; manufacturing in Bohemia. Currently: Pedagogical Academy, Brandys n.L.

Klimesova, Libuse (1926)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member 1945–70. Specialty: history of the Czechoslovak Communist party. Currently: cashier.

Klipa Bohumir (1930)—Formerly: research associate at the Institute of Military History; party member 1947–70. Specialty: history of World War II. Currently: laborer.

Klir, Miroslav (1920)—Formerly: lecturer at the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member 1945–70. Specialty: history of the Czechoslovak Communist party. Currently: archivist.

Kner, Vladimir (1922)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member 1945–70. Specialty: history of the labor movement in the 19th century. Currently: fireman, then clerk.

Kocisky, Matej—Formerly: instructor at the University of Bratislava; party member until 1970. Specialty: the situation of the working class 1867–1914.

Kohout, Lubos (1925)—Formerly: lecturer in political science on the philosophical faculty of the Charles University, Prague; party member 1945–69. Specialty: the political systems of socialism and the history of Czechoslovakia. Currently: laborer.

Kolesar, Ivan (1928)—Formerly: associate at the Institute for Social Policy of the Charles University, Prague; party member 1947–70. Specialty: history of the international labor movement in the 1930's. Currently: clerk.

Koralkova, Kveta (1929)—Formerly: research associate at the Institute for International Politics and Economics; party member 1945–70. Specialty: relations between the people's democracies. Currently: clerk.

Kotyk, Vaclav (1927)—Formerly: research associate at the Institute for International Politics and Economics; party member 1945–70. Specialty: history of the socialist countries. Currently: stock clerk.

Kratky, Karel (1930)—Formerly: research associate at the Institute for International Politics and Economics; party member until 1970. Specialty: history of the Czechoslovak military units in the Soviet Union in World War II. Currently: stock clerk.

Kratochvil, Frantisek (1927)—Formerly: professor at the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member 1945–70. Specialty: contemporary political theory. Currently: employe of University library.

Kruzik, Frantisek (1931)—Formerly: research associate at the Institute for Military History; party member until 1970. Specialty: history of the Czechoslovakian participants in the Spanish Civil war. Currently: mason.

Kren, Jan (1930)—Formerly: lecturer at the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member 1946–70. Specialty: the history of Czechoslovakia during World War II. Currently: laborer.

Krizek, Jaroslav (1924)—Formerly: research associate at the Institute for Military History; party member 1954–70. Specialty: the history of World War I. Currently: clerk in a transport firm.

Kucera, Karel (1932)—Formerly: archivist at the Institute for the History of the Charles University, Prague; party member 1965–70. Currently: librarian at the Faculty of Law.

Kural, Vaclav (1930)—Formerly: research associate at the Institute for Military History; party member until 1970. Specialty: history of the resistance movement during World War II. Currently: laborer.

Kusak, Alexej—Currently: editor in Munich, Federal Republic of Germany.

Kus, Vladimir (1927)—Formerly: instructor at the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member 1945–70. Specialty: history of the Soviet Communist party. Currently: clerk at the Geodetic Archive

Lesjuk, Peter (1930)—Formerly: instructor at the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member until 1970. Specialty: history of the Czechoslovak Communist party 1945—48. Currently: company lawyer.

Lichnovsky, Milan (1930)—Formerly: research associate at the Institute for Military History; party member until 1970. Specialty: history of the Czechoslovak army after 1945. Currently: fireman.

Liptak, Lubomir—Formerly: research associate at the Historical Institute of the Slovakian Academy of Sciences; party member until 1970. Specialty: Slovak history in the 20th century.

Loewenstein, Bedrich (1929)—Formerly: research associate at the Harvard Institute of the Academy of Sciences; no party affiliation. Specialty: modern German history, Bismarck, intellectual history. Currently: translator.

Lukes, Frantisek (1933). Formerly: research associate at the Institute for East European history; party member until 1970. Specialty: Czech history 1938–39. Currently: television archivist.

Lvova, Mila (1930)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member 1947–70. Specialty: Munich and Eduard Benes; history of the Czechoslovak Communist party. Currently: case worker at the Pedagogical Institute.

Macek, Josef (1922)—Formerly: director of the Historical Institute of the Academy of Sciences; member of the Academy; party member 1945–70. Specialty: history of the Hussite movement and the Italian renaissance. Currently: on the staff of the Old Czech dictionary.

Madry, Jindrich—Formerly: lecturer at the Military Academy of Politics; party member until 1970. Specialty: military politics of the Czechoslovak Communist party; struggle for the reformation of Czechoslovakia after 1956. Currently: laborer.

Mandler, Emanuel (1933)—Formerly: director of publishing house; no party affiliation. Specialty: recent history of Czechoslovakia. Currently: programmer.

Marek, Jaroslav (1927)—Formerly: research associate at the Historical Institute of the Academy of Sciences. Specialty: urban history of the late middle ages; history of historiography. Currently: clerk at the Brno university library.

Mejdrova, Hana (1920)—Formerly: lecturer on Marxism at the Academy of Chemical Technology; party member 1937–70. Specialty: the labor youth movement in the interwar period. Currently: pensioner.

Mejdricka, Kveta (1920)—Formerly: lecturer in modern history on the philosophical faculty of the Charles University, Prague; in concentration camp 1940–45; party member 1930–70. Specialty: Bohemia and the French revolution. Currently: pensioner

Mencl, Vojtech (1922)—Formerly: rector of the Military Academy of Politics; party member 1945–70. Specialty: history of the First Czechoslovak republic. Currently: disability pensioner.

Menclova, Jarmila (1925)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member 1945–70. Specialty: history of the Czechoslovak Communist party. Currently: clerk at the Bureau of Statistics.

Meznik, Jaroslav (1928)—Formerly: research associate at the Historical Institute of the Acadamy of Sciences; no party affiliation. Specialty: medieval urban history: diplomatics. Currently: in prison since 1972.

Mechyr, Jan (1930)—Formerly: lecturer in contemporary history on the philosophical faculty of the Charles University, Prague; party member 1952–70. Specialty: history of the labor movement. Currently: unemployed.

Mlynarik, Jan (1932)—Formerly: lecturer in Marxism at the Academy of Fine Arts; party member until 1970. Specialty: history of the Slovakian labor movement. Currently: laborer.

Moravec, Jan (1927)—Formerly: lecturer at the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member 1945–70. Specialty: history of the people's democracies. Currently: clerk.

Moulis, Vladislav (1931)—Formerly: research associate at the Institute for East European history; party member until 1970. Specialty: the history of the Soviet Union. Currently: librarian.

Muska, Jiri (1929)—Formerly: instructor on the philosophical faculty of the Charles University, Prague; party member 1946–70. Specialty: history of the Czech Legion during World War I. Currently: laborer, then clerk at the Institute of Archaeology.

Myska, Milan (1932)—Formerly: lecturer on the Pedagogical Faculty in Ostrava; party member until 1970. Specialty: historical demography. Currently: without regular employment.

Navratil, Jaromir (1926)—Formerly: commander of the research department at the Institute for Military History; party member 1945–70. Specialty: history of the Czechoslovak army. Currently: laborer.

Neumannova, Jana (1932)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party: party member 1948–70. Specialty: cultural policy of the Czechoslovak Communist party. Currently: without regular employment.

Niklicek, Ladislav (1936)—Formerly: instructor on the philosophical faculty of the Charles University, Prague; party member 1958–70. Specialty: history of the Czechoslovak Communist party in the 1930's. Currently: clerk in the Faculty of Medicine.

Novak, Jan (1930)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the

Czechoslovak Communist party; party member 1948-70. Specialty: history of the Czechoslovak Communist party in the 1930's. Currently: streetcar conductor.

Novotny, Josef (1923)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member 1948-70. Specialty: history of the illegal Czechoslovak Communist party 1938-39; history of the resistance during World War II. Currently: laborer.

Nyvltova, Dana (1927)—Formerly: associate at the Institute for Military History; party member unit 1970. Specialty: history of the Czechoslovak army during World War II. Currently: bookkeeper.

Olivova, Vera (1927)—Formerly: lecturer in Czechoslovakian history on the philosophical faculty of the Charles University, Prague; party member 1947-70. Specialty: political history of the First Czech republic. Currently: disability pensioner and clerk in the Department of History and Ethnology.

Opat, Jaroslav (1922)—Formerly: research associate at the Institute for East European history; party member 1945-70. Specialty: history of the people's democracies. Currently: mason.

Ort, Alexandr (1924)—Formerly: research associate at the Institute for International Politics and Economics; party member 1945-70. Specialty: foreign policy of the First Czech republic. Currently: without regular employment.

Otahal, Milan (1928)—Formerly: research associate at the Historical Institute of the Academy of Sciences; party member 1954-70. Specialty: Czechoslovakian history since World War II. Currently: disability pensioner.

Otahalova, Libuse (1925)—Formerly: research associate at the Historical Institute of the Academy of Sciences. Specialty: documentations of recent Czechoslovakian history. Currently: disability pensioner.

Palacky, Frantisek (1929)—Formerly: instructor at the Pedagogical Academy in Usti n. L.; no party affiliation. Specialty: local history of Northern Bohemia. Currently: teacher at a vocational school.

Pauliny, Akos—Formerly: instructor on the philosophical faculty of the University of Bratislava. Currently: Marburg, Federal Republic of Germany.

Pekarek, Bohumil (1923)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member 1945-70. Specialty: history of the Czechoslovak Communist party 1938-45. Currently: laborer.

Pfafe, Ivan (1928)—Formerly: museum curator; no party affiliation. Specialty: 19th century Czech history; 20th century political history. Currently: museum curator in Rastatt, Federal Republic of Germany.

Pickova, Vera (1924)—Formerly: research associate at the Institute for Military History; party member until 1970. Specialty: 16th and 17th century military history. Currently: clerk.

Pichlik, Karel (1928)—Formerly: research associate at the Institute for Military History; party member 1947-70. Specialty: history of World War I. Currently: laborer.

Pokorna, Jirina (1919)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member 1938-70. Specialty: history of the Czechoslovak Communist party in the 1930's. Currently: translator.

Polak, Pavel—Formerly: associate at the Institute for the History of the European Socialist Countries of the Slovakian Academy of Sciences; party member until 1970. Specialty: Russo-Czechoslovakian relations 1917-39; Interhelpo.

Pousta, Zdenek (1940)—Formerly: archivist at the Institute for the History of the Charles University, Prague; party member until 1970. Specialty: history of the Czechoslovak Communist party. Currently: chauffer.

Precan, Vilem (1933)—Formerly: research associate at the Historical Institute of the Academy of Sciences; party member 1951—70. Specialty: history of the resistance movements during World War II, particularly in Slovakia. Currently: fireman.

Pruzinova, Eva (1930)—Formerly: associate at the Institute for Military History; party member until 1970. Specialty: history of the Czechoslovakian army. Currently: postal clerk.

Reiman, Michal (1930)—Formerly: lecturer in the history of the Czechoslovak Communist party at the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member 1946-70. Specialty: history of the Czechoslovak Communist party: history of the Russian revolution of 1917. Currently: translator.

Reiman, Pavel (1902)—Formerly: until 1968 director of the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member 1921-70. Specialty: history of the Czechoslovak Communist party and the labor movement. Currently: pensioner.

Roskova, Miroslava. Formerly: instructor at the Bratislava Institute of Technology; party member until 1970. Specialty: Communist youth movement and student associations in the 1930's.

Seidlerova, Irena (1926)—Formerly: research associate at the Historical Institute of the Academy of Sciences, in Theresienstadt 1943-45; party member 1945-70. Specialty: history of physics. Currently: laborer.

Seifter, Pavel (1938)—Formerly: instructor on the philosophical faculty of the Charles University, Prague; party member 1958-70. Specialty: history of the international labor movement. Currently: window washer.

Sladek, Jiri (1913)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member from 1930's until 1970. Specialty: history of the Czechoslovak Communist party. Currently: pensioner.

Smolka, Josef (1929)—Formerly: research associate at the Historical Institute of the Academy of Sciences; party member 1954-70. Specialty: history of science. Currently: clerk.

Svatek, Frantisek (1936)—Formerly: instructor at the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member until 1970. Specialty: international labor movement. Currently: clerk in second-hand bookstore.

Svaton, Sava (1923)—Formerly: associate at the Institute for Military History; in concentration camp 1944-45; party member 1945-70. Specialty: history of World War I. Currently: laborer.

Sedivy, Jaroslav (1929)—Formerly: research associate at the Institute for International Politics and Economics; party member until 1970. Specialty: history of Czechoslovak foreign policy. Currently: window washer.

Sikl, Zdenek (1933)—Formerly: editor in chief of the journal "History and the Present"; party member 1957-70. Specialty: history of the First Czechoslovak republic. Currently: clerk in public health office.

Snejdarek, Antonin (1914)—Formerly: director of the Institute for International Politics and Economics. Specialty: history of World War II; international politics. Currently: professor at the University of Paris, France.

Solle, Zdenek (1924)—Formerly: research associate at the Historical Institute of the Academy of Sciences; party member 1945-70. Specialty: history of the labor movement. Currently: clerk in archive of the Academy of Sciences.

Solc, Jiri (1930)—Formerly: research associate at the Institute for Military History; party member until 1972. Specialty: history of the Czechoslovakian army in World War II. Currently: construction worker.

Svankmajer, Milan (1928)—Formerly: research associate at the Institute for East European History; party member until 1970. Specialty: 18th and 19th century Russian history. Currently: librarian.

Stvrtecky, Stefan—Formerly: associate at the Institute for the History of the European Socialist Countries of the Slovakian Academy of Sciences; party member until 1970. Specialty: Slovak Communists in Russia after the October revolution.

Teich, Mikulas—Formerly: research associate at the Historical Institute of the Academy of Sciences. Currently: Cambridge, England.

Teichova, Alice—Formerly: lecturer at the Pedagogical Academy, Prague. Currently, Cambridge, England.

Tesar, Jan (1933)—Formerly: research associate at the Historical Institute of the Academy of Sciences; party member 1963-68 (resigned). Specialty: history of World War II. Currently: arrested in 1969, released without trial after 13 months, arrested again in November 1971 and sentenced to six years of imprisonment.

Truc, Miroslav (1929)—Formerly: instructor at the Institute for the History of the Charles University, Prague; party member 1963-70. Specialty: history of the Charles University in the 16th and 17th centuries. Currently: stock clerk.

Tichy, Milos—Formerly: instructor at the University of Bratislava; party member until 1970. Specialty: Slovak regional history.

Ulicny, Frantisek—Formerly: instructor on the philosophical faculty of the University of Presov; party member until 1970. Specialty: settlement in Eastern Slovakia.

Ungermann, Zdenek (1918)—Formerly: lecturer at the Pedagogical Academy, Plzen; party member until 1970. Specialty: local history. Currently: deceased.

Usiak, Jan—Formerly: instructor at the University of Bratislava; party member until 1970. Specialty: history of the Protestant churches in Slovakia.

Vaclavu, Antonin (1922)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the Czechoslovak Communist party; party member 1939-70; in concentration camp 1940-45. Specialty: 20th century agricultural history. Currently: disability pensioner.

Vaclavu, Vladka (1928)—Formerly: instructor in Marxism on the Faculty of Law. Specialty: history of the Czechoslovak Communist party in the 1930's. Currently. librarian.

Valenta, Jaroslav (1930)—Formerly: research associate at the Institute for East European History; party member 1948-70. Specialty: Polish-Czechoslovakian relations. Currently: disability pensioner.

Veber, Vaclav (1931)—Formerly: lecturer in political science on the philosophical faculty of the Charles University, Prague; party member 1948-70. Specialty: Leninism and socialist ideologies. Currently: clerk, now unemployed.

Vietor, Martin—Formerly:. professor on the Faculty of Law at the University of Bratislava; party member until 1970. Specialty: the Slovak Soviet republic; Southern Slovakia under Hungarian occupation.

Vlasanek, Miroslav (1928)—Formerly: instructor at the Academy of Politics of the Central Committee of the Czechoslovak Communist party; party member 1946-70. Specialty: history of the Czechoslovak Communist party in the 1930's. Currently: mason.

Vlckova, Eva (1924)—Formerly: research associate at the Institute for the History of Socialism of the Central Committee of the

Czechoslovak Communist party; party member 1945—70. Specialty: the history of the German Social Democratic exiles in Prague. Currently: disability pensioner.

Zamecnik, Stanislav (1920)—Formerly: research associate at the Institute for Military History; in concentration camp during World War II; party member 1945—70. Specialty: history of the Prague uprising of 1945. Currently: laborer.

APPOINTMENT OF GEORGE BUSH, DIRECTOR OF CIA

Mr. MONDALE. Mr. President, last week the President announced major changes in his administration. Among them was the nomination of Mr. George Bush to be Director of the Central Intelligence Agency. This appointment has quickly become a major point of controversy because of the argument of some that building public confidence in our Government means that politicians must be excluded from such sensitive positions as CIA Director.

I do not share this view. It is unsupported by our recent historical experience. It unfairly attacks the integrity of all who seek to serve their country through elective office. And it helps to undermine, rather than restore, the confidence of the American people in their democratic political system.

Mr. President, as a member of the Senate Select Committee on Intelligence, and as a politician, I would like to express my views on the issues raised by the nomination of George Bush to be Director of the Central Intelligence Agency.

First, let me explain how I feel about the role of politicians in American public life. To participate in politics is to exercise our freedom. It is one of our most fundamental rights. It must be encouraged, not maligned.

To be a practicing politician is to be sensitized to what is acceptable to the American people. It trains us to respect the governmental institutions for which we are responsible. It demands a measure of proportion and restraint. It imposes the discipline of public accountability. I believe these are the qualities we very much need in our Government and, in particular, in the CIA.

The tragedy of Watergate involved basically one politician, Richard M. Nixon. All politicians in this country will pay for Watergate for some time to come.

But the Nation will pay too high a price, indeed court political bankruptcy, if it forgets that those who conducted the Watergate break-in were not politicians; that those who encouraged and abetted Nixon's subsequent cover-up—the Haldermans, the Ehrlichman's, the Mitchell's—were not politicians; and that many of those who finally brought Mr. Nixon to account, the Sam Ervins, the Peter Rodino's, had been politicians most of their lives.

I believe no post in our Government—including the CIA—should be placed off limits to those who may have held elective office. The investigation of the Select Committee into the abuses and the failings of the Central Intelligence Agency and the rest of the intelligence community does little to encourage confidence in the alternatives.

It is my view that if past Directors of our intelligence and investigative agencies had stood for elective office, had gone through the political experience of trying to be responsive to the American people, they might have had the good sense and proportion to say "no" to the many abuses we have uncovered.

In short, Mr. Bush's past political activities should not disqualify him from holding this important post. Assuming he possesses the other qualifications necessary—and I am reserving judgment on that question until the confirmation hearings are over—I would hope his past political activities might even be an asset to him by affording him the caution, restraint and sense of accountability and proportion that a lifetime in politics usually instills.

But if Mr. Bush's political past presents few concerns regarding his fitness for this office, his possible political future presents a great many. Senator FRANK CHURCH, the chairman of the Senate Select Committee on Intelligence Activities, has ably articulated these concerns and they are ones which I fully share.

The President has indicated that he regards Mr. Bush as a serious possibility for the Republican Vice Presidential nomination in 1976, and Mr. Bush himself has indicated since his appointment that he maintains a continuing interest in elective public office.

It is precisely this possibility that troubles me deeply, and unless it is clarified satisfactorily I would have serious reservations about supporting Mr. Bush's confirmation.

I have two reasons. The first is a practical one. I do not believe we should confirm as Director of the Central Intelligence Agency someone who may be off campaigning in a few short months. The necessary task of our investigations has subjected the Agency to turmoil enough. Now we are entering the most critical period as we seek to make changes to remedy the problems of the intelligence community. For this the CIA needs a full-time Director. And the first priority of the new Director must be the Nation's future, not his own future.

My second and greater concern is based on the traditional responsibility of the Senate, when viewing appointments made by the Executive, to assure there is no conflict of interest. This is what I think the chairman of our Select Committee is driving at in the concerns which he has expressed here on the floor. The issue is not the integrity of politicians; it is potential conflict of interest.

The CIA Director must be objective. He must be willing to give a President bad news. He must be willing to say "no" to things which would exceed CIA's authority or even the authority granted the President. He must be prepared to level with the Congress, even when the intelligence information does not square with the policies of the executive branch or the interest of his party.

If, indeed, Mr. Bush is a candidate for the Vice Presidency, or intends to go from service with the CIA to further national office, I believe that he could not fulfill those functions properly. There would be the inevitable suspicion that his actions and advice, however honorably motivated they might in fact be, were premised on or at least tempered by their possible effect on his own political future. Mr. Bush might even be unconscious of the tempering process, but if he maintained political ambition it would surely take place. And even if it did not, many people would never believe it. It would be a classic case of conflict of interest, and as with all such cases, appearance is as important as reality.

For that reason, I call upon Mr. Bush to renounce any candidacy for elective office at the national level for at least 2 years following his tenure as Director of CIA. By "national level" I mean the Presidency, the Vice Presidency, or the Congress.

Mr. Bush has had a distinguished public career. I do not believe having been chairman of the Republican National Committee should by itself disqualify him from holding this office. But given the need for public confidence, I believe 2 years is the minimum time for Mr. Bush to put his political career in trust.

If Mr. Bush is prepared to take that step, then I believe the Senate can consider his nomination on its merits. This does not mean I would not have some serious questions concerning his approach to problems of intelligence, his background, his appreciation of the importance of cooperating with the Congress. But such a step by Mr. Bush would wipe away this cloud of misunderstanding and potential conflict of interest. Indeed, it would be an important step toward restoring confidence in our vital intelligence institutions.

I believe also that Mr. Bush should appear before the select committee so that we may receive his assurances of cooperation with our investigation. Furthermore, the Congress and the country must be assured that he will tolerate no illegalities in the Agency. Both of these assurances are essential if the CIA is to regain the public trust it needs to do its job.

I hope that this debate concerning Mr. Bush will signal a turn of the tide in America's attitude toward those who try to serve the Nation by holding elective office. I have always been very proud to be in politics. I regard the responsibility given to me by the people of Minnesota a sacred trust. I doubt there is a Senator in this Chamber who does not feel the same way. This pride exists at every level of government in the United States.

Yet wounds from Watergate persist. The American people are understandably wary. If we are to put meaning into that increasingly tired phrase, "restore the confidence of the American people," I believe we must first demonstrate confidence in ourselves. We must not, as politicians, turn upon ourselves, attempt to run against our own profession, fall in with those who see politics as evil.

Without politics there is no democracy, and without democracy there is no America.

VIOLENCE IN OUR SCHOOLS

Mr. MATHIAS. Mr. President, recently I had the pleasure of speaking before the First National Conference on Delinquency Prevention in Niagara Falls. This conference was organized by its chief sponsor, the National Federation of State Youth Service Bureau Associations, of which the Maryland Association of Youth Service Bureaus is a charter member. It was also sponsored by the National Council on Crime and Delinquency, National Youth Alternatives Project, HEW's Office of Youth Development and the National Institute of Alcohol Abuse and Alcoholism.

I took this opportunity to present facts that are of increasing concern to all Americans: statistics that chart the alarming increase in school violence and vandalism in recent years. I think it is time for a fresh look at school disciplinary procedures and suggest that parents ought to play a key role in the joint effort by students, educators, and the Government to stem the rise of school violence.

Considering the serious nature of this problem I believe the facts should be widely disseminated; therefore, I ask unanimous consent that my complete statement before the conference be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AN ADDRESS BY SENATOR CHARLES McC. MATHIAS, JR.

If there is one thing that Americans have consistently recognized throughout the years, it is the importance of insuring our children an opportunity to obtain an education. It is this concern for educating our offspring that in many ways has been the foundation of our society. From the ages of 5 through 18, most young Americans spend the greater part of their waking hours learning and playing in the classrooms and schoolyards of our great Nation.

However, the tranquility that had prospered in our schools and allowed for the uninterrupted schooling of our children is threatened. Threatened by a menacing phenomenon—the alarming increase in violence and vandalism in our Nation's schools. So widespread is this problem that no area of our country is immune. It has ravaged the little one-room schoolhouse as well as the largest of our metropolitan schools. This pestilence has reached such epidemic proportions that it threatens to undermine the primary and vital function of our schools—the scholastic and social education of our most precious resource—our youth.

In an attempt to find an effective antidote to this problem the Senate Subcommittee to Investigate Juvenile Delinquency, of which I am a member, has been conducting a series of hearings dealing with violence and vandalism in our elementary and secondary schools.

Prior to the start of these hearings, the subcommittee published a preliminary report based on interviews and questionnaires involving representative school officials from throughout the country. The results of this survey, covering school-related incidents from 1970–1973, may comprise a familiar litany to those in this room, but can only be described as chilling:

Homicides increased by 18.5% in this three year period;

Robberies rose by 36.7%;

Rapes and attempted rapes increased by 40.1%;

Assaults on students were up by a staggering 85.3%;

Burglaries of school buildings increased 11.8%;

Drug and alcohol offenses on school property rose 37.5%;

Dropouts increased by 11.7%;

Assaults on teachers climbed 77.4%.

It was clear to me and the subcommittee that the extent of violence and vandalism in our schools had become untenable and that the time for prompt and effective legislative action was at hand. Consequently, with this report as a starting point, the subcommittee began its first set of hearings, which brought a broad range of concerned school teachers, security personnel, and students before our subcommittee.

More recently, the subcommittee has focused upon a particular aspect of the school violence and vandalism question: what actions should school officials take in dealing with school disciplinary problems? And should the traditional response to disciplinary problems followed by school officials—in most cases, automatic suspension or expulsion—be reevaluated and supplanted by different methods? Or at least should this penalty be restricted to a very narrow category of serious examples of student misconduct?

The call for a reevaluation of the "suspension approach" has been prompted in great part by the work of the children's defense fund, which recently published a comprehensive study of the role suspensions play in our Nation's schools, entitled "School Suspensions: Are They Helping Children?" (1975).

I am greatly disturbed by the findings contained in this study, especially the evidence of a rise in the number of suspensions in recent years and the clear indication that the vast number of suspensions not only serve little useful purpose but also are unnecessary to maintain the proper functioning of our schools. While I fully recognize the responsibility of school officials to keep "troublemakers" from disrupting the classroom, I am particularly troubled by the patterns which emerged in the study's analysis of how the suspension approach is most frequently used.

First of all, according to the report of the children's defense fund, rather than limiting suspensions or expulsions to cases of serious misconduct, they are far more often applied to those who have engaged in such non-violent, non-disruptive, and non-aggressive conduct as tardiness, truancy, and pregnancy. Secondly, the report demonstrates that the students who are most frequently suspended for these reasons are those who are poor and black.

At the very least, we must insist that the ultimate weapon of suspension be used in a non-discriminatory manner, and only for misconduct whose gravity merits the penalty. What troubles me above all is the detrimental effect of suspension upon the student.

I am not merely talking about schoolwork missed, but also the fact that the suspended child is automatically labeled as a "troublemaker" and thrown out on the street. Far too often, having thus been evicted from school, he finds himself caught up in a vicious cycle from which he cannot escape. It may engulf him the rest of his life. I am referring to the former student who not only does not return to school (or if he does, never finishes his education) but while excluded from his former habitat, drifts into crime and finds himself suddenly blessed with another label—"juvenile delinquent." Armed with his incomplete education and notoriety accompanying a juvenile record, the ex-pupil then earns yet a third label: "unemployable." How surprised can we be, then, when and if he returns to a life of crime?

It is this scenario, one that I fear occurs far too often and with tragic predictability, which concerns me. It leads to the troubling question of whether it is a mere coincidence that the rise in juvenile crime in this country—particularly the acts of violence and vandalism committed in our schools—has paralleled the great increase in the number of students "locked out" of their own centers of learning. If this is more than a coincidence, then who can deny that we have failed our children? Failed them by throwing them out of school, labeling them pariahs and finally abandoning them in their time of greatest need. A time when they could far better profit from love, understanding and direction.

Given the foregoing, it is no surprise that many individuals and groups are calling for the development of alternatives to the "suspension approach". This call, and intelligent suggestions to answer it, have come from the Children's Defense Fund, the National Parents Teachers Association (PTA), the National Committee for Citizens in Education (based in Columbia, Maryland) and many other concerned groups. Some of the proposals for remedies short of suspension include:

Alternative schools or classes, staffed by specially trained teachers who follow specially designed curricula;

In school suspension centers;

Greater direct involvement of parents in the regular operations of the school, by such means as serving as hall or classroom monitors (which allows the parent to feel more a part of the school); and

Work study programs in which students divide their time between school and employment. (In many States this would require amending child labor and compulsory school attendance laws.)

None of these proposals, on its own, can offer a quick or simple solution to the problem of suspensions, and all will have to be weighed carefully.

For example, there may be considerable merit to the fear expressed by Mr. Alan Levine of the New York Civil Liberties Union concerning those alternatives that separate so-called "difficult" children from their classmates. Mr. Levine stated before the subcommittee that "Such facilities . . . almost invariably turned into dumping grounds for all the students nobody else wanted." Similarly, the Children's Defense Fund echoed Mr. Levine's concern when it declared "there are real dangers in having in-school centers for disruptive students if they become islands of exclusion and stigma . . ." I, too, fear that such programs run the risk of having their participants viewed negatively by their peers, and would hope that appropriate safeguards would be built into any such programs.

The Senate Juvenile Delinquency Subcommittee takes very seriously this need to develop alternatives to the "suspension approach". Now pending before our subcommittee is the Juvenile Act of 1975, S. 1440, which would provide funds to assist local educational agencies in developing:

Programs aimed at preventing unwarranted and arbitrary suspension;

Alternative educational programs and facilities for the education of students unable to adjust to their school environment; and

Security programs for the protection of students, school personnal and school property.

I believe that this proposal represents an honest attempt to aid local school districts in their fight to curb school violence and does so without infringing upon the authority of the local school officials to regulate the day-to-day operation of their schools.

As we consider the purposes for which Federal funds would be made available under this proposed bill, we might usefully pause to consider a very important word of caution regarding the temptation to invest all our resources and hopes in the third of these: reinforcement and modernization of school security forces. All too often, the introduction of additional and more sophisticated school patrols simply results in giving the school the appearance of an armed camp, further dividing students and school officials, and destroying what little remains of an academic atmosphere. However, efforts have been made in certain areas to increase security measures without enraging students, with some success.

One such effort is presently underway in Prince Georges County, in my home State. This program, known as the Student Security Advisory Council, was described in detail to the subcommittee by Peter Blauvelt, chief of security services for the Prince Georges County public schools. Its primary goal is to involve students in the improvement and operation of security activities within the school. Workshops and small discussion groups are held where students are asked to identify security problems and suggest and evaluate particular school measures. By being immersed in this process, students have become far more aware of their own responsibilities in the school, and the school officials have gained a greater appreciation of the students' views on disciplinary problems.

I believe that the Prince Georges program represents an enlightened approach to a most perplexing issue: The appropriate role that security forces should play in our schools. It also serves to illustrate that security forces in our schools need not be viewed with suspicion and distrust. Nevertheless, the use of increased and more modernized security forces can not be considered a panacea for the violence plaguing our schools.

With Federal, State and local officials all playing a more active part in the effort to improve the school environment, we ought not to overlook the key role the Supreme Court has played recently in the area of discipline in our public schools. In January of this year, the Court decided *Goss* v. *Lopez*, where it was held in a controversial 5–4 decision that public school students cannot be temporarily suspended from schools unless they are at least given oral or written notice of the charges against them. If these accusations are denied by the pupil, the authorities must give an explanation of the evidence they have and the student must be given an opportunity to relate his side of the story. In many ways, the *Goss* decision is an important step forward in the attempt to eliminate the often unfair and arbitrary imposition of suspensions. For the first time, the courts have served notice that rudimentary due process applies to school suspension proceedings and that school officials' failure to adhere to such constitutional safeguards will result in the judicial review of their actions.

The groundwork for this decision may well have been laid only eight years earlier, when the Supreme Court in *Tinker* recognized that students do not abandon their constitutional rights at the schoolhouse gate. Rather the Court noted in *Tinker:*

> In our system, State operated schools may not be enclaves of totalitarianism. School officials do not possess absolute authority over their students. Students, in schools as well as out, are "persons" under the Constitution. They are possessed of fundamental rights which the State must respect, just as they themselves must respect their obligations to the State. In our system, students may not be regarded as closed circuit recipients of only that which the State chooses to communicate. They may not be confined to the expression of those sentiments that are officially approved. . . .

What we have seen in those eight years is a revolution—a revolution in which students, who for years were considered to be subject to the near absolute rule of teacher and administrator alike, fought and often won many battles, including the right to run school newspapers, to dress as they wished within reasonable limits, and to engage in peaceful, non-disruptive demonstrations on school premises.

For these reasons, Supreme Court decisions such as *Tinker* and *Goss* can be seen as heartening developments. But they also represent a distressing sign, which we can ill afford to ignore if we have any long-range hope for a public school system which truly educates and sensitizes our children.

What is most distressing is the very fact that these kinds of disputes became so large-scale and widespread that Supreme Court review was ultimately necessary at all.

Let there be no mistake about it: No amount of Federal intervention—by statute or Supreme Court decision—can offer a satisfactory substitute for the active, concerned and cooperative involvement in our schools at the most local level: by students, teachers, administrators and parents alike.

This last group—the parents—may in fact represent the most important of all. Their involvement may not be easy to generate in light of the apparently growing tendency to view the school as a depository for their children. A depository which allows parents to divorce themselves from their offspring every weekday, thereby relinquishing complete and total responsibility for the educational growth of their children to the school personnel. I fear that this conception of the role of the school in our society is far too widespread.

What is needed is a rekindling of the spirit that prompted parents in the past to interject themselves into the affairs of their children's life. Greatly obscured now is the fact that long before *Tinker* established the rights of children in school, the rights of parents in the education area were clearly recognized.

Fifty years ago, the Supreme Court declared that the parents of schoolchildren had a vested interest in the manner in which their children were educated. In doing so, it ruled that parents have the right to choose whether their children should attend private or public educational institutions. Moreover, only three years ago, the court upheld the right of Amish parents to remove their children from public school since such attendance conflicted with their religious beliefs. In its opinion, the Court stated:

> This case involves the fundamental interest of parents, as contrasted with those of the State, to guide the religious future and education of their children. The history and culture of western civilization reflect a strong tradition of parental concern for the nurture and upbringing of their children. This primary role of the parents in the upbringing of their children is now established beyond debate as an enduring American tradition. *Wisconsin v. Yoder* (1972)

It is all well and good for the Court to have uttered these wise words; but it is up to all of us as parents to put them into practice. And it is up to those of us in Congress to exercise a restrained and responsible hand in our efforts to create programs to solve problems originating in the home and classroom.

I remain convinced that the effort to restore tranquility to our schools will continue to depend on the Federal Government playing any indirect, limited, yet important role through funding State-run programs aimed at aiding our school children. Indeed, the Federal involvement in aid to education dates as far back as 1787, the year that the northwest ordinance was enacted and provided that certain portions of the encompassed land be set aside for educational purposes.

Throughout the years, the Federal Government has maintained its active role in education, illustrated more recently by the now historic Elementary and Secondary Education Act, which was enacted in response to the shocking evidence that millions of American school children—mostly in low income families—were lagging in essential skills.

I am sure I am not alone, however, in sharing the apprehension of many that the Federal Government must not plunge in to fill every vacuum that appears, by seeking to play a direct role in the day-to-day operations of schools, thereby usurping the proper role of parents, students and school officials. With this concern in mind, I hope that the Federal Government will continue to play an important and, above all, worthy role in the education of our children.

THE BUSH NOMINATION

Mr. CHURCH. Mr. President, on November 13, 1975, the New York Times editorialized on the need for the Senate "to insist upon political neutrality and disinterested independence as standards in confirming any new nominee to head the CIA."

The Times pointed out that Mr. George Bush fails to meet these standards. As the Times puts it:

> A former chairman of the Republican National Committee, twice defeated as a candidate for the Senate, and still an aspirant for the Vice Presidency next year and for other political office in the future, Mr. Bush would bring the wrong interests and ambitions to this sensitive and demanding position, even though he might well serve in some other Cabinet-level post.

I ask unanimous consent that the entire text of the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE BUSH NOMINATION

> The nation needs an intelligence agency that is professionally competent, recognizes its limited role within a democratic society governed by law, and has civilian leadership of intellectual integrity and independence.
>
> The Central Intelligence Agency has been shown to have fallen on occasion far below such standards; but, in a world in which several other nations possess the military capacity to inflict grievous damage on the United States, it would be reckless for this country in a spasm of righteousness to downgrade or dispense altogether with its intelligence service.
>
> Senator Frank Church, Idaho Democrat and chairman of the Senate Select Committee on Intelligence Activities, reminded his colleagues in a thoughtful speech the other day of the constructive services that the C.I.A. has performed in the last quarter-century. During that time, for example, it has provided the nation's leadership with accurate and timely information about the development of every important new Soviet weapons system from the H-bomb to the most recent missiles.
>
> This civilian monitoring of Soviet military developments is essential—and should be of particular concern to liberal critics of the agency—since if the C.I.A. did not exist, this intelligence function would pass wholly under the control of the Defense Department. Unlike the armed forces, the C.I.A. has no inherent institutional tendencies to justify larger military budgets, new weapons systems, or additional overseas bases.

Despite the scandals and mistakes in the agency's past, and there have been plenty, Senator Church believes that "the prospects for starting afresh are good and I have viewed the chances to restore public trust and confidence in the C.I.A. with considerable optimism."

It is against this background that Senator Church raises a warning flag against President Ford's nomination of George Bush as C.I.A. director. A former chairman of the Republican National Committee, twice defeated as a candidate for the Senate, and still an aspirant for the Vice-Presidency next year and for other political office in the future, Mr. Bush would bring the wrong interests and ambitions to this sensitive and demanding position, even though he might well serve in some other Cabinet-level post.

Senator Church urges his colleagues to insist upon political neutrality and disinterested independence as standards in confirming a nominee to head the C.I.A. These are criteria that the Senate should surely apply in deciding on Mr. Bush's nomination.

HEAD HEAD START

Mr. JAVITS. Mr. President, a most interesting article "Head Head Start" by Maya Pines, appeared in the New York Times magazine section, on Sunday, October 26, 1975. It reflects some current thought about early childhood education, and should provoke serious consideration among my colleagues in the Senate.

My compliments go forth to the Brookline, Mass., citizenry and its school superintendent, Dr. Robert Sperber, for instituting such a far reaching experimental program. The Brookline early education project—called BEEP—operates on the theory that most critical learning time is the age 8 to 18 months, and the program is directed to this group. As a comprehensive program, it attempts to deal with all aspects of early childhood development, working in conjunction with the parents who are intimately and totally involved in the project. It should be noted the parents are recruited on a voluntary basis, and that the program only works with their cooperation and support.

While the BEEP project has not been in operation long enough to be fully evaluated, it has shown positive preliminary results. Both in the early detection of physical handicaps and other disabilities, and with the educational and social gains of its participants, BEEP could be a model on which other programs could be copied. It is another example of early preventative action being more economical in the long run than remedial patchwork measures, applied too long after damage has been done.

Questions have been raised about the need and value of a comprehensive child and family services program. Experimental projects such as BEEP, go far in answering many of these questions, and are to be commended for increasing our knowledge of early childhood development.

I ask unanimous consent that the article by Maya Pines, "Head Head Start," along with a column by William Raspberry in the Washington Post, about this article, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HEAD HEAD START

(By Maya Pines)

(A major experiment for infants, parents and schools suggests that the critical learning time is the age from 8 to 18 months.)

For the first time in the United States (and maybe the world), a public-school system has become an active partner in bringing up hundreds of babies. Since 1972, the schools of Brookline, Mass., have deliberately helped raise many of the infants born in the area, hoping to reap a crop of bright, eager learners when these children enter the first grade in a few years. In this process, the school system has launched an experiment that may revolutionize both the education of babies and their pediatric care.

The experiment, which is called BEEP—the Brookline Early Education Project—operates on the theory that a child's future intelligence, social competence and general ability to learn are all largely determined before the age of 3. This theory has considerable support from recent research on children. If taken seriously, it means that *parents*, rather than teachers, perform the major educational job in the nation—and that it is essential to ensure that they do not botch it.

Accordingly, BEEP believes that intervention must begin in babies' homes, right after birth; that parents should be taught to raise more competent children by a teacher-consultant who comes into their homes and is always on call; that the most critical period for learning is the short, often neglected, span between 8 and 18 months of age; and that pediatricians should seek out potential learning handicaps through special tests, long before they normally do, so that children can be treated in time to make the most of this critical period.

Since its opening in a private house in Brookline, the project has been lavish with moral support to parents, concrete advice, a new kind of educational monitoring and the best in medical diagnosis when needed. It has also been careful to avoid repeating some of Head Start's mistakes. The Head Start program—which was supposed to prevent school failure—is limited to a few hours a day in a center or school, comparatively late in their development (most of the children are 4 or 5 years old). By contrast, BEEP works through the children's parents and provides a rare continuity from birth to the age of 5.

Originally, Dr. Robert Sperber, Brookline superintendent of schools, did not intend to start anything so unusual. He merely wanted to reach his pupils a little earlier. He believed in early education on principle, having been deeply influenced by the work of Benjamin Bloom, the University of Chicago psychologist, who showed that most of a child's intellectual potential is established before the age of 8, half of it by the age of 4. Besides, Dr. Sperber knew that there were serious problems even in his relatively prosperous district, which spends $2,400 a year per high-school student and $1,930 a year for each child in the elementary classes. Although Brookline students generally scored high on achievement tests and received an unusual amount of special services, many youngsters suffered from handicaps which could not be overcome in school. "The schools do make an effort to help the handicapped, but we usually get at the problem much too late to be effective," Sperber noted. Another 10 to 15 per cent of the students were underachievers. Sperber felt sure that the solution lay in earlier schooling. He already had a compulsory kindergarten for 5-year-olds. Next, he thought, he should start preschool classes for all 3-year-olds and 4-year-olds.

However, when he discussed this plan with Dr. Burton White, a psychologist and the director of the Harvard Graduate School of Education's Preschool Project, Dr. White told him bluntly it was "a dumb idea." It was too late even at 3, White declared. With a team of Harvard researchers, White had spent a decade studying preschoolers in their homes as well as in nursery schools, kindergartens and Head Start centers. The team had carefully followed each child's progress, keeping detailed records of his experiences at home and at school: How often did his mother talk to him? How much freedom did he have to explore his surroundings? Who initiated most of his activities? What toys did he play with? They also tracked the child's intellectual and social development. As a result, they had become convinced that a child's experiences during the first three years of life directly determine how competent he will be later on. "Of course, this doesn't mean that you can't ruin a child after 3," White said, "but if he develops poorly during the first three years, he is not likely ever to catch up—he will simply fall further behind."

If Dr. Sperber wanted his students to have a chance to develop to their maximum, Dr. White advised, he should not spend all his money on classes that would probably make little difference, but instead should try to help parents do a better job with their infants. Sperber agreed, and so they started BEEP.

Unlike many Great Society programs, BEEP was not limited to lower-income or problem families. *All* families that expected a baby and lived in the Boston suburb of Brookline were welcome to join the experiment during the two years after it was launched, as long as they had no plans to move away in the near future. More than one-third of the children born in the community during that period were actually enrolled. Since most Brookline families are white and middle class and BEEP wanted to get a cross section of the population, it recruited some black, Chinese and Spanish-speaking families from nearby areas of Boston. These minorities now make up 38 per cent of the total. Even if a large number of BEEP families move away or drop out before their 282 children reach the age of 5, there should be at least 100 5-year-olds left in the program—a significant experimental group, which will be followed up during its school career and compared with other children of the same age.

For member families, BEEP swings into action shortly after the mother comes home from the hospital with her baby. Dr. T. Berry Brazelton, a Harvard pediatrician who has served as a consultant to the project, points out that this is "a rocky time when absolutely everybody in our culture needs support." Often isolated, deprived of sleep and frightened at having the sole responsibility for a helpless but demanding infant, the mother really welcomes the BEEP teacher's first visit. At last someone who can be questioned at length about her baby's feeding, sleeping or crying habits, or anything else that troubles her. From then on, the teacher makes regular visits every month or six weeks. All of the project's 13 teachers—many of whom work only part-time—have children of their own, as well as some background in child development, some experience in working with families or groups of children, and special training at BEEP.

"The teachers don't want to come on too strong as experts," says Dr. Donald E. Pierson, a soft-spoken former school principal who has been the project's director since it started. "They never say, 'Read to your children,' for instance, though they might ask, 'Do you ever read to your child? Does he enjoy it?' They don't tell the parents what to do but try to influence their thinking."

Occasionally they also teach by example. They might show a mother how to set limits, for instance—how to deal with a child's unpleasant behavior before it gets out of hand. "Suppose the mother does nothing when her

14-month-old throws something at me," says a young teacher. "I'd tell the child firmly, 'No, we don't throw the ball at somebody here, we throw it into the box.' "

Mainly, though, the teachers help the parents figure out why their child acts the way he does. Why does a 10-month-old suddenly insist on turning the light switch on and off a hundred times a day for instance? Not to defy the mother, as might appear, but because this is a stage at which, according to Dr. White's research, babies are fascinated by simple sequences of cause and effect, "especially those that they can activate." When parents understand such motives, they can capitalize on them, rather than fight them. "It's a marvelous teaching opportunity," says White. "They can talk to the child about what he is doing, give him related ideas, and be truly relevant, as opposed to coming in with something he's not interested in." It also gives them clues about what toys would be most suitable at that stage. A baby 10 to 12 months old, who likes to turn the light on and off, will generally love hinges, too, for much the same reasons. He'll also enjoy baby books with stiff cardboard pages that he can open and close—"not because of what's in them," explains White, "but because they represent another form of hinge."

The BEEP teachers pay special attention to the 10 months in a young child's life which White calls the most decisive period for the child's emotional, social and intellectual development—the span between 8 and 18 months, during which he begins to move about the house on his own, get into everything and acquire a grasp of language. It is a time of stress for the mother, says White, a testing time, during which her actions do more to determine her child's general ability than anything she may do before or after.

It is also a dangerous time for the baby: more maimings, poisonings and accidental deaths occur then than at any other age. Realizing the danger, the mother can react by keeping her child imprisoned in playpens or high chairs for long periods of time and generally restricting his instinct to explore, so as to "protect" him (and, of course, her possessions). This can stunt the child's curiosity severely enough to impede his intellectual development, White believes. Or the mother can make her home safe for a small child by placing poisons and sharp utensils beyond his reach and then allowing him to roam freely all over the living area. She can also provide a variety of small, easily manipulated toys and household objects for him to play with, to climb on and move around, even though this conflicts with a spotless home.

During their long years of observing young children and trying to trace the difference between preschoolers who were exceptionally able and those who always seemed inept, White and his associates concluded that the children's paths began to diverge during the 8-to-18-month period. "Babies generally manage to get to the crawling stage reasonably intact from an educational point of view," White said. "It is very difficult to stamp out pure, basic curiosity in the first eight or nine months of life. It is, unfortunately, not that difficult to stamp it out in the next year or two, or force it into peculiar, aberrant patterns."

The mothers of the most competent children clearly excelled at three key roles during the 8-to-18-month period: (1) as designers and organizers of their children's physical environment; (2) as authorities who set limits to dangerous or annoying behavior, and (3) as consultants to their children in brief episodes, according to need. When their wandering 1-year-old ran into something particularly exciting, or an obstacle which he couldn't overcome, for instance, these mothers would pause, find out what the child was really trying to do, talk to him for a few seconds and unwittingly teach him an important skill: using adults as a resource. "They did all that in little 10- or 20-second episodes, many times a day," says White admiringly. This technique can be learned, he maintains. It is quite simple and does not require anything expensive. The BEEP teachers now do their best to make parents aware of this method.

"Until now, society has never assumed the responsibility of training prospective parents for one of their most important functions, as teachers," Dr. Sperber says. "Our program takes on the training responsibility."

When White and Sperber began to make plans for BEEP, however, they realized that parent training was not enough. It was equally important to monitor the babies' health and development, so that any handicaps which might interfere with learning could be discovered and treated as early as possible. Accordingly, they obtained funds both from the Carnegie Corporation of New York, which has a keen interest in early education, and the Robert Wood Johnson Foundation, which wants to improve medical care. This allows the project to give its 282 babies the most intensive series of medical and psychological examinations yet devised to ferret out sensory impairments and other weaknesses at key points in the children's development.

Recently I watched as three young women—a psychologist, a pediatrician, and a nurse—gave a 2-year-old her fifth developmental evaluation at BEEP. Clutching her mother's hand, the little girl walked in and noticed a rubber doll held by the psychologist, Ruth Wolman. "Baby!" screeched the child, pointing at the doll. Seizing the opportunity, Miss Wolman asked her to "show me the baby's nose" (which the little girl did) "and now show me the baby's hair" (the child pointed to the doll's head). Throughout the tests, which included building a tower out of blocks, finding a toy that was placed under a cup as the child watched, drawing a straight line with a thick crayon and climbing up a raised board, the psychologist kept trying to assess how much language the little girl really understood and spoke. For instance, did she know the difference between putting a block on the chair and *under* it?

Next the pediatrician, Dr. Judith Palfrey of Children's Hospital Medical Center in Boston, joined Miss Wolman for a "puppet show"—a rough test of vision, in which they watched whether the child's eyes tracked a small ball accurately as a puppet waved the ball from right to left and back again, at a set distance from where she sat. After some hearing tests, Dr. Palfrey measured the little girl's head, checked her reflexes, and blew into her ears to make sure there was no fluid behind her eardrums that might prevent them from vibrating and possibly reduce her hearing.

If any signs of developmental problems had gone unnoticed during these tests, they would surely have been picked up by the extraordinary list of questions which Margery Hanson, the nurse, put to the child's mother. She asked for details of any infections, rashes, medications, stitches or inoculations which the little girl might have had in the last nine months; she asked whether the child had been checked for lead poisoning; what her sleep patterns were; whether she sucked her thumb, rocked in bed, banged her head, or ever acted "like driven by a motor." Did she know the time of day? Did any particular foods give her trouble? Did she take vitamins or any food supplements?

Finally, the child's home teacher joined the group for a "feedback session" during which they all compared notes (they agreed that the little girl was doing well in nearly all respects) and the mother was given a chance to ask questions about anything that might be troubling her.

"Pediatricians usually think in terms of pathology, but what we do at BEEP is *educational* pediatrics," explained Dr. Melvin Levine, an assistant professor of pediatrics at Harvard Medical School, who is pediatric coordinator for BEEP. "We put much more emphasis on the neurologic aspects, especially in newborns. During our first assessment of a child, when he is only 2 weeks old, we do a very intensive neurologic examination developed in Holland by Dr. Heinz Prechtl to test excitability. How does the infant react to stimulation—is he hyperexcitable (which is thought to correlate with hyperactivity later) or apathetic (which may foretell developmental problems)? Does he have what we call a 'hemi' syndrome, a marked asymmetry in the reflexes from the right and left sides of the body, which may be related to subtle forms of brain damage? The exam has a certain amount of predictive ability, and we use it to pick out children with a greater than average risk of having learning disorders"

Babies change so rapidly during the first year of life that BEEP schedules three additional exams at 3½ months, 6½ months, and 11½ months, always looking for neurologic signs of potential disabilities. After that, the emphasis shifts as the BEEP team focuses more on the child's acquisition of skills.

"I'm in charge of the out-patient clinic at Children's Hospital, where the most common complaint used to be infections," says Dr. Levine. "Now the most common complaints are hyperactivity and school failure. We are seeing a real epidemic of dysfunction in children—partly because it is increasingly recognized, and partly because, after a century of assuming that all dysfunctions were caused by environmental or psychosocial factors, we are now looking at intrinsic factors, at the child's own neurologic deficits, as well. So we're increasingly being asked to assess how children function.

"This is not something doctors are used to. Educators often talk about excellence, but doctors never talk about a 'best' abdomen—it's either working or not working. We're just beginning to develop a new approach that measures a *range* of things. We're beginning to think of children's coping styles. If we see that a child responds better to what he hears than to what he sees, for instance, we needn't think only about pathology ('he has weak eyes'); we also pay attention to his learning style. We want to distinguish between symptoms that may look alike—for example, in the child who is overactive because he is anxious, and the one who is anxious because he is *driven* by his nervous system."

Some of the psychological tests given at BEEP have uncovered physical problems, even though all the families involved had regular medical care of their own. One little boy who seemed apathetic and did poorly on tests of mental development at 6½ months turned out to be anemic, for instance; he is currently under treatment. More frequently, it is the other way around: Some physical or neurologic symptoms are picked up during the pediatric exam which, if left untended, could seriously interfere with learning. "For example, we may find a child with a lot of fluid behind his eardrums during the critical period for language acquisition, 8 to 18 months," says Dr. Levine. "In that case, we'd want to treat it most vigorously."

It has been a revelation to some of the parents enrolled in BEEP that their babies suffered from subtle hearing defects which their own doctors had never noticed. Pediatricians generally don't look for hearing problems until a child is much closer to school age, though special hearing aids can now be worn by infants. Four babies were discovered to have poor vision, three were mentally retarded, several were slow to speak or had delayed motor coordination, and a number appeared hyperactive.

Although BEEP cannot provide free medical care, it does offer "very strong advocacy" for children in the program referring them to specialists at Children's Hospital and making sure that they get the best possible diagnosis and treatment. In addition, the BEEP teachers help the parents cope with the situation. This may involve showing them how to give the babies special training at home, but mostly it means trying to keep the children from developing emotional problems on top of their sensory handicaps—a common reaction whose results may prove far worse than the handicaps themselves. "If a child is hyperactive, we can at least counsel the parents to set limits, to give the right kind of positive reinforcement and, above all, not to feel guilty," says Dr. Levine.

All the developmental evaluations and many meetings are held at the BEEP Center, a small house at 40 Centre Street in Brookline. It is a lively place where a coffee pot is always on, where infants are welcome in a supervised playroom, where books and toys can be borrowed and parents wander about, chatting while their children play. For some anxious or harried mothers, the greatest thing BEEP has to offer is this haven. They may come with their children at any time of day; in certain cases they are even entitled to two hours of free child care two or three times a month, simply for relief from the constant demands of a small child. (The 282 families now enrolled in BEEP have been randomly assigned to one of three levels of service, at varying costs, for experimental purposes.)

"There has been times when having two kids has driven me up the wall," confesses a young woman over a cup of coffee in the BEEP kitchen. "When it's 'Mommy, Mommy, Mommy, Mommy' all day long, as lovely as they are, you want to get away! Where else could I go to regain my sanity?"

Much as she appreciates this aspect of BEEP, she is even more grateful for another type of relief, she adds: the opportunity to call the center and get practical, reasoned answers to her questions whenever she is worried about something. Last year, for instance, her oldest child (then 2 years old) kept her up for at least three hours every night by climbing out of his crib and refusing to go back to sleep. Since she also had a new baby, she was so tired that she could barely get through the day.

"I read all the child-care books, asked everybody I knew what to do, but couldn't find anything," she recalls. "I was going out of my mind! I called my pediatrician, but all he said was, 'Well, that's what happens at that age.' Then I called the BEEP teacher. After thinking about it a little while, she called me back with a suggestion, 'Write down every time he does it,' she said. 'Plot a curve. If you keep putting him back to bed firmly and consistently every time, just watch—it will peak and then you won't have a problem.' You know, she was absolutely right! And she was the only person who could help me."

The main thing about BEEP is that "when you lose your perspective about what's acceptable at a certain age, it's nice to have someone to ask," declared another young woman, adding that she had no relatives in the Boston area and few friends with babies.

To counteract such isolation, the project encourages parents to start special-interest groups. One group of Chinese parents meet at the center every Saturday morning, for instance, their babies remain in the playroom, under supervision, while a BEEP driver takes the adults to a nearby school, where they study English. (Since BEEP wants to make sure nothing will stand in the way of the children's developmental tests, it supplies free transportation to and from the center, in a staff car, whenever the children have their appointments.) Other groups learn to make toys for their infants, or discuss the special problems of raising a black child in America. There are frequent parents' meetings at night to hear speakers on various aspects of child development.

Originally, BEEP showed a certain sexist bias by directing all its efforts at the babies' mothers. But it turned out that many of the mothers worked and that many of the fathers either shared in child care or simply wanted to be well-informed about their children's particular needs. So increasingly, BEEP has been scheduling the evaluations on weekends or at night and asking the teachers to make their home visits after working hours.

In other areas, too, the project is still groping—doing far more than is strictly necessary in the way of medical diagnosis, for instance, because it doesn't yet know which aspects of the program will prove most important (that is one of the things the experiment was designed to find out).

Yet it has clearly built the foundations of a totally new type of public-school system for babies and young children—a system in which parents do the actual teaching, but receive extraordinary technical support: masses of information, home visits, training, consultants, books, toys, highly specific tests of the baby's physical, intellectual and emotional state, occasional child care, referrals and strong advocacy whenever necessary. Nothing like it has ever been tried before.

If it works, it should spare children much agony from intractable learning difficulties and prevent many behavior problems, both in school and throughout their lives. It should produce youngsters who are nicer to live with, as well as brighter and more competent. If only in terms of the children who would be freed of the need for endless and expensive remedial services or institutionalization, the potential savings to the nation might be enormous.

Since the oldest children in the BEEP program are only 2, however, and most of them are under 1, it is too soon to judge the program's effectiveness. This should become evident as the children reach the age of 3, though the real proof will come when they are 7, at the end of the second grade of school.

Even BEEP's founders realize that families must have a certain minimum of stability and income before they can be helped by the program. It could do little for those families, burdened with a multitude of problems, which are at the bottom of the economic ladder—families that most desperately need help. A mother who is a drug addict, undernourished, jobless or mentally retarded could not concentrate on learning new styles in child-rearing. As Dr. Urie Bronfenbrenner of Cornell University noted in "Is Early Intervention Effective?", a recent report of the Health, Education and Welfare Department, children from the most deprived groups need a different type of intervention to bring about "radical changes in their immediate environment." This would include, as the most essential requirements, adequate health care, nutrition and housing; enough money for the family to function as a child-rearing system; and specialized day-care centers when necessary.

For most people in the U.S., who are not in such desperate straits, the evidence indicates that family-centered intervention is "the most effective and economical system for fostering and sustaining the development of the child," Bronfenbrenner declares after analyzing various experiments (none of which enrolled children at as early an age as BEEP). When this intervention focuses simultaneously on parents and children, it has many advantages over programs in which children are taught in school-like settings, he claims: Its effects are more durable—and even cumulative. It produces the largest gains in I.Q. scores. It benefits not only the target child, but also his younger siblings. And the younger a child is when he enters such a program, the greater his gains.

No wonder, then, that hundreds of visitors from other school systems and from state governments have been trooping through the small house in Brookline almost from the day the center opened. The program has been flooded with inquiries, even though it is still an experiment. The school systems of St. Louis and Madison, Wis., are committed to starting similar programs in their own districts, and other schools which were planning to organize classes for 3-year-olds or 4-year-olds have decided to reconsider after visiting BEEP; they, too, may shift to a program of early detection and parent training.

If BEEP proves successful, it will lead to "a total reevaluation of our educational priorities," White believes. "What we do now flies in the face of reason," he says. "We spend nothing on a child's most important years, when the foundations of his educational capacity are being set. Then we spend more and more as he grows older, when he needs it less and less."

Such a re-evaluation couldn't come at a better time, considering the nation's low birth rate. Parents who have only one child or two well-spaced children can give far more attention, energy and interest to the task of rearing their babies. And school systems which are becoming top-heavy, with many empty spaces in the lower grades, may also be well-disposed to taking on a new clientele. In fact, educators and pediatricians are beginning to show signs of rivalry for influence over bringing up the nation's babies. "There is starting to be a shortage of newborns," says Dr. Levine. "What with a greater supply of trained pediatricians, more help from paramedical personnel, and a decline of diseases in the traditional sense, pediatricians are looking for new roles. . . . Pediatricians have more continuity with small children and their families than anyone else."

Manpower is clearly available. But there remains the question of paying for services like BEEP's. The cost of the program runs either $530, $1,100 or $1,600 a child per year, depending on the amount of services received. At the $530 level, families get no home visits and no free child-care, although they have access to a teacher and all of the center's other facilities, including the regular developmental evaluations. These fees will not cover the cost of the optional nursery-type program to be started next year for the 2-year-olds and 3-year-olds, especially those with sensory handicaps or special needs. The parents pay nothing for BEEP's services: The Robert Wood Johnson Foundation and the Carnegie Corporation of New York together will have spent nearly $2-million on the project (half of it for planning and research) by November, 1976.

At a time of tight money, it can be argued that such expenditures are extravagant for an approach that is basically so controversial. "Nobody knows whether training in infancy will mean anything in the long run," says Dr. Carl Bereiter, a research psychologist at the Ontario Institute for Studies in Education, who devised one of the most effective remedial programs for disadvantaged 4-year-olds and 5-year-olds. Nor is it clear yet to what extent BEEP can change the child-rearing styles of parents. Another problem is ensuring that an effective system of continuing medical care will be available to the babies whose impairments are detected by the new "educational pediatricians"; otherwise the screening process will have been a total waste.

Nevertheless, Dr. White believes that school systems that really want their students to learn better should start a modest program of early detection of babies' handicaps and help to the parents right away, without waiting for final results from BEEP. Basic services costing only $400 a year per child could be provided, he says, since the Brookline fees cover too many diagnostic tests and other services that may later prove unnecessary. Such a program, he feels, offers the best hope of eliminating some of the toughest educational problems in their incipient stage. In exchange for such a program, White would gladly drop something else if necessary—perhaps even Head Start, which costs several hundred million dollars a year and has proved quite ineffective in preventing school failure. It is a matter of priorities. In his view, as well as that of a growing number of researchers, logic dictates that intervention must begin at home, soon after birth.

STARTING EARLY TO HELP A CHILD LEARN

(By William Raspberry)

Several years ago, I was accosted at a cocktail party by a suburban housewife who wanted to talk me into pushing for some sort of public school lab-and-lecture course in child-rearing.

What she had in mind, she told me, was a practice nursery school in which young girls—9th or 10th graders, perhaps—could learn basic child care, nutrition, simple child psychology, and so on.

She saw the likelihood that such a course, if properly run, could lead to certification of its graduates as nursery school assistants, apprentice mothers or some such.

Her idea—or as much of it as I listened to that day—sounded like a plan for training lower-class girls to be first-rate baby sitters for middle-class mothers. I said as much, and headed for the bar.

I learned, during subsequent conversations with her, that that wasn't quite what she had in mind. Still, it didn't strike me as anything I particularly wanted to write about.

I thought about that suburban housewife (who has since become a friend) a couple of Sundays ago when I came upon a New York Times Magazine article on early childhood learning.

The focus of the piece was a Brookline, Mass., experiment that seems to show that childhood education—including the celebrated Project Head Start—starts much too late to be of much use in enhancing children's academic potential.

The critical period, it appears, is from age 8 months to about 18 months.

This tentative finding was a surprise even for Dr. Robert Sperber, Brookline superintendent of schools, who started the project now known as BEEP—Brookline Early Education Project. Originally, he had merely wanted to capitalize on his understanding that most of a child's intellectual potential is already established by age 8, and nearly half of it by age 4.

There seems little basis for choosing between most child-rearing techniques (from an educational point of view) up to the crawling stage, the experimenters found. But for the next 10 months, what mothers do to stimulate their children's curiosity—the way they talk to them, the kinds of games they play with them—can make a tremendous difference in their future learning potential.

BEEP's principal methodology is to teach mothers how to do these things to maximum advantage. And while it will be some time before the results can be fully certified (the children will be followed up during their school careers and compared with other children of the same age), the experimenters see some evidence that they may be helping to raise up a crop of extraordinarily bright and eager learners.

The three-year-old BEEP program is reminiscent of an earlier experiment of Prof. Rick Heber at the University of Wisconsin, although Heber's program was designed to demonstrate the possibility of preventing the intellectual crippling of children who, on the basis of what was known about their mothers, could be predicted to be mentally retarded later on. BEEP involves mothers from white, middle-class Brookline and a liberal percentage of black, Chinese and Spanish-speaking parents from nearby Boston.

The two programs have in common a high degree of impracticality. The necessity of enrolling new mothers and of having them spend at least some time at the training center, and the expense of keeping a large number of specialists on hand, places severe limits on the number of mothers who can be helped and also makes it extremely difficult to duplicate the programs.

That is what reminded me of my ancient conversation with the suburban housewife. If the successful techniques could be reduced to print and film, it might be possible to make a BEEP-like program a regular part of a high school curriculum—using the students' infant brothers and sisters or in many cases, their own children.

My suburban housewife friend, as she subsequently explained to me, had in mind a child-rearing course based on one she remembered at Foxcroft School near Middleburg, Va. "My girls turn out to be teachers or lawyers or Masters of Foxhounds, or only the wives of stockbrokers," she remembered the late "Miss Charlotte" saying. "But almost all of them will be mothers."

She thought that merely helping her well-to-do students learn to be competent mothers was a worthy enough undertaking.

But buttressing such a program with the lessons learned from the BEEP experiment could go a long way in helping to wipe out, in a single generation, much of the intellectual deficit with which so many inner-city children begin their formal education.

NATIONAL SOLAR ENERGY RESEARCH INSTITUTE

Mr. MOSS. Mr. President, I ask unanimous consent that a resolution adopted on August 20, 1975, by the Western Governors' Regional Energy Policy Office be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

PUBLIC POLICY RESOLUTION NO. 75–14

URGING LOCATION OF THE NATIONAL SOLAR ENERGY RESEARCH INSTITUTE WITHIN A MEMBER STATE

Whereas, the Western Governors' Regional Energy Policy Office is dedicated to helping solve the nation's energy problems, and

Whereas, we recognize the important roles our states must play in this endeavor, and

Whereas, solar energy is an abundant natural and renewable resource of our western region, and

Whereas, member states have submitted official proposals to the Energy Research and Development Administration and other federal offices for the location of the National Solar Energy Research Institute within their states, and

Whereas, the proposals of the member states have been based upon the abundant solar resource, the excellent engineering and research facilities, the wealth of professional personnel, and the leadership in research administration available within the member states and the western region, and

Whereas, the member states seeking the National Solar Energy Research Institute have made strong commitments to support the Institute, now, therefore, be it

Resolved: That the Western Governors' Regional Energy Policy Office endorses the efforts of those member states seeking to obtain the National Solar Energy Research Institute, and

That the Western Governors' Regional Energy Policy Office strongly urges the President of the United States, the U.S. Congress, and the Energy Research and Development Administration to locate the National Solar Energy Research Institute within one of the member states of this organization (Arizona, Colorado, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, Utah, and Wyoming).

DEFENSE MAPPING AGENCY TOPOGRAPHIC CENTER'S OBSERVANCE OF INTERNATIONAL WOMEN'S YEAR DAY

Mr. FONG. Mr. President, last month the Topographic Center of the Defense Mapping Agency, Department of Defense, held an observance of International Women's Year in the form of a seminar arranged by the women employees of this important mapmaking facility.

As we all know, the General Assembly of the United Nations declared 1975 as International Women's Year, and President Ford has issued proclamations calling for U.S. participation in accord with the spirit of the U.N. action.

The Topographic Center seminar not only highlighted the contributions being made by women employees of the Defense Mapping Agency, but also encouraged women to widen the horizons of their career goals and to seek and accept higher responsibilities.

As so appropriately pointed out by one speaker at the seminar, Dr. Bennetta Washington, Special Assistant to the Assistant Secretary of Labor for Manpower:

> Today's climate encourages women not only to work but to enter fields that were once set aside as the sole preserve of men, and this is most fortunate since the problems faced by our world are so complex that it is going to take every kind of brain, energy and expertise to cope with these problems.

Noteworthy, too, was the statement of Dr. Ruth Bacon, Director of the U.S. Center for International Women's Year, who told the Topographic Center seminar:

> The only way to improve the quality of life for everyone is to enlarge the freedom of choice women have in planning their lives.

May I just add that, for too long in too many fields, our Nation has deprived itself of the brainpower, the talents, and the skills of the women of our Nation. We can be thankful that, at last, public policy is changing and opportunities once undreamed of for American women are now opening up to them. America will be assured a better future as a result.

Mr. President, for sponsoring and arranging this important seminar, I commend Vice Adm. Shannon D. Cramer, Jr., Director of the Defense Mapping Agency, Col. William R. Cordova, Director of the Topographic Center, and the program committee cochaired by Thelma Robinson and Pauline Tsui, together with members Carol Beaver, Clotilda Pope, Sandra Todd, and Joy Trickett.

I also commend Dr. Washington and Dr. Bacon for generously giving of their time, knowledge, and encouragement to help make the seminar so productive and valuable.

I ask unanimous consent that an account of the Topographic Center's seminar observing International Women's Year be printed in the RECORD.

There being no objection, the account was ordered to be printed in the RECORD, as follows:

Observance of International Women's Year by Defense Mapping Agency Topographic Center

In keeping with proclamations by the President of the United States and by the General Assembly of the United Nations declaring 1975 International Women's Year, the Defense Mapping Agency Topographic Center of the Department of Defense designated the eighth day of October as IWY Day.

The seminar presented that day at the Topographic Center and arranged by the women employees of the map-making facility won the favorable notice of our Nation's First Lady, Betty Ford.

This is the letter Mrs. Ford addressed to "International Women's Year Day, Defense Mapping Agency, Topographic Center, Washington, D.C."

Her message reads:

"THE WHITE HOUSE,
"October 8, 1975.

"DEAR FRIENDS: It was a very personal pleasure to learn of the Defense Mapping Agency Topographic Center's observance of International Women's Year Day.

"A most fitting sequel to your other program activities, this seminar demonstrates initiative in focusing attention on the impressive resource which women represent.

"May your discussions be the source of further commitment and dedication in realizing every citizen's potential both for individual fulfillment and our national achievement.

"With warm wishes to each of you,
"Sincerely,
"BETTY FORD."

Dr. Bennetta B. Washington, a ranking official at the Department of Labor and wife of the Honorable Walter E. Washington, Mayor of our Nation's Capital, addressed the IWY Day seminar at the Topographic Center.

Dr. Washington is Special Assistant to the Assistant Secretary for Manpower and has the task of exploring ways to widen job opportunities for women.

The seminar featured two other speakers: Dr. Ruth Bacon, who directs the U.S. Center promoting observance of International Women's Year, and Vice Admiral Shannon D. Cramer, Jr., Director of the Defense Mapping Agency.

In addressing the seminar, Dr. Washington had this advice for members of her sex: "Don't hide under the bed when a responsible situation arises."

Noting that "Today's climate encourages women not only to work but to enter fields that were once set aside as the sole preserve of men," Dr. Washington added, "and this is most unfortunate since the problems faced by our world are so complex that it is going to take every kind of brain, energy and expertise to cope with these problems."

Dr. Washington told her Defense Mapping Agency audience she was "very happy to discuss ways to increase the number of women involved in mapping the course of your agency."

Dr. Bacon, who followed Dr. Washington to the podium, is a recipient of the Federal Women's Award. Last year she represented the United States as a delegate to the United Nations Commission on the Status of Women.

"The way to improve the quality of life for everyone is to enlarge the freedom of choice women have in planning their lives," Dr. Bacon said, citing the plan as one promoting a more equal partnership of the sexes and greater happiness for women, for men and for children. She predicted a dramatic change here and around the world during the last quarter of this century. "That change," she told her audience, "will come not from computerized travel or synthetic food or solar energy or exploring other planets but in the change of the role of women."

In his talk Admiral Cramer, the Director of the Defense Mapping Agency, cited the fostering of equal career opportunity for men and women, the policy of his agency, as one that makes good sense since discontent and the underutilization of the work force reduces effectiveness.

Admiral Cramer said that he saw himself as a manager of resources who must not neglect any of them and "especially not my people." He gave his endorsement to the Topographic Center program of encouraging and assisting woman employees to make conscious decisions concerning their career goals.

In welcoming IWY Day speakers to the Topographic Center, Colonel William R. Cordova, director of the facility, spoke of the sacrifices of women in building the American nation and said that, in light of the concept that the common defense is the equal responsibility of all citizens, it is fitting to encourage the active role of women in the mission of the Department of Defense.

The schedule of speakers:

DMATC
IWY–DAY
8 October 1975

OPENING REMARKS

DMATC IWY Co-Chairperson—Ms. Thelma A. Robinson.

Introduction of VADM Shannon D. Cramer, Jr.—Col. William R. Cordova, Director, DMATC.

FIRST SPEAKER

VADM Shannon D. Cramer, Jr., Director, DMA—"The Role of the Federal Women's Program at DMATC."

Introduction of Dr. Bennetta Washington—Ms. Clotilda Pope.

SECOND SPEAKER

Dr. Bennetta Washington, "Charting a New Course for Equal Employment."

Introduction of Dr. Ruth Bacon—Ms. Sandra Todd.

THIRD SPEAKER

Dr. Ruth Bacon, "Mapping Out Careers for Women and Men—IWY and You."

CLOSING REMARKS

DMATC IWY Co-Chairperson—Ms. Pauline Tsui.

The program was arranged by the DMATC IWY Committee, a group cochaired by Thelma Robinson and Pauline Tsui and with Carol Beaver, Clotilda Pope, Sandra Todd and Joy Trickett serving as members.

PRISON CONDITIONS IN SOVIET RUSSIA

Mr. CHURCH. Mr. President, Amnesty International, a worldwide human rights movement independent of any government, political faction, ideology, or religious creed, regularly publishes reports of human rights around the world with particular reference to treatment of political prisoners, prison conditions, and torture, Recently I placed in the RECORD an Amnesty International report on Spain.

Now this organization has released a report on conditions in the Soviet Union, entitled "Prisoners of Conscience in the U.S.S.R.: Their Treatment and Conditions." It concludes that Soviet penal institutions "not only violate international standards for the treatment of prisoners, but fail to achieve the standards established in parts of domestic corrective labour legislation and theory."

The report is a thorough and careful review of Soviet treatment of prisoners and should concern all those who are concerned about human rights, religious freedom, and political rights. Since the report itself constitutes 148 pages, I ask unanimous consent that there might be printed in the RECORD a summary of it released in New York and London November 17.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Amnesty International Report Details Legal and Penal Abuses Directed Against Political and Religious Prisoners in the Soviet Union

"There has never in Amnesty International's experience been an acquittal of a political defendant in the USSR," according to a report issued today by Amnesty International (p. 53).

Prisoners of Conscience in the USSR: Their Treatment and Conditions analyzs the conditions under which prisoners are held in corrective labor institutions (as prisons and colonies are called) and psychiatric hospitals. Noting the absence of official Soviet statistics on the subject, the report estimates that there are now at least 10,000 political and religious prisoners in the USSR (p. 53).

Commenting on the report, AIUSA Board member and former Attorney General Ramsey Clark stated: "It requires discipline to focus on the treatment of prisoners when the overwhelming truth is such people should never be in prison. Yet we must—because they are prisoners, convicted under statutes which define no offence to a just society, but rather punish the exercise of fundamental human rights to travel, to assemble, to speak, publish, and pray."

While Soviet authorities frequently deny the existence of political imprisonment in their country, the Soviet criminal codes include a number of plainly political offences, such as "anti-Soviet agitation and propaganda" and "anti-Soviet slander."

Articles which restrict and penalize freedom of expression or religious beliefs are those which make criminal "violations of laws on separation of church and state and of church and school" and "infringement of person and rights of citizens under the appearance of performing religious ceremonies." Such articles are frequently applied to justify the arrest of Soviet citizens accused of possession or distribution of *samizdat*, participation in political demonstrations, unauthorized attempts to leave the country, and instructing children in religious beliefs.

In a series of recommendations at the end of the report, Amnesty International urges Soviet authorities to undertake a program of penal reform, starting with a public discussion of the present system. As long as the day-to-day working of the Soviet penal system is treated as a state secret, the report says, it "will continue to generate suspicion and mistrust, certainly abroad and to some extent with the Soviet Union itself" (p. 139).

According to the report, conditions in the Soviet penal institutions "not only violate international standards for the treatment of prisoners, but fail to achieve the standards established in parts of domestic corrective labour legislations and theory."

CALL FOR DIALOGUE

Professor Harold J. Berman of Harvard Law School, a foremost authority on Soviet criminal law and procedure, observed: "The lasting value of this book is to be measured not so much by what it describes as by the extent to which it will help bring leaders of opinion in the Soviet Union into dialogue with leaders of opinion elsewhere concerning the plight of Prisoners of Conscience in all countries. Amnesty International attempts to expose official repression of conscience in every part of the globe. It stands for the principle that there is no room for smugness in this regard on the part of any government. There is only room for mutual exposure of injustices and mutual encouragement to remedy them. Soviet statesmen and jurists should welcome the appearance of this book as an opportunity for entering into such a dialogue."

Much of the AI report is devoted to examination of allegations of political abuses of psychiatry in the USSR. Once a person is suspected of being mentally ill, he is not only denied any right to affect the legal or medical decisions made in his case, but he need not even be told of the latter until the moment he is sent for confinement in a psychiatric hospital.

The AI report states that in a number of cases examining psychiatrists and courts have ruled Soviet citizens to be mentally ill on direct account of their having expressed or acted upon dissenting political or religious beliefs. Most political or religious dissidents whom AI knows to have been forcibly confined to mental hospitals have had no record of violent activity. Yet, Soviet courts have usually chosen the most severe course of treatment for such persons: confinement to a special psychiatric hospital.

The report is deeply critical of these institutions, which are described as being more like prisons than hospitals. The inmates have no access to any mechanism of appeal or complaint. Patients have no influence over their medical treatment, and their families have no power to countermand the decisions of their doctors, who may even remain anonymous.

"In special psychiatric hospitals, where patients are kept in almost total isolation from society and where non-medical criteria influence the appointment of psychiatrists, the anonymity of psychiatrists and the unchallengeable character of their decisions invite medical practices which are positively dangerous for patients." (p. 129).

The most well-documented and disturbing case is that of Leonid Plyushch, a Ukrainian cyberneticist arrested in 1972 and hospitalized a year later for treatment of "creeping schizophrenia," an official diagnosis frequently made in sensitive cases. The AI report says that since he was hospitalized his physical and mental health have greatly deteriorated as a result of medically unjustifiable treatment with powerful drugs.

This is a continuing and current problem. AIUSA has just learned that Vyacheslav Igrunov, an adopted Prisoner of Conscience by Group No. 87 in Mountain View, California, has been examined by a commission headed by Dr. Lunts of the Serbsky Institute of Forensic Psychiatry—which recommended that he be confined indefinitely to a prison psychiatric hospital. He was charged by a court in Odessa with circulating works of literature including Mandelshtam's poetry and Solzhenitsyn's Gulag Archipelago. The Serbsky Commission determined that he was a "danger to persons surrounding him."

Further, AIUSA has learned that Anatoly Marchenko, recently exiled to Siberia for four years, is seriously ill with a kidney disease in Irkutsk. His wife has tried to get her husband moved to Moscow where he could get proper medical treatment, but her attempts have met with no success.

ECONOMIC INSANITY

Mr. FANNIN. Mr. President, it is no wonder the folks back home have come to the conclusion that the right hand never knows what the left hand is doing in Washington. An editorial in the November 12, 1975, Arizona Republic points up the folly of the economic nonpolicy being pursued. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ECONOMIC INSANITY

On the same day last week:

1. The Justice Department was considering a suit to break up General Motors because it is too big, and;

2. Congress was approving establishment of the Consolidated Rail Corp., which will merge and consolidate most railroad companies in the East and Midwest, because they are too little.

From where we sit it appears that General Motors, which showed a profit of $243 million in the third quarter of this year, is being punished for succeeding. And such prestigious rail lines as Penn-Central, Chesapeake & Ohio, B & O, and Erie Lackawana, most of which are losing money, are being rewarded for failing.

There is no question about the size of General Motors. It did over $8 billion worth of business in the third quarter. That's more than the gross national product of most of the countries in the world. But is bigness bad?

Another giant of the automobile industry is Chrysler. It lost $79 million in the third quarter.

American Motors hasn't reported its financial situation for the third quarter. But if it should show a loss, will Congress decide to force Chrysler and American to combine while breaking up GM?

What goes on here? Economic insanity, that is what.

Many experts, including union leaders, have testified to the efficiency of General Motors. Actually, there is more competition within the giant corporation than there is between smaller companies that compete with each other. GM pays high wages, to the benefit of its workers. And it pays good dividends, to the benefit of its stockholders. There are, we might add, twice as many stockholders as there are workers.

The United States didn't become the economic giant of the world by breaking up succesful companies and merging failing companies. Any further progress down this road can only be disastrous.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, there is at least one statement about the Genocide Convention about which everyone will agree: it has come under exceedingly close scrutiny, both here in the Senate and among the people of this country. This scrutiny is entirely proper. Every treaty which the Senate is called upon to ratify should be carefully examined to insure that our national interests, as well as international order and justice, are upheld.

But the prolonged nature of our scrutiny of this convention is truly unfortunate. Essentially the same arguments have been made since the convention's introduction. Most of these arguments have been technical, focusing on very small parts of the convention and its language. Again, it is proper that these matters should be scrutinized, but unfortunately the prolongation of nitpicking scrutiny has meant that the larger principles involved have been almost forgotten, at least by those opposed to the convention.

The Genocide Convention is a declaration that the United States and all civilized nations are opposed to mass murder and that all of them will do their share to assure that the horrors of Nazi Germany are not repeated. We are all against genocide. We all abhor the brutal elimination of racial, ethnic, and religious groups. We must have a chance to do something about it. To continue to ignore our responsibility—as we have for more than a quarter-century—would be extremely unfortunate.

The Senate should ratify the Convention on the Prevention and Punishment of the Crime of Genocide. This would be an international commitment to decency and morality entirely consistent with our tradition of concern for the welfare of all. Ratification of this treaty is in keeping with our position as a leader of the free world. We should do more than just say that we are opposed to genocide. We can do this by taking constructive action to prevent the occurrence of the crime of genocide.

Mr. President, I once again urge this body to ratify the Genocide Convention.

MR. JUSTICE WILLIAM O. DOUGLAS

Mr. PERCY. Mr. President, the integrity of a man can be measured by his adherence to his principles. In this context, few men can outrank Justice William O. Douglas.

Tributes have been forthcoming from all quarters attesting to the courage and stamina of Justice Douglas, and rightly so. The physical struggles that he fought since childhood, his courageous efforts to preserve the esthetic values of life, and his long tenure on the bench cannot go unheralded. But even these particular components of Justice Douglas' life accede to the tenets which govern his life and so strongly influenced his opinions.

Justice Douglas, throughout his career on the Supreme Court, revered the diversity of opinion that is necessary in any proceeding that involves constitutional considerations. He welcomed dissent because it gives, as he put it, equal time to all opinion.

Justice Douglas always held the rights of the individual to be more sacred than any institution or rule which might threaten or circumvent individual liberties or expression. His defense of first amendment rights bespeaks this. He was a protector of the little man, the less fortunate, the indigent defendant.

His veneration of the outdoors illustrates his admiration for the natural and simple things of life. His determination to succeed in spite of his difficult beginnings, and his resolution to overcome the affliction that plagued him during his youth, demonstrate his belief that all men possess the capacity to prevail. His struggle to continue his service to his country while he suffered illness indicates his love for and dedication to his country and his desire to contribute to the cause of justice.

But paramount was his willingness to stand up for what he believed in spite of the odds, his readiness to uphold precept in the face of adversity, his penchant for pure justice in any and all circumstances, all of which exhibit those qualities that make Justice Douglas deserving of his place among the most highly distinguished students of jurisprudence in our history.

Mr. President, the United States owes a tremendous debt of gratitude to Justice Douglas for his long and honorable service. I hope and pray recovery and happy days to follow for him and his devoted and wonderful wife, Kathy.

FIRST ANNIVERSARY OF THE WORLD FOOD CONFERENCE

Mr. HUMPHREY. Mr. President, this week marks the first anniversary of the U.N. World Food Conference held last November in Rome. At that time, high level representatives of more than 120 nations met to formulate a global strategy to insure world food security. Secretary of State Kissinger enunciated five basic goals: to increase agricultural production in food exporting nations; to accelerate production in developing nations; to expand food assistance; to improve nutrition; and to promote world food security. The Conference agreed to 22 resolutions as the means to attain these goals.

At the close of the Conference, I emphasized that implementation of these recommendations must begin immediately. It is essential that the United States be persistent and aggressive in leading world action against hunger.

The major thrust of the followup action over the last 12 months was in setting up or reconstituting a number of institutions called for at the Conference. Generally, these have the responsibility of monitoring or implementing followup activities, channeling new financial resources, and keeping track of existing programs.

On November 6, the Subcommittee on Agricultural Foreign Policy, which I chair, held hearings to review the progress made in implementing the resolutions of the World Food Conference and the U.S. leadership in this regard. The basic issues addressed were the following:

What has the World Food Conference changed?

What has the creation of the international institutions coming out of the World Food Conference accomplished?

How active is the U.S. leadership in assuring that the recommendations of the World Food Conference are implemented?

How can we do a better job in making sure that the World Food Conference has a meaningful impact on world food security?

Has the World Food Conference significantly strengthened the commitment of nations to deal with the problem of increasing agricultural production and food security in the developing world?

In my opening statement I addressed many of these questions and discussed the progress made in setting up the international institutions on implementation of the resolutions.

Much has been accomplished during these 12 months but much more remains to be done if we are to provide an ample and nutritious diet for the world's citizens.

This year we have been lucky. Agricultural production is estimated to have increased by 2.5 percent over the last year according to the most recent FAO statistics. Agricultural production in developing countries increased by 5.3 percent while in developed countries it increased by 1.8 percent. Most of this is due to more favorable weather. The global community has failed to agree on an international grain reserve system which would act as a safeguard for future years with less favorable weather. It is imperative that we take action in this area.

Over the next year, many nations will implement programs to increase production, to channel more funds into research and development, to assure adequate food assistance, and to provide more nutritious food to the needy. The United States will play a major part in giving direction and assistance. We can only do this effectively if a comprehensive and coordinated food policy is developed and followed as the basic guideline. During this coming year, the lack of such a food policy will be even more of a hindrance to the global efforts being undertaken to implement the food strategy agreed on at Rome.

Mr. President, I ask unanimous consent that my opening statement of November 6, 1975, be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF SENATOR HUBERT H. HUMPHREY

At the close of the World Food Conference last November, I stated that the value and effectiveness of those deliberations could only be judged by the intensity with which the resolutions were implemented during the following year. We have reached the end of that year.

We are here today to assess the progress made—or the lack of it—during the last twelve months in providing for a greater degree of food security for the hungry throughout the world. We are here to discuss how well the United States, other countries, and the relevant international organizations have implemented the recommendations of the World Food Conference.

During the U.N. World Food Conference, held last November in Rome, Secretary of State Kissinger enunciated the major hope of the Conference stating "that within a decade no child will go to bed hungry, that no family will fear for its next day's bread, and that no human being's future and capacities will be stunted by malnutrition."

Our commitee would like to evaluate what has been accomplished in attaining that goal. Without rigorous and continuous analysis of national and international progress in reaching for that goal, we may suddenly find that commitment no more than a faint memory.

A year ago, the world was faced with high food commodity prices and scarce agricultural inputs. We found ourselves with depleted grain reserves and without adequate food aid. At the World Food Conference, representatives made an urgent call for measures which would assure more nutritious diets and more effective food delivery systems. The Conference recognized the immediate need for more research, more investment, and more technical assistance—in general—for a higher priority to food production.

A year after the Conference, we still hear cries about the high cost of food, about depleted food stocks, and about another year of uncertain world food supplies. While some agriculture inputs, such as fertilizer, are more available today, are these inputs any more affordable to farmers in developing countries? Have energy availabilities and high prices discouraged efforts to increase production? Have developing nations made any significant progress to increase production? Are fewer people losing their eyesight from Vitamin A deficiencies? Are fewer people dying of malnutrition?

Last November, the Conference agreed on a goal of 10 million tons of food aid. We have only come close to meeting that target. Last November, the Conference agreed to establish a worldwide system of grain reserves. This November we are still talking about establishing those grain reserves.

And this November, a half a billion people a year continue to suffer from malnutrition and face starvation.

The World Food Conference marked a global commitment to certain policies to address the need of world food security and outlined specific actions to be taken to implement those policies. A number of new institutions were created and some already existing organizations were given new responsibilities.

Let me take a moment to review some of these institutions.

The World Food Council was established to fill the need for better coordination and integration of efforts to increase food security among the various food policies of governments and U.N. agencies. It is the responsibility of the Council not only to oversee government and intergovernmental food policies, but also to review major food problems and design a U.N. program of action emphasizing the needs of developing countries and the most seriously affected nations.

The Consultative Group on Food Production and Investment in Developing Countries is concerned with coordination of financial and technical assistance for agricultural production in developing countries. The job of this body is to solicit external resources for production and provide for their effective use.

The International Fund for Agricultural Development is to be set up as soon as funds are pledged and there is assurance that it will receive continuing financial support. Secretary Kissinger recently pledged a U.S. commitment of $200 million. Many oil-producing countries and most members of the European community have agreed to contribute to the initial target of $1.2 billion. The Fund will finance agricultural development projects in developing countries, channeling these resources through other existing organizations.

Additionally, the FAO Committee on Commodity Problems is being reconstituted as the Committee on World Food Security and will be responsible for reviewing the global demand/supply situation and level of global cereal stocks. At the upcoming FAO Council meeting, final action is planned in this regard.

The World Food Program Intergovernmental Committee will be reconstituted as the Committee on Food Aid Policies and Programs and will assist in making food aid policy and coordinating bilateral and multilateral food aid.

Two additional major efforts have been undertaken to implement the conference resolutions. FAO is responsible for instituting a global information and early warning system. A new series of documents are being published as an effort to present a more timely and accurate worldwide assessment of the demand/supply situation for commodities, inputs, and assistance.

Also, ECOSOC has taken the initial steps in setting up the nutrition surveillance system. Formal action by the U.N. on this is expected shortly.

The witnesses here today will comment on how well these global organizations have been able to carry out their mandates.

More specifically, we are concerned with the policies the U.S. government has taken toward these organizations and the extent to which our perspective and programs have been realigned to more efficiently contribute to reaching the goals set at the World Food Conference.

This year, the Congress has spent considerable time reevaluating our economic development and food assistance programs. Our foreign assistance legislation places emphasis on increasing agricultural production through technical assistance and research, particularly directed toward improving the productivity of the small farmer. Additionally, we have mandated that our food assistance get to those most in need.

The World Food Conference was to a large extent an initiative of the United States. As a major supplier of food and assistance to the world, any action taken by the United States—be it changes in policy regarding food aid, grain reserves, technical assistance or exports—profoundly affects the world.

Only the United States is in a position to take the leadership in the timely implementation of the food security strategy outlined at the World Food Conference. We can hardly avoid doing so in our own best interests. And the United States cannot meet that goal without a comprehensive and well-defined national food and agricultural policy. Both the Congress and the Administration must bear the responsibility for assuring a stable and adequate food supply for our consumers, our trading partners and needy nations.

This goal is still a long way from being accomplished. At the close of the World Food Conference, I stated that, "Constructive action was never begun tomorrow. We must accept the challenge of future world food security now. For our apologies for inaction will echo deafly if our children and grandchildren are not assured an adequate and stable food supply." Let us now hear just how constructive our action has been. We will begin with John Murphy, Deputy Administrator of the Agency for International Development.

ENERGY INDEPENDENCE

Mr. DOMENICI. Mr. President, energy independence ranks high on our list of public policy priorities. However, many proposals to achieve it are likely to damage both our economy and our environment. The primary question is, of course, greater independence without producing these undesirable economic effects? By encouraging improvements in the thermal design of residences, I believe we can.

Solar energy residential heating and cooling is a prime example of an improvement with tremendous potential for reducing our dependence on foreign energy sources. According to the Solar Energy Task Force Report, recently released as part of the Federal Energy Agency's project independent study, solar heating and cooling is capable of producing the energy equivalent of 260,000 barrels of oil a day in 1985. In 1990 the study estimates that solar energy could produce for us the equivalent of 700,000 barrels per day. These savings could contribute significantly to our balance-of-payments position, especially if solar energy equipment becomes an exportable product.

While the development of solar energy would increase our independence by providing an alternative source, the installment of such conventional material as storm windows, storm doors, caulking materials and insulation would do so by conserving existing domestic sources. For example, the Federal Energy Administration estimates that if all homeowners retrofitted their homes with insulation, between 600,000 and 1,200,000 barrels of oil a day would be saved.

These tactics would not scar our land as would strip mining. Nor would they incur the risks of exposing the environment to harmful levels of radiation and thermal pollution, as would increased reliance on nuclear energy. Nor would they produce the inflation and unemployment entailed in programs designed to reduce gasoline consumption.

Energy savings on such attractive terms will not be realized unless the Government offers sizable incentives to the installation of solar energy devices and conventional thermal efficiency materials. Consequently, I reintroduced a bill this year which is designed to provide these incentives through the tax mechanism. This bill, S. 168, proposes a nonrefundable tax credit for 25 percent of expenditures on conventional materials—including storm windows, storm doors, caulking materials, and insulation—and on solar heating and cooling equipment installed in principal residences. The credit would be limited to $1,000 for the total period during which the bill would be in effect—5 years after enactment. No more than $250 of this amount could be claimed as expenses on conventional materials. The bill would offer the taxpayer the alternative of claiming a deduction of $4,000 for the total period during which the bill is in effect. No more than $1,000 of this amount could be claimed as expenses on conventional materials.

This same proposal, which I introduced last session of Congress, was incorporated into H.R. 2166, the bill that eventually became the Tax Reduction Act of 1975. It was passed by the Senate last fall, but was unfortunately dropped from the bill in conference. Thus, evidence of its support has already been visibly demonstrated, and I urge my colleagues to again consider its merits at this time.

Many analysts have attempted to determine whether tax incentive proposals would make solar heating and/or cooling competitive with conventional methods. Their results vary widely because of variations in costs by geographic location, differences in types of fuels for conventional systems, fluctuations in fuel prices, inadequate data on the cost of complete solar systems, and variations in efficiencies of solar systems.

However, some studies indicate that a tax benefit of $1,000 would make solar heating and cooling competitive. A 1974 study conducted by the Westinghouse Electric Corp. found that the life-cycle cost of heating a single-family residence in California with a 50-percent solar dependency would be $5,820. The cost of conventional heating and cooling would be $5,020. In this instance, the $1,000 tax credit would make the solar energy system competitive.

Moreover, it is likely that the cost of conventional systems is likely to increase and that of solar systems likely to decrease during the lifetime of the credit/deduction option. The cost of conventional fuels will undoubtedly rise. Some of the costs of solar equipment installation resulting from inexperience with these systems will have been eliminated.

It will become increasingly difficult to question the effectiveness of tax incentives as the cost gap narrows.

I strongly urge consideration of this proposal either as a separate bill or as an amendment and its prompt enactment in some form.

SENATOR WILLIAMS SAYS PUTTING AMERICANS BACK TO WORK IS TOP PRIORITY IN STABILIZING NATIONAL ECONOMY

Mr. NELSON. Mr. President, the Congress has often been assailed on a wide range of economic policy issues and for a lack of affirmative action to resolve these issues. These charges are not based in fact since the record is clear that determined efforts have been made by the Congress to provide a humane and effective response to the economic evils of mass unemployment and runaway inflation.

Recently, the distinguished chairman of the Senate Committee on Labor and Public Welfare, Senator HARRISON A. WILLIAMS, Jr., set the record straight when he addressed the West Virginia Labor Federation's Annual Constitutional Convention.

Senator WILLIAMS told the assembled delegates:

> There is nothing more important for the people of this nation right now than for everybody to have a chance to work at a decent rate of pay.

This simple truth was buttressed by a comprehensive summary of the actions taken by the Congress, and particularly the Senate Labor and Public Welfare Committee, to alleviate many of the debilitating conditions afflicting America's working men and women.

The able Senator from New Jersey (Mr. WILLIAMS) also outlined legislative goals which the committee has established to ease the burdens of the unemployed, and to create new jobs as a counter to both recession and inflation.

His remarks are timely and perceptive, and constitute a needed refutation of the charges relating to congressional performance. I ask unanimous consent that Senator WILLIAMS' address, together with his introduction to the convention by Senator JENNINGS RANDOLPH be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY HON. HARRISON A. WILLIAMS, JR.

Mr. Chairman, Senator Randolph, ladies and gentlemen: Jennings, I thank you for that glowing introduction, and I express my pleasure at being with the West Virginia Labor Federation of the AFL–CIO at the 10th Annual Constitutional Convention. I think it is particularly appropriate that Jennings Randolph and I should both be on this platform. As Chairman and ranking Democratic member of the Senate Labor Committee, I can think of no group in the country with which we feel more at home, or with which we have worked more harmoniously and productively over the years than the AFL–CIO. I hope and trust that our mutually beneficial relationships will continue for many years to come.

It isn't often that a New Jerseyan can come into the Mountain State of West Virginia and tell West Virginians something they may not know. But in Senator Jennings Randolph you have a representative in Washington who, in addition to his well deserved reputation and record as a distinguished, highly competent, and hard working legislator, is also the only Senator in the history of the United States whose son was the Egyptian Amateur Golf Champion.

This may not mean many votes for his Dad in West Virginia, but Jennings always gets far more than plenty, anyway. Jennings Randolph and I have stood together and worked together on the Labor Committee for 17 years. We're the old-timers on the Committee. We began our service there on the same day back in 1959, and we have been together ever since, fighting for legislation to give working people and their families a better life. They have been years of landmark achevements for working people in their personal lives as well as in their working places.

Occupational and mine health and safety legislation began the long task of protecting the well-being of the workers. Pension reform legislation brought long overdue guarantees that when you retire, your pension will be there. Minimum wage legislation provided the foundation for insuring that take-home pay will at least begin to meet the cost of living. Unemployment compensation was expanded to help tide the jobless over in hard times.

And there were other programs championed by our Committee to improve the quality of life. Education programs strengthened our public schools and provided Federal assistance for college and vocational school students. Major advances in national health programs brought new offensives against cancer, heart disease, alcoholism, and a host of communicable diseases.

Jennings and I have worked together in all of these endeavors, and in particular, in our efforts to help handicapped Americans develop their talents and capabilities so they, too, can live a full and satisfying life.

A most rewarding feeling through the years has been to have your support locally and nationally—not only for the legislation of direct benefit to you, but support also for the dozens of programs to improve the quality of life of the sick, the elderly, and the disadvantaged as well. The AFL–CIO has been a full partner in these efforts. Without you, we never would have seen them achieve success. We have shared some crises in the last 17 years, but never have we needed to work together so urgently as we do today.

I don't have to tell you about the seriousness of our nation's current crisis. Eight million people are out of work—looking for the job that is not there. Over a million are so disheartened that they have quit looking. Three million are only working part-time—bringing home part of a paycheck—because of reduced opportunities caused by the recession. In all, 12 million Americans—and twice that many members of their families—are having financial problems as a result of the economic disaster.

It's no secret how it all started. It started when Richard Nixon took over the White House in 1969, after almost 40 years of prosperity that was created by your Democratic Presidents from Roosevelt to Johnson. The first thing Nixon did was take aim at the construction industry of this country—a basic industry that has a major impact on the health of the whole economy.

He impounded Federal construction funds for highways, for flood control, and for water pollution control. He strangled Federal programs for providing sound and healthy housing for every American family. Then, when he had the construction industry on its knees, he took off after the others. Wage and price controls were imposed, but under the Nixon stewardship, only wages were effectively brought under control. He sent the economy on a roller-coaster ride so violent that we knew it would jump the tracks. And it did a year ago, six months after Jennings Randolph and I, and countless other members of the Congress forecast that it would if the Nixon Administration didn't get its hands on a sensible economic policy.

Changes were made, but unfortunately the biggest was trading in a broken-down Nixon on a used Ford. And the new President decided that the dragon that needed slaying was "inflation"—at a time when recession was already threatening even worse economic chaos. And no matter what you have heard Gerald Ford say about fighting unemployment, about putting Americans back to work, about the value of the work ethic to our way of life, the simple fact of the matter is that the only dragon he sees is "inflation." Unemployment, in his economic scheme of things, is something that has to be tolerated, in order to lick inflation.

Well, I say that is irresponsible hogwash, fed to the American people in an effort to curry political favor with the radical right wing of the Republican Party, and blunt the spears of Ronald Reagan's legions. There is nothing more important for the people of this nation right now than for everybody to have a chance for work at a decent rate of pay. There is no better way to fight inflation than to help the working people of this nation get into gainful employment. There is no more sure way of ending Federal budget deficits than to get people back to work and off the unemployment compensation rolls. Put all 12 million of those unemployed and underemployed people back to work, and you'll see the budget deficit vanish.

Gerald Ford knows these things—but he still says that putting people back to work will cost too much. He knows them because he said them himself in his economic message to the nation early this year. According to the President, if unemployment were reduced to 4 percent, there would be a budget surplus, not a deficit. But what does the President do? He offers billions more for the meager support you can get from unemployment compensation, but not a nickel to put people back to work. The Administration's attitude is eminently clear: Don't put the jobless on a production line; keep them in the unemployment line . . . and below the poverty line. Give them enough to get by, but not enough to get well.

I don't buy it. You don't buy it. And neither does the great majority of your representatives in the Congress. We Democrats don't have all the answers. But we have some of them, and if we can ever get somebody to hide the rubber-stamp marked "veto" over at the White House, we're going to be able to provide some of those answers.

For starters, we've got to bring interest rates under control and crank up Federal housing programs again. The tax cuts we enacted last April are going to expire on December 31. We have to extend them, and make most of them permanent. We have to bring the price of petroleum and natural gas under control, or see wages eaten away by higher fuel costs. We have to prevent crippling State and local tax increases by providing Federal emergency aid when their revenues are choked off by recession. We have to get $5 billion in Federal aid to help State and local governments get moving on a huge backlog of construction projects—and Jennings Randolph knows the importance of this better than anyone, because his Public Works Committee wrote the bill in the Senate. And we have to provide Federal aid on the scale of $8 billion to directly create construction and beneficial jobs for the unemployed—and this one is in our bailiwick over at the Labor Committee.

It sounds like a lot of money, and, of course, it is. But every dollar invested today in these efforts will return over a dollar-and-a-half in the coming months. And nobody can put a value on the dividends we would get in the confidence, and optimism, and hope that would uplift the human spirit of those millions of Americans who are now disillusioned and disspirited by weary months of enforced idleness.

Our responsibilities over at the Labor Committeee are monumental in trying to deal with the current crisis, but that doesn't give us an excuse for lying back on other vital legislation—and we are moving ahead in these areas, as well. Within a few days, the Senate will be considering our Committee's bill to end 25 years of discrimination against the building tradesmen of this country—a bill to permit picketing of a construction site under the same rules that apply at a manufacturing or warehouse or other business site. After 25 years of support from every national administration that has been in office, I think the Labor Committee has finally put together the formula for passing this bill—and we are determined to do it this year.

At the same time, we have developed a plan for improving and strengthening collective bargaining in the construction industry. The Secretary of Labor has helped us work out the details of this bill, and we think we have honed it down to provide an effective framework without unduly restricting local autonomy in negotiating wage and fringe packages that suit local conditions. When that is done, the Committee will take up a massive bill to bring some order out of the chaos in State workers compensation programs. From state to state, workers compensation programs are a patchwork of benefits, most of them unrealistically low. We hope to establish minimum national standards, including universal coverage, treatment for all injuries and occupational diseases, minimum benefit levels, and escalator provisions to insure that benefits keep pace with the rising cost of health care and living expenses.

We continue to expend considerable effort in trying to have our mine safety laws work right. We must make clear that the well-being of our mine workers—not production quotas—has the top priority.

And along with all those legislative initiatives, we are keeping the fires stoked up under Occupational Safety and Health Administration and the pension reform agency. We are determined to make sure that these vital programs continue to get settled into place and under way—and in the right direction—and this takes constant vigilance.

In conclusion, let me offer a few thoughts that all of us must bear in mind in the coming months prior to the national elections of 1976. Because the Democratic Party took the initiative in passing the legislation that gave us Unemployment Compensation, Social Security, Minimum Wage, and Food Stamp programs, the misery and the deprivation of the Nixon-Ford years is not quite so great as it was after the Coolidge-Hoover years. But the parallel is there, and that parallel will continue just as long as Republican disinterest in people is allowed to direct our domestic policies. It is absolutely imperative that this nation be returned to the direction and to the control of a Democratic President and a Democratic Administration in November of 1976.

As I said, we don't have all the answers to our problems. But one thing the Democrats do know—and that is that the greatest strength and the greatest asset this country has is in its people—the millions upon millions of working men and women on whose toil and sweat the greatness of America was built, and on whose happiness and contentment the future prosperity of this country wholly depends. We will never have contentment when eight out of every one hundred

Americans who want to work can't find work. This task of putting our unemployed back to work is the number one, basic priority America faces today. And the Republicans are not going to do it. They say it costs too much—that we can't afford it.

Well, I say to the Republican President and to his economic advisors who put full employment for our people in a secondary role that they are making a mistake that could have tragic consequences for this great nation. There is nothing—nothing—that is more important today and in the next decade than restoring to the millions of Americans who are out of work, the dignity and the hope that come with a pay packet. And if it takes public service jobs to tide us over till the production lines are rolling again, and the housing and construction industries are in full swing again, then let us spend less money on development of societies overseas and put it to use to rehabilitate our own fragile structure at home.

I repeat—the Republicans won't do it. And that is why every one of us has to get out and work to insure that a Democrat, supported by a Democratic Congress, be elected overwhelmingly next year. We must not miss this greatest opportunity in forty years to perform a vital service for this nation. We have performed immeasurable good for the vast majority of Americans in the past. We must continue that record in the future.

Thank you.

Introduction of Harrison A. Williams, Jr., by Senator Jennings Randolph

Columnists and commentators perpetuate the myth that there is an inner circle in the Senate of the United States—a clique of perhaps a half-dozen all-powerful Senators who call the shots on legislation. This assuredly is not the case. The United States Senate is composed of 100 men representing 50 different constituencies with a broad range of diverse needs and desires.

But when it comes to helping solve many of the basic, human problems that Americans must grapple with in their day-to-day lives, it is undisputed that one of the most influential leaders in the United States Senate today is our speaker—Harrison (Pete) Williams.

He is, as you know, Chairman of the Senate Committee on Labor and Public Welfare, on which I serve as a member. The Committee deals with such a broad range of legislation to meet human needs that it is sometimes referred to as "the peoples' committee."

Chairman Williams and his committee members are responsible for developing and overseeing Federal programs in education, health care, medical research and delivery systems, labor relations and on-the-job working conditions, manpower training, alcohol and drug abuse prevention, problems of the elderly, and many other areas.

Since becoming Chairman in 1971, Pete Williams has added two new subcommittees—one on Children and Youth and the other on the Handicapped. I have the responsibility of serving as Chairman of the Subcommittee on the Handicapped.

Pete also serves as Chairman of the Subcommittee on Labor, and he is a member of the important Senate Steering Committee and the Committee on Rules and Administration. In addition, he is past Chairman and now ranking member of the Special Committee on Aging. Senator Williams is a senior member on the Committee of Banking, Housing and Urban Affairs, and serves as Chairman of its Subcommittee on Securities.

A native of Plainfield, New Jersey, Pete Williams was graduated from Oberlin College, and received his law degree from Columbia University School of Law. The legal profession lost a successful practioneer when he was elected to Congress in 1953 to fill an unexpired term. He was the first Democrat ever elected as Representative from his heavily Republican district. In 1958, he came to the Senate. Now serving his third full term, he also was the first Democratic Senator ever reelected from New Jersey.

In his 22 years of public service, Pete Williams has compiled one of the most significant legislative records on behalf of working men and women of America ever recorded.

Here are some of the key pieces of legislation that this astute man has authored or sponsored:

Migrant Health Act;
Occupational Safety and Health Act;
Coal Mine Health and Safety Act;
Equal Employment Opportunity;
Minimum Wage Increases in 1966 and 1974;
Securities Industry Reform, and
Social Services and increased Social Security for the Elderly.

Senator Williams' name appears as an author of every major piece of legislation enacted to improve conditions for American workers in the past decade. Among major accomplishments, he led the drive that resulted in the enactment of the historic Employee Retirement Income Security Act of 1974. This landmark legislation, designed to protect the pension benefits of some 30 million workers, has been described as one of the most important pieces of social legislation enacted since the 1930's.

He is a true friend of labor—not because he is beholden to labor—but because his heart and mind make him a champion of people, an advocate of the average American who is surrounded by forces and aspirations often beyond his or her reach.

It has been my privilege to work with Pete and share his concern for the problems of handicapped Americans. His interest extends to providing adequate education for handicapped children, legislation to provide a "Bill of Rights" for the mentally retarded, and major rehabilitation programs.

Those interests and these activities—more than any words that I could add—speak eloquently of the kind of person Pete Williams is. His compassion, his humaneness, his dedication to the health and welfare of Americans, ennobles the word "legislator."

Ladies and gentlemen, the Senator from the Commonwealth of New Jersey—Harrison Williams.

KEEP THE HATCH ACT

Mr. FONG. Mr. President, there is a concerted drive under way to gut the Hatch Act in Congress. Legislation to do this has already passed the House of Representatives and is now before the Senate Post Office and Civil Service Committee.

Its proponents seek to scrap provisions in the 36-year-old Hatch Act, which now ban Federal employees from actively taking part in partisan politics. The dangers and threats to both the public and the Federal employees are underscored in a recent article published in the Richmond Va. Times-Dispatch, and reprinted in the Christian Science Monitor under the heading, "Keep the Hatch Act."

I ask unanimous consent to have this article of June 16, 1975, printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Keep the Hatch Act

Federal employe unions, already enjoying the muscle power of growing membership and increased militancy, have set their sights on a new power goal: repeal of the Hatch Act.

The Hatch Act, passed by Congress in 1939, prohibits federal workers from actively participating in partisan politics, such as running for political office (except as an independent), campaigning for a political candidate, or raising money for a political party. It does not prevent an employee from voting, expressing his political opinions both privately and publicly, contributing money to a political campaign, or displaying a political picture, sticker, badge or button.

But the public employe unions, and their supporters in Congress, are not satisfied with the law now on the books. They want federal workers to be able to jump headlong into partisan politics and to use their formidable power to get into office the candidates of their choosing.

The danger in repeal is not all from below—that is, from the worker level. A major purpose of the passage of the Hatch Act was to thwart government officials from bringing political pressure on government employees.

The AFL–CIO is putting its brawn behind Hatch Act repeal, but Nathan T. Wolkomir, president of the relatively small (118,000 members) National Federation of Federal Employes, sees the threat that repeal would bring. Referring to the alleged plan by Frederic V. Malek, an aide to former President Richard Nixon, to politicize the civil service, Wolkomir told a congressional committee that repeal would open the bureaucracy to "a terrific influx of abuses. It would end up with what I call a Frederic Malek-type takeover of the federal government through political pressures." He declared that the AFL–CIO's effort for repeal "is nothing more than the old AFL–CIO pitch for muscle and power."

Letter carriers, who, along with other postal workers, are in the forefront of the repeal fight, unsuccessfully challenged the Hatch Act in a case decided by the U.S. Supreme Court on June 23, 1973. The court, with the three-man liberal bloc dissenting, upheld the law as an entirely constitutional congressional act. . . .

One reason for enactment of the Hatch Act in 1939, the Supreme Court said, "was the conviction that the rapidly expanding government work force should not be employed to build a powerful, invincible and perhaps corrupt political machine. The experience of the 1936 and 1938 campaigns convinced Congress that these dangers were sufficiently real that substantial barriers should be raised against the party in power—or the party out of power, for that matter—using the thousands or hundreds of thousands of federal employes, paid for at public expense, to man its political structure and political campaigns."

So there are two excellent reasons for retaining the Hatch Act: (1) to protect the public from the possible virtual takeover of the government by federal employes, and (2) to protect the public from the political manipulation of the huge federal work force by federal officials.—Richmond (Virginia) Times-Dispatch.

1976 FOREIGN ASSISTANCE

Mr. INOUYE. Mr. President, today the Senate Appropriations Committee released its hearings to date on the President's fiscal year 1976 budget request for foreign assistance. That portion of foreign assistance appropriated for in the foreign assistance and related programs appropriation bill now totals $5,694,340,909.

This is, however, but a portion of the resources which the United States annually transfers to its less fortunate friends and neighbors abroad. The full extent of our commitment—including Public Law 480, excess military supplies, mutual and cultural exchange, et cetera—is detailed by country and by program for fiscal years 1974, 1975, and 1976 in appendix VI of the committee's hearings beginning on page 1447.

This is the only place in which all of these various programs are consolidated and I commend it to those desiring a full understanding of the magnitude of our effort.

It is interesting to note that the President proposes resource transfers in fiscal year 1976 totaling $9,110,730,000. This is a sizable increase over the $7,733,173,000 made available in fiscal year 1975, and slightly more than the $9,090,591,000 made available in fiscal year 1974. In 1974 well over $2 billion was for military and economic assistance to Vietnam, Cambodia, and Laos. While these programs have of course been terminated, the 1976 request includes over $3 billion programed for the Middle East.

From this presentation we can also report that foreign assistance from fiscal years 1946–75 has totaled $205,130,173,000, excluding repayments on loans or interest earned or paid by the United States on the funds involved.

Several times in recent months, I have noted statements on the floor and press reports deploring reductions in foreign assistance. In this regard, I would simply point out that in fiscal year 1975 we appropriated $2,049,800,000 in bilateral economic assistance which was the highest since fiscal year 1966. The President's fiscal year 1976 appropriation request of $3,201,000,000 for the same programs is higher than amounts appropriated for this purpose in any year since fiscal year 1950.

NEW YORK CITY

Mr. RIBICOFF. Mr. President, I sense a growing awareness throughout the Nation that a New York default would affect the lives of millions of people beyond its borders. I also sense a growing realization that the Nation as a whole may share some of the blame for New York's fiscal decline. There is increasing evidence that the Federal Government, over the years, has taken more from the city than it has given back—that Federal tax receipts have exceeded Federal spending and aid in New York. We have no definitive study, and perhaps none is possible, but a very impressive piece of research was done recently by Monte J. Gordon, who is vice president and director of research for the Dreyfus Corp.

Mr. Gordon's study shows that New York may have been severely shortchanged by the Federal Government. He has analyzed each State in terms of moneys received back from the Federal Government relative to the moneys transferred to the Federal Government. In this calculation of relative benefits and burdens, New York ranks near the bottom of the list. If all sources of tax receipts and expenditures are included, the study shows that New York State got back only 47 percent of the money collected in taxes by the Federal Government. Even if corporate tax collections are left out entirely—on the grounds that corporations with New York headquarters may really have their productive activities elsewhere—the analysis indicates that New York winds up on the short end of the stick.

Mr. Gordon summarized his analysis in an article prepared for the November 17, 1975, issue of the New York Law Journal entitled, "Flow of Funds Shows United States Shortchanges New York on Aid Programs," and he included a table that demonstrates dramatically the wide variations in the flows of Federal funds into different States. The table shows that many other States, including my own, have also fared poorly over the years. I ask unanimous consent that this excellent article and table be printed in the RECORD, and I commend the New York Law Journal for this very constructive contribution.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FLOW OF FUNDS SHOWS UNITED STATES SHORTCHANGES NEW YORK ON AID PROGRAMS

(By Monte J. Gordon)

The threat of imminent default by New York City, and the specter of possible severe strains on the U.S. financial structure which could have major effects both nationally and internationally, has stimulated enormously intensive studies not only of the City but of the whole national framework of money flows. The net effect could well result in significant changes in national policies which are likely to carry forward regardless of whether or not default becomes a fact. Indeed, the forces touched off by this problem could well almost render the issue of default academic, which does not lessen the seriousness of the situation.

It is generally agreed that default did not come about suddenly but actually had its genesis in policies and practices which extend over many years. Indeed, the antecedents of the problem are rooted in the whole issue of the steadily enlarged position of the federal government in relationship to the states. It also finds its beginnings in the expanding prosperity of the U.S. economy and the hopes aroused for increasing share of the product of the expanding economy by all levels of the society.

NORTHEAST'S DECLINE

Moving along within this current of growth and expansion of the economy, but obscured to some extent, is a structural change which has resulted in a shifting of the relative position of various regions of the country. The net effect has been a declining share in the product of the country by the northeast region generally, as new markets and technologies have evolved. Federal programs based upon the earlier relationships, however, have continued and even been enlarged. The symptoms of this development have been apparent for some time but now the malaise is sufficiently serious that a search of the fundamentals has become necessary in order to correct the problem.

Among the most significant developments in this century, which gained substantial momentum in the postwar years, has been the whole structure of federal grants and other programs designed to assist economic development of different sectors of the country.

In contemplating different programs the Dreyfus Research Department undertook to explore the relationship amongst the states in terms of the revenues collected by the federal government through its tax structure and the distribution of these revenues through its many programs. To a certain degree, this thought was prompted by the unyielding attitude of the Administration that New York City be denied aid because it was a "bail out." Along the same vein, the argument has been presented that other sectors of the country should not be taxed to support New York City or New York State for their profligate ways.

The implication of this thesis is that both New York City and New York State would be "taking," never having "given." The figures show much the opposite and indicate quite clearly that New York State certainly has been a net giver for years.

GOVERNMENT FIGURES

The sources for the figures are releases by the federal government itself. We did not undertake to alter or adjust the numbers. Basically, what we did was to search out the revenues and expenditure figures of the federal government for fiscal 1973, broken down by state, and cast them into a table showing the flow. It would appear that we have captured, by the government's own breakdown, about 97 per cent of the revenue received and about 85 per cent of the disbursements made. The primary reason for the wide disparity in disbursements reflects the fact that interest payments by the federal government on the debt amounts to about 10 per cent of the budget. Also we are allowing for other administrative and housekeeping expenditures which may have slipped by.

Further, we omitted the estate and gift taxes as receipts as a relatively small source of revenue. We would also note that the receipts figures reflect points of collection and perhaps partially earned in a neighboring state. (This would be particularly true with respect to corporate income tax receipts.) On the disbursements side, the defense contract figures show where the contract was awarded but experience indicates that about one-half of a contract is subcontracted out.

As a further support to our figures, we undertook to recast in our format figures derived from work done in 1968 for the Intergovernmental Relations Subcommittee of the Committee on Government Relations, entitled: "Federal Revenue and Expenditure Estimates for States and Regions—Fiscal Years 1965–1967." We recast this detailed statistical work into a format similar to our own for comparative purposes. As our own experience quickly showed, allowance must be made for the fact that this type of data shows only where the taxes were collected and is not a total expression of where they originated.

IMBALANCE IN FLOW

With these caveats in mind, however, the thrust of the data in both cases clearly shows that there is now and has been a significant imbalance in the differential flow in funds between the federal government and the states. In this context the figures further clearly show that New York State ranks near the bottom of the list in terms of monies received back from the federal government relative to the monies transferred to the federal government.

It further demonstrates that many states (interestingly enough many midwestern and southern states particularly) received substantially more funds from the federal government than they transferred. For example, during fiscal 1973, with corporate tax and defense contracts included. New York State received back 47 per cent of the taxes flowed to the government; Mississippi 234.5 per cent; North Dakota 193.5 per cent; South Dakota 176.5 per cent; Arkansas 156.3 per cent; Alabama 134.4 per cent; Kansas 110.8 per cent; Iowa 83.8 per cent. Taking out defense contracts and corporate income tax, we still see much the same pattern: New York 47.9 per cent; Mississippi 220.8 per cent; South Dakota 190.3 per cent; North Dakota 187.3 per cent; Louisiana 117.5 per cent; Kansas 104.9 per cent; Iowa 91.8 per cent.

This is only a small sampling of the figures but in each of the four variations which we structured, New York State consistently ranked in the lowest end of the disbursements received. One particularly interesting combination which excluded corporate tax and included defense contracts shows New York 61.9 per cent; Mississippi 274.7 per cent; North Dakota 210.8 per cent; South Dakota 198.1 per cent; South Carolina 165.3 per cent; Kansas 128.0 per cent; Arkansas 181.7 per cent.

Thus, with full awareness that these figures are broad estimates, there is a remarkable and significant consistency of direction: New York has been and is a net contributor on balance to the welfare and vitality of the U.S. economy. It has shared the fruits of its labor willingly and without remorse, and to accuse the state of seeking a bail out at the expense of others is to malign its history.

1973 TAX RECEIPTS AND EXPENDITURES BY THE FEDERAL GOVERNMENT BY MAJOR CATEGORIES AND BY STATES

	Individual tax receipts, 1973	Corporate income tax, 1973	Federal excise taxes, 1973	Total	Federal aid	Defense contracts	Payroll		Social security	Veterans benefits	Net flow	Percent taxes flowed back to States
							Military	Civilian				
Alaska	224	16	5	245	209	127	265	28	22	13	(419)	271.0
Mississippi	711	126	24	861	680	396	286	63	442	152	(1, 158)	234.5
New Mexico	466	43	10	519	347	104	260	39	182	87	(500)	196.3
North Dakota	260	24	8	292	164	63	142	20	140	36	(273)	193.5
Wyoming	164	18	24	206	115	118	48	16	69	31	(191)	192.7
South Dakota	261	33	8	302	199	21	71	22	162	58	(231)	176.5
West Virginia	659	99	22	780	536	87	25	53	500	136	(557)	171.4
Hawaii	620	86	16	722	211	155	575	36	122	41	(418)	157.9
Utah	567	80	17	664	261	157	328	38	190	72	(382)	157.5
Arkansas	708	123	47	878	469	62	124	47	488	182	(494)	156.3
Montana	313	36	5	354	225	18	74	28	162	46	(199)	156.2
New Jersey	1, 224	1, 750	443	3, 427	1, 234	1, 043	569	302	1, 719	322	(1, 762)	151.4
South Carolina	1, 187	226	25	1, 438	557	132	609	77	474	155	(566)	139.4
Alabama	1, 577	241	137	1, 955	796	294	476	95	723	243	(672)	134.4
Maine	486	70	10	566	246	45	74	32	260	76	(167)	129.5
Arizona	1, 226	156	13	1, 395	382	390	336	87	442	163	(404)	129.0
Washington	2, 337	323	178	2, 838	830	1, 051	540	158	800	249	(790)	127.8
Vermont	235	29	3	267	138	36	8	17	108	32	(72)	127.0
Virginia	2, 704	420	651	3, 775	828	783	1, 824	167	843	297	(967)	125.6
New Hampshire	482	72	21	575	145	157	125	24	191	48	(115)	120.0
Kansas	1, 343	218	56	1, 617	391	323	309	74	547	147	(174)	110.8
California	1, 836	306	82	2, 224	940	208	308	115	677	224	(238)	110.7
Louisiana	1, 836	306	82	2, 224	940	208	308	115	667	224	(238)	110.7
California	16, 972	1, 443	1, 401	19, 816	4, 627	6, 215	3, 596	997	4, 370	1, 327	(1, 316)	106.6
Oklahoma	1, 464	295	379	2, 138	589	147	586	77	616	208	(85)	104.0
Florida	5, 108	903	210	6, 221	1, 115	782	914	276	2, 350	516	188	97.0
Tennessee	2, 226	420	103	2, 749	816	424	163	122	827	274	123	95.5
Idaho	487	68	6	561	175	10	62	24	167	51	72	87.2
Georgia	3, 103	643	277	4, 023	903	438	843	154	824	302	559	86.1
Rhode Island	822	170	19	1, 011	239	86	203	33	243	66	141	86.1
Texas	8, 354	1, 614	1, 512	11, 480	2, 056	2, 232	2, 131	372	2, 121	778	1, 790	84.4
Iowa	1, 546	334	37	1, 917	438	153	23	96	731	165	311	83.8
Maryland [1]	5, 482	671	482	6, 635	1, 391	1, 206	1, 435	227	823	444	1, 109	83.3
Massachusetts	5, 054	953	315	6, 322	1, 252	1, 589	362	234	1, 383	396	1, 106	82.5
Oregon	1, 545	322	43	1, 910	578	42	52	92	568	153	425	77.7
Kentucky	1, 458	353	1, 286	3, 097	773	104	497	85	726	204	708	77.1
Nevada	446	81	9	536	124	15	102	26	90	45	134	75.0
Nebraska	1, 152	162	98	1, 412	238	89	167	55	363	100	400	71.7
North Carolina	2, 990	791	1, 326	5, 107	937	355	822	160	974	309	1, 550	69.6
Missouri	4, 531	940	497	5, 968	847	1, 184	467	152	1, 188	306	1, 824	69.4
Wisconsin	3, 194	820	277	4, 291	778	299	48	178	1, 113	256	1, 619	62.3
Pennsylvania	11, 033	1, 701	1, 060	13, 794	2, 358	1, 241	784	388	3, 033	655	5, 335	61.3
Indiana	4, 352	684	425	5, 461	676	641	246	159	1, 200	237	2, 302	57.8
Minnesota	3, 556	726	154	4, 436	780	377	65	159	862	272	1, 921	56.7
Colorado	3, 069	273	248	3, 590	505	238	589	98	416	169	1, 575	56.1
Connecticut	3, 896	856	374	5, 126	551	1, 004	74	117	713	158	2, 509	51.1
Ohio	10, 471	901	1, 126	12, 498	1, 592	952	564	352	2, 368	544	6, 126	51.0
New York	23, 645	7, 832	1, 072	32, 549	4, 797	3, 476	464	993	4, 611	968	17, 240	47.0
Illinois	12, 872	3, 245	1, 153	17, 270	2, 159	476	588	427	2, 496	545	10, 579	38.7
Michigan	10, 237	3, 876	695	14, 808	1, 744	494	249	390	2, 047	430	9, 454	36.2
Delaware	854	546	3	1, 403	120	66	70	23	116	32	976	30.4
Other areas [2]	2, 513	574	180	3, 267	906	4, 676	50	------------	743	275	(3, 383)	203.6
Total	177, 194	39, 045	16, 572	232, 811	43, 964	34, 741	23, 592	8, 003	47, 332	13, 074	62, 105	73.3

[1] Includes District of Columbia.

[2] Includes Puerto Rico, Virgin Islands, other areas and undistributed funds.

Source: The Dreyfus Corp.

RECENT GALLUP SURVEY ON CHINA

Mr. FONG. Mr. President, as President Ford prepares for his journey to the People's Republic of China in early December, it is timely to note the results of a recent Gallup survey on the attitude of the American people.

Conducted nationwide in the first week of September, the survey shows that, although 61 percent of those polled favor establishing diplomatic relations with the People's Republic, a larger percentage—70 percent, to be exact—said the United States should not withdraw recognition from the Republic of China on Taiwan in order to establish relations with the People's Republic of China.

I believe President Ford and his foreign affairs advisers should keep in mind the results of this survey as they chart the future course on U.S. policy on China.

Mr. President, I ask unanimous consent that the survey questions and the results be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

1. Now that the United States has ended its involvement in Vietnam, do you think this has or has not led other Asian nations to doubt the value of American treaties and guarantees in Asia?

	Percent
Yes	58
No	25
Don't know	17

2. There has been talk of the United States establishing diplomatic relations with the People's Republic of China—Mainland China. Would you favor or oppose our establishing diplomatic relations with Mainland China?

	Percent
Favor	61
Oppose	23
Don't know	16

3. We now have diplomatic relations with Nationalist China on Taiwan. Do you favor or oppose continuing formal relations with Nationalist China on Taiwan?

	Percent
Favor	70
Oppose	14
Don't know	16

4. The People's Republic of China—Mainland China—insists that before the United States can establish diplomatic relations with that country, it must first break off formal relations with Nationalist China on Taiwan. Do you think the United States should or should not withdraw recognition from Nationalist China in order to establish relations with the People's Republic of China?

	Percent
Should	10
Should not	70
Don't know	20

5. We now have a mutual defense treaty with Nationalist China approved by Congress in 1954. Do you think the United States should continue to stand by this treaty to defend Nationalist China in the event of an attack?

	Percent
Yes	47
No	31
Don't know	22

THE INVISIBLE LINE

Mr. KENNEDY. Mr. President, it is with great pride that I ask unanimous consent to have printed in the RECORD the recent address of the Dean of the Harvard School of Public Health at the recent meeting of the medical colleges.

His commentary on the interrelated issues of medical education, biomedical research, and access to medical care is the best, most carefully thought-through analysis of the situation that I have seen. I commend this excellent address to my colleagues and to those in the education and research community.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE INVISIBLE LINE

(By Howard H. Hiatt, M.D.)

From the Center for the Analysis of Health Practices, Harvard School of Public Health (address reprint requests to Dr. Haitt at the Office of the Dean, Harvard School of Public Health, 677 Huntington Ave., Boston, Mass. 02115).

Supported by grants from the Robert Wood Johnson Foundation and the Commonwealth Fund.

Delivered at the 86th Annual Meeting of the Association of American Medical Colleges, Washington, D.C., November 1–6, 1975.

A short time ago, I asked a young colleague about to enter medical school how he viewed the responsibilities of the physician as a member of society. His letter of reply included the following remarks:

"As I have pondered [your question] I have come to realize that, for me, its emphasis is reversed. While "physician as a member of society" elicits a response with difficulty, "member of society as physician" evokes an immediate, strong response.

"This distriction reflects an important dilemma confronted by medical students. What are the responsibilities of a member of society who has chosen to enter medicine? What will be his ultimate responsibilities as a physician who is also a citizen? Does an invisible line exist in every doctor's career where he no longer views himself primarily as a member of society, but foremost as a physician?"

I believe that such an "invisible line" does exist, and that many, perhaps most of us in medicine have crossed the line. This belief makes my task today—to discuss the function of medical education in preparing the physician for his role as a member of the health care team and of society—very difficult. Had I been invited to give either of the other two papers on this morning's program, those concerning the physician as scientist and as healer, I could have extolled the excellence of medical education in these areas and praised the way in which physicians have fulfilled these roles. However, to discuss the physician as a member of society is a far different—and less pleasant—assignment.

Just as members of our society are—or should be—entitled to its full rights and privileges, so all share its responsibilities. I believe that we physicians have failed to consider the full extent of these responsibilities, perhaps largely because many of us have come to regard ourselves primarily as physicians rather than members of society. We have in fact crossed the invisible line.

I plan first to examine the meaning of crossing the invisible line and, particularly, the role of medical education in the process. I shall then consider the effects from the viewpoints of both physicians and members of society. Finally, I shall suggest how the medical schools and the Association might lead the way in keeping us on the same side of the line as our fellow citizens, and the benefits that might accrue to society and to us as a result.

The most obvious result of our presence on the other side of the invisible line is a shift in perspective that leads to undue emphasis on our perceptions of our responsibilities to society and too little on what society asks of us. Much of the public considers the responsibilities of the biomedical community to subsume three areas: (1) generating knowledge that leads to the effective prevention and treatment of disease and to the optimal care of patients; (2) applying that knowledge to the individual at risk; and (3) providing all citizens with access to health care.

With respect to the first, few would dispute the extraordinary achievements of biomedical science in recent decades. With respect to the second, our performance also merits approval, at least as regards our commitment as individual physicians to our patients. However, in the third area there is sharp disagreement concerning our performance.

A majority of physicians probably share my belief that the health of society is not the exclusive responsibility of the medical profession.

However, much of society assumes otherwise, and we are often criticized for the monetary costs of existing programs and for the fact that millions of citizens do not have access to effective prevention and treatment. Further, we are blamed for another serious deficiency—the relatively small amount of attention given to the care of patients with mental illness, chronic disease, geriatric conditions and a number of other health problems that have attracted little interest from the academic community, and only slightly more from much of the practicing medical community. Although many deficiencies in our health care system are not of medical origin and not susceptible of medical solutions, we in the biomedical community are not free from blame. Indeed, medical leadership is indispensable in dealing with these problems. We are in a unique position to point out the limitations of medicine and the urgent need for involving other professionals and consumers as appropriate partners in joint undertakings. Our failure to assume this role reflects a narrow sense of our responsibility. It reflects our presence on the far side of the invisible line.

Our system of medical education merits great credit for the development of physician as scientist and healer, but it may also be criticized for the constricted view of the responsibilities of physician as member of society. Let's follow a hypothetical student on a journey that I believe takes him across the invisible line.

THE ROLE OF MEDICAL EDUCATION: A CASE STUDY

J., a high school senior concerned with health care in the inner city, has tentatively decided on medicine as a career. He enters a large, prestigious Eastern college for his premedical work. Early in his freshman year he attends a meeting of the premedical group and finds more than twenty percent of his class in attendance.

Most questions are devoted not to medicine as a career, but rather to gaining entrance into medical school. Despite his interest in history and sociology, he is encouraged by his premedical advisor to major in biochemistry. He is advised further to concentrate on those courses, particularly in science, where high grades can readily be achieved, rather than to follow his inclination toward advanced courses in mathematics, statistics, and philosophy. Similarly, he is advised to spend one summer as an operating room technician and another as a biochemistry laboratory assistant, rather than in his previous job as a camp counsellor for underprivileged children, in the hope of favorably impressing medical school admissions committees.

J. is distressed to realize that only a fraction of those interested in medical school will gain entry. He is troubled to find himself concentrating on academic achievement and neglecting his classmates. Not surprisingly, tensions arise as friends become competitors in a race that only some can "win." The concept of teamwork, so vital in medicine, does not flourish in this milieu. For J. and his premedical classmates, college becomes an obstacle course toward the primary objective of entry into medical school. J. applies to two dozen medical schools at a cost of $1600 in application fees and travel costs. In contrast to two-thirds of the nation's premedical students, J. is successful in gaining admission to a few.

In medical school J.'s first two years are devoted largely to biologic sciences, some of which seem only remotely related to his original goal in medicine. His clinical exposure is in teaching hospitals, where the most visible role models are experts in complicated medical problems. The interest that initially attracted him to a medical career, medical care in underserved areas, is steadily diverted toward the pressing medical problems that continually confront him.

During his third year J. becomes involved in a research project concerned with cardiogenic shock in patients with myocardial infarction. He becomes progressively more interested in cardiology and, following a three-year residency in internal medicine in the principal teaching hospital of his medical school, he enters a two-year clinical fellowship in cardiology. J. emerges at age thirty an accomplished cardiologist, and accepts an offer to join a senior cardiologist in private practice in a suburb of the city in which he trained. His expertise is great in general medicine and cardiology, but there are major gaps in his background, his insights and his perspectives. The social problem of medical care that originally attracted him to medicine has long since been displaced. Having had little exposure to data analysis, he is poorly equipped to evaluate the medical literature and the effectiveness of many procedures that he carries out. He has not developed a historical perspective that would permit him to compare the role of social change with that of medicine in promoting human health. He recognizes that many patients with intractable cardiologic problems bear the ravages of years of unhealthy living—sedentary occupations and leisure, overeating, cigarette smoking, and tension—but he feels incapable of effectively intervening with younger people who are repeating the pattern. He perceives the widespread dissatisfaction with the system of medical care delivery, but he has few insights into its defects or how they might be repaired. He is aware of ethical dilemmas in the management of many of his very ill patients, but he has spent little time considering how these might be resolved. Finally, he has heard that other professionals may have insights that would be useful in approaches to medical problems, but he has had no opportunity to work with such people. As an individual, and as a partner in a small medical practice, he feels incapable of creating change.

It is obvious that many pressures inherent in the current system of medical education tend to force the physician into a single mold and to diminish his appreciation of his full responsibilities as a citizen. Many students, like J., feel the first pressures as college freshmen. College education is markedly narrowed and weakened not only for the students who ultimately enter medical school, but also for the many more who, for one reason or another, do not. The fear of medical school rejection not only restricts the breadth and depth of study for many students, but also discourages the altruistic motivations so important to the future physician.

The process of selection of medical students all too often encourages homogeneity. This year, for example, out of a large pool of excellent students of diverse backgrounds, over eighty percent of one leading medical school's entering class had majored in natural science. This sameness, together with deficiencies in the humanities and in the social sciences, inevitably helps narrow tomorrow's physicians' sense of the scope of their responsibilities as citizens. Such educational deficiencies may well also impede the development of the humane and competent physician.

The reforms that followed the Flexner report included the creation within medical schools of new departments of biological sciences, which were separated from the rest of the university. This movement must be credited in part with the brilliant integration of biology and medicine that has taken place, but it has also promoted the isolation of medical education from general university education. Further, the emphasis on biology and chemistry was not accompanied by attention to a number of other topics that now seem also to be essential.

Another example of costly isolation can be seen in the teaching hospital, the principal site both of clinical experience for students and house staff, and of applied research in medicine. The virtues of teaching hospitals are widely apparent. However, because they are devoted largely to tertiary medical care, they lead to a narrow and distorted clinical experience.

The graduating physician is relatively isolated from much of society. He is poorly equipped to address many health problems that confront us at local, national and international levels. He has crossed the invisible line.

EFFECTS OF CROSSING THE LINE

Even if the new physician's early motivation was to help improve the medical condition of residents of inner cities, remote rural areas, or less-developed countries, his medical classroom education has been primarily concerned with the biomedical sciences, and his clinical experience has been largely limited to the teaching hospital. Infrequently, the physician involved in primary care has been trained for primary care, but more often for a medical or surgical specialty. As a result, how well equipped is he to serve as a member of a team that can help the patient with a sore throat, a backache, a urinary tract infection, or an acute anxiety attack? Indeed, the function of the health care team remains to be better defined. Too frequently the time of the physician is allocated to tasks for which his training is often too specialized, leading to dissatisfaction on his part and inadequate time for the more complex problems for which his skills are indispensable.

Research and education in primary care are increasingly recognized as urgently needed additions to the medical school program. Such efforts have been undertaken in some schools. The preparation of the physician for certain other responsibilities to society, however, is more complex and less readily introduced. Consider, for example, a need for informed and articulate ombudsmen for the interests of society when those interests are threatened by the needs of the individual patient or of a small community of patients. When physicians serve as advocates for a group of citizens seeking additional resources for a radiation therapy unit, kidney dialysis facility, or additional hospital beds, how can competition for scarce resources be resolved equitably? In seeking patient participation in medical experimentation where the individual patient is likely to gain little or nothing, but the interest of society could be greatly promoted, how can we as physicians best serve our fellow citizens? If our own patient is immediately involved, we, of course, owe primary allegiance to that person. At the same time, however, we must join with others to insure that the interests of society are not neglected, while protecting the interests of the individual.

One set of responsibilities of citizenship that is almost uniquely ours relates to informing people about themselves and the diseases that afflict them. At a time when the costs of illness, particularly those which require hospitalization, are steadily mounting, and the limitations of therapeutic intervention are becoming more apparent, there is a greater need for people to appreciate the importance of social factors and behavioral changes in promoting health, to take those steps that can prevent disease, and to understand the role they themselves can play in the simpler aspects of medical care.

At the national level we are being asked to devise mechanisms that will insure adequate numbers and equitable distribution of primary care physicians. We are increasingly aware that many medical practies are introduced before they have been adequately evaluated, that others of dubious merit remain a part of the culture after they should be adbandoned, and that still others well proven are not adopted. These and related issues contribute to growing public concern with the quality and costs of medical care and have given impetus to the PSRO movement. Congress has ordered the medical profession first call on setting and enforcing standards of quality of care, but has also served notice that it will transfer that privilege elsewhere, should we default.

There are other examples of problems in the medical area that will require regulation—regulation that will likely be most effective if physicians act together with fellow citizens. These include the control of the prescription of generic drugs, rationalization of diagnostic testing, second opinions for surgical procedures, the control of length of stay in hospitals, the development of rules to guide the function of new paraprofessionals and the allocation of resources, including the numbers of hospital beds, of extended care beds, and of expensive diagnostic facilities such as the computerized axial tomograph machine. Decisions on these issues will involve wide sectors of society, but will depend heavily on the quality of information that we physicians provide.

If the contemporary medical student receives relatively little exposure to the gamut of American health problems, he is exposed to almost none of the problems of less developed countries. Although the responsibilities of the medical profession should be worldwide, our impact in developing countries has been small and perhaps, on balance, even negative. For example, if it is harmful for community hospitals to emulate teaching hospitals by acquiring the physical capabilities for almost all procedures, including the most highly specialized facilities and staff, this trend has been far more damaging in the less developed countries. Regrettably, one can find American-style hospitals with expensive, little-used cardiac surgery units in less developed countries that desperately need even the most basic health services. Infectious diseases that ravage hundreds of millions of people in such countries, and that present promising targets for the application of newer knowledge in the natural sciences, are little known to many gifted investigators whose potential contributions are undoubtedly great.

MEDICAL EDUCATION AS AN INSTRUMENT FOR CHANGE

In an address delivered last spring and now well known to leaders of medical education, research and practice, Senator Edward M. Kennedy, while extolling the scientific achievements of modern medicine, severely criticized the medical schools for failure to make the resulting benefits available to all Americans. He was, in effect, expressing an increasingly widely held belief that our responsibilities as physicians transcend the care of the individual patient who seeks us out. I believe that increasing the numbers of medical graduates and assigning young physicians to areas of need will not solve the problem that greatly concerns Senator Kennedy, at least not in the long term. Rather, major changes in health care delivery patterns are required. But it is our responsibility to suggest and test such changes until improvements are achieved.

Because of growing public concern over such issues as costs, quality, acessibility, and ethics of medical care, consumers, politicians, courts and the media are assuming greater influence in health policy decision making. As medical care consumes an ever-larger fraction of the gross national product, there is increasing awareness of the interdependence of health with other needs of society, and demands are growing to integrate health-related decisions with decisions in other spheres. The expertise and sensitivity of the physician become the more important to make sure that the interests of the individual patient are considered in every decision that is made. However, the decisions to be made are so varied and so complex that they also require involvement of many others in our society.

Let us consider some changes in medical education that might contribute to meeting present challenges. No pat formula can be offered, but a number of initiatives might be tried. Some are admittedly experimental and others are overdue. Many are already being explored in some universities. All should be watched with great care and will require continuing evaluation and updating. I hold no special brief for these suggestions; indeed, their vagueness and other inadequacies further attest to the difficulties that confront us.

Variations might be encouraged on the present experiments to admit to AB–MD programs a few high school graduates who already feel committed to medicine. For example, some medical schools might admit a certain number of students on the basis of their performance in two years of college, with an understanding that the admissions certificate is valid only if performance during the next two years is satisfactory. Those next two years could then be devoted to advanced and widely varied courses with the secure knowledge that medical school admission is virtually guaranteed. Other places in the entering medical school class might be offered to students who major in mathematics and statistics, the humanities, or the social sciences. Some places would be held for individuals who have been working in health care fields for two or more years. The performance of these groups in medical school and in their subsequent careers would be carefully watched, and admissions policies in the future guided accordingly. Meanwhile, there would be much greater heterogeneity in the schools and in the profession. Simultaneously, methods should be encouraged to demonstrate to college students that there are many routes to important health careers in addition to medical education.

A second area of change should be in preclinical course material. How much of the biologic science now offered is repetitious of the college experience of most students? How much is essential for *all* students? Exposure to the history of medicine and health should be offered to all students. In this way all physicians might gain an appreciation for the role of nonmedical factors in health—for example, the dramatic drop in mortality from infectious diseases prior to the introduction of vaccines and antibiotics. All students should be offered access, and some given intense exposure to ethics and to quantitative methods, including epidemiology, statistics and decision analysis. The background in data analysis would encourage the development of methods for systematic collecting and storing of information and for evaluation of outcomes, so essential to optimal medical practice.

Clinical education should be broadened. Medical schools should develop units of rational medical care delivery, involving teaching hospitals; community hospitals; extended care facilities and individual home settings for the care of convalescents, the chronically ill, the mentally ill and the mentally subnormal; and cooperating group and individual physician practices in urban and rural settings. This constellation of units is essential for medical education, as well as for research in a variety of pressing areas, including better understanding of the natural history of disease and of the effects of intervention, medical care quality assurance, record keeping, optimization of the use of resources, and financing of medical care. Here the student and the resident physician could be trained along with other appropriate team members, including nurses, health aides, epidemiologists, statisticians, and students of management and of public policy. (Fellow students would thus include not only members of the traditional medical care team, and others on the team as it is now evolving, but also people who will be involved in managing health care systems, and in planning, regulation, and evaluation.) Such units might provide a place for testing the taste and/or fitness for medical careers of some who are considering applying to medical school. They might also prove a better milieu for demonstrating the limitations of much modern technology and the essential aspects of the caring function of the physician and other providers.

If the physician is to function optimally with other professionals and nonprofessional felow citizens in decision making in the health sphere, then his education must provide some acquaintanceship with the language and the perspectives of other professionals. Our inability even to describe an optimal primary care team, let alone discuss the educational requirements for its physician members, reflects the urgency of developing such settings for patient care research and medical education.

The diversity and complexity of tasks confronting medicine should be recognized by offering medical students an opportunity to concentrate in specific areas, such as biomedical research, primary care, or health policy and management, each of which requires a different disciplinary background.

To foster contributions of other professionals to health care, the medical schools must lead in the development of relationships with other graduate schools in the university. This should include health education programs for professionals in management, law, public policy, economics and other fields. A spectrum of appropriately prepared professionals is required to do justice to the complex questions with which decision makers in the health care system are faced. Courses in preventive medicine for students of law, public policy, and management, for example, might be far more effective in preventing black lung disease than are such courses presently offered medical students.

Happily, there is growing interest in health questions in broad sectors of the university and of society. Research and educational programs involving such essential questions as the legal and ethical aspects of human experimentation, biologic and public policy aspects of environmental health hazards, and optimal utilization of limited health resources are the topics of interdisciplinary research and education in a number of universities. If meaningful decision making on health and scientific questions is to be shared widely in our society, then major educational changes must be effected. The potential rewards of success are great, whereas the results of our not having tried contribute to many of our current problems.

Let me stress that the need for medicine to encompass broader missions in no way implies diminished emphasis on fundamental research in the biomedical sciences and on applying the fruits of that research to clinical problems. Indeed, to those who see this as an "either-or" proposition, I suggest that a principal basis for the widespread cynicism concerning support of science and of medical schools in much of our society is a belief that *we* have chosen the problems that interest us most and have often neglected those that are perceived by society to be of at least equal importance. This is not, of course, offered as a justification for the changes proposed. In pragmatic terms, however, I believe our broader commitments will help greatly to insure more secure support of a wide range of essential activities, including not only disease-oriented clinical investigation, but also presently neglected areas of fundamental research.

THE PRODUCT

The potential result of the changes recommended would be a group of physicians heterogeneous in their pre- and extra-medical backgrounds, their courses of medical study, and their potential contributions. All would be committed to the goals of optimal patient care, a critical scientific approach, and a sense of responsibility to society. Many would be medical scientists, while many more would be concerned directly with the delivery of individual health services, in virtually all instances as members of a health care team. All would have been educated in a medical school that was an integral part of a university and would have had the large part of their clinical training in a setting broadly representative of a rational health care system. All would be concerned with the quality of medical care, with the evaluation of outcomes, with the allocation of limited resources, and with a continuing examination and setting of priorities. All would participate in programs of continuing education. Many would work closely with professionals from other callings, and all would be responsive to the needs of the consumer. The invisible line would have disappeared.

CONCLUDING REMARKS

As an area of applied biology, medicine is spawning brilliant successes. Medical scientists are examining large numbers of diseases in the light of developments in fundamental science and are providing new insights and often new methods of control. Simultaneously, problems of human disease stimulate fresh and relevant inquiries by basic scientists. The partnership of biology and medicine, occasionally in the same physician, is paying handsome dividends.

The number and complexity of other health problems that confront us are staggering. These require the application not only of the biologic sciences, but also of statistical, behavioral, social, management and other sciences. The professionals enlisted must be the best that can be mobilized. Poor biochemistry provides no insights in the study of specific diseases, and poor behavioral, policy, management, or other science will not help with present health problems.

The medical schools are leading the way in the management of human disease. The challenge before them now is far more difficult—to help lead the way in the management of human health. This will require an acceptance by physicians of broad responsibilities as members of society. To prepare physicians to accept these responsibilities, it will be necessary to broaden medical education and to enlist the best representatives of other professions in joint programs.

In closing, I should like to return to the remarks of Senator Kennedy to which I referred earlier. Ultimately he and his colleagues will legislate changes in our systems of health care. I interpreted his talk to have been an invitation to physicians, to medical schools and to the Association of American Medical Colleges to help describe the function and structure of systems that will guarantee access to health care for all Americans and that will be alert to issues of quality and cost, prevention and treatment. There is a compelling incentive for us to respond to that invitation, for we have unique, indeed indispensable, inputs for the modeling, testing and operation of such systems. The rewards of the effort would be many. Further, we have been put on notice that if the invitation is not accepted, a mandate will be delivered by others, in which case I believe society, the medical schools, and the medical profession will be the losers.

What might be the response of the Association of American Medical Colleges to Senator Kennedy's invitation? More than half a century after the Flexner report, it is time for a reevaluation of premedical and medical education. The Association of American Medical Colleges is uniquely equipped to conduct such a reevaluation. A distinguished commission appointed by the AAMC might investigate the range of appropriate responsibilities of American medicine, of medical education, and of aspects of university education. It might propose changes in educational programs, starting with college and including medical school, residency, and into midcareer levels, that would better equip tomorrow's physician for his proper role as citizen. Such a group might help develop guidelines for new admissions policies for medical schools. It might also propose mechanisms by which health education could be made available to students of public policy, law, management, engineering, and the biological sciences, as well as to undergraduates. More broadly, it might examine a whole range of society's unmet needs in the health area and the structure of our health care systems and, where appropriate, suggest ways in which the medical schools and universities could contribute to solutions in the framework of their primary responsibilities of education and research.

Following the Flexner report, the medical schools responded by instituting a wide variety of reforms, with the result that American medical education can now be credited with a high degree of excellence in preparing the physician as healer and as scientist. If we wish to prepare our physicians as fully responsible members of society, our medical schools must acknowledge that medicine does not equal health and that a concern for the individual patient must be matched by a concern for the health of society as a whole. Nonphysician members of society are demanding that we accept this broadened role. The medical community must respond to this demand, and I hope the Association of American Medical Colleges will lead the way.

ACKNOWLEDGEMENT

I am grateful to Mr. James Rippe and to Dr. Jay Winsten for many helpful suggestions.

LATVIAN INDEPENDENCE DAY

Mr. PERCY. Mr. President, today is the 57th anniversary of Latvian independence, which was proclaimed in Riga on November 18, 1918. It is a day when we remind all the American people of the lack of independence suffered by Latvian people for the past 35 years.

On this occasion it is appropriate that we should reaffirm our continuing concern for the legitimate aspirations of the people of Latvia, as well as our continuing respect for the constructive citizenship of the American Latvian community.

WHERE ARE THEY NOW?

Mr. PROXMIRE. Mr. President, for the benefit of those of my colleagues and members of the general public who may from time to time wonder whatever happened to what's-his-name, former secretary of this or that Government agency, it may serve some useful purpose to indicate where some of them are now.

Schultz, Weinberger, Hollingsworth, and Flanigan, four recent public servants are in the private sector, directly or indirectly employed by the nuclear power industry. The four are: George P. Schultz, Caspar W. Weinberger, Robert Hollingsworth, and Peter Flanigan.

According to Bob Wyrick of Newsday, these four key officials of the Nixon administration helped develop and promote the idea of turning over to private industry the Federal Government's role in making atomic fuel. They are now, Mr. Wyrick reports, executives of the firms that were first to benefit from the proposed new multibillion-dollar business.

I ask unanimous consent that the article by Bob Wyrick which appeared in the Los Angeles Times, November 16, 1975, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NIXON AIDES WHO PUSHED PRIVATE ATOMIC FUEL INDUSTRY NOW HAVE TOP JOBS IN IT

(By Bob Wyrick)

WASHINGTON.—Four key officials of the Nixon administration who helped develop and promote the idea of turning over the government's role in making public atomic fuel to private industry now are executives of private firms that were first to benefit from the proposed new multibillion-dollar business.

The government has spent the equivalent of $60 billion to develop atomic fuel technology. Until now, it has supplied all of the enriched uranium needed to fuel America's atomic power plants. Following former President Richard M. Nixon's initiative, President Ford is now pressuring Congress to pass a White House bill that would allow private industry to take over the fuel-making process.

The Nixon administration officials whose firms stand to benefit from Ford's move are:

George P. Shultz, former secretary of labor, secretary of the Treasury and director of the Office of Management and Budget. The last post made him one of the central figures responsible for implementing Nixon's uranium plan. Today, Schultz is president of Bechtel Corp., a California firm leading a consortium of companies that has almost completed negotiations for government guarantees of more than $3.5 billion to get into the uranium enrichment business.

Caspar W. Weinberger, former secretary of health, education and welfare and also once director of the budget bureau after serving as Shultz's deputy there while Nixon's plans were being developed. Weinberger, an attorney and economics specialist, now works for Bechtel as special counsel.

Robert Hollingsworth, former chief executive of the Atomic Energy Commission. It was during his 10 years of directing the commission that Bechtel Corp. was first allowed to study the government's secret processes for making atomic fuel. Hollingsworth now works for Bechtel as manager of manpower services.

Peter Flanigan, former assistant to the President. His primary role was to handle liaison with government agencies, including the AEC.

Flanigan now is a managing director of an investment banking firm, Dillon, Read & Co. That Wall Street firm has been a major investment banker for one company in the Bechtel consortium and is retained as investment adviser for still another firm that is preparing to go into the atomic fuel-making business.

It is not unusual for government officials to move into jobs in industries they have dealt with as government officials; former Pentagon officials often get jobs with defense contractors, for example.

In the case of the private takeover of nuclear fuel production, there has been an unusually large exchange of personnel between government and industry.

"There is no question but that there are links (between proposed contractors and the government)," said Jarvis L. Schwennesen, assistant director for uranium enrichment for the Energy Research and Development Administration, one of two agencies that replaced the defunct AEC.

Ashton J. O'Donnell, manager of the uranium enrichment program for Bechtel Corp., said the company avoided any potential conflict of interest on the part of Shultz, Weinberger and Hollingsworth "by a simple ground rule." O'Donnell said, "You never see them and you never ask them questions (about the government contract)." O'Donnell himself worked for the AEC from 1947 to 1954 and was a paid adviser for the agency in the area of safeguarding nuclear materials from 1969 through June 30, 1972.

U.S. PROPOSAL FOR A WORLDWIDE AMNESTY FOR POLITICAL PRISONERS

Mr. McGEE. Mr. President, last week our U.S. Representative to the United Nations, Ambassador Daniel P. Moynihan, laid before the Third Committee of the United Nations a proposal for a worldwide amnesty for political prisoners.

The occasion was momentous, to say the least. The United States has called for a forthright examination of the issue of protection of human rights globally. Human rights should be the concern for us all, whether such violations are perpetrated by governments of the right or the left of the political spectrum.

However, in the United States, we have seen segments of our own society engage in a selective morality when it comes to condemning human rights violations. If such violations are perpetrated by right-wing dictatorships, they are condemned. If perpetrated by left-wing dictatorships, they are all too often conveniently ignored.

In essence, if we are to be honest in our concern for the human rights of all peoples of the world, then, as Ambassador Moynihan noted in his speech last week, we cannot afford the convenience of selective morality.

Friday's edition of the Wall Street Journal noted:

> Ambassador Daniel P. Moynihan has found just the right rhetoric to deal with the UN's hypocrisy, notably the recent vote equating Zionism with racism. He retaliates by calling on all its members to live up to the principles they apply so one-sidedly. . .

I ask unanimous consent that the Ambassador's remarks and the Wall Street Journal editorial be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A NATIONAL INTEREST IN PRINCIPLE

Ambassador Daniel P. Moynihan has found just the right rhetoric to deal with the UN's hypocrisy, notably the recent vote equating Zionism with racism. He retaliates by calling on all its members to live up to the principles they apply so one-sidedly. His latest proposal, excerpts of which are reprinted nearby, is a world-wide amnesty for political prisoners.

The Zionism vote and amnesty proposal are definitely related, in that both are strong American stands on principle. Their consistency gives them a force that simple propaganda could never achieve. And we would be quite satisfied with the American side of things if we could be sure that everyone in Washington really understood what their semi-autonomous UN Ambassador is up to.

Unfortunately, we suspect that the professional diplomats at Foggy Bottom don't really comprehend the strength of Ambassador Moynihan's strategy. Of course, he was appointed by President Ford and Secretary Kissinger, and presumably they approve of his work. And in the Zionism fight, it probably was wise to delegate leadership to European governments. Still, we hear disturbing reports that in this campaign the State Department's backing was tepid, that it was slow in carrying the fight outside of the UN halls, and if left to itself the department probably would have ignored the whole issue.

We are worried by these reports since they seem so typical of that bureaucracy. The bias at State is to define American interest in terms of narrow tangibles on one hand and soupy generalities on the other. So in our foreign dealings we compromise our devotion to the principles of the Constitution and Declaration of Independence in return for trade agreements, and try to compensate by windy talk of world peace and human brotherhood. Often, as the Ambassador sees, this talk is turned not against the worst offenders, but against those where some chance of redemption still exists. It is hard to realize that while we do have national interests, it is also true that a bona fide moral principle is a precisely definable entity, demanding specific action, and that when it is compromised we pay a discernible price.

And it is precisely because Ambassador Moynihan does understand this truth that his brief career at the UN has been so spectacular. He is making a remarkably consistent defense of our political values, which would have been gravely compromised by silence on the Zionism issue. His amnesty proposal is simply his latest effort to show that the United States does stand for something.

Since we believe that principles, and the lack of them, shape events, we believe that this country can draw great benefits from Mr. Moynihan's course of action, just as the United Nations may yet pay a heavy price for its own. But we hope the folks at State agree.

STATEMENT BY AMBASSADOR DANIEL P. MOYNIHAN

Mr. Chairman, my delegation rises to address the Third Committee in a matter which may be the most important social, cultural and humanitarian proposal which the United States has made in very many years and which we regard as one of the most important which this Committee will ever have had before it.

In an address on the occasion of the thirtieth anniversary of the United Nations, United States Secretary of State Henry A. Kissinger took note that we are living at one of the rarest moments in the modern history of the world. For at this moment, in all of the world, there is not a single nation-state engaged in war against another nation-state.

It appears to the United States that such a moment invites—calls for—not less extraordinary measures of reconciliation not only between nations, but within them. To this end, the United States desires to propose a world-wide amnesty for political prisoners. It proposes a General Assembly resolution which

"Appeals to all Governments to proclaim an unconditional amnesty by releasing all political prisoners in the sense of persons deprived of their liberty primarily because they have, in accordance with the Universal Declaration of Human Rights, sought peaceful expression of beliefs and opinions at variance with those held by their Governments or have sought to provide legal or other forms of non-violent assistance to such persons."

The United Nations has, in truth, already taken, at this General Assembly, at least two steps in this direction.

A draft resolution in the Special Political Committee, entitled "Solidarity with the South African Political Prisoners," calls on "South Africa to grant an unconditional amnesty to all persons imprisoned or restricted for their opposition to apartheid or acts arising from such opposition. . . ."

The United States voted for this resolution.

A draft resolution in the Social Cultural, and Humanitarian Committee, entitled "Protection of Human Rights in Chile," called for the government there to ensure "The rights of all persons to liberty and security of person, in particular those who have been detained without charge or in prison solely for political reasons."

The United States voted for this resolution.

Is there, however, any reason to stop there, to limit our concerns to only two members of the United Nations when there are altogether 142 members? The resolution on "Protection of Human Rights in Chile" declares, *inter alia*, that "No one shall be held guilty of any criminal offense on account of any act or omission which did not constitute a criminal offense under national or international law at the time when it was committed. . . ." It has to be noted that more and more international pronouncements of this kind declare that there are crimes in international law for which individuals may be held responsible. Similarly, it is more and more held that there are actions against individuals for which governments may be held responsible, at least in the sense that they are expected not to take such actions. The exact state of the law in this area is not one on which there will be universal agreement. Yet, clearly, something akin to common law rights is emerging in international law which protects individuals where "universally condemned" or "abhorrent" actions are involved. It is to these standards that Secretary Kissinger appealed in his address to the General Assembly, earlier in this session, when he raised the issue of torture. Torture, he said, is

". . . a practice which all nations should abhor. It is an absolute debasement of the function of government when its overwhelming power is used, not for people's welfare but as an instrument of their suffering."

Now it follows from these considerations that even as South Africa and Chile are obliged by certain standards concerning prisoners, for example, so equally are all other members of the United Nations. It is implicitly acknowledged, however, that it is for governments themselves to conform to international standards. And if some governments, then all governments.

Hence, at this moment, the singular appeal of amnesty. A moment of peace and of peacemaking, and a mode which allows governments to do what they ought without the appearance of coercion. All governments.

Universality in this matter is of special concern to the United States Government—and we would hope to all governments. There are two grounds for this concern which strike us with special force.

The first is that the selective morality of the United Nations in matters of human rights threatens the integrity not merely of the United Nations, but of human rights themselves. There is no mystery in this matter. Unless standards of human rights are seen to be applied uniformly and neutrally to all nations, regardless of the nature of their regimes or the size of their armaments, unless this is done, it will quickly be seen that it is not human rights at all which are invoked when selective applications are called for, but simply arbitrary political standards dressed up in the guise of human rights. From this perception it is no great distance to the conclusion that in truth there are no human rights recognized by the international community.

A generation ago the British poet Stephen Spender came to this perception in the course of visits to Spain during its long and tragic civil war. He had first come to Spain out of sympathy for one of the sides in that heartrending conflict. He had returned to England to report what he had seen of atrocities committed by the other side. Thereafter he made several trips to Spain, over the course of which he was forced to realize that atrocities were not a monopoly of one side only; they were indeed all too common on both sides. At which point, to his great and lasting honor, he wrote: "It came to me that unless I cared about every murdered child indiscriminately, I didn't really care about children being murdered at all.

This is what the United States proposal is about. Unless we care about political prisoners everywhere, we don't really care about them anywhere. It is something else altogether that is on our minds, something we conceal with the language of human rights, in the course of which we commence to destroy that language, much as George Orwell, who fought in the Spanish Civil War, saw that it would be destroyed.

Our concern about discriminatory treatment is not eased by scrutiny of the list of cosponsors of the draft resolutions on South Africa and Chile. These are, to repeat, resolutions calling attention to the plight of political prisoners. The South African draft resolution has 60 cosponsors. The Chilean draft resolution has 33. The United States has broken down these respective lists according to "The Comparative Survey of Freedom," that great contribution to clear thinking and plain speaking which is the work of Freedom House, an American institution of impeccable credentials, which traces its beginnings to the first efforts in the United States to win support for the nations then engaged in the mortal struggle against Nazism and Facism in Europe. "The Comparative Survey of Freedom" ranks the levels of political rights and civil rights in individual nations of a scale of 1 to 7, and then gives a general summary ranking "Status of Freedom," by which nations are classified as Free, Partly Free, or Not Free. One of the melancholy attributes of a nation judged Not Free is that, in the opinion of the distinguished political scientists who carry out this survey, the nation is one in which individuals are imprisoned for political beliefs or activities of a noncriminal nature. In other words a nation with political prisoners.

What does "The Comparative Survey of Freedom" tell us about the cosponsors of these resolutions? It tells us that in its judgment, no fewer than 23 of the cosponsors of the draft resolution calling for amnesty for South African political prisoners, have political prisoners of their own. In the case of the draft resolution calling attention to the plight of political prisoners in Chile, it would appear that 16 of the cosponsors fall into the category of nations which have political prisoners of their own.

This leads to a particularly disturbing thought about the processes by which the United Nations has come to be so concerned about human rights in some countries, but not in others. This is that we tend to know about violations of freedom—know at the time and in detail—only in those countries which permit *enough* freedom for internal opposition to make its voice heard when freedoms are violated.

This is the case, is it not, in South Africa, where there are said to be over one hundred political prisoners. For it is not necessary to *go* to South Africa to learn of violations of human rights there. One need only subscribe to the South African press, a press which while no doubt curbed in some ways, or even many ways, is nonetheless capable of frontal assault on the policies of the South African government.

The Cape Times, for example, in its lead editorial of November 3 states, referring to an act that has been taking place here in the General Assembly by the United States Government:

"The controversy over detentions and opposition to apartheid between South Africa and the United States is unfortunate for it could harm the Republic's chances of establishing a firmer foothold on world opinion at a critical time. It also illustrates how indefensible the present system of detention is in South Africa. The fact is that unless Mr. Vorster is prepared to reveal reasons for detentions, he will be unable to answer convincingly the United States Government charge that people are detained whose only act is outspoken opposition to apartheid. To term this a 'downright lie' as Mr. Vorster has, might sound impressive for domestic consumption, but it is not really satisfactory."

The editorial concludes, and I have the honor to be associated here with my distinguished friend, Mr. Clarence Mitchell, about which this editorial is being written:

"For a start, Mr. Vorster should abolish the iniquitous terrorism act if he wants to deal effectively with the U.S. charge. The act provides for indefinite detention incommunicado and without trial, on the mere say-so of a police officer. There are no effective judicial reviews or guarantees. While the system remains on the statute books, charges such as the recent U.S. delegate's remarks in the U.N. will persist; and they cannot be answered convincingly. South Africa, moreover, will remain in the dubious company of countries which bypass the due process of law as part of the ordinary routine."

Is it not also the case that the freedom of the press in South Africa—such as it may be, for we do not assert it to be complete—contrasts sharply with that of its neighbors? In the *Monthly Bulletin* of the International Press Institute of June 1975, Mr. Frank Barton, Africa Director of IPI, is reported as having told the Assembly of that impeccably neutral and scrupulous organization:

"The unpalatable fact is—and this is something that sticks in the throat of every self-respecting African who will face it—is that there is more press freedom in South Africa than in the rest of Africa put together."

And what of Chile, that troubled land, where at least one estimate states that there are some five thousand political prisoners, and which is rated "Partly Free" by the Freedom House Comparative Survey?

One of the operative paragraphs of the draft resolution on Chile, for which the United States noted.

"*Deplores* the refusal of the Chilean authorities to allow the Ad Hoc Working Group of the Commission on Human Rights to visit the country, notwithstanding previous solemn assurances. . . ."

This is true. But it is only part of the truth. The whole truth would include the fact that Amnesty International and the International Red Cross *were* permitted to visit Chile. Moreover, if the visit of the Working Group had gone through, it would have been the *first time in history* that any government had permitted such a visit.

Are we not forced to acknowledge the point made recently by Mr. Robert Moss, the editor of *The* (London) *Economist*'s Foreign Report:

"If the military regime in Chile, following the example of all self-respecting Communist revolutionaries, had flatly decided to shut out all foreign reporters, and civil rights investigators, for a period of, say, six months after the coup, our diet of horror stories from Chile would have been meager indeed."

And are we not forced to take note of the report of Milton Friedman, the distinguished American economist who recently visited Chile:

"On the atmosphere in Chile, it is perhaps not irrelevant that at two universities, the Catholic University and the University of Chile, I gave talks on 'The Fragility of Freedom,' in which I explicitly characterized the existing regime as unfree, talked about the difficulty of maintaining a free society, the role of free markets and free enterprise in doing so, and the urgency of establishing those preconditions for freedom. There was no advance or ex post facto censorship, the audiences were large and enthusiastic, and I received no subsequent criticism."

It is not the purpose of this statement to be accusatory, or to arouse ill feeling. But is it not the case that this year we have seen any number of regimes completely or almost completely seal off their countries, barring or expelling foreign newsmen, such that at most rumor reaches the outside world as to what is going on inside?

Simple justice requires that the United States, for one, acknowledge that while we have supported at the General Assembly resolutions critical of repressive practices of the governments both of South Africa and Chile at this General Assembly, we have done so in the company of nations whose own internal conditions are as repressive or more so.

And what of Israel, a country rated Free by Freedom House, with high if not perfect scores in Political Rights and Civil Rights? It is not enough to say that much of the case being made against Israel by other nations today, is made in the first instance by the fully legal opposition parties within Israel, including Arab-based parties, many of which have been quite successful in electing members to public office, and that this opposition is given notable expression in the Arabic language press in Israel which has been described as the freest Arab-language press in the world?

Thus we come to the second of the concerns which animate the United States at this point. This is the concern not only that the language of human rights is being distorted and perverted; it is that the language of human rights is increasingly being turned in United Nations forums against precisely those regimes which acknowledge some or all of its validity and they are not, I fear, a majority of the regimes in this United Nations. More and more the United Nations seems only to know of violations of human rights in countries where it is still possible to protest such violations.

Let us be direct. If this language can be turned against one democracy, why not all democracies? Are democracies not singular in the degree to which at all times voices will be heard protesting this injustice or that injustice? If the propensity to protest injustice is taken as equivalent to the probability that injustice does occur, then the democracies will fare poorly indeed.

And it is precisely this standard which more and more appears among us, albeit in various disguises. In 1971, for example, the World Social Report presented to the General Assembly was virtually a totalitarian document—you know of which I speak. I was in this Committee at that time and I said so at that time. The fundamental premise on which the assessment of social conditions in respective countries was made was that the absence of social protest indicated the absence of social wrong. Hence, without exception, the police states of the world were judged most in the right.

Americans, and those who have studied the history of the United States, will perhaps recall the memorable image which Abraham Lincoln once used in a speech given in 1858 which we have come to call his "Framing Timbers Speech." He was protesting what he judged to be the overall purpose being served by many seemingly unrelated legislative measures of the time—the purpose of extending slavery into our Western territories. (For the history of freedom in the United States is hardly without blemish.) Lincoln spoke of a "concert" of behavior:

"We cannot absolutely know that all these exact adaptations are the result of pre-concert. But when we see a lot of framed timbers, different portions of which we know have been gotten out at different times and places and by different workmen . . . and when we see these timbers joined together, and see they exactly make the frame of a house or a mill, all the tenons and mortices exactly fitting, and all the lengths and proportions of the different pieces exactly adapted to their respective places, and not a piece too many or too few—not omitting even scaffolding—or, if a single piece be lacking, we can see the place in the frame exactly fitted and prepared to yet being such piece in—in such a case, we find it impossible to not believe that all understood one another from the beginning, and all worked upon a common plan or draft drawn up before the first lick was struck."

The United States makes no such assertion at this time. But it reserves the right to judge, in the months and years ahead, that there has indeed been a *"plan* or *draft"* involved in all the multifarious activities at the United Nations concerning human rights which with nigh inhuman consistency seem always, somehow, to be directed towards nations at least somewhat more free than most members of the U.N., and which now most recently have been directed toward a democratic society that is unquestionably free. We reserve the right to learn that our worst suspicions have been confirmed. But in the hope that we will not be, we here and now declare what our suspicions are. Our suspicions are that there could be a design to use the issue of human rights to undermine the legitimacy of precisely those nations which still observe human rights, imperfect as that observance may be.

To those members of the United Nations who would allay our suspicions we make this simple appeal: Join us in support of our draft resolution calling for amnesty for all political prisoners. The list of known prisoners, a list assembled by organizations such as Amnesty International, is a sufficiently long and harrowing one. But there is far more horror to be felt at the thought of the names we do *not* know. It is time to free these men and women. The time for this amnesty is past due, and the path is long. Let us take the first step here and now.

CLINTON P. ANDERSON

Mr. SYMINGTON. Mr. President, recently this Nation lost an outstanding American, Clinton P. Anderson.

Clint Anderson served with great distinction in numerous positions, in government and earlier in private life. During his lifetime he was a reporter, an editor, a rancher, a businessman, a civic leader, and for 40 years a public servant.

Clint's career as a public servant began with the State of New Mexico in 1933. In 1940, he was elected to the U.S. House of Representatives where he served with great distinction until 1945 when he resigned to become Secretary of Agriculture.

In 1948, after serving in that capacity with distinction, he resigned and won election from New Mexico to the U.S. Senate, where he served until 1973.

Mr. President, many of us in this body knew Clint Anderson. He was a colleague, but more than that a friend, from whom many of us sought advice and counsel on important issues. We knew him as a tireless worker, with an unusual grasp of important legislation. His understanding of the legislative process is legendary, and he often used it to turn his visions for America into reality.

As a public servant he quickly mastered the policies, and solved many of the problems, of the Nation's agriculture.

Clint Anderson understood the enormous benefits which modern technology had brought us, but more than that, he knew we had only begun. During much of the 1950's, he served as chairman and vice chairman of the Joint Committee on Atomic Energy. As a member of that committee he played a major role in fashioning our atomic energy program.

Peaceful uses of nuclear energy are in no small measure due to his efforts. He served on the Committee on Aeronautical and Space Sciences from its inception in 1958 and was chairman of that committee for 10 years, from 1963 to 1973.

The unique success of this Nation's civilian space programs is in no small measure due to his tireless work on that committee.

Clint was well known for his contributions to the Nation's social programs, its economic development, also for his efforts in the field of conservation. He understood and had a great feeling for the plight of the aged, the disabled, and the disadvantaged.

The medicare program we have today is much due to his vision and his work in the Finance Committee, of which he was a member for some 16 years. We who served with him know that he worked for the development of the Nation's natural resources, but not at the cost of the environment. He played a major role in the legislation leading to the development of the Upper Colorado River Basin and in the conservation of our wilderness areas. He constantly strove to have such resources used wisely so as to preserve the environment for future generations.

Clint Anderson was a man whose vision was ahead of the times; and he had the understanding, the legislative capability, and the tireless determination to make that vision a reality.

When people look at the history of our country for the years Clint Anderson served as a member of Congress, they will find that much of the far-reaching legislation passed by the Congress during those years had his imprint on it. He was an outstanding American and his passing is a loss to America.

To his wife, Henrietta, and his children, I extend deepest sympathy.

FOREIGN SERVICE GRIEVANCE

Mr. BAYH. Mr. President, last week, the Senate accepted the conference report on S. 1517, authorizing funds for the administration of foreign affairs. The conference report included provisions for the establishment of foreign service grievance procedures. These provisions were proposed as a compromise in the conference by the House delegation. Though the compromise was endorsed by the State Department and the American Foreign Service Association, I believe it is inferior to the legislation which I introduced and which passed the Senate on several occasions.

Mr. President, the battle for effective grievance legislation has been long and difficult. I became involved in these matters in 1971, when I learned of the tragic suicide of Charles Thomas, a brilliant foreign service officer who had been unjustly severed from the service and who had no means to seek review of his case. To remedy such problems, I introduced legislation to provide a mechanism for foreign service employees to receive formal hearings regarding grievances. Subsequently, I worked with our revered former colleague, Senator John Sherman Cooper of the Foreign Relations Committee, on drafting a new bill. This Bayh-Cooper bill provided for an excellent grievance system. It guaranteed due process to foreign service employees, by insuring that there would be hearings on grievances by an impartial board, that grievants would have the right to counsel at all stages of the proceedings, that the board's decisions would be followed, and that judicial review would be available. This bill passed the Senate four separate times, most recently this fall as part of S. 1517.

In previous years, grievance legislation was strongly opposed by the State Department and by influential Members of the other body. As a result, the Senate legislation was repeatedly killed in conference.

This year, however, the State Department finally recognized the need for foreign service grievance legislation. Representatives of the Department met with my staff to discuss the form of such a bill and conducted lengthy negotiations with AFSA regarding the measure. Unfortunately, the final compromise agreed to by State and AFSA contains many serious flaws.

Most predominantly, the bill will give the director of a foreign affairs agency absolute discretion to reject a finding of the board to reinstate a foreign service officer who had been severed prior to the enactment of the bill. Further, the right to hearing is unduly restricted in the compromise; burdens of proof required of grievants are too heavy; and the jurisdiction of the grievance board is too narrow.

I had hoped that in this year's conference the Senate would be successful in winning approval of the Bayh-Cooper bill. Unfortunately, the compromise proposal was imposed by the House conferees without amendment.

While the compromise bill does provide greater protection to foreign service employees than they have had in the past, Mr. President, it is imperative that those of us in Congress who are concerned by injustice in the service watch future developments closely. If my fears are borne out, it will be necessary to amend and improve this new grievance machinery.

KAHOOLAWE ISLAND

Mr. INOUYE. Mr. President, the 1976 military construction appropriations bill recently agreed to by Senate and House conferees contains a significant provision that directs the Pentagon to study the feasibility of restoring and returning Kahoolawe Island to the State of Hawaii.

This provision is significant because officials at the Pentagon have not been willing to take any steps toward the restoration of the 45-square-mile island. Today Kahoolawe continues to be the site of joint Army and Navy bombing operations even though the tiny island is located a mere 8 miles off the island of Maui, Hawaii's second largest island and an area undergoing tremendous population growth and economic development.

The bombs have been falling on Kahoolawe for 30 years and too often have been falling very close to the backyards of the Maui residents. In fact, the mayor of Maui County in September 1969 discovered unexploded ordnance buried in the pasture of his Maui farm. A Navy investigation later determined that the bomb had been dropped in 1966 but was in no danger of detonating. It is an understatement for me to say today that the bombing operations have tried the patience of the mayor and his fellow residents of Maui.

Kahoolawe was leased to the Federal Government in 1941 and a supplementary agreement in 1944 gave the Government full control. In 1945 the island was subleased to the Department of the Navy and joint Navy and Army bombardment began. In 1953, the President issued an Executive order which declared that the island would remain in the possession of the United States for public purposes. Under terms of the order, when the Navy decided that the area was no longer needed, the island would be rendered reasonably safe for human habitation without cost to Hawaii and returned to the latter's jurisdiction.

For several years, I have been extremely concerned about the dangers presented by the continued bombing of Kahoolawe. In response to my inquiries and correspondence, the Navy has insisted that the island constitutes a necessary element of national security effort because it affords the military a realistic training site. The Navy also has asserted that surface and air bombardment has eliminated the possibility of any future, safe domestic use of Kahoolawe.

I suspect there must be other insular targets that the Navy may set its sights on, however, no one in the civilian sector knows for sure if the Navy has even considered efforts to locate a less objectionable target, removed from population centers and totally useless for any future development.

Furthermore, it is not axiomatic that Kahoolawe cannot be restored or cultivated. In last year's annual report to the Governor of Hawaii, the Hawaii State Department of Land and Natural Resources noted that trial planting projects at Kahoolawe have enjoyed some success; since 1970, ironwoods and tamarisk have adapted to the island's dry soil and ironwoods have grown to heights ranging from 8 to 18 feet in 4 years. The report also stated that these trees promise to provide protection for other native species of plants and grasses.

The provisions in the 1976 Military Construction Appropriations bill is one that I personally have campaigned hard for. It would secure for the first time a comprehensive examination and list of estimated costs of Kahoolawe's restoration and transfer to the State of Hawaii. A Defense Department study is a vital first step that would be most welcomed by the people of Hawaii.

I ask unanimous consent to have printed in the Record a recent article from the Honolulu Star-Bulletin that expresses well the prevailing sentiments of Maui residents about the return of Kahoolawe. In addition, I would like to submit a recent editorial from the Star-Bulletin and a portion of an editorial from the Honolulu Advertiser.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Honolulu Star-Bulletin, Nov. 12, 1975]

Hawaii's Culebra

There was dancing in the town plaza of Culebra last month as its 726 residents celebrated the departure of the U.S. Navy, which had long used part of the island off Puerto Rico for bombing practice, and had once tried to take over completely.

The Culebrans view their victory as a conquest of Goliath, and a triumph for those unwilling to be uprooted from their homes in the name of "progress" or security, the New York Times recently noted editorially.

Hawaii has its own Culebra—Kahoolawe, the island eight miles off Maui that the Navy uses for bombing practice. It is the Navy's misfortune that one of its off-target duds once landed on Maui on the property of the island's very effective mayor, Elmer Cravalho.

That mistake simply underlined the fact that the growing residential and visitor population along Maui's southwest coast makes bombing of nearby Kahoolawe more of a nuisance and danger than ever before.

Now U.S. Sen. Daniel K. Inouye has obtained a Senate-House conference agreement on an amendment to the 1976 Military Construction Appropriations Bill directing the Defense Department to study the feasibility of removing more than 10,000 tons of unexploded ordnance from Kahoolawe and returning the island to the State of Hawaii. (The same bill provides $20 million to renovate another bombing site at Eniwetok in the Marshall Islands.)

The Defense Department, which has resisted abandonment of Kahoolawe will be expected to report in a year how to clear and restore it. This is a major step forward in the Kahoolawe fight and Sen. Inouye deserves a lot of praise for it.

If so, the Defense Department, which has resisted abandonment of Kahoolawe will be expected to report in a year how to clear and restore it.

But there won't be any dancing in the town plaza of Kahoolawe if restoration is obtained. So far, it doesn't have one.

EXCERPT FROM AN EDITORIAL IN THE HONOLULU ADVERTISER, OCTOBER 26, 1975

"Eventually, Hawaii's people are going to need Kahoolawe for some productive use by our growing population. But it will take many years to clean up the unexploded bombs, restore vegetation and otherwise make the island livable . . . For future relations, for Hawaii's long-range good, the Pentagon would be wise to take the initiative on ending the bombing and returning a cleaned-up Kahoolawe. It may not be a heated issue now, but it's one that won't go away."

[From the Honolulu Star-Bulletin, Nov. 12, 1975]

IT'S A BEAUTIFUL ISLAND, FORMER RESIDENT SAYS

Most proponents of a complete return of Kahoolawe to civilian use will tell you that all the Island needs to become a part of the Paradise of the Pacific is water.

And, of course, freedom from the Navy.

That would mean ridding large portions of the Island of unexploded bombs, goats that destroy the ground cover, and rusted vehicles that serve as practice targets for Navy bombers.

Water, they say, could be made available for irrigation by desalination of sea water, or it could be piped from nearby Maui.

Inez Ashdown, whose father, Angus MacPhee, ranched on the Island from 1917 to 1941, is elated at the prospect that the Island where she once lived may someday be returned to civilian use.

"I am very glad they are doing something about it," she said today. "It's high time that action is being taken to return the Island to civilian use. It is a great pity to waste so much land.

"The Island still could be beautiful and productive.

"It was barren when we first went over in 1917. By 1930 we had established a going ranch. The ranch had 900 head of cattle.

"The Island could become a wonderful horse and cattle ranch."

Mrs. Ashdown, a well-known historian from Maui, suggested that one way to speed up clearing Kahoolawe of the bombs dropped by the Navy over the past 30 years would be to introduce 100 or more pigs.

Maui Mayor Elmer F. Cravalho was equally happy at the prospects for Kahoolawe.

"This calls for a miniature celebration," he said today.

"The Congressional delegation is exerting the kind of leadership and influence I know it is capable of in this particular case.

"I think we are on the way to getting the Island back. The feasibility study will give the State of Hawaii, the County of Maui and everybody else an opportunity to be heard.

"This is a good thing."

In 1970, when the State experimented with poisoned alfalfa bales as a way to rid the Island of its goat population, Mrs. Ashdown offered another alternative.

She suggested hiring a couple of sheepherders, with trained sheepdogs, and she estimated that within six months the goats could be tamed and herded. Then they could be sold for meat at a nice profit, she said.

"At the Kanapou side of the Island there has been on bombing," she said. "Therefor there would be no danger from unexploded shells."

She proposed that the sheepherders camp in that "no-bombs area" and supplied by helicopter. Mrs. Ashdown even offered to be the first applicant for such a job, though she suggested that Mexican sheepherders might be the best.

Cravalho has proposed a park on the Island—suggesting the area around Smuggler's Cove, where the Navy now maintains buildings and some facilities. He earlier has indicated a desire to construct such a park—even if the Navy stays on the Island.

"But I prefer to have them out completely," he said at that time.

Cravalho suggested that such a facility could be used on weekends, with caretakers and other necessary personnel going to the Island just on weekends.

"It's an ideal place for just lying around, swimming or fishing," he said. "It's a beautiful place . . . a beautiful place."

Most visitors to the Island—and, since going ashore is illegal without Navy permission, there have been few—find it barren and forbidding. But they also find it beautiful and quiet.

The coastline is mostly a combination of hanging valleys and partly-drowned valleys. The waters around the Island—now restricted by the Navy—are described by many fishing authorities as probably the best in Hawaii.

There are scenic points and beautiful beaches, uncluttered by man. Aside from the frequent bombing and the constant bleating of goats, all is quiet on the 45-square-mile Island.

The Island's slopes are corrugated with gulches 50 to 200 feet deep.

Stiff trade winds blow nearly every day; dust storms are common. The winds blow from the east rather than from the northeast because they are deflected by the 10,000-foot dormant Haleakala Volcano on nearby Maui.

And because the highest point on the Island is less than 1,500 feet, too low to cause winds to lose much of their moisture, water is scarce.

SUPREME COURT TRIBUTES TO MR. JUSTICE WILLIAM O. DOUGLAS

Mr. KENNEDY. Mr. President, in recent days the Supreme Court has paid tribute to Justice William O. Douglas on his retirement. The messages and statements and exchanges of letters between Justice Douglas and his colleagues on the Court are eloquent testimony to the great affection and respect in which Justice Douglas was held by the other members of the Court. I believe that these statements will be of interest to all of us, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE CHIEF JUSTICE,
NOVEMBER 17, 1975

The announcement of Mr. Justice Douglas' retirement as a member of this Court was made on Wednesday last week. We who have been intimate witnesses to his gallant struggle to recover health and strength hope now that he is free from the incessant burden that his sense of duty placed upon him, he will be able to direct his great courage and his infinite willpower to recovering his health.

Our feelings about him officially as his colleagues and our feelings personally as his friends are more fully expressed in a letter signed by all the members of the Court, which I will read for the record and which will be entered in the Journal of the Court.

The Court's letter to Justice Douglas follows.

CHAMBER OF THE CHIEF JUSTICE,
SUPREME COURT OF THE UNITED STATES,
Washington, D.C., November 14, 1975.

DEAR BILL: Only when you made your decision known did we fully sense what that meant to us and to the Court. For us, as colleagues and friends, your absence from the Conference table and our deliberations will be deeply felt. Whether ultimately we agreed or not, as colleagues we valued highly your unparalleled knowledge of the multitude of decisions of the Court covering more than one-third of this century. It was a unique resource for the Court and one that may never again be present at our Conference table. We shall always remember your occasional verbal "footnotes" telling us intimate details as to how some opinion evolved. As friends we shall miss the daily contacts, which have varied in length and kind for each of us. Some have long been colleagues, some have argued before you, some have come here more recently, but all of us share great respect and affection for you.

The hope on our part is that, relieved of the burdens of Court work, your health will improve, and this eases our sense of loss. In the months since last January we have felt boundless admiration for your courageous fight to recover your strength and your placing duty above concern for your health.

So much has been and will be said on other occasions about your remarkable career that no more need be noted now than to recall that it is far more than a record of longevity, for it spanned a period in American history comparable to that of the formative period early in the 19th century when Marshall and then Taney were here.

We shall miss your vast reservoir of first-hand knowledge of the Court's cases of the past 36 years and, as well, the warm daily contacts in Conference and on the Bench. It goes without saying that we shall expect you to share our table as usual, for you remain Senior Justice Emeritus.

Sincerely,
Warren E. Burger, William J. Brennan, Jr., Potter Stewart, Byron R. White, Thurgood Marshall, Harry A. Blackman, Lewis F. Powell, Jr., William H. Rehnquist.

CHAMBERS OF
JUSTICE WILLIAM O. DOUGLAS,
SUPREME COURT OF THE UNITED STATES,
Washington, D.C., November 14, 1975.

MY DEAR BRETHREN: Your message, written on my retirement from the Court, filled my heart with overflowing emotion. You were kind and generous and made every hour, including the last one on our arduous journey, happy and relaxed.

I am reminded of many canoe trips I have taken in my lifetime. Those who start down a water course may be strangers at the beginning but almost invariably are close friends at the end. There were strong headwinds to overcome and there were rainy as well as sun drenched days to travel. The portages were long and many and some were very strenuous. But there were always a pleasant camp in a stand of white bark birch and water concerts held at night to the music of the loons; and inevitably there came the last camp fire, the last breakfast cooked over last night's fire, and the parting was always sad.

And yet, in fact, there was no parting because each happy memory of the choice parts of the journey—and of the whole journey—was of a harmonious united effort filled with fulfilling and beautiful hours as well as dull and dreary ones. The greatest such journey I've made has been with you, my Brethren, who were strangers at the start but warm and fast friends at the end.

The value of our achievements will be for others to appraise. Other like journeys will be made by those who follow us, and we trust that they will leave these wilderness water courses as pure and unpolluted as we left those which we traversed.

Yours faithfully,

William O. Douglas.

Statement by the Chief Justice, Nov. 12, 1975

Justice Douglas retirement brings to a close a career unique in the annals of this Court. His service spans the tenure of five Chief Justices and sets a record that may never be equalled.

Since January 1975 he has struggled valiantly to overcome the limitations imposed by illness and his courage and willpower have earned him the admiration of his colleagues on the Court. We devoutly hope that once relieved of the taxing work of the Court, his health will improve and he will again be able to pursue the wide range of interests that have commanded his interest all his life and for the 37 years on the Court. Even if he leaves now physical mountain climbing to others, there are mountains in the world of ideas that many Americans wish to hear Justice Douglas address.

A year ago he expressed his faith in our country and his own basic belief when he said:

"I think the heart of America is sound. I think the conscience of America is bright. I think the future of America is great."

This shows Justice Douglas as a believer in our country and in the values that have made it great.

I know I speak for all Justices when I express our heartfelt wish for improved health and long life to our friend and colleague.

Statement by Mr. Justice Brennan

After two decades as Justice Douglas' colleague and friend I shall sorely miss his presence on the Bench and in our conference room. His retirement leaves a large void. None of his colleagues has been a Member of the Court when he was not part of it, and the warm, personal relations he developed with each of us are treasured by all of us. If considerations other than his health has prompted him to retire, we would have urged him to stay on. His illness did not still the brilliant, imaginative probing for answers that marked his remarkable career. No Justice in the Court's history has left a more indelible imprint upon constitutional jurisprudence. And his truly great record epitomized the truth that great judges are also great teachers. No voice has more powerfully and lucidly articulated for all Americans the values we most preserve for freedom to live.

Statement by Mr. Justice Stewart, November 12, 1975

William O. Douglas stands uniquely alone in the history of our Court and of our country.

As one of his junior colleagues, I have long admired his intellect, his independence, his energy, and his vision.

I salute him now as a man of extraordinary courage.

Statement by Mr. Justice White, November 17, 1975

Because Mr. Justice Douglas has always been a uniquely able man, it was inevitable that in over thirty-six years of service he would leave a deep and lasting imprint on the Court's working methods and substantive output. An unquenchable spirit, he was strong and generous, had boundless energy and possessed an inimitable personal style. He minded his own business and seldom that of others. He was not very talkative but, as I saw him, an almost compulsive writer, extraordinarily competent and creative. Individuals as interesting and enjoyable as Bill Douglas are few and far between. I regret that he could not stay with us and wish him the very best.

Statement by Mr. Justice Rehnquist, November 13, 1975

The Chief Justice has spoken for me as well as for the Court in his tribute to Justice Douglas. As a public figure, Justice Douglas is a giant whose career spans two generations in our country's public life. During my four years on the Court I have come to know and enjoy him as a personal friend and valued colleague. I will miss him as a colleague on the Court and hope that his retirement will enable him to improve his health and contribute further to our country's literature.

THE DEFENSE DEBATE THAT WON'T HAPPEN

Mr. CULVER. Mr. President, the Senate today is completing action on this year's defense appropriation bill and confirming a new Secretary of Defense who will prepare next year's budget.

Some of the consequences of these two actions are discussed by Mr. Paul C. Warnke, former Assistant Secretary of Defense for International Security Affairs, in a timely article in Sunday's Washington Star.

In addition to commenting on reported Kissinger-Schlesinger differences over national security policy, Mr. Warnke challenges us to conduct a real, rational, and open debate on defense issues. "While the issues remained submerged," he writes, "We spend too much for military power we cannot use and risk erosion of military power we could need."

For example, Mr. Warnke argues that our defense planning is based on outmoded premises about the nature of likely military contingencies. He also notes that the Congress rarely cancels new weapon systems but rather defers expenditures and cuts down on maintenance.

Mr. President, I welcome Mr. Warnke's contribution to this dialog on defense spending, and I hope that we will have the kind of fundamental debate which he urges. I ask unanimous consent that Mr. Warnke's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Defense Debate That Won't Happen

(By Paul C. Warnke)

As interesting as it is to speculate about what's behind the strange removal of the respected James Schlesinger as secretary of defense, it is important to remember that we may have lost more than a top official. What may also be lost to the American public is the opportunity for the informed debate on defense policies that I believe is a necessary predicate to a sound realignment—and reduction—of the defense budget.

Perhaps it is worthwhile indulging in speculation about Schlesinger's removal, not only because watching political in-fighting is a favorite Washington sport, but because it may provide some insight into current national security issues and the manner in which they are being resolved.

Some feel that behind this eruption lay intractable differences of opinion between Schlesinger and the senior PhD present, Secretary of State Henry Kissinger. Others find the reasons in matters of style rather than substance: They recall that when Mr. Ford was vice president-in-waiting, he was reported to regard the manner in which Schlesinger pursued his objectives with Congress as damagingly irritating and ineffective.

The threshold question is whether there was, in fact, deep division between Schlesinger and Kissinger on matters having to do with defense. My own view is that, assuming the spectrum of views on defense policy to extend for about one yard, the Schlesinger position would be not more than three inches or so to the right of the Kissinger position. So far as the record and reports reveal, they appear to have been in agreement more than 90 percent of the time.

The major divergence, we have been led to believe, grew out of the tentative agreements reached at Vladivostok last fall concerning the next steps in attempted control over strategic nuclear arms. In the only meeting thus far between President Ford and Chairman Brezhnev, ceilings were set at 2,400 strategic nuclear delivery vehicles for each side. 1,320 of which could be equipped with Multiple Independently Targetable Reentry Vehicles (MIRVs).

Since then, the work of reducing this tentative agreement into a treaty covering strategic offensive nuclear weapons has been bedeviled by questions of assured verification and the debate about inclusion under these ceilings of the new intermediate or longer-range Soviet "Backfire" bomber and the multi-thousand mile non-ballistic cruise missile being developed by the United States.

As filtered through chosen instruments in the press, the Schlesinger position apparently has been that the "Backfire" bomber should be counted against the 2,400-vehicle ceiling because, with increased refueling capability, it could perform intercontinental missions. At the same time, the former secretary of defense is said to have argued that the Vladivostok talks did not deal with long-range non-ballistic cruise missils and that American freedom to develop and deploy them is a desirable if not essential offset to the greater Soviet ICBM throw-weight.

(Informed observers of the glacial process of SALT have been confident that this position could not be accepted by the Soviet Union. Those interested in arms control would further feel that deployment of cruise missiles with a range of 2,000 miles or more would make a mockery of the already unduly lofty Vladivostok ceilings and could so complicate the verification problems as to make offensive nuclear arms limitations unenforceable.)

Accepting for purposes of argument that this was in fact the Schlesinger position, this still appears an inadequate explanation for his dramatic dumping. Both the President and the public should expect a secretary of defense to present all available arguments against restraints on our defense arsenal.

In any case, there is little reason to believe that the kind of SALT II agreement that Dr. Kissinger would propose would so disregard the security interests of the United States as to require Dr. Schlesinger to be obdurate in opposition. Indeed, the more likely prospect is that a Kissinger-style agreement would further raise the dizzy heights of the Vladivostok ceilings so as to accommodate all current weapons programs actively pushed by U.S. and Soviet military leaders. The history of the strategic arms limitations talks has—tragically—primarily been one of ratification rather than restriction of the accumulation of strategic arms, the ABM notwithstanding.

The argument that we needed "bargaining chips" in the form of ongoing and accelerated weapons programs has led to the widescale MIRVing of our intercontinental ballistic missiles and our submarine-launched ballistic missiles, and to continued work on the enormously expensive TRIDENT submarine (now projected at $1½ billion each) and the elaborate B–1 bomber (the current estimated price of which is close to $90 million per airplane).

The "bargaining chip" theory of strategic arms negotiations predated Dr. Schlesinger's stint at defense. Certainly, however, he never evinced any distaste for this creation of Dr. Kissinger. Indeed, his forthright public reports on our defense posture have stressed his acceptance of this approach of bargaining from strength. (Moreover, the Schlesinger strategic doctrine of counterforce options and nuclear war capability was anticipated in reports that Henry Kissinger wrote for President Nixon long before Dr. Schlesinger acquired the defense portfolio.)

The view of our defense needs from the other side of the Potomac River has varied little from the Pentagon perspective. Maybe there has been a time when Kissinger called for a cut in a proposed defense expenditure. I do not, however, recall it. The State Department and the National Security Council under his direction have supported foreign countries and advocated a high level of defense expenditures to avoid, in their jargon, giving a signal to the Soviet Union of some weakening in American resolve. No public pronouncements and no hint of behind-the-scenes maneuvering have suggested that Kissinger has fought against bigger and better nuclear-propelled aircraft carriers, the extension of our naval presence to the Indian Ocean, development of the AWACS the world's most expensive aircraft) for our NATO forces in Europe or retention of four factical air forces. On issues of defense hardware, Schlesinger and Kissinger have been more "Tweedledum-Tweedledee" than "Hawk-Dove."

Sen. Jackson, in announcing the removal of Secretary Schlesinger, placed it in the context of the debate about detente with the Soviet Union. To him, Dr. Schlesinger's exit removed the strong voice counseling caution in any dealings with the Russians. The Republican Right Wing echoed this alarm and Gov. Reagan announced that, despite the removal of Nelson Rockefeller from the 1976 ticket he was "not appeased."

Again this indignation would suggest that the secretary of defense was replaced because his views on dealings with the Russians were inconsistent with those of Kissinger and Ford. But here again, it seems unlikely that the divergence was greater than should be expected between a defense minister and the chief diplomat. In his many statements since 1969, Kissinger has shown no trace of naive euphoria with regard to possible Soviet intransigence. And I doubt that Schlesinger ever longed for a return to the Cold War era of name calling or that he believed that Soviet trouble-making potential is increased by efforts to draw its leaders into civilized dialogue.

Nor can I see anything in Gerald Ford's record, on the Hill or in the White House, that would type him as blind to any Soviet menace. Conservatives need not fear that the Ford-Kissinger-Rumsfeld-Scowcroft quartet is about to scuttle the defenses of the West or yield to treaties placing us at a strategic arms disadvantage.

It may be, of course, that the dismissal of Schlesinger was designed to prevent possible damaging debate in an election year. If the proposal advanced by President Ford to cut $28 billion from the federal budget to offset a $28 billion tax cut is indeed serious, the defense budget would be subject to drastic reduction.

On the eve of his dismissal, Schlesinger attacked House Appropriations Committee action on the defense budget as "deep, savage and arbitrary cuts" that had been "driven by political considerations."

In view of the fact that this congressional action would leave the defense budget for 1976 higher in "real dollars" than last year's, these charges seem at least a bit hyperbolic. President Ford might well have been concerned about similar tirades if indeed an effort is to be made to cut the federal budget for fiscal 1977. Gov. Reagan and his supporters unquestionably would be eager to hear and to use any suggestions that the Ford administration was irresponsible in protecting our national security.

Whatever the logic within the White House favoring the removal, Dr. Schlesinger's departure from the scene may well cool the potential debate about the extent and nature of any cuts in defense spending. It cannot be anticipated that Mr. Rumsfeld, as secretary of defense, will display a comparable willingness to oppose budget proposals accepted by President Ford.

What is lacking in Mr. Rumsfeld, of course, is Dr. Schlesinger's rich background in defense weaponry and strategy. However strongly one might disagree with some of Schlesinger's positions, no one could deny his command of the facts and his ability to articulate his views.

What may be lost to the nation, therefore, is the opportunity for informed debate on the defense budget. The real issue now, as it always has been, is not whether we are spending too much or too little but rather whether the large chunk of federal funds devoted to defense is spent on the right things. It is, after all, of no real relevance to our national security whether the defense budget is going up or going down or whether we are spending more or less money than the Soviet Union. The criterion for meeting defense needs is whether we are maintaining the military forces necessary to protect against feasible external military threats.

In that regard, past congressional action in reducing the budget may well have deserved Dr. Schlesinger's characterization of it as "arbitrary," though it, hardly has been either "deep" or "savage." The typical participation of Congress in the process has been to defer expenditures, cut down on maintenance programs and stretch out but not cancel the production and deployment of new weapons systems. In an inflationary period, the net effect of such measures often is to *increase* the final price tags.

What has not been addressed, and what *should* be addressed, is the fundamental question whether our present and planned military capability is best adapted to perform the missions truly vital to national security in the waning years of the Twentieth Century. The debate about the underlying issues, if it occurs at all, will be the poorer for the loss of Dr. Schlesinger's active participation.

Such a debate was invited this year when, in presenting its arguments for higher budgets, the Department of Defense forthrightly advocated an ongoing annual increase in real program value of about 2 per cent. This would mean, in constant 1976 dollars, budget requests of $116 billion for fiscal year 1980. With only moderate inflation, the total for 1980 would be close to $150 billion and by 1985 would exceed $200 billion. Furthermore, Schelsinger's department argued that nothing less would permit the carrying out of current defense policy and, indeed, that even higher increases might be necessary.

Largely because of concern for a strong American image after the debacle of Vietnam, the real defense debate has not yet occurred. It should not be deferred any longer. While the issues remain submerged, we spend too much for military power we can't use and risk erosion of military power we could need.

I agree with the view that our national security will not permit the allocation of more and more funds for the defense function. Our security rests largely on our economic and political health, and military might is of quite limited value in advancing our international objectives.

In my opinion, moreover, the defense budget in fact will *not* be allowed to grow to the magnitude projected by Schlesinger and his colleagues. Their complaint this year is that Congress never before has made such deep slashes in an administration's defense requests. But no administration in peacetime has ever before asked for so much. And judging from what the Defense Department has told us it will request, sizable reductions, if soundly made, would be completely consistent with our national security, and indeed would promote it.

But sizeable cuts to free up funds for other areas crucial to our national security cannot be achieved by accepting current operating premises and whitling away at the figures these premises entail.

There are several elements of our defense structure, presently taken as given, that should be examined and could be discarded or at least drastically revised.

Need we, for example, maintain four separate tactical air forces? Tactical airpower is one of the most expensive elements in our defense arsenal. But despite the birth of the U.S. Air Force and in defiance of common logic, each of the four armed services has maintained and even enhanced its independent tactical air capability. Carrier-borne naval air missions duplicate, at far greater expense, many land-based missions assigned to the Air Force. The Army continues to obtain funding for its own close air support aircraft, imperfectly restrained by the denial to it of fixed wing units. The Marine Corps spends almost 60 per cent of its budget on highly sophisticated aircraft vaguely if at all compatible with the Marine Corps' basic missions.

The elimination of redundancy and a clear definition of the air missions properly allocable to each of the services could yield very substantial financial savings. The Marine Corps' separate air force may well be expendable.

Turning to the Marine Corps as a whole, it has had political support perhaps matched only by the FBI in Mr. Hoover's heyday. But there is today some question as to the separability of its missions from those of the Army. The island-hopping campaign of World War II won't happen again in the nuclear age. And the capability to project American military power into Third World crises is not one that the American public particularly prizes or that the Congress is apt to authorize. But cutback or merger for the Marine Corps could only follow enlightening analysis of the pros and cons. And only the brave and the competent—not those attuned primarily to politics—would dare argue the issue.

Insofar as naval forces are concerned, we are warned by naval enthusiasts about growing Soviet seapower. But since no amount of expenditure on our own naval forces can crowd Russian ships off the seas, there should be informed review of the use of American naval power in today's world and of the threats it is designed to deter or to deflect in case of conflict.

Is it, for example, realistic to envisage a protracted war at sea with the Soviet Union? Could we risk letting our immense aircraft carriers out of home ports at a time of conflict? Should we be building more nuclear-propelled aircraft carriers at more than a billion dollars each? If the Soviet navy is so formidable, though assembled at far less cost than our own, should we remodel our own fleet to emphasize more and smaller craft armed with sophisticated missiles? Have we lost the ability to control the sea lanes? Can we or the Soviet Union hope to have this ability in today's environment of nuclear-power attack submarines and sophisticated surface-to-surface missiles?

Insofar as strategic forces are concerned, there are those who see no justification for continuing to increase the quantity and quality of our nuclear missiles or for building new delivery systems as expensive as the Trident submarine and the B–1 bomber. They see no profit and great risk in the development of super-accurate missiles for counterforce strikes and they regard advocacy of a nuclear war capability as a call down the road to crisis instability, a lower nuclear threshold and greater risk of destruction of civilized society.

With the Strategic Arms Limitation Talks continuing but perhaps stalemated, these issues should be a key item in the national security debate. In that debate, I would have expected to find myself often in disagreement with Dr. Schlesinger. But his voice from the Defense chair will be badly missed.

Schlesinger's Defense Department continued Secretary Melvin Laird's scale-down from a 2½-war planning assumption to one of 1½ wars. Indeed, Leonard Sullivan, assistant secretary of defense for program analysis and evaluation, suggested early this year that perhaps a 1⅕ war strategy would be more appropriate. At the same time, however, the Defense Department has moved toward the creation of three new Army divisions, bringing the total from 13 to 16. Why with fewer concurrent wars in view do we need more Army divisions? Do we plan to keep more combat troops here at home? Would the administration flout expressed congressional sentiment and deploy more troops in Europe?

Congress and the Defense Department both should be interested in reconsidering many of the immensely expensive new weapons systems. Their inquiry should be directed not only to technological efficacy but to the value of their missions in terms of our overall needs and the plausibility of conceivable contingencies.

An example is AWACS (Airborne Warning and Control System). This involves the most expensive airplane ever designed. In initial concept, it was intended for strategic air defense. Now it is defended as important to air control in all-out warfare between the Warsaw Pact and NATO. Its vulnerability to jamming or destruction is patently high. A lower cost and more viable alternative could surely be devised.

In the days when both energy and defense manpower were cheap, America acquired wasteful habits in using both. Salary increases, escalating pension benefits and the all-volunteer Army now make military manpower conservation a must. Cooperation between the executive and legislative branches will be necessary to bring about more efficient utilization of our armed forces, the closing of U.S. bases that though politically attractive are militarily useless, and the trimming of support forces both here and overseas. Again, an experienced and competent Pentagon team is essential to sound decisions.

Few would doubt the need to maintain strong defense forces that will discourage potential adversaries from seeking advantage through military aggression. But much of our defense planning now proceeds, I believe, from outmoded premises as to the nature of the military contingencies with which we might be faced. The only nation that can threaten our physical security is the Soviet Union. We don't need to arm ourselves against an array of obscure global military challenges. Moreover, any Soviet attack is unlikely, Dr. Schlesinger has assured us.

Should military power be used against our forces and our friends in Europe, however, the least unlikely is limited aggression to gain and gain quickly a limited objective. The forces we have in being and the military capability we have on the drawing board are directed instead toward an improbable scenario of allout and protracted warfare. We could, I am convinced, have a force structure which would provide us greater ability to respond to any likely aggression and at lower cost than our present and planned forces provide.

Informed national debate on some of the basic issues as to the nature and purpose of our military power is long overdue. The chances that this informed debate will take place have been lessened and, if it should occur, the quality of the debate has been lowered by President Ford's decision to surround himself with men of like minds rather than men of strong minds. For Dr. Schlesinger, the explanation for his rejection must seem as unsatisfactory as it undoubtedly was to Dr. Fell.

RESEARCH ADVANCES AT UNIVERSITY OF CONNECTICUT

Mr. RIBICOFF. Mr. President, I am pleased to note for my colleagues that an important vaccine used against two main strains of meningococcal meningitis was recently developed by a team which includes Dr. Irving Goldschneider, an associate professor of pathology at the University of Connecticut's Health Center.

In addition Dr. Ronald Gold and Dr. Martha Lepow, both professors in the University of Connecticut's Department of Pediatrics played major roles in testing the new vaccine.

Through their work, millions of people throughout the world will be protected against the ravages of meningitis.

I salute these distinguished citizens of Connecticut and all who worked with them.

I ask unanimous consent that a press release describing their work be printed in the RECORD.

There being no objection, the press release ordered to be printed in the RECORD, as follows:

RESEARCH ADVANCES AT UNIVERSITY OF CONNECTICUT

FARMINGTON.—Two U.S. drug companies have been licensed to produce vaccines against the two main strains of meningococcal meningitis originally developed by a member of the University of Connecticut medical and dental faculties and two colleagues.

The U of C member of the original U.S. Army development team is Irving Goldschneider, M.D., an associate professor of pathology, according to an announcement today by Robert U. Massey, M.D., acting executive director of the U of C Health Center here, home of the medical and dental schools.

Dr. Massey noted that licensure by the U.S. Food and Drug Administration, which permits use of the "A" strain vaccine in children six years of age and over, and the "C" strain in adults "will soon give the country two powerful weapons to halt epidemics of the disease."

Licensed to produce the vaccines commercially are Merrell-National Laboratories of Cincinnati, and Merck & Co., Inc., of Rahway, N.J. The vaccines are for use during local outbreaks and epidemics, of meningitis.

Some 4,000 cases—including 1,000 deaths—are reported each year in the U.S., mostly in children, with epidemics occurring every 15 to 20 years. The worst epidemic of the century, in the 1940s, produced a known 80,000 cases in the U.S., primarily of the A strain.

This same strain annually produces tens of thousands of cases in the "meningitis belt" of North Africa. The C strain has caused epidemics in Brazil and among military recruits in the U.S.

Meningitis is the 10th leading cause of death among children in the U.S. About one in four who get the disease die, and about three in 10 of the survivors suffer permanent brain and nervous system damage, such as deafness, blindness, paralysis and mental retardation.

Dr. Massey also pointed out that co-developers of the vaccines with Dr. Goldschneider at the Walter Reed Army Institute of Research in 1968 were:

Malcolm S. Artenstein, M.D., chief of the institute's bacteriology department; and

Emil C. Gotschlich, M.D., now an associate professor at Rockefeller University in New York City.

In addition, Dr. Massey called attention to the work of two others at the U of C medical faculty, Dr. Ronald Gold, an associate professor, and Dr. Martha Lepow, a professor, both of the department of pediatrics.

Dr. Gold was in charge of the original Army safety and efficacy testing of the vaccines which led to their routine use by the Army in recruits. An estimated 600,000 have now been immunized.

Dr. Lepow worked with Dr. Goldschneider in 1970 on the first trial of the vaccine in civilians, a group of some 150 children—offspring of Health Center faculty, patients of two Farmington pediatricians, and otherwise healthy orthopedic patients at Newington (Conn.) Children's Hospital.

In 1972, Drs. Gold and Lepow worked with Dr. Goldschneider on the first big field trial in the U.S. on children—some 400 infants at Danbury Hospital and about 3,000 first and second-graders in Danbury public and parochial schools.

Preliminary data from the Connecticut trials were so encouraging it provided the basis for these succeeding, successful trials:

In Brazil during an epidemic in late 1972, where U.S. officials estimate some 40,000 cases have now been prevented through an immunization program which ultimately reached some 18 million children and adults.

In Egypt during an epidemic in 1972, where 125,000 children received the vaccine.

In the Sudan when meningitis was present in 1973, where nearly 22,000 children between six and 15 years of age were vaccinated.

In Finland in 1974, during an epidemic centered on Helsinki, where some 100,000 children were immunized.

Worldwide, more than 100 million people have already received the vaccine.

In general, the vaccines, assessed either by the prevention of meningitis in field trials, or through analysis of protective antibodies formed in the blood, have proved to be about 95 per cent effective against the A and C forms of meningitis.

These vaccines involve a principle of action different from most vaccines, which may explain the fact that no serious side effects have ever been recorded with their use.

The vaccines consist of a "sugar"—a polysaccharide—extracted from the coating of the bacterium which causes meningitis. The sugar alone is sufficient to cause protective antibody formation.

The significance of their development is heightened by the fact that most strains of meningitis have now become resistant to the antibiotics and sulfa drugs which have been used in the past.

Dr. Goldschneider has said he believes the new vaccines may provide a model for other vaccines against other diseases.

NIH ADVISORY COMMITTEES: THE POLITICS OF FILLING VACANCIES

Mr. METCALF. Mr. President, the new Director of the National Institutes of Health, Donald S. Frederickson, has yet to meet with the Advisory Committee to the Director, NIH, because for all practical purposes he has no committee with which to meet. The advisory committee is supposed to have 16 members but at present has only 5.

"One position on the committee has been vacant since 1972," writes Barbara J. Culliton in the October 31 issue of Science. "For 3 years, NIH has been sending the names of likely candidates to the Secretary of Health, Education, and Welfare, "HEW, who must make the appointments. For 3 years, politically appointed staffers in the Secretary's office have been sending those nominations back—rejected."

The same problem afflicts the committees which advise the directors of individual institutes on policy, Culliton reports, so that at present there are 36 vacancies on directors' advisory committees having a total of about 160 membership positions.

I ask unanimous consent that her informative article "NIH Advisory Committees: The Politics of Filling Vacancies," be printed in the RECORD, along with the description and roster of the Advisory Committee to the Director, NIH, as of January 1, 1975, as published by NIH.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NIH ADVISORY COMMITTEES: THE POLITICS OF FILLING VACANCIES

(By Barbara J. Culliton)

Donald S. Frederickson, who has been director of the National Institutes of Health (NIH) since July, has yet to meet with his advisory committee. It is not that Frederickson has been dilatory. The problem is that, for all practical purposes, he has no committee with which to meet. The NIH director's advisory committee, which reviews all policy issues, is supposed to have 16 members—scientists and lay persons. At the moment, it has only five. One position on the committee has been vacant since 1972. For 3 years, NIH has been sending the names of likely candidates to the Secretary of Health, Education, and Welfare (HEW) who must make the appointments. For 3 years, politically appointed staffers in the Secretary's office have been sending those nominations back—rejected.

The problem has been the same with respect to nominations to committees* that advise the directors of the individual institutes on policy, also appointed by the Secretary, and, reportedly, exists throughout HEW agencies. As of this writing, there are a total of 36 vacancies on directors' advisory committees, out of a total of about 160 positions, leaving the committees to the director and four institutes † operating at half steam or not at all. Until recently, there were nearly twice as many vacancies.

The influence wielded by the NIH policy advisory committees varies from institute to institute and depends in large part on the strengths of their individual members. However, their potential for power is considerable inasmuch as they have final authority over the approval of all grants and contracts supported by the institutes.

One of the most powerful and consistently functional of NIH advisory bodies is the National Cancer Advisory Board which, ironically, is out of the purview of the HEW Secretary. Nominations to that board are channeled directly to Benno Schmidt, chairman of the President's Cancer Panel, who passes his choices on to the White House where appointments are made. Cancer institute officials are frank to admit that because of Schmidt, they have not had the troubles other institutes have had in keeping their advisory board full.

The theme of this story is familiar. Do politicians have any business interfering in seemingly scientific affairs? Or, when scientists choose other scientists for positions of scientific responsibility, why won't the nonscientists in government just go along with it? The answer, of course, is that the appointment of both lay and scientific advisers to NIH is very much a political affair. A prestigious appointment to NIH is vulnerable to the demands of patronage.

The man in charge of the politics of appointments at HEW is William S. Ballenger, a former Republican Michigan state senator, who now works directly for HEW Secretary Mathews. Ballenger says that the vacancy issue is greatly exaggerated and that, although there may have been a crisis a year ago, that isn't his fault. But he readily acknowledges that appointments are governed in the final analysis by political, not scientific, considerations.

It is true that, although there is still a long way to go, some progress has been made since Ballenger began work on 6 January. "When I came here, there were scores of vacancies in HEW advisory committees, perhaps as many as 100, I'm not sure," says Ballenger who optimistically predicts that "We will be up to date by the end of the year."

Nevertheless, dissatisfaction over the whole process remains. As vacancies on NIH committees come up, the staff prepares a slate of nominees for the Secretary's staff, offering a primary and alternate candidate for each position. In selecting nominees, a number of criteria are taken into account: the committee's need for certain specialists, sex—NIH is striving to fill one-third of its policy committees with women—and geography. The NIH staff tries to achieve geographic balance and, as part of the package of material accompanying every nomination, includes a map of the United States showing what the makeup of the committee would be were that person to be appointed. Furthermore, while not taking candidates' political affiliations specifically into account, NIH tries to avoid nominating anyone who is too vocal and conspicuous about his political views. And so, NIH, thinking it has done its homework well, sends its lists downtown to HEW where they are screened, and usually approved by Theodore Cooper, a former NIHer who is assistant secretary for health. As far as NIH is concerned, changes in scientific appointments should not be made beyond Cooper's office. There is reason to think that Cooper agrees.

It is after the lists move from Cooper's office to Ballenger's that the trouble begins. One after another, prominent scientists are turned down with no explanation given. Recent rejects include Edmund Pellegrino of Yale, Sol Spiegelman of Columbia, Ivan Bennett of New York University, and Daniel Koshland of Stanford. There have been dozens. And, sometimes, NIH gets an adviser it did not ask for. A case in point, from pre-Ballenger days, is the appointment of Houston heart surgeon Michael F. DeBakey to the heart and lung institute council. NIH nominees were passed over by former Secretary Caspar W. Weinberger in favor of DeBakey.

Ballenger declares that, while he is not about to be a rubber stamp for NIH, he is willing to "negotiate" appointments to get individuals everyone can live with. He insists, quite credibly, that you do not have to be a staunch Republican to get on an advisory committee. On the other hand, he notes that "these committees are an adjunct to the Administration and there has to be some feeling that appointments will not be an embarrassment to the Secretary or the White House." And there is the question of geography and women and minorities. In Ballenger's view, "The agencies may be doing better in these areas than they used to, but they're not doing good enough." If NIH sends in a slate of nominees that does not include women, for example, it must also send a written justification that includes the names of specific individuals whom it considered but declined to nominate and why. Usually, problems occur when an institute is looking for an adviser with some particular scientific expertise in a field that may not have many specialists of either sex.

Two things can happen when NIH nominees are turned down. One is that NIH can submit more names, as it often does. The other is that HEW will suggest persons drawn from its own extensive lists. The latter solution is particularly irksome to NIH officials when they are dealing with scientific rather than lay candidates. As one staffer said, "We'll concede their right to appoint lay people if they'll let us make judgments about qualified scientists."

Ballenger, however, is not about to make any concession. He sees the initiation of nominees from his office as a "positive" rather than "reactionary" action, even though he realizes that agency people are "insulted when we send them names." But he says he has his own problems with respect to drawing up slates of nominees, problems agencies do not share. Suggestions for advisory committee members come pouring in to his office from members of Congress, from special interest groups, from state legislatures, from the White House. He listens to them all and says that, in the general scheme of things, NIH has more clout than any of the rest. But, he declares, the scientific community can be "incestuous and inbred" at times and that his office, searching more broadly for qualified people, finds individuals that are first-rate that the scientific establishment never heard of—just as he has never heard of some of science's establishment, including Pellegrino, Bennett, and others. It would appear that they were rejected more because Ballenger's office wishes to put its own candidates in place than because of any Machiavellian plot against the scientists as individuals.

Furthermore, Ballenger notes that HEW Secretary David Mathews does not necessarily share the scientist's opinion that a vacancy must be filled with an individual of some particular scientific expertise. Mathews, for instance, recently wanted to put a coal miner on a committee of HEW's Center for Communicable Diseases on coal miner's health and safety. CDC scientists apparently said no coal miner could understand the issues. Ballenger claims there was a compromise: no coal miner was appointed this round but one will be when other vacancies occur.

While Ballenger is unwilling to concede any of his and the Secretary's authority, he told *Science* he can promise there will be no more "Sinatra incidents." A few years ago, heart institute officials woke up one day to learn that Spiro Agnew's buddy Frank Sinatra had been appointed to the heart council. They had not been asked, or even told. And it was never quite clear whether Sinatra personally had accepted the invitation to fill an unexpired term. Nevertheless, for a year, a seat was kept waiting for him at council meetings. Ballenger states he will not "force" anyone onto a scientific advisory committee against an agency's will but he sums up his position by saying, "Secretarial committees are not the private preserve of the agencies." Now, if someone would just fill those 36 vacancies. . . .

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*Strictly scientific review committees that only judge the scientific merits of grant or contract applications are appointed by the NIH director, not the Secretary. Of more than 300 HEW committees, the Secretary is responsible for only 75 or so.

† Vacancies exist in the Eye, Child Health, and Heart and Lung institutes and in the National Library of Medicine.

ADVISORY COMMITTEE TO THE DIRECTOR, NIH—DESCRIPTION

AUTHORITY

Originally established by the Director, NIH, on May 9, 1966, under section 222 of the Public Health Service Act, as amended, 42 U.S. Code 217a. In accordance with P.L. 92-463, chartered on January 4, 1973, by the Secretary, DHEW, and terminating January 4, 1975.

STRUCTURE

Consists of the Director, NIH, as chairman, and 16 members appointed by the Secretary, DHEW, for overlapping terms of four years. Members are selected from basic and clinical medical sciences, the social sciences and the physical sciences, from educational and research institutions, industry, foundations and associations. The membership represents expertise in research, education and communications.

FUNCTIONS

Advises the Secretary, the Assistant Secretary for Health, and the Director, NIH, on matters relating to the broad scientific, technological, academic, managerial, and socioeconomic setting in which the continuing development of the biomedical sciences, research training, and biomedical communications must take place, and also advises concerning their implications for policy, program development, resources allocation, and administration of the NIH. Provides a framework for overall review, evaluation and policy development regarding specific or general aspects of NIH activities not encompassable within or appropriate for the individual Bureaus, Institutes, Divisions or other organizational elements.

MEETINGS

Meetings are held three times a year, as called by the chairman, who also approves the agenda. A government official is present at all meetings.

ADVISORY COMMITTEE TO THE DIRECTOR, NIH—ROSTER

Chairman—Director, National Institutes of Health, PHS, Bethesda, Md. 20014.

Dodds, Joseph J., 1977—Medical Director, Division of Surgery, Earl Campbell Clinic Association, Chattanooga, Tenn. 37402.

Edwards, Cecile H., 1975*—Dean, School of Human Ecology, Howard University, Washington, D.C. 20001.

Hudson, Roy D., 1977—President, Hampton Institute, Hampton, Va. 23368.

Kelly, James F., 1976—Executive Vice Chancellor, State University of New York, Albany, N.Y. 12201.

Koshland, Marian E., 1975*—Professor, Department of Bacteriology & Immunology, College of Letters and Science, University of California, Berkeley, Calif. 94720.

Petersdorf, Robert G., 1976—Professor and Chairman, Department of Medicine, School of Medicine, University of Washington, Seattle, Wash. 98195.

Sprague, Charles C., 1976—President, University of Texas Health Science Center, Dallas, Tex. 75235.

Executive Secretary—McCarthy, Charles R., Office of Legislative Analysts, National Institutes of Health, PHS, Bethesda, Md. 20014.

FUTURE U.S. FOOD SUPPLY MAY BE DICTATED BY SASKATCHEWAN GOVERNMENT IN CANADA

Mr. TALMADGE. Mr. President, on November 12, 1975, at the opening of the legislative session of the Saskatchewan Province, Canada, Premier Allen Blakeney stunned the free world agricultural producers. Premier Blakeney announced that the Province would selectively either purchase or expropriate the potash mines of the Province.

This past year American farmers used 4.42 million tons of potash of which 85 percent or 3.74 million tons came from these same Saskatchewan mines. Additionally, Saskatchewan exported 1.7 million. I am advised that over the years we have depleted the only real reserves within the United States located at Carlsbad, N. Mex. The small amount of production obtained by either solar evaporation from the Salt Lake, or from hydraulic deep underground sources at Mohab, Utah, or Trona, Calif., could not possibly make up the deficiency were we to lose the Canadian imports.

Should the Saskatchewan Government take over the mines, by whatever device, they would be able to dictate the tonnage, price, quality, grade, et cetera, of potash to every American farmer.

Between 30 and 40 percent of American farm output is directly attributable to the use of commercial fertilizer. We could not possibly feed our Nation, let alone supply those overseas grain customers who must buy from our country, without a dependable fertilizer supply. Therefore, it would seem to me that both the Secretary of State and the Secretary of Agriculture should at once direct their efforts to insure a continuous flow of potash materials to our farmers from Saskatchewan. This is a situation that has the initial hallmarks of another OPEC and, therefore, the highest levels of the executive department must become involved before the damage is irreparable.

An article describing the proposed takeover of these mines was carried in the Wall Street Journal on November 13, 1975, and, if there are no objections, I should like to ask unanimous consent for it to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SASKATCHEWAN TO TAKE OVER POTASH MINES

REGINA.—Saskatchewan announced a plan to take over the assets of "some or all" of the 10 potash mines operating in the province.

In an address to the opening session of the province's legislature, Stephen Morobetz, the provincial lieutenant governor, disclosed a plan under which the New Democratic Party government of Premier Allan Blakeney would seek negotiated purchases of the mines but would expropriate the assets of companies with which it can't agree on prices.

Under enabling legislation to be introduced in about 10 days, a three-member arbitration panel would determine a fair price for the expropriated mines. Mr. Blakeney said he expects the enabling legislation to be passed by Christmas.

Decisions of the panel could be appealed through the courts by either side. The proposed panel would include one potash industry member, a member nominated by the government and a member appointed by the chief justice of a Saskatchewan provincial court.

Of the 12 mining concerns that have developed the Saskatchewan potash reserves, seven are U.S. or U.S. controlled.

COMPANIES INVOLVED

They are: Amax Potash Ltd., a unit of Amax, Inc., New York; Duval Corp. of Canada, a unit of Houston-based Duval Corp.; Ideal Basic Industries Inc., Denver; International Metals & Chemical Corp. (Canada) a unit of International Minerals & Chemical Corp., Libertyville, Ill.; PPG Industries Canada Ltd., a unit of PPG Industries Inc., Pittsburgh; Swift Canadian Co., a unit of Chicago-based Esmark Inc.'s Swift & Co. subsidiary, and Texas Gulf Potash Co., a unit of Texasgulf Inc., New York.

Other foreign-controlled potash mining concerns in the province are U.S. Borax & Chemical Corp., a unit of Rio Tinto Zinc Corp., London, England; the Hudson Bay Mining & Smelting Co. unit of Anglo American Group of South Africa, and Alwinsal Potash of Canada Ltd., controlled by French and West German interests.

The two Canadian companies are Cominco Ltd., Vancouver, and Central Canada Potash Co., subsidiary of Noranda Mines Ltd., Toronto.

Texasgulf, U.S. Borax and Swift Canadian own 40%, 40% and 20%, respectively, of Alan Potash Mine Operators Ltd. The others have their own mines.

Most of the companies involved declined to comment on the government statement, pending further details. However, International Minerals & Chemical did say it "intends to pursue every possible alternative" to the take-over plan.

SWIFT AND SWEEPING

At a news conference yesterday, Premier Blakeney made it clear that the potash take-overs will be swift and sweeping.

"We want effective control over the rate of potash production in Saskatchewan and over the revenue flowing into our treasury as a result of the production," he said. "Our initial goal will be public ownership of at least half of the potash production capacity in the province," he said.

"We'll be looking at a time frame of six to 18 months before all our initial acquisitions are completed and expansion plans are in place," Mr. Blakeney added. He said the number of companies to be acquired "might be influenced to some degree" by the stance companies take toward expanding capacity and meeting tax obligations. But he emphasized that "we'd have to take a very close look at the kind of guarantees a company is willing to make before ruling out acquisition or expropriation."

Mr. Blakeney said the potash take-overs "will involve very large sums—certainly over $500 million and they may well approach $1 billion depending on how many mines we buy."

He said the province will finance the take-overs partly with funds in hand "but basically through borrowings." The premier said the sources may be either in Canada or outside of Canada.

He declined to say how much money the province has for the take-over plan. "When you are going to sit down and negotiate a price with somebody, you don't tell them what's in your kitty," he said.

Mr. Blakeney said at the news conference that the government decided to take over the potash mines partly because it was frustrated in its attempts to get the producers to expand their operations to protect Saskatchewan's share of future potash markets. The government also was miffed by the previously reported company litigation aimed at striking down the provincial potash reserve tax.

The mines to be taken over would come under the control of the provincially-owned Potash Corp. of Saskatchewan, Mr. Blakeney said. He added that soon the government intends to begin acquisition discussions with "one or two companies, which haven't yet been selected." Mr. Blakeney added that one key consideration in deciding what company to approach initially is the potential for early capacity expansion.

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*Terms expired.

MOST EFFICIENT MINES

After the news conference, Ed Whelen, provincial minister of mineral resources, said "We'll also be looking first at highly efficient producers with good quality ore." He said the government considers the two most efficient potash mines to be operated by a unit of International Minerals & Chemical and another operated by a division of Hudson Bay Mining & Smelting.

Before the new Democratic Party gained power in 1971, other provincial governments had assured the producers they would pay only nominal royalties in Saskatchewan until 1981.

But in May 1972, Premier Blakeney's government imposed a 60-cent-a-ton "prorationing fee" under the province's mineral resources act, a conservation measure. The fee was doubled to $1.20 a ton in September 1973.

Then, in 1974 the provincial government enacted a new potash reserves tax, which has been applied in addition to the prorationing fee, and provincial income taxes. Also last year, the Canadian federal government changed its tax laws to disallow provincial royalties and mining taxes as deductions when calculating federal income taxes.

This year, the provincial government further tightened its tax laws with the effect, potash producers argue, that the federal and provincial governments could take up to 90 cents of each $1 increase in potash prices. Industry people argue, through the Canadian Potash Producers Association, that potash mining concerns in Saskatchewan are subject to a total tax load exceeding 80% of pretax profits. Producers want the reserves tax replaced with a levy based on their income.

SENATOR RANDOLPH'S REMARKS TO THE GREAT LAKES TO FLORIDA HIGHWAY ASSOCIATION

Mr. HARRY F. BYRD, JR. Mr. President, the Senator from West Virginia, Mr. RANDOLPH, spoke in Wytheville, Va., Friday evening on "Future Highway Development Builds a Better America."

None is better qualified to speak on this subject than is Senator RANDOLPH. He is chairman of the Public Works Committee and has taken a keen interest in the Nation's highway programs over a long period of time.

The Senator from West Virginia addressed the Great Lakes to Florida Highway Association. He noted that association is not only the oldest highway group in the country, but he termed it "one of the most effective." He commended the "energetic membership and the leadership provided by such men as James A. Williams." Besides being president of the Great Lakes to Florida Highway Association, Mr. Williams is editor and publisher of the fine Southwest Virginia Enterprise published at Wytheville and a close personal friend of the senior Senator from Virginia.

I asked unanimous consent that Senator RANDOLPH's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

FUTURE HIGHWAY DEVELOPMENT BUILDS A BETTER AMERICA

On Monday in St. Louis I will address a meeting of state highway officials from all parts of the country. It will be an important gathering of roadbuilders, and I know that we will learn much from each other. This is important because the Congress is deep into the process of writing a new highway bill to guide the Federal-Aid program in the years immediately ahead.

Tonight, however, I am glad to be in what I feel is home country. The State line that separates Virginia and West Virginia is only a mark on a map. The people of our states spring from a common heritage. They share common concerns, and because of rugged terrain, the need for improved transportation is great.

Building good roads in the mountains is no easy task. And it is expensive. A successful highway program, therefore, requires more than just government action. It requires the dedication and involvement of individual citizens and groups that depend on roads to move from place to place.

The Great Lakes to Florida Highway Association is such a body. Yours is not only the oldest highway group in the country, it is one of the most effective. With an energetic membership and the leadership provided by such men as Jim Williams, you have a record of progress that extends for half a century.

The evidence of your success is apparent not far from where we meet. The magnificent new Interstate 77 is growing daily as a worthy successor to U.S. 21 as THE Great Lakes to Florida Highway. That the development of I–77 has progressed so far is a tribute to your perseverance.

Before coming to Wytheville, I checked on the status of I–77. A substantial part is completed, other segments are under construction, and planning is substantially advanced on the remaining portions. All of I–77 in Virginia will be either open or under construction by the end of 1976.

That, of course, is good news. The big question remaining is when it will be completed. According to information from the Virginia State Highway Department, the final segment of I–77—a 7.5-mile stretch just south of Wytheville—should be finished in late 1979 or early 1980. I am sure that your organization is looking forward to that day for a deserved celebration.

I wish I could say that the West Virginia Turnpike, which carried I–77 through the southern part of my State, will be completed by then. Unfortunately, this is not the case. The Turnpike was added to the Interstate System after the program began. Several legal problems had to be overcome before we could start to improve it to Interstate standards. That work was started just as heavy cost increases hit highway construction. West Virginia is ready to move ahead but needs heavy doses of Federal money to carry out the $300 million upgrading.

I share the frustration that you must feel as each passing year sees the Interstate system still incomplete. It has been nearly 20 years since the Federal government decided to support the construction of a national system of freeways. For various reasons, the original 16-year construction goal was not met.

Eighty-seven percent of the System, however, is now open to traffic. The remaining miles are likely to be some of the most costly and difficult parts of the network. Some of these are in urban areas and may never be built. Others will require only money—an increasingly important commodity in this time of continuing inflation.

In the two years between 1973 and 1974, the cost of highway construction went up by 50 percent. Although the inflation rate has eased somewhat this year, today's highway dollar buys about one-third less roadway than it did in 1973.

How to compensate for the price increases and speed up completion of the Interstate system is of major concern to the Public Works Committee. For several years, Interstate funding has changed but little. It now stands at $3.25 billion a year and, frankly, there is little chance that this amount can be increased under the present system.

The total of all highway funds is limited and there are growing needs for other types of highways. The primary and secondary systems have been relatively neglected while we concentrated on building Interstates. So the big question really is finding a way to pump more money into building the roads that are needed in every part of our country. It is estimated that a highway program of something more than $9 billion a year would be needed just to keep up with inflation. This amount would not build any more roads than $6 billion did a few years ago.

Yesterday the Senate Public Works Committee approved a new Federal-Aid Highway Act. Together with earlier authorizations for the Interstate System, it provides for a highway program of $7 billion for each of the next two years. This bill makes several valuable modifications in the highway program. In terms of money, however, we were unable to authorize what we know is needed.

A major unanswered question facing us is the future of the Highway Trust Fund. Several proposals have been advanced on how to pay for roads in the future. Some would keep the Trust Fund intact: others would abolish it completely and pay for highways from the general treasury; still others would adopt a middle ground.

These are complex issues of finance and transportation policy. They will require time to examine. We must be diligent in forming a final answer, for our actions will influence the highway program for years to come.

The necessity for careful deliberation is the primary reason we adopted only a two-year highway bill. It is also why recommendations will be made to extend the Trust Fund in its present form for another two years—through fiscal year 1979. In the next two years, the Congress will have time to resolve the important questions that have been raised.

At the same time, consideration can be given to a proposal I introduced recently to speed completion of the Interstate system. This plan would permit the states to issue bonds for Interstate work. This would provide all the needed money in a short period and the work could be placed under contract.

Then, over the next 20 years, the Federal government would distribute Interstate funds to retire the bonds. Just as at present, we would pay 90 per cent of the cost. I am convinced that this approach would keep the Interstate program from extending into the next century—as it may at the present funding level. The bond approach also should lower the ultimate cost. Our studies show that the interest rates on bonds would almost certainly be lower than the inflation rate. There are some estimates that by issuing bonds under this plan the total cost of the Interstate system could be reduced by as much as $30 billion. This is a substantial amount of money. The possibility that the taxpayers could save this much—and have better roads sooner—should be seriously considered. The bonding approach also would permit West Virginia to speed up its work on the Turnpike.

The construction of I–77 is a major goal for the Great Lakes to Florida Highway Association. You have worked hard and the end is in sight. I hope, however, that you will not feel that the usefulness of your association, and others like it, is finished when this ribbon of concrete links Virginia and West Virginia with States north and south.

It is obvious that there are many unmet road needs in our country. The local roads to farms and factories: the streets of the towns—all of these must be maintained and improved. There is a great future ahead for highway organizations to encourage and support roadbuilding programs.

There may be a tendency to let down once the Interstates are finished. Some people may lose interest in highway construction—thinking that we have enough. Despite what you may hear from some quarters, the American reliance on motor vehicles is not over.

We are entering an era of maturity in which a strong mix of all transportation forms is needed to serve a varied and complex society. We may use roads and cars and trucks in different ways in the future, but we will not be able to do without them.

So I commend you for your accomplishments of the past, and I urge you to look to the future as a time of continuing challenge.

FINDINGS BY JOURNALISM SOCIETY REGARDING FIRING OF MIKE FROME

Mr. METCALF. Mr. President, the American Society of Journalists and Authors recently concluded its investigation of the firing of Michael Frome as conservation columnist for Field & Stream, a publication owned by the Columbia Broadcasting System. I previously have had printed in the Record information relating to this dismissal of the outspoken columnist, March 17, 1975, page 6959.

I believe Members will be interested in reading the summary findings by the society, especially the final recommendation which requests congressional and Federal Communications Commission investigation of conglomerate control over the media. I ask unanimous consent to print the ASJA's summary of findings in the Record.

There being no objection, the summary of findings was ordered to be printed in the Record, as follows:

A Summary of Findings in the Matter of the Firing of Conservation Columnist Michael Frome by Field & Stream Magazine

On November 25, 1974, The Society of Magazine Writers (whose name recently has been changed to the American Society of Journalists and Authors) received a request from Michael Frome, a member of the society, to investigate his firing as conservation columnist by FIELD & STREAM, a publication owned by the Columbia Broadcasting System, Inc. The matter was referred to the society's Professional Rights Committee, which has conducted a ten-month investigation. The findings of that investigation are as follows:

1. By virtue of several referenda to the ASJA membership, the Professional Rights Committee has been empowered to investigate, report upon its findings, and recommend remedial measures. While the ASJA does not customarily investigate firings, this clearly is an extraordinary case, posing grave problems related to our Constitutional freedoms and the intellectual freedom of all Americans.

2. The Professional Rights Committee has solicited information from the principals, including Mr. Frome, Field & Stream editor Jack Samson, CBS Publications Division chief John Suhler, and CBS board chairman William Paley.

3. Mr. Frome cooperated with the committee, providing extensive documentation, including statements from his previous employer, as requested by the committee. Mr. Samson and Mr. Suhler each permitted a society representative one telephone conversation with them, and Mr. Samson submitted several documents. Mr. Suhler thereafter made himself unavailable to the committee, declining to return over a dozen phone calls made over a three-month period. Mr. Paley has declined to answer all phone calls, an invitation to meet with ASJA representatives, and a Telex inquiry (see addenda).

4. Mr. Frome's dismissal has inspired vigorous protests on his behalf from conservation groups, editors, writers, civil libertarians, Congressmen and Field & Stream readers from all over the country.

5. Although Mr. Samson has made several unofficial explanations for Mr. Frome's dismissal, many of them contradictory (e.g., Mr. Samson, told the committee that he did not object to Mr. Frome's writing exposés on ecological matters, as long as specific names were not mentioned), a single reason was given that was sent to the committee and various other organizations protesting the firing. That reason was set forth by Mr. Samson as follows:

"I personally fired him because—while I certainly have no objection to anyone freely expressing an opinion in this great country—when someone writes anti-hunting material in another publication and also submits a monthly conservation column to this 80-year-old hunting and fishing magazine, it is more than sufficient grounds for dropping that column."

Mr. Samson's language implied that Mr. Frome had committed a grave offense against the magazine (i.e. ". . . more than sufficient grounds . . ."), and yet the editor offered as the most damaging testimony an excerpt from a book by Cleveland Amory. Mr. Samson apparently did not bother to consult the text of Mr. Frome's own book, BATTLE FOR THE WILDERNESS, from which Mr. Amory had drawn the excerpt, which was accurately reprinted thus:

"Although hunting plays a valid role as an outdoors experience, the rightness of one being to kill another for sport is now extremely motto. The need to hunt for food is gone. Much of sport hunting has scant relevancy to primitive instincts or traditions. It does little to instill a conservation conscience. Blasting polar bears from airplanes, hunting the Arabian oryx—or deer—from automobiles, trail bikes, or snowmobiles, tracking a quarry with walkie-talkie radios, killing for the sake of killing annihilate the hunt's essential character. There can't be much thrill to 'the chase' when there is little chase. At one end of the spectrum, 'slob hunters' shoot farmers' livestock, road signs, and each other. At the opposite end are the superpredators: jet-set gunners whose greatest goal is to mount on their walls one of everything that walked Noah's plank."

On its face, however, this excerpt is not an anti-hunting statement, but a plea to dignify and ennoble the pastime. Indeed, further on in the original text of Battle for the Wilderness we find confirmation of this interpretation—a confirmation pointedly ignored by Mr. Samson:

(p. 74) ". . . Hunting at its finest involves environmental satisfactions: an authentic immersion in nature, with hard efforts in tracking, scenting, and pinpointing the game for hours or even days when necessary. The quality of the hunt is scantly measured by the size of the bag but rather by the experience of woodsmanship, living with the animals and thinking like them, perceiving surroundings from the viewpoint of the animal . . . There is an inverse relationship between hunting prowess and intensity of management, as Leopold warned: the more of the latter, the poorer the former becomes . . ."

And further on: (p. 75) "Few species are threatened by the gun. The hunter kills one at a time. The entire environment in which all animals live is threatened by pollution, population pressures, and massive technological alteration. The alteration or destruction of habitat is more subtle than shooting, and equally deadly, though on a broader scale."

It is crystal clear, then, that the reason adduced by Mr. Samson for his firing of Mr. Frome and perpetrated upon the public is fictitious; in all likelihood, a purposeful fraud.

6. The ASJA is concerned not only with the serious injustice done to Mr. Frome, his reputation and livelihood, but with the implicit threat to the intellectual freedom of every writer in this country. The management of Field & Stream, with the tacit and apparently wholehearted approval of CBS, has asserted its right to control not only the editorial content of its publication, but the freedom of expression of all its contributors in other media. The ASJA most vehemently and forcefully reject this arrogant presumption on the part of Field & Stream and CBS.

7. We find, moreover, that the right to fire an editorial employee or contributor is not unlimited. There are statutory limitations prohibiting all employers from using certain sanctions, such as failing to hire or firing, on grounds of race, religion or gender. We herewith assert that no media employer has the right to fire an editorial employee or contributor because that person has exercised his or her Constitutional right to express himself or herself freely and responsibly elsewhere.

8. While we have not been permitted to ascertain the true reasons behind Mr. Frome's firing, certain ominous possibilities suggest themselves as possibly causal: the apparent threats against Mr. Frome by the gun lobby (and specifically FIELD & STREAM advertisers who were importuned by Congressmen to campaign for his dismissal), his unpopularity among political candidates whom he rated ecologically (one of whom was then Congressman Gerald Ford—rated "poor"), and Mr. Frome's inveterate refusal to pull his punches in reporting on the ecological rape perpetrated by powerful economic, political and governmental groups.

9. The ASJA therefore most ardently invites CBS to review this entire matter thoroughly and promptly, and to restore to Mr. Frome his Field & Stream forum to report, without censorship, on environmental matters.

10. The ASJA also demands that Congress and the Federal Communications Commission investigate the general threat posed by conglomerate control over the media. We journalists and authors are especially concerned that our right-to-tell and the public's right-to-know are being increasingly suppressed as heavy-handed, secretive conglomerates aggrandize their power. We are fully aware that this is a complex problem with no easy solutions. We do not desire to impoverish or weaken any medium, but rather to strengthen the media generally by protecting our intellectual and expressive freedoms.

EXTENSION OF THE PRICE-ANDERSON ACT

Mr. TUNNEY. Mr. President, the Senate will be called on shortly to vote on S. 2568, legislation to extend the provisions of the Price-Anderson Act until August, 1987. I believe this legislation raises fundamental questions of the most serious nature for Congress, and I hope that every Senator will give it the careful consideration which it deserves.

I intend to oppose the adoption of S. 2568. My reasons are fully stated in my views accompanying the report of the Joint Committee on Atomic Energy on S. 2568. These views identify those issues which I consider to be of critical importance in the coming debate concerning enactment of S. 2568, and I print them in the RECORD for review. I, therefore, ask unanimous consent that the text of my remarks included in the committee report on S. 2568 be printed in their entirety in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADDITIONAL VIEWS OF SENATOR TUNNEY FOR INCLUSION IN REPORT ACCOMPANYING S. 2568, LEGISLATION TO EXTEND THE PRICE-ANDERSON ACT

I welcome this opportunity to amplify my position regarding H.R. 8631, legislation to extend the Price-Anderson Act through August of 1987.

The question before the Joint Committee on Atomic Energy, and ultimately before the entire Congress, is whether extension of the provisions of Price-Anderson as contemplated by this legislation is in the public interest. I am compelled to conclude that it is not. For that reason, I have opposed the action of the Joint Committee in reporting H.R. 8631, and I will oppose the bill, or similar legislation, when the matter comes before the full Senate.

When the Price-Anderson Act was first enacted in 1957, the underlying rationale for passage was the removal of a "roadblock" to private participation in the development of nuclear power. Private entrepeneurs almost two decades ago, were unwilling to undertake the risks of an untried process without protection against potentially unlimited liability. Private insurers were unwilling to provide such protection without extensive background information on the safety and reliability of nuclear power plants.

Out of the quandary came the Price-Anderson Act, which provided for limitations on liability of $560 million for power-plant operators and others connected with the process of providing nuclear power in the private sector. In addition, the original Act provided for governmental indemnity of up to $500 million, to be lessened by any amount by which available private insurance exceeded the $60 million available in 1957.

In 1965, the Act was extended for another ten years to its present expiration date of August 1977. Again, the ostensible rationale for the action was the fact that "experience in this field is not yet sufficient nor the technology sufficiently developed, that it is possible to deny the theoretical possibility" of an accident in which the total liability of a private operator would exceed the $560 million liability limitation. Thus, the uncertainty surrounding the potential safety of nuclear power plants and the possibility of virtually unlimited liability caused the Joint Committee and the Congress to conclude that extension of Price-Anderson was necessary to stimulate the continued development of nuclear power in the private sector.

However, in extending the law, the Congress expressed the hope that by the end of the second ten-year period "data will have been accumulated, which should enable the industry and the Congress to assess much more accurately the likelihood of a major nuclear incident and the insurance requirements of the nuclear industry." In other words, the Congress, both in 1957 and in 1965, had every expectation that the protections afforded under Price-Anderson would be able to be ended at the end of each ten-year extension.

Now we have come again to the question of whether to extend Price-Anderson for another ten years. No longer is the Congress being told that we have insufficient operating experience or theoretical data to justify private insurance. Instead, we are assured that operating experience justifies the conclusion that nuclear reactors are safe enough that the possibilities of liability exceeding the liability limitations in Price-Anderson are so remote as to approach infinity. Yet we are urged to extend the protections of Price-Anderson as an "orderly phaseout" of the law's protections by 1987.

Enough is enough. In 1957, we were told that ten years of operating experience would be sufficient to permit the nuclear industry to secure its own private experience. In 1965, we were assured that twenty years of such experience would enable us to turn over the responsibility for insurance to the private sector. Now we are being told that thirty years' of government protection is necessary before nuclear power can become self-supporting.

I reject that argument. It is now 1975. We have almost two decades of experience of private involvement with nuclear power. Today, the United States has 56 operating nuclear power plants, providing almost 8 per cent of this country's electrical generating capacity. During the time Price-Anderson has been in effect, there has not been a single nuclear power plant accident injuring a member of the general public.

We now have in hand the final Reactor Safety Study, commissioned by the Atomic Energy Commission and its successor, the Nuclear Regulatory Commission, and supervised by Dr. Norman Rasmussen, of the Massachusetts Institute of Technology. The study took several years and several million dollars to complete, and I find it to be an impressive document.

The report confirms the operating experience of nuclear power plants, and estimates that the likelihood of personal injury from a nuclear power plant accident is very low. Indeed, the report indicates that the likelihood of a given person dying as a result of a nuclear reactor accident is about one in five billion, as compared to one in 4,000 from car accidents, and one in 100,000 because of a plane crash. These probabilities provide a cogent guide to the order of likelihood of a severe nuclear reactor accident.

The all but infinitesimal chance of fatal nuclear accidents involving large numbers is further buttressed by other reports, such as that issued by the American Physical Society, reviewing the safety of conventional light-water reactors. The Society, while differing with the Rasmussen report on the magnitude of some of the consequences of nuclear power plant incidents, arrives at a similar conclusion; that is, it judges that there is little basis for short-term concern about the likelihood of accidents in light-water reactors.

In the face of such evidence, how can the Congress contend that the Price-Anderson Act is an appropriate policy for continuation by the Federal government? I think that we cannot. The conditions envisioned when the Act was passed and extended have been satisfied. We now have a record of operating experience, and a theoretical basis for calculating the risks of nuclear power. That is what the private sector requires to make the kinds of educated estimates which form the basis for private insurance.

Therefore, I cannot accept the arguments of the proponents of H.R. 8631 that an orderly extension of the protections of Price-Anderson is in order. First, I believe the conditions which the Congress wishes to see satisfied before ending Price-Anderson have been met. Second, I believe the pending legislation provides not for an end to the features of Price-Anderson which I find most objectionable, but for an extension of at least ten years of those features.

Let me specify my objections to H.R. 8631 in more detail. First, contrary to what many believe, the bill will not end Federally-imposed limitations on liability. It will provide for the present $560 million ceiling to rise gradually upward at some time in the indefinite future. That time is undeniably indefinite, to be determined by the "retrospective premium" which the Nuclear Regulatory Commission imposes on each reactor operator, and by the number of reactors in existence. Thus, even if the maximum premium of $5 million was imposed on top of $125 million in private insurance, we would have to have almost 90 reactors on line before the *present* liability ceiling is reached. Obviously, if the minimum premium of $2 million per reactor were to be required, it would take even longer for the ceiling to rise above the $560 million figure. The fact that the $560 million figure will probably not be exceeded for at least ten years takes on added significance when we consider that that figure has remained unchanged during the past 18 years. The Congressional Research Service estimated three years ago that the $560 mililon figure would have to be raised to a figure closer to $3 billion if it were to remain constant with the 1957 figure in terms of public protection.

My second objection to the subject legislation concerns its continuation of Federal government responsibility for guaranteeing the payment of private claims. Until the amount of total private and retrospective coverage reaches $560 million, the United States government will be required to indemnify private parties directly. That direct indemnity responsibility will persist for at least ten years, even under the amended version of H.R. 8631.

Even after the government's role as indemnitor is ended, it will still have to guarantee the payment of retrospective premiums by reactor operators in the event of an accident. Theoretically, the amount of financial liability under such requirements could far outstrip the maximum of $500 million for which the government was previously liable under Price-Anderson.

Finally, the government retains its responsibility as insurer of last resort if claims should exceed the liability limitation. For, under the explicit language of H.R. 8631 as amended, the Congress would have the responsibility to consider the reimbursement of victims of nuclear accidents to the extent that they were uncompensated by amounts up to the liability limitation.

In the end, the government would still be in its unique role of insurer of the nuclear power industry for the foreseeable future under the terms of H.R. 8631. I object to that form of hidden subsidy to the industry.

For these reasons, I object to the extension of the Price-Anderson Act for another ten years. I believe that the best interests of the public and ultimately of the nuclear power industry would be better served by allowing the protection of Price-Anderson to lapse as scheduled in August of 1977.

This would leave the victims of a nuclear accident to their traditional remedies of suit and judgment in courts of competent jurisdiction. It would mean that the cost of doing business as a nuclear power plant operator would be where it should be, with the suppliers and users of nuclear electricity, rather than with the innocent victims of an accident, or with the Federal taxpayer.

Regardless of the likelihood of a major nuclear accident, I find it intolerable that the victims of such an accident could receive less than full compensation for their injuries or be thrown upon the mercies of the Congress for full compensation. I find it intolerable that those who profit from the production of nuclear power should not be required to bear its full potential costs because their assets are insulated from attack to the extent that their liability exceeds the statutory limitation.

I am aware of the arguments made by those who favor the extension of the Price-Anderson Act. It is said that nuclear power will no longer be a feasible energy alternative if liability limitations and Federal guarantee provisions are abolished. That argument will simply not stand up to close scrutiny.

First, if it is a fact that nuclear power will not be economically competitive if it is forced to bear the full costs of doing business as other enterprises do, then perhaps we should look seriously at other sources of energy. However, I believe that the available evidence suggests that nuclear power plants would continue in operation even without the protection of Price-Anderson.

In the absence of Price-Anderson, I believe that more private insurance would be made available than at present. Given the record of operating safety of present plants, and the projections of the likelihood of serious accidents, I believe that the insurance industry would conclude that it could afford to provide substantially more protection than the $125 million presently available. If we are to believe the Rasmussen Report in its estimates of comparative risk, the private insurance industry presently provides substantially more insurance for industries with higher risks; *e.g.* the airline industries, where private protection apparently runs between $250 million and $300 million per accident.

Why has such protection not been forthcoming to date? One very good reason could be that there has been little incentive for reactor operators to seek insurance from the private sector. Under Price-Anderson, reactor operators pay substantially less for governmental indemnity than they would if purchased from private sources. For example, 3,000 megawatt operators pay $90,000 for $435 million of government indemnity, compared to the minimum of $435,000 which private companies would charge for such coverage. In the absence of governmental protection, there is every reason to believe that utilities would seek and find additional coverage from private insurance companies.

How much would such private coverage cost? The answer to that question is not clear. However, it would appear that the present minimum figure of $1,000 per $1 million of coverage would be a reasonable estimate for additional coverage, since the private companies' risk would decrease with increased coverage. Thus, an additional $500 million of coverage could very well cost something like $500,000 per year. For the average 1,000 megawatt nuclear power plant, such a cost would translate into an additional cost of approximately one-tenth of a mill per kilowatt hour, hardly a giant cost for so much additional coverage.

In addition to direct private coverage of reactors, there is every reason to believe that private insurance companies would encourage retrospective premium pools of the kind contemplated under the present legislation. Such pools would provide substantial additional coverage for utilities and other operators at minimal cost.

My conversations with experts in insurance indicate to me that such a retrospective premium arrangement would be implemented, whether or not mandated by Price-Anderson. Indeed, the very reason that the insurance industry suggested the possibilities of retrospective premium pools was the existence of such arrangements in other industries at present.

Beyond private individual coverage and retrospective premium pools, I believe that utilities might well form their own pools to cover any risk left uncovered. I do not believe the anti-trust laws would forbid such risk sharing.

Finally, of course, utilities could become self-insurers, and that is exactly the point of removing the liability limitations of Price-Anderson. To the extent that any corporation's assets are subject to legal attack, that corporation becomes a far more reliable and prudent protector of the public safety. The prospective impact of potentially unlimited liability on utility safety procedures and on the reliability of nuclear power plants cannot be underestimated.

In sum, I do not accept the argument that removal of Price-Anderson protection would doom the nuclear power industry in this country. Review of the positions of major utilities and reactor manufacturers confirms my judgment that this would not prejudice unduly their decisions on whether to build future nuclear plants and continue operation of present plants. Indeed, the removal of Price-Anderson protections could be a positive factor, reflecting the true costs of nuclear power more accurately on corporate balance sheets, and encouraging rigid safety and delivery procedures.

Proponents of extending Price-Anderson also argue that suppliers of power plant components and parts would be forced out of business by the prospect of unlimited liability, leaving utilities with limited or nonexistent sources of critical materials for plants. I believe that argument to be faulty as well. Any businessman who supplies any component used in an industrial process must assess the risk that he may be liable for damages caused by the failure of his product. The exceptionally high improbability of a major reactor accident, combined with the further improbability of a particular part being involved in such an accident, and the difficulties of proving fault of a given part, suggest to me that a businessman could well conclude that the risks are so low of major liability that he would continue to furnish parts and components.

Even if suppliers were discouraged from continuing to supply essential goods for reactors, I cannot believe that utilities would permit the threat of unavailability of critical parts to jeopardize the viability of a billion-dollar investment in a nuclear power plant. If supply were threatened, I would anticipate that plant operators would insert "hold-harmless" clauses in contracts for critical parts. Thus, I think that the interplay of the private system would insure the continued availability of supplies for nuclear power plants.

Finally, those arguing for continuation of Price-Anderson say that the present Act protects the public better than the tort law would. They contend that the provisions of the Act allowing expedited recovery and requiring waivers of defenses protect the public far better than private suits.

I believe that those provisions are commendable and that within the system of limited liability and governmental indemnity established by the Act, they represent innovative steps to accommodate the public interest. However, I believe that the proposition that they are more protective of the public than the tort law and the Federal courts is a debatable one.

First, of course, the system of strict liability goes hand in hand with the limitations on liability in the present law. Without such limitations, I believe that the utilities would be reluctant to accept the imposition of strict liability of the type contained in the present law. Therefore, any discussion of the strict liability system presently in effect must also contemplate the maintenance of liability limits.

Aside from the value judgment involved in trading limited liability for some increased protection, there are significant problems associated with the "public protection" sections of Price-Anderson. It is far from clear that utilities operating nuclear powerplants would not be subjected to strict liability for running "ultra-hazardous" activities, even in the absence of the strict liability provisions in the Price-Anderson Act. If that were the case, utilities would be able to avail themselves of certain procedural defenses not now available. However, under strict liability theory in most jurisdictions, the utilities would not be able to assert substantive defenses such as contributory negligence, but would have to settle for restrictive interpretations of the limited substantive defense of assumption of risk. I believe that it is very possible that, if strict liability were to be imposed by the courts, the limited availability of defenses under that liability theory would be more than outweighed by the absence of liability limitations in terms of its impact on the public interest.

Moreover, it is not clear that other facets of the present system are as advantageous as advertised. For example, the 21 claims for which abstracts were prepared between 1957 and 1973 took an average of 48 months to complete from the time of an accident to the time of closing. Four years can hardly be considered an expeditious completion of the compensation process. Additionally, only 15 per cent of the total liability limitations can be paid out in expedited payments without the consent of a court.

Finally, there are substantive problems with the present arrangement of the strict liability provisions of the law. Part of the maximum $560 million liability can be utilized for investigating and administering claims.

Such uses diminish the total amount available for final compensation of victims. Most important, of course, the invocation of all of these protection provisions depends on the finding of the Nuclear Regulatory Commission that an "extraordinary nuclear incident" has occurred. That determination is not subject to judicial review. I believe that a system of tort liability which would leave the final determination of the conditions precedent to liability in the hand of the courts is preferable to the present system, committing that decision solely to the Nuclear Regulatory Commission.

For the foregoing reasons, I believe a strong case can be made for the proposition that the public is better protected by traditional judicial remedies than it is by the strict liability/expedited payment provisions of the present law. That is especially true if the present law requires the maintenance of liability limitations.

I believe that many of the arguments for preserving Price-Anderson are faulty. In the absence of Price-Anderson, I believe the public would be better protected, and the true costs of nuclear power would be more adequately considered by those providing and using it.

Let me summarize my position. There are those who believe that Price-Anderson is critical to our national wellbeing, and I accept their opinions as being in good faith. However, I cannot reconcile the claims of safety made by nuclear adherents with the continuation of limitations on liability and governmental involvement. If the innocent victims of a nuclear accident cannot recover the full measure of compensation due them, the Congress cannot say that it is protecting the public interest. I am well aware of the continuing promises made by the Congress that it will compensate the victims of nuclear incidents in the aftermath of a catastrophe. However, I would say that this is a peculiarly inappropriate way to resolve the problems inherent in the liability limitation. With one exception, Congressional aid to disaster victims has been limited to situations where non-business activities, such as storms, or floods have produced disastrous consequences. That is as it should be, since it seems illogical for all Federal taxpayers to bear the costs of an accident produced by a limited profitmaking activity. Congressional action in the wake of disasters has frequently been slow, and has left victims partially uncompensated. In fact, in the celebrated Texas City case, the one notable exception to the general rule of disaster aid only for non-profitmaking activities, the Congress adopted an arbitrary limitation on the amount of total reimbursement/compensation of $25,000.

The upshot of this is that those who look to the Congress as an insurer of last resort may be living with an illusion in the belief that Congress will make whole the victims of a nuclear accident.

The Columbia Legislative Drafting Research Fund has done an important study on the issues involved in the Price-Anderson Act. That study, done for the Atomic Industrial Forum, concludes that four criteria should govern the selection of a system for remuneration of victims of a nuclear accident: (1) provision of adequate compensation; (2) spreading the risk; (3) avoidance of externalization; (4) avoidance of undue costs. I am not prepared to say that these are the only four criteria by which potential plans should be judged, but I believe that the use of these criteria will demonstrate the compelling reasons for ending Price-Anderson.

The aternatives of private insurance, utilities bearing the risk, and unlimited liability are preferable even under such criteria. Let me consider them in reverse order. Private assumption of risk is at least as desirable in preventing "undue" costs as limited liability. Under ordinary systems of liability, private parties and corporations incur only those costs which seem reasonable in terms of their potential risk. This would be the case without Price-Anderson. Utilities would insure themselves only to the extent they considered necessary; by definition, this eliminates "undue" costs.

On the criterion of risk spreading, ending Price-Anderson is a preferable policy choice as well. The critical question about risk spreading concerns the degree to which risk should be spread. Unlike other disasters, there is no good reason to spread risk first to victims, and then to the entire country. Rather, risk should be concentrated in the hands of those who enjoy the profits and use of nuclear power. Price-Anderson does not accomplish that goal. It places the first, and possibly the ultimate, cost of a catastrophic accident on the shoulders of possible victims. Tort liability, on the other hand, limits the risk to nuclear power operators, users and to those insurers who wish to undertake it.

Yet Price-Anderson is most clearly deficient at satisfying criteria; avoidance of examination and undue costs. Avoiding externalization is little more than the converse of the idea of spreading risk. Price-Anderson clearly externalizes the cost of nuclear power by asking victims to bear the risks of costs in excess of $560 million. Moreover, the Act does not assure adequate compensation for victims. Rather it assures inadequate compensation by maintenance of liability limits.

On the other hand, tort liability does satisfy these criteria. It places the costs of nuclear power internally; *i.e.* on producers, users and insurers. It also assures adequate compensation to the extent of available insurance and assets.

For these reasons, I favor ending Price-Anderson without further delay. Today's "gradual phaseout" will be replaced in ten years by another rationale for continuing the extraordinary anti-competitive protections of this legislation. If this Congress passes this legislation, it will have become a virtually permanent feature of our national energy policy. I believe that would be unfortunate and short-sighted.

As the distinguished former chairman of the Joint Committee, Representative Holifield of California, observed in opposing the passage of the first Price-Anderson legislation: "This bill is put forth by its proponents as a bill for the protection of the public. This amounts to making a virtue out of a subsidy. The bill is protective of large utilities, industrial companies, and insurance companies which are not willing to adhere to the tenets of free enterprise."

Eighteen years later, those words still have the ring of truth. If anything, the experience of the ensuing years has demonstrated the lack of need for the Price-Anderson Act. H.R. 8631 would encourage us to ignore that experience, and for that reason, I oppose its enactment.

LOCAL BOY SETS RECORD FLIGHT WITH PAPER PLANE

Mr. McGEE. Mr. President, with levity and brevity our distinguished colleagues from Ohio and Massachusetts have had their say about the World Series. With a similar short and light announcement, I ask unanimous consent that an article from the Wyoming Eagle about Bobby Miner of Cheyenne, Wyo., who set the world's record for paper airplane flying be printed in the Record.

Wyoming also has champions.

There being no objection, the article was ordered to be printed in the Record, as follows:

Local Boy Sets Record Flight With Paper Plane

Twelve-year-old Bobby Miner climbed atop a stepladder, drew back his arm and set what may be a world's record—a 22.4 second flight of a paper airplane.

"It was a windy day out," he said Thursday. "Away it went, lofting over a neighboring house on Kelley Drive, and then slowly floating to earth."

The sixth grader and two pals ran home to check the record books. The previous record of 10.2 seconds was set in 1967 by a paper airplane built by Frederick Hooven in a contest sponsored by Scientific American magazine, Bobby said.

"There is no record for an outside recorded time," he said. "So, I figure that the best inside recorded time is the record to go by. We looked in every book we could find to make sure we got the best recorded time possible, and 10.2 seconds seems to be the best recorded time in history."

Record books checked by the boys include Guiness Book of World Records and the International Airplane Book.

Bobby's plane was not the ordinary type kids make of notebook paper in classrooms to ease the strain of confining young energy to blackboards and textbooks. This model was a souped-up rectangular job with sloped off sides to prevent drag, Bobby said.

"I put stabilizers on the sides of the wings, and on the trailing edge of the wings I put two flaps bent upward so the wind could lift it," he said, straightening his eyeglasses. "I used the basic dynamics of flight, or aerodynamics, in the construction of the aircraft."

He said he acquired his knowledge from hours of reading books on flight, and plenty of experimental trial runs.

"I have also experimented with gliders and model rocketry," he said. "I either want to become a structural engineer or an aerodynamics engineer.

"It was kind of a fluke thing the plane stayed up in the air as long as it did. Actually it got caught in an updraft and the wind created an extra drift. Most paper airplanes go out of control in a high wind, but for some reason it helped this one."

Bobby said he hopes to get his time recorded in the Guiness Book of World Records. The record-breaking paper plane has been placed in retirement after a close call earlier in the day. His teacher almost confiscated it.

JUSTICE AND WILLIAM DOUGLAS

Mr. CHURCH. Mr. President, never has a member of the Supreme Court taken his title so seriously as Justice William O. Douglas who retired last week. Justice was his title and justice was his passion—particularly the justice that the Constitution mandates in the first 10 amendments. If others have been strict constructionists, then Justice Douglas has been a fundamentalist. He insisted that the Bill of Rights was not a general guideline to be followed only when it seemed convenient to those in power, but was instead a deliberately blunt constitutional requirement to be taken literally. In short, this man so utterly devoted to perpetuating a free society believes that the Bill of Rights means precisely what it says.

It is ironic that this man, of all men, sometimes became the target of zealous cranks who found contentment with their own level of patriotism only by trying to tear down his. It is ironic because Justice Douglas is, above all, a man who loves his country intensely. He loves the physical country, reveling in particular in the raw splendor of our western wilds where many mountains and streams remain untarnished by the hand of humankind. But he also loves what this country is, what it stands for. He is ever true to its beliefs. He has been as determined to preserve all of our freedoms as he has been to save at least some of our natural heritage. Thus he is a most faithful American who has helped us all keep the faith.

Mr. President, the Washington Post recently carried an editorial portrait of this patriot which brings into focus the worth and feelings of this great man. I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Record of Justice Douglas

As a long-time admirer—and occasional critic—of Justice William O. Douglas, we profoundly regret his departure from the Supreme Court. But we deeply respect the courage and good judgment which impelled him to make this hard decision when his health no longer permitted him to continue. And we welcome the opportunity his retirement gives us to say some of the things about his long and illustrious career that newspapers normally don't get around to saying about great figures and old friends until after they are gone.

Justice Douglas is always so insistently himself—so intensely individualistic—that he has attracted violent detractors as well as ardent admirers in his long career, most of it spent in service on the Supreme Court of the United States. Physically rugged, an outdoorsman by inclination, gifted intellectually, temperamentally lonely and independent, he is as indigenously American as Uncle Sam. He loves his country passionately—its mountains and rivers and wild places if not its crowded cities—as he loves its great traditions and its ideals of personal freedom and opportunity.

Justice Douglas has his own ideas of decorum and propriety as he has his own strong convictions about the meaning of the Constitution; and it was on the basis of these ideas and convictions, unmoderated by popular standards or conventions, that he patterned his private conduct and his public judgments. He believes that judges should be in the main streams of life, not isolated or insulated from popular feelings; and so he has expressed his personal views freely about matters of foreign policy such as the Vietnam war and about domestic affairs as well. He has lectured and written books and magazine articles on a wide variety of nonjudicial subjects—a practice which his critics condemned as unbecoming to a Supreme Court Justice. For a time, while on the Court, he served as the salaried president of a not altogether savory private philanthropic foundation—which led to an abortive attempt to impeach him in 1970. Perhaps, as some critics have contended, these extracurricular activities by the Justice resulted in some impairment of his prestige and influence. At worst, however, they were indiscretions growing out of his aloof indifference to the opinions of others. He has marched only to the fanfare of his own trumpet and followed only his own star.

In his service on the Court, Justice Douglas was commonly called an "activist." This is to say that he allowed his interpretations of the laws and the Constitution to be infused in some measure with his system of ethical values. He cared about justice no less than about the law; and he believed that judicial restraint in its true sense entailed a deference to the great constitutional assurances of individual rights and liberties rather than a deference to the judgments of legislatures.

In this attitude, he was allied closely in innumerable cases with Hugo Black; together and individually, often in dissent, sometimes in opinions for the Court, they produced some of the noblest and most moving expressions of faith in the irrepressible freedom of the human spirit.

Like Justice Black, Justice Douglas believes in a preferred position for the First Amendment as the guarantor of a freedom indispensable to the functioning of any self-governing society. He moved from an early acceptance of Justice Holmes' clear and present danger doctrine to a later attitude of absolutism respecting the protection of speech and of the press. "The First Amendment," he wrote in one of his books, "The Right of the People," "was a new and bold experiment. It staked everything on unlimited public discussion. It chose among conflicting values, selecting the freedom to talk, to argue, and to advocate as a preferred right. It placed us on the side of free advocacy, come what may." This view has made him an uncompromising foe of every sort of sedition statute, of every limitation on efforts to gather and disseminate news or opinion and of censorship in any form, whether in relation to politics or to esthetics.

Behind Justice Douglas' philosophy regarding the First Amendment lies a conviction that the Bill of Rights was intended, above all else, to impose a check upon the headstrong passions and prejudices of majorities. "A great risk in any age," he once wrote, "is the tyranny of the majority. Freedom of expression is the weapon of the minority to win over the majority or to temper the policies of those in power." It may well be that Justice Douglas' most significant service to his country lies in his role as a nay-sayer to popular enthusiasms. He resolutely resisted the tyranny of majorities at a time in the nation's history when demagogues were recklessly exploiting popular fears and anxieties regarding "subversive activities" and a supposedly overwhelming "Communist conspiracy." He kept his head—and his faith in freedom.

But the country has a manifold indebtedness to this exuberantly prolific and energetic man. His ability to master complex problems and to write about them swiftly and incisively enabled him to carry a heavy share of the Court's load in the handling of difficult economic and fiscal cases as well as in the defense of civil liberty. From his early years on the Security and Exchange Commission, he was an inveterate challenger of business and banking threats to a free economy. Over and over again, by admonition and by example, he reminded the country of the importance of its physical environment and its dwindling natural resources. He has produced no fewer than 17 books.

William O. Douglas has a stature not often equalled in public life. His retirement takes from the Supreme Court one of its most powerful and dramatic figures—one of those who help to make the Court, as it should be, a co-equal and effective partner in the operation of a political system of divided powers—and a bulwark of human liberty.

LEBANON

Mr. KENNEDY. Mr. President, developments in Lebanon, especially over the past several weeks, have been a source of growing concern for many Americans and people around the world. Although field reports suggest that the situation remains very critical, events in recent days also suggest some hopeful signs that the violence is subsiding and that meaningful efforts are underway to promote a separation of forces in the civil strife and a resolution of some of the political issues at stake.

Given the heavy toll in life and spirit among the civilians of Lebanon, an especially welcome development is the recent creation in Beirut of a special ad hoc committee to assess humanitarian needs. This committee—which includes representatives of the Lebanese Red Cross, the Palestinian Red Crescent, medical groups, and others—is working closely with the International Committee of the Red Cross—ICRC—in Geneva and its delegates in the field.

Although the assessment of humanitarian needs is still underway, the record is clear that for most Lebanese recent weeks have been a nightmare of fear and death and grief. Apart from the heavy physical destruction in Beirut and elsewhere, thousands of persons have been injured or killed. And thousands more have fled their homes as refugees. In addition to uncounted numbers of displaced persons within Lebanon, tens of thousands have fled to other countries, including Jordan and Syria. Unofficial estimates of refugees in Syria run as high as 300,000.

Mr. President, I do not rise to offer any magic solution for meeting the humanitarian and political problems of Lebanon. But I do rise to express a deep personal concern over the plight of Lebanese civilians and an earnest hope that the efforts to bring peace and relief to the Lebanese people will soon be accomplished.

Apart from securing a stable ceasefire among the parties to the conflict and a resolution of the important issues at stake, there are a number of items of immediate concern to me as chairman of the Subcommittee on Refugees:

First, the continuing emergency humanitarian needs of displaced persons and other Lebanese in distress—including food, water, shelter, medicine, and protection;

Second, the condition, treatment, and release of detainees on all sides—including foreign nationals;

Third, the free movement of relief convoys and humanitarian personnel from the Lebanese Red Cross, the Palestinian Red Crescent, the ICRC, and other organizations; and

Fourth, the plight of Lebanese refugees in Syria and elsewhere.

Mr. President, the humanitarian services of the ICRC have been indispensable in helping to bring peace and relief in many areas of the world. And today in Lebanon the efforts and services of the ICRC, in cooperation with the Lebanese Red Cross and other local organizations, deserve the full support of all parties to the strife and of concerned governments in a position to help. In recent days, the ICRC has dispatched over $600,000 worth of medical supplies to help meet the current emergency, and a Lebanese request for additional supplies is being pursued.

Our Government has so far not contributed to the international efforts of the ICRC. But in response to a Lebanese Government appeal to the Department of State some days ago, AID's disaster relief office has made available, through the hospital of the American University of Beirut, $500,000 worth of medical supplies for the treatment of strife casualties at clinics and hospitals throughout Lebanon. Some $25,000 for relief purposes is also available from the contingency fund of the U.S. Ambassador in Beirut.

I take this opportunity to commend the Department of State for responding to the appeal of the Lebanese Government, and I am hopeful that any additional requests for humanitarian assistance in Lebanon will be given an expeditious and sympathetic response.

As to the plight of Lebanese refugees outside of their country, the most serious problem seems to exist in Syria. The Syrian Government is doing what it can to meet emergency needs, and, at the request of Damascus, the United Nations High Commissioner for Refugees—UNHCR—is sending a mission to Syria to assess the problem of the refugees from Lebanon.

Humanitarian concern in behalf of the Lebanese people is not limited to governments and international organizations. Here in the United States, Church World Service and other private voluntary agencies are joining the relief efforts. Local relief committees are springing up in many areas. And the American Committee for the People of Lebanon was recently established for humanitarian purposes among the Lebanese people. These private initiatives are commendable, and they deserve the tribute and support of all Americans.

Mr. President, peace and relief are urgently needed today in Lebanon—to save lives and a country, and to promote the stability and peaceful development of the entire region. Hopefully, all concerned with the human and political tragedy of Lebanon will work to accomplish these ends.

FEDERAL FLOOD INSURANCE AMENDMENT

Mr. SYMINGTON. Mr. President, on November 12 and 13, the Senate Banking Committee's Subcommittee on Housing and Urban Affairs held hearings on S. 810, to amend the Flood Disaster Protection Act of 1973 and the National Flood Insurance Act of 1968, to permit owners of properties located in nonparticipating communities to participate in the flood insurance program, sponsored by my able colleague from Missouri, Senator Thomas F. Eagleton, and which I cosponsored along with 11 others.

For 2 years Senator Eagleton has led the fight to correct inequities in the flood insurance program and draw more people into the program.

James J. Kilpatrick, in his November 13 column in the Washington Star, said:

> The law has forced property owners into a kind of Catch 22 situation. If their community refuses to come into the federal program, the owners are helpless; they can't get insurance, and no federally insured bank or savings and loan association can loan them money.

This same idea was heard from many witnesses from around the country during the 2 days of hearings.

L. C. "Clell" Carpenter, representing the Midcontinent Farmers Association of Columbia, Mo., pointed out that—

> An extremely bad precedent is established by the flood insurance program. In other legislation the community is penalized for withholding rights of the individual. But under the provisions of the flood insurance program, if a community fails to meet federal requirements, the individual is penalized.

And, Mayor Howard C. Tooke of Cape Girardeau, Mo., said:

> No one would seriously question the moral right of the Federal Government to withhold *Federal assistance* to persons not protecting themselves with appropriate insurance. However, it requires much stretching of common sense to label a loan from one's bank or savings and loan association as *Federal assistance*.

I ask unanimous consent that the column by James J. Kilpatrick and the statements by Mr. Carpenter and Mayor Tooke be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Washington Star, Nov. 13, 1975]

Small Carrot, Big Stick in Fed Flood Insurance

(By James J. Kilpatrick)

Reflect, if you will, on a couple of homely maxims. One copybook adage says that the road to hell is paved with good intentions. Another says that he who acts in haste repents at leisure. Both reminders apply to Congress as it gropes to make sense of the Flood Insurance Protection Act of 1973.

Almost no one questions the good intentions. Flood damage in the U.S. claims a terrible toll each year of homes, factories, schools, roads, bridges, and farm buildings. Without some form of federal underwriting, which began in 1968, the cost of flood insurance would be prohibitive. Even the most dogmatic conservatives tend to support the concept.

But the unusually severe floods of 1973, which caused damage estimated at $1.2 billion, had an unfortunate influence on Congress. Late in December of that year, when members were in a hurry to get home for Christmas, some drastic amendments to the 1968 act were called up for voice vote. With little debate and less comprehension, members voted for a new scheme of sanctions, prohibitions, and controls. What emerged was a classic example of bad legislation.

The amended act now affects an estimated 22,000 towns, cities, and counties across the nation. (The law has forced property owners into a kind of Catch 22 situation. If their community refuses to come into the federal program, the owners are helpless; they can't get insurance, and no federally insured bank or savings and loan association can loan them money.) If their community agrees to come into the program, the owners can get flood insurance, but under such restrictive provisions that rebuilding after a flood could be prohibitive.

The 1973 act gives meaning to warnings that conservatives constantly have voiced about federal legislation in the field of "land use." These critics have insisted that no federal agency, even with the very best intentions, could draft regulations that could fairly be applied to communities across the nation. They have warned that federal aid means federal control. They have complained that "carrot and stick" policies involve small carrots and large sticks. And so far as the 1973 law is concerned, all this is true.

Thus the Department of Housing and Urban Development, through the insurance administrator, had to start with some uniform definition of a flood plain. It hit upon those areas subject to flooding at least once in one hundred years. As Senator Tom Eagleton of Missouri has complained, this is a "highly theoretical concept." The 100-year line takes in communities that never have had a flood in their recorded history.

The regulation has caused consternation in parts of Appalachia, where the need for flood insurance is keen. In scores of mountain communities, elevations vary so abruptly that one building may be above flood levels and an adjoining building may be subject to risk. It is impossible, critics say, "simply to draw a circle on an old map." HUD officials say they recognize the difficulty, and they are constantly redrawing local lines to meet topographical exceptions.

The element of federal control has raised widespread objections. Hundreds of communities, suspicious of any involvement with the guvmint, have voted flatly against participation. Senator Eagleton, who is leading a fight for further amendment of the act, cites the example of Lincoln County, Mo. Residents of the flood plain area three times have sought referendums on local participation, and three times they have been beaten at the polls. The fear of control is real.

And in the case of this act, the control itself is formidable. Controls are applied through the powerful mechanism of banks and other insured lending institutions. Property owners must comply with federal requirements, or else. The "or else" can amount to something approaching the self-destruction of their property.

Senate hearings are being held this week on amendments that would restore certain elements of voluntariness to the program. Eagleton is joined in his effort by an unlikely coalition of cosponsors—McGovern, Bayh, Hartke, and Abourezk on the liberal side, and Thurmond, Dole and Eastland among the conservatives. They are agreed on the need for a workable federal program, but "too much control," says Eagleton, "is just too much control." The affected communities and the hard-put property owners doubtless would agree.

Statement of L. C. "Clell" Carpenter

Mr. Chairman and Members of the Committee: My name is L. C. "Clell" Carpenter, Vice President of Midcontinent Farmers Association, headquartered in Columbia, Missouri. MFA is a farm organization representing over 152,000 farmers in the mid-central United States.

We appreciate this opportunity of participating in these hearings on Senate Bill 810 which would amend the Flood Disaster Protection Act of 1973 and the National Flood Insurance Act of 1968.

Mr. Chairman, we join the Junior Senator from Missouri in supporting the federal flood insurance program. We are aware that the cost of flood control has gone up at a rapid rate during the past several years. At the same time costs of flood loss have increased at a rapid rate. Therefore at our annual convention, members of MFA passed a resolution stating: "We urge the development of federal flood insurance programs to assure adequate reparations and provide protection."

But we also agree with Senator Eagleton that excesses and inequities in the federal flood insurance program lead to usurping local and state powers. It also denies basic rights to individuals and companies who wish to comply with the program and benefit from its provisions but who are prohibited from doing so unless the community has complied with program requirements.

(An extremely bad precedent is established by the flood insurance program. In other legislation the community is penalized for withholding rights of the individual.) For example, if schools fail to provide access to equal education, funds are withheld from them. Or, if a community fails to protect the rights of individuals to acquire housing, federal funds are withheld from the community. (But under provisions of the flood insurance program, if a community fails to meet federal requirements, the individual is **penalized.)**

In our two examples, a community can eliminate abuses it has made against a minority in order to avoid a federally imposed penalty. But how can an individual correct the problem of a community in order to avoid a penalty as required by the federal flood program? This is especially true when 10% of the people are affected and 90% are not. Minority action cannot change conditions, it can only help maintain the status quo.

If there must be sanctions in order to encourage compliance, let them follow the precedent of other federal legislation and thus be directed toward the community and not the individual.

The problem created by the federal flood insurance program is compounded in Missouri because the lesser populated counties (unlike the cities and larger counties) cannot implement land-use controls without a referendum. County residents usually are not willing to pass land-use regulations if only a small number of residents are affected. Only 15 of 114 Missouri counties have adopted planning and zoning which would enable them to comply with federal flood insurance program regulations. Also, state legislation, empowering counties to regulate the flood plains, has failed twice. For now, only federal legislation can correct the situation. This is the intent of Senate Bill 810.

We strongly urge the Congress to make federal flood insurance available to an individual if that individual agrees to comply with relevant HUD construction standards on his own property, regardless of what the community as a whole may do. For example, MFA has several terminal elevators used for handling grain for export. For those located in a community which has planning and zoning and which meet all of the HUD requirements for structures located in flood areas, we can secure flood insurance. We can also avail ourselves of federally supervised lending institutions. But for those located in a community which does not have planning and zoning, we could meet all HUD requirements, and still not be eligible for federal benefits. This is an inequity which Senate Bill 810 would correct.

Furthermore, the proposed change is especially needed, not only for terminal grain elevators, but for other industries which transport their products on the nation's waterways, for those which need access to rivers for cooling wasted heat, and for those which use vast amounts of water in processing their products. If we are to continue exporting grain in support of our national interest, and if others are to continue transporting and processing products which rely upon our waterways, we must be permitted to maintain, improve, and expand our facilities within the flood areas.

Although MFA members support the concept of land-use planning, we are against it being imposed through the back door by means of the flood insurance program. We believe flood-prone areas should generally be used for agricultural purposes with farmers having flood protection. But those industries which must have access to a waterway in order to exist should be permitted without undue restriction. They must be encouraged rather than penalized. They should not be denied federal assistance in case of a disaster such as fire or tornado.

Mr. Chairman, we also support modifying the penalty provisions of the Act to exclude the prohibition against commercial loans for construction in a flood plain area. If a local lending institution and borrower are willing to assume the risk of potential flood damage, they should not be prohibited from doing so.

We have had first-hand experience with both the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973. Under the earlier act, we considered whether or not to obtain insurance on our facilities located in the flood areas. It was the consensus of our legal, financial, and insurance staff that the benefits of the flood insurance program were not enough to offset the expenses encumbered and the red tape involved to meet program requirements. We, therefore, did not participate in that voluntary program.

More recently, we wanted to expand one of our terminal grain elevator facilities. This time we had no choice. For in order to secure financing we had to first secure the federal flood insurance. Fortunately, this particular elevator was within a community which had planning and zoning. By building according to HUD standards, we were able to secure the insurance and then the financing. If our facilities had been a few miles up stream (outside the community with planning and zoning) we could not have expanded, even though we had followed the same building standards.

Mr. Chairman, we desperately need more than one alternative for those industries which must locate along our rivers. By making the two major changes proposed by Senate Bill 810, such businesses could choose between (1) complying with HUD requirements and securing federal insurance and financing from a federally insured institution, or (2) not complying and being permitted to borrow from commercial lending institutions which are willing to make such a loan.

In closing, Mr. Chairman, we encourage Congress to review the situation which existed under the National Flood Insurance Act of 1968, but prior to passage of the Flood Disaster Protection Act. Let Congress then ask two questions: (1) How can benefits of the 1968 Act be improved to encourage greater compliance by volunteers? And, (2) What exceptions should be made for those industries which must locate along waterways in order to exist? I am sure the answer to these two questions will direct Congress toward a far more satisfactory solution than the penalty approach of the 1973 Act.

PREPARED TESTIMONY OF HOWARD C. TOOKE

My name is Howard C. Tooke, I live at 402 Chesley Drive, Cape Girardeau, Missouri, and I appear in my official capacity as Mayor of Cape Girardeau, a city of about 35,000 population on the Mississippi River in Southeast Missouri whose economic stability is threatened by the provisions of the existing Flood Disaster Protection Act of 1974 and its regulations.

I appear in support of the Eagleton-McIntyre bill which would provide relief from the more oppressive provisions of the existing Act. I believe such relief is imperative; I believe it is required in the interest of fairness to individual citizens and communities; and I believe it is possible without sacrificing the primary goal, which is to minimize flood losses borne by the public at large.

The Flood Disaster Protection Act of 1973 is misnamed—perhaps it should be labeled the Federal Land Use Act of 1973. In the name of disaster aid it has become a vehicle for Federal Land Use through the restriction of bank credit.

(No one would seriously question the moral right of the Federal Government to withhold Federal assistance to persons not protecting themselves with appropriate insurance. However, it requires much stretching of common sense to label a loan from one's local bank or savings and loan association as Federal assistance.) The funds available for loans by these institutions are provided mostly by residents of their immediate areas, and the need for flood insurance should be determined by their Directors. As a matter of fact, in my city not one dime of loan funds has ever been lost by any lending institution on account of a flood.

Then there is the issue of threat to life itself posed by allowing building in flood-prone areas. Here again this should be a matter of local determination, as not all flood-prone areas present such a threat. In my city the flood plain is broad and flat; the water rises slowly with little current, and there is ample time for evacuation of people. There has been no loss of life due to any flood in my city, nor is it at all likely that any should occur.

I agree that residences should not be allowed to be built in locations where lives of occupants would be threatened. But in areas where no threat to life exists, commercial and industrial enterprises should be allowed to assume the risk of property damage on their own property if that risk is less than the cost of floodproofing. This country did not achieve greatness by its Government protecting individuals' property from their own folly. Local lenders are in my opinion fully capable of assessing the risk to their institutions of a flood loss affecting a loan on any given property in their area.

The question arises: if there has been no loss of life, and if there has been no loss from defaulted loans in a given community such as mine, why then should there be concern about development in areas such as this? And the answer is: so that the Federal Government can get out of the disaster aid business.

I would submit two suggestions for your consideration. First, this is not going to get the Government out of the flood disaster aid business, as a great deal of disaster aid has been for items not covered by this insurance. This is particularly true of commercial losses, which include economic loss, loss of working capital, damage to property outside of any building, etc. The greatest loss is interruption of business, which is not covered.

Second, there is a much better way to get out of Federal disaster aid costs. Let anyone wishing to build in a flood-prone area sign a waiver of any future right to Federal disaster aid, and let it be recorded at the time of such development. In other words, take away his disaster aid, but don't take away his bank loan. Many, many people would prefer the taking of their right to disaster aid to the taking of their property without due process and without just compensation. To take the use of one's property is equivalent to the taking of the property itself, in my opinion.

I am deeply disturbed by the statements of one eminent Government employee that the present system does not constitute a taking of property because, in his words, "While Federal financial assistance might well be deemed desirable by many landowners, it is possible for a landowner to prosper on his land without it" and "The Flood Disaster Protection Act of 1973 does not attempt to control the use to which plaintiffs put their land. Although encouraging participation in the National Flood Insurance Program through the provisions concerning cutoffs in Federal financing assistance, the Act in no way mandates such participation."

I submit that such tongue-in-cheek statements are not in keeping with the honesty required of responsible public servants. [The Act does mandate participation, and it is not reasonably possible to prosper on one's land without bank loans, except, of course, for those favored few who do not have to borrow money.] Senate Report No. 93-583 refers to mandating in several places.

If the Congress wishes to impose Federal Land Use upon the public, let them do so on its own merits, and let it be debated in the Congress on its own merits; but in the interest of honest government, do not impose it under the guise of Disaster Aid or Flood Insurance.

I believe that the economic impact of flood-plain regulation to an individual community should be given as much consideration as the economic impact of disaster aid to the Federal government. I believe the risk in our area is relatively small, and therefore the economic cost to our city will far exceed any benefits.

Ours is a healthy, growing city. Our budget is balanced. Our bonds are not in default and are not likely to ever be in default. We are in no danger of financial difficulty if you will only allow our citizens to exercise their own independent judgment with regard to what risks they should assume and what risks they should insure. Do not underestimate this individual judgment (sometimes referred to as "common sense")—many times it is more sound than some decisions which emanate from the typical bureaucrat.

We need relief from the more onerous land use restrictions. Unless we can get such relief, our city may face a threat of financial stagnation sufficiently real to cause us to seriously consider withdrawal from the program.

Respectfully submitted,
HOWARD C. TOOKE,
Mayor, Cape Girardeau, Mo.

ANALYSIS OF BUILDING COSTS: FLOOD PROOFING REGULATIONS VERSUS CONVENTIONAL CONSTRUCTION

(Submitted by city of Cape Girardeau, Mo.)

MEMORANDUM

NOVEMBER 6, 1975.

To: Thomas M. Utterback, City Attorney.
From: Guy A. Lowes, City Engineer.
Subject: Review for the Effect That Flood Proofing Regulations Will Have On Construction In The City of Cape Girardeau.

In accordance with your request of last summer, this department, with the aid of others, has evaluated the effect that the Flood Proofing Regulations prepared by the Corps of Engineers would have on a particular building in the City of Cape Girardeau. The building that we used in this evaluation was the Long John Silver's Restaurant. The first step was to figure the cost, if the building was built this year. This was done by asking the contractor, who built the building, to estimate the cost of building the restaurant in 1975, identical to the existing building. Burton Gerhardt Construction Company was the Contractor that originally built the Long John Silver's Restaurant. They are the ones that we asked to evaluate what it would cost to build this building using identical materials that are in the building in 1975. Their cost figure for 1975 was $79,213.11. We have, also, asked that they prepare a cost estimate for flood proofing the building, using the figures and quantities that this department figured was necessary, based on our interpretation of the Flood Proof Regulations. At this time, we have not received a report, but it is expected this week.

To assist and to insure that we were using accurate and reliable information, we also asked a local architect to assist in estimating the increased cost, if any, that the flood regulations would have on a building built in the flood plains of the City of Cape Girardeau. Mr. Holshouser used the quantities that we determined in this department, and provided the City with a cost estimate for building the Long John Silver's Restaurant, using the Flood Proofing Regulations. His estimate of cost shows that the cost would increase 35% if the building were built today to comply with the flood regulations versus the building being built today using the same materials that it now has in it under the same conditions that it was originally built. A copy of his report is attached.

In evaluating the effect that the Flood Proofing Regulations would have, there were several questions that arose; one such question is as follows:

"We were not able to find or locate a local supplier who could tell us where we could buy electrical plug and socket assemblies of the submersible type rated by the manufacturer as submersible for not less than 72 hours. In an attempt to gather more information, since these are required by the Flood Regulations, this department on two different occasions asked the Department of the Army, the St. Louis District Corps of Engineers, St. Louis, Missouri, to please assist us where we could acquire information pertaining to this type of plug. On this date, we did receive an answer. One particular comment, that is underlined, would be of interest to you."

In addition to costs compiled by Mr. Holshouser, which we believe are minimum, the following items should be considered:

1. Additional architectural fees due to complicity of specifications of the Corps of Engineers, such as waterproofing openings, structural requirements, and etc.

2. Additional time spent by City Inspectors to determine that all requirements are met, including time spent reviewing plans as well as on the site inspections. This will be an additional cost to taxpayers of the City.

3. Window and door closures prescribed by directive would damage the aesthetics of buildings, thereby devaluating property.

4. Some items, such as windows and door opening closures for keeping out water and immersible electrical receptacles are not readily available on the open market and would most likely have to be special made, causing them to cost more.

5. Cost figurations does not include length of electrical service cable and supports necessary to have a disconnect readily accessible at all times of flooding. In the illustrated situation, the Long John Silver's Restaurant, it would take an estimated 2,000 feet of cable supported on poles at a height above the expected flood crest. This figure or cost was not included in Mr. Holshouser's or Mr. Gerhardt's figures. This would have to be added to the 35% increase that Mr. Holshouser figured.

6. Flood Proofing Regulations, Section 207.3 (3), Page 2–7, requires that all existing buildings and designated flood hazardous areas must be inspected by the building officials to determine if this would be an unsafe condition if subject to flooding up to the RFD. This requirement alone would be extremely expensive and costs would be borne by the taxpayers of the City. Some of these buildings were built prior to being in the City, therefore, the City has no records of the thickness of the floors, the walls, the amount of reinforcing and many other items that went into the building. Therefore, extensive investigations would have to be conducted to determine if this wall would withstand hydraulic pressures of the amount that they may be subjected to according to the Corps of Engineers' reports. Probably, an outside consultant would have to come in and drill the floors and walls to determine the actual strength of the concrete, the amount of reinforcing, and so forth before accurate determination could be made.

7. The Corps of Engineers' Flood Proofing Regulations apparently does not permit carpeting or panelling or any type of material that could readily be damaged by a flood. This is another factor that would decrease the property values and would hinder many businesses from having an attractive place for people to shop or do business.

8. Apparently, the Flood Proofing Regulations pertain more to the long duration type flooding. In many of our areas in this community, they do not readily apply, since we cannot watch news bulletins and determine how fast the water is going to rise, etc., except along the Mississippi River. Usually, we have flash floods and they cannot be determined in advance. Unless one is sitting on the ready, he cannot get to his business in time to shut the windows and doors as required by the Regulations. Therefore, to be safe, every evening or when no one is in the business or building, the windows and doors would have to be sealed prior to leaving the building on many of our smaller streams.

During the spring flood of 1973, when many of our buildings in the Town Plaza Shopping Center were subject to flooding, the only damages that have been reported to this department was primarily merchandise damage and some carpeting. In many cases, the carpeting was taken up and dried and put back down. The buildings generally received minor damages. In no case, that has been reported to this department, did the walls or floors give way. Based on our experience factor along our minor streams, meaning Cape LaCroix, Walker, Sloan's, Juden, and other small branches, the Regulations appear excessive. We believe that commercial businesses can operate in these flood plains taking some precautions, but not to the extent that the Flood Proofing Regulations require, and sustain only minor damages during any fifty (50) year period. The overall costs of operation would be far less by building in a relatively flat area where they can lay their stores out and their parking lots out much easier than if they built on top of a hill where they would have to do considerable excavation and rock blasting. The ones that I have had contact with desire to have the opportunity to take the chance of doing business in the flood plain. They feel that they would come out ahead in the long run. Residences are not included in the above.

If the agency that wrote the Regulations doesn't know how certain items got in the Regulations, I believe that these Regulations are unmanageable at this time.

One additional item should be mentioned. Our calculation was for an 8 inch concrete floor when we should have used a 24 inch concrete floor to comply completely with the Corps Regulations. Therefore, the enclosed estimates should be increased. If you need an adjusted figure, please advise.

If you have any questions about any of the information or comments contained in this memorandum, please don't hesitate to contact me.

COST ESTIMATE, OCTOBER 29, 1975

Re Floodproofing Long John Silver Restaurant, Cape Girardeau, Mo.

FLOOR

1786 s.f. x $.33/s.f. (for 4" extra slab)	$590.00
34.4 c.y. conc. (dead wt.) 030/c.y.	1,032.00
2.13 tons reinf. steel x $665/ton	1,416.00
210 l.f. waterstops x $1.10	231.00
(Deduct) 1786 s.f. wire mesh not required x $.146	260.00
	3,009.00
Plus 25 percent profit and overhead	752.00
Subtotal	3,761.00

WALLS

Forming on 2 sides	
2 x 11 ft. x 172 l.f. x $2.02/s.f	7,644.00
Concrete in-place	
47 c.y. x ($9.60 placing plus $27.00 materials)	1,720.00
1.21 tons reinf. steel x $730/ton	883.00
72 l.f. waterstops x $1.10 l.f	79.00
(Deduct) cost of 8" masonry block wall 11 ft. x 172 l.f. x ($1.86 plus .02)	3,557.00
	6,769.00
Plus 25 percent profit and overhead	1,692.00
Subtotal	8,461.00

STEEL OPENING CLOSURES—SHUTTERS

1,998 lbs, angle bracing x $.50/lb	999.00
4,309 lbs. sheet steel x $.35	1,508.00
Hinges for 10 openings at $100/opng	1,000.00
221 l.f. rubber waterproof seals at $3.75	829.00
40 clamping (fasteners) devices at $50.00	2,000.00
460 s.f. painting (3 coats) at $.35/s.f.	161.00
	6,497.00
Plus 25 percent profit and overhead	1,624.00
Subtotal	8,121.00

PLUMBING

1—4" gate valve at $297.00	297.00
1—4" check (back water) valve at $150.00	150.00
1—2" automatic float gas valve at $400.00	400.00
8—Automatic water level compensation piping with screens and valves at $100.00	800.00
	1,647.00
Plus 25 percent profit and overhead	412.00
Subtotal	2,059.00

ELECTRICAL REQUIREMENTS

400 amp—4 wire—3 phase—NEMA 3R disconnect at street	540.00
19 submersible (waterproof) outlets at $200.00[1]	3,800.00
Waterproofing of conduits and elbows plus drains	200.00
	4,540.00
Plus 25 percent profit and overhead	1,135.00
Subtotal	5,675.00

Footnote on following page.

[1] Estimated cost, exact receptacle not available.

Total extra cost to build this project according to Federal requirements equals $28,077.00 or 35-percent cost increase ($28,077.00 divided by $79,213.11).

Sincerely,

THOMAS C. HOLSHOUSER.

BURTON J. GERHARDT
CONTRACTING CORP.,
Cape Girardeau, Mo., November 7, 1975.

Refr: Long John Silver's estimate of costs under Flood-Proofing.

Attn: Mr. Mason Sachse.

GENTLEMEN: We submit herewith an estimate figured under the Federal requirements and regulations pertaining to building the above, Long John Silver's Restr., located on the corner of Route K and North Kingshighway, Cape Girardeau, Missouri.

This building was built a year ago or should say completed on January the 5th of 1975.

The following estimate is as follows: To build under the revised flood proofing an extra cost of $39,346.32. This would add percentage wise 49.4% more to the original cost of the project.

The itemized figures to support the above are available at the above address.

For the past (30) thirty-years we have been building, within the flood prone area, we have not had foundation failures, or other structural damage by reason of high water.

BURTON J. GERHARDT,
President.

THE LIBRARY AND THE HOUSE

Mr. CANNON. Mr. President, on October 29, I brought to the attention of this body an editorial in the Washington Star entitled "Kidnapping the Library of Congress." Two more editorials have since appeared, one in the New York Times and one in the Washington Post.

Again, as vice chairman of the Joint Committee on the Library, I want to reiterate my views on this matter. The Library of Congress is in desperate need of space. To even consider the takeover of this building for House Office Building space is shameful and irresponsible. At this late date when the exterior of the building is 95 percent complete and when 10 years of planning have gone into designing this building for Library purposes, only the people of this Nation stand to lose by any takeover from the Library of Congress of the Madison Building. Not only would their tax dollars be wasted, but the priceless collections of the Library of Congress which constitute this Nation's history could be jeopardized for posterity should adequate facilities not be provided for their storage and service quickly. Again, I urge that my colleagues repel any move by the other body to occupy the Madison no matter how much they need the space.

Mr. President, I ask unanimous consent that the New York Times editorial of November 18 and the Washington Post editorial of November 8 be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Nov. 8, 1975]

THE LIBRARY AND THE HOUSE

A competent legislator, James Madison wrote in one of the Federalist essays, should "add to an upright intention and a sound judgment a certain degree of knowledge of the subjects on which he is to legislate." Madison had illustrated his concept of legislative enlightenment in 1783, when he and two colleagues were asked to study the question of buying books for the young Continental Congress. Madison recommended the purchase of over 300 reference works on law, politics, history and related subjects. The plan was rejected because the struggling government had little money even to pay its troops.

That episode is worth recalling as once again an ambitious library project bearing Madison's name is being challenged by congressmen with different priorities. The competing interest now is not economy but the expansion of the House. Speaker Carl Albert and others have launched a new campaign to get more office space by taking over all or part of the $120-million Madison Memorial Library of Congress building now under construction on Capitol Hill.

Empire-builders in the House have long coveted the Madison library's convenient site next to the Cannon House Office Building. The latest annexation drive has been spurred by the overcrowding of House offices brought on by recent, rapid increases in committees' and members' staff allowances. Last spring House leaders floated the idea of building a fourth House office complex on a nearby block along New Jersey Avenue, but that aroused loud opposition from affected citizens. Forced to retreat, the House captains suspended their construction dreams pending completion of a master plan for congressional growth and a separate, in-House study of information and facilities. These moves toward sensible planning produced, however, an unfortunate—but quite predictable—side effect, by renewing interest in preempting some of the new library's space in the short run.

The House's itch for more elbow room should not be allowed to derail the orderly, overdue improvement of the nation's greatest repository of learning. The library's needs are vast, urgent and fully catalogued. Its shelf space was exhausted 20 years ago; books are piled in every conceivable place; research facilities are jammed, and damage to irreplaceable collections has been minimized only through great care and ingenuity. The Madison building has been painstakingly planned not only to provide more space, but also to accommodate the best technology for managing information—and, not incidentally, to help the library respond to fast-growing congressional demands for reesarch and analysis.

In contrast, the House has grown—and now wants to sprawl further—without any serious planning or internal redesign. Few members have yet learned to use new information systems or employ their burgeoning staff resources to best effect. The House commission has just begun to explore ways in which storage space and services could be relocated and overhauled to provide more working space in the existing offices. From this perspective, too, annexing the Madison building would be a serious mistake, for it would enable House members to put off the hard but necessary chore of revising some of their inefficient operating styles.

The issue is likely to come to a head soon, because a new authorization and more money will be needed to finish the Madison building in any form. Speaker Albert and his colleagues seem to be seeking a quiet accord with the Senate before any legislation is advanced. So far, Senate Rules Committee Chairman Howard Cannon (D-Nev.) and Sen. Ernest F. Hollings (D-S.C.), who heads the appropriations panel involved, have resisted the House leaders' appeals. We trust they will stand firm in favor of the library. For Madison was right; "a certain degree of knowledge" is important to the Congress and the best possible library is essential to that goal. So the House should let the Madison library, already abuilding, be completed. If members of Congress and their staffs would then add to their "upright intention" and "sound judgment" by spending just a little part of each day in that library, they might make better laws—and also solve part of their need for office space.

[From the New York Times, Nov. 18, 1975]

NATION'S TREASURE HOUSE

The Library of Congress is the nation's intellectual treasure house containing more than 75 million books, prints and other items. It is of indispensable assistance to Congress itself through factual analyses of legislative issues and provides the public with specialized services too numerous to mention.

The library, having long ago outgrown its two existing buildings, has staff and collections scattered in ten different locations in Washington and nearby suburbs. Fifteen years ago Congress authorized the planning of a third building that would also serve as a memorial to James Madison. This building is now nearing completion on Capitol Hill; but the House of Representatives has begun eyeing it as possible office space for its own needs.

If Congress were to make off with the Madison Building at this late date, it would be a travesty of planning and a scandalous waste of funds. The new building is a highly specialized structure designed to house the library's collections of maps, photographs, musical recordings, manuscripts and law books. To convert this unique building into ordinary offices would require extensive and costly renovations, a misuse of public funds comparable in a small way to the monumental fiasco of the most recent office building built by the House only a few years ago. If additional space is really needed by the House of Representatives, which seems incredible, it surely should not be obtained by hijacking the Library of Congress.

ROTC ENROLLMENT AT EASTERN KENTUCKY UNIVERSITY

Mr. HUDDLESTON. Mr. President, I wish to call to the attention of my colleagues the achievement of Eastern Kentucky University's ROTC program. The 1975 fall enrollment of 1,490 cadets in Eastern's Reserve Officers Training Corps makes it the largest ROTC unit in the United States.

The military science program in our Nation's universities has played an important role in providing our armed services with the leadership that is needed in this time of change for our country's military.

I applaud Eastern Kentucky for its longstanding relationship with the Army and for having the largest reserve officers training unit in the Nation.

I ask unanimous consent that an article regarding the ROTC program at Eastern Kentucky be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROTC ENROLLMENT AT EKU TOPS NATION

RICHMOND, KY.—Eastern Kentucky University's 1975 fall enrollment of 1,490 cadets in its Reserve Officers Training Corps is the largest reported by the Army for the United States and its territories.

The Army's Training and Doctrine Command at Ft. Monroe, Va., reported Eastern's on-campus ROTC enrollment at 1,345 cadets. Eastern is also providing ROTC training to

145 cadets at Cumberland College at Williamsburg.

The EKU figures are compared with the next highest enrollment in the Army ROTC—1,303 cadets at the University of Puerto Rico.

Last year Eastern recorded the highest ROTC enrollment in the continental United States—971, only three cadets fewer than Puerto Rico had at that time.

EKU president Dr. Robert R. Martin said he thought Eastern's nation-leading ROTC enrollment "reflects the mutual support that has always characterized the relationship between the University and the Army since ROTC began here in 1936.

"I am particularly proud that our status as the nation's largest program has come during my administration. I have always considered myself a defender and supporter of the military science program and consider ROTC a solid citizen of our academic community."

Dr. Martin, who in 1971 received the Army's Outstanding Civilian Service Award for his support of ROTC, congratulated EKU's professor of military science, Colonel Charles D. Phillips, and his cadre for the Eastern Corps' achievement.

Military science cadets at Eastern have outnumbered the combined total of those at other Kentucky universities for at least three years. The University of Kentucky, Morehead, Murray and Western have a combined total of 927 cadets this year. Last year the comparison was 971 at Eastern and 559 at all others, and in 1973 it was 561 at Eastern and 520 at all others.

Following EKU and Puerto Rico in order of size of ROTC enrollment this year are Prairie View (Texas) A. & M., 789 cadets; Pennsylvania State University, 658; South Carolina State College, 639, and the University of Southern Mississippi, 612.

THE F–16

Mr. MUSKIE. Mr. President, I would like to take the occasion of the confirmation of Mr. Rumsfield to bring to the attention of the Senate a problem which has concerned me since early June and which was brought to Mr. Rumsfield's attention during hearings before the Armed Services Committee.

I am referring to reports which emanated from the negotiations between former Secretary Schlesinger and the Belgian Defense Minister relative to the Belgian purchase of the F–16 fighter aircraft, suggesting that former Secretary Schlesinger had agreed to give favorable consideration to a Belgian machinegun for use as a turret-mounted machinegun by the U.S. Army. I was greatly alarmed by these reports because the leading domestic contender for this contract was Maremont Corp. of Saco, Maine, and because of the adverse economic and national security impact of using a foreign supplier for this important weapon system.

After my inquiries to Secretary Schlesinger, both individually and with the other members of the Maine congressional delegation, failed to produce an adequate explanation for the changed status of the procurement process, I asked the General Accounting Office to oversee the testing of the competing weapons and assure that final procurement decisions will be based on the actual merits of the weapons systems involved and to allay fears that a predisposition exists toward the Belgian weapon.

I am pleased with the comprehensive review which the General Accounting Office is undertaking of the Army's procurement process and am hopeful that the tests will be fair and accurate. I understand from briefings that GAO analysists have provided me to date that the tests are progressing well and on time and both weapons are performing above procurement specifications.

Under these circumstances and because of the assurances given by President Ford to the mayors of Biddeford and Saco, Maine, and the Maine congressional delegation that the procurement would be made on the merits of the weapons systems, I am confident that the Maremont weapon will fare well.

I was, however, disappointed with the response which Mr. Rumsfeld provided to my inquires regarding this procurement during committee review. He suggested in response to my questions that the issues of the standardization of NATO weapons would be a consideration in the procurement decision. I am disappointed that this issue was raised by Mr. Rumsfeld and would reiterate the points made by the delegation to former Secretary Schlesinger that standardization is not a legitimate concern because both weapons accept the standard NATO round and because various NATO countries are already strongly committed to their own respective armor machine guns.

I ask unanimous consent that correspondence between the Maine congressional delegation and Defense Department officials relative to this problem be printed in the Record.

There being no objection, the correspondence was ordered to be printed in the Record, as follows:

Assistant Secretary of Defense,
Washington, D.C., June 17, 1975.
Hon. Edmund S. Muskie,
U.S. Senate,
Washington, D.C.

Dear Senator Muskie: In response to the oral request of Mr. Jim Case of your staff on June 13th, I enclose herewith on separate sheets answers to the three questions regarding the MAG–58 machine gun in which Mr. Case said you were interested. I hope these answers are responsive to your interests, but if you desire anything further please call on us.

Sincerely,

John M. Maury,
Assistant Secretary of Defense.

Question: Has any money been appropriated for the MAG–58 to date and if so how much? If not how much money is planned and in what year budget?

Facts: Following amounts budgeted for *testing* M60E2, MAG 58, and other weapons:

Fiscal year 1976	$420K
Fiscal year 1977	80K

Test costs all weapons to date: $260K.

MAG 58 costs to date: $83K for procurement of 10 test weapons (does not include costs of testing to date).

No funds currently programmed or budgeted for further purchase of MAG 58, but Army *may* seek approval of reprogramming $400K FY 74 and $480 FY 75 for a limited production buy of the selected gun.

Answer: $83K in appropriated funds have been spent to date to buy 10 MAG 58 weapons for test purposes. No firm programs or budgets now exist for additional procurement, but Army may ask approval to reprogram up to about $880K for a limited production buy of the selected gun.

Question: What Did SecDef say to Belgians on MAG–58 machine gun?

Facts: The MAG–58 is currently undergoing tests by the US Army as a possible gun for the M–60 tank. The gun has performed well in initial bench tests. Additional operational testing will take place later this year utilizing an M–60 tank mount. The Army will obtain 10 MAG–58 production models for these tests. During the November time period, side by side testing of the MAG–58 and the other candidate machine gun, the U.S. manufactured Maremont M60E–2 will take place. In addition to the hardware evaluation, there will also be an examination of the licensing options, acceptability of offshore procurement and relative costs.

Answer: The SecDef told the Belgians that the US Army was impressed with the MAG–58 machine gun because of its performance and it would get due consideration when the Army tested production models. No commitment in regard to the MAG–58 has been made by SecDef to the Belgians. Decision on its possible use by U.S. Forces will depend on operational testing results.

Question: When will Army decide which gun to buy?

Facts: The Army's decision as to which gun to buy will take place after conclusion of the side by side firing tests.

Answer: A January 1976 decision is expected.

U.S. Senate,
Washington, D.C., June 19, 1975.
Hon. James R. Schlesinger,
Secretary of Defense,
Washington, D.C.

Dear Mr. Secretary: In reporting the successful conclusion of negotiations with Belgian officials regarding purchase of F–16 fighter planes, the news media has suggested an understanding by the Belgian Defense Minister that, in return for Belgian purchase of F–16 fighter aircraft, the Department of Defense has promised to buy $30 million worth of Belgian-made Mag–58 machine guns.

These reports concern us because of the earlier involvement of Maremont Corporation of Saco, Maine, with the Department of Defense for utilization of their M–60 E2 machine gun to fill this particular order.

Maremont Corporation is presently and has for some time been the single largest employer in Saco and approximately two-thirds of their 1200 employees are involved in Defense work. Award of this contract to Fabrique Nationale would result in the termination of the M–60 line at Maremont when the present contract for standard M–60's expires in July of 1976. This will not only exacerbate unacceptably high local and national unemployment levels but also risk dependence on a sole source foreign supplier for an important weapons system.

The adverse economic and employment consequences of sending this order abroad would be felt not only in Maine but also in areas such as New Hampshire and Pennsylvania, where important subcontracting work is performed.

We would appreciate a clear statement from you that no such commitment has been made and that any consideration given procurement of a foreign weapon be in conformance with Department of Defense procurement regulations, the "Buy America Act," (41 U.S.C. 10a–10d), and appropriate Congressional approval.

Any information which you can provide regarding the basis for these various news reports and the statement of Belgian Defense Minister Paul van den Boeynants in the attached article from the *Chicago Tribune* would be most helpful.

Thank you for your attention to this issue. We are sure you can appreciate our concern, and look forward to your reply.

Sincerely yours,

WILLIAM S. COHEN,
DAVID F. EMERY,
Members of Congress.
EDMUND S. MUSKIE,
WILLIAM D. HATHAWAY,
United States Senators.

OFFICE OF THE DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY, AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., July 2, 1975.

Hon. EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MUSKIE: This is in reply to your letter of June 19, 1975 to the Secretary of Defense expressing concern over a report that the Department of Defense has promised to buy $30 million worth of Belgian-made MAG–58 machine guns for the M–60 tank in return for the Belgian purchase of the F–16 fighter aircraft.

The Belgium made MAG–58 machine gun is currently undergoing tests by the U.S. Army as a possible gun for the M–60 tank. The Army will obtain at no cost 10 MAG–58 production models for testing. During the November time period, side by side testing of the MAG–58 and the other candidate machine gun which you expressed interest in, the U.S. manufactured Maremont M–60 E2, will take place. In addition, there will also be an examination of the licensing options, acceptability of offshore procurement, and relative costs. Standardization of US/NATO military equipment will also be a consideration which is in accordance with the expressed desires of the Congress.

The Army's decision as to which gun to buy will take place after the side by side firing tests are concluded and a complete evaluation is made. A decision in early 1976 is currently anticipated.

No commitments to purchase the MAG–58 have been made to the Belgium government. The decision will be based on results of the actions outlined above.

We hope this reply has helped clarify the issues and concerns you raised. Similar letters are being sent to the Honorable William D. Hathaway, U.S. Senate and the Honorable William S. Cohen and the Honorable David F. Emery, U.S. House of Representatives.

Sincerely,

H. M. FISH,
Lieutenant General, USAF.

JULY 10, 1975.

Hon. JAMES R. SCHLESINGER,
Secretary of Defense,
The Pentagon,
Washington, D.C.

DEAR MR. SECRETARY: We are in receipt of letters from H. M. Fish, Lieutenant General USAF, responding to our June 19 letter to you expressing our concern with reports that DOD had agreed to purchase MAG 58 machine guns from Belgium. We are pleased to learn that no commitment was made to purchase the MAG 58 machine guns, but have some specific concerns about DOD action in this matter which remain unanswered.

Our first concern relates to the changed status of the Maremont M60–E2 in DOD procurement plans. We understand that the Department of the Army has been testing the Maremont M60–E2 as the turret mounted weapon for the M–60 tank since January of 1975 at Ft. Knox and Aberdeen Proving Grounds. We understand further that the Maremont weapon performed very well during these tests and received favorable recommendations, particularly after certain reconfigurations in April 1975, and that throughout this period the M60–E2 was the leading contender for use on the M60 tank. The MAG 58 was not subjected to such tests during this period. The apparent change in relative status of the Maremont M60–E2 and the Belgium MAG 58 which occurred during the negotiations relative to the F–16 sale concerns us greatly.

In a letter of June 17, 1975 to Senator Muskie, Assistant Secretary Maury reported that, "The Secretary of Defense told the Belgiums that the U.S. Army was impressed with the MAG 58 machine gun and it would get due consideration when the Army tested production models." We understood that up to that point, the MAG 58 had received only limited review compared to the tests to which the M60–E2 had been subject. There appears to have been little basis for a favorable inclination toward the MAG 58.

General Fish indicated that relative costs will be a factor in the decision as to which weapon system should be adopted. We endorse this policy and recommend strongly that cost analysis of the respective weapons systems include cost factors relating to new logistics and supply systems for maintenance and repairs of a brand new foreign weapon—the MAG 58 versus the M60–E2 which could share much of the support system already in place for the M60 infantry machine gun.

General Fish raises in his letter the "standardization of US/NATO military equipment" as yet another factor in a purchase decision. This is a legitimate concern with certain weapons systems but appears to be of little relevance in the present matter. Adoption of the MAG 58 would not further standardization since each NATO member employs its own tanks, its own field machine gun and its own turret mounted machine guns. Adoption of the MAG 58 for a turret mounted weapon by the U.S. would complicate our logistics without furthering standardization. Both weapons systems accept the standard NATO round. The Buy America Act is, of course, an overriding concern which should be central in your discussion.

These concerns and discrepancies between the information provided on June 17 by Assistant Secretary Maury and the letter from General Fish on July 2 prompt us to request your continued personal attention to this matter. We would appreciate in particular: (1) the schedule and results of all tests which DOD has performed on the MAG 58 and the Maremont M60–E2; (2) the scope of the cost analysis which will be applied in comparing the weapons; (3) a description of turret mounted machine guns now in use by NATO forces; and (4) your analysis of how the MAG 58 or M60–E2 would contribute to the standardization of US/NATO military equipment.

Thank you for your personal attention to this matter.

Sincerely,

EDMUND S. MUSKIE,
WILLIAM D. HATHAWAY,
United States Senators.
WILLIAM S. COHEN,
DAVID F. EMERY,
U.S. Representatives.

DEPARTMENT OF THE ARMY,
Washington, D.C., August 1, 1975.

DEAR SENATOR MUSKIE: Mr. Schlesinger has asked me to reply to your letter of July 11, 1975 expressing concern over the status of the armor machinegun program. I can understand your concern and hope that this letter will clarify the entire situation.

First of all, you are correct in stating that the Army has conducted extensive testing of the M60E2 and that this testing was much broader in scope than that conducted on the MAG 58. It is also true that the M60E2 received favorable recommendations following the testing. However, the MAG 58 also performed extremely well in its limited test.

When the Army reviewed the results of all testing conducted on the nine guns evaluated, the M60E2 and the MAG 58 ranked one and two, respectively. Please see the attached Candidate Performance Ranking at Inclosure 1.

Inclosure 2 shows that the MAG 58 achieved a mean rounds between stoppage of 30,000 rounds based on limited testing. This is an outstanding achievement and the Army felt it would be remiss if this weapon was not evaluated further.

The original tests were not the same for the MAG 58 and the M60E2 due to consideration of time and cost. The Army, to insure that the trooper in the field is armed with the finest weapon available, decided to test both of these weapons on an equal basis utilizing identical evaluation methodology. The scope of these tests was pointed out in LTG Fish's letter of 2 July 1975. You can be assured that both guns will receive fair and impartial treatment on the tests and evaluation, and that no favorable inclination exists toward either gun. Additionally, let me point out that the tests will be conducted on production models and not on specially engineered guns. Our goal is, and will be, to select the best gun for the American soldier whether manufactured in the US or Belgium, based on the test and evaluation criteria. Once the selection is made, the standardization of the gun for US/NATO forces will be a prime consideration.

The test results (Inclosure 1) are based on technical performance, physical characteristics, reliability, availability, maintenance and durability. The scope of the cost analysis and the details of the tests and evaluation procedures are now in the planning phase. A description of turret mounted machineguns in use by NATO forces is at Inclosure 3. The analysis of how the MAG 58 or M60E2 would contribute to the standardization of US/NATO military equipment is also part of the equation but such an analysis must be based on the results of the tests and evaluation.

You can be assured that this matter will continue to receive my personal attention. If this letter fails to alleviate your concerns in this matter, I would be more than pleased to make available senior experts of the Army Staff who have been involved in the gun evaluations.

Similar letters are being sent to the Honorable William S. Cohen, the Honorable David F. Emery and the Honorable William D. Hathaway.

Sincerely,

NORMAN R. AUGUSTINE,
Acting Secretary of the Army.

CANDIDATE PERFORMANCE: RANKING

	Score[1]	Weapon
Group 1:		
Rank 1	8.3	M60E2
Rank 2	8.1	MAG58
Group 2:		
Rank 3	7.5	M219
Rank 4	7.2	PKM
Rank 5	7.1	L8A1
Rank 6	7.1	MG3
Rank 7	6.9	AAT52
Rank 8	6.9	M219PI
Group 3: Rank 9	5.6	CI

[1] Based on scale of 0 to 10.

FOREIGN WEAPON TEST RESULTS

Weapon	Rank	Performance		Installation problems
		MRBS	MRBF	
MAG 58	1	30,000	3,000	M60A2 major modification.
L8A1	2	469	1,154	M60A2 major modification.
AAT 52	3	1,643	1,438	No significant problem.
MG3	4	475	2,100	M60A2 minor modification.
C1	5	131	633	Barrel change.

Country—Weapon

Belgium—MAG 58*
Canada—Browning** and MAG 58
Denmark—MG3
Federal Republic of Germany—MG3
France—AAT Model 52
Greece—ATT Model 52 and Browning
Iceland—None
Italy—US M219; Browning, MG3
Luxembourg—None
Netherlands—MAG 58
Norway—MG3; Browning
Portugal—Browning
Turkey—Browning
United Kingdom—MAG 58*
United States—US M219

U.S. SENATE,
Washington, D.C., August 7, 1975.
Hon. ELMER B. STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR ELMER: I am writing to request your assistance in a matter which has been of particular concern to me and other members of the Maine Congressional Delegation since early June.

The matter involves the reported agreement by Secretary of Defense Schlesinger to give "favorable consideration" to the purchase by the United States Army of Belgian manufactured MAG 58 machine guns in exchange for Belgian purchase of the F-16 fighter plane. This agreement was reported in a Chicago Tribune article of June 15 and a New York Times article of June 23, 1975 (articles enclosed). These news reports were of immediate concern to me because of the prior understanding by Maremont Corporation officials that a modified version of the M60 machine gun manufactured in Saco, Maine was the leading contender for use as a turret mounted machine gun on the M60 tank.

Although various Defense Department officials have assured us that no commitment was made to purchase the Belgian weapon and equal consideration will be given to both the Belgian MAG 58 and the Maremont M60-E2 during planned testing (correspondence attached), I remain concerned about the apparent change in the competitive position of the two weapons concurrent with the F-16 negotiations.

Defense Department officials report that the decision as to which weapon will be procured for use on the M60 tank will be based on the results of side-by-side testing of the MAG 58 and the M60-E2 during November. Because critical national defense interests and the jobs of hundreds of workers in Saco, Maine are at stake in this decision and because of conflicting information from within and without the Department of Defense regarding developments in this armor machine gun program, I believe it would be appropriate for the General Accounting Office to review the armor machine gun program relative to the competition between the Maremont M60-E2 and the Belgian MAG 58 and to oversee the testing of these weapons systems. I am particularly concerned that (1) a report on all testing of each weapon system as of this date be made available; (2) that any relationship between the procurement of armor machine guns and the sale of F-16 aircraft to Belgium be fully reviewed; (3) that the criteria and design of the proposed tests for these weapons be reviewed and monitored as they are developed for consistency with earlier criteria and tests and real national security purposes; (4) that a determination be made whether the weapons used in testing are standard production line weapons or finely tuned prototypes; (5) that the actual testing of the weapons be directly and immediately monitored by GAO personnel with expertise in armaments, and that the final results and evaluations of all tests on these weapons be made available to Congress.

I would also appreciate your reviewing comparative cost data including procurement cost of the guns, required tank modification, if any, and other life cycle costs.

I believe that the involvement of the GAO in this regard will serve the interests of national security and help allay concerns in many quarters that a predisposition exists toward the Belgian weapon. I hope that you will be able to undertake this task and look forward to working with you.

With best wishes.
Sincerely,
EDMUND S. MUSKIE,
U.S. Senator.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., September 30, 1975.
Hon. EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.

DEAR ED: I thought you might be interested in a brief run-down of some preliminary steps we have taken in connection with our observing the Army's handling of the competitive procurement of the machine gun to be mounted on the M60 tank.

As you requested, we are going to maintain a GAO presence at the two test locations—The Aberdeen Proving Ground, Maryland and Fort Carson, Colorado. In addition to having our own staff on site, we are engaging a highly qualified consultant to monitor the more critical technical elements of the tests. He will also assess the adequacy and objectivity of the test plans and the Army's evaluation of the test results.

My staff recently met with Army Under Secretary Augustine, to impress on him our need for unrestricted access to Army documents and to individuals we will want to interview during our investigation. Mr. Augustine assured us of his support.

I am glad to say that the Army has cooperated with us to the fullest extent and has permitted our staff to attend meetings where some sensitive matters were discussed by representatives of various Army organizations concerned with the testing.

We are now awaiting copies of the Army's test plans and of the results of its earlier testing. As we proceed further into our review, we will continue to keep your office advised of significant matters as they come to our attention.

Sincerely yours,
ELMER B. STAATS,
Comptroller General
of the United States.

Question: During June of this year, I became concerned with reports developing out of Secretary Schlesinger's negotiations with the Belgian defense officials for sale of the F-16 fighter aircraft that a trade-off has been made under which the Department of Defense would give favorable consideration to a Belgian manufactured machine gun for use as the Army's new tank mounted machine gun.

I was particularly disturbed because the Maremount Corporation of Saco, Maine was the leading contender for meeting the Army's needs in this regard with their M-60-E2 machine gun. Award of this contract to Fabrique Nationale would result in the termination of the M-60 line at Maremount when the present contract expires in July of 1976. This will not only exacerbate unacceptably high local and national unemployment levels but also risk dependence on a sole source foreign supplier for an important weapons system. The adverse economic consequences would be felt not only in Maine but also in areas such as New Hampshire and Pennsylvania where important subcontracting work is performed.

Maremount Corporation is the single largest employer in the Saco area and approximately two-thirds of their 1200 employees are involved in defense work.

After repeated inquiries from the Maine Congressional delegation, we received assurance from Secretary Schlesinger that no commitment has been made to purchase the Belgian weapon and that a decision on this contract would be made on the basis of the merits of the respective weapons after extensive testing.

That testing is now being conducted at Fort Carson, Colorado and Aberdeen Proving Grounds in Maryland and is being reviewed by the General Accounting Office for fairness and accuracy. The tests should be completed within the next few weeks.

I would appreciate your personal assurances as we review your nomination as Secretary of Defense that you will give no special consideration to the Belgian competitor for this contract—Fabrique Nationale, and that the final decision on this procurement will be based on the merits and relative costs of the competing weapons including total life cycle costs, with due consideration to the importance of maintaining a domestic supplier of this weapon systems.

Answer: It is and will be the US goal to obtain the best weapon for the American soldier. A decision on a contract for the M-60 tank machine gun will be made on the basis of the merits of the respective weapons after extensive testing, their relative costs, and with a recognition of the broadly supported goal of increased standardization within NATO.

NEW YORK CITY FINANCES

Mr. PERCY. Mr. President, the Chicago Daily News recently published an article of mine proposing the principles of resolving New York City's financial crisis. In sum, I have proposed that Federal legislation be adopted providing New York City with an orderly procedure under which it can continue essential services and restructure its short-term debt. While Federal bankruptcy proceedings might appear to be the only practical legal method by which this can be accomplished, it may be possible to devise other procedures that will accomplish the goals I have outlined. Voluntary debt restructuring is one such option. Should such options become available I will seriously consider supporting them.

In order to encourage a much-needed dialog now on this subject in the Senate, fully apprise my colleagues of my views on this important problem, and hopefully have others give us the benefit of their views, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A LETTER TO THE EDITOR: PERCY'S PLAN FOR NEW YORK AID

New York City's dramatic brush with financial collapse revealed the dangerous consequences of years of excessive government spending and borrowing. Only a recent last-minute bond purchase by the city's teachers' union pension fund prevented failure to pay debt holders.

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*MAG 58 is a basic design that exists in several forms. In the UK it is used with suitable accessories as an infantry weapon and in several different fighting vehicles.

**The US Browning design has been supplied as a component in a variety of tanks which are in use by the countries indicated. Some have been converted from the WW I and WW II caliber 30 cartridge to the NATO 7.62mm cartridge.

The crisis is far from over. The next deadline for New York is Dec. 1. The city faces the challenge of meeting demands on its short-term debt and at the same time paying its huge operating expense, which each year increases the city's debt.

Now the city's political and financial leaders are parading before Congress predicting that unless the federal government rushes in with its checkbook, the city, the state, and perhaps the nation, will go under soon.

For Chicagoans, all this is hard to take. Fortunately, Chicago has been operating on the principle of fiscal responsibility, with budget surpluses and sound borrowing policies. Chicago residents, like much of the rest of the nation, are asking why their taxes should be used to help a city that seems incapable of helping itself.

One answer lies in the huge chunk of the municipal bond market that is tied up in bonds to finance New York City's debt. Out of about $200 billion in state and city bonds in circulation in the United States, the state and city of New York account for one-fifth. Default by New York City, in the absence of a coherent plan to meet the city's debt and its essential needs, could rock the entire American financial community. Already there are indications that New York's precarious financial situation has adversely affected the municipal bond market. Interest rates are up, forcing cities either to postpone bond sales or to pay exorbitant rates.

In addition, if New York defaults without a financial plan for the future, the effect could be felt around the world. The stability of the dollar in world money markets could be further weakened by the failure of the nation's largest city.

The question of whether, and how, the federal government should help New York is now before Congress. I believe the federal government has a role and the President has acknowledged this. We must now swiftly decide what that role should be. Congress has every right now to make stiff demands on the city for fiscal reform and at the same time protect the federal government from long-term involvement in the city's financial quagmire.

What is needed is federal legislation providing New York City with an orderly bankruptcy procedure under which it can continue essential services and restructure its short-term debt. Prior to filing for bankruptcy, the city should adopt and make public a plan to provide essential services, payment of short-term debt and financing for future debt. Making this plan public will provide security against possible panic.

The federal government's role would be to guarantee a new issue of long-term debt obligations sufficient to meet the restructured short-term debt and provide essential services. The terms of the new obligations would have to be attractive enough to be competitive in the bond market. Holders of existing short-term debt would be given the option of redeeming their bonds for the new long-term notes or of accepting new short-term bonds with a lower interest rate.

All bondholders must make a sacrifice—banks as well as individuals. Those who hold New York City bonds should not receive perferential treatment, especially during a period of economic insecurity when many investors have suffered losses in the market. Bondholders must take additional risks and sacrifice some earnings in a complete restructuring of the city's debt. New York City, in return for the federal guarantee, would be required to adopt short-term and long-term spending cuts and revenue increases to balance the municipal budget. In the short run, the city must provide police and fire protection, mass transit service, adequate health care and normally necessary welfare assistance.

In the long run, there are ample opportunities to reduce city spending so it can move toward a balanced budget. Pension contracts with municipal workers should be renegotiated. Retired workers are now paid pensions based on wages earned in the last year of employment. This encourages city employes to work excessive amounts of overtime during their last year on the job. Pensions should be calculated on a more realistic scale, perhaps on actual wages earned during the last three to five years of employment, with limits on the amount of overtime counted.

New York City's free-tuition policy should be abolished. Chicago residents attending the University of Illinois' Circle Campus pay $666 a year in tuition and fees. Tuition payments should be required of university students in New York. Scholarships can be provided for needy students, but university education should be made available more on an ability-to-pay basis. The policy of unrestricted free admission should long since have been altered.

Rent control should be phased out. This outdated policy does not help urban dwellers who need housing assistance most. The policy erodes the city's tax base and encourages property owners to abandon buildings, thus shrinking the city's revenue and housing supply.

The city and the state should co-operate to end duplication of services in such areas as drug treatment and teacher certification.

These are only a few examples of the kinds of steps that could result in reduced expenses and increased revenue for New York City.

Congress should not provide a temporary "bailout" for New York City. Any guarantee of the city's debt must be strictly limited and carefully supervised. A precondition must be a commitment to restructuring the present debt and complete reorganization of its budgetary process. Most of all, the guarantee must be accompanied by measures to end mismanagement and waste, restoring New York City's ability to finance its own future needs.

Charles H. Percy,
U.S. Senator, Illinois.

SMALL BUSINESS AND DEVELOPING SOLAR ENERGY RESOURCES

Mr. MOSS. Mr. President, on October 8, 1975, Mrs. Lola Redford, who is director of Consumer Action Now, CAN, an environmental consumer organization, a member of my Consumer Subcommittee Advisory Council, and a resident of the State of Utah, testified before the Senate Select Committee on Small Business.

I thought Mrs. Redford's statement would be of interest because it addresses the very important and timely issue of developing solar energy resources, and particularly the role of small business in this development.

Mr. President, I ask unanimous consent that the testimony of Mrs. Redford be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Testimony of Lola Redford

Good Morning. My name is Lola Redford, I am the Director of Consumer Action Now, an organization with its headquarters in New York City that has been actively involved in consumer, environmental, and energy matters for the past several years.

At the outset let me compliment the Chairman of this Committee and its members for focusing public attention on an extremely important and vital issue—the issue of solar energy and the role of small business in its development.

In our view solar energy offers the prospect of enlarging the supply of domestically produced energy that is compatible with environmental protection, and it offers the prospect of bringing small business into the energy picture in a big way. Shortages and monopoly are two very serious concerns in the energy field. Solar energy offers a potential solution to both concerns, and I believe this Committee may be in a position to help make it become a reality.

In my testimony today, I would like to explain why Consumer Action Now believes that the development of solar energy is absolutely essential if this nation is to satisfy anticipated energy needs in this decade and beyond, and why Consumer Action Now wants the solar energy industry to avoid the kinds of problems presented by our present energy industries. I would also like to outline a possible approach to the development of solar energy which might insure this industry a future that is both successful and compatible with the best interests of this nation and in which the small businessman has an important role to play.

THE NECESSITY FOR SOLAR ENERGY

In CAN's view, the development of solar energy is absolutely essential. By solar energy we mean most natural renewable energy resources which directly or indirectly emanate from the sun's radiation: solar thermal power, bioconversion, ocean thermal gradients and wind are power. Lessening energy demand through vigorous energy conservation is also an essential complement to solar energy, as is proper building design.

In our view solar energy is necessary for several reasons. In the first place, recent energy studies have disclosed that traditional sources of energy such as petroleum and natural gas are being depleted quickly; natural gas and oil may be exhausted in the next 15–25 years.

Even though this country's coal reserves are plentiful compared to petroleum, they too are finite. Moreover, coal has serious drawbacks. It is difficult to mine and exacts relatively high health costs and environmental costs during the mining; it is difficult to transport; and it is difficult to burn coal in a manner that preserves air quality. Coal is an important energy resource that must serve as an energy bridge between our present liquid and gaseous fossil fuels, but the problems with coal and its finite size point up the need to develop useable and reliable solar technologies.

Some might argue that solar energy development is not critical because nuclear energy will be available as fossil fuels are depleted. It may be foolish to suggest that nuclear energy has no place in meeting the energy goals of this nation but its attendant problems, namely its unreliability, its questionable safety, its costs, and its waste disposal problems certainly suggest that to proceed primarily down the nuclear track would be at least shortsighted, perhaps foolhearty and possibly catastrophic. Compared to nuclear power, solar energy is far safer, appears to have greater reliability potential, and certainly is more compatible with environmental goals. And most important, it would appear that solar energy, once it has passed its threshold development stage, would be substantially cheaper than nuclear energy or coal for heating and cooling buildings. And if social costs are considered, solar energy in future years may well become the lowest cost source for making electricity as well.

For these reasons Consumer Action Now is committed to doing what it can to insure that solar energy develops and becomes a basic element in this nation's energy picture within the next decade and beyond.

WILL SOLAR ENERGY BE DEVELOPED

On the basis of Consumer Action Now's initial experience in the solar field, we as an organization are concerned that the potentially enormous contribution solar energy technologies can make to the energy resources of this country may not reach fruition. Solar energy need not be a distant source that is many years away. Yet important steps must still be taken. Research and development and then demonstration now begun must continue. The production of efficient and cost-effective solar energy hardware is another necessary step. Such production will only occur if there is a strong and effective market that places intelligent demands upon the producers of solar energy technologies. When this demand occurs, these producers must have the financial capacity and the ability to respond to directed consumer demands.

Unfortunately a scenario that fits all these pieces together is not at present discernible in any facet of the solar energy effort.

In the first place, while large sums of money have been committed to research and development of solar energy, we are concerned that too large a portion of this funding has gone to corporations who also have a vested interest in the growth of nuclear power or other competing sources. It is difficult for us to determine whether or not these corporations can reach conclusions which are not colored by their vested interests. With their multi-billion dollar investment in nuclear and other energy facilities, there is probably good reason to be skeptical about the objectivity of the large corporations that now receive the bulk of the federal solar funding. At the present time we in CAN are not convinced that the proper speed of research, development and demonstration has been attained. We are pursuing solar energy with only a tiny fraction of the intensity that nuclear power was researched and developed.

The research, development and demonstration efforts for solar energy are not the only efforts that cause us some concern. We are somewhat apprehensive about the present embryonic solar energy market. First, that market is not being shaped by informed consumer demand. The average person knows little about solar technology and has no place to turn for information. This point was driven home clearly to CAN when we received 7,000 inquiries based upon a single television appearance by members of CAN who discussed solar energy.

There is some indication that this lack of consumer knowledge is causing shysters to prey upon unsuspecting consumers who want to do something about our present energy crisis and who are willing to install new solar technologies in their homes. Nothing will discourage solar development quicker than a few unscrupulous promoters who take the uninformed and unsuspecting solar consumer's hard earned money. But where do people turn for reliable information so they can protect themselves against unscrupulous promoters and choose the best technologies to meet their needs?

There is a final obstacle. Even assuming information on emerging solar technologies were available, there would be nothing to guarantee that the average person could effectively put information about new solar technologies to use. As one who has shopped for solar energy hardware, I can attest to the difficulty of understanding all the nuances concerning collector A or pump B—and I have spent a lot of time reading in the area.

Having discussed some of our concerns about the likelihood and feasibility of developing solar energy, I would like to turn now to the discussion of a possible approach which might alleviate some of our concerns.

A POSSIBLE APPROACH

Consumer Action Now has been trying to formulate an approach to the development of solar energy which might very well avoid the kind of obstacles to such development that we have been observing. We have been asking ourselves the question: "How can government activities and market forces be organized in such a way as to assure the development of a solar energy industry which is directly responsible to the needs of solar energy consumers?"

Let me present you with our current thinking. While we realize our views need further development, we do not think it is too early to begin a dialogue.

We would propose the creation of a Solar Energy Promotion Agency which would perform the following functions:

(1) It would oversee the research and development efforts of ERDA, HUD and NASA.

(2) It would monitor all demonstration programs and assemble information concerning the state of the art of solar energy for the use of solar energy consumers.

(3) It would loan money at low interest rates to persons purchasing solar energy hardware for use in their homes. This approach is not new. The rural electrification program was accomplished through the advancing of low interest loans. Senator Abourezk has recently proposed this low interest loan program for solar energy consumers in S. 2163.

(4) We have been considering these low interest loans only available to consumers who are members of solar energy cooperatives. The cooperative approach offers these potential advantages:

(a) It is administratively easier to carry out a loan program through a cooperative where a package of loans can be processed at one time.

(b) Consumers are better protected. The leadership in the cooperative can acquire the necessary knowledge about the state of the art through their own efforts and through information supplied by the Solar Energy Promotion Agency. This presents any member of the cooperative from being taken by a huckster.

(c) The cooperative can also insure that intelligent, informed demands are placed on the supply side of the solar energy industry.

(d) A cooperative can also facilitate installation and maintenance and prevent possible abuses or problems of unreliability in these areas.

(5) The Solar Energy Promotion Agency or the Small Business Administration might also make loans to small businessmen who want to go into the solar energy business as suppliers, installers or maintainers. We think it is important to insure the participation of small businessmen in the burgeoning solar energy industry. Their participation helps prevent the development of monopolies or oligopolies. We also believe that a decentralized approach is the most compatible with the requirements of solar energy where each locality will have differing needs. The loan program for the small businessman who wants to go into the solar energy field is certainly something we hope this Committee will carefully explore.

(6) A final function of this new agency might be to encourage corporations which produce solar energy hardware or establish solar energy utilities to organize in such a way as to pass the profits made by these corporations on to their employees. We think employee stock ownership plans might provide the needed encouragement. The potential advantages that might accrue are as follows:

(a) If employees have a direct stake in the success of the corporation the quality of the goods produced may be of a higher quality than if they had no such direct stake thus affording consumers of solar hardware a more reliable product.

(b) An employee stock ownership plan could provide solar energy producers with a source of capital not otherwise readily available for necessary plant expansion, thus facilitating growth in this emerging industry.

(c) An employee stock ownership plan also has the potential of giving a corporation more social direction. If employees have representation on the Board there is the potential that Board decisions will reflect the employees' interests as employees as consumers as well as employees as stockholders. But employee stock ownership plans can be abused and any low interest loans advanced should have strings attached so that any potential abuses are minimized.

While Consumer Action Now is certainly not tied to the approach outlined above, it is one that we believe deserves careful scrutiny by this Committee and others. Many pitfalls lie in solar energy's path and it is not too early to take a long hard look at where this country should go to be assured that solar energy is available and working for each and every one of us.

Thank you very much for the opportunity to present the views of Consumer Action Now on this very important subject. I would be happy to try to answer any questions that you might have.

GENERAL REVENUE SHARING: REENACTMENT IS URGENTLY NEEDED

Mr. PACKWOOD. Mr. President, on May 1, 1975, I joined the chairman of the Finance Committee, Senator Long, and the chairman of the Revenue Sharing Subcommittee, Senator Hathaway, in introducing the President's bill to extend general revenue sharing.

In discussing revenue sharing renewal with my distinguished colleagues, I am convinced that the vast majority of Senators believe that revenue sharing is vitally needed by our State and local governments. I believe, as do most of my distinguished colleagues, that revenue sharing is successful at helping people solve common problems through governments closest to them. It avoids the redtape and bureaucracy of categorical programs. It enables people to create programs and meet needs according to their own priorities. The efficiency of the revenue sharing program is shown by the fact that the entire 5-year $30 billion program is administered by only approximately 100 employees.

I support renewal of general revenue sharing for these reasons, and I am hopeful that the Congress will renew revenue sharing in basically its present form. It is now November 18. Two hundred and one days have passed since we introduced revenue sharing renewal legislation. It appears less and less likely every day that revenue sharing will be renewed in 1975.

The failure of the Congress to renew revenue sharing during 1975 would interfere with the normal budget procedures of our State and local governments. As I said in my May 1, 1975 floor statement on general revenue sharing,

> Early renewal of revenue sharing is important. The present program expires December 31, 1976. During the fall of 1975 and early in 1976, many State and local governments will be planning their fiscal year 1977 budgets. Advanced knowledge of availability of revenue sharing will insure wise planning. Therefore, we hope for favorable action this First Session of the 94th Congress.

Since revenue sharing has not been renewed, and local officials cannot gamble on continuation of revenue sharing, they must decide whether to eliminate essential programs or raise taxes. They must determine the number of jobs that will be lost.

I call on Congress to act quickly to reduce these hardships to our citizens, our municipal employees, and the participants in essential local government services.

Mr. President, we are not debating revenue sharing on the floor of the Senate today. It is not slated for debate tomorrow or next week. Two hundred and one days ago, several of my distinguished colleagues and I introduced revenue sharing renewal legislation. I call on the Senate to move forward on this legislation as soon as possible.

NO FORD IN UNITED WAY'S FUTURE: FCC TREATS PRESIDENT TWO WAYS ON SAME DAY

Mr. PROXMIRE. Mr. President, the same day that the Federal Communications Commission decided presidential press conferences were bona fide news events it also decided that a public service spot featuring the President was not a news event.

The FCC's decision was made on a request by United Way of America to permit broadcast of a 5-minute pitch by President Ford for charitable contributions without broadcasters having to grant equal time to other candidates for the Republican nomination for the presidency.

The FCC said "No" on grounds that the equal time law contained no exemptions for public service broadcasts by candidates.

At this point, with only one announced candidate for the Republican nomination, an FCC ruling for United Way would have meant that J. J. Gordon of Worcester, Mass., could have demanded equal time on every TV station carrying the message. Because the presidential message had time value, related to the United Way drive, a favorable decision for the charity would have had no effect on the Democratic presidential candidates.

So, on September 25, the FCC ruled that broadcasters could cover press conferences of President Ford and other announced candidates for same political offices at all levels of government without giving equal time to their opponents. And also on September 25 in a little-noticed decision the FCC also ruled, in effect, that broadcasters would be liable for equal time to candidates delivering public service messages for good causes. Actually, the United Way decision applied only to the tape made by President Ford. But, it would be a precedent for similar cases.

United Way argued that such a message from the President was a news event. The FCC saw it as a public service announcement, and, I must confess, I believe the FCC was right in that regard.

But the two decisions, involving the same section of the law, involving the same President, went two directions.

As the law stands, the FCC undoubtedly acted correctly in each case.

So what is my point? It is this:

The Government through one of its agencies has no business making these kinds of decisions. I maintain it is unconstitutional. It interferes with the first amendment guarantee of a free press.

Supporters of the law, the Communications Act, argue that it is only fair for each political candidate to get exactly equal time on the air.

It is obvious, of course, that if broadcasters are permitted to act as free journalists, the candidates will not get equal time. That is because they will exercise their judgments on what is news. And it is obvious that there is no guarantee that their judgments will please everyone or even be just. Mathematically, there can be as many judgments as there are persons to judge; logically, there is no way of judging the justice of news decisions, for there exists no 11th commandment on that subject.

Yet, supporters of the equal time law—and the same might be said for the so-called fairness doctrine—believe that appearances by candidates on the air are persuasive. These supporters say that if one candidate gets air time and it is denied to his opponents, that the one getting the air time has an unfair advantage.

But why is it that the implications of that belief are not challenged?

One implication is that whatever the candidate says he will be believed.

Another implication is that listeners and viewers are not capable of making anything by a favorable judgment about the candidate.

Still another implication is that if the other candidates get equal time that the same—or most of the same—audience will see both or all of the candidates.

And yet another is that the candidate can say or do nothing that will displease the listener/viewer.

I believe that these implications are not necessarily true, that they generally are false. I believe that these implications can reach but one conclusion: That the listener/viewer is incapable of thinking for himself.

If that were true, there would be no reason for continued support of our democratic republic.

Supporters of governmental controls over the press imply that the people are incapable of holding supreme power.

Under our form of government, supreme power does reside in citizens entitled to vote for their representatives who, in turn, exercise that power.

Citizens cannot vote intelligently without knowledge. And they gain that knowledge through free speech and through a free press. If those they elect to represent them can control speech or the press, even indirectly, they cannot be certain that the information they get is not tainted. They cannot be sure that the information is complete or whether it has been slanted.

With a free press the citizens can be certain that over a reasonable length of time they will get factual information. They cannot be certain that each and every publication or broadcast station will present fact at any given time. But they know that there can be no conspiracy to feed false information under a system of a free and competitive press.

But most important is this: the citizens can be certain that under a free press the Government is not dictating what information they do get. That is the great safeguard of a free press.

It is not a perfect system. But it is a fail-safe system.

To illustrate. There has been much criticism of the press—print and electronic—in recent weeks of all the publicity given the two women who are charged with trying to assassinate the President. It is said by some—probably many—that all the publicity has made them celebrities; that others will be encouraged to take a shot at the President to gain celebrity.

"Celebrity" is the word used. The root of that word is "celebrate," which means to praise widely or to give favorable public notice.

These women are not viewed as famous. Rather they are "infamous" or "notorious." They do not have celebrity. They have "notoriety."

This is not a lesson in semantics—although we have much to learn in the use of words—but rather a discussion of the meaning of a free press.

Let us suppose for a time that the press voluntarily gave little attention to the attempts of the President's life. People would not know what to think. They would know that someone had tried to kill the President, but they would not know why. They would not know who was involved, what led the would-be assassin to make the attempt, whether others were conspirators—possibly agents of foreign powers.

Even with all the publicity given to the assassinations of John and Robert Kennedy, Martin Luther King and to the unsuccessful attempt on the life of George Wallace, there are still persons who believe there were conspiracies in these cases. In each of those cases, only single individuals were accused or convicted.

Now let us suppose that the press involuntarily gave little attention to the attempts on President Ford's life, that the Government imposed restraint. People would be even more confused than under voluntary censorship. There might even be widespread rumors of a coup d'etat. There would be no place to turn to get information upon which to draw a conclusion.

That is why any governmental control over the press, even something that seems as benign as equal time for political candidates, is potentially dangerous to our form of government.

Exercising such controls that do exist lead to the kind of decisions that were made by the FCC on September 25.

They are the kinds of decisions that should never be made under any circumstances by an arm of government.

That is why I have introduced S. 2, the First Amendment Clarification Act of 1975—to do away with Government controls that usurp power from the citizens of this country.

THE PHILADELPHIA ORCHESTRA

Mr. HUGH SCOTT. Mr. President, this week marks the 75th anniversary of one of our Nation's finest musical ensembles—the Philadelphia Orchestra.

For three-quarters of a century, the orchestra has filled the hearts and souls of music lovers throughout the world with the strains of their beautiful music.

Through their artistic endeavor and dedication to excellence, the musicians, directors, and managers of the Philadelphia Orchestra have created a musical institution of international acclaim.

A few years ago, it was my great pleasure to help make arrangements for the orchestra to bring their lovely music to the People's Republic of China.

Today, I congratulate Eugene Ormandy and the members of the Philadelphia Orchestra and extend my warm wishes for a very joyous anniversary.

ERVIN ON CONSUMER BILL: "THE MOST DANGEROUS PIECE OF LEGISLATION"

Mr. FANNIN. Mr. President, recently the House gave its approval to what is jokingly referred to as a consumer protection bill, H.R. 7575. Earlier, the Senate also passed similar legislation, S. 200, to create a so-called "agency for consumer advocacy."

Whereas Senate action was by a lopsided margin, the House barely concurred in its version, by a vote of 208 to 199. The closeness of the House tally reflects, I think, an increasing awareness on the part of Members of Congress that a new Federal agency and another layer of bureaucracy are unneeded and unwanted by the American people, by the consumers that the legislation is supposed to protect. Apparently the public realizes all too well that should such an agency be established, the consumer would soon need protection not from greedy businessmen, but from the "consumer advocate" and the Government protectors.

Because of the differences between the Senate and House versions, the consumer agency bill will now go to conference.

The President indicated some time ago that he would likely veto this measure. Having voted against the Senate bill, I certainly hope he will. It appears that a Ford veto would be easily upheld.

Mr. President, former Senator Sam Ervin has called this bill "the most dangerous piece of legislation ever presented to the Congress." I hope that the President, as well as the Senate and House conferees, will take note of the strong criticisms leveled against the consumer protection agency by our distinguished former colleague.

Mr. President, I ask unanimous consent that the complete texts of Senator Ervin's letter of June 23, 1975 to Congressman Jack Brooks concerning H.R. 7575 and S. 200 and an editorial which appeared in November edition of Nation's Business be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Morganton, N.C., *June 23, 1975.*

Hon. Jack Brooks,
Chairman, Committee on Government Operations, Washington, D.C.

Dear Mr. Chairman: I am one of the people of the United States. I respectfully ask that you hear my concerns.

The Federal bureaucracy has become like the third curse of Moses—a suffocating plague of frogs brought forth from out of where they belong into the villages and the very houses of the people.

My concerns about the creeping intrusion are well illustrated by the proposed Consumer Protection Acts of 1975 which are being considered now by one of your subcommittees. I have had an intimate appreciation of both the complex legal issues and the heated political pressures which have surrounded these bills since 1970 when I participated in the first Congressional debate on them.

These proposals would add yet another self-willed Federal agency to the burgeoning mass that now exists. The unnecessary new bureaucracy would be called the Agency for Consumer Protection under the House bill or the Agency for Consumer Advocacy under the slightly different Senate bill. Under previous bills, the additional agency was sometimes called the Consumer Protection Agency.

A review of the current bills, H.R. 7575 and S. 200, shows the confusing name shuffling to be of no moment—both bills contain all that was revolting in their unsuccessful predecessors. And, sadly, there are even new dangers in these 1975 versions.

If one of these bills should be passed by Congress, it will demonstrate that the National Legislature has lost touch with reality. Such a bill also could well prove to be another vehicle for further erosion of Congressional prestige by successful veto.

These bills simply cannot withstand rational scrutiny. One need only consider their premise: Because the bureaucracy has become too pervasive to enable consumers to appear before existing Federal agencies, it is proposed that Congress create yet another Federal agency before which consumers also will not appear.

Adoration at the altar of anthropromorphism follows the faulty premise: The new layer of bureaucracy is to become the consumer who never appears. It is to divine the most important interests of consumers, and tell other agencies and real consumers where the consumer interest lies.

This attempted institutionalization of something so diffused and personal as the interests of 210 million consumers is roughly parallel to decreeing that all marriages should be made by matching Federal computer readouts or that the Government will issue a daily menu which all families should implement at mealtimes.

It cannot work. There is no such thing as a single, clear-cut interest of consumers in government decision-making.

I am well aware that, during the hearings in the House last Congress, Ralph Nader offered what he said was an example of an interest of consumers which was "quite clear." His example? Mandatory installation of seat belt devices in automobiles!

Can he not see the danger in his own thinking? He is not really supporting an advocate of the views of the missing consumer. He is supporting an advocate only of consumers who agree with the advocate.

Further, the danger of this authoritarian approach is severely compounded by the extraordinary powers the bills would confer on the new agency, powers put there to assure that the positions advocated by the agency get implemented.

The new bureaucracy would have all the rights of a regulatory agency, yet none of the responsibilities. It would have more power than real consumers ever dreamed of exercising.

These powers all involve legal complexities which need not be discussed here. They have been set forth in necessary detail in my minority views on S. 707 last year and in the perceptive minority views on S. 200 this year by my very distinguished friend and uncommon defender of the common man, Senator Jim Allen.

Indeed, it seems that the immensity of these powers is finally being discovered by some of the ardent supporters of a new consumer bureacuracy. A look at the Senate debate this year is very instructive in this regard.

Organized labor saw to it that a complete gag was put on the new consumer bureaucracy's intended advocacy in labor-related matters. Then came the broadcasters who proved to a majority of the Senate that the consumer unit could, and probably would, put them out of business at license renewal time. Their special interests were exempted.

If labor unions and broadcasters deserved protection from this new bureaucracy, farmers must need equal protection thought a majority of the Senate, and so farmers received a broad special interest exemption.

Following these, a host of narrower special interest exemptions were put into S. 200. If the trend continues in the House, we may see created a consumer agency with nothing to say. This would be a refreshing approach to creating Federal bureaucracies. Maybe such an agency would have time to listen to the people.

In summary, Mr. Chairman, the bills before you are not merely bad bills, they are dangerous bills poorly conceived. A mere reading beyond their glorious titles will demonstrate this to be so.

I ask you to do everything within your power to see that these bills suffer the fate of their predecessors.

Since I consider this bill one of the most unwise legislative proposals ever made to the Congress, I ask that this statement be made a part of the hearing record before your Committee.

Sincerely yours,

Sam J. Ervin, Jr.

The Most Dangerous Piece of Legislation Ever Presented to the Congress

Legislation to set up a new consumer protection agency is now before Congress. The proposal is supported by Ralph Nader and other consumer activists.

"What do you think about this proposed consumer legislation?" National Chamber President Dr. Richard L. Lesher asked former Sen. Sam J. Ervin, Jr., in a recent TV interview.

"I think that it is the most dangerous piece of legislation ever presented to the Congress," Sen. Ervin said.

This observation takes on added meaning when you recall that the retired senator from North Carolina has a long and distinguished record as a protector of the rights of individuals.

"The proposed consumer act," he explained, "is based on two premises which I think don't exist.

"The first premise is that every businessman—every producer of goods and services—sits up nights trying to devise new ways to defraud his customers, on whose goodwill he is dependent for his prosperity.

"The second premise is that all American people are mentally inferior to the point where they can't look after their own interests and have to be put under some kind of bureaucratic guardianship."

Sen. Ervin pointed out: "The danger is that this legislation completely ignores the very bedrock on which the private enterprise system is founded and which is necessary if it is to thrive. The proponents of the legislation seem to think that those who are in business should have a sort of czar to supervise their conduct with the most tremendous powers ever granted to any man in the history of the United States. This administrator would ride herd on all Americans who are engaged in making goods or rendering services.

"The bad thing about it is that this administrator would be empowered to act—to go into any regulatory agency and to participate in its deliberations and to tell them what they should do. He could go around and throw monkey wrenches in all the machinery of government."

In addition, Sen. Ervin said: "The administrator would not be able by himself to have all the knowledge needed to exercise all the powers the law would give him. He would have to build himself another big bureaucracy—and you would have one of the biggest departments in Washington."

Business doesn't need that kind of bureaucracy.

Business, however, does need happy consumers. Consumer welfare is of prime interest to businessmen, for the simple reason that unhappy customers mean lost sales. And lost sales add up to red ink.

Therefore, business in general supports President Ford's decision to improve consumer representation in existing government agencies without adding another layer of bureaucracy. Business favors a consumer affairs office to coordinate existing programs.

But business does not favor a new consumer agency with extensive intervention powers to serve as a "consumer advocate." The American people are overregualted already.

RECESS UNTIL 9:55 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 9:55 a.m. today.

There being no objection, the Senate, at 9:40 a.m., recessed until 9:55 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HELMS).

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Donald Rumsfeld, of Illinois, to be Secretary of Defense.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore (Mr. STONE). Without objection, it is so ordered.

DEPARTMENT OF DEFENSE

The ACTING PRESIDENT pro tempore. The clerk will state the nomination.

The second assistant legislative clerk read the nomination of Donald Rumsfeld, of Illinois, to be Secretary of Defense.

Mr. STENNIS. Mr. President, the nomination of Mr. Donald Rumsfeld to be Secretary of Defense was approved on November 13, 1975, by the Senate Armed Services Committee, with all 16 members voting in favor, none opposed, and with all members being recorded. This vote followed 2 days of testimony by Mr. Rumsfeld and I would note that the printed hearings of 160 pages are available to every Senator.

Mr. President, in my view this is an outstanding nominee. Mr. Rumsfeld possesses the qualities which I think are essential to fill the position of Secretary of Defense, including a most perceptive and penetrating mind, as indicated during his confirmation testimony. I would also add that in these days a man holding a cabinet position must have enormous energy, as well as capacity, and I think there is no doubt, based on Mr. Rumsfeld's past record, that he has this quality.

Mr. President, I am most concerned that the Department of Defense remain firmly in civilian control, not only in name, but in fact. Mr. Rumsfeld assured the committee that while he would seek the best of military advice, which we would all expect him to do, he will form his own conclusions on the many military issues on which he must make judgments. The recommendations he makes to Congress will be his own.

Mr. President, the Senate should know that Mr. Rumsfeld has completed an impressive record of public service, even though he has reached only age 43. He served 6 years in Congress—1962–68—and thereafter has served in a succession of high level executive branch positions, including Director of the Office of Economic Opportunity, Director of the Cost of Living Council, Ambassador to the North Atlantic Treaty Organization, and since 1974 as Assistant to President Ford.

Mr. President, I urge the Senate to unanimously approve the nomination of Mr. Rumsfeld.

Mr. President, I am glad to yield 5 minutes to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I want to say at the very outset that I am in favor of the nomination of Donald Rumsfeld to be Secretary of Defense. I shall vote for him. I have known Mr. Rumsfeld now for several years. I have always found him to be a very dedicated public servant. I remember only too well visiting with him in Brussels not too long ago, when Mr. BAKER, of Tennessee, and myself were very much interested and concerned in inspecting some of our depositories of nuclear weapons in Western Europe.

I must say at this juncture, however, that I regretted very much the treatment that James Schlesinger received from this administration. I have known Jim Schlesinger for a long time. He is a very cherished friend. He was on the Atomic Energy Commission while I was Chairman and a member of the Congressional Committee on Atomic Energy. I always found him to be a very astute, very erudite, very plain-spoken, very courageous public servant. He served the Atomic Energy Commission with distinction; then he went to the CIA and he repeated that performance. Finally, of course, he went to the office of Secretary of Defense.

I must say at this juncture that, in my opinion, there is not a civilian in the whole United States of America who knows more about defense and weaponry than James Schlesinger. It is too bad, of course, that he had to be let go, but that is the situation. That should not be held against Donald Rumsfeld, who is equally a dedicated public servant, and it is my sincere wish that he will receive the support of the Senate and he will be confirmed. I wish him well in his new responsibility.

Mr. MANSFIELD. Will the Senator yield?

Mr. PASTORE. Yes, I yield.

Mr. MANSFIELD. Mr. President, I wish to express my appreciation for the many services which James Schlesinger performed as Chairman of the AEC, as Director of the CIA, and as Secretary of Defense. I am not happy to see him go, but I am glad that he is being replaced by another equally capable American in the person of Donald Rumsfeld of Illinois.

Mr. Rumsfeld has served in the House. He has served, as the Senator has indicated, as our Ambassador to NATO. He has served as chief of staff in the White House and Director of OEO awhile some years ago. So I intend to support him fully. I think he will do a good job. I think he is an excellent appointment.

Mr. PASTORE. I agree with our distinguished majority leader. I think Donald Rumsfeld, as the majority leader has said, is a dedicated public servant who has served successfully in many capacities.

One thing I did not like about the leaving of James Schlesinger was the way it was done. You do not have to do that to an individual. As a matter of fact, I think, in some ways, it damaged the image of the President, who has always been considered a man of compassion and a decent fellow. To call a man in who has served as Jim Schlesinger has, just because you do not agree with him or he does not agree with you sometimes, and fire him at 7 o'clock on Sunday morning, that is just not the way to do it.

After all, he could have left with respectability, with prestige and dignity. He was deprived of that, and I think that was all wrong.

But that has nothing at all to do with Donald Rumsfeld, who is equally a good public servant, and I think he should be confirmed.

Mr. STENNIS. Mr. President, how is the time controlled? It is 30 minutes, as I understand it.

The ACTING PRESIDENT pro tempore. The time is equally controlled by the majority and minority leaders of the Senate.

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator from North Carolina, whichever position he may take.

Mr. HELMS. I thank the distinguished Senator.

UNNECESSARY CHANGE AT DEFENSE DEPARTMENT

Mr. President, I intend to vote against the confirmation of Mr. Rumsfeld as

Secretary of Defense. In a very real sense, it will be a protest vote, not so much against Mr. Rumsfeld himself, but against the scenario which brought him to this nomination. I want to make it clear, therefore, that I have no objection to Mr. Rumsfeld personally. Mr. Rumsfeld is a public servant who has filled a wide variety of public positions. To say the least, he is demonstrably adaptable to the various tasks to which he has been assigned. Even though he obviously cannot be regarded as a specialist in national security affairs, I have no doubt that he will find himself able to preside over the Department of Defense with the same flair he has demonstrated elsewhere.

So, I am voting against Mr. Rumsfeld because I want to protest the unaccustomed burden which has been thrust upon him summarily by the President. Surely the abrupt removal of Dr. Schlesinger and his replacement by Mr. Rumsfeld is one change that was as unnecessary as it was harmful to our national defense posture. It is no derogation of Mr. Rumsfeld's administrative ability to point out that Jim Schlesinger is one of those rare men in public service, a man who combines genuine expertise in the area of policy formulation with the ability to translate those policies into effective action.

As a matter of fact, Mr. President, I cannot remember when we have had a Secretary of Defense who was Jim Schlesinger's equal in wisdom, perception, and grasp of essential power realities. I cannot remember when we have had a Secretary who could hold his ground in the highly technical and sophisticated areas relating to defense policies and strategies against all comers—against the press, against the disarmament lobby, against sharp questioning before committees, and even against the Secretary of State.

Indeed, it says something about the kind of game being played in Washington when a man of such caliber is dimissed without cause. When you have a player like that on your team, you use him; you do not send him back to the locker room.

Indeed, my judgment is that the President chose the wrong man to fire. If he had seen the need to reorganize the team, he might have looked at the man who wrote a SALT agreement so full of holes that it is virtually meaningless as a protection against Soviet cheating, who wrote the Vietnam peace agreement that permitted the Communists to take over after all of our sacrifices, who opened up Red China and drove our Asian allies to distraction, and who is now proposing that we raise the level of armaments on both sides of the belligerents in the Middle East as a way to peace.

If détente is a relaxing of tensions, I wonder what tensions have been relaxed? Has the Soviet Union reduced its goals of territorial expansion? Has the Soviet Union ceased development of new strategic weapons systems? Has the Soviet Union given up its ideological pressures, its claim to preserve socialism, that is, communism, wherever it has been established? Has it given up the internal subversion of free nations, including our own? Has it given up its economic warfare designed to weaken the Western economies?

If anything, the Soviet Union has increased tension in all these areas, whether we like to admit it or not. Détente is nothing other than another name for the Communist tactic of peaceful coexistence—that is, the tactic of presenting a smiling face, while increasing efforts to undermine the West on all levels.

If Dr. Kissinger had been able to point to outstanding successes even in some of his efforts, then it would be reasonable to understand why the President might choose to retain his services. But as a matter of fact, the Secretary of State has been a liability to this Nation, and there is no reason to believe that this state will change.

The point is this, Mr. President, the saving grace to the former composition of this adminstration's Cabinet was Jim Schlesinger. I cannot say that I agreed with every policy he advocated, or that he would necessarily agree with my own views. Yet he has been a tough, articulate, and principled advocate of realism in our defense affairs. It will take a long time for any new Secretary to get a grasp of the multitude of problems presented to him in the Department of Defense. Mr. Rumsfeld will be handicapped by the freshness of his position, and his unfamiliarity with the demanding technical problems of his new office. Yet we are entering a critical phase for the defense policies of the Nation: A new summit early next year, completion of SALT II, the implementation of the Israeli-Egyptian agreement, and further negotiations in the Middle East. Without a strong voice within the Cabinet prepared to argue for hard-nosed realism, the administration will be crippled in its efforts to provide survivability for our Nation.

I believe that the President has made a serious mistake in removing Dr. Schlesinger. I do not speak of the politics of the decision, for the people will make that judgment themselves. I speak of a mistake in a much more profound sense. The best interests of this Nation are not served by arbitrarily denying our country the benefits of courageous and principled dedication. The reasons publically propounded for the firing of Jim Schlesinger can at best be described as trivial. While recognizing that the President has the right to choose and organize his Cabinet in the way he sees fit, we must also recognize that any Member of the Senate, in fulfilling his constitutional duty of advice and consent, has the obligation to protest any errors of judgment into which the President may fall. That is the basis of the protest vote which I feel obliged to cast in this matter.

Mr. President, I yield the remainder of my time.

Mr. THURMOND. Mr. President, I yield myself 3 minutes.

Mr. STENNIS. Mr. President, will the Senator yield to me for this request? Will he assume the time just yielded by the Senator from North Carolina.

Mr. THURMOND. I will.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I rise in support of the nomination by President Gerald R. Ford of Donald Rumsfeld for the position of Secretary of Defense.

Mr. Rumsfeld testified before the Senate Armed Services Committee that he supported the policies being followed by former Secretary of Defense James R. Schlesinger. Further, in reply to one of my questions he stated that if our national defense posture is to remain valid, it would be necessary to experience real growth in our defense budget. This position is essential if our national security posture is to remain second to none.

Further, this need is directly related to the tremendous buildup of the Soviet Navy, Army, and Air Force. In the past 10 years the Soviet Army has been expanded significantly and the growth and forward deployment of the Soviet Navy is even better known. This growth is accompanied by an ominous high rate of production in army weaponry as well as naval ships. These rates are far in excess of our own.

Mr. Rumsfeld brings to this important post a period of service as Ambassador to the North Atlantic Treaty Organization and a tour as White House Chief of Staff. Further, as a former Member of Congress, he understands the workings of this body from which approval of the necessary defense programs must come.

With this background, and based upon the knowledgeable answers given during his nomination hearings, Mr. Rumsfeld has given the members of our committee confidence in his ability. As he undertakes the grave responsibilities of the office of Secretary of Defense, I wish him well and urge his speedy confirmation by the Senate.

Now, Mr. President, in closing, I want to say this: there is no Member of this body who held Dr. Schlesinger in higher esteem than the Senator from South Carolina. We had worked with him closely on the Armed Services Committee, and I do not think we have had an abler, a more dedicated, Secretary of Defense than Dr. Schlesinger.

But Dr. Schlesinger has now been replaced. The President, in his wisdom, has seen fit to name Mr. Rumsfeld, so the question now is not Dr. Schlesinger or Mr. Rumsfeld. The only question is whether we are going to confirm Mr. Rumsfeld.

Mr. President, I understand there was a personality clash between the President and Dr. Schlesinger. On account of that, certainly the President has a right to choose his Cabinet, and he has a right to select his own family, so to speak and, in his own wisdom, he has now chosen Mr. Rumsfeld.

Mr. Rumsfeld is well-qualified. So, for that reason, I feel it my duty to support Mr. Rumsfeld, and I hope the Senate will confirm him.

Mr. STENNIS. Mr. President, I yield 4 minutes to the Senator from Alabama.

The ACTING PRESIDENT pro tempore. The Senator from Alabama is recognized.

Mr. ALLEN. I thank the distinguished Senator from Mississippi.

Mr. President, I pay tribute to Dr. James R. Schlesinger. I hated to see him depart as Secretary of Defense.

Dr. Schlesinger is an able man, an honorable man. He is a man who is entitled to the accolade of "patriot." He stood for a strong national defense; he stood for adequate appropriations for the defense of our country. He questioned the validity of détente. He questioned the advisability of entering into a weak SALT II agreement. What Secretary of Defense worth his salt would have stood for principles other than the principles for which Dr. Schlesinger stood? So it is with regret that we see Dr. Schlesinger depart.

I was one of two Senators who voted against SALT I, the ABM treaty, and the offensive nuclear weapons limitations because I did not, and I do not, trust the Russians, and I rather feel that Dr. Schlesinger feels somewhat the same way about the credibility of the Russians.

So we see the departure of an able public servant, and we wish him well in his further pursuits.

He is a proud man. He left with his head high and we admire him for his work, for his courage, for his dedication to duty.

He is being replaced by a man of great ability and I certainly recognize the right of the President to have a Cabinet structured according to his own wishes and desires.

Certainly, I plan to support the nomination of Donald Rumsfeld to be Secretary of Defense and expect to cooperate with him in every way. I do not expect him to be any less of a strong advocate of national defense than Dr. Schlesinger. I certainly hope to work with him in helping to provide an adequate and a strong national defense for this country.

I thank the distinguished Senator from Mississippi for yielding to me.

Mr. STONE subsequently said: The Senator from Florida wishes to associate himself with the remarks regarding Dr. Schlesinger made by the distinguished Senator from North Carolina (Mr. HELMS) and by the distinguished Senator from Alabama (Mr. ALLEN).

Mr. STENNIS. Mr. President, I shall be quite brief on this matter.

I want to say that regardless of personalities, this is a highly important office. I have just advised the leadership that I will request a rollcall vote because of the importance of the office. I am concerned about the competence of anyone that is nominated for this office.

My remarks will relate primarily to Mr. Rumsfeld and what I found out about him. But I do want to say this: I greatly regret to see the Federal Government as a whole, and any department thereof in particular, lose the services of Mr. Schlesinger. He is an extraordinary man. He has a very penetrating mind. He is a real thinker without being what we ordinarily call the intelligentsia. He was outstanding when I first knew him as Chairman of the old Atomic Energy Commission, later as the head of the CIA, and, more recently, Department of Defense Secretary.

I will always thank him for advising me of some things, some facts that he thought it was his duty to convey to me—facts of a nature that might not have been brought up had he not given me the information he gave me. He has a very high sense of propriety and obligation.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STENNIS. Yes, I yield to the Senator.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the nomination.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. I thank the Senator for yielding.

Mr. STENNIS. Mr. President, I told Mr. Schlesinger when this happened that I was going to write him a personal, handwritten note to relate my appreciation for his services.

But Mr. Schlesinger's name is not before the Senate today—it is another name, the name of Mr. Rumsfeld—and I stand strongly for the idea that any man, regardless of party and everything else, who is carrying the responsibilities of the offices of the President of the United States, is entitled to a choice—subject, of course, to this body's approval—but he is entitled to a choice of the men that he wants in those Cabinet posts which carry loads and responsibilities for which the President is himself personally responsible under our law.

I want to make that clear and strong and I hope it will always be kept in mind, even by those who do not at all favor all that has happened. That principle seems to be well-recognized and we must keep it recognized, otherwise the Presidency of the United States will deteriorate as an office and a place of responsibility.

As to Mr. Rumsfeld, I had a 1½-hour discussion with him after his nomination. I was not consulted before the nomination and I did not expect to be. My contact with him until this 1½-hour discussion in my office had not been extended, but I was highly pleased—and surprised—with his very fine knowledge of the complicated problems that he is going to face and the extent of the problems if he is confirmed——

The ACTING PRESIDENT pro tempore. All time of the Senator from Mississippi has expired. The Senator from South Carolina has 3 minutes remaining.

Mr. STENNIS. Will the Senator yield me 1 minute?

Mr. THURMOND. I yield the Senator such time as he needs.

The ACTING PRESIDENT pro tempore. Then Senator from Mississippi.

Mr. STENNIS. I thank the Senator.

The committee has gone into the facts fully. Mr. Rumsfeld explained his position on détente. He explained his position on every matter that he was questioned about. He even went into the use of nuclear weapons, and matters of that kind.

Every committee member asked all the questions they wanted to and it came out to 16 members of the committee all voting for confirmation.

I say, let us put him to work and give him a little time to get on top of these problems and not start throwing brickbats around until he has had some time, but hold him to strict accountability. This is an enormous undertaking to be Secretary of Defense and anyone is going to have to have some little reasonable time to get on top of these problems, master them and be able to give us competent answers and firm recommendations.

I thank the Senator for yielding the time to me.

Mr. DOLE. Mr. President, I am pleased to support the confirmation of Mr. Donald Rumsfeld as the Secretary of Defense.

Among the many assets of Mr. Rumsfeld, one of the most valuable, in my opinion, is his readiness to accept new challenges.

Mr. Rumsfeld's willingness and ability to successfully tackle new and difficult challenges will be an especially important asset in this job he is taking on.

For it will be his primary responsiblity to watch over and insure the national security of our country. And at this time, hardly any job could be more challenging.

The actions of the Department of Defense are being challenged from many quarters. One of the greatest and most constant threats is the pressure continuously being exerted to reduce the budget of the Department of Defense. No one, of course, can support wasteful spending, even in the area of national security. But the pressure to hold down Federal spending is especially strong and is concentrating in many instances on the biggest portion of our Federal budget, the Department of Defense. There is a constant danger that the budget cuts may infringe upon those spending requests that are vital to maintaining the national security we must have.

I am confident that this candidate will be successful in protecting the budget areas that are important to our defense.

The Department of Defense is also under a continuous pressure due to the efforts to maintain détente with the Soviet Union. Many of us are greatly concerned about the effects détente may have on our national defense. We simply cannot and must not allow the Soviet Union to achieve dominance over us simply in the interest of holding down our defense expenditures or in the interest of being "good guys."

I am hopeful and confident that Mr. Rumsfeld will be able to maintain our defense posture successfully even as we move progressively forward to reduce tensions and to develop our relations with the Soviet Union and the rest of the world.

Perhaps the responsibilities of maintaining our national security would not be so heavy were it not for the impact of our involvement in Southeast Asia. It is my feeling that in doing his job, Mr. Rumsfeld will have to cope with a great deal of doubt and uncertainty in the

American public as a direct result of that involvement.

A great deal of the challenge to Mr. Rumsfeld in his new job will undoubtedly be voiced here on Capitol Hill. The training and experience he has acquired throughout his career could make him no better prepared and qualified for this than he is. In my opinion, those of us in Congress can look forward to productive and positive relationship in working with Mr. Rumsfeld.

So the junior Senator from Kansas would simply wish him success in his new office, because his success in this office is vitally important to every American. We must have a strong and ready defense. I am confident that Mr. Rumsfeld will maintain our national security at the highest possible level.

Mr. BAKER. Mr. President, I welcome the opportunity this morning to speak on behalf of Donald Rumsfeld in our consideration of his nomination to be the Secretary of Defense.

As we are all aware, Don Rumsfeld has already enjoyed a distinguished career as a dedicated public servant, both in the Congress and with the Executive. In each of the capacities in which he has served, he has earned a well-deserved reputation for being an intelligent, efficient, and hard-working administrator. Equally as important, he is an able leader, and he is going to a position that will make strong demands on all of those qualities.

Finally, Don Rumsfeld, and I know this from personal experience, has a perceptive and realistic awareness of the challenges that confront the Defense Department in maintaining its ability to adequately defend the Nation and insuring its ability to meet the commitments dictated by our policy of collective security. I am confident that he will do everything in his power to protect and further the immense strategic and interdependent security interests of the Nation in the face of real and ever-increasing threats to those interests.

I have known Don Rumsfeld for many years and on the basis of that long friendship, I consider myself well qualified to endorse strongly the approval of his nomination. I am pleased that the Senate has acted quickly on his confirmation, and I look forward to working with him as he assumes this new and most important position in our Government.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina has the time remaining until 10:30. Who yields time?

Mr. THURMOND. Mr. President, I yield back my time if it is agreeable to the other side and I am ready to proceed to a vote.

The ACTING PRESIDENT pro tempore. The question is, will the Senate advise and consent to the nomination of Donald Rumsfeld, of Illinois, to be Secretary of Defense? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. GARN) is necessarily absent.

The result was announced—yeas 95, nays 2, as follows:

[Rollcall Vote No. 497 Ex.]

YEAS—95

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—2

Helms
Stone

NOT VOTING—3

Bayh
Garn
Long

So the nomination was confirmed.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER (Mr. HOLLINGS). Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1976

The PRESIDING OFFICER. The Chair lays before the Senate H.R. 9861, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 9861) making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that before the vote occurs on the Kennedy amendment, the Senator from Washington (Mr. JACKSON) be recognized for not to exceed 2 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

SENATE RESOLUTION 303—COMMENDING JAMES R. SCHLESINGER FOR HIS SERVICES AS SECRETARY OF DEFENSE

Mr. JACKSON. Mr. President, on behalf of myself and Senators ALLEN, BARTLETT, BEALL, BROOKE, BUCKLEY, CANNON, CASE, DOLE, DOMENICI, FANNIN, FONG, GARN, GOLDWATER, HANSEN, GARY HART, HELMS, HOLLINGS, HUDDLESTON, HUMPHREY, INOUYE, JAVITS, MANSFIELD, MCCLELLAN, MCCLURE, MONDALE, MORGAN, NUNN, RIBICOFF, WILLIAM L. SCOTT, SPARKMAN, STEVENS, SYMINGTON, TAFT, TALMADGE, THURMOND, TOWER, and YOUNG, I call up a resolution which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 303) to commend James R. Schlesinger for his services as Secretary of Defense.

Mr. STENNIS. Mr. President, may we have order? The Senator has only 2 minutes.

Mr. JACKSON. Mr. President, I ask unanimous consent that any Senator whose name has not been recorded as a cosponsor be granted that privilege at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution will be stated.

The legislative clerk read as follows:

Resolved, That the Senate of the United States commends Secretary of Defense James R. Schlesinger for his excellence in office, his intellectual honesty and personal integrity, and for his courage and independence. The Senate believes that our country and the free world owe a great debt of gratitude to Secretary Schlesinger for his untiring effort to improve the efficiency of our armed forces, the cohesiveness of our alliances, the wisdom of our strategic policies and doctrine, and for his determination to convey to the American people the truth as he saw it and the sense of the future he so deeply believed they must understand.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to James R. Schlesinger.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. JACKSON. I yield to the Senator from Georgia.

Mr. NUNN. Mr. President, I would like to join my colleagues in expressing appreciation for the outstanding work done by former Secretary of Defense James R. Schlesinger. During his tenure as Secretary of Defense, Dr. Schlesinger brought to his position valuable understanding of the military and foreign policy philosophies which underlie U.S. defense policies.

The year 1973 was not a good year for our military forces. Following our Vietnam involvement, morale was down, the success of the all-volunteer force was uncertain, equipment stocks were lacking, and the military image both at home and abroad was not a good one. During this trying period, Secretary Schlesinger provided the military with intellectual leadership and a strong positive sense of purpose.

Today, Secretary Schlesinger is deeply concerned, as I believe we in the Senate must also be, with what he called "the steady erosion of resources for defense purposes." U.S. forces and weapons procurement are at levels well below the pre-Vietnam period. In the meantime, Soviet defense spending has been increasing steadily at a 3-percent annual rate for the past decade.

Convinced of that erosion and the unmistakable arms buildup in the Soviet Union, Secretary Schlesinger brought to the Congress prudent defense budgets designed to halt further erosion.

Secretary Schlesinger took a strong leadership role in several other key areas: strategic retargeting; bolstering the allies' perceptions of U.S. resolve and commitment to NATO; standardization of weapons systems in NATO; improving the combat to support ratio of U.S. forces in Europe; and reassessing our tactical nuclear posture in Europe.

In both nuclear and conventional military policy, Secretary Schlesinger has relentlessly pursued the course he felt imperative for the national security of the United States. He leaves his successor and the Congress an enormous challenge. We must assess the threat to U.S. national security, from whatever source, and provide a defense program which will meet that threat as the American people feel it must be met. This will take great debate on U.S. foreign and military policy. But if such debate does not occur, and the Congress does not take a hard look at defense policy, the current erosion of our defense capability may well leave us with a weakened defense posture. Secretary Schlesinger saw the possibility and made a courageous and much needed effort to prevent it. We can afford to do no less.

Mr. JACKSON. Mr. President, our resolution commends James Schlesinger for his service to the country as Secretary of Defense. This resolution was adopted unanimously by the Committee on Armed Services last week.

Whatever differences may exist on questions of national policy, I believe we are in agreement that Dr. Schlesinger brought the highest standards of professional competence, intellectual rigor, and personal integrity to the office of Secretary of Defense. I believe it is appropriate for the Senate of the United States to acknowledge his contributions to the Nation.

Mr. CULVER. Mr. President, I wish to join my colleagues in supporting this resolution of commendation for outgoing Defense Secretary James Schlesinger.

While I have disagreed with him on some matters of defense policy and military spending, I have always respected his intelligence, integrity, and devotion to his job. Secretary Schlesinger has been an able public servant and a professional in the truest sense of those words.

I have known and admired Jim Schlesinger for over 20 years. It was my good fortune as a student at Harvard to be taught by him in the introductory economic course. I fear that Mr. Schlesinger may feel that he did not teach me well enough or that I have been wayward in my postgraduate days. But I can assure him that our encounters across the witness table in recent months have brought me clear and happy memories of the strength of judgment and independence of conviction which he displayed in the classroom.

Few individuals have become Secretary of Defense with the same breadth of professional experience and insight that Jim Schlesinger brought to the position. And only a few men in recent public life have had Secretary Schlesinger's capacity to raise issues of strategic policy in such a way as to permit genuine debate and close analysis. He did not indulge in soft cliches or careless hyperbole or waffling generalizations. He remained true to his beliefs and never sought popular adulation. Indeed in his public career he has displayed a rare gift for maintaining his personal privacy and for defining his rigorous standards of professional duty.

I am sure that Jim Schlesinger will remain a strong and respected voice in our national affairs. I join with Members on both sides of the aisle in wishing him well in the future and in expressing gratitude and admiration for the example he has set.

SECRETARY SCHLESINGER'S SERVICE

Mr. JAVITS. Mr. President, Secretary Schlesinger's service in Federal Government in the Bureau of the Budget, the Atomic Energy Commission, the Central Intelligence Agency, and in the Department of Defense has earned him a notable reputation for intelligence, integrity, and competence. While there have been many issues on which Secretary Schlesinger and I have fundamentally disagreed, I have great respect for Dr. Schlesinger's integrity and sincerity and hence wish to mark his departure as Secretary of Defense.

To all of the offices that Secretary Schlesinger has occupied in the Federal Government he has brought a high degree of intellectual competence and clarity of expression of his point of view that has won him a great deal of respect in the Congress and the country at large. Secretary Schlesinger should be considered as an internationally known Secretary of Defense and as an individual who served his country in a number of varied capacities with great ability.

As Secretary of Defense, Dr. Schlesinger has had a major and lasting impact on American strategic thinking by initiating a major public debate on issues that will occupy the participants to the debate for some time to come. In addition he has provided intellectual leadership for the Pentagon during a crucial period following the demoralization of the Vietnam experience. A measure of the respect and esteem in which he has been held throughout the world is the expression of regret at his resignation by many of our closest allies in NATO.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 303) was agreed to.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1976

The Senate continued with the consideration of the bill (H.R. 9861) making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes.

The PRESIDING OFFICER. The pending business is the amendment No. 1125 of the Senator from Massachusetts (Mr. Kennedy).

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. There is no time.

The yeas and nays have been ordered.

Mr. McCLELLAN. Mr. President, let us have order.

Mr. KENNEDY. Does a vote "aye" mean for the amendment? Is the Senator correct?

The PRESIDING OFFICER. Let us have order.

The yeas and nays are ordered on an up-and-down vote.

Under the previous order, the Senate shall proceed immediately to vote.

The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Magnuson may be recognized for not to exceed 2 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. This is on another matter.

Mr. CHURCH. I object.

Mr. MONDALE. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), and the Senator from Louisiana (Mr. Long) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. Garn) is necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. Garn) would vote "nay."

The result was announced—yeas 47, nays 50, as follows:

[Rollcall Vote 498 Leg.]

YEAS—47

Abourezk
Biden
Brooke
Bumpers
Case
Church
Clark
Cranston
Culver
Durkin
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings

Huddleston
Humphrey
Javits
Johnston
Kennedy
Leahy
Mansfield
Mathias
McGovern
Metcalf
Mondale
Moss
Muskie
Nelson
Packwood
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Symington
Tunney
Weicker
Williams

NAYS—50

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Goldwater
Griffin
Hansen
Helms
Hruska
Inouye
Jackson
Laxalt
Magnuson
McClellan
McClure
McGee
McIntyre
Montoya
Morgan
Nunn
Pastore
Pearson
Roth
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—3

Bayh
Garn
Long

So Mr. KENNEDY's amendment was rejected.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts (Mr. KENNEDY) is recognized to call up his amendment, on which there will be 1 hour of debate, to be equally divided and controlled. The vote will come at noon. There will be 52 minutes of debate, 26 minutes to each side.

Mr. KENNEDY. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 7, line 20 strike out the period and insert in lieu thereof ":" and the following:
>
> "*Provided further*, that funds provided in this Act for the operation and the maintenance of the anti-ballistic missile facility (other than funds provided for operation and maintenance of the Perimeter Acquisition Radar) may be used only for the purpose of the expeditious termination and deactivation of all operations of that facility."

Mr. KENNEDY. Mr. President, I yield 2 minutes to the Senator from Washington.

REFERRAL OF S. 961, FISHERIES MANAGEMENT RESPONSIBILITY, TO COMMITTEE ON ARMED SERVICES

Mr. MAGNUSON. Mr. President, we have a matter that is somewhat of an emergency. The Senator from Mississippi, the chairman of the Committee on Armed Services, is going to propose a unanimous-consent request.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. STENNIS. Mr. President, there has been before the Committee on Foreign Relations the so-called 200-mile fisheries bill, and there is a matter of jurisdiction.

We had this matter up last year. I understand that the Committee on Foreign Relations is due to report that bill today. Last year, we had hearings on the matter in the Committee on Armed Services, primarily from the military viewpoint, as to how it would be affected.

I ask unanimous consent that the bill also be referred, for a definite time, to the Committee on Armed Services, for the purpose of holding hearings and making a report thereon, and that the hearings be completed and the report filed with the Senate by December 2, 1975, which is the day after our return date following the Thanksgiving break.

Mr. MAGNUSON. Reserving the right to object, the Senator from Alaska and I have talked about this, and I think that is a fair request. I am a little worried, though, when the Senator mentions "hearings" in the plural. I hope it will be one hearing, because we have gone over and over and over this like a broken record, over and over again.

I want to tell the Senate that I am glad to hear the military. I have listened to them for 11 years now. They objected to the 12-mile limit at one time, in Geneva. That was 11 years ago. The situation is worse, worse, worse. I am hopeful that there will be a hearing, and I will give them the courtesy of listening to their argument. There is nothing in the bill that pertains to navigation—not a thing. This is all fisheries.

Maybe the Senator from Alaska would like to speak.

Mr. STEVENS. Reserving the right to object, we have no objection. It is a conservation bill. I do not really see any defense interest, but I know the distinguished Senator from Mississippi will get the bill back by the 2d, and that will give us an opportunity to take it up before the first of the year.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none. It is so ordered.

Mr. MAGNUSON. December 2 is the date.

Mr. STENNIS. Yes.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1976

The Senate continued with the consideration of the bill (H.R. 9861) making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes.

Mr. KENNEDY. I yield to the Senator from Nevada.

Mr. CANNON. Mr. President, I ask unanimous consent that Aubrey Sarvis of my staff be permitted privileges of the floor during debate on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent to permit privileges of the floor to Robert Hunter, of my staff, during consideration of this amendment and the legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I yield myself such time as I may need.

Mr. President, the amendment I have sent to the desk is very straightforward. It represents what I hope will be a reasonable accommodation between the views of those who supported my earlier amendment, and some of the points raised by the chairman of the Committee on Appropriations, and the Senator from North Dakota (Mr. YOUNG). First of all, this amendment will not reduce the total amount of money, or strike any amount of money in this appropriations bill. It would simply require that the facility at Grand Forks would effectively be mothballed, with the exception of the PAR radar system. It would permit the preservation of the PAR radar system in an operational mode, which was intended under the previous judgment made by the Committee on Armed Services and the Committee on Appropriations.

Mr. PASTORE. Will the Senator yield to me for a few moments? I realize he has not made his presentation. I have to go to another meeting. I hope he will yield to me for 2 minutes or so.

Mr. KENNEDY. Yes, I yield.

Mr. PASTORE. I want to say to the Senator from Massachusetts that I voted against his original amendment. He will recall that when I spoke against his amendment, I said, at that time, that the House had taken the position of placing this ABM in mothballs and that the wise thing to do would be to defeat his amendment and go to conference. Now, we have taken a vote for the second time and pretty well split down the middle. I merely want the Senate to know that this is where the compromise should be made, rather than in conference. I think this is a reasonable compromise, and I am going to support it. I did not vote with the Senator from Massachusetts on his original version, but I think he is being wise. I think he is being cooperative and condescending, to a large extent.

What he is trying to do here is preserve the radar system, which essentially is the one thing that eventually might do away with part of the DEW system up in northern Canada. He also preserves, I understand, the computers as well. Is that correct?

Mr. KENNEDY. The Senator is correct.

Mr. PASTORE. I shall support him.

Mr. KENNEDY. I thank the Senator from Rhode Island for his comment and his support.

The Senator has stated the thrust of the amendment correctly, Mr. President. What this amendment will do, if it is accepted by the Senate, today, is effectively permit the PAR radar system to be used operationally while the remainder of the facility is mothballed.

I might point out at this time that the amount of operational use, even under the proposed Senate appropriation, was only going to be quite marginal in terms of the number of hours to be used each month. That is another issue.

What we are permitting under this amendment is use of the PAR radar system in accordance with the judgment which has been made by the Committee on Armed Services and the Committee on Appropriations. It is my own judgment, based upon the material which has been supplied to me by the Department of Defense, that the cost will eventually get down to approximately $18.5 million per year. That is in contrast to the $85.3 million we are talking about in this bill and the $19.5 million which will be used for the transitional quarter—which, projected over a year, is approximately $80 million. So we are going to get significant savings in this particular program.

For those who believe that we are really talking about just a few million dollars, the projected program, according to the GAO report citing the Army plans entailed an expenditure of $569 million for the North Dakota site through fiscal year 1979. So that is the magnitude—a half-billion-dollar program—we are addressing ourselves to here in this debate.

Although it is not appropriate for me to include the relevant parts of the GAO assessment of this particular system, I hope that Members of this body who are at all open in terms of their vote on this particular amendment will take a few moments and study the one-page GAO assessment of the Safeguard site in terms of cost, military effectiveness, and national security effectiveness. And they can understand the justification for this particular amendment.

It is not only a justification made in the GAO report. It is a justification which has even been reached, I think courageously so, by the distinguished Congressman from that particular district, Mr. ANDREWS. In his own statement on the floor of the House of Representatives, he said:

> Because this ABM site does not have defense capability in today's technology, it does not make much sense for me to stand in the well of the House and argue for the expenditure of another $60 million just because the expenditure happens to be in my State. I think the committee made the right decision—

that was the decision to strike the Safeguard site—

> and I intend to support that decision.

Even the chairman of the House Committee on Appropriations, Mr. MAHON, in his assessment of the military and national security implications of the program, talks about it as really not being a justifiable expenditure for that particular reason. It seems to me that the evidence is truly overwhelming to support the proposition which we have advanced at this time, that says: "All right, we will close down all of the ABM facility, with the exception of the PAR radar," and I mean by closing it down, to mothball it—"and obviously we do not intend its complete dismantling; and we will use the funds included in this appropriation solely for that mothballing and continued operation of the PAR radar."

I believe, from the material made available to us, it would cost approximately $20 million a year to run the PAR. We are not trying to find a particular target in our program, but we are limiting the moneys appropriated here either to expeditiously mothball that facility or to use the PAR radar operationally.

I would think, Mr. President, with that proposal, and with the understanding that there are sizable other resources, in this legislation—which permit advanced research into technology in the whole area of site defense and in other radar components—we are insuring that there will be more than adequate resources in this radar technology. And we will be saving some very important and significant funds.

Mr. President, during the course of the debate on Friday, we debated and discussed some of the military implications of this system. I think the record stands on that particular issue. But I would be glad to develop those arguments during the course of this debate were it necessary.

It does seem to me that the position taken in this amendment can be extremely useful and important in cutting back of hundreds of millions of dollars, over the years, while insuring the operation for the foreseeable future of the PAR radar, and in no way disadvantaging our position in terms of national security.

Mr. President, I reserve the remainder of my time.

Mr. ALLEN. Mr. President, will the Senator yield for a question?

Mr. KENNEDY. Yes.

Mr. ALLEN. I understood when this matter was under discussion last week the Senator was amenable to allowing the computer to be saved. But I notice this has reference to the radar. Would not the Senator be willing to modify his amendment to put in "computer"?

Mr. KENNEDY. I want to give assurances to my colleague that if there is a computer which is absolutely necessary in order to make the PAR operational—but only for that purpose, then it should be so preserved and so included.

To be completely clear: If there is a computer which is absolutely necessary to PAR functioning it ought to be included, but no others should be. It was certainly my intention that this would be the case.

Mr. ALLEN. Well, should not computers for any use or function be preserved? Why should it be limited to the use for the PAR?

Mr. KENNEDY. That is the issue in question. The point that was raised during part of the discussion and debate is the importance of preserving the technology and the potential operational capacity of the PAR, and that is what we are attempting to do; this particular amendment indicates that we would preserve any of the computers that are absolutely necessary to carry the PAR function forward. But it is not my intention to permit the Defense Department to keep any computer for any purposes that are not related to the specific operation of the PAR. We are mothballing the facility and trimming all ABM operations.

It seems to me there are more than enough resources in other parts of the bill that would permit the Department of Defense to experiment in advanced technology with computers.

But the Senator is quite correct when he understands that if there is a computer that is absolutely essential to the operation of the PAR it will be so preserved, but other computers would not.

Mr. ALLEN. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. I yield the distinguished Senator from North Dakota such time as he may desire.

Mr. YOUNG. Mr. President, we have a rather strange and an unreasonable situation with the proposal. Here we have a Kennedy amendment that was not sent to the desk, I understand, until this morning. I was not apprised of it until 5:30 last night.

The amendment has far-reaching consequences. It is in complete contradiction to the views of the military authorities, the Joint Chiefs of Staff, the Secretary of Defense, the Secretary of the Army, and every high military official.

Mr. President, I strongly oppose the amendment proposed by the Senator from Massachusetts, Mr. KENNEDY. This amendment, in most respects, is just as objectionable as the one that was rejected a few minutes ago.

One major difference in the Kennedy so-called compromise amendment is that he would leave in all the money put in by the Senate Appropriations Committee as requested by the Office of Management and Budget and the Department of Defense. Thus there would not be any savings in this fiscal year in the Defense Appropriations bill we are dealing with now. I emphasize again there are no savings whatever in this amendment. In fact, it would be a costly business to abruptly terminate most of the contracts and immediately dismantle most of this ultramodern system.

This amendment at least recognizes that there would be tremendous cost in terminating contracts and dismantling the facility as proposed in the first amendment. In some respects, this is almost in complete contradiction to what the Senator offered previously.

This amendment would deny the Army the authority to operate this installation until July 1 as is so urgently being requested by former Secretary of Defense Schlesinger, Secretary of the Army Hoffmann and now Deputy Secretary of Defense Clements.

This site has only been operational for 1 month and with the nearly $6 billion investment it just does not make sense to close down and terminate most of this facility.

Our top Defense authorities believe this ABM site in North Dakota is an integral part of our overall defense system. They believe that it does provide considerable defense against any possible nuclear missile attack by an enemy. Russia apparently feels the same way about their ABM system, otherwise they would not be operating it, expanding it and modernizing it.

Mr. President, Deputy Secretary Clements' letter of yesterday to Senator McCLELLAN, chairman of the Senate Appropriations Committee, and me contains some highly pertinent information that most everyone seems to have overlooked. His second paragraph reads:

> The action which would result from shutting down the ABM site would be a direct act of unilateral disarmament on the part of the U.S. without appropriate reciprocal acts on the part of the U.S.S.R. Not only would such an act weaken our Strategic Arms Limitation bargaining position, but much of the value to be gained from our in-

vestment in an ABM System would be lost by our refusal to operate the system for even one year.

Mr. President, they do not even plan to operate it for 1 year—only until July 1, and then put it on a standby basis.

Mr. President, I ask unanimous consent to have a copy of Secretary Clements' letter placed in the RECORD at the conclusion of my comments.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 1.]

Mr. YOUNG. A letter received from Secretary of the Army Hoffman of October 29, 1975, refutes the argument that the ABM installation does not have any defense capability. I would like to read a part of that letter:

> Safeguard is the only existing Ballistic Missile Defense System in the U.S.A. It has required a great investment to bring into being. If it is immediately closed, our ability to gain valuable operational experience and our ability to counter limited attacks or accidentally-launched missiles will be lost. Furthermore, we will have eliminated a considerable element of uncertainty in any potential attacker's planning and made his task much easier.

Mr. President, I ask unanimous consent that all of Secretary Hoffmann's letter be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. YOUNG. Mr. President, the placing of 300 Minuteman missiles in North Dakota was a military decision. The people of North Dakota, largely because they are intensely patriotic, did not register much objection to the placing of these Intercontinental Ballistic Missiles in North Dakota.

Approximately one-third of all our Minuteman missiles are in North Dakota. This does make us vulnerable should there be a nuclear war. The ABM System is their only protection and they do feel strongly now that they should not be left naked of any protection should there be a nuclear war.

Mr. President, this Kennedy amendment only became available to Senators this morning. I was not apprised of its contents until about 5:30 last night. An amendment of such far-reaching consequences should not be dealt with in this cavalier manner. It is against the best judgment of the President's Office of Management and Budget and every authority and expert I know of who has to deal wtih our national defense. It would not even save any money.

This is not an acceptable compromise.

The exhibits follow:

EXHIBIT 1

DEPUTY SECRETARY OF DEFENSE,
Washington, D.C., November 17, 1975.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Appropriations, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: I view the recent action by the House of Representatives in deleting funds for the operation of the ABM site in North Dakota as a significant weakening of our defensive posture now and in the future.

The action which would result from shutting down the ABM site would be a direct act of unilateral disarmament on the part of the US without appropriate reciprocal acts on the part of the USSR. Not only would such an act weaken our SAL bargaining position, but much of the value to be gained from our investment in an ABM system would be lost by our refusal to operate the system for even one year.

Additionally, were the Defense Department required to implement the total shutdown of the Grand Forks site, the unique capabilities of the Perimeter Acquisition Radar (PAR) to augment and improve our ability to classify enemy missile attacks and characterize by scope, intensity, and intent would be irretrievably lost.

We have reached our present position in ABM technology, and as a result, our currently negotiated SAL agreements, by an active and vigorous R&D program and the procurement of our one ABM site. The Department of Defense has requested funds for only one year of full operation of the SAFEGUARD site in order to gain operational experience which cannot be accomplished in any other manner. In FY 77 and beyond the plan calls for the operation of PAR full time, the MSR to be held in a powered standby state, and retention of some interceptors collocated with the MSR.

It must be realized that immediately shutting down the site will not realize any savings of FY 76 funds. On the contrary, contractually binding commitments such as termination costs could require additional funds over those programed. Because certain termination actions are time consuming, some funds will be required during the transitional period even if the site is to be shut down.

An orderly reduction of the North Dakota site activities which permits use of the PAR in a vital role and provides a capability for restoration of the site to full operational capability must be considered in the best interests of our national defense.

Sincerely,

W. P. CLEMENTS, Jr.

EXHIBIT 2

SECRETARY OF THE ARMY,
Washington, D.C., October 29, 1975.

Hon. MILTON R. YOUNG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR YOUNG: This will reply to your request for the status of the SAFEGUARD ballistic missile defense system. As you know, the House Appropriations Committee imposed a $40 million reduction of the SAFEGUARD system to $45.3 million in FY 76 and deletion of funding in the transition period will require the Army to terminate the operation of the Grand Forks site. If full dismantlement is not accomplished there would be annual recurring costs for security of these facilities which would appear contrary to the obvious HAC intent expressed by deletion of all requested transition period funding. The Army is responding to the HAC action by beginning to plan for the dismantlement of the site by removing the equipment, filling the missile silos with earth and destroying the radar buildings in accordance with SAL agreements. A preliminary estimate of the cost to implement the HAC direction is $100 million for termination of contracts and dismantling of the weapon system.

Safeguard is the only existing BMD system in the USA. It has required a great investment to bring into being. If it is immediately closed, our ability to gain valuable operational experience and our ability to counter limited attacks or accidentally-launched missiles will be lost. Furthermore, we will have eliminated a considerable element of uncertainty in any potential attacker's planning and made his task much easier. Even if we wish to abandon an active defense capability, the large perimeter acquisition radar can be an important element of the national defense warning system, independent of the rest of the site. This advanced, phased array radar possesses a unique capability of accurately assess the nature of an attack and could provide needed information to our National Command Authorities thus permitting them to tailor their response and better control the conflict.

The Army had planned to reduce the level of operational readiness to minimize annual recurring costs. We believe that costs can be reduced to about $60 million per year while maintaining the capability to bring all of the longer range interceptor missiles and about half of the short-range interceptor missiles to full operational readiness within a few hours. The complete capability of the system could be achieved within a few months. It is conceivable that the ABM Treaty may be extended to prohibit any form of deployed ballistic missile defense. The Army plan for a minimum cost reduced readiness posture while protecting the option to resume full readiness will support negotiations to this end as well as the more costly continuous full readiness posture.

In the interest of future strategic arms limitation negotiations and to maximize the benefits of our nearly $6 billion investment in the SAFEGUARD system, I believe the funds requested in FY 76 and in the transition period are warranted and should be restored by the Senate.

Sincerely,

MARTIN R. HOFFMAN.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I yield myself such time as I may use.

Mr. President, I listened with interest to the letter by Mr. Clements that has been cited.

It talks about the action which would result from shutting down the ABM site, as a direct act of unilateral disarmament on the part of the United States, without appropriate reciprocal acts on the parts of the U.S.S.R.

Mr. President, the Army itself is planning to make this nonoperational next year.

It seems they ought to be talking to each other over there in the Department of Defense. How can it be, on the one hand, that they are planning to reduce its readiness state themselves under the even existing proposal that is reflected in the bill and, on the other hand, that they say that, if we are going to provide for mothballing, it means unilateral disarmament?

They have to get their story straight over there if they expect anybody in the Senate to understand their position. One cannot have it both ways. Under the proposal that has been made, included in the bill now, the site was going to be reduced in readiness after June 30.

Mr. President, I listened with interest, to the statement by the chairman of the Committee on Appropriations that, even with this amendment, we will not save any money.

This, of course, is a conclusion which

has not been reached by another Appropriations Committee of the Congress of the United States. The House Appropriations Committee estimated that the $45.3 million in its bill would provide for total mothballing by July 1976—a saving of almost $60 million.

It is difficult for me to understand how mothballing this facility could cost more than several years' more operation.

Mr. McCLELLAN. Will the Senator yield?

Mr. KENNEDY. Yes, I yield.

Mr. McCLELLAN. I think the Senator ascribed to me something I am not familiar with. What did the Senator say about the chairman of the Appropriations Committee?

Mr. KENNEDY. Let me read what he said in the House of Representatives.

Mr. McCLELLAN. The Senator is talking about the House chairman?

Mr. KENNEDY. Yes.

Mr. McCLELLAN. All right.

Mr. KENNEDY. The House chairman talking about the Safeguard program.

Mr. McCLELLAN. I misunderstood.

Mr. KENNEDY. "It has not been effective except perhaps from a cosmetic standpoint. If we had done nothing it would have been the same." That is what the chairman of the House Appropriations Committee said about this particular facility.

Then he continues:

> Well, everybody knows that the defense of that one site in North Dakota would not be a decisive element in any nuclear aspect that might occur. There are only 100 ABM missiles at that site. So, since we planned to put this system on standby in about a year, why not mothball it now and save about $40 million? That is what we proposed to do in the bill.

That is what the chairman of the Committee on Appropriations said.

I would also refer to the House committee report, where it estimates what would actually be necessary in terms of resources were this program to be mothballed by July next year, and I shall include that in the RECORD.

I will just read this relevant part of the House report language at pages 270 and 271.

> SAFEGUARD
>
> In 1967 the development of Sentinel Anti-Ballistic Missile (ABM) System was initiated. This system was to provide protection for our major cities against a possible ballistic missile attack. In 1969, the President reoriented the ballistic missile defense program to protect our land based intercontinental ballistic missile sites rather than cities. The Safeguard system was to do this.
>
> Safeguard deployment was originally planned for 12 sites, at an estimated cost of $19.7 billion. In May 1972, however, the ABM Treaty was signed, which limited deployment of Anti-Ballistic Missiles to two sites with no more than 100 missiles at each site. One site was for the defense of an Intercontinental Ballistic Missile Field and one was for defense of the national capitol. As a result of the ABM treaty, the Secretary of Defense directed the Army to continue deployment of one Safeguard system at Grand Forks, North Dakota, and one, in a reasonable time, at Washington, D.C. Subsequently, the Congress approved the Army's request for continuing the Grand Forks deployment, but denied deployment authorization for the system at Washington, D.C.
>
> On July 3, 1974, a protocol to the 1972 ABM Treaty was signed which limited deployment to one site with 100 missiles. This would be the Grand Forks site.
>
> In fiscal year 1975 the research and development phase of the deployment of the Safeguard system at Grand Forks was completed. As of June 30, 1975, approximately $5.7 billion had been expended to develop and deploy the single Safeguard site.
>
> The budget request for fiscal year 1976 contains $85,300,000 for operation and maintenance of the Grand Forks Safeguard site. The Department of Defense advised the Committee that this amount will operate the system at a state of full readiness until June 1976. In July 1976 the Army plans to begin reducing the scale of readiness below full operational status and maintain it at that level indefinitely.
>
> The Committee carefully reviewed the Army plans for operation of the Safeguard site. Every aspect was considered, particularly improvements in Soviet ballistic missile capability, the potential benefits that may be derived from a full year of operation at maximum readiness and the potential need at some time in the future to reactivate the Safeguard system to full operational status.
>
> A significant factor in the Committee's deliberations was that the Soviet Union is deploying new MIRVed intercontinental ballistic missiles. This will provide the Soviets with the potential to attack both the Safeguard site itself, as well as the entire Minuteman force. Because of this, the utility of Safeguard to protect Minuteman will be essentially nullified in the future.
>
> A second factor considered by the Committee was the argument by the Department that it would gain valuable experience from operating the Safeguard at full readiness for a year. The General Accounting Office felt that only limited benefits would be derived from this operation. In addition, the Department has not demonstrated a willingness to exploit whatever experience may be available from such admission. This is demonstrated in that over two-thirds of the personnel currently operating the facility are non-military, contractor personnel. There are nearly 1,000 of them, and only 485 military personnel. Nearly half of the miltiary personnel are security guards. The remaining half are operational in nature.
>
> Finally, the Committee considered the merits of the Safeguard program in light of the Department's decision to reduce the scale of operation of the program. Although the Department is considering several plans for returning Safeguard to a sustained maximum operational state should international circumstances require it, the time it would take to do so effectively limits the utility of such a decision. The time necessary for this may simply not be available. In addition, the Department's decision appears to reflect the belief that the effectiveness of the system is so limited as to permit reduced readiness.
>
> Because of these factors—the improved capability of the Soviet Union's new MIRVed missiles, the limited effectiveness of the Safeguard system to provide the protection it was originally intended to provide, and the diminished benefits available from operating the facility for only a single year—the Committee recommends deactivation of the Grand Forks, North Dakota site by the end of fiscal year 1976. For this purpose, $45,300,000 is provided. This represents a reduction in the request of $40,000,000 in fiscal year 1976 and $19,500,000 in the transition period.

They have outlined earlier how they reached that figure.

So it is difficult for me to understand, even with the figures that have been made available to us by DOD, how we can say that with this amendment there is going to be no saving.

I think it is appropriate to understand what we are talking about in terms of money because some observers might be under the impression that this is really only a rather modest program.

The program we are talking about in Grand Forks, according to the GAO report, would cost $569 million for fiscal year 1975 through fiscal year 1979.

That is what the GAO was talking about. We are not just talking about a few million dollars, or tens of millions. We are talking about something that will reach more than half a billion dollars.

On the particular issue of closing down the whole base, the Senate has spoken—narrowly, but it has spoken. So what we are trying to do is take that part of this program which a number of Members of the Senate have been most concerned about—that is, the preservation of the PAR radar system—in spite of the fact that—even considering Secretary of Defense Schlesinger's testimony and other testimony before both the Appropriations Committee and the Armed Services Committee—I think a convincing case has been made that the whole technology for radar is far beyond what is included in the Safeguard program.

I quoted those relevant passages during the debate of last week.

So, Mr. President, I would hope that we could get on to the amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. I yield to the Senator from South Dakota such time as he may require.

Mr. YOUNG. Mr. President, the first Kennedy amendment would abolish PAR radar completely. He has indicated that it is practically useless. He has changed his mind to some extent now by this new amendment.

Let me read from a letter by the Secretary of Defense dated November 17, 1975, addressed to Chairman McCLELLAN:

> Additionally, were the Defense Department required to implement the total shutdown of the Grand Forks site, the unique capabilities of the Perimeter Acquisition Radar (PAR) to augment and improve our ability to classify enemy missile attacks and characterize by scope, intensity, and intent would be irretrievably lost.

Mr. President, what that means is that this PAR radar is not only able to detect incoming missiles far into the Arctic but they can determine where the missile is targeted.

What could be more important to our national defense than knowing when and where we are going to be hit?

In the letter dated November 13, 1975, Mr. KENNEDY states:

> The ABM treaty protocol ratified by the Senate last week indicates a clear understanding by both sides than an ABM system would have virtually no value. In fact, that full deployment could make nuclear war more likely.

How erroneous that statement is. How could this ABM system make nuclear war more possible? This is purely a defensive system. The missiles of this system, the Spartan, with the longest range, would not reach one-quarter of the way to Russia or to any potential enemy. How in the world could it increase the potential for war?

Again may I emphasize that everyone in the Department of Defense is opposed to this action and I think for very good reason. The only authority that the Senator from Massachusetts quotes is someone outside the Pentagon. We can find all kinds with views such as this.

The House, in their bill, tried to make the best possible case for eliminating $40 million. But, Mr. President, I want to point out that the pending Kennedy amendment does not strike out any money at all. He knows it will not save any money. Otherwise, he would have reduced the funds by $40 million as the House did.

Mr. President, to me this compromise is totally unacceptable. In a way I rather resent an amendment of this magnitude and of such importance to our national defense and my State without even being printed and no Senator having even seen it until they came to the Chamber this morning, if they saw it then. It is not printed yet, I do not believe.

Mr. McCLELLAN. Mr. President, I yield 5 minutes to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in opposition to the Kennedy amendment.

First, I want to say that we should not close down this ABM site unless we get some concessions. We have this ABM site and to close it down would, in a way, be a form of unilateral disarmament. Why not say to the Soviets, "We will close this site down provided we get something in return."

Next I would say that the Soviets are improving their Galosh system. They have had a system for years and they are improving it every day. They have tested it. We have just completed this system now, so why not at least keep it during the next year and test it out to see what it can do so we can determine its weaknesses. By then it might be that we will want to keep it or it might be that it will not be necessary to keep it.

Mr. President, an ABM site is a very complex system. We need this experience in operation. Unless we actually operate this site, we do not know just what is not going to work, or what needs improving. It will be a valuable experience if we can operate this for the next year. Then, too, I would remind the Senate that there would be no savings in closing it down at this time. If there would be no savings, we would get the benefit of it for the next year.

I have in my hand a letter written to Senator McClellan from Mr. Clements, the Deputy Secretary of Defense. Here is what he says on that point:

> It must be realized that immediately shutting down the site will not realize any savings of FY 76 funds. On the contrary, contractually binding commitments such as termination costs could require additional funds over those programed. Because certain termination actions are time consuming, some funds will be required during the transitional period even if the site should be shut down.

So, Mr. President, since we save nothing why not get the benefit of this system for the next year.

I want to also say that this is the only system we have in the United States. It cost $6 billion to develop this system. This is a big investment. Are we going to throw it all down the drain? Are we just going to forget it? The Soviets are continuing to improve theirs. They seem to think it is important. I believe it is important in this country that we maintain the system at least for the next year and then make a final determination.

Mr. President, as to its defense capability, this system will have a capability to ward off limited attacks or accidentally launched attacks. Then it will make their planners work more to try to determine just what the impact of this system is.

Mr. President, I feel that this system should be phased down only as the Department of Defense has planned and not by this amendment.

The experts in this country say we need the system. The Secretary of the Army says we need it. The Chief of Staff of the Army says we need it. The Secretary of Defense says we need it. The administration says we need it. The White House says we need it. Everybody who has knowledge of this system says we need to retain it at least according to the plan of the Defense Department.

I hope the Senate will not adopt this amendment, as I do not think it is in the best interest of the country.

Mr. McCLELLAN. Mr. President, I yield 3 minutes to the distinguished Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from Arkansas.

Mr. President, the Senate has just defeated the first Kennedy amendment that had as its purpose the wiping out of Safeguard. The pending amendment would wipe out all of Safeguard except the PAR system and such computers as are necessary to operate the PAR.

Here is a system that has cost the taxpayers of this country $6 billion, and it has been in operation for 3 weeks. The distinguished Senator from Massachusetts would seek to phase out all of it except one portion. That is the PAR system. He would substitute his judgment about what ought to be done for the judgment of those who are charged with the defense of this country. The amendment would save nothing. What it would do is to provide that such money as is appropriated would not be used for operating the system until next July; it must be used for phasing out the system.

The distinguished Senator from Massachusetts has said that the Army is going to put it in mothballs on July 1.

Is that not soon enough? Why must we jump the gun and say, "Let us start tearing it down right now"?

I believe this is an ill-advised approach. I believe we need to at least see what the potentials of the safeguard system are. Let us see what return we can get on this tremendous investment the taxpayers have made, and not start immediately phasing it out, which would be the effect of the Kennedy amendment, but let it be operated as the Army wants to operate it until July of next year.

Why must the Senate come in and say, "You have not got the right idea about this; we should not operate it until July, we should shut it down right now"?

Shutting it down right now and terminating the contracts that have already been entered into, I am advised, would cost $100 million. The amount that is appropriated here for the current fiscal year and the interim period amounts to $60 million. So, actually, the premature closing down of the system would be more expensive than following the Army plan and operating it until July of next year.

In the interim, let us see if this will operate. Let us see what its potentials are. Let us see what improvements can be made upon it. Let us see if it will carry out the functions for which it was created. Let us not start, immediately upon the enactment of this legislation, tearing it down.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. ALLEN. I certainly hope that the Senate will follow the good judgment it used when it voted down the first Kennedy amendment, and also vote this amendment down.

I thank the distinguished Senator from Arkansas for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. Mr. President, I yield myself 2 or 3 minutes.

I am glad that the Senate had the wisdom to reject the original amendment offered by the distinguished Senator from Massachusetts. I know he offered it in good faith, and there can be honest differences of opinion about these things. But I think it would have been very unwise to have completely demobilized this $6 billion installation, which has just been completed, without preserving at least what will be preserved by the Senator's present amendment, the one now pending. I am not certain, however, whether this amendment as now written will protect the computer system, or whether it will require its destruction or mothballing.

Mr. President, this amendment will be in conference if it is adopted, and it will be subject to such amendment as may be germane as the conferees may wish to add to it. I am of the opinion, after study of it, that if this amendment is adopted, after due consideration some amendments or perfecting amendments may be required to accomplish all that the distinguished Senator from Massachusetts says he would like to accomplish.

Mr. President, I truly believe that this amendment to knock out and to mothball all of the installations that we have out there is premature. After having spent these billions of dollars, if we are going to put it on a standby basis, it ought to be tested first.

Senators say we cannot test it without firing the missiles. I do not agree with that. They can make certain testing to determine whether the machinery works without firing the missiles. You can test the engine in an automobile without running the automobile.

There are a lot of things out there that have just been completed, as I understand it, that it would be well to have tested before this system is put on a standby basis, subject to use if the occasion should ever require. That, I think, should be permitted. I think it is unwise not to permit it; and for that reason I shall vote against the amendment.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. McCLELLAN. Has all my time expired?

The PRESIDING OFFICER. No, the Senator has 3 minutes remaining.

Mr. McCLELLAN. But I do believe it is unwise to go this far at this time. One more appropriation, to give them the opportunity to make the test, to make certain that the equipment is functioning as it should function before it is mothballed and put away, I think, is wise and prudent.

The Senator says we will save $40 million by this amendment. Mr. President, $40 million to test out and determine the efficiency and workability of a $6 billion investment is not a waste of funds. If there is some fault or some defect that would hamper the functioning at the time it is needed, Mr. President, it could be a tragedy that these tests were not made at this time.

I am ready to yield back the remainder of my time.

Mr. KENNEDY. Mr. President, just briefly, a couple of points.

The fact of the matter is that this facility has been operational since April of the past year, according to the GAO report. So they have had an opportunity to test, to the extent that all of these components working together can provide us some additional information. The question is, How much longer is it going to provide any value?

You cannot really have it both ways, Mr. President. We cannot say, "This is really the ultimate facility, and we have to keep it going because it is going to be so essential to our national defense," when the director of the program himself, General Marshall, says about the Kwajalein missile range that that range was necessary, because we would not get the necessary experience at Grand Forks.

Here we have people advocating this proposition—saying we need it, because we have to get the information up at Grand Forks; then we have the director saying we cannot get the information at Grand Forks.

The overall program does not make sense from a military point of view, because we have already decided to phase it out. We have already spent $6 billion, and the Department of Defense has fought every effort made in this body to cut back on this program. We have already spent $6 billion by listening to the Department of Defense, and they want to continue to spend hundreds of millions of dollars on a system that is not essential in terms of our national security, and not essential in terms of the peace of the world.

Mr. President, it is important to understand what this amendment does. It only continues the PAR. That is the system which Members of this body indicated they had the most concern about. My preserving it and mothballing the rest of the facility, we will save hundreds of millions of dollars. That is not my estimate, but that of the General Accounting Office, which audits what is being spent today, what has been spent in the past, and what the Department of Defense estimates will be spent in the future.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Arkansas has 1 minute remaining.

Mr. McCLELLAN. I yield back the remainder of my time.

The PRESIDING OFFICER. The hour of 12 noon having arrived, the Senate will proceed to vote on the Kennedy amendment.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. GARN) is necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. GARN) would vote "nay."

The result was announced—yeas 52, nays 47, as follows:

[Rollcall Vote No. 499 Leg.]

YEAS—52

Abourezk
Bayh
Bentsen
Biden
Brooke
Bumpers
Case
Church
Clark
Cranston
Culver
Durkin
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Symington
Tunney
Weicker
Williams

NAYS—47

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Goldwater
Griffin
Hansen
Helms
Hruska
Jackson
Laxalt
Long
Magnuson
McClellan
McClure
McGee
Montoya
Morgan
Nunn
Pearson
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—1

Garn

So Mr. KENNEDY's amendment, as modified, was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EQUAL TREATMENT OF CRAFT AND INDUSTRIAL WORKERS

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of H.R. 5900, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 5900) to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

The Senate proceeded to consider the bill.

ADDITIONAL STATEMENTS SUBMITTED ON CLOTURE MOTION

Mr. WILLIAMS. Mr. President, I speak now in support of the motion to close debate on H.R. 5900, a bill to protect the economic rights of labor in the construction industry by providing for equal treatment of craft and industrial workers.

I believe that the Senate has reached the point where final, earnest consideration of this bill is fully warranted.

It is my reasoned expectation that three-fifths of the Senate will today vote to invoke cloture.

It is time that we go forward with action on this important legislation.

It is time that we abandon dilatory tactics.

It is now time for the Senate to proceed in expressing its approval or disapproval of H.R. 5900 on its merits.

Mr. President, the substance of the issues involved has been before the Senate for more than a week. Last Tuesday, the Senate voted by a 66-to-30 margin to take up the bill for consideration, and it has been before us since late Tuesday afternoon.

I believe that we have had ample opportunity for the serious debate which the opponents of H.R. 5900 have insisted upon.

Mr. President, the central issue which this legislation embodies has already received extensive consideration, with more than adequate time afforded Senators to study its provisions.

The House of Representatives passed H.R. 5900 on July 25 after comprehensive study and full debate.

In the Senate both the Labor and Public Welfare Committee and Labor Subcommittee gave S. 1479, the companion bill to H.R. 5900, careful and thorough consideration.

The committee report and the printed hearings of the Labor Subcommittee have been available for over 2 weeks, affording Senators an unusually long period of time in which to study the bill and its effects.

I believe that every Member of this body has had sufficient time to digest the substantial benefits which H.R. 5900 in conjunction with S. 2305, the Construction Industry Collective Bargaining Act, incorporate for both the labor and management sectors of the industry.

I believe that every Senator is by now aware of the support for H.R. 5900 on the part of the administration, and the Secretary of Labor, in particular—and of the support which every administration since 1948 has extended to similar legislation.

In summary, Mr. President, given the press of legislative business and the extremely thorough individual and collective consideration given this bill by the Senate, I strongly urge my colleagues to support the pending cloture motion.

CLOTURE MOTION

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 5900, an act to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

Edward M. Kennedy, Gary Hart, Alan Cranston, Thomas F. Eagleton, George McGovern, John O. Pastore, Ted Stevens, Mike Mansfield, Henry M. Jackson, Walter F. Mondale, Gaylord Nelson, John A. Durkin, Mike Gravel, Jacob K. Javits, Dick Clark, James Abourezk, and Hubert H. Humphrey.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

Mr. CURTIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, I ask unanimous consent that Dr. Daniel R. Cloutier, of the staff of the Republican Conference Committee, be permitted the privilege of the floor during the deliberations on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, is any time remaining for debate?

The PRESIDING OFFICER. There is no time for debate.

The clerk will call the roll.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 81 Leg.]

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that the debate on the bill, H.R. 5900, an act to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate while this roll is being called so the Senators may hear their names and keep an account as they run?

The PRESIDING OFFICER. The Senate will come to order.

The clerk may proceed.

The legislative clerk called the roll.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. GARN) is necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. GARN) would vote "nay."

The yeas and nays resulted—yeas 62, nays 37, as follows:

[Rollcall Vote No. 500 Leg.]

YEAS—62

Abourezk
Bayh
Beall
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Church
Clark
Cranston
Culver
Durkin
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NAYS—37

Allen
Baker
Bartlett
Bellmon
Brock
Buckley
Byrd, Harry F., Jr.
Cannon
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Goldwater
Griffin
Hansen
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
McClellan
McClure
Morgan
Nunn
Roth
Scott, William L.
Sparkman
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NOT VOTING—1

Garn

The PRESIDING OFFICER. On this vote, the yeas are 62, the nays are 37. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1976

The PRESIDING OFFICER. The Senate will now resume consideration of H.R. 9861, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 9861) making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senator from Missouri (Mr. EAGLETON) is recognized to call up an amendment on which there is to be 2½ hours to be equally divided and controlled.

The Senator from Missouri.

Mr. EAGLETON. Mr. President, I have a modification amendment at the desk.

Mr. President, I ask unanimous consent that my amendment be so modified.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. McCLELLAN. I object, Mr. President. I do not know what the modifications are.

The PRESIDING OFFICER. The clerk will proceed in reading the amendment.

The legislative clerk resumed and concluded reading the amendment.

The amendment is as follows:

On page 60, between lines 6 and 7, insert a new section as follows:

SEC. 752. The funds appropriated by this Act for the fiscal year ending June 30, 1976, shall not exceed $90,219,045,000.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 1 minute?

Mr. EAGLETON. I am pleased to yield to the assistant majority leader.

ORDER FOR VOTE ON TREATIES AT 2 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I have not asked the distinguished Senator from Missouri if this request would be agreeable, but as the agreement now runs, the vote on the three treaties, which is a three-in-one vote, would not occur until the end of the day. Several Senators have engagements which would cause them to miss this three-in-one vote unless the agreement is changed.

I wonder if it would be agreeable for the Senate to vote at 2 o'clock p.m. today on the three treaties?

Mr. EAGLETON. If the Senator will yield, so as not to break the flow in the debate, would it not be possible to vote now on the three in one?

Mr. ROBERT C. BYRD. I am afraid this would catch some Senators unaware.

Mr. EAGLETON. I have no objection.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 2 p.m., today the Senate go into executive session and without any intervening motions or debate vote on the three treaties with one rollcall vote to count as three rollcall votes.

On the disposition of that vote, the Senate immediately go back into legislative session without intervening motions or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1976

The Senate continued with the consideration of the bill (H.R. 9861) making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes.

Mr. EAGLETON. Mr. President, if I may explain the modification, inadvertently the date was left out of my original amendment. The date we are dealing with is the budget year ending June 30, 1976, and the date was inadvertently left out of the amendment. It does not change anything else in the amendment, it is the same dollar amount, only the date has been inserted.

Mr. President, has there been a ruling on the amendment?

The PRESIDING OFFICER. Is there objection to the modification? Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, the chairman of the Appropriations Committee, Senator MCCLELLAN, is to be complimented for his fine work on this bill. He has found a number of areas of waste that were not identified by the House and he has held hours of hearings on some of the more controversial items. The amendment I propose today—cosponsored by Senator MATHIAS of Maryland, Senator CRANSTON of California, Senator KENNEDY of Massachusetts, and Senator PROXMIRE of Wisconsin—is in no way meant as a criticism of Senator MCCLELLAN's work on this bill—I repeat, his work has been outstanding, it has been excellent.

In recent weeks we have heard the serious issue of defense spending debated in strange terms. We have heard little of waste, little of cost overruns, little of tanks and planes and ships. We have heard numbers, decimal points and dollar signs. Clearly the era of the budget process has arrived.

The most often heard word over the past few weeks was "assumptions." No one was able to determine an appropriate size for this particular bill without making assumptions about what would transpire within the national defense function—about what would happen in the future to other spending bills categorized as defense-related. Liberals made conservative assumptions about future reductions and conservatives made liberal assumptions. And although we followed strange paths this year, we have arrived at our standard impasse over defense spending.

One point about the new budget process that we can probably all agree upon is that the new process does not oblige Congress to ignore wasteful spending in order to achieve the budget targets. The Budget resolution is not a mandate for spending up to a certain level, it is instead an incentive to keep spending below the established targets.

This fact should be elemental, yet the debate of the past weeks sometimes indicated otherwise. One prominent newspaper, for example, editorialized that the adoption of conservative assumptions about unenacted legislation within the national defense function might "find the Congress in danger of not appropriating the full target sum."

I think that a far more significant danger would be manifest in wasting tax dollars to reach the "full target sum."

Mr. President, this is the first year we have applied the Budget Control Act to Federal spending. Frankly, I wonder how we have managed previously without this useful tool. Certainly, Senators MUSKIE and BELLMON are to be commended for their fine work in making the system work as it has to date.

But because the budget process is in its formative stages, we have yet to establish targets for the individual bills within a particular function. We cannot categorically determine whether the bill we consider today is going to break the bank in the national defense function. I feel that the likelihood is that it will, but many disagree with my assumptions.

Nonetheless, the budget process should not keep us from scrutinizing the bill which is before us. The budget process will be heard from again—perhaps in the form of a recission bill if we exceed the defense target—but for now we have a responsibility to determine whether the taxpayer is getting the defense he is paying for.

Mr. CRANSTON. Will the Senator yield?

Mr. EAGLETON. I yield to the Senator from California.

Mr. CRANSTON. Is it correct that the Senate version of the defense appropriation bill, with the Goldwater "enforcer" amendment we adopted last Thursday, now totals $90.779 billion.

Mr. EAGLETON. That is my understanding.

Mr. CRANSTON. And if this bill should go to conference at this level, and the conferees for each House should concede to the other House's conferees all of the cuts that have been made, can the Senator tell me what effect that would have on the total?

Mr. EAGLETON. Our computation is that it would raise the bill to $92.091 billion. I repeat that, $92.091 billion.

Mr. CRANSTON. It seems to me that the defense establishment should take into account a worst case development. Perhaps it is not too likely that everything will be conceded, but the odds, based upon past practice, certainly would point to the fact that there will be concessions that will raise the figure. If everything was conceded to the higher figure, we would obviously be very high. Does the Senator from Missouri concede that that is a possible outcome?

Mr. EAGLETON. I would not state that it is probable that every concession will be to the highest figure, but there will be concessions. I can say this with certainty. There is a historical precedent—a defense authorization bill came out of conference higher than either of the two Houses when it went into conference. This was reported in the press as an impossibility. But there was an occasion on a defense authorization bill where the House went in with one figure, the Senate with another figure, and the bill that came out was higher than both. So that has happened.

Mr. CRANSTON. Is the Senator aware of how this would affect the budget targets, if the current levels are maintained, or if the conferees are too accommodating to one another?

Mr. EAGLETON. I would like very much to have the Senator from California, who I know has followed these matters closely and who serves on the Budget Committee, explain the effect for me.

Mr. CRANSTON. The congressionally adopted target for the first concurrent resolution for new budget authority for national defense is $100.700 billion. The House-passed second concurrent resolution creates a ceiling of $100.356 billion for national defense budget authority, lower by $344 million. The Senate Budget Committee, by a 9 to 6 vote, has reported a second concurrent resolution Defense budget ceiling of $101.500 billion, with both the chairman and the ranking minority member supporting a lower ceiling. The Senate has not yet considered the Senate Budget Committee's recommendation.

However, when we take account of the current status of the bills in the national defense area, and compare the status with the possible budget ceilings, in every instance these ceilings would be broken by current action, and would greatly exceed the possible ceilings if the conferees on the Defense appropriation bill substantially raise the ceilings.

Mr. EAGLETON. Did the Senator say that if we keep the Defense appropriation bill at its present level, based on current action, we would break the budget ceilings?

Mr. CRANSTON. Yes, in all possible cases. If the budget conference splits the difference between the House and Senate Budget Committees on the second concurrent resolution, assuming that the Senate adopts its committee's recommendation, current action would take us $683 billion over the budget ceiling. Using the current House-passed ceilings, the ceiling would be broken by $1.255 billion, with the Defense appropriation bill at current Senate levels, and more if the conferees push the bill total up.

Using the Senate Budget Committee mark, current action would take us $111 million over ceiling—and could go as high as $1.423 billion over ceiling with an accommodating conference.

The targets in the first concurrent resolution have been exceeded by $911 million based on current action.

Mr. EAGLETON. What will happen if we break these ceilings? What will the effect be?

Mr. CRANSTON. The Budget Act provides for a reconciliation procedure. We may find ourselves back on the Senate floor, trying to rescind the very action we are now considering taking, or we might have to cut something else.

Mr. EAGLETON. How can we avoid taking a recission action.

Mr. CRANSTON. I think the best step is to support the amendment of the Senator from Missouri which gets the figure down to a more reasonable level and could take into account the fact that we might have some increases come out of the conference.

Mr. President, I would like to ask unanimous consent that the tables which form the basis for my calculations be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

[In billions of dollars]

Current action		Accommodating conference	
Compare with congressional target, 1st concurrent resolution:			
Action	101.611	Action	102.923
Target	100.700	Target	100.700
Difference	+.911		+2.223
Compare with House-passed target, 2d concurrent resolution:			
Action	101.611	Action	102.923
Target	100.356	Target	100.356
Difference	+1.255		+2.567
Compare with Senate committee target, 2d concurrent resolution:			
Action	101.611		102.923
Target	101.500		101.500
Difference	+.111		+1.423
Compare with 2d concurrent resolution target, House-Senate difference split:			
Action	101.611		102.923
Target	100.928		100.928
Difference	+.683		+1.995

Defense Appropriations Bill (H.R. 9861)[1]:		
House-passed level	90.219	
Senate Appropriations Committee level	90.783	+$564,000,000 over House.
Less Goldwater Amendment minus (.004)	90.779	+$560,000,000 over House.
Current Senate level	90.779	
If conferees concede all cuts, net effect is to add 1,312,000,000. Conference total would be	92.091	+$1,872,000,000 over House.
Budget targets:[1]		
Congressionally-approved, 1st concurrent resolution	100.700	
2d Concurrent Resolution, House-passed	100.356	
2d Concurrent Resolution, Senate Committee	101.500	Not yet approved by Senate.
Scorekeeping—Comparison of current action with targets:[1]		
Not subject to appropriation this year	1.668	Trust funds, etc.
Defense Appropriation bill	90.779	Current Senate level.
(Assuming conference as above)	(90.091)	
Military construction appropriation	3.585	Per conference accord.
Foreign Military Assistance appropriation	1.489	Administration request (no cuts).
Public Works Appropriation (ERDA)	1.925	House level (plus 2 Administrative supplemental requests).
Treasury, PSvc., General Government Appropriation (CD)	.100	Enacted.
HUD, Independent Agencies Appropriation (SSS)	.038	Enacted.
State, Justice, Commerce, Judiciary, Appropriation (RB)	.005	Enacted.
Military retired pay adjustment	.009	Enacted.
Pay supplemental	2.013	OMB no., no absorption.
Total Defense spending fiscal year 1976	101.611	
(Assuming conference as above)	(102.923)	

[1] All amounts are in budget authority.

Mr. CRANSTON. I want to thank the Senator for the very intelligent, skillful, and hard work he has done on this.

Mr. EAGLETON. Mr. President, I thank my colleague from California. The thanks are not owed from him to me but just the reverse. He has served his State as a comptroller. He is a man gifted in matters relating to budgets and the balancing of budgets and the like. He serves with the distinguished Senator from Maine (Mr. MUSKIE) on the Senate Budget Committee. I think the observations he has made in this debate, as to how this bill will affect the national defense function, have meant a lot insofar as the education provided by this debate. I thank my colleague.

Mr. CRANSTON. I thank the Senator.

I want to add that Senator MUSKIE, who is unable to be present in the Chamber, strongly supports the amendment and supported a lower figure for the Defense expenditures in the Budget Committee, which he chairs.

Mr. EAGLETON. Very good.

Mr. President, former Secretary of Defense Schlesinger characterized the reductions in the President's request made by the House as "deep, savage and arbitrary." In light of this serious charge—a charge which relates to spending priorities set for the first time by Congress—I feel it is important to consider a number of general points about how the defense function target was set in the first budget resolution.

First, it is important to remember that the President's request for the Defense Department represented a staggering 19.3 percent increase over the fiscal year 1975 appropriation—over 20 percent when Vietnam money is subtracted from last year's bill. In other words, the President asked for over 10 percent real growth in the Defense budget in a year when the United States, thankfully, is not engaged in combat anywhere in the world. When considered against this tremendous request, the $7.6 billion cut by the House is a smaller percentage cut than has been made in recent years.

Second, the President's request assumed a 15 percent inflation rate. When the Budget Committees set their targets, they were able to reduce the projected inflation rate to 10 percent. Indeed, a more realistic rate would today be around 7 percent. Secretary Schlesinger, for example, used a 6.9 percent figure in a recent letter to the Appropriations Committee.

Third, the House-passed Defense appropriations bill—$90.219 billion—represents an increase of $9.2 billion over last year's bill—subtracting the fiscal year 1975 money for Indochina. This is an increase of 11 percent, or an allowance of 4 percent real growth.

Mr. President, the question we must address today is not whether this bill will cause the national defense target to be exceeded. We must instead determine whether it is in itself excessive.

The bill before us represents an increase of $560 million over the House amount. Is the House bill too low or too high? Did the House make "deep, savage and arbitrary cuts?" The chairman of the House Appropriations Committee, Congressman GEORGE MAHON, answered these questions as follows:

> I believe that most Americans would agree that $90.2 billion for the Defense Department is, if managed and spent wisely, adequate at a time when no United States Military forces are engaged in combat and the nation is faced with a huge deficit and an increase in the national debt of $80 billion this year.

In fact, most Americans would agree that $90.2 billion for the Defense Department is too much. According to a poll recently cited in the New York Times, a full 70 percent of those polled either wanted the Defense budget to remain at the 1975 level or wanted it reduced further. A stand pat Defense budget—last year's amount plus inflation—would cost approximately $87 billion.

Mr. President, how do we determine whether we are appropriating too little or too much toward our national defense? Do we take the President's request and simply reduce it, as we have been doing, by roughly the same percentage each year? Do we set a budget target based on that same assumption? Or do we determine what percentage of our gross national product we should spend on our security and leave it at that?

I do not believe that any of those formulas work to provide a rational basis for Defense spending. What we clearly must do is assess the military obligations inherent in our foreign policy commitments and provide the Defense Department with sufficient funds to meet those obligations.

That approach has been thoroughly discussed each year I have been in the Senate. Why then do policymakers shy away from the effort to match defense spending with foreign commitments? Perhaps the answer to that lies in the fact that we cannot possibly fulfill more than one and a half commitments to engage in combat at a time. If we were equally serious about each of our commitments, we would require a Defense budget 10 times larger than it is.

It, therefore, stands to reason that the United States can be nothing more than selectively obliged to fulfill its 43 worldwide commitments. Obviously, we are prepared to wage a complete war in Europe and a limited war in some other areas, that is, Korea. And if Costa Rica should be threatened, we must be frank enough to admit that our responsiveness would likely be negligible.

I think that it is time that we more realistically appraise this budget against the one and one-half war concept. The Executive may be well served by blurring the obvious distinctions among commitments, but the taxpayer is not. It should be Congress' job to consider these policy commitments and to measure the level of our defenses against the real world.

An equally important consideration in assessing our Nation's defense capability is the quality of the arms we provide. The gross amount we authorize for a military procurement bill translates only imprecisely into actual combat capability. Many of those weapons have little or no combat utility.

In recent years we have had an affinity for highly technical weapons systems—weapons which work well in theory alone. Our resources have been drained because we have sought the ultimate degree of efficiency, or accuracy, or convenience. We have become infatuated with gadgetry and we have lost sight of the warning put forth by the famous European strategist, Col. Ferdinand Otto Miksche, who said:

> To succeed in warfare you must have adequate numbers to fill time and space.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. EAGLETON. Yes; I yield to the Senator from Maryland.

Mr. MATHIAS. Mr. President, the quotation read by the Senator from Missouri brings to mind a quotation I think we ought to be thinking about rather seriously, and that is a quotation from the late Senator from Ohio, Robert A. Taft, the majority leader of the Senate during the Eisenhower administration. He laid it down as a rule of conduct for the Senate that it had an absolute duty, as an obligation to the country, to scrutinize the defense appropriation.

Remember that this was during the period when President Eisenhower was the head of the Government, and it was as a result of President Eisenhower's experience with eight successive defense budgets that he laid down, in his final address, his warning against the growth of the military-industrial complex.

I think that is the kind of spirit in which the Senate ought to approach the consideration of this particular amendment. It is the spirit, certainly, in which I join with the Senator from Missouri in suggesting to the Senate that it ought to look at the figures, and that we could come down to a figure as proposed in the amendment. The figure the Senator from Missouri has just suggested is a figure which meets a very critical test in being proposed by the chairman of the Appropriations Committee in the other body, who has never been known as weak on national defense or soft on the requirements of the armed services.

Mr. EAGLETON. I thank the Senator from Maryland. He is absolutely correct. President Eisenhower, in what might be described as his farewell address as President of the United States, pointed out the dangers of the military-industrial complex running amuck, through an open, blank check policy permitting those who acquire armaments in the Pentagon to engage in purchasing them and distributing them around the world unchecked. It was President Eisenhower's belief that the defense budget should be scrutinized as carefully as any other budget.

Mr. MATHIAS. But I think we have to admit that there is a difference, and there is a problem. The problem is that when we get to the defense budget, we are compelled, in many cases, to go to the experts and seek their advice, and then to take their word for it. I think there are perhaps some, but very few, of us who can say with absolute certainty, for example, that we may not need the Trident, or with absolute certainty that if we develop the B–1 bomber that we will never use it, or that the SAM–D missiles, or any of the other sophisticated weapons we are talking about will never be of any use. Therefore, when this doubt exists one thinks in terms of life insurance, like a prudent father, husband, a head of a family and one thinks, "We will spend a little extra money whether we need it or not."

But that is really not good enough when we are trying to administer the affairs of a great nation, when the economy is under the kind of stress that it is now under and when we have the constitutional obligation to make this decision and not simply to delegate it to some expert, who writes down his judgment in small print which we find very hard to decipher in the committee report that is before us.

Mr. EAGLETON. I agree with our colleague that there are some weapons systems that perhaps could be described as falling in the gray area. One cannot be too sure that they are totally necessary. On the other hand, one cannot be too sure that they are totally frivolous.

However, in all candor I must say to our colleague that there are some weapons systems that are so far out of the realm of the needed or the justifiable that they, per se, should be canceled. I, of course, have my pet weapons system paranoia, to wit, AWACS. Other Senators have other weapons systems that they find egregiously unuseful.

Mr. MATHIAS. Let me say that is a perfect example of the dilemma in which we find ourselves.

Mr. EAGLETON. I realize that I threw out the high hopper to my colleague. I thought he would catch it and make a home run hit on it.

I know my colleague disagrees with me with respect to the viability and utilitarian value of AWACS.

In any event, when a weapons system is in a gray area I think the history of Congress has been to give the benefit of the doubt to the Defense Department. If a reasonably plausible case can be made for the necessity of weapons systems X, give it to them if it might enhance our national defense.

But we do not have to have this open end policy, as I have said repeatedly.

The policies of the Defense Department, insofar as personnel, weapons systems, and strategy are concerned, are as susceptible of careful scrutiny by this Congress as is the policy of HEW with respect to health and how many people to have in the health section and how much money to spend in that area, et cetera.

Mr. MATHIAS. If I can roll back the clock just a minute, we were talking about the Eisenhower administration. When President Eisenhower issued his famous warning against the military-industrial complex, the total cost of all Federal Government spending for defense purposes, for all social programs, for all governmental purposes, for service on the national debt, the total Federal budget, when Eisenhower warned us against the military-industrial complex, was less than the request for the Defense Department alone this year. This total of more than $98 billion is far greater than the total Eisenhower budget in the period in which he was raising a warning about the growth of this particular agency of government.

It is interesting to note that it exceeds, of course, the rate of inflation, and in terms of real dollars it represents an increase of 9 to 10 percent above the inflation rate at a time when most of the domestic programs are being increased at less than the inflation rate or in any event not any more than in line with it.

Mr. EAGLETON. The Senator is correct.

I think he will recall, because he knows his history very well, the first $100 billion budget—I am talking for the whole cottonpicking Government—the first time it reached $100 billion total was under Lyndon B. Johnson in 1964. To put it another way, the amount that is suggested that we spend for defense this year, $100 billion, is equal to what the total budget for the whole Government was one decade ago. Just think of what big changes have been wrought insofar as spending in that intervening 10-year period.

Mr. MATHIAS. If I could suggest, we ought to look at where some of this increase comes. Of course, one of the justifications for this very large request is that the personnel costs are up, that we are paying uniform personnel more than we ever had before under the volunteer army system. But that argument simply does not hold up. Personnel costs are a large part of the defense budget just as they are a large part of any budget. But apart from the 2.1 million men and women in uniform, the Department of Defense employs as many civilians as all of the other Federal agencies combined.

When one talks about increases in personnel costs, these particular civilian personnel are subject to the ceiling of 5 percent on increases for pay and benefits. So, in this vast civilian Army, bigger than all the other agencies combined, we cannot have more than a 5-percent personnel increase, and yet we are looking at a 19 percent increase in weapons procurement, and I think that is where the burden falls. It is not in this 5-percent area that we are talking about for personnel. It is in the 19 percent for materiel, and that is where the Senate, I think, has to put its attention and make its judgments.

Mr. EAGLETON. I am very pleased the Senator from Maryland pointed to the burgeoning civilian payroll of the Defense Department. There are more civilians employed by the Defense Department—I am just talking civilians now—more civilians employed by the Defense Department than the total population of St. Louis, Mo., and Kansas City, Mo., put together—the two biggest cities in my State, one of them to be the host for the GOP next year and the other my home city, St. Louis. Those two cities put together are smaller than the number of civilians on the Defense Department payroll. Incredible as that may sound, it is true.

Mr. MATHIAS. It is a matter of concern to me, as a result of the action taken by the Senate in this bill, that some fewer of them will be in the State of Maryland than previously the case, too.

Mr. EAGLETON. Yes; we had the game of geographic hide and go seek. The "seeker" takes from the "seekee" and Navy ends up in "Mississippeee."

[Laughter.]

I appreciate this exchange between myself and the Senator from Maryland. Unless he has some further observations, I will get back into my original remarks.

Mr. MATHIAS. No; except to emphasize what the Senator has already said, that the amount approved in the bill passed by the other body represents more than a 9-percent increase over last year. It seems to me that those of us who have some concern about the economy of the Nation have to think a little bit about that, especially those of us who have some concern about the fact that the economy is, after all, one of the most essential elements of national defense. Make no mistake about the fact that we are the most powerful Nation in the world, which is not unrelated to the fact that we have the strongest economy in the world, and if we ever lose sight of this very, very closely related pair of facts, then national security will in fact be a source of very grave concern for all of us.

I thank the Senator.

Mr. EAGLETON. I thank the Senator from Maryland. His last remark is eminently appropriate. My senior colleague from Missouri (Mr. SYMINGTON), a former Secretary of the Air Force, a long-time member of the Committee on Armed Services, and one of the most knowledgeable Members of this body with respect to defense matters, has repeatedly pointed out that he thinks the greatest danger to the United States is not the weaponry that some potential adversary may have in its arsenal, but instead the weakening of the American economy. That is, if we get into such difficult economic straits that our very system is in jeopardy, that is when we are vulnerable to outside influences. Thus, matters relating to the economy and matters relating to wasteful defense spending are very much relevant in this debate.

Mr. President, in Korea and Vietnam we had more sophisticated weapons than our adversaries, but we were only inadequately able to fill time and space to occupy territory. Instead of strengthening our combat capability, many of these sophisticated weapons have contributed to a weakening of our fighting force, they have contributed to a burgeoning number of support forces to maintain them, they have given rise to the mistaken notion that automated, pushbutton wars are feasible, and they have spawned the erroneous idea that machines, not people, win wars.

The statistical results of these misdirected policies are tragically disturbing. Despite an ever-increasing expenditure for fancy weapons over the past 35 years, there has been virtually no change in the casualty rate for the infantryman—the combat soldier who wins or loses wars.

Eighty-one percent of all Americans killed in Vietnam and Korea were infantrymen and 82 percent of those killed during World War II were infantrymen. There has been virtually no change in that sad statistic.

Where is the money for these sophisticated weapons going if it is not protecting the combat soldier, the only ingredient in our military force which can occupy time and space to win wars? Again the statistics are disturbing.

Today, the Army expends less than 1 percent of its research and development appropriation on weapons that would be used by the infantryman. And when the sophisticated planes and ships of the other services are included, this amount becomes miniscule in comparison.

According to other statistics, our infatuation with bigger, more glamorous weapons has diminished our capability to fight a ground war.

For example, in the Civil War, an average of 9,000 rounds were used for each enemy casualty. In World War I, we used 5,000 rounds per casualty; in World War II, 12,500 rounds. But in Indochina we had to expend 100,000 rounds for every enemy casualty.

Surely Vietnam was a different kind of war, but that only accounts for part of this disturbing statistic.

We have heard about the trouble with the M-16 rifle and the impractical personnel carrier developed for use in Vietnam. But now that the statistics of our Vietnam experience have been compiled, the full impact of our lack of concern for the infantryman comes home.

Mr. President, the distortions which have been caused by these attitudes cannot be corrected overnight, and they cannot be corrected by Congress alone. We require both a concerned Congress and a strong President and Secretary of Defense who are willing to impose widespread reform on the military procurement process.

Unfortunately, those within the Pentagon who wish to impose these managerial reforms on individual programs are discouraged in their endeavors, because money flows too freely. By providing excess appropriations we unintentionally create a disincentive to those who are pushing managerial innovations which will save the taxpayer money.

The obvious results of this mismanagement are cost overruns, weapons failures in combat, reductions in quantities of arms due to excessive costs, burgeoning headquarters personnel, and excessive numbers of support forces. Rather than strengthening our national defense, this overspending has diminished the effectiveness of our military forces.

In addition to the obvious direct implications of defense spending in the weapons area, the economic impact of such spending must also be considered. This is a point that the Senator from Maryland and I have just addressed. National security, after all, is as much related to our economic and political strength as it is to the numbers of weapons we possess.

It is, for example, important to understand that due to the peculiar nature of defense spending, any savings we can effect in this budget will be particularly helpful in countering whatever inflation may accompany our recovery period.

Defense spending is inherently inflationary due to its nonproductive demand-generating nature. In other words, defense expenditures do translate into consumer demand, but for every dollar that flows into defense production, there is one less potential dollar for the production of consumer goods. The increase in consumer demand resulting from this type of spending and the simultaneous reduction in supply create a classic inflationary environment.

Furthermore, other than increasing consumer demand, defense spending has a limited impact on economic growth. Private spending—or even nonmilitary spending—can create capital goods which can add to the total productive capability of the economy and also create more jobs. Goods produced for military purposes alone have no such return.

Mr. President, I feel it is important in this first year of the budget process to demonstrate that we can, in fact, control the deficit. There is no better place to begin to effect this control than on this bill. We know that over 70 percent of the controllable outlays in the Federal budget are contained in the Defense Department appropriations bill. Therefore, those who are serious about controlling the deficit will have to pare this bill to a more reasonable size.

Mr. President, I am joining Senator **Mathias** and other Senators today in offering an amendment to assure that the total new budget authority provided in this bill shall not exceed the amount approved by the House—$90.219 billion. Adoption of this amendment would result in a reduction of $560 million from the bill.

It is my belief that this amount is more than sufficient to provide our Nation with an adequate defense. As I will illustrate, there is still a considerable amount of waste in a $90.2 billion bill, but I feel that the House-passed amount is a good compromise position.

I would like now to discuss briefly an illustrative list of items which I feel could be eliminated without any adverse impact on national security. I want to emphasize that this list is illustrative only and represents my personal view of unjustifiable expenditures still contained in this bill.

My amendment does not specify that these or any other specific cuts must be made; it simply sets a ceiling on budget authority, a ceiling which can easily be reached by the House-Senate conference. The adoption of my amendment would not obviate the normal give and take over line items in the conference. As the bill now stands, there are some 213 line items wherein the two Houses are in disagreement. I repeat: There are some 213 line items wherein there is a disagreement between the House position and the Senate position.

If each of these items is resolved by agreeing to the higher amount, and this is possible—not in total, but in many instances—the Senate will recede to the House when the House has the higher figure, or the House will recede to the Senate when the Senate has the higher figure.

If that happens, if we take the higher figure, then the resulting conference bill could be as much as $1.876 billion over the House amount. Conversely, if the lower amounts are accepted, the bill could be $1.312 billion under the House amount.

I hasten to add, Mr. President, that it is so unlikely as to be beyond the realm of the possible that the figure will end up being below the House figure. Eminently more likely is that it will be above the House figure and conceivably could end up above the current Senate figure. There is, therefore, great leeway for conference negotiation. Adoption of the amendment would not eliminate this process. It simply would cause the conferees to consider the aggregate effect of their actions.

I have found savings within the fiscal year 1976 portion of this bill which would at least match the amount of my recommended cut. I have avoided such glamour items as the Trident and the B-1 in finding these savings. It would be unfair in my view to include issues which have been extensively debated in this body on other occasions.

I will begin by briefly discussing a potential savings of $110.5 million by reverting to the House position on the airborne warning and control system. The House would allow the purchase of only two aircraft in fiscal year 1976 and would suspend any further production until NATO agrees to share costs. Of course, the Senate did reject my amendment on AWACS, but I still consider it to be a valid savings area.

AWACS is of questionable utility. GAO has reported that it is highly susceptible to jamming and that its survivability is questionable in a European theater. The House has simply taken a conservative approach to these complex questions by allowing NATO to decide the ultimate fate of AWACS.

I have presented my case on AWACS to this body on numerous occasions. This is clearly a potential savings action which has the added benefit of avoiding an over commitment to this system prior to a NATO decision.

The next system is also an item I have presented in the form of an amendment to this bill. I refer to the CONDOR missile system. As a result of the amendment adopted last week, on this system, I am hopeful that savings of $91 million will eventually accrue to the taxpayer.

Just prior to the markup of this bill the Defense Department decided that it would not procure 205 CONDORS in fiscal year 1976. Indeed, it now appears likely that this program will be canceled.

The Deputy Secretary of Defense has effectively limited expenditures on this program during fiscal year 1976 to $10 million. That constitutes a savings of $81 million on this expensive missile program.

The next item is politically more sensitive—the commissary subsidy. The Defense Department has stated that it does not require $109 million in the current commissary provision since it intends to reduce the commissary subsidy. Yet the House and the Appropriations Committee have put this money in the bill.

I would like to make a number of points regarding this subsidy which should explain the Defense Department's position:

Commissaries provide no military forces, no readiness, no military power.

Commissaries are a marginal benefit whose appropriated fund value to each military member is only worth $140 a year.

U.S. Commissaries are not serving the purposes originally intended—the need to provide goods to personnel at remote Army bases. Commercial supermarkets are readily available in the United States.

There are now 279 commissaries in the United States, many are a flagrant violation of legislative intent based on GAO reports: Six commissaries in Washington, D.C.; four commissaries in Norfolk, Va.; three commissaries in Honolulu, Hawaii; four commissaries in San Diego, Calif.; and five commissaries in San Francisco, Calif.

There are 133 commissaries in the United States within 10 minutes driving time of the nearest commercial supermarket.

Military salaries are comparable to or higher than civilian pay when allowances for housing, subsistence, and tax advantage are included.

Military salary plus fringe benefits exceed comparable civilian salaries plus fringe benefits by an average of $4,257 a year on a grade by grade basis.

Over the next 10 years, the commissary subsidy will total $4.4 billion, money which could be used to buy real military power.

Even after the subsidy is eliminated, commissary prices will still be 12 to 18 percent below supermarkets. The average saving per family on groceries will amount to between $300 and $570 per year.

The next item involves a rather complicated accounting matter wherein the House Committee has cited a new Defense Department surcharge procedure which should result in a lower appropriation. It is called the stock fund surcharge and adoption of the House position would save $88 million in direct appropriations to the defense stock fund. The only apparent sacrifice is that the Defense Department stock fund would not have more cash on hand than is legitimately necessary.

The House report describes its recommendation as follows:

> It is the intention of the Department to freeze all stock fund prices as of July 1, 1975, and any increases in commodity cost would have to be absorbed by the fund rather than passed on to the customer. This intended procedure deviates substantially from present stock fund operating procedures.
>
> Stock funds are encompassed within the working capital funds structure . . . working capital funds have always operated on the break even operational procedure. That is, no profits were to be generated by the working capital fund activities.
>
> By placing an additional surcharge on all commodities sold, large amounts of cash will be generated to the stock funds. This excess cash would be held in reserve. The Department believes the cash position of stock funds is not adequate from an operating standpoint. However, the Committee noted that large amounts of stock fund cash have been used the last two fiscal years to increase the inventory levels of operating and other stocks and such increases are projected to continue through FY-1976.

The House committee went on to call the surcharge proposed by the Defense Department improper and recommended that the request for funds to be obtained by indirect charges to the regular operation and maintenance request be denied. The House deleted the entire $788 million requested by DOD while the Senate committee bill provided $431 million for this, $88 million in direct appropriations.

I move now to the next item on my laundry list, or I will call it my purge list.

The next item on my list is called the Advanced Logistic System. Its demise, as was recommended by the House committee, would mean a savings of $23.8 million.

The Air Force began to design the ALS in 1967. It was to be the new automatic data processing system for the Air Force's total logistic operations. Things have gone downhill ever since.

The General Accounting Office reported in 1971 that the ALS was experiencing a number of serious problems. The Air Force promised at that time that it would heed the advice of the GAO. But the Air Force did not.

The House committee report makes the following statement about the Advanced Logistic System:

> The Air Force estimates that the get well plan (for the ALS) will cost an additional $563 million. Because of the various estimates contained in the $563 million the Committee is very skeptical of the Air Force future investment cost and furthermore of the value of the system as a whole. The Committee believes that implementation of this system should be discontinued and a thorough review of the logistic requirements of the Air Force be made before any new system is installed.

It is clear from these remarks that there is considerable risk to the taxpayer in going ahead with this complicated and trouble-prone system. Therefore, in addition to saving $23.8 million in this year's budget, we may save the taxpayer much more in the future.

Mr. President, we have finally come to the end of the line with the Safeguard ABM system, yet the Army would like to prolong Safeguard's agony for another year by expending $40 million for a system that will be mothballed. I will not belabor my colleagues by repeating the many arguments put forth about antiballistic missiles. We do know that in May 1972 an ABM treaty was signed with the Soviet Union which limited deployment of ABM's to two sites with no more than 100 missiles at each site.

This treaty virtually declared the United States vulnerable to missile attack and our Safeguard system at Grand Forks, N. Dak. became even more useless.

In this era of the MIRV missile, the Safeguard system, which never looked particularly workable, has become essentially nullified. The House committee and the General Accounting Office have decided that there would be nothing gained by continuing operating Safeguard for another year. The House ordered the immediate deactivation of the system at a savings in fiscal year 1976 of $40 million.

Another obvious saving can be found in the XM-1 program. Again, this savings could potentially mean more to the taxpayer than the $8 million to be gained in the fiscal year 1976 budget.

The question of a new main battle tank for NATO has brought to the fore the concept of standardization. The United States has entered into an agreement with Germany to compete the two versions of the XM-1 tank against the German Leopard II. This competition is to take place in the fall of 1976. However, there are strong suspicions on the German side that the Army is simply going through the motions on this competition and that a decision has already been made to purchase an American tank.

The Army's earlier rejoinder to the Senate Armed Services Committee action slowing down this program indicates clearly that the Germans may be right. In effect, this request for advanced procurement funds indicates that the Leopard II will be given no more than a summary evaluation, at which time an American tank will be chosen.

The House committee has taken action to protect the concept of standardization by denying funds for long leadtime items for the full scale development of the XM-1. The House committee stated that it found that the earliest date a decision could be reached if the program were delayed—so that Leopard II could be considered—is March 1977. It is, therefore, clear that this advanced procurement money is not required.

Mr. President, I shall now briefly summarize some other areas where the House made what I deem to be responsible reductions in this bill:

TRIDENT I MISSILE PROGRAM

It should be emphasized that this is not the Trident submarine, but instead the missile to be used on the submarine. The Navy has been having problems with this particular missile. On May 5, 1974, the second stage motor experienced a blowout. The House committee has questioned the premature budgeting of large sums of production money for this missile while these problems are still being experienced. The committee has taken a conservative "fly-before-you-buy" approach to this program and has reduced the request for production money by $35 million.

CHAPARRAL AIR DEFENSE MISSILE LAUNCHER

The House wisely points out that the Army does not have sufficient missiles in its present inventory to match the current on-hand quantity of launchers. Thus, the $37.5 million simply recognizes the mathematical reality that you do not buy launchers if you do not have sufficient missiles to use them with.

SHORT-RANGE AIR DEFENSE MISSILE

This year, in a significant gesture toward the concept of standardization, the Army chose to adopt the German/French-developed Roland system for use in short-range air defense situations. However, instead of adopting the German/French version of this system, the Army insisted on a number of costly modifications. The House committee questioned the cost and time required to develop the U.S. version of this system and pointed out that the European version should be adequate. The committee also raised questions of deployment, pointing out that the SAM-D system—if that poor system can ever be made to work—and that is a mighty big "if"—will be deployed in rear areas to protect high-value assets. This is exactly the area where Roland is to be deployed. Thus, there is a degree of redundancy in this program which should not be permitted.

CLOSE-IN WEAPONS SYSTEM—PHALANX

The House raises questions as to the final configuration of this system, the unrealistic test program, deficiencies, and shortcomings of the system, and whether or not it is a viable terminal weapon to destroy incoming cruise missiles. The House committee report states that tests conducted thus far do not demonstrate that the weapon will perform as advertised. The General Accounting Office has also carefully scrutinized this program and has raised serious questions as to its merit. The reduction made by the House totals $15.7 million.

DEFENSE INVESTIGATIVE SERVICE AND DEFENSE MAPPING AGENCY

The House committee had its surveys and investigations staff review the operation of these two agencies and they reported in detail to the committee that problems of overstaffing exist. In addition, other problems of mismanagement were exposed and a number of recommendations were made for cost-saving improvements.

Congress has been criticized in recent years for failing in its oversight role. I believe that when an investigations staff conducts a detailed examination and points out areas where operational improvements can be made to the benefit of the taxpayer, we should not simply ignore their work.

Mr. President, I could go on, program by program and weapon by weapon, and point out other areas where there is waste, for there are, to be sure, other programs in this budget which are questionable in terms of contributing to our national defense. Last year, for example, when a similar amendment was offered to this body, I discussed in detail areas where personnel cuts could be made with an immediate impact on current year outlays. In addition, corrections have not been made in any number of support programs.

We have continued such weapons programs as SAM-D and site defense in this bill.

I point out that the site defense system is made by McDonnell-Douglas Corp. of St. Louis, Mo. I think this program is wasteful and indefensible; I think it ought to be totally cut out of the bill and McDonnell-Douglas should not get one additional dime to go forward with this program. Site defense is an ABM prototype which is now no longer even prototype. It is not needed.

Mr. MATHIAS. Will the Senator yield for a unanimous-consent request?

Mr. EAGLETON. Yes.

Mr. MATHIAS. I ask unanimous consent that Mr. Warren Brown of my staff be given privileges of the floor during consideration of H.R. 5900.

The PRESIDING OFFICER (Mr. NUNN). Without objection, it is so ordered.

Mr. EAGLETON. I want to emphasize that the savings I have indicated today are only a small portion of those which could be made.

Today we have more reason than ever to assure that there is no fat—that there is no waste in this budget. Indeed, we must assure that there is no waste in the entire Federal budget, and I have voted consistently with the Committee on the Budget and the Committee on Appropriations to reduce that budget to assure that it does not feed whatever inflation might accompany our economic recovery.

The Defense Department simply cannot be excluded from the general effort to reduce the Federal budget—and it need not be excluded. Reductions on the level I have recommended today—and, for that matter, even greater ones—would not endanger the security of the United States one iota. I hope my colleagues will agree and vote to adopt this $90.2 billion ceiling on budget authority.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. McCLELLAN. I ask that the time not be charged to anybody. There is nothing here but empty seats. I should like to have somebody on the floor when we talk.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. I yield 5 minutes to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment by the distinguished Senator from Missouri (Mr. EAGLETON). I would raise the following points:

First, across-the-board cuts preempt work previously accomplished by the Armed Services Committee and the Appropriations Committee, which represent hundreds of hours of testimony and thousands of pages of transcript.

Mr. President, I might just say that 8 months were spent on this, from February 12 to October 2. There are eight volumes of testimony, 14,000 pages of transcript, and all of this, in a measure, would go down the drain.

Next, the wholesale price index rose 14.8 percent between the first quarter of 1974 and the first quarter of 1975. This proposed cut fails to recognize that by any measure other than current inflated dollars the defense budget is the lowest since 1951.

Next, across-the-board reduction avoids conscious decisionmaking processes of examining individual programs, judging them on their merits, and then funding them accordingly.

In other words, are we going to allocate the money, is Congress going to make determinations, or are we going to leave it to the Department of Defense? Under this amendment the Department of Defense would probably have to make certain reductions. If reductions are to be made, then there should be an amendment on each specific item rather than using a meat ax approach and cut across the board. Mr. President, in that regard, this amendment voids the intent of the Congressional budget and the Impoundment Control Act of 1974 by delegating to the executive branch allocation of the cut.

Next, the Appropriations Committee has proposed significant reductions to the House bill which net out some $564 million above the House amount. The proposal before the Senate is based on more up-to-date and specific information than the House had when it acted.

The Senate should not rubberstamp the House position. Are we just going to take what the House did? Certainly there are some programs in which the Senate differs from the House. I understand the distinguished Senator from Missouri suggests the following areas which he feels can be safely cut to achieve savings: AWACS, $110.5 million; Condor missile, $81 million; commissaries, $109 million; stock fund surcharge, $88 million; advanced logistic system, $23.8 million; Safeguard, $40 million; Enforcer, $5.6 million; XM-1 tank, $8 million; and overall personnel reductions, an unspecified amount.

Mr. President, the Enforcer amounts have already been eliminated from this bill; and, as to the others, I want to say we have already considered the AWACS, the Condor, the Safeguard and Enforcer, as I stated. Why should they be considered again but in a different form?

Mr. President, I would like to call the Senate's attention to this and, I think, the record ought to show it: Mr. President, of all the 16 Government functional categories established by the Congressional Budget Committees only two, defense and international affairs, have been cut.

In fiscal year 1975, defense will be cut 8 percent or more compared with 4 and 5 percent in the last 2 fiscal years.

As compared with fiscal year 1975, nondefense outlays are up 18 percent, and defense is up less than 5 percent in fiscal year 1976. Thus, defense, I repeat, is falling sharply if you accept a modest inflation factor of, say, 8 percent.

Mr. President, we can only conclude that while the threat increases abroad, here at home, defense is under attack as never before. I would remind the Senate of this information which, I think, is important: The United States today has only the fourth largest Army in the world behind the Chinese, Soviets, and Indians, in that order. For the first time since 1939 our Navy is below 500 ships; the number of planes in the Air Force are at a 30-year low. Currently, the Soviets are outproducing us in many key areas. For example, the Soviets are producing 3,000 tanks per year compared to the United States' 540; 1200 cannon per year compared to 170; 930 tactical aircraft compared to 540; 39 surface ships compared to 11; 10 submarines compared to three.

Mr. President, in closing, I hope this amendment will not be adopted or any other amendment adopted to reduce this defense bill any further. The very survival of our Nation depends upon a strong defense, and if the Members of this body have any question as to whether it is advisable or not I hope they will resolve it on the part of strength rather than weaknesss.

This amendment should be defeated and I hope, Mr. President, the Senate will do just that.

Mr. PERCY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. I yield 5 minutes to the distinguished Senator.

Mr. PERCY. Mr. President, I have listened with considerable interest to our distinguished colleague, who is knowledgeable in this field, serving on the Armed Services Committee for many years.

I would just like to simply indicate that I certainly am sympathetic with the objective of trying to reduce our defense expenditures, along with all other expenditures in the Federal Government, to an irreducible minimum.

I consistently and steadily have voted against any across-the-board cuts in the defense budget, feeling it is an abdication of responsibility, and wherever we feel we should cut we should pinpoint the program that should be cut. It should be voted up or down. I have participated in many such votes, but I cannot support any amendment that has as its purpose just reducing in arbitrary fashion defense expenditures without singling out and assuming to ourselves the responsibility for saying what is to be cut and exactly why it is to be cut, arguing it out on its merits and then voting it up or down, so I shall cast my vote against this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. I yield 5 minutes to the distinguished Senator from Alabama.

Mr. ALLEN. I thank the distinguished chairman of the Appropriations Committee (Mr. MCCLELLAN).

Mr. President, given the gravity of world problems we must not weaken our vigilance and sense of purposefulness in defending ourselves against potential enemies abroad. We must not delude ourselves into thinking that this era of so-called détente guarantees us conditions of security to dwell exclusively on our troubles at home.

It is important for us to recognize that the generation of peace is not yet at hand. There is perhaps more need now than at any time since the Korean war for a strong and flexible U.S. defense. We have had ample demonstration that the leaders of the Communist world respect only one thing—and that is power. We have had more than enough experience to show that we can bargain seriously with our Communist rivals only if we do so from a position of strength. It is the only language they understand and respect. For those who would prefer to deal with the Soviet Union and China more trustingly, let me cite a statement of Soviet Communist Party Secretary, Leonid Brezhnev, to Eastern European leaders just 2 years ago. He said that the Kremlin's détente with the West only represents a new tactic, not a change in strategy. According to U.S. intelligence reports, Brezhnev allegedly said that the tactic is designed to permit the Soviet Union to achieve overwhelming military superiority in the next decade, and they are making rapid progress toward that goal, I might add parenthetically.

He explained that he would use feigned accommodation with the West to advance the international objectives of the Soviet Union.

This statement explains and confirms the substance of a speech delivered by a Politburo member, Michael Suslov, at the Communist Party anniversary meeting after Brezhnev returned from his visit to Washington 2 years ago. Suslov said:

> The ideological struggle, in which there is no peaceful coexistence between socialism and capitalism, and cannot be, is now particularly acute. And it goes without saying that sharp class struggle in the international arena and with the capitalist countries continues.

There are some sections of our society that dismiss these, as well as even more provocative remarks, as internal wrangling or propaganda for home consumption. But the fact is that the Soviet Union is building up its nuclear potential at an accelerated pace, and is involving itself in dangerous, high risk foreign involvement, such as in the Middle East, Africa, Portugal, and Spain. One of the most alarming aspects of this situation has been that, while the Russian leaders have been expanding their military might and capabilities in crash programs, pressure has been building in Washington to make deep cuts in our defense budget. And this appropriation bill now before the Senate represents a bareboned defense structure, stripped not only of fat but also cutting deeply into needed meat and muscle. I view this bill with trepidation because of the sharp reductions it represents already without the pending amendment. And I am opposed to any further reductions in defense spending based on détente or any other promise of peace.

It is worth quoting a pertinent and timely admonition made in 1945 by a former Secretary of Defense, Robert Lovett. He said in a somewhat similar context:

> You don't take off your overcoat in Washington every time the sun shines in Moscow.

More recently, former Secretary of Defense Melvin Laird in his last appearance before a congressional committee warned: "Détente without defense is delusion."

Mr. President, these remarks reflect the attitude of caution that we, as a nation, confronting many new challenges at home and abroad, must adopt if we are to preserve our freedom and prosperity.

I oppose this across-the-board slash.

Mr. PASTORE. Will the Senator yield 3 minutes?

Mr. ALLEN. Yes.

Mr. PASTORE. Mr. President, if I were not a member of the subcommittee that funds the Defense Department, I might be more inclined to be sympathetic to this amendment. But knowing the facts as I do and having spent the hours that we have and having been as meticulous as we possibly can be to cut out every unnecessary expenditure, to the effect that this bill has been reduced by $7 billion, I am afraid that we have fallen into the habit of thinking that just because something has not happened, it cannot happen.

We have got to realize that in this day and age, let there be talk of détente, let there be talk of realization, the fact still remains that our adversaries are becoming powerful and more powerful day by day.

The only language the bully understands is power—and John Kennedy proved that in October of 1962—and the only way that we can face up to them and allow them to turn their boats back with those atomic warheads is to prove to them that we have the power to make them do it.

I am not looking forward to any nuclear holocaust. I do not believe there is going to be a nuclear war in my day or in my lifetime. But I do know this, I do know that the minute the Russians or the Red Chinese begin to feel that we are weaker than they are, they will close down the autobahn, another war will come up, there will be ever more arrogance on the part of our adversaries and we will lose the diplomatic contest that confronts the people of this country and, indeed, the entire free world.

I am saying to my colleagues, let us be very careful.

My mother used to tell a little story. This farmer had this little donkey and he used to feed the donkey three times a day. After a while he began to feel, why should he feed the donkey three times a day, he would do it twice a day. He fed the donkey twice a day, the donkey worked and lived.

Then he said, "Well, why feed him twice a day, I will feed him once a day." He fed the donkey once a day and the donkey lived.

Then he said, "Well, why feed him every day, I will feed him every other day." He did that for a week or two and the donkey lived.

Then one morning he went to the barn and there was the donkey, the donkey was dead, the donkey had died.

Now, we can do that to ourselves. We can cut a little bit off here because we feel nothing happened yesterday, then tomorrow we will cut off a little bit more and we will say, "Well, we got away with it," and then we will do it again.

Then one day we will wake up and find that they have built another war, that they have closed another autobahn, that they are trying Cuba again, that they are trying South America again, and then there will be war.

We will be penny wise and pound foolish.

I am saying, let us beware, let us not spend one nickle more than we need for the security of this country, but I say, by the same token, let us not spend one dollar less, because if we do the day will come when we will regret it.

I have never met a man yet but who bemoans the fact he had to pay for fire insurance. He wakes up one day and says, "Why did I pay it, because the house did not burn down."

But what if it did? Where would he be?

I say to my colleagues in the Senate, let us not burn our house down. We owe our children and our children's children a little bit more than some of us expect and the time has come now for us to make these decisions.

We have cut this budget by $7 billion. We have cut out all the water, all the fat, this is only muscle, and let America not lose its muscle because if we do we ought to hang our heads in shame to future generations.

This is the loveliest country in the world. There is no place like it anyplace in the world. We are the hope and the envy of the entire world. Let us keep it that way. Let us keep it that way and do not give it away and do not let this sift through our fingers, because if we do we will have to account to future generations.

Let America be free, and there is only one way we can be free, we have got to be strong until the day comes when we will melt all our weapons into plowshares.

That day has not come. I hope it does because I curse sometimes the day the atomic bomb was born, but here it is. It is here, it is here to stay. We have to meet it and we have to do what needs to be done.

So I say to my colleagues, let us not become frivolous, not at this moment, let us act responsibly.

I know it is popular to go back home and say, "I cut that defense budget." It is the easiest thing to say and no one can dispute it, but someday we will have to look at our country and when we look in that mirror I would rather see that I wasted a dollar than that I sacrificed the liberty of my children.

I hope we defeat this amendment.

Mr. McCLELLAN. I yield myself 10 minutes.

Mr. President, I strongly oppose the pending amendment because it will not only result in the provision of an amount that is inadequate for our national security but it will also undermine the thrust and intent of the new budget process with which we are now experimenting in this session of Congress.

As I explained last Thursday, the bill as reported by the committee is $163 million below the budget authority target reported by the Senate Budget Committee for the second concurrent resolution, and it is $152 million below the outlay target in that resolution. Not only will we undo the careful work of the Committee on Appropriations in reviewing over 3,452 line items in the defense bill, but we will make this bill $723 million below the budget authority target specified in the second concurrent resolution by the Senate Budget Committee.

If the Eagleton amendment is adopted, depending upon whether the reductions are taken in procurement or in operation and maintenance accounts, which spend at different rates, this bill will be between $200 million and $700 million below the outlay target in the second concurrent resolution as reported by the Senate Budget Committee.

Mr. President, before I point out some of the other defects in this resolution and the consequences of it, I first thank Senator EAGLETON for his recognition of the hard work that has been put into this bill by his colleagues on the Committee on Appropriations.

I also thank Senators THURMOND, PERCY, ALLEN, and PASTORE, who have preceded me today in their remarks in opposition to this amendment.

Senator PASTORE most eloquently pointed out the responsibility we have to maintain a military posture that will continue to serve as a deterrent against would-be expansionists in this troubled world today. I wish us to always bear in mind as we consider these appropriation bills that except for the power, the military might, and the economic strength of our great country, there would not be any détente, there would not be any security in Western Europe, there would not be any security, really, anywhere in the world. It is only our power and strength that today is a barrier to the unholy ambitions of some other countries who, once we let down our barriers, are poised to strike if they choose to do so.

Mr. President, there is a whole lot more in this amendment than any $560 million reduction. There is a principle involved here. The fundamental principles of the appropriation processes of this body are being undermined. The integrity of our process is being challenged. Our responsibility is being delegated away to the very department that we charged should not have the money, to make disposition and make decisions that we ought to make, that we are charged with making as our duty as Representatives and Members of the Senate.

Mr. President, first, this amendment would force us to abdicate the Senate's responsibility, and the responsibility of Congress, as far as that is concerned, to make appropriations for specific purposes.

We have nearly 3,000 line items in this bill that have been thoroughly gone over by the Defense Subcommitee of the Appropriations Committee. Upon the recommendations of the subcommittee, after it had cut $7 billion from the President's budget and stayed within the target of the Committee on the Senate Budget, we then carried this bill before the full Committee on Appropriations where every opportunity was given every member of that committee to offer amendments to cut those items, to eliminate any that he thought were improper, to reduce others if he thought the amounts were excessive. But instead of that course being pursued, we moved to this devious practice of shirking that responsibility and saying to the Defense Department, "Well, you take this bill, and you cut another $560 million out of it. We are not going to be bothered with that. We do not take your word when you say you need this and you need that, that it is imperative to national defense. We reject what you say about that. But we will turn back to you our responsibility for making cuts where they ought to be made."

Mr. President, that is an abdication that I do not subscribe to, and an abdication that I will not sanction by my vote. It would impair the integrity of the appropriations process. It is our duty to make these appropriations. It is not our duty to delegate that authority to the executive branch of the Government.

Every member of the Committee on Appropriations had the opportunity—and I say the duty—to offer amendments to strike these items from the bill that are now suggested here as areas where reductions might be made. Only in one instance was an amendment offered in the Appropriations Committee to make a reduction, and that was voted down by a voice vote.

Mr. President, I say that it is inconsistent, at least; and in my judgment this process, this proceeding, repudiates one of the chief purposes of the Congressional Budget and Impoundment Control Act of 1974. Before this 1974 act was passed, we heard a great deal of clamor for Congress to get back control of the budget and meet its responsibility. That is what prompted the enactment of the Budget Control Act.

Let us see in the conference report what is the very first purpose that was listed and designated that this act was supposed to accomplish. I read from section 2 of the conference report on the Budget Control and Impoundment Act.

> Section 2. The Congress declares that it is essential—
>
> (1) To insure effective congressional control of the budget process.

That is why the act was passed. That is why the Budget Committee was created. That is why it has here today a resolution putting a ceiling above what this amendment would authorize.

Mr. President, that was followed up in the act itself. I refer again to what its chief purpose is. Five things were mentioned, but the first purpose enumerated in the act and in the conference report was the following, and I read from the act:

> The Congress declares that it is essential:
>
> (1) To assure effective congressional control over the budgetary process.

That is the reason for the enactment of the law. That was the purpose. It was a good purpose.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McCLELLAN. I yield myself 3 additional minutes.

Mr. President, we enacted the law. Now we want to change it. We want to be inconsistent. We want to say, "Well, it has gone through the subcommittee; it has gone through the full committee; it is here on the floor; it is under the budget limitations. But this amendment says that now we ought to delegate some power to the Secretary of Defense, to cut $560 million wherever he wants to. We are not going to do it. We have these items here that we say ought to be cut, but we are not going to submit them to the Appropriations Committee. We are not going to make a motion there. We are not going to offer an amendment on the floor of the Senate. We are going to abdicate that responsibility and let the Secretary of Defense take over and do our job for us."

Mr. President, if this procedure is wise for this bill, it is also justified for every other appropriation bill. We can say in every other appropriation bill, "Mr. Secretary, you reduce this another billion dollars or $500 million or $400 million, wherever you want to."

I do not think we meet our responsibility and do our duty when we legislate in that fashion. If this is the procedure that the Senate intends to follow on all appropriation bills, then the Senate does not have any need for a Committee on Appropriations. If this is the procedure that we are going to follow in the Senate every time an appropriation bill comes over here, to say, "Well, the House did its job; we are just going to take these figures, and there is no use to have the Senate Committee on Appropriations go out and work on it and find if there are places in which the House erred or where its judgment does not coincide with ours, and we will rubberstamp what the House did," then the Senate does not need any Committee on Appropriations. That is what we are saying by this amendment.

Mr. President, the total amount in this bill is a considered judgment, after long examination and study and deliberations of the Senate Committee on Appropriations and the subcommittee that did the hard work thereon. If someone were offering amendments to strike these items from the bill, I could understand. I could be tolerant about it. I could understand that they might have an opinion different from that of the committee, an opinion they have a right to assert, and that they have a duty to offer amendments and to ask the Senate to act in conformity with their judgment, instead of the committee's judgment. But when a Senator offers an amendment, after having abdicated his responsibility to present that amendment to the committee and give it an opportunity for discussion, to work its will, we come here, to these broadside cuts; it is not the way to legislate.

It is not fair to the committees. It is not fair to any appropriations committee or any subcommittee, after having done all the hard work that we do, conscientiously, for hours and hours and hours, to have our work here cast aside, and to hear it said, "Let's rubberstamp the House, or let's just delegate the power to the secretary of that agency or department to do our job."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GOLDWATER. Mr. President, will the Senator yield me 5 minutes?

Mr. McCLELLAN. I yield 5 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, it was interesting to hear the chairman of the Committee on Appropriations describe how this amendment would circumvent the theory and the practice of the Committee on Appropriations. I maintain that it also does injustice to the whole committee concept.

The idea of having this body and the other body broken into committees is that we can gather in smaller groups, argue the merits—before the Committee on Armed Services, in this case, chaired by the distinguished Senator from Mississippi.

I know that many Members of this body and the other body think that the Armed Services Committees are pretty much dominated by the Pentagon. This is wrong. Even to proceed on that assumption is wrong. I remind the Senator from Missouri that I offered an amendment before this body just last week that would have taken out an aircraft that was made in his home State. I am not saying that that had anything to do with it, but he resisted it.

To try to make an across-the-board cut appropriation bills after the amounts and the specific items have been authorized and recommended for appropriation, to me, is very wrong. The Armed Services Committee devotes hundreds and hundreds of hours to each item. Yet, after we have devoted this time, assisted by our staffs, we are told by foundations and groups downtown that our figures are wrong and our choices are wrong.

The Senate bill now before us is the culmination of detailed examinations of all aspects of the Department of Defense request. The $90.8 billion in the Senate bill is the amount believed required for the systems examined.

The Eagleton amendment would void this work.

The end result of the Eagleton amendment would be chaos. It is doubtful the conferees could agree on specific systems within the same dollar ceiling—$90.2 billion. The final determination would have to be made by the Secretary of Defense. This voids the intent of the Congressional Budget and Impoundment Control Act of 1974 by delegating to the executive branch allocation of cuts.

If the Senator wishes to reduce a bill by $564 million, he should offer amendments to reduce or eliminate specific items in the bill. In this way we will have full knowledge of what the impact of any reduction might be.

I say, Mr. President, with due respect to my friend from Missouri (Mr. EAGLETON) that he appeared before the Committee on Armed Services this past year in an attempt to knock out the AWACS, a subject which he has brought up again. He made a very competent witness, he brought competent witnesses with him. In the opinion of the committee, however, they were not sufficient to override.

That is the proper process. I am not ruling out the idea that we deny ourselves the right to do it on the floor, but the defense authorization and the defense appropriation bill, it seems to me, is the only target of anyone, now, who want to cut anything. With the defense amounts that we are spending, if we continue to decline in the amount that we are spending, by the year 1980, our military forces in this country will not be worth talking about.

Mr. President, the Eagleton amendment would not enable us to know what systems or items were to be cut.

The Eagleton amendment assumes the House amount is the best amount. I say "assumes." I have seen no proof that supports that contention. The Secretary of Defense submitted a $2.6 billion reclama to the House bill. However, the Senate amount is only $564 million above House amount. Therefore, this bill is even $2 billion less than the Secretary of Defense says is required.

As I said, the Senator had an opportunity to reduce the Senate bill by $35 million, had he voted for my F-18 amendment. However, I note he failed to take advantage of that opportunity. The Senate has already rejected the Senator's AWACS amendment, the funding for the Condor missile is now tied to SecDef certification, the modified amendment on Safeguard has been accepted, and we did eliminate the funds for the Enforcer aircraft.

With these items having already been considered, it seems somewhat unrealistic to ask us to accept an amendment that could include them all, in effect.

Mr. President, I have to defend the appropriations process of Congress, as I do the authorization process. Without them, it would be utter chaos. To me, this annual attempt to put a meat axe to the budget of the military is wrong, wrong, wrong. I hope that this amendment will be resoundingly defeated and that we can proceed quickly to the approval of an appropriations bill, Mr. President, that, in my considered opinion, after the major part of my life having been spent in this field, is a very, very inadequate amount of money and a very dangerously low amount of money—which, in effect, says to the Soviets, "Keep it up, boys, we are quitting."

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. I yield 10 minutes to the Senator from Georgia.

Mr. NUNN. I thank my colleague, the Senator from Arizona and my colleague the Senator from Mississippi, and others who have spoken against this Eagleton amendment.

I think the first thing we need to consider is that this amendment really is opposed to the considered opinion of the Committee on the Budget, the Committee on Appropriations, and the authorizing committee, the Committee on Armed Services. The majority on those three committees, after an awful lot of work and research, and after a lot of time-consuming hearings, have decided basically that this amendment certainly is not within the amount of money that needs to be spent on defense this year.

The recommendation of the Committee on the Budget is reflected here, I believe, in the second concurrent resolution. I believe that that indicates that the Committee on Appropriations bill, considering all other defense bills—military construction and others—is $200 million under the target. So we are not talking about a bill that is over the Budget Committee target; we are talking about one that is under the Budget Committee target. I think that is a very important point.

I should like also to oppose this amendment for other reasons. First, it would simply continue the erosion of our defense capability, which I believe has already been eroded far enough.

Second, as Senator McCLELLAN has pointed out, it does weaken congressional control on the details and specifics of the defense program, because it simply makes an across-the-board, unspecified reduction, and leaves it basically up to the Secretary of Defense.

I also think that we ought to look at where we stand as far as defense spending is concerned, because, after all, it is what we procure for that money; it is, in the final analysis, a question of what we have in the way of real military defense that counts more than the number of dollars.

Our defense forces and defense budget are now far below the levels of what we have become accustomed to during 25 years of the cold war. That is a point that needs repeating over and over again, until it finally sinks into the media of this country and the public of this country. I hope it is injected in a vigorous way into all the discussions on defense that should take place during the Presidential campaign, next year. Because this is overlooked.

The defense budget is large. It is about $90 billion. But we are not spending the money in proportion to what we did in the past. The defense budget simply has not kept up with inflation. Let us take a couple of examples.

The funds for procurement and research and development in the House appropriation bill that we are asked today, by this amendment, to go back to, are only $8.7 billion higher than the amount spent in fiscal year 1964; that is, prior to the Vietnam war. This is a 39-percent increase in 11 years, but it compares with an 86-percent inflationary increase in the wholesale price index. Thus, under the House bill, funds for defense investment—and that is what we are talking about in procurement and R. & D.—would increase at less than half the rate that would be needed just to stay even with inflation.

Let us take another example: Military pay rates have gone up 123 percent since fiscal year 1964, but funds to cover those pay raises have gone up only 97 percent. The result of that is that we have fewer people we are paying. We are paying about 2 million military people. Our principal potential adversary, the Soviet Union, is paying about 4 million people. They have twice as many men as we have; yet they spend only 30 cents out of every dollar on manpower, while this Nation is spending 60 cents out of every dollar on manpower.

So, I say to my colleague from Missouri, the way that we are going about this situation now, the list that he has given us is a further cut in research and development, a further cut in procurement. Those are the items that are already being called on to be cut, over and over again, while we see inflation in manpower costs going up, up, up. There are many other examples of this, but the point is that the military budget has been reduced substantially in real dollar terms since 1964 fiscal year.

Military personnel strength—that is another example—has been reduced 585,000 people since the 1964 pre-Vietnam level. The number of men for the Army in each division has dropped from 59 600 to 48,700. The number of naval ships has been reduced from 917 ships to 490 ships, the lowest level since 1939—the lowest level since 1939.

What about aircraft? Well, the Air Force aircraft have dropped from 16,000 in 1964 to 9,400 in 1976—the lowest number of aircraft since 1950.

What about the number of troops deployed overseas compared to fiscal year 1964, prior to the Vietnam buildup?

At that time, we had 719,000 troops overseas. Today we have 480,000 overseas. So we can see from these figures the level of forces the United States will have in 1976 is substantially below—let me repeat, substantially below—the levels we maintained during the 25 years of the cold war, and yet this point has not been made known in a vigorous way to the American people.

In the so-called age of détente we cannot be sure of what the Soviet intentions are. However, it is very clear they are doggedly, and they are gradually, increasing their military capabilities year after year. There has been no dramatic increase in any one year but, at the same time, the United States has been gradually, and yet doggedly, cutting its military capabilities year after year.

At some point, if these trends continue, without any doubt we will become militarily inferior. So this ceiling amendment continues the gradual steady erosion of defense buying power. It is a cut for the sake of cutting, with no relation to the defense needs or the specific programs that would be reduced.

I believe these are serious issues we must face when dealing with the defense budget. Yes, we do need a great debate on our foreign policy and our defense policy. But we should not, and we must not, mislead the American people into thinking the defense budget is simply one big numbers game and that a few billion dollars one way or the other do not really matter.

We have got to take a careful, hard, and responsible look. I believe the cuts made by the House in the defense budget have gone too far. It is very difficult to say precisely how much is too much. That is the job of the Committee on Appropriation. However, there are a number of indicators that imply that the cuts made by the House would damage key elements of the defense program.

First, the original budget resolution, the first concurrent resolution, provided for a $7-billion cut, which represented 6.5 percent in the overall national defense category.

Thus far, however, the House has cut $8.5 billion or 8.2 percent in the regular defense and military construction appropriation bills. So we are talking about a $8.5 billion reduction, which substantially exceeds the $7 billion cut originally envisioned and debated by Congress in the first concurrent resolution.

Another point: Ships and aircraft maintenance has been a problem, we all know that. In the Senate authorization bill Senator HARTKE and Senator BAYH introduced an amendment to exclude industrially funded civilians, many of whom work in shipyards and aircraft repair plants, to remove them from congressional authorization.

I led the fight against that amendment. The Senators felt this amendment would improve efficiency of needed ship and aircraft maintenance activities. I did not agree with that analysis. But while I opposed the amendment since I did not believe it would accomplish the purpose, I did agree with the objective of improved maintenance. In that debate I pointed out the authorization bill, which was on the floor in the early summer of this year, did not cut industrially funded shipyards or their activities. The cuts in previous years in these activities were made in the appropriation bill, not the authorization bill.

Now, the House appropriation bill, which the Senator from Missouri is asking us to go back to and take that amount, cuts shipyard and other industrially funded activities by over 7,000 personnel and some $200 million. I believe this reduction will further aggravate what is already a very serious and continuing problem, that is, the material condition of our ships and aircraft.

The House would also make a $788 million cut in the funds that are so-called stock funds. These funds are used to pay for the cost of inflation on a whole range of common, everyday items needed to keep the forces operating and ready. Some 86 percent of these funds is for fuel and spare parts. This kind of a cut would lead to less flying, less ships' steaming time, less training, and more equipment that could not be repaired for lack of spare parts.

So it makes no sense to me to have 2 million men under arms and then deny them the wherewithal to train or to maintain their equipment.

There are a number of other areas the House cut very deeply on, such as recruiting, procurement, and research and development. I will not go into detail in all of these areas at this time, but I believe the Senate should not force the Committee on Appropriations to accept this kind of reduction as made by the House.

Finally, one word about the second budget resolution as it relates to defense. In its report the Senate Committee on the Budget recommends that the original defense budget targets be raised in the second budget resolution. The targets were increased in committee in a very deliberate decision after a long and vigorous debate by $800 million in budget authority and $1.3 billion in outlays. This was done specifically to accommodate the Senate Committee on Appropriations action.

Thus there is no need to cut this appropriation bill to meet the budget targets, and I urge my colleagues to vote against this ceiling amendment because it is not needed to meet the budget targets and, most important, because it would continue the dangerous process of steady erosion of our defense capabilities.

Mr. McCLELLAN. Mr. President, I yield 5 minutes to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator, and I shall be quite brief. I do hope I have the attention of the membership that is here through these 5 minutes.

Mr. President, this appropriation bill includes the programs that were in our military authorization bill, for procurement, research and development, under such items as the committee saw fit to put in the bill.

I am going to mention all the hearings and the consideration by the Senate that have already been given to these programs because this amendment, in effect, repudiates all that has been done. It sets a new and different figure, and also puts the responsibility of picking and choosing not on Congress but on the Department of Defense.

Back to the authorization bill, Mr. President: We actually had 39 or 40 days of hearings by the subcommittee of the Armed Services Committee led by the Senator from New Hampshire (Mr. McINTYRE) on research, development, test and evaluation.

Those items that survived are in this bill, although in the authorization bill we reduced the amount before us by 10.7 percent.

The Tactical Air Subcommittee held something like 10 days of hearings. The full committee held approximately 10 days of hearings, all on items now that are in this bill. The items have been passed on, and have come all the way down the line. Then the bill was in markup in committee I think about a week or 8 days; it came here to the floor and was under debate 3 or 4 days; then it went to a conference committee with the House where we had 23 separate sessions on these same items now that are in this bill from that authorization bill. Eventually it came back to the floor and it was voted on here and turned down. It went back to conference again, where we had three sessions, I think; and it came back to the floor here and was approved.

Now all that has been done in addition to what the Committee on Appropriations has done, and I know as a fact the Committee on Appropriations started working on this entire bill just about a year ago because some hearings were held in calendar year 1974.

This pending bill has gone through all those processes from the Appropriations Subcommittee hearings, subcommittee consideration and markup, and then the full committee markup, and finally changes and adoptions, and here on the floor now, the equivalent of 3 or 4 days of debate, with all rollcalls and everything else thrown in. These are the most exhaustively and most completely, thoroughly analyzed and considered military appropriation and authorization bills that, I think, have been before this body in more than 30 years.

I emphasize all this to show what this amendment does. Now, in spite of all these things and all these votes and all these judgments and everything that has been passed on by the membership of this body, this amendment would propose to repudiate it all and say: "No, we are going to take $560 million less, make a ceiling out of it, and that is the total amount that can be allowed in the bill."

Mr. President, with great deference to the authors of this amendment—whose intentions are good, of course—legislativewise I will say respectfully that this would be a ridiculous situation, in my humble opinion.

This does point out one thing, though. On the facts I have related here, I am convinced now that we are going to have to resort to a new, modified method to get to these appropriation bills and authorization bills in a 2-year program. Already the volume of legislation here, appropriations and authorizations, is so much for 100 Members to do, that it cannot be done under our present system and leave time for proper attention to other matters.

I am going to try to be among those that will recommend certain items in the Department of Defense budget that can be handled on a 2-year basis. I hope that other Departments will start thinking in the same direction.

Mr. NUNN. Will the Senator yield for a brief comment?

Mr. STENNIS. I am happy to yield to the Senator.

Mr. NUNN. I share the sentiments that the chairman of the Armed Services Committee has expressed. Here we are in the middle of November, after the fiscal year has started 5 months ago, and we are still debating an appropriations bill, and no matter what facts——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NUNN. One minute, Mr. President. The effect of those facts would be very small this fiscal year because we have only about half of the year left.

I testified 2 years ago when I first got here about the advantage of a 2-year appropriation cycle. I do agree with the chairman that this is going to have to be done in the defense bill with this kind of debate.

Mr. STENNIS. We are appropriating now for 15 months and 24 months is not much more.

I think it is a very practical matter. We are driven to it, as the Senator said, and I hope that we make some quick studies on this matter and have some definite recommendations.

I thank the Senator.

PURPOSE OF THE AMENDMENT

Mr. President, this amendment would place a ceiling on the Department of Defense funds in the amount of $90,219,045,000, which is the amount that the bill adds up to as passed by the House. Most importantly it represents a cut of $564,304,000 below the bill as reported by the Committee on Appropriations substantially the same as the bill stands as of this moment.

SERIOUS DEFICIENCIES

Mr. President, there are eight separate titles in this bill, the sum of which total $564 million more than the pending amendment. This amendment language does not amend any of the eight titles, nor give an indication of which line items would be reduced or eliminated.

I emphasize, Mr. President, that there is no authority in this amendment for the Secretary of Defense to withhold the spending of funds as appropriated for the various line items. This in itself raises a serious policy question.

Furthermore, Mr. President, the lateness of the year itself greatly intensifies the seriousness of this reduction. For example, if this cut is to be made in the form of a reduction in military personnel or the firing of civilian workers, almost twice as many must be eliminated as would normally be the case if the reductions were made at the beginning of the fiscal year.

REPUDIATION OF SENATE PROCESSES

Mr. President, this amendment repudiates the work of both the Senate Armed Services Committee in its authorizing function, and of the Appropriations Committee. The fundamental premise of both these committees has been that since we legislate by line item we should also either add or reduce by line item. That is the only way in which the Congress can intelligently act and deal in specifics. Only by dealing in specifics can the Congress itself determine the shape and form of the defense program. Weeks and months of hearings in the committees and debate on the Senate floor have produced a congressional defense policy which is represented by the committee bill.

At this point, Mr. President, I emphasize that a similar type ceiling amendment to the authorization bill was rejected by a vote of 59 to 36 on June 4.

MAJOR CUTS ALREADY MADE ON A LINE ITEM BASIS

Mr. President, major cuts have already been made in the defense budget request for fiscal year 1976—all on a line item basis. In the authorization bill the final conference report reduced the budget request by 10.7 percent, even excluding the reduction and elimination of the request for South Vietnam.

This $3,049,000,000 reduction was made in procurement and research and development. It has long since passed the Congress and been signed into law by the President. The appropriations bill, as reported by the committee, makes further large reductions of $4.1 billion beyond the authorization bill and in areas not covered by authorization. The total reduction in the appropriations bill, as reported by the committee, is $7.1 billion or 7.3 percent from the request. This is the largest reduction made in recent years and is as far as we can prudently go.

FURTHER REDUCTIONS NOT NEEDED

Finally, Mr. President, I point out that further reductions in this appropriations bill, as proposed in this amendment, are not needed to meet budgetary guidelines. The second budget resolution, as reported by the Senate Budget Committee, makes a total reduction in the defense category of $6.2 billion or 5.6 percent from the President's budget request. This appropriations bill cuts $7.1 billion or 7.3 percent from the President's request for appropriations. As one can see, the reductions made in the major Defense Department appropriations exceed reduction targets in the second budget resolution as reported by the Senate committee. I understand the Senate Budget Committee increased the original targets for defense by some $800 million. However, I point out that this appropriations bill cuts more in percentage terms than even those original targets. The appropriations bill cuts 7.3 percent, whereas the original targets cut 6.4 percent. Thus, under either the old budget targets or the new budget targets we do not need to make additional reductions in this appropriations bill.

I urge we vote against this across-the-board ceiling amendment which would indiscriminately cut the defense budget.

Mr. McCLELLAN. Mr. President, I yield 3 minutes to the distinguished Senator from North Dakota.

The PRESIDING OFFICER (Mr. STAFFORD). The Senator from North Dakota.

Mr. YOUNG. Mr. President, this amendment if approved would be a serious mistake. After the Vietnam war the credibility of the United States sank to a very low level. Even little Cambodia thought they could challenge us by capturing one of our ships carrying cargo to Thailand.

If we were to cut, say, $10 billion more in our budget, it would certainly decrease our credibility in the rest of the world. They would have doubts about the strength of our country and the resolve of our country to remain strong, or just what our role will be in world affairs in our own defense.

We have made a cut of more than $7 billion. This is going to hurt, but I believe we can live with it. But if this proposed cut were approved, most of it would have to come out of military procurement. We could not do it in personnel because the actual savings would not take effect for several months to come.

We are now lacking in several categories of national defense. I shall cite just a couple of them.

The Germans, we believe, have a better tank than we have. The Russians have a very small short-range surface-to-surface missile, the STIX, which is very effective. We have nothing comparable to it. The Germans and the French together came up with the Roland surface-to-air missile. We are now in the process of tooling up to go into production on this German-French missile next year.

I say this just to give some indication of how we have slipped militarily. Our military strength is not adequate for the kind of world we are living in.

The major Senate increase was $432 million to replenish the stock fund. Through the stock fund, the Defense Department furnishes materials to all the services, such as gasoline and other materials. The stock funds in this program, largely due to inflation, are at a very low level. The Defense Department felt the minimum we could do would be to replenish the $432 million.

This was a major item. There are many other increased costs. We have an all voluntary military force mass. It is very costly. But it was something the American people wanted and I think they will want to pay for it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLELLAN. I yield another minute.

The PRESIDING OFFICER. The Senator is recognized.

Mr. YOUNG. This adds greatly to the cost of the military. There has been inflation. The Defense Department is a big user of petroleum products. They had to save petroleum and save money. The military had to reduce flying hours, for example, to a very low and dangerous level.

Mr. President, I hope this amendment will not be approved.

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. EAGLETON. Mr. President, I have listened with careful attention to the eloquence of some very able Senators—three very fine, erstwhile jury lawyers, such as Senators PASTORE, McCLELLAN, and STENNIS, who presented their case.

They are able advocates. To be a lawyer is to be an advocate for a particular cause. One does not necessarily have to be an advocate for the right cause; one just has to be an advocate. They do espouse their cases with vigor and with clarity of expression.

Senator PASTORE talked with great vigor about cutting the defense budget, that we were not only cutting the fat, we were cutting into the bone, the muscle. I was not here throughout the entirety of his remarks, but I am sure he espoused them with great vigor.

Let us talk a little about this muscle we are cutting into. Here is some of the muscle insofar as the difference between the Senate and the House bill.

The stock fund surcharge.

That is a lot of military muscle. The House is $88 million below the Senate in that figure.

The Defense Investigative Service. The House survey and investigations staff has determined that the DIS is woefully overmanned, overstaffed. The House bill is $6 million below the Senate bill with respect to that function.

The Defense Mapping Agency. The House found that they could cut that agency an additional $15 million.

Have I talked anything about muscle, Mr. President? I have not.

What about the commissary subsidiary. There is a real muscular item. That goes right to our vitals, the commissary fund. Everyone agrees it is about $109 million in excess.

What is the commissary fund?

Well, that is where retired servicemen and others can buy bargain-rate food subsidized by the United States, the Wheaties, the Wonder bread, and other groceries.

Right to the bone, Mr. President. I guess we will have to raise the white flag of surrender if we do something with the commissary fund.

The Army song is, "The Caissons Go Rolling Along." It will have to be amended so the new lyrics will be:

> Over hill, over dale, as we hit the commissary trail.

My God, this is cutting it right to the bone. Good old red, white, and blue.

Our distinguished chairman—and I am sincere when I say this—did an outstanding job on this bill. I want to see him not only get an A on his report card, I am trying to help him get an A-plus, and if this Eagleton amendment passes, he will get an A-plus.

He says that this is sacrificing the integrity of the committee. Good jury lawyer that Senator McCLELLAN was when he was prosecuting in his home county in Arkansas, he knows that there are two elements in any case—the facts and the law.

As an advocate, if one's side of the case is a little weak on the facts, one argues the law. Or conversely, if one's case is a little weak on the law, one argues the facts. And, as I think is the case here, if one is weak on both the facts and the law, one argues the integrity of the judge.

This is not unprecedented, Mr. President. There is ample precedent for what we are trying to do here today.

A year ago, one of the distinguished subcommittee chairmen of the Senate Appropriations Committee, on which Senator McCLELLAN and I serve, Senator BYRD, the assistant majority leader, when chairman of the Transportation Subcommittee, brought his bill to the floor and offered a ceiling amendment to his own bill. It passed overwhelmingly in this body. It is not unheard of. It is not unthinkable

We are not delegating as much authority to the Pentagon as the Senator from Mississippi, the Senator from Arkansas, the Senator from Alabama, and the Senator from Georgia would have this body believe. Why? There are more than 200 items in disagreement between the Senate and the House. If this amendment is adopted, putting on this ceiling of $90.2 billion, when they go to conference the Senate conferees and the House conferees can go over all the items in disagreement. The Senate conferees can work out the differences with the House and accommodate themselves very easily to a $90.2 billion spending level.

This is not giving carte blanche to the Defense Department. It would be if the Senate and House conferees decided to make compromises which would exceed this limitation.

That is more than an idle risk, I say parenthetically on this point. I dwelled on this in my original remarks. I will repeat it briefly for emphasis at this time.

With these 213 items in disagreement, if the Senate conferees yield to the House on each item where the House wanted more money, and then, in turn, the House conferees yield to the Senate on each item where the Senate wanted more money, if that occurs—it probably will not in totality—the outside exposure risk on the up side would be $1,876,000,000. That is, we could have the quixotic result that a bill that goes to conference would come back from conference higher in dollar amount than both the House bill and the Senate bill. It has happened before with respect to the defense authorization bill. It has not happened as yet with respect to the defense appropriation bill, but this is the first year, Mr. President, that I can recall, where the House Appropriations Committee has come into conference with a figure lower than the Senate. The other bills that I remember were just the opposite. The House appropriation figure was always higher than the Senate bill, if my memory serves me right.

Finally, what about this $90.2 billion figure. It was not fetched out of thin air by whim and caprice. This is the figure that Mr. MAHON and his associates came up with in their deliberations. No one accuses Mr. MAHON of being soft on defense. No one accuses him of taking lightly the threat or the potential threat from adversaries. He is considered a strong man on defense. Throughout the entirety of our Vietnam nightmare he was an unrepented hawk. This man is not cutting defense to the bone.

But there are places to cut. We can cut off the subsidy for old Judge Coffee. We can cut off the subsidy for the Wheaties at the commissary. We can cut the Defense Mapping Agency. There are all of these things, as I mentioned to the Senator from Rhode Island, these items to which he apparently refers when he talks about cutting this budget to the bone.

It is not true; it is not the case. One can say it as loud and as crisply as one wants. It does not give it any greater truth or veracity. It just is not so.

Mr. President, in conclusion I think there are ample places when this bill goes to conference where good and conscientious conferees, as I know they will be, can cut this bill and get it well within, comfortably within, the $90.2 billion ceiling limit called for in this amendment.

Mr. KENNEDY. Will the Senator be good enough to yield for a question?

Mr. EAGLETON. I am pleased to yield to my colleague from Massachusetts

Mr. KENNEDY. First of all, I commend the Senator from Missouri for the effort he is making today and for the statements he has made. He has been a leader in the Senate, with others, to try and insure that we were going to have a national defense appropriations which recognized that not only do we need the missiles and the armaments but we also need to provide for the needs of the people of this country in a wide variety of different areas.

The defense appropriations bill now before the Senate represents the largest increase over the previous year of any defense appropriations measure at least in the past 7 years.

It is a figure bloated largely by the initial administration request which proposed nearly a 20 percent hike in defense spending.

Even with the reductions made by the House Appropriations Committee—a 7.8 percent reduction—the level of appropriations for defense would have been substantially greater than last year, even with inflation added in.

The Senate committee has not, contrary to its actions in the past, reduced that $90.2 billion to a more modest level. Instead, the bill now comes to the floor at a level of $90.78 billion, more than $500 million higher than the House-passed level.

Nor might I add, is this going to be the end of the appropriations demanded for the Defense Department in this fiscal year.

There will be a pay supplemental which will add at least another billion dollars and more likely $2 billion in additional defense spending in this fiscal year.

Let me cite the figures themselves to demonstrate that this bill is inflationary.

1975 DOD APPROPRIATIONS BILL

Eighty two billion dollars—new obligational authority—$82 billion plus inflation—6.9 percent testified by former Secretary Schlesinger as the Department's estimate of inflation—equals $87.6 billion.

If that figure were used, this bill is $3 billion higher than the level of last year plus inflation, 1975 total DOD appropriations, including transfers and supplemental bills—$84.0 billion.

Eighty four billion dollars plus inflation—6.9 percent testified to by former Secretary Schlesinger as the Department's estimate of inflation—equals $89.79 billion. If that figure were used, this bill is still $1 billion higher than the level of all last year's DOD appropriations plus inflation. And as noted, the comparable figures would require adding in $1 to $2 billion more on this year's bill to incorporate the anticipated supplemental.

Thus, under a fair comparison, the bill reported is some $4 billion greater than it need be, if we were to treat Defense as other agencies and place some restrictions on the level of spending by limiting the increase to that necessary to cover inflation.

However, we are not even attempting that much, Mr. President. We are merely attempting to provide for the same ceiling on this bill as that voted by the House of Representatives—$90.2 billion, a modest decrease of $500 million.

Surely, if the President is anxious to cut unreasonable increases in Federal spending, as he has indicated by I believe a distorted sense of reasoning in his vetoes, how can he recommend an $8 billion increase in spending for the Department of Defense—far more than simply insuring them against the impact of inflation?

How can he propose placing a cap on the level of social security cost of living increases and object to our effort to merely insure that the Defense Department does not get more than a cost of living increase?

How can he propose raising the cost of food stamps to the elderly by 30 percent when he is proposing to increase the taxpayer burden by hundreds of times that amount in the bill before us?

How can he propose increasing the costs to the elderly of medicare through added deductibles and coinsurance when he is proposing, and the committee is granting, billions of dollars in added expenditures by the Department of Defense that are superfluous to the issue of providing us with an adequate defense.

If we are going to accept those priorities, then we are going to forego the need to provide for other national security needs beside military forces—the health of our citizens, the education of our children, and the other services and facilities that will determine whether our economic security remains intact.

The argument that the action of the Senate Budget Committee, in its ex post facto raising of the target figure of the defense function, rationalizes the higher appropriations in this bill is within our capacity is faulty. The action taken represents the wrong way to bring our books into balance. It represents a continued distortion of our national priorities that the Senate does not have to endorse.

We have the letter from the Secretary of Defense to the chairman of the committee stating that this bill—to protect the Department from the cost of inflation—must be 6.9 percent higher than last year. In fact, it is more than 10 percent higher than last year.

The proposed amendment merely will provide for a ceiling less at the House-approved level. It is a modest attempt to place a limit on the appropriations—to say no more beyond this.

It is reasonable, it is desirable, and it is thoroughly consistent with the full security of the Nation.

In that regard, one final point. The wire service reports that the President today submitted a request to Congress that we cut $1.28 billion from the education programs in this fiscal year.

We proposed spending 4 percent more for education and had to pass the appropriations bill over his veto. Now, for reasons of inflation, he is asking us to cut back on education for the handicapped, vocational, and adult education and other programs. But he still urges that we spend billions more on defense, that we accept this bill which is $90.78 billion, and which is on its face inflationary.

These are wrong priorities. I ask unanimous consent that this news article be printed in the RECORD.

There being no objection, the news article was ordered to be printed in the RECORD, as follows:

FORD-EDUCATION CUTS

WASHINGTON.—President Ford asked Congress today to cut $1.28 billion from education programs of the Department of Health, Education and Welfare.

In a message, the President said six specific cuts "would reduce Federal spending for programs that are responsibilities of State and local jurisdictions, fail to effectively focus on the persons in need of assistance, or are not justifiable on programmatic grounds."

He said approval would reduce spending by $182 million this fiscal year ending next July 1, by $61 million in the budgetary transition quarter, by $839 million in 1977 and by $208 million in later years.

The cuts were requested in these areas: Elementary and secondary education, $220.4 million; school assistance in federally affected areas, $220.9 million; education for the handicapped, $36.4 million; occupational, vocational and adult education, $14.2 million; higher education $768.1 million; and library resources, $28.9 million.

Mr. KENNEDY. As the Senator from Missouri understands, we attempted, in the earlier part of this year, to try to bring together some relationship between our foreign policy considerations and the defense budget.

In recent years, the Vietnam war has ended and there has been a change toward less hostility in our relations with two of the great superpowers of the world. No one doubts or questions that both the Soviet Union and the People's Republic of China are formidable adversaries for the United States. No one is questioning, in supporting the amendment of the Senator from Missouri, that we need to have a national defense posture which is going to be able to protect the vital interests of the United States.

The question that is being asked by the Senator from Missouri is: "What is enough" to meet this responsibility?

As I understand, the cause that is being made by the Senator from Missouri is that if we took just the cost of inflation over last year, and we took the figures that were given by the former Secretary of Defense, Mr. Schlesinger, we would still be well within the ceiling which would be the result of the amendment of the Senator from Missouri.

Do I understand the Senator from Missouri correctly that his amendment, returning the ceiling to the House level, still would provide for inflation and even would include several billion dollars more then inflation?

Mr. EAGLETON. The Senator is absolutely correct. If we make an allowance for 7-percent inflation, we would still have about a 4-percent cushion beyond that. The bill would be something in the neighborhood of $3 billion in excess of inflation if we adopt the Eagleton ceiling figure.

Mr. KENNEDY. As the Senator remembers from our earlier debate, the actual requests that were made to the Congress, in the initial budget requests, for the military procurement bill were approximately 34 percent higher than last year. What actually came out of the Armed Services Committee authorizations was about 22 percent higher. As I remember, the Senator and I supported Senator SYMINGTON in an amendment in the earlier part of the year to bring that down to approximately 14 to 16 percent, which we were unable to achieve.

It does seem to me at a time when we have been attempting negotiations with our adversaries in a wide variety of different endeavors, including SALT and MBFR, when we have seen our President travel abroad to sign the agreement in Helsinki, and plan to go to China, it does not seem that the threat to our security has increased.

Yet we are still being asked to move a significant, sizable amount of resources out of the areas of community mental health centers, neighborhood health centers, child and maternal health care centers, alcoholism and drug abuse programs, and into the Department of Defense.

I am asking the Senator from Missouri whether in his study of this particular issue, having listened for hours to those charged with the responsibility from the Defense Department who appeared before the Appropriations Committee, whether he has found any compelling reason why we ought to move those significant, sizable resources that can mean such a great deal of difference in terms of the quality of life for millions of Americans into the defense budget.

Are the Soviet Union or the Peoples Republic of China threatening us to a greater degree today than they were a year ago? Have our foreign policy arrangements with those two countries deteriorated so much over the last year that we have to rededicate these vital resources? What possible justification can we find for this transfer of limited resources—and I think all of us understand our resources are limited—for this purpose?

Mr. EAGLETON. Mr. President, I think the Senator is eminently correct in that which he implies by his rhetorical question. In response to the question of the Senator from Massachusetts, I can find no legitimate rationale or justification for such a transfer. I can find no greater threat posed to us now by the Soviet Union than last year. I am not minimizing its existence; I am not saying it is a nonexistent threat, but I am saying we are no weaker now than last year.

We are in an era of détente, supposedly, of lessening differences with the Soviet Union. We are in the era of SALT II, supposedly lowering the military antagonisms between the two adversaries. Yet in spite of that, we keep upping the defense budget.

We all know that after Vietnam there was supposed to be this huge peace dividend. Remember all the talk about the peace dividend, that once the war was over, the billions and billions we were pumping in there we could bring back to our country for health, for education, for mass transit, for all our vital domestic needs? Whatever happened to that peace dividend? We are spending more for our defense budget today than in some of the big Vietnam years, when we were in a hot war, when we had 550,000-plus troops committed to Southeast Asia.

The peace dividend has evaporated. It never occurred. It never was transferred to the domestic programs that were crying out for attention.

Mr. KENNEDY. I think the Senator has stated the situation accurately. Let me just say that as far as the people in my home State of Massachusetts are concerned, when you look at the recent crime statistics, which now have increased 18 percent this year over last, with a total increase in violent crimes by 58 percent over a period of the last 4½ to 5 years, quite frankly, they are as much if not more concerned about their own security in being able to walk in their streets as they are in the threat of a Soviet missile. The people in my part of the country have as much if not more concern about the security of their job, about finding adequate resources to pay for decent health care, or trying to be able to purchase a home, the cost of which now, for the average family of four, has gone up to between $41,000 and $43,000 in my State. Their insecurity is related to their feeling of not being able to participate in our society more fully.

It seems to me that we bear a very heavy burden of responsibility to try to insure that each and every dollar that we appropriate, even in this important area, will be a dollar which is worthwhile. I think the Senator's amendment is a responsible one. I think it guarantees the security that this Nation needs, and it also shows a sensitivity to the other security needs, particularly the security of people's livelihoods in this country. It is a pleasure for me to join as a cosponsor, and I hope our colleagues will support the amendment.

Mr. EAGLETON. I thank the Senator from Massachusetts. The apprehensions and concerns he expresses on behalf of his constituents in Massachusetts are shared in equal measure and with the same intensity, I can assure him, by my constituents in Missouri. I thank him very much for his support of the amendment. He has been a cosponsor from its inception. He has done a great deal of work on the defense budget, as reflected earlier today in his amendments dealing with the ABM system in North Dakota, and I am very glad to have his support.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. McCLELLAN. Mr. President, I have a request for time. I yield 5 minutes to the Senator from Alaska.

Mr. STEVENS. Mr. President, I thank the Senator.

I oppose the amendment of the Senator from Missouri because, while this is the first time I have participated in the markup sessions of the Defense Appropriations Subcommittee, I am very much impressed by the attention that has been given to the House bill, particularly by the chairman and the ranking Republican member of the subcommittee, but by all the members of the subcommittee as well.

Some of the figures have been gone over, as far as this bill is concerned, but I think, for example, of the $38 million that was restored to the Trident. I know how it affects our sister State of Washington. I think of the AWACS appropriation, and the adjustments made in the stock funds. One of them involves an increase in one part of the funds of $432 million, and another a decrease of $476 million, so that the net effect of my friend's amendment would be to put us in the position of saying to the conferees, "Find some way to accommodate these adjustments so that we rubberstamp the House."

I am not prepared to do that. I think if we are going to serve on committees such as this, and put the time on this bill that we have put into it, we ought to be permitted, as a committee instructed by the Senate to review defense needs and make recommendations to the Senate as to the types of allocations that should be made with the funds available, the recommendations of the committee should be honored.

I am particularly impressed, with respect to some of the recommendations made, such as $32 million deleted from the F–15, $75 million from the F–16, as to what will be the effect of this meat-ax approach to the defense budget at a time when we are getting so perilously low as far as our defense structure is concerned.

I have never seen the State of Alaska's defenses in such a shoddy condition. Senators who rely upon early warning systems from Alaska should go up and see them. Senators who rely upon Alaska-based fighters to ward off a manned attack, or Alaska-based missiles to defend against a missile attack, should go see it. It is the worst I have ever seen it, in terms of manpower that is there for my State to be able to survive in the event of some catastrophe in the military sense, and we know we are far, far away from the rest of the Nation. The ability of our State to defend itself in terms of manpower today is less than it was before World War II.

We have now an attack—I considered it an unwarranted attack—on the level of defense spending in view of the situation around the world and in terms of what we need to be able to defend this Nation. We are no longer talking about an offensive force, in my opinion. We are talking about strictly defense capabilities and an amendment of this type that tells us now, after literally weeks of study of all the documents that were before us, go back and spend exactly the same amount of money that the House did without regard to specific recommendations that are before us. What about the $52 million for recruiting? We now are trying to extend the time that people serve in places like the remote stations of Alaska. We have to have increased recruiting techniques in order to do that, and there is a $52 million addition here for that purpose over what the House allowed. Even then I think it is a bare minimum.

But whether we take the Trident money, the AWACS money, the depot money, the cruise missile money, whatever it is, by the effect of the amendment of my friend from Missouri we would be told, as we go into conference, "Find some way to accommodate all these things the Senate did but do not spend any more money than the House did," and under those circumstances with some of the deletions we have made the House would simply say, "Why don't you restore everything we did and then you have a bill that will meet the Eagleton amendment." And having spent weeks of study and reviewing these documents, as I said, for the first time, I am most unwilling to take this approach.

I say to my good friend from Missouri, if he does not like this bill, let us offer some specific amendments and debate them up and down. If he loses, he loses. That is the way. But this thing across the board with a level of concept of going back to the House limit but, meanwhile, keeping all the priorities the Senate has set, I think is an impossible assignment for those people in the Senate who have spent so much time on this subject this year.

I again commend Senator McClellan and Senator Young for a most fair consideration both in the subcommittee and the full committee. Again there are some things that I wished in here that are not here, but it is a circumstance in which to say we should defeat this amendment.

ADDITIONAL STATEMENTS SUBMITTED ON EAGLETON AMENDMENT

Mr. MUSKIE. Mr. President, I stand in support of the Eagleton amendment to cut back the defense appropriation bill now before the Senate. This bill more than adequately funds the Department of Defense for fiscal year 1976 and the transition quarter; in my view, the amount of this large spending bill could have been smaller. The Senate Committee on Appropriations chose to go beyond levels voted by the House of Representatives, restoring $546 million in budget authority and $569 in outlays.

The House-passed defense appropriation bill amounts to $90.2 billion in budget authority and $63.9 billion in outlays. Representative GEORGE H. MAHON, chairman of the House Appropriations Committee, pointed out House reductions from the President's request were made with the objective of "eliminating unnecessary spending without impairing essential defense programs." He said,

> I believe that most Americans would agree that $90.2 billion for the Defense Department is, if managed and spent wisely, adequate at a time when no United States military forces are engaged in combat and the nation is faced with a huge deficit and an increase in the national debt of $80 billion this year.

I fully share the chairman's viewpoint. In the Committee on the Budget markup last week, the committee members voted to accommodate the Senate Committee on Appropriations restorations. I voted against this accommodation, believing it is crucial that Congress control and limit expenditures wherever possible in the budget. Chairman MAHON, a stalwart in the national security field, has clearly indicated that $90.2 billion for the Department of Defense activities is sufficient for this fiscal year. Actually, the President's original request in February was approximately 18 percent over the estimate for fiscal year 1975, and the House-passed amount is still more than $3 billion above last year's level, even factoring in the Defense Department's inflation rate of 6.9 percent. Thus, Congress has allowed for growth in the military's activities for fiscal year 1976; the Senate level is even more generous.

The Federal deficit in the reported second concurrent resolution increased by $6 billion over the first budget resolution. Ten percent of this deficit increase comes from the outlay increase reported by the Senate Appropriation Committee in the defense appropriation bill. In explicit terms, a vote against the Eagleton amendment will help to raise the national deficit by nearly $600 million.

The bulk of the increase in the Federal deficit over the last several months is beyond Congress control. However, this amendment is within our control.

I believe the Eagleton amendment to return the funding level passed by the House of Representatives would provide prudent savings and help reduce the already swollen deficit.

Mr. MATHIAS. Mr. President, there can be little doubt but that the primary immediate threat to our national security today is clearly more economic than military. This is not to suggest a naive optimism that all military dangers around the world have evaporated in the face of détente, or that old adversaries no longer seek gain at our expense. But it is to suggest that if I were a foreign adversary of the United States, and even if I were dedicated to eventual military conquest, I would be far more likely at this time to try to exploit the weaknesses in the American economy—with its inflation, unemployment, faltering dollar value and impending municipal bankruptcies all serving to sap both internal strength and capacity for international leadership—than to risk the foolishnes of direct military encounter, with all the uncertainties and "overkills" that would accompany such a venture.

From this perspective, it appears plain than expenditures for even more armaments, at the expense of our own economic viability, weakens rather than strengthens our truest national security. Indeed, it would constitute a futile effort to prepare us for the wrong war.

Our highest national priority must be to put people back to work, and to do so with a minimum of added inflation. This will necessarily require temporary but substantial infusions of Federal spending—for public service jobs, countercylical assistance to local governmnts, manpower training programs, short-term public works, incentives for new housing starts and similar efforts. Costly as Federal programs may be, they are less inflationary than defense spending, and are considerably more efficient at generating jobs. In addition, they return a substantial portion of their costs to the Federal Treasury in the form of increased income taxes and decreased Federal spending for extended unemployment coverage, food stamps and other welfare programs needed by the jobless.

By comparison, defense spending is a less efficient way of producing jobs—a recent MIT study shows that every $1 billion in Federal spending transferred from military to civilian purposes would generate 6,436 more jobs than it eliminated, and yet is the most inflationary enterprise on which the Government can spend the taxpayer's money.

Economic pundits often describe inflation as what happens when "too much money chases too few goods." By that rule of thumb, defense spending clearly exacerbates inflation because it pumps money into the economy but does not add any goods into the economy for people to buy with their money. In effect, we spend a billion dollars to build something, and then go dump it in the ocean or hide it in a missile silo. It is hard to imagine anything more inflationary.

In the year he has spent in office, President Ford has vetoed an unprecedented number of measures passed by Congress, most of which on the basis that they were "inflationary," but none of which involved defense expenditures.

These included legislation to provide public service jobs, emergency housing relief, health care training, and the appropriation bill for all education programs in the current fiscal year. Each of these was aimed at a serious social or economic need, but each was vetoed as inflationary because it exceeded the President's budget. At the same time, of course, Federal expenditures for unemployment compensation and other jobless benefits continued to rise instead.

There is a traditional but dangerous assumption that a maximum level of defense spending is a given, and that all other domestic priorities must be worked around it. The distortions which this view imposes on our economic and social fabric cannot be underestimated.

For example, the education appropriation bill for fiscal year 1976 was vetoed because it exceeded the President's budget—which had sought a reduction in education programs—by $1.3 billion. This amount is less than that required to construct a single Trident submarine—of which the Pentagon proposes to build 15. At that level, the education bill was still only $560 million, or 8 percent, higher than last year's appropriations—a modest increase, but not enough to counter the cost increases for fuel, salaries and other expenses, which have risen much more rapidly for education than in other sectors of the economy. Nevertheless, in order to make way for a $16.4 billion increase in requested defense spending, this bill had to be vetoed as "inflationary."

Or consider the following: the proposed defense budget includes a request for $2.3 billion merely to pay for cost overruns alone, on ships whose funding has already been approved. That same $2.3 billion for overruns would be almost enough to pay the annual Federal subsidies on every unit of subsidized housing for the aged, handicapped, elderly and poor which have been constructed with Federal aid since we passed the first landmark Housing Act of 1947. And in fact, the cost of two Trident submarines—$3 billion—would be more than enough.

As a result of this distortion, we witness the anomaly of the former Secretary of Defense lobbying on Capitol Hill against passage of an emergency housing bill—arguing that it is too expensive and thus will reduce funds available for defense spending, and the Secretary of HUD backing him up on it.

As long as we refuse to impose the same disciplines on defense spending we necessarily impose on our domestic programs, we will continue to experience those distortions. For the President's own budget analysis indicates that about 70 percent of the "controllable" items in the annual budget—that is, other than those mandated by laws already enacted, such as social security or veterans' benefits—are defense-related. Consequently, if we want to control the budget, but defense spending is to be considered irreducible or untouchable, the remaining 30 percent—that is, domestic programs—must carry all the weight of austerity.

HOW MUCH IS ENOUGH?—POLICY CONSIDERATIONS

Ultimately, the basic question must be simply, "How much is enough?" For if we truly need these added weapons to defend ourselves, then so be it. Americans have always been willing and able to make collective sacrifices when they are warranted. I am ready to vote whatever sums are actually needed, however large the amount.

There appears to be broad agreement that the only nation which poses a current military threat to our vital interests is the Soviet Union. Therefore, as to the Soviet Union, is not 8,000 warheads enough, with 36 separate weapons to target on each of its 219 major cities? How much more will make us secure, or will establish our clear superiority over the Soviets—which, of course, can only drive their defense establishment further in the effort to out-arm us?

From almost any rational perspective, we both have monstrous arsenals. The comparisons could go on endlessly:

They have more nuclear launchers, but we have three times more nuclear weapons;

They are finally deploying MIRVs, but we have been MIRVing for years;

They have more combat aircraft in Europe, but ours—NATO's—have more firepower, range, staying power and experienced pilots; and

They have more armed forces in uniform, but we have fewer and shorter borders to protect.

Selective use of any of these observations—without stating the other side—can be employed by advocates of either side to terrify or embolden our respective citizens.

But where will it all end? Looking down the road, through the rain of statistics and the fog of technical jargon, one can dimly make out the vision of madness. Our arsenals grow and bloat and multiply, with MIRV's and MaRV's and SAM's and Tridents and the Soviets do the same. It is a game of Russian roulette, in more ways than one: The wheel always spins, nobody "wins," and the "house" always takes its share, in the form of economic dislocations and international instability. We double our bets when we think we are behind, never substantially gaining ground on our adversary—who feels compelled to play the same game, whose defense and intelligence apparatus provides its leaders with an endless flow of similar bases for fear, using up more and more of our resources and theirs. And for what?

The time has come for bidding down, not bidding up. I speak not of unilateral disarmament, of course, but of serving notice on oursleves and on them that there is a limit; that we will continue to act with firmness and vigilance in defense of our vital interests, but that we will also seek to bring a rational sense of priorities to the process.

There is no doubt in my mind that we can impose reasonable limits on our defense spending without in any way reducing our defense preparedness. This view was supported recently by a report issued by a group of former defense officials associated with the Council on National Priorities and Resources, led by former Assistant Secretary of Defense Paul Warnke. Their report stated in part:

> Military spending can be reduced substantially while maintaining military forces adequate to meet those national security needs which can be satisfied through the threat or application of American firepower . . .
>
> The U.S. should not attempt to maintain a cosmetic military superiority across the spectrum of strategic and conventional forces. The consequence is the acquisition or maintenance of unnecessary forces which keep forcing the military budget higher and higher. Similarly, we should seek to reduce our dependence on the powerful drug of technology. Technological gimmickry seems to multiply exponentially year by year. We must control the urge to do everything technologically feasible before the costs and the risks overwhelm us.
>
> Our power is credible and will remain so if we adjust our forces to current realities of the world. It is pure and simple jingoism to content that any realignment of our forces after the collapse in Indochina will be perceived as weakness. Sensible adjustment will show instead that we're not too old to learn.

This much is clear: Few Americans believe that we can or should seek to continue enforcing world order through the unilateral application of our own military might. Our task now is to seek new ways to make the international system work, through a balanced measure of strength and flexibility just as we must devote new resources to making our own Nation work.

Indeed, we stand at a threshold unique since the traumas of World War II, with a rare opportunity to reassess the very underpinnings of our foreign policy and defense posture, and to rediscover and revive our own human values as a Nation.

If we seize this opportunity, we can only be the better for it. If we do not, and we continue to pursue the economics of militarism, the consequences will be on our shoulders, and quite possibly on those of the rest of the world.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. McCLELLAN. I am prepared to yield back the remainder of my time.

Mr. EAGLETON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. All time is yielded back.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EAGLETON. I yield back the remainder of my time.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from North Carolina (Mr. MORGAN), the Senator from Kentucky (Mr. FORD), the Senator from Louisiana (Mr. LONG), and the Senator from Minnesota (Mr. MONDALE) are necessarily absent.

I further announce that the Senator from Ohio (Mr. GLENN) is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. GARN) is necessarily absent.

The result was announced—yeas 38, nays 55, as follows:

[Rollcall Vote No. 504 Leg.]

YEAS—38

Abourezk
Bayh
Biden
Burdick
Church
Clark
Cranston
Culver
Durkin
Eagleton
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Humphrey
Javits
Kennedy
Leahy
Mansfield
Mathias
McGovern
Metcalf
Muskie
Nelson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Stevenson
Symington
Tunney
Weicker
Williams

NAYS—55

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Brooke
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Goldwater
Griffin
Hansen
Helms
Hollings
Hruska
Huddleston
Inouye
Jackson
Johnston
Laxalt
Magnuson
McClellan
McClure
McGee
McIntyre
Montoya
Moss
Nunn
Packwood
Pastore
Pearson
Percy
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—7

Bentsen
Ford
Garn
Glenn
Long
Mondale
Morgan

So Mr. EAGLETON's amendment was rejected.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana (Mr. HARTKE) is recognized to call up an amendment on which there is a time limitation of 20 minutes, to be equally divided and controlled by Mr. HARTKE and the Senator from Alabama (Mr. McCLELLAN).

Mr. HARTKE. Mr. President, I send this amendment to the desk and I ask unanimous consent that the reading of the amendment be dispensed with.

Mr. ROBERT C. BYRD. Mr. President, may we have the clerk read at least where the amendment goes in the bill?

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceed to read the amendment.

Mr. HARTKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 57, strike lines 11 through 24, and on page 58, strike lines 1 and 2.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HARTKE. Yes, I yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. I ask unanimous consent that upon the disposition of the amendment by Mr. HARTKE, Mr. CULVER be authorized to call up his amendment, and that there be a 20-minute time limitation thereon, to be equally divided between Mr. CULVER and Mr. McCLELLAN. This has been cleared with Mr. McCLELLAN, with Mr. YOUNG, and with Mr. CULVER.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I ask unanimous consent that Romani Romano be accorded privileges of the floor during consideration of this amendment.

The PRESIDING OFFICER (Mr.

WEICKER). Without objection, it is so ordered.

Mr. HARTKE. Mr. President, what this amendment does is delete section 747 from the Department of Defense appropriation bill. The purpose of that section was to provide to military personnel the opportunity for them to move their own goods when they are ordered to change bases, but at the same time, to give them some type of monetary consideration if they try to do it themselves. Under the present law, if an individual is moved by a professional mover, then all of the out-of-pocket expenses of the move are covered and paid for by the Department of Defense. There is an estimate by the House committee that the net effect of this is to provide that 80 to 85 percent of that cost would be given to the individual, rather than paid to the professional mover. The Department of Defense has not made any estimate as to how this affects the overall situation. There are some offsetting considerations.

In the first place, the administration itself has to make an administrative estimate as to the total cost of the move. As far as they are concerned then, they can make a reimbursement on a percentage basis to the individual. That, in and of itself, means that it is subject to additional cost to the Government, which has never been considered.

There is a question as to whether or not the liability of the move itself is then still in the hands of the individual and whether the Government is responsible for those damages, and, therefore, becomes more or less the insurer of the move, as distinguished from a case where it would be done by the regular moving company.

In addition to that, the Government is going to have to make sure that there is not any advantage taken by individuals by submitting a claim for something which, really, never occurs. For example, they could add additional weight to a truck of their own and then go ahead and make that claim and get a certificate as to weight. It might even include rocks; he might never even make the move himself. In other words, it would encourage that form of what amounts to absolute cheating of the Government.

In addition to that, it would make sure that, as far as the individuals are concerned, they would use more energy on the highway, because there would be more trucks, and that would eliminate the possibility of consolidation. At the present time, if a move is made, if there are three or four individuals ordered to move at the same time, they can be consolidated and move on the regular moving vans, although the individual needs to make his claim on the basis of what it would cost to ship singly.

What this section does is provide a system which leaves the impression of being of benefit to the serviceman, but, in reality, what it does is make moving people of individuals who are servicemen, puts them into the moving business, make it a do-it-yourself type proposition. It really is not a case where it provides any significant benefits to anyone whatsoever.

Some people might say, well, these large moving companies take advantage of this situation and will have a lot of business in this way.

Most moving companies really anyway are nothing more than mom and pop type operations. They are small agents in a local community who go ahead and provide this type of service under ICC regulations, under the safety regulations, and with qualified drivers. They are responsible for the proper treatment of the merchandise which is being shipped. They handle it professionally; they are insured, and they must make sure if a claim is made for damages it is actually reimbursed to the serviceman.

Something like this could really affect an awful lot of independent people who work for a living in this industry, as much as about 300,000 who are employed at one time or another during the year. The net effect and benefit to the serviceman is minimal, if any whatsoever.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HARTKE. I yield to the chairman of the Commerce Committee.

Mr. MAGNUSON. Is it not true a lot of this movement that is ordered by the military is put up for bids?

Mr. HARTKE. Right.

Mr. MAGNUSON. And they get the best——

The PRESIDING OFFICER. Would the distinguished Senator from Washington please use the microphone.

Mr. HARTKE. Yes, it is right. In other words, they put it up for bids, and it is competitive.

Mr. MAGNUSON. Another thing that would happen if they start to move it themselves and they have some kind of an accident or something, no one knows where the liability is. Someone will sue and say they were ordered by the Government to go here and there.

Mr. HARTKE. Right.

Mr. MAGNUSON. It costs less to do it the way it is being done than it would this way.

Mr. HARTKE. That is right; not alone cost less but is really of benefit in the long run to the serviceman himself.

Mr. MAGNUSON. Yes.

Mr. HARTKE. This is the type of proposition which really turns a soldier into something which he is not supposed to be.

Mr. President, I reserve the remainder of my time.

Mr. McCLELLAN. Mr. President, I yield 5 minutes to the distinguished Senator from Arizona.

Mr. GOLDWATER. Mr. President, I rise to oppose this amendment. This provision in the House bill and the Senate bill takes care of a long-standing inadequacy in the law that allows a serviceman to move when he is ordered to move. There is no reason in my mind why a large trucking or moving organization should have to take care of the moving of a man who is ordered from Luke Air Force Base to, say, some field in the State of Washington or the State of Indiana.

Last year the committee encouraged all of the services to follow the Navy's example and institute a program to allow individual service members to move their own household goods by using private or rented vehicles. I stress that. They can go out and rent a U-Haul trailer, use their own station wagon or their own equipment and move their household goods from one base to another and not have to depend on a large trucking or moving firm.

The Army is currently testing a similar program at six installations, and the Air Force is planning a test.

The House appropriations committee report notes that at the time of its recommendation it was aware of a number of shortcomings in the Navy program which would greatly restrict its use. These restrictions centered upon various administrative procedures and inability to provide the service member any allowance for his time and labor despite the fact savings of as much as 50 percent accrued to the Government.

Still referring to the House report I note that, in order to verify the House committee's contention that widespread use of this type of moving service could prove beneficial to both the serviceman and the Government, the House asked the General Accounting Office to review the administrative and legal ramifications of instituting a system whereby the serviceman can share in the savings and ultimately pass part of the savings along to the taxpayer.

Mr. President, the GAO completed its evaluation and concluded that an incentive program whereby the serviceman can receive an allowance for moving his own household goods is feasible.

The obvious advantages of such a type program, I believe, are these: greater flexibility in selecting the date of the move. A member does not have to wait until a moving company is available. This is particularly important during the peak moving season. The member has complete control over his household goods during his move. The member can use his household goods until he moves and they arrive at the new duty station with him; an opportunity for the member to use his spare time to earn some extra income while reducing the cost to the taxpayer.

Mr. President, experience with the test programs to date show a marked reduction in claims for damaged goods.

In conclusion, Mr. President, I doubt that there are many Members of this body who have not at one time or another been required to introduce special legislation to obtain payments for lost goods, damaged goods, and so forth, caused by a heretofore almost completely controlled means of moving from one station to another.

I think this is a step forward. It is more of an experiment than anything else. It is now being tested by the Navy; the Army and the Air Force are contemplating it.

I earnestly urge that section remain in the bill so that we can see if we cannot help that hard-pressed serviceman just a little more. Mr. President, I would urge the defeat of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. I yield 3 minutes to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in opposition to this amendment.

The procedure followed under the policy now it is to split the difference with the member between actual cost and the cost the Government would have had to pay if commercially moved.

Now, somebody might say, "Well, some member of the armed services may cheat in doing this." But this is a matter to be addressed by administrative procedures for control and not a reason to terminate a program with potential savings.

I think this is a worthwhile program for two reasons: the first is it offers significant advantages to the individual member. Next, it should result in considerable savings.

For instance, in fiscal year 1976 the services will spend about $1.6 billion in moving personnel. The General Accounting Office has held that this should save considerable money, so I would see no need in terminating a good program that is now giving results, is satisfactory to the serviceman, and is satisfactory to the Defense Department.

This program has merit and it could assist in keeping permanent change-of-station travel from increasing as dramatically as it has in the past.

I hope this amendment will be defeated.

The PRESIDING OFFICER. Who yields time?

The Senator from Indiana.

Mr. HARTKE. Mr. President, I just want to repeat what I said before. There really is probably no definable saving really which comes in. You can estimate it if you want to, but that is the best you can do. But if there is any saving, the inconvenience, the damage, and the difficulities which are caused, just frankly are not worth it to the serviceman, and it will cause another severe problem in the field of transportation, which has enough problems on its hands. It will cause unemployment and additional problems in that field.

As the chairman of the Commerce Committee said, all it does is to create a situation where the serviceman tries to be a mover and he ends up getting himself in trouble and not getting any benefit. The net result to the mover is he loses the business and has more unemployment.

Mr. McCLELLAN. Mr. President, I thought I would take this amendment to conference. I did not know what objection would be raised to it, but since objection is raised, I see no alternative except to let the Senate vote and manifest its will.

I have no firm conviction either way on the amendment at the present time. The matter will be in conference if the amendment is adopted.

Mr. DOLE. Mr. President, I oppose the amendment of the Senator from Indiana to delete section 747 from the Defense Department appropriations bill. While I recognize that this section will permit the Government to reimburse a member of the Armed Forces in excess of actual cost in some cases, it will serve as an incentive for military personnel to move his own household goods and, thus, save the Government money.

The ability to obtain Government reimbursement for self-moves should serve as an attractive option for noncommissioned officers and junior officers who often do not have large amounts of household goods. I do not believe that this provision will, in any measurable way, do harm to the commercial moving industry. It will, on the other hand, offer greater flexibility in selecting the date of a move. give military personnel complete control over his goods during the move, and afford an opportunity for the NCO or officer to use his spare time to earn some extra income while reducing the cost to the taxpayer.

I believe the Appropriations Committee has demonstrated good judgment in including this commonsense provision in the bill. Thus, I urge the rejection of the amendment by the distinguished Senator from Indiana.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. McCLELLAN. I yield.

Mr. HARTKE. I yield.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana.

The amendment was agreed to.

Mr. THURMOND. Division, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, if the Senator wants a division he is entitled to it because the Chair did not give any Senator an opportunity to ask for a division before the Chair announced the results of the vote.

The PRESIDING OFFICER. The Chair has announced the result of the vote, but a motion to reconsider is in order.

Mr. ROBERT C. BYRD. Well, a motion to reconsider is in order, but I would hope the Chair—and I am not talking about any particular individual in the Chair—always in the future would give Senators an opportunity to ask for a division or a rollcall vote before the results are announced.

The PRESIDING OFFICER. The Chair is giving that opportunity right now.

Mr. ROBERT C. BYRD. The Chair is not giving the opportunity right now.

Mr. HARTKE. Mr. President, I suggest the absence of a quorum, and I would like to ask unanimous consent, in view of the fact that we yielded back all the time, it not be charged against the time I had on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Under the previous order, the Senator from Iowa (Mr. CULVER) is recognized for a period of time not to exceed 20 minutes to be divided between the Senator from Iowa (Mr. CULVER) and the Senator from Arkansas (Mr. McCLELLAN).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. HATHAWAY be authorized to call up his amendment at this time ahead of the Culver amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HATHAWAY. Mr. President, I call up my unprinted amendment, which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 49, line 19, strike out the colon and insert new material as follows: "except where the Secretary of Defense has specifically determined that sufficient price competition exists to insure a reasonable price to the government:".

Mr. HATHAWAY. Mr. President, the amendment I offer today is similar to one the Senate adopted a year ago. It went to conference but did not survive the conference.

The amendment has been modified to satisfy the objections that the Defense Department had to it at that time.

I have discussed the amendment at great length with the distinguished chairman of the committee. I believe it is acceptable to him.

Mr. President, the amendment I propose today would modify language contained in this Defense Appropriations bill, and in every DOD appropriation since 1953. The language I wish to modify is the so-called Maybank amendment, named after Senator Burnet R. Maybank who first introduced it. It states that:

> No funds shall be used for the payment of a price differential on contracts made for the purpose of relieving economic dislocations.

Senator Maybank's goal was to prohibit the DOD from paying more for textiles obtained from mills in New England than from mills in other parts of the country, particularly the South, where labor costs were lower. At that time the DOD was prone to pay these higher costs in an attempt to stop or slow the trend of many New England firms moving to areas with lower labor costs. The Maybank amendment was desirable legislation to counteract this regional favoritism which imposed higher costs for the defense of the country as a whole.

As we all know, most of the mills moved, and therefore the historic phenomenon to which the Maybank amendment was addressed no longer is significant.

The Maybank amendment, however, has lived on, and become a significant problem in its own right as it has affected the DOD's labor surplus area setaside program. This program was initiated in 1952 under Defense Manpower Policy No. 4 which requires that certain procurement contracts be setaside for bidding in areas of substantial unemployment. The program was meant to preserve management and employee skills useful to the Nation's defense during times of economic downturns. This program is a valuable one, and ought to gain increasing attention today as unemployment hovers at an unacceptable level of 8.6 percent.

The General Accounting Office has, however, in its construction of the Maybank amendment and the labor surplus area set-aside program, limited implementation of the goals of the latter by its determination that a defense procurement contract cannot be totally set aside for award to firms located in labor surplus areas, but rather must be split up into two or more units with at least one of those contract units begin bid competitively among all firms, within and without labor surplus areas. Under the GAO interpretation, the open competition on a portion of the total contract award determines the highest price payable on the remaining portion of the contract to be set aside for labor surplus areas. This construction is based on the theory that the best price can only be obtained by an open competition among all sorts of firms and would not be obtainable under a total set-aside to labor surplus areas. Such a theory might have made some sense in times of low levels of unemployment where there were few qualifying labor surplus areas, but makes little sense today. I might add that in 1953, when Senator Maybank first introduced his amendment, unemployment was only 3 percent. In a time of 8.6 percent unemployment, when approximately 800 areas across the country have been designated by the Secretary of Labor as having substantial unemployment, setting aside a Government contract for procurement among firms in these areas would surely yield a competitive price. Furthermore, the GAO interpretation which refuses to allow such a total set-aside severely limits the labor surplus area set-aside program's goal of helping alleviate localized severe unemployment. The time has come to change the statutory structure to allow total labor surplus set-asides and to eliminate the GAO's tortured construction to the Maybank amendment.

My amendment would allow the Secretary of Defense or his delegate, the contracting officer, to make a total set-aside to labor surplus areas of a Government contract when the Federal Government will not be forced to pay an unreasonable contract price. In order to make that determination the officer should look at the number of labor surplus areas, the overall unemployment level, the number of firms within the labor surplus areas willing and capable of performing such contracts and the probability of such firms completing such contract at a fair and reasonable cost.

This determination would be made on a contract-by-contract basis, substituting specific criteria for the present procedure which arbitrarily decides that a total labor surplus set-aside is not feasible.

The procedure I suggest for allowing total labor surplus area set-asides borrows heavily from current procedures followed by a contract officer in placing a procurement into a total small business set-aside, regarding which the Armed Forces Procurement Regulation states that:

> The entire amount of a procurement may be set aside for exclusive small business participation if the contracting officer determines that there is a reasonable expectation that offers will be obtained from a sufficient number of responsible small business concerns so that awards will be made at reasonable prices.

This procedure has worked well for such total small business set-asides. The procurement officers solicit bids from available firms on bidders lists compiled by the Small Business Administration and from lists compiled by the DOD of firms which have bid in the past on other contracts to insure adequate competition. The same sort of lists could be obtained of the labor surplus area firms.

The contracting officer has an additional safeguard against an unreasonably high bid price under total small business set-aside which would also be available under a total labor surplus area set-aside; he may cancel the set-aside and readvise among all firms.

My amendment would extend these well established and workable procedures to make them applicable to total labor surplus area set-asides, and would remove the current blanket prohibition against such set-asides.

My amendment would not mandate a total labor surplus area set-aside in situations where such a procedure would prove uneconomical. In previous Congresses I had attempted an outright repeal of the Maybank amendment. In fact, in the last session of the 93d Congress, an amendment offered by Senator PASTORE and myself which did repeal Maybank, was accepted by the Senate, but dropped in conference, apparently due to DOD opposition. The DOD objected to outright repeal because in certain circumstances a total labor surplus set-aside would not result in an economical contract price, such as where there were an insufficient number of firms within the labor surplus area to generate a fair price. I appreciate the nature of such objections and have this year drafted my amendment accordingly. My amendment would preserve the positive features of the Maybank amendment and at the same time unfetter the labor surplus area set-aside program, so badly needed in today's economy.

I urge my colleagues to support me in this effort.

Mr. McCLELLAN. Mr. President, I discussed this item with the distinguished Senator from Maine and also with my distinguished colleague, the ranking minority member on the Appropriations Committee, and I am prepared to accept the amendment and take it to conference, unless someone objects.

I am ready for the vote and I yield back the remainder of my time.

Mr. HATHAWAY. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order recognizing Mr. ABOUREZK on the amendment providing for a 1-hour time limit be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1077

Mr. McCLELLAN. Mr. President, I call up my amendment, which is at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Arkansas (Mr. McCLELLAN) proposes an amendment No. 1077.

The amendment is as follows:

> On page 60, line 7, insert the following:
>
> SEC. 752. Unless otherwise specified and during the current fiscal year, and the period July 1, 1976, through September 30, 1976, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act, who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States, (3) is a person who owes allegiance to the United States, (4) is an alien from Cuba, Poland, or the Baltic countries lawfully admitted to the United States for permanent residence, or (5) South Vietnamese refugees paroled into the United States between January 1, 1975, and the date of enactment of this Act: *Provided*, That, for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined not more than $4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal-clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of the Republic of the Philipines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

EXPLANATION OF SECTION 752 OF H.R. 9861 IN THE DEFENSE APPROPRIATIONS BILL FOR FISCAL YEAR 1976

Mr. McCLELLAN. Mr. President, section 602 of the Treasury, Postal Service Appropriations Act for fiscal year 1976 (Public Law 94-91) contained language which allowed the Federal Government to employ certain otherwise qualified South Vietnamese who had been forced to flee to the United States earlier this year. Previous years appropriations acts had extended a similar status to persons fleeing Cuba, Poland, and the Baltic States, and the 1976 law differed from these only in its brief three word extension of such rights to South Vietnamese. As enacted, section 602 referred to such persons as those seeking "permanent residence" in this country.

Since that enactment of the Treasury, Postal Service Appropriation Act, the State Department has been advised that its reference to "permanent residence" was inadequate to accomplish its purpose since these intended beneficiaries are in fact "refugees" and not yet able to seek "legal residence" for another 2 years because they were specially admitted to the United States under the "parole" authority of the attorney general.

The attached amendment in section 752 of the Defense appropriation bill for fiscal year 1976, therefore, restates the existing law in the Treasury, Postal Service Appropriation Act (Public Law 94-91) but replaces the three word amendment of that act this year with a new subsection five which correctly refers to these Vietnamese as "refugees" who entered this country from January 1, 1975, until the date of enactment of this act. The effect of the enactment of this "corrected" general language proviso in section 752 would be to allow the continued Federal employment of these South Vietnamese—who would otherwise be terminated in the next 2 weeks—and thus to preserve the original intent of this committee, and to allow other such qualified Vietnamese to be so employed.

The Department of HEW advises about one dozen presently employed doctors and medical technicians hired as temporary HEW employees under the National Health Service Corporation temporary authority will thus be able to continue to provide their services to the Federal Government—largely in rural areas—if this correction is enacted. As far as we know, other Federal agencies have not yet hired any similar employees.

Mr. President, I am ready for a vote unless there is some objection.

The PRESIDING OFFICER. Is all time yielded back?

Mr. McCLELLAN. I yield back all my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. CULVER. I am happy to yield to the Senator.

ORDER FOR RECOGNITION OF SENATOR MANSFIELD AND SENATOR STEVENS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders or their designees have been recognized and after all special orders that have been entered into prior thereto have been consummated, the distinguished majority leader have 10 minutes for himself and 10 minutes for Mr. STEVENS for debate on the conference report on the military construction bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished Senator for yielding.

The PRESIDING OFFICER. The Senator from Iowa.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1976

The Senate continued with the consideration of the bill (H.R. 9861) making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes.

Mr. CULVER. Mr. President, I have an amendment at the desk, which I ask be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 7, line 12, strike "$7,109,630,000" and insert in lieu thereof, "$7,000,430,000", and

On page 7, line 23, strike "$1,795,442,000" and insert in lieu thereof "$1,760,342,000".

Mr. CULVER. Mr. President, this amendment is being offered on behalf of myself and the Senator from Oklahoma (Mr. BELLMON). This is a simple amendment to save some money, which even the Department of Defense does not wish to spend. It would limit the current subsidy for civilian and military personnel working in commissary stores, and this year that amount is $286 million.

This amendment would propose a phaseout of that subsidy over a 2-year period. This is the same reduction as proposed by the administration and the Department of Defense concerning this budget item.

This amendment, therefore, would constitute a savings of $109 million in this particular budget of the $286 million proposed.

This amendment, Mr. President, would start us, I believe, on the road to the gradual elimination of this subsidy and I think it is appropriate to propose subsequent legislation to accomplish this next year.

Now, why should we do this, Mr. President?

The Defense Department itself considers the subsidy nonessential, and with good reason. The original rationale for commissaries within the United States largely vanished with the end of the frontier. Service families now generally do have access to adequate stores in metropolitan areas. Commissaries should be put on the same self-supporting basis, on a pay-as-you-go basis, as the post and base exchanges.

The General Accounting Office has studied this problem and has concluded that commissaries are not justified within metropolitan U.S. areas.

Nevertheless, this amendment does not eliminate any commissaries, though that might be a prudent management decision in many cases if the Defense Department so chose. Rather, this amendment imposes fiscal restraint this year and puts everyone on notice that the day of the subsidy is ending.

Mr. President, it is time we woke up to these soaring manpower costs in the defense budget which drain away resources to improve the quality and quantity of our hardware, where that is needed so vitally today.

Service personnel, Mr. President—and I think this is an important point—are well-paid, and justly so since they put their lives on the line. The figures speak for themselves. Military personnel receive an average of $1,932 more per year than comparable civilians in terms of salaries, and when all the fringe benefits are averaged the difference jumps to $4,650 more per year.

The trouble is, as the Appropriations Committee noted in its report, servicemen and women do not perceive that difference.

A small amount of education and information, Mr. President, hopefully could save us a lot of money in this instance.

In the case of commissaries, service personnel currently save about 23 percent if they buy food in commissaries. Since no local taxes are charged, the total savings is approximately 25 to 31 percent. Even if we eliminated this subsidy entirely, the Defense Department estimates that the savings from self-supporting commissaries would still be 13 percent, plus the tax advantage.

By adopting this amendment, Mr. President, we could give the commissaries 2 years to be self-sustaining. This could be accomplished by small price increases each year of about 5 percent.

Consider what happens if we continue this subsidy. This year it costs us $286 million. Next year the figure would be over $300 million. Over the next 10 years, Mr. President, the compounded cost would approach or exceed $4 billion.

We could do a lot with that money, Mr. President. In this military budget, about 60 percent of the total cost is in manpower. The Soviet budget in the area of manpower is about 33 percent, and those of our allies are also significantly lower.

With the savings provided by this amendment, we could eliminate our current huge backlog in overhaul and maintenance of Navy ships.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senator from Iowa is correct. The Senate is not in order.

Mr. CULVER. We could do a lot with that money, Mr. President. We could eliminate our current huge backlog in overhaul and maintenance of Navy ships and aircraft at Army depots, and other equipment; we could put the money into new hardware where needed, and give our taxpayers a break. The special problems of military retirees will be taken care of by regular cost-of-living increases in pensions which have averaged over 10 percent a year for the past 3 years.

In addition, this amendment would not affect current subsidies to transport goods overseas where our forces do not have some comparable civilian markets or to fund base operations support in the form of administrative assistance.

Mr. President, this is a modest step, supported by the Department of Defense, urged upon us by this administration, and consistent with our efforts to give military personnel pay comparability.

It makes little sense to ask the American taxpayer to pay for military pay comparability and then come back and ask them to sustain those fringe benefits which historically have been justified in great part because of inferior pay scales.

Finally, Mr. President, but more important, it is consistent with our common goal of reducing unnecessary military expenditures so that our huge defense budget will go for real defense capability.

Mr. GOLDWATER. Will the Senator yield?

Mr. CULVER. I would be delighted to yield.

Mr. GOLDWATER. The Senator makes a lot of sense in his arguments and I would be inclined to be for his amendment if it was offered 2 years from now. Let me say why. With the increase in military pay there has been more comparability achieved, to the point particularly in the company and field grade ranks where purchasing at markets other than base commissaries can be achieved. But this is still a decided advantage for the junior officer. The great advantage comes—and this will not be eliminated for I would not want to guess how many years—to those men who retired before 1958, who do not get an automatic pay increase with the cost of living rise. The men who retired after 1958 receive a 4-percent retirement increase every time the cost of living goes up 3 percent. I do not believe that man needs the benefits of a commissary any longer. But the man who retired before 1958 finds that shopping at the commissary is very advantageous to him. For that reason I believe the amendment being offered at this time would work a hardship on that type of person. How much, I cannot judge. I do not even know for sure that it would.

I know in the area where I live in Arizona there are 60,000 retired personnel and we now have two military bases to take care of them. Year by year their demands seem to go down. I would think in a matter of a few years the entire advantage that the retired person now does enjoy could be done away with.

I wanted the Senator to consider that because he does make a good case for what he is arguing for as it applies to the present military man, that he does not need this additional benefit as much as he used to need it.

The PRESIDING OFFICER. The time of the distinguished Senator from Idaho has expired.

Mr. BELLMON. Will the Senator yield?

Mr. McCLELLAN. I yield 1 minute to the Senator from Oklahoma.

Mr. BELLMON. In response to the comments of the distinguished Senator from Arizona, I would like to say that perhaps the solution to the problem which he very properly raises is not to keep the commissaries operating with a subsidy, but to adjust the retirement levels of those who retired before 1958 to bring them up to where they ought to be. I agree with him that this is an injustice.

Mr. GOLDWATER. I may say we have been trying to do that for years. I believe we have two bills pending at the present time for recomputation and retired pay. The argument gets down to which one or which approach we should take. If we recompute completely and put everyone who is retired on the after-1958 basis, the retirement comes to about $400 billion if we never put another man in uniform. There are some lesser approaches that could be used.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLELLAN. I yield to the distinguished Senator from Alaska.

Mr. STEVENS. Mr. President, 68 percent of the total defense force that we have today is comprised of personnel in the grades of E–3 to E–5, in Alaska 80 percent of the active duty Army personnel are below E–6. The greatest military family population in my State is between E–4 and E–6.

I think if the Senator's amendment would be adopted, and commissary support is discontinued, a majority of our Nation's military families, and particularly the retired military personnel that have already been mentioned, will be forced to reduce their standards of living. As a matter of fact, I have been informed that many of the lower grades with dependents are now using food stamps. I think that is atrocious, to think that we are in a situation where people serving in our military forces are involved in a situation where they must use food stamps in order to exist.

This problem of the commissaries is most acute in an area such as mine.

Mr. President, I ask unanimous consent to have printed in the RECORD the Anchorage Metropolitan Area Food-at-Home Index from November 1974 to September 1975. I invite Members to take a look at the increase, over a 26-percent increase in 2 years.

There being no objection, the indexes were ordered to be printed in the RECORD, as follows:

ANCHORAGE METROPOLITAN AREA FOOD-AT-HOME INDEX—NOVEMBER 1974

Prices of food purchased for home consumption in the Anchorage Metropolitan Area increased 1.1 percent from October to November according to Bruce Hanchett, the U.S. Department of Labor's Assistant Regional Director for Bureau of Labor Statistics in the Pacific Region. The latest increase brought the area's food at home index to 160.7 (October 1967=100), 18.4 percent above the year ago level, and 41.7 percent above the November 1972 level.

Group (food)	Index November 1974 (October 1967=100)	Percent change to November 1974 from—	
		October 1974	November 1973
Food at home	160.7	1.1	18.4
Cereals and bakery products	159.3	4.3	30.9
Meats, poultry, and fish	155.0	−2.3	−.6
Dairy products	148.7	.1	17.3
Fruits and vegetables	162.4	3.8	23.8
Other foods at home	177.0	1.4	35.4
Food away from home	(1)	(1)	(1)

[1] Published quarterly.

Prices of *cereals and bakery products* rose 4.3 percent over the month, while *fruits and vegetables* prices increased 3.8 percent. The over-the-month price rise in the *miscellaneous other foods at home* group was 1.4 percent. *Dairy products* prices increased only 0.1 percent from October to November.

Meats, poultry, and fish was the only major group to show a price decline, dropping 2.3 percent from October. Meats, poultry, and fish prices were also slightly below the November 1973 level, while all the other major groups registered substantial over-the-year increases.

ANCHORAGE METROPOLITAN AREA FOOD AT HOME PRICE INDEX—SEPTEMBER 1975

Prices of food purchased for home consumption in the Anchorage Metropolitan Area rose 0.3 percent in September, according to Bruce Hanchett, the Department of Labor's Assistant Regional Director for Bureau of Labor Statistics in the Pacfic Region. The advance brought the area's food at home index to 172.6 (October 1967=100), a rise of 8.9 percent above the level of a year ago.

Group	Index September 1975 (October 1967=100)	Percent change to September 1975 from	
		August 1975	September 1974
Food	(1)		
Food at home	172.6	0.3	8.9
Cereals and bakery products	165.7	.6	8.4
Meats, poultry, and fish	183.7	−.3	14.4
Dairy products	162.4	.6	12.4
Fruits and vegetables	166.4	−.2	3.1
Other foods at home	177.3	1.3	5.5
Food away from home	(1)		

[1] Published quarterly.

The over-the-month advance was led by a 1.3 percent rise in the other foods at home group as price increases were noted for sugar, coffee, eggs, salad and cooking oil, and syrup.

Cereals and bakery products prices were up 0.6 percent, on the strength of higher flour prices.

Dairy products prices also moved up 0.6 percent, as higher prices were recorded for all items in this group with the exception of fresh milk.

Meats, poultry, and fish prices dropped 0.3 percent over the month mainly because of lower prices of most cuts of meat, chicken, and fish. Tempering the advance were higher prices of bacon, rib roast, hamburger, canned ham, shrimps, and sausages.

The fruits and vegetables index also declined, moving down 0.2 percent, due to lower prices for oranges, tomatoes, apples, cabbage, celery, lettuce and grapefruit.

Mr. STEVENS. If these commissaries are closed we will have to face the problem of increasing the total cost of the defense budget, which is already 60 percent involved in personnel costs, in order to give them the ability to purchase completely in the civilian market.

The commissary system has worked.

One last comment I would make is that these people who entered the service about the time I did, Mr. President, who have retired, stayed in on the basis that one of the things they would enjoy is a fringe benefit of commissary privileges in their retirement. What is the use of having commissary privileges, having gone through the whole military system and retired, and find out that the Government does not keep its commitment?

I believe one of the greatest problems we have in the search for economy is that if we turn loose the forces of our military persons, the total military sector, without adequate compensation to meet that cost, it will be a disincentive to enlistments. It will be definitely breaking the commitment we made to the people who stayed in during their whole career.

Mr. GOLDWATER. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. GOLDWATER. I believe we should ask the question of the Senator from Idaho if his overseas position would apply to situations like Alaska and maybe Hawaii.

I believe I understood the Senator to state that it would not apply to overseas bases.

Mr. CULVER. Will the Senator yield?

Mr. STEVENS. I am happy to yield.

Mr. CULVER. I will say to the Senator from Alaska this would not affect the current subsidy levels to transport goods overseas where our forces do not have comparable civilian markets. It would in no way affect the funding of base operations support in the form of administrative assistance where that is now going on.

Mr. STEVENS. I appreciate the Senator's position, but the major cost today is labor.

Whether it is the commissary I found in Germany or the commissaries that exist in Alaska, the major cost is labor. It is not transportation any more; it is the labor cost.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STEVENS. I ask for 1 more minute, to answer the Senator.

The impact of turning these off now, of stopping the subsidy to maintain the commissaries, even with the transportation subsidy, is so abrupt a change in the marketing procedures of the average military family I think it is disincentive to the whole concept of voluntary armed services, and to the people to whom we have made the commitment who have retired.

Mr. CULVER. Mr. President, I ask unanimous consent that each side be afforded an additional 5 minutes on this amendment.

The PRESIDING OFFICER (Mr. BAKER). Is there objection? Without objection, it is so ordered.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. CULVER. I am delighted to yield to the cosponsor of the amendment, the Senator from Oklahoma.

Mr. BELLMON. Mr. President, to answer the argument of the Senator from Alaska, we are not talking about closing commissaries; we are talking about ending a part of the subsidy that causes them to sell food and many products at substantially less than cost.

Mr. President, I wish to join with my colleague from Iowa (Mr. CULVER) in proposing that the Defense appropriations bill be reduced by $109 million in budget authority. The basis for this reduction is our recommendation that the current commissary subsidy be phased out over 2 years. In accordance with a request in the President's budget it has been suggested that this savings will be $109 million in budget authority and the outlay savings will approximate $100 million this year since this item ordinarily spends at the rate of about 90 percent budget authority. What we are talking about is not elimination of the commissaries themselves, as I said earlier, but rather elimination of the subsidy which allows the products in the commissary to be sold at very substantial discounts.

At present, a purchaser in the commissary can save 20 to 25 percent in items sold in the commissary versus the list price on the same items sold in a comparable store. The proposal is to reduce that discount to the potential savings range of 10 to 12 percent at which point the commissary is still expected to operate at break-even point, yet the purchaser has a bargain.

Our proposed reduction is based in fact on the President's original request, and it should be noted that former Secretary of Defense Schlesinger, in testimony before the Senate indicated—

> That we do not feel that the commissary subsidy is a necessary part of the Department of Defense appropriations.

This issue was explained in part earlier today, and I would like to repeat some of the arguments made by Senator EAGLETON:

> Commissaries provide no military forces, no readiness, no military power.
>
> Commissaries are a marginal benefit whose appropriated fund value to each military member is only worth $140 a year.
>
> U.S. commissaries are not serving the purposes originally intended (the need to provide goods to personnel at remote Army bases). Commercial supermarkets are readily available in the U.S.
>
> There are now 279 commissaries in the United States, many are a flagrant violation of legislative intent based on GAO reports:
>
> six commissaries in Washington, D.C.,
> four commissaries in Norfolk, Virginia,
> three commissaries in Honolulu, Hawaii,
> four commissaries in San Diego, California,
> five commissaries in San Francisco, California.
>
> There are 133 commissaries in the United States within ten minutes driving time of the nearest commercial supermarket.
>
> Military salaries are comparable to or higher than civilian pay when allowances for housing, subsistence and tax advantages are included.
>
> Military salary plus fringe benefits exceed comparable civilian salaries plus fringe benefits by an average of $4,257 a year on a grade by grade basis.
>
> Over the next ten years, the commissary subsidy will total $4.4 billion, money which could be used to buy real military power.
>
> Even after the subsidy is eliminated, commissary prices will still be 12–18 per cent below supermarkets. The average saving per family on groceries will amount to between $300 and $570 per year.

In this day of budget stringency I find it somewhat difficult to understand why we cannot support the cutting of an item which the user agency itself wants cut and which the President wants to cut. I strongly urge my colleagues to vote in favor of this reduction which will help ease the strain on the defense budget this year and will help us focus in future years on funding those items which truly add to this country's military strength.

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. Mr. President, I wish to respond to several of the points which have been raised.

I think it is very important, at the outset, for the Senate to understand that this amendment cosponsored by the Senator from Oklahoma (Mr. BELLMON) and myself is supported and recommended by the Defense Department of this country. It is also an amendment that is recommended by this administration to this Congress.

The reason why it is recommended is simply this: That they are properly concerned, as everyone should be concerned, about the fact that in our Defense budget, our manpower costs are becoming absolutely uncontrollable. They now represent 60 percent of the Defense budget. When we talk about reducing the size of the Defense budget consistent with our national security interests, if we are to be responsible and if we are to be informed, we had better start understanding manpower costs.

The administration made these recommendations. Why? Because they are against the military? Nonsense. The Defense Department came forward and made these recommendations because they realize that the American taxpayer has been generous in terms of military pay increases and benefits. We have had pay increase after pay increase after pay increase. And, Mr. President, unlike some of the so-called supporters of the military here, I have supported every one of those increases, moving us toward a volunteer army and getting pay at a level comparable with that of the civilian sector of our economy.

What are the facts today? The facts today are, Mr. President, that the American taxpayer has bled through the nose, has made available comparability and more. The fact today statistically is this: At a time of 8 percent unemployment in America, at a time of runaway inflationary costs, we have a situation when military personnel now average nearly $2,000 per year better than their civilian counterparts. Second, when you add in health benefits, commissary benefits, and every other kind of benefits, they now raise the military cost, raise the pay to average $4,600 plus better than their civilian counterparts.

Mr. President, can we then go to that same taxpayer, after we have had him raise the military cost, raise the pay to comparability, and say to him, "Hey, I have got another good idea for you: Let us keep every one of those fringe benefits that date from the 19th century, like commissaries in outposts and frontier trading towns; let us keep all those benefits in addition. We want you to pay twice."

Mr. President, if Senators are worried about political support for the military in this country, and we all should be, nothing is more fundamentally important than addressing these dangerous distortions and mounting inequities. How long can we ask the American taxpayers to meet a very legitimate and responsible increase in military pay and benefits, at a time when they have to belt-tighten and suffer, and pay soaring prices if we do nothing to eliminate indefensible and obsolete subsidies.

The prices in the average commissary are 23 percent lower than your constituents pay. In addition, when you add on the sales tax exemption and other factors, it is about 33 percent cheaper. That is the fact.

We have heard a lot of talk about the elderly. I am concerned about the elderly. Let us look at the record. In the case of the elderly, it should be recognized that the average military retiree today receives a stipend of $6,502 a year. Many retirees also receive social security benefits. This proposal of Senator BELLMON and myself would not affect these amounts, which can be expected to keep up with the cost of living. Furthermore, if special problems exist for military retirees they should be isolated and dealt with directly and not used to justify a $286 million subsidy which benefits in largest part nonretirees.

The PRESIDING OFFICER. The Chair advises the Senator from Iowa that all of his time has expired. The Senator from Arkansas has 6 minutes remaining.

Mr. McCLELLAN. I have 6 minutes? How much time do the Senator from Alaska and the Senator from South Carolina require?

Mr. STEVENS. I defer to the Senator from South Carolina.

Mr. McCLELLAN. Let me say a word, and then I will yield. Mr. President, I yield myself 2 minutes.

This amendment, or its equivalent, came up in the subcommittee, and it was defeated there by a vote of 6 to 3. I have listened to the arguments. Before the amendment was offered, I had agreed with the author of it and with the leadership that I would take this amendment to conference on a 5-year basis.

Now the amendment was changed from our original agreement to where it is now a 2-year basis.

Mr. President, if we are going to phase this out, we ought to do it on a longer period than 2 years because many of our soldiers are in the service now on the basis of anticipating these benefits. We ought to give a long enough period of time so those who enlist now will know they are not going to get the benefits, but for those who did enlist during the period that these benefits were a part of their compensation, we ought to keep faith with them and let them keep it until they have another period of enlistment.

I yield 2 minutes to the distinguished Senator from Alaska and then 2 minutes to the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The Senator from Alaska is recognized for 2 minutes.

Mr. STEVENS. Mr. President, the Senator from South Carolina (Mr. HOLLINGS) and I were in Germany. We visited young people who went to Germany with their families even though they were not entitled to allowances.

The Senator from Iowa talks about making $6,000 a year. Those kids do not get a total of $6,000 a year. Many are enlistees, and they have dependents, wives and children, along with them.

The same thing is true up in my State of Alaska. They cannot afford this kind of an abrupt change in policies of the Department of Defense. Neither can the millions of people who served throughout the period from World War II on, and retired before these massive pay increases came into effect.

I do not think we should change this policy without having some direction from Congress. I do not care whether the administration, the Department of Defense, or anyone else wants it. This country made a commitment to those people who retired, who do not have the pay increase that the new people have.

Even further than that, the young people who are not entitled to family allowances and to off-base allowances are primarily the ones using the commissaries. They enlisted and are serving their country. They have wives and children, but they are not entitled yet to these allowances because of their rank. They are the ones who are the majority of the people in my State, as I said before, it is that lower rank of the Army, in particular, who are going to suffer if we take away the one thing this takes away, which is the subsidy for the labor in commissaries.

It does not have anything to do with transportation costs. That is furnished anyway. It is the labor in commissaries, and the reason the labor went up is that this Congress increased the allowance, the pay for those people who work in the commissaries, and there is no reason now to pass it on to the poor people who cannot afford it, who are serving in the military today, or who retired before the pay increase.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 2 minutes.

Mr. THURMOND. Mr. President, there is nothing more important to the members of the armed services and our Defense Department than morale. It is a benefit to the morale of the members of the Armed Forces, if they enjoy the commissary privileges, and so, from the standpoint of the active service, it is important that we retain it.

We are not overpaying the military as it is. These are the men who are in uniform and can be sent anywhere at any time to risk their lives for the country.

As to the retired people, they are not getting anything like the retirement a man would today. Salaries have been raised seven or eight times, as has been brought out here. These retired people have been counting and relying on the commissaries, and been able to eke out an existence because of the commissary.

So the commissaries have helped the low-grade officers, who get smaller salaries, the enlisted men, who get smaller salaries, and the retired people, who get very small retirements compared with those who retired today.

For this reason, I think the House position should be retained.

Mr. CULVER and Mr. PASTORE addressed the Chair.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. THURMOND. I would be glad to yield, but I do not have the time.

I think the House position on this matter should be sustained, and I hope this amendment will be defeated.

Mr. McCLELLAN. Mr. President, I yield a minute to the distinguished Senator from Rhode Island.

The PRESIDING OFFICER. The Chair advises that all time on the amendment has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be 2 additional minutes, one for Mr. McCLELLAN, and one for Mr. CULVER.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I yield to the distinguished Senator from Rhode Island.

Mr. PASTORE. Mr. President, I wish the Senator from Idaho would consider the fact that there is much to be said on both sides of this subject, and I think we ought to take it to conference. The chairman of the committee has suggested that we make it 5 years, and I think that is a reasonable accommodation. Let us take it to conference and avoid a vote and let us debate there. Everyone wishes to be fair. No one wishes to hurt the soldier and no one wishes to disrupt in any way our recruitment of volunteers. We are all in the same ball park, and let us be fair about this. Let us make it 5 years and take it to conference.

Mr. McCLELLAN. The Senator from Iowa has a minute.

Mr. CULVER. Mr. President, I have had an opportunity to consult the implications of this amendment with a number of very understandably concerned Members, and I have a modified amendment at the desk that would provide for a 5-year phaseout of this subsidy.

Mr. President, I call up that amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa (Mr. CULVER) proposes an amendment:

The amendment is as follows:

On page 7 line 12, insert the following: strike $7,109,630,000 and insert in lieu thereof, $7,052,000,000.

On page 7, line 23, strike $1,795,142,000 and insert in lieu thereof $1,781,000,000.

Mr. McCLELLAN subsequently said: Mr. President, we have discovered an error in the calculations in the amendment offered by the distinguished Senator from Iowa. Where, in his amendment, the figure was $1 billion, 784 million, the figure should be $1 billion, 781 million, 442 thousand. I believe this has been called to the attention of the distinguished Senator from Iowa, and he understands the mistake.

I ask unanimous consent that the correct figure be inserted in lieu of the erroneous figure.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing amendment reflects the corrected figure.)

WHY COMMISSARY SUBSIDIES SHOULD BE ELIMINATED

Mr. CULVER. Mr. President, let me explain in greater detail the background and justification for this modified amendment. The fiscal year 1976 budget request of $97.9 billion for the defense appropriations bill represents an increase of $15.8 billion, or 19 percent over the comparable amount of $82.1 billion appropriated in this bill in fiscal year 1975, even though the military force levels supported are the lowest in 25 years. In fiscal year 1973—the final year of intense U.S. combat activity in Vietnam, the comparable amount provided in the defense appropriations bill was $74.4 billion. Therefore, in the 3-year period 1973–1976 since the United States ended its last major war, there has been a growth of $23.5 billion, or 32 percent, in the defense budget. To a very great extent, the inflation that affects the cost of all goods and services in the United States has been responsible for this fantastic increase in the cost of defense.

Inflation notwithstanding, the Congress has strongly urged and supported the need for the Department of Defense to moderate its large annual budgetary increases by "pruning" out programs that are of only marginal utility to the true combat capabilities of our forces and to the essential defense of our Nation. A major initiative was undertaken by the administration in fiscal year 1976 in proposing a 2-year phaseout of the appropriated fund subsidy to military commissaries—grocery supermarkets—for the costs of military and civilian personnel.

NATURE OF THE SUBSIDY

Unlike all other manpower-intensive nonappropriated fund activities that serve as fringe benefits for military personnel, commissaries presently receive a 100-percent subsidy for the cost of the military and civilian personnel required to manage and operate the stores. The total number of personnel involved has been stable at approximately 27,000—25,000 civilians and 2,000 military—for the past 3 years, fiscal year 1974–76, even though this number is about 6,700 higher than the personnel operating these stores in 1970.

The reason for the subsidy is rooted in the original justification for commissaries, which were first established during the 19th century. A key part of this country's expansion to the West and settling of the frontier territories was the provision of military protection for our citizens. To the extent that military personnel were deployed at remote frontier posts that lacked the commercial enterprises normally available in the developed portions of the countries, it was deemed necessary to provide such services. At that time, it became the clear policy to provide the civilized needs and amenities of life to soldiers at remote duty locations through commissaries and post exchanges. The Army established the first commissaries at frontier posts based on legislation enacted in 1866, and sold food and other items at cost to servicemen. Marine Corps began operating its first commissary in 1909, and the Navy in 1910. Air Force began operating its own commissaries when it was established as a separate service in 1947.

In the post-World War II era, with the United States having extensive military deployments throughout the world, commissaries and exchanges have served a similar purpose—providing the normal everyday products that can be readily obtained by American citizens living in the United States, but which are either simply unavailable in commercial stores overseas, or are unreasonably expensive when available.

In 1948, the services operated 210 commissaries at installations in the United States. The House Committee on Armed Services became concerned about the growing number, and looked into the need for their continuing operation. The committee chairman concluded that the Congress originally intended the services to operate commissaries only in remote areas where the servicemen did not have the benefit of metropolitan sales. As a result of that inquiry, the services received approval for a regulation stating that commissaries would not be authorized where "adequate commercial facilities are conveniently available and sell commissary merchandise at reasonable prices."

The Department of Defense Appropriation Act of 1954 included language which required the Secretary of Defense to certify the continued need for each commissary on the basis that commercial stores were inadequate, inconvenient or not selling food at reasonable prices. Similar language has been included in every subsequent DOD appropriation act.

Somewhere during the past century, however, the original purposes described above gradually faded from view. GAO reported recently that despite the congressional concern and reemphasis on the reason for commissaries, no commissary has ever failed to meet the DOD criteria, and the number of stores in the United States was increasing. GAO has repeatedly reported that the DOD criteria for implementing the congressional criteria of adequacy, convenience and price are unrealistic, and that there is no valid justification for commissaries in large metropolitan areas. For example, there are four commissaries in the Norfolk area, three in Honolulu/Pearl City, five in San Antonio, four in San Diego, five in San Francisco, and six in Washington, D.C.

As of June 1974, there were 418 commissary stores in operation—279 in the United States and 139 overseas, all of which were built or rehabilitated using publicly appropriated funds. In December 1974, however, the Congress passed legislation prohibiting the use of appropriated funds for the construction or improvement of commissaries in the United States. Henceforth, their construction is to be financed in the same manner as post exchanges—that is, through profits generated—a small surcharge was added to the prices.

In 1964, the annual subsidy for commissaries amounted to only about $100 million for the cost of military and civilian personnel working in commissaries. These costs had grown to $265 million in fiscal year 1975, with an estimated cost of $286 million in fiscal year 1976, if fully subsidized. Over the next 10 years, the full subsidy will cost our taxpayers over $4 billion—a fantastic drain on our treasury.

THE PRESIDENT'S PROPOSAL

The President's fiscal year 1976 budget proposed that, beginning on October 1, 1975, the commissary subsidy for personnel costs be reduced by one-half, and that on October 1, 1976, the entire appropriated fund subsidy be removed. This would place commissary employment on a nonsubsidized basis, in a manner similar to the way military post exchanges are now operated. Through product-by-product comparison survey, it has been established that commissary prices are about 23 percent below the prices of similar goods in a commercial supermarket.

In addition, no State/local taxes—which total between 2 percent and 8 percent are levied on commissary sales, thereby providing patrons a further savings. The administration proposed to eliminate the subsidy by raising prices sufficiently so that the amounts generated would pay half the personnel costs beginning October 1, 1975, and the full costs beginning October 1, 1976. Based on an annual sales volume of $3 billion in fiscal year 1976, it is estimated that an increase in price of about 10 percent would generate enough funds to eliminate the need for the subsidy. Therefore, even after the full subsidy had been eliminated, commissary patrons would still enjoy a price savings of about 13 percent below commercial supermarkets, as well as sales tax savings of between 2 percent and 8 percent.

REASON FOR CHANGE IN SUBSIDY

The administration proposed to eliminate the subsidy because of the very high cost of defense manpower, which now consumes well over half of the fiscal year 1976 defense budget. The idea was to reduce manpower support costs in the interest of using funds to sustain and equip the strongest possible military force. The Department's proposal would have absolutely no impact on the military strength of our combat forces or on their military readiness.

It can readily be seen why the commissary subsidy became a candidate for elimination. In 1964, the subsidy amounted to only about $100 million. At the same time, personnel costs in the entire defense budget totaled $22 billion—or about 43 percent of a total budget of $50.8 billion. Since 1962, the Congress has made three key decisions:

First. Federal civilian salaries will be pegged at a rate that is comparable to employees in private industry, 1962.

Second. Any increase in civilian salaries will be matched by an exactly equivalent increase in military salaries, 1967; and

Third. Military salaries shall be high enough to attract and retain a quality all-volunteer force, 1971.

Together, these account for an increase of 114 percent in military compensation from 1964 to 1974, and 92 percent in civilian pay during the same period—during this period, the Consumer Price Index increased 59 percent. As a result of these decisions, the commissary subsidy has increased by 159 percent, along with the other manpower costs of the Defense Department.

In reporting the defense appropriations bill, the Appropriations Committee published a series of tables that made rough comparisons of civilian and military pay and benefits in the Federal Government. I will insert them into the RECORD at the conclusion of these remarks. Careful examination of these comparisons show that military salaries average $1,932 per year more than comparable civilian salaries. When fringe benefits of both military and civilians are added to salaries—retirement, health care, and so forth—the average military employee receives $4,650 per year more than the civilian employee. There clearly is no truth to the notion that military personnel are underpaid. They are even more generously paid than civilians, who may even be overpaid.

IMPROVEMENTS IN MANAGEMENT NEEDED

It has been the repeatedly stated view of the Congress that the management and operation of commissaries can and must be improved. The problems relate, among other things, to location, duplication of coverage, and inefficient and nonuniform practices. Many of these problems were pointed out in studies made by the General Accounting Office—report of March 19, 1975, and May 21, 1975, B–146875. In addition, the Department of Defense completed a thorough study in May 1975 that pointed out many potential areas for improvement, including development and implementation of automatic data processing systems, consolidation of functions, greater utilization of employees to more effectively match workload, functional training, and the need for standards for measuring production efficiency.

There is no question that better management of the commissaries is an absolute necessity. The Department of Defense needs to reexamine the number of stores in relationship to the adequacy, convenience, and price criteria. Recommendations with DOD have been made to close some 133 of the stores in the United States which are located within 10 minutes' driving time of the nearest commercial supermarket. These should be examined carefully. In addition, the Department should examine commissary staffing and consider removing some of the 33-percent increase in personnel that has occurred since 1970.

RECOMMENDATION—PHASE OUT COMMISSARY SUBSIDIES OVER A 5-YEAR PERIOD

It is clear that the appropriated funds subsidy to commissary stores is no longer justified in light of current military salaries and benefits, the high cost of continuing the subsidy, and the fact that it provides no combat readiness and makes no military contribution to the national defense.

In lieu of providing the subsidy, there are much better ways of using these sums. For example, the Navy currently has a backlog of 59 ships and 818 aircraft which are overdue for overhaul and maintenance. The price tag for eliminating this blacklog is $1.175 billion. The Army also has an unfinanced backlog of needed depot maintenance which will cost $253 million.

If we care about combat readiness, and give that goal a higher priority than fringe benefits, then we should use some of these funds to perform that more essential work and eliminate those backlogs.

Alternatively, we could invest these savings in new hardware, or in overall defense reductions; $4 billion can go a long way.

Mr. President, I recognize the strong opposition to an immediate phaseout of this subsidy. In a spirit of compromise, so that we can get moving in the direction of fiscal responsibility on this issue, my amendment would stretch the elimination of the subsidy over 5 years. In fiscal year 1976 the Defense Department would be allowed to fund only 80 percent of the commissary subsidy; the rest, of course, would have to be made up by small increases in prices.

It is my intention, if this amendment is approved, to seek permanent legislation to accomplish this phaseout over the remaining 4 years, 20 percent each year.

Many arguments have been raised that reduction in the subsidy will have a serious impact on retirees who use the commissaries. It should be recognized that the average military retiree today receives a stipend of $6,502 per year. Many retirees also receive social security benefits. My proposal would hold the annual price increase in commissaries to only about 2 percent a year—far less than the cost of living increases to retirees which have averaged over 10 percent in the past 3 years. The average family who bought all his groceries at the commissary would be asked to pay only about $60 per year.

I reject the notion that this proposal will result in the eventual elimination of commissaries. The continuing savings at commissaries will make them even more attractive as food costs continue to increase. Price advantages under local supermarkets will actually improve as better management practices that were recently recommended by the Department's own study are implemented.

The most recent comprehensive study of commissaries prepared by the Defense Department concluded that—

> Economies obtainable appear to be sufficient to permit reimbursement for direct costs as proposed, retain significant savings for customers, and maintain a workable commissary system.

The fundamental problem found in the same study just quoted was the military patron's misperception of savings in food prices. Although real savings averaged between 23 percent and 32 percent, over 60 percent of patrons surveyed thought they were saving only 20 percent or less. I believe that an educational campaign could be conducted by the Department as the subsidy is phased out, so that military members will recognize the true value of the commissary savings.

It would be particularly helpful if the various unofficial defense publications supported from nonappropriated funds were to provide true cost comparisons of commissaries versus supermarkets. In addition, the news media should be periodically informed of such pricing comparisons.

Finally, I want to stress that military exchanges, which do not receive a subsidy for personnel costs, still manage to provide average savings of between 18 percent and 22 percent below commercial prices. With a real incentive for improvement, commissaries should be able to achieve fairly similar savings.

I ask unanimous consent that I be permitted to insert two tables on civilian and military pay from the committee's report in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

COMPARISON OF MILITARY AND CIVILIAN COMPENSATION AND BENEFITS (OCT. 1, 1975, PAY SCALES)[1]

Military grade	Comparable civilian grade	Military compensation and benefits	Civilian compensation and benefits	Military advantage (+) or disadvantage (−)
O-9/O-10		$54,713		
O-8	GS-18	54,815	$41,350	$13,546
O-7	GS-17/GS-16	48,886	41,350	+7,536
O-6	GS-15	43,305	38,849	+4,456
O-5	GS-14/GS-13	35,101	31,131	+3,970
O-4	GS-12	28,188	24,485	+3,703
O-3	GS-11/GS-10	24,004	19,749	+4,255
O-2/W-4/W-3	GS-9/GS-8	21,729	16,403	+5,326
O-1/W-2/W-1	GS-7	16,914	14,170	+2,744
E-9/E-8/E-7	GS-6	20,964	12,813	+8,151
E-6/E-5	GS-5	14,711	11,551	+3,160
E-4	GS-4	9,915	10,375	−460
E-3/E-2/E-1	GS-3/GS-2/GS-1	7,821	8,326	−505

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[1] Where more than 1 civilian or military grade is shown, the amount for compensation and benefits is the average of the values shown on tables 2 and 3 for those grades.

SELECTED EXAMPLES OF ANNUAL COMPENSATION FOR MILITARY AND CIVILIAN PERSONNEL (PAY SCALES AS OF OCT. 1, 1975)

			Regular military compensation (RMC) [1]						Civilian salaries	
Pay grade	Military grade (Army title)	LOS [2]	Number of dependents	Basic pay	Quarters	Subsistence	Federal tax advantage	RMC	Salary [3]	Comparable civilian grade
O-10	General	26	1	$37,800	$3,830	$637	$3,627	$45,894		
O-9	Lieutenant general	26	2	37,800	3,830	637	3,541	45,808		
O-8	Major general	26	2	37,800	3,830	637	3,541	45,808	$37,800	GS-18.
O-7	Brigadier general	26	2	33,142	3,830	637	3,043	40,652	38,800/37,800	GS-17/GS-16.
O-6	Colonel	26	3	29,113	3,434	637	2,350	35,534	35,485	GS-15.
O-5	Lieutenant colonel	20	3	22,950	3,175	637	1,638	28,400	30,441/25,962	GS-14/GS-13
O-4	Major	14	3	18,522	2,866	637	1,234	23,258	21,970	GS-12.
O-3	Captain	6	3	14,630	2,599	637	884	18,750	18,423/16,800	GS-11/GS-10.
O-2	1st lieutenant	2	2	10,058	2,336	637	675	13,707	15,278/13,850	GS-9/GS-8.[4]
O-1	2d lieutenant	0	1	7,992	1,883	637	591	11,102	12,518	GS-7.[4]
W-4	Chief warrant officer, W-4	26	3	18,371	2,765	637	1,188	22,960	(4)	
W-3	Chief warrant officer, W-3	20	3	14,501	2,549	637	856	18,542	(4)	
W-2	Chief warrant officer, W-2	16	3	12,218	2,311	637	641	15,807	(5)	
W-1	Warrant officer, W-1	10	3	10,058	2,138	637	603	13,436	(5)	
E-9	Sergeant major	22	3	14,350	2,448	923	905	18,626	11,274	GS-6.[6]
E-8	Master sergeant	20	3	11,948	2,290	923	693	15,854	(6)	
E-7	Sergeant, 1st class	18	3	10,404	2,146	923	667	14,140	(6)	
E-6	Staff sergeant	14	3	8,849	1,994	923	662	12,429	10,117	GS-9.[7]
E-5	Sergeant	4	2	6,466	1,843	923	599	9,831	(7)	
E-4	Corporal	2	1	5,512	1,613	923	537	8,585	9,040	GS-4.
E-3	Private, 1st class	<2	0	5,018	961	923	467	7,370	8,050/7,136/6,299	GS-3/GS-2/GS-1.[8]
E-2	Private	<2	0	4,831	850	923	433	7,037		
E-1	do	<2	0	4,334	799	923	406	6,464		

[1] RMC is defined in law as basic pay, quarters and subsistence allowances (either cash or in kind), and the Federal tax advantage on those allowances. Cash rates were used for these examples. It must be recognized that many members, particularly in the lower enlisted grades, are required to live in Government quarters and subsist in Government dining facilities—e.g., barracks and ships—and do not receive cash allowances.

[2] Average length of service for pay purposes of the personnel in each pay grade.

[3] Pay rates for general schedule employees at step 5 of each pay grade.

[4] GS-9/GS-8 comparable to military grades O-2, W-4, W-3.

[5] GS-7 comparable to military grades O-1, W-2, W-1.

[6] GS-6 comparable to E-9, E-8, E-7.

[7] GS-5 comparable to E-6, E-5.

[8] E-3, E-2, E-1 are comparable to GS-3, GS-2.

Mr. McCLELLAN. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified of the Senator from Iowa.

The amendment, as modified, was agreed to.

Mr. McCLELLAN. Third reading, Mr. President.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

Mr. McCLELLAN. Mr. President, I express my appreciation to all of my colleagues on the subcommittee and the full committee.

The PRESIDING OFFICER. The Senator will suspend.

May we have order in the Senate, please? The Senate is not in order.

The Senator may proceed.

Mr. McCLELLAN. Mr. President, I want to thank my colleagues for the support they have given the Appropriations Committee during the consideration of the defense appropriation bill for fiscal year 1976. The Senate has not changed the bill as it was brought to the floor.

I also want to commend the Budget Committee for its far more realistic appraisal of defense needs as reflected in the second concurrent resolution which it has reported. The Defense Subcommittee labored long and hard to come in under the targets set by the first concurrent resolution. We succeeded in meeting the goal set for new budget authority, but to have met the tight ceiling for outlays would, I believe, have weakened the Defense Establishment. We would have had to cut out some vital programs—stretch out others, which is always costly in the long run—and make heavy reductions in personnel. Thus, I again commend the Budget Committee for reevaluating and realining the ceilings for the Defense Department in its second concurrent resolution.

Finally, Mr. President, I want to express my personal appreciation to the fine staff work performed by the staff of the Defense Appropriations Subcommittee. Messrs. Jim Callaway, Guy McConnell, Dick Lieberman, Jim Fellenbaum, Doug Allen and Pete Bonner, and Ms. Jane McMullan and P. J. Baber, all worked diligently and effectively in assisting the chairman and all members of the committee in formulating the bill that we have before us.

Mr. ROBERT C. BYRD. Mr. President, the leadership expresses the hope that the Senate can make some progress on the situs picketing bill yet today, with the further hope that final action can be taken on that bill at some reasonably early hour on tomorrow which by Friday will pay off in terms of an earlier adjournment on Friday.

So, there may still be rollcall votes tonight.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Kentucky (Mr. FORD), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that the Senator from Ohio (Mr. GLENN) is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from New York (Mr. JAVITS) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "yea."

The result was announced—yeas 87, nays 7, as follows:

[Rollcall Vote No. 505 Leg.]

YEAS—87

Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Brock
Brooke
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Garn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McClellan
McGee
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—7

Abourezk
Biden
Clark
Hatfield
Mansfield
McClure
McGovern

NOT VOTING—6

Bentsen
Buckley
Ford
Glenn
Javits
Morgan

So the bill (H.R. 9861) was passed.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 9861.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon; and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer (Mr. Culver) appointed Mr. McClellan, Mr. Stennis, Mr. Pastore, Mr. Magnuson, Mr. Mansfield, Mr. McGee, Mr. Proxmire, Mr. Montoya, Mr. Inouye, Mr. Young, Mr. Hruska, Mr. Case, Mr. Fong, Mr. Stevens, Mr. Schweiker, and Mr. Symington conferees on the part of the Senate.

EQUAL TREATMENT OF CRAFT AND INDUSTRIAL WORKERS

The PRESIDING OFFICER. The Senate will now proceed to the consideration of H.R. 5900, which the clerk will state.

The assistant legislative clerk read as follows:

> A bill (H.R. 5900) to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Pursuant to rule XXII, each Senator has no more than 1 hour of time for debate. The pending question is amendment No. 1128.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Robert Brown and Richard Arnold of my staff be accorded privileges of the floor during the remainder of debate on H.R. 5900 and subsequent vote thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1128

Mr. WILLIAMS. Mr. President, I rise in opposition to the amendment that was offered by the Senator from Alabama, which I understand is the pending business.

The PRESIDING OFFICER. The Senator is correct.

Mr. WILLIAMS. Mr. President, I rise in opposition to this amendment. It is contrary to the historic practice in enacting the National Labor Relations Act and in amending it, whereby we have made the new law applicable to existing enterprises and to existing labor disputes.

For example, *NLRB* v. *Jeffrey-DeWitt Insulator Co.*, 91 F 2d 134 (4 Cir.), cert. denied, 302 U.S. 737, Chief Judge Parker, a great judge from North Carolina, decided in an early Wagner Act case:

> The mere fact that the labor dispute has commenced prior to the passage of the act does not withdraw the parties or the dispute from the regulatory power of Congress as to acts subsequently occurring.
>
> The act is highly remedial in character and is entitled to a broad and liberal construction; and it is hardly to be presumed that Congress would have intended its provisions, designed as they are for promotion of industrial peace, to have no application to pending disputes.
>
> Certainly the unfair labor practices forbidden by the act would tend to prolong such disputes, and there was just as much reason to forbid them in existing labor disputes as in disputes which might subsequently arise.

So too, in 1959, when we determined it to be unlawful for a union—in the absence of a representation position—to picket for recognition for more than a reasonable period not exceeding 30 days, picketing before the effective date of the act was considered in determining the duration of the picketing. *NLRB* v. *Sapulpa Typographical Union*, 321 F. 2d 771 (10 Cir.)

Similarly, in extending the act to health care institutions last year, the Congress did not exclude from the new protections in the health bill previously organized hospitals.

The short of the matter is that no one has a vested right in a particular state of the law.

And quite aside from the serious difficulties in determining when a project was begun for the purposes of the amendment there is no equity in giving different legal treatment to contractors who are similarly situated in every respect except the time that they began the project.

On the contrary, there would be a manifest inequality in allowing a contractor building, for example, a shopping center, to continue under the Denver Building rule because he began some months ago, and to place other contractors building a competing shopping center under the new law.

In other words, just to recap, Mr. President, no one has a vested right in the laws that exist today, and this new law, if this bill becomes new law, should for all good historical reasons and for all commonsense reasons, apply equally to all.

The PRESIDING OFFICER. Who yields time?

Mr. WILLIAMS. I have no requests for time.

The PRESIDING OFFICER. The question is on agreeing to the amendment—No. 1128—of the Senator from Alabama. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Kentucky (Mr. Ford), the Senator from South Dakota (Mr. McGovern), the Senator from North Carolina (Mr. Morgan), the Senator from Connecticut (Mr. Ribicoff) and the Senator from New Hampshire (Mr. McIntyre) are necessarily absent.

I further announce that the Senator from Ohio (Mr. Glenn) is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "yea".

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley), the Senator from Arizona (Mr. Goldwater), the Senator from New York (Mr. Javits) and the Senator from North Dakota (Mr. Young) are necessarily absent.

The result was announced—yeas 37, nays 52, as follows:

[Rollcall Vote No. 506 Leg.]

YEAS—37

Allen
Baker
Bartlett
Beall
Bellmon
Bumpers
Byrd, Harry F., Jr.
Cannon
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Griffin
Hansen
Hatfield
Helms
Hollings
Hruska
Johnston
Laxalt
Long
McClellan
McClure
Nunn
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stone
Talmadge
Thurmond
Tower

NAYS—52

Abourezk
Bayh
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Case
Church
Clark
Cranston
Culver
Durkin
Eagleton
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Schweiker
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NOT VOTING—11

Bentsen
Buckley
Ford
Glenn
Goldwater
Javits
McGovern
McIntyre
Morgan
Ribicoff
Young

So Mr. Allen's amendment (No. 1128) was rejected.

AMENDMENT NO. 1121

Mr. BARTLETT. Mr. President, I call up my amendment No. 1121 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Oklahoma (Mr. Bartlett) proposes an amendment No. 1121 to amendment No. 1058 proposed by Mr. Williams.

The amendment is as follows:

> On page 1, before line 1, insert the following:
>
> "TITLE I—PROTECTION OF ECONOMIC RIGHTS OF LABOR IN THE CONSTRUCTION INDUSTRY".
>
> On page 1, line 1, strike "That (a) section" and insert in lieu thereof "Sec. 101. (a) Section".
>
> On page 5, line 22, strike "Sec. 2." and insert in lieu thereof "Sec. 102.".
>
> On page 5, line 22, strike "Act" and insert in lieu thereof "title".
>
> On page 5, line 23, strike "Act" and insert in lieu thereof "title".
>
> On page 5, after line 23, add the following:
>
> "TITLE II—HOBBS ACT AMENDMENTS
>
> "Sec. 201. Section 1951, title 18, United States Code, is amended by redesignating subsections '(a)', '(b)', and '(c)' as subsections '(b)', '(c)', and '(e)', respectively, and by inserting the following:
>
> "(a) Whoever obstructs, affects, or interferes with commerce by willfully injuring, damaging, burning, or destroying to the extent of $2,000 or more any real, personal, or mixed property of an employer, owner, or other person at or near a factory, a construction site, or any other place where work or business of the employer or owner is carried on, or where such employer or owner transports, stores, or maintains property for business or other purposes shall be

fined not more than $10,000 or imprisoned not more than twenty years, or both.'.

"'(d) The violations set forth in this section shall not be nullified or mitigated notwithstanding that the same acts are a violation of State or local law and notwithstanding that they take place in the course of a legitimate labor dispute or in pursuit of legitimate union or labor ends or objectives.'.

"Sec. 202. Section 1951(c)(2) of title 18, United States Code, as redesignated by this Act, is amended as follows:

"'(2) The term "extortion" means the obtaining of property from another with his consent, induced by use of actual or threatened force, violence, or fear, or under color of official right, notwithstanding that the same acts or conduct may also be a violation of State or local law and notwithstanding that the actual or threatened force, violence, or fear was used in the course of a legitimate labor dispute or in the pursuit of legitimate union or labor ends or objectives.'".

Mr. BARTLETT. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. The Chair will have to state that this amendment is out of order at this time. There is a pending amendment to amendment 1058, No. 1096.

Mr. BARTLETT. Mr. President, could I inquire when this amendment will be in order?

The PRESIDING OFFICER. As soon as the pending amendment to the substitute is disposed of.

Mr. BARTLETT. I could not quite hear the Chair. Is the reason this is not in order that there is a pending amendment, one amendment that is pending to be taken up at this time?

The PRESIDING OFFICER. To the substitute which the Senator's amendment would also amend. That amendment will have to be disposed of first. It, however, is amendable to one more degree.

Mr. BARTLETT. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from New Jersey.

Mr. WILLIAMS. Mr. President, the amendment that is pending is the measure which has been described as the Dunlop bill. This was introduced as separate legislation and has now been introduced as an amendment to the substitute that Senator Javits and I offered to H.R. 5900.

Mr. ALLEN. Mr. President——

Mr. CURTIS. Will the Senator yield for a question?

Mr. WILLIAMS. Yes.

Mr. CURTIS. Has the so-called Dunlop bill been reported out of committee? If so, is there a committee report on it?

Mr. WILLIAMS. The bill has been reported out of committee and there is a report on the Dunlop bill.

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Once the amendment of the Senator from New York is disposed of, would the amendment of the Senator from Oklahoma then be in order? Are we talking about an amendment in the third degree? Is that the reason it is out of order?

The PRESIDING OFFICER. We are not talking about an amendment in the third degree. It would be in order at that time. We are talking about two amendments to the same amendment. The first one would have to be disposed of before the second one would be in order.

Mr. BUMPERS. I thank the Chair.

Mr. ALLEN. Mr. President, what, then, is the pending amendment?

The PRESIDING OFFICER. Amendment No. 1096 to amendment 1058.

Mr. ALLEN. Mr. President, I raise the point of order that it is not germane to the bill, it going far beyond the provisions of the bill which has to do with situs picketing, whereas the amendment has to do with setting up a collective bargaining board. For that reason, it is not germane to the bill. I ask the Chair to rule it is out of order.

The PRESIDING OFFICER. It would have to be germane to the pending amendment.

The point of order has been made that the pending amendment is not germane.

Mr. JAVITS. Would the Chair like to hear any argument on that?

The PRESIDING OFFICER. The point of order is not debatable.

The point of order has been made that the pending amendment is not germane. Rule XXII requires amendments to be germane once cloture has been invoked, and under the rule the point of order is not debatable. The Chair thinks that this is a situation where the Senate is best served by the Chair's submitting the question to the Senate for its decision ab initio, as he has the right to do under rule XX of the Standing Rules of the Senate. The Chair, therefore, submits the point of order to the Senate for its decision. Is the point of order well taken?

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Those who vote yea will vote to hold the amendment germane and those who vote no will vote to hold the amendment not germane?

The PRESIDING OFFICER. A vote of yea would sustain the point of order that the amendment is not germane.

Mr. JAVITS. In other words, it is just the reverse. Those who wish to consider the amendment germane must vote no?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Will the Chair state the question again in the Chair's language?

The PRESIDING OFFICER. The question is, Is the point of order well taken? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Kentucky (Mr. Ford), the Senator from Louisiana (Mr. Long), the Senator from North Carolina (Mr. Morgan), the Senator from West Virginia (Mr. Randolph), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

I further announce that the Senator from Ohio (Mr. Glenn) is absent on official business.

I further announce that, if present and voting, the Senator from West Virginia (Mr. Randolph) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Goldwater) is necessarily absent.

The yeas and nays resulted—yeas 31, nays 59, as follows:

[Rollcall Vote No. 507 Leg.]

YEAS—31

Allen
Baker
Bartlett
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Eastland
Fannin
Garn
Griffin
Hansen
Hatfield
Helms
Hollings
Hruska
Johnston
Laxalt
McClellan
McClure
Nunn
Scott, William L.
Sparkman
Stone
Talmadge
Thurmond
Tower
Young

NAYS—59

Beall
Bellmon
Biden
Brock
Brooke
Burdick
Cannon
Case
Church
Clark
Cranston
Culver
Domenici
Durkin
Eagleton
Fong
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NOT VOTING—10

Abourezk
Bayh
Bentsen
Ford
Glenn
Goldwater
Long
Morgan
Randolph
Stennis

The PRESIDING OFFICER. On this vote, the yeas are 31, the nays are 59. Therefore, the point of order is not well taken.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the point of order was ruled to be not well taken.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

Mr. ALLEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Is the vote on the motion to table the motion to reconsider?

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the motion to table. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Kentucky (Mr. FORD), the Senator from Louisiana (Mr. LONG), the Senator from North Carolina (Mr. MORGAN), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Mississippi (Mr. STENNIS), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Ohio (Mr. GLENN) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. STEVENSON) and the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Delaware (Mr. ROTH) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 56, nays 31, as follows:

[Rollcall Vote No. 508 Leg.]

YEAS—56

Beall
Bellmon
Brock
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Culver
Domenici
Durkin
Eagleton
Fong
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Symington
Taft
Tunney
Weicker
Williams

NAYS—31

Allen
Baker
Bartlett
Buckley
Bumpers
Byrd, Harry F., Jr.
Chiles
Curtis
Dole
Eastland
Fannin
Garn
Griffin
Hansen
Hatfield
Helms
Hollings
Hruska
Johnston
Laxalt
McClellan
McClure
Metcalf
Nunn
Scott, William L.
Sparkman
Stone
Talmadge
Thurmond
Tower
Young

NOT VOTING—13

Abourezk
Bayh
Bentsen
Biden
Ford
Glenn
Goldwater
Long
Morgan
Randolph
Roth
Stennis
Stevenson

So the motion to table was agreed to.

Mr. JAVITS. Mr. President, I demand the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. TAFT and Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. TAFT. Mr. President, as a cosponsor of S. 2305, which really is the Dunlop bill, the amendment presently before us, I should like to address a few remarks to the amendment currently under our consideration.

I will say to you that I am in full agreement with the Secretary of Labor about the need for legislation designed to improve the quality of collective bargaining in the construction industry. A most important industry. An industry that is responsible for one-tenth of our gross national product. That industry is currently suffering unemployment that is greater than that in any other segment of our economy; 19.2 percent according to the latest figures available from the Bureau of Labor Statistics; 873,000 construction men out of work.

A substantial part of that unemployment stems from rapidly increasing labor costs that are due to both increasing wage rates and decreasing productivity.

I concur with Secretary Dunlop in his view that these rising labor costs grow primarily from poor contracts negotiated by weak management groups who are hamstrung by the extremely fragmented nature of the industry with its 10,000 autonomous local unions, and other thousands of management bargaining groups, each bargaining separately, without, in most cases, any established national, or regional, or even local policy, or effort toward any sort of coordination. I agree with the Secretary that this lack of coordination, this lack of policy or plan is attributable to this severe fragmentation and results in the leapfrogging of wage settlements in construction industry collective bargaining as each of these many autonomous local unions attempt, usually successfully, to better the wage increase or contract language of other craft unions in their locality or adjacent localities.

The phrase "domino theory" may apply more to construction industry collective bargaining than it does to foreign policy.

The administration has called for a review and restructuring of the legal framework of bargaining in the construction industry and I support that view, and I ask the support of the rest of this body for it.

The Secretary of Labor said during his testimony before the House Committee on Education and Labor:

> A more general comment may be appropriate. I have come to the conclusion over the past decade that the legal framework of collective bargaining in the construction industry is in need of serious review. On January 28, 1975, in a unanimous statement the leaders of labor and management operating under collective agreements in this industry also expressed the view that it is timely for labor and management to explore . . . a more viable and practical legal framework for collective bargaining. A vastly enhanced role for national unions and national contractor associations, working as a group, is essential in my view if the whipsawing and distortions of the past are to be avoided and if the problems of collective bargaining structure, productivity and manpower development are to be constructively approached by the industry itself, and in cooperation with governmental agencies.

It seems patently apparent that the present bargaining structure, that patchwork of thousands of local unions and thousands of small management groups has failed in keeping the most important construction industry in line with the rest of the economy, with its wage rates, with its productivity, with its manpower development.

As was said in the unanimous statement of labor and management leaders previously mentioned:

> It is timely for labor and management to explore . . . a more viable and practical legal framework for collective bargaining.

The Secretary said that in his view "a vastly enhanced role for national unions and national contractor associations is essential." Yet the proposed legislation provides for the enhancement of the role of only the national labor organizations. Would not the sense of equal treatment be better served if the right of contract approval rested in both the national unions and the national contractor associations? It is my understanding that two or three of the national trade associations have said they do not desire to have right of approval, while others would like to have it. It is also my understanding that such right of approval would only be implemented if the constitutions and bylaws of the national associations permitted such. Such right of approval on the part of national associations could be permissive rather than mandatory in order to accommodate their constitution and bylaws, so those associations who do not desire such authority, or whose constituent local affiliates did not wish to such right of approval would suffer no requirement to exercise that authority. The committee should study the matter and seriously consider the promulgation of a procedural rule or regulation which results in an equal status for employer associations with that of the international unions.

In conclusion I want to call the Senate's attention to the rather broad powers granted the committee established by this legislation. The committee is free to do all things which in its opinion facilitate effective bargaining and balanced bargaining relationships, and influence termination dates of contracts. The committee will have a free hand in these matters.

That being the case I believe the Senate should be aware that we will not always be guaranteed the presence of a strong, wise Secretary of Labor who will offer the leadership necessary to gain the laudable aims of this bill. Therefore, the selection of the committee members becomes of prime importance. The President, I am sure, should give deliberate consideration in the selection of his candidates. The legislation will have a lasting effect on the ongoing labor relations at the grassroots of the construction industry.

Restructuring the bargaining apparatus seems to be the agreed-upon solution to the sickness of fragmentation. There are some leading individuals at the grassroots level who have had recent experience with that effort. That experience should be represented on the committee. At the same time, thought should be given to the wisdom of the appointment of persons whose roots are buried in vested interests that desire the continua-served on like committees in the past tion of the status quo, and who have where results have been minimal.

The bill outlines the necessary authorities to effect the restructuring of the collective bargaining system in construction. A 5-year life has been given to the committee. Much is to be done, and without benchmarks, time is often wasted. It has been suggested that the committee establish certain objectives within a specified time frame. The Secretary during testimony acknowledged the merit of such an approach. I highly recommend that the committee decide and agree upon a timetable tied to objectives so that the stated purpose and objective of the bill will be achieved.

If they do so I believe this measure, this amendment to this particular piece of legislation, can do much to bring about far more orderly progress in the whole area of labor relations in the construction industry field.

I also want to make clear I welcome the fact that this amendment, this bill, as it started, has been an amendment to the bill that is currently before us, H.R. 5900, because it does seem to me the two tie together hand in glove.

The problems in the construction industry relating to the common situs picketing issue have, I think, been somewhat overplayed with an emotionalism that, perhaps, exceeds what the actual impact of that legislation might be.

I myself, as I have expressed in the additional views printed with the committee report, have expressed support for the general proposition that I believe it is a matter of fair and equitable treatment to our construction workers as compared to others in the entire industrial process, and covered by the National Labor Relations Board and the various problems that arise with regard to picketing in that field. I feel that tying in this particular piece of legislation, as has now been done happily by the ruling of the Senate just made—and I hope the House will go along with this, although their bills are still separate—will lead to sort of a new start in trying to establish a more responsive and more effective process of collective bargaining in the entire construction industry.

I urge the Senate strongly to support this amendment.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, I yield myself 10 minutes.

Mr. President, I am aware that, no doubt, many Senators voted to shut off extended debate on this measure because they had strong feelings over the issue of extended debate or filibustering.

That decision has been made by the Senate. I do hope those who have alined themselves with the 60 voting to shut off debate will take a long, hard look at the bill before they vote. This is a proposal that will not lead to industrial peace but rather it will lead to industrial strife.

The construction industry and the construction employees, the workers, are plagued with a depression in their industry. How can we help them by adding to the burdens of construction? It takes forever now to get something built, and by that I am not blaming labor or management. I am blaming the Government with all the requirements of environment, clearances, and the requirements of many kinds. It is a long, long road of many years to build some of the things this country needs. I refer, for instance, to powerplants.

Now, when we are voting on a system whereby a few employees for one subcontractor can picket an entire construction site, I do not think anybody here suggests that that will not add to the costs.

Mr. President, my question is, How is that situation going to speed up the construction business?

I am convinced that the passage of the common situs picketing bill will be an injury to the construction business. There will be fewer jobs, there will be fewer communities, fewer public utilities, fewer private parties who decide to build something.

Mr. President, this proposed legislation is wrong for several reasons. It will be very unfair to minority workers and particularly minority contractors. The proportion of the minority contractors that are nonunion is greater than that proportion of other contractors.

Mr. President, I want to read from a letter signed by Mr. Sampson, the General Services Administration, addressed to Mr. James T. Lynn, Director of the Office of Management and Budget.

This proposal is against the interests of the U.S. Government.

Here is what the head of the GSA at that time wrote about this bill and he is the man that is in charge of most of the construction for the Federal Government.

I read as follows:

> The General Services Administration, GSA, is concerned about the potential impact passage of H.R. 5900 and S. 1479 in their present form would have on Federal construction and maintenance contracts.
>
> These two bills would effectively repeal the existing prohibition against secondary boycotts at construction sites laid down by the Supreme Court in *NLRB v. Denver Building and Construction Trade Council*, 341 US 675, (1951). The proposed legislation would allow general picketing by an aggrieved union which would result in total disruption of any project where a substantial amount of union labor is employed. The additional cost to the government which would result from such delay, while difficult of projection, would be substantial. The potential harm that would be inflicted upon programs developed by the various Federal agencies concerned with construction to increase minority and small business participation in the building industry would be irreparably damaged. There are also serious and apparently irreconcilable legal questions which will arise under existing procurement laws should these proposals become law in their present form.
>
> It is requested that the Office of Management and Budget give urgent consideration to devising an exception for Federal construction and maintenance projects from the operation of these bills should they be enacted into law.

Mr. President, it is rather significant that the principal office in the Government that is engaged in construction and maintenance wants no part of this law.

How unfair it would be to exempt the U.S. Government and impose it upon our citizens.

If it is a bad law, let us not enact it, but it is so bad the official agency of the Government is asking for an exemption from it.

I read on from the letter:

> Enclosed is an extensive discussion of what the passage of H.R. 5900 and S. 1479 would do to this operation of Federal, and particularly GSA, construction and maintenance programs. This informal paper was prepared by the Labor Law Division of the GSA General Counsel's office and can be considered a thorough review of the problems posed by the subject bills.
>
> In light of the serious financial, operational and legal problems posed by this legislation, I request that appropriate members of our staffs meet at the earliest possible date to consider what action can be taken to avoid consequences of the kind outlined in this letter and the accompanying paper.
>
> Sincerely,
>
> SAMPSON.

Mr. President, I ask unanimous consent that this paper prepared by the Law Division of the General Counsel's Office of the GSA be printed in the RECORD in full at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit I.)

Mr. CURTIS. Mr. President, I call the attention of Senators to a few excerpts from this paper. Here is an interesting quote:

> Reduced to its simplest terms, no employer with a brain in his head is going to try to mix union and nonunion subcontractors once this bill is enacted. It would be an open invitation to trouble," Rep. Frank Thompson Jr., D-N.J., chief sponsor of the measure.

Reading on:

> The effect on GSA and other Federal government builders is equally simple. For reasons explained below, we cannot require that all contractors and subcontractors employ union or nonunion work forces, and we cannot limit picketing under the proposed bills.
>
> Therefore we will either accept general shut downs with no reasonable basis for resolution as a probable consequence on all jobs or we will get out of the construction business. In either event it seems clear we will do little or no building.

At another point, this paper says:

> Furthermore, GSA and other government builders, are committed to a policy of awarding bids to the lowest responsive, responsible bidder, without regard to the union or nonunion status of the contractor's employees. If GSA were to make union status or nonunion status a condition for successful bidding, it would violate its duty to secure the lowest responsive bid. Such a condition would also appear to violate the clear intent of Sections 1(b) and 7 of the National Labor Relations Act.

At another point, this very learned paper says:

> GSA has enthusiastically and effectively engaged in affirmative action to contract, and subcontract, with minority firms. Such minority firms are more often nonunion than are nonminority firms.
>
> The budget for the construction industry as a whole (including home building) is about $150 billion a year. The Federal government segment of that budget is about

15 percent or $22.5 billion per year. This is made up by such Departments and Agencies as DOD, GSA, Postal Service, NASA, Corps of Engineers, and Veterans' Administration.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. CURTIS. Mr. President, I yield myself 2 additional minutes.

During Fiscal Year 1974, more than $52 Million in contracts were awarded to minority contractors; minority group employees worked on GSA projects as skilled employees for over 4 million manhours earning over $33 million; and minority group employees worked on GSA projects as unskilled employees for more than 3 million manhours, earning more than $18 million. Minority group employees constituted about 32% of the total work force on GSA projects, 25% of the skilled, and 57% of the unskilled work force.

This paper has this conclusion:

Conclusion. If HR 5900 or S 1479 is enacted, GSA and other Federal builders need an exemption since as a matter of law we cannot operate without mixed work forces, which, as a matter of fact, would be virtually impossible to maintain under these bills.

Mr. President, here is a proposal that the GSA says it will be impossible to work with mixed union situations.

If the bills are enacted, GSA and other Federal builders deserve an exemption since our continued presence in the building and maintenance industries is demonstrably efficient and thus in the interests of the tax payers; it is stabilizing and thus in the interests of the industries,

The PRESIDING OFFICER. The Senator has used his additional 3 minutes.

Mr. WILIAMS. On 1 minute, I would like to ask the Senator a question.

Mr. CURTIS. I shall be happy to yield in a moment.

and it is socially progressive in the most important interests of all minority groups.

Exhibit 1

General Services Administration,
Washington, D.C.

Hon. James T. Lynn,
Director, Office of Management and Budget, Washington, D.C.

Dear Mr. Lynn: The General Services Administration, GSA, is concerned about the potential impact passage of H.R. 5900 and S. 1479 in their present form would have on Federal construction and maintenance contracts.

These two bills would effectively repeal the existing prohibition against secondary boycotts at construction sites laid down by the Supreme Court in *NLRB* v. *Denver Building and Construction Trade Council,* 341 US 675, (1951). The proposed legislation would allow general picketing by an aggrieved union which would result in total disruption of any project where a substantial amount of union labor is employed. The additional cost to the government which would result from such delay, while difficult of projection, would be substantial. The potential harm that would be inflicted upon programs developed by the various Federal agencies concerned with construction to increase minority and small business participation in the building industry would be irreparably damaged. There are also serious and apparently irreconcilable legal questions which will arise under existing procurement laws should these proposals become law in their present form.

It is requested that the Office of Management and Budget give urgent consideration to devising an exception for Federal construction and maintenance projects from the operation of these bills should they be enacted into law.

Enclosed is an extensive discussion of what the passage of H.R. 5900 and S. 1479 would do to the operation of Federal, and particularly GSA, construction and maintenance programs. This informal paper was prepared by the Labor Law Division of the GSA General Counsel's office and can be considered a thorough review of the problems posed by the subject bills.

In light of the serious financial, operational and legal problems posed by this legislation, I request that appropriate members of our staffs meet at the earliest possible date to consider what action can be taken to avoid consequences of the kind outlined in this letter and the accompanying paper.

Sincerely,

Sampson.

Enclosure.

OSA's Problems With the Common Situs Bills

I. *The problem created by H.R. 5900 and S1479* involves labor disputes, commonly known as secondary boycotts, on construction and maintenance projects. Almost all construction projects and many maintenance projects involve a large number of contractors and subcontractors and a number of crafts—either unionized or not.

II. *Under existing law* (*NLRB v. Denver Building and Construction Trade Council,* 341 US 675 (1951)) when a dispute erupts between a union and one or more contractors or subcontractors on such a job site, management (or GSA) may erect an entrance or gate to the project restricted to the use of the employees of the contractor or subcontractor involved in the dispute and, conversely, management may restrict all other entrances or gates for the use of (all other) employees of all other contractors.

The result of erecting such "separate gates" is that the union may picket the gate reserved for the employees of the contractor or subcontractor with which it has the dispute in order to publicize that dispute. However, it may not picket the other gates, for such picketing would be clear evidence of its intent to embroil neutral or secondary contractors and their employees in the dispute in violation of Section 8(b)(4)(i)(ii)(B) of the National Labor Relations Act.

In other words the union would have committed a secondary boycott. This result is possible because the Supreme Court in *Denver* concluded that the employees of all contractors and subcontractors at construction sites were *not* employees of the general contractor, and that all of the contractors and subcontractors were *not* joint venturers. Rather the Court concluded that they were all independent contractors dealing with one another at arms' length, and thus all contractors and subcontractors not directly involved in the dispute were secondary or neutral employers.

The practical result of Denver and the separate gate doctrine is that the unionized employees of the neutral contractors and subcontractors may continue to work since they would not be required to cross a picket line, and therefore any work stoppage would only affect the subcontractor party to the dispute.

III. *H.R. 5900 and S1479 would "overrule" Denver* and hold all contractors and subcontractors at (such) building and maintenance job sites to be joint venturers. *Therefore,* a union dispute with one would be a dispute with all. No part of the job would be protected as being neutral or secondary to the dispute. Any dispute, no matter how small or isolated, may be expected to result in a job-site wide picket line and a total shut down. The economic imbalance is obvious. No general contractor will keep a small subcontractor on the job who resists illegal recognitional demands or exorbitant wage demands if those demands are insignificant in comparison to the cost of a general shut down.

IV. *The effect on private contractors* is simple. They will make sure that jobs are either all union or all nonunion. That is the only practical method which will be left to try to avoid general shut downs and exorbitant costs of secondary boycotts:

"Reduced to its simplest terms, no employer with a brain in his head is going to try to mix union and nonunion subcontractors once this bill is enacted. It would be an open invitation to trouble," Rep. Frank Thompson Jr., D–N.J., chief sponsor of the measure.

V. *The effect on GSA* and other Federal government builders is equally simple. For reasons explained below, we *cannot* require that all contractors and subcontractors employ union or nonunion work forces, and we *cannot* limit picketing under the proposed bills. Therefore we will either accept general shutdowns with no reasonable basis for resolution as a probable consequence on all jobs *or* we will get out of the construction business. In either event it seems clear we will do little or no building.

VI. Why is GSA unable to man jobs with all union or all nonunion crews? *First,* it is well settled law that, absent specific authorization which is absent here, GSA cannot reject a bid solely on the basis that the lowest bidder did not employ union labor:

31 Comp Gen 561 (1952), B–109270, "No statute requires the employment of union labor by Government contractors, and generally there would be no legal justification for the rejection of the lowest bid received solely because of the fact that the low bidder may not employ union labor."

Any Agency mandate that exclusively nonunion contractors be employed would, of course, be equally illegal.

Furthermore, GSA and other government builders are committed to a *policy* of awarding bids to the lowest responsive, responsible bidder, without regard to the union or nonunion status of the contractor's employees. If GSA were to make union status or nonunion status a condition for successful bidding, it would *violate* its duty to secure the lowest responsive bid. Such a condition would also appear to *violate* the clear intent of *Sections 1(b) and 7 of the National Labor Relations Act.*

Second, the large size and sophisticated nature of most of GSA's construction projects is such that large contractors are usually required for some segments of each job. Large contractors are more often unionized than small contractors.

Third, as more fully set forth below, GSA has enthusiastically and effectively engaged in *affirmative action* to contract, and subcontract, with *minority firms.* Such minority firms are more often nonunion than are nonminority firms. To repeat, this has been a very effective program.

Fourth, under the terms of the *Small Business Act of 1953, 15 U.S.C. 631 et seq.,* GSA sets aside a significant percentage of its construction work for bids only by small business contractors. Such firms tend to be less unionized than large contractors.

Fifth, in addition to its affirmative action program in contracting, GSA also sets aside a substantial percentage of its construction work for the preferred bidding of *minority group contractors.* Those firms are most often nonunion. (*See Section 8(a) of the Small Business Act of 1953, 15 U.S.C. 631*).

Sixth, as explained more fully below, GSA is most emphatic in *requiring* that *all* of its contractors and subcontractors *live up to the terms of "home town plans" such as the "Philadelphia plan,"* and that they employ requisite numbers of skilled and unskilled minority group workers. Such workers are less apt to be members of unions than their majority group counterparts.

Minority workers are less apt to become journeyman members of building and construction trade unions because *many of those unions have excluded minority groups from their apprenticeship programs. GSA has been a leader, if not the leader, in combatting the discriminatory effects of those policies.*

The result of all of these legal and moral commitments is that GSA is required to build and maintain buildings with mixed crews of union and nonunion employees on almost every project.

VII. *Why should GSA and other Federal government agencies stay in the construction and maintenance business?*

The removal of the Federal presence in the industry would be *disruptive*. The budget for the construction industry as a whole (including home building) is about *$150 Billion a year*. The Federal government segment of that budget is about *15% or $22.5 Billion per year*. This is made up by such Departments and Agencies as *DOD, GSA, Postal Service, NASA, Corps of Engineers, and Veterans' Administration.*

The Federal government, and most particularly GSA, are in the construction and maintenance business because all parties concerned, *including the Congress*, have recognized advantages in that method of operation, either in terms of cost, or quality of construction, or both. The utilization of GSA, and presumably other Federal Builders, of *small business contractors* must have a *stabilizing influence* on the economy of the building and maintenance industries.

Probably the most important reason why the Congress and President should make it possible for GSA, and other Federal builders, to remain in the building and maintenance industries is our positive record in equal employment opportunity.

GSA alone through its affirmative contracting principles, through its "home town plans" and other affirmative hiring practices, and through its small business and minority contractor set asides, *has made it possible for significant numbers of minority groups to progress from unskilled jobs to skilled jobs.*

That natural avenue of advancement was largely closed to minority groups (including women) before GSA and other Federal builders made their presence felt in this area.

As a result of GSA's various efforts to involve minority groups in the construction industry *alone*, during *Fiscal Year 1974*, more than *$52 million in contracts were awarded to minority contractors; minority group employees worked on GSA projects as skilled employees for over 4 million manhours earning over $33 million;* and *minority group employees* worked on GSA projects as *unskilled employees for more than 3 million manhours, earning more than $18 million. Minority group employees constituted* about *32% of the total work force* on GSA projects, *25% of the skilled*, and *57% of the unskilled work force*. These are advances which would have been largely unrealized without GSA's presence in the construction industry.

Conclusion. If H.R. 5900 or S. 1479 is enacted, GSA and other Federal builders *need an exemption* since as a matter of law we cannot operate without mixed work forces, which, as a matter of fact, would be virtually impossible to maintain under these bills.

If the bills are enacted, GSA and other Federal builders *deserve an exemption* since our continued presence in the building and maintenance industries is demonstrably *efficient* and thus *in the interests of the tax payers; it is stabilizing* and thus *in the interests of the industries*, and it is *socially progressive in the most important interests of all minority groups.*

Mr. WILLIAMS. The question is: What is the Senator reading from?

Mr. CURTIS. I am reading from a letter from Mr. Sampson of the GSA to Mr. Lynn, the Director of the Office of Management and Budget.

Mr. WILLIAMS. He is not the present Administrator of GSA.

Mr. CURTIS. No; there is a new one in the last few days.

Mr. WILLIAMS. What is the date of the letter?

Mr. CURTIS. I cannot tell.

Mr. WILLIAMS. I can advise the Senator that he had better get updated with the present GSA Administrator. That is not the attitude of today's Administrator of the GSA.

Mr. CURTIS. I do not care what his attitude is. This is the truth. There is no statute of limitations on the truth. It might be 50 years old or 20 centuries old. If it is true, it is true.

We have a bill here——

Mr. WILLIAMS. Wait a minute. This is back on the time of the Senator from Nebraska.

Mr. CURTIS. My time has expired.

Mr. WILLIAMS. I yielded myself 1 minute. How are we on time?

The PRESIDING OFFICER. Who yields time?

Mr. CURTIS. Mr. President, this is too good for the Senators to miss. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. ALLEN. Mr. President——

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, I yield myself such time as I may use.

Mr. President, the point of order raised by the Senator from Alabama that the amendment embodying the provisions of the Dunlop bill setting up a collective bargaining machinery was not germane to the bill was a simple point of order that, in the judgment of the Senator from Alabama, should not have been submitted to the Senate. It should have been decided by the Chair, in the judgment of the Senator from Alabama.

To submit such a question to such an opinionated group of Senators was like tossing the Christians to the lions or tossing someone to the wolves, because their minds were made up. It was not a judicial determination on the part of the Senate but one of support of the bill.

I would hope that these matters would be decided by the Chair rather than to submit them to the Senate. Call them up or down, but call them as the Chair sees the rule.

Mr. President, to back up my view in the matter, I would like to read from Jefferson's Manual of Parliamentary Practice. He is talking about something that Mr. Onslow, an able parliamentarian and Speaker of the House in the late 18th century, had said. He was speaking of the Rules of the House of Commons.

> these forms—

speaking of the Rules, and he is interpolating what Mr. Onslow said—

> These forms, as instituted by our ancestors, operated as a check and control on the actions of the majority, and that they were, in many instances, a shelter and protection to the minority against the attempts of power.

This is Jefferson speaking:

> So far the maxim is certainly true, and is founded on good sense; that as it is always in the power of the majority, by their numbers, to stop any improper measures proposed on the part of their opponents, the only weapons by which the minority can defend themselves against similar attempts from those in power are the forms and rules of proceeding which have been adopted as they were found necessary, from time to time, and are become the law of the House, by a strict adherence to which the weaker party can only be protected from those irregularities and abuses which these forms were intended to check and which the wantonness of power is but too often apt to suggest to large and successful majorities.

Mr. CURTIS. Will the distinguished Senator yield 1 minute on my time?

Mr. ALLEN. Let me finish this paragraph and then I will.

And this is important:

> And whether these forms be in all cases the most rational or not is really not of so great importance. It is much more material that there should be a rule to go by, than what the rule is; that there may be a uniformity of proceeding in business not subject to the caprice of the speaker or captiousness of the members. It is very material that order, decency, and regularity be preserved in a dignified public body.

To submit a question of this sort, as to whether this amendment is germane to a Senate that was anxious, ready, willing and capable of taking anything that the leadership of the bill wanted certainly was a mockery. We might just as well not have rules if we are going to allow the Senate to decide what is germane and what is not. That is what we have a Parliamentarian for.

I would hope, whether I agree or disagree with the rulings of the Chair, that we would have a ruling. Do not submit to a prejudiced group, an opinionated group, a parliamentary question. That is something that the Chair should decide.

I have great respect for the present occupant of the Chair and great respect for the Parliamentarian. The Parliamentarian is supposed to rule on questions of order. Sure, they have a right to submit something where there is considerable doubt. But on a question of this sort, certainly, to submit it to the Senate did not give the opposition any chance whatsoever.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

Mr. CURTIS. I yield myself 1 minute.

Mr. President, either we have rules or we do not. If the rule for the moment is that which the majority votes that it is, then we have no rule. If that group that has the power to make a decision can do it, then we have no rule; we just have simple majority rule, mob rule, or rule of the jungle. That is what we have.

Rules were written to protect minorities and majorities, and that minority might be just one person. If there is a clear doubt, where the Senate should write some law as to what the rules are, it is proper to submit it. That is in the best tradition of the Senate. What was done here was in the worst tradition of the Senate, and I commend the distinguished Senator from Alabama, because if we continue to submit to the Senate every proposal of this kind, then the side that has the most votes will get their way, irrespective of rules. That does not serve the Senate of the United States, nor does it serve any interests on the outside. I hope it does not happen again.

Mr. ALLEN. I thank the distinguished Senator.

Mr. President, I do not feel that the result would have been any different if the Chair had ruled and an appeal had been taken from the ruling of the Chair, but still, obviously, they would rather just decide the question up or down by themselves, without having to overrule the Chair. As I say, the result would probably have been the same.

I would hope that in the future the Chair would rule—rule rightly or wrongly, but rule.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. I reserve the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment—No. 1906, as amended—of the Senator from New York (Mr. JAVITS). On this question, the yeas and nays have been ordered.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to amendment No. 1096, as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Kentucky (Mr. FORD), the Senator from Colorado (Mr. HART), the Senator from Colorado (Mr. HASKELL), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Mississippi (Mr. STENNIS), the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Ohio (Mr. GLENN) is absent on official business.

I further announce that, if present and voting, the Senator from Colorado (Mr. HART), the Senator from Rhode Island (Mr. PASTORE), the Senatore from West Virginia (Mr. RANDOLPH), the Senator from Missouri (Mr. SYMINGTON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Maryland (Mr. MATHIAS), the Senator from Kansas (Mr. PEARSON), the Senator from Delaware (Mr. ROTH), the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 61, nays 22, as follows:

[Rollcall Vote No. 509 Leg.]

YEAS—61

Abourezk
Baker
Beall
Bellmon
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Durkin
Eagleton
Fong
Gravel
Hart, Philip A.
Hartke
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Taft
Talmadge
Tunney
Weicker
Williams

NAYS—22

Allen
Bartlett
Byrd, Harry F., Jr.
Curtis
Domenici
Eastland
Fannin
Garn
Griffin
Hansen
Hatfield
Helms
Hruska
Johnston
Laxalt
McClellan
McClure
Morgan
Scott, William L.
Stone
Thurmond
Tower

NOT VOTING—17

Bayh
Bentsen
Biden
Ford
Glenn
Goldwater
Hart, Gary
Haskell
Mathias
McIntyre
Pastore
Pearson
Randolph
Roth
Stennis
Symington
Young

So the Javits-Williams amendment (No. 1096), as modified, was agreed to.

Mr. WILLIAMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, before Senators leave, may I ask if there is any expectation of another rollcall vote or not?

ADDITIONAL STATEMENTS SUBMITTED ON H.R. 5900

THE DUNLOP BILL: A THREAT TO UNION DEMOCRACY

Mr. FANNIN. Mr. President, S. 2305, the so-called Dunlop bill, was prepared by Secretary of Labor John T. Dunlop and has the support of some of the Nation's largest construction firms who operate in every State of the Union, primarily in the heavy construction field. These employers work under collective bargaining agreements with the building and construction trades department of the AFL–CIO.

In the testimony of the National Contractors' Association before both the Senate and House Labor Committees, they state that they are unanimous in opposing S. 1479, the so-called common situs picketing bill. Their support for something like the Dunlop bill arises because of the large amount of autonomy achieved by local unions. They state that such autonomy has resulted in a labor relations climate which is in a chaotic state. The authority vested in the national offices of parent unions has shifted to local unions which has resulted in a sharp increase in the number of strikes and other costly job interruptions.

Further, the National Contractors' Association states that immediately after the expiration of the Economic Stabilization Act, the drive for unreasonable and inflationary wage increases was resumed on the part of local unions, accompanied by an increase in strikes.

Mr. President, if there is any industrial association or individual contractor, large or small, to have advocated the passage of a bill which combines S. 1479, the common situs picketing bill, with S. 2305, the Dunlop bill, I am unaware of it.

Both the House and Senate Labor Committees have reported the Dunlop bill to their respective Houses, acting with such speed that one can only assume that the two bills will be intertwined in the debate.

The major provisions of S. 2305 are as follows:

First. It establishes in the Department of Labor a Construction Industry Collective Bargaining Committee, composed of 10 management representatives, 10 labor representatives, and 3 neutral members, all appointed by the President.

Second. Local labor organizations affiliated with the standard national labor organization in the industry are required to give 60 days' notice to their national unions before the expiration or reopening of agreements, and contractors engaged in collective bargaining with them are similarly required to notify the national organization with which they are affiliated or the committee directly. The national labor organization and the national contractors' associations are required to forward such notices to the committee.

Third. The committee may elect to take jurisdiction of the matter. If it takes jurisdiction, any strike or lockout is deferred for 30 days past the contract expiration date.

Fourth. The committee may decide to refer the matter to a national craft board or the national machinery established by the industry in an effort to assist the parties to reach agreement or the committee may elect to meet with the parties itself.

Fifth. The committee may request the national union and the National Contractors' Association to participate in the negotiations. In that event, any new or revised contract shall be approved by the national union in order for it to have any force or effect. Neither the national union nor the National Contractors' Association shall suffer any criminal or civil liability arising out of its participation.

Sixth. When the above procedures are followed, there cannot be a strike for 60 days. The only remedy for refusal to carry out the various procedures is a civil suit for equitable relief. This may be brought by the committee or the committee may direct one of the parties to bring such suit. A court may not prohibit a strike for longer than the combined 90 days.

Mr. President, I do not profess to be a labor expert, but it appears to me that there is a number of major objections to the Dunlop bill.

First, its approval in no way eliminates the evils created by passage of the common situs picketing bill, S. 1479.

Second, other than the fact that both bills deal with the construction industry, they have no similarity.

Third, if S. 2305 has any merit, it should be debated and improved by amendments. Its merits or weaknesses, its approval or rejection, should not in any way be linked with S. 1479.

Fourth, the bill has no teeth. With reference to action by the union or the employer or the committee, the bill uses the verb "may" rather than "shall." The only remedy for refusal by either party is a civil action for damages.

Fifth, and most significantly, it would wipe out the bill of rights for the construction workers which was enacted by Congress in the Landrum-Griffin Act of 1959.

As my colleagues will recall, the Landrum-Griffin Act was passed in response to the intolerable treatment accorded to members by the international union bosses prior to that time, characterized by the Dave Beck-type of operation in the teamsters, John L. Lewis in the line workers' union and James Petrillo in the musicians' union.

The purpose of the Landrum-Griffin Act was to create more democracy within unions. It has not been established to my satisfaction that such does not remain a desirable purpose.

Mr. President, the Dunlop bill would subordinate every local construction union and every construction worker in the country to the international union presidents and their hierarchy with respect to the negotiation of labor agreements which is of prime importance to local people and their families.

It would provide no protection to the locals and to local workers against arbitrary and capricious action on the part of international union. Section 5(d) provides that no international union shall have any criminal or civil liability arising out of the international union's participation in bargaining or approval or refusal to approve an agreement. Suppose the normal civil or criminal laws are, in fact, violated? While these laws apply to everyone else on an impartial basis, the international unions would be totally immune as far as protection from their misconduct against local unions or local workers is concerned.

Mr. President, this suggests to me another important objection to passage of S. 2305. The unlimited scope of power this legislation would grant to the private national labor organizations raises questions of unlawful delegation of congressional or Government authority.

The large national unions would have power to approve or disapprove local labor agreements. The bill states that—

> No new . . . agreement or revision . . . shall be of any force and effect unless . . . approved in writing by the . . . national labor organization.

Yet, if approval is not forthcoming, the local union is again free to strike after the expiration of the bill's 90-day cooling off period.

While the Dunlop bill recites a number of policy goals, it provides no procedures, no guidelines, no reasonably ascertainable standards of conduct, with respect to achieving those goals. In fact, there are no limitations on the national unions' conduct in exercising the great powers delegated to them. If approval of agreements negotiated by local unions and local associations are not approved, for whatever reason, there appears to be no protection for the public generally. It is innocently assumed that the national unions can be depended upon to perform strictly in the public interest, without having accountability to any court or administrative agency.

Mr. President, it should stand to reason that if a private group is going to be delegated the authority to stamp its imprimatur on agreements and conduct to render them legal or illegal, it must be considered to be a quasi-governmental agency and accountable to all channels of authority which all governmental agencies are accountable to. The legislation does not deal with this problem and, in my opinion, is fatally defective in that regard.

Furthermore, S. 2305 is chaotic in that it establishes a committee, "craft boards" and special powers in the national labor organizations, without establishing the necessary lines of authority or lines of related operations among them. The bill delegates the principal power to the national labor organizations to approve or disapprove local agreements, but fails to tie in the committee and the "craft boards" to this central function, however questionable the central function may be.

The bill provides for "craft boards," but without any coordinated role in terms of the purpose of the bill. It states:

> Craft boards are to seek resolution . . . of disputes . . . review collective bargaining policies and developments . . . and engage in such other activities . . . as deemed appropriate.

Under legislation, "craft boards" will come into being as Government agencies, for which appropriations will eventually be required, without a purpose or a standard of conduct.

Mr. President, S. 2305 conspicuously avoids the major construction labor problems. While it does address itself to collective bargaining, one of many industry problems, it even fails to deal effectively with that issue. Let me cite several other problem areas which the Dunlop bill does not touch upon:

First. The lack of labor productivity. High wage scales could be justified with corresponding high productivity. The construction industry is capable of achieving higher productivity with modern technology and products, but is failing to do so for lack of cooperation on the part of organized labor.

Second. The unions' objection to fabricated products which they have a legal right to boycott under present law.

Third. Lack of training and insufficiently trained work force. Despite temporary unemployment, the construction industry, in the long run, requires great numbers of newly trained construction workers. Construction training programs are woefully inadequate, again due to uncooperation from union organizations and certain government agencies.

Fourth. Featherbedding. The industry is "honeycombed" with featherbedding practices of all kinds which are sanctioned by Government agencies and by operation of the Taft-Hartley Act, which precludes effective management control.

Fifth. Restrictions against completion. The industry is weakened by widespread anticompetitive restrictions which are "palmed off" on the unsuspecting public, Government agencies and the courts under the guise of being related to "protection of legitimate labor interests." This subterfuge was somewhat lifted by the Supreme Court's decision in the Connell Construction Co. case, which because of this exposé, has generated a landslide of criticism from union-paid lawyers.

Sixth. Widespread strikes and labor disruptions. Construction is constantly crippled by strikes of all kinds, both legal and illegal. The mechanism for dealing with construction strikes is outmoded and ineffective. Secondary strikes of all types are the worst examples. The provision in S. 2305 for a 90-day cooling-off period will immediately be circumvented by the unions' game plan, and long bargaining strikes will continue in spite of the legislation.

Unless the types of problems noted above are dealt with by effective legislation, the construction trades will not be helped. In my opinion, industry is not helped in any meaningful way and, in fact, may be harmed by passage of S. 2305. The Dunlop bill fails to provide any dependable protection for the public or the users of construction. For these reasons, I shall vote against the bill.

Mr. LAXALT. Mr. President, my close friend from Oklahoma, Senator DEWEY BARTLETT, has been a leader in the fight against the common situs picketing bill, H.R. 5900. From the beginning, his persuasiveness and eloquence have been of great assistance to me and to others as we have struggled to prevent the enactment of this thoroughly counterproductive legislation.

Even when cloture was voted, Senator BARTLETT pledged continued opposition through amendments to final passage itself. Accordingly, it is fortunate that his special brand of intelligence and tenacity has not gone unnoticed. The Tulsa World, in its editorial of November 8, paid special tribute to Senator BARTLETT's opposition to H.R. 5900 while urging that the President veto the legislation.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD for the information of my colleagues and the hopeful edification of the President.

There being no objection, the editorial

was ordered to be printed in the RECORD, as follows:

AGAINST BOYCOTT BILL

Oklahomans who believe in fair play in union-management negotiations owe Senator Dewey Bartlett a round of applause.

Bartlett has assumed a leading role in opposing a bill which would legalize the secondary boycott by construction trade unions.

Speaking to the Senate Thursday, the Oklahoma Republican cleared away a lot of smoke that has surrounded this atrocious piece of legislation.

The so-called "common situs" bill gives a building trade union the right to picket not only a contractor with whom the union is negotiating or against whom it has a grievance, but all other employers or contractors working on the same project or the same "common site."

Of course, union members have long enjoyed the right to picket their own employers. That privilege is carefully protected by law. But it has been historically unlawful to conduct a secondary boycott, that is to picket or interfere with an employer not involved in the dispute.

Lobbyists for Big Labor say the bill is necessary to give construction unions equal treatment with other labor organizations. It is argued that a factory worker can picket and close down an entire work site. It follows that a construction worker should likewise be able to close down an entire project. The difference, of course, is that a factory worker who pickets is ordinarily striking and picketing against his own employer—not against companies that have no part in his dispute.

But Bartlett points out that construction unions haven't done badly without this "equality."

"The wages of construction workers have increased 94 per cent over the last 10 years," he said. "In the same period, the wages of manufacturing workers have increased only 82 per cent."

Bartlett also noted that the legislation would give the building trade unions new power to use the strike to drive non-union workers out of the industry.

Unfortunately, President Ford may sign this bill even though he has long opposed the secondary boycott. It is said that he has tacitly agreed to sign it in exchange for Big Labor's support of another bill in which Mr. Ford has an interest.

This is a bad bill. If it is approved by Congress, as appears likely, pray that Bartlett and others of like mind can persuade the President that he is making a bad trade.

Mr. FANNIN. Mr. President, the common situs picketing bill, if passed, will have a harmful effect on our economy and particularly on the already ailing construction industry. It will result in a tremendous rise in building costs which will, in turn, further weaken our Nation's troubled economic situation and slow recovery from our current recession. The inflationary impact will be felt by every citizen.

The bill can hardly be considered a boon to the workingman since it will result in more layoffs in the building trades. It works to the disadvantage of responsible members of organized labor who do not wish to be put out of work or be forced to stop completion of construction projects.

Yet, despite these arguments against S. 1479, I read reports in the media which confidently predict that the Senate will easily pass the situs picketing bill. I certainly hope that these pundits are wrong.

The opposition to passage of S. 1479 seems to be very strong. According to a recent survey conducted for the business roundtable by the Opinion Research Corp., of Princeton, N.J., 68 percent of the general public feels that building trades unions "should only be allowed to picket the work of the contractor with whom it has a dispute and not the whole building site." The survey also indicated that 57 percent of all union members oppose common situs picketing legislation in any form.

The Gallup Poll showed that 72 percent of the 30- to 39-year-olds oppose common situs picketing, 74 percent of the residents of smaller cities and 72 percent of those people identified by the polling organization as "thought leaders" also are against the measure.

Yet this legislation, S. 1479 and H.R. 5900, seems to have the backing of President Ford, on the advice of Secretary of Labor Dunlop, as part of a construction collective bargaining "package." The other part of the package, S. 2305, Secretary Dunlop's Construction Industry Stabilization Act of 1975, has been approved by the House and the Senate Labor and Public Welfare Committee. It has become apparent that the Dunlop bill is being used as a smokescreen to make possible speedy passage of the more controversial common situs bill. For the reasons I have already discussed, this trade-off of the Dunlop and common situs picketing bills is too high a price for the Congress and the American people to pay.

My office has received very little mail concerning the Dunlop bill and that I have received is in opposition to its passage. On the other hand, I have been flooded with communications from Arizonans adamantly opposed to the legislation. Many writers express sentiments against compulsory unionism in general and in favor of congressional action to control unions, bring them under antitrust laws, and the like. But Arizonans are especially concerned, as am I, that enactment of S. 1479 will lead to repeal of State right-to-work laws and destroy the excellent working environment, healthy labor conditions and relatively prosperous construction climate that we now have in my State because Arizona is a right-to-work State.

Mr. President, if, in fact, the American people, including union members, are overwhelmingly opposed to S. 1479, one can only wonder why there is such urgency to pass this bill. If American workers are not demanding a change in our labor laws, if the public and industry do not want it, and the economy cannot stand it, what is this sudden compelling interest in secondary boycott legislation?

The answer is clearly that big labor wants it. The pressure for enactment of situs picketing legislation is coming about exclusively from the special interests of big unions who sense that this is the time to strike. They are putting on the pressure and calling in their chits, for they are more confident than ever that they can finally obtain passing by this Congress which organized labor helped to elect. They know, too, that with enactment of common situs picketing legislation, the States' right-to-work laws will be doomed and nonunion workers and open shop contractors can be forced off their jobs.

Mr. President, the editors of the Arizona Republic have called this legislation "an unconscionable power grab by the building trades unions." Let me read from a recent Republic editorial, "Power Grab," on this subject:

Powerful as they already are, the building trades union are now pushing two bills through Congress that would make them more powerful still.

High as wages in the building trades already are—an average of $10 an hour, including fringe benefits—the bills would enable the unions to drive them astronomically higher.

This may cripple the construction industry permanently, but union leaders never worry about things like that. All they care about is the fast buck.

The bills H.R. 5900 and S. 1479, would exempt building trades unions, and them alone, from the laws banning secondary boycotts.

On any building project, the general contractor may have as many as two dozen subcontractors. At present, if the plasterers' union, say, calls a strike against the plastering subcontractor, it can picket only him.

H.R. 5900 and S. 1479 would make it legal for the union to picket the entire project. Since union members will not violate each other's picket lines, this means the plasterers could shut the entire project down.

A prolonged strike, therefore, would ruin not only the plastering subcontractor but all the other subcontractors, and the general contractor, as well.

As a result, the other subcontractors and the general contractor would really lean on the plastering subcontractor to settle on the union's terms. If worse came to worst, the general contractor might even fire the plastering subcontractor and find a competitor willing to give the union what it was asking for.

Butter wouldn't melt in his mouth when Rep. FRANK THOMPSON Jr., D-N.J., author of H.R. 5900, describes his bill. Its purpose, he says, is "To protect . . . labor . . . by providing equal treatment of crafts industrial workers."

The same is true of Sen. HARRISON WILLIAMS, D-N.J., author of S. 1479. Under present laws, he says, "The right of a construction union to engage in peaceful legitimate picketing has been severely restricted.

Both argue that, in manufacturing, if one union strikes against a company, it can set up a picket line around the entire plant and shut the factory down. Why, they ask, shouldn't one union have the same power to shut down an entire construction project?

The analogy is phony, and, what's more, in years past, union leaders have admitted as much.

In manufacturing, the union strikes against a single employer.

In the case of the construction industry, if H.R. 5900 and S. 1479 are passed, the union will be able to cause untold injury to a dozen or two employers, who have no connection with it and no quarrel with it, who simply are innocent bystanders.

That is the purpose of the bills—to force the innocent bystanders to become allies of the union.

The bills are an unconscionable power grab by the building trades unions. Unless Congress has become a hostage of the unions, it will kill them.

Mr. President, I shall vote against S. 1479, and I urge my colleagues to do the same. This will be the fourth time that I have engaged in this fight during my service in the Senate. Apparently the big labor unions never give up.

Mr. President, I ask unanimous consent that excerpts from some of the many letters I have received from Arizonans concerning common situs picketing legislation be inserted at this point in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Bender's,
Mesa, Ariz., June 27, 1975.

Senator Paul Fannin
North First Avenue,
Phoenix, Arizona

Dear Senator Fannin: I am the owner of an air conditioning sales and installation business. I have recently seen information on H.R. 5900. I think this bill is bad for me, my company, and for all the people who depend on my company for earning their living.

If this bill is approved, it would mean that employee *free choice* over union membership would be eliminated. Also, my employees would end up being victims of *union* disputes that have nothing whatsoever to do with them.

Passage of this bill would mean that the cost of all construction would increase because of work delays and stoppages. This would be a particularly unfortunate thing at this time when our country is trying to pull out of a severe recession and combat rampant inflation.

Also of vital importance to our state, passage of this bill would jeopardize energy-related projects such as the construction of solar energy research plants.

For the above reasons and many more, I would urge your support in seeing that H.R. 5900 is defeated.

Cordially,

Emil R. Loskot,
President.

Phoenix, Ariz., *October 29, 1975.*

Senator Paul Fannin,
U.S. Senate,
Washington, D.C.

Dear Senator: As a resident of Phoenix employed by one of the state's leading banks. I urge you to work for the defeat of (S. 1479) Common Situs Picketing.

Before coming to Arizona some five years ago, I was employed for ten years by a major American steel producer and watched—not without some anguish—as the Steelworkers Union slowly but surely eroded many of management's basic prerogatives.

While some would argue that the industry often times too easily acquiesced to union demands, I can vividly recall some long and bitter strikes—one of which opened the floodgates to foreign competition, and the industry has yet to fully recover from the effects of that tidal wave.

More to the point, I observed firsthand the costly delays in multi-million dollar plant projects brought about by internecine warfare among various branches of the trade unions and the steelworkers employed in construction and maintenance work by the companies. It is small wonder that our country's basic industries are so capital poor today.

In more recent years, I have watched from my office window the efforts to revitalize downtown Phoenix. All have had costly union-caused work stoppages. Should (S. 1479) become law in its present form, I am afraid we have seen the last of any major improvements, not only in Phoenix, but in other major American cities far more in need of revitalization of their core areas.

Sincerely,

Charles W. Hemann.

Commercial & Industrial
Insulation Contractors,
Phoenix, Ariz., July 18, 1975.

Dear Sir: With reference to H.R. 5900, which would amend the Taft-Hartley Act to permit union picketing of an entire construction project, I cannot urge you strongly enough to vote no.

To allow such action by the building trade unions would all but completely shut down the construction industry, and bring about increased unemployment to a country already up to the hilt with unemployment.

In this year alone in Phoenix, we have had strikes by sheet metal workers, roofers, plumbers, etc., and now the asbestos workers are due to strike on August 1st. If each job site was picketed by all these trades, the whole industry would come to a complete standstill. This would result in chaos, and, as proven in the past, violence in many instances.

As you are probably aware, it is getting increasingly difficult for a contractor to secure and perform his services due to inflation, government controls, high taxes and labor unions. We should not also be burdened with this. Construction workers are among the highest paid in the nation already, and also have very good fringe benefits. They invest nothing in a company, but still maintain they have the right to dictate on every phase of the business.

Contractors, estimators, bookkeepers, warehousemen, delivery boys, secretaries and all other personnel required to secure and maintain a job for union members also have the right to live and eat.

Please vote NO to the unfair amendment.

Very truly yours,

Fred D. Colgrave,
President.

Mesa, Ariz., *September 15, 1975.*

Hon. Barry M. Goldwater,
Hon. Paul Fannin,
U.S. Senate,
Senate Office Building,
Washington, D.C.

Sirs: I have just been exposed ta Senate Bill S-1479, The Situs Picketing Bill, and I am in dire need of some clarification on the matter.

I need some help understanding why a group, union or otherwise, needs a tool such as this one implies as a means to gain any end. Why should I, if I were a supplier of nails or paint be held a responsible party because the man on the job site driving my nails or applying my paint is involved himself or his union shop is involved in a dispute in which a strike results. Whether the man is perfectly justified in his case or involved indirectly in, perhaps, merely a higher level personality conflict between the powers that be between the respective union and management people.

Whether or not I should or would be sympathetic personally toward the union's case is one thing, but tell me, no, convince me, why I should be forced into the affair on the side of the union, which is the indication by the fact that I have completely shut down my operation of selling nails, or paint, or carrots, or paper, or anything because sometime in the past I made a decision to sell something to this particular job site that is now involved in this particular union dispute, and by law, I must do so.

Maybe I am off base. I feel like maybe I am when I see the 230 members of the House voted for the bill. Is it that labor is making enough noise to cause these members of the house to listen to this noise, respond to this pressure, in lieu of voting reason and realism? I suspect that even though the noise over this issue has died in the house, they should not expect a different noise to be heard back in their respective constituencies when term renewal comes around.

I realize that I'm only one vote to contend with, but so was Sam Steiger, John Rhodes, John Conlan, (who did not vote), as well as you, Mr. Goldwater and Mr. Fannin. I can justify to myself why my vote, which was one of 100,000 was not enough to win an election for my candidate or issue, but I can never justify to myself, or anyone else for that matter, my lack of effort in being diligent enough to go out and win enough of the votes of others to make an issue of it.

Were those Representatives who voted against the bill content to assume that since their own reasoning, that led them to oppose the bill was so easily reached that they need not bother checking 230 other members about their thoughts because the issues against it were so obvious? Two-Hundred and thirty others, enough to gain passage of the bill in the house, didn't have the same approach to the problem, for whatever reason, ergo, let the Senate or the President stop it! I now have labor off my back (and on my side), for now, and I can get on with the *major* issues of the day. Anyway, all it will take is one case before the Supreme Court and this probably will go down the tubes like the Denver Building Trades case did in 1951 . . .

These are purely hypothetical thoughts and not necessarily my own, but I have been involved in discussions similar to these involving other voters with many unanswered questions. For instance, if a job site union shop can shut down my operation, me being merely a material supplier to this particular project, which may be only one of several hundred similar projects, and may be involved within several states, can my shop, on the other hand, when involved in a strike related shutdown, cause all operations at sites to which we have supplied material some time in the past that are still actively involved with the use of union labor, to cease their operation? If not, why the one-way direction of influence?

It is awfully hard for me now to be sympathetic with a plumber's union, or any other union with similar wage and benefits, causing a complete shut down of their services because inflation has eaten away at their $12.00 to $15.00 an hour base pay, time and a half for over 8 hours in a given day, double time for Saturday, Sunday, Holiday, Birthday, Rainy Day, etc., etc. The problem appears to me to be a problem of personal money handling and not one of inflation related regression in their living standard. A man making minimum wage would bend my ear, but not a man with technical skill who is in a higher income bracket than an educator with a couple of college degrees and is clamoring for more because he has not learned to budget what he has the way the educator has been forced to do.

And, why is there such a disparity between the federally set minimum wage a non-union worker must be paid by an employer and the minimum wage a union common laborer must be paid when doing the same type of work? I will never understand that. Pardon me, I *can* understand *why,* it just keeps me awake nights.

It should be clearly apparent that I don't buy this issue, but free to correct me if I am wrong. If we share enough of the same opinion that you are voting against the issue, please assure me that a conscious effort is being waged on behalf of opposition to this issue, and what I can do in Arizona to help.

Concerned and awaiting your reply.

Terry Patty.

Kennecott Copper Corp.,
Hayden, Ariz., July 2, 1975.

Hon. Paul Fannin,
U.S. Senate,
The Capitol,
Washington, D.C.

Dear Senator Fannin: I have just learned that there is now pending before the Congress legislation which, if passed, could have extremely serious and far-reaching consequences to any organization which employs members of the construction trades unions. The legislation proposed is known as "Common Situs Picketing"—S. 1479.

It is my understanding that if this legislation should become law, a minor unit of construction trades union members could legally impose a secondary boycott on a construction project employing thousands of workers. As pointed out in a recent newsletter of the Associated General Contractors of America, ". . . one construction union could cause a total work stoppage on the entire Alaska pipeline from Valdez to the North Slope because of an isolated labor dispute anywhere on the project."

In the copper industry, if a major new facility were under construction and a two or three-man local unit employed by a subcontractor struck, the entire project could be shut down while costs kept escalating, deadlines were passed, and hundreds of men were thrown out of work.

I urge you to speak out against this proposed legislation, and I would also urge your support of HR 6757, repeal of the Davis-Bacon Act, which has served to send government construction costs—and the taxes which pay for them—spiraling out of sight.

Very truly yours,

K. H. MATHESON, Jr.,
General Manager.

PHOENIX, ARIZ., *Sept. 5, 1975.*

Hon. PAUL FANNIN,
U.S. Senator,
Senate Office Bldg.,
Washington, D.C.

DEAR SENATOR FANNIN: I am writing to voice my unequivocal opposition to the pending "common situs" legislation in Congress.

This "common situs" action will certainly result in eventual inflating pressure; it will jeopardize the employment of 40% of the total construction labor force in this country and it will negate the open-shop statutes of the individual states. Simply put, the legislation is one of the most liberal actions of Congress and the Presidency in the last thirty years. How can President Ford expect conservative support for his programs and re-election when he is taking an action such as this?

President Ford's advisor, John T. Dunlap, is supporting this bill in an applaudable attempt to control the cost escalating practice of leap-frog bargaining and irrational boycotts by many construction unions. Apparently, Mr. Dunlap believes that the action of the bill requiring local unions to give their national offices a prior notice for picketing or strikes will have a general tendency of imposing a more farsighted perspective on the union locals and thereby reduce the rash of recent foolish, if not suicidal, inflationary settlements.

While the intent is admirable and timely, I believe the action is ill-conceived. Indeed, the escalation of construction labor costs have comprised a fundamental and disturbing source of inflation in recent years. The remedy proposed in the "common situs" legislation, however, will only compound and intensify the problem. The antitrust status of the trade unions has insulated them from the competitive reality of supply and demand. The only controlling factor on escalating labor costs is the growing presence of the non-union tradesmen. Open-shop construction currently accounts for over 40% of all construction in this country and that percentage is growing. The proposed "common situs" legislation will completely undermine the open-shop segment of the construction industry. In states such as Arizona, the direct effects on open-shop construction (which is substantial) will be devastating. Additionally, at a time of high unemployment it will jeopardize the positions of that 40% of the labor construction force which are non-union.

Our country needs a strong construction industry for its economical growth. Because of the overall negative effects of the "common situs" legislation industry, this action may be of greater importance or a greater threat to our long term national economy than even the very vivid energy problem. It appears that the only practical method of stopping the momentum of this bill is a rather candid conversation with Mr. Ford. He must be made aware of the real effects of this action in both the economical and political sense. Eventually, if only unions are left in this country, then to whom will you address yourselves? The conservative constituency in this country has the definite feeling of desertion by the Presidency. He must be made aware of the general, if silent, resistance to this bill.

Sincerely,

RONALD H. LANE.

MEREDITH CONSTRUCTION CO.,
Phoenix, Ariz., August 27, 1975.

Hon. PAUL J. FANNIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FANNIN: We strongly oppose the above Bill permitting secondary boycotts in the construction industry. There are now far too many restrictions on this industry which helps price a home above the means of the average family and this bill would just mean aditional costs.

We do not feel that our jobsites should be struck because of a disagreement with suppliers, or at the whim of a labor leader. This would nullify our "Right to Work" status in Arizona and we will greatly appreciate it if you will use your strong influence to defeat this Bill in the Senate.

HERMAN MEREDITH,
President.

LEWIS AND ROCA,
Phoenix, Ariz., October 29, 1975.

Hon. PAUL FANNIN,
Old Senate Office Building,
Washington, D.C.

DEAR PAUL: I just received the enclosed bulletin from the Chamber of Commerce concerning Common Situs Picketing.

I feel that a letter to you on this subject is really unnecessary, but I do want you to know how I feel in any event.

I can think of nothing that would be more disastrous for us here, or for that matter anyone anywhere, than to permit legislation that would enable anyone to close down a job by picketing over a dispute with only one employer or contractor.

We went through this on St. Luke's Hospital when it was being built and a 4-man crew struck. We were able to dispose of the dispute, but it would never have been possible with legislation such as this.

My regards.

Sincerely,

ORME LEWIS.

Senator PAUL J. FANNIN,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR FANNIN: I am a retired former Union man. However, I feel the present unions are going a little too far.

I am opposed to any bill to legalize situs picketing or secondary boycotts, not only for the building trade union, but any union.

What we need is a bill that would outlaw compulsory membership in any union.

I respectfully urge you to vote against H.R. Bill 5900, S. Bill 1479, or *any* bill that would make SITUS Picketing legal.

I am urging others to write, and we will be watching with interest as this bill comes up.

Sincerely,

C. E. "Ed" MORRIS.

PHOENIX METROPOLITAN
CHAMBER OF COMMERCE,
October 22, 1975.

COMMON SITUS PICKETING

Your views on common situs picketing (S1479) should be made known to our United States Senators as soon as possible. We are urging opposition to the bill and anticipate that both will oppose the legislation, however, support for that position will help them in supporting a filibuster and perhaps later in sustaining a Presidential veto, should that occur.

Construction trade unions are asking Congress to give them additional authority that will make it easier for them to obtain large wage and fringe benefit increases by closing down an entire construction project through strike action by a union having a dispute with only one employer or contractor on the job. Under present law, the union may picket a single contractor, but must do so in a manner that avoids enmeshing other employers and their employees. This proposed legislation would permit unions to picket the entire job site, causing union workers employed by secondary employers to cease work.

The costs of all construction could be expected to rise. This result from secondary boycott clout could set off another wage price spiral in other industries of the type that led to controls in the early 1970's. Since the job site is not defined, the union could picket entire job sites wherever the employer, with whom it has the dispute, has work.

The power that the unions possess to strike and picket has already driven their wage scales beyond what the traffic will bear. The result has been reduced building and increased unemployment of construction workers.

Authorization for construction trade unions to engage in common situs secondary boycotts would upset long established national labor policy which seeks to promote industrial stability by keeping industrial strife to a minimum. Present restrictions on common situs picketing developed by an agency with expertise in labor relations are proper means of controlling industrial strife, without interfering with basic disputes between a single employer and his employees. Use of secondary boycott tactics in any situation gives unions monopoly powers.

The Phoenix Metro Chamber of Commerce *opposes* legislation to permit common situs secondary boycotts of construction projects by unions or any other groups. We *oppose* S1479 which would permit common situs secondary boycotts.

TUCSON, ARIZ., *August 25, 1975.*

Senator PAUL H. FANNIN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR FANNIN: I am in the process of starting up a new homebuilding company, three years after having sold my interest in P.A.T. Homes here in Tucson.

As you are well aware, home sales and construction being in the doldrums, this is not a particularly good time to be going into this business.

I do believe, however, in spite of the lack of any real spurt in the economy or in the homebuilding industry in Arizona, and of the upward spiral of labor and material costs which continue to remove families from the financially eligible homebuyers' list, and finally of the dark cloud of high interest rates and shortages of mortgage financing which looms on the horizon, I still believe I have a reasonable chance of success in my new venture, considering my eighteen years' experience in the business and a lot of hard work ahead.

However, now that the House has passed HR 5900, the "Common Situs" bill, I'm a lot less confident of the future.

We have been relatively free from any prolonged construction delays in the homebuilding industry in Tucson in recent years. One of the principal reasons for this is the law against secondary boycotts on construction sites. If secondary boycotts on construction sites should become legal, the whole picture here will change. Instead of going through the gradual recovery that we are all anticipating next year, the homebuilding industry in Tucson will be hit by the worst round of strikes, picketing, work stoppages and no doubt violence, that it has ever seen.

The recovery will turn into a disaster. Builders will press union subcontractors to settle, and building costs will take a big leap skyward. And what is no doubt worse, the unions will now have the weapon they need and organizational picketing will become the rule of the day. Picketing by one craft against one subcontractor working on one or two houses at a time will shut down an entire project.

The end result of this will be:

1. Delays in completion of what may be badly needed housing as well as other types of construction.
2. Higher housing costs meaning less housing for fewer people.
3. Serious additional damage to an already badly hurt homebuilding and construction industry.
4. A setback in the improvement of the economy of Tucson, which is greatly effected by the homebuilding and construction industry.

Senator, I urge you to do everything in your power to see that the Senate does not pass a bill legalizing secondary boycotts at construction sites.

If you fail in this effort, then I urge you to do everything you can to convince the President to veto a bill so potentially destructive to our industry and no doubt to the economy of the entire nation.

Very truly yours,
J. WM. (BILL) MANDELBAUM.

GLENDALE SAMARITAN HOSPITAL,
Glendale, Calif., July 18, 1975.
Senator PAUL FANNIN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR FANNIN: My purpose for writing to you is to ask you to lend your total energies for the defeat of S–1479.

It is long past the time that our legislators must take a stand against the exorbitant demands made by unions. The wage paid to plumbers, electricians, carpenters, etc., and even laborers are out of reason when compared to wages paid many professionals. I am a hospital administrator and speak from that viewpoint.

With hospitals no longer being exempt from Taft-Hartley, we may see the day in the not-too-distant future when our costs will double, simply because unions will be demanding comparable wages paid to laborers, electricians, plumbers, carpenters, etc.

In a very tight economy, bordering on a depression, people should not be expecting huge wage increases. They should be tightening their belt buckles and working toward full production and not for work stoppages.

As a resident of the state of Arizona, which you represent, I ask you to vote for the defeat of H.R. 5900 and also to work toward tighter controls on unions before they bankrupt our country.

A very concerned American,
RAYMOND L. TATE,
Vice President Administrator.

ARIZONA SOCIETY,
AMERICAN INSTITUTE OF ARCHITECTS,
Phoenix, Ariz., October 20, 1975.
Hon. PAUL J. FANNIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FANNIN: Architects in the State of Arizona are very much concerned, indeed deeply distressed, by the common situs picketing legislation, S. 1479, now being considered by the Senate. That by passage of this bill secondary boycotts would be legalized is almost unbelievable.

The construction industry, currently depressed by the pressures of recession and the escalation of material and labor prices experienced in recent years could be gravely harmed by passage of this legislation. Legalization of secondary boycotts would destroy any reasonable balance of power between the parties involved in the collective bargaining process.

We urge you to vote against S. 1479 and hope that you can influence many of your Senate colleagues to do the same.

Thank you for your consideration of our position.

Very truly yours,
THOMAS A. ZIMMERMAN,
President.

MASTERCRAFT HOMES, INC.,
Phoenix, Ariz., October 27, 1975.
Hon. PAUL FANNIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FANNIN: As a member of the construction industry, I would like to voice my views to you regarding the bill before Congress concerning the proposed common situs bill S1479. If this bill passes, I believe, a very serious set back in the housing and building industry will occur.

The cost of material as well as labor would rise at an accelerated rate. Unemployment would increase due to job shutdowns, which would raise the amounts of monies spent on unemployment, welfare and food stamp programs. The right to work law in our state would be meaningless.

The increase in power that the unions would gain from such a bill could prove to be very severe to the advancement of our country.

The price spiral of the early 70's which helped us to our present economic condition can be attributed to such previous acts.

I ask that when the time comes to vote on bill S1479, that you oppose it. Your time, consideration and future help in stopping this bill will be most appreciated, in time, by many.

Respectfully yours,
THOMAS B. BROWN,
Vice President.

SUN CITY, ARIZ., *September 1, 1975.*
Senator PAUL J. FANNIN,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR FANNIN: I am appealing to you to do your utmost to defeat the legalizing of secondary boycotts as proposed in S. 1479. Such secondary boycotts have been illegal for the past 25 years and it is naive to think that such legalization would affect only the construction industry.

It is unconscionable that our nation, built on the principle of free enterprise, could legalize any system that could cause any segment of our population to be idled because of the discontent of any other segment regarding some factor or factors in their employment. It should be the right of any citizen to work or not to work in accord with his own conscience and not to be forced to deprive his own family of their needs. Or worse still, to throw them on welfare as the result of the dissatisfaction of workers in areas with which he is not in the least concerned. Rather than help to stop the spiraling cost of living, such a provision could only result in further unemployment and further rise in costs.

Your cooperation is sincerely solicited.

Yours very truly,
GEORGE C. WILSON.

RONALD G. ROTH CO.,
Phoenix, Ariz., September 8, 1975.

Re S. 1479—A bill that would allow a single striking contribution union to close down an entire building site by picketing.

Hon. PAUL J. FANNIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FANNIN: Construction unions want to be exempt from the ban on secondary boycotts so they can close down a complete construction site whenever they have a dispute with one of the sub-contractors on the site. This is a radical departure from present law and violates all concepts of fairness.

Opinion polls show that two-thirds of the American people and some 50% of union workers do not favor legalization of secondary boycotts.

Under current law a construction union has the right to picket its employer on a building site. However, it cannot throw a picket line around the entire job site and the other employers on the job.

The so-called equalization of the picketing rights of construction and industrial unions disregards the essential difference between those situations. At a construction site there are numerous employers clearly not involved in an individual union argument and this distinction has been recognized and upheld by the United States Supreme Court. At an industrial site there is only one employer.

Sub-contractors on a construction site are independent of each other and they are not as the union argues "joint ventures" on the job. Certainly the unions joint ventures theory has no application when it comes to negotiations as each negotiates separately with each general contractor, supplier and sub-contractor.

Trade union wages are among the highest in the nation, even without this boycott power and raises of as much as $2.30 per hour have been obtained recently. Therefore, legislation of this type is not needed.

The construction industry is severely depressed and unemployment in that industry is worse than any other industry. If S. 1479 becomes law, unoffending and uninvolved independent contractors and their employees stand a substantial risk of numerous interruptions in their construction goals and in employment. This can also be translated into further escalation of cost in an industry already badly hurt by cost.

Since the bill is not in the best interest of the general public and since it would be highly inflationary and very disruptive to the economy, I would appreciate your voting against this measure.

Very truly yours,
RONALD G. ROTH.

HECLA MINING CO.,
Casa Grande, Ariz., July 31, 1975.
Hon. PAUL FANNIN,
Phoenix, Ariz.

DEAR SENATOR FANNIN: Having heard of H.R. 5900 and S. 1479 concerning "Situs Picketing" now being considered by the Congress and realizing how detrimental this could be to the economy of our country, I find myself compelled to ask that you exercise whatever power is necessary to defeat this legislation.

As we all know, there are basically four types of boycotts: 1) primary production, 2) primary consumption, 3) secondary production, and 4) secondary consumption. The essential element in any boycott is a refusal to deal, however, in a secondary boycott this is compounded by allowing a supposedly aggrieved individual to place pressure on a third party by refusing to deal with the first party.

Basically, the secondary boycott involves the application of definitely coercive pressure on one person or business as a means of ultimately influencing the action of another person or business.

In order to appreciate the nature of secondary boycotts, we should bear in mind that unions fall into one of two categories; industrial unions or craft unions. As we know, one of the major objectives of each of these unions is to enlist as members all of the workers as they feel this is necessary to protect the interest of the existing members in the wages and working conditions they have achieved through unionization and collective bargaining. The unorganized worker is a threat to unions, therefore, unions are under a constant compulsion to organize all competing workers or to eliminate their competition in some other way. The secondary boycott is an efficient technique in either case.

Courts have uniformly upheld the constitutionality of the N.L.R.A. secondary boycott ban and have rejected contentions that the provisions violate the First, Fifth, and Thirteenth Amendments to the Federal Constitution. The ban on secondary boycotts was written into our labor laws because coercing and pressuring a neutral employer or disinterested third party runs against all of our principles of fair play.

We should all be concerned with this campaign of the building trade unions because inflationary pressures in this building industry can affect other parts of the economy, including bringing pressure on wage rates in other industries. As an example, it is generally recognized that the construction unions' excessive wage demands in the early 1970's forced other union leaders to try to match or exceed them. Our country cannot afford to have any construction project that has multiple subcontractors closed down because of a minor dispute between an employee and his employer, especially at this time when we are already suffering from the recession and excessive costs. I cannot understand the unions' present drive for more power at this time when the power they now possess to strike and picket has driven their wage scales beyond what the traffic will bear.

One fundamental right of management, the right to manage his business, is in danger of being destroyed by the unions if this legislation passes. Unions will be able to effectively dictate to management which subcontractors he can or cannot do business with. Management will lose its privilege to choose its business associates without interference.

It frightens me to think of the strangle hold the unions will have on our country should this legislation pass, as I see it as a malignant cancer that will spread to industrial unions and ascertain the demise of our free enterprise system.

Very truly yours,

J. H. Hunter,
Lakeshore General Manager.

Rosarita Mexican Foods Co.,
Mesa, Ariz., July 29, 1975.

Senator Paul J. Fannin,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Fannin: While I think I know your attitude concerning the attempt to modify the National Labor Relations Act to legalize common situs picketing and secondary boycotts, I don't like to take anything for granted.

We at Rosarita see this as a serious infringement on our ability to maintain equitable labor relations and see it as an ultimate disservice to the consumer who is going to have to pay the higher prices as a result.

Please bend every effort to defeat this attempt.

Cordially,

Rosarita Mexican Foods Co.,
Cleve Langston,
General Manager.

September 25, 1975.

Hon. Paul J. Fannin,
U.S. Senate,
Washington, D.C.

Dear Sir: It's my plain thinking that if you allow this bill to go through, you are going to completely revise the American way of contracting and the American way of business. The secondary boycott business is almost fatal to any economy—that's the way I feel about it.

I feel that you should not allow secondary boycotts. I don't believe it will be good for the unions nor for the American public.

Thank you.

George Kuhpatrick.

Color Masters,
Phoenix, Ariz., September 19, 1975.

Senator Paul Fannin,
U.S. Senate,
Senate Office Building,
Washington, D.C.

Dear Senator Fannin: I am very much against H.R. 5900, S. 1479 or any other bill to legalize Situs Picketing.

This outrageous measure has but one purpose: to give added muscle to some of the most corrupt, ruthless and violent union bosses in our nation. This bill would give officials of racket-stained unions yet another weapon to legally club employee, employers and consumers into submission.

This bill would legalize a brand new package of coercive picketing power; power that even the bill's proponents admit would be used to drive non-union workers off their jobs. Rampant feather-bedding, mushrooming make-work practices and increased gangsterism would mean ballooning prices, another rip-off against over-burdened taxpayers and consumers.

Senator John McClellan once said "Compulsory unionism and corruption go hand in hand".

I hope there are enough good men in Washington to stand up against Big Labor and do what is good for the whole nation.

Sincerely,

Joseph Hayes,
President.

Taylor Pearson Construction Co.,
Phoenix, Ariz., September 8, 1975.

Hon. Paul Fannin,
U.S. Senator, Senate Office Building,
Washington, D.C.

Dear Senator Fannin: I am writing with absolute dismay about the proposed "common situs" legislation in Congress. The non-union or merit-shop element has grown from essentially zero to approximately 40% of the total commercial construction in this country in the past few years. There is only one reason for this; the national unions have simply priced themselves out of the market. The merit-shop companies are very real and effective competitors. What greater controlling element can be devised for coping with inflationary pressures than competition?

The "common situs" legislation will completely undermine, if not destroy the merit-shop competition. It is totally unrealistic to expect any legislated control, indirect or otherwise, found in the "common situs" bill to be more effective than good ol' competition. This legislation amounts to an AFL-CIO sponsored bill to destroy the growing strength of the small non-union companies.

The unions have coerced for irrationally high, if not suicidal wage increases in the past. Now that those actions are catching up with them in the form of strong outside competition, they are seeking legislative protection. With Congress passing the "common situs" bill they are, in effect, rewarding the unions and their signatory construction firms for their lack of responsibility. Once again, power wins and the small business men, consumers and taxpayers in general are the losers.

It would appear that the only course of action left to defeat this bill is a Presidential veto. He must be made aware of the consequences of this bill. The presence of non-union firms are holding the unions and their signatories accountable for their indulgent past. It is most difficult for me to imagine that a supposedly conservative Republican President would support an action in which local state open shop statutes encouraging competition would be negated by a federal law which essentially endorses union and signatory firms as the only viable course for this country.

Sincerely,

Taylor Pearson,
President.

Phoenix, Ariz., *July 24, 1975.*

Hon. Paul J. Fannin,
U.S. Senate,
Dirksen Senate Office Building,
Washington, D.C.

Dear Sir: It has recently come to my attention that the House of Representatives and Senate are considering HR5900 and S1479, respectively, which legislation would have the effect of legalizing secondary boycotts by unions and employees. How, in a time when we are seeing governments around the world and even in cities in the U.S., toppled or seriously threatened by strikes and work slowdowns, can we even consider further strengthening the hand of American labor which already has a status of freedom unavailable to any other segment of American society? To further encourage economic blackmail of American business and the American consumer who ultimately pays the bill would be a gross miscarriage of justice and contrary to the basic principles of the American system, a system already significantly eroded by the policies and programs of a labor-controlled Congress over the past two decades.

We have seen Great Britain brought to her knees by near anarchy in the unions over the past decade and more recently the government of Argentina is seriously threatened by organized labor.

I urge you to strongly oppose this legislation and to actively seek to return American business to a state of equality with the forces of organized labor. I feel strongly that a balance must be preserved if our form of government and our American system is to survive.

I would further urge the Congress to conside legislation that would subject organized labor to the same stringent controls and regulations imposed on business in its ability to deal with a Congress and a federal bureaucratic morass that is threatening to strangle the system with paper work and red tape. The loopholes in campaign laws that favor labor are but one of many examples of such unfair treatment.

Very truly yours,

Gerald C. Heetland.

Sun Energy,
Yuma, Ariz., October 7, 1975.

Hon. Paul J. Fannin,
U.S. Senate,
Washington, D.C.

Dear Senator: Enclosed is a copy of a letter I am mailing today to President Ford.

I hope that you will do everything in your power to see that S1479 is defeated in the Senate, for the reasons I have outlined in my letter to the President.

Thank you.

WILLIAM R. PREST, Jr.

SUN ENERGY,
Yuma, Ariz., October 7, 1975.

President GERALD FORD,
The White House,
Washington, D.C.

MR. PRESIDENT: I am writing you in the hope that should the common situs picketing bill (S1479), now in Congress, be passed and sent to you for approval, you will veto it.

In my opinion, this bill would sound the death knell for most independent construction contractors and would give the construction trades unions a strangle hold on the industry. It would also be highly inflationary. I feel that construction costs would rise astronomically, and quality in construction would suffer as a result of this bill, which would in effect give the "feather bedders" and "least work for the most pay" trade unions complete control of the construction industry.

My experience in the plumbing industry has led me to conclude that the trade unions of today must be limited in their powers, not given new powers. I feel that the poor quality in today's construction is directly attributable to the increase in control by greedy union leaders and members who do not care who is hurt in their mad scramble to be the top paid union despite steady decreases in their productivity.

Productivity, or more correctly, lack of it, is the major reason for the large increase in use of independent construction contractors over the last few years by builders throughout the U.S.

The unions inability or unwillingness to compete on the basis of productivity is the reason for their desperation today in seeking to use the power of the Federal Government to give them that which they are unable to win in fair and open competition.

In concluding, Mr. President, I remain hopeful that you will not give the construction trades unions new powers which would stifle competition in the vital construction industry.

Sincerely,

WILLIAM R. PREST, Jr.

PHOENIX, ARIZ.,
October 7, 1975.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is my understanding that you have agreed to sign a bill called "the common situs bill" should it pass the Congress.

It is my view that passage of this bill will cause even greater disaster among the construction industry which has enough troubles already. The unions want the common situs bill because it will help them in organizing. They believe that, given the bill, when they picket a non-union contractor, thereby closing down a project, all the other contractors will put the heat on them to hire union men. This flies directly in the face of our right-to-work laws and really has no sound basis for argument.

In a large construction project, there are many contractors involved and I do not think it makes any sense to permit, as this law would permit, a union striking against one contractor to shut down the entire project.

In Phoenix, our construction workers do very well, a plumber earns $12.86 an hour; a bricklayer, $11.54; a carpenter, $10.97 and an electrician, $12.71. These can hardly be called slave wages.

I urge you to reconsider your decision to sign this bill should it pass the Congress and I ask my legislative representatives to work for the defeat of this proposed law.

Very truly yours,

JOHN E. ADKINS.

(The following proceedings occurred at 2 p.m. and are printed at this point in today's RECORD by unanimous consent:)

EXECUTIVE SESSION

TAX CONVENTION WITH THE REPUBLIC OF ICELAND; TAX CONVENTION WITH THE POLISH PEOPLE'S REPUBLIC; TAX CONVENTION WITH THE SOCIALIST REPUBLIC OF ROMANIA

The PRESIDING OFFICER (Mr. HATFIELD). The hour of 2 p.m. having arrived, the Senate will resume executive session. The clerk will state the first resolution of ratification.

TAX CONVENTION WITH THE REPUBLIC OF ICELAND

The resolution of ratification of executive E was read as follows:

Resolved, (Two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of the Republic of Iceland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital, signed at Reykjavick on May 7, 1975 (Ex. E, 94–1).

The PRESIDING OFFICER. The question is: Will the Senate advise and consent to the resolution of ratification on executive E, 94th Congress, 1st session, Tax Convention with the Republic of Iceland?

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the treaties.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Montana (Mr. METCALF) and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. GARN) is necessarily absent.

The yeas and nays resulted—yeas 97, nays 0, as follows:

[Rollcall Vote No. 501 Ex.]

YEAS—97

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—3

Garn
Metcalf
Morgan

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

TAX CONVENTION WITH THE POLISH PEOPLE'S REPUBLIC

The resolution of ratification of executive A was read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of the Polish People's Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Income, and a Related Exchange of Notes, signed at Washington on October 8, 1974 (Ex. A, 94–1).

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification on Executive A, 94th Congress, 1st session, the Tax Convention with the Polish People's Republic? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Montana (Mr. METCALF) and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. GARN) is necessarily absent.

The yeas and nays resulted—yeas 97, nays 0, as follows:

[Rollcall Vote No. 502 Ex.]

YEAS—97

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy

Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—3

Garn
Metcalf
Morgan

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

TAX CONVENTION WITH THE SOCIALIST REPUBLIC OF ROMANIA

The resolution of ratification of executive B was read as follows:

Resolved, (Two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention Between the Government of the United States of America and the Government of the Socialist Republic of Romania with respect to Taxes on Income, signed at Washington on December 4, 1973 (Ex. B, 93-2).

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification on Executive B, 93d Congress, 2d session, Tax Convention with the Socialist Republic of Romania?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Montana, (Mr. Metcalf) and the Senator from North Carolina (Mr. Morgan) are necessarliy absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "yea."

Mr. GRIFFIN. I announce that the Sentor from Utah (Mr. Garn) is necessarily absent.

The yeas and nays resulted—yeas 97, nays 0, as follows:

[Rollcall Vote No. 503 Ex.]

YEAS—97

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—3

Garn
Metcalf
Morgan

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to the consideration of legislative business.

(This concludes the proceedings which occurred earlier today and are printed at this point in the Record by unanimous consent.)

EXTENSION OF TIME FOR FILING COMMITTEE REPORT ON S. 2597

Mr. BURDICK. Mr. President, I ask unanimous consent that the Committee on the Judiciary have until 12 o'clock tonight to file a report on S. 2597.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. I hear no signals, so I ask unanimous consent, Mr. President, that when the Senate completes its business tonight it stand in recess until 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized on tomorrow, and just before the distinguished majority leader is recognized to call up the conference report for which the order has already been entered, there be a brief period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMING CONSIDERATION OF H.R. 5900 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the conference report on military construction, the Senate resume consideration of the situs picketing bill tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Proxmire be recognized for not to exceed 5 minutes to call up a conference report. Mr. Tower wishes equal time, and I ask that he be given equal time.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE DEFENSE PRODUCTION ACT OF 1950—CONFERENCE REPORT

Mr. PROXMIRE. Mr. President, I submit a report of the committee of conference on S. 1537, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The second assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1537) to amend the Defense Production Act of 1950, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective House this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of today.)

Mr. PROXMIRE. In submitting this report for the consideration of the Senate, I would like to say that I personally am pleased at the outcome of the conference. I believe that the Members of this body should likewise be pleased, since the conference committee was able to reach agreement on a good extension bill and one which reflects a great many of the desires of the Senate.

As you know, Mr. President, the Defense Production Act has generally been renewed on a routine basis every 2 years. In recent years, very little controversy has attached to this legislation, which is the vital underpinning of our peacetime preparedness effort. Its titles allow the Government to take those measures necessary to insure that we will have adequate productive capacity in the event of mobilization.

The times have changed, however, in the 25 years since the Defense Production Act was first enacted. Industrial processes, the nature of warfare, the character of our economy, and our approach to mobilization have been altered in the most fundamental ways in the last quarter century.

It was with these changes in mind that we began this year what I hope will be an ongoing process of reviewing the titles of the Defense Production Act to insure that they are responsive to altered conditions.

I hardly need point out that one of the most significant changes of recent times is the end of the era of cheap energy. It was because questions of energy policy thus stood on their own merits, irrespective of the national defense, that we felt these matters should be addressed in separate legislation rather than in the Defense Production Act. This has been the position of both bodies and it is the position adopted in the conference committee report.

Nevertheless, because no comprehensive energy legislation has been enacted and because the Defense Production Act has traditionally been applied in times of petroleum crisis, it became necessary to continue these authorities, while providing for their termination upon enactment of the necessary energy legislation.

Mr. President, this bill has two major purposes. The first is to extend the Defense Production Act of 1950, as amended, until September 30, 1977. This renewal provision was agreed to by the House and Senate conferees and conforms to the Federal fiscal year.

The second major purpose of the bill is to strengthen the safeguard provisions of section 708 of the Defense Production Act. These provisions relate to the granting of antitrust immunity to voluntary agreements requested by the President to support the national defense effort or the International Energy Agreement signed by the United States last year.

Thus, the major substantive 1975 amendments dealt with the President's authority to authorize voluntary agreements among competing firms to exchange information regarding supply of materials in time of national emergency. Both the House and Senate committees drafting the 1975 amendments recognized that the President's power to grant immunity from antitrust laws, though necessary, must be strictly limited to assure that the public interest is not harmed by anticompetitive practices. Both the House and Senate versions of the 1975 amendments contained antitrust immunity provisions much more restrictive than is contained in section 708 of the DPA now in force. There were, though, a number of differences of a technical nature between the two bills.

The Senate accepted the basic provisions of the House amendment for section 708, with some Senate modifications. The Senate modifications to the House version provided that the FTC and Attorney General must be consulted, and the Attorney General must approve, before any voluntary agreement can be authorized; assure that the provisions of the Federal Advisory Committee Act will apply to advisory committees established pursuant to the Defense Production Act; assure that the public will have recourse to the Freedom of Information Act in seeking information concerning voluntary agreements; and make clear that this section, which is intended to authorize grants of immunity for future voluntary agreements, is not construed as granting immunity for activities undertaken prior to the enactment of these amendments.

The House also agreed to the dual approach to voluntary agreements requested by the Senate. There is a separate section in the DPA amendments as passed by the conference dealing with the International Energy Agreement, as requested by the Senate. This was important both because of important differences between the IEA and other voluntary agreements, and also because the section dealing with the IEA will self-destruct if the President approves S. 622.

I would like to express my appreciation for the assistance given to the Joint Committee and the conferees by the Senate Antitrust Subcommittee and by the House Judiciary Committee.

Another important matter considered by the conferees was the House amendment which provided in section 8 for the repeal, effective July 1, 1976, of the requirements relating to the Joint Committee on Defense Production contained in section 712. It should be noted that this amendment was not discussed in hearings or in the subcommittee or full committee review of the House bill, but was presented on the floor for a voice vote when a quorum was not present. The House receded to the position of the Senate that termination of the Joint Committee on Defense Production would coincide with the termination of the Defense Production Act and the committee would be considered for renewal at the same time as the extension of the Defense Production Act. This is not a departure from precedents; the life of the committee has always coincided with the life of the Defense Production Act.

Let me take this opportunity to state that I believe this committee is now performing a valuable function in conducting oversight over many programs provided for in the Defense Production Act. This committee, which has a staff of seven people, including secretaries, is the smallest substantive permanent committee on the Hill. However, the joint committee has had an ambitious schedule of activities this year. It has continuously monitored the performance of the Cost Accounting Standards Board and the enforcement by the Department of Defense Cost Accounting Standards. It has played an important role in exposing some of the shortcomings of these two bodies regarding these vitally important standards. It reviewed the DOD program to improve its relations with industry, and conducted vigorous oversight hearings on the defense priorities system. It has initiated perhaps the most ambitious congressional investigation ever of the incestuous relations between Government contractors and Government procurement officials. This investigation is also examining the possibility that some unallowable entertainment costs have been misallocated to Government contracts, and is studying the adequacy of present cost accounting standards and auditing techniques to identify such misallocated costs.

I would like to point out that this is not an ambitious-sounding program drawn up in haste to satisfy the committee's critics. This is an orderly plan, which the committee has been pursuing all year. Most of these tasks have been accomplished. It is pursuing its inquiry into entertainment of Government officials, and it is continuing its equally important oversight of DPA programs.

Although it was suggested by a few Members of the other body that the functions of the joint committee could be better accomplished by the Banking committees or some other committee, I believe there are good reasons for keeping the joint committee.

First. The preparedness functions involve the civilian economy in peacetime and military planning. Therefore, there is a need to bridge and harmonize competing interests which is best not done by Armed Services alone or by Banking alone.

Second. The joint committee is best situated to oversee DPA programs because it has no legislative duties and no pure military or financial mandate. Therefore it can focus better on oversight.

Third. Congress needs a repository of information on Defense Production Act programs.

Fourth. If the joint committee were terminated both bodies would likely have to establish or augment subcommittees for DPA oversight.

Fifth. The cost of the joint committee is modest and always has been.

In regard to authorization for expenses for the joint committee, the Senate bill removed the $100,000 yearly limitation, which would have put the committee on an authorization footing similar to that of other joint committees. It would also have cleared up the anomalous situation wherein the appropriations for the committee have outstripped the permanent authorization limit because of cost-of-living increases. The House, however, had no such provision, and the Senate receded to the position of the House amendment.

The House receded to the Senate bill's deletion of a requirement contained in section 712(c) of the Defense Production Act that the cost of stenographic services to report hearings shall not be in excess of 40 cents per hundred words.

The House receded to the provision of the Senate bill which permits members of the National Defense Executive Reserve to be reimbursed for per diem costs at the same rates as other individuals serving the Government without pay. This amendment to the Defense Production Act was requested by the administration.

The conferees agreed to a substitute for section 6 as added by the House to S. 1537 which modified section 719 of the Defense Production Act relating to the Cost Accounting Standards Board. The substitute provides that the Cost Accounting Standards Board shall take into account and report to the Congress on the probable costs of implementation, including inflationary effects, if any, compared to the probable benefits, including advantages and improvements in the pricing, administration and settlement of contracts in promulgating standards and major rules and regulations. This substitute avoids the imposition of the detailed and very time consuming process set out in section 6 of the House amendment which would slow the development and implementation of uniform cost accounting standards. The Cost Accounting Standards Board has been performing an outstanding service to the taxpayers by assuring uniform recordkeeping of costs on Government contracts. It is vital that they continue.

The Senate receded to the provisions of the House amendment which extended the National Commission on Supplies and Shortages.

The Senate also receded to the House amendment to section 2 which provided protection against backdoor appropriations for title III guaranteed loan programs.

Mr. President, that sums up what has been a very lengthy but, I believe, worthwhile effort. I recommend that this body adopt the report of the managers of the committee of the conference on S. 1537.

Mr. TOWER. Mr. President, I concur with the Senator from Wisconsin in recommending the Senate adopt the conference report. I think we should note that probably some kind of record was established in that the conference lasted precisely 1 hour and 15 minutes which, I think, perhaps is a wholesome recommendation for always calling conferences at 6 o'clock in the evening.

I would like to commend my distinguished friend from Wisconsin and his distinguished friend from Wisconsin, Congressman REUSS, for the way in which the conference was handled.

We arrived at a settlement of our differences with great amity, and I think the bill is satisfactory to all concerned. I do not think there are any major concerns that anyone should have with the bill in its final form, and I urge the Senate to act on it.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

ORDER FOR THE RECOGNITION OF SENATOR BEALL ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, after the two leaders or their designees have been recognized under the standing order, Mr. BEALL be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, how many orders have been previously entered now for the recognition of speakers on Thursday?

The PRESIDING OFFICER. That is the only one.

Mr. ROBERT C. BYRD. What is the convening time for Thursday?

The PRESIDING OFFICER. 8:30 a.m.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR RECESS UNTIL 8:30 A.M. ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow it stand in recess until the hour of 8:30 a.m. on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9 A.M. ON FRIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Thursday it stand in recess until the hour of 9 a.m. on Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD MESSAGES AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that messages from the House of Representatives on H.R. 1535 and H.R. 6851 be held at the desk pending further action.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 9 a.m. tomorrow, and after the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each; at the conclusion of which the Senate will resume consideration of H.R. 5900, the situs picketing bill. Amendments will be voted on tomorrow, motions in relation to the bill will be voted on tomorrow; hopefully, final action will come on the bill, and it is the intention of the leadership once this bill is disposed of to proceed to the consideration of the congressional budget resolution. So tomorrow will be a busy day and a long day.

We hope that as much progress as can be made will be made tomorrow and Thursday, with long daily sessions; with rollcall votes throughout the days, and the more progress made during those 2 days, the earlier we can adjourn on Friday for the recess.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate I move, in accordance with the previous order, that the Senate stand in recess until the hour of 9 a.m. tomorrow.

The motion was agreed to; and at 7:40 p.m., the Senate recessed until Wednesday, November 19, 1975, at 9 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate November 18, 1975:

DEPARTMENT OF DEFENSE

Donald Rumsfeld, of Illinois, to be Secretary of Defense, vice James R. Schlesinger.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

GLADYS BAGLEY SCHAEFER

HON. PAUL J. FANNIN

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Tuesday, November 18, 1975

Mr. FANNIN. Mr. President, last Friday in Phoenix funeral services were held for an outstanding journalist, an extremely active civic leader, and fine lady—Mrs. Gladys Bagley Schaefer.

She was a pioneer in journalism in Arizona, rising to become the women's editor of the Phoenix Gazette in 1961. But she was equally active in the civic organizations of our city. She helped to organize numerous chapters of business and professional women's clubs, Epsilon Sigma Alpha Sorority, Campfire Girls, Wesleyan Service Guilds, and several organizations to promote poetry.

Mr. President, I was very saddened to learn of Mrs. Schaefer's death and I wish to extend my condolences to her husband and to her son. I insert in the RECORD the story and editorial from the Nov. 12, 1975, Phoenix Gazette regarding Mrs. Schaefer's death.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FORMER GAZETTE WOMEN'S EDITOR DIES AT AGE 73

Mrs. Gladys Bagley Schaefer, 73, former women's editor of The Phoenix Gazette and a member of the newspaper's staff since 1929, died yesterday in a local hospital.

Mrs. Schaefer had been in ill health in recent months.

Long active in numerous groups, she helped organize 20 Business and Professional Women's Clubs, 15 chapters of Epsilon Sigma Alpha Sorority, 6 Camp Fire groups, 6 Wesleyan Service Guilds, an Episcopal Business Women's Club, Arizona Poetry Society and Owlets, a national young writers group.

She is survived by her husband, Richard H. Schaefer, and a son, Jesse F. Bagley Jr.

In recent years, Mrs. Schaefer had been with the public relations department of Phoenix Newspapers Inc. Her duties included communications manager and editor of Family News, a publication for Gazette and Republic employes.

Mrs. Schaefer was born in Salem, S.D. She and her first husband, Jesse F. Bagley, moved to Arizona in 1924, and in 1929 she became a part-time employe of the Arizona Gazette, now The Phoenix Gazette.

In 1936, she was made a full-time employe. Her appointment as women's editor was made in 1961.

Her duties included entertainment editor, women's club editor and assistant society editor.

She edited "Arizona Women," the state magazine for the Arizona Federation of Business and Professional Women, the State Bulletin for Arizona Wesleyan Service Guild, and she wrote columns for "The Jonquil," an Epsilon Sigma Alpha Sorority International Magazine.

Mrs. Schaefer was the recipient of numerous awards. She was a member of several organizations including the Arizona Press Women, Phoenix Writer's Club and the Arizona Alumni of Dakota Wesleyan University.

Gladys Bagley is dead, and in the grief hanging so heavily in The Gazette's offices today it simply isn't possible to pay a fitting tribute to her. She was remarkable in so many ways, and she radiated always a gentle glow of love that brightened so many harsh days for other people.

Where to start about Gladys Bagley Schaefer, as she was known in her nonprofessional life? Her accomplishments as a journalist over a 40-year career fill typewritten pages. Her good works with civic organizations fill pages more.

Yet to list part or all of that biographical data would say little about the magnificent woman who started with The Gazette as a part time employe in 1929, became women's editor in 1962 and worked most recently as the editor of Family News, our employe newspaper.

Perhaps it would be best simply to say that Gladys was a poet in the finest sense that word can be used. She combined a zest for life, a love of people and a way with words to create smiles even in moments of sorrow.

For those whose paths in life never crossed with Gladys Bagley Schaefer's, it is possible to say only that they missed one of God's finest creations. Those of us fortunate enough to have known her must suffer a painful loss, mixed with a legacy of joy she left in coming our way and staying in our midst for so many delightful years.

THE NEED TO CONTINUE GENERAL REVENUE SHARING

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. PEYSER. Mr. Speaker, under the present general revenue sharing program, the Federal Government annually gives a certain percentage of the Federal income tax receipts back to State and local governments. Enacted by the 92d Congress, under the State and Local Fiscal Assistance Act of 1972, the current program—Public Law 92–512—provides for $30.2 billion to be allocated through a 5-year trust fund beginning January 1, 1972, and expiring December 31, 1976. There exists, however, the question of whether this most valuable program should be continued.

The general revenue sharing program has many advantageous features and strong support should be given to the continuation of this program. Being an integral part of the budget of both State and local governments, the revenue sharing program helps to alleviate the fiscal disaster of the core cities as well as on the local level. Because of the increasing revenue-expenditure gap that grows out of inflation, urbanization, and unemployment, these governments truly need the shared revenues to fill this gap. In fact, from 1959 to 1969 State and local expenditures grew by 138 percent opposed to the Federal budget that grew only by 84.9 percent. Since State and local tax bases did not increase as fast as expenditures, their outstanding debt increased from $64.1 billion to $133.5 billion. Revenue sharing is one method of helping to pay off this existing and increasing debt.

Another feature of the revenue sharing program is that it stabilizes revenues. If the revenue sharing program were terminated, this would result in a cutting of vital services which would probably produce a rise in the tax rate. At the present time, it seems as if the saturation point has been reached in the taxation of income, property, and sales. Any further addition to the existing tax burden could cause individuals and business firms to move out of the core cities—which are hardest hit—to other areas where the tax situation might be more advantageous. This would leave the core cities with the fiscal burden of providing services to large numbers of relatively low income people who are able to pay only a relatively small share of the cost of Government services. Senate Finance Committee in its report on the present Revenue Sharing Act, Senate Report No. 92–1050, Part I. The continuation of Federal revenue sharing would not only provide State and local governments, including low-income areas, with additional and much needed sources of revenue upon which they can depend, but would in some measure relieve the threat of additional taxation on income, property, and sales. In other words, because the revenue sharing program would reward these State and local governments with an external source of income, no cut in the vital services would be necessary, thus, avoiding any increment in the tax rate.

A third feature of the revenue sharing program is that it enables the implementation of new programs. Because the Federal Government provides funds without necessitating annual review, the recipients of these funds can institute new programs that are designed to benefit their particular constituencies. A second reason that makes this possible is that the State governments can use the shared revenues they receive for whatever purpose deemed necessary, and local governments are required to spend the funds in eight high-priority areas: public safety, environmental protection, public transportation, health, recreation, libraries, social services for the poor or aged, and financial administration; or for capital expenditures in the area of their choice. Even with these restrictions, the State and local administrations are far more responsive to the needs and desires of the public than would be any programs directed by the Federal Government.

About 39,000 State and local governments have participated in the revenue sharing program. In New York State alone, 1,549 localities have received a total assistance of $2,454,508,561 since the beginning of the program. The Federal revenue sharing program has proven to be the most efficient method found of transferring money and decisionmaking away from the Federal Government and back to the State and local levels. Although some minor problems might exist within the current revenue sharing program, it is imperative that the continuation of this program be supported.

THE NEED TO REFORM OUR MILITARY DISCHARGE PROCEDURES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. CLAY. Mr. Speaker, recently, the need to reform our military discharge procedures, a matter of great importance to millions of Americans, was the subject of hearings by the House Armed Services Subcommittee on Military Personnel.

One of those who testified on this subject was our colleague, Congressman LOUIS STOKES. As one of 70 cosponsors of the legislation introduced by Mr. STOKES to reform our discharge procedures I strongly urge my fellow Members to support the Stokes bill, H.R. 5305, and to read his testimony which follows:

Mr. Chairman: I am pleased to be here today to testify on behalf of legislation being considered by this subcommittee to reform the current system for issuing discharge certificates from the United States Armed Forces. I have introduced legislation on this subject which has been cosponsored by 69 other Members of Congress, specifically H.R. 5305, 5306, 5307, and 10688.

I want to thank the subcommittee for holding these hearings for this is a subject which has needed to be addressed again and upon which the well being of our Armed Forces and of hundreds of thousands of veterans are at stake.

I would like to describe my proposal, to indicate the general widespread concern on this matter, to explain why the current system is so deficient and unjust as to be in great need of reform, and why a reformed system would work well.

The key ingredients which I urge you to include in the legislation which I hope you will report on this subject are few but important, and are incorporated in H.R. 5305 and related bills.

Foremost is the need to cease characterizing discharges and people as honorable, general, undesirable, bad conduct and dishonorable. I am not suggesting by this item that the process of separating individuals from the service cannot be fairly and expeditiously carried out. Rather, because of of the military's need to separate individuals for non-criminal behavior patterns, a need also felt by all civilian employers, the use of lifetime stigmatizing characterizations assigned to individuals becomes counter productive since their use transforms the decision from one of just separation to one of punishment. Consequently, unless extremely burdensome procedures are adopted to meet due process requirements, a charge of arbitrary, capricious and overly hasty action is, and will often be found to be valid. For the many reasons I and others will discuss, discharges ought not to be categorized in any way.

The second necessary element for legislation is the establishment of improved procedures to be used in making separation decisions, and, if still allowed, discharge category decisions. Much more stringent due process procedures would be required in the latter case. Given the importance of the separation decision, the history of separation sometimes being used as a substitute for leadership by command authorities, and the results of the past administrative policies we have witnessed over the last decade, it is imperative that some firm guidelines and protections be established for the individual and for the services. As long as an arbitrary decision to separate a member of the Armed Forces is allowed to be finalized without being challenged at all, the morale of an all volunteer army will always be limited. There can and must be a middle ground between arbitrary, capricious, and absolute separation decisions and unwarranted burdensome procedures and requirements. As long as the separation decision is truly solely administrative in nature, fairly expeditious processing is possible. It is when the results of the decision are known to the rest of society and can result in severe punishment for an individual that the need for greatly strengthened procedures and safeguards becomes absolute.

The third ingredient which I urge upon you is the need to expand and improve the procedures available to those appealing their discharge or separation. Considering the hundreds of thousands of recent veterans who have already suffered, for years, the hardship of receiving stigmatizing discharges, often for questionable grounds and following deficient procedures, I feel we must provide a reasonable mechanism for those who do believe their discharges should properly be upgraded.

We have witnessed over the years intermittent attention to particularly abhorrent developments stemming from the basic discharge system. It is my belief that these developments are the logical and natural consequence of the overall discharge system and it would be a mistake to consider them breakdowns of the system. The most widely publicized example in recent history is the use of SPN ("spin") numbers. The apparent obsessive need of the services to classify and rate everyone has resulted in devastating consequences for hundreds of thousands of veterans who had honorably served their Nation, by means of an administrative rating procedure which not only allowed no way for an individual to contest his number, but did not even notify him, before or after, that he was being assigned one.

The often derogatory classifications used by the services included such precisely defined priority concerns as:

Immaturity with symptomatic habit reaction.
Passive-aggressive reaction.
Anti social personality.
Sexual deviate.
Personality disorder.
Mental deficiency.
Criminalism.
Inadequate personality.

I congratulate the members of this committee for propertly reacting with indignation when the full extent of this abuse became known. However, the reluctance of the services to slightly modify even their SPN procedures until strong congressional pressure had developed, demonstrates that congressional intervention is clearly necessary to effect any substantial change in the area of discharge reform. I am convinced that changes must be made in procedures and operations, but that true long term effective reform requires a decision to change the basic assumption underlying the current system, which is that detailed rating of individuals is necessary, not just during service, but at the end of it, whether by use of SPN's, discharge categories or whatever.

I will say repeatedly, that in order to justify the very great cost and hardship resulting from the existing system of discharges, the services have the burden of showing that it produces a correspondingly great benefit which is both necessary and not otherwise obtainable.

Other witnesses have repeatedly talked of tradition and history. While we must properly respect tradition, we must not be slaves to it. The tradition of mounted cavalry was strong but so was the logic of mechanized vehicles. In our modern peacetime standing Armed Forces, composed of all volunteers, from a wide range of our society, who mainly perform support operations, we have an entity which bears little resemblance to either the conscript armies raised in the midst of our revolution and Civil War, or to the skeleton force of regulars maintained between wars up until the mid 20th century, and even less to the complete emergency mobilization force of World War II. Let us look at what is actually required by the nature of our current military structure and our current society. I maintain most strongly that while for some a discharge which officially rates a person as "honorable" in the eyes of the U.S. Government may be of value, it is not imperative for either the individual or the services. In light of the great burden it imposes upon so many in later civilian life, and upon the morale of active members, a characterized discharge is a luxury we cannot afford.

No other major employer in this nation attempts to spend so much money and creates so much paperwork in its personnel practices as does the U.S. military. Regardless of whether a company is in manufacturing, transportation, services or marketing, none have resorted to requiring that a general character judgment be made regarding its employees when they leave, especially one which must be presented to future employers, schools, and Government agencies. Neither does any department, commission, board or agency, or any legislative, executive or judicial branch of our Federal, State or local government feel a need to use such a classification discharge system—except the military services.

In a report prepared for me this year by the Library of Congress the discharge procedures of a sample number of other nations were reviewed. The report shows that somehow many nations are able to survive without a similar discharge structure. Among those nations apparently not needing a discharge characterization system are Egypt, Israel, Iran, Spain, Sweden, Zaire, and Turkey.

I would now like to discuss at more length what I view to be the major deficiencies of the existing discharge system and why change is needed in the three areas of discharge characterization, separation procedures, and appeal procedures.

LACK OF STATUTORY AUTHORITY

The Uniform Code of Military Justice was enacted in 1950. The UCMJ provided for only two types of punitive discharges: dishonorable and bad conduct. While the code provided for a very comprehensive program of nonjudicial punishment (article 15 UCMJ allows for up to a month's confinement, loss of two-thirds pay, reduction in rank, and numerous other nonjudicial punishments: article 104 provides substantial authority for military commanders to deal with minor transgressions and insure discipline through the withholding of privileges, the assignment of extra duty, restriction, and reprimands); the Uniform Code of Military Justice did not (and still does not) authorize nonjudicial (administrative) discharges as punishment, to be a form of discipline, or to be issued under other than honorable conditions.

The UCMJ was established to be the single and exclusive source of military justice and was intended to balance the rights of the individual and of the service. When punitive discharges are issued, outside of the bounds of the UCMJ, there is no balance and no secured rights. While the discharge was not intended to be a form of punishment under the UCMJ, it is clear that discharges are given as and in lieu of punishment, and carry consequences far more severe than many of the punishments intended to be exclusively used pursuant to the UCMJ: A conclusion arrived at by both civilian and military courts, by major veteran organizations and by congressional committees. It is clear the services understand that even a general discharge under honorable conditions has an undeniably punitive nature by the fact that they require anyone not getting a fully honorable discharge to sign a statement saying:

"I understand that I may expect to encounter substantial prejudice in civilian life in the event a general discharge under honorable conditions is issued to me. I further understand that, as the result of the issuance of an undesirable discharge under conditions other than honorable, I may be ineligible for many or all benefits as a veteran under both Federal and State laws and that I may expect to encounter substantial prejudice in civilian life." (AR635-200)

Any discharge other than honorable is punishment. Considering the importance of the constitutional rights involved, the lack of explicit statutory authority is a serious and fundamental defect, and predictable results have flowed from this defect.

PERMANENT STIGMA AND CONSEQUENCES

While there are specific immediate harmful consequences which flow from a negative discharge none is more pernicious than the stigmatizing affect of an unfavorable discharge which impugns the dischargee's character and competence for life. Young men or boys, 18 or 19 years old, who may know little about what it is like to be away from home, how to work, how to handle themselves, what they want out of life, or really who they are, ought to be expected to have some problems. It has been the misfortune of many, however, that they were in service to their nation when they were still maturing. Some of the reasons for giving stigmatizing discharges are for behavior which is explainable and tranistory, others, far fewer, for serious reprehensible crimes.

During the Vietnam era (August 1964 to March 1973) the Armed Forces issued 425,000 other than fully honorable discharges: 229,792 general; 162,919 undesirable; 29,292 bad conduct and 2,865 dishonorable. Over 90 percent of the other than fully honorable discharges were issued administratively. Over 100,000 less than honorable discharges were issued for absence related offenses. Many of the remaining other than honorable discharges were issued for offenses largely unique to military service, or as a consequence of the individual being in the service: Unsuitability, unfitness, drug abuse, alcoholism, conflicts with military authority and inadaptability to military service. Yet the bad discharge for an individual's failings in the military imposes its severe consequences in civilian society: Branding and burdening the individual for the remainder of his life.

The psychological and sociological implications of the "undesirable" label are very severe. The term and the discharge "undesirable" is perceived as the United States Armed Forces judgment (and damnation) of a man's character bearing the full weight and authority of the U.S. Government. It is a mistake of a man's youth that will haunt him forever: Affecting the respect of his family, his standing in the community, impeding his effort to regain a productive and meaningful role in society. The bad discharge is a constant reinforcement of a negative self-image, a remainder that the individual is "unsuitable, unfit or undesirable" in the eyes of his country, and that his character, loyality, and competence are frequently subject to question.

For the many veterans who have serious medical, psychological, emotional, martial and drug problems, the bad discharge only compounds these problems and impedes their solution. Often it was these problems that drove the serviceman to the offense for which an other than honorable discharge was issued. Instead of solving a veteran's problem, a bad discharge often denies the veteran the benefits and assistance of the Veterans' Administration, and leaves him more encumbered to face the consequences of a prejudiced society.

The effect of the other than honorable discharge goes well beyond the denial of benefits and employment. It entails many other tangible forms of discrimination. Veterans with bad discharges find it harder if not impossible to procure insurance, mortgages, home improvement loans, credit, bonding, security clearances, and membership in many trade, business and fraternal organizations and societies. Their service record is a blot on their character, a stigma that brands them as an undesirable risk.

The combination of penalties imposed by other than honorable discharges consign many veterans to a hopeless cycle of: Joblessness, perpetual underemployment, drug addiction, chronic disease and despair, a life of poverty, crime and imprisonment.

The concept of stigma and its apparently unavoidable consequences must be addressed in remedial legislation.

SOCIAL VALUE AND SOCIAL COST

In addition to the great burden borne by the individual with a bad discharge, society also pays a high price for bad discharges. Young men able to work and willing to work, to improve themselves, pay taxes, and pay their own way instead have whatever skills, talents, or education they possess, wasted. This costs all of us, it decreases our tax base and increases our taxes. It requires a full range of often demeaning programs to merely sustain the hundreds of thousands of human beings who are denied the opportunity, for a self-sufficient and productive role in society because of their administrative discharge.

To those who say the behavior he demonstrated in the military, that got him a bad discharge, was such that he could not make it in civilian life either, I say, first, that minor behavior and AWOL problems which might result in a bad discharge are totally irrelevant and inconsequential to most civilian jobs. Secondly, those that are deficient will be burdened by that fact and need not bear an extra handicap: theirs will not be an easy life regardless. But for the many who might make a life for themselves, how tragic to foreclose the possibility of self-improvement, and what a great burden on society.

By 1973, according to Penthouse magazine, 32 percent of the Federal prison population were veterans, 11 percent of whom had served in Vietnam. The Vietnam era veterans national resource project estimates that 20 to 35 percent of all prison inmates (local, State, and Federal) are Vietnam era veterans with less than honorable discharges.

The other than honorable discharge takes a heavy toll on society which must suffer the consequences of anger, frustration, criminalism, drug abuse and unemployment, and bear the cost of welfare, incarceration, and the inability of thousands of individuals to attain a self-sufficient and productive role in society.

THE MINORITY SERVICEMAN

The armed services once viewed by many minorities as an opportunity to "make good" and "establish a meaningful role in society"; became a major center of racial conflict as newly emerging ethnic identities clashed with traditional military authority. The rise of "black, brown and red power" coinciding with widespread disaffection over the Vietnam war and the military, brought racial conflicts to a crisis proportion. In Vietnam sections of Saigon (soul alley) were off limits to whites, and interracial firefights between blacks and whites occurred in several units. In the United States race riots broke out on military posts including Fort Carson, Colorado where armed guards were required to ride on post buses to prevent racial violence. While the military instituted race relations courses and other programs to deal with the problem, many commanders, fearing further violance and breakdowns in military discipline and unit effectiveness, resorted to the administrative separation as an expeditious means of removing persons viewed as potential sources of conflict.

Many of the minorities brought into the service by "Project 100,000" lacked the educational, emotional, and intellectual sophistication to cope with the personnel problems and the demands of military life. These problems were often compounded by military NCO's and officers unfamiliar and unsympathetic with the problems and attitudes of minorities. However, in January of 1972 the Task Force on the Administration of Military Justice in the Armed Forces reported that:

"In all services, blacks receive a lower proportion of the honorable discharges and a higher proportion of general and undesirable discharges than whites with similar levels and aptitude. Thus, the disparity cannot be explained by aptitude or lack of education". (Report of the Task Force on the Administration of Military Justice, Department of Defense Pub. 1972, p. 156.)

DUE PROCESS AND EQUAL PROTECTION OF PUNITIVE DISCHARGES

The Congress recognized that a discharge from the Armed Forces under other than honorable conditions is a very serious matter and it was therefore very careful in formulating the Uniform Code of Military Justice to provide extensive safeguards for the only statutorily authorized punitive discharges. Court-martials adjudging bad conduct and dishonorable discharges must accord the serviceman due process and protect his constitutional rights and liberties.

There is very little disagreement that the Armed Forces should have the authority to administratively separate persons from the service for good cause, but the armed services do not and should not have the authority to violate or circumvent an individual's constitutional rights through a punitive administrative separation process.

A punitive judicial discharge is considered an offense of such seriousness that it may not be adjudged unless:

(1) A qualified military judge is present.

(2) A verbatim transcript of the proceedings is kept.

(3) The case is reviewed as to law and fact by a court of military review, and appeal is open to the Court of Military Appeals.

(4) Guilt is proven beyond a reasonable doubt.

(5) The safeguards, due process and constitutional rights embodied in the UCMJ are in effect and adhered to.

The above procedures are not required for many special and summary courts-martials adjudging: confinement, fines, reduction in rank, and forfeiture of pay. This establishes that the armed services consider a punitive discharge to be a more serious punishment and is thus one which requires greater safeguards.

Since the consequences and severity of an undesirable punitive administrative discharge are as great as those of a punitive bad conduct discharge adjudged by a special court-martial the administrative dischargee should be entitled to the same degree of due process and equal protection as the individual being separated by special court martial with a punitive BCD. He is not! In reality most general and undesirable discharges are initiated and processed by junior and field grade officers (lieutenants through colonels); with often only a very cursory and superficial review by a low-ranking general, having no formal legal training. The discharges are influenced and often biased by the initiating command's personal perceptions of the dischargee, as well as their personal concepts of proper military conduct and "honorable service."

The armed service's punitive administrative separation procedures thus violate the fifth amendment of the Constitution: "No person shall be deprived of life, liberty or property without due proces of law."

The serviceman receiving a punitive administrative separation is denied the equal protection of the safeguards and due process accorded the serviceman receiving a punitive judicial separation.

In conclusion, for the well being of an all volunteer army, of the hundreds of thousands of individuals with bad discharges, of our society's health and well being, and to give true meaning to the constitutional rights of servicemen, I urge the reform of our procedures for granting and reviewing separation and discharge decisions. And finally, I urge that no future discharges classify, rate, or stigmatize for the public those who are discharged from military service.

GRANT TITLES FROM HISTORY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. TEAGUE. Mr. Speaker, we are still hearing and reading about Government research grants to various institutions that allegedly are for "ridiculous" purposes. Just the other day, for example, one Member of Congress cited four examples of such projects which he considered to be superfluous. From time to time I have placed in the RECORD specific examples of the beneficial things which have come from such research grants. The following article, which is taken from the weekly news magazine. Science News, is a graphic illustration of the shortsightedness of some of the fuss being kicked up over "silly" research:

[From Science News]

GRANT TITLES FROM HISTORY

(By John H. Douglas)

With all the current fuss over grants given by government agencies for "silly" research, it might be interesting to consider how well some of the great discoveries of history would have fared if they had been subjected to Congressional scrutiny. We thus present some likely titles for grant proposals by historical figures (whose names appear at the end, together with their discoveries) and the probable comments of a practical-minded legislative aide, recommending why his Congressman should vote against them.

(1) "Perturbation of space and time at extreme velocities, with implications for mass-energy relationships." (Pure science fiction. A patent office clerk proposes to prove by pure mathematics that clocks would run slower and measuring sticks would get shorter if they could be accelerated to nearly the speed of light. Topic is irrelevant to everyday life, such effects cannot be experimentally tested in the conceivable future, and the whole business violates three centuries of amply demonstrated physical principles.)

(2) "Possible interrelationships of various species of Galapagos finches." (Young drifter wants to take a five-year junket around the world, toward no particular end. His aca-

demic qualifications are limited to having flunked medicine at Edinburgh and divinity studies at Cambridge. He enjoys the sporting life and now says he wants to collect rare birds and such.)

(3) *"Er redete mit dem Vieh, den Vögeln und den Fischen"*—(roughly translated): "Conversing with dumb animals." (Austrian physician and goose fancier wishes to further his studies in communicating with lower animals—he sometimes becomes their "parent" and, for example, jumps into the water with his adopted geese to help them learn to forage.)

(4) "Transmission of pod color in crossed strains of garden peas." (Young Augustinian monk, having flunked out of the university and failed to qualify as a teacher in his Order, now raises peas in the monastery garden. Intends to note pod color and plant height over several generations—cannot produce any publishable results for at least eight years.)

(5) "Molecular stimulation by electromagnetic waves in a resonator with positive feedback—for application to high-resolution microwave spectroscopy studies of quantized molecular vibration modes." (Reputable physicist with experience in radar; but the product sounds awfully esoteric, with little foreseeable practical application.)

(6) "A compendium of new mechanical devices, explanation of hydrodynamics, an improved method of bronze casting, proof of the impossibility of perpetual motion, and discourses on related and unrelated topics." (Easily ignored. This nut turns out to be an illegitimate itinerant artist with little formal schooling, who claims to intuitively understand the principles of science and technology better than those now propounding them in scholarly publications. A virtual illiterate in mathematics, he is reduced to drawing pictures to express his ideas.)

Fortunately, in most cases, the researchers in question were able to survive somehow until their work was better recognized. They were: (1) Albert Einstein, as he might have proposed his relativity theory; (2) Charles Darwin, who took his five-year journey as an unpaid naturalist and returned with the idea of evolution: (3) Konrad Lorenz, the founder of modern ethology (the study of animal behavior); (4) Gregor Mendel, whose pea experiments led to the understanding of heredity; (5) Charles Townes, as he might have described his work leading to invention of the laser; and (6) Leonardo da Vinci, who anticipated by several centuries many scientific and technological principles, but whose writings in these areas were either lost or ignored for the reasons indicated.

HUDSON TIGERS WIN NATIONAL TITLE

HON. EDWARD HUTCHINSON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. HUTCHINSON. Mr. Speaker, I would like to take this opportunity to express my hearty congratulations and pride in the Hudson High School varsity football team of Hudson, Mich., and their Coach Tom Saylor. This past Saturday, the Hudson "Tigers" set a new national high school record by winning their 72d consecutive game, defeating Kalamazoo Hackett High by the score of 24–14.

One week prior to this record-setting event the Hudson players tied the existing record set by the Jefferson City, Mo., team of 71 consecutive wins between 1958 and 1966. Coach Saylor and his teams have been building toward their new title since 1968 when their string of unbeaten seasons began. With this win, the Tigers advance to the State Class C finals to be held this Saturday at Central Michigan University at Mount Pleasant, where they will meet the rival team from Ishpeming.

The Hudson High School team deserves each accolade it receives. They have distinguished themselves, their school, and their fair city. They are truly deserving of the title "champions."

UNITED STATES-CHILE RELATIONS PART (I)

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. McDONALD of Georgia. Mr. Speaker, we are presently granting military assistance to Peru while Chile is not only denied such aid but is also prevented from purchasing military equipment on a private basis in the United States. Considering that Peru is a military dictatorship, is generally pro-Soviet and anti-American, has received huge amounts of military equipment from the Soviet Union, and already has a vast superiority in military material over Chile which is a historic enemy, and considering that Chile is probably the most pro-American and anti-Soviet country in Latin America, such a policy seems indefensible from the standpoint of our national interest and security.

Nevertheless, there is danger that this policy will continue; the administration has requested over $20 million in assistance to Peru, but nothing for Chile, as part of its foreign security assistance program for fiscal 1976. This whole issue will soon be considered by the House, as the International Relations Committee is presently marking up legislation on foreign military assistance.

Since there has been so much distortion of the situation in Chile, it is important to have a factual, objective, and unbiased account of events in Chile, both past and present. Therefore, I would like to call my colleagues' attention to the statement that Dr. Ernest W. Lefever presented before a Subcommittee of the House Foreign Relations Committee on August 5, 1974, regarding prospects for United States-Chile relations.

Dr. Lefever, senior fellow at the Brookings Institution, had spent 11 days in Chile and addressed himself to four broad questions: First. What is the basis of U.S. policy in Latin America? Second. Why did the Allende regime fail? Third. How well is the present government doing? Fourth. What are the prospects for U.S. relations with Chile?

Following is Dr. Lefever's testimony on the first and second of these questions:

STATEMENT OF DR. ERNEST W. LEFEVER SENIOR FELLOW, THE BROOKINGS INSTITUTION,[1] HEARINGS ON PROSPECTS FOR UNITED STATES-CHILE RELATIONS

Mr. Chairman, I appreciate your invitation to testify on U.S. relations with Chile at this crucial time when this respected Andean country has become a symbol of our ties with Latin America as a whole.

I am not a Latin American expert, but in my research at the Brookings Institution I have made an extensive study of U.S. military and police assistance to the Third World, including Central and South America.

Further, I have recently returned from an eleven-day (July 1–11) field trip to Chile in the company of two academic colleagues, Dr. Riordan Roett, Director of Latin American Studies at Johns Hopkins University, and Dr. Albert Blaustein of the Law School at Rutgers University.

We went to Chile not to praise or to blame, but to understand the complex political situation which, in our view, has received far from adequate coverage in the American press. In my opinion, the one-sided reporting of current realities in Chile seems to reflect in part the extensive propaganda effort to vilify the present government by partisans of the former regime of President Allenda.

In any event, our visit to Santiago was independent, unsponsored, and hopefully scholarly. We had no partisan or organizational ax to grind. We went on our own time and did not represent our institutions.

We interviewed some 75 different individuals from a broad political cross section and varying degrees of objectivity. Among Chileans, we interviewed former President Frei; four members of the Allende cabinet (one of whom was in detention); Cardinal Silva and other church leaders concerned with human rights; university officials, teachers and students; lawyers representing both the prosecution and defense at the Air Force trials; and high government officials, including General Gustavo Leigh, a member of the Junta.

Among the foreign observers, we saw U.S. Ambassador David Popper and other senior members of the American Embassy and representatives of the embassies of Canada, Mexico, and Israel, and of the International Committee of the Red Cross and the U.N. High Commissioner for Refugees.

I believe it is safe to say that we interviewed a broader spectrum of Chilean and foreign opinion than any other group that has gone there since the September 11, 1973, coup. Some of these groups had a rather narrow range of concern, and they found exactly what they were looking for to confirm their preconceptions. The American press has given considerable attention to the highly critical conclusions of these groups.

Because of the inherent complexity of the situation and my comparatively brief exposure to it, my findings should be accorded less authority than those of competent, full-time observers, such as our well-informed U.S. Embassy officers in Santiago.

I would like to make my observations by addressing four broad questions: (1) What is the basis of U.S. policy in Latin America? (2) Why did the Allende regime fall? (3) How well is the present government doing? (4) What are the prospects for U.S. relations with Chile? Throughout I will emphasize the U.S. interest in regional stability and the continuity of U.S. policy toward Latin America.

WHAT IS THE BASIS OF U.S. POLICY TOWARD LATIN AMERICA?

Many of the present tensions with our neighbors to the south are rooted in an earlier attitude of arrogance which sometimes led to indirect intervention in their

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Footnotes at end of article.

internal affairs. Fortunately, this overbearing attitude and the policies associated with it are giving way to a greater respect for the right of the sovereign Latin American states to do things in their own way and at their own pace.

Our official arrogance probably reached its high point in the early 1960s when various U.S. aid programs, conspicuously development assistance and Food for Peace, attached certain conditions that amounted to interference in internal affairs. We said, in effect, we will provide this aid if you restructure certain of your political or economic institutions in accord with our preferences. This was deeply resented. No government or society likes outsiders to meddle in its domestic affairs, especially sensitive matters that relate to the distribution of economic resources or political power.

An embarrassing example of this crusading approach is Title IX (Section 281) of the Foreign Assistance Act. It was adopted in 1967 to insure that U.S. economic aid would be used to build, strengthen, and utilize "democratic institutions" in the assisted countries. It states that all U.S. programs shall "use the intellectual resources of such countries" so as "to encourage the development of indigenous institutions that meet their particular requirements for sustained economic and social progress" and shall "support civic education and training skills required for effective participation in governmental and political processes essential to self-government." Further, "emphasis shall be given to research designed to examine the political, social, and related obstacles to development in countries receiving assistance," so as to better use such aid to "support democratic social and political trends."[2] And who would determine if the recipient government made sufficient internal reforms to meet the requirements of Title IX? U.S. officials, of course.

Title IX may have had little negative effect, because it was largely ignored by AID officials in Washington and the field, but the attempt to use U.S. assistance to force internal reform has been expressed elsewhere by members of Congress. On several occasions, the administration has been urged by Congressmen to suspend or terminate economic or military aid to a regime because the Congressmen opposed its character or internal policies.

A House subcommittee report issued earlier this year asserted that the United States should take various measures to help force change in specified internal policies of "friendly, neutral, or unfriendly regimes."[3] These measures are to include the "withdrawal of military assistance and sales" and of "certain economic assistance programs." The internal policies that warranted such dramatic action, include what the report calls "serious violations of human rights," again to be defined by U.S. officials.

The strong dissent by three subcommittee members from the House report and the failure of the Committee on Foreign Affairs to endorse it suggest that its recommendations that U.S. aid be used as a weapon for internal reform are not broadly shared on Capitol Hill. Nevertheless, such views have been expressed often enough to have prompted high-level statements against them. During his visit to Romania in August 1969, President Nixon said: "We seek normal relations with all countries, regardless of their domestic system." Speaking of Latin America, he said every state "must be true to its own character," and criticized the "illusion that we could re-make other continents" and the attitude that "we knew what was best for everyone else."[4] In his 1970 State of the Union message, he said: "The nations in each part of the world should assume the primary responsibility for their own well-being" and "they themselves should determine the terms of that well-being." Internal development, in this view, is the primary responsibility of each state, and international security is the responsibility of all states, in accordance with their capacity to influence external events. "We therefore deal realistically," he added in 1972, "with governments as they are—right and left. We have strong preferences and hopes to see free democratic processes prevail, but we cannot impose our political structure on other nations."[5]

Affirming the strong American commitment to democracy and human rights which we all share, Secretary of State William Rogers said: "But the choice, except as it applies to our own country, is not ours to make. It would be the ultimate arrogance of power to think that we can or should impose our will on others—to threaten or coerce others, even in the name of conscience."

These more relaxed and compassionate views toward the internal policies of friendly Third World governments have generally prevailed in the Congress and the administration, but the minority reformist view has been sufficiently persistent to complicate the policy debate on both economic and military assistance. It has had a direct bearing on the criteria for determining when to start or terminate particular U.S. aid programs and has tended to introduce an extraneous element into the process of evaluating the utility of military assistance efforts. The reformist view has also complicated development aid by insisting that it should be used as a weapon of internal political change.

Economic or military assistance can be justified only if it contributes to U.S. objectives in Latin America. This means that military aid should be judged primarily by its impact on regional stability and development assistance by its impact on the productivity of the state that receives it.

The United States has a strong interest in regional stability in Latin America because local military conflict could expand and thus upset the regional balance or even lead to big-power involvement and thus threaten strategic stability. While this chain of events is not likely, small wars such as the one between El Salvador and Honduras exacerbate tensions, waste scarce resources, and otherwise slow up peaceful and constructive economic and political development.

Chile must be seen in this larger context. As a member of the Andean group, it is important that she remain at peace with her large and small neighbors. That peace is potentially threatened by the growing military might of Chile's historic enemy, Peru, which is being heavily armed by the purchase of Soviet armor and other weapons.

A week ago, on July 29, in the Peruvian Independence Day parade, 54 Soviet T–55 tanks, with 100–MM guns were shown, along with three batteries of Yugoslav 105–MM howitzers, 8 truck-mounted surface-to-air missiles, and other missile-support equipment. Peru also has 60 M–4 Sherman medium tanks, and 100 AMX–13 French tanks with 105–MM guns.

In contrast, Chile's 76 M–4 Sherman tanks are no match. Informed observers believe Peru has or will soon have at least a five-to-one superiority in armor over that of Chile. And an increasing percentage of this Peruvian armor and other weapons will be coming from the Soviet Union. With this undisputed superiority, Peru may well be tempted to attack Chile to recover the territory it lost to Chile in the 1878–83 war, possibly with the encouragement of Moscow.

Chile understandably has been apprehensive about this situation and has been seeking to develop a defense posture that will deter an attack from Peru. The problem was foreseen by the Frei regime that preceded that of Allende. In February 1970, two guided missile destroyer escort vessels and two diesel submarines were ordered from Britain. All four are partially finished and in the water, but their completion and delivery to Chile is in jeopardy because there are elements in the shipbuilders trade union ideologically opposed to the present Chile government. There has already been one work stoppage over this issue. Further, under left-wing pressure, the British Government has prohibited Rolls-Royce from either rehauling the engines or selling spare parts for Chile's 18 Hawker-Hunter fighter aircraft. This could result in a virtual standdown of these fighters, unless an alternative source of parts and overhaul can be found. In short, Britain has become an undependable source of military equipment that Chile deems essential to deter an attack from Peru.

Under these circumstances, Chile would like to purchase a modest amount of military hardware from the United States, not only to deter external attack, but to increase the capability of the Armed Services to engage in emergency humanitarian operations. During the severe floods last month, for example, military aircraft and trucks were extensively used to rescue and feed the victims.

Chile may not be able to buy military equipment in the United States because several members of Congress, who do not like certain policies of the present government, are determined to take punitive action against it. They propose denying credits for military purchases. If they succeed, Chile would be forced to turn to other suppliers with the consequent loss in the U.S. balance of payments and in any modest influence that goes along with the provision of military equipment, training, and advice. I will return to this point later.

WHY DID THE ALLENDE REGIME FAIL?

It is not possible to understand the growing public pressure for military intervention without recognizing that the vast majority of the Chilean people by August 1973 had concluded that the Allende regime was a colossal failure. The political, economic, and social situation had deteriorated catastrophically by then. While Chileans may disagree on the causes of this deterioration or with the particular form of the September 11 coup, which arrested it, there appears to be substantial agreement on certain basic facts about the Allende period:

1. The explicitly Marxist government of Salvador Allende, whose Popular Unity coalition achieved 36.5% of the vote, was installed legally in September 1970.

2. Though heading a minority regime, President Allende acted as though he had majority support, and he was increasingly influenced by the more extreme and militant Marxist elements in his coalition and by a non-party organization, the Revolutionary Movement of the Left (MIR) which was committed to transforming Chile into a totalitarian Marxist state.

3. By means of "legal loopholes" and invoking obscure laws out of context, the regime engaged in a protracted effort to weaken, neutralize, subvert, or otherwise destroy the independence and effectiveness of the Legislative and Judicial branches of government in violation of the letter and spirit of the Chilean Constitution.

4. The regime permitted or encouraged the emigration of 12,000 to 15,000 foreign sympathizers into Chile to observe and participate in the "revolution." Many of these foreigners were committed to violence, others were terrorists, and some were common criminals. Many of them were permitted to operate illegally.

5. The regime encouraged or permitted the illegal import of large quantities of arms from Cuba and other countries and the development of illegal armed groups in factories, political headquarters, and other places.

6. The regime permitted terrorist groups to seize and hold private property with impunity.

Footnotes at end of article.

7. The regime prevented or sought to prevent the national civil police (Carabineros) from bringing Marxist guerrillas to justice.

8. By giving preferential treatment to extremist Marxist groups, including those advocating and using violence, the regime helped to create a climate of political conflict which erupted in demonstrations, strikes, and violence. It is estimated that during the entire Allende period there was one violent death a week attributable to political agitation and conflict.

9. Whether by design or ineptitude, Allende managed to bring the Chilean economy to its knees. By various politically motivated measures, including wage raises, nationalization of large and small enterprises, including foreign properties without compensation, the regime reduced the rate of national productivity to near zero, reversed the favorable balance of international payments, and destroyed its creditworthiness abroad. By printing money recklessly, it produced an inflation rate in real terms of between 500 and 1,500%. Severe shortages of food, clothing, and other essentials led to strikes and demonstrations throughout the country.

10. The regime's policy toward the three Armed Services was erratic, ambivalent, and contradictory. In late 1970, Allende signed a special constitutional amendment which guaranteed the independence and the integrity of the Armed Services and the Carabineros. He violated this pledge by permitting illegal armed groups to operate, by coopting high military officers to serve in high civilian posts in his government, by the dismissal of high officers for political reasons, and by seeking to split and subvert the Armed Forces by political infiltration. According to documents, referred to collectively as Plan Z, there was an officially condoned Marxist design to take over the country by violence, including the assassination of key officers of the Armed Forces.

These ten statements dealing largely with internal matters are widely believed to be true in Chile and my observations tend to support them. The charges against the illegal behavior of the Allende regime were made public in a number of documents from Chilean leaders in 1973, including the following:

1. *May 26, 1973:* Unanimous Supreme Court resolution denouncing the Allende regime's "disruption of the legality of the Nation" by its failure to uphold a Criminal Court's decision to take action to evict persons who illegally seized property. (See Appendix A, page i.)

2. *June 26, 1973:* A second Supreme Court resolution addressed to President Allende, charging him with illegal and unconstitutional interference in legal affairs that fall "within the exclusive competence of the Judicial Power."

3. *July 8, 1973:* Joint declaration by Eduardo Frei, President of the Senate, and Luis Pareto, President of the Chamber of Deputies, appealing for the reestablishment of legality "before it is too late." The declaration emphasized the danger of civil war inherent in the regime's policy of arming illegal groups, the "creation of a parallel army in which numerous foreigners are collaborating." (See Appendix B, page ii.)

4. *August 8, 1973:* This declaration of the General Council of the Bar Association warned the public of "the collapse of the rule of law" in Chile and said the "obvious fracturing of our legal structure can no longer be tolerated." It called for the reestablishment of rights for all citizens and of "full independence of the Judiciary Branch." (See Appendix C, page iv.)

5. *August 22, 1973:* This declaration by the Chamber of Deputies (elected in March 1973) presents a bill of particulars charging the Allende regime with a deliberate pattern of illegal and unconstitutional behavior and widespread violation of fundamental human rights. (See Appendix D, page vi.)

6. *August 31, 1973:* The General Council of the Bar Association issued a report on the growing jurisdictional conflict between the President and the Congress, concluding that only Congress is competent to legislate and determine the extent of Presidential authority.

The Allende regime fell almost wholly because of domestic reasons—its failure to cope with the economic problem, its violations of the Constitution and the rule of law, its inability to maintain civil peace, and its exacerbation of political tensions to the point of civil war. There is no substantial evidence to indicate that the regime was weakened, much less brought down, by the intervention of foreign governments hostile to Allende. On the contrary, and ironically, the substantial subversive assistance Allende received from friends like Castro may well have done more to bring matters to a head than anything that less friendly governments might have contemplated, but never carried out.

The U.S. Government maintained normal diplomatic, economic, and military relations with Chile during the Allende years, consistent with the trend of reducing grant aid in Latin America generally during that period. Like other major South American countries, Chile received no grant military hardware since 1968. Also, there was no significant development lending in Chile after 1968. Even though Allende sought to have minimum aid from the United States, and sought help from Marxist governments, U.S. aid continued. This included development assistance, the Peace Corps, and grant military training as well as military credits.

The continuity of U.S. policy during the Frei and Allende years can be illustrated by the figures for grant economic aid and Foreign Military Sales credits for fiscal years 1968 through 1973, the first three falling generally in the Frei period and the last three under Allende:

U.S. aid and military credits to Chile: 1968–73

[In thousands]

Grant economic aid:	
1968	$3,600
1969	2,900
1970	3,000
1971	1,500
1972	700
1973	700
Military sales credits:	
1968	$6,000
1969	11,000
1970	------
1971	5,000
1972	10,000
1973	12,400

Just as Allende failed catastrophically at home, he lost his reputation abroad. His nationalization of foreign assets without compensation, his defaulting on some debt payments, and his galloping inflation led Chile to loose its credit in foreign money markets.

His regime also failed to cooperate in international efforts to deal with the traffic in illicit drugs of which Chile was a major producer. High officials of his government are reported to have been directly involved in the smuggling of cocaine and heroin to the United States. Some of the profits from this illicit trade are reported to have been used to finance the purchase of arms of arms for illegal Marxist groups in Chile.[7]

In retrospect, future historians may well judge the Allende regime to be one of the most inept and cynical regimes of recent decades. Apparently millions of Chileans already are prepared to make this judgment.

FOOTNOTES

[1] The views expressed are the sole responsibility of the author and do not purport to represent those of the Brookings Institution, its officers, trustees, or other staff members.

[2] House Committee on Foreign Affairs and Senate Committee on Foreign Relations, *Legislation on Foreign Relations* (Washington, July 1972), pp. 31–32.

[3] House, Subcommittee on International Organizations and Movements, Committee on Foreign Relations, *Human Rights in the World Community: A Call for U.S. Leadership* (Washington, March 27, 1974), p. 3. Three subcommittee members dissented strongly from certain conclusions of the report.

[4] Address, October 31, 1969, published as *Action for Progress for the Americas,* Department of State, November 1969, pp. 1 and 2.

[5] *U.S. Foreign Policy for the 1970s: The Emerging Structure of Peace,* A Report to the Congress by Richard Nixon, President of the United States, February 9, 1972, p. 96.

[6] Quoted in the *Washington Post,* August 25, 1972.

[7] "A Report on Drug Trade (Cocaine and Heroin) to Clandestine Markets in the United States Carried out under the Protection of Officials of the Government of Salvador Allende," in *The Theory and Practice of Communism: Marxism Imposed on Chile—Allende Regime,* Hearings, House Committee on Internal Security, 1974, pp. 2734–50.

NONRECOGNITION OF BALTIC TAKEOVER

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. O'BRIEN. Mr. Speaker, 35 years ago the Soviet Union forcibly incorporated the Baltic States of Latvia, Estonia, and Lithuania. For 35 years, the United States has staunchly refused to recognize this illegal annexation.

Now it appears that our stand is weakening and we are heading toward de facto, if not official, recognition. During the July Conference of Security and Cooperation held in Helsinki, Finland, the United States and 34 other nations adopted a final declaration supporting the status quo of present European boundaries. The Soviets have interpreted this to mean that we now accept the fact that they control the Baltic States. Neither President Ford nor the State Department have issued a disclaimer that would correct this misinterpretation by stating that the signing of the declaration does not signify recognition of the Soviet takeover in Estonia, Latvia, and Lithuania. Their failure to do so casts serious doubt on our resolve to stand behind these oppressed nations.

I have consistently opposed any change in our Baltic policy. In both the 93d and 94th Congresses, I joined my distinguished colleague Mr. DERWINSKI, in sponsoring resolutions that expressly directed our delegation to the European Security Conference to in no way approve recognition of the Soviet annexation of the Baltic Nations.

In view of the developments at Helsinki, I feel it is necessary for Congress to make it clear that our policy toward the Baltic States is unchanged. Therefore, I have again introduced a resolution reaffirming our position. The text of this measure, House Concurrent Resolution 480, appears below:

H. CON. RES. 480

Whereas the three Baltic nations of Estonia, Latvia, and Lithuania have been illegally occupied by the Soviet Union since World War II;

Whereas the Soviet Union is interpreting the Final Act of the Conference on Security and Cooperation in Europe, signed at Helsinki, as giving permanent status to the Soviet Union's illegal annexation of Estonia, Latvia, and Lithuania; and

Whereas, although neither the President nor the Department of State issued a disclaimer in conjunction with the signing of the Final Act at Helsinki to make clear that the United States still does not recognize the forcible conquest of those nations by the Soviet Union, both the President in his public statement of July 25, 1975, and the Assistant Secretary of State for European Affairs in his testimony before the Subcommittee on International Political and Military Affairs of the House Committee on International Relations stated quite explicitly that the longstanding official policy of the United States on nonrecognition of the Soviet Union's illegal seizure and annexation of the Baltic nations is not affected by the results of the European Security Conference: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That, notwithstanding any interpretation which the Soviet Union or any other country may attempt to give to the Final Act of the Conference on Security and Cooperation in Europe, signed in Helsinki, it is the sense of the Congress (1) that there has been no change in the longstanding policy of the United States on nonrecognition of the illegal seizure and annexation by the Soviet Union of the three Baltic nations of Estonia, Latvia, and Lithuania, and (2) that it will continue to be the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union.

"911" HOT LINE FOR EMERGENCIES

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. ROUSH. Mr. Speaker, today I am including in the CONGRESSIONAL RECORD a listing of the "911" emergency telephone systems in operation in the State of California. California is particularly interesting because in 1972 the California General Assembly enacted legislation which declared that "establishment of local emergency telephone systems is in the public interest" and required the establishment statewide of "911" by December 31, 1982.

Alameda County in California is a test area for certain advanced "911" features including: selective routing of "911" calls; the automatic display of incoming numbers and addresses associated with those numbers. This project has been the recipient of LEAA funding. California has been a pioneer in the statewide legislative effort to implement "911" and in demonstrating advanced features that might in some cases be used with "911":

Systems location	Date		Population served (thousands)
	In service	Scheduled	
American Telephone & Telegraph:			
California:			
Alameda	April 1970		71.0
Anderson		August 1975	11.0
Benicia		June 1975	10.0
Dunsmuir	January 1973		2.2
Gustine	March 1970		3.0
Lake County		October 1975	25.0
Monterey County	December 1974		258.6
Mount Shasta	January 1973		4.5
Pacifica	September 1974		36.0
Pismo Beach		November 1975	5.0
Rancho Santa Fe	December 1970		2.0
San Benito County		July 1975	18.0
San Clemente	September 1970		17.0
San Francisco		September 1975	676.6
Santa Clara	July 1974		88.0
Sunnyvale	November 1972		100.0
Tracy		March 1975	20.0
Vallejo		June 1976	85.0
Yreka	January 1973		3.5
Independent Telephone companies:			
California:			
Lindsay		January 1975	5.6
Kerman	June 1970		5.0
Gilroy	December 1974		15.7

THE UPSTATE FARM INDUSTRY

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. McHUGH. Mr. Speaker, one of the local papers in my 27th District of New York has recently carried a fine series of articles written by Barbara Root on the farm industry in upstate New York. The articles provide perspective and insight into the problems and frustrations faced by dairy farmers, and I believe the second part, in particular, will be of interest to my colleagues.

Mr. Speaker, I would like to request that Mrs. Root's article be inserted in the RECORD at this point:

THE UPSTATE FARM INDUSTRY

(By Barbara Root)

"Every time I see a house go up on farm land here, I feel sick," said one dairy farmer.

His statement does not reflect an antisocial attitude, but rather his great reverence for the land and his recognition of the fact that once land is lost to land speculators, industrial parks, home and highway building, it will never be restored to its former agricultural productivity.

It also reflects the farmer's worry about the rapidly diminishing number of dairy farms in New York State.

The loss of dairy farms is caused by several factors, the first being the enormous cost of operation versus the low percentage of profit. The dollars and cents picture alone is forcing farmers to give over their land to speculators, grab their money and get out. He knows that it is unlikely that he will be bought out by another farmer because of the prohibitively high cost of operation.

The initial investment to begin even a small dairy operation is between $150,000 and $200,000. The problem is not necessarily being able to raise the cash—there are sources such as FHA, private banking institutions and P.C.A. (Production Credit Association), the farmers' prime source of capital. P.C.A. is currently receiving 8½ percent interest (it was nine percent until recently) and their loans can be very long term—40 years is not uncommon. Many farmers complain that such long periods encourage "perpetual indebtedness," keeping the farmer in an ever-tightening vise.

The obvious investments that farmers must make including his homestead, barn, silos, cattle, heavy and light duty equipment are only the tip of the iceberg; he must then maintain this property and repay his income debt.

The common philosophy is to maintain at least a 50 percent indebtedness, and almost all of the farmers interviewed carried very close to this amount. Some quite typical percentages are those of dairyman Dave Bell of Walton, who pays 46 percent of his gross to repaying his income debt and 42 percent for operating expenses, leaving a mere 12 percent for all of his living expenses and from this he attempts to salvage some to build his working capital.

These figures could be stale by tomorrow because of rapidly rising expenses. Quite typical of these are the costs of machinery and parts, which constitute a large portion of the 200 to 300 percent cost rise of the past two years. Dave Bell indicated that a forage harvester priced at $4,400 one year ago, now costs $6,200. A tractor that was $11,000 to $12,000 two years ago, now commands $15,000 to $20,000, depending on its size.

Fuel costs are also up 12 percent in one year, and feed grain has risen 9.2 percent, fertilizer and lime 26.8 percent and a long list of costs up, up, up in the past 12 to 24 months.

Ralph Buel, who with his son, Don, farms 520 acres in Elk Creek, and have 99 "milkers," will "make do" with a home repair on his silage blower (machine which blows silage into the silo). It had cost him $700 in 1966 and now is priced at $1,400.

The sharp contrast snaps into focus when one realizes that milk receipts dropped "4 percent in August of 1975 and a whopping 4.6 percent from July to August this year in the New York-New Jersey market" according to figures published by the Eastern Milk Producers Association.

Behind the sharp decline in milk receipts is the huge amount of imported milk that has flooded the American market in the past year. Among the many thorns in the side to the American dairy farmer is the fact that the foreign imports are very often substandard and undersell the superior American dairy products, because they are subsidized by foreign governments.

A little known fact is that many of the milk products used in such items as pancake and cake mixes contain these sub-standard milk products. Some imported milk items are restricted "for Human Consumption Only"—because they carry hoof and mouth disease, which can be transmitted to animals through the milk.

Although these items may not constitute any danger to humans, the idea strikes one as extremely unpalatable, even horrifying to the American who assumes that all milk products in this country meet the exacting standards expected of the U.S. dairy industry.

In addition to protesting this kind of unfair competition, the farmers continue to devise ways to reduce their costs of operation.

Dairyman Jerry DeWitt of East Delhi has decided to concentrate on attempting to raise all of his own feed grains. Jerry has 62 "milkers", 200 acres, 75 of which are tillable. As is common with many farmers, Jerry leases 170 tillable acres nearby. Many of the farmers who are leasing nearby acreage, hope to eventually be able to purchase the land they are using. However, the concept of raising all of one's own feed grains in Delaware County is open to debate, since the region is not ideal for grain growing on a large scale. Even with the reduction of grain costs by raising it himself, the farmer is still dependent upon outside sources for equipment, power and a legion of other necessities.

Farmer Dave Bell and two farming friends have devised a system of sharing equipment and labor to avoid having to buy and pay for individual equipment for each farming operation. In this case, the idea works well, but most farmers maintain that it is necessary to have their own equipment in order to be able to "beat the weather" at planting and harvesting time.

Some dairy operations are concentrating on raising registered dairy herds. Individual top registereds can bring astronomical amounts, well over the $10,000 mark; the ordinary good registered animal will bring much less, but still a substantial price. Farmer Fred Huneke of Elk Creek, who operates a small 36 cow operation has a 50 percent registered Holstein herd, and hopes eventually to produce some real champions. Fred, and his wife, Marilyn, feel that concentrating on breeding may eventually bring much more than could ever be hoped for by selling their milk at the current low market prices.

AN OUTSTANDING TEAM; SUPERIOR INDIVIDUALS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. MURTHA. Mr. Speaker, on Saturday, November 1, I had the pleasure of watching two outstanding football teams battle for the Pennsylvania Western Conference Championship. Westmont High School entered the game with an 8–0 record; Bedford High School with a 7–1 mark.

Westmont kicked off, held Bedford, scored two quick touchdowns and went on to win by a score of 37–0. An undefeated season and two league championships is proper praise in itself for the Westmont team.

But I have had the pleasure, Mr. Speaker, of watching the young men on this team play together since the seventh grade. In their first year together they were undefeated; in eighth grade they were tied once; in ninth grade they were again undefeated. After playing as substitutes during their sophomore year, they lost only once in their final 2 years of competition.

As I say, that is praiseworthy in itself. But the lesson of the Westmont team goes further. It hinges on something once said by Penn State football Coach Joe Paterno:

> Football is a great game. It demands a young man's total commitment—emotionally, mentally, and physically. It challenges our young people to do their very best, to discipline themselves to develop mental, as well as physical toughness. At its best, it is a wonderful and worthwhile experience, which will have immense character benefits for its players.

And that, Mr. Speaker, is what makes me most proud of the members of the Westmont team. They are fine athletes and play many sports, but beyond that they show the character, courage, and self-determination that sports can breed. They are multidimensional individuals. Many are outstanding students; three are Eagle Scouts; a couple are in student council; six are members of the National Honor Society; two will have earned eight letters in various sports; and, all participate in various phases of school and social life.

Since I watched them in the seventh grade, as a team and as individuals, they have shown character. They work together harmoniously. They are polite and enthusiastic as athletes. They play the game hard, but they play cleanly and respect the abilities of their opponents.

Great credit should also belong with their coach, Pat Sherlock. Coach Sherlock has been with the team through its junior and senior high years. The team has the highest respect for him as an individual; he commands respect and inspires the players to their best effort.

This Sunday, November 23, the team will have its annual banquet. I plan to present a copy of this statement to the team members as a tribute to their accomplishments.

It is not surprising to me that so many of my colleagues in the U.S. House and successful men in all walks of life have participated in athletics. It is a tremendous character builder. And, in congratulating the members of the Westmont high team on their successful season, I also wish them great success in the future. I have no doubt they will succeed as well as individuals in their own lives, as they have this year as a team.

My congratulations to the athletic director, coaches, band members, cheerleaders, and all the football players who are listed here:

Coach—Patrick Sherlock.

Assistant coaches—Milton Lantz, Paul Claycomb, Stanley Skowron, Jr.

Players—12th grade—Donald Behe, Fred Callihan, Dave Carney, John Conway, Dan Borian, Saul Glosser, Ron Lumley, Samuel Medile, John Murtha, Patrick Murtha, Louis Paratore, Christopher Patton, Michael Sewak, Frank Stumpo, Louis Tschachler, John Wilson, Mark Wilson.

Players—11th grade—Dan Allen, Joseph Chessa, John Frick, Raymond Gould, Noel Graham, Bruce Grimes, Jeffrey Hoover, Thomas Kirby, Donald Patton, Barry Rudel, Joe Tschachler.

Players—10th grade—Mark Alkire, Mark Vastaja, Joe Bononno, Matt Bretz, Scott Cook, Jim Dewar, Tom Eckenrode, Tim Foreback, Mark Foust, Tom Gillen.

Steve Glass, Bob Johnson, Steve Kittka, Ron Krieger, Larry Lake, Steve Lose, John McIlwain, Richard Phillips, Bob Poehner, Ernie Pudliner.

Mike Racosky, Craig Scott, Brant St. Clair, John Skeeves, Ray Swanhart, Toby Thomas, Bruce Transue, Jim Williams.

Cheerleaders—Jane Emery, Debbie Kleinstub, Vicki Matsko, Susan Swanson, Sandy Krieger, Natalie Novelli, Brenda Hahl, Nancy Law, Natalie Straitiff, Terri Walko, Chris Todorich.

CULTURAL POLICIES TOWARD HUNGARIANS IN ROMANIA

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. HELSTOSKI. Mr. Speaker, 19 of my colleagues in the House of Representatives, ably led by Speaker CARL ALBERT, visited the Soviet Union, Romania, and Yugoslavia during this past August. Prior to departure, each Member received a copy of the memorandum of the American Hungarian Federation about the curtailment of human and civil rights of Romanian citizens of Hungarian origin, some 2.5 million, mostly in Transylvania.

While in Romania, this distinguished delegation raised the question of the Hungarian minority in that country. They were provided with copies of the entire production during the past 5 years of the Hungarian-language state publishing company, Kriterion, in Bucharest, as well as copies of Hungarian-language news and magazine publications in existence in Romania. Representative PHILLIP BURTON arranged to bring back these books and other publications to the United States.

Dr. Z. Michael Szaz, national director and international relations consultant for the American Hungarian Federation, was kind enough to review and evaluate this material. His analysis clearly depicts the situation which exists in Romania of suppression of Hungarian culture and literature. I commend this evaluation, prepared by Dr. Szaz, to the careful attention of my colleagues:

CULTURAL POLICIES TOWARD HUNGARIANS IN ROMANIA

By providing the delegation of the House of Representatives with 111 volumes of books and 30 magazines and newspapers, their Romanian hosts wanted to weaken the documented argument of the American Hungarian Federation that the Government suppresses Hungarian culture in Transylvania.

The figures seem to be substantial until a closer look is paid to their contents and structure.

Among the 111 volumes in five years (about twenty books per year for more than 2.5 million people), not less than 24 are translations from Romanian authors. Thus, over 20 percent of the production of the only Hungarian-language publishing house in Romania is to publish Hungarian translation of Romanian books. 19 other books were translations of novels and poetry from Hungarian into Romanian language, again a task more proper for a Romanian-language publishing house. Thus, about forty percent of the production of Kriterion is either in a foreign language or serves as a conduit for Romanian culture to the Hungarian minority.

A review of the remaining sixty percent reveals the following picture. Novels and poetry are best represented with 38 volumes. No Hungarian classics are included, even among the writers of the pre-1945 period, only one novel by Aron Tamasi is represented. Some of the volumes belong to outstanding young writers like Andras Suto and Janos Bartalis, but mostly there are mediocre novels, many of them consistent with the official government line which is prevalent everywhere in Transylvania without much redeeming social value. A few are works of the Communist and pro-Communist writers of the 1919–1945 period. Linguistics is represented only by the posthumously rehabilitated rector of the former Hungarian university of Cluj (he committed suicide upon the merger of the university with a Romanian university) and by an excellent but yet unfinished dictionary of the Hungarian language in Transylvania. A Bartok collection was published and some local music traditions mentioned in another book. There are three books devoted to folklore. History is represented by two biographical works of the 18th and 19th centuries, by a propaganda book contorting the events of the last centuries in favor of the Romanians in the province and by the biography of a Hungarian Communist "martyr". There are four other books with almost completely Marxist-Leninist ideology a la Romanian style, one literary criticism and a few "philosophical" works in Party propaganda-style. There are 11 juvenile books again along the same ideological lines. A book of the craft of painting finishes the list.

Even at the first glance, the distorted balance is obvious. History, historical novels are almost completely missing and the history of Hungarian culture in Transylvania is not at all reflected in the few history publications, and only marginally in folklore. The only field where some real values of Hungarian culture are allowed to appear in print is literature. Here, too, we have complete Party censorship both in regard to ideas and the relationship between Hungarians and Romanians. Even an excellent novel like Suto's "My Mother Promised Me an Easy Sleep," which retains the local traditions and style, is basically artificial in describing the lives of Romanians and Hungarians in the village. The heroes and antiheroes of the novel remain Party-created or artificial in other respects.

Another aspect is the lack of Hungarian textbooks despite the fact that about 200,000 Hungarian students still attend Hungarian-sections of Romanian schools. According to newspaper reports in 1975 new production of textbooks is far below the needs of the classes which themselves are constantly declining in size and numbers.

There is no literature on foreign countries in Hungarian, not even about Hungary and/or the U.S.S.R. Academic subjects are practically never published in Hungarian, there was not one book on natural science and medicine published by Kriterion in five years.

The tendency is obvious, Hungarian-language publications must be degraded to spreading Party propaganda and to provide cheap entertainment for the very limited leisure time for the Hungarian masses. Any other publication which would help the middle classes and technical intelligentsia to retain and develop their knowledge of the Hungarian language does not receive publication permit, except for a very few Communist academicians.

Perhaps some people will say that the large number of newspaper and magazine publications can make up for the vacua in book publishing. This is hardly the case. Only two publications are devoted to belles arts and literature, Korunk and Igaz Szo, one edited by the Hungarian Section of the Romanian Writer's Association, the other by the Socialist Council on Culture and Education. Korunk is written in a higher style and occasionally even publishes Hungarian articles about Huxley and Russian writers. It covers a wide area of humanistic and literary subjects, but despite some exceptions like the symposium on John Apaczai Cseri (17th century) it follows the same guidelines as the books in regard to Transylvanian history and Marxist-Leninist ideology emphasizing the very limited role of Romanians in the province instead of the overwhelming historical contributions of the Hungarians who were in control of the province for 1,000 years. Igaz Szo, despite its literary character also serves as a conduit for Romanian literature, 10–20 percent of the contents of the magazine are translations from the Romanian.

Oddly enough, a medical journal is still published in Hungarian, basically because of the remaining professors at Tirju Mures (Marosvasarhely) in the now mostly Romanized Hungarian Faculty of Medicine and Pharmacy of the University of Cluj. Otherwise, most of the publications are popular and serve Party propaganda and the Romanian myth of equality of the nationalities.

The newspapers, in turn, were aptly analyzed in the Memorandum of the American Hungarian Federation. They are usually six pages in tabloid size and most of their content is either the adulation of President Ceaucescu, a reprinting of his speeches and of other Communist Romanian leaders into Hungarian, or at best some local news and economic exhortations for more work, personal and want ads, some translations from Romanian writers, and if space permits a few notes on Hungarian cultural events or historical figures who have anniversaries of their birth or death.

Indeed, this is a bleak picture for a minority which for several centuries represented the best and most humanistic elements of Hungarian culture in general and which numerically is still strong enough to support a much more balanced, original and culture-oriented publication program than the one which the Romanian officials allow them to have. The Bucharest tendency is clear-cut, if the Hungarian language publication cannot be completely eliminated, only such subject matters and writers should be permitted who provide entertainment and do not shake the artificial edifice of Romanian-dominated Hungarian society in Transylvania. I do not believe that this is a correct interpretation of the Romanian Constitution or the various articles of the Universal Declaration of Human Rights. The real talents and values of Hungarians in Transylvania are now systematically destroyed or forced into the strait jacket of Communist ideology and Romanian nationism for several decades and no improvement seems to be in sight. In the meantime, we entertain increasingly warm relations with the Ceaucescu Government. We should certainly use these relations to work for more equitable cultural, educational, housing and employment policies of the Bucharest Government toward its minorities, particularly the 2.5 million Hungarians in Transylvania.

It is of interest to note that The Right Reverend Bishop Zoltan Beky, D.D. is representing the Hungarian Reform Church in America at the Fifth World Assembly of the World Council of Churches to be held at Nairobi, Kenya, from November 20 through December 6, 1975. The denomination of a constituent member of the World Council of Churches and Bishop Beky has been assigned to the Human Rights Committee of the World Assembly where he will present to the Human Rights Committee of the World Assembly the oppression of Hungarians, particularly Hungarian Protestants, in Romania.

UNFAIR CHARACTERIZATION OF CONSUMER ADVOCATES' WORK

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. McCLOSKEY. Mr. Speaker, on November 6, 1975, during debate on the Consumer Protection Act, I referred—page 35380 of that day's CONGRESSIONAL RECORD—to the Postal Service's Consumer Advocate's office with the following words:

> The rest of his work was devoted to public relations for the Postal Service.

This was an unfair characterization of the Consumer Advocate's work, and I would like to correct the RECORD.

The Consumer Advocate's office of the Postal Service spends most of its efforts in analyzing consumer complaints about postal services and developing recommendations for management which would improve those services, thereby eliminating the cause for consumer complaints. My remarks, therefore, should have reflected my belief that the U.S. Postal Service Consumer Advocate Office basically does "service analysis" and not "public relations."

I also want to include in the RECORD a short statement by the present U.S. Postal Service Consumer Advocate, Tom Chadwick, which outlines his perception of the responsibilities and activities of the Consumer Advocate Office which he heads.

RESPONSIBILITIES AND ACTIVITIES OF THE CONSUMER ADVOCATE OFFICE, USPS

The Office of the Consumer Advocate was established in the Postal Service in May 1971. An officer of the Postal Service, the Consumer Advocate is the independent spokesman for consumers in top management policy deliberations and decision-making.

His role includes the provision of prompt response to consumer inquiries and complaints concerning the Postal Service.

This office has authority to cut red tape and enter anywhere in the Postal system to obtain solutions to consumer problems. It is charged with responsibility for analyzing consumer complaints received both at post office and national headquarters levels. From these analyses, recommendations are made to top postal management for improvements in postal services and products. Recommendations may result in a solution for an individual consumer or cause an alteration of national policy.

The Consumer Advocate's Office is organized into six groups. Five of these groups manage responses to consumers on postal products and service lines. They also conduct special studies to improve the service and product lines falling within their jurisdiction. The sixth group has the responsibility for conducting diagnostic testing of postal services and products. These studies result in reports to top management with recommendations for improving services and products.

The Consumer Advocate and his staff represent the Postal Service in consumer-oriented public meetings and seminars.

LATVIAN INDEPENDENCE DAY

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. HYDE. Mr. Speaker, today, November 18, is Latvian Independence Day.

Independence days for any of the captive nations are not happy occasions because freedom and national independence are absent from those countries. But because of this denial of basic human rights the Latvians here in America, and the Estonians and Lithuanians as well, are particularly concerned over the signing in Helsinki of the Final Act of the Conference on Security and Cooperation in Europe.

Regardless of official U.S. interpretation, the Baltic people, not only here in America but also those living in their homelands, all of whom still cherish freedom and independence from the Soviet Union, fear, and I think justifiably, that the Soviet Government interprets our action as a form of recognition of its illegal annexation of the Baltic States.

The Baltic people fear that the Soviet Government will now feel it can intensify its policy of Russification in Latvia, and in Estonia and Lithuania. Such action would be wholly inconsistent with the principles of individual liberty.

Mr. Speaker, this Congress could take action on Latvian Independence Day which would give a renewed sense of encouragement to the Baltic people and which would be wholly consistent with our proclaimed principles in foreign relations. We could pass any one of the several House concurrent resolutions which have been introduced which state the sense of the Congress that the Helsinki accords have not changed the U.S. policy of nonrecognition of the Soviet Union's illegal seizure of Latvia, Estonia, and Lithuania. I especially recommend the resolution of Congressman DERWINSKI, of which I am a cosponsor.

As a cosponsor of two of these resolutions, and as a cosponsor also of a similar resolution introduced prior to the Helsinki signing. I strongly urge my colleagues to carefully consider and to pass a formal document stating our steadfast nonrecognition of forcible seizure—not only as an act of encouragement for the Baltic people, but also as a signal to the Soviet Union of popular sentiment in the United States.

Meanwhile, it is most fitting that we acknowledge our debt to those Latvians and others suffering the loss of their freedom and independence. Their unyielding courage and dedication to the cause of human dignity serves as an example to the rest of the world of how truly noble men and women can be no matter how unbearable the adversity under which they must exist. They exemplify the human spirit at its best, and I salute them on behalf of all the people of the Sixth District of Illinois.

THE POLITICS OF AUSTERITY

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. RUSSO. Mr. Speaker, many of us in the Congress have become increasingly concerned over mushrooming levels of Federal spending as well as the huge amount of Federal indebtedness that deficit financing is creating for our Government. The problem of controlling spending through our democratic process is difficult when there are so many well-organized and articulate spokesmen pressuring the Congress for Federal largesse.

It is easy for politicians to rail against Federal spending in order to please constituents who want every Federal program cut back or eliminated except those programs that provide direct benefits to themselves or other interest groups with which they are associated. It is far more difficult for politicians to take an honest look at the Federal budget, pare out waste and inefficiency, and support programs which are doing their job.

Mr. Speaker, it is always to our advantage in this body to have the benefit of perspective in dealing with complicated national problems. To this end I submit for the record and recommend to my colleagues an article which appeared in the November 15 issue of Forbes magazine. This article accurately portrays the dilemma that faces each of us in the Congress in making appropriate spending decisions. The article follows:

THE POLITICS OF AUSTERITY

There is a new political rhetoric blowing in the breeze, full of phrases like "drawing the line" and "fiscal responsibility." Conservatives wrote the speeches first. But now liberals, too, are furrowing their brows and mouthing the lines—like old men with dentures trying to eat apples.

The politicians are beginning to boast about how much they are saving you rather than how much they are doing for you. It's good-bye, Great Society. Hello, Austerity.

In California, newly elected Governor Edmund (Jerry) Brown Jr. tells his constituents to "lower their expectations." Connecticut's new governor, Ella Grasso, calls her $1.46 billion budget "lean and efficient" as well as humane—with the emphasis on lean and efficient. In Washington, Senator Edmund Muskie (Dem., Me.) rails against mammoth spending and big unresponsive government.

The speeches "play well," as the politicians put it. But there is a time when the rhetoric stops and the facts of life begin. That is usually a minute or two after the TV cameras leave.

Unfortunately, the action hasn't matched the rhetoric—so far.

Take Governor Brown, who is now considered a Presidential contender after only 11 months in office. He has been getting great publicity. First, he refused to move into the $1.3-million Governor's Mansion his "tightfisted" prodecessor Ronald Reagan had built for himself; Brown took a studio apartment instead. The press called him "ascetic."

Then Brown shocked the liberals who elected him by attacking a school lunch bill. But after that publicity died down, he signed the $9.5 million bill—and even praised it.

But what liberals like Brown are doing—talking one way and acting another—is not very different from what their conservative opponents have done. Some of our most eminent conservatives have made the act of running two ways at once an art form.

Brown's predecessor Reagan is a prime example. "We are going to squeeze and cut and trim until we reduce the cost of government," said Reagan during his 1967 inaugural address. His first move was to cut all agency budgets 10%. Then he signed a budget that was 10% higher than his predcessor's. During his eight-year term he doubled the budget and ballooned the per-capita tax load from $426 a year to $768. So much for Reagan's trimming and cutting.

Down in Alabama, during George Wallace's 13-plus years of power, Federal contributions in the form of highway and Health, Education & Welfare grants increased from 5% of the state budget to 28% today. Wallace may sneer at federal spending, but he hasn't turned down a penny.

And how about Senator Barry Goldwater (Rep., Ariz.)? He's opposed to big budgets, except for defensive budgets. One of his pet projects, the Air Force B-1 bomber, is going to cost taxpayers some $15.5 billion, and a number of critics say we don't even need the plane.

Or take Vice President Rockefeller. In a televised interview the day after President Ford had lowered the boom on New York City, he was shaken when he learned that Rocky had co-signed every one of the city's profligate union contracts. Within days, Rocky announced that he would not run with Ford next year.

The list could go on and on.

The only recent American politician to really bite the economy bullet is New York's Mayor Beame—and he had a pistol to his head.

The politicians don't deserve all the blame. They are only doing what the public wants. For the public—including business—talks one way and acts another. Lloyd Free, author of the acclaimed The Political Beliefs of Americans, says that numerous polls confirm that voters are ideological conservatives and operational liberals.

"I get two clear messages from my constituents," says freshman Senator Gary Hart (Dem., Colo.). "One, the government is too big; two, we want your help in getting something from the government." What the public is saying is that they want limited government, all right; they want it imited to their special interests.

There are a few hopeful signs, though. With people beginning to call his state "the next New York," Massachusetts Democratic Governor Michael Dukakis, another reformed liberal, has slashed his budget 25% in real terms. And in Washington, Congress just cut $4.1 billion from the President's proposed defense authorization bill.

In his refusal to bail out New York, President Ford has done the popular thing. But will the voters of Alabama and Oregon and Missouri rejoice with equal fervor if the cuts come to them?

If the entire public won't accept at least relative austerity, then there is no point blaming the politicians—either of the left or of the right—for fiscal disaster.

HUNGARIAN FREEDOM FIGHTERS DAY

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. JAMES V. STANTON. Mr. Speaker, the commissioners of Cuyahoga

County declared Thursday, October 23, as Hungarian Freedom Fighters Day in the county, in honor of these brave men and women whose struggle is an inspiration for freedom-loving people everywhere. To honor further their deeds, I would like to insert into the RECORD the proclamation of the commissioners:

PROCLAMATION

Cuyahoga County Commissioners Hugh A. Corrigan, Frank R. Pokorny, Seth Taft, in great awe of and with deep respect for the bare-handed heroism of the Hungarian Freedom Fighters—

Whose relentless longing for liberty overcame the mechanized might of an alien police state,

Who gave notice to the free world that no tyranny could obliterate the desire for freedom that is so deeply embedded in Hungary's tradition and history,

Who for a few glorious days defied brutal slaughter to battle their way to freedom, armed only with rare courage and the bright vision of a free world,

Who set an example of valor so inspiring that it will be forever inscribed in history,

Hereby declare Thursday, October 23, 1975 as "Hungarian Freedom Fighters Day" in Cuyahoga County with utmost gratitude for their illustrious contribution to the proud history of all freedom-loving people.

THE 57TH ANNIVERSARY OF LATVIAN INDEPENDENCE DAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. DERWINSKI. Mr. Speaker, today marks the observance of the commemoration of the 57th anniversary of the proclamation of independence of the nation of Latvia. However, the forceful and illegal invasion and occupation of Soviet troops in 1940, halted this growth of independence and free exercise of human rights for the Latvian people.

Today also marks the occasion when the Latvian people, including Americans of Latvian origin, call to our attention the spirit of freedom which remains alive in the people of Latvia, who have experienced years of oppression in a captive nation. However, Soviet overlords have not destroyed the spirit of liberty which burns in the hearts and minds of Latvians and one day those hopes for freedom will win independence for the Latvian people.

In the meantime, it is essential that we who enjoy the benefits of a free nation not forget those who are less fortunate. It is imperative that we stop and consider their problems and hopes. It is essential that we mold our own foreign policy in a way which recognizes their rights to freedom as well as our own.

Little improvement has been made toward providing the various captive nations of Eastern Europe as well as the Baltic States with the basic right of self-determination that people so desperately seek. The rights of free press, religion, and speech, remain but elusive dreams for the brave people of the Baltic nations.

We must not abandon our commitment to seeking the release of the Soviet stranglehold over such nations. We must speak out and denounce continued domination of weaker nations by the Soviet Union. It must remain the policy of the United States not to recognize in any way, the annexation of the Baltic nations by the Soviet Union as expressed in my measure, House Resolution 864. It is appropriate that Congress speak out on behalf of those held captive and make clear to all that we have not forgotten them.

On this historic day let us salute the rich cultural heritage of the Latvian people. Let us pay tribute to the contributions which the Latvian American has made to this Nation. And let us pledge our continuing support of the quest of the brave people of Latvia as they struggle to gain a life of freedom and dignity.

EQUAL OPPORTUNITY AND FULL EMPLOYMENT ACT

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. REUSS. Mr. Speaker, our colleague from California, AUGUSTUS F. HAWKINS, principal author and sponsor of the Equal Opportunity and Full Employment Act—H.R. 50—has written an article which appeared in the November–December 1975, issue of Challenge magazine. The article provides an excellent description of how H.R. 50 could attain the goal of full employment:

FULL EMPLOYMENT TO MEET AMERICA'S NEEDS

(By AUGUSTUS F. HAWKINS)

The Congress is now considering a new economic charter for America's future: "The Equal Opportunity and Full Employment Act." Passage of this legislation (HR 50 and S 50) would provide a firm basis for pulling us out of the present recession and attaining at long last an economy of genuine full employment without inflation.

The proposed measure provides a coordinated and long overdue approach to the kind of public and private planning needed in such critical areas as housing, mass transportation, day care, education, health, scientific research, resource conservation, and energy development. It articulates the fiscal and monetary policies required to support public and private action on behalf of genuine full employment to meet human and national needs. Above all, it clearly establishes "the right of all adult Americans able and willing to work to equal opportunities for useful paid employment at fair compensation."

This is not just another bill. It deals with the central issue of public policy: How can Americans enjoy sustained full employment without inflation? This question must be faced by all those who seek party nominations in 1976, draft party platforms, conduct the coming election campaigns, and decide how to cast their ballots. It will dominate many congressional contests and be the major domestic issue in electing the next president.

HR 50, the "Equal Opportunity and Full Employment Act" now pending in Congress, is authored by myself and Representative Reuss (Wisc.) and has 111 sponsors from twenty States, the District of Columbia, Puerto Rico, and Guam. The Senate sponsors are Senators Humphrey (Minn.), Kennedy (Mass.), Hart (Mich.), Hathaway (Maine), Brooke (Mass.), Schweiker (Pa.), and Javits (N.Y.). In the House, hearings have been held before the Equal Opportunity Subcommittee, under my chairmanship, of the Education and Labor Committee. Special conferences have been conducted on the subject by the University of California at Los Angeles, Columbia University, Hunter College, The Academy for Contemporary Problems (Columbus, Ohio), the Congressional Black Caucus, and the Full Employment Action Council. Many scholarly documents bearing on the bill have already been published.

Although this proposal has been opposed by narrow-minded interests not yet prepared to accept genuine full employment, the biggest hurdle it faces at this moment is widespread lack of information—and misinformation—concerning its contents. One reason for this is that the proposal, although clearly written, is somewhat long. The authors have not stooped to oversimplification of what is needed to attain and keep a full employment society. Thus, we have incorporated into the bill refinements based on almost thirty years of experience under the Employment Act of 1946, which it both strengthens and extends.

To contribute to a better understanding of both the proposal and the issue, therefore, I shall (1) briefly review our experience under the Employment Act of 1946; (2) explain the major provisions of the new proposal; and (3) suggest some of the dangers we face in America if action along these lines is not taken.

THE EMPLOYMENT ACT OF 1946

From 1929 to 1939 America and the rest of the world were wracked—and almost wrecked—by a massive and agonizing depression. Only with the onset of World War II did enough people go back to work. Toward the end of the war, many feared that military victory would be followed by another depression. A great debate began on what kind of government policies and public-private relations might prevent such a calamity.

Many liberals contended that capitalism could be saved by postwar economic and social policies to provide a more equitable distribution of income, wealth, and power. They endorsed the Economic Bill of Rights sent to Congress by President Franklin D. Roosevelt and urged a comprehensive legislative program to put it into action. As a policy framework for the necessary measures, they urged passage of a Full Employment Bill based on the most basic of these rights—namely, the right of every adult American able and willing to work, regardless of sex, age, station, race, or creed, to "a useful and remunerative job in the industries or shops or farms or mines of the nation" (State of the Union Message, 1944). This proposal was supported by President Roosevelt before he died and by his successor, Harry S. Truman, who had been one of the co-authors of the original proposal while still in the Senate. Its passage was advocated by the entire labor movement, by many independent businessmen, and by most religious, minority, professional, and women's organizations.

But representatives of some sectors of big business disagreed and argued that sustained peacetime full employment was impossible under capitalism. Recurrent depressions, they believed, were the price to be paid for a private market system. To a substantial degree these arguments were similar to the view of those Marxists who argued that the ups and downs of the business cycle could not possibly be eliminated under capitalism.

The debate was suspended, if not resolved, by the Employment Act of 1946, signed by President Truman on February 20, 1946. This historic compromise established a three-part mechanism for peacetime planning: an Annual Economic Report by the President; a Council of Economic Advisers to assist in its preparation; and a Joint Economic Committee of Congress to review the progress recorded in the Economic Report and transmit its findings to the Congress. This machinery was subordinated to a compromise policy commitment to create and maintain conditions under which there would be afforded "useful employment opportunities, including self-employment, for those able, willing and seeking to work" and to "provide maximum employment, production and purchasing power." Although this commitment amounted to much less than a federal guarantee of employment rights, it was not inconsequential: it expressed a widespread consensus that the federal government must never again tolerate—and must indeed prevent—a mass depression. It also specified that, in carrying out this commitment, the federal government was to "coordinate and utilize all its plans, functions and resources."

During the Truman Administration the United States came close to full employment. Although the Korean War contributed to this achievement, the inflationary aspects of military expenditures (which expand demand without providing consumer supplies to meet such demand) were offset and a remarkable degree of price stability was attained. Since that time, the Employment Act has been implemented with varying degrees of attention to its mandates. The goal of full employment has given way to the acceptance of a politically "tolerable" level of unemployment.

There have been inflationary increases of price and interest rates by a few big corporations capable of capitalizing on every manmade or natural shortage in this country or abroad. As a result, with the erosion of the mass purchasing power needed to maintain "maximum employment and production," the United States has been returning to the old-fashioned roller-coaster ride from one recession to another. Since 1969, each downward dip has left more people officially reported as unemployed, and a large group of "nonemployed" excluded from official statistics. Moreover, these recessions are now accompanied by rising prices, a combination often referred to as "stagflation" or "slumpflation." With the 1974–75 recession we have been suffering from more unemployment and more inflation than at any previous time since the end of World War II. Meanwhile, the most shortsighted elements in big business and government call for more unemployment to bring down prices and higher prices to stimulate production and employment. Their arguments and actions add up to an acceptance of—if not a hymn of praise to—the old-time business cycle. Their devotion to more concentrated privilege leads them to accept as an unavoidable fact of life the prospect that on its next upward climb the roller coaster will still leave the country with 7 to 8 percent officially reported unemployment. It leads them to reject the more farsighted business viewpoint that full employment and the ironing out of the business cycle are the best way to create conditions for long-term, stable profitmaking and to make capitalism work for the benefit of the entire population. In view of this rejection by the Ford Administration, and in face of the direct challenge to capitalism in many parts of the world, there has now been revived in its strongest form since World War II the old question recently featured on the cover of *Time* (July 14, 1975): "Can Capitalism Survive?"

The editors of *Time* answer this question by linking capitalism's survival to its ability to meet basic human needs. They call specifically for "a resumption of noninflationary growth" and action to reduce "vast disparities in income and wealth." Their views echo those of Laurance Rockefeller, who, back in 1973, in a book titled *The Second American Revolution,* urged a "humanistic capitalism" under which "there is full opportunity for every member [of society] to contribute to the society and to feel wanted and needed in return." Rockefeller went on to advocate more equitable distribution of wealth, a shifting of "the priorities of growth toward, for example, more and better homes and schools, instead of toward faster airplanes and more destructive weapons," and "some form of guaranteed annual income." He warned that unless American capitalism becomes humanistic, "the result could be chaos and anarchy, or it could be authoritarianism. . . ." This is not merely the personal philosophy of Laurance Rockefeller. Rather, it expresses an orientation toward public policy that many American business leaders know is both economically sound and morally right.

THE NEW EQUAL OPPORTUNITY AND FULL EMPLOYMENT BILL

Back in 1973, as the misinterpretations and evasions of the Employment Act became more blatant, many people began to feel that a new lawfully enacted mandate was needed to plug the loopholes in the 1946 legislation. Those of us in the Congressional Black Caucus believed that without genuine full employment it would be impossible to eliminate racial discrimination in the provision of job opportunities. Both white and black members of the Congress felt that specific legislation was needed to overcome the moral myopia and economic bankruptcy of the Administration's repeated assertions that more unemployment was needed to reduce prices and higher prices were needed to increase production and employment.

The result is "The Equal Opportunity and Full Employment Act." If it is enacted without crippling amendments and administered by an enthusiastic and vigorous administration, this measure will guarantee public policymaking to meet the most essential needs of the American people. It will provide the basis for fair, stable, and long-term profits for American business. It will therefore be a giant step toward "humanistic capitalism" and a more viable constitutional democracy.

The measure's strength lies in its specifics. First of all, the measure strengthens the four basic provisions of the Employment Act by: (1) explicitly establishing and guaranteeing the rights of all adult Americans to equal opportunities for useful paid employment at fair rates of compensation; (2) requiring that the President's annual Economic Report highlight the goals, priorities, and programs that can only be met through genuine full employment and that are necessary to attain that genuine full employment; (3) strengthening the role of the Council of Economic Advisers; and (4) expanding the role of the Joint Economic Committee of the Congress. In addition, the bill: (5) combines short-term planning to counter current economic slack with long-term planning to attain America's highest purposes; (6) spells out the role of fiscal and monetary policy in full employment policymaking; (7) subjects the Federal Reserve Board to the statutory full employment policy; (8) establishes backup facilities to provide private or public employment projects wherever and whenever needed; (9) expands the role of private enterprise and state and local governments in full employment planning; and (10) provides for continuing research, both basic and applied, on the problems of adjustment to a genuine full employment society.

Let me now comment briefly on each of these ten points.

1. *Personal rights to job opportunities.* "The Congress hereby declares and establishes the rights of all adult Americans able and willing to work to equal opportunities for useful paid empolyment at fair rates of compensation" (Section 2–a). This central provision of the new proposal is backed by a clear and straightforward definition of "full employment" as a "situation under which there are useful and rewarding employment opportunities for all Americans able and willing to work" (Section 11–1).

In a certain sense there is nothing new in this proposed statement of personal rights. Presidents of both parties have long been declaring that every American is entitled to a good job opportunity. Most presidential candidates are already saying this in one form or another. The entire labor movement has been commited to this keystone of a full employment economy. The most forward-looking business people have always known that, while genuine full employment may make it difficult to get workers whenever they want them or at low wages, it also makes it much easier to get the customers on whom their profits ultimately depend.

What is new is that HR 50 removes a traditional political promise from the realm of glowing rhetoric. It comes down to brass tacks by spelling out exactly *how* to make good on the promise and providing legal machinery for enforcement. It therefore provides a good test of whether a politician really means it when he talks glowingly about "jobs for all." In other words, according to the sponsors of this bill, support of a federal guarantee of every adult American's employment rights is a litmus test by which any candidate's rhetoric may be judged. As Senator Hubert H. Humphrey has put it, "It is this element of guarantee—which parallels many federal guarantees on the operations of banks and corporations—that can make the right to job opportunities a reality instead of a vague ideal. . . . This is the first time that Congress has had the opportunity to consider a legislative measure that not only sets forth in unmistakable terms every adult American's right to useful job opportunities at fair rates of compensation, but also backs up those rights by explicit executive, legislative, and judicial machinery."

The most important thing about this affirmation of personal rights is that, instead of merely leaving them dangling in the air, the affirmation is backed up by every other section of the proposed law. The National Purposes Budget provides for integrated policies and programs to assure the creation of enough job opportunities in both the profit-making and the non-profit sectors of the economy. In addition, and as a backup, the United States Employment Service—to be renamed the United States *Full* Employment Service—is to be put to work under the Secretary of Labor in helping create the jobs to which job seekers may be referred. This is to be done with a Job Guarantee Office that is first of all required to utilize all resources of the private sector in placements, then to fund projects in either the private or public sectors with an overall presumption of full use of the private sector, and finally, where necessary, to assign job seekers to a Standby Jobs Corps for temporary employment pending placement in more permanent jobs. More permanent jobs would be developed locally through a continuing reservoir of private and public employment projects. Anyone who felt he or she was getting the runaround would be able to get a prompt hearing locally and carry an appeal all the way to Washington, if necessary. Naturally, after all other efforts had failed, a complainant would be able to sue in federal court. The administrative machinery, however, is so simple that legal analysts feel this would be a rare event.

2. *The National Purposes Budget.* People sometimes make the mistake of thinking that to plan for genuine full employment is merely to plan for more jobs rather than for the increased goods and services which would be available if there were enough jobs. In part, this fallacy was avoided by the original Employment Act, under which the President's Economic Report was to deal with all the various economic programs of

the federal government, including those not specifically aimed at increasing the number of job opportunities.

In HR 50, even more clearly, the emphasis is on "the job to be done" in meeting human and national needs. Under Section 3, titled "Full Employment and National Purposes," the President is to present to Congress every year a "Full Employment and National Purposes Budget" which shall set forth not only broad goals for employment, production and purchasing power but also specific goals, policies, and programs in eighteen areas of high priority national needs. The first areas are natural resources, housing, environment, health, education, day care, mass transportation, and agricultural production. Then come nationwide equalization efforts, science, cultural and recreational activities, federal aid for public services and public works, the liquidation of poverty within a decade, improved income supports for those unable to work and their dependents, small business and competitive private enterprise, military and international programs, and programs to cope with plant shutdowns. The final area is transitional and supplementary employment programs, both public and private, whenever all other policies and programs are insufficient to provide enough job opportunities.

There is nothing breathtakingly new in this list. Without exception, all these policies and programs have been articulated in one form or another by all recent Democratic presidents and the great majority of Democratic members of Congress. Many of them have been supported by Republican presidents and by large numbers of Republicans in both houses of Congress.

But two things are new.

First, under the proposed legislation these high priority national goals are to be brought together in an integrated fashion instead of being pursued in a disjointed way.

Second, in the context of guaranteed full employment, it now becomes possible to meet huge unfilled needs that can be met only by putting to work every adult able and willing to work.

And both of these things are done through the flexible democratic processes of executive initiative and thoroughgoing congressional review, adaptation, and decision. At any one time, indeed, there might be different views on the relative proportions assigned to different high priority programs. Some might favor more emphasis on mass transportation, housing, and public works. Others might favor more emphasis on health, day care, and education. No matter how these different views would be compromised, however, the total program would have to use all labor resources rather than consigning available labor to wasteful idleness.

3. *A stronger Council of Economic Advisers.* Under the Employment Act of 1946, the Council of Economic Advisers was set up to help the President in pulling his economic program together. Instead of setting up some new planning agency, HR 50 capitalizes on the past work of the Council by strengthening it (Sections 3–h and 3–i).

First of all, the Council is specifically authorized to act as the President's agent in providing all the various executive agencies of the federal government with the guidelines needed for them to play their role in developing and administering the National Purposes Budget.

Second, to help free the Council from unnecessary details, specific provision is made for an intensive analysis of the American labor supply in the annual Labor Reports of the President (now called "Manpower" Reports).

Third, the consultative work of the Council would be enormously expanded by having it provide the personnel and facilities for a new National Advisory Council on Full Employment and National Purposes, a twenty-person group to be appointed by the President "from among representatives of industry, agriculture, labor, consumers, other public interest groups and state and local governments." Thus the National Advisory Council would not be left hanging in the air; it would have a direct and continuing channel of communication with the President. The Council of Economic Advisers, on its side, could not operate in an ivory tower; it would have direct and intimate contact with a broadly representative group composed of people with a diversity of interests, attitudes, and opinions.

4. *Expanded role for the Congressional Joint Economic Committee.* Since 1946 the Congressional Joint Economic Committee has been reviewing the President's annual Economic Reports. This has helped focus the attention of legislative committees on basic economic issues that cut across and transcend the work of each legislative committee.

Under HR 50, however, the Joint Committee would be involved in a totally new undertaking of unprecedented importance: an annual Conference on Full Employment and National Purposes. The major purpose would be to "obtain a broad spectrum of popular and informed opinion on the specific goals, policies and programs set forth in the Purposes Budget, including independent viewpoints, entirely apart from the President's proposals" (Section 8-a).

This procedure would raise to a new level of national attention the kinds of public hearings heretofore held on the President's Economic Report. It would accomplish the major purposes of the one-time Economic Summit convened by President Ford in the Fall of 1974. However, it would be a continuing and wide open "congressional summit" with a much broader range of viewpoints presented. Above all, it would be oriented toward the definition and redefinition of America's highest priorities within the context of the national commitment to a full employment society. This annual conference would be backed up and supplemented by public hearings by the appropriate congressional committees "in as many labor market areas as feasible, with special emphasis on opportunities for hearing petitions and complaints by individuals and groups who feel that they have been denied their rights to employment opportunities or have been injured directly or indirectly by policies and programs designed to guarantee the exercise of these rights" (Section 8-b).

Finally, within sixty days after the submission of the President's National Purposes Budget, the Joint Committee would report its recommendations thereon to the Senate and the House. This would be accompanied by "a concurrent resolution setting forth a general policy with respect to such Purposes Budget. . . ." The concurrent resolution serves as a guide to those committees of Congress dealing with the relevant legislation, the budget, and appropriations. Debate and voting on such a concurrent resolution would also focus attention on those fundamental issues that cut across all specific policies and programs.

5. *Combining short-term and long-term planning.* Many discussions on economic and social policy are bogged down in artificial distinctions between short-term and long-term approaches. H.R. 50 is based on the principle that the two are inseparably connected rather than contradictory.

Thus with the passage of this bill immediate steps would be taken to initiate the long overdue integration of long-term economic and social policies that can provide the only intelligent perspective for immediate decision-making. At the same time, the bill sets an immediate objective of reducing full-time unemployment (as presently measured) to 3 percent of the labor force within eighteen months after the submission of the first President's Economic Report under the new law.

For the sake of illustration, let us suppose that the bill becomes law—as a Christmas present to the American people—at the end of December 1976. Within sixty days—that is, around the end of February 1977—the President would have to submit an interim Economic Report and National Purposes Budget. Let us also suppose that officially measured unemployment (seasonally adjusted) at that time is still at the level of July 1975: namely, 8.2 million people, or 8.4 percent of the labor force. Then the government's goal under the new law would be to reduce the 8.4 percent to 3 percent (of a labor force that probably would have grown in the meantime to about 95 million) by August 1978. This would mean reducing the officially measured unemployed to 3 percent of 95 million, or about 2.9 million.

To back up this effort, the bill provides for the appropriation of $15 billion to be used for public or private employment projects or to serve as seed corn in getting under way any or all of the highest priority programs under the National Purposes Budget. In the meantime, of course, executive and congressional action would be taken under each of the major elements in the National Purposes Budget.

6. *Fiscal policies for full employment.* Under the Employment Act of 1946, the federal government's fiscal policy was supposed to be used to promote continuing full employment. In recent years, however, this has not been properly done.

The new bill clarifies the original intent of the drafters of the earlier legislation by dealing specifically with policies on expenditures, on revenues, and on deficits or surpluses in the government's budget.

On expenditures, it provides a clear guideline: federal expenditures are to meet national needs in accordance with democratically determined priorities. It states that if the economy should be subjected to "excessive overall strain," the highest priority federal expenditures should not be reduced, but any necessary cuts should be made, rather, in "relatively less important or postponable activities" (Section 3-d-1).

Taxes, in contrast, are to be varied in accordance with changing economic conditions, being raised if total demand exceeds "capabilities at full employment and production" and reduced whenever necessary to "avoid a fiscal drag upon the national economy during any periods of substantial slack as may occur."

Finally, the relation between expenditures and revenues would be such as to "balance the Federal Budget or create a surplus under conditions of full employment, production and purchasing power."

Together, these provisions represent a legislative crystallization of the fiscal wisdom and experience gleaned during the last thirty years.

7. *The Federal Reserve System as a full employment agency.* In past years the monetary policies of the Federal Reserve System have often interfered seriously with efforts to attain full employment or to combat recession. One of the many reasons for this is that the Federal Reserve System has never been subjected to a statutory policy on full employment. Rather, it has been able to conceive of its mission as merely the maintenance of the banking system's profitability. It has often carried out this mission by raising interest rates (under the rhetoric of fighting inflation) to levels that promoted both inflation and unemployment at the same time. In so doing, it has not violated any law; it has merely violated common sense and sound economic policy.

The new bill, therefore, would subject the Federal Reserve System's Board of Governors—along with all the so-called independent federal commissions—to its well-defined objectives of genuine full employment (Section 2–f). It mandates "such growth in the nation's money supply as is required for achieving and maintaining full employment, production and purchasing power" (Section 3–d–3). It requires the Federal Reserve System's Board of Governors to prepare an independent statement every year on its "intended policies for the year ahead . . . explaining how such intended policy will be consistent with this Act and the Purposes Budget" (Section 3–d–4). This statement is to be sent to Congress in the Economic Report, with whatever comment the President may choose to make.

8. *Back-up private and public employment projects.* A vital part of this measure, as already indicated, is the provision of a Standby Job Corps to which job seekers unable to find employment elsewhere would be promptly and temporarily assigned pending permanent job openings. Unfortunately, because this is an indispensable element in any genuine full employment program, some people have made the mistake of viewing it as the totality. Rather, like the wheels of an airplane, it is a factor in getting the American economy into full flight and helping avoid any future crash. The basic thrust and lifting power, however, are outlined in the previous seven points.

Others have erred in seeing the legislation as providing "public service" employment only. Even a quick reading of Sections 5, 6, and 7, however, will show that this is not correct. The basic concept of these ultimate job guarantee sections is to provide "last resort" public funding of job opportunities in both the private and public sectors. Moreover, such job opportunities would be strictly temporary, pending the fruition of the "first resort" programs provided for under the National Purposes Budget. The basic concept of these ultimate job guarantee sections is of a strictly temporary nature, and even in that respect an emphasis is placed upon the private sector. In other words, the Job Guarantee Office in the U.S. Full Employment Service could use its funds to "enter into agreements with public agencies and private organizations operating on a profit, nonprofit or limited profit basis" (Section 5–e).

Second, the jobs would not be limited to services. Thus, the section dealing with the developing of job reservoirs refers not only to various service activities but also to such matters as infrastructure construction, repair, and maintenance; construction, repair, or maintenance of public buildings; public transit; public recreation; and housing.

In additon, the measure tries to steer a middle course between the two extremes of overly centralized federal control and the haphazard decentralization that might put job seekers at the mercy of powerful local interests not yet committed to genuine full employment.

9. *The full employment role of nonfederal institutions.* Under conditions of recurring boom and bust, the federal government inevitably has to step in at the last moment and expand its activities in all directions. This kind of intervention is particularly damaging under conditions of so-called stagflation, that is, the current combination of recession and rising prices. Neither private enterprise nor state and local governments can enjoy confidence in the economic future unless there is much more assurance of sustained growth and stability. The same is true for the voluntary and nonprofit institutions that contribute so much to American society.

One of the purposes of HR 50 is to provide such assurance. Accordingly, it is provided that in each of his Economic Reports, the President "shall set forth programs and policies to promote an economic environment in which private industry (especially small businesses and competitive private enterprise), voluntary associations, and state and local governments are encouraged and facilitated to do as much as they can toward achieving the goals set forth in the Purposes Budget" (Section 3-c-f). The goals in the Purposes Budget are to include policies and programs designed to promote the activities of these various nonfederal institutions. Moreover, as already indicated, representatives from these areas will take an active part in goal formulation—not only as members of the National Advisory Council on Full Employment and National Purposes but also as participants in the Joint Congressional Committee's National Conferences on Full Employment and National Purposes.

10. *Full employment research.* Under the Employment Act of 1946 there has never yet been a broad program of basic or applied research into the many problems of adjusting the American society to the transition from the roller-coaster situation of the past thirty years to a future of sustained growth without inflation. To fill this gap, the proposed legislation sets up a National Institute for Full Employment Research that would operate through grants to, or contracts with, individual researchers, universities, private or public research organizations, and other government agencies (Section 9).

Instead of giving complete *carte blanche* on the subjects of research, a dozen priorities are listed. The first of these, naturally, consists of the research problems defined by the Council of Economic Advisers in accordance with its role as the President's central economic staff. Each of the eleven others refers to major problem areas in which, as yet, there are no firm answers. One of these, for example, is "the identification of human potentialities that are hidden, undeveloped or underdeveloped because of the lack of suitable job opportunities, encouragement, education or training and various ways of releasing such potentialities" (Section 9–d–2). Research work along these lines, of course, would also tie in with the materials in the Labor Reports of the President (Section 4) and their mandated emphasis on part-time employment opportunities.

Another research area bears on one of the most complex problems of administration and implementation: "Alternative organizational forms and operating methods for the local planning councils mandated under section 7, as well as additional methods of encouraging participatory and decentralized planning of employment policies and programs."

In developing this research program, the Institute is required to encourage divergent approaches to each area of policy study. The results would be made available promptly not only to the President's staff, but also to the Joint Congressional Committee and the local administrators and planning agencies.

THE DANGERS OF INACTION

"Unemployment," warned Senator Humphrey a few months ago at a meeting of the Full Employment Action Council, "could be America's second Vietnam." By this, of course, he meant that a continuation of existing unemployment, both open and hidden, could pull America apart.

This warning, in my judgment, should be taken very seriously at a time when experts on all sides—Republican and Democratic, conservative and liberal, reactionary and radical—seem to agree that serious unemployment will remain with us for another few years even if business prosperity should return. It is doubly serious at a time when the great majority of people are afflicted at one and the same time with the twin horrors of job insecurity and sharply rising prices.

The process of pulling America apart has already begun. The black population of our central cities, already suffering from mass depression, not merely recession, is pitted against Latins from Mexico, Central America, and the Caribbean for the small number of available jobs. Blacks, Latins, and native Americans (that is, Indians), in turn, are pitted against the whites. The divisiveness and acerbity stretches much further—white collar workers against blue collar workers, professionals against white collar workers, unionized against nonunionized, the physically well against the physically handicapped, young against old, and women against men. Instead of genuine affirmative action programs to aid the victims of past bias and discrimination, we now see negative action programs designed to answer the question, "Who shall be fired first?" In a genuine full employment society, of course, with enough job opportunities for everyone, this would no longer be a serious question. Today it is a devastating question that undermines the mental and emotional stability of tens of millions of American families. This question becomes particularly disturbing as people reflect on the possibility that the next recession will probably be much more devastating than the one that started in 1974.

Unless action is taken along the lines set forth in our "Equal Opportunity and Full Employment Act," I see a prospect that is even more grim. I agree with Laurance Rockefeller's warning that, unless we attain a "humanistic capitalism" in America, the result will be chaos or authoritarianism of one type or another. Since Watergate, the vision of "friendly fascism," as described by Professor Bertram Gross, can no longer be regarded as a paranoic fantasy. The possibility of a still more repressive despotism cannot be discounted. Let us remember that Mussolini emerged from the unemployment crisis that wracked Italy after World War I and that Hitler's rise to power in Germany would have been impossible without the turmoil of the mass depression that hit Germany in 1929. While there is little likelihood of communism in the United States, there is a clear and imminent danger that a nonhumanistic capitalism could slowly and relentlessly be converted into a new form of authoritarianism.

While we may disagree on many matters of principle or detail, I can also accept Laurance Rockefeller's view that a humanistic capitalism is one that provide "full opportunity for every member [of society] to contribute to the society and to feel wanted and needed in return." Such an opportunity is not provided by the empty exhortations we now hear from the White House. It cannot be provided by unemployment compensation, welfare checks, food stamps, and rent subsidies—no matter how generous they could become. In the view of the drafters, sponsors, and supporters of "The Equal Opportunity and Full Employment Act," it can come only through a new economic charter for Ameria's future, based squarely on "the right of all adult Americans able and willing to work to equal opportunities for useful paid employment at fair rates of compensation."

FRIENDS WITH FOOD—A WORTHWHILE PROGRAM

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. HYDE. Mr. Speaker, we have a very active senior citizen program in my district, under the very able leadership of Mrs. Edith Rush, chairman of the steering committee of "Friends With Food."

"Friends With Food" is a volunteer organization of men and women who provide meals for senior citizens in the Maywood, River Forest, Melrose Park, Bellwood, Westchester and Broadview communities of Cook County.

Their generous devotion of time and energy to this worthwhile program deserves encouragement and recognition. I am pleased to inform my colleagues of this program and list the names of these dedicated volunteers:

FRIENDS WITH FOOD VOLUNTEERS

Edith Rush, Chairman of the Steering Committee.

Jackie Abbs, Coordinator of Volunteers.

Anne Ziegler, Assistant Coordinator.

Mary Schuler, Carol Kenney, Lucille Schilling, Carol Worth, Bertha Doerr, Jeannette Kolb, Arlene Trebonsky, and Delayne Thake.

Linda Weinstock, Mary Walgren, Ann Pellicane, Mr. and Mrs. Helge Hagen, Kay Merkes, Bernice Polkow, Mrs. Wayne Wezel, and Lenore Popp.

Mr. and Mrs. Herman Dreier, Elsa Rose, Selma, Neil, Dorothy Dessing, Sara Kemski, Gerry Bott, Elizabeth Majors, Patricia Nielson.

Alma Metz, Gladys Schroeder, Rosemary Parkes, Adele Ott, Mr. and Mrs. Arthur Prell, Mr. and Mrs. Louis Alario, Mildred Shepherd, Patricia Orelup.

Lois Gaddis, Mabel Herbert, Marie Golden, June Baranyi, Blanche Youngsteadt, Mr. and Mrs. Carl Elkins, Hazel Benz, Florence Rotermund.

Ruth Daube, Mary Johnson, Barbara Goodwin, Lois Jede, Mrs. Ralph Kirchenberg, Lucille McCuiston, Marge Barone, Dorothy Sinclair.

Carol Gambolis, Ruth Hensen, Myrtle Goslin, Lorraine Koester, Father Fred Konopasek, Gloria Schrilla, Mr. and Mrs. Edwin Cervenka, Mr. and Mrs. George Sorina.

Mr. and Mrs. Louis Muller, Jean Tilly, Ida Thresher, Fran Rhode, Joan Cadagin, William LaCompt, Mr. and Mrs. A. C. Rempert, Ruth Ann Hohler.

Sophie Kautz, Ruth Weinrich, Mrs. Frank Smith, Mrs. Peter Doyle, James Carbone, Irene Mohr, Minna Ruppel, Sue Wallace.

Doris Schramm, Ken Davis, Vera Babcock, Lorraine Clauss, Mary Bosch, Lavonne Convalle, Corrine Nowell, Helen Bohr, Joseph Clay, Terry Mondlock, Naomi Pauls, Elaine Stehlik, Jean St. Clair.

FRANKFORD ARSENAL

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. EILBERG. Mr. Speaker, for the past year or more, I and the other members of the Philadelphia congressional delegation have been fighting the Army's proposal to close the Frankford Arsenal in Philadelphia.

One of our major contentions has been that the expertise of the scientists, technicians and workers at the Arsenal would be lost if its functions were transferred out of the city, especially if they were relocated at arsenals a great distance from Philadelphia which is exactly what the Army plans to do.

The response by the Army has been that this will not happen, that most of the employees will transfer and those that do not can easily be replaced in a short period of time by new personnel.

As usual the Army either does not know what it is talking about or its representatives have been lying because the decision was made and no amount of argument will be allowed to change it. I base this contention on a recent statement by the Army involving another move. Over the objections of the congressional delegation and the city, the Army moved its Electronics Command out of Philadelphia to Fort Monmouth, N.J.

It was recently learned that the Army had overspent its procurement budget by $165 million because according to the Pentagon there were "pricing errors, accounting errors, failure to properly record orders, loss of records, use of unacceptable accounting practices and inadequate document control."

Most of these problems were concentrated in the Electronics Command at Fort Monmouth and Army officials pointed out that these problems were caused by the fact that only 10 of the 200 employees in the command's financing and accounting office transferred from Philadelphia to Fort Monmouth, a relatively short distance.

The fact is the same situation will occur when the Frankford Arsenal is closed and the Army and the Nation will be forced to develop, over many years, the competency and expertise which now exists at the Frankford Arsenal.

FALSE CHARGES AGAINST UNICEF

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. FRASER. Mr. Speaker, charges have been raised in recent months that the United Nations Childrens' Fund provided aid to Communist military operations in Indochina. The allegations were first brought up in May 1975 by Detroit News columnist Robert D. Heinl, and have since reached and misinformed millions of people through repetition, most recently in an article by Representative LARRY MCDONALD in the National Enquirer. These charges are fast becoming conventional wisdom. However, they not only totally distort the nature of UNICEF efforts in Indochina and impugn the reputation of this well-known humanitarian organization, but they are wholly lacking in fact.

As one who has—along with six U.S. Presidents and millions of Americans—admired the decades of unstinting and compassionate service rendered by UNICEF to children and mothers throughout the world, I feel that it is time to set the record straight. I ask my colleagues to consider the following:

Allegation: That UNICEF gave $40.2 million to Communist countries in Indochina which was converted into medical supplies, trucks, and equipment used in the takeover of South Vietnam.

Fact: From 1973 through April 1975, UNICEF delivered or obligated $21.7 million in humanitarian assistance to children and mothers in Laos, Cambodia, North and South Vietnam, and Vietcong-controlled areas of South Vietnam. Of this, only $8 million came from UNICEF's general resources fund over a 3-year period. The bulk of UNICEF assistance came from a Special Indochina Fund to which the U.S. Government has not contributed. And of the $21.7 million, only $10,164,000—plus program support—not $40.2 million—went to North Vietnam and areas under the control of the Provisional Revolutionary Government—PRG—or Vietcong.

Moreover, between 1952–72 almost 97 percent of UNICEF's assistance was channeled through the non-Communist governments of Cambodia, Laos, and South Vietnam. During that 20-year period no UNICEF aid went to Communist-held areas, and only $200,000 worth of cloth for school children—donated by the Netherlands and Switzerland—was directed to North Vietnam—and that was not delivered until 1973. Only after the Paris Peace Agreement was signed did North Vietnam and Communist-controlled areas of Laos and South Vietnam receive any UNICEF help. And UNICEF programs in Cambodia from 1973 to the fall of Phnom Penh were confined to that city and adjacent provinces, when it was safe.

Regarding charges that UNICEF delivered heavy equipment to North Vietnam, the State Department has informed the Subcommittee on International Organizations, "At no time have any trucks, bulldozers, or other forms of heavy construction equipment been supplied to the countries of Indochina by UNICEF. Materials were supplied for the building of some schools to replace those destroyed during the war and for the equipment of regional health centers. UNICEF representatives have inspected UNICEF-assisted projects and have observed UNICEF supplies being put to their intended use."

Allegation: That UNICEF aid in Indochina was tilted to favor Communist countries.

Fact: UNICEF operations in South Vietnam began in 1952—21 years before assistance to the North or in cooperation with the PRG. UNICEF has operated on both sides of the battle in Laos and ran programs for children and mothers in Cambodia while it was a neutralist country and as it was receiving heavy U.S. military and economic aid.

If anything, UNICEF aid was biased toward the established non-Communist governments in Laos, Cambodia, and South Vietnam. Nearly 97 percent of UNICEF's assistance from 1952 to 1972 went to those countries. Although the percentage of aid to South Vietnam and Cambodia dropped between 1973 and 1975, the actual value of assistance increased by almost $2 million for South Vietnam, and aid through Phnom Penh in 2 years exceeded the entire value of programs for the previous 20 years. The increase in aid to Communist areas simply reflected need—not favoritism.

Allegation: That UNICEF assistance to Communist countries in Indochina went unsupervised, and funds were converted to military purposes.

Fact: UNICEF representatives regularly inspected projects in Laos, Cambodia, North and South Vietnam, and PRG-held lands and observed UNICEF goods being used for their intended purposes. UNICEF's office in Hanoi has monitored the use of UNICEF supplies in North Vietnam. Also, UNICEF aid is generally in the form of commodities and goods, not cash.

Allegation: That UNICEF supplied food, clothing, and medicines to the Vietcong.

Fact: According to a May 1975 report by UNICEF's executive director, programs operated by the PRG in South Vietnam began in 1973 to help provide urgently needed items for health and school services as well as shelter materials and other relief supplies needed after a typhoon disaster. Prior to the war's end, UNICEF programs in PRG-controlled areas were aimed at the provision of essential supplies and equipment required to maintain and improve ongoing services of child health, education, and day care. In February 1975, UNICEF agreed to provide further educational and health aid which included the supply of: paper, books, teaching aids, roofing material, cloth for students' clothing and rainwear, sports equipment, basic equipment for rural health kits, vehicles for mobile teams, drugs for health centers and village dispensaries, and kindergarten equipment and cloth for day-care centers. Furthermore, UNICEF representatives inspected assisted projects in PRG-controlled territory and saw UNICEF supplies being used for their intended purposes. There is no evidence whatsoever to suggest that such supplies were used for other than humanitarian purposes.

Allegation: That over $6 million collected by American children during Halloween in 1974 was turned over to Communist countries in Indochina.

Fact: According to the U.S. Committee for UNICEF, the Trick-or-Treat program in the United States collected a total of $3,125,857 for UNICEF's general resources fund in 1974, for child welfare programs in more than 100 countries. Of that sum approximately $118,000 could possibly be labeled as "used for Indochina."

Allegation: That the United States contributes the majority of UNICEF funds and that UNICEF has disregarded American interests in the use of those funds.

Fact: According to the State Department, U.S. Government contributions to the general resources of UNICEF for worldwide use in 1973, 1974, and 1975, respectively, were $15 million, $15 million, and $17 million. This comprises about 22 percent—not a majority—of UNICEF funds. The U.S. Government has not contributed to the Special Indochina Fund and has expressed its reservations over the use of $8 million—over a 3-year period in Indochina—from UNICEF's general resources fund. The United States has a permanent representative who serves on UNICEF's executive board and speaks for American concerns. Decisions of that body are usually arrived at by consensus. Of the board's 30 members, 25 are from non-Communist nations.

Mr. Speaker, over the past three decades UNICEF has compiled an enviable and laudable record of humanitarian aid to children around the world, without discrimination on the grounds of race, religion, nationality or the political beliefs of their parents. This is as true for Indochina as for the more than 100 countries where UNICEF operates. Now, with the very survival of hundreds of millions threatened by international economic, energy, health, and food crises, it is more important than ever before that UNICEF receive full American support. The record shows it deserves no less.

DESIRE FOR FREEDOM LIVES IN HEARTS OF PEOPLE OF LATVIA

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. COUGHLIN. Mr. Speaker, 112 years ago tomorrow, Abraham Lincoln spoke at Gettysburg and asked us to seek "a new birth of freedom." Americans have responded by seeking to secure this blessing not only for themselves, but for all peoples who are willing to struggle for it. Today I would like to speak up for one country which has faced great obstacles in that struggle.

Latvia today marks the 57th anniversary of her independence. In America, our Independence Day is always a time of great celebration, and the next one, marking our Bicentennial, will be an even bigger event. Sadly, Latvians have little to celebrate.

Latvia has faced a constant struggle for independence because of her more powerful neighbors. Historically, Germany, Poland, Sweden, and Russia have battled for possession of Latvia, over the resistance of her brave people. After World War I, Latvia finally achieved independence by fighting off both Germany and Russia. In August 1920, the Soviet Union renounced all claims to Latvia. Independent Latvia was recognized by Western powers, joined the League of Nations, and developed a fairly prosperous economy.

With the outbreak of World War II, powerful neighbors again plotted to conquer Latvia. The infamous Molotov-Ribbentrop Pact between Nazi Germany and Communist Russia gave Russia the chance to invade the independent Baltic States. In June 1940, the Soviet Union attacked and 2 months later, it declared Latvia a Soviet republic. In 1941, Germany drove out the Russians and began a 3-year occupation. This ended only by Soviet invasion.

Russian rule has been marked by massive deportation of native Latvians and importations of Russians. A general program of russification has sought to suppress Latvian culture, religion, and politics. Despite this cruel oppression, Latvians remain firm in their desire for freedom. The dream of independence remains in the hearts of Americans of Latvian origin and descent and in the hearts of their compatriots throughout the world. America's desire for détente must not cause us to forget the brave peoples of Eastern Europe who have lost their freedom to Russian Communists. The United States has never recognized Soviet incorporation of Latvia. In the past I have supported resolutions reaffirming our commitment to the sovereignty of the Baltic States. The recent agreements of the European Security Conference should not alter our position. We must continue our support for Latvia and the other Baltic States.

I urge my colleagues in Congress and all Americans to join in the commemoration of the establishment of the Republic of Latvia. Let us continue our support for her sovereignty in the hope that one day she will again be free.

CHURCH CELEBRATES 125TH ANNIVERSARY

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. RUSSO. Mr. Speaker, the Faith United Methodist Church in Dolton, Ill., is celebrating its 125th year of ministry. What a rich and rewarding heritage this fine church has.

Its story dates back to 1849 when several German-speaking families moved into the Sandridge area 18 miles south of United Methodist Church in Dolton, Ill., They were followed by a Methodist circuit rider of the German-speaking branch of the Methodist Episcopal Church. The following year the Sandridge Methodist Episcopal Church was formally organized with six charter members and five probationary members. Thus began a ministry which has continued uninterrupted to this day.

In 1970 the Sandridge church merged with the Dolton United Methodist Church and the Grace United Methodist Church to form the Faith United Methodist Church. As each of the three congregations has served their communities, so has Faith Church, with a congregation of over 1,000, played a major role in ministering to the local community as well as taking a responsible share in the wider ministry of the church.

I would like to share with my colleagues a letter I sent to the senior pastor, Rev. Clark Holt, commemorating the church's anniversary:

OCTOBER 31, 1975.

FAITH UNITED METHODIST CHURCH,
Dolton, Ill.
Attention: The Reverend Clark Holt.

DEAR REVEREND HOLT: So often we search for the opportunity to hear the Word of God from the great men of our times. Too often we overlook the fact that they may be right in our hometown. These men, such as yourself, have been the backbone of congregations throughout the world. They have dedicated their life to the teachings of the gospel. In these troubled times it is a pleasure to hear of a church that is commemorating its 125th Anniversary.

For the past 125 years, Faith United Methodist Church has been an important and vital part of the community. As the community has grown, so too, has the church grown to fulfill the needs of its congregation. Through the years it has provided spiritual guidance and has served the town faithfully. Its work and accomplishments are indelibly written not only in the hearts and minds of those it has touched, but upon the pages of the history of its heritage.

It gives me great pride and pleasure to be able to have this opportunity to offer my warmest and sincerest congratulations on your 125th Anniversary.

Wishing you and your congregation all of life's blessings, I remain,

Respectfully yours,
Martin A. Russo,
Member of Congress.

QUESTIONS CONCERNING FIRE ISLAND NATIONAL SEASHORE ON LONG ISLAND

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. DOWNEY of New York. Mr. Speaker, from time to time I have taken the floor of the House to discuss the various questions that have arisen surrounding the administration of the Fire Island National Seashore on Long Island in my district. Last Thursday, I had the privilege of testifying with Senator Jacob Javits before the Senate Interior Subcommittee on Parks, in support of S. 867 and my companion measure, H.R. 3994, which would provide the powers which the experience of the past 11 years has proved as necessary for continued protection of this dynamic barrier beach. My testimony, along with an article from the New York Times of Friday, November 14, is reprinted below. I look forward to prompt action on this legislation.

Statement of the Honorable Thomas J. Downey

Mr. Chairman and distinguished Senators, I thank you for affording me this opportunity to appear before you today to discuss the future of the Fire Island National Seashore. This is the first time since the creation of the Seashore that Congress has had the opportunity to review and assess the progress of Fire Island as a National Park. I urge this Committee to use these hearings to reaffirm the commitment made by Congress in 1964 to conserve and protect one of the last vestiges of unspoiled and undeveloped beach on the East Coast of the United States.

For concerned citizens in New York and around the country this hearing is long overdue. Over the eleven years since the Seashore's inception the Park Service has, in my opinion, evaded and at times violated its statutory obligation to protect and conserve this fragile barrier beach. The Service has either failed or been unable to provide the kind of administrative commitment so desperately needed if we are to support and maintain this national urban park, and I believe that this has been caused, in part, by the inability of the Park Service to deal with the kinds of urban pressures so prevalent on Long Island.

The experience of the past years has shown that the act which established this Park did not provide the Park Service the tools it needs to deal with these salient urban problems—the problems of zoning, land use, and commercial development. Today we are faced with the reality that unless we act, we may never be able to establish on Fire Island the kind of "urban wilderness" needed by the people of the Northeast.

S. 867 and my companion measure, H.R. 3994, would provide the powers which the experience of the past eleven years has proved are necessary for the continued protection of this dynamic barrier beach. Moreover, these bills would increase the present authorization for the Seashore, a vital step if we are to create a truly outstanding national urban park.

Increasing the Park's funding authorization is absolutely essential. Nearly all of the $16 million originally authorized for acquisition of property and condemnation of non-conforming land uses has been spent. There has been no new money authorized for Fire Island. The Seashore remains the only national park of the period which has not

Politics is fine and party support is fine, been provided with additional funds. Moreover, a recent Park Service action has taken the few remaining funds—about $250,000—to the Golden Gate and Delaware Water Gap recreation area accounts. This action has left the Seashore completely penniless and utterly incapable of stopping the kind of urban encroachment which presently threatens the natural character of the area. Until this bill is enacted and additional Land and Water Conservation funds are provided the Seashore will have no means of protecting its fragile resources.

Gentlemen, it would be naive of us to believe that these pressures are going to wait for the Seashore to develop a new master plan proposal, or for the Congress to enact this most necessary measure. The despoiling has already begun and it will continue unless we act. There has already been a 31% increase in the number of structures within the island's exempted communities in the 10 years from 1964 to 1974. Further, in the same period, 330 variances were granted while only 31 were rejected. But perhaps even more frightening is the fact that half of all new development is in violation of one or more of the Seashore's zoning criteria, and 1,500 vacant building lots still remain. The Seashore has no master plan, and it has no money with which to condemn these inconsistent developments.

Similarly, the foot-dragging and impotence of the Park Service have served to point out the underlying weakness of the original 1964 statute. The existing law, by forcing the Service to rely only upon the power of condemnation to halt non-conforming land uses, creates a number of serious administrative difficulties. These problems have ultimately lead to the recent Master Plan proposal which would have excluded the western 6 miles of the Seashore from Federal control. It is interesting to note that this proposed tract would have contained nearly all of the exempted communities. Clearly, this was not an acceptable solution to these problems and was dropped from the plan.

The amendments we are considering today would significantly ease these difficulties. First, increasing the Seashore's authorization is a vital and necessary step. Second, providing the Secretary of Interior the authority to seek injunctive relief from inconsistent land uses is a creative solution to a problem that has plagued the Seashore since its creation. Furthermore this new provision would provide a balance between the present inaction of the Park Service and condemnation, a power the Service has been hesitant to use.

But we still have no guarantee that Fire Island will be administered properly. I am concerned that the Park Service has at no time come forward and supported either S. 867 or H.R. 3994. And now, even as this Committee considers this action, the Park Service has expressed its desire to see the Congress hold back until a final Master Plan is approved.

If the experiences of the past are any lesson, it may be a very long time before this plan is forthcoming. I can only believe that the most recent actions of the Park Service—the transfer of the remaining development funds, and the consistent unwillingness to actively support this legislation—are a further attempt at stilling the concerned voices of those who so ardently opposed the disastrous proposal embodied in the most recent Master Plan.

We must not allow the Park Service to dangle a sword over the public's head. The power to control land use must be granted and *used*—or there will be no Fire Island barrier beach left to protect.

[From the New York Times, Nov. 15, 1976]

Javits Favors Aid To Protect Fire Island

(By Pranay Gupte)

Washington, Nov. 13.—Senator Jacob K. Javits, Republican of New York, emphasizing the need to protect fragile ecological areas, urged Congress today to authorize an additional $10 million for the preservation of the Fire Island National Seashore.

Testifying before the Parks and Recreation Subcommittee of the Senate Interior and Insular Affairs Committee, the Senator warned that unless the money was forthcoming, Fire Island, a 32-mile stretch of sparkling beaches and woods off the south side of Long Island, would be overrun by commercial development.

"It is in the national interest to protect Fire Island," Senator Javits said. He noted that a bill he was introducing would provide for granting the National Park Service, which supervises 26 miles of the resort island, the additional $10 million with which it could condemn and buy private property for public ownership.

Mr. Javit's bill would also give the Park Service the authority to take legal action against developers who violate local zoning laws.

TESTIMONY SUPPORTED

Mr. Javits was supported in his testimony today by representatives Thomas J. Downey of Suffolk County and Stephen J. Salarz of Brooklyn, both Democrats, who, along with a score of Long Island officials and residents, detailed their concern about over development of Fire Island.

They noted that although the Fire Island National Seashore was created by an act of Congress 11 years ago, the Park Service still did not have a master plan for the area. And they altered the Senate subcommittee to the fact that earlier this year, the Park Service announced its decision to terminate Federal protection of Fire Island against commercial development.

Today, however, Nathaniel P. Reed, Assistant Secretary for Fish, Wildlife and Parks of the Department of the Interior, appeared to back off from that controversial decision. But he also expressed his opposition to the Javits bill, suggesting that the Senate subcommittee defer action until the Park Service completed its proposed master plan for Fire Island.

Mr. Reed's statement was challenged by Representative Downey, who said that the "pressures of commercial development" were such that it would not be good policy for Congress to wait for the Park Service's master plan.

"We have already waited 11 years," Mr. Downey said. "All we've gotten is foot-dragging by the Park Service."

The Long Island Democrat is sponsoring a bill similar to that of Senator Javits in the House of Representatives. The additional $10 million that these bills call for will complement the $16 million the Park Service was allocated in 1964, when the Fire Island National Seashore was created.

At the present time, the Park Service has virtually no funds left with which to condemn property. The Javits and Downey bills stress that if the Park Service were granted injunctive relief powers, areas of Fire Island could be preserved by legal action, a cheaper method than land condemnation.

IN COMMEMORATION OF THE 57TH ANNIVERSARY OF LATVIA'S PROCLAMATION FOR RECOGNITION AS AN INDEPENDENT DEMOCRATIC REPUBLIC

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. ROE. Mr. Speaker, I wish to join with you and our colleagues today in commemorating the 57th anniversary of the Proclamation of the People of Latvia to gain independence as a sovereign nation dedicated to the principles of an Independent Democratic Republic.

Latvia, as one of the three Baltic States on the eastern shores of the Baltic Sea embracing 25,000 square miles and a population of 2 million people is steeped in an historic and cultural heritage that is an integral part of the unithe sphere of the quality of life by an universe of peoples and must not be stifled in the transaction of global affairs and just and cruel exercise of governmental authority.
thereby abandoned and banished from

As you know, I have consistently supported the resolution adopted by the 89th Congress proclaiming the rights of the Baltic peoples of Latvia, Estonia, and Lithuania as well as all other peoples to self-determination and national independence.

During the 94th Congress I have reintroduced my resolutions (H. Con. Res. 140 and H. Con. Res. 141) reaffirming our Nation's position in condemning the imperialistic policies of governmental rule in the Baltic States that usurp fundamental rights of people to religious and cultural freedoms as well as their States rights to self-determination and national independence.

I recently joined in sponsoring the resolution—my bill House Concurrent Resolution 462—expressing the sense of Congress that the recent signing in Helsinki of the final act of the Conference on Security and Cooperation in Europe did not change in any way the long standing policy of the United States on nonrecognition of the Soviet Union's illegal seizure and annexation of the three Baltic Nations of Latvia, Estonia, and Lithuania.

Mr. Speaker, in the final analysis the integrity and destiny of the future of all peoples throughout the world depends on the solid foundation of the cornerstone laid by the founders of our democracy which provided, first and foremost, human rights of the individual.

Here in America we can hope to assure the people of the captive nations of their identity as a people and continue to strive to assist them through never relenting on our concerted endeavor to attain universal understanding and sympathy from the worldwide international community of nations. I trust that our congressional recognition of the seriousness of their plight will help to provide human justice essential to the solution that will remove Soviet domination, unjust treatment, discrimination and oppression of the human rights of the individual that is practiced in these occupied states by the U.S.S.R. and achieve national sovereignty for the states of these courageous people and insure their rightful place in international communion with all nations and all peoples throughout the world.

VOTER APATHY

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. JACOBS. Mr. Speaker, the following letter from Indianapolis Warren Central High School teacher, John E. Orr, together with the resolution by Roy Delk show why I am so proud of the 11th District of Indiana:

Congressman ANDREW JACOBS, Jr.,
Indianapolis, Ind.

DEAR CONGRESSMAN JACOBS: The recent election in Indianapolis brought home to me a problem that has plagued me for years—Voter Apathy! As a Government teacher I have constantly strived to educate my students, not only of the right and privilege of voting, but the duty of a voter to vote.

While I stood looking out at a beautiful day while working as a judge in the Sixth Precinct, the lack of voter turnout made me angrier by the minute. The next day I brought my frustrations to my classes.

I reported that of the 388,000 registered voters (which does not represent 100% of the eligible voters), the five candidates for mayor received a total of 237,848 votes. The lowest voter turnout in 13 years. This meant that 61% of the registered voters voted for mayor. The winner, William Hudnut, received 124,090 votes, which represents 52% of the total votes. However, what is most alarming, is that when you stop and think about it, you get the following:

60% of the registered voters voted (remember, not every eligible voter is registered).

52% of the voters voted for Hudnut.

31% elected the mayor of Indianapolis.

Truly, a minority mayor.

I then challenged my students to go home and discuss this with their parents and on Thursday, we discussed their reactions. Most of their parents were disappointed with the low turnout, but no one came up with a new idea. In one of my classes, a student finally suggested that we do something. His suggestion was that since 1976 is our Bicentennial year, why don't we challenge the American people to show their patriotism by voting in the Presidential election. I think it is a good idea and would like to know if you can bring it up in Congress as a resolution, or at least talk it over with other Congressmen.

Roy Delk Resolution: "We, the students of Warren Central High School Government classes, challenge the people of America to show their patriotism in this upcoming Bicentennial year, 1976, by voting in the Presidential election. Let us show the world that Freedom means the right to vote and that we cherish that right."

Sincerely,

JOHN E. ORR.

MISSOURI FARMERS HAVE DOUBLE DIGIT INFLATION AND DOUBLE DIGIT DEPRESSION

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. SYMINGTON. Mr. Speaker, during 1974 the American people experienced rampant inflation which reduced the amount of goods and services their dollar would buy by more than 12 cents. At the same time, a large segment of the population in my home State received significantly fewer dollars.

An article by Forrest Johnson in the October 2, 1975, issue of the Columbia Missourian presents an analysis of the large drop in Missouri farm income in 1974.

Feed prices went up, cattle prices went down, and the drought damaged crops, which caused spendable income to fall by 20 percent and net worth, including farm inventories, to decrease by 53 percent.

This cost price squeeze continues to threaten farmers. Costs—particularly fertilizer, feed and fuel—of producing agricultural products is increasing faster than prices for these commodities, leaving farmers even further behind their urban cousins in income.

I request that this informative and timely article be inserted at this point in the Record:

[From the Columbia (Mo.) Missourian, Oct. 2, 1975]

NET INCOME OF MISSOURI FARMS DROPPED 53 PER CENT LAST YEAR

(By Forrest Johnson)

Net farm income dropped 53 per cent in Missouri in 1974 according to the Missouri Crop and Livestock Reporting Service.

John Ragsdale, University professor of agricultural economics, said the drop is "a combination of low production and price decline in some commodities."

But, he added, "That's not true in all cases. We got a good harvest of soybeans and the price was good. But we had a low price for cattle. Hog production was down. The drought got our corn. We didn't have much wheat acreage because it was too wet."

University agricultural economist Harold Breimyer blames the drop on changing inventories. The average value of farm inventories increased $2,431 in 1973, but declined $747 in 1974. "It was a paper loss and a paper gain," said Breimyer. "What was significant was a 20 per cent decline in realized income (income other than inventory changes)."

While average gross income increased $1,000 in 1974, production expenses increased $2,000. "The cost of fuel and fertilizer absolutely went out of sight," said Columbia farmer Bill Wulff, 204 Defoe Drive.

Feed prices went up, cattle prices went down and the drought damaged crops. Some farmers were caught in a bad pinch. "It was a pretty black year," said Joe Gibbs, Route 1, "I'd say we went down about 125 per cent."

But high grain and soybean prices kept farmers who didn't raise cattle from being hurt badly. It was a pretty decent year for us," said Dwayne Shingleton, Route 2.

As a result, livestock no longer is as important to the Missouri farmer. Livestock provided 67 percent of all farm receipts in 1972, but only 53 per cent in 1974.

The bulk of the decline was in cattle, down to 22 per cent from 31 per cent. But receipts from hogs, milk, chickens and turkeys also declined.

Meanwhile, receipts from crops increased from 33 per cent to 47 per cent of farm income. Receipts from soybeans went up from 15 per cent to 25 per cent. Corn, wheat and sorghum went up as well.

What are the prospects for this year?

Mixed.

Feed prices remain high and cattle prices low. Hog prices are increasing, but production is low.

Grain prices remain high, but soybean prices are 25 per cent below 1974. Damp weather has delayed harvests and drought has hurt some farmers badly.

"This year is going to be worse," said Wulff, "We've plowed under 50 per cent of our soybeans."

Nevertheless, the crop prospect generally is bright. Grain and soybean harvests overall probably will not be far from the 1973 records.

"LET GEORGE DO IT" GETS THINGS DONE IN SURPRISE, ARIZ.

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. STEIGER of Arizona. Mr. Speaker, in view of recent events in which large American cities are demanding that the Federal Government come to their financial assistance, I would like to point out that there are communities in the United States which still believe that the helping hand is attached to the arm.

In particular, I would like to cite the example of Surprise, Ariz., and its outstanding and hard-working mayor, Mr. George Cumbie.

Mayor Cumbie was the subject of a recent feature article written by Mr. Lester Schlangen of the Associated Press, and I ask that the story be reprinted in the Record.

The article follows:

"Let George Do It" Gets Things Done in Surprise

Surprise.—When the town council here says "let George do it," it really means Mayor George Cumbie.

Cumbie, 54, the four-term mayor of this farming community of 4,000 about 15 miles northwest of Phoenix, is personally responsible for paving nearly all its 50 streets.

A truck driver for a local paving contractor, Cumbie looked over the dusty streets and the town budget when he became mayor in 1968. He decided it was a stalemate—with the town likely to continue enduring dust clouds unless it could beat the high cost of improvements.

"I knew how to run machinery and how to surface streets," Cumbie says. "I figured it was time to get busy."

He rented equipment, tapped the town treasury for needed materials and recruited a handful of city employes to begin work on key streets.

"It took a lot of teamwork and people who really know what they're doing," said Cumbie, who personally supervised the work.

For the $100 a month he's paid as mayor, plus his wages if he's kept away from work, the town council has reaped solid dividends for its investment.

"The population has grown about 1,000 in the past year because it's a better place to live," said Cumbie.

Dale Head, the town attorney, says he's putting it conservatively when he estimates that Cumbie know-how has saved the town 50 per cent on its street work.

Cumbie, a lean, muscular 155-pounder, is a member of the Teamsters Union, but he says neither the union nor contractors have objected to his personal efforts.

Town Clerk Lovena Luttrell says the council routinely calls for bids on the street projects to comply with the law.

"On the last resurfacing job, the lowest bid was $18,900," she said. "George got it for about $12,000."

ANDREI SAKHAROV

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. BELL. Mr. Speaker, as you know, the Soviet Union has recently denied permission for internationally renowned physicist Andrei Sakharov to travel to Oslo to accept his well-deserved Nobel Peace Prize.

As the U.S. Government continues to pursue its policy of détente, we must not forget that the Soviets continue to pursue their long-standing policies of the denial of individual rights and basic civil liberties, even to their most internationally prominent citizens.

Now we learn from Mrs. Sakharov, currently in Rome for medical treatment, that her famous husband fears for his life in Russia.

In this connection, I wish to recommend for the attention of my colleagues in the Congress an editorial published recently in the Los Angeles Times, the complete text of which follows:

[From the Los Angeles Times, Nov. 16, 1975]

A Prize-Winning Embarrassment

There is nothing surprising in the refusal of Soviet authorities to permit Andrei Sakharov to go to Norway next month to accept the Nobel Peace Prize.

The official reason for the refusal of an exit visa is that the physicist possesses "state secrets" which implicitly he could not be trusted to keep once he passed beyond Soviet control. The actual reason is that Sakharov is a political dissident who has doubly embarrassed the regime—first, by speaking his mind freely, and, second, by being internationally honored for doing so.

From the Soviet point of view, the denial of an exit visa is logical. For authorities to permit Sakharov to journey to Oslo would be officially to acknowledge the merit of the award, to accept the reasons for which it was given, to admit that civil liberties in the Soviet Union do not really exist and that protest against their absence is an act of courage. A government that makes the most strenuous efforts to avoid admitting its failings to its own people cannot be expected to cooperate in having those failings exposed before the outside world.

Official Soviet organs have denounced Sakharov and the Nobel committee because of the award. Sakharov's wife, in Rome for medical treatment, says that for the first time the outspoken dissenter fears for his life. That concern must be taken seriously.

The regime has available to it a variety of legal factions—to say nothing of customary extralegal means—for silencing Sakharov. He has been protected up to now only by his great international prominence and prestige. The part of the world community that believes in personal freedoms and a decent political order cannot let that protection lapse.

Sakharov stands for values that know no national, boundaries. Because of his citizenship, the Soviet government can control his movements. Because of what he is, the humane world must continue to insist on his safety.

MOYNIHAN'S ATTACK ON OAU

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. RANGEL. Mr. Speaker, in regard to the recent attack made by Ambassador David Moynihan on the Organization for African Unity—OAU—I would like to submit a series of communications for the information of my colleagues to clarify what has been misconceived to be an attack by the administration on the OAU.

First of all Ambassador Moynihan's statements were a result of his confusion about President Amin's own personal beliefs and the stance taken by the OAU concerning the expulsion of Israel from the United Nations. Regardless of Idi Amin's belief that Israel should be expelled from the United Nations, the OAU has consistently rejected this position.

Secondly, the White House has made it clear that it did not support Ambassador Moynihan's intemperate remarks but rather, highly regarded OAU for the moderation that it had exhibited at the Kampala Conference on the move to expel Israel from the U.N.

Thirdly, I think it necessary to realize that the media has incorrectly construed the White House position and has added somewhat to the source of confusion.

Herewith, I submit the communications to set the record straight:

(Sent to Henry A. Kissinger, Secretary of State, Washington, D.C., October 9, 1975.)

We are shocked by the intemperate remarks of Ambassador Moynihan that, "It is no accident, I fear, this racist murderer—as one of our leading newspapers called him this morning—is head of the organization of African unity," made at the AFL/CIO Convention in San Francisco October 3. This statement casts totally unfounded aspersions on the OAU and its member states and is therefore intolerable. We are neither defending the internal policies of the President of Uganda, or his statements at the U.N. as President of Uganda. Our concern is Moynihan's total disrespect for the office of the President of the OAU. In response to a specific question during our meeting August 19 you assured us that Moynihan was not sent to the U.N. to engage in confrontational politics with developing countries. We want to know if your silence re: Moynihan's aforementioned remarks represents a change in your previous position before we respond to numerous media inquiries about our reaction to this matter. We trust that your interpretation will be forthcoming immediately. U.S. and your own credibility can be seriously impaired unless this controversy is clarified as we try to work toward constructive relations with developing countries.

Charles C. Diggs, Jr.,
Charles B. Rangel.

OCTOBER 16, 1975.

Hon. CHARLES C. DIGGS,
House of Representatives,
Washington, D.C.

DEAR MR. DIGGS: The Secretary has asked me to thank you for your telegram of October 9 concerning Ambassador Moynihan's remarks in San Francisco about the Organization of African Unity. Lest there be any misunderstanding of the Department's and the Administration's regard for the OAU, I enclose the White House Press spokesman's statement of October 10 on Ambassador Moynihan's remarks.

If I can be of further assistance to you, please do not hesitate to let me know.

Sincerely,

KEMPTON B. JENKINS,
Acting Assistant Secretary for Congressional Relations.

WHITE HOUSE PRESS SPOKESMAN'S STATEMENT ON AMBASSADOR MOYNIHAN'S REMARKS AT AFL–CIO.

We feel that the attacks made by Ugandan President Idi Amin at the UN were out of place and uncalled for, and in that context I feel that Ambassador Moynihan said what needed to be said in reply. We recognize, however, that all of President Amin's remarks do not reflect the views of the OAU, and we do not want any misconceptions about our attitude toward that institution, for which we have very high regard. We consider the OAU one of the very important regional organization in the world and one with which the United States will continue to develop and strengthen our good relations.

THE AFRICAN-AMERICAN INSTITUTE,
November 5, 1975.

EDITOR,
New York Times,
New York, N.Y.

I think it is important to set the record straight concerning the call by President Amin of Uganda for the "extinction" of Israel. That attack on Israel was made in his personal capacity as President of Uganda and not on behalf of the Organization of African Unity (OAU), whose Chairman he temporarily is. Indeed, the African States at the Kampala Conference in July of this year specifically rejected Amin's urging that Israel be expelled from the United Nations. Consequently, it is clear that the Organization of African Unity, far from calling for the "extinction" of Israel, has, in fact, resisted recent moves by Amin and others to further isolate Israel in the diplomatic world.

U.S. Ambassador to the United Nations, Daniel P. Moynihan, has, unfortunately, helped to confuse these facts. When, in his San Francisco speech, he attacked Amin as a racist murderer and said that it was "no accident" that Amin is this year's Chairman of the Organization of African Unity, he clearly misstated the OAU's record on Israel and added to the confusion by implying that Amin, in calling for Israel's extinction, was speaking on behalf of the OAU. Amin was not and this was made abundantly clear at the time of his two-part address to the United Nations.

Perhaps the most troublesome problem, is that the New York Times, along with most other U.S. newspapers, has implied that President Ford backed Moynihan's criticisms of Amin and the OAU. This was, in part, the fault of the White House, which first said, on October 8, that Mr. Ford felt that Moynihan, in San Francisco, had "said what needed to be said." During that day's press briefing, the White House did not distinguish between Moynihan's attack on Amin on the one hand, and his gratuitous attack on the OAU on the other. However, on October 9, President Ford's Press Secretary, Ron Nessen, made it clear that the U.S. knows President Amin's remarks on Israel did not reflect the views of the OAU. In that sense, President Ford has not backed up Ambassador Moynihan's uncalled for criticism of the OAU but rather praised the OAU for "breaking the back of the gathering movement for suspension of Israel from the U.N."

I think it is important for your readers to know that whatever our official quarrels with President Amin, Mr. Moynihan was only speaking personally when he criticized the OAU. Officially, the White House and others in our National Government realize that the Organization of African Unity has led the way within the Third World toward moderation of the calls by Uganda and other States for the extinction of Israel or its expulsion from the United Nations. Ambassador Moynihan's intemperate and undeserved criticism of the other African States which have supported the U.S. position on Israel's remaining in the U.N. can only serve to set back diplomatic efforts on Israel's behalf.

Sincerely,

WILLIAM R. COTTER,
President, the African-American Institute.

TIME TO GIVE GOP CHANCE IN CONGRESS

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. RHODES. Mr. Speaker, I read with great enthusiasm the following letter which appeared on the editorial page of the Arizona Republic. Inaction on issues such an energy, coupled with fiscal irresponsibility, have been the hallmark of this majority's term. It is past the time for a change. I believe it is imperative that the American voters come to realize this fact if we are to meet the challenges we will face in the future. I am pleased to share with you Mr. Griffith's letter:

[From the Arizona Republic]

TIME TO GIVE GOP CHANCE IN CONGRESS

(By T. P. Griffith)

Let's give the Republicans a chance to show what they can do.

I think this should be the Republican Party's theme for the elections of 1976.

Why shouldn't the American people give them a chance to show what their theories can do? The Democrats have had more than ample time to show what they can do and from all indications haven't done a very good job.

Whenever a sports team is not winning they change managers or coaches, whenever a company is not performing satisfactorily they change managers. Why then shouldn't the American people change Congress? Let's give the Republicans a majority in Congress and see what they can do.

but the welfare of our country is at stake. Maybe even democracy is at stake.

The Republican theories of government have not been given a chance. Having a two-party system is a good system, but in order for the full strength of a two-party system to be felt each party should be given a chance since each has a different idea of how our government should be run.

I say let's give the Republicans a chance, give them a plurality in Congress in the next election. If they don't perform, then do not re-elect them. The American people have been reelecting Democrats even though their performance has been far from satisfactory.

THE NOT-SO-GRAND JURY

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. HELSTOSKI. Mr. Speaker, as a cosponsor and firm supporter of H.R. 2986, the Grand Jury Reform Act of 1975, I would like to bring to the attention of my colleagues the following article by William J. Helmer entitled "The Not-So-Grand Jury." This article recently appeared in a national publication and clearly outlines the weaknesses of our present grand jury system which have made it susceptible to governmental abuse. I urge my colleagues to read this article which successfully describes the gap between the grand jury's constitutional purpose and its use today as a tool for persecution:

THE NOT-SO-GRAND JURY

(By William J. Helmer)

Historically, the purpose of the grand jury has been to protect people against the abuse of government power. The American founding fathers got the idea from the British and inserted it into the Bill of Rights. "No person shall be held to answer for a capital or otherwise infamous crime, unless on presentment or indictment of a Grand Jury." The idea, simply enough, was to interpose a shield between the individal and the state to show that its desire to prosecute somebody is based on public interest, not political whimsy.

Furthermore, before the state could drag a man out of his house and put him on trial, it had to convince his neighbors that the crime had been committed and that there was reason to suspect him. So to protect the man from frivolous or malicious accusations, the grand jury was to meet in secret.

At least that's the way it was supposed to work in 1791, when there was a healthy skepticism about the motives of politicians and their administrators. As it turns out, the skepticism was well founded, because political leaders since then have managed to transform this protective instrument into a tool of persecution and suppression by the state.

Federal courts still respect the independence of a grand jury to a greater extent than state or county courts do, but most grand juries can be manipulated and dominated by a prosecutor. Jurors, randomly selected from voter lists, hear only what the prosecutor wants them to hear, and thus often become rubber stamps despite themselves. Here are the major weaknesses of the grand-jury system as it's now set up:

The secrecy of grand-jury proceedings is easily violated when it suits the purpose of a prosecutor—for instance, when he wants to embarrass some individual or group.

Unlike any other judicial proceeding, there are virtually no rules of evidence or procedure before a grand jury. A prosecutor can bring out aspects of a person's private, professional or political life; he can demand virtually any personal or business record without explanation; he can put hearsay evidence or mere gossip into the record.

The prosecutor is not even required to tell the jury what an investigation is about or why he wants a particular bit of testimony.

The prosecutor need not present any evidence or testimony that he knows exists in favor of the accused.

Subpoenas can be issued for irrelevant records in order to conceal the true purpose of an investigation.

Courts have almost no control over the conduct of a prosecutor before a grand jury.

A grand-jury witness must face the prosecutor alone, without benefit of counsel; his attorney must wait outside.

If a prosecutor makes a false or prejudicial statement to the grand jury while a witness or a suspect is absent, it can be stricken and won't necessarily show up in the final record.

A witness who exercises his Fifth Amendment right can have immunity "forced" on him and can be jailed without trial for contempt if he refuses to answer any questions: and despite this immunity a person can be prosecuted if evidence against him can be obtained "independent" of his testimony.

Federal prosecutors can convene any number of special grand juries to conduct simultaneous and parallel investigations. These juries may be used to fire off batches of subpoenas to disrupt activities of a targeted organization, harass its members and intimidate its supporters. Such shotgun use of subpoena power can also bolster an otherwise weak case, creating publicity and headlines that virtually convict a person on popular suspicion that only an important criminal attracts so much attention.

As to the jurors themselves, rarely, if ever, are their fundamental duties explained to them. They may never know, for example, that they can and should determine charges, call witnesses and ask questions; that their power to indict or investigate is not limited to the accused person. If a grand jury refuses to indict, the prosecutor can take his case to another; or if it indicts against his wishes he can simply refuse to sign the true bill and end the matter there.

Reform is clearly needed, but what complicates the issue is that a grand-jury system cuts both ways; it gives prosecutors vast powers they can misuse, but it also gives the Justice Department or a state's attorney an effective tactic for nailing Syndicate gangsters, labor racketeers and corrupt politicians, such as former U.S. Attorney General John N. Mitchell, former Vice-President Spiro Agnew and former President Richard Nixon—who were undone mainly at the grand-jury level (after a grand-jury cover-up failed) rather than on the basis of the hard criminal evidence that must persuade a trial jury "beyond reasonable doubt."

The fact that a grand jury can so easily violate the spirit of the U.S. Constitution, for either good or evil, is what provokes both liberals and conservatives to call for reform. A variety of reformist legislation already has been introduced in the U.S. House of Representatives and in the legislatures of several states. The main organization trying to reconcile both sides of the issue is the Coalition to End Grand Jury Abuse, 300 Atlantic Building, 930 F Street NW, Washington, D.C. 20004. It is made up of legal, religious and civil-liberties groups working to preserve the grand jury but also to restore its original function of serving *both* the individual citizen and the public interest.

WAYS AND MEANS OVERSIGHT SUBCOMMITTEE ANNOUNCES HEARINGS ON ADMINISTRATIVE CONFERENCE OF THE U.S. REPORT ON THE INTERNAL REVENUE SERVICE

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. VANIK. Mr. Speaker, on December 4, the Ways and Means Oversight Subcommittee will begin the first in what will probably be a series of hearings on the administrative conference of the U.S. report on the Internal Revenue Service.

The first hearing will be held in H208 in the Capitol beginning at 10 a.m. and will consider comments from IRS officials on the conference's report.

POLISH CONTRIBUTION TO COLONIAL AMERICA

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. PEYSER. Mr. Speaker, recently an article appeared in the Herald Statesman in Yonkers, N.Y., describing the contributions that early Polish settlers made during colonial times. I am submitting a copy of that article for the benefit of other Members:

[From the Herald Statesman (Yonkers, N.Y.) Nov. 8, 1975]

POLES HELPED BUILD FOUNDATION OF U.S.

(By Arthur O. Lipinski)

Polish settlers contributed to the survival of Colonial America and to the very language and spirit of the American Declaration of Independence.

On October 1, 1968, the first Polish settlers arrived at the English colony of Jamestown and established the first glass manufacturing plant in America. They came, not as refugees, but at the special request of the able and colorful leader of the colony, Capt. John Smith, who, years prior, had crossed through Poland as a soldier of fortune escaping from Turkish captivity.

Smith admired and respected the qualities and capabilities of the Poles he met, their generous hospitality and assistance, their religious tolerance, their hard work, progress, and skills as artisans and professionals.

The names of this small group of Polish arrivals were Michael Lowicki, Zbigniew Stefanski, Jur Mata, Jan Bogdan, Karol Zrenica, and Stanislaw Sadowski.

This small group of Poles was repeatedly commended by Captain Smith in his letters and in his later account, "The True Travels, Adventures and Observations of Captain John Smith."

He credited them with saving the colony from total collapse. After the first Jamestown winter, barely half of the original settlers were alive, and most of those were totally disheartened. Each of the Polish newcomers had one or more special skills.

By their example, they helped to spur the English colonists, most of whom were "gentlemen adventurers," into doing the hard work necessary for their own survival. Smith's letters also praised their courage and loyalty. On one occasion, in 1609, when Capt. Smith was ambushed by Indians, the Poles saved his life. Two of them, Zbigniew Stefanski and Jan Bogdan, rushed from the nearby glass plant to his rescue, and captured the Indian Chief.

The newly arrived Poles set to work immediately with such diligence that the same ship (Good Speed) that brought them to Jamestown was able to return to London with a trail of glass products of their own making from this first glass factory in America together with various wood products, distilled tar and pitch, soap ashes, and planking, to show the English backers that the colony was economically viable.

An earlier English colony at Roanoke had simply disappeared, and all its inhabitants had vanished without a trace. Knowledge of the survival of Jamestown and its products for trade undoubtedly was a factor in persuading the Pilgrims to make their landing at Plymouth Rock 12 years later, feeling that they too could cope with the wilderness. The survival of Jamestown as a result of the efforts of these first Polish immigrants insured the development of America as an English-speaking nation.

Eventually the number of Poles at Jamestown totaled about 50. The descendants of the Jamestown Poles and of other Poles who had been welcomed by the Swedes and Dutch in their New World colonies and in other later English colonies are among the 1,000 and more names of unmistakeable Polish origin on the American Continental Army roster. In addition to these Polish name descendants on the roster, there may be added a large number of descendants with non-Polish names, the offspring of daughters who married English, Dutch and other colonists.

The early Jamestown Poles made another most important contribution to the cause of liberty—the first strike in America not for economic gain but for basic civil and political rights. The Poles had come from a homeland that was one of the more politically liberal states of Europe. Poland adopted, in 1573, the first broad act of tolerance in Europe. The Act of Warsaw Confederation guaranteed religious freedom for all. Throughout most of the rest of Europe, religious dissidents were still persecuted. Surrounded as they were by absolute monarchies that coveted the Polish territories and even resented the liberties accorded to the Poles within their own country, the Poles were very politically conscious of the necessity to defend their freedoms.

When the first Virginia House of Burgesses was organized, only the native English born were allowed to vote. The Polish residents in Jamestown strongly objected to the denial of equal rights—to vote, to possess property, to be treated equally in all respects. In protest, the Poles refused to work, and suspended all operations in what were called the Polish industries, the glass factory, the tar distillery and the soap establishments. Practically all the profits of the London Company at that time came from the resale of the shipments from these Polish industries. Recognizing their indispensibility, as well as the simple justice and merit of their demands, the governor and the legislature quickly acceded to their requests.

In the Court Book of the first meeting of the Virginia House of Burgesses on July 21, 1619 is this entry:

"Upon some dispute of the Polonians resident in Virginia, it was now agreed (notwithstanding any former order to the contrary) that they shall be enfranchised, and made as free as any inhabitant there whatsoever; And because their skill in making pitch and tar and soap ashes shall not die with them, it is agreed that some young men shall be put unto them to learn their skill and knowledge therein for the benefit of the Country hereafter."

The enunciation of principles of equality and universal suffrage in Jamestown for all its settlers, English and non-English alike, as a result of the Jamestown Poles' peaceful and unprecedented civil rights strike was a tribute to their instincts of liberty and to their political consciousness. It was a historic first and is a part of the fabric and language of the American Declaration of Independence.

The "enfranchisement" of the "Polonians" and the words of the Virginia House of Burgesses' entry "as free as any inhabitant there whatsoever" was in effect a miniature model and a forerunner of the American Declaration of Independence drawn up by Thomas Jefferson, a Virginian, 157 years later.

PICKING UP THE TAB FOR NEW YORK CITY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. McDONALD of Georgia. Mr. Speaker, if the vote today gives money to New York City, a very dangerous precedent will have been set. Certainly, with a planned deficit of around $70 billion for the next fiscal year and a national debt of around $600 billion, we will be giving money away that we do not have. Somewhere, somehow, the wagon has to back up and the day of accounting has to start. I suggest that the time is now. In this connection, I include for the RECORD the very fine newspaper column on the subject of New York City by Anthony Harrigan released on October 23, 1975, in his "Sensing The News" series. The column follows:

PICKING UP THE TAB

(By Anthony Harrigan)

The notion that everyone living outside New York City should pick up the tab for that spendthrift metropolis certainly qualifies as the most unpopular idea of the year.

Nevertheless, Vice President Nelson Rockefeller, who spent New York State into financial trouble, is trying to sell that notion to the public. There is very little chance that it will go over with the taxpayers in Oklahoma City, Milwaukee, New Orleans and other cities around the country.

Outside the boroughs of New York City there is widespread agreement that a city that lives beyond its means must pay for its excesses.

New York City has spent more than four times as much per capita on public services as other cities in the nation. It is a symbol of welfare liberalism at its most extreme. For years, municipal authorities in New York City have appeased public employe unions. Huge pensions have been awarded city employes after short terms of service. Overtime has been included in computing pensions so that some municipal pensions exceed the amount of salary received in the final year of employment.

No reason exists why communities which operate on a fiscally sound basis should be penalized. No reason exists why taxpayers in the hinterland should fork over their money so that public employes in Fun City can continue to enjoy their privileges and benefits.

Proponents of a federal taxpayer bailout of New York City argue that large banks and investors will be hurt if the city defaults on its obligations. It is true that the Rockefeller family bank, the Chase-Manhattan, may be hurt. Indeed Vice President Rockefeller's conflict of interest in this area should have prompted him to refrain from suggesting a bailout.

Some New York City banks, it seems, made unwise purchases of municipal bonds. They also may have made equally unwise loans to shaky real estate trusts and to under developed countries which were poor credit risks.

The federal government should not prop up banks that are poorly managed or that have exercised bad judgment. Propping up such banks is on a par with subsidizing sick railroads. Direct or indirect subsidies for private business are a threat to free enterprise. Only the efficient and the prudent should be rewarded in our traditional free enterprise system.

Mr. Rockefeller was poorly advised to suggest a massive rescue mission for New York City. The city must adopt an austerity budget if it is to regain its fiscal health. If federal funds are used to prop up the city, one can be sure that an austerity budget won't be adopted. Public employe unions will insist on maintaining unreasonably high wage scales and pensions as usual.

New York City must stew in its own juice. If there is a general strike, so be it. Let the Governor of New York State send in the National Guard to man essential services. Let New York State law against strikes by public workers be enforced to the letter.

No bailout. No appeasement. That's the only sane and practical way to proceed in the New York City situation. Vice President Rockefeller's advice is as bad as his fiscal leadership of the state during the years he was New York's chief executive.

TRIBUTE TO DR. NORMAN TOPPING

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mrs. BURKE of California. Mr. Speaker, I am pleased to bring to your attention the splendid contributions to education made by Dr. Norman Topping, the beloved chancellor of the University of Southern California. Dr. Topping recently was honored at a benefit celebrating the 5th year of his chancellorship and marking the 5th year of the Norman Topping Student Aid Fund at USC.

As seventh president of USC and the second alumnus to hold that post, Dr. Topping gave shape to a master plan that resulted in one of the most remarkable achievements in the history of American education. During a single decade, Dr. Topping brought more financial support, built more new buildings, and attracted more distinguished men and women of learning to the university than in all of the preceding 81-year history of the school. Because of his visionary leadership, USC has won national acclaim as a center of research and graduate and undergraduate study.

Prior to assuming the office of President of USC, Dr. Topping demonstrated rare administrative and research talents during a brilliant 16-year career in public health. His research work included development of a series of lifesaving vaccines, one of which protected more than 15 million American, British, and Canadian servicemen from typhoid during World War II. In recognition of his unique administrative and research capabilities, he was appointed Assistant Surgeon General and Associate Director of the National Institutes of Health.

Perhaps his most significant attribute, however, is his ability to build bridges between generations, cultures, and ideologies. At his direction, multidisciplinary centers and consortium arrangements were created on a national scale. His great love for young people and abiding concern that all promising students be given an opportunity to learn, inspired USC students to initiate a student-supported endowment program. This scholarship program, named in his honor, provides financial assistance for high potential, low-income students of all races.

Throughout his career, Dr. Topping has invested the fullness of his genius, energy, and humanity in service to the community, Nation and, indeed, the world. I take great pleasure in joining his friends and colleagues in honoring him for his many outstanding contributions.

A HISTORIAN LOOKS AT THE NEW YORK CRISIS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. RANGEL. Mr. Speaker, Arthur Schlesinger, Jr., has long been regarded as one of America's foremost scholars in American history. Last month he wrote an article which appeared in the Wall Street Journal. This cogent analysis delineated the very vital role American cities have played in the development of our Nation. Specifically, he discussed New York City's part in this growth, in an effort to illustrate the need for Federal assistance to aid New York through its period of financial uncertainty.

As we begin debate on the bill H.R. 10481, I think it would be helpful if my colleagues would review these remarks. Although New York has mismanaged its financial affairs, Mr. Schlesinger points out that since a great deal of the present New York problem is due to Federal inaction on programs that they should administer, then it is only equitable that the Federal Government provide this assistance.

The United States has always sought to provide comfort and assistance to foreigners who seek a better way of life here in our Nation. I would agree with Mr. Schlesinger that we must extend this noble commitment to those at home, in order that we will be able to continue to afford foreigners these opportunities for a better life. For my colleagues, I insert the full text of Mr. Schlesinger's article:

[From the Wall Street Journal, Oct. 29, 1975]

MAIN STREET'S REVENGE

(By Arthur Schlesinger, Jr.)

For an historian there is something at once professionally fascinating and civically scandalous about the current rage against New York City.

A student of the past inevitably finds a sort of delight when he encounters historical themes in a contemporary context. The mistrust of cities is almost the oldest, for a long time one of the most cherished and evidently one of the most tenacious of American traditions. Jefferson thought the American people would remain virtuous as long as they lived on the countryside; but "when they get piled up upon one another in large cities, as in Europe, they will become corrupt as in Europe." "I always seem to suffer some loss of faith on entering cities," Emerson wrote Carlyle. "They are great conspiracies. . . . You can scarce drive any craft here that does not seem a subornation of the treason." Morton and Lucia White in their illuminating book "The Intellectual Versus the City" show how deeply hostility to the city entered into the 19th-century American mind.

This hostility sprang initially from political philosophy. The Jeffersonians were convinced that a democratic republic required a wide distribution of property, and that this in turn implied a nation of small freeholds in a predominantly agricultural society. Cities meant commerce, finance, and industry—militant and acquisitive wealth versus a propertyless and consequently demoralized working class. "The mobs of great cities," said Jefferson, "add just so much to the support of pure government, as sores do to the strength of the human body."

A "Simian" Rage

The hostility was nourished by the romance of the wilderness and the frontier. It was nourished by the increase of immigration, bringing alien peoples to the American shore. It was nourished too, one cannot doubt, by rural and small-town envy of the illicit pleasures and excitements supposedly rampant in the city. Mencken spoke of "the yokel's congenital and incurable hatred of the city man—his simian rage against everyone that, as he sees it, is having a better time than he is." This, Mencken argued without undue exaggeration, lay behind Prohibition, the Mann Act, the Comstock laws, the anti-evolution laws and other statutes imposed by the countryside on the city.

In due course the depravity alleged to be innate in all large cities was presumed to be concentrated in New York. William Jennings Bryan, speaking for the farmers, the fundamentalists, the prohibitionists and the other powers of rural and small-town America, called New York "the enemy's country." American cities, and New York most of all, as Morton and Lucia White summed up the national indictment, were deemed "too big, too noisy, too dusky, too dirty, too smelly, too commercial, too crowded, too full of immigrants, too full of Jews, too full of Irishmen, Italians, Poles, too industrial, too pushing, too mobile, too fast, too artificial, destructive of conversation, destructive of communication, too greedy, too capitalistic, too full of automobiles, too full of smog, too full of dust, too heartless, too intellectual, too scientific, insufficiently poetic, too lacking in manners, too mechanical, destructive of family, tribal and patriotic feeling."

Since 1920 more Americans have lived in cities than on the countryside. One supposed that the ancient hatred might have diminished. Of course a certain amount of *Schadenfreude* was to be anticipated over the troubles of New York City. New York has been full of itself too long, has drained too much talent and money from the hinterlands, has been too proud and patronizing, too careless and contemptuous, not to expect that the rest of the country would derive a certain pleasure when it fell into difficulties—much as the rest of the world derives a certain pleasure from the humiliations of the United States.

But *Schadenfreude* is hardly a rational basis for public policy. Yet a President of the United States, who has displayed such solicitude for South Vietnam and Zaire, such compassion for Lockheed and Penn Central, now denounces the idea of aid to New York City and raises cheap cheers around the country by plucking the old anti-big-city nerve at every opportunity. "The imminent fall of Saigon," as Senator McGovern said the other day, "drove the Ford administration to demand another billion dollars of aid, but the imminent fall of New York finds that administration resistant even to a bond guarantee."

That is why this historian finds President Ford's calculated effort to rekindle the archaic American hatred of the cities, however fascinating professionally, sad and wierd from the viewpoint of the national interest. This writer, who was born in the Middle West and grew up in New England has no great commitment to New York. I have lived here pleasantly enough for nine years but, though I vote and pay taxes in New York, I do not quite regard myself as a New Yorker. If I still lived in Ohio or Massachusetts, I would feel just as astonished by this extraordinary display of presidential atavism.

Jefferson, as he conceded in later years, lost his argument in his own lifetime. Cities are here to stay, banks, industries, mobs, immigrants and all. The United States must stand or fall as an urban society. Our cities are of course imperfectly governed. This was true long before Lord Bryce wrote in 1888 that "the government of cities is the one conspicuous failure of the United States." American cities—New York preeminently so—are far better governed today than they were a century ago. No doubt New York has been living beyond its income in recent years, and no doubt this is reprehensible. It does seem, however, to be a peculiar charge to be made with such Pecksniffian self-righteousness by the President who is running up the largest peace-time deficit in American history and is piling the national debt to a size that would have seemed unimaginable a short time ago.

New York City is in trouble in part because of the errors of its elected officials—errors abetted, it must be said, by the great newspapers and banks of this city, which have had ample time over the last generation to compel a succession of mayors to understand the folly of their ways. But New York City is more fundamentally in trouble because it has played a national role and assumed burdens for the whole country. For more than a century, for example, it has assumed the primary burden of welcoming immigrants to this land, finding them jobs, teaching them English, assimilating them to American life. In recent years it has assumed the additional burden of receiving poor and dispossessed American citizens, thereby reducing tensions and taxes in the South and in Puerto Rico. These are national burdens. They are not the product of the individual fecklessness or wickedness of a single city. Herblock made the point effectively in his cartoon showing a figure representing New York City, the Statue of Liberty ("Give me your tired, your poor. . .") in his hand, saying to the Secretary of the Treasury: "Maybe you'd like to stand this in front of some other city."

Beyond this, New York has played a role of national leadership in vital areas of culture and communications. In communities across the Republic, music, painting, the dance, writing, publishing, the theater, television, design, museums, libraries, philanthropy are stimulated by and considerably dependent on what happens in New York. These are national, not local, services. If Main Street sets out to punish New York by forming a ring and cheering on its discomfiture, as Gerald Ford would have us do, the result will be to punish not New York alone but the nation as a whole.

A NATIONAL ASSET

Contributions to the national well-being. It is a national asset. Its difficulties have to a substantial degree national causes. If Bill Simon himself had been in Gracie Mansion for the last decade, New York would still be in trouble today. Its misfortunes are national misfortunes. Its rescue is surely a national responsibility—rather more, one would think, than the rescue of South Vietnam and Zaire.

And New York's misfortunes are national misfortunes in another sense. For what is happening in New York City, as the U.S. Conference of Mayors has done its best to make clear to the Ford administration, is part of a general urban crisis. New York is only the most visible and (because it has assumed so many national burdens) the most vulnerable of our cities. If New York goes, the chain reaction will affect not just the municipal bond market but the morale and future of cities across the land. Nor will the fall-out be confined to the United States, as Helmut Schmidt of West Germany endeavored in vain to point out to the Ford administration a little while ago. Now is the time perhaps for our President to start talking about the domino theory.

The crisis of New York City is not, as our President seems to think, an isolated matter, locally manufactured, locally sustained and local in its consequences. It is not to be solved by resuscitating smalltown bigotry about big cities. That attitude died in politics with Bryan. Gerald Ford's campaign to bring it to life is a disgrace to the presidency.

AMERICAN TECHNOLOGY—1875–2075

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. TEAGUE. Mr. Speaker, my good friend, Dr. Tom Paine, former Administrator of NASA and currently affiliated with General Electric Co. addressed a Symposium on Technology and Public Policy on November 6 at the Vanderbilt University Centennial. I would like to share these remarks with the Members of this body:

AMERICAN TECHNOLOGY 1875–2075

(By T. O. Paine)

A centennial celebration is a fine time to look beyond the current decade to the next hundred years. The century since Vanderbilt University was founded has certainly seen a lively interaction between technology and public policy. A hundred years ago America was opening the west through railroad technology, a vigorous national program was raising agricultural productivity, mass production based on steam technology was freeing industry from dependence on New England millstreams, the telegraph was uniting our cities, gas illumination was displacing the whaling industry, and coal-burning steamships were expanding American commerce and naval power around the world. The history of American progress on the frontier of technology is the history of our advance in national well-being and social welfare. The technological frontier is one of the four frontiers that America has explored so productively in the past century; the others include the geographical frontier of our vast continent, and the institutional frontiers of constitutional democracy and industrial free enterprise. Rolling back these four richly interacting frontiers capitalized upon the collective vision and restless energy of a free people, creating dynamic new institutions and the most widespread individual opportunity, freedom of choice, and wealth ever known. Of course we're conscious of how far we still have to go in advancing liberty and justice for all, but the democratic technological society we're building has already revolutionized the aspirations of people around the world. In the future I see even more exciting frontiers that can challenge the vision and energies of our diverse people and vitalize our free society for the next century.

To me the lesson of the past is clear. We've progressed because pioneers extended America's geographical frontiers across the wilderness to the Pacific; traders applied "Yankee Ingenuity" to build our commerce and world trade; farmers and businessmen applied new technology to raise the productivity of our farms, factories, and transportation systems; statesmen developed dynamic new corporate, labor, and government institutions; scientists advanced the physical, social, and life sciences; and educators established universal public education and academic research to produce a new generation of talented young people with fresh ideas from around the world.

The collective vision, boldness, and energy of our free society has been spectacularly successful, exceeding even the utopian dreams of 1776. How incredible the founders of this university in 1875 would find today's energy systems: natural gas tapped miles beneath the earth piped across the continent; half-a-million-ton cargoes of oil hauled around the world in supertankers; vast electrical networks powering homes and automated industry from a few pounds of uranium; and a new generation of explorers flying hundred-million-horsepower rocketships to frontiers on other worlds.

So miraculous do these developments appear that "Bleak Chic" doomsters can even sound convincing while denying modern technology's capabilities on color television flashed around the world by communication satellites. That's one price we pay for the cultural shock of rapid technical and economic advance; another is the high social cost of ill-managed rural immigration to our cities. But there's nothing new about "Get a horse!" "You'll never get me up in one of them things!" or "Modern living has sapped our vitality!" History records, though, that two score years after the "Model T" forty million Americans owned cars; two score years after Lindbergh's pioneering flight 20,000 people jetted across the Atlantic every day; and this generation's athletes are shattering all the historic olympic records. The doomsters' myopic vision fails to credit the potential of technical innovation and human ingenuity. This nation need not run out of critical resources if we apply our technical brainpower to create timely substitutes for scarce materials and develop our potential limitless energy sources. We can substantially upgrade our health and environment while giving all of our citizens broader access to the benefits of productive modern society. A much more challenging responsibility is to participate effectively in the industrialization of the third world, who look to America for leadership and support in raising their living standards.

Looking to the future, it's clear that the entirely new technologies of 2075 will be as incredibly advanced from our 1975 viewpoint as today's technologies would appear to the 1875 founders of Vanderbilt. The coming century of technical advance should obsolete some technologies, including fossil fuel boilers and gasoline cars; social advance should obsolete others, including weapons of mass destruction. I see greater potential rewards now from bold exploration on the frontiers of the physical and life sciences than at any time in the past. We are steadily progressing toward a powerful intellectual comprehension of man's total environment, from the innermost structure of subatomic matter to the grand architecture of the universe, from the complex living code of the double helix molecule to the cognitive mysteries of the human mind. On every frontier America faces an exciting century of opportunities on transcendent planes.

Of course we are rich enough in America for our elite to toy with the notion of technological and economic stagnation, but the interaction between government and technology will continue to accelerate in other nations like the Soviet Union, whose leaders are technically trained, and I'm sure that it will also accelerate in America. Our history, our character, and our opportunities all suggest that America's geatest potential still lies before us. To progress further this nation must maintain our leadership in industrial and defense technologies, for I believe that American economic and military strength is the best hope for a better world. In the next century we must continue our successful extension of geographical and intellectual frontiers: exploring the earth-moon system, other planets in the solar system, and through space-based observatories, the farthest reaches of the universe. We must advance the social science of industrial democracy and global civilization. We should completely eliminate diseases like Smallpox from the earth. We must conceive entirely new technologies: electrified highways, computerized rail transport, solar energy systems, wireless power transmission, the clean "hydrogen economy," domed cities, global information networks, synthetic protein, nuclear fusion for power and space propulsion, satellite arms control systems, self-supporting space communities of diverse cultures, and other bold and visionary enterprises in the forefront of humanity. We must press on to equalize the opportunity for all Americans to participate in these contributions with men of good will everywhere. We should revitalize long-range university research programs in all fields of western thought, increasing the flow of young people inspired to expand human knowledge, individual freedom under law, and the quality of life throughout the world. Vanderbilt's bicentennial should celebrate a second century of achievements far surpassing its first.

Nowhere. will exploration proceed more rapidly and productively in the next century than one the space frontier. The new space-shuttle rocketplanes flying to orbit at low cost will open a rich new continent in earth orbit for permanent settlement and economic development. Space research and development will generate whole new industries. In the 1980's the U.S. Shuttle will be operational simultaneously with the European Spacelab and large new Soviet boosters, creating rich opportunities for cooperative advances in space. From our new vantage point in space we will better comprehend the universe, and the role of mankind as a vitalizing force propagating terrestrial life outward from its earthly cradle. Indeed, the next century may see the long divergent scientific and religious quests to understand the relationship between man and creation reconverge, as scientists begin the serious experimental search for other life in the universe, and we contemplate the deeper significance of the human intellect strivnig to comprehend the cosmos and itself.

LATVIAN INDEPENDENCE DAY

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. MOAKLEY. Mr. Speaker, on November 18, 1918, the nation of Latvia declared itself an independent democratic country. This independence has been short lived for since the end of the Second World War, the Soviet Union has occupied the small defenseless Baltic state.

The Latvian people have remained strong despite the attempts of the Soviet government's Russification process. This strength is displayed through the maintenance of the Latvian language which retains its identity apart from other Germanic and Slavic nations. Although ethnic literature and art are discouraged by the Soviets, Latvian writers and artists continue to display their talent. Also, despite religious discrimination, Latvian youth maintains deep religious convictions.

The strong feeling of nationalism exhibited by the people within Latvia plus the support from Latvian-Americans and the United States, is the sole reason for its existence as a nation today.

I will continue to support the U.S. policy of non-recognition of the illegal annexation and colonization of the Baltic States by the Soviet Union. For soon it is hoped that November 18 will truely be Latvian Independence Day.

BILL LOGSDON: A PERFECT COWBOY

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. STEIGER of Arizona. Mr. Speaker, Mr. W. O. "Bill" Logsdon of Kingman, Ariz., is the personification of the rugged western cowboy-rancher, although he is 78 years old, it is not unusual for Mr. Logsdon to ride horseback 15 to 20 miles a day. At roundup time last spring, he roped 70 head of calves.

Mr. Logsdon was the subject of a feature article written by Dick Tomlin of the Kingman Daily Miner, and I would like to share a portion of that article with others by having it reprinted in the RECORD.

The article follows:

BILL LOGSDON: PERFECT COWBOY DESPITE 78 YEARS

(By Dick Tomlin)

Two years ago, Bill Logsdon came home saddened after selling the last horse out of hundreds he had owned in his life.

In more than 60 years, he had bridled a mount every day after grub and had ridden out toward the long shadows of dawn. He had worked a herd, patroled a fence and gone about the duties of a cowboy since 1912, the year when Arizona became a state.

So when Bill Logsdon looked at that check, a piece of paper with a few words scribbled on it to signify the end of his cowboy life, he did it with a heavy heart.

"He looked at me and said, 'You know, this is the first time in 60 years I haven't had a horse,' said Fay, his wife of 48 years.

Within a short time, Logsdon had another horse, and now he is still out riding again, working daily as a 78-year-old cowboy. Logsdon is something special to area ranchers, history buffs and those of us who marvel in a man's lifetime accomplishments.

He remains a substantially unchanged cowboy from when he and Fay arrived in Mohave County with 50 head of cattle in 1934. Since that day, he has convinced Kingman-area ranchers that he is possibly the most knowledgeable horse doctor, water witch, prospector, roper, horseshoer and every other kind of skilled rancher to ever get stuck on a creasote bush.

Bill can look at a range, estimate the tonnage of feed available and tell you how many cows to run. He can look at a head and pick out the strays quicker than a prairie dog can find his hole.

If you wanted to create a perfect cowboy, you might make Bill, all 78 years of him.

TOO MUCH GOVERNMENTAL REGULATION?

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. ARCHER. Mr. Speaker, have we gone too far along the road of governmental regulation? The answer is in the affirmative. Governmental regulations create great problems for businessmen and additional costs for the consumers. The impetus for more governmental controls over our lives has been a part of "governmental paternalism" which seeks to protect consumers from anything governmental bureaucrats deem undesirable or harmful.

One agency which has gone far beyond its original purpose has been the Consumer Product Safety Commission. Columnist James Jackson Kilpatrick in a perceptive article entitled "Carrying Government Protectiveness Too Far"—Nation's Business, November 1975—points out the overzealous actions of this agency. I commend this article to my colleagues as an excellent example for the case for regulatory reform:

CARRYING GOVERNMENT PROTECTIVENESS TOO FAR

(By James J. Kilpatrick)

Once upon a time, or so the dog-eared story goes, a young scholar was asked to write a review of a book entitled, "Birds of the Antarctic." He wrote a splendid review. "This book," he said, "told me more about penguins than I really wanted to know."

The Consumer Product Safety Commission, one of the newest and most industrious agencies in Washington, is promoting safety with the same encompassing zeal. It is perhaps telling us more about safety than we really want to know.

This agency was created by the Consumer Product Safety Act, signed into law by President Nixon on Oct. 27, 1972. The five-member commission, headed by Richard O. Simpson, commenced operations the following May. In the pecking order of official Washington, the independent agencies occupy the catbird seat. They fly high above the sparrow offices and starling divisions of the established departments—not in terms of protocol or social prominence, but in terms of their autonomy.

The 1972 act transferred to the new commission several functions that had been administered by other agencies. In this fashion, the agency inherited enforcement of the Federal Hazardous Substances Act, the Poison Prevention Packaging Act, and the Flammable Fabrics Act, and a few other miscellaneous duties. In its own right, the commission obtained a breathtaking mandate from Congress. Some types of products are not within the commission's purview, but it is to oversee countless consumer products manufactured, imported, distributed, and sold at retail within the United States, to prevent "unreasonable risk of injury." The law lays sweeping requirements upon manufacturers and dealers to keep records, to report hazardous conditions, and to respond to the commission's orders.

No one knows how many consumer products are embraced in the commission's domain, simply because the fact is unknowable. In September, 1973, the commission released a "consumer product hazard index," based upon the frequency and severity of injuries reported to hospital emergency rooms. The index began with bicycles, stairs, doors, cleaning compounds, tables, and beds. The index wound up with such items as children's books, diapers, pot holders, and slide projectors. There were 369 classifications in all.

The commission's best guess, based chiefly upon daily reports from 119 hospital emergency rooms, is that some 20 million persons are injured every year in "product-related" accidents. The figure appears regularly in commission literature and crops up constantly in the commissioners' speeches. Not quite so much publicity is given to a corollary finding: In roughly 80 to 85 percent of these accident cases, the fault lies not with the product, but with the user thereof. The drunk who sprains an ankle in a fall from a ladder has suffered a product-related accident, but the offending product, statistically speaking, is the ladder, not the booze.

During the first few months of his chairmanship, Mr. Simpson traveled about the country rattling a fearsome saber. He warned businessmen repeatedly that his inspectors would be searching for violations of the Consumer Product Safety Act, and he promised to provide "motivation" against future violations by prosecuting to the fullest extent of the law. One such motivation, he said, is a prison term. "Whereas corporations can pay civil penalties, people who work for corporations pay criminal penalties," he said. "I am personally inclined in a criminal proceeding to seek out the board chairman or the corporate president, in addition to other officials, because I believe they are in the best position to assure corporate compliance with CPSC regulations."

It hasn't worked out quite that way. The Justice Department has filed three criminal cases under the Flammable Fabrics Act, but no board chairmen have wound up in the dock. The criminal penalties (fines up to $50,000 and prison terms up to one year) remain in the law, and Mr. Simpson insists the commission is ready to demand them in an appropriate case. Meanwhile, other activities proceed apace.

One of the commission's major responsibilities is to prepare and promulgate mandatory standards for product safety. The first such standard came forth on Sept. 16. It is a standard for swimming pool slides. To a newsman's observation that swimming pool slides would not appear to rank high among those public concerns justifying the full weight, majesty, and dominion of the United States government, Mr. Simpson responds by saying cheerfully that he wouldn't have given first priority to swimming pool slides, either. But the National Swimming Pool Institute and a major slide manufacturer petitioned for promulgation of an official standard, so now the rule is out for public comment.

Under the proposed standard, on the top step of every swimming pool slide a legend must appear: "Look out for people and objects below. One person only." On the third step is to appear an additional instruction: "Legs and arms forward." On slides for use in water four feet deep, or deeper, a sign in red, light blue, and black must advise all users: "Deep water. Swimmers only. Careless belly slides can cause injury." To the observation that this is a great deal for a six-year-old first grader to read, Mr. Simpson says adults can read the signs, and it is mostly adults who break their necks on swimming pool slides, anyhow.

The commission also is actively at work on a mandatory standard for bathtubs. This is a slippery matter. In an effort to get some expert data to work on, the commission retained a firm of consultants in Cambridge, Mass., to make a study of bathtub and shower accidents. The study cost the taxpayers $142,000. It was a full-dress affair, requiring three principal authors, four "researchitects," and nine consultants. This is how the research proceeded:

"First, a literature search was performed, and significant factors associated with bathtub injuries were identified and prioritized. Second, this data was expanded to a series of 17 accident scenarios, representing all the common factors in the accident system. Third, intervention strategies were developed in response to the accident scenarios, and performance guidelines for safer bathroom products were considered. . . ."

The consultants' most remarkable conclusion was that "slips and falls are by far the most frequent type of bathtub accident, and these slips and falls frequently occur while entering or leaving the tub or while changing between a sitting and standing position." The foremost intervention strategy, it appears, is a slip-proof bottom for the tub. Meanwhile, consumers should be taught how to take baths safely.

A third mandatory standard in the commission's mill is a standard for power lawn mowers. The proposal is being developed under a contract between the commission and Consumers Union, to the accompaniment of some low moans of dismay from the Outdoor Power Equipment Institute. On down the line are standards for television sets, book matches, extension cords, and space heaters. By 1982 the commission hopes to have 100 mandatory standards in operation, aimed at alleviating 75 percent of the product-related, preventable accidents.

Some of the commission's enforcement activities have drawn congressional criticism. One case involved the Bradley Import Co. of Los Angeles. Bernie Hartstein, president of the company, had built up a thriving business by importing ornamental, decorative dolls from Japan, and later, from Korea. These were not toy dolls; they did not cry, wet their diapers, blink their eyes, or move their limbs. They were not meant to be dressed or undressed. Many of the dolls were sold to brides as favors for their bridesmaids. These were the kind of dolls you find in glass cases at flossy gift shops.

None of this mattered to the Consumer Product Safety Commission. On July 9, 1974, without preliminary hearing or warning, U.S. marshals swooped down on the Bradley warehouse and confiscated nearly 80,000 dolls. This was at the very peak of the Christmas order season. Mr. Hartstein places his loss in sales at $600,000. And what was the terrible hazard that was thought to justify driving a businessman to the edge of bankruptcy? The dolls had pins in them. That was the be-all and end-all. In order to hold the elaborate costumes in place, the Oriental dollmakers had used a few pins.

In the 12 years that Mr. Hartstein had been importing and selling a half a million such dolls, not a single complaint had reached him of the pins hurting anyone. The commission had received no complaints, either. But a doll is a doll is a doll and, under commission regulations having to do with banned articles "intended for use by children," no pins may be placed in "any doll, stuffed animal, or other similar toy."

Mr. Hartstein went to court, of course, and won hands down. Judge Louis C. Bechtle held that the dolls in question plainly were never intended for use by children. He ordered the confiscated dolls released. A U.S. circuit court sustained his ruling. The experience cost Mr. Hartstein a small fortune in legal fees, and he is still fighting the unrepentant commission in a companion case in Ohio.

Chairman Simpson is understandably unwilling to talk about the Harststein case, since the litigation is in fact still pending, but he agrees in principle that persons who are damaged by the commission's errors in judgment or plain mistakes should be entitled to sue for redress. Sen. James L. Buckley of New York is trying to push such a provision through Congress. Mr. Simpson supports the Buckley bill. "We could be," says the chairman, "a very dangerous agency."

By his own description, Mr. Simpson is a conservative Republican. He is as reasonable an administrator as one could ask for, and he is doing his best to keep the commission's activities channeled strictly to "unreasonable risks of injury." While he defends the agency's information program, specifically mandated under the law, he has been known to wince at some of the baby-talk reminders that flow from the press office: "Never ice skate close to open bodies of water. . . . Avoid driving cars on ice. . . . Sledders should never hook rides on the bumpers of cars. . . ."

The commission has asked for a budget for fiscal '77 of $54.8 million, permitting a staff of 1,226. Present levels are $42.8 million and 1,024 permanent positions. Chairman Simpson looks hopefully to the day, perhaps seven or eight years hence, when the commission can be abolished or vastly reduced in size. By that time, its 100 mandatory standards should be working. Meanwhile, a kindly and beneficient government will continue to instruct a docile people in how to strike matches and how to take baths.

EFFECTS OF NEW YORK CITY'S FISCAL CRISIS ON MINORITY SMALL BUSINESS

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. RICHMOND. Mr. Speaker, I would like to take the opportunity to bring into focus the effect New York City's default may have on the 19,000 minority small businesses in our city.

Since 1969 there has been a 19 percent increase in the number of minority business with their gross receipts increasing at a 56 percent rate. However, success does not come easy for these businesses. Too often the black or Hispanic entrepreneur is isolated from the mainstream of American business activity creating a communication gap between the minority business community and the large corporate community.

This gap contributes to the problems minority businessmen face in securing credit, getting insurance, and marketing their products and services. A New York City default with its concurrent destruction of the money market would, in my opinion, have catastrophic effects on minority business. Already inflation, the tight money market, increases in energy costs and material shortages have posed threats to the viability of minority business. The default of our city would greatly exasperate this condition.

Access for minority businessmen to equity capital is already limited while their cushion is weak. Supplier relationships are new and often tenuous. Firms getting started would find insurmountable roadblocks to their dreams because of the inability to produce the cash necessary to meet rapidly rising prices of raw materials.

Moreover, the unfortunate experience of many of our minority businessmen has been that when they finally get their applications, capital, and companies organized and their feet in the door, it is at a time when the majority of companies in that industry or field are leaving by way of the back door.

Auto sales, gas stations, fast foods are some of the areas which are being hard hit in today's economy just as minorities are making their presence felt.

The slump in homebuilding and construction industry has occurred just when many minority construction companies have knocked the kinks out of their operations and are ready to roll.

Naturally, these firms are the first to go under in a sustained slowdown and particuarly if the crisis in New York is not quickly solved.

It must be emphasized that while minority business gains have been significant, minority entrepreneurs have only scratched the surface as far as their potential goes. For less than 1 percent of all minority firms have gross receipts in excess of $1 million.

The early gains minority firms have would indeed be jeopardized should New York default and the money market dry up. These firms are particularly vulnerable and if we are to preserve and encourage such economic development within our minority community we must take the steps necessary to insure that they are not forced to bear a disproportionate share of the burden of default.

LATVIAN INDEPENDENCE DAY

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. ANNUNZIO. Mr. Speaker, on November 18, 1918, the courageous people of Latvia received their independence and with it the long-sought privilege of determining their own fate as a people and of developing and enriching their own social and cultural institutions in accord with their distinguished traditions and national will without the interference of foreign powers.

On Saturday, November 22, a commemorative program in observance of the 57th anniversary of Latvian Independence Day will be held at Carl Schurz High School, 3601 North Milwaukee Avenue, by the United Latvian Associations of Chicago, the outstanding president of which is Ilmars Bergmannis. Other officers include Rev. Vilis Varsbergs, first vice-chairman; Aleksandrs Osis, second vice-chairman; Karlis Vanags, third vice-chairman; and Mara Tomsons, secretary.

Latvia, a nation situated on the eastern side of the Baltic Sea, was privileged to enjoy only a brief period of national independence between the world wars. In 1920, the Soviet Union signed a treaty which recognized Latvia as a sovereign nation "forever," but only 20 years later in 1940, Stalin cynically broke this agreement and the Red army marched in and began a brutal occupation of the country, accompanied by forced deportations of Latvians to Siberia and other remote parts of the Soviet empire in addition to wholesale jailings and executions of Latvian patriots, cultural and government leaders, and other non-Communists.

Latvia continues to be governed from Moscow, not from Riga, the country's capital. Freedom of expression in religion, literature, and art is suppressed, and the Russians steadily continue their efforts to destroy the Latvian people as a nation and as a cultural entity.

We find ourselves in continuing confrontation with the Communists for the minds of the people of the world, and although no one would disagree that all efforts should be made to stop the nuclear arms race, the spiritual struggle between freedom and communism can never cease. Current "détente" policies have meant a weakening of determination on the part of the United States and its allies in this spiritual struggle, and because this contest will eventually decide the fate of the world, far more emphasis should be placed by the United States on strengthening the will to resist. For if we lose this struggle for the minds of men and women everywhere, our weaponry will not prevail.

Mr. Speaker, I feel that our commitment to freedom compels us to dedicate ourselves to the cause of freedom and to support the continuing efforts of the Latvian people to win the rights of self-determination and liberty. This 57th anniversary of Latvian Independence Day is a most appropriate occasion to proclaim our precious heritage and remain firm in our sympathy for the aspirations of the Latvian people in their struggle to resist this vicious system.

Mr. Speaker, the Captive Nations Committee, ably headed by Viktors Viksnins, has issued a statement on the occasion of Latvian Independence Day, and I wish to insert that message on the significance of this 57th anniversary commemoration at this point in the RECORD. The statement follows:

LATVIAN INDEPENDENCE DAY, NOV. 18, 1918

In 1940, the free and independent nations of Latvia, Estonia and Lithuania were illegally and forcibly made a part of the U.S.S.R. Now, 35 years later the Baltic nations are facing a crisis by the governments of the free world in recognition of the signing of the Helsinki agreements.

To appreciate the reasons of their despair and utter disbelief and adding to the dismay, is the fact that the Baltic people were not informed or asked or their feelings to be considered in respect to their choice in regard to the unique situation that has been forced upon them.

No matter how President Ford, interprets the Helsinki agreement, the Latvian people in these United States feel that the Soviet government will interpret it as a recognition of its annexation of Latvia and its continuing dominance in the Baltic states. The Baltic people fear that the Soviet government will intensify its policy of Russification of Latvia as a result of the apparent Western abandonment of the Baltic people.

The Latvian people have at a very great cost to themselves have resisted and are resisting the Soviet efforts to destroy them nationally. They share a common belief with the American and other free people in the right for all nations to self-determination and independence. Their faith and that this belief is shared by the free people of the world and that the leaders of the free world have the courage of their convictions, not to recognize the annexation of Latvia and the Baltic states by the Soviet government.

Therefore; on November 18, 1975, is the annual Latvian Independence Day observance and the Latvian people must undertake the task of informing the President of the United States and Congress to take steps to introduce and support Congressman Frank Annunzio's resolution (H. Con. Res. 389), expressing the sense of Congress that, it remains the policy of the United States not to recognize in any way, the annexation of the Baltic nations by the Soviet Union, the President's signature on the Final Act of the Conference Security and Cooperation in "Europe notwithstanding".

The Captive Nations Committee, has printed and distributed (20,000) cards requesting the American government and the people of the United States to recognize and support Congressman Annunzio's Resolution on the House floor. It is frightening to realize that the Kremlin has succeeded in deceiving the Western powers, which, threaten the security of the free world and in our own country, conducting their deceptive propaganda to undermine the sacred rights of all nations based on principles of democracy, self-determination and sovereignty within their respective ethnic boundaries.

The Captive Nations Committee, requests that special efforts must be made by the United States towards an awakening of all the moral forces, humane ideas and values and at the same time when in the enslaved countries where others are striving for liberty; here, too many are undermining freedom, and serving the cause of communist enslavement.

LATVIAN INDEPENDENCE DAY

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. KOCH. Mr. Speaker, 57 years ago today, on November 18, 1918, the leaders and people of Latvia declared their independence, as our forefathers did 150 years earlier. And like our forefathers, Latvians paid a huge price in lives for freedom while expelling two invaders, in 1918 and 1919. That Republic which rose from the ashes of World War I surely had every hope and chance of success. Latvia had educated, devoted leaders, a sense of national purpose, a victorious army, fertile lands, and hardy farmers. The Latvians proved their devotion to democracy by establishing an advanced form of representative government, with a parliament, cabinet, president, and freely organized parties. All the basic freedoms enunciated in our own Bill of Rights were guaranteed to Latvians.

In 1940 the Soviet Union invaded Latvia and destroyed the independence of that small Republic. Thirty-five years later, it appears that most countries have accepted the status quo by signing the Helsinki Agreement. But this Congress does not accept the Helsinki Agreement, notwithstanding President Ford. In fact, we believe that the people of Latvia will—and should be—free and independent. The 57th anniversary of Latvian independence provides all of us the opportunity to rededicate ourselves to the principle of self-determination for all countries, especially for Latvia, where the fire of freedom burns fiercely in the hearts of all Latvian patriots.

AMERICA'S THIRD CENTURY

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. HARRINGTON. Mr. Speaker, I am entering for publication in today's RECORD the fourth installment of Norman Macrae's excellent survey of the future of this country which I have been submitting in serialized form for the attention of my colleagues.

Having been sent by the Economist to obtain a firsthand account of the American condition, Macrae recently returned to England with a bicentennial birthday present for us entitled "America's Third Century" in which he peers into the coming hundred years and arrives at some startling and scarey conclusions.

In my opinion, the insightful results of Macrae's odyssey across America deserve our thoughtful attention, in view of our more than passing interest in the future of this country.

The text of the fourth installment follows:

[From the Economist, Oct. 26, 1975]

THE WAY OUT: HOW AMERICA'S BUSINESS CORPORATIONS MIGHT SURVIVE

American business corporations therefore face three problems: dynamism is becoming unloved at home (and is called imperialism abroad), there is bureaucratisation of technology and partly of business. Earnest Swedes are making efficient straight assembly lines run round in deliberately less efficient circles, in order to try to make business more popular. It will be a misfortune for the hungry half of the world if America also comes to believe that the problems of its dying manufacturing age can thus best be met by an unproductivity drive.

The key strategies for American business corporations should be (1) to move the boring manufacturing jobs down to the poor south of the world, at maximum profit to both the poor south and themselves; (2) to redesign their domestic structures to fit the new knowledge-processing, unobsequious, post-manufacturing age.

Manufacturing is going to continue its march out of America anyway, much faster than you think. In 1900, about 43% of America's workforce was in the two largest employments of agriculture and domestic service; that proportion is down below 5% now. Today only about 23% of America's workforce is in manufacturing, and I expect it to drop to below 5% over the next few decades.

Awkwardly, at this moment when America's main exports should be of jobs and technology, America's main mechanism for exporting jobs and technology has run crazy. While novelists write best-sellers predicting that by 2020 the world will be ruled by six giant American multinational corporations, the day of the big multinationals is now likely to be ending.

END OF MULTINATIONALS

Probably because the accountant-presidents predicted the future by extrapolating the past, the originally sensible device of the American multinational corporation has surged out of its cost controls. Compared with the moneymaking method of selling the knowhow through some licensing arrangement, the establishment of a multinational subsidiary was supposed to have the great advantage of maintaining ownership of the use of the process for the dear old firm; but multinational corporations failed to notice that, just as their emigrant boom took off, such material ownership was becoming no longer a source of economic power.

The Americans brought to poorer countries their best equipment, together with the knowledge how to operate it in order to make the goods they previously exported, plus their own capital and managerial skill (which proved to be either copiable or untransplantable). All parts of this system looked tailor-made to turn America's balance of payments toward deficit, although multinational corporations were profitable only so long as the dollar was over-valued—ie, so long as the Americans were expected to have a strong balance of payments.

A multinational corporation has now become a device for taking up an artificially weak bargaining posture versus the host government (which is able to say that the American company can open only in some high-unemployment area to which native manufacturers won't go); versus marxists in the local parliament and ivory towers (who genuinely believe that giant multinational corporations wield some strange meso-economic power); versus the trade unions back home in America (who are liable at any moment to launch a world-wide strike against an American multinational on the grounds that it is being unfair by exporting jobs to workers in lower wage countries, who will then join the strike in order to get higher wages and thus export their own jobs back to America again); versus local business competitors, whose normal practices (tax-dodging in Latin-European countries, giving bribes and arranging occasional coups d'état in poor countries) have to some extent to be copied for survival by the multinationals, who are then castigated by American congressional committees and the world's press.

There is one group of countries whose labour force is paid far below the standard of productivity appropriate to its high education (because its non-market-oriented economic system has made its entrepreneurship so inefficient), and where there is no danger of the trade unions turning bolshie. These are the bolshevik countries of Russia and east Europe. But the American system of technology transfer by multinationals has made it politically difficult to transfer American knowhow with good profit there, and has inhibited transfers to many of the poor countries (except about a half-dozen which are temporarily very well-ruled and about another dozen which are very corrupt). Also multinationals' executives often don't like living in poor dictatorships, and when they do there is a danger that their expatriate living habits in excolonial milieus can brutalise the society. At the back of every multinational's mind is the thought that in one of the 50 or so coups d'état in poor countries during the next three years, some incoming government is likely eventually to execute the presidents of all local American multinationals, probably very slowly in the public square as a populist spectator sport. The state department will then issue a protest. So American manufacturing multinationals have gone especially to western Europe, which was the next-richest area to America and therefore the next where manufacturing was bound to become uneconomic once Europe had stopped importing the temporary migrant workers to whom the natives were unfriendly but on whom European manufacturing relied.

EVERYBODY AS ENTREPRENEUR?

I stick to what I forecast in *The Economist* in 1971:

As a prototype for the most successful sort of firms in 30 or 40 years' time, it may be most sensible to visualise small groups of organizers of systems designers, all living in their own comfortable homes in pleasant parts of the world and communicating with others in the group (and with the systems designers) by picturephone: arranging for the telecommunication of the latest best computerised learning programme on how to make a better mousetrap (or, more probably, how to make the next successor-but-five to integrated circuits) rooftop to rooftop to about 2,000 quickly trainable, even if only newly literate workers assembled before their two-way-teaching in computer terminals by some just tolerably efficient organising subcontractor (also taught by long-distance telecommunicated computer lessons) in West Africa or Pakistan."

That, however, raises a problem.

America invented powerful manufacturing business corporations in the first or 1876–1925 half of its past century, the half one can call the Carnegie-Ford corporation age; but I have just argued that in the years ahead manufacturing will be most profitable if operated out of the world's poor south. American business spread dynamism round the world in the second or 1926–1975 half of its past century, the half one can call the multinational corporation age; but I have just argued that this age is now ending.

American business corporations will therefore need to lead the world in their third revolution into a new mode within a century. The requirement for the knowledge-processing age will be to become the most efficient incentive-offerors to get a generation of very highly-educated Americans to use their imaginations, instead of being the most efficient at supervising how American non-operators don't turn a screw. The mode that most appeals to me is one of John Diebold's concepts of perhaps gradually making American busines corporations more into "confederations of entrepreneurs".

In the most extreme version of this very broad idea (and the most extreme versions seem to me the most probable, as witness what happened with Carnegie-Ford corporations and then with multinationals), a big business corporation would codify the costs and output required from its existing departments: transport department, typing pools, etc.

Then individuals or groups within the corporation could bid if they thought they could produce the stipulated output more competitively than the existing department did. If the tenders looked sensible, they could either take over the job on one of the sorts of contract discussed below, or (more usually at first) compete with the existing departments.

Some contracts for the internal entrepreneurs could sometimes be "very enterpreneurial": eg. pay you something much less than your existing salaries, but the new typing pool which you are running—which would be able to subcontract work out and in—would be a subsidiary company 49% owned by you. It could eventually be sold, making you millionaires if you prove to have struck on a wheeze to make typing pools very much more productive in terms of what is actually wanted from them.

Other contracts could be almost-salaried (which would come to little more than a bid by a respected employee that he thought he could reorganise some function in the company better, so let him try, but at nearly full salary plus bonus if he succeeds).

Obvious new products, by-products and products the corporation has not thought of could most especially be handled in this "confederation of entrepreneurs" way.

WORKERS' PARTICIPATION?

That would provide more freedom and excitment at work for those who want to become entrepreneurs. But it would be an integral part of any scheme for "confederations of entrepreneurs" that non-entrepreneurial people should also have a wider choice of job satisfactions open to them. This may be the only viable way of solving the problem that peoples in the rich countries (who will generally be the most educated, and therefore include many of the most potentially productive) are going to become weary of working hard to grow richer long before people earning $200 a year do.

In rich societies, such as America has become, the decision whether any worker wants to get off the growth escalator should be an entirely personal one for the rest of mankind. Rich countries need to redesign their business systems so that each individual can decide whether to take his own share of the next decade's potential doubling of gap per head in another doubling of his accumulated stock of material goods or in an extra six months holiday a year. Then while I go fishing most of you will fortunately choose to go on frenetically redoubling gwp like now.

The first step should be for workers to be able to state the job satisfactions they seek. Maybe Smith just wants $12,000 a year made with the smallest attendance at work at dates chosen by him. Maybe Miss Jones wants to work under a father figure. Maybe Mrs. Buggins wants a gossip at work (put her on a Swedish circular production line?) Maybe Browne wants to be a lazy genius, and Braun to be a frenetic one. Maybe total flexitime is imporant to some people, and total orderliness to others.

Computerised job data banks must eventually be set up within big companies, so that the job-wants expressed can be matched to the job-offers provided by corporations, through a flexible market system. If a huge number of people said they wanted six months of each year (which I would not expect), then the wage attractable by the few who were ready to stick to their job year-round would go up proportionately and that attractable by the long-vacationists would go down (which would both influence firms to change their working habits so as to be able to use the bargain long-vacationists and also make long-vacationing suddenly less popular). If a large number of people showed they wanted to be entrepreneurs (which I think is very likely), then the performance contracts offered would become meaner, but, the vanity of entrepreneurs being greater than the eagerness of those going on six months' holiday with the wife, I think we would still get a lot of entrepreneurs at that bargain price—and some would succeed, which is exactly what we need in a world where there are too few entrepreneurs on offer at present.

The more one mulls over this broad idea, the more it makes sense that rich countries will have to move towards something like it. It is plain that free people in industrial countries need to be given a greater say in what they choose as their conditions of work. This will either have to be consumer freedom, or producer democracy.

Consumer freedom is what you have when you can buy your groceries at several competing supermarkets; we need to be able to choose our lifestyles with at least as much freedom as we choose our brands of soap (and our choice between soaps is now wide and good). Producer democracy means you choose by voting who will run your workplace, just when electorates all over the world are finding that voting for Nixon-Agnew or McGovern-and-originally-Eagleton is no good way of choosing who should run a whelkstall. Producer democracy would also put more power into the hands of trade unions. Although trade unions all over the world are telling governments that is what the people insistently demand, yet people all over the world are showing in public opinion polls that they want precisely the opposite.

In Europe the power of trade unions is already so large that they may force unsuccessful experiments in producer democracy. In America the power of trade unions is smaller (sometimes because unions are more sensible, sometimes because they are more criminal); and my guess is that there is a greater hope that American corporations may move towards becoming confederations of entrepreneurs and showplaces of consumer freedom. But American businesses have not considered this yet.

American society has not considered the even more exciting 200th birthday possibilities lying ahead of it either.

FOREIGN AID AND SELF-HELP

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. BONKER. Mr. Speaker, too many Americans seem to feel that foreign aid is wasted on foreigners. It is hard for them to see the connection between our vital security interests and our propping up of unpopular dictators, or between our sense of charity and our bailing out corrupt causes. Even the most humanitarian aid sometimes seems just a self-perpetuating handout.

That is why I am proud that Prof. Roy Prosterman of the University of Washington has long been pressing for reform of our aid principles and programs. Finally his suggestions have been incorporated in legislation on its way to conference. If our aid is conditioned on self-help efforts of recipient countries, as the Senate version of H.R. 9005 proposes, it ought to be quite productive. The aid will no longer seem wasted, because it will rebound to our benefit as well.

Mr. Speaker, I commend to my colleagues a recent New York Times editorial reinforcing this hope, and I insert it in the RECORD at this point:

AND ECONOMIC AID, TOO

American economic and development aid is another matter. The pending $1.3 billion authorization bill for development assistance, which goes to conference committee in a few days, will still leave the world's richest nation near the bottom of the list of aid contributors in percentage of gross national product. In 1961 the United States gave 51 percent of all the world's development aid; it was 19 percent in 1974. The rejection by half of Black Africa and other Third World countries of the American campaign in the U.N. against the anti-Zionist resolution doubtless reflects, at least in part, the decline of stature that has accompanied the decline in American generosity toward the world's impoverished people.

One way to halt the erosion of Congressional and public support for foreign aid is to improve the chances that aid will do the job most Americans feel it should be doing—and has failed to do. The Senate version of the development assistance bill would do that by requiring the President progressively to concentrate the bulk of American aid on the poor countries that take the most vigorous action to help themselves in four critical areas. Aid would be related to achievements in land reform, greater self-sufficiency in food production, reduced infant mortality and control of population growth with annual reports to the Congress on what has been achieved.

The greatest advances in food output have been made in countries that have given land to the tiller as well as better fertilizer and technology. Better nutrition, in turn, is demonstrably the most effective way to reduce infant mortality, which, paradoxically, helps to reduce rather than to increase population growth. Farm parents who firmly expect their first two or three children to live turn away from the practice of having seven or eight children as insurance against childhood deaths.

The pending Senate aid bill, if approved in conference, could put development assistance on this right track. It would encourage help from those who help themselves, but it would not forestall any subsequent Congressional action to discourage Third World governments from undermining the United Nations and human rights worldwide.

"FREE ENTERPRISE" IS DEAD—LET'S SAVE WHAT WE CAN

HON. J. WILLIAM STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. J. WILLIAM STANTON. Mr. Speaker, several of my constituents recently brought to my personal attention an article by the president of Firestone Tire & Rubber Co., Mr. Richard A. Riley.

The article entitled, "Free Enterprise Is Dead—Let's Save What We Can," is such a thought-provoking discussion of Government controls that I am sure that all of my colleagues will want to study it.

The article follows:

"FREE ENTERPRISE IS DEAD—LET'S SAVE WHAT WE CAN

(By Richard Riley)

It's time to admit that the term "free enterprise" is dead.

Realistically, and regretfully, we must face the fact that this nation now operates under a "controlled enterprise" system. And unless the head-long dash to regulate our individual and business lives comes to a halt soon, we even will have to eliminate the word "enterprise."

The battering of the once-proud term comes mainly from the proliferation of government laws and regulations which are stifling creativity and initiative. It also reflects the actions of those who believe their role in life is to protect all of us from each other.

How did we let this economic system, which has provided this nation with the best standard of living in world history, become the target of such widespread abuse?

Perhaps it was because too many lost sight of what the system is supposed to be, as defined by Webster's:

"Freedom of private business to organize and operate for profit in a competitive system without interference from government beyond regulation necessary to protect public interest and keep the national economy in balance."

Is that what we have today?

There are too many current examples which suggest otherwise.

We have a U.S. senator seeking legislation to create a commission with power to dismantle and restructure individual companies, individual markets and even entire industries. The auto industry seems to be the prime target. If he succeeds in splintering this industry, thereby charging an enormous price for success, the proposed commission then would level its sights at industries such as steel, chemicals and drugs, communications and others.

Congress also has before it a bill which would permit the Department of Labor to determine whether a company will be permitted to close or relocate a plant. If the Department decides any such action not justified, it would have the power to deprive that company of tax benefits for up to 10 years.

The legislation bins are filled with other examples. In the 93rd session of Congress, 26,222 bills and resolutions were introduced. That's an average of almost 50 submissions per member of Congress. Could anyone do a proper job of researching and writing that number, much less read the 26,000 submitted by others? Has anyone ever considered legislation limiting each lawmaker to five bills a year?

The flow of rules also can be seen in the "Federal Register," which in 1974 needed 45,422 pages to print decrees, up substantially from the 35,591 pages used in 1973. Here, too, the trendline of confinement is continuing upward.

Meanwhile, the White House has placed the cost to consumers of what it calls unnecessary and wasteful regulations at $130 billion—or $2,000 for every family in the United States.

These few examples certainly defy Webster's definition of "free enterprise."

Scores of other items could be listed, but they all would point to the same conclusion: That all of us in business—whether a multi-billion-dollar concern or the corner drug store—are being stifled by an overabundance of regulations. And even as individual consumers, we already have paid an inordinate price.

In the tire industry, for example, each tire has to be registered with the manufacturer through the retailer. The industry's average cost per replacement tire for registration, including manpower, is about 35 cents, or an annual expenditure of about $55 million. Yet from the time the rule went into effect in 1968 through 1974, only .08% of the 1.48 billion car and truck tires produced in those years have been subjected to recall. Obviously this rule has been of great cost but little benefit.

Our industry also now is faced with uniform tire quality grading which will cost the consumer another 75 cents per tire—$150 million a year—and give the buyer more headaches in making a decision, rather than helping him select the proper tire. The system is just too confusing. It would confront the buyer with at least 150 possible grade combinations. It's another example of over-protection for the consumer, who will end up paying the bill without receiving a commensurate benefit.

Someday the consumer, who has been paying the bill for this "protective" rule-making, is going to look around, peer into his wallet and wonder how he ever got into this situation.

I am not suggesting that all regulations are counterproductive. But I feel they should be developed on a sound, rational basis for a definite need—not just because of an emotional desire.

We have seen enough of the latter and all of us are paying the consequences. Perhaps it is too late to salvage the term "free enterprise," but if more of us speak out we might be able to protect our hobbled system from further erosion. We might even be able to have some of the more useless rules reversed.

It's worth a try.

LATVIA'S 57TH ANNIVERSARY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. DINGELL. Mr. Speaker, as a timely preface to our country's Bicentennial celebration, it is my privilege to commemorate Latvia's 57th anniversary proclaiming Latvia an independent democratic republic.

It remains the hope of the free world that once again freedom and independence will return to Latvia which, as the result of a series of unfortunate historical events, remains under the panoply of Soviet domination. I do not recognize the forcible incorporation of the three Baltic States, Estonia, Latvia, and Lithuania into the Soviet Union.

The Soviet Union appears to interpret the Final Act of the Conference on Security and Cooperation in Europe, signed at Helsinski, as giving permanent status to their illegal annexation of these states. I support the trenchant, long-standing, official policy of the United States on nonrecognition of the Soviet Union's forcible incorporation and annexation of the Baltic nations which is in no way affected by the results of the European Security Conference.

The suppression of freedom and the denial of self-determination must end; and I will continue to support efforts to allow liberty to prevail.

ANNIVERSARY OF LATVIA'S INDEPENDENCE

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. HELSTOSKI. Mr. Speaker, today, November 18, 1975, marks the 57th anniversary of Latvia's declaration of independence. It is a time to consider the hopes and dreams of the people of Latvia who long for the freedom they have been denied as residents of this oppressive nation.

On November 16, 1917, the First Latvian National Assembly was established. The main contribution of this assembly was a resolution that was issued in hope of starting a nationwide fight for Latvia's independence. Although this feeling spread rapidly among its citizens, political obstacles remained.

These proud and self-determined people fought against Russian and German attempts to suppress their independence. On November 18, 1918, an independent Latvian Government was established in Riga.

As exemplified by many new nations, these first few years showed tremendous economic and cultural growth. Foreign domination ceased and enjoyment of the personal freedoms and rights finally became a reality.

Latvia also excelled in the sphere of international affairs. A peace treaty was signed with Russia on August 11, 1920. Russia also surrendered all rights over the Latvian people and territory. The United States extended diplomatic recognition to Latvia when it became a full member of the League of Nations in 1921.

On February 5, 1932, Latvia and the Soviet Union signed a treaty of nonaggression. Once again, Russia strengthened its commitment of nonintervention in Latvian affairs.

In June 1940, Russian troops occupied Latvian territory. The Russian regime was eventually ousted by the Nazis when Hitler invaded the Soviet Union in 1941. Although control had changed hands, Latvia was again under foreign rule. German domination lasted for 2 years.

The turning point of World War II led to Russia's reoccupation of this territory. At the end of the war, Latvia became a part of the Soviet Union.

After the war, 100,000 Latvians emigrated to the free world. Others were not so fortunate. Many suffered the effects of mass deportation while those who remained learned how to survive under communistic rule. Characteristics of this rule, such as collective farming, became a natural way of life.

It is heartwarming to note that throughout this long and difficult struggle, Latvians have still maintained their language and cultural identity. Although physically controlled, their minds and hearts cannot destroy the desire for freedom that was once a reality.

I call upon my fellow colleagues to join me in commemorating their culture and heritage. We must not forget the injustices that have been inflicted upon these people.

JOBS NOW

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. MOAKLEY. Mr. Speaker, all this talk about whether we are in a recession or a depression is pointless.

If you are out of work, you are in a depression. There is no such thing as a recession for a working man.

And a lot of men and women in Boston are out of work—far more men and women than the people who put together unemployment statistics would ever care to admit. But the statistics are only part of the story. They do not tell us about the discouraged jobseeker who has dropped out of the labor force for lack of employment opportunities, or the unskilled individual who cannot gain entry for the same reason.

And the statistics cannot tell us about the human anguish that is generated by unemployment. Numbers cannot convey the disappointment and frustration suffered by a middle-aged electrician from Jamaica Plain who has been out of work for 6 months—or a Roxbury mother who cannot find a job—or a young professor who was laid off by a local community college almost a year ago.

Mr. Speaker, that is why earlier this year, I joined the United Steel Workers, the UAW, the Congressional Black Caucus, and many other concerned organizations in support of H.R. 50 "a bill to establish and guarantee the rights of all adult Americans, able and willing to work, equal opportunities for useful paid employment at fair rates of compensation."

I know this program would cost a lot of money. But it is necessary.

In the words of Congressman JOHN CONYERS of Detroit:

> It is necessary if we are to insure the right of all members of our society to lead a decent life, and it is necessary if we wish for every child to realize her or his potential as an adult.

Where would the money come from? The current military budget is a bloated $100 billion. If it were cut substantially, 4.8 million jobs could be created, a net gain of 2.7 million jobs.

I say reduce the military budget. To me "national security" means full employment. The best "line of defense" is a life filled with dignity for all persons.

Big business could also help pay for full employment. Over $50 billion is lost annually by the Government, because of tax giveaways and subsidies. In addition, taxing excessive profits would provide more job creating revenues.

It is time big business paid us back—I say pay us back with full employment. Full employment.

It can no longer be a dream. It must become a reality. We can no longer throw away money on repressive regimes overseas. We must look homeward and look after our own citizens.

SOLAR CELL ENERGY

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. UDALL. Mr. Speaker, every Member of this House is rightly distressed over the high energy costs imposed on us by the OPEC cartel. All of us hope to see the United States reduce its reliance on expensive and unreliable foreign fuel producers.

Yet the administration, for all its expressed concern, is committed to achieving this and through rationing by wealth. It believes that simply raising the price of every energy use—the wasteful as well as the necessary—will somehow strengthen our energy position without further crippling the economy.

Further, the administration's quest for new energy sources focuses primarily on incredibly expensive synthetic fuels, environmentally troublesome coal strip mining, and potentially catastrophic nuclear power.

All but lost in these energy priorities is the largest, cleanest, safest potential energy source—the sun. Apparently convinced that solar power can never become economically viable, the Energy Research and Development Administration has allocated only a tiny fraction of its R. & D. budget to solar.

A column in last Tuesday's Washington Post, written by David Morris of the Institute for Local Self-Reliance, challenges this basic policy assumption. Mr. Morris points out that small aggressive, competitive entrepreneurs have already greatly reduced the cost of solar electrical generating cells. Recalling the history of major technological breakthroughs of recent decades, he points out that economically viable solar generation may be far closer than is commonly expected.

Yet, as Mr. Morris also points out, funds for solar R. & D. are not going to these creative small businessmen but to the industrial giants such as General Electric and Westinghouse, which have major capital commitments to nuclear power, no experience in the solar field, and sufficient capital-generating ability to enter solar without a Government subsidy.

To all of my colleagues who are troubled by the administration's energy course and its coziness with big business, I commend Mr. Morris' provocative column.

The text of the article follows:

[From The Washington Post, Nov. 11, 1975]

SOLAR CELL ENERGY

(By David Morris)

For over 20 years the United States has had the technology to use sunlight for the production of electricity. There is increasing evidence that within a decade such devices will cost no more than other means of generating electric power and that they could produce significant quantities. Yet government policy seems indifferent.

The devices are called solar cells. Most solar cells are made from silicon which is made of ordinary sand. The cell is wafer thin and produces electricity when sunlight hits it. Developed primarily for the space program, these "power plants" were very costly in the 1960's. Early in the 1970's, however, one small manufacturer began making solar cells for use on earth. Within two years the price had dropped by a factor of five. Although the price is still too high for widespread use (it is now about 17 times the cost of traditionally generated electricity), these cells are being sold, at a profit, for such uses as medical auxiliary stations, radio repeater units, highway warning lights, and weather monitoring stations. They are used in places where it would be more expensive to install electric lines and are supplemented with storage batteries for cloudy days.

Government reports, expert testimony and the manufacturers of solar cells agree that the technology works. In contrast to nuclear fusion or the breeder reactor we have increasing experience with its reliability. The only obstacle to the widespread use of solar cells is their high cost.

Everyone admits that the cost can only be reduced by creating a market large enough to permit the automated production of solar cells. More research and development funds are of no help at all.

At present, the foremost cost component is labor. Yet, solar cells are semiconductor devices that are easier to manufacture than integrated circuits and that lend themselves readily to automation. Several manufacturers as well as independent consultants have come up with remarkably similar charts that show how prices would drop as sales increased and production methods improved. The conclusion is that if the amount of solar cell produced electricity were tripled each year, the price would drop low enough for residential use within a decade and meet one percent of the nation's electricity. In 25 years they could meet anywhere from 30 percent to 100 percent of the country's need, depending on factors that have nothing to do with the cost or production of cells. The most important of these factors is experienced personnel.

These production tables are not based on romantic visions, but on experience in related industries.

In the early 1950's, the Defense Department was faced with a similar situation with respect to transistor development. The transistor was expensive—some 20 to 100 times more expensive than the vacuum tube. The Defense Department, however, thought it important to develop the transistor for military reasons. With its help the price dropped by a factor of almost 100 within ten years.

Unfortunately there is at present no such commitment on the part of the Defense Department to do the same with solar cells. One would think that national security arguments are even more persuasive in this instance. Increased solar cell use would decrease our reliance on foreign fuels. Solar cell devices can be built efficiently in small power units (as opposed to nuclear reactors which require large market areas) making our power supply less vulnerable to enemy attack. Quite possibly, too, they might halt the proliferation of nuclear plants with their potential for making weapons. Would it not be better to supply foreign countries with solar cells than nuclear reactors?

Why doesn't the Defense Department consider the case for solar cells comparable to that of transistors? Why such lukewarm support?

Last June the Energy Research and Development Agency elevated solar energy to the same status as nuclear fusion and the breeder reactor. Yet funding for the coming year shows a gross disparity among the three. Equal priority is meaningless if solar energy gets only a fraction of the money the others get, if the chief energy official, Frank Zarb, publicly urges that nuclear energy be pushed aggressively, if the government is still intent on building one nuclear reactor a month for the next fifteen years and if the Federal Energy Administration sets up a special office to lobby for nuclear energy within the government.

Yet, the production versus cost tables show that the government could develop solar cells at minimal cost.

The first thing needed is a survey to find existing federal facilities where the use of solar cells would be economically feasible Coast Guard officials agree, for example, that reliable solar cells could save the money on their 12,000 minor lighting systems and buoys. Their purchase alone would almost double the production of the infant industry and almost surely lead to cost reductions.

The trouble is that big government and big business do not yet know how to deal with the new device. Government reports consistently note that solar cell electricity will first become cost competitive for household and community use. Yet government officials insist that the cell must be proven successful as compared with existing utility words systems.

It also seems clear that the government does not like to deal with small business. Yet it is the small manufacturers who entered the field when the big boys were not interested, who have reduced the cost of solar electric power, who have gained experience and who have demonstrated that solar power is not just a dream.

It therefore makes little sense that recent research and development contracts in the solar cell field have gone to large corporations, such as General Electric and Westinghouse, which have no experience and enough capital of their own to enter the field without government assistance. These contracts are of much greater help to small manufacturers who lack capital but have invested years of effort.

First of all, a bewildered public needs a great deal more honest information about the potential of solar generated electricity as an alternative to nuclear power.

LAND LEASING OF OUTER CONTINENTAL SHELF

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. MILLER of California. Mr. Speaker, for the past several months, committees of this Congress have been engaged in revising laws under which the Federal Government leases lands on the Outer Continental Shelf to private industry for the purpose of oil and gas production. Both in the Senate and in the House, there has been a comprehensive effort to rewrite the laws to provide for proper environmental protection and for a fair return to the public of the profits from the sale of public resources.

I have frequently spoken of the need to postpone any lease sales until the Congress has completed this revision process, and until the coastal States have had time to enact the coastal plans mandated by the Coastal Zone Management Act. I have introduced legislation, cosponsored by a bipartisan coalition of 32 Members from California, to postpone the precipitous sale of over one million acres of OCS off southern California now scheduled for early December.

I would like to submit into the RECORD a recent article from the California Journal which illustrates the substantial work undertaken by the California Coastal Zone Commission in drafting a comprehensive coastal plan for ratification by the legislature. This article shows the tremendous job which the Commission has done in thoroughly studying the question of coastal management and planning. I submit that for the Interior Department to ride roughshod over this Commission, which was created by the voters of California, is a serious violation of the spirit of the law and an abandonment of the Federal/State cooperation which the administration claims to encourage.

I intend to raise these objections on Thursday when Secretary Kleppe will appear before the OCS committee. For the moment, I would like my colleagues to know of the impressive efforts being made by the people of California to produce a constructive and intelligent coastal plan despite the unpardonable attitude of the Interior Department.

The article follows:

THE NOBLE EXPERIMENT IN DRAFTING THE COASTAL PLAN

(By Judy B. Rosener)

NOTE.—The author is a faculty member of the Graduate School of Administration at the University of California, Irvine, and a public member of the South Coast Regional Coastal Commission.)

From its inception California's Coastal Zone Conservation Act, approved by the voters in 1972 as Proposition 20, has been a unique experiment. Its intended product—a plan for the use of coastal zone resources—is a first, but the attempt to resolve coastal management conflicts by public debate and consensus-building "out front" has so far been its most striking characteristic. While Governor Brown and the legislators look over the proposed plan for clues to its political, environmental, and economic costs and benefits, primary attention might well be directed to the potential workability of this sort of participatory planning.

Despite doubts that a plan worthy of legislative consideration could be developed by seven regional commissions composed of part-time, unpaid appointed commissioners—doubts expressed by opponents of the act—the job has been done. There *is* a plan, it *is* being finished on time, and it *is* likely to be taken seriously by the Legislature. Although much of the credit for this should go to the state commission's chief planner, Jack Schoop, its executive director, Joe Bodovitz, and the state and regional commission staffs, suggestions and ideas contributed by citizens and groups interested in coastal zone management have added significantly to the development of a plan in the time alloted.

CAST OF THOUSANDS

Regional and state commissioners and commission headquarters have been flooded from the start with communications from all kinds of individuals and groups. There were ideas scribbled on postcards, suggestions neatly typed for attorneys hired to evaluate elements of the plan, and thick documents detailing specific concerns. While few of those who have participated in the planning process will be completely satisfied with the plan, none can legitimately charge that there was insufficient opportunity to take part in creating it. Thousands of citizens were involved in discussions on the local level where regional plans were developed after technical review by members of interest groups and professionals. More than 1,500 Californians received planning materials, and their comments and reactions to the materials were later solicited. In addition, hundreds of groups and governmental entities sent representatives to testify before one or more of the commissions prior to the writing of the preliminary state plan. Anyone who expressed an interest in an aspect of the plan was placed on a mailing list to receive additional information. More than 15,000 copies of the 400-page preliminary plan were distributed free statewide prior to public hearings, and many other copies were placed in public libraries.

What is it about the coastal act that sparked so much citizen interest and participation? Some of the following characteristics of the planning process used may have been responsible:

Commission proceedings have been visible, commissioners have been accessible, commission files have been open and, where possible, meetings were held at times and places convenient to the most people possible.

Outside suggestions have been incorporated in the successive drafts of regional and state plan elements.

Those with a stake in the allocation of coastal zone resources have expressed their concerns and interests, thus generating views and values that might not otherwise have been analyzed.

Ideological clashes at public hearings attracted press coverage of the planning process that increased citizen awareness of the complexity of the issues.

Commissioners were insulated from certain kinds of political pressure, allowing for decision-making freedom not always enjoyed by elected officials.

Since resource-allocation decisions involved, besides market considerations, such planning options as preservation of low-income neighborhoods and a variety of lifestyles, new kinds of citizens were drawn into the planning process.

Because the commission also dealt with implementing the plan, methods of public acquisition of land were a major concern and produced new ideas relating to both acquiring land and financing its acquisition.

COSTS AND BENEFITS

Is this planning experience relevant to other areas of state concern, such as health, transportation, criminal justice, education, and housing? Or should only "experts" plan? Do the political and financial costs of citizen participation outweigh the benefits? The question of costs—$2.5 million annually is spent by the seven commissions—is a legitimate one. But so is the question of benefits. How do we measure the fact that hard-hats and environmentalists, lawyers and surfers, the rich and the poor, the young and the old, resource-owners and resource-users all were drawn into a public arena where they had to talk to each other rather than about each other? How do we measure the fact that local governmental officials have begun to reassess values and priorities in a time of rapidly changing attitudes concerning the use of coastal resources?

Is it enough to price out the Coastal Plan in terms of only the obvious costs of land acquisition? What of these values, hard as they are to price.

The value of having citizens informed about planning decisions before the decisions were made.

The value of having groups of people traditionally locked out of land-use decision-making learn to ask hard questions, articulate their demands, and, when all else fails, go to court.

The value of the plan's reflection of the variety of interests and attitudes found in the electorate.

FEDERAL REQUIREMENT

The Federal Coastal Zone Management Act of 1972 clearly states that evaluation of state programs will concentrate on the adequacy of the state processes for dealing with key coastal zone issues, and not the wisdom of specific land- and water-use decisions. Since the federal act provides for the awarding of funds for use in coastal zone management, it is important to note that the process will in large part determine the funding of California coastal planning activities. Only if a state's planning process are fair will the efforts be eligible to be considered for federal funds.

One important lesson learned through proposition 20 has been that while public participation may produce conflict and be time consuming it also generates ideas and staff support that are rarely available to public officials. The Coastal Plan stands as evidence that citizens can work with public officials and professionals and also contribute to solving complex problems. That taste of participation in planning in a time of widespread distrust of government may well be the most valuable benefit of all.

LATVIAN INDEPENDENCE DAY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. WOLFF. Mr. Speaker, I would like to call to my colleagues' attention the fact that 57 years ago today, on November 18, 1918, Latvia proclaimed its independence as a democratic republic. Though our Nation has enjoyed uninterrupted freedom since our Declaration of Independence, the Latvian people have not.

The brief period of freedom enjoyed by the Latvian people was ruthlessly ended when the Soviet Army invaded and occupied their nation in 1940. Since that time, Latvia has been the object of an intense russification program, and its people have been denied their constitutional rights to express their will. The Latvian people have suffered religious discrimination, cultural repression, and economic plunder at the hand of the Soviet Union.

As a proponent of a peoples' right to freedom, it is the obligation of the United States to continue to insist that all people be free to govern themselves. I would like to note that the Committee on International Relations today approved House Concurrent Resolution 401, a measure that declares it in the sense of the Congress not to recognize the Soviet annexation of Latvia, and the other two captive Baltic nations. I urge my colleagues to support this resolution when it reaches the floor.

NALU PROPOSALS FOR SOCIAL SECURITY

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. MONTGOMERY. Mr. Speaker, the National Association of Life Underwriters has recently developed a position paper on social security and its future. In view of the ongoing consideration of proposed changes in our social security law, I feel we should have the benefit of as many different proposals as possible. Because of its timeliness, I include the following policy paper on social security by the NALU for the information of my colleagues:

THE NATIONAL ASSOCIATION OF LIFE UNDERWRITERS POLICY ON SOCIAL SECURITY

The Social Security program was designed to provide a basic floor of protection against economic want and need, financed by earmarked taxes imposed upon employers, employees and self-employed individuals and by earnings on the Social Security trust funds. It was intended that upon this basic floor, each covered person, by individual initiative, would plan and build additional economic security for himself and his family by means of private savings, investments, insurance, pension programs and the like.

As thus originally conceived and designed, the Social Security program is socially and economically desirable; but it is essential that the program be soundly maintained. Overexpansion of the program must be avoided, since such overexpansion would substantially increase the tremendous financial burden already facing present and future Social Security taxpayers, and pose a threat to the safety and continued existence of the program itself.

Every unwarranted expansion of existing Social Security benefits, or the unnecessary addition of new types of benefits, would unduly lessen the traditional incentive of Americans to provide economic security for themselves and their families through voluntary, private programs. In addition, the increased Social Security taxes necessary to finance each such expansion would unjustifiably reduce the financial ability of Americans to undertake and carry out such voluntary, private programs.

Above all, the American people should always be aware of the true nature of the Social Security program, of its cost, of the dangers of overexpansion, and the necessity for keeping the program operating on a sound basis.

Therefore, the National Association of Life Underwriters has adopted the following specific policies with respect to Social Security:

1. Every employed person should be covered under Social Security, unless such coverage would result in an undue duplication of government benefits. Such universal coverage is necessary so that the effectiveness of the program will not be impaired by people moving in and out of coverage as they change employment, and is also necessary in order that the true long-range cost of the program may be more accurately determined.

2. As a general rule, men and women should be treated equally by the Social Security system. Benefits for spouses, however, should be coordinated with all governmental employee benefit programs in order to avoid duplication of payments.

3. With respect to minimum benefits under Social Security, if a retiree is receiving benefits from a governmental employee benefit program and Social Security, the Social Security benefit should be limited to that which the person's individual earnings record would produce without reference to arbitrary minimums established for workers with long histories of low earnings. Legislated minimums can benefit certain individuals, such as retired government workers, inequitably since they can receive their rightful government pensions, plus Social Security benefits based upon minimum connection with employment covered by Social Security.

4. The present Social Security computation formula can produce an anomalous situation wherein a relatively younger worker with dependents can qualify for greater survivor benefits than a relatively older worker with a significantly longer work history at maximum levels and with the same number of survivors. NALU is opposed to this inequity, and recommends that corrective action be taken immediately.

5. Social Security benefits should provide only for basic needs, but should be kept up to date, automatically, for enrolled beneficiaries if the cost of living rises. If, however, over a period of years the Consumer Price Index (the scale used to determine automatic adjustments) should increase more than wages, the rise in benefits should be moderated and not be permitted to increase at a more rapid rate than wages. NALU believes that the level of benefits should be maintained at its historical relative replacement ratio of approximately 30–32 percent of final wages.

The entry level of future beneficiaries to the benefit rolls should be determined by means of a separate, decoupled computation formula which results in a rational and stable benefit structure, so that benefits will not increase out of proportion to a person's actual earnings record, and people will be more encouraged to provide for their own economic security through private means. An unreasonable and unstable benefit structure will cause Social Security taxes to become an unduly heavy burden on employers, employees and self-employed individuals.

6. NALU believes that further reduction in the age at which covered workers become eligible to receive Social Security retirement benefits is neither necessary nor desirable. In view of the increased life expectancy and useful economic life of the average American, the Association believes that to the extent that any further reduction in the eligibility age would operate to induce covered workers to choose, or be forced into, earlier retirement than normal, such a result would tend to be detrimental both to the best social and economic interests of the workers themselves and to the economic growth of the nation.

Moreover, there should be no further reduction in the age at which wives and widows become eligible for retirement or survivor benefits for the reason, among others, that any such further reduction could, in turn, create strong pressures for a comparable reduction in the eligibility age for covered workers.

However, if a further reduction in the eligibility age is to be enacted into law, it should be accompanied by an actuarial reduction in the amount of benefits to be paid at the reduced age to prevent a substantial increase in the cost of the Social Security program.

7. A meaningful retirement earnings test ("work clause") should be retained, for one of the acknowledged basic purposes of the Social Security program is to provide benefits only to those persons who, by reason of their advanced age or disability, no longer have the ability or the opportunity to engage in substantial gainful employment.

8. There should be no further liberalization of the qualifications for cash disability benefits under the Social Security program. Strict administration of the disability provisions of the program is necessary to keep the cost of disability benefits at a supportable level.

9. The Social Security program should be kept on an essentially pay-as-you-go basis with a balance between tax receipts and benefit payments being maintained. Social Security tax rates should be revised periodically and the wage base adjusted automatically to a level reflecting the average wage of covered workers. Under the foregoing arrangement, the Social Security trust funds should be kept at levels sufficient to make good any current deficits in the program which may result from such factors as underestimation of the Social Security tax rates and temporary periods of low employment.

10. To keep the Social Security program on as sound a financial basis as possible, if benefits are expanded, the tax rate increase necessary to finance each expanded benefit should become effective at the time the expansion becomes effective.

11. It is undesirable to finance the Social Security program by increasing the taxable earnings base. The wage base was never intended to operate as a financing mechanism, and using it as such will ultimately result in financing deficits. Increasing the earnings base beyond a level reflecting the average wage of covered workers would provide increased benefits to individuals with above-average earnings who are least in need of such benefits. At the same time, because of the weighted nature of the benefit formula in favor of lower income groups, individuals with above-average earnings would be required to bear an unduly disproportionate share of the financing of the program.

12. Under no circumstances, directly or indirectly, should further resort be made to general revenues for the purpose of financing any benefits provided under the Social Security program. Financing of the program by means of special, earmarked taxes paid by employers, employees and self-employed individuals is essential to provide not only necessary control over both the types and levels of Social Security benefits, but also a greater measure of assurance that scheduled benefits will in fact be paid.

13. NALU believes that not all income should be subject to Social Security taxes. In addition to the exclusion granted to unearned income and income above the earnings base, NALU believes that income deferred for retirement should be considered analogous to pension plan proceeds and, therefore, not subject to Social Security taxes. NALU also believes that persons at age 65 should be able to elect, on a nonrevocable basis, to receive a refund of employee taxes on earnings for subsequent years on the condition that their benefit will not be increased by the earnings after age 65 or by the 1% delayed-retirement increment.

TEXAS REHABILITATION ACT—AND DR. LOUIS NAU

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. PICKLE. Mr. Speaker, over the years the Texas Rehabilitation Commission has compiled a very enviable record in restoring those who have suffered from debilitating injuries or diseases to fulfilling positions in society.

The headquarters for the TRC is located in Austin and its director of research is Mrs. Carol Whitcraft, Ph. D. When she visited Washington, Dr. Whitcraft informed me about some of the newest techniques being used in dealing with handicapped persons, especially the deaf.

In particular, Dr. Whitcraft told me about the activities of Dr. Louis Nau who is director of planning and research, for Architectural and Transportation Barrier Control of the Rehabilitation Services Administration here in Washington. Dr. Nau has been successfully applying his avocation, clowning, to work with the deaf. It is a moving and touching story.

I would like to insert Dr. Nau's article from the American Rehabilitation magazine which details his innovative techniques:

CLOWNS COMMUNICATE WITH DEAF PEOPLE

(By Louis Y. Nau, Ph. D.)

"All the world loves a Clown." Few individuals would challenge this well known statement. Yet in the silent world of deafness and severe hearing impairment, the sensory thrill derived from the antics and repartee of clowns is greatly diminished. Through a combined effort of Kapitol Klowns, the Metropolitan Washington, D.C. Area Alley (chapter) of Clowns of America, the New York University Deafness Research and Training Center, and the Office of Deafness and Communicative Disorders of the Rehabilitation Services Administration of the Department of Health, Education, and Welfare, an important attempt is being made to bring the "total communication" process into the art of clowning. This article is offered to describe the historical background of clowning, the current activities in clowning for the deaf, and a discussion of possible long range results which could accrue through such an approach.

Clowning, as a performing art, has an historical origin which is difficult to date or place. Early Chinese art depicts clown-like characters and traces of clowning are found in ancient Greek burlesque and on the Roman stage. Fools and jesters, also clowns, were an important part of the court of kings during the Middle Ages. Later, on the stages in France, Pierrot and Harlequin popularized clowning among the common people. Still later in Italy, clowning began to reach its zenith through Pantaloon, through Leoncavallo's "Pagliacci," and most particularly through the genius of the namesake of all clowns, Joseph "Joey" Grimaldi.

In this country, clowns and clowning originated under the "big top" of the circus, through such men as the famous Emmett Kelley. Through his work, and through the efforts of many other clowns, the Hobo, the Tramp, the Whiteface, the Policeman, and other clown characters became the symbols of fun, laughter, and entertainment in a circus setting.

However, clowning goes far beyond the confines of the circus performance. Clowning is a true performing art. It is appropriate in many settings. It requires physical skills and stamina, theatrical and dramatic ability, a keen sense of humor and timing, fertile imagination, sound understanding of human nature and behavioral psychology, and a basic love and concern for people of all ages and conditions. Such qualities offer the ingredients which have moved clowning and rehabilitation into a new and exciting functional relationship.

The Kapitol Klowns, as professional non-circus clowns, are undertaking a unique approach in the practice of this art form. Early this year, through the interest of Frank "Fashoo" Wisnieski in sensory handicapped individuals, contact was made with Dr. Boyce Williams, Director of the Office of Deafness and Communicative Disorders of RSA. Their discussions centered upon the importance of recreation and entertainment in the rehabilitation of deaf people. It was noted that some progress has been made in recent years in music and drama, through organizations like the National Theater Of The Deaf, The Gallaudet College and Rock Gospel For The Deaf. Clowning, however, because of its previously mentioned attributes, was seen to be an art form which could be utilized in the rehabilitation of the deaf and hearing impaired, not only as recreational rehabilitation but even as a therapeutic process.

In order to test the efficacy of clowning as a technique in recreational rehabilitation through the adaption of sign language, the spoken word, and mime (pantomine being a primary tool of the practicing clown) into a unique total communication process, the entire membership of the Kapitol Klown Alley began studying sign language through the assistance of the staff of the New York University Deafness Research and Training Center. Through the cooperation of Dr. Jerome D. Schein and the work of Mrs. Carol Tipton of the NYU staff, special language materials were prepared to "nonverbalize" clown dialogue used in acts and skits. The combination of signs, graphics, pantomine, costuming, makeup, and stage props were then incorporated into a full performance, specifically designed to entertain deaf audiences.

As outgrowth of this activity, through the work of Bernard "Sandwich" Hamburger, with RSA staff, arrangements were made to present this innovative production as an entertainment feature at the Seventh World Congress of the Deaf, held at the Washington-Hilton Hotel, Washington, D.C. this week of August 3, 1975. Interestingly, this Congress performance and National Clown Week occur simultaneously, a fitting coincidence for such a novel occasion. (At this writing, final preparations for this performance are still in progress.)

Rehabilitationists working in the field of deafness are excited about the prospects of clowning as a new technique in broadening the entertainment and recreational options for the deaf and other hearing impaired. The Kapitol Klowns, on the other hand, feel that the adaptation of these new communication skills can add another dimension to the art of clowning.

From the clown's point of view, a basic training program for hearing clowns could be developed and made available to any of the some 4,000 clowns who maintain membership in the Clowns of America Association, and also to clowns affiliated with other organizations. For many years, the Shrine Temples of the Masonic Order, many Knights of Columbus chapters, some police, and other fraternal organizations have maintained clown units which have performed for various handicapped groups. It is believed that training to include total communication for the deaf, as a part of clowning skills could increase the scope and effectiveness of these artists.

Kapitol Klowns also believe that through their approach, hearing impaired or deaf individuals could be encouraged to become clowns, thus offering hobbies or even employment for persons interested in this pursuit.

From the rehabilitation point of view, some rehabilitation specialists believe, as do some clowns, that because of certain unique characteristics of clowning, this medium could be used as a therapeutic process in rehabilitation.

Clowning is based on a variety of philosophical and psychological principles related to role modeling and role relationships. It is presumed that through the use of training in makeup, costuming, through psychodrama, skits and acts, the deaf and hearing impaired and perhaps other severely handicapped persons could be afforded an opportunity and structure to learn coping behaviors required in making appropriate personal and social adjustments necessary in successful rehabilitation. It is felt that the opportunity to act out various inhibitions through the art of clowning, as well as the confidence building aspects involved in such activity, could be important tools in developing the full potential of disabled people.

This all sounds like a strange combination—clowning and rehabilitation. "Laughter is the best medicine", however, is an adage which has been proven true so many times, that failing to explore this new relationship would be a loss to handicapped people. Who, besides the clown and the comic, is better fitted to provide this pleasant "medicine"? Who besides the sick, the suffering, and the handicapped are so in need of the "cure"?

LEGISLATIVE SUBCOMMITTEE OF HOUSE SMALL BUSINESS COMMITTEE IS EFFECTIVE AND EFFICIENT

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. EVINS of Tennessee. Mr. Speaker, as you know, this year for the first time the House Small Business Committee has legislative authority and I am pleased to report that the Subcommittee on SBA and SBIC Legislation is conducting its business efficiently and effectively under the able leadership of the gentleman from Iowa (Mr. SMITH), subcommittee chairman.

The subcommittee has worked hard and has handled bills referred to the committee with dispatch and with due deliberation and consideration.

Some 53 bills have been referred to the subcommittee; action has been completed on 27 bills with 20 days of hearings; 3 bills have been reported and 3 bills passed the House; 2 small business bills out of the House are pending in the Senate, and 1 bill is in conference.

I should point out that a number of bills referred to the subcommittee were similar and were incorporated in bills reported and passed.

All bills passed reflects great credit on Chairman NEAL SMITH and the other members of the subcommittee.

Certainly the effective action of the Subcommittee on Small Business Legislation attests to the wisdom of the Congress in providing this committee with legislative authority and jurisdiction.

THE NEW FORGOTTEN MAN

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. DON H. CLAUSEN. Mr. Speaker, yesterday the House passed amendments to the Occupational Safety and Health Act which will provide a step forward in our efforts to assist small businessmen in dealing with and better understanding the labyrinth of Federal laws and regulations with which they are faced.

This step is one in a growing march against the maze of rules and regulations which have literally strangled our small business community. This stranglehold has caused a massive erosion of the innovative contributions and the financial stability that small business has provided to and for our communities. Through repressive taxation and regulatory policies the Government has shown only one face to business—that of an agent of harassment, punishment, and overly burdensome regulations. And, as I said yesterday, and the day before, and will continue to say, it is about time that those of us who are concerned about the future of free enterprise in America stand up and be counted, and in this regard, I commend to my colleagues the following article by Irving Kristol, which appeared in the Wall Street Journal of November 13, 1975. It provides an excellent insight into the problems and potential of small business in America:

THE NEW FORGOTTEN MAN

(By Irving Kristol)

It was about a hundred years ago that the American social theorist William Graham Sumner coined (or popularized) the phrase, "the forgotten man." He was referring to the average taxpayer, not poor enough to be the object of official compassion, not rich enough to remain basically unaffected by official depredations. There never was any popular animus against such a person; the political process simply ignored him, even as it afflicted him.

The phrase caught on, and those of us of a certain age can well remember the standard cartoon, on the editorial pages of the more conservative press, in which a naked John Q. Citizen, his nudity concealed only by a barrel, pathetically clutched the last few dollars of his after-tax income and desperately pleaded that attention be paid to him.

During the years of the post-war boom, 1945–1965, this image rather faded from the popular imagination. Taxes grew steadily in this period, to be sure, but incomes rose even faster, and the average citizen was not perceived to be suffering much, nor did he himself seem to feel any particular distress. In the late '60s, of course, all this began to change, as inflation took hold, economic growth slowed down, and the spirit of a taxpayers' rebellion began slowly to intrude itself into the political consciousness. The average taxpayer, a relatively small minority of the population in Sumner's day, is now the overwhelming bulk of the citizenry. He may remain, in 1975, an unduly afflicted being, but no one can say that he has been forgotten. The level of taxation has become a major political issue, which even the most spendthrift of politicians has to take account of.

Meanwhile, however, a whole new class of forgotten men has emerged. Like his counterpart of yesteryear, today's forgotten man is—if the opinion polls are to be believed—a fairly respected and well-regarded citizen. No one is leading a crusade against him, and it is probable that no one really wants to. He is merely being chivvied, harassed, ruined, and bankrupted by a political process that takes him for granted and is utterly indifferent to his problematic condition. I refer to the small businessman.

AN INVISIBLE FIGURE

It is astonishing and dismaying how little interest there seems to be in the condition of small business in the United States today. Big business is in the spotlight to such a degree, and is the focus for such passionate concern (pro or con), that the smaller businessman is an invisible figure, offstage somewhere.

One can understand why and how this has happened. Big business is certainly far more important today, economically and politically, than it ever was. Economically, because the overall health of the economy, in terms of investment, economic growth, employment, hinges very much on the health (or lack thereof) of big business. Politically, because the struggle for control over the decision-making process of the large corporation—which is what "regulation" is all about—will certainly have a profound effect on the ultimate status of the private sector vis-a-vis the political sector, in our still-mixed economy. Both our collective prosperity and individual liberty, therefore, are very much at issue in the current controversies over the ways in which big business should be organized and operated.

But if small business is of lesser economic significance than it used to be, its economic role is still terribly important. And the fact that the future of the large corporation involves the future of our private sector should not obscure the more basic fact that small business preeminently is the private sector.

Economically, small business plays a critical role in the process of innovation. When one surveys the new products and new processes of the past 25 years, it is extraordinary how many of them were introduced by aggressive entrepreneurs or smaller business firms. The Xerox copier, the Polaroid camera, the mini-computer, high-fidelity recordings, frozen foods, wash-and-dry clothing, etc.—the list is long and impressive. Nor is it only product innovation that small business is so good at. It also rates high marks for conceptual innovation, for coming up with a new way of organizing older services. Containerization; the discount store; the motel; franchising the sale of hamburgers, fried chicken, and other food products—these, among others, were ideas in the head of all individuals that proved fruitful and beneficial because our economic system permitted them to compete with existing ideas as to how things should be done. Obviously, not all the innovations of entrepreneurs succeeded; indeed, most of them fail, as they are bound to in a high-risk, high-payoff situation. But this brash willingness to risk failure is itself one of the major merits of a system of "free enterprise."

The large corporation may be the end-product of "free enterprise" but it is not its quintessential representative, either in theory or practice. It is true that, in the United States as compared with the Soviet Union, the large corporation is relatively innovative, does preserve an entrepreneurial aspect. (To the degree that government gets involved in decision-making, it is always the avoidance of risk that will take priority.) But even at its best, the large corporation will never be as enthusiastic about innovation as its tiny competitors. It has a huge investment in existing products and procedures that it would prefer not to write off too quickly. It usually makes more economic sense for it to seek marginal improvements in productivity rather than to concentrate on a new product that may or may not sell, or a new process that may or may not work. And its vast bureaucracy is always, to some extent, a conspiracy against innovation: layer upon layer of experts—lawyers, engineers, marketing men—are at hand to point out all the things that can go wrong. These objections will have both merit and force; a corporate officer will have to take them seriously. Only the entrepreneur, with little to lose, can boldly ignore them.

But small business is even more important politically than economically. It is integral to that diffusion of power and wealth, and to the economic and social mobility which are the hallmarks of a liberal society. It is the small businessman who builds up those large fortunes which then sustain the not-for-profit sector—the universities, foundations, philanthropies—which is so important a buffer between the public and private sectors. (Corporate executives almost never accumulate that amount of capital, despite their high salaries.) It is the successful small businessman who maintains his roots in a local community, becomes a visible symbol of success to everyone, gives the politicians in our smaller towns and cities their own access to funds (and therefore a greater independence from national organizations), supports all those local activities—social or cultural—which keeps community morale high. And it is in the small business sector that those who are discriminated against, whether it be for their politics, race or religion, can find, and have traditionally found, sanctuary.

Indeed, when we talk about "liberal capitalism," we are talking specifically about a political-economic system in which *small* business is given the opportunity not only to survive, but to prosper. If Yugoslavia or Russia were, tomorrow, to permit their major nationalized industries to sell shares to the public, in order to raise capital, it would not involve any grand reformation of their systems. On the other hand, if they gave entrepreneurial freedom to small business, it most certainly would. Then, and only then, could one talk seriously about "liberalization."

Similarly, in the "capitalist" countries the very largest of our corporations are already, and will surely remain, "quasi-public" institutions. That is the way they are described in all the business-school texts; that is the way they are referred to casually by politicians and the media; and, in truth I have yet to hear the chairman of a major corporation publicly insist that what he commands is a species of private property, in the traditional sense of that term. (The exact meaning of "quasi-public," of course, is unclear, and its definition is what the fighting is all about.)

DIFFERING ATTITUDES

Small business, in contrast, even where there is public ownership of shares, is still generally perceived to be a species of private property and to possess the legitimacy which most Americans are still willing to concede to private property. In this respect, the United States is very different from Western Europe. Here, it is only big business that public attitudes are likely to be hostile to. There, all business falls under a shadow of distrust and disfavor. Popular opinion there is inclined to be antibusiness per se—i.e., anti-capitalist. We are still, in principle and to a large degree in actuality, a liberal-capitalist society. And it is small business that makes it so.

It is therefore all the more paradoxical that, in our taxation and regulatory policies, so little attention is paid to the needs of small business. I note that the House Ways and Means Committee has just decided to continue a lower tax rate on the first $50,000 of corporate income, after which the full 48% rate applies. What a pitiful gesture! Why shouldn't the corporate income tax be far more graduated than this, so that the full 48% rate applies only when a firm reaches, say, the $2 million income level? *That* would make a difference. Why doesn't a Republican administration, concerned about the survival of liberal capitalism, press for such a reform? Why does it persist in trying to lower the tax ceiling for all corporations—a proposal which Congress will certainly ignore, while it just might be willing to give smaller business a break? The answer, I suggest, is that it is so concerned—we are all today so concerned—about "macroeconomic" phenomena that the economic and sociological and political importance of the smaller businessman or smaller business firm has simply been overlooked.

One also may properly wonder why no greater efforts are made to protect smaller businesses from the horrendous burden which the newer regulatory agencies impose on them. Big business finds it difficult enough to cope with all the expensive changes required to meet new rules governing air pollution, water pollution, noise, safety, etc. But, in the end, big business has the resources to survive this experience, harrowing as it is. Small business will not survive it, and is not. All over the nation, smaller firms are being pushed into liquidation of mergers by their inability to cope with these new burdens. They need more time, more generous (albeit temporary) exemptions. Why don't we hear more voices, and louder ones, demanding that they receive such differential treatment?

If small business is going to survive in this country, it is going to have to organize itself more effectively so that its interests are respected. Just why it has so far failed to do this, I do not know. But I do know that unless it does, it will perish from neglect. And much that is precious to the American way of life will perish with it.

COMMEMORATING LATVIAN INDEPENDENCE DAY

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. McCLORY. Mr. Speaker, on this day, Latvian Americans and Latvians throughout the world will commemorate the 57th anniversary of the day Latvia proclaimed independence as a democratic republic. Observance of this event should serve to remind us of the plight suffered by the Baltic countries since 1940. Forced to exist under the illegal occupation of the Soviet Union, the continued restrictions upon the peoples of these countries in their freedom of expression and cultural independence will never be tolerated or accepted by the United States.

I join with the Latvian American community and all those who cherish freedom and the right to self-determination in the hopes that once again freedom and independence will return to Latvia. To this end, I have joined with my colleagues in sponsoring House Congressional Resolution 469, which reaffirms U.S. policy to refuse to recognize the illegal seizure and annexation by the Soviet Union of Latvia, Estonia, and Lithuania.

May today's commemoration of Latvian Independence Day serve to renew in each of us an unfaltering commitment to the cause of individual freedom and integrity throughout the world.

MORE ARMS SALES TO SAUDI ARABIA: TIME FOR REVIEW

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. STARK. Mr. Speaker, I am concerned about recent reports about increased sales of military services to Saudi Arabia.

This past September, the administration proposed a sale of services under the Foreign Military Sales Act of some $1.45 billion to Saudi Arabia, to include construction of an army base known as the Al Batin Cantonment. Due to the sheer magnitude of this proposal and the unavailability of information on it, I introduced a resolution of disapproval to allow the Congress an opportunity to consider its ramifications.

After several briefings and hearings, it appears that this base will cost not $1.45 billion, but somewhere around $3–4 billion—maybe up to $7 billion. It will be a military city with an airfield, runway, troop barracks, housing, schools, rifle ranges, and all other basic necessities. Apparently, based on a population of 40,000 people—projected by the Army, and on conservative Army cost estimates of a total of $4 billion, this base will cost at least $100,000 per person to build.

Now we see reports that the Saudis want yet another base and plan to involve our Army Corps of Engineers again in construction and design plans. This, according to press reports, is scheduled to be a $2.2 billion contract to provide housing, construction, and training in connection with the F–5 fighter jets we have been selling the Saudis. It will no doubt be similar to an Air Force base, although the Saudi air force at latest count numbered only about 15,000 people. While the contract has not yet been let, nor the letter of offer proposed, I wish to indicate my strong reservations over any construction plan of this scope in Saudi Arabia.

In response to several questions on the subject, we were assured by the Army Corps during our briefing on the Al Batin Cantonment that there was absolutely no consideration given in the letting of contracts or subcontracts to specific bidders on the basis of race, religion, or sex. The Army told us specifically that the Saudis made no formal or informal conditions of this kind, and that no de facto or de jure discrimination was practiced. Since those briefings, reports have emerged which indicate that the Saudi Government has refused to admit women, blacks, or Jews in a highway construction program it has contracted for with the State Transportation Department in the State of California. Let me make it very clear right here and now that if the Army Corps, which has been involved in this kind of project since the late 1950's, has misled us in this regard, I will have no reservations about opposing every single one of their projects as well as every Saudi project requested by the administration. Such reported attitudes are shocking, and our Nation—especially our Government—should refuse to condone them either officially or unofficially.

Mr. Speaker, I am very distressed about these reports and emphasize once again the need for a reformed procedure to allow the Congress to review proposed foreign military sales. The House International Relations Committee is presently in markup on relevant legislation, and I hope they will act to enable Congress to assess the impact of such sales both en masse and individually. I very much hope that the Saudi sales, in particular, will be reviewed when the letter of offer is sent to the Hill in the near future.

NONAPPROPRIATED FUND FEDERAL BLUE-COLLAR WORKERS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. CLAY. Mr. Speaker, on October 29, 1975, with the cosponsorship of my distinguished colleague from Michigan, Mr. FORD, I introduced H.R. 10419. This bill, when enacted, will provide nonappropriated fund blue collar employees, who are performing identical duties as appropriated fund blue collar employees, with full parity in wages and fringe benefits. All my adult life I have fought against discriminatory employment practices. Certainly, these dedicated Federal blue collar employees whose wages are paid from nonappropriated funds have been victimized by a system which denies them equal pay for equal work.

The failure of the Federal Wage System to adequately compensate these employees is readily apparent when one looks at these existing pay schedules. Most nonappropriated fund employees are in the lower grades (1–3). The vast majority of these employees are paid, not from a schedule based on wages paid for comparable work in the private sector, but rather from an artificially constructed schedule which merely complies with minimum wage provisions of the Fair Labor Standards Act.

H.R. 10419 would end the disparate treatment of 94,000 nonappropriated fund blue collar employees. In the St. Louis area, nonappropriated fund employees doing the same work as appropriated fund employees receive 30 to 60 percent less in hourly wages. In 1972, Congress granted partial relief to some nonappropriated fund employees by enacting Public Law 92–392—Wage Grade Act. That this gradual approach has failed is evidenced by the significant disparity in pay.

Now is the time to end permanently the discriminatory treatment of dedicated nonappropriated fund blue collar employees.

FULBRIGHT ON THE PRESS

HON. ELFORD A. CEDERBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. CEDERBERG. Mr. Speaker, it is a pleasure to bring to the attention of my colleagues an excellent article by the distinguished former senior Senator from Arkansas, Bill Fulbright.

In the article I believe Bill Fulbright touches on some very serious questions related to media coverage of events of the past few years. While we are all aware of some of the serious problems we have encountered, I think that it would do the press well to give some serious thought to the points which our former colleague makes. The Nation's best interest is served when all elements of our society work together to solve problems, and I hope that Bill's advice on facing the future will be taken to heart.

The article, from the November–December 1975 issue of the Columbia Journalism Review, follows:

FULBRIGHT ON THE PRESS

(By J. William Fulbright)

Heresy though it may be, I do not subscribe unquestioningly to the Biblical aphorism that "the truth shall make you free." A number of crucial distinctions are swept aside by an indiscriminate commitment to the truth—the distinction, for instance, between factual and philosophical truth, or between truth in the sense of disclosure and truth in the sense of insight. There are also certain useful fictions—or "myths"—which we invest with a kind of metaphorical truth. One of these is the fiction that "the king can do no wrong." He can, of course, and he does, and everybody knows it. But in the course of political history it became apparent that it was useful to the cohesion and morale of society to attribute certain civic virtues to the chief of state, even when he patently lacked them. A certain dexterity is required to sustain the fiction, but it rests on a kind of social contract—an implicit agreement among Congress, the press, and the people that some matters are better left undiscussed, not out of a desire to suppress information, but in recognition, as the French writer Jean Giraudoux put it, that "there are truths which can kill a nation." What he meant, it seems, was that there are gradations of truth in a society, and that there are some truths which are more significant than others but which are also destructible. The self-confidence and cohesion of a society may be a fact, but it can be diluted or destroyed by other facts such as the corruption or criminality of the society's leaders. Something like that may have been what Voltaire had in mind when he wrote, "There are truths which are not for all men, nor for all times." Or as Mark Twain put it, even more cogently, "Truth is the most valuable thing we have. Let us economize it."

In the last decade—this Vietnam and Watergate decade—we have lost our ability to "economize" the truth. That Puritan self-righteousness which is never far below the surface of American life has broken through the frail barriers of civility and restraint, and the press has been in the vanguard of the new aggressiveness. This is not to suggest in any way that the press ought to pull its punches, much less be required to do so, on matters of political substance. I myself have not been particularly backward about criticizing presidents and their policies, and I am hardly likely at this late date to commend such inhibitions to others. I do nonetheless deplore the shifting of the criticism from policies to personalities, from matters of tangible consequence to the nation as a whole to matters of personal morality of uncertain relevance to the national interest.

By and large, we used to make these distinctions, while also perpetuating the useful myth that "the king can do no wrong." One method frequently employed when things went wrong was simply to blame someone else—in a ceremonial way. When I began publicly to criticize the Johnson Administration, first over the Dominican intervention is 1965, then over the escalating Vietnam war, I was at some pains to attribute the errors of judgment involved to the "president's advisers" and not to the president himself—although I admit today that I was not wholly free of doubts about the judgment of the top man.

Our focus was different in those days from that of more recent investigations, especially Watergate, but also the current inquiries concerning the CIA and the multinational corporations. It was sometimes evident in hearings before the Foreign Relations Committee on Vietnam and other matters that facts were being withheld or misrepresented, but our primary concern was with the events and policies involved rather than with the individual officials who chose—or more often were sent—to misrepresent the administration's position. Our concern was with correcting mistakes rather than exposing, embarrassing, or punishing those who made them.

In contrast, a new inquisitorial style has evolved, which is primarily the legacy of Watergate, although perhaps it began with the Vietnam war. That protracted conflict gave rise to well-justified opposition based on what seemed to me—and still does—a rational appreciation of the national interest. But it also set loose an emotional mistrust—even hostility—to government in general. Somehow the policy mistakes of certain leaders became distorted in the minds of many Americans, especially young ones, as if they had been acts of premeditated malevolence rather than failures of judgment. The leaders who took us into Vietnam and kept us there bear primary responsibility for the loss of confidence in government which their policies provoked. I am as certain today as I ever was that opposition to the Vietnam war—including my own and that of the Senate Foreign Relations Committee—was justified and necessary. Nonetheless, I feel bound to recognize that those of us who criticized the war as mistaken in terms of the national interest may unwittingly have contributed to that surge of vindictive emotionalism which now seems to have taken on a virulent life of its own.

The emotionalism has not survived without cause, to be sure. The Watergate scandals provoked a justified wave of public indignation, and a wholly necessary drive to prevent such abuses in the future. Moral indignation, however—even *justified* moral indignation—creates certain problems of its own, notably the tendency of indignation, unrestrained, to become self-righteous and vindictive. Whatever the cause and antecedents, whatever too the current provocation, the fact remains that the anti-Watergate movement generated a kind of inquisition psychology both on the part of the press and in the Congress.

If once the press was excessively orthodox, and unquestioning of government policy, it has now become almost sweepingly iconoclastic. If once the press showed excessive deference to government and its leaders, it has now become excessively mistrustful and even hostile. The problem is not so much the specific justification of specific investigations and exposures—any or all must have merit—but whether it is desirable at this stage of our affairs—after Vietnam and Watergate—to sustain the barrage of scandalous revelations. Their ostensible purpose is to bring reforms, but thus far they have brought little but cynicism and disillusion. Everything revealed about the CIA or dubious campaign practices may be wholly or largely true, but I have come to feel of late that these are not the kind of truths we most need now; these are truths which must injure if not kill the nation.

Consider the example of the CIA. It has been obvious for years that Congress was neglecting its responsibility in failing to exercise meaningful legislative oversight of the nation's intelligence activities. A few of us tried on several occasions to persuade the Senate to establish effective oversight procedures, but we were never able to master more than a handful of votes. Now, encouraged by an enthusiastic press, the Senate—or at least its special investigating committee—has swung from apathy to crusading zeal, offering up one instance after another of improper CIA activities with the apparent intent of eliciting all possible public shock and outrage. It seems to me unnecessary at this late date to dredge up every last gruesome detail of the CIA design against the late President Allende of Chile. Perhaps it would be worth doing—to shake people up—if Watergate were not so recently behind us. But the American people are all too shaken up by that epic scandal, and their need and desire now are for restored stability and confidence. The Senate knows very well what is needed with respect to the CIA—an effective oversight committee to monitor the agency's activities in a careful, responsible way on a continuing basis. No further revelations are required to bring this about; all that is needed is an act of Congress to create the new unit. Prodding by the press to this end would be constructive, but the new investigative journalism seems preoccupied instead with the tracking down and punishment of wrongdoers, with giving them their just deserts.

My own view is that no one should get everything he deserves—the world would become a charnel house. Looking back on the Vietnam war, it never occurred to me that President Johnson was guilty of anything worse than bad judgment. He misled the Congress on certain matters, and he misled me personally with respect to the Gulf of Tonkin episode in 1964. I resented that, and I am glad the deceit was exposed. But I never wished to carry the matter beyond exposure, and that only for purposes of hastening the end of the war. President Johnson and his advisers were tragically mistaken about the Vietnam war, but by no standard of equity or accuracy did they qualify as "war criminals." Indeed, had Mr. Johnson ended the war by 1968, I would readily have supported him as my party's candidate for reelection.

Watergate, one hopes, has been consigned to the history books, but the fame and success won by the reporters who uncovered the scandals of the Nixon administration seem to have inspired legions of envious colleagues to seek their own fame and fortune by dredging up new scandals for the delectation of an increasingly cynical and disillusioned public. The media have thus acquired an unwholesome fascination with the singer to the neglect of the song. The result is not only an excess of emphasis on personalities but short shrift of significant policy questions. It is far from obvious, for example, that Watergate will prove to have been as significant for the national interest as President Nixon's extraordinary innovations in foreign policy. The Nixon détente policy was by no means neglected, but it certainly took second place in the news to Watergate.

Similarly—to take a more recent topic of interest to Congress and the press—it strikes me as a matter of less than cosmic consequence that certain companies have paid what in some cases may be commissions, and in others more accurately bribes, to foreign officials to advance their business interests. Such laws as may have been violated were not our own but those of foreign countries, and thus far the countries involved have exhibited far less indignation over these payments than over their exposure by a United States Senate subcommittee. I should not have to add, I trust, that I do not advocate corporate bribery either abroad or at home; nor would I object to legislation prohibiting the practice. At the same time the subject does not strike me as deserving of a harvest of publicity. It disrupts our relations with the countries concerned, and what is worse, it smacks of that same moral prissiness and meddlesome impulse which helped impel us into Vietnam. Furthermore, "commission" payments are not unknown in government business in the United States, and hypocrisy is not an attractive trait. Even in our business dealings with Italy or Saudi Arabia, there is relevance in the lesson of Vietnam; whatever the failings of others, we are simply not authorized—or qualified—to serve as the self-appointed keepers of the conscience of all mankind.

A recent instance of misplaced journalistic priority, which came within my own domain, was the media's neglect of the extensive hearings on East-West détente held by the Foreign Relations Committee during the summer and fall of 1974. The issues involved—the nuclear arms race and the SALT talks, economic and political relations between the United States and the Soviet Union and China—were central to our foreign policy and even to our national survival. At the same time that the media were ignoring the détente hearings, they gave generous coverage to the nomination of a former Nixon aide as ambassador to Spain, a matter of transient interest and limited consequence.

To cite another example: the press and television gave something like saturation coverage in 1974 to Congressman Wilbur Mills' personal misfortunes; by contrast I do not recall reading anything in the press about the highly informative hearings on the Middle East, and another set on international terrorism, held in the spring of that year by Congressman Lee Hamilton's House Foreign Affairs Subcommittee on the Near East and South Asia. The crucial ingredient, it seems, is scandal—corporate, political, or personal. Where it is present, there is news, although the event may otherwise be inconsequential. Where it is lacking, the event may or not be news, depending in part, to be sure, on its intrinsic importance, but hardly less on competing events, the degree of controversy involved, and whether it involves something "new"—new, that is, in the way of disclosure as distinguished from insight or perspective.

The national press would do well to reconsider its priorities. It has excelled in exposing wrongdoers, in alerting the public to the high crimes and peccadilloes of persons in high places. But it has fallen short—far short—in its higher responsibility of public education. With an exception or two, such as the National Public Radio, the media convey only fragments of those public proceedings which are designed to inform the general public. A superstar can always command the attention of the press, even with a banality. An obscure professor can scarcely hope to, even with a striking idea, a new insight, or a lucid simplification of a complex issue. A bombastic accusation, a groundless, irresponsible prediction, or, best of all, a "leak," will usually gain a congressman or senator his heart's content of publicity; a reasoned discourse, more often than not, is destined for entombment in the Congressional Record. A member of the Foreign Relations Committee staff suggested that the committee had made a mistake in holding the 1974 détente hearings in public; if they had been held in closed session and the transcripts then leaked, the press would have covered them generously.

We really must try to stop conducting our affairs like a morality play. In a democracy we ought to try to think of our public servants not as objects of adulation or of revilement, but as *servants* in the literal sense, to be lauded or censured, retained or dispensed with, according to the competence with which they do the job for which they were hired. Bitter disillusionment with our leaders is the other side of the coin of worshipping them. If we did not expect our leaders to be demigods, we would not be nearly as shocked by their failures and transgressions.

The press has always played up to our national tendency to view public figures as either saints or sinners, but the practice has been intensified since Watergate. President Ford was hailed as a prince of virtue and probity when he came to office. Then he pardoned President Nixon and was instantly cast into the void, while the media resounded with heartrending cries of betrayal and disillusion. Many theories, often conspiratorial, were put forth in explanation of the Nixon pardon—all except the most likely: that the president acted impulsively and somewhat prematurely out of simple human feeling.

Secretary Kissinger, for his part, has been alternately hailed as a miracle worker and excoriated as a Machiavellian schemer, if not indeed a Watergate coconspirator. I myself was criticized by some of the Kissinger-hating commentators for "selling out" by cooperating with the secretary on East-West détente and the Middle East. Until that time it had never occurred to me that opposition itself constituted a principle, and one which required me to alter my own long-held views on Soviet-American relations and the need for a compromise peace in the Middle East.

My point is not that the character of our statesmen is irrelevant but that their personal qualities are relevant only as they pertain to policy, to their accomplishments or lack of them in their capacity as public servants. Lincoln, it is said, responded to charges of alcoholism against the victorious General Grant by offering to send him a case of his favorite whiskey. Something of that spirit would be refreshing and constructive in our attitude toward our own contemporary leaders. None of them, I strongly suspect—including Dr. Kissinger, President Ford, and former President Nixon—is either a saint or a devil, but a human like the rest of us, whose proper moral slot is to be found somewhere in that vast space between hellfire and the gates of heaven.

A free society can remain free only as long as its citizens exercise restraint in the practice of their freedom. This principle applies with special force to the press, because of its power and because of its necessary immunity from virtually every form of restraint except self-restraint. The media have become a fourth branch of government in every respect except for their immunity from checks and balances. This is as it should be—there are no conceivable restraints to be placed on the press which would not be worse than its excesses. But because the press cannot and should not be restrained from outside, it bears a special responsibility for restraining itself, and for helping to restore civility in our public affairs.

For a start, journalists might try to be less thin-skinned. Every criticism of the press is not a fascist assault upon the First Amendment. One recalls, for example, that when former Vice President Agnew criticized members of Congress and others, the press quite properly reported his remarks, taking the matter more or less in their stride. But when he criticized the media, the columnists and editorialists went into transports of outraged excitement, bleeding like hemophiliacs from the vice-president's pinpricks.

More recently, since Watergate, the press has celebrated its prowess with a festival of self-congratulation, and politicians have joined with paeans of praise. The politicians' tributes should be taken with a grain of salt in any case—they have seen the media's power and few are disposed to trifle with it. The real need of the press is self-examination, and a degree of open-mindedness to the criticisms which are leveled against it. Journalists bear an exceedingly important responsibility for keeping office holders honest; they have an equally important responsibility for keeping themselves honest, and fair.

I make these general criticisms of the press with some embarrassment, because during my thirty-two years in public life I was treated for the most part with understanding and generosity by the press, most particularly by the major newspaper in my home state of Arkansas. Such complaints as I have—and I have a few—are essentially aspects of the more general problems cited above.

To my considerable personal discomfort I have found myself from time to time under journalistic examination to determine—it would seem—whether I was a saint or an agent of the devil. Knowing full well that I was not the former, and daring to hope that I was not one of Satan's minions either, I have sometimes experienced a curious sense of detachment when reading about myself, as if the subject were really someone else. In truth, I have never thought of myself as anything but a politician—until my recent retirement—trying to advance the national interest, as best I understood it, while also doing my best to service my constituency, readily if not happily compromising between the two when that seemed necessary.

The Arkansas press—including the two statewide newspapers, the *Gazette* and the *Democrat*—came closer than others to accepting me on those terms, reporting my often heretical views on foreign policy with reasonable objectivity while also noting my efforts on behalf of agriculture, education, and industry in Arkansas—efforts in which I took and still take considerable personal pride. Even in my last, losing primary campaign in 1974 I was pleased and proud to have the support of the *Gazette* and the *Democrat*.

The sophisticated national press—though usually generous and sometimes flattering to me personally—has nonetheless had a tendency to pose certain rather tedious—and in my opinion largely meaningless—"paradoxes" about my personality and my role. Is Fulbright truly a humanitarian idealist, or a racist under the skin? An "international peace prophet," as one friendly writer recently put it, or "plain old Bill," regaling Arkansas rubes with talk about the price of cotton and chickens? How too, they have asked, anguishing on my behalf, can an "urbane" internationalist like Fulbright survive in a southern "hillbilly" state like Arkansas? But most of all my friends in the national press have pointed—more in sorrow than in anger—to the "paradox" of my "humanitarianism on a global scale" as against my early opposition to civil rights legislation and, more recently, my dissent from aspects of our Middle East policy and my differences with the Israeli lobby in Congress.

All these questions have been posed as a "moral" dilemma, in much the same way that our presidents have been viewed as either saints or sinners. What I perceive in this approach is not a genuine moral dilemma, or even an authentic paradox of personality, but another manifestation of that Puritan dogmatism which pervades our national life, including—to a far greater degree than is recognized—our liberal intellectual community. In the case of the eastern liberal press, the dogmatism is reinforced by arrogance—the arrogance of people who regard themselves as duly appointed arbiters not only of the nation's style and taste but also of its morality. The "paradox" posed about me by a number of writers has never greatly impressed or interested me because it is not really my paradox but *theirs*. "How," they are asking, "can a man who shares so many of my opinions and prejudices fail so woefully to share them all?'

In fact there are a few rather simple explanations to the so-called "paradoxes" in my career. While believing in the necessity of international cooperation and of the United Nations idea, I have also believed that education and economic opportunity were the best avenue to racial justice in the United States. I did not vote for civil-rights legislation prior to the late sixties for two very simple reasons: first, because I doubted its efficacy; second, because my constituents would not have tolerated it. I felt able to challenge some of their strong feelings on such matters as the Vietnam war, I did not feel free to go against them on the emotionally charged issue of race. And as far as the "paradox" of world peace as against the price of cotton is concerned, I see no conundrum at all—I have always been interested in both.

Coming finally to the "paradox" of my "urbane" internationalism as against my "provincial" Arkansas constituency, I take this as no more than a conceit of the eastern "establishment." It has not been my observation that the representation in Congress of New York, Massachusetts, or California has been notably more responsible, intellectual, sophisticated, or humane than that of Arkansas. I have always felt attuned, responsive, and at one with my home state, and although the voters of Arkansas decided after thirty years that they wanted a change, I have little doubt that I survived a lot longer in politics in Arkansas than I ever would have in New York or Massachusetts.

Rather than for my moral qualities I should prefer to be evaluated for my specific positions on specific issues, for my contributions or lack of them as a public servant. That is what counts in a democracy, or in a mature society. It matters little to the nation or to posterity whether a president or senator met some individual's or group's or newspaper's particular standard of political "purity." For my own part I do not regard myself as a fitting or even interesting subject for priestly exorcism. If my career is judged worthy of review by journalists or historians, I very much hope that it will be for what I contributed or failed to contribute to my country and my state. The purity or lack of it in my motives is an issue strictly between me and my Maker.

I cannot stress too strongly that my criticism of the press in this regard is not especially personal. Looking back over my long career—to my many speeches on foreign policy, to the hearings, legislation, and other activities of the Foreign Relations Committee during my chairmanship—I am bound to conclude that I have been treated by the press with overall fairness and generosity. It is the general practice of moralizing to which I object, rather than the moralizing which has been directed toward me, most of which has been generous, some of which indeed has been flattering.

I have been more distressed personally by what has often seemed to me an arbitrary and projudiced standard of "newsworthiness" in the national press, particularly as applied to the Middle East. I have noted repeatedly, for example, the quantitative disparity between the press coverage of Palestinian guerilla attacks within Israel and of Israeli attacks upon South Lebanon, although the loss of civilian life in the latter has almost certainly been greater. I even made a statement on the subject in the Senate in August 1974, but the statement itself was ignored, consigned to entombment in the *Congressional Record*.

Another instance of dubious "newsworthiness" arose following my final major speech as a senator, a discussion of the Middle East at Westminster College in Missouri. The *New York Times* reported the main theme—which was the danger of a world crisis arising out of the Arab-Israeli conflict—with reasonable accuracy, although the headline—"Fulbright, at Fulton, Gloomy on World"—suggested that the gloom lay not so much upon the world as on the speaker. The *Washington Post*—not for the first time involving a statement critical of Israel—did not report the speech at all, although it was otherwise widely reported around the country. Some months later, by contrast, the *Post* found prominent place, including a picture, for an article recalling adverse comments I had made on black voting in the Arkansas Democratic primary back in 1944.

Still another instance of dubious "newsworthiness" in my experience occurred in April 1971 upon the occasion of a lecture I delivered at Yale University, again concerning the Middle East. On that occasion too I was critical of Israeli policy. *The New York Times* and other newspapers provided fair and accurate coverage. *The Washington Post* did not report the speech at all, but on the following day carried an article on the Israeli reaction to my speech, headlined ISRAELI PRESS LASHES OUT AT FULBRIGHT. Later still one of the *Post*'s columnists devoted a whole column of vituperation to my unreported speech. Recently, the *Post* may have had a change of heart as they did publish on the op-ed page of July 7, 1975 a statement of my views concerning the appropriate settlement of the conflict in the Middle East.

The ultimate test of the press's fairness is its coverage of opinions of which the writers and editorialists do not approve. In my own experience as a critic not of Israel itself, but of the Israeli lobby and of what has seemed to me the excessive responsiveness of the United States government to demands made upon it by the government of Israel, the press has frequently failed to meet the test of fairness and objectivity, tending both to an arbitrary standard of newsworthiness and to a shifting of attention from the event to its author, from statement to motive, from song to singer. I have in recent years been called "cranky," "crochety," and "obsessive" about Israel and the Middle East—by contrast, it is sometimes lamented, with my "courageous" or "inspiring" leadership on Vietnam. All this signals to me is that the writer does not sympathize with my views and has devised an excuse to avoid reporting them. To my knowledge the reporters who have made these personal charges have neither general psychiatric qualifications nor specific familiarity with my state of mind. If indeed I have been "crochety" about the Middle East, it is not Israel which has brought me to that state but journalists who have thwarted my efforts to communicate views which could, I readily concede, be judged mistaken under dispassionate examination, but which I myself have long believed and still believe to be rational, at least arguable, and pertinent to the national interest.

I have always had a good deal of admiration for Washington's overshadowed evening newspaper. The *Star* suffers from the ignominy of having achieved few if any Watergate scoops, but over the years it has demonstrated certain less flamboyant virtues, such as confining its opinions to its editorial page. The *Star* has rarely been friendly to me or my positions on foreign policy in its editorials; at the same time it has usually given fair and objective treatment to my statements and to the proceedings of the Senate Foreign Relations Committee. The *Star* even published a favorable review of my 1972 book, *The Crippled Giant*, although the paper's editorial writers could hardly have approved its main thrust, while the *Post* sought out as its reviewer an obscure controversialist from Pine Bluff, Arkansas, who had little to say about my book but a great deal to say about my signing of the "Southern Manifesto" in 1956 and my many personal shortcomings as he perceived them.

In addition to *The Washington Star* and the press in general in my home state of Arkansas, I have always felt a special regard for the smaller, regional newspapers around the country. The steady decline in their numbers and variety is a substantial loss to the country. Few of them have scored any great scoops of investigative journalism, but many of them combine a genuine regard for objectivity in the news with a good deal of common sense and sound judgment in their editorials. Their principal failing in my opinion has been an excess of deference to the large, national newspapers.

The special strength of the writers for the smaller newspapers is journalistic "distance"—a virtue much celebrated but rarely practiced by their more famous Washington-based colleagues. The latter tend to express "distance" through vituperation, but more commonly cultivate all possible intimacy with the high officials whose activities they report. The officials in turn usually find it advantageous to respond, with the result that some of the elite of the Washington press corps have effectively made the transition from observers to participants in the making of public policy. Free as their writers are from such temptations and aspirations, the smaller newspapers seem to me, by and large, to come closer to fulfilling their journalistic obligations to report the news accurately and interpret it with personal detachment. They often seem better able, as the historian Bernard A. Weisberger expressed it, "to see men and events in whole and human perspective—that is, always fallible, and not always the masters of their own destiny. Or, in short, historically."

I commend to the press, in conclusion, a renewed awareness of its great power and commensurate responsibility—a responsibility which is all the greater for the fact that there is no one to restrain the press except the press itself, nor should there be. After a long era of divisiveness and acrimony in our national life, we are in need of a reaffirmation of the social contract among people, government, and the media. The essence of that contract is a measure of voluntary restraint, an implicit agreement among the major groups and interests in our society that none will apply their powers to the fullest. For all the ingeniousness of our system of checks and balances, our ultimate protection against tyranny is the fact that we are a people who have not *wished* to tyrannize one another. "The republican form of government," wrote Herbert Spencer in 1891, "is the highest form of government: but because of this it requires the highest form of government: because of this it requires the highest type of human nature—a type nowhere at present existing." We have shown in times of adversity in the past that we are capable of this "highest type of human nature." We would do well, if we can, to call it into existence once again. It has never been needed more.

LATVIAN INDEPENDENCE

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. DELANEY. Mr. Speaker:

> Russia unreservedly recognizes the independence, self-subsistency, and sovereignty of the Latvian State and voluntarily and forever renounces all sovereign rights over the Latvian people and territory which formerly belonged to Russia . . .

So stated the Union of Soviet Socialist Republics when it signed the Latvian-Soviet Peace Treaty of August 11, 1920. From ancient times when the Baltic littoral constituted one of the outer limits of the known world, through the Riga Latvian cultural renaissance of the last half of the 19th century, even down to our own day, Latvians have been proud of their national heritage. But now that heritage is weighted beneath the yoke of tyranny.

The First Latvian National Assembly was formally convened at Valka on November 16, 1917. Two days later it unanimously proclaimed the Latvian Provisional National Council and called for a united country, whose internal government and foreign relations would be decided by the will of her own people. But Latvia was caught within a web of Soviet-German treachery at Brest-Litovsk and only with the end of World War I could her leaders, bearing in mind Wilson's clarion-call for self-determination, proclaim an independent government. They did this on November 18, 1918, in Riga, with Karlis Ulmanis as Prime Minister. It is this date we celebrate today.

For the next 2 years, Latvia was battleground for German ambitions and Russian intrigue until the Soviet aggressors were finally driven from Latgalia and Russia signed her peace in August 1920.

Mr. Speaker, over the following 19 years, the brave Latvian people enjoyed prosperity and freedom. On February 5, 1932 they signed a treaty of nonaggression with the U.S.S.R.; on April 4, 1934 they strengthened this treaty with a further protocol in Moscow. Then, in 1939, the infamous Molotov-Ribbentrop Pact was arranged between Stalin and Hitler. It contained a Secret Protocol dividing Eastern Europe into "spheres of interest." In October, Latvia was compelled, under threat of invasion, to give Russia military, naval, and air bases on her territory. For a while, the Soviet Union pretended to recognize the independence of the Baltic nations, but on June 16–17, 1940 the Red Army invaded and purge expert A. Y. Vishinsky supervised establishment of a puppet government. Although Latvia briefly passed under Nazi tyranny, the Soviets had her firmly in control by 1944 and proceeded to deport thousands of her loyal sons to Siberia.

Mr. Speaker, the United States has never and does not now recognize this forcible and illegal seizure. I urge the Congress to act swiftly on passage of the updated Baltic Resolution, individually submitted or cosponsored by many of us on both sides of the aisle. The final act of the Helsinki Conference on Security and Cooperation in Europe in no way alters our longstanding U.S. policy.

Today, on the 55th anniversary of Latvian independence, I salute my fellow citizens of Latvian descent and call upon Mr. Brezhnev to live up to his country's treaty obligations.

SENIOR CITIZENS

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. SOLARZ. Mr. Speaker, the demise of the extended family in our society has created a host of hardships for our country's senior citizens. Foremost among these is the lack of opportunities open to older Americans for meaningful and productive lives after they have left the work force. While not as dramatic and visible as the problem of material deprivation, the loss of the sense of personal worth and dignity caused by inactivity can be as painful and damaging.

The Senior Citizen Higher Education Opportunity Act which I am introducing can help to fill a void that now exists in many senior citizens' lives. If enacted, it would establish a national program of tuition-free college courses for senior citizens, by requiring each institution of higher education receiving certain forms of Federal assistance to allow older Americans to enroll in classes on a space available basis.

As a New York State Assemblyman, I helped initiate a similar program at the City University of New York. That program, which is now 3 years old, has been a great success as is evidenced by the nearly 1,000 senior citizens who are now attending courses throughout the city university. In addition to enriching the lives of its participants, the city university's policy can boast of one feature which very few Government programs can claim—it costs practically nothing at all. This is because the program only allows senior citizens to enroll in classes which regular students have not filled; therefore, no additional teaching, maintenance, or building costs are incurred by the university. The only additional burden that may be caused by this program is an incalculable administrative cost.

This legislation does not use a heavy-handed approach in attempting to achieve the goal of free higher educational opportunities for senior citizens. It deliberately does not make capitation grants, or student loans and grants contingent upon the plan mandated by the bill, because programs are critical to the financial survival of most colleges and universities in this country. It does, however, make some less critical programs dependent on compliance with the provisions of the act. While these programs reach many colleges and universities, very few such institutions are dependent on them for their financial well-being. For instance, the college library resources program, which would be contingent on compliance, grants funds to 2,000 institutions of higher education, or over 80 percent of the nationwide total, but does not give any one institution more than $5,000 a year. It is my understanding that the other programs, with the possible exception of the strengthening developing institutions program, are similar in this regard.

It is not the purpose of this legislation to coerce the colleges and universities to do something that will adversely affect them. Given the success of the senior citizen program at the city university, I believe that after a few years of having such a policy most institutions of higher learning will realize how little the program costs and how much senior citizens can add to the entire educational experience that they will voluntarily continue this program as a part of their community relations. However, before these institutions have some first hand experience with the program, they will have unfounded fears which will deter them from adopting it on their own. It is for this reason that I believe the threat of the withdrawal of certain Federal funds is a necessary part of the legislation.

"Youth," the old saying goes, "is wasted on the young". This is especially true when it comes to education. Too often the competition for grades or the anxieties of adolescence divert young college students from a real appreciation of a liberal arts education. With their wealth of leisure and their freedom from career ambitions, the elderly are more often able to enjoy the full value of the knowledge they acquire. The Senior Citizen Higher Education Opportunity Act, at no cost to the Government, will enable many older Americans to escape their boredom by experiencing the joy of knowledge which may have eluded them in their younger days.

At this point I would like to place in the RECORD a copy of the act, a summary of its provisions and a brief description of the programs under the Higher Education Act which will be affected by my proposed legislation:

H.R. 10605

A bill to require recipients of Federal aid to higher education to provide senior citizens with access, on a space available basis, to already scheduled courses and programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Senior Citizen Higher Education Opportunity Act".

SEC. 2. Title I of the Higher Education Act of 1965 (hereinafter in the Act referred to as "the Act") is amended by inserting at the end thereof the following new section:

"SENIOR CITIZEN ACCESS TO HIGHER EDUCATION

"SEC. 114. (a) Notwithstanding any other provision of this title, no funds made available under this title shall be paid to any institution of higher education which has not established and fully implemented a senior citizen access plan as provided in subsection (b).

"(b) Each institution of higher education shall, as a condition of eligibility for receipt of funds made available under titles I, II (parts A and B), III, V through VIII, and X of this Act prepare, submit to the Commissioner, and implement to the satisfaction of the Commissioner, a senior citizen access plan which shall provide for the registering of qualified senior citizens, without charge or tuition, for scheduled classes and programs of such institution on a space available basis.

"(c) For the purposes of this section—

"(1) the term "qualified senior citizen" means an individual who is sixty years of age or older and who has completed all course requirements mandated by the institution of higher learning for enrollment in the scheduled class or program.

"(2) a class or program shall be deemed to have 'space available' if such class or program is not fully subscribed by students other than nonpaying senior citizens.

"(d) The Commission shall prescribe such regulations as may be necessary to carry out the purposes of this section and to assure compliance with its requirements.".

SEC. 3. (a) Section 202 of the Act is amended—

(1) by striking out "and" at the end of paragraph (2),

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after paragraph (3) the following new paragraph;

"(4) provides satisfactory assurance that the applicant is in compliance with the requirements of section 114(b) of this Act.".

(b) Section 203 of the Act is amended by inserting at the end thereof the following new subsection:

"(c) The Commissioner shall not approve the application for a supplemental grant of any institution of higher education which he determines is not in compliance with the requirements of section 114(b) of this Act.".

(c) Section 204 of the Act is amended by inserting at the end thereof the following new subsection:

"(c) The Commissioner shall not make any special grant to any institution of higher education which he determines is not in compliance with the requirements of section 114(b) of this Act.".

SEC. 4. Section 302(a)(1) of the Act is amended—

(1) by striking out "and" at the end of clause (c):

(2) by striking out the period at the end of clause (d) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after clause (D) the following new clause:

"(E) is, in the judgment of the Commissioner, in compliance with the requirements of section 114(b) of this Act.".

SEC. 5. Section 508 of the Act is amended—

(1) by inserting "(a)" immediately after "SEC. 508."; and

(2) by inserting at the end thereof the following new subsection:

"(b) No funds made available under this title shall be paid to any institution of higher education which is not in compliance with section 114(b) of the Act.".

SEC. 6. Section 609 of the Act is amended—

(1) by inserting "(a)" immediately after "SEC. 609."; and

(2) by inserting at the end thereof the following new subsection:

"(b) No funds made available under this part shall be paid to any institution of higher education which is not in compliance with section 114(b) of this Act."

SEC. 7. Title VII of the Act is amended by inserting at the end thereof the following new section:

"LIMITATION

"SEC. 783. No funds made available under this title shall be paid to any institution of higher education which is not in compliance wth section 114(b) of this Act.".

SEC. 8. Title VIII is amended by inserting at the end thereof the following new section:

"LIMITATION

"SEC. 804. No funds made available under this title shall be paid to any institution of higher education which is not in compliance with section 114(b) of this Act.".

SEC. 9. Title X of the Act is amended by inserting at the end thereof the following new section:

"LIMITATION

"SEC. 1081. No funds made available under this title shall be paid to any institution of higher education which is not in compliance with section 114(b) of this Act.".

SUMMARY OF PROVISIONS OF SENIOR CITIZEN HIGHER EDUCATION ACT

SECTION 1—TITLE

Section 2—Amends the Higher Education Act of 1965 to mandate that each institution of higher education have, as a condition of eligibility for receipt of funds made available under Titles I, II (parts A&B), III, V through VIII and X of the Act, a plan for providing tuition free courses to qualified senior citizens on a space available basis.

B. The term qualified senior citizen is defined as an individual who is 60 years of age or older and who meets the educational prerequisites required of other students for admission to the course.

C. A class or program is deemed to have space available if such class or program is not fully subscribed by students other than non-paying senior citizens.

Section 3A—Restricts fund appropriated under Title II A of the Higher Education Act, the College Library Resources Program, to institutions of Higher Education which have the required program.

B—Restricts funds appropriated under Title II B, the Library Training and Research Program, to institutions of higher education which have the required program.

Section 4—Restrict funds appropriated under the Developing Institutions Program, Title III of the Higher Education Act to institutions of higher education which have the required program.

Section 5—Restricts funds appropriated under the Education Profession Development Program, Title V of the Higher Education Act to institutions which have the required senior citizen program.

Section 6—Restricts funds appropriated under the Financial Assistance Program for the Improvement of Undergraduate Instruction.

Section 7—Restricts funds appropriated under the Title VII of the Act which provides funds for the construction of academic facilities to institutions of higher education which have the required program.

Section 8—Restricts funds appropriated under the Networks for Knowledge Program, Title VIII of the Act, to institutions of higher education which have the required program.

Section 9—Restricts funds appropriated under the Community College and Occupational Education Program, Title X of the Act, to institutions of higher education which have the required program.

Description of the programs effected by the Senior Citizen Higher Education Act:

Title I—*Community Service and Continuing Education Programs:* Under this Title, grants are given to institutions of higher education for research programs and university extension courses or continuing education offerings which are designed to assist in the solution of community problems. In fiscal year 1976, 695 such institutions are scheduled to receive $12,125,000 under this program.

Title II A—*College Library Resources:* Under this program grants are given to institutions of higher education for the purpose of helping them acquire library resources. Two thousand seven hundred such institutions will receive $9,975,000 in fiscal year 1976 under this program.

Title II B—*Library Training and Research:* Under this Title grants are given to development of librarianship. In fiscal 1976, under this Title, 80 institutions will be getting $500,000 for library career training programs and 19 institutions will be receiving $1,000,000 for library research and demonstration projects.

Title III—*Strengthening Developing Institutions Program:* This is a program of special assistance to strengthen the academic quality of developing institutions of higher learning which are trying to establish themselves in academic life. Under this program 250 such institutions will receive $110,000,000.

Title V—*Education Professions Development Program:* This program was designed to improve the quality of teaching and to help meet critical shortages of adequately trained educational personnel. The Title used to include the Teacher Corp program and grants to institutions of higher education to train teachers. The program is not funded for fiscal year 1976.

Title VI—*Financial Assistance for the Improvement of Undergraduate Instruction:* Under this Title, grants were made for programs designed to improve the quality of undergraduate instruction. Such programs could include anything from the purchase of equipment to conducting of workshops for college teachers. For fiscal year 1976 no monies have been appropriated for this program.

Title VII—*Construction of Academic Facilities:* Under this Title, grants are made to institutions of higher education to help pay the cost of construction of academies facilities. Under this program, 71 such institutitons will be receiving $22,000,000 in fiscal year 1976.

Title VIII—*Networks for Knowledge:* Under this program grants were given to carry programs designed to encourage institutions of higher education to share technical and other educational and administrative facilities and resources. This program is not funded for fiscal year 1976.

Title X—*Community Colleges and Occupational Education:*

Part A—Creates a system of grants for the establishment and expansion of community colleges. No funds have been appropriated for this program in fiscal year 1976.

Part B—Creates a system of grants to programs designed to encourage and promote occupational education. No funds have been appropriated for this program in fiscal year 1976.

DECRIMINALIZE POSSESSION OF SMALL AMOUNTS OF MARIHUANA

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. KOCH. Mr. Speaker, the decriminalization of marihuana is an issue that the Congress, sooner or later, will have to confront. Six States have already reduced the penalty for possession of small amounts of marihuana to a civil fine of up to $100, and other States are likely to follow. Law enforcement authorities, from the Federal level on down, are deemphasizing their efforts to detect and prosecute marihuana users in order to pursue traffickers and abusers of hard drugs.

And yet last year, over 400,000 arrests for marihuana possession took place. Enforcement of the present law is adversely affecting the lives of otherwise law-abiding young people by giving them criminal records. Furthermore, the present law is wasting law enforcement resources. Let me put that waste in terms of dollars and cents. There are at least 13 million Americans who smoke marihuana on a regular basis. If in one fell swoop, we were to place those regular users in jail for 1 year, the cost to the American public at more than $6,000 per person per year would be over $79 billion. Does anyone suggest that this is practical? Yet equal application of the law would demand such action.

My bill, H.R. 6108, which would lower the penalty for personal possession of an ounce or less of marihuana in Federal jurisdictions to a civil fine of up to $100, now has 25 cosponsors in the House: Ms. ABZUG, Mr. BADILLO, Mrs. BURKE of California, Mr. JOHN BURTON, Mr. PHIL BURTON, Mr. CONYERS, Mr. DELLUMS, Mr. DRINAN, Mr. DUNCAN of Oregon, Mr. EDGAR, Mr. EDWARDS of California, Mr. GUDE, Mr. HARRINGTON, Ms. HOLTZMAN, Mr. LEGGETT, Mr. MCCLOSKEY, Mr. MITCHELL of Maryland, Mr. NIX, Mr. RANGEL, Mr. ROSENTHAL, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SOLARZ, Mr. STARK, and Mr. WAXMAN.

LATVIAN INDEPENDENCE DAY

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. SARASIN. Mr. Speaker, many of us here may not be aware that November 18 marks the 57th anniversary of the day that Latvia was proclaimed an independent democratic republic. However, the significance of Latvian Independence Day is sadly marred by the present reality of her existence under bondage to the Soviet Union. It is, therefore, important that we commemorate this day, to remind ourselves of the freedoms that we are fortunate enough to enjoy, and the denial of these same freedoms to peoples around the globe.

Thirty-five years ago, the Baltic nations of Latvia, Estonia, and Lithuania were forcibly annexed by the Soviet Union. The passage of time must not dull our memory of the cruel actions of the Soviet Union against the people of the Baltic nations. The United States has stood in steadfast opposition to this forcible annexation of territory and supports the desires of the Baltic nations for freedom and independence. This resolve has not changed. The declaration of the Conference on Security and Cooperation in Europe in August of this year supports the possibility of peaceful border changes, of self-determination for all peoples, and for respect of basic human rights.

It is my hope, and that of the Latvian-American community that these words can be transformed into reality, and that Latvia along with its sister Baltic nations may one day see the light of freedom and independence.

NUCLEAR POWER—OUR TECHNOLOGICAL VIETNAM

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. RICHMOND. Mr. Speaker, for the past year, Members of Congress have been grappling with the question of what direction our Nation's energy research and development program should take? Should we follow the lead of the Ford administration and go full steam ahead into nuclear power? Or should energy conservation become a reality and not just a public relations gimmick for the Federal Energy Office? Should solar energy projects and experiments be given the complete funding they demand? What are the realistic prospects for electrical power, given the new and possible technological developments in the fields of coal gasification, shale oil reclamation, the harnessing of tidal energy, or the fusion process.

If we leave those decisions up to the administration and President Ford's Enenergy Independence Authority—the nuclear industry's Christmas present—we will undoubtedly be led down the primrose path toward nuclear powerplant proliferation.

This week's "critical mass" conference organized by Ralph Nader, in Washington serves an important function in clarifying the direction of our Nation's energy debate and the many issues surrounding the development of nuclear power. For it provides the public with the opportunity to study first-hand the answers to many of the questions which have been plaguing the Congress.

Undoubtedly there are questions of judgment on the quality of life for our citizens which cannot be measured in Btu's or ergs. Specifically what alternatives to energy development are eliminated once the decision is made to allocate billions of dollars to nuclear power? Whom is our national energy policy to benefit the consumer or the large power utilities? Where does the Energy Research and Development Administration propose to store the deadly nuclear wastes whose toxicity will last longer than all of recorded history?

Has anyone asked the American people if they want to sacrifice many of our valued civil liberties in order to safeguard the Nation's nuclear fuel and prevent nuclear blackmail? And how does the liquid metal fast breeder reactor which produces more plutonium than it uses and the accompanying plutonium economy affect the type of society we want for our children and our grandchildren?

Basically, the issue revolves around how much a large scale nuclear power program, which may not at all be necessary, will cost the citizens of this Nation in terms of their safety, health and freedom.

As a cosponsor of the Fish-Pattison 5-year moratorium bill, I believe that these questions and many more must be answered before we commit this Nation down a course of action which, as Ralph Nader has so aptly suggested, may well indeed be our technological Vietnam.

LATVIAN INDEPENDENCE DAY

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. RUSSO. Mr. Speaker, today is Latvian Independence Day. It is a day when Latvian-Americans and Latvians throughout the free world commemorate the 57th anniversary of the day Latvia was proclaimed an independent democratic republic.

Latvia, along with Estonia and Lithuania, is one of the three Baltic States on the eastern shores of the Baltic Sea. Surrounded by more populous and powerful neighbors, the Latvians have nevertheless always managed to retain their cultural, if not political, identity and independence.

In recognition of Latvian Independence Day and to honor these courageous people, I want to share with my colleagues the remarks of Mr. Viktors Viksnins, chairman of the Captive Nations Committee in Chicago.

His words are a poignant reminder that there are still many people in the world who must struggle for liberty each day of their lives, whose battle for survival is an on-going struggle. Mr. Viksnins and his countrymen of the Baltic nations remain unmoved in their determination to regain their sovereignty.

I applaud their resolve and I am proud to be a cosponsor of the House resolution for which they are urging support. It is a resolution expressing the sense of Congress that it remains the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union, the President's signature on the Final Act of the Conference on Security and Cooperation in Europe notwithstanding.

Here are Mr. Viksnins thoughts on the occasion of Latvian Independence Day:

LATVIAN INDEPENDENCE DAY,
NOVEMBER 18, 1918

In 1940, the free and independent nations of Latvia, Estonia and Lithuania were illegally and forcibly made a part of the U.S.S.R. Now, 35 years later the Baltic nations are facing a crisis by the governments of the free world in recognition of the signing of the Helsinki agreements.

To appreciate the reasons for their despair and utter disbelief and adding to the dismay, is the fact that the Baltic people were not informed or asked or their feelings to be considered in respect to their choice in regard to the unique situation that has been forced upon them.

No matter how President Ford, interprets the Helsinki agreement, the Latvian people in the United States feel that the Soviet government will interpret it as a recognition of its annexation of Latvia and its continuing dominance in the Baltic states. The Baltic people fear that the Soviet government will intensify its policy as Russification of Latvia as a result of the apparent Western abandonment of the Baltic people.

The Latvian people have at a very great cost to themselves have resisted and are resisting the Soviet efforts to destroy them nationally. They share a common belief with the American and other free people in the right for all nations to self-determination and independence. Their faith and that this belief is shared by the free people of the world and that the leaders of the free world have the courage of their convictions, not to recognize the annexation of Latvia and the Baltic states by the Soviet government.

ROBERT R. LEE, D.D.S., AND HELEN G. LEE, D.D.S., HONORED FOR LONG SERVICE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. LAGOMARSINO. Mr. Speaker, of the inevitable things that happen in our lives, such as taxes and birthdays, one universally unhappy occasion is a visit to the dentist. Anticipation of the visit is most often worse than the visit; however, we feel more comfortable when we know the doctor has long experience in back of him.

I am pleased to tell you that in my congressional district there are two dentists who, having graduated from U.S.C. Dental School in 1933, have practiced their profession in Santa Barbara, Calif., since 1934. More unusual is the fact that these two dentists are husband and wife, Robert R. Lee and Helen Gregory Lee.

This unique and very unusual association has proven successful and beneficial to the community of Santa Barbara in general and to their patients in particular. Their practice of dentistry has always been on the highest possible ethical level; their devotion and generosity to their patients and their continuous service to the Santa Barbara community for a combined total of 82 years constitutes an outstanding achievement.

Because of this lifelong dedication to the practice of the dental profession, I ask the Members of the House to join with me in extending congratulations to Helen Gregory Lee, D.D.S., and Robert R. Lee, D.D.S.

LATVIAN INDEPENDENCE

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. NOWAK. Mr. Speaker, today marks the 57th anniversary of the day Latvia proclaimed itself an independent democratic republic.

The era of freedom and self-government, however, that began with the proclamation on November 18, 1918, ended abruptly in 1940 with an occupation by Russian troops that also engulfed the neighboring Baltic States—Lithuania and Estonia. Regrettably, Soviet domination of these nations continues today.

Today's commemoration permits us to share with Latvian-Americans and Latvians throughout the free world the hope that genuine freedom some day soon will return to their homelands. Observances such as this, however, also are a reminder that the United States must continue to press for the rights of self-government for peoples throughout the world. This message should be an integral part of our negotiations with the Soviet Union as we continue to explore the area of détente.

As the leader of the free world, we have a moral obligation to promote a climate that encourages the expansion of human rights. It is a pleasure, therefore, to join today in marking the declaration of Latvian independence and the undying spirit of freedom and self-determination that this observance symbolizes.

HOUSE OF REPRESENTATIVES—*Wednesday, November 19, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

O give thanks unto the Lord; for He is good; for His mercy endureth forever.—Psalms 136: 1.

Almighty God, Creator and Sustainer of Life, without whose Spirit all our labor is in vain, we come to thank Thee for Thy generous gifts which come to us and for Thy manifold mercies which sustain us day by day.

We thank Thee for our country, for the good laws and good government under which we live, for great leaders to guide us, and for those who share with us the benefits of freedom.

We thank Thee for our homes where dwells the spirit of love, for churches where we can worship as we desire, and for the opportunity which is ours to serve our people in the Halls of Congress.

We pray that Thou wilt continue Thy blessings to us and to our children from generation to generation. By our daily living and our daily labor may our thanksgiving in word become a thanksgiving in deed and in truth.

With grateful hearts we offer this our morning prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10029) entitled "An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1537) entitled "An act to amend the Defense Production Act of 1950, as amended."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9861. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 9861) entitled "An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes," request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCLELLAN, Mr. STENNIS, Mr. PASTORE, Mr. MAGNUSON, Mr. MANSFIELD, Mr. McGEE, Mr. PROXMIRE, Mr. MONTOYA, Mr. INOUYE, Mr. SYMINGTON, Mr. YOUNG, Mr. HRUSKA, Mr. CASE, Mr. FONG, Mr. STEVENS, and Mr. SCHWEIKER to be the conferees on the part of the Senate.

NEW "COD WAR" WARMING UP

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, recent events off the coast of Iceland have demonstrated the folly of unilaterally extending our territorial waters to 200 miles—the intent of H.R. 200, which was passed recently by the House.

On October 15, Iceland extended its sovereign waters to 200 miles, after first extending them to 50 miles in 1972. That earlier incident created the celebrated "cod war" between Iceland and Great Britain, when the latter country refused to recognize the earlier extension.

On Saturday, Icelandic Coast Guard vessels cut the wire lines holding the nets from two British fishing boats trawling inside the new limits—prompting fears of another "cod war" in the North Atlantic.

Iceland undoubtedly has justified concerns over its marine resources. But a unilateral extension of her coastal jurisdiction may make those concerns secondary to serious international problems.

It is becoming obvious that Iceland got more than it bargained for when it enacted a 200-mile law. If the United States follows suit, we may end up with a new set of headaches as well.

Mr. GUDE. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. If I have the time, I am glad to yield to the gentleman.

Mr. GUDE. Mr. Speaker, I wish to commend the gentleman for his comments.

The case of Iceland, which my colleague, the gentleman from California (Mr. ANDERSON), has just been discussing, is an excellent example of the problems of unilateral action on the territorial sea issue. Shortly before we took up H.R. 200, the bill providing for unilateral action on the part of the United States in respect to fishing limits, Iceland issued a unilateral declaration extending its own limits to 200 miles. This action was taken after the International Court of Justice rejected Iceland's unilateral claim to 50 miles.

The Icelandic action has precipitated negotiations with the British, who are seriously affected by the Icelandic move. The recent breakdown in those negotiations bodes ill for the future of all such agreements, and makes clear the difficulties that unilateral efforts to solve multilateral problems can cause.

Regrettably the United States has begun to move down the same unfortunate path through its passage of H.R. 200. Enactment of this bill will necessitate negotiations with major fishing nations that promise to be prolonged and difficult. It is far more preferable, in my view, to place U.S. policy firmly within the context of a multinational treaty on the Law of the Sea rather than succumbing to the temptations of unilateral action. The latter has not worked well for Iceland, and I doubt that it will work any better for us.

DEMONSTRATIONS CONDEMNED BY MAJORITY OF NEW YORKERS

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, I want to soundly condemn the tactics of New York City workers who were demonstrating in the streets in New York yesterday. This type of conduct is seriously jeopardizing the efforts of those of us in Congress seeking Federal loan guarantees for the city.

We are having enough troubles overcoming the hostility toward New York City which resulted from such tactics in the past. These demonstrations are reminiscent of an earlier era when the Lindsay administration orchestrated such acts of civil disobedience to win support for huge spending programs.

I want to assure my colleagues that these demonstrations are not supported by the majority of New Yorkers. They are condemned. Even Mayor Beame yesterday admonished the workers for their actions. The irony is that their tactics could jeopardize the aid that is so desperately needed to save their jobs.

I have heard a number of my colleagues here today commenting on the demonstrations. I certainly hope they will not use this as a reason to vote against the Federal loan guarantee bill when we take it up later today. The vast majority of New Yorkers have been making tremendous sacrifices to put the city back on a sound financial track. We have done our best and the State has done its best and there is nothing more that can be done.

Without the Federal loan guarantees, the city will go down the drain and drag a number of other government units and financial institutions along with it. I urge my colleagues who might view these demonstrations as a negative factor against the city to put them in perspective. The vast majority of honest, hardworking New Yorkers are as incensed as anyone over this. The Federal aid bill will help that vast majority—help them return some sanity to the government of the greatest metropolis in the world.

PROTECTION OF FOREIGN DIPLOMATIC MISSIONS AND INCREASING SIZE OF EXECUTIVE PROTECTIVE SERVICE

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 12) to amend title 3, United States Code, to provide for the protection of foreign diplomatic missions, to increase the size of the Executive Protective Service, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 2, after line 5, insert:

(c) Section 202 of title 3, United States Code, is amended by adding at the end thereof: "As used in this section, the term 'foreign diplomatic missions' includes hotels and similar places of temporary domicile that are used by officials connected with foreign governments, including provisional governments, when such officials are visiting the United States on official business, including attendance at the United Nations.".

Page 2, line 6, strike out "(c)" and insert "(d)".

Page 2, line 9, strike out "(d)" and insert "(e)".

Page 2, line 13, strike out "In" and insert "(a) In".

Page 2, line 20, strike out "facilities."." and insert "facilities.".

Page 2, after line 20, insert:

"(b) Not more than $3,500,000 may be transferred to State and local governments as reimbursement for any fiscal year.".

Page 3, line 1, strike out "(e)" and insert "(f)".

Page 3, line 1, after "(b)" insert "(c),".

Page 3, line 2, strike out "(d)" and insert "(e)".

Page 3, strike out all after line 12 over to and including line 4 on page 4.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, if the memory of the gentleman from Maryland is correct on this legislation, this was the bill that required a Federal subsidy to the police departments of various metropolitan areas, including New York City. This, I think, was in the millions of dollars.

Can the gentleman from Wyoming explain to us what this bill now contains?

Mr. RONCALIO. If the gentleman will yield, I will be happy to explain.

Mr. BAUMAN. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, H.R. 12 amends existing law to permit expansion of the current Executive Protective personnel ceiling from 850 to 1,200 officers. The bill provides for executive protective service in metropolitan areas other than the District of Columbia where there are located 20 or more foreign diplomatic missions. This service shall be provided only on the basis of extraordinary protective needs and then only upon the request of the affected local areas. Following any decision by the Secretary of the Treasury that the need does exist, but prior to the decision to introduce Executive Protective Service officers into any metropolitan area, local officials should be consulted and given the option of providing the necessary protection and receiving Federal reimbursement for such services, instead of accepting the contingent of Executive Protective Service personnel. The legislation does not preclude the President on a case-by-case basis from directing the Executive Protective Service to provide protection in a particular city without the consent of local governments in emergency situations. The reimbursement provisions contained in the bill are retroactive to July 1, 1974. The Senate has amended the bill by putting a limitation of $3,500,000 on funds that can be reimbursed to State and local governments as reimbursement for any fiscal year including the retroactive period.

The Senate further amended the bill by defining the term "foreign diplomatic missions" for purposes of the bill. H.R. 12 also provides for statutorily establishing the positions of Director and Deputy Director of the U.S. Secret Service. The House version originally contained a provision allowing the Secretary of the Treasury to place a total of 10 additional positions in the U.S. Secret Service in supergrade positions; however, the Senate has striken this section.

Mr. Speaker, I believe this bill to be a workable piece of legislation, it is a product of lengthy debate and discussion in committee and is agreeable to all parties involved. I urge passage of the bill.

Mr. BAUMAN. Is this $3.5 million annually to be spread among all cities that are affected?

Mr. RONCALIO. Yes. There are only six cities to be affected, and all of them are to be treated impartially.

Mr. BAUMAN. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

Mr. WALSH. Mr. Speaker, further reserving the right to object,

I rise in support of H.R. 12 as amended and passed by the Senate and I urge the House to accept the Senate amendments. The Senate added two provisions to and dropped one from the House-passed bill. First, hotels and similar places of temporary domicile are included as foreign diplomatic missions for protective service when used by officials connected with foreign governments, including provisional governments, when such officials are visiting the United States on official business, including attendance at the United Nations. Second, the other body placed a limitation of $3.5 million on reimbursement to State and local governments for carrying out functions of protective service. Lastly, the Senate eliminated from the House-passed version the addition of 10 supergrade positions for the Executive Protective Service.

H.R. 12 is a product of much debate, discussion, and compromise. When the Public Works Committee held hearings on this bill, the Assistant Secretary of Treasury testified in favor of the bill. This bill has the bipartisan support of the committee. I urge adoption of H.R. 12.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PRINTING OF REVISED EDITION OF "THE CAPITOL"

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the concurrent resolution (H. Con. Res. 215) providing for the printing as a House document with illustrations, a revised edition of "The Capitol," with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendment, as follows:

Page 1, line 5, strike out "four hundred and seventy-two" and insert "five hundred and seventy-five".

Page 1, lines 7 and 8, strike out "Representatives" and insert "Representatives, one hundred and three thousand copies shall be for the use of the Senate,".

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 6461, AMENDING THE COMMUNICATIONS ACT OF 1934

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6461) to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, MACDONALD of Massachusetts, MURPHY of New York, CARNEY, BYRON, FREY, and MADIGAN.

APPOINTMENT OF CONFEREES ON S. 2017, DRUG ABUSE OFFICE AND TREATMENT ACT AMENDMENTS

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2017) to amend the Drug Abuse Office and Treatment Act of 1972, with the House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, ROGERS, SATTERFIELD, PREYER, SYMINGTON, CARTER, and BROYHILL.

NEW YORK CITY

(Mr. McKINNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McKINNEY. Mr. Speaker, I am very concerned, having read the President's action as of 11 o'clock today on the city of New York. It seems to me, Mr. Speaker, that the New York State Legislature, the White House and the Congress of the United States are fiddling with the financial and psychological future of the United States of America by letting the largest city in the Nation and the second biggest governmental entity twist slowly in the wind.

Mr. Speaker, I would hope that the President's message, wherein he says he will await further concrete actions by other parties concerned—and if they will continue to make progress he will report early next week—means that we can get off dead center and that it will be possible to get together in this democracy of ours for the psychological well being of the American people, because we are, after all, one Nation.

ANNOUNCEMENT OF WITHDRAWAL OF CONSIDERATION OF INTERGOVERNMENTAL EMERGENCY ASSISTANCE ACT

(Mr. REUSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REUSS. Mr. Speaker, we have all seen the President's statement, and I regret this has happened. What the President says is that he will veto the bill which we were about to bring up.

We have tried to be cooperative. We have put this matter off for 3 successive days; we have gone very far in meeting the legitimate suggestions of the minority; we have agreed to put in the bankruptcy section that many Members wanted.

But in the light of the President's attitude, and his statement that he is going to veto it, and in the light of his further expression that if the New York people continue to move toward fiscal responsibility, he will review the situation early next week to see if any legislation is appropriate at the Federal level, I felt that we on the Committee on Banking, Currency and Housing had no alternative but to ask the leadership to withdraw the matter. So the consideration of the rule, the general debate, and the procedure under the 5-minute rule, as a result of this decision, will be withdrawn this afternoon, and Members will hear from us further.

SUGGESTED SEPARATE CONSIDERATION OF BANKRUPTCY SECTION

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I share the regret of my friend, the gentleman from Wisconsin (Mr. REUSS), that it does seem to be necessary to call this bill off today. I had been in hopes that the bill could come out with a bankruptcy title on it and that the package could have been adopted. I share the gentleman's belief that under the present circumstances this would probably be a vain action and in fact might actually be detrimental to the best interests of the country and of New York if it were to be brought up today.

It would be my hope, however, that the leadership of the majority party would consider the possibility of bringing up the bankruptcy section by itself. This bill, I believe is ready for floor action, and certainly I see no reason why any member would not vote in favor of it. It is not a bill which makes it necessary for the city of New York to take bankruptcy, but it does give them this option in the event that it becomes necessary.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Wisconsin.

Mr. REUSS. Mr. Speaker, first I want to congratulate the gentleman from Arizona for his statesmanlike and forthright attitude throughout this procedure.

As the gentleman knows, I had agreed with him that the bankruptcy matter should be considered in connection with the guarantee bill, and indeed we were moving to do just that, until a few minutes ago when the bombshell from the White House hit us. In my judgment, a naked bankruptcy statute, unaccompanied by guarantee provisions, would not be effective, and, therefore, I am afraid that it just is not within the cards to bring that matter up separately at this time.

Mr. RHODES. Mr. Speaker, I respect the gentleman's judgment, and I also appreciate the manner in which the gentleman has handled this matter and conducted himself. It has been a pleasure to work with him to try to come up with something which would not be burdensome for the American taxpayer but which would help the city of New York out of a very difficult and dangerous situation.

PRESIDENT'S VETO THREAT OF NEW YORK RISKS AN ECONOMIC CATASTROPHE

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, I think the action just taken by the President in saying he would veto legislation we were about to consider to save New York from default is playing Russian roulette with the financial stability of the entire country. There is a substantial risk here that, in the precarious financial circumstances of New York, there will not be time for Congress to act to stave off financial collapse of New York City.

If New York is allowed to collapse, we run the risk of having one city after another go into collapse. Philadelphia, Yonkers, Buffalo, Detroit, and others are already in trouble. We also run the risk of having many companies which supply New York and these other cities go into bankruptcy, thus bringing about a chaotic situation which I think should be avoided at all costs.

Mr. Speaker, the decision by the President to take these risks is exceedingly unwise. He is playing political "chicken" with New York, with the stakes a possible economic catastrophe for New York and the country.

APPLAUDING PRESIDENT FORD'S ACTION TODAY VIS-A-VIS NEW YORK CITY

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, I believe each of us here wants to do what is in the best interests of the people of the United States.

Some feel that a Federal bailout is what is best for New York City and therefore is best for the country. They feel, like the Li'l Abner cartoon, "What is good for Bull Moose is good for the country."

It would be great if we could put a penny in a fortunetelling machine as we did when we were kids and out would come a card with the answer.

That is not possible, Mr. Speaker. I think it is fair to say that no one can really predict the consequences of our action, whatever we do.

Somehow, if Uncle Sam does not come to New York City's rescue, then the blame for the default is conveniently and cleverly shifted to Washington.

Mr. Speaker, I applaud the statement of the President, as I heard it this morning; that the bailout bill now before the House of Representatives is unacceptable. I would support the special amendments to the Federal bankruptcy laws reported out by the Judiciary Committee last night in accordance with the President's recommendation.

PRESIDENT FORD SPEAKS FOR AMERICA WHEN HE SAYS "NO" TO NEW YORK CITY

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, in saying "no" to New York City the President of the United States, has refused to knuckle under to the pressure which seems to be coming from certain quarters on both sides of the aisle of this House. In stating he will veto this unwise legislation, President Ford is undoubtedly expressing the view of the majority of the Republicans of this body. The President is also expressing the view of the majority of Americans across this country.

New York and its elected leaders caused this problem. New York ought to solve its own problems. The taxpayers of Maryland or of Ohio or of California should not be asked to add to their own crushing tax burdens in order to solve a problem that is strictly New York City's own. I think it would be well for those who pretend to speak for their party in this body to consult with the membership before they express regret at taking this legislation off the calendar. It is a "bailout" bill that is totally unnecessary, unwise, and burdensome to the people of America.

Mr. Speaker, I again applaud the President for his action.

FURTHER LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I would like to ask the distinguished majority leader whether he is in a position to inform us as to the program for the remainder of the week.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. RHODES. Yes, I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, in view of the fact that the New York bill has been taken off the schedule, we are going down the calendar to take up H.R. 8578, providing for restoration of Federal matching shares to community action agencies.

Then we may take up a bill that is not on the schedule, the Price-Anderson bill, H.R. 8631.

Mr. Speaker, in view of the fact that this is the only legislation left, we would have a pro forma session tomorrow.

Mr. RHODES. I thank the gentleman.

CALL OF THE HOUSE

Mr. SISK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 718]

Andrews, N. Dak.
Barrett
Boggs
Bolling
Brooks
Conyers
Dent
Dingell
Fary
Fraser
Gaydos
Giaimo
Gibbons
Heckler, Mass.
Heinz
Helstoski
Hinshaw
Jarman
Jones, Ala.
Leggett
McCormack
Mathis
Moorhead, Pa.
Mosher
Obey
Pepper
Pike
Reuss
Roberts
St Germain
Scheuer
Shipley
Stuckey
Teague
Udall
Wilson, C. H.

The SPEAKER. On this rollcall 397 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REQUEST THAT H.R. 7005 AND H.R. 10799 BE RE-REFERRED TO THE COMMITTEE ON THE JUDICIARY

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the bills H.R. 7005 and H.R. 10799, which were jointly referred to the Committees on Education and Labor and the Judiciary, be re-referred to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. QUIE. Mr. Speaker, reserving the right to object, I shall object to this request.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I did not understand the request of the gentleman from Kentucky. What were the bills?

Mr. PERKINS. The bills were H.R. 7005 and H.R. 10799, dealing with Legal Services Corporation which is now the jurisdiction of the Judiciary Committee. We had jurisdiction up to now.

Mr. McCLORY. Mr. Speaker, will the gentleman yield further?

Mr. PERKINS. I yield to the gentleman from Illinois.

Mr. McCLORY. Has the gentleman from Kentucky cleared this or discussed this with the chairman of the Committee on the Judiciary?

Mr. PERKINS. The House rules placed the jurisdiction in the gentleman's committee.

Mr. QUIE. Mr. Speaker, in that case, I do not object and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. BAUMAN. Mr. Speaker, I object.

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

MAKING IN ORDER CONSIDERATION TODAY OF CONFERENCE REPORT ON H.R. 3922, OLDER AMERICANS ACT

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that after all other conference reports and business have ceased for today, it be in order to call up the conference report on the Older Americans Act (H.R. 3922), which in due course would ordinarily be called up tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. QUIE. Mr. Speaker, reserving the right to object, I could not hear what the gentleman said.

Mr. PERKINS. Mr. Speaker, I ask unanimous consent, if it is agreeable with the Members, that we call up the conference report on the Older Americans Act (H.R. 3922) this afternoon. The conference report is due to come up in due course tomorrow.

Mr. QUIE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

TAX CUT EXTENSION

(Mr. VANIK asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, under present law, individual income taxes are due to rise an average of 8 percent on January 1. Although the individual tax cuts are currently included in the tax reform bill of 1975, it is extremely unlikely that this legislation can be adopted by the Congress in the few legislative days remaining in this session.

I have introduced H.R. 10814, to provide an extension of the 1975 individual tax cuts through 1976. An individual tax increase at this time would reverse our struggle from recession and delay economic recovery.

It is my hope that we can consider this legislation in early December so that action can be completed on a schedule which eliminates uncertainties for the taxpayer.

PERSONAL EXPLANATION

Mr. SKUBITZ. Mr. Speaker, on rollcall No. 714 taken on November 18 which was the yeas and nays on the conference report on S. 1517, the Foreign Relations Authorization Act, I am recorded as not voting. I had been in a conference in my office with representatives of the Department of Transportation regarding the Railroad Revitalization and Regulatory Reform Act of 1975 and arrived on the floor too late to be recorded. If I had voted, I would have voted "nay" on S. 1517.

PROVIDING FOR CONSIDERATION OF H.R. 8578, RESTORATION OF FEDERAL MATCHING SHARE FOR COMMUNITY ACTION PROGRAMS

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 870 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 870

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8578) to amend the Community Services Act of 1974 to increase the Federal share of financial assistance to community action agencies. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Illinois (Mr. Murphy) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from California (Mr. Del Clawson) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 870 provides for an open rule with 1 hour of general debate on H.R. 8578, restoration of Federal matching share for community action programs.

H.R. 7863 would amend the Community Services Act of 1974 to increase the Federal share of financial assistance to community action agencies for fiscal year 1976 and fiscal year 1977 to 80 percent, with State and local governments to contribute 20 percent. Under the present law, the matching share for community action agencies from the beginning of the poverty program until 1976 has been at 80 percent or above, but the law reduces the Federal share to 70 percent for fiscal year 1976 and 60 percent for fiscal year 1977.

The Community Services Act of 1974, which eliminated the Office of Economic Opportunity and distributed some of its components among other Federal agencies, also provided for the phasing down of the Federal matching share for community action programs.

The bill contains no additional authorization. Some $330 million is already authorized for fiscal year 1976.

Mr. Speaker, I urge the adoption of House Resolution 870 in order that we may discuss and debate H.R. 8578.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 870 provides for 1 hour of equally divided general debate on H.R. 8578, restoration of Federal matching share for community action programs. Germane amendments may be offered under the 5-minute rule. There are no waivers of points of order.

Specifically, the bill amends the Community Services Act of 1974. This amendment increases Federal financial assistance to community action agencies, to a potential 80-percent matching share. H.R. 8578 restores the Federal-State matching ratio to the same status that it had prior to this year.

The main purpose of this act is to increase the Federal commitment to community service agencies. The legislation is opposed by the Office of Management and Budget and is not consistent with the President's program and the Community Services Administration.

Mr. Speaker, while the proposed legislation is controversial, I am not aware of any controversy concerning the rule. I propose we adopt the rule and debate the bill in the alloted time.

Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 8631, AMENDMENTS TO THE PRICE-ANDERSON PROVISIONS OF THE ATOMIC ENERGY ACT OF 1954, AS AMENDED, TO PROVIDE FOR THE PHASEOUT OF GOVERNMENTAL INDEMNITY, AND RELATED MATTERS

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 871 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 871

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8631) to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Joint Committee on Atomic Energy, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Illinois (Mr. ANDERSON), and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 871 provides for an open rule with 1 hour of general debate on H.R. 8631, amendments to the Price-Anderson provisions of the Atomic Energy Act of 1954, as amended, to provide for the phaseout of governmental indemnity, and related matters.

H.R. 8631 provides for a 10-year extension of the Price-Anderson Act and for three major changes: First, phaseout of Government indemnity; second, increase in the limit of liability; and third, extension of indemnity coverage outside the territorial limits of the United States for certain limited activities, none of which involve indemnity for any shipment with nations or groups of nations. Funds will be available to compensate the public under the Price-Anderson system for its losses in the unlikely event of nuclear accident.

Mr. Speaker, I urge the adoption of House Resolution 871 in order that we may discuss and debate H.R. 8631.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 871 would make in order the consideration of the bill, H.R. 8631, the so-called Price-Anderson Act extension, under a 1-hour open rule.

Mr. Speaker, the only objection to this rule raised in the Rules Committee came from certain members of the Interior Committee which has special oversight responsibilities for nonmilitary nuclear energy under clause 3(e) of rule X. It was the contention of these members that because the committee had not yet had an opportunity to conduct oversight of the Price-Anderson Act, consideration of the bill should be delayed.

Mr. Speaker, I think it is extremely important to point out that the oversight responsibilities of committees were never intended to be used as a delaying tactic for the consideration of legislation. Last year we provided in clause 2 of rule X that committees may establish oversight subcommittees. But that rule goes on to make clear, and I quote:

> The establishment of oversight subcommittees shall in no way limit the responsibility of the subcommittees with legislative jurisdiction from carrying out their oversight responsibilities.

As I mentioned previously, clause 3 of rule X established special oversight functions for several committees, including the Interior Committee over nonmilitary nuclear energy matters. Nowhere in that clause is it stated that the legislative committees with jurisdiction must await the special oversight findings of another committee before reporting legislation.

The only requirement in our rules that oversight findings be included in a committee report is found in rule XI, clause 2(L)(3) which relates to the oversight responsibilities of the Government Operations Committee. In that clause it is stated that committees shall include the oversight findings of the Government Operations Committee in their reports and I quote:

> . . . whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

So, even in the case of the Government Operations Committee, it must submit its oversight findings in a timely fashion during the committee's deliberations. It would seem incumbent on special oversight committees to similarly conduct their responsibilities in such a timely manner if they are to be considered in connection with another committee's deliberations.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. MURPHY of Illinois. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

A PLEA TO "WEAN" NUCLEAR INDUSTRY FROM FEDERAL GOVERNMENT FEEDING

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO. Mr. Speaker, the eminent conference leader of the minority, the gentleman from Illinois (Mr. ANDERSON), has just walked by to give me what seems to be his amusing observation that I was reserving debate on the resolution just completed. I am happy to say, with what effort I have left to terminate Price-Anderson, that I will certainly spend some time on it in debate.

Perhaps we can defeat this bill, or at least adopt a 5-year extension of the legislation, an amendment to be offered by our colleague from New York (Mr. BINGHAM).

Mr. Speaker, I call attention of Members of the majority and minority sides to my dissenting views beginning on page 27 in the report.

I think it is time that somebody slapped the nuclear power industry away from the breast of the Federal Government, and I repeat that the nuclear power industry should be weaned from the Federal Government's breast. I think it is now big enough to get along on its own.

I know that there are 435 Members in this great body, perhaps only 3 or perhaps 4 are listening to what I am saying of the 12 or so now in the Hall. But if we are going to ask the people of this Nation to have faith in nuclear power generation, we must insist that industry insure itself.

Mr. Speaker, my separate views on H.R. 8631 follow:

SEPARATE VIEWS OF REPRESENTATIVE TENO RONCALIO

Last year I voted against a 5-year extention of Price Anderson. It follows that I can hardly be expected to approve its 10-year extension now.

I believe it is time we clip the Federal umbilical cord to the nuclear industry that is epitomized by this legislation. It is 20 years since nuclear power was given to the private sector along with its Price-Anderson immunity from liability for nuclear harm. Now is the time to end that coverage.

In 1957, the situation was much different in nuclear power generation than today. There was no nuclear industry, nor were there actuarial or experimental data to assess risks involved in nuclear power. It was a fledgling technology, an industry aborning, and Price-Anderson was enacted for two reasons: "First, to protect the public by assuring the availability of funds for the payment of claims arising from a catastrophic nuclear incident; second, to remove a deterrent to private industrial participation in the atomic energy program posed by the threat of tremendous potential liability claims."[1]

Price-Anderson was needed 20 years ago to establish and stimulate the nuclear industry. It is no longer necessary today. Today the industry is an $80 billion reality, including 50 large nuclear reactors now in operation, contributing nearly 8 percent of the total electrical generating capacity in the United States; and including plans for more than 70 facilities being built in the United States and at least 5 in foreign nations by American manufacturers. It is now time for the industry to take its rightful place in our free market system, to buy its insurance upon the open market, and to accept total responsibility for its actions, as should all other industrial enterprises in this nation.

When I hear its proponents insist that Price-Anderson must be extended or the industry will perish—I am reminded of a book that was very popular shortly after World War II, entitled, *"A Tree Grows in Brooklyn."* It included an hilarious chapter about a youngster in Brooklyn who was suckled to his mother's breast as a baby. The problem developed as he reached the firm age of 12, he was still being suckled at her breast and refused to be weaned—he had to be literally slapped off his mother's breast!

The nuclear industry is much too content with feeding at the government breast and simply doesn't want to assume its rightful responsibility as a mature powerful, and a safe sector of our free market economy.

There are irrefutable reasons why Price-Anderson should end. In 1957, the possibility for a catastrophe did exist and the degree of that catastrophe was unknown. Not so today. The Nuclear Regulatory Commission has now released the final version of WASH-1400, the Reactor Safety Study, better known as the Rasmussen Report. This $4 million, two and a half year study concludes that the chance for such catastrophe is still in existence, but its occurrance is a very, very remote possibility. The Rasmussen Report affirms that nuclear power is a very safe technology.

I believe in the Rasmussen Report. I believe in the future of nuclear power generation. I believe we must have nuclear power generation and that it must take its place as a safe industry in America as it is in Canada, in Germany, in France, and in other nations of the world. Every member of the Joint Committee on Atomic Energy believes the Rasmussen Report has a sound conclusion, so much so that the Committee decided to mark-up H.R. 8631 without holding any independent review or hearings on this twelve volume report. And every member of this Committee is asking that the American people believe the Rasmussen Report. How can we thus expect the citizens of this nation to believe us if we retain the limit of liability for nuclear plant accidents? The two stands are contradictory in appearance and in fact, in my opinion.

The Rasmussen Report outlines probabilities and consequences of such disasters in a number of fields: air travel, the chemical industry, dam failures, and others. In each of these cases, industry accepts full responsibility for the possibility of catastrophic incidents. Yet in each of these industries, management does not buy full insurance coverage for the worst possible case. There is not an insurance company in existence that equates assets with total exposed liability. If insurance companies are willing to insure against low-probability high consequence accidents in such fields as aviation and chemicals; if these pursuits are able to accept limited insurance, but unlimited liability and full responsibility to the public for their actions, and if capital is available from our private markets to finance these pursuits then how can it not be true for the nuclear industry? Others may think it is so because nuclear power is unsafe. I disagree with them. I think it is so because the nuclear industry itself has simply fed too long at the government trough.

Price-Anderson includes a government indemnity provision which now guarantees $435 million to private utilities in insurance, in return for a payment that is hardly more than a pittance, when compared to the private insurance rates.

H.R. 8631 purports to phase out this government commitment and the government's role in nuclear insurance. But how soon will this happen, and how final will it be? It may not happen for ten years, and it may not be at all final. Through H.R. 8631 the government will abandon its role as indemnitor and become a guarantor. It will become a guarantor for potentially more than the $435 million it now shoulders. This may result through the deferred premium pool that is established by H.R. 8631. The pool will be funded by contributions from each nuclear reactor on line, to be paid retrospectively in the event of an accident.

This commits the Federal government to guarantee the payment of all premiums on which payment is defaulted. This new insurance mechanism thus purports to phase-out the government idemnity as the size of this pool expands with the growth of the nuclear industry. Unfortunately, this new pool is clearly contradictory to one purpose of the original Price-Anderson Act, to have a large source of funds immediately and readily available after an accident. Under this proposal they are not immediately available. These funds must be raised on short notice by the utilities and then collected by the government, and if there is industry default after an "incident," then the Federal government must pay all money due. This will not speed relief to victims, nor is it guaranteed to "phase-out" the government's role. It may camouflage and alter that role but it does not phase it out.

As I quoted in my separate views on this issue last year, "The Act thus did not fully achieve the legislative goal of assuring compensation to the public," and, "the decision to limit liability represents a determination that a major share of the costs of an accident should be borne by its victims."

Price-Anderson has succeeded in achieving the goal of stimulating the nuclear industry, but not the goal of protecting the public—the two goals cited in 1957 by the Joint Committee. It is time for us to focus on that neglected goal and achieve it, by ending the government's role and by abolishing the limits on liability.

After all, it is *safety* with which we are most concerned. Former Defense Secretary James Schlesinger, when AEC Commissioner, testified that in his opinion Price-Anderson be permitted to expire in 1977. Dixy Lee Ray also stated similar statements which I used in my separate views last year. Surely all members recognize that placing full financial responsibility on any entity will make it act more responsibly. I am confirmed in this view by the remark made by former Atomic Energy Commissioner, William Kreigsman, earlier this year who said of Price-Anderson: "Do away with it, and you'd probably see nuclear valves coming off the assembly line in a lot better shape." (Science, Vol. 187 p. 1060, March 25, 1975).

Hearings were held this year regarding hairline leaks, faulty valves, and other problems in redundant secondary backup coolant systems. It is natural to assume that a better product will be manufactured if the manufacturer is responsible for the damage that might ensue from that product.

It is no longer amusing or ironic to view the very companies who are spending millions to propagandize the public on the end of Big Brother's role, the end of Federal intervention, "the end of the bureaucracy," and the need for reliance and faith upon the free enterprise system, yet be so hesitant to give up this element of control that won't let them be responsible for their own actions!

ADJOURNMENT FROM THURSDAY, NOVEMBER 20, 1975, TO MONDAY, DECEMBER 1, 1975

Mr. O'NEILL. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 485) and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 485

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, November 20, 1975, it stand adjourned until 12 o'clock meridian, Monday, December 1, 1975, or until 12 o'clock noon on the second day after its Members are notified to reassemble in accordance with section 2 of this resolution, whichever first occurs.

SEC. 2. The Speaker of the House of Representatives shall notify the Members of the House to reassemble whenever in his opinion the public interest shall warrant it or whenever the majority leader of the House and the minority leader of the House, acting jointly, file a written request with the Clerk of the House that the House reassemble for the consideration of legislation.

SEC. 3. During the adjournment of the House as provided in section 1, the Clerk of the House be, and he hereby is, authorized to receive messages, including veto messages, from the President of the United States.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

RE-REFERRAL OF H.R. 7005 AND H.R. 10799 TO COMMITTEE ON THE JUDICIARY

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that H.R. 7005 and H.R. 10799, which were jointly referred to the Committee on Education and Labor and the Committee on the Judiciary, be re-referred to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. QUIE. Mr. Speaker, reserving the right to object, I will ask the chairman of the committee: What bill is this he is referring to?

Mr. PERKINS. Mr. Speaker, if the gentleman will yield, it is the Legal Services Corporation bill.

Mr. QUIE. What happened to the other unanimous consent request that the gentleman made a while ago?

Mr. PERKINS. Mr. Speaker, that was objected to a few moments ago, and I think we have now tried to clear the way for this so there will be no objection.

Mr. QUIE. Mr. Speaker, further reserving the right to object, what is the situation here? Could the gentleman explain to the House the reason why this got over to the Committee on the Judiciary and why we need to have this permission?

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[1] JCAE Report, 1965 Extension of the Price-Anderson Act.

Mr. PERKINS. Mr. Speaker, under the provisions of House Resolution 988, as amended by the Hansen substitute, the Committee on Education and Labor continues to have jurisdiction over the Economic Opportunity Act and the Judiciary Committee was given jurisdiction over the Legal Services Corporation. Since technically Legal Services Corporation is authorized under the Economic Opportunity Act and the Community Services Administration, H.R. 7005, amending the Legal Services Corporation Act of 1974, was jointly referred to the Committee on Education and Labor and the Judiciary Committee.

The Board of the Legal Services Corporation was formally installed on July 14, 1975, and on October 14, 1975, the Corporation formally assumed its full responsibilities under the act. The Corporation having come into existence, it is my understanding that the Judiciary Committee now has exclusive jurisdiction over the Legal Services Corporation and amendments to the Legal Services Corporation Act.

Mr. QUIE. Does the gentleman mean that matters with respect to the Legal Services Corporation would now be forwarded to the Committee on the Judiciary alone?

Mr. PERKINS. Correct; according to the rules of the House.

Mr. QUIE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

RESTORATION OF FEDERAL MATCHING SHARE FOR COMMUNITY ACTION PROGRAMS

Mr. HAWKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8578) to amend the Community Services Act of 1974 to increase the Federal share of financial assistance to community action agencies.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. Hawkins).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8578, with Mr. de la Garza in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. Hawkins) will be recognized for 30 minutes, and the gentleman from Minnesota (Mr. Quie) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. Hawkins).

Mr. HAWKINS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 8578 is a bill which would affect the share of Federal funds that are now provided community action agencies under the 1974 act, which was passed in the last Congress, extending authorization to antipoverty programs.

The percentage of the program cost which was to be borne by the Federal Government was decreased in fiscal year 1976 from 80 to 70 percent and then to 60 percent in fiscal year 1977.

Concomitantly, the local governments are asked to increase their share from 20 to 30 percent in fiscal year 1976, and also another 10 percent, to 40 percent in 1977.

The 70-to-30 formula may seem to be rather reasonable except that on a percentage basis I think it should be kept in mind that this represents an actual 50-percent increase in local funds for local communities and a 12.5-percent decrease in the Federal funds which would go into community action agencies.

In view of the fact that local governments are hard-pressed at the present time, it seems rather unreasonable that we would use this opportunity to actually make this increase at local levels.

May I make this point clear that this does not in any way affect the budget amount. It does not in any way affect the targets that have been made by this House with regard to the budgetary targets that must be made. This House and the Congress heretofore have approved an appropriation which is not affected by this particular bill. So that regardless what we do today Community Action Agencies will have available to them, by appropriation, some $330 million for fiscal year 1976. This particular bill does not in any way affect that distribution.

The point that the sponsors of this legislation have tried to make is that this is not any time during these days of distress to ask State and local governments to share a larger load of a problem which in many ways is not their problem. The economic distress that we experience today is not a matter of a State or a city problem or their responsibility. Poverty and unemployment have been increased by Federal policies that have brought about this situation deliberately as a means of so-called price stabilization.

It should also be noted that distress is widespread. As a matter of fact in the last year 85 of the 135 major labor market areas have been added to areas of high unemployment because of these policies.

This bill was thoroughly considered by the subcommittee of the House Committee on Education and Labor and by the full committee. It was reported out of the committee by a bipartisan vote of 24 to 6. The bill is supported both by the States and counties. In testimony before the subcommittee, the National Conference of Mayors, represented by Mr. John Gunther, fully supported the bill. The National Association of Counties, through Mr. John Caldwell testified in behalf of the counties.

So it seems to me that we have before us today a very reasonable issue of restoring that degree of funding, the percentage of funding, that did prevail prior to last year and which has prevailed since 1967. The money is already appropriated. The bill is widely supported. The economic conditions of the country certainly, I think, justify the position that this is no time for us to impose on State and local governments a responsibility which basically is not theirs.

But whether it is or not, it would, in the final analysis, certainly be to the detriment of the poor people throughout this country.

With that, Mr. Chairman, I certainly hope that the Members will see fit today to support this proposal on a bipartisan basis.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I am very happy to yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I appreciate very much my former chairman, the gentleman from California (Mr. Hawkins) yielding to me.

Mr. Chairman, I must say to my colleague, the gentleman from California, as the gentleman well knows, that I have long been interested in and active when I was a member of the Committee on Education and Labor on this whole issue of what happens to Community Action.

My dilemma this afternoon, Mr. Chairman, simply stated, is this: I was one of those who was active in the development of the Community Service Act law. I was present at meetings with the gentleman from Kentucky and our good friend here, the gentleman from Minnesota, and other members of the committee, as well as other members of the other body. A decision was reached on the formula that is now in the law that this bill proposes to change. That poses to me a very real problem, because I was a party to those negotiations in good faith. I was of the belief then, and I, frankly, am of the belief now, that the formula was fair, that it would not work a hardship, given the waiver that can still be exercised by the Director of the Community Services Administration, and that the Community Action Agencies were given notice that a change was coming.

The gentleman from California will remember, I know, that what we were faced with at the time was the pressure from our colleague, the gentleman from Minnesota, who wanted to go far further in cutting down the Federal matching in a way that I thought not right. I did not support him in his efforts to reach that end, as well as what we found at the White House of whether we could get a bill signed.

The Community Services Act is a good bill. It is one I am proud of, and I think it does what we needed to do in preserving, enhancing and strengthening Community Action Agencies across the country. Thus, I am reluctant, but, nevertheless, find myself in the position of having to say to my very good friend and able colleague, the gentleman from California, that I cannot support the bill today because I think to do so would not be on my part an act of faith, given the negotiations into which I entered when I served on the Committee on Education and Labor.

So that, while I am sympathetic and continue to be to the leadership given by the gentleman from California most especially, and the fact that it is through the gentleman from California (Mr. HAWKINS), that we have gotten as far as we have in preserving Community Action Agencies, I shall today have to vote against this bill with great reluctance and with great respect for my friend in the well.

Mr. HAWKINS. I appreciate the remarks of the gentleman from Wisconsin.

The only thing that I can say is that legislation is a matter of compromise. We did make the compromise in order to continue the program at that time. I think all of us entered into that compromise with the hope that by this time conditions would be improved. They have not improved. As a matter of fact, economic conditions have deteriorated in many ways. We also felt—and as I recall it was during April and May that we were negotiating—that the bill would soon pass and the agencies would have an opportunity to have at least a year of notice.

However, as the gentleman will recall, we did not succeed in passing the bill until December. As a matter of fact, I think that it was the day before adjournment or very close to it anyway, and that was almost two-thirds of a year later. So that by no stretch of the imagination were Community Action Agencies given more than 4 to 6 months' notice by the time the bill was passed.

Of course, it was not the fault of this House or the fault of the other body. We were faced, therefore, at the beginning of this year with the final disposition of the matter, which did not give the local agencies an opportunity to find out from their legislatures and from their cities what support they might be able to give.

In the committee also I think there was a third consideration that a waiver provision might operate, and that there would be some relief in those instances in which Community Actions were thoroughly distressed and would prove so. We have tried to use this technique, but in testimony before the subcommittee, Mr. Gallegos, the Administrator of the Community Services Act, testified that he will hold this waiver provision to a very strict interpretation. Despite the fact that money is available, despite the fact that there is a hold-harmless clause in the existing law, we have a situation in which the waiver provision is not being construed in such a way as to help these agencies.

So I think we have changing conditions, and I think as a result of the changing conditions that we have got to face the facts as they now exist.

Mr. STEIGER of Wisconsin. Would my colleague, the gentleman from California, yield further?

Mr. HAWKINS. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I do appreciate the gentleman's willingness to do so.

I would want the gentleman to know that if it appears as time goes by that in fact the Community Services Administration is unwilling to use the waiver as I think all of us perceived it; that is, as a mechanism to make sure that there was protection for an agency at the local level who might otherwise be in trouble if the formula stays as it is, then I would say to my friend that it seems to me we have a chance to come back and deal with that issue.

I do think the waiver is important. It is the reason, as I said in my earlier remarks, that I am in the position I am today, because it was there as a safety valve. If it is not used, if the Director does not use it with prudence to be sure that we do not begin to find some agencies in trouble, then, yes, I might find myself sometime down the road agreeing with my friend, the gentleman from California. But as we go through this, if we find the Director uses his judgment correctly, I would hope Congress would use its judgment as well correctly in trying to make a determination about this kind of issue.

I am grateful for the point the gentleman from California has made because I think that the waiver provision is of fundamental importance across the country in terms of how we make this formula work well and effectively as the local communities, the States and the Federal Government try to do their jobs.

Mr. HAWKINS. Just in brief response, because I know the mood of the House today is not to postpone the debate too long, if the gentleman had not left the subcommittee for greener pastures, which I regret from the viewpoint of the subcommittee because the Member was a very dedicated member of the subcommittee and I never had trouble getting a quorum as long as that Member was on the subcommittee, he would have known we have already questioned the Administrator as to the use of the waiver provision.

If I were in all candor relating all the facts I could bring out today, I would have to say that the present Administrator certainly would be guilty of great imprudence in the use of the waiver provision. We had hoped that by exploring this idea, the use of the waiver provision, we might have avoided bringing this bill before the House because we would have been content to have handled it administratively. Having failed in that and in the belief that the Administrator will not prudently use that provision, we come before the House for that reason.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, may I direct a series of two or three questions perhaps to the gentleman to see if we can get some information that will help me resolve in my mind just what this bill will do here? I understand the gentleman's wanting to raise by 10 percent the authorization for appropriations to community action agencies. Is that correct?

Mr. HAWKINS. That is not correct.

Mr. LANDRUM. What is correct?

Mr. HAWKINS. We are not touching the appropriation at all.

Mr. LANDRUM. The gentleman is raising the amount that the Federal Government contributes from 70 to 80 percent.

Mr. HAWKINS. That is only the Federal share which will be increased from the current 70 percent.

Mr. LANDRUM. From the old percentage?

Mr. HAWKINS. From 1975.

Mr. LANDRUM. Let me ask further, if the gentleman will yield further.

Mr. HAWKINS. Let me make sure the gentleman understands we are not touching the appropriation. We are restoring the old Federal share that existed prior to last year.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield further?

Mr. HAWKINS. I yield to the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, under what procedure do the Community Action Agencies in the local areas of the country receive this money from the Federal Government? What is the procedure they use to get it?

Mr. HAWKINS. They get it on a formula basis from the Federal Government. The local agencies get it through the Community Action Administration.

Mr. LANDRUM. I understand that. How do they get this money down there through the Community Action Agencies?

Can we say how that occurs?

Mr. HAWKINS. It occurs in the federal process of handling these matters.

Mr. LANDRUM. What agency does it come from?

Mr. HAWKINS. It comes from the Community Services Administration.

Mr. LANDRUM. Community Services Administration?

Mr. HAWKINS. That is right.

Mr. LANDRUM. Now, a Community Action Agency in north Georgia applies to the Community Services Agency here for a grant and that application is either approved or denied. If it is approved, then the Community Services Agency sends this money down to the local Community Action Agency, used under the conditions set up by the Federal Government; is that right?

Mr. HAWKINS. That, basically, is correct.

Mr. LANDRUM. Now, then, how can this Federal grant be used? Can this be used to buy buses? I am not talking about schoolbuses. Let us eliminate that to begin with. I do not want to get into that controversy. Can it be used to set up transportation systems?

Mr. HAWKINS. It is used under the local initiative process. The decision is made at the local level by the Community Action Board.

Mr. LANDRUM. So it could be used to set up a transportation system?

Mr. HAWKINS. Possibly, but in the broad outline of the act itself, there is more to it than that.

Mr. LANDRUM. Could this grant from a Federal agency be used to set up a transportation system to transport people from their homes to a hospital, from their homes to a doctor, for people in the poverty level?

Mr. HAWKINS. In those cases, it probably could; yes.

Mr. LANDRUM. Could a grant also be used to set up a transportation system that would give people in the general area an opportunity to tour on these buses, to tour under, say, a scenic advertising program?

Mr. HAWKINS. That is not likely. The gentleman is talking about a transportation system. I think the gentleman is getting far afield from the purposes of the act itself. If the gentleman says on a limited basis it might be used to transport senior citizens and those suffering from disability, the gentleman might be correct; but when the gentleman is talking about setting up a system, it is not likely that the small amount that would be available at the local level would allow any transportation system per se to be set up, even though it might be confined to those in the poverty level.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield further?

Mr. HAWKINS. Yes, but on a limited basis; my time is running out. I will try to answer what questions I can.

Mr. LANDRUM. I will cease and seek time later, if the gentleman will yield.

Mr. HAWKINS. If I have any additional time, I will be very glad to yield some additional time; but I know there are several requests I have and I do not want to use it all up.

Mr. FRENZEL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Fifty-one Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. QUIE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, if there was some merit to change from the 75–25, for those Community Action Agencies that receive $300,000 or less, or 70–30 who receive more than $300,000, back to the 80–20, I would be in favor of this legislation. I am convinced that there is not. When we considered this legislation last year we reached an agreement that this bill will break. I want to point out that I entered into an agreement with the chairman of the full committee and the chairman of the subcommittee when I wanted, as the gentleman from Wisconsin indicated, a much greater reduction. In fact, I wanted to go 50 percent Federal share this last year and 10 percent this year. And I agreed last year we ought to continue on the 80–20 for the past fiscal year, and then we could move down to 70–30 this year and 60–40 next year.

Those who represented the Community Action Agencies agreed to it.

When we went over to the other body and met in conference, it was pointed out that the larger Community Action Agencies would not have any difficulty with this agreement, but smaller ones might have difficulty in going to the 70–30 this year. I agreed then that we would lessen the requirement for those smaller ones. If they received less than $300,000, they would need match only 75–25 this year, and next year 70–30.

Bear in mind that 86 percent of all Community Action Agencies are below $300,000. But we are talking about 86 percent of all the Community Action Agencies only having to pick up an extra 5 percentage points of the share.

I do not believe that this is onerous. If the Members will look at the minority views in the report on this bill, they will find a poll that was taken of 60 percent of the Community Action Agencies, in which it indicated nationally only 20 percent said, "No," they could not do it, they could not handle it.

We have finished the first quarter of this fiscal year and we are into the second quarter, and I do not find the Community Action Agencies are not requesting the amount of money to be able to receive under the hold harmless because they do not have the money to match. They are in there asking for money, and they are reaching for the matching money.

There is no reason whatsoever why we have to change and to go back to the old level. Let me point out that Community Action Agencies find it easier not to have to ask for the additional money. One of the reasons is they are not as well accepted in the community as they ought to be.

My desire, and I think the desire of the Congress, last year was that the additional money would be raised locally from local sources. Those local communities and subdivisions, would look at CAP Agencies as a part of the whole fabric of Government which provides assistance to poor people at that level.

Then they will, I believe, utilize them well, and there would be a greater sense of responsibility in utilizing the money.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, I wish to ask the gentleman a question or two in order to see if I can get clear in my mind just what these community action funds from the Federal level amount to.

First, could the gentleman tell me exactly how these community action funds reach the local agency?

Mr. QUIE. Mr. Chairman, what we are talking about here is local initiative money. The Community Action Agency makes its request to the regional office for the money, and lay out the programs they are going to utilize the money for.

Mr. LANDRUM. Must the Community Action Agency at the local level have its full amount of matching money available before the Federal grant is approved?

Mr. QUIE. It must commit its matching money but they can provide it throughout the entire fiscal year. The matching funds can be in cash or in kind.

Mr. LANDRUM. In cash or in kind?

Mr. QUIE. The gentleman is correct.

Mr. LANDRUM. Mr. Chairman, are there any restrictions on the use of this Federal grant by the Community Action Agency, and, if so, what are the major ones?

Mr. QUIE. Mr. Chairman, as I would expect, it would only be if it were not utilized for poor people in the community.

Let me run down the list that I have of the kind of programs that the money is being used for: The aging program, child development programs, community development, community organizations, consumer aid, credit union, economic development, education, energy, food and nutrition, health, housing, legal assistance, manpower, migrants, native Americans, neighborhood assistance, transportation, and youth.

With all of those, I think the gentleman will agree it is pretty widespread.

Mr. LANDRUM. Mr. Chairman, if the gentleman will yield further, out of that broad variety of uses to which these funds can be put, the local Community Action Agency could then establish a transportation system for certain classes of people; is that right?

Mr. QUIE. The gentleman is correct.

Mr. LANDRUM. And what would this class of people consist of primarily?

Mr. QUIE. Anyone who would fit into the category of being poor, I would imagine.

Mr. LANDRUM. Would the transportation system go to their homes and pick them up and bring them to the market or bring them to the hospital or bring them to the doctor's office?

Mr. QUIE. It could. There are transportation systems of that nature in Community Action Agencies throughout the country.

Mr. LANDRUM. Would it be possible for that Community Action Agency to lease some of its equipment to a municipal agency to carry out some of its functions to provide a transportation system for the public?

Mr. QUIE. I would expect it could.

Mr. LANDRUM. Mr. Chairman, I thank the gentleman.

Mr. QUIE. Mr. Chairman, let me also point out that in the case of Minnesota I heard from a Community Action Agency in my own congressional district—and this Community Action Agency is in southeastern Minnesota, the Citizens Action Council—and they say if this legislation is passed, the agency will lose $21,000 approved by the State of Minnesota for the coming year to offset the Federal matching contribution. Other Community Action Agencies within the State will be similarly affected.

What we would be doing in the State of Minnesota by passing this legislation is this: We would be supplanting State money with Federal money. That does not make much sense to me either, since the State of Minnesota has a surplus of money and the Federal Government has just increased the Nation's deficit from $68.8 billion to $72 billion, plus the amount the O'Neill amendment added to it, which may make it $73 billion.

Mr. KREBS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. KREBS. Mr. Chairman, having served in the local government before coming here, I am aware of a problem. This is the problem I have, and the gentleman may have an answer for it; that is why I am asking the question:

In those jurisdictions such as in California, which has a limit by State law on the amount of tax rates they can adopt, what can we do in an area such as this where there is simply not enough money that the government has to contribute in the high percentage categories along the line as involved in this legislation?

There are many other sources. It is true that the local government actually cannot do it, but the State can help. It is possible for any local group within the local community to make the contribution.

It does not say that this money, the 25 percent in those smaller caps, would have to come from Government sources. It can come from any source.

I might also point out that every one of those local governments gets revenue-sharing moneys. While it is true that general revenue sharing cannot be used to match moneys in a Federal program, it can be used for purposes within the community, which releases their own money to be used for Federal matching or Federal programs.

Most local communities have used their revenue-sharing money for one-shot deals left each year. It is available for some new project. They are not stuck with financing some project that they finance on a continuing basis.

Therefore, I do not find that this would be onerous at all. Then, if all else comes to naught and one cannot find any money from private sources, from the local political subdivision and from the State, then the Community Action Agency can come into the Community Services Administration and ask for a waiver.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. QUIE) has expired.

Mr. QUIE. Mr. Chairman, I yield myself 5 additional minutes.

To continue, Mr. Chairman, we provided for a waiver in the law in case there was a situation occurring.

It is true that we operated under the 80-to-20 formula for so long that there are few waivers necessary.

The director indicated that he did not see in his regulations how he could grant an expanded waiver, but that is not what the law says and that is not what was indicated by the committee or what the committee wanted him to do. That is certainly not what is being indicated by the legislative intent in this body today, that we do not want him to use his waiver authority. Therefore, I believe that option is available to him.

Mr. KREBS. Mr. Chairman, I thank the gentleman from Minnesota (Mr. QUIE) for his kindness.

Mr. QUIE. Mr. Chairman, the problem, as I see it here—and to me it is the most serious—is that the Congress met last year on the legislation and laid it out to the community action agencies, with ample time, giving them a year to prepare for it. Since the Federal share is now going to be reduced for the larger ones to 70 percent and for the smaller ones, which make up 86 percent of the CAP's, to 75 percent, if we change our mind and say, "The problems are so difficult out there that you can come back to that 80 percent Federal share again," how are they ever going to believe us again?

We have reduced the Federal share and require CAP's to pick up a greater local share. We just cannot continue this process that we have engaged in so often, where we come up to the wire and then say, "They are not able to take care of that responsibility locally."

Actually, they have a greater capability of providing for themselves than we have here on the Federal level, and the Federal money goes further if we have that 70-percent requirement.

Mr. Chairman, they need that pressure. If anybody knows local people in the local community, they gladly take the money from some place else so they do not have to share the responsibility.

I have talked to county commissioners who do not want to admit that they will pick up some of that share because they are afraid that if they did, somebody else would also ask them to do it. However, I have talked to a number of them who have indicated that if they are really put in the position where they would be required to, they would come through with the money.

If the local community action agencies through all of these years have not sold their program and have not convinced the community of the good of their program, I wonder what in the world they have been doing.

This is similar to activities we have had in other parts of the Government, such as with respect to the Cooperative Extension Services. We have had them aiding the farmers in the rural parts of America, assisting them, not only in making more money available for farms, for homes, but through youth programs. In each one of those cases a substantial portion of the cost has been borne locally.

Farmers feel that program belongs to them, it is a part of their total community. Until we reach that point I do not believe the Community Action Agencies are going to be as successful as they should be. They are being used now as a prime sponsor for programs not funded by the Community Action Services Administration, they are prime sponsors for programs that come out of HEW, for programs that come out of the Department of Labor, and others, as well, but they are the two biggest ones.

They could be the prime sponsors for local programs and State programs but they will not reach that point unless a greater share is borne by the State and local governments.

So I say that this is a huge mistake, a huge mistake in requiring the Federal Government to put up a greater share. We are now in a poor financial position. It is a great mistake because it will be hurting the Community Action Agencies, and it will be a great mistake because I believe in the long run it will hurt the poor people of this Nation.

The CHAIRMAN. Does the gentleman from Minnesota have further requests for time?

Mr. QUIE. Yes, Mr. Chairman, I do.

I yield 5 minutes to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I have some grave concern about what we are doing on the floor of the House today if we pass this particular piece of legislation, H.R. 8578.

I think everyone in the present Congress and the past Congresses and in future Congresses want to do everything possible to help people in poverty lift themselves out of poverty.

I hope that most of us agree that there is nothing we can do to do it on our own—to help them out, we have to help them help themselves. It was hoped that that was what the community action programs would do.

One of the things that we hear back in the local districts all the time is, "Would you people down there please be consistent? Would you please do some advance planning so that back home we know what to expect and then after we know what to expect, we can get busy and do what we know we have to do?"

So Congress told them, and I was not here at the time, in the amendments of 1974, that the 80-to-20 split will stop, it will continue until 1975 but then it will stop and the Federal share will change in 1976 to 70 to 30, and in 1977 to 60 to 40.

That is what they were told. That is what most of them have been counting on and planning for.

Only 20 percent have indicated that this would not be enough for them, but we have already taken care of the 20 percent because we have said that if there are unusual circumstances they can receive additional aid.

So I think we should be consistent and we should let them know we are planning in advance so that they know exactly what to expect back home.

But, you know, there is, in my estimation, something more important than that. Some of the agencies and some of their activities have been very successful, but they have not really reached their potential only because the people and government back home are not interested enough and are not involved. The States are not interested enough and not involved enough. The local governments are not interested enough and not involved enough. Many of the local people are not involved.

If we are really going to attack this business of poverty, of helping people help themselves to rise above, we will have to get the State and local governments and the people in the local communities concerned.

As long as we, as the Federal Government, send the money in there, they have no reason to become concerned. They do not even know in some cases what is going on, because the money comes from here to them. They do not have to worry about it.

As I understand it, some years ago when it looked like OEO was going out of business, the gentleman from Minnesota (Mr. QUIE) and others saved it, they saved it by proposing this, and the people back home were pleased. They acknowledged that, they were very pleased. But now, all of a sudden, we as the Federal Government say, well, we are going to stay in this business, we are going to give you the lion's share, we will do the financing, you do not have to worry about it, most of all, you do not have to become concerned.

But most of all, one does not have to become concerned, and when they do not become concerned, there is no way we can attack the poverty problem and help people help themselves, unless they get concerned back home. So it is my hope that this Congress will force local and State governments and people living in communities to be concerned about the poverty problem and to get actively involved to do something about it.

The only way we will do that—the only way—is if the Federal Government pulls back with its influence and, above all, with its money.

I would hope that we would keep the 1974 amendments intact. For those people who are in poverty it is important to me, and I think to them, that we defeat this particular piece of legislation today or they will never be helped to help themselves out of poverty.

Mr. HAWKINS. Mr. Chairman, I yield 7 minutes to the distinguished chairman of the Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Chairman, first let me state that this bill should be passed. I have listened very attentively to the arguments made by my distinguished colleagues, the gentleman from Minnesota (Mr. QUIE) and the gentleman from Pennsylvania, (Mr. GOODLING) about the necessity for keeping intact the 1974 amendments. It is true enough in the conference that we did agree to increase the local contribution, but there was very much doubt in the minds of many of the conferees at the time that the local communities were able to shoulder this additional responsibility, and that is why we are here today.

The gentleman from California has conducted oversight hearings, and the results of those hearings show clearly that the local communities are not able to match in conformity with the 1974 act. We had from 1964 and 1965 a local contribution of 10 percent either in money or in kind. In 1967 the local contribution and the Federal contribution was 80-20—20 local—and it remained that way until last year.

With the economy in this country as it is today, cities like Los Angeles and numerous local Community Action Agencies in the rural areas are not in a position to come up with the extra money at the local level.

Let me state that we are not violating any appropriations bill or any budget committee recommendations. Everything we are discussing here comes within the purview of the appropriations bill. We are only speaking about letting Community Action survive, and I mean actually survive. In certain sections of this country because they just cannot come up with the extra money that is going to cause in many instances a tremendous cutback in the program.

I want to state to my good friend, the gentleman from Pennsylvania, if we have done anything constructive by amendments to the Economic Opportunities Act over a period of years, it has been to get the local governments involved. The local governments, the municipalities, the counties, have representatives, and on these Community Action boards if they so desire.

So this program has got the local communities, the State people and everybody else involved to initiate programs that will better help the poor.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Would my distinguished chairman disagree with my premise that in order to make this program work better, we have to get more involvement on the local and the State level, and one good way to get that, to make them really concerned, is to have them pay more money, then they become more interested in the programs that are going on?

Mr. PERKINS. I agree that in order to make any program work we have to have the people involved, but I do not agree that in order to get people involved we have got to require more money from the local people. That is the disagreement between the gentleman and me, because if this legislation has done anything over a period of years it has got the local people involved.

Mr. Chairman, the bill before us today, H.R. 8578, is a direct result of the exercise of the oversight responsibility of the Subcommittee on Equal Opportunities.

Our colleague GUS HAWKINS chairs that subcommittee and has taken seriously the directives in the amended rules of the House to vigorously oversee legislation previously enacted. The Equal Opportunities Subcommittee held hearings on the operation of the Community Services Administration that we passed in January of last year. As a result of that oversight, this legislation is before us today.

H.R. 8578 is a very simple bill. It restores the local-Federal relationship under the Community Action Program to the same position that has existed since 1967. In December of last year the Congress passed and the President signed a bill that was a compromise. That bill increased the amount of money required of local community action agencies to match Federal antipoverty dollars. This compromise was based on several assumptions, the most important of which was that the economy was going to turn around, things were going to get better, more people were going to be employed, inflation would be reduced, and prices were going to rise less quickly. Therefore, the cities and towns of counties and local agencies of this country would have the additional money to support community action programs.

But let us look at the facts. Things are not better than they were in December of 1974. In fact, they are worse. Unemployment has not declined, inflation has continued to increase, and local governments are experiencing severe financial difficulties.

With this background the legislation reported by the Committee on Education and Labor proposed to slightly relieve the burden on the poorest of the poor who are receiving financial Federal assistance.

Let me take this opportunity also to point out some of the facts from the Seventh Congressional District from the State of Kentucky:

The Big Sandy Area Community Action Agency would be required to come up with an additional $10,500. They reported to me just today by telephone that any increase in their match would be extremely difficult to meet due to inflation and general difficulty in getting money.

The Licking Valley Community Action Agency would be required to come up with an additional $5,300. They comment, via discussion today that any increase in their matching funds would place an extreme hardship on their services to the poor and severely handicap their day to day operations.

The Middle Kentucky River Community Action Agency would be required to come up with an additional $9,900 and they explain that any increase would mean a definite curtailment of all services; transportation, home repair, outreach and referral, and all services generally across the board. Their feeling is that it would be almost impossible to come up with an additional 5 percent the way things are right now.

The Northeast Community Action Agency match would require an additional $7,250 and their frank feeling is that any increase in their level would cause a great deal of hardship for all the poor in their area. They don't believe they could raise any additional money.

Mr. Chairman, this bill does not authorize any additional funds. It merely allows the Community Services Administration to continue to support 80 percent of the activities at the local levels. The House has already appropriated a sufficient amount of money to allow the Community Services Administration to do this. All we need do today is adopt this bill and we will be taking one step in the direction of alleviating the severe financial pressures on the local community action agencies.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. HAWKINS. Mr. Chairman, I yield 3 additional minutes to the chairman, the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I would think if the gentleman from Pennsylvania had surveyed his community action programs, which I have done today, he would get the same reaction from those community action programs that I have gotten, that they cannot come up with this extra local matching money without severely cutting back ongoing programs.

Now let us keep in mind that this local matching of 80 percent/20 percent, that is 20 percent local matching will be effective only during the year 1977. That is when the bill expires. I do not think that any of us wants in times like these to see good services extremely curtailed and in many instances, maybe several instances, community action agencies will just die on the vine.

I say to the House that now is the wrong time to require the local communities to make a greater contribution, when we have such a high rate of unemployment and the tax revenues at the local level and the State level have fallen off considerably.

It would be my hope that we approve the bill introduced by the distinguished chairman of the subcommittee, the gentleman from California (Mr. HAWKINS). It is reasonable. It is the type of matching that has been in effect since 1967. We know the good results that have flowed from this legislation.

So, Mr. Chairman, it is my hope that the Hawkins bill will be approved overwhelmingly.

Mr. QUIE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, we are not asking the Community Action Agencies to go now to 70–30 and 75–25. They already went to 70–30 or 75–25, depending on their size, July 1. They have been operating that way. I have not heard any great scream from them on that.

Let me go back again to the poll that the National Center for Community Action took.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, let me say, it is true enough, the law was changed effective July 1, 1975, but CCA's have been laboring under the impression, not only in my district, but throughout the country, that the Hawkins bill would pass and their contribution would revert back to 20 percent. That is their hope. They just did it on a temporary basis with the hope that it will pass.

Mr. QUIE. Mr. Chairman, I will say to the gentleman that somebody must have given them the wrong information, if they have been thinking that the Hawkins bill will become law, because it takes more than the House and the Senate passing a bill for it to become law. The first quarter of the fiscal year has gone by. They are in the second quarter and let us see how difficult it really is.

Let us go through this National Center for Community Action poll. In region 1, which covers the States of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, only five said they could not do it.

In region 2, which covers the States of New York and New Jersey, only five said they could not.

Region 3, which covers the States of Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia, only eight said they could not raise it.

Region 4, which covers Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee, there 41 said they could not do it.

In region 5, which covers Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin, only nine said they could not raise the money.

Region 6, which covers Arkansas, Louisiana, New Mexico, Oklahoma, and Texas, 22 said they could not do it.

In region 7, which covers Iowa, Kansas, Missouri, and Nebraska, only six said they could not do it.

Region 8, which covers Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming, only three said they could not do it.

Region 9, which covers Arizona, California, Hawaii, Nevada, and the Trusts, only six said they could not do it.

In region 10, Alaska, Idaho, Oregon, and Washington, only five said they could not do it. If we add up those that said no, there are 120. The OMB indicated that even under the present regulations for the waiver, 183 Community Action Agencies are eligible for waiver.

So, I maintain that the Community Action Agencies in the chairman's district, are eligible for waiver under the present regulations. We do not even have to change the law in order for them to have the waiver.

Mr. JONES of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. Mr. Chairman, I am just seeking information. Is it true or not true that these local communities, governmental agencies, could use revenue sharing for their participating costs?

Mr. QUIE. The revenue sharing prohibits the use of the Federal money to match a Federal program. I understand in talking to them, locally elected officials, that they use their revenue sharing money to release local money so that they can use it for matching the Community Action Agencies and other Federal programs.

Mr. JONES of North Carolina. I thank the gentleman.

Mr. QUIE. So, from all that I have laid out to the committee, I say to my colleague, Mr. Chairman, that there is no reason why this piece of legislation ought to be enacted into law. We ought to reject it at this time.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, let me say to the distinguished gentleman that I know that he has made great contributions over a period of years to this legislation, and that he is very serious about this argument he is making here this afternoon, but at the same time, does the gentleman not feel that his argument will be more appropriate at some future date when economic conditions are better in the country and where the local governments have greater resources and are in a better shape and better fiscal condition to increase local matching than they are today?

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. QUIE. Mr. Chairman, I yield myself 1 additional minute.

The CHAIRMAN. The gentleman is recognized for 1 additional minute.

Mr. QUIE. Mr. Chairman, let me say to the Chairman that the State of Minnesota has a surplus; the Federal Government has a huge deficit. There are other communities in this country that have a surplus, that do not have the same serious problem the Federal Government has. I do not believe that they will have a problem in raising the money. However, we have made provision for those who have serious problems in raising the money. With the waiver it is taken care of.

If there was not the waiver in existing law I would not be in here objecting to the bill. In fact, last Congress when the administration tried to kill the OEO and Community Action Agencies, I worked to keep it alive. I am opposing this bill today, not because I am trying to kill the Community Services Administration or the Community Action Agencies, but I am doing it because it would not be wise for the Federal Government to now change its word that it laid out before.

It is a responsibility, I say to the gentleman, that the Community Services Administration ought to face up to, and they will be healthier because of it; they will be stronger because of it; the agencies will be served better because of it, and that is the way it ought to be.

Mr. WIRTH. Mr. Chairman, we are considering today legislation that would restore Federal matching shares for community action agencies to the 80–20 ratio that prevailed before fiscal year 1976. The present formula for Federal matching shares calls for a reduction in fiscal year 1976 to a 70–30 ratio and a further decrease in 1977 to a 60–40 level.

The assumption that State and local governments would be able to meet the increases in matching shares in 1976 has proved to be mistaken; hopes that the economy would recover to the extent that Federal shares could be reduced by 10 percent were apparently ill founded.

After surveying its membership, the National Center for Community Action Agencies found that two-thirds of the community action agencies across the Nation have serious doubts about their ability to meet the non-Federal share of the requirements. I have contacted several community action agencies in my district and I have found that they are hard pressed to function at the 80–20 ratio, let alone the 70–30. They assured me that there is ample local support and commitment for these programs, but that funds are dwindling due to inflation and shrinking revenues.

In the present climate, State and local governments are bearing as much of the burden as we can expect of them. It is essential that we restore the Federal matching shares to the 80-percent level.

Mr. FRENZEL. Mr. Chairman, I voted against H.R. 8578, the Community Services Act Amendments of 1974, because it would reduce the total amount of funds potentially available to CAP agencies and because it represents a reversal of the policy set by Congress last year when we established the local incentive program.

The total Federal CAP funding remains the same. H.R. 8578 simply means it will be matched by less local money, thus producing a reduced total available for CAP. In addition, the 70–30 share, agreed on last year, would mean local governments would have a real interest and investment in CAP agencies. The 80–20 share in this bill requires less local interest. I hope the bill is defeated.

Mr. BADILLO. Mr. Chairman, I would like to compliment the distinguished chairman of the Committee on Education and Labor, Mr. PERKINS, for the very fine work he did in bringing to the floor H.R. 8578, a measure designed to restore to 80 percent the Federal contributions to community action programs.

I served on the House Committee on Education and Labor, when under threat of complete discontinuation of the poverty programs, the administration forced Congress to accept a reduction in the Federal contribution. Democratic Members on the committee were well aware of the hardship the reductions would impose and existing evidence indicates that our forebodings were justified.

Historically, the programs of the Office of Economic Opportunity were instituted to give the poor, for many years voiceless and neglected, a participatory, decisionmaking role in initiating and administering programs designed to bring them into the mainstream of our national life. In recognition of the fact that for many years the participants in these programs have been neglected and that only a minuscule proportion of our resources have been expended for their use, the Federal Government, out of general revenues, contributed 80 percent of these special program costs, mandating that the localities make up the remaining 20 percent. When the Community Services Administration legislation was adopted in 1974 revamping the so-called poverty programs, the language forced upon Congress stipulated that for fiscal 1976 the Federal share be reduced to 70 percent, and by fiscal 1977 amount to only 60 percent.

These reductions, needless to say, coincided with the nationwide increase in unemployment and inflation, imposing great hardships on the poor, and creating special burdens for the young and the elderly. All community action agencies suffered. In the Atlanta Region, according to the committee report, 55 out of the 179 community action agencies predicted that they would have difficulties meeting the contribution levels; in the Dallas region 100 out of the 130 expected problems, in San Francisco 35 out of 52 agencies were experiencing hardship, and in Chicago all 11 urban CAA suffered extreme difficulties, but the situation in New York was nothing short of catastrophic. The budget cuts eliminated city funding for community programs while the increased incidence of joblessness built up tremendous need for programs of assistance.

I am very pleased, therefore, to support this measure which restores Federal contributions to reasonable levels. I urge my colleagues to support the legislation and hope that it represents a congressional first step in readjusting and revising our spending priorities.

Mr. OTTINGER. Mr. Chairman, I rise in support of H.R. 8578, which would abolish the formula that is responsible for the reduction in Federal matching funds for Community Action Agencies and restore the Federal matching share to 80 percent.

Late last year, when the Congress authorized a reduction in the Federal share to 75 percent for fiscal year 1976 and 70 percent for fiscal year 1977, it appeared that there was some hope that the economy would improve and that local governments would be able to assume a heavier share of the burden of funding Community Action programs. Unfortunately, this was not the case. Indeed, the financial situation of local governments in most areas has deteriorated even further, and many communities are faced with losing these programs unless the Federal Government is able to continue its present level of funding.

A recent study by the National Center for Community Action shows that approximately two-thirds of all CAA's nationwide will be unable to meet the requirements of increased local funding or, at least, doubt their potential for locating additional local funds. Both the U.S. Conference of Mayors and the National Association of Counties have testified before the Subcommittee on Equal Opportunities that local governments cannot be expected to increase their contributions due to recession-related fiscal problems. A bipartisan group of Governors, including Gov. Hugh Carey of New York, has also expressed concern over the increased match requirement to the Committee on Education and Labor.

Mr. Chairman, I do not dispute the logic of requiring that local governments contribute their fair share to what are essentially community based programs designed to encourage self-help efforts among low-income residents. I do question, however, what constitutes a fair share at a time when State and local governments are having difficulty providing even the most basic services with shrinking revenues. If we do not act now to provide a continuing level of Federal aid, many of these very worthwhile programs that have offered hope to the low-income and elderly persons living or fixed incomes will simply be disbanded.

The Committee on Education and Labor has found that, because this bill does not seek to increase the authorization of appropriations for Community Action programs, there would be no inflationary impact as a result of its passage. Programs sponsored by the local CAA's have been instrumental in affording many thousands of low-income people the training and guidance they need to become productive members of the work force. Surely we cannot fail to approve a proposal which would cost the Federal Government no additional money and yet, at the same time, would continue our commitment to the elimination of poverty through support of local activities to help the poor to help themselves.

The CHAIRMAN. Are there further requests for time?

Mr. QUIE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 225(c) of the Community Services Act of 1974 (42 U.S.C. 2812 (c)) is amended by striking out "for the period ending" and all that follows through "70 per centum of such costs with respect to fiscal year 1977" and inserting in lieu thereof "shall not exceed 80 per centum of the approved cost of the assisted programs or activities".

Mr. LANDRUM. Mr. Chairman, I move to strike the requisite number of words.

Mr. HALEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Georgia (Mr. LANDRUM).

Mr. LANDRUM. Mr. Chairman, I have listened during general debate with some discomfort and with not a little astonishment to my dear friend, the gentleman from California (Mr. HAWKINS), and my dear friend, the gentleman from Kentucky (Mr. PERKINS), who argue that this is not the time to cut the Federal share of matching funds because the local governments are in a tight squeeze and cannot raise the money.

Just last week, we passed a second concurrent resolution in which we acknowledged the cold, hard fact in this House that we are running this fiscal year on a $72 billion budget deficit.

Let me ask the Members, in all candor, Is it not about time to cut Federal spending in all areas and particularly in areas where our friends at home are just as mad as they can get over the fact of Federal bureaucracy running rampant over them with high-salaried staffs, establishing unnecessary, unwanted services, and coming to Washington to get the money?

Mr. Chairman, let me tell the Members what is happening to some community action agency money in my town, in my county, in my district. They are establishing a mini busing system, m-i-n-i, and of course, they are advertising in the papers that they are going to have m-a-n-y buses.

In any event, they are establishing a mini busing system to provide transportation for people from their homes to town to shop and to provide transportation for people to town for other services that they might want, but that could very well be provided by other members of the family.

Get this—hold on to your seats, please—they are advertising in the papers that they are going to set up a mountain scenic transportation system to transport these poor people who have been living in these mountains all their life around over these mountains on a scenic tour to let them see where they live. They are doing that with borrowed money.

We are using 68 percent of the available capital of this country to finance the Federal deficit right now. We are using another 10 percent to finance local, municipal, and county deficits. We are leaving, then, only 20 percent for the private sector to finance its operations in the field of establishing employment.

Mr. Chairman, I say to my dear friends, the gentlemen from California and Kentucky, with whom I served for many years pleasantly on the Committee on Education and Labor, and to whom I make no apologies for my efforts in this field to correct and make poverty less burdensome, but who, I fear, do not yet understand that there is only one place to get money from through the Federal Government, and that is from the people who sent us here: Those people are getting very tired of sending us here, providing the money to set up a bureaucracy back home, and then spending it in the form of buses to carry people who have lived in the mountains all of their lives around over the mountains, making "oos" and "ahs" at the leaves or listening to the rippling brook as they go on the tour down there.

Then they say to Washington, "Do not cut the matching grant. Do not cut the matching raise. Give me a little more."

Yesterday Washington was full of county commissioners from all over the United States seeking more money for revenue sharing. Sharing what revenue?

Sharing revenue when we are $72 billion short of having enough to pay the bills this year.

Now my friend the chairman of this very, very important Committee on Education and Labor and my friend the gentleman from California, a very active and constructive member of it, each of them know very well that when they say it does not have any impact on the budget that they just are not telling the Members that we will be taking the hinges off of the door a little while later and it will be considerably above the budget.

Mr. HAWKINS. Mr. Chairman. I move to strike the last word.

Mr. HAWKINS. Mr. Chairman, I hope I do not use the full 5 minutes, but I think it is most unreasonable for a Member to cite a single example with which that Member disagrees and disagrees with all of his home officials, because no such program can operate at the local level without the full approval of the local officials. I do not think that we on this floor would want to indict the local officials for mismanagement of a program, because the law says that they can abolish the program or even make it a public program if they so desire, and in only 10 or 12 instances have local officials done this.

I think it is also obvious that if we say that the local share must be increased in this program and yet we do not say that in any of the other programs that operate without any local matching money, then all we will be saying is that the money which is used to help the poor of this country is going to have to be matched by local money, while there are many other Federal programs that operate without any matching money or, if any, then less matching money. And especially on a program that the local groups may insist upon. But we are willing enough to fund other programs of a different nature but when it comes to the poor, then it is a program that perhaps is desirable but certainly it is not of as high a priority as other programs.

So we can use various examples to say that this is a waste of the Federal money, or that it will be used to take these poor people out to see scenic views—and this might sound rather damaging, I do admit. But each one of the Members who has taken trips around the world at the expense of the taxpayers, are they willing to say that they were wasting the taxpayers' money themselves, because we may have gone to some foreign country? I think those kind of trips are justified. I have taken them myself and I am willing to justify those that I have taken.

But we could make a case on that, and there have been cases made on this floor by Members who have tried to do this, that some of us were just running around the world at the expense of the taxpayers. And to take a thing out of context can certainly look damaging, I must concede.

But I hope that the Members will vote today and view this problem for what it is, that these people are poor because of the deliberate policies that we have fostered. They are not poor because they want to be poor.

So I hope that we will vote today towards doing our share of continuing to combat this problem and that we will not start going back to the old policies prior to the 1930's of doing everything for other interests but leaving the poor to charity. Let us not resolve to do that today.

The CHAIRMAN. There being no amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DE LA GARZA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 8578, to amend the Community Services Act of 1974 to increase the Federal share of financial assistance to community action agencies, pursuant to House Resolution 870, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 244, nays 172, not voting 17, as follows:

[Roll No. 719]

YEAS—244

Abzug
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Annunzio
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Fuqua
Gilman
Ginn
Gonzalez
Green
Gude
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hechler, W. Va.
Heckler, Mass.
Helstoski
Holtzman
Horton
Howard
Jacobs
Jeffords
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
McCloskey
McDade
McFall
McHugh
McKinney
Macdonald
Madden
Madigan
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Price
Quillen
Railsback
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stratton
Studds
Symington
Thompson
Traxler
Tsongas
Udall
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
White
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—172

Abdnor
Adams
Alexander
Andrews, N.C.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Bevill

Bonker
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Byron
Casey
Cederberg
Chappell
Clancy
Clausen,
Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Derrick
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hansen
Harsha
Hayes, Ind.

Hays, Ohio
Hefner
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Long, Md.
Lott
Lujan
McClory
McCollister
McDonald
McEwen
McKay
Mahon
Mann
Martin
Michel
Milford
Miller, Ohio
Mills
Mollohan
Montgomery
Moore
Moorhead,
Calif.
Murtha
Myers, Ind.
Myers, Pa.

Neal
Nichols
O'Brien
Passman
Pettis
Poage
Preyer
Pritchard
Quie
Regula
Rhodes
Roberts
Robinson
Rogers
Rose
Rousselot
Runnels
Russo
Santini
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Sikes
Simon
Skubitz
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Stuckey
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Ullman
Vander Jagt
Waggonner
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wylie
Young, Fla.

NOT VOTING—17

Andrews,
N. Dak.
Brooks
Dent
Esch
Fary

Fish
Gaydos
Giaimo
Gibbons
Hébert
Heinz

Hinshaw
Jones, Ala.
McCormack
Mathis
Mosher
Teague

The Clerk announced the following pairs:

On this vote:

Mr. Dent for, with Mr. Hébert against.

Mr. Gaydos for, with Mr. Teague against.

Mr. Giaimo for, with Mr. Mathis against.

Mr. Heinz for, with Mr. Hinshaw against.

Mr. Fish for, with Mr. Andrews of North Dakota against.

Until further notice:

Mr. McCormack with Mr. Esch.

Mr. Brooks with Mr. Gibbons.

Mr. Fary with Mr. Jones of Alabama.

Mrs. PETTIS, Messrs. WINN, EMERY, and ASHLEY changed their votes from "yea" to "nay."

Mr. LENT changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

CONFERENCE REPORT ON H.R. 3922, OLDER AMERICANS AMENDMENTS OF 1975

Mr. BRADEMAS. Mr. Speaker, pursuant to the previous order of the House of today, I call up the conference report on the bill (H.R. 3922) to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such act, to prohibit discrimination on the basis of age, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of November 17, 1975.)

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The gentleman from Indiana is recognized.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the amendments agreed to in conference will extend authorizations for programs under the Older Americans Act, and service programs for the elderly under related acts, through fiscal year 1978. This will extend such programs as the nutrition program for the elderly, the State and community grant program for the aged, the older Americans community service employment program, and the retired senior volunteer and foster grandparent programs, as well as others.

The amendments also make improvements in most of these programs. To help older persons live more independent lives, transportation; in-home, legal and counseling services; and renovation and repair programs will be emphasized under the State and community grant program. To carry out this mandate, States will be required to use 50 percent of their new money, or one-third of their total planning and social services allotment, for these priority services.

Mr. Speaker, the amendments also encourage States to give Indians a proportionate share of their planning and social services funds by providing that the Commissioner on Aging can withhold from the allotment to any State, funds for Indian tribes if he determines that Indians in the State are not receiving equitable benefits.

The nutrition program will be significantly strengthened by requiring the Secretary of Agriculture to donate agricultural commodities to the program equal to at least 15 cents per meal in fiscal year 1976 and 25 cents per meal in fiscal year 1977—adjusted thereafter in accordance with rises in the Consumer Price Index.

Mr. Speaker, in order to assist State agencies in carrying out their recently expanded and demanding legislative mandate, provision has been made to increase funds available for State agency administration. In addition, there are several other provisions in the bill designed to strengthen the State agencies on aging in many areas.

The community service employment program and Operation Mainstream will be combined into one program under title IX of the Older Americans Act by these amendments. Under this program unemployed, low income, older persons are provided with part-time employment in a variety of community service activities. Under the amendments, funds under the program will be distributed first to maintain existing programs; and then distributed to States via a formula based on each State's population aged 55 and over as well as its per capita income. The amendments also provide that the program will be more closely related to other program efforts on behalf of the aging in the future.

Mr. Speaker, the amendments and conference report direct the ACTION Agency to make various changes in its administration of the Foster Grandparent and retired senior volunteer programs so that these programs will have stronger identity with ACTION, will have capable and specialized ACTION staff support, and will benefit from coordination with the community programs, administered by the State agencies on aging.

Mr. Speaker, title II of the bill is a major innovation on behalf of the elderly. It has the potential of providing substantial additional services and benefits to the elderly without establishing a single new program or requiring additional program funding. We expect that title II will mean greater access to existing programs by the elderly by prohibiting unreasonable discrimination based on age in programs or activities receiving Federal financial assistance. This title is to be carried out in an orderly way by providing that: First, the Commission on Civil Rights will undertake a study of unreasonable discrimination based on age in such programs; second, the Secretary of the Department of Health, Education, and Welfare will publish general regulations to implement this title; and then each Federal department or agency which financially supports programs will publish regulations to implement this title with respect to these programs. There is ample provision in this title for congressional review of proposed regulations which, in any event, cannot be issued until after January 1979.

Mr. Speaker, at this time I will yield such time as he may consume to the chairman of the committee, the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, the conference report we are now considering extends and makes major improvements in the Older Americans Act and other programs designed to benefit our older citizens.

The conference report, as was the case with the original House bill, enjoys widespread bipartisan support. The 16 House conferees and the 11 Senate conferees are unanimous in their support of the conference report.

At the outset, Mr. Speaker, I wish to make special mention of the untiring work of the chairman of our Subcommittee on Select Education, JOHN BRADEMAS. His continuing interest in programs for older Americans and the extensive oversight hearings which have been undertaken under his leadership are the major factors in making this such an excellent conference report. I wish to commend also the ranking minority member, AL QUIE, and the members of the committee on both sides of the aisle for their contributions also.

I should briefly like to summarize what I consider to be the major provisions of the conference report.

The programs authorized by the Older Americans Act such as the title III program of grants for State and community progams for elderly Americans, support for multipurpose senior centers; the employment program and the nutrition program for the elderly are extended through fiscal year 1978 along with the Foster Grandparents program, the Retired Senior Volunteer program; and Senior Companions authorized under the Domestic Service Act of 1973.

A number of these programs—all of the major programs—have specific ceilings on the amounts that may be appropiated. These ceilings provide for moderate increases in keeping with the demonstrated and documented need.

There are four of the many major improvements authorized by the conference report that merit special attention.

The first is the priority accorded progams for the elderly involving transportation, home renovation and repair, legal and counseling services, and homemakers services. The conference report assures greater emphasis on these necessary services in future years.

Second, a new allotment formula, which properly takes into account the relative wealth of the States has been accepted for the employment program for elderly persons.

We have also in a very carefully worked out compromise to insure continued funding of employment programs for the elderly carried on by national organizations such as the Green Thumb program.

As is indicated in the statement of the managers, we agreed to language which requires the Secretary to the extent feasible to assure equitable distribution of activity among the States under the National Contractor authority. This agreement was reached in anticipation of increases in funding for title IX and in the hope of a more equitable distribution of moneys as the program grows. In the event that increased funding is not forthcoming, the managers do not believe that it will be feasible to alter in any significant way the existing distribution.

Third, the very popular and necessary nutrition program for the elderly is greatly strengthened through two amendments which will require an increase in the level of commodities which must be donated to local feeding programs for the elderly, such as Meals-on-Wheels.

And finally, the conference report retains one of the major provisions of the House bill to prohibit discrimination on the basis of age in programs receiving Federal financial aid.

This provision has been modified to allow for studies by the Civil Rights Commission, and for congressional review of any regulations promulgated to carry out the new prohibitions. What is important, however, is that the objective of the House bill is retained, which is to prohibit discrimination on the basis of age.

Mr. Speaker, the conference report we are considering today is a good example of the broad concern of the Committee on Education and Labor for matters relating to our older Americans. Our committee has had a long history of concern in recognition of the special problems and special contributions our older citizens have made to this country.

As early as 1962 the committee held hearings on the establishment of an agency such as the present Administration on Aging and on authorizing special programs for the aging to be administered by such agency.

Further hearings were held in the 88th Congress, and on March 9, 1965, the Committee on Education and Labor took the lead in reporting out a bill to establish the Administration on Aging, and research, demonstration, and training programs to meet the special needs of the aged. That bill led to the Older Americans Act of 1965.

Our committee initiated and supported amendments in 1967 and 1969 to the Older Americans Act which strengthened State agencies on aging to provide more effective leadership and advocacy at the State level, authorized areawide model project programs, provided continued support for community service programs, and added Foster Grandparent and Retired Senior Volunteer programs to the act.

A resolution to authorize the 1971 White House Conference on Aging was reported by the committee in 1968.

In 1971 the committee reported legislation to authorize a nutrition program for the elderly which became law in March 1972, and is now serving nutritious meals to over 200,000 older persons daily.

In 1972 and 1973 the committee reported out bills providing comprehensive amendments to the Older Americans Act. These bills and the subsequent amendments significantly strengthened the role of the Administration on Aging as a focal point of Federal concern for older persons and upgraded its organizational status, created a Federal Council on Aging, established a State/community coordinated planning and service system for the elderly, provided authority to lease, renovate, and construct multipurpose senior centers, and expanded most of the existing programs under the act.

The Older Americans Comprehensive Services Amendments of 1973 also established the Older Americans Community Service Employment program and amended several education and library acts to provide special programs for the elderly. Last year the committee reported out legislation to extend and improve nutrition programs for the elderly which also became law.

The Education and Labor Committee is deeply concerned with the implementation of these programs. A number of oversight hearings have been held recently on major issues resulting from the administration of the Older Americans Act programs. Such hearings in 1971 focused on budget cutbacks requested by the administration in Older Americans Act programs, the administration's preparations for the White House Conference on Aging scheduled for that year, a reorganization in the Department of Health, Education, and Welfare which adversely affected the Administration on Aging, and the transfer by the administration of the Foster Grandparent and Retired Senior Volunteer programs to the ACTION Agency.

Other oversight hearings have explored the achievements of the training programs under the Older Americans Act. This act was extended during the last Congress to include additional workers. The Employee Retirement Income Security Act of 1974 provided new protections and guarantees for employees covered by private pension and welfare plans. Our committee worked jointly with the Committee on Ways and Means on this legislation, which has a significant impact on the income of older Americans.

Mr. Speaker, as this House well knows, the Committee on Education and Labor also has had a long history of promoting programs to combat poverty. When the committee began its work in this area, one-third of the elderly were living in poverty.

A number of programs which are of special concern to the elderly were originally initiated efforts to underfund these programs. I am pleased that thus far we have not allowed these efforts by the administration to be successful.

In the most recent oversight hearings related to the implementation of the Older Americans Act, the committee questioned the advisability and legality of an administration plan to delegate responsibilities of the Administration on Aging away from the Administration on Aging. These hearings resulted in a change of plans by the administration and an amendment prohibiting such action in the future.

The committee's concern for older Americans is not limited to just the Older Americans Act. The Age Discrimination and Employment Act was reported out of this committee and passed by Congress in 1967. This is important legislation under the Economic Opportunity Act—for example, the Foster Grandparents and Senior Opportunities and Services program and Operation Mainstream. The committee has worked since the 88th Congress to establish, continue, expand, and improve programs in this vital area.

Mr. Speaker, the conference report before us builds on this tradition, and I urge all Members of the House to support it.

Mr. Speaker, at the conclusion of my remarks I will insert a chart showing the specific dollar authorizations contained in the conference report:

OLDER AMERICANS AMENDMENTS OF 1975 (H.R. 3922)—DOLLAR AUTHORIZATIONS AS CONTAINED IN CONFERENCE AGREEMENT

Program	Fiscal year 1976 (to June 30)	Fiscal year 1976 (July 1 to Sept. 30)	Fiscal year 1977	Fiscal year 1978
Title III—Area planning and social services	$180, 000, 000	$57, 750, 000	$231, 000, 000	$287, 200, 000
Title VII—Nutrition programs for the elderly	(1)	62, 500, 000	(1)	275, 000, 000
Title IX—Community service employment for older Americans	100, 000, 000	37, 500, 000	150, 000, 000	200, 000, 000
Amendments to Domestic Volunteer Service Act of 1973:				
Retired senior volunteer program			22, 000, 000	22, 000, 000
Foster Grandparents			35, 000, 000	35, 000, 000
Senior Companions			8, 000, 000	8, 000, 000
Total dollar authorizations	280, 000, 000	157, 750, 000	446, 000, 000	827, 200, 000

[1] Presently authorized.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for yielding.

I wonder if the gentleman could tell the House by what total amount this conference report is cut from the figure in the bill which originally passed the House some months ago?

Mr. BRADEMAS. Yes. It is cut by $40.9 million over the first 3 years of authorizations.

Mr. BAUMAN. The figure is $40.9 million?

Mr. BRADEMAS. The conference report is below the amount of money which was in the House bill.

Mr. BAUMAN. Was there also a provision for the additional year's funding that was dropped from the bill?

Mr. BRADEMAS. The gentleman is correct. If the amount for fiscal year 1979 is included, the difference between the House bill and the conference report becomes $1,044,220,000.

Mr. BAUMAN. And the other total has remained?

Mr. BRADEMAS. The bill passed by the House was a 4-year bill. The bill as reflected by the conference report coming before the House today is a 3-year bill.

Mr. BAUMAN. That would also involved a reduction of some additional amount.

Mr. QUIE. Mr. Speaker, will the gentleman yield so I may reply?

Mr. BRADEMAS. Yes, I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Speaker, the amount for fiscal year 1979 was a little over $1 billion. It was just a slight bit over $1 billion, and that was dropped from the bill.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman.

Mr. QUIE. Mr. Speaker, will the gentleman yield further?

Mr. BRADEMAS. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Speaker, I urge my colleagues to support this conference report. The gentleman from Indiana (Mr. BRADEMAS) has explained it well. I believe it is a superior bill to that which came out of the House.

Originally I had some reservations concerning the antidiscrimination provision. In the meantime, after the many months it was in conference and in debate in the other body and from talking to people outside the Congress, I believe, with all the information we could pull together, that we have a bill that will not get us in trouble.

First, there is the possibility through that study to have an effective antidiscrimination provision that will only affect the programs and activities that are funded by the Federal Government. It will not affect those same agencies that are not funded by the Federal Government, and I see no reason why we should not support this conference report.

Significant changes were made in the age discrimination provision which ought to make it more acceptable to all those who are concerned—and rightly concerned—about the overregulation of American society by Government. We must bear in mind that we already have an act aimed specifically at discrimination in employment based upon age administered by the Department of Labor. Title III in this bill is aimed at unreasonable age discrimination in federally-financed programs. Some changes in language were needed to make this clear. It does not apply to reasonable and necessary distinctions based upon age, or to distinctions which are made pursuant to a statute or necessary to the achievement of a statutory objective.

Thus, in a bill providing grants for the improvement of reading in the elementary grades, but for which a relatively small sum had been appropriated, the decision could be made to concentrate the effort on the first three grades even though this discriminates against older children. The basis of the decision would be that otherwise the objective of the program would be defeated.

A number of the technical changes made in the House-passed bill were designed to assure that Federal agencies have ample time to construct sensible regulations under the title and that the Congress has ample time to review them and hold hearings if needed before they become effective.

One extremely important change of language specifically limits Federal consideration under the title to federally financed programs or activities. The so-called "infection theory" utilized by HEW in title VI and title IX proceedings—and wrongly used in my judgment against both the intent of Congress and the only case law on the subject—to use the existence of alleged discriminatory practices in programs not receiving Federal as a reason for cutting off aid to Federal programs in which no discrimination had been shown. This has necessitated congressional action to amend title IX to keep Federal bureaucrats out of programs—such as school-supported Boy Scout and Girl Scout programs—in which the Congress never intended that they become involved. Thus we added a final sentence.

This was specifically designed to limit the scope of inquiry under this title to age discrimination in federally supported programs and activities.

Mr. Speaker, we also make two things clear in the legislation. One was that in the beginning of older Americans volunteer programs there was a close cooperation between the Commissions on Aging in each of the States. We have made a provision in the bill for ACTION to use an individual called an "aging resource specialist" to work with the senior volunteers and with the Commission on Aging representatives in each State. The agency has already moved ahead with establishing one person in each State who is responsible for the aging programs. They have already done what we are asking them to do.

The second was under the Foster Grandparent program where "children" were being defined as "under 18 chronological years of age." A "child" in a Foster Grandparent program will now be an individual "under 21 chronological years of age." The Agency has already taken steps to make this change.

There are 300 or 400 individuals now being served by the Foster Grandparent program over the age of 21 who are mentally retarded. We provide—and it is my understanding that this is what the Agency is now doing—that those who are over 21 will continue to be served until either another Federal program or a State program can take care of them with the same kind of help that Foster Grandparents provided for them. So for what they have done I commend them, and we have set out in the conference report what they should do.

Mr. Speaker, I believe all the problems have been taken care of. I thank the gentleman from Indiana (Mr. BRADEMAS) for yielding to me.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from Minnesota (Mr. QUIE).

Mr. BELL. Mr. Speaker, I rise in strong support of this conference report on older Americans and trust that my colleagues will join me in this support.

It has been a long time since we first considered this legislation and I am pleased that the conferees have finally settled the differences.

Our senior citizens need the additional services provided for in this measure.

I should like to remind my colleagues that this bill is aimed at making the senior citizen more independent—independent of nursing homes and institutions.

I can think of nothing more desirable

than to give an individual the opportunity to maintain and preserve his own identity and worth.

Many of the other provisions concern problems of the elderly such as nutrition, legal services, and discrimination.

Our senior citizens deserve and need this legislation.

I again urge my colleagues to accept this conference report.

Mr. GILMAN. Mr. Speaker, I rise today to applaud the efforts of the conferees in fashioning a bill that should serve to improve the physical, emotional, and social well-being of our older Americans.

The number of Americans over 65 years of age increased by more than 63 percent between 1960 and 1970. It is estimated that by the year 2000 there will be between 30 and 45 million Americans over the age of 65. These statistics underscore the need for governmental attention to the problems of our senior citizens.

H.R. 3922, which amends the Older Americans Act of 1965, extends for 3 years the extensive service programs for our elderly authorized under the Older Americans Act of 1965 and including a National Information and Resource Clearinghouse for the Aging, the title III State and area program and model projects program, and the title V grants for multipurpose senior centers.

One of the more significant achievements of the conferees in molding H.R. 3922 was in insisting that States commit at least 50 percent of the amount by which their title III State plan allotment exceeds the amount alloted for such purposes in fiscal year 1975 to provide the four categories of services specified in the House bill—transportation, home care, legal services, and residential renovation and repair. In no case, however, would any State be permitted to commit less than 20 percent of its title III State plan funds for the purpose of providing these four categories of essential services to our older Americans.

H.R. 3922 also provides grants for special service programs for our elderly, including funds for in-home services, legal and other counseling services, home repair services, and mortgage interest reduction and insurance payments. In addition, this legislation continues the title IX programs of community service employment for older Americans currently administered by the Department of Labor.

Another significant achievement of H.R. 3922 is the Age Discrimination Act of 1975. This act prohibits unreasonable discrimination on the basis of age in programs or activities receiving Federal assistance, including programs or activities receiving funds under the State and Local Fiscal Assistance Act of 1972.

Mr. Speaker, H.R. 3922 is an admirable piece of legislative craftsmanship, a bill that is strongly supported by and beneficial for our senior citizens, and one that deserves the wholehearted support of the entire House. It will help our older Americans live a better, happier, and more independent life.

Mr. RANDALL. Mr. Speaker, I rise in enthusiastic support of the conference report on H.R. 3922, being the Older Americans Act Amendments of 1975.

As chairman of the new House Select Committee on Aging, it is a privilege to commend the efforts of the House conferees or waging the successful fight to preserve two major aspects of the House bill. I refer, first, to the age discrimination provisions, and second, to the establishment of a minimum level of funding to be expended on the four vitally important services to our older Americans which are identified in the bill.

I am not sure how much help the members of the staff of our select committee have contributed, but whatever amount, as minimal as that may be, we are proud to have given even a small measure of assistance to the passage of these amendments.

Because of a series of hearings which have been held by Subcommittee No. 1 on Retirement Income and Employment, of the select committee, and as chairman of that subcommittee, I am painfully aware of the unattractive picture, or I might go so far as to say the ugly face of age discrimination which is encountered daily by our Nation's elderly and especially the older worker.

Over the long pull, experience has given us a rather clear picture that whenever the aged are included in programs or activities along with the general population—such as CETA, revenue sharing, mass transit, et cetera, to mention a few—the aged fare very poorly. For such reasons, Mr. Speaker, there is excellent justification for the immediate enactment of the age discrimination provisions of the Conference Report which is being considered today.

Mr. Speaker, another most important provision contained in the conference report is the in-home supportive services section. This permits the elderly the option of maintaining an independent living arrangement. One of our subcommittees, headed by the ranking majority member of the select committee, the gentleman from Florida (Mr. PEPPER), has been holding hearings on this very important subject. They have stressed the need for an alternative to institutionalization of patients in nursing homes and hospitals. The emphasis of that subcommittee has been on home health care, outpatient clinics and senior centers to provide the alternative to institutionalization. I am most delighted that the Older Americans Act amendments make recognition of the need for these supportive services.

I strongly second the comments of the conferees that the established level of funding for such in-home supportive services under the Older Americans Act not be used to replace any level of such services now being provided under any other existing program. Actually, the need is so great that rather than the maintenance of any present level, the key to making these alternatives to institutionalization available, adequate and thus workable will lie in the expansion of such services for the elderly.

As I comb through the extensions which have been made possible by these amendments, I note that title III which provides for grants for State and community programs on aging is extended through fiscal year 1978. This program is modified to assure that States will commit at least 50 percent of any additional moneys from their fiscal year 1976 allotment to provide the four categories of services: transportation, home care, legal services, and residential renovation and repair. It is most reassuring that the continued funding for older Americans for programs such as Green Thumb is assured.

Title VII of the Older Americans Act which provides the nutrition program for the elderly is extended beyond June 30, 1977, through fiscal year 1978, with an authorization for that year of $275,000,000. The existing requirement that the Secretary of Agriculture donate commodities at a level of 10 cents per meal is increased to 15 cents per meal through September 30, 1976, and 25 cents per meal in fiscal year 1977.

Title IV providing for training and research is extended and title V providing for multiservices senior centers is extended through fiscal year 1978.

RSVP is also extended for 2 additional years. This is the retired senior volunteer program. The foster grandparents program is extended for 2 additional years and also the senior companions program is extended for 2 additional years.

Returning to title III of the conference report and provisions on discrimination on the basis of age, this new provision will prohibit age discrimination in any federally assisted programs and activities. That means any federally assisted program must be on careful and continuous guard against age discrimination. The final conference report contained an expanded version of the provision of the Senate amendment which called for a study on age discrimination in all federally assisted programs to be conducted by the U.S. Commission on Civil Rights.

Mr. Speaker, the conferees of the House and the Senate have made a very excellent accommodation between the differing provisions of the House bill and the Senate bill. The result has been a good one. Those of us who are interested in the problems of older Americans are not only indebted to these conferees for an excellent resolution of the differences between the two bodies of Congress but we are also indebted to them for making these amendments a reality, and which will soon be signed into law for the benefit of that large segment of our population we respectfully describe as our older Americans.

Mr. BRADEMAS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BRADEMAS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 404, nays 6, not voting 23, as follows:

[Roll No. 720]

YEAS—404

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—6

Archer
Collins, Tex.
Crane
McDonald
Poage
Symms

NOT VOTING—23

Andrews, N. Dak.
Boland
Brooks
Chisholm
Dent
Diggs
Esch
Fary
Fish
Gaydos
Gibbons
Hébert
Heinz
Hinshaw
Jones, Ala.
Karth
McCormack
Mathis
Mosher
Pepper
Roncalio
Stanton, J. William
Teague

The Clerk announced the following pairs:

Mr. Hébert with Mr. Andrews of North Dakota.

Mr. Dent with Mr. Diggs.

Mr. Brooks with Mr. Hinshaw.

Mr. Gaydos with Mr. Karth.

Mr. Teague with Mr. Esch.

Mr. Mathis with Mr. William J. Stanton.

Mr. McCormack with Mr. Fish.

Mr. Fary with Mr. Jones of Alabama.

Mr. Boland with Mr. Heinz.

Mrs. Chisholm with Mr. Gibbons.

Mr. Pepper with Mr. Roncalio.

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the bill (H.R. 3922) just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO HAVE UNTIL MIDNIGHT NOVEMBER 20, 1975, TO FILE REPORT ON H.R. 6721

Mrs. MINK. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight Thursday, November 20, to file a report on H.R. 6721, the Federal Coal Leasing Amendments Act of 1975.

The SPEAKER. Is there objection to the request of the gentlewoman from Hawaii?

Mr. SYMMS. Mr. Speaker, reserving the right to object, will the gentlewoman tell us what that bill is for?

Mrs. MINK. The bill provides for coal leasing.

Mr. SYMMS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO HAVE UNTIL NOON, NOVEMBER 29, 1975, TO FILE REPORT ON H.R. 6222

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until noon, November 29, 1975, to file a report on H.R. 6222, the national health insurance bill, financing of health insurance for persons of low income.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The House is waiting for a message from the Senate but the Chair will take requests from the acting floor leaders at this time, reserving the right to call up the message whenever it gets here.

THE VA DOCTORS' SCHOLARSHIP BILL

(Mr. HILLIS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HILLIS. Mr. Speaker, the quality of patient care provided to veterans in the Veterans' Administration health care system requires a staff of well-qualified professionals. The gravest threat to the VA's ability to deliver quality care second to none is the recruitment and retention of qualified professionals.

Nationwide shortages of health manpower have been documented and analyzed for over 30 years. As recently as 1969, the Federal Government indicated that the United States needed an additional 50,000 physicians, 200,000 nurses, and almost 150,000 technicians. The number of foreign medical graduates entering the United States has increased markedly during the last 14 years. Recent projections indicate that by 1990 the proportion of foreign medical graduates practicing medicine in the United States could be as high as 30 percent.

Statistics provided the Committee on Veterans Affairs by Dr. John D. Chase, Chief Medical Director, Veterans' Administration, showed that the percentage of foreign medical graduates in VA hospitals today is already above the national average projected for 1990.

Other statistics indicate that over 1 million veterans will be jobless in 1976. And we all know the unemployment rate for the Vietnam-era veterans is staggering.

Mr. Speaker, I can envision no greater benefit to individuals and to the VA health-care system, than that provided by scholarship grants to students attending medical schools on the condition that they serve for a designated period in a Veterans' Administration facility upon completion of their professional training.

A program is needed which would go beyond merely providing scholarship grants to individuals. A program is needed which would specifically accord priorities to veterans with medical military occupation specialties, to disabled veterans, and to veterans' dependents.

In an effort to respond positively to the employment needs of veterans and to recruit individuals graduating from American medical schools into the VA health care system, I am introducing, today, a bill to obtain these objectives.

Its purpose is to authorize a "pilot program" under which scholarship grants may be awarded qualified individuals who would, upon completion of medical school, work in the VA health care system for a specified period of time, thus helping to alleviate the recruiting problems which now exist.

These scholarship grants would be made on an academic year basis and would not exceed $5,000 for any full year.

Priority consideration would be given to veterans.

Upon completion of training, such individuals would be in the employ of the Veterans' Administration 1 year for each full academic year that such individuals receive scholarship grants. Thus, 2, 3, or 4 years of grants to an individual would require that he serve for a like number of years in the VA.

The text of the bill follows:

H.R. 10832

A bill to amend title 38 of the United States Code in order to authorize the Administrator of Veterans' Affairs to make scholarship grants to individuals attending medical schools on the condition that such individuals will serve in Veterans' Administration facilities for a certain period of time upon completion of professional training, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 82 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER V—SCHOLARSHIP GRANTS FOR MEDICAL SCHOOL ATTENDANCE

"§ 5097. Declaration of purpose.

"The purpose of this subchapter is to authorize the Administrator to implement a pilot program under which the Administrator is authorized to make scholarship grants to qualified individuals who are medical students for attendance at medical schools, on the condition that such individuals will, upon completion of professional training, accept positions at a Veterans' Administration facility to be designated by the Administrator, for a specified period of time. It is also the purpose of Congress in providing this program that the individuals executing an agreement thereunder, will be assigned, upon becoming qualified, to those Veterans' Administration facilities where physicians are difficult to recruit and retain in employment status and where there are in the geographical area surrounding such facility a number of medically underserved veterans.

"§ 5098. Medical education scholarship grants

"(a) In order to promote the more adequate provision of medical care for veterans in Veterans' Administration facilities, the Administrator may, in accordance with the provisions of this subchapter, make scholarship grants to individuals who are medical students at an approved medical school or who have been accepted for admission to an approved medical school and who agree to practice at a Veterans' Administration facility to be designated by the Administrator after the completion of their professional training.

"(b) (1) Scholarship grants under this subchapter shall be made with respect to academic years.

"(2) The amount of any scholarship grant under this subchapter to any individual for any full academic year shall not exceed $5,000.

"(3) The Administrator shall, in awarding scholarship grants under this subchapter, accord priority to applicants as follows:

"(A) First, to any applicant who is an otherwise qualified veteran who during military service acquired a medical military occupation specialty, or

"(B) second, to any applicant who is an otherwise qualified veteran of the Vietnam era and who is entitled to compensation under laws administered by the Veterans Administration or whose discharge or release was for a disability incurred or aggravated in line of duty, or

"(C) third, any otherwise qualified dependent of any veteran, and

"(D) fourth, all other qualified persons, who agree that upon completion of the individual's professional training, such individual will accept appointment to a position in such Veterans' Administration facility as shall be designated by the Administrator.

"(4) For the purposes of this subchapter the term 'upon completion of professional training' shall have the meaning prescribed for it by the Administrator.

"(c) (1) Any scholarship grant awarded to any individual under this subchapter shall be awarded upon the condition that such individual will, upon completion of professional training, accept an appointment to a position in such Veterans' Administration facility as the Administrator shall designate for a twelve-month period for each full academic year with respect to which such individual receives such a scholarship grant.

"(2) The condition imposed by paragraph (1) of this subsection shall be complied with by any individual to whom it applies within such reasonable period of time, after the completion of such individual's professional training, as the Administrator shall by regulation prescribe.

"(3) If any individual to whom the condition referred to in paragraph (1) of this subsection is applicable fails, within the period prescribed by regulations, to comply with such condition for the full number of months with respect to which such condition is applicable, the United States shall be entitled to recover from such individual an amount equal to the amount produced by multiplying—

"(A) the aggregate of (i) the amounts of the scholarship grant or grants (as the case may be) made to such individual under this subchapter, and (ii) the sums of the interest which would be payable on each such scholarship grant if, at the time such grant was made, such grant were a loan bearing interest at a rate fixed by the Secretary of the Treasury, after taking into consideration private consumer rates of interest prevailing at the time such grant was made, and if the interest on each such grant had been compounded annually, by

"(B) a fraction of the numerator of which is the number obtained by subtracting from the number of months to which such condition is applicable a number equal to one-half of the number of months with respect to which compliance by such individual with such condition was made, and the denominator of which is a number equal to the number of months with respect to which such condition is applicable.

Any amount which the United States is entitled to recover under this paragraph shall, with the three-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States. Until any amount due the United States on account of any grant under this subchapter is paid, there shall accrue to the United States interest on such amount at the same rate as that fixed by the Secretary of the Treasury pursuant to clause (A) with respect to the grant on account of which such amount is due the United States.

"(4) (A) Any obligation of any individual to comply with the condition applicable to such individual under this subsection shall be canceled upon the death of such individual.

"(B) The Administrator shall by regulations provide for the waiver or suspension of any such obligation applicable to any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"§ 5099. Authorization of appropriations

"For the purpose of making scholarship grants under this subchapter, there are authorized to be appropriated $2,500,000 for fiscal year 1976, $3,000,000 for fiscal year 1977, and $3,500,000 for fiscal year 1978. For fiscal year 1979, and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who have received such a grant and who are eligible for such a grant under this subchapter during such succeeding fiscal year.".

(b) (1) The title at the beginning of chapter 82, and the table of chapters and parts at the beginning of title 38, and the table of chapters at the beginning of part VI, are each amended by inserting at the end of the title of such chapter 82, a semicolon and "MEDICAL SCHOLARSHIP GRANTS".

(2) The analysis at the beginning of chapter 82 of title 38, United States Code, is amended by adding at the end thereof the following:

"SUBCHAPTER V—SCHOLARSHIP GRANTS FOR MEDICAL SCHOOL ATTENDANCE

"5097. Declaration of purpose.
"5098. Medical education scholarship grants.
"5099. Authorization of appropriations.".

GOVERNOR BROWN HALTS STATE-SAUDI HIRING PLAN

(Mr. MOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOSS. Mr. Speaker, on Monday the gentleman from Pennsylvania (Mr. HEINZ) took the well of this House to express some gratuitous comments regarding my State and my Governor, relative to certain negotiations underway with the Saudi Arabian Government and other Arabian States.

The comments were unnecessary because they did not reflect the situation as it then existed. The Governor of California had already acted to terminate the negotiations with the Arab States unless assurance of a nondiscriminatory policy was given by the Arab nations to the representatives of the State of California.

Mr. Speaker, I place in the RECORD at this point a newspaper clipping setting forth the facts as they truly exist:

[From the Sacramento Union, Nov. 18, 1975]

BROWN HALTS STATE-SAUDI HIRING PLAN

Governor Brown, citing discrimination, Monday night ordered a halt to a state plan to send as many as 500 soon-to-be unemployed highway engineers to Saudi Arabia to build roads.

The governor said he instructed the Department of Transportation to stop negotiations with Saudi Arabia "unless affirmative assurance is provided that no state employee will be subject to discrimination on the basis of race, sex, religion or national origin."

It was disclosed last week that Jewish, black and female workers have been disqualified from the plan under which the financially troubled department would send unemployed engineers to the oil-rich country while they technically remain on the state payroll.

Department officials, discussing the reasons disqualifying Jewish, black and female workers, said Saudi policy is "not to issue a visa to anyone connected with the Israeli government."

They also said black and women also are being excluded because blacks aren't welcome in the country and "women definitely don't participate in the business life of the Saudis."

Under the plan, the Saudi government would pay the salaries of the state workers sent to its country and their fringe benefits and living expenses, but the employees would be allowed to keep their state seniority and vested retirement rights. The project could last up to two years.

In a statement issued by his office, Brown said: "I have instructed the director of the Department of Transportation to cease any further negotiations with Saudi Arabia unless affirmative assurance is provided that no state employee will be subject to discrimination on the basis of race, sex, religion or national origin.

"In order that such policy is fully effectuated, the Department of Transportation will be the final judge of employee qualifications."

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair is still waiting for the Senate message. The Chair reserves the right to call it up whenever it comes over.

SENATOR CLINTON P. ANDERSON

The SPEAKER. Under a previous order of the House, the gentleman from New Mexico (Mr. LUJAN) is recognized for 30 minutes.

Mr. LUJAN. Mr. Speaker, America has suffered a great loss with the passing of former Senator Clinton P. Anderson. He was a great and compassionate American. While the final chapter physically closed for him yesterday, it will be many decades before this Nation's history books will close on him.

There is not an American today who has not enjoyed the fruits of his labor both as a Member of Congress and Secretary of Agriculture. The greatness of this country today can be, in no small part, attributed to Senator Anderson. The greatness of the State of New Mexico, his adopted home, likewise in no small way, can be attributed to Senator Anderson.

Ironically, Senator Anderson's passing came during the waning hours of Armistice Day as that day was known in his younger years. For, the happenstance of World War I played an important part in Senator Anderson's great contribution to his Nation's greatness.

It was in 1918 that Clinton P. Anderson volunteered for military service, in his native State of South Dakota. It was during his preenlistment physical examinations that it was discovered he had contracted the dreaded tuberculosis and in 1919 he moved to New Mexico to begin the long, slow road to recovery. Typical of his strength and determination, Senator Anderson did indeed recover and go on to become one of this country's great public servants.

Senator Anderson's political career actually began in 1920 when he became a political reporter for the Albuquerque Journal. His astuteness for politics and government is evident in the fact that by 1924 he became State treasurer and then was elected to the House of Representatives in 1940. He served in this Chamber till 1945 when he was appointed Secretary of Agriculture by former President Truman, a post he held till 1948.

Of all the great accomplishments credited to him, foremost in the history books is his solution of America's sugar crisis of the 1940's. His leadership as a conservationist is legend.

But Senator Anderson's great contributions to a better America were not limited to his service as Secretary of Agriculture. In 1948 the citizens of New Mexico elected him to the U.S. Senate, a most significant act in America's future.

We all know of Clinton Anderson as the father of medicaid and medicare. It was health and welfare that guided him to sponsor the original medicaid bill. His foresight guided him to become one of the founding fathers of what we now know to be the Atomic Energy Commission. It is through this foresight and determination to better man's lot in this world that New Mexico has become the world's greatest scientific community. The greatness of the Los Alamos Scientific Laboratory. Sandia Laboratories, White Sands, our numerous colleges and universities leadership in scientific fields can be attributed to this man's concern to make a better world. What greater tribute to this man's love for all people is the Los Alamos Meson Facility which is dedicated to the conquest of cancer and other dreaded diseases.

Yes, Mr. Speaker, we have lost a great friend. We will no longer have access to his great wisdom and commitment for the betterment of mankind. He has gone from whence he came. But his memory will remain for many generations to come. And this memory is born not from flowery oratory and/or political clout but from a lasting determination and effort to rid this country and the world from pain and suffering. Through his labor and love it will be many, many generations before the final chapters of Clinton P. Anderson can be written in the world's history.

Mr. PERKINS. Mr. Speaker, Clinton Presba Anderson was more than a man of the West. He was a man of America.

To an unusual degree, his career was typical of the growth and development of the Nation as it progressed westward during the frontier stages. And then, when the frontier vanished, he stood out as a national, rather than a purely regional figure.

His career would have been successful enough to satisfy most people even before he came to Congress. He had been a newspaper editor, an insurance man, a dairy farmer, a New Mexico State official, and a Federal relief administrator for his people. And in all of these pursuits, he had been an outstanding citizen. Had his obituary been written in 1940—before he was elected to Congress—he would have been judged an outstanding American.

While his career in the House of Representatives was cut short by his designation as Secretary of Agriculture, he was known in just 4 short years here as an outstanding Member and a certain leader.

His service as Secretary of Agriculture in President Truman's Cabinet was marked by a patient, knowledgeable approach to the problems confronted by American farmers, just then trying to find their way into a post-war economy.

Clint Anderson's 24 years in the U.S. Senate provided him with yet another successful career. He will be long remembered in that body for his intelligence, his integrity, and his energy in dealing with important legislation in a troubled period of American history. His contribution in the field of nuclear energy is one which laid the foundation on which successive development has occurred.

Those of us who knew him and worked with him during his Senate years were all the richer for the experience, as was the country he served.

May he have the honored rest of the great and the good.

Mrs. MINK. Mr. Speaker, I was deeply saddened to learn of the passing of a beloved friend and respected gentleman, the Honorable Clinton P. Anderson, and would like to join my fellow colleagues of this House in offering respects to the former Congressman and Senator from the proud State of New Mexico. Mr. Anderson was first elected to Congress in 1940 and served for three consecutive terms before being asked to become the Nation's Secretary of Agriculture and War Food Administrator in July 1946. In 1948, he resigned from the Cabinet to become a candidate for the U.S. Senate, and again, the people of New Mexico saw fit to return him to Washington where he served as their Senator for 24 years retiring in December 1972.

A man of varied interests and many talents, Clinton Anderson bega his career in the Southwest as newspaper reporter eventually working his way up to the position of managing editor of the Albuquerque Herald. This was followed by a brief, but successful career in the insurance business.

His political career was launched in 1932 when he was appointed to fill the vacancy as New Mexico's State treasurer. Clinton Anderson's life became service to the people. He could have succeeded in any of the professions he had previously delved in, but chose politics to become his life's work.

A man of great vision, he was really a pioneer in the environmental protection movement calling on the farmer to adhere to fundamental soil conservation practices. As a Member of Congress, he fought hard for the preservation of America's resources of soil, timber, water, and scenic beauty, and continued this crusade throughout his career in public office.

In the mid-1950's, he was recognized for his knowledge in nuclear energy which led to his appointment as chairman of the Congressional Joint Committee on Atomic Energy. This was followed by a later selection as the chairman of the Senate Committee on Aeronautics and Space. Clinton Anderson's guidance in establishing priorities in the space explorations program led to the successful launching of Apollo 11 and America's first man on the Moon.

Mr. Speaker, and fellow colleagues, we can all see that Clinton P. Anderson's life was an example of hard work, without fear of the unknown, which led to success in his many ventures throughout his lifetime. We have lost a true friend and loyal public servant, but perhaps, we can inherit and live by the progressive tradition established by the gentleman from New Mexico—a tradition of forging ahead into the unknown, but never losing sight of our Nation's greatest resources, its people and its natural heritage.

On behalf of the people of Hawaii, I offer my condolences to his wife, Henrietta, and to the rest of his family, and share their loss as we bid one last fond aloha to Clinton P. Anderson, husband, father, and statesman.

Mr. DE LA GARZA. Mr. Speaker, the death last week of former Senator Clinton P. Anderson brought to an end a career of public service extending back four decades. His State of New Mexico and the Nation owe much to this outstanding citizen.

His service included three terms in this House, 3 years as Secretary of the U.S. Department of Agriculture, and four full terms in the U.S. Senate. In each of these positions he served with distinction.

It was my great privilege to know Senator Anderson not only in his official capacity but also as a friend and neighbor. The people of the 15th District of Texas and the people of New Mexico have many problems in common. Senator Anderson was unfailingly responsive to their needs. During his long career he made many notable contributions to building and maintaining our Nation's military strength and economic strength.

This was a giant among men. He made a lasting mark and the memory of him will long remain vivid among all who knew him.

Mr. JOHNSON of California. Mr. Speaker, I was deeply saddened by the announcement of the passing of our former colleague, Clinton P. Anderson. He was, indeed, an outstanding public servant and his contributions to his Nation, his State, and to the Congress have been many.

Senator Anderson was a man of many talents and varied interests. He was a journalist, businessman, and a farmer, as well as a very able legislator. Most of all, however, he was a public servant.

He began his service to his fellow man as New Mexico State treasurer. This was followed by his service as administrator of the New Mexico Relief Administration and chairman of the Unemployment Compensation Commission.

In 1940, Senator Anderson came to Washington where he was to spend the major portion of his career in public service. It was then that the voters of New Mexico elected him to serve as a Congressman. He continued his fine representation as a Member of Congress until President Harry Truman selected him to serve in his Cabinet as his Secretary of Agriculture.

Strong support for the Marshall plan of aid for the postwar European reconstruction was a hallmark of his tenure in that position. With his background in farming, his expertise in helping to formulate the agricultural programs of that era were widely recognized.

In 1948, Clinton Anderson ran for U.S. Senator from his home State. He won that election and went on to serve four terms in that body. It was here, in the Halls of Congress, that he made his most important contributions to the Nation he loved.

He is, perhaps, best remembered for his long and successful quest for a national health care system for the elderly. As author of the King-Anderson bill, now known to millions of Americans as "medicare," Anderson made a major contribution to the health and longevity of many Americans.

Certainly not to be overlooked were his service as chairman of the Senate Aeronautics and Space Committee and his membership on the important Joint Committee on Atomic Energy. Through these positions, Senator Anderson was able to help in forming a policy of peaceful use of the atom, a subject of great importance to him. Furthermore, he helped to form a legislative program which developed America's all-important space program, during its spectacular years.

His interests, however, were not limited to these fields. Anderson made major contributions to the drafting and enactment of a national wilderness system. He likewise made contributions in the fields of agriculture, energy, health, economic development, and water utilization. Outside the governmental sphere, he was active in civic affairs, and served a term as president of Rotary International.

This Nation will miss Clinton Anderson and his wise counsel. He showed a unique ability to understand complex issues and problems, and to offer intelligent and constructive solutions to them. To his wife, Henrietta, and to his family, Albra and I extend our deepest sympathies.

Mr. RHODES. Mr. Speaker, I join my colleagues in the House today in paying tribute to a great public servant, the former Senator from New Mexico, Clinton P. Anderson.

The Nation has lost a dedicated supporter of a strong national defense. The Southwest has lost a man of vision. I have lost a warm personal friend, whom I have worked with closely on water problems that affected the Western States.

Clinton Anderson was a man of strong conviction, and although plagued with physical ailments, rose to the high councils of government. He moved to New Mexico for health reasons. He served in State government, in the House, in the Senate, and in the Cabinet as Secretary of Agriculture. His interests in legislation ranged from health care, to the Marshall plan and to the harnessing of atomic energy for peacetime progress.

He lived a long and productive life, served New Mexico and the Nation with distinction. Our country is the richer for his dedication to the principles he believed in, his hard work, and discerning mind. We are the poorer for his passing.

Mr. BELL. Mr. Speaker, I wish to join our colleagues who are paying tribute to former Senator Clinton P. Anderson.

During his years of service to the American public, Mr. Anderson distinguished himself by his capable leadership, particularly in the promotion of a successful space program. His contributions to the development of a "space-age" technology, through the work of his Aeronautical and Space Sciences Committee, will not be forgotten; and I can only express at this time my great esteem and gratitude for his accomplishments.

Mr. SIKES. Mr. Speaker, I want to join in paying special tribute to the late Senator Clinton P. Anderson who died on November 11. We have lost a good friend and a true statesman who ably served in the House and Senate for nearly a quarter of a century.

Clint Anderson and I came to Congress the same year—1941—and it was my privilege to know him, to work with him, and to share a warm friendship with him. For several years we had adjoining offices. He served the people of New Mexico in a splendid manner.

Prior to his coming to Congress, Senator Anderson was a journalist, businessman, and farmer. Also, he was New Mexico's State treasurer, administrator of the New Mexico Relief Administration, field representative for the Federal Emergency Relief Administration and chairman of the Unemployment Compensation Commission. He served in the House of Representatives from 1940 until 1945 when he resigned to serve as Secretary of Agriculture under President Truman. He was elected to the Senate in 1948 and served in that body until his retirement on January 3, 1973.

In the Senate, Clinton Anderson was a leader in the areas of science and technology. He considered his greatest achievement the development of atomic energy for peaceful purposes. All Americans will remember his work on the

King-Anderson bill which most people now know as the medicare program. Senator Anderson was a fine public servant dedicated to the betterment of all the people. He will be sorely missed.

In this time of great loss and sorrow, I want to join my colleagues in extending my deepest sympathy to Mrs. Anderson and other family members and hope that they may find comfort in the knowledge that they are in our thoughts and hearts.

Mr. ROYBAL. Mr. Speaker, it is with a deep sense of personal loss that I join with my colleagues today to pay tribute ot Clinton P. Anderson, former Member of the House and Senate, and Cabinet member under the Truman administration.

Clinton Anderson had a long and illustrious public service career and has, indeed, earned his place in our Nation's history. Even before his Washington career began, he had made his mark politically in my home State of New Mexico where he held a succession of important State jobs.

He came to Congress in 1940, where he distinguished himself as an outstanding Member of the House. His talents were quickly recognized and after only 4 years as a Congressman, he was appointed Secretary of Agriculture by President Truman. In 1948, Anderson resigned his Cabinet post to run for the Senate. There he served for 24 years, establishing a most enviable record and earning a high degree of esteem, respect, and recognition.

Senator Anderson was most proud of his efforts on behalf of the peaceful use of atomic energy and the enactment of medicare legislation. And he certainly had every reason to be proud of his accomplishments in these areas. His work in the area of conservation and environmental protection was also a major concern and an area in which he provided outstanding service to the American people.

It is with deep sorrow now that I mark the passing of this truly dedicated public servant and dear friend. My sincerest sympathy is extended to his wife and family.

Mr. CASEY. Mr. Speaker, I join my colleagues today in sadness at the loss of a great American and a great Representative of the State of New Mexico, Senator Clinton P. Anderson.

Certainly, his memory will remain with us for many years as we remember his dedication to the service of not only those who elected him but of every citizen of this great Nation and for all those peace-loving people throughout the world.

I was among those privileged to call him my friend, but I know that I can speak for those who may not remember his name but will remember his deeds in saying that we are grateful for his leadership, his compassion, and his perseverance in serving his fellow man.

I know that he will be missed by all of us and that we are all better for his having come our way.

GENERAL LEAVE

Mr. SCHULZE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from New Mexico (Mr. Lujan).

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

JUSTICE WILLIAM O. DOUGLAS

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. Edwards) is recognized for 60 minutes.

Mr. EDWARDS of California. Mr. Speaker, 1 week ago today Justice William O. Douglas announced that he was retiring from the Supreme Court because of his health. Since that time many of us have talked among ourselves about the career of Bill Douglas, which has been such an inspiration. His impact on the American people as a jurist and as an individual has been profound. Although we have lost his expertise and valuable judgment on the Supreme court, his influence, especially in the areas of first amendment rights and concern for the environment, will never be lost.

So we wanted to set aside this time on the floor of the House to share with each other and with Bill our appreciation for his immense contributions to American society. We want also to send him a message of our very sincere affection and gratitude.

Mr. Speaker, I think the best way I can begin this tribute to Justice Douglas is to read what his colleagues on the Supreme Court said to him in a letter after they had received his letter of resignation.

The letter is dated November 14, 1975, and it is signed by Chief Justice Burger and all of the Associate Justices. It says:

> Chambers of the Chief Justice,
> Supreme Court of the United States,
> *Washington, D.C., November 14, 1975.*
>
> Dear Bill: Only when you made your decision known did we fully sense what that meant to us and to the Court. For us, as colleagues and friends, your absence from the Conference table and our deliberations will be deeply felt. Whether ultimately we agreed or not, as colleagues we valued highly your unparalleled knowledge of the multitude of decisions of the Court covering more than one-third of this century. It was a unique resource for the Court and one that may never again be present at our Conference table. We shall always remember your occasional verbal "footnotes" telling us intimate details as to how some opinion evolved. As friends we shall miss the daily contacts, which have varied in length and kind for each of us. Some have long been colleagues, some have argued before you, some have come here more recently, but all of us share great respect and affection for you.
>
> The hope on our part is that, relieved of the burdens of Court work, your health will improve, and this eases our sense of loss. In the months since last January we have felt boundless admiration for your courageous fight to recover your strength and your placing duty above concern for your health.
>
> So much has been and will be said on other occasions about your remarkable career that no more need be noted now than to recall that it is far more than a record of longevity, for it spanned a period in American history comparable to that of the formative period early in the 19th century when Marshall and then Taney were here.
>
> We shall miss your vast reservoir of first-hand knowledge of the Court's cases of the past 36 years and, as well, the warm daily contacts in Conference and on the Bench. It goes without saying that we shall expect you to share our table as usual, for you remain Senior Justice Emeritus.
>
> Sincerely,
> Warren E. Burger, William J. Brennan, Jr., Potter Stewart, Byron R. White, Thurgood Marshall, Harry A. Blackmun, Lewis F. Powell, Jr., William H. Rehnquist.

Mr. Speaker, serving longer than any other Supreme Court Justice in history, Bill Douglas has remained a constant advocate of civil liberties. His name is inexorably linked with the defense of our first amendment rights to speak and publish freely. In carrying on this defense he has interpreted the first amendment strictly as it was written. In his own words, "the airing of ideas releases pressures which might otherwise become destructive." The tide of popular opinion has had no effect on his first amendment interpretations. Even in the depths of the McCarthy era he and Justice Black joined in vigorous dissent on sedition cases.

His steadfast defense of individual rights, begun as a dissenting voice on the Court, was later joined by the majority of the Warren Court and finished, now, once more in dissent. Through these dissents he voiced his independent style and philosophy of the law, unaltered by the inevitable compromise and negotiation which goes into a majority opinion.

Even though he often dissented from the majority, his unparalleled knowledge of court decisions over more then one-third of a century made him a unique and invaluable resource to his brethren on the Supreme Court.

Bill Douglas was a staunch advocate of the rights of the disenfranchised long before their causes were to gain popular support. The rights of blacks, the poor, and the natural gifts of our environment were of foremost interest to him. He did not, however, allow his judicial robes to conceal his interest in these causes. He continued to speak, travel, and write about these issues during his time on the bench, his independent spirit keeping him impervious to the criticism of others.

We owe Bill Douglas an enormous debt for the untiring service he has given to this country. I join my colleagues in our best wishes for his improved health and happiness in his retirement.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Speaker, during the long and illustrious career of Justice William O. Douglas, he has been a teacher, a writer, a lawyer, a chairman of the Securities and Exchange Commission, a jurist, an environmentalist, and a humanist. Any one of those careers would have been sufficient for most people. Justice Douglas did them all.

The multifaceted nature of Justice Douglas' life illustrates his strong belief that principles of conduct ought to be implemented through concrete action. It was not enough for him to be a writer on conservation matters; William Douglas annually led a hardy band of hikers along the C. & D. Canal to demonstrate the need to preserve this historic waterway. It was insufficient for him to teach the law of corporations at Columbia and Yale. Soon after Congress established the Securities and Exchange Commission, Douglas became a member and then its chairman.

The need to combine advocacy with action permeated his opinions on the Supreme Court. As one of its leading advocates of freedom of speech and the press, Justice Douglas wrote thousands of words extolling the high place in our constitutional order which those rights share. In *Terminiello* v. *Chicago,* 337 U.S. 1 (1949), the Supreme Court reversed the conviction of a public speaker whose address provoked anger and resentment. Writing for the majority, Justice Douglas explained the relationship between freedom of speech and advocacy to action:

> Accordingly a function of free speech under our system of government is to invite dispute. It may indeed best serve its high purpose when it induces a condition of unrest, creates dissatisfaction with conditions as they are, or even stirs people to anger. *Id.* at 4.

The opinions of Justice Douglas in the area of free speech are, undoubtedly, one of his lasting contributions to American jurisprudence. And his insistence that acceptance of ideas be brigaded to effectuate them will long be remembered by those who watched and wondered at his boundless energy.

Two other areas of Justice Douglas' interests deserve our attention here, especially in light of their contemporary significance. First, he was a vigorous champion of the expanding right of injured persons to bring their complaints to the Federal courts. The concept of "standing," one of the many esoterica abounding in the law, is the doctrine which defines the class of persons who may sue to vindicate the infringement or deprivation of rights.

Throughout his term on the Court, Justice Douglas sought to extend the classes of persons who may seek redress for the invasion of legal right. Because he believed that standing "protects the status quo by reducing the challenges that may be made to it and to its institutions," Justice Douglas regularly dissented from the Court's overly restricted view of it. See *Schlesinger* v. *Reservists to Stop the War,* 418 U.S. 208, 229, *Sierra Club* v. *Morton,* 405 U.S. 727, 741 (1972) (plaintiffs sought to challenge approval by Secretary of Commerce for ski development in Sequoia National Forest); and *United States* v. *Richardson,* 418 U.S. 166, 197 (1974) (plaintiffs sought to require the CIA to disclose how it spends its money.)

Underlying Justice Douglas' expansive view of standing is a deep apprehension that the other branches of Government will not provide adequate redress if a judicial remedy is not available. In *Sierra Club* v. *Morton, supra* at 745, he noted

> The suggestion that Congress can stop action which is undesirable is true in theory; yet even Congress is too remote to give meaningful direction and its machinery is too ponderous to use very often.

That is a serious comment on our role in the National Government. For too long Congress has allowed executive departments and agencies to run roughshod over the rights of citizens. It is now for us to reverse the "slow eclipse of Congress by the mounting Executive power." *California Bankers Association* v. *Schultz,* 416 U.S. 21, 91 (1974) (Douglas, J. dissenting).

A second area of Justice Douglas' interests which has great meaning for the present is his view on the economic structure of the country. In the wake of his strong opinions on the Bill of Rights, Douglas' work in the area of trade regulation is frequently forgotten. His opinions in antitrust cases describe the scope of this philosophy.

Over 25 years ago, Justice Douglas warned of the deleterious effects which anticompetitive conduct has on the country. He noted that—

> Big business has become bigger and bigger. Monopoly has flourished. Cartels have increased their hold on the nation. The trusts wax strong. There is less and less place for the independent. *Standard Oil Co.* v. *United States,* 337 U.S. 293, 315 (1949).

We did not heed that warning and today the economy is more concentrated than it was when Douglas wrote in 1949.

And we should not delude ourselves into believing that economic power will be exercised for the good of the people. We have seen too often the misuse of that industrial might, most recently in the crisis over energy. We must not allow such power to be exercised by a few. Justice Douglas stated the case well:

> Power that controls the economy should be in the hands of elected representatives of the people, not in the hands of an industrial oligarchy. *United States* v. *Columbia Steel Co.,* 334 U.S. 495, 536 (1948).

The challenges of governing in a free society which Justice Douglas regularly confronted are the challenges each of us must face. Thee problems will not go away simply because we desire them to do so. Keeping the channels of information open, and maintaining a free economy are the responsibilities of us all. They will be more difficult now that William Douglas has retired from the Court.

Mr. EDWARDS of California. I thank the gentleman from Massachusetts for his contribution.

Mr. MIKVA. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Speaker, the retirement of Mr. Justice William O. Douglas is an event that gives cause for both sadness and for celebration. I think it is proper to call this a celebration, because his retirement has provided us with an opportunity to review the enormous contributions of the man, and because his retirement will enable him to recover that tireless energy for which he is justly famous. I am confident that Mr. Justice Douglas will soon be writing and speaking again, and that we will not long be deprived of the benefit of his wisdom. Mr. Justice Douglas' career on the Court lasted so long and his writing covered so many topics that it is impossible to choose one opinion or one subject as the most representative of his career, but the sum of his work is emblematic of the independence and courage which has typified so many great Americans.

Mr. Justice Douglas' life is remarkably similar to our most revered American figures. He rose from humble beginnings but, rather than overcome his past, it served as a touchstone from which his personal credo evolved. Mr. Justice Douglas was a man of the people and, as such, he had supreme confidence in the people. He is often described as the "great dissenter," but his dissents were of a special kind. He dissented from the elitism and fear of the wisdom of the public that afflicts so many men and women who rise to positions of power. When others sought to stifle speech and ideas under the guise of protecting the people, his confidence in the ability of people to discern the truth remained unshaken. In Mr. Justice Douglas' famous dissent in *Dennis* v. *United States,* 341 U.S. 494 (1951), he demonstrated the intellectual courage which has typified his life when he wrote "the fact that ideas are abhorrent does not make them powerful." Abhorrent ideas did not frighten him because he knew that freedom was a shield powerful enough to withstand any sword. This belief in freedom is strong enough to withstand any government intrusion trying to pass as benign concern.

Americans have always revered individualists. The great men and women of our past are honored because they did not hide in the comfort of popular ideas. Mr. Justice Douglas never hid. He spoke out where others demurred. He has always had a firm hold on justice as well as the law and his grasp has never wavered. Other people have temporized about freedom because they feared the consequences, but Mr. Justice Douglas has resolutely stood firm in the belief that freedom is an ideal and a practical goal to be fervently embraced.

Mr. EDWARDS of California. I thank the gentleman from Illinois.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the Speaker.

Mr. ALBERT. Mr. Speaker, I appreciate the gentleman yielding to me. I made a few remarks about Justice Bill Douglas after his resignation, but I would like to compliment the gentleman on taking this special order to give all Members of the House an opportunity to address themselves to his unique service as an American public servant.

In my opinion, when one measures this man he must become aware of his tremendous energy, his tremendous skill, and his great dedication as he worked himself up from a humble western boy to one of the most scholarly men ever to sit on the bench.

He came at a time when he was needed. He came at a time when the Bill of Rights and the 14th amendment were being severely tested. The spirit of the Bill of Rights, as I understand it, is the ideal that the individual, however high or humble, deserves the full protection of the law in every right guaranteed by the Bill of Rights, not only because he is a citizen, but because he is a human being.

Mr. Speaker, I think that no American has had a better comprehension of the thrust of the Bill of Rights and subsequent progressive amendments in the direction of the Bill of Rights than he. I think if Jefferson were alive today he could point to Mr. Douglas, more than any Justice—and I include all, the great ones like Holmes, Brandeis, Black, and others—and say, "He has carried the torch which I lit when I convinced Madison that the first 10 amendments had to be a Bill of Rights."

Mr. EDWARDS of California. I thank the distinguished Speaker for his moving remarks.

Mr. WIGGINS. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I wish to compliment the gentleman in the well for taking the time to permit the Members to pay tribute to Justice Douglas. I certainly endorse all of the remarks made by my predecessors here in the well, especially the eloquent remarks just concluded by our Speaker.

Mr. Speaker, it was not my privilege to know Justice Douglas personally, although I have met him; but I have been a careful student of his 37-year career on the Supreme Court. I believe I have read nearly all of Mr. Justice Douglas' opinions, and I cannot overstate the magnificent contribution that he has made to the law and the Constitution as a living document protecting the freedoms of all Americans.

Mr. Speaker, if I were to single out an area, as my colleague from Massachusetts (Mr. DRINAN) had done, where Justice Douglas is entitled to special credit, it must be in giving full meaning to the first amendment of our Constitution. He especially was faithful to the command that government should not tread upon the rights of the people to express their views, however controversial, freely. For that we all admire him.

I think that his personal life, the rugged independence and individualism manifested by him in his personal affairs, was also reflected in his work on the Court.

I personally can think of few higher qualifications for a Justice of the U.S. Supreme Court than he be an independent person, willing to stand up against the howling mob, if necessary, and defend the rights of the lowliest and the highest in the land. Mr. Justice Douglas was such a person.

The Court will miss his keen and incisive mind, and it is wholly appropriate that we pay tribute today to his enormous contribution to the law.

Mr. EDWARDS of California. Mr. Speaker, I thank the gentleman from California (Mr. WIGGINS) very much for his remarks.

Mr. Speaker, when the gentleman was making his eloquent remarks, it reminded me that I had recently read Mr. Justice Douglas' autobiography "Go East Young Man." It is a rather new book, not more than a year or so old. It brought home to me again the sensitivity and respect he has for the Earth around us and for all living things that are its inhabitants.

He was talking about the environment and the necessity for saving this tender sphere from the ravages of civilization long before any of the rest of us had even thought of it. I can commend the book. I am looking forward to the second volume, which will bring the life of this remarkable man up to date.

Mr. Speaker, I thank the gentleman from California (Mr. WIGGINS) very much for his remarks.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I would like to commend the gentleman from California (Mr. EDWARDS) for his initiative in requesting this special order which will allow the Members of Congress to express their feeling about the enormous, magnificent contribution that Justice William O. Douglas has made to this country during his long and distinguished tenure on the Supreme Court.

Unfortunately, I have never met him personally, but I did have one experience that I think reflects a dimension of Justice Douglas different from the ones that have already been discussed on the floor, namely, his extraordinary sense of compassion for human beings.

I commenced a suit challenging the constitutionality of the Cambodia bombing. The case came before Mr. Justice Douglas on a motion that would have resulted in an injunction against the bombing. The suit involved a seemingly abstract question of Presidential powers, constitutional limitations, and Federal court jurisdiction.

Justice Douglas saw through to the heart of the matter and ruled to stop the bombing while the merits of the case were being decided. He said that the Court must treat this case as though it were an appeal from a death sentence, because a question of life and death was involved. When a question of life and death is involved, he said, the Court should give the benefit of the doubt and should not take action that would result inevitably and inexorably in the death of human beings.

Here are his words:

> But this case in its stark realities involves the grim consequences of a capital case. The classic capital case is whether Mr. X (an unknown person or persons) should die. No one knows who they are. They may be Cambodian farmers whose only "sin" is a desire for socialized medicine to alleviate the suffering of their families and neighbors. Mr. X may be the American pilot or navigator who drops a ton of bombs on a Cambodian village. The upshot is that we know that someone is about to die. . . .
>
> When a stay in a capital case is before us, we do not rule on guilt or innocence. A decision on the merits follows and does not precede the stay. If there is doubt whether due process has been followed in the procedures, the stay is granted because death is irrevocable. . . .
>
> The merits of the present controversy are therefore, to say the least, substantial, since denial of the application before me would catapult our airmen as well as Cambodian peasants into the death zone. I do what I think any judge would do in a capital case—vacate the stay entered by the Court of Appeals.

It was extremely prescient decision. Only a few days after the Justice was overruled in this particular matter, our planes mistakenly bombed an allied village in Cambodia in which more than 100 Cambodians friendly to this country were killed.

I recall with enormous sadness and admiration the wisdom of Justice Douglas' decision. I hope that we as a country can learn much from that kind of compassion, that kind of understanding and that kind of concern for human life.

I hope, as well, that we can learn from the concern that he showed always for the full richness of human potential which was implicit in his persistent efforts to preserve and expand the Bill of Rights and in particular the first amendment. Underlying the first amendment is a judgment of the personal value of all human beings and the respect that has to be accorded to the wide diversity of human expression and experience. Mr. Justice Douglas' fierce and tenacious defense of the first amendment, thus, speaks ultimately of his faith in the capacity of all Americans to contribute to the shaping of this great democracy.

Mr. EDWARDS of California. Mr. Speaker, I thank the gentlewoman very much for her remarks.

Mrs. BURKE of California. Mr. Speaker, I would like to take this opportunity to express my sorrow and regret at the retirement of Supreme Court Justice William O. Douglas after a record 36½ years of service. The extraordinary imprint of this amazing man on the Nation's jurisprudence will long be felt. Though I will miss his presence on the Court, I rejoice that Justice Douglas has had so many years to bestow on this Nation the wisdom and understanding he has shown toward those precious individual rights which we all treasure.

Black people particularly owe him a debt of gratitude for his stalwart defense of the rights of minorities, especially in the early years when such a stand was unpopular. Justice Douglas is truly one of those rare people who have the courage of their convictions and stand by them no matter what.

When he was asked what he thought the Supreme Court had accomplished during his tenure, Douglas replied:

> I think the Court has been a moving force in bringing one nation out of many races.

During his tenure, he took part in such landmark cases as Brown against Board of Education of Topeka and Griswold against Connecticut. He wrote the majority opinion in Griswold, which established that an individual's right of privacy derives from a variety of sources within the Constitution.

Some of his greatest contributions were in the area of freedom of speech, where he often found himself in the position of dissenter. In the famous case of Dennis against United States, Justice Douglas argued vigorously that simple verbal expression of revolutionary aims without any accompanying action was not enough to violate the first amendment guarantee of freedom of speech. Such dissents as this one illustrate vividly his conviction that the freedom of speech is the most precious right possessed by human beings and should not under any circumstances be abridged.

We as Americans—regardless of race, sex, ethnic background, wealth, or political persuasion—are extremely fortunate in the legacy of respect for individual rights and freedoms that he leaves us. He will be sorely missed, and I wish him well in his future endeavors.

Mr. ANDERSON of California. Mr. Speaker, the retirement of Supreme Court Justice William O. Douglas leaves a void on the high court that will be all but impossible to fill. For over 36 years Justice Douglas has been the Court's leading defender of the civil and individual rights and freedoms of American citizens.

In his own words, Bill Douglas felt that—

> The American government is premised on the theory that if the mind of man is to be free; his ideas, his beliefs, his ideology, his philosophy must be placed beyond the reach of government.

With this sentiment as his guiding principle, Douglas proceeded to forge a record of consistency and productivity unmatched in the history of the Supreme Court.

Douglas fit the role he played in many landmark decisions. A born dissenter, a champion of the weak, the discriminated against, and the oppressed; he combined a brilliant legal mind with a compassion and understanding that is rare in any person. He also displayed a keen appreciation of the Constitution and the Bill of Rights, and the determination that every American citizen had the right to expect fair, equal treatment under the law—with every consideration given to that citizen's rights under the Constitution.

In 1949, Justice Douglas wrote in the Columbia Law Review:

> The principle of direct disclosure has as much place in government as it does in the market place.

Years later, in the Pentagon Papers Case, William Douglas expressed a very similar sentiment in writing:

> The dominant purpose of the First Amendment was to prohibit the widespread practice of government suppression of embarrassing information.

In refusing the Government the right to prohibit publication of those documents, Douglas only reaffirmed a long-held conviction of the inviolability of the first amendment. Some of the most important decisions taken by him during his many years on the High Court—and those in which he played an important role—came when the rights of the first amendment, freedom of speech and a free and unfettered press—were challenged. Bill Douglas' ringing defenses of these basic rights will be long remembered—not only for their eloquence, but as cornerstones of modern American jurisprudence.

In October of 1973, when he achieved the distinction of having served longer on the Supreme Court than any other Justice in our history, Dougals said:

> I think the heart of America is sound; the conscience of America is bright; and the future of America is great. The thing that holds us all together is not the wording of the Constitution or the separation of powers—it's a mucilage of good will.

That love of America—and respect for its people—were the hallmarks of William O. Douglas' career.

Thirty-six years, 5 months, and 26 days after his appointment to the Supreme Court by President Franklin Delano Roosevelt, William Douglas has, due to ill health, stepped down from the position he has held with such courage and dignity. His contributions to the United States will not only be remembered: They will last as long as this remains a free nation dedicated to preserving the rights of its people.

Mr. UDALL. Mr. Speaker, All Americans are saddened by the retirement of Mr. Justice William O. Douglas after 36 years on the bench. History will note the length of his tenure, but more importantly it will celebrate the breadth and depth of his mind. Two decades ago, in "An Almanac of Liberty," Mr. Justice Douglas wrote:

> Judges like Brandeis, Cardozo, Hughes, Murphy, Stone and Rutledge brought to the bench a libertarian philosophy and used it to shape the law to the needs of an oncoming generation. In that sense, they were "activists," criticized by many. But history will honor them for their creative work. They knew that all life is change and that law must be constantly renewed if the pressures of society are not to build up to violence and revolt.

In the 21 years since that was written, the names of Hugo Black and Earl Warren have been added to the roll. But certainly a place of honor even among that rare company must be accorded William O. Douglas.

Today, while we muse on his immense contributions to constitutional jurisprudence, I would like to remind my colleagues that no intelligence as vigorous and penetrating as his could be confined to the courtroom.

From his childhood, Mr. Justice Douglas has been a man of the outdoors. Throughout an adult life filled with adventure, controversy, and the making of history, he has found time not merely to enjoy nature but to be a most active and eloquent spokesman for it.

On the Bench, we all recall his forceful dissent in the Mineral King case.

> Mineral King is doubtless like other wonders of the Sierra Nevada such as Tuolumne Meadows and the John Muir Trail. Those who hike it, fish it, hunt it, camp in it, or frequent it, or visit it merely to sit in solitude and wonderment are legitimate spokesmen for it, whether they may be a few or many. . . .
>
> [B]efore these priceless bits of Americana (such as a valley, an alpine meadow, a river, or a lake) are forever lost or are so transformed as to be reduced to the eventual rubble of our urban environment, the voice of the existing beneficiaries of these environmental wonders should be heard. . . .
>
> Then there will be assurances that all of the forms of life which [they] represent will stand before the court—the pileated woodpecker as well as the coyote and bear, the lemmings as well as the trout in the stream.

And off the Bench, his tireless efforts have given major impetus to two of our most significant efforts to share this natural heritage with our fellow citizens and our posterity.

As a sponsor of the Wilderness Act, I know the crucial role played by Mr. Justice Douglas in awakening the Nation to this vanishing resource. His books—"Of Men and Mountains" (1950), "My Wilderness: East to Katahdin" (1958), and "My Wilderness: The Pacific West" (1961)—helped call attention to the need for a national wilderness preservation system. Passage of the Wilderness Act coincided with yet another powerful message to the Nation: "A Wilderness Bill of Rights" (1965).

And, within a few miles of this Chamber, there is another reminder of the energy and dedication of William O. Douglas—the Chesapeake & Ohio Canal National Historic Park. Those who recall the long battle to save this important national treasure know the pivotal importance of his untiring efforts.

I should also like to mention four of my fellow Arizonans who benefited from his tutelage as law clerks: my former law partner, Charles Ares, who has had a brilliant career as attorney, professor, and dean; Steven Duke, now professor of law at Yale University; Kenneth Reed, recently named to head the antitrust division of the Arizona attorney general's office; and, in the current term, Alan Sternstein, a June graduate of the University of Arizona College of Law.

As Mr. Justice Douglas leaves the city of Washington to return to his home State of Washington, all of us wish him a speedy and complete recovery from the illness that took him from the bench. He has earned the gratitude of all who love the law, all who love liberty, and all who love the land.

Mr. OTTINGER. Mr. Speaker, I am pleased to join with our colleagues in paying a well-deserved tribute to one of the foremost jurists in this Nation's history, Justice William O. Douglas.

Those high qualities of character and intellect which marked Justice Douglas' professional career are also found in his personal life. He is a man who has the courage of his convictions, whether defending the basic human rights of the individual or preventing the ill-conceived despoilation of our natural resources. Justice Douglas is a man of great personal integrity and bravery, who had to overcome physical handicaps as a child and who persevered against numerous obstacles throughout his long and distinguished career.

As a young boy Bill Douglas was afflicted with polio. In order to rebuild his legs he began hiking in the mountains near his home in the State of Washington. Thus began a lifelong respect for and love affair with this Nation's mountains, rivers, trails, streams, and the quality of life in general. He has been a staunch defender of our wildlife and the environment, which has been manifested in action and words, exemplified by his tireless efforts to preserve and restore the 184-mile C. & O. Canal running from Cumberland, Md., to Georgetown, D.C., and in opinions such as his dissent to a Supreme Court ruling in the famous Sierra Club case in which he proclaimed that—

> Even the tree should have standing to sue.

Justice Douglas is a self-made man in every sense of that phrase. Born to a family of very modest means, he worked his way through Whitman College in Washington, and graduated Phi Beta Kappa. He continued to work, frequently at the most menial tasks, in order to pay his law school expenses at Columbia Law School. Graduating second in his class he began to teach law, and just 6 years after being admitted to the bar, he was named Sterling Professor of Law at Yale.

Two years later, in 1934, Justice Douglas was hired by the SEC to investigate brokerage firms and their role in the 1929 market collapse. Within 3 years he was serving as Chairman of the SEC.

Appointed an Associate Justice of the Supreme Court at the age of 40 in 1939, Mr. Douglas served for 36 years and 7 months—longer than any person on the Supreme Court. He served with 26 of the 99 other men who have been Justice. During this period he produced 1,282 opinions, including 531 dissents—a quantity of writing which spans 115 bound volumes or about one-third of the volumes the high court has produced throughout its long history. In addition, Justice Douglas has written 26 books—some of them drafted in the court itself during oral arguments and others written while backpacking in the open spaces he loves so greatly.

Although Justice Douglas prepared a large number of dissents, these were not capricious actions. According to Harvard Law School's Vern Countryman, a noted Supreme Court scholar, more Douglas dissents have become law than those of any other Justice—and than the opinions of many Justices. He has always been a person ahead of his time, as evidenced by the 1966 Miranda decision which was based on an earlier Douglas dissent and the wiretap decision in Katz against United States which effected a position Douglas had advocated for over 15 years.

Throughout his honored career Justice Douglas was constantly at the forefront of the movement to protect basic civil rights and those values he deemed essential to American civilization. Discussing free speech, for example, in his famous dissent in Dennis against United States in 1951, Douglas observed that—

> Free speech has occupied an exalted position because of the high service it has given our society. Its protection is essential to the very existence of a democracy. The airing of ideas releases pressures which otherwise might become destructive. When ideas compete in the market for acceptance, full and free discussion even of ideas we hate encourages the testing of our own prejudices and preconceptions. Full and free discussion keeps a society from becoming stagnant and unprepared for the stresses and strains that work to tear all civilization apart.

As Anthony Lewis, the New York Times distinguished journalist aptly noted in a recent article on him:

> Douglas remained on the legal frontier, pressing for absolute protections of speech and press that no majority was ever willing to grant.

This was particularly difficult to accomplish during those times of congressional investigations of communism, the stifling pressures of loyalty oaths, Smith Act prosecutions, and other similar acts which Douglas considered to be, according to Lewis:

> Invasions of the integrity of individual belief guaranteed by the First Amendment.

It was his conviction that the first amendment forbade any restriction on the freedom to speak or publish. Equally important is Douglas' unwavering opposition to wiretapping and electronic surveillance which he believes are proscribed by the fourth amendment.

Commenting on Justice Douglas' retirement, the Washington Post editorially stated that—

> He loves his country passionately—its mountains and rivers and wild places if not its crowded cities—as he loves its great traditions and its ideals of personal freedom and opportunity.

Mr. Speaker, my wife, Betty Ann, and I are privileged to have Justice Douglas and his wife, Cathy, as personal friends and to have had the opportunity to share with them a number of issues of mutual interest and concern. I have hiked with him on his annual spring walk along the C. & O. Canal, along the Croton Dam trail in Westchester, and on the proposed greenbelt on Staten Island. My children cherish a photograph with him on the Westchester hike.

We share a passion for nature and preserving its God-given beauties for future generations of Americans. We share a deep concern for the rights of the minorities and downtrodden of the world which the great Democracy of America was established to preserve, protect, and respect.

The Douglases are very real, sincere, warm loving people who put their beliefs and convictions into everyday practice.

Mr. Justice Douglas' rich, productive, and very distinguished Supreme Court career has come to an end. His stature in public and private life cannot be easily equaled. As he travels the road to recovery from the illness which struck him almost a year ago, I know full well that he will continue to speak out and write on those issues which he believes warrants the attention and action of this country. His decision to leave the Court, I know, was not an easy one. The decision he made was courageous. I join with my colleagues and his many friends in wishing him a full and speedy recovery and I am looking forward with great anticipation to continue to work with him and Cathy in the years ahead.

Mr. CONTE. Mr. Speaker, I rise today to join my colleagues in saluting Mr. Justice William O. Douglas on his unprecedented 36 years on the Supreme Court.

A renowned civil libertarian, an ardent individualist, a dedicated environmentalist, a morally and physically courageous man, he has, and has had, my deep respect and warm admiration. I know he will overcome the disability that has occasioned his retirement from the Court with the feisty spirit that is his hallmark.

In his celebrated autobiography, "Go East, Young Man," Mr. Justice Douglas provides numerous examples of his independent spirit. None is more telling that his decision, upon appointment to the Supreme Court, to continue to "exercise the rights of first-class citizenship in the fullest extend possible." And by that he has meant voting in public elections, traveling extensively, and speaking out on issues of importance to him—chief among these conservation and international affairs.

I applaud this man who is unique in American law and in all history. And I express here, my fervent hope that Mr. Justice Douglas, in retirement, will continue the fullest possible exercise of "first-class citizenship" and will continue to favor us with his views and opinions which have so helped to make this country—and if I may use his words—"the hope of mankind across the globe."

I want to thank my colleague Mr. Don Edwards of California, the distinguished chairman of the Subcommittee on Civil Rights of the Judiciary Committee, for making this time available today so that we might pay tribute to Mr. Justice Douglas.

Mr. ROSENTHAL. Mr. Speaker, it is with deep sadness and profound regret that I learned of the premature retirement of William O. Douglas, the senior Associate Justice of the U.S. Supreme Court.

Mr. Justice Douglas has been, during his unprecedented 36-year tenure on the Court, a man of unsurpassed vision and ability. His commitment and devotion to his Nation and the august body on which he so faithfully served has been all the more highlighted by his yearlong struggle to regain his health and old vigor, following a paralyzing stroke late last year, and his ultimate decision to step down. By doing so he has proved himself to be a man of greater depth and substance than those who thrice attempted to impeach him and viciously assaulted his announced intention to remain on the bench as long as he felt capable of handling his share of the workload.

This Nation has never seen a more ardent champion of civil liberties or a more tireless promoter of the rights of minorities. William O. Douglas, along with his philosophical ally, Hugo Black, fought harder than any other individuals in this century for the right of every person to express himself without any governmental interference. Eschewing labels like strict or loose constructionist, he has stood instead for great principles: Absolute freedom of speech and a healthy mistrust of unbridled majorities and big government.

During the most critical challenges to civil liberties in the past several generations, Justice Douglas never wavered, though often alone or in a distinct minority, despite the firestorm outside. The McCarthy era and the bugaboo of the "Red Scare" later evoked this response from him—

> The witch hunts of the fifties handicapped us in innumerable ways. It narrowed our vision, lowered our tolerance, lessened our creative impulses. That spiritual ordeal coupled with a mounting standard of living—made us indolent. We became insensitive to injustices and complacent of wrongdoing.

Bill Douglas ranks also as one of our foremost conservationists. His dedication to the preservation of our national heritage of pure waters and air and unspoiled vistas is matched only by his devotion to the precepts of liberty and equality.

We have had all too few Justices of the stature of a William Douglas—a Brandeis, Holmes, or Cardozo here or there. His presence will be grievously missed no matter who is now selected for the Court. We can only pray for an individual with a fraction of his dedication to the rule of law and the blessings which accrue from it.

Mrs. COLLINS of Illinois. Mr. Speaker, the retirement last week of Associate Justice William O. Douglas represents the formal end of the career of one of the most brilliant men ever to sit on the Supreme Court. His 36½ years on the Court have been marked by courage, controversy, endurance, and most of all, an inviolable sense of justice for all people. His contribution to American jurisprudence is unparalleled in modern times. It is a sad day for all of the disfranchised people of this Nation for they have lost their true champion.

Mr. Justice Douglas' retirement marks the end of the Warren era, and all that the Warren court stood for: Preservation of individual freedoms and liberties regardless of race, creed, nationality, sex or wealth. An outspoken protector of human rights during his tenure of the Court, the Justice gave his life to preserving the personal freedoms that many of us take for granted today. His work can be characterized by saying that he was blind to all but the living document—the Constitution. Few who have sat on the Court have been able to maintain the Constitution's word and spirit as did Justice Douglas.

He will be sorely missed. I wish him well and hope that he and his wife are able to enjoy the peace and quiet of the Washington Cascades for many more years. He who has given us, the people of this Nation, so much, deserves all the pleasures of life that are now open to him.

Mr. EILBERG. Mr. Speaker:

> In the oscillating movement of the planets man is a tiny speck—a microcosm. We seek truth, and in that search, a medley of voices is essential. That is why the First Amendment is our most precious inheritance. (William O. Douglas).

William O. Douglas has terminated his career as a Supreme Court Justice, during which he demonstrated, in numerous instances, the courage and independence to advocate an idea whose time in many instances "had not yet come." He symbolized for many the liberal conscience of the court. Because of his deep and firm commitment to the principle of free speech, he perhaps had the greatest impact on this Nation's history.

He possessed an ardent belief that our institutions can be preserved as symbols of freedom and equality, if we allow full and frank discussion of all issues and provide for the free exchange of ideas and opinions.

Mr. Douglas firmly believed that the Constitution guaranteed freedom of mind, conscience, and life-style. This concept of Constitutional protection led Justice Douglas to champion the causes of political, racial and economic minority groups. In his view the Constitution provided the freedom which would enable every individual to realize his or her full potential in society.

> Freedom of movement is the very essence of our free society, setting us apart. Like the right of assembly and the right of association, it often makes all other rights meaningful—knowing, studying, arguing, exploring, conversing, observing and even thinking. (William O. Douglas).

Justice Douglas knew and explored, in his professional and personal life, a wide variety of interests. He had a passion for preserving the environment, an obsession with promoting economic liberty and a concern for the foreign policy of this country. A prolific writer, he enriched our backgrounds by providing a vast wealth of information regarding the environment, by submitting his observations on his world travels and by expressing his concept of the right to dissent in our political system.

In some instances, the judicial philosophy of Justice Douglas has been controversial, but all are agreed that his decisions, and more often his dissenting opinions, have been scholarly, thought provoking and well researched and have clearly reflected the changing mind and economic conditions of this country. More importantly, his constitutional interpretations often influenced the thinking of his fellow workers on the Court and have directly affected the lives of all Americans.

My colleagues of the bar, regardless of age, have had the unique experience of acquiring a continuing legal education while William O. Douglas was a member of the Court. Many of his opinions which epitomized his judicial philosophy were the focal point of numerous classroom discussions, whether in the areas of freedom of speech and assembly or in that of antitrust. Whether we were for or against his position, his creative genius challenged every law student and lawyer, and forced us to consider and even to advocate, in a perhaps unique and different manner some constitutional concept. Whether my legal associates be liberal or conservative, I am sure we all agree that the impact which Justice Douglas had on the training and discipline required by our profession is immeasureable and will never be forgotten. His career on the Court may have ended but his contribution to American jurisprudence and his devotion to the Constitution will endure forever.

> The growth of bigness has resulted in the ruthless sacrifices of human values. The disappearance of free enterprise has submerged the individual in the impersonal corporation. And when a nation of shopkeepers is transformed into a nation of clerks, enormous spiritual sacrifices are made. (William O. Douglas).

The personal life and professional contribution of Justice Douglas was a demonstration of those principles and personal values he supported. His belief that the judicial branch of the Government was deemed by the Constitution to be skeptical of government inevitably led him to support the rights and privacies of the individual against encroachment of any form. He discharged his duties with intensity and dignity as he interpreted our statutes and Constitution.

To indeed "a free spirit" we bid farewell. For the contribution of Justice Douglas to our Nation's history, to our legal education and for his role in shaping not responding to public opinion in the areas of civil rights, voting rights, and right to free speech and assembly, we are eternally grateful.

Mr. FORD of Michigan. I take pleasure today in joining with my colleagues to pay tribute to Mr. Justice William O. Douglas, who has retired after a record-setting 36 years and 7 months of service on the U.S. Supreme Court.

It is not this longevity alone that will rank Justice Douglas as one of the true giants of the Supreme Court. For more than a third of a century—a period of tremendous change and challenge in American history—his views have had an increasingly powerful effect on the course of that history.

Justice Douglas, at the time of his appointment in 1939 by President Roosevelt, was 40 years old, and the second youngest man to serve on the Supreme Court. His record since that time is almost phenomenal. He wrote 1,333 opinions—another record—and very early in his court career gained a reputation as a "dissenter."

A disseter he was, and proud of it, but his dissents always came down on the side of personal liberty. He once wrote:

> The Constitution was designed to take government off the backs of people and make it difficult for the government to do anything to the individual.

The basis of his philosophy, and one which he cited frequently, was the first amendment guarantee of free speech. He was uncompromising in his views on this guarantee, which he once described as "our most precious heritage."

The Supreme Court and the Nation will miss this great man. It will be a long time before we see the equal of his brilliance, his courage, and his dedication to principle.

The results of his long judicial career, fortunately, will be with us for years to come. Americans yet unborn will enjoy a higher degree of freedom because of his influence. Unlike many great men, Justice Douglas has lived and served long enough to become a legend in his own time.

I join with his many other admirers in wishing him a happy retirement, and many more years of contentment and self-fulfillment.

Mr. LLOYD of California. Mr. Speaker,

Justice William O. Douglas stands alone in the history of the Supreme Court. His long and distinguished service is as much of a monument to our American judicial system as the Supreme Court building itself.

Justice Douglas was a genius of the Supreme Court. He interpreted the Constitution with an intellect that understood the thoughts of the Founding Fathers and the workings of modern day life.

Born to poor origins, this man went on to become one of the truly great Americans. He is a man of the forests and plains, as well as of the great urban centers. He embraced the entire country in all its diversity, and somehow managed to always get to the heart of every issue. He demonstrated this ability countless times in his opinions and writings. His views were not always greeted with unanimity, but they were always respected.

Justice Douglas will be remembered by many for the number of years he served on the Supreme Court. Yet, this is secondary to the quality of his service and to the leadership that he brought to this Nation.

Mr. MAZZOLI. Mr. Speaker, with the resignation of William O. Douglas, the Supreme Court has lost one of its ablest and most talented members.

On many occasions during his 36 year tenure on the Court, Justice Douglas had to confront outright adversity because of his controversial opinions. At the same time, he gained admiration for the candor and independence he exemplified as the "lone dissenter."

It was an act of courage and good judgment for Justice Douglas to retire from the Court. It demonstrated the great reverence he has for this country.

The Court can now proceed with its demanding workload. And, Justice Douglas can devote the necessary time to restoring his health.

The gratitude of all Americans goes to Justice Douglas. Whether we agree with or dispute his opinions on constitutional interpretation, Justice Douglas will be remembered for his devotion to the American ideals of justice and equality for all.

Mr. DANIELSON. Mr. Speaker, I join with my many colleagues today in paying tribute to Justice William O. Douglas on the occasion of his retirement.

Justice Douglas had an outstanding career during his 36 years as an Associate Justice of the Supreme Court; outstanding, not just because it was the longest term served by any Justice, but because of his great contribution to our system of administration of justice. His perception and understanding of the principles of our Constitution, and his dedication to them, have done much to preserve our system of government and our Republic.

Justice Douglas also brought exceptional wisdom and scholarship to the Supreme Court. His ability to recognize and understand the diverse economic and social forces affecting the times in which he served, and to reconcile them in the light of our Constitution, made his career a benchmark in judicial history.

Mr. FLOOD. Mr. Speaker, as the American nation prepares to celebrate the 200th anniversary of its founding, history will record that in this, a great year of our history, there was removed from active participation in our highest court, a man whose stature and dignity ranks with greatness of judicial minds dating back to John Jay and John Marshall. I speak of course of Associate Justice William O. Douglas, who has recently announced his retirement.

In the three decades since I first came to this House of Representatives, I have come to know and respect the greatest leaders of our time. I have served under seven Presidents, and I have worked with leaders of Government, a few of whom can be called great men of our times. Such a man is the jurist we honor today.

For generations to come, historians will busy themselves recounting the decisions which came forth from this giant who served on our Court, but observers of government today already know that William O. Douglas stands tall in the tradition of excellence of men like Taney, Cardozza, Brandeis, Frankfurter, Black, Warren, and so many more.

William O. Douglas was privileged to serve on our Supreme Court for the longest time of any Justice. And in the generations to come, we will come to realize that this long tenure was matched by decisions of sensitivity and brilliance unparalleled in this, the greatest and most successful democracy in the history of mankind.

Mr. REUSS. Mr. Speaker, it is an honor to join my colleagues in this tribute to Justice William O. Douglas.

We see Justice Douglas as one of the giants of our time, and as a judge whose contribution has had a significant impact upon American jurisprudence. A keen awareness of the challenges of the day was always uppermost in his mind. His decisions reflect his concerns with the needs of our country and his urgent zeal for the survival of the American constitutional system. His incisive mind drove relentlessly to the heart of the matter.

He will be best remembered for his dissents. During his long tenure, his reasoning achieved acceptance in many matters. The individual dissent permits a justice to express his own ideas in his own words without negotiating compromises and revisions. Individual expression was the hallmark of the Justice's style.

Perhaps this was because of his deep preoccupation with every citizen's right to full and free individual expression. Freedom to think, speak, and publish were the themes with which his name will always be most closely associated. He said in a famous 1951 dissent:

> Free speech has occupied an exalted position because of the high service it has given our society. Its protection is essential to the very existence of a democracy. The airing of ideas releases pressures which otherwise might become destructive.

He resisted the insistence on conformity that benumbed our thinking in the late forties and fifties. Like his great colleague, Justice Black, he took the words of the first amendment very literally. And in more recent years, as the Court moved nearer to his views, he remained out front, insisting upon the absolute protection of free speech and press.

Justice Douglas was a mainstay of the liberal majority which, under Chief Justice Warren, established an activist interpretation of constitutional principles. Among its legacies was the expansion of the rights of criminal defendants, reapportionment of legislative districts, and the end of legal racial discrimination.

Justice Douglas did not feel that the iron gates of a cloister had shut behind him when he entered the Court. He continued to speak, to travel, and to write. He espoused views of world politics which differed from the prevalent cold war approach. While he recognized the tyrannical and aggressive character of the Soviet Government, he also saw that war between the great powers in an atomic age would be suicide, and that the primary job of diplomacy was to find roads to peace and an end to the arms race.

He was also among the first to perceive the needs of the poor countries and to become aware of their rising expectations. He urged that we help them to develop and to achieve healthier and more prosperous lives.

Justice Douglas was also a precursor of the present concern about our environment. A rugged outdoorsman, he knew and loved the mountains of the American West. He hiked through the woodlands of many parts of the world. Here in Washington we recall his battle—successful, so far—to save the Chesapeake and Ohio Canal, a beautiful stretch of land and a monument to an early engineering feat that helped make it possible for America to grow. He warned of the danger of pollution of our lakes and streams. Indeed, he was the sole dissenter in a case in which the Court permitted an obnoxious form of noise pollution—loudspeakers broadcasting music and commercials on buses.

In an interview in Time magazine in 1973, he said,

> I've grown to be much more of an optimist than I was when I got off the freight train that brought me to law school. There's a fine group of people in this country who want to do the right thing. That's the strength of the United States.

Our best wishes go out to Bill Douglas in his retirement.

Ms. JORDAN. Mr. Speaker, I recite the words which have been used in this House to describe the tenure of Justice William O. Douglas on the Supreme Court: individualistic, strong convictions, independent, intellectually gifted, monumental ability and energy, activist, master of complex problems, guardian of individual liberties, a dissenter protecting the rights of dissenters. The list falls short of capturing the entirety of his contributions. The volume of his work both in and outside his chambers overwhelms us. We almost necessarily use a laundry list of words in an effort to summarize his career. But we should also remember that Justice Douglas has contributed an unerring sense of dispassionate analysis of the social, economic, and political issues during this past half century. Adroit at explaining complex legal problems, he also understands more than most the ramifications of his reasoning. An ardent defender of constitutional liberties and civil rights, he knew also that the idea of equality reached beyond the individual case before the Court. In a 1965 dissent he wrote that the idea of equality, once loosed, is not easily cabined. He knew that an individual's thirst for equality is insatiable, and not to be readily quenched with token offerings.

Justice Douglas has the rare talent to understand the consequences of the goals he seeks to achieve. It is easy for us to get caught up in the passions of the moment. Justice Douglas' passion was the rights and liberties of the Bill of Rights. From that course he never swerved. We all have a lot to learn from his example.

Mrs. MINK. Mr. Speaker, it was with some considerable sadness that I learned of the decision of Justice William O. Douglas to step down from the Supreme Court on November 12, 1975. That the event was hastened by the pain and physical disability which Justice Douglas has had to endure over the past several months makes it all the more an unhappy occurrence.

The Douglas record on the Court will likely not be matched for the integrity and forthright manner in which decisions were considered and enunciated. No one has served for a longer period on the Court; no one, in my view, has served with more distinction.

While the Court has lost an eloquent spokesman for the rights of the individual, we know that not only will his judicial legacy endure, but also that in retirement, Mr. Justice Douglas will continue to exhibit his concern for this earth and the persons who inhabit it.

I note that in a recent Associated Press story on the Douglas retirement, the now-retired Justice said that he would like to be remembered "as someone who made the earth a little more beautiful."

I have no doubt that this wish will be fulfilled.

Mr. ROYBAL. Mr. Speaker, I am honored to take part in today's special order in recognition of the long and dedicated service of William O. Douglas. It was with deep regret that I learned ill health would prevent Justice Douglas from continuing his judicial duties.

> I think the heart of America is sound, the conscience of America is bright, and the future of America is great.

These are the words of Justice William O. Douglas who has served on the Supreme Court longer than any other man in history. He served with brilliance and courage, and has received widespread admiration for his unusual strength and capacity for work during his 36½ years on the Court.

Justice Douglas is known as a protector of individual rights and a particular friend of minorities and underprivileged groups. He is considered a champion of the free enterprise system and a guardian of those rights guaranteed by the Bill of Rights. It is, indeed, unfortunate that his impressive career must now draw to a close.

In addition to being one of the most effective and influential justices in the history of the Supreme Court, Douglas has become known as the foremost environmentalist to serve on the Court. He has been awarded the Audubon Medal, the highest honor of the Audubon Society, in recognition of his efforts on behalf of conservation. His link with the out of doors has been an integral part of his life and it is not surprising that as a child, Douglas drew inspiration from Mount Adams, a great peak in the Cascade Mountain Range of Washington, and that this mountain became his symbol of stability and strength.

The story of William Douglas' youth could well serve as an inspiration to others. His father, a home missionary of the Presbyterian Church, died when Bill was only 6, and poverty and illness were no strangers. After a severe bout with infantile paralysis, it was a determined Douglas who restored his health through strenuous hiking and riding in the mountains he loved. With the same determination he achieved an almost perfect academic record in school.

He went on to college where he was Phi Beta Kappa and then to Columbia Law School where he graduated second in his class. Later he taught in the Law Schools of Columbia and Yale, was named Sterling Professor of Law at Yale, and in 1936, was appointed to serve on the Securities and Exchange Commission. A year later he became Chairman of the Commission and in 1939, President Franklin Roosevelt nominated him to the Nation's Highest Court. Douglas was then 40 years old and one of the youngest men ever to serve on the Supreme Court.

Justice Douglas will be well remembered for his outstanding work on the Supreme Court, even though much of this work was in dissent. He has expressed his high values without hesitation. And while he has frequently been labeled controversial, no one can doubt his honesty or courage. He has repeatedly spoken out for individual freedom and the belief that liberty must be based on law, and law on liberty. He is, indeed, a most extraordinary man and his insight will be keenly missed in our Nation's Highest Court.

I would like to congratulate Justice Douglas on his distinguished career and wish him improved health and a long and happy retirement.

Mr. HELSTOSKI. Mr. Speaker, today I wish to honor a great American, Justice William O. Douglas, as he retires from the U.S. Supreme Court.

Throughout his outstanding career, Justice Douglas has been a defender of our cherished constitutional freedoms. As an outspoken civil libertarian, he has protested government abuse and interference and adamantly defended the citizen's right to privacy. He will be especially remembered for his landmark decisions and dissents in the area of the first amendment as he became the champion of free speech. He spoke out in the name of freedom, unabashed by criticism, using his brilliant mind to grapple with problems and using his ideas and convictions to blaze new paths to solve them.

Justice Douglas believed strongly in the right of an individual to be "let alone." He found this right to be articulated in our Constitution's Bill of Rights. Yet, he was particularly astute in realizing the limitations of these rights—they are not self-executing and their securement depends on a multitude of factors. In particular, they depend on our conception of them in the context of the times in which we live. His progressive interpretation of these rights has protected countless individuals from the growing power of the modern State.

Justice Douglas remained steadfast in his abhorrence of government regulation of verbal and nonverbal political expression, access to the products of creative imagination, and privacy. He adhered to the doctrine of absolute freedom of expression, unencumbered by value judgments imposed by the courts. His opinions which criticized governmental intrusion and censorship were often flavored with his biting wit and accompanied by his ability to poke fun at himself and others. In a dissenting opinion of a well-known obscenity case, he commented sardonically:

> Today the Court sits as the Nation's Board of Censors. With all respect I do not know of any group in the country less qualified to know what obscenity is when they see it (*Ginsberg* v. *New York*, 1968).

William Douglas stands as a true representative of all people—black or white, rich or poor, liberal or conservative. He is bound to no particular interest group and is a living example of the creed that all people are created equal. He was quick to see human prejudices and irrationalities that are often incorporated into the law—and sought to remove them:

> Wealth, like race, creed, or color, is not germane to one's ability to participate intelligently in the electoral process . . . To introduce wealth or payment of a fee as a measure of a voter's qualifications is to introduce a capricious or irrelevant factor (*Harper* v. *Virginia Board of Elections*, 1966).

Generations to come will benefit from the work and dedication of this remarkable man. As a critic of social and political injustice, William O Douglas brought flavor and distinction to the bench and we will be eternally grateful for it.

Mr. ADDABBO. Mr. Speaker, I rise to join my colleagues in paying tribute to Mr. Justice William O. Douglas, who leaves the U.S. Supreme Court after a 36-year record of outstanding service to our Nation. Few justices have made the kind of impression on our legal system which Justice Douglas has left as a legacy to future generations. Few men, in any field, have achieved the intellectual recognition and admiration which Justice Douglas has earned.

In a constantly changing world, Justice Douglas never wavered in his determination to protect the individual against invasions of privacy or any type of oppression from government. His view of the Bill of Rights was not always the prevailing view of the Court but his concern for individual liberties was an important catalyst for debate and evaluation of issues by his colleagues on the highest Court.

Now the President must try to fill the shoes of Justice Douglas and I hope that he will select an individual who can also stimulate the Court to debate and consider the impact of all laws under review on the individual. It is important that this seat be filled with a successor who will maintain the public's faith in our Court of last resort, particularly at a time when public confidence in the other branches of Government is not high enough.

I extend my personal thanks to Justice Douglas for his years of service to all the people of America and his superb guardianship of our individual rights and liberties during his years on the U.S. Supreme Court.

Mr. ROONEY. Mr. Speaker, I join with my colleagues today to pay tribute to William O. Douglas, a man who has had a profound effect upon American society.

By virtue of the fact that he has served longer than any other Supreme Court Justice, William O. Douglas was bound to have an effect upon the workings of the highest court in the land in regard to its interpretations of our laws. A mere superficial glance at the statistics being circulated that his opinions have appeared in over one-fourth of the volumes of published Supreme Court opinions, and that he has served with one-third of the men who have sat on the bench of that Court, are impressive.

However, this country has only recently begun to recognize the enormous debt it owes to Mr. Justice Douglas for his efforts to preserve inviolate the constitutional right of free speech, to more firmly establish civil rights, and to safeguard the well-being of the common man and woman. This he has done most eloquently in dissenting opinions—opinions which have reflected an outstanding personal as well as professional integrity. Although the President will nominate and the Senate will approve a replacement, it will be a long time before Douglas' position will truly be filled.

I wish Mr. Douglas the rapid recovery and rehabilitation for which he resigned, so that he may fully enjoy and reap the benefits of freedom and a love for the outdoors to which he dedicated his life.

STATEMENT BY CONGRESSMAN LOUIS STOKES ON THE RETIREMENT OF MR. JUSTICE WILLIAM O. DOUGLAS

Mr. STOKES. Mr. Speaker, it is with profound regret that I acknowledge the retirement of Supreme Court Justice William O. Douglas. Ill health and age has drawn to a close one of the most outstanding legal careers in the history of this country.

In 36 years on the highest court in the land, Justice Douglas has watched-over and protected those basic individual freedoms which are the bedrock of our democratic form of government.

Unfortunately, his retirement occurs at a time when a corrosive attack is being waged on our constitutional guarantee to equal education under the law. Without his liberal, fair-minded opinions on this and other crucial issues, many of the hard-won victories of the past 20 years could be seriously imperiled.

Interestingly, both Justice Douglas and I were raised in Cleveland. His, a little hamlet in the great Northwest mountains of the State of Washington and I, in the sprawling, urban ghetto of Ohio. It was in 1968, Mr. Speaker, that I had the occasion to argue a landmark case before the Supreme Court of the United States. Justice Douglas was a member of the court which decided Terry against Ohio, establishing the law of the land relative to "stop and frisk" searches and seizures. Justice Douglas wrote a dissent in that case which incorporated much of the argument which I had made before the court. He was a legal giant for whom I have great respect.

Justice Douglas is often described as the quintessential "rugged individualist," Mr. Speaker, raising himself by the bootstraps from a poverty-ridden, fatherless, illness-consumed childhood to a place of national and international prominence. Yet, in turn, he never demanded the same from those without any "bootstraps."

His court decisions on criminal rights, equal protection of the laws, and the first amendment rights has made him a champion of black people, poor people, and other disadvantaged minorities.

Mr. Speaker, many of my colleagues have issued statements praising this great humanitarian. Yet, the greatest tribute of all would be to replace him with an individual who embodied his superior qualities, just as Franklin D. Roosevelt did when he appointed Douglas to fill the Brandies seat.

I hope that President Ford will have the wisdom and vision to appoint an able successor to this great man, an individual of which all Americans, from all races, ethnic origins, and economic backgrounds, can be proud.

Mr. MITCHELL of Maryland. Mr. Speaker, it is with distinctly mixed emotions that I participate in today's special order noting the retirement of Justice William O. Douglas. Naturally, I am deeply honored to offer my word of thanks for the 36 years of service that Justice Douglas gave these United States. I am even more grateful for this opportunity to express appreciation because I do so on behalf of the millions of disadvantaged and minority group citizens, and indeed noncitizens, who have had their quality of life bettered by the tenure of Mr. Douglas.

Yet, I stand here also experiencing an unusual degree of fear—fear about who will be appointed to fill the void in our judicial system left by the retiring Justice. At a time in our history when concern for human and civil rights seems to be quickly waning, it is indeed fearful to lose the judicial champion of those issues. It is fearful because few will be able to exhibit the sensitivity consistently shown by Justice Douglas concerning issues of human and civil rights.

William Douglas has left an indelible mark on our system of justice. It fascinated me to read an account of the Justice's record which indicated that "during his more than 36 years he has served 13,359 days—served under five Chief Justices—sat with more than one-fourth of the men ever to serve on the Court. The report further indicated that "his first opinion turns up in Volume 308 of the Supreme Court Reports; and his name now runs through a hundred volumes more."

During these times, usually, Douglas was raising a voice for those who had no voice. Always he was taking a stand, regardless of the issue. He was protecting the human and civil rights of those who so often felt they have no protection, no point of recourse in the Government and certainly not in the Supreme Court.

Using the shield of the equal protection clause of the 14th amendment to the Constitution, Justice Douglas has defended and protected the rights of Japanese Americans, American Indians, persons of Mexican descent, and persons of Spanish ancestry.

His record on behalf of the human and civil rights of black Americans is, and I fear will remain, unequaled.

Take the area of education, for example. It was Douglas who dissented in 1952 when the Court declined to consider whether the "separate but equal" concept, as applied to public schools, was consistent with the equal protection clause. Two years later, he joined a unanimous Court in Brown against Board of Education to hold that separate was not equal in public schools and to order the States to end segregation in those schools with "all deliberate speed." He joined the Court also in 1964, 10 years after Brown against Board of Education to rule that the time for mere deliberate speed had run out and in subsequent cases to insist that dual school systems must be terminated at once.

Douglas voted to forbid segregation in State universities and professional schools and to hold that racial segregation in the public schools of this very District of Columbia, a Federal enclave, violated the due process clause of the fifth amendment.

William Douglas' record of support for the dignity of the individual is endless. He voted to extend the constitutional prohibition against segregation to public auditoriums, public parks, public golf courses, public beaches, courtrooms, and prison systems.

A full rehearsal of this impressive record would take more hours than are reserved for this special order. However, the full preservation is not required, for the contributions of Justice Douglas live and are demonstrated in the lives of hundreds of thousands of citizens whose civil liberties he protected and whose civil rights he zealously safeguarded.

Mr. FOLEY. Mr. Speaker, I am not pleased with the task I have to perform this afternoon. I had thought that there would never come the day when there would be a Supreme Court without Mr. Justice Douglas sitting on the bench, fiddling in his chair, impatient to get on with the Nation's judicial business and decide the fundamental questions of constitutional and statutory rights that form its caseload. I had implicitly believed, like the rest of us, that Mr. Justice Douglas was planted on the Court forever, like a Douglas-fir dwarfing its companions, majestic and supreme.

But that was not to be. Disability has deprived the Court of one of its greatest minds and we are left to reflect on a giant whose imprint on the constitutional history of this country is as profound as any man's.

I have lived and worked with Mr.

Justice Douglas' words and decisions for many years. As a law student struggling to cope with the intricacies of the law, I read and marveled at his opinions, at the fluid ease with which he disposed of the most complex issues, at the sharpness of a mind that cut instantly to the marrow of every problem, at the clarity and certainty which he found in the amorphous clauses of the Constitution. He was a model for every law student.

Not necessarily the model our professors dangled before us of the hired gun who refuses to take sides on an issue in the absence of a fee, of the neutral professional who cautiously weighed every pro and con before deciding to stand still. Mr. Justice Douglas was the model of activism, of an attorney who acted upon his convictions and translated them into words that had practical impact, that freed political prisoners, that thwarted police misconduct, that prevented the Government from taking advantage of the weak and poor, but enabled it to harness and regulate the power of the strong and wealthy.

As a deputy prosecutor, Mr. Justice Douglas and his opinions, be they majority, concurring or dissenting, offered me no solace. He made my task more difficult, forced me to make sure that every piece of evidence I sought to introduce was freed of taint under the fourth and fifth amendments. He compelled me to become a better prosecutor, one whose concern was as much to do justice as to put every defendant behind bars. I may not have fully appreciated his role then, but I do now.

As a Congressman who still remembers what the thrill of the courtroom is like as well as the excitement of the students to whom I used to teach constitutional law, Mr. Justice Douglas looms even larger. His words on the meaning of the first amendment, be they dicta or holding, will be anthologized for years to come in textbooks of American political theory.

He shone the first judicial beacon to light our path out of the fear and gloom of the Korean era. He was in the minority, but he was right. His maintenance of his point of view never wavered and eventually, by the end of the fifties, he was no longer shouting in the wilderness. He was expressing the opinions of the Court. What he maintained had to be the law of the land in 1951 was the law by 1965. His approach was vindicated. That the first amendment stands first and foremost among the Bill of Rights is attributable to his courageous refusal to be moved and the support of his brothers on the bench.

I do not wish to cull quotations from his 36½ years of decisionmaking. Every one of his decisions is worth quoting. Every one of his decisions has something to tell us about our hopes and aspirations as Americans, about our successes and our failures in reaching our goals. We can thank him for the fact that where our constitutional rights are concerned we have had many more successes than failures. In our struggle to maintain this record, we will miss him very much.

He has earned over a 50-year career in the public service the rest and peace we hope he can secure. His resignation from the Court cannot silence his insistence upon respect for individual rights because his decisions will survive as long as there are Justices sworn to honor the Constitution. We will miss him, but his spirit and his values remain an invaluable part of our national heritage.

Mr. MEEDS. Mr. Speaker, not many days ago, one of the most important men in the history of American justice and civil liberties retired from public life. After 36 years and 7 months on the highest court of the land, Justice William O. Douglas decided that the pain he was suffering as a result of a stroke last year was too much.

Always a controversial figure, Mr. Douglas attracted as many critics as supporters in his long career on the Bench. Both groups were equally dedicated to their opinions of him. But I think he always showed America and Americans the strong will, the keen intellect, and the dedicated service that has been so instrumental in making our country strong and maintaining its vitality.

During his years on the Court, Justice Douglas was one of our foremost authorities on the first amendment—always insisting that a healthy democracy was based upon the free flow of ideas and opinions. When the mood in America dictated decisions that may have run against the grain of the first amendment, Justice Douglas firmly defended that amendment against all encroachment.

I believe it was undoubtedly the vitality of this amendment, as interpreted by Mr. Douglas and others like him, that permitted the truth about the misdeeds of the Watergate affair to finally become public. That amendment was instrumental in assuring newspapers and the television media they had the right to tell America about the abuses of power that were occurring.

Justice Douglas also was a dedicated outdoorsman and nature lover who lived and worked in the small towns and farms of Washington State. He fell in love with the natural beauty of the State and spent many hours hiking through our mountains and writing about the need to preserve them.

I personally wish to thank him for the many times he aided important causes in the State, including the development of the North Cascades National Park. I am sure Justice Douglas appreciates the efforts among Washington State residents and representatives to establish another beautiful recreation area in the Cascade Range—the Alpine Lakes Wilderness Area.

But perhaps most of all, Justice Douglas was a man. He was a man of humble beginnings. He had to work his way through Whitman College taking odd jobs, which included working on local farms. When he got to New York to begin law school, he had only a few cents in his pocket and again had to work his way through school.

Although he was soon working in an important law firm and later served as head of the Securities and Exchange Commission before his appointment to the Court, he always possessed that grasp of strong values of human life and liberty that he developed as a young man. Unlike many other Government officials who saw themselves as above the rest of the populace, Mr. Douglas could be found hiking along the Chesapeake & Ohio Canal, mingling with the campers in mountain lakes, or riding cabs and asking the drivers' opinion of the Supreme Court.

Justice Douglas was also one of our foremost thinkers and philosophers. He was a gifted writer and lecturer. And he stood as a symbol of that great American quality that is willing to let everyone speak his opinion, no matter how unpopular.

This man from Gooseprairie, Wash., who spent more time on the Supreme Court than anyone in history, will long be remembered as an advocate of free speech, fairness, and the liberties that make America strong. I am grateful for the years that he dedicated to the Court and other public services. I believe he has been a great complement to our State and our Nation.

Mr. GUDE. Mr. Speaker, Justice William O. Douglas, in the course of a long and distinguished legal career, served on the Supreme Court for over 36 years, working with over one-quarter of all of the Justices in the history of the Court. He served under five of the Court's Chief Justices. During his career as a Justice, the Supreme Court grappled with issues having tremendous impact on the future course of the Nation.

Justice Douglas is a hard person to categorize, for his interests and accomplishments are many and varied. He can be well categorized as a "friend of the little man". He knew them. In his youth, he labored as a migrant worker in the rich fields and orchards of the Pacific Northwest and grew to know and love the people at whose side he labored. He watched over their interests throughout his professional and private lives, doing what he could to insure that the basic rights which had been granted to the people remained untrammeled by the forces of an increasingly complex world. On the Court, he was a champion of civil liberties—free speech, free press, the right to assembly—and he will long be remembered for the philosophy which he espoused on the Court in regard to protection of these vital rights on behalf of the people.

The people were also the beneficiaries of Justice Douglas' love and appreciation for the environment. As a boy in eastern Washington State, young Bill Douglas overcame polio by hiking daily in the foothills of the Cascades and thus regained the use of his withered leg muscles. The foothills also affected his spirit, for he felt at peace in the mountains, foothills, and forests. He has sought, over the years, to protect these irreplaceable resources from exploitation, so that they can be enjoyed by all of the people of the Nation. His opinion delivered by Justice Douglas in *United States* v. *Standard Oil*, 384 U.S. 224, (1966) made it clear that the Court would not allow technicalities to offset the intent of Congress relative to pollution of the Nation's waterways. Justice Douglas' dissent in *Sierra Club* v. *Secretary of the Interior*, 405 U.S. 727 (1972), sets forth the philosophy that the environment should be allowed to bring suit against individuals and organizations which threaten its existence. He stated in that opinion, that in order to protect the natural resources of the country, it is necessary "to make certain that the inanimate objects, which are the very core of America's beauty, have spokesmen before they are destroyed—(B)efore these priceless bits of Americana such as a valley, an alpine meadow, a river, or a lake are forever lost or are so transformed as to be reduced to the eventual rubble of our urban environment, the voice of the existing beneficiaries—should be heard."

Justice Douglas is nearly as well known for his personal environmental activities as for his judicial accomplishments. He has participated in many treks and adventures around the world, usually in support of causes not yet won. A list of these would read like a directory of worthwhile causes. One such cause, which contributed greatly to his fame as a conservationist and protector of nature, was his 1954 hike along the Chesapeake and Ohio Canal, in Maryland.

The story of the circumstances leading to this hike, the hike, and the events over the 17 years that followed before the goal of a national park status for the canal was achieved, could fill a book. I would like to take this opportunity to select the highlights of that struggle as an example of Justice Douglas' great energy and enthusiasm for the preservation of an essential aspect of the quality of life that is fast disappearing.

In January 1954 the Washington Post editorialized in favor of a proposed "Potomac Parkway" along the right-of-way of the C. & O. Canal from Great Falls to Cumberland "to open up the greatest scenic asset in this area—the Potomac River—to wider public enjoyment." The highway would utilize the bed and towpath of the C. & O. Canal, which was "no longer either a commercial or scenic asset" in their opinion.

Justice Douglas responded with a letter to the editor in which he strongly opposed the idea of building a highway along the river, since one "could never acquire—(an) understanding of nature going 60, or even 25, miles an hour." He challenged the editors of the Washington Post to take time off and come with me to hike the C. & O. Canal. He continued,

> I feel that if your editor did, he would return a new man and use the power of your great editorial page to keep this sanctuary untouched.

Justice Douglas noted:

> One who walked the canal in its full length could plead that cause with the eloquence of a John Muir. He would get to know muskrats, badgers, and fox; he would hear the roar of wind in the thickets; he would see strange islands and promontories through the fantasy of fog; he would discover the glory there is in the first flower of spring, the glory there is even in a blade of grass; the whistling wings of ducks would make silence have new values for him.

The editors accepted Justice Douglas' challenge. However, they were still skeptical and noted:

> We are sufficiently enthusiastic about it to wear some blisters on our feet, but we do not believe that this back-yard wilderness so near to Washington should be kept closed to those who cannot hike 15 or 20 miles a day.

Justice Douglas, Merlo Pusey and Robert Estabrook of the Washington Post who wrote the initial editorial, and some 40 others started the 185 mile hike at Cumberland, Md.

Senator J. Glenn Beall, Sr., Republican of Maryland, the father of the present Senator BEALL, sponsored a dinner in Cumberland that night to see them off. The Senator, too, was skeptical of the value in saving the C. & O. Canal in its present state.

The various days of the hike saw the travellers cover between 18 and 30 miles a day. This pace was required because Justice Douglas had only 8 days free from his Supreme Court duties in which to make the trip. They encountered rain, snow, mud and uncomfortable sleeping conditions. They were met by well-wishers and opponents all along the way. Brunswick, Md., greeted them with a sign advising that they preferred a parkway to a defunct canal.

After the hike the Washington Post published another editorial on the subject, this time coming full circle from their previous position. They noted:

> We believe that many semi-wilderness stretches along the old canal ought not to be disturbed. These are the habitats of deer, fox, raccoon and birds without number. It would be a shame to invade, say, the glen above Cresaptown, where the old drill marks are still visible.

Although they still favored occasional road access to the river, they agreed that, in most places, existing roads provide that access. Wherever a parkway was recommended by them, they said it "could be built along the top of the bluff to give beautiful panoramas without disturbing the canal and towpath preserve."

The Park Service plan they had previously supported in its entirely should "be substantially modified to avoid encroachment on the best natural areas, to preserve as much as possible of the towpath and canal bed."

The original hikers formed, during the trip, the Chesapeake and Ohio Canal Association, which continues today. The original purpose of the association was to publicize and promote efforts to preserve the C. & O. Canal through legislation. By 1960 they had convinced President Eisenhower to designate the canal a National Monument.

But it was not until 1970 that we were able to win House and Senate approval for the bill creating a C. & O. Canal National Historical Park. It was signed into law on January 8, 1971.

The Chesapeake and Ohio Canal Association has held, and continues to hold, hikes along various parts of the canal, attracting hundreds of participants and supporters. At each of these hikes, and whenever the opportunity presents itself, the Chesapeake and Ohio Canal Association, with Justice Douglas actively participating in its activities until recently, continues to work to achieve the introduction and passage of legislation to aid the canal.

Justice Douglas' efforts for the canal did not stop with the enactment of the law. He continued to join the annual hikes and to talk about the canal with many people. He and the association sponsored the 20th anniversary hike in April 1974 to commemorate his hike with the newspaper editors. Some 33 people completed this trip, which was much easier than the first, taking 11 days to cover the same distance. Justice Douglas was busy with the Court session during this hike, but his wife, Cathy, joined the hikers on their final day and both of them honored the participants at the celebration dinner that evening.

On his retirement from the Court, the Justice was asked how he hoped his career on the Court would be remembered by future generations. His response was "that I helped make the Earth just a little bit better place to live."

His efforts on behalf of the C. & O. Canal, the mountains, forests, rivers, and plains, guarantee that his wish has already been fulfilled. I hope that a restoration of vigorous health will once again permit him to enjoy the outdoor recreations he has worked so hard to provide for others.

Mr. PHILLIP BURTON. Mr. Speaker, I am delighted to join with my distinguished colleague from California (Mr. EDWARDS) in honoring a great man and great jurist, Justice William O. Douglas on the occasion of his retirement from the Supreme Court.

Justice Douglas has served this Nation as a member of the Supreme Court longer than any justice in the history of this Nation, but he will not be remembered not so much for the length of his tenure but for the quality of his defense of the fundamental rights of all our citizens. Justice William O. Douglas was in a very special way the voice and defender of the Bill of Rights.

I am saddened that ill health has caused this giant among the greats of the Supreme Court to submit his resignation. I wish him full recovery and I sincerely hope that his voice will be raised in defense of civil liberties and constitutional rights for many years to come.

It would be impossible to catalog here the many historic decisions which are intimately associated with Justice Douglas but I would like to share with my colleagues the editorials which appeared in the Washington Star and the Washington Post on the retirement of Justice Douglas on November 18:

[From the Washington Post, Nov. 14, 1975]

THE RECORD OF JUSTICE DOUGLAS

As a long-time admirer—and occasional critic—of Justice William O. Douglas, we profoundly regret his departure from the Supreme Court: But we deeply respect the courage and good judgment which impelled him to make this hard decision when his health no longer permitted him to continue. And we welcome the opportunity his retirement gives us to say some of the things about his long and illustrious career that newspapers normally don't get around to saying about great figures and old friends until after they are gone.

Justice Douglas is always so insistently himself—so intensely individualistic—that he has attracted violent detractors as well as ardent admirers in his long career, most of it spent in service on the Supreme Court of the United States. Physically rugged, an outdoorsman by inclination, gifted intellectually, tempermentally lonely and independent, he is indigenously American as

Uncle Sam. He loves his country passionately—its mountains and rivers and wild places if not its crowded cities—as he loves its great traditions and its ideals of personal freedom and opportunity.

Justice Douglas has his own ideas of decorum and propriety as he has his own strong convictions about the meaning of the Constitution; and it was on the basis of these ideas and convictions, unmoderated by popular standards or conventions, that he patterned his private conduct and his public judgments. He believes that judges should be in the main streams of life, not islolated or insulated from popular feelings; and so he has expressed his personal views freely about matters of foreign policy such as the Vietnam war and about domestic affairs as well. He has lectured and written books and magazine articles on a wide variety of non-judicial subjects—a practice which his critics condemned as unbecoming to a Supreme Court Justice. For a time, while on the Court, he served as the salaried president of a not altogether savory private philanthropic foundation—which led to an abortive attempt to impeach him in 1970. Perhaps, as some critics have contended, these extracurricular activities by the Justice resulted in some impairment of his prestige and influence. At worse, however, they were indiscretions growing out of his aloof indifference to the opinions of others. He has marched only to the fanfare of his own trumpet and followed only his own star.

In his service on the Court, Justice Douglas was commonly called an "activist." This is to say that he allowed his interpretations of the laws and the Constitution to be infused in some measure with his system of ethical values. He cared about justice no less than about the law; and he believed that judicial restraint in its true sense entailed a deference to the great constitutional assurances of individual rights and liberties rather than a deference to the judgments of legislatures. In this attitude, he was allied closely in inumerable cases with Hugo Black; together and individually, often in dissent, sometimes in opinions for the Court, they produced some of the noblest and most moving expressions of faith in the irrepressible freedom of the human spirit.

Like Justice Black, Justice Douglas believes in a preferred position for the First Amendment as the guarantor of a freedom indispensable to the functioning of any self-governing society. He moved from an early acceptance of Justice Holmes' clear and present danger doctrine to a later attitude of absolutism respecting the protection of speech and of the press. "The First Amendment," he wrote in one of his books, "The Right of the People," "was a new and bold experiment. It staked everything on unlimited public discussion. It chose among conflicting values, selecting the freedom to talk, to argue, and to advocate as a preferred right. It placed us on the side of free advocacy, come what may." This view has made him an uncompromising foe of every sort of sedition statute, of every limitation on efforts to gather and disseminate news or opinion and of censorship in any form, whether in relation to politics or to esthetics.

Behind Justice Douglas' philosophy regarding the First Amendment lies a conviction that the Bill of Rights was intended, above all else, to impose a check upon the headstrong passions and prejudices of majorities. "A great risk in any age," he once wrote, "is the tyranny of the majority. Freedom of expression is the weapon of the minority to win over the majority or to temper the policies of those in power." It may well be that Justice Douglas' most significant service to his country lies in his role as a nay-sayer to popular enthusiasm. He resolutely resisted the tyranny of majorities at a time in the nation's history when demagogues were recklessly exploiting popular fears and anxieties regarding "subversive activities" and a supposedly overwhelming "Communist conspiracy." He kept his head—and his faith in freedom.

But the country has a manifold indebtedness to this exuberantly prolific and energetic man. His ability to master complex problems and to write about them swiftly and incisively enabled him to carry a heavy share of the Court's load in the handling of difficult economic and fiscal cases as well as in the defense of civil liberty. From his early years on the Securities and Exchange Commission, he was an inveterate challenger of business and banking threats to a free economy. Over and over again, by admonition and by example, he reminded the country of the importance of its physical environment and its dwindling natural resources. He has produced no fewer than 17 books.

William O. Douglas has a stature not often equalled in public life. His retirement takes from the Supreme Court one of its most powerful and dramatic figures—one of those who help to make the Court, as it should be, a coequal and effective partner in the operation of a political system of divided powers—and a bulwark of human liberty.

[From the Washington Star, Nov. 14, 1975]

JUSTICE DOUGLAS DEPARTS

Justice William O. Douglas closed a long and formidable career on the U.S. Supreme Court this week with warm farewells from old foes as well as old friends. As the ship came to harbor some of those who had shelled it for years sounded horns of welcome, as graciousness and the sad circumstances of his departure demanded.

But his was surely a career of sufficient dimension and importance to deserve—and survive—honest evaluation. It was formidable in some ways, less so in others.

There are two kinds of significance in Supreme Court careers. There are justices, of whom the first and greatest was Chief Justice John Marshall, who make the legal process the handmaiden of policy—as there are justices, of whom the greatest of recent memory was Felix Frankfurter, for whom the legal process takes on a consuming importance of its own. Justice Douglas was of the first school. He had one overriding objective of policy, a relentless dislike of oppressive government to which considerations of judicial craftsmanship almost always bowed.

This was not a distaste for government per se. He came to the Court almost 37 years ago from the chairmanship of the Securities and Exchange Commission, a stout believer (as many of the pre-Roosevelt justices were not) that Congress had ample constitutional authority to regulate business and finance. It was rather in issues of civil liberty and due process that his bias for the individual—a valuable and healthy bias—showed itself so clearly. A recent study of his reaction to 483 pleas alleging violations of individual rights between 1957 and 1968 found him supporting the claims of authority only 22 times.

The other side of the coin, as critics saw it, was that Justice Douglas at times displayed a peremptory impatient with the subtleties of the law. "As presented by Justice Douglas," wrote one of those critics amusingly, "not a single case is hard enough to preplex a right-thinking man."

It could be argued, as his admirers insisted, that Justice Douglas' sometimes startling simplifications were the natural conclusions of an extraordinarily keen intellect cutting through the fudge and evasion of the legal process.

Like the late Justice Hugo Black, he took a categorical view of the First Amendment. He believed that it had to be read literally, and that in this literal reading it flatly denied government the power to curtail free utterance.

Less satisfactorily, this categorical cast of mind extended into realms of social policy of the utmost complexity. The late Prof. Alexander Bickel, in his sympathetic but exacting study of the Warren Gourt, cited two characteristic instances. One was Justice Douglas saying, in the landmark reapportionment case (*Baker v. Carr*) that "the conception of political equality from the Declaration of Independence, to Lincoln's Gettysburg Address, to the 15th, 17th and 19th Amendments can mean only one thing—one person, one vote." Another was Justice Douglas protesting, in a housing segregation case, that "legal minds . . . draw lines and make distinctions that have no place in the jurisprudence of a nation striving to rejoin the human race."

Taking the most favorable view of these delphic oracles, you could say that Justice Douglas swept into his broad view of American constitutionality an undiscriminating stream of political and humanitarian idealism, central to our tradition. On a less favorable view, you could say that even the majestic words of the Declaration or the Gettysburg Address lend themselves to differing interpretation, and that by implying otherwise Justice Douglas risked the enfeeblement of judicial authority. His categorical assertions about the meaning of the American political tradition failed to commend universal or automatic assent, on the bench and off.

The necessary point, perhaps, is that the Supreme Court has kept its vitality because it draws on both traditions—the boldness of the policy judges and the more demanding tradition of the judicial craftsmen whose fine distinctions so often annoyed him. The one is as important as the other. It was Lord Macaulay, in a hasty judgment, who complained that the American Constitution was "all sail and no anchor," but in fact it is plenty of both. Justice Douglas was a man of the sail, not the anchor. For better or worse, and on the whole perhaps for the better, he helped keep things moving.

Mr. GIAIMO. Mr. Speaker, the retirement of Mr. Justice Douglas from the Supreme Court marks the end of a truly remarkable career and one that may never be equalled.

It is remarkable for its longevity, yes, but certainly more remarkable for the profound and lasting imprint he has made upon constitutional jurisprudence.

The value of his achievements while sometimes provoking disagreement, will nevertheless stand as constitutional milestones. Whether we ultimately agreed with his decisions or not, we can all agree that he was one of the giants of the Court as well as one of the giants of American intellectual history.

He loved the outdoors so much that he was an experienced and noted mountain climber. He loved the Bill of Rights so much that he had the courage to exercise its freedoms, most notably the freedom of speech. He loved his work so much that he wrote more than one-fourth of all the opinions issued by the Court during his record 36½ years tenure.

I join with my colleagues today in hoping that his retirement will lead to improved health and that he will continue to lend his voice in defending the values of American life.

Mr. RANGEL. Mr. Speaker, on behalf of the 17 Members of the congressional Black Caucus, I rise to join our colleagues in the House in paying tribute to Supreme Court Justice William O. Douglas on the occasion of his retirement from the bench.

In stepping down, Justice Douglas brings to a close perhaps the most brilliant, and certainly the most all-encompassing, career of an American jurist in the 20th century.

His passion for law and the inviolability of civil liberties made him a legend even as he served his record-breaking tenure of over 36 years on the Supreme Court. During almost four decades of the most strident unrest and turmoil both at home and abroad, Justice Douglas retained a clear, unwavering dedication to the fundamental principles of human rights upon which this Nation was founded. His opinions and dissents written for the Court give testimony to his philosophy of individual rights—whether the rights in question belonged to blacks, women, the accused, or—in the case of environmental decisions—even to the air we breathe and the rivers that run through our land.

Justice Douglas, through his active participation, helped to shape rights policy for decades. He was an ardent supporter of the monumental Brown against Board of Education decisions of 1954 and 1955; the Miranda decision on accused rights; the historic Griswold against Connecticut case involving rights of contraception; and a host of others. In all, he wrote decisions or dissents on over 1,200 cases that came before the Court—bringing to each his unique and perceptive awareness of the Bill of Rights. His interpretations of the law came to be recognized for the strength and clarity they carried, and many Douglas dissents were, in time, incorporated into Supreme Court decision which follows.

His mark on our society will be long remembered by those who value liberty and individual freedom. His genius in the cause of justice will be sorely missed.

Mr. Speaker, the congressional Black Caucus recognizes the enormous contribution made to our society—especially to the rights of minorities in that society—made by the distinguished Justice Douglas. We wish to add our names to the many, many Members of the House and Senate, the President, and his longtime friends, associates and admirers, in wishing Justice Douglas a speedy recovery from his illness and a resurgence of the strength and vitality that have characterized this champion of freedom.

Mr. CONYERS. Mr. Speaker, Justice William O. Douglas' decision to retire from the Supreme Court creates a void rather than a vacancy. Unrivalled in his openminded pursuit of justice, Mr. Douglas was dogmatic about the defense of the rights of individuals in relation to the state. He writes in his autobiography:

> The nation or the world can be smothered by a military-industrial complex or by a socialist regime or by some other totalitarian group. But in time the individual will rebel. Man, though presently enmeshed, will seek freedom just as he does today in Russia and in Czechoslovakia, and just as he did in the Watts area of Los Angeles. The struggle is always between the individual and his sacred right to express himself on the one hand, and on the other, the power structure that seeks conformity, suppression, and obedience.

Justice Douglas was a tireless defender of equal rights under law for all citizens. In a 1961 desegregation case involving lunch counter sitins, he asserted:

> Restaurants are a part of the public life of most our communities . . . states may not enforce a policy of racial segregation.

He was especially vigilant in protecting the right of poor people to a fair trial. "Certainly he who has a long purse will always have a lawyer," he writes, "while the indigent will be without one. I know of no more invidious discrimination than that based on poverty."

Justice Douglas was unique in Government in his defense of democracy. His conviction in the priority of first amendment rights was rooted in his abiding faith in the judgment of ordinary citizens. He writes:

> Free speech has occupied an exalted position, because of the high service it has given our society. Its protection is essential to the very existence of a democracy. The airing of ideas releases pressures which otherwise might become destructive. When ideas compete in the market for acceptance, full and free discussion even of ideas we hate encourages the testing of our own prejudices and preconceptions.

Justice Douglas' opinions made our legal system more humane, our government more responsible. His vision of democracy and justice will be our guide in years to come.

Mr. CORMAN. Mr. Speaker, it is a privilege for me to join with my colleagues today to pay tribute to Justice William O. Douglas who retired last week after 36 years on the Supreme Court.

In almost four decades of devoted public service on the High Court, William Douglas had only one vote to cast in each of the many decisions handed down by that body. Yet, there can be little doubt that the tone and substance of his writings have shaped jurisprudence for future generations. Rarely has a jurist acted out so dramatically on the American stage of public affairs the sensitive and sensible elements of his judicial philosophy. Seldom does one individual with such energy, intellect, and undeviating liberalism have the opportunity to shape society during a time of immense change and social upheaval.

As we all know, values and basic beliefs can be easily traced to childhood experiences. From his beginnings as a poor boy in Yakima, Wash., where he contracted infantile paralysis and overcame the physical disabilities and social stigma, Bill Douglas has had the "fighter instinct." His intellectual abilities and fierce determination earned him a law degree at Columbia University in 1925 where he graduated second in his class. He went on to work on Wall Street for several years, practiced general law in Yakima, joined the law faculties of both Columbia and Yale, and in 1934 went to work for the Securities and Exchange Commission. In 1937 President Franklin Roosevelt appointed him as the SEC Chairman and 2 years later, following the retirement of Associate Justice Louis D. Brandeis, Douglas was nominated to the Supreme Court.

In the many years since President Roosevelt's brilliant appointment, Justice Douglas has compiled an outstanding record of upholding the rule of law through our finest legal instrument, the U.S. Constitution. During his tenure on the Court, our system of justice has taken great strides toward becoming a resource and protection for all Americans, rich or poor, black or white, educated or illiterate. We have come to rely on our system of courts as a barrier against suppression and repression of ideas and freedoms, and we have realized that the Court is not only the symbol of justice in our democracy, by the final protection of liberty and individual rights. No one better represents the consummate defender of our first amendment than William O. Douglas.

Not long ago, in his controversial book, "Points of Rebellion," Douglas wrote that—

> The First Amendment was designed so as to permit a flowering of man and his idiosyncrasies.

He was true to that basic philosophy in defending the right to dissent in a free society, the legality of publishing any writing, and the need for unrestricted religious prerogatives. In one of his prolific dissents, Douglas wrote in 1952 in Beauharnais versus Illinois:

> The First Amendment is couched in absolute terms—freedom of speech shall not be abridged. Speech has therefore a preferred position as contrasted to some other civil rights. For example, privacy, equally sacred to some, is protected by the Fourth Amendment only against unreasonable searches and seizures. There is room for regulation of the ways and means of invading privacy. No such leeway is granted the invasion of the right of free speech guaranteed by the First Amendment.

Douglas remained consistent to this philosophy throughout his career on the Court. He was faithful to his conception of first amendment rights in obscenity cases where he received vigorous criticism for his stance. In his ruling against the ban in Boston of the film "I Am Curious (Yellow)," he maintained that "I have consistently dissented in obscenity cases," he wrote, "not because, as frequently charged, I relish obscenity. I have dissented before and now because I think the first amendment bars all kinds of censorship. What can be done to literature under the banner of obscenity can be done to other parts of the spectrum of ideas when party or majoritarian demands mount and propagandists start declaiming the law."

It was this type of deep-seated belief that helped to develop the social conscience which is identified with the Warren court.

But as committed and dedicated as Douglas has been to the high principles of freedom and the rule of law, his energies have demanded other interests beyond the Court. His dedicated and ardent passion has always been a love for the land and he is well known for his environmental activities; here in Washington, D.C., seeking the protection of the C. & O. Canal or leading a conservation group over a trail in Olympia National Park in his native State of Washington. He has been vigorous and probing. He has been a pathfinder for all of us.

It has been said that greatness is better appreciated in retrospect. I think we will not have to reflect for too long on Justice Douglas' contribution to our society. He leaves the Court after serving longer than any individual in our history, and he is acknowledged as an undisputed champion of individual liberty. He has been controversial, but he has been consistent. And he has left us all a legacy of prolific court opinions and dissents, as well as many outspoken commentaries on the state of our Nation.

As we take time in this Chamber to pay tribute to Bill Douglas for all Americans who value their constitutional rights, I am reminded of a line in a poem about America which said, "Bring me men to match our mountains." We could not have done better in scaling the highest peaks of judicial intellect and integrity than by having Justice Douglas on the U.S. Supreme Court for the last 36 years.

Mr. ADAMS. Mr. Speaker, I can think of no better way to begin than by quoting Mr. Justice Douglas himself as he concluded his preface to the first volume of his autobiography, "Go East, Young Man":

> The overall aim of this volume and the volume to follow is the hope that our people will come truly to love this nation. I hope it may help them see in the perspective of the whole world the great and glorious tradition of liberty and freedom enshrined in our Constitution and Bill of Rights. I hope they will come to love the continent, the most beautiful one in the whole world. I hope that before it is too late they will develop a reverence for our rich soils, pure waters, rolling grass country, high mountains, and mysterious estuaries. I hope that they will put their arms around this part of the wondrous planet, love it, care for it, and treat it as they would a precious and delicate child.

Throughout his life, Justice Douglas has applied his tremendous vitality, determination, intelligence, and courage to a personal realization of the goals expressed in this statement. His determination and perseverance have been tested repeatedly since childhood—first in overcoming the handicaps of polio and poverty during his childhood and young adult life; more lately in steadfastly and courageously defending individual freedoms under the Bill of Rights and in overcoming several attempts to oust him from the Court.

His intellectual ability has been recognized since he graduated Phi Beta Kappa from Whitman College in Walla Walla, Wash., was second in his graduating class at Columbia University School of Law in 1925, and went on from there to practice law on Wall Street and teach law at Columbia. At this point in his life he had made the decision to return to his home in Yakima, Wash., when he was approached and persuaded to join the faculty at Yale School of Law. He began there as an associate professor of law in 1928, and by 1932 he had been designated sterling professor of law—just 6 years after being admitted to the bar.

It was during his years at Yale that Justice Douglas began studying the various aspects of bankruptcy. Through this work he became a consultant to Julius Klein, then Secretary of Commerce under Herbert Hoover. This association and his many articles on protective committees, predatory practices, et cetera, eventually led to his inital assignment with the Securities and Exchange Commission under Chairman Joseph P. Kennedy. His task with the Commission was to head a congressionally mandated study of protective and reorganization committees, which were at that time manipulating bankruptcies and receiverships in a scandalous fashion.

This was the beginning of a long and illustrious public service career, because when Kennedy left the Commission in September of 1935, and an opening in this position occurred again a year later, Justice Douglas was his suggestion to be the next Chairman of the SEC. Douglas was confirmed in that office on January 23, 1936, and was subsequently appointed by Franklin D. Roosevelt to the Supreme Court. There followed 36½ years of unparalleled service to the United States.

As a member of the Supreme Court, Douglas has distinguished himself repeatedly in his strident advocacy of individual rights and freedoms—believing, as he does, that—

> The Constitution was designed to take government off the backs of the people and make it difficult for government to do anything to the individual.

He has been an outspoken and courageous champion of the Bill of Rights and even in his resignation has proven his outstanding integrity—refusing to offer the country less than his best and recognizing that his health prevents him from participating fully in the business of the Court.

It is with great sorrow that we greet Justice Douglas' resignation. It is a loss of inestimable impact for the country—but I cannot help but remember another quote from his autobiography when searching to reach perspective on his decision to resign:

> But I had an advantage, which few experience—the advantage of not ever having the Potomac fever, but only the desire to leave the city and get back to my woods and mountains as quickly as possible.

Our very best wishes go with Justice Douglas and his fine wife in his retirement. Hopefully he will again find renewal and strength in his woods and mountains and will fully recover to enjoy his retirement with the same vitality and spirit that he has so long dedicated to the service of his country.

Mr. McCORMACK. Mr. Speaker, Justice William O. Douglas and Mrs. Douglas are among my constituents. Their home is in Goose Prairie near Yakima, Wash., in the central Cascades. This is the country that Bill Douglas has loved all his life. It may come as no surprise for my colleagues to learn that the voting population of Goose Prairie precinct totals six persons.

I first met William O. Douglas at an autographing party in 1952 when he was signing copies of his new book, "Of Men and Mountains." One of my treasured possessions is that book, which I have read on several occasions. Mrs. McCormack and I took our 2-year-old son to the bookstore, and my son, watching the goings-on, wanted to become involved, so I purchased a large attractive copy of "The Wizard of Oz." My son presented it to Justice Douglas, and prompted by his parents, asked William O. Douglas for his signature. For a moment Douglas hesitated, a little confused. He seemed to be weighing the propriety of autographing a book by another autor, but our faith in his sensitivity was immediately justified, and he autographed "The Wizard of Oz" for my son, a book which we also treasure. Perhaps, at first glance, Douglas hesitated to be compared to the "Wizard of Oz," but it seems to me that his life has in many ways personified the real message from that book, and he has shown the love, and the brains, and the courage, to be one of America's great men by any standard at all.

Douglas grew up in the shadow of the Cascades and spent countless days hiking and climbing in them, sometimes risking his life in daring feats of rock climbing, sometimes covering incredible distances with a heavy pack, sometimes proving that he could live off the land in any weather, but in all cases, expressing his love for it.

Somehow, I think this is all reflected in the Justice Douglas that the world of jurisprudence has known for this 36 years he has served on the Supreme Court. He has always been a man of unexcelled courage, of outstanding intellect, and of dedication to his country, its Constitution, and its rule of law—but most particularly to the Bill of Rights, the first 10 amendments to the Constitution. This has set him aside as the man who, more than any other, has lived through and helped to mold the most profound revolution in social growth in human history.

> The First Amendment says, "Congress shall pass no law abridging freedom of speech or press." I take it to mean what it says. That's strict construction.

These are the words of William O. Douglas. He lived by them and the other protections bound up in the first 10 amendments to the Constitution with such a tenacity that he has unmistakably established himself as one of the great men of American history—who has done as much as any other to bring to reality the concept of meaningful freedom, dignity, and equality for all persons living under the Constitution of the United States—male or female, black, red, brown, white, or yellow—young or old, rich or poor, well placed or not, brilliant or hopelessly unable to protect themselves.

I shall always recall the gripping account that Douglas wrote of his experience in climbing Rock Kloochman in the Cascades. Douglas and a boyhood friend set out to climb the sheer face of this 1,000-foot high monolith, and presently found themselves having to take off their shoes to hang on with their toes, unable to go backward and virtually unable to move forward. At one point, Douglas had to literally hold his climbing partner in mid-air with one hand, while holding himself to the rock with one hand and his bare feet. I think this typified the kind of courage and loyalty that Douglas has personified throughout his life and his career on the Supreme Court. He has never retreated, he has never lost courage. He overcame such obstacles as ridicule and the ignorance of others less inspired to make the Bill of Rights a meaningful instrument. He has indeed stood atop the mountain, and all Americans, and indeed all human kind, are better for it.

With retirement, Justice Douglas and wife Cathy look forward to returning to the land he loves, the land that I am honored to represent, some of the most beautiful country in the world. Speaking of Goose Prairie, Douglas once said:

> My roots are deep in this prairie. I am a part of the rhythm of the place—of the mornings just before and after sunrise, when grass shrubs and trees are bejeweled; of the evenings when the grosbeaks swoop low and feed on insects and the doe deer and the porcupine silently emerge from the woods to visit the clover.

I am sure the Douglases will not let me forget that they are my constituents. They inform me, not infrequently, of their interests, attitudes, and recommendations on pending legislation. We frequently agree, and frequently disagree, and our disagreements are often eloquently expressed. I look forward to continuing this relationship with the Douglases, for I have enormous respect for them both.

Speaking again of the first amendment, Douglas once said:

> In the oscillating movement of the planets man is a tiny speck—a microcosm. We seek truth, and in that search, a medley of voices is essential. That is why the First Amendment is our most precious inheritance. It gives equal time to my opponents, as it gives to me.

This spirit, reflecting the greatness of the man, is a source of inspiration for us all and a source of pride for me in representing him in the Congress of the United States.

Mr. THOMPSON. Mr. Speaker, when William O. Douglas retired from the Supreme Court last week, he told reporters he hoped to be remembered as "someone who made the Earth a little more beautiful."

He made the Earth a little more beautiful for me by his example of personal courage.

Three times he was threatened with impeachment because of his controversial stance on the Supreme Court, but the Bill of Rights was his master and never did he waver in his pursuit of justice for all.

"Law has reached its finest moments", he once wrote, "when it has freed man from the unlimited discretion of some ruler, some civil or military official, some bureaucrat". *United States* v. *Wunderlich*, 342 U.S. 98 (1951). This dissent, on behalf of a Government contractor whose claim for extra work was denied summarily without a hearing, was an easy one. The business community applauded his efforts. But Douglas also took on the tough cases, and insisted on the same rights of due process for alleged Communists when they were dismissed from public employment. Again and again he parted company with the Court majority during the "cold war" period, insisting that no organization or individual be tagged as subversive on the basis of interoffice memos, or on the secret testimony of confidential informants.

He insisted on a "fair hearing," equally he insisted on a "fair tribunal." His was the pioneer decision in the area of "women's rights," when he wrote that women, as such, could no longer be excluded from Federal juries. He readily admitted that women jurors would not "act as a class," but asked if the shoe were on the other foot, "who would claim that a jury was truly representative of the community if all men were intentionally and systematically excluded from the panel?" *Ballard* v. *United States*, 329 U.S. 187 (1946).

He pioneered as well in the area that has become known as "prisoner rights." He, and he alone, insisted that a Federal court had power under the writ of habeas corpus to hear the claims of an escaped convict that it was "cruel and unusual" to return him to an Alabama prison camp where the guards had forced him to serve as a "gal-boy" for favored homosexual inmates. *Sweeney* v. *Woodall*, 344 U.S. 86 (1952).

He was constant in his defense of the Great Writ, and its use to examine the legality of captivity. Douglas, and again Douglas alone, wrote that the Writ of Habeas Corpus extended overseas to American prisons in Japan so that Japanese "war criminals" could have their day in a civilian court. "The Constitution", he opinioned, "follows the flag." *Hirota* v. *MacArthur*, 338 U.S. 197 (1948).

Douglas was always there, ready to be counted, when there were injustices, individual or class; and his was the loudest voice on behalf of the environment. But probably he will be best remembered—if not revered—for his defense of free speech and a free press.

Early on in his judicial career, an unfrocked priest gave a violent and vulgar speech in Chicago in which he spoke of Jews as "scum," and Mrs. Roosevelt as "one of the world's Communists." The speech was advertised in advance, and the audience outside the hall met these jibes with rocks and bottles. The priest, not those in the hostile crowd, was arrested for disorderly conduct; and the Illinois courts affirmed his conviction because his speech "stirred the public to anger."

Douglas wrote the opinion reversing the conviction. The first amendment, he said, protects speech which is "provocative and challenging"; indeed, he continued, free speech may "best serve its high purpose when it induces a condition of unrest, creates dissatisfaction with conditions as they are, or even stirs people to anger." He thought a more restrictive view of the Constitution would lead "to standardization of ideas". *Terminiello* v. *Chicago*, 337 U.S. 1 (1949).

Absent clear evidence that the speech was presently "brigaded with action" of the kind the state could clearly prevent, Douglas protected the right of anyone to speak, write, or demonstrate as that person saw fit: The leaders of the Communist Party, *Dennis* v. *United States*, 341 U.S. 474 (1951); white racists, *Beauharnais* v. *Illinois*, 343 U.S. 250 (1952); civil rights protesters, *Adderley* v. *Florida*, 385 U.S. 39 (1966) war resisters, *United States* v. *O'Brien*, 391 U.S. 367 (1968); jail inmates, *Procunier* v. *Martinez*, 416 U.S. 397 (1974); pornographic book peddlers, *Roth* v. *United States*, 354 U.S. 476 (1957); and the producers of the play "Hair," *Southeastern Promotions, Ltd.* v. *Conrad*, 420 U.S. (1975). His was the strongest defense of a free press in the Pentagon Papers case, *New York Times Co.* v. *United States*, 403 U.S. 713 (1971); his was the vote for the "reporter source" privilege, *Branzburg* v. *Hayes*, 408 U.S. 665 (1972); and, despite his known views to the contrary, his was the defense of a paper to run "sex designated help-wanted columns" in the face of a local antidiscrimination ordinance, *Pittsburgh Press Co.* v. *Human Relations Commission*, 413 U.S. 376 (1973). There should be no governmental "supereditor," he believed, and he applied this belief even when CBS refused to sell time to the Democratic Party. *Columbia Broadcasting System* v. *Democratic National Committee*, 412 U.S. 94 (1973).

Occasionally, he spoke for the Court majority, more often he spoke with Hugo Black, or even alone when public opinion was running a strong opposite tide. His finest hour of personal courage probably came in 1953, when Julius and Ethel Rosenberg were convicted of espionage and sentenced to death.

The Rosenbergs were convicted under the Espionage Act of 1917 for conspiring during the 6-year period from 1944 to 1950 to transmit secret atomic information to the Russians. The jury found them guilty, and the trial judge sentenced them to death. The Rosenbergs appealed, and the Federal Court of Appeals affirmed their conviction. The Supreme Court refused to review their case. The Rosenbergs then filed new motions to vacate the conviction, and to reduce the sentence. These motions were denied by the trial court, and the denial was affirmed by the Court of Appeals. Again the Supreme Court declined to review. The Rosenbergs then appealed for executive clemency, but President Eisenhower refused to intervene. At this late date a new lawyer entered the picture, with a brand new argument: that the Atomic Energy Act of 1946 superseded the Espionage Act of 1917 insofar as the transmittal of atomic information was concerned. If it did, then the death sentence was illegal, for under the Atomic Energy Act only the jury could impose the death sentence.

The Supreme Court had adjourned for the year, and the Rosenberg lawyer took this issue to Justice Douglas, asking for a stay of execution until the Supreme Court returned and could hear the case. Justice Douglas believed that the legal issue was "substantial" and granted the stay. This was on June 15, 1953.

A series of events then followed in short order. The Supreme Court, on the petition of the Attorney General, reconvened and met in special session on June 18. Oral argument was heard that day. On June 19, a Court majority ruled that the issue was "not substantial," and revoked the stay of execution. Justices Douglas, Black, and Frankfurter dissented. The Rosenbergs were put to death the same day.

Public opinion ran strong against Douglas for keeping the case—and the Rosenbergs—alive, and the first of the three impeachment resolutions to remove him from his office was introduced in the House of Representatives. Douglas was not cowed by all this, and explained his actions in very simple terms:

> I know deep in my heart that I am right on the law. Knowing that, my duty is clear.

Douglas had proved his courage long before he went on the Court.

As a very young boy, he was struck with polio. The attending physician told him he would never walk again, in fact, would die before he was 40. Douglas refused to accept this prognosis. Like his mentor Franklin Roosevelt at Campobello, Douglas fought for his health with exercise. He used barbells, and hiked the slopes of Yakima. He persisted in this despite aching muscles, spells of nausea, and splitting headaches. He tells in his autobiography how these hikes resulted in pain-filled sleepless nights, but also how he "felt an increasing flow of strength in my legs, and a growing sense of contentment in my heart."

As his strength gradually returned, Douglas lengthened his hikes into the Cascade Mountains surrounding his home of Yakima, and learned the joys of pitting human muscle against nature's barriers, the appreciation of the open skies and lonely trails, the good talks around the campfire. A side effect of the polio was an irregular heart beat, and a pace setter was required in later life. But still Douglas continued his backpack hikes, his pack trailing, his canoe trips, and his efforts to preserve and encourage the use of wilderness areas. His proudest boast is that a small yet beautiful waterfall in the remote and inaccessible Carolina Smokies bears his name.

Douglas faced economic as well as physical privations in his youth. His father, a Presbyterian minister, died, leaving a widow, Bill Douglas, and a younger brother and sister. Douglas worked after high school hours, and in the summers, to put food on the table; yet managed to graduate first in his class.

He won a scholarship to Whitman College, and rode the 168-mile trip by bicycle. He had no money, and for the first several months at college slept in a tent. Then followed a series of part-time jobs, which saw his way through college, and permitted him to send $20 home to his mother each month. His regime for 4 years went something like this: up at 5:30 to "janitor" an office building; classes from 8 a.m. until noon; waiting on tables at a hashhouse at lunch and dinner; clerking at a jewelry store in the afternoon; study in the evening. Despite this demanding routine, he found time for intercollegiate tennis and debate, and graduated with high honors.

World War I erupted during his college years. Douglas tried to enlist in the Marine Corps, but color blindness kept him out. He then tried the Army, with the same result. He studied color charts, tried a second and yet a third time; and finally the recruiting sergeant gave up and enlisted him despite his handicap. Douglas was assigned to an ROTC unit at Whitman, and the war ended soon thereafter. He loved his country, and wondered in print why anyone would desecrate its flag by sewing a replica on the seat of his pants. But when this issue came to the Supreme Court, Douglas voted that this was part of our protected freedoms.

After graduation from Whitman, and 2 years of high school teaching in Yakima, Douglas decided upon a legal career, and the Columbia Law School. How to manage with a bank account of $75? Leaving some of it to his mother, he traveled to Chicago in charge of 2,000 sheep; watering and grazing them when the freight cars were put in sidings. From Chicago he "rode the rods" to New York; arriving unshaven, dirty, with 6 cents in his pocket. He tried to stop people for directions to Columbia, but no one would respond. They hurried on with averted gaze as if he was not there. He learned the cold side of big city life—the stranger without a badge of affluence got only the back of the hand.

Then followed 3 years of legal studies, and an unending series of part-time jobs. He composed a correspondent course in law, tutored, graded papers, did routine research, anything to help pay the tuition and living expenses. He makes light of his own problems with the story of how classmate Paul Robeson worked his way through law school with professional club boxing bouts.

Despite all this, Douglas graduated second in his class and was offered two jobs: Teaching part-time at Columbia, or going with a prestigious Wall Street firm. Douglas took them both; with a hectic day and night work schedule for the next 2 years. Then came the offer of a full-time professorship at Columbia, at the then princely sum of $5,000 a year.

For the first time in his life Douglas had economic independence, and leisure for reflection and thought. But he was not captured by these luxuries. Principle still came first and foremost. Toward the end of his first year at Columbia, President Nicholas Murray Butler appointed a new dean at the law school, Young B. Smith, without first consulting the law faculty. Professor Smith was a fine man, a brilliant traditionalist, but many on the faculty grumbled at this breach of academic freedom. But only one, the young Douglas, resigned in protest.

This was in 1928, when law jobs were hard to find. Douglas prepared to return to Yakima, and a small town law practice. Fortunately, he met Robert Hutchins at a local social gathering, and so captivated the dean of the Yale Law School that an invitation to join that faculty was not long in coming.

The rest is history. His pioneering work in bankruptcy and corporate reorganization caught the eye of President Roosevelt, and he was invited to chair the recently created Securities and Exchange Commission. That, in turn, led to his appointment in 1939 to the Supreme Court just prior to his 40th birthday. Douglas ends his autobiography with these passages:

> In the oscillating movement of the planets man is a tiny speck—a microcosm. We seek truth, and in that search, a medley of voices is essential. That is why the First Amendment is our most precious inheritance. It gives equal time to my opponents, as it gives to me.
>
> I hope it is always that way in this great land, which, in spite of its shortcomings, is still the hope of mankind across the globe.

To this we can only add "Amen," wish Justice Douglas a speedy recovery, and join the prayers of millions of others that his voice will soon again join in the "medley of voices" essential in our search for truth.

Mr. ECKHARDT. Mr. Speaker, William O. Douglas, in describing the role of judges once said,

> Any American court is supposed to be pro-1st amendment, pro-4th amendment, pro-5th amendment, pro-14th amendment, and so on, for it is the Constitution that judges are sworn to defend.

The work of Justice Douglas, member of the U.S. Supreme Court, is distinguished by his unwavering commitment to and advocacy of the principles embodied in these amendments. We will long be indebted for his efforts to implement the very basic tenets of American life.

A FRIEND OF CONSERVATIONISTS

But while historians and legal scholars consider just how great was his contribution, there is a group of Texans who know without argument that Mr. Justice Douglas made an important contribution to their lives. Somehow, between his work on the court, his prolific writing, and his international travels, he found time to lend his enormous prestige to the efforts to preserve the east Texas "Big Thicket" area as a national park. Justice Douglas visited the Big Thicket area at the invitation of former Senator Ralph Yarborough, of Texas. He took copious notes and subsequently devoted a chapter of his book "Farewell to Texas"—which describes the dissipation of the wonders of wilderness areas in Texas—to the Big Thicket. Justice Douglas describes the Thicket in part as follows:

> The dogwood and redbud made even cutover land gay and joyous. But the rhododendrons and azaleas we saw were the most striking of all. The order of flowering for the shrubs of the Big Thicket is as follows: cross vine, yellow jasmine, hawthorn (of which there are 20 species), azalea and rhododendron, wisteria, dogwood, and smoke tree. All but the smoke tree were on display when we hiked Menard Creek. And the showiest were the azaleas that sometimes stood so thick that they looked like a planted hedge. The flower that caught my eye was a huge pink one as large as the orchid one buys at the florist for his lady.

After years of prodding, Congress in 1974 passed legislation to establish the Big Thicket National Preserve, albeit considerably smaller than originally envisioned. Justice Douglas gave the preservation effort a boost when he wrote:

> The basic plan for a national park is sound. But it takes on the average from six to eight years to get a bill through Congress establishing a national park. We are losing 50 acres a day. At that rate the Big Thicket will be down to less than 200,000 acres in six years and to about 140,000 acres in 8 years.
>
> Time is on the side of modern Ahabs, not on the side of the people.
>
> They have allies in Washington, D.C., as well as Texas.

> But the hopes of the conservationists still ride high. For on October 20, 1966, Senator Ralph Yarborough of Texas introduced a bill to make the Big Thicket a national park. It is around that measure that everyone in the 50 States who loves the wilderness and outdoors will rally. For the Big Thicket is so unique and so lovely that it should belong to *all* the people.

But perhaps more importantly, Justice Douglas willingly gave effective and sage advice to the east Texas conservationists finding their way through the labyrinth of Washington, D.C., in search of Federal aid. He continues to serve in his capacity as an honorary member of the advisory board of the Big Thicket—but he is an honorary member who has voluntarily paid dues.

His deep commitment to the right of the people to enjoy the physical world in which they live and to have it preserved for their benefit made its mark in his professional work as well. Dissenting in *Sierra Club* v. *Morton*, 405 U.S. 727 (1972), when the Court denied standing to the Sierra Club in a suit to restrain Federal officials from approving the development of ski resort development in the Mineral King Valley of the Sequoia National Forest, Justice Douglas said:

> The critical question of "standing" would be simplified and also put neatly in focus if we fashioned a federal rule that allowed environmental issues to be litigated before federal agencies or federal courts in the name of the inanimate object about to be despoiled, defaced, or invaded by roads and bulldozers and where injury is the subject of public outrage. Contemporary public concern for protecting nature's ecological equilibrium should lead to the conferral of standing upon environmental objects to sue for their own preservation. See Stone, Should Trees Have Standing? Toward Legal Rights for Natural Objects 45 S. Cal. L. Rev. 450 (1972). This suit would therefore be more properly labeled as Mineral King v. Morton.
>
> Inanimate objects are sometimes parties in litigation. A ship has a legal personality, a fiction found useful for maritime purposes. The corporation sole—a creature of ecclesiastical law—is an acceptable adversary and large fortunes ride on its cases. The ordinary corporation is a "person" for purposes of the adjudicatory processes, whether it represents proprietary, spiritual, aesthetic, or charitable causes.
>
> So it should be as respects valleys, alpine meadows, rivers, lakes, estuaries, beaches, ridges, groves of trees, swampland, or even air that feels the destructive pressures of modern technology and modern life. The river, for example, is the living symbol of all the life it sustains or nourishes—fish, aquatic insects, water ouzels, otter, fisher, deer, elk, bear, and all other animals, including man, who are dependent on it or who enjoy it for its sight, its sound, or its life. The river as plaintiff speaks for the ecological unit of life that is part of it. Those people who have a meaningful relation to that body of water—whether it be a fisherman, a canoeist, a zoologist, or a logger—must be able to speak for the values which the river represents and which are threatened with destruction. . . .

A FRIEND OF THE FIRST AMENDMENT

I recently received a note from a friend of mine expressing his extreme sadness at the news of Justice Douglas' retirement. He urged me, however, not to despair. But one cannot help but feel some sense of despair at the departure of a man who, as Thomas I. Emerson so aptly described, has "fired up commitment to the principles of the first amendment, his boundless energy in defending that constitutional guarantee in the Supreme Court, and his immense courage in holding to his position without compromising his views to fit the current pressures."

As a citizen, it was reassuring that the deliberations of the Supreme Court were constantly infused with his tenacious commitment to the principles of the Bill of Rights, particularly with respect to the protections of free speech and freedom of the press. On various occasions, Mr. Justice Douglas has said:

> The American system was designed as a system of the dialogue. Discourse and debate were to be unlimited. Government was never to lay a hand on a speaker to interrupt him or punish him for what he believed and said . . .
>
> Communist regimes punish speech . . . for nothing is more dangerous [to them] than an idea or expression."

And elsewhere—

> The guarantee of freedom of the press contained in the First Amendment is in terms absolute, even in the rush and tumble of American life.

And in his dissent in *Dennis* v. *United States*, 341 U.S. 494 (1950):

> Free speech has occupied an exalted position because of the high service it has given our society. Its protection is essential to the very existence of a democracy. The airing of ideas releases pressures which otherwise might become destructive. When ideas compete in the market for acceptance, full and free discussion exposes the false and they gain few adherents. Full and free discussion even of ideas we hate encourages the testing of our own prejudices and preconceptions. Full and free discussion keeps a society from becoming stagnant and unprepared for the stresses and strains that work to tear all civilizations apart.
>
> Full and free discussion has indeed been the first article of our faith. We have founded our political system on it. It has been the safeguard of every religious, political, philosophical, economic, and racial group amongst us. We have counted on it to keep us from embracing what is cheap and false; we have trusted the common sense of our people to choose the doctrine true to our genius and to reject the rest. This has been the one single outstanding tenet that has made our institutions the symbol of freedom and equality. We have deemed it more costly to liberty to suppress a despised minority than to let them vent their spleen. We have above all else feared the political censor. We have wanted a land where our people can be exposed to all the diverse creeds and cultures of the world.

His advocacy of freedom of expression, while important to me as a citizen, was of particular significance in my capacity as a Member of Congress. Effective performance of my duties as an elected representative depends upon a knowledgeable constituency. It is vital to the functioning of a democratic system that the electors have enough information to grasp the issues upon which their representatives are voting. When Government officials seek to prohibit the publication of information vital to the ability of the people to evaluate the performance of their elected officials, or in some form censor or restrict such information, and to restrict the ideas which may be shared, it is vital that there be a strident voice on the Court to remind the Justices and the American people that "full and free discussion has indeed been the first article of our faith" and that "Constitutions may be undone by erosion through judicial constructions. They may be undone by timid popular protests when encroachments are first made on the liberty of a people." Mr. Justice Douglas reminded us of that, year after year, decision after decision.

I am grateful for Mr. Justice Douglas' long years of public service. It saddens me that we will not benefit from another 40 years of faithful public service.

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the subject of my special order today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

> H. Con. Res. 485. Concurrent resolution providing for a conditional adjournment of the House of Representatives from November 20, 1975, until December 1, 1975.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6) entitled "An act to insure the right to an education for all handicapped children and to provide financial assistance to the States for such purpose."

PROVIDING FOR A CONDITIONAL ADJOURNMENT OF THE HOUSE FROM NOVEMBER 20, 1975, UNTIL DECEMBER 1, 1975

The SPEAKER laid before the House the concurrent resolution (H. Con. Res. 485) providing for a conditional adjournment of the House of Representatives from November 20, 1975, until December 1, 1975, with Senate amendments thereto.

The Clerk read the title of the concurrent resolution.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

> Page 1, strike out lines 2, 3, and 4 and insert:
>
> "When the two Houses adjourn on Thursday, November 20, 1975, they stand adjourned until 12:00 o'clock meridian, Monday, December 1, 1975, or until 12 o'clock meridian, on the second day after their Members are notified".
>
> Page 1, strike out lines 7 to 12, inclusive and insert:
>
> "SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the

public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation."

Page 1, strike out lines 13 to 16, inclusive, and insert:

"SEC. 3. During the adjournment of both Houses of Congress as provided in section 1, the Secretary of the Senate and the Clerk of the House, respectively, be, and they hereby are, authorized to receive messages, including veto messages, from the President of the United States."

Amend the title so as to read: "Concurrent resolution providing for a conditional adjournment of the Congress from November 20, 1975, until December 1, 1975."

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS, AND COMMITTEES

Mr. McFALL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until December 1, 1975, the Speaker be authorized to accept resignations and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. McFALL. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday, December 1, 1975, the clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE 25TH ANNIVERSARY OF THE KOREAN WAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MURPHY) is recognized for 60 minutes.

Mr. MURPHY of New York. Mr. Speaker, as you know from October 23–30, a delegation of Congressmen who are also Korean war veterans visited Korea on the 25th anniversary of the beginning of the Korean war.

This was part of an exchange program with members of the Korean national assembly, also veterans of the 1950 war, to establish better communications between our two Governments.

I can report briefly to you as I will later this week in a highly detailed fashion that the trip was an outstanding success. The Republic of Korea, which has suffered, much as other countries because of the oil crisis, has flourished since the 1950 war and is a shining example of a country safe from Communist tyranny and dedicated to the utmost possible freedom of its citizens despite continued and unrelenting threats of invasion from the tyrannical government in the north.

While in Korea, the delegation adhered to a busy schedule of meetings and briefings with civilian and military Korean officials including a long meeting with President Park.

I believe the delegation was satisfied in the knowledge that 25 years ago they perpetuated a nation and a people that had every right to our support and to survive armed aggression.

Although the Republic of Korea has come a long way since those bitter war years, it still faces a threat of a violent war from Chairman Kim Il Sung and his fanatical Communist followers. I gave five speeches during our 5-day stay in Seoul and they outline in detail my own personal views and attitudes on the current situation on the Korean peninsula and they summarize the attitude of the delegation relative to future U.S. commitments to the Republic of Korea.

The delegation stopped in the headquarters of the Pacific Command in Oahu, Hawaii, and was briefed on the current strategic importance of the Republic of Korea as it relates to our overall geopolitical future in the Great Pacific Basin.

I have gone into detail on this and other aspects of our trip which will be forwarded to Speaker ALBERT later today.

I include the statements and speeches I referred to in the RECORD at this point. They include:

First. Statement before the Parliamentarians' Association of Korean War Veterans, October 5, 1975;

Second. Statement before students at Korea University, October 27, 1975;

Third. Statement at the Presidential office of H. R. Park Chung Hee, the President of the Republic of Korea, October 27, 1975;

Fourth. Statement at press conference at Chosun Hotel, Seoul, Korea, October 28, 1975;

Fifth. Statement at the Korean national cemetery, October 28, 1975.

The material follows:

ADDRESS BY HON. JOHN M. MURPHY BEFORE THE PARLIAMENTARIANS' ASSOCIATION OF KOREAN WAR VETERANS, SEOUL, SOUTH KOREA, OCTOBER 25, 1975

Mr. Speaker, it is a great privilege and high personal honor to come before this association as a representative of the President and people of the United States of America. On behalf of my colleagues in the American congressional delegation, I thank you for your gracious invitation to join you here tonight.

As I look about this hall tonight I am deeply moved. My mind's eye looks back twenty five years—to a time when many of you here now were on nearby battlefields, staking your lives on the proposition that institutions such as the Korean National Assembly has an undeniable right to exist. I was—and am—proud and privileged to have belonged to that exclusive group.

I cannot help but recall the thousands of men and women who sacrificed their lives in silent witness to their conviction that there must be some alternative to the totalitarianism which calls itself "the Democratic People's Republic of North Korea."

Twenty-five years is a sand grain in infinity when measured against the long history of the Korean people. But during the last two decades the world has witnessed some of the most phenomenal social and economic advances in the history of mankind, and it has all happened in South Korea.

Look at the record:

Like your Capital City, the Korean economy has risen from the devastation of wartime destruction to become a shining example for others to follow.

Your real per capita gross national product has quadrupled in the last twelve years alone.

The average annual growth rate of your gross national product approaches 10%, and is steadily regaining that rate in spite of a worldwide recession.

The sensible planning by your government has been exceeded only by the industriousness of your people, and your successes are evidence to the world that this is indeed a great nation.

Nonetheless, there are those who envy your success, who disparage your achievements, and who would see you consumed by your enemies. I say this to them:

Let those who claim that Communism is an acceptable economic alternative come to Korea and compare the results North and South of the 38th parallel.

Let those who question the willingness of Asian Nations to defend themselves after the melancholy events in Southeast Asia come to Korea and see the spirit and tenacity of the Korean people.

And to those who see in the fall of Indochina an irreversible wave of the future—I say, let them come to Korea and see living proof to the contrary.

A young American President once proclaimed to the world, as an example of his admiration for a people who had also risen from the ashes of a disastrous war and then defied the Communist threat to their east, "Ich Bin Ein Berliner". So too I say to you today, with equal pride:

"Na Noon Han Kook Salam Ib-Nida" (I am a Korean.)

The story of Korea's last century has been one of rapid, and frequently traumatic change. In less than a century you have passed from monarchy, through occupation and war, to Korean democracy. While this has been a period of challenge, the next twenty-five years promise to be just as demanding. Now, more than ever, free men must resolve to band together to protect the principles which many of us fought for, some of us died for, and all of us cherish. We will be tested—and so will the younger generation.

There are those in my own country who would have the United States disengage unilaterally in Asia, and return to a political yesteryear. These observers correlate all American overseas efforts with the recent aberrational events in southeast Asia. Under this interpretation, the actions of each foreign government are scrutinized intently to determine whether they mirror the American model. Ironically, these are the selfsame pundits who criticized our own government for trying to impose American democracy on South Vietnam—an American solution to an Asian problem they called it.

The solution in Korea is more complex than they would have us think.

It is unique and unprecedented.

Unlike Europe's divided nation, Germany, you have no continguous allies, no alliance of immediate neighbors to rely upon for collective security. South Korea stands alone geographically—Face to Face with the would-be suzerains of China, and its subsidiary, North Korea. You have not had the luxury of a full peace in which to develop your republic. Unlike the United States during its first quarter century, your nation had to grow under the gun barrels to the north.

North Korea continues to be one of the most unpredictable, intransigent, and hostile governments anywhere in the world. It is no secret that the communists would leap at the opportunity to devour this peninsula by force. To believe otherwise is wishful thinking, and an invitation to disaster.

Kim Il Sung would like nothing better than to lull the South Korean people into passivity so that he could take by default that which he could never have by historical right or military might.

Those who understand the history of the last three decades are aware of the cold, unpleasant fact that there is a profound, immutable difference between communism and its alternatives. The Korean people need no Alexander Solzhenitsyn to tell them what those differences are.

Earlier this year the gunfire in Vietnam gave way to the numbing silence which accompanied the arrival of Communist control. There was little cause for celebration. Was this, many asked, a turning point in Asian relations for the United States?

My friends, the events in Indochina last spring have not weakened the respect which the American people have for South Korea. America stands by those who stand for themselves, and the bond between our nations remains strong.

Despite the disastrous events in Vietnam, a recent poll of Americans showed substantial support for a continued American presence here, *and for military aid and support.*

President Ford's remarks of June 25th contain a message which I reaffirm to you today. To paraphrase our President, "The American people stand steadfast and firm in support of the people of South Korea."

We must resolve to maintain that mutual respect which is the cornerstone of our relationship. In the final analysis, this is our most important common resource, and one which we must husband.

The World continues to change. The quest for national survival of the 1950's and the drive to develop during the 1960's have been replaced by the fight for markets and economic resources today. Never before have the nations of the world been as economically interdependent. It is no overstatement to say that a new economic order may be emerging.

Our economic futures, like our pasts, will be intertwined. Across the east sea, the island of Japan is an island in geographic name only. What happens in Korea will affect Japan, and vice versa. There can be no sense of detachment among the free Asian and Pacific-area nations.

We cannot afford to permit temporary setbacks to weaken our resolve. We must stand together now, just as we did during the time of war, and during the years that followed. Our strongest weapon in the months and years to come will be that sense of purpose which characterizes free men everywhere, men who cherish their democratic freedoms and the right to possess the fruits of their labor.

My wish tonight is similar to that of twenty-five years ago, when I crossed this remarkable country as an infantry officer. If anyone had asked me then what I most desired, it would have been to be able to be here under the circumstances in which I find myself today.

My hope, as I speak to you now, is that I will be able to return here again after the next twenty-five years to celebrate another quarter century of progress and solidarity.

Knowing the Korean people, I am convinced that the political and economic victories of the recent past have only been the prologue to an even greater future.

Statement of the Honorable John M. Murphy, Korea University, October 27, 1975

I sincerely appreciate the opportunity to appear before you this afternoon to address the emerging generation of Korea's future. This nation has a long and proud history throughout many hundreds of years as a separate entity with its own unique traditions, culture and heritage.

But we are no longer in the era of Chosen, or the ancient state of Koryo. There is now a "new Korea", a modern country of the 1970's moving rapidly into the 1980's. It is an economic Korea, tied inextricably to the economic destiny of every other nation in the civilized world. It is a Korea which is fully integrated into the world marketplace and monetary system just as certainly as New York's Wall Street or the Middle East's oil fields.

But Korea did not find this new stance within the structure of the world economy by accident. As is always the case, there was first a long and bitter struggle for survival, followed by a stage of development of almost unequalled proportions. There was an early leadership which understood the value of a citizenry properly prepared not only to maintain this increased status in world affairs, but to develop a blueprint for an even greater role in the future.

And this is the job which falls to you, the young leaders of this nation. Most of you were born during, or just after, a time of great military conflict between the major powers of the modern world. Blood was spilled throughout this land in order that your fathers might leave to you a nation that is free. This American delegation which joins you today is comprised of men who fought beside your fathers and brothers during those sad, dark days so that Korea might have the opportunity to determine its own course.

But that course is not yet set; it is in its initial stages. And it is for you, the university graduates of the Korean University(ies), to prepare for yet another 2½ decades of superlative progress, just as your predecessors gave you the last 2½.

Korea has very little to offer the world in terms of natural resources (there are few minerals of any kind to sell to the industrial world as a matter of fact). Korea was one of the hardest hit nations when higher oil prices were foisted upon an energy-deficient international economy. The increase in the fuel import bill directly attributable to higher oil prices in 1974 was up $790 million, equivalent to nearly 20% of the nation's total imports, and 6.5% of the total GNP. Yet Korea was able to achieve an 8.2% real growth rate in 1974.

How was that able to happen? By the proper and unselfish use of the one major natural resource available in this country: it's people. Korea depends a great deal on its position as an intermediary . . . it imports from many nations, fabricates a large variety of consumer and industrial products, and then exports to worldwide markets. It is the classic case of economic interdependence: the supplier of the raw materials and the user of the end product are simply the two ends of the chain, but the links of chain which bond the whole cycle together are those in the middle . . . in this case, Korea, the supplier of manpower.

Korea is now nearing the end of its economic 5-year plan, and will most assuredly begin implementation of a continuing plan for industrial growth. Recent economic leadership has been effective, even under the strain of international pressures, and there is no reason to believe that current plans for the next few years will not be equally effective.

But we cannot push ourselves ahead by just patting ourselves on the back. This country has an ancient proverb that says: "to say much and do nothing is like climbing a tree to catch a fish."

We cannot simply say we have done well.

We must understand that we must continue to do better.

And the 'doers' of this country are seated here before me, facing the challenge of a new Korea.

It is not a challenge that is easily met.

But it is not one that Korea must meet alone.

The people and the leadership of the United States are joined with you, the people of the new Korea, in a continuing agreement of cooperation and understanding. We cannot ignore the fact that our two economies are intertwined. The United States continues to suffer from a recession, and our diminished economic demand directly affects the industrial and consumer output of this country. And this is the case throughout the world . . . rising inflation in the money capitals, and continued recession in most of the major nations, leads to an endless chain of negative economic cause and effect.

But Korea has already taken the first steps in providing leadership. Export orders for such goods as agricultural and fishery products, textiles, plywood and electronic products have increased dramatically, to parallel an economic recovery equal to that of the United States and Japan. Korea is now the United States' 13th most important trading partner, with U.S. exports to Korea reaching a record $1.7 billion in 1974. And this is only the beginning.

Tomorrow's leadership of Korea is about to move out of the academic world, and into the real world of politics, economics, and life-or-death struggles to maintain a position of strength in an ever-changing age. The friendship of our two nations is a bridge over the water, rather than an ocean dividing us.

But bridges of friendship are best built when two peoples are willing to walk an equal distance and build half the bridge. When this is done, both walk together into a future of friendship and trust. After the bridge is built, the issues will remain the same: prosperity, welfare, human rights, effective democracy, and above all, peace.

Statement of Congressman John M. Murphy, Chairman, U.S. Congressional Delegation of the Korean War, at the Presidential Office of H. R. Park Chung Hee, the President of the Republic of Korea, October 27, 1975

Mr. President, on behalf of my Korean war veteran colleagues, I bring you warm greetings from Speaker of the House of Representatives, Carl Albert, the dozens of other congressional Korean war veterans who could not be with us today, and the people of the United States of America.

It is fitting that we came to your country on the 25th anniversary of the Korean war and during the great debate in the United Nations over future events in this, the Republic of Korea.

After all of the speeches and maneuvers and resolutions are considered, current United Nations and world debate comes down to one simple fact. In this part of the world, we are once again experiencing a test of wills. The will of the North is to devour you in a sea of flames. This is opposed by the will of the Korean people to punish any misadventure of the North Koreans with even greater lethality and armed violence.

The United States military commanders here and I as a U.S. Congressman assure you of our continued attention to give you our support—emotionally and by our continued presence with the military fire power to make any thrust from the north so costly and so devastating to the enemy he would never recover.

Hopefully the knowledge on his part of our resolve to do this will prevent the North

Korean leaders from taking this course of action.

As long as the U.S. stays north of the Han River—Kim Il Sung will remain north of the DMZ. And I for one intend to work in our government to see that this is done.

The North Korean historians are typical of many modern communist historians who, dissatisfied with the facts of the past, want to remake history by rewriting it.

Kim Il Sung, within the past several days, advertised in the American press as though South Korea and the United States were the aggressors in the past and that he wishes to peacefully unite the two Koreas.

He conveniently neglects the facts and the history of the 1950's.

It was the North Koreans who without provocation invaded the south.

It was the North Koreans who without warning visited terror and violence on the south.

It was the North Koreans who tried to exert their will over the South Korean people by armed force.

But the combined United Nations forces led by the United States and the ROK armies broke the back of Kim's army and he was sent packing like a whipped dog to China.

He became a "four penny" man, a puppet, a hollow symbol used by communist leaders carrying on a vicious war of attrition—which they lost.

Now, Kim, complete with delusions of grandeur and new armed forces that the Russians and Chinese have helped to re-equip, bringing North Korean units to new force levels and sophisticated weapons and aircraft that are superior to the ROK armies is determined once again to strike a mortal blow at the heart of South Korea.

And so it is the responsibility of the United States to help make the ROK army materially adequate for this critical winter of 1975 and on into the 1980's.

Together our two nations must transform the ROK army into a fully modern force able to carry out its mission late into the 20th century.

I am convinced that with the help of the United States, reasonable men throughout the world will see the situation here in its true perspective.

In areas other than sophisticated weapons the world knows Korea as the Korea of the south.

They know the Korean artists with their cultural displays worldwide are South Korea.

They know the literary accomplishments emanating from this peninsula are by South Koreans.

They know the great technological and economic advances have been developed by South Korea.

They know the great educational institutions have been developed by South Korea.

The confidence the world has in Korea is exemplified by the Iranian refinery and other massive foreign ventures being brought here.

Meanwhile, to the north, because of the manaical desire on the part of the North Korean leaders to take the south—the Kim Government is on the verge of bankruptcy, expending huge sums, buying and building tanks and tunnels, Sams and submarines, and multibillion dollar artillery and aircraft weapons systems.

In order to compensate for this the United States and Korea must to a degree accelerate the re-equipment program for the ROK Army which has not kept pace with that of the north. The symbolic presence of U.S. Armed Forces which are necessary to save South Korea must not be changed.

The money measures which will have to be taken up every year in the Congress to help sustain South Korea's very life by bringing the ROK Army to the sophisticated levels of the North Korean Army by myself and your other friends in Congress.

The Korean Peninsula is the last remnant of the cold war. There is no normalization and no detente here.

While the situation is potentially explosive, I am convinced this republic will survive because:

The presence of U.S. Armed Forces and the perception by North Korean Communists that we are here to stay and that we mean business;

The strength, devotion and motivation of the superb ROK Army; and,

The realization by Moscow and Peking of the United States' intention to continue to remain on the Peninsula as long as is necessary to sustain the republic.

And finally, Mr. President, the delegation I represent is here not only to share our memories of that conflict that began 25 years ago, but for my part at least, to pledge that any new aggression from the north will be met with the same support, the same resolve, the same dedication, the same courage, and the same commitment to preserve South Korea that the people and President of the United States of America displayed on June 25, 1950.

Statement of Congressman John M. Murphy, Chairman, U.S. Congressional Delegation of the Korean War, at a Press Conference, Chosun Hotel, Seoul, Korea, Tuesday, October 28, 1975

I and my colleagues, veterans of the Korean War, have spent the last five days meeting with leaders of the Republic of Korea and U.S. officials, both military and civilian, to discuss the future of this magnificent country. We also spent some time renewing old acquaintances from the 1950 war; and we indulged ourselves in a little bit of nostalgia visiting the battlefields where we spent some of our most hectic years—years when we were young and had a cause to fight for.

The cause then was the survival of the Republic of Korea.

And survive it did to become one of the most energetic, fastest developing countries in the history of the world.

We are a little older now, but the cause that brought us here 25 years ago is just as strong today, for this country is again in peril from the frantic desire of North Korean leaders to try to do—perhaps in the months ahead—what they failed to do in the early 1950's.

And as the chairman of this congressional delegation, I can guarantee that America will continue to stand with its ally, the Republic of Korea, if it takes 25 more years or even longer to convince the demonic leaders in the north—who are possessed with the goal of destroying this democracy—of their folly.

I have concluded, and my colleagues agree with me, from our meetings with President H. E. Park Chung Hee, Prime Minister Kim Jong Pil, and Defense Minister Suh Jyong Chul, U.S. Ambassador Richard Sneider, U.S. Generals Stilwell and Hollingsworth, and others that tensions on the Peninsula will never lessen without a major power agreement involving the United States, Russia, China, the Republic of Korea and North Korea to achieve detente.

In conclusion, I congratulate the leaders and the people of the Republic of Korea for their spectacular social and economic achievements.

This has been caused in part because there is a great reservoir of confidence on the part of the people of the Republic in the Government and its leaders.

With a small land mass and meager natural resources you achieved one of the world's highest economic growth rates during the 1960's and into the 1970's.

More than 90 percent of your population is literate and your intellectual and cultural progress appears to have no bounds.

Economically, your gross national product increased from $2.3 billion in 1962 to $16.8 billion in 1974.

Industrially, in areas such as shipbuilding, fertilizer production, iron and steel production, cement production, and even automobile production, increased output has multiplied in spectacular fashion.

Your dramatic expansion of trade is exemplified by the fact that exports increased at an average rate of 44.4 percent per year since 1962.

In export structure and world markets the amount of manufactured goods exported increased from 27 percent in 1962 to 90 percent in 1974.

There have been equally spectacular successes in investment and savings, the attraction of foreign capital, in agricultural development, and the modernization and expansion of highways, rail transportation, Korean flag freight vessels, power generation and communications facilities.

While the recent world recession has not left the Korean economy untouched, on balance, we, the United States' veterans of the Korean war are satisfied in the knowledge that 25 years ago we contributed to saving a country and a people that was well worth saving, and are now firmly convinced that the United States must fulfill its commitment to the Republic of Korea to whatever limit is needed to sustain this nation.

Statement of Congressman John M. Murphy at the Korean National Cemetery, Tuesday, October 28, 1975

We are here today to pay tribute to our brothers-in-arms who have given their lives so that Korea might live in freedom.

No words can express to the people of this nation the sorrow in our hearts for their fallen fathers, brothers, husbands, and sons.

Let each petal of each of these blossoms speak for the countless flowers on this earth, with each of them a prayer of remembrance from the living.

One cannot adequately describe the conflicting emotions which characterize a day and an event such as this.

There is sadness at the thought of so many young lives, interrupted so quickly, and snuffed out so heartlessly by arrogant men—men who would have imposed their ideology on South Korea by force or arms. Young Koreans, young Americans, in fact, youths from all nations of the free world, snatched from their homes and families by untimely battlefield deaths.

On the other hand, one cannot forget that these men did not die in vain. The Korean war was no misbegotten adventure in search of conquest or plunder. These young people died here in witness to their belief that the world could no longer tolerate aggression—that the United Nations could not go the way of the League of Nations and build itself upon the dryrot of accommodation and appeasement.

We are proud of these men—and mindful of the lessons which their deaths teach:

The lesson that freedom flourishes only when military strength makes the price of an enemy attack prohibitively high.

The lesson that what happens in one part of the world is never inseparable from events elsewhere when freedom is trampled.

And, the lesson that when men must choose between sacrifice and slavery, the choice is an easy one.

The forever young are here from all parts of your country and mine. Pusan and Peoria. Munsan and Miami. Taegu and Topeka. Korean towns and American cities—linked forever by the commingling of the blood, sweat, and tears of our two peoples.

May we never forget those who lie here—and may their graves forever remind us of their total sacrifice on our behalf.

Let this solemn place stand as a warning to younger generations, and generations to

> come, that free men must never shrink from the burdens of freedom.
>
> The price of our fragile victory was great. And only by guaranteeing the future sovereignty of the Republic of Korea will we have made it worth the effort.

Mr. LENT. Mr. Speaker, I was privileged, along with other colleagues in a delegation under the chairmanship of Representative JOHN MURPHY, to visit the Republic of Korea last month and upon returning home, wrote a report to my constituents on what I had seen. I appreciate the opportunity to offer this report to the attention of my colleagues:

The city of Seoul in Korea is a bustling modern city. New construction and a booming export trade have helped cover the scars of the terrible war which began 25 years ago, but the uneasy truce that suspended the fighting is the unspoken preoccupation of the Koreans in Seoul.

Only 25 miles to the north lies the Demilitarized Zone, patrolled by United Nations forces, the U.S. 2d Division, and the Republic of Korea Army. The Communist military buildup north of the DMZ makes the industrious people of Seoul work with one eye constantly over their shoulder.

Communist North Korea's current proposal to convert the 1953 armistice agreement to a peace treaty with the United States, excluding the Republic of Korea from the negotiations, makes the situation threatening. In Seoul, they prepare for the worst from the north, and wait.

I had an opportunity to see firsthand the situation in Korea last month when House Speaker CARL ALBERT appointed me to a bipartisan U.S. delegation of congressional veterans of the Korean war to visit that country. Our eight-person delegation, chaired by Representative JOHN M. MURPHY, Staten Island, participated in memorial services for our fallen comrades at the United States and Korean National Cemeteries and met with scores of high-ranking military, government, and parliamentary officials, including ROK President Park Chung-hee. President Park's wife had been assassinated by a North Korean terrorist while she sat beside her husband delivering a speech on national television. We also had the opportunity to visit with some of the 40,000 U.S. troops still stationed in South Korea, near the DMZ.

There is very little in our Nation's history to help us understand the predicament of the Republic of Korea. There has been no important military action on our continent since Lee surrendered at Appomattox; except for a brief period during the War of 1812, the United States has never been invaded and occupied by a foreign military force.

The closest parallel is probably the situation of Washington, D.C., during the Civil War, when the Capital of the Union was only 100 miles away from the Confederate Capital at Richmond. Washington was an armed camp, bristling with forts, controlled by the military. Only the Potomac separated the Union Capital from the enemy. It is not surprising that during this tense period, Abraham Lincoln imposed several limits on civil rights and became the first President to suspend the writ of habeas corpus, an action which the Supreme Court declared unconstitutional after the war was over.

In the wake of our painful experience in Southeast Asia, there is an unwise temptation among Americans to say "the devil with the rest of the world." This is unwise because the rest of the world and its problems will not go away no matter how hard we might wish otherwise, and because, as Patrick Henry once said:

> The battle is not to the strong alone; it is to the vigilant.

I believe the correct U.S. response to the reemerging problem of Korea is to maintain our troop and support commitment. A precipitous withdrawal of the United Nations or U.S. forces will undoubtedly invite armed aggression from the north, endangering Japan and presenting more dangerous geopolitical problems.

Seoul is embattled just as surely as was Lincoln's Washington. At least history tells us that Washington, D.C., survived the peril during our Civil War. The South Koreans have no such comfort. They look to the north, and wait for the outcome.

Mr. MONTGOMERY. Mr. Speaker, I commend my colleague from New York for taking this special order today in order that we might pay tribute to a long-standing ally of America. The Republic of Korea is one of the few nations in Asia the United States can count on in times of strife and turmoil in the world.

Having made several trips to Southeast Asia during the Vietnam conflict, I remember vividly visiting with the ROK troops who were fighting there against the Communist aggression. They were dedicated in their desire to help their friends in South Vietnam to free themselves from the yoke of Communist oppression.

South Korea is a nation of dedicated people who have a very sincere desire to remain free and democratic. I hope we as a nation will not let them down, but will stand beside them and continue to help them preserve the freedoms they now enjoy.

Mr. Speaker, I, for one, am proud to call the South Koreans my friends and allies and I will continue to support strong American ties with South Korea.

Mr. GILMAN. Mr. Speaker, I wish to associate myself with the remarks of my distinguished colleague from New York, Mr. JOHN MURPHY, and to contribute some of my impressions of South Korea based on my firsthand observations of the current situation in that country.

Last August, as part of an International Relations, Future Foreign Policy Research and Development Subcommittee study mission to reassess U.S. foreign policy in Southeast Asia, I had the opportunity to visit Korea and to meet with President Park and other South Korean officials.

These last few years have been critical ones, particularly for international economics. The Smithsonian agreement, dollar devaluations, and reevaluations of other world currencies have made this a difficult time for countries to put their world trade in order. This is especially true for the smaller, less developed nations which are more adversely affected by fluctuations in world economic conditions and for whom imports and exports are the cutting edge of their national economics.

Under these most adverse economic conditions, it was heartening for me during my recent trip to Asia to observe South Korea and its export-oriented economy performing so well. The economic picture of South Korea is amazingly bright, just 25 short years after a devastating war. South Korea boasts an economy that in the last decade has averaged an annual growth rate of 10 percent—an impressive record of success. What is even more impressive is that its exports have grown at an annual rate of 40 percent for the last decade. Although it does have substantial exports, Korea, like the rest of the world's nations, has to contend with higher prices for imported items such as oil and has the added burden of the world's inflation.

These factors produce a drain on South Korea's balance of payments. But Korea has been able to cope with this problem and to meet her foreign financial obligations, unlike her neighbor to the North who recently defaulted on several western bank loans.

The bright economy picture for South Korea and its record of meeting its financial obligations has prompted substantial investment from abroad. For a growing economy with a charted growth plan, this foreign investment provides needed capital for the South Korean people. While the recent world-wide recession has slowed down the influx of foreign investment, South Korea according to all of the latest figures appears to be in an outstanding position to make the most of an improving world economic situation.

South Korea anticipates earning as much as $210 million this year from some 700,000 plus foreign visitors. A substantial portion of this tourist trade must be attributed in part to the bettering of relations with Japan.

Militarily, our Nation has been attempting to assist South Korea in the development of her own defense capabilities. The Koreans have demonstrated their apparent willingness to move in this direction and make the needed sacrifice as indicated by their new defense tax measures. President Park assured us that they have no desire for Americans to defend Korea. What is needed, however, is military assistance from the United States to assure the needed support during this strengthening period.

While the defense of the Korean peninsula is not directly related to physical security of the United States, our policies are reflecting strategic, political, economic and military considerations relating to the entire region and the defense of a long-time friend and trusted ally.

Several weeks ago an excellent synopsis of the South Korean international economic picture appeared in the London Times authored by Clifford Webb. Mr. Speaker, I include Mr. Webb's remarks at the conclusion of my statement:

Remarks by Mr. Clifford Webb

For an economy so dependent on exports as that of South Korea, 1975 is proving to be a real test. The recession in almost every market in the world has not only reduced demand for many Korean products but has also strengthened the hand of the "protectionists". Action by overseas governments to restrict or even ban imports on a large scale could throw the whole South Korean economy out of balance.

In 1963 Mr. Choong Hoon Park, who was then Minister of Commerce and Industry and is now chairman and president of the Korea traders' association, campaigned and won the support of his cabinet colleagues for a policy which gave exports top priority.

It was a policy which meant restrictions on imports while entire new industries were introduced to an essentially agricultural labour force. At the same time South Korea had to maintain the best possible relations with the two most likely sources of the capital necessary to finance the building of these new industries—the United States and Japan.

It was a tightrope which the Koreans have walked with remarkable skill. Last year, however, the rope, once so firmly anchored at each end by booming export markets and investment capital looking for cheap, quick-to-learn labour, seemed to be in danger of losing its supports.

With markets no longer buoyant foreign companies were pressed for cash to keep their existing businesses together without adding new risks.

However, that is not the whole picture. With Korean wage rates averaging at best one fifth—and at worst one tenth—of their Japanese equivalents, a determined Government to protect investments with stable labour conditions and one of the fastest construction industries in the world, South Korea is still a most attractive investment proposition.

The Republic of Korea has successfully completed its first and second five year economic development plans maintaining an annual average growth of 10 per cent in the economy as a whole and a remarkable 40 per cent average increase in exports. To British eyes that mouth-watering situation more than warrants the "economic miracle" label so many foreign observers are now attaching to Korea.

The third five-year plan was launched in 1972. A new dimension was added this time—the modernization of the old linchpin of the Korean way of life: agriculture. Largely neglected because the necessity to push ahead with new, technologically-based industries, it has become more and more obvious that to reduce its heavy imports bill—and hence its persistent trade deficit—Korea had to feed more of its own people from the land.

The third five-year plan also tackled another weak spot in the economy and the source of considerable import problems, the country's continued dependence on foreign heavy and chemical industries such as iron and steel, non-ferrous metals, basic chemical products, ship building and heavy machinery.

A look at Korea's exports indicates why the drive to provide heavy industry at such an early stage in the life of a developing country is imperative. Since 1962, export products have risen from 69 different items to more than 1,200 today. In the same period Korea has increased the spread of its overseas markets from 33 countries to more than 125. A large percentage of these exports are accounted for by the reworking of imported materials.

Of the 1975 export target of $6,000m (about £3,000m) manufactured goods will probably account for 91 per cent. Given this sort of capability to convert other people's basic materials into products which are competitively priced on world markets, the Korean's were talking of an export target of $10,000m by the early 1980s.

In today's depressed conditions that would seem to be little more than a dream. But not to Korean industrialists and government ministers. They point out that while international monetary problems have set many industrialized countries so far back on their heels that they are experiencing genuine stagnation, Korea is still expecting, and is on target for, an economic growth of 6–8 per cent this year.

The achievement of this growth target is directly tied to the country's ability to raise its exports from $4,700m in 1974 to $6,000m in 1975. Success will largely depend on the extent to which Korea can vary its export pattern.

After the United States, Japan is Korea's biggest customer—and Japanese imports of Korean goods are down by 30 per cent. Between them these two markets account for no less than 70 per cent of the country's total exports.

It is the present attempt to diversify into European markets that is causing friction between Korea and the European Economic Community. The EEC has unilaterally imposed restrictions on some eight classifications of Korean textiles. This action followed long negotiations in Brussels at which the Koreans seemed determined not to compromise.

But in talks with government ministers in Seoul recently it became clear that their apparent inflexibility was the negotiators' traditional ploy of testing out the strength of the opposition. They now accept that compromise of the form of voluntary quotas is inevitable.

The great danger for Korea—and one perhaps not fully appreciated at government level—is that by adopting such tough tactics at an early stage in their European export programme, they may have soured relations with potential customers for a much wider range of goods than just textiles.

They are fully alert to the perils that face them in breaking into new markets if they are thought to be "another Japan". Aggressive Japanese marketing has brought tremendous success in Europe with a whole range of goods from electronics to cars. But it has also led to the installation of more advanced early warning systems. What the Japanese got away with at a similar stage in their European export drive will not be open to the Koreans—and they know it.

However, Koreans have a strong counter argument. "Unlike the Japanese," they maintain, "we are prepared to share the cake. While their growing industry was largely closed to foreign investment until it was well established, ours has been open to outside investment from the very beginning. Not only has it been open to foreign capital but we have made big efforts to attract it."

Like Britain, Korea has a major balance of payments problem with which it has learned to live. Unlike the British situation, however, the Korean trade gap is brought about by deliberate government policy designed to speed the country's industrialization.

Last year the Korean trade deficit amounted to $1,800m. Although exports increased by 39 per cent, imports shot up by no less than 63 per cent, reflecting the sharp rises in prices of oil and other raw materials. The result was a worsening of the current account balance, including invisible trade, to $1,839m. There was a sharp increase in bank loans as well as borrowings and this led to a small drop in exchange holdings.

On January 14 the Government introduced presidential emergency measures. A series of price adjustments were made to absorb and damp aggravated inflationary pressures from import costs. At the same time, domestic demand was reduced with tighter credit controls. Interest rates on savings deposits were raised.

The financing periods of loans for export supports and stockpiling of major raw materials were extended for companies suffering from falling export demand and cash flow problems.

Only a month earlier the Korean won had been devalued by 20 per cent against the dollar and an advance import deposit scheme was enforced. As a result of this prompt but far from popular package inflation is now running at a rate of 23.5 per cent compared with last year's 42.1 per cent.

There is growing optimism in government and private business circles about the returning flow of foreign investment—one of the linchpins of an economy—which has achieved a remarkable growth rate of 10 per cent annually since the early 1960s.

In 1973 direct investment from overseas sources amounted to $143m. Last year this fell by 13.4 per cent to $124m, largely because of the sharp recession in the United States and Japan.

However, the Economic Planning Board has just reported that in the first seven months of 1975 foreign equity investment is already more than $150m, covering 25 projects. Japan accounted for some $76m worth.

Mr. WAGGONNER. Mr. Speaker, next week will be the 25th anniversary of the major counterattack by the North Korean and Chinese Communist troops in their effort to capture the entire peninsula of Korea and obliterate the nation of South Korea. History has established the total failure of the counterattack and the Korean war. Twenty-five years later, South Korea and its people are stronger than ever. They resisted the Communist aggression 25 years ago and have resisted repeated violations of the armistice which supposedly ended the hostilities of the war. Today the people of South Korea enjoy record prosperity under a free enterprise system while North Korea struggles under socialism and an agrarian economy.

But the road to prosperity for the South Korean people has not been easy. In addition to the struggle to industrialize and create a modern economy, they have had to contend with the continued aggressive policies of North Korea, policies that were outlawed by the peace settlement some 22 years ago. North Korea still maintains a militia force of nearly 2.7 million combat troops. With a total population of only 15 million people, this means the old as well as the young have been forced into military training. Nearly 20 percent of the entire population of North Korea has been assigned a military role, which is hardly an indication of a peace-loving nation.

The South Korean people have suffered countless thousands of terrorist acts during the past years and claim the North Koreans have broken the armistice an astounding 26,793 times. There have been repeated violations of the demilitarized zone and the coastal waters, and many South Koreans have lost their lives at the hands of continued North Korean aggression.

On March 15 of this year, the United Nations' Command announced the discovery of a large scale tunnel crossing the demilitarized zone from North Korea into South Korea. It was the second such tunnel to be uncovered and a third tunnel has been discovered since then. The tunnel discovered by the U.N. forces was several miles in length and big enough to drive jeeps and other military equipment through. Why on earth would

North Korea need to construct such massive tunnels? How could the tunnels possibly serve any peaceful purpose? This is just another well-documented example of the harassment and continued threat which South Koreans must live with.

In addition to these tunnels and the thousands of truce violations, the South Koreans also suffered a national tragedy when President Park's wife was assassinated at a large outdoor rally commemorating the 29th anniversary of Korea's liberation from Japanese rule. The assassin, who was captured, had links to pro-North Korean groups espousing radical and terrorist policies.

Indeed the struggle for economic self-sufficiency for the South Korean people has not been easy, and has been punctuated by the aggressive policies and distructive acts of North Korea. Nearly a quarter century after the war has ended, North Korea still cannot accept a free and independent South Korea. There have been numerous reports recently in the press which speculate that tensions in Korea are increasing and that the chances for a renewal of the fighting grows greater every day. We should not take these reports lightly. North Korea has a long history of propaganda and aggression, and South Korea is too vital to the United States to permit South Korea to be attacked by her neighbor to the North.

But despite these difficulties and threats, 25 years after the great counterattack, I am pleased to see South Korea doing so well and becoming so strong and independent. I hope that the next 25 years brings even greater rewards for the South Korean people and that they continue to live in peace and freedom.

GENERAL LEAVE

Mr. MIKVA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from New York (Mr. MURPHY).

CONGRESS SHOULD PASS THE BANKRUPTCY BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 15 minutes.

Mr. FRENZEL. Mr. Speaker, the leaders of the city and the State of New York have now used every possible dodge to force a congressional bailout without major sacrifice by New York or by its bondholders, taxpayers, employees, and contractors. As a result, we are, as usual, operating against a deadline, without proper information, and without rational guidance from our committee of jurisdiction.

The committee, of course, has been used shamelessly by the bailout crowd. Its confusion is not excusable, but neither is it surprising. It has now substantially amended its own bill, caused it to be delayed for 2 days, and generally tried to lay on the House the same confusion it is enjoying.

The committee bill has a long list of defects. Some of the worst of them are as follows: First, a guaranteed bailout—no sacrifice by bondholders; second, a bond guarantee that is many years too long; third, a Federal superboard to rule New York City; fourth, no guarantee of sacrifice from employees, taxpayers, and so forth; and fifth, a guarantee, $7 billion, which is much more than needed.

These and other defects are fatal to the bill. While the bailout may possibly pass both Houses, it surely cannot withstand either a filibuster or a veto, both of which are threatened. Therefore, some new, or substantially modified, proposal must be devised.

The committee, State, and city leaders, and the administration's financial people are, of course, working right now. At least I hope they are. As the bill stands now, or even as amended by prospective committee amendments as of yesterday, it is unsatisfactory to me.

The city and the State have played around enough. Even at this late date New York leaders do not seem to know how much of a guarantee they need and how much they are willing to cut from this and subsequent years' budgets. If New York knew where it was and where it is willing to go, our job would be relatively simple. To me it is apparent that New York does not know the former and is unwilling to tell the latter.

First, the Congress should pass the bankruptcy bill. Even if we could get our act together on a guarantee bill, which now seems unlikely, we do not know about filibusters or whether New York would want to use such a bill. Therefore, the bill, which would modify the bankruptcy laws to handle the New York case, should get first priority.

Then we would have the assurance that even if Congress fails, or New York fails, the default alternative will be available. It has been my belief all along that bankruptcy was not an unacceptable alternative. It would allow the city to carry on, free of lawsuits by bondholders, and enable it to deal more easily with creditors, contractors, employees, taxpayers, and clients.

After the bankruptcy bill is passed, we should try to pass a bill which would provide a solution short of bankruptcy, but willingness to make sacrifice would have to be guaranteed by the city.

Any Federal bond guarantee must be short term, not over 5 years, preferably 3 years. If we can ever identify what is needed, we should not guarantee more. Right now that amount seems to be less than $2.5 billion, rather than the $7 billion figure the committee gave us.

There should be no Federal board to rule New York. A board, if any, should decide whether New York qualifies for loan guarantees, and that is all.

The bondholders must, by State and/or Federal law, make some additional sacrifice. I believe last week's New York State Legislature proposal does not contain enough bondholder sacrifice.

The other parties must also sacrifice. Either New York must limit itself, or Congress will have to do it, so that a balanced budget will be guaranteed. That balance need not occur this year, but it must be achieved in not more than three years and by a guaranteed means that Congress, or a Federal board, can easily understand and verify.

It is not enough to have New York say it will control expenses. We need to know where the cuts will occur, and to be guaranteed that they will occur. The free Ph. D.'s, the unusual retirement systems, the medical care and all the other extras ought to be modified. Perhaps the city ought to revoke its rent control ordinance which depresses valuation. Maybe it ought to raise transit fares or charge bridge tolls. In any case, we need to know exactly what New York will do.

If some of these requirements could be met, I could support some remedy other than bankruptcy. If New York cannot or will not meet them, then default should occur. I hope New York will want to live up to its obligations.

Today, the President indicated that he, too, thought New York had made some progress, but that more was required. The House leadership took both New York bills off its schedule. That postpones the moment of truth until December 1 at the earliest. New York's political leaders now have the clear signal both from Congress and the President that their proposals are getting better, but that they are still inadequate.

Neither the Congress, nor the President has rejected any particular proposal, or part thereof, but there can be no doubt that New York has been carefully instructed to improve its inadequate proposal. New York leaders would be well advised to perform less politically and a little more courageously.

FULL-SCALE INVESTIGATION NEEDED ON POLITICAL ASSASSINATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, testimony given before the House Intelligence Committee yesterday regarding alleged FBI activity, including a shocking effort to push Dr. Martin Luther King to suicide and to discredit our colleague, ANDREW YOUNG, to where he would not be elected to Congress, is only a part of a long series which only points to a full-scale investigation into the circumstances surrounding the death of political leaders in the 1960's.

You and my colleagues will recall that on February 19 of this year I introduced House Resolution 204 which, if approved by this body, would establish in the House a Select Committee of seven members for the purpose of studying the circumstances surrounding the deaths of President John F. Kennedy, U.S. Senator Robert F. Kennedy, and Dr. Martin Luther King and the attempted assassination of Gov. George Wallace.

These assassinations and the attempt on Governor Wallace are linked from the standpoint that they changed the course of history, thwarted the democratic process, eliminated options, and caused great harm to the collective national psyche.

It is up to the Congress—the elected representatives of the people—to assess the net impact of these events and to try to take steps which will attempt to prevent such a series of events from happening again.

There are now 53 cosponsors of House Resolution 204. Mr. Speaker, if any of my colleagues who are not cosponsors would like to join this effort, I will gladly reintroduce this resolution again on behalf of myself and any new cosponsors. My office extension is 53236; my colleagues are invited to call that number and let Miss Ella Wong or other members of my staff know of their interest in cosponsoring.

Presently the cosponsors are the following: Arizona—Morris "Mo" Udall; California—Charles Wilson, George Brown, Edward R. Roybal, William M. Ketchum, Yvonne Brathwaite Burke, Ronald V. Dellums, Norman Y. Mineta, Henry A. Waxman, Augustus F. Hawkins, Mark W. Hannaford, Robert Leggett, and F. H. "Pete" Stark; Connecticut—Stewart McKinney, Anthony Toby Moffett, and Christopher Dodd; District of Columbia—Walter Fauntroy; Florida—Paul G. Rogers; Georgia—Andrew Young; Guam—Antonio Borja Won Pat; Hawaii—Patsy Mink; Illinois—Cardiss Collins; Indiana—David W. Evans and Andrew Jacobs, Jr.; Maryland—Parren Mitchell; Massachusetts—Paul Tsongas; Michigan—Robert Carr and Don Riegle; Missouri—William Clay; Montana—John Melcher; New Jersey—James J. Florio, Henry Helstoski, and Andrew Maguire; New York—Richard Ottinger, Edward I. Koch, Mario Biaggi, Bella Abzug, Herman Badillo, Benjamin S. Rosenthal, Shirley Chisholm, Thomas J. Downey, John M. Murphy, Charles Rangel, Stephen J. Solarz; North Carolina—Stephen L. Neal; Ohio—Louis Stokes; Pennsylvania—Gus Yatron and Robert W. Edgar; Tennessee—Harold Ford; Texas—Robert Eckhardt; South Dakota—Larry Pressler; Wisconsin—Henry Reuss and Les Aspin.

THE FEDERAL RESERVE CONTINUES TO FLOUT THE WILL OF CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Patman) is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, the Congress makes a big mistake in not keeping up with the activities of the Federal Reserve System.

Since the Federal Reserve was organized in 1914, the Congress has had a habit of looking the other way while this agency engaged in all kinds of activities against the public interest. To this day, the Congress continues to hide its head in the sand—refuses to require audits of the Federal Reserve System—refuses to require the agency to come up for appropriations and generally plays pattycake with the various Federal Reserve chairmen in public hearings.

Yet, Mr. Speaker, this is an agency which engages in transactions totaling over $30 trillion annually. It is an agency which has $93 billion of bonds which have been paid for once in the portfolio of the Open Market Committee in the New York Federal Reserve Bank. These bonds have been paid for but the Federal Reserve refuses to cancel them and as a result the Treasury continues to pay interest to the Federal Reserve to the tune of $6 billion annually. It is an agency which has 28,000 employees and, most importantly, it is an agency which sets economic policies, determines interest rates, and the price of goods and services all over this Nation. It literally determines whether people have jobs or whether they are standing in unemployment lines.

Mr. Speaker, as I have often stated, the Federal Reserve has the power to negate the actions of the Congress—the power to veto. Just this last spring, we saw the Federal Reserve engage in monetary policies which effectively negated Congress' decision to reduce taxes as an economic stimulus.

Of course, this is not the first time—nor the last—that the Federal Reserve has engaged in this kind of activity. When I first came to Congress, I worked long and hard on trying to gain justice for the veterans of World War I and to help provide a new stimulus to the economy during the Great Depression.

Mr. Speaker, I am referring to what was popularly known as the Bonus bill which provided adjusted compensation for the World War I veterans who had not been properly paid for their services during the war. The use of the word bonus was a misnomer. However, Mr. Speaker, the powerful forces in the Hoover administration—or more correctly the Mellon administration—and at the Federal Reserve attempted to negate the effects of this legislation. They are doing the same kind of thing today and the Congress is still letting this go on right here in broad daylight.

When I came here 47 years ago it happened that the veterans of World War I had just gotten a bill passed by the Congress that would give them adjusted pay. Their enemies called it a bonus for the purpose of condemning it, but it was not a bonus. The veterans of World War I only received $20 a month and from that $20 immediately deducted was $6.50 for insurance and then they required other deductions and they practically had nothing at the end of the month.

So the Congress did not feel too good about that. The Congress went ahead and worked out an adjusted service adjustment to each veteran for the home service at $1 a day and overseas service at $1.25 a day.

About the time it passed, Mr. Mellon, who was Secretary of the Treasury at that time, announced we would have a $900 million deficit that year and that caused the Congress to reexamine it. Mr. Mellon suggested it should be postponed indefinitely. He could not get that done and he got in postponed for 20 years.

Mellon, of course, was purposely misleading the American people in claiming that there would be a $900 million deficit. He was trying to block our bill in the Congress with these scare tactics, and, as it turned out, we actually had a $300 million surplus that year.

During that time the veterans could borrow money on their adjusted service certificate pay as they needed it, but they would have to pay a substantial part of it in interest. So a veteran borrowing $100 or $200 on a $1,000 or $1,500 certificate would have to pay the going rate of each Federal Reserve bank, 12 Federal Reserve banks. The interest would accumulate and the result would be that the veterans borrowing on those policies had practically nothing. Their certificates would, in effect be discounted to zero. There was a great resentment at that.

I came to Congress about that time. I offered a bill here, the first bill that was offered for the payment of those certificates in cash immediately. We went ahead. We could not get a hearing before the committee. They would not hear us. We could not get a hearing before the Committee on Rules. We could not get a hearing at all. So I took the rule books. I noticed that if a Member had introduced a bill and the committee had not reported it out within 30 days, a Member could introduce a discharge petition. Any Member of the House could offer a petition by putting it on the Clerk's desk and if 145 Members signed that petition, the bill could be brought up immediately and passed on. So that is the method I used.

It had never been used successfully before. We had nearly enough, 145, that is one-third of the Members of the House. The leaders got together and realized it would be up in a few days, so they got the rules changed so it would require 218 Members. We got the 218 Members, brought the bill up and passed it in the House of Representatives.

Finally, we had quite a troublesome time, of course, in the House and in the Senate with the bill; but it was a very deserving bill, very much needed by the 3½ million veterans who had not received very good compensation for their services during the World War. People were in sympathy with them, because they had not received justice and because we realized the economy needed the stimulus.

So then we went ahead and got the bill passed and on June 15, 1936, each of the 3½ million veterans of World War I holding those adjusted service certificates, averaging $1,000 or $1,500 each, they ran all the way from $50 to $1,790, but the average amount for each of the 3½ million veterans was $1,000 or $1,500 each. That day they were told to go to the bank of their choice and present their certificates and they would be paid in full at face value.

It required $3 billion 700 million to pay that debt, but it went into the business and opportunities of life very quickly to such a great extent that it helped the economy at a time when the economy badly needed the stimulus. We needed that worse than anything because people were down. Many farmers were having their farms sold under the hammer by the sheriff because they could not pay their debts. They could not pay the installments on their farms. We had very great distress in the country. This payment of this debt helped, and helped substantially.

But the Federal Reserve and Mellon did everything possible to wipe out the good effects of this $3.7 billion payment to the veterans. As I have mentioned earlier, Mellon went around the country claiming that there would be a $900-million deficit when, in reality, there was going to be a substantial surplus in the Treasury. But he did his best to scare people to death and to try to block the payment and the Federal Reserve joined right in with the Mellon campaign and doubled the reserve requirement for banks to sop up the credit all over the Nation and this was a terrible act at a time when we were trying to put people back to work and to alleviate human misery.

I did not like it at all, and I denounced them for it. Later on, when the times got worse and Mr. Mellon continued his activities for the short time that he had, I came on the floor of this House, right here where I am standing right now, on January 6, 1932, when we were suffering hard times. I read a statement that I was offering a resolution for the impeachment of Andrew W. Mellon for violation of law; minor and major, as follows: And I began to read them, and they established beyond a doubt the tremendous conflicts of interest of this powerful Secretary of the Treasury.

Mr. Speaker, at this point, I want to place in the RECORD the charges which I made in the impeachment resolution against Secretary of the Treasury Andrew Mellon:

CHARGES OF HON. WRIGHT PATMAN AGAINST THE SECRETARY OF THE TREASURY OF THE UNITED STATES

SERIAL I.—PROCEEDINGS IN HOUSE OF REPRESENTATIVES, JANUARY 6, 1932, ON HOUSE RESOLUTION 92

[Extract from Congressional Record January 6, 1932, pp. 1438–1439]

Impeachment of Andrew W. Mellon, Secretary of the Treasury

Mr. PATMAN. Mr. Speaker, I rise to a question of constitutional privilege. On my own responsibility as a Member of this House, I impeach Andrew William Mellon, Secretary of the Treasury of the United States for high crimes and misdemeanors, and offer the following resolution.

House Resolution 92

Whereas Andrew William Mellon, of Pennsylvania, was nominated Secretary of the Treasury of the United States by the then Chief Executive of the Nation, Warren G. Harding, March 4, 1921; his nomination was confirmed by the Senate of the United States on March 4, 1921; he has held said office since March 4, 1921, without further nomination or confirmations; and

Whereas section 243 of title 5 of the Code of Laws of the United States provides:

"SEC. 243. RESTRICTIONS UPON SECRETARY OF TREASURY.—No person appointed to the office of Secretary of the Treasury, or Treasurer, or Register, shall directly or indirectly be concerned or interested in carrying on the business of trade or commerce, or be owner in whole or in part of any sea vessel, or purchase by himself, or another in trust for him, any public lands or other public property, or be concerned in the purchase or disposal of any public securities of any State, or of the United States, or take or apply to his own use any emolument or gain for negotiating or transacting any business in the Treasury Department, other than what shall be allowed by law; and every person who offends against any of the prohibitions of this section shall be deemed guilty of a high misdemeanor and forfeit to the United States the penalty of $3,000, and shall upon conviction be removed from office, and forever thereafter be incapable of holding any office under the United States; and if any other person than a public prosecutor shall give information of any such offense, upon which a prosecution and conviction shall be had, one-half the aforesaid penalty of $3,000, when recovered, shall be for the use of the person giving such information."

Whereas the said Andrew William Mellon has not only been indirectly concerned in carrying on the business of trade and commerce in violation of the above-quoted section of the law but has been directly interested in carrying on the business of trade and commerce in that he is now and has been since taking the oath of office as Secretary of the Treasury of the United States the owner of a substantial interest in the form of voting stock in more than three hundred corporations with resources aggregating more than three thousand million dollars, being some of the largest corporations on earth, and he and his family and close business associates in many instances own a majority of the stock of said corporations and, in some instances, constitute ownership of practically the entire outstanding capital stock; said corporations are engaged in the business of trade and commerce in every State, county, and village in the United States, every country in the world, and upon the seven seas; said corporations are extensively engaged in the following businesses: Mining properties, bauxite, magnesium, carbon electrodes, aluminum, sales, railroads, Pullman cars, gas, electric light, street railways, copper, glass, brass, steel, tar, banking, locomotives, water power, steamship, shipbuilding, oil, coke, coal, and many other different industries; said corporations are directly interested in the tariff, in the levying and collections of Federal taxes, and in the shipping of products upon the high seas; many of the products of these corporations are protected by our tariff laws, and the Secretary of the Treasury has direct charge of the enforcement of these laws; and

Mellon's ownership of sea vessels and control of United States Coast Guard

Whereas the Coast Guard (U.S.C., title 14, ch. 1, sec. 1) is a part of the military forces of the United States and is operated under the Treasury Department in time of peace; that the Secretary of the Treasury directs the performance of the Coast Guard (U.S.C., title 14, ch. 1, sec. 51); that officers of the Coast Guard are deemed officers of the customs (U.S.C., title 14, ch. 2, sec. 66), and it is their duty to go on board the vessels which arrive within the United States, or within four leagues of the coast thereof, and search and examine the same, and every part thereof, and shall demand, receive, and certify the manifests required to be on board certain vessels, shall affix and put proper fastenings on the hatches and other communications with the hold of any vessel, and shall remain on board such vessels until they arrive at the port of their destination; that the said Andrew William Mellon is now and has been since becoming Secretary of the Treasury the owner in whole or in part of many sea vessels operating to and from the United States, and in competition with other steamship lines; that his interest in the sea vessels and his control over the Coast Guard represents a violation of section 243 of title 5 of the Code of Laws of the United States; and

Customs officers

Whereas the Secretary of the Treasury of the United States superintends the collection of the duties on imports (U.S.C., title 19, ch. 1, sec. 3); he establishes and promulgates rules and regulations for the appraisement of imported merchandise and the classification and assessment of duties thereon at various ports of entry (U.S.C., title 19, ch. 3, sec. 382); that the present Secretary of the Treasury, Andrew W. Mellon, is now and has been, since becoming Secretary of the Treasury, personally interested in the importation of goods, wares, articles, and merchandise in substantial quantities and large amounts; that it is repugnant to American principles and a violation of the laws of the United States for such an officer to hold the dual position of serving two masters—himself and the United States; and

Ownership of sea vessels

Whereas the said Andrew W. Mellon is now, and has been since becoming Secretary of the Treasury of the United States, holding said office in violation of that part of section 243 of title 5 of the Code of Laws of the United States which provides that "no person appointed to the office of Secretary of the Treasury, * * * shall be the owner in whole or in part of any sea vessel," in that he was and is now the owner in whole or in part of the following sea vessels:

Registered in Norway: Austvangen, Nordvangen, Sorvangen, Vestvangen.

Venezuelan flag: Fourteen tankers, of thirty-six thousand six hundred and fifty-four gross tons.

United States flag: Steamship Haiti, thirteen general cargo vessels, Conemaugh, Gulf of Mexico, Gulfbird, Gulfcoast, Gulfgem, Gulfking, Gulflight, Gulfoil, Gulfpoint, Gulfprince, Gulfstar, Gulfstream, Gulfwax, Harmony, Ligonier, Ohio, Susquehanna, Winifred, Currier, Gulf of Venezuela, Gulfbreeze, Gulfcrest, Gulfhawk, Gulfland, Gulfmaid, Gulfpenn, Gulfpride, Gulfqueen, Gulfstate, Gulftrade, Gulfwing, Juniata, Monongahela, Supreme, and Trinidadian; and

Income taxes paid by Mellon companies and refunds made to them—by himself

Whereas section 1(2), chapter 1, title 26, of the Code of Laws of the United States, provides "The Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury, shall have general superintendence of the assessment and collection of all duties and taxes imposed by any law providing internal revenue * * *." The tax laws of the United States, including the granting of refunds, credits, and abatements, are administered in secret under the direction of the Secretary of the Treasury; that income-tax returns and evidence upon which refunds are made or granted to taxpayers are not subject to public inspection; that under the direction of the present Secretary of the Treasury, Andrew W. Mellon, many hundred corporations that are substantially owned by him annually make settlement for their taxes, and many such corporations have been granted under his direction large tax refunds amounting to tens of millions of dollars; and

Ownership of bank stock

Whereas section 244, chapter 3, title 12, of the Code of Laws of the United States, provides:

"SEC. 244. CHAIRMAN OF THE BOARD; QUALIFICATIONS OF MEMBERS; VACANCIES.—The Secretary of the Treasury shall be ex officio chairman of the Federal Reserve Board. No member of the Federal Reserve Board shall be an officer or director of any bank, banking institution, trust company, or Federal reserve bank, nor hold stock in any bank, banking institution, or trust company; * * *."
that the present Secretary of the Treasury, Andrew W. Mellon, is now and has been since becoming Secretary of the Treasury, the owner of stock in a bank, banking institution, and trust company in violation of this law; and

Whisky business

Whereas the said Andrew W. Mellon has held the office of Secretary of the Treasury in violation of section 243 of title 5 of the Code of Laws of the United States, in that from March 4, 1921, to October 2, 1928, he was interested in, and received his share of the proceeds and profits from, the sale of distilled whisky, which said whisky was sold as a commodity in trade and commerce; and

Aluminum in public buildings

Whereas the said Andrew W. Mellon has further violated the law which prohibits the Secretary of the Treasury from being directly or indirectly interested or concerned in the carrying on of business or trade of commerce in that as Secretary of the Treasury he controls the construction and maintenance of public buildings; the Office of the Supervising Architect is subject to the direction and approval of the Secretary of the Treasury; the duties performed by the Supervising Architect embrace the following: Preparation of drawings, estimates, specifications, and so forth, for, and the superintendence of, the work of constructing, rebuilding, extending, or repairing public buildings; under the supervision of the Supervising Architect and subject to the direction and approval of the Secretary of the Treasury the Government of the United States has spent and will soon spend several hundred million dollars in the construction of public buildings. The said Andrew W. Mellon is the principal owner and controls the Aluminum Company of America, which produces and markets practically all of the aluminum in the United States used for all purposes. The said Andrew W. Mellon has, while occupying the position as Secretary of the Treasury directly interested himself in the carrying on and promotion of the business of the Aluminum Company of America by causing to be published in Room Numbered 410 of the Treasury Building of the United States, located between the United States Capitol and the White House, a magazine known as the Federal Architect, published quarterly, which carries the picture of public buildings in which aluminum is used in their construction and carries articles concerning the use of aluminum in architecture which suggests how aluminum can be used for different purposes in the construction of public buildings for the purpose of convincing the architects who draw the plans and specifications for public buildings that aluminum can and should be used for certain construction work and ornamental purposes. The use of aluminum in the construction of public buildings displaces materials which can be purchased on competitive bids, whereas the Aluminum Company of America holds a monopoly and has no competitors. Said magazine is published by employees of the United States Government in the Office of the Supervising Architect and distributed to the architects of the Nation, many of whom have been or will be employed by the Supervising Architect to draw plans and specifications for public buildings in their local communities. More aluminum is now being used in the construction of public building under the direction of the Secretary of the Treasury than has ever before been used, as a result of this advantage; and

Mellon interest in Soviet Union (Russia)

Whereas section 140 of title 19 of the Code of Laws of the United States provides:

"SEC. 140. GOODS MANUFACTURED BY CONVICT LABOR PROHIBITED.—All goods, wares, articles, and merchandise manufactured wholly or in part in any foreign country by convict labor shall not be entitled to entry at any of the ports of the United States, and the importation thereof is prohibited; and the Secretary of the Treasury is authorized and directed to prescribe such regulations as may be necessary for the enforcement of this provision."

Whereas charges are now being made that goods, wares, articles, and merchandise are being transported to the United States from the Soviet Union (Russia) in violation of this Act; the present Secretary of the Treasury, Andrew W. Mellon, whose duty it is to enforce this provision of the law, is one of the principal owners of the Koppers Company, a company with resources amounting to $143,379,352, which is carrying on trade and commerce in all parts of the world; that said company during the year 1930 made a contract with the Soviet Union whereby the Koppers Company obligated itself to build coke ovens and steel mills in the Soviet Union aggregating in value $200,000,000 in furtherance of the Soviet's five-year plan; that said contract is now being carried into effect and the said Andrew W. Mellon is financially interested in its success; that his interest in this contract with the Soviet Union destroys his impartiality as an officer of the United States to enforce the above quoted law; that his interest in said company, which is engaged in the business of carrying on trade and commerce, disqualifies him as Secretary of the Treasury under section 243 of title 5 of the Code of Laws of the United States and makes him guilty of a high misdemeanor and subject to impeachment: Therefore be it

Resolved, That the Committee on the Judiciary is authorized and directed, as a whole or by subcommittee, to investigate the official conduct of Andrew W. Mellon, Secretary of the Treasury, to determine whether, in its opinion, he has been guilty of any high crime or misdemeanor which, in the contemplation of the Constitution, requires the interposition of the constitutional powers of the House. Such committee shall report its findings to the House, together with such resolution of impeachment or other recommendation as it deems proper.

SEC. 2. For the purposes of this resolution the committee is authorized to sit and act during the present Congress at such times and places in the District of Columbia or elsewhere, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to employ such experts, and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures, not exceeding $5,000, as it deems necessary.

Mr. BYRNS. Mr. Speaker, I move that the articles just read be referred to the Committee on the Judiciary, and upon that motion I demand the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Tennessee, that the articles be referred to the Committee on the Judiciary.

The motion was agreed to.

Of course, the Republicans did not like that, and made a point of order and said that I could not talk. Mr. Longworth was Speaker of the House, and I asked Mr. Longworth if he would allow me to answer that point, that I had a complete answer to it, and Mr. Longworth said yes, he would be glad to hear me.

I stated that if the points of order had been made when I got time and said that I was impeaching Mr. Mellon, a point of order would have been good and I would have had to take my seat. But, they allowed me to proceed a long time without any trouble from the standpoint of the Members hearing me tell about the impeachment resolution and why it was justified and why it should be enacted. Well, I finished my speech, which was an hour long, and then they moved to send it to the Judiciary Committee, which was proper to do.

It was sent to the Judiciary Committee, and I was, of course, asked to testify. In that committee, there is a dais there which has 25 spaces for members, the members at that time, and a long table going from the back of the room up toward the center to the front, where the chairman was. I was sitting on one side with my books and papers at this table, and Mr. Mellon and his 13 lawyers on the other side. Of course, I was considerably outnumbered in most every way, I suppose, but for 2 weeks I explained every point that I had in that impeachment resolution.

When it was over and I had finished my case, I said to the Chairman, "If the other side would like to have some time, I will yield to them and they can take such time as they desire with the understanding that I am reserving enough time to answer any charges that are brought up that are new and have not been brought up heretofore."

So, the Chairman and Mr. Shepard, who was from Pittsburgh, Pa., and the lawyer for Mr. Mellon and two or three men got around the chairman. The rest of us could not hear them, and finally the Chairman hit the gavel and said:

The committee will stand in recess until 1:30 this afternoon.

That was about 10:30. Everybody expected Mr. Mellon to be on the witness stand at that time.

Quite a group of people congregated around the committee room. The newspapers appeared, the Washington papers, with great big headlines, great big letters saying, "Mellon Resigns. Appointed to the Court of St. James."

Of course, I did not think he resigned, but Mr. Hoover went ahead and appointed him to the Court of St. James. Mr. Mellon did not resign. I challenged him to show his resignation, but he never did do it. But at that time Mr. Hoover was running against Franklin D. Roosevelt and, naturally, they did not want that to happen and so they wanted to do everything they could to get Mr. Mellon out without impeaching him or having it appear that he had been forced out.

So they went ahead and considered that resolution for at least 2 or 3 weeks, and they came up with several reasons why they could not do it. One reason was that he was not only out of office—that is what I was seeking to do, get him out of office—but he was out of the country. Members were getting telegrams all over the place, saying, "If you are going to send us a 'Mellon' for the Court of St. James, do not send us a rotten melon. We refuse to accept a rotten melon."

There was all kinds of criticism all over the Nation and all over the world about the way they were trying to hide this resolution of impeachment. But he finally took the oath as Ambassador to the Court of St. James.

And when he was down there to take the oath at the Treasury office, there was a certain newspaperman from south Texas, a friend of mine, who had been trying to get a story from Mr. Mellon, and he looked upon that opportunity as a good time, while Mr. Mellon was waiting, standing around there clicking his heels every now and then, just waiting, doing nothing, so this fellow went to him and asked him about the facts of the story.

Mr. Mellon was not paying much attention. He persisted, and finally Mr. Mellon had a confrontation with him. He said:

> Listen, young man, don't you know what is going on here?

He said:

> This is not a marriage ceremony; this is a divorce.

And, true, it was a divorce for Mr. Mellon, because he had gotten out.

But the Federal Reserve, of all things, doubled the reserve requirements of banks, which made it not only hard on veterans and the value of the money that they received, but made it hard on the entire country. And for that reason, I have looked with great suspicion on the activities of the Federal Reserve Board, and I have had reason and I have had the facts that no one can dispute.

They organized in this Federal Reserve Board what they called an open market committee. Remember, they have complete control of the money. They can manufacture money, just like a counterfeiter down on the side of the creek, and they do not have to pay anything for that money. They can use that money just as well as the best money in the world. It is good to buy bonds with. It is good to use for anything that money is used for, because all of our bills have this language on it: "This note is legal tender for all debts, public and private." So if you owe a debt and you are called upon to pay it and you reach in your pocket and you get a roll of bills, you get it out, so much money, to pay the bill, push it over to the man you owe it to, and if he were to say, "Now, I am not going to accept that, I do not believe in this paper money and I am not going to accept it, I refuse it," you can put the money in your pocket and the debt is paid.

But the Federal Reserve may not only have a privilege that no banking institution on Earth has ever had before but one which is against all conscience, against the interests of the people, and it is one that has caused all kinds of evils—poverty, ignorance, disease, crime, and everything else, and it has caused the people to do without adequate and sanitary housing because money could not be borrowed to build a home or to buy a home.

In the last few years the average person who wanted to buy a home for his family, for his wife and children, had to obligate himself to pay for the home and pay for the interest that would have to be paid in order to get the home. And he had to pay so much money in the time of 40 years or 30 years or 20 years, whatever the time is that was set in the contract, that it would be enough to require the person buying that home to in effect pay for three homes in order to get one home.

Mr. Speaker, that is how burdensome it was. It is going on right now in broad daylight, right here in this civilized country. We should certainly do something about it.

Through the power of this Open Market Committee, the Federal Reserve System has life and death control over the economy. They buy and sell government bonds through 28 so-called recognized dealers — all located in the New York City money centers. Through this operation, they control the supply of money—they can squeeze or they can relax it and their actions determine prices, interest rates, and the general level of activity in the economy.

Of course, they have tremendous powers in other areas. For example, they have sole regulatory authority over the huge and predatory bank holdings companies which have moved into all kinds of areas in the economy. They have regulatory power over almost all sectors of consumer credit. And they operate their own state department through contacts with other central banks throughout the world. They are a huge regulatory agency with massive powers over the banking industry and almost all areas of commerce.

Mr. Speaker, it is amazing—and tragic—that the Congress has not provided the proper checks on this agency. It is shameful that today, we sit here without even the most superficial audit by the General Accounting Office of the activities of this mammoth empire. We have allowed the Rules Committee of the House of Representatives to bottle up legislation to require such an audit—legislation which has been duly reported by a legislative committee. This session is nearing a close and I think that this is going to be one of the lasting disgraces of this 94th Congress if that bill is allowed to die in the Rules Committee. A lot of Members apparently feel that the issue will go away, but I can tell you that it will not.

Mr. Speaker, a discharge petition does lie at the Clerk's desk here in the House Chamber and I sincerely hope that the people on this floor who believe in good government, who believe in the people's right to know, and who believe that the legislative branch ought to have the facts on which to legislate, will come up and sign this petition so that an audit bill can be considered. How in the world can we justify the idea that any Government agency cannot be audited by the General Accounting Office. This is an absurdity and I do not think there is a Member on the floor who could look a constituent in the eye and say that they did not have the right to know what a Government agency is doing.

SOFIA BELOTSERKOVSKAYA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 15 minutes.

Mr. MEZVINSKY. Mr. Speaker, earlier this year, I traveled with several of my colleagues to the Soviet Union. We met with Soviet officials, dissidents, relatives of persons in prisons and mental institutions, and with many Soviet citizens seeking to emigrate. We heard tragic stories of the recriminations and reprisals against those applying for exit visas.

Among those we met was Sofia Belotserkovskaya who has been trying for 3 years to join her husband, Edward Gorin, in the United States. A former member of the Bolshoi Symphony Orchestra, Edward Gorin was fired when he refused to denounce former colleagues who had emigrated. Unable to find other employment, Gorin and his family applied for exit visas. Gorin alone was granted a visa and was told to leave the country in 5 days or face imprisonment. Forced to leave his wife and two young daughters behind, Edward Gorin departed for Israel and subsequently came to settle in the United States as a member of the Baltimore Symphony Orchestra.

Sofia Belotserkovskaya has appealed time and again for exit visas for herself and her daughters. She has filed papers; she has demonstrated repeatedly; she has met with congressional delegations such as ours and been arrested for her efforts. Yet 3 years have passed and the Soviet authorities continue to deny Miss Belotserkovskaya permission to leave.

The recently signed Helsinki accord—much applauded in the Soviet Union—specifically guarantees that signatories will "deal in a positive and humanitarian spirit" with questions of family reunification. Several of my colleagues are joining me today in writing to Secretary General Leonid Brezhnev and Ambassador Anatoly Dobrynin petitioning them to abide by the spirit of the Helsinki accord and secure the exit of Sophia Belotserkovskaya and her daughters.

I am inserting this letter into the RECORD:

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 19, 1975.

Secretary General LEONID BREZHNEV
The Kremlin,
Moscow, U.S.S.R., RSFSR

DEAR MR. SECRETARY GENERAL: We earnestly request that you look into the emigration case of Sophia Belotserkovskaya and her two daughters, Inna and Julia.

Sophia Belotserkovskaya and her children have been separated from their husband and father, Edward Gorin, for nearly three years. Mr. Gorin was permitted to emigrate from the Soviet Union, but his family has repeatedly been denied permission to join him.

We believe that it would be a gesture of good faith for your government, in the spirit of the European Security Conference, to permit the Gorin family to be reunited. We urgently petition you to take the necessary action to secure the exit of Sophia Belotserkovskaya and her two daughters.

Sincerely,

Edward Mezvinsky, Jonathan Bingham, Christopher J. Dodd, Joshua Eilberg, Hamilton Fish, Edward I. Koch, William Lehman, Elliott Levitas, Abner J. Mikva, Elizabeth Holtzman, Benjamin Rosenthal, James H. Scheuer, Patricia Schroeder, Stephen J. Solarz, Henry A. Waxman, Sidney R. Yates.

SENATOR CLINTON P. ANDERSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico (Mr. RUNNELS) is recognized for 30 minutes.

Mr. RUNNELS. Mr. Speaker, former Senator Clinton P. Anderson will be recorded in the history books of New Mexico as one of the most outstanding leaders ever to represent our State in the Congress of the United States. The people of New Mexico will continue to receive the benefit of his leadership for many years as there is not a section of New Mexico which does not have a project or program that had come about as a result of the dedicated efforts of "Clint".

Mr. Speaker, he came to our State to benefit from our natural resources, and it was the State of New Mexico who gained in the long run. His public service career left a strong imprint on the future of our State and this great Nation. I am grateful for having the honor to have known and worked with such an individual as Clinton P. Anderson. His congressional career should serve as an inspiration to each of us who had the privilege to serve in the legislative branch of Government.

Clinton P. Anderson was a man admired for his capabilities, respected for his honesty, reputed for his intelligence, and held in high regard for his ability to represent the citizens of new Mexico in a manner that brought honor to all of us.

Mr. Speaker, I include at this point in the Record seven articles which appeared in New Mexico and Washington newspapers reporting on the career of former Senator Clinton P. Anderson:

[From the Albuquerque (N. Mex.) Journal, Nov. 13, 1975]

Anderson Funeral Today

Services for former Sen. Clinton P. Anderson will be held at 2 p.m. today at the First United Presbyterian Church, where the veteran lawmaker was a member.

Anderson, who served four terms in the U.S. Senate after serving nearly three terms in the House and as secretary of agriculture, died Tuesday night after an apparent stroke. He was 80.

Serving as pallbearers will be Anderson's longtime friends—Oscar Love, Dick Modrall, Jack Walton, and Dick Pino, all of Albuquerque; B. B. Armstrong of Roswell; Claude E. Wood of Dallas, the senator's administrative assistant when he served in the Senate; John Bingaman of Silver City, and Frank C. Di Luzio of Los Alamos.

Meanwhile, Gov. Jerry Apodaca has proclaimed today "a day of prayer and mourning for Senator Anderson and his family."

Apodaca urged "all New Mexicans, especially state employes, to offer prayers for the senator and his family." State offices will remain open, however.

The Governor also ordered all flags at state buildings and facilities to be flown at half staff in honor of Anderson.

Dr. David Poling of the First United Presbyterian Church, 214 Locust NE, will officiate at the services. Albuquerque Lodge No. 60 AF&AM will officiate at graveside services in Fairview Memorial Park.

Anderson's body will lie in state at Strong-Thorne Mortuary, 1100 Coal SE, until today after which the casket will be closed.

Sen. Pete Domenici, R-NM, who succeeded Anderson in 1973, has urged the New Mexico Legislature to pass a special appropriation to erect a statue of Anderson at the U.S. Capital in Washington.

He made the request in a letter to Apodaca.

Each state is allowed two statues and New Mexico has only one—that honoring the late Sen. Dennis Chavez, D-NM., a colleague of Anderson's for many years.

Domenici, from his Washington office, said such a statue would be appropriate to honor "perhaps the greatest New Mexico legislator in our history."

He said Anderson's legislative landmarks "stand as a legacy to his work" and his "unswerving dedication to the highest principles of public service" make such a statue appropriate.

Apodaca and Domenici will join Sen. Joseph M. Montoya, D-NM, Reps. Manuel Lujan, R-NM, and Harold Runnels, D-NM, and hundreds of Anderson's friends at today's services.

Anderson, who came to New Mexico for his health in 1917, is survived by his wife, Mrs. Henrietta Anderson of the family home; a daughter, Mrs. Nancy Roberts of Albuquerque; a son, Sherburne Anderson of Albuquerque, and five grandchildren.

He was an honorary and life member of Elks Lodge No. 461; Albuquerque Lodge No. 60 AF&AM, the Scottish Rite of Santa Fe and honorary inspector general and past potentate of Ballut Abyad Temple of the Shrine.

Anderson first gained national fame in 1932 when he was elected president of Rotary International. The next year he was named to fill a vacancy as state treasurer and for the next four years served in a number of relief posts in New Mexico.

In 1940, during the middle of a political battle in New Mexico, Anderson was elected to the U.S. House of Representatives.

After serving almost three full terms in the House, Anderson was tapped on June 30, 1945, by President Truman to serve as secretary of Agriculture.

In 1948, Anderson returned to New Mexico and successfully ran for the U.S. Senate seat being vacated by Carl Hatch, who was appointed to the U.S. district court bench.

He was a friend of Democrats and Republicans alike and counted among his friends Presidents Eisenhower and Nixon along with Presidents Truman, Kennedy and Johnson.

During his 24-year career in the Senate, Anderson won acclaim as one of the most intelligent members of the powerful body.

At various times, he was chairman of the Senate Agriculture, Interior and Space committees and chairman of the Joint Committee on Atomic Energy. It was on the Space and Atomic Energy Committee that Anderson gained fame and leadership.

Anderson was a 22-year-old University of Michigan law student in 1917 when he underwent an experience which was to send him to New Mexico.

With the United States newly at war with Germany and the Central powers, Anderson volunteered his service to the Army. The medical examination crushed his hopes and diverted the course of his life into a different career in which he was fated instead to serve his country in the great political battles which shape national policy.

The medical diagnosis was tuberculosis—a verdict which in that day was all too frequently a death sentence. Anderson was told to move to an arid, sunny climate to undergo treatment. He chose New Mexico.

From this state he emerged as one of the nation's most forceful prophets of conservation and reclamation, and a statesman of the age of atomic energy and space exploration. He was described 46 years later as "one of the giants in American government," with the compliment coming from the leader of the opposition party of the U.S. Senate.

Anderson's native state was South Dakota. He was born in the rural community of Centerville on Oct. 23, 1895—the son of Andrew Jay Anderson, an immigrant from Sweden, and Hattie Belle (Presba) Anderson, daughter of a pioneer family. His mother hoped he would become a minister, but Anderson decided early on a career as a mathematics professor.

He attended Dakota Wesleyan College at Mitchell, S.D., where his father had moved to operate a farm implement dealership, and won youthful recognition as a mandolin player, star of the college debating team and an amateur author of short stories. While in college, he helped pay expenses as a reporter on the Mitchell Daily Republic. And while in Mitchell, he met Henrietta McCartney, daughter of a prominent local dentist. He was to return from New Mexico in 1921 to marry her.

After coming to New Mexico, Anderson underwent nine months of treatment in Methodist Hospital in Albuquerque.

When he emerged in 1918, he landed a job as a reporter on the Albuquerque Herald, and in 1920, he got his introduction to New Mexico politics as a state capital correspondent for the Albuquerque Journal.

He spent much of his free time drafting bills and amendments for the badly outnumbered Democratic delegation in the legislature.

In 1921, he was an editor of the Albuquerque Herald, but a relapse forced him to spend more of his time outdoors. He turned to selling insurance, became manager of the insurance department of the New Mexico Loan and Mortgage Co. and in 1925 borrowed money to form his own agency. As the Mountain States Mutual Casualty Co., it was to grow into the largest in New Mexico.

Anderson became increasingly active in Democratic political affairs and in 1926 filed as a Democratic candidate for the Bernalillo County Commission. It resulted in the only election defeat of his long career, but it didn't dull his interest in political affairs.

In 1928, as a leader of the Bernalillo County organization, he was to figure in a "young Turk" uprising to shake up the high command of the Democratic party in New Mexico.

At the party convention that year he was elected state Democratic chairman.

Anderson also was active in civic affairs. In 1931 he was elected president of Rotary International, the youngest man ever to head the worldwide service organization. His term expired in 1933, and his career took yet another turn.

Gov. A. W. Hockenhull called on the young Albuquerque insurance executive to fill a vacancy which was caused when the man elected state treasurer failed to qualify for the office. Anderson's term expired at the end of 1934. He was asked to take over the trouble-ridden relief operations in New Mexico, which had been the source of a series of scandals.

Between 1934 and 1939, Anderson served in a series of state posts dealing with the relief program.

In the spring of 1940, battle lines began to form for what was to be one of the bitterest New Mexico primary elections in Democratic party history. Former Gov. Clyde Tingley was preparing a come-back attempt in a race against John Miles for governor, and Congressman John J. Dempsey had announced that he would run against U.S. Sen. Dennis Chavez for the Democratic Senate nomination, leaving his House seat open.

In midsummer of that year, Anderson announced that he would seek the Democratic nomination for Congress to replace Dempsey. Eight other candidates jumped into the race.

The Nazi conquest of France, Italy's entrance into World War II, the bomber blitz of England and the dramatics of the senatorial and gubernatorial campaigns crowded the congressional race off the front pages in New Mexico. But when the votes were counted, Anderson had won the nomination.

In November, he defeated Maj. Herman Crile in the general election. Anderson moved his wife and two children to Washington as a member of the Congress.

In the turbulent 77th Congress, beset with controversies over the peace-time draft and the question of remaining neutral while Hitler's army subdued Europe and threatened Great Britain, the freshman Congressman from New Mexico was generally to support President Franklin D. Roosevelt on foreign and defense policies. On the domestic front, however, Anderson's support of the administration was described as "mixed."

After his re-election in 1942, Anderson was named to a sub-committee charged with investigating subversive activities. He drew national attention for his probing cross-examination of Gerald L. K. Smith, leader of the pro-Nazi "Committee of One Million." The following year he was named chairman of the Campaign Expenditures Committee. In this role he uncovered the fact that 13 congressmen had mailed more than three million copies of a speech to voters at Federal expense. He also probed campaign subsidization by labor unions and dug into slanted interpretations of public opinion polls.

His conduct of these investigations earned praise from both liberal and conservative newspapers as an outstanding congressman.

Early in 1945, after Anderson's election to his third term, he was appointed to direct an investigation of wartime food storages. The shortages had become the nation's most critical home-front problem. The effectiveness of government rationing programs for such crucial supplies as meat, eggs and sugar was being undermined by black market operations.

Public charges of incompetence and inefficiency in the food program were causing increasing concern. Congressman Anderson was assigned the job of learning the facts. His performance in this complex task catapulted him to national prominence.

As his investigation and recommendations progressed, he received an invitation from President Harry Truman to lunch at the White House.

Anderson told reporters later that he expected to be "romped on" by the President for his critical analysis of administration sugar programs. Instead, President Truman asked him if he would be willing to resign his seat in Congress and become the nation's Secretary of Agriculture and War Food Administrator.

Anderson accepted the offer and the challenge. In July, the 49-year-old Albuquerque businessman became a member of the Presidential cabinet and one of the most powerful men in America.

He moved quickly to increase U.S. agricultural production and by 1946 he was able to announce in a nationwide radio broadcast that the food supply was reaching the point where upward price adjustments would no longer be needed. By November 1976, American agricultural efforts had been reorganized to the point where Anderson could announce a 1947 farm program aimed both at meeting domestic needs and helping supply the war-devastated countries of Europe and Asia.

Significantly for the future, Anderson was already calling on farmers to return to soil conservation practices abandoned in the pressure for wartime production goals. In the year ahead, he was to become one of the nation's most influential spokesmen for the cause of conservation and one of the most effective leaders in the crusade to preserve America's natural heritage of soil, timber, water and scenic beauty.

In 1948, he cracked down on overgrazing and pushed a "sustained yield" program to save timber resources for the future. His action drew fire from commercial cattle and lumber interests.

The future was to see Anderson continue his crusade against waste, not from the cabinet but as a member of the U.S. Senate.

Veteran U.S. Sen. Carl Hatch announced early in 1948 that he would leave his post to accept an appointment as a federal judge. In New Mexico, the stage was set for a party-splintering primary election battle with at least five prominent Democrats preparing to fight for the Senate nomination.

State Democratic leaders called on Secretary Anderson to step in to preserve party unity. On March 13, Anderson called a press conference and announced that he would resign from President Truman's cabinet and be a candidate in the June primary. "This step is one I take reluctantly," Anderson said, ". . . but the situation in New Mexico requires this decision."

While he remained in Washington under the press of his final duties as Secretary of Agriculture, Democrats in New Mexico gave him the Senate nomination.

In the fall, he defeated Patrick J. Hurley, the Republican nominee, to become the junior Senator from New Mexico in the 82nd Congress.

Anderson told the press that because of the background gained as secretary of agriculture he intended to be "an agriculture senator."

"It would be better," he said, "for me to use my time in fields where I've had experience—and lots of it."

In 1950, the new senator served as chairman of the Senate Campaign Committee, and his increasing national prestige was marked by his election as vice-chairman of the Democratic National Committee. He was one of the inner circle of advisers of Adlai Stevenson in the Illinois governor's presidential campaigns and in 1960 was named by Time magazine and other national publications as a likely prospect for the Democratic vice-presidential nomination.

Anderson, during his early Senate career, pushed continually for the preservation of national forest and range lands.

He backed the multibillion-dollar Upper Colorado Storage Project, which led to the San Juan-Chama diversion system in New Mexico, along with the Navajo Dam and its related irrigation project.

Times were changing. Out of World War II the Atomic Age had been born, and Anderson was destined to become an architect of its policies.

In 1954, his special knowledge in the nuclear field was recognized with his selection as chairman of the powerful Congressional Joint Committee on Atomic Energy. In this role Anderson became a leader of those calling for an aggressive government program of research and development both in the field of weaponry and in the peaceful uses of this new source of tremendous power.

He helped fight the battle which rescued the atomic submarine program from its critics and pressed consistently for the funds and priorities needed to speed development of the Project Rover plan for a nuclear-powered rocket engine.

Anderson's philosophies brought him into conflict on two fronts with Admiral Lewis Strauss, chairman of the Atomic Energy Commission. The Senator repeatedly urged freer dissemination to the public of information concerning the nuclear program. He also opposed the Strauss policy of curbing the public role in nuclear power development. Anderson's feeling that Strauss—partly because of the admiral's preference for secrecy—was not the proper person for a policy-making position in the government led in 1959 to an epic contest betwen the senator and President Dwight D. Eisenhower.

Anderson, a longtime friend of the President and frequently Eisenhower's White House bridge game partner, opposed the nomination of Strauss as Secretary of Commerce. In an action having few precedents in American political history, the Senate agreed with Anderson's position and voted 49 to 46 to refuse confirmation. At the climax of this bitter fight, Anderson's foresight was expressed in the 1950s when he carried on a campaign to make the nation aware of growing competition from the Soviet Union in the scientific field. The senator called for an increased effort to train scientists and engineers, warning that Russia was leading the U.S. in the area of education.

In the mid-1950s he repeatedly warned that the USSR was pulling ahead in both the nuclear and missile fields. His prophecies of alarm in both were proved accurate when the Russians put the first Sputnik into orbit amid a fanfare of worldwide propaganda.

Despite heavy involvement in nuclear and space-age policy-making, these years would also find Anderson extremely active in other fields of legislation.

He remained in the forefront of the liberal Senate group pressing for effective civil rights legislation and was a sponsor of the controversial "medicare" bill to provide health insurance for the aged under Social Security. He was instrumental in adoption of legislation to initiate federal research into the problem of economically converting salt and brackish water into usable form.

The year 1963 also confronted Anderson with a difficult choice. He could either continue to head the Senate Committee on Interior and Insular Affairs or assume the chairmanship of the Committee on Aeronautics and Space.

One post offered a continued role of power and authority in the field of reclamation, conservation and development of natural resources—subjects close to the heart of Anderson's longstanding interests.

The other offered similar authority in developing the country's policies on the little-known frontier beyond the atmosphere at a time when the race for space between the U.S. and Russia was of critical national importance. On one front many of the major battles had been fought and won. On the other, the great challenge still remained.

No one who had followed Anderson's career could have been surprised at his decision. He chose the Committee on Aeronautics and Space—and with it the challenge for exploration of the unknown.

In July 1969, Anderson was at Cape Kennedy to witness the launching of Apollo II—the historic flight in which man first set step on the moon. His role in this major feat of space exploration is commemorated in a plaque planted on the moon by the astronauts. It contains his name and those of other members of the Senate and House space committees.

As chairman of the Committee on Aeronautics and Space, Anderson counseled discretion in the exploration of space, saying the establishment of an orbiting space station should precede a costly manned voyage to Mars.

Anderson also played a decisive role in the hotly contested ABM vote of 1969. Prior to the vote, Anderson and one other senator were not publicly committed on the Safeguard missile defense issue. Anderson called his position at that time one of the most uncomfortable of his congressional career.

When the Senate vote was taken, Anderson sided with the establishment of the Safeguard system "as useful in protecting our land in the strengthening of our defenses."

In his final year in the Senate, 1972, Anderson suffered his most bitter political defeat after reigning for years as New Mexico's most powerful Democrat.

He was defeated by Rudy Ortiz of Albuquerque for the post of Democratic national committeeman in June in a loss that was brought about by liberal New Mexico Democrats who were still smarting over Anderson's favorable vote for the Atomic Ballistic Missile system issue.

The defeat so angered Anderson and his crowd that the veteran senator declined to endorse Jack Daniels, the Hobbs banker and insuranceman the Democrats had nominated to replace Anderson in the 1972 general election.

One of the last public honors for Anderson came in December 1972 at the annual Albuquerque Chamber of Commerce banquet. The retiring senator was praised by hundreds of admirers, colleagues and friends.

[From the Associated Press, Nov. 12, 1975]

CLINTON P. ANDERSON DEAD AT 80

ALBUQUERQUE, N.M.—Former U.S. Sen. Clinton P. Anderson, one of New Mexico's most venerable and influential political figures, is dead of an apparent stroke.

The family said Anderson, who served in the Senate from 1948–72, succumbed Tuesday night at his Albuquerque home. He was 80.

Funeral arrangements were pending at Strong-Thorne Mortuary in Albuquerque.

Anderson, a Democrat, also was elected to three consecutive terms as a U.S. congressman, beginning in 1940.

During the third term he was chosen by then-President Harry S Truman to be secretary of Agriculture. He resigned in 1948 to seek the Senate post.

At Anderson's bedside when he died were his wife, Henrietta; his daughter, Nancy Roberts; and his son, Sherburne, who said his father was stricken shortly after their evening dinner.

"I was helping dad back to bed when it happened," the younger Anderson said. "The doctor said it was a stroke. It happened unexpectedly, but dad had been ill from so very many things for so long.

"He had become progressively weaker since he retired from the Senate (in December 1972)."

Sherburne Anderson said that several weeks ago his father had lapsed into a diabetic coma, and had never fully recovered.

The former senator also was being treated for Parkinson's disease and a heart condition, his son said.

"Dad actually came out to New Mexico many years ago, around World War I, with tuberculosis," Anderson said. "He had diabetes since 1940."

The former senator was born in rural Centerville, S.D., Oct 23, 1895, the son of a Swedish immigrant farmer.

He spent his early youth on an 80-acre farm near Parker, and attended Dakota Wesleyan University for two years before entering the University of Michigan, where he spent one year.

He studied law at Michigan, but his studies ended when, in 1917, he tried to enlist in the Army. He was rejected after medical tests showed he had tuberculosis.

Anderson came to New Mexico that same year, on the advice of doctors who suggested a drier climate.

Anderson began his career in the Southwest as a reporter for the Albuquerque Herald. He took time out to become secretary of the New Mexico Public Health Association, then returned to newspaper work on the Albuquerque Journal.

He had become managing editor of the Journal when a recurrence of lung trouble caused him to quit in 1922.

Anderson began his career in the Southwest as a reporter for the Albuquerque Herald. He had risen to managing editor when a recurrence of lung trouble caused him to quit in 1922.

He later took a job as an insurance salesman, and before long was manager of the New Mexico Loan and Mortgage Co. By 1925 he owned his own insurance firm.

He might have gone on as a prosperous businessman, but for the unexpected death of New Mexico's treasurer in 1932. The governor appointed him to fill the vacancy, and he was launched on the political trail.

Anderson also was active in the Rotary Club, serving as president of the Albuquerque club, then as governor of the region, and in 1932–33 became the youngest man to be elected as president of Rotary International.

In the Senate, Anderson fought for legislation affecting conservation and environmental protection, the elderly and public policy in the sciencees.

He was coauthor of the Anderson-Mansfield Conservation Act, which within 10 years resulted in revegetation of more than one million acres of previously denuded mountain slopes.

The senator also played a major role in development of the multibillion dollar Upper Colorado Storage Project—a network of reservoirs, power plants and water channels that harnessed the Colorado River.

In New Mexico the project made possible the San Juan Chama Diversion plan, to relieve water shortages in the Rio Grande Valley, the Navajo Dam, and the Hammond Irrigation District.

As chairman of the Committee on Aeronautical and Space Sciences and a member of the potent Joint Committee on Atomic Energy, Anderson was instrumental in guiding the nation's space exploration program and in developing the peaceful and military applications of nuclear power.

The physical science laboratory at New Mexico State University bears his name, as does the meson physics facility at Los Alamos Scientific Laboratory.

Anderson also played a key role in assuring that the National Aeronautics and Space Administration would be a civilian agency, with its operations subject to scrutiny by the public.

Presidents of both major political parties acknowledged his expertise and frequently sought his advice.

In 1935–36 he was field representative of the Federal Emergency Relief Administration in charge of several states, then became chairman and executive director for the New Mexico Unemployment Compensation Commission.

In 1940 he was elected to Congress, succeeding John Dempsey, who stepped down to run for the U.S. Senate.

One of the new congressman's first important speeches in the House was a blast at President Roosevelt's failure to stem inflation.

Anderson hit national headlines during his second term, when he was named to a subcommittee investigating subversive activities.

He drew national attention for his probing cross-examination of Gerald L. K. Smith, leader of the pro-Nazi "Committee of One Million."

In 1945 he directed an investigation into black marketeering in the face of war-time food shortages.

The resulting report led to Anderson's appointment as Truman's Agriculture secretary and war food administrator.

He resigned from the cabinet in 1948 to win election as successor to Sen. Carl Hatch, D-N.M.

Anderson also was a member of the Masonic lodge, the B.P.O.E., and the Delta Theta Phi fraternity.

He is survived by his widow, Henrietta; his son, Sherburne; a daughter, Nancy Roberts; and grandchildren John Roberts, Mary Roberts, Jim Roberts, Stuart Anderson and Sheryl Anderson, all of Albuquerque.

[From the Washington Post, Nov. 13, 1975]

EX-SEN. CLINTON ANDERSON DIES

(By Stephen Klaidman)

Clinton P. Anderson, 80, who served 24 years as a U. S. senator from New Mexico and was Secretary of Agriculture from 1945 to 1948, died Tuesday night in his Albuquerque home.

Mr. Anderson, who was plagued by illness most of his life, died apparently after a stroke. He had retired from the Senate Jan. 3, 1973.

The former senator, who was called both "liberal-minded" and a "true conservative" in Washington Post editorials over the years, was a cofounder of Medicare, a leading proponent of the space program, a supporter and then an opponent of antiballistic missile (ABM) systems and the supersonic transport (SST), a backer of water resource development legislation and a fighter for conservation measures.

He said he was proudest of his efforts on behalf of the peaceful use of atomic energy, and that one of his greatest disappointments in the Senate was his failure to liberalize the cloture rule, which requires a two-thirds majority of the senators present and voting to limit debate.

"I could not accept a system," Mr. Anderson said soon after coming to the Senate in 1948, "which permitted a handful of dissidents to obstruct the will of the majority."

Mr. Anderson also successfully led the fight to block the confirmation of Lewis L. Strauss as Secretary of Commerce in the Eisenhower administration. It was the first time in 34 years that the Senate had refused to confirm a Cabinet appointee.

Mr. Anderson, who was chairman of the Joint Committee on Atomic Energy, felt that Strauss, as chairman of the Atomic Energy Commission had turned that agency "into a political instrument."

Mr. Anderson was also a strong supporter of Vice Adm. Hyman G. Rickover's efforts to build a nuclear submarine. He was instrumental in Rickover's promotion to flag rank after having been passed over twice.

Rickover had antagonized much of the naval establishment, which was trying to force him into retirement. "The nuclear sub dispute," Mr. Anderson said, "was nothing more than the Billy Mitchell incident (Mitchell, an Army general who advocated the use of air power, was court-martialed and eventually resigned) brought up to date with the added factor that Rickover was Jewish."

With respect to his persistent efforts in the early 1960s to introduce legislation that would provide free health care for the elderly, Mr. Anderson said: "Perhaps a man who has spent much of his life fighting off the effects of illness acquires, by some inevitable process, an understanding of the importance of professional health care to all people."

In 1965 Mr. Anderson and Rep. Cecil R. King (D-Calif.) introduced a Medicare bill that was expanded by the House Ways and Means Committee, passed by both houses and signed into law by President Lyndon B. Johnson on July 30, 1965.

Mr. Anderson had suffered from tuberculosis as a young man and from Parkinson's disease and diabetes in later life. It was because of his tubercular condition that he left the University of Michigan, where he was studying law, and moved to New Mexico.

As a young man in Albuquerque and Santa Fe, he worked as a newspaper reporter, founded an insurance company, held several state offices and in 1940 ran successfully for the U.S. House of Representatives. He served in the House until June, 1945, when he became Secretary of Agriculture.

When he was summoned to the White House in the spring of 1945 and offered the Cabinet over lunch with President Truman, Mr. Anderson said he was so surprised he "almost swallowed my grapefruit."

As Secretary of Agriculture Mr. Anderson was a supporter of the Marshall Plan. He said, "It is to our own interest to use our surplus wheat as an economic blood transfusion now for the sick nations of western Europe—nations that we hope will provide a reasonable market in our future years."

Mr. Anderson was born Oct. 23, 1895, at Centerville, S.D., and grew up on an 80-acre farm near Parker, S.D. He attended Wesleyan University for two years before transferring to Michigan.

He is survived by his wife, Henrietta; a son, Sherburne P., and a daughter, Nancy Roberts.

[From the Roswell (N.M.) Daily Record, Nov. 12, 1975]

CLINTON P. ANDERSON

Clinton P. Anderson:

U.S. senator and congressman;

Leader in the U.S. space and atomic energy program;

Secretary of agriculture;

Conservationist;

Politician of extraordinary caliber;
Newspaper reporter and managing editor;
Successful businessman,
And more. Much more.

Anderson, who retired from the U.S. Senate in 1972 because of failing health, died Tuesday night in his Albuquerque home of an apparent stroke. He was 80 years of age.

No single man has played such a large part in the shaping the destiny of New Mexico as Anderson.

Few men in the history of the United States played as vital a role in shaping the destiny of their country as Anderson.

Before his retirement from the Senate he was able to amass respect and political power which Presidents would envy.

But in the hands of Anderson this power was well-placed and was used responsibly for the betterment of New Mexicans and the American people.

Anderson, the son of a Swedish immigrant, was born in Centerville, S.D., on Oct. 23, 1895.

He moved to New Mexico in 1917 on the advice of doctors after it was discovered that he had tuberculosis.

His first job in the state was as a reporter for the old Albuquerque Herald. Later he joined the Albuquerque Tribune staff and was named managing editor.

Because of a recurring lung problem, Anderson switched professions and became an insurance salesman, then manager of New Mexico Loan and Mortgage Co., and then went into the insurance business on his own, founding the Clinton P. Anderson Insurance Agency in Albuquerque.

His political career began in 1932 when he was appointed to fill the unexpired term of New Mexico's state treasurer who had died unexpectedly.

Anderson was elected Democratic state chairman two years later.

After serving as a field representative for the Federal Emergency Relief Administration and as chairman of the State Unemployment Compensation Commission, Anderson was elected to Congress in 1940.

He served as a congressman until 1945 when President Harry S Truman appointed him secretary of agriculture, a post in which he served until 1948 when he resigned and ran successfully for the U.S. Senate.

Anderson became one of the most potent forces ever in U.S. government.

Among his duties in the Senate was serving as chairman of the Committee on Aeronautical and Space Sciences and on the Joint Committee on Atomic Energy.

In these positions, he played a key role in directing the U.S. space program and in developing the uses of nuclear power in the United States.

But there was a side of Anderson about which few persons were aware.

As a man who had connections with the owners of the Dallas Cowboys franchise, Anderson helped University of New Mexico football star Don Perkins get a no-cut contract to play professional football.

Perkins was injured his first year on the Cowboys team and was unable to play.

After that year, Perkins went on to become one of the National Football League's leading all-time rushers.

An era ended for New Mexico and for the nation with the passing of Anderson.

He is a man who will long be remembered.

[From the Albuquerque (N. Mex.) Journal, Nov. 14, 1975]

SEN. ANDERSON BURIED

(By Robert V. Beier)

The weather Thursday was the kind that made Clinton P. Anderson love New Mexico.

The bright warming autumn sun filtered down through the windows of the First United Presbyterian Church and burnished the trees at Fairview Memorial Park as "Our Clint" was eulogized and buried Thursday.

The bright day and the words of Dr. David Poling would have cheered the 80-year-old adopted son of New Mexico whose leadership helped shape the state and nation during nearly 40 years in public service, including 24 years in the U.S. Senate.

Citizens from all walks of life—including Gov. Jerry Apodaca, the New Mexico congressional delegation, former governors and members of the state and federal judiciary—attended the memorial services to pay their respects to Anderson.

In the meantime, President Ford, in a statement issued from the White House, also praised Anderson's distinguished service to the nation in Congress and as secretary of agriculture.

"During his long career of dedicated public service, his imprint on this country's policies ranged from conservation to food production to space exploration," Ford said of Anderson. "He earned the respect of his colleagues in Congress and in the executive branch for his dedication and hard work.

"I join his many friends in Washington, his former New Mexico constituents and his family in mourning his loss."

Anderson, who celebrated his 80th birthday Oct. 23, died Tuesday evening of an apparent stroke at his home in Albuquerque's South Valley. He ended his four terms in the Senate in January 1973.

". . . In many ways we honor ourselves by being here; by wanting to be close to the Anderson family; by expressing our appreciation to God for revealing so many vital and enduring achievements in the life of one man; to understand more fully the phrase of scripture, 'their works do follow them,'" Dr. Poling told the mourners who filled the church to near capacity.

"Men and women of biblical times must have had some Clinton Andersons in mind when they wrote The Apocrypha Books—those holy writings which bridge the period between the Old and New Testament."

"A theme finds expression in Ecclesiasticus 44," Dr. Poling said and quoted:

"Let us now sing the praises of famous men and heroes of our nation's history, through whom the Lord established renown and revealed his majesty in each succeeding age.

"Some held sway over kingdoms and made themselves a name by their exploits. Others were sage counsellors, who spoke out with prophetic power. Some led the people by their counsels and by their knowledge of the nation's law.

Out of their fund of wisdom they gave instruction. Some were composers . . . Others were endowed with wealth and strength.

"All of these won fame in their own generation and were the pride of their times."

From the pulpit, Dr. Poling told of Anderson's arrival in New Mexico in 1917 "his aspirations checked by tuberculosis. . . .

"Not only was he caught up in the majesty and deliverance of the Southwest, but through the years was swayed by its unending beauty and grandeur, its panorama of people, and its promise of energy secrets for the world.

"It continually appears that in his public life, Clinton Anderson brought out his own experience and that of his neighbors and fellow New Mexicans, gifts and treasures that helped and supported people everywhere. . . .

"As Secretary of Agriculture and later his leadership in world food projects, he brought visions and implementation to the feeding of millions.

"The technological advances of our society found Senator Anderson championing the new fields of atomic research and space exploration. . . . The New Mexico pioneering spirit was everywhere in evident in the depths of the seas and far reaches of outer space. He was among the first to advocate the medical benefits of atomic research, with special attention to cancer research.

". . . Of his own experience, his own suffering, his own recovery, he gathered the resources of government to address the needs of the sick, the hungry, the aged. Medicare could easily have been named Andersoncare, for he pursued with the determination of a long distance runner the sponsorship of bills, putting the federal government in medical assistance for its people."

In ending his sermon, Dr. Pling said, ". . . we praise God for the life of Clinton P. Anderson, for this moment in our day, when because of his life and his diversity, we have seen a funeral service become by God's grace an early Thanksgiving Day."

A single wreath of white and red carnations lay on the casket, which was closed during the church service, as Anderson's AF & AM Masonic Lodge No. 60 conducted graveside services.

Longtime friends of Anderson's were pallbearers for the dignified and solemn funeral.

Among those attending the services were Sens. Joseph M. Montoya, D-NM, and Pete Domenici, R-NM; Reps. Manuel Lujan, R-NM, and Harold Runnels, D-NM; former Govs. Bruce King, Tom Bolack and Edwin L. Mechem, now a federal judge; U.S. Dist. Judge Howard C. Bratton and H. Vearle Payne, and State Supreme Court Justice John B. McManus.

The mourners also included a number of Anderson's former staff members, Mayor Harry Kinney, former Rep. Thomas G. Morris, D-NM, city and state officials and Democratic and Republican leaders.

ANDERSON HAD LASTING IMPACT ON NEW MEXICO

(By Fred Buckles)

SANTA FE.—Clinton P. Anderson exerted an impact on New Mexico that will continue for many years.

He was an expert in many fields—space, nuclear development, agriculture, reclamation, history. His power in Washington extended far beyond that normally accorded a legislator from a state with one million population and four electoral votes.

Anderson accomplished so much for New Mexico in so many ways that his achievements touched the lives of almost everyone. He put New Mexico in prime position in nuclear energy development.

He was an outstanding advocate of many causes and he was effective in the Washington tug of war. Conservation and reclamation advanced in the West because of Anderson.

A knowledgeable liberal, he helped to chart bitterly disputed Medicaid legislation. His life is a challenge to many with fewer handicaps because he overcame major physical disabilities to achieve much.

An able politician, Anderson was the most influential figure in public life in New Mexico for years. He left monuments in many areas and New Mexico is much better because he lived here. His leadership carried the state's banner into top echelons and won recognition.

He was versatile. We heard him speak in Santa Fe in the early 1960s at a New Mexico Historical Society dinner and shed much light on this state's colorful past.

An able tactician, he preserved a saving sense of humor while he adopted the long view to seek solutions to many problems. His legislative and executive branch achievements were manifold and he cast a long shadow. New Mexico was fortunate to enjoy his service.

[From the Albuquerque (N.M.) Journal, Nov. 16, 1975]

ANDERSON UNDERSTOOD POWER, WHEN TO USE IT

(By Paul R. Wieck)

WASHINGTON.—To recall the years Clint Anderson walked the Senate corridors is to remember a time of men who understood the nature of the power they had held and never hesitated to use it.

Anderson was one of the men who held real power.

It was, by comparison, an era of innocent hope in the future, of confidence in man's ability to master the odds, either for his own benefit or that of the country.

Those were the years of the political maturing of a group of men who arrived in Washington in the 30s and 40s and came to dominate the political landscape of the 50s and 60s.

They were a very diverse group, embodying the strength and weaknesses of our system in a very personal way.

Anderson was somewhat unique among them.

He was a very literate man always challenged by the newest in technology, anxious to convert a wide range of scientific advances into programs of benefit to the nation.

But he was also unduly sensitive at times however, not to the point of ducking a fight.

His friendships on the Senate floor bridged a lot of gaps—between pols like Lyndon Johnson and Robert Kerr on the one hand; and idealistic reformers like Paul Douglas and Joe Clark, on the other.

His friendships crossed party lines at every turn.

To a reporter, perhaps the most fascinating part of Anderson's political image was what appeared as contradictions.

He was a pragmatist, yet as innovative as any member of the Congress.

He was a confidant of the men who ran "the club" but was the leader of a strong and growing liberal cadre on the really divisive issues within "the club" such as reform of the cloture rule.

In Washington, he was perceived as a "liberal" legislator, a man with the guts to take on Admiral Lewis Strauss, with the foresight to introduce a wide range of good legislation such as Medicare and the Wilderness Bill, with the stubborn sense of principles to push for cloture reform even though it made his powerful friends very unhappy.

His own influence on the Senate floor, in the committee rooms, in the cloak room, was unquestioned.

If need be, he could whiplash recalcitrant witnesses unmercifully at a committee hearing and then follow it up with a little behind-the-scenes action.

Back home, the image was quite different.

The same "liberals" who cheered him on in Washington couldn't always cope with the pragmatic side which led him to deal with the "pols" in the precincts and the wards.

To Anderson it was all part of keeping his options open.

Perhaps his greatest fight was over the Strauss nomination as secretary of commerce. the culmination of a long struggle between two schools of thought on the whole question of nuclear energy, its uses and its development.

Anderson was allied with the Los Alamos J. Robert Oppenheimer school against the Livermore Edward Teller group.

Strauss was a friend of the latter.

Anderson won that fight by the barest of margins and, from that day, kept a framed copy of the rollcall hanging on his office wall.

Five years later, he displayed his guts on that issue a final time.

President Kennedy often turned to Anderson for advice on a wide range of topics from agriculture to space to conservation to nuclear energy.

On Anderson's recommendation, he decided to give the Enrico Fermi Award to Oppenheimer, still in political limbo after being stripped of his security clearance a decade earlier.

But Kennedy was killed a week before it was to be awarded and Lyndon Johnson asked Anderson what he should do about this touchy award.

"Give it to him. And Mrs. Anderson and I will be there," Anderson replied. And they were, at a ceremony in the White House.

Anderson's power peaked in the period around 1960, a time when he passed up two political opportunities which could have added a little more power and a little more glitter though neither was necessary to the overall success of his career.

First, he turned down an offer to nominate Kennedy at Los Angeles.

That was understandable. He had made a commitment to LBJ and, in politics, commitments are things you keep.

He had another chance within months.

LBJ's departure from the Senate opened up the majority leader's spot and a group of younger members, many of them from the class of '58 who had followed him in the Strauss fight in the spring of '59, wanted Anderson to run for majority leader.

They sent an emissary, one of the most influential fund-raisers in Washington, to sound him out.

But Anderson, although he wanted the job, knew Kennedy and Johnson had decided on Mike Mansfield of Montana and he declined to make a challenge.

If he had run, he might well have won.

In retrospect, that's the one decision he made which was probably to the detriment of the country.

Since LBJ's departure, leadership has been floundering in the Congress.

Sure, Anderson continued to legislate effectively; in fact, some of his landmark victories came in the 60s when his Wilderness Bill was finally passed and the King-Anderson Bill setting up Medicare and Medicaid went on the books.

Plus a host of other significant legislation—in the conservation and water research fields, for instance.

Still, these were the accomplishments of one extraordinary legislator, not the work of the leadership of his party which was already faltering.

His health was failing by the late 60s when the country was bitterly divided by a nasty war he steadfastly refused to honor with a word of support.

Nor did he fight openly with the man he supported for President in 1960 and, who, by then, sat in the White House with his own mandate.

As majority leader?

Well, at the very least there would have been some strong words of advice when they were needed from a man LBJ respected.

The leadership is still weak and the Congress is still floundering.

It makes it all the more hopeful to remember there was a time in the recent memory of men when those who understood power and knew how to use it for constructive purposes stalked the Senate floor.

It would be nice to see a new breed like them.

TO PREVENT LOWERED MEDICARE BENEFITS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN), is recognized for 10 minutes.

Ms. HOLTZMAN. Mr. Speaker, I have introduced, today, legislation to prevent a reduction in medicare benefits to this Nation's senior citizens.

Beginning on January 1, 1976, hospitalized senior citizens will have to pay $104 out-of-pocket before receiving medicare hospitalization benefits—an increase of $12 over the present deductible. There will be an equivalent 13-percent increase in costs after 60 days of hospital care and 20 days of care in a skilled nursing facility.

My bill would prevent these increases in patient costs under medicare. It would also prevent the increase in premiums for medicare health insurance scheduled for July 1, 1976.

I have, on numerous occasions, pointed out the failure of medicare to reimburse senior citizens adequately for the medical expenses. The scheduled increase in out-of-pocket costs will aggravate this failure. It will also add to the already crippling burden of inflation on America's elderly. I believe it is our responsibility in the Congress to prevent this cruel result.

The text of my bill follows:

H.R. 10833

A bill to amend title XVIII of the Social Security Act to freeze the inpatient hospital deductible which is imposed for purposes of hospital insurance benefits (and for purposes of determining the premiums payable by uninsured individuals not otherwise eligible), and the monthly premiums which are charged for purposes of supplementary medical insurance benefits, at their 1975 levels for an additional year

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the second sentence of section 1813(b)(2) of the Social Security Act is amended by striking out "Such inpatient hospital deductible" and inserting in lieu thereof "Subject to paragraph (3), such inpatient hospital deductible".

(b)(1) Section 1813(b) of such Act is further amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding the second sentence of paragraph (2) (and any action previously taken under the first sentence of such paragraph), the inpatient hospital deductible which is applicable in the case of any spell of illness beginning during the calendar year 1976 (as promulgated under the first sentence of such paragraph) shall not exceed the inpatient hospital deductible (as so promulgated) which was applicable in the case of spells in illness beginning during the calendar year 1975."

(2) Notwithstanding any other provision of law, the determinations and promulgations required to be made during the calendar year 1975 by the first sentences of sections 1813(b)(2) and 1818(d)(2) of the Social Security Act shall be made (taking into account the amendment made by paragraph (1) of this subsection) during the 30-day period immediately following the date of the enactment of this Act; and the determinations and promulgations so made shall constitute the determinations and promulgations required by such sentences.

SEC. 2. (a)(1) Section 1839(c)(2) of the Social Security Act is amended by striking out "except as provided in subsection (d)" and inserting in lieu thereof "except as provided in paragraph (5) and subsection (d)".

(2) The first sentence of section 1839(c)(3) of such Act is amended by striking out "applicable" and inserting in lieu thereof "which (subject to paragraph (5)) is to be applicable".

(3) Section 1839(c) of such Act is further amended by adding at the end thereof the following new paragraph:

"(5) Subject to subsection (d), the monthly premium which is applicable for the 12-month period commencing July 1 in 1976 shall not exceed the monthly premium which was determined and promulgated (under paragraph (3)) for the 12-month period commencing July 1 in 1975."

(b) Section 1844(a)(1) of such Act is amended by inserting "or (5)" after "1839 (c)(3)" in subparagraphs (A(i) and (B)(i).

SEC. 3. There are authorized to be appropriated from time to time, to the Federal Hospital Insurance Trust Fund and the Federal Medical Insurance Trust Fund, such sums as the Secretary of Health, Education, and Welfare deems necessary for any fiscal year, on account of—

(1) the loss of revenue sustained by such Trust Funds as a result of the amendments made by the first two sections of this Act,

(2) any additional administrative expenses resulting or expected to result from such loss of revenue, and

(3) any loss in interest to such Trust Funds resulting from such loss of revenue, in order to place each of such Trust Funds in the same position at the end of such fiscal year as the position in which it would have been if the first two sections of this Act had not been enacted.

SEC. 4. The amendments made by the first section of this Act shall apply with respect to spells of illness (within the meaning of section 1861(a) of the Social Security Act) beginning on or after January 1, 1976, and with respect to premiums payable (under section 1818 of such Act) for months after June 1976. The amendments made by section 2(a) of this Act shall apply with respect to premiums payable for months after June 1976.

INDIANA STUDENTS ASSESS A REPRESENTATIVE'S ROLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. FITHIAN) is recognized for 15 minutes.

Mr. FITHIAN. Mr. Speaker, I would like to take this opportunity to invite my colleagues to share with me the results of an essay contest recently completed in my district. These four essays, two of which are being inserted today and two tomorrow, are the winning efforts chosen from the entries from 12 different school systems. All of these students have considered the question, "What kind of job should a congressman do?"

I think that many of my colleagues will appreciate, as I have appreciated, both the impressive insight of these students into the nature of our work and the well-considered advice which they offer. Certainly I have benefited from the chance to read and share these ideas, and I hope that my colleagues will find these essays provide similar guidance.

In these times when so many people doubt our Government and criticize it, such constructive advice is of great value to all of us as we try to fulfill the role of a Congressman.

The two essays for today's RECORD follow:

WHAT KIND OF JOB SHOULD A CONGRESSMAN DO?

A congressman does not have just one job, as he covers many areas requiring different roles. First, and usually considered most important, he is a legislator, elected by the people of a certain district or state to represent their views on the national level. As a legislator, he attends sessions of Congress, serves on committees, and votes on bills that come before him. In general, he must find out how his constituents feel and vote according to the majority opinion. In a few cases, where the people are not well-informed on an issue at hand, and the congressman has carefully studied the facts, he may feel justified in not voting according to public opinion. He may vote as he thinks best, fully aware that he must answer to the people for any vote that he casts.

Davy Crockett, Congressman from Tennessee, had pressure from his constituents to not get involved in the dispute over Texas. He was in a much better position to judge the wisdom of such an involvement and openly opposed the people who had petitioned him not to go. He even went as far as to write them, "I am going to Texas; you can go to Hell."

This was probably the wrong way to handle the situation and such a reply certainly must have made enemies for him, but he felt he knew best. Today, of course, this would alienate anyone who had written to his congressman, thinking that he was being a good citizen by doing so. Most likely, it would cost him his job in the next election. After all, he was elected to represent the people, not just to give him a soap box from which to air his own opinions. Abraham Lincoln once said, "While acting as their representative, I shall be governed by their will on all subjects upon which I have the means of knowing what their will is . . ."

This, in itself, poses another problem. How can a congressman know what the people think about issues? I think opinion polls are the best way. By using these polls, people can answer honestly, thereby informing their congressman of what they believe. I do not think newsletters are as effective a means of gaining public opinion. Many people feel that the representative puts in only facts that support his ideas, omitting any information that does not show him in a favorable light. Whether that is true or not, I think it has the effect of making people discard the newsletter with only a cursory glance, if that.

Besides polls, another good way to discern public opinion is through the use of a district office. People can come or call here when they have a problem or an idea on a matter of legislation. I think the congressman should stay in Washington when Congress is in session, but he must have an ample, trustworthy staff in the district office. Their job is to relay to him the information received from the people.

The congressman's second job is that of an ombudsman—someone to whom his constituents can turn for help and advice. As an ombudsman, the congressman must be genuinely interested in the people in his district or state, and must take their problems as seriously as they, themselves, do. He must be willing to help them find a solution, even if it seems petty or unnecessary to him. There are, of course, times when the aid requested of him is totally unreasonable. For example, the time when a statement was accidentally printed in a national magazine, inviting everyone to contact their congressmen to research their family trees through the Library of Congress. Swamped by these requests, the congressmen had little time to attend to more important matters. Finally, they had to print a statement saying that the Library of Congress could not perform this service for the people. (A bit of humor was added when one Senator sent out a form reply saying: "I have carefully checked your family tree and am happy to report that you are a direct lineal descendant from two very famous personages—Adam and Eve.")

The third role played by every congressman is that of a political educator. In this role, he must try to pass on to his constituents what is happening in Washington—what bills have been passed or voted down, what problems he sees in the future that would directly affect his constituents or the nation as a whole, and how he intends to deal with any imminent problems. It is the congressman's responsibility to keep the people informed, so that the government does not seem to become a great power in Washington that has no interest in the local people across the nation.

The congressman's last role is that of a campaigner. As a campaigner, he tries to keep himself before the people as much as possible—through the use of radio and/or television announcements, personal appearances, and mail that goes to each family in his district or state. It is only natural that he should seek support from the people he represents. These people must respect him and his judgment on issues of national importance as well as those on the local level. Campaigning is necessary, especially in the House of Representatives, where a congressman must be re-elected every two years. This should not, however, become his main objective. If his goal is merely to remain in office, he is of little or no value as a congressman.

Sometimes a congressman must oppose the whims of his constituents, following his own judgment in disagreeing with them. I believe that most people know when their congressmen are doing their best for them, and they judge them as to their effectiveness, not as to whether or not they are always in complete agreement with them.

When a congressman runs into a conflict of interest, I think it is up to him to decide how he should act. This includes voting on his own pay, deciding how much influence he should allow the party to have on his votes, and putting priorities on bills that would have a different effect on his district or state than they would have on the nation as a whole. A congressman must be honest (or, at least, the people must believe he is) in order to have been elected in the first place. The fact that he must answer to all the people for any action or vote contrary to public opinion should serve to keep his constituents' ideas foremost in the congressman's mind. Because of this, I see no point in him disqualifying himself when an issue arises in which he has a personal interest.

The job of a congressman is many-fold. He is, initially, a law-maker, but must also be an ombudsman, educator, and campaigner. He must be able to listen to the people and to inform them as to his actions and as to the operation of Congress. He must be willing to devote most of his time to seeing that his constituents are well-represented. Lastly, he must have the honesty and courage to oppose the people when they are wrong, but must respect and express their opinions in all areas.—BARBARA SNYDER, West Central High School, Francesville, Ind.

WHAT KIND OF A JOB SHOULD A CONGRESSMAN DO?

The Constitution of the United States states that all legislative powers shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives. Their main job would be to make laws and govern the country. The Constitution does not give specific instructions on exactly what a congressman's job will involve. This has been a source of debate for almost 200 years. There are many aspects involved in a Congressman's job. Some of these are handling conflicting interests, financing an office, scheduling, communicating with constituents, voting, political affiliations and working with the President.

A major source of debate is how a Congressman should handle his personal business affairs while he is serving the people. Many men that are elected to Congress are lawyers, bankers or just businessmen. It is not fair to ask a man to give up his business or his means of support while he is in Congress. He should be allowed to supplement his income in an honest way as long as it does not deter him from his duties. A person in office has many expenses that are not covered. A Congressman should not, however, use his influence of office to benefit himself or his business.

Financing an office is another problem of a Congressman. A Congressman should use the money the government provides to run his office. However, it is acceptable to use private funds if they are needed and are available. A Congressman, if and when money is needed, should try and raise this money by contributions if this does not interfere with his congressional duties. Contributions are sometimes controversial because of the way they are raised. A Congressman should try to keep his reputation clean.

A Congressman must vote on his own pay raise simply because it is the job of Congress to vote on such bills. A Congressman should not take advantage of this to enlarge his income.

Since the duties of a Congressman are many, scheduling is also a problem a Congressman must deal with. A representative should try to divide his time between his district and the meetings concerning national interest. There are some things that can be handled locally that do not require the representative's presence. If a representative is kept well-informed by assistants in his district or state, on current issues and problems, he will be able to spend more time in the Capitol serving his constituents. The Congressman should spend as much time as possible helping solve local problems. If the local Governments are in chaos, how can we expect the national government to function properly?

Even in this small world, communication can still be a problem for a Congressman. A Congressman should keep in touch with his people, by having assistants who keep in touch directly with them and relay their views and feelings to the Congressman. He should write letters to people who can get his message to many others, that he cannot write personally because of time and expense. Newsletters are a valuable type of communication. People must be kept informed on what is happening if they are expected to take an active interest in politics. A Congressman should try to view all mail or have a qualified person attend to it. Sometimes it is not possible to see all the mail so a Congressman must take his first contact.

A Congressman should try as much as possible to keep on top of problems, but he cannot know everything. This causes him to rely on his constituents to inform him of their needs.

How a Congressman should vote is always a major issue. A Congressman, since he is a representative of the people, should vote according to the needs and feelings of the people he represents. He should present all the facts of an issue along with his opinions and let the people formulate their own viewpoints. A Congressman should listen to special interest groups when he can. These groups often represent many people, not just a select few.

Political parties since their origin have been a source of constant problems. A Congressman should not always follow his party's stand. Sometimes the stand a party takes is not the one that will benefit a Congressman's constituents. In this case, a Congressman should vote according to the feelings of his district or state. A Congressman should not criticize the leaders of the party or the country unduly; however, a Congressman should make his complaints known if they are legitimate and worthwhile.

Since the leader of our country is the President, it is important how a Congressman works and cooperates with him. A Congressman should support the President in his programs if they are worthwhile and reasonable. A Congressman should listen to the President's suggestions and solutions on issues and then either agree with him or formulate his own opinion. He should give the President as much cooperation as possible without compromising his own convictions.

In conclusion, a Congressman should do his job as well as he can, keeping in mind that he is representing many people with many different feelings and opinions.—KATHI GOINS, Wawasee High School, Syracuse, Ind.

PRESIDENT FORD SHOULD ACT DECISIVELY TO PREVENT NEW YORK CITY BANKRUPTCY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 10 minutes.

Mr. UDALL. Mr. Speaker, the New York Legislature is in trouble because of White House indecision. It is time to act. Whether or not New York City will avoid default is one of the most important issues to be decided by this Congress.

I support the legislation reported by the Committee on Banking, Currency, and Housing and I think it would be the height of folly to sit idly by while our largest city, the financial and cultural capital of this Nation, goes bankrupt. I predict, Mr. Chairman, that if that happens, the shock waves and economic repercussions will be felt around the world and for a long time to come.

In his recent address, the President told the American people he was against aid to New York because it would "set a precedent." Certainly federally guaranteed loans is not a precedent, and we do not have to look far for prior examples. The real truth is that there are no precedents to guide us once there has been default and the financial capitulation of our largest city. The President also talked about "an orderly default." I wish he would explain to us—and to the people of New York—what that means.

The real issue before the Congress today is whether or not this Government is capable of responding to a national problem—one that will affect all of us, every major city, and one that is of international significance as well. This is a real test of the Congress and of the President's ability to lead.

I think the legislative branch has reacted in a commendable fashion. We have before us today a bill that is a product of hours and weeks of thoughtful work, of negotiation, and of compromise. It is a good bill. It will, if enacted, help see the city of New York through its darkest hour. I sincerely hope the House will rise to the occasion and pass this legislation. And I hope that the President will stop trying to pit West against East and North against South in this country and will instead work with the Congress for the common good of the country.

The President's actions to date on the New York crisis, however, leave little reason for optimism. Mr. Ford's recent speech on New York City consisted mostly of irrelevant scoldings, distortions of fact, and very faulty economic judgment.

We all know that this legislation is not a "bailout," but instead contains a very tough set of standards which must be met before there can even be a guarantee by the Federal Government of certain securities on a limited basis for a limited time.

I think the President has profoundly misread the mood of the American on this issue. Certainly, early polls correctly reflected that most Americans are opposed to a "Federal bailout" for New York City. But as the purpose and the provisions of this legislation have become more widely understood, the American people are beginning to rally behind the essence and the spirit of the legislation before us today. In part, this growing support is due to an understanding that the fate of New York City means a great deal to the rest of the country. It is also due in part, I suspect, to a truly American spirit of national pride and generosity. The American people would certainly rather support a guaranteed loan to the people of New York City than to Lockheed, and they would much rather commit the Federal Government's credit to see New York City through this crisis than to send millions to shore up dictators or to guarantee loans from countries they didn't know existed.

And the President failed to mention that New York City and New York State have taken significant and potentially painful steps to put itself back on a sound financial footing. The city has, among other things, raised subway fares 40 percent, cut back funds for the city's University by $30 million, laid off 31,000 municipal employees, and put a freeze on all city employees' salaries until fiscal 1977—and has made a solid commitment to achieve a balanced budget within 20 months. The State has already advanced $100 million in aid payments to the city along with increased authorization for $40 million in aid and has also authorized a $750 million loan. Through the Emergency Financial Control Board the State has committed itself to a complete reform of the city's financial management and is inextricably tied to the city's fiscal future.

The President also failed to mention that New York is the most heavily taxed State in the Nation, that in addition to 17 different taxes, New York City residents pay an additional 18 city taxes. In short, the city and the State have done about all they can do. It is now up to us.

The President's position is indeed still a mystery. He would evidently rather see New York City go bankrupt and accept all the unseen and very possibly chaotic consequences of such an event rather than undertake the very limited assistance we are considering here today. Instead, the President would rather wait and spend Federal dollars to assure that "essential services" are maintained after a default by guaranteeing certificates of indebtedness that will be necessary to cover operating expenses. And he would rather accept the many economic consequences a default will mean: the obvious effect on other State and local borrowing, the loss in jobs nationally—not just in New York—and the projected negative effect this will have on our economic recovery.

The President has said nothing to date to rebut the many predictions that the total cost to the American taxpayer will be much greater if we do not move now to head off a default.

We have all lived with this uncertainty long enough. Strong Presidential leadership would have avoided weeks of needless delay and false charges. New York needs to know and the rest of the world needs to know that the country will do what has to be done to save its cities. Let us pass this legislation in a spirit of responsible government and with the hope that the President will recognize and respond to the will of a clear majority of all Americans.

BUSING RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. COLLINS) is recognized for 15 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, this morning the House Democratic Caucus convened to consider a resolution which, if adopted, would have directed the House Judiciary Committee to draft a constitutional amendment against forced busing and report it to the House floor within 30 days.

This meeting of the House Democratic Caucus signified the culmination of a stated goal by certain Members to place House Democrats on record on the politically sensitive amendment question. Although it has not been used effectively in recent months, the caucus has been a valuable tool with which the seniority system was somewhat weakened and with which to otherwise loosen the traditional hard-line grip on the parliamentary machinery of the House. Busing, once primarily a conservative-liberal, North-South issue debated on racial grounds, now cuts across traditional, party, regional, and philosophical lines. So a vote in the caucus was expected to sharply divide House Democrats.

However, if the expected result of the drive were to force a vote on the busing issue, I am pleased that the party's attitude toward this matter is reflected by the vote of 172 yeas and 96 nays to table this resolution.

I commend the caucus for recognizing the busing issue for what it is—a non-issue unsupported by evidence or rational thinking, and for resoundingly rejecting its ignoble portents.

Further, I include in the CONGRESSIONAL RECORD at this point my statement prepared in opposition to the busing resolution:

FLOOR STATEMENT ON BUSING

Brown v. *Board of Education*, 347 U.S. 483 (1954), marked a historic monument in the evolution of the conscience of the nation. The Supreme Court held in the *Brown* case in 1954 that the doctrine of separate but equal has no place in the field of public education. Separate educational facilities are inherently unequal.

But the promise of a desegregated education which the Brown case held out to thousands of black children went unfulfilled for nearly two decades. Finally after a generation of procrastination, the Supreme Court ordered that *Brown* be effectively enforced. In *Swann* v. *Board of Education* 401 U.S. 1 (1971), the major decision involving busing, Chief Justice Burger speaking for a unanimous court, asserted that desegregation plans must achieve "the greatest possible degree of actual desegregation." To reach that goal according to the court, a district court may, and in some cases may presumably have no alternative but to order students transported to schools away from their home, although not so far "as to either risk the health of the children or significantly impinge on the educational process." The court has made clear that this constitutional obligation rests equally with Northern school districts without past records of statutorily enforced racial segregation in public education as well as with Southern school districts which have had such records. It is clear, therefore, that the "Equal Protection" clause of the 14th Amendment to the Constitution, as construed by the Supreme Court, requires busing to be employed where necessary to eliminate unlawful racial segregation in the nation's schools.

Today we are being asked to consider a constitutional amendment which would nullify the effects of these two landmark cases, just when the impact of these cases is being felt in the North as well as the South.

Proponents of an anti-busing amendment to the Constitution argue that busing is a failure because it has not produced quality education. The answer to this contention is that busing was never intended to be a remedy to improve the quality of education for school children. It was designed to promote equal educational opportunity for school children as mandated by the "Equal Protection" clause of the 14th Amendment of the Constitution. Quality education remains a matter in the hands of local, state and federal officials, but the opportunity to receive equal education is a matter of constitutional law.

Another unfounded criticism of busing is that the courts have ignored viable alternatives to student busing, specifically those set out in Title II of the Educational Act Amendments of 1974. The Supreme Court in the *Swann* case stated that busing is but one of the constitutional tools which may be utilized to desegregate a school system. Federal District Courts in repeated instances have ruled that busing is being used only as a remedy of last resort, where other means would ineffectively eliminate the effects of past segregated school systems.

A third assertion by anti-busing advocates is that school desegregation causes white students to experience a drop in their achievement test scores and their ability to learn. The most carefully documented studies indicate that just the reverse argument is true. White children hold their own in a desegregated school setting, and in some instances they even improve their achievement levels. Black children as well show appreciable academic gains in a desegregated setting. Some educational experts estimate that an integrated school environment can remove about one-fifth of the gap between the educational achievement of black and white children.

An interesting point is that in the 1974–75 school year 50.2 percent of the nation's 41.4 million school children were bused, and of this 50.2 percent only 7 percent were bused for reasons related to racial desegregation of schools. In other words 93 percent of the children were bused for reasons not related to racial matters. Moreover, most communities in America facing the busing issue have done so with little difficulty. Witness Berkeley and Sacramento, California, Jacksonville, Florida, Charlotte, North Carolina, Pontiac, Michigan, Racine, Wisconsin, and Denver, Colorado.

In view of these circumstances, why is there so much furor and emotionalism involved in the busing issue or rather non-issue? The Civil Rights Digest, Summer 1973, published by U.S. Commission on Civil Rights contained an article entitled, "What The Public Doesn't Know Hurts; Most Busing Opposition Is Not Based on Fact". The article states that there is widespread confusion and misinformation about busing and about the relationship between this misinformation and busing opposition. "The more people know, the less willing they are to restrict the constitutional rights of black children."

The Commission concluded the article by commenting as follows:

"The challenge to our public and private leadership at all levels to present the facts accurately is an extremely important one. If the people are accurately informed, we believe that they will oppose moves to restrict the right of ghetto children to attend better, desegregated schools and that they will accept the changes necessary to fulfill the national objective of integrated education.

"Much of what the survey found is subject to interpretation and argument. But the central finding is clear: What the public doesn't know about busing and desegregation can hurt race relations in America—perhaps catastrophically."

It is for us as members of Congress to assume the leadership in providing the American public with an accurate and clear picture of what the busing non-issue entails. It is time that we put this matter to rest once and for all. Busing is as American as apple pie.

To invoke the constitutional amending process for this matter would be a grave misuse of that process—for it is intended to cure basic defects in our constitutional precepts, not to alter or influence judicial interpretation of fundamental constitutional rights. If we respond to public emotionalism or selfish short term political desires concerning busing by adopting a specific constitutional amendment, we will do ourselves immeasurable harm and injustice as a nation. We must respond instead with calmness of thought, resoluteness of reason and sincerity of heart to preserve, protect and defend our Constitution of this United States of America. To do this, we must vote against an anti-busing constitutional amendment.

TRIBUTE TO URCEL DANIEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

Mr. THOMPSON. Mr. Speaker, last Friday, November 14, Urcel Daniel was at her accustomed post in the Senate Press Gallery reporting the debate on the common situs picketing bill. That evening she completed 32 years as a labor reporter for the Bureau of National Affairs, and departed on a well-earned 6-month trip around the world.

George Riveire, her managing editor of Daily Labor Report, "doubts whether Washington will ever see a better labor reporter." I share those doubts.

She was extremely able; she was scrupulously fair and honest. Her background includes a discharge from a Los Angeles newspaper when she was active in organizing for the Newspaper Guild. One would expect an antimanagement bias, but if there was one in her subconsciousness, it never came through in her reporting. There was no "slant" in her professional work. A union spokesman once commented that, "She may have embarrassed us at times with her thoroughness, but she never wrote anything we were not actually doing."

I can attest through the years when she covered my subcommittee on labor-management reporting that everything she wrote was honest; everything she wrote was complete.

I can also attest that she was delightful as a person. Civil, polite almost to a fault, always good natured, she trudged the corridors of the Rayburn Building for the day's "story," and made sure she got it.

I hate to see her go, and hope somehow she will be back.

I could continue at length, but it would only embarrass Urcel. So I say, "Thank you, and 30."

INCREASING EVIDENCE THAT CONGRESS IS NOT SUFFICIENTLY AWARE OF THE NATION'S ERODING CAPITAL BASE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, a front page article in the November 10, 1975, Wall Street Journal by Ralph E. Winter reports that interviews with economists and executives indicate that the amount of new plant and equipment to be installed next year will be far below the 1974 level. Excess plant capacity due to the recession lies behind part of the downward projections of capital spending, but the more fundamental and long-lasting reasons cited in the article for the decrease in real terms in the rate of addition to the Nation's capital stock are inflation and mandated capital expenditure that do not augment productive capacity.

Inflation takes a terrible toll on capital. It reduces the amount of new buildings and machinery that the dollars that companies have appropriated for capital spending can buy. And inflation eats into the money set aside for the replacement of worn and outdated productive facilities.

For example, the article reports that the cost to Commonwealth Edison of Chicago of nuclear power stations has gone up 50 percent over the past 5 years. Armco Steel Corp. of Middletown, Ohio, reports that the cost of replacing a worn-out roll for a steel rolling mill has gone up 50 percent since 1972.

The profits of these companies have not gone up in proportion. In fact, the same inflation, which reduces the amount of capital they can buy with budgeted funds, overstates their profits, partly because of the underdepreciation that results from depreciating on the basis of historical cost during an inflationary period and partly because of phantom inventory profits. By reducing the real value of depreciation and capital expansion funds, and by reducing the purchasing power of profits that have already been reduced from being overstated and overtaxed, inflation erodes the productivity base of the economy.

Government pollution control and employee health and safety rules are forcing firms to divert funds budgeted for new productive capacity. The article reports that—

> The proliferation of new laws and administrative rulings on safety and pollution control requires sharply increased spending for equipment that doesn't appreciably augment capacity or productivity. The Commerce Department estimates that industry will spend $6.29 billion for pollution-abatement equipment in 1975, up 12% from $5.62 billion in 1974. However, some other surveys indicate much higher totals. McGraw-Hill, for example, estimates 1975 corporate capital outlays just for air and water pollution control at $8.35 billion, up 20% from 1974 and more than triple the $2.5 billion spent on such facilities in 1970.

The Congress was not thinking ahead when it mandated large increases in business spending on equipment that does not augment productive capacity without simultaneously augmenting the capital funds available to business. As a result pollution and safety equipment has been financed by dipping into the money budgeted for new productive capacity.

From my work on the Defense Appropriations Subcommittee, I know that the Wall Street Journal's staff reporter is not crying wolf when there is no wolf there. In our work we have encountered the effects of environmental and occupational safety and health regulations on costs and availability of products.

Gen. George S. Brown, the Chairman of the Joint Chiefs of Staff, reports in the "United States Military Posture for Fiscal Year 1976" that—

> The application of environmental and occupational laws has had significant impact on industries, processes, and equipment, which generally has resulted in increased lead times, higher costs, and inability to acquire essential items.

I would like to quote two of the specific examples cited by General Brown:

> In certain instances, producers, either unable or unwilling to comply with new standards, have gone out of business. For example, in the past 3 years, approximately 1000 foundries, representing 20 percent of the industry, have ceased operation. This has contributed to current casting capacity difficulties associated with production of the M–60 tank.
>
> Production of UDMH (unsymmetrical dimethyl hydrazine), an essential element in missile fuel, has ceased due to environmental considerations. As an interim measure, surplus Bull Pup missiles are being defueled to collect the UDMH element for incorporation in other missile propellant programs. An environmentally acceptable production process for UDMH is being sought. UDMH produced under the environmentally acceptable process is expected to cost $5 to $7.50, compared to the prior cost of 57 cents per lb.

Whatever the merits of pollution-control and health and safety requirements, the country is receiving less benefit from the measures than it would have if the Congress was sensitive to the Nation's eroding productivity base. Had the Congress been aware of the negative effects of these measures on an already eroding productivity base, it could have offset these negative effects by providing investment and saving incentives to increase the productivity base.

The way the Congress went about it, cleaner air and water is being financed at the expense of less jobs and a lower rate of growth in the economy. Now, whereas most people would agree that it is better to have cleaner air and water, other things remaining the same, many would not agree—especially the unemployed—that it is better to have cleaner air and water and less jobs. By neglecting the fact that the Nation's productivity base is the basis for all reforms, both environmental and social, the Congress has undermined support for environmental and occupational safety and health improvements.

People seeking employment see government standards cutting into their employment opportunities. People seeking to expand their businesses see these mandated capital expenditures cutting into the planned growth of their firms. Consumers see these standards cutting into their purchasing power, as a result of the negative effects of the mandated expenditures on the growth in productive capacity. The legislation mandating these expenditures should have incorporated saving and investment incentives that would have made it possible to finance the expenditures without cutting into productivity growth.

A survey conducted by the Conference Board, a New York economic research organization, reveals that the Nation's 1,000 largest manufacturers plan to spend $45.3 billion on plant and equipment in 1976, down from $46.1 billion this year. Appropriations this year by the companies for future capital outlays will drop to $44.7 billion, 21 percent below the $56.9 billion in 1974.

Even oil companies, which some Members imagine are wallowing in profits and pay no taxes, have reduced their capital outlays. The article reports that Sun Oil Co. of Pennsylvania "sees 1975 spending at the very bottom of the $600 million to $750 million range set last January. That is down from $834 million in 1974."

Mr. Winter makes the same point in his article that I have been making in the Congress:

> This decline in actual additions of plants and better machinery is highly significant. Only new or expanded facilities create new industrial jobs and provide the capacity needed to avert shortages in the next economic boom. Also, the long-term rate of gain in productivity—the rise in output per man-hour—depends on the amount of more efficient facilities actually installed, not on the total dollars spent. And rising productivity is essential to a higher standard of living and to keeping U.S. products competitive in world markets.

The Congress now has before it the Jobs Creation Act, with over 100 cosponsors, which would reverse the trends that are eroding our economy's productivity base. This act would produce over a 3-year period $600 billion in additional real GNP and create up to millions of new jobs at no cost in tax revenue. In fact, it would produce $45 billion in new Federal revenues. Not only would this act wipe unemployment off the American scene, it would provide the productivity base for all the major issues confronting public policy, such as environmental protection and energy, transportation, and defense needs.

The Congress can plan ahead on the basis of the realization that a growing productivity base is the prerequisite for meeting the demands that are being placed on the economy, or it can find itself in the position that it can meet one goal only at the expense of another.

JUSTICE WILLIAM O. DOUGLAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 5 minutes.

Mr. DODD. Mr. Speaker, it is with a deep sense of personal admiration and respect that I rise to honor Justice William O. Douglas.

Many legal scholars have tried to sum up the contributions to individual and economic liberties made by Justice Douglas during his 36 years of distinguished service on the Supreme Court.

To me, it is not the length of his service that is paramount, but the myriad of interests and the vision of life which Justice Douglas brought to our highest chambers of justice that make his contribution to this democratic experiment so significant.

William O. Douglas carried to the Supreme Court not a narrow, theoretical view of the Constitution and of our Federal statutes, but an inquisitive mind driven by the sensitivity and courage to explore every facet of human experience, and to mend the traces of divisiveness among our people.

In a treatise which appeared in the Anatomy of Liberty, Justice Douglas remarked that "theory and life always go together." He said, and I quote:

> Running fast-water rivers, or exploring chains of lakes by canoe, hiking ridges, scaling cliffs, traversing a glacier with the aid of ice axes, foraging for food in the alpine basins—these are activities that build character; and they are vital to the American saga.

During his career, William O. Douglas' travels through the wilderness of America and the frontiers of foreign lands have been inextricably entwined with his quest for an answer to the puzzle of human injustice.

His Supreme Court opinions exemplify his willingness to take the untraveled road, in the hope that his words would ignite the conscience of our people to challenge and shape the precepts of our society and to meet the guarantees of individual freedom and equal protection embodied in our Bill of Rights.

Today, let us dedicate ourselves to that same spirit of unbridled individualism and loyalty to the vitality of our Constitution that continues to move the life of Justice William O. Douglas.

WE HAVE KNOWN GREATNESS: A TRIBUTE TO JUSTICE DOUGLAS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 15 minutes.

Ms. ABZUG. Mr. Speaker, this country has been extremely fortunate for the past 36½ years to have had living and working among us one of the greatest Associate Justices of the Supreme Court in our history. During the terms of five Chief Justices and seven Presidents, Mr. Justice Douglas has constantly been a strong, eloquent voice for freedom, liberty, and human dignity. At a time when we have become all too aware of the arrogance of power of men in high places, we have been able to compare their pettiness with the nobility and integrity of Justice Douglas. He is a man who has made us aware in our own time of the true strength of our country's ideals and of the continuing vitality of the Bill of Rights.

During his long tenure on our highest court, and during his years of brilliant public service before that, Mr. Justice Douglas has read the Constitution and the charter of freedom contained in the Bill of Rights with the spirit of a humanitarian and a true democrat. We do not need a Bicentennial year to remind us of the true nature of this country's Founding Fathers. So long as Justice Douglas was on the Court, writing opinions that were notable for their trenchant reasoning and their deep, unshakable faith in civil liberties, civil rights, and constitutional freedoms, we had a constant link with the men and the aspirations that have marked our finest hours and traditions. We have known greatness because he has been on our highest court. His place in history is secure.

He is among the small group of towering judicial titans who will be counted in future generations as among the greatest of all Justices. He stands in that select company that includes Chief Justice John Marshall, Chief Justice Earl Warren, and Justices Brandeis, Cardozo, Holmes, and Frankfurter. His retirement ends, in some respects, a splendid chapter in our Nation's history—that of the New Deal and the public service of President Franklin Delano Roosevelt and the dedicated people he assembled around him.

Mr. Justice Douglas himself characterized his own view of the relationship of a Justice of the Supreme Court to the mandates of the Constitution. He felt that the Constitution must be interpreted, not in a narrow, property-oriented manner, but in a spirit of creative sensitivity to the needs of the living law. In his book, "An Almanac of Liberty," he declared:

> Judges, like Brandeis, Cardozo, Hughes, Murphy, Stone and Rutledge, brought to the bench a libertarian philosophy and used it to shape the law to the needs of an oncoming generation. In that sense, they were "activists" criticized by many. But history will honor them for their creative work. They knew that all life is change and that law must be constantly renewed if the pressures of society are not to build up to violence and revolt.

Again, in his great dissent in Dennis against United States, Mr. Justice Douglas made crystal-clear his deep, abiding faith in first amendment freedoms. He wrote:

> The command of the First Amendment is so clear that we should not allow Congress to call a halt to free speech except from the speech itself. The First Amendment makes confidence in the common sense of our people and in their maturity of judgments the great postulate of our democracy. Its philosophy is that violence is rarely, if ever, stopped by denying civil liberties to those advocating resort to force.

With granite-like courage, with calm, clear words of wisdom, and with serene confidence in democracy and liberty, Mr. Justice Douglas reminded us constantly that the Constitution is not a straitjacket for conformity but a repository of human rights. His judicial career gives inspiration to us all. It should give us courage too. Now that he has retired, it becomes the responsibility of each of us to carry on his visions. He has erected his own monument to freedom. That legacy to the future is found in opinions which stand as benchmarks for the deep, rich faith in democracy he has exemplified.

Mr. Speaker, I join with my colleagues in expressing the deep appreciation of an entire Nation for the great services Mr. Justice Douglas has rendered to us all. That the Constitution remains a strong, living force is due in large part to his dedication. Those ideals of liberty and of constitutional freedom must not be weakened. Our tribute to William O. Douglas must instead be renewed attachment to the human view of the Constitution which his whole judicial career exemplifies.

I hope that the vacancy created on the Court created by his retirement will be filled by a woman who will carry on Justice Douglas' guardianship of our constitutional liberties and democratic principles.

Such an appointment would represent a real tribute to Justice Douglas' creative perspective on the law as a living instrument, responsive to social change and sensitive to the needs of present and future generations.

INFLATION AND FULL EMPLOYMENT

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, each month we continue to read the Bureau of Labor Statistics reports which tell us that unemployment is either rising or remaining stable at well over 8 percent, but not once have we read that a downward trend is apparent. This might be excusable if our executive branch policymakers were attempting to significantly reduce unemployment but matters are made worse when the Ford administration calmly accepts unemployment at over 8 percent as a fact of life and publicly announces that nothing is being done to combat this phenomenon unknown to our Nation since the great depression of the thirties.

I was paradoxically both shocked and amused, in fact, when the President appeared on "Meet the Press" some weeks ago and, in response to a question about whether he had ever actually spoken to any unemployed people, answered, "Yes, I've spoken to a few." This is an indication of just how isolated the President is from the millions of jobless men and women in this country who are looking to Washington for relief—and work.

In yesterday's New York Times, columnist Tom Wicker challenges the basic assumptions upon which President Ford's unemployment/anti-inflation policies are based and calls for the adoption of the Hawkins-Humphrey full employment bill, of which I am a cosponsor. This article should be required reading not only for the members of the Ford administration which so serenely accept the current rate of joblessness but also for those who are confused by today's economic conditions. The fact of the matter is that the administration has its economics topsy-turvy. It is only by returning people to work that our huge national deficit can be reduced.

I am inserting Mr. Wicker's column for the benefit of my colleagues in the House:

[From the New York Times, Nov. 16, 1975]

HOW JOBS COULD FIGHT INFLATION

(By Tom Wicker)

One of the most widely accepted economic propositions of our time, endorsed by Keynesian liberals as well as conservatives, is that the achievement of full employment will inevitably bring price inflation. The so-called "Phillips curve" even calibrates the connection—the lower the rate of unemployment, the higher the rate of inflation, and vice versa.

It is upon this proposition that Gerald Ford based his veto of emergency jobs legislation, and a Gallup Poll showing that most Americans view inflation as a greater danger than unemployment gives his position considerable political validity. Obviously, he believes the voters will choose an "inflation fighter" over a "spender" next year, even if the spender's stated purpose is to put the unemployed to work.

The belief in an inflation-unemployment trade-off also is at the root of the relative timidity of the Democrats in pushing for measures to reduce unemployment, and the relative weakness of the measures they have supported. And the fear of inflation is no doubt the primary reason why the far-reaching Hawkins-Humphrey bill—which would be aimed at producing true full employment, not just 4-to-6 percent unemployment—does not have much chance to pass, and would surely be vetoed if it did.

Given such consequences, is the belief in the inflation-unemployment trade-off really valid? A number of economists, possibly a growing number, do not think so. Their general case is set down lucidly by Peter Barnes in the Fall 1975 issue of Working Papers—a special issue devoted to "politics and programs for 1976."

Mr. Barnes, now an official in the Presidential campaign of Fred Harris, is arguing for a guaranteed-job program. He recognizes that supporters of such a plan either must attack the idea that full employment would cause inflation, or argue—more dubiously—that putting the unemployed to work would be worth having higher prices for everybody.

The case he states is that full employment would not necessarily cause inflation, and that it might even "promote price stability." This is based on the idea that, contrary to the Phillips-curve proposition, "prices no longer fluctuate in accordance with supply and demand" in the American economy. Instead, as evidenced recently with automobiles, falling demand leads to higher prices, as the volume of production diminishes and per-unit costs rise. In economic areas where major industries "administer" prices, they raise them to compensate for lower volume and higher costs.

In this thesis, unemployment does not fight the resulting price inflation. It feeds it, since it reduces demand, thereby encouraging a further round of administered price increases to compensate for lowered volume. It follows that putting the unemployed to work would fight administered-price inflation, because the newly employed workers would not only increase aggregate demand but add to the supply of goods and services, and thus tend to promote price stability.

Since many of the unemployed are paid something, through compensation plans or welfare, but produce nothing, paying them wages for productive work should result in a net increase of aggregate supply over aggregate demand. Putting them to work also should increase the volume of production. Both factors actually would tend to lower rather than increase prices.

As for the Federal budget deficit, since it is largely the product of the drop in tax revenues attributable to unemployment, a successful full-employment program would tend to reduce the deficit, hence pressures on the credit markets. Interest rates therefore would remain at reasonable levels. Even President Ford's budget report conceded that "if the economy were to be as fully employed in 1976 as it was in 1974, we would have $40 billion in additional tax receipts, assuming no change in tax rates, and $12.7 billion less in aid to the unemployed." That's $52.7 billion more revenue at 1974 tax and employment levels—and the latter was not true full employment.

For all these reasons, the Congressional Democrats may have a more significant instrument in their hands than many now think—the Hawkins-Humphrey bill. It would give every American an enforceable right to a job, make full employment the measure of the fiscal and monetary policies of all Federal agencies, establish federally administered "job reservoirs" meshing private and public employment, and set up a Standby Job Corps for the public employment of those waiting for permanent jobs. Mr. Ford's certain veto of such a bill, if the Democrats should pass it, would draw the issue sharply for the election next year.

TRIBUTE TO DR. RENE SHAPSHAK

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, Dr. Rene Shapshak, the well-known French sculptor and artist, was awarded the Commander Award of the American Sovereign Award of the Greek Order of St. Dennis of Zante on June 1, 1975. The investiture ceremony was performed by His Excellency Porioles Count Voultes, prince grand master, in New York City.

The Greek Order of St. Dennis of Zante was granted a charter by an act of Congress in 1953 and has brought comfort and aid to all those in need through its philanthropic service to the community. Those who have been honored by the order in the past include: Richard Cardinal Cushing, Terrence Cardinal Cooke, Harry S. Truman, and John F. Kennedy.

The American Sovereign Award is just one of many honors which have been bestowed upon Dr. Shapshak. Tributes to his outstanding work include an honorary degree from the University of South Africa, being named an honorary citizen of New Orleans, and recipient of the Lafayette Medal in Paris.

A Knight of Malta, Dr. Shapshak has exhibits in 18 museums and 55 collections here and abroad. His commissioned sculptures from governments the world over are found in England, Israel, Athens, and the United States. He holds the honor of being the only sculptor to exhibit at the United Nations.

In his acceptance speech at the American Sovereign Awards Ceremony, Dr. Shapshak again reiterated his intention to dedicate his life to the culture and humanity of all mankind. His life has been one of continued service and the world owes him a great debt.

TRIBUTE TO THE HONORABLE CLINTON P. ANDERSON

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, it was with profound sorrow that I took note of the death of former Senator Clinton P. Anderson, my friend and colleague, on November 11.

Senator Anderson achieved success in many fields in a career spanning some four decades. He was a newspaper reporter, treasurer of the State of New Mexico, a Member of the U.S. House of Representatives, Secretary of Agriculture, and a U.S. Senator until his retirement in 1973. In addition, he was a private businessman in the insurance field.

During the period of his public service Senator Anderson established legislative landmarks in a number of areas, such as conservation, medical care, national security and energy and natural resources. His accomplishments in these many fields are an indication of his outstanding talents and abilities, and his dedicated efforts for the betterment of the Nation will be sorely missed in the years ahead.

A source of special pride and satisfaction to me is our service together on the Joint Committee on Atomic Energy. Senator Anderson always took special pride in his efforts to develop nuclear energy and I can personally attest to his concerned efforts to make this new force the servant of mankind. He saw, of course, the possibilities of nuclear power as a substitute for conventional fuels. But in addition Senator Anderson saw the potential of the use of nuclear energy in medicine. Indeed, the Los Alamos Meson Facility, named in his honor, is dedicated to the conquest of such dreaded diseases as cancer through nuclear energy.

Senator Anderson's life and untiring efforts in many fields have pointed us in the direction of an improved standard of living for all of mankind. I am sure my colleagues and the Nation as a whole join me in the expression of a heartfelt thanks in his memory.

I wish finally to express my deepest sympathy to the Senator's widow, Henrietta, and their children. They also deserve the gratitude of the Nation since I am sure their support of their husband and father contributed to the outstanding accomplishments of this remarkable man whose memory we honor.

JOHN E. ZUCCOTTI APPOINTED FIRST DEPUTY MAYOR OF NEW YORK CITY

(Mr. BARRETT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BARRETT. Mr. Speaker, over the weekend Mayor Beame of New York City appointed John E. Zuccotti to be the first deputy mayor of New York City.

As some of the Members may know, John formerly served as special counsel to the Housing Subcommittee during 1970 and 1971. His progress since leaving the service of the Housing Subcommittee has been, indeed, one of proud accomplishments. He was appointed by then Mayor Lindsay to be a member of the New York City Planning Commission and later appointed to be chairman of the city planning commission and was kept in that important position when Mayor Beame became mayor. John has served as a very influential adviser to the mayor all during the most recent crisis concerning New York City's financial difficulties and has proved to be an extremely valuable aide to both the mayor and other State officials in attempting to see New York City through its financial crisis.

I am proud of John's accomplishments and I believe his appointment as first deputy mayor bodes well for the city.

Mr. Speaker, I include following my remarks two stories from the New York Times of Tuesday, November 18, 1975, on John E. Zuccotti.

[From the New York Times, Nov. 18, 1975]

PLANNER WITH GREAT PATIENCE: JOHN EUGENE ZUCCOTTI

(By Ronald Smothers)

As outgoing First Deputy Mayor James A. Cavanagh sat in his office yesterday talking with reporters and reflecting on his more than two years as Mayor Beame's chief of staff, he was asked what trait he would advise his successor to cultivate.

"Patience," said a rather downcast Mr. Cavanagh, "Patience with everybody."

John Eugene Zuccotti, chairman of the City Planning Commission and the First Deputy Mayor-designate, brings to the job three years of practice at being patient. As head of the commission, which shepherded development at a time of growing sentiment against development, and as forger of compromises between builders and community groups he acquired a reputation as a listener and problem-solver.

MOMENT OF REASON

During a recent hearing on a Zuccotti creation—one of the 62 mini-plans for the city's 62 planning districts designed to replace and "humanize" the city Master Plan—the chairman sat intently listening as speaker after speaker angrily read grim omens for their area into an emerging comprehensive plan.

Afterward, the bespeckled Mr. Zuccotti, characteristically pushing his longish, black hair back from his forehead, carefully summarized the complaints. As if startled that the chairman had actually listened to them, the crowd broke into applause.

"If you're on the Planning Commission for five years and people are constantly screaming at you," said the 38-year-old lawyer and planning expert, "you have to find that moment of reason and leap for it. You listen, wait and don't raise your voice."

A PROBLEM SOLVER

This approach to city government is perhaps an outgrowth of Mr. Zuccotti's soft-spoken manner and rather deferential air, some associates suggested, while others maintained it was the practical approach of a problem-solver who is more concerned with results than with a reputation as a tenacious bargainer.

He is credited with broadening the planning process of the commission by introducing local board into the process, redefining the process as something continuing and fluid rather than as a search for an absolute embodied in the static goals of a master plan, and successfully utilizing a number of special zoning mechanisms to blunt community opposition to development while persuading builders to provide certain design amenities sought by communities.

"Much of this work was built on the concept of compromise," Mr. Zuccotti said.

Mr. Zuccotti's rise to prominence within the Beame administration has been slow, quiet and unspectacular, devoid of any of the political intrigue that is common in City Hall. He was also somewhat anomalous for an official who was one of the few holdovers from the administration of John V. Lindsay and had first to contend with a suspicion among Beame advisers toward the self-proclaimed innovators and mostly young officials of the previous administration.

BEAME PRESENTS ZUCCOTTI AS AIDE

(By John Darnton)

Wearing a worn necktie emblazoned with tiny profiles of Don Quixote, John E. Zuccotti, chairman of the City Planning Commission and a holdover from John V. Lindsay's administration, was presented by Mayor Beame yesterday as his new right-hand man.

At a press conference at City Hall, in an atmosphere of tension that could not be overcome by forced smiles by the Mayor's staff, Mr. Beame praised the "talents and stature" of Mr. Zuccotti, his First Deputy Mayor as of Jan. 1.

Meanwhile James A. Cavanagh, the 61-year-old civil servant who had occupied the powerful position for the last two years, sat in his office adjoining the Mayor's, poring over the papers. Occasionally he emerged to hug a secretary or to shake hands with a commissioner.

CAVANAGH FORCED OUT

Mr. Cavanagh, whose fingerprints can be found on budget drafts, stretching back over a decade, had been pressured to resign because of his close identification with the bookkeeping gimmicks that created the illusion of balanced ledgers. The gimmicks helped pave the way for the city's fiscal crisis.

Both Mr. Beame and Mr. Cavanagh, longtime colleagues, skirted questions about pressures from the Emergency Financial Control Board, the Municipal Assistance Corporation and elsewhere that led to Mr. Cavanagh's resignation Saturday. The Mayor cited cowardly "character assassination mongering" and let it go at that. Mr. Cavanagh was stoical.

"I don't think my character's been hurt," he said. "Maybe I've always been a bit of a character."

His temper flared momentarily when he was asked about the size of his pension—reported to be about $40,000. "None of your business," he snapped.

The only close associate of Mr. Cavanagh's who attended the press conference in the Blue Room was John Lanigan, the Deputy Budget Director. Like Mr. Cavanagh, Mr. Lanigan is a charter member of a group known among their colleagues as the "Irish Mafia" which joined city government during the Depression and rose to power through the Budget Bureau.

ANGER OVER OUSTER

During the conference Mr. Lanigan patted one knee nervously. Afterward, in a corridor, he was angry about Mr. Cavanagh's removal.

"All this business about his bearing responsibility for past actions is nonsense," he said. "When you serve an administration, you just present them with the options for decisions. You don't make decisions."

The leading contender being considered to replace Mr. Zuccotti as chairman of the City Planning Commission is Victor Marrero, the executive director of the commission under Mayor Lindsay and now first assistant counsel to Governor Carey.

Other possibilities include Roger Starr, the city's Housing and Development Administrator; Alfred Eisenpreis, the Economic Development Administrator, and Joseph Christian, chairman of the Housing Authority.

Mr. Zuccotti, a quiet man of unquestioning loyalty to the Mayor but also someone who can talk in modern management jargon and mix easily with bankers and businessmen, said that his duties include implementing the three-year financial plan imposed by the state board.

This could bring him into conflict with Kenneth S. Axelson, the new Deputy Mayor for Fiscal Affairs, who has a similar mandate.

Mr. Zuccotti will apparently be working closely with Herbert Elish, the executive-director of the Municipal Assistance Corporation. The two men are co-directors of the Mayor's Management Advisory Committee. Before accepting the First Deputy Mayor's post, Mr. Zuccotti talked it over with Mr. Elish, himself a dark-horse candidate who had been favored for the job by some influential businessmen.

ARNOLD TOYNBEE ON THE RELATIONSHIP BETWEEN MILITARISM AND SOCIAL DISINTEGRATION

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, recently Arnold Toynbee, one of the world's greatest historians, passed away. In yesterday's Washington Post, an excellent article appeared by Colman McCarthy distilling some of the essence of Arnold Toynbee's understanding about the nature of civilization and the things that cause civilizations to decay.

While a complete reading of Mr. Toynbee's many volumed work, "A Study of History," may be reserved mostly for scholars, the education of any person interested in public affairs is hardly complete without reading the one-volume summary of Mr. Toynbee's work, which is published under the same name and is still in print and is also available at public libraries.

Mr. McCarthy states that "of all the modern historians none more clearly perceived the relationship between militarism and social disintegration."

Toynbee found that one of the characteristics of warlike societies is that they are self-destructing. The classic example, of course, is the brilliant civilization of ancient Greece, which decayed because the various states that were part of the civilization were never able to devise a voluntary system for pooling their separate sovereignties. And so they went on for generations in a cycle of wars against each other until they were finally unified by conquest from the outside.

Mr. McCarthy points out that in 1969, on turning 80, Mr. Toynbee said:

> If we crash, it will be because we have chosen death and evil when we were free to choose life and good.

He also points out that the same week that Toynbee lay dying, the Ford administration gave us another example of its choices. The day that the former Defense Secretary railed against a congressional committee for daring to pare his military budget, the administration told another committee of its plans to cut the food stamp program by $1.2 billion. For Toynbee this would have been part of a familiar pattern: "A nation's leaders wanting more money for war and less for people, and wondering all the time why things keep worsening."

It is surprising to me that in all the

debates on the budget resolutions and the debt limit increase, including, quite appropriately, repeated citations as to the dangers of inflation, I never heard anyone point to the simple, obvious fact that the total of the Nation's military expenditures and other war-related expenditures since 1945 is more than double the total national debt.

Furthermore, these military expenditures have not only taken money that could have been used for economically productive and socially constructive purposes, but they have been far less effective in creating jobs than if the money had been spent on meeting the needs of our civilian population.

One must hope that the new congressional budget system will provide the occasion for Congress to take a longer look at the Nation's problems and to start to establish a healthier set of priorities.

One may also hope that this, in turn, will create a greater pressure on the executive branch to make a long-term commitment, not only to eliminate unnecessary military expenditures by this country but to take a dynamic leadership role in moving toward worldwide disarmament under the rule of law.

Otherwise, the prospect is that our civilization will follow the dismal pattern that has characterized the collapse of other great civilizations in the past, so perceptively described by Mr. Toynbee.

The full text of Colman McCarthy's article follows these remarks:

[From the Washington Post, Nov. 18, 1975]

Toynbee and the Means to Peace

(By Colman McCarthy)

Many looked to Arnold Toynbee to be instructed in the details of human behavior that other scholars missed in their broad assessments of history. Toynbee was able to soar into cosmic ponderings as high-floating as those of Spengler, Gibbon or Beard. But of all the modern historians none more clearly perceived the relationship between militarism and social disintegration. Toynbee's recent death came when newspapers are all but forced to assign reporters to the military beat. The debate on defense spending shifts from one Congressional committee to another. Arms sales to foreign countries involve a long list of major American corporations. Industrialists and Army officials share hunting lodges—all of it confirming what Toynbee noted in part six of "A Study of History"; "The Institution of war is still in full force in our western society."

The force of that institution was felt early in Toynbee's life, in events that shaped his revulsion for military force as a means to settle disputes, and events that assured that the subject would recur throughout both his 12 volumes of his history and also his personal reminiscences. In one of the latter, "Experiences," he tells of one of the two visual memories of war that forever haunted him. While traveling in Greece, he came upon the dead body of a young Greek soldier killed in March 1921 at the second battle of Inonu:

"The body was rigid: the face was waxen; the tiny perforation-mark in the forehead seemed too insignificant a cause to have extinguished a life instantaneously. The dead boy was lying a few yards below the Turkish trenches on the crown of the ridge which the boy's unit had been storming. In the trenches there were the bodies of Turkish peasants—brave 'embattled farmers' that had been horribly mutilated by Greek shellfire. These young men, Greek and Turkish, had all been brought into the world by the birth-pangs of mothers; they had been nurtured with love; and now they had been taken to be slaughtered on the threshold of mankind. I must work for the abolition of the wicked institution that was the cause of this criminal destruction of the most precious thing on earth."

The work was to be quiet and slow-paced scholarship. In the anti-war movement since the 1920s—the movement didn't begin with Rennie Davis marching into Washington with his New Mobe, however much media attention may have made it seem that way—Toynbee's name was seldom associated with the activist role of a Bertrand Russell or Dorothy Day. He admited that "there are ways of working for the abolition of war that are more direct than my way has been." But if he chose indirection it was not for reasons of safety but because it looked to him to be a surer way. Intellectual work, he believed, has to be the basis for action; otherwise the action can be dismissed as thoughtless.

A common assessment of Toynbee's histories is that they "made the past come alive." Such a contribution is valuable because it often appears that those leaders who make history today are all but deaf to the meaning of their actions. Defense secretaries tell Congress that billions more are needed for one weapon or another, yet there is seldom a hint of the carnage, maiming and bloody chaos that these weapons will inflict upon the innocent sure to be in the way when the combatants go at each other.

In making history "come alive," Toynbee was at his most stirring when showing how war was alive in his own consciousness and that militarism should not be left as an abstraction. In "Experiences," he tells of the toy army of his childhood playroom:

"It never occurred to me to associate soldiers with mortal combat—with killing and wounding. Even at the early stage when I was still engaging half-heartedly in the mock battles that I eventually omitted from my day's playtime program, I was not picturing to myself, when I was knocking some of my soldiers down, that I was playing at the commission of a criminal act. It never occurred to me that, if these had been real live soldiers, they would have been shrieking as I struck them down and down and would then have been writhing and groaning as they lay on the stricken field, if they had not the better fortune of being killed instantaneously instead of being left callously to die a lingering death."

Toynbee's theories of history had power because he was not content to portray merely what had happened, and leave it at that. Instead, he came forward with views on why historical events happened and what lies ahead if the pattern is blindly repeated. Because of this insistence on looking ahead on the basis of what he learned by looking back, he was written off by some critics as being pessimistic—for believing that modern societies are no more immune from disintegration by war than earlier ones. "In our recent western history," he wrote, "war has been following war in an ascending order of intensity; and today it is already apparent that the war of 1914–18 was not the climax of this crescendo movement. If the series continues, the progression will indubitably be carried to ever higher terms, until this process of intensifying the horrors of war is one day brought to an end by the self-annihilation of the war-making society."

In arguing his thesis that warlike societies are self-destructing, Toynbee usually made his case with scholarly calmness. Only occassionally did he rise to visible excitement, so much so that a Toynbee exclamation point is the rarest collector's item in the library. As for what prompted this high honor of Toynbee excitement, it could only be the Pentagon. In a paragraph on the "militaristic" American people in which he discussed the Pentagon's "economic hold over the American business world." Toynbee concludes: "Moreover, by expenditure on public relations, the Pentagon is able also to use the taxpayers' money for conditioning the taxpayers themselves to acquiesce in a servitude which their fathers and forefathers would have resented and rejected as being 'un-American'!"

It is the highest unfairness to dismiss Toynbee as a gloomy forecaster of doom. "I do not believe that civilizations are fated to break down," he wrote, "or that they have a fixed maximum life-span, as organisms have . . . I believe that when they do break down, the cause is, not some blow from outside, but some inward spiritual failure." In 1969, on turning 80, he said that "if we crash, it will be because we have chosen death and evil when we were free to choose life and good."

As if by pre-arrangement, the same week that Toynbee lay dying in England, the U.S. government, of which Toynbee had such baleful thoughts, was giving the world another example of its choices. The day that the former Secretary of Defense railed against a congressional committee for daring to pare his military budget, the Ford administration told another committee of its plans to cut the food stamp program by $1.2 billion. For Toynbee this would have been part of a familiar pattern he described in a shelf of books: a nation's leaders wanting more money for war and less for people, and wondering all the time why things keep worsening.

U.S. ARMS POLICY AND LATIN AMERICA

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, last month the 16th in a series of conferences on "Strategy for Peace" was held under the auspices of the Stanley Foundation. Among the topics considered at the conference was "Conventional Weapon Control: Latin America." The report resulting from the discussion is an excellent analysis and summary of arms control issues in the hemisphere and alternative policies for our country to follow with respect to arms transfers to Latin America and the Caribbean. I commend the report to the attention of the House:

Conventional Weapons Control: Latin America

(A Report of the 16th Strategy for Peace Conference, Oct. 9–12, 1975)

In recent years there have been signs that Latin America, in the process of developing its own regional identity, may also develop important precedents for the world in collective self-restraint and arms control. Our discussion group focused on U.S. arms policy toward Latin America, the validity of its stated purposes, and its relationship to the emerging sense of restraint and self-identity among various countries of this region. We reviewed the dimensions and patterns of U.S. arms transfers to Latin America, the forces creating demands for arms in the region, primary U.S. interests there, and the main alternatives to current policy.

THE DIMENSIONS OF LATIN AMERICAN ARMS TRADE

In the past ten years (1965–75) the United States has transferred nearly one and a half billion dollars worth of military equipment and services to Latin America which, although it represents about 50% of the region's total arms imports, is only a minor fraction of U.S. arms exports world-wide. In constant prices, the total value of U.S. military orders and programs in Latin America has not been rising year by year, as might be expected, but rather it has risen and fallen in waves, sugegsting a pattern of competition among the larger purchasers. It is also important to note that in the same decade the mode of transfer of U.S. arms to Latin America has shifted significantly from military assistance to Foreign Military Sales, i.e. government controlled commercial transactions.

The U.S. ceilings on total dollar value of transfers to Latin America and the restriction against the export of "sophisticated" equipment to this region regulated, to an extent, the type of equipment that the United States shipped to Latin America, although it did not preclude the purchase of expensive, modern arms elsewhere. The past decade, therefore, witnessed a gradual, sometimes sporadic, increase in jet aircraft, tanks, and ships. This can probably be explained as competition among the larger South American countries to modernize their vintage World War II military hardware.

During the 1960's, when there was a trend back to European sources of supply, the experience was not always satisfactory, because of problems with maintenance and supply of spare parts. The other major suppliers, in addition to the United States, are France, the Soviet Union, England, Canada, and Germany. One interesting development of recent years has been the emergence of Brazil to compete with Argentina, as a supplier of indigenously produced arms. It is evident that Brazil intends to develop an export capability with the third world as its primary market.

The upward and downward trends in military orders can be seen as a barometer of tension among the major purchasers and concern with what a neighbor is purchasing. Competition among the larger purchasers is both real and apparent. Whether competitive purchases relate directly to the likelihood of conflict between any of them, however, is debatable. The disputes for which they purportedly arm look more like excuses to justify arms purchases than serious external threat. The greater likelihood of conflict probably lies among the small, relatively lightly armed Latin American countries, especially those in Central America. Such outbreaks as occurred between Honduras and El Salvador can be most disruptive to their neighbors and the entire region.

There are hopeful signs that Latin American countries are moving toward a regional identity that recognizes the distinct need to deemphasize the various rivalries among themselves. There have been significant efforts at economic integration and the development of a common front on both regional and extra-regional questions. As the Andean Pact illustrates, in many areas cooperation is now possible where it would have impossible ten years ago. Some members noted skeptically that the process of Latin American economic integration has been underway for some time with only limited success. Therefore, expectations for the success of those efforts now in progress should not be exaggerated. For example, old political rivalries and emerging rivalries over natural resources may counteract the traditional tendencies toward a common intellectual identity in Latin America.

FORCES INFLUENCING ARMS PURCHASES

Latin American military establishments armed against both internal and external threats. When the major portion of U.S. arms transfers to the region was in the form of military assistance, the United States played an essential role in the definition of the military requirements of each recipient. During the decade of the 1960's, the United States, concerned with threats to internal stability, emphasized counterinsurgency. When U.S. arms transfers shifted to sales, and restrictions were imposed on U.S. sales, more of a free market situation came to predominate and each country began to exercise its own processes of choice. Under these conditions there has been a marked trend back toward border disputes as a rationale for arms purchases, although counterinsurgency is still a mission.

Most Latin American countries still clearly define one of the essential missions of their armed forces as counterinsurgency and internal stability. Some also gauge their military acquisitions according to perceived rivalries among themselves. There was considerable speculation that these regional external threats were perpetuated and promoted largely by military leaders, rather than because they are real threats. New economic rivalries might reinforce the tendency to keep these traditional border disputes alive.

The rivalry between Brazil and Argentina clearly transcends mere boundary disputes. They are pitted against each other in a bid for regional influence and leadership. Although this rivalry intrudes on most of their activities regionally and internationally, it is most apparent in their military programs. It was argued that their aspirations are also global. Brazilian designs for economic growth reflect a distinct perception that Brazil is and will be increasingly a world actor. Similarly, Argentina has a traditional concept of its own role in the larger world. It has in the past identified directly with European powers. With the return of Peron, its military and military-related programs became even more determinedly focused on advancing into the large power category, in turn spurring Brazilian aspirations.

It was pointed out that the above might suggest that arms purchases by Latin American countries are totally the result of a rational process of deliberation and justification, which is not in fact the case. One cannot dismiss the role of internal politics, the relationship of arms acquisitions to the maintenance of power within the system. For some purchases this may be the single most important explanation. In other cases, there may be apolitical idiosyncratic forces at work.

UNITED STATES INTERESTS

In the 1940's there were strong democratic reasons for the United States to develop links with the Latin American military establishments and woo them away from their authoritarian German influences. The legacy of this rationale has been a continued inclination on the part of the U.S. government to consider its military channels to Latin America to be an important element of its total relationship with the region.

The group found little question that the basic U.S. interest fashioning our arms transfers policies toward Latin America has been the maintenance of governments friendly toward the United States and the avoidance of communist takeovers. In most cases this has included, by definition, the support of conservative military establishments, some of which have constituted the "friendly" government. This interest could also be translated as a desire to avoid conflict, either internal or regional, which would disrupt U.S. economic interests or lead to communist takeovers. Some arms transfers have been made in the interest of conflict control (e.g. counterinsurgency) and restrictions have been employed to dampen overpurchasing and arms races.

The group also agreed that U.S. interests in Latin America were in need of redefinition and reflection in new policy. Our interests in supporting conservative military establishments and especially those military establishments that also held political power have been reaping undesirable political returns in Latin America, to the extent that we become identified with the forces of political and social repression. Several participants argued that military regimes in Latin America, once in power, are forced to varying degrees to balance their own military aspirations with larger social and economic demands.

THE ALTERNATIVES

The group considered four alternative courses for U.S. arms transfer policy toward Latin America: a laissez-faire commercial free market, the denial of all weapons transfers, unilaterally controlled transfers (in varying degrees), and the mutilateralization of controls with both supplier and recipient participation.

LAISSEZ-FAIRE

There was little attraction to the notion of an open market for U.S. arms sales in Latin America. Aside from the undesirable and predictable increases in demand that could be anticipated as a result of an active sales campaign, there would be severe implications for the entire spectrum of U.S. relations with Latin America. The declaration of a laissez-faire arms policy would signal that our interest in preventing conflict had eroded and we would inevitably find ourselves in the position of supporting the strong and wealthy countries against the weak and poor.

NO TRANSFERS

It was agreed that the practical dilemmas of instituting a policy of total abstention from arms transfers to Latin America would be serious. Such a policy, if imposed unilaterally, would have to be world-wide, if the United States was to avoid charges of discrimination against a single region. A majority of the group was concerned that if the United States were to impose a total restriction on arms transfers without itself engaging in a policy of disarmament, world opinion would find this morally inconsistent. A minority argued strongly that the two objectives bear no relationship to each other. The only real possibility of a credible policy of total restraint in Latin America would be if the Latin American recipients themselves designed the policy. In this case, a U.S. policy of compliance with Latin America desires would be clearly necessary and beneficial.

LIMITED UNILATERAL CONTROLS

The most promising possibilities for new directions in U.S. arms policy toward Latin America arose in the third and fourth options. Current U.S. policy, which falls in the category of *limited unilateral controls* was found to be lacking in several respects, although it would be difficult to identify clear consensus on how these deficiencies might be resolved.

The question of human rights, with particular reference to Chile, was discussed at length and various specific means of determining a relationship between a government's internal behavior and U.S. arms policy were suggested. For example, it was proposed that the U.S. might require an arms recipient investigation of human rights violations by an international commission. The counter argument was that this would not serve well as a policy because the changes of applying it consistently would be very slim, in part because our perceptions of acceptable political behavior vary from region to region and in part because it could easily become an instrument for selective denial. Larger problems with the human rights issue were also voiced. The United Nations has grappled with the question for years, establishing various standards for the determination of violations and taking a number of legal steps to recognize universal human rights. However, there are no means of enforcing these concepts, as has been painfully evident in cases of gross violation. Nevertheless, there was some hope that recent U.S. statements and Congressional action reflect a discernible movement toward a stronger position on human rights that might eventually find expression in policy. Perhaps the best promise for the future is in the potential effectiveness of regional commissions for human rights. U.S. arms policy might specifically recognize the authority of regional commissions to determine cases of gross violation where the input of additional arms would be inappropriate and counterproductive to humanitarian goals.

There was general agreement that a policy of control should be coordinated between the Executive and Legislative Branches of the U.S. government. Lacking effective consultation between the two branches and recognizing serious reservations about the apparent direction of Executive Branch arms policy, there have been several congressional proposals for both selectively and comprehensively restrictive legislation on arms transfers. At the same time, the formalized process and additional machinery that would be required to meet the demands of this legislation suggest that there should be further exploration of alternate solutions to the problem. Some effort will have to be made by those determining arms policy to meet the concerns of Congress that certain arms policies appear inconsistent with longer term U.S. interests. There was recognition in this context that our arms transfers policies toward Latin America ought to encourage the indigenous Latin American arms control initiatives.

It was also pointed out that it would be undesirable for U.S. arms transfers to become predominantly commercial, without the checks inherent in the Foreign Military Sales channel.

MULTILATERALIZATION OF CONTROLS

The unique distinction of the Latin American region in the arms transfer context is that it holds the greatest promise for future regional agreement on limiting the flow of conventional arms into the region and sustaining the ban on nuclear weapons.

The Treaty of Tlatelolco, which came into force in 1968, declares the desire of its signatories to preserve Latin America as a nuclear free zone. It is a historically significant manifestation of regional identity and recognition of the disruptive potential of certain external influences—in this case nuclear power.

Because the potential nuclear states in the Latin American region, namely Brazil and Argentina, have reservations about their commitments to Tlatelolco, the treaty by its existence raises questions about the intentions of these countries in their pursuit of nuclear technology. Furthermore, the treaty is a witness in no uncertain terms to the regional disapproval of the acquisition of nuclear weapons.

The Declaration of Ayacucho*, signed December 9, 1974, by Argentina, Bolivia, Chile, Colombia, Ecuador, Panama, Peru, and Venezuela, voices the intention of these countries to "make possible the effective limitation of armaments and end their acquisition for offensive purposes, so that all possible resources might be devoted to the economic and social development of every country in Latin America." That aspect of the declaration, a proposal initiated by Peru earlier in 1974, constitutes a response to external pressures promoting arms races in Latin America. As a follow-on to this declaration and within the framework of the Andean Pact, there have been two subsequent meetings, one in Lima, Peru in February 1975 and a second in Santiago, Chile last September, to develop the means of implementing the mandate of the declaration. Further meetings are scheduled to be held in the near future to pursue specific limitations to be applied.

This declaration has been supported by the non-aligned countries, as well as by the United States. There was a consensus in the group that the United States should continue to seek appropriate means to support such efforts in Latin America. Specifically, we should cooperate by: a) not promoting the sale of arms to participant countries or their neighbors, and b) establishing a policy of non-response to requests from apostate members of the treaty group. It was also noted that unilateral controls of a discriminatory and paternalistic nature could be counterproductive to the development of self-imposed regional restraints, which, in the end, would be the only really effective means of arms control. To assume that Ayacucho signifies a consensus in Latin America would be misleading and the United States must be careful to maintain a low-profile, but supportive, arms policy as the consensual process evolves.

Finally, concern was expressed with the growing illicit trade in conventional arms in Latin America. There was consensus that this is a matter requiring further study, with an eye to improving national means of control.

REGULATORY AGENCY APPOINTMENT REFORM ACT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, the demands for reform of the Federal regulatory agencies have increased in frequency and intensity from all segments of the business and consumer communities. In July of this year I introduced a bill that would cause nine Federal regulatory agencies to self-destruct if they are unable to demonstrate their effectiveness to the Congress. As important a step as I think that bill was, it alone cannot end the inertia which permeates the Federal bureaucracies. President Kennedy commented on the oppresive immobility infecting the agencies over 12 years ago, but little has been done since to halt the disease. Another equally important factor in the agencies' ponderous deliberations is the inability of the commissioners of the various agencies to provide vigorous leadership. This inefficiency and vacillation has seeped down to the employees until it pervades all aspects of agency regulation.

The reasons for the lack of leadership and the massive breakdown of the regulatory system can be directly traced to the congressional fault in enacting vague legislation creating the agencies, to the Presidental fault in appointing less than outstanding and less than impartial commissioners and to the Senate for approving the appointments. Past and present chief executives and congresses, Democrats and Republicans, liberals and conservatives must share equally in the condonation of an agency appointments process which encourages the redtape of bureaucracy and the greenbacks of political favors at the expense of businessman and consumer alike. The national representatives of the people have accepted bad appointments and bad policies, failed to assume their constitutional responsibilities, and relied on good intentions when only an aggressive, critical probe of the nominees could have served the public interest.

The failures of the White House and Capitol Hill have significantly contributed to the public distrust and disillusionment over the Federal Government. The public's loss of confidence in Government can scarcely surprise anyone who has followed the process of agency appointments. Political contributors to Presidential campaigns have been rewarded with appointments to the Federal Maritime Commission. Defeated Congressmen, Vice-Presidential aides, and congressional staff members have been appointed to agencies with depressing regularity. The history of agencies indicates that the criteria for appointment is not what you know but who you know.

An equally disturbing element in the appointments process has been the revolving door policy of appointment between the regulated industries and the regulating agencies which the White House and Congress seem to have adopted. The General Accounting Office recently completed a survey of 120 commissioners in 9 different agencies over the past 15 years. Since 1960, 30 percent of the commissioners have come from industries they proceeded to regulate. Since 1970, more than half of the commissioners have come from regulated industries.

Today I am introducing a bill which will help restore the confidence of the American people in Government and help revitalize the effectiveness of the regulatory agencies. The Regulatory Agency Appointment Reform Act establishes a Federal Regulatory Agency Nominating Board which will provide the President with 3 names whenever a vacancy occurs in one of the 11 Federal agencies included in the provisions of the bill. The agencies chosen are characterized by multimember commissions and broad authority to regulate rates, prices, and supply mechanisms. Under the bill, the President and the Senate retain their constitutional authority to nominate, advise and consent but the process is made more effective through the Nominating Board's screening and suggestion authority.

The Nominating Board will consist of 15 members appointed to 3-year terms. Seven of the members shall be appointed by the President, three each by the majority leader of the Senate and the Speaker of the House and one each by the Senate and House minority leaders. The bill further provides that at least 8 of the members appointed shall be "representatives of the public-at-large"—individuals who have had no connection with any industry affected by any of the 11 regulatory agencies for 3 years prior to their appointment and who have demonstrated a commitment to the public interest. This provision encourages the participation of businessmen experienced and knowledgeable in the problems of Government regulations but also insures that the Nominating Board is not dominated by such individuals. The independence of the Nominating Board and the regulatory agencies is further strengthened by limiting membership on the Board to 2 terms and prohibiting reappointment to any of the 11 agencies. The bill also proposes that no commissioner serving on any of the 11 agencies may accept employment or compensation from any industry regulated or directly affected by the activities of the agency upon which he served for 2 years following the conclusion of his agency service. Given the number of qualified and dedicated citizens eager to serve, this presents no serious hindrance to the appointment of effective commissioners. Furthermore, this provision is essential for demonstrating to the public that both the fact and appearance of independence will be scrupulously followed.

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*Ayacucho is the name of the last battle against the Spanish in Latin America and signifies the last element of foreign presence in the region.

The bill represents a new approach to the agency appointments process that profoundly changes the previous system without compromising the constitutional directives. The genesis of the bill is rooted in the realization that the President and the Senate can no longer devote to the appointments process the time and energy necessary to insure that the public interest is truly served. The bill is also an honest admission that the nature of politics is such that the pressures to reward valued service can reach proportions that even the best of us may sometimes find difficult to withstand. The Regulatory Agency Appointment Reform Act was drafted in recognition of both these facts of life. The independence of the Board will assure that neither of these problems occur and will mark a significant step forward in reforming the Federal regulatory agencies.

LATVIAN INDEPENDENCE

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, I join with the free world in this week's commemoration of the 57th anniversay of Latvia's proclamation as an independent democratic republic. Today, as a result of Soviet aggression, Latvians live under the iron hand of Soviet rule. In the spirit of the O'Neill resolution, I applaud the national integrity of these people who continue to bravely withstand the illegal annexation and colonization of their country.

The Letts have lived nobly under forced oppression for 35 years. They have experienced clashes with their religion, their literature, and their art during this time. Membership in the Latvian Lutheran Church has decreased from 1 million prior to Soviet occupation to 0.3 million during the late 1960's; only 50 of the 259 churches are still used for religious services. Writers and artists who choose to express themselves freely—according to their personal motivations—are censored by the state. Oftentimes their personal lives become jeopardized.

As a further degradation of the country since its occupation in 1940, Soviet officials continue to import Russian and Byelorussian laborers into the Baltic States—while at the same time, they export native Lithuanians, Estonians, and Latvians deep into Soviet lands. This situation has reached such a crisis point that demographers predict that native-born Latvians living on their native soil will be in a minority—this year.

Yet, these people continue to exhibit the courage and integrity recounted and written about so well by Alexandr Solzhenitsyn in his journals of the Baltic inmates in the Gulag camps. These remarkable people persist in their search and conquest of a national identity and I am confident that someday they shall emerge victorious.

I would like to attach a copy of recent remarks which I was fortunate to hear concerning the contemporary struggle of these people. I submit the words of Prof. Visvaldis V. Klive for the consideration of my distinguished colleagues:

THE LATVIAN FREEDOM STRUGGLE IN THE CONTEMPORARY SETTING

(Remarks by Dr. Visvaldis V. Klive of Wittenberg University, Springfield, Ohio, at the 57th anniversary of Latvian-independence-declaration observance in Washington, D.C., at the Latvian Church Community Center in Rockville, Md., on Nov. 15, 1975)

The establishment of the Latvian independence on November 18, 1918 was the result of a conscious revolutionary freedom struggle. It is wrong to interpret it as merely some sort of historical accident, or the consequence of lucky circumstances. For, Latvians always wanted to be free. This struggle lasted for centuries; most of its participants were fully aware that it was a fight for freedom and self-determination, and knew well the risks that they were running by pursuing it.

This struggle continues. All the news we receive from Latvia indicate that the Latvian nation will never accept any foreign domination.

The present phase of this freedom-struggle takes place in a period dominated by the spirit of "detente" and the Helsinki accords. Several conclusions may be drawn already.

First, it has become abundantly clear that the Helsinki European Security Conference has solved nothing as far as the Baltic problem is concerned. In fact, the abstract declarations signed in Helsinki have been cleverly exploited and used by the Soviet authorities in Latvia to break the spirit of resistance. This is also true in Estonia and Lithuania.

Second, the declared free exchange of ideas has not been implemented. On the contrary, all of the restrictions on the exchange of ideas, books, printed materials, and freedom of movement have remained in effect. The so-called "cultural exchange" has remained as one-sided as ever. And the tourist restrictions in Latvia are as strict as ever.

All of this suggests that the Soviet Union has not the slightest intention to live up to the humanitarian principles it so solemnly declared at Helsinki.

At the same time, we should note that there are many nations which have expressed serious reservations about the wisdom of the "detente" policy of the United States. These reservations have involved not only the moral compromises of that policy, so easily ignored by both pragmatists and idealists, but also the practical consequences and possible future effects of detente were viewed critically. One obvious example of such self-serving dissatisfaction with detente is the Peoples Republic of China. But we can also observe the growing dissatisfaction even among Eastern and Central European nations such as Rumania, Albania, and Yugoslavia, in addition to the expected criticism by western nations.

In spite of repeated proclamations by the US government, many see the detente policy as an expression of weakness and irresolution. This policy may create not only dangerous euphoric illusions, but may also encourage desperate actions by people struggling for freedom and against the growing apathy of world opinion. The increasing despair of people engaged in their legitimate struggle for their freedom and self-determination from Soviet forcible occupation may breed serious violence in Eastern Europe.

Thus, for both moral and practical reasons, it is highly unfortunate that the policy of "detente" is pursued during a period when there is a growing dissident movement in the Soviet Union itself, as well as the Soviet-occupied countries.

What can, and what should be done?

First, every signatory nation should make sure that the humanitarian principles expressed in the Helsinki accords are genuinely observed by the Soviet Union. All violations should be promptly and publicly condemned.

Second, there must be encouragement of the various freedom movements within the Soviet Union itself. America should side with the wave of the future—the bicentennial principles of freedom and independence for all oppressed people—rather than with discredited, corrupt, and backward communist-party authoritarianism. Thus, the Baltic peoples' right for self-determination should be unequivocally proclaimed.

Third, a new and more realistic foreign policy should be formulated, which would be free from the euphoric myths and delusions of "detente" and the associated moral dry rot. The Soviet Union should be fully recognized for what it is—an imperialist power, prating hypocritically about progress and liberation but keeping its oppressed people subject to a dehumanizing government and rulers that most of them did not freely choose and have no intention of choosing.

The Americans of Latvian descent have a distinctive role to play in this task, as sowers of the seed of freedom for Latvia, Lithuania, and Estonia, together with the other Baltic-Americans. We can all participate in this struggle for freedom in various ways, starting with getting the Baltic State Resolution passed by Congress, and making sure that Congress monitors Soviet violations of the Helsinki accords. Let us work toward that goal, together with our friends and allies. We believe that it is our sacred duty, for our enslaved fellow Balts do not have the opportunity to make their voices heard as loudly as they would like. With God's help, Latvia and the other captive nations can and will be free.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. KEMP, for 15 minutes today, and to include extraneous matter.

(The following Member (at the request of Mr. SCHULZE) to revise and extend his remarks and include extraneous material:)

Mr. Frenzel, for 15 minutes, today.

(The following Members (at the request of Mr. Hall) to revise and extend their remarks and include extraneous material:)

Mr. Addabbo, for 30 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Patman, for 30 minutes, today.

Mr. Mezvinsky, for 15 minutes, today.

Mr. Runnels, for 30 minutes, today.

Ms. Holtzman, for 10 minutes, today.

Mr. Fithian, for 15 minutes, today.

Mr. Udall, for 10 minutes, today.

Mrs. Collins of Illinois, for 15 minutes today.

Mr. Thompson, for 5 minutes, today.

(The following Members (at the request of Mr. Mikva) to revise and extend their remarks, and to include extraneous matter:)

Mr. Dodd, for 5 minutes, today.

Ms. Abzug, for 15 minutes, today.

Mr. O'Neill, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Brown of Ohio and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $715.

Mr. Perkins and to include extraneous matter.

Mr. Bolling and to include extraneous matter.

Mr. Randall to revise and extend his remarks prior to vote on conference report on H.R. 3922, Older Americans Act.

(The following Members (at the request of Mr. Schulze) and to include extraneous material:)

Mr. Bell.

Mr. Conte.

Mr. McKinney.

Mr. Moorhead of California.

Mr. Hammerschmidt.

Mr. Goldwater in three instances.

Mr. Sebelius.

Mr. Steiger of Arizona in two instances.

Mr. Symms.

Mr. Crane.

Mr. Kasten.

Mr. du Pont.

Mr. Michel.

Mr. Rousselot.

Mr. Findley.

Mr. Emery.

Mr. Ashbrook in two instances.

Mr. Peyser.

Mr. Rhodes.

Mr. Gilman.

(The following Members (at the request of Mr. Hall) and to include extraneous material:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Long of Maryland.

Mr. Miller of California in two instances.

Mr. Ford of Tennessee.

Mr. Bolling.

Mr. Adams in two instances.

Mr. Johnson.

Mr. McDonald of Georgia in five instances.

Mr. Badillo in two instances.

Mr. Phillip Burton in two instances.

Mr. Litton.

Mr. Nowak.

Mr. Matsunaga.

Mrs. Burke of California.

Ms. Holtzman in two instances.

Mr. Blanchard in three instances.

Mr. Byron.

Mr. Evins of Tennessee in two instances.

(The following Members (at the request of Mr. Mikva) and to include extraneous material:)

Mr. Ottinger in three instances.

Mr. Morgan in two instances.

Ms. Holtzman in three instances.

Mr. Mollohan.

Mr. Danielson.

Mr. Burke of Massachusetts.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 10029. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 6. An act to amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes.

ADJOURNMENT

Mr. MIKVA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 43 minutes p.m.), the House adjourned until tomorrow, Thursday, November 20, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2079. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed rules governing the consumers' education program, pursuant to section 431 (d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2080. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Navy to offer to sell certain military equipment to Australia, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

2081. A letter from the Acting Secretary of the Army, transmitting a draft of proposed legislation for the relief of Vojislav S. Bozic, Constantin A. Krylov, Abdurachman G. Kunta, Fatima S. Kunta, Nikolai I. Ozolins, Eugen E. Posdeeff, and Tatiana M. Wassiliew; to the Committee on the Judiciary.

2082. A letter from the Secretary of Transportation, transmitting four drafts of proposed legislation "to revise and improve the laws relating to the documentation of vessels, and for other purposes," "to revise and improve the laws relating to the documentation of seamen," "to simplify the tonnage measurement of certain vessels," and "to eliminate Federal documentation of pleasure vessels," to the Committee on Merchant Marine and Fisheries.

2083. A letter from the Acting Administrator of General Services, transmitting a revised prospectus proposing construction of a U.S. courthouse in lieu of the previously authorized Federal office building at Madison, Wis., pursuant to the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2084. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed amendments to regulations governing the Indian Educaton Act, part B, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VANIK:

H.R. 10813. A bill to impose an unjust enrichment tax with respect to license fees held to be illegal which are imposed on the importation of petroleum and petroleum products; to the Committee on Ways and Means.

H.R. 10814. A bill to provide a 1-year continuation of certain tax reductions enacted by the Tax Reduction Act of 1975; to the Committee on Ways and Means.

By Mr. ASPIN (for himself, Mr. Bedell, and Mr. Fraser):

H.R. 10815. A bill to prohibit the introduction or delivery for introduction into commerce of the chemical compounds known as polychlorinated biphenyls; to the Committee on Interstate and Foreign Commerce.

By Mr. BARRETT:

H.R. 10816. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Public Works and Transportation.

H.R. 10817. A bill to amend subsection 167 (k) of the Internal Revenue Code to promote the rehabilitation of housing for families of low income; to the Committee on Ways and Means.

By Mr. BOWEN (for himself, Mr. Rinaldo, and Mr. Thornton):

H.R. 10818. A bill to establish improved programs for the benefit of producers and consumers of rice; to the Committee on Agriculture.

By Mrs. BURKE of California (for herself, Ms. Abzug, Mr. Blouin, Mr. Brown of California, Mr. John L. Burton, Mr. Carney, Ms. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Edwards of California, Mr. Eilberg, Mr. Ford of Tennessee, Mr. Fraser, Mr. Harrington, Mr. Hawkins, Mr. Helstoski, Mr. Kastenmeier, Ms. Keys, Mr. LaFalce, Mr. Maguire, Mr. Metcalfe, Mr. Mitchell of Maryland, and Mr. Moakley):

H.R. 10819. A bill to provide for the establishment of multipurpose service programs for displaced homemakers, and for other purposes; to the Committee on Education and Labor.

By Mrs. BURKE of California (for herself, Mr. Moss, Mr. Nix, Mr. Ottinger, Mr. Pickle, Mr. Richmond, Mr. Riegle, Mr. Rodino, Mr. Rosenthal, Mr. Roybal, Mr. Ryan, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Waxman, Mr. Vander Veen, and Mr. Charles H. Wilson of California):

H.R. 10820. A bill to provide for the establishment of multipurpose service programs for displaced homemakers, and for other purposes; to the Committee on Education and Labor.

By Mr. D'AMOURS (for himself and Mr. Howard):

H.R. 10821. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. DAN DANIEL (for himself and Mr. Lott):

H.R. 10822. A bill relating to collective-bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

By Mr. DRINAN:

H.R. 10823. A bill to amend title II of the Social Security Act to permit the computation of the benefits payable to a married couple (or to the surviving widow or widower) to be made on the basis of their combined earnings; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Ms. Abzug, Mr. Beard of Rhode Island, Mr. Blouin, Mr. Brodhead, Mrs. Chisholm, Mr. Conyers, Mr. Corman, Mr. Dellums, Mr. Edgar, Mr. Grassley, Mr. Harrington, Mr. Helstoski, Mr. Hughes, Ms. Keys, Mr. Metcalfe, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Oberstar, and Mr. Ottinger):

H.R. 10824. A bill to require the Federal Energy Administration to preserve all fees collected under the oil import fee program for eventual distribution to the consuming public; jointly to the Committees on Ways and Means, and the Judiciary.

By Mr. DRINAN (for himself, Mr. Rosenthal, Mr. St Germain, Mr. Scheuer, Mr. Stark, and Mr. Studds):

H.R. 10825. A bill to require the Federal Energy Administration to preserve all fees collected under the oil import fee program for eventual distribution to the consuming public; jointly to the Committees on Ways and Means, and the Judiciary.

By Mr. FAUNTROY:

H.R. 10826. A bill to amend the act establishing a code of law for the District of Columbia to prohibit the unauthorized use of a motor vehicle obtained under a written rental or other agreement; to the Committee on the District of Columbia.

By Mr. FLORIO:

H.R. 10827. A bill to amend the Community Mental Health Centers Act to require States which receive assistance under the act to establish and maintain mental health advocacy services; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER:

H.R. 10828. A bill to amend title 38 of the United States Code so as to entitle veterans of the Mexican border period and of World War I to pension on the same basis as veterans of the Spanish-American War and to entitle widows of such veterans to equivalent pensions; to the Committee on Veterans' Affairs.

By Mr. FRASER (for himself, Mr. Mazzoli, Mr. Simon, and Mr. Duncan of Oregon):

H.R. 10829. A bill to clarify the prohibition against making false statements in matters within the jurisdiction of a department or agency of the United States; to the Committee on the Judiciary

By Mr. FREY (for himself, Mr. Davis, Mr. Flowers, and Mr. Traxler):

H.R. 10830. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. HICKS:

H.R. 10831. A bill to amend the Tariff Schedules of the United States to provide duty-free treatment for softwood veneers imported for use in making plywood; to the Committee on Ways and Means.

By Mr. HILLIS:

H.R. 10832. A bill to amend title 38 of the United States Code in order to authorize the Administrator of Veterans' Affairs to make scholarship grants to individuals attending medical schools on the condition that such individuals will serve in Veterans' Administration facilities for a certain period of time upon completion of professional training, and for other purposes; to the Committee on Veterans' Affairs.

By Ms. HOLTZMAN:

H.R. 10833. A bill to amend title XVIII of the Social Security Act to freeze the inpatient hospital deductible which is imposed for purposes of hospital insurance benefits (and for purposes of determining the premiums payable by uninsured individuals not otherwise eligible), and the monthly premiums which are charged for purposes of supplementary medical insurance benefits, at their 1975 levels for an additional year; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. LEHMAN (for himself and Mr. Baucus):

H.R. 10834. A bill to amend title 39, United States Code, to provide that buildings constructed for use by the U.S. Postal Service shall be designed and constructed in a manner making them accessible to the physically handicapped; to the Committee on Post Office and Civil Service.

Mr. MEZVINSKY (for himself and Mr. Sarasin):

H.R. 10835. A bill to require the Federal Trade Commission, the Department of Justice, and the Department of Agriculture, to compile information and annually report to the Congress with respect to antitrust enforcement, market structure, and state of competition in the food industry, and for other purposes; to the Committee on the Judiciary.

By Mr. MIKVA:

H.R. 10836. A bill to reform the appointment process by which commissioners of Federal regulatory agencies are selected, to establish a bipartisan nominating board composed of distinguished individuals which will recommend to the President persons well qualified to be appointed as regulatory agency commissioners, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce; Public Works and Transportation; Agriculture; Banking, Currency and Housing; Merchant Marine and Fisheries, and Joint Committee on Atomic Energy.

By Mr. MOTTL:

H.R. 10837. A bill to amend the Regional Rail Reorganization Act of 1973 to provide for payment by the United States of real property taxes owed to a State or political subdivision thereof by a railroad in reorganization under such act; to the Committee on Interstate and Foreign Commerce.

By Mr. OBERSTAR:

H.R. 10838. A bill to promote the peaceful resolution of international conflict, and for other purposes; jointly to the Committees on Government Operations, and Rules.

By Mr. REGULA:

H.R. 10839. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. RHODES:

H.R. 10840. A bill to provide for the protection of franchised dealers of petroleum products from coercive business practices, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. SULLIVAN (for herself, Mr. Dingell, Mr. Downing of Virginia, Mr. Murphy of New York, Mr. Breaux, Mr. Bonker, Mr. Patterson of California, Mr. Zeferetti, Mr. Oberstar, Mr. Ruppe, Mr. McCloskey, Mr. Treen, and Mr. Pritchard):

H.R. 10841. A bill to amend the Intercoastal Shipping Act, 1933 by revising its suspension provisions and by authorizing periodic promulgation of rate of return guidelines; to the Committee on Merchant Marine and Fisheries.

By Mr. THONE:

H.R. 10842. A bill to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported," to require that imported dairy products comply with certain minimum standards of sanitation, and to require that imported dairy products be labeled "imported," and for other purposes; to the Committee on Agriculture.

By Mr. WHITE (for himself and Mr. Beard of Rhode Island):

H.R. 10843. A bill to amend title 39, United States Code, in order to provide free postage for voter registration materials and nonpartisan voter information for those States and other political subdivisions subject to the provision of section 4(a) and section 203 of the Voting Rights Act; to the Committee on Post Office and Civil Service.

By Mr. GONZALEZ:

H.J. Res. 731. Joint resolution to designate February 8 to 14, 1976 as National Vocational Education and National Vocational Industrial Clubs of America (VICA) Week; to the Committee on Post Office and Civil Service.

By Mr. FISH (for himself, Mr. Badillo, Mr. Harrington, Mr. Long of Maryland, Mr. Murphy of New York, Mr. Ottinger, Mr. Pattison of New York, Mr. Rodino, Mr. Rosenthal, Mrs. Spellman, Mr. Thompson, and Mr. Whitehurst):

H. Con. Res. 486. Concurrent resolution to recognize the Washington-Rochambeau National Historic Route; to the Committee on Interior and Insular Affairs.

By Mr. WAGGONNER (for himself, Mr. Mathis, Mr. Alexander, Mr. Butler, Mr. Carter, Mr. Cleveland, Mr. Downey of New York, Mr. Flynt, Mr. Gaydos, Mr. Guyer, Mr. Johnson of Pennsylvania, Mr. Lent, Mr. Lloyd of California, Mr. Long of Louisiana, Mr. Mann, Mr. Mazzoli, Mr. Meeds, Mr. Mills, Mr. Nolan, Mr. Patman, Mr. Poage, Mr. Roe, Mr. Rose, Mr. Rostenkowski, and Mrs. Smith of Nebraska):

H. Con. Res. 487. Concurrent resolution with respect to the freedom of the Republic of China and its people; to the Committee on International Relations.

By Mr. WAGGONNER (for himself, Mr. Mathis, Mr. Stephens, and Mr. Wolff):

H. Con. Res. 488. Concurrent resolution with respect to the freedom of the Republic of China and its people; to the Committee on International Relations.

By Mr. BELL:

H. Res. 872. Resolution to direct the Committee on International Relations to begin an immediate study of the relationship of the United States with the United Nations and to report, within 6 months, to the Speaker of the House of Representatives recommendations with respect to whether the manner and nature of such relationship should be changed; to the Committee on Rules.

By Mr. GONZALEZ (for himself, Mr. Aspin, and Mr. Solarz):

H. Res. 873. Resolution creating a select committee to conduct an investigation and study of the circumstances surrounding the deaths of John F. Kennedy, Robert F. Kennedy, and Martin Luther King, Jr., and the attempted assassination of George Wallace; to the Committee on Rules.

By Mr. MINISH:

H. Res. 874. Resolution to express the sense of the House of Representatives that the President should, upon visiting the People's Republic of China, request that appropriate Chinese officials use their good offices to obtain a full and complete accounting of members of the U.S. Armed Forces missing in action and confined as prisoners of war in Southeast Asia and of all American civilian personnel who are listed as missing in Southeast Asia and should, upon his return to the United States, report back to the Congress on the results of his request; to the Committee on International Relations.

By Mr. SISK (for himself, Mr. Murphy of Illinois, Mr. Young of Georgia, Mr. Pepper, and Mr. Anderson of Illinois):

H. Res. 875. Resolution amending the Rules of the House of Representatives to provide for television and radio coverage of the proceedings of the House; to the Committee on Rules.

By Mr. THONE (for himself, Mr. Bowen, Mr. Jenrette, Mr. Hubbard, Mr. Sebelius, Mr. Stark, Mr. Beard of Rhode Island, Mr. Clay, Mr. Carney, Mr. Mazzoli, Mr. Kastenmeier, Mr. Madigan, and Mr. Goodling):

H. Res. 876. Resolution to insure that the quality and quantity of free broadcasting service not be impaired; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII,

276. The SPEAKER presented a memorial of the Legislature of the State of Ohio, relative to the New Community Authority Act; to the Committee on Banking, Currency and Housing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAN DANIEL:

H.R. 10844. A bill for the relief of Hidolfo Moreno Nepomuceno and his wife, Norma Nepomuceno; to the Committe on the Judiciary.

By Mr. ARMSTRONG:

H. Res. 877. Resolution to refer the bill, H.R. 9028, to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

309. The SPEAKER presented a petition of the National Coalition to Fight Inflation and Unemployment, New York, N.Y., relative to jobs and lower prices; jointly to the Committees on Banking, Currency and Housing, and Education and Labor.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 10612

By Mr. SMITH of Iowa:

On page 15, strike out lines 20 and 21 and insert:

"(iii) to grain, oil seed, fiber, pasture, tobacco, silage, and forage crops (including expenses of planting, seeding, residue processing, fallowing, plowing, or any other soil preparation), and".

On page 16, strike out lines 15 to 21, inclusive and insert:

"(2) Prepaid feed, seed, fertilizer, etc.—

"(A) In general.—Any amount paid for feed, seed, fertilizer, or other supplies which are on hand at the close of the taxable year.

"(B) Exceptions.—Subparagraph (A) shall not apply to—

"(i) any amount paid for supplies which are on hand at the close of the taxable year on account of fire, storm, flood, or other casualty or on account of disease or drought, or

"(ii) in the case of a taxpayer (other than a farming syndicate as defined in section 467 (d)(3)) who, on the average, produces more than 50 percent (by volume) of the feed consumed by such taxpayer's livestock (other than poultry), any amount paid for feed which is on hand at the close of the taxable year."

On page 69, strike out lines 3 and 4 and insert:

"(3) raising or harvesting grain, oil seed, fiber, pasture, tobacco, silage, or forage crops,".

SENATE—*Wednesday, November 19, 1975*

(Legislative day of Tuesday, November 18, 1975)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. Metcalf).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, Father of our spirits, give us thankful hearts for the pioneers who opened this land, and for those who laid the foundations of our national life. We thank Thee for raising up leaders of wisdom and strength in every generation, and for Thy sustaining grace in peace and in war, in prosperity and adversity. Grant that we may ever dedicate ourselves to the unfinished work so nobly advanced by others. Keep us mindful that power comes from Thee and that high office is a trust of which we are stewards. May the legislation of this body be such as promotes the general welfare, redresses social wrongs, and establishes peace and justice, to the glory of Thy holy name. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, November 18, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

DEPARTMENT OF STATE

The second assistant legislative clerk read the nominations of Walter L. Cutler, of Maine, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zaire; James W. Spain, of Florida, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Republic of Tanzania; Nathaniel Davis, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland; and Mary S. Olmsted, of Tennessee, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Papua, New Guinea.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed.

Mr. MANSFIELD. Mr. President, I request the President be notified.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Does the Senator from Michigan desire recognition?

Mr. GRIFFIN. No, Mr. President.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes.

UNANIMOUS-CONSENT AGREEMENT—H.R. 8773

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, as chairman of the Appropriations Subcommittee on the Department of the Interior, I may be authorized to call up the Department of Interior appropriations bill, H.R. 8773, at any time tomorrow or Friday; that there be a time limitation thereon of 1 hour to be equally divided between Mr. STEVENS and myself; that there be a time limitation on any amendment, debatable motion or appeal of 30 minutes, and that the division and control of time be in the usual form.

Mr. GRIFFIN. May I just confirm that this arrangement has been cleared with the ranking Member (Mr. STEVENS)?

Mr. ROBERT C. BYRD. No, it has not been cleared with Mr. STEVENS, but we have worked together on the recommendations for the bill. We will mark up the bill today. I have no question but that it will be agreeable to Mr. STEVENS. If it is not, I will make it agreeable with him.

Mr. GRIFFIN. I thank the distinguished majority whip.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, the request is granted.

Is there further morning business?

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that on each of two possible amendments by the Senator from South Carolina (Mr. HOLLINGS) to the Interior Department appropriation bill (H.R. 8773), Mr. HOLLINGS have 1 hour and the Senator from Montana (Mr. METCALF) have a half hour and the Senator from Alaska (Mr. STEVENS) a half hour.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The text of the unanimous-consent agreement is as follows:

Ordered, That it be in order for the Leadership to call up H.R. 8773, the Interior Appropriations Bill for 1976, at any time on Thursday, November 20, 1975, or Friday, November 21, 1975, and that when the Senate proceeds to its consideration, debate on any amendment (except 2 amendments to be offered by the Senator from South Carolina (Mr. HOLLINGS), on each of which there shall be 2 hours debate, to be divided and controlled with 1 hour for the Senator from South Carolina (Mr. Hollings), ½ hour for the Senator from Montana (Mr. Metcalf), and ½ hour for the Senator from Alaska (Mr. STEVENS), debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment, motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from West Virginia (Mr. Robert C. Byrd) and the Senator from Alaska (Mr. Stevens): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

NEW YORK CITY BONDS

Mr. ALLEN. Mr. President, I received yesterday a telegram from a constituent regarding the proposed New York City bailout. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BIRMINGHAM, ALA., *November 15, 1975.*

U.S. Senator JAMES ALLEN,
Senate Office Building,
Capitol Hill, Washington, D.C.:

Wire service stories have recently quoted various "Federal banking authorities" to the effect that 520 banking institutions around the country including 26 Alabama banks have a substantial amount of New York bonds and "would be left holding worthless paper" in the event of a New York City default.

These stories have caused a great deal of undue and uninformed concern and alarm among the citizens of Alabama. We know of no one in the country who can say with certainty what the impact of a New York City default would be. The past history of municipal defaults would lead us to believe that while there may be some temporary disruptions in the money markets and some modest loss or deferral of income, we fail to see a strong possibility of substantial potential for severe problems to our banking systems.

Alabama Bancorporation, Alabama's largest financial institution has absolutely no problems in this regard as we are presently holding only $150,000 in New York City securities out of an investment portfolio of $509 million at Sept. 30, 1975 and compared to total assets of in excess of $1.7 billion. Our New York City securities in any event total less than 1 per cent of net income after taxes expected during 1975. Furthermore, at the present time, we know of no major Alabama bank holding company which would experience undue problems in the event of a New York City default.

If these wire service stories are accurate, we deplore this type of comment on the part of regulatory authorities and can only interpret this action to be part of an attempt to put pressure on the Congress to look more favorably at assistance to New York City.

In our judgment, this is an unfortunate misuse of regulatory authority and we urge you to set the record straight and to put at ease the public of the United States about the financial integrity of the banking systems of Alabama and the United States.

JOHN W. WOODS,
Chairman and President,
Alabama Bancorporation.

(Copy of Telegram sent to: Chairman Federal Reserve Board; Comptroller of the Currency, Treasury Department; Chairman, Federal Deposit Insurance Corporation, Washington, D.C.)

Mr. ALLEN. This is a copy of a telegram that was sent to the Chairman of the Federal Reserve Board, the Comptroller of the Currency, and the Chairman of the FDIC, as follows:

Wire service stories have recently quoted various "Federal banking authorities" to the effect that 520 banking institutions around the country including 26 Alabama banks have a substantial amount of New York bonds and "would be left holding worthless paper" in the event of a New York City default.

These stories have caused a great deal of undue and uninformed concern and alarm among the citizens of Alabama. We know of no one in the country who can say with certainty what the impact of a New York City default would be. The past history of municipal defaults would lead us to believe that while there may be some temporary disruptions in the money markets and some modest loss or deferral of income, we fail to see a strong possibility of substantial potential for severe problems to our banking systems.

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In our judgment, this is an unfortunate misuse of regulatory authority and we urge you to set the record straight and to put at ease the public of the United States about the financial integrity of the banking systems of Alabama and the United States.

JOHN W. WOODS,
Chairman and President, Alabama Bancorporation.

Mr. President, I ask unanimous consent that there be printed in the RECORD an article from the Mobile Press Register about the sale of $10 million in city of Mobile bonds at an interest rate of 7.032, which is a rather favorable rate.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CITY ACCEPTS 3 BIDS ON $10 MILLION ISSUE

The Mobile City Commission Thursday opened bids on a $10 million general obligation capital improvement warrant issue, and received a low bid of 7.032 per cent interest from John Nuveen & Co. and Associates, represented by Merchants National Bank of Mobile.

Two other bids were accepted: 7.17475 per cent from Continental Illinois Bank and Trust of Chicago and Associates, and 7.132086 per cent from Trust Company Bank and Associates of Atlanta.

A fourth bid prepared by a group of investors represented by American National Bank of Mobile was rejected unopened because it was submitted some three minutes after City Clerk Richard L. Smith began reading the bid entries.

The city commissioners were very pleased with the relatively low interest rates bid.

City Finance Director Patrick W. Kelly said the City of Tampa, Fla., which has an "A-1" rating from Moodys Investors Service, last week sold a $30 million bond issue for 7.9 per cent interest. Mobile has an "A" rating.

The $10 million will be spent on capital improvements such as streets, fire stations and recreation facilities.

Mr. ALLEN. This was sent to me by a banker in Mobile who says he believes that any damage to the bond market by New York defaulting has already occurred. It certainly did not keep the city of Mobile from receiving bids on a $10 million warrant issue yesterday.

It is interesting to note that the press has been calling attention to the fact that the city of Mobile was the first city in the country to default on its municipal bonds back following the panic of 1837. Mobile has rehabilitated itself, apparently, and it can sell $10 million in bonds at 7-percent interest when some of the other cities, and I might say New York in particular, are not able to sell their bonds at any rate of interest. I believe this is interesting.

I want to pay tribute to the bankers of Alabama. It has been reported that our banks have large holdings of New York City bonds. I want to deplore the scare tactics that the media, the New York politicians and the New York banks have been using in an effort to stampede the Congress into bailing out New York City. I want to state definitely and positively that I have not had one single Alabama banker ask me to vote in favor of a New York City bailout. On the contrary, Mr. President, I have had a number of banks in my home State write me that although they do have New York City securities, they stand firmly behind my position of seeking to prevent this bailout of New York City because they feel that it would set a bad precedent, that it would be opening up a tremendous multibillion dollar additional Federal program that would destroy any semblance that we now have of local self-government.

Also, Mr. President, in the first speech that I made on this subject I urged the administration to stand firm in its opposition to a New York City bailout.

I pointed out that from a political standpoint, if they were considering the matter from a political standpoint, the administration had already lost New York, and no amount of changing positions would rectify that situation; but if they waffle on this issue, they are going to harm themselves throughout the country.

I would hope that the President will not move further to destroy his credibility by yielding on this issue. He took an adament position, and I hope that he will have the moral courage, the political courage, and the courage arising from a sense of fiscal responsibility to stand firm in his position.

The ACTING PRESIDENT pro tempore. The time of the Senator from Alabama has expired.

Mr. ROBERT C. BYRD. Mr. President, I yield such time from my time as the Senator from Alabama may require.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized for 5 minutes, and yields to the Senator from Alabama.

Mr. ALLEN. I thank the distinguished assistant majority leader.

I want to say that if the President waffles on this issue, the only effect it will have on the Senator from Alabama—I see the Senator from North Carolina (Mr. HELMS) is here, and I believe he feels the same way about it—will be to make me redouble my efforts to kill this New York City bailout. And I might say this, Mr. President: As we were laying plans to defeat this issue, while the President was taking an adamant stand against the bailout, we ran into the proposition that many Senators said, "What is the use of resisting cloture? The President is going to veto this thing anyway. So why should we hold out against cloture? Let us go ahead and vote cloture, and if the Senate wants to pass the measure, the President is going to veto it, so why should we put on a battle over this matter?"

So we ran into that situation. But now, if the President has in fact waffled, if he has blinked in this eyeball-to-eyeball confrontation with the New York politicians, the banks, the big spenders, and the big government advocates in and out of Congress, if he has in fact blinked—and it may be erroneous, but there are news accounts to the effect that he has—if he has in fact blinked, far from ending the battle, it is just going to be the start of the battle. I serve notice that that is the position of the Senator from Alabama, and we are going to fight this issue right down to the wire.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

Mr. HELMS. I commend the distinguished Senator from Alabama on his comments, and wish to associate myself with him. The President simply cannot afford to waffle on this issue; and, as the Senator from Alabama has indicated, there are some of us in the Senate who are prepared to redouble our efforts in opposition to the bailout of New York City.

Again I commend the distinguished Senator from Alabama.

Mr. ALLEN. I thank the Senator. There is one further comment I wish to make. I want to serve notice on the leadership that we do not want any more unanimous-consent agreements that would expedite the consideration of this matter, that would waive Senate rules and cause this matter to come up for consideration here in the Senate earlier than it would according to the rules of the Senate.

The Senator from Alabama is serving as chairman of some important hearings on the food stamp program. He cannot be here on the floor all the time. So I am publicly calling on the leadership not to ask for any further unanimous-consent agreements with regard to expediting the consideration of this matter. Already——

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. Just a moment. Already the leadership has caused a unanimous-consent agreement to be entered here on the Senate floor that circumvents the role of the Committee on Banking, Housing and Urban Affairs and circumvents the role of the Senate in deciding what matters can be brought before the Senate and at what times. I hope that the leadership will assure the Senator from Alabama that no further shortcuts are going to be resorted to in an effort to ram this measure through the Senate.

Mr. ROBERT C. BYRD. Will the distinguished Senator yield?

Mr. ALLEN. I am delighted to yield.

Mr. ROBERT C. BYRD. The Senator from West Virginia assured the Senator from Alabama of that last night.

Mr. ALLEN. Yes. I want a public assurance. I hope the Senator will make that public assurance here on the Senate floor.

Mr. ROBERT C. BYRD. I think the Senator knows my word is good, whether it is a public assurance or private.

Mr. ALLEN. Yes, I rest assured that the Senator's word is good. I merely want his assurance for the record.

Mr. ROBERT C. BYRD. Well, the Senator can be on the floor. If he will not take my word, he had better be on the floor in his own right.

Mr. ALLEN. I need to be in hearings of the Agriculture Committee, but will make other arrangements so I can be on the floor.

Mr. ROBERT C. BYRD. The Senator from Alabama does not notify the leadership of his movements and actions. He does not hesitate to ask me as to what the leadership plans, and as a general rule I am not hesitant to respond to his questions. But I must say, on the public record, that the Senator from Alabama does not come to the leadership telling us what he plans to do, he springs it on the leadership without prior notice; and I just want to make that a matter of public record, since the Senator is talking for the public here.

The ACTING PRESIDENT pro tempore. The time of the Senator from West Virginia has expired. The time of the Senator from Alabama has expired.

MESSAGES FROM THE HOUSE

At 12:01 p.m., a message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills and joint resolution, each with amendment, in which it requests the concurrence of the Senate:

S. 55. A bill for the relief of Dino Mendoza Pascua;

S. 605. A bill for the relief of Heung Soon Kim;

S. 1653. A bill for the relief of Sun Yang Kim and Sun Mi Kim;

S. 322. A bill entitled The Hells Canyon National Recreation Area Act;

S. 447. A bill for the relief of Jesus Cortez Pineda; and

S.J. Res. 121. A joint resolution to provide for quarterly adjustments in the support price for milk.

The message also announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 1394. An act for the relief of Suk Chin and Hae Suk Chin;

H.R. 1395. An act for the relief of Mee Kyung Cho and Hee Kyung Cho;

H.R. 1396. An act for the relief of Sang Kook Chung and Hwa Soon Chung;

H.R. 1399. An act for the relief of Maria Dell Carmen Alvarado Martinez;

H.R. 1758. An act for the relief of Terrence Jarome Caguiat;

H.R. 2495. An act for the relief of Miss Malgorzata Kuzniarek Czapowski;

H.R. 2940. An act for the relief of Maria Sylvia Macias Elliott;

H.R. 2941. An act for the relief of Susan Rosemary Harwood;

H.R. 4038. An act for the relief of Jennifer Anne Blum;

H.R. 5648. An act for the relief of Violetta Cebreros;

H.R. 5750. An act for the relief of Chu Wol Kim;

H.R. 6392. An act for the relief of Koviljkas C. Clendenen;

H.R. 6852. An act conferring jurisdiction upon the U.S. Court of Claims to hear, determine, and render judgment upon the claim of John T. Knight;

H.R. 7882. An act for the relief of Miss Leonor Young;

H.R. 7908. An act for the relief of Edward Drag;

H.R. 8451. An act for the relief of Jung Shik Yang;

H.R. 8555. An act for the relief of Angel Pader Cabal; and

H.R. 8907. An act for the relief of Yong Won Lee.

ENROLLED BILL SIGNED

The message further announced that the Speaker has affixed his signature to the bill (H.R. 10029) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

At 2:20 p.m., a message from the House of Representatives, by Mr. Berry, announced that the House insists upon its amendment to the bill (S. 2017) to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. ROGERS, Mr. SATTERFIELD, Mr. PREYER, Mr. SYMINGTON, Mr. CARTER, and Mr. BROYHILL were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 6461) to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. MACDONALD of Massachusetts, Mr. MURPHY of New York, Mr. CARNEY, Mr. BYRON, Mr. FREY, and Mr. MADIGAN were appointed managers of the conference on the part of the House.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 12) to amend title 3, United States Code, to provide for the protection of foreign diplomatic missions, to increase the size of the Executive Protective Service, and for other purposes.

The message also announced that the House agrees to the amendments of the Senate to the resolution (H. Con. Res. 215) providing for the printing as a House document of a revised edition of "The Capitol."

The message further announced that the House has agreed to the concurrent resolution (H. Con. Res. 485) providing for a conditional adjournment of the House of Representatives from November 20, 1975, until December 1, 1975, in which it requests the concurrence of the Senate.

At 3:40 p.m., a message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 1397. An act for the relief of Ae Sook Song and Mi Yun Lee; and

H.R. 5052. An act for the relief of Yolanda E. Vez.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3922) to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such act, to prohibit discrimination on the basis of age, and for other purposes.

At 4:12 p.m., a message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the concurrent resolution (H. Con. Res. 485) providing for a conditional adjournment of the House of Representatives from November 20, 1975, until December 1, 1975.

ENROLLED BILL SIGNED

The message also announced that the Speaker has affixed his signature to the bill (S. 6) to amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate the following letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENT OF COMMERCE (S. DOC. No. 94–131)

A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1976 in the amount of $4,940,000 for the Department of Commerce (with accompanying papers). Referred to the Committee on Appropriations, and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENT OF STATE (S. DOC. No. 94–132)

A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1976 in the amount of $42,000,000 for the Department of State (with accompanying papers). Referred to the Committee on Appropriations, and ordered to be printed.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, November 19, 1975, he presented to the President of the United States the enrolled bill (S. 1517) to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes.

HOUSE BILLS REFERRED

The following House bills were each read twice by their titles and referred as indicated:

H.R. 1394. An act for the relief of Suk Chin and Hae Suk Chin; to the Committee on the Judiciary.

H.R. 1395. An act for the relief of Mee Kyung Cho and Hee Kyung Cho; to the Committee on the Judiciary.

H.R. 1396. An act for the relief of Sang Kook Chung and Hwa Soon Chung; to the Committee on the Judiciary.

H.R. 1399. An act for the relief of Maria Del Carmen Alvarado Martinez; to the Committee on the Judiciary.

H.R. 1758. An act for the relief of Terrence Jarome Caguiat; to the Committee on the Judiciary.

H.R. 2495. An act for the relief of Miss Malgorzata Kuzniarek Czapowski; to the Committee on the Judiciary.

H.R. 2940. An act for the relief of Maria Sylvia Macias Elliott; to the Committee on the Judiciary.

H.R. 2941. An act for the relief of Susan Rosemary Harwood; to the Committee on the Judiciary.

H.R. 4038. An act for the relief of Jennifer Anne Blum; to the Committee on the Judiciary.

H.R. 5648. An act for the relief of Violetta Cebreros; to the Committee on the Judiciary.

H.R. 5750. An act for the relief Chu Wol Kim; to the Committee on the Judiciary.

H.R. 6392. An act for the relief of Koviljkas C. Clendenen; to the Committee on the Judiciary.

H.R. 6852. An act conferring jurisdiction upon the U.S. Court of Claims to hear, determine, and render judgment upon the claim of John T. Knight; to the Committee on the Judiciary.

H.R. 7882. An act for the relief of Miss Leonor Young; to the Committee on the Judiciary.

H.R. 7908. An act for the relief of Edward Drag; to the Committee on the Judiciary.

H.R. 8451. An act for the relief of Jung Shik Yang; to the Committee on the Judiciary.

H.R. 8555. An act for the relief of Angel Pader Cabal; to the Committee on the Judiciary.

H.R. 8907. An act for the relief of Yong Won Lee; to the Committee on the Judiciary.

H.R. 1397. An act for the relief of Ae Sook Song and Mi Yun Lee; to the Committee on the Judiciary.

H.R. 5052. An act for the relief of Yolanda E. Vez; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BAKER, from the Committee on Public Works, without amendment:

H.R. 9472. A bill to amend section 15d of the Tennessee Valley Authority Act of 1933 to increase the amount of bonds which may be issued by the Tennessee Valley Authority, and for other purposes (Rept. No. 94–461).

By Mr. ROBERT C. BYRD, from the Committee on Appropriations, with amendments:

H.R. 8773. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes (Rept. No. 94–462).

By Mr. ALLEN, from the Committee on Agriculture and Forestry, with amendments:

H.R. 7656. A bill to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products (Rept. No. 94-463).

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 305. An original resolution to pay a gratuity to Elizabeth C. Wexler.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

Ronald J. James, of Illinois, to be Administrator of the Wage and Hour Division, Department of Labor;

John Stiles Irving, Jr., of Maryland, to be a member of the National Labor Relations Board; and

Peter D. Walther, of Pennsylvania, to be a member of the National Labor Relations Board.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Samuel K. Skinner, of Illinois, to be U.S. attorney for the northern district of Illinois; and

Arthur J. Wilson, Jr., of Illinois, to be U.S. marshal for the eastern district of Illinois.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

John F. Grady, of Illinois, to be U.S. district judge for the northern district of Illinois; and

Gerald B. Tjoflat, of Florida, to be U.S. circuit judge for the fifth circuit.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MOSS:

S. 2692. A bill to amend the Land and Water Conservation Fund Act of 1965, relating to the issuance to certain disabled individuals of lifetime admission permits to certain areas within the national park system and national recreation areas. Referred to the Committee on Interior and Insular Affairs.

By Mr. HUGH SCOTT:

S. 2693. A bill for the relief of Nickolas Housakos. Referred to the Committee on the Judiciary.

S. 2694. A bill for the relief of Francisco J. Silva. Referred to the Committee on the Judiciary.

By Mr. MONTOYA:

S. 2695. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit with respect to housing senior citizens in the principal residence of the taxpayer. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MOSS:

S. 2692. A bill to amend the Land and Water Conservation Fund Act of 1965, relating to the issuance to certain disabled individuals of lifetime admission permits to certain areas within the national park system and national recreation areas. Referred to the Committee on Interior and Insular Affairs.

NATIONAL PARK PERMITS FOR THE DISABLED

Mr. MOSS. Mr. President, at the present time, persons 62 and over are eligible to receive Golden Age Passports for free lifetime access to the national parks and recreation areas. This policy encourages use of our Nation's incomparable recreation resources by senior citizens living on fixed and limited incomes. The age restriction, however, is an arbitrary one. Many disabled persons of lower age are in the same financial circumstances but do not qualify for a Golden Age Passport.

As an example, one of my constituents, age 61, has suffered from severe rheumatoid arthritis for 19 years and qualified for total disability retirement in 1966. Although his mobility is severely limited, he is able occasionally to take his small trailer to his favorite fishing spot in a nearby park where he must pay a $2 parking fee each time he uses his special 50-cent fishing permit issued by the State of Utah.

My amendment requires the Secretary of Interior and Agriculture to draft regulations making such persons eligible for lifetime admission without charge. It is my hope that simple certification by a physician would suffice and that disabled persons would be able to obtain their permits without burdensome paperwork or travel requirements. I urge the Senate to act on this bill to extend the benefits of our national parks to these citizens.

By Mr. MONTOYA:

S. 2695. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit with respect to housing senior citizens in the principal residence of the taxpayer. Referred to the Committee on Finance.

Mr. MONTOYA. Mr. President, today I am introducing legislation which I believe will work to strengthen the structure of the family in our society by encouraging families to keep or to invite older Americans to share their homes. My proposal would allow a tax credit of $250 to each taxpayer who houses a citizen over 61 years of age within the taxpayer's principal place of residence. The credit will be in addition to the current dependency deduction to which the taxpayer is entitled if he provides over half the support for a parent or other elderly relative.

This legislation is designed to halt the segregation of the elderly in our society. More and more older Americans feel a sense of personal violation in their retirement years as they are forced into rooming houses or apartment buildings or nursing homes to live out their lives alone and unwanted. In today's busy world it has become commonplace for us to shut older family members out of our lives; moreover, inflation has forced many families to consider seriously before adding another member to a family circle, especially if the new member has a limited income.

This change in the fabric of our society is not a healthy one. As our children lose touch with senior members of the community and the family, we are weakening one of the traditional foundations of our nation. The cultural ties to the past are being cut, and our children are losing a valuable asset in understanding themselves and their own past. The character of our nation is molded within the family, and anything we do to strengthen that family pattern will strengthen the nation as a whole.

One of the Nation's greatest resources is the experience and knowledge of our senior citizens. By keeping them active and a part of our homes and our communities, we will be able to put their wisdom and experience to good use.

The current economic problems which face most American families provide another excellent reason for support of this legislation. Many families in the lower- and middle-income brackets would like to keep parents and grandparents at home, but are unable to do so because of rising costs. What this bill does is to provide that small margin of financial help through a tax credit, so that those families who do make sacrifices to keep older family members within the home will be benefited. For many of these families this small tax credit will provide the difference.

The third reason why I believe this legislation is important is the fact that we are currently facing a severe shortage of space in nursing homes and facilities. Many older persons can be cared for in a family, without the necessity of nursing home care. However, the added costs for medical care and nursing care have sometimes been the deciding factor in placing an older family member in a nursing home using medicare funds. Too often these homes are substandard or are merely warehouses for senior citizens who have no other place to go. It is essential that we find another way to handle this problem within our society. This legislation will relieve the demands upon overburdened nursing care facilities by encouraging more families to care for elderly relatives themselves where that is possible.

Mr. President, there are other bills which have been introduced this session which have the same general objectives as this bill. However, these bills have followed the traditional method of creating a tax incentive by providing a tax deduction. I prefer the use of the tax credit because I believe it is more equitable. The use of a deduction does not affect all taxpayers equally: those in higher tax brackets are in effect given a larger saving than those in a lower tax bracket. The tax credit, however, provides the same tax saving for all. That is especially important in a bill of the kind I am introducing today, because it is the lower-middle income and the middle-income family who most need help with the increased financial burden of an added person in the home. A $250 tax credit will provide a tax-saving equivalent to a $1,000 deduction for all those who are in the 25-percent tax bracket. It will provide a greater saving than the deduction would for those in lower brackets and a lesser saving than the deduction would for those who are in higher tax brackets. The actual saving would be $250 for all taxpayers who qualify. With the use of a deduction those who are in less than a 25-percent tax bracket would not realize a saving of $250, although higher income taxpayers would receive that much or more.

Since the families who are most in need of assistance because of the increased financial burden of an additional family member are those families who are middle and lower middle income families, I believe the tax credit approach is more sensible than the tax deduction.

I hope I will have the full support of many Members for this legislation, Mr. President. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2695

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter I of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 45 as section 45A and by inserting immediately after section 44 the following new section:

"SEC. 45. SENIOR CITIZENS HOUSING CREDIT

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year, $250 multiplied by the number of individuals—

"(1) who are at least 61 years old before the beginning of the taxable year, and

"(2) whose principal place of abode during the taxable year is the principal residence of the taxpayer during such year.

"(b) LIMITATIONS.—

"(1) LIABILITY FOR TAX.—The amount of the credit allowed under subsection (a) for the taxable year may not exceed the liability for tax of the taxpayer under this chapter for such year.

"(2) LODGERS.—Notwithstanding subsection (a), no amount of credit shall be allowed under this section for the taxable year with respect to an individual if the taxpayer is allowed a deduction under section 162 or 212 with respect to expenses he incurs in connection with providing lodging for such individual."

(b) (1) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 45. Senior citizens housing credit.
"Sec. 45A. Overpayments of tax.".

(2) Section 56(a) (2) of such Code (relating to imposition of minimum tax) is amended by striking out "and" at the end of clause (vi), by striking out the semicolon and "and" at the end of clause (vii) and inserting in lieu thereof a comma and "and", and by inserting after clause (vii) the following new clause:

"(viii) section 45 (relating to senior citizens housing credit); and".

(3) Section 56(c) (1) of such Code (relating to tax carryovers) is amended by striking out "and" at the end of subparagraph (F), by striking out "exceed" at the end of subparagraph (G) and inserting in lieu thereof "and", and by inserting after subparagraph (G) the following new subparagraph:

"(H) section 45 (relating to senior citizens housing credit) exceed".

(4) Section 6096(b) of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44" and by inserting in lieu thereof a comma and "44 and 45".

(c) The amendments made by this Act apply to taxable years beginning after December 31, 1975.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1425

At the request of Mr. EAGLETON, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of the S. 1425, the text of which the Senate on June 26, 1975 inserted in H.R. 3922, the companion House bill and, as so amended, passed.

S. 2635

At the request of Mr. HARTKE, the Senator from New York (Mr. BUCKLEY) and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of the bill (S. 2635) to amend title 38, United States Code, to modify the pension program for veterans of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era and their survivors, and for other purposes.

S. 2662

At the request of Mr. TUNNEY, the Senator from Iowa (Mr. CULVER) was added as a cosponsor of the bill (S. 2662) the International Security Assistance and Arms Export Control Act of 1975.

SENATE RESOLUTION 295

At the request of Mr. TUNNEY, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of the resolution (S. Res. 295) relating to the submission of any base agreement with Spain as a treaty for the full advice and consent of the Senate.

SENATE RESOLUTION 305—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution (S. Res. 305) which was placed on the calendar:

S. RES. 305

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Elizabeth C. Wexler, widow of Stephen J. Wexler, an employee of the Senate at the time of his death, a sum equal to ten and one-half months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

AMENDMENTS SUBMITTED FOR PRINTING

ADJUSTMENT OF INDEBTEDNESS OF MAJOR MUNICIPALITIES—S. 2597

AMENDMENT NO. 1151

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY submitted an amendment intended to be proposed by him to the bill (S. 2597) to amend the Bankruptcy Act to add a new chapter thereto providing for the adjustment of the debts of major municipalities.

Mr. BUCKLEY. Mr. President, I submit and send to the desk an amendment to S. 2597, and I ask unanimous consent to have 200 copies printed and available by 10 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore (Mr. METCALF). Without objection, it is so ordered.

INTERNATIONAL SECURITY ASSISTANCE AND ARMS EXPORT CONTROL ACT OF 1975—S. 2662

AMENDMENT NO. 1152

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. KENNEDY (for himself, Mr. CRANSTON, Mr. PELL, and Mr. CULVER) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2662) to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes.

CONTROL OF MILITARY FORCES IN THE INDIAN OCEAN

Mr. KENNEDY. Mr. President, I am today reintroducing legislation as an amendment to the foreign military aid bill, expressing the sense of the Congress that the President enter into direct negotiations with the Soviet Union, aimed at achieving mutual limitations on deployments of naval and other forces in the region of the Indian Ocean.

The Senate passed this legislation last September, as part of the International Relations Authorization Act. However, as a result of differences with the House conferees, the provision was dropped in conference last week.

This action followed, by only 1 day, Senate passage of the Culver amendment to the military construction appropriations bill, delaying further funding for the base at Diego Garcia until July 1, 1976, in order to give the President time to negotiate with the Soviet Union on the serious question of the militarization of the Indian Ocean.

These two Senate actions firmly complemented each other, and together, they made clear to both administration and the Soviet Union the assumptions and intentions of the Senate on this controversial question. Together, these actions left no doubt that the Senate explicitly favors a process of negotiations to an accelerating arms buildup in that part of the world.

I fear that the Congress has sent the wrong signals, both to the Soviet Union and to all the concerned littoral state of the Indian Ocean, by delaying funds for construction on the military base at Diego Garcia on one day, and then on the next day killing a provision calling for negotiations on this question. I fear that the sequence of congressional action will only confuse those people who are looking to the United States to take an initiative on this issue. On many occasions in the past, we have asked Soviet leadership to explain and clarify their intentions regarding military activities in various parts of the world. Should we not avoid making the same mistake with regard to the Indian Ocean? If we are serious about preferring negotiations to the emergence of a new area of confrontation, should we not be certain that our intentions are clearly understood?

By the prompt adoption of this amendment, the Senate has the opportunity to correct whatever false impression may have mistakenly been given by the deletion of the Indian Ocean amendment from the International Relations Authorization Act.

I ask unanimous consent that the text of my amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1152

At the end of the bill add the following new section:

CONTROL OF MILITARY FORCES IN THE INDIAN OCEAN

Sec. 302. (a) It is the sense of Congress that the President should undertake to enter into negotiations with the Soviet Union intended to achieve an agreement limiting the deployment of naval, air, and land forces of the Soviet Union and the United States in the Indian Ocean and littoral countries. Such negotiations should be convened as soon as possible and should consider, among other things, limitations with respect to—

(1) the establishment or use of facilities for naval, air, or land forces in the Indian Ocean and littoral countries;

(2) the number of naval vessels which may be deployed in the Indian Ocean, or the number of "shipdays" allowed therein; and

(3) the type and number of military forces and facilities allowed therein.

(b) Not later than July 1, 1976, the President shall transmit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate with respect to steps he has taken to carry out the provisions of this section.

EXTENSION OF SUSPENSION OF DUTIES ON CERTAIN CLASSIFICATIONS OF YARNS OF SILK—H.R. 7727

AMENDMENT NO. 1153

(Ordered to be printed and to lie on the table.)

PENSION AMENDMENT TO IMPROVE EQUITY OF E.R.I.S.A.

Mr. MONDALE. Mr. President, when H.R. 7727 is brought to the floor of the Senate I plan to offer an amendment. This amendment would, I believe, correct a significant inequity in our current pension law. It would provide a way for retirement money to remain intact even if the qualified pension plan is terminated.

Under present law when a qualified pension, profit-sharing or stock bonus plan is terminated and distribution is made, the proceeds from this distribution are generally treated as taxable income for the tax year of the employee.

My amendment would allow deferral of tax on such a distribution if the funds are rolled over into a new qualified plan or an individual retirement account which conforms to the rules established in the Employee Retirement Income Security Act of 1974—ERISA. Special transition rules are provided in order to insure that relief extends to those who have changed their investments on the assumption that they were not eligible for rollover treatment. Also, a payment or distribution that arises from the severing of a subsidiary corporation from a parent corporation or the severing of a member of controlled group of corporations from the group is treated as a plan termination. This is consistent with the intent of this amendment since the affected employee would find himself or herself in the identical position of unexpectedly receiving a distribution upon which income tax generally has to be paid.

For example, the Wausau Paper Mills of Little Falls, Minn., had once been able to maintain a profit-sharing plan. However, when some difficult times arose for the company it was forced to terminate the plan and distribute the assets. Each of the employees who remained with the company will have to pay income tax on this money as if it were ordinary income if an amendment like this one is not adopted. Under my plan each of the employees can choose to establish an individual retirement account for him or herself. These employees have already suffered a significant blow to their retirement plans. Without an amendment like this one, the blow would be even more severe.

The Joint Committee on Internal Revenue Taxation has estimated that this amendment would affect about 55,000 people in 1975, and that the tax revenue loss of this amendment would be about $50 million. Put another way, these 55,000 people had been counting on this $50 million for their retirement, and under my amendment it will not be taxed away. In 1976, the joint committee estimates that 75,000 people would benefit, at a tax loss of about $70 million.

The amendment would cover all distributions subsequent to July 4, 1974. This date was chosen so that all qualified plan terminations that have come after the enactment of ERISA would be eligible. Rollover could occur during a period of 60 days after the plan's termination or 60 days after the enactment of the amendment, whichever is later. The House Ways and Means Committee has included a very similar provision in its tax reform bill. The committee's report includes this comment:

> [The Committee] has concluded that this rule would have been included in ERISA of 1974 if it had been presented then. As a result this bill makes the rule retroactive, so as to achieve as nearly as practical the results that would have been achieved had the rule been enacted as part of ERISA.

I am offering this amendment at this time so that it can become law before the end of this tax year, so that fewer amended tax returns will have to be filed, and so that a higher percentage of those eligible for these benefits will take advantage of this provision. Any further delay means that many payments that are made will be spent, and that many more retirements will be jeopardized.

I believe this is an important improvement in our pension law. And I believe it is fully consistent with the intent of ERISA.

Mr. President, I ask unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1153

At the end of the bill add the following new section:

Sec. —. Tax-Free Rollover of Certain Amounts Distributed on Account of Termination of Pension, Etc., Plan

(a) Termination of Employee's Trust.—Section 402(a)(5) of the Internal Revenue Code of 1954 (relating to rollover amounts) is amended—

(1) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) the balance to the credit of an employee is paid to him—

"(i) within one taxable year of the employee on account of a termination of the plan of which the trust is a part, or

"(ii) in one or more distributions which constitutes a lump-sum distribution within the meaning of subsection (e)(4)(A) (determined without reference to subsection (e)(4)(B)),",

(2) by striking out "the lump-sum distribution" in the last sentence and inserting in lieu thereof "a payment", and

(3) by adding at the end thereof the following: "A payment of the balance to the credit of an employee of a corporation (hereinafter referred to as the employer corporation) which is a subsidiary corporation (within the meaning of section 425(f)) or which is a member of a controlled group of corporations (within the meaning of section 1563(a)) in connection with the liquidation, sale, or other means of terminating the parent-subsidiary or controlled group relationship of the employer corporation with the parent corporation or controlled group, shall be treated, for purposes of subparagraph (A), as a payment or distribution on account of the termination of the plan with respect to such employee.".

(b) Termination of Annuity Plan.—Section 403(a)(4) of the Internal Revenue Code of 1954 (relating to rollover amounts) is amended—

(1) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) the balance to the credit of an employee is paid to him—

"(i) within one taxable year of the employee on account of a termination of the plan (including a payment or distribution which is treated as being made on account of a termination under section 402(a)(5)(A)), or

"(ii) in one or more distributions which constitutes a lump-sum distribution within the meaning of section 402(e)(4)(A) (determined without reference to section 402(e)(4)(B)),", and

(2) by striking out "the lump-sum distribution" in the last sentence and inserting in lieu thereof "a payment (c) Savings Provisions and Special Transitional Rules.—

(1) Period for rollover contribution.—In the case of a distribution described in section 402(a)(5)(A)(i) or 403(a)(4)(A)(i) of the Internal Revenue Code of 1954 (relating to distributions on account of a plan termination which is received by an employee after July 4, 1974, and before the date of enactment of this section, the applicable period specified in section 402(a)(5)(B) or 403(a)(4)(B) of such Code (relating to rollover of distributions to another plan or retirement account) shall not expire sooner than 60 days after the date of enactment of this Act.

(2) Rollover contribution for certain property sold.—Section 402(a)(5)(C) and 403(a)(4)(C) of the Internal Revenue Code of 1954 (relating to requirement that rollover amount must consist of property received in distribution) shall not apply with respect to that portion of the property received in

a distribution described in section 402(a)(5)(A)(i) or 403(a)(4)(A)(i) of such Code which is sold or exchanged by the employee on or before the date of enactment of this Act if the employee transfers an amount of cash equal to the proceeds received from the sale or exchange of such property in excess of the portion of such proceeds which is allocable, under paragraph (3), to amounts considered contributed by the employee (within the meaning of section 402(e)(4)(D)(i) of such Code).

(3) Nonrecognition of gain or loss.—For purposes of the Internal Revenue Code of 1954, on gain or loss shall be recognized with respect to the sale or exchange of property described in paragraph (2) to the extent such gain or loss is attributable to proceeds transferred by an employee in accordance with this subsection and the applicable provisions of section 402(a)(5) or 403(a)(4) of such Code.

(d) Effective date.—The amendments made by this section shall be effective with respect to distributions made to an employee after July 4, 1974.

NOTICE OF HEARINGS

Mr. NELSON. Mr. President, I wish to announce that the Senate Small Business Committee has scheduled hearings for December 2, 3, and 4 on the role of small and medium-sized business in American society. The committee plans to explore such subjects as the contribution of small and medium-sized business to the communities in which they are located, as well as to the quality of life in the United States.

The hearings will be held in room 1114 of the Dirksen Senate Office Building, beginning at 10 a.m. each day. The witnesses will be announced later.

ADDITIONAL STATEMENTS

ALABAMA'S HIGH SCHOOL SENIORS WRITE ON "WHATS RIGHT WITH AMERICA"

Mr. ALLEN. Mr. President, recently I have sponsored an essay contest for seniors in all of the public and private high schools in the State of Alabama on the subject of "What's Right With America."

I was prompted to sponsor this contest because of my belief that all Americans, particularly those involved in Government, are interested in the views of our younger generation who will be called upon soon to assume the responsibilities of leadership of our Nation.

One of the few rules established for the contest limited the essays to 200 words. I felt that this would be a challenge to the students, because some of the world's greatest thoughts have been expressed in fewer than 300 words: The Lord's Prayer contains 66 words, the 23d Psalm has 118 words, and the Gettysburg Address was expressed in 267 words.

In sponsoring this contest, it was my hope to offer a forum for Alabama's junior citizens, who I think are quite representative of other young people in America, to express themselves on what they feel to be the strengths and virtues of our system of representative Government and the state of affairs in our Nation as we begin our third century of existence.

Mr. President, I am pleased to say that the "What's Right With America" contest elicited a tremendous statewide response from Alabama's high school seniors. The hundreds of essays which poured into my office confirm my belief that the vast majority of our young people still feel a great sense of optimism and faith in the future of our country. America's youth has always been its most valuable resource and I strongly believe that today's young men and women have the potential to cure many of today's problems and that they will lead our Nation to greater heights in the years ahead.

Mr. President, we have read of polls which show a supposed credibility gap between the American people and their Government and of a lack of confidence by the American people. Well, the polls evidently failed to take into consideration the views of American young people as expressed by these hundreds of Alabama high school seniors. I believe that my enthusiasm will be shared by anyone who reads these essays, and in order to give at least a sample of the views they contain, I ask unanimous consent that the four winning essays and the six runners-up be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"WHAT'S RIGHT WITH AMERICA" ESSAY CONTEST SPONSORED BY SENATOR JAMES B. ALLEN

WINNERS

First Place: $100 U.S. Savings Bond—Steve Chitwood, Sparkman High School, Rt. 3, Box 696, Huntsville, Alabama 35806.

Second Place: $75 U.S. Savings Bond—Jan Carter, Anniston High School, 45 Pelham Heights, Anniston, Alabama 36201.

Third Place: $50 U.S. Savings Bond—Tommy Conway, Baldwin County High School, Rt. 2, Box 206, Bay Minette, Alabama 36507.

Fourth Place: $25 U.S. Savings Bond—Jo Ann Umphrey, Houston Academy, 1810 Clark Street, Dothan, Alabama 36301.

RUNNERS-UP

Anna Clanton, Thomasville High School, 126 Highland Avenue, Thomasville, Alabama 36784.

Martha Keron Faircloth, Escambia County High School, 302 East Oak Street, Atmore, Alabama 36502.

Nanci Helms, Tarrant High School, 2108 Etowah Street, Tarrant, Alabama 35217.

Linda Jennings, Childersburg High School, 53 Lakeside Drive, Childersburg, Alabama 35044.

Kelly Kennedy, East Limestone High School, Route 4, Box 359, Athens, Alabama 35611.

Maurine Matthews, Carroll High School, 8 Squirrel Drive, Ozark, Alabama 36360.

WHAT'S RIGHT WITH AMERICA

(By Steve Chitwood, Sparkman High School, Toney, Ala.)

America is beautiful: Her golden fields, sparkling lakes, rushing rivers, towering mountains, and lush valleys.

But her generous character is her greatest strength. We unselfishly give our wealth and our lives in the defense of freedom. We are always ready to defend the defenseless, to love the unloved, to feed the hungry, clothe the naked, and rebuild war-torn nations.

America is a home for the homeless and disinherited, the enemy of all suffering, and the world's best hope for peace.

Our nation is a rare gem among the world's political systems. Here a rail splitter from Illinois can become president, and all men are assured of their human rights. Here people from all walks of life can come together in a common forum to peacefully solve their mutual problems.

Our nation was "conceived in liberty." And after two hundred years, she still stands strong as a government "of the people, by the people, and for the people."

"In God we trust" is not only our motto. It is the principle by which we live. And my prayer for America on her two-hundredth birthday is "May God shed His grace on thee."

WHAT'S RIGHT WITH AMERICA

(By Jan Carter, Anniston High School, Anniston, Ala.)

What's right with America? Freedom? This word sums up the whole of our American belief. Freedom, the one word in the English language that can be used as a synonym for America. People in America have rights that some may never realize; we can stand up and say exactly what we feel. We can denounce our nation or bless it. Yet, people who denounce America never stop to think that the very thing they disclaim gives them the legal right to say what they think.

What's right with America? People; People, the greatest natural resource we have. People who care about our nation even with its problems, scandals, and taxes. The main driving force behind the government, people with their deep faith that we will be able to overcome our problems and still remain free.

What's right with America? Our nation! Our nation has been blessed with God-given beauty and resources. This nation has many things that other lands can only wish for. In our short two hundred years, we have proven that a young nation with spirit, resources, and willpower can survive and surpass.

America, the Nation, the People, Freedom—this is what is right with America.

WHAT'S RIGHT WITH AMERICA

(By Tommy Conway, Baldwin County High School, Bay Minette, Ala.)

With many today bemoaning the ills of this nation, it might be easy to become discouraged and lose faith in the American System. A closer look, however, reveals the fact that our way of life remains unmatched when viewed in comparison with that of citizens in many nations around the world.

There are untold millions of people now suffering complete oppression at the hands of authoritarian governments. In many areas, teenagers must face a future built in the whims of some unseen autocrat who uses them to further his control of the country's political and economic machinery. The ultimate success of a young person in the United States is limited only by personal desire and determination.

The leaders of some nations exercise total dominance as long as their actions receive the approval of the ruling party. In America, leaders must periodically come before their constituents who review the performance of their representatives in free elections.

When these facts are considered, asking "What's Right With America?", seems almost ridiculous. With a governmental system such as ours that has lasted longer than any in history, it is more reasonable to ask, "Is There Anything Wrong With America?".

WHAT'S RIGHT WITH AMERICA

(By Jo Ann Umphrey, Houston Academy, Dothan, Ala.)

The most dynamic thing right with America, her "greatest natural resource", is a people born free and unwilling to relinquish that birthright to any power, foreign or domestic. From this nucleus has grown the most economically blessed nation on earth. Her free enterprise system has the most advanced industrial society ever known, and an agricultural system that produces more food per man hour than has been produced since the beginning of time.

What's right with America? From her Gulf coast to the Canadian border, from the Atlantic to the Pacific, her people travel, worship, speak, and write without undue limitation from their government. This is because, to a large extent, it is their government. They nominate, they vote, and they elect. If they are not satisfied with the results, they remember it when they vote again. This God-blessed land has a past that's right and a future that promises to continue right as long as her people cherish the freedom that has been the key to her greatness.

WHAT'S RIGHT WITH AMERICA

(By Linda Jennings, Childersburg High School, Childersburg, Ala.)

The spirit of the American people constitutes one of the greatest strengths of our country and is an important sign of "rightness" in America today. This spirit has brought about the formation of the greatest government on earth, a government "conceived in Liberty and dedicated to the proposition that all men are created equal." It is this spirit that has kept our nation strong and united through a bitter civil war, world wars, depressions, and the constant criticism our country receives, both at home and abroad.

This same courageous spirit and the American people are still at work today keeping our nation united in today's troubled times. This spirit, in the form of conscience, leaves the American people free to blame and criticize, because it does not tolerate corruption and dishonesty in our country. Instead, it works to correct any flaws from a sense of self-respect and pride that have been a hallmark of this country since its origin.

The spirit of America does now and will continually work to keep our nation united. It will retain for America her current position as the beacon of freedom and democracy.

WHAT'S RIGHT WITH AMERICA

(By Kelly Kennedy, East Limestone High School, Athens, Ala.)

The melting pot makes up what's right with America. In no other country can one find a mingling of races and cultures as one can find in America—Blacks, Whites, Chicanos, Puerto Ricans, Orientals, and other groups.

What makes America a magnet that draws these people together? Where else, but in America, can one find freedoms of speech, religion, and the press? Where else, but in America, can one find greater opportunities for advancement?

America possesses certain characteristics that no other country possesses. Some of these are a democratic society, a free enterprise system, capitalism, the ability to raise one's standard of living, the feeling of equality, and the full rights to "life, liberty, and the pursuit of happiness."

Why does America possess these fundamental characteristics? The reason is that because of the yearnings of the people, they had to fight, bleed, and sweat to achieve these fundamental characteristics.

The material resources of America are great, but the human resources of the people are even greater!

WHAT'S RIGHT WITH AMERICA

(By Martha Keron Faircloth, Escambia County High School, Atmore, Ala.)

Let me tell you what's right with America. America is a country blessed with an abundance of natural resources—minerals, fertile soil and forest, but the most important resource is the people who make up America.

Our country is a grand land, carved from an unexplored continent, by a magnificent variety of people, who established a government under a constitution, in which the people are guaranteed equal rights and equal opportunities. America is a country of progress built on the promise of a better life in which its citizens are free to choose their goals and work toward their attainment. In America each individual regardless of his race or creed, has the right to an education, to choose a job, to live where he pleases, to run for a government office, to worship, and to speak his opinions. The freedom and opportunity granted to its citizens have enabled Americans to build a nation which is a world power ever ready to maintain peace and defend freedom.

What's right with America is that she is an example to all the world of how freedom and opportunity have worked together to build a great nation.

WHAT'S RIGHT WITH AMERICA

(By Nanci Helms, Tarrant High School, Tarrant, Ala.)

The thing that I cherish most about being an American is the right and privilege that only I hold; *the right to be me*. I have the right, and, most importantly, I have the opportunity to do anything and become anyone that I want to be.

There are no laws or barriers of any kind that can tell me that because I am a certain color or creed, or that because of my religion, I cannot work toward and achieve my fondest goal.

One of the most beautiful parts about this is that if I cannot afford to work toward this goal by furthering my education, my government will find some way of helping me, whether I am black, white, or yellow.

I have the opportunity to become the President of our country someday if I work hard enough. I am an American. I am free to be myself, anyway I want. This is What's Right With America!

WHAT'S RIGHT WITH AMERICA

(By Maurine Matthews, Carroll High School, Ozark, Ala.)

The strains of our national anthem and the unfurling of our flag remind me of how proud I am to be an American! We are constantly reminded of what is wrong with our country (pollution, inflation, Watergate, etc.) and I feel it is time to proclaim the things that are *right!* Talk America up, not down!

Our precious freedoms should not be taken for granted—the freedom of every person to worship God in his own way, freedom of speech and our right to vote, and the freedom to have an education no matter how poor we are.

We have a better way of life than older lands and ages ever afforded. Nothing would be possible without the sacrifices and ideals of our founding fathers.

Let us not forget our heritage. This wonderful Bicentennial of our country should bring a rekindling of patriotism in each of us. We should take a more active interest in world affairs and our country's government on the local, state, and national levels. In our small way, perhaps we can help to keep alive the dream of our forefathers, "One nation under God indivisible with liberty and justice for all."

WHAT'S RIGHT WITH AMERICA

(By Anna Clanton, Thomasville High School, Thomasville, Ala.)

The Statue of Liberty, standing majestically in New York Harbor, proclaims to the world:

"Give me your tired, your poor, Your huddled masses yearning to breathe free, The wretched refuse of your teeming shore. Send these, the homeless, tempest-tost to me, I lift my lamp beside the golden door!"

This expresses the fundamental characteristic that makes our America so wonderful.

After she so warmly receives the huddled masses, she takes them into her arms, molds and shapes them into profound human beings. She completes her task by lovingly placing high within their hearts an infinite sense of patriotism.

She has provided them with a spirt of independence, the rights to life, liberty, the pursuit of happiness, and the priceless freedom to develop to their greatest potential.

PRESIDENT FORD

Mr. HUGH SCOTT. Mr. President, the frustration of the Republican Party's minority position in Congress has been balanced by having a Republican as President. Our party can do better in Congress next year, but only if the President is renominated. Anything else would negate the advantages of a unified party, of a team effort based on solid performance, and of a strengthened party family dedicated to maximizing its efforts in November of 1976.

Mr. President, Gerald Ford is a national leader with a national constituency. He deserves to be nominated and elected.

GENERAL REVENUE SHARING

Mr. HATHAWAY. Mr. President, yesterday I was visited by representatives from 3 of Maine's 16 counties who took the time and went to the trouble of coming to Washington as part of a nationwide effort to impress upon the Members of Congress the importance of renewing the general revenue sharing program. I would like to ask unanimous consent that the resolutions which they delivered to me from theirs and other Maine counties in support of the general revenue sharing program be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, County governments in Maine budget for two years, they must make long term budget commitments to efficiently meet the needs of their citizens;

Whereas, Counties depend on general revenue sharing dollars for essential county programs;

Whereas, Revenue sharing dollars enable counties to fill locally determined vital needs with minimal redtape and federal restrictions;

Whereas, Efficient county government calls for well-planned advance budgeting;

Whereas, Responsive county government depends on efficient county planning and budgeting and ample time for citizens participation;

Whereas, The current revenue sharing program expires December 31, 1976 and July through June fiscal year counties must begin budgeting the previous spring;

Therefore, be it resolved by Androscoggin County that general revenue sharing be reenacted by the first session of the 94th Congress providing counties with advance dollar figures that can be used for efficient, responsive planning of programs and budgets and that can be identified for more than half of their fiscal '76 year and can be incorporated in long term effective planning.

Be it further resolved that a copy of this resolution be forwarded to the members of the Maine Delegation in the Senate and the House of Representatives.

Resolution

Androscoggin County, population (1970) 91,279 has received $392,364 in revenue funds since 1972.

The funds have been used to provide and to keep an already high county property tax from being raised.

The county's budget year begins in January and the budget cycle starts in September and culminates with adoption in April. Therefore, Androscoggin County must know about revenue sharing funds well in advance in order to make plans for expenditure of the funds.

Without revenue sharing funds Androscoggin County would be forced to cut back services, lay off employees and raise property taxes by $90,000 to $100,000.

Revenue Sharing Resolution

Whereas, County governments in nearly half of the states budget from July through June and all counties must make long term budget commitments to efficiently meet the needs of their citizens;

Whereas, Counties depend on general revenue sharing dollars for essential county programs;

Whereas, Revenue sharing dollars enable counties to fill locally determined vital needs with minimal redtape and federal restrictions;

Whereas, Efficient county government calls for well-planned advance budgeting;

Whereas, Responsive county government depends on efficient county planning and budgeting and ample time for citizen participation;

Whereas, The current revenue sharing program expires December 31, 1976 and July through June fiscal year counties must begin budgeting the previous spring;

Therefore, be it resolved by Hancock County, that general revenue sharing be reenacted by the first session of the 94th Congress providing counties with advance dollar figures that can be used for efficient, responsive planning of programs and budgets and that can be identified for more than half of their fiscal '76 year and can be incorporated in long term effective planning.

Be it further resolved that a copy of this resolution along with the summary report be immediately forwarded to the Senate and the House of Representatives.

Revenue Sharing Summary Report

Hancock County, population 34,590 has received $286,439.00 in revenue sharing funds since 1972.

These funds have been used to provide Community programs, Food Program, County roads, County Airport, County Jail, County Court House, Special Investigator, and Law Library and to keep an already high county property tax from being raised.

The County's budget year begins in January and the budget cycle starts in September and culminates with adoption in Legislative Enactment. Therefore, Hancock County must know about revenue sharing funds well in advance in order to make plans for expenditure of the funds.

Without revenue sharing funds Hancock County would be forced to cut back services, lay off employees and raise property taxes by December 31, 1976.

Revenue Sharing Resolution

Whereas, County governments in nearly half of the states budget from July through June and all counties must make long term budget commitments to efficiently meet the needs of their citizens;

Whereas, Counties depend on general revenue sharing dollars for essential county programs;

Whereas, Revenue sharing dollars enable counties to fill locally determined vital needs with minimal redtape and federal restrictions;

Whereas, Efficient county government calls for well-planned advance budgeting;

Whereas, Responsive county government depends on efficient county planning and budgeting and ample time for citizen participation;

Whereas, The current revenue sharing program expires December 31, 1976 and July through June fiscal year counties must begin budgeting the previous spring;

Therefore, be it resolved by Aroostook County, that general revenue sharing be reenacted by the first session of the 94th Congress providing counties with advance dollar figures that can be used for efficient, responsive planning of programs and budgets and that can be identified for more than half of their fiscal '76 year and can be incorporated in long term effective planning.

Be it further resolved that a copy of this resolution along with the summary report be immediately forwarded to the Senate and the House of Representatives.

Summary Report

Aroostook County, population 94,078 has received $981,060.00 in revenue sharing funds since 1972.

These funds have been used to keep an already high county property tax from being raised.

The county's budget year begins in January and the budget cycle starts in January and culminates with adoption in April. Therefore, Aroostook County must know about revenue sharing funds well in advance in order to make plans for expenditure of the funds.

Without revenue sharing funds Aroostook County would be forced to cut back services, lay off employees and raise property taxes by $186,781.00.

Proposed Resolution for Revenue Sharing

Whereas, County governments in nearly half of the states budget from July through June and all counties must make long term budget commitments to efficiently meet the needs of their citizens;

Whereas, Counties depend on general revenue sharing dollars for essential county programs;

Whereas, Revenue sharing dollars enable counties to fill locally determined vital needs with minimal redtape and federal restriction;

Whereas, Efficient county government calls for well-planned advance budgeting;

Whereas, Responsive county government depends on efficient county planning and budgeting and ample time for citizen participation;

Whereas, The current revenue sharing program expires December 31, 1976 and July through June fiscal year counties must begin budgeting the previous spring;

Therefore, be it resolved by Franklin County, that general revenue sharing be reenacted by the first session of the 94th Congress providing counties with advance dollar figures that can be used for efficient, responsive planning of programs and budgets and that can be identified for more than half of their fiscal '76 year and can be incorporated in long term effective planning.

Be it further resolved that a copy of this resolution along with the summary report be immediately forwarded to the Senate and the House of Representatives.

Summary Report

Franklin County, Population 22,400 has received $265,314.00 in revenue sharing funds since 1972.

These funds have been used to provide: A much needed parking lot for county Employees; to upgrade the quality of the roads in unorganized townships due to a lack of funds by the County; and To provide adequate police protection and support of the prisoners; and to keep an already high county property tax from being raised.

The County's budget year begins in January and the budget cycle starts in September and culminates with adoption in Legislature. Therefore, Franklin County must know about revenue sharing funds well in advance in order to make plans for expenditure of the funds.

Without revenue sharing funds Franklin County would be forced to: Impose higher yearly taxes on towns in the amount of 100,000.00.

Resolution

Revenue Sharing dollars has provided counties with funds necessary to meet the needs of its citizens.

Lincoln County, Maine, with a population of 20,537, has received $194,056.00 in Revenue Sharing money since 1972, providing funds to solve the solid waste disposal problem, more efficient law enforcement and keeping the County tax from being raised.

Without these funds, Lincoln County would have to cut back its services and raise the County tax.

Since the allocation of Revenue Sharing funds, Lincoln County has had a closer working relationship with the municipal officers and citizens of its eighteen towns and one plantation.

Ample time is needed for counties to plan and prepare efficient budgets to meet these needs.

Be it resolved by Lincoln County, Maine, that general revenue sharing be enacted by the first session of the 94th Congress, providing counties with dollar figures that can be used for efficient, responsive planning of programs and budgets and can be incorporated in long term effective planning.

Be it further resolved that a copy of this resolution be forwarded to the Senate and the House of Representatives.

RECENT ACTIONS OF THE NUCLEAR REGULATORY COMMISSION

Mr. THURMOND. Mr. President, President Ford has stated that regulatory reform would be a top priority in his administration. For that reason, I thought it appropriate to bring a recent regulatory action of the U.S. Nuclear Regulatory Commission to the attention of the Senate. This particular action is significant because of the expeditious, efficient way a new regulatory agency has tackled a crucial, controversial issue.

As we know, the U.S. Nuclear Regulatory Commission, NRC, is a creature of this Congress and not quite 1 year old. On October 12, the NRC issued a decision on the timetable and public hearings to be used in resolving the issue of whether or not to allow large-scale recycling of plutonium in nuclear power reactors. The decision cut 18 months from an earlier schedule and still provided for extensive public hearings on the question of plutonium recycle.

The early resolution of this matter is critical both to my own State of South Carolina and the Nation as a whole. In Barnwell, S.C., Allied-General Nuclear Services is constructing the world's largest nuclear fuel reprocessing plant. This plant, which will take spent fuel from reactors and remove chemically the unused uranium and plutonium, will be completed and ready to operate in the next 12 to 16 months. Early operation of this plant is desirable in that the fuel materials recovered will equal 290 million barrels of oil per year at a time when our Nation desperately needs to reduce its dependence on foreign petroleum sources.

When one examines the national need for a reprocessing industry, it is worthwhile to note that the United States will need 12 to 15 of these large reprocessing plants by the year 2000 if we are to recover and use valuable plutonium and uranium. By the year 2000, if allowed to expand to meet national needs, the U.S. reprocessing industry will have recovered enough uranium and plutonium to fuel 200 large nuclear power reactors. In energy equivalents, this will equal 35 billion barrels of oil—$800 billion in balance of payments impact—or 10.4 billion tons of coal. I think we will agree that these numbers are extremely significant to our economy, national security, and energy independence efforts.

The NRC and its Chairman, former astronaut William Anders, have not cringed in the face of critics who call for delays and even abandonment of an industry whose contributions can be great. That is why Chairman Anders is to be commended for cutting 18 months from an earlier timetable for review of this matter and moving ahead with an expedited, yet thorough, public forum to resolve this issue on a schedule that is consistent with the national interest.

To do otherwise would be a fatal blow to energy independence, kill our commitment to the breeder reactor program—upon which hinges a good portion of our energy future—and in all probability have an adverse effect on the U.S. economy.

THE CONCORDE'S ENVIRONMENTAL IMPACT STATEMENT

Mr. CASE. Mr. President, late last week the U.S. Department of Transportation released the envirmental impact statement, EIS, on the Concorde. The EIS was aimed at assessing the effect of Concorde operations to JFK Airport in New York and Dulles Airport in Virginia. Unfortunately, the EIS attempts to obscure the significant environmental impact of the Concorde.

Two of the major isssues referred to in the EIS were noise and ozone depletion. If one just reads the documents the inevitable conclusion is that no serious problems exist in either of these areas. However, with perseverance and the use of a calculator the following findings emerge:

NOISE

First. The Concorde is twice as loud as the jumbo jets now in service.

Second. At up to 16 miles from the point of takeoff the level of noise directly under the plane would require one to shout as loud as possible at a distance of 6 inches or less in order to be heard.

Third. At takeoff the Concorde would cover a 70 square mile area with a noise level that would require one to shout as loud as possible at a distance of 4 feet or less to be heard—other noisy aircraft only cover a 12.5 square mile area with such an intense noise level.

Fourth. Under current conditions the Concorde would expose 97,000 more people at JFK and 62,000 more people at Dulles for up to 2 minutes a day to noise levels similar to those described in No. 3 above.

OZONE DEPLETION

First. The Concorde produces two to three times the amount of nitrogen oxide—NO—per passenger than other commercial airplanes.

Second. One Concorde will release 1,658,333 pounds of NO in the stratosphere per year. This NO destroys ozone—O_3—and has a cumulative effect.

Third. The expected decrease in ozone will cause at least an additional 500 cases of skin cancer—Nonmelanoma—in the United States per year.

Fourth. After the last Concorde stops flying it will take 60 years for the skin cancer rate to drop down to the pre-Concorde level.

The EIS almost entirely obscures the cancer issue. In spite of the above facts about ozone the FAA, in summing up its findings, merely states—

> There is considerable evidence to indicate that increased ultraviolet solar radiation increases the incidence of non-fatal skin cancer.

Rather than disclose the hundreds of new cancer cases caused by the Concorde, the EIS attempts to underplay the effects by citing figures such as "0.2 percent skin cancer incidence increase."

In light of the obvious problems with this EIS, it may be time for Congress to restudy the EIS process. The thrust of this restudy would be to assure that the agency performing the EIS does not have a vested interest in the resulting decisions.

ENERGY POLICY AND CONSERVATION ACT—SUMMARY OF PROVISIONS

Mr. JACKSON. Mr. President, on November 12, 1975, the members of the conference committee on S. 622 and H.R. 7014 completed action on one of the most far-reaching pieces of energy legislation ever produced by the U.S. Congress. Presidential approval of this legislation will mark the end of a long period of discord and confrontation between the Congress and the President on the energy issue. The legislation the conferees have agreed upon represents a determined attempt by the conference committee, as representatives of the Congress, to reconcile differences with the President over several major issues of energy policy. Both the Congress and the President have come a long way in the past year. Confrontation over energy prices must now give way to cooperation and implementation of the necessary constructive measures in a number of areas of energy policy if we are to accommodate our energy system to the realities of the present world.

The Energy Policy and Conservation Act, which the conferees will send to the President shortly after the Thanksgiving recess, offers a reasonable compromise on the contentious issue of oil pricing and lays the foundation for highly important initiatives dealing with domestic energy supply, strategic oil reserves, voluntary and mandatory energy conservation and emergency standby measures to deal with any future supply interruptions. This legislation can represent an important beginning in the implementation of a reasonable energy policy in this country. I hope the President will not delay that beginning any longer.

Mr. President, I ask unanimous consent that a summary of the provisions included in the Energy Policy and Conservation Act be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

ENERGY POLICY AND CONSERVATION ACT

Final agreement was reached by House and Senate conferees on November 12, 1975 on S. 622, the Energy Policy and Conservation Act. This legislation establishes a comprehensive national energy policy to:

(1) maximize domestic production of energy supplies and provide for strategic storage reserves of crude oil, residual fuel oil and refined petroleum products;

(2) reduce consumption through energy conservation programs;

(3) set an oil pricing policy that will encourage domestic production in a manner consistent with economic recovery and price stability; and

(4) authorize emergency standby measures to minimize the impact of disruptions in energy supplies.

In the short term, this legislation will reduce our vulnerability to increases in import prices, and will insure that available supplies will be distributed equitably in the event of disruptions in petroleum imports.

For the long run, this legislation will decrease our dependence upon foreign imports, enhance national security, achieve the efficient utilization of scarce resources, and guarantee the availability of domestic energy supplies at prices consumers can afford.

I. MEASURES TO INCREASE DOMESTIC SUPPLY

The legislation takes direct action to increase domestic oil production and promote the development and use of alternatives to petroleum and natural gas. The measures agreed to will:

Extend the authority of the Federal Energy Administrator to direct powerplants, and other major fuel burning installations, to convert to the use of domestic coal;

Authorize the FEA to guarantee loans to increase coal production by encouraging new market entry;

Increase competition in the oil industry by limiting joint venture bidding by major oil companies in the development of crude oil or natural gas on the Outer Continental Shelf;

Promote the use of recycled oil;

Authorize the President to restrict exports of energy supplies and energy-related materials under certain circumstances; and

Authorize the President to require the production of crude oil and natural gas from designated fields at the maximum efficient rate of production or the temporary emergency production rate.

In addition to providing for expanded domestic energy supply, the Energy Policy and Conservation Act will reduce our vulnerability to blackmail from foreign energy producers by creating a comprehensive reserve of oil to insulate the domestic economy from future supply interruptions.

The legislation authorizes the creation of a Strategic Petroleum Reserve of up to one billion barrels of crude oil, residual fuel oil and refined petroleum products.

The plan for the Reserve, which is subject to review and disapproval by either House, must be submitted to Congress not later than December 15, 1976.

The plan must include provision for the creation of regional petroleum product reserves in regions where more than 20 percent of demand for such products is met by imports.

The FEA Administrator is authorized to require importers and refiners to store in readily available inventories, as reserves, up to three percent of their imports as throughputs for the previous calendar year.

The legislation also creates an Early Storage Reserve consisting of not less than 150 million barrels of crude oil, residual fuel oil and refined petroleum products, to be stored within three years of the date the legislation becomes law.

II. ENERGY CONSERVATION PROGRAMS

The Energy Policy and Conservation Act establishes aggressive and effective programs for energy conservation designed to achieve security of energy supply and the maximum efficient utilization of our energy resources.

This legislation contains provisions that:

Establish mandatory average fuel economy performance standards for new passenger automobiles and new light duty trucks;

Require energy labeling of major home appliances and certain other consumer products, and authorize energy efficiency standards for major appliances;

Authorize block grants-in-aid for states to assist in the development and implementation of state-administered energy conservation programs; and

Establish a program to encourage increased efficiency of energy use by American industry.

These provisions are premised on the belief that energy efficiency can and must be acomplished by orderly conservation programs rather than through steep price increases that would hamper the Nation's economic recovery, increase unemployment, contribute to the inflationary spiral and impact regressively on consumers.

The following are the major features of the key energy conservation measures approved by the conference committee:

Fuel economy performance standards

Mandatory fuel economy performance standards are established for passenger automobiles and other light duty highway vehicles. Standards for passenger automobiles would be applicable in model year 1978 and thereafter.

Each manufacturer or importer of passenger automobiles would be required to achieve the following fleet average fuel economies: 18 mpg in model year 1978, 19 mpg in model year 1979, 20 mpg in model year 1980 and 27.5 mpg in model year 1985 and thereafter.

Standards for model years 1981–84 would be set by the Secretary of Transportation at the maximum feasible level. The Secretary would also set standards for vehicles other than passenger automobiles at the maximum feasible level for each model year.

If a manufacturer or importer failed to meet the required average fuel economy standard, he would be liable for a civil penalty, which could be waived or modified under certain conditions.

A labeling program for new passenger automobiles and other new light duty highway vehicles would also be instituted, as would a program to test the fuel economy improvement potential of retrofit devices—devices capable of being added to existing vehicles to increase their gasoline mileage.

Appliance labeling

The Energy Policy and Conservation Act would require test procedures for, and energy efficiency labeling of, major home appliances and certain other consumer products using more than 100 kilowatt-hours of energy per year. This will provide consumers with information essential to making an informed judgment in the purchase of appliances.

The label must include representative annual operating costs associated with the use of these products unless the FEA determines that labeling would not be feasible or would not be likely to assist consumers in making purchasing decisions.

If the FEA prescribes a labeling rule for a class of major household appliances and then finds (1) that labeling will not suffice to induce manufacturers to produce (or consumers to purchase) products of that class which achieve the maximum energy efficiency which is technologically feasible, and (2) that the benefits of increased energy efficiency outweigh any increased consumer costs and any decrease in utility of the product, the FEA is authorized to prescribe an energy efficiency performance standard for that class of product. The FEA would be required to exercise this authority in certain cases where industry is unable to achieve energy efficiency improvement targets which would be set by the FEA for major home appliances. These targets would be set at the maximum level which would be economically and technologically feasible, and would require at least a 20 percent overall improvement in energy efficiency for new major home appliances in 1980, in comparison to 1972 levels.

State energy conservation programs

This legislation authorizes a $150 million Federal grant-in-aid program to assist States in developing and administering State energy conservation programs. These programs will have as a target a 5% reduction in energy consumption by 1980 below levels projected for that time.

The legislation identifies conservation measures to be implemented by the States, but calls for administration of the programs on the State and local levels.

State programs would include the following energy conservation measures:

Lighting efficiency and energy efficiency standards and restrictions on hours of public buildings;

Programs to promote carpooling, vanpooling, and public transportation systems;

Standards for energy efficiency in procurement by State and local government; and

Thermal efficiency and insulation requirements for new and remodeled buildings.

Within these federal guidelines, States would establish conservation programs in a manner tailored to local economic geographic and climatological conditions. This legislation thus provides impetus, direction and financial assistance for energy conservation while protecting the States' interest in self-determination and local control.

Federal energy conservation programs

In addition, all Federal agencies would be required to develop a ten-year plan for energy conservation. This plan would deal with procurement, lighting standards, construction guidelines, restrictions on hours of operation, thermostat settings and other conditions related to the operation of Federal buildings.

Industrial energy efficiency

The goal of the industrial efficiency program is to increase the national average industrial energy efficiency by the maximum feasible amount by January 1, 1980. The Energy Policy and Conservation Act recognizes that industry must share responsibility for attaining the goals of energy independence and wise utilization of scarce resources. The Project Independence Blueprint estimates that the energy equivalent of 400,000 to 600,000 barrels of crude oil per day can be saved in the industrial sector in the 1980's.

Industrial energy efficiency targets would be set for the ten most energy-intensive industries. Each target would represent the maximum possible improvement in industrial efficiency which a particular industry could achieve by January 1, 1980. The ten most energy-intensive industries would be required to report annually on their programs in attaining energy-efficiency targets.

III. OIL PRICING

The Energy Policy and Conservation Act establishes a pricing formula for domestically-produced crude oil which provides for an initial oil price rollback and authorizes gradual increases in the prices received by domestic producers over a 40-month period. The new oil price policy:

Establishes a domestic composite price of $7.66 per barrel. This represents a rollback of $1.09 from the current domestic average estimated by FEA at $8.75 per barrel. In combination with the removal of the $2 per barrel import tariff, this program will result in a significant reduction in the price of the crude oil run in domestic oil refineries.

Grants the President broad flexibility to administratively set prices for various categories of oil production so long as the average domestic price does not exceed the composite price of $7.66 established by the Act;

Permits upward adjustment in the domestic composite price to take account of inflation, and, if the President finds it necessary, to provide an additional increase in the composite price of no more than three percent per year as an incentive for the development of high-cost and high-risk production or to encourage the application of enhanced recovery techniques. The sum of these two adjustments may not exceed 10% per year unless further authority to modify the upward adjustment rate is obtained from the Congress;

Allows the President to submit to the Congress at three month intervals following enactment, proposals to modify the 3 percent incentive adjustment and the 10 percent ceiling on adjustments if the President finds that such a modification is likely to result in an increase in domestic production. These proposals would take effect unless disapproved by either House of Congress under expedited review procedures;

Directs the President to submit to Congress on February 15, 1977, an analysis of energy supply, demand and import relationships that have evolved under the Act;

Directs the President to submit to the Congress on April 15, 1977, a report on the impact of anticipated Alaskan oil production levels and prices on domestic oil prices and on incentives to increase and maintain production in the lower 48 states. The President may then propose, subject to Congressional review, the exclusion of up to two million barrels per day of Alaskan production from the composite price ceiling and the establishment of a separate ceiling for this production not to exceed $11.28 per barrel as adjusted for inflation;

Extends the basic petroleum allocation authority contained in the Emergency Petroleum Allocation Act and the oil pricing provisions described in Energy Policy and Conservation Act for 40 months;

Converts this oil price control and allocation authority to standby status at the end of the 40-month period; and

Provides that the standby authority terminates five years after enactment.

IV. STANDBY ENERGY AUTHORITIES

This legislation grants standby energy authority to the President, subject to Congressional approval in certain instances, to develop and implement regulations mandating the conservation of energy and the rationing of fuels in the event of a severe energy supply interruption. These provisions enable us to prepare now for any future severe energy supply interruptions.

The provisions authorize the President during periods of acute energy shortages to take specific actions to conserve scarce fuels, to alleviate fuel shortages and to increase domestic energy supplies.

The legislation provides for energy conservation, rationing and contingency plans to be developed to reduce non-essential energy consumption and assure the continuation of vital services in the face of severe energy shortages.

The conference substitute contains the following standby powers:

To prescribe energy conservation plans (including rationing plans);

To authorize actions necessary to carry out U.S. obligations under the International Energy Program;

To authorize persons in the oil industry to develop and carry out voluntary agreements for international oil allocation. The Attorney General could grant limited antitrust immunity with respect to such agreements;

To authorize the President to transmit information to the International Energy Agency.

The energy conservation authorities may be exercised if:

(1) a contingency plan for the exercise of the authorities has been approved by concurrent resolution of the House and Senate;

(2) the President has determined that implementation of the contingency plan is required by a severe energy supply interruption or the International Energy Program.

In addition, a plan which provides for rationing cannot take effect if either House of Congress disapproves the President's request to implement the contingency plan.

The authority respecting international voluntary agreements and the international information exchanges may be exercised at any time in order to carry out the International Energy Program.

V. GENERAL PROVISIONS

The legislation sets forth provisions of general applicability relating to procedural requirements for agency actions, judicial review, and enforcement.

Disclosure of financial interests

Among the more important provisions, employees and officers of the Federal Energy Administration and the Department of the Interior who perform regulatory or policymaking functions under this legislation are required to disclose their financial interests in oil, natural gas, or coal. This provision insures that the legislation will be administered in an even-handed, disinterested fashion, and that no one group or special interest will benefit at the expense of others forced to assume unequal burdens.

Verification audits of energy information

The legislation also authorizes the Comptroller General to conduct verification examinations to verify the accuracy of energy and financial information filed with Federal agencies.

This provision will permit independent and objective evaluation of energy data from which realistic projections can be made and on which future energy policy decisions will be based.

LAWRENCE SPIVAK RETIRES

Mr. GOLDWATER. Mr. President, just 2 weeks ago Mr. Lawrence Spivak retired after nearly 30 years of leading the Nation's most provocative talk show, "Meet The Press." I can remember well my first appearance on that show. I was, as I guess everyone else has been, quite apprehensive about what would confront me. I was pleasantly and happily surprised to learn that this was not a brutal experience, but a very pleasant one under the guidance of Mr. Spivak. I also learned that he and his team of reporters were exceedingly well versed on the subjects they had chosen for interrogation and that the person sitting in the hot seat need never worry if he just told the truth. The only people I have ever seen squirm on Mr. Spivak's show were those who tried to lie on a question. Mr. Spivak brought to radio and television reporting a kind of technique, expertise and honesty that is sorely missing from so much of our reportorial efforts today.

We all owe him a vote of thanks for this and we all hope that "Meet The Press" in the future will carry the same high standards that he always demanded. An editorial in the Arizona Republic speaks this feeling and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PRESS CONFERENCES

Lawrence Spivak's retirement as moderator of NBC's "Meet the Press" must have brought back some memories to those sometimes referred to as the geriatric generation.

They could remember 30 years ago when Spivak was a radio announcer who opened up a whole new field in mass communication with his acerbic questioning of the great and the near-great on radio's "Meet The Press."

They have watched for 28 years as he molded the fledgling TV medium into an opportunity (not taken often enough) to educate the public as well as amuse it.

Ambassadors, princes, congressional leaders, potentates of every stripe vied for a chance to reach the American people by occupying the hot seat in Spivak's programs.

He added a new dimension to the job once done only by the print media, that of making public officials accountable to the people. There was posturing, and evasion, and occasionally a laugh or two, but on the whole it was a straightout effort to make those who govern explain their positions to those who are governed.

Spivak's farewell show Sunday, with President Ford answering often hostile questions for a full hour, was a fine note on which Spivak could bow out. Ford paid a handsome tribute to Spivak and the studio audience gave him a standing ovation—proving that officials and the public alike have learned to respect the institution of the public press conference.

Such conferences, whether for electronic or print media, are the American equivalent of the questioning aimed at prime ministers by members of parliament in other countries.

SENATOR CLINTON P. ANDERSON

Mr. MOSS. Mr. President, Clinton Anderson was the son of Swedish immigrants who knew the painful struggle of wresting a living from the land. He was so desperately ill as a young man that a doctor judged he had but a few months to live.

In the depression of the thirties as a relief administrator, he helped thousands of families survive the crushing effects of economic blight. Later, as Secretary of Agriculture he was responsible for our country's massive efforts to feed millions of people abroad who were starving in lands devastated by war.

Clint once said, in explaining his political philosophy:

> My frailty seemed to generate sympathy for those who were hard up against it in life. It made me, by definition of most, a liberal.

But, I suggest, Mr. President, that Clinton Anderson was also a true conservative, a man who never ceased in his public practice to try to make the institutions of our democratic society ever more responsive to the needs of its citizens, and, by so doing, to make those institutions stronger and more enduring, thus conserving the best of what has been built and nurtured over two centuries.

His physical frailty was legendary, but terribly real. Beginning with the tuberculosis that caused him to move from his South Dakota birthplace to the more salubrious climate of New Mexico, he was afflicted throughout his life by one serious ailment after another. They thwarted his attempts in two World Wars to enter military service. But illness that would have led a less determined person to retreat from life never succeeded in keeping him from an amazingly productive public service. In a time of increasing skepticism about Government and politics, Clint's public career could well be studied as a model of how a singularly dedicated and honest politician can make Government more responsible and responsive.

Clint's legislative interests were wide-ranging, but he never failed to master the most intricate details of the problem he was addressing. His experience as a public administrator provided him with a special capacity to understand the management issues presented by the laws we pass. Having been a successful private businessman, he clearly perceived the need for strong and far-sighted Government involvement to assure a sound and vigorous economy.

He effectively bridged the scientific and political worlds, learning enough about scientific subjects of concern so that he was not unduly awed by complex undertakings and could deal conscientiously with their legislative requirements. These matters, he knew, were too important to be left solely in the hands of the scientists. As chairman of the Joint Committee on Atomic Energy, he labored to bring about greater application of nuclear technology for peaceful purposes, particularly the generation of electricity. But he was one of those who early in the development of nuclear reactors for the generation of electricity warned of the safety hazards inherent in this form of energy production.

His was a prescient voice in also warning of the frightening possibilities the world faces in the growing spread of nuclear weapons and atomic technology. That awareness made Clint a champion of international limitations on nuclear testing. He decried the unwarranted secrecy that often had been placed on nuclear subjects simply to protect administrative decisions from public scrutiny.

In the legislative realm, we were close colleagues on the Interior Committee. I succeeded Clint as chairman of the Subcommittee on Irrigation and Reclamation. He left his valuable stamp on a whole host of measures aimed at providing the West with the water required for essential growth. He was a legislative pioneer in desalination.

He was unrelentingly dedicated to the conservation of the national treasures of wilderness, the unrenewable legacy of nature that needs preserving for future generations. That commitment involved him in many legislative fights, but he took them on with relish in the knowledge that they were worth every ounce of energy he possessed. We and those future generations are in Clint Anderson's debt.

Clint served on the Committee on Aeronautical and Space Sciences for 15 years, from its beginning until his retirement. For 10 crucial years of the space program and through the brilliant period of the Apollo lunar landings he served as chairman of the Space Committee where again I had the good fortune to succeed him and where again I found his valuable imprint on the activities of the committee—a totally competent and thorough grasp of the legislative program which the committee is charged by the Senate to overview and done at the least cost to the taxpayer.

It was President Johnson's intimate knowledge and appreciation of Clint's legislative genius, his ability to cut to the heart of complex questions, to guide large enterprises and to mobilize public talent that caused the President to turn to the Senator in the wake of the 1964 Alaska earthquake. He asked Clint to direct a special commission to assist in the recovery program for the devastated portions of the State. Clint, without stinting on his regular, heavy legislative load, threw himself into the recovery program, much as he did when he was President Truman's Secretary of Agriculture and directed food relief for Europe and Asia. I often wondered what Clint would have done if severe illness had burdened him less.

Mr. President, I believe it fitting that I conclude this brief memorial statement with my friend Clinton Anderson's own words as he expressed them in 1970 near the end of his long and fruitful years of public service. He wrote:

> Certainly I do not pretend to understand the forces that are at work in society; nor can anyone analyze and predict with any degree of certitude. I was born into an earlier, more tranquil era, when even cataclysmic war and economic depression were more understandable than today's events. But I do know this: the social fabric that binds any civilization together is exceedingly frail. Organized society, with its essential maintenance of civilized order and its crucial protection of individual liberties, operates in a state of delicate balance. When the pendulum is in full swing, the result is either violent anarchy or armed repression. What is needed now, in this confusing and turbulent era, is wise and humane leadership—and thoughtful participation by the citizenry—in the maintenance of that delicate balance. Anarchy and revolution do not spring from a contented, unoppressed society, and so we must constantly strive to see that vital services, civil liberties, and equal opportunities are provided to all.
>
> The years that we are in may prove to be the most trying to the American democracy of any since the nation's founding. To make this great experiment in representative government work, we will have to maintain the basic elements of liberty and justice which are the cornerstones of this free society while freely experimenting with new programs and policies—even new "life styles" and basic philosophical assumptions of our consumer-oriented technological existence. We may cherish the past and the principles that we have learned are essential—tolerance, individual liberty, a reverence for the earth and its living creatures—but we must not cling to all that is familiar simply because it is familiar.
>
> In my public life I have always attempted to look to the future, to work now for the programs of tomorrow. My efforts were not without controversy, nor will future efforts be. But change we must. Even though the republic is facing its most intractable problems since the Revolution, I am confident that it shall survive. Survival of the republic—that is, the maintenance of this remarkable form of free government—will require far-sighted, imaginative, even controversial leadership and a vigorous approach to the ideals of citizenship by us all. Acquiescence in the status quo is the surest route to failure.

Those are deeply felt thoughts out of a dedicated mind and heart. They are the words of a rare human being.

THE INDEPENDENT OILMEN

Mr. TOWER. Mr. President, there is very little that is heartening that can be said about the energy situation in America today. Our energy needs are growing. Our dependence on foreign sources of energy is growing even faster. We face a natural gas shortage that could cripple industry in many parts of the East and Midwest. Yet we in the Congress do nothing constructive.

But it should be noted, Mr. President, that there are people who are trying to do something about our shortage of energy. The independent oilmen, as they have so often in the past, are doing all that they can to increase our supplies of oil and natural gas. Despite all obstacles—most of them created by this Congress—the independents continue to explore, continue to drill.

The independents are doing their best, Mr. President, but it is ever harder for them to survive. It is we in the Congress who are threatening their survival. On every hand we are taking from them the incentives needed to obtain financing for their wildcat operations. We have stripped them of much of the oil depletion allowance, of tax credits, and now threaten intangible drilling costs. We are now proposing to enact price rollbacks and impose increased controls.

Both the dedication of the independent oilman to the purpose of finding more oil and gas for Americans, and the frustration and anxiety he feels about the anti-oil hysteria and political posturing in Congress is epitomized in an article written by John J. Christmann in the fall issue of the Tipro Reporter.

Mr. Christmann is president of the Texas Independent Producers and Royalty Owners, and the Tipro Reporter is the magazine of that organization.

In his article, which is entitled: "Living in a Fools Paradise," Mr. Christmann says much that should be taken to heart by Members of the Senate. Mr. Christmann discusses the pressing problems we are facing in the field of energy, and he proposes real solutions for those problems.

I ask unanimous consent, Mr. President, that Mr. Christmann's article be printed in the Record, and I urge all of my colleagues to read it with great care.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Energy Situation—Quoting the President—Living in a Fool's Paradise

(By John J. Christmann)

Although we seem to be slowly gearing up for increasing the number of wells drilled in the United States, our nation is truly living in a fool's paradise insofar as energy policy is concerned.

Congress wants to haggle over any Administration proposal, however modest, to get on with the work at hand. A year away from election time, the politicians seem already unwilling to move on any front which might be judged harshly by consumers.

The U.S. is some 50 percent more dependent upon foreign oil than it was when the first embargo hit just two years ago. As FEA Administrator Zarb has said, an embargo today would make the one in 1973 look like child's play. And another embargo is a certainty if the U.S. and the West aren't moving toward lessening their dependency on Arab oil—which, however enormous, isn't enough to carry the free world indefinitely.

The capital needs for developing sufficient domestic energy to lessen dependency on the Mideast are so enormous as to boggle the mind—at least $100 billion in the next decade. This simply won't be forthcoming from any lending institution unless the industry itself is generating a lot more money than it is today.

And yet the Congress and much of the public insists on viewing any move toward freeing up prices of crude or natural gas as a petroleum industry ripoff.

The anti-oil hysteria in Congress has not yet run its course. Symbolic of this is a recent "study" issued by a Joint Economic Subcommittee headed by none other than Senator Edward Kennedy of Massachusetts—which undertook to sell the notion that higher wellhead prices only increased the cost of finding oil and gas. This conclusion could be made to sound plausible to a great many Americans because of the fact that domestic production has continued to decline. The increased drilling and remedial work during the past two years have helped head off a precipitous collapse of productive capacity in this nation, especially in Texas. If we can continue even the current rate of exploration, hopefully a significantly high rate, we'll soon turn this thing around and once again start achieving higher levels of production each year. Despite perennial forecasts of doom, we've never gotten close to running out of oil and gas in this country, much less other energy resources, but in the past decade and a half we came close to running out of oilmen. Our numbers were cut in half, and those of us who somehow stayed in the business sharply curtailed our exploration and drilling activity. The result is that we simply weren't finding the oil to sustain production levels of the mid-50's and early 60's.

All this is very difficult for the layman to understand, which makes our tasks the harder.

Just as it took about 15 years of bad governmental policies to get us into this mess, it's going to take about half that many to get us back on track. The key to it all is wellhead price for both oil and gas, and consequently other energy resources. As long as the government succeeds in artificially depressing wellhead prices for natural gas and crude, the wells won't be drilled and other more costly resources won't come on-stream.

What are we going to do in the intervening 7 or so years which will be required to get this nation's energy situation in hand? Very simply, we're going to have to impose on ourselves some severe curtailments in consumption. This won't be easy.

Since there's no worldwide shortage of oil at present, there'll be an almost irresistible temptation to increase imports by whatever amount necessary to keep doing all the things we've been doing and living as we've been living in this country. It's plain good politics to try to protect the right of every family to keep three or four automobiles on the road, one for every member of the family big enough to see over the steering wheel. But all the signs are there for anyone to see that this just can't continue indefinitely. Even if we could afford it in terms of our balance of payments, and even if OPEC cartel prices don't deter us, foreign oil curtailment in one way or another is going to come. The Arab world, which is sitting on the world's greatest proved reserves, is urging the West to look to its consumption measures. They realize their oil reserves are not inexhaustible, that they can't supply the free world indefinitely. That's the basic reason we don't scare them a lot when we threaten to break up their cartel by curtailing our consumption. Another reason we don't scare them is that they don't believe we'll carry out the threats—because they know our politicians in Washington know such measures would create voter unhappiness.

Although it may not be severe for a little while yet, some form of oil import restraint is in the offing. The Ford Administration prefers to do this through the tariff, which is the means most consistent with free competitive enterprise. Democrats in Congress and their cohorts, including some international oil companies, prefer to reimpose the old quota system, arguing that this would have less effect on consumer pocketbooks. What they neglect to say, however, is that to the extent we curtail consumption through quotas we necessitate rationing in one form or another. If the curtailment is modest, the rationing can be done through "inconvenience," meaning waiting lines and the like. But if it's severe, as inevitably it will be one day, it means ration tickets or something equally onerous—and far more likely to create voter dissatisfaction than higher prices.

In addition, the higher prices that result from import tariffs accomplish objectives at the other end of the line. They tend to stimulate production—and it's through this means that we'll ultimately get out of this mess.

The Ford Administration is under heavy pressure from Democrats, some importing companies, and now an appeals Court in Washington, to shift from tariffs to quotas as a means of restraining or slowing oil imports. Although the Administration has appealed the Washington Court of Appeals decision which attempted to "legislate" tariffs out in favor of quotas, there are some signs that the President may be weakening. Various proposals are now being developed to reinstitute an oil import quota system similar to the one initiated in 1959—which failed to accomplish even the most elementary goals.

Domestic independent producers have a stake in this battle, since the existing $2 per barrel tariff provides the insulation which favors domestic over foreign production. This in time will create greater production at home and discourage increased reliance on foreign oil—but not if it's successfully knocked out.

It's true that the energy package adopted recently by the House of Representatives included token gestures toward economizing in the use of petroleum. But these were largely palliatives to give the illusion they were solving the problem without imposing painful burdens on U.S. consumers. In the same bill, an attempt was made to roll back crude oil prices in the U.S.—which is the surest way to short circuit the effort at increasing productive capacity.

Not because of but in spite of action in this Congress, some small progress has been made toward increased exploration and drilling in this country. The nearest Congress has come to enunciating a national energy direction is in the repeal of percentage depletion for petroleum (while leaving it intact for more than a hundred other minerals). Hence the progress has been made without cooperation from the legislative branch of our government. Arab insistence on bringing oil prices up to more realistic levels accounts for the inevitable upward move in wellhead prices in this country, which in turn has stimulated drilling despite all the hurdles Congress could erect.

Exploration and drilling in this country has risen substantially in recent months, but only a fraction of the needed increase. Just at the time we were getting rolling and it looked like we might again be drilling as many wells as we did in the mid-50's, when last we were finding more oil than we were consuming, along came the percentage depletion setback—combined with the threat to roll back crude prices by government flat. Suddenly the shortage of rigs and steel became a temporary surplus. We're slowly moving back upward now, and the rig count indicates we're using about all we have available. But the outlook is so clouded that far too little is being done to tool up for the all out push our nation simply must have. The rig builders and producers of steel are left in the dark as to what our requirements will be, and we can't tell them until we ourselves see what emerges out of Washington.

There have been a great many periods of uncertainty in the history of this industry, but none to compare with the present. It's absolutely shocking that we have just gone through a period of time when controls elapsed but we were asked to continue selling our crude at levels presuming they would be reimposed retroactively. I know of no other industry ever subjected to that kind of treatment.

Even so, as bitter as we can become sometimes, I think it's incumbent on us as businessmen to try to understand the pressures which confront Congress. When we were undergoing our private depression, compelled to use up our reserves without replacing them by drilling new wells, the wellhead price of crude and natural gas were so low that the consumer got accustomed to cheap energy. This was an unnatural situation which couldn't last long. We tried many times to warn that trouble lay ahead, all to no avail. Now that the situation has caught up with us and everybody recognizes we've got to increase productive capacity at home, wellhead prices have necessarily moved up accordingly. This is difficult for consumers and politicians to comprehend. They tend to see it as not necessary. Our task is to provide the answers as to why in reality it is.

What we need now is a period of political stability with some reassurances as to what national energy policy will be. Given a reasonable basis on which to project our drilling programs, we can do an awful lot in a relatively short time to minimize dependence on unreliable foreign sources for the lifeblood of our national economy.

If the uncertainty persists much longer, we may lose our last opportunity to restore energy sufficiency in time to save America. However melodramatic that may seem, I believe it's just exactly that serious.

JEC CHICAGO HEARING FOCUSES ON FULL EMPLOYMENT

Mr. HUMPHREY. Mr. President, last month the Joint Economic Committee held the first of several regional hearings on full employment, and why we have failed to meet the goals of the Employment Act of 1946 in the last 30 years. On October 20, the committee convened in Chicago to hear first from Mayor Richard Daley, and then from individuals representing major groups in the economy. We received testimony from businessmen, union officials, leaders of community action groups, representatives of farmer organizations, economists, and private individuals.

Mayor Daley, as the leadoff witness, succinctly summarized the theme of our hearing. He said:

> I do not pretend to know all the answers to our troubled economy, but I do know making people who are able and willing to work depend on welfare, is a step backwards. Giving a person an opportunity to work is a giant stride forward to solving many of our problems, economic and social.

Mayor Daley went on to emphasize that—

> It is the people in the cities that bear a disproportionate share of the hardships of this deep recession. The unemployment rates in the central city exceed the national rates, and these rates show only averages. They do not portray the incalculable stresses placed on so many of our citizens.

I was pleased to see in Mayor Daley's statement a commitment to jobs, especially jobs for our young people, and a belief that the Federal Government must step in as the employer of last resort when the private sector cannot provide those jobs.

Many other witnesses, speaking from their own perspective, emphasized the psychological, social, as well as the economic necessity for jobs for all those who are willing and able to work. For exomple, the Reverend Joseph A. McNicholas, bishop of Springfield, Ill., said that—

> Financial insecurity, anxiety, and loss of confidence impose a heavy burden on family relationships. Unemployment leads to higher rates of crime, drug addiction, and alcoholism as well as rising social tensions.

Leon Finney, executive director to the Woodlawn Organization in Chicago, pointed out that—

> There is a certain measure of irony in our current economic crisis. Here we are just entering our Bicentennial year, celebrating 200 years of prosperity, progress and preeminence. Yet, we still haven't learned enough through the years to prevent economic calamities. We haven't even figured out a way to make sure all able bodied and willing Americans have a job and the dignity a job brings.

Both Mr. Finney and James Compton, executive director of the Chicago Urban League, emphasized that unemployment rates for minorities are much higher than either the national average or the unemployment rate for the city of Chicago.

Many of our witnesses made innovative suggestions for dealing with the extraordinarily high rates of unemployment which we are suffering today. Prof. Charles Killingsworth from Michigan State, for example, said that—

> Attention should be given to victims of declining areas and sick industries. We have some weapons. Manpower training is one of the remedies that in my judgment has worked relatively well. It is being cut back today. I think we should revive and expand this manpower training effort.

Another tool available to us for lowering the unemployment rate is public employment. Contrary to statements appearing in the press recently about the failure of CETA programs, several witnesses at our hearing made positive statements about CETA, the Comprehensive Employment and Training Act. For example, Charles McKenzie, director of human resources, for the city of Minneapolis, said that CETA has been an unqualified success. As Mr. McKenzie said:

> We have avoided make work projects—there are problems with public employment—but when the whole story is told, it is one of men and women working who otherwise would be unemployed.

Other witnesses before the committee emphasized not so much the direct creation of jobs but the responsibility of the Federal Government to create an environment conducive to job creation in the private sector. For example A. Robert Abboud, deputy chairman of the board of First National Bank of Chicago, suggested that—

> For a healthy vigorous America, we must restore the growth of jobs in manufacturing and agriculture, to get these we need an economic and legislative environment which promotes incentives for the investment of capital.

And Prof. Milton Friedman from the University of Chicago stated:

> The major problem facing this country today is cutting down the size of the government and the extent to which it controls our lives. Hardly any proposition is clearer from experience than the inefficiency of government.

Not all of our witnesses, however, were as negative as Professor Friedman on the need for the Federal Government to plan and to set priorities. For example, Robert Mayo, president of the Chicago Federal Reserve Bank, suggested that—

> If further recessions are to be avoided, we must evaluate our public priorities with great care. Congress has already moved in this direction by developing new tools for its own planning, budget setting, and control mechanism—but greater effectiveness will be needed in fiscal 1977 when the prices of program, priorities and policies will be even more difficult.

A number of witnesses appearing before the committee in Chicago enthusiastically supported economic planning. Robert Johnston, director of region IV of the UAW, gave the committee a very concrete example of the need for planning. He said:

> You can't escape the need for planning in America. It has to come. You go to O'Hare Field right now and if you want to go to L.A. or New York, you can have a choice every hour on the hour of 4 or 5 different airlines and the planes are about half full. Someone has to bite the bullet on these kinds of hard decisions in America because we waste more energy than Japan uses.

And Alan Boyd, former Secretary of Transportation during the Johnson administration and now president of Illinois Central Gulf Railroad, stressed that planning is consistent with a free enterprise economy. Mr. Boyd pointed out that—

> Our experience in transportation indicates that government planning need not necessarily represent increased government involvement. It ought to represent a process by which the government can actually understand the consequences of its actions in the future course of the economy.

Mr. President, we received valuable testimony from many other witnesses at our Chicago hearing but the constraints of time and space do not permit me to quote more extensively from their statements. However, I want to include in the Record remarks of L. C. Carpenter, vice president of the Mid-Continent Farmers Association. Mr. Carpenter emphasizes in his statement that—

> For too long a time farmers have been asked to absorb much of the effects of inflation through a low cost food policy. Now they are being encouraged to help stimulate the economy away from recession by producing at a maximum. In support of its two-faced national policy, the Administration asks farmers to assume all of the risk for all of production . . . In spite of their increased costs in production. The increase in food costs this past year came after the food left the farms, therefore, even in this inflationary period consumers are paying less than 17 percent of their disposable income for food. We don't really believe that all of the economy has recovered, and that we have overcome all stagnation that prevails. A misjudgment by the Secretary of Agriculture on world demand for U.S. farm products would result in bankruptcy for literally thousands of farmers.

Mr. President, I cannot emphasize too strongly the value of these regional hearings to the Joint Economic Committee. We had an opportunity at our Chicago hearing to listen to experts who are often not called to Washington to testify. People such as the Reverend George Riddick of Operation PUSH, Leon Finney, of the Woodlawn Organization, Charles McKenzie of the city of Minneapolis and the many officials of union locals who testified at our hearing, are often more familiar with the impact of Federal policies on individual workers and citizens than the so-called experts who we usually call to testify in Washington. I wish it were possible to print the testimony of each of these witnesses in full in the record. However, the Joint Economic Committee plans to publish the record of these hearings as soon as possible.

Mr. President, I do ask unanimous consent that the entire statement of Mayor Richard Daley be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT BY MAYOR RICHARD DALEY

Mr. Chairman and members of the committee, as mayor it is my pleasure to welcome the Joint Economic Committee to Chicago. You are to be commended for bringing the national Government to the people through the regional meetings you are conducting. Certainly the subject matter—full employment and price stability—directly affect the lives of all people, and the decisions which Congress makes on these issues are vital to every citizen.

The regional hearings serve a two-fold purpose. On the one hand, the committee is able to hear directly from all elements of the Nation, the various States, cities and neighborhoods. I am confident that you will hear much straight-talk from some very concerned individuals. You also serve the purpose of your committee by bringing into focus the basic issues, the varying and conflicting viewpoints, and the many alternatives that must be weighed in determining the economic policy of our Nation.

This communication is essential because the success of any national policy depends on the understanding and the support of the people. I want to thank the committee for giving me this opportunity to testify before you the Congress and the public from the viewpoint and experience of a mayor of a central city with millions of residents.

I know that we are all pleased that these hearings are being televised by our educational station in Chicago, WTTW. The broadcast of these proceedings is a distinct contribution to the community. Your committee was created by the Employment Act of 1946—also known as the Full Employment Act. The declaration of policy in the act stated that it is the continuing policy and responsibility of the Federal Government—with the help and cooperation of industry, agriculture, labor, State and local governments—to promote maximum employment, production and purchasing power. Its purpose was to prevent serious depression and to achieve economic stability. Economic stability was generally understood as a rising national income under conditions that would assure steady jobs for those who want to work. These objectives were to be achieved within the framework of a system of competitive private enterprise.

The Employment Act of 1946 was written after the bitter experience of the Great Depression and at a time when the Nation feared renewed unemployment and inflation resulting from the end of World War II. The Employment Act had the support of Democrats and Republicans alike.

In 1966, to mark the 20th anniversary of the act, the Council of Economic Advisers, a group also created by the legislation, issued a policy statement and I quote:

"Twenty years of experience have demonstrated our ability to avoid ruinous inflation and severe depression. It is now within our capabilities to set more ambitious goals. We strive to avoid recurrent recession, to keep unemployment far below the rates of the past decade, to maintain essential price stability at full employment, to move toward the Great Society and indeed to make full prosperity the normal state of the American economy."

The recognition that there was a national commitment to these goals was reflected by President Kennedy's new frontier, President Johnson's vision of a great society, and President Nixon's proposal to change a self-defeating and self-perpetuating national welfare system. Congress responded with a multitude of progressive programs.

But what might have been was overwhelmed by a bitter war that diverted funds from constructive programs and planted the seeds of inflation and depression. To this was added the disastrous consequences of an energy crisis.

As we approach the thirtieth anniversary of the Employment Act, we find ourselves once again suffering from the aftermath of war and crisis—depression, inflation, unemployment and a national mood of discontent and frustration that cries for positive action, for solutions from its leadership.

One of the basic reasons for the public's mood arises from their disillusionment concerning the so-called law of supply and demand. Industrial production is down sharply, factories are producing well below capacity and yet prices rise. It is true that higher fuel prices have an effect throughout the economy, and yet it appears that administered prices are gradually taking over the market place.

I am not an economist and it is dangerous to simplify in an economy so complex and where a variety of factors influence its operation. But taxation and spending, and the allocation of resources and the setting of priorities are determined to a large extent by adoption of the budget.

I have had some experience with budgets having served as county comptroller, director of revenue under Governor Adlai Stevenson, and as chief executive of the city of Chicago. Of course, the Federal budget is on a different level for it involves the use of fiscal policy to change the level of income and employment and is concerned with the total activity of government—domestic and international.

In preparing a government budget there are certain fundamental steps that must be taken such as estimating revenue, expenditures, determining costs, studying the requirements of personnel, establishing wage levels, discussing with department heads improved administrative procedures and new programs, and gathering essential economic data. This is the economic side of the budget which is similar to the procedures followed by any business or corporation. But there is another side to the preparation of a government budget, which I consider to be my direct responsibility as well as the responsibility of the city council, in determining the allocation of resources and the establishment of priorities. The primary function of government is to meet the needs of people—all the people. In our democracy it is based on the principle that the community will not turn its back on those who are less fortunate—those who are in trouble—through circumstances they cannot control. In the past 30 years all government, and particularly local government, have had to greatly expand and enter into programs that they had never been engaged in before in order to meet the needs of people. For example, government never wanted to get into the field of public housing. It was forced to do so when private enterprise was unable to provide housing that people of low income could afford. There are hundreds of similar examples illustrating the expansion of government services to fill needs. In preparing the budget of 1975 Chicago like every city was faced with rising costs and a demand for cost of living increases. We did not increase real estate taxes nor did we seek to economize at the expense of those who are the first victims of a declining economy.

The 1975 budget expanded the program to feed the hungry, gave more aid to senior citizens, provided more health centers and medical centers to the young and old and continued unabated the local government matching funds for Federal programs that serve the personal needs of people and improve neighborhoods. Where Federal funds were cut, we increased the local share.

We did not engage in a program of layoffs. We took advantage of every Federal employment program and help put people to work quickly.

I was proud—but not surprised—that not a single member of the city council opposed these measures, including the aldermen of those neighborhoods which would not directly benefit from many of these services. Nor has there been any protest against these groups or by mail.

In determining national fiscal policy, the policy makers have basically three alternative approaches. The government can hold spending constant and change taxes, hold taxes constant and change spending, or change both taxes and spending. Economists are sharply divided as to which of these methods is most desirable. However, most of them will probably agree that in the present circumstances, there should be changes in both taxes and spending.

I am all in favor of a reduction in taxes both to give some relief to taxpayers and to further stimulate the economy. I am also in favor of cutting spending, but while the administration has been somewhat specific in its proposals for tax reduction, it remains silent concerning the cutbacks in spending. But this administration by its past actions, has made it clear where the cut in expenditures will come after he exercises his veto. It will come from programs designed to help the less fortunate. This has been made clear by the programs supported and the 39 bills vetoed.

Among the most recent vetoes are the school lunch program and the health service bill. But the veto of the emergency employment act and the philosophy behind it, is most indicative. We are told—and all of us hope that it is true—that the recession has bottomed out and the economy is turning around. The reason for the recovery is the increase in inventory liquidation.

But we are also told that a reduction in unemployment will lag behind any recovery. The 8.3% reported in September does not include those who have given up and withdrawn from the labor market and the hundreds of thousands who have been dismissed from seasonal jobs. We are told that in 1976, at best, there will still be 7% unemployment.

In other words, increased production to replace the liquidated merchandise will take place much faster than the increase in hiring to fill the liquidation of jobs.

But jobs are people—not merchandise. 7% is not only a statistic. It is not only approximately 6½ million people being deprived but more like 30 million because their families are equally affected.

And how long will it take for increased employment to reach those who are most vulnerable—the young people and the minorities—those who are last hired and first fired? And what about those who are over 45?

It is the people in the cities who bear a disproportionate share of the hardships of this deep recession. The unemployment rates in the central city exceed the national rates—and these rates show only averages. They do not portray the incalculable stress placed on so many of our citizens. Unemployment among the minorities is at least twice the national rate—and among minority youth, 3 to 4 times.

Even the presidentially appointed national committee for manpower policy said in February:

"The American people are no longer willing to permit their government to do little to stem the ravages that unemployment brings in its wake. If the government ignores the demands of the public in general and the inner city frustrations in particular, it will do so at tremendous costs to our social fabric."

It is the city that provides housing, health and social services, jobs and recreation to the poor, the low income, the unskilled, the urban newcomer and the senior citizen.

The cities cannot and will not turn their back on these citizens and the withdrawal of federal funds that support these programs would only shift the burden from the federal income tax, which is heavily financed by corporate wealth, to local real estate and sales taxes.

Those who persist in the belief that city limits are walls to economic problems are seeking to evade the real world. In this urbanized society we all live as part of a total economic and social entity. Without a viable healthy city, there can be no thriving suburbia—no strong nation.

The administration contends that inflation should be the target of national economic policies, not unemployment. Yet, every increase of 1% in the unemployment rate results in a 16 million dollar rise in the federal budget deficit—accounted for by lost tax revenues and increased spending for unemployment and welfare.

It is paradoxical that those who must criticize welfare do not hesitate to increase it.

I do not pretend to know all the answers to our troubled economy, but I do know that making people who are able and willing to work dependent on welfare, is a step backwards. Giving a person an opportunity to work is a giant stride forward to solving many of our problems—economic and social.

We hear there is a tremendous need for investment to supply the capital for industries to expand, but I think that more will be gained by investing in people—by giving them an opportunity to work in meaningful public service jobs until they can be absorbed by private industry.

This is not an issue which has suddenly risen. In the past five years I have appeared before congressional committees and made hundreds of public statements urging public service employment and supporting the objectives of the Full Employment Act. In all fairness, the record discloses that President Ford and his administration have also been consistent. There is an honest difference of opinion.

This difference does not only apply to the choice of alternatives in dealing with the problems of the economy, but in assessing the will of the people.

I do not believe that the majority of the people of America want to abandon the objectives of the Full Employment Act, nor do I believe that the majority of the voters want their Government to return to the economic philosophy and fiscal policies that preceded the great depression.

This is not only a question of money—it is a question of values. I welcome public debate on this issue. I am confident of the answer.

SAVE THE HATCH ACT

Mr. FONG. Mr. President, a strong warning against legislation to "reform" the Hatch Act has been sounded by alert newspapers across the country, among them the Chicago Tribune.

Two articles on the subject have been published recently by the Chicago Tribune to call attention to legislation which would open the door to partisan political activities now banned by the Hatch Act in the Federal civil service system.

Regrettably, the Senate Post Office and Civil Service Commission today approved such legislation in the form of H.R. 8617, passed by the House of Representatives on October 21.

So that my colleagues may have views critical of legislation which would gut the Hatch Act, I ask unanimous consent to have printed in the RECORD the two articles referred to: one titled "Will the 'Reformers' Unhatch Hatch Act?" by Michael Kilian in the October 14 issue and the other an editorial titled "Save the Hatch Act," which appeared on June 1.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, October 14, 1975]

WILL THE "REFORMERS" UNHATCH HATCH ACT?

(By Michael Kilian)

Next week, a congressional cabal will attempt to carry out a recently hatched plot to unhatch [if you will] the 1939 Hatch Act.

"Well," you might observe, especially if you're not in the poultry business, "what has this to do with me?"

It has nothing to do with chickens, but it has a great deal to do with you.

Suppose you're called down to the Internal Revenue Service for a friendly little tax audit, and the friendly IRS man says he'll take your case under advisement.

Then suppose he shows up at your door later that night, wearing a "Jerry and

Rocky" button, and says: "By the by, I thought you'd like to know I'm your local Republican precinct captain and, gee whiz, we'd sure appreciate your vote."

Or suppose you're a Republican mayor and you go to the local federal building to apply for an aid grant, only to discover that the bureaucrat in charge is your opponent's campaign manager.

Or suppose you're a postal worker or something and you mention to your section boss that you're going to go fishing that weekend. And, he says: "Well, me and the boys thought we'd spend the weekend working to get the vote out for Humphrey."

And you say: "I really would like to go fishing."

And he says: "Well, how would you like a transfer to Anchorage, Alaska? I hear the ice fishing's pretty good there."

At the moment, none of this is possible. These and other forms of active political participation by federal employees are prohibited by the Hatch Act. This was passed in 1939 in response to the Roosevelt administration's having made political work a requirement for getting hundreds of thousands of "New Deal" relief jobs during the Depression.

The theory behind the Hatch Act was that, if political work by federal employees is illegal, their bosses will have a hard time making them do it. Federal employees have been happy with the Hatch Act ever since. A survey taken by the National Federation of Federal Employes a few years ago showed 89 per cent strongly supporting the act and only 1 per cent favoring its repeal.

Well, repeal is what we're going to get, only, like most such devious schemes, it will be carried out in the name of "reform." Congressmen Bill Clay of Missouri, Paul Simon of Illinois, and other zealous crusaders are going to "improve" the Hatch Act by pushing through a bill to change it to allow federal workers the freedom "to participate in the political life of the nation."

Of course, Clay & Co. contend the political work would be voluntary.

Right. I remember when I first went through an Army pay line, and found at the end of it a sergeant who was taking "voluntary" contributions for the Cashiered Officers Fund or something.

"Do I have to?" I said.

"No," he said. "But do you want a weekend pass? Do you want to get off KP? Do you want . . . "

The cashiered officers did all right.

Government workers in Mayor Daley's Chicago are supposedly under civil service and protected by a federal court order that says no political work may be required of them. But, they still have the "freedom" to "voluntarily participate in the city's political life." And they do, by the thousands, every election—or else.

According to Congressman Edward Derwinski, who opposed the "reform" in committee, this is precisely what will happen if the Clay bill is passed—the entire federal government and its zillions of employees will turn into one monstrous political machine.

The bill is opposed by the United States Civil Service Commission, the U.S. Postal Service, the Comptroller General, the Treasury, the IRS, the Justice Department, and the FBI. But, as we'll see when the bill comes up for a vote Tuesday, who are they?

It is interesting that Clay, Simon & Co. relate to the AFL–CIO in much the same way Romeo did to Juliet. It is interesting that the AFL–CIO has marshalled its legions into a powerful political army and would like public employes to join up.

It is interesting watching another wonderful new "reform" in the making.

[From the Chicago Tribune, June 1, 1975]

SAVE THE HATCH ACT

Back in 1939, the growth of the New Deal bureaucracy had pushed federal civilian employment up to more than 900,000, and there was growing concern over what would happen if this substantial army became politicized. The result was the Hatch Act on "pernicious political activities," which formalized administrative policies going back to the days of Theodore Roosevelt.

The Hatch Act does not prohibit an employe from voting, supporting a political candidate, giving money to a party, or taking part in a nonpartisan campaign. It does prohibit him from running for office or taking active part in a partisan campaign. He may not solicit votes or money for partisan purposes. The act was welcomed by most federal employes because of the protection it gave them against pressure from their supervisors to work in campaigns and against discrimination on the basis of political affiliation.

In recent years there has been growing agitation to weaken or repeal the Hatch Act, and today the agitators are stronger than ever, thanks mainly to the AFL–CIO, which has built its American Federation of Government Employes into the biggest union of public workers, with 600,000 members, and to the many liberal Democratic members of the present Congress who are beholden to the AFL–CIO.

One such congressman, William Clay of Missouri, has introduced a bill to emasculate the Hatch Act and is conducting hearings on it as chairman of a subcommittee. A similar bill has been introduced in the Senate by Wyoming's Gale McGee.

Mr. Clay contends that his bill, HR 3000, will restore rights to people who have been deprived of them and "will raise federal and postal workers from their present second-class citizenship to first class."

In fact, tho, very few federal employes seem really to want these rights back. They think, quite reasonably, that they can do a better job without being subjected to waves of political pressure. One long-established Civil Service union, the National Federation of Federal Employes, has more than 118,000 members and 89 per cent of them prefer the Hatch Act as it is.

Their president, Nathan Wolkomir, says the Clay bill is "nothing more than the old AFL–CIO pitch for muscle and power" and will bring "a terrific influx of abuses." While we haven't always agreed with Mr. Wolkomir, and while some professional jealousy may be reflected in his remarks, he deserves credit for sticking to relevant issues and not allowing his union to become a free-wheeling political lobby.

A political lobby is precisely what George Meany of the AFL–CIO would like. Federal employment has about quadrupled since 1939, and the Hatch Act has been extended to cover most state and local employes. Here, then, is a potential army of awesome size.

Organized labor already wields far more influence in Congress than its numbers would justify. If Mr. Meany were to expand his empire to include all of this army, as he would sorely like to do, and if he were to organize it as a political force, as he has done with other unions and as Mr. Clay's bill would permit him to do, he might end up in total control of Congress, and the executive branch would virtually be at his mercy.

Federal employes would then find their money and their influence being used to support the candidates which the AFL–CIO hierarchy supports, regardless of their own feelings, and to support minimum wage laws, tax reforms, and all of the other causes, wise and unwise, which the AFL–CIO may see fit to endorse and which may have little bearing on federal employment.

In a decision two years ago, the Supreme Court upheld the constitutionality of the Hatch Act, saying, "It is in the best interest of the country, indeed essential, that federal service should depend upon meritorious performance rather than political service."

We're confident that responsible government workers don't want to be manipulated by organized labor bosses any more than by political bosses. Any substantial weakening of the Hatch Act would be a disaster for them and for good government.

THE IMPLICATIONS OF UNCONTROLLED DEVELOPMENT AND PROLIFERATION OF NUCLEAR WEAPONS

Mr. CLARK. Mr. President, last Sunday there appeared in the New York Times Magazine an article by Sir Bernard Lovell, professor of radio astronomy at the University of Manchester, which should be required reading for anyone who does not yet fully realize the implications for the human race of continued uncontrolled development and proliferation of nuclear weapons.

Sir Bernard's article poses the question of where science—or man's uses of science—will lead us. Speaking of the great advances brought about by space exploration, Sir Bernard writes:

> It is therefore a sad and ironical reflection that we have been brought to this stage by the use of devices that are themselves designed to destroy mankind.

Sir Bernard reviews the high points in man's quest for knowledge of the origin of the universe, including quite remarkable recent discoveries. But always there is the question whether this accumulation of knowledge shall continue or whether it will all come to an end through man's failure to control his own uses of that knowledge.

Sir Bernard continues:

> Physically and intellectually we stand at the center of immensities. Science itself is neither a magic wand nor a poisoned arrow. Neither do I believe, as I have in the past, that it is neutral in its impact. Its deepest pursuits are inextricably entwined with human purpose and existence.

And later:

> The vital question is whether the framework of society in which science is pursued can develop the ethical basis and moral purpose necessary to insure that in our future progress we overcome the forces leading to decay and destruction.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Magazine, Nov. 16, 1975]

WHENCE—WE ARE WHAT WE KNOW ABOUT WHERE WE CAME FROM

(By Sir Bernard Lovell)

Man's quest for understanding of his role in the universe has inevitably been a driving force in the advance of civilization, and it is therefore of great significance that we should attempt to discover why the deeper ambitions for the understanding of human purpose no longer exert such a dominating influence on our lives as they did for our forefathers. The Puritans sought for understanding by running from one hour-long sermon to another. But for our generation, science, coupled with technology, became the god through which we would find the road to economic and intellectual salvation.

It is a vast region for debate, and I direct my attention to a single aspect. Throughout the whole of recorded history a consistent thread has been the intellectual purpose of man to discover the nature of the universe. Today we refer to this as the cosmological problem: That is, how did the universe come into existence, how did its current configurations—stars, solar systems, galaxies—evolve, and what is its future? And is man's existence unique, or is it an integral part of the larger design? Hitherto, man has attempted to give either a theological answer or to believe that the solution would be discovered by scientific observation alone. Is the answer transcendental or material? Is the pursuit of science the only appropriate human activity for this search?

Certainly, the great achievements in science have often seemed to give decisive answers. More than 40 years ago, when I was a young man, Sir James Jeans gave a vivid and convincing picture of the formation of the solar system. He believed that the sun was once an ordinary star without planets. Then a passing star came close enough to the sun to drag out from it by gravitational attraction a great filament of gas, which broke up and condensed into the planets. But within a year of Jean's address, the American astronomer H. N. Russell undermined all such encounter theories by pointing out that the star and the sun would have to approach each other so closely that any planets resulting from the encounter would move in orbits thousands of times closer to the sun than those we observe.

Another half century of observation and computation has led to the general view that the nebular hypothesis, proposed by Laplace 200 years ago, was at least partially correct. In his theory, the sun and planets condensed from a slowly rotating gaseous nebula. Now we think the processes involving the collision of dust and gas particules in the nebula, rather than condensation led to the formation of planets. It seems that in a few thousand million years a nebula surrounding a star could be transformed to a planetary system in this way. Naturally, one would expect violent collisions during the evolutionary process, as evidenced by the craters on the moon, and, as we have seen recently, from the space-probe photographs of the planets Mars and Mercury.

Our picture, is then, that the planets began to accrete in a nebula of gas and dust surrounding the sun about five thousand million years ago. How did the sun acquire this nebula? In recent years, photographs have been obtained that are believed to show the early stages of stars forming in gas clouds in the spiral arms of the Milky Way. In a large enough cloud of sufficient density, with the atoms in random motion, condensed pockets of gas will arise that contain so many atoms that the condensation will be preserved by the gravitational attraction between the atoms. An immense number of atoms are necessary to give rise to such a contracting globule—about 10^{57}. Once such a condensation begins, events happen very quickly—at least on the cosmical time scale. In a remarkably short time, the globule, which originally extended for trillions of miles, will have decreased to a few hundred million miles. The contraction continues until, after about 27 million years, the internal temperature will have risen to about 20 million degrees and the pressure to several thousand million atmospheres. At this stage, the thermonuclear transformation of hydrogen to helium takes place and this release of nuclear energy generates sufficient outward pressure to halt further collapse. We then have a star, like the sun, in a long-term condition of stability for a few thousand million years, in which for every second of time some 564 million tons of hydrogen are being transformed into 500 million tons of helium.

Although this outline of the history of the birth of a star is based on the results of computerized calculations, there is compelling observational evidence to indicate its essential validity. First, the protostars in the gas clouds of the Milky Way are evident in the photographs taken with modern telescopes. Then we have the remarkable photographs taken from the Lick Observatory of a section of the Orion nebula where the stars are forming, in which even over a period of a few years additional protostars become visible, and finally, recent infrared studies of the sky that show many objects not seen in the visible region of the spectrum.

Our picture, then, of the emergence of a planetary system is entirely different from that presented by Sir James Jeans less than a half century ago. His tidal encounter theory involved the close approach of two stars—sufficiently rare to be regarded as endowing the solar system, and the emergence of life on earth, with a high degree of uniqueness. The contemporary view is that stars are born from the gas clouds of the Milky Way in large numbers, and that in this process the remnants of the nebulae will be retained around them. Thus we expect planetary systems around stars to be a common feature in the universe, and it should not escape our notice that it is in these identical nebulae that astronomers have recently discovered the complex molecules essential for organic evolution.

The convergence of these two investigations has understandably been a great stimulus to those who seek for evidence of extraterrestrial existence. The possibility for these investigations by close inspection or contact with the planets emerged as soon as the Soviets succeeded in launching the first sputnik on Oct. 4, 1957. Almost immediately, the efforts of the Soviet Union and the United States were directed to landing instruments and men on the moon and to the dispatch of space probes to the planets, especially Venus and Mars. Familiarity with these enterprises should not blind us to the magnificence of the achievements. The Russian success in hitting the moon with Lunik 2 in September 1959 was a stark reminder of the dramatic advance of science and technology in the Soviet Union. The American response, culminating in the landing of Armstrong and Aldrin on the lunar surface 10 years later, will surely emerge in the perspective of history as one of the great triumphs of human endeavor. The return of lunar rocks to earth has presented scientists with a means for studying the problems of the origin of the moon and early history of the solar system, far beyond the wildest dreams of our predecessors. While this drama was unfolding, the Soviets and Americans were striving to send space probes beyond the moon to the planets. The immense dividends for science and national prestige provided an incentive to overcome a seemingly impenetrable barrier of engineering and technical problems. It is hardly surprising that when these attempts began in 1960 there were many failures. The atmosphere of the age was epitomized by the launching of the Soviet probe to the planet Venus in February 1961 at a time when the scale of the solar system was so inaccurately known that, however perfect the guidance of a rocket, insufficient data existed to be certain of a successful encounter. Soviet scientists had to rely on a radar measurement of the distance of the planet using the same radiotelescope that they had hurriedly built to track the probe.

This probe and many other Soviet and American probes failed to achieve success in these early attempts to reach the planets. Eventually the major problem of reliability attached to these prolonged flights in space of many months' duration was overcome. Just 10 years ago, the Americans received on earth photographs transmitted from a spacecraft that had passed within a few thousand miles of the planet Mars. The surface features of the planet shown in these photographs and those obtained subsequently seemed to reveal a hostile environment not conducive to any form of organic evolution as many had anticipated.

By 1971 it became possible to place a spacecraft in orbit around the planet, and during 1972 more than 7,000 pictures were transmitted to earth by Mariner 9. Among them were high-definition photographs with a resolution of 100 yards—that is 500 times superior to the best photographs of the planet hitherto available through telescopes on earth. These photographs show mountain peaks as high as Everest, great canyons six times as wide and twice as deep as the Grand Canyon in Arizona, and sinuous valleys with branching tributaries resembling the water-cut gullies on earth. The American analysts who have studied these photographs conclude that these are, indeed, dried river valleys, that Mars is in an ice age and that the water is locked in the polar caps.

The perpetual clouds that cover our other near neighbor in the solar system—the planet Venus—encouraged our predecessors to the view that the planet might be rather similar to earth, an abode for vegetation or perhaps organic life. Twenty years ago, there were many learned judgments on the nature of this planet, but we did not even know how fast it was rotating on its axis, and could not be certain whether the surface was favorable for evolution, or was a boiling ocean or an arid desert. The Soviet probe Venera 4 settled these problems in 1967. As the rocket reached the vicinity of the planet, a capsule of scientific instruments was released, and this, slowed by a parachute system, transmitted data to earth as it descended through the atmosphere of the planet.

Since that time, a series of similar Soviet probes to Venus have confirmed the astonishing findings of that first investigation. The clouds are not of water vapor, like terrestrial clouds. The atmosphere of the planet is 97 percent carbon dioxide. The surface conditions are extremely hostile, the pressure is 100 atmospheres and the temperature is above the melting point of lead and the boiling point of mercury. It is strange that Venus, in many respects so physically to earth, should differ in this way.

Tantalizing questions face us today. Has there been any kind of organic evolution elsewhere in the solar system, at any time in its evolutionary history? Is Mars really in an ice age, and if so, has any kind of primitive organism evolved during its favorable epochs when water has flowed in the sinuous valleys? Why did Venus and Earth, differing only 3 percent in size, 18 percent in mass and moving in reasonably similar orbits around the sun, pursue such radically different evolutionary paths? The answers to these problems are vital to the general problem of exobiology.

Astronomically, there seems to be compelling evidence that the solar system is not a unique planetary system. But given the very large number of planetary systems in the universe, what are the chances that evolution can occur? Do the recent discoveries about Mars and Venus indicate that the environment is so extremely sensitive that conditions suitable for evolution are improbable even in a billion planetary systems? I pose these questions at an exciting moment. Two Soviet probes have just reached Venus and two American spacecraft are on their way to Mars. The Soviet probes have given important new information about the atmosphere and have transmitted to earth remarkable photographs of the hidden surface of Venus.

The American Viking spacecraft to Mars will be in orbit around the planet and ready for landing on the bicentenary anniversary next year. The one-ton lander is one of the most sophisticated miniaturized scientific laboratories ever devised. The primary objective is to search for life on the planet. A 10 foot arm will scoop soil samples into the body of the lander, where they will be subjected to a variety of analyses to determine their organic chemical and microbiological content. The results from these particular probes may be indecisive—one has only to imagine the situation in reverse and envisage the difficulty of deciding where to land spacecraft on earth from a distance of a few tens of millions of miles, on the basis of photographs with a 100-yard definition. Even so, these flights to Mars and Venus represent a stage in man's technical accomplishment that will surely soon lead to a more decisive assessment of our place in the universe.

It is therefore a sad and ironical reflection that we have been brought to this stage by the use of devices that are themselves designed to destroy mankind. The Soviet Sputnik was not launched into space by a rocket designed for this purpose. On Aug. 26, 1957, Mr. Khrushchev announced to the world that the Soviet Union had tested successfully a super long-distance intercontinental ballistic missile, and that the results showed that it was "possible to direct missiles into any part of the world." Six weeks later, this, the world's first intercontinental ballistic missile, became the launching rocket of the first artificial satellite of the earth. Of course, the United States was also developing the intercontinental missile, and three weeks after the launching of the Sputnik, von Braun was at last given authority to modify the Army's Jupiter ballistic rocket, and it was this that launched the first American Explorer satellite on Jan. 31, 1958.

It was no peaceful endeavor, either in the U.S.S.R. or the U.S., that gave man the power to launch scientific instruments into space, and it serves no purpose to imagine that the space activities of these two countries today are innocent of military interests. The duality of the launching rockets needs no further emphasis. Even in the payloads, the military interest remains dominant. The Senate papers that are readily available in Washington reveal that two-thirds of the American payloads placed in orbit are under the control of the Department of Defense. According to the public releases at the United States intelligence services, since Sputnik 1, 18 years ago, the Soviet Union has launched 834 space missions, of which 516 have been for military activities.

East or West the picture is common—an almost nonexistent dividing line between those activities that may either lead to the greatest human disaster since the calamitous Shen-Shu earthquake of 1556, which wiped out a million human beings in a few seconds, or that may, on the other hand, mark a profound intellectual advance in the development of civilization. We stand, perhaps uniquely, at the center of this immensity: What is man, "who sees and fashions for himself a Universe"?

Over the centuries, the problem of the origins of the universe has led to great intellectual drama in which philosophical conclusions have often been in advance of scientific observation. In the middle of the 18th century, Immanuel Kant, in his "New Hypothesis of the Universe," enunciated the theory of the island universes—distant clusters of stars separate from our own galaxy. So did the English instrument maker Thomas Wright, a few years earlier. The philosophical conception of extragalactic nebulae existing throughout space was clearly stated at that time. But not until 50 years ago, when a means had become available for measuring these great distances, did the scientific community accept the fact that the Milky Way was not the totality of the universe. The contemporary argument as to whether the universe ever did have an origin or whether it is, and always has been, in a state of continuous creation has been clarified. But this has faced us with an imponderable conceptual difficulty.

Our local environment is determined by the Milky Way system of stars. It is a galaxy of about 100,000 million stars in which our sun is an average main-sequence star about 5,000 million years old and with a future life expectancy of another few thousand million years. This galaxy is one of a local group consisting of the spiral galaxy in Andromeda, two million light years distant, and about a dozen other major galaxies. Our own local group is a minor cluster of the universe. Wherever we look in space we find large numbers of these clusters. When we observe them we encounter the phenomenon of the red shift in the wave length of spectral lines. This is interpreted as a Doppler shift, a term that also describes the fact that if a source of sound is moving rapidly toward an observer, the pitch is higher, and if it is moving away, the pitch is lower than normal. The same effect occurs with light waves. When light from an object moving rapidly toward an observer is analysed with a spectroscope, the wave lengths of the characteristic spectral lines are shifted toward shorter wave lengths—toward the violet end of the spectrum. If the source is moving away, the shift is toward longer wave lengths—toward the red end of the spectrum. Thus the red shift observed in the distant galaxies indicates that the universe is expanding. If you wish to reflect on our significance in the cosmos it may be salutary to look toward the constellation of Coma, hold a penny at arm's length and remember that you obscure from your vision a cluster of a thousand galaxies, 350 million light years away, and receding from us with a velocity of nearly 5,000 miles per second.

In viewing these clusters like Coma we are still only at the fringe of our possible penetration into time and space. I emphasize *time*, because it is a most important consideration that as we look out into space so we look back in time. The light from the Coma cluster has taken 350 million years to reach us, and our view of that cluster is, therefore, as it was 350 million years ago. In other words, as we penetrate into space, so we penetrate into the past history of the universe. Now the measurements of the red shift have revealed that the velocities of recession of these distant galaxies increase with their distance from us. This gives rise to the simple conception that, in the past, the material of the universe must have been in a localized, concentrated condition. Further, since we know the relation between the distance and the speed of recession it is possible to calculate how long ago this concentrated condition existed. The answer is about 10,000 million years.

This concept, that the universe evolved from a dense concentration of primeval material some 10,000 million years ago, has been a spur to seek for observational proof. Since, when we look out into space we look back in time, the observation of more and more distant galaxies should enable us ultimately to observe the conditions in the early history of the universe. The development of the new technique of radio astronomy—receiving and analyzing radio waves emitted by celestial bodies—in the years following World War II released a flood of optimism that success in this search was at hand. Over the last 20 years, first through the discovery of radio galaxies and then of quasars—distant objects in which violent processes seem to be occurring with the emission of very large amounts of energy—we have been able to look back into the past history of the universe for thousands of millions of years. Today it is a relatively simple matter to direct a large radio telescope toward the heavens and record signals from quasars that may be more than 7,000 million light years distant, and that are receding from us with velocities of more than 150,000 miles a second. If the universe evolved from a dense condition, the observation of these distant objects takes us back at least three-quarters of the time to this condition and to the beginning of the expansion. The ability to make this penetration into time and space seemed to provide the means of securing the observational proof we sought about the early condition of the universe. This was not so; the results were suggestive rather than decisive, and for two decades astronomers have been immersed in an inconclusive debate about the meaning of these observations.

Unexpectedly, the conclusive evidence has come from a different inquiry—a classic example of the accidental observations that permeate the history of science. Ten years ago, the scientists of the Bell Telephone Laboratories in New Jersey tested radio receiving equipment of high sensitivity working on a wave length of 7 centimeters. This equipment, built for space communication tests across the American continent via earth satellites, unexpectedly produced an astronomical result of supreme importance. From all parts of the sky the astronomers discovered that this equipment was receiving radio noise 100 times stronger than the expected noise level in the equipment itself. Their immediate claim that this microwave radiation was the emission from the primeval fireball of the universe seemed somewhat extravagant. However, in 1973 and again last year, critical measurements of this radiation were made using equipment carried above the atmosphere by a rocket and in a high-flying balloon.

I am not aware of any serious criticism of the view that we are observing today the radiation from the high-temperature phase of the initial collapsed state of the universe, 10,000 million years ago. The implication is that the measurement relates to an epoch a second or so after the initial expansion from the condensate had begun, when the temperature was about 10,000 million degrees.

This is the clarification of the cosmological problem—striking observational evidence that 10,000 million years ago the universe was beginning to evolve from a dense concentration of primeval material.

Let us reflect on the content of this primeval concentrate containing the entire mass of material that now forms the universe of our observation. It is hard to imagine this in terrestrial terms. This sun is a million times more massive than the earth. The Milky Way is nearly a million million times more massive than the sun. How many galaxies are there in the universe? Certainly far more than the 100 million within the field of view of modern telescopes.

The total content of the universe must be far greater than these 100 million galaxies containing more than 10^{46} tons of matter. Our present inquiry concerns the initial condition of this material in its primeval state 10,000 million years ago. What does this radiation, a relic of the high-temperature phase of the universe, perhaps within a second or so of the beginning of the expansion, enable use to infer about the physical state of the condensate in the beginning? Was there space in which the embryonic universe existed? Newton would have answered without doubt. For him, space was absolute, in which bodies could exist. Indeed, it seems a commonsense view, for when we look at the heavens do we not see stars and galaxies existing in a space that also exists? Although the laws of motion and gravitation inherent in Newton's concept govern our daily life, they are incomplete and unsatisfactory when we try to use them to explain the dynamical condition of the universe.

In 1916 Einstein overcame these difficulties by abandoning this concept of an absolute space in which bodies could exist independently. The equations of his general theory of relativity describe the behavior of the universe as a whole. In the theory, space is not an absolute entity—its properties are determined by the bodies contained in the universe. The solution of the equations of general relativity provides us with expanding models for the universe evolving from zero radius at the beginning of time. In that general respect, the theory is satisfactory; furthermore, in other matters—such as the bending of starlight grazing the sun's disk—the theory explains effects that Newtonian theory cannot account for. The great difficulty is that these evolutionary models for the universe inevitably predict a singular condition of infinite density of infinitesimal dimensions before the beginning of the expansion. In this, the theory confounds itself and erodes our confidence in the applicability of the laws of physics to describe the initial condition of the universe. Until recently it has been maintained that this might be merely a mathematical difficulty arising from the assumption that the universe was exactly isotropic (possessing a high degree of uniformity in all directions). But now we know from the measurements of the microwave background radiation that the universe is isotropic. Furthermore, some recent theorems have demonstrated that in general relativity, the effects of self-gravitation inevitably lead to isotropy and hence to the singular condition of the universe in its initial state.

The great achievements of observational astronomy and those of theoretical physics have separately led to the same concept, that the initial state of the universe was one of infinite density. The transference from the infinities of density and size at time zero to the finite quantities encompassed by the laws of the physical world may lie beyond scientific comprehension. Does man face this difficulty because he has externalized the object of his investigation? Is there reality in these externalized procedures? What is man's connection with the universe of atoms, stars and galaxies? Today we cannot evade this deepest problem of our existence by an escape into philosophical idealism or realism. On the contrary, we are forced to recognize that, although in our daily lives we can investigate problems as though the object of our investigation existed independently of us, this is not possible when we search for answers in the depths of the natural world.

Indeed, I am inclined to accept contemporary scientific evidence as indicative of a far greater degree of man's total involvement with the universe. The life that we know depends on a sensitive molecular balance; the properties of the atoms of the familiar elements are determined by a delicate balance of electrical and nuclear forces. These and the large scale uniformity and isotropy of the universe were probably determined by events that occurred in the first second of time.

For example, it is a remarkable fact that the existence even of stars and galaxies depends in a delicate manner on the force of attraction between two protons. In the earliest moments of the expansion of the universe, a millionth of a second after the beginning, calculations indicate that the temperature was of the order 10 million million degrees and the fundamental particles of nature—protons, neutrons, electrons and hyperons existed with radiation as the controlling force. One second after the beginning, when the temperature had fallen to a few thousand million degrees, there was a critical period when the natural constants determined the ultimate abundance of helium to hydrogen in the universe.

The existence of hydrogen is vital to the evolution of stars and galaxies—the sun and the stars generate their energy by the thermonuclear transformation of hydrogen to helium. It is an astonishing reflection that at this critical early moment in the history of the universe, all of the hydrogen would have turned into helium if the force of attraction between protons—that is, the nuclei of the hydrogen atoms—had been only a few percent stronger. In the earliest stages of the expansion of the universe, the primeval condensate would have turned into helium. No galaxies, no stars, no life would have emerged. It would have been a universe forever unknowable by living creatures. A remarkable and intimate relationship between man, the fundamental constants of nature and the initial moments of space and time seems to be an inescapable condition of our existence.

What of the future? Will the universe expand forever to a final state where no further energy is available, or will it re-create itself by collapsing again to a singular condition of infinite density? We do not yet know the answer. We do not know whether the expansion is solely the result of the initial motion of the particles at the beginning of time, or whether the expansion is determined by a cosmological force of repulsion—a force opposing gravitational attraction that appears as a consequence of some solutions of the equations of general relativity. Hence we do not know whether the universe contains enough matter to overcome by gravitational attraction the forces now driving the galaxies apart. There are some who are willing to interpret the present data about the velocity of recession of the distant galaxies as an indication that the universe will collapse, and that it is forever cyclical, successively evolving and collapsing to the singular state of infinite density. In this case, we may be privileged to exist in a unique cycle of the total history of the cosmos, where the delicacy of the balance of the constants of nature narrowly determined the possibility that a part, at least, of this cycle should be knowable.

Physically and intellectually we stand at the center of immensities. Science itself is neither a magic wand nor a poisoned arrow. Neither do I believe, as I have in the past, that it is neutral in its impact. Its deepest pursuits are inextricably entwined with human purpose and existence. In a strictly localized sense, a community can develop its scientific activity to support a framework of society. The manner in which it does so is of vital concern because science, through technology, is an immensely powerful force for good or evil. The researches into the structure of the atom half a century ago marked a tremendous advance in man's search for knowledge. Within a few years, the massive technological application of this newly acquired knowledge led to the weapons that destroyed Hiroshima and Nagasaki. While these weapons were in preparation, the development of rockets to carry bombs led to man's triumphal progress in the exploration of space. Today the delicacy of the balance for good or evil that these devices establish paralyzes the imagination. As in war, so in peace. But today the distress of the human spirit is enhanced not merely by the inequalities among the peoples of the world, but especially by our failure to achieve the integration of science to meet this challenge.

At least in these physical and material affairs of life, the relation of scientific activity to localized human purpose is clearly defined. The vital question is whether the framework of society in which science is pursued can develop the ethical basis and moral purpose necessary to ensure that in our future progress we overcome the forces leading to decay and destruction. It appears that within the last century the transcendental view of the world "sky-woven and worthy of a God," derived through centuries of religious thought and activity, has been abruptly eroded. Today we may recall that the British Association meeting of 1860 in Oxford was the scene of the famous confrontation between Huxley and Bishop Wilberforce, between science and orthodoxy. The battle lines have separated, but the mind of man is adrift and the peoples of the civilized world derive their satisfaction from activities that are so often alien to and destructive of both the physical and intellectual environment.

One world view has been eroded and the inadequacy of its substitute is being demonstrated. We have deluded ourselves that through science we find the only avenue to true understanding about nature and the universe. Furthermore, we have persuaded the society in which we work to support our activities in the belief that our discoveries will inevitably, in some way, be of practical benefit. The simple belief in automatic material progress by means of scientific discovery and application is a tragic myth of our age. Science is a powerful and vital human activity—but this confusion of thought and motive is bewildering to man, and it is a most alarming thought that the present antagonisms of society to scientific activity may deepen further.

As a scientist I believe that observable phenomena are subject to scientific understanding. The pursuit of this understanding is an essential occupation of modern society. But I cannot believe that this quest embraces the totality of human purpose. We can apply the spectroscope to gain an understanding of the sunset, we can send the space probe to Venus, but we may never apprehend the ethos of the evening star. Human existence is itself entwined with the primeval state of the universe and the pursuit of understanding is a transcendent value in man's life and purpose.

THE FORGOTTEN SMALL BUSINESSMAN

Mr. TOWER. Mr. President, I am very concerned over the future and fate of the small businessman in this country. Government regulation and taxation is imposing an unnecessary burden on the small business sector of our economy, and efforts to provide assistance through existing Federal subsidy programs are necessarily limited and can reach only a handful of the small business concerns that are being adversely affected.

For that reason, I have sponsored, along with several of my colleagues, legislation to establish a National Commission on Small Business in America. That legislation has been ordered favorably reported by the Committee on Banking, Housing and Urban Affairs and is expected to come to the floor for a vote in the very near future.

The purpose of the Commission would be to study the effect which government regulation and taxation have on small business and to make recommendations for creating an economic environment in which all small businesses can be given the opportunity to effectively compete and expand to their full potential.

The Wall Street Journal carried an excellent article by Irving Kristol on the small businessman. In Professor Kristol's opinion, the small businessman is the new forgotten man in America, and is—

> . . . being chivvied, harassed, ruined, and bankrupted by a political process that takes him for granted and is utterly indifferent to his problematic condition.

I believe the article makes an excellent case for establishing a commission to study the problems of small business, and I would like to share it with my colleagues.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Nov. 13, 1975]

THE NEW FORGOTTEN MAN

(By Irving Kristol)

It was about a hundred years ago that the American social theorist William Graham Sumner coined (or popularized) the phrase, "the forgotten man." He was referring to the average taxpayer, not poor enough to be the object of official compassion, not rich enough to remain basically unaffected by official depredations. There never was any popular animus against such a person; the political process simply ignored him, even as it afflicted him.

The phrase caught on, and those of us of a certain age can well remember of standard cartoon, on the editorial pages of the more conservative press, in which a naked John Q. Citizen, his nudity concealed only by a barrel, pathetically clutched the last few dollars of his after-tax income and desperately pleaded that attention be paid to him.

During the years of the post-war boom, 1945–1965, this image rather faded from the popular imagination. Taxes grew steadily in this period, to be sure, but income rose even faster, and the average citizen was not perceived to be suffering much, nor did he himself seem to feel any particular distress. In the late '60s, of course, all this began to change, as inflation took hold, economic growth slowed down, and the spirit of a taxpayers' rebellion began slowly to intrude itself into the political consciousness. The average taxpayer, a relatively small minority of the population, in Sumner's day, is now the overwhelming bulk of the citizenry. He may remain, in 1973, an unduly afflicted being, but no one can say that he has been forgotten. The level of taxation has become a major political issue, which even the most spendthrift of politicians has to take account of.

Meanwhile, however, a whole new class for forgotten men has emerged. Like his counterpart of yesteryear, today's forgotten man is—if the opinion polls are to be believed—a fairly respected and well regarded citizen. No one is leading a crusade against him, and it is probable that no one really wants to. He is merely being chivvied, harassed, ruined, and bankrupted by a political process that takes him for granted and is utterly indifferent to his problematic condition. I refer to the small businessman.

AN INVISIBLE FIGURE

It is astonishing and dismaying how little interest there seems to be in the condition of small business in the United States today. Big business is in the spotlight to such a degree and is the focus for such passionate concern (pro or con), that the smaller businessman is an invisible figure, offstage somewhere.

One can understand why and how this has happened. Big business is certainly far more important today, economically and politically, than it ever was. Economically, because the overall health of the economy, in terms of investment, economic growth, employment, hinges very much on the health (or lack thereof) of big business. Politically, because the struggle for control over the decision-making process of the large corporation—which is what "regulation" is all about—will certainly have a profound effect on the ultimate status of the private sector vis-a-vis the political sector, in our still-mixed economy. Both our collective prosperity and individual liberty, thereof, are very much at issue in the current controversies over the ways in which big business should be organized and operated.

But if small business is of lesser economic significance than it used to be, its economic role is still terribly important. And the fact that the future of the large corporation involves the future of our private sector should not obscure the more basic fact that small business preeminently is the private sector.

Economically, small business plays a critical role in the process of innovation. When one surveys the new products and new processes of the past 25 years, it is extraordinary how many of them were introduced by aggressive entrepreneurs or smaller business firms. The Xerox copier, the Polaroid camera, the mini-computer, high-fidelity recordings, frozen foods, wash-and-dry clothing, etc.—the list is long and impressive. Nor is it only product innovation that small business is so good at. It also rates high marks for conceptual innovation, for coming up with a new way of organizing older services. Containerization; the discount store; the motel; franchising the sale of hamburgers, fried chicken, and other food products—these, among others, were ideas in the head of an individual that proved fruitful and beneficial because our economic system permitted them to compete with existing ideas as to how things should be done. Obviously, not all the innovations of entrepreneurs succeed; indeed, most of them fail, as they are bound to, in a high-risk, high-payoff situation. But this brash willingness to risk failure is itself one of the major merits of a system of "free enterprise."

The large corporation may be the end-product of "free enterprise" but it is not its quintessential representative, either in theory or practice. It is true that, in the United States as compared with the Soviet Union, the large corporation is relatively innovative, does preserve an entrepreneurial aspect. (To the degree that government gets involved in decision-making, it is always the avoidance of risk that will take priority.) But even at its best, the large corporation will never be as enthusiastic about innovation as its tiny competitors. It has a huge investment in existing products and procedures that it would prefer not to write off too quickly. It usually makes more economic sense for it to seek marginal improvements in productivity rather than to concentrate on a new product that may or may not sell, or a new process that may or may not work. And its vast bureaucracy is always, to some extent, a conspiracy against innovation: layer upon layer of experts—lawyers, engineers, marketing men—are at hand to point out all the things that can go wrong. These objections will have both merit and force; a corporate officer will have to take them seriously. Only the entrepreneur, with little to lose, can boldly ignore them.

But small business is even more important politically than economically. It is integral to that diffusion of power and wealth, and to the economic and social mobility which are the hallmarks of a liberal society. It is the small businessman who builds up those large fortunes which then sustain the not-for profit sector—the universities, foundations, philanthropies—which is so important a buffer between the public and private sectors. (Corporate executives almost never accumulate that amount of capital, despite their high salaries.) It is the successful small businessman who maintains his roots in a local community, becomes a visible symbol of success to everyone, gives the politicians in our smaller towns and cities their own access to funds (and therefore a greater independence from national organizations), supports all those local activities—social or cultural—which keeps community morale high. And it is in the small business sector that those who are discriminated against, whether it be for their politics, race or religion, can find, and have traditionally found, sanctuary.

Indeed, when we talk about "liberal capitalism," we are talking specifically about a political-economic system in which *small* business is given the opportunity not only to survive, but to prosper. If Yugoslavia or Russia were, tomorrow, to permit their major nationalized industries to sell shares to the public, in order to raise capital, it would not involve any grand reformation of their systems. On the other hand, if they gave entrepreneurial freedom to small business, it most certainly would. Then, and only then, could one talk seriously about "liberalization."

Similarly, in the "capitalist" countries the very largest of our corporations are already, and will surely remain. "quasi-public" institutions. That is why they are described in all the business-school texts; that is the way they are referred to casually by politicians and the media; and, in truth I have yet to hear the chairman of a major corporation publicly insist that what he commands is a species of private property, in the traditional sense of that term. (The exact meaning of "quasi-public," of course, is unclear, and its definition is what the fighting is all about.)

DIFFERING ATTITUDES

Small business, in contrast, even where there is public ownership of shares, is still generally perceived to be a species of private property and to possess the legitimacy which most Americans are still willing to concede to private property. In this respect, the United States is very different from Western Europe. Here, it is only big business that public attitudes are likely to be hostile to. There, all business falls under a shadow of distrust and disfavor. Popular opinion there is inclined to be antibusiness per se—i.e., anti-capitalist. We are still, in principle and to a large degree in actuality, a liberal-capitalist society. And it is small business that makes it so.

It is therefore all the more paradoxical that, in our taxation and regulatory policies, so little attention is paid to the needs of small business. I note that the House Ways and Means Committee has just decided to continue a lower tax rate on the first $50,000 of corporate income, after which the full 48% rate applies. What a pitiful gesture! Why shouldn't the corporate income tax be far more graduated than this, so that the full 48% rate applies only when a firm reaches, say, the $2 million income level? *That* would make a difference. Why doesn't a Republican administration, concerned about the survival of liberal capitalism, press for such a reform? Why does it persist in trying to lower the tax ceiling for all corporations—a proposal which Congress will certainly ignore, while it just might be willing to give smaller business a break? The answer, I suggest, is that it is so concerned—we are all today so concerned—about "macroeconomic" phenomena that the economic and sociological and political importance of the smaller businessman or smaller business firm has simply been overlooked.

One also may properly wonder why no greater efforts are made to protect smaller businesses from the horrendous burden which the newer regulatory agencies impose on them. Big business finds it difficult enough to cope with all the expensive changes required to meet new rules governing air pollution, water pollution, noise, safety, etc. But, in the end, big business has the resources to survive this experience, harrowing as it is. Small business will not survive it, and is not. All over the nation, smaller firms are being pushed into liquidation of mergers by their inability to cope with these new burdens. They need more time, more generous (albeit temporary) exemptions. Why don't we hear more voices, and louder ones, demanding that they receive such differential treatment?

If small business is going to survive in this country, it is going to have to organize itself more effectively so that its interests are respected. Just why it has so far failed to do this, I do not know. But I do know that unless it does, it will perish from neglect. And much that is precious to the American way of life will perish with it.

"STREETCORNER CONSERVATIVE"

Mr. HELMS. Mr. President, I bring to the attention of our colleagues a recently published book, "Streetcorner Conservative," which offers perceptive insights and astute judgments on contemporary American politics. Its author, William F. Gavin was formerly an Assistant Director of the U.S. Information Agency and, for the last several years, has served as special assistant to our distinguished colleague from New York (Mr. BUCKLEY).

Because Mr. Gavin's book so well explains an important strain of modern conservatism, I am sure it will win the attention of all serious students of American politics, no matter what their ideological leanings may be. Political scientists and community leaders alike, aspiring candidates and urban sociologists would all do well to heed what Mr. Gavin has to say. For his trenchant analysis of the values and aspirations of tens of millions of his fellow streetcorner conservatives may one day be looked back upon as a prophetic forecast of the day when a new majority of Americans, energized by a common devotion to their country and their culture, will reassert America's neglected heritage of individual rights and will reestablish in this land the moral values of the Judeo-Christian tradition which has shaped and ennobled Western civilization.

Mr. President, because '"Streetcorner Conservative" speaks to the concerns of all Americans, I ask unanimous consent that a review of it, written for the Freeman by the distinguished journalist, John Chamberlain, be reprinted in the RECORD.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

STREET CORNER CONSERVATIVE

(By John Chamberlain)

Politics, in America, offer a study in perversity. The opinion polls tell us that more and more people regard themselves as conservatives. In economic matters, they lean toward freedom, low taxes, and a stable currency. On the so-called social issues, they are against forced busing, crime, the violent disruption of schools, abortion-on-demand, pornographic magazines and films, and sexual promiscuity. Yet the governments we get seem powerless to support the economic and socal life-styles that the new conservative majority so obviously wants.

It could be an accident of Watergate. The Republicans, with a 1968 and 1972 conservative mandate in hand, simply blew it. Such, at any rate, is the conclusion of Kevin Phillips, William Rusher and other close students of demographic trends. Since only a minority of the voters bothered to turn out for the 1974 mid-term elections, it could be that we are, at this moment, saddled with a most unrepresentative Congress.

What are the chances for conservatism, which we must equate with traditional liberalism, in 1976? A lot will depend on people who are casually described as the "ethnics." William F. Gavin, who wrote speeches for the Nixon entourage in 1968 and lived to be disillusioned, takes up the cudgels on behalf of the "ethnics"—the Poles, the Italians, the Irish—in *Street Corner Conservative* (Arlington House, $7.95). In a delightfully sardonic prose Mr. Gavin tells us that big centralized government, with its costly Great Society programs and its attempt to legislate equality, has utterly failed the urban, or street corner, conservative. Mr. Gavin is not at all certain when it comes to predicting the future, but a big bloc of votes is there for the taking if some party or dominant political figure really decides to abandon the stereotype that holds the poor must go with the "liberals" because they have done it through all the years of the Roosevelt, Truman and Kennedy coalitions.

Mr. Gavin grew up in Jersey City. He has been to college and has taught in high school, and he can give all of Bill Buckley's arguments against what he calls, "the left-liberal canon." He thinks sophisticated reasoning is important when you are confronting "liberal" college professors, but it is enough for himself, and the people he comes from, that "liberal" programs have not worked. The "urban conservative," who is, more often than not, a Roman Catholic, comes from a great tradition whether his name is Gavin or Mikolajczyk or Fasano. He doesn't need references to John Stuart Mill to convince him that "liberal" toleration of the wave of anarchy and campus terror of the late Sixties and early Seventies did nothing for the working man or his family. Nor does the urban conservative need a detailed knowledge of Ludwig von Mises' *Human Action* to tell him that free enterprise is "both eminently sensible and demonstrably effective." The street corner conservative's ideas of freedom within context of moral order came from something he "has known since childhood."

LESS INTERVENTION

So what is it that Mr. Gavin's people want? Mr. Gavin spells it out in negatives that are thoroughly consistent with historic Jeffersonianism. The urban conservatives "don't want anything, except to be left alone, to live their own lives." The only part of the world they want to change is the small part they are familiar with—"and even this kind of change must be slow." They like the structure of life into which they were born, and they are content if only they can have "a little bit more of what they already have for themselves and a chance of material betterment for their children." They don't go in for abstract "do-goodism," but if a "second collection" is taken up in church for the "hungry and the poor" they will pour forth money because it is going through a channel they trust.

The urban conservative is loyal to his union, but this does not mean that his vote is in anybody's pocket. Mr. Gavin asks a simple question: "have our unions been loyal to us?" He doubts that the urban conservative, as a union man, is prepared to "depend on the total domination of a given craft or industry by an organization that won't let people work unless they belong." In short, the urban conservative believes in "right to work." This is why, in all the public opinion polls, "right to work" fares almost as well with union members as it does with the general public.

Mr. Gavin does not see his street corner conservatives as "beholden to business," whether "big, small or meduim." Business, to the urban conservative, is "a way of making money." Mr. Gavin remarks that "maybe we should start making some of that money ourselves instead of using our energies to help liberal intellectuals stop others from making money." This could be "crass materialism" in "liberal" eyes, but if it is, then "let the liberal intellectuals sell their summer cottages, let the college professors cut off their consultant fees," and "let John Kenneth Galbraith stop flying to Switzerland." "Then, and only then," says Mr. Gavin, "will we stop looking for material comfort in a legitimate way."

FOREIGN AFFAIRS

Mr. Gavin doesn't kid himself that his street corner conservatives like the military life. But they know "that it is a tough world and that the military is all that is standing between us and a lot of people who would do this country as much harm as they could." Urban conservatives want a strong defense in order to preserve "a chance to be what we want to be, which is a hell of a lot more than a lot of our friends and relatives in certain nations of Europe have had for a generation."

The street corner conservative doesn't trust Communism, and positively dislikes Communists. But he "can live with them and despise them at the same time" provided they keep their distance. What Mr. Gavin wants, as a foreign policy, is "a cool but correct attitude toward totalitarian dictatorships that have the potential to destroy our nation." This is something different from a constant slobber about "détente." It does not mean going into agonies about the "destruction of democracy" when a potential Leftist totalitarian tyrant such as Allende gets booted out of office in Chile.

The street corner conservative is often called a "racist." Mr. Gavin denies the imputation. "Most city people," he says, "have certain patterns of life built around a school or a church or a certain group of stores and anything that upsets that pattern is fiercely combatted." The working class revolt against forced busing for racial balance is a "predictable result of neighborhood pride."

Quite aside from its argumentive thrust, *Street Corner Conservative* is a flavorsome evocation of a time and a place. Mr. Gavin tells what it was like growing up in Jersey City when the town still had a baseball team in the International League and when "hanging around" on street corners was an innocent way of passing the time. I would suspect that, somewhere in his system, Mr. Gavin has a fine novel about growing up in a city before the shibboleths of "urban renewal" ruined all sense of neighborhood. It would not be a novel about an "underprivileged" childhood; it would be a sympathetic story of regional—and family—love.

LANDSAT'S "QUIET REVOLUTION"

Mr. MOSS. Mr. President, a recent article in Newsweek describes the growing success and worth of NASA's two Landsat Earth resources satellites.

As Newsweek points out, data from these satellites have brought about a "quiet revolution" in geology. The Landsat spacecraft also are providing much useful information in the fields of environmental monitoring and land use planning.

Another indication of the success of Landsat program is that several foreign nations have paid for ground stations that will enable them to receive data directly from the satellites and that several others are considering buying such stations and other processing equipment.

What Newsweek does not mention, however, is that underlying the continued interest in Landsat is the assurance that there will be data coming from space for at least several years. The third Landsat, with more advanced equipment, is due to be launched in 1977.

You may recall, Mr. President, that the administration originally opposed a third Landsat. We in the Senate can be proud that it was at the urging of the Committee on Aeronautical and Space

Sciences, that the administration finally agreed, last year, to support the third Landsat.

Because the success of the Landsat program is of interest to all Senators, I ask unanimous consent that the article from Newsweek be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Newsweek, Nov. 10, 1975]

Gold Mine in the Sky

Every nine days, two U.S. earth-orbiting satellites named Landsat 1 and 2 record a series of images of every spot on the earth's surface between 82 degrees north and south latitude, then beam their data down to four ground receiving stations. The images received at these stations are causing quite a revolution in geologists' knowledge of the structure and resources of the planet. Cartographers use data from the satellites to redraw maps of remote parts of the world. Miners and oilmen scan Landsat prints for clues to new mineral deposits and oil fields. Land-use experts factor the satellites' data into their studies of agriculture, floods and environmental hazards. And geologists are now able to examine large-scale characteristics of the earth revealed for the first time by the Landsat pictures. "We are standing at the gate of a new era of exploration," says Virgil W. Carmichael of the North American Coal Corp.

VARIETY

When the first satellite was launched in July 1972, geologists' expectations were relatively modest. But once the experts realized the extraordinary variety of data that the Landsats were providing, they quickly took advantage of it. According to the U.S. Geological Survey, which runs the program, 131 separate nations and numerous private corporations have already bought more than 500,000 frames of the Landsat images, at prices ranging from $3 for simple black and white prints of 115-mile-square tracts of land to $200 for computer-compatible tapes that contain vastly more information.

The advantages of these images over more traditional surveying techniques are enormous. In a typical Landsat image of Iowa City, explains USGS remote-sensing expert James V. Taranik, "you can see the university campus, the older part of town, the Sears store, and light and heavy industry." Such fine resolution, improved by sophisticated computer enhancement techniques of the type developed for intelligence gathering, allows earth scientists to zero in on the tiniest geological features. On the other hand, the scale of the Landsat prints—a single image typically covers as much ground as 1,000 aerial survey photographs—gives geologists the opportunity to recognize topographical features that are too large to be obvious from lower than the 570-mile altitude at which the two satellites orbit the earth.

This large-scale sensing has been particularly valuable to basic geologists. Last week at an international symposium on remote sensing in Sioux Falls, S.D., John A. Reinemund of USGS reported the discovery of major geological features—wrinkles stretching for hundreds of miles across the face of the earth, sometimes apparently from continent to continent, that are too large to have been noticed by any other survey method. Reinemund thinks these wrinkles may be fractures in the earth's surface along which minerals may have formed.

Oil prospectors in particular concentrate on the large-scale features in their initial studies of Landsat data. They look for subtle differences in surface tones that may indicate oil lying below and large circular areas that may represent oil-bearing domes. The oil companies are loath to admit their successes publicly before fields are fully established, but a number of oil fields that were located with Landsat's help are already in production. Other Landsat discoveries include copper deposits in Pakistan and in a large oil and gas field in Bolivia.

IMAGES

The satellite pictures also turn out to be extremely helpful for environmental monitoring. Authorities in eastern Tennessee study them to check on the recovery of land that has been stripmined. In Canada's McKenzie Valley, a small consulting company came up with an alternate route for an oil pipeline because they recognized a path free of permafrost. Oil companies on Alaska's North Slope are using the data to monitor sea ice and thereby control the movements of their tankers and the placement of their oil rigs.

Experts in Bolivia have moved a planned colonization area because satellite images taken during the rainy season indicated the formation of new lakes at the original site. And roadbuilders have used the satellites to plot the path of a new road through Iran's Great Kavir Desert, avoiding spots that soften during rainy periods.

Beyond these successes, perhaps the best indication of Landsat's scientific and technological value is the clamor among foreign nations to participate in the program. Already three more countries (Chile, Iran and Zaire) have agreed to buy ground stations that will receive and process the satellite data, while Canada is buying a second station and half a dozen others are negotiating for such installations. And the oil-rich nations of Iran, Saudi Arabia and Kuwait are going a stage further. They are buying up every type of processing and enhancing equipment available, often in duplicate, and talking of launching their own Landsat-type satellite someday.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I have stated before how the ratification of the Genocide Convention would advance our world leadership in the eyes of other nations. More important is how our ratification would help the image we have of ourselves as a nation.

The last time this body took any positive action on the Genocide Convention was in 1973. At that time the Senate Foreign Relations Committee conducted hearings on the matter. The committee stated:

> We find no substantial merit in the arguments against the convention. Indeed, there is a note of fear behind most arguments—as if genocide were rampant in the United States and this nation could not afford to have its actions examined by international organs—as if our Supreme Court would lose its collective mind and make of the treaty something it is not—as if we as a people don't trust ourselves and our society.

I know that the people of the United States trust themselves and their society. The American Nation has never been afraid to look itself square in the face. Watergate has proven that the American people wish to find the truth about their country so that they can correct any faults. We have seen that the people demand that no person be above the laws of our Nation.

Ratification of the Genocide Treaty will again affirm the belief in justice of the American people. Genocide is an international crime that requires every nation to commit itself morally to the basic right of survival for ethnic, religious, national, and racial groups, Senate ratification will confirm the image we have of ourselves as a proud nation seeking the truth and working for the betterment of our own citizens and of mankind. I urge the prompt consideration of the Genocide Convention.

REVOLUTION ON DAIRY FARMS

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues an article by William H. Alexander in Hoard's Dairyman regarding a revolution which is taking place on America's diary farms.

This revolution indicates the disappearance of family type farms on which we depend for much of our food supply.

The dairyman has been beset by rising production costs over the last few years, and he is in many cases faced with the decision of whether to join other dairy farmers and quit, giving up the life which he prefers.

Most Americans are not aware of the significant investments which are required to run a dairy operation today. The article indicates that 20 years ago there were 4,962 dairy farmers in Louisiana, but this number has dwindled to under 1,600 today.

In my State of Minnesota, some 5,000 dairy farmers have been forced out of business during the past 2 years.

The average American still spends around 17 cents on food out of every take home dollar that he receives. This is a major bargain which, in most cases, he does not realize. European nations see their citizens spend around 25 cents on each consumer dollar and in the case of the developing countries the figure is much higher, running to as high as 75 cents on each dollar.

Our dairymen are very concerned and in many cases bitter over the treatment which they feel they have received over the last few years. While the milk support levels have recently been raised, dairy farmers are still in the situation of losing money.

Mr. President, I hope that this informative article will help stimulate some useful discussion regarding the role of the family farmer and in particular America's dairy farming operation. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

There Is a Quiet Revolution Taking Place on Dairy Farms

(By William H. Alexander)[1]

A quiet revolution is under way on farms in rural America. It can have devastating effects upon our economy and our food supply. This quiet revolution, which has gone unnoticed by consumers for years, is not an open warfare. Not a shot has been fired. Yet, this revolution is eliminating potential food producers no less permanently than if they had been destroyed by bullets. This revolution can best be described as the disappearance of family-type farms which we depend on for much of our food supply. This quiet revolution is, in part, a rebellion by farmers against government and consumers for the lack of appreciation for their efforts in providing an adequate supply of high-quality food at low prices. This silent rebellion is fueled by consistent pressures from government and consumers for lower food prices. This revolution can only be stopped if we, like Paul Revere, alert the people of this country so that they might take action.

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[1] The author is a professor of agricultural economics and agribusiness at Louisiana State University. This paper was presented at the June Dairy Month Luncheon in New Orleans, La., June 2, 1975.

One area in which the quiet revolution has had devastating effects is the dairy industry. When we consumers drive down the highway looking at dairy farms through a barbed wire fence and see the green pastures and contented cows, we get the impression that all is well with the dairy farmer. But, we cannot see the turmoil in his mind or his confusion about the future.

Let us try to visualize what a day is like in the life of a dairy farmer.

He gets up in the morning and reads in his newspaper that consumers are still complaining about high food prices. He hears on his radio the threats of boycotts and price freezes. He looks at his bankbook and finds out that practically all of his funds are depleted and that his debts are at record levels.

He has breakfast with his family. Two of his children are of college age and expect to attend in the fall.

He goes out to his barn and equipment shed. He finds that his feed supplies are low and that much of his equipment needs to be replaced. In his pocket are several overdue feed bills.

Then he walks out to look over his dairy herd. At least one-fourth of the cows need to be hauled away to the beef market because of low milk production, but he realizes that the price of beef cattle is so low that he would lose money if he sells them on today's market.

Then he begins to think about his monthly milk check and its relation to his costs and needs for replacements. It is then that he realizes he will not be able to buy that new tractor or the additional equipment he needs to increase his output. He also realizes the bitter disappointment his children will face when they learn that they may not be able to go to college.

Amid this troubled and confused state of mind he recalls that he must buy fertilizer which today costs more than three times as much as last year. His distress deepens as he thinks about other essential items needed for production but which he cannot afford.

CONTINUE OR QUIT?

The struggle in this dairyman's mind as he looks over his life's work and possessions is whether or not he should continue to produce milk as he has in the past, or give up and quit production altogether.

His answer to this question is one that concerns every consumer in this nation. Because if he makes the decision to "quit," he will join an army of other dairy farmers who have already let their pastures grow up in weeds and closed the barn doors. If this man's mind finally says "quit," we will have taken another brief but accumulative step toward empty dairy counters at grocery stores and scarce, expensive milk and dairy products for home refrigerators.

Today, many farmers have lost their will to maintain or expand food production. They know that the public is in no mood for higher food prices, and they know that they are not making a living on the farm. They are extremely reluctant to face the potential of sustaining another loss this year because they are no longer optimistic about next year.

As a result of this situation, many farmers are either cutting back production or abandoning production altogether. Once these farmers have quit, they do not have the enthusiasm or the capital to return to farming.

No segment of our economy better illustrates the effects of the quiet revolution than our dairy industry. Twenty years ago, 4,962 dairy farmers produced milk for consumers in Louisiana. This number has dwindled to less than 1,600 today. This trend toward fewer but larger farms has occurred nationwide and in all farm enterprises.

A parallel trend in terms of number and size of operation also can be noted in the milk processing industry. Twenty years ago there were 86 milk processing plants in Louisiana. Today there are less than 30.

Insistence by consumers for lower milk prices has forced dairy farmers and milk processors to increase the size of their operations or go out of business. Yet the prices they receive for their products today are not sufficient to pay them an adequate return for their higher capital investment, and their labor, and management.

It is not difficult to understand that when rational people abandon a business which they enjoy, and which has been built up through lifetime savings, it is because the business is not profitable, In other words, people do not abandon highly profitable business operations.

FOOD HAS BEEN PLENTIFUL

During the last 40 years, consumers in the United States have lived in a world of abundant food supplies. The largest percentage of our population was born during this period of our development, so they grew accustomed to grocery shelves bulging with food items.

Not only has there been an abundance of food, but through technology the quality has been improved and prices have been kept low. American consumers spend a smaller percentage of their income for food than do consumers in any other country in the world. And, the percentage of consumer income spent for food in the United States declined each year between 1960 and 1973.

Even with the food price increases in 1973, the average American consumer still spends a smaller percentage of his income for food than he did in any year prior to 1970. Last year (1974), consumers spent only $16.80 out of every $100 of income for food.

As late as mid-1972, we still were concerned about the surplus foods in storage and we were making production adjustments to prevent further excess supplies. Then, almost without warning, and from a series of unpredictable events, we plummeted from overabundance to scarcity of many food items in a short 2½ years. During this period, the food supply did not increase as fast as the demand for food. As a result, food prices soared to unbelievable heights.

This sudden change in the price level of food placed consumers in a state of inflation-shock. Since food is both a family necessity and one that frequently is purchased, consumers noticed inflationary prices here more than elsewhere. Prices of milk and dairy products came in for their share of criticism despite the fact that costs of these items did not increase as much as the average prices of all foods.

Frightened and confused, consumers cut back spending and began to look for culprits on whom to blame their dilemma. In their efforts to find a solution to the problem of high food prices, they sought the help of Congress and state legislatures. As a result, Congress imposed a nationwide wage and price freeze in April 1973. Although this action was well-intended, it discouraged farmers and reduced their production of food.

The more consumers engaged in boycotts and pressed for price freezes, the more farmers cut back on their production plans. Farmers were not slaughtering calves or drowning chickens to hurt consumers, but only to reduce their losses in the face of sustained boycotts and price freezes. They were baffled by the unwillingness of consumers to pay the price necessary to bring those livestock and their products to the market.

DAIRYMEN ARE DISCOURAGED

Presently, much dialogue in both the Congress and state legislatures is centered around the level of prices of milk and dairy products. There are allegations that prices are "too high" and that the dairy industry is "ripping off" consumers. The dairy farmer hears the same news reports that you and I hear.

But, he knows that his bank account is low and that his farm is mortgaged heavily. He knows that the public has no appetite for higher milk prices. He also knows that he is not making a decent living. Therefore, he becomes discouraged and loses his enthusiasm for dairy farming altogether.

During the past three years, dairy farmers have opened their bankbooks to the public on several occasions to convince consumers that dairy farming is not a profitable enterprise. A recent study of the cost-price relationships for milk plant operators shows that profits in the milk processing industry also are low.

It generally is accepted that the responsibility of the government in administering programs for maintaining stability in the food production industry is to provide long-term incentives for producing an adequate supply of high-quality food. During recent years when dairy farmers were expanding their output of milk and dairy products, the government authorized the importation of large volumes of dairy products from foreign countries. These imports served to lower the price of dairy products in this country and contributed to declines in the number of milk producers and the volume of milk produced.

Not only has the number of dairy farms declined, but the number of milk cows on farms in the United States has declined each year since 1944. In fact, the total number of milk cows on farms is less in 1975 (11.1 million), than it was in 1880, almost 100 years ago, when there were 11.7 million cows on dairy farms.

During the last two years, the supply-consumption balance of milk and dairy products has been tight. Less than two weeks' supply of such products was available from government stocks at any one time period. Therefore, further declines in the number of milk cows on farms pose a serious threat to adequate supplies in the future.

HIGH-COST FOREIGN MARKETS

One would expect that America learned a lesson from its experience with the high cost of obtaining commodities from foreign markets when domestic supplies are short. However, when we hear the critical dialogue among lawmakers and observe their failure to provide incentives for long-range food production, we wonder if we have to go through this painful—and expensive—process again.

With these facts in mind, is it any wonder that a silent revolution is taking place on the farms of this country? Quietly and individually farmers are continuing a boycott of their own, one that will be permanent. They are selling their dairy herds and abandoning food production. For under today's conditions, once a farmer quits production, the cost of reentry at a level large enough to assure economic survival is prohibitive as a family-type enterprise. Thus, the family-type farm as we know it today is vanishing rapidly.

When this happens, the cost of food will claim a larger part of our income than it does today. And when Americans have to pay a greater percentage of their salary for food, they will have less money for luxuries such as cars, television sets, and dishwashers. If that dairyman I mentioned earlier who was looking over his herd decided to quit, we will have lost another link in the chain of producers who contribute to this country's high standard of living.

Finally, let us consider the role we might play as consumers in helping to promote an adequate supply of high-quality food. Consumers are frustrated. We see prices continue to go up. We are conscious of the increase in dairy prices because we buy milk more often than most other things. Consumers want food prices to go down. But can they? Yes, they can go down when congressmen legislating milk prices again make $12,000 per year. Yes, they can go down when tractor fuel goes down to 25 cents per gallon. They can go down when feed drops to $70 a ton. Until these things happen, consumers and farmers have a common interest in maintaining an abundant supply of food at reasonable prices.

PROPOSED ARMS SALE

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the notification I have just received.

There being no objection, the notification was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.

In reply refer to: I–11823/75.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding herewith Transmittal No. 76–19, concerning the Department of the Navy's proposed Letter of Offer to Australia for two Guided Missile Frigates at an estimated cost of $321.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH.

TRANSMITTAL NO. 76–19—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(B) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Australia.

b. Total Estimated Value: $321.0 million.

c. Description of Articles or Services Offered: Two guided missile frigates with support equipment for delivery in 1980 and 1981.

d. Military Department: Navy.

e. Date Report Delivered to Congress: November 18, 1975.

YOUNG ADULT CONSERVATION CORPS

Mr. JACKSON. Mr. President, on November 6, 1975, I introduced S. 2630, a bill which would amend the Youth Conservation Corps Act of 1970 by establishing a Young Adult Conservation Corps.

I ask unanimous consent to have printed in the RECORD an information sheet on S. 2630 and several documents regarding potential job opportunities that could be made available to young people under this program. Also, Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF S. 2630, THE "YOUNG ADULT CONSERVATION CORPS ACT"

Forty years ago, when the nation was in an economic condition only slightly more distressing than today's, Congress tried an overwhelmingly sensible approach to massive unemployment. The Civilian Conservation Corps, the CCC, put jobless persons to work on public jobs that needed doing.

S. 2630 creates a Young Adult Conservation Corps using the accumulated experience of the CCC. The bill adds a Title II to expand the Youth Conservation Corps Act of 1970 to employ young adults between the ages of 19 and 24 on a year-round basis, with the ultimate employment level reaching in excess of one million persons annually.

YACC participants would perform conservation or environmentally related jobs such as reforestation timber-stand improvement, trail and campground improvement, forest fire fighting, and insect, flood, and disease control on public lands. Each job could last up to 12 months, with the ultimate employment level reaching in excess of one million young people.

Preference for employment in the YACC is given to persons living in counties where the unemployment rate has been 6% or more for three consecutive months.

Preference for YACC projects, is given to counties having an unemployment rate of 6% or more for three consecutive months.

The grant program for State projects which is now embodied in the Youth Conservation Corps Act bill is also extended to the Young Adult Conservation Corps. Thirty percent of the funds appropriated under the bill in any fiscal year are to be earmarked for state and municipal projects under a cost sharing grant program.

The Secretaries of Agriculture and Interior are directed to prepare a plan to carry out the activities authorized by the bill before employment is offered or grants extended. The plan must be completed within 8 months after passage of Act, and hiring may begin 10 months after passage of Act.

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D.C., March 6, 1975.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: This is in reply to your letter of March 4 for information on Forest Service activities for increasing employment opportunities and to provide an economic stimulus.

On February 10, the Forest Service transmitted information to the Secretary of Commerce indicating that the Forest Service could provide a minimum of 40,000 man-years of employment for the next 12 months. The majority of the work would be for skilled and unskilled labor. From 15% to 20% of the man-years would be for professional, clerical, and supervisory labor.

Approximately half of the employment can be provided on the National Forests and half by State forests through our cooperative Federal-State programs. The proposed programs and projects were selected to meet local needs and long-term benefits. About 12% of this program is recreation oriented. The total program is estimated to cost $547 million. Attached for your information is our letter to the Department with a summarization of the program by States and a listing of the activities included in the total program.

In addition to the above, the Forest Service could use $462,000 for Eastern Wilderness studies and $300,000 for Wild and Scenic studies during fiscal year 1976 to meet requirements of legislation passed after the budget was prepared.

These two proposals are over and above the amounts in the President's budget request.

Sincerely,

JOHN R. MCGUIRE,
Chief.

Enclosure.

MAJOR TYPES OF PROJECT WORK ON NATIONAL FOREST LANDS

	Man-years of employment
Timber sales, administration, and management, including TSI reforestation and research	9,550
Recreation use and management, including maintenance construction and research	3,100
Wildlife and fish habitat management, including protection and research	660
Range land management and administration, including research	1,100
Soil and water administration and management, including minerals management and watershed research	3,100
Fire administration and management, including protection, research, control and prevention	9,800
Insect and disease control, including research	800
Forest road and trail construction and maintenance, including research	5,600
Forest production utilization, including research, economies, marketing and evaluation	90
General land management activities, including land line location	2,400
FIP, Forest Incentive Programs	9,800
Total	46,000

In addition to the above current data available for use in the next 12 month period, the Forest Service has a reservoir of needed conservation work. The National Forests have, conservatively, 260,000 man-years of this type of forest resource work. The projects have been identified and include high manpower categories of work suitable for Public Service Employment. Examples are: timber stand improvement, erosion control, seeding and planting, wildlife habitat improvement, stream and lake shore and bank stabilization.

ESTIMATE OF MAN-YEARS OF WORK BACKLOGGED WITHIN VARIOUS AGENCIES UNDER THE JURISDICTION OF THE DEPARTMENT OF THE INTERIOR

Agency:	*Man-years of work*
Bureau of Indian Affairs	20,000
Bureau of Land Management	20,000
National Park Service	20,000
Fish and Wildlife Service	10,000
Bureau of Reclamation	10,000
Trust Territories	10,000

BUREAU OF RECLAMATION—PROPOSED PROJECTS

CAPITAL IMPROVEMENTS

1. Conservation of natural resources on reclamation lands.—Includes seeding of grasses to control and prevent erosion; operation of tree nurseries and planting seeds, seedlings and cuttings of trees; stream channelization and bank stabilization; building of small dams, jetties, chutes, flumes, and

other water control structions; dune planting; building and placing of wind erosion barriers; making fire breaks and fighting grass fires; building protective fences; construction of log booms or comparable devices across streams and reservoirs for collection of debris; and other land or reservoir treatments to aid in conserving our natural resources and the protection of irrigation structures. Total estimated—162,000 acres.

2. Control of undesirable plants.—Includes operation of weed control equipment like bulldozers, root rakes, mowers, cutters, spraying devices, burners for mechanical and chemical elimination of undesirable plants such as halogeton, phreatophytes, Noxious and poisonous weeds. Where feasible it will include replacement of such plants with grasses and other weed competing plants which will use less water and have an economic value. Total estimated—160,000 acres.

3. New roads.—The building of roads and parking areas in connection with the recreational use of reservoir areas. These will be mostly access roads not requiring standards of construction to meet heavy traffic requirements. Total estimated—830 roads miles.

4. Recreational use areas.—Construction of public use facilities at existing Reclamation reservoirs by enrollees will vary according to use requirements anticipated for specific areas. Construction will include campgrounds, water supplies, sanitary facilities, fireplaces, picnic tables, picnic shelters, boat launching ramps, boat docks, and similar facilities. Total estimated—148 recreation use areas for construction.

MAINTENANCE

1. Conservation of natural resources on reclamation lands.—Includes maintenance of erosion control and water saving structure devices and equipment; maintenance of treated areas, and reworking of areas where necessary; and the collection and disposition of debris and repair and upkeep of facilities. Total estimated—34,000 acres.

2. Control of undesirable plants.—Includes reworking of treated areas, maintenance of planted areas and upkeep of all equipment, devices and structures required in the operations. Total estimated—31,300 acres.

3. Road maintenance.—Work by enrollees will be that needed to maintain access roads and parking areas in good repair. Work would include handling of materials and use of equipment for this purpose. Total estimated—2,375 miles.

4. Maintenance of trails.—This work would include maintenance of trails in public use areas of Reclamation reservoirs. Enrollees would make periodic inspections of trails and carry out whatever minor maintenance work was required to keep them in good repair for use by the public. Total estimated—2,850 trails.

5. Cabinsite maintenance.—This work would include maintenance of cabinsites used for recreational purposes at existing and future developed public use areas. Enrollees would repair any damage done to facilities along with other work needed consistent with public use interests and primary project needs. Total estimated—475 cabinsites.

6. Building maintenance.—Maintenance program for existing and future buildings constructed for public use purposes will be required. The buildings involved would include those constructed as minimum basic facilities at Reclamation reservoirs. Total estimated—4,750 buildings.

U.S. FISH AND WILDLIFE—PROPOSED PROJECTS

CAPITAL IMPROVEMENTS

Impoundments.—Includes the construction of levees, water control structures, canals, ditches, drains, spillways, irrigation systems, pipelines and pumps. Total estimated—883 miles dikes, 1,664 structures.

Biological.—Consists of mechanical, chemical and hand control of removal of brush, trees, and pest plants. Construct nesting islands and potholes for waterfowl, plow, disc, and otherwise prepare lands for cropping purposes. Build wood duck nesting boxes. Total estimated—1,475 nesting islands, 422,355 acres.

Roads, trails, fences, and utilities.—Build roads and trails from improved paved-type to truck trails, construct bridges, fencing, electric and telephone lines. Total estimated—93 bridges, 1,699 miles fencing, 1,111 miles road.

Recreation.—Would include construction of vitally needed information center, picnic tables, fireplaces, boat ramps, parking areas, display pools, restrooms, campgrounds, roadside signs. Total estimated—253 campsites, 1,867 picnic tables, restrooms, etc.

MAINTENANCE

Buildings and facilities.—Would maintain all buildings by painting, building repairs, floor sanding, cleaning wells, renovating water distribution systems. Total estimated—3,475 miles road, 2,703 fencing, 5,704 posting.

Biological.—Farm croplands, censusing wildlife, banding bird, fire presuppression. Total estimated—6,417,000 grassland miles, 950,000 forest acres, 87,000 cropland acres.

Dikes, levees, canals.—Repair levees, canals, ditches, damaged by floods or by burrowing animals. Total estimated—2,351 levee miles, 2,565 structures, 433 bridges.

BUREAU OF INDIAN AFFAIRS—PROPOSED PROJECTS

CAPITAL IMPROVEMENTS

Brush control.—Consists of mechanical and chemical control of brush. This practice would afford enrollees training in the use of equipment and chemicals and education on the value of this practice to soil conservation. Total estimated—2,635,421 acres.

Gully control.—This practice consists of various mechanical and vegetative devices to control gullies and protect stream banks. Total estimated—566,181 miles.

Pest and weed control.—This practice consists of controlling all types of weeds and pests such as prairie dogs, grasshoppers, etc. Total estimated—24,793,474 acres.

Tree planting.—This practice consists of planting trees for wind breaks, gully control of soil erosion. Total estimated—36,899 structures.

Seeding and sodding.—This practice consists of planting seed and sodding range and pasture lands by hand and mechanical means. Total estimated—3,258,795 acres.

Structure.—This practice consists of the building of various structures for the control of soil erosion. Total estimated—36,899 structures.

Forest regeneration, improvement, and protection.—Includes forest seeding and planting, thinning and pruning of reproduction stands, fire hazard reduction, pest control, etc. Enrollee learning would consist of forest culture techniques, use of simple tools, elements of forest pathology and entomology and the techniques of fire suppression. Total estimated—1,610,000 acres.

Trails and fire breaks.—Includes horse and foot trails, landing strips and fire breaks. Total estimated—750 miles construction.

Truck trails construction.—Will consist of constructing new and existing truck trails to provide access to Indian lands for forest protection, forest marketing, and recreation. Total estimated—7,106 miles.

Water Management.—Covers construction of detention dams, diversion dams, water spreading dikes, stockwater reservoirs, spring developments, wells and pipelines. Total estimated—11,309 projects.

Range improvements.—Covers the construction of range boundary and drift fences, corrals and cattle guards for the control of livestock and intensive management; fences for the protection of seeded areas, water facilities, and range sample plots established for management purposes. Total estimated—95,210 miles of fence, 3,150 other projects.

Recreational development.—Covers the construction of picnic areas and boat landings; wildlife stocking. This work would encourage expanded use of the valuable recreational resources. Total estimated—16,689 projects.

MAINTENANCE

Dams.—This will include the repair or rehabilitation of various types of erosion control dams. Total estimated—168 dams.

Laterals, levees, and dikes.—This will consist of rehabilitation and repair of these erosion control structures. Total estimated—5,333 miles.

Structures.—This will consist of repair of the various erosion control structures. Total estimated—83,416 structures.

Trails and fire breaks.—Includes horse and foot trails, landing strips and fire breaks. Total estimated—740 miles maintenance.

NATIONAL PARK SERVICE—PROPOSED PROJECTS

CAPITAL IMPROVEMENTS

Camp and picnic grounds.—Will consist of providing new camp and picnic grounds and the rehabilitation of some existing sites. It involves grounds preparation and installation of such facilities as fireplaces, picnic tables, etc. Total estimated—9,280 sites.

Minor structures and signs.—Includes the construction of small structures such as trail shelters, foot bridges, comfort stations, ranger cabins, fire lookouts, etc. Also the construction and erection of signs. Total estimated—9,945 signs and structures.

Historical and archeological work.—Archeological remains in many known sites are threatened with damage or loss through construction activities, or inundation by lakes created by new dams. There are also protected sites that need further investigation and preservation. Much common and skilled labor is needed for digging, salvaging, preserving these sites and the artifacts taken therefrom. Also this Service has numerous historic structures and sites that need preserving. In many instances partial or total restoration of historical structures is planned. Total estimated—858 man years.

New minor roads and trails.—This is the construction of back country roads and trails for fire control, ranger protection work, saddle horse use, visitor hiking and other miscellaneous management purposes. The type and standard to be determined by the particular need. Total estimated—1,153 miles.

General grounds improvements.—This work consists of the developing and improving of grounds around existing structures such as historic homes, memorials, monuments, etc. and those grounds surrounding new areas, etc. The usual landscaping chores are all involved, such as grading, seeding, sodding, fertilizing, planting, drainage, etc Much "pick and shovel" work is required. Total estimated—2,159 man years.

Boundary marking and fencing.—Many areas of the National Park System have inadequate boundary marking and in some cases none at all. Work includes surveying, monumenting, signing, and in some instances the erection of fencing. Total estimated—5,146 miles.

Water supply and storage.—Many of our wilderness areas need small water sources developed in the back country for use by campers, hikers, ranger patrols, wildlife, and forest fire fighting. Total estimated—659 projects.

MAINTENANCE

Forest protection.—Park forests require protection from insects, diseases, fire, wildlife, the elements, and man. Application of prevention and corrective measures entail treatment of diseased and insect infested trees; detection suppression and prevention of fires; seeding and planting to rehabilitate denuded areas and to prevent soil erosion; construction of small water detentions or spreaders; pruning, thinning and doing other tree cultural work. Total estimated—742 man years.

Vista clearing.—This project consists of selective trimming, cutting, and removal of trees and bushes along the parkways, roads and trails so that visitors may better see and enjoy the parks. Total estimated—1,480 miles.

Grounds maintenance.—Thousands of acres of developed grounds in national memorials, cemeteries, military parks, around historic homes, etc., require treatment such as mowing, seeding, sodding, tree and shrub pruning and preservation, trimming around headstones, etc. Total estimated—2,041 man years.

Roads and trails maintenance.—Many miles of roads and trails in the 190 parks and other areas require daily attention involving roadside cleanup, maintenance of road shoulders, drainage measures, patching, removal of trees and brush from trails, painting and repair of bridges, etc. Total estimated—3,312 miles.

Soil and moisture conservation.—Many acres of park lands have, and are, deteriorating from man's use. Conservation measures are needed to restore historic farm lands, or natural conditions in scenic parks. Seeding, fertilizing, stabilizing, and maintenance of water run-off facilities are needed. Some minor structures would be built. Total estimated—945 man years.

Wildlife control and protection.—This is a major management responsibility in more than 50 parks. It involves research, census taking, food habit studies, migration studies, reduction of high population of animals, restoration of rare species, destruction or removal of exotics, fish planting, etc. Total estimated—233 man years.

Building maintenance.—Consists of maintaining by carpentry, masonry, and painting a portion of the numerous buildings located in the National Park System. Total estimated—2,893 buildings.

BUREAU OF LAND MANAGEMENT—PROPOSED PROJECTS

CAPITAL IMPROVEMENTS

Forest Development—Includes such activities as brush removal and other site clearing for reforestation. It also includes direct seeding of tree seed, the planting of tree seedlings and stand improvement work which is thinning and pruning of the timber stand. Total estimated—7,582,192 acres.

Trail Construction—The building of livestock trails over difficult terrain in order to provide access for livestock from feed to water.It will also include the building of recreation trails in wild areas. Total estimated—2,133 miles.

Road and Bridge Construction—The building of roads from the highest standards to the lowest jeep trail. Bridges vary from large concrete structures to small log stringer types. Total estimated—21,571 miles of road, 1,066 bridges.

Fence Construction—The building of standard four wire fences for the control of livestock and intensive management, for protection of seedings and in some cases to keep livestock from densely infested areas of poisonous weeds. Total estimated—116,125 miles.

Range Seeding—The seeding of perennial grasses on prepared sites in the range areas. Total estimated—12,323,000 acres.

Brush Control—Consists of the mechanical and chemical control of brush species which have a natural grass understory. Total estimated—64,575 projects.

Water Management—The construction of large detention dams, diversion dams, water-spreading dikes, stockwater reservoirs, spring developments, wells and pipelines. Total estimated—64,575 projects.

Buildings and Facilities—Include the construction of some badly needed buildings at our various district headquarters as well as fire stations and lockouts. Some buildings and many facilities will be built for the recreation program. These will run from elaborate camping grounds with running water, latrines, fireplaces, tables, etc. to the simple roadside stop. Total estimated—21,755 projects.

MAINTENANCE

Roads and Trails—The maintaining of present and newly constructed roads and trails. Total estimated—586,268 miles.

Fence Maintenance—The maintaining and/or reconstruction of portions of existing and newly constructed fences. Total estimated—123,103 miles.

Maintenance of Buildings and Facilities—The maintaining of all existing and newly constructed buildings and facilities described under construction above. Total estimated—22,127 projects.

S. 2630

A bill to amend the Youth Conservation Corps Act of 1970 (84 Stat. 794)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Young Adult Conservation Corps Act".

SEC. 2. The Act entitled "An Act to establish a pilot program in the Departments of the Interior and Agriculture designated as the Youth Conservation Corps, and for other purposes", enacted August 13, 1970 (84 Stat. 794; 42 U.S.C. prec. 2711 note; 16 U.S.C.A. 1701–06) (hereafter in this Act referred to as the Youth Conservation Corps Act), is amended by adding at the end thereof the following new title:

"TITLE II—YOUNG ADULT CONSERVATION CORPS

"POLICY AND PURPOSE

"SEC. 201. The Congress finds—

"(1) that unemployment levels are excessively high among young adults;

"(2) that young adults have minimal or no job experience, and that considering our country's current economic situation, these young adults have a limited opportunity of gaining the necessary job experience, training, and fundamental skills required to enter the labor force at a competitive level;

"(3) that as a result of the high unemployment levels of this age group our country's social service resources are being unnecessarily drained, and the Government is losing tax revenues;

"(4) that there are large inventories of conservation work and other work of a public nature within the national park system, the national forest system, States, municipalities, and other public land and water areas of the United States which require large amounts of labor and relatively small capital investments; and

"(5) that much of the conservation work and other work of a public and environmental nature of the lands and waters of the United States, such as reforestation, timber stand improvement, fighting forest fires, trail and campground improvements, and control of insects, diseases, soil erosion, and floods, can only be accomplished during certain seasons or by a year-round work program.

It is, therefore, the purpose of this title to complement the highly successful Youth Conservation Corps and to provide employment and other benefits to young adults while reducing the inventory of conservation work and completing many other projects of a public nature on the lands and waters of the United States. This title supplements and extends the provisions of title I of this Act and does not limit or repeal any existing authority provided by title I of this Act.

"EXTENSION OF YOUTH CONSERVATION CORPS

"SEC. 202. The Secretary of the Interior and the Secretary of Agriculture (hereafter in this title referred to as the "Secretaries") shall jointly extend the Youth Conservation Corps so as to make possible the year-round employment of young adults. Section 102 of this Act applies to the extended Corps under this title, except that individuals employed as Corps members under this title—

"(1) shall have attained age nineteen but not attained age twenty-four;

"(2) shall be physically capable, as determined under regulations established by the Secretaries, to carry out the work of the Corps;

"(3) shall be given preference for employment if they reside in counties having a rate of unemployment equal to or in excess of 6 per centum for three consecutive months, as determined by the Secretary of Labor; and

"(4) may be employed for a total period of not more than twelve months, with such maximum employment period consisting of one continuous twelve-month period or of two or more periods which together total twelve months.

"SECRETARIAL DUTIES AND FUNCTIONS

"SEC. 203. Section 103 of this Act, relating to the duties and functions of the Secretaries, applies to this title, except that in administering this title the Secretaries shall—

"(1) in determining the appropriate locations for Corps projects, give priority to counties having a rate of unemployment equal to or in excess of 6 per centum for three consecutive months as determined by the Secretary of Labor;

"(2) in determining appropriate work projects for Corps members, give priority to projects that—

"(A) are highly labor intensive;

"(B) will result in substantial natural resource or environmental improvements;

"(C) have work plans or for which work plans could be readily developed; and

"(D) may be initiated promptly;

"(3) in determining rates of pay for Corps members, set those rates at the current Federal minimum wage, set forth in section 6(a)(1) of the Fair Labor Standards Act of 1938, but in determining such rates of pay, consideration shall be given to housing, transportation, food, medical, and other direct benefits of employment, except that supplies and equipment shall not be benefits of employment.

"EXTENSION OF GRANT PROGRAM FOR STATE PROJECTS

"SEC. 204. (a) The Secretaries shall jointly extend the grant program for State projects required by section 104 of this Act so as to provide increased employment of young adults to develop, preserve, and maintain non-Federal public lands and waters within the States, as defined in section 104(a). Sections 104 (a), (b), and (c) of this Act apply to the extended grant program for State projects under this title, except that, for the purposes of this title, each grant application shall contain assurances satisfactory to the Secretaries that individuals employed under the project for which the application is submitted—

"(1) shall have attained age nineteen but not attained age twenty-four;

"(2) shall be physically capable, as determined under regulations established by the Secretaries;

"(3) shall be given preference for employment if they reside in counties having a rate of unemployment equal to or in excess of 6 per centum for three consecutive months, as determined by the Secretary of Labor;

"(4) be employed for a total period of not more than twelve months, with such maximum employment consisting of one continuous twelve-month period or of two or more periods which together total twelve months; and

"(5) shall be paid at the rate set under section 203(3).

"(b) Thirty per centum of the sums appropriated for any fiscal year to carry out this title shall be used for making grants under this section for such fiscal year.

"SECRETARIAL REPORTS

"SEC. 205. The Secretaries shall prepare jointly and submit to the President and the Congress reports detailing the activities carried out under this title and providing recommendations in accordance with the provisions of section 105 of this Act.

"TIME PERIOD FOR PLANNING AND PREPARATION

"SEC. 206. (a) During the period beginning on the date of enactment of this title and ending eight months after such date, the Secretaries shall prepare a plan to carry out the activities authorized by this title. Such plan shall contain an estimate of the annual costs of carrying out the activities authorized by this title, a procedure for selecting candidates for the extended Corps, a list and description of the work projects initially selected by the Secretaries for the extended Corps to carry out under this title, and a list and description of site locations, facilities, and equipment initially selected by the Secretaries for work camps to be used by the extended Corps under this title. In selecting facilities for Corps work camps, the Secretaries shall utilize existing facilities, including military facilites, whenever possible.

"(b) No young adults shall be employed in the extended Corps under section 202 and no grants shall be made to the States under the extended grant program of section 204(a) until ten months after the date of enactment of this title.

"(c) The Secretaries shall submit to the Congress the plan they prepared pursuant to subsection (a) on the two hundred and fortieth day after the date of enactment of this title. If neither House of Congress disapproves such plan within sixty days after its submission, such plan shall be deemed approved.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 207. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

"(b) Notwithstanding any other provision of law, funds appropriated for any fiscal year to carry out this title shall remain available for obligation and expenditure until the end of the fiscal year following the fiscal year for which appropriated.".

SEC. 3. The Youth Conservation Corps Act is further amended by—

(1) inserting immediately after the enacting clause the following:

"TITLE I—YOUTH CONSERVATION CORPS";

(2) redesignating sections 1 through 6 as sections 101 through 106, respectively;

(3) striking out "section 6" in section 104 (d) (as redesignated by clause 2 of this section) and inserting in lieu thereof "section 106"; and

(5) striking out "Act" each place it appears in sections 101 through 106 (as redesignated by clause 2 of this section) and inserting in lieu thereof "title".

WINCHESTER COLLECTION PRESENTED IN CODY, WYO.

Mr. McGEE. Mr. President, save the contributions of our forefathers who forged the original American way of life, there can be no greater contribution to the Bicentennial than that which celebrates our 200-year history with acts of preserving that history. I witnessed such a contribution this week in New York when the Winchester Group of Olin Corp. presented the historic Winchester Gun Museum Collection to the Buffalo Bill Historical Society in Cody, Wyo., for permanent display in my State.

The Olin Corp. has been from the beginning a staunch supporter of the center in Cody, providing the millions of visitors there an educational recording and preservation of a great era in American history.

Mr. President, on behalf of the State of Wyoming, the Buffalo Bill Historical Center, and the millions of visitors who will view the Winchester collection in Cody during the Bicentennial and the years to come, I wish to thank the Winchester Group, Olin Corp., for its contribution to the preservation of American history.

Receiving the collection in official ceremonies Monday were the Honorable Ed Herschler, Wyoming's distinguished Governor; Wyoming State Representative Alan Simpson of Cody; Mrs. Henry Coe, chairman of the board of trustees of the Buffalo Bill Memorial Association; H. Peter Kriendler, owner of the 21 Club in New York where the presentation was made and a leader in support of the Buffalo Bill Historical Center; Curt Gowdy, Wyoming native son and veteran national sportscaster; Ernest Goppert, one of the original founders of the Buffalo Bill Museum, and I represented the Wyoming congressional delegation.

I ask unanimous consent that two articles, one on the Winchester collection and its presentation to the Buffalo Bill Historical Center, and the other on the history of the center itself, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WINCHESTER GROUP, OLIN CORP.,
New Haven, Conn.

NEW YORK, November 17.—The historic Winchester Gun Museum collection, the most comprehensive study collection of its kind in the world, was formally presented here today to the Buffalo Bill Historical Center, Cody, Wyo.

At a luncheon held at the "21 Club," George A. Chandler, president of the Winchester Group of Olin Corporation, presented a special Winchester Bicentennial '76 rifle, as symbolic of the more than 5,000 firearms in the Winchester Collection, to Mrs. Henry H. R. Coe, chairman of the board of trustees of the Buffalo Bill Memorial Association.

"We take genuine pride in presenting the entire Winchester Gun Museum collection to the Buffalo Bill Historical Center to insure its availability on permanent display for the American people," Mr. Chandler said. "The Winchester Collection, started more than 100 years ago in New Haven, Conn., accurately traces the westward surge of civilization in America. The repeating rifle—frontiersman's tool of necessity, omnipresent friend, protector and provider—played a crucial role in opening, settling and developing the West."

Mr. Chandler added: "We think it especially fitting that Winchester, The Gun That Won The West, has found a permanent home in Cody, Wyoming, under the same roof with the Buffalo Bill Museum, the Whitney Gallery of Western Art and the Plains Indian Museum, which together constitute the foremost museum complex in the field of Western Americana."

The Winchester Gun Museum collection was started in 1860 by Oliver F. Winchester, the founder and first president of the Winchester Repeating Arms Company. According to Thomas E. Hall, curator of the Winchester Gun Museum and one of the world's leading authorities on firearms, the collection was originally compiled for reference and research purposes.

"Then, as now, manufacturers kept track of the competitive guns on the market, as well as what had been patented in the firearms field," Mr. Hall said. "This interest in competitive arms resulted in the establishment of the nucleus of the present-day Winchester Collection."

Early emphasis was on contemporary guns manufactured in America during the 19th and 20th centuries. Then, in 1950, Winchester purchased the Edwin Pugsley collection of more than 2,268 guns and 600 accessories. The Pugsley firearms, one of the finest and most representative private collections in the world, filled many of the gaps in the Winchester Collection. The Winchester Gun Museum collection is now a comprehensive study of projectile arms and firearms of all types, countries, manufacture and periods of history from the earliest Chinese pieces of 2,000 years ago.

The Winchester Collection, based on its individual pieces, has been appraised at upwards of $3-million. However, from a historic and aesthetic point of view, it is impossible to attach a monetary value to the collection as a whole.

The Winchester Gun Museum collection was first opened to the public in New Haven in 1959. Although it quickly became a popular attraction in the area, the museum's limited space permitted only enough room to display one-third of the extensive firearms collection at one time. In 1973, Winchester began a search for an appropriate museum complex that could house the entire collection and make it a national attraction. The Buffalo Bill Historical Center in Cody, Wyo., with its extensive and priceless collections of Buffalo Bill memorabilia, original Western art and artifacts and Plains Indian displays, was the logical choice.

Cooperative ventures between Winchester and the Buffalo Bill Historical Center actually date back to 1968, when royalties on the sales of a limited-edition Winchester Buffalo Bill Commemorative rifle were largely responsible for a new building to house the Buffalo Bill Museum collection. In 1970, three major Western murals by artist John Clymer were commissioned by Winchester and donated to the Buffalo Bill Museum, where they remain on permanent display.

The entire Winchester Gun Museum collection will be on permanent display for the first time, beginning May 30, 1976, in Cody.

THE BUFFALO BILL HISTORICAL CENTER: A LINK WITH THE OLD WEST

CODY, WYO.—The extensive collection of Old West material at the Buffalo Bill Historical Center has been described as ". . . a magnificent documentation of pure West" by The New York Times, and by Esquire Magazine as ". . . the greatest collection of Western memorabilia and art ever assembled."

The Buffalo Bill Historical Center museum complex is located in the small town (population 5,200) of Cody, Wyo., just 50 miles from the east entrance to Yellowstone National Park. Each summer hundreds of thousands of travelers visit the Historical Center. The Center is open seven days a week from May through September. During June, July, and August, visiting hours run from 7:00 a.m. until 10:00 p.m.

The Buffalo Bill Historical Center began as a tribute to William F. (Buffalo Bill) Cody shortly after his death in 1917. It has since grown into a 56,260-square-foot complex which includes the Buffalo Bill Museum, the Whitney Gallery of Western Art, the Plains Indian Museum, and now the Winchester Gun Museum collection.

Buffalo Bill died on Jan. 10, 1917, at the age of 70. There was immediate interest in creating a memorial to the well-known frontiersman, and within weeks the Buffalo Bill Memorial Association was formed by a group of citizens from the Cody area. The first major development came in 1924 when a heroic equestrian bronze of "Buffalo Bill Cody—The Scout" was created and contributed by sculptor Gertrude Vanderbilt Whitney.

Three years later the Buffalo Bill Museum, housed in a rugged ranch-style log building, was opened to the public. In 1935, Mrs. Whitney again came to the Association's aid with the gift of 40 acres of land on which the present facility is located.

In the late 1950s funds from the Gertrude Vanderbilt Whitney Trust were made available by her son, Cornelius V. Whitney, for the construction of a large, modern building. The new facility was separate from the Buffalo Bill Museum and was named the Whitney Gallery of Western Art.

A large addition to the Whitney Gallery, completed in 1969, more than tripled the size of the building. The new expansion provided a safe home for the extensive Buffalo Bill Museum collection and made it possible to create the Plains Indian Museum.

Much of the funding for the building came from the Winchester Group of Olin Corporation, which produced a limited-edition Buffalo Bill Commemorative rifle in 1968, and provided a royalty to the Buffalo Bill Memorial Association for each rifle sold.

The educational nonprofit Buffalo Bill Historical Center is dedicated to the faithful recording and preservation of a great era in American history. Year by year, the Center expands its national resources of Western heritage. The installation of the Winchester Gun Museum collection will be the major addition for 1976 and a fitting complement to each of the other three museums.

The 1976 season will also be the occasion for a special exhibition in tribute to "The Indian." Additionally, plans are under way for a $3.8-million fund drive to finance the construction of a new Plains Indian Museum which will present, for the first time, the Plains Indian culture in its entirety.

TRIBUTE TO MARSHALL C. McGRATH

Mr. HATHAWAY. Mr. President, I would like to take a moment to acknowledge the passing of a good friend of mine. On September 7, Marshall C. McGrath, the director of corporate affairs for International Paper Co., died suddenly at his home. I had the pleasure of knowing Marshall for the more than 10 years I have been in Washington. Since International Paper is a corporate constituent in Maine, Marshall and I worked together on legislative issues of mutual concern on many occasions. He was a quite, friendly, unassuming, and persuasive representative of his company. I enjoyed our association, and I am sure that all who knew him will miss him very much.

REVENUE SHARING

Mr. GLENN. Mr. President, yesterday a delegation of Ohio county commissioners headed by Grant McDonald, president of the Association of County Commissioners, and Dolph Maslar, the executive director of the association, visited my office in support of the revenue-sharing program.

I ask unanimous consent that my remarks to that group be printed in the Record and also that a revenue-sharing resolution submitted by the Board of County Commissioners of Clark County, Ohio, be printed in the Record.

There being no objection, the statement and resolution were ordered to be printed in the Record, as follows:

Statement of Senator John Glenn on Revenue Sharing

I would like to take this opportunity to welcome this distinguished group of Ohio County Commissioners to Washington.

I know that you have come to participate in today's revenue sharing rally and I want to assure you of my support of this vital component of fiscal assistance to units of local government.

As a member of the Government Operations Committee's Subcommittee on Intergovernmental Relations, I have worked closely with the Subcommittee Chairman, Senator Muskie on this issue. In July, we held hearings on the GAO report that examined the impact and operation of revenue sharing on 26 units of local government. Largely as a result of some of our findings and those of the GAO, Senator Muskie and I are currently preparing a legislative package on revenue sharing.

Let me capsulize my views on revenue sharing for you.

1. I favor extension of the program for five-six years at an authorization level that is adjusted to take into account the ravages of inflation.

2. I applaud the efficiency and operation, or "low-overhead" of the program. This is one federal program that, because of its automatic formula features, functions efficiently with a minimum of waste.

3. The civil rights enforcement aspects of the program need substantial strengthening. Protections in this area are absolutely vital and yet this is one area in which the program has been very weak. We have documented reports by the GAO, the ACIR, and other public and private groups to the effect that many units of government have adopted methods and practices that amount to discriminatory use of federal revenue sharing funds.

As we go into our bicentennial year, it is clearer than ever before that there is no room in this society for racial discrimination and for the denial of equal opportunity. I intend to propose strong measures designed to eliminate discrimination in the use of revenue sharing funds.

4. Additionally, the citizen participation aspects of the program should be strengthened. There must be strong assurances that the public has access to hearings or to other appropriate means of participation in decision-making for uses of shared revenues.

I have other concrens about other aspects of the program such as the allocation limitation on units of government. My legislative package will address these and other concerns and my office is open to you for consultation.

I would like to conclude by making some brief remarks about another automatic aid program to units of local government. As a member of the Intergovernmental Relations Subcommittee, I have been very much involved, with Senator Muskie, on the countercyclical aid program. This program is now an amendment to the Public Works bill now in conference. I am a member of that conference committee largely because of my interest in countercyclical aid.

I would like to briefly distinguish between revenue sharing and countercyclical aid. The two have often been confused. Revenue sharing represents aid designed to supplement local budgets. It takes into account population, general tax effort and relative income.

Countercyclical aid, on the other hand, represents emergency aid to local government that is designed to replace lost tax revenues that have accrued as a result of excess unemployment. Countercyclical aid decreases and cuts itself off as the recession eases and unemployment declines. This concept of aid is new, it represents a reasonable government program that is designed to end after the problem it addresses itself to eases. It is a concept and program that makes sense and should prove helpful in your efforts to fight the continued recession without making drastic cutbacks in both services and jobs and without forcing massive tax increases.

Revenue Sharing Resolution

Whereas, County governments in nearly half of the states budget from July through June and all counties must make long term budget commitments to efficiently meet the needs of their citizens;

Whereas, Counties depend on general revenue sharing dollars for essential county programs;

Whereas, Revenue sharing dollars enable counties to fill locally determined vital needs with minimal redtape and federal restrictions;

Whereas, Efficient county government calls for well-planned advance budgeting;

Whereas, Responsive county government depends on efficient county planning and budgeting and ample time for citizen participation;

Whereas, The current revenue sharing program expires December 31st, 1976 and July through June fiscal year counties must begin budgeting the previous spring;

Therefore, be it resolved by Clark County Board of Commissioners that general revenue sharing be re-enacted by the first session of the 94th Congress providing counties with advance dollar figures that can be used for efficient, responsive planning of programs and budgets and that can be identified for more than half of their fiscal '76 year and can be incorporated in long term effective planning.

Be it further resolved that a copy of this resolution along with a summary report be immediately forwarded to the Senate and the House of Representatives.

COMPREHENSIVE REGIONAL CANCER CENTER IN COLORADO

Mr. HASKELL. Mr. President, the Comprehensive Regional Cancer Center in Colorado is developing a superior program. This Center is probably unique in its organization, philosophy, and the extent of its geographical responsibility.

It is composed of many institutions, banded together to help find the best ways of treating cancer patients, and then to use that knowledge promptly to help as many people as possible. The list of the constituent organizations includes no less than 26 institutions:

Alamosa Community Hospital, Alamosa, Colo.
American Medical Center, Denver, Colo.
Community Hospital-Mercy Hospital, Durango, Colo.
Denver General Hospital, Denver, Colo.
La Junta Medical Center, La Junta, Colo.
Logan County Hospital, Sterling, Colo.
Lutheran Hospital and Medical Center, Wheat Ridge, Colo.
Mercy Hospital, Denver, Colo.
National Jewish Hospital, Denver, Colo.
Penrose Hospital, Colorado Springs, Colo.
Poudre Valley Memorial Hospital, Fort Collins, Colo.
Presbyterian Medical Center, Denver, Colo.
Prowers' Medical Center, Lamar, Colo.
Rocky Mountain Osteopathic Hospital, Denver, Colo.
St. Anthony's Hospital Systems, Denver, Colo.
St. Joseph's Hospital, Denver, Colo.
St. Luke's Hospital, Denver, Colo.
St. Mary's Hospital, Grand Junction, Colo.
St. Mary-Corwin Hospital, Pueblo, Colo.
Sheridan Memorial Hospital, Sheridan, Wyo.
Swedish Medical Center/Porter's Memorial Hospital, Englewood, Colo.
University of Colorado Medical Center, Denver, Colo.
Veterans' Administration Hospital, Denver, Colo.
Weld County General Hospital, Greeley, Colo.
The Children's Hospital, Denver, Colo.
American Cancer Society, Colorado Division, Denver, Colo.
University of Colorado, Boulder, Colo.
Colorado State University, Fort Collins, Colo.

Their philosophy is one of cooperation. In the research areas, groups of scientists from several institutions have come together to form subcommittees who share knowledge, expertise, and sometimes specialized research facilities. There are currently cooperative groups in developmental chemotherapy and cancer immunology. Eventually there will be more.

In the clinical area, there are several encouraging developments. Teams of specialists in several areas of cancer are visiting outlying hospitals, sharing expertise, and seeing patients in consultation. Patients who need highly specialized radiotherapy are sent to one or another central hospital for such treatment. Plans are underway to provide a centralized rehabilitation facility. An extensive outreach program is being developed that will markedly improve cancer care in parts of six States.

Under the capable leadership of Dr. Ernest Borek, the acting director of the center, there is a growing optimism that many lives will be saved once the center is in full operation. Perhaps the most encouarging aspect of this situation is the voluntary participation of scores, even hundreds, of doctors and scientists throughout Colorado and the surrounding States who have given their time and energies to this program without any remuneration.

The program has been in the planning state for several years. This year the first Federal funds for actual operations were received. The core grant reached Colorado around the end of June, so that they have been in official operation less than 4 months. I am confident that dramatic progress will be made as their program picks up speed.

The geographic repsonsibilities of this center are enormous. They are responsible for improving the care of cancer patients in an area as large as the original 13 States.

When the program for developing comprehensive regional cancer centers was first inaugurated, no one could be certain how well they would work. I am happy to report that as far as the Colorado center is concerned, the program is already starting to work well. The decision by Congress to spend taxpayers' money on the center's program was a wise one, and I am proud to have been a supporter of that program from its beginning.

CHILD AND FAMILY SERVICES

Mr. MONDALE. Mr. President, a vicious and totally inaccurate propaganda campaign is currently being waged against the child and family services legislation pending before Congress. This bill, which I sponsored in the Senate with 28 other Senators, and Representative BRADEMAS sponsored in the House of Representatives with almost a hundred other Representatives, is being subjected to one of the most distorted and dishonest attacks I have witnessed in my 15 years of public service.

Wild and completely false allegations are being made that this legislation would somehow give children the legal right to disobey their parents; somehow prohibit parents from providing religious training to their children; somehow give the Government authority over child rearing; and somehow give children the right to complain about their parents and teachers "without fear of reprisal."

These allegations are absolutely and completely false. There is not a shred of truth in any one of them. If there were, neither I nor any Member of Congress would be sponsoring this legislation.

In fact, research reveals that these allegations are based on a document that was not even prepared in this country, and has no relevance to it. They are dirived from a "Charter of Children's Rights" of the British Advisory Center of Education and the National Council of Civil Liberties which Senator CURTIS cited during Senate debate in 1971.

Yet, mimeographed materials being circulated in many sections of our country allege that the so-called "children's rights" quoted from their foreign document are "becoming part of" the Child and Family Services Act. That allegation is totally false, and I believe that the individuals or organizations making the allegation know it is false. I say that because the materials containing these allegations are unsigned—a clear and significant sign that the organizations or individuals circulating these allegations know that they cannot defend or document them.

Contrary to these unsigned allegations, the child and family services legislation contains nothing that changes or affects the legal relationship between parents and their children. Instead, it simply offers to families—on a totally voluntary basis—access to health, education and child care services which they want for their children but often cannot afford. It offers prenatal health care and early medical screening and treatment to detect and remedy handicapping conditions, and day care services for children of working mothers. And, the bill specifically limits eligibility for these services to "children whose parents or guardians request such services"—S. 626, section 2 (a)(2); section 106(b)(1).

In addition, this legislation is deliberately and carefully designed to provide parent control of any services offered. Thus, the bill requires that all programs funded would be selected, established and controlled by the parents of the children participating in them.

Finally, the bill is specifically designed to support and strengthen families. The very first part of the bill—section 2(a)—states that "the family is the primary and most fundamental influence on children" and that any programs funded by this act "must build upon and strengthen the role of the family." And, the bill specifically states that "nothing in this act shall be construed or applied in such a manner as to infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians"—section 504(a).

It is for these reasons that the legislation is supported by a wide range of civic and religious organizations including the PTA, the AFL–CIO, the United Methodist Church, the U.S. Catholic Conference, the United Church of Christ, the Baptist and Lutheran Churches, the UAW, the American Academy of Pediatrics, the Child Welfare League of America, the National Council of Jewish Women, the American Home Economics Association, the National Association of Retarded Children, and the National Education Association.

It is obvious that none of these organizations would be supporting a proposal of the kind alleged in the unsigned materials being distributed. These organizations, and the Members of Congress who are sponsoring the Child and Family Services Act, are supporting this legislation precisely because it strengthens and supports families and children.

Mr. President, this legislation was specifically drafted in such a way to assure that it would strengthen and support families, rather than weaken them. That is why we included the provisions I quoted earlier concerning the voluntary nature of the programs offered, the prohibitions against any infringement upon the rights and responsibilities of parents, and the statement of findings regarding the primary role of the family and the requirement that all programs build upon and strengthen the family.

During the hearings on this legislation we consistently asked witnesses whether, in their opinion, the bill did indeed strengthen families. In fact, we specifically asked the witnesses representing various churches whether the legislation would, in their opinion, strengthen or weaken families.

Their responses to that question were direct and unambiguous, and well worth quoting on this occasion.

Dr. John W. Baker, associate director of the Baptist Joint Committee on Public Affairs, an organization representing the Southern Baptist Convention, the American Baptist Churches in the U.S.A., the Baptist General Conference, National Baptist Convention of American, National Baptist Convention of U.S.A. Inc., North American Baptist Conference, Progressive National Baptist Convention, Inc., and the Seventh Day Baptist General Conference, was asked if the bill "strengthens rather than weakens the American family." He responded by stating: "I feel strongly that it does. I do not see any merit in the argument that I have heard to the contrary."

Ruth Gilbert, of the board of Global Ministries, United Methodist Churches, responded to the same question by stating:

> I think that the arguments (suggesting that the bill would somehow weaken families) imply some form of coercion which I do not see in the legislation. Therefore, I would agree that it is a matter of choice, and therefore strengthens the family.

William Tremitierer, manager of children's programs of the Tressler-Lutheran Service Associates responded by saying:

> I think the bill is supportive, and would provide tremendous resources to families.

Rev. Msgr. Thomas Reese, director Catholic Social Services in Wilmington, Del., testifying on behalf of the National Conference of Catholic Charities, replied:

> I would say that it would seem to me that a person who would think that these programs would weaken the family is just not aware of the facts of life.

Mr. President, the needs for the child and family services legislation have been well documented in the 12 days of hearings we have held in the past year. Forty percent of the young children in the United States have not been immunized fully against childhood diseases. The infant mortality rate in this country is shockingly and unnecessarily high—higher than that of 13 other nations. Almost two-thirds of preschool children with handicaps are not receiving the special services they need. An estimated 200,000 children are struck each year by handicaps that could have been prevented if their mothers had received early health care. While there are almost 6 million preschool children whose mothers are working, there are only 1 million spaces in licensed day care homes and centers to serve them.

As I said when I introduced this bill, none of the provisions in it is etched in stone. Reasonable people can and do disagree about many aspects of this proposal. How much funding can we afford for this program given the budget deficit which exists? What services should be offered, and how can they be administered effectively and efficiently? What are the appropriate roles, if any, for public schools, and for profitmaking day care programs in legislation of this kind. These are the kinds of questions the Congress and the American public must debate and resolve during the consideration of a proposal of this kind. They are precisely the kinds of issues that the subcommittee addressed in its hearings, and on which we deliberately invited witnesses with differing viewpoints.

But, issues such as these must be debated on the basis of facts, not fantasies. And, decisions about them and the proposal in general must be decided on the merits. To approach this issue otherwise—especially in a way that totally misrepresents and distorts the purposes and provisions of the legislation under consideration—is a disservice to all Americans concerned about families and children.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a memorandum responding to the specific, inaccurate charges contained in one of the widely distributed, unsigned flyers which attacks the Child and Family Services Act; a brief summary of the Child and Family Services Act prepared by the Subcommittee on Children and Youth, and a section-by-section analysis of the child and family services bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORANDUM: ATTACKS ON CHILD AND FAMILY SERVICES BILL

1. Unsigned Flyers entitled: "Raising Children—Government's or Parents Right?

ATTACK

"There is before Congress legislation known as the Child and Family Services Act of 1975 (Senate: S. 626 and House: H.R. 2966). If passed it would take the responsibility of the parents to raise their children and give it to the Government."

FACT

This bill would in no way take the responsibility for child rearing away from parents. All programs authorized in the bill (S. 626 and H.R. 2966, Section 2(a)(2)) "must build upon and strengthen the role of the family and must be provided on a voluntary basis only to children whose parents or guardians request such services." In addition, any practice which would "infringe or usurp the moral and legal responsibilities of parents or guardians" is specifically prohibited (Section 504(a)).

ATTACK

"*Child Advocacy Clause*. In the Congressional Record we read: 'If, in the judgement of those who are in charge of such a program (the State by way of the Secretary of Health, Education and Welfare), parents are not doing a good job, the advocate (a "specialist" appointed by the government) would enter the home and direct the education, even within the home. And, if the parent would object, the authority in the home would, DeFacto, be transferred to these advocated (sic).' "

FACT

While this material may have appeared in the Congressional Record (although an exhaustive Record search has failed to discover it), it is categorically false to contend that : (a) such language appears in S. 626 or H.R. 2966; (b) such beliefs are held or advocated by any of the sponsors of S. 626 or H.R. 2966; or (c) that any "child Advocacy clause" of any kind appears in the bill (See "Special Note on the Congressional Record" below).

ATTACK

"Charter of Children's Rights of the National Council of Civil Liberties is becoming a part of this Child Development Act."

The flyers go on to list the following items in this charter, alleging that they can "be found on page 44138 of the Congressional Record":

"(1) All Children have the right of protection from, and compensation for the consequences of any inadequacies in their homes and backgrounds. (Note: In other words, never punish your child because he may come back to you with a civil suit.)"

"(2) Children have the right to protection from any excessive claims made on them by their parents or authority. The question was asked, by way of example, what do you mean by the fact "Excessive claim", and the example was given, "If the mother or father asked the child to take the garbage out and the child doesn't want to, the parents have no right to insist on it." "

"(3) Children have the right to freedom from religious or political indoctrination. That means that you have no right to insist on taking them to church, if they do not wish to go. That also means they have the freedom to insist that they be taught nothing, or any ideas, about God."

"(4) Children shall have the freedom to make complaints about teachers, parents and others without fear of reprisals. This speaks for itself."

FACT

No such language or "charter" has ever been proposed, included or even considered for the Child and Family Services Act or any related piece of legislation. This "charter" initially surfaced during Senate debate on December 2, 1971 on the Conference Report on the Office of Economic Opportunity Act which included child care provisions. Senator Carl T. Curtis (R-Nebraska), an opponent of this measure, said, "In England, child development advocates have gone so far as to draft a charter of children's rights." Curtis continued by reading from something he called the Charter of Children's Rights" of "the British Advisory Center of Education and the National Council for Civil Liberties." Thus, these so-called "rights", never included in this legislation, and were never advocated by sponsors of this legislation. In fact, the "Council" cited is not even an American organization. (See "Special Note on the Congressional Record" below).

S. 626 and H.R. 2966 specifically state in Section 504(a) that "Nothing in this Act shall be construed or applied in such a manner as to infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians with respect to the moral, mental, emotional, physical, or other development of their children. Nor shall any section of this Act be construed or applied in such a manner as to permit any invasion of privacy otherwise protected by law, or to abridge any legal remedies for any such invasion which are otherwise provided by law."

ATTACK

"Can the Government Take Away Your Children? Comprehensive child development, the SOVIET-style system of communal child rearing which almost became law in this country in 1971 is once again being pushed through Congress. The current bills H.R. 2966 (House of Representatives) S. 626 (Senate), are virtually identical to the original act passed in 1971, but fortunately vetoed by the then president, Nixon. Now it is known as the Child and Family Services Act of 1975 and any changes are merely cosmetic."

"In vetoing the original bill which would have removed children from their parent's instruction shortly after birth, Mr. Nixon said that it would weaken the American family by committing 'vast moral auhority of the national government to the side of communal approaches to child rearing over against the family oriented aproach.' "

"We are in serious danger of 'Sovietizing' the education of our children if we let the Child and Family Services Act of 1975 pass. Those who support this Act in the Congress are convinced that it will 'Sail through the House.' "

FACT

This charge is of course, absurd and irresponsible. The sponsors of the bill have carefully drafted it to protect the rights of parents and their children:

First, participation in the program is completely voluntary. Children cannot participate without the specific request of a parent or legal guardian. (Section 2(a)(2) and Section 106(b)(1))

Second, the bill prohibits any practice which would "infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians." (Section 504(a))

Third, a child cannot be tested unless the parent or guardian is informed and given the opportunity to exempt the child from testing. (Section 504(a))

Fourth, unlike the public school program, the child and family services programs are totally voluntary.

ATTACK

"According to the Congressional Record, the intent of the bill is for the government to be responsible . . . for the nutritional interests of your child, for all psychological interests of your child."

FACT

This statement is totally inaccurate and irrelevant to the legislation.

The intent of the bill is (Section 2(b)) "to provide a variety of quality child and family services in order to assist parents who request such services, with priority to those preschool children and families with the greatest need, in a manner designed to strengthen family life and to insure decision-making at the community level, with direct participation of the parents of the children served and other individuals and organizations in the community interested in child and family service (making the best possible use of public and private resources), through a partnership of parents, State and local government, and the Federal Government, building upon the experience and success of Headstart and other existing programs." (See "Special Note on the Congressional Record" below).

In fact, the bill specifically prohibits any medical or psychological examination or treatment unless a child's parent or guardian provides written permission. (Section 504(c)).

ATTACK

"The following excerpts are taken from the Congressional Record: 'What is at issue is whether the parent shall continue to have the right to form the character of the children or whether the state, with all its power and magnitude, shall be given the decisive tools and technique for forming the young lives of the children of this country.' "

" 'As a matter of the child's right, the government shall exert control over the family because we have recognized that the child is not the care of the parents, but the care of the state (sic). We recognize further that not parental, but communal forms of upbringing have an unquestionable superiority over all other forms. Furthermore, there is serious question that maybe we cannot trust the family to prepare young children in this country for this new kind of world which is emerging.' "

"This all smells of Communism. This is what in fact has been and is being done in Soviet Russia. This is what can become the law of our land, if the Child and Family Service Act of 1975 is passed by the Congress. We elected this Congress, but do we know what they are attempting to do to our freedoms and our rights?"

FACT

These citations, if they did in fact appear in the Congressional Record, are diametrically opposed to the purpose and intent of the bill.

First, the programs are completely voluntary. (Section 2(a)(2) and Section 106(b)(1))

Second, the precisely stated purpose of the legislation is to "strengthen family life," not weaken it. (Section 2(b))

Third, the program is to be operated locally, not by the national government. (Section 104)

Fourth, the bill contains specific prohibitions against any practice infringing on the rights and responsibilities of parents. Section 504(a))

(See "Special Note on the Congressional Record" below).

SPECIAL NOTE ON THE CONGRESSIONAL RECORD

Throughout this leaflet, the "Congressional Record" is cited. The Congressional Record has the ring of an official pronouncement to it. But, anyone who has ever even glanced at the Record knows that it contains not only the debates in the House of Representatives and Senate but also speeches and material simply "inserted" into the Record. Any Member of Congress has the right to insert material in the Record, and therefore, the assertion that a statement is "according to the Congressional Record" is meaningless since the Record itself makes no statement of policy. Policy statements are made by the Members of Congress quoted in the Record.

This flyer provides a good example of the abuse of the citation of the Congressional Record. Senator Curtis of Nebraska included as part of his remarks on a bill considered by Congress in 1971 some material which he attributed to an organization in a foreign country. By misleading citation, the flyer implies that this material appeared in the Congressional Record this year and that it represents the contents of the bill. The bill's sponsors had never before seen this material.

CHILD AND FAMILY SERVICES ACT

(By the U.S. Senate Subcommittee on Children and Youth)

NEEDS

The infant mortality rate in the United States is higher than that of 13 other nations.

Each year an estimated 200,000 children are struck by handicaps which could have been prevented if their mothers had received early health care.

Forty percent of the young children of this country are not fully immunized against childhood diseases.

Sixty-five percent of all handicapped preschool children are not receiving special services.

There are only one million spaces in licensed day care homes and centers to serve the six million preschool children whose mothers are working.

PROPOSED SERVICES

The bill authorizes funding for local communities and parent organizations to choose among a wide variety of child and family services, including: prenatal health care; medical treatment to detect and remedy handicaps; nutrition assistance; and day care services for children of working mothers. The bill does *not* provide for compulsory preschool education.

PARENT CONTROL

Participation in all programs is totally voluntary, and limited to children whose parents request services.

All programs would be selected, established and controlled by parents whose children participate.

FAMILY STRENGTHENING

The bill states that "the family is the primary and most fundamental influence on children" and that "child and family service programs must build upon and strengthen the role of the family".

The bill has been specifically endorsed as family strengthening by a wide range of civic and religious organizations including the Catholic Church, the Baptist Church, the United Methodist Church and the Lutheran Church.

CHILD AND FAMILY SERVICES ACT OF 1975. S. 626

SECTION-BY-SECTION ANALYSIS

Section 1

Section 2

Statement of Findings and Purpose.—Finds that "the family is the primary and most fundamental influence on children; that child and family services must build upon and strengthen the role of the family and must be provided on a voluntary basis only to children whose parents request them" with priority for preschool children with the greatest economic and human need; that there is a lack of adequate child and family services; and that there is a necessary for planning and operation of programs as partnership of parents, community, state and local governments, with appropriate federal supportive assistance.

Purpose is to "provide a variety of quality child and family services in order to assist parents who request such services, with priority to those preschool children and families with the greatest economic or human needs, in a manner designed to strengthen family life and to insure decision-making at the community level" and provide decision-making with direct parent participation through a partnership of parents, State, local and Federal government.

Section 3

Authorization of Appropriations.—Authorizes $150 million for fiscal 1976 and $200 million for FY 1977 for training, planning, and technical assistance and $500 million in FY 1977 and $1 billion in FY 1978 for program operation. Headstart would be funded under separate authority, and its funding protected by a requirement that no operational funds could be appropriated for this new program unless and until Headstart is funded at the level it received in FY 1975 or FY 1976, whichever is higher.

Forward funding is authorized.

TITLE I—CHILD AND FAMILY SERVICES PROGRAMS

Section 101

Establishes Office of Child and Family Services in HEW to assume the responsibilities of the Office of Child Development and serve as principal agency for administration of this Act; and Child and Family Services Coordinating Council with representatives from various federal agencies to assure coordination of federal programs in the field.

Section 102

Financial Assistance.—Define purposes for which federal funds can be used: (1) planning and developing programs, (2) establishing, maintaining, and operating programs, including part-day or full-day child care in the home, in group homes, or in other child care facilities; other specially designed programs such as after-school programs; family services, including in-home and in-school services; information and referral services to aid families in selecting child and family services; prenatal care; programs to meet special needs of minorities, Indians, migrants and bilingual children; food and nutrition services; diagnosis of handicaps or barriers to full participation in child and family services programs; special services for handicapped children within regular programs; programs to extend child and family service gains, including parent participation, into the elementary schools; (3) rental, renovation, acquisition, or construction of facilities, including mobile facilities; (4) preservice and inservice training; (5) staff and administrative expenses of councils and committees required by the Act; and (6) dissemination of information to families.

Section 103

Allocation of Funds.—Reserves funds proportionately for migrant and Indian children, not less than 10% for services to handicapped children, and not less than 5% for monitoring and enforcement of standards.

Allocates the remainder among the states and within the states, 50% according to relative number of economically disadvantaged children, 25% according to relative number of children through age five, and 25% according to relative number of children of working mothers and single parents.

Allows use of up to 5% of a state's allocation for special state programs under Section 108.

Section 104

Prime Sponsors.—States, localities, combinations of localities or public and nonprofit organizations are eligible to serve as prime sponsors.

The bills current provisions establish performance criteria for prime sponsor; demonstrated interest in and capability of running comprehensive programs, including coordination of all services for children within the prime sponsorship area; assurances of non-federal share; establishment of a Child and Family Services Council (CFSC) to administer and coordinate programs.

Public or private nonprofit organizations can serve as prime sponsors with priority on governmental units. Any locality or combination of localities which submits an application meeting the performance criteria may be designated prime sponsor if the Secretary determines it has the capacity to carry out comprehensive and effective programs. The state may be designated prime sponsor for all areas where local prime sponsors do not apply or cannot meet the performance criteria, provided that the state meets the performance criteria and divides its area of jurisdiction into local service areas with local child and family services councils which approve the relevant portions of the state's plan and contracts for operation of programs within the local service areas.

The Secretary may fund directly an Indian tribe to carry out programs on a reservation. He may also fund public or private nonprofit agencies to operate migrant programs, model programs, or programs where no prime sponsor has been designated or where a designated prime sponsor is not meeting certain needs.

Directs the Secretary to designate an alternative to any prime sponsor discriminating against minority group children or economically disadvantaged children.

Provides opportunity for Governor to comment on prime sponsorship applications and provides appeal procedure for applicants who are disapproved.

The sponsors want to particularly emphasize that as the bill is considered they intend to invite the testimony of representatives of Federal, State, and local government, as well as other experts, with respect to the best allocation of responsibility among various levels of government which will insure parental involvement, local diversity to meet local needs and appropriate State involvement to assure coordination and maximum utilization of avaliable resources.

Section 105

Child and Family Service Councils.—Sets forth composition, method of selection, and functions of councils. Half of members must be parents, selected by parents of children served by programs under the Act. The remaining members appointed by the prime sponsor in consultation with parent members, to be broadly representative of the general public, including representatives of private agencies in the prime sponsorship area operating programs of child and family services and at least one specialist in child and family services. At least one-third of the total council to be economically disadvantaged.

A state prime sponsor must establish councils at the state level and for each local service area. Parent members of the state council to be selected by parent members of local councils.

Council approves goals, policies, action and procedures of prime sponsors, including planning, personnel, budgeting, funding of projects, and monitoring and evaluation.

Section 106

Child and Family Service Plans.—Requires that prime sponsor submit plan before receiving funds. Plan must "provide that programs or services under this title shall be provided only for children whose parents request them"; identify needs and purposes for which funds will be used; give priority to children who have not reached six years of age; reserve 65 percent of the funds for economically disadvantaged children, and priority thereafter to children of single parents and working mothers; provide free services for children of families below the Bureau of Labor Statistics lower living standards budget and establish a sliding fee schedule based on ability to pay for families above that income level; include to the extent feasible, children from a range of socioeconomic backgrounds; meet the special needs of minority group, migrant, and bilingual children; provide for direct parent participation in programs, including employment of parents and others from the community with opportunity for career advancement; establish procedures for approval of project applications with priority consideration for ongoing programs and applications submitted by public and private non-profit organizations; provide for coordination with other prime sponsors and with other child care and related programs in the area; provide for monitoring and evaluation to assure programs meet federal standards; where possible, supplement funds provided by this Act with assistance from other sources.

Requires that the Governor, all local education agencies, Headstart and community action agencies have the opportunity to comment on the plan.

Establishes appeal procedures if plans are disapproved.

Section 107

Project Applications.—Provides for grants from prime sponsor to public or private organizations to carry out programs under the prime sponsor plan pursuant to a project application approved by the CSFC.

The project applicant must establish a parent policy committee (PPC), composed of at least 10 members with 50% parents of children served by the project, at least one child care specialist, and other representatives of the community approved by the parent members. The PPC must participate in the development of project applications and must approve basic goals, policies, action and procedures of the applicant, including personnel, budgeting, location of center, and evaluation of projects.

The application must: provide for training and administrative expenses of the PPC; guarantee free services for economically disadvantaged children with fees according to the fee schedule for other children; assure direct participation of parents and other family members, including employment opportunities; provide for dissemination of information on the project to parents and the community; and provide opportunities for the participation of children, regardless of participation in nonpublic school programs.

Section 108

Special Grants to States.—Authorizes special grants to the states, on approval of Secretary, to establish a child and family services information program to assess goals and needs in state; to coordinate all state child care and related services; to develop and enforce state licensing codes for child care facilities; and to assist public and private agencies in acquiring or improving such facilities. A state must establish a Child and Family Services Council to receive a special grant.

Section 109

Additional Conditions for Programs Including Construction or Acquisition.—Allows federal funding for construction or acquisition only where no alternatives are practicable, and provides federal funding for alteration, remodeling, and renovation. Provides that no more than 15% of a prime sponsor's funds may be used for construction; that no more than half of that may be in the form of grants rather than loans, limited to public and private non-profit agencies, organizations, and institutions.

Section 110

Use of Public Facilities for Child and Family Service Programs.—Requires that federal government and prime sponsors make available for child and family service programs facilities they own or lease, when they are not fully utilized for their usual purposes.

Section 111

Payments.—Provides 100% federal share for planning in FY 1976, 90% federal share for fiscal 1977 and 1978, 80% for subsequent fiscal years. Provides 100% federal share for programs for migrants and Indians, and allows waiver of part of all of non-federal share where necessary to meet needs of economically disadvantaged children.

Non-federal share may be in cash or in kind. Revenues generated by fees may not be used as non-federal share but must oe used by prime sponsor to expand programs.

TITLE II—STANDARDS, ENFORCEMENT, AND EVALUATION

Section 201

Federal Standards for Child Care.—Authorizes a national committee on federal standards, with one-half parent participation, to establish standards for all child care services programs funded by this or any other federal act. The 1968 Interagency Day Care Requirements would continue to apply until such standards are promulgated, and any new standards must be consistent with the 1968 Requirements.

The Secretary must submit the proposed standards for approval to the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor. No prime sponsor or project applicant is allowed to reduce services below these standards.

Section 202

Development of Uniform Code for Facilities.—Requires a committee to develop a uniform minimum code dealing with health and safety of children and applicable to all facilities funded by this Act.

Section 203

Program Monitoring and Enforcement.—Requires the Secretary through The Office of Child and Family Services, to establish an adequately trained staff to periodically monitor programs to assure compliance with the child care standards and other requirements of the Act.

Section 204

Withholding of Grants.—Provides procedure for withholding of funds to programs which have failed to comply with standards or requirements of the Act.

Section 205

Criteria With Respect to Fee Schedule.—Requires Secretary to establish criteria for adoption of the schedule based on family size and ability to pay with considerations for regional differences of the cost of living. The criteria must be submitted for approval by the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor.

Section 206

Evaluation.—Requires the Secretary to make annual evaluations and report to Congress on federal child family services activities.

TITLE III—RESEARCH AND DEMONSTRATIONS

Section 301

Research and Demonstration.—Authorizes child and family services research and requires that the Office of Child and Family Services coordinate research by federal agencies.

TITLE IV—TRAINING OF PERSONNEL FOR CHILD AND FAMILY SERVICES

Section 401

Preservice and Inservice Training.—Provides for training of personnel, including volunteers, employed in programs assisted under this Act.

Section 402

Technical Assistance and Planning.—Provides technicial assistance to child and family services programs.

TITLE V—GENERAL PROVISIONS

Section 501

Definitions.—Defines terms used in the Act.

Section 502

Nutrition Services.—Requires that procedures be established to assure adequate nutrition services in programs under the Act, including use of Section 13 (special food service programs) of the School Lunch Act and the Child Nutrition Act.

Section 503

Special Provisions.—Anti-discrimination provisions, including separate provisons on sex discrimination. Requires that programs meet the minimum wage. Prohibits use of funds for constructing, operating, or maintaining facilities for sectarian instruction of religious workshop.

Section 504

Special Prohibitions and Protections.—States that "Nothing in this Act shall be construed or appied in such a manner as to infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians with respect to the moral, mental, emotional, physical, or other development of their children. Nor shall any section of this Act be construed or applied in such a manner as to permit any invasion of privacy otherwise protected by law, or to abridge any legal remedies for any such invasion which are otherwise provided by law."

Section 505

Public Information.—Requires that all applications, plans, and written material pertaining thereto be made available to the public without charge.

Section 506

Repeal or Amendment of Existing Authority and Coordination.

Section 507

Acceptance of Funds.

THE AMERICAN SOCIETY OF TRAVEL AGENTS

Mr. INOUYE. Mr. President, last month the American Society of Travel Agents—ASTA—held its 45th World Travel Congress in Rio de Janiero, Brazil. More than 5,000 delegates from over 100 countries attended.

By all accounts it was a very successful congress, and the person largely responsible for its success was Mr. Robert McMullen, the ASTA president.

Mr. McMullen has appeared before my Subcommittee on Foreign Commerce and Tourism many times on behalf of the ASTA. On each occassion his insights and recommendations have been most helpful to the committee.

Mr. President, of the many benefits travel offers, none, in my judgment, is more important than its ability to increase mutual understanding among people, and enrich the quality of their lives.

But if a tourist is to realize these benefits, he must, first and foremost, have a trip which is free of scheduling worries, faulty hotel reservations, and the thousand and one other details so necessary for a successful trip.

And it is in this capacity the travel agents perform such a valuable service to millions of people throughout the world.

A travel agent must be part transportation expert, part hotelier, part entertainment guide, and most essentially, part mindreader.

Because travel agents provide such an important service, and because the quality of their leadership is so admirable, I believe the Members of the Senate and the traveling public will be interested in the report to the ASTA membership which President McMullen delivered at the 45th World Travel Congress in Rio de Janiero.

Mr. President, I ask unanimous consent that Mr. McMullen's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

THE PRESIDENT'S REPORT 1975

Good Morning. It has been an eventful year, an exciting year and a rewarding year. There have been touching moments and inspiring ones. There have been exasperations and frustrations and I am sure as I review the record that you will agree with me that while a great deal has been accomplished . . . there is much more work to be done.

Let me report some of our major activities.

Assuring adequate levels of compensation for travel agents in connection with the sale of all forms of travel and related services has been and will continue to be one of the principal priorities of ASTA.

During this last year, substantial progress has been made in improving compensation levels, especially with respect to the sale of international and domestic air transportation.

On the international front, as a result of the courage and initiative shown by Pan American World Airways in breaking with IATA, substantial progress has been made in obtaining interim relief in travel agent compensation and in eliminating illegal kickbacks, rebating and discounting. The cornerstone to eliminating these illegal practices is the effective enforcement of rules and regulations and the establishment of compensatory levels of compensation for travel agents.

ASTA is committed to continuing its support of those efforts designed to bring about a more realistic system of travel agent compensation based upon adequate point-to-point and override commission payments and the introduction of compensatory incentive payments.

On the domestic front, as a result of ASTA's persistent efforts, the CAB ordered the domestic air carriers to reinstate an eight percent commission level on the sale of family travel, and to apply that level of increased commission on the new excursion fares. Although these adjustments do not adequately compensate agents for the valuable services they perform, they must be retained and expanded on an interim basis. A study of agency costs will provide a basis for the periodic revision and restructuring of domestic commission levels to adequately compensate travel agents.

We have joined with other travel agency groups in the formation and support of a Commission Study Task Force. We seek, need and urge your personal and financial support of this study. There comes a time for commitment *and that time is NOW!*

As independent taxpaying business people, we travel agents are entitled to be protected from unfair competition. The unfair competition confronting us takes several forms and, therefore, we must wage a continuous battle on several fronts if our legitimate interests are to be protected. On some of these fronts we have achieved substantial progress after hard work over many years.

BANKS . . .

The Comptroller of the Currency is under a court order issued recently in Washington to revoke or revise his regulations on or before November 28 in accordance with the *Arnold Tours* case. We expect that this will, once and for all, put national banks out of the travel agency industry.

In the *Bank of America* case, an order from the U.S. District Court in San Francisco, in response to a challenge by ASTA and our California members, brought to an abrupt end an effort by this huge financial institution to enter the travel business in a manner determined to be illegal under the *Arnold Tours* decision.

Regarding bank holding companies, during the late 1960's, primarily as a result of ASTA's challenge to the entry of national banks into our industry, large banks, with the encouragement of the Comptroller of the Currency, formed bank holding companies as a subterfuge to carry on their unfair competition. ASTA challenged this in the Congress and at the Federal Reserve Board. We *expect* within a few weeks to get a ruling banning bank holding companies from our industry.

ASTA's latest challenge to improper intrusion by financial institutions into our industry concerns savings and loan institutions. Currently pending before the Federal Home Loan Bank Board in Washington and the California regulatory authorities are ASTA's demands for rulings outlawing travel activities by savings and loans. We are *hopeful* that we will get quick and satisfactory action without having to litigate. However, if it is necessary to go to court, we will do so.

1975 brought about further developments in the area of Automation.

ASTA is *deadly serious* in its efforts to see the implementation of an automated reservations system as quickly as possible.

Last year the airlines asked ASTA to delay signing final contracts with Control Data Corporation to allow the carriers the opportunity to study the feasibility of a system jointly owned by travel agents and airlines. You are all aware of the effort, both in time and money, that we have expended cooperating in that request. The final result of the airline study, published in July 1975, confirmed what ASTA knew all along . . . savings and benefits for both travel agents and airlines would be real and substantial.

It is important for you to know that the airlines, for their own individual reasons, did not uniformly support their own study—some adopting a wait and see attitude, others challenging the study's conclusions. To the carriers I must say . . . travel agents need automation and ASTA is going to see that it happens.

As most of you know, during the past five years, in an attempt to avoid inequitable and inconsistent state regulation of our industry, ASTA has supported uniform federal licensing for travel agents.

This year, working with representatives of the U.S. Department of Transportation, the Congress and other agency associations, ASTA has drafted legislation to provide for self-regulation of the travel agency industry.

The chief difference between licensing and self regulation is in the level of travel agent involvement. Instead of regulation developed and implemented by federal officials, the ASTA self regulation plan calls for the establishment and enforcement of industry standards by a panel comprised predominantly of travel agents. We will very largely, be regulating ourselves.

Increasingly, tour wholesalers, for various reasons are unable to meet their obligations to suppliers, retail agents and consumers and have been forced to terminate operations. Travel agents, many of us right here, have had to reimburse clients and thus have suffered substantial losses.

In response to the overwhelming demand that protection be provided for the industry, I appointed a Task Force, chaired by National Secretary Joe Stone to recommend a dramatic program for prompt implementation.

A questionnaire was sent to the membership and about one quarter of the responses (which incidently were very heavy) have been tallied. I can report to you today that overwhelming majority of the agents responding so far agree that retailers and their clients *need* protection against potential tour operator defaults, *and* would be willing to contribute to secure that protection for themselves and their clients.

I have made this issue one of my priorities for the coming year and I pledge to you to do my utmost, working with the ASTA Task Force, to see that financial security from tour wholesaler default is available in 1976.

ASTA continues to be heavily involved in a wide range of legislative proposals which could have a substantial impact on our industry and the traveling public:

We have supported an amendment to the Federal Aviation Act to require adequate lead time in the filing and approval of airline tariffs. Further, we have encouraged enactment of legislation to eliminate visa requirements on a reciprocal basis for visitors to the United States during the Bicentennial celebrations.

Also, regarding taxation, we have opposed amendments, recently proposed by the House Committee on Ways and Means, to arbitrarily and unnecessarily restrict legitimate expenditures by U.S. taxpayers traveling abroad to attend conventions and business meetings.

Most recently, as you all know, President Ford announced a complex and far reaching proposal to reform regulation of the domestic airline industry with the objective of assuring the most efficient, accessible and inexpensive airline service to the public. As President of ASTA, I strongly endorse these objectives. However, as one who has devoted his professional life to the promotion of travel and tourism, I believe that the specific proposal which is being advanced must be very carefully weighed to assure that it is designed to meet the objectives the President has stated.

Therefore, I am appointing this week a special task force to study the President's proposal and evaluate its impact on the air transport industry, travel agents and the public. I will instruct this task force to make specific recommendations to our Board of Directors when it next meets in January.

One particular recommendation made by President Ford called for the elimination of the antitrust immunity air carriers currently enjoy in setting travel agent commissions and in regulating virtually every aspect of our business. I regard this recommendation as an acknowledgement in Washington that the current system of dictating the terms and conditions of our very livelihood can no longer take place behind closed doors, in secret sessions, by airline representatives who do not necessarily have the interests of travel agents or the public at heart, and who need not make economic justification for their arbitrary decisions.

Elsewhere in Washington, prospects for effective cooperation between the United States government and our travel industry, designed to assure increased promotion of travel and tourism to and within the United States, were greatly increased by two recent events.

The enactment of legislation by the Congress to extend the life of the USTS and to give it, for the first time, authority and responsibility to promote domestic tourism:

The nomination and prompt confirmation of Creighton D. Holden, Assistant Secretary of Commerce for Tourism, a man with knowledge and experience in the travel industry. As President, I will assure that ASTA will continue its best efforts to work with USTS, DATO and the American Revolution Bicentennial Administration during the coming year so that the great potential for increased travel and tourism is fully realized.

On the international scene, we have always looked upon official government tourist offices and travel agents as partners—and we still do. We complement each other. The proper role for government tourist offices is to promote their destinations. Our role as travel agents is to sell their destinations. Continued cooperation not competition—has proved to be the most succesful route. I expect continued cooperation.

In another area ASTA embarked this year on a new approach to its advertising. The campaign, initiated in *News Week* features full page, four-color advertisements which sell not only travel and tourism, but also the professional knowledge and expertise of the travel agent—the ASTA travel agent. This program is a joint effort between ASTA and a destination—nation or city, region or resort. The initial participant in this program was the Irish Tourist Board—and we acknowledge and appreciate their support.

Also, I would be remiss if I did not recognize the participation of the Mexican National Tourist Council for their support in featuring in all their print and television advertising the message—"See Your ASTA Travel Agent" and the ASTA seal.

And—if you watch ASTA-vision this week, you'll be seeing our new television commercial making its appearance for the first time. The commercial is available to ASTA agents through headquarters.

I have touched upon only some of the highlights of our year and you can see we've been very busy. And I must tell you that none of these activities would have been possible without the wholehearted support of the more than 200 members of ASTA who comprise our committees, our Board of Directors, our Chapter Presidents and our Executive Vice President, Dick Ramaglia, and our staff. There are bright new faces at Headquarters and we are seeing a new kind of professionalism.

And speaking of Headquarters, I hope that everyone listening today will accept my personal invitation to visit our beautiful new offices at 711 Fifth Avenue, New York City. These new quarters reflect ASTA's increased prestige in the world of travel.

I would like to acknowledge with gratitude the contributions made by those foreign governments providing furnishings and materials to make our new Headquarters a visible international showcase.

I have spoken at some length . . . perhaps longer than you expected . . . about some of ASTA's achievements since our meeting in Montreal.

Let me now share with you some of my most deeply felt personal frustrations during the year.

While we are attaining success in our fight against some forms of unfair competition—the banks, we have achieved little progress in our campaign against nonprofits in travel, one of the most persistent frustrating and difficult fights we have undertaken. Our challenge in the courts, the Congress and before the Federal agencies against the continued intrusion of tax exempt organizations into our industry has, thus far, been unsuccessful.

We will however, continue our fight to seek to assure that tax-exempt organizations enjoying a privileged status not be allowed to use those privileges to compete unfairly with those of us who pay taxes. With the Congress rewriting tax laws, with cities, states and local governments needing more taxes to operate—and I cite New York City as an example—it is unfair and unwise to allow organizations to continue to engage in commercial enterprises on a tax-free basis.

Another area of continuing frustration concerns our efforts to attain professionalism for our industry.

We have come a long way toward achieving stature and recognition as true professionals, but this objective still eludes us. Today, when the consumer is king, and expects—even *demands*—professionalism from those who make their travel arrangements, why have we not achieved that recognition?

There are several reasons. Despite some tightening of appointment standards by the scheduled carrier Conferences, newly approved agents are annually exceeding 1,200 in North America. Are we naive enough to believe that all of these have the administrative expertise and technical knowledge to successfully operate an agency and to properly serve the public? Or are they appointed simply to fill seats regardless of their professional competence?

Let's look, too, at the even looser NACA standards. Do these lead to recognition as professionals? Or do these—as the World Academy, bankruptcy, and mislabelled a travel agent—impair the image of stature for which we strive: A better image, a healthy industry and greater recognition, not just for ourselves, but for those who follow us—perhaps our sons and daughters—to whom we can leave an industry which they can view with justifiable pride.

Now I'd like to take a moment to share with you *my* thoughts on the travel agent testing programs. Its goals are, to my mind, clear:

To make a start in upgrading the public image of the professional travel agent and,

To gradually raise the level of competence in the industry so that only qualified applicants can enter.

Think about it . . .

The beginning of a program that we can point to when we claim that the professional travel agent is the only fully qualified and competent travel advisor capable of counseling the public. But, even more importantly, a beginning to our long-sought goal of denying entry to our industry to those unqualified to counsel the public because of lack of experience, training and commitment to the travel profession.

The Chinese philosophers say the longest journey begins with a single set. Your board of Directors—elected by you to represent you, fellow travel agents such as yourselves—certainly would not embark upon a program that would jeopardize *their* livelihoods . . . or *yours*. But after long and careful consideration they (and each of the other agency associations) recognized the need for a step—if only a first step—to be taken.

Clearly, this was not a program dictated by the ATC, but rather one believed to be in our own long range interests. It is neither designed nor intended to keep competent persons from becoming agents. But, it is intended to protect the public and us from the proliferation of incompetents gaining Conference approval. It is a major, positive step toward our being recognized as professionals and toward insuring that in the future, only professionally competent agencies will be approved.

President Franklin Roosevelt once said "the only thing we have to fear is fear itself." I have no fear of these tests, nor do I believe you do. However, I believe the dilettantes and incompetents in our industry who do not serve the public well, do have something to fear! And this is as it should be!

Do not misunderstand me, however. While I believe in the concept of the testing program, serious doubts exist about its present status.

Its costs seem to increase at each estimate;

No vendor for the program has yet been selected;

Its relevance to other recent industry developments, including both President Ford's deregulation proposal and ASTA's self-regulation program must be evaluated; and,

Most importantly, the joint airline-travel agent board, charged with the responsibility of implementing the program, *has not yet adopted the ASTA program of awarding "point credits" for expertise, and years of business experience.*

ASTA's continued support is contingent upon adoption of our point system and upon a properly designed program with tests ably administered by a vendor, carefully selected to insure that the examinations are meaningful, relevant, and available at the minimum cost.

Let me take a minute to talk about the "grandfather clause": It would be easy for me to urge that the program be modified to include a provision exempting all experienced agents from the testing requirement. But where would that get us?

The CAB has made clear that it would not approve the testing program unless it applied universally to all agents. If we would kill the testing program . . . and with it, our first opportunity to put an end to unqualified entry into our industry.

We have proposed, and I pledge to you that we will only support a testing program that embraces a graduated point system, for we believe that this is a fair, equitable and established method for recognizing valuable industry experience.

Additionally, the testing Board's questionnaire is now in the process of being evaluated. Such evaluation will be carefully done, not only by the testing standards Board comprised of airline and travel agency representatives, but also by ASTA and other interested parties. I assure you, as your President—and speaking for my fellow officers and Board members—we do not, nor will we take our responsibilities to you and ourselves lightly. Any testing program undertaken, must and will be properly designed to recognize the reasonable needs of the retail agent.

I am convinced that ASTA members recognize the benefits they will gain from greater professionalism.

Professionalism can be viewed as a burden, or as a challenge. I ask your support for a united ASTA in facing this challenge in the years ahead.

More than 30 months ago, when the ASTA Board accepted Embratur's offer that we hold the 1975 Congress in Rio, we began to plan and look forward with enormous anticipation to this week.

Now Rico—1975—is upon us and I know all of you share my delight, pride and sense of appreciation for the long hours of hard work that has gone into this fantastic event—hard work by both the Host Committee, and our ASTA staff, and Congress Chairman.

The success of this Congress makes it absolutely inevitable that Brazil *will* achieve its goals for dramatically increased tourism.

With this morning's opening session and this Annual Meeting we initiate what I believe will be ASTA's most exciting, productive and rewarding World Travel Congress. I am confident that each of us will take from these next several days a deeper understanding and appreciation for Brazil as one of the World's great tourist destinations and a sharply improved knowledge of new and effective sales techniques which will better qualify us to counsel our clients as travel professionals.

Thank you for giving me this opportunity to report to you as President of ASTA and I look forward to being with you this week in Rio, and to serving you in the challenging year ahead.

U.S. HUMAN RIGHTS INITIATIVES AT UNITED NATIONS

Mr. KENNEDY. Mr. President, I would like to call attention to an initiative by the United States at the United Nations that represents a significant and long-delayed expression of commitment to human rights concerns in our foreign policy.

I have criticized this administration for its failure to place sufficient value on human rights issues in its foreign policy decisionmaking. Now, I commend the administration for this public declaration of respect and concern for human rights.

The United States placed before the General Assembly of the United Nations a resolution calling for an unconditional amnesty for political prisoners by all nations.

That resolution also called for the United Nations Commission on Human Rights to strengthen their efforts on behalf of political prisoners and urged all governments to cooperate with the Commission—as Chile did not—in permitting on-site investigations of conditions in those countries.

I ask unanimous consent that the resolution be printed in full. The one additional comment I would make is that in the same spirit in which it was proposed, a humanitarian and civil libertarian call for amnesty, a new look at the possibility of more forthcoming attitude toward those who were imprisoned in this country for their opposition to the war or those who fled from the draft might well be in order.

I ask unanimous consent that the resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

[From the New York Times, Nov. 13, 1975]

U.S. Draft On Amnesty

United Nations, N.Y., November 12—Following is the text of a draft resolution on amnesty for political prisoners, as introduced in the General Assembly today by the United States:

The General Assembly,

Noting with satisfaction that, in spite of continuing denial of the right of self-determination in certain areas, great progress has been achieved towards eliminating colonialism and insuring the right of self-determination for peoples everywhere.

Believing that the lessening of international tensions makes even more promising renewed efforts to assist people to exercise their human rights, Deeply disturbed that there are frequent reports that many persons, including members of national parliaments, writers and publishers, persons who have sought through peaceful means to express views at variance with those held by their governments or to oppose racial discrimination, and persons who have sought to provide legal assistance to persons in the disfavor of their governments, are detained or imprisoned, and in many cases have been subjected to torture, arbitrary arrest and detention and unfair or secret trials in violation of rights guaranteed by the Universal Declaration of Human Rights;

Recalling that, pursuant to Economic and Social Council resolution 1235 (XLII) of 6 June 1967, the Commission on Human Rights and the Subcommission on Prevention of Discrimination and Protection of Minorities have been authorized to examine information relating to such reports.

Noting with appreciation resolution 4 (XXVIII) adopted by the Subcommission on Prevention of Discrimination and Protection of Minorities with respect to the human rights of persons subjected to any form of detention or imprisonment,

1. Appeals to all governments to proclaim an unconditional amnesty by releasing all political prisoners in the sense of persons deprived of their liberty primarily because they have, in accordance with the Universal Declaration of Human Rights, sought peaceful expression of beliefs and opinions at variance with those held by their governments or have sought to provide legal or other forms of nonviolent assistance to such persons;

2. Requests the Commission on Human Rights and the Subcommittee on Prevention of Discrimination and Protection of Minorities to strengthen their efforts on behalf of political prisoners, including the establishment of working groups to conduct studies including visits, whenever necessary, to determine the facts relevant to the rights of political prisoners and the response of governments to this appeal;

3. Urges all governments to cooperate with the Commission on Human Rights and the Subcommission on Prevention of Discrimination and Protection of Minorities in their efforts on behalf of political prisoners, including requests to make such visits as they may deem necessary for the purpose of investigating, and reporting on the circumstances relating to the detention, trial or imprisonment of such persons;

4. Requests the Secretary General to assist in any way he may deem appropriate in the implementation of this resolution, and to report to the General Assembly at its 31st session with respect to the activities of the Commission on Human Rights and Subcommission on Prevention of Discrimination and Protection of Minorities in the implementation of this resolution.

STILL NO OIL POLICY

Mr. MATHIAS. Mr. President, in January of 1975, this Congress resolved to make a fresh start on providing the United States with the national energy policy so urgently needed. As we entered our 11th month, we hoped that this new policy might emerge from the conference committee on S. 622. Because of the unprecedented nature of our energy problem, the conference on S. 622 brought together the principal energy committees of both the Senate and House in order to foster a comprehensive, meaningful national energy policy. Unfortunately the work of the conference has not met the needs of the country.

What is emerging from the conference is a political compromise made with all eyes focused on winning the next Presidential election. Lost, however, is the opportunity to formulate the national energy policy which can secure the energy we need at prices we can afford.

The Washington Post, in an editorial of November 19, discusses in great detail the compromise arrived at between the majority of the conferees and members of the administration. The criticisms voiced in that editorial are strong and to the point and merit the most careful attention of all Senators. The Post editorial goes beyond criticism of the compromise to suggest policies that would better serve the Nation. I strongly endorse the suggestion that decontrol of "old" oil be directly tied to increased production. It is a plan that I have studied at length and one which I intend to introduce in the days ahead.

I ask unanimous consent that the full text of the Washington Post editorial of November 19 entitled "Failure of Oil Policy," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE FAILURE OF OIL POLICY

The oil bill finally produced by the long House-Senate conference is a botched job. The President is now trying to decide whether to sign it. Between them, Congress and Mr. Ford are collaborating in a self-portrait of a government beside itself with frustration and confusion.

The dilemma is one with which the United States has been struggling continuously but ineffectually for the past two years. Rising prices of oil outrage the voters, but rolling prices back down increases consumption and that in turn means importing more oil from the Arabs. There are legions of economists with answers to the technical issues, but there doesn't seem to be anyone in Washington with a solution to the basic political question. The new oil bill is a disingenuous straddle. It proposes to force prices down now, before the election, and let the Presilent raise them later if he dares. As an example of political maneuver at its narrowest and least useful, it bears a strong resemblance to the President's proposal to cut taxes next January while leaving the corresponding budget cuts until next fall. Congress is in a position to block the worst features of the President's fiscal plan. But the oil bill, unfortunately, may shortly become law.

The worst aspect of this roll-back in oil prices is the dangerously misleading signal that it sends to American consumers. Rising prices warned them of the necessity to save fuel, and they have taken the warning seriously. A falling price says that the squeeze is over, and the country can return to its wasteful old ways. Just when the American automobile companies at last have begun to produce efficient small cars in quantity, Congress swings around and promises drivers cheaper gas. Fuel conservation is crucial to the economic health of this country, and to undercut conservation with a price rollback is pure irresponsibility.

This broad bill covers many topics, from automobile fuel standards to a silly plan to pay the states to promote conservation. It lacks, unaccountably, one extremely important safeguard—the strategic petroleum reserve to carry the country through another embargo. But the heart of the bill is its oil pricing formula. It is inordinately complex, and Congress has deliberately built a very high degree of uncertainty into it. Under the present rules two barrels of identical oil sell at different prices, one more than twice as much as the other, if one comes from a controlled pre-1973 well and the other does not. Under the new bill there will have to be at least three prices for oil, and maybe as many as four or five. The bill specifies only an average price, and leaves it up to the President to figure out a way to reconcile the various different categories of controls to it.

Whose fault is this botch? A good deal of it belongs, unhappily, to the White House. Congress is poorly adapted to design comprehensive legislation on a subject that is both unfamiliar and bitterly disputed. The White House knows very well the kind of questions and accusations that confront Congressmen in the regions of the country that consume oil: Isn't the gasoline price rise just another rip-off by the monopolies? If the rise was justified, why did the companies make so much money during the Arab embargo? If we decontrol, doesn't that merely invite OPEC to raise prices through the roof and throw the whole economy back into recession? The administration's energy policy is failing because it has never managed to persuade the country that it has any answers to those questions. It has never seriously addressed the threat that decontrol legislation poses to representatives and senators from the North and East. The White House has never found a way to write a decontrol bill that would not leave them open to charges of selling out to the oil industry. That is why the administration keeps losing vote after vote in Congress.

Now the President has to make up his mind what to do with the bill. If he is prepared to propose quite a different kind of legislation, in which the public benefits would be explicit, then perhaps it would be worth risking a veto despite the spate of name-calling that would ensue, and the possibility of being overturned. This kind of legislation might usefully adopt two key principles. To get exemption for a barrel of oil under price controls, for example, a producer might be required to bring in a barrel of new production—anywhere in the United States, but not abroad. If the industry wants to get out of controls, let it drill its way out. There is already a precedent for this kind of rule, in a small way, in the present regulations. The second necessary principle is a guarantee that decontrol will not increase profits per barrel of oil. Enforcement of this provision probably requires a confiscatory windfall tax on profits that rise faster than production. Windfall profit taxes are dubious in concept and the industry will not care for the idea. But it must be evident even to the oil men that there will be no decontrol without a firm safeguard against another surge of profits.

If the President is not prepared to change direction and go after this kind of bill, he would do better to sign the present one and be done with it. There is no point in prolonging the present stale and tedious controversy. The whole history of this legislation suggests that there is little hope of coherent and competent energy legislation before January 1977, when an elected President and a new Congress will take office.

INDOCHINA: A DIPLOMACY OF RECONCILIATION

Mr. KENNEDY. Mr. President, the Indochina war has ended, and peace has finally come to the people of Vietnam.

Regrettably, however, peace has not come to our relations with the people of Indochina, and our long and unfortunate political and military preoccupation with the area has now been replaced with indifference and a cruel disregard of the humanitarian needs of war victims throughout the region.

Although we are helping today Indochina refugees and orphans in the United States, and some small funds for refugees in Thailand, we are ignoring the war victims remaining in Vietnam and Indochina. From a policy of asking billions of dollars for war, the administration has ordered that not one penny be spent for peace and relief in Indochina.

Mr. President, the time is past due for our Government to end our "war" with the new governments in Indochina, and to pursue a diplomacy of reconciliation and normalization. We must not allow the bitterness and frustrations of the past to poison the future.

This past weekend, Secretary of State Henry Kissinger suggested that he saw no obstacle to the principle of normalization of relations with Indochina. This gentle sign of change is a welcome one, and I share the view of the editorial in today's New York Times that it is only a beginning which must be followed by genuine steps to restore our ties with Indochina.

In so doing, we must do what we can in meeting our clear responsibility to help salvage the battered lives of those millions of war victims who remain in their native lands, even as we welcome those refugees who have come to our shores.

A diplomacy or reconciliation and normalization of relations will also permit the United States to contribute positively to the welfare and progress of all the people of Indochina, and pursue as well such humanitarian issues as the gathering of information on Americans still considered missing in Indochina, the issue of the reunification of families, and the free exchange of communications and parcels between the people living in the United States and those living in Indochina.

Mr. President, I commend to the attention of Senators an editorial in the New York Times relating to this issue, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 19, 1975]

SIGNAL TO HANOI

In tones so muted that they may scarcely be heard, the Ford Administration is nevertheless softening its rigid hostility toward the new Communist regimes of Southeast Asia.

At least one large voluntary organization, the American Friends Service Committee, learned last weekend that it would be permitted to resume small-scale shipments of relief supplies for war-shattered communities of North and South Vietnam. In lifting its ban on such aid, the State Department was merely correcting an unfortunate aspect of the postwar Vietnam policy.

At the same time, Secretary of State Kissinger let it be known through a group of Congressmen about to confer with North Vietnamese representatives in Paris that the United States was ready to respond to goodwill gestures from Hanoi, working toward a "normalization" of relations. He emphasized, however, that the Administration was not yet considering any economic aid proposals to North Vietnam; Hanoi officials have regularly insisted that reconstruction aid, as envisaged in the 1973 Paris agreements, would have to be an integral element in any resumption of working relations.

This is the commendable beginning of a new flexibility toward the Communist regimes in Indochina, but there is still a long way to go. The United States veto of North and South Vietnam's separate admission to the United Nations last August blocked any early political dialogue. Administration officials argue, however, that their position was based primarily on the Communist powers' refusal to permit simultaneous membership for North and South Korea; when Vietnam becomes unified and applies for single membership, the United States' objections of principle would not necessarily hold.

A flat trade embargo remains in effect against both Vietnams and Cambodia; earlier this month President Ford gave Congressional leaders clear signals of his opposition to pending legislation to lift this embargo. The volume of trade expectable between the United States and Indochina would not be large, but Asia-based American business interests and chambers of commerce are agitating for reopening of commercial relations, lest the boycott turn into a long-range problem such as has clouded United States relations with China and Cuba.

The Communist regimes of Vietnam and Cambodia remain engaged in their delicate balancing act between the rival attractions of China and the Soviet Union. After years of warfare, it is paradoxical that the United States is the one superpower to which these new regimes could now relate without inherent tensions. The sooner this country's policymakers overcome a lingering bitterness over defeat in Vietnam, the brighter will be the prospects for a constructive new American role in Southeast Asia's political and economic development.

FEDERAL ELECTION COMMISSION

Mr. CRANSTON. Mr. President, recently the distinguished senior Senator from Iowa (Mr. CLARK) led a courageous and nearly successful fight in support of the Federal Election Commission's proposed regulation for controlling the use of congressional office accounts. Although the Senate rejected the proposal regulation by a one-vote margin, I am hopeful that the FEC will issue another regulation that will be acceptable to the Senate but still will effectively control the political use of such office accounts in keeping with the intent of the Federal Election Campaign Act.

Mr. President, I ask unanimous consent that two recent editorials commenting on the Senate's rejection of the FEC regulation be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Des Moines Register, Oct. 18, 1975]

CAMPAIGN SPENDING LOOPHOLE

U.S. Senator Dick Clark of Iowa last week singlehandedly took on the Senate in a two-and-a-half hour debate on Federal Election Commission (FEC) regulations for policing congressional office accounts. He almost won.

Office accounts are maintained by a number of senators and representatives to pay for newsletters, additional visits home and other types of keeping-in-touch activities between elections. Private contributions, unspent campaign funds and in some cases honorariums for speaking appearances fund the accounts.

The proposed regulation would have brought the accounts under FEC supervision during the last two years of a senator's term and the last year of a representative's term. The regulation called for reporting of contributions to the accounts on the same basis as campaign contributions. Few lawmakers objected to this feature. The regulation also would charge all spending from an account against an incumbent's campaign spending limit—except for specific items he could demonstrate were nonpolitical. Objectors to this were many.

The proposed regulation would have gone into effect if neither house of Congress had disapproved. Though Clark was the only senator to speak for the regulation, it came within a vote (47 to 48) of gaining approval.

The FEC originally had proposed an even sterner regulation—one which would have treated all such accounts as campaign funds all of the time. Clark was the only member of the Senate Rules Committee to support that, and the FEC offered the two-year one-year proposal as a substitute.

The federal campaign finance law requires an accounting of all campaign spending. Newsletters to constituents and speaking appearances fall in a gray area. The FEC will be hard pressed to track down all such contributions and expenditures should congressmen consider them "nonpolitical" and fail to report them. The proposed regulation would have solved that problem for the last third of each senator's term and the last half of each congressman's term.

The Senate Rules Committee has told the FEC that it would accept a regulation similar to the defeated one if FEC policing of Senate office accounts were limited to one year instead of two. Such a regulation may be submitted.

But an incumbent senator's campaigning for reelection is not limited to one year out of six. The defeated regulation would have closed more effectively the office accounts loophole in campaign spending.

[From the Cedar Rapids Gazette, Oct. 21, 1975]

STATUS OF SLUSH FUNDS

Just what is the status of so-called "office accounts," more commonly known as "slush funds," kept by a number of U.S. senators and representatives? When are they political and when, if ever, are they nonpolitical? Should they be under the supervision of the Federal Election Commission (FEC)? Or should they continue to be "loophole" property that members of congress can use to suit their whims?

Those are questions the FEC hoped to clarify with a proposed regulation to bring them under its supervision during the last two years of a senator's term and during the last year of a representative's term.

These "slush funds" normally are used by those maintaining them to finance newsletters to constituents, to pay for extra trips home and to take care of other expenses not covered by their congressional emoluments. They are usually funded by private gifts of money, leftover campaign funds and honorariums for appearances here and there.

The proposed regulation would have gone into effect if not disapproved by either the House or Senate. But it was disapproved by the Senate, 48 to 47, recently despite the valiant single-handed effort made to save it by Iowa's Senator Clark recently.

Clark, the only member of the powerful Senate rules committee to support the proposal, appeared to be the only senator for it during a two and a half hour debate. But in the windup he almost won his fight through support from a number of senators who apparently felt that slush funds are political funds any way you view them.

The federal campaign finance law requires an accounting of all campaign expenditures. There may be a question whether newsletters and Christmas cards to constituents who wouldn't be getting them if the sender wasn't in office and wanting to be re-elected, count as campaign expenses. But most assuredly they are political expenditures and, indirectly at least, are made to help the incumbent win the next election.

But, obviously, the status of slush funds needs to be clarified and Senator Clark was on the right track to defend the FEC's proposed regulation.

The chances are good that we have not heard the last of this matter yet. Certainly there is no question in the minds of a majority of the American voters that they want every penny of campaign money accounted for—with no loopholes, like slush funds, to slide one red cent through. The senate would be wise to get that through its noggin posthaste. In fact, the sooner the better.

SALT II AT RISK

Mr. KENNEDY. Mr. President, many of us in this Chamber approached the debate on Defense appropriations this past week with a sense of deep foreboding: That the United States and the Soviet Union both are acting in ways that may make it impossible to reach an agreement in the near future to impose further limits on the strategic arms race. We are concerned that the pace of advancing technology, which will be further accelerated by the defense bill we have just passed, may outstrip political efforts to slow down the building of nuclear arms, and could doom our hopes of an eventual end to this unnecessary and dangerous competition.

Today, the New York Times has commented in an editorial on this matter—a matter which could have implications for U.S. foreign policy greater than any other issue before us. Accordingly, I ask unanimous consent that the editorial be printed in the RECORD, and I commend it to all our colleagues.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 19, 1975]

SALT II AT RISK

Soviet rejection out of hand of the latest American strategic arms limitation (SALT II) proposals appears to rule out the agreement and the visit to Washington that Leonid Brezhnev wanted before the quinquennial Congress of the Soviet Communist Party next February. It throws into serious risk completion of the November 1974 Vladivostok nuclear arms accord and, with it, the future of détente.

The Soviet leader evidently was unwilling to make a crash effort to settle the difficult SALT issues still outstanding with his back against the February deadline. Those issues would have had to be settled by early December to permit the drafting of a detailed treaty by mid-January, the latest possible date for a Washington visit to sign it.

But postponement of serious SALT negotiations until March or later puts President Ford in the position of exchanging concessions with Moscow while preoccupied with a series of tense primary struggles with Ronald Reagan and the Republican right.

Secretary of State Kissinger has announced an Administration decision to continue the SALT negotiations "next year" regardless of "the political circumstances," if Moscow will offer some "reasoned response" to Washington's proposals. But chances for an agreement before the Republican convention would now appear to be slim.

If the SALT II negotiations thus are delayed until 1977, the continuing arms race by then undoubtedly will have altered many of the fundamentals upon which the Ford-Brezhnev Vladivostok understandings were reached. A new basis for negotiation may have to be found by new Soviet and American Administrations. By October 1977, the SALT I interim agreement on offensive strategic arms will have expired, bringing into doubt the chief accomplishment of a decade of SALT negotiations, the treaty limiting antiballistic missile (ABM) systems.

By then, at the present rate of construction, the Soviet Union may have deployed 600 to 700 of its large new intercontinental ballistic missiles (ICBM's), carrying MIRV multiple warheads. It may then be too late to head off a Soviet "first strike" capability against the American land-based missile forces, or the matching American capability that the Ford Administration seeks to achieve. The ultimate nuclear danger of "crisis instability"—with every confrontation raising fears in Washington and Moscow that the other side may shoot first, unless preempted—may then become unavoidable.

The present SALT hangup over the new Soviet Backfire bomber and the newer American cruise missile would be infinitely more difficult to resolve in 1977, after substantial numbers are deployed. At the moment, only about 25 Backfires have been deployed and the long-range cruise missile, which has not yet been flight tested, could still be halted by a test-ban agreement. Once significant testing has occurred, verification of a cruise missile limitation agreement will be virtually impossible.

Backfire need not be a serious issue. The United States has offered to exclude it from the Vladivostok ceilings if the Soviet Union will pin down its claims about the medium bomber's non-strategic role.

The essential transaction that is needed is an American offer to delay flight-testing of the long-range cruise missile in return for a slowdown in the rate of deployment of Moscow's big new MIRVed ICBM's, thus gaining time to negotiate a SALT II agreement before a point of no return is reached. The alternative is an uncontrolled nuclear arms race in which even the limited détente the world has begun to know could hardly survive.

MIDDLE EAST PEACE AND THE PALESTINIANS

Mr. McCLURE. Mr. President, the achievement of a just and durable peace in the Middle East is unquestionably a central objective of the United States. The framework for such a peace presently exists, represented by United Nations Security Council Resolutions 242 and 338.

It is noteworthy that an official of the Department of State testified last week before a committee of the Congress in regard to one of the basic elements of this framework—the rights of the Palestinians. This testimony, presented by Deputy Assistant Secretary of State Harold H. Saunders, is an excellent description of the problems involved and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT BY HAROLD H. SAUNDERS BEFORE THE SPECIAL SUBCOMMITTEE ON INVESTIGATIONS OF THE HOUSE COMMITTEE ON INTERNATIONAL RELATIONS

Mr. Chairman: A just and durable peace in the Middle East is a central objective of the United States. Both President Ford and Secretary Kissinger have stated firmly on numerous occasions that the United States is determined to make every feasible effort to maintain the momentum of practical progress towards a peaceful settlement of the Arab-Israeli conflict.

We have also repeatedly stated that the legitimate interests of the Palestinian Arabs must be taken into account in the negotiation of an Arab-Israeli peace. In many ways, the Palestinian dimension of the Arab-Israeli conflict is the heart of that conflict. Final resolution of the problems arising from the partition of Palestine, the establishment of the State of Israel, and Arab opposition to those events will not be possible until agreement is reached defining a just and permanent status for the Arab peoples who consider themselves Palestinians.

The total number of Palestinian Arabs is estimated at a little more than three million. Of these, about 450,000 live in the area of Israel's pre-1967 borders; about one million are in the Israeli-occupied West Bank, East Jerusalem and Gaza; something less than a million, about 900,000, are in Jordan; half a million are in Syria and Lebanon; and somewhat more than 200,000 or so are elsewhere, primarily in the Gulf states. Those in Israel are Israeli nationals. The great majority of those in the West Bank, East Jerusalem and Jordan are Jordanian nationals. Palestinian refugees, who live outside of pre-1967 Israel and number 1.6 million, are eligible for food and/or services from the United Nations Relief and Works Agency (UNRWA); more than 650,000 of these live in camps.

The problem of the Palestinians was initially dealt with essentially as one involving displaced persons. The United States and other nations responded to the immediate humanitarian task of caring for a large number of refugees and trying to provide them with some hope in life. In later years there has been considerable attention given to the programs of UNRWA that help not only to sustain those people's lives but to lift the young people out of the refugee camps and to train them and give them an opportunity to lead productive lives. Many have taken advantage of this opportunity, and an unusually large number of them have completed secondary and university education. One finds Palestinians occupying leading positions throughout the Arab world as professionals and skilled workers in all fields. The U.S. has provided some $620 million in assistance—about sixty-two percent of the total international support ($1 billion) for the Palestinian refugees over the past quarter of a century.

Today, however, we recognize that, in addition to meeting the human needs and responding to legitimate personal claims of the refugees, there is another interest that must be taken into account. It is a fact that many of the three million or so people who call themselves Palestinians today increasingly regard themselves as having their own identity as a people and desire a voice in determining their political status. As with any people in this situation, there are differences among themselves, but the Palestinians collectively are a political factor which must be dealt with if there is to be a peace between Israel and its neighbors.

The statement is often made in the Arab world that there will not be peace until the "rights of the Palestinians" are fulfilled, but there is no agreed definition of what is meant and a variety of viewpoints have been expressed on what the legitimate objectives of the Palestinians are:

Some Palestinian elements hold to the objective of a binational secular state in the area of the former mandate of Palestine. Realization of this objective would mean the end of the present state of Israel, a member of the United Nations, and its submergence in some larger entity. Some would be willing to accept merely as a first step toward this goal the establishment of a Palestinian state comprising the West Bank of the Jordan River and Gaza.

Other elements of Palestinian opinion appear willing to accept an independent Palestinian state comprising the West Bank and Gaza, based on acceptance of Israel's right to exist as an independent state within roughly its pre-1967 borders.

Some Palestinians and other Arabs envisage as a possible solution a unification of the West Bank and Gaza with Jordan. A variation of this which has been suggested would be the reconstitution of the country as a federated state, with the West Bank becoming an autonomous Palestinian province.

Still others, including many Israelis, feel that with the West Bank returned to Jordan, and with the resulting existence of two communities—Palestinian and Jordanian—within Jordan, opportunities would be created thereby for the Palestinians to find self-expression.

In the case of a solution which would rejoin the West Bank to Jordan or a solution involving a West Bank/Gaza state, there would still arise the property claims of those Palestinians who before 1948 resided in areas that became the State of Israel. These claims have been acknowledged as a serious problem by the international community ever since the adoption by the United Nations of Resolution 194 on this subject in 1948, a resolution which the United Nations has repeatedly reaffirmed and which the United States has supported. A solution will be further complicated by the property claims against Arab states of the many Jews from those states who moved to Israel in its early years after achieving statehood.

In addition to property claims, some believe they should have the option of returning to their original homes under any settlement.

Other Arab leaders, while pressing the importance of Palestinian involvement in a settlement, have taken the position that the definition of Palestinian interests is something for the Palestinian people themselves to sort out, and the view has been expressed by responsible Arab leaders that realization of Palestinian rights need not be inconsistent with the existence of Israel.

No one, therefore, seems in a position today to say exactly what Palestinian objectives are. Even the Palestine Liberation Organization (PLO), which is recognized by the Arab League and the United Nations General Assembly as the representative of the Palestinian people, has been ambivalent. Officially and publicly, its objective is described as a binational secular state, but there are some indications that coexistence between separate Palestinian and Israeli states might be considered.

When there is greater precision about those objectives, there can be clearer understanding about how to relate them to negotiations. There is the aspect of the future of the West Bank and Gaza—how those areas are to be defined and how they are to be governed. There is the aspect of the relationship between Palestinians in the West Bank and Gaza to those Palestinians who are not living in those areas, in the context of a settlement.

What is needed as a first step is a diplomatic process which will help bring forth a reasonable definition of Palestinian interests—a position from which negotiations on a solution of the Palestinian aspects of the problem might begin. The issue is not whether Palestinian interests should be expressed in a final settlement, but how. There will be no peace unless an answer is found.

Another requirement is the development of a framework for negotiations—a statement of the objectives and the terms of reference. The framework for the negotiations that have taken place thus far and the agreements they have produced involving Israel, Syria, and Egypt, has been provided by United Nations Security Council Resolutions 242 and 338. In accepting that framework, all of the parties to the negotiation have accepted that the objective of the negotiations is peace between them based on mutual recognition, territorial integrity, political independence, the right to live in peace within secure and recognized borders, and the resolution of the specific issues which comprise the Arab-Israeli conflict.

The major problem that must be resolved in establishing a framework for bringing issues of concern to the Palestinians into negotiation, therefore, is to find a common basis for the negotiation that Palestinians and Israelis can both accept. This could be achieved by common acceptance of the above-mentioned Security Council resolutions, although they do not deal with the political aspect of the Palestinian problem.

A particularly difficult aspect of the problem is the question of who negotiates for the Palestinians. It has been our belief that Jordan would be a logical negotiator for the Palestinian-related issues. The Rabat Summit, however, recognized the Palestinian Liberation Organization as the "sole legitimate representative of the Palestinian people."

The PLO was formed in 1964, when 400 delegates from Palestinian communities throughout the Arab world met in Jerusalem to create an organization to represent and speak for the Palestinian people. Its leadership was originally middle class and relatively conservative, but by 1969 control had passed into the hands of the Palestinian fedayeen, or commando, movement, that had existed since the mid 1950's but had come into prominence only after the 1967 war. The organization became an umbrella organization for six separate fedayeen groups: Fatah; the Syrian-backed Saiqa; the Popular Democratic Front for the Liberation of Palestine; Popular Front for the Liberation of Palestine; the General Command—a subgroup of the PFLP; and the Iraqi-backed Arab Liberation Front. Affiliated with the PLO are a number of "popular organizations"—labor and professional unions, student groups, women's groups and so on. Fatah, the largest fedayeen group, also has a welfare apparatus to care for widows and orphans of deceased Fatah members.

However, the PLO does not accept the United Nations Security Council resolutions, does not recognize the existence of Israel, and has not stated its readiness to negotiate peace with Israel; Israel does not recognize the PLO or the idea of a separate Palestinian entity. Thus we do not at this point have the framework for a negotiation involving the PLO. We cannot envision or urge a negotiation between two parties as long as one professes to hold the objective of eliminating the other—rather than the objective of negotiating peace with it.

There is one other aspect to this problem. Elements of the PLO have used terrorism to gain attention for their cause. Some Americans as well as many Israelis and others have been killed by Palestinian terrorists. The international community cannot condone such practices, and it seems to us that there must be some assurance if Palestinians are drawn into the negotiating process that these practices will be curbed.

This is the problem which we now face. If the progress toward peace which has now begun is to continue, a solution to this question must be found. We have not devised an American solution, nor would it be appropriate for us to do so. This is the responsibility of the parties and the purpose of the negotiating process. But we have not closed our minds to any reasonable solution which can contribute to progress toward our overriding objective in the Middle East—an Arab-Israeli peace. The step-by-step approach to negotiations which we have pursued has been based partly on the understanding that issues in the Arab-Israeli conflict take time to mature. It is obvious that thinking on the Palestinian aspects of the problem must evolve on all sides. As it does, what is not possible today may become possible.

Our consultations on how to move the peace negotiations forward will recognize the need to deal with this subject. As Secretary Kissinger has said, "We are prepared to work with all the parties toward a solution of all the issues yet remaining—including the issue of the future of the Palestinians."

We will do so because the issues of concern to the Palestinians are important in themselves and because the Arab governments participating in the negotiations have made clear that progress in the overall negotiations will depend in part on progress on issues of concern to the Palestinians. We are prepared to consider any reasonable proposal from any quarter, and we will expect other parties to the negotiation to be equally open-minded.

ONE HUNDREDTH ANNIVERSARY OF THE FOUNDING OF THE RHODE ISLAND YACHT CLUB

Mr. PELL. Mr. President, the Rhode Island Yacht Club, the oldest yacht club in the State of Rhode Island, will observe the 100th anniversary of its founding on Saturday, November 22.

It was in 1875 that the Rhode Island General Assembly granted a charter establishing the Providence Yacht Club, and 2 years later the club's incorporators petitioned the general assembly to amend its charter, changing the name of the club to the Rhode Island Yacht Club.

The Rhode Island Club in its history has claimed as members some of the outstanding yachtsmen of America, including a winner of the Newport-to-Bermuda race and several national class sailing champions. The burgee of the Rhode Island Yacht Club is a familiar sight along the entire Atlantic coast.

The club, in the long and proud tradition of Rhode Island, has endured and survived even the harshest of ocean storms. Twice, in the great hurricane of 1938 and in Hurricane Carol in 1954, the yacht club facilities on Big Rock in Stillwater Cove on Narragansett Bay were destroyed. After each of these storms, the Rhode Island Yacht Club members rallied and rebuilt their club.

I congratulate the officers, directors, and members of the Rhode Island Yacht Club on their centennial. I know the club will continue to produce excellent sailors and provide sailing education and recreation for thousands of Rhode Islanders in its second 100 years.

HUMAN RIGHTS, CHILE, AND LATIN AMERICA

Mr. KENNEDY. Mr. President, I want to call the attention of the Senate to the vote by the United States in the United Nations General Assembly a week ago in support of a resolution condemning the human rights violations of the Government of Chile.

What is important about this action is not only its indication of a growing policy toward Chile by the administration cognizant of human rights violations in that country, but also its indication of a greater value being placed on human rights as a factor in foreign policy decisionmaking.

I believe that the work of the Assistant Secretary of State for Inter-American Affairs, William Rogers, has been crucial in this effort. His recognition of the importance of our human rights stand with regard to Chile and other Latin American countries is a refreshing attitude from the State Department.

In that regard, I ask unanimous consent that a speech by the Assistant Secretary on this subject be printed in the RECORD at the conclusion of my remarks.

In that speech, he argued that "a concern with human values is an essential element in our contemporary foreign policy," a view I have long shared.

I ask unanimous consent that Mr. Rogers' speech to the Pan American Society of Boston recently be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY. The U.S. vote in the United Nations, reversing our past practice of abstention on this matter, indicates that we are adding our voice to that of the world community, which has protested for 2 years against the torture and repression within Chile.

The resolution clearly states an international consensus on conditions in Chile, conditions which include "the constant, flagrant violations of human rights, including the institutionalized practice of torture, cruel, inhuman or degrading treatment or punishment, arbitrary arrest, detention and exile, to which the progress report brings additional evidence, which have taken place and, according to existing evidence, continue to take place in Chile."

I would hope that this vote will signal a new determination to fully express our abhorrence at the violation of human rights in Chile. For that reason, I introduced amendments which were adopted a year ago to halt military aid to Chile.

A few weeks ago, the Senate adopted my amendment to limit economic assistance to that country and, hopefully, the amendment I introduced to the military aid bill to halt all arms transfers to Chile also will be adopted.

That action would place our assistance policy in line with our vote in the United Nations. Even the administration has begun to indicate support for such action by declining to request a specific military aid package for Chile for the current fiscal year.

I ask unanimous consent that the statement of Leonard Garment, our delegate at the United Nations, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD the resolution to which I have referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

EXHIBIT 1

HUMAN RIGHTS AND FOREIGN POLICY IN LATIN AMERICA

(Address by the Honorable William D. Rogers)

It will come as no surprise to many of you that the issue of human rights has become, in very recent times, a major interest and a vexing dilemma for our relations with the other nations of this Hemisphere. Of course, there is a wide range to our Latin American policy—Cuba, Panama, interdependency politics, nationalization problems and so forth. But when I came to reflect, I found I could not resist the temptation to concentrate on the human rights issue, here in Boston, now on the eve of our own independence celebrations.

The issue is high on the agenda of public concern. The evidence of public interest about human rights practices in the Hemisphere is close at hand. I cite a few examples:—your own senior Senator's amendment to last year's Foreign Assistance Act banning military assistance to Chile; the considerable editorial and news attention to the report on Chile by the UN Human Rights Working Group; and the House-passed amendment to this year's foreign assistance legislation which would hinge our bilateral economic aid throughout the world to human rights policies in the recipient countries.

These efforts are not academic or frivolous. The rights of man are real issues in today's world. Individual guarantees are not everywhere insured. Our Hemisphere is hardly a refuge of democracy. Freedom of expression is not everywhere seen as contributing to public order; politically related arrest, torture and summary execution do exist in the Americas. We can hardly ignore the irony that this should be so in a Hemisphere which treasures a common origin in struggle against foreign tyranny.

At the beginning of the last decade, when I came to government for the first time, the coincidence, indeed the interrelationship, in Latin America of political oppression and economic underdevelopment seemed self-evident and was our abiding concern. We assumed that these twin conditions, if unassuaged, would lead in many states to radical revolution. We also assumed that our efforts toward economic progress would be bootless without political liberalization.

The point remains that fifteen years ago, in the early Sixties, the subjective reality in Washington was a fear for the future of an unreformed Latin America. It was from this fear that the Alliance for Progress sprung.

We hoped then to hold violent revolution at bay temporarily while reform eroded the revolutionary constituency. We thought that in the longer run force could succeed only in league with justice. It now appears that we exaggerated both the importance of reform for stability, and our ability to induce reform and democracy.

The economies of the Hemisphere have made considerable progress since 1960. The struggle toward democracy, however, if one can sum the experience of the Hemisphere, has not been as successful.

This is not to say, of course, that Latin America now, almost fifteen years after the Alliance began, is unrelievedly authoritarian. There are a fair number of countries which are authentic struggling democracies, where speech remains free, where political dissent is welcome and where the use of arbitrary arrest and police brutality as political instruments are unknown. Costa Rica, Colombia, Venezuela, Trinidad and Tobago deserve our special respect in just this sense, to name several.

Otherwise, the nations of the Hemisphere span a fairly wide spectrum of human rights practices, political participation, pluralism and conditions of societal openness.

But all are friends, and important to our interests. While often critical of the behavior of multinational corporations, they provide a large and growing market for our capital and our goods. As a group within the Third World Bloc, they are a force for moderation and compromise. In other words, by the standards of diplomacy, we want good relations. We have interests everywhere, in some countries more acutely than in others, which we are bound to protect and cultivate. And it is precisely this fact, juxtaposed against their internal behavior, which can sometimes and in some countries create dilemmas of conscience and policy for the United States.

Some foreign policy analysts take a traditional view. They suggest that the United States should be unconcerned about the way another regime treats its own citizens. Only where the human rights of U.S. citizens are threatened, the argument goes, is there a basis for our engagement. Otherwise we should measure the virtues of other governments by the degrees to which they promote our other political, economic and military interests.

In my judgment, this prescription for the conduct of U.S. diplomacy lacks only prudence, humanity and realism. It is inhumane because, as Secretary Kissinger has noted, "Many of our decisions are not imposed on us by (the requirements of national) survival". There are cases where we clearly have the latitude to "seize the moral opportunity", as he has put it. Moreover, although "our power will not always bring preferred solutions . . . we are still strong enough to influence events, often decisively". A nation that fails to exercise such influence where it can do so without paying an excessive price in terms of its other interests betrays humanity and itself.

And that is why, as applied to the United States, the prescription of disinterest is imprudent and unrealistic, as well as inhumane. For it demands that we reject our heritage and therefore our identity. The American people have, from the beginning of the nation's history, embraced a sense of mission. There have been times when that sense has been twisted into a parochial arrogance and deployed to justify the exercise of national power for either crassly selfish or dazzlingly paternalistic ends. We have not been immune to the imperial virus. But after each deviation from the conception of the U.S. as vanguard in an unrelenting struggle to enlarge the frontiers of human freedom and justice, we have purged ourselves with self-criticism and reaffirmed the original vision. In this country, the cynics and the Realpoliticians have not enjoyed permanent employment.

One reason we have regularly rejected their counsel is the often intuitive appreciation that a remarkably diverse people such as we are have a peculiar need for overarching ideals. Those ideals, by accommodating our ethnic, racial, and religious diversity, have cemented our unity, given focus to our priorities, and thus made us a powerful force for decency in the world. Our bedrock principles—representative government, the individual right to liberty of conscience and to equal opportunity for participation in the good things of organized society, including wealth, power, education and respect—not only bind us together into a single people but, in addition, link the American people with their Government. In this country, no Government can conduct foreign policy if it is lacking broad public support. There will be no broad public support for a policy which is indifferent to the claims of humanity beyond our frontiers.

We have come to realize, in short, that the human rights practices of other nations are not matters of their internal concern exclusively. Human rights are relevant to the conduct of our relationships with the other nations of the Hemisphere.

But, while I perceive a broad and growing consensus within the American electorate that the Government address the issue of human rights in the Americas, the precise weight human rights should receive in the conduct of our diplomacy is an issue not without dilemmas.

A prime source of difficulty is the older notion that there is a sharp distinction between human rights, on the one hand, and our traditional political, strategic, and economic interests on the other; that they are generally unrelated; and indeed that they are often opposed. The point, to some, is that by concerning ourselves with human rights practices we may do damage to our other relations with a particular country. The dichotomy is far too facile.

Oppressive regimes often seem more permanent than they are. Opposition sentiment, being forced underground, is concealed. Forces for change and moderation may be biding their time. Complaints which in a representative system would work their way up to decision centers for resolution, fester. To most observers, the authoritarian Government of Portugal looked solid enough until the very eve of its utter collapse. So did the corrupt and brutal order imposed on Greece by Papadopulis and company.

There is not, therefore, a simple dichotomy between moral and other values in the conduct of our relations with particular nations. There is, as well, the question of the degree to which our interest in the long term should be subordinated to what may be a short-term consideration.

Another defect in the conception of human rights as a value distinct from other diplomatic concerns is its failure to take account of the universality of American interests and of the increasingly transnational character of politics. A number of political movements have branches throughout Europe and in many Latin American states. If we are to lead a coalition of democratic people, we must act consistently and coherently across the board to support the values we mutually profess.

I do not, of course, propose that human rights and all other interests of state are always complementary. Such a claim would simply replace the illusion of a perpetual dichotomy with another of universal harmony. In the real world, there are tough choices to be faced.

There are, in the first place, national interests at stake which can compete with our concern with human rights. And even if one focuses solely on the human values and attempts to operate on the theoretical assumption that the concern of our diplomacy is the enhancement of those values, the choices are wide. A too narrow conception of human rights will not serve.

There is a tendency to focus exclusively on a present delinquency, and ignore the human rights consequences of efforts to terminate the delinquency or, at a minimum, to dissociate ourselves from the delinquent.

Detente is a clear case in point. We do not conceal our concern for the abuse of human rights in the Soviet Union, or for that matter, in Cuba. We do not pretend to a coincidence of values with either nation.

Yet we probe for areas of accommodation with both. In the case of the Soviet Union, we do so in order to reduce the risk of war and, if possible, the terrible costs of armament which consumes so large a portion of our economic means, means which might otherwise be employed to place a higher floor under poverty both at home and abroad. These are just as much moral and human ends as the efforts to protect Soviet dissidents.

Here, then, is another reason why when we attempt the translation of humanitarian concern into concrete policy, it is necessary to avoid too simple a distinction between human rights and the traditional ends of diplomacy. In specific cases, the apparent dichotomy may in fact, be convertible either into a conflict over alternative conceptions of and means for promoting human rights or, as I noted earlier, into a debate over short-run versus long-run strategic interests.

How then to structure the human rights inquiry in a way which will recognize these complexities? What, in other words, are the standards against which national behavior in the human rights field is to be judged? And how is the process of judgment to occur?

There is a yardstick of public inhumanity. Every country is represented somewhere on it. No national record is unblemished.

But there are differences of degree, even after one makes a proper allowance for varying historical experiences and levels of economic, social and political evolution.

And there are, in the end, qualitative thresholds. These are the limits below which no government can fall without international judgment. Mass murder, officially tolerated torture, mass imprisonment or exile of those who peacefully dissent, comprehensive denial to some racial, religious or ethnic group of the opportunity to participate in the various social values, these acts are beyond the pale. They transgress the minimal standards of decency declared by mankind at large in the Universal Declaration of Human Rights, and the American Declaration of the Rights and Duties of Man, as well as a plethora of UN Resolutions, regional covenants and virtually all national constitutions. These international governing norms are so unequivocal and so profoundly embedded in the contemporary conscience that even those governments that perpetrate these acts feel compelled to deny them and conceal their delinquencies.

We have, I think, a clearer view of the purpose and role of America in the world today than we have had in times past. We now know better that our own national standard is not necessarily the moral standard of the world; or at least we cannot force it to be. We know that our political habits, our untidy process of public policy decision-making, our openness, and our tolerance are not for many others, at least not yet. And we know, therefore, that if we are to help enhance respect for human rights, the standards of judgment must be standards which derive their authority, not from our experience and tradition, but from international consensus. We are not the moral preceptors of the world, and we should not pretend to that role.

This is the significance of the Universal Declaration and of the American Declaration of the Rights and Duties of Man, which as Thomas Burgenthaler has said in his recent article in the *American Journal International Law,* has now a greatly strengthened normative character as a result of the most recent amendments of the Charter of the Organization of American States. These, and a constellation of international organization resolutions along similar lines, set down collective standards against which the behavior of signatory nations may properly be judged. Their authority is international and universal, not national and paternalistic.

By the same token, the process of measuring the observance of these international principles must also, in the first instance, be international. This is the reason why it is essential that we lend our assistance to strengthening the authority and the self-confidence of the international instruments of human rights observance—the UN Human Rights Commission and, in our Hemisphere, the Inter-American Human Rights Commission.

The experience with both organizations is limited. Both are in their infancy. Neither enjoys the wholehearted support of its constituency. There are dangers for both. The member states may cripple them out of fear that they will prove dangerous. They may attempt to manipulate their agenda in a hypocritical fashion to avoid equal treatment and force the commissions to concentrate on a few unpopular targets. Or they may attempt to dilute the efforts of the two by packing them with ineffective or timid people.

The United States has a major role to play. If, as I have suggested, a concern with human values is an essential element in our contemporary foreign policy, and if the establishment of human rights standards should in the first instance be those set down by international compact and measured by international machinery, then it is our obligation to insure that that international machinery rapidly achieves a measure of competence, respect and permanence which will insure that its efforts are taken seriously and its writ runs wide. To this end, we must insure that the Commissions are blessed with effective and courageous members, that they are adequately staffed, that their budgets allow for the full range of essential activities and that finally their efforts are encouraged and supported in the member states.

The question whether international machinery can bear effectively on human rights issues is particularly acute in this Hemisphere. The nations of the Americas share many things. But the most significant common bond is not geography or history but morality. Here, if anywhere, the nations of this part of the world are bound by a common dedication to the rights of man.

So, in a sense, the capacity of the inter-American system to serve, protect and enhance those rights is very much at stake just now. That system has traditionally concentrated on relations between nations. The record of the Organization of American States on issues of peace and political security is well-known; now, it is increasingly seized with vexing questions of our economic relationships—and, I might add, has been not very much more immune than its sister organization in New York to the rhetorical temptations of that issue.

The human rights issue, however, is of a new sort for the OAS. It represents a challenge to the inter-American system unlike the challenges of the past. For it tests whether the nations of the Hemisphere share enough common moral ground to cooperate, not merely in addressing relations between states, but as well in the application of international standards of how nations should treat their own citizens.

It is early yet to say whether the inter-American system can discharge this important task. The Inter-American Human Rights Commission, as I have said, is in its infancy.

But its efforts are of a piece with the humane tradition which has inspired the political development of the nations of the New World for two centuries. If there is any task more appropriate for the Organization of American States, I am unaware of it.

Its success—the extent to which the Commission can indeed nurture, protect and enhance respect for human rights in the Hemisphere—could come to be considered the most significant accomplishment of the inter-American system in the years to come.

The United States pledges its full support to that effort.

Exhibit 2

Statement by Leonard Garment, U.S. Representative, in Committee Three, on Resolution Dealing With Human Rights in Chile, November 11, 1975

Mr. Chairman, the United States will vote for the resolution before us. The vote of the

United States delegation in favor of the draft resolution dealing with the protection of human rights in Chile is a vote for human rights, a vote in support of the purpose assigned to this Organization under the Charter "to achieve international cooperation in promoting and encouraging respect for human rights and for fundamental freedoms for all. . . ." Our vote reflects deep concern over reports which continue to come to this Organization from many credible sources about violations of basic human rights taking place in Chile. My Government is of the opinion that these reports deserve to be addressed by appropriate UN action.

It was because of our desire to find the best means for bringing the influence of world opinion to bear in a positive way on that situation that my Government gave its strong support to the establishment of an *Ad Hoc* Working Group by the UN Commission on Human Rights. The promise of that government to welcome the visit of the *Ad Hoc* Working Group to Chile was, we thought, a hopeful sign that more rapid progress in bringing about an improvement of the situation there would occur. Consequently, my Government was deeply disappointed that the visit of the Working Group to Chile did not take place. The position we take today has been greatly influenced by that development.

I should point out that, unlike drafts on the situation in Chile which have been informally circulated and to which my delegation has objected because of their objectionable intervention in the internal affairs of that Government, the draft resolution before us draws attention to specific provisions of international instruments to which Chile as well as other Members of the United Nations are parties. These international instruments are among the most important achievements of this Organization during its existence. We regard this resolution as a positive attempt to give meaning to these human rights instruments through its call on the Chilean authorities to give full respect to them.

Mr. Chairman, having noted the reasons why my Government has voted for this resolution, I wish to record some of the doubts we have had about the resolution. First of all, we have been hesitant about the approach embodied in the resolution which focuses specifically upon certain conditions which are stated to exist in that country. I reiterate our concern that resolutions of this nature must not go too far in their prescription of specific measures of correction. We raise this point to draw attention to the importance of avoiding actions which can be seen as attempting to involve the Organization too directly in matters of domestic concern as against resolutions which correctly apply agreed human rights principles. We also note that this Assembly by this resolution singles out for particular attention the human rights situation in one country. This leaves the impression that the United Nations is willing to overlook situations involving gross violations of human rights in other countries, some of which are among the loudest and most belligerent critics of Chile. We object to this approach because it is not evenhanded. To put it bluntly, for some it is an act of blatant hypocrisy. In our view the United Nations should address problems of this nature in a more general fashion which will emphasize the need to protect human rights on a worldwide basis rather than adopt a selective and necessarily one-sided approach. However, while we reject and abhor the flagrant application of a double standard in the field of human rights, we cannot say that the United Nations should remain silent in the case of Chile.

My delegation reached its decision to vote for this resolution after a careful weighing of the resolution's positive and negative aspects. We cast our vote in the manner we hope will have the best influence in promoting the cause of human rights. We are hopeful that the Government of Chile will take heed of the strong concern in the world which the vote on this resolution reflects. We hope that its adoption will strengthen respect for human rights in Chile, a respect which has characterized the long and proud tradition of the Chilean people. We trust it will strengthen the cause of human rights everywhere.

Exhibit 3

Resolution to Protect Human Rights in Chile

The General Assembly,

Conscious of its responsibility under the Charter of the United Nations to promote and encourage respect for human rights and fundamental freedoms for all,

Recalling that, in accordance with the Universal Declaration of Human Rights, everyone has the right to life, liberty and security of person and the right not to be subjected to arbitrary arrest, detention or exile or to torture or cruel, inhuman or degrading treatment or punishment,

Recalling that in its resolution 3219 (XXIX) of 6 November 1974, the General Assembly expressed its deepest concern about reported constant and flagrant violations of basic human rights and fundamental freedoms in Chile, and urged the authorities in that country to take all necessary steps to restore and safeguard them,

Taking note that the eighteenth session of the General Assembly of UNESCO, the sixtieth session of the General Conference of the ILO, the World Conference of the International Women's Year and the twenty-eighth session of the Sub-Commission on Prevention of Discrimination and Protection of Minorities called for the cessation of violations of human rights and fundamental freedoms in Chile,

Noting that in its resolution 8 (XXXI) of 27 February 1975, the Commission on Human Rights, after expressing its serious concern about the continuing reports of violations of human rights in Chile, decided to establish an *ad hoc* working group to inquire into the present situation of human rights in said country on the basis of all available evidence including a visit to Chile, and appealed to the authorities of Chile to extend its full co-operation to the group,

Having considered the report of the Secretary-General under resolution 3219 (XXIX) and in particular the progress report submitted by the *Ad Hoc* Working Group established by the Commission on Human Rights,

Convinced that the progress report contains evidence on which to conclude that flagrant and constant violations of basic human rights and fundamental freedoms have taken place and continue to take place in Chile,

Expressing its appreciation to the Chairman and members of the *Ad Hoc* Working Group for their report which has been prepared in a commendable manner, notwithstanding the refusal of the Chilean authorities to permit the Group to visit the country,

Reaffirming its condemnation of all forms of torture and cruel, inhuman or degrading treatment or punishment,

1. Expresses its profound distress at the constant, flagrant violations of human rights, including the institutionalized practice of torture, cruel, inhuman or degrading treatment or punishment, arbitrary arrest, detention and exile, to which the progress report brings additional evidence, which have taken place and, according to existing evidence, continue to take place in Chile;

2. Calls on the Chilean authorities to take, without delay, all necessary measures to restore and safeguard basic human rights and fundamental freedoms, and fully to respect the provisions of the international instruments to which Chile is a party and to this end to ensure that:

(a) The state of siege or emergency is not used for the purpose of violating human rights and fundamental freedoms, contrary to article 4 of the International Covenant on Civil and Political Rights;

(b) Adequate measures are taken to end the institutionalized practice of torture and other forms of cruel, inhuman or degrading treatment or punishment in full respect of article 7 of the International Covenant on Civil and Political Rights;

(c) The rights of all persons to liberty and security of person, in particular those who have been detained without charge or in prison solely for political reasons, as provided for in article 9 of the International Covenant on Civil and Political Rights are fully guaranteed and steps are taken to clarify the status of those individuals who are not accounted for;

(d) No one shall be held guilty of any criminal offence on account of any act or omission which did not constitute a criminal offence under national or international law at the time when it was committed, contrary to article 15 of the International Covenant on Civil and Political Rights;

(e) No one, in accordance with article 15 (2) of the Universal Declaration of Human Rights shall be arbitrarily deprived of Chilean nationality;

(f) The right to freedom of association, including the right to form and join trade unions shall be respected in accordance with article 22 of the International Covenant on Civil and Political Rights.

(g) The right to intellectual freedoms as provided for in article 19 of the International Covenant on Civil and Political Rights shall be guaranteed;

3. Deplores the refusal of the Chilean authorities to allow the *Ad Hoc* Working Group of the Commission on Human Rights to visit the country, notwithstanding previous solemn assurances given by them in this regard and urges them to honour these assurances;

4. Invites the Commission on Human Rights to extend the mandate of the *Ad Hoc* Working Group as presently constituted, established under resolution 8 (XXXI), to enable it to report to the General Assembly at its thirty-first session and to the Commission on Human Rights at its thirty-third session on the situation on human rights in Chile and in particular any developments which occur to re-establish respect for human rights and fundamental freedoms;

5. Requests the President of the thirtieth session of the General Assembly and the Secretary-General of the United Nations to assist in any way they may deem appropriate in the re-establishment of basic human rights and fundamental freedoms in Chile.

TRIBUTE TO DR. DETLEV BRONK

Mr. KENNEDY. Mr. President, I want to express my great sadness on the death earlier this week of Dr. Detlev Bronk, one of this Nation's most distinguished scientists and educators. That sorrow, I know, is shared by his many friends in this country and abroad, and by each of us in Washington who were privileged to have known him and to have benefited from his advice and counsel.

Dr. Bronk's life was full and productive. He served as a charter member of the National Science Board of the National Science Foundation. He headed the National Academy of Sciences for 12 years. He served as president of the American Association for the Advancement of Science.

As an adviser to Presidents Truman,

Eisenhower, and Kennedy he brought to those administrations the strong emphasis on the importance of science which led to an unprecedented growth in the Federal commitment to science and to the awareness of the importance of science and technology in decisions facing those who serve at the highest levels of government.

As a scientist Dr. Bronk made landmark contributions to research in biophysics; as an educator he influenced thousands of students; as an administrator and as a university president he was a champion of academic freedom.

I extend my deep sympathy to Dr. Bronk's wife, Helen, and to their three sons. I share their sorrow and join them in remembering the enthusiasm and dedication which characterized every aspect of Det Bronk's life.

Mr. President, I ask unanimous consent that an article about him from the New York Times be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times]

Dr. Detlev Bronk of Rockefeller University Dies

(By Bayard Webster)

Dr. Detlev Wulf Bronk, president emeritus of Rockefeller University and the former president of Johns Hopkins University, the National Academy of Sciences and the American Association for the Advancement of Science, died yesterday at New York Hospital. He was 78 years old.

Dr. Bronk, who held many scientific titles and honors, entered the hospital on Friday after having suffered what was preliminarily diagnosed as a mild stroke.

Dr. Bronk was a scientist who became an innovator in his chosen discipline of biophysics and combined this interest with his later careers as college president and international scientific leader.

He is generally credited with having formulated the modern theory of the science of biophysics—the application of physics to the life systems of plants and animals.

RESHAPED THE INSTITUTE

As a college president he is considered responsible for the shaping of the former Rockefeller Institute, primarily a medical facility, into its current status as an unusual and internationally known graduate university that awards a handful of Ph.D. degrees in the sciences each year to a select list of students.

And while president of Johns Hopkins from 1949 to 1953, he drafted what has come to be known as the Hopkins Plan, a program designed to erase long-standing barriers between undergraduate and graduate study in order to enable students to progress at their own pace.

He was responsible for guiding both the National Academy of Sciences, a scientific advisory board to the Federal Government, and the American Association for the Advancement of Science, the country's largest independent group of scientists, at different times in the post-World War II years when science was of prime interest to the national administrations.

SWARTHMORE AND MICHIGAN

After undergraduate studies at Swarthmore College—interrupted by service as an aviator with the Naval Reserve from 1918 to 1919—he went on to spend five years at the University of Michigan. While there he taught physics and physiology and completed his master's and doctoral requirements.

In 1928 Dr. Bronk was a full professor of physiology and biophysics and also dean of men at Swarthmore. A year later he began an association with the University of Pennsylvania that lasted until his appointment in 1949 as president of Johns Hopkins.

At Pennsylvania Dr. Bronk was named head of the Institute of Neurology and made significant contributions to biological research.

Endeavoring to show dramatically how the nervous system sends messages to the brain, the young biophysicist occasionally used undignified methods. Dr. Bronk would punctuate the monotony of medical conventions by suddenly playing, without warning, recordings of noises made by the nervous system. When amplified sufficiently, the nervous system makes a put-put-put sound that could be taken for machine-gun fire.

ILLUSTRATION OF FACTS

As he told friends, he felt it was not a pointless prank but served to illustrate facts of interest and importance about the nerve network.

Dr. Bronk was a firm believer in academic freedom, and while president of Johns Hopkins in 1950 he resisted an effort by Senator Joseph R. McCarthy to have Johns Hopkins dismiss Owen Lattimore, a former State Department adviser on Far Eastern affairs.

He was not against investigations, he said at the time, and "if national security is involved, I feel anyone, even my own father and mother, should be investigated," he added. But he was against trial by innuendo and guilt by association, and Mr. Lattimore remained on the faculty at Johns Hopkins.

In 1953, Dr. Bronk was named the first president of the Rockefeller Institute, York Avenue and 66th Street. He presided over the gradual changeover from a medical research institute to a flourishing scientific graduate school. The institution became officially known as The Rockefeller University in 1965.

While serving as one of President Dwight D. Eisenhower's science advisers in 1957 after the Soviet Union's launching of Sputnik I, man's first space satellite, he detected what he called complacency in the face of the Soviet challenge.

He warned that the country's heritage of freedom could not be preserved unless the creative spirit was encouraged and defended. "Shorter work weeks and longer coffee breaks" were not the answer, he said.

Though an educator, Dr. Bronk never became an academician. One of the conditions of his acceptance of the Johns Hopkins post was that he be permitted to carry on active research.

He was physically active, as well. An eager sailor, he was frequently found on coastal waters in a sailboat. He was also an equally avid skier.

In addition to being head of the National Academy of Sciences from 1950 to 1962, Dr. Bronk was president of the American Association for the Advancement of Science in 1952. He was also an adviser to Presidents Truman, Eisenhower and Kennedy.

He was a member of scientific societies in a dozen countries and was a trustee of six universities. He held some 60 honorary degrees from educational institutions in this country and received such honors as the Order of the British Empire, the Gold Medal of the International Benjamin Franklin Society, the Presidential Medal of Freedom and others.

IN SCIENTIFIC PUBLICATIONS

In 1968, Dr. Bronk turned over the reins of Rockefeller University to Dr. Frederick Seitz, a physicist who in 1962 had succeeded Dr. Bronk as president of the National Academy.

Since that time he has devoted himself to writing articles for scientific publications. One of his most recent, on a history of the National Science Foundation, was published this year in Science.

Dr. Bronk, who was born and lived most of his life in Manhattan, was a direct descendant of Jonas Bronck, for whom the Bronx was named.

He is survived by his wife, the former Helen Alexander Ramsey; three sons, Dr. John Everton Ramsey, a professor of biochemistry in Britain; Adrian Mitchell, an English teacher at Loomis Academy, Windsor, Conn., and Mitchell Herbert, head of the science department of Milton Academy in Massachusetts, and four grandchildren.

NEW BANKRUPTCY LEGISLATION—S. 2597

Mr. HRUSKA. Mr. President, late last week there came to Washington the news that New York State and New York City were considering and partially achieving a plan for the financing difficulties of the day. This was in the direction of a long-term solution in accordance with the State constitution, together with provisions for current needs.

The reaches and scope of this process are set out in the news accounts as contained in the text of a November 16, New York Times article by Steven R. Weisman, which reads in part, as follows:

Carey aides said today that, at the meeting yesterday in Washington, they brought to Federal officials letters of commitment from the different parties showing how the city intended to deal with its borrowing problems in the years to come.

Among these elements were the following:

Letters from the municipal labor leaders that they would agree to use their $8 billion pension system—which already holds more than $1 billion in city and Municipal Assistance Corporation securities—to buy $2.5 billion more in city securities, about $500 million before next June 30. The letters also were reported to have contained the labor leaders' agreement to increase the employes' annual contributions to the pension funds by about $85 million, a sum to be taken out of their current take-home pay or fringe benefits.

Letters from the city's banks, as well as the pension funds and financial institutions, agreeing to "roll over," or refinance, $1 billion in maturing city securities in the next few years, at reduced rates. This had been negotiated with the banks during the week.

Details on the moratorium proposal—eventually approved by the Legislature last night—to suspend payment of principal on $1.6 billion worth of maturing city short-term notes for three years, with a reduced interest rate paid annually, and with the option enabling noteholders to exchange them for long-term M.A.C. bonds.

But now, Carol Parry, assistant Human Resources administrator for Special Services for Children, says the Department of Real Estate is uncertain about any long-term project, despite Budget Bureau approval for the project and staff—financed 50 percent by any long-term bonds over the period of the moratorium.

Perhaps most painful of all, a proposal to increase city revenues by $200 million a year—which would mean $100 million for the remainder of this year—from increased taxes. Although Mr. Carey said he had not settled on what sort of tax would be imposed, the most common one mentioned here is a 1-cent increase in the sales tax. Mayor Beame however, has said he will ask the Legislature to consider increasing the income tax or the commuter tax instead.

The state officials who met with White House aides and Dr. Burns said that the Washington officials approved of all these elements and were "leaning toward" the idea of putting up their share of it, that is, the granting of at least $1.5 billion in loan guarantees for this fiscal year, and $2.3 billion more in guarantees for the next.

Mr. HRUSKA. Mr. President, this shows the general nature and scope of Governor Carey's proposal. Many of the details are yet to be worked out by the New York State Legislature.

Mr. President, I take heart at the progress made by the New York State and city officials. President Ford's comments on this progress are set out in a statement which he made and released from the White House today in the following text, to wit:

STATEMENT BY THE PRESIDENT

I am gratified that the leaders of New York appear to have accepted primary responsibility for solving the financial problems of the City and are proceeding in the direction of a long-term solution in accordance with the State Constitution and laws. I am impressed with the seriousness of their intentions as described by Governor Carey in his letter to Secretary Simon and await further concrete actions by the State and other parties concerned.

The bail-out bill now before the House of Representatives is irrelevant because it does not address the current situation and I would veto it.

I am convinced that if New York continues to move toward fiscal responsibility, all parties concerned can look forward to a satisfactory resolution despite the current obstacles.

If they continue to make progress, I will review the situation early next week to see if any legislation is appropriate at the Federal level.

In the meantime, should New York leaders fail to implement their intentions, New York City could still be forced into legal default. Therefore, I am asking the Congress once again to enact special amendments to the Federal bankruptcy laws which would ensure that such a default, if it occurs, would be orderly.

Mr. HRUSKA. Mr. President, the people of New York City should take comfort that the President stands behind their efforts to solve their fiscal problems and determine their own destiny.

In his remarks on this same subject before the National Press Club on October 29, 1975, he said:

While New York City works out a compromise with its creditors the essential governmental functions of the city would continue.

In the event of default, the Federal Government will work with the court to assure that police, fire and other essential services for the protection of life and property in New York are maintained.

This does not mean that the President wishes that the need for commitment of Federal resources should be required, but rather only that the good people of New York City should not suffer unduly if that event should occur.

Already a great deal has been achieved. But much more remains to be done. At this juncture, the headlines of this afternoon's Washington Star are most assuredly appropriate. They read: "Ford Rules Out Aid for New York Until State Acts."

Let us hope that the events of the next few days will be favorable toward this goal.

In the meantime, the Congress has been highly mindful of this distressing situation and of its desire to be helpful.

Under the able leadership of the Senator from North Dakota, chairman of the Subcommittee on Judicial Improvements, and with the encouragement of the Senator from Mississippi (Mr. EASTLAND), chairman of the Judiciary Committee, there has been reported to the calendar a bill to provide a new bankruptcy chapter as suggested by President Ford. The House has been active along these same lines. Similar legislation is now pending on its calendar. The House is to be commended for this.

This new bankruptcy bill is not intended to replace the plan now being worked out by Governor Carey, but merely as a backup remedy if all other solutions should fail.

It should be borne in mind that such bills relating to bankruptcy which propose to amend the present bankruptcy laws do not force their use upon any municipality. Instead, they provide another voluntary option, if all other proposals to solve its fiscal problems should meet an unhappy and unfortunate end.

In the event of such an occurrence, it would be for the authorization of the State of New York and the choice of New York City to take advantage of that statute to achieve an orderly arrangement where fiscal affairs could be placed in proper and fair sequence.

The earnest hope of everyone concerned is that such last resort would not be necessary. Yet, caution and prudence indicate that it would be most provident to afford such a retreat if it should become necessary.

It is my hope that the leadership of the Senate will schedule early action on S. 2597, which is the subject measure.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

MILITARY CONSTRUCTION APPROPRIATIONS, 1976—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore (Mr. METCALF). Under the previous order, the Senate will now proceed to the consideration of the report of the committee of conference on H.R. 10029, which the clerk will state by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10029) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, having met, after full and free conference, have agreed to recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of November 12, 1975, at p. 36128.)

Mr. MANSFIELD. Mr. President, the conference committee for military construction has brought back a bill from the joint conference amounting to $3,585,014,000 plus new obligational authority in the amount of $359,100,000 for the transition period, that is, the period between June 30, 1976, and October 1, 1976, to finance the interim period of the fiscal year 1977 military construction program. As Senators are aware, the new budget cycle for fiscal year 1977 starts on October 1, 1976. The amount as presented in this bill today is $66,291,000 over the estimate as approved by the House and $75,281,000 below the estimate as approved by the Senate.

This bill is $524,006,000 below the budget estimate presented to Congress in January 1975 amounting to $4,109,200,000. This is a reduction in the actual construction projects, exclusive of family housing, of approximately 19 percent which, I believe, is the largest reduction that has been made in any appropriation bill coming before this body in 1975. The conferees agreed on the following amounts for the military services and the Department of Defense:

Army, $790,025,000.
Navy, $770,018,000.
Air Force, $550,644,000.
Department of Defense, $19,300,000.

The following amounts were not in conference but are a part of this bill:

Army National Guard, $62,700,000.
Air National Guard, $63,000,000.
Army Reserve, $50,300,000.
Naval Reserve, $36,400,000.
Air Force Reserve, $18,000,000.
Family Housing, $1,332,244,000.

Mr. President, it is the consensus of the conferees that we have brought back to the Senate floor a bill that is equitable and fair. Of course, we would like to have sustained completely the Senate position. However, in a bill this large, compromises have to be made and the conferees feel we have made the best compromise possible.

The conferees were not able to sustain the Senate position of appropriating $20 million for the cleanup of Enewetak Atoll. However, language is contained in the conference report which directs an in-depth study for the year that will enable the Congress to have better information available upon which to make a decision. This is a rather complicated situation technologically and the Military Construction Subcommittee of the Senate will be studying this problem in great depth during the next year. In reading the conference report, Senators will find out there is no disagreement between the House and the Senate that the U.S. Government has both a moral obligation and a legal obligation to the people of Enewetak Atoll. It was the hope of the conferees that when sufficient data is available that a sound and just decision can be made.

The Senate position in regard to construction on the island of Diego Garcia was partially maintained in that the

Culver amendment to the construction bill was modified to read "April 15, 1976" instead of "July 1, 1976." In the conference report, strong language was inserted by the conferees asking the administration to take necessary steps toward negotiating with the Russians concerning the maintaining of the Indian Ocean as an "ocean of peace." The administration was further directed to report back to the committees of Congress, namely, the Armed Services Committees of both Houses, the Appropriations Committee of both Houses, the Foreign Relations Committee of the Senate, and the International Relations Committee of the House.

The conference committee deleted the Proxmire amendment to the construction bill relating to placing a 90-day restraint on the obligation of funds for the Uniformed Services University of the Health Sciences. Information available indicates that construction contracts for the medical school can be advertised soon after the first of the year and it was determined by the conferees that any delay would only escalate the construction costs.

I compliment my fellow conferees, and especially the distinguished Senator from Alaska (Mr. STEVENS), the ranking minority member, on their help in working out the differences in this bill. It is my judgment that this bill provides for all of the necessary operating facilities needed by the military services and I wish to state categorically that there are no moneys in this bill for plush accommodations.

I do not intend to make a long and involved statement on the actions taken by the committee of conference for we did settle some 60 different items in the bill. The conference report explains in a most succinct manner the actions of the committee of conference.

Mr. President, this completes my brief statement. I will be glad to answer any questions from Senators regarding construction projects in their States.

I ask unanimous consent that at the conclusion of my remarks a tabulation comprising a summary of the conference action on the military construction bill for fiscal year 1976 be included in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1976

						Conference action compared with—			
Item	New budget (obligational) authority, fiscal year 1975 (enacted to date)	Budget estimates of new (obligational) authority, fiscal year 1976/Transition	New budget (obligational) authority recommended in the House bill	New budget (obligational) authority recommended in the Senate bill	New budget (obligational) authority recommended by conference action	New budget (obligational) authority, fiscal year 1975 (enacted to date)	Budget estimates of new (obligational) authority, fiscal year 1976/Transition	New budget (obligational) authority recommended in the House bill	New budget (obligational) authority recommended in the Senate bill
Military construction, Army	$656,825,000	$957,900,000	$788,337,000	$812,942,000	$790,025,000	+$133,200,000	−$167,875,000	+$1,688,000	−$22,917,000
Transition period		37,100,000	37,100,000	37,100,000	37,100,000				
Military construction, Navy	606,376,000	854,000,000	728,727,000	799,326,000	770,018,000	+163,462,000	−83,982,000	+41,291,000	−29,308,000
Transition period		17,200,000	17,200,000	17,200,000	17,200,000				
Military construction, Air Force	456,439,000	703,600,000	541,279,000	553,700,000	550,644,000	+94,205,000	−152,956,000	+9,365,000	−3,056,000
Transition period		14,000,000	14,000,000	14,000,000	14,000,000				
Military construction, Defense agencies	31,260,000	141,500,000	19,300,000	39,300,000	19,300,000	−11,960,000	−122,200,000		−20,000,000
Transition period		1,000,000	1,000,000	1,000,000	1,000,000				
Transfer, not to exceed	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)				
Transition period									
Military construction, Army National Guard	59,000,000	62,700,000	62,700,000	62,700,000	62,700,000	+3,700,000			
Transition period		1,500,000	1,500,000	1,500,000	1,500,000				
Military construction, Air National Guard	35,500,000	63,000,000	63,000,000	63,000,000	63,000,000	+27,500,000			
Transition period		1,000,000	1,000,000	1,000,000	1,000,000				
Military construction, Army Reserve	43,700,000	50,300,000	50,300,000	50,300,000	50,300,000	+6,600,000			
Transition period		2,500,000	2,500,000	2,500,000	2,500,000				
Military construction, Naval Reserve	22,135,000	36,400,000	34,835,000	36,400,000	36,400,000	+14,265,000		+1,565,000	
Transition period		400,000	400,000	400,000	400,000				
Military construction, Air Force Reserve	16,000,000	18,000,000	18,000,000	18,000,000	18,000,000	+2,000,000			
Transition period		1,000,000	1,000,000	1,000,000	1,000,000				
Total, military construction	1,927,235,000	2,887,400,000	2,306,478,000	2,435,668,000	2,360,387,000	+433,152,000	−527,013,000	+53,909,000	−75,281,000
Transition period		75,700,000	75,700,000	75,700,000	75,700,000				
Family housing, Defense	[1] 1,255,984,000	1,329,237,000	1,319,862,000	1,332,244,000	1,332,244,000	+76,260,000	+3,007,000	+12,382,000	
Transition period		316,639,000	310,639,000	310,639,000	310,639,000				
Portion applied to debt reduction	−103,430,000	−107,617,000	−107,617,000	−107,617,000	−107,617,000	−4,187,000			
Transition period		−27,239,000	−27,239,000	−27,239,000	−27,239,000				
Subtotal, family housing	1,152,554,000	1,221,620,000	1,212,245,000	1,224,627,000	1,224,627,000	+72,073,000	+3,007,000	+12,382,000	
Transition period		283,440,000	283,400,000	283,400,000	283,400,000				
Homeowners assistance fund, Defense	5,000,000					−5,000,000			
Transition period									
Grand total, new budget (obligational) authority	3,084,789,000	4,109,020,000	3,518,723,000	3,660,295,000	3,585,014,000	+500,225,000	−524,006,000	+66,291,000	−75,281,000
Transition period		359,100,000	359,100,000	359,100,000	359,100,000				

[1] Includes $10,194,000 appropriated in 2d Supplemental Appropriations Act, 1975 (Public Law 94-32).

Mr. STEVENS. Mr. President, the military construction appropriations bill as reported by the House and Senate conferees is $75.2 million below the bill originally agreed to in the Senate. The conferees made every effort to fund essential items, but being mindful of budgetary constraints, we have delayed other projects which we felt could be postponed without serious adverse consequences.

Several sizable construction requests have not been funded as we feel additional information is required from the departments involved. Among these is the Army's request for $9 million for an aeromedical research laboratory at Fort Rucker. The Army has been directed to first evaluate the feasibility of greater interservice cooperation in this research area to prevent unnecessary duplication of facilities. Also deleted is $20 million contained in the Senate bill for the cleanup of Enewetak Atoll. While all the conferees are mindful of our obligation to these people, there are several questions which should be answered so that we may more accurately assess the total cost involved in the project. There is a question as to how many of the 450 people eligible to return actually want to do so. If all 450 express a desire to return to Enewetak, there is a serious concern that the atoll from which only 150 people were removed, may not be capable of supporting the greatly increased population. And we must further evaluate the need for continuing assistance to the people, if moved, until such time as the atoll could again provide them with a self-sufficient existence. Both the House and Senate committees will study this question in detail during next year's hearings.

The House and Senate compromised on the question of Diego Garcia. Fiscal year 1976 funds for this construction will not be made available to the Navy until April 15 by which time the administration is to have reported to concerned committees of the House and Senate on efforts regarding mutual arms restraint in the Indian Ocean. The Navy, however, is directed to continue construction using available fiscal year 1975 funds and to arrange procurement contracts so as to minimize costs and delay once the funds contained in this bill become available. I feel that this is essential in view of DOD information that the U.S.S.R. is building three combination navy/missile bases in the Somali Republic which could afford the Russians control of the approaches to the Indian Ocean, the Suez Canal, and the Persian Gulf.

I hope our colleagues will accept the conference bill as agreed to.

I merely point out that I concur with the chairman of our subcommittee that we have done the best job we could to support the Senate position.

With regard to Diego Garcia, I ask unanimous consent that following my statement there be printed in the RECORD the provisions pertaining to amendment 9 of the manager's report on page 7 which discusses the position of the conferees on Diego Garcia.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. I am extremely grateful to the conferees that they have agreed that the $250,000 that is necessary to construct and install the aircraft arresting gear on that island will continue, even if those funds must be used before April 15, 1976, because I think that is a safety precaution that is required for our aircraft flying off of aircraft carriers in the Indian Ocean.

EXHIBIT 1

The conferees discussed the Senate's Diego Garcia amendment at length. House conferees expressed agreement with their Senate counterparts that negotiations regarding mutual arms restraint in the Indian Ocean are highly desirable and should proceed at the earliest practical time; however, the Senate amendment would have the undesirable effect of prolonging completion of the Diego Garcia project and increasing costs significantly as a result of split procurements and escalated prices. After much discussion, the conferees agreed to modify the Senate amendment with the full expectation that the Administration will report to the Committees on Appropriations and Armed Services of the Senate and the House of Representatives, the Committee on Foreign Affairs of the Senate, and the Committee on International Relations of the House of Representatives regarding negotiation initiatives before April 15, 1976; however, the Navy would be permitted and is expected to arrange its procurement contracts to minimize cost and delay in procurement of materials for the fiscal year 1975 appropriations for construction at Diego Garcia which have been already made available. Such projects may proceed provided that neither cumulative obligations nor cumulative expenditures by April 15, 1976, on projects authorized for fiscal year 1975 and fiscal year 1976 will exceed $18.1 million, or that amount authorized and appropriated for fiscal year 1975, except that funds in the amount of $250,000 from the fiscal year 1976 appropriations may be used to procure, construct and install aircraft arresting gear prior to April 15, 1976, as authorized by law. The conferees' intent is to prohibit construction of projects on Diego Garcia using fiscal year 1976 funds before April 15, 1976 but not to delay planning or the procurement of long leadtime items.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. MANSFIELD. Mr. President, I yield 5 minutes to the Senator from Iowa.

Mr. CULVER. Mr. President, I commend the conferees on this bill, and especially our distinguished majority leader, Mr. MANSFIELD, for their handling of the disputed issue of base expansion on the island of Diego Garcia.

The Senate's position, based on an amendment which I sponsored, deferred the use of fiscal year 1976 funds until after next July 1, as the majority leader has explained. The conferees modified that provision by changing the date to April 15 and permitting a minor exception for aircraft arresting gear, referred to by the Senator from Alaska.

While this change obviously shortens the time available for efforts at negotiations for mutual arms restraint in the Indian Ocean, I believe that there is still sufficient time for a good-faith American initiative which can test Soviet intentions.

We have not even attempted negotiations since concerning this matter, since 1971. Instead, both the Soviet Union and the United States have pushed ahead, expanding their respective presence in the Indian Ocean in blatant disregard of the repeatedly expressed wish of the nations of that area to keep that ocean a zone of peace.

This conference report puts the Congress on record in support of diplomacy. The conferees say explicitly:

> That negotiations regarding mutual arms restraint in the Indian Ocean are highly desirable and should proceed at the earliest practical time.

They also declare their expectation that the administration will report to Congress and the appropriate committees on negotiation initiatives before next April 15.

Mr. President, this amendment gives the United States a chance to show restraint and to convince the nations along the Indian Ocean that we sincerely favor superpower arms restraint. If the Soviet Union is then uncooperative, all nations will know where to place the blame.

It is worth noting that this call for negotiations has not been limited to nations along the Indian Ocean. The British Government, from which we have leased Diego Garcia, also supports this policy.

The March 1975 white paper on defense says explicitly:

> We shall continue to aim at realistic progress toward arms limitation in the Indian Ocean. Any such arrangements would clearly require the participation of the US and Soviet Governments; so we support the suggestion made by the Prime Minister of Australia that the US and Soviet Governments should consult together on the possibility of mutual restraint in the Indian Ocean.

Now is the time to initiate these long-delayed negotiations. Congress has expressed its will and has imposed a gesture of restraint. The executive branch must not fail to use this opportunity to show leadership in arms restraint.

I thank the Chair and the majority leader.

The ACTING PRESIDENT pro tempore. Who yields time?

ADDITIONAL STATEMENTS SUBMITTED ON CONFERENCE REPORT

Mr. MUSKIE. Mr. President, the conference report of the military construction appropriation bill places the final figure at $3.585 billion in budget authority and $827 million in outlays. In budget authority, this is $75 million less than the amount which passed the Senate. While not a large savings, it helps to reduce the spending level in the national defense function. The ceiling in the second concurrent resolution included the Senate-passed figure. The results of this conference thus make it easier for the Senate Budget Committee to meet in conference our House counterparts who have set a lower budget authority ceiling.

The military construction conferees reached a compromise which makes for prudent savings. I salute my colleagues for the fine job they have done on this legislation. I encourage the conferees on the defense appropriations bill to return with a similar result.

Mr. MANSFIELD. Mr. President, I yield myself 1 minute.

I commend and compliment the distinguished Senator from Iowa, who has shown great initiative in facing up to this and other issues and who has been responsible, in large part, for the legislation which will be enacted shortly relative to the possibility of negotiations covering Diego Garcia, Somalia, and other installations in the Indian Ocean.

We expect these negotiations to be serious, and I expect to contact the State Department in person and in writing. We hope that out of these negotiations will come not just the possibility of peace, but the fact that the Indian Ocean will remain an ocean of peace.

Mr. President, I move the adoption of the conference report.

The ACTING PRESIDENT pro tempore. Does the Senator from Alaska yield back his time?

Mr. STEVENS. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

EQUAL TREATMENT OF CRAFT AND INDUSTRIAL WORKERS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 5900, which will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 5900) to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

The ACTING PRESIDENT pro tempore. The pending question is on agreeing to amendment No. 1058, as amended.

Mr. STEPHENS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that it be in order for me to call up amendment No. 1099; that upon the arrival of the distinguished Senator from Oklahoma, who has conflicts with committee meetings, that amendment be set aside, so that he may call up an amendment of his own.

The PRESIDING OFFICER. It is in order to call up the amendment.

As to the second part of the request, is there objection?

Mr. WILLIAMS. Mr. President, reserving the right to object, I did not hear the question.

Mr. HELMS. I simply wanted to accommodate the Senator from Oklahoma, who has conflicts with committee meetings. I am calling up an amendment, and I wish to set it aside when he arrives so that he can call up his amendment and have it acted upon.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. HELMS. I thank the Senator from New Jersey.

AMENDMENT NO. 1099

Mr. HELMS. Mr. President, I call up my amendment No. 1099 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposed amendment No. 1099:

At the end of the language contained in the first section, delete the period, insert a colon, and add the following new proviso: "*Provided further:* That nothing in any of the above provisos shall be construed as authorizing common situs picketing the derogation of any law of any State, whether previously existing or hereafter enacted; but this proviso shall not apply to any such previously existing State law that is not ratified by the legislature of such State within five years following the enactment of this Act.".

Mr. HELMS. Mr. President, I ask unanimous consent that upon the disposition of the amendment to be called up by the distinguished Senator from Oklahoma and acted upon, amendment No. 1099 then be the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask for the yeas and nays on amendment No. 1099.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, under the conditions stated in the unanimous-consent agreement earlier, I yield to the distinguished Senator from Oklahoma.

Mr. BARTLETT. I thank the distinguished Senator from North Carolina.

AMENDMENT NO. 1121

Mr. President, I call up my amendment No. 1121.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BARTLETT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, before line 1, insert the following:

"TITLE I—PROTECTION OF ECONOMIC RIGHTS OF LABOR IN THE CONSTRUCTION INDUSTRY".

On page 1, line 1, strike "That (a) section" and insert in lieu thereof "SEC. 101. (a) Section".

On page 5, line 22, strike "SEC. 2." and insert in lieu thereof "SEC. 102.".

On page 5, line 22, strike "Act" and insert in lieu thereof "title".

On page 5, line 23, strike "Act" and insert in lieu thereof "title".

On page 5, after line 23, add the following:

"TITLE II—HOBBS ACT AMENDMENTS

"SEC. 201. Section 1951, title 18, United States Code, is amended by redesignating subsections '(a)', '(b)', and '(c)' as subsections '(b)', '(c)', and '(e)', respectively, and by inserting the following:

" '(a) Whoever obstructs, affects, or interferes with commerce by willfully injuring, damaging, burning, or destroying to the extent of $2,000 or more any real, personal, or mixed property of an employer, owner, or other person at or near a factory, a construction site, or any other place where work or business of the employer or owner is carried on, or where such employer or owner transports, stores, or maintains property for business or other purposes shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.'.

" '(d) The violations set forth in this section shall not be nullified or mitigated notwithstanding that the same acts are a violation of State or local law and notwithstanding that they take place in the course of a legitimate labor dispute or in pursuit of legitimate union or labor ends or objectives.'.

"SEC. 202. Section 1951(c)(2) of title 18, United States Code, as redesignated by this Act, is amended as follows:

" '(2) The term "extortion" means the obtaining of property from another with his consent, induced by use of actual or threatened force, violence, or fear, or under color of official right, notwithstanding that the same acts or conduct may also be a violation of State or local law and notwithstanding that the actual or threatened force, violence, or fear was used in the course of a legitimate labor dispute or in the pursuit of legitimate union or labor ends or objectives.' ".

Mr. BARTLETT. I wish to read sections 201(a) and (d), which present the general thrust of the amendment and is in the body of the amendment.

Section 201:

" '(a) Whoever obstructs, affects, or interferes with commerce by willfully injuring, damaging, burning, or destroying to the extent of $2,000 or more any real, personal, or mixed property of an employer, owner, or other person at or near a factory, a construction site, or any other place where work or business of the employer or owner is carried on, or where such employer or owner transports, stores, or maintains property for business or other purposes shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.'.

" '(d) The violations set forth in this section shall not be nullified or mitigated notwithstanding that the same acts are a violation of State or local law and notwithstanding that they take place in the course of a legitimate labor dispute or in pursuit of legitimate union or labor ends or objectives.'.

Mr. President, succinctly, this amendment makes labor violence a Federal offense and establishes the conditions on it. We have had recent labor-related violence in the Nation's Capital, and I think this could serve as an example of the problem that this amendment intends to correct. Undoubtedly, some of the claims of labor-related violence have been exaggerated and, undoubtedly, some reports have not been made in the press of such violence, but I think each of us has a fairly accurate idea, in our own States, in our own areas, of the extent of labor violence. I think all of us will agree that it has not been in the best interests of this country, of the members of the unions, or of management, or of the average citizen. Oftentimes, it has resulted in much property being destroyed and, sometimes, of people being seriously injured.

Too often, we have seen that local and State law enforcement officials have been unable to cope with the problem and, perhaps, in some cases, unwilling to. My amendment would offer greater protection to the lives and property of those who might be the victims of organized labor-related violence.

The construction industry, of course, has had a reputation in this area that has not been good. I do not know that it is deserved, but I think that the members of organized labor in the construction industry would certainly like to work toward reducing the amount of violence that comes from labor disputes that may become very intense. What effect will this bill, if it becomes law, have on labor relations and the construction business? What would it have as far as union labor vis-a-vis nonunion labor?

First, I think it is important to go over quickly the situation as it now exists. It seems to me that the relations between union and nonunion labor are very good. The merit contractor employs both union and nonunion subcontractors, and the number of merit contractors apparently is increasing. There is evidence to indicate that the participation of nonunion subcontractors with merit contractors is increasing, supposedly because of efficiency of work and of lower costs. So the trend in the construction business has been for an increase of activity of nonunion labor.

If this bill becomes law, one trend that would be established would be directly opposite this, and that would be one of the goals of the bill, as espoused by a labor leader in the House, in the testimony there on this matter, which was to increase the number of union members in the construction industry. This trend to do away with the nonunion subcontractor will fly right in the face of the trend that now exists for reasons of efficiency and reasons of savings, to have a greater participation of nonunion labor on construction jobs. So I think it is very possible that the friction between nonunion contractors and union contractors, between nonunion labor and union labor, on construction projects could increase. Therefore, I think the threat of violence could very well increase and the necessity for a bill such as this is even all the more important.

I think it is important to protect indirectly, as this bill would, the lives of both union and nonunion members, as well as to protect the free choice of an individual worker as to his selection between being a member of the union or not being a member of the union.

I hope that the floor managers of this bill will accept this amendment, because I think that it is in the best interests of both union and nonunion workers. It is certainly in the best interests of the people, would keep the costs at a lower point on construction, would tend to reduce insurance rates, and, in general, work for the betterment of the people of this country, providing more efficient, less expensive construction, but it would definitely work in the best interests of the citizens of this country.

Mr. President, I reserve the remainder of my time.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. JAVITS. Mr. President, reserving the right to object—and, of course, I shall not object—but I need a few minutes.

Mr. HELMS. I will say to the Senator my only purpose is to try to get enough Senators on the floor to get the yeas and nays.

The PRESIDING OFFICER. Debate is not in order.

Is there objection? The Chair hears none, and it is so ordered.

Mr. HELMS. Mr. President, I ask for the yeas and nays on the Bartlett amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield myself 3 minutes.

I take this time simply to put on record my opposition to this amendment. I would hope we might rally enough Members, without seeking a full quorum, to give the yeas and nays to the proponents of the amendment. I hope the attachés of the Senate will proceed accordingly in the hope of bringing over enough Members to get the yeas and nays.

Mr. President, I oppose the amendment offered by the distinguished Senator from Nevada. This amendment would add a provision to H.R. 5900 which would enlarge the scope of the Hobbs Act to not only provide for criminal penalties of up to 20 years imprisonment and/or $10,000 for the obstruction of commerce by robbery or extortion, but also to include, within the scope of the act, willful conduct arising during an otherwise lawful labor-management dispute.

The Supreme Court, in 1972, held in its decision in United States against Enmons, that the Hobbs Act does not apply to violence related to attempts to attain legitimate union objectives such as a wage increase. This conclusion was reached by the majority of the Court after a thorough and thoughtful examination of the legislative history, and I believe it to be a correct one. The Federal Government should not be put in the business of policing the orderly conduct of strikes and picketing. I would also note that the present law under the Hobbs Act strikes what I believe to be the proper balance between Federal and State authority. This amendment would upset this balance and negate the Supreme Court's decision in San Diego Building Trades Council against Garmon, where the Court affirmed the principle of Federal preemption of national labor policy. The Court, however, noted that the "maintenance of domestic peace" was a narrow exception to the Federal Preemption Doctrine and is primarily the responsibility of the States.

This bill is not the vehicle for this amendment, and that this is not the time to debate this issue. As I have stated earlier, H.R. 5900 is narrowly focused to address only the issue of the primary-secondary dichotomy in construction site picketing.

Moreover, the Hobbs Act, as it would be applied under this amendment, provides a penalty of imprisonment of up to 20 years and/or a fine of up to $10,000. Neither the Federal law or any State law as far as I am able to determine, prescribes such penalties for what may be in fact nothing more than malicious mischief. As Mr. Justice Blackman added in his concurring opinion in the Enmons case, "Application of such penalties to violence during a legitimate strike, necessarily means the legislation would be enforced selectively or, at the least, would embroil all concerned with drawing the distinction between major and minor violence." This would not further the purpose of Federal labor relations policy.

The sum of the matter is that, at the present time, Federal law already regulates the direct misuse of the strike weapon while reserving to the States their historic function of maintaining domestic tranquillity, both in general and during labor disputes. This represents the optimum balance between Federal and State authority.

I wish to also point out to my colleagues that the floor of the U.S. Senate is not the appropriate forum for the initial consideration of legislation concerning criminal law. I offer this observation for two reasons. First, thoughtful and full consideration is essential whenever we are asked to enact legislation which carries with it the possibility of heavy criminal penalty. Second, this proposal represents an intrusion into a legislative area which has traditionally been reserved to the States. If it is necessary to expand the Federal criminal law beyond its present border, it should not be done until full consideration has been given to such an expansion by the appropriate committee.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. JAVITS. I yield myself 1 more minute.

For those reasons, Mr. President, at the appropriate time, I shall move to table this amendment. I wished to spread those points on the record.

Unless one of my colleagues wishes to speak, I again suggest the absence of a quorum.

Mr. WILLIAMS. Will the Senator yield?

Mr. JAVITS. Yes, I withhold that.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. WILLIAMS. First, let me say that the amendment offered by the Senator from Oklahoma, of course, is to another act. A germaneness question is clearly presented.

Mr. President, I arise in strong opposition to the amendment offered by the distinguished Senator from Oklahoma. In this amendment we have another attempt to add baggage to H.R. 5900 to either make the bill so cumbersome as to reduce its effectiveness or to add so many extraneous issues as to dilute its effect.

This amendment offered by the distinguished Senator from Nevada would add a provision to H.R. 5900 to enlarge the scope of the Hobbs Act, 18 United States Code, section 1951, and to make it applicable to matters arising in the course of bona fide labor-management relations.

It would also create in the section an entirely new Federal crime of "obstructing commerce by willfully injuring to the extent of $2,000 or more any real, personal or mixed property of an employer, owner, or other person at or near." The penalty, as for the rest of the Hobbs Act, is a fine of up to $10,000, or imprisonment of up to 20 years, or both.

The crime thus created is limitless in its scope. If two employees at a factory have an altercation and one of them utilizes an expensive piece of equipment as a weapon and damages it, the authority of a U.S. attorney to prosecute and to secure the foregoing penalties is established. Nothing more need be said to establish the utter irrationality of this provision.

I assume that the distinguished gentleman has the best intentions in offering this amendment. I must, however, strongly emphasize that H.R. 5900 is not the vehicle for this amendment and that now is not the time to debate this issue.

As I have stated earlier, H.R. 5900 is narrowly focused to only address the issue of the primary-secondary dichotomy in construction site picketing. An amendment such as the one proposed by my distinguished colleague, would unnecessarily and unreasonably broaden the focus of the legislation.

The Hobbs Act is a Federal statute which makes it a felony, and provides very heavy penalties, for robbery or extortion in situations affecting commerce.

The Supreme Court held in 1972 in its decision in *United States* v. *Enmons*, 410 U.S. 396, that the Hobbs Act does not apply to activities for the purpose of achieving legitimate union objectives and should not be applied in the course of ordinary labor-management relations.

I would like to ask unanimous consent that the Supreme Court's opinion in the Enmons case be included in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Aside from the creation of a new and unbounded Federal crime, the amendment would reverse the Enmons case in toto by providing that the act shall apply in "the course of a legitimate labor dispute or in the pursuit of legitimate union of labor ends or objectives."

I happen to believe, Mr. President, that the decision of the Court in that case was entirely correct, and I invite the attention of those Senators who are interested in the problem to the majority and dissenting opinions to determine for themselves which opinion was not soundly reasoned.

I do not propose to spend the time of this body to discuss the merits of the case in full.

One of the major reasons given by the Court for its decision in *Enmons* was that a contrary interpretation of the Hobbs Act would "put the Federal Government in the business of policing the orderly conduct of strikes" thereby "working an extraordinary change in Federal labor law and an unprecedented incursion into the criminal jurisdiction of the States."

I am confident that many Senators who might not be sympathetic to the union cause, but who value State prerogatives, will wish to oppose this amendment.

I would note that the present law under the Hobbs Act strikes the proper balance between Federal and State authority.

This amendment would upset this balance and negate the observation of Mr. Justice Frankfurter in the Supreme Court's opinion in *San Diego Building Trades Council* v. *Garmon*, 359 U.S. 236, where he stated that—

> The maintenance of domestic peace has always been considered the primary example of a "compelling state interest in the scheme of our Federalism."

Moreover, the Hobbs Act as it presently stands, and as it would be applied under this amendment, provides a felony penalty of imprisonment of up to 20 years and a fine of up to $10,000.

Neither the Federal law nor any State law as far as I am able to determine prescribes such penalties for what may, in fact, be nothing more than malicious mischief during a strike.

The application of this penalty, combined with the broad concept of extortion under the amendment, could cover all overtly coercive conduct of even a peaceful and lawful economic strike, which would be obstructing, delaying, or affecting commerce.

As Mr. Justice Blackmun added in his concurring opinion, application of such penalties to violence during a legitimate strike necessarily means the legislation would be enforced selectively or, at the least, would embroil all concerned with drawing the distinction between major and minor violence.

We cannot allow such vagueness and subjectiveness to rule our labor-management relations.

The sum of the matter is, Mr. President, that at the present time Federal law already regulates the direct misuse of the strike weapon while reserving to the States their historic function of maintaining domestic tranquility, both in general and during labor disputes.

This represents the optimum balance between Federal and State authority.

Aside from the creation of this new and unfounded Federal crime, the amendment as proposed by the distinguished Senator from Nevada also amends the Hobbs Act to fully reverse the main holding of the Enmons case by making the criminal penalties of that act applicable in "the course of a legitimate labor dispute or in the pursuit of legitimate union or labor ends or objectives."

The history of Federal labor law has never attempted to place such onerous penalties on persons involved in legitimate labor-management controversies.

The penalties in the Hobbs Act are so great precisely because the act is limited to preventing abuse of power for personal enrichment.

The amendment would be class legislation at its worst singling out for Federal control, and draconic penalties, even petty destruction of property and minor violence when it occurs in the course of a labor dispute.

The opponents of the bill are trying through this amendment to distract the attention of this body from the real purpose of this legislation on which there is a broad bipartisan concensus, and to turn us to matters which are highly emotional and with which they hope to garner support for their cause.

Some of the opponents of the bill have already earlier offered other amendments which have gone far beyond the subject matter of this bill. Here we have another amendment in the same vein which goes even beyond the body of Federal labor law itself. I feel this amendment should be quickly defeated so that we can move on to the adoption of the bill before us.

[October Term, 1972]

Opinion of the Court

United States *v.* Enmons et al.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF LOUISIANA

No. 71–1193. Argued December 4, 1972—Decided February 22, 1973.

The Hobbs Act, which makes it a federal crime to obstruct interstate commerce by robbery or extortion, does not reach the use of violence (which is readily punishable under state law) to achieve legitimate union objectives, such as higher wages in return for genuine services that the employer seeks. Pp. 399–411. 335 F. Supp. 641, affirmed.

Stewart, J., delivered the opinion of the Court, in which Brennan, White, Marshall, and Blackmun, JJ., joined. Blackmun, J., filed a concurring opinion, *post*, p. 412. Douglas, J., filed a dissenting opinion, in which Burger, C. J., and Powell and Rehnquist, JJ., joined, *post*, p. 413.

William Bradford Reynolds argued the cause for the United States. With him on the briefs were *Solicitor General Griswold, Assistant Attorney General Petersen,* and *Jerome M. Feit.*

Bernard Dunau argued the cause for appellees. With him on the briefs were *Louis Sherman, Thomas X. Dunn, Elihu I. Leifer, Alex W. Wall,* and *Sam J. D'Amico.**

Mr. Justice Stewart delivered the opinion of the Court.

A one-count indictment was returned in the United States District Court for the Eastern District of Louisiana charging the appellees with a violation of the Hobbs Act, 18 U.S.C. § 1951. In pertinent part, that Act provides:

"(a) Whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce, by robbery or extortion or attempts or conspires so to do, or commits or threatens physical violence to any person or property in furtherance of a plan or purpose to do anything in violation of this section shall be fined not more than $10,000 or imprisoned not more than twenty years, or both."

"Extortion" is defined in the Act, as "the obtaining of property from another, with his consent, induced by wrongful use of actual or threatened force, violence, or fear . . . ." 18 U.S.C. § 1951(b)(2).

At the time of the alleged conspiracy, the employees of the Gulf States Utilities Company were out on strike. The appellees are members and officials of labor unions that were seeking a new collective-bargaining agreement with that company. The indictment charged that the appellees and two named coconspirators conspired to obstruct commerce, and that as part of that conspiracy, they "would obtain the property of the Gulf States Utilities Company in the form of wages and other things of value with the consent of the Gulf States Utilities Company . . . , such consent to be induced by the wrongful use of actual force, violence and fear of economic injury by [the appellees] and coconspirators, in that [the appellees] and the coconspirators did commit acts of physical violence and destruction against property owned by the Gulf States Utilities Company in order to force said Company to agree to a contract with Local 2286 of the International Brotherhood of Electrical Workers calling for higher wages and other monetary benefits."

Five specific acts of violence were charged to have been committed in furtherance of the conspiracy—firing highpowered rifles at three Company transformers, draining the oil from a Company transformer, and blowing up a transformer substation owned by the Company. In short, the indictment charged that the appellees had conspired to use and did in fact use violence to obtain for the striking employees higher wages and other employment benefits from the Company.

The District Court granted the appellees' motion to dismiss the indictment for failure to state an offense under the Hobbs Act. 335

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*Briefs of *amici curiae* urging reversal were filed by *Milton Smith* and *Jerry Kronenberg* for the Chamber of Commerce of the United States, and by *Arthur B. Hanson* and *Ralph N. Albright, Jr.,* for the American Newspaper Publishers Association.

J. Albert Woll, Laurence Gold, and *Thomas E. Harris* filed a brief for the American Federation of Labor and Congress of Industrial Organizations as *amicus curiae* urging affirmance.

F. Supp. 641. The court noted that the appellees were union members on strike against their employer, Gulf States, and that both the strike and its objective of higher wages were legal. The court expressed the view that if "the wages sought by violent acts are wages to be paid for unneeded or unwanted services, or for no services at all," then that violence would constitute extortion within the meaning of the Hobbs Act. *Id.*, at 645. But in this case, by contrast, the court noted that the indictment alleged the use of force to obtain legitimate union objectives: "The union had a right to disrupt the business of the employer by lawfully striking for higher wages. Acts of violence occurring during a lawful strike and resulting in damage to persons or property are undoubtedly punishable under State law. To punish persons for such acts of violence was not the purpose of the Hobbs Act." *Id.*, at 646. The court found "no case where a court has gone so far as to hold the type of activity involved here to be a violation of the Hobbs Act." *Id.*, at 645.

We noted probable jurisdiction of the Government's appeal, 406 U.S. 916 [1] to determine whether the Hobbs Act proscribes violence committed during a lawful strike for the purpose of inducing an employer's agreement to legitimate collective-bargaining demands.

I

The Government contends that the statutory language unambiguously and without qualification proscribes interference with commerce by "extortion," and that in terms of the statute, "extortion" is "the obtaining of property from another, with his consent, induced by wrongful use of actual or threatened force, violence, or fear . . ." Wages are the "property" of the employer, the argument continues, and strike violence to obtain such "property" thus falls within the literal proscription of the Act. But the language of the statute is hardly as clear as the Government would make it out to be. Its interpretation of the Act slights the wording of the statute that proscribes obtaining property only by the "wrongful" use of actual or threatened force, violence, or fear. The term "wrongful," which on the face of the statute modifies the use of each of the enumerated means of obtaining property—actual or threatened force, violence, or fear [2]—would be superfluous if it only served to describe the means used. For it would be redundant to speak of "wrongful violence" or "wrongful force" since, as the Government acknowledges, any violence or force to obtain property is "wrongful." [3] Rather, "wrongful" has meaning in the Act only if it limits the statute's coverage to those instances where the obtaining of the property would itself be "wrongful" because the alleged extortionist has no lawful claim to that property.

Construed in this fashion, the Hobbs Act has properly been held to reach instances where union officials threatened force or violence against an employer in order to obtain personal payoffs,[4] and where unions used the proscribed means to exact "wage" payments for employers in return for "imposed, unwanted, superfluous and fictitious services" of workers.[5] For in those situations, the employer's property has been misappropriated. But the literal language of the statute will not bear the Government's semantic argument that the Hobbs Act reaches the use of violence to achieve legitimate union objectives, such as higher wages in return for genuine services which the employer seeks. In that type of case, there has been no "wrongful" taking of the employer's property; he has paid for the services he bargained for, and the workers receive the wages to which they are entitled in compensation for their services.

II

The legislative framework of the Hobbs Act dispels any ambiguity in the wording of the statute and makes it clear that the Act does not apply to the use of force to achieve legitimate labor ends. The predecessor of the Hobbs Act, § 2 of the Anti-Racketeering Act of 1934, 48 Stat. 979,[6] proscribed, in connection with interstate commerce, the exaction of valuable consideration by force, violence, or coercion, "not including, however, the payment of wages by a bona-fide employer to a bonafide employee. . . ." [7] In *United States* v. *Local 807*, 315 U. S. 521, the Court held that this exception covered the members of a New York City truck drivers union who, by violence or threats, exacted payments for themselves from out-of-town truckers in return for the unwanted and superfluous service of driving out-of-town trucks to and from the city. The New York City teamsters would lie in wait for the out-of-town trucks, and then demand payment from the owners and drivers in return for allowing the trucks to proceed into the city. The teamsters sometimes drove the arriving trucks into the city, but in other instances, the out-of-town truckers paid the fees but rejected the teamsters' services and drove the trucks themselves. In several cases there was evidence that, having exacted their fees, the city drivers disappeared without offering to perform any services at all. *Id.*, at 526. See also *id.*, at 539 (Stone, C. J., dissenting). The Court held that the activities of the city teamsters were included within the wage exception to the Anti-Racketeering Act although what work they performed was unneeded and unwanted, and although in some cases their work was rejected.

Congressional disapproval of this decision was swift. Several bills [8] were introduced with the narrow purpose of correcting the result in the Local 807 case.[9] H.R. 32, which became the Hobbs Act, 60 Stat. 420, eliminated the wage exception that had been the basis for the Local 807 decision.[10] But, as frequently emphasized on the floor of the House, the limited effect of the bill was to shut off the possibility opened up by the Local 807 case, that union members could use their protected status to exact payments from employers for imposed, unwanted, and superfluous services. As Congressman Hancock explained:

"This bill is designed simply to prevent both union members and nonunion people from making use of robbery and extortion under the guise of obtaining wages in the obstruction of interstate commerce. That is all it does.

"[T]his bill is made necessary by the amazing decision of the Supreme Court in the case of the United States against Teamsters' Union 807, 3 years ago. That decision practically nullified the antiracketeering bill of 1934 . . . In effect the Supreme Court held that . . . members of the Teamsters' Union . . . were exempt from the provisions of that law when attempting by the use of force or the threat of violence to obtain wages for a job whether they rendered any service or not." 91 Cong. Rec. 11900.

Congressman Hancock proceeded to read approvingly from an editorial which characterized the teamsters' action in the Local 807 case as "compelling the truckers to pay day's wages to local union drivers whose services were neither wanted nor needed." *Ibid.* Congressman Fellows stressed the fact that the facts of the Local 807 case showed that "these stick-up men disappeared as soon as the money was paid without rendering or offering to render any service." *Id.*, at 11907. And Congressman Rivers characterized the facts of the Local 807 case as "nothing short of hijacking, intimidation, extortion, and out-and-out highway robbery." *Id.*, at 11917.[11]

But by eliminating the wage exception to the Anti-Racketeering Act, the Hobbs Act did not sweep within its reach violence during a strike to achieve legitimate collective-bargaining objectives. It was repeatedly emphasized in the debates that the bill did not "interfere in any way with any legitimate labor objective or activity"; [12] "there is not a thing in it to interfere in the slightest degree with any legitimate activity on the part of labor people or labor unions . . . ." [13] And Congressman Jennings, in responding to a question concerning the Act's coverage, made it clear that the Act "does not have a thing in the world to do with strikes." *Id.*, at 11912.

Indeed, in introducing his original bill, Congressman Hobbs [14] explicitly refuted the suggestion that strike violence to achieve a union's legitimate objectives was encompassed by the Act: [15]

"Mr. MARCANTONIO. All right. In connection with a strike, if an incident occurs which involves—

"Mr. HOBBS. The gentleman need go no further. This bill does not cover strikes or any question relating to strikes.

"Mr. MARCANTONIO. Will the gentleman put a provision in the bill stating so?

"Mr. HOBBS. We do not have to, because a strike is perfectly lawful and has been so described by the Supreme Court and by the statutes we have passed. This bill takes off from the springboard that the act must be unlawful to come within the purview of this bill.

"Mr. MARCANTONIO. That does not answer my point. My point is that an incident such as a simple assault which takes place in a strike could happen. Am I correct?

"Mr. HOBBS. Certainly.

"Mr. MARCANTONIO. That then could become an extortion under the gentleman's bill, and that strike as well as his union officials could be charged with violation of sections in this bill.

"Mr. HOBBS. I disagree with that and deny it in toto." 89 Cong. Rec. 3213.[16]

The Government would derive a different lesson from the legislative history. It points to statements made during the floor debates that the Act was meant to have "broad coverage" and, unlike its predecessor, to encompass the "employer-employee" relationship. But that proves no more than that the achievement of illegitimate objectives by employees or their representatives, such as the exaction of personal payoffs, or the pursuit of "wages" for unwanted or fictitious services, would not be exempted from the Act solely because the extortionist was an employee or union official and the victim an employer.[17] The Government would also find support for its expansive interpretation of the statute in the rejection of two amendments, one proposed by Congressman Celler, the other by Congressman LaFollette, which would have inserted in the Act an exception for cases where violence was used to obtain the payment of wages by a bona-fide employer to a bona-fide employee. See 91 Cong. Rec. 11913, 11917, and 11919, 11922. But both amendments were rejected solely because they would have operated to continue the effect of the *Local 807 case.*[18] Their rejection thus proves nothing more than that Congress was intent on undoing the restrictive impact of that case.

III

In the nearly three decades that have passed since the enactment of the Hobbs Act, no reported case has upheld the theory that the Act proscribes the use of force to achieve legitimate collective-bargaining demands.

The only previous case in this Court relevant to the issue, *United States* v. *Green*, 350 U.S. 415, held no more than that the Hobbs Act had accomplished its objective of overruling the *Local 807* case. The alleged

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Footnotes at end of article.

extortions in that case, as in *Local 807*, consisted of attempts to obtain so-called wages for "imposed, unwanted, superfluous and fictitious services of laborers. . . ." *Id.*, at 417. The indictment charged that the employer's consent was obtained "by the wrongful use, to wit, the use for the purposes aforesaid, of actual and threatened force, violence and fear. . . ." *Ibid.* The Government thus did not rely, as it does in the present case, solely on the use of force in an employer-employee relationship; it alleged a wrongful purpose—to obtain money from the employer that the union officials had no legitimate right to demand. We concluded that the Hobbs Act could reach extortion in an employer-employee relationship and that personal profit to the extortionist was not required, but our holding was carefully limited to the charges in that case: "We rule only on the allegations of the indictment and hold that the acts charged against appellees fall within the terms of the Act." *Id.*, at 421.

UNITED STATES V. ENMONS

Opinion of the Court

A prior decision in the Third Circuit, *United States* v. *Kemble*, 198 F. 2d 889, on which the Government relied in *Green*, also concerned the exaction, by threats and violence, of wages for superfluous services. In affirming a conviction under the Hobbs Act of a union business agent for using actual and threatened violence against an out-of-town driver in an attempt to force him to hire a local union member, the Court of Appeals carefully limited its holding:

"We need not consider the normal demand for wages as compensation for services desired by or valuable to the employer. It is enough for this case, and all we decide, that payment of money for imposed, unwanted and superfluous services . . . is within the language and intendment of the statute." *Id.*, at 892.

Most recently, in *United States* v. *Caldes*, 457 F. 2d 74, the Court of Appeals for the Ninth Circuit was squarely presented with the question at issue in this case. Two union officials were convicted of Hobbs Act violations in that they damaged property of a company with which they were negotiating for a collective-bargaining agreement, in an attempt to pressure the company into agreeing to the union contract. Concluding that the Act was not intended to reach militant activity in the pursuit of legitimate unions ends, the court reversed the convictions and ordered the indictment dismissed.

Indeed, not until the indictments were returned in 1970 in this and several other cases has the Government even sought to prosecute under the Hobbs Act actual or threatened violence employed to secure a union contract "calling for higher wages and other monetary benefits."[19] Yet, throughout this period, the Nation has witnessed countless economic strikes, often unfortunately punctuated by violence. It is unlikely that if Congress had indeed wrought such a major expansion of federal criminal jurisdiction in enacting the Hobbs Act, its action would have so long passed unobserved. See *United States* v. *Laub*, 385 U.S. 475, 485.

IV

The Government's broad concept of extortion—the "wrongful" use of force to obtain even the legitimate union demands of higher wages—is not easily restricted. It would cover all overtly coercive conduct in the course of an economic strike, obstructing, delaying, or affecting commerce. The worker who threw a punch on a picket line, or the striker who deflated the tires on his employer's truck would be subject to a Hobbs Act prosecution and the possibility of 20 years' imprisonment and a $10,000 fine.[20]

Even if the language and history of the Act were less clear than we have found them to be, the Act could not properly be expanded as the Government suggests—for two related reasons. First, this being a criminal statute, it must be strictly construed, and any ambiguity must be resolved in favor of lenity. *United States* v. *Wiltberger*, 5 Wheat. 76, 95; *United States* v. *Halseth*, 342 U.S. 277, 280; *Bell* v. *United States*, 349 U.S. 81, 83; *Arroyo* v. *United States*, 359 U.S. 419, 424; *Rewis* v. *United States*, 401 U.S. 808, 812. Secondly, it would require statutory language much more explicit than that before us here to lead to the conclusion that Congress intended to put the Federal Government in the business of policing the orderly conduct of strikes. Neither the language of the Hobbs Act nor its legislative history can justify the conclusion that Congress intended to work such an extraordinary change in federal labor law or such an unprecedented incursion into the criminal jurisdiction of the States. See *San Diego Bldg. Trades Council* v. *Garmon*, 359 U.S. 236, 247–248; *United Constr. Workers* v. *Laburnum Constr. Corp.*, 347 U.S. 656, 665; *Garner* v. *Teamsters Local 776*, 346 U.S. 485, 488; *UAW Local 232* v. *Wisconsin Employment Relations Bd.*, 336 U.S. 245, 253.

As we said last Term:

"[U]nless Congress conveys its purpose clearly, it will not be deemed to have significantly changed the federal-state balance. Congress has traditionally been reluctant to define as a federal crime conduct readily denounced as criminal by the States. . . . [W]e will not be quick to assume that Congress has meant to effect a significant change in the sensitive relation between federal and state criminal jurisdiction." *United States* v. *Bass*, 404 U.S. 336, 349 (footnotes omitted).

The District Court was correct in dismissing the indictment. Its judgment is affirmed.

It is so ordered.

Mr. Justice Blackmun, concurring.

I join the Court's opinion. I readily concede that my visceral reaction to immaturely conceived acts of violence of the kind charged in this indictment is that such acts deserve to be dignified as federal crimes. That reaction on my part, however, is legislative in nature rather than judicial. If Congress wishes acts of that kind to be encompassed by a federal statute, it has the constitutional power in the interstate context to effect that result. The appellees so concede. Tr. of Oral Arg. 18–19. But Mr. Justice Stewart has gathered the pertinent and persuasive legislative history demonstrating that Congress did not intend to exercise its power to reach these acts of violence.

The government's posture, with its concession that certain strike violence (which it would downgrade as "incidental" and the dissent as "low level," *post*, at 418 n. 17), although aimed at achieving a legitimate end, is not covered by the Act, necessarily means that the legislation would be enforced selectively or, at the least, would embroil all concerned with drawing the distinction between major and minor violence. That, for me, is neither an appealing prospect nor solid support for the position taken.

This type of violence, as the Court points out, is subject to state criminal prosecution. That is where it must remain until the Congress acts otherwise in a manner far more clear than the language of the Hobbs Act.

FOOTNOTES

[1] This appeal was taken under 18 U.S.C. § 3731 (1964 ed.). The 1971 amendment to the Criminal Appeals Act, providing that all appeals from dismissals of indictments or informations must be taken to the Courts of Appeals, does not apply to cases instituted before January 2, 1971. Omnibus Crime Control Act of 1970, Pub. Law No. 91–644, § 14 (a), 84 Stat. 1890, codified, 18 U.S.C. § 3731. See *United States* v. *Jorn*, 400 U.S. 470, 474 n. 1, 477–478, n. 6. The present indictment was filed on October 15, 1970.

[2] Congressman Hobbs indicated that "wrongful" was to modify the entire section. 91 Cong. Rec. 11908.

[3] The Government suggests a convoluted construction of "wrongful." It concedes that when the means used are not "wrongful," such as where fear of economic loss from a strike is employed, then the objective must be illegal. If, on the other hand, "wrongful" force and violence are used, even for a legal objective, the Government contends that the statute is satisfied. But that interpretation simply accepts the redundancy of the term "wrongful" whenever it applies to "force" and "violence" in the statute.

[4] *See, e.g., United States* v. *Iozzi*, 420 F. 2d 512; *United States* v. *Kramer*, 355 F. 2d 891, cert. granted and case remanded for resentencing, 384 U.S. 100; *Bianchi* v. *United States*, 219 F. 2d 182.

[5] See, *e.g., United States* v. *Green*, 350 U.S. 415, 417; *United States* v. *Kemble*, 198 F. 2d 889.

[6] Section 2 of the Act provided:

"Any person who, in connection with or in relation to any act in any way or in any degree affecting trade or commerce or any article or commodity moving or about to move in trade or commerce—

"(a) Obtains or attempts to obtain, by the use of or attempt to use or threat to use force, violence, or coercion, the payment of money or other valuable considerations, or the purchase or rental of property or protective services, not including, however, the payment of wages by a bona-fide employer to a bona-fide employee; or

"(b) Obtains the property of another, with his consent, induced by wrongful use of force or fear, or under color of official right; or

"(c) Commits or threatens to commit an act of physical violence or physical injury to a person or property in furtherance of a plan or purpose to violate sections (a) or (b); or

"(d) Conspires or acts concertedly with any person or persons to commit any of the foregoing acts; shall, upon conviction thereof, be guilty of a felony and shall be punished by imprisonment from one to ten years or by a fine of $10,000, or both."

[7] See § 2(a), quoted in n. 6, *supra*. While the specific wage exception was found only in § 2(a) of the Act, § 3(b) excluded "wages paid by a bona-fide employer to a bona-fide employee" from the definition of "property," "money," or other "valuable considerations." The wage exception thus permeated the entire Act. *United States* v. *Green*, 350 U.S., at 419 n. 4; *United States* v. *Local 807*, 315 U.S. 521, 527 n. 2.

[8] S. 2347, 77th Cong., 2d Sess.; H.R. 6872, 77th Cong., 2d Sess.; H.R. 7067, 77th Cong., 2d Sess.; H.R. 653, 78th Cong., 1st Sess.; H.R. 32, 79th Cong., 1st Sess. See *Callanan* v. *United States*, 364 U.S. 587, 591 n. 5; *United States* v. *Green, supra*, at 419 n. 5.

[9] See *United States* v. *Green, supra*, at 419 n. 5; Note, Labor Faces the Amended Anti-Racketeering Act, 101 U. Pa. L. Rev. 1030, 1033–1034 (1953).

[10] The Hobbs Act also eliminated the proviso in § 6 of the Anti-Racketeering Act of 1934: "That no court of the United States shall construe or apply any of the provisions of this Act in such manner as to impair, diminish, or in any manner affect the rights of bona-fide labor organizations in lawfully carrying out the legitimate objects thereof, as such rights are expressed in existing statutes of the United States." That proviso was one of the supports for the *Local 807* decision, see 315 U.S., at 535, and it was eliminated to prevent reliance on that clause as a means of resuscitating the *Local 807* decision. See 91 Cong. Rec. 11912 (remarks of Rep. Hobbs).

[11] See also 91 Cong. Rec. 11842 (remarks of Rep. Michener); *id.*, at 11905 (remarks of Rep. Robsion); *id.*, at 11909 (remarks of Rep. Sumners); *id.*, at 11912–11913 (remarks of Rep. Whittington).

In its report on the bill, the House Committee on the Judiciary reproduced this Court's decision in the *Local 807* case and concluded that "[t]he need for the legislation was emphasized by the opinion of the Supreme Court in . . . *United States* v. *Local 807* . . ." H. R. Rep. No. 238, 79th Cong., 1st Sess., 10. See also S. Rep. No. 1516, 79th Cong., 2d Sess.

[12] 91 Cong. Rec. 11841 (remarks of Rep. Walter).

[13] *Id.*, at 11908 (remarks of Rep. Sumners). See also *id.*, at 11900 (remarks of Rep. Hancock); *id.*, at 11904 (remarks of Rep. Gwynne); *id.*, at 11909 (remarks of Rep. Vursell).

[14] The remarks with respect to that bill, H.R. 653, 78th Cong., 1st Sess., which passed only the House, are wholly relevant to an understanding of the Hobbs Act, since the operative language of the original bill was substantially carried forward into the Act. The congressional debates on the Hobbs Act in the 79th Congress repeatedly referred to the legislative history of the original bill. See 91 Cong. Rec. 11842 (remarks of Rep. Michener); *id.*, at 11899–11900 (remarks of Rep. Hancock); *id.*, at 11900 (remarks of Rep. Hobbs). Surely an interpretation placed by the sponsor of a bill on the very language subsequently enacted by Congress cannot be dismissed out of hand, as the dissent would have it, simply because the interpretation was given two years earlier.

[15] See also 89 Cong. Rec. 3202 (remarks of Rep. Gwynne) (Act does not cover "a clash between strikers and scabs during a strike").

[16] The proponents of the Hobbs Act defended the Act as no encroachment on the legitimate activities of labor unions on the ground that the statute did no more than incorporate New York's conventional definition of extortion—"the obtaining of property from another . . . with his consent, induced by a wrongful use of force or fear, or under color of official right." N.Y. Penal Law § 850 (1909). See 91 Cong. Rec. 11842 (remarks of Rep. Walter); *id.*, at 11843 (remarks of Rep. Michener); *id.*, at 11900 (remarks of Rep. Hancock); *ibid.* (remarks of Rep. Hobbs); *id.*, at 11906 (remarks of Rep. Robsion). See also *United States* v. *Caldes*, 457 F. 2d 74, 77; *United States* v. *Provenzano*, 334 F. 2d 678, 686.

Judicial construction of the New York statute reinforces the conclusion that, however, militant union activities to obtain higher wages do not constitute extortion. For extortion requires an intent "'to obtain that which in justice and equity the party is not entitled to receive.'" *People* v. *Cuddihy*, 151 Misc. 318, 324, 271 N. Y. S. 450, 456, aff'd, 243 App. Div. 694, 277 N. Y. S. 960; see *People* v. *Weinseimer*, 117 App. Div. 603, 616, 102 N. Y. S. 579, 588, aff'd, 190 N. Y. 537, 83 N. E. 1129. An accused would not be guilty of extortion for attempting to achieve legitimate labor goals; he could not be convicted without sufficient evidence that he "was actuated by the purpose of obtaining a financial benefit for himself . . . and was not attempting in good faith to advance the cause of unionism. . . ." *People* v. *Adelstein*, 9 App. Div. 2d 907, 908, 195 N. Y. S. 2d 27, 28, aff'd *sub nom. People* v. *Squillante*, 8 N. Y. 2d 998, 169 N. E. 2d 425.

Hence, New York's highest court has interpreted its extortion statute to apply to a case where the accused received a payoff to buy an end to labor picketing. *People* v. *Dioguardi*, 8 N. Y. 2d 260, 168 N. E. 2d 683. "The picketing here . . . may have been perfectly lawful in its inception (assuming it was part of a bona fide organizational effort) and may have remained so—despite its potentially ruinous effect on the employers' business—so long as it was employed to accomplish the legitimate labor objective of organization. Its entire character changed from legality to criminality, however, when it was used as a pressure device to exact the payment of money as a condition of its cessation . . . ." *Id.*, at 271, 168 N. E. 2d, at 690–691.

In short, when the objectives of the picketing changed from legitimate labor ends to personal payoffs, then the actions became extortionate.

[17] The Government relies heavily on a statement by Congressman Michener, in a dialogue with two of his colleagues, to the effect that union members who "by robbery or exploitation collect a day's wage—a union wage—they are not exempted from the law solely because they are engaging in a legitimate union activity." 91 Cong. Rec. 11843–11844. But Congressman Michener was referring to the activity of "robbery or exploitation," and his statement continued: "I cannot understand how any union man can claim that the conduct described by Mr. Justice Stone is a legitimate union activity." *Id.*, at 11844. Mr. Chief Justice Stone's dissenting opinion in the *Local 807* case described payoffs for the superfluous and unwanted work involved in that case. See 315 U.S., at 539.

[18] See 91 Cong. Rec. 11914 (remarks of Rep. Hobbs); *ibid.* (remarks of Rep. Walter); *id.*, at 11920 (remarks of Rep. Gwynne).

[19] As noted above, the indictment in *United States* v. *Caldes*, 457 F. 2d 74, was ordered to be dismissed by the Ninth Circuit. Two similar indictments returned in the Southern District of Florida were dismissed by the District Court without opinion in June 1970. *United States* v. *Rutcofsky*, No. 70–101–CR–JE, June 24, 1970; *United States* v. *Schiffman*, No. 70–102–CR–JE, June 25, 1970. An additional indictment, based on a similar theory of the Hobbs Act, was filed in the Eastern District of New York on January 12, 1972, and is currently pending. *United States* v. *Spero*, No. 72–CR–17.

The briefs in the present case advise us of one other Hobbs Act prosecution that may have been brought under this theory—a 1962 indictment in *United States* v. *Webb*, ND Ala., No. 15080.

[20] Realizing the breadth of its arguments, the Government's brief concedes that there might be an exception for "the incidental injury to person or property that not infrequently occurs as a consequence of the charged atmosphere attending a prolonged labor dispute . . . ." But nothing, either in the language or the history of the Act, justifies any such exception.

Similarly, there is nothing to support the dissent's exception for "mischievous" conduct, *post*, at 418 n. 17, even if we could begin to define the meaning and limits of such a term.

DOUGLAS, J., DISSENTING

MR. JUSTICE DOUGLAS, with whom THE CHIEF JUSTICE, MR. JUSTICE POWELL, and MR. JUSTICE REHNQUIST concur, dissenting.

The Court today achieves by interpretation what those who were opposed to the Hobbs Act were unable to get Congress to do. The Court considers primarily the legislative history of a predecessor bill considered by the 78th Congress. The bill before us was considered and enacted by the 79th Congress; and, as I read the debates, the opposition lost in the 79th Congress what they win today. All of which makes pertinent Mr. Justice Holmes' admonition in *Missouri, K & T. R. Co.* v. *May*, 194 U.S. 267, 270, that "it must be remembered that legislatures are ultimate guardians of the liberties and welfare of the people in quite as great a degree as the courts."

In *United States* v. *Local 807*, 315 U.S. 521, we had before us the Anti-Racketeering Act of 1934, 48 Stat. 979, which made it a crime to use violence respecting interstate trade or commerce to obtain the "payment of money or other valuable considerations," excluding "the payment of wages by a bona-fide employer to a bona-fide employee." We held that the exception included demands for unwanted or superfluous services and covered those who wanted jobs, not only those who presently had them.

Congress in the Hobbs Act changed the law. The critical change was the exclusion of the employer-employee clause. The Court said in *United States* v. *Green*, 350 U.S. 415, 419: "In the Hobbs Act, 60 Stat. 420, carried forward as 18 U.S.C. § 1951, which amended the Anti-Racketeering Act, the exclusion clause involved in the *Local 807* decision was dropped. The legislative history makes clear that the new Act was meant to eliminate any grounds for future judicial conclusions that Congress did not intend to cover the employer-employe relationship. The words were defined to avoid any misunderstanding."

In *Green*, the Court held that it was an extortion within the meaning of the Act to use force to obtain payment of wages for unwanted and superfluous services. *Id.*, at 417.

Here, the services were not unwanted or superfluous; they were services being negotiated under a collective-bargaining agreement.

The Court relies mostly on the legislative history of a measure covering the same topic which was passed by the previous House but on which the Senate did not act. Two years later, the bill in its present form was enacted. It was a differently constituted House that debated it and the year was 1945 rather than 1943. So the most relevant legislative history, in my view, concerns the 79th Congress, not the 78th.

The fear was expressed in the House that the elimination of the Exception Clause would open up the prospect of labor's being prosecuted.[1] As a consequence, Congressman Celler sought to amend the measure so as to exempt the use of violence to exact "wages paid by a bona fide employer to a bona fide employee."[2] His precise amendment in that regard would define "property" in the Act as not including "wages paid by a bona fide employer to a bona fide employee."[3] Those who objected said that it would substantially restore the 1934 Act.[4]

Congressman Biemiller, in speaking for the Celler Amendment said:

"We fear, for example, under the bill as it now stands, that a simple, unfortunate altercation on a picket line—and we all know that human beings are frail and when tempers are hot some trouble may develop—under such a situation you may send a man to jail for 20 years or fine him $10,000."[5]

The Celler Amendment was rejected.[6]

As I read the Congressional Record, Congressman Baldwin spoke for the consensus when he said:

"This bill would not have been presented to the House if organized labor had recognized law and order in striking and in establishing their rights, as they have a right to do. Everyone can remember the taxicab strike in the city of Baltimore, which does not pertain to this bill, where cabs were overthrown, bricks thrown through the windows endangering the lives of people, innocent victims. Those were the tactics of organized labor which you people support outright and which organized labor sanctioned. The leaders were locked up and put in jail for participating in those activities. Yet you stand here on the floor of this House and say they did not do it or they did not know anything about it.

"Mr. Chairman, labor has a right to strike, but when labor perpetrates that sort of thing, they are going far beyond the bounds of reason. Certainly, I do not take the position that labor has not the right to organize or to strike, but when they do so they should abide by the laws of the land and the laws of decency. If they had done that, we would

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Footnotes at end of article.

not have this legislation before the House today."[7]

Congressman Whittington voiced the same sentiments:

"The pending bill will provide for punishing racketeers who rob or extort. There is no justification for labor unions opposing the bill as it constitutes no invasion of the legitimate rights of labor. Robbery and extortion by members of labor unions must be punished. Labor unions owe that much to the public. In demanding the protection of laws, labor unions should urge that those engaged in legitimate interstate commerce be protected from robbery and extortion."[8]

Congressman Celler offered another amendment which would give as a defense to a charge under the Hobbs Act that the employee "did not violate the provisions of the Norris-LaGuardia Act, the Clayton Act, or the Railway Labor Act, or the National Labor Relations Act."[9] But that amendment was also voted down;[10] the only provision of the Hobbs Act which touched on that problem was 18 U.S.C. § 1951(c), which stated that this section "shall not be construed to repeal, modify or affect" those laws. References were made in the House debates to the trucking problem in New York, where farmers bringing their produce to market in trucks were held up and money was extorted "from the drivers in order that the shipments might enter the Holland Tunnel and be delivered to their respective destinations in New York."[11]

Congressman LaFollette offered an amendment which would keep the 1934 Act intact but would bar the use of violence by a person not a bona fide employee to obtain property from a bona fide employer.[12] That, too, was defeated.[13]

In the present case, violence was used during the bargaining—five acts of violence involving the shooting and sabotage of the employer's transformers and the blowing up of a company transformer substation. The violence was used to obtain higher wages and other benefits for union members. The acts literally fit the definition of extortion used in the Hobbs Act, 18 U.S.C. § 1951. The term "extortion" means the use of violence to obtain "property" from another. § 1951(b)(2). The crime is the use of "extortion" in furtherance of a plan to do anything in violation of the section. § 1951(a). The prior exception covering those who seek "the payment of wages by a bona-fide employer to a bona-fide employee" was taken out of the Act by Congress. Hence the use of violence to obtain higher wages is plainly a method of obtaining "property from another" within the meaning of § 1951(b)(2).

Mr. WILLIAMS. Mr. President, I have had discussion here informally with the Senator from Vermont, who comes to us from a most effective period of service as a law enforcement officer of the State of Vermont.

I just asked him from his experience how this would possibly work if a new Federal crime were brought into what is now clearly a local and State law enforcement responsibility.

May I ask the Senator from Vermont?

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I have discussed this with both the distinguished Senator from New Jersey and the distinguished Senator from Oklahoma. I understand the Senator from Oklahoma's concern, based both on his experience as a Governor and his experience in working on this particular act. I think that all of us agree in one area—of course, none of us would condone or seek to condone criminal activity on the part of anyone, in any way.

From my experience as a former prosecutor, a former vice president of the National District Attorneys' Association, and also, incidentally, Mr. President, as probably the only person in this Chamber who has actually prosecuted both strikers and representatives of management in labor disputes—prosecuted successfully, I might add—I would much prefer to see this left in the hands of local law enforcement agencies.

There are laws that allow them to call in for aid from outside Federal agencies. But it was my feeling when I was a prosecutor and that of many of my colleagues at the time that there sometimes seemed to be an overeagerness on the part of Congress, however well intended, to extend the jurisdiction of the FBI or other Federal agencies in such a way as to encroach on matters more properly within the jurisdiction of the States. Sometimes, quite often, I felt it was to the detriment of ultimate prosecutions.

The FBI would have—for reasons of their own—not only a willingness, but an eagerness to keep very secret what they were doing, not to allow State or local law enforcement to be involved in it. Many, many times this resulted in working at cross-purposes of the two agencies.

I would much prefer seeing us, in this act certainly, and in others, to allow local law enforcement to keep the peace. If there is criminal activity, they should be the ones to handle it.

Certainly, as I said before, if there is any criminal activity, it cannot be condoned. Wrongdoers must be prosecuted. It should not make any difference who is involved, they should be prosecuted for such activity. But the responsibility for doing so should remain at the local and State level without always enlarging this idea of Federal action.

Mr. HELMS. Will the Senator from Vermont yield on my time?

Mr. LEAHY. Certainly.

Mr. HELMS. Mr. President, I find the position of the Senator from Vermont very appealing, very logical. What he is saying is that he is a States rights Senator, then.

Mr. LEAHY. In most ways, I am.

Mr. HELMS. In that case, I know the distinguished Senator will look with consideration upon a later amendment to protect the right-to-work laws in the various States.

I commend the Senator on his position.

Mr. LEAHY. Mr. President, I would have been very surprised if the distinguished Senator had not mentioned that amendment.

Mr. BARTLETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I certainly appreciate the position expressed by the distinguished Senator from Vermont and I do believe very strongly in the responsibility of law enforcement strength at the local level.

I also believe very strongly in the backup of law enforcement being available and usable, and being used at the State level and, if necessary, finally to resort to Federal support.

When I was Governor, I had experiences in this area both in my State and out.

One time, I was on a hunt for industry in New York State and was in contact with people with General Electric and learned about a strike that they had in which there was a court action to protect the company and their operation and the court order was violated and was not enforced by the local authorities.

The request was made to have backup support by the State. The Governor of the State denied taking action.

Our literature is full of examples of violence related to the construction industry emanating from union activity; oftentimes, perhaps every time, the union activity goals being proper goals, but the means to accomplish those goals being very wrong and violating personal liberties, violating personal property.

I think we must recognize that the statement made by the Senator from Vermont is a sound statement, but I also think we must recognize that local law enforcement and State law enforcement are not always available to quell a disturbance or to even deal with continuing violence emanating from certain unions.

I believe this bill is certainly in the best interest of everyone concerned—the members of organized labor; those who decide to work in the construction business and not be a member of a union; the owners of the property and those who are engaged in the construction business, and, finally, the average citizen of this country who has a stake in the productivity of the contractors, the union members and the nonunion members, who has a stake in the cost of housing, the cost of construction, who has a stake in the laws of this land being enforced.

Mr. President, particularly with this

FOOTNOTES

[1] 91 Cong. Rec. 11914 (remarks of Rep. Marcantonio).

[2] *Id.*, at 11913.

[3] *Ibid.*

[4] *Id.*, at 11914; 11914–11915; 11918.

[5] *Id.*, at 11916.

[6] *Id.*, at 11917.

[7] *Id.*, at 11918.

[8] *Id.*, at 11913.

[9] *Id.*, at 11919.

[10] *Ibid.*

[11] *Id.*, at 11917.

[12] *Id.*, at 11919. The proposed amendment read as follows:

"(a) The term 'payment of wages by a bona fide employer to a bona fide employee' shall not be construed so as to include the payment of money or the transfer of a thing of value by a person to another when the latter shall use or attempt to use or threaten to use force or violence against the body or to the physical property (as distinguished from intangible property) of the former or against the body of anyone having the possession, custody, or control of the physical property of the former, in attempting to obtain or obtaining such payment or transfer.

"(b) The term 'the rights of a bona fide labor organization in lawfully carrying out the legitimate objects thereof, as such rights are expressed in existing statutes of the United States' shall not be construed so as to ignore, void, set aside, or nullify the definitions set out or the words used in or the plain meaning of subsection (a) hereof."

[13] *Id.*, at 11922.

amendment, which has in it the requirement that local unions receive permission from their union officers at the national level for pursuing a common situs picketing, that they are crossing State lines, that they are engaged in an activity across all the States, I believe it is only proper and fitting, with the possibility of new frictions developing in the labor area, that we have this kind of protection for property and, indirectly, for persons.

This is a time of rising violence and crime in this country, so it is certainly a time for rising and increasing protection for private property and persons and for further protection to the average citizen in more efficient work, less cost, and a better life.

Mr. President, I reserve the remainder of my time.

Mr. BUCKLEY. Mr. President, I wish every State would adopt legislation comparable to the Bartlett amendment. I cannot support it, however, because I believe its subject matter falls directly within the police powers and responsibilities of the States. We have to curb our impulse to reach for a Federal remedy to every problem that crops up anywhere in the United States.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, we have a situation where the Senator from Oklahoma wants the yeas and nays on his amendment and has not received that authority from the Senate as yet.

The Senator from North Carolnia has an amendment that was offered and laid aside for the introduction of the amendment of the Senator from Oklahoma.

Will the Senator ask for the yeas and nays on his amendment?

Mr. HELMS. Yes. As a matter of fact, I have asked for the yeas and nays, with the same lack of success that the Senator from Oklahoma has experienced.

Mr. WILLIAMS. I was going to suggest that perhaps these votes could come after we had debated the amendments, and the votes could follow one after the other. That might be a more efficient way to do it, although there is a conflict, in principle, between the amendments. The Senator from North Carolina has one that is deeply engrained in States' rights, and the amendment of the Senator from Oklahoma is in derogation of States' rights. So perhaps they would not want to put them together; I do not know.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. WILLIAMS. Yes.

Mr. BARTLETT. Would it be agreeable that we have a unanimous-consent request to vote, as far as my amendment is concerned, at some time certain, with the understanding that the yeas and nays would be obtained, assuming that the Senate wanted to provide the yeas and nays? I would like to have it understood that that request would be made subject to a sufficient second, but I would be very pleased to have the vote at a later time, if that would be accommodating in any way to the Senator from New Jersey or the Senator from New York.

Mr. JAVITS. Mr. President, I would respectfully suggest that I shall move to table, and that would bring on an immediate vote. I suggest that we consult the deputy majority leader, who likes to run these timetables, and set this amendment aside momentarily, which will free the Senator from Oklahoma, and we will ask for the yeas and nays just for his accommodation, since we have to be here anyway, and then work something out to accommodate the Senators.

Mr. BARTLETT. I thank the Senator. I would appreciate that.

Mr. HELMS. Mr. President, I agree with the Senator from New York, and I suggest the absence of a quorum.

Mr. JAVITS. Could we dispose of this first?

The PRESIDING OFFICER. Will the Senator from New York restate his request?

Mr. JAVITS. The request would be to temporarily lay aside the Bartlett amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BARTLETT. Mr. President, reserving the right to object, it is my understanding that it would be laid aside with the understanding that it be brought up at a later time certain, and that the yeas and nays would be requested by——

Mr. JAVITS. Exactly, by me and Senator WILLIAMS. And that I would move to table, and get the yeas and nays on that motion.

QUORUM CALL

Mr. WILLIAMS. Mr. President, could we have a quorum call to make the inquiry of the leadership whether we could work it out to have both these matters considered at 11 o'clock, when we can obtain a sufficient second?

Mr. HELMS. Or later.

Mr. JAVITS. Or later.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 82 Leg.]

Bartlett
Bumpers
Clark
Goldwater
Helms
Javits
Magnuson
Pell
Symington
Williams

The PRESIDING OFFICER. A quorum is not present.

Mr. JAVITS. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Allen
Baker
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Inouye
Jackson
Johnston
Kennedy
Laxalt
Leahy
Long
Mansfield
McClellan
McClure
McGovern
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Young

(The following proceedings occurred during the call of the roll:)

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. CLARK). A parliamentary inquiry is not in order in the absence of a quorum.

Mr. GOLDWATER. Would it be in order with reference to the quorum call?

The PRESIDING OFFICER. It is not in order.

Mr. GOLDWATER. I wanted to ask if we could go into recess.

The PRESIDING OFFICER. A motion to recess until 8:30 tomorrow is in order.

Mr. GOLDWATER. Even in the middle of a quorum call?

The PRESIDING OFFICER. Yes.

Mr. GOLDWATER. If we do not get a quorum pretty soon, we are going to ask it.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Wyoming (Mr. MCGEE), the Senator from Minnesota (Mr. MONDALE), the Senator from North Carolina (Mr. MORGAN), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

Mr. GRIFFITH. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

I also announce that the Senator from Delaware (Mr. ROTH) is absent due to illness.

The PRESIDING OFFICER (Mr. STONE). A quorum is present.

Mr. HELMS. Mr. President, I ask for the yeas and nays on the Bartlett amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr President, I move to table the Bartlett amendment and I ask for the yeas and nays.

The PRESIDING OFFICER Is there a sufficient second?

There is a sufficient second

The yeas and nays were ordered

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

Mr. HELMS. Will the Senator withhold that?

Mr. JAVITS. Yes; I withhold it.

Mr. HELMS. Mr. President, I ask that it be in order that I call for the yeas and nays on amendment No. 1099.

The PRESIDING OFFICER. Is there objection to that request?

Mr. HELMS. I make such a request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

Mr. JAVITS. Mr. President, if I may just yield myself 30 seconds——

The PRESIDING OFFICER. There is a motion to table.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, before the Senator makes that suggestion, I ask unanimous consent to proceed for 15 seconds.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I hope members of the Appropriations Committee will meet in the room down below so that we can mark up our appropriations bill for Interior in full committee now.

The PRESIDING OFFICER. The yeas and nays have been ordered. The question is on agreeing to the motion to table.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll on the quorum.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion to table Mr. Bartlett's amendment. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Minnesota (Mr. Humphrey), the Senator from Wyoming (Mr. McGee), the Senator from Minnesota (Mr. Mondale,) the Senator from North Carolina (Mr. Morgan), the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I further announce that the Senator from Alaska (Mr. Gravel) is absent on official business.

On this vote, the Senator from Minnesota (Mr. Humphrey) is paired with the Senator from North Carolina (Mr. Morgan).

If present and voting, the Senator from Minnesota would vote "yea" and the Senator from North Carolina would vote "nay".

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore) would vote a "yea".

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. Mathias) is necessarily absent.

I further announce that the Senator from Delaware (Mr. Roth) is absent due to illness.

The result was announced—yeas 56, nays 35, as follows:

[Rollcall Vote No. 510 Leg.]

YEAS—56

Abourezk
Bentsen
Biden
Brooke
Buckley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Durkin
Eagleton
Ford
Glenn
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGovern
McIntyre
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stafford
Stevens
Stevenson
Symington
Talmadge
Tunney
Weicker
Williams

NAYS—35

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Byrd,
  Harry F., Jr.
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hollings
Hruska
Laxalt
McClellan
McClure
Metcalf
Percy
Scott, Hugh
Scott,
  William L.
Sparkman
Stennis
Stone
Taft
Thurmond
Tower
Young

NOT VOTING—9

Bayh
Gravel
Humphrey
Mathias
McGee
Mondale
Morgan
Pastore
Roth

So the motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment No. 1099 of the Senator from North Carolina (Mr. Helms). On this question, the yeas and nays have been ordered.

Mr. HELMS. Mr. President, the amendment has already been stated, but for the benefit of Senators who are here, this is simply the States' rights amendment, which states that common situs picketing shall not extend to any site in derogation of State law, past or present, but this shall not apply to any such previously existing State law that is not ratified by the State legislature within 5 years following the enactment of the common situs picketing bill, if indeed it is enacted and signed by the President.

Because of the time limitation, Mr. President, I am not going to discuss it further. Other Senators can read and understand the English language as well as or better than the Senator from North Carolina. I reserve the remainder of my time.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senate will be in order. Senators will kindly take their seats, and Senate staff withdraw.

Mr. JAVITS. We have already decided the proposition by a vote respecting the applicability of the pending bill in States which have so-called right-to-work laws. This is but another variance of the same idea. It is a fact that there is Federal preemption in cases like this and if we do pass this bill it will be applicable in the States with right-to-work laws.

The right-to-work laws deal with the question of union security. They do not deal with situs picketing, or any picketing at all.

Therefore, Mr. President, in the view of those of us who are managing the bill, the exemption sought is simply to take certain States out of this new approach because they have a policy which is unfriendly to unionization.

I am sure my friend from North Carolina will challenge my use of the word "unfriendly," and I withdraw it.

Therefore, I believe the amendment should be defeated. I have not moved to table, and I do not think we should. I think we should decide this matter on the merits.

I wish Members to know that Senator Williams and I are not tabling things arbitrarily. The Senator has a relevant proposition, and it certainly should be voted on by the Senate. But we believe this amendment should be defeated.

Mr. WILLIAMS. Under this amendment the States would be invited to enact their own rules with respect to what is primary and what is secondary conduct. The proposal is therefore contrary to the entire course of our labor laws in which Congress has with a single exception exercised its powers on a uniform national basis. The precise question of allowing States to formulate their own policies was carefully considered in 1947 in light of the Supreme Court's decision in *Bethlehem Steel Co.* v. *New York*, 330 U.S. 767 and Congress decided that the National Labor Relations Board's power to cede jurisdiction to a State may not be exercised where "the provision of the State or Territorial statute applicable to the determination of such cases by such agency is inconsistent with the corresponding provision of this Act or has received a construction inconsistent therewith."

The only exception was section 14(b) which preserved the right of the States to determine their own policy with respect to the legality of maintenance and enforcement of union security provisions.

The issue arose again in 1959 in the context of the so-called no man's land, that is, with respect to labor disputes over the Board declines to assert jurisdiction.

In section 14(c) we declared that the States may assert jurisdiction where the Board has declined it, but directed that the Board may no decline to assert jurisdiction in the future over any dispute over which it would have asserted jurisdiction under the standards prevailing on August 1, 1959. We thus reaffirmed the principle that a single Federal labor policy would prevail in all the States, territories, and District of Columbia.

The Supreme Court has understood

and applied the principle of national uniformity in a series of cases such as *Garner* v. *Teamsters*, 346 U.S. 485; *San Diego Unions* v. *Garmon*, 359 U.S. 236; *Teamsters Union* v. *Morton*, 337 U.S. 252; *Motor Coach Employees* v. *Missouri*, 374 U.S. 74; *Motor Coach Employees* v. *Lockridge*, 403 U.S. 274.

Only the narrowest exceptions have been recognized because of the unique State interest in preventing violence; for example *United Construction Workers* v. *Laburnum Corp.*, 347 U.S. 656 and in protecting individual reputation against defamation, *Linn* v. *Plant Guard Workers*, 383 U.S. 53. But even in these areas the Court has emphasized, and properly so, that the State authority may not be used to penalize the exercise of federally protected rights, see *Garmon*, 359 U.S. at 248 n. 6 and *Linn*, 383 U.S.

The reason for this congressional policy of national uniformity is to prevent competition among the States on the basis of lower labor standards which inhibits the activities of unions and particularly their use of economic weapons.

There are some who believe that even the limited authority reserved to the States by section 14(b) has accelerated the movement of jobs from some regions of this country to others to the detriment of the former, but we have not touched upon this delicate controversial subject in this bill.

What is clear is that the present amendment would result in a different set of rules for the construction of a factory in one State than for another and would foster economic competition among the States to the detriment of workers in the short run and of the entire Nation in the long run.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 1099 of the Senator from North Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Minnesota (Mr. Humphrey), the Senator from Wyoming (Mr. McGee), the Senator from North Carolina (Mr. Morgan), and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I further announce that the Senator from Alaska (Mr. Gravel) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore) would vote "nay."

On this vote, the Senator from North Carolina (Mr. Morgan) is paired with the Senator from Minnesota (Mr. Humphrey).

If present and voting, the Senator from North Carolina would vote "yea" and the Senator from Minnesota would vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Michigan (Mr. Griffin), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I further announce that the Senator from Delaware (Mr. Roth) is absent due to illness.

The result was announced—yeas 39, nays 52, as follows:

[Rollcall Vote No. 511 Leg.]

YEAS—39

Allen
Baker
Bartlett
Bellmon
Bentsen
Brock
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Goldwater
Hansen
Helms
Hollings
Hruska
Johnston
Laxalt
McClellan
McClure
Montoya
Nunn
Pearson
Scott, William L.
Sparkman
Stennis
Stevens
Stone
Talmadge
Thurmond
Tower
Young

NAYS—52

Abourezk
Beall
Biden
Brooke
Burdick
Cannon
Case
Church
Clark
Cranston
Culver
Durkin
Eagleton
Ford
Glenn
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
McGovern
McIntyre
Metcalf
Mondale
Moss
Muskie
Nelson
Packwood
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NOT VOTING—9

Bayh
Gravel
Griffin
Humphrey
Mathias
McGee
Morgan
Pastore
Roth

So Mr. Helms' amendment (No. 1099) was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. Ford). The question is on the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Jonathon Fleming of my staff may have the privilege of the floor throughout the consideration of this measure, until the final rollcall is completed.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1132

Mr. BUCKLEY. Mr. President, I call up my amendment 1132 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 3, line 10, strike "*Provided further*, That".

Beginning on page 3, line 11, strike through line 14.

On page 3, line 15, strike "sentative of his employees:".

Mr. BUCKLEY. Mr. President, this is a very simple matter, but I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUCKLEY. This amendment involves a feature in this bill that would seriously restrict the authority and powers and autonomy of local unions. It does so in an area that is of extraordinary importance to the members of locals. The bill we have before us prohibits a job action unless it is approved by a local union's national or international parent. It seems to me that this is not desirable. It will shift authority and responsibility from the locals, where it belongs, to a centralized office quite distant from where the problem exists.

It seems to me that this is still another step toward the concentration of power and authority in this country in all our institutions, and it is one that the Senate should not adopt. My amendment would simply strike that provision in the bill which requires that a union first receive permission to undertake a job action before it can undertake that action.

Mr. President, I think I have said all that needs to be said to explain this simple provision. I am ready to proceed to a vote.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, I rise in opposition to the amendment. This proposition that is before us—that, exercising rights newly granted under this bill, local unions should be required to provide notice of and to receive authorization for such activity—is one of the provisions of the legislation that has very broad support. It is really part of the whole scheme of things that is before us, both situs picketing and collective bargaining.

Mr. President, the proposition that before exercising the rights newly granted under this bill local unions should be required to provide notice of and to receive authorization for such activity has extremely broad-based support on both sides of the aisle, is supported by the Secretary of Labor, and by the President. This broad support is based upon the principle of encouraging increased communications and responsibility as a condition to exercising this long-sought right.

It is not an infringement on local union autonomy with respect to the exercise of existing rights.

The following excerpt from Secretary of Labor Dunlop's statement at the hearing before the Senate Subcommittee on Labor this year is pertinent:

> A more general comment may be appropriate.
>
> I have come to the conclusion over the past decade that the legal framework of collective bargaining in the construction industry is in need of serious review.
>
> On January 28, 1975, in a unanimous statement the leaders of labor and management operating under collective agreements in this industry also expressed the view that "It is timely for labor and management to explore . . . a more viable and practical legal framework for collective bargaining."

> A vastly enhanced role for national unions and national contractor associations, working as a group, is essential in my view if the whipsawing and distortions of the past are to be avoided and if the problems of collective bargaining structure, productivity and manpower development are to be constructively approached by the industry itself, and in cooperation with governmental agencies.

Accordingly, Mr. President, I feel that the notice and approval requirements contained in this legislation will foster not only the effective achievement of the rights that we establish under this bill, but also result in a more orderly development of labor-management relations in the construction industry.

One of the basic thrusts of this legislation is to lift some of the early decisions on whether to picket or on the collective bargaining negotiations out of the competition that now exists locally and provide the input of the international organizations, both labor and management. This amendment would strip from the bill one of the enlightened and statesmanlike approaches that was put in here with the full agreement of representatives of all parties—labor and management, the administration, the Secretary of Labor. I think that we would be taking a significant step backward from the new, more intelligent relationship we are seeking to create if we have the bill as it is without this amendment.

Mr. BUCKLEY. Mr. President, I shall just say that I am not sure there is broad support for this provision, just as, in the past few decades, there has been broad support for any move to take the responsibility and authority away from local government and, in this case, local unions. I am sure it may very well be that the national and international union headquarters situated in Washington would support a move that increases their authority. The question is, at whose expense? I suspect it is at the expense of the trade unions, the locals, and there are dozens and dozens of them in New York State and across the Nation. I believe that this is contrary to the interests of the people who are actually doing the work, who actually have the grievances, and who actually are in a position to determine how best they can protect those grievances.

Mr. TAFT. Mr. President, I shall take 2 minutes on my own time.

Mr. President, I have listened with interest to the presentation made by the distinguished Senator from New York. I must say that I think he fails to recognize what is the actual, pragmatic situation here.

In discussing this legislation, I have talked with quite a number of local union leaders. They are very anxious to have this particular provision. They are anxious to have it because they recognize the whipsawing that has gone on between the various building trade unions in particular areas, where one got an increase of, say, 15 percent, and that meant, automatically, that the individual who is a head of another union, when the contract expires shortly thereafter, was faced with having to match that 15 percent, regardless of the economics of that situation, because of pressures that really came from within his own union under those circumstances.

The reason, I think, that those who are enlightened in the local unions, the local union leadership and the members as well, welcome this veto power—really, that is all it is. The contract negotiations still initiate at whatever level they have been initiating at in the past—if they initiate at the local level or, if it is on a broader scale, at that particular level, and the terms are worked out at that level. It does represent, I think, a way in which the international unions, working with the local unions, can establish a degree of responsibility about the increases and the changes that are worked out in particular contracts.

The reason it is welcome is that there has been some experience in this regard in the building trades operations under wage and price controls through the 1971–74 period. If the Senator will look at the percentages of increases that occurred during the years prior to that in the building trades as compared to how they leveled out and became far more stable, and, I think, a satisfactory pattern in labor and management alike, I think he will understand why the amendment is not well advised.

Mr. BUCKLEY. Mr. President, I am prepared to put the matter to a vote. I think all viewpoints have been expressed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of Mr. Buckley.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Michigan (Mr. Hart), the Senator from Indiana (Mr. Hartke), the Senator from New Hampshire (Mr. McIntyre), the Senator from North Carolina (Mr. Morgan), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

On this vote, the Senator from North Carolina (Mr. Morgan) is paired with the Senator from Indiana (Mr. Hartke).

If present and voting, the Senator from North Carolina would vote "yea" and the Senator from Indiana would vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Michigan (Mr. Griffin) is necessarily absent.

I further announce that the Senator from Delaware (Mr. Roth) is absent due to illness.

The result was announced—yeas 24, nays 68, as follows:

[Rollcall Vote No. 512 Leg.]

YEAS—24

Allen
Baker
Bartlett
Bellmon
Buckley
Curtis
Dole
Eastland
Fannin
Fong
Garn
Goldwater
Hansen
Helms
Hollings
Hruska
Laxalt
McClure
Scott, Hugh
Scott, William L.
Stone
Thurmond
Tower
Young

NAYS—68

Abourezk
Beall
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Durkin
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Tunney
Weicker
Williams

NOT VOTING—8

Bayh
Griffin
Hart, Philip A.
Hartke
McIntyre
Morgan
Roth
Stennis

So Mr. Buckley's amendment (No. 1132) was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. WILLIAMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(The following colloquy occurred during the proceedings on the preceding amendment (No. 1132) of Mr. Buckley and are printed at this point in the Record by unanimous consent:)

Mr. CRANSTON. Mr. President, I ask these questions on behalf not only of myself but of Senators Hansen and Thurmond, who are ranking minority members of the Veterans Affairs Committee and its Subcommittee on Health and Hospitals, respectively, and for myself as chairman of the Subcommittee on Health and Hospitals of the Committee on Veterans Affairs because Senators Hansen, Thurmond, and I have received inquiries as to the effect of certain provisions of the reported bill on labor disputes at construction projects being carried out at existing VA hospital facilities. To make the record totally clear on this, I would like to state a hypothetical case and ask the distinguished floor manager, Senator Williams, how the present bill would apply.

If an existing Veterans' Administration hospital building is the site of construction or repair work, would it be lawful under the bill as reported for striking construction workers to picket all gates to that hospital building thereby preventing delivery of nonconstruction materials and supplies to that building and barring access to it by employees of employers engaged in making deliveries or providing services to that building other than those services or deliveries related directly to the construction work underway at that site?

Mr. WILLIAMS. The answer is no, but let me amplify that by saying that a union having a dispute with a contractor making major alterations would not be permitted to appeal to hospital employees who are not involved in the construction. The hospital can establish a separate gate for the employees of the struck contractor and of all other employers working on the construction or making deliveries to that area. The hospital can instruct its own employees not to enter at that gate.

We can refer here to the Supreme

Court decision in the General Electric case which has been cited so many times. This appears in our committee report on pages 12 to 14, and the findings of that case are keyed to so much of what we are doing.

Since the dispute is with the general contractor, the Veterans' Administration may, by reserving a separate gate at that building for the construction employees, confine picketing to that gate and thereby insulate from that picketing the employees of employers who are not engaged in construction work at the hospital. As the committee report explains, once such a separate gate is reserved for the construction employees, picketing at any other gate to that hospital building would be unlawful. Thus, picketing at the construction gate would be "an inducement * * * directed at" only employees engaged in the work related to the construction and no others.

To put this another way, and to broaden our focus to cover all health facility situations, a union having a dispute with a contractor making major alterations or repairs would not be permitted to appeal to hospital employees who are not involved in the construction there. The hospital can establish a separate gate for the employees of the struck contractor and all other employers working on the construction project or making deliveries to it. The hospital can direct its own employees and others not to enter that gate. Under the General Electric decision the union could lawfully picket only the construction gate; and it could not picket to induce the hospital employees to cease work for the hospital, or delivery employees not to deliver hospital supplies, because their work is unconnected to the construction work of the struck contractor.

This follows because S. 1479 as reported embodies and gives proper scope to the "connected work" test stated in General Electric. The purpose of the legislation is to embody the primary-secondary dichotomy recognized in that case and apply it to the construction industry in a realistic manner, by treating the general contractor and his subcontractors as a single person for purposes of the secondary boycott provision of the National Labor Relations Act.

The approach in this bill thus reflects the economic realities in the building and construction industry where the contractor and all the subcontractors are engaged in a common venture and each is performing tasks closely related to the normal operations of all the others. The legislation recognizes that their work is "connected" as that term is used in General Electric. But because the construction work is "unconnected" to that performed by the hospital employees or the regular function of the hospital, under the bill the limitations on picketing recognized in the General Electric case would continue to govern the situation posed by my friend from California.

Mr. CRANSTON. Thank you, Mr. Chairman.

Mr. JAVITS. I want to add my agreement to the answers given by the distinguished floor manager of the bill.

Mr. STEVENS. Mr. President, I have a question, and I would ask the indulgence of the Senator from New York to ask that I be able to address that question to the floor manager of the bill, the Senator from New Jersey.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. There have recently been questions raised by contractors in my region regarding the effect of this bill on their relationship with suppliers, particularly in the instance in which the general construction contract requires a competitive bid for the supplies and, therefore, the general contractor does not really have an opportunity to have an impact over the direct selection of the suppliers. I have discussed with general contractors in Alaska the effect of the passage of S. 1479 I have assured them that the passage of this bill would in no way change the present law concerning the legitimacy of a strike or a picket line at a construction site for any of the following reasons:

First, to protest the delivery to the construction site of materials supplied by a nonunion supplier;

Second, to coerce a general contractor to cease doing business with an offsite supplier because the offsite supplier is nonunion; or

Third, to encourage the unionization of an offsite nonunion supplier.

I would like to ask my good friend from New Jersey if his understanding of the bill, which I have supported, is the same as I have stated to my constituents, the general contractors of Alaska.

Mr. WILLIAMS. The answer is clearly "yes." The Senator from Alaska has generally described situations which constitute unlawful secondary boycotts under the National Labor Relations Act as it stands and will stand under this new legislation.

We do not change that law in this regard in any way. As the Supreme Court has repeatedly held, the tactical application of economic pressure to an employer to satisfy union objectives elsewhere is a classic secondary boycott, and nothing in this bill changes the law that deals with that situation.

The answer, therefore, is that any apprehension that we are changing the law that prohibits that kind of activity can be most completely answered by saying the apprehension can be dissolved, dismissed, because it will not happen under this bill.

Mr. STEVENS. I thank the Senator from New Jersey. I supported the bill on the assumption it would not be construed to permit any conduct which is now an unfair labor practice under existing law, and that it would not create a new permissible ground for strikes, picketing, or other union activity.

I appreciate my friend's statement for the record on that point.

Mr. BUMPERS. Mr. President, I did not hear all of the colloquy which took place. I have a question which has been in my mind particularly on the question of organizational picketing and, if I may, I would like to address a question to the author of the bill on my time and ask in what instances organizational picketing is permitted under present law?

I will be happy to address the same question to the manager of the bill. It really is not too important who answers it so long as I get the answer, if the manager of the bill will tell me in what areas.

Mr. WILLIAMS. The instances are described in the National Labor Relations Act, section 8(b)(7)(C), under which a union may engage in organizational picketing without filing an election petition for up to 30 days.

Mr. BUMPERS. Is it permitted in all instances or has it been permitted in the past in all instances except for the construction industry for that 30-day period?

Mr. WILLIAMS. That is general law. That applies to all parts of industry.

Mr. BUMPERS. And neither the employees nor the employer can ask for certification by the NLRB during the 30-day picketing which must come to a halt at the end of that time?

Mr. WILLIAMS. At the end of that time.

I will say we have changed it so far as construction is concerned with an amendment that has been added to the bill, the Hathaway amendment, which limits it effectively to 14 days.

Mr. BUMPERS. As I understood the Hathaway amendment, it provides for expedited procedure. It provides for an expedited election, and it provides the election must be held within 14 days after a request for certification by either an employer or employees.

Mr. WILLIAMS. That is right.

Mr. BUMPERS. That request could be made, say, on the 16th day after organizational picketing had begun, and the 30-day figure would still be operative, would it not? In other words, the organizational picketing could continue while the election procedures were being expedited.

Mr. WILLIAMS. That is right, the picketing could continue.

Mr. BUMPERS. But until an election is held 30 days is the maximum amount of picketing, is that correct?

Mr. WILLIAMS. That is correct. If no election is sought the 30-day limit applies.

Mr. BUMPERS. I thank the Senator.

Mr. WILLIAMS. I have no further requests.

(This ends the colloquy which occurred earlier in today's proceedings.)

EDUCATION FOR ALL HANDICAPPED CHILDREN ACT OF 1975—CONFERENCE REPORT

Mr. RANDOLPH. Mr. President, I call up the report of the committee of conference on S. 6, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. CANNON). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6) to insure the right to an education for all handicapped children and to provide financial assistance to the States for such purpose, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The **PRESIDING OFFICER.** Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of November 14, 1975, at p. 36622.)

Mr. **RANDOLPH.** Mr. President, I ask unanimous consent, in order to have a time certain, that the time for consideration of this conference report be 30 minutes, 15 minutes to a side, I to be in control of 15 minutes and the ranking minority member of the Senate conferees (Mr. Stafford) to have charge of the other 15 minutes.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **RANDOLPH.** Mr. President, I ask unanimous consent that the following staff members may be on the Senate floor during the consideration of the Conference Report on the Education of All Handicapped Children Act of 1975: Patria Forsythe, Betty Griffin, Renee Bergman, Clare Comiskey, Darlene Damico, Jack Andrews, Nik Edes, Lisa Walker, Judy Heumann, Peter Harris, Anne Hocutt, Ellie Parker, Maggie Shandera, and Michael Burns.

The **PRESIDING OFFICER.** Is there objection? Without objection, it is so ordered.

Mr. **RANDOLPH.** I yield myself such time as I may require.

Mr. President, we consider today Report No. 94–455, the conference report on S. 6, the Education of All Handicapped Children Act of 1975. We should keep in mind that this legislation represents a giant step forward in our efforts to meet the needs of approximately 8 million handicapped children in our country. Too long have the needs of these handicapped children been neglected.

Over the last few years, we have been moving toward fulfilling our goal of education for all handicapped children. Since 1967, the Education of the Handicapped Act has stimulated local and State programs for handicapped children so that there has been an increase of 1.5 million handicapped children enrolled in education programs. I know that in our State of West Virginia, the enrollment of handicapped children in educational programs has grown from 15,161 children in 1972 to 31,595 children in 1974.

Provisions in the Elementary and Secondary Education Act Amendments of 1974—Public Law 93–380—represented another step forward in meeting the goal of full educational opportunities for all handicapped children. However, there are now almost 4 million children awaiting educational services. Today, we are eager to accept increased responsibility for the education of this Nation's handicapped children as we consider the Education for All Handicapped Children Act of 1975.

The Education for All Handicapped Children Act of 1975 promises handicapped children the educational opportunity that has long been considered the right of every other American child. This legislation will establish a comprehensive mechanism which will insure that those provisions enacted into law during the 93d Congress are expanded and will result in maximum benefits to handicapped children and their families.

This measure will provide for a gradually increasing Federal fiscal role for the education of handicapped children. The funding formula, sponsored by our able colleague from Maryland, Senator Mathias, as an amendment to Public Law 93–380, will be continued for fiscal years 1976 and 1977. Beginning in fiscal year 1978, a new formula will target Federal moneys for handicapped children by paying a specified percentage of the average per pupil expenditure multiplied by the number of handicapped children receiving special education and related services in a State.

This percentage will increase gradually from 5 percent of the average per pupil expenditure in 1978 to 40 percent in 1982 and thereafter. By adopting a formula based on a percentage of the average per pupil expenditure in the United States, we have included an inflation factor. Also, by adopting a $100 million authorization ceiling in 1976, a $200 million authorization ceiling in 1977, and the gradually increasing percentage of the average per pupil expenditure, we have expressed our concern over fiscal problems presently facing our Nation.

In addition, since there is always the possibility that overcounting children as handicapped will occur to generate the largest possible Federal allocation, this legislation includes a safeguard to prevent unnecessary labeling of children as handicapped. No more than 12 percent of the school-aged population, aged 5 to 17, may be counted as handicapped in any given State.

This measure also establishes eligibility requirements, State plan requirements, and local application requirements; places responsibility for implementation of this act on the State Educational Agency; expands due process protections in existing law; establishes provisions relating to the removal of architectural barriers, advancement in employment of handicapped individuals, congressional disapproval of regulations, and centers on educational media and materials for the handicapped.

To insure accountability at both the State and local levels, the bill calls for the submission of a State plan by the States and also for the submission of local applications to the State. These plans and applications must include assurances that all handicapped children in need of special education are identified, located and evaluated; that priorities for services are established first with respect to handicapped children not receiving an education and second with respect to severely handicapped children, within each disability, who are receiving an inadequate education; that a goal is established for providing full educational opportunities for all handicapped children; and that a timetable is established for reaching that goal.

How much time have I consumed, Mr. President?

The **PRESIDING OFFICER.** The Senator has consumed 9 minutes.

Mr. **RANDOLPH.** In recognition of the vital importance of trained personnel to implement the provisions of this legislation, both the State and the local jurisdictions will have certain responsibilities in developing, implementing, and maintaining a comprehensive system of personnel development.

This measure particularly addresses itself to the need for additional responsibility and accountability at the local level. While the State remains ultimately responsible and accountable to the Commissioner for the attainment of the goal of educating all handicapped children, the role of the local educational districts as providers of direct services is paramount. This legislation emphasizes an increasing flowthrough of funds to the local educational agencies. In fiscal 1978, the local educational agencies will receive 50 percent of the State allotment; in fiscal year 1979, and thereafter, the local educational agencies will receive 75 percent of the State allotment. No local educational agency, however, will receive funds unless it is serving enough children in order to be eligible for at least $75,000. This passthrough reflects the belief of Congress that local educational agencies, as the primary providers of direct services to handicapped children, must be responsible and accountable if the goal of providing educational opportunities to all handicapped children aged 3 to 18 by 1978 and 3 to 21 by 1980 is to be reached.

Another important feature of this legislation concerns the expansion of due process procedures in existing law. By building on those safeguards of due process in Public Law 93–380, we will assure handicapped children and their parents or guardian the right to have written prior notice whenever the educational agency plans to initiate, change—or refuses to change or initiate—the identification, evaluation, or educational placement of the child or the provision of a free appropriate public education to the child; the right to examine relevant records; the right to have an opportunity to present complaints; and the right to have an impartial due process hearing.

It also calls for the development of an individualized educational program for each handicapped child, in which there is participation by the parents or guardian of the child, the teacher, a representative of the local educational agency qualified to provide or supervise the provision of special education and related services, and the child when appropriate. Individualized attention to educational needs has and will continue to be one of the most important elements to a child's success in school. By monitoring a child's progress, a teacher can aid the child in achieving educational goals as well as determining where a potential educational problem may arise.

Mr. President, with almost 4 million handicapped children needing the help that this legislation offers, it is imperative that positive action be taken. Delay in action to meet the needs of handicapped children has far-reaching implications for the futures of these children and their families. We must act now to give these children the educational services they need to compete in today's changing world.

I express appreciation to our able colleagues, Mr. WILLIAMS, chairman of the Committee on Labor and Public Welfare; Mr. STAFFORD, ranking minority member of the Subcommittee on the Handicapped; Mr. JAVITS, ranking minority member on the full committee; Mr. CRANSTON; Mr. PELL; Mr. KENNEDY; Mr. MONDALE; Mr. HATHAWAY; Mr. TAFT; Mr. SCHWEIKER; and Mr. BEALL for their concern as we worked together on this legislation. I also express thanks to the Members of the House of Representatives' Subcommittee on Select Education, particularly Mr. PERKINS, chairman of the Education and Labor Committee; Mr. BRADEMAS, chairman of the Select Education Subcommittee; and Mr. QUIE, ranking minority member of the committee and subcommittee. I commend the many staff members who have worked with us as we sought to bring full educational opportunities to all handicapped children.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield to the able Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I rise merely to commend the distinguished Senator from West Virginia and all of our colleagues who have worked on this, the Senator from Vermont, the Senator from New Jersey, and others, who have tried to improve our assistance to the handicapped in the field of education and rehabilitation.

The Senator from West Virginia knows of my keen personal interest in these matters. It is a very happy day for me in the Senate to see the progress that we are making in this legislation, and I am particularly grateful to the Senator from West Virginia for giving us the information that he has on the pass-through.

The Senator from Vermont, I know, has also been very helpful in it. I visited his State recently, and I found not only a great deal of support for the Senator from Vermont but also for the very program that he has been talking about here today in giving his support to it.

So to Senator RANDOLPH, Senator STAFFORD, and Senator WILLIAMS I especially pay my thanks as a parent, as a grandfather who knows what it means to have a child who is handicapped, and also how much it means to have proper education for that child.

I have witnessed with my own eyes literally the rebirth of children into both physical and mental health by the kind of program which has been provided here in this legislation. These programs of rehabilitation and of education pay for themselves actually in economic return and they surely pay for themselves in the special joy and fulfillment that they can bring to those who are the beneficiaries.

To these Senators I express special thanks.

Mr. RANDOLPH. Mr. President, in response to what the Senator, who speaks always with understanding and compassion has said, yesterday the House of Representatives in the passage of the conference reported indicated its desire to move forward. The vote was 404 to 7 on this matter. Originally, of course, in the passage of the bill here and in the other body, of course, we had practically no opposition.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Vermont.

Mr. STAFFORD. Mr. President, I yield myself such time as I may consume.

I rise to support the passage of the conference report on S. 6, the Education of All the Handicapped Children Act of 1975. I believe it represents a major step forward by the Federal Government in the education of our handicapped children.

This bill is a commitment in policy, direction and fiscal responsibility. It has had a long, and often difficult legislative history. But it is a good bill that comes before us today for final action. It is a bill, that all who worked so very hard to see to it that our handicapped children—our less fortunate children—have a right to an education, can be very proud of.

This is the day that handicapped children and their parents can point to and say that this Congress—their Congress—recognized as a matter of national policy, the equal protection under the law that they have always deserved.

In this Nation, in this society, a right to an education is not a great deal to ask. That right should be guaranteed. For those estimated 7 million unserved handicapped children and their parents, it should be an everyday fact, not a legal matter. It is a pattern that every normal child expects to wake up to 5 days a week. So should the handicapped child.

It is part of the rhythm of life in this country, an unconscious assumption, that our children will be educated. So should it be for the handicapped child and his parents. It must not be, for them, a court battle.

Those children have hopes and dreams and desires to achieve in some measure, just as do their normal peers. They should not have to go to court—as they have had to in 27 States—to assure for themselves something that for everyone else in part of the pattern, the rhythm, the assumptions of everyday life.

I am proud of the small part that I have been privileged to play in helping to bring this bill to the point of final passage today. Certainly there are other members of the Senate who have done far more. Particularly the chairman of the Committee on Labor and Public Welfare (Mr. WILLIAMS) deserves a full share of the credit for his tenacious leadership on this bill. Our distinguished colleague from West Virginia (Mr. RANDOLPH) chairman of the Subcommittee on the Handicapped, as always deserves recognition for his leadership both on this bill and for his continued leadership as a champion of the rights of the disabled persons of the Nation.

Mr. President, I ask for the yeas and nays on the conference report.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STAFFORD. I also express my thanks to the ranking minority member of the Committee on Labor and Public Welfare (Mr. JAVITS) who lent a full measure of wisdom and advice as well. I thank them all for their long hours of work in the conference. It is a much better bill because of it.

I commend the members of the staff who worked so hard on this bill on both sides of the aisle. additionally.

Of special note too, Mr. President, is the work in conference of the Senator from Massachusetts (Mr. KENNEDY) for his assistance in assuring that the incentive grant program for handicapped children 3 to 5 years old remained a part of the bill through the conference committee's deliberations. This Senator had the privilege of offering that program as an amendment to the bill on the floor when it passed the Senate on behalf of Senator KENNEDY and several of our colleagues on the committee. We all deeply believed in the earliest possible service to handicapped children, and this Senator is, therefore, delighted that it is authorized in the measure which is now before us.

The burden of education of our children has historically rested with the States. But there is a Federal responsibility which has been clearly established as well to assist in the education of children with special needs and to assist the States in providing special education and related services. This area clearly deserves our continued support.

We, in Congress, have shown our commitment fiscally to such a policy by appropriating $110 million for this fiscal year. Surely, this does not represent all the money that is needed, but it does represent a substantial increase in the Federal dollar commitment to a program which had funding of only $37.5 million 3 years ago. Subject to the limits that the conference report puts on appropriations, I hope that the fiscal commitment can continue to grow.

Make no mistake, educating our children is still very much a State responsibility, and this bill does not change that. It intends that the States and local districts provide the same support for handicapped children as they do for all other children. The Federal dollars are to supplement the State and local commitment.

Mr. President, this bill provides many new and innovative provisions. But it is also a logical extension of the start that was made toward full educational opportunity by the Congress in Public Law 93-380 last year. I am sure that my colleagues will discuss these provisions in their statements today. There are a few however, that I would like my statement to reflect.

First. The Senate passed bill contained a provision for three individualized planning conferences for each child each year. These conferences were to include, but not necessarily be limited to the teacher, the parent or guardian, a representative of the educational agency responsible for the child's education, and the child when appropriate.

The conference agreement changes the name of such conferences to an individualized educational program, but retains in the definitional sense much of the Senate language. The difference is the way in which it will operate. The agreement clearly specifies that there will be two conferences in the first year of the handicapped child's schooling and provides that it will be reviewed at least annually. I wish to point out, however, that the conference clearly did not wish to preclude more than one conference per year.

The conferees recognize that each child is affected in a different way by a handicap. Some may be more severe for some children than they would be for others. We want to encourage as many conferences a year as any one child may need. It is felt that in some cases numerous conferences would be desired. We did not preclude that possibility.

Second. The conference agreement strengthens and clarifies the provisions of existing law regarding procedural safeguards and due process procedures. The conferees are cognizant that an impartial due process hearing may be required to assure that the rights of the child have been completely protected. We did feel, however, that the placement, or change of placement should not be unnecessarily delayed while long and tedious administrative appeals were being exhausted. Thus, the conference adopted a flexible approach to try to meet the needs of both the child and the State. I might add that most States have already enacted statutes to implement the existing law provisions which were added by my amendments last year. The conferees had no desire to have States have to act again to meet a Federal standard.

Third. The conferees agreed to limit the amount to be appropriated in order to meet the administration's objections to the enormous cost of the bill. We feel that this is too important a statement for the handicapped children of the Nation to risk a veto on the level of authorization.

Mr. President, I think that the vote of the other body yesterday of 404–7 indicates the kind of support the bill has in the Congress. I hope that the Senate vote will give just as clear an indication of the feeling it has for the bill.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. STAFFORD. I yield.

Mr. RANDOLPH. Mr. President, I should like the RECORD to indicate the overwhelming interest of the 16 members of the Committee on Labor and Public Welfare, 11 of whom serve on the Subcommittee on the Handicapped. This indicates their intense desire to address themselves to the problems that are being discussed so well by my colleague from Vermont. A special thanks from me, as the chairman of the subcommittee, to Senator WILLIAMS of the full committee and to Senator STAFFORD, who works by my side.

Mr. STAFFORD. I thank my distinguished colleague.

Mr. President, it has been said that the legacy of each new generation are the mistakes and problems of the one that went before. It is my hope that, because of our action today, that legacy will be diminished by at least one problem—that of providing direction and guidance for the education of our handicapped children.

I think that today Congress makes a very important statement. It makes a necessary statement of principle about how we intend our handicapped children to be treated in the educational process. Unfortunately we cannot by that or any other statement, change the attitudes of those who would equate "handicap" with "inferior." Attitudes and prejudices cannot be legislated away. They will only be changed by the good will of men. This statement that we make will help because it is designed to bring our children together, those with and without handicaps to try to undo the prejudice in education.

If we can do that much, Mr. President, we will have begun in large measure to relieve the next generation of the problems posed by the education of the handicapped child.

This thing that we do, then, is not only an act of law for equality in education, but an act of love for those extraordinary children wishing only to live ordinary lives.

Finally, Mr. President, when the question is asked: "Who will save the children?" our passage of this act today will show that this Congress can answer with a clear voice: "We will try."

Mr. President, how much time have I consumed?

The PRESIDING OFFICER (Mr. MUSKIE). The Senator has consumed 9 minutes.

Mr. STAFFORD. I yield 5 minutes to the distinguished Senator from Ohio (Mr. TAFT).

Mr. TAFT. Mr. President, at the outset, I joined in the commendation to the chairman of the subcommittee and the distinguished ranking Member of the subcommittee for having brought forth what I think is a very effective and fine piece of legislation.

The educational problems in America will never be resolved until the quality of education for all children attains a level commensurate with the demands of life in our complex society and offers the opportunity for the fulfillment of the potential abilities of all children, especially our handicapped children.

I have long supported and worked for legislation to benefit the physically and mentally handicapped and rise in support of the conference report on S. 6, the Education for All Handicapped Children Act of 1975, even though I disagree with the conference provisions of the National Center on Educational Media and Materials for the Handicapped.

The goal of this legislation is to raise the quality of education for millions of handicapped children to a new standard of excellence and equal opportunity never before envisioned. With the determined support of the American people through their public and private institutions, I am confident that this goal can be met.

I do feel, however, that today I have to point out to the Senate one of the changes that occurred between the Senate version of the bill and the conference report which I think was a very serious mistake—a mistake I hope we will remedy at some time in the future. I say that not only because I have a parochial interest in it, which I will explain, from the point of view of my State, but because I feel very keenly that we are going the wrong way on a decision we made.

We are reversing a decision we made back in 1970, when we passed Public Law 91–161, which established one national center on education media and materials for the handicapped, to be chosen by the Department of Health, Education, and Welfare, but to be located in an institution of higher education, well qualified to handle that paritcular job and to centralize that particular job.

The Senate, in its bill, did not change that provision but left it intact, the way it was put in in 1970. However, the House made a major change in it, eliminating the provision for one national center and in effect saying that any number of such centers could be established by the Department of Health, Education, and Welfare, thereby doing exactly the reverse of what we intended to do originally, which was to establish one center, away from the bureaucracy. The national center is making some real progress in providing media and materials for the handicapped of the entire Nation. Now we are putting it back in what I fear will be a bureaucratic position again.

This has been denied, but I serve notice that I am going to monitor carefully exactly what does happen in this connection, so that the Senate may have the benefit of it in future legislation.

I believe we have made a very serious mistake. The present law authorized HEW to enter into an agreement with an institution of higher education for the establishment and operation of the national center. The conference report language now, unfortunately, would allow HEW to enter into agreements with institutions of higher education, State and local education agencies, or other appropriate nonprofit agencies, without the assurance that any one center would be the centralizing and coordinating agency. This leaves it entirely back in the Department of HEW, and I fear it is going to Balkanize and destroy the progress already made through establishing a national center, which I believe was making an excellent record at Ohio State University working with local and private and public agencies throughout the Nation.

Based on this concern, I feel it necessary to bring this matter to the attention of the Senate. It does not detract from my general support of the bill, which I think is a necessary bill, but I do feel that the discussion in the conference did not come down to what the real issues involved were, which I have just brought up. Rather, it boiled down to a feeling that there might be some sharing of the goodies in some way in this effort around the country, without destroying the effort. I am afraid that we will seriously damage that effort, and I am sorry the Senate felt that it had to retreat on this provision.

I do not want to hold up the bill, but I do think we have made a great mistake; and I hope it is one that can be corrected in the future. Whether it goes to Ohio State or some place else, we need one center for that purpose.

Mr. STAFFORD. Mr. President, I yield the remainder of my time to the Senator from New Jersey.

Mr. WILLIAMS. I thank the Senator from Vermont. Mr. President, we have reached the end of the legislative road that has covered about 3 years on this measure. This bill passed the Senate with more than 80 votes in June, and I hope we can get a unanimous vote or a nearly unanimous vote today, because here we do a noble thing.

The Constitution provides that all people shall be treated equally, but we know that, while all youngsters have an equal right to education, those who live with handicaps have not been accorded this right. This measure fulfills the promise of the Constitution that there shall be equality of education for all people, and that handicapped children no longer will be left out.

Mr. President, we are now considering the conference report on S. 6, the Education for All Handicapped Children Act of 1975, which is, in my judgment, the most important Federal legislation affecting American public education since the enactment of the Elementary and Secondary Education Act of 1965.

As the principal author of this bill, I believe that this conference report is remarkable in the way it combines the best and strongest provisions of both the House and Senate versions of this legislation. Just yesterday, the House of Representatives reinforced this view and its clear commitment to the enactment of S. 6. The vote in that body to approve this conference report was 404 to 7.

This conference report establishes as a matter of law a series of comprehensive and carefully thought out provisions which will assure the right to education for all handicapped children in the United States.

It establishes a process by which the goal of educating all handicapped can and will be accomplished.

And, it establishes the principle that handicapped children and their parents are not unreasonable when they expect to be given the benefit of their constitutional right to equal protection of the laws.

Briefly, Mr. President, the conference report—

Creates financial incentives for State and local educational agencies to provide special education and related services to handicapped children through the establishment of a funding formula based on the number of handicapped children actually being provided such services;

Places appropriate and necessary emphasis on preschool education of handicapped children by assuring that State and local educational agencies will be reimbursed under the formula for serving children aged 3 to 5 and by establishing an additional incentive grant program for services provided to handicapped children in these age groups;

Assures the individualization of the educational process by requiring an individualized education program tailored to the unique needs of each handicapped child;

Assures that handicapped children in the greatest need will be given priority by requiring that services be provided first to those children not receiving an education; and second, to those children with the most severe handicaps receiving an inadequate education;

Protects against handicapped children being excluded from school by requiring that all such children aged 3 to 18 be served by September 1, 1978, and all children aged 3 to 21 be served by September 1, 1980;

Assures that children will not be denied services based on inability to pay by requiring that special education and related services be provided at no cost to parents and that children placed in expensive private schools will not have to pay for those schools if they were placed there by the State or local educational agency;

Refines and strengthens procedural safeguards in existing law to assure that handicapped children and their parents are provided these protections in all matters relating to their identification, evaluation and placement, and in the provision of a free appropriate public education;

Establishes the State educational agency as solely responsible for the provision of free appropriate public education to all handicapped children in the State; and

Creates an accountability mechanism for State educational agencies and local educational agencies by requiring a State plan and local applications in order to receive Federal funds.

In addition, Mr. President, the conference report recognizes another of the realities of the times in which we live as a nation. We seriously reflected upon the fact that the economy is in poor condition—a condition which is creating enormous hardship for so many of the people of America. And recognizing that unfortunate reality, the conferees adopted provisions relating to funding which took careful cognizance of present day Federal budgetary constraints. Thus, the conference agreement adopts authorization and maximum entitlement levels which are far below those contained in either bill as passed by the House or Senate.

In fiscal year 1976 funding levels are limited to $100 million and in fiscal year 1977 the level is limited to $200 million. Furthermore, we have reduced the maximum entitlement in fiscal year 1978 to 5 percent of the national average per pupil expenditure per handicapped child receiving services. And this level gradually increases in subsequent years to a maximum entitlement of 40 percent of the national average per pupil expenditure per each child served beginning in fiscal year 1982 and thereafter.

We have taken this unusual action not because we believe that funds in the initial years will be sufficient to absorb the necessary cost of educating handicapped children; but because we believe that it will allow for a reasonable pattern of growth in this program, conform to present fiscal constraints, and assure that our promises to handicapped children are realistic and that those promises can be kept.

Mr. President, the new formula adopted by the conferees represents the essence of compromise between the House and Senate versions of S. 6. Under the conference agreement the existing entitlement formula remains in effect for the current fiscal year and for fiscal year 1977. In fiscal year 1978 a new entitlement formula is established and remains in effect permanently thereafter.

The maximum amount of the grant which a State is entitled to receive under this new formula is equal to the number of handicapped children aged 3 to 21, inclusive, in that State who are receiving special education and related services multiplied by a specific percentage of the national average per pupil expenditure. That percentage is 5 percent for the 1978 fiscal year; 10 percent for fiscal year 1979; 20 percent for fiscal year 1980; 30 percent for fiscal year 1981, and 40 percent for fiscal year 1982 and for each succeeding fiscal year. The purpose of this formula is to provide an incentive for those States which serve more handicapped children but no State may receive an amount in any fiscal year which is less than it received in fiscal year 1977.

In order to assure that States do not identify and label as handicapped children who are not in fact so disabled, the conference agreement adopts a "counting limitation" for each State. Under this provision the Commissioner of Education may not count handicapped children for purpose of determining the allotment of each State to the extent that the number of such children is greater than 12 percent of the number of all children aged 5 to 17, inclusive, within the State. Further, the Commissioner may not count, as part of that percentage, children with specific learning disabilities to the extent the number of such children is greater than one-sixth of such percentage. And, in addition, in order to assure that States do not receive the benefit of funds under two Federal programs for the education of handicapped children, the Commissioner may not count under this program, handicapped children who are counted for purposes of section 121 of title I of the Elementary and Secondary Education Act—a program which currently provides a higher level of funding for handicapped children in State-supported and State-operated schools than would be available under S. 6 for the next several years.

With respect to the within-State distribution of funds, Mr. President, the conference agreement provides that State educational agencies will retain control of 100 percent of the moneys for this and the next fiscal year. In fiscal year 1978—when the new formula goes into effect—the State will retain 50 percent of the funds it receives and will distribute the remainder to local educational agencies subject to certain additional limitations which will also apply in fiscal year 1979 and thereafter—and which are discussed below. Beginning in fiscal year 1970 the State will retain 25 percent of the funds it receives and distribute 75 percent of the funds to local educational agencies.

The limitations on the distribution mechanism are, in my judgment, realistic and will serve to assure both flexibility to the States as well as guarantee that the funds available under this program will be properly targeted on handicapped children who are in the greatest need of services. All funds received by the State—whether retained by the State or distributed to local school districts—must be spent in a manner which is consistent with the priorities established under the act; that is, funds must be spent first to provide services to handicapped children who are not receiving an education and, second, to provide services to children with the most severe handicaps who are not receiving an adequate education. The conference agreement further provides that no funds shall be distributed to any local educational agency in any fiscal year if that agency would not be serving enough handicapped children so as to be eligible to receive $7,500, or, if that agency has not submitted a local application as it is required to do under the act and which application must contain a series of specific assurances designed to guarantee that it will be providing a free appropriate public education consistent with the provisions of this new law. Funds which are not distributed to local school districts because of these limitations are to be retained by the State educational agency but the State must use these funds to assure the provision of free appropriate public education to handicapped children residing in the area of the school district from which the funds were held back.

Of the amounts received by a State in any fiscal year under the new formula, no State educational agency may spend more than 5 percent of $200,000, whichever is greater, for administrative purposes. Beginning in fiscal year 1979 and thereafter, with the exception of administrative funds and funds not distributed to local educational agencies because they are ineligible, no State may spend Federal funds in an amount greater than State funds being spent for the education of handicapped children. In this regard, it should be made clear that a State does not have to spend new funds but must continue spending at a rate so that Federal funds do not exceed State funds. Also, whereas the language of the bill requires that these Federal funds be matched "on a program basis," it should be clear that such matching is only contemplated in overall areas of State activity with respect to education of handicapped children. Thus, a State would have to match Federal funds in major program areas such as personnel development, evaluation activities, or assuring the implementation of procedural safeguards in the act. However, this matching provision would not apply to specific projects which are conducted as part of the general area of activity such as a project for training teachers of deaf children, an evaluation of individualized education programs, or conducting due process hearings.

Mr. President, the conference report contains the provisions of the Senate bill establishing certain eligibility criteria for States which must be met previous to submitting State plans in fiscal year 1978 and which the State must continue to meet previous to being eligible for assistance in the following years. These provisions require:

First, a right to education policy to be in effect for all handicapped children.

Second, policies and procedures which assure the availability of a free appropriate public education to all handicapped children, in the following age groups and according to the following timetable—ages 3 to 18 by September 1, 1978,—ages 3 to 21 by September 1, 1980, with the exception that this timetable would not apply to handicapped children aged 3 to 5 and 18 to 21, inclusive, where the application would be inconsistent with State law or practice or any court order respecting public education within these age groups in the State.

Third, priorities for providing a free appropriate public education according to the timetables, first with respect to handicapped children not receiving an education, and second, with respect to handicapped children, within each disability, with the most severe handicaps who are receiving an inadequate education.

Fourth, an individualized education plan to be established, reviewed, and revised, and records to be maintained by local educational agencies for each handicapped child within the State;

Fifth, procedural safeguards with respect to identification, evaluation, placement and the provision of free appropriate public education for handicapped children and parents or guardians;

Sixth, the State educational agency to be responsible for assuring that all education programs for handicapped children within the State will be under the general supervision of persons responsible for education of handicapped children within the State agency; and

Seventh, consultation and public hearing procedures to be established so that the general public has the opportunity to comment on all policies, programs and procedures adopted to carry out the provision of this act.

These provisions set forth the basic rights and benefits which must be afforded under the act. While many of these provisions such as the individualized education program and the procedural safeguards provide individual protections for a handicapped child, the timetable and priorities assure that the goals of this act will be met for each and every handicapped child within a State. These benefits are provided all handicapped children within the State no matter which agency provides them with special education services and are provisions which must be met before a State may apply for funds.

The provisions requiring an individualized education program for each handicapped child are extremely important protections to the parents and child, and highly necessary to proper planning and programing for the school district. Under the conference agreement, a local educational agency or intermediate unit receiving assistance must assure that this provision is carried out for the handicapped children within their jurisdictions, and the State is required to provide assurances that the program is carried out for all other handicapped children within the State. The Senate bill required a conference to be held at least three times a year for developing, reviewing and revising the plan, in order to assure that changes were made in the plan as appropriate to the child throughout the school year, while the House bill required that this occur on an annual basis. Once again, the conference substitute represents the essence of compromise. For under the conference agreement, this program must be established or revised, whichever is appropriate, for each handicapped child at the beginning of the school year, and must then be reviewed, and if appropriate, revised periodically during the school year, but not less than annually.

The conferees have further defined the individualized education program as a written statement—including the educational status of the child, the annual goals and short-term instructional objectives, and specific educational services to be provided—for each handicapped child which is jointly developed by the local educational agency, the teacher, the parents, and the child. It is intended that all parties will be involved throughout the process of establishment, review and revision of this program.

The conference report, in addition, adopts both the Senate State application procedure—redesignating this application as the State plan—and the House local application. I believe that the adoption of both of these procedures will assure consistency and accountability in the expenditure of Federal funds, first from local to State educational agency as the State agency must approve the local application, and second, from State to the Federal level. The local application adopted by the conferees extends to each local educational agency the requirements of all benefits extended to handicapped children under the act. Furthermore, provisions of the conference report require that where the State serves handicapped children directly, or where a local educational agency is not eligible for funding, then the State must give assurances and meet all requirements which would have applied to the local educational agency for the handicapped children who are within the jurisdiction of that local educational agency. The conferees retained the provision adopted on the Senate floor that a local educational agency must receive at least $7,500 in order to receive any payments under the act. Where a local educational agency is not eligible for $7,500, the State is required to use those funds to serve handicapped children directly within the local educational agency. The $7,500 limitation is one which is necessary to assure that funds are spent in a way which will provide a local educational agency a funding level which makes sense in terms of delivering services. This limitation will mean in the initial years of the legislation that many local educational agencies will not be eligible for direct funding unless they consolidate. However, as appropriations grow under the act, more local educational agencies will become eligible for direct funding. The important point here, however, is that if the local educational agency is not eligible for direct funding, the State educational agency remains responsible for assuring that a free appropriate public education is available for each child within that agency's jurisdiction and for assuring that all of the provisions of the act are carried out.

Finally, the conference report contains provisions similar to the original Senate bill requiring recipients of assistance to take positive steps to employ handicapped individuals, establishing provisions for administration and evaluation by the U.S. Office of Education and providing new authority for the removal of architectural barriers by local and State educational agencies.

Mr. President, I am enormously pleased with the action taken by the conferees with respect to protecting the individual rights of handicapped children and their parents. In the Education Amendments of 1974, the Congress adopted a series of procedural safeguards to assure that State and local educational agencies did not make inappropriate decisions regarding the identification, evaluation, and educational placement of handicapped children. And, if a child's parents disagreed with those decisions they could secure an impartial due process hearing at the State or local level and secure appropriate relief. Further, the parents or the educational agency involved could appeal the decision in the due process hearings to the State or Federal courts.

In order to strengthen these provisions, both the House and Senate bills established additional machinery through which parents could assure that their children were receiving the kind of special educational services required under this new law. However, rather than create additional mechanisms, the conferees believed that the best course of action was to refine and build upon existing procedural safeguards. The conference agreement therefore has adopted this approach as follows:

First. All of the procedural safeguards are established as a condition of a State's eligibility to receive funds under this part; and these safeguards must be guaranteed by the State to any parent or child in the State regardless of whether the child is living in an area served by a local educational agency which does not receive funds under this part;

Second. The provisions of existing law are retained with respect to the establishment of procedures to insure that handicapped children are educated with children who are not handicapped;

Third. The provisions of existing law are retained with respect to the establishment of procedures to insure nondiscriminatory testing and evaluation procedures and language is added—from the Senate bill—which provides that materials and procedures shall be provided and administered in the child's native language or mode of communication—unless it is clearly not feasible to do so—and that no single procedure shall be the sole criterion for determining an appropriate educational placement for a child;

Fourth. The provisions of existing law are retained with respect to the establishment of procedures providing parents or guardians the opportunity to examine all relevant records with respect to the identification, evaluation, and educational placement of the child and language is adopted to clarify that the parents or guardian shall be able to examine any records relating to the provision of a free appropriate public education—as that term is defined in the act—to the child. The provisions of existing law with respect to an opportunity for an independent educational evaluation of the child are also retained;

Fifth. The provisions of existing law are retained with respect to the establishment of procedures to protect the the rights of the child when the parents are unknown, unavailable, or the child is a ward of the State, including the appointment of a surrogate for the parents or guardian;

Sixth. The provisions of existing law are retained with respect to requiring prior notice to the parents or guardian. Language is adopted to clarify that such notice shall be in writing. Such notice shall be provided to the parent or guardian whenever the local educational agency or the State educational agency—when the State acts as provider of direct educational services to the child—proposes to initiate or make a change in the identification, evaluation, or educational placement of the child or to initiate or change the free appropriate public education—as that term is defined in the act—provided or available to such child or refuses to undertake such action—such as the denial of special education and related services to a child. In addition, langauge is adopted to assure that any such notice shall, to the maximum extent feasible, be in the parents' or guardian's native language—as that term is defined in title VII of the Elementary and Secondary Education Act of 1965—and shall include a full explanation of the procedural safeguards available to the parents or guardian under the act;

Seventh. The provisions of existing law are clarified and strengthened with respect to impartial due process hearings and language is adopted to assure that:

Any parent or guardian may present a complaint concerning any matter regarding the identification, evaluation, or educational placement of the child or the provision of a free appropriate public education to such child. In this regard, Mr. President, I would like to stress that the language referring to "free appropriate public education" has been adopted to make clear that a complaint may involve matters such as questions respecting a child's individualized education program, questions of whether special education and related services are being provided without charge to the parents or guardians, questions relating to whether the services provided a child meet the standards of the State educational agency, or any other question within the scope of the definition of "free appropriate public education." In addition, it should be clear that a parent or guardian may present a complaint alleging that a State or local educational agency has refused to provide services to which a child may be entitled or alleging that the State or local educational agency has erroneously classified a child as a handicapped child when, in fact, that child is not a handicapped child.

Whenever a complaint is received the parents or guardian shall be afforded an opportunity for an impartial due process hearing, which hearing shall be conducted by the local educational agency or the State educational agency. The conferees do not intend that this provision will require changes in existing arrangements where due process hearings are conducted at the level of the State educational agency rather than at the local level. The only requirement with respect to the level of which such hearings are conducted occurs when the hearing is conducted at the local level and in such cases there is a review required at the State agency level. In addition, the conferees point out that any hearings are not conducted by the agency itself, but rather at the appropriate agency level. The hearing will be conducted by an impartial hearing officer since the State or local agency or intermediate unit will be a party to any complaint presented.

No hearing may be conducted by an employee of the State or local educational agency involved in the education or care of the child. The conferees have adopted this language to clarify the minimum standard of impartiality which shall apply to individuals conducting due process hearings and individuals conducting a review of the local due process hearing;

In the event that the impartial due process hearing is conducted by a local educational agency, any party to such hearing who is aggrieved by the findings and decision rendered in such hearing may appeal to the State educational agency and the State agency shall conduct an impartial review of the hearing and the individual conducting this review shall make an independent decision. The language adopted by the conferees here, Mr. President, is intended to assure that if due process hearings are conducted at the level of the local educational agency, there shall be a review of such hearings at the level of the State educational agency. There are many States in which the due process hearing required pursuant to the procedures in existing law are conducted by impartial hearing officers appointed by the State educational agency and where such procedures exist it is believed unnecessary to have the decisions rendered in such hearings further reviewed at the State level. However, in those States where such hearings are conducted by impartial hearing officers appointed by the local educational agency it is believed that there should be a further review available to the parties at the State level. It is not intended that the review conducted by the State educational agency must necessarily be a de novo review although the reviewing officer should carefully examine the entire record of the hearing, afford parties an opportunity for oral argument, and assure that the procedures followed at the hearing were consistent with due process. Further, it should be clear that where due process hearings are conducted by the State educational agency or in cases where a review of local educational agency hearings is made by the State educational agency, such proceedings will be conducted at a time and place which is reasonably convenient to the parents or guardian of the child involved.

In addition, I cannot emphasize enough that delay in resolving matters regarding the education program of a handicapped child is extremely detrimental to his development. The interruption or lack of the required special education and related services can result in a substantial setback to the child's development. Thus, in view of the urgent need for prompt resolution of questions involving the education of handicapped children it is expected that all hearings and reviews conducted pursuant to these provisions will be commenced and disposed of as quickly as practicable consistent with fair consideration of the issues involved.

Any party to any hearing conducted by the State or local educational agency and any party to any State agency review proceeding conducted by the State educational agency as part of an impartial review of a hearing conducted by a local educational agency in that State shall be accorded: First, the right to counsel and to be advised and accompanied by individuals with special knowledge, training or skills with respect to the problems of handicapped children; second, the right to present evidence and confront, cross-examine, and compel attendance of witnesses; third, the right to have a written or electronic verbatim record of such hearing; and fourth, the right to have written findings of fact and decisions. The conferees adopt this language to reinforce rights already required by the Commissioner of Education pursuant to existing law. Further, it should be emphasized that these rights shall also apply in State reviews of local agency hearings where the reviewing officer determines that a hearing should be conducted for purposes of taking new or additional evidence.

The provisions of existing law with respect to the binding effect of due process hearings and appropriate administrative and judicial review of such hearings are clarified and language is also adopted to require that during the pendency of any administrative or judicial proceedings regarding a complaint, unless the State or local educational agency and the parents or guardian of the child otherwise agree, the child involved in the complaint shall remain in his or her present educational placement, or, if the complaint involves an application for initial admission to public school the child shall, with the consent of the parents or guardians be placed in the public school program until the completion of all such proceedings.

Ninth. The provisions of existing law with respect to judicial action are clarified and strengthened to assure that any party aggrieved by the findings and decision rendered in the due process hearing of the State educational agency review of such hearing shall have the right to bring a civil action with respect to the original complaint and matters relating thereto. Such action may be brought in any State court of competent jurisdiction or in a district court of the United States and in any such action the courts shall receive the records of the due process hearing—and where appropriate the records of the review of such hearing—shall hear additional evidence at the request of any party, shall make an independent decision based on a preponderance of the evidence and shall grant all appropriate relief. A technical clarification is also made assuring that the district courts of the United States have jurisdiction of actions brought pursuant to these provisions without regard to the amount in controversy.

Mr. President, with regard to complaints, I want to underscore that exhaustion of the administrative procedures established under this part should not be required for any individual complainant filing a judicial action in cases where such exhaustion would be futile either as a legal or practical matter. Nor is it intended that the availability of these administrative procedures be construed so as to require each member of the class to exhaust such procedures in any class action brought to redress an alleged violation of the statute.

Mr. President, the essence of this bill was captured with great eloquence and sensitivity by our present Secretary of Health, Education, and Welfare in a recent appearance before my committee. He said:

> I think we all understand that the handicapped are faced with extraordinary circumstances, and for that reason, need extraordinary responses and attention to deal with their circumstances for the very reason you state—making them productive citizens, capable of contributing, and even more, capable of self-respect and pride which they so rightly deserve.

It is this goal and purpose which S. 6 addresses. This legislation was designed to set forth a comprehensive program to meet the unmet needs of all handicapped children. It approaches those unmet needs in a straightforward and realistic fashion and we can all be proud that we have succeeded in meeting our objectives.

To all my colleagues in this body, I wish to praise the Senator from West Virginia who, with all of his many other responsibilities, has championed this legislation for so many years. And I add my strong support and gratitude to the ranking minority member of the Subcommittee on the Handicapped, the Senator from Vermont, for all that he has done to fashion the strong procedural protections in this bill and who, along with the Senator from Massachusetts (Mr. KENNEDY), has assured the provision of services for preschool handicapped children.

Also, Mr. President, I would be remiss if I did not thank the Members of the other body for their contributions, particularly the principal sponsor of the bill there, the Congressman from Indiana, Mr. BRADEMAS; the distinguished chairman of the House Education and Labor Committee, Mr. PERKINS; and the ranking minority member of the Education and Labor Committee, Mr. QUIE.

Mr. President, I believe that the conferees on S. 6 have established an extraordinary bill which will be a landmark accomplishment for the 94th Congress. But of overriding importance, S. 6 will serve as a birthright for the millions of handicapped children in the United States for all the years to come.

Mr. JAVITS. Mr. President, as a member of the committee of conference on S. 6, and as the ranking minority member of the Labor and Public Welfare Committee, I urge my colleagues to support the conference report on the Education For All Handicapped Children Act of 1975.

The education of our citizens has been one of the foundations upon which the vitality and strength of our Nation have been based. The contribution of handicapped citizens, such as President Franklin D. Roosevelt, and Thomas Edison to name just two, toward the improvement of life for all Americans, has been immeasurable. Tragically, however, many of our handicapped citizens have been denied their opportunity to share in and contribute to American life because they have been denied adequate opportunity to receive proper education.

Statistics for the 1972–73 school year show that in New York State only 60 percent of all handicapped children were served in special education programs. The Bureau of Education for the Handicapped estimates that in 1974–75 only 50 percent of the Nation's handicapped children received proper education services. This is indicative not only of a tragic underutilization of the skills and productivity of America's greatest resource—its children, but of an unconscionable denial of the basic right to education to which all other citizens besides the handicapped enjoy. It is precisely this unconscionable and tragic situation that the Education For All Handicapped Children Act of 1975 will, when enacted into law, begin to correct.

Mr. President, before I trace some of the provisions of S. 6 which I feel need to be brought to the attention of my colleagues, I would like to express my appreciation to my colleagues on the Labor and Public Welfare Committee for their tireless efforts on S. 6.

As ranking minority member of the Labor and Public Welfare Committee, I would like to commend the distinguished Senator from Vermont, Mr. STAFFORD, the ranking minority member of the Subcommittee on the Handicapped, whose wisdom, tireless effort, and unyielding commitment to handicapped children were instrumental in assisting to bring this excellent legislation before us today. Likewise, the distinguished Senator from West Virginia, Mr. RANDOLPH, chairman of the Subcommittee on the Handicapped, has again successfully guided and shaped a measure which will profoundly benefit our Nation's handicapped citizens. And, of course, we all owe a debt of gratitude to the original author of S. 6, the distinguished chairman of the Labor and Public Welfare Committee, Senator A. HARRISON WILLIAMS of New Jersey.

I would also like to commend the staff who worked long hours to assist us with this measure. Of the staff, I would like to note the contributions of the following: Mrs. Pat Forsythe, Betty Griffin, Ann Hocutt, and Jo Ellen Hetherington of Senator RANDOLPH's staff; Michael Burns of Senator STAFFORD's staff; Lisa Walker—yes, Lisa, we finally made it—Nik Edes, and Judy Heumann of Senator WILLIAMS' staff; Clare Comiskey of Senator BEALL's staff; Renee Bergmann of Senator SCHWEIKER's staff; Maggie Shandera of Senator CRANSTON's staff; and Shelley Edelman of my staff.

Mr. President, the 14th amendment to the Constitution of the United States guarantees to our citizens equal protection of the laws. Section 1 of article 14 states in part that no State shall "deny to any person within its jurisdiction the equal protection of the laws." The statistics which I cited above showing that half of our Nation's handicapped children were receiving inadequate education or no education at all should indicate to us all that even after almost 200 years of our Nation's existence we have failed to make a reality of the 14th amendment guarantees to our handicapped children.

The committee report on S. 6 pointed out:

> The long-range implications of these statistics are that public agencies and taxpayers will spend billions of dollars over the lifetimes of these individuals to maintain such persons as dependents and in a minimally acceptably lifestyle. With proper education services, many would be able to become productive citizens, contributing to society instead of being forced to remain burdens. Others, through such services, would increase their independence, thus reducing their dependence on society.

Mr. President, in my judgment the need is overwhelming, and the arguments for a stronger Federal commitment to the education of handicapped children are compelling.

S. 6 addresses in a realistic, fiscally responsible, yet responsive way these issues. S. 6 extends the Mathias formula for distribution of funds for the education of handicapped children, enacted as part of part B of the Education of the Handicapped Act, through fiscal year 1977. The new formula called for by S. 6 alters the distribution of funds to reflect the numbers of handicapped children served rather than as in Mathias, the number of school-age children in a State.

The new formula, which takes effect for fiscal year 1978, is based upon a percentage of the national average per pupil expenditure multiplied by the number of handicapped children served in the school districts of each State in the Nation. The percentage figure beginning in fiscal year 1978 is 5 percent of the national average per pupil expenditure; in fiscal year 1979, 10 percent; fiscal year 1980, 20 percent; fiscal year 1981, 30 percent, fiscal year 1982, 40 percent; and 40 percent thereafter. This formula better relects the actual needs of handicapped children, and will also serve as a catalyst to encourage the States to provide services for all handicapped children.

Beginning in fiscal year 1978 an in-State distribution of funding is called for as follows: 50 percent of the States' entitlement under this act shall be retained for use by the State education agency, and 50 percent of the funds will be distributed directly to local educational agencies. In fiscal year 1979, 25 percent of the funds will be available to the State educational agencies while 75 percent of the funds must be distributed on a per capita handicapped children served basis to the local education agencies.

S. 6 sets forth a priority for the use of Federal funds for the education of handicapped children as follows: First, the first priority is to children "unserved," and second, the second priority to children inadequately served with a priority on the most severely handicapped children.

Mr. President, another of the very important provisions of S. 6 is a requirement of eligibility for funds that each local educational agency develop and maintain an "individualized education program" for each handicapped child. This individualized education program must be reviewed at least annually after it has been developed.

Mr. President, I am most pleased that the conference committee has retained a provision of the Senate-passed S. 6 which sets out a special incentive grant program for provision of services to handicapped children aged 3 to 5. This program was offered on the floor as an amendment by Senator STAFFORD, Senator KENNEDY, Senator HATHAWAY, and myself to assist and encourage the States to provide preschool services to handicapped children—services which can, in many cases, profoundly improve the possibilities for successful education, and later independence, and productivity, of children who are developmentally disabled.

The benefits of early identification and education both in terms of prevention of further human tragedy, and in the long-term cost effectiveness of tax dollars, are so great as to justify continued emphasis upon preschool education for handicapped children.

The incentive grant program accepted by the conferees represents a wise balance between the immediate budgetary constraints under which State educational systems operate, and the long-term benefits to be gained by the earliest possible services to handicapped children. The maximum amount of the grant which the State may receive under this provision shall not be more than $300 for each handicapped child eligible. There is a separate authorization of funding to implement this program. I note that this Federal assistance will be available only to States which provide services for handicapped children between the ages of 3 and 5, thus encouraging the States to provide the earliest possible intervention and educational assistance to these children.

Mr. President, I am pleased to have been associated with this legislation both in the Labor and Public Welfare Committee and through conference. I commend it to my colleagues as worthy of most favorable consideration.

Mr. SCHWEIKER. Mr. President, as a cosponsor of S. 6, the Education for All Handicapped Children Act, I am pleased to support the conference report on this measure. This legislation is a result of many court actions, including the historic right-to-education consent decree between the Pennsylvania Association for Retarded Citizens and the Commonwealth of Pennsylvania, which established the right of mentally retarded persons to a free public education. The purpose of the pending measure is to insure that all handicapped children have available to them a free appropriate public education, to insure that the rights of handicapped children and their parents or guardians are protected, to relieve the fiscal burden placed upon the States and localities when they provide for the education of all handicapped children, and to assess the effectiveness of efforts to educate handicapped chidren. I am firmly committed to this goal.

Recent statistics provided by the Bureau of Education for the Handicapped estimate that of the more than 8 million children under 21 with handicapping conditions requiring special education and related services, only 3.9 million are receiving an appropriate education. A total of 1.75 million handicapped children are receiving no educational services at all, and 2.5 million handicapped children are receiving an inappropriate education.

Parents of handicapped children all too frequently are not able to advocate the rights of their children because they have been erroneously led to believe that their children will not be able to lead meaningful lives. However, over the past few years, parents of handicapped children have begun to recognize that their children are being denied services guaranteed under the Constitution. It should not, however, be necessary for parents throughout the country to continue utilizing the courts to assure a remedy. The Congress must take a more active role under its responsibility for equal protection of the laws to guarantee that handicapped children are provided equal educational opportunity. It can no longer be the policy of the Government to merely establish an unenforceable goal requiring all children to be in school. S. 6 takes positive necessary steps to insure that the rights of children and their families are protected.

Mr. President, I am pleased that the conference agreement contains incentive grants for States which serve the educational needs of 3- to 5-year-olds, because I feel services should be provided at the most appropriate time, when the child is at the earlier stages of development and will thus benefit most from these services. During consideration of S. 6, testimony from parents, teachers, and experts in special education specifically emphasized the need for the earliest possible identification, evaluation, and service to children prior to their entry into the normal educational process. The committee heard testimony which indicated strongly that special educational services provided to handicapped children before "normal" school age were often the most beneficial, since much more could be done at an earlier age to compensate for certain handicapping conditions. The earlier such conditions can be diagnosed, the less costly special educational services the child will need during his or her school years will be.

In addition, the legislation stipulates that recipients of Federal assistance under the act shall make positive efforts to employ and advance qualified handicapped individuals. It authorizes funds to alter existing buildings and equipment to eliminate architectural barriers in educational facilities. This provision is aimed at assuring certain handicapped children an appropriate public education in the least restrictive environment.

Mr. President, I am also pleased that the measure authorizes establishment of additional national centers on educational media and materials for the handicapped. A network of centers would benefit our Nation's handicapped citizens by increasing the pool of talent from which new ideas are derived.

On Tuesday, November 18, the House of Representatives passed this conference report by an overwhelming margin of 404 to 7. I support this increase in our Nation's commitment to the education of our handicapped children, and urge speedy passage and enactment of this important legislation.

Mr. BIDEN. Mr. President, as a cosponsor of S. 6, the Education for All Handicapped Children Act, I am particularly pleased that a conference agreement has been reached on this much needed legislation.

For too long the educational needs of handicapped children have been neglected. S. 6, which we are considering today, seeks to resolve that problem by increasing Federal aid for education of these children, and by providing guidelines to insure that individual needs will be met.

Certainly, this legislation is not a panacea; we still have a long road to travel before the needs of all handicapped children are met. But, with enactment of this legislation, we will have made an important commitment.

S. 6 gives first priority to "unserved" handicapped children and then to children who have been inadequately served even though they are severely handicapped. The legislation requires States and localities to undertake extensive child identification programs and to prepare a "full service" goal and a timetable for reaching that goal. There must be parent consultation and individualized programs for all handicapped children.

In addition, there must be an assurance of an effective policy which guarantees the right of all handicapped children to a free, appropriate public education, at no cost to the parents or guardian.

Mr. President, the education of handicapped children is a costly effort. The special skills and services involved in special education do not come easily or without expense.

However, we must come to realize that the money we spend on these programs is a national investment. If we do not make this commitment now, we will pay dearly in later years through lost talent and productivity.

For this reason, I would urge me colleagues in the Senate to join me in supporting the conference report on S. 6. Further, it is my sincere hope that President Ford will also recognize the importance of this investment and, in so doing, sign S. 6 so that its provisions can be implemented promptly.

Mr. CRANSTON. Mr. President, I rise to urge Senate passage of the conference report on S. 6, the Education for All Handicapped Children Act of 1975. As a conferee on this important measure, I would like to discuss briefly some of the provisions in the legislation of particular importance to my State of California.

Before addressing the merits of the legislation, Mr. President, I would like to express my gratitude to the author of this bill, the distinguished Senator from New Jersey (Mr. Williams), the chairman of the Committee on Labor and Public Welfare, for his valiant and sustained efforts to assure equal educational opportunities for all the children of this country, regardless of their physical or mental abilities.

I would also like to pay tribute to the chairman (Mr. Randolph) and ranking minority member (Mr. Stafford) of the Subcommittee on the Handicapped for their efforts and incisive contributions to the development of this landmark legislation. I also thank all the members of the House and Senate conference committee and the committee staffs who have made it possible for us to bring to fruition legislation which promises significant contributions to meeting the needs of handicapped children in our Nation.

Mr. President, the right to a free, appropriate public education has long been the right of most children in this country between the ages of 5 and 17; but that right has not been extended universally. Some 8 million children who fall within this age group are largely excluded from the educational opportunities that we give most other children because of their handicapping conditions. It is these children to which this legislation is directed, and it is these children who will benefit so greatly by Senate approval of the conference report.

Traditionally, the responsibility for educating our youth has been left to the States to be carried out by whatever program and means are deemed most appropriate. However, most States have not provided a free appropriate public education for all handicapped children. I am very pleased to be able to point out that California is an exception to the rule. But California's State master plan for special education, to bring service to the more than 560,000 handicapped children, is only in its first year of operation.

It is, nevertheless, an important step towards the achievement of equal educational opportunities for all children. In fact, many of the provisions in the California State Master Plan anticipated the requirements of our legislation, and are already resulting in many California handicapped children receiving equal educational opportunities. Despite California's progress, this Federal legislation remains critically important in expanding services to handicapped children there as well as in meeting the great unmet needs of the handicapped children throughout the Nation.

Mr. President, I am particularly pleased with the inclusion in the conference report—new section 613(a)(12)—of the requirement for a State advisory panel, to be composed of individuals involved in or concerned with the education of handicapped children, including handicapped individuals, teachers, parents or guardians of handicapped children, State and local educational officials, and administrators of programs for handicapped children. The State of California has already established such a panel and it plays a significant role in the direction and formulation of the educational programs which affect handicapped students in California. The joint explanatory statement on this legislation takes account specifically of those States which, like California, already have such a panel and points out:

> The Conferees emphasize that it is not their intention to require a State with an existing council or panel that is performing or can perform the functions outlined in the Conference agreement to establish another panel. An existing State advisory panel can be modified, if necessary, so that it fulfills the requirements of the Conference agreement.

Mr. President, the funding provisions of the conference report are also significant, and I would like to take this opportunity to comment on them. The final compromise which allows for funds beginning in fiscal year 1979 to be retained both at the State level—25 percent—as well as to be passed through to the local level—75 percent—is designed to assure that the moneys provided under this act will be used in the most effective manner in providing services to the children we intend to benefit.

Mr. President, among the other significant provisions in the conference report on S. 6, I am particularly pleased with section 615, providing specific due process guarantees for handicapped children and their parents in all matters relevant to identification, evaluation, and placement in specific educational programs. I wish to note the particularly hard work in conference of my colleague from California in the other body, Congressman George Miller, on this provision. He was instrumental in assuring that such safeguards were included in the conference report. These procedural requirements in the conference report are consistent with the existing California statutory and master plan requirements on this subject.

Mr. President, there are many other important provisions of this conference report which I could single out for comment; but as an original cosponsor and ranking minority member of the Subcommittee on the Handicapped, I do not think it necessary to reiterate my strong commitment to the provisions of this legislation.

Handicapped children and parents alike have awaited this bill for many years. The enactment of S. 6 will, I believe, result in the broadening of equal educational opportunity for all handicapped children. The act presages a greater understanding and acceptance of persons with handicapping conditions and a society that encourages maximum participation by all of its members.

I applaud the effective and dedicated action of the conferees from both Houses on this important bill, and urge the President to sign this vital measure.

Mr. MUSKIE. Mr. President, the matter before the Senate is the conference report on S. 6, education for the handicapped. This is an authorization and this year's appropriation for this program is accommodated by the 1976 first concurrent resolution.

However, I cannot say with equal confidence that spending in subsequent years will be so easily accommodated—particularly if the appropriations voted for this program increase as fast as its authorization levels. For example, under the current formula, in 1982 this program's authorization might be as high as $3.2 billion.

In short, Mr. President, this legislation creates what is known in budget parlance as a "wedge." That is, we appear to be establishing a program that may not look like a big commitment now but may soon become a very substantial one.

It is the task of the authorizing committees to identify the needs for programs such as this, and I am especially appreciative of the Labor and Public Welfare Committee's efforts to translate such needs with the clarity that has been exhibited in this legislation.

However, the probability that we will fully meet these needs seems small. Unless we forfeit on commitments to other important priorities in the Federal budget, it strikes me as unlikely that we will be able to fund this program at the full authorization in the near future.

Mr. President, I am of two minds on this bill. I applaud the specificity of the out-year authorizations in this bill; yet I have reservations about this first step toward committing ourselves to authorizations for such large spending in the future.

And so, Mr. President, I believe we need to understand clearly that large out-year authorizations, such as those included in this bill, do not mean that we will necessarily spend at those levels. Unfortunately, the administration has suggested publicly that Congress is committing itself to vastly increased spending and continued deficits by legislation such as this. We know that that is not so, since the decisions to appropriate funds for programs such as that authorized by S. 6 come to us for a vote each year, both in the budget resolution and in appropriations bills. The increasing fiscal discipline of Congress promises a hard and evenhanded look at all request for funds.

Mr. BEALL. Mr. President, the education of our Nation's children has always been of prime importance to me in my work here in the Senate. It is, therefore, with great hope and some reservation that I express my support for the conference report on S. 6, the Education for All Handicapped Children Act, as the enactment of this measure into law could provide much needed assistance in improving educational opportunities for our handicapped citizens.

There is no reason why educational opportunity should not be expended to all of our children, for it is education that serves to open the doors to the power of knowledge and enables our young Americans to more fully participate in our society. By depriving an individual of such opportunity, society suffers; by depriving a handicapped child of this opportunity, we inflict an even greater cost on society. Through our failure to stimulate his or her potential, we force the handicapped individual to become dependent on society, and the American public must finance this dependence. More importantly, however, society loses the opportunity to benefit from the contributions these individuals could make to better all our lives. There are approximately 8 million handicapped children in the Nation today, and within the past few years, all branches and levels of government, and the American public itself, have made great strides to diminish this loss. This can best be done by establishing education as a right for all children, regardless of any handicap they may experience.

I am proud to say that my own State of Maryland has made considerable progress in providing this equal educational opportunity to all children. As a response to this issue, the State acted in 1973 to broaden the scope and increase the public school responsibility for providing education and services to handicapped children. In addition, private citizens acted to insure this opportunity later that year in a civil action suit in the U.S. district court. The court decreed that—

> It is the established policy of the State of Maryland to provide a free education to *all* persons between the ages of five and twenty years, and includes children with handicaps. . . .

The Department of Education has accepted the task willingly, and is moving rapidly to meet its responsibility to all children.

It is impossible, however, for the States and local educational agencies to serve all those children needing special education without Federal financial assistance. Maryland is currently serving 76,723 handicapped children with appropriate special education services. That still leaves approximately 40 percent who are not being served appropriately, or at all. At this time of fiscal difficulty on all levels of government, it is mandatory that the Federal commitment for education of the handicapped be increased. For example, in the State of Maryland's program for the education of the handicapped, the Federal share is less than 7 percent.

When the Education Amendments of 1974 were considered by the Senate, Senator MATHIAS introduced an amendment, cosponsored by me, to the Education of the Handicapped Act to alter the grant formula provided in part B of that law. It is important to note that the Mathias formula, which I strongly supported, is responsible for breaking the impasse and getting action for handicapped children. Total appropriation for this grant formula last year was $100 million, although the authorization level was approximately $666 million. Although these funds have greatly improved the States' service for handicapped children, it is not realistic for us to expect the fullest educational opportunity for handicapped children when we have not hurdled the barrier of insufficient resources.

As you know, I also serve as a member of the Senate Budget Committee, and it was as a member of this committee that I moved to increase funding priorities for education programs, including $400 million for the handicapped. Although this year our recommendations in the functional categories are not binding, this nevertheless represents a feeling on the part of this committee with regard to the priority of funding for handicapped programs.

With these thoughts in mind, and as a member of both the Subcommittee on the Handicapped and the ranking minority member of the Subcommittee on Education on the Labor and Public Welfare Committee, I wish to express my support of this conference report and at the same time express my concern about some of its provisions.

I have great fears that the high administrative costs of the programs provided for in S. 6 might deflect a large portion of the funds from the children and into administrative budgets. I feel that it is imperative that the money be directed at the target population, and not lost in the process of providing services. I do, however, support the comprehensive approach of this bill to providing educational services for our handicapped citizens.

In addition, S. 6 is a new program, and as such, may be susceptible to a veto by the President. Thus, I will not hesitate to call up S. 1256, a 1-year extension of the Mathias formula which I have cosponsored, should we be faced with no available alternative. I feel that this measure could quickly pass through both Houses and be enacted into law.

I am hopeful, however, that this action will not be necessary, and that my fears for the loss of funds for education to administrative processes will be unfounded. I would like to commend my colleagues on the Handicapped Subcommittee for their hard work and concerted efforts in providing for the educational services for the handicapped and I hope that our efforts will bring forth the kind of program assistance that the Federal Government must provide to insure free and equal educational opportunities for the handicapped.

Mr. BUCKLEY. Mr. President, once again I find I must vote essentially blind on an important measure. My staff was unable to locate a report until just minutes before the bill is to come to a vote.

As I voted for the original Senate bill last June, I shall vote for it with a prayer that nothing has been done in conference to substantially change its shape. Once again I urge the leadership to consider changes in our rules to overcome this frustrating and totally irresponsible way of conducting important business.

Mr. HATHAWAY. I am pleased to support this conference report providing for the education of handicapped children. The conference bill clearly recognizes the Federal responsibility to assist States and localities in provision of appropriate educational opportunities for over 8 million handicapped children. At present, less than half of these children are receiving what can be deemed to be an appropriate education. An astounding 1.75 million handicapped children are receiving no aid at all, and 2.5 million are receiving an inadequate education. It should be noted that our courts, most significantly in the case of Mills against Board of Education here in the District of Columbia, have declared this situation intolerable.

This bill provides both the means and the guidelines for assuring that handicapped individuals will no longer be denied a free and appropriate education. Though the cost of providing such opportunities is substantial, this cost must be weighed against the cost to our society of people unable to utilize their talents fully, if at all, and of course, the direct financial cost involved in unnecessary institutional care which could be avoided if handicapped individuals were enabled to develop to their full potential.

The authorization for incentive grants for programs for preschool children, included in the Senate bill and adopted by the conference, is particularly noteworthy. This provision will ensure that programs will begin at the earlier ages when they will be most beneficial and decrease the chance of exacerbated problems resulting from neglect in these early years.

The distribution of funds in the conference report strikes a very acceptable compromise between the Senate and House versions of the bill which emphasized the States and the localities respectively. Under the bill, funds will continue to be distributed totally to the States during the 2-year extension of the present funding formula. After this period, the funds will be split on a 50–50 basis between the States and localities, and then on a 75–25 basis. This insures that much of the funding will go to the localities where the substantive programs will be carried out, while the requirement of a $7,500 minimum entitlement to the localities retains flexibility at the State level to target funds where they are needed and in accord with the bill's priorities of serving those children presently unserved, and those with severe handicaps who are inadequately served.

Finally the gradual increase in the authorization levels provides an orderly and phased increase in the financial assistance for these programs from present levels of funding. This approach effectively meets the objections of those who agree that we should provide adequate educational opportunities for the handicapped, but that it is just too expensive to do so. Although I believe that those who take this position forget the cost of not providing that opportunity, the bill represents a fiscally responsible approach which merits our full support.

The PRESIDING OFFICER (Mr. Muskie). The question is on agreeing to the conference report. All time has expired. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Michigan (Mr. Hart), the Senator from New Hampshire (Mr. McIntyre), and the Senator from North Carolina (Mr. Morgan), are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan), and the Senator from New Hampshire (Mr. McIntyre), would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Goldwater), is necessarily absent.

I further announce that the Senator from Delaware (Mr. Roth), is absent due to illness.

The result was announced—yeas 87, nays 7, as follows:

[Rollcall Vote No. 513 Leg.]

YEAS—87

Abourezk
Allen
Baker
Beall
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hart, Gary
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—7

Bartlett
Bellmon
Fannin
Hansen
Hruska
McClure
Scott,
William L.

NOT VOTING—6

Bayh
Goldwater
Hart, Philip A.
McIntyre
Morgan
Roth

So the conference report was agreed to.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EQUAL TREATMENT OF CRAFT AND INDUSTRIAL WORKERS

The Senate continued with the consideration of the bill (H.R. 5900) to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

AMENDMENT NO. 1078

Mr. BEALL. Mr. President, I call up my amendment No. 1078 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Durkin). The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Maryland (Mr. Beall) proposes an amendment numbered 1078 to amendment numbered 1058.

The amendment is as follows:

> On page 2, line 1, insert the following after the word "work", "involving other than residential structures of three stories, or less, without an elevator".

Mr. BEALL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BEALL. Mr. President, I yield myself as much time as I need.

Mr. President, I ask unanimous consent that Senators Bartlett, Sparkman, Taft, Hruska, Dole, Baker, McClure, Ford, Allen, Helms, and Young be named as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Will the Senator yield? I will speak for him, I hope he will add me on as a cosponsor, too.

Mr. BEALL. Excuse me, I did not know the Senator from Rhode Island wanted to be a cosponsor. I am delighted and honored that he would ask to be a cosponsor of this amendment.

Mr. President, I ask that the distinguished Senator from Rhode Island and the distinguished Senator from Virginia be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, this amendment would exempt from the bill's provisions residential structures of three stories or less without an elevator.

At a time when this Nation is suffering from the lowest level of housing construction in many, many years, at a time when the vast majority of American families are priced out of the housing market because of extremely high interest rates, spiralling construction costs, and inflationary pressures, and at a time when unemployment in the construction industry is running about 20 percent as compared with an overall unemployment figure of 8.6 percent and residential unemployment is around 40 percent, this Nation can ill afford to add a further burden on an already crippled housing industry.

This is what will take place if residential construction, which is generally not organized, is not exempted from the situs picketing bill.

It is estimated that areas of the country in which about 20 to 25 percent of the housing starts are produced each year in the United States have both union and nonunion construction workers on building sites. Another 20 to 25 percent are fully unionized. It is in these areas that an immediate initial impact could be felt from the expanded picketing that would be authorized by this bill. In 1973 this would have meant that the construction of as many as 1 to 1.2 million housing units could have been affected. In the low production year of 1975 as many as 460,000 to 560,000 units could have been affected. Since each new housing unit that is built provides about 1 full year's employment on the construction site, shutting down only 10 percent of the work in 1973 would have affected from 100,000 to 120,000 housing units and the same number of jobs. This year, when we could have ill afforded it, a 10-percent shutdown would have affected from 46,000 to 56,000 housing units and the same number of jobs.

The housing industry, already reeling from the effects of high interest rates, spiralling construction and land costs, and extreme inflationary pressures, should not be subjected to this further burden. Nor should we run the risk of the even higher unemployment which would be the result of the enactment of this bill in its present form. Such an occurrence could be the final straw for many small builders who have been seriously weakened by a 2-year severe depression in housing construction.

Of equal importance is the further damage that the increased costs resulting from these actions will inflict upon the opportunity of American families to afford decent shelter. At the present time the median price of a new house in this country is about $38,000. At this level, only 22 percent of American families today can afford homeownership. This is an intolerable situation.

In 1968, Congress determined that an annual rate of 2.6 million units per year was essential if we were to meet our 10-year housing goals. In September of this year, the annual rate of housing starts was less than one-half the projected annual production need. September starts were at a rate of 1.24 million units. The starts rate has hovered at this depressed level since late 1974. Coupled with this low rate of starts, and being a significant cause of it, has been a dramatic increase in mortgage interest rates which a buyer must pay to secure decent and safe housing. These interest rates are now running about 9 percent to 9½ percent for homes and 10 percent for apartment mortgages. Not only has there been a dramatic drop in for-sale houses, but there has also been practically a cessation of construction of suitable rental housing.

What has happened nationally is dramatically reflected in Maryland's housing picture—if I might be a bit parochial. Housing starts dropped from 46,000 units in 1972 to 21,400 units in 1974. Projected starts for the year of 1975 are 19,900. This is a 57.3 percent drop in 3 years.

Mr. President, I should like to emphasize that this amendment only exempts residential construction projects of three stories or less without an elevator. It would not exempt construction of high-rise apartment complexes. The amendment would exempt construction of single-family homes, whether attached or detached, and the typical garden apartment complex.

The average subdivision in this country contains 50 to 100 homes and the average garden apartment project runs between 100 to 200 units. It is in such subdivisions that most 235 homes will be built under the newly reactivated program just announced last month by the Department of Housing and Urban Development. We cannot afford to jeopardize the quick start-up of this much needed program to help house moderate-income families. Nor can we afford to jeopardize the construction of garden apartments. Multifamily construction is the most distressed section of the housing industry with starts in September at only one-third the level they were in September 1973.

This amendment is aimed at the typical small businessman home builder who builds the major share of housing units in this country. He traditionally builds from 1 to 25 units a year and employs only a few craftsmen directly. Failure to approve this exemption could effectively put out of business many of these private entrepreneurs who do not have the means to withstand or survive work stoppages at the entire construction site based on disputes to which they are not a party.

I think it is important to note that construction firm failures have soared to unprecedented highs in recent times. For the January-August 1975 period such failures reached 1,650. This is a 79-percent increase above the 921 failures for the same period of time in 1972. The liabilities for such bankrupt construction firms for the same period of time showed at $506.3 million, the highest level on record.

Mr. President, I have gone into these details so that you may realize the gravity of the effect on this Nation's housing goals, its small businessmen home builders, and its employment opportunities if my amendment is not approved.

Mr. President, I hope my colleagues in the Senate will look with favor on this particular amendment.

Mr. PASTORE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PASTORE. Mr. President, I rise to support this amendment. As a matter of fact, I am a little surprised that the exemption was not reported by the committee.

What we are presented with here in the master bill is something that has to do with large scale construction, I believe.

As a matter of fact, some of the procedures to be followed under this bill are quite complex and complicated, have many ramifications, and I think that they deserve merit, of course, without any question.

When the Senator from New York read the letter from Secretary of Labor Dunlop, at that time I brought up the question, "What if I am building a $60,000 home, do I come under the provisions of this bill, that means that the contractors would have to get the consent of the national organization and go and get the permission from the council of 25 members?

The answer that came back to me was, "Well I would think that they have enough discretion in that particular case that they would not become involved."

I do not want to leave that up to anybody's discretion. I think we ought to write it into the law.

I do not see any harm that will be done by acceptance of the amendment. As a matter of fact, I think it will fortify and strengthen the bill itself. Statistics have already been recited here and I am not going into statistics. I think it is nothing more than commonsense. In the building of a residence no higher than three stories, without an elevator, I think we have a different kind of situation.

I sincerely hope that this amendment will carry with a crushing majority.

Mr. WILLIAMS. Mr. President, if we were just dealing with the limited kind of situation that the Senator from Rhode Island describes, one contractor, one home, I would be less sure of myself than I am that we were making a mistake if we make this exemption. But that is not the case.

The proposed amendment, first of all, is inconsistent with the underlying policy of the bill, which is to correct the inequitable treatment afforded construction workers under our national labor relations law. It seems to me there is no justification to allow this inequitable treatment to continue in just one sector of the construction industry; namely residential construction.

In talking about residential construction, one might get the impression that this is just small business, limited contractors, and limited development. But the economic facts are that in residential housing we have giant business, and developments of scores, hundreds, and even thousands of houses. In pursuit of the theory that construction should receive equal treatment with industrial opportunities and activities, I suggest that a development of several hundred houses is very comparable to an assembly line of automobiles. It is an assembly line that is being applied to residential housing.

If there is support for removing the inequity which now exists, that inequity should not be protected for what can well be big business in residential construction.

Personally, as manager of the bill, I cannot accept this amendment, although I will say that there are certain situations where I recognize it has a certain appeal.

Mr. PASTORE. Will the Senator yield?

Mr. WILLIAMS. Yes.

Mr. PASTORE. I suppose the Senator

is talking about a development like Levitt, or something like that, which is very uncommon. There is one near Washington but not in my State. In my own State, if they do develop a plat, it does not involve much more than maybe 20 or 30 houses. In other words, what I am pointing out is that the Senator is stating the exception and I do not think we ought to make it the rule.

I think we can live with that.

I think it does an injustice to a small builder who is trying hard to do something in a depressed area, where, of course, he has to meet all of these other regulations and requirements, to require him to go this whole way as the Senator would require someone who is going to build a big building for the Senate, let us say, or a big building for Eastern Airlines. That is an entirely different category. I do not think we ought to let it apply to a home.

What it really does is it tarnishes the whole master bill. I believe we ought to make an exception in this regard.

Mr. BUMPERS. Will the Senator from New Jersey yield for a question or two from the Senator from Arkansas on my time?

Mr. WILLIAMS. Certainly.

Mr. BUMPERS. What percentage of small homebuilders would be unionized or be organized?

Mr. WILLIAMS. I cannot be absolutely precise on this, but I know it is less than 20 percent.

Mr. BUMPERS. Less than 20 percent are organized. Will the chairman answer this question: Would the large numbers of homes that are constructed, and the Senator talked about 100, 200, or 1,000 homes, be constructed by the major contractor and would he already be organized? Would he already be employing union labor?

Mr. WILLIAMS. That does not necessarily follow. When there is organization, I would suggest that there are more in the large category that are organized than in the areas of more limited construction. But that does not necessarily follow.

Mr. BUMPERS. But it is the Senator's judgment that it probably is?

Mr. WILLIAMS. Yes. It is more probable than not. If there is to be organization, it will be where there is major residential construction.

Mr. BUMPERS. When we take the country as a whole, are we talking about a small contractor? Are we talking about one who builds two or three homes that he has under roof at one time and even though he might have a plot of 25, 30, or 50 lots he would not build all of those at one time? He might have the financial ability to build four or five homes and as he sells one he can then expand and go to another lot. We can call it leapfrogging but it is the financial ability of that individual who has his son or sons with him, or son-in-law. Is it not a fact that if he needs carpenters he calls the pool in the community and that pool will send him two or three carpenters? Would that be from the union hall, so to speak?

Mr. WILLIAMS. That could be, certainly.

Mr. BUMPERS. I thank the Senator.

Mr. HRUSKA. Mr. President, I rise in support of the amendment offered by the Senator from Maryland. I rise also in the capacity of a cosponsor. The need for the amendment has been well documented by the Senator from Maryland. The statistics he has cited and the nature of the problem involved were very logically presented in his explanation of the amendment.

Mr. President, this exemption would be highly beneficial to homebuilders, but more importantly, it would be highly beneficial to those who will buy and occupy those homes.

The Senator from Rhode Island is correct in saying that the thrust of this bill if it is to affect anyone at all, should affect only the large projects in the construction industry. It is the large owners, contractors and subcontractors, with greater financial reserves and resources that are more able to withstand the delays, uncertainties, and increased cost burdens that would be visited upon such construction by the bill itself.

That is not true in the residential construction field. There is only so much that the moderate income family or any family generally can invest in a home or pay as rent for a home. To the extent that there will be delays, uncertainties and added costs to residences of this type, they will be passed on to these families. This will also have detrimental effects nationwide. It will slow new home purchases and further hinder the recovery of this economically depressed industry.

Conversely, the benefits of the exemption will be great because these burdens will not be added.

The amendment is reasonably limited and that is all to the good.

Consider that one of our major efforts in this country is to turn away from added regulation, from added external factors or pressures in the realm of private industry. Here is another example where government regulation and its burdens are being imposed upon people who will be building and occupying homes.

The argument is made that the bill seeks to achieve equal treatment for all construction workers including those who build homes and garden-type apartments.

Mr. President, the simple answer to that is different circumstances call for different treatment. That is what this amendment seeks to do.

The facts and circumstances surrounding the objectives in the homebuilding industry are significantly different than in commercial projects. To the extent that those circumstances differ, they should be treated differently.

The amendment of the Senator from Maryland seeks in a reasonable and limited fashion to accord that type of different treatment, one that will be very beneficial and which should be approved. It is my hope that the amendment will be adopted.

Mr. TAFT. I rise in support of the amendment offered by the Senator from Maryland (Mr. BEALL). I supported the amendment in committee and highlighted it in my supplemental views on this bill. I believe that this amendment is necessary in that it will help bring stability to an industry which has been suffering a depression of historic proportions. Housing, as we are all aware, traditionally has been the industry which helps lead us out of an economic decline. Today, we find that housing is not playing that traditional role. I believe we must do all we can to assure that housing will be revitalized. I think this amendment will help in achieving that purpose.

Most sectors of the economy are beginning a strong upturn. Housing must join with them in this economic recovery. So far, it has been unable to do so.

The latest statistics we have show that the housing starts rate declined in September to an annual rate of 1.24 million units. The previous month it had been 1.268 million units.

Actual starts were even harder hit in September. They declined 7.4 percent to 109,000 units from the 118,700 units started the previous month. I should point out, however, that both of these rates—the annual rate and the actual monthly rate—were somewhat higher than the September 1974 figures.

Even though September figures were down, it appears that housing might be beginning to recover somewhat from its disastrous condition in 1974 and early 1975. It is in the best interest of the country and of the economy that we do nothing to impede what appears to be a modest recovery.

At the same time that housing seems to be enjoying a slight recovery, we note that the cost of housing continues to rise. It is unfortunate that at a point when we have some signs of economic recovery in the housing market, more and more middle and lower income families are finding it difficult to afford a home.

This brings me to a second point. I believe that we should not do anything which might cause the price of housing to go up at a faster rate than it is currently suffering. This amendment would help prevent some of the cost increase.

Finally, and just as important, the bulk of the single family housing in this country is produced by the small businessman-home builder. We should do nothing here which would tend to make it more difficult for these small businessmen to compete and survive. After all, with all of the growth of this country, the small businessman is still the backbone of most of our communities. We should help assure that these small businessmen who are responsive to the needs of their communities can continue to compete in the market place.

I want to emphasize that this amendment is narrowly drawn to meet a stated, specific purpose. This amendment does not try to exempt the great bulk of the construction industry from coverage by this act. This amendment is aimed at the small businessman-home builder who builds our single family homes and our small garden-type apartments, those of three stories or less without elevators. It is not directed at large construction projects—office structures or giant apartments, and the like. It is aimed at easing the burden on the small home builder who suffers the most from the inflationary pressures. It is also aimed at helping a greater segment of the population afford a home by helping to keep the costs of construction down.

And let us not forget the impact of the bill on employees and members of affiliated unions who are now working on residential housing construction. The affiliated unions are well advised to consider that without this amendment a possible effect of this bill might be to eliminate this work for their membership in order to avoid common situs picketing or even the threat thereof.

I know in my part of the country, particularly, it is not unusual at all to have a general contractor, either a union or a nonunion contractor, as the case may be, subcontract some of his jobs out to nonunion employees or to nonaffiliated union employees, and to contract others to those who are in affiliated unions. The net effect of this bill, if we do not enact this amendment, might well be to eliminate from the residential construction business many of the union employees who are currently involved in it, because faced with the problem of being unable to work union and nonunion employees alongside each other, I think we may find a situation where general contractors or even owners exert pressure to make the job totally a nonunion job, and therefore eliminate the possibility of situs picketing.

So I think there should be an interest on the part of the building trades themselves in preventing that situation from arising; and I know that in many States the situation is similar to that I have described in my own State of Ohio.

Before I finish, I want to point out that a similar amendment in the House failed by only two votes. The vote was 202 to 200, which indicates strong support for this type of amendment which is aimed not at hurting unions but at easing the burden faced by the small homebuilder and the moderate income home buyer. I urge the adoption of this amendment and I hope that the Senate conferees will work diligently to persuade their House counterparts to accept the amendment.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment. The yeas and nays have been ordered.

Mr. **LAXALT**. Mr. President, as a committee member, I would like to close the debate on this proposal.

First of all, we must remember that this is a highly controversial piece of legislation. Cloture was invoked, after several votes, by two votes; and I would rather suspect that by the time this bill is voted on for final passage, there will probably be 43 or 44 Senators strongly in opposition to this measure. So, to me, it should not be treated as a sacred cow. It is very suspect as to its basic merits, and I do not think that we as Senators should approach it on the basis that amendments of whatever kind or character should not be offered or passed.

That has been the tenor of the debate throughout the course of the day: That despite the merits of an amendment, it will not pass because the feet of Senators are cast in concrete. It has been repeated to me during the course of the consideration that the reason organized labor wants situs picketing is because of its effect on major construction, that they could not care less about housing.

As Senators have indicated, the union impact upon housing in this country already is minimal. It is less than 20 percent. Most of the housing construction in this country today is open shop, or, as the Senator from Ohio has indicated, mixed. So it seems to me that in this particular situation, we have a meritorious piece of legislation with insignificant impact upon situs picketing as such, and I believe that it would make a very objectionable bill, to me, somewhat less objectionable.

I urge my colleagues to support the amendment.

Mr. **PASTORE**. Mr. President, will the Senator yield?

Mr. **LAXALT**. I yield.

Mr. **PASTORE**. I do not believe the Senator is justified in saying my feet are cast in concrete, on this amendment or on any other amendment.

Mr. **LAXALT**. Mr. President, I did not mean to imply that the feet of the Senator from Rhode Island were cast in concrete.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment.

Mr. **JAVITS**. Mr. President, the basic problem with this amendment, which was offered in committee and rejected, is that it involves a very large number of workers who would, upon adoption of this amendment, not have the benefit of this act. Further, it does not follow economic realities.

The number of structures of three stories or less without an elevator which can be put on any site is very large. For example, there are builders in the country who build hundreds of houses on a single site. A very well-known example, of course, is the Levitt & Sons enterprise, which builds whole cities.

Second, Mr. President, this represents a large share of construction. For example, in ordinary economic times 50 percent of the working carpenters are involved in construction of residential housing.

I have not heard—and we argued it in committee—any compelling economic interest which should cause us to segregate these workers from the construction workers generally.

All builders are small. There are not any enormous construction industry complexes in this country. There are some that are larger than others, but essentially it is a small business enterprise.

This amendment would simply create an arbitrary distinction, excluding a very large number of construction workers who have no economic base.

For these reasons, Mr. President, I believe that those who favor the structure of this bill and acknowledge the reason for enacting it into law should join in rejecting this amendment.

Mr. **SPARKMAN**. Mr. President, I support the amendment sponsored by the Senator from Maryland which would exempt light residential construction from the bill's provisions.

The housing industry continues to reel under its longest and deepest post-war recession. There are a few signs that the industry is beginning to turn around. At the same time there are signs that mortgage interest rates might begin moving upward again because of the renewed round of savings outflows. Inflationary pressures continue to bear down heavily on this vital industry. All of this means just one thing—higher costs to the builder and higher costs to the home buyer.

I do not think that this body should do anything which would contribute to any further increase in costs to both builder and buyer.

Unemployment in the construction industry is estimated at 20 percent, compared to an over all unemployment rate of 8.6 percent. Residential construction unemployment is hovering around an unconscionable 40 percent. Do we want these astronomically high unemployment rates to continue? I think not. And I think that this body does not want to do anything which might lead to an increase in unemployment, no matter how slight the chance is. If this bill covers residential construction, I would expect that we would see a dramatic increase in work stoppages.

At a time when this Nation is falling further and further behind the congressionally mandated goal of 2.6 million housing units a year, we cannot afford any action which would result in even fewer homes being built. The best estimates are the annual rate of housing starts in October was less than one-half the amount of housing we need. The October annual starts rate was 1.4 million units, which is far below our needs. These low housing starts rates combined with high interest rates means that fewer and fewer families will be able to buy a home.

I know that in Alabama the home building industry is producing less than half of the housing units today than it did in 1972. This cannot continue in Alabama or in the United States if we are to have a secure construction industry.

Yet we are considering legislation which will possibly mean that the cost of each house is going to increase. This is simply not reasonable.

So I support the amendment offered by Senator **BEALL** and I add my name as a cosponsor to that amendment.

I want to point out that this amendment is not directed at gutting this bill. It does not address itself to large commercial or residential construction projects which comprise the vast majority of construction activity. It is aimed at exempting the small businessman homebuilder. It is aimed at protecting the small businessman homebuilder from greater and greater cost increases. It is aimed at insulating the small businessman homebuilder from potentially costly work interruptions which he cannot afford and his consumer—the home buyers of American—cannot afford.

It is my belief that if we do not approve this amendment that hundreds of these small businessmen will be forced out of work and more and more construction workers will find themselves unemployed. The housing industry and the country cannot afford either.

I hope that the Senate agrees that this amendment is vital to the economic well-being of thousands of business firms throughout the country. And I hope that realizing this, my fellow Senators will vote to approve this amendment.

Mr. WILLIAMS. The proposed amendment to exempt light residential construction from the provisions of this bill is totally inconsistent with the purpose of removing the secondary activity ban from construction site picketing.

I ask my colleagues to focus, for a moment, on the motivation behind this piece of legislation. The construction industry is extremely important to our national economy. Today, this highly fragmented industry is suffering from the effects of the recent and continuing economic troubles with all of the commensurate devastating results.

In addition to all of its other problems, labor-management relations in this vital industry remain on a tenuous perch.

The construction of a building is a single, coordinated and integrated economic enterprise, despite the fact that its successful completion may require the application of a large number of separate tasks requiring highly specialized skills.

We are here to make clear the right of labor organizations to conduct peaceful picketing at construction sites in the same manner that is now permitted by the law at industrial plants and all other business sites.

Promoting an exemption for one sector of the construction industry, as I have said, is totally inconsistent with our purpose here today, and its real effect would be to severely limit the scope of this bill.

This amendment would allow this inequitable treatment to continue in one sector of the construction industry—the one sector that is most important to every citizen of this Nation.

There is no legal justification for differentiating the residential construction industry from the commercial construction industry in terms of the coverage of this bill.

Nor are there presently different legal standards for the conduct of labor relations in various segments of this same industry.

It is absolutely without reason, from a legal or logical standpoint, to remove the artificial standards of "neutrality" which now exist from commercial construction only, while leaving them intact in another large section of the construction industry.

An example might help to illustrate my point. In 1975, less than one-fifth of the new housing starts have been structures of five units or more.

Less than one-tenth of the new units starts have been in buildings which would not be exempt under the provisions of the amendment, that is, structures of more than three stories or of three stories or less with an elevator.

In other words, the proposed amendment would exempt 90 percent of all residential construction. Residential construction currently accounts for about one-half of the dollar value of new private construction being put in place.

In most years it accounted for more. The effect of the amendment, therefore, would be to exempt 45 percent of the dollar value of all new private construction.

The proponents of this amendment say that it is intended to protect small businessmen. But this amendment would harm the very people that we are trying to protect by this legislation—the construction workers. That in my mind cannot be reconciled.

Nor can I reconcile the fact that this amendment would also exempt those large, multifaceted companies that engage in the construction of single family or small multifamily dwellings that would come within the bounds of the amendment.

All factors point to this legislation quieting the strife and disruption that the inequitable treatment afforded construction workers has caused in construction labor-management negotiations.

Yet still, fears are expressed that there would be a great multiplication of picketing of small residential construction jobs. The history of union organization belies such fears. The organizing resources of unions are, in general, not used where relatively small numbers of employees are involved.

Another contention of the amendment's proponents is that additional unionization of residential construction would threaten the present recovery in housing. The decline in housing took place although single family housing construction is largely nonunion.

The recovery has been slow despite, if not because of, the largely nonunion character of such construction. The lack of effective demand for housing has little if anything to do with whether the construction is by union or nonunion labor.

It is the high rates of mortgage interest, unavailability of funds, costs of land, and the sharply increased energy utility costs that make home ownership prohibitive for most American families. A union wage scale would not have a significant impact on effective housing demand and the consumer would derive a long-term benefit through better workmanship, as has consistently been the case.

The adoption of such an artificial and illogical exemption, as the one proposed by this amendment, would merely be an invitation to others to seek further, equally ill-founded, exceptions from this legislation and to thereby frustrate its basic purpose.

I, therefore, strongly urge my colleagues to defeat this amendment to S. 1479. It would do nothing but cause a more disruptive and inequitable situation in this most necessary and increasingly more important sector of the construction industry.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 1078 of the Senator from Maryland. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. CULVER), the Senator from Michigan (Mr. HART), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MOGRAN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Delaware (Mr. ROTH) is absent due to illness.

The result was announced—yeas 79, nays 16, as follows:

[Rollcall Vote No. 514 Leg.]

YEAS—79

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Johnston
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Mondale
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—16

Brooke
Case
Clark
Cranston
Gravel
Hartke
Jackson
Javits
Kennedy
Metcalf
Montoya
Packwood
Ribicoff
Schweiker
Tunney
Williams

NOT VOTING—5

Bayh
Culver
Hart, Philip A.
Morgan
Roth

So Mr. BEALL's amendment (No. 1078) was agreed to.

[Later in the day the following proceedings occurred:]

Mr. MONDALE. Mr. President, on the previous vote, No. 514, I was misrecorded as having voted in the negative. It was my understanding that I had voted in the affirmative. I ask unanimous consent that the record reflect the vote according to my understanding reflecting a yea vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Will the Senator from New York yield for the same purpose?

Mr. BUCKLEY. I yield.

Mr. PROXMIRE. I have the same problem just expressed by the Senator from Minnesota. On the Beall amendment I ask unanimous consent I be recorded as having voted in the affirmative on the Beall amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, in vote No. 514 I am recorded as voting "aye" and I would like to change my vote to "no."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I was recorded as voting against the Beall amendment earlier today. I wish to change that from a "nay" to a "yea" vote and I ask unanimous consent to do so. It would not alter the outcome of the vote.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(The rollcall vote on Mr. BEALL's amendment reflects the foregoing unanimous-consent requests.)

Mr. BEALL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1119

Mr. RANDOLPH. Mr. President, I have an amendment at the desk, No. 1119. I ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 3, line 9, insert after the colon: "*Provided further*, That nothing in the above proviso shall be construed to permit any picketing of a common situs by a labor organization to force, require, or persuade any person to cease or refrain from using, selling, purchasing, handling, transporting, specifying, installing, or otherwise dealing in the products or systems of any other producer, processor, or manufacturer:".

Mr. ROBERT C. BYRD. Will the Senator yield for a unanimous-consent request?

Mr. RANDOLPH. I am delighted to yield.

Mr. ROBERT C. BYRD. Mr. President, I understand this has been cleared. I ask unanimous consent that on the amendment by Mr. RANDOLPH, Mr. RANDOLPH have 5 minutes and Mr. JAVITS have 5 minutes.

The PRESIDING OFFICER (Mr. STEVENS). Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RANDOLPH. Mr. President, this amendment was included in the House-passed bill, H.R. 5900, in which that body worked its will on so-called situs picketing. It retains the Denver building rule where picketing is engaged in solely to enforce what we call a product boycott. I recall that the amendment that I offer here was presented in the Committee on Labor and Public Welfare by the able Senator from Nevada (Mr. LAXALT). He has also offered a similar amendment in this body.

In the committee, I voted for that amendment. I felt that it was valid and, even though it did not pass, that we would bring it back to the Senate today in the hope that the very competent chairman of the Committe on Labor and Public Welfare (Mr. WILLIAMS) and others on the committee would be in a mood, frankly, to accept the amendment, and to join us in the effort.

I agree, Mr. President, that economic activity by unions which preserves work traditionally performed by employees of a construction site employer is primary. It is, therefore, not prohibited, as I understand it, by sections 8(b)4(B), and 8(e) of the act. It is protected by sections 7 and 13.

I give this example: Let us say that we have carpenters who have been in the process of finishing and fitting doors. They have a collective-bargaining agreement to do that work. If it is, nevertheless, determined to have that work done off site, it is present law to permit those carpenters to protect themselves by refusing to install the prefinished doors. That is primary activity and should not be interferred with, as I hope the Members of the Senate will agree. I endorse the purpose of this bill—I have so indicated by my votes—to treat the general contractor and subcontractors on a particular site as a single person for purposes of the secondary boycott provisions of the law. By reaffirming the first of these rules defining primary activity, then establishing the second, we place the law of secondary boycotts on what I believe to be a reasoned and a principled basis.

I am concerned about the potential impact of the use of these economic weapons in combination in the industry.

To follow through on this example—that is, picketing all the contractors on the site because a subcontractor has brought in prefinished doors—it should not be permitted. I have spoken to some of those who are in charge, Senator WILLIAMS especially, of the pending measure. It is my hope that this amendment will receive the endorsement of the Senate.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. RANDOLPH. Yes, I yield to the distinguished Senator from New York.

Mr. JAVITS. I shall do it on the opposition time, so he does not lose any part of his 5 minutes.

Is it the intention of this amendment to retain the law of the National Woodwork case? In other words, as we are dealing with situs picketing, there is, under present law, lawful picketing, quite apart from the situs bill. Therefore, it is understood that by adopting this amendment, we do not cancel out existing law respecting picketing generally. This amendment is, therefore, directed to what the Supreme Court has defined as secondary boycott, as they did in the Denver Building Trades case.

Mr. RANDOLPH. The Senator from New York is correct. He is very concise in spelling it out. That is the intent of the Senator from West Virginia.

Mr. JAVITS. I understood it on that basis and I support it. I thank the Senator.

Mr. WILLIAMS. Will the Senator yield to me?

Mr. RANDOLPH. Yes.

Mr. WILLIAMS. The able Senator from West Virginia has most intelligently brought this amendment in that very sensitively deals with the economic balance that we want to preserve in this industry-management situation. It certainly is an amendment that I imagine organized labor would not welcome with open arms, but they must recognize that what we want to do is be an efficient actor in this very complex field, where there are rights and duties, and the balance should be such that there becomes no overwhelming power on either side, but the opportunities are there in good balance. I think this does it.

Mr. RANDOLPH. The Senator is correct. I think we have, too often, perhaps, in the Senate failed to strike a balance in legislation as it progresses in this body. I imagine that if I have learned something in the Senate, it is that polarization, does not always best serve us or serve the country.

It is important to remember that employers and union members must not pull in opposing directions. Rather, it is essential that they join together in partnership—in a common effort to make America strong and productive. Legitimate gains, economic and otherwise, should be shared by both interests. Polarization will only be detrimental to both and, in the end, to the Nation.

What the Senator has said, I think, is true. There is a balance built in by the adoption and the inclusion of the amendment now pending. I appreciate it very much.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Will the Senator from New York yield me time?

Mr. JAVITS. Of course.

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared with Mr. JAVITS and Mr. WILLIAMS and with the authors of the amendments that are still out. I ask unanimous consent that time under the cloture rule allotted to each Senator be limited to 10 minutes; that Senators may yield their time—which they cannot do under the cloture rule, but they may yield their time under this agreement; that there be 45 minutes on the three Helms amendments allotted to Mr. HELMS, to use as he desires; that Mr. WILLIAMS have 30 minutes under the Helms amendments to allocate as he desires; that Mr. BUMPERS have 45 minutes on his amendment; Mr. WILLIAMS to have 20; Mr. LAXALT to have 10 on his, and Mr. WILLIAMS to have 10 minutes on the Laxalt amendment; Mr. BUCKLEY to have 15 minutes on his amendment, Mr. WILLIAMS to have 15 minutes on his amendment; and that a final vote occur not later than 8 o'clock p.m. today.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. TAFT. Mr. President, I would like to make a parliamentary inquiry as to how much time I have remaining under the cloture rule.

The PRESIDING OFFICER. The Senator has 43 minutes.

Mr. TAFT. Mr. President, I hesitate to object to this, but it does seem to me we have quite a bit to consider on this bill, and I do not know everything that is going to be brought up. I see no reason really why full time should be cut off. I do not believe in shortening debate, frankly, to cut it off. But I just hate to give up any of the time I am entitled to under the cloture agreement.

Mr. ROBERT C. BYRD. Under the request, may I say to the distinguished Senator from Ohio, he would have 15 minutes of his remaining 43 minutes. If he would like more time than that, it could be worked in.

Mr. TAFT. I do not want to request more time because I do not even know whether I will need 15 minutes. I do not want to give it up.

Mr. ROBERT C. BYRD. I assure the Senator if he needs more time I will yield him time because, under this agreement, Senators can yield time whereas under cloture the Senators cannot except by unanimous consent, and if the Senator wants more time I assure him I will yield him the 15 minutes and help him to get additional time.

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. Objection.

Mr. JAVITS. Reserving the right to object, the Senator said 15. Did he mean 15 or 10?

The PRESIDING OFFICER. Objection is heard.

Mr. PACKWOOD. I object.

Mr. WILLIAMS. I thank the Senator for his amendment, and I do accept it. As we stated in the committee report, it is not entirely logical to preclude picketing under this bill where such picketing is designed to support a product boycott, which is primary activity when engaged in to preserve work traditionally performed by the striking unions. However, the bill already has two notice requirements, which I intend at the proper time to transfer to section 8(g) of the act which are carefully restricted departures from the strict logic of allowing primary picketing in all circumstances.

Because of the concern that some Senators have expressed, the distinguished Senator from New York and I have agreed to accept this further restriction, and to retain Denver Building to the limited extent stated in the amendment.

In the committee we defeated an amendment accepted by the sponsors on the House side which would have retained the Denver Building rule where the picketing was in support of a product boycott.

We did so because some forms of product boycotts are primary activity, as the supreme Court held in the National Woodwork case (*Woodwork Manufacturers* v. *Labor Board*, 386 U.S. 612), and the theory of the bill is that a union should be entitled to engage in primary picketing in support of primary objectives.

However, as the amendment that has been proposed indicates, some Members believe that it would be unwise to combine these weapons, even though they agree that Denver Building was wrongly decided and National Woodwork was correctly decided.

In examining the question of what economic weapons are to be allowed under section 8(b)(4), I have concluded that the better course is to preserve the product boycott under the principles stated in National Woodwork, and in general to overrule the Denver case while retaining it in this limited context, just as we have sanctioned carefully limited restrictions on common situs picketing in other provisions of the bill.

I therefore support this amendment.

Mr. RANDOLPH. Mr. President, has all time been consumed on the pending amendment?

The PRESIDING OFFICER. The time on the amendment has been consumed. Members still have time under cloture.

The question is on agreeing to amendment No. 1119 of the Senator from West Virginia.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Colorado (Mr. HASKELL), the Senator from Louisiana (Mr. LONG), the Senator from North Carolina (Mr. MORGAN), and the Senator from Michigan (Mr. PHILIP A. HART) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Illinois (Mr. PERCY) is necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent due to illness.

The result was announced—yeas 93, nays 0, as follows:

[Rollcall Vote No. 515 Leg.]

YEAS—93

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hartke
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—7

Bayh
Hart, Philip A.
Haskell
Long
Morgan
Percy
Roth

So Mr. RANDOLPH's amendment (No. 1119) was agreed to.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WILLIAMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New York.

Mr. HELMS. Will the distinguished Senator yield to me for 1 minute on my time?

Mr. BUCKLEY. I will gladly do that.

Mr. HELMS. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. There will be order in the Senate.

Mr. HELMS. For those Senators who are here and who may want to reconsider their vote in the light of additional wisdom, I desire to read a telegram which may be of interest:

> **To Senator Jesse Helms, United States Senate, Washington, D.C.**
>
> The National Association of Minority Contractors is strongly opposed to the concept of common situs picketing. For years, minority contractors have been struggling for recognition based upon the quality of their work. This bill sets our cause back 100 years. Please do what you can to defeat this proposed legislation.

It is signed Ms. Cynthia Eddings, National Association of Minority Contractors, Legislative Liaison Office.

I thank the Senator from New York.

Mr. BUCKLEY. Mr. President, I ask for the yeas and nays on amendment No. 1130.

The PRESIDING OFFICER. Is there objection to ordering the yeas and nays on this amendment at this time? Hearing no objection, the yeas and nays are ordered. There is a sufficient second.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a 20-minute time limitation on this amendment, 10 minutes to Senator BUCKLEY and 10 minutes to Senator WILLIAMS.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1130

Mr. BUCKLEY. Mr. President, I call up my amendment No. 1130 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> On page 3, line 1, insert after "tional origin:" the following: "*Provided further*, That nothting in the above provisions shall be construed to authorize employees of a subcontractor to picket, or cause to be picketed by any other employer where an objective thereof is to require any other employer to recognize or bargain with any labor organization:".

Mr. BUCKLEY. The purpose of this amendment, Mr. President, is to focus exactly on what the purpose of the bill is but which I do not think is quite achieved. The Denver decision was far too restrictive in its impact on the building trades. I believe it did have the effect complained of; namely, denying to members of the building trades rights that are enjoyed in comparable situations by members of the industrial unions.

On the other hand, I believe that the provisions of the bill are too broad. In effect, what they have achieved is to enable a secondary boycott to take place under circumstances and conditions for which there is no analogy in the manufacturing industry.

My understanding of the situation is that the rationale for the legislation that we have under consideration is based on the fact that workers in a going enterprise in the industrial sector have the right to resort to job action in order to try to persuade the employer to restrict employment to union members.

This rationale, I think, would be totally applicable to a situation where you are dealing with a contractor where employees of the contractor are, in effect, bringing pressures to bear on that contractor not to subcontract to nonunion firms.

On the other hand, the existing language would authorize, in practice, the employees of a subcontractor to reach over and bring pressures to bear on a totally unrelated subcontractor who happens accidentally to be associated with the employer of the employees taking the job action by virtue of the fact that they have a common contractor. I believe that this goes beyond the scope of the legitimate remedies that this bill attempts to address. Therefore, I recommend and hope that the Senate will adopt my amendment.

Mr. PACKWOOD addressed the chair.

The PRESIDING OFFICER. Who yields time?

The Senator from Oregon.

Mr. PACKWOOD. Mr. President, this amendment is very clear. This is the Denver Building Trades case. This is an effort to put back into the law what we had hoped to undo with this amendment. This is not some secondary or tertiary related issue. This is the guts of the bill. If Senators vote for this amendment, they are voting to undo what the House has already passed, what the committee has already passed, and what those of us who support common situs picketing believe.

What we are saying with this amendment is that a union man cannot ask the contractor to hire only union labor.

We are saying that a union man cannot withhold his services and that he has to work next to somebody he prefers not to work next to if this amendment is agreed to.

I think the issue is very clear. I do not think it needs much time or explanation. If Senators think that an individual ought to have the right to withhold his services from an employer because that employer is employing or subcontracting to others that an individual does not like, then vote against this amendment.

If Senators think that a person should not have the right to withhold his services because he does not like who the employer is hiring, they can vote for the amendment.

But when Senators vote for it or against it, understand that this is the very guts of the bill we are considering.

The PRESIDING OFFICER. Who yields time?

Mr. WILLIAMS. I yield myself 1 minute.

Mr. President I, agree with the Senator from Oregon that this amendment should be rejected. I do not know what the objective of the amendment before us is. The Senator mentioned the fact that this is the Denver case. Certainly it is.

This is not a secondary situation. We are dealing here with employers and employees on a construction project. They are all in an area of concerted activity on construction. This would separate them out for certain purposes.

I strongly agree with the Senator from Oregon that this amendment should be defeated.

This amendment is inconsistent with the principle of the bill which treats all the subcontractors on a construction project and the general contractor as a single employer for purposes of section 8 (b) (4).

Moreover, it introduces into the law a new distinction between unions which are and unions which are not permitted to engage in picketing or other concerted activity directed at a particular employer.

The primary-secondary dichotomy differentiates among employers who are the targets of economic pressure, not among the employees or other individuals who engage in concerted activity.

As the Supreme Court has held:

> A boycott cannot become secondary because engaged in by primary employees not directly affected by the dispute, or because only engaged in by some of the primary employees, and not the entire group. Since that situation does not involve the employer in a dispute not his own, his employees' conduct in support of their fellow employees is not secondary and, therefore, not a violation of § 8(b) (4) (B).

Houston Insulation Co. v. *NLRB* 386 U.S. 664, 669. The amendment is inconsistent with this rule.

Of course, all recognition picketing is regulated by section 8(b) (7) and, as I made clear in connection with the amendment offered on Monday by the distinguished Senator from Maine, Mr. HATHAWAY, this bill does not authorize any conduct prohibited by section 8(b) (7).

While I have this moment, I would like to have the RECORD include at this point, because it relates to subject matter raised by the Senator from North Carolina, a letter under date of June 7, 1975, addressed to me as chairman of the Committee on Labor and Public Welfare, from Mr. Bayard Rustin, director of the recruitment and training program. I am sure Mr. Rustin is familiar to all here. He says:

> I'm writing to offer my unqualified support for S. 1479, the bill to extend equal rights to craft and industrial workers.
>
> For many years, the minority workers of the United States have sought equal entry into craft employment. This entry has been sought for pride of accomplishment, but also because training and employment in the skilled trades has offered significant economic advancement to those who have for too many years struggled at the bottom of the economic ladder.
>
> While this goal has not been completely achieved, substantial and significant progress has been made.
>
> It would be tragic indeed, if these economic advantages were to be lost when the goal is at hand.
>
> S. 1479 would grant construction workers the right to peacefully picket to maintain their economic advances. It is worth noting, that S. 1479 offers complete and adequate protection against any picketing or other activity that would encourage or promote racial discrimination or exclusion.
>
> It is my considered conclusion, that the rights of black American construction workers, as well as white, are best preserved through union membership and collective bargaining. And further, that they deserve the same right to peacefully protest and to protect their economic advances at a construction site as do garment workers and other industrial workers in the United States.
>
> Sincerely,
>
> BAYARD RUSTIN.

I think there should be no mistake; this is the expression of a man whose entire life has been devoted to the economic and social advancement of minorities, particularly the blacks, but of all minorities.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. JAVITS. Mr. President, I ask unanimous consent that Cal Johnson of Senator SCHWEIKER's staff have the privilege of the floor during the debate and votes on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. BUMPERS. Mr. President, I would like to ask the manager of the bill one question.

With the amendment of the Senator from New York, would this bill permit organizational picketing against a nonunion subcontractor who is paying as much as or more than area scales?

Mr. WILLIAMS. I may have missed a part of the Senator's question——

Mr. BUMPERS. Let me restate it. This bill, of course, in its present form, without the amendment of the Senator from New York on it, obviously would permit organizational picketing. Certainly we all know that a nonunion subcontractor who was not paying union scale could be picketed; but my question is, could he be picketed if he were paying area scale or in excess of area scale?

Mr. WILLIAMS. If it is for organizational purposes, the limitation is there already.

Mr. BUMPERS. For 30 days?

Mr. WILLIAMS. Under this bill, as amended, for 14 days if a charge and a petition is filed. That is where the effort is directed, at organization, for organizational purposes.

Mr. BUMPERS. I take it the Senator's answer is yes, they could picket for organizational purposes; and under the present law they would be limited to 30 days, in other words the picket would be limited to 30 days for organizational purposes; under the Hathaway amendment, if the employer or employees of a nonunion subcontractor petitioned for an election and accompanied that with a charge of unfair election practice, then the election must be held, under the Hathaway amendment, within 14 days.

Under the present law, you would have 30 days to picket for organizational purposes. If the employer or employees did not make such a request of the National Labor Relations Board until the 25th day of the picket, then the picketing could continue until the election is held, even though it went beyond the 30-day period; is that correct?

Mr. WILLIAMS. In this situation, our situation in construction, the time would start running, on the 14 days for the election, when the petition and the charge were filed.

Mr. BUMPERS. Will the Senator repeat that for me, please?

Mr. WILLIAMS. The Senator is wondering when the 14 days starts running within which the election must be held; am I correct in that?

Mr. BUMPERS. No, precisely—let me restate it, to be sure we are talking about the same thing.

If no petitions or certifications were filed, then the picket must end, if it is for organizational purposes, at the expiration of 30 days. Is that correct?

Mr. WILLIAMS. Yes; that is the present law.

Mr. BUMPERS. All right. What I want to do is add another element to the equation.

Let us assume that the picketing has been in progress for 25 days. At the end of the 25 days, the picketed subcontractor petitions the NLRB for a certification or an election, and accompanies that with an unfair labor practice charge. Under the Hathaway amendment, NLRB, under the expedited procedures of that amendment, must hold an election within 14 days.

My question is, Can the picketing continue past the 30-day period if an election has not been held, and continue until an election is held?

In other words, in this case the 14 days from the 25 days would mean that the picketing could go for 39 days unless an election were held prior to that time; is that correct?

Mr. WILLIAMS. Well, yes, with respect to construction the answer is yes, and I thought I had answered it when I said the 14 days starts running upon the filing. So upon the 25th day, that is 25 days behind; that is history. Then the petition is filed, and they have 14 days to get that election.

Mr. BUMPERS. And the picketing can continue?

Mr. WILLIAMS. So I would think the total number of days would be the 25 plus the 14, and if anyone was hurting, as an employer, I would think he would file an unfair labor charge the second day.

Mr. BUMPERS. The Senator is correct; if I were the employer I would file my unfair labor charge the first day of picketing, because then the election must be held within 14 days.

Mr. WILLIAMS. Or, on the other hand, if I were the construction employer, I would try to get the election held as soon as possible, to get the picketing off my premises.

Mr. BUMPERS. Yes; that is what I was talking about, being the employer.

The PRESIDING OFFICER (Mr. THURMOND). The time of the opponents has expired.

The PRESIDING OFFICER. The Senator from New York has 4 minutes.

Mr. BUCKLEY. Mr. President, I shall clarify a couple of points here.

No. 1, my amendment does not have anything to do with forcing anyone to work for someone else for whom he does not wish to work. All it does is to affect strikes for organizational purposes and only in those situations where one is coming across a situation of one subcontractor bringing pressures on another subcontractor, which seems to me does not have an analogy in the industrial situation.

What my amendment does is leave that intact in this bill, and that which is prohibited under the Denver decision is the ability of employees of an employer saying, "We are going to bring pressure to bear on you to not employ other subcontractors."

This would go right downstream, because, as the Senator from Oregon says, we do not wish to work the people who are not union.

It seems to me this fits into the logical context of what is sought to be achieved here without skipping beyond that and attacking a situation that has to be considered the equivalent to a secondary boycott.

I do not believe that my bill does anything to undercut what ought to be objectives of this legislation. It does correct the overly broad impact of the Denver decision.

I am ready to yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a quorum call for not to exceed 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, with Mr. BUCKLEY's approval, I ask unanimous consent that the vote on this amendment occur at 4 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT OF THE TWO HOUSES OVER THE THANKSGIVING HOLIDAY

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 485.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 485, which will be stated.

The assistant legislative clerk read as follows:

> *Resolved by the House of Representatives (the Senate concurring)*, That when the House adjourns on Thursday, November 20, 1975, it stand adjourned until 12 o'clock meridian, Monday, December 1, 1975, or until 12 o'clock noon on the second day after its Members are notified to reassemble in accordance with section 2 of this resolution, whichever first occurs.
>
> SEC. 2. The Speaker of the House of Representatives shall notify the Members of the House to reassemble whenever in his opinion the public interest shall warrant it or whenever the majority leader of the House and minority leader of the House, acting jointly, file a written request with the Clerk of the House that the House reassemble for the consideration of legislation.
>
> SEC. 3. During the adjournment of the House as provided in section 1, the Clerk of the House be, and he hereby is, authorized to receive messages, including veto messages, from the President of the United States.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MANSFIELD. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 1, strike lines 2, 3, and 7 and insert the following: "When the two Houses adjourn on Thursday, November 20, 1975, they stand adjourned until 12 o'clock meridian, Monday, December 1, 1975, or until 12 o'clock meridian on the second day after their Members are notified."
>
> On page 1, strike Sec. 2 and Sec. 3, and insert in lieu thereof the following:
>
> SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.
>
> SEC. 3. During the adjournment of both Houses of Congress as provided in section 1, the Secretary of the Senate and the Clerk of the House, respectively, be, and they hereby are, authorized to receive messages, including veto messages, from the President of the United States.

Mr. MANSFIELD. Mr. President, it is my understanding that the House of Representatives very shortly will have no further business before it, in view of the fact that it will not take up the New York City legislation, and if I remember correctly, the Committee on Rules has declined to give a rule on the tax bill, hence the desire on the part of the joint leadership to bring up this resolution at this time.

We are setting the time for the beginning of the recess at the conclusion of business tomorrow rather than Friday. What we wish to do in the meantime is to complete the pending bill, the Interior appropriation bill, and also Calendar No. 429, Senate Concurrent Resolution 76, a concurrent resolution revising the congressional budget for the U.S. Government fiscal year 1976, and so forth and so on.

We will be in late tonight in the hope of finishing the situs picketing bill. The Senate is aware of the fact that, beginning at 9 a.m. tomorrow and extending no later than 1 p.m. in the afternoon, we will be having a closed session to hear a report from Senators CHURCH and TOWER on the Intelligence Committee's activities.

Then, if we have not gotten to the budget resolution tonight, we will take it up tomorrow and stay in until it is passed. After that we will go into our recess until Monday a week.

In view of the situation which has developed in the House of Representatives, at the White House, and in the New York State Legislature, it is not the intention of the leadership to take up the New York City financial legislation at this time. We prefer that the House of Representatives act first, the President reach a definitive decision as to what his wishes would be on legislation, and the New York State Legislature increase its activity in respect to this particular situation.

There will be conference reports, of course, which are privileged, including the pesticide conference report, and also I hope it will be possible to take up the conference report which will be managed by the distinguished Senator from Wisconsin sometime today.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The concurrent resolution (H. Con. Res. 485), as amended, was agreed to, as follows:

H. CON. RES. 485

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Thursday, November 20, 1975, they stand adjourned until 12:00 o'clock meridian, Monday, December 1, 1975, or until 12 o'clock meridian on the second day after their Members are notified to reassemble in accordance with section 2 of this resolution, whichever first occurs.

SEC. 2. The Speaker of the House of Representatives and the Presideint pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

SEC. 3. During the adjournment of both Houses of Congress as provided in section 1, the Secretary of the Senate and the Clerk of the House, respectively, be, and they hereby are, authorized to receive messages, including veto messages, from the President of the United States.

The PRESIDING OFFICER. The clerk will state the title.

The assistant legislative clerk read as follows:

Amend the title so as to read: "Concurrent resolution providing for a conditional adjournment of the Congress from November 20, 1975, until December 1, 1975."

The PRESIDING OFFICER. The question is on agreeing to the title amendment.

The amendment was agreed to.

ORDER OF PROCEDURE

Mr. MANSFIELD. Mr. President, again I emphasize to the Senate that in view of the shortness of time we will very likely be in late this evening. I hope for the utmost in the way of cooperation so we can complete the pending business, the bill on the Interior appropriations, the budget resolution, and all other matters of high priority, such as conference reports, which might come in between.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from North Carolina yield to me?

Mr. HELMS. Yes.

EQUAL TREATMENT OF CRAFT AND INDUSTRIAL WORKERS

The Senate continued with the consideration of the bill (H.R. 5900) to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

TIME-LIMITATION AGREEMENTS ON HELMS AND BUMPERS AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. HELMS have 45 minutes to allocate as he desires on three of his amendments and on those three same amendments Mr. WILLIAMS have 30 minutes to allot as he desires.

I ask unanimous consent that on the amendment by Mr. BUMPERS, Mr. BUMPERS have not to exceed 40 minutes and Mr. WILLIAMS have not to exceed 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on all further rollcall votes today there be a 10-minute limitation on each and the respective cloakrooms can get the message out.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1101

Mr. HELMS. Mr. President, I call up my amendment No. 1101, which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of this amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the first section, strike the period, insert a colon, and add the following new proviso: *"Provided further*, That nothing in the above provisos shall be construed to permit any picketing of a common situs by a labor organization where any State or Federal agency awards separate contracts to any employer in conformity with applicable law, and any such State or Federal agency and any such employer shall not be considered joint ventures, contractors and subcontractors in relationship with each other or with any other employer at the common site.".

Mr. HELMS. Mr. President, I assume that my colleagues are aware that the proposed common situs picketing bill now before the Senate extends not only to the private sector but also to the construction projects of the Federal Government, which of course will be paid for by the taxpayers of this country.

Mr. President, may we have order? This is a very important matter.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HELMS. Mr. President, normally, I do not mind if there is conversation in the Chamber; but this bill would involve millions upon millions of dollars of the taxpayers' money, and I think Senators should know what they are doing, if they are going to approve this bill without further amendment.

The distinguished Senator from Nebraska (Mr. CURTIS) is to be commended for bringing to the attention of the Senate the memorandum on the common situs picketing bill which the General Services Administration sent to the Office of Management and Budget earlier this year.

It is perfectly obvious that GSA has been subjected to a great deal of arm-twisting and political pressure from the proponents of the common situs picketing bill, so as to have GSA softpedal the impact of the proposed legislation on Government construction and established Government policies.

When I say "Government," I refer to the Federal Government. Tomorrow, we are going to talk about the budget, and we are all going home and make speeches about economy in Government. Yet, we are going to enact a bill that will add millions upon millions of dollars to the cost of Federal construction.

This pressure on GSA has been described to the Senator from North Carolina in person by officials who have felt that pressure. This pressure has been so great that the General Services Administration's original position, as Senator WILLIAMS indicated on the floor of the Senate last night, apparently has been muted.

Mr. President, I have conferred personally with GSA officials, and I have been told that Secretary Dunlop has discussed with them his position on GSA's desire to be exempted from the provisions of this common situs picketing bill. As a result of these discussions, GSA, it has been made to appear, is now in full accord with H.R. 5900.

Mr. President, that is not exactly the case. I have at hand a new memorandum from the General Services Administration, not dating back to the previous Administrator of GSA, but to the present one. This memorandum is dated November 13, and it was handed to me personally, in my office, by a General Services Administration official. I am going to read this memorandum, because it clearly sets out the reasons why this common situs picketing bill, if applied to GSA, would not be in the best interests of the taxpayers of this country. This is not to mention our elusive hopes of getting some fiscal sanity returned to the Federal Government one of these days.

Mr. President, the amendment I have submitted recognizes the need of the General Services Administration to be exempted from the common situs picketing bill. Unless the amendment now before the Senate is approved, and if the common situs picketing measure is enacted, and if it is unwisely signed by the President of the United States, the taxpayers of this country are going to be the primary victims—let us make no mistake about that.

As presently written, the measure before the Senate exempts from common situs picketing a construction site where a State law—I emphasize the words "State law"—requires separate bids and direct awards to employers for construction. In this situation, the various contractors involved in the project are not considered joint venturers.

The amendment I have just called up extends this exemption to cover construction sites where any State or Federal agency awards separate contracts. This amendment, in the judgment of the Senator from North Carolina, is necessary for the simple reason that there is an obvious economic need to retain separate contracting capability in the Federal construction program.

I will now read verbatim the memorandum which was supplied me by the GSA, dated November 13, 1975, and entitled "The Need to Retain Separate Contracting Capability in the Federal Construction Program":

> Due to inflationary pressures and the desire to occupy new construction projects at the earliest possible date, the management of the construction process has undergone a major change, both in the private and public sector. This change involves initiating construction before the total design is complete through a process termed "phased construction."
>
> The principal benefit of the phased construction through award of separate construction contracts is a 25% savings in time and 20% savings in cost.

Mr. President, I wish to digress long enough to say that we are talking about the taxpayers' money—a 20-percent saving in cost in Federal projects.

I now return to the memorandum:

> The essence of the approach is simple and logical. Rather than wait until the entire facility is designed before beginning construction, work at the site starts as soon as those portions that need to be constructed first are designed. This process of overlapping design and construction continues until the last element of the design is completed.
>
> Obviously, at the heart of the process is the need to have the ability to award a series of separate construction contracts for each of the design packages. The advantages of using several separate contracts over that of a single contract for the entire facility in addition to time and cost are:
>
> It places more work into the hands of local contractors;
>
> It reduces the potential bid for shopping;
>
> It stimulates competition since the financial resources required are less and the time span from bidding to installation for each of the contractors is reduced; and
>
> It allows small businesses and minority-owned businesses a greater opportunity to participate.
>
> The procurement process for solicitation and award of separate contracts is the same as a single contract for an entire facility except the bidding time may be reduced since less work is involved. The separate contracts are formally advertised and the bids publicly opened. The Government has the same protections through bonding requirements as with a single contract. The separate contractors are required to pay the prevailing wage rates established by the Department of Labor. The award is made to the firm that submits the lowest responsible and responsive bid to the solicitation. All of the requirements of Government contracting are applicable to each of the separate contracts.
>
> As of November 4, GSA has used the separate contracting procedure on 18 projects. As a result, we have awarded 268 separate construction contracts. Of these, only 14 have been awarded to non-union contractors.
>
> Any legislation that would impede the use of the separate contract process or restrict the mixing of union and non-union contractors on a Federal project would have a serious impact on our ability to provide Government facilities for the least cost and within the minimum time.

Mr. CURTIS. Mr. President, will the distinguished Senator yield for a question?

Mr. HELMS. I am happy to yield to the distinguished Senator from Nebraska.

Mr. CURTIS. Yesterday, I referred to the position of the GSA and read a letter from Administrator Sampson to Mr. Lynn of OMB. Attached thereto and part of Mr. Sampson's communication was a memorandum brief drawn by the Law Department of the General Counsel's Office of the GSA. What is the date of the communication from GSA to which the Senator has referred?

Mr. HELMS. November 13.

Mr. CURTIS. 1975?

Mr. HELMS. Exactly.

Mr. CURTIS. Does the Senator's communication support the same position as the material that I inserted in the RECORD yesterday?

Mr. HELMS. The Senator was absolutely correct yesterday; and, earlier in my comments, I commended him for bringing this matter to the attention of the Senate.

To respond to the Senator's question, I visited last week with officials of the GSA who are exceedingly concerned about this bill, because it is applicable, I say to the Senator, to Federal projects. As I said earlier in my comments, this measure, if Federal projects are not exempted, will needlessly cost the taxpayers of this country millions of dollars every year.

Mr. CURTIS. Is it not true that this legal memorandum said that the objections were so serious that one of the alternatives that might be considered would be to get the Government out of the construction business?

Mr. HELMS. Exactly.

Mr. CURTIS. Is it not true that they pointed out that there would be grave difficulties in situations where there is a mixed contract and some contractors on the job were union shop and some were nonunion?

Mr. HELMS The Senator is correct.

Mr. CURTIS. Did not that memorandum point out that this would be detrimental to minority contractors?

Mr. HELMS. The Senator is correct.

Mr. CURTIS. Did it not point out that more of the minority contractors were nonunion than were union?

Mr. HELMS. The Senator is correct. In that connection, I do not know whether the distinguished Senator was on the floor at the time, but just a moment ago, I read a telegram that came to me this afternoon from the National Association of Minority Contractors. Just for the purpose of emphasis, let me read the text of that telegram again:

> The National Association of Minority Contractors is strongly opposed to the concept of common situs picketing. For years, minority contractors have been struggling for recognition based upon the equality of their work. This bill sets our cause back 100 years. Please do what you can to defeat this proposed legislation.

I say to Ms. Cynthia Eddings, who represents the legislative liaison office of the National Association of Minority Contractors, that this Senator has been doing all he can to defeat this very unwise bill.

Mr. CURTIS. It would bring some measure of relief, even if this horrendous bill should become law, if there would be an exemption for Federal contractors, is that correct?

Mr. HELMS. That is right.

Mr. CURTIS. Because the Federal projects have taken the lead in providing contracting opportunities for minorities, have they not?

Mr. HELMS. That is correct.

Mr. CURTIS. It seems to me that those in charge of the bill ought to accept this amendment.

Mr. HELMS. I would hope so.

Mr. CURTIS. They are privileged, and I respect their view, but just to oppose every amendment that comes along because the votes are there is not, I think, in the public interest. There is no chance of getting this amendment approved, perhaps, unless those in charge of the bill will throw their support back of it.

Is it true that the House bill carries this exemption? Does the House bill carry an exemption for Federal contractors?

Mr. TAFT. Will the Senator yield?

Mr. HELMS. I am glad to.

Mr. TAFT. Mr. President, I do not believe the House bill carries an exemption on either the State and local or on the Federal law. I did put in, in committee, and I call it to the Senator's attention, paragraph 8(h), or paragraph (h) on page 5 of the committee amendment that is before us here, which did extend an exemption in the case of State situations, where the State law requires separate bids and direct awards for employees on construction. That is in the bill already. I am not entirely certain—I should welcome any comment from the Senator from North Carolina—whether his amendment goes any further than that already in the bill.

I also wonder if the Senator can advise whether or not the language in his amendment, on line 6, "in conformity with applicable law," means he is applying it only to situations where Federal law requires a separate bidding situation? Does he intend to go further than that or does he not? I am not entirely clear as to what the impact of the amendment is intended to be.

Mr. HELMS. I say to the Senator, my amendment is not intended to go beyond what the law presently allows.

Incidentally, Mr. President, I hope that Senators will understand that I am under a time limitation here. I do not want to befuddle the timekeeper, but if the time could be charged respectively instead of all to the Senator from North Carolina, I shall be grateful.

The PRESIDING OFFICER (Mr. SCHWEIKER). Without objection, it is so ordered.

Mr. TAFT. Mr. President, on my own time, did I understand the Senator correctly that it goes no further than the situation where the Federal law requires granting a separate bid?

Mr. HELMS. That is correct, no further than what the law presently allows.

Mr. TAFT. I thank the Senator.

Mr. HELMS. Mr. President, I reserve the remainder of my time.

Mr. LAXALT. Will the Senator yield for a question?

Mr. HELMS. Yes, I am pleased to yield to the distinguished Senator from Nevada.

Mr. LAXALT. Approaching another aspect of this, the common situs bill before us now would treat the general contractors and the various subcontractors on a construction job as one entity, even though that is not the case and we know it?

Mr. HELMS. That is right.

Mr. LAXALT. That is one of the major reasons for the opposition to this bill. It grants an exemption in that type of situation on the State level where the State requires separate bids, so there is no conceivable way that they could be acting in concert on this question?

Mr. HELMS. The Senator is correct.

Mr. LAXALT. All the Senator seeks to do now in this amendment is to extend the same type of protection to Federal jobs as is presently in the bill for State and local jobs?

Mr. HELMS. The Senator is absolutely correct.

Mr. WILLIAMS. Mr. President, I yield myself 3 minutes.

There are just one or two things at the beginning here. On the suggestion that there has been a great deal of pressure put on the GSA and the administration to change the position that was expressed by Mr. Sampson when he was Administrator of the General Services Administration, I do not know about this of my own knowledge. I happen to be managing the bill. I made not one single phone call, have written no letters. I have applied no pressure. I am just wondering how much effective pressure this one has downtown anyway.

Mr. HELMS. If the distinguished Senator from New Jersey will yield, I want to assure him that my remarks were directed toward the administration, and not the Senator. The pressure came from within the administration.

Mr. WILLIAMS. I see, it is an in-house situation.

Mr. HELMS. That is correct.

Mr. WILLIAMS. And not from here.

Mr. HELMS. No suggestion was made whatsoever that the distinguished Senator from New Jersey participated in the pressure. Mr. Dunlop performed it.

Mr. WILLIAMS. I see. If it were Secretary Dunlop—and I do not know whether it was he who talked with the General Services Administration. I do know that he does not favor the Senator's amendment as it would apply to Federal construction.

As chairman of the committee, I have been authorized to say that Secretary Dunlop is opposed to this amendment and that the views expressed by the GSA to the Senator from North Carolina do not represent the views of the administration.

With respect to support for this measure, I would like to quote from President Ford's August 25 news conference in Milwaukee, Wis.

> Question. Mr. President, one of the job bills or one of the bills that the construction industry here in the State of Wisconsin is vitally interested in is Senate Bill 1479, which many of the contractors feel would provide for an illegal secondary boycott.
>
> There have been some direct appeals, I know, to your office on 1479. Have you reviewed the bill? Have you made any kind of decision as to whether you will veto that bill or let it go by?
>
> THE PRESIDENT. About 3 months ago, Secretary of Labor Dunlop appeared before the House and Senate Committees on Education and Welfare and he testified that if the original so-called situs picketing bill were modified with three amendments—at least two amendments—it would be acceptable.
>
> One of those amendments would provide that before you could have on-site picketing, it would require a 10-day cooling off period.
>
> The second provision that would be mandatory as a part of the bill would be that no local could go on strike under those conditions without having gotten prior approval from the international.
>
> In my opinion, those two added amendments would make that bill acceptable, plus one other factor: There is also a bill that the Secretary of Labor is working on, with both management and labor, which in effect provides that there shall be greater responsibility for both labor and management on strikes and lockouts.
>
> If that second bill comes to the White House with the original bill, plus those two amendments, then I think we have put together, working with management and labor and the Congress, an acceptable solution to this longstanding conflict.

This amendment and others which have been filed and which are to the same effect, differ in important respects from what is now section 8(h) of the committee bill.

The narrow retention of the Denver rule in section 8(h) was added by the committee as an accommodation to State procurement policies. Eight States require separate bidding and direct awards by the general and subcontractors to guarantee the integrity of the expenditure of public moneys.

These laws have nothing to do with labor-management relations, and make it impossible for the contractors "by design or otherwise" to arrange their affairs so as to insulate themselves from disputes in which they are economically concerned.

State laws which have a labor-management relations objective or which permit such manipulation are not within section 8(h).

For, it is not intended to destroy uniformity in the national labor policy which favors the use of peaceful primary economic weapons as part and parcel of the process of collective bargaining or to permit employers to arrange their affairs so as to define or limit the scope of primary activity.

By contrast this amendment does not presume preexisting Federal bidding laws; but leaves the matter to the ad hoc determination of the purchasing agency in each instance.

These agencies, by their form of their call for bids would be making labor relations policy, for their decision would determine the right of the unions to exercise an economic weapon. They would do so without any legislative standards to guide them, as opposed to the substitute under 8(h) where only mandatory separate bidding statutes call into play the exception from the statutes.

This would be a sharp break with our historic practice to retain the making of policy in the labor field, particularly where it affects the use of economic weapons, in the hands of Congress, rather than with the courts or administrative agencies.

As the Supreme Court has recognized:

> Congress has been rather specific when it has come to outlaw particular economic weapons on the part of unions. See § 8(b) (4) of the National Labor Relations Act, as added by the Taft-Hartley Act, 61 Stat. 542; (29 U.S.C. § 158(b) (4); § 8(b) (7), as added by the latter Act, 73 Stat. 544. (*Labor Board* v. *Insurance Agents*, 361 U.S. 477, 498.)

Thus, even the National Labor Relations Board, the expert agency in the field, does not have the power to determine the legitimacy of union weapons. (See id at 497.) The amendment would have the effect of making the individual procuring agencies which have no expertise in the area whatsoever the arbitrators of union economic weapons in the guise of establishing bidding procedures.

The amendment would therefore permit, if not invite employer pressure on the purchasing agency particularly in areas where unions are weak or unpopular.

At best it would constantly embroil these agencies in labor management disputes. It is bad labor policy and bad procurement policy.

Mr. President, I have seen for myself the substandard conditions by which workers are surrounded on Federal projects. Contractors in many cases, do not pay pension and welfare benefits, do not deduct social security payments do not have certified apprenticeship programs, do not pay unemployment compensation or workers' compensation insurance benefits, and often openly and knowingly hire illegal aliens at substandard wages.

I have seen this in my own State of New Jersey. The workers are often subjected to hazardous working conditions in direct violation of the Occupational Safety and Health Act.

And as a result of these substandard conditions, work on these projects is more often than not shoddy.

In Bayonne and Newark, N.J., for example, nonunion contractors awarded contracts for construction of several post offices and at the Military Ocean Terminal of Bayonne, in order to receive their awards for these jobs, have hired workers at low and substandard wages and have not met building specification—either by using substandard materials or by circumventing certain important steps in the construction process.

These conditions in New Jersey were all brought out in a hearing held by the Labor and Public Welfare Committee in Bayonne. I was then, and still remain, disgusted to see workers and eventually the public, taken advantage of by these work practices and conditions.

As an example, let me read to you, for a moment, from the testimony in Bayonne. Mr. James Grogan, president of the New Jersey Building Trades Council, testified about the conditions he found at the Military Ocean Terminal construction:

> I asked Besaw, the engineer, what were the lines being insulated? He replied chill water lines. I questioned where the adhesive was under the insulation lap, as called for in the specification, as submitted. Mr. Besaw answered that the contractor was just getting the material off the floor and that the contractor was going to remove all the insulation and then reapply the material the proper way . . .
>
> Lieutenant Colonel Doucette, Besaw, Brennan, Reider and I (again) walked around the job. I again observed that more insulation work had been applied, and I pointed out to Mr. Besaw that it still was not being done according to specifications . . .
>
> Upon completion of the (third) tour, we returned to the first floor meeting room, to inform everyone that not one section had been corrected. . . .

About his contact with the workers on the site, Mr. Grogan said:

> As we walked and talked with these laborers, I asked them if they received any medical or hospital benefits from their employers. They answered no.

That is no way. If I were a union guy on the job or with a subcontractor, I would say, "I do not want to work beside these people who are working in substandard conditions."

Mr. CURTIS. Will the distinguished Senator yield?

Mr. WILLIAMS. We have to decide which time we are going on.

Mr. CURTIS. On my time.

Mr. WILLIAMS. Good. I yield.

Mr. CURTIS. None of us would approve the conditions or conduct that the Senator describes. My question is, how can that be corrected by the enactment of a common situs bill or the defeat of the amendment of the Senator from North Carolina?

Mr. WILLIAMS. One way is to say to those who are on the job that they can advertise the fact that they are working beside people who are not enjoying all of the basic standards that a working person should have. They are working beside people who do not have apprenticeship training and have not the training that will lead them to do the properly safe and skilled job.

I can cite situations where even our fundamental law of occupational safety and health has not been known to those people who were working on the job. I say, if we could picket that, it would be legitimate and logical and beneficial picketing.

Mr. CURTIS. Those people are in violation of the law now, are they not? The conduct that the Senator describes is in violation of the law now, is it not?

Mr. WILLIAMS. Much of it is.

Mr. CURTIS. Is not the proper way to get law enforcement to have the appropriate authorities——

Mr. WILLIAMS. I am doing my best.

Mr. CURTIS. I think what the Senator is advocating is that we delegate to nongovernment pickets the authority to enforce law.

Mr. WILLIAMS. I have been working on this one situation I have described for a year, and without significant success yet. The wrong situations have not been corrected.

All I can say is, if these people on the job know what is going wrong and can advertise that fact, maybe we will speed it up so that the corrections will come and the job will be made right.

Mr. CURTIS. So what the Senator advocates is they have a right to take an ad in the paper and tell the public what is going wrong.

Mr. WILLIAMS. Or get in front and proclaim that this substandard work is being done and what substandard conditions prevail on this job.

As we all know, if anybody ought to be a model employer, it ought to be our own Federal Government.

Mr. CURTIS. Oh, yes. These laws should be enforced, but they should be enforced by the appropriate agencies of Government.

I thank the Senator.

Mr. HELMS. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

I simply want to say that the distinguished Senator from New Jersey has added another chapter to my long list of blessings for being a resident and a native of the great State of North Carolina.

We in North Carolina have not had such shoddy practices reported, so far as I know, in terms of Federal construction. But I sympathize with the Senator from New Jersey. I agree with the distinguished Senator from New Jersey that the kind of labor practices he has mentioned exist, and I agree with the distinguished Senator from Nebraska that there are laws on the books prohibiting the kind of conduct which we all deplore. I shall be delighted to join with the Senator from New Jersey in any effort to put an end to those practices in his State or other States that are experiencing similar problems.

I reserve the remainder of my time.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

Mr. President, the essence of the argument against this amendment is that it proposes that each department and agency of the Federal Government will have its own labor policy. Secretary Dunlop has made it as a basic proposition that the Federal Government should have a uniform labor relations policy.

The reason we exempted the States was because a number of States have adopted a policy of issuing separate prime contracts. If it were the Federal Government's policy we would have recognized it. If that had been the case there would have been no need for this amendment.

The fact is that it is not.

What the Senator should be doing, in my judgment—he is well able to take care of himself—is to amend the Federal procurement law to provide for the letting of separate contracts. But, it would be a mistake for the Congress to allow any particular agency, GSA or any other, to cut itself out of the labor relations policy of the Nation.

In this case the administration is against this amendment because it says the labor relations policy of the United States is to allow common situs picketing on a situs even if it is a United States situs. That is the key issue, and we can vote "yea" or "nay" on it. For me I think we ought to vote "no."

Mr. HELMS. Mr. President, I yield myself 1 minute. If the administration has a policy on this piece of legislation it certainly is confused, from the top echelon on down to those officials who have to do the actual work of supervising various Government construction projects.

I have never, in the 2 years and 10 months that I have been in the Senate, seen as much confusion and contradiction as I have seen in the present administration. One day the administration says: "Please don't send the bill to us," or "This is a bad bill but Secretary X put his heart into it." It cannot be accurately said—and I know the Senator from New York is just as sincere as he can be—that the White House wants this bill. This "commitment" has been an obscure sort of a commitment on the part of the administration. It is a nebulous one, and I do hope the Senators will bear this in mind when they are voting on it, remembering also what it is going to cost the American people.

I reserve the remainder of my time.

Mr. TAFT. Mr. President, I am confused again. I thought I had gotten it clarified, but the distinguished Senator from New York, who generally clarifies my thinking, has raised some questions that, perhaps, call for further thought, at least on my part.

I asked the Senator from North Carolina a few minutes ago with regard to his amendment the meaning of the words in line 6 of that amendment "in conformity with applicable law," and I thought I received a reply to the effect that his amendment intended to apply only to a situation where, by Federal law, there was a requirement that a separate contract be granted for a particular purpose.

If that is the situation it is no different really from what it is with regard to the States under the amendment we already have in the bill. If that is true, a different contracting law obviously applies to different Federal agencies. But if the Senator does not intend to go any further than a situation where a contract is required by law to be let on a separate bid basis then I have no trouble with his amendments. If it goes further than that then I think some of the problems mentioned by the distinguished Senator from New York may exist. But I understood that the answer was as I have indicated.

Mr. HELMS. My answer is still the same, I will say to the Senator. I just want to put the States and Federal agencies on an equal basis.

Mr. TAFT. I thank the Senator.

Mr. JAVITS. Mr. President, I yield myself 1 minute. I never want to confuse my colleague. The words in the amendment are "in conformity with applicable law." The applicable law which we are proposing in the committee bill is "where a State law requires."

I submit the words used by the mover of the amendment are, at best, ambiguous and if he means what he says then he should use the word "require." If he does not, then we must follow the Labor Department which says that there is no Federal law which requires the letting of separate prime contracts.

Mr. TAFT. Maybe we can straighten it out in conference.

I thank the Senator.

Mr. HELMS. I yield.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 1101) of the Senator from North Carolina. The yeas and nays have been ordered.

Mr. WILLIAMS. Mr. President, first, let me ask a question. There is an agreement to vote at 4 o'clock on the Buckley amendment.

The PRESIDING OFFICER. That is correct.

Mr. WILLIAMS. It was my understanding there would be another amendment offered by the Senator from North Carolina which would be discussed, and that the vote on the amendment now pending would come later. While that was not understood I guess it was my assumption, perhaps.

Mr. HELMS. I was not part of the agreement, but I am perfectly agreeable to that.

Mr. WILLIAMS. If the vote could follow the vote on the Buckley amendment, and the Buckley amendment vote will be at 4 o'clock.

The PRESIDING OFFICER. Does the Senator wish to put that in the form of a unanimous-consent request?

Mr. BUMPERS. What is the request?

The PRESIDING OFFICER. Will the Senator state the request?

Mr. WILLIAMS. That the vote on this follow the vote on the Buckley amendment.

Mr. BUMPERS. Mr. President, if I may direct an inquiry to the Senator from New Jersey, another part of the unanimous-consent request made by the assistant majority leader was that rollcalls be held to 10 minutes. I note it is 11 minutes before 4 o'clock. Could we not go ahead and vote now and then bring up the Buckley amendment?

Mr. WILLIAMS. No. One of our members was called downtown. One of the youngsters went to the hospital.

Mr. BUMPERS. I am sorry to hear that. What is the unanimous-consent request?

Mr. WILLIAMS. The unanimous-consent request was simply that the vote on the Helms amendment would follow the vote on the Buckley amendment.

The PRESIDING OFFICER. Immediately following the vote on the other amendment and a vote on which there will be a 10-minute rollcall beginning at 4 o'clock.

Is there objection? The Chair hears none, and it is so ordered.

Who yields time?

Mr. HELMS. Mr. President, I need just 1 minute to call up another amendment. I suggest the absence of a quorum, with the time to be charged to my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TAFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, there is no amendment before us at this time, as I understand it, and I just want to make a few remarks about one of the provisions in the bill.

Specifically, I call attention in the bill to the provisions relating to the so-called Boys Market case. I mentioned this in the committee report in the additional views that I presented at that time.

There have been one or two developments that ought to be mentioned again since that has occurred.

The committee adopted the amendment that I offered which pertains to the authority of an employer to seek an injunction for breach of a no-strike clause which is contained in its collective bargaining agreement. It is, in essence, a legislation codification of the holding in *The Boys Market, Inc.* v. *Retail Clerks Union*, 398 U.S. 235 (1970) but somewhat broader to encompass, within its scope, certain contractual "final adjustment" provisions which exist in the construction industry and which fall short of agreements empowering a neutral arbitrator to render a final and binding decision in this case.

It is my view that the no-strike violation injunction is an important alternative in encouraging industrial peace in both the construction industry and in other industries, as well.

No-strike clauses provide alternatives to the acrimony and destruction involved in strikes, lockouts, and other self-help measures. Accordingly, it is appropriate that this provision be embodied in the National Labor Relations Act and thereby receive the express sanction of Congress.

I would like to also mention with regard to this that there have been some recent developments in this connection, in connection with the Buffalo Forge case which is presently on its way up to the Supreme Court, and it raises some question as to what the scope of the Boys Market case might be and I think could raise a good deal of confusion in an area where I thought the case had pretty well settled the matter down.

Mr. President, I believe incorporation of this amendment into the law through the amendment that was put in by the committee will be helpful in clarifying and codifying what is the law today and preventing further disputes and litigation arising on that point.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, is the Senator from North Carolina correct in his impression that we now face two 10 minute rollcall votes at 4 o'clock on the Buckley amendment and the Helms amendment?

The PRESIDING OFFICER. That is correct.

Mr. HELMS. In that case, Mr. President, I ask unanimous consent that it be in order for me to call up amendment No. 1098 and that it be stated, and at 4 o'clock it be set aside for the votes and then it will be the pending business thereafter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

AMENDMENT NO. 1098

Mr. HELMS. Mr. President, I call up my amendment No. 1098 and I ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to read the amendment.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the language contained in the first section, delete the period, insert a colon, and add the following new proviso: "*Provided further*, That, notwithstanding any other provisions of law, it shall be an unfair labor practice for an employer engaged primarily in the building and construction industry to make an agreement covering employees engaged (or who, upon their employment, will be engaged) in the building and construction industry with a labor organization of which building and construction employees are members if—

"(1) the majority status of such labor organizations has not been established under the provisions of applicable law respecting same prior to the making of such agreement;

"(2) such agreement requires as a condition of employment, membership in such labor organization prior to thirty days following the beginning of such employment or the effective date of the agreement, whichever is later;

"(3) such agreement requires the employer to notify such labor organization of opportunities for employment with such employer or gives such labor organization an opportunity to refer qualified applicants for such employment; or

"(4) such agreement specifies minimum training or experience qualifications for employment or provides for priority in opportunities for employment based upon length of service with such employer, in the industry or in the particular geographical area.".

Mr. HELMS. Mr. President, in view of the time situation, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GARN). Without objection, it is so ordered.

The PRESIDING OFFICER. The hour of 4 p.m. having arrived, the Senate will proceed to vote on amendment No. 1130. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the role.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Delaware (Mr. ROTH) is absent due to illness.

The result was announced—yeas 37, nays 61, as follows:

[Rollcall Vote No. 516 Leg.]

YEAS—37

Allen
Baker
Bartlett
Bellmon
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Chiles
Curtis
Dole
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Huddleston
Johnston
Laxalt
McClellan
McClure
McIntyre
Morgan
Nunn
Pearson
Scott, William L.
Sparkman
Stennis
Stone
Thurmond
Tower
Young

NAYS—61

Abourezk
Beall
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Culver
Domenici
Durkin
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Tunney
Weicker
Williams

NOT VOTING—2

Bayh
Roth

So Mr. BUCKLEY's amendment (No. 1130) was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. WILLIAMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 1101) of the Senator from North Carolina (Mr. HELMS). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senate will be in order. The clerk will suspend until order is restored. Senators will please take their seats and cease their conversations, so that the rollcall can proceed and Senators can hear their names.

The rollcall was resumed and concluded.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Indiana (Mr. BAYH), and the Senator from Colorado (Mr. HASKELL) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Delaware (Mr. ROTH) is absent due to illness.

The result was announced—yeas 33, nays 63, as follows:

[Rollcall Vote No. 517 Leg.]

YEAS—33

Allen
Bartlett
Bellmon
Brock
Buckley
Bumpers
Byrd, Harry F., Jr.
Curtis
Dole
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Johnston
Laxalt
McClellan
McClure
McIntyre
Pearson
Scott, William L.
Sparkman
Stennis
Stone
Taft
Thurmond
Tower
Young

NAYS—63

Baker
Beall
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Durkin
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Talmadge
Tunney
Weicker
Williams

NOT VOTING—4

Abourezk
Bayh
Haskell
Roth

So Mr. HELMS' amendment (No. 1101) was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. WILLIAMS. I move to lay that motion on the table

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will now resume consideration of amendment No. 1098.

Mr. HELMS. Mr. President, I am going to be exceedingly brief.

The PRESIDING OFFICER. May we have order so the Senator from North Carolina can be heard?

Mr. HELMS. I thank the Chair.

Mr. President, the workers in the construction industry already have special privileges, established under section 8(f) of the Taft-Hartley Act.

This pending amendment would simply place construction workers, that is to say, craft union employees, on an equal footing with industrial union employees.

Let me make four quick points, and I will yield back the remainder of my time.

Incidentally, this is the last amendment the Senator from North Carolina is going to call up.

First. Only in the building and construction industry may a union enter into a contract with an employer without first establishing that the union represents a majority of the employees. In every other business or industry the act requires that a union seeking recognition first establish that it represents 50 percent plus one of the employees in an appropriate bargaining unit. In all such other industries an employer may insist upon a secret ballot election or some other genuine showing of employee support for the labor union. This defense is unavailable in the building and construction industry, i.e., an employer may not assert that he is precluded from entering into an agreement with a union simply because the majority status of the union has not been established.

Second. Only in the building and construction industry may employees be required to join a union after the seventh day of employment or the seventh day following the effective date of the agreement between the union and the employer. In all other industries the employees are allowed 30 days to join or pay the equivalent of union dues and initiation fees.

Third. Only for the building and construction unions is there a special provision of the law allowing a union to operate an exclusive "hiring hall" to refer applicants for jobs. Agreements are legalized whereby the "hiring hall" is the exclusive avenue for employees to apply for work for an employer who agrees to such an arrangement. This arrangement has been the source of numerous cases before the NLRB and the courts where the proof has been that the hiring hall has been operated in a discriminatory manner, favoring union members and those "in good" with union officials for referrals to jobs. Discrimination has been rampant against nonunion employees, racial minorities, and others out of favor with union bosses.

Fourth. Only the building and construction trade unions have a special subsection of the law allowing the establishment of priority in employment based upon seniority with the employer, seniority in the industry, or seniority in employment in the particular geographical area. This provision allows powerful local unions of the building and construction trades to maintain an unshakable grip over employment. Qualified applicants who may not meet one of these arbitrary criteria simply go to the bottom of the list of applicants and are never referred to a job and never given an opportunity to accrue any seniority so that they might earn a living in the particular trade.

Mr. President, the Senator from North Carolina submits that the pending amendment not only is a fair one; it is a vital one, if equity is to be achieved and maintained among members of both craft and industrial unions.

I reserve the remainder of my time.

Mr. PACKWOOD. Mr. President, I should like to respond to the points raised by the Senator from North Carolina, in order.

First, under the present law, a construction union and a nonconstruction union, in terms of an employer signing a contract, are treated identically the same, with the exception of the 7-day/30-day union shop clause—and I will get to that in a moment.

Today, an employer in the construction industry or the nonconstruction industry can sign a contract with a union, without any showing of union membership.

If the employer wants to insist upon an election, he may. Most union contracts are signed today without any election. However, if 30 percent of the employees sign a card saying they want to join a certain union, the NLRB will hold an election. But let us not have any confusion in terms of the differences between the construction industry and the nonconstruction industry. In terms of signing a union shop contract, the law is the same.

So far as the 7 days are concerned, that was a deliberate decision—and I think wisely arrived at—that said that in normal employment, when you go to work, you plan to work, hopefully, for years. But in the construction industry, working a week, 2 weeks, or 3 weeks, is quite common. It is not that you are not willing to work any longer, but a job lasts 2, 3, or 4 weeks and then you sign another contract.

An exception was made in the construction industry. Where you have a union shop clause, you cannot ask that people join the union within 7 days of employment rather than 30 days, because if you had 30, most people in the industry would not be on the job that length of time.

So far as the hiring hall is concerned, yes, contractors use them; they like them. If a contractor needs 20 bricklayers, he does not want to call a list of 200 bricklayers individually to find if they are available to work. He calls the hiring hall and says, "Please send me 20 bricklayers for 2 weeks," and the hiring hall refers them. But the hiring hall cannot discriminate as to whom they refer. They cannot discriminate racially. They cannot discriminate against a nonunion member. If they do, it is an unfair labor practice.

Mr. HELMS. Mr. President, I do not agree with the Senator, but I believe he is entitled to be heard, and I ask that there be order in the Senate.

The PRESIDING OFFICER. May we have order in the Senate?

Mr. PACKWOOD. It is an unfair labor practice for a union that has a hiring hall provision with the contractor to discriminate on the basis of race, to discriminate on the basis of union or nonunion membership. Do they do it on occasion? Yes. On occasion, it happens. But I am not going to stand here and say that because on occasion it happens, we are going to presume that every union is going to violate the law in a hiring hall situation and "find" only union workers to refer.

The NLRB is replete with cases upheld by the courts in which on occasion unions have tried to do that, and they have been guilty of unfair labor practices.

Mr. President, the whole tenor of many of the amendments that have been offered today has been that, somehow, unions are venal or greedy or corrupt. In one of the previous amendments, when we were talking about the construction industry as related to the State and Federal Government, several times the word "victimize" was used. It was said that the taxpayers are going to be victimized by the unions. I think it is unfair to paint the building trade as greedy, malicious, un-American, unpatriotic, money-grubbing cheats. They are not. In every barrel there are a few bad apples, but I hate to see the entire union movement painted this way.

This amendment would tourn the clock back on the construction industry. The hiring hall, the use of apprentices, seniority, regardless of union membership, are all, from a contractor's standpoint, good provisions, to provide him with good workers quickly. This amendment would prohibit this useful tool in the construction industry.

Mr. WILLIAMS. Mr. President, I rise in opposition to the amendment—amendment 1098—offered by the distinguished Senator from North Carolina. The approach taken by this amendment is to make section 8(f) of the act operate in a negative manner.

For example, where the existing statute, enacted in 1959, makes the prehire agreement lawful in the building and construction industry, the proposed amendment would make it unlawful.

This approach overlooks the merits of the existing statute. Thus, the prehire agreement is a part of the system of production in the building and construction industry.

The employer who bids on a building project must know what wage rate is applicable to his bid before he signs the agreement which is applicable to the job.

Furthermore, the reason for the rule which stems from the Wagner Act provisions of the Taft-Hartley Act is that a prehire agreement—in other industries—is usually an index to what is known as a "sweetheart" setup.

This consideration is not applicable to the building and construction industry where the employer has as his source of supply the craft union with which he is making his collective-bargaining agreement.

The final proviso of section 8(f) in the existing statute shows that the 8(f) provisions on the prehire agreement are limited to the narrowest possible basis. This final proviso reads as follows:

> *Provided further,* That any agreement which would be invalid, but for clause (1) of this subsection, shall not be a bar to a petition filed pursuant to section 9(c) or 9(e).

The provision of section 8(f) of the current statute prescribing a 7-day grace period before the collective-bargaining agreement is recognition of the short-term employment of a number of crafts in the industry.

Subsections (3) and (4) of section 8 (f) in the current statute validate labor agreements in the building and construction industry where,

(3) such agreement requires the employer to notify such labor organization of opportunities for employment with such employer, or gives such labor organization an opportunity to refer qualified applicants for such employment, or (4) such agreement specifies minimum training or experience qualifications for employment or provides for priority in opportunities for employment based upon length of service with such employer, in the industry or in the particular geographical area.

Again, the statute authorizes a system of production which is an important element in the training of craftsmen and in the systematic operation of the referral systems operated by the building and construction trade unions.

It may be noted that the Supreme Court of the United States in its decision entitled "Los Angeles and Seattle Motor Express Co." has validated agreements in all industries which provide for the priority and opportunities for employment of persons referred by the unions.

Therefore, in this regard there is essentially nothing different between the statutory provisions of section 8(f), subsections (3) and (4) and the available legal alternatives between employers and unions in other industries.

There is no way of assuring exact mathematical equality between one trade union and another.

I would urge that the amendment be defeated.

The PRESIDING OFFICER. Who yields time?

The question is on agreeing to the amendment.

Mr. JACKSON. Mr. President, I yield back the remainder of my time.

Mr. HELMS. I yield back the remainder of my time, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) is necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent due to illness.

The result was announced—yeas 17, nays 80, as follows:

[Rollcall Vote No. 518 Leg.]

YEAS—17

Curtis
Dole
Eastland
Fannin
Garn
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Scott,
  William L.
Sparkman
Stennis
Stone
Thurmond
Tower

NAYS—80

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Durkin
Eagleton
Fong
Ford
Glenn
Goldwater
Gravel
Griffin
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson

Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Tunney
Weicker
Williams
Young

NOT VOTING—3

Bayh
Buckley
Roth

So Mr. HELMS' amendment (No. 1098) was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. WILLIAMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1064

Mr. BUMPERS. Mr. President, I call up my amendment No. 1064.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 5, line 21, strike "agreement.". and insert in lieu thereof "agreement."

On page 5, insert between lines 21 and 22 the following:

"(j) (1) Notwithstanding the third proviso of clause (B) of paragraph (4) of subsection (b), the employees of each subcontractor who are represented by a labor organization and are not engaged in the labor dispute which results in picketing authorized by such third proviso at a site of construction, alteration, painting, or repair but who are performing services at such site shall conduct a vote in accordance with procedures established by the Board to determine whether they wish to continue to perform services at such site. The vote shall be conducted within ten days after such picketing commences at such site. During the period prior to the time the vote is conducted and following the commencement of such picketing, a separate entrance shall be provided for such employees, and this entrance shall not be subject to any activity authorized by the third proviso of clause (B) of paragraph (4) of subsection (b).

"(2) Whenever a majority of such employees of any subcontractor vote to continue to perform services at a site described in paragraph 1, a separate entrance for such employees shall be established, and such entrance shall not be subject to any activity authorized by the third proviso clause (B) of paragraph (4) of subsection (b)."

The PRESIDING OFFICER. The Senator has 40 minutes.

Mr. BUMPERS. Mr. President, this bill has probably caused the Members of this body about as much soul-searching as anything that has come up since this session began. I have talked to a number of Senators who favor the bill, who favor this approach. I have not talked to all of them, but some of them I have talked to, who strongly support the bill, admit that it has some possibilities for very serious inequities in it.

I have heard Senators say that they are going to vote for the bill, but they really do not like the bill very much. I wish to point out three areas where I think the bill is seriously flawed.

In the first instance we all know that upon the adoption of this bill union subcontractors and nonunion subcontractors will——

Mr. FORD. Mr. President, may we have order so we can hear the Senator.

The PRESIDING OFFICER. Senators will please conduct their conversations in the cloakroom. The Senator from Arkansas is entitled to be heard.

Mr. BUMPERS. Mr. President, as I was about to say, there are three areas that give me the most pause in this bill. I suppose the best way to describe them would be to start with a hypothetical example. You can alter it and vary it any way you want to, but let us take the situation where you have, say, 20 subcontractors on a construction site.

Assume further there are 100 employees of each subcontractor or 2,000 employees on the job.

If any one of those subcontractors has employees with a complaint against their employer for some unfair labor practice, their contract may have expired or even if there is a jurisdictional dispute which is illegal but which occurs—and I think all of my colleagues know these disputes do occur even though they are illegal—under this bill those employees can picket the whole site, 1,900 employees, who have no quarrel with their employer, who have no quarrel with the general contractor and whose employer may be exemplary in his conduct. They may have an extremely fine collective bargaining agreement with their employer, but, nevertheless, because of a dispute involving one subcontractor, all of the other 1,900 people are forced off the job.

Now, that becomes even more ominous when you consider the fact that oftentimes people in the building trades and craft unions are seasonable workers. Take the brickmasons, take the roofers, take the pipefitters, if these people are forced off the job at a time when the season is coming up for them to work they may very well lose the entire year's work, and in the past—this may change in the future, but in the past—the building trades unions have not had strike funds, so you force 1,900 employees off the job, employees who have no quarrel with their employer, with the general contractor or with anybody else, and they may very well become wards of the State.

You can vary that. Let us assume you have 20 subcontractors on the job and all of them but one are union subcontractors, but one is a nonunion subcontractor. That could lead to organizational picketing. You could add any other kind of picketing that would occur upon the adoption of this bill to protest that one union subcontractor, and the same situation prevails. All the rest of the people on the job are forced off the job.

The committee's rationale for the adoption of this bill in the committee report reads as follows on page 13:

> This approach reflects the economic realities in the building construction industry where the contractor and all the subcontractors are engaged in a common venture and each is performing tasks closely related to the normal operations of all the others. The construction of a building of all the others. The construction of a building is a single, coordinated and integrated economic enterprise.

Mr. President, first of all, I do not agree with that rationale. But, assuming it is correct and the Labor and Public Welfare Committee has felt that it is correct, then my suggestion is that we treat the employees of this so-called joint venture, all of whom are working for a total unit, the same way we treat employees, for example, of General Motors, Ford Motor Co., or almost any other collective bargaining unit in any other enterprise. My amendment provides very simply that these employees who have no quarrel with their employers will have an opportunity to vote on whether they wish to continue work to support the strike.

As of right now, if they come to work and there is a picket line there, certainly the union employees of other subcontractors are not going to cross the picket line. It just is not done. That is where the economic clout of collective bargaining agreements comes from. That is where the economic clout of the labor movement comes from, and I have no quarrel with it. But I do have serious reservations about the U.S. Congress adopting a concept here which is absolutely, totally, and without question, undemocratic.

I practiced law before I came into the Governor's office in my State and before I came to the U.S. Senate, and I used to represent some subcontractors. Almost invariably they are hanging by a thread financially. They have borrowed all the money they can get their hands on. I might add the general contractors usually ride the subcontractors. If they do not get their money, they cannot pay them, so they have to borrow money, they have to hire people, and the subcontractors usually get their money between 30 and 90 days after the work is performed and the materials furnished.

Now, why would we adopt an approach here which could very well in the illustration just used bankrupt 19 totally innocent men? We are not talking about fatcats; we are not carrying on a venetta here against people just because they are in management. Nobody has had better support from the labor movement in his State than I have had, especially from the building trades, and I believe strongly in their rights. But their rights should not subordinate everybody else's rights.

Now, this is an inequity we can address. The U.S. Senate can say to the Nation, "We want to treat the building trade unions properly but not at the expense of a majority of other people if we can avoid it."

This amendment does not go to the question of the rights of employees of nonunion subcontractors on the job. It only goes to the rights of employees of union subcontractors. I am saying they should not be forced off the job, just as employees of General Motors should not be forced off the job, without a right to vote.

Now, one other point I would like to make. In the letter I sent my colleagues I said:

> We would not permit an employee or a group of employees, for example, who put wheel caps or hubcaps on automobiles in a General Motors plant, we would not allow those people to go out on strike, picket the

place and shut the entire General Motors plant down.

That is a little bit simplistic and, perhaps, a slightly erroneous example. But it is true. The unions in General Motors do not strike unless they vote to strike. They are an entity; they are a single collective bargaining unit, and they do not strike until they vote to strike. Here we are saying we want to treat the building trades the same way as we treat the employees of General Motors, so let us treat them the same way and give them the opportunity to vote on whether they want to go out on strike.

Mr. BIDEN. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. Yes.

Mr. BIDEN. I am intrigued by the Senator's proposal, his amendment; and, on the face of it, it seems to make a lot of sense to me, but I have a couple of questions.

The analogy the Senator used in the letter, in his "Dear Colleague" letter which he just stated is meant for illustration more than anything else, seems to me to have a lot of impact, but I would like to ask the Senator—I did not hear the beginning of his statement—but the Senator's position has been essentially, as I understand it, if we are going to treat the building trades like the industrial unions, which they say they want to be treated like, their argument being that contractors and subcontractors are a single entity, the trades on the job are a single entity, the UAW is a single entity, and General Motors is a single entity, and if we are going to go along with that single entity concept we have been hearing over and over again, that it makes good sense that the bricklayers would have to vote whether or not—have a right to vote whether or not—to cross the line of electricians who have a beef, and the bricklayers may not have one, and it seems like it makes a lot of sense to me.

But how about the organizational aspect of picketing. Let us assume the bricklayers decide they want to organize the job, and they have an organizational picket line set up, which is honored by everyone else, all the other trades on the job. Make an analogy to the situation where there is an industrial plant that is not unionized, but it has maintenance contracts with union employees. It has service contracts with union employees.

Let us say the UAW comes in to organize that plant, which is nonunion now. It throws up a picket line and it throws out of work those union members who are there, because of the service contract on that site, does it not? Does it not throw them out of work? Are they not allowed to do that? Let us say they have a service contract with some union that cleans the floors. That is not the outfit they are trying to organize in the plant. They are trying to organize the people who are putting on the wheels, you know, and assemble the automobiles, but when they have a right under the present law, the UAW, as I understand it, to throw up a picket line around that entire plant for organizational purposes, and in doing so the union employees who work in that plant, the ones who are not being organized, who will be thrown out, there is no call for them to have the service employees of the service contractor, which is union, to have a vote within 10 days, is there?

Mr. BUMPERS. The closest I could come to answering the Senator's question would be in the case of the Washington Post, where, as we recall, the pressmen broke the presses one night, and negotiations have been stalled, apparently.

I do not want to get to the merits of the case, one way or the other. But in any event, subsequently, the other union entities within the Washington Post took a vote. They took a vote and by a very solid majority elected not to honor the line and continue working.

That was the editorial writers on down to the, I suppose, people who swept the floors.

Mr. BIDEN. At the expense of being facetious, or sounding facetious, I do not think most reporters are really union people. I do not think so. That is not the union movement. They will not like my saying that, but that is not really an accurate analogy.

Mr. BUMPERS. I am not proposing——

Mr. BIDEN. The example the Senator cited is an exception within itself.

Mr. STONE. Will the Senator yield for one very brief observation?

Mr. BUMPERS. Yes.

Mr. STONE. The Senator from Delaware is very much mistaken about people who work for newspapers not being strong union people.

I am sure the Senator has heard of these newspaper strikes that have gone on not for a day, not for a week, not for a month, but for years.

Some of the newspaper guilds are some of the most union-minded, labor-organized-minded, strong union people that exist in this country.

Mr. BIDEN. I do not want to argue the point.

Let me put it this way. There are not a whole lot of reporters that can walk into my steelworker's unions and be considered union members.

That is not here nor there, but the realistic way in which the unions function, the nuts and bolts, hard core labor organizations in America, the average working stiff that everybody refers to as a union member, are not going to cross the picket line.

Just cite me an exception where one of those guys crosses picket lines.

I do not see them doing this. It is a different situation.

Mr. BUMPERS. If I might point out, to get this back on track——

Mr. ALLEN. Will the Senator yield before that?

Mr. BUMPERS. Yes.

Mr. ALLEN. I am very much interested in the Senator's proposal.

As I understand it, where the one union would picket and the others had no quarrel with their employer, and the Senator said there would be a vote by the other union members on the job, would they vote en bloc or would they vote separately?

Mr. BUMPERS. Under my amendment, the employees of each subcontractor would have a right to vote.

Mr. ALLEN. So they would vote separately?

Mr. BUMPERS. That is correct.

Mr. ALLEN. Then those who voted to honor the strike would themselves strike. Would that be right?

Mr. BUMPERS. That is correct.

Mr. ALLEN. Then would those who voted not to strike be eligible to continue working without abusing their standing as union members by continuing to work?

Mr. BUMPERS. Yes.

The answer to the question is yes, and let me add one addendum to that. As a practical matter, if one subcontractor, who was fairly valuable on the job, decides to stike, it is going to shut down the job because the others can only work alone for so long.

For example, if the plumbers go out on strike, the other subcontractors can only work around the plumbers for so long until they decide to shut down, because they can go no further with the work. But this would, at least, among those employees who wanted to work, give them an opportunity to do so.

If it were toward the end of the contract and most of the plumbing had been done, at least the roofers, whom I used as a seasonal workers illustration a moment ago, would have a right to work while the sun was shining.

Mr. ALLEN. But from a practical standpoint, using the Senator's example, if we have 20 crafts on the job and say 10 vote to honor the strike, so that we would have half of the crafts on strike, would it not then be difficult for the remaining 10 to go to work in the face of a picket line?

Mr. BUMPERS. No.

Mr. ALLEN. Not be just one craft, but be 10?

Mr. BUMPERS. They would have a free gate if they voted not to strike.

Mr. ALLEN. That answers my question.

Mr. JAVITS. Will the Senator yield to me for a question?

If the Senator wishes, I will do it on my own time.

Mr. BUMPERS. Will the Senator, please? We have taken a little more time than I thought we would take.

Mr. JAVITS. I yield myself 2 minutes.

My question is this: Is there anything the Senator finds in this bill—and if so please point it out to us—that would prevent any union from doing exactly what the Senator says; to wit, have a vote whether it will honor or not honor a picket line thrown up around the site? Is there anything in this bill that makes people avoid going through the picket line?

Mr. BUMPERS. The answer, as far as I know, there is no prohibition.

Mr. JAVITS. None whatever?

Mr. BUMPERS. From the employees doing exactly what my amendment allows them to do.

Mr. JAVITS. By a vote, if they wish it?

Mr. BUMPERS. Exactly.

Mr. HANSEN. Mr. President, will the Senator yield for a unanimous-consent request on my time?

Mr. BUMPERS. Yes.

Mr. HANSEN. Mr. President, I ask unanimous consent that Bill Corbett of my staff be granted privilege of the floor during the debate on this bill.

The PRESIDING OFFICER (Mr. PELL). Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, while we are on the unanimous-consent request, I ask unanimous consent that Peter Harris be granted privilege of the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask unanimous consent to have James Fleming of my staff be granted privilege of the floor during the debate and consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I have said all that I think can be said that will persuade my colleagues that this is an eminently fair amendment.

I cannot visualize any good reason not to vote for it. It does not vitiate the bill. It simply gives workers who want to work and support their children the opportunity to do it, at least for a limited period of time.

I would like to reiterate that perhaps the bill comes at one of the most unpropitious times I can imagine with a $135 billion industry suffering a 21-percent unemployment rate. That means over 600,000 jobs have been lost in this industry in the last 12 months, and I cannot visualize this bill improving the plight of those people whom we all profess to be concerned about.

But as I say, my amendment goes to a very simple democratic principle that would allow the people who are affected to vote whether they wanted to go out or not.

Mr. President, I withhold the remainder of my time.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, there is one facet of the argument of the Senator from Arkansas that I think is wrong; I am quite sure it is wrong.

In the third paragraph of his letter, he says:

> The principal rationale for H.R. 5900 is that building trades should be treated as a total unit, just as industrial, warehousing and other labor units. Yet, no one would suggest that if the employees of General Motors who, let's say, put wheel caps on cars, should become unhappy, they should have the right to strike a G.M. plant and shut it down, forcing all other employees out of work.

As a matter of fact, Mr. President, that is exactly what the law is today and allows today.

Let us use the General Motors example. All the General Motors employees are not necessarily organized by the United Auto Workers. In most industrial plants, as a matter of fact, you will find a variety of craft unions, often machinists, often electricians. They are often in a separate maintenance department.

If the maintenance department of General Motors, if it is organized by the machinists or electricians, whoever, have a dispute with General Motors and go on strike, they are legally allowed to picket at the gate of General Motors today and try to induce all of the other United Automobile Worker union members to not cross the picket line.

The UAW may or may not cross. That is up to them, up to the decision of each individual member. But we do allow the very type of thing that the Senator from Arkansas said we would never think of allowing.

Mr. CHILES. Will the Senator yield?

Mr. PACKWOOD. Yes.

Mr. CHILES. Does the Senator see any difference between any worker who is working at General Motors and the situation that they have in the building trades where they have, let us say, the elevator installers? They are only going to be on the job 2 days. The entire job might take 9 months to complete, but they will only be there a couple of days. If they have a dispute they can throw up their pickets and they can keep them on that job. They are going to shut down that job.

That is a little different from the hubcap worker who is putting that on a hubcap. When he pickets that plant, he is picketing himself and he is picketing all the workers who are full-time and working there. Those on the construction site can throw up the picket line and go off to the next job.

There are other contractors and they will go to the next job.

Mr. PACKWOOD. We only have 20 minutes on this side. I thought the Senator wanted to ask a question. If the Senator wants to argue, take the time from the Senator of Arkansas who has 40 minutes total.

Mr. CHILES. But I am asking, is there not a difference?

Mr. PACKWOOD. No. I am using the example he used. That example is wrong. We do allow the employees who put on the wheel covers to go on strike, if they want to, and to strike at the main gate. That is exactly the same right that we are trying to give to the plumbers or the electricians on a building site, in essence to go out to a main gate, because they can now picket on the site if the bill passes, and ask others not to come to work.

Mr. BUMPERS. Will the Senator yield for a question on my time?

Mr. PACKWOOD. Yes.

Mr. BUMPERS. Let us assume that the wheel cap installers are a bargaining unit, which is what I used in my illustration. Will the Senator agree that no matter how big or small they might be, they are a bargaining unit and they would not strike until a majority of them decided to strike? Is that not correct?

Mr. PACKWOOD. It depends on what the Senator means by majority. In most unions they do not have a strike vote. They have a strike called by the executive body, the executive committee. It is hard to tell what the Senator means by the word majority.

Mr. BUMPERS. In almost every instance do not the workers have to ratify the strike?

Mr. PACKWOOD. No. It is almost the contrary. It is an unusual situation. I was trying to remember. When I practiced labor law I was not involved in negotiations with the auto workers. As I recall, though I am not certain, they may have a provision for a vote if there will be an economic strike. But the normal provision in most unions is not to have a vote on whether or not the union goes on strike.

Mr. BUMPERS. It is my understanding, after considerable research on this subject, that most unions provide in their by-laws that either a strike will not be held until a majority of the members of that bargaining unit votes to strike or ratify a strike called by their leaders. I am simply saying if we are going to treat all the employees of 20 different subcontractors as a total unit, as one bargaining unit, those employees ought to have the opportunity to make this decision.

Mr. PACKWOOD. We are talking about two different things, striking and observing the picket line. My memory from the practice of labor law is that there are very few unions who have strike votes. But let us talk about strikes, if that is what the Senator is talking about.

Let us say before the plumbers are going to go on strike they have a strike vote. The Senator's amendment does not go to that. The amendment goes to all of the other unions that are not on strike. It says they have to have a vote before their members will decide whether or not they want to voluntarily observe the picket line. For 10 days after the one union goes on strike it is effectively blocked from communicating with all the other unions, because they will put up a reserve gate and allow everybody to go through that gate. But they cannot picket there, they cannot hand out leaflets or literature.

The Senator is talking about a strike vote and he is confusing it, I think, with whether or not they are going to have a vote on observing a picket line.

Mr. BUMPERS. Once any one of the employees of one subcontractor throws up a picket line, there is, in effect, a strike and the job is shut down, because the other 19 union subcontracting employees are not going to cross the picket line.

Mr. PACKWOOD. And they do not cross it because they think it is in their mutual interest not to do so.

Mr. BUMPERS. That may be so.

Mr. PACKWOOD. If it is the plumbers who are on strike, the electricians think to themselves, "One day we will be on strike and we hope they will honor our picket line."

Mr. BUMPERS. Can the Senator give me one reason why he would not want all 2,000 employees to have the right to vote whether they went out when only 100 have a quarrel? In the illustration I used there are 20 subcontractors with 100 employees each. That makes 2,000 employees. One of those groups of employees, 100, have a grievance against their employer. My question is: Why does the Senator object to the other 1,900 having the right to vote whether they want to go out on strike in support of that one unit?

Mr. PACKWOOD. I will give two answers: First, the Senator is trying to make a different law for the construction industry and the nonconstruction industry because they do not have that right, as the Senator calls it, in the nonconstruction industry.

Mr. BUMPERS. Name one industrial bargaining unit that does not have that right.

Mr. PACKWOOD. The Senator is talking about crossing a picket line. I cannot recall an instance where a union in an industrial situation says, "There is a small union on strike. We are going to vote whether or not we are going to observe the picket line." The Senator is confusing voting to strike or not strike with voting to observe or not observe the picket line.

What we have today, whether it is in the Washington Post strike, where a fair number of employees are crossing it, or whether it is the Portland Oregonian I represented 16 years ago where we had a 6½-year strike, every day the employees vote with their feet whether they want to go on strike or not.

In that strike, and I am not talking about the guild, about 30 percent of the pressmen, the typographers, the typesetters, came to work and voted with their feet. I think that is the traditional way the unions have conducted relations between themselves and I believe it is the way they should continue.

I yield back the floor.

Mr. BUMPERS. In response to what the Senator from Oregon has said, Mr. President, I believe he overlooks the fact that the whole rationale for this bill is that all employees on the jobsite will be considered as employees of the total unit. All of them will constitute a bargaining unit.

In a statement from the Committee on Labor and Public Welfare, it states:

> In carefully delineated circumstances the construction workers would have the right to picket the entire construction site just as workers are now permitted to picket manufacturing, warehousing, and other types of jobsites.

To repeat what I said earlier:

> The report reflects the economic realities in the building construction industry where the contractor and all subcontractors are engaged in a common venture.

I submit they are not engaged in a common venture but if we are going to use that rationale and treat them as a common venture, they should be treated as any other bargaining unit, whether it is industrial, warehousing, or whatever.

Mr. WILLIAMS. Mr. President, I yield myself a couple of minutes.

It is not in any degree the rationale of our position here on this situs picketing bill that all employees at a construction site are one bargaining unit. Each subcontractor can represent a unit. We do not say that all of the separate units constitute one bargaining unit. We do say they are engaged in a common enterprise, and the common enterprise is the construction of the building, just as at the automobile plant all the employees are in a common venture: building the automobile. But there can be many bargaining units.

There can be a small unit of machinists, and they can have their dispute and go out on strike. They can put a picket at the main gate, and the automobile workers then can make their own decision, as the Senator from Oregon has so clearly stated on three crisp occasions. They have an opportunity to vote on whether they will honor that picket. They can vote with their feet whether they walk into the plant and work, or whether they stay out and support their brother and sister machinists who are on strike. But the Senator from Oregon has clearly separated the issues here, and I think that should be very useful for the Members.

The difference is between going out on strike and honoring a picket. This is the situation we are addressing ourselves to: as in industry, so in construction; at one enterprise, let us have equal rules for operation.

By the way, one other observation: I will say with respect to the Senator from Arkansas, who is so earnest and has labored so long in research and thought, and has searched his soul on this legislation: This particular amendment, I would say, is the kind of proposal that should really go to our Budget Committee and the Office of Management and Budget. If elections of this nature were required by law, the National Labor Relations Board would be, of course, the supervising administrative agency. They would need a massive addition of personnel to properly run this kind of election, and the numbers of elections that would come on, Lord knows. The Senator from Oregon says millions. Certainly thousands.

No purpose would be served by the election because the decision to honor or dishonor a picket line is an individual one. Thus, unlike the selection of a collective bargaining representative, an election has no function whatever.

The theory which apparently underlies the amendment, that the presence of a picket line compels employees to cease work, is contrary to industry reality.

In fact, many workers do dishonor lawful picket lines if they regard it in their economic interest to work or if they fear the consequences which the employer will force upon them if they do not work.

Thus, when employees honor a picket line they do so because they recognize it would be in their economic self-interest to make common cause with those who put up the picket sign or because they wish for some other reason to ally themselves in the dispute with the picketing union.

The precise purpose of this bill is to give the building trades unions the opportunity to appeal to all who work at the construction site or who approach it for the purpose of contributing to the operations at the site.

What this amendment would do is to forestall the unions from communicating with the employees in the traditional manner of labor until an election is held in which the issue would be the right of the union to communicate.

This seems to me to put the cart before the horse and to achieve no legitimate legislative objective.

Additionally, despite the superficial appearance of fairness of an election, the proposal is unfair in two respects. The employer is presented with a heads-I-win, tails-you-lose proposition because if the majority votes in favor of being picketed, the minority is still free to dishonor the picket line, but if the majority is against the picket line, the minority who wish not to work would be bound.

Does the Senator from Arkansas mean to propose that a majority vote in favor of being picketed would impose a legal requirement on the minority to honor the picket line and on the employer to close?

If he does, then he should know that the bill as it stands does not interfere with the freedom of choice of those who wish to cross the line or refrain from doing so.

Second, as I already mentioned, the amendment creates a 10-day period in which the union is not allowed to picket and thus has no effective way of communicating with the employees even on the subject of the election while the employer is completely unrestricted.

This is not the time and this bill is not the proper occasion to deal with the inequalities in the present law of the right and opportunities of communication in board representation elections. But it is plain the proposal would give the employers a greater advantage than they enjoy under present interpretations of the law.

Last, the amendment would create a complicated and seemingly unworkable machinery. One of its adverse consequences would be to further burden the National Labor Relations Board whose processes are already intolerably slow.

Further, I feel that the requirement in the proposed amendment for a secret strike vote will not only unnecessarily add to this burden, but serves no useful purpose.

Experience under other provisions where voting provisions have been used have overwhelmingly resulted in affirmation of support for union actions.

Out of a total 46,146 elections the union shop was approved in 44,823 and rejected in 1,323; of over 5½ million votes cast, less than one half million were against authorization—see 17th annual report of the National Labor Relations Board, page 306.

Thus, the theory of section 9(a)(1) that employees would frequently prefer not to be covered by a union security agreement was tested and repudiated.

So, too, the experience under the title II procedures for emergency disputes which provide for a vote on the employer's last offer before the expiration of the 80-day Taft-Hartley injunctions, if the union has rejected it, have been overwhelmingly against acceptance of that offer.

The present language of the bill in the proviso which would be altered by this amendment is designed solely to give further assurance that this bill does not render lawful anything which is presently unlawful under section 8(B)(7)(A).

Section 8(B)(7)(A) deals with the situation of organizational and recognitional activity where there is a lawfully recognized bargaining representative and under the Board's contract bar doctrine no election can lawfully be held.

But the amendment before us deals

with organizational and recognitional picketing in situations which are covered by section 8(B)(7)(C) and goes beyond the prohibition of 8(B)(7)(C) in significant respects.

Where the employees are unorganized section 8(B)(7)(C) limits a union which has not petitioned for an election to picketing for a reasonable period not exceeding 30 days.

The essential thrust of the entire 8(b)(7) is not to outlaw organizational and recognitional picketing as such, but to bring it within the framework of the Board's election procedures so that a resolution of the representation controversy can be had.

Thus, as I have just indicated only where no election may be held is such picketing outlawed in its entirety.

The present language of the bill is the product of the committee's determination not to reopen the controversy over recognitional and organizational picketing which in 1959 was resolved by the compromise which is now 8(b)(7).

We followed section 8(b)(7)(A) because it covers an area as to which then as now there is a consensus. But we declined to go further because we determined that it would be unwise to create special highly restrictive rules with respect to recognitional and organizational picketing in the building trades context which is what this amendment proposes or, indeed to create a new law concerning the rules governing recognitional and organizational activity.

It is because we believe it unwise to enter this thicket that we have left the law on the subject covered by section 8(b)(7) as we found it and that this amendment should be defeated.

I have nothing further, Mr. President.

Mr. BUMPERS. Mr. President, as I said earlier, the Senator from New Jersey is correct, I have personally agonized a great deal about the bill, because I have had serious reservations from the very beginning about what I consider very serious inequities, serious problems for people who want to work to support their families.

I would like to point out again that the whole rationale for this bill is to treat all employees on a construction site as primary employees. From my standpoint, I have never known of a General Motors strike that was not either approved in advance or ratified by the workers in a vote. You cannot pick up the New York Times or the Wall Street Journal any morning of any day in the week that you do not see where some group, some bargaining unit, has voted to strike or voted to go back to work.

If we really want to treat the building trades unions the same way everyone else is being treated, I simply cannot understand why we could allow these people to vote. I cannot see forcing 1,900 hapless victims off the job when they have no quarrel with their employer. They may have the finest collective bargaining agreements in the world. They may have every fringe benefit in the world. They may be getting above union scale. They may have everything in the world they could ask for, and yet, because one bargaining unit has a quarrel, no matter how small it might be we would allow one bargaining unit to force 19 others, 95 percent of the employees, off the job. That strikes me as patently unfair.

This amendment does nothing in the world except try to redress that. The National Labor Relations Board is not that burdened. Many of the proponents of this bill on this floor have suggested that the number of strikes in this country will be much smaller than in the past. If that is true, this certainly should not constitute too much of a burden for the National Labor Relations Board. They supervise elections every day. We have talked here for the last week about employers who have a picket line thrown up for organizational purposes, who file charges, and under the Hathaway amendment the NLRB will have to expedite the elections within 14 days.

If they can do that, they certainly can set up some guidelines for those employees to hold elections in disputes.

I am just saying I cannot, in my own mind, understand one valid reason why workers should not have the opportunity to vote on whether they want to strike or not.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. BUMPERS. I yield.

Mr. PASTORE. The Senator has said that if employees want to work, they should have the right to work. Is there anything in this bill to prevent them from working? It just authorizes one group to set up a picket line. We saw that happen right here, at the Washington Post, with one group who struck and the other group decided to cross the picket line.

There is nothing in this bill to prevent them from doing that. All this does is give them the right to set up their picket. It does not stop anyone from working. If they choose to vote whether to work or not to work, they can vote. If they choose not to vote, they can stay on the job.

Mr. BUMPERS. The Senator is correct. But I made the point earlier in the argument that if a picket line goes up, the other employees on that same site, just as in the case of the Washington Post, ought to have the right to vote whether they want to cross the picket line, whether they want to support the strike, or whether they want to work.

As far as I know, those people had an election. It may have been voluntary, or one required by their collective bargaining agreement, or by union rules; I do not know the circumstances under which that vote was taken, but that is precisely what I am trying to accomplish with this amendment. It would give these people the right to vote whether they want to cross a picket line or not.

In answer to the Senator's question, there is nothing in the law that prohibits them from holding a strike.

Mr. PASTORE. You are not giving them the right to vote; you are forcing them to vote. They have the right to cross that picket line without voing. If 90 percent wanted to cross it, they could cross it. If 40 percent wanted to cross it, they could cross it.

All the Senator is saying, when he is saying he is giving them the right to vote, is that he is actually forcing a vote when a vote is not necessary. If I am wrong, correct me.

Mr. BUMPERS. The Senator is not incorrect. But in the illustration I used, I cannot condone 95 percent of the employees being thrown out of work simply because there is a picket line there. I think the Senator would agree that if there is a picket line, unless some formal action is taken by the organization, they are not going to cross that picket line. That just is not done. That is where the clout of unions in this country comes from, and I have no quarrel with that. I do not cross picket lines myself, and I am sure the Senator from Rhode Island does not. We do not do it, out of respect for what we regard as a valid principle.

But I think these employees ought to have an opportunity to have it properly explained to them before deciding whether or not they want to work, and then make up their minds. Is that not what this country is all about?

Mr. PACKWOOD. Mr. President, I would like to go over this once more, because I am not sure the Senator from Arkansas is exactly clear as to what he is intending.

Does the Senator intend, with this amendment, to treat construction workers differently than industrial workers?

Mr. BUMPERS. The answer to that is "No"; I want to treat them just exactly as the proponents of the bill say they intend that they be treated.

Mr. PACKWOOD. At the moment there is no law requiring industrial workers to vote whether or not they are going to observe a picket line.

Mr. BUMPERS. Well, as a practical matter, I would suggest that the occasions where a picket line would go up around an industrial plant would only be for organizational purposes or because of a strike. Under the example raised, I believe, by the Senator from Delaware, let us assume you have a group of union subcontractors in the plant, and let us assume one of them has a grievance with their employer, or with the working conditions where they are, and they throw up a picket line around this plant. Call it General Motors. In my opinion, the employees of General Motors would not cross that picket line until they had a meeting and voted to cross that picket line.

Mr. PACKWOOD. They might or they might not, but there is no law that requires them to have a vote on whether or not to cross the picket line.

Mr. BUMPERS. I think the Senator believes, as I believe, that as a practical matter we are talking about something much more realistic than that. Generally, a picket line means that if one is a union member, one does not cross it.

Mr. PACKWOOD. In that case, what is the purpose of the Senator's amendment? I assume if there is a vote we are not going to force people to cross or not cross the picket line regardless of the outcome of this vote.

Mr. BUMPERS. I am going to give them the right to decide by a majority vote in a democratic process whether or not they feel that that picket line is justified or not, and if it is not justified, then, yes, they can go into the plant. However, I might add under the amendment there would be a separate gate provided for them.

Mr. PACKWOOD. But the Senator said a moment ago, as a matter of practicality, in 90 percent of the cases they will not cross picket lines. So what difference does it make whether we have the vote or not?

Mr. BUMPERS. I think it makes all the difference in the world. If we have a subcontractor here who has 100 employees on the job, obviously he is not going to have 25 men who will cross the picket line and 75 who will not. We are creating a chaotic situation when we ask them to abide by no rules. That really is, in effect, no rule for them to live by.

Mr. PACKWOOD. If there is a vote and the union employees vote 60 to cross the picket line and 40 not to, does that means all 100 have to cross?

Mr. BUMPERS. No; that means all 100 will not cross.

Mr. PACKWOOD. Say that again.

Mr. BUMPERS. If the Senator is talking about in an election of the subcontractor, in a bargaining unit, and they vote to go out in support of it——

Mr. PACKWOOD. Yes.

Mr. BUMPERS. I would expect all of them to abide by it. I assume there would be no legal mandate that all of them nad to abide by it.

Mr. PACKWOOD. Let us say they voted 60 to 40 against observing the picket line. Do the 40 who do not have to observe the picket line have to go to work?

Mr. BUMPERS. They would not have to. And my guess is that they would not. But let us talk about practicalities now because, as I say, I think the Senator knows what the realities are. Generally, union employees would not cross a picket line.

Mr. PACKWOOD. What the Senator is saying is that this amendment of his is not, in essence, legally binding on any union member.

Mr. BUMPERS. That is correct. It is not legally binding.

Mr. PACKWOOD. Then we have exactly the same situation we have now. The Senator achieves nothing by it because right now the union men can choose to cross or not cross the picket line. If the Senator's amendment passes, and there is a vote, he can choose not to cross it or cross the picket line. What the Senator is saddling the National Labor Relations Board with is every time there is a construction site within 10 days they have to go out and have 20 elections with each one of those subcontractors all over this Nation every place there is a strike; whether or not the employees want the vote they are going to have to vote and, after the vote is all over, they have not anything.

Mr. BUMPERS. Generally, none of those employees will cross that picket line. There may be isolated cases where some of them would, a half dozen or so, but as a practical matter most do not cross picket lines. Picket lines mean something. This is the reason I am saying the employees ought to have an opportunity to decide whether they feel strongly enough about the striking employees and their cause to go out and support them or not.

Mr. PACKWOOD. That is exactly the situation today. If they feel strongly enough in support of them they do not cross the picket line. If they do feel kind of weak about it they do cross the picket line.

Mr. BUMPERS. My amendment would add something more and that is, if they wish to go to work, they will have an unpicketed gate to go through if a majority of them so decide.

Mr. PACKWOOD. That is exactly the situation we are trying to avoid with this bill. We are right back to a gate where the union that has a dispute cannot go, pass out leaflets, and say to people bringing supplies, "Look, we have a dispute." That is the whole purpose of this bill with respect to that reserve gate.

Mr. BUMPERS. Can the Senator tell me why these employees cannot go vote in a democratic manner on whether they want to go out in support of a picket or not?

Mr. PACKWOOD. They have a right. If their union wants to go they can.

Mr. BUMPERS. They have a right, but I am saying I think it should be mandated so that they know they are going out by their own free choice.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) and the Senator from Colorado (Mr. HASKELL) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) is necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent due to illness.

The result was announced—yeas 42, nays 54, as follows:

[Rollcall Vote No. 519 Leg.]

YEAS—42

Allen
Baker
Bartlett
Bellmon
Bentsen
Brock
Bumpers
Byrd,
  Harry F., Jr.
Cannon
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Glenn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
McClellan
McClure
McIntyre
Morgan
Nunn
Pearson
Scott,
  William L.
Sparkman
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NAYS—54

Abourezk
Beall
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Church
Clark
Cranston
Culver
Durkin
Eagleton
Ford
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Hathaway
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NOT VOTING—4

Bayh
Buckley
Haskell
Roth

So Mr. BUMPERS' amendment was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. WILLIAMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may yield myself 2 minutes for the purpose of calling up an agreed conference report on the renewal of the FIFRA legislation and that consideration of the report be limited to 2 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXTENSION OF THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT — CONFERENCE REPORT

Mr. ALLEN. Mr. President, I submit a report of the committee of conference on H.R. 8841, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. PELL). The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8841) to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of November 17, 1975, at page 36958.)

Mr. ALLEN. Mr. President, the authorization for the Federal Insecticide, Fungicide, and Rodenticide Act expired last Friday. This was the end of the second interim extension that Congress passed this year so that this complex and often controversial legislation could be fully deliberated.

H.R. 8841, as approved by the conference committee, will extend the authorization for the Environmental Protection Agency to administer the Nation's pesticide control programs. This bill also makes some changes in the basic legislation—the Federal Insecticide, Fungicide, and Rodenticide Act—to strengthen it and to insure that the original intent of the law is realized.

Mr. President, I ask unanimous consent that a summary of the principal provisions of H.R. 8841, as agreed to by the conference committee, be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE PRINCIPAL PROVISIONS OF H.R. 8841 AS AGREED TO BY THE CONFERENCE COMMITTEE

In summary, Mr. President, the bill as adopted by the conference committee would—

(1) Extend for one and one-half years the Environmental Protection Agency to carry out the provisions of FIFRA. The bill authorizes to be appropriated $47,868,000 for the period October 1, 1975, through September 30, 1976 and $23,600,000 for the period October 1, 1976, through March 31, 1977.

(2) Require the Administrator of EPA to provide the Secretary of Agriculture with copies of proposed changes in pesticide classification or cancellation actions 60 days prior to issuance of notice of intent. The Secretary would have 30 days in which to comment. The proposed action, the Secretary's response, and EPA's reply to the Secretary's response are to be published together in the Federal Register. The Administrator may waive this procedure if he determines that suspension of a pesticide registration is necessary to prevent an imminent hazard to human health. The time requirements may also be waived or modified to the extent agreed upon by the Administrator and the Secretary.

Basically, the same procedure would apply with respect to proposed regulations and final regulations except that the periods for notice and comment for final regulations would be 30 days and 15 days, respectively. However, public notice in the Federal Register is to be made with respect to advance notification to the Secretary of any proposed or final regulation.

(3) Require the EPA to provide the House and Senate Agriculture Committees with advance copies of proposed regulations and final regulations.

(4) Require the Administrator of EPA to consider the completion of a certification form as fulfillment of the private applicator certification provision if such a procedure is developed by a State to meet its obligation for certification of private applicators. The Administrator may require an affirmation on the form that the applicator has completed an EPA approved training program, and that pesticide dealers are licensed under an approved State program. The Administrator may not require an applicator to take an examination but this would not preclude a State requirement of examinations.

(5) Amend the provision in the Act requiring that an applicant for registration of a pesticide pay reasonable compensation if he relies on the test data submitted by another applicant. The amendment provides that only data submitted on or after January 1, 1970 is compensable; the data compensation provision applies to all applications for registration or reregistration submitted on or after October 21, 1972; both parties to a dispute on compensation of data are given the same rights in the courts; and registration of a pesticide is not to be delayed pending the determination of a dispute on reasonable compensation.

(6) Require the EPA to assess the impact of proposed changes in classification or cancellations on production and prices of agricultural commodities, retail food prices, or other effects on the agricultural economy. The impact statement is to be submitted to the Secretary of Agriculture and published in the Federal Register.

(7) Establish a scientific advisory panel consisting of seven members appointed by the Administrator from a list of twelve nominees from the National Institute of Health and the National Science Foundation. The EPA is required to submit proposed changes in classification, cancellations, and regulations to the panel for comment as to the impact on health and environment of the action proposed. In addition, the panel's comments and the Administrator's response are to be published in the Federal Register. The Administrator is required to take steps to prevent conflicts of interest on the part of panel members.

(8) Require the EPA—in exempting any Federal or State agency from any provision of FIFRA because of emergency conditions—to consult (at their request) the Secretary of Agriculture and the Governor of any State concerned in determining whether emergency conditions exist.

(9) Add a new provision requiring the EPA and States, in cooperation with the Extension Service, to develop materials on integrated pest management techniques and advise interested individuals of their availability.

(10) Provide that experimental use permits may be issued to agricultural research institutions for pesticides.

(11) Extend for an additional year the time for implementation of certain provisions of FIFRA.

Mr. ALLEN. Mr. President, there were 13 major differences between H.R. 8841 as passed by the House, and the Senate amendment thereto. In conference on the bill six were resolved in favor of the Senate, four were resolved by compromise, and three were resolved in favor of the House.

The actions of the committee on conference are explained fully in the joint explanatory statement of the committee on conference. I ask unanimous consent that this statement be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8841) to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

(1) *Consultation with the Secretary of Agriculture on proposed notices of intent.*

(a) The *House* bill required that prior to issuance of notices of intent of proposed action regarding cancellation of registration on changes in classification, the Administrator of EPA must submit the proposed notice to the Secretary of Agriculture for comment. The *House* bill authorized the Administrator to waive the requirement for notice to and consultation with the Secretary of Agriculture if the Administrator determines that suspension of pesticide registration is necessary to prevent an imminent hazard "to human health".

The *Senate* amendment deleted the limitation that the imminent hazard must be to human health, so that the waiver would apply to an imminent hazard to the environment and to an endangered species as well as an imminent hazard to human health.

The *Conference* substitute adopts the *House* provision.

(b) The *Senate* amendment also provided that simultaneous with submission of the proposed notice of intent to the Secretary for comment, the proposed notice must be published in the Federal Register.

The *Conference* substitute deletes the *Senate* amendment.

(2) *Consultation with the Secretary of Agriculture on proposed or final form of regulations.*

The *House* bill required the Administrator of EPA to provide the Secretary of Agriculture with copies of proposed regulations and the final form of regulations within a prescribed time period prior to publication for his comment prior to issuance.

The *Senate* amendment retained this provision of the *House* bill but provided for publication in the Federal Register of any advance notification to the Secretary of proposed or final regulations simultaneous with the notification to the Secretary.

The *Conference* substitute adopts the *Senate* amendment.

(3) *Extension of funding authorization.*

The *House* bill provided a one-year extension of the authorization for appropriations through September 30, 1976, at a level of $47,868,000 for the year.

The *Senate* amendment extended the authorization another year through September 30, 1977, at a level of $47,200,000 for the second year.

The *Conference* substitute adopts the *House* provision with an amendment to extend the authorization through March 31, 1977, at a level of $23,600,000 for the period October 1, 1976, through March 31, 1977.

(4) *Self-certification form for private applicators.*

The *House* bill provided that the standards prescribed by the Administrator for certification of a private applicator "shall" be deemed fulfilled by his signing a self-certification form with information and affirmations to carry out the Act, and may include an affirmation that the private applicator completed an approved training program, so long as the program does not require the private applicator to "take" any examination.

The *Senate* amendment provided, instead, that the certification "may" (rather than "shall") be deemed fulfilled by his signing a self-certification form, and that the training program completed by the private applicator cannot require the private applicator to "pass" (rather than "take") an examination.

The *House* bill provided for certification standards for a private applicator to be fulfilled by his signing a self-certification form with the affirmation stated above. According to the *House* Committee report, it was intended that if a State were to submit for approval a more rigorous plan for certification of private applicators, the Administrator would be authorized to approve the plan, although the plan could not be required by the Administrator if it were not requested by the State. Under the *House* bill, no person could be required to take an exam as a condition of self-certification, unless a State were to mandate it.

The *Senate* amendment retained the basic provisions of the *House* bill regarding the certification of private applicators of pesticides. According to the *Senate* Committee report, the changes were designed to make clear that—

(a) the completion of a certification form is not the only acceptable certification procedure which a State may elect to exercise, and

(b) a State, at its option, may give an examination or require the completion of a set of study questions as a part of its training program.

The *Conference* substitute adopts the *House* provision with an amendment to make clear that a State plan shall qualify for approval if it provides for certification standards for a private applicator to be deemed fulfilled by his completing a certification form with the information and affirmations as specified in the *House* provision, but that a State would have the option, at its election, to submit for approval a different plan which comports with the requirements of the Act.

(5) *Scientific Advisory Panel.*

The *House* bill provided for appointment of a scientific advisory panel with which the Administrator of EPA must consult on notices of intent issued under section 6(b) and on proposed and final form of regulations.

The *Senate* amendment provided that the Administrator—

(a) may require of nominees information necessary to determine their fitness for appointment;

(b) shall publish in the Federal Register their name, address and professional affiliation; and

(c) shall issue regulations regarding conflicts of interest.

The *Conference* substitute adopts the *Senate* amendment.

The Conferees note that the procedure in section 7 establishing a Scientific Advisory Panel is not retroactive and would not apply to any ongoing section 6(b) or section 25 proceeding begun before the date of enactment of H.R. 8841. Nevertheless, in keeping with the spirit of section 7, the Conferees believe that EPA should utilize appropriate scientific advisory committees in order to obtain independent scientific and medical advice in connection with any actions it takes. For example, the Conferees believe that the Administrator and the American public should have the most complete record possible with respect to the pending heptachlor/chlordane cancellation matter. According to a letter to the Conferees from Senator Fong, the principal agricultural crop in Hawaii, pineapple, faces extinction within ten years if the only effective existing pesticides, heptachlor and mirex, are no longer available to control ants and mealybug wilt.

(6) *Integrated pest management.*

The *House* bill provided for EPA and the States to make available to individuals at their request instructional materials on integrated pest management.

The *Senate* amendment added to this a provision that this be done in accordance with section 23(c) of the Act; namely, in cooperation with the Extension Service.

The *Conference* substitute adopts the *Senate* amendment.

(7) *Data compensation.*

New section 12 added by the *Senate* amended section 3(c)(1)(D) of FIFRA which requires that an applicant for registration of a pesticide pay reasonable compensation if he relies on the test data submitted by another applicant. The amendment provides that only data submitted on or after October 21, 1972, is compensable; the date compensation provision applies to all applications for registration submitted on or after October 21, 1972; both parties to a dispute on compensation of data are given the same rights in the courts; and registration of a pesticide is not to be delayed pending the determination of a dispute on reasonable compensation.

The *House* bill had no specific language amending section 3(c)(1)(D). However, in the discussion of the bill on the *House* Floor, it was stated that it was the Committee's intent that on new registrations, the reasonable compensation data provision be applied regardless of when the data relied on was originally received by EPA. If, however, a reregistration is made of a pesticide registered originally prior to October 21, 1972, and data to support the reregistration was in the files of EPA prior to such date, no compensation would be required at the time of reregistration.

The *Conference* substitute adopts the *Senate* amendment with a modification which (a) provides that all data submitted in support of an application on or after January 1, 1970 (in lieu of October 21, 1972, as provided in the *Senate* amendment), is compensable, and (b) makes clear that the provision with regard to compensation for producing test data to be relied upon shall apply with respect to all applications for both registration and reregistration submitted on or after October 21, 1972.

(8) *Review by Court of Appeals.*

New section 13 added by the *Senate* amends section 16(b) of FIFRA to confine review by the Court of Appeals to cases following a public hearing "for which there is a reviewable record". Review of all other EPA actions would be confined to the District Courts.

The *Conference* substitute deletes the *Senate* amendment. It is the intent of the Conferees, however, that an adequate reviewable record be developed by the Environmental Protection Agency in each of its public hearings although such hearings need not necessarily be adjudicatory in nature.

Mr. ALLEN. I will make a few brief comments on some of the more controversial issues that were settled by the committee on conference.

First is the change in the extension of the authorization for appropriations. The Senate bill provided a 2-year extension while the House bill contained a 1-year extension. The conference amendment places the extension at a year and a half.

The longer extension provided in the Senate bill would have been more desirable, but the House conferees were adamant in holding the extension to a minimum. However, they did concede the need to give EPA adequate time to implement the various provisions of the law. In addition, they recognized the practical problems of reviewing major legislation during the summer and fall of 1976.

When we consider the differences of opinion and the realities of the situation, I believe that the extension of the FIFRA authorization to March 31, 1977, is a reasonable compromise.

Another major point of controversy considered in the conference was the question of compensation for data under section 3(c)(1)(D) of FIFRA. The House bill contained no specific language on this issue, although there was discussion of the issue in the House committee report and on the House floor during consideration of the bill.

Because the witnesses appearing before the Committee on Agriculture and Forestry indicated that the question of data compensation was being litigated in several courts and that this litigation was holding up the registration of pesticides by the EPA, the committee attempted to clarify the intent of the law. The committee amendment provided that only data submitted on or after October 21, 1972, is compensable; the data compensation provisions applies to all applications for registration submitted on or after October 21, 1972; both parties to a dispute on compensation of data are given the same rights in the courts; and registration of a pesticide is not to be delayed pending the determination of a dispute on reasonable compensation.

The conferees agreed to the Senate amendment with a modification which (A) provides that all data submitted in support of an application on or after January 1, 1970—in lieu of October 21, 1972, as provided in the Senate amendment—is compensable, and (B) makes clear that the provisions with regard to compensation for producing test data to be relied upon shall apply with respect to all applications for both registration and reregistration submitted on or after October 21, 1972.

It is hoped that the amendment agreed to by the conference committee will enable the EPA to proceed expeditiously on the pending applications for registration. As noted in the report of the Senate Committee on Agriculture and Forestry, all pesticides must be reregistered under the 1972 amendments to FIFRA. It is not the intent of the conferees that existing registrations are to be invalidated because the conference committee has determined that data submitted after January 1, 1970 is compensable and that the data compensation provision applies to all applications for registration and reregistration submitted after October 21, 1972. Rather, the reregistration process is about to commence and it is expected that data compensation under section 3(c)(1)(D) will be provided, where appropriate, during this reregistration process.

The Senate conferees receded to the House on the provision regarding the waiver of advance notification to the Secretary of Agriculture in cases of "imminent hazard." The House bill limited this waiver to cases of imminent hazard to human health, while the Senate amendment would have allowed the waiver in cases of imminent hazard to the environment and to an endangered species as well as an imminent hazard to human health. The House conferees were adamant on this point, for they felt that the waiver in the Senate amendment was much too broad.

With regard to public notice at the time that the Secretary of Agriculture receives notice, the House receded once and the Senate receded once. The Senate bill provides that, simultaneous with the notice to the Secretary of Agriculture of proposed cancellations and reclassifications of pesticides and simultaneous with the notice to the Secretary of proposed and final regulations, the public would receive notice in the Federal Register. The conferees accepted the amendment of the Senate as to proposed and final regulations, but rejected the Senate amendment as to proposed cancellations or reclassifications of pesticides.

Mr. President, I am sure that some of my Senate colleagues are disappointed that their amendments to H.R. 8841 were lost or modified. Nonetheless, I believe that H.R. 8841, as agreed to by the conference committee, is a good bill and deserves the support of the Congress and the President.

The basic provisions of this bill are essential for the protection of our people, the environment, and the productive capability of agriculture. The changes that H.R. 8841 would effect are intended to assure the realization of these objectives.

Mr. President, this bill extends the authorization under the FIFRA legislation until March 31, 1977. It contains a number of amendments that have been agreed to in conference. The report has been cleared on both sides of the aisle. It has been cleared with the chairman of the Committee on Agriculture and the ranking minority member. It has also been cleared with Senator **Nelson**, of Wisconsin, who had some amendments that he submitted.

I move the approval of the conference report.

Mr. JAVITS. Mr. President, I understand that a whole section of this bill was dropped. Will the Senator tell us what section?

Mr. ALLEN. The section to which the distinguished Senator from New York offered an amendment, which was agreed to on the floor, the entire section was dropped from the conference report.

I move the adoption of the conference report.

Mr. PHILIP A. HART. Mr. President, the Senate is about to act on the conference report on H.R. 8841, a bill which amends the Federal Insecticide, Fungicide, and Rodenticide Act of 1972, and extends its authorization until April 1, 1977. While I intend to vote for the conference report, I will do so only reluctantly and with considerable reservation. Failure to adopt the conference committee bill and the reauthorization it contains would bring the implementation and enforcement of Federal pesticides legislation to an immediate halt. This would, I believe, be the greater of the two evils. Unfortunately, however, the bill we are about to substitute for the statute which was so carefully drawn up in 1972 represents a step backward in several important respects.

Before going further, however, I would like to point out that the Senate Committee on Agriculture and Forestry, both in committee and on the floor, acted most responsibly in trying to correct some of the deficiencies of the bill sent to us by the House. As chairman of the Subcommittee on the Environment, I would reiterate my appreciation for the cooperation between our two committees on this issue. Unfortunately, the House conferees would not accept many of the Senate improvements, and we are left with the unpleasant choice between no bill and one which has some serious problems.

Perhaps the most difficult conference provision to swallow is that which retroactively applies a requirement of the 1972 law that a manufacturer relying on another manufacturer's efficacy or environmental data offer to pay compensation for the data. This notion of proprietary rights to data required for registration of a pesticide first surfaced during consideration of the 1972 legislation. Prior to this, longstanding EPA and USDA policy had permitted a second manufacturer to use previously submitted information in support of his registration without incurring any liability. While the 1972 law did not specify an effective date for the new compensation requirement, both EPA and the courts have correctly interpreted congressional intent that it was to apply only to data submitted after October 21, 1972, the effective date of the revised law.

At the last moment of the House Agricultural Committee's consideration of H.R. 8841, report language was added stating that it was Congress intent that the compensation provision apply to all data submitted at any time before or after 1972. While this interpretation was contested in minority views of eight members of the House committee, the Senate Agriculture Committee, with my full support, felt it necessary to counteract this language by specifying in the bill itself an October 21, 1972, effective date.

During the conference, compromise language was adopted which I fear will have serious impacts on pesticide formulators and small pesticides manufacturers. The conference arbitrarily selected January 1, 1970, as the effective date for the data compensation provision, thereby requiring that anyone who relied on data submitted after that time must offer to pay compensation now—5 years later. Mr. President, while these small firms have agreed that compensation which is prospectively required is entirely fair, its application retroactively may well put many of them out of business. Costs will suddenly accrue to these manufacturers which were never envisioned when the decision was made in 1970 to seek registration of a product. The manufacturers who originally supplied the data will receive compensation for costs which have probably already been more than recouped through the marketing of a profitable product. Those small formulators who do manage to pay compensation costs will have to pass them on to consumers and farmers—a double billing at no added benefit. Finally, this provision will, in effect, permit an extension of patent rights of the original developer of a pesticide far beyond the 17 years now guaranteed. By charging high compensation costs, formulators who would be able to compete with the large manufacturers after the expiration of a patent, would be excluded from the market. In short, Mr. President, this compromise is unfortunate from every standpoint I can think of—antitrust, consumer, small business, and the questionable legal aspect of retroactively changing a Government policy previously relied upon. Further, I would note that the 1970 date precedes the formation of EPA by 11 months—so not even the changing of the pesticides regulatory guard can be used as a justification for this date.

Two other changes in the Senate bill made by the conference should be mentioned here. First, by floor amendment in the Senate, a requirement was added to the House bill that when EPA notifies the Department of Agriculture of its intention to take a cancellation or classification action, notice should be simultaneously published in the Federal Register. The purpose of this amendment was to bring this prenotification provision in line with recent congressional adoption of "government in the sunshine" policy. Without such a provision for public notice, EPA could submit notice to USDA, and then back down from its planned action without any public awareness of the proposal. It seems almost unquestionable that the public should have a right to know of any pesticide whose effects are so serious that EPA has proposed a cancellation notice. Even though this was dropped as a requirement in the conference, it is my hope that EPA will voluntarily adopt this as standard operating procedure, publishing both its proposals to USDA and that Department's reply in the Federal Register.

Second, the Senate bill provided that the same opportunity for a waiver of the notification requirement which exists for imminent hazards to public health be available for imminent hazards to the environment. This amendment would merely have conformed the waiver provisions to the imminent hazard authority already contained in the bill. While I believe that the conference was unwise in dropping this provision, it is my understanding that the conference did take note of the discretionary authority which the Secretary of Agriculture has to waive the 30 day comment period in cases where a hazard to the environment is severe or imminent. Rather than relieving the Secretary of a duty to act promptly, I believe that this provision puts even more of a burden on his shoulders to make liberal use of the waiver provision in the event of an imminent hazard to the environment. After all, the original intent of the imminent hazard language was to insure EPA's power to take speedy action in cases where irreparable damage would be done prior to the completion of normal administrative procedure.

In conclusion, Mr. President, I would offer the hope that EPA, in spite of these hindrances, will pursue with diligence the basic course set out by the 1972 legislation. For my part, I intend to carefully watch over the effects of the data compensation provision, and should the effects which I fear arise, suggest prompt antitrust investigation of the claims of the major pesticides companies.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

UNANIMOUS-CONSENT AGREEMENT—CONGRESSIONAL BUDGET RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, this request having been cleared with the Senator from Oklahoma (Mr. **Bellmon**) and, on the other side of the aisle, with Mr. **Muskie** and Mr. **Kennedy**, that upon the disposition of the situs picketing bill today, the Senator from Maine (Mr. **Muskie**) proceed with calling up his congressional budget resolution; that there be a time limitation on that resolution of 5 hours, instead of 15 hours; that there be no votes on the resolution or on amendments thereto tonight; that on tomorrow, the time be limited to 1 hour of debate on the resolution, 1 hour on the Kennedy amendment, and 1 hour on any amendment to that amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CURTIS. Reserving the right to object.

Mr. PROXMIRE. Reserving the right to object.

Mr. CURTIS. Does that mean there will only be 30 minutes on each side tomorrow?

Mr. ROBERT C. BYRD. That would mean that the time would be equally divided in accordance with the usual form, which would mean that Mr. MUSKIE would have 30 minutes, and Mr. BELLMON would have 30 minutes.

Mr. CURTIS. The junior Senator from Nebraska would like to speak for 10 minutes tomorrow. I cannot tonight.

Mr. LONG. Reserving the right to object, is the Kennedy amendment one that would seek to put the Senate on record as favoring $1,600,000,000 in tax increases?

Mr. ROBERT C. BYRD. I am not familiar with what the Kennedy amendment does. Mr. MUSKIE and Mr. BELLMON agreed to this request in advance. Neither of them is on the floor at this time.

Mr. ALLEN. I object to a time limitation if there is any such amendment as that.

Mr. LONG. That is what I understand it to be, and it seems to me that, while I am willing to agree to a limitation of time on the bill, it seems to me that is a commitment to vote for $1,600,000,000 of tax increases. Incidentally, there are 673 pages of new taxes on the American people. That is only half of what the taxes are that would be levied by the amendment. I know the amendment does not levy it, but I do not see how anybody could vote for that without undertaking a commitment to vote this [indicating] plus the other $900 million of additional taxes to be levied under that commitment.

I do not think that we ought to go around here playing games with American people, telling them that we avoid taxes for them, when we voted for a monstrosity, not knowing what it is and only half of it available in printed form, even to the House of Representatives. I think this should not be done lightly.

Mr. MANSFIELD. Will the Senator yield?

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Chair will point out——

Mr. ROBERT C. BYRD. Mr. President, let me say this: Under the rule that we passed, any amendment is limited to only 2 hours. I can drop the 1-hour request and let the amendment take its course under the law.

I must also say that if a unanimous consent request is objected to in this instance, a motion is in order and will be made. That motion is not debatable.

I shall revise my request as follows: That there be 5 hours of debate on the resolution, rather than the 15 under the law; that 1 hour of that debate be reserved until tomorrow; that the 2 hours which is allotted under the law to any amendment be allotted to the Kennedy amendment, with 1 hour on any amendment to that amendment; and that the agreement be in the usual form as to the division and control of time.

Mr. CURTIS. Reserving the right to object, will the time on the bill be limited tomorrow to 30 minutes to a side?

Mr. ROBERT C. BYRD. If the Senator wants an additional 10 or 15 minutes, I will include that in my request.

Mr. CURTIS. I would be happy to have 10 minutes.

Mr. ROBERT C. BYRD. Fine.

Mr. JAVITS. Reserving the right to object, what about other amendments than the Kennedy amendment? Is the time open to other amendments, and what time would they have?

Mr. ROBERT C. BYRD. Under the law, each amendment would have 2 hours. I would revise my request to provide that only the Kennedy amendment be allotted the 2 hours under the law and that any other amendment be 1 hour.

Mr. JAVITS. That is fine, just so long as other amendments are permissible. I think amendments are entitled to be brought.

Mr. GLENN. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. GLENN. Could we be informed as to what the Kennedy bill does? I have no idea what is being provided here or what it deals with, what we are agreeing to.

Mr. ROBERT C. BYRD. I have no idea what it does. Regardless of what it does, the Kennedy amendment is provided for in the law. Any amendment is allowed only 2 hours under the law. There is no way we can change it, except by unanimous consent or a motion. I am simply saying that we can cut the time on the debate overall; we can be sure there will be no votes tonight; we can be sure that on tomorrow, there will only be 1 hour of debate plus 15 minutes, and there would be the 2 hours under the law, which Mr. KENNEDY has, anyhow, on his amendment. We shall cut any other amendment down to 1 hour. This will shorten the time. It will assure the Senators that there will be no votes tonight, assure them that all votes will go over until tomorrow. I must say again that if the unanimous-consent request is objected to, I shall move, and that motion is not debatable.

Mr. MANSFIELD. Mr. President, for the information of the Senate, it will be recalled that, earlier today, the Senate agreed to a recess resolution, which will allow the Senate to go out tomorrow night after the conclusion of the business enunciated at that time—to wit, the pending business, the situs picketing legislation, the budget resolution, the Interior appropriations bill, odds and ends, conference reports, and the like. The Senate is aware of the fact that we were due to go out at the conclusion of business on Friday. What the leadership has done is try to work out an arrangement, after considering the factors involved with all sides, so that it would be possible for the Senate to go out tomorrow sometime. It was anticipated that we would be in late this evening.

It is my understanding that the distinguished Senator from Maine (Mr. MUSKIE) and the distinguished Senator from Oklahoma, the ranking Republican on the committee, both intend to use up 2 to 3 hours of the time this evening, with no votes involved. I hope that the Senate will take into consideration the law as it applies to the budget resolution, the limitations within that law as it applies to amendments, and cooperate to the best of its ability so that we can get the closed session tomorrow out of the way, the budget resolution out of the way, the Interior appropriation legislation out of the way, and various conference reports and the like.

That is all I have to say, but I did think I ought to explain to the Senate the situation vis-a-vis getting out tomorrow rather than on Friday, and the expectations behind it.

Mr. McCLURE. Mr. President, reserving the right to object, and I shall not object, I just want to make certain I understand who will control the hour of time of general debate tomorrow. I think Senator BELLMON, the ranking Republican on the committee, is in support of the resolution while Senator BUCKLEY and I are in opposition to the resolution.

I wonder if, under those circumstances, the half hour allotted in the equal division of the 1 hour should be assigned to the Senator from Oklahoma or the junior Senator from New York?

Mr. ROBERT C. BYRD. Under the law the majority leader and the minority leader or their designees control the time, and I am confident the Senator's leader will be considerate of his position.

Mr. McCLURE. Mr. President, I wonder if, that being the case, the Senator from New York, the junior Senator from New York (Mr. BUCKLEY), might be given at least 15 minutes.

Mr. ROBERT C. BYRD. Yes.

Mr. President, I enlarge my request to include that.

So, Mr. President, instead of 1 hour for debate tomorrow there will be an hour and a half with the proviso that Mr. CURTIS will get 15 minutes and Mr. BUCKLEY 15 minutes for sure.

Mr. DOMENICI. Mr. President, may I state my position on this? I think Senator BELLMON will have adequate time for the 10 minutes that I would need, but to protect myself I ask that 10 minutes be allotted to me with reference to it. I am quite sure—he is not here, and I agreed to the 5 hours—but I do not know how we were going to allot it, so if the Senator would add 10 minutes, it might not be needed, but since it is a unanimous request, I ask that it be included.

Mr. ROBERT C. BYRD. Senators are aware they can speak tonight on this resolution, following the disposition of the situs picketing bill. We will have 3 hours tonight which can be used by any Senator.

Mr. DOMENICI. I am aware of that.

Mr. ROBERT C. BYRD. Very well.

Mr. THURMOND addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I do not mean to shut the Senator off.

The majority leader will be in control of half of this time; the minority leader will be in control of half of this time, and I am confident that between those two leaders, the Senator from New Mexico (Mr. Domenici) will have 10 minutes. If we get into a problem we will just do everything we can to help him get 10 minutes.

Mr. MANSFIELD. The Senator will have 10 minutes, I assure him.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. THURMOND. Mr. President, reserving the right to object—and I would like to say I will not object—if the Senator from South Carolina can be allotted 10 minutes in opposition to the common situs picketing bill tomorrow—

Mr. ROBERT C. BYRD. Common situs is going to end tonight. This is an agreement on the congressional budget resolution.

Mr. THURMOND. Ten minutes alone on that one, too.

Mr. ROBERT C. BYRD. The Senator will not have any problem getting 10 minutes.

Mr. THURMOND. I thank the Senator.

Mr. ROBERT C. BYRD. He can speak tonight.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement? Without objection, it is so ordered.

EQUAL TREATMENT OF CRAFT AND INDUSTRIAL WORKERS

The Senate continued with the consideration of the bill (H.R. 5900) to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

The PRESIDING OFFICER. The bill is open to further amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, approximately 30 qualified amendments are left at the Secretary's desk. Six of them belong to the Senator from Alabama.

AMENDMENT NO. 1108

At this time I am going to call up an amendment, and if this amendment is agreed to, the Senator from Alabama will have no further amendments and I rather imagine that will be the end of the amendments.

I call up amendment 1108 and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alabama (Mr. Allen) proposes amendment No. 1108 to amendment No. 1058:

At the end of the amendment add the following proviso: *"Provided further,* That the provisions of this Act shall not be applicable as to construction work contracted for prior to November 14, 1975.".

Mr. LAXALT. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. ALLEN. Yes.

Mr. LAXALT. Mr. President, I ask unanimous consent that Jack Robertson from Senator Hatfield's staff be permitted floor privileges during the course of the debate and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I yield myself such time as I may need.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ALLEN. This amendment is similar to an amendment I offered during earlier consideration of this bill, and which was defeated, I believe, after receiving some 35 favorable votes.

The amendment that was defeated provided that the provisions of the bill as to situs picketing should not apply as to construction work which had been contracted for prior to the enactment of the bill.

This amendment now goes one step farther and requires in order that the work not be subject to the situs picketing provisions of this bill that not only must the work have been contracted for but work must actually have started under that contract prior to November 15, which is the date I put the amendment in.

In support of this amendment I call attention to the situation regarding a company which operates a large newsprint factory in Alabama. Recently they let a contract for a $107 million improvement on that plant. The letter I have from this newsprint company says:

> As I indicated to you in our conversation, Kimberly-Clark prior to the arrival on the scene of H.R. 5900, contracted with Davis Constructors and Engineers, Inc., an open shop employer, to construct a $107 million improvement on our Coosa, Alabama pulp and paper mill. In choosing an open shop contractor, our management was aware of the state of the law then in existence and our decision to proceed with such a facility using an open shop contractor today might indeed be different.
>
> In view of the fact that work is now proceeding, any change in the law which could threaten our completion of the project we view as most unfair and respectfully urge the adoption of a "grandfathering" amendment such as that I have suggested above.

So, Mr. President, it would seem to me that this amendment is fair. It not only calls for the work to have been contracted for but it must actually have started prior to November 15.

So I hope the amendment will be agreed to. As I say, if this amendment is agreed to I have no other amendment that I plan to call up.

I call for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. WILLIAMS. Just one moment. This is so similar to the other amendment the Senate expressed its will on and voted against that I do not see any reason to delay the debate. We had all the reasons for it in not having two kinds of law here, one for projects that are under construction and another for later construction projects, and I oppose it.

We voted on it yesterday and, I guess, we are going to vote on the same principle today.

I do not have anything further unless the Senator from New York (Mr. Javits) has something.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 1108) of the Senator from Alabama. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Missouri (Mr. Symington), and the Senator from Michigan (Mr. Hart) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley) is necessarily absent.

I further announce that the Senator from Delaware (Mr. Roth) is absent due to illness.

The result was announced—yeas 42, nays 53, as follows:

[Rollcall Vote No. 520 Leg.]

YEAS—42

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Bumpers
Byrd,
  Harry F., Jr.
Cannon
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Long
McClellan
McClure
Morgan
Nunn
Scott, Hugh
Scott,
  William L.
Sparkman
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NAYS—53

Abourezk
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Church
Clark
Cranston
Culver
Durkin
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Hartke
Haskell
Hathaway
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Stafford
Stevens
Stevenson
Taft
Tunney
Weicker
Williams

NOT VOTING—5

Bayh
Buckley
Hart, Philip A.
Roth
Symington

So Mr. Allen's amendment (No. 1108) was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. WILLIAMS. Mr. President, I move to lay that motion on the able.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1115

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, there are only 29 more eligible amendments at the desk. I sure would like to get this next amendment adopted. If it is adopted, it will be the last amendment that is called up.

Mr. President, I call up my amendment No. 1115 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second legislative clerk read as follows:

The Senator from Alabama proposes an amendment No. 1115.

The amendment is as follows:

At the end of the bill add the following proviso: "*Provided further*, That the provisions of this Act shall not be applicable as to construction work contracted for and on which work had actually started on November 5, 1975.".

Mr. ALLEN. Mr. President, while the roll was being called on the previous amendment, the distinguished Senator from Missouri (Mr. EAGLETON) called my attention to the fact that as I had thought that the amendment under discussion required that the work on the contract not only be contracted for but that it must have commenced prior to November 15, 1975, and relying upon the memorandum of amendments at the desk, I had called up 1108.

While the memorandum states that, "This act shall not apply to construction which had been contracted for and on which work had actually begun prior to November 14, 1975," the distinguished Senator from Missouri noted that the amendment did not require that the work actually have started. The wrong amendment thus was called up.

He stated that the amendment before the Senate should actually have been the requirement that the work not only be contracted for but that it must have started on November 15, or before.

Mr. EAGLETON. Will the Senator yield?

Mr. ALLEN. Yes. I have this amendment before me at this time.

Mr. EAGLETON. Mr. President, this may be at least a mini-historical occasion. I think in the 7 years I have been in the Senate I have an unblemished record. I have never voted for an Allen amendment in any way, type, shape or form in 7 years. It is going to be difficult now for me to deviate from that illustrious track record.

Mr. ALLEN. There is hope yet for the Senator, I would say. [Laughter.]

Mr. EAGLETON. I thank my colleague.

I feel in fairness I must deviate from that standard because the amendment now before us, amendment No. 1115, says with respect to construction work which is already in process, crews are on the ground, the contract with the general contractor, numerous subs, they are already there and there is work. The building may one-tenth erected, one-half erected, three-quarters erected. If we do not adopt this Allen amendment No. 1115, it means we change all the rules depending upon the composition of that job site half-way through the game or three-quarters through the game, or what have you. I think that would be patently unfair.

Therefore, I think that amendment No. 1115, which says that the rules which applied on contracts that had been let and where construction had begun would apply since that was the law in effect prior to November 15, 1975. So I will vote to support the Allen amendment.

Mr. ALLEN. I thank the distinguished Senator.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) is necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent due to illness.

The result was announced—yeas 78, nays 19, as follows:

[Rollcall Vote No. 521 Leg.]

YEAS—78

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Johnston
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—19

Brooke
Case
Clark
Cranston
Culver
Gravel
Hartke
Jackson
Javits
Kennedy
Mathias
McGee
Moss
Packwood
Ribicoff
Schweiker
Taft
Tunney
Williams

NOT VOTING—3

Bayh
Buckley
Roth

So Mr. ALLEN's amendment (No. 1115) was agreed to.

Mr. HELMS. I move to reconsider the vote by which the amendment was agreed to.

Mr. ALLEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ALLEN. Mr. President, there are still 28 amendments at the desk. The Senator from Alabama is not going to call up any of them. I doubt if anyone else is going to.

I thank the Members of the Senate voting for this amendment, and I am hopeful that the conferees will be able to save it in conference.

I reserve the remainder of my time.

The PRESIDING OFFICER. The bill is open for further amendment.

AMENDMENTS NOS. 1095, 1110, AND 1197

Mr. WILLIAMS. Mr. President, I call up three technical amendments, Nos. 1095, 1110, and 1137, which are at the desk, and ask unanimous consent that they be considered en bloc, and this has been agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments will be stated.

The legislative clerk proceeded to read the amendments.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT No. 1095

On page 3, line 9, strike out the words "*Provided further*".

On page 3, strike out all of lines 10 through 25.

On page 4, strike out lines 1 through 26.

On page 5, after line 21, insert the following:

"(c) section 8(g) of that Act, as amended, is amended by redesignating the present section 8(g) and section 8(g)(i), and adding at the end thereof the following:

" '8(g)(ii)(A) A labor organization before engaging in activity permitted by the third proviso in paragraph (4) of subsection (b) of this section shall provide prior written notice of intent to strike or to refuse to perform services of not less than ten days to all unions and the employers and the general contractor at the site and to any national or international labor organization of which the labor organization involved is an affiliate and to the Construction Industry Collective Bargaining Committee: *Provided further*, That at any time after the expiration of ten days from transmittal of such notice, the labor organization may engage in activities permitted by the third proviso in paragraph (4) of subsection (b) of this section if the national or international labor organization of which the labor organization involved is an affiliate gives notice in writing authorizing such action: *Provided further*, That authorization of such action by the national or international labor organization shall not render it subject to criminal or civil liability arising from activities notice of which was given pursuant to the above proviso.

" '(B) In the case of any such site which is located at any military facility or installation of the Army, Navy, or Air Force, of which is located at a facility or installation of any other department or agency of the Government if a major purpose of such facility or installation is or will be, the development, production, testing, firing or launching of munitions, weapons, missiles, or space vehicles, prior written notice of intent to strike or to refuse to perform services, of not less than ten days shall be given by the labor organization involved to the Federal Mediation and Conciliation Service, to any State or territorial agency established to mediate and conciliate disputes within the State or territory where such site is located, to the several employers who are jointly engaged at such site, to the Army, Navy, or Air Force or other department or agency of the Government concerned with the particular facility or installation, and to any national or international labor organization of which the labor organization involved is an affiliate.

"'(C) These notice requirements of paragraphs (A) and (B) above are in addition to, and not in lieu of the notice requirements prescribed by section 8(d) of the Act.'".

AMENDMENT No. 1110

On page 4, line 2, insert the following: after the word "proviso": ", unless such authorization is given with actual knowledge that the picketing is to be willfully used to achieve an unlawful purpose".

AMENDMENT No. 1137

On page 2, delete lines 5 through 13, and insert in lieu thereof the following: "tion, painting, or repair at such site: *Providing further*, That nothing in the above proviso shall be construed to permit a strike or refusal to perform services or any inducement of any individual employed by any person to strike or refuse to perform services in furtherance of a labor dispute, unlawful under this Act or in violation of an existing collective bargaining contract, relating to the wages, hours, or other working conditions of employees employed at such site by any of such employers, and the issues in dispute involve a labor organization which is representing the employees of an employer at the site who is not engaged primarily in the construction industry: *Provided further*, Except as provided in the above provisos nothing".

Mr. WILLIAMS. Mr. President, I will explain the first amendment, No. 1095. It deals with a notice provision that should fall under section 8(g) rather than 8(b)(4).

Amendment No. 1110 clarifies a liability provision of the act.

Amendment No. 1137 provides for a proviso rather than a prohibition under the act.

I have described these as technical, and they are technical.

Mr. JAVITS. Mr. President, the committee's common situs picketing bill contains an important provision that requires at least 10 days advance notice of intent to engage in common situs picketing and, in addition, prior authorization by the international union with which the local union is affiliated. This provision is designed to enhance the possibility of settling the dispute without a work stoppage. The requirement for authorization by the union's parent organization is designed to involve the mediating influence of the international union and to prevent strike activity entirely if it disapproves.

Related to this is a provision which limits the civil or criminal liability of the international unions which might be imputed to them for authorizing, or refusing to authorize, such activity. This, in the committee's judgment, is necessary and desirable to make sure that this role required of the international unions by the bill is not used to make them liable for unlawful actions of local unions unless, under established agency principles, the international union has made itself responsible for such actions.

The amendment which Senator WILLIAMS and I have offered does not change these basic provisions of the bill. They are simply intended to make it clear that the national union's immunity is lost if it should authorize common situs picketing with actual knowledge that it is to be willfully used to achieve an unlawful purpose, such as forcing an employer to discharge an employee because of his nonmembership in the union, or because of his race, religion, or sex. If it does, the international would be liable along with the local for its unlawful actions.

I believe that this amendment is sound and accordingly, I urge its adoption.

The **PRESIDING OFFICER.** The question is on agreeing to the amendments, No. 1095, No. 1110, and No. 1137, of the Senator from New Jersey.

The amendments were agreed to.

Mr. WILLIAMS. I would like to explain the technical amendments H.R. 5900 in the House version would create a section 8(b)(4)(b) containing 10 provisos.

In partial recognition of the unwieldy statutory provision which would then be embodied in the act, the committee placed two of the section 8(b)(4)(b) provisos of the House bill in separate subsections of section 8—the proposed new sections 8(h) and (i).

Following that logic, I now believe it useful to separate the three provisos presently attached to section 8(b)(4) by the bill that require a union that wishes to engage in common situs picketing to serve certain notices and place them in section 8(g).

This will be a sounder arrangement because section 8(g) contains the notice provisions we added to the act in the hospital amendments of 1974.

Since the common situs notice provisions are intended to play the same role in this industry that the 8(g) notice provisions play in the hospital industry they appropriately fit together in one section of the act.

In addition, the interpretation which has been placed on the notice provision of section 8(g) by a bare majority of the National Labor Relations Board makes it necessary to make our position with respect to these notice provisions even more clear than we thought we had been in 1974 with respect to the hospital notice provision.

In *United Ass'n of Journeymen, etc. (Lein-Steenberg)*, 219 NLRB No. 153, 89 LRRM 1770, and a companion case, *Laborers' International Union, etc. (Mercy Hospital of Laredo)*, 219 NLRB 154, 89 LRRM 1777, the Board decided by a 3–2 vote that the 10-day notice requirement applies not only to strikes and picketing where the dispute is with a hospital which became a covered employer by virtue of the 1974 amendments, but with respect to any strikes and picketing at the premises of such an employer.

Thus, picketing of a construction project at a hospital was held to be illegal in the absence of such a notice, even though the same picketing would have been lawful before the 1974 amendments.

This interpretation is entirely incorrect since it was not the intention of the 1974 amendments to change the law with respect to the relationship between employers who were previously covered by the act and their employees and unions representing or seeking to represent those employees.

The notice provisions which we are adding to section 8(g) by the present bill are intended to apply only with respect to picketing which is presently unlawful under the Denver Building Trades case, and which is made lawful by this bill.

In other words, it is a condition for the exercise of a right granted by this bill and not for the exercise of rights previously enjoyed by the unions.

I wish to state at this time that Secretary of Labor Dunlop agrees for the administration with this approach. I ask unanimous consent that his letter of November 12, 1975 relative to the notice provision be included in the RECORD.

The **PRESIDING OFFICER.** Without objection it is so ordered.

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 12, 1975.

Hon. HARRISON WILLIAMS,
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reference to the proposed amendment to S. 1479 which would place the notice and authorization requirements in section 8(g) rather than in provisos to section 8(b)(4).

The existing section 8(g) contains the notice requirements for strikes and picketing at health care institutions. We believe that the proposed amendment is a useful clarification by placing the notice requirements for common situs picketing in the same subsection rather than in the proposed provisos to section 8(b)(4). We therefore endorse this amendment.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

JOHN T. DUNLOP,
Secretary of Labor.

Mr. WILLIAMS. Amendment 1058 requires a local union affiliated with a national or international union to provide the national with a 10-day notice in common situs picketing and require authorization by the national.

But for this provision a national union could refrain from becoming involved in such activity.

And, unless it chooses to become involved it would not, under common law agency principles applicable under the act, be liable for violations committed by the local.

See for example, *Franklin Electric Co.*, 121 NLRB 143; *DiGiorgio Fruit Co.* v. *NLRB*, 191 F.2d 642 (D.C. Cir.).

See that is, *Franklin Electric Co.*, 121 NLRB 143; *DiGiorgio Fruit Co.* v. *NLRB*, 191 F. 2d 642 (D.C. Cir.).

Because the bill requires any strike by the local in which picketing pursuant thereto is to take place be authorized by the international, it might be argued, absent specific language in the bill, that such authorization by the international is enough to implicate it in the local's conduct to render the international liable therefor.

The purpose of the present language of the bill is to make it clear that authorization by the international does not render it liable and is not evidence tending to show such authorization, participation or ratification by the international as would render it liable under the common law principles of agency.

Thus while the language of the bill is phrased in terms of an immunity from liability because the parent has authorized the strike activity by the local, it is not to be inferred that it is subject to liability where it does not authorize such activity.

To allow a local union or its members to sue the international for withholding approval of a strike on some extensive of the duty of fair representation or the international's to its locals under their constitution or on any other basis would defeat the objective of requiring notice to an approval by the international.

The amendment No. 1110 which we offer here is not intended to alter the operation of the committee bill as explained in the committee report. It is simply designed to allay any possible doubts regarding the national's liability if it authorizes common situs picketing with actual knowledge that the local union is willfully using that picketing to achieve an unlawful purpose such as driving a worker off the job because, for example, of race or sex.

In that situation, the international would be liable to the same extent as the local—under the NLRA or other statutes. It is our intent that this be the sole exception to the nonliability provision of this bill.

Amendment No. 1058 to H.R. 5900 states various conditions on the application of common situs picketing as provided by the bill through five separate provisos. The bill also contains the following language: "and there is a labor dispute, not unlawful under this Act or in violation of an existing collective-bargaining contract."

As we stated in the Senate report the purpose of this language is to assure that the bill is not construed to permit conduct which is presently unlawful under other subsections of section 8(b) or section 301(a) of the act.

This is the only instance in which a phrase designed to assure that nothing in the bill permits activity which has previously been considered unlawful for a reason other than that it is directed at a neutral employer is not stated in the form "Provided, that nothing in the above proviso shall be construed to permit".

This amendment No. 1137 corrects this drafting anomaly and makes these conditions consistent with the other provisions of the bill.

Mr. TAFT. Mr. President, the amendment in the common situs bill which requires the giving of a 10-day notice of an intent to commence situs picketing prior to conducting the picketing is similar to section 8(g) of the act. We adopted section 8(g) last year when we expanded the National Labor Relations Act to cover not-for-profit hospitals. However, because of recent NLRB case law it is necessary to make our position with respect to these notice provisions even more clear than we thought we had been in 1974.

In *United Association of Journeymen, etc. (Lein-Steenberg)*, 219 NLRB No. 153, 89 LRRM 1770, and a companion case, *Laborers' International Union, etc. (Mercy Hospital of Laredo)*, 219 NLRB 154, 89 LRRM 1777, the Board decided by a 3 to 2 vote that the 10-day notice requirement applies not only to strikes and picketing where the dispute is with a hospital which became a covered employer by virtue of the 1974 amendments, but also with respect to any strikes and picketing at the premises of such an employer. Thus, picketing of a construction project at a hospital was held to be an unfair labor practice in the absence of such a notice, even though the same picketing would have been lawful before the 1974 amendments.

As far as I am concerned, this interpretation is incorrect since it was not my intention in introducing the hospital bill to change the law with respect to the relationship between employers who were previously covered by the act and the employees and union representatives seeking to represent those employees. In discussing § 8(g) I said:

> New section 8(g) of the act requires that a labor organization give a 10-day written notice to the health care institution and the FMCS before engaging in any picketing, strike or concerted refusal to work. This subsection applies not only to bargaining strikes or pickets, but also, as stated in the statute, to "any picket or strike." As examples, this subsection would apply to recognition strikes, area standard strikes, secondary strikes, jurisdictional strikes, and the like. (Congressional Record, May 2, 1974. at page 12945.)

The majority only quoted the middle sentence and emphasized the word "any", which described strikes or picketing. But I intended, and it is entirely clear from the context, that the term "any" refers to the objects of the picketing, where the picketed employer was a "health care institution." Nor were the words "at the site" used in the amendment intended to expand the provision beyond the health care industry.

It is my understanding that the notice provisions which we are adding by the present bill are intended to apply only with respect to picketing which is presently unlawful under the Denver Building case, and which is made unlawful by this bill. In other words, it is a condition for the exercise of a right granted by this bill and not for the exercise of rights previously enjoyed by the unions. Because of the misconstruction of the 8(g) provision I would like to ask the Senator whether my understanding is correct.

Mr. WILLIAMS. I say to the Senator that his understanding of this bill is entirely correct. I also can say as a sponsor of the 1974 amendment that I entirely agree with the Senator's understanding of the limited scope of the notice provision in the 1974 act. I too am disturbed by the distortion on the part of a majority of the Board of a statement which I made precisely in order to caution the Board against "reading into the act by implication, or general logical reasoning—something that is not contained in the bill, its report and the explanation thereof."

Plainly, one of the purposes of that cautionary observation was to prevent the Board from interpreting the act in a manner which would diminish rights previously enjoyed under the act or employment relationships which were previously already covered. In relying on my statement as support for its interpretation of § 8(g), the Board indulged in precisely that kind of reasoning which it was the purpose of the statement to forestall. I thank the Senator for raising the question here, and for giving me the opportunity to make our intent so crystal clear that, to borrow a phrase from Mr. Justice Holmes, "it cannot be misunderstood even by an intelligence fired with a desire to pervert." (*Paraiso* v. *United States*, 207 U.S. 368, 372).

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1058, in the nature of a substitute, as amended.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, no debate is in order during a rollcall. It is possible there will be another rollcall on this matter yet tonight.

Mr. MANSFIELD. Mr. President may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I further announce that the Senator from Delaware (Mr. Roth) is absent due to illness.

The result was announced—yeas 55, nays 41—as follows:

[Rollcall Vote No. 522 Leg.]

YEAS—55

Abourezk
Beall
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Church
Clark
Cranston
Culver
Durkin
Eagleton
Fong
Ford
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Stafford
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NAYS—41

Allen
Baker
Bartlett
Bellmon
Bentsen
Brock
Bumpers
Byrd,
Harry F., Jr.
Cannon
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Garn
Glenn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
McClellan
McClure
McIntyre
Nelson
Nunn
Scott, Hugh
Scott,
William L.
Sparkman
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NOT VOTING—4

Bayh
Buckley
Roth
Stevens

So amendment No. 1058, as amended, was agreed to.

Mr. JAVITS. Mr. President, I move to

reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS. Mr. President, section 8(b)(4)(B) is already the most complicated provision of Federal labor law. The major governing principle in understanding and administering the provision has been the distinction between primary and secondary strikes and picketing.

That dichotomy was derived primarily from the authoritative floor statement of Senator TAFT, the sponsor of the provision by which the prohibition of secondary boycotts first came into the labor law in 1947, set out at 93 Cong. Rec. 4198 and quoted, for example, in *Woodwork Manufacturers* v. *NLRB,* 386 U.S. 612, 624.

The course of the law in applying that distinction has not always run smooth, and the essential purpose of this bill is to correct a major error in distinguishing between primary and secondary conduct.

But this does not detract from the importance of the service that Senator Taft performed when he fulfilled the obligation to explain the essence of the bill he sponsored. I believe that as the sponsor of this legislation, I have similar responsibility to make clear its purpose.

The opponents of this bill have made some erroneous statements about what the bill accomplishes, obviously because they cannot object to it on its merits.

I shall not respond to all these canards, but there is one which is so prevalent, that I wish to scotch it right now. This bill has nothing whatsoever to do with section 14(b) of the National Labor Relations Act.

Where union security clauses are lawful they will continue to be lawful and where they are unlawful they will continue to be unlawful. We have left the law where it is on the question of union security because of its sensitivity.

This is in accord with the committee's general policy not to proceed in this bill beyond the problem of situs picketing and other questions which were thought to be necessarily involved with that problem, and with the narrow limitations of the right to engage in primary picketing created by the bill requested by various Senators which the sponsors concluded constituted reasonable legislative compromises.

H.R. 5900 restores the right to construction workers—a right enjoyed by workers in all other job pursuits—to picket effectively in support of lawful goals in a labor dispute.

The bill provides that construction workers would have the right to picket an entire construction site, just as other workers are now permitted to picket an entire manufacturing, warehousing, or other type of job site.

H.R. 5900 is consistent with the original intent of the secondary boycott provisions of the Taft-Hartley amendments to the National Labor Relations Act.

It overrules administrative and judicial case law that misinterpreted that intent for nearly 25 years. This case law is based upon a 1951 Supreme Court decision that because the general contractor and subcontractors on a building site were separate businesses, they were to be treated as neutrals with respect to each other's labor controversies.

Accordingly, a union having a controversy with one subcontractor could not picket the other contractors and subcontractors at the job site without engaging in a secondary boycott. In fact, a construction project is a single, coordinated and integrated economic enterprise.

Contractors and subcontractors are engaged in a common, joint venture. The daily tasks of one are closely related to the normal, day-to-day operations of all others at the site.

Thus, the employers who are working together at a construction site are not the uninvolved neutrals in each other's labor disputes that the Taft-Hartley amendments were designed to protect; in reality they are a single person and should be treated as such under section 8(b)(4).

The basic purpose of H.R. 5900 is to bring the law into conformity with this reality. In essence all that the bill does is to state that contractors and subcontractors are to be treated as the integrated enterprise they really are and that when there is a labor dispute the union having the dispute is to be allowed to engage in normal, peaceful primary economic activity.

In order to assure that this permission is not construed to make lawful activity presently unlawful, the bill explicitly states that it is not be construed to permit picketing when the labor dispute is "unlawful under this Act—National Labor Relations Act, as amended—or in violation of an existing collective bargaining contract;" for organizational or recognitional purposes declared unlawful in section 8(b)(7); for the purpose of excluding from the site any employee for reasons of sex, race, creed, color, national origin, or labor union membership; for the purpose of committing any other unfair labor practices set out in section 8(b) which regulates union activity; or for the purpose of excluding an independent union lawfully recognized as bargaining agent for employees at the site because it is not affiliated.

In addition, in order to minimize industrial strife at construction sites and to encourage the peaceful resolution of disputes, H.R. 5900 adds certain restrictions on the right to engage in primary picketing not previously recognized. These are:

The striking union must give 10 days advance notice to all employers and labor organizations engaged at the site and to the general contractor and the National Construction Industry Collective Bargaining Committee;

In event the site is a military facility the striking union must also provide 10 days advance notice to the Federal Mediation and Conciliation Service, to any equivalent State agency, and to the Government agencies concerned with the particular facility;

The striking union must receive written authorization from its parent national or international union.

Further, the bill also restricts what would otherwise be valid primary activity in order to recognize overriding competing interests. Therefore, H.R. 5900 does not permit common situs picketing.

Against employers who have been awarded separate contracts pursuant to the requirements of state separate bidding laws regulating public construction. Where the dispute involves an industrial employer and a labor organization representing his employees which arises at a construction site.

Finally, H.R. 5900 specifically affirms the authority of the courts to enjoin picketing over issues which are subject to resolution through final and binding arbitration.

In sum, the bill contains a carefully designed and limited right to engage in primary activity which it is the purpose of sections 7 and 13 of the National Labor Relations Act to permit.

Despite its simple basic purpose, the structure of the bill is somewhat complicated and I therefore wish to explain that also.

Because the primary purpose of the bill is to change the law of secondary boycotts in a particular respect, and the prohibitions against secondary boycotts is contained in section 8(b)(4)(B) of the act, the bill largely takes the form of a proviso to section 8(b)(4)(B).

The law already contains two provisos to that subsection so that the basic principle of the bill is embodied in what will be a third proviso to section 8(b)(4)(B).

The other provisos to section 8(b)(4)(B) which the bill will create developed in the legislative process for two reasons. First, some of the provisos were included to make clear that the bill would not make lawful any conduct presently unlawful under provisions of the National Labor Relations Act which have nothing to do with the problem of secondary boycotts. And second, some provisos were included to place narrow limitations on the basic right to engage in situs picketing granted by the bill.

The Senate report, pages 18 to 24 describes these provisos in greater detail. Additionally, as part of the study of collective bargaining in the construction industry, we have decided to include certain special provisions which will condition the exercise of the right to engage in primary picketing pursuant to this bill.

The first deals with the 10-day notice to the international labor organization of which the picketing union is an affiliate and to the Collective Bargaining Committee on Construction, the second is a special notice requirement for picketing at a construction site which takes place on a military facility. These provisions are explained at pages 24–27 of the Senate report and are now in section 8(g) of the act.

Additionally, the bill would add two new subsections to section 8. The first is section 8(h) which preserves the rule of the Denver Building case and treats as separate persons for purposes of the secondary boycott provisions of the law, the contractors on a project where State law requires separate bids for the awarding of contracts on a common site. Under section 8(h) picketing which was lawful even under Denver, for example, picketing which satisfies the Moore-Dry Dock standards will remain lawful.

Lastly, the committee took this opportunity to consider the much debated question of injunctive relief for breaches of collective bargaining agreements.

The committee, by adopting an amendment proposed by Senator TAFT, determined to approve the accommodation of the Norris-LaGuardia Act and the Labor Management Relations Act declared by the Supreme Court in *Boys Markets v. Retail Clerks*, 398 U.S. 235. That is, the courts will continue to be free to enjoin picketing or strikes over grievances which the unions could, pursuant to the applicable collective bargaining agreement, have determined by final and binding arbitration and so long as the remaining conditions set forth at 398 U.S. 254, and in the sections of the Norris-LaGuardia Act other than section 4 are met.

This way the arbitration provision of the agreement fulfills its purpose of substituting for strike action to resolve grievances, but the courts do not become a vehicle for the general administration of collective bargaining agreements or for enjoining concerted activity.

In conclusion, I wish to emphasize that this legislation not only corrects an error in the administrative and judicial interpretation of section 8(b)(4) which has resulted in unequal treatment for the building trades, a worthy and sufficient accomplishment in itself, but also is intended to provide the building trades with a means for coping with the all but intractable problems of maintaining organized conditions in an industry populated by hundreds of thousands of contractors and in which many jobs are of short duration.

Under the Denver Building Trades case, general contractors have been enabled to utilize nonunion workers wherever they were available, and to use union workers where the absence of skilled nonunion labor made it inescapable. They could in certain places use union electricians and nonunion carpenters, and in others nonunion electricians and union carpenters depending on the state of the labor market in a particular area for the work in question. These union men were required to contribute to the economic success of the general contractor who utilized union labor only when he had no other alternative. The general, in turn, could with their help undermine union conditions first in one craft and then another. Thus, each craft was entrapped in a process which created the potential for the destruction of its own hard won terms and conditions of employment. This has been the basic practical effect of the rule in the Denver Building Trades case. It is, therefore, our specific intent in reversing that decision to permit the building trades to use the rights accorded them by sections 7 and 13, insofar as those rights are not circumscribed by section 8(b)(7), to secure and maintain union conditions.

Mr. President, I must express my deep appreciation to the Senator from New York (Mr. JAVITS), ranking minority member of the committee, and the Senator from Oregon (Mr. PACKWOOD) for assisting in the floor management of this bill.

I should also like to extend my appreciation to the staff members of the Committee on Labor and Public Welfare for their work on this bill, including Donald Elisburg, General Counsel, George Sape, Martin Jensen, and Eileen Mayer for the majority, and Don Zimmerman, Ira Shepard, and Don Rosenthal for the minority.

Mr. JAVITS. Mr. President, I appreciate the remarks of the distinguished Senator from New Jersey (Mr. WILLIAMS), who serves so ably as the chairman of our committee. As the ranking minority member, I want to note the generous cooperation which we have received in the consideration of this legislation. It has been a pleasure to join Senator WILLIAMS in the management of the bill. I also want to express my appreciation for the work of our staff members, Don Zimmerman, Minority Counsel to the Labor Subcommittee, Ira Shepard, and Donald Rosenthal, and for the majority, Donald Elisburg, George Sape, Martin Jensen, and Eileen Mayer.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have included in the RECORD a copy of a letter to my colleagues, an explanation of the provisions of amendment No. 1058, and a memorandum discussing the application of the bill's provisions in an industrial setting.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. SENATE,
COMMITTEE ON
LABOR AND PUBLIC WELFARE,
Washington, D.C., November 19, 1975.

DEAR COLLEAGUE: The Senate has now before it H.R. 5900, legislation to permit construction workers to conduct common situs picketing under certain limited circumstances. The arguments made for and against this proposal now fill many pages of the CONGRESSIONAL RECORD, but the Senate debate has been curiously lacking in any major discussion of the merits.

While there have been a number of rumors, innuendoes, and misstatements of fact generated about this legislation, few of them have been asserted on the Senate floor where they can be answered. We would, therefore, like to set forth some of the more egregious misstatements and clarify the bill's provisions with regard to them. We hope that this will be helpful to you in considering whether to agree to amendments to the bill and its final passage.

First, there are assertions that the authorization of common situs picketing would allow the construction unions to shut down an entire industrial complex under the guise of situs picketing on a construction site. This is a serious misstatement. When an industrial employer engages a separate contractor to perform the construction work, the industrial employer's workers would be insulated from the effects of situs picketing and allowed to enter the industrial site through a separate gate. Thus, for the industrial employer in such circumstances, there is no change from existing law. Even where the industrial employer acts as his own contractor, which might involve him in a dispute subject to situs picketing, that picketing must be confined to the job site. Consequently, where there is a situation such as in a steel mill, with the construction of an addition to a coke oven, the picketing would be limited to that job site and not the entire steel mill complex, which may involve many different functions and thousands of workers in separate locations. The same principle as to the construction site would also hold true where the employer is not an industrial employer but, for example, is a university or a hospital. The situs picketing must be directed to the job site and not to an entire facility involving multiple operations with several buildings spread over a large area.

Simply stated, this legislation does no more than correct the erroneous court interpretation of the Denver Building Trades case. This bill has undergone substantial change from earlier versions to provide specifically for strike notices and authorizations, and other safeguards on the use of this economic activity. While Senators may disagree with the basic thrust of the legislation, we wish to insure that opposition to the bill is not based on any misunderstanding regarding its provisions or their application. For your information, we are enclosing a summary of the provisions of our substitute.

Sincerely,
HARRISON A. WILLIAMS, Jr.,
Chairman.
JACOB K. JAVITS,
Ranking Minority Member.

EXPLANATION OF WILLIAM-JAVITS AMENDMENT (COMMITTEE SUBSTITUTE) TO H.R. 5900, COMMON SITUS PICKETING BILL

The Williams-Javits Amendment establishes the right of construction workers to picket effectively in support of lawful goals in a labor dispute—a right enjoyed by workers in all other job pursuits.

In carefully delineated circumstances, construction workers would have the right to picket an entire construction site, just as workers are now permitted to picket manufacturing, warehousing, and other types of job sites.

The amendment is consistent with the original intent of the secondary boycott provisions of the Taft-Hartley Amendments to the National Labor Relations Act. It overrules administrative and judicial case law that misinterpreted that intent for nearly 25 years. This case law is based upon a 1951 Supreme Court assertion that the general contractor and subcontractors on a building site were separate businesses; therefore, they were to be treated as neutrals with respect to each other's labor controversies. Accordingly, a union having a controversy with one subcontractor could not picket the other contractors and subcontractors at the job site without engaging in a secondary boycott.

In most cases, in fact, a construction project is a single, coordinated and integrated economic enterprise. Contractors and subcontractors are jointly engaged in a common venture. The daily tasks of one are closely related to the normal, day-to-day operations of all others at the site. Thus, the employers who are working together at a construction site are not the uninvolved neutrals in each other's labor disputes that the Taft-Hartley Amendments were designed to protect; in reality they should not be treated as such for purposes of the secondary boycott provisions.

The basic purpose of the amendment is to bring the law into conformity with this reality. In essence, all that the amendment does is to state that contractors and subcontractors are to be treated as the integrated enterprise they really are and that, when there is a labor dispute, the union having the dispute is to be allowed to engage in normal, peaceful primary picketing.

In order to insure that this permission does not include activity that is presently unlawful, the amendment explicitly states that it is not to be construed to permit picketing of an entire construction site when:

The labor dispute is "unlawful under this Act (National Labor Relations Act, as amended) or in violation of an existing collective bargaining contract" between the picketing employees and their employer;

The object is to force another union's members off the job;

It discriminates against any employee on the basis of sex, race, creed, color, national origin, or labor union membership;

The picketing is for the purpose of committing any other unfair labor practice as defined in Section 8(b) of the Act.

In order to minimize industrial strife at construction sites and to encourage peaceful resolution of disputes, the amendment provides a cooling off period during which the international union can use its best efforts to resolve the dispute. Thus, the amendment prohibits picketing of an entire site unless:

The striking union has given 10 days advance notice to all employers and labor organizations engaged at the site and to the general contractor and the national Construction Industry Collective Bargaining Committee;

(In event the site is a military facility) 10 days advance notice also has been given to the Federal Mediation and Conciliation Service, to any equivalent State agency, and to the government agencies concerned with the particular facility; *and*

The striking union has received written authorization from its parent national or international union.

Further, the amendment also restricts what would otherwise be valid primary activity in order to recognize overriding competing interests. Therefore, it does not permit common situs picketing:

Against employers who have been awarded separate contracts pursuant to the requirements of State separate-bidding laws regulating public construction, or

Where there is an organized employer at the construction site who is not primarily engaged in construction work at the site, e.g., an industrial employer. (In this situation, his employees may enter the site through a separate gate, and that gate may not be picketed.)

Finally, the amendment specifically affirms the authority of the courts to enjoin picketing over issues which are subject to resolution in final and binding arbitration.

In sum, the amendment contains a carefully designed and limited right to engage in primary activity which the National Labor Relations Act permits.

OPERATION OF SITUS PICKETING AT LARGE FACILITIES

Question. Suppose that a university hires a general contractor who, in turn, utilizes subcontractors to build a new classroom building. During the construction, a dispute occurs at the site and the construction union involved in the dispute engages in common situs picketing. Can that picketing encompass the whole university campus and be directed at all those doing business with the university, and, indeed, all the university's employees?

Answer. The answer to your question is that the construction union may picket only the construction site or sites at which the dispute is occurring. To use your example, by no stretch of the imagination can the entire university campus be called the construction site when the construction is confined to one building on that campus. Thus, the situs limitation discussed at pages 20 to 21 of the Committee Report is intended to assure that picketing of the type you referred to cannot occur.

Question. Going one step further, would it make a difference if the university acted as its own general contractor?

Answer. If the university acted as its own general contractor and employed various subcontractors who operated under its control, the university would be "in the construction industry" and if a dispute arose at the construction site, the construction unions would have basically the same rights as they would in a situation in which the university used a standard general contractor. For present purposes, this means that common situs picketing would be confined to appealing to those whose work is connected to the construction and that the union could not treat the entire campus as a construction site. Thus, the discussion of the situation of an employer whose normal business is not in the construction industry but who acts as his own general contractor on pages 22 to 23 of the Committee Report must be read in conjunction with the site limitation which I have already described and which as I have noted, is set out at pages 20 to 21 of the Report.

There is a related point that it is appropriate to emphasize. The limitation of common situs picketing to the particular site or sites where the dispute is occurring is the only such limitation in the Act. The normal rule is that a union can picket an employer with whom it has a dispute wherever that employer can be found.

Question. Would the law be the same if the project was the construction of a blast furnace at a steel mill rather than a building on a university campus?

Answer. The answers defining the scope of common situs picketing that I have just given would fit that situation exactly. The construction union having the dispute can only picket the construction site.

Question. If a manufacturer decides to expand his facility and utilizes his own regular employees who are represented by a labor organization for some of the work, while contracting with building trades firms to do the remainder, may the employees of the building trades firms strike or picket to compel assignment of *all* the work to building trades employees?

Answer. As the Committee Report explains, the bill has been drafted "to exclude from the protection of S. 1479, those disputes which involve a union which represents employees of an employer at the site who is not engaged primarily in the construction industry but who is engaged in construction in furtherance of his main business, such as the building of an addition to an industrial facility." The bill does not protect *any* actions taken by building trades unions to compel an industrial employer to deprive his own employees of such work.

Question. May employees at a construction site refuse to install pipe manufactured at a plant represented by an industrial union, where their object is to get the contractor to purchase pipe manufactured at a plant represented by a building trades union instead?

Answer. The bill preserves the line drawn in *Woodwork Manufacturers v. NLRB 386 U.S. 612 (1967)*. Economic activity by a union, the object of which is the preservation of bargaining unit work, is "primary" and therefore lawful. But, a product boycott is "secondary" it is "tactically calculated to satisfy union objectives elsewhere", *National Woodwork, 386 U.S. 644*. Where a union's object is found to be getting the contractor to purchase products from one unionized manufacturing plant rather than another, this is a "union objective elsewhere" which is prohibited under existing law—a prohibition not affected by S. 1479.

Mr. MUSKIE. I have followed the development of this legislation, H.R. 5900, carefully and with a great deal of interest. I have received a tremendous volume of mail from Maine people expressing a range of concerns on this issue, and have had the opportunity to discuss the legislation with a number of friends in Maine who are involved with the construction industry, either as tradesmen, contractors, or consumers. The most common feature among spokesmen for either side when the legislation was first proposed, was the intensity of their convictions that common situs picketing was a black and white issue. One side claimed the legislation would allow unbridled power to construction unions and the other side claimed the legislation was absolutely essential to provide construction workers with adequate bargaining rights.

I think the review and debate which we have observed as this measure has moved through the House and Senate demonstrates that the concerns of both sides were overstated, and have allowed us to produce a bill which will have major and positive implications for the entire construction industry and for bargaining within that industry.

The bill we approved today expands the right of construction trade unions to picket a construction site, and goes a long way toward providing these unions the equality with industrial unions which has been the primary motivation behind the efforts to enact common situs legislation since 1951. However, the legislation approved today is a more refined approach than earlier proposals and goes beyond superficial equality to recognize the special problems of the construction industry. The short-term nature of the relationship between employer and employee on a construction project make both parties particularly vulnerable to bargaining techniques that are appropriate and fair in industrial situations. This legislation recognizes the importance of those special time pressures in the construction industry and contains provisions to reduce the vulnerability of both parties in the bargaining situation.

The legislation we passed today will encourage greater stability by providing working people in the construction trades the opportunity to effectively organize and engage in appropriate job actions to support their bargaining positions. It also, and just as importantly, assures that individual workers will have an opportunity to promptly and fully express their own convictions as to how and whether they would like to be represented in their own dealings with a contractor or subcontractor.

The provisions for an expedited election which are available in this legislation under the amendment proposed by Senator HATHAWAY and approved by the Senate will provide, as Senator HATHAWAY has suggested, the means for peace in the construction industry through the expression of individual interests in a prompt and effective manner at the ballot box. I am confident that construction workers in Maine, and around the country, will exercise that franchise responsibly.

The inclusion in this bill of the "Dunlop amendment" to restructure bargaining offers further hope of the action we took here today for a fair and responsible relationship between labor and management in the construction industry.

By creating a labor relations structure which can interject into each contract negotiation, broader concerns about avoiding inflationary settlements and avoiding unproductive manpower utilization which are not in the national interest; it gives labor and management the opportunity to bargain in an atmosphere removed from the pressures of an isolated dispute. The flexibility which is necessary to adjust to local and regional variations in labor and management practices is retained, however, and a tripartite committee of labor, management, and a public representative is created to review local bargaining and identify incidents of distorted settlements and intervene to avoid disruption of industry patterns.

Mr. McCLELLAN. Mr. President, I oppose this bill. The effect of this so-called common situs picketing bill, H.R. 5900, is to authorize by law a devious and coercive labor tactic, secondary boycotting.

It was congressional recognition of the evil of this and other practices that led to the passage of the Taft-Hartley and the Landrum-Griffin Acts. Our purpose then was to insulate neutral employers and their employees from labor disputes involving other employers and employees. In my view, Mr. President, that judgment, the object of which was to prohibit the coercive union tactic of forced unionization, is still sound national policy.

Should H.R. 5900 become law, the Congress will have reversed its then position which was to insure labor-management stability, and not yield to the whim—yes, the demand—of powerful organized labor when it seeks to use the intimidating and oppressive pressure practices that this bill authorizes—to compel workers to join a union against their will.

Mr. President, I realize that unions and the construction industry have had, in some instances, an unpleasant relationship. This legislation will serve to make that relationship even more unpleasant and unsatisfactory. This is a time when both labor and management and the leadership of this Nation should be searching for ways to promote harmony and stability in this important industry. This is no time to be giving labor unions more power to deny working people the right to choose freedom in preference to union domination. To vest unions in the construction industry with the right to impose secondary boycotts will place an additional and possibly an intolerable burden on an industry which is already suffering from spiraling costs, work stoppages, and an unemployment rate of 20 percent. With the passage of this proposed law, a single union with a grievance, no matter how trivial or invalid, could shut down a mammoth construction project in order to compel a half dozen working men to join a union against their will. Compulsory unionism is nimical to freedom. Freedom, not compulsion of choice, is a blessing to mankind.

My concern goes beyond the immediate and disastrous effect this bill will have on contractors, although that alone should be sufficient reason for us to reject this bill. I am concerned about the far-reaching consequences it will surely have on our national economy.

The plight of Great Britain today is an excellent example of what we may be inviting for the United States. The heavy hand of labor has guided, if not forced, that once great and prosperous country into a vortex of ever-worsening recession-inflation cycles. The great power that labor gained in postwar Britain has resulted in chronic underinvestment, a 25-percent-per-year inflation rate, and a great lack of private business initiative. With typical British understatement, Prime Minister Wilson has described Great Britain's economy as "declining."

All of this has occurred, Mr. President, in a nation whose post war philosophy, under labor unions' excessive influence and power, has been that the best way to promote the general welfare is to level out excellence, freedom of choice, incentive, and private initiative. That very philosophy is embodied in this legislation, Mr. President. We will be taking away from millions of workers their God-given right to work as a nonunion employee if they so choose. They will no longer have a choice of being nonunion, because H.R. 5900 will take that decision away from the nonunion worker and place it in the ever-more powerful hands of organized labor. Join a union, or no work. Pay tribute to a union not of your choice, or you do not eat. I reject that character of imposition on any citizen. In a free society, such an imposition should never be sanctioned by law.

Mr. President, we do not really need to look overseas for an example of the destructive power of labor union abuses—a power which this bill now proposes to expand. We only have to look at the printing presses of the Washington Post. That alone will tell us a pretty good story.

New York City's distressing problems have a multitude of causes, not the least of which has been forced wage settlements and pension benefits achieved by unions of municipal employees. That city was faced with a complete shutdown of many essential services and did in fact suffer intolerable strikes by sanitation workers and schoolteachers. In the face of such abuses of power, New York City leaders capitulated to their unions' exorbitant demands. Now, New York City is asking the American taxpayers to bail it out. May I remind my colleagues that there is no source to which we can turn to find someone to bail out the Federal Government. Let us learn and observe a proper lesson on this issue before it is too late.

Mr. President, my purpose with these remarks is not to in any way criticize or condemn the honest American worker whether a member of a union or not. On the contrary, working people are the backbone of our Nation and deserve our highest praise and respect. They also deserve our protection, Mr. President. Passage of this bill will not protect them but will only serve to take away the American workers' freedom of choice and freedom of work and place his future in the discretion—in the hands—of a union boss. Mr. President, this bill will allow unions to impose direct restraints on competition and will spread the venom of labor disputes to innocent and defenseless third parties.

Some few years ago, Mr. President, I was involved in a congressional investigation of labor unions. That experience serves me well in making a judgment on this proposed legislation. We should not allow labor unions to impose their will upon others by force and intimidation. They do not require or deserve Federal shelter that will permit the coercive and unjust imposition of secondary boycotts.

This bill should be defeated. I ask unanimous concent to insert in the RECORD an editorial which appeared in the Arkansas Democrat on November 4, 1975.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

Stamp Out Common Situs

Organized labor is pushing Congress and the White House to hand it a long-denied prize this session: the right to shut down an entire construction project by striking one contractor out of the many busy at the site.

It's hard to believe that the House has already passed a bill legalizing such "common situs" picketing and that Mr. Ford has no objection to the bill. Only the Senate, it appears, stands between the bill and its adoption, and the Senate appears shaky.

There's nothing good in common situs. It gives a single union power to deny people work and make contractors and investors lose money. When the Supreme Court outlawed the practice in 1951, it said such picketing penalizes contractors not party to a dispute and denies work to their (sometimes) non-union employes.

These non-union employes are the real target of common situs. The Senate should consider the bill as simply another attack on the right to work—the right to be union or non-union as one chooses. That's what the bill is. Union leaders themselves say they are after the non-union workers in an industry 50–60 percent unorganized.

The "official" defense of common situs, as put forward by the AFL–CIO's George Meany, is very weak. He argues that all contractors involved in a project are really one employer because they work closely together. No doubt, they do. Money is an object—if they aren't playing Mickey Mouse or Keystone Cops.

But what really matters is this: No matter how much they may work together on a project, the contractors and their employes are primarily working for themselves. Why should neutrals be made unwilling parties to a quarrel and be forced to give up money and property without due process of law? A strike denies the neutrals all recourse for damages inflicted (including suits for breach of contract) by the union in its effort to bring one contractor to terms.

But labor's real complaint is that the ban on common site picketing undercuts unionism. So labor's quarrel is really against all non-union employers and their employes. Striking the unionized contractor is only a means to an end.

Meany says that general contractors employ non-union sub-contractors who pay their workers less and often give them work previously done by the general contractors' unionized members.

So what? The contractors have a right to do that. And the men who work construction sites have a right to work for such contractors. It isn't a crime against unionism to get construction done as cheaply as possible or for people to do "union work" even if they aren't members. Work is work.

Nevertheless, under common situs strikes, all work will stop—until all contractors working on the job hire union workers. Then, the trouble will vanish like magic. Meanwhile, if non-union employes cross the picket line to their jobs, there will probably be violence. It is a no-win situation for contractors and employes alike.

Should one union have such coercive powers—powers unrelated to the specific grievances on which its strike is legally based? Of course not. Common situs is simply a campaign to spread unionism.

If it is adopted, a construction industry already reeling from recession will be struck to death—or to unionism. The worst of the campaign is that it is directed against the non-union worker, who would lose his right to work, even in right-to-work states like Arkansas.

For that reason alone, Mr. Ford should reconsider his support of common situs. Better yet, the Senate should save him the trouble of a veto by voting down this disruptive invasion of free enterprise and individual rights.

Mr. THURMOND. Mr. President, the legislation presently before the Senate, S. 1479, is of vital importance to the construction industry and the Nation as a whole. If this legislation passes, construction unions will be allowed to engage in secondary boycott activity at construction sites, even though such activity has been illegal since 1951.

A secondary boycott occurs when a labor organization having a dispute with one employer, for example, a subcontractor, extends the dispute to a neutral employer, the general contractor or another subcontractor, who has nothing to do with the dispute, through picketing, inducement, or coercion. It is an attempt to force neutral employers and their employees to cease business relations with the "targeted" employer.

Many of our labor leaders argue that legalizing common situs picketing would do nothing more than place construction unions on an equal basis with industrial unions. They claim that if a union at a manufacturing plant has a labor dispute with its employer, its picket line can lawfully be honored by other unions and the entire plant shut down. Their contention is that the present limitation on picketing at a construction site of the primary employer is unfair.

These union leaders conveniently fail to recognize the difference between a single industrial employer and a construction employer who is usually only one of a number of employers at a construction site.

An industrial manufacturer is a single employer who deals with all or nearly all of the unions involved and has control over all of his labor policies. However, a construction site is representative of a number of independent employers who, along with their employees, are temporarily assembled to perform work on the site. There is no single employer controlling labor policies for every employer on the job. Each employer has his own labor policies, wage rates, and working conditions.

Mr. President, the rights of any construction union to picket any employer with whom it has a legitimate dispute are expressly guaranteed by section 8(b)4(b) of the Taft-Hartley Act. In enforcing this law, the National Labor Relations Board has established rules of fair picketing for the unions to follow. These rules require that the picket sign indicate against whom the picketing is directed; that picketing must be conducted as close as possible to the working area of the employer in dispute; and that the dispute be located on the jobsite rather than in a warehouse or somewhere else. Additionally, picketing at the site can only be carried on when the "targeted" employer or his employees are on the job.

These rules, which apply to all unions, have been consistently upheld by the National Labor Relations Board and the Federal courts. They provide a wide area of latitude within which construction unions can conduct picketing on construction sites.

If there were no safeguards to guarantee fair picketing, as would be the case if this bill is enacted, labor unions would be free to persecute neutral and independent employers and their employees. Small businesses would be especially vulnerable to union pressure, and in the end, the construction industry and the general public would be the losers. This legislation would increase labor strife, illegal closed shops, racial discrimination, and inflationary wage settlements; and some feel it would effectively nullify section 14(b) of the Taft-Hartley Act, which allows a worker to exercise freedom of choice in determining union affiliation.

Mr. President, the longstanding ban against union pressure to force cessation of business relations is a fundamental provision of Federal labor law. If common situs picketing is legalized, construction unions will have great capability to suppress competition and to dictate onsite business relationships. The unions would have the capability to force the discharge of employers from construction projects where they are unacceptable to the union.

By permitting picketing against work places of all employers on a construction site, even though a union has a dispute with only one employer, this legislation imposes unfair economic penalties on employers and employees who have no responsibility for the dispute and no authority to resolve it. Everyone understands the heavy economic penalties which result from the use of the picket line. To construction union members, the picket line is an ultimatum which is crossed at the risk of a heavy fine or expulsion from the union. To employers, the picket line is synonymous with additional interest on construction loans and additional rental charges on equipment. Under existing law, employers and employees are protected from unwarranted picket lines. This legislation exposes both neutral employees and neutral employers to heavy economic penalties with no administrative procedures for compensation to injured employers or employees who suffer unjustified economic losses because of this bill.

Mr. President, this legislation would permit picketing of the entire construction site in order to coerce nonunion employees into joining unions, even if the nonunion employees were working for only one subcontractor. This would destroy, at least in the construction trades, the guarantees of the Taft-Hartley Act to protect workers from being pressured into joining unions. As a result, construction work would be less attractive to members of a minority group.

The discrimination against minorities will result because there is no possible way in which the vast picketing power granted to the construction unions can be administered. Under this bill, construction unions would have the power to state what their grievance was in justification of their total-site picket lines. No doubt this justification would be issued on advice of a union's counsel and would be for a lawful purpose. In this way the nondiscrimination provisions in this bill would be circumvented and would be totally useless to curb the known tendencies of the construction unions to discriminate against minorities. This is directly contrary to the stated policy of Congress and the Federal Government that each individual has an equal right to a job regardless of race.

Mr. President, this bill is no godsend for the average union member, despite what these men and women have been led to believe by the labor bosses. If a member of a labor union crosses a picket line, he is subject to fines or expulsion from membership. If this bill passes, there will be a proliferation of total-site picket lines. Union members will be faced with the decision of whether to cross the picket line and be fined or expelled from the union or not to cross the lines and receive no wages. The union members will lose wages as a result of an isolated dispute in which they had no part. These economic disadvantages will far outweigh any possible benefit the union could derive from the bill.

This bill will penalize union subcontractors as well as the workers they employ. When picket lines increase as a result of a union dispute, there will be a tendency to avoid the use of union subcontractors in all areas where there is a choice. As most subcontractors, whether union or open shop, are small businessmen, this bill will have a destructive effect on small businessmen. Where a subcontractor is operating under an agreement with a union, he will have increasing difficulty getting jobs that are planned to be mostly open shop. This may mean curtailment, and eventually cessation of business, all as a result of the passage of this bill. This bill deprives the construction industry of small businessmen; and as a result, the consumers of construction will be deprived of maximum competition and lower prices, while society will be deprived of the value of having its citizens being able to enter and compete in an industry which comprises a substantial segment of our economy.

Passage of the pending legislation would lead to further destruction of small businessmen in this industry, due to increased integration of construction operations.

As a result of clashes between union and nonunion subcontractors, along with increased costs and missed deadlines, construction operations will expand, and duties normally performed by subcontractors will be absorbed by general contractors. Small businessmen and subcontractors will find their markets disappearing, and they will eventually fold or be taken over by the large firms with integrated construction operations.

Another reason for the increased integration of the construction industry, which will occur if this bill becomes law, is the expected increase in polarization of the industry. According to testimony presented by the Secretary of Labor, polarization of the construction industry is expected to occur as a result of this bill. Employees under labor agreements would gravitate into one camp, and employees not under labor agreements would gravitate into the other camp. This would result in an inability to coordinate or obtain cooperation among all of the significant elements of the construction industry in a city or State in which some employers operate union and others operate open shop. This polarization would deprive construction consumers of the economy and efficiency of operations that can be derived from cooperation among all construction elements.

Mr. President, the construction industry in this country already suffers from a high level of unemployment. One reason for this high unemployment is that industry has priced itself out of the market, particularly in the area of wages. This legislation would encourage construction unions to use their new found power to demand and receive more spectacular wage increases, which, coupled with less productive work practices, will further price their members out of the market.

As construction becomes more expensive and more bothersome, due to increased strikes, the number of construction projects will be reduced. This will add to the already depressed state of the construction industry and contribute to further depression of the national economy. If there are no construction jobs, it will be of no benefit to the construction contractors nor to the construction workers, whether they belong to a union or not.

The only reason this legislation is even being considered is because the labor bosses want it considered. Mr. President, this is bad legislation; it is "special interest" legislation of the worst kind, and the Senate must defeat it.

Mr. President, I ask unanimous consent that an editorial by William F. Buckley, Jr., appearing in the November 14, 1975, edition of the Washington Star be printed in the Record at the conclusion of my remarks. Mr. Buckley accurately and articulately describes the inherent unfairness of this common situs legislation.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Star, Nov. 14, 1975]

Liberty and Economics Are Joint Victims of "Situsitis"

You are—let us suppose—the head of a company that specializes in the installation of elevators. You employ regularly 35 men and women, and when you have a big job, you go out into the market and add to your working force as necessary. Every couple of years, somebody in your organization proposes that the workers unionize. Following strictly the rules prescribed by the National Labor Relations Board, you facilitate a vote on the matter. Every time, the vote has come out heavily against joining the labor union. The collective right not to join has not been challenged anywhere—the majority is supposed to decide on these matters. It is a right that the Congress, with the backing of President Ford, is about to repeal for your company and others like it.

They call it, with an etymological atavism the motives of which I have not been able to trace, the "common situs" bill. Situs is Latin for site, and since they insist on calling it that, I'll go along, just as I call Cassius Clay Muhammad Ali. Under the proposed common situs act, which breezed through the House and through the Senate Labor Committee, and is coming up now on the Senate floor, you and your employes would, in effect, be faced with two choices. Either join the union, or go out of business.

The reason it is narrowed down to these two choices is that the construction trades are highly organized: the masons, carpenters, plumbers, electricians, bricklayers, etc., though here and there are exceptions. In 1949, in Denver, a firm engaged in constructing a building subcontracted the electrical work to a small, non-union firm (remember, that since the NLRA, a non-union firm is defined as a firm that doesn't want to join the union, not as a firm that isn't permitted, by the employer, to join a union). The trades union council of the other workers threw up a picket line around the entire site, or situs as the solons denominate it.

Returning to Anglo-Saxon, the contractor fired the subcontractor, pursuant to the capitalist ethic that profit comes first.

But the subcontractor sued before the National Labor Relations Board, which ruled that he was entirely correct: the contractor didn't have a right under the law to fire him because the Taft-Hartley Act prohibits secondary boycotts against different employers engaged in different activity. Under that act, if let us say the meatworkers union strikes against a McDonald's hamburger stand, the electrical workers at Con Ed can't strike against the generating facility that furnishes light to the hamburger stand.

The Supreme Court absent-mindedly confirmed the NLRB in 1951, and ever since then it has been the dream of the construction unions to get legislation passed that would exempt them from the secondary boycott ban of the Taft-Hartley Act. Presumably because construction workers, though their rhetoric is usually Democratic, are mostly Republicans under the skin, even Eisenhower and Nixon backed the common situs act which would permit the Denver-type situation.

The fact of the matter is that a critical American liberty is about to be removed from the scene. Since it is not fashionable to talk about our evanescing liberals, one might put it this way. The construction business, which does $130 billion worth of activity in America every year, is highly depressed, and it is highly depressed in part because costs are astronomical. To contribute at this economic moment a piece of legislation which will 1) make it easier for a single union to close down an entire construction project; and 2) put pressure on nonunion and freelance labors to organize and in many cases raise costs, which 3) will be passed along to the consumer, which 4) will lessen the demand for construction 5) which will increase unemployment, is—a high price to pay for saving union pride.

Mr. NELSON. I have spent a great deal of time in the past month struggling through the 620 pages of testimony and exhibits presented to the Senate Labor Committee on situs picketing, the 74-page committee report, and several court and NLRB decisions.

The only significant statement unchallenged by either side in all of the testimony was the assertion by one witness that no one understands the intricacies of the building construction business except those from management and labor directly involved in it, and I even have some doubts about that. Nevertheless, the issue is before us and we each have the responsibility of trying to determine what result best serves the public interest. That is not easy because there are so many imponderables, so many intricate relationships, and so many traditions and practices in the industry that no two persons viewing the same conglomeration of facts and circumstances are likely to come to the same conclusion. All of this is further compounded and confused by the misunderstandings, misinformation, and emotionalism surrounding the issue.

Many on one side consider the bill a disaster for the building construction industry while many on the other side consider it to be the millenium, and in my judgment, neither side is correct.

There are, in fact, many features in the bill and consequences that will flow from it that are beneficial to both management and labor, and the public as well. Nevertheless, there are two problems caused by this legislation which persuade me, on balance, to vote against it. I expect it is superfluous for me to say that I cast my negative vote with great reluctance, knowing that my powers of persuasion are inadequate to the task of explaining how a pro-labor Senator could vote against an important labor proposal that has been endorsed by the last three Republican presidents.

The two major problems caused by this legislation involve the innocent third party contractor and the important public policy implications of a "polarization" within the construction industry. Neither issue has been addressed but peripherally in the testimony and debates.

Let us take the case involving the innocent third party. He is a small businessman. He has no financial reserves. He employs only union labor and has a long record of strict compliance with the union contract and good relations with his employees. He is a contractor or subcontractor on the site with numerous other contractors and subcontractors when a dispute arises on the site involving an unrelated contractor and his employees on an unrelated building. He then becomes the victim of a dispute in which he is totally innocent. Since he is a small businessman without resources he may be destroyed by a dispute not of his own making. Of course if all contractors, subcontractors, and unions on the site have signed no strike and arbitration agreements he is protected, but that is not the case on all jobs and sites. If it were, then situs picketing would be of no importance to anyone. It is interesting to note that if the site is picketed for recognitional purposes because of the presence of a nonunion contractor, the bill provides for a resolution of that issue within 14 days.

The issue of polarization is broader and its long-term implications more significant than any other aspect of this legislation. The likely result of this legislation is that the country will tend to become sharply divided into areas of all union and all nonunion work in the construction industry. In those areas where unions are strong construction will be all union, and where they are weak it will be all nonunion. Both sides seem to concede this point and it seems to me the logical result. This may very well be a satisfactory result to many union and nonunion employers and employees, but in the long term I do not believe this result would serve the public interest and if it does not, it will not serve the interests of employers or employees regardless of their status as union or nonunion.

To sharply polarize the country into areas of all union or all nonunion construction work deprives each area and thus the public of the maximum benefits that flow from competition in productivity, innovation, pricing, quality and efficiency. That is too large a price to pay whatever the benefits that would flow from this legislation.

COMMON SITE PICKETING: ANTIWORKER LEGISLATION

Mr. ALLEN. Mr. President, it would be easy to cast one's vote on the pending "common situs picketing" legislation if we could deal with the merits of the proposed measure in human, individual terms. That is, if we could strip away from the debate the institutional rhetoric of both organized labor and organized employers, we would see at a glance that the effect of passage of H.R. 5900 or S. 1479 would be antiworker. For me, the important and critical aspect of the legislation is the effect it would have on individual rights. I shall not vote to restrict the right of a person to enter into a contract with another person; I shall not vote for legislation designed to endorse the view of a group over that of the individual; I shall not vote for a measure which pits the innocent, working bystander against the power of organization; and I shall not vote for a bill which—if passed—would have a detrimental effect on the American workingman, whether or not he belongs to a union.

The present debate is long on rhetoric about the rights of organization, and short on the rights of people. What is our purpose here? Should we be designing a national law that undermines the sacred right of individuals to enter into contracts? In short, in a day when the construction industry is hard-pressed to maintain employment, to gain employment, to build, should we be embarked upon a course of action which could lead to the loss of employment, restriction of future employment opportunities, slowdowns in current construction, and, almost certainly, would lead to an inflationary rise in the cost of construction? I say no.

The pending bill is not designed to help people, it is designed, specifically and totally, to help organization. I support the constitutional right of employees to band together in labor unions to protect common interests, to improve working conditions, and to negotiate, even strike, to obtain better wages and work-related benefits, but I do object to the underlying concept in H.R. 5900 that it is the duty of the Congress of the United States to write into law that unionized, organized work is the only work that shall be done, anywhere, anytime, as far as construction projects go. The Congress could be going on record as saying to the American people that only union construction work is legal work.

That is a patently untenable position for the Congress to endorse and I venture to say that the American people will not buy such a legislative grant of power.

In spite of all the rhetoric, the issues in the situation before us are perfectly simple: As a result of a 1951 Supreme Court decision, certain types of union picketing at construction sites are currently outlawed as constituting the kind of "secondary boycotts" forbidden by the Taft-Hartley Act. If a labor union has a dispute with a particular subcontractor at a construction site, it can throw up a picket line only at the gate reserved for use by that subcontractor's employees. It cannot picket the entire site. Now comes the legislation from the House of Representatives which would legalize picket lines around an entire construction site even though only one craft might be on strike. Should the Senate concur in this measure, there would be no more mixing of union and non-union work at a site; the intermixing of union and non-union workers at sites at present is the only logical and economic way in which many projects can be built. In short, passage of H.R. 5900 would outlaw nonunion work at construction sites. The union management would have at their disposal the final and ultimate weapon needed to force all contractors and subcontractors working at a common site, to employ only union members. The principal author of H.R. 5900 is reported to have said that:

> . . . No employer with a brain in his head is going to try to mix union and non-union subcontractors once this bill is enacted. It would be an open invitation to trouble.

So we know, then, that the purpose of the bill is to force unionization on every craftsman in the country. Such legislation is to be expected from the socialized and totalitarian countries in the world, but should the United States, the citadel of capitalism and free labor, be guilty of such coerciveness? I think not. I hope not.

The issue involved in this special interest group legislative debate are certainly not new to the Congress. Several attempts have been made since 1951 to overturn the Supreme Court's decision. To date, the efforts have been unsuccessful because most Americans believe in freedom of choice. In fact, according to a recent survey conducted for the Business Roundtable by the Opinion Research Corporation, 68 percent of the general public feels that building trades unions "should only be allowed to picket the work of the contractor with whom it has a dispute and not the whole building site."

Significantly, the same survey indicated that 57 percent of all union members oppose common situs picketing legislation. I am indebted to our colleague from Arizona (Mr. FANNIN) for bringing these and other poll results on this issue to my attention and I refer you to his comments in the CONGRESSIONAL RECORD of October 30, at page S18593, for further details. It would appear that the Congress, in considering this bill, is working against the wishes of the people at large, and particularly, against the people who, ostensibly, would be helped by the legislation if we are to believe the proponents of H.R. 5900. The legislation is designed to help organizations, not workers.

How can the legislation be termed "antipeople?" Proponents wish to stop all nonunion construction employment in the first place. Further, the advocates want the "right" to stop all neutral employees and employers from completing their contracts on any construction job thus putting pressure on the struck employer and his employees, to give into whatever wage demands are being made by a particular union at the site. For example, let us assume that a large industrial construction project is underway and that there are 15 or so craft unions under various contracts to perform the necessary tasks to complete the work. Should one, just one, of the labor contracts with one, just one, of the employers on the site expire, and the union is forced to strike, every other craft union on the total job would be forced to honor the picket lines by that one union until the contract dispute with that one employer is resolved. It is an updated version of the cliche about, "for want of a nail * * * the war was lost." In this case, as an extreme example perhaps, but it is possible because of a difference of opinion in negotiations over the length of a coffee break by a union local of 12 workers, a million dollar project and hundreds of other workers could be thrown off the job.

It is bad enough today in the construction industry when one part of a site is struck and work depending upon the skills of the striking union members are holding up a project—thus increasing costs—but consider the potential for danger and yes, violence, if the entire site were to be shut down with the resulting loss of income to all the workers concerned. Are we to sacrifice individual rights, the sanctity of contracts, the genius of diverse talents and skills to build, and thus to progress, on the altar of organizational purity and labor union management solidarity? I should hope not.

I abhor the violence we already have at construction sites when there are labor disputes. I shudder at the thought of the kind of violence that could occur if, for example, the carpenters did not agree with the plasterers, or the, whatever, union members, and decided to cross the common site picket lines. There is an unfounded assumption on the part of the advocates of this legislation that labor is monolithic and that no such internecine warfare would or could take place. I believe this is a fallacious assumption and to enact this legislation would be to light a fuse that could result in hundreds of explosions in thousands of construction sites around the country. My example is premised only upon the potential action and reaction of individual union members to a common site shutdown; what happens to the nonunion worker? He, of course, is an innocent victim in that his existence on the job is threatened directly, but more important, his right to his contractual job is canceled, and by the Congress of the United States. Surely, we have not traveled that far down the road to serfdom.

If we did not have enough problems in the economy, this legislation would make the situation in the hard-hit construction industry intolerable. If we are to allow the secondary boycott through this legislation, could not those unions who supply and deliver to sites, refuse to cross the common site pickets? Of course, if these conditions are met: The labor dispute is not unlawful; it does not violate a labor agreement; it does not involve nonconstruction unions that may be incidentally on the site; it does not involve racial discrimination; and if 10 days' notice is given before total site picketing can take place at defense installations. Is that enough protection for the public? I think not.

In an effort to "sweeten" the bill, some labor disputes would be prohibited, to wit: those disputes involving union jurisdictional claims; disputes over the use of fabricated products which do not cut into the union's traditional on-site work or products whose selection is beyond the contractor's control; disputes for negotiations after the union lost its election; and disputes over nonmandatory subjects of bargaining. Is that enough protection for the public and the construction industry? Perhaps, except that some other types of labor disputes could still shut down entire construction sites such as: the presence of an open-shop contractor or subcontractor on the site; the use of fabricated products which cut into a union's traditional on-site work; demands for bargaining for the first time; grievances under labor agreements which have no arbitration and no strike provisions; negotiation of labor agreements; grievances over alleged failure to pay fringe benefits under labor agreements; grievances over a firm's having a labor dispute at a different site; allegations that a firm is paying below area wage-fringe levels; allegations that a firm refuses to bargain in good faith; and allegations that a firm is conducting unsafe operations.

It seems to me that the potential for shutting down an entire site, for whatever reason, far outweights the restrictions against such shutdowns. And who is the loser? The first loser is the American worker, whether he is a member of a labor union or not. The second loser is the contractor, who employs the union or nonunion craftsmen to build a project. Third, the property owner loses by delay in completion of the project. And, the big loser is the American public who must pay the price of higher costs of construction and the almost certain social costs of increased labor violence.

In an economy that is shaky, the Congress should not allow for further disruptions and that is exactly what passage of H.R. 5900 would do. The country cannot afford this legislation. The American workingman cannot afford this legislation.

Mr. HUMPHREY. Mr. President, this afternoon the Senate adopted amendment No. 1078 which exempts light residential construction from the provisions of H.R. 5900. I was not on the floor during the debate but was assured that the purpose of the amendment was to protect the small contractor. I am sure that many other Senators were of the same opinion. However, I will not attempt to speak for them. Now it has been brought to my attention that this amendment goes much further than the intent of its supporters such as myself.

Residential construction currently accounts for about one-half of the dollar value of new private construction being built in America. Under the provisions of this amendment 90 percent of all residential construction would be exempted.

As I stated earlier my intent in supporting this amendment was to protect the small contractor and businessman. However, I am dismayed to learn that the large, multifaceted companies that engage in the construction of single family or small multifamily dwellings also come within the bounds of this amendment.

It is imperative that a distinction be drawn between the small contractor and the large multifaceted one. I can understand the need of the small contractor for special protection and that was my intent when I voted for this amendment this afternoon. However, I see no need to draw a distinction between the large residential construction conglomerates and other large construction firms to which the provisions of this legislation apply. It is my hope that the Senate conferees will take this viewpoint into account during conference action on this bill. I would also like to be sure that the House conferees fully understand that the amendment was adopted under parliamentary procedures that prohibited legislating the distinction that I have attempted to make in these remarks.

INDEPENDENT UNION AMENDMENT TO S. 1479

Mr. TAFT. Mr. President, for many weeks now I have wrestled with the problem of fashioning language which would protect the status of independent unions from the application of common situs picketing. I have been attempting to flesh out a recommendation that was first made by Secretary of Labor, George Shultz, as recently advocated by Secretary John Dunlop, in his testimony before the Labor Subcommittee on this bill. At that time, Dr. Dunlop indicated that administration support for the legislation to legalize common situs picketing was conditioned upon the incorporation of certain appropriate and essential safeguards into the bill.

Dr. Dunlop then went on to enumerate what are those safeguards. He indicated that the legislation should, among other things, include language to protect the interest of industrial and independent unions. However, he offered no concrete suggestions as to the type of provision which would best accomplish the objective of protecting independent unions.

I became concerned with this issue and the challenge it represents. Throughout the course of the hearings on S. 1479, I asked several witnesses as to their suggestions as to how this independent union protection might best be afforded. I must admit that there were not a plethora of recommendations on this point, and this certainly did not make my job any easier. Nevertheless, I believe this issue is sufficiently important for the Congress to come to grips with it and to include language within the bill which will have the effect of granting independent unions necessary substantive protections.

In full committee, I offered a two-part amendment which would have protected a worker already on a common situs job site from being excluded or removed from that job, because of his membership or nonmembership in an independent labor organization. The second part of my amendment would have also prevented the use of common situs picketing for the purpose of excluding for any reason a lawfully recognized independent labor organization already working on the common site and representing employees thereon.

Senator JAVITS offered a substitute amendment which was adopted by the committee. While the substitute preserves the substance of the first part of my amendment dealing with the protection of the individual employee, it only prohibits the exclusion of a lawfully recognized labor organization on the narrow ground that it is not affiliated with any national or international labor organization.

Frankly, I did not, and do not, believe this substitute amendment goes far enough in the area of protecting independent unions. In the real world of labor relations, I doubt if the amendment will have any significance for independents. While there are some protections in the bill for an independent union in situations where competing unions are seeking recognition from employers who have validly recognized those independent unions, nevertheless, there are no other protections in situations where a union is seeking to oust an independent union, because that independent is signatory to an agreement which contains what an affiliated union views as substandard wages or for other reasons which a picketing union cared not to disclose.

However, I have reconsidered the impact of the amendment I offered in committee. Perhaps it might go too far in insulating an independent union from valid and peaceful "area standards" picketing and thus affords protections which are not available under current law to other labor organizations.

I then focused my attention on drafting an amendment which would bridge the gap between my original amendment and the Javits substitute and provide additional protections for an independent labor organization. To date and after considerable thought about this subject matter, I have been unable to fashion language which will accomplish my objectives and which will be supported by my colleagues.

I serve notice on the Senate that I will continue to explore a solution to this problem. I will monitor carefully, as best as I am able, the effects of this bill on the independent unions' ability to survive and compete effectively in the construction industry. If legislative relief for these organizations appears necessary, we should make this issue a priority item on our legislative agenda.

Mr. HANSEN. Mr. President, I cannot support this bill and will vote against its passage.

Under present law, a construction union is guaranteed the right to strike and picket its employer as long as innocent third parties on the job site are allowed to continue to work. Legislation on which we will soon vote, the common situs picket bill, will allow a union with a dispute with one subcontractor on a construction site to picket the entire job site, and, in effect, cause the cessation of all construction at the site.

The legislative history surrounding the passage of the Taft-Hartley Amendments in 1947, as well as previous Supreme Court and National Labor Relations Board decisions, have all dictated that employers and employees ought not to be harmed by labor disputes not of their own making. The proponents of the instant legislation avoid the dilemma of harming or involving innocent neutrals by contending that there are no neutrals on a construction site. They argue that employers on a construction site are all engaged in a "joint venture." The proponents allege that a construction site is analogous to that of a manufacturing operation. They argue that because the employees of any division of a manufacturing operation may picket the entire manufacturing operation, the effect of which may cause the cessation of the entire operation, construction employees should be given the same legal rights.

Mr. President, there is a clear distinction between a construction site and a manufacturing site. There is only one employer at a manufacturing site, whereas on a construction site there are many subcontractor employers. An individual construction subcontractor has absolutely no control or influence over another subcontractor employer on the construction site, the employees of that employer or the wages and working conditions of those employees. No construction site employer can resolve disputes between another construction site employer and that employer's employees. The only thing the various construction subcontractor employers share is a temporary common work site.

Mr. President, it is totally unfair to embroil a construction employer is a dispute not of his own making, and over which he has no control. Merely because one employer on a construction site has a dispute with his employees, the effect of this dispute should not result in a work stoppage of the entire construction site, often putting hundreds of innocent, noninvolved employees and their employers out of work. The dispute and its effect should be limited to the employer and employees actually involved in the dispute. Innocent employers and employees should not be forced out of work, because of a dispute between some other employer and his employees.

Mr. President, the proponents of this legislation assert that the bill is necessary to give construction workers bargaining equality with manufacturing workers. This argument has absolutely no merit. Building trade unions currently enjoy unprecedented bargaining power. Building trade union employees enjoy more benefits, and higher wages, than their manufacturing counterparts. Moreover, Department of Labor figures indicate that this gap is widening.

Hourly construction wages increased from $3.70 an hour in 1965 to $7.17 an hour in 1975, while the increase in manufacturing wages was only from $2.61 in 1965 to $4.76 in 1975. In addition, other industries are equally behind the construction workers in monetary terms. The 1975 average hourly wage in mining was $5.20; in transportation, $5.40; in finance, $3.81; in services, $3.74; and in wholesale and retail trade, $3.47.

Additionally, Mr. President, unemployment in the construction industry is extremely high. Unemployment in this industry was 21.8 percent in June 1975, as opposed to 10.4 percent in June 1974. Construction workers do not need increased bargaining power, they need increased work. Clearly, work availability will not be increased by enacting this legislation; in all probability, construction employment will decrease because of increased bargaining power. Increased bargaining power will certainly result in increased wage demands, which will in turn push construction costs upward, causing less construction and more unemployment.

In sum, construction employees do not need increased bargaining power. Legislating increased bargaining power will only result in more construction unemployment.

Additionally, this legislation will result in a general worsening of labor/management relations in the construction industry. This legislation could be used to, first, force a nonbuilding trade union employer off the job; and second, force a construction employer to accept a union's interpretation of the contract where the contract does not have a no-strike clause.

Moreover, contractors, subcontractors, and union members who have good labor relations will become embroiled in disputes not of their own making. The total effect of this legislation will be to worsen labor relations.

Another major shortcoming of this bill is that it would permit picketing and other activities by construction unions which tend to undermine State right-to-work laws. While there is nothing in this bill which would directly allow a union to engage in common situs picketing for purposes of obtaining a union security clause in a right-to-work State, it would encourage all-union shops, notwithstanding State right-to-work laws to the contrary.

The Washington Star, in a recent editorial, stated:

> If this bill becomes law, it will coerce general contractors into using only union subcontractors. It will mean less competition, higher construction costs and yet another restriction on freedom of choice for employers and workers.

Congressman THOMPSON, chief sponsor of the companion House bill, has stated:

> Reduced to its simplest terms, no employer with a brain in his head is going to try to mix union and non-union subcontractors once this bill is enacted. It would be an open invitation to trouble.

The Senate debate on this bill has reaffirmed Congressman THOMPSON's statement in this regard. Clearly, this bill will assure the demise of open-shop arrangements. If a nonunion contractor is on a construction site, union members will picket the site to stop construction; ultimately, this will force the nonunion contractor off the job. In effect, nonunion contractors will be excluded from working construction projects where union contractors are present. This will clearly undermine State right-to-work laws.

Mr. President, I cannot support this legislation. Its effect will be to disrupt the entire construction industry. While such a result is bad at any time, it is particularly objectionable at a time when the industry is in an economic slump with approximately 21.8 percent unemployment. I strongly urge my colleagues to vote against this legislation.

Mr. TOWER. Mr. President, bearing the euphemistic title of "a bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers," the common situs picketing issue is once again being foisted upon us at the behest of the big labor bosses. Unfortunately, a lemon by any other name is still a lemon, and that's just what this is—a real lemon.

For over 20 years now, Congress has consistently defeated common situs bills. Undaunted by past failures, both in Congress and in the courts, the construction unions continue to doggedly push their cause celebre. Their goal, of course, is to increase big union power. That is exactly what this bill is all about, Mr. President, and if there is anyone who doubts this, I would point out that it was an AFL–CIO witness who said in testimony before the House Education and Labor Committee, that the purpose of this bill is "to see every job in America a union job—that is what we are out for."

What concerns me about this legislation is not simply the fact that the unions would like to organize more workers—this could hardly be considered a sinister or illegal goal. What does concern me, and what concerns a great many of the people I represent, is the way in which this bill proposes to alter labor-management relations, and the price which will be paid as a result.

At a time when our economy is finally showing some signs of recovery, this bill will plummet us right back into the throes of inflation. At a time when the construction industry—which accounts for nearly 12 percent of our GNP—is already depressed, this bill will permit more frequent and costly strikes and disruption. At a time when housing needs—particularly for lower and middle income groups—are particularly urgent, this bill will all but assure that such moderate-priced housing will not be available. And at a time when unemployment in the construction industry hovers around an astounding 21 percent, this bill will idle more workers through increased strike activity.

There is no doubt that this legislation will vest more power in the labor unions, and it will cost the consumer dearly. At a time like this, Mr. President, what we do not need is a common situs picketing bill.

What H.R. 5900 proposes is to exempt the building and construction trades unions from the secondary boycott prohibitions of the National Labor Relations Act; in other words, the bill would legalize secondary boycotts in the construction industry. The secondary boycott prohibitions are solidly established in existing legislation and in case law; but the unions present two arguments to justify the destruction of the secondary boycott protection for building contractors and subcontractors. They argue that these prohibitions work an unequal hardship on them, when compared to unions in other industries such as manufacturing where a primary dispute may be carried on at a common situs. They also argue that the typical construction site situation involves no secondary employers worthy of protection, but rather constitutes a "joint venture" in which general contractor and all subcontractors have identical interests.

In analyzing the unions' "joint venture" theory, it is helpful to look at the history behind the secondary boycott prohibitions that H.R. 5900 would overturn. The Congress which passed the Taft-Hartley Act respected the right of a union to strike or picket an employer with whom the union has a primary dispute. But that Congress drew the line at secondary boycotts, which represent an attempt to coerce an employer not involved in the primary dispute into pressuring the primary employer to accede to union demands.

It is relatively easy to distinguish primary from secondary picketing in most instances where the respective employers have separate places of business. Where the distinction is difficult to make is the situation where primary and secondary employers are both at work at the same job site. In general, employees of a primary employer are entitled to picket their employer, even in this situation. But such picketing has an unavoidable impact on neutral employers working at the site and works against the policy of protecting secondary employers.

These common situs problems arise most frequently in construction and manufacturing situations, but case law has developed different rules for each. In manufacturing, the Supreme Court fashioned a "related work" test to distinguish primary and secondary picketing in *Electrical Workers Local 761* v. *NLRB (General Electric Company)*, 366 U.S. 667, 1961. In that case, the primary employer established a separate gate for neutral employers working on his premises. The court held that the separate gate could not be picketed as long as the work performed by employees using the separate gate is unrelated to the normal operations of the primary employer, or when the work is of a kind that if done when the plant were engaged in its regular operations, would not necessitate curtailing those operations.

The court in General Electric tied the primary-secondary distinction in manufacturing to relatedness; if the secondary employer's work was closely involved with that of the primary, he would not be considered truly neutral; if, however, the secondary's work was unrelated to that of the primary employer, he would be accorded the protection against strikes and picketing given to true neutral employers.

Now the unions want to apply this manufacturing test of "relatedness" to construction, holding the position that all employers at a construction site are "related" in a "joint venture" so that there can be no truly neutral employer among them.

But both the circuit courts and the National Labor Relations Board have refused to apply the relatedness test to construction, following instead the rationale of *NLRB* v. *Denver Building and Construction Trades Council*, 341 U.S. 675 (1951). In that case, the union advanced the "joint venture" argument to justify picketing an entire construction site at which it had a dispute with only one employer. The Supreme Court rejected this argument upholding the Board's finding of an "independent contractor" relationship, rather than a "joint venture" relationship among the contractors at the site. The opinion in that case read in part as follows:

> We agree with the Board also in its conclusion that the contractor and subcontractor were engaged on the same construction project, and that the contractor had some supervision over the subcontractor's work, did not eliminate the status of each as an independent contractor or make the employees of one the employees of the other. The business relationship between independent contractors is too well established in the law to be overriden without clear language doing so. The Board found that the relationship between Doose & Litner and Gould & Preisner was one of "doing business" and we find no adequate reason for upsetting that conclusion. 341 U.S. at 689, 690.

The Court agreed with the Board's application of the Moore Dry Dock tests to the construction common situs problems. These tests, outlined by the Board in *Sailors' Union of the Pacific* v. *Moore Dry Dock Co.*, 92 NLRB 547 (1950), allow common situs picketing if: First, picketing is limited to times when the situs of the dispute is located at the secondary employer's premises; second, at the time of picketing, the primary employer is engaged in his normal business at the situs; third, picketing is limited to places reasonably close to the location of the situs; and fourth, picketing discloses clearly that the dispute is with the primary employer. Thus the Board and the courts are agreed that protection of neutrals is necessary in all industries, including construction.

The construction unions want to make their industry an exception to this rule. Thus, the specific intent of H.R. 5900 is to overturn the Supreme Court's Denver decision.

Mr. President, the unions' conception of a "joint venture" is totally at odds with the traditional legal conception of that term. The various contractors and subcontractors working on a particular project bargain independently of their own employees. There is no profit-or-loss sharing arrangement existent among the various subcontractors. In fact, there may even be stiff competition among contractors in bidding for various projects. In short, I do not agree with the proponents of this bill who reason that contractors are joint venturers, and that a union's dispute with any one contractor constitutes a legal dispute with all of them.

Another favorite argument of the construction unions is that the ban on secondary boycotts prohibits them from shutting down a construction project while industrial employees can legally picket an entire factory site. Discrimination, they cry. But what they conveniently fail to point out is that the factory workers are all dealing with the same employer, while construction involves several independent employers.

The point I am making is simply this: By legalizing the secondary boycott for construction unions, we will be giving them a powerful tool which will remain legally prohibited in every other situation covered by the National Labor Relations Act.

There is no dearth of power among the construction unions. They have a virtual monopoly on skilled labor in many areas; the union hiring hall is often a contractor's sole source of the qualified labor he needs. Thus, the unions already have taken advantage of this position. Construction wage and benefit increases consistently outpace those of other industries. These wage increases are reflected in the skyrocketing cost of building today. Far from being discriminated against, the unions are already the recipients of favored treatment under the Taft-Hartley Act. Section 8(e) allows construction unions to enter into "hot cargo" agreements covering work at construction sites, a privilege denied other unions. And section 8 (f) provides special organization and hiring hall rights only for construction unions.

Despite the unions' hue and cry of unfair treatment, the fact remains that they already have the legal means to accomplish many of the results sought by this bill. Court decisions have protected the unions' right to use such tactics as "area standards" picketing, recognition picketing, and the "ally doctrine" to protect their economic rights.

The argument that the unions need this bill to achieve equality is spurious. They already have the means to achieve any legitimate objective. They are already treated more favorably under Taft-Hartley than are other unions, and their characterization of the relationship between contractors as a "joint venture" cannot hide the fact that they merely want to legalize the secondary boycott. If we need any further reason to reject this bill, we need only look to the adverse economic consequences that would result from its passage.

In spite of the fact that this proposed change in the NLRA would affect a major sector of our national economy, virtually no consideration has been given to the economic impact of this proposal. While the committee report assures us that "increased costs for the Government will not be substantial", there is no indication whatsoever as to the far-reaching effect it will have on our national economy as a whole.

The legislation which we have before us would amend section 8(b)(4)(B) of the NLRA to withdraw the prohibition against strikes or picketing by employees in the construction industry at sites where more than one employer is represented. This would become legal even though employers at a construction site are separate and independent employers with their own hiring and benefits policies and separate employee work rules. The direct effect of such a step would be to multiply many times over the number of workers idled during any dispute between one employer and a group of his employees at a construction site. Whole sites could be forced to shut down as a result of a dispute involving three or four employees. At the same time, the cost of construction would skyrocket, affecting industrial and commercial building, public construction projects financed with tax dollars, and the construction of residential housing. The time required for completing of construction projects would also be greatly increased. Finally, the pressure exerted on employers at construction sites would force immensely higher wage settlements in the already well-paid building trades.

As wages in the construction industry escalate, wages in other sectors of the economy will be driven up as well. Industrial users of buildings, forced to pay higher costs for construction, will inevitably pass this cost on to consumers in the form of higher prices for their products. State and local governments which must foot the bill for many public construction projects will be forced to raise taxes to cover these added costs. The cost of private housing, which already precludes ownership by many low- and middle-income families, will become even more prohibitive.

As property taxes and homebuilding costs rise, these will also be passed on to those families and individuals forced to rent because they are unable to buy housing in the tightening market. In sum, then, the inflationary impact of this legislation would spell disaster for the entire U.S. economy.

Since no projections have been made as to the precise impact which legalized secondary boycotts in the construction industry would have on future construction costs, we must take a broad look at the current situation in construction industry work stoppages. The Bureau of Labor Statistics has published a useful study entitled "Work Stoppages in Contract Construction," which provides a quantitative measure of work stoppages in contract construction during the decade from 1962–73.

According to this report:

> The industry has experienced a substantial share of the Nation's strike activity. For example, while only 4% of the Nation's civilian labor force were employed by the construction industry between 1962 and 1971, these workers accounted for an average of almost 17% of all striking employees in the United States. Moreover, the industry was responsible for about one-fifth of all strikes and nearly 19% of total strike idleness during the 10-year period—even though the building industry ranked third in the relative number of striking workers during the 1962–1971 period, it had a strike participation rate nearly double that in manufacturing, almost half again as many as in primary metals, and more than three times that of the all-industry average.

From these figures it is easy to see that, even with the current prohibition against secondary boycotts in the Taft-Hartley Act, construction industry work stoppages have been numerous in years past, and have involved a loss of significant production time which unquestionably has had a negative impact on the Nation's economy. Our national goal must be to increase productivity, not to create a situation where even more workers are idled and more production time is lost.

The construction industry accounts for a large annual percentage of our Nation's gross national product. According to the Bureau of Labor Statistics:

> In terms of employment and production, the contract industry was a major contributor to the Nation's economy in 1973.

The contribution of the construction industry to the Nation's GNP is not, however, limited to this direct input. Again quoting from the Bureau of Labor Statistics:

> In the process of fulfilling public and private demand for highways, buildings, waterways, residential homes, and other construction projects, the building industry acts as a major purchaser of goods and supplies from many other primary industries. Among these are producers of lumber and wood products, steel, aluminum, copper, sand, building stone, gravel, earthmoving machinery, and other power equipment.

Extending the right for any single group of construction employees to picket all the employers at a job site would vastly compound the already substantial effects of construction strikes. Longer interruptions in construction activity would lead to decreased national productivity. Higher costs of construction would fuel the fires of inflation which have beset our Nation in recent years.

Here we have an industry, then, which constitutes a vital part of our national economic backbone. The nature of the construction industry and the interdependence of the various trades involved therein make it extremely vulnerable to strike activity. Thus, any law governing labor-management relations in construction must take this unique situation into account.

In addition to its general inflationary effects, Mr. President, this bill will have an extremely negative impact on employment. Unemployment nationwide stood at 8.4 percent for the month of August, as compared with 5.4 percent in August of 1974. Unemployment during 1975 is at the highest point since 1941. Even more sobering is the current 21-percent rate of unemployment in the construction industry itself.

Many construction unions already engage in voluntary work stoppages against their employers in support of other striking unions or other members within their own union who are already on strike. If common situs picketing becomes a legal practice, however, then one group of employees will be able to, in effect, prohibit other groups of employees from reporting to their jobs, regardless of their degree of support for the striking employees. After examining the number of man-days of employment lost in some major strikes in recent years with secondary boycotts, it is obvious that the passage of H.R. 5900 would wreak havoc within the construction industry. The duration of strikes would be greatly increased, the number of involuntarily unemployed workers would multiply, and the productivity which would be lost in the construction industry and in related industries would be staggering. We must not sit by in this Chamber today and watch a congressional sanction be given to the development of such a situation.

Now there is yet another area which concerns me about this bill, and that is the effect it will have on the small, independent unions, and the nonunion workers. Passage of this bill would discourage the employment of nonunion employees. As the majority report by the House Education and Labor Committee admits:

> Enactment of H.R. 5900 might generate a transitional wave of picket lines designed to achieve collective bargaining agreements that all the work on the construction site be performed under union contracts. If such is the consequence, it would be consistent with the national commitment to encourage the practices and procedures of collective bargaining.

Now Mr. President, there is no doubt in my mind that the historical intent of our labor laws has been to encourage friendly and rational settlement of labor-management problems. It certainly was not the legislative intent, however, nor do I understand it to be the national labor policy in this country, that forced unionization is to be sanctioned by these laws. If that be the case, then someone had better tell those 19 States with right-to-work laws that they are out of step with our national labor policy. While collective bargaining may be an admirable goal, coercion is not, and passage of this bill would be a cruel injustice against thousands of working men and women who choose not to join a union.

Particularly hard hit by these exclusionary tactics are minority construction workers. In testimony before the House Labor Subcommittee, Joseph Debro, a black union contractor, pointed out that—

> Racism is alive and well in some of the hiring halls of this country. H.R. 5900 would allow a racist union to close down a job on which an open shop minority contractor is working.

Echoing this sentiment was a recent Washington Post article concerning union hiring practices here in the Washington area which boasts the headline "building unions still lag in fair hiring." Passage of this bill, Mr. President, will only serve to agitate these problems.

I believe we must also consider the potential impact of H.R. 5900 on costs in the homebuilding industry. Already, single-family housing units are priced well beyond the reach of most low- and moderate-income families. Unless we can insure greater stability and lower hard costs in the homebuilding industry during the next few years, that vital segment of our economy will continue to slide downhill. As a result, the average American family will no longer be able to contemplate, let alone afford, a home of its own.

According to statistics developed by the National Association of Homebuilders, the median sale price of a new single-family home increased from $27,600 in 1972 to $35,900 in 1974. During this same 2-year period, the percentage of families eligible to buy these homes decreased from 36.1 percent to 22.3 percent.

On August 18, 1975, the U.S. Department of Commerce reported that—

> The price index of new one-family houses sold rose to 171.8 (1967=100.0) during the second quarter of 1975.

The report also cites the average sale price of new houses actually sold during the second quarter of 1975 at $42,200.

We cannot respond to this situation by inaugurating the practice of secondary boycotts in the construction industry. Such a provision would, in effect, allow construction unions to set their own members' wages since management would be under severe pressure to settle on vastly higher wage levels rather than suffer a prolonged and crippling strike.

Enactment of H.R. 5900 would also have an inflationary impact on wages in the construction industry. It is widely recognized that construction wages in general and construction industry wage settlements in particular are traditionally higher than earnings in the private, nonfarm economy. As of April 1, 1975, average hourly earnings for unionized construction workers, including contract-stipulated employer payments to health and welfare, insurance, pensions, and vacation funds, came to $10 an hour. It would seem to me, Mr. President, that the construction unions are certainly not suffering under any heavy yoke. Far from it—they are actually faring much better than their counterparts in manufacturing. I fail to see any need for a further expansion of their power.

As a matter of fact, I am curious to know just who, besides big labor of course, does favor this bill? From every poll I have seen the American people do not want it—and I can certainly attest to the fact that the vast majority of Texans are opposed to this bill. I have received close to 15,000 letters opposing common situs, and approximately 25 in support. I would like to know, Mr. President, just where is the big groundswell in favor of this bill?

Numerous editorials and press reports have repeatedly warned against enacting this bill. A New York Times editorial of September 9, said "that measure, which would vastly increase the ability of any single construction union to shut down an entire project, would simply encourage irresponsibility of the type the stabilization plan is intended to combat.

The Dallas Morning News says:

> In the name of all that is just and reasonable, let us hope the nation never comes down with "common situs."

From an editorial comment in the Knoxville Journal of Sepetmber 11:

> The measure should be viewed as furthering compulsory unionism throughout the country. While it applies only to the construction industry in its present form, it would surely lead to either additional legislation or to court interpretations of existing laws to greatly broaden its effects.

In a June 3 editorial, the San Antonio Light points out that—

> Pressuring a neutral employer in a labor dispute runs against all principles of fair play, and secondary boycotts undermine the collective bargaining system.

And the Washington Post of August 9 comments in this manner:

> By itself this proposed change in the law seems to us a bad idea in both practical and philosophical terms. The building trade unions are strong enough as it is. And their basic argument that there is an 'inequity' in the present law flies in the face of reason.

Mr. President, these are just a few of the many press comments in opposition to the common situs picketing bill. They have appeared in newspapers of varied philosophical leanings, in all regions of the country. I hope that my colleagues will take heed of this message.

So we are faced here with a crucial choice: can we inflict upon the people we represent a bill which will increase beyond reason the power of the big labor unions—a bill which will increase our economic problems—contribute to unemployment—cripple the construction industry—and put housing costs beyond the reach of many Americans? Or do we cast our vote for stability, for economic strength, for the consumer, and for the good of the people we represent? I urge my colleagues to reject this unfortunate piece of legislation.

Perhaps the Wall Street Journal capsules the situation most appropriately:

> Politicians should be advised that the only way to deal with common situs is to spray it, swat it, stamp on it.

Mr. BUCKLEY. Mr. President, as I stated some weeks ago, I believe that members of the building trades have had a legitimate complaint. Under the Denver decision, they have been denied rights enjoyed by members of industrial unions.

H.R. 5900, however, goes too far. It will uniquely exempt the building industry from the provisions of existing law enabling States to establish their own policies with respect to union shops. It will also allow secondary boycotts under situations that do not have an analogy in manufacturing industries.

I tried to remedy these defects through amendments, but they were not accepted. Had they been adopted, I would have voted for the bill. As they have not been adopted, I very much regret that I will not be able to support it.

Mr. DOLE. Mr. President, although I have made a concerted effort to understand the timeliness and necessity of this legislation, I have been unable to reconcile any of the arguments made by its proponents during our week-long debate. Accordingly, by my votes against cloture—and my intended opposition to final passage on the measure—I will have utilized every means available to prevent its enactment.

While I am still hopeful the President will reevaluate the advice he has been receiving on common situs picketing—and I intend to send him a personal written appeal urging exactly that—I am not optimistic that he will in fact choose to exercise an ultimate veto. For that reason, the proposal seems destined now to become law, and in the process open up what I believe will be a whole new aspect of labor-management relations in the construction industry.

My primary objection to this legislation is that—placed in its proper perspective—it will serve to alter the existing power "balance" between contractors and the building trades unions. With the type of wage settlements commanded by construction workers over the past several years, however, I hardly think we need to tilt the scales of collective bargaining any more in their favor.

One wonders where the inequities talked about with respect to this bill really lie when he examines the current national hourly wage differential between craft and industrial workers. Department of Labor statistics show, for example, that in cities with populations over 100,000, the average wage for union construction workers is already $4.10 an hour higher than their industrial counterparts—irrespective of any health, welfare, pension, or vacation benefits otherwise paid by the employer.

Although the sponsors of H.R. 5900 have attempted to portray the measure as effecting "equal treatment" of craft and industrial union members, there is an important distinction to be made between their respective employment situations. At a manufacturing site, that is, common picketing is directed against a single management entity which has the ability to negotiate a settlement; at a construction site, on the other hand, pressure could be applied against separate contractors who can do nothing about resolving the principal dispute.

Regardless of the qualifying amendments tacked onto the bill, therefore—and there have been very few—it is my concern that this type of practice would have a particularly adverse impact on Kansas and other right-to-work States. Indeed, opinion polls have demonstrated that the majority of the American people—the consumers who would suffer most—do not want secondary boycott activity condoned.

This is certainly the message I have been receiving from the thousands of constituents who have written and called my office regarding common situs picketing during the past several weeks. They, as fair-minded citizens and cost-conscious individuals, seem to realize better than even the labor experts and legislative lobbyists just what the impact of H.R. 5900 might be.

Foremost among their fears is that the ability of unions to close down an entire job site will bring about a virtual end to the open shop concept as we know it today. This same thinking was borne out in fact in the letter read into the RECORD on Monday from Secretary Dunlop, who discussed the "evils" of "mixed labor" and implied that they would be corrected by the bill before us.

So the obvious conclusion one reaches is that there will no longer be union and nonunion labor on a construction project in the future after common situs picketing is legalized. For no matter what its declared objectives may be, organizational and recognition motives will be implicit—and many who may not want to join a union from now on may have no choice if they intend to work.

Mr. President, because of the undermining effects this bill will have on the freedom of choice enjoyed by employees in right-to-work and other States, and the severe disruption it will bring about in an already depressed construction industry, I would hope my colleagues might give one final consideration to its advisability before casting their vote. In my view, it is legislation we could well do without—and its enactment will do no service to the record of the 94th Congress.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Senators will want to listen to what may be said at this time.

SEVERAL SENATORS: Vote! Vote!

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I urge Senators not to leave the Chamber after this rollcall vote. There may very well be another rollcall vote. Senators will please wait and see. There could very well be another rollcall vote on this measure.

Mr. CURTIS. Let us vote.

Mr. ROBERT C. BYRD. Debate is not in order, but I warn Senators not to leave yet.

Mr. CURTIS. Regular order, Mr. President.

The assistant legislative clerk continued and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) is necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) is necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent due to illness.

The result was announced—yeas 52, nays 45, as follows:

[Rollcall Vote No. 523 Leg.]

YEAS—52

Abourezk
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Church
Clark
Cranston
Culver
Durkin
Eagleton
Ford
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NAYS—45

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Bumpers
Byrd, Harry F., Jr.
Cannon
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Glenn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
McClellan
McClure
McIntyre
Morgan
Nelson
Nunn
Pearson
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NOT VOTING—3

Bayh
Buckley
Roth

So the bill (H.R. 5900), as amended, was passed, as follows:

TITLE I—PROTECTION OF ECONOMIC RIGHTS OF LABOR IN THE CONSTRUCTION INDUSTRY

SEC. 101. (a) Section 8(b)(4) of the National Labor Relations Act, as amended, is amended by inserting before the semicolon at the end thereof ": *Provided further*, That nothing contained in clause (B) of this paragraph (4) shall be construed to prohibit any strike or refusal to perform services or any inducement of any individual employed by any person to strike or refuse to perform services at the site of the construction, alteration, painting, or repair of a building, structure, or other work involving other than residential structures of three stories, or less, without an elevator and directed at any of several employers who are in the construction industry and are jointly engaged as joint venturers or in the relationship of contractors and subcontractors in such construction, alteration, painting, or repair at such site: *Provided further*, That nothing in the above proviso shall be construed to permit a strike or refusal to perform services or any inducement of any individual employed by any person to strike or refuse to perform services in furtherance of a labor dispute, unlawful under this Act or in violation of an existing collective bargaining contract, relating to the wages, hours, or other working conditions of employees employed at such site by any of such employers, and the issues in dispute involve a labor organization which is representing the employees of an employer at the site who is not engaged primarily in the construction industry: *Provided further*, Except as provided in the above provisos nothing herein shall be construed to permit any act or conduct which was or may have been an unfair labor practice under this subsection: *Provided further*, That nothing in the above provisos shall be construed to prohibit any act which was not an unfair labor practice under the provisions of this subsection existing prior to the enactment of such provisos: *Provided further*, That nothing in the above provisos shall be construed to authorize picketing, threatening to picket, or causing to be picketed, any employer where an object thereof is the removal or exclusion from the site of any employee on the ground of sex, race, creed, color, or national origin, or because of the membership or nonmembership of any employee in any labor organization: *Provided further*, That nothing in the above proviso shall be construed to permit any attempt by a labor organization to require an employer to recognize or bargain with any labor organization presently prohibited by paragraph 7 of subsection (b): *Provided further*, That if a labor organization engages in picketing for an object described in paragraph 7 of subsection (b) and there has been filed a petition under subsection (c) of section 9, and a charge under subsection (b) of section 10, the Board shall conduct an election and certify the results thereof within fourteen calendar days from the filing of the later of the petition and the charge, or to exclude any such labor organization on the ground that such labor organization is not affiliated with a national or international labor organization which represents employees of an employer at the common site: *Provided further*, That nothing in the above proviso shall be construed to permit any picketing of a common situs by a labor organization to force, require, or persuade any person to cease or refrain from using, selling, purchasing, handling, transporting, specifying, installing, or otherwise dealing in the products or systems of any other producer, processor, or manufacturer.

(b) Section 8 of such Act is amended by adding at the end thereof the following new subsections:

"(h) Notwithstanding the provisions of this or any other Act, where a State law requires separate bids and direct awards to employers for construction, the various contractors awarded contracts in accordance with such applicable State law shall not, for the purposes of the third proviso at the end of paragraph (4) of subsection (b) of this section, be considered joint ventures or in the relationship of contractors and subcontractors with each other or with the State or local authority awarding such contracts at the common site of the construction.

"(i) Notwithstanding the provisions of this or any other Act, any employer at a common construction site may bring an action for injunctive relief under section 301 of the Labor Management Relations Act (29 U.S.C. 141) to enjoin any strike or picketing at a common situs in breach of a no-strike clause of a collective-bargaining agreement relating to an issue which is subject to final and binding arbitration or other method of final settlement of disputes as provided in the agreement.".

(c) Section 8(g) of that Act, as amended, is amended by redesignating the present section 8(g) and section 8(g)(i), and adding at the end thereof the following:

"(ii)(A) A labor organization before engaging in activity permitted by the third proviso in paragraph (4) of subsection (b) of this section shall provide prior written notice of intent to strike or to refuse to perform services of not less than ten days to all unions and the employers and the general contractor at the site and to any national or international labor organization of which the labor organization involved is an affiliate and to the Construction Industry Collective Bargaining Committee: *Provided further*, That at any time after the expiration of ten days from transmittal of such notice, the labor organization may engage in activities permitted by the third proviso in paragraph (4) of subsection (b) of this section if the national or international labor organization of which the labor organization involved is an affiliate gives notice in writing authorizing such action: *Provided further*, That authorization of such action by the national or international labor organization shall not render it subject to criminal or civil liability arising from activities, notice of which was given pursuant to the above proviso, unless such authorization is given with actual knowledge that the picketing is to be willfully used to achieve an unlawful purpose.

"(B) In the case of any such site which is located at any military facility or installation of the Army, Navy, or Air Force, or which is located at a facility or installation of any other department or agency of the Government if a major purpose of such facility or installation is or will be, the development, production, testing, firing or launching of munitions, weapons, missiles, or space vehicles, prior written notice of intent to strike or to refuse to perform services, of not less than ten days shall be given by the labor organization involved to the Federal Mediation and Conciliation Service, to any State or territorial agency established to mediate and conciliate disputes within the State or territory where such site is located, to the several employers who are jointly engaged at such site, to the Army, Navy, or Air Force or other department or agency of the Government concerned with the particular facility or installation, and to any national or international labor organization of which the labor organization involved is an affiliate.

"(C) These notice requirements of paragraphs (A) and (B) above are in addition to, and not in lieu of the notice requirements prescribed by section 8(d) of the Act.".

SEC. 102. The amendment made by this title shall take effect ninety days after the enactment of this title: *Provided*, That the provisions of this Act shall not be applicable as to construction work contracted for and on which work had actually started on November 15, 1975.

TITLE II—CONSTRUCTION INDUSTRY COLLECTIVE BARGAINING

SHORT TITLE

SEC. 201. This title may be cited as the "Construction Industry Collective Bargaining Act of 1975".

FINDINGS AND PURPOSES

SEC. 202. (a) The Congress finds and declares that the legal framework for collective bargaining in the construction industry is in need of revision; and that an enhanced role for national labor organizations and national contractor associations working as a group is needed to minimize instability, conflict, and distortions, to assure that problems of collective-bargaining structure, productivity and manpower development are constructively approached by contractors and unions themselves, and at the same time to permit the flexibility and variations that appropriately exist among localities, crafts, and branches of the industry.

(b) It is therefore the purpose of this title to establish a more viable and practical structure for collective bargaining in the construction industry by establishing procedures for negotiations with a minimum of governmental interference in the free collective-bargaining process.

CONSTRUCTION INDUSTRY COLLECTIVE BARGAINING COMMITTEE

SEC. 203. (a) There is hereby established in the Department of Labor a Construction Industry Collective Bargaining Committee. The Committee members shall be appointed as follows:

(1) Ten members shall be appointed by the President from among individuals qualified by experience and affiliation to represent the viewpoint of employers engaged in collective bargaining in the construction industry.

(2) Ten members shall be appointed by the President from among individuals qualified by experience and affiliation to represent the viewpoint of the standard national labor organization in the construction industry.

(3) Up to three members shall be appointed by the President from among individuals qualified by training and experience to represent the public interest, one of whom shall be designated by him to serve as Chairman.

(4) The Secretary of Labor, ex officio.

(5) The Director of the Federal Mediation and Conciliation Service, ex officio.

The employer, labor, and public members shall be appointed by the President after consultation with representative labor and management organizations in the industry whose members are engaged in collective bargaining. Any alternate members who may be appointed shall be appointed in the same manner as regular members. All actions of the Committee shall be taken by the Chairman or the Executive Director on behalf of the Committee.

(b) The Secretary of Labor may appoint such staff as is appropriate to carry out the Committee's functions under this title and with the approval of the Committee, may appoint an Executive Director.

(c) The Committee may promulgate such rules and regulations as may be necessary or appropriate to carry out the purposes of this title including the designation of "standard national construction labor organizations" and "national construction contractor associations" qualified to participate in the procedures set forth in this title.

NOTICE REQUIREMENTS

SEC. 204. (a) In addition to the requirements of any other law, including section 8(d) of the National Labor Relations Act, as amended, where there is in effect a collective bargaining agreement covering employees in the construction industry between a local construction labor organization or other subordinate body affiliated with a standard national construction labor organization, or between a standard national construction labor organization directly, and an employer or association of employers in the construction industry, neither party shall terminate or modify such agreement or the terms or conditions thereof without serving a written notice of the proposed termination or modification in the form and manner prescribed by the Committee sixty days prior to the expiration date thereof, or in the event such collective bargaining agreement contains no expiration date, sixty days prior to the time it is proposed to make such termination or modification. The notice required by this subsection shall be served as follows:

(1) A local construction labor organization or other subordinate body affiliated with a standard national construction labor organization shall serve such notice upon such national organization.

(2) An employer or local association of employers shall serve such notice upon all national construction contractor associations with which the employer or association is affiliated. An employer or local association of employers, which is not affiliated with any national construction contractor association shall serve such notice upon the Committee.

(3) Standard national construction labor organizations and national construction contractor associations shall serve such notice upon the Committee with respect to termination or modification of agreements to which they are directly parties.

The parties shall continue in full force and effect, without resorting to strike or lockout, all the terms and conditions of the existing collective bargaining agreement for a period of sixty days after the notice required by this subsection is given or until the expiration of such collective bargaining agreement, whichever occurs later.

(b) Standard national construction labor organizations and national construction contractor associations shall promptly furnish to the Committee copies of all notices served upon them as provided by subsection (a) of this section.

(c) The Committee may prescribe the form and manner and other requirements relating to the submission of the notices required by this section.

ROLE OF THE COMMITTEE AND NATIONAL LABOR AND EMPLOYER ORGANIZATIONS IN COLLECTIVE BARGAINING

SEC. 205. (a) Whenever the committee has received notice pursuant to section 204 it may take jurisdiction of the matter, with or without the suggestion of any interested party, by transmitting written notice to the signatory labor organization or organizations and the association or associations of employers directly party to the collective bargaining agreement during the ninety-day period which includes and immediately precedes the later of: (1) the ninetieth day following the giving of notice under section 204(a); or (2) whichever is applicable, (A) the thirtieth day following the expiration of the collective bargaining agreement, or (B) the thirtieth day following the date proposed for termination or modification of such agreement.

(b) The Committee shall decide whether to take such jurisdiction in accordance with the standards set forth in section 206. When the Committee has taken jurisdiction under this section, it may in order to facilitate a peaceful voluntary resolution of the matter and the avoidance of future disputes: (1) refer such matter to voluntary national craft or branch boards or other appropriate organizations established in accordance with section 207; (2) meet with interested parties and take other appropriate action to assist the parties; or (3) take the action provided for in both preceding clauses (1) and (2) of this subsection. At any time after the taking of jurisdiction, the Committee may continue to meet with interested parties as provided herein.

(c) When the Committee has taken jurisdiction within the ninety-day period specified in this section over a matter relating to the negotiation of the terms or conditions of any collective bargaining agreement involving construction work between: (1) any standard national construction labor organization, or any local construction labor organization or other subordinate body affiliated with any standard national construction labor organization, and (2) any employer or association of employers, notwithstanding any other law, no such party may, at any time prior to the expiration of the ninety-day period specified in this subsection, engage in any strike or lockout, or the continuing thereof, unless the Committee sooner releases its jurisdiction.

(d) When the Committee receives any notice required by section 204 it is authorized to request in writing at any time during the ninety-day period specified in subsection (a) of this section participation in the negotiations by the standard national construction labor organizations with which the local construction labor organizations or other subordinate bodies are affiliated and the national construction contractor associations with which the employers or local employer associations are affiliated.

(e) In any matters as to which the Committee takes jurisdiction under subsection (a) of this section and makes a referral authorized by subsection (d) of this section, no new collective bargaining agreement or revision of any existing collective bargaining agreement between a local construction labor organization or other subordinate body affiliated with the standard national construction labor organization, and an employer or employer association shall be of any force or effect unless such new agreement or revision is approved in writing by the standard national construction labor organization with which the local labor organization or other subordinate body is affiliated. Prior to such approval the parties shall make no change in the terms or conditions of employment. The Committee may at any time suspend or terminate the operation of this subsection as to any matter previously referred pursuant to subsection (d) of this section.

(f) No standard national construction labor organization or national construction contractor association shall incur any criminal or civil liability, directly or indirectly, for actions or omissions pursuant to a request by the Committee for its participation in collective bargaining negotiations, participation in collective bargaining negotiations or the approval or refusal to approve a collective bargaining agreement under this title: *Provided*, That this immunity shall not insulate from civil or criminal liability a standard national construction labor organization or national construction contractor association when it performs an act under this statute to willfully achieve a purpose which it knows to be unlawful: *Provided further*, That a standard labor organization shall not by virtue of the performance of its duties under this Act be deemed the representative of any affected employees within the meaning of section 9(a) of the National Labor Relations Act or become a party to or bear any liability under any agreement it approves pursuant to its responsibilities under this Act.

(g) Nothing in this title shall be deemed to authorize the Committee to modify any existing or proposed collective bargaining agreement.

STANDARDS FOR COMMITTEE ACTION

Sec. 206. The Committee shall take action under section 205 only if it determines that such action will—

(1) facilitate collective bargaining in the construction industry, improvements in the structure of such bargaining, agreements covering more appropriate geographical areas, or agreements more accurately reflecting the condition of various branches of the industry;

(2) promote stability of employment and economic growth in the construction industry;

(3) encourage collective bargaining agreements embodying appropriate expiration dates;

(4) promote practices consistent with appropriate apprenticeship training and skill level differentials among the various crafts or branches;

(5) promote voluntary procedures for dispute settlement; or

(6) otherwise be consistent with the purposes of this title.

OTHER FUNCTIONS OF THE COMMITTEE

Sec. 207. (a) The Committee may promote and assist in the formation of voluntary national craft or branch boards or other appropriate organizations composed of representatives of one or more standard national construction labor organizations and one or more national construction contractor associations for the purpose of attempting to seek resolution of local labor disputes and review collective-bargaining policies and development in the particular craft or branch of the construction industry involved. Such boards, or other appropriate organizations, may engage in such other activities relating to collective bargaining as their members shall mutually determine to be appropriate.

(b) The Committee may, from time to time, make such recommendations as it deems appropriate, including those intended to assist in the negotiations of collective-bargaining agreements in the construction industry; to facilitate area bargaining structures; to improve productivity, manpower development, and training; to promote stability of employment and appropriate differentials among branches of the industry; to improve dispute settlement procedures; and to provide for the equitable determination of wages and benefits. The Committee may make other suggestions, as it deems appropriate, relating to collective bargaining in the construction industry.

MISCELLANEOUS PROVISIONS

Sec. 208. (a) This title shall apply only to activities affecting commerce as defined in sections 2 (6) and (7) of the National Labor Relations Act, as amended.

(b) Nothing in this title shall be construed to require an individual employee to render labor or services without the employee's consent, nor shall anything in this title be construed to make the quitting of labor by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or services, without the employee's consent; nor shall the quitting of labor by an employee or employees in good faith because of abnormally dangerous conditions for work at the place of employment of such employee or employees be deemed a strike under this title.

(c) The failure or refusal to fulfill any obligation imposed by this title on any labor organization, employer, or association of employers shall be remediable only by a civil action for equitable relief brought by the Committee in a district court of the United States, according to the procedures set forth in subsection (d) of this section.

(d) The Committee may direct that the appropriate district court of the United States having jurisdiction of the parties be petitioned to enforce any provision of this title. No court shall issue any order under section 205(c) prohibiting any strike, lockout, or the continuing thereof, for any period beyond the ninety-day period specified in section 205(a).

(e) The decisions and actions of the Committee, pursuant to this title may be held unlawful and set aside only where they are found to be arbitrary or capricious, in excess of its delegated powers, or contrary to a specific requirement of this title.

(f) Service of members or alternate members of the Committee may be utilized without regard to section 665(b) of title 31, United States Code. Such individuals shall be deemed to be special Government employees on days in which they perform services for the Committee.

(g) In granting appropriate relief under this title the jurisdiction of United States courts sitting in equity shall not be limited by the Act entitled "An Act to amend the Judicial Code to define and limit the jurisdiction of courts sitting in equity, and for other purposes," approved March 23, 1932 (29 U.S.C. 101).

(h) The Committee may make studies and gather data with respect to matters which may aid in carrying out the provisions of this title.

(i) Notwithstanding anything in subchapter II of chapter 5 of title 5, United States Code, in carrying out any of its functions under this title, the Committee shall not be required to conduct any hearings. Any hearings conducted by the Committee shall be conducted without regard to the provisions of subchapter II of chapter 5 of title 5, United States Code.

(j) Except as provided herein, nothing in this title shall be deemed to supersede or modify any other provision of law.

(k) In all civil actions under this title, attorneys appointed by the Secretary may represent the Committee (except as provided in section 518(a) of title 28, United States Code), but all such litigation shall be subject to the direction and control of the Attorney General.

COORDINATION

Sec. 209. (a) At the request of the Committee, the other agencies and departments of the Government shall provide, to the extent permitted by law, information deemed necessary by the Committee to carry out the purposes of this title.

(b) The Commitee and the Federal Mediation and Conciliation Service shall regularly consult and coordinate their activities to promote the purposes of this title.

DEFINITIONS

Sec. 210. (a) The terms "labor dispute", "employer", "employee", "labor organization", "person", "construction", lockout", and "strike" shall have the same meaning as when used in the Labor-Management Relations Act, 1947, as amended.

(b) As used in this title the term "Committee" means the Construction Industry Collective Bargaining Committee established by section 203 of this title.

SEPARABILITY

Sec. 211. If any provision of this title or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this title or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

Sec. 212. There are authorized to be appropriated such sums as may be necessary to carry out this title.

EXPIRATION DATE AND REPORTS

Sec. 213. (a) This title shall expire on December 31, 1980.

(b) No later than one year following the date of enactment of this title and at one-year intervals thereafter, the Committee shall transmit to the President and to the Congress a full report of its activities under this title during the preceding year.

(c) No later than June 30, 1980, the Committee shall transmit to the President and to the Congress a full report on the operation of this title together with recommendations, including a recommendation as to whether this title should be extended beyond the expiration date specified in section (a) of this section, and any other recommendations for legislation as the Committee deems appropriate.

Amend the title so as to read: "An Act to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers and to establish a national framework for collective bargaining in the construction industry, and for other related purposes.".

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I take this opportunity to commend and congratulate the managers of this bill, H.R. 5900, an act to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers. Senator Williams, as chairman of the Committee on Labor and Public Welfare and Senator Javits, as ranking minority member, have labored long hours as have the other members of the committee to bring to successful passage a most complicated and controversial measure.

I especially commend the Senator from Nevada (Mr. Laxalt) for his cooperation. In competence and ability he has demonstrated his mastery of issues. Such a capacity is seldom witnessed in a Member who has been here but a short time. He is to be greatly commended for his contribution.

This measure has been forged in a spirit of cooperation and accommodation which has been in the best tradition of the U.S. Senate. I am proud of the manner in which this bill has been considered and congratulate all those many Members, on both sides of the aisle, who have devoted so much time, talent, and effort to bring the bill to final passage.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of Senate amendments to H.R. 5900.

The PRESIDING OFFICER. Without objection, it is so ordered.

The title was amended so as to read:

An Act to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers and to establish a national framework for collective bargaining in the construction industry, and for other related purposes.

Mr. WILLIAMS. Mr. President, I move that the Senate insist on its amendments and that the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. Does the Senator also request that the Senate request a conference with the House?

Mr. WILLIAMS. That is requested, too.

The PRESIDING OFFICER. The question is on agreeing to the motion——

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I yield myself 3 minutes, after which time I am going to offer a motion. I move that the Senate conferees on H.R. 5900 be instructed that they shall in conference insist upon and not recede from the Senate's position in agreeing to the Beall amendment, amendment No. 1078, to H.R. 5900.

Now, Mr. President, it is true that instructions to conferees——

The PRESIDING OFFICER. The Senator will send the motion to the desk.

The motion is as follows:

I move that the Senate conferees on H.R. 5900 be instructed that they shall in conference insist upon and not recede from the Senate's position in agreeing to the Beall amendment (amendment No. 1078) to H.R. 5900.

Mr. ALLEN. It is true instructions to conferees are not binding upon the conferees. However, they constitute a moral suasion on the conferees, and I feel that conferees armed with these instructions from the Senate to back up the Senate position, a duty they already have, and I am sure they will discharge it in good faith, but still, at the same time, I think it would strengthen their hands, the hands of the conferees, and then it will enable the Senate when the conference report comes back to judge whether the instructions from the Senate have been carried out.

It is not binding. They can disregard it if they see fit, but they already have the obligation to support the Beall amendment. It is such an important amendment, having to do with the housing industry, the building of residences, that I think the Senate would be remiss in its duty if it did not take this opportunity to stress the importance the Senate attaches to this amendment.

I hope the managers of the bill will agree to the motion.

Several Senators addressed the Chair.

Mr. JAVITS. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. My parliamentary inquiry is what is the rule with respect to debate on this motion?

The PRESIDING OFFICER. The 1-hour limitation is applicable inasmuch as this is related—this is a motion affecting the matter on which cloture was invoked.

Mr. JAVITS. So the hour limitation continues?

The PRESIDING OFFICER. It continues.

Mr. JAVITS. Mr. President, I ask for recognition

Mr. PASTORE. Mr. President, I have been asking for recognition.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PASTORE. Mr. President, no one argued more strongly for the passage of this amendment than the Senator from Rhode Island, and I would hope the conferees would, in their customary way, respect the will of the Senate.

This was passed by a tremendous vote. As a matter of fact, I asked it at the time, and I did urge and appeal that we would have a crushing majority for this particular amendment. But I think this motion is ill advised at this time and I, therefore, move to lay it on the table.

Mr. JAVITS. Mr. President, I ask for the yeas and nays.

Mr. ABOUREZK. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. ABOUREZK. Is it in order to offer a motion or an amendment that has not been printed prior to the invoking of cloture?

The PRESIDING OFFICER. This is not an amendment to the bill.

Mr. ABOUREZK. I ask if it would be in order to offer either a motion or an amendment that was not printed prior to invoking cloture.

The PRESIDING OFFICER. The motion is in order.

The question is on agreeing to the motion to lay on the table the motion of the Senator from Alabama.

Mr. JAVITS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JOHNSTON. I ask unanimous consent that the rollcall be limited to 10 minutes.

The PRESIDING OFFICER. There is such a unanimous-consent request.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, debate is not in order, but I warn the Senators there can still be another vote.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Wyoming (Mr. MCGEE), the Senator from Mississippi (Mr. STENNIS), the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Arizona (Mr. FANNIN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Virginia (Mr. WILLIAM L. SCOTT), the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent due to illness.

The result was announced—yeas 44, nays 46, as follows:

[Rollcall Vote No. 524 Leg.]

YEAS—44

Abourezk
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Clark
Cranston
Culver
Durkin
Eagleton
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
McGovern
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Randolph
Ribicoff
Schweiker
Stevens
Stevenson
Tunney
Weicker
Williams

NAYS—46

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Bumpers
Byrd, Harry F., Jr.
Cannon
Chiles
Church
Curtis
Dole
Domenici
Eastland
Fong
Ford
Garn
Griffin
Hansen
Hatfield
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Mathias
McClellan
McClure
McIntyre
Metcalf
Morgan
Nunn
Pearson
Percy
Proxmire
Scott, Hugh
Sparkman
Stafford
Stone
Taft
Talmadge
Thurmond
Tower

NOT VOTING—10

Bayh
Buckley
Fannin
Goldwater
McGee
Roth
Scott, William L.
Stennis
Symington
Young

So the motion to lay on the table was rejected.

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, I would like to point out to Senators what I believe was a mistake.

An amendment was offered and agreed to by an overwhelming vote here in the Senate. Then I saw an unprecedented thing done. Although one cannot make the conferees do anything other than what their duty is anyhow, which is to stand up for a Senate position, a Senator moved that the conferees be instructed to stand for this position.

Then a motion to table was made by one of those who sponsored the resolution, Mr. Pastore, and the motion to table failed by a single vote.

We started out with a 5-to-1 mandate, now we have a tie vote on our hands.

That shows that we should not have done that. We should have rested upon our original victory.

So now we are going to conference and we have got conferees instructed by a 1-vote margin.

Mr. PASTORE. Will the Senator yield?

Mr. LONG. Yes.

Mr. PASTORE. To add insult to injury, the motion was made by a person who voted against the bill.

Mr. LONG. Yes.

Mr. PASTORE. So now we are really——

Mr. LONG. So those who are against the bill are going to instruct the conferees and do it by a paper-thin margin. That is not a wise thing to do, in my judgment.

Mr. WILLIAMS. Mr. President, will the Chair appoint the conferees?

Mr. JAVITS. Mr. President, I wish recognition.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, since I am ranking member of the committee I believe I will be a conferee. This is something of a challenge of our own good faith. We are told that we can do what we wish as conferees but anything we do will have to come back to the Senate and be acted upon. Any Member can fight it or oppose it.

I take my instruction very seriously. I have been here a long time. I have diligently, I believe, voted both for my opponents and proponents and obeyed the instruction of the Senate.

I wish to say that I shall obey these instructions.

I believe it would be very inadvisable in our conference with the House to be riveted in concrete on this issue for this reason: The amendment appealed to a majority of the Senate because it dealt with small builders and small projects. Even Senator Pastore, with whom I debated the matter, understood the problem.

I am sorry that I am keeping Members except that I think Senator Long has pointed up a very critical issue.

I hope Members will vote advisedly on this motion and give it thought in terms of our being able to strike a compromise with the other body. This is a very important amendment and I will certainly obey the Senate's instructions. I am confident we will bring back a reasonable and honorable provision which will truly reflect the Senate's purpose and intent.

I must say that I would find it very hard to simply bring this back in disagreement; to fail to agree in conference.

I respectfully submit to the Senate that it ought to have a reliance upon the honor and good faith of the chairman of this committee and its ranking member. We will consult with Senator Randolph and Senator Beall, very honored members of our committee. We will also consult with anybody else who wishes to be consulted. However, the members of the Senate must put their faith in the good faith of their conferees.

Therefore, Mr. President, I ask for the yeas and nays on the motion.

Several Senators addressed the Chair.

Mr. PASTORE. I would hope the Senator would withhold that for the moment.

Mr. ALLEN. Mr. President, in view of the assurances of the distinguished Senator from New York and in view of the fact that we have had this discussion on the floor, I believe that the intention of the Senate has been riveted on the amendment and the Senate's position in connection therewith, not on this parliamentary hassle. In view of the assurance of the distinguished Senator from New York, as I knew he would do, that he would try in good faith to bring back this provision to the Senate in some substantial form, I withdraw the motion.

The PRESIDING OFFICER. Without objection, the motion is withdrawn.

Mr. JAVITS. Mr. President, I want to thank Senator Allen for this display of understanding and generosity.

Mr. ALLEN. I thank the Senator.

Mr. WILLIAMS. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. Durkin) appointed Mr. Williams, Mr. Randolph, Mr. Pell, Mr. Nelson, Mr. Hathaway, Mr. Mondale, Mr. Durkin, Mr. Javits, Mr. Schweiker, Mr. Taft, and Mr. Stafford conferees on the part of the Senate.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that technical amendment No. 1110 to H.R. 5900 amending amendment No. 1058 apply to amendment No. 1095, on page 2, line 17, following "proviso."

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will be in order.

Mr. ROBERT C. BYRD. For the information of Senators, Mr. President, there will be no more rollcall votes tonight.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 76—CONGRESSIONAL BUDGET FOR U.S. GOVERNMENT, 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 442, Senate Concurrent Resolution 76, be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The clerk will state the concurrent resolution.

The assistant legislative clerk read as follows:

> A concurrent resolution (S. Con. Res. 76) revising the congressional budget for the United States Government for the fiscal year 1976, directing certain reconciliation action, and providing for the transition quarter.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. MANSFIELD. Will the Senator yield?

Mr. MUSKIE. I yield.

THE PRESIDENT'S TRIP TO PEKING AND AMERICAN POW'S AND MIA'S

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily, and that the Senate proceed to the consideration of Calendar No. 446, Senate Resolution 251.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 251) to express the sense of the Senate that the President should, upon visiting the People's Republic of China, request that appropriate Chinese officials use their good offices to obtain a full and complete accounting of members of the United States missing in action and confined as prisoners of war in Southeast Asia.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Foreign Relations with an amendment to strike out all after the enacting clause and insert the following:

> That it is the sense of the Senate that the President should, upon visiting the People's Republic of China, request that appropriate Chinese officials use their good offices to obtain a full and complete accounting of members of the United States armed forces and United States civilians missing in action and confined as prisoners of war in Southeast Asia.
>
> Sec. 2. The President should, upon his return to the United States, report back to the Congress on the results of his request.
>
> Sec. 3. The Secretary of the Senate shall transmit a copy of this resolution to the President.

The amendment was agreed to.

The resolution, as amended, was agreed to.

The title was amended so as to read:

> Resolution to express the sense of the Senate that the President should, upon visiting the People's Republic of China, request that appropriate Chinese officials use their good offices to obtain a full and complete accounting of members of the United States Armed Forces and United States civilians missing in action and confined as prisoners of war in Southeast Asia.

Mr. DOLE. Mr. President, I ask unanimous consent that my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask

unanimous consent that my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I ask unanimous consent that my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 1479, S. 2305, AND H.R. 9500 PLACED UNDER "SUBJECTS ON THE TABLE"

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 1479, S. 2305, and H.R. 9500 be removed from the General Orders Calendar and placed under the heading "Subjects on the Table."

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL BUDGET FOR U.S. GOVERNMENT, 1976

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 76) revising the congressional budget for the U.S. Government for the fiscal year 1976, directing certain reconciliation action, and providing for the transition quarter.

Mr. MUSKIE. May I ask, Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is Senate Concurrent Resolution 76.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on the Budget be allowed to remain on the floor during consideration of and votes on Senate Concurrent Resolution 76, the budget concurrent resolution:

Douglas Bennet, Robert Boyd, John McEvoy, Sid Brown, Arnold Packer, Bill Stringer, Lou Ashland, Hal Gross, Jim Storey, Dennis Sachs, Tom Dine, Marc Lackritz, Peter Kyros, Mike West, and Ira Tannenbaum.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Will the Senator yield once more?

Mr. MUSKIE. Yes.

ORDER FOR RECESS UNTIL 8:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. Beall on tomorrow be vitiated and that when the Senate completes its business today it stand in recess until 8:45 a.m. tomorrow rather than the hour of 8:30 a.m., as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, as I understand it, under the order previously entered, the Senate on tomorrow, at 9 a.m., will go into closed session for not to exceed 4 hours. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Is it also correct that there has been morning business ordered up until 9 a.m.?

The PRESIDING OFFICER. The Chair is not informed of such order.

DESIGNATION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, there be a period for the transaction of routine morning business not to extend beyond 9 a.m., with statements therein limited to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR DURING THE CLOSED SESSION TOMORROW

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, I ask unanimous consent that during the closed session, in addition to the Secretary of the Senate, the Assistant Secretary of the Senate, the legislative clerk, the journal clerk, the Sergeant at Arms, and the Deputy Sergeant at Arms, all of whom are authorized under rule 36, except that current titles have been used where they have been changed, the following personnel be authorized to be on the floor: The Parliamentarian, the Assistant Parliamentarian, the assistant legislative clerk, the administrative assistant to the Sergeant at Arms, the secretaries to the majority and minority, and their assistants, the general counsel and associate general counsel of the Democratic Policy Committee—Messrs. Ferris, Leach, and Williams.

The administrative assistants to the minority leader and the assistant minority leader—Messrs. Davis and Holland—the official reporters of debates—Mr. Walker, Mr. Perry, Mr. Mohr, Mr. Firshein, Mr. Reynolds, Mrs. Ross, Mrs. Garro, Mr. Smonskey, and Mr. Timberlake.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask unanimous consent that the official reporters be authorized to take proceedings of the closed session in shorthand; that the notes be transcribed; and, when the session is concluded, the original notes be placed in the custody of the Secretary of the Senate and kept secret by him along with other minutes and matters of such nature already in his custody.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, at the conclusion of the closed-door session, the complete transcript of the proceedings be personally delivered in a sealed envelope by the Chief Reporter to Senators Church and Tower; that the transcript of the remarks of each Senator who participated in the debate be made available by Senators Church and Tower under their direction to said Senators for revision of their remarks; and that when this is completed, the transcript shall be resealed and put in a secure place for safekeeping for any future disposition by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL BUDGET FOR U.S. GOVERNMENT, 1976

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 76) revising the congressional budget for the U.S. Government for the fiscal year 1976, directing certain reconciliation action, and providing for the transition quarter.

Mr. BELLMON. Mr. President, will the Senator from Maine yield for a unanimous-consent request?

Mr. MUSKIE. I am happy to yield to the distinguished Senator from Oklahoma.

Mr. BELLMON. Mr. President, I ask unanimous consent that the following members of the staffs of my colleagues on the Budget Committee be allowed to remain on the floor during consideration of and votes on Senate Concurrent Resolution 76, the budget concurrent resolution:

On behalf of Senator Magnuson, Rodger Slickhisen, on behalf of Senator Mondale, Bert Carp, on behalf of Senator Hollings, Mike Joy, on behalf of Senator Chiles, Rick Brandon, on behalf of Senator Biden, Dick Andrews, on behalf of Senator Nunn, Dan Twomey, on behalf of Senator Dole, Ted Haggart, on behalf of Senator Beall, Ken Biederman, on behalf of Senator Buckley, Jan Bollen, on behalf of Senator McClure, Charles McQuillen, and on behalf of Senator Domenici, Franklin Jones.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, more than 6 months ago we took the first step in implementing the Congressional Budget Act of 1974 by passing the first concurrent resolution on the budget. We passed that resolution by an overwhelming margin just as the economy hit the bottom of the worst recession since World War II. That resolution represented our best judgment as to the appropriate fiscal policy for stimulating economic recovery without reigniting inflationary pressures. That resolution also represented our best judgments about budget priorities and a determined effort to regain congressional control over the Federal budget.

Since we passed that first resolution, we have tried to realize its targets and policies—with success, I think.

The second concurrent resolution on the budget is another significant part of the new budget process. And it is another important step toward economic recovery and fiscal responsibility.

The Budget Act provides for the passage of two concurrent resolutions on the budget each year. The first concurrent resolution sets targets for spending and revenue for the coming fiscal year. The second resolution reaffirms or revises these totals in light of subsequent legislative action and economic circumstances. Whereas the first resolution contained targets to guide our spending legislation, the second resolution is binding. It sets ceilings for total outlays and new budget authority and a floor for revenues for the coming fiscal year. Any subsequent proposed legislation which would violate these ceilings is subject to a point of order.

The Committee on the Budget has reported a second budget resolution for fiscal 1976 which I believe is a historic and promising step in the restoration of the Nation's economic health and in the implementation of the new congressional budget process.

The second budget resolution as reported by the committee provides for fiscal 1976:

Revenues of $300.8 billion;

Budget authority of $406.2 billion;

Outlays of $375.6 billion;

A deficit of $74.8 billion; and

A public debt ceiling of $623.2 billion.

Mr. President, this resolution both revises and reaffirms the first concurrent resolution on the budget. It revises the first resolution essentially by allowing for unavoidable increases in the costs of mandatory spending programs. But the second resolution reaffirms the basic spending priorities and economic policies of the first resolution.

The first resolution set spending levels of $367 billion and revenues of $298.2 billion that together left a deficit for fiscal 1976 of $68.8 billion.

In adopting our first resolution, we voted for spending priorities somewhat different from those of the administration. Our estimate of defense needs was lower than the administration's, although still above the previous year's level. In addition, the committee rejected administration proposals for major cutbacks in social programs and allowed for increases in some areas to meet needs aggravated by the recession.

Congress has followed these priorities. We have not enacted more spending programs than anticipated in the budget we adopted in May. In the 6 months since the first resolution, the Budget Committee, the other standing committees, and the Members of the Senate have demonstrated that Congress can discipline itself to lay a foundation for a faster recovery from our economic ills while promoting long-term economic stability.

The second resolution before us is designed to accommodate the remaining appropriations bills, including known supplementals, as well as some important legislative initiatives which remain before the Congress for this fiscal year. However, I must caution my colleagues that this budget is tight—one that requires us to continue to exert the self-discipline that is necessary if we are to gain long-term control over Federal expenditures.

The spending targets of the first resolution have been pushed up by $8.6 billion and the deficit target has been raised by $6 billion in this second resolution. These increases have been caused by higher reestimates of mandatory spending—not from new programs. Most of these reestimates have resulted from the recession. For example, hardships imposed on homeowners have led to increases in mortgage defaults and increased losses in the FHA's mortgage insurance program. These added losses will exceed original estimates by $0.9 billion.

Inflation in the health sector will increase medicare and medicaid by $0.8 billion. Higher caseloads in these programs will account for another $0.9 billion increase. Prolonged unemployment resulting from the recession has increased the cost of the unemployment insurance program and consumed $1.6 billion of the difference between the first and second concurrent resolution.

Inflation and recession together have raised the costs of other programs. Aid to needy children, for example, will require an additional $0.3 billion over initial estimates. Veterans' benefits will exceed estimates by more than $1.4 billion—mainly because increasing numbers of veterans are entering school or remaining in school because they cannot get jobs. Agricultural price supports have required an additional $0.6 billion. These comparatively uncontrollable increases account for nearly all of the difference in the spending and deficit totals between the first and second resolutions.

And so, Mr. President, I think it is fair to say that this second resolution does reaffirm the priorities and policies which Congress established last May.

In fact, the deficit in this second resolution is remarkably close to the $60 billion limit proposed by the President in March when $13 billion in increased outlays for existing programs is accounted for. This $13 billion is composed of:

Increases in existing mandatory programs totaling some $7 billion since the first budget resolution, many of which I have already mentioned;

Another $2 billion of similar increases over the President's February budget that were allowed for in the first budget resolution; and

A more realistic estimate of receipts from leases on the Outer Continental Shelf which serve to offset the budget authority and outlay totals. The President assumed $8 billion for such receipts in his February budget and has subsequently reduced his estimate to $6 billion. The Budget Committee assumed $4 billion for these receipts in the first budget resolution and has maintained this estimate in the second budget resolution. The latest data indicate that the $4 billion figure is the most we can prudently plan on.

Subtract this $13 billion in misestimates from the $74.8 billion deficit which the second resolution provides, and the result is indeed very close to the President's $60 billion deficit limit of last March.

MIDDLE EAST PACKAGE

An important committee decision in which I am sure our colleagues will be interested relates to the President's security assistance proposals transmitted to Congress on October 30, and particularly the large share of this request which would go to the Middle East. Initially, the committee voted to make no allowance in the second resolution for amounts for security assistance over the administration's February request. Our initial view was that the Budget Committee had neither adequate information nor time for full hearings on the budget impact of the new Sinai Agreement and the other security assistance proposals of the President.

On November 11, however, the committee received a letter from OMB Director James T. Lynn urgently requesting that it reopen consideration of the resolution to include funds for the administration's new security assistance request. Director Lynn suggested that failure to include funds for the Middle East package in the second resolution's aggregate totals would make the enactment of legislation providing those funds very difficult. At the same time, the committee received a letter from the distinguished chairman of the Subcommittee on Foreign Assistance, Mr. HUMPHREY, indicating that the subcommittee plans to hold hearings on the President's request this week.

(Mr. STONE assumed the Chair.)

Mr. President, I ask unanimous consent to print the letters in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NOVEMBER, 14, 1975.

Hon. EDMUND S. MUSKIE,
Chairman, Committee on the Budget,
U.S. Senate,
Washington, D.C.

DEAR ED: I am writing with regard to the Budget Committee's consideration of the Second Concurrent Resolution.

It is my understanding that in the work completed by the Committee thus far, no provision has been made to accommodate the Foreign Assistance budget request submitted by the President to the Congress on October 30. Further, it is my understanding that the Committee is considering alternative ways to accommodate the foreign assistance funds.

The President's proposals for foreign military and supporting assistance reflect a detailed reexamination of our policies in light of recent developments in the Middle East and Indochina. As you know, the bulk of the proposals relate to the essential American peacekeeping role in the Middle East; they are essential to our efforts to develop a lasting settlement of the Arab-Israeli conflict and to improve our relations with all of the states of the Middle East. The President's proposals for Europe, Asia, Africa, and Latin America recognize urgent needs and America's continuing interests and responsibilities in these areas.

It is essential that the Second Concurrent Resolution provide for these foreign assistance proposals. If the Resolution does not include funds for the Middle East and other programs, the procedures established under the Congressional Budget Act of 1974 will make later enactment of legislation providing such funds very difficult.

I recognize the great reluctance we all feel at adding in any way to the already substantial deficits both this year and next. I recognize also that differences in assumptions and priorities on the part of the Administration and the Congress have resulted in different numbers for spending and deficit ceilings. In each case, however, the costs associated with the Administration's Middle East proposals will lift those ceilings above what they would otherwise be. Fully recognizing that fact, the Administration, nevertheless, urges the action recommended above.

With warm regards.

Sincerely yours,

JAMES T. LYNN,
Director.

NOVEMBER 11, 1975.

Hon. EDMUND MUSKIE,
Chairman, Committee on the Budget,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On October 24, Chairman Sparkman responded to your request for the Committee on Foreign Relations' comments on legislation then in process which was expected to have an impact on the fiscal year 1976 budget. Since that date we have received the President's formal request for the Middle East, military and security assistance programs. The Subcommittee on Foreign Assistance plans to begin hearings on it next week.

My purpose in writing this letter is to provide you with comments regarding the likely response of our Subcommittee to the President's requests with the thought that this information may be helpful to you in preparing the Second Concurrent Resolution.

Our Subcommittee plans to take a close look at each of the four elements of the President's proposal. For some time, I have had under preparation legislation which would phase-out the grant military assistance program in the near future. In view of the present severe budgetary situation the Subcommittee may decide to recommend some acceleration of that action. Even if the phase-out of grant military assistance is not accelerated, there would appear to be room to make significant reductions in proposed fiscal year 1976 programs. Similarly, we doubt whether this is an appropriate time to initiate a new program of foreign military training as the President has proposed.

One highly questionable item in the President's request is an item of $323.9 million to "repay" the Defense Department for certain supplies drawn from Defense Department stocks for Cambodia as much as two years ago. Obviously, if any of these items had been imported to the readiness of our forces, the President would have seen that it was replaced long ago. To appropriate an additional $323.9 million for the war in Cambodia at this late date would appear to be an unnecessary exercise in *ex post facto* bookkeeping. I intend to recommend strongly against the appropriation of these funds.

In recent years many of our Members have expressed concern over the continuing growth of the U.S. arms sales abroad. This activity accounts for over $1 billion of the President's recent request. Much of that amount will be used to provide full financing for Israel's purchase of military equipment. While Israel's defense needs are great, before acting on this request we must calculate the significance in terms of reduced outlays and budget requirements of the fact that half of this fiscal year is already gone. Furthermore, we must ascertain whether the proposed Foreign Military Sales program includes other 100 percent guarantee programs and whether these are justified. These calculations may enable us to recommend further balanced reductions in the President's request.

The final category in the President's request is Security Supporting Assistance, which contains the bulk of the direct economic assistance promised to Middle East countries in connection with the Sinai agreement. We must take account of the fact that, as noted above, half the fiscal year had passed before this request was received. We must ask ourselves how much of the amount requested we can realistically expect to be spent before the end of the fiscal year. In this connection, our Subcommittee is seeking accurate information from the Executive branch regarding rates of expenditure of this money. We want these figures before acting on authorizations because we recognize that outlays drive deficits and I share with you a determination that the Congress take the lead in cutting deficits.

In summary, I believe that it is reasonable for your Committee to expect significant reduction in the President's most recent requests. Whatever we do, we will endeavor to stay within the guidelines decided upon by the Budget Committee and the Senate.

Sincerely,

Hubert H. Humphrey,

Chairman, Subcommittee on Foreign Assistance.

Mr. MUSKIE. The Budget Committee did not wish to delay expeditious handling of the Middle East package. It, therefore, voted to increase its previously adopted totals for budget authority by $1.6 billion and for outlays by $0.5 billion to accommodate the amounts by which the pending Middle East package exceeds the request in the President's February budget. While the committee took no position on the merits of the Middle East proposal, we did decide that if the amounts which Congress eventually provides for fiscal 1976 security assistance are less than the amounts assumed in the resolution, then the aggregate totals in the budget resolution will be correspondingly reduced for scorekeeping purposes. That is to say, if Congress does not provide the full amount requested by the President for security assistance, the remaining amount could not be spent for other purposes. And may I remind the Senate that during the debate on the foreign assistance authorization bill Senator Humphrey indicated that he expected that there would be cuts in this proposal.

This resolution also provides for spending in the transition quarters. As Members will remember the fiscal year is changed by the Budget Act from July 1 to October 1. That 3-month period requires funding and the resolution provides for that funding.

TRANSITION QUARTER

As I am sure my colleagues know, the Budget Act changes the start of the U.S. Government's fiscal year from July 1 to October 1, beginning with fiscal 1977. A transition quarter will take place between the end of fiscal 1976 and the start of fiscal 1977.

This resolution, therefore, sets aggregate budget totals for the transition quarter from July 1, 1976, to October 1, 1976, to insure that Congress will continue to impose budgetary discipline on spending and revenue legislation during that period. These numbers were calculated by the Congressional Budget Office to permit an extension of the priorities expressed in the resolution for fiscal 1976 until October 1, 1976, when fiscal year 1977 will begin. These transition quarter numbers are crucial to maintaining the integrity of this new budget process.

REVENUES

With respect to revenues, the second budget resolution recommends that the 1975 tax reduction be extended in a manner that does not cause withholding rates to rise on January 1, 1976. The committee, therefore, recommends a revenue floor of $300.8 billion. Under existing law, revenues would exceed this floor by $6.4 billion during fiscal 1976. This $6.4 billion essentially represents an extension of the 1975 tax reductions, and the resolution, therefore, anticipates that the Committee on Finance will report legislation to the Senate that reduces taxes for fiscal 1976 by this amount.

The committee has not assumed in this resolution, as it did in the first, that $1 billion in revenues for fiscal 1976 would be raised as a result of tax reform. While the committee believes that major tax reform should remain high on the congressional agenda, it appears unlikely that tax reform measures could be adopted soon enough to raise an additional billion dollars during this fiscal year.

FISCAL POLICY GOALS

Mr. President, this resolution represents a fiscal policy of modest and continuing stimulation of the economy. Our goal is to achieve a real growth rate in the economy of 8 percent for the next several quarters. I emphasize that point, Mr. President, because the Chairman of the Federal Reserve Board indicated in testimony to the committee that if Congress makes such a goal clear, the Federal Reserve Board would regard it as a mandate to gear its policies to the achievement of that goal. Such growth in our judgment is necessary to restore our economy to full health while achieving long-term stability. In addition, I would emphasize that this resolution assumes a monetary policy that will maintain essentially stable interest rates through the early part of the recovery. Such a monetary policy is necessary to accommodate the fiscal stimulus and expansionary momentum of the economy, only if monetry and fiscal policies are working toward the same goals will we make progress toward economic recovery.

May I repeat, Mr. President, that we have emphasized this point to Chairman Burns of the Federal Reserve Board in open hearings, we have emphasized it to him in private discussions. I would hope, therefore, that this point is clearly understood by the Federal Reserve Board which, of course, shapes monetary policy as well as by Congress.

In sum, Mr. President, I believe that the budget proposal before us is a responsible one. It will continue and build on the present recovery. But my colleagues should not be mistaken about one thing; this is a very tight budget indeed. While it allows for the remaining appropriations bills and some important legislative initiatives which remain before Congress, maintaining the goals of this budget will require the most severe fiscal discipline for the remainder of the fiscal year. The Senate has shown in the last 6 months that it is capable of the discipline and the commitment which this budget represents. I hope and believe that this body will continue to demonstrate that same commitment.

In conclusion, Mr. President, I thank our colleagues in the Senate generally for their cooperation in establishing the discipline of this process, the members of the Budget Committee on both sides of the party line, especially, for their dedication to this objective, independent of party considerations, and also for the fact that they have worked at this job so assiduously, so conscientiously that they are all becoming budgetary and economic experts to the advantage of the Senate, but in conclusion, I especially thank the ranking minority member of the committee, the distinguished Senator from Oklahoma (Mr. Bellmon). I believe that Senator Bellmon's work and the honesty and candor of his approach have made a most significant contribution to the committee's work this year and have helped to lay a firm foundation for the ultimate success of the budget process.

On my own side of the aisle, if I may now slip into partisanship, I especially thank Senator Moss and Senator CRANSTON, who have given to the work of this committee the same conscientious attention to duty that they give to their Senate work generally. I am proud that they are in the Chamber at this time.

Finally, Mr. President, I urge my colleagues to support this resolution. Public confidence in our capacity to manage the Nation's financial and economic affairs requires steady, decisive action on our part. This resolution provides us with an opportunity to speak clearly and with one voice about our plan for this year. I solicit the support and commitment of every Member of the Senate to the goals which this resolution represents.

Mr. President, I yield to my good friend, the Senator from Oklahoma (Mr. BELLMON).

Mr. BELLMON. Mr. President, I thank the distinguished chairman of the Budget Committee. I appreciate sincerely his kind remarks.

I believe that the work which Chairman MUSKIE has done in establishing the budget process this year and bringing it as far as we have during recent months is perhaps one of the most significant things that has happened in this Government for decades.

I believe that the foundation which has been laid would not have been laid except for the strong leadership and fairness which Senator MUSKIE has displayed time after time. It has been through his leadership that the Budget Committee has functioned as a committee and has had the impact which it is now generally recognized has occurred.

I cannot say too many good things about the chairman. I believe that what he has done this year is a prelude of even greater things that will happen in years to come.

Mr. President, in reporting this second concurrent resolution, Senate Concurrent Resolution 76, we are indeed undergoing an historic event. This resolution marks the beginning of a crucial phase of the budget control procedures.

Last May, Congress collectively agreed to a set of spending targets. Since then we have been monitoring each piece of legislation and measuring it against those targets, and tonight we begin the next step, the establishment of binding spending ceilings.

Mr. President, I emphasize the word "binding." Senators who in the past perhaps have not been fully aware of the impact of the budget process should know that the votes they cast on this resolution are binding. This resolution may be changed later by an act of Congress; but, speaking as a member of the Budget Committee, I emphasize the opposition which I know I will feel, and which I think other Members of the committee will feel, toward passing additional resolutions that simply will adjust the ceiling upward to accommodate actions by Congress. If we are going to have a budget process that means anything, these ceilings cannot be adjusted upward time after time. If we do get into that pattern, it will not be too long before the budget process comes to be as meaningless as the present debt limit. So I hope the Members of the Senate will take seriously the figures which our chairman has given and understand that these are meaningful and that they do provide a binding ceiling on spending.

We have come a long way in this first year of the new budget process. We have made real progress from the days when Federal spending was the product of dozens of separate, unrelated decisions made throughout the year. We have made real progress from the days when there was little understood relationship between congressional spending, revenue sources, and the Nation's economic needs. We have made real progress from the days when Members were unable to weigh each spending bill on any scale of national priorities. An important beginning has been made. But I emphasize that it is only a beginning. We still have a long way to go before the budget process is firmly established.

Also, Mr. President, as we all know, there is a long way to go before any of us will be totally pleased with the budget results. For example, the large deficit in this year's budget is a particular disappointment to those of us who favor balancing our national income with expenses. Congress must and can do better. The next step—and it is a crucial one in this often difficult process of budgetary control—is learning to adhere strictly to the pending ceilings once they are set. This is the essential purpose of the second concurrent resolution.

Again I point out that the ceilings established when we adopted this resolution are intended to be binding on Congress.

The recommended totals in the second concurrent resolution are:

Revenues of $300.8 billion.

Budget authority of $406.2 billion.

Outlays of $375.6 billion.

Deficit of $74.8 billion.

Public debt ceiling of $623.2 billion.

Appropriate totals were also included for the Transition Quarter, July 1 to September 30, 1976.

Mr. President, even though these are huge sums, as the chairman has said, this is a tight budget.

The Budget Committee has examined closely all these figures, and we believe this is not a spendthrift budget, given current law and existing economic conditions. It is the best budget with which we could come forth. Unless changed, current law requires us to live with existing entitlement benefit programs, and existing economic conditions have caused the deficit gap to widen by pushing outlays up and revenues down. For example, in addition to suffering personal agony, an unemployed person hurts the budget two ways: His potential tax payments are not owed to the Treasury, and payments to unemployed workers are mandated for unemployment compensation, and of course the worker in most cases is eligible for food stamps. Thus, the Treasury is hurt twice, and we end up with a deficit which none of us likes and which most of us vow to bring down in the future.

The targets we set last spring were lower than the current numbers. Outlays were set at $367 billion, or $8.6 billion below the level recommended in this resolution. The deficit was mathematically determined to be $68.8 billion, or $6 billion below the level suggested in the second concurrent resolution. This deficit would have been higher had not revenues also increased since our May estimate by a total of $5.6 billion, or a net amount of $2.6 billion, taking into account the extension of the 1975 Tax Reduction Act into 1976. Each spending bill this summer was measured against the budget target, and in general we have seen commendable restraint on the part of Congress.

So, why have outlays and the deficit gone up since our first concurrent resolution?

The biggest problem involves mandatory entitlement programs—those programs which require the payment of benefits to any person meeting the requirement established by law. These are the so-called uncontrollables. I emphasize "so-called uncontrollables." They are uncontrollable unless Congress changes the laws governing payment levels and eligibility, and that can be done if Congress decides to do so. I call attention to the following "uncontrollables" where reestimates impacted on the budget since last May:

First. Medicare and medicaid—budget authority is up by $600 million and outlays are up by $1.7 billion. These restimates are due to greater per patient costs, longer hospital stays, failure to achieve anticipated program savings, and a revised estimate of State spending.

Second. Unemployment compensation—budget authority is up by $2.9 billion, and outlays are increased by $1.6 billion. These reestimates are due to greater use of extended unemployment benefits than had been expected and greater budget authority due to advances to States which were depleting their trust fund accounts.

Third. Food stamps—increased budget authority and outlays by about $100 million. We are all aware of the problems with this program and numerous legislative changes have been proposed. Our budget contemplates prompt action to improve the program to the extent of $300 million potential savings between now and the end of fiscal 1976. Hopefully, greater savings can be made in future years without denying these badly needed benefits to those who are truly in need.

Fourth. Veterans education and retirement benefits—increased budget authority and outlays each by $1.5 billion. The need for reestimation here was primarily due to greater use of the GI bill than had been expected, primarily because veterans chose to use this time to exercise their educational benefits because jobs were unavailable.

Fifth. HUD-FHA mortgage programs—budget authority increased by $900 million and outlays up by the same amount—the reestimate here is due primarily to net losses under mortgage insurance programs to low-income family housing where mortgage default is anticipated.

Sixth. Certain other types of automatic welfare programs were increased because of greater utilization than expected—including cash welfare benefits involving aid to families with dependent children and social service grants which were up due to a revised estimate of State spending.

Certain other programs were increased although they were not entirely of a nondiscretionary nature. These include commodity credit price support payments based on prior year obligations, increases in the defense budget based in part on inflationary factors, and the Middle East agreement which was not contemplated in our first concurrent resolution last spring. These three items alone account for an increase of $2.5 billion since the first concurrent resolution.

These are the major reasons for the budget increases since May. They account for virtually all of the $8.6 billion outlays increase. We do not necessarily consider many of these increases bad—many are due to economic circumstances and in fact act as stabilizing influences during economic downturns.

Mr. President, there is a message here which the Senate, the House, and the administration, as well as the Federal Reserve Board, must heed. That message is that the United States must find a better means to assure economic health and stability. The costs, human and economic, of inflation and recession, of boom and bust, are too painful and too costly to bear. Here again is a role that the Committee on the Budget can certainly help to play in years to come.

The whole arena of mandatory entitlement programs deserves careful analysis leading to possible changes in the law. Such changes may be essential to our ultimate control of the budget. Without such a reevaluation of mandatory programs, we will find that less and less of the budget each year will be available for use in programs which Congress in that particular year deems essential. In fact, without change in the laws, more and more of the budget will become uncontrollable.

In addition to contemplating changes in the mandatory entitlement programs, members of the Budget Committee are seeking additional analysis which will help us control revenue losses through tax expenditures. Control of the budget not only means control of the outlays or expenditures but also control of the revenue resources including a hard look at tax deductions, tax credits, and tax deferrals. My colleague from Maryland (Mr. BEALL) will speak in greater depth on this issue.

I wish to congratulate Senator BEALL for his invaluable assistance and commonsense analysis of the tough problems the Committee on the Budget has tackled this year. His insight and high degree of fiscal responsibility have had a great impact upon the committee's efforts.

Two other items of critical importance involve budget authority committed in one year which will force outlays in some future year and permanent authority which also forces outlays in future years. We found these items to be important facts in the spending picture for fiscal year 1976. Substantial unused authority will be left on the books when we begin fiscal year 1977. My colleague from New Mexico, Senator DOMENICI, will carefully analyze this problem for us later tonight or tomorrow.

Again, Mr. President, Senator DOMENICI has ably helped the committee this year. His service as mayor of one of America's great cities has given him a vast experience in budgetary matters and a particular insight into the danger of spending brought about by long-term commitments.

As evidenced by our efforts to further analyze some of the complicated features of the Federal budgeting process, we are aware of the shortcomings in our efforts to date, but I should quickly add that the budget process so far has had a strong influence on spending this year—"astonishingly effective" were the words used by the Washington Post. All members of the Senate can take some satisfaction in the efforts to date. On balance, we believe that the numbers in this resolution give us a basis for continued economic recovery without a reoccurrence of double-digit inflation. Yet, fiscal discipline is a continuously challenging project and the budget represented by the second concurrent resolution will necessitate further restraint on the part of Congress in every category of spending. This is a tight budget with no room for slippage and I urge my colleagues to continue their assistance in this historic effort. Let us begin by accepting the recommendations incorporated in this second concurrent resolution.

Finally, Mr. President, I want to express my gratitude and admiration for Chairman MUSKIE and the other members of the Budget Committee for effectively initiating the new budget process and bringing it to its present state of effectiveness. The committee has worked hard; they have shown individual and collective insights; they have made many honest appraisals, although sometimes they were very difficult. Regardless of whatever preconceived notions any of us may have had, we have all learned a great deal as we have undertaken the committee's deliberations this year and I believe we are in even better condition to be effective next year and the years follow.

I believe the committee has had an innovative and positive spirit which has made is possible for us to look for new answers and solutions to problems which have defied traditional approaches.

I also wish to praise the staff of the committee, minority and majority alike, for the long hours they have spent guiding us down these new paths. While we know there is much more to be done, I believe we can all take great satisfaction in knowing that some progress has been made in establishing a budget process which, when fully implemented, will go far toward responsible management of this great Nation's fiscal affairs.

Also, my colleague from Kansas (Mr. DOLE) will point out several successes in our handling of budget matters and also mention some of the limitations we face.

Mr. President, I am very proud of the work that the Committee on the Budget has accomplished this year. Again, I urge the Senate to adopt the figures in the second concurrent resolution and to stay by those as we consider the other appropriations bills and funding matters that will be before us between now and adjournment.

Mr. MUSKIE. I thank the Senator very much for his excellent statement, which I think summarizes the report which has already been made. I thank him especially for his kind references to my own efforts.

I yield to my good friend from Utah (Mr. Moss), who has been such a strong supporter of this entire effort.

Mr. MOSS. Mr. President, I rise to speak in support of the second concurrent resolution, Senate Concurrent Resolution 76. I believe this is the most important bill the 94th Congress will be asked to vote on.

Let me begin by paying tribute to the leadership of this committee—the chairman (Mr. MUSKIE) and the ranking minority member (Mr. BELLMON). The other members of the committee have been diligent and devoted in their efforts and I believe that this initial year has proved successful.

I believe this is the most important bill that the 94th Congress will be asked to vote on for two reasons:

First. Because the Federal budget itself is typically the most important of policy documents Congress considers annually. At $375 billion, it sets the direction of our economy and tends to affect every American in some way; and

Second. Because this resolution is the second essential step in the new annual budget process, which emerged from the budget reform that Congress enacted last year. Its adoption will mark another key step in affirming congressional control over the Federal budget.

The new budget process is one of the most significant and positive changes in government in many decades. It has given the Congress new opportunities in federal budget making, establishment of priorities, and the policies and programs which flow from the budget process. I fully support the new process.

In May, Congress approved overall targets on outlays, budget authority, revenues, and the deficit by enacting the first concurrent resolution. It was meant to guide legislative action on the various spending and revenue measures affecting the fiscal year 1976 period. The second resolution before us today, revises and reaffirms those earlier totals and will establish them as binding ceilings which become applicable to all subsequent legislation affecting this fiscal year. This resolution resulted from extensive hearings and consideration of views from people of disciplines and persuasions across the spectrum.

In its report to the Senate on the first resolution, this committee indicated that the fiscal 1976 budget should: Provide funds for national security, education, health care, pensions, and other established programs, which the people of the United States would need regardless of the state of the economy; provide fiscal stimulus over and above such basic needs to help pull the United States out of its most devastating economic decline since the 1930's; move vigorously toward ending the increasingly harsh cycles of inflation and recession which have dominated the U.S. economy for nearly a decade; and provide direct help to those Americans whose incomes have been cut off or reduced by the recession. These goals are reaffirmed in this resolution.

Thus, in enacting the first resolution, Congress adopted spending priorities different from those of the administration. These priorities are maintained in the second resolution. While some increases are allowed for defense, the committee has rejected administration proposals for major cutbacks in social programs. For example, the committee strategy includes full cost of living increases for recipients of Federal programs such as social security, medicare, medicaid, and veterans; while the administration would have reduced such programs below the level of current services.

The economic situation of the last 6 months has demonstrated the wisdom of the fiscal policies that Congress adopted this year via the first resolution. These policies together with the tax cut last spring, have contributed to an increase in consumer income and spending, a reduction in unemployment, and started the economy moving toward recovery. Despite improvement over the last 6 months, the economy continues to be somewhat fragile. Unemployment now at 8.6 percent continues to be too high. And although we have witnessed substantial improvement over last year's double-digit inflation continues to be a threat, which means that we are not yet out of the woods. But I believe we are moving in the right direction.

Accordingly, a key element of the committee's second resolution is a recommendation that the 1975 tax reduction be extended in a manner that does not raise withholding rates next January, when most of the provisions of the 1975 tax reduction are scheduled to expire. This tax policy, outlays of approximately $375 billion in 1976, and the fiscal policy inherent in this resolution; together with a monetary policy that would keep short-term interest rates near current levels will enable the economy to move on the 8 percent growth path which is the committee target. Of course, we are cognizant of the uncertainty of economic forecasts. So we should be prepared to adjust fiscal policy, if that is necessary, to achieve the 8 percent growth target, or to change, if the target becomes inappropriate.

In my view, extension of the 1975 tax reduction is essential because an increase in taxes would mean a failure to achieve the goal of reducing employment. Moreover, a tax cut is necessary to increase consumer income and offset the loss of purchasing power, and to stimulate investment and productivity.

The first resolution which the Congress adopted called for a spending level of $367 billion and a deficit of $68.8 billion. The resolution before us raises the spending target to $375.6 billion which means a deficit of $74.8 billion. I think it is important to understand that these increases derive essentially from higher estimates of the cost of existing programs and not from new spending programs enacted by Congress since the previous targets were set. These reestimates have occurred primarily in programs whose costs depend on current economic conditions; that is, the level of unemployment, inflation, or both. Most of these changes have come in the areas of medicare and medicaid because of increased costs of health care and higher case loads; veterans benefits, mainly because an increasing number of veterans are in school; unemployment compensation and welfare payments because of long-term unemployment, inflation and recession; and FHA mortgage insurance sures. Such increases are required to comply with the law.

With comparable assumptions, the spending and deficit ceilings proposed in this resolution do not differ significantly from those of the President's for 1976. And using the same basis for comparison, the spending and deficit ceilings proposed by this committee are actually lower than those approved by the House.

The deficit is high and it is of great concern to me. But I am also concerned about the human deficit. Dollar costs can be calculated, but statistics just do not begin to measure the human deficit—the suffering of people who want to work, but cannot find jobs. The deficit is there because of the recession—because of lost tax revenues, because business is down, and people are not working, because costs of unemployment insurance, food stamps, and related programs are up. While the Congress did not create the recession, I believe we have an obligation to act to alleviate the hardships which are associated with it and to assist in the economic recovery. Given the present state of the economy, administration officials, economists, and other experts who appeared before the committee indicated a large deficit was absolutely unavoidable in 1976.

While the deficit is high, it is considerably less than the $100 billion which the President forecast in March. I believe the deficit would have been that large but for the new budget process and the discipline shown by members of this committee, and other Members of the Congress.

This resolution aims to reduce the deficit in subsequent years by maintaining and strengthening the economic recovery that is now under way, and by better management of the Nation's financial affairs. The committee believes this gives us a basis for continued economic recovery without a recurrence of double-digit inflation. While the budget is tight, room has been allowed for funding of high-priority areas identified in the first resolution—job creating programs, railroad finance, and energy initiatives. The stimulus which the deficit provides will assist the economy most urgently in the early phase of recovery. A stronger recovery means more people working, increased Federal revenues, and enhances the opportunity to move in the direction of a balanced budget.

The transition quarter is included in the resolution. And it is just as important to maintain the same fiscal restraint and discipline in that period as in the 2 fiscal years which it bridges. It would be unrealistic if not irresponsible to attempt to use the transition quarter as a "get well" period. It could defeat the new process.

This resolution does not precisely square with my own views in every detail. We won some and lost some in committee action. Like other bills which come before us, this legislative product reflects this give and take. However, it represents a reasonable and responsible budget which is responsive to the Nation's needs as determined by the committee at this time. This resolution cannot correct in 1 year the budget problems which have accumulated over many years. But it is a beginning. Living within these ceilings will not be easy but it is necessary. I know my constituents, and I believe Americans in general, want the administration and the Congress to exercise greater fiscal responsibility and show greater restraint in Federal spending.

With the aid of the new process and the fiscal discipline which it implies, I think the committee and the Senate have done better than we had a right to expect. But we must continue. We must even do better as we move along to the future.

All Members can take pride in our budget accomplishments this year. However, the efforts of Senator MUSKIE, our distinguished committee chairman and Senator BELLMON, the ranking minority member, stand out. Their strong and steady leadership has been an inspiration to all of us. Our accomplishments would not have been possible without their extraordinary performance. I also want to commend the efforts of the committee staff—both core staff and personal staff—and the CBO. Despite a late start, the fact that they were dealing with a complex subject, and pioneering in a new process, I think they have performed with unusual competence and dedication.

I believe a key factor in restoring the economic health of our Nation lies in improving public confidence and demonstrating that our Government is not only willing but capable of taking the necessary measures to bring inflation under control and restoring the economy to a healthy state. What a powerful message for Americans in the Bicentennial period covered by this budget. The resolution represents a significant opportunity to contribute toward that end.

Accordingly, I urge my colleagues to support it.

I yield the floor.

Mr. President, I yield the floor.

Mr. BEALL addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MUSKIE. Mr. President, I yield to my good friend from Maryand.

Mr. BEALL. Mr. President, I thank the distinguished chairman of the Budget Committee and rise to speak briefly in support of the concurrent resolution on the budget for fiscal year 1976 and the transition quarter and to add my word of commendation to the distinguished chairman of the committee and the ranking minority member for the direction and dedication they have provided in making this process a success.

I think that this year this trial run has, indeed, been a success. I think as a result of the success in this initial budget process under the new law, the Congress is perhaps going to be better able in the future to carry out its primary responsibility of appropriating funds for the operation of the Federal Government in a responsible manner.

I think a substantial progress has been made this year which will benefit the total populace and particularly the taxpayers of this country because we will have a better knowledge of the manner and ways in which money is being spent and received.

Mr. President, I wish to support Senate Concurrent Resolution 76, the second concurrent resolution on the budget for fiscal year 1976 and the transition quarter. With the eventual passage of a conference report on the second concurrent resolution, the Congress will have successfully completed the budget process. This process, which was initiated this year, has proved to be far more successful and far more productive than any of us would have hoped some 9 to 10 months ago. The Congress has demonstrated this year through the Congressional Budget Reform Act that it is capable of managing its own financial affairs and that it can live within self-imposed spending ceilings. Through this process, the Congress has shown that it is serious not only about overall expenditure ceilings and revenue floors, but that it is also committed to a careful reassessment of all programs as to their cost effectiveness.

Mr. President, as we near the completion of the budget process for the first time, I would like to add to the comments made by the distinguished Senator from Oklahoma as to how we can improve the budget process and in what directions we might wish to move as we begin consideration of the first concurrent resolution for fiscal 1977. As the Senator from Oklahoma mentioned, it was apparent during the markup of the second resolution that the committee and the Congress had limited ability to impact outlays and the size of the deficit. It became increasingly obvious to all members of the committee that to limit our concerns to outlays alone was equivalent to worrying about the horse after it had escaped from the barn. If we are ever to maintain any control over the budget, it is going to have to come not only through control of budget authority, as has been stressed here today, but also through a greater control on revenue losses. Control of the budget is not just limited to controls on current expenditures or controls on commitments for future expenditures. Tax expenditures are very much like budget authority in that they commit us to revenue losses over long periods of time rather than just for the year in which they are enacted. Tax expenditures generally are not subject to regular periodic review, and accordingly constitute long run commitments of indirect expenditures through the tax system.

The list and the amounts involved in these tax expenditures continue to grow each year, with new tax credits, tax deductions, tax deferrals, and tax forgiveness mechanisms working their way into the code. Compounding the problem is the fact that many tax expenditures which are put in on a temporary basis often become permanent. Mr. President, we have become increasingly alarmed at the rapid growth of Government outlays over the past decade, yet we tend to ignore the fact that the growth of tax expenditures has far exceeded the growth in outlays. If we take into account the second concurrent resolution outlay figure, there has been an increase in outlays of 130 percent from fiscal year 1967 to fiscal year 1976. The growth of tax expenditures as determined by the Joint Committee on Internal Revenue Taxation has been 180 percent over this same period. Up until this year, tax expenditures have never been included in the President's budget and therefore have generally been well hidden from scrutiny. Accordingly, a dollar loss in tax expenditure has never really been looked upon by Members of the Congress in the same vein as a dollar loss in outlays. During the markup on the second resolution, we tediously reviewed various functional categories, trying to establish where we might cut $100 million here and $100 million there in budget authority and outlays. Yet when it came to revenues, we were resigned to giving up our earlier resolution on revenues which called for $1 billion from tax reform. I suppose that we can rationalize this by arguing that we have no control over the events which take place in the tax-writing committees, but is this not equivalent, Mr. President, to arguing that we really do not have any control over events that transpire in the various authorizing and appropriating committees also? If you carry this logic to its conclusion, we are saying that we really do not have any control over anything as far as the budget process is concerned and our efforts therefore deteriorate to bookkeeping operations. That being the case, then why a budget process at all?

So, Mr. President, I hope that the Budget Committees in conjunction with the tax-writing committees of the Congress, as well as Congress itself, will in future resolutions be willing to concentrate on those tax-expenditure areas where we can cut wastage, just as we must do in direct outlays and authority. And, as the economy improves, it is important that we make serious efforts on both the expenditure and revenue sides to reduce the size of the deficit. I think that the efforts of the Budget Committees in cooperation with the full membership of both Houses indicate that the budget reform process is off to a good start and that we in the Congress are beginning to carefully rethink our priorities and our spending limitations.

Mr. President, I ask unanimous consent that some tables I have here relative to the statement I have made be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

ESTIMATED FEDERAL INCOME TAX EXPENDITURES,[a] FISCAL YEARS

[In millions of dollars] [1]

Description	1976 [e] JCTRT	1976 [e] Treasury [f]	1975 [e] JCIRT	1975 [e] Treasury [f]	1974 [e] JCIRT	1974 [e] Treasury [f]	1972 [d] [g]	1971	1970	1969	1968	1967
National defense:												
Exclusion of benefits and allowances to Armed Forces personnel	650	(*)	650	(*)	650	(*)	[5] 700	650	500	550	550	550
Exclusion of military disability pensions	85	(*)	75	(*)	65	(*)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
International affairs:												
Exclusion of gross-up on dividends of IOC corporations	55	(*)	55	(*)	55	(*)	60	55	55	55	55	50
Exclusion of certain income earned abroad by U.S. citizens	100	(*)	95	(*)	90	(*)	50	50	40	45	45	40
Deferral of income of domestic international sales corporations (DISC) [b]	1,288	1,320	1,061	1,070	870	(*)	100					
Special rate for Western Hemisphere trade corporations	50	(*)	50	(*)	50	(*)	50	75	50	55	55	50
Deferral of income of controlled foreign corporations	552	(NIT*)	620	(NIT*)	620	(NIT*)	[5] 325	165	165	170	165	150
Agriculture:												
Expensing of certain capital outlays [2]	650	(*)	625	(*)	750	(*)	900	840	820	880	860	800
Capital gain treatment of certain income [2]	365	(*)	300	(*)	550	(*)						
Natural resources, environment and energy:												
Expensing of exploration and development costs	1,365	(*)	1,050	(*)	830	(*)	[5] [6] 650	325	325	340	330	300
Excess of percentage over cost depletion [b]	1,285	3,055	2,084	2,570	2,120	(*)	1,700	985	980	1,470	1,430	1,300
Capital gain treatment of royalties on coal and iron ore	20	5	15	5	5	(*)	5	5	5	5	5	5
Timber capital gain treatment of certain income	215	(*)	205	(*)	185	(*)	[5] 175	175	130	140	140	130
Pollution control: 5-yr amortization	20	(*)	30	(*)	35	(*)	25	15	15	15		
Commerce and transportation:												
$25,000 corporate surtax exemption [b]	3,572	3,570	3,668	3,590	3,270	(*)	2,500	2,300	2,000	2,300	2,000	1,800
Deferral of tax on shipping companies	40	(*)	35	(*)	35	(*)	30	10	10	10	10	10
Railroad rolling stock: 5-yr amortization	55	(*)	60	(*)	70	(*)	[5] [9] 80	45	105			
Bad debt reserve of financial institutions in excess of actual	980	(*)	1,030	(*)	1,000	(*)	[5] 400	400	380	680	660	600
Deductibility of nonbusiness State gasoline taxes	850	(*)	850	(*)	865	(*)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Community and regional development:												
Housing rehabilitation: 5-yr amortization	95	(*)	115	(*)	85	(*)	40	25	15	10		
Credit for purchasing new home [b]	625	(NIT)										
Education, manpower and social services:												
Child care facilities: 5-yr amortization	5	(*)	5	(*)	5	(*)	5					
Exclusion of scholarships and fellowships	190	(*)	210	(*)	195	(*)	125	110	60	60	60	50
Parental personal exemption for student age 19 and over	690	(*)	670	(*)	655	(*)	640	550	500	525	500	500
Deductibility of contributions to educational institutions	590	(*)	565	(*)	510	(*)	275	275	200	200	200	170
Deductibility of child and dependent care expenses [b]	260	250	240	(*)	230	(*)	180	30	25	25	25	25

ESTIMATED FEDERAL INCOME TAX EXPENDITURES,[a] FISCAL YEARS—Continued

[In millions of dollars][1]

Description	1976 [e] JCTRT	1976 [c] Treasury[f]	1975 [e] JCIRT	1975 [c] Treasury[f]	1974 [e] JCIRT	1974 [c] Treasury[f]	1972 [d] [g]	1971	1970	1969	1968	1967
Education, manpower and social services: (continued)												
Credit for employing public assistance recipients under work incentive (WIN) program [b]	6	5	5	(*)	5	(*)	5					
Health:												
Exclusion of employer contributions to medical insurance premiums and medical care	3,745	(*)	3,340	(*)	2,940	(*)	2,500	2,000	1,450	1,450	1,400	1,100
Deductibility of medical expenses	2,630	(*)	2,375	(*)	2,125	(*)	1,900	1,900	1,700	1,700	1,600	1,500
Income security:												
Exclusion of social security benefits:												
Disability insurance benefits	280	(*)	260	(*)	235	(*)	175	155	130	120	100	(NA)
OASI benefits for aged [3]	2,940	(*)	2,655	(*)	2,530	(*)	3,550	3,250	2,950	2,800	2,700	2,300
Benefits for dependents and survivors [3]	480	(*)	435	(*)	410	(*)						
Exclusion of railroad retirement system benefits [3]	180	(*)	170	(*)	160	(*)						
Exclusion of sick pay	295	(*)	275	(*)	255	(*)	[5] 225	120	105	105	95	85
Exclusion of unemployment insurance benefits	3,830	(*)	2,370	(*)	1,050	(*)	700	800	400	350	325	300
Exclusion of workmen's compensation benefits	620	(*)	570	(*)	520	(*)	375	320	210	210	180	150
Exclusion of public assistance benefits	90	(*)	85	(*)	75	(*)	65	65	50	50	50	50
Net exclusion of pension contributions and earnings:												
Employer plans	5,740	(*)	5,200	(*)	4,790	(*)	4,000	3,650	3,075	3,150	4,800	3,000
Plans for self-employed and others	710	(*)	410	(*)	230	(*)	200	250	175	160	135	60
Exclusion of other employee benefits:												
Premiums on group term life insurance	805	(*)	740	(*)	680	(*)	550	500	440	440	400	400
Premiums on accident and accidental death insurance	50	(*)	45	(*)	40	(*)	35	30	25	25	25	25
Privately financed supplementary unemployment benefits	5	(*)	5	(*)	5	(*)	5	5	20	15	15	25
Meals and lodging	190	(*)	180	(*)	175	(*)	170	170	170	170	165	150
Home security: (continued)												
Exclusion of capital gains on house sales of over 65	10	(*)	10	(*)	10	(*)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Excess of percentage standard deduction over minimum standard deduction [b]	2,090	1,420	1,527	1,370	1,260	(*)	1,040	700	3,000	3,800	[9] 3,600	[9] 3,260
Additional exemption for the blind	15	(*)	15	(*)	15	(*)	10	10	10	10	10	10
Additional exemption for over 65	1,250	(*)	1,200	(*)	1,150	(*)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Retirement income credit	70	(*)	75	(*)	100	(*)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Earned income credit [b]	1,455	(NIT)										
Veterans' benefits and services:												
Exclusion of veterans' disability compensation [4]	550	(*)	525	(*)	485	(*)	[5] 480	700	650	600	600	550
Exclusion of veterans' pensions [4]	35	(*)	30	(*)	25	(*)						
Exclusion of GI bill benefits [4]	250	(*)	255	(*)	290	(*)						
General government:												
Credits and deductions for political contributions	50	(*)	25	(*)	10	(*)	100					
Revenue sharing and general purpose fiscal assistance:												
Exclusion of interest on State and local debt	4,765	(*)	4,315	(*)	3,865	(*)	[5] 2,900	2,600	2,300	2,200	2,000	1,800
Exclusion of income earned in U.S. possessions	355	(*)	355	(*)	355	(*)	90	90	90	95	90	80
Deductibility of nonbusiness State and local taxes (other than on owner-occupied homes and gasoline)	9,950	(*)	8,820	(*)	6,955	(*)	5,300	5,600	5,600	5,100	4,150	2,800
Business investment:												
Depreciation on rental housing in excess of straight line	540	(*)	520	(*)	480	(*)	600	500	255	275	250	250
Depreciation on buildings (other than rental housing) in excess of straight line	490	(*)	500	(*)	505	(*)	500	480	500	550	550	500
Expensing of research and development expenditures	660	(*)	630	(*)	605	(*)	570	545	540	565	550	500
Capital gain: corporate (other than farming and timber)[7]	755	(*)	595	(*)	745	(*)	400	380	425	525	525	500
Investment credit [8]	8,807	5,370	5,954	5,065	4,570	(*)	3,800	1,800	910	2,630	3,000	2,300
Asset depreciation range	1,590	(NIT)*	1,410	(NIT)*	1,260	(NIT)*	[5] 860	700				
Personal investment:												
Dividend exclusion	360	(*)	340	(*)	320	(*)	300	300	280	290	260	225
Capital gain: individual (other than farming and timber)[7]	4,165	(*)	3,280	(*)	6,150	(*)	7,000	5,600	(NA)	(NA)	(NA)	(NA)
Exclusion of capital gains at death	4,550	(NIT)*	4,420	(NIT)*	5,000	(NIT)*	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Exclusion of interest on life insurance savings	1,820	(*)	1,620	(*)	1,420	(*)	1,200	1,100	1,050	1,050	1,000	900
Deferral of capital gain on home sales	315	(*)	285	(*)	255	(*)	(NA)	(NA)	(NA)	(NA)	(NA)	
Deductibility of mortgage interest on owner-occupied homes	6,500	(*)	5,590	(*)	4,870	(*)	3,500	2,400	2,800	2,600	2,200	1,900
Deductibility of property taxes on owner-occupied homes	5,270	(*)	4,660	(*)	4,060	(*)	3,250	2,700	2,900	2,800	2,350	1,800
Deductibility of casualty losses	300	(*)	275	(*)	255	(*)	[5] 150	165	80	80	80	70
Other tax expenditures:												
Exemption of credit unions	125	(*)	115	(*)	105	(*)	[5] 90	40	40	45	45	40
Deductibility of charitable contributions (other than education)	5,125	(*)	4,780	(*)	4,110	(*)	3,100	3,200	3,550	3,450	3,000	2,200
Deductibility of interest on consumer credit	3,460	(*)	2,885	(*)	2,435	(*)	[5] 1,100	1,800	1,700	1,700	1,600	1,300
Maximum tax on earned income	385	(NIT)*	350	(NIT)*	330	(NIT)*	(NA)	(NA)	(NA)			
Total [10]	103,310	91,820	88,844	81,405	82,015	74,805	59,810	51,710	43,945	46,635	44,140	36,610

Note: Classification under functional categories has been different in other years. For example, the investment credit now appears under Business Investment, but was at 1 time classified under Commerce. These changes have not been noted. The classification employed here is that used by the JCIRT estimate for fiscal 1976.

[a] All post-1974 estimates based on the Internal Revenue Code as of Jan. 1, 1975, except as noted in footnote (b).

[b] Includes effects in fiscal years 1975 and 1976 of the Tax Reduction Act of 1975. Separate estimates are also presented in table 2.

[c] Estimated for the fiscal year ending June 30.

[d] Estimated for the calendar years and are near equivalents of fiscal years 1968–1973.

[e] "Estimates of Federal Tax Expenditures," prepared for the Committee on Finance by the staffs of the Treasury Department and the Joint Committee on Internal Revenue Taxation, July 8, 1975. These estimates are generally referred to as estimates of the Joint Committee on Internal Revenue Taxation, and that designation is used herein.

[f] These estimates are taken from Special Analysis of the Budget, Special Analysis F—Tax Expenditures, 1976 and are generally referred to as Treasury estimates.

[g] "Estimates of Federal Tax Expenditures," prepared for the Committee on Ways and Means by the staffs of the Treasury Department and the Joint Committee on Internal Revenue Taxation, June 1, 1973.

NOTES

(NIT)* Not considered to be a tax expenditure by the Treasury Department.
(NIT) Not included in Treasury estimates.
(NA) Not available—Not included in pre-1974 estimates.
*Treasury estimate same as Joint Committee on Internal Revenue Taxation estimates.
JCIRT Joint Committee on Internal Revenue Taxation.

[1] Estimates are prepared on an individual basis for each item on the assumption that the items would be eliminated from the law without any other changes with respect to the other items. If two more changes in the law are made, the aggregate revenue effect will frequently not equal the sum of the revenue effects of the individual changes. Accordingly, the costs of the items are not additive.

[2] Pre-1974 estimates combined both of these categories into 1 item.

[3] Pre-1974 estimates combined these 3 categories into 1 item.

[4] Pre-1974 estimates combined these 3 categories into 1 item.

[5] 1972 and later figures are not entirely comparable to earlier figures because revised data or estimating techniques were employed for 1972 and later years.

[6] The estimate for 1972 considers this tax expenditure in isolation rather than in conjunction with percentage depletion as has been done for the years 1967–71.

[7] Assumes present restriction on capital loss is retained.

[8] This will decline over time as present law becomes fully effective.

[9] Standard deduction.

[10] As explained more fully in footnote 1, these totals are not additive and are therefore of limited significance and utility.

TABLE 2.—TAX EXPENDITURE EFFECTS OF THE TAX REDUCTION ACT OF 1975

	1976	1975
Temporary increase in percentage standard deduction	670	157
5-percent new home credit	625	
10-percent earned income credit	1,455	
Child care	—10	
Investment credit	3,437	889
Percentage depletion	1,770	486
WIN	1	
Reduce corporation normal tax rate to 20 percent	182	78
Raise corporation surtax exemption to $50,000	840	360
Modifying taxation of controlled foreign corporations:		
Repealing minimum distributions exception	(—30)	
Repealing reinvestment in less-developed countries exception and modifying shipping income exception	(—15)	
Changing rule for classifying income of controlled foreign corporations	—23	
Denying DISC benefits for energy resources	—32	—9

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. MUSKIE. Mr. President, I yield to my good friend from California.

Mr. CRANSTON. Mr. President, under the able leadership of the Senator from Maine (Mr. MUSKIE) and the Senator from Oklahoma (Mr. BELLMON), the congressional budget process has advanced from its birth through its early infancy and has learned to walk.

Like most toddlers, it has fallen occasionally—as we have come to grips with the mysteries that surround the various numbers comprising the immensely complicated Federal budget.

But the infant has survived its first year with amazingly few skinned knees, and remarkable development.

I believe that this is a tribute to the distinguished chairman of the Budget Committee, who has borne the main responsibility to nurture, protect, and defend our infant on the Senate floor. I thank the chairman for his kind words regarding my own efforts on the committee.

This is a major institutional reform we have undertaken, Mr. President, and its growth and development will not occur without a few bumps and bruises.

The chairman deserves great credit for guarding our infant from the many risks to which a newborn child of this potential importance is likely to be subjected.

Any alteration in the way an institution like the U.S. Senate does business is bound to upset those who prefer to do business in the old way.

But it is to the credit of the whole Senate that this first year of the budget process has seen as little resistance as it has.

At the same time, the new process has gained its vitality and credibility from those occasions on which the Budget Committee leadership has gone to the Senate floor, with great success, to defend the budget targets.

Evenhandedly, the chairman has risen to speak against spending in excess of budget targets in all sectors of the budget: $250 million was whittled from the military procurement authorization bill after that bill was returned to conference; $75 million was cut from the child nutrition bill; $1.7 billion in target-et: $250 million was whittled from the Postal Reorganization Act amendments.

And numerous amendments to various bills which would have forced budget authority or outlays to exceed congressional targets have been withdrawn, scaled down, or defeated, in the face of the determined objection of the guardian of the congressional budget.

The ability of this complex and novel process to work has been tentatively demonstrated.

So, too, has the willingness of the Senate to live within its discipline.

As our toddler becomes stronger—and our numbers become more precise—these accomplishments will be retested.

But, for now, we can be proud of what has been accomplished to date.

For, between the first and second budget resolutions, Congress did not engage in the predicted rash of spending that some had foreseen.

Rather—with the major exception of National Defense appropriations, which to date have exceeded the first concurrent resolution targets by about $900 million—the Congress has demonstrated a willingness to live within those targets.

To be sure, it was necessary to raise the overall budget authority and outlay levels in the second concurrent resolution.

These ceilings are up $10.4 billion and $8.6 billion respectively from the first concurrent resolution totals.

But this increase was not caused by congressional spending.

Rather, it was almost entirely a result of Ford administration reestimates in nondiscriminatory spending, totaling $8.8 billion in budget authority and $7 billion in outlays—together with the allowance for the Middle East package—which was not anticipated in the President's budget—that has caused the resolution numbers to be raised.

The President's budget—submitted to us in February—had been made to appear smaller than it actually was by the amount of these spending underestimates, and by his gross overestimate—at least $4 billion dollars—in Outer Continental Shelf offsetting lease receipts.

The nondiscretionary reestimates have significantly raised the totals for commerce and transportation; for education, manpower and social services; for health care; for income security; and for veterans' benefits.

The net result of our new budget ceilings is to provide a slightly more stimulative budget in the second concurrent resolution.

This, coupled with a slightly better picture of inflation and unemployment rates than was available at the time of the first concurrent resolution, gives me hope that we will accelerate the rate of recovery, and speed up the reduction of unemployment which still plagues 12 million Americans who cannot find jobs.

For that will enable us to accomplish our major economic and budgetary purpose—a full-employment economy, and a balanced budget.

On the whole, then, I believe the totals in the second concurrent resolution are about where they should be, under our present economic circumstances.

However, I am greatly concerned with the sense of priorities reflected in the committee's report.

At the time of the first concurrent resolution, I stated to the Senate my views regarding the potentiality for savings in the national defense budget this year, and I testified about those views to the Defense Appropriations Subcommittee.

These potential savings would not adversely affect our national security.

But, Mr. President, we passed the defense appropriations bill yesterday, at a level $500 million higher than the House, and we have not achieved those savings.

I believe that other urgent national needs make such savings mandatory. I also believe that such savings can be made in ways fully consistent with our true national defense needs.

Yesterday, while the Senate was turning down a series of cuts in the defense appropriations bill, the President announced his intention to cut $1.2 billion from education programs.

We cannot continue to waste money on an inflated defense budget—and sacrifice the other urgent national needs that contribute to our security as a nation.

The Senate Budget Committee has heard recently from the respective Chiefs of Staff of the Army, Navy, and Air Force, describing their long-range plans for real budget growth in each of these branches of service.

Yet, when I asked Army Chief of Staff General Weyand how his desire for real growth by the Army, together with the Navy and Air Force, squares with the desire of the President to reduce the size of the Federal budget, he replied: "It doesn't."

Mr. President, it is obviously almost impossible to reduce the size of the Federal budget, when Congress permits defense expenditures to achieve substantial real dollar growth.

This year alone, the amount allocated in the second concurrent resolution for national defense is up $8.1 billion in new budget authority from OMB's latest estimates for the previous year—an increase far in excess of any other function's growth.

The Budget Committee was narrowly divided on the question of whether the defense ceilings should be pushed upwards to this level—an increase of $300 million in budget authority and $1.3 billion in outlays from the first concurrent resolution.

Both the chairman and the ranking minority member were among those of us joining in supporting lower levels than the committee has recommended in the second concurrent resolution for national defense—because, Mr. President, there is unnecessary and misguided spending in these defense ceilings.

But the format of the budget resolution this year does not permit easy adjustment of functional totals.

Next year, when functional totals are

included in the budget resolutions, the full Senate will have an opportunity to examine the priorities, as well as the overall spending totals, of the budget resolution.

When that occurs, Mr. President, I hope—if the committee itself has not improved its sense of priorities—that the Senate will.

For, unlike other functions in which nondiscretionary re-estimates by the administration forced the targets upward, in National Defense there was a downward reestimate of nondiscretionary spending. This should have enabled us to reduce the ceiling.

Instead, the defense ceilings were raised by the Budget Committee to accommodate the failure of the Appropriations Committee to hold discretionary spending within the first concurrent resolution targets.

The budget process has my full support—it is a vital reform in the way that the Congress does its business.

But it will never succeed if it is applied strictly only to nondefense spending.

Mr. President, I look forward to next year, when our toddler gets its teeth.

Mr. MUSKIE. I thank the distinguished Senator from California for his excellent statement. I appreciate the frankness and the candor of his comments. Without getting into the priorities debate at this point, I would hope that we would continue to move forward with a balanced view of the way in which we allocate our national resources.

Mr. CRANSTON. I thank the chairman very much. I look forward to working in that direction.

Mr. MUSKIE. I yield to my good friend from Kansas (Mr. DOLE) who is also a very dedicated member of the committee.

Mr. DOLE. Mr. President, how much time remains?

The PRESIDING OFFICER. Two hours and 45 minutes remain.

Mr. DOLE. Thank you. I have a very lengthy statement, but I will not consume all that time.

I want to say briefly that I support the budget resolution reported by the Budget Committee.

I support the second budget resolution as reported by the Budget Committee. I believe the spending and revenue targets contained in the resolution combine to provide the right economic policy at this time. The budget deficit of $74.8 billion which is projected is regrettably large. My colleagues are well aware that I have spoken critically of Government spending beyond its means and of budget deficits in the past. But the recession which this country's economy is just now beginning to emerge from is unusually deep. The loss of jobs and incomes has been widespread and severe and, in most cases, through no fault of those effected. The situation is much akin to a natural disaster, and I think it is a proper and responsible role of our Government to provide financial relief and support to those who have been stricken. The functioning of many automatic mechanisms—entitlement programs of various types—and the temporary reduction of income taxes has provided this support. In addition, I think it is wise economic policy to provide the temporary economic stimulus, which, when combined with the natural self-corrective forces in the economy, will move the economy along the path of economic growth toward full employment. For this reason, I support the extension of the tax reduction which is assumed by revenue targets in this budget resolution. The size of the permanent tax cut that can at a later date be provided for 1977 must depend on the spending target approved for fiscal year 1977. Regardless of the merits of the President's tax and spending proposal, the Congress must in reality wait until the fiscal year 1977 budget resolution to make the final decision on these two important and closely related matters.

The total spending target in the budget resolution now being considered is higher than that contained in the first concurrent resolution. In spite of this, I think the new budget process has been reasonably successful in its first year. In making this assessment, I cite the following points:

First, this increase in spending targets is necessitated almost entirely by higher estimates than were available in May of the outlays resulting from entitlement type programs. These outlays are not controllable in the short run, given current law.

Second, spending would likely have increased even more but for the restraining influence of the first concurrent resolution targets in the various functional categories. It is impossible to calculate the magnitude of this effect, but as the year has progressed it became increasingly clear from committee and staff communications and from debate on the floor of the Senate that the budget resolution guidance was having a significant effect on both authorizing and spending legislation.

Third, in light of the strong economic recovery, in adjusting the targets the committee allowed for less spending on discretionary antirecessionary programs than was provided for in the first concurrent resolution. Thus it can be fairly said that economic developments and the course of nondiscretionary outlays, which bear both a cause and an effect relationship to economic trends, have affected discretionary spending and legislation.

Fourth, the success of the budget process should not be judged by whether Congress stays strictly within the first concurrent resolution targets. Such a judgment would reflect a misinterpretation both of the targets and the budget committee's proper function. The FCR targets approved by Congress summarize the spending and priority intentions of Congress. This serves two vitally important functions. First, it allows the Budget Committee to recommend and Congress to approve of revenue targets, which imply tax policies that give the economic policy—whether stimulative deficits or restrictive surpluses—which is appropriate in light of current and anticipated economic conditions. Second, the category targets provide an orderly basis on which to judge how congressional actions during the legislative process compare to the intentions summarized in the resolution. During the legislative process the Budget Committee has brought to the attention of Congress, often in the strongest terms, that certain actions would cause budget targets to be exceeded. If Congress decides that other considerations are more important, it can reject the committee's counsel to reduce spending. But it must do so with the full realization that wise economic policy likely requires a corresponding increase in taxes. This is the primary message and result that the budget process and the Budget Committee can deliver to Congress—the message that spending and tax decisions must be closely related to one another.

While realizing the great importance and relative success of the new budget process, it is important not to indulge false expectations about what the process or the Budget Committee alone can do. Specifically, the Budget Committee cannot expect or be expected singlehandedly to bring under control or reduce Government spending. This monumental and important task continues to rest primarily with Congress as a whole and with the committees that are responsible for authorization and formulation of Government programs and with the Appropriations Committees. The Budget Committee can and will relate to Congress the total of current spending intentions and the present and future budgetary consequences of existing Government programs and laws or proposed new governmental initiatives. This may prompt moves to revise existing laws by Budget Committee members, such as myself, in their capacity as individual Senators or as members of other committees. But the Budget Committee should not pass spending targets that force the adoption of program changes that have not even been contemplated. It has been and should continue to be the Budget Committee's practice to reflect in its spending targets and its scorekeeping the budget effects of pending legislation that appears to have some possibility of enactment.

This is not to say that the Budget Committee cannot play a role in holding down Government spending. The mere summarization of congressional spending intentions will make its members think twice about additional Government initiatives. The Budget Committee will provide its recommended targets. The scorekeeping function will exert a restraining influence. Five-year projections of the Budget and of the cost of particular programs will also prompt careful deliberation. In addition, as noted in the report on the second concurrent resolution, the Budget Committee will focus increased attention on appropriations to insure that the budget authority requested in fact needs to be provided in the current fiscal year. In this way it is hoped that the amount of budget authority carried over from one fiscal year to the next, thus giving rise to outlays that are essentially uncontrollable in the next fiscal year, can be reduced to the absolute minimum necessitated by those programs involving a long leadtime between the obligation and the expenditure of funds.

The Budget Committee can also provide a valuable service to Congress by focusing detailed attention on the budget year beyond the fiscal year under specific consideration in the budget resolution. For example, while putting together the fiscal year 1977 budget resolution the implications for fiscal year 1978 should also be studied. By so doing, the Budget Committee could focus more explicit and detailed attention on the 1978 budget and develop something similar to a current services budget for that year.

Finally, I think it is important to keep a balanced view of our ability to control the budget. Much has been made this year of "uncontrollables." While these elements of the total budget clearly warrant concern and careful attention, I would remind my colleagues that many of these "uncontrollables" arise from programs which play an important role in stabilizing the economy. Many of these programs are, in the jargon of economics, automatic stabilizers. They give rise automatically to increased Federal outlays or reduced Federal revenues, hence to Federal deficits, during recession. This serves to soften the decline and provide automatic stimulus to the economy.

We have experienced upward reestimates of these outlays with regard to the fiscal year 1976 budget due to the unanticipated depth of the recession. We may well encounter downward reestimates in future years as economic conditions improve.

I take note of the dissenting opinion included in the committee report on this resolution. I would agree with counsel offered therein that budget process and our economic policies must be compatible with sound policies for the long run. Our vision must extend beyond the immediate future.

Contrary to that opinion, however, I think the second budget resolution is consistent with longer-run objectives. We all abhor the prospect of perpetual budget deficits and persistent rapid inflation. But we must recognize the consensus economic view that it is budget deficits in times of low unemployment and near-full capacity production that is objectionable and which gives rise to, among other things, rapid and persistent inflation. Now is clearly not such a time.

While responding to the needs of an ailing economy, we must, of course, carefully assess the size of budget deficit and corresponding economic stimulus the economy can productively absorb. I think budget deficit anticipated in the second budget resolution is appropriate in this context.

We must avoid repeating the folly of past economic policy. The budget process was created to that end and provides the means and method to do so. This is a fitting time to make clear that it is our policy that future budget resolutions will provide for reduced budget deficits and eventual budget surpluses as the economy recovers, approaching and ultimately reaching full employment. As a member of the Budget Committee, I am firmly committed to this long-run policy.

Mr. MUSKIE. I thank my good friend from Kansas.

I yield to my good friend from New Mexico, who is also a very ardent worker and fine member of the committee. I thank him for his efforts.

Mr. DOMENICI. I thank the chairman very much.

Let me just share a few observations with the Senate.

About 2 years, 4 months ago I had been in the U.S. Senate about 4½ months and we began to get appropriations bills that would come before the Senate one at a time. A number of the freshmen Senators at that point, especially those of us who had not been in the House, wondered what were we up to. We would get one appropriation bill and maybe we would have a long recess. The day before we would pass a continuing resolution. We got up to where we had three or four of those continuing resolutions and five or six appropriations bills.

We finally began to ask some of the senior Members, "Where is the budget?" We found out for the first time that we were supposed to wait around until December and then perhaps carry an adding machine around or sneak into the the cloakroom and ask somebody with a calculator to add up the 11 or 12 appropriations bills that had occurred to that point and estimate the continuing resolutions that were in effect. Then we would get sort of a running balance of where the budget of the United States was. Never did we have come to the floor as a part of any of these bills where we were on tax receipts as a Nation.

I guess if one was terribly interested he might have called over to the Treasury Department at some point in time and come down here and said, "Well, the estimates for the receipts this year are 'so much' and we have spent about half of what we expect to spend." All that would have made sense if we knew about backdoor spending and entitlements that were going to be funded automatically because someone is going to come in with a second or third supplemental.

As we saw this develop, I am very pleased to tell the senior Members that all 13 of the freshmen at that point joined with Senator NUNN and myself and composed a letter to our leadership. We took it to Senator MANSFIELD and Senator HUGH SCOTT kind of in frustration. I do not know whether we had much to do with this innovative law, but we said, "If we do not get assurance that we will get budgetary reform, then en masse we are going to vote against appropriations." That is what the letter said in substance:

> We are going to do it all together and each one of us will say these may be the greatest programs in the world but there is no way we can tell anything about the fiscal policy of our country and, in particular, a budget which is the prime policy of this Nation, the prime policy formulator, whether we like it or not. We are just going to all vote "No" together.

We got assurance back that they were going to prompt the Government Operations Committee, on which our distinguished chairman on this committee was then a very vital and active member, and shortly thereafter a number of us testified and gave our concern; the concern at that point was a very practical one.

My concern now on the Budget Committee remains a very practical one. I am sorry we did not know more about the budget because we could have said a lot more than just, "We do not want appropriations bills coming down piecemeal." We have learned that that is only half the problem, or maybe not even half the problem. A lot of matters do not come down here in appropriations bills at all. Many of the so-called uncontrollables just kind of happen around here under obligations that we set in motion and then maybe they summarize them every now and then.

What I am pointing out in my statement is basically this: I am convinced that tomorrow there will be a number of people who will vote against this. There will be a number of people who will vote to cut it. I am not accusatory of those who will do that because that is their right. There are some who can genuinely, in all honesty, vote to cut it for they may have voted against every expenditure that now is in the pipeline and part of the entitlement program and part of the unavoidable outlays that we are confronted with here. If they did, then in good conscience they are legitimate fiscal conservatives and can vote no.

But this probably will be the last time when people choose to take this document and demagog it, if there are those. It may be the last time we can do this. What we were used to was to argue about the President's budget and pass a resolution around here that it was too high, to cut $10 billion off, and send that home for everyone to know that we were responsible legislators. And then vote for every funding bill that came along.

Or kind of switch off on him. Vote for him on authorization and vote against him on appropriation, or vice versa. Or vote for the appropriations and not the supplemental.

Where would that kind of gimmickery might lead if this kind of bill and the kind of action we have taken for this year becomes really fixed in the law? I want to say that even though we did not do as well as we all would have liked, I am firmly convinced we would have had a deficit of $90 billion as a minimum and we would have approached $100 billion. We would have approached $100 billion because in the heat of the recession every committee that had any jurisdiction to legitimately impact on the recession in all good conscience was busy trying to get some bills passed that would bring this economy of ours back into a state of solvency, growth and consistency.

Fortunately, this did not get done, but, rather, we put just about enough stimulus in here to get the economy back on its feet. So I am not ashamed of the deficit. I am proud because I think it would have been much higher if we had not been in existence.

Mr. BELLMON. Will the Senator yield?

Mr. DOMENICI. I yield.

Mr. BELLMON. I would like to thank

the Senator for the fine statements he has made, but he has raised a point I would like to pursue. This business of supplementals bothers me. It is very difficult for the Congress to keep track of what all the supplementals do to our functional totals. I wonder if the Senator would be agreeable if we should try to convince the administration to anticipate what the needs of the various departments are and to cover those needs when the President's budget is sent to the Congress and avoid getting so many supplementals as we have been dealing with in the past?

Mr. DOMENICI. Let me say to my distinguished friend from Oklahoma, obviously I would like to see a process which would minimize the executive supplementary requests for funding. I would like to see it particularly for one of the reasons the Senator is concerned with, and that is that we would certainly like the executive budget to be as honest as possible, as forthright and as close to being right with a given set of facts as possible.

However, I think the need for supplementals is not totally the responsibility of nor should it be blamed totally on, the executive. Sometimes it is our fault. We have laws in existence, as the chairman and the Senator from Oklahoma have pointed out, that make it pretty hard to evaluate what will happen in terms of outlays on the other end. I am reminded particularly of food stamps. We can talk all we want to about cutting them, but when the Secretary of Agriculture gets sued in New Jersey, he has got to pay.

Mr. BELLMON. If the Senator will yield further, the problem we have had this year in establishing the budgeting process is that we have had a sort of debate as to what the actual revenue or income and the cost of the various programs is. It seems to me that one of the real services that the Budget Act and the Budget Committees of the House of Representatives and the Senate could render would be if we could learn to communicate with the administration, and also get them to be a little bit more forthcoming and more accurate in the information they give us.

I am afraid the supplementals make it possible for the executive branch to pretend they spend less than they know the programs will cost, and make it appear that Congress has raised the cost of Government unnecessarily, when in fact it is a result that neither of us can avoid, but which I think we ought to lay out plainly for the people of the country to understand, and perhaps support us as we cut back on programs from time to time.

Mr. DOMENICI. I agree wholeheartedly with the Senator from Oklahoma. There is not any doubt that the Budget Committee is here to stay, as I see it. I think any reluctance on the part of any committees in our body to work with it obviously is changing, and we are getting some rather good work and good cooperation with committees that either affect our process, or that we might have an effect on. I have heard our distinguished chairman say that it is working well with Appropriations and the other committees.

I think OMB and Treasury are being much more cooperative, not that they necessarily were not before, but I think it is based upon the fact that we are going to have an impact, that this is going to be an important part of our life here, and they are all aware we are going to have and make much more of an impact.

This being a way of getting Congress approach, the feeling of our pulse, I think we ought to make that clear, as we have in our private meetings with Mr. Lynn and the Secretary of the Treasury.

Let me make one further point. I have already mentioned that we save billions of dollars in well-intentioned but not very well thought out programs that might have been put into the arena of causing the recession. But let me talk about what I think we have to do next year. I am not going to dwell on uncontrollables, even though I have in my statement, but I throw out this challenge to the Budget Committee and to the Senate: I think we can get by only this year in excusing our inability to control the budget based on uncontrollables. There was no way we could do anything about it this year; but we are not going into this second concurrent resolution of next year saying that we have not attempted to have an impact on the uncontrollables, or I will predict here and now we will have failed, for we will have turned into a bookkeeping committee without any clout.

So while we were in that kind of first year, we could not do much about it this year, but next year we are in an ideal position, because we have an elongated fiscal year, with that extra quarter; we will have about 9 or 10 months before that second current resolution comes about. It appears to me that our first concurrent resolution has to determine priorities and even restrict so-called uncontrollables, by way of our estimated outlays and budget authority, and that that will require that some committees of this Congress reform existing substantive laws, or they will not be able to keep their programs under our outlays and our budget estimates.

That is basically my hope for next year, and I think it is buttressed in the testimony before the committee, where I introduced the very significant chart that shows well over 40 percent of the expenditures this year are governed by budget authority from next year, and the same situation exists from year to year. That just means that as that grows, and it is predicted to reach 62 percent, there will be little left for us to control.

So I hope we will take that very serious challenge on next year, and although we will be somewhat controlled by uncontrollables, I hope it will be somewhat less than this year, and that we will have caused other committees to push a little harder to change the law so that the uncontrollables will come under the system that this Budget Committee is charged with preparing for the Senate.

I thank the distinguished chairman for his able leadership and our ranking minority Member, and I thank them especially for their kindness during the year, and their fairness in permitting all of us to participate fully.

Mr. President, under the able leadership of the chairman and the ranking minority member of the Budget Committee, the budget process has come a long way in the Senate this year. While our fondest hopes for the process have not yet been realized, our realistic expectations for the first round have been unmeasurably exceeded.

Had the Congress been operating under the nonsystem which prevailed prior to the partial implementation of the Budget Act, we would not yet have a clear idea as to the totals for expenditures, revenues and the deficit. In fact, it is probable that, reacting as has been the custom in recent years, the Congress would have enacted and now be enacting several tens of billions more in spending and tax cuts than are now in the works. Without the restraint of the budget process, I would guess that the deficit for the 1976 fiscal year would now be at $95 billion heading for $100 billion. This would have occurred, not because any one group of sponsors was profligate, but because no mechanism existed for effectively totaling the numerous initiatives and balancing them against each other and the overall national interest.

So much for what has been done. The Congress must now proceed to do much more than simply keep a "lid" on the fiscal caldron which is about all that has been done for the 1976 fiscal year and the transition quarter.

We now have the mechanism and we must find the courage, even in this election year, to begin making hard choices. We must make a conscious judgment as to the portion of the gross national product which is to be devoted to Federal purposes over time.

Having set that goal, we must immediately begin taking steps to divide those limited Federal resources in accordance with realistic priority decisions based on present perceptions of relative need. To do otherwise is to allow the future to be shaped by past decisions and nondecisions made under the illusion that all perceived problems could be solved with Federal money and that the supply of Federal resources was unlimited.

Neither the budget process nor the appropriations process directly controls how much money is to be spent in a particular year. The actual outlays depend, to a large extent, on balances of budget authority carried over from prior years, on permanent appropriations and on mandatory entitlements. According to the President's budget, $258.1 billion in unobligated and $235.6 in obligated balances were estimated to be brought forward from the 1975 fiscal year to the 1976 fiscal year.

Mandatory entitlements cover instances where a person, such as a veteran or a public assistance client, or a government, such as a city or State has a right under present law to receive a payment from the Federal Government because of the existence of certain conditions over which Congress has no immediate control. Permanent appropriations refer to budget authority which becomes available without current action by Congress.

Most permanent appropriations are from trust funds for social security, highway aid and civil service retirement.

The Congress, with the aid of the budget process, must reexamine the earlier decisions implicit in the prior year balances, entitlements and permanent authority to determine if the resultant pattern of outlays is in accordance with present perceptions about national goals and priorities.

If we fail to undertake this task now, we will be in much the same place 2 or 5 years from now as we are today; that is, we will be totaling up and attempting to keep a "lid" on the spending and tax results of an agglomeration of past historical accidents, compromises, and decisions.

Unless we make the "uncontrollables" controllable from year to year, we will increasingly find that attempts to reorder and limit spending will result in "messing about" with the relatively small part of the budget that is responsive to year to year control; that is, the part of the spending which does not result from entitlements, permanent and prior years authority.

The following quotation from the Congressional Research Service paper entitled "The Congressional Budget Act of 1974 (P.L. 93-344): Legislative History and Analysis," prepared by Allen Schick, points up the problem:

CONGRESS CANNOT CONTROL ANNUAL SPENDING

> Most of the budget is "relatively uncontrollable under existing law," a term applied by the Office of Management and Budget to budget estimates over which the President has no discretion. Many uncontrollable expenditures can be made controllable by changes in basic legislation, but the budget generally is based on existing laws plus changes recommended by the President.
>
> For fiscal 1976, 75 percent of all budget outlays are estimated as uncontrollable, up 15 points from the corresponding percentage in fiscal 1967. In dollar amounts, uncontrollable spending has grown from $93 billion in fiscal 1967 to an estimated $260 billion in fiscal 1976. As a matter of fact, the percentage of the budget which is uncontrollable has increased in every year (except one) during this period.
>
> The three main sources of budget uncontrollability already have been mentioned. One is the carry over of obligated balances from prior years. More than $50 billion in fiscal 1976 spending is the result of prior-year contracts and obligations. A second factor is the payment of entitlements to eligible individuals and governments. The third source is permanent appropriations which become available without current action by Congress. The entitlements and permanent appropriations account for more than $150 billion in uncontrollable outlays.
>
> Not only are uncontrollables the fastest growing part of the budget, they also tend to be higher than the original budget estimates. The budget requests for uncontrollable programs generally are estimates of future costs rather than discretionary Presidential proposals. In the average year, actual spending for uncontrollables is almost $3 billion above the initial estimates.

When minimum needs for other ongoing programs and agencies are added to the uncontrollables, the margin for priority reorganization is small indeed.

In my opinion, the first concurrent resolution next year should provide functional targets based on these reordered priorities even though the targets would require modifications of substantive law. Changes are required in the basic law on food stamps, income maintenance programs, and in the law providing the 1-percent kicker in some pension programs, for example, not just numbers juggling. Only if Congress deals with fundamental issues can the budget process be much more than a bookkeeping exercise providing a limited control on the overall deficit and some tinkering with marginal expenditures.

In addition, mechanisms must be found by which problems which crosscut committee jurisdictions can be effectively handled. Such problems will occur in meaningfully reordering budgetary priorities. A recent illustration of the type of problem which will be encountered is the way in which procedure has controlled substance in the energy policy area.

Finally, I favor adoption of this second concurrent resolution on the budget for fiscal 1976, despite my misgivings about the size of the deficit, because I am confident, based on its actions this year, that this body wil continue to support an increasingly meaningful reexamination of Federal fiscal policies and practices and their bearing on the welfare of all our people.

Mr. MUSKIE. If I may have a moment or two further, Mr. President, first I would like to express my appreciation to my distinguished friend from New Mexico, not only for his work on the committee, but for his excellent statement.

Bearing upon the last point that he made, the question of the uncontrollables, I shall ask to have printed in the Record a table, which I would like first to describe briefly.

The total outlays recommended in the second budget resolution amount to $375.6 billion.

Of that amount, the following are what one would call uncontrollables, and I would like to list them so that the Senate may understand their nature:

Interest on the Federal debt, $35.2 billion. This is uncontrollable unless we are going to breach our contracts with those who buy Federal obligations.

Social security, $72.6 billion. Again uncontrollable. I cannot conceive of any Member of Congress advocating a reduction of benefits in order to reduce that amount, when already so many recipients are below the cost of living.

Railroad retirement, $3.4 billion.

Civil service retirement, $8.6 billion.

Unemployment compensation, $19.9 billion. That amount, of course, depending upon unemployment and the state of the economy.

Medicare, $17.6 billion.

Medicaid, $8.2 billion.

Veterans programs, $19.1 billion.

Farm income stabilization, $1.6 billion.

Then when one adds to that the defense budget, the defense appropriation bill of yesterday, which is the one function exceeding our last year's experience, $92.1 billion, there is a total of $278.3 billion, out of outlays of $375.6 billion; so that if one wanted to reduce the second budget resolution by enough to eliminate the deficit of $75 billion, that $75 billion would have to be cut out of all other Government programs, which total $97.3 billion.

So, I put this to our colleagues.

I ask unanimous consent that this table be printed in the RECORD so that Senators may understand the momentum that is generated behind these programs and policies that make budget control so difficult.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Selected fiscal year 1976 outlays

[Dollars in billions]

Total outlays recommended in second budget resolution	$375.6
Less:	
Defense programs	−92.1
Interest	−35.2
Social security	−72.6
Railroad retirement	−3.4
Civil service retirement	−8.6
Unemployment compensation	−19.9
Medicare	−17.6
Medicaid	−8.2
Veterans programs	−19.1
Farm income stabilization	−1.6
Remaining outlays in second budget resolution	97.3

Mr. MUSKIE. I think this table perhaps more than anything else Members of the committee have said this evening could pose the problem and maybe shock us all into a sense of realism.

If there is nothing further that any Member wishes to say——

Mr. DOMENICI. Mr. President, could I ask my distinguished chairman a question?

Mr. MUSKIE. Yes.

Mr. DOMENICI. I think since we place so much of our concern over this budget and its deficit on this word "uncontrollable"—I was not here for the Senator's entire opening remarks. If he has already covered this, I am sorry. But would he tell us what "uncontrollable" means as it is considered by the Budget Committee?

Mr. MUSKIE. Uncontrollable means mandated by current law. All of these programs are controllable to the extent that they are subject to the legislative process and current law can be changed. The Senator knows we could modify any of those programs that I listed. The difficulty of doing so is related not to the possibility of legislating, but to the fact that the problems that those programs represent are very real and the beneficiaries of those programs are very much dependent upon continuity in those programs, so it is very difficult to reduce them.

Control in the future probably will depend more upon increases or expansions rather than reductions in the programs I mentioned with the exception of such things as interest on the Federal debt, which is related to inflation and monetary policy and unemployment compensation which is related to the health of the economy. Programs of that kind, of course, can be substantially reduced as we improve the health of the economy.

We can save a great deal in those amounts. But with such things as social security, retirement programs, and pensions, we are not going to reduce those, and I think we all recognize that.

Mr. DOMENICI. There may be some reform necessary, and that might occur, but I think my distinguished chairman is saying if the Budget Committee were to put a figure in other than the real outlay expected for one of those programs we would be fooling ourselves and we would be fooling the American people on the budget, because there is a legal entitlement that exists in the field on the part of the American citizen unless Congress changes the law. So I make that point. I think the chairman will agree with me that we would be doing a useless act unless this Congress wanted to change some of those laws, unless we put those in entitlement—entitlement being the legal right to receive on the part of the beneficiaries—who are predominantly Americans who have received that right from Congress in valid law. Is that not correct?

Mr. MUSKIE. That is correct, and let me give another perspective. The $72 billion sounds like a lot of money for social security, when one looks at the $72 billion, but the average payment to a beneficiary is $7.50 per day. That is a little over $50 per week, which is well below the poverty line in this country. So although it is a large amount of money, when viewed in terms of its totality, in terms of those who are dependent upon social security to buy food, to pay rent, to pay their bare essentials, the average payment is well below the cost of living.

So we have to have those perspectives as we talk about budget control, budget cutting, and budget balancing. There is a human equation involved in all of these programs that Congress has to consider.

Mr. MONDALE. Mr. President, I wish to express my appreciation for the fine work of the distinguished chairman of the Budget Committee, the senior Senator from Maine (Mr. MUSKIE) and the distinguished ranking minority member of the committee, the senior Senator from Oklahoma (Mr. BELLMON).

In the past year they have assembled a truly excellent staff, and proved that the complex provisions of the budget and Impoundment Control Act of 1974 can in fact help to reassert the congressional control over the Nation's purse that the Constitution provides.

Over the past year I have often disagreed with a majority of the committee on specific issues. But I have been deeply impressed with the fairness with which all points of view have been treated.

For the first time we have looked at Federal spending with all the relevant question before us—the overall state of the economy, the import of the deficit on credit markets, the available revenue, the specific question of priority which determine the allocation of available funds.

And in future years, I am convinced that this committee's usefulness to the Senate will grow—and stimulate a new and badly needed national debate on this Nation's priorities as we face the fourth quarter of the 20th century.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 8:45 a.m. tomorrow. There will be a brief period for the transaction of routine morning business until 9 a.m., at which time the Senate will go into closed session to discuss the report on the special investigation of the CIA. That closed session will not exceed 4 hours.

When the Senate resumes open session, the Senate will conduct further debate on the congressional budget resolution. Rollcall votes are expected thereon and on any amendments thereto.

Upon the disposition of the congressional budget resolution, the Senate will take up the Interior appropriation bill, with a rollcall vote expected on final passage.

The Senate conceivably could be in session until a reasonably late hour tomorrow, with rollcall votes throughout.

RECESS UNTIL 8:45 A.M.

Mr. MUSKIE. Mr. President, if there is nothing further that any Senator wishes to say at this time, I move that the Senate do now recess until 8:45 a.m., tomorrow.

The motion was agreed to; and at 9:04 p.m. the Senate recessed until tomorrow, Thursday, November 20, 1975, at 8:45 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 19, 1975:

DEPARTMENT OF STATE

Walter L. Cutler, of Maine, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zaire.

James W. Spain, of Florida, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Republic of Tanzania.

Nathaniel Davis, of New Jersey, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

Mary S. Olmsted, of Tennessee, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Papua New Guinea.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before a duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

GOLDEN JUBILEE OF THE MEDICAL MISSION SISTERS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. EILBERG. Mr. Speaker, the Medical Mission Sisters, which have their world headquarters in my district in northeast Philadelphia, will celebrate their Golden Jubilee this year.

The Medical Mission Sisters are an outstanding group of women who devote their lives to helping persons in underdeveloped and troubled areas.

In the 50 years of their existence they have established a record not only of service, but of bravery and devotion to the people they have chosen to serve and they deserve our thanks and honor for their work.

At this time I enter into the RECORD an article from their newsletter which outlines the work of this fine organization:

GOLDEN JUBILEE

1975 has been a very special year of celebration for the 700 Medical Mission Sisters all over the world. 50 years of living, growing, successes, failures, beginnings and ends have been poignantly remembered and, once again, gratefully appreciated. Memories of the early days and the constant support of sacrificing friends have been and continue to be re-lived and represented to the Father for His blessing. And the reminiscences of the millions of patients and friends whose lives we have shared around the world have deeply enhanced our joy and gratitude during this 50th Anniversary Year.

It is perhaps coincidental, perhaps providential, that 1975 has also been celebrated worldwide as the "Holy Year of Reconciliation and Renewal" and "International Women's Year," for both healing, the full meaning of "reconciliation and renewal," and the cause of women have been central to the Medical Mission Sisters' vocation since the earliest days of the Society. It was the need for healing of so many women of the East that first motivated Anna Dengel to begin her unique Community of religious women in 1925. And it was this basic motivation of healing that encouraged and challenged the early members of the Society to dedicate themselves to the imperative medical needs of the women of the world, even though they had to personally sacrifice the privilege of making public vows in the Church until Canon Law was changed in 1936 to permit women religious to practice surgery, medicine and obstetrics.

In the past 50 years the Medical Mission Sisters have grown in their concern for the healing of persons and the advancement of women in the world. Through their professional medical care, training schools and, most recently, grassroots public health, community development, nutrition education, family counseling and home-industry development work in the villages, they have tried to meet head-on the many screaming, glaring needs for healing that they have seen and heard. Yet, the Community is keenly aware that there is still so much to be done. Thousands and thousands of men, women and children still cry out for healing all over the world, persons not only weighed down by physical or mental disabilities but critically broken by the oppressively unjust economic and social systems operative in our world today. In every corner of the globe there are also thousands of women who need to discover their worth as persons, their value as intelligent, creative and responsible human beings in the family setting, in the local community and in society.

As we celebrate our 50 years of healing service, the task looms as great as ever as we more fully realize the height, depth, width and breadth of the need for healing of all persons and the special needs of women in our world today. And, with a full-hearted "Amen," a trusting "So be it," we recommit ourselves to this awesome service.

The Golden Jubilee Year of the Medical Mission Sisters has been marked with many moving reunions, but perhaps the most special was the one which took place in Rome, Italy, in late September and early October of 1974. Here Mother Anna Dengel and five of the early members of the Society met to renew old friendships and to commemorate with joy and thanksgiving the gift of 50 years of healing service of the community whose beginnings they had all shared.

Sisters Laetitia Flieger, Agnes Marie Ulbrich, Helen Lalinsky, Margaret Mary Van Agtmael and Eleonore Lippits joined Mother Dengel for a month of celebration and recollection at the Community's Rome house. Two very important persons from the Early Days of the Society, however, were not able to be present. Dr. Joanna Lyons who was Mother Dengel's first companion, left the Society in December, 1932 to enter the cloistered community of Franciscan Nun-Adorers of the Most Blessed Sacrament. Because of ill health Mother Miriam, as she is now known, was unable to travel to Rome from her convent in Euclid, Ohio. Father Michael Mathis of the Holy Cross Fathers was another very important person in the history of the Medical Mission Sisters. As a young priest he was responsible for the foundation of the Holy Cross Foreign Mission Seminary in Washington, D.C. known as "The Bengalese." Here young Holy Cross seminarians destined for the missions in Bengal were trained. Father Mathis had also visited Dacca, East Pakistan (now Bangladesh), and he was very moved by the medical needs of the people there. With his help and encouragement Mother Dengel was able to recruit women interested in forming a religious community to respond to these healing needs in the East. Father Mathis had a great spiritual influence on the Community, passing on to its members his great interest in and love for the liturgy. He died at Notre Dame, Indiana on March 10, 1960.

The following is excerpted from interviews about the Early Days made in Rome in September and October of 1974.

When asked what motivated her to found such a unique religious community of women, Mother Dengel responds that the underlying impetus really dates back to her youth—to the upbringing in her family, her schooling, her family's interest in the missions and also the atmosphere around her. "When I was 15 or 16 I had the desire to become a religious and, so, I went to the little Franciscan Church in Hall, Austria, and after confession I simply asked the superior 'to what convent should I go?' And I got a very good answer . . . 'You should know yourself!' "

At about this time Anna Dengel heard of Dr. Agnes McLaren's appeal for somebody who would study medicine to go to the missions. "It was a new idea," reflects Anna, "and I had to go myself. And I must say, I made my decision at once because it appealed to my whole being. It appealed to me because it was a work of charity. And the two things that appealed to me particularly, and definitey, were that it was a definite work . . . and the need was something very definite."

Anna Dengel didn't know anyone in America when she came here in 1924 to try to interest women in her idea of forming a religious community dedicated to the care of the sick. After four years of working alone as "the" doctor at St. Catherine's Hospital in Rawalpindi, Pakistan, she knew that the need for health care, especially among the muslim women and children, are tremendously overwhelming. She knew, too, that the American women would be very challenged by the need and hoped they would be generous in their response.

Anna contacted the newly formed Medical Mission Board in New York and through Dr. Paluel J. Flagg, one of its founders, and Father John Considine of Maryknoll, she was put in touch with Father Michael A. Mathis, C.S.C. The contact was to be a vital one for it was with Father Mathis' direct help that the Medical Mission Sisters were born. Father himself had sent four Catholic day nurses to Dacca in 1924, but without the support of a community or a definite religious motivation the experiment failed. When Father Mathis asked Anna Dengel what she thought would work, she replied emphatically "a religious community."

Doctor Joanna Lyons from Chicago was the first member to join Anna Dengel in her new community. She arrived in Washington, D.C. on September 8, 1925, having heard about the new venture in an article written by Anna Dengel in "Hospital Progress." After "checking it out" with her Jesuit brother and Archbishop Curley in Rome, Dr. Lyons closed up her house in Chicago, gathering up linens, blankets, a statue of St. Joseph and her small savings and headed for Washington. After a few days at a home for businesswomen, she and Donna Dengel found a house at 1000 Newton Street and, although it was totally empty, they moved in.

On September 24, 1925, the two doctors were joined by two nurses. Evelyn Flieger, originally of Britain, had just graduated from Bellevue Hospital School of Nursing in New York. Even as a child she had wanted to be a Sister and in her teens she had decided she "was going to be a missionary, a nun, and a nurse doing nursing and not anything else." After meeting Anna Dengel in New York she decided that this new community was what she wanted. Marie Ulbrich had been working as a nurse in Iowa for several years when she heard about Anna Dengel's plan. Marie "had been wanting for several years to be a religious but in the medical field, and in the field where there were a lot of poor to be served." When Dr. Dengel answered her letter of interest, Marie Ulbrich wrote back: "Name the date and I'll be there."

The official Opening Day of the Society was set for September 30, 1925, and with the help of many new and sacrificing friends somehow the house was made liveable by then. Rt. Rev. Monsignor Cornelius F. Thomas, the representative of Archbishop Curley of Baltimore, gave the homily at the Opening Day Mass. It was a homily of great impact and one the Sisters vividly remember to this day: "You four stick."

The Early Days were fraught with new adventures, whether they took the form of studying missiology, Hindustani, Bengali and spiritual life at the Bengalese; gardening and raising chickens; speaking in schools and Churches to make themselves known; choosing a simple garb to wear from a Butterick's pattern book; doing the laundry of priests and seminarians to financially keep their heads above water; coping with local hobos and bootleggers who'd camp out on their property or sincerely and simply trying to learn how to pray and be religious women. Although they could not be a "religious community" until Rome lifted the ban on religious practicing surgery, medicine and obstetrics, they prayed for the day when Rome would allow them to make public vows—an event which happily occurred in 1936. According to a priest friend in Rawalpindi, the Medical Mission Sisters' positive influence on the granting of Papal permission for religious to practice medicine was "a life's work alone," and a definite benefit to all religious communities in the Church.

In 1926 Dr. Joanna Lyons became the first Medical Mission Sister to go to India to work. The next year she was followed by Sister Agnes Marie Ulbrich, and soon there were dozens of Medical Mission Sisters helping to heal in the need areas of the world. Right before her eyes Mother Anna Dengel could see that her dream for a healing religious community of women was becoming a reality. And always then, as now, she reminded her Sisters that their lives must exemplify the words of the Gospel: "So let your light shine before men so that they may see your good deeds and glory your Father who is in heaven."

ENERGY LEGISLATION

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. WHITEHURST. Mr. Speaker, I want to insert in the Congressional Record a letter which I received from Mr. Norman W. Horton, of Virginia Beach, Va., concerning the inclusion of stripper wells within the price control structure recently established by the House-Senate conference committee on the energy legislation. Mr. Horton persuasively points out that the small producers who operate stripper wells must be allowed to receive the world price for their products to make it economically feasible to continue their efforts to find new oil. I hope that all of my colleagues will read this letter and keep it in mind as they consider the energy legislation which will soon come before the House:

Virginia Beach, Va.,
November 14, 1975.

Hon. G. William Whitehurst,
Cannon House Office Building,
Washington, D.C.

Dear Congressman Whitehurst: It is with amazement that I read in the Norfolk Virginian-Pilot what Congress is proposing in regard to rolling back oil prices. The part of the bill that bothers me most is that "Stripper" wells are not exempt from price controls. I own and operate several oil leases in northeast Oklahoma and northern Kansas on which all the wells are the "Stripper" class. A "Stripper" well, as you know, is one that produces less than 10 barrels of oil a day. There are many "Stripper" wells that produces less than one barrel of oil a day but the cost of operating these wells is just as much and often more than a well that produces several hundred barrels. Reason, the large volume producers often flow oil at practically no cost and the "Stripper" well must have expensive pumping equipment to maintain and operate.

In the last two years thousands of "Stripper" wells that had been abandoned for years because they could not be operated profitably have been cleaned out and equipped for production—at great expense. Most of this costly work has been done with borrowed money expected to be paid off with oil to be sold at current prices.

It will be devastating to literally thousands of small oil producers (myself included) if the "Stripper" producer is not exempt in the Energy Bill.

It is to be noted that "Stripper" well production on which there was no price control had a large increase in 1974 and all other (controlled) oil production showed a sharp decline.,

It is beyond my power to comprehend that Congress will penalize the domestic producer while oil is being imported from our "Friendly" neighbors to the North and

South (Canada and Venezuela) at OPEC prices.

It is because your colleagues in Congress would want this information to help them make this decision that this letter is written.

Sincerely yours,

NORMAN W. HORTON.

THE STATE DEPARTMENT AND THE VIETNAM EMBARGO

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. BINGHAM. Mr. Speaker, last Friday, November 14, Secretary of State Kissinger, in a closed meeting with the members of the House Select Committee on MIA's, told the committee that the administration plans to license a broader category of assistance to the people of Vietnam by private American church and humanitarian groups. Later the same day, the American Friends Service Committee was informed that its pending license applications for private assistance to Vietnam, some of which had been previously rejected by the State Department, now have the approval of the Department.

The Subcommittee on International Trade and Commerce, which I have the honor to chair, held a hearing on the U.S. embargo against Vietnam yesterday—the third hearing on this matter. The State Department provided the subcommittee with a brief statement elaborating on the "new policy" announced by the Secretary with respect to private humanitarian assistance to Vietnam. In the belief that this statement will be of interest to many Members of the House who have become aware of this issue, I submit the text of the statement to appear in the RECORD following my remarks, along with press reports of the new license approvals.

The subcommittee welcomes the action taken by the Department on the American Friends Service Committee applications, and is gratified to note that the Department was responding in part to the actions and expressions of concern by the subcommittee. That is confirmed by the explanation given at the Monday, November 17, 1975, State Department news briefing, from which I now read:

EXCERPTS FROM MONDAY, NOVEMBER 17, 1975 STATE DEPARTMENT PRESS, RADIO AND TELEVISION NEWS BRIEFING

(Speaking for the Department: Robert Funseth)

Q. Has the Department reversed its policy concerning shipment of humanitarian goods to Viet-Nam?

A. No. We have not reversed our policy. We have been approving, on a case-by-case basis, applications for humanitarian aid to Viet-Nam.

* * * * *

A. So as not to confuse you, I assume that your question was prompted by the announcement on Friday that the American Friends Committee has resubmitted its application for some items to Viet-Nam which had previously been turned down—that they had resubmitted their application to the Treasury Department—and, again, we had been asked to advise on the foreign policy aspects of the reapplication—and that we then decided there were no foreign policy objections to the issuance of these licenses.

Q. That is correct.

A. The announcement came out Friday afternoon—on the news—after the Secretary had met with the House Select Committee on Missing in Action, which had an interest in this question. At that time, the Secretary informed the Select Committee of this decision which had been previously made. I think the decision had been made the day before.

Now, there had been other Congressional interest in this question. In particular, the Bingham Subcommittee of the House International Relations Committee had held hearings on this and other issues. And these Congressional views—that is to say, those of the Bingham Subcommittee, as well as those of the Select Committee on MIA's—were obviously taken into consideration in making this decision.

Q. Bob, you say on a case-by-case-basis these have been approved. Is there any other case?

A. Yes, there have been some other cases approved. I do not have any figures on it, but I know there have been other cases approved.

Q. Well, there's a report—I think in the Post—which said we're interested in making good-will gestures to the Vietnamese because they released nine American prisoners. Did this influence the Department's thinking?

A. Well, I think that description is a fair way to describe our action.

The State Department statement, Mr. Speaker, indicates that the State Department will recommend to the Treasury Department that licenses be granted for items the State Department regards as "economic" rather than "humanitarian" assistance from private groups, but that this broadening of assistance will be applied only on a case-by-case basis.

As I have said, State Department approval of the American Friends Service Committee license requests is a welcome development. But it represents no meaningful change in State Department or administration policy. A policy applied on a case-by-case basis, involving no change in codified procedures or binding policy formulations, is no change in policy at all. A recommendation by the State Department to the Treasury Department in response to particular developments and conditions constitutes no basic change in the administration's approach to Vietnam.

Witnesses representing the U.S. Catholic Conference, the United Methodist Church, the U.S. Presbyterian Church of the United States, and Clergy and Laity Concerned, uniformly endorsed congressional approval of H.R. 9503 and identical bills which would remove the U.S. trade embargo on Vietnam as a first step toward U.S.-Vietnam reconciliation. Only such a formal change in policy, they argued, would provide full opportunity for humanitarian groups freely to provide assistance to the people of Vietnam.

Mr. Speaker, other considerations suggest the need for removal of the U.S. trade embargo on Vietnam going beyond the very limited actions of the administration in recent days. One of those considerations is the position of the American business community—particularly those American companies with investments in Vietnam. Growing support among American companies doing business in Asia for removal of the embargo is described in a recent Wall Street Journal article by reporter Seth Lipsky entitled "Many U.S. Executives in Asia Urge Easing Ban on Dealing With Vietnam, Cambodia." A copy of that article, as well as a recent Los Angeles Times editorial entitled "A Silly War," also follow my remarks.

The articles follow:

[Statement Provided to the Subcommittee on International Trade and Commerce, Department of State, Nov. 17, 1975]

LICENSING OF ASSISTANCE TO VIETNAM

The American Friends Service Committee had resubmitted requests for Treasury licenses for approval for export of fishnets, rototillers, and wood-screwmaking machines. In accordance with normal procedure, the Department of State was requested to advise on the foreign policy aspects of the reapplication. The Department has advised the Treasury that under present circumstances, in these specific cases, there were no foreign policy objections to the issuance of these licenses.

This recommendation reflects conditions prevailing at the present time and is thoroughly consistent with the speech by Secretary of State Kissinger on June 18 at the Japan Society in which he said we would look to the future in our relations with Vietnam and that our policies would be influenced by Vietnamese conduct toward their neighbors and their attitudes towards us.

The recommendation to issue licenses for the rototillers, wood-screwmaking machines, and fishnets takes into account the North Vietnamese release of nine American prisoners who had been captured during the Spring 1975 offensive in the Central Highlands. The Department remains concerned about the approximately 50 Americans remaining in Saigon, many of whom we understand have not yet been permitted to leave by the Vietnamese.

The Department of State will continue to examine applications for licenses on a case-by-case basis, taking into account the nature of the assistance, the current laws, regulations and policies, and the attitudes and actions of the Vietnamese towards us and towards their neighbors.

[From the Washington Post, Nov. 17, 1975]

QUAKERS GET APPROVAL FOR VIETNAM AID

(By Marjorie Hyer)

The American Friends Service Committee was notified over the weekend that the State Department, in a policy reversal, has granted the Quaker agency permission to send self-help supplies to Vietnam war victims.

Last Monday several hundered Quakers and sympathizers demonstrated at the White House to protest the denial by the State Department of licenses to ship fish nets, small agricultural equipment, wood screwmaking machinery and acrylic yarn for making children's sweaters.

Quaker officials had said they would break the law if necessary to carry out their program of aiding war-ravaged areas in North and South Vietnam.

According to Rep. G. V. (Sonny) Montgomery (D-Miss.), of the House Select Committee on Missing Persons in Southeast Asia, the State Department has agreed to grant church agencies licenses for "broad categories of assistance" to Vietnam as a "goodwill gesture" in response to Hanoi's release last month of nine American prisoners.

The prisoners, most of whom are missionaries, had been held since the fall of the Thieu regime and the withdrawal of American forces from South Vietnam last spring.

The AFSC, an outspoken foe of the Vietnam war, carried out humanitarian aid program in North and South Vietnam during the hostilities, as did other church groups.

[From the New York Times, Nov. 15, 1975]

United States Ready To Talk With Indochinese

Washington, November 14.—Secretary of State Henry A. Kissinger told a House committee today that the United States was now ready to open discussions with the Communist nations of Southeast Asia concerning the normalizing of relations.

Mr. Kissinger was speaking at a closed-door breakfast meeting at the State Department with members of a new committee set up to deal with Americans missing in action in the Vietnam war. He said that he saw "no obstacle to the principle of normalization of relations and that the United States was also prepared to reciprocate on the basis of gestures made by the Southeast Asian nations."

This statement was made public with Mr. Kissinger's authorization by Representative G. V. Montgomery, Democrat of Mississippi, the chairman of the group called the House Select Committee on Missing Persons in Southeast Asia.

When Communist forces took power in Cambodia and South Vietnam last spring, the Ford Administration adopted a wait-and-see attitude toward future relations. Mr. Kissinger said in May that American policy would be determined by the new regimes' actions toward the United States.

Members of the House Committee, which hopes to meet with leaders in North Vietnam and their representatives in Paris, told Mr. Kissinger that they planned a wide-ranging discussion of issues, including the status of the missing American and possible normalization of relations.

COMMUNIST VIEW UNKNOWN

The United States Government officially lists 820 Americans as missing in action in Indochina. In addition, 1,500 are counted as dead but with whereabouts unknown.

Mr. Kissinger, according to Mr. Montgomery, gave "strong support to the committee's efforts to have discussions with representatives of North Vietnam-Cambodia" and to inform them that the Administration itself was ready in principle to talk.

It was not known, however, whether the Communists would be willing to hold discussions without having a prior American commitment for aid.

Mr. Kissinger told the committee members that the United States was making the "good-will gesture" of allowing church and humanitarian groups in the United States to export more liberally to North and South Vietnam than had been permitted since the Communist takeover in the south.

This was being done, Mr. Kissinger said, because of the recent release of nine Americans who had been captured in South Vietnam in March.

Also, American officials said later, the United States had noted the willingness of the Communists to accept a ship carrying 1,600 Vietnamese who wanted to return home after being refugees in Guam and elsewhere.

Ever since they took power in Saigon the Communists have called for negotiations on normalizing relations but have conditioned it on Washington's complying with terms of the 1973 cease-fire accord signed in Paris. They have especially cited Article 21, which obliges the United States to act sympathetically toward providing economic aid to North Vietnam.

Mr. Kissinger told the House committee, according to several that the Administration did not envisage providing aid to Indochina at this point and that it was more realistic to talk initially of normalizing travel and trade and similar matters.

He also said that while the United States saw no reason not to normalize relations with North Vietnam, this should not be done on the basis of the Paris agreement.

Mr. Kissinger said that he regarded the Paris accord as "dead" given Saigon's fall. Later today, Mr. Kissinger went to Capitol Hill and defended the Administration's $4.7 billion foreign aid request. He urged Congressmen not to cut funds from any nation because it voted for the United Nations resolution equating Zionism and racism.

Several members of the House Appropriations Subcommittee on Foreign Operations suggested that the Arab states, who sponsored the anti-Zionist resolution, should be punished.

[From the Wall Street Journal, Nov. 13, 1975]

Trading With Indochina—Many U.S. Executives in Asia Urge Easing Ban on Dealing With Vietnam, Cambodia

(By Seth Lipsky)

Hong Kong.—Only six months or so after the Communist take-over of South Vietnam and Cambodia, a campaign is building among American businessmen in Asia for an easing of Washington's strict embargo against commercial relations with the countries of Indochina.

Opponents of the embargo are contending that, since the war is over, trade sanctions in effect for years against North Vietnam—and extended to South Vietnam and Cambodia when their governments fell—shouldn't be allowed to harden into a decades-long freeze-out similar to the one the U.S. maintained against China until recently. Such a policy, they argue, not only would deny American companies access to potentially important markets in Indochina but could damage U.S. economic relations in Southeast Asia generally.

Their campaign is being spurred by increasing signals from the Vietnamese Communists themselves that they would like to deal with American corporations and by a concerted drive by the Japanese to beat other trading powers to the Indochina market.

Last weekend in Seoul, South Korea, the Asia Pacific Council of American Chambers of Commerce called on the governments of the U.S., Vietnam and Cambodia to move, "on the basis of reciprocity," to "bring about a smooth and rapid development of trade." Some local American Chamber of Commerce groups have been pushing even stronger positions. And in coming months, businessmen opposing the embargo will probably step up their support for two bills in Congress—one introduced only last week—that would lift the embargo against North and South Vietnam.

A "SHAM ISSUE"

It is too soon to tell whether the lobbying effort currently under way will result in any early changes in U.S. policy. But, barring an unexpected increase in interest in Congress, few Asians expect the administration to act on its own before next year's elections. The State Department is opposed to ending the embargo, and this week, reinforcing that stand. President Ford notified congressional leaders that the U.S. has removed Vietnam and Cambodia from the list of nations eligible for special tariff concessions.

Some businessmen are also opposed to ending the embargo so soon after a bitter war. And others downplay the importance of the issue. One observer calls it a "sham issue," arguing that trade isn't likely to be significant even if the embargo is ended.

Opponents of the embargo argue, however, that past U.S. trade sanctions against Communist nations have gained little, if anything for U.S. business interests. So they are putting out cautious feelers, especially toward Vietnam, discussing the matter with U.S. diplomats and taking up the issue publicly.

Says one member of the American Chamber of Commerce in Hong Kong, describing the attitude of his colleagues; "We don't want another Cuba." A business consultant says: "We have learned from history that it doesn't pay to embargo."

With surprising speed, the Communists themselves have been making it known they are willing—and apparently even eager—to deal with Americans. They began sending out such signals less than a month after Saigon fell to the Communists April 30. The most important was an invitation, dispatched in late May, to Bank of America's Asia representative, Louis Saubolle. A French citizen with wide experience in Asia, Mr. Saubolle went to Hanoi in July, traveling as an official of his bank. He was the first official of a U.S. bank to go there in at least 22 years.

When he returned in mid-July, after a week of meeting with North Vietnamese trade officials and others and of touring the Hanoi area, Mr. Saubolle gave an upbeat report. Although the Vietnamese were still sorting out their development plans, he said he saw a small but "very definite market" for goods from the outside.

Vietnamese officials, Mr. Saubolle said, argued that the trade embargo wasn't effective; they said they had obtained U.S. cotton from third parties. Mr. Saubolle also said he understood that the North Vietnamese had been able to obtain U.S. pharmaceuticals. Most important, Mr. Saubolle said, the Vietnamese stressed repeatedly that they were willing to deal with American corporations on a basis they considered to be "mutually beneficial."

FURTHER SIGNALS

Since then, other signals have followed: An American who is an oil consultant has been to Hanoi, presumably to explore the question of what the Vietnamese want to do about possible offshore oil. In broadcasts, the Communists have indicated they would be willing to deal with major oil companies in the West, including U.S. firms and those that had been exploring oil and gas in South Vietnamese offshore waters.

Such explorations, by Mobil Oil Corp. and Shell Oil Co., were halted in early April, shortly before Saigon fell. It was the impending collapse of a hospitable government, not geological conditions, that prompted American oil companies to halt their explorations. By April, according to one well-placed oilman, the companies had found "traces" of oil but hadn't determined whether there were commercial quantities. "Given the right conditions," this oilman said, "I think they'd like to pick it up again."

Other signals have come from Communist officials who have talked with several Western newsmen visiting Vietnam since the take-over. The officials have said they would be willing to do business with the Americans.

Aside from the Bank of America visit, any contacts that have taken place with American companies presumably have been indirect. Because the embargo is so strict, some American executives are unwilling to discuss the matter in detail. But the South Vietnamese apparently have indicated they would like some companies that had operations in the South to reopen there. And bankers say that Vietnamese authorities cabled some U.S. banks inquiring about government deposits frozen by the U.S.

FREEZING BANK ACCOUNTS

However, there is little American executives can do but listen. On April 30, as Saigon fell, Washington moved under the Trading With the Enemy Act to freeze all South Vietnamese bank accounts in U.S. institutions at home and overseas and to freeze all Vietnamese accounts held in U.S. dollars anywhere. This action affected about $70 million. Most of this, the State Department says, is official funds, and most is in the U.S. Earlier, on April 17, as Phnom Penh fell, Washington announced it was freezing Cambodian assets. Foreign bankers say that, in practice, it is nearly impossible for the U.S. to block South Vietnamese or Cambodian U.S. dollar assets if they are held in non-American banks outside the U.S.

In mid-May, acting under the Export Administration Act of 1969, which allows the use of export controls to further U.S. foreign policy the administration placed South Vietnam and Cambodia under its strictest limits—called Category Z. The combination of restrictions—then already in effect generally for North Vietnam and North Korea—made it illegal for American businessmen to buy Vietnamese or Cambodian goods or to export their own products to those countries, even through a neutral middleman. (The administration, however, has allowed some shipments that it considers humanitarian.)

The reasons for the U.S. embargo are, of course, political and have little to do with the amount or kind of trade with Indochina. In the past five years. U.S. commercial exports that weren't financed by the U.S. Agency for International Development were all but nonexistent to Cambodia and ranged between a paltry $30 million to $50 million for Vietnam. That figure was given before a House panel in June by Robert H. Miller, deputy assistant secretary of state for East Asian and Pacific affairs. "It is reasonable to assume," he said, "that even without controls, U.S. trade with South Vietnam would be practically nil for the foreseeable future."

Businessmen agree that trade wouldn't be likely to leap to significant levels in the short term. But they aren't discounting the possibility that Vietnam could become an economic power to be reckoned with. There are rich agricultural areas and timber in the South and coal in the North. And there is the possibility of offshore oil. Although some others scoff, Bank of America's Mr. Saubolle, who is among the most ardent proponents of ending the embargo, argues that "before too long, Vietnam could emerge as a serious competitor in the world export market."

[From the Los Angeles Times, Nov. 13, 1975]

A SILLY WAR

More than half a year has passed since the fall of Phnom Penh and Saigon, yet the American government on occasion acts as if the war were still being waged.

A conspicuous silliness of America's policy is its continued classification of North and South Vietnam and Cambodia, along with North Korea and Cuba, on the "Z" list of the Export Administration Act. That means that nothing may be sent them without a license from the Treasury Department.

The State Department has imposed its own refinements on the licensing procedure, drawing a curious distinction between charitable humanitarian shipments—they are approved—and economic assistance items—they are not.

The result is impressive: sweaters from the American Friends Service Committee receive an export license, but not 16 tons of yarn. Medical supplies, powdered milk, canned pork, school supplies and pediatric drugs are licensed. But not fishing nets, not rotary tiller diesel plows, not the machinery to make prosthetic devices. Something on the order of $1 million in supplies from four organizations has been authorized for export this year. There is no accurate count of the value of the exports denied.

Secretary of State Kissinger's purpose in this policy is to see to it that China and the Soviet Union bear the burden of putting Indochina back together again. It was, he argues, their arms that fed the victory of the Khmer Rouge, the North Vietnamese, the Viet Cong.

Kissinger has the approval of Congress in keeping official American aid from the three nations. A special congressional amendment to the continuing resolution now controlling foreign aid denies these nations official American aid and any American part of any international aid program.

But it is quite a different matter to use the authority of the Export Administration Act to restrict what individual Americans and private American relief organizations may wish to do to extend a helping hand to the peoples of Indochina.

A reasonable case can be made to freeze the assets of the three countries against potential future claims. We do not challenge the propriety of restricting the export of strategic goods, although that can be accomplished under the "Y" category of the export law that already applies to China, the Soviet Union and most of Eastern Europe.

There is no reasonable defense for restraints on nonstrategic exports, however. The refusal of plows and fish nets for the people of Indochina is a distortion of American foreign-policy priorities and of the tradition of generosity based on need, not ideology.

THE ALARMING NATIONAL CRIME RATE

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. ROBINSON. Mr. Speaker, the annual report of the FBI on Crime in the United States, made public yesterday was notable for its evidence of an alarming nationwide increase in crimes, particularly by juveniles.

Most disturbing of all the statistics in this report, however, is the indication of the degree to which the odds favor the perpetrator of a major crime. According to the report, based on statistics furnished by local police authorities, an arrest was made in only one of each five cases of major crime in the United States in 1975. The FBI stated that nearly one-third of the arrests made across the country last year were of teenagers, although this group comprises only 16 percent of the Nation's population, and half of all the persons arrested for burglaries, motor vehicle thefts and larcenies were teenagers.

The total crime increase in 1 year was 18 percent. More than 20,000 persons were the victims of homicides, and property worth nearly $2.5 billion was stolen.

The great majority of the criminals got away, with their criminal acts left unpunished.

Criminologists, sociologists and members of other disciplines offer various reasons for this startling rise in crime. Perhaps most of us have to accept some share of the blame by tolerating an overly-permissive social order and excessive leniency by the courts.

Most of our young people do not deserve to be set apart for censure, but, too often, young criminals, guilty of killings, assaults, and other crimes of violence are excused from paying adult penalties for adult offenses because of unduly liberal youth offender laws and judicial policies.

The crime problem in the United States today is a complex one, and there is no single, simple solution available to us.

Publication of the FBI report reminded me of the contrast between the magnitude of the law enforcement challenge today, and the situation which existed 200 years or more ago.

Last month, Mr. Ordway P. Burden, chairman of the Law Enforcement Committee of the National Society, Sons of the American Revolution, and chairman of the Hundred Clubs informational Council, delivered an interesting address before the Thomas Jefferson Chapter, Virginia Society, Sons of the American Revolution, in Charlottesville, Va.

I believe this address is of particular interest in this Bicentennial period, and I include the text at this time, as follows:

COMMUNITY TO CITY: AMERICAN LAW ENFORCEMENT IN HISTORICAL PERSPECTIVE

(By Ordway P. Burden)

In colonial America law enforcement as we now know it was largely a community responsibility, undertaken by individual citizens by turns or as the need arose. Preserving order in the boroughs and towns were members of the able bodied, free citizenry who rotated in the positions of constables and watchmen. The sheriff, principal keeper of the peace for the county, was chosen from among wealthy landowners.

The American sheriff, like his English counterpart, could summon a posse comitatus, that is, raise a group of men to pursue a criminal or suppress an insurrection. He was chief administrator of the county courts and supervised the impanelment of juries. As a law enforcement officer, the colonial sheriff enjoyed far greater autonomy than the Englishman, who was appointed by the king and subject to regular scrutiny by Parliament. It was Sheriff Nixon of Philadelphia who was the first to read the Declaration of Independence to the populace. This independence extended generally to other officers of local government, the justices of the peace and jurors, and the propertied class from which they came. What direction Parliament and the Crown gave to American affairs was on the colonial level, leaving local government to develop more freely.

The communities which grew up on the Eastern seaboard in the seventeenth century were homogenous, religious societies which strove to suppress immoral as well as criminal behavior. On this side of the Atlantic, convictions for adultery, blasphemy, fornication, swearing and profaning the Sabbath, were frequent in the Southern colonies as well as the Puritan sections. In England prosecution was rare for these misdeeds.

If it was easier to be convicted in the colonies, the penalties were generally less severe. Whipping was reserved for the most shameful offenses, and limited to 40 stripes, lenient by English standards. Certainly our forefathers allowed room for improvement. In Pennsylvania the most horrible punishment for adultery, 21 lashes, seven years in jail, and the imprinting of an "A" on the forehead, was for third convictions. The 40 stripes administered for lying in the Massachusetts Colony were given only to *eighth* time offenders.

Although treating moral offenses as crimes was a natural result of the predominant influence of the church, it was also, in part, an economic necessity. Life in the early colonies was hard, and sexual misbehavior could place a strain on the community which was already living near the edge of survival. In 1658 Maryland's punishment for bastardy became more severe because of the increasing number of servant girls who were becoming pregnant. In the eighteenth century, when life was a bit more comfortable, laws on adultery and fornication were relaxed, with a view mainly toward fixing responsibility for illegitimate children.

In some instances hardship worked to increase freedom. In mid-seventeenth century England many prisoners complained of long confinement before trial. The Bay Colony, little able to afford any loss of manpower, in 1648 set down strict laws governing incarceration before trial. No one able to provide bail was to be imprisoned unless the alleged crime was capital or contempt in open court.

Through the time of the Revolutionary War, the agarian colonies in the south and mercantile societies in the north were able to police themselves by civilian effort. Large scale uprisings, such as Bacon's Rebellion in Virginia, and the mob violence at the time of the Revolution, necessitated the use of the militia, of course. But for the most part communities remained sufficiently small and unified to maintain order by non-professional, unspecialized forces.

The movement from communal self-protection to professional law enforcement was an urban development in the United States of the nineteenth century. And here, as with colonial law, Americans constructed from the English model.

In both England and colonial America towns were patrolled at night by watchmen, whose duty was to look out for fire and to be on guard for street disturbances. Originally an office held in rotation by property owners, in England, at least, it had degenerated into a paid job held by impecunious substitutes, frequently drunk or elderly. For in eighteenth century London there was a trend among the city's wealthy to move to the *suburbs* to escape the filth, noise and crime.

These undesirable conditions were the result of the early industrial revolution, or at least the enormous population boom which preceded it. London grew from approximately 500,000 in 1700, to more than one million in 1800, an increase which gave rise to entire neighborhoods, who, through the combined forces of poverty and alcohol, could not police themselves, and were just those most in need of policing.

Watchmen and constables proved woefully inadequate to combat city crime. In 1776 the Lord Mayor of London was robbed at gunpoint, and within the following decade both the Prince of Wales and Duke of York were mugged. Riots were not uncommon, and the brute force with which the military suppressed them did little to improve the government image in the darker parts of town.

The Metropolitan Police of London were established in *1829*, in the midst of a general reform movement. Under the direction of Home Secretary Robert Peel (the origin of the nickname "bobby"), the new force was organized as a group of professional civilians, initially decked out in silk top hats, swallow tail coats and white duck trousers, and armed with only truncheons. As was to be expected, they were not greeted warmly in certain quarters. The first casualty was the same year, 1829, to a Constable Grantham, who was unfortunate enough to step between two Irishmen quarreling over a woman. The three of them turned on him, beating him to death. Many people in London then thought he got what he deserved for interfering in other people's business. But affairs improved for the British bobby, and in 150 years of service only about 100 policemen have been murdered in the course of duty in England. In sad contrast, almost 1,000 United States law enforcement officers have been slain in the last 10 years alone.

Following the London example, American cities in the mid-nineteenth century founded police departments. First was New York, in 1844; then Chicago, 1851; Cincinnati and New Orleans, 1852; Philadelphia and Boston, 1854; Newark and Baltimore, 1857.

Like most institutional changes, the establishment of a professional police force was not accomplished by fiat, but by a series of adaptations to changing social conditions. Boston in the 1820's was not experiencing much serious crime, but incidents of drunkeness and assault were emerging in the well-travelled sections of town, much to the distress of respectable citizens. The office of constable was appointive, and paid, though not well. Eighteen men served on night watch, and hauled disorderly persons before the justice of the peace the following morning. None was stationed in South Boston, where there were no jails and the likelihood of attack while bringing the prisoner across the river was too great to risk.

In 1823, Mayor Josiah Quincy created the post of Marshall of the City, a kind of super constable who headed a department of internal police and reported directly to the Mayor and Council. The first to serve in this post was a Harvard graduate, Benjamin Pollard, who had at his disposal two deputies and a horse. During the period of the 1820's and early 1830's criminals posed a far lesser threat to public welfare than poor sanitation and unsupervised traffic in crowded streets. So this first "police department" acted mainly as a Board of Health, handling fire inspections, traffic control as well as issuing summonses for misdemeanors.

The social conflicts of the next decade lent impetus to the movement for a standing professional force for dealing with civilian crime. In 1835 an anti-Catholic burned a convent to the ground, forcing the city fathers to allot an unprecedented $1,500 (normally a yearly expenditure) for special constables.

The following year an attack on abolitionist William Lloyd Garrison required special measures, and in 1837 there was the Broad Street Riot, which began as a collision between a company of volunteer firemen and an Irish funeral procession. (Between 1822 and 1846 the population of Boston grew from 49,000 to 120,000, due mainly to the influx of Irish immigrants).

The 1840's continued the class struggle in the city, with a temperance movement gaining in strength, and an increasing Irish immigrant population which did not, in practice, certainly, share these views. In 1837 a Fifteen Gallon Law was enacted in Massachusetts, restricting the sale of alcohol on this quantity, and in effect, limiting the number of liquor licenses issued. One immediate result was a high turnover in the office of Marshall of the City, a job made difficult in the face of limited *prohibition*.

By the time Boston came to recognize a formal police department, constables who acted as police were earning $2 a day, about twice the average for a laborer. In 1854 night watchmen were given warrants as policemen, paid $2 a night as members of the "Watch and Police Department". Police divisions were created at this time also.

When the first Boston policeman, Daniel Estes, was murdered in 1848, police began to arm themselves with guns, at first informally. But with the coming of the Civil War, military trappings, guns and uniforms, gained acceptance.

The forces which were catalytic in the formation of the Boston Police Department, remained in somewhat altered form monumental problems for American law enforcement officers. The temperance movement of the middle of the century continued to plague policemen with unenforceable laws, and is in many ways typical of a long-standing American attempt to legislate morality. When an officer is directed to uphold the law to the letter, the public cries of anguish are long and loud. In Baltimore in 1919, for example, the police were ordered to enforce the Sunday laws. The result: 223 summonses, 113 persons taken into custody, including an ice cream vendor, druggist, truck driver, baker and numerous shopkeepers. The order succeeded only in undermining the hard-won authority of the police in the community.

Although the abolitionist forces dissipated with the Civil War, the conflict they represented has remained the most difficult problem the average policeman must face. The phenomenal rate of increase in crime in the last ten years may make us feel that our present predicament is unique, but it has been delineated in the past. In 1936 August Vollmer, in *The Police and Modern Society*, reported an annual increase in crime from 1916 to 1936, and noted there were more crimes in one year in Chicago than in all the cities and counties of England and Wales. Some of the differences he attributed to a widespread contempt in this country for order and due process, a carry-over from the frontier spirit.

Another writer who in 1920 discussed the high rate of crime, Raymond B. Fosdick in *Crime in America and the Police*, pointed out that although foreign born and non-white people committed proportionally more homicides than native-born whites, this was not sufficient to explain America's lead. Native whites were still ahead of the Europeans.

The complaint heard so much today that the judicial system is rigged in favor of the criminal, that trivial clerical errors result in freedom for dangerous men, has its history, too. President William Howard Taft was known to have voiced his disapproval of this practice. Fosdick in 1920 attributed the dismal state of criminal procedure to long delays and the uncertainty of punishment, abuse of the defendant right of not giving information against himself and the privilege of jury challenge, "badly chose personnel on the bench", and the "unhealthy state of public opinion." Typically, he maintained, Americans scream for justice when the criminal is at large, but are only too quick to find excuses and explanations for his conduct when the policeman's job is done.

American law enforcement officers are, indeed, hampered by public opinion as it is represented, or misrepresented, on the bench. They must contend with the highest rate of violent crime in the developed world, and do it with highly decentralized police forces. Everyone becomes angry when police in a small town fail to apprehend burglars who strike more than one, or whose victims have seen, and can recognize them. But how many people reflect upon the sheer impossibility of asking officers whose authority ends at the town limit, to track down criminals who can be in and out of the town in a matter of minutes?

It may be that American police forces are on the threshold of a major reorganization, that, like their predecessors of little more than a century ago, they are lacking in numbers and organization to handle the problems which beset them. Just as people 150 years ago saw in the creation of a standing uniformed force, the spectre of military repression, most people today have a great fear of centralizing law enforcement functions.

Those of us who believe that the preservation of law and order works to the benefit of all know that some changes which centralize functions while preserving local autonomy are required. Crime is on the rise in developing as well as developed, countries. To combat it we must support law enforcement which is stronger and more mobile than the criminal element, but responsible to men who write the laws, and sensitive to those who must obey them.

PENNSYLVANIA COUNTIES URGE REENACTMENT OF REVENUE SHARING

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr ROONEY. Mr. Speaker, at lunch today members of the Pennsylvania congressional delegation had the opportunity to meet with a delegation of the Pennsylvania State Association of County Commissioners.

The purpose of the meeting was to discuss Federal revenue sharing and its importance to Pennsylvania's 67 counties.

Participating from my congressional district were Martin J. Bechtel, chairman of the Northampton County Commissioners and president of the Pennsylvania State Association of County Commissioners; Commissioner George Stahl of Lehigh County, and Richard Heil, chief clerk of the Northampton County Commissioners.

Mr. Bechtel presented to the Pennsylvania delegation a succinct report on the impact of revenue sharing in our State and, on behalf of the State's counties, an appeal for support of this important aid program's reenactment. His presentation also included data regarding Northampton County's application of revenue sharing funds to local needs. Additional material is attached outlining the uses to which Lehigh County has applied its funds.

Mr. Speaker, Mr. Bechtel's statement is included in the Record at this point, and I should like to invite my colleagues' attention to the compelling case for continuation of the revenue sharing program offered by Pennsylvania county officials:

Statement of Martin J. Bechtel, President, Pennsylvania State Association of County Commissioners

Honorable Members of the Congress:

For all of the County Commisisoners of Pennsylvania, I would like to express our appreciation to you for giving us the opportunity to spend this time with you today.

As you know, representatives of county government from all parts of the United States are here today to seek support for re-enactment of the general revenue sharing program by explaining to Members of the Congress the need for it in all the counties of our Nation.

The need for the continuation of the program is especially critical in Pennsylvania counties. The Pennsylvania legislature has not expanded the taxing authorities of counties in over 40 years. In this period the cities, boroughs, townships, and school districts have been authorized to levy many new taxes such as the earned income tax, the realty transfer tax, occupational tax, amusement tax, etc. The counties have only a four mill personal property tax, the real estate tax with a twenty mill limit, and in the smaller counties a $5 per capita tax. But regardless of this imbalance of taxing authority, the legislature continues to mandate upon the counties all of the important health and social services that are to be provided for all county residents, such as the child care program, the mental health/mental retardation programs, the drug and alcohol abuse programs, the public nursing home programs, and various programs for the aging.

All are worthwhile programs—all are needed programs. All require considerable local matching funds, and in many counties all of the new tax revenues generated from economic growth must be used for these matching requirements.

As a condition for receiving Federal aid under the medical assistance program in our county nursing homes, compliance with the national life safety code was mandated. Since the expensive and extensive alterations would indirectly be a condition for receiving Federal aid, the costs of compliance alterations such as sprinkling systems, etc. had to be financed with county funds and not with general revenue sharing funds. Add to this the normal increased costs due to inflation and increased labor costs due to unionization, and it is readily understandable why property tax rates have been steadily increasing and why more counties, except for the revenue sharing funds, would have continued to postpone, year after year, the modernization or construction of sorely needed facilities that would be for the betterment of their citizens for years to come. Some counties have either reached the legal limitation placed by the legislature on tax millages or are dangerously close to it.

In these counties the bulk of the revenue sharing funds is being used for their top priority need—capital improvement programs that will enable them to provide better publice service more efficiently.

In those counties that did not need to undertake extensive capital improvement programs, the commissioners have been able, with public awareness and input, to establish prorities for programs or program improvements that could not be financed solely from county funds.

This list of prorities naturally varies in our counties. Since the county is the most important provider of social services for the underprivileged or aged, many commissioners initiated or improved those services which again would not violate the prohibition against using revenue sharing money to generate additional Federal funds.

Pennsylvania counties, with the exception of Philadelphia and Allegheny Counties, are not authorized to establish police departments, but some counties felt that they could improve the public safety by creating and operating a county wide communication system to serve all local police departments, fire departments, and ambulance services. Certainly public safety has been enhanced with these communication centers.

In some counties it has been determined that public transportation is a top priority, while in others recreation programs have been given priority treatment. Public libraries in many counties have been enabled to provide county-wide availability of their services with revenue sharing funds.

In many instances public interest groups have provided county commissioners with vital information enabling them to put the revenue sharing funds to the best use for the most people.

In summation, I might suggest that the State and local fiscal assistance act of 1972 has been landmark legislation as far as counties are concerned. It has enabled the various counties to do many things to enhance the programs of public safety and health for their residents.

But we are worried. What will happen to the programs that we were able to initiate with revenue sharing funds if the Congress should allow the act to die in 1976? Some of our programs are too essential and too acceptable to be discontinued—but we do not have the resources to continue them without your help.

The return to the counties of a portion of the income tax paid by county residents has become a way of life. Our citizens have been local tax dollars could not provide.

Northampton County's projection of receipts for the 5 year period January 1, 1972, through December 31, 1976 is $7,014,645. To this, interest earnings in the amount of $500,000 is added, making available a 5 year total from revenue sharing of $7,514,645.00.

Expenditures from January 1, 1972, to date have been made from the revenue sharing account as follows:

Gracedale bond issue	$868, 507
Lanta	413, 096
New administration building	947, 673
New voting machines	513, 200
Job classification and pay study	24, 999
Major equipment purchases	146, 308
C.P.A. auditing fees	28, 579
Reindexing dockets—recorder of deeds	40, 156
Miscellaneous	11, 559
Total	2, 994, 077

In addition to these expenditures, revenue sharing funds have been encumbered as follows:

Administration building	$904, 492
Gracedale bond issue	470, 000
Airport bond issue	145, 000
Architectural fees—Gracedale	240, 000
Architectural fees—Administration Building	66, 000

This leaves available $2,695,076 of revenue sharing funds to be used to reduce the bond issue for the new administration building, which will reduce interest payments over a 20 or 25 year period.

For all of the counties of Pennsylvania, we respectfully seek your support for the re-enactment of general revenue sharing.

July 22, 1975.

General Revenue, Sharing—Lehigh County Actual Use Report

General revenue sharing provides Federal funds directly to local and State governments your Government must publish this report advising you how these funds have been used or obligated during the year from July 1, 1974, thru June 30, 1975. This is to inform you of your government's priorities and to encourage your participation in decisions on how future funds should be spent note: any complaints of discrimination in the use of these funds may be sent to the Office of Revenue Sharing, Washington, D.C. 20226.

ACTUAL EXPENDITURES

Environmental protection, operating maintenance, $536,096.

Environmental protection, capital, $149,348.

Public transportation, operating maintenance, $145,304.

Health, operating maintenance, $199,135.

Recreation, operating maintenance, $122,766.

Libraries, operating maintenance, $17,541.

Multipurpose and general government, capital, $240,000.

Totals, capital, $389,348.

Totals, operating maintenance, $20,842.

Nondiscrimination requirements have been met.

NONDISCRIMINATION REQUIREMENTS HAVE BEEN MET

Certification: I certify that I am the Chief Executive Officer and with respect to the entitlement funds reported hereon. I certify that they have not been used in violation of either the priority expenditure requirement (Section 103) or the matching funds prohibition (Section 104) of the Act.

Ernie G. Stiegler, *Chairman*.

The Government of Lehigh County, has received General Revenue Sharing payments totaling $1,446,631, during the period from July 1, 1974 thru June 30, 1975.

Trust fund report:

1. Balance of June 30, 1974 $902,880.
2. Revenue Sharing Funds Received from July 1, 1974 thru June 30, 1975 $1,446,631.
3. Interest Received or Credited (July 1, 1974 thru June 30, 1975) $107,381.
4. Funds Released from Obligations $11,756.
5. Sum of lines 1, 2, 3, 4 $2,468,648.
6. Funds Returned to ORS none.
7. Total Funds Available $2,468,648.
8. Total Amount Expended (Sum of line 15, column B and column C) $1,410,190.
9. Balance as of June 30, 1975 $1,058,458.

The news media have been advised that a complete copy of this report has been published in a local newspaper of general circulation. I have a copy of this report and records documenting the contents. They are open for public scrutiny at Room 103, Court House, Allentown, Penna. 18105

General Revenue Sharing—Lehigh County Actual Use Report

General revenue sharing provides federal funds directly to local and state governments. Your government must publish this report advising you how these funds have been used or obligated during the year from July 1, 1973, thru June 30, 1974. This is to inform you of your government's priorities and to encourage your participation in decisions on how future funds should be spent.

ACTUAL EXPENDITURES

Environmental protection, capital, $68,851, operating/maintenance, $428,105.

Public transportation, capital, $11,756, operating/maintenance, $131,134.

Health, operating/maintenance, $158,000.

Recreation, capital, $416,892, operating/maintenance, $127,825.

Multipurpose and general govt. capital, $230,000.

Totals, capital, $727,449, operating/maintenance, $845,065.

NONDISCRIMINATION REQUIREMENTS HAVE BEEN MET

(E) Certification: I certify that I am the Chief Executive Officer and, with respect to the entitlement funds reported hereon, I certify that they have not been used in violation of either the priority expenditure requirement (Section 103) or the matching funds prohibition (Section 104) of the Act.

——— ———.

The Government of Lehigh County has received General Revenue Sharing payments totaling $1,311,289, during the period from July 1, 1973, thru June 30, 1974.

Trust fund report:

(1) Balance as of June 30, 1973, $1,076,979.

(2) Revenue Sharing Funds Received from July 1, 1973 through June 30, 1974, $1,311,289.

(3) Interest Earned, $87,126.

(4) Total Funds Available, $2,475,394.

(5) Total Amount Expended, $1,572,514.

(6) Balance as of June 30, 1974, $902.880.

The news media have been advised that a complete copy of this report has been published in a local newspaper of general circulation. I have records documenting the contents of this report and they are open for public scrutiny at ——— ———.

Lehigh County Analysis of Actual Expenditures

I. Capital Expenditures:

A. Environmental Protection.

1. Pre-treatment plant construction and major renovations.

B. Public Transportation (LANTA).

1. Transit authority for purchase of buses.

C. Recreation.

1. Land acquisition for Parks.

2. Renovation of Historical sites.

D. Multipurpose and General Government.

1. Payment of principal on bond issue for capital improvements.

II. Operating Maintenance:

A. Environmental Protection.

1. Contribution to County Authority (operate sewer and water services).

B. Public Transportation.

1. Contribution towards operating expenses of Transportation Authority (LANTA).

C. Health.

1. Payments to local hospitals.

2. Payments to Homemaker services.

D. Recreation.

1. Tourist and Convention Bureau—Chamber of Commerce.

2. City of Allentown—Recreation Department.

3. Trexler-Lehigh County Game Preserve.

4. Negro Cultural Center.

5. Transfer to General Fund for operating expenses of Parks Department.

THE THOUGHTS OF MRS. R. A. INGRAM

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. FORD of Tennessee. Mr. Speaker, I rise today to call the attention of my colleagues to a matter of great concern to me. I am speaking about a provision of the "Tax Reform Act of 1975" which increases the income tax deduction for the business expenses of Members of Congress while they are away from home.

The people of this country are outraged by this effort by the Members of this Congress to give themselves another pay hike. As an illustration of this indignation, I am inserting here a letter that one of my constituents recently wrote to the editor of the Memphis Commercial-Appeal newspaper:

Letters to the Editor,
The Commercial Appeal,
495 Union Avenue, Memphis, Tenn.

The strike is the "in" thing today; so how about it, taxpayer? Let's go out on strike!

The bunch in Washington recently voted themselves, among other things, a 5% wage increase and now the House Ways & Means Committee has endorsed increases in certain special tax deductions for Congressmen, such as a $44-per-day deduction while living in Washington. It is very clear that they intend to get all they can from the public trough before the whole country goes the way of New York City!

So how about it, fellow taxpayers? The majority of us are middle-class with medium incomes and we pay the largest share of income taxes. Let's show our spunk and do something about this mess we are in. "Taxation without representation" was the battle cry to our forefathers, and it should have the same meaning for us today! The public treasury is being emptied faster and faster by those politicians who are supposed to represent our best interests but who, instead, are looking after themselves first; playing politics, second (no matter which party—and the country be damned); and, third, buying votes by the thousands from the drones who contribute nothing to the economy of our country and who never had it so good. They are also continuing massive overseas give-away programs.

Who will come forward to lead a fight to get our country back on the right road? Surely not those leeches in government who have overspent and overspent and overspent!

I am sending a copy of this letter to Representative Harold Ford, asking him to read it to his colleagues both on the Ways & Means Committee and to the House of Representatives, as it will give them some idea, at least, of exactly how one of their constituents feels. And let me make it clear right now that this letter is not directed toward Rep. Ford personally. It is directed solely toward those Congressmen who haven't had the backbone to act decisively to stop this wild spending. Anybody with any common sense at all knows that overspending for so many, many years by the Washington politicians has been the main and most direct cause of inflation!

Taxpayers, let's do something—and do it now! And if this be treason, let them make the most of it!

Very truly yours,

Mrs. R. A. Ingram.

When I ran for Congress in 1974, I promised the people of Memphis that I would never vote to enrich myself at the expense of the taxpayers. Both in the Committee on Ways and Means and on the House floor, I intend to keep my word and I urge my colleagues to join me in this commitment.

GASOLINE DEALERS PROTECTION ACT OF 1975

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. RHODES. Mr. Speaker, I am today introducing the "Gasoline Dealers Protection Act of 1975," which is aimed at clarifying relationships between franchised fuel dealers and the major oil companies.

Retailing of gasoline and diesel fuels in the United States is a huge business. It has been estimated that, directly or indirectly, 1 of 7 jobs in this Nation depends on cars and trucks. Sales of motor fuels is a significant portion of this vital service to the American public.

The Arab oil embargo exacerbated a situation that has been building for several years. It involves a termination of franchises by the large distributors, often under questionable justification.

My bill would define the rights, both of process and redress, for these franchisers. They have put their money into a business operation. They receive the mutual benefits of name recognition, national advertising, and a wide variety of automotive products to merchandise. This combination of local initiative and national marketing competence has given the driving public good service and the availability of products that are uniform in quality, and sold under brand names they can identify.

Of necessity, the large distributors control a great deal of the franchise operations, to assure the kind of representation for their products commensurate with the nationwide image they create. Unfortunately, there has been a tendency to summarily lift franchises, without giving the businessman-investor adequate opportunity to demonstrate good faith, and without definite provisions for legal recourse after the franchise had been canceled.

My bill would lay out the ground rules, clarify the status of distributor-franchiser relationships, and provide injunctive and civil action relief for franchisers who believe they are being unfairly treated, contrary to the terms of their franchise.

It is regrettable that the need for this legislation has arisen. But, I believe that since service stations are a nationwide business operation, necessary for the convenience of the American public, we must act to define the legal status, and monitor the operations between refiner and retailer. I urge that early hearings be scheduled on this needed legislation.

EFFECTIVE CONTROL OF FRAUD AND ABUSE IN THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. KASTEN. Mr. Speaker, earlier this year, the Subcommittee on Intergovernmental Relations and Human Resources of the Committee on Government Operations, on which I served, held a series of extensive hearings on the subject of fraud and abuse review procedures of the Department of Health, Education, and Welfare. The results of the hearings were appalling.

The Department of HEW has an annual budget of over $118 billion with a total staff of 119,000 employees. Despite its enormous budget and its large labor force, the principal agency for investigating fraud and abuse—the Office of Investigations and Security—has only 10 professional investigators on its entire staff. Only 5 of the Department's 10 regional offices have professional investigators assigned to them.

The chairman of the Intergovernmental Relations Subcommittee, our distinguished colleague from North Carolina (Mr. Fountain) recently released the text of a letter he had sent to Secretary Matthews of HEW, In that letter, Mr. Fountain stated that the subcommittee's investigation had discovered:

First, resources used to combat fraud and abuse in the Department of Health, Education, and Welfare are woefully inadequate;

Second, the Office of Investigations and Security within HEW has not assumed effective direction of subordinate organizations' investigative activities;

Third, some investigative units within HEW are underworked because of the lack of effective reporting and monitoring within the Department.

Mr. Speaker, in light of these conclusions, I strongly support the action taken by the full House of Representatives this past week in approving a supplemental appropriation for an additional 30 investigative positions at HEW. I urge the Senate to follow the leadership of Mr. Fountain in bringing some order out of the chaotic investigation procedures presently employed by the Department of Health, Education, and Welfare.

FOREIGN AID REQUEST FOR ISRAEL

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. O'HARA. Mr. Speaker, the matter of foreign aid to Israel for fiscal year 1976 is of far greater importance than are most foreign aid decisions. At issue are not only the ordinary humanitarian and political considerations. At issue also are the prospects for peace in the Middle East.

In a period when the United States has suffered several setbacks in foreign policy, one of our few and notable successes has been our ability to bring about a step toward peace between Israel and Egypt. In large part we succeeded in this because of the flexibility shown by the Israelis. Israel took grave risks—weakening its defense lines and abandoning its energy independence—in order to achieve the recently signed interim Sinai Agreement. In doing so they placed far greater trust in the United States than nations are wont to place in other nations. It is both morally necessary and in our national interest for us to see that that trust is justified.

Providing an adequate aid package to Israel for fiscal year 1976 is the first step which we can take toward solidifying the progress represented by the Sinai Accords. Our aid will serve two key purposes. First, it will enable Israel partially to compensate for the sacrifices and risks entailed in the Sinai agreement. Israel will have to construct a new defense line and will have to purchase replacements for the oil which it had been drilling at Abu Rodeis. Second, it will enable Israel to maintain that military and economic strength which serves as the most important deterrent to further war in the Mideast. President Sadat of Egypt has come under attack from more "radical" elements of the Arab world for his willingness to enter into an agreement with Israel. The "moderate" Arab response to these attacks is not that Israel has a right to exist, but rather that Israel is a reality which four unsuccessful Arab attempts to destroy Israel have proven must be acknowledged. To provide Israel with less aid than it needs to maintain its military preparedness would serve only to undermine the Arab "moderates" and to invite a new Mideast conflagration.

We should provide the full $2.3 billion in fiscal year 1976 aid which will meet Israel's minimal needs and which our Government indicated it would provide. We should give this aid on favorable terms, and the Congress should take those steps, such as earmarking, which will assure that all authorized funds are actually allocated to Israel and not withheld as leverage in further diplomatic dealings.

This is a time when all Americans are deeply concerned about the state of the economy. It is tempting to say that we ought to restrain our generosity to foreign nations when our domestic needs are so great. Yet in the long run the costs—human and fiscal—of a world less stable would many times outweigh the price of our foreign assistance activities. An adequate aid package for Israel will prove a prudent investment in peace in the Middle East.

RESOLUTION CONDEMNING UNITED NATIONS

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. du PONT. Mr. Speaker, on November 10, 1975 the General Assembly of the United Nations voted, contrary to every principle on which the U.N. was founded, to equate Zionism with racism. Congress immediately reacted to this heinous action by unanimously approving Resolution 885, which sharply condemns the U.N. vote.

Congress has not been alone in deploring the irresponsibility of the United Nations in giving its official sanction to anti-Semitism, however. Individuals, organizations, and government bodies throughout the United States have strongly denounced the U.N. action. One of these government bodies, I am proud to say, is the city council of Wilmington, Del. I insert for the Record, Mr. Speaker, a resolution condemning the United Nations for characterizing Zionism as a racist philosophy passed by the city council of Wilmington, Del., on November 13, 1975:

RESOLUTION CONDEMNING THE UNITED NATIONS FOR CHARACTERIZING ZIONISM AS A RACIST PHILOSOPHY

Whereas, the United Nations was established in 1945 as a forum for the promotion of peace and understanding among the peoples of the world; and

Whereas, the United Nations has deviated from this noble goal by the passage of General Assembly Resolutions in which the philosophy of Zionism is maliciously attacked and erroneously characterized as being a racist threat to world peace; and

Whereas, the passage of these two resolutions can have no effect other than to undermine the credibility of the United Nations and the cause of peace and understanding which it purports to serve.

Now, therefore, be it resolved by the council of the city of Wilmington That this Council condemns the United Nations for its unconscionable departure from the principles of humanity and justice so often espoused by its member nations and urges its membership to rescind these two resolutions.

Further resolved that the City Clerk forward copies of this resolution to President Gerald R. Ford, the U.S. Ambassador to the United Nations, and the Secretary General of the United Nations.

WOMEN AND THE AMERICAN ECONOMY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Ms. HOLTZMAN. Mr. Speaker, the American Assembly, a nonpartisan public affairs forum affiliated with Columbia University, recently conducted a program on "Women and the American Economy." The participants included 64 men and women from 15 States and the District of Columbia.

At the close of the assembly, the participants issued the following recommendations for improvement of the economic status of women in this country. I commend these recommendations to every Member's attention:

FINAL REPORT OF THE FORTY-NINTH AMERICAN ASSEMBLY

INTRODUCTION

America's twentieth century revolution in women's expectations is still in its youth. The shape of a society which offers equal economic opportunity to men and women has not yet emerged; nevertheless, it is clear that the current changes are profound and irreversible. Since it is not possible for half the population to undergo such transformation without affecting the lives of the other half, men's lives will be influenced as surely as those of women.

Women have always worked in the home, on farms, and in volunteer jobs. But large numbers of women have also worked for wages since the earliest stages of the industrial revolution, and the growth in this work for pay now challenges certain institutional arrangements within the family, the educational process, and employment. Changes in these institutions are critical if society is to gain the full measure of women's potentials, acquired skills, and competence. By finding better ways to utilize women's economic capacities, moreover, a broader range of options can be made available to men as well.

The reasons for recent increases in women's work for pay have been well documented, although the interdependence of many factors makes it difficult to single out any one predominant force or to prove one-way causation. The broad factors include industrial development and urbanization; demographic, technical, and educational trends; shifts in the sex composition of the workforce during the Second World War, which had a marked effect on women's attachment to the labor force. Although their work activity has grown dramatically, the value assigned to women's market work remains well below that of men. Low wages and the restriction of women to service and low-status occupations underscore the severity of the problems women continue to face. Particularly serious problems are faced by women who are single heads of low-income families; their numbers have increased very substantially during the past decade. Limitations on job training and constraints on entry to high-level jobs have tended to keep women in a secondary position in the labor market.

In the last decade progress has been made toward removing discrimination against women in the labor market and to broadening the full range of economic opportunities available to them. This progress has resulted from changes in the nation's value system and laws, the women's movement for equality and the larger struggle for human rights, the more active participation of government, and a growing recognition that all segments of society suffer from losses caused by continued discrimination against women. There has been a failure to develop, recognize, and utilize women's skills both in the educational process and on the job.

But the gap between the present role of women in the American economy and their full and free participation remains wide, and expanded and sustained efforts are required if this gap is to be eliminated. In the process of assessing and monitoring these changes, it is important to identify and eliminate those constraints that impede the hiring and upward mobility of women. In particular, strict enforcement of equal opportunity laws is essential to nondiscriminatory job treatment. Greater flexibility in working schedules would ease the performance of dual obligations of working parents. Highly important also is the critical need for the federal government in cooperation with employers and unions to establish and maintain an economic environment in which the demand for labor is sufficient to accommodate the increasing supply of human talent.

The faster is the pace of progress in removing all discriminatory attitudes and behavior toward women, the greater will be the benefits to our society. These discriminatory attitudes are now imbedded in the ways in which girls and boys are brought up, in which spouses divide the work of homemaking and childrearing, in which employers assign and promote employees, in which laws are written and enforced, and in which women are degradingly portrayed in the media. The denial of rights and opportunities to women is not only unjust and crippling to women, it diminishes as well the lives of children and of men.

RECOMMENDATIONS

The following recommendations would accelerate women's full participation in the economy and full equality in the society.

EDUCATION

With increases in the proportion of women in the labor force, in the numbers of female-headed households, and in the life expectancy of women, young women should be educated to recognize the probability of future work in the marketplace and be enabled to acquire the skills necessary to earn an income. To this end, sex labelling in all courses and materials should be eliminated and programs, counselling, and guidance, free of sex-role stereotyping should be provided by educational institutions at all levels. Effective methods of intervening to encourage females to study traditionally male-dominated subjects, such as mathematics and science, should be identified and applied. These programs should be geared to the needs of mature as well as younger students and institutions should offer scholarship and loan opportunities, job placement, part-time enrollments, and flexible course schedules.

There should be rigorous enforcement of Title IX of the Education Amendments of 1972 and adequate funding for the Women's Educational Equity Act of 1974. We unequivocally oppose any attempts to retreat from the commitment to undo the effects of sex and race discrimination in higher education.

SHARING OF WORK DONE IN THE HOME

Women should have no more responsibility than men for house work. As market jobs come to be shared more evenly between the sexes, it is essential that a reapportionment of house work be made if the full economic potential of women is to be developed.

The possibility of meeting house work demands by purchasing many of these services in the market should be explored through programs designed to find new services that are financially feasible.

PROVISION OF CHILD CARE

Equality of labor market options for men and women and society's stake in the development of the full potential of children make adequate support systems for child care necessary. There is widespread public acceptance of social responsibility for the cost of educating school-age children. It is now time to accept similar responsibility for pre-school children, whether or not their parents work.

Various forms of child care should be funded by government and from other sources. Society will benefit from having a range of child care options available for all children; the costs to society of inadequate child care must be recognized.

FINANCIAL ARRANGEMENTS AND REGULATIONS

Federal laws and regulations, including tax, Social Security, welfare, and financial support systems, should be reexamined to determine their impact on individuals and the family. In particular.

Current proposals for improvements in treatment of women under Social Security should take into account the changing work status of married women and the needs of all women for greater economic independence;

Special attention must be given to the income maintenance and job needs of low-income individuals and families which are frequently headed by women; and

Tax policies should not discourage paid employment by both spouses.

JOB ENTRY AND ADVANCEMENT

Equal opportunity for women calls for the elimination of barriers to job entry and for policies that insure job assignment, training, and promotion without regard to sex. Sex bias in job classifications should be removed. Job standards should state objectively the relevant tasks involved. Jobs and training programs need to be redesigned to avoid sex stereotyping at all levels. Public or private employment with job training and child care services should be provided as an alternative to welfare.

EQUAL EMPLOYMENT OPPORTUNITY LAWS

Government, employers, and unions should assure that, regardless of sex, equal pay is provided for work of equal value; that women have increased and equal access to better jobs through vigorous enforcement of Title VII of the Civil Rights Act of 1964; and through maintenance and implementation of affirmative actions goals and timetables under executive orders for all government contractors. Specifically the pressure to exempt academic institutions from affirmative action requirements should be resisted.

SENIORITY AND AFFIRMATIVE ACTION

Seniority rules may need to be adjusted where they perpetuate past discrimination against affected classes of women or minorities or prevent the attainment of affirmative action goals. Complaints of "reverse discrimination" should be evaluated with careful regard to the facts of each case. What may seem an unfair preference to some may be necessary and appropriate affirmative action to correct past injustice. The competing values of seniority and affirmative action in lay-off situations are recognized.

Consideration should be given to arrangements such as using the unemployment insurance system for paying for the fifth day when work weeks are reduced to four days in periods of recession.

FULL EMPLOYMENT

The vulnerability of women and minorities during periods of high unemployment requires that the achievement of full employment have the highest priority. This may require changes in the economy other than those implicit in fiscal and monetary policy. Unless this commitment is honored, the full potential of large numbers of workers will be lost in the decades ahead.

RESTRUCTURING OF EMPLOYMENT

Options for work in the labor market must be provided that take account of the needs and abilities of men as well as women to work on other than a full- or part-time basis and to enter, leave, and return to the labor market at various stages in the life cycle. Employers, unions, and government should seek to provide opportunities for variable work schedules on a daily, weekly, or annual basis, and to facilitate a "stopping out" option for parenthood through parental leave, and job level guarantees for those who take such yeave.

LOW-INCOME WOMEN

There is urgent need for attention to improving the economic opportunities and social benefits of low-income women, especially those who are single heads of families. The measures needed here include improved provisions for job opportunities, job training, and child care, as well as renewed attention to income maintenance.

HIGH-LEVEL JOBS

Women should be actively recruited for high-level professional and executive positions in all sectors of the economy. More women should be appointed to boards of directors. In order for women to move to these levels, all channels of progression, including full access to formal and informal training, must be opened.

Barriers to the admission and full participation of women in business and professional organizations and informal groups, in which job-related information exchanges occur, should be eliminated.

MEDIA

Since images of women on television, in the newspapers, and in other media often are degrading, programming, including cartoons for children, and advertising, should be examined to remove bias against women. News about women should not be trivialized. Public service announcements should be used to counteract sex role stereotyping.

EQUAL RIGHTS AMENDMENT

Finally, the Equal Rights Amendment must be ratified.

NURSE-PRACTITIONERS

HON. BROCK ADAMS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. ADAMS. Mr. Speaker, the following article appeared recently in the Seattle Times. It describes some of the advances that have been made by nurse-practitioners in the provision of needed health care services and I thought it would be of interest to my colleagues in the House:

NURSE-PRACTITIONERS ACCEPTED IN FIELD

(By Al Dieffenbach)

Nurse-practitioners are well-rooted in their new role of replacing physicians in much of the work of Planned Parenthood clinics, a panel agreed here at the Planned Parenthood Federation's national meeting yesterday.

Dr. Louise B. Tyrer, of New York and the Planned Parenthood vice president for medical affairs, said the nurses are seeing fewer patients each hour but are performing more services.

Physicians' reluctance to expand nurses' roles has been overcome, for the most part, she said, but warned that nurses need time to change from "hand-maiden to decision-maker."

Dr. Tyrer said the use of nurse-practitioners has added quality to P.P.F. services, but the cost benefits have not been as great as had been predicted.

Another speaker, however, saw problems ahead.

"We have a ground speed of 850 miles an hour, but we're not sure where we're going," Harriet F. Pilpel, P.P.F. general counsel said.

One of the major problems is under-use of nurse-practitioners in many of the P.P.F. local affiliates, according to Miriam Manisoff, a registered nurse, the federation's professional-education director.

Only half the affiliates allow insertion of intrauterine devices by the nurse-practitioners and many restrict the nurses from doing initial examinations, Ms. Manisoff said.

Nonetheless, more than half the P.P.F. patients had no preference as to whether they saw a physician or a nurse and only 12 per cent insisted on a physician, representatives of the Milwaukee Planned Parenthood Association reported.

The national federation will meet here through Thursday at the Olympic Hotel.

FREEDOM OR FRUSTRATION

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. BURKE of Massachusetts. Mr. Speaker, on this date in 1918, the State of Latvia proclaimed her independence. It is with great pride that I join with Latvians and Latvian-Americans in commemorating the 57th anniversary of Latvia's proclaimed independence.

This 57th anniversary should be a joyous occasion for all Latvians, but there can be little joy under the present circumstances. As we all know, the Baltic States are free in spirit but imprisoned under Soviet domination in body.

Latvia proclaimed her independence and then entered into a year of confused fighting before her independent, democratic republic could be considered secure. Her independence lasted a mere 20 years. In 1940 the state was overtaken by the U.S.S.R., and in 1941 by Germany. In 1944, the Soviets retook possession of Latvia, and the people remain under Soviet rule to this day. The Latvians are a strong people, and even under the great pressure of the Soviet nation, their spirit has not been broken, and they are still hoping, praying, and striving for actual independence.

I salute these remarkable people in their quest for freedom, and it is my sincere hope that they will soon be free from unjust Soviet domination. The rights and privileges that are available to us everyday of our lives, are the things that the Latvian people dream of. As we approach the Bicentennial year, I believe that we should all remember that 200 years ago we too were striving for independence, and we should reflect on how fortunate we are and what our lives would be like if freedom was abolished in America.

The United States has not and will not recognize Soviet rule in the Baltic States, and considers the Soviet takeover as unjust. I hope and pray that someday the Latvian people will enjoy the freedom through a democratic government that we enjoy everyday in America.

ANOTHER CONGRESSMAN AGAINST GUN CONTROL

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. McDONALD of Georgia. Mr. Speaker, my distinguished colleague from California, the Honorable WILLIAM M. KETCHUM presented an excellent summary of his reasons for objecting to current gun-control proposals, in a speech before the American Pistol and Revolver Association in Los Angeles on November 8. I believe it deserves the attention of my colleagues. The text of the speech follows:

SUMMARY BY WILLIAM M. KETCHUM

The recent insane attacks upon President Ford's life have spurred new demands for Federal legislation to control or ban the sale of firearms, particularly hand guns. In my view, this represents an irrational, emotional response to the problem of crime in America. Were there not so many people who believe in gun control in Congress, this trend might not be so dangerous. But I must come before you today with the message that the anti-gun momentum in Washington is stronger than ever. If we are to protect the Second Amendment and our historic right to bear arms, groups like yours must become ever more active in the fight.

I object to Federal gun control legislation for a variety of excellent reasons. First, I believe in the Constitution. I find the meaning of the Second Amendment crystal clear, without needing the Judiciary Committee's staff lawyers to explain it to me.

There is a vast horde of selective Constitutionalists abroad in the land. These are the upholders of the theory that the only pertinent parts of that document are those which protect them. The rest of the Constitution can be considered extraneous baggage. For the past several years there has scarcely been a day when the press has not reminded us of its First Amendment rights, and screamed like a banshee, as they should, whenever one had been trampled. There are many times when I have concluded that many of our fellow citizens stop reading the Bill of Rights after the First Amendment. The Second Amendment clearly reads "the right of the people to keep and bear arms shall not be infringed." This sentence is one which has been selected out of the Constitution to be ignored, since it does not fit in with today's social reformers' plans.

The exact meaning of the Second Amendment has never been defined by the Supreme Court. For the life of me I can't understand why it has to be, since it is written in remarkably uncluttered English. A study of the history of the Constitution clearly reveals, moreover, that our Founding Fathers intended that the right to bear arms was entirely independent of service in the militia, which is the interpretation scorned by advocates of gun control.

I therefore believe that any legislation which would infringe upon the American citizen's right to bear arms is patently unconstitutional. Any gun control legislation, and particularly confiscatory legislation, must therefore be in the form of a constitutional amendment. Needless to say, gun control advocates refuse to take this long and arduous route, especially since it is so much easier simply to ignore the pertinent Constitutional language.

I endorse, however, certain obvious controls on armed weapons. Society surely has a right to protect itself from people marching along the street dragging howitzers in their wake. Nor do I think it unwise to place restrictions upon the ownership of machine guns. You and I both know that these off-the-wall examples are not what advocates of gun control are after. They want your handguns and your rifles and your shotguns, and are perfectly willing to march right over the Constitution to get at them.

Yet, I believe that even the controls I have mentioned are up to the States to implement. As you know, many states have adopted forms of gun control. While I may, and do, question the wisdom of many of these statutes, I believe that they are properly within the states' jurisdiction. This field, like so many others, is simply none of the Federal government's business.

Back in Washington the Subcommittee on Crime of the Judiciary Committee is holding hearings on new gun control legislation. Considering the Committee's mark-up there is little doubt that some type of bill will be presented to the House. An outright ban on guns is unlikely at this juncture, since there are sufficient Representatives who realize that we are talking about Constitutional rights. But a great deal of emotional pressures exist to place strict registration and licensing restrictions on guns, especially handguns. And this is where the proposals hit you.

Registration of firearms as a deterrent to violent crime is not a new idea. It has been ballyhooed by the "big government" contingent for years. The only astounding thing is that the obvious fallacy of the argument has not yet sunken in.

The underlying assumption beneath compulsory registration of guns is that every American is a potential robber or assassin, and that only the threat of the tracing of his weapon keeps him from fulfilling his ghastly destiny. I think most gun control advocates honestly believe that ownership of a gun represents the first step along the road to homicidal destruction. You and I both know that this is a bunch of nonsense. Between 40 and 50 million Americans own guns. If the prevailing wisdom were true, there would be a shooting spree going on every day that would make the Hatfields and McCoys look like a DAR rally. The overwhelming majority of Americans are peaceable, law-abiding citizens, gun owners and non-gun owners alike. They do not have to be kept from each others' throats by an omnipotent government. Ninety-nine point ninety-seven percent of guns in the United States are *not* used in crime. If there were actually any real correlation between availability of guns and violent crime, there probably wouldn't be a Switzerland any longer, since every male is required to keep a gun there. Ownership of a gun does not qualify one for a membership in Murder, Inc. But these are facts, like the Second Amendment, which are conveniently, and consistently, ignored.

The second problem with the idea of gun registration has been well publicized. It is argued that registratior will deter criminals from using weapons since these can be traced using registration records. This has got to be one of the most looney assumptions of our time. Can you see the friendly neighborhood hold-up man marching up to the registration desk to fulfill his legal obligations? What do you suppose he'd say, "Excuse me, sire, but I'd like to register this gun I'm about to use to rob the gas station with tonight."

The obvious truth is that the people this idea aims at controlling are precisely those who have no intention whatever of obeying the law. Anyone who thinks that registration of guns will serve as a deterrent to crime should be given a free trip to the psychiatrist.

Who will end up registering their guns? You will, along with millions of other Americans who believe in obeying the laws of the land, even the crazy ones. So you'll have to go through the massive inconvenience of quadruplicate forms, myriad fees, interminable delays in processing, and loss of privacy—all for what? To provide a meaningless assurance that you're not going to blast your mother-in-law after the next argument.

There are some people whose motives for gun registration are perfectly understandable. The Washington bureaucracy is going to have an absolute field day stamping papers to register between 40 and 100 million guns. The Federal Government can hire another small army at taxpayers' expense to perform a useless task. And that's not just a joke. The average cost of processing a pistol permit in the City of New York was $72.87 in 1968. Multiply that by 100 million and you come up with $7.3 billion, not counting the inflation rate since 1968. Just what our country needs in addition to the $80 billion deficit budget.

Since almost no one advocates totally banning guns, even hand guns, the Congress will probably end up considering either partially eliminating certain guns deemed to be particularly "bad"—such as the fabled "Saturday Night Specials"—or registration of all guns. Neither step will be of the slightest value in combatting our actual problem, which is violent crime.

Gun control is, in essence, an emotional response to the sudden upsurge in crimes committed with a gun. It seems that Congress, like the Courts, has decided not to realize that the increase in crime is due to the lack of any penalties and to the revolving-door prisons we have instituted. So with typical courage, Congress has decided to attack guns, not criminals. Seen from this light, gun control is a legislative cop-out. We are giving the appearance of fighting crime, when nothing is actually being done except harrassment of the law-abiding.

It's high time to stop wasting our breath and reform our criminal justice system. We don't need a whole lot of new laws, all we have to do is start enforcing the ones we have. The only step I recommend in legislation is enactment of a bill I have co-sponsored making crimes committed with a gun a felony, which imposes mandatory sentences. I also believe that for major crimes involving firearms, capital punishment should be swiftly administered. That will cut down on the crime rate—and fast.

I trust that none of you are criminals. There is no reason on earth why your guns should be taken from you in defiance of your Constitutional rights. It will not make America a safer place. As a matter of fact, by removing an important source of protection for our citizens, it may make our country more dangerous.

Removing guns from the law-abiding is not going to keep guns from the lawless. It will provide a new and lucrative black market business for organized crime. We must also realize that a ban on guns is unenforceable for all practical purposes. The windfall profits to be made in black market guns will make the dollars earned by bootleg whisky look like pennies.

I am certainly not about to force you to register your guns or confiscate them. But there are an awfully large number of my colleagues who are prone to do just that.

So you have a job to do. Yell your heads off to your Congressman and Senators. Get your non-gun-owning friends and neighbors to do the same, and keep the pressure up. Believe me, Washington will listen.

The woods are full of well-intentioned people who are content to nibble away at freedom in the name of the common good, and they're the dangerous ones. More importantly, the woods are also full of well-intentioned people who planned to do something to stop them but put it off for a tomorrow that never arrived. And then they wondered where and why their rights went. We must protect each and every one of our guaranteed freedoms—or else when the Bicentennial arrives, we'll find we've nothing left to celebrate.

ORGANIZED CRIME, PORNOGRAPHY, AND AMERICA'S NEIGHBORHOODS

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. BLANCHARD. Mr. Speaker, the quality of life in America has long been a favorite topic of social critics and politicians alike. Usually, however, the discussion has been directed at clean air and water, a decent job, and better schools. While these concerns are of great importance to me, and, I am sure, millions of Americans, the debate over improving America has too often ignored the quality of neighborhood life—and such unglamorous issues as drug abuse, street crime, blockbusting, and pornography.

In our rush to build bigger, better cities and suburbs, create environmental consciousness in our wilderness lands and improve our GNP along the way, Government at all levels has ignored the fact that America's neighborhoods have become as disposable as pop bottles and used cars.

From spreading slums and littered streets, our people have always been able to "move West," or, in the current vernacular, move further out in the suburbs to get away from deteriorating neighborhoods. But because of the cost and because of the number of people, the mobility we have grown up with is restricted today.

Government at all levels must examine its direction and its programs to maintain quality neighborhoods and begin to rebuild deteriorating neighborhoods before it is too late.

The deteriorating quality of neighborhood life is, in my opinion, at the root of many major issues and matters we have discussed here in Congress.

Housing, crime, busing, rising ethnic consciousness, and even the debate we have just recently had on New York City—all of these stem from the forces now affecting America's neighborhoods.

Mr. Speaker, I believe the quality of neighborhood life, in one or more of these guises, will be a major issue for years to come.

For that reason, I think it is important that we fully explore and analyze all of the social factors associated with neighborhood decay, trace their sources, and determine what can be done about them.

Vacant storefronts, population loss, aging citizens, and an eroding tax base are usually the forerunners of a lessening of the quality of neighborhood life. The appearance of hard-core pornography and sex-for-sale parlors in recent years have also signified the downward spiral of neighborhood quality.

In this connection, I would like to bring to the attention of my colleagues a very interesting series of articles from the

New York Times, detailing the role of organized crime in marketing pornographic films.

Pornography is an issue in my district, and it is in many others across the country. I believe the information in these articles will be of interest to many of my colleagues, and that this subject should be given a full hearing by Congress when we consider the bills which revise the Federal criminal code.

The article follows:

[From the New York Times, Oct. 12, 1975]

ORGANIZED CRIME REAPS HUGE PROFITS FROM DEALING IN PORNOGRAPHIC FILMS

(By Nicholas Gage)

Organized crime has heavily infiltrated the pornographic film business and is reaping huge profits from such successes as "Deep Throat," "The Devil in Miss Jones" and "Wet Rainbow."

An investigation by The New York Times has found that Mafia money and Mafia members are involved in many aspects of the business, including the financing and distribution of films and the ownership of some theaters.

In instances where they do not have a direct financial share in the film—for example, "Behind the Green Door" and "The Life and Times of Xaviera Hollander"—organized crime figures have simply pirated the film and distributed it illegally, earning millions of dollars without any investment.

The popularity of such films has provided a tremendous new source of revenue for organized crime. Hard-core films are playing in hundreds of theaters across the country—not only in major cities but also in suburban communities and shopping centers.

TURNING LEGITIMATE

Moreover, the great success of these pornographic films—"Deep Throat" has to date made roughly $25-million—has given several porno moviemakers with Mafia connections the money to go into the production and distribution of legitimate films.

"If the trend continues, these people are going to become a major force in the movie industry within a few years," said Capt. Lawrence Hepburn of the New York Police Department's organized crime division. "The movie business is going to be like the garment business, riddled with Mafia influence."

Although some filmmakers say that Captain Hepburn's predictions are exaggerated, there are many indications that his basic pessimism is well founded.

James Buckley, a co-founder of the porno newspaper Screw, has formed a company with his brothers David and Frederick to produce and distribute both porno and legitimate films.

So far they have produced or distributed, in addition to hard-core pornography, the successful soft-core film "Flesh Gordon," which grossed $14 million according to the Buckleys, and such nonpornographic films as "Saturday Night at the Baths" and the forthcoming "Bambina," which stars Irene Pappas.

The three Buckleys, who say that their goal is to make the Buckley brothers bigger than Warner Brothers some day, openly acknowledge their dealings with Mafia members, who book their films into theaters. In fact, they say, they prefer to deal with the Mafia.

"We're pro Mafia around here," said David Buckley.

James Buckley spelled out some reasons for that preference: "Mafia guys keep their word. When they make a deal, they stick to it and they pay you up front. We've been waiting eight months for $10,000 that a major theater chain owes us. Every time we call them we get a runaround, but nobody in the Mafia owes us money."

Despite the Buckleys' enthusiasm for the Mafia, some members of the porno industry who have been involved with organized crime have found themselves threatened or even murdered.

Jack Molinas, the former Columbia University basketball star, was shot to death in the backyard of his Hollywood Hills home on Aug. 3 and a woman friend with him was wounded. Law-enforcement officials say Mr. Molinas, who had served five years in prison for fixing basketball games, was involved with Mafia members in the distribution and production of pornographic films both in Los Angeles and New York.

Last October a man named Philip Mainer disappeared in Youngstown, Ohio, and later his car was discovered with bloodstains on the seat. He has never been found. Mr. Mainer has been involved with several Mafia-connected distributors of pornographic films and, according to a police report, was believed to have been killed because his associates thought he was informing on them.

THREATS AND THEFTS

In addition to murder, Mafia members use threats and robbery to increase their profits and convince filmmakers to deal with them. A popular method is to tell a film producer that if he deals with a particular distributor he will be protected from having his film pirated (copied and shown without authorization) but if he refuses to deal he will suffer grave consequences.

The major Mafia figures involved in the distribution and production of hard-core pornographic films, according to law enforcement officials, are Michael Zaffarano, Joseph Gentile, and Anthony and Joseph Peraino.

Michael Zaffarano, who is listed by the Justice Department as a captain in the Mafia family of Joseph Bonanno, was involved in the production and distribution of eight-millimeter porno films several years ago when such films were sold underground.

When the prosecution of obscenity-law violations slackened and hard-core feature films became successful, Mr. Zaffarano went openly into the production and distribution of porno films both here and on the West Coast.

The company he has primarily been involed in is Stu Segall Associates, which has offices at 1600 Broadway in Manhattan and 8564 Melrose Avenue in Hollywood. Mr. Zaffarano, who owns a theater in Washington, was a producer of a hard-core feature called "Defiance," whose showings were stopped by court order when it was disclosed that its leading actress, Jean Jennings, was a minor.

One of Mr. Zaffarano's associates in Hollywood was Jack Molinas, the former basketball star who was shot to death last Aug. 3.

According to law enforcement officials, Joseph Gentile, reputedly an active member of the Joseph Colombo Mafia family, was never "made"—formally initiated into the Mafia—but has been a big moneymaker for the family and holds a special place in it.

Mr. Gentile, who also is known as Joe Lane, prefers to finance the production of pornographic films quietly, using legitimate producers as front men. Only when a crisis occurs does Mr. Gentile emerge from the shadows to show his involvement in particular films.

Some months ago, for example, Mrs. Chelley Wilson, who owns several theaters and a distrbuting company here, booked the film "Wet Rainbow" into her Cameo Theater on Eighth Avenue. When a dispute arose between Mrs. Wilson and the producers of the film concerning some advertising fees, the producers said they had to call in their "principal" to negotiate a settlement, according to a company employe. He said the man who showed up for the meeting was Joseph Gentile.

EMPLOYED FRONT MEN

Most successful of all the Mafia figures involved in the production and distribution of hard-core films are Anthony J. and Joseph Peraino, brothers who are listed by the Justice Department as "made" members of the Mafia family of Joseph Colombo.

Authorities say the Perainos have employed front men, usually individuals who have been associated with their Mafia family, but who were not actual members, to set up a series of companies in Florida and New Jersey to distribute films in which the Perainos had an interest and to pirate successful films made by others.

The main front man the Perainos have used for the last three years has been 39-year-old Robert J. DeSalvo, an ex-convict who set up several distributing companies in New Jersey, where he was born, and in Florida, where he lived until legal problems forced him recently to flee to the Bahamas.

Court papers filed in a Federal obscenity case in Memphis, which is still pending, show that while Mr. DeSalvo and his associates set up these companies, the Perainos controlled many of them by having their own accountant on the scene, by securing access to company bank accounts or by personally directing company operations.

ASSUMES DIRECT CONTROL

For example, according to the Memphis court papers, Mr. DeSalvo set up Shore Distributors in Spring Lake, N. J., on Nov. 26, 1973, but when the company's fortunes failed to blossom in the next seven months, Joseph Peraino moved in and assumed direct control of operations.

Mr. DeSalvo tried to secure distribution rights to successful pornographic films for the various companies he set up by telling producers that he could keep the films from being pirated. If the producers turned him down, according to records, his companies would then proceed to pirate the films.

One producer who decided to let Mr. DeSalvo distribute him film was Herbert Nitke, who financed the making of the commercially successful film "The Devil in Miss Jones." The film was written and directed by Gerard Damiano, who had previously made "Deep Throat."

The film was completed in early 1973. That summer Mr. Nitke reached an agreement with Mr. DeSalvo, giving him control of the distribution of "The Devil in Miss Jones."

One of the companies set up to handle the distribution was the AMMA Corporation, which was established in Florida on Aug. 20, 1973. A few months later, according to a Federal indictment filed in the Memphis case, "Michael Cherubino, acting for and on behalf of Anthony Peraino, assumed the nonofficial position of bookkeeper—nonsupervisory overseer at AMMA Corporation.

ALL ARE INDICTED

Mr. Nitke, Mr. DeSalvo, Mr. Cherubino and the Perainos were all named in the Federal indictment returned in Memphis. Mr. Nitke and several of his associates in the making of "The Devil in Miss Jones" also have been indicted on state obscenity charges in White Plains, for distributing the film. Both cases are pending.

Unlike Mr. Nitke, several major producers and primary distributors of hard-core films have refused to turn them over to Mafia-connected companies for distribution and have paid for their defiance.

In 1973 two San Francisco-based brothers, Arthur and James Mitchell, produced a film called "Behind the Green Door." The film quickly became very successful, especially after it was revealed that its star, Marilyn Chambers, was the same blonde who portrayed a wholesome young mother on the Ivory Soap boxes.

In October of that year the Mitchell brothers said they were visited by two men named Robert DeSalvo and James Bochis, who said that they wanted to obtain national distribution rights to the film for one of their companies, Gulf Distributors, based in Fort Lauderdale, Fla.

"He wanted to distribute our film, offering us a 50-50 split," said Arthur Mitchell, who is 29. "We told him that we had already made distribution arrangements. They said that if we didn't give them the film, pirated versions of it would be played around the country in a week."

A BAD REPUTATION

"We turned them down," Mr. Mitchell continued, "but a couple of weeks later they called back and made another effort. We turned them down again and a short time later pirated versions of the film started playing in major cities all across the country. We obtained restraining orders, but before we could stop them they hurt us badly. They wiped out several key markets for us: Miami, Dallas, Las Vegas."

He charged that the copies of the film distributed by Gulf were not only pirated, but also were of such poor quality that customers walked out "and our film got a bad reputation."

Mr. DeSalvo and Gulf Distributors also wanted the distribution rights to the film "The Life and Times of Xaviera Hollander," but the world distribution rights had already been assigned to a man named Robert Sumner. He began distributing the film on Dec. 4, 1974, and sold rights for a five-week engagement to five theaters in upstate New York owned by Herbert Nitke, who had financed "The Devil in Miss Jones."

A few days later, Mr. Nitke informed Mr. Sumner that the manager of his theater in Buffalo had disappeared with a copy of the film. The manager, who was known as Don Gaitano, had been recommended to Mr. Nitke for the job by Robert DeSalvo. Mr. Gaitano's real name, it turned out was Philip Mainer, the man who later disappeared in Youngstown, Ohio.

The involvement of Robert DeSalvo in the pirating of the film was demonstrated on Dec. 12, 1974, when police raided a film-processing laboratory at 533 West 47th Street. In the lab they found a pirated print of "The Life and Times of Xaviera Hollander" and an order for 103 more prints. The order had been placed by Mr. DeSalvo's company, Gulf Distributors.

Mr. Sumner's problems in distributing "The Life and Times of Xaviera Hollander" were only beginning. Shortly after the theft, he said he received a call from Ernest Grecula, owner of the Art Cinema in Hartford, Conn., who had bought the right to show the film in his area. Mr. Grecula complained that a competing theater nearby was advertising the same film.

PIRATED VERSIONS APPEARED

Mr. Sumner said he called the other theater and was told by its owner that he had bought the film from Gulf Distributors. And when Mr. Grecula started advertising the film for his own theater, he said he began receiving telephoned threats that his theater would be bombed and he would be hurt if he opened the movie. Mr. Grecula decided not to run the film.

After the Hartford incident, pirated versions of "The Life and Times" began appearing all over the country while theater owners showing the authorized version received threats similar to those which had frightened Mr. Grecula.

In an effort to stop the pirating, Mr. Sumner obtained injunctions against the unauthorized showing of the film. He then received a telephone call from a man who, according to Mr. Sumner, identified himself as a Mr. Putro, a representative of Gulf, and said "You better not interfere with our bookings or you're going to get your legs broken."

Mr. Sumner declined to discuss the threatening phone call in an interview, but he had earlier told the police that he recognized the voice of the caller as that of a Robert Bernstein of Gulf Distributors, an associate of Robert DeSalvo. Mr. Bernstein and Mr. DeSalvo could not be reached for comment.

Federal agents and police believe that Mr. DeSalvo was working for Anthony and Joseph Peraino, the Colombo family members, in pirating and distributing ventures. The Peraino brothers have been involved in the production and selling of obscene materials for many years, long before pornographic films became legal and fashionable.

According to law-enforcement officials, it was Anthony Peraino who originally put up $25,000 to produce "Deep Throat," the most successful pornographic film of them all. Robert DeSalvo ultimately was given national distribution rights for the film and an associate of his said during a recent telephone interview, "Tony Peraino owns 'Deep Throat.'"

"Deep Throat" was made by an organization called Gerard Damiano Productions, owned originally by Louis Peraino, son of Anthony Peraino, and Gerard Damiano, who directed the film. "Deep Throat" was filmed in Miami in January, 1972. When the cast and crew traveled to Miami, Althony J. Peraino, Louis' father and a Colombo family member, traveled with them.

When the film was released and began to make money, Louis Peraino bought out the interest of Gerard Damiano for $25,000.

When a reporter remarked to Mr. Damaino that he seemed to have received unfavorable terms in the deal, Mr. Damiano replied, "I can't talk about it." When the reporter persisted, Mr. Damaino said, "You want to get both my legs broken?"

Louis Peraino declined through his lawyer to discuss the film, but he has previously justified the amount paid to Mr. Damiano by saying, "he was compensated what he asked for—$25,000. He was even asked to stay. This was his decision."

Louis Peraino has used profits from "Deep Throat" to help establish a company called Bryanston Distributors which has become a major distributor of legitimate motion pictures. Among the films the company has distributed are Andy Warhol's "Frankenstein" and "Dracula." "The Texas Chain Saw Massacre," and the new Frank Bakshi movie "Coonskin." Variety has estimated Bryanston's gross income for last year as $20-million.

Louis Peraino is president of Bryanston and his brother Joseph is vice-president and secretary-treasurer. A spokesman for Louis Peraino insisted that either his father Anthony nor his uncle Joseph is in any way involved with Bryanston.

SUN CITY'S QUILTERS TACKLE PATRIOTIC TASK

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. STEIGER of Arizona. Mr. Speaker, one of the most unique Bicentennial projects to come to my attention is under way in Sun City, Ariz., where more than 100 citizens are involved in making a large Bicentennial quilt.

The story of this patriotic community endeavor was told in a feature article in the "Arizona Republic." In hope that other communities throughout the country might like to emulate this project, I insert the article by Thelma Heatwole to be printed in the RECORD:

SUN CITY'S QUILTERS TACKLE PATRIOTIC TASK

(By Thelma Heatwole)

SUN CITY.—Nimble fingers are at work here fashioning a Bicentennial quilt, a project that has drawn the involvement of 110 Sun City residents and an investment of 1,500 hours of work.

"It's going to be the most fantastic quilt ever made in Arizona," said Mrs. Viola Cody, the coordinator of the project.

There are hundreds of work hours ahead. The king-size quilt is double-faced with one side featuring stars and stripes in red, white and blue.

The other side has 63 squares depicting activities and scenes in Sun City, including golfing, dancing, bicycling, churches, and desert vistas.

Mrs. Cody originated ideas for the Sun City scenes and 13 artists, nine of them men, helped put the design together.

The quilt blocks have already been pieced or embroidered.

The big chore now is quilting, a task tackled by 21 quilters. The oldest is Mrs. Amelia Whirledge, 80, who came here from Goshen Ind. and makes a hobby of quilting.

To get the chore done by an anticipated Dec. 14 deadline, quilters work four hours a day, six days a week. Fifty-seven seamstresses have been involved in the project.

The finished quilt will be placed in a frame of Arizona-grown pine.

The idea of the quilt began with Mrs. Bobbe Roman, a Sun Bowl Plaza merchant. She placed a letter to the editor July 29 in the News Sun calling for quilting volunteers to lend their talents to a lasting memento of American Heritage and the project was launched.

The Sun Bowl Plaza Merchants Association provided all materials for the quilt, including 300 square feet of Arizona cotton fabric, thread, perle cotton and yarn.

The Bicentennial quilt is expected to be presented to the Sun City people in a Jan. 14 ceremony in the Sun Bowl. After being exhibited in Sun City, the quilt will be exchanged in exhibition for a new New York City Bicentennial quilt.

"It will never leave Sun City permanently," said Mrs. Cody. "We hope someday it will be in a museum here."

OSHA NEEDS ALTERING

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. COLLINS of Texas. Mr. Speaker, the Occupational Safety and Health Act of 1970 is one of the most controversial laws now in effect. It has proven a disastrous obstacle for American business, in particular our small business concerns. For example, a survey conducted by McGraw-Hill publications indicated that OSHA cost business $2.5 billion in 1973 and $3.1 billion in 1974.

Some idea of the bureaucratic stupidity behind the OSHA regulations can be gained from the experience of "Blackie's Boatyard," in Newport Beach, Calif. Here is the incident which appeared in the May 1975 Reader's Digest:

Facing up to a possible $1,000 fine, Gadarian appeals to a Federal hearing examiner. After Gadarian revealed that the water around his dock was only three feet deep and consequently, did not require a ladder for rescue should someone fall off the low pier into the water, as the victim could stand up and easily climb back upon the pier, the examiner certified that Gadarian was innocent of the charge.

AN OVERVIEW OF THE ECONOMY OF THE DISTRICT OF COLUMBIA

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. SISK. Mr. Speaker, we have all struggled with the question of how to revitalize our urban cities. The Federal Government has poured billions of dollars into the cities to arrest decay and deterioration.

Too often, however, we have failed in our efforts and urban cities become sores for which we believe there are no cures. The success or failure of our urban efforts depend in large measure, of course, on the attitudes of local businessmen and officials.

I was pleased, therefore, to have the opportunity a few days ago to read a report on the economy of the District of Columbia and, more importantly, on what can be done to revitalize the Nation's Capital.

The report was written by Knox Banner of the National Capital Downtown Committee. As a former chairman of a subcommittee of the Committee on the District of Columbia, I have known Knox for several years and have come to admire his determination to make the District a model city.

What is important about the report Knox wrote, I think, is that he and the National Capital Downtown Committee acknowledge there are serious problems, but they have the will to overcome them.

I believe it would be useful, therefore, to have the study printed in the CONGRESSIONAL RECORD so that all my colleagues may have the opportunity to review it:

AN OVERVIEW OF THE ECONOMY OF THE DISTRICT OF COLUMBIA

As in all other cities in the nation, the District of Columbia and its people are experiencing economic difficulties which stem from the problems of the national economy. Inflation and unemployment are major concerns across the country. Washington has felt the sting of inflation, particularly in terms of the greater cost of housing. And there is increased unemployment, especially among young blacks. But while these problems are a great concern to all, it must be noted that Washington has not experienced the same depth of difficulties as most other major central cities due largely to the insulated nature of the local economy, still dominated as it is by government employment. (Please note that this observation is not very meaningful to the individual who is unemployed.) Many feel that the overall economic picture is not bright, despite the pronouncements by various national leaders. This affects all aspects of the local economy, of course, and it is not much comfort that the depth of our difficulties is not so great as in other major cities.

The District of Columbia continues to lose population. This is consistent with national trends wherein population continues to be concentrated in greater and greater numbers in metropolitan areas but at the same time is decentralizing (suburbanizing) within those major population centers. From 1973 to 1974, the District's population declined by 9,000 persons and now totals approximately 723,000. But interestingly and significantly, during the same time period, the number of households in the city rose by 5,000 to a total of 277,000. It is this rise in number of households and their generally upper income nature which provides cause for judicious optimism regarding the city's economic future. Average household income in the District was $15,686 after taxes in 1974. This is more than 14% above the national average.

Coupled with this is the beginning of a trend back to the city and specifically back to in and near downtown among predominantly young individuals and families plus so-called "empty nesters." The trend is aided, in part, by no-growth policies in the suburbs and by the environmental and energy situation. The increase in the number of households and the back-to-downtown movement create a base for the construction of new housing, rehabilitation of existing housing, improved business opportunities, and greater tax revenues for the city. But these good things for the local economy are related to positive and prompt actions which must be taken by the District Government and others to strengthen the trends and take full advantage of them.

For example, there is a need for an approach to solving some of our financial problems and municipal services on a metropolitan basis. One example could be a regional sales tax to help finance Metro.

For example, long-range positive rather than negative answers must be developed and used intelligently and intensively to increase and improve the housing supply. The city's rent control regulations, its ban on condominium conversion, and its intentions to strictly control rehabilitation resale have produced a virtual end to new residential construction, and prospects for abandonment are increasing. The result is a growing housing shortage at the very time that demand is mounting due to the growing number of households and the back-to-the-city movement.

There may be little question that these latter negative actions on the part of the District Government have merit—at least on a short range basis—from a non-economic point of view, but in terms of economics, they are largely self-defeating. The physical, social, and economic health and vitality of the city are intertwined. There should be much cause for concern if a balanced approach considering economics is not taken on a long range basis in dealing with housing and business enterprise.

A positive trend for the District which pertains to this overview is Washington's growing dominance as the center for association activities in the nation—Washington now surpasses New York and Chicago. In 1972, approximately 40,000 persons were employed in association work here with about three-fourths of these being located in the District. Associations, along with professionals, account for much of the office space demand in the city. In turn, the creation of office space produces revenues for the District and helps assure an increasing employee population which supports retail and service uses, thus having a multiplier effect. Various sources on the subject of office space have projected a short term excess of office space supply over demand, resulting in a higher than normal vacancy rate for office space in the District of Columbia in the immediate future. While this is of concern, a vacancy rate of 8% or 9%—up from less than 2%—is still favorable by comparison to other major cities. Again our insulated economy has come to our aid.

Moving now to specific actions being taken and to be taken to advance the local economy, here is a synopsis:

Metro—while further delayed—should begin operating shortly. Projected to return three dollars for each dollar spent on its construction, METRO will surely—whatever the benefit figures turn out to be—greatly enhance development potential, business activity, and public tax revenues.

The Bicentennial—At the price of some inconvenience, congestion, and environmental difficulties, the city should benefit to a considerable extent economically from the additional millions of people coming to Washington in 1976. The magnitude of the benefits as well as of the difficulties relates closely to the quality of the preparations now underway, of course.

Pennsylvania Avenue Redevelopment—With the plan now approved by Congress and the White House apparently looking favorably upon the revitalization proposals contained in it, the District should enjoy an economic stimulus because of Pennsylvania Avenue redevelopment.

Civic Center—With new awareness of the need to identify and develop additional sources of revenue for the city, fresh interest is being expressed in development of a civic center in Downtown. And the economic spinoff will be substantial. The city's business community has staunchly supported development of a civic center as the single most important remaining public facility needed to help spark the local economy and assist in Downtown revitalization.

Let me summarize and emphasize.

Over the past two decades throughout the United States, there has been increasing cooperation between the public and the private sectors in working to solve urban problems. In the older downtown of the District of Columbia between the White House and The Capitol, this has been exemplified by the work of Downtown Progress and of other business and civic organizations with all levels and branches of government here. Business leaders have contributed both time and supporting funds to these organizations to help improve the economic vitality and the quality of life in this part of the District of Columbia.

Substantial progress has been made, but much remains to be done. From the doldrums of the forties and fifties, the old downtown since 1960 has nearly a billion dollars in private and public development completed, underway, or scheduled to begin. This totals nearly 20 million gross square feet. The new opportunities afforded by Home Rule can increase the effectiveness of this public-private effort *if* both government and business work even harder at it.

Business generally is re-examining its role and its responsibilities, and the District of Columbia government is doing the same. Together, we must achieve:

A sound tax program.

A balanced budget as responsive as possible to local needs.

Essential public services.

Improved housing supply.

Increased employment and business opportunities.

An improved educational system at all levels.

Safety and security in the street, home, and place of business.

While these goals may be defined somewhat differently depending on who is doing the defining, it seems to me that we need to be aware of a number of potential obstacles to achieving these goals, including:

For example, tax programs which tend to drive out business rather than to attract additional business which would bring increased revenues and increased employment;

For example, the lack of positive encouragement of private development which will enhance the tax base;

For example, rent control and a freeze on condominium conversions which continue past an emergency period during which positive rather than negative solutions should be developed;

For example, a criminal justice system that fails to function more effectively in both preventive and rehabilitative aspects;

For example, a public review process in which a vocal few can stop any development—public or private—no matter how useful it may be to achieving community goals.

We must overcome these obstacles. The opportunities are here for accomplishment and success by the combined effort of the public and private sectors to make a better city for all of us.

As the national economy improves, the District of Columbia—we—all of us—must be ready to make the most of the opportunities for our city.

URBAN REVITALIZATION NEEDED

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. NOWAK. Mr. Speaker, in the area of Federal domestic policy, it is clear there are few problems today that are purely Federal or purely State or purely city. For instance, if the Congress gives a tax cut to stimulate the economy and the States must then raise more revenue by the use of the regressive property tax, the purpose of the Congress is thwarted.

Hence, when talking of urban problems, all levels of government must be considered so what one is trying to accomplish does not negate a goal of another.

I am from the city of Buffalo, N.Y. In a sense, there are two Buffalo, New Yorks. One is the metropolitan area where more than a million persons live and work. This metropolitan Buffalo has an expanding tax base and built a $20 million stadium while lowering taxes 3 of the last 4 years. The other Buffalo is the traditional area within the city limits, which is only a small part of metropolitan Buffalo. In fact, the city limits have not changed since 1854, approximately 50 years before the automobile. However, this area has a concentration of tax-free government buildings, nonprofit organizations, bankrupt railroad properties, and the poor and elderly, who require a high level of public services.

Like many other cities, Buffalo has been forced to curtail essential services, reduce its municipal payroll, and delay needed community improvement projects.

The reason is not that the city has been extravagant. In the case of the city of Buffalo, the fiscal crisis can be traced to the loss of a sizable portion of its middle-class tax-paying residents. Since 1950, Buffalo's population has declined by 100,000.

Buffalo's austere approach to city finance was attested to in an article in the Wall Street Journal on June 23, 1975, which said in part:

> In fact, it could be said that if Buffalo's approach had been applied to New York City 10 years ago, that metropolis would now be the darling of the credit markets, while if New York's attitudes had taken root in Buffalo that upstate city would long since have been a ward of the bankruptcy courts.

The key point is that the fiscal problems of cities like Buffalo are not solely the result of self-inflicted wounds like municipal waste and extravagance. The cities, for example, did not encourage middle class taxpayers to move to the suburbs. Unwittingly perhaps, some well intentioned Federal Government programs resulted in encouraging an exodus to suburbia. Mobile, educated citizens have taken advantage of the Federal incentives which had led to suburban sprawl in the areas surrounding Buffalo and other major cities.

Take the GI bill for example. In Erie County, which includes the city of Buffalo, there have been 66,348 such loans totaling $701 million. While figures for the city of Buffalo alone have been available only for the last few years, they show that up to 80 percent of these loans in a given year went to suburban borrowers.

Compounding this suburban bias were reports that the Federal Housing Administration—FHA—at one time had a policy of redlining—refusing to approve Federal loan guarantees—in certain urban areas.

To get the middle class to their suburban homes, the Federal Highway Trust Fund and various State user taxes were funneled into road construction projects that in effect further subsidized this suburban flight. There is an antiurban bias in this process also. For instance, in fiscal year 1970 when the New York State gasoline tax counted more than $20 million in receipts from Buffalo, the State spent less than $640,000 for road construction within Buffalo.

Long after the cities had borrowed money to build sewers, the Federal Government subsidized sewer construction, again making the suburbs more attractive. In Erie County, $240 million in federally funded sewer projects are underway outside of Buffalo.

Even legislative arenas have been unfair to the cities. For years, cities argued they were underrepresented in county, State, and Federal legislatures. The courts, however, took a dim view of the one man-one vote argument, until the population had already shifted to the suburbs.

Our cities are a key part of our society, producers of a large portion of our national wealth, buyers and consumers of products and produce from nonurban areas. They are also the source of livelihood for many suburban residents. In Buffalo alone, an estimated 90,000 persons daily commute into the city to work and return to their suburban homes. Is it surprising then that Buffalo's population has dropped by 100,000 since 1950?

The programs that gave large impetus to suburban sprawl—the GI bill, restrictive loan policies, the Highway Trust Fund, federally supported farm mechanization programs that forced rural residents to seek jobs in the cities—were not instituted to harm the cities. Yet, that has been the long-term impact.

Even food prices are adversely affected by suburban sprawl. As the suburbs move further outwards, the price of land in nearby rural areas becomes more precious and more expensive as speculators try to determine where the sprawl will eventually lead. During the 1960's, it is estimated, 2,000 acres a day were converted from rural to suburban areas.

While we are pouring billions into developing the infrastructure to support suburban development—sewers—now 75 percent federally funded—roads, plazas, schools and hospitals—facilities in the cities often remain underutilized and funds are lacking for their modernization and improvement.

Today, with energy at a premium and environmental concerns at the forefront of policy decisions, we must recycle the land and infrastructure already invested in our cities. Greater regionalization of services, where it will be more efficient, must be considered. We cannot erect a fence around the poor. We have subsidized the suburbs. Now, we must reinvest in the cities.

The environmental savings alone in rejuvenating our cities—using the streets that are built, the utilities that are available—is greatly superior to the continued high expenditure of Federal funds to encourage sprawl. We must begin to take greater advantage of the assets that already exist in our urban areas.

Economic development spearheaded by a broadened Federal Economic Development Administration—EDA—funding concept is an essential element.

We must also devise ways to make urban areas more attractive for private investment. Our goal should be to make it as attractive for American corporations to invest in Buffalo, for example, as our current tax laws make it attractive for them to invest overseas. In this vein, I have sponsored legislation aimed at providing one such incentive. My bill would increase the 10-percent business investment tax credit to 15 percent for investments in plant and equipment in areas designated as economically needy by the Commerce Department.

It is just not true, as has been said, that "real estate wears out." The cost of investing in new areas is so great that economically and environmentally it makes better fiscal sense to go back to the cities.

Promoting neighborhood revitalization by tax credits for housing repairs and modernization and devising ways to give banks incentives to approve home improvement loans within urban areas would cost far less than continuing to invest in multimillion-dollar roads, sewers, and utilities farther and farther from places of employment. We must encourage balanced planned communities within the cities, a balance of commercial and residential construction integrated, so business as well as individuals will have a stake in the community. That concept was very successful in the Allentown area of Buffalo.

We cannot tell the cities they must fend for themselves, because other areas did not fend solely for themselves. The 75 percent federally subsidized sewer construction program and federally financed roads that helped promote suburban expansion compare with the cities' original sacrifices of building roads and sewers without outside help.

The cities need and deserve help now. We must take a long hard look at the problems confronting our urban areas now. Delay will only see matters worsen. The study process, however, should be accelerated so that as soon as possible we can begin to implement solid initiatives to revitalize these areas, which are the core of our civilization.

"THRIFTY FOOD" PLAN INADEQUATE TO THE NEEDS OF FOOD STAMP RECIPIENTS

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. MATSUNAGA. Mr. Speaker, on September 19, 1975, the Department of Agriculture published proposed new regulations for issuing food stamp coupon allotments. (Federal Register* for September 19, 1975) The action was in response to a Court decision handed down, June 12, 1975, Rodway versus U.S. Department of Agriculture. The Court ordered the Agriculture Department to follow proper administrative procedure in issuing food stamp regulations which guarantee all recipients the opportunity to purchase a nutritionally adequate diet. USDA proposed three alternative proposals, all of which are inadequate to meet the needs of impoverished senior citizens as well as other needy food stamp recipients. The reason for this outrage is USDA's new "Thrifty Food Plan." The Thrifty Food Plan is not geared to provide recipients with a "nutritionally adequate diet." It is based on food consumption data derived from a survey that is almost 10 years old; it is premised on the amount of money certain households actually spend for food, not on the amount needed or adequate nutrition; and it does not consider variations in regional food costs or variations in the individual health of the food stamp participant.

At this point, I insert an article by Marian Burros from the Washington Post, which presents an in-depth examination of the Thrifty Food Plan: Living on Food Stamps a Losing Battle—Washington Post, Thursday, November 13, 1975.

LIVING ON FOOD STAMPS: A LOSING BATTLE

(By Marian Burros)

Critics of the Agriculture Department's Thrifty Food Plan, the plan which determines food stamp allotments, say the human equation was never factored into it.

President Ford's Consumer Advisor, Virginia Knauer, brought this deficiency to USDA's attention in a letter dated Oct. 10: "It may be possible to achieve a nutritionally adequate diet at the food spending levels of the Thrifty Food Plan if one is a nutritionist or home economist, but it is unrealistic to assume the 'poorest of the poor' will be able to do so.

"We question the assumption inherent in the Thrifty Food Plan of 'average' homemaker skill and interest in households with very low food budgets."

Knauer's statement is similar to comments made by USDA itself several years ago. "Many homemakers with limited budgets do not have the skill or interest or equipment needed" to provide a family with nutritionally adequate meals.

The Thrifty Food Plan, an updated version of USDA's Economy Food Plan, actually requires less money than the earlier plan. When the Economy Plan was devised, USDA did not envision it as a basis for food-stamp allotments because, the agency said: "It is unlikely that families will have good diets at the Economy Plan level." It is "for temporary use when funds are low."

The Thrifty Plan, which is deficient in iron for women of child-bearing age, teenage girls and young children, uses less meat, vegetables and fruit and more bread and cereal products than the other three, more costly plans devised by USDA nutritionists.

For example, on the most expensive weekly food plan, an adult woman is allowed 5 pounds of meat, almost 3½ pounds of citrus fruits and tomatoes and slightly more than ½ pound of cereals. The Thrifty Plan allows less than 2½ pounds of meat, almost 2 pounds of citrus fruits and tomatoes and almost 1 pound of cereals.

Recently the courts have found that food stamp allotments based on the Economy Plan do not provide a "nutritionally adequate diet." Their decision was the result of a suit brought by a New York-based public interest group, Food Research Action Center (FRAC).

But FRAC is not satisfied with the Thrifty Plan as a basis for allotments, either. The organization's director, Ronald Pollack, has called it "a subversion of the food stamp program which calls for a nutritionally adequate diet." He has charged that instead of determining a diet the poor reasonably could be expected to follow, USDA had to "make sure the Thrifty Plan is no more expensive than the Economy Plan, which is one hell of a way to determine an adequate diet."

Betty Peterkin, USDA nutritionist in charge of devising the food plans, says the revisions make it possible for food stamp recipients to eat properly. In 1969 she was not as certain about the nutritional adequacy of the lowest-cost food plan. At the time she recommended the plan which allows 20 per cent more money than the Economy Plan because, she said. "Only one in 10 (persons) had an adequate diet on the Economy Plan."

According to USDA's 1965–66 Household Consumption Survey, on which the Thrifty Plan is based, less than 10 per cent of the people eating at the cost of the Economy Plan had a proper diet.

In addition, major shifts in eating patterns have not been taken into account in the revised plan. Peterkin said it was impossible to do because there is no data available.

Knauer wrote to the agency: "It is our contention that there have been significant changes in American food buying patterns in the last decade, particularly by those with very low incomes as a result of economic necessity." For example, 1972–73 data reveal that there has been at least a 15 per cent shift in purchasing habits for several major food categories purchased by lower-income consumers since their last survey in 1961–62."

According to Mary Goodwin, a nutritionist with the Montgomery County Health Department: "The Thrifty Food Plan also assumes that people are going to know what to buy. Yet there is no money in the food stamp program for nutrition education. How are they going to know what is nutritious to buy," she said, "when USDA promotes the idea that 'all food is good food.' "

Goodwin says the Thrifty plan makes assumptions which are unrealistic: in addition to lacking shopping skills needed to make it work, the poor don't necessarily have adequate refrigeration or storage facilities, or the money with which to buy the large-size products rather than smaller and more expensive ones.

Peterkin said that the new plan was tested for about a week on seven welfare families, a number she admits is inadequate. They were supplied with menus, recipes and food lists. A member of Peterkin's staff discussed the plan with each family every day. Such monitoring by nutritionists is not available ordinarily to food-stamp recipients. At the same time, Peterkin isn't "convinced menus and recipes are all that useful because no family is going to want to eat just the things we suggest."

Beyond the faults which critics find with the plan itself, Goodwin says: "If in fact you could get an adequate diet from the Thrifty Plan, you don't get the necessary money to buy it."

Goodwin points out that:

The food-stamp allotment is established every six months. The allotment for January through June, 1976, is based on food prices as of July, 1975. Food costs have been rising steadily since 1972, with only a few exceptions. As a result the allotment this January will be based on prices already six months old; by June there will be a 12-month lag.

Peterkin agrees that "this is a problem, but changing the allotment more frequently is administratively difficult."

There is no allowance made for regional price differences. The allotment is based on an average of food prices in 40 cities, but Goodwin found that in 19 cities prices for food were higher than the average.

No allowance is made for the fact that food frequently costs more in the inner city where many of the poor live. The allotments are based on supermarket prices. Often, inner city residents cannot shop in supermarkets, but must shop in more expensive "mom and pop" stores.

Peterkin acknowledges that USDA has "no answers to many of these questions."

No allowance is made for meals outside the home, a fact which Goodwin finds particularly harmful for the elderly because, she explained, eating at home alone "promotes loneliness and isolation."

Goodwin is also concerned because the plan does not take into account ethnic, cultural, social and religious differences which affect peoples' food choices. "Food," she said, "is supposed to be a pleasurable experience, but the homogenized Thrifty Plan robs the poor of this pleasure, one of the few pleasures they have."

The biggest problem, she said, "is that people are people. They are not test tubes, they are not in cages where they can be fed what they are supposed to eat."

USDA is required to consider all the comments which they receive and devise a plan which resolves significant problems and criticisms. If they are not resolved to FRAC's satisfaction, the organization will take USDA to court again.

THE CITY OF COMMERCE HONORS STEPHEN S. FILIPAN

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. DANIELSON. Mr. Speaker, on June 2, 1975, the City of Commerce renamed a road Stevens Place in honor of one of my constituents, Stephen S. Filipan. This tribute was well deserved by a man who has unselfishly served the business and residential community of Commerce. The Stevens Restaurant has been a focal point of community activity.

However, this moment of honor has been marred by the tragic fact that Steve will never know of it. He has been in a diabetic coma for nearly 3 years. His life is maintained by a machine and there is no hope of his recovery. Once again a family is faced with the unbearable sorrow of having one of its members continue to live but has no chance for life.

Therefore, I wish to express my sorrow to Mrs. Mary Filipan and to their children James and Donna and to join with the people of Commerce in honoring this man of service.

CONGRESS MUST ACT AGAINST NUCLEAR PROLIFERATION

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. LONG of Maryland. Mr. Speaker, on Sunday, November 16, I participated in the Critical Mass Conference on nuclear power as part of a panel on nuclear exports and nuclear proliferation. I should like to insert in the RECORD my statement for that session and would like to bring to the attention of my colleagues my recommendations for congressional action on this problem, a threat to the survival of us all.

The text of the statement follows:

CONGRESSIONAL ACTION AGAINST NUCLEAR PROLIFERATION

(By Hon. CLARENCE LONG)

Congress must move to control U.S. exports of nuclear fuel, reactors, and technology. Nuclear weapons will proliferate unless suppliers agree on effective measures to prevent the development of nuclear weapons, especially by underdeveloped countries.

The difficulties of bringing more Congressional control over nuclear exports are manifold. If control is to be obtained, it will probably be only through grassroots pressure to force and support Congressional action.

In an attempt to bring nuclear proliferation under control, I have since June, 1974, offered three amendments:

June 1974—an amendment requiring the U.S. Executive Director of the International Development Association (IDA), one of the major multilateral aid institutions, to oppose any loan to any country which developed a nuclear explosive. This passed by voice vote and became law.

July, 1974—an amendment to require Congressional approval of nuclear agreements sanctioning the supply of nuclear equipment or fuel to other countries. The amendment passed by 3 votes (194–191).

However, the Joint Atomic Energy Committee, also the Conference Committee, removed my amendment even though the Senate had barely defeated a similar amendment by 3 votes and went back to their original procedure of allowing Congress to veto nuclear agreements by concurrent resolution, a far less effective and indeed a constitutionally questionable procedure. A motion to recommit the Conference Report with instructions to re-insert my amendment failed on October 10, 1974, by 87 votes (143–230).

June, 1975—an amendment to the Nuclear Regulatory Commission authorization bill to suspend nuclear fuel supplies (and other nuclear exports) to countries like France and Germany which are providing nuclear weapons capability—in the form of nuclear fuel-making facilities—to countries like Brazil and Pakistan that are not even parties to the Nonproliferation Treaty.

Despite the fact that my amendment had a Presidential waiver to allow exports if the President was willing to say that the national security required such export, my amendment lost by a vote of 117 to 139. It is possible that, if 177 Members, including many liberals, had not already gone home before the vote took place late Friday evening, the result might have been different.

ARGUMENTS OPPOSING LIMITATIONS ON NUCLEAR EXPORTS

The first argument opposing limitations on nuclear exports is that there is a strong international nuclear safeguards system implemented by the International Atomic Energy Agency (IAEA); there has been no instance of violation of these nuclear safeguards to produce a nuclear weapon.

If the international safeguards regime is so effective, how was India able to explode a nuclear bomb? The answer is given that the reactor from which the Indians got the plutonium for their bomb was not under safeguards. But all a country needs is one reactor not under safeguards to obtain the plutonium for a bomb.

The Administration is proposing to sell Egypt two nuclear reactors that will produce over 600 lbs. of plutonium annually (enough for 30 nuclear weapons of the Nagasaki-Hiroshima variety). Secretary of State Kissinger argues that the sale will be made under the "most exhaustive system of safeguards in existence." The reactors will be—

Subject to International Atomic Energy Agency (IAEA) and bilateral U.S.-Egypt safeguards against diversion;

Subject to a U.S. right to specify where spent fuel rods will be reprocessed, and where the separated plutonium will be fabricated and stored; and that such reprocessing, fabrication and storage will be outside Egypt;

Subject to standard U.S. security regulations regarding physical security (i.e. against theft, terrorism, etc.);

Subject to a new standard that, if Egypt later copies our technology to build their own reactors, those copied reactors will themselves be subject to IAEA safeguards.

However, when I asked Dr. Kissinger on Friday whether Egypt, after getting this nuclear technology, could not simply throw us out as it did the Russians before the Yom Kippur war and set about making nuclear weapons, he admitted that it could. Kissinger could not even say that our nuclear argeement with Egypt would prohibit the Egyptians from using our reactor to produce nuclear weapons if they used non-U.S. nuclear fuel to produce plutonium that was then swapped to another country for "laundered" plutonium.

Even if safeguards are legally sound, there is still the question of how effective is the enforcement. The regulatory arm of the International Atomic Energy Agency, which is responsible for implementing nuclear safeguards, is underfinanced and undermanned. Less than one-fifth of the International Atomic Energy Agency's annual budget goes for the inspection activities of the Agency. The rest goes to promote nuclear power. The Agency has substantially less than 100 inspectors for almost 400 nuclear facilities around the world subject to its safeguards. Agency inspectors inspect reactors only at three-month or longer intervals, and the inspections are mainly accounting procedures.

Physical security standards vary widely. In June of this year, a West German politician, to test physical security, walked into a large German nuclear power plant with an anti-tank grenade launcher on his back. If terrorists took over and blew up a nuclear reactor, they could cause the radioactive contamination of thousands of square miles and thousands of deaths. At present, the International Atomic Energy Agency has no responsibility to set or enforce physical security standards.

2. The second argument opposing the restriction of U.S. nuclear exports is that if the United States restricts nuclear exports, it will deny itself a lucrative market. The U.S. can't afford to lose the foreign exchange.

The possibility that the world will be destroyed is greater than that much money will be made. Without some nuclear restrictions, dozens of countries may soon have nuclear weapons. The United States could someday be hit by a nuclear attack and not know who its attacker was. Our nuclear arsenal would have no deterrent effect, for we would not know whom to strike back at. We might even strike back at the wrong country. To provoke us into a nuclear war might even be the purpose of such an anonymous nuclear attack.

Of course, there is the argument that if the world is to be destroyed, let us at least make money in the meanwhile on the export of peacetime nuclear power technology.

However, the Barber Report, submitted in Feburary, 1975, to the Energy Research and Development Administration, concludes that most developing countries, except for a few like Mexico, India, Brazil, and Iran, may purchase relatively little nuclear technology over the next fifteen years for a number of economic reasons:

Projections of rapidly increasing energy demand in developing countries are faulty;

Food shortages will require some agricultural investment where the predominance of small farmers will necessitate light-capital or labor-intensive technology; nuclear power favors heavy capital and urban development.

Relative costs are now shifting rapidly back in favor of conventional over nuclear power plants. A very possible oil glut in the 1980's could depress the price of oil and thus shift relative costs even more in favor of conventional power.

Developing countries lack and will continue to lack the trained manpower and supporting facilities to operate and service nuclear facilities.

Although the Energy Research and Development Administration has had the Barber Report for nine months, ERDA Administrator Seamans had not heard about the Barber report at all when I questioned him about it last week (on Wednesday, Nov. 12). His staff expert admitted to having only heard about the Report through the newspapers. It should be emphasized, however, that even if there is not a huge nuclear market for peacetime industrial purposes, there still exists a dangerous potential for nuclear weaponry, as a by-product. The Barber Report notes that "the desire to obtain plutonium for national security purposes is related to prestige and may serve in some countries as sufficient reason to select nuclear power units over conventional competitors." (p. xiii). Thus, countries may purchase at least one large power reactor to have a source of plutonium. A 1000 megawatt reactor, the standard size, produces about 500 lbs. of plutonium a year.

3. The third basic argument of the opponents of limitations on nuclear exports is that the United States cannot force other nuclear suppliers like France and West Germany to cooperate. Other countries have nuclear technology and are independent of us. The nuclear genie is out of the bottle and can't be put back in.

It is true that other countries have nuclear knowhow and can build, even export, nuclear reactors themselves. But all the world outside the Communist Bloc depends on the United States for the nuclear fuel to run its power reactors. Germany and France, the two countries that are now spreading all over the world the nuclear enrichment and reprocessing facilities that can produce nuclear weapons, depend on the U.S. for 86% and 62% of their nuclear fuel, respectively. If we were to cut off those nuclear fuel supplies, German and French power reactors would shut down in a matter of months, and those countries would lose a significant part of the electric power needed to run their nuclear industries.

However, we will, in a few years, lose this leverage over these countries. In the 1980's large nuclear fuel-making plants will begin full-scale operation in Europe. Therefore, one might ask, "Why bother now trying to make the French and the Germans do what we want if they will be out of our control in a few years." Because, where there is life, there is hope. With our remaining leverage, we can at least get started on some kind of an arrangement that might gather momentum in the future. If we do not use now the leverage we still have, we shall greatly reduce the hope of ever getting any agreement among nuclear suppliers to stop nuclear proliferation. Therefore, it is essential that we move now to press France and West Germany, under threat of the shut-down of their nuclear reactors and at a time of still great oil shortage, to refrain from selling nuclear weapon facilities to other countries.

To make any such effort work, we must also obtain the cooperation of the Soviet Union, which has some nuclear fuel-making capacity. Our control over the grain supplies that the Soviet Union needs should be helpful leverage to obtain Soviet cooperation. Actually, the Soviets have been more conservative than we in exporting nuclear technology. For example, only after Libya ratified the Nonproliferation Treaty did the U.S.S.R. agree to supply Libya with a small research reactor.

Since the Administration shows little awareness of the seriousness of the threat and little inclination to use the United States' enormous, but short-lived, power to stop nuclear proliferation, it is the Congress that must force the Administration to act, and to act now.

CONGRESSIONAL ACTION AND THE NEED FOR GRASSROOTS PRESSURE

What are some of the specific actions that Congress can take?

Congress can require the Administration to close loopholes in U.S. nuclear agreements with other countries, loopholes that allow use of our reactors to make nuclear weapons by the device of "laundering" plutonium produced from non-U.S. fuel.

Congress can suspend nuclear exports, especially nuclear fuel, to suppliers like France and West Germany unless they adopt responsible nuclear sales policies—mainly no exports of nuclear fuel facilities which make nuclear weapons material and no nuclear exports to countries which do not accept safeguards on all their nuclear facilities.

Congress can condition grain sales to the Soviet Union on Soviet cooperation (which could well come willingly) in pressuring other nuclear suppliers to adopt sensible rules in nuclear sales.

Congress can direct the President to use all our diplomatic leverage to strengthen international nuclear safeguards and to bolster the International Atomic Energy Agency's ability to enforce safeguards—through adequate funding of the Agency's regulatory functions, more and better inspectors, better equipment, and authority to require physical security standards for all nuclear facilities.

To act effectively, Congress should update basic laws and committee jurisdiction over nuclear exports. The Joint Committee has probably outlived its usefulness if it ever had any, because it suppresses competition in information and ideas between the two Houses of Congress in an area where such competition is vital in eliciting Congressional leadership.

The Joint Committee's opposition is a major reason why amendments to limit nuclear exports and to combat nuclear proliferation usually fail. The Joint Atomic Energy Committee, members of which are considered to be nuclear experts, universally condemn such amendments with the arguments recounted above. Most importantly, there has been up to now little grassroots pressure on Congressmen to take action against nuclear proliferation. People have not realized how the continued spread of nuclear weapons can directly threaten, in a short time, their own lives and the existence of the world.

The need for strong and continuing pressure on Congressmen and Senators from their constituents is where concerned citizen activists such as you come in.

Individually-worded letters must begin flowing in to Congressmen demanding action to stop nuclear proliferation. Congressmen and Senators should be visited and pressed to stop nuclear proliferation. This lobbying must be done by constituents of the individual Congressmen, not by Washington-based lobbyists, who should rather coordinate the effort. When important amendments are imminent, word must get to the people and letters and visits must be keyed to those issues.

In other words, a grassroots constituency must develop to combat nuclear proliferation through limiting U.S. nuclear exports. Without that broad constituency, neither I nor other Congressmen are likely to succeed, except in rare instances such as July 31, 1974, when my amendment to require Congressional approval of nuclear agreements won by 3 votes. A number of transient factors made that short-lived victory possible: The issue was fairly clear and involved Congressional prerogatives at a time when Congress was strongly re-asserting its power; Nixon was President but on his last legs; the memory of the Indian nuclear explosion was still fresh; and many were worried over the proposal to send nuclear reactors to the Middle East less than a year after the Yom Kippur War.

However, as noted before, the Conference Committee, or the Joint Atomic Energy Committee, struck out my amendment in favor of the weaker, original bill, and a move to re-insert my provision was defeated, two months after the original vote.

To defeat any Committee on the Floor of the House requires a large constituency, for the general rule is, "When in doubt, go with the Committee." You and many others like you must get to work. I know you realize that the risks of not stopping nuclear proliferation are enormous. The survival of the planet depends on it.

ABOLISHMENT OF JOINT COMMITTEE ON DEFENSE PRODUCTION

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. COUGHLIN. Mr. Speaker, last Friday this House took one small step toward sanity by abolishing the long dormant Joint Committee on Defense Production effective June 30, 1976. In my memory this is the first time we have ever abolished any one of our institutions.

Subsequently, the vice chairman of that committee, the senior Senator from Wisconsin, who has an obvious interest in the committee, stated to the press that the move was motivated to halt investigation of defense contractors. Before questioning the motives of others, the gentleman might examine his own.

The senior Senator from Wisconsin knows full well that the Joint Committee on Defense Production has been moribund for years. The senior Senator from Wisconsin and the chairman know full well that the legislative appropriations subcommittee back last March raised serious questions about the continuation of the committee and what, if anything, it did. In fact, many Members have not even known that it existed.

Since then the committee has apparently been scurrying about to find something, anything, to justify its existence. But not until October 14 this year were there proud press releases that the committee would probe defense contractors, which should properly be done by other committees.

It is distressing that the very people who are critical of congressional and Government fat and overspending, talk out of the other side of their mouth when someone tries to do something about it.

The senior Senator from Wisconsin has been busily giving out "golden fleece" awards for programs he considers outrageous. Perhaps he can now be the recipient of one of his own awards.

ONE MORE LOOK AT NEW YORK'S CRISIS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. ANDERSON of California. Mr. Speaker, I hope that opinions on what plan of action should be taken by Congress regarding the New York City crisis have not solidified to the degree that one more perspective will be overlooked. The question of assistance—at what point, to what extent, if at all—continues to be a polarizing one.

In a November 9 article in the Washington Post, staff writer Jack Egan examined the consequences of default, and concluded that "whether a New York City default will produce serious financial side-effects depends in large measure on its impact on the banking system and in particular, on the pivotal New York City banks."

Mr. Speaker, Mr. Egan makes some comments that get to the point of this issue, and I would like to include this article in the RECORD:

NEW YORK BANKS NOT JEOPARDIZED

(By Jack Egan)

NEW YORK.—Whether a New York City default will produce serious financial side-effects depends in large measure on its impact on the banking system and, in particular, on the pivotal New York City banks.

The six largest New York banks—First National City, Chase Manhattan, Manufacturers Hanover, Morgan Guaranty, Chemical and Bankers Trust—together hold an estimated $1 billion in city notes and bonds and another $800 million in Municipal Assistance Corp. (MAC) bonds.

These banks also happen to be among the largest in the world, aggregating $193 billion in banking assets as of last Sept. 30. About $250 billion in transactions goes through these banks weekly. They serve as correspondent for thousands of domestic and international banks. And they are major participants in the foreign exchange and the Eurodollar markets.

Even under the "worst case" scenarios that some have sketched, nobody claims the solvency of these banks will be put in jeopardy by a New York City default. They are simply too large and too important to the national and international financial system.

And the Federal Reserve Board has stated emphatically that it will supply virtually unlimited funds through its discount window to any bank which runs into liquidity problems as a result of a New York City bankruptcy.

But bank analysts believe that a city default could create some definite problems for these banks, with the effect varying from institution to institution depending on their exposure and their earning power.

Depending on the degree of write-down eventually required on any defaulted securities they hold, a city bankruptcy could put a serious dent into the earnings of some banks at a time when they are already experiencing the largest volume of loan losses since the 1930s.

"The major concern," claims one bank analyst "is the fact banks have other exposures in addition to New York City. When you see all of these things coming up at once—W. T. Grant, the REITs (Real Estate Investment Trusts), etc.—it could be very damaging to bank earnings and bank capital accounts."

Chemical, Bankers Trust and Chase Manhattan could all conceivably show actual losses for one or more quarters as a result of a default, analysts say. The other three banks would probably stay in the black but find their potential earnings reduced.

The difficulties could be worsened considerably if the city default triggers a default by New York State, its agencies, or another big state like Massachusetts, as some have predicted. This would raise the crisis one order of magnitude.

One immediate result is that the big New York City banks are paying a premium to obtain funds when they sell large-size certificates of deposit (C.D.'s). In the last few weeks, as default seemed more imminent, rates in C.D.'s have been increasing although general money market rates have declined.

In the week ended last Wednesday, 90-day bank C.D.'s traded in the secondary market at a 6.45 per cent average interest rate, up from 6.16 per cent the week before. Conversely, 90-day commercial paper issued by corporations to raise funds dropped to 5.88 per cent from 5.93 per cent in the previous week.

Additionally, the New York City banks, which usually pay a lower C.D. rate than the major banks outside New York, have found that the differential first disappeared and now has been reversed as investors seem to prefer the regional banks in what is being termed a "flight to safety."

One mitigating factor, however, is that the New York City banks have been aggressively increasing their C.D.'s in the face of weak loan demand to insure that they are liquid in the event of a default. This has tended to increase interest rates.

"It isn't like the banks aren't prepared for this situation because they are," says Mark Biderman, bank stocks analyst at Oppenheimer & Co.

As to the foreign perception of the impact of a city default, a survey of 18 foreign bankers attending an American Bankers Association conference in New York City last week revealed that 68 per cent feared a major negative impact in international financial markets whereas only 19 per cent saw minimal impact.

The foreign view is considered extremely important because of concern that a city default might be misunderstood abroad, leading to large-scale withdrawals from the European branches of the New York City banks where billions of dollars are on deposit.

A major uncertainty now as to any impact default will have on bank earnings involves what kind of write-offs accounts will decide have to be taken.

Under current rules, a bank may keep securities in its investment account at the original purchase price or "book value" even if the market price has subsequently declined.

But a defaulted security is supposed to be written down in asset value. The degree of the markdown depends on how much the security has been impaired, reflecting any loss or reduction in interest or principal and reflecting the likelihood the issuer will eventually make good on that piece of debt through some kind of restructuring arrangement.

In this case, the Fed and other bank regulators have agreed to give banks up to six months to take any markdown. This is done to cushion any sudden impact on banks' capital from a default and in the expectation that New York City will come up with a repayment plan which will minimize or even eliminate the need for any write-offs.

Fed Governor George Mitchell, in a meeting with bank analysts in Washington last week, told them no write-offs would probably be necessary, according to several individuals at the session.

But bank accountants and the Securities and Exchange Commission, which regulates reporting and disclosure by bank holding companies, have both indicated that they will require write-downs in the quarter during which the default occurred.

Should the default occur in December, as now seems quite possible, the write-downs would have to be reflected in financial statements for the fourth quarter and for all of 1975 which would normally come out by the middle of next January.

Perhaps the most comprehensive analysis has been done by Keefe, Bruyette & Woods, the research firm that specializes in bank stocks. In an August report, the firm concluded that even if a highly improbable 100 per cent loss scenario where a bank's city and MAC paper were marked to zero, none of the six banks "would be hopelessly impaired."

However, Chemical would experience a 14 per cent drop in its capital position in 1975, according to this scenario, as the bank with the largest exposure, followed by Bankers Trust with a 7 per cent decrease.

RAILROADERS HONOR BUD SHUSTER

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. SYMMS. Mr. Speaker, Bud Shuster, our colleague from Pennsylvania, has worked tirelessly in behalf of the railroaders in his district and I was pleased to read that he has been honored by them for his efforts.

The following is an article from the Altoona Mirror which covered the surprise testimonial dinner in his honor. It is gratifying to know that the working men and women of his district recognize the outstanding job Bud Shuster is doing for them.

The article follows:

Railroaders Honor Congressman Shuster

About 550 railroad workers and officials of the Penn Central Transportation Company surprised Cong. Bud Shuster Saturday night with a testimonial dinner.

The event, held at the Sheraton Motor Inn, honored the congressman, the railroaders said, for his efforts in having the Altoona shops designated the repair facility of the new ConRail system, leading the fight against rail line abandonments in the area, and his efforts in behalf of the railroad retirement legislation.

Joseph Fadale, manager of the Altoona shops, said Mr. Shuster was a "dedicated and tireless benefactor" of the Altoona shops. "Bud's efforts were in no small way responsible for the USRA's $56 million for the Altoona shops," he said.

George Datres, of the International Association of Machinists, lauded Mr. Shuster for his efforts in the restructuring of the Railroad Retirement Act. He also told the congressman, "You don't always vote according to the way we think, but you're coming along."

"THANKS A MILLION"

H. L. Pressler, superintendent of the locomotive shops, said Cong. Shuster was instrumental in enabling the railroad to recall furloughed employes earlier this year. "Thanks a million, Bud," he said.

B. E. Porta, local president of the Transport Workers Union, also hailed Mr. Shuster's efforts in the Altoona shops' designation in the ConRail plan. He said the testimonial dinner was a "labor of love from the whole bunch of us."

The congressman was also praised by union leaders Gil Ciambotti and Anthony Ruscio.

John K. Cowman, foreman at Samuel Rea shops and chairman for the dinner, presented Mr. Shuster with a model of a locomotive and a gold pocket watch, inscribed "Thanks Bud from your railroad shop friends."

In response, Mr. Shuster said, "I can't tell you how much I appreciate this. This is the most astonishing and wonderful evening of my life. I should be saying thank-you to you."

FATHER WAS A RAILROADER

"I can't think of any other effort that I find my heart completely in," Mr. Shuster said, telling the audience his father was a railroader and his mother lived for a number of years on a railroad pension.

Mr. Shuster said it was with a "complete sense of purpose and dedication that I threw myself into this fight," referring to the ConRail plan.

He said he is asked in other parts of his 10-county district why he spends so much time on the railroad. He said he tells constituents that the railroad is not only important to Altoona and Blair County, but it is important to America. "If we don't revitalize it, we won't have a vital railroad system for America," he said.

Mr. Shuster praised the railroad workers as "people who still believe in the value of the work ethic."

"If I live to be 100 I shall never forget tonight," he said.

REASONS FOR HONOR

The railroaders listed the reasons for the testimonial:

Cong. Shuster leading the fight for the Railroad Retirement Act of 1974 and rallying his colleagues in the override of the presidential veto of that bill.

Working for the passage of legislation for emergency funding for the railroad until the inauguration of ConRail.

Co-sponsoring legislation to relay all rail abandonments until 1977, to allow time for their possible inclusion in ConRail.

Testifying in the Washington ICC rail abandonment hearing and bringing the hearings to Altoona.

Cutting through red tape to aid numerous railroaders and widows with pension and disability benefits.

Fighting for inclusion of Central Pennsylvania rail lines in ConRail.

Helping negotiate the end of the Altoona shops furlough.

Working to have the shops designated as the prime repair facility for ConRail.

Helping secure $56 million for the shops.

Helping negotiate the suspension of state penalties against the Altoona shops and secure federal funding for environmental improvements.

Putting the spotlight on the Altoona shops by bringing to Altoona Secretary of Transportation Claude Brinegar and the chief executive officer of ConRail, Edward Jordan.

POSTAL COLLECTION NECESSARY

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. LITTON. Mr. Speaker, I have long been concerned with the inefficiency of our present Postal Service. The Congress recently expressed their concern toward USPS financial mismanagement by twice supporting the Alexander amendment to H.R. 8603, the Postal Reorganization Act Amendments. My constituents have expressed their concern with increased postal rates and subsidy requests while their service has consistently deteriorated. Today, I am introducing legislation which requires a concrete increase in postal public service by requiring city door delivery mailmen to provide pickup service for residences which have indicated they have mail they want picked up.

This bill simply requires mailmen in those areas to pick up mail if the resident has indicated with a flag signal that they have mail they need collected. Present Postal Service regulations do not require these mailmen to pick up mail at residences unless they have mail to deliver to that residence. Consequently, if I want to pay my gas bill, I have to hope someone writes me within the next few days so the mailman will pick up my outgoing mail so that my payment will reach the gas company on time. This situation is more critical for those who are unable to take their mail to their post office or community drop box because of age, disability, or lack of transportation. Oftentimes the mail is their only contact with the outside world.

This bill relies on the premise that the Congress should determine what constitutes proper postal public service. If our appropriation to the USPS is contingent upon real increases in service, I believe congressional subsidies will be much more palatable to both our constituents and the Congress. In requesting a $1.5 billion subsidy for the Postal Service the Post Office and Civil Service Committee only requested an increase in service which concerned providing new residential areas with door-to-door service of curbline or clusterbox service. They assumed in their report, No. 94-391, that door service was superior to curbline or clusterbox service.

It is my opinion, however, that presently there exists an ironic inequity in our Postal Service. Curbline or clusterbox service is actually more efficient than door-to-door service, with respect to mail collection, because curbline and clusterbox mail is collected if the flag on those mailboxes is raised. In contrast, as I have previously stated, mail is not collected in door service areas if the mailman has none to leave. This bill simply elevates door service to its rightful level above curbline and clusterbox service.

A mailman, in postal jargon, is called a postal carrier. My amendment emphasizes that a postal carrier is not just a mail deliverer but is also, as the duality of the term implies, a receiver of the mail. To date, city area door carriers are not performing their receiver function.

I must finally address the projected cost of this legislation to the Postal Service. The Postal Service estimates that 70 percent of residences in these areas receive delivery each day leaving a balance of 30 percent which do not receive collection under present regulations. One of my colleagues in remarks on the House floor asserted that this legislation, when I offered it in the form of an amendment to H.R. 8603, would increase the workload of the Postal Service 30 percent. There are two reasons why this legislation will not increase either the workload or the cost anywhere near that projection.

First, this bill will just require one type of mail carrier to provide additional service. If every door delivery carrier had to provide those 30 percent who do not receive collection, with collection, the total workload of the entire Postal Service would not increase 30 percent. Second, the percent of residences that would need this added service would probably only increase 10 to 15 percent. Since door delivery mailmen walk past these residences—some walk through their yards—it should not require but a minimum increase in workload for them to collect this extra mail.

I believe that the language of my bill adequately reflects the dissatisfaction of both the citizens of this country and the Congress with the failure of the Postal Service to promulgate efficient public service regulations and practices. Congress is oftentimes criticized for enacting legislation which places too many restrictions on the public and of being insensitive to their daily needs. If my bill is passed, the citizens of the United States will recognize that we are empathetic toward their problems. This amendment services this Nation's citizens in a very practical way on a daily basis. We are providing for them a very real and tangible public service. Let us provide, Mr. Speaker, that service with a bill that humanistically applies to each and every citizen of the United States.

SURPLUS VEGETABLES FOR SENIOR CITIZENS

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. BELL. Mr. Speaker, the Monterey County Community Services Department in California has recently instituted a very commendable program whereby fresh vegetables are distributed on a regular basis to senior citizens.

The program depends on a cooperative effort undertaken by the county and vegetable growers in the area who make available the vegetables they do not send to market.

I would like to call to the attention of my colleagues an article describing this program which appeared in a recent issue of the Council of California Growers Agricultural News Service Bulletin.

The text of the article follows:

SENIOR CITIZENS GET SURPLUS VEGETABLES

Monterey County senior citizens are getting a regular supply of fresh vegetables and growers are seeing their surplus crops being used to the best possible advantage in a unique food distribution program.

"Because of the cooperation of vegetable growers in the Salinas Valley, we are able to supply a weekly selection of produce to seniors during our eight-month growing season," said Richard Bennett, executive director of the Monterey County Community Services Department.

"The growers make available the vegetables they do not send to market," Bennett explained. "That doesn't mean they are really culls—I don't like that word. The carrots may be a little small, or the lettuce heads too large. But the quality is good and the food is wholesome."

PROGRAM EXPANDING

The program began with a weekly distribution of 200 bags of vegetables. It has expanded now to approximately 2,500 bags.

Eligible senior citizens can get their vegetables at various county locations. In some cases the bags are delivered to shut-ins, Bennett said. Practically everything is done by volunteers.

"This program has attracted attention up and down the state," said Bennett. "In fact, a similar effort is beginning in Santa Cruz County, and we have a vegetable exchange program with Fresno and Merced Counties."

FOOD EXCHANGED

Bennett explained that under the exchange program, Monterey County can supplement its produce supply by obtaining items from other counties in exchange for goods they have in oversupply.

Bennett said the program primarily benefits persons over the age of 60 with limited incomes. "Our distribution is handled through a non-profit corporation called Experience, Inc., which also operates a senior crafts store."

John Grissim, the Community Services Department's senior director and a senior himself at 65, and Bennett share credit for getting the program started.

"We called on the Salinas Grower-Shipper

Vegetable Association and with their help were able to talk with growers. The growers have been extremely cooperative—we couldn't ask for more," Bennett said.

CYRUS S. EATON INTERVIEWED BY THE NEW YORKER MAGAZINE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. STOKES. Mr. Speaker, one of Cleveland's most distinguished citizens, Mr. Cyrus S. Eaton, has recently been interviewed by the influential New Yorker magazine. This article reviews various highlights of his career and also gives us a peek at his current lifestyle.

I am sure that my colleagues will find this article both stimulating and interesting:

[From the New Yorker magazine, November 1975]

THE TALK OF THE TOWN

"I'm perhaps the only living man who was personally and profoundly affected by the Depression of 1893, not to mention those of 1907 and 1929, and I don't want to spend my last years being affected by another big one, brought on by the default of New York City," Mr. Eaton, who will observe his ninety-second birthday next month, told us when we called on him the other morning on his farm outside Cleveland, where the man who practically invented détente has on display, along with other mementos of an extraordinary life, a Lenin Peace Prize. "In 1893, I was living at Pugwash, Nova Scotia, my birthplace, and my father, who was doing quite well in farming and lumbering and general merchandise, was about to move down to the States and join his brother Cyrus, for whom I was named, in the tin-plate business. Then the panic hit. Suddenly the American dollar was worth only fifty cents in Nova Scotia. My prudent father decided not to take a chance on a country in that kind of shape. We had a special interest in that depression up there because, as you doubtless recall, one of Grover Cleveland's ancestors had some Nova Scotia in his background. Poor Cleveland! That depression lasted all through his second Administration, and it was one of those economic catastrophes that are due less to any basic weakness in the nation than to the stupidity of statesmen. I was only ten years old at the time, but I had been interested in my father's business for quite a while. I had begun taking on responsibilities when I was four, and used to get on a horse in wintertime and drive the cattle down from the barn to the brook. At five, I milked my first cow, though I must confess she was so good-natured my father said any idiot could manage her. At six, I got a job fetching water from a spring for some men who were laying railroad tracks nearby. I was paid fifty cents for a ten-hour day. My father was also the local postmaster, so next I began sorting the mail. Even before that, I had been looking at the Boston and Providence papers that came in to our Pugwash subscribers. As soon as I learned to read, I began reading American newspapers—a very bad habit, which I still have. I recently found myself more attracted, however, to Leibnitz, and Plutarch's 'Life of Lycurgus.' "

Mr. Eaton turned back to the plight of New York. "You're suffering because of the whole national economy," he said. "Here's the greatest city we have, on the verge of collapse, and yet we've been spending countless billions trying to impose our system of life on remote countries like Cambodia. Mrs. Eaton and I have been to Cambodia. It used to be one of the most beautiful countries on earth. If New York goes, people all over the world will panic. I've been working quietly on your problem with some senators and congressmen, and I've exchanged some ideas with Nelson Rockefeller, whom I've known since he was two. An able young man, Nelson, with no temptation to do anything dishonest financially. His paternal grandfather took care of that. I knew both his grandfathers well. When I first came to the United States, at the turn of the century, it was the summer I'd finished prep school. I was visiting my father's younger brother, who was pastor of Mr. John Rockefeller's church in Cleveland. That's John D., *Senior*, of course. When I checked in at my hotel, I saw a big sign saying that a night clerk was wanted, and I applied and was hired. Then my uncle took me over to the Rockefeller's for dinner, and when Mrs. Rockefeller asked what I was doing and I said I had just landed a fine summer job as a night clerk, she said, 'Oh, that's no job for someone like you! John, can't you do something for this young man?' He more or less had to offer me a job. I didn't know if the hotel could survive without me, so I demurred until I could ask the manager, and when I did, he said, 'You take it. If it were offered to me, I'd take it.' "

Mr. Eaton, a trim nonagenarian with snow-white hair and a ruddy complexion, was rather formally dressed in a dark-blue double-breasted suit, white shirt, gray tie, and highly polished black shoes. He said he had to fly to Baltimore that afternoon for a railroad meeting (he is chairman emeritus of the Chesapeake & Ohio Railway), but expected to be back home for dinner. "I'm a competitor of the Penn Central, but I'm bound to say its bankruptcy was the greatest economic disaster in recent years," he told us. "The Penn Central was a marvellous property, and it could have survived if the cost of borrowing money hadn't been driven up so high because the government was spending it all over the world, on armaments, like a drunken sailor. If New York suffers the same fate as the Penn Central, you may never recover from it. Until lately, I went to my office, downtown, every day from eight to five, but now I generally come home at two, so I can walk around the farm. I'm mainly a farmer and a philosopher at present. You might say that I'm not technically qualified to use that 'philosopher,' but I do spend a great deal of time thinking about big problems. In any event, I'm in good health—though when you get to be my age your hearing's apt to be not so keen—and my doctors told me, when I last checked in with them, 'We can't see any end to you under a hundred.' The reason may be that for nearly fifty years I've been strictly adhering to a set of rules that the doctor who prescribed them said he wouldn't dream of observing himself: no tobacco, no alcohol, no tea, no coffee, and none of those indigestibles, like corned-beef hash. No corned-beef hash! It used to be my favorite. I played tennis up to a few years ago, but I quit it about the same time I quit skiing, having been persuaded to do so when the doctors said, 'At your age, if you break a leg we can't repair it for you.' "

Mr. Eaton paused for a sip of orange juice. "By the way, I have family ties to New York City," he went on. "My Eaton ancestors were all New Englanders who went to Canada before the Revolution. My mother, though, was a MacPherson, and her forebears were New York businessmen, who remained loyal to England and, after the surrender at Yorktown, were treated very roughly. Everything they owned was confiscated, and they were expelled to Nova Scotia. It was a little scar on American history. They were given a thousand acres at Pugwash in forced exchange for a substantial piece of property at the corner of Broadway and Wall Street. You know, this is a vast country, with enormous resources. But these panic spells, which are to so large an extent emotional, can be terribly destructive. If the greatest city in the world collapsed, it would be an awful blow to the capitalistic system. There's no perfect system anywhere, but generally I'm in favor of capitalism. As a philosopher, moreover, I try to look at the pros and cons of questions, and I've come to believe in compromise and moderation, which wouldn't be a very good philosophy, of course, on which to run for political office. Well, I'm not a candidate for anything, but I have an interest in America, and anybody who feels that way ought to be concerned about the financial soundness of a city as big as New York. With so many cultures and nationalities represented among your eight million people, New York is a tremendous experiment in modern society, and the rest of the country has got to take it seriously."

FOOD STAMPS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. MICHEL. Mr. Speaker, when an issue comes to the fore as dramatically as food stamp reform has in recent months, many people wonder how it was that it all happened at this precise point in history. Recently, U.S News & World Report carried an excellent summary of the issues and problem areas that led to the current drive for reform. In addition, it describes concisely a number of the recommendations which we have made, and explains why so many of us are concerned. I insert this article to be printed here in the RECORD.

WHY THE DRIVE TO LIMIT FOOD STAMPS

The Nation's problem-ridden food-stamp program, under fire as being completely out of hand, now faces the first serious attempt at a cutback.

Criticism of the program has grown even faster than its cost—up from 1.6 billion dollars in 1971 to about 6 billion this year. The latest complaints—

An official survey, released last month, indicated that 17.3 per cent of all families getting food stamps were ineligible to receive them.

Another 26 per cent, the survey found, were either issued too many or charged too little, because of cheating or administrative bungling.

Many families that earn more than $12,000 now are drawing stamps, legally. So are families with new cars, hidden incomes, shifted assets, gourmet tastes.

There are many cases of stamps being used legally by students and strikers. Stamps also are said to be used frequently to buy liquor, to gamble, even in payment for prostitution. In some areas, such as Puerto Rico, they often substitute for money.

INTERNAL ABUSES

In Pennsylvania, a study shows about half of the abuses lie with the system—35 per cent attributed to errors made at the county level, 8 per cent at the State level. False statements by the recipients accounted for 23 per cent; their failure to report all of the facts, 34 per cent.

So huge has the demand for food stamps become that the coupons are being printed by two bank-note companies, as well as the Treasury Department's Bureau of Engraving and Printing.

Now the Administration is proposing a basic change in the burgeoning program—one that would place a ceiling just above the poverty level for recipients of the stamps and would require all users to pay 30 per cent of their net incomes for the stamps.

Its effect, as officials figure it:

Some 17 percent of families now participating in the program would be dropped; 28 percent would have their benefits reduced, by paying more each month; 31 percent would pay about the same; 24 percent—those at the lowest income levels—would pay a little less.

DRASTIC CUTBACK

The net result, Administration planners say, would be to dump 3.4 million of the 18.8 million people now in the program, and to cut its cost by 1.2 billion dollars.

This plan was sent to Congress on October 20. Also in the proposed bill:

Families drawing welfare checks would no longer be automatically eligible to draw food stamps.

As a test of eligibility, family incomes would be calculated on the basis of actual incomes during the previous 90 days, including welfare, rather than an estimate of future income. This would keep newly unemployed or striking workers off the food-stamp rolls for at least a month or two, according to Agriculture Secretary Earl Butz.

To encourage unemployed users of stamps to find jobs, the plan would require all "able-bodied recipients to seek, accept and retain gainful employment," with monthly check-ups.

College students would not be eligible for food stamps unless their families also are eligible.

In computing a family's net income—30 percent of which must be spent for the stamps—most families would get a flat $100 monthly deduction instead of the present complicated formula involving rent, child care and taxes. A family with a member over 60 would get a larger deduction, of $125. Thus a family of four—the largest present group of users—could earn no more than $6,550 to still be eligible.

The proposal also would require photo-identification cards for householders to use in drawing their monthly stamp quotas, plus a system for countersigning food coupons at food stores.

LONG STUDY

Fast action apparently is not likely in Congress. The House Agriculture Committee intends to take its time completing a study of the whole food-stamp program, now under way.

Planned are more Senate hearings in November, with no final action seen before next spring.

Meanwhile, efforts are under way in the Department of Agriculture to tighten up operation of the program. One expected result: a cutback in the estimated cost of the vast stamp plan for the year ending next July from 6.6 billion dollars to 5.8 billion, with 20.2 million participants by that date.

Involved are monthly audits of the program in every State, millions of dollars in fines levied thus far against six States plus the District of Columbia for "gross negligence" in running their programs, and court suits against about 35,000 individuals for cheating.

But these efforts all are directed against the fraud and bungling involved in the widespread program. What the Administration now hopes to do is to cut back substantially on its size.

THE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS ON THE NEW YORK CITY FISCAL CRISIS

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. BROWN of Ohio. Mr. Speaker, having just returned from a 2-day session of the Advisory Commission on Intergovernmental Relations, on which I am privileged to serve as one of three representatives of this body, by your appointment, I would like to share with my colleagues some of the commission's insights into a problem which deeply concerns all of us at this time: the New York City fiscal crisis. The Commission, made up of representatives of all levels of government as well as private citizens, has taken a position on the matter which should give us pause before we rush headlong into an ill-considered scheme to inject the Federal Government into the picture.

The Commission adopted the following resolution:

> The Commission recognizes that the officials, employees, and citizens of New York City and New York State have the initial responsibility for alleviating the fiscal crisis of New York City. The Commission also recognizes, however, that the Federal Government, as required, should act in support of New York State and City efforts to assure that New York City's fiscal crisis does not have a nationwide effect on the economy and on the borrowing activities of other State and local governments.

Mr. Speaker, this position was not seized upon hastily. On the contrary, the financial condition of our cities is a problem that has concerned ACIR long before our Nation's largest city discovered itself to be on the brink of disaster. ACIR several years ago undertook a study of the financial problems of cities which resulted in March of 1973 in the publication of a report entitled, "City Financial Emergencies: The Intergovernmental Dimensions." In fact, if this study had received more attention and had its advice been heeded, New York and other cities might not now be in the position they are in.

I would like to summarize the five recommendations of the 1973 report:

First. Each State should establish a State agency to improve local financial management functions and to detect problems early enough to prevent local financial crises. This recommendation was based on the Commission's conclusion that unsound financial management is one of the biggest causes of cities' financial emergencies.

Second. States should enact legislation to regulate the use of short-term operating debt that extends beyond the end of the year. This was designed by the Commission to prevent the accumulation of short-term operating debts over a period of years, which can contribute to a financial emergency.

Third. States should consolidate local retirement systems into a State-administered system, or at least strictly regulate their operations, requiring substantial funding. This was due to a Commission conclusion that underfunded retirement systems posed an emerging threat to the financial health of local governments.

Fourth. Each State should establish guidelines for State intervention when local governments experience financial emergencies. This recommendation came from a Commission conclusion that States are the logical providers of assistance to local governments because the States provide the basic constitutional and statutory authority for local government operation.

Fifth. Federal action in the case of local financial emergencies should include situations in which interstate considerations require use of Federal bankruptcy laws. A further recommendation was that Federal bankruptcy provisions relating to local governments be adopted and clarified in three areas.

Mr. Speaker, I think the Commission's feelings that the States should have the predominant role in cities' financial problems is obvious in the above recommendations. ACIR concluded that the State should bear the full responsibility for supervision of municipal financial management and for providing assistance to local governments in financial emergencies. The Commission recommended that warning systems be worked out to indicate prompt corrective actions before problems deteriorated to the point that they now have in New York City.

Commenting on the 2½-year-old study at this week's session, the ACIR staff said:

> The New York crisis, in our opinion, does not invalidate ACIR's conclusion reached two-and-one-half years ago. New York State, we believe, could have prevented the New York City emergency and rendered any necessary assistance if it had taken the legislative and supervisory actions we contemplated.

But the New York crisis should tell us that most States have not followed ACIR's recommendations to equip themselves to exercise the supervision that seems to be necessary.

The genius of our federal system has been the continual development of responsibilities at each level of government according to their ability to perform those responsibilities. Our National Government remains the most efficient and equitable raiser of revenues of any level of Government.

State and local governments, on the other hand, possess through their constitutional responsibilities and closer proximity to the people, the most flexible means by which to manage governments.

It is clear that in New York City, as elsewhere, political expediency has prevailed over prudent public policy. The future of our local governments has, does, and must always rest with the responsible State governments. Any legislative initiative by this Congress must take account of this need or it will most surely fail.

The full text of the report of the staff of the ACIR to the members of the Commission where it met in Chicago earlier this week is as follows:

THE NEW YORK CITY AND MUNICIPAL BOND MARKET CRISIS: INTERGOVERNMENTAL ASPECTS

Mr. Chairman and Members of the Commission:

The New York City financial crisis and municipal bond market repercussions have generated the most critical collection of intergovernmental relations problems and tensions we have seen in many years. A host of questions concerning the appropriate roles and actions of each level of government have arisen, and virtually every American government is likely to be affected sooner or later by the current crisis.

Chairman Merriam, therefore, has called on the ACIR staff to make a short report on this subject at this meeting. The purpose is to highlight the intergovernmental aspects of the problem and to identify in advance some of the intergovernmental needs that have been underscored or created by the crisis. The purpose is not to dwell on how New York City's financial problems will be solved or whether there should be Federal assistance of some type.

As you are well aware, ACIR beginning in 1972 undertook research that resulted in its report entitled "City Financial Emergencies: The Intergovernmental Dimensions." This report sets forth the five recommendations approved by the Commission on March 9, 1973. Having had this background experience, ACIR has followed the developments in New York City with keen interest.

Today I will quickly summarize ACIR's 1973 findings, including its financial emergency warning signals, and the Commission's recommendations. At somewhat greater length, I will then identify five areas of need that have been accentuated or created by the current crisis and other developments since ACIR's study.

ACIR'S FINDINGS AND RECOMMENDATIONS

The ACIR study of city financial emergencies, which evaluated 30 cities with serious financial problems, revealed that, in general, the fiscal problems facing cities need not cause a financial emergency in the technical sense, provided local financial management is reasonably good and provided there is no major national economic depression. Indeed the survey of 30 cities failed to locate any cities in which conditions were such that timely action by local, or in a few cases, State officials could not avert or promptly relieve a financial emergency.

THE WARNING SIGNS

The review of financial operations of the cities did reveal certain common characteristics for those on the brink of fiancial trouble. Most important among these characteristics were:

An operating fund revenue-expenditure imbalance in which current expenditures significantly exceeded current revenues in one fiscal period;

A consistent pattern of current expenditures exceeding current revenues by small amounts for several years;

An excess of current operating liabilities over current assets [a fund deficit];

Short-term operating loans outstanding at the conclusion of a fiscal year [or in some instances the borrowing of cash from restricted funds or an increase in unpaid bills in lieu of short-term operating loans];

A high and rising rate of property tax delinquency;

A sudden substantial decrease in assessed values for unexpected reasons.

Several other general conditions can cause financial problems. One is the existence of an under-funded locally administered retirement system. Secondly, poor budgeting, accounting, and reporting techniques may be indicators of impending financial problems. In some cases, inadequate financial management techniques may actually cause trouble because of the uncertainties they create.

THE RECOMMENDATIONS

On the basis of its financial emergencies study the Commission adopted the following five recommendations, the first four addressed to the State and the fifth to the Federal government:

Recommendation No. 1. State Assistance, General Supervision and Prevention of Local Financial Emergencies.

"The Commission concludes that unsound financial management stands out as one of the most important potential causes of financial emergencies in local governments. The Commission recommends therefore that each State designate or establish a single State agency responsible for improvement of local financial management functions such as accounting, auditing and reporting. The Commission further recommends that the agency be responsible for early detection of financial problems in order to prevent local financial crises."

In the language expanding on this recommendation, the Commission stressed the need for an independent post-audit of each municipality.

Recommendation No. 2. Regulation of Short-term Operating Debt.

"The Commission concludes that the inability of local governments to repay short-term operating loans, especially those which have accumulated to a substantial amount over a period of several years, can be an important precipitating factor in causing financial emergencies. The Commission recommends therefore that the States enact legislation to regulate the use of short-term operating debt that carries beyond the end of the fiscal year. At a minimum, such laws should require that any short-term operating debt remaining unliquidated at the end of the fiscal year should be charged against general debt limits and provision for its retirement be automatically included in the next year's budget. The Commission further recommends that those States which presently have statutes regulating short-term operating debt take immediate action to enforce them strictly."

Recommendation No. 3. Locally Administered Retirement Systems—The State Role.

"The Commission concludes that underfunded, locally administered retirement systems pose an emerging threat to the financial health of local governments. The Commission recommends therefore that locally administered retirement systems be strictly regulated by the States, or alternatively, be consolidated into a single State-administered system. At a minimum, States should require substantial funding for all local systems based on a reliable computation of full funding requirements."

The supporting language called for attention to three factors that are causing rapid increases in pension costs: substantial pay increases, costly benefit increases, and more employees retiring early or on disability pensions.

Recommendation No. 4. State Action in Case of Financial Emergency.

"The Commission concludes that the States are the logical providers of assistance to local governments in financial emergencies because States provide the basic constitutional and statutory authority for the operation of local governments. In addition, the credit and financial reputation of the State and of all the other local governments are adversely affected by a credit failure of a local government within the State.

"Therefore, the Commission recommends that each State should establish by statute a set of guidelines to determine when the financial condition of local government necessitates State intervention and to set forth the requisite procedures for carrying out remedial State action."

Our report also set forth four local fiscal conditons that would justifiably trigger State action, and recommended 13 actions the designated State agency should be authorized to take in such emergencies.

Recommendation No. 5. Federal Action in Case of Financial Emergency.

"The Commission recommends that Federal action in the case of local financial emergencies include situations in which interstate considerations require use of the Federal Bankruptcy Laws. The Commission recommends further that Federal bankruptcy provisions relating to local governments be adopted and clarified as follows:

"1. The definition of 'creditor' should be clarified in order to specify precisely what classes of creditors come within the scope of the statute.

"2. Involuntary filings by either the municipal unit, the creditors, or the appropriate State agency should be permitted under certain specified conditions where the parties have seriously tried to gain approval of appropriate parties for filing of a reasonable plan for more than six months. In such cases, the State should be considered to be a party of interest in the proceedings.

"3. The Court should require continuous supervision of a local government's compliance with the final court ruling, including a written annual progress report by the appropriate State supervisory agency or a court-appointed board if an appropriate State agency does not exist."

The Commission on the Bankruptcy Laws of the U.S. was then in the process of reviewing Chapter IX as part of its work in updating and revising all the Federal bankruptcy statutes. We urged the Bankruptcy Commission to include our recommended revisions in its proposals for amending Chapter IX.

ISSUES AND NEEDS ILLUMINATED BY NEW YORK CRISIS

As I will indicate in my subsequent remarks, the New York crisis, the current municipal bond market condition, and certain other recent developments have spotlighted five areas that need further attention.

FEDERAL ASSISTANCE CRITERIA AND CONDITIONS

ACIR's city financial emergencies report concluded not only that the State should bear the full responsibility for supervision of municipal financial management and for providing assistance to local governments in financial emergencies, but that they had the financial capacity to do so if they established effective warning systems and took prompt corrective actions. Our report did acknowledge that the States' financial capacities might be inadequate in the event of a major depression.

The New York crisis, in our opinion, does not invalidate ACIR's conclusion reached two and one-half years ago. New York State, we believe, could have prevented the New York City emergency and rendered any necessary assistance if it had taken the legislative and supervisory actions we contemplated. However, the New York crisis painfully reminds us that most States have not equipped themselves to exercise fully adequate supervision. New York has also demonstrated that an emergency in one State can adversely affect the nationwide market for municipal securities, and that other State and local governments, especially those dependent on the market for short-term operating cash, can be pushed to or over the brink in a market where there are no bids for their securities.

Given these newly recognized facts, it now appears highly desirable that further research be undertaken on the appropriate Federal assistance role in such circumstances.

Among the primary questions to be addressed are:

1. The standards or criteria for determining when Federal assistance is required and justified;

2. The form of such assistance;

3. The conditions attached;

4. The arrangements for supervising or enforcing such financial reorganizations and the role of the State concerned; and

5. Whether standby Federal assistance arrangements should be continuously available or each future emergency, if any, handled separately.

If the New York emergency results in Federal assistance, we will have one experiece forged under pressure to deal with that one specific circumstance, but further research concerning the type of machinery that would optimally cover the 50 State situation still appears highly desirable.

FEDERAL BANKRUPTCY PROCEDURE FOR STATES

President Ford has now proposed that the Federal Bankruptcy Act be amended to add a chapter dealing with the adjustment of debts of major municipalities, and Congress is currently considering such legislation. The Administration proposal closely accords with ACIR's Recommendation No. 5 on this exact subject.

Despite their sovereign status and wide taxing and other latitude, the New York experience shows that it is within the realm of possibility that States or at least State instrumentalities could default under certain circumstances.

The question, therefore, arises as to whether the Federal Bankruptcy Act should be further amended to deal with the adjustment of debts of States and State instrumentalities.

REGISTRATION AND REGULATION OF MUNICIPAL BOND ISSUES

Early in 1975 when the Securities Act amendments regulating municipal bond dealers were enacted, the Tower Amendment stipulated that issuers would not be required to furnish directly or indirectly any application or documentation with respect to their issues. There, furthermore, were strong statements made by members of Congress and the Treasury that registration and regulation of municipal bond issuers was not intended or desirable.

Now, as a direct result of the New York crisis, Senator Eagleton has introduced a bill requiring cities and localities to register new bond issues with the Securities and Exchange Commission, and the Ford Administration reportedly is preparing its own legislation to require municipal issuers to supply information to investors! Secretary Simon stated to Congress that "... we believe the time has come for a Federally-imposed uniform system of financial accounting and reporting by state and local issuers which sell a substantial amount of securities in our capital markets." The Secretary, in part, attributes his change in position on this point to an exasperating, seven months of work by the Treasury that even then failed to corral full information on New York City's finances.

The Municipal Finance Officers Association, which opposes Federal regulation of State and local issuers, has developed full disclosure guidelines and other elements of a plan that presumably would rely on the States or a voluntary association of issuers for implementation.

In this rapidly moving field, the intergovernmental question, of course, is whether there should be any Federal regulatory role and, if so, how it can be circumscribed so as to not detract from or weaken State responsibility for supervising local government financial administration. A major concern is that action may be taken without ample study of the intergovernmental aspects and without first giving the States and localities the opportunity to develop their own machinery so as to determine through experience whether Federal supplementation is necessary.

STATE-LOCAL PENSION SYSTEMS

The New York crisis has increased awareness across the country that a number of public pension systems provide inordinately expensive benefits, are underfunded, and have suffered from poor administration and abuses. The crisis has also underscored that the ultimate cost of certain benefits, particuuarly if inflation continues at high rates, will be monumental and in some cases beyond the financial capacity of the governments involved. These alarming facts, of course, do not apply to many well administered and adequately funded State and local systems.

Meanwhile, at the Federal level, the Congress passed the Employee Retirement Income Security Act of 1974, which regulates private sector pension systems, and hearings are now being held on the extension of this type of legislation to State and local public employee systems. The present hearings are not intended to result in legislation until after December 31, 1976, the deadline for completion of a House study on the subject.

Among the major features of the private sector Act that could be extended to the public sector are provisions establishing minimum participation, vesting, and funding standards; benefit and contribution limits; and reporting and registration requirements.

The New York situation and Congressional activity on pensions highlight several needs:

1. States should be moving expeditiously, if they have not already done so, to take actions envisioned by ACIR's Recommendation No. 3. Producing full and current information on the benefits and funding requirements of State and local systems, reviewing benefits, making certain that funding is adequate, and improving administration are essential steps. States which have local systems should also be considering whether centralized State systems are not the best in the long run.

2. So as to be fully ready and equipped to illuminate the cost effects of a Federal act regulating State and local employee pension systems, individual States should be evaluating the effects on their benefit patterns and costs if the Congress were to mandate changes similar to those now in effect for the private sector.

3. States should also be considering whether the private sector provisions passed by the Congress are meritorious for public employees. However, in doing so, the States should consider the whole benefit package and whether certain benefits for future employees should be reduced or modified when they improve other benefits. Most importantly, it should be recognized that only the States can custom tailor a new pattern and that there undoubtedly will be some benefit aberrations and substantial cost effects if an overlay of Federal requirements is placed on top of the widely varying State-local pension systems.

While present signs are that there will not be Federal action in this field until at least 1977, this does not mean that States and their local governments have plenty of time in which to reevaluate their systems. The types of changes involved in many cases could easily take two to five years to accomplish.

ADEQUACY OF MUNICIPAL BOND MARKET

Since at least 1969, State and local governments have recognized that the market for their bonds at reasonable interest rates will be inadequate under certain circumstances. This is true because the tax exemption is only attractive to certain types of purchasers, primarily commercial banks, fire and casualty insurance companies, and high tax bracket individuals.

The 1969 credit crunch dramatically demonstrated this fact when credit shortages resulted in the banks serving their corporate customers first and reducing their municipal bond purchases. Now, in 1975 we have a combination of circumstances adversely affecting the municipal bond market with the result that some issuers cannot borrow and others are paying disproportionately high interest rates. The New York crisis has raised questions about the municipal bond instrument and the meaning of "full faith and credit". The large Federal deficit is tending to crowd out borrowers other than the Federal government. Many banks and fire and casualty insurance companies have reduced their municipal bond purchases because their profits are down and it is not advantageous for them to hold as many exempt securities. Hence, interest rates have been pushed up by the need to enlarge the number of high tax bracket individual purchasers. It was recently pointed out that, while commercial banks in previous recessions made net purchases equal to 100 percent of new municipal offerings, their net purchases during the first half of 1975 only represented 12 percent.

In the aftermath of the 1969 credit crunch, many State and local interest groups considered the taxable subsidized bond alternative to tax exempt bonds, and a number of such organizations endorsed the proposal. Their proposals typically provide that the State or local issuer would have the option to issue tax exempt bonds or a bond that would be taxable and in which the Treasury would pay a large enough portion of the interest so that the issuer would break even or enjoy a small gain. Such taxable subsidized bonds would compete with all other types of taxable securities in the market and therefore would be of interest to a much broader range of purchasers than are exempt bonds. This proposal, in addition to widening the market for State and local securities, would improve the equity of the Federal personal income tax system, presumably at no cost, or even a gain, to the U.S. Treasury.

ACIR in 1970 rejected the taxable subsidized bond proposal. However, the New York and other developments in 1975 have shown that the market for State and local securities is increasingly vulnerable, and that consideration should once again be given to the taxable subsidized bond proposal, as well as other proposals for expanding the municipal market.

THE ULTIMATE NEED

The New York City crisis has also illuminated a question that is far larger and fundamental than the five financial administration and system needs I have already outlined. The question is, "What should be done to make our older central cities economically viable?" The central cities, of course, occupied center stage during the troubled 60's but have received less purposeful attention thus far in the 70's. The New York crisis is reminding us that their situation is probably as serious as it ever was and in some respects more so.

The elements of the central cities problem are too well known to require reciting. The problems, to be sure, are partially attributable to local failures, but State and Federal actions and omissions appear to account for the lion's share. Among the solutions are many of the structural and fiscal changes envisioned by scores of recommendations adopted by ACIR. However, it does appear that there is a need for a fresh and deep look at the older central cities' situation if we are to avoid future crisis of the New York City variety.

THE TOLEDO WAY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Ms. HOLTZMAN. Mr. Speaker, Representative ASHLEY, chairman of the Subcommittee on Economic Stabilization, has worked tirelessly to produce legislation to avert a New York City default, and spare the Nation the disastrous economic consequences that would result.

In an article which appeared in today's New York Times, Representative ASHLEY explains simply and clearly some of the reasons for preventing a default. I commend his views to the attention of my colleagues.

Representative ASHLEY's article follows:

THE TOLEDO WAY

(By Thomas L. Ashley)

WASHINGTON.—I suppose that how a Midwesterner regards New York City's plight is largely a matter of perception and a reflection of his background.

When the banks closed in the early 1930's, my father lost his structural-steel business in its entirety because he owed one of the closed banks $20,000. He had repaid more than $500,000 but he defaulted on his final payment, so the bank foreclosed and took over the enterprise "for one dollar and other valuable considerations," none of which I've ever been able to identify.

My father then started a tiny fabricating shop and for nearly a decade ours was a typical middle-class Midwestern family, scrambling with considerable ingenuity to remain solvent. Accounts went unpaid, bill collectors were avoided, promises made and broken. The immediate day-in, day-out concern was to avoid bankruptcy because this was regarded as a permanent blot on one's respectability, financial and otherwise.

The only reason that my father and most other debtors escaped the humiliation of bankruptcy proceedings is that there were more creditors decent enough to wait, often at considerable risk, than those who wouldn't.

This is what allowed a great juggling game to work. It always struck me as ironic that the bad guys got paid first and the good guys last, but I've since come to learn that memories are long and that there's a system of rewards and penalties constantly at work, even long after the fact.

Then there's the matter of punishment. The Midwestern ethic here is that if you suffer your own sins, that's probably enough. My Toledo community, beset by labor violence during the 1930's, was effectively redlined for nearly a quarter of a century thereafter by corporate America.

But in the late 1950's, that same corporate America suddenly realized that only two other cities in the United States had better labor records than Toledo on the basis of man-hours lost by reason of strikes. We had made our mistakes, paid for them ourselves, learned the lesson and profited thereby.

There may be another thing that's a part of a Midwesterner's perception or understanding of New York City. Before World War II, Toledo was a community of separate, fighting, proud ethnic neighborhoods. Intermarriage was the exception, almost always an embarrassment. Today we're still proud of ourselves but we're proud of our collective self. It's not "we" and "them," it's "us," an "us" that now cuts across political, racial, marriage and every other line. So how can New York City be "them"?

In sum, many in the Midwest equate municipal bankruptcy with individual bankruptcy; both are to be avoided at all costs because in either instance it is the signal that there is no longer the ability or willingness to fight to recapture self-respect and the confidence of one's peers. But in our view the very worst that can befall either an individual or a community is to be forced unwillingly, while there is still the will and capability to recover, into the submission of bankruptcy.

The ultimate irony, in this view, is for our nation's largest and greatest city to suffer this forced denigration solely on the insistence and responsibility of a national leader who constantly asserts that the rightful role of states and municipalities has been undercut and eroded by a usurping Federal Establishment.

It may be well and good for New York City to become an object lesson for the rest of the country, Washington included. But if the health of the profligate is of any concern, surely a public flogging is inappropriate.

New York City, after all, is already in the most painful kind of receivership. Furthermore, Federal legislation, as a condition for pre-default assistance, would insist on even more onerous sacrifices to assure that past fiscal irresponsibility be corrected and a balanced budget restored. Is the pound of flesh really necessary?

It's not to the working people who drink beer at Jim and Lou's Bar on Lagrange Street in Toledo, every afternoon. They're smart enough to want New York City to have a chance to work its way back to solvency without benefit of their tax dollars and they simply do not believe this can best by accomplished by pushing the city into bankruptcy.

OSHA

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. ROUSSELOT. Mr. Speaker, last Monday this body took a much-needed step toward bringing under control the most notorious and unwieldy of all the regulatory agencies. I am referring, of course, to the passing of H.R. 8618 which provided for on-site consultation to employers to help them comply with the regulations and requirements imposed on them by the Occupational Safety and Health Administration—OSHA. These types of consultation services will aid greatly to ease the burden of private businessmen who try to decipher and comply with the nebulous edicts of the seemingly omnipotent Occupational Safety and Health Administration.

H.R. 8618 did not go far enough, however. Still left to cope with are many of the arcane and absurd rules and regulations. The power and breadth of OSHA was left untouched by the reform bill that was passed Monday. The ambiguities of language of many of the regulations are still there and the arbitrary power of the OSHA inspectors continues unchecked. We must still deal with these problems.

There are many examples that can be given that shed light on the ongoing problems that OSHA poses for private industry:

One large company had to adjust thousands of fire extinguishers throughout its plants and buildings so that they would be exactly 5 feet from the floor as measured from their highest points. The job was extremely expensive, requiring much drilling through steel.

The manager of another firm provided more extinguishers than necessary and carefully hung them at the required height. He was fined anyway—for setting one extra extinguisher on the floor.

One company was required by terms of a defense contract to lock exit doors for security reasons. It was ruled that this practice violated firesafety requirements—and a fine was imposed by the Agency.

Employers are required to color code switches red and green even though they may already have their equipment color coded with different colors which their employees have been using for years and with which they are already familiar.

Farmers must install roll bars on their tractors. No provision is made for the many tractors on which a roll bar cannot be attached. In many instances the roll bars, which cost $200 or more, cost more than the tractors are worth. And in the vast farming region of the Great Plains, farm tractors are never driven on anything but completely level ground and blacktop roads, thus obviating the need for any roll bars at all.

It has been noted that literally billions of dollars have been spent by private industry to achieve OSHA specifications for occupational safety and health—$13 billion alone to meet noise level specifications. This investment is required by OSHA to "protect the worker while on the job." It is interesting to note, however, that studies have been made indicating that non-job-related diseases account for about 96 percent of the time lost due to disability. In other words, all of the billions of dollars spent to comply with the OSHA mandated job-safety requirements apply to only 4 percent of the disability caused absenteeism.

Mr. Speaker, I would suggest that these billions of dollars that are now being spent on unnecessary and silly OSHA regulations and rules can be better spent by private industry in other areas. Instead of repainting switches that do not need repainting, I would think that industry could use the money to make much needed capital improvements in areas that create jobs and bolster the economy.

In a time when industry is shorter on capital funds than it has been in many years, when our Nation is far behind other Western countries in terms of real growth and capital formation, let us get rid of the inane and absurd regulations that OSHA imposes on private industry. Let us repeal this economic sponge and vex to the private employer and let business be about its "business."

MRS. GLADYS BAGLEY, ONE OF ARIZONA'S OUTSTANDING WOMEN JOURNALISTS

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. STEIGER of Arizona. Mr. Speaker, I regret to report the passing on November 11 of Mrs. Gladys Bagley Schaefer, one of Arizona's outstanding women journalists. She had been employed by the Phoenix Gazette for 46 years, and one of her coworkers, Mr. Jay Brashear, has written a fitting editorial tribute for her.

I ask that Mr. Brashear's editorial, along with the story of her death, be reprinted in the RECORD.

The articles are attached:

[From the Phoenix Gazette, Nov. 12, 1975]

GLADYS BAGLEY SCHAEFER

Gladys Bagley is dead, and in the grief hanging so heavily in The Gazette's offices today it simply isn't possible to pay a fitting tribute to her. She was remarkable in so many ways, and she radiated always a gentle glow of love that brightened so many harsh days for other people.

Where to start about Gladys Bagley Schaefer, as she was known in her nonprofessional life? Her accomplishments as a journalist over a 40-year career fill typewritten pages. Her good works with civic organizations fill pages more.

Yet to list part or all of that biographical data would say little about the magnificent woman who started with The Gazette as a part time employe in 1929, became women's editor in 1962 and worked most recently as the editor of Family News, our employe newspaper.

Perhaps it would be best simply to say that Gladys was a poet in the finest sense that word can be used. She combined a zest for life, a love of people and a way with words to create smiles even in moments of sorrow.

For those whose paths in life never crossed with Gladys Bagley Schaefer's, it is possible to say only that they missed one of God's finest creations. Those of us fortunate enough to have known her must suffer a painful loss, mixed with a legacy of joy she left in coming our way and staying in our midst for so many delightful years.

[From the Phoenix Gazette, Nov. 12, 1975]

FORMER GAZETTE WOMEN'S EDITOR DIES AT AGE 73

Mrs. Gladys Bagley Schaefer, 73, former women's editor of The Phoenix Gazette and a member of the newspaper's staff since 1929, died yesterday in a local hospital.

Mrs. Schaefer had been in ill health in recent months.

Long active in numerous groups, she helped organize 20 Business and Professional Women's Clubs, 15 chapters of Epsilon Sigma Alpha Sorority, 6 Camp Fire groups, 6 Wesleyan Service Guilds, an Episcopal Business Women's Club, Arizona Poetry Society and Owlets, a national young writers group.

She is survived by her husband, Richard H. Schaefer, and a son, Jesse F. Bagley Jr.

In recent years, Mrs. Schaefer had been with the public relations department of Phoenix Newspapers Inc. Her duties included communications manager and editor of Family News, a publication for Gazette and Republic employes.

Mrs. Schaefer was born in Salem, S.D. She and her first husband, Jesse F. Bagley, moved to Arizona in 1924, and in 1929 she became a part-time employe of the Arizona Gazette, now The Phoenix Gazette.

In 1936, she was made a full-time employe. Her appointment as women's editor was made in 1961.

Her duties included entertainment editor, women's club editor and assistant society editor.

She edited "Arizona Women," the state magazine for the Arizona Federation of Business and Professional Women, the State Bulletin for Arizona Wesleyan Service Guild, and she wrote columns for "The Jonquil," an Epsilon Sigma Alpha Sorority International Magazine.

Mrs. Schaefer was the recipient of numerous awards. She was a member of several organizations including the Arizona Press Women, Phoenix Writer's Club and the Arizona Alumni of Dakota Wesleyan University.

Services will be at 1 p.m. Friday in the First United Methodist Church, Central and Missouri. Burial will be in Greenwood Memorial Park. A L. Moore and Sons is in charge of arrangements.

DIMBAZA REBUTTED

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. McDONALD of Georgia. Mr. Speaker, a constituent has drawn my attention to a recent Public Broadcasting System showing of a film called "Last Grave at Dimbaza" which presented itself as showing everyday conditions in South Africa, but which was in fact a highly biased production. It is interesting to note that PBS funds are in large part provided by taxpayers' money.

My constituent, concerned about the international Communist-inspired propaganda campaign against South Africa, points to the fact that violations of human dignity and rights in South Africa, when they occur, are reported to the world by the free South African press. And he called my attention to an excerpt from a November 12 speech in the U.N. by U.S. Ambassador Daniel P. Moynihan:

> In the Monthly Bulletin of the International Press Institute of June 1975, Mr. Frank Barton, Africa Director of IPI, is reported as having told the assembly of that impeccably neutral and scrupulous organization: "The unpalatable fact is—and this is something that sticks in the throat of every self-respecting African who will face it—that there is more press freedom in South Africa than in the rest of Africa put together."

So much for claims of the filmmakers for having had to make a "secret" film and "smuggle" it out of the country.

In the interests of fairness and accuracy, here is the text of a letter from the South African Ambassador to the United States to the constituent which introduces his Government's rebuttal to the charges made by "Last Grave at Dimbaza."

The material follows:

EMBASSY OF SOUTH AFRICA,
Washington, D.C., November 11, 1975.

The Public Broadcasting System recently arranged for a nationwide showing of a highly biased propaganda film of South Africa entitled "Last Grave at Dimbaza". I participated in a panel discussion after the screening to point out some of the film's bias and intentional inaccuracies.

It was impossible in half an hour to deal with every lie and distortion. The attached paper will give you some idea of their magnitude.

It is, of course, possible to produce a film portraying worse living conditions in parts of almost any country in the world. Whatever his differences of opinion and interpretation of South Africa, surely no right minded American can accept that a film disseminating objectively determinable lies, be shown, without an opportunity to redress the balance, on public television and in schools and universities across this country. Where freedom of expression includes the freedom to disseminate falsehoods, it should be possible to gain the right to repudiate and demonstrate such inaccuracies.

For instance, when the film "Last Grave at Dimbaza" was screened by B.B.C. Television in Britain last year, arrangements were made to show "Black Man Alive", a film produced in my country which rebuts the allegations made in "Last Grave at Dimbaza".

My office is still negotiating with the producers of the U.S. programme to screen "Black Man Alive" and I would appeal to you, in application of the fairness doctrine, to use your influence to ensure that balance is restored to the vast audience of viewers who have been presented with a false, slanted and a one-sided picture.

Sincerely yours,

D. F. BOTHA,
Ambassador.

FACT PAPER: LAST GRAVE AT DIMBAZA

Many Americans have expressed their concern about the film "Last Grave at Dimbaza," recently telecast by the Public Broadcasting System.

When the South African Embassy was first told of the program it was suggested to the producing station, WNET-TV in New York to include the factually correct South African film, "Black Man Alive," as well, to balance the inaccuracies of "Last Grave at Dimbaza." While welcoming the participation of the South African Ambassador, Mr. Roelof F. Botha, in a panel discussion, we nonetheless felt that Dimbaza should also be visually replied to.

"Last Grave at Dimbaza" was screened on BBC television in 1974. At the same time our own production, "Black Man Alive," was also screened, followed by a panel discussion in which white and black South Africans participated.

Allegedly made in secret and smuggled out of South Africa a few years ago, Dimbaza purports to reflect the truth about conditions in the Ciskei and in South Africa in general.

What has been the reaction of South African blacks to Dimbaza? We quote Mr. C.H.T. Lalendle, a black man who lived in Dimbaza while principal of the Dimbaza school. He said that the film depicts many scenes which are "blatant lies as far as the Ciskei is concerned".

Mr. Lalendle made his statement in Britain last year and at the same time raised a few very interesting questions during an interview with the press.

"Why did these malicious perverters of the truth not visit the Ciskei government to secure first hand information about Dimbaza?" Mr. Lalendle asked. "Why did they omit a school, a clinic, a shop, a factory and a social center, all about 650 feet away from the area shown in the film?"

Why indeed? The film makers undoubtedly did so purposely for it would not have helped their cause at all had they shown Dimbaza's six schools, four churches, factories and the many four and two roomed houses with all modern facilities, where the township's 9,000 residents live.

"'Last Grave at Dimbaza' is a well calculated perversion of the truth intended to disgrace Dimbaza", added Mr. Lalendle, who is presently a lecturer at the University of Fort Hare in Ciskei, South Africa.

Contrary to what this film shows, Dimbaza is a thriving community in the Ciskei where, according to a report in the Johannesburg Star, within two years there will be more industries than the local labor force can supply.

In the words of the former Chief Minister of the Ciskei, Mr. Lennox Sebe, on the occasion of opening the township's fifth industrial plant, the future for Dimbaza was so bright that it "will only be two or three years before it will be possible to decentralize industries from there to other growth points in the Ciskei".

Even the Rand Daily Mail, which does not support the government's policies, has carried reports critical of the film. According to columnist Patrick Laurence (October 5, 1974) "Dimbaza, once a dumping ground and a natural target for anti-apartheid protagonists . . . could become the showplace township of the Ciskei".

Describing the developments in the township—the housing program (the construction of hundreds of four roomed homes which would be rented out at $8 per month), the six schools which absorb some 4,000 children and Dimbaza's employment opportunities which have caused a tremendous voluntary influx of workers, Mr. Laurence remarked: "With a birth rate of 65 per 1,000 against a death rate of 18 per 1,000, Dimbaza is bustling with life."

This then, is the real Dimbaza. A township in the Ciskei, 13 miles from King Williamstown where several industries have been established and where the potential for further industrialization is high as a result of its ideal location and climate.

A township which is rapidly growing in all respects and which faces all the normal problems of any other town or city in South Africa. The allegations, however, that its population was rapidly dying out and that it was a den of misery, are definitely not borne out by the facts.

"Last Grave at Dimbaza" does not, however, deal with Dimbaza alone. Only one tenth of the film, in fact, deals with the township. The remainder is filled with twisted facts and untruths about South Africa in general.

We are told for example, that 45% of black children do not go to school. That 50% of the black children die before the age of five and that only $16 million is spent annually on education for black children.

Even a cursory glance at official statistics shows how untrue these allegations are.

In 1973 alone, some 3.3 million black children (now closer to the 4 million mark) were attending school in South Africa. Given a total black population of some 15 million at that time, the ratio is nearer to four out of every five black children (or one out of every five per head of population) attending school.

If the infant mortality figures supplied in "Last Grave at Dimbaza" were true, the black population in South Africa should be decreasing rapidly. Instead we find a growth rate of over 3% per annum—from 10 million in 1960 to 15 million in 1970 to over 17 million today.

In 1972–73 the South African government spent over $74 million on education for the blacks and in 1973–74 over $103 million, nearly a fourfold increase in one decade.

South Africa has chalked up phenomenal achievements in the field of black education. The following educational institutions for black peoples have already been established:

Lower and higher primary schools, junior and senior secondary schools, teacher training schools, vocational and technical training schools, evening schools and continuation classes, special schools for the physically handicapped and institutions for higher education.

Apart from almost forty teacher training colleges and three universities, there are technical colleges, technical schools, trade schools, vocational schools and industrial training centers. Vocational training includes 26 different trades.

The percentage of the white South African nation at school is 22.1, a figure which can normally be accepted as representing all children of school-going age in any European country. The percentage of the black peoples of South Africa at school has reached 19. The averages for Europe and Africa are 17.4 and 9.7 respectively (Unesco figures, published in 1971).

School attendance for black children is still voluntary in South Africa, but in view of the above figures the question of compulsory attendance has become rather an academic question. The latest census figures (1970) show that about 80% of black children of school going age are in fact attending school.

The fact that the goal of 100% has not yet been reached, is partly the result of the high population growth rate (3.5% per year) and partly due to the fact that this age group comprises 28% of the total black population, compared to only 20–22% in the Western world.

The film also deals with housing. World War II triggered a massive industrial revolution in South Africa. In particular, this led to a large-scale population movement from the black homelands into the mining and industrial complexes of South Africa.

Between 1936 and 1970 the urban black population of Johannesburg alone increased by some 300%. In the two decades 1951–71, excluding dwellings and hostels provided by the mining industry, 302,000 houses were constructed in urban complexes outside the black homelands. During the Sixties the emphasis shifted to the homelands themselves and in the decade 1962–72 more than 100,000 houses were built in the various homelands.

All new townships are constructed to meet certain minimum standards. These townships have churches, schools, community centers, creches, clinics, shopping centers, cinemas, parks and other recreational facilities.

In the decades since World War II South Africa has provided a comprehensive network of health and hospital services for her black peoples. Medical and hospital fees paid by black people vary from province to province and range according to the category of patient. They are, however, usually nominal. Out-patients normally pay from 60 to 70 American cents per month or 35 American cents per visit, irrespective of the nature of the illness or the length of time such treatment takes and irrespective of the qualifications of the doctor. Medicine is provided free of charge.

At present there are 105 hospitals in the black homelands as well as nearly 550 clinic centers. Medical care is also provided extensively at hospitals and clinics in the white part of South Africa, where more than 80,000 hospital beds are available to non-white patients.

Dimbaza also deals wtih two diseases, tuberculosis and Kwashiorkor. There is a high incidence of Kwashiorkor—mainly a protein deficiency disease—on the African continent. The incidence of Kwashiorkor in South Africa has declined and on the basis of cases notified the incidence appears to have declined to less than one per cent. The average for the rest of Africa has been estimated to be as high as 25%. For many years tuberculosis has been the main single public health problem in South Africa. A well-controlled service provided by the State Department of Health providing entirely free services, has led to considerable progress in this respect.

According to the London Sunday Times of September 2, 1973, the total number of tuberculosis among the black population of South Africa in 1969 was 413.8 per 100,000 and in 1970 366.5 per 100,000. According to the commentary in "Last Grave at Dimbaza," the number is 1 in 5, or 20,000 per 100,000.

The remaining comments made in the original sound-track of "Last Grave at Dimbaza" which are contrary to fact, are as follows:

COMMENT

The most fertile land lies in the white area—the Banut Homelands are already overpopulated.

FACT

The total surface area of the Bantu Homelands comprises approximately 38.5 million acres—an area greater than England and Wales together. The largest Homeland, the Transkei, comprises 9.4 million acres—larger than The Netherlands, Belgium, Israel or Switzerland. The population density of the Transkei is 74 persons per square mile, compared to 339 for Great Britain and 584 for The Netherlands.

If 20 inches of rain per year is regarded as the minimum requirement for successful agricultural cultivation without irrigation, 75% of the surface area of the homelands can be regarded as most suitable for this type of agriculture compared to 35% of South Africa as a whole.

In South Africa only 62,500 square miles falls within a zone with moist temperature climate—of this amount approximately half lies within the black homelands. Seventy six per cent of the land in the homelands receive a minimum of 20 inches of rainfall compared to the annual average rainfall over the whole of South Africa of 17 inches. The 156,250 square mile dry, semi-desert Karoo, for example, falls totally within the white area.

COMMENT

Per capita annual income of the population in the homelands is only $35, making them among the poorest in the world.

FACT

The per capita annual income of, for example, the Transkei and Wwazulu in 1973 was $200 and was therefore much higher than the per capita annual income of, for example, 20 independent states in Africa (Burundi, Chad, Central African Republic, Dahomey, Ethiopia, Gambia, Equatorial Guinea, Lesotho, Malagasy, Malawi, Mali, Niger, Nigeria, Rwanda, Somalia, Sudan, Tanzania, Togo, Uganda, Upper Volta and Zaire (Source: Europa Year Book—1973, Volume 1 and the Johannesburg Star's African News Service).

For the residents of all the homelands in South Africa the following is the situation according to the Minister of Bantu Administration and Development, Mr. M. C. Botha—"From 1960 to 1973 the per capita income of the Bantu within the homelands increased from $87 per head to an estimated amount of $213—an increase of 145% (Hansard, No. 7, 16–20, September 1974).

COMMENT

Like all the Bantustans the Transkei is desperately poor and underdeveloped.

FACT

According to the Johannesburg Star (19 December 1972) the budget of the Transkei for that particular year amounted to $66 million (presently $100 million). This amount corresponds favorably with the budgets of the following sovereign independent African states:

Botswana, $42 million; Burundi, $26 million; Central African Republic, $57 million; Dahomey, $22 million; Equatorial Guinea,

$17 million; Gambia, $14 million; Lesotho, $17 million; Mauritania, $55 million; Niger, $62 million; Rwanda, $21 million; Swaziland, $36 million; Upper Volta, $54 million.

The income of the economically active homeland inhabitants in 1970 totalled $1,234 million compared to $1,916 million in 1973, an increase of 55% (Hansard, No. 7, 16–20 September 1974).

The homelands have in the thirteen years up to 1973 enjoyed an annual growth rate of 7.2%, more than twice that of Zambia and Botswana and three times that of Malawi.

COMMENT

In South Africa there is one doctor for every 400 whites and one doctor for every 44,000 blacks.

FACT

It is misleading to say that non-white South Africans are treated only by non-white doctors, while white South Africans are treated only by white doctors. When one divides the total population of South Africa by the number of white and black doctors the applicable figures are one doctor for 1,970 inhabitants and this figure in fact accurately represents the actual situation. Very nearly all white doctors either have mixed practices or work exclusively among non-white patients.

Nearly $261 million is spent annually by South African authorities on health services for the black population. There are 150,000 hospital beds available for the black population—a rate of 8.8 beds per 1,000 non-white inhabitants compared to the international norm of the World Health Organization which is 5 beds per 1,000 inhabitants.

COMMENT

Under the Master and Servant's Law a black in many industries can go to jail for being absent from work, for trying to change his job before his contract expires or for refusing to obey commands.

FACT

The above-mentioned legislation was, before it was removed from the Statute Books during the last Parliamentary Session (August-October 1974) only applicable to workers in the agricultural sector. The Factories, Machinery and Building Work Act of 1941, originally passed in 1918, and the Shop and Offices Act of 1964, regulate the hours of work and other service requirements of white as well as non-white workmen in industry and commerce.

COMMENT

Black workers have no protection under the law.

FACT

According to the Bantu Labour Relations Regulations Act to 1953, provision is made for means whereby the wishes of Bantu workers can be brought to the attention of the employer, the Central Bantu Labour Board, the Wage Board and the Minister of Labour. The Machinery for the Arbitration of Bantu Labour Disputes exists in the form of a Central Bantu Labour Board, Regional Bantu Labour Committees, Liaison Committees and Works Committees. During 1973, Article 18 of this Law was amended giving Bantu employees the same strike rights as white employees.

Legislation is presently being planned by the South African Government giving black workers a better bargaining position in determining wages and service conditions. The proposed legislation, which will amend the Bantu and Labour Relations Regulations Act, has already been published. The Bill, which proposes the formation of black industrial committees on a regional basis, provides for agreements reached with employees in areas where there is no industrial council to be made legally binding.

COMMENT

Even those who do get to school have to follow a special syllabus which is inferior to that taught in white schools.

FACT

This statement is totally unfounded. An extensive education inspection system is continually busy maintaining the level of education in all schools—black and white. In addition, black pupils are required to pass exactly the same examination as white pupils.

As was the case with all white universities, so the young black universities have for many years been under the supervision of the University of South Africa which has ensured that the quality of education and the level of competence required by examination has been maintained. For both black and white universities external examiners are appointed.

COMMENT

The system of job reservation reserved all so-called skilled work for whites. There is not one black registered apprentice in the country.

FACT

From the beginning of January this year training centers apart from the usual technical schools have been established for black employees in industry. In order to stimulate the education of black employees in so-called skilled categories the South African Government introduced in its 1974–75 budget a number of attractive tax concessions to employers who contributed in this education.

Negotiations between employers and trade unions were continually opening up fresh avenues of employment for black workers.

It should be clear from the above that the film "Last Grave at Dimbaza" presents a misleading picture of South Africa, to say the least.

As all the facts and figures about South Africa are freely available, one can only assume that the producers created this false and slanted film with full intent.

Like all countries, the Republic of South Africa has its difficulties and problems and, as in all other countries, the people in South Africa, both black and white, are doing their utmost to iron out these problems.

This includes the removal of discriminatory practices which inhibit that improvement of relations between them. Calls are repeatedly being made by the South African Prime Minister and other public officials for the universal respect of the human dignity of every person, irrespective of race or creed.

In the United Nations Security Council last year the South African Ambassador stated categorically that his Government did not condone discrimination purely on the grounds of race or color, that such discrimination could not be defended and that everything would be done to move away from discrimination based on race or color.

While these sincere efforts are in progress by the peoples of southern Africa to remove obstacles which endanger peace and security, irresponsible initiatives are being planned by groups or countries which have no direct interest at stake in the area and are committed to principles which can have dire consequences in Africa and wider afield.

Films like "Last Grave at Dimbaza" do nothing to aid anyone in South Africa nor, in this age of detente, mutual understanding and peaceful co-existence, to help truly interested parties to understand the real problems facing black and white leaders in South Africa.

They serve only to polarize differences and exacerbate relations. South Africa is a country which has always maintained friendly relations with the United States and is of significant importance both strategically and as a source of vital raw materials. The aspirations of its people to solve their own problems peacefully is in accordance with the United States' own traditions of peaceful settlement of disputes.

SOUTH AFRICAN EMBASSY.

NOVEMBER 11, 1975.

DOUBLE STANDARD FOR AMNESTY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Ms. HOLTZMAN. Mr. Speaker, the United States has introduced a resolution calling for unconditional amnesty for all political prisoners around the world. At the same time, the United States continues to penalize its own citizens who protested participation in the Vietnam war.

The following article from the November 14, 1975, New York Post points out the inconsistency of these two positions . I commend it to your attention:

DOUBLE STANDARD FOR AMNESTY?

Introducing a draft resolution calling upon "all governments to proclaim an unconditional amnesty by releasing all political prisoners . . .," UN Ambassador Moynihan has decried hypocritical endorsements of human rights by autocratic states as "selective morality." Unfortunately, he overlooked certain gross U.S. deficiencies in that connection, especially those arising from punitive, unrelenting reprisals against Vietnam war resisters.

As defined by the Ambassador in the eloquently phrased resolution, political prisoners are "persons deprived of their liberty primarily because they have . . . sought peaceful expression of beliefs . . . at variance with those held by their governments or have sought to provide legal or other forms of non-violent assistance to such persons . . ."

By any civilized standard, that definition should be more than adequate to include Vietnam draft resisters who rejected the ignoble, demeaning conditions of the Ford "clemency" proposal. Yet Leonard Garment, the chief U.S. representative on the UN Human Rights Commission, maintains that the projected amnesty could not apply to the Vietnam men.

Why not? What are the delicate distinctions involved? What kind of "peaceful expression" is more meaningful than their conscientious objection?

Who qualifies as a "political prisoner"? The grim term obviously applies to the uncounted inmates of wretched cells and brutish totalitarian labor camps maintained by many a member of the United Nations—including some of those in the highest official favor with Washington. Should it apply any less to Americans who were, indeed, "at variance" with their government's Vietnam policy and are either still in jail, denied the right to return to their homeland freedom, or bear the stigma of dishonorable discharge?

The world's prisoners of conscience are an international society, whether they are behind bars or political refugees from their own countries.

As an appeal to the most generous instincts of mankind, the U.S. draft resolution seeks to embody honorable ideals. It was obviously offered at this time as a response to the execrable pieties and frauds in which some UN members freely indulged during the debate on the "Zionism" resolution.

But in the end, it lacks the moral weight that would give it strength and durability. Washington's harsh treatment of the Vietnam resisters and its tolerance of "friendly" despots around the globe make its preachments on political prisoners as vulnerable as the Orwellian double-talk to which it is addressed. Example can mean infinitely more than impassioned exhortation.

To exempt the United States from the spirit and substance of the amnesty resolution we have offered is to invite derision and to caricature a worthy cause. Ambassador Moynihan has spiritedly decried the "double standard" morality exhibited by the Communists and some of their Third World allies. Can anyone escape the irony embodied in a U.S. call for amnesty that discriminates against Americans who "prematurely" rejected the Vietnam war?

THE NEW McCARTHYISM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. CRANE. Mr. Speaker, it has often been noted in history that the critics of a given policy or approach, once they gained power themselves, became the most effective exponents and perpetrators of that same policy.

During the 1950's the U.S. Senate voted to censure Senator Joseph McCarthy of Wisconsin for abuse of congressional committee power, character assassination, and slanders.

Today, there are a number of men in that same body who, while proclaiming themselves enemies of the old "McCarthyism" have been involved in creating a new version.

When conservative businessman Joseph Coors was nominated to a seat on the 15-member Corporation for Public Broadcasting, liberal members of the Senate Commerce Committee voted to kill the nomination. Why? Simply because Mr. Coors expressed a point of view different from their own.

The reasons given for opposing Mr. Coors had little substance. It was said, for example, that he was unacceptable because he was himself involved in the television news business. The Washington Star provided this editorial assessment of those who made that charge:

> They overlook the broadcasting connection of at least five present members of the CPB and a provision of the law that says the 15 members of the board shall be selected from citizens "who are eminent in such fields as education, cultural and civic affairs, or the arts, including radio and television."

Discussing the treatment of Mr. Coors, columnist Jeffrey St. John notes that:

> In the 1950s a parade of liberal and left-wing Congressional witnesses denounced Congressional inquiry into their personal and political beliefs and asserted the right to hold such views. This right has been denied Mr. Coors.

In his important article, "The New McCarthyism," Mr. St. John highlights other ways in which individual Americans are being hounded by Government, particularly congressional committees, for their views. He writes, for example, that:

> The Senate Commerce Committee . . . earlier this year dispatched two staff investigators to grill business leaders who had signed a paid advertisement supporting the deregulation of natural gas. This is strikingly similar to Congressional probers in the 1950s who investigated liberal and left-wing intellectuals who signed paid political advertisements.

Mr. St. John concludes that:

> . . . the legislative liberals' conduct of Congressional hearings is proving that we have moved from a Watergate of the executive to the witchunt of the legislative.

I wish to share Mr. St. John's thoughtful column, which appeared in the November 3, 1975, issue of the New York Times, with my colleagues, and insert it into the RECORD at this time:

[From the New York Times, Nov. 3, 1975]

THE NEW McCARTHYISM

(By Jeffrey St. John)

WASHINGTON.—"Because we have always thought of government as friendly," asserted the late Adlai Stevenson in 1952, "not as brutal character-assassins and slanderers, the Congress of the United States has had a free hand in the method they use."

If he were alive today, the two-time liberal Democratic Presidential contender would be hard-pressed to explain the difference between the conduct of a Congressional committee headed by the late conservative Wisconsin Republican Senator Joseph R. McCarthy in the early 1950's and the conduct of Congressional committees in the 1970's under liberal Democrats.

Senator McCarthy was censured by the Senate for his abuse of Congressional committee power, character assassination and slanders. The victims of the old McCarthyism in the 1950's were members of one class of Americans: academics, career diplomats, members of the arts and communications. The victims of the new McCarthyism of the 1970's are also members of one class: businessmen and their allies who find little political favor with Congress, the news media, and in turn the public.

The Colorado brewer Joseph Coors, nominated to serve on the Public Broadcasting Corporation's board, has become the latest victim of the new McCarthyism. His nomination, delayed by Senator John Pastore, Democrat of Rhode Island, acting chairman of the Senate Commerce Committee, because of Mr. Coors' conservative philosophy and support of some of the views of the John Birch Society, was killed by the committee Thursday.

In the 1950's a parade of liberal and left-wing Congressional witnesses denounced Congressional inquiry into their personal and political beliefs and asserted the right to hold such views. This right has been denied Mr. Coors.

The Senate Commerce Committee, moreover, earlier this year dispatched two staff investigators to Sandusky, Ohio, to grill business leaders who had signed a paid advertisement supporting the deregulation of natural gas. This is strikingly similar to Congressional probers in the early 1950's who investigated liberal and left-wing intellectuals who signed paid political advertisements!

Starting with the Watergate hearings, individual executives and corporations have been increasingly attacked before Congressional committees as white-collar criminals and catalysts for economic conspiracies.

Senator Henry Jackson, Democrat of Washington, practiced this poisonous political art when, during the Arab oil embargo, he whiplashed presidents of petroleum companies with innuendoes and charges of an economic conspiracy that he has failed to this day to prove with facts.

Had he leveled the same campaign of character assassination against presidents of, say, major American universities, he would have been denounced by the very media that lavishly covered Mr. Jackson's performance without a murmur of criticism.

Witnesses who appear before Congressional committees have no specific bill of rights. Individuals accused of crimes cannot be questioned at length, but Congress can and does, often for the benefit of the press.

The press is restrained in criminal cases on pretrial publicity, but press coverage of Congressional hearings can ruin the reputation and public standing of individuals and institutions with virtual impunity.

In fact, the press is too often in league with liberal and young ambitious Congressional staffers who "leak" information to the media for the calculated damaging effect such staged and rehearsed public trials provide. Victims of such political cunning have no protection, but members of Congress and the press have virtual immunity by specific articles of the United States Constitution.

The only right a witness has before Congress is the Fifth Amendment which too often is automatically regarded as an admission of guilt and has involved attempts by Congress to hold such pleaders in contempt.

In criminal proceedings both prosecutor and defense attorney are bound by a specific code of conduct and rules of evidence. Congressional committees have no such code or rules regarding evidence. A Congressman or a Senator can make any charge, however false or lacking in factual foundation, in full view of the media, and destroy a reputation.

Liberals in Congress have unleashed a form of political terror against the liberties and rights of individuals who do not enjoy political favor with the prevailing Establishment. These same liberals have constantly told us that the lasting lesson of Watergate was the abuse of power by the executive. But the legislative liberals' conduct of Congressional hearings is proving that we have moved from a Watergate of the executive to the witchhunt of the legislative.

MONTY ODETT'S DEATH—AN AWESOME LOSS

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. GOLDWATER. Mr. Speaker, the people in the Antelope Valley have now had a month to miss the owner and publisher of the Antelope Valley Press, Monty Odett, who passed away on October 14. And I know they, along with his family, miss him mightily. During the years I represented the Antelope Valley here in the Congress, Monty was one of the people I could always count on to tell it to me straight. I think one of the most touching tributes to him can be found in the editorial of his own newspaper, and I want to share it with my colleagues:

MONTY ODETT'S DEATH—AN AWESOME LOSS

The death of Monty Odett on Tuesday is an awesome loss to the Antelope Valley.

His contributions during his more than 17 years as an involved citizen of this community are enormous.

By word and deed, he promoted the Antelope Valley, lending the support of his newspaper and his personal involvement to innumerable community projects and causes.

As the editor and publisher of the Antelope Valley Press, he wholeheartedly supported any project that he felt would better the community.

In addition, he actively personally worked in numerous community endeavors. About the only thing that ever prevented him and his wife, Miriam, from attending any major community function was if they had other commitments at the same time.

He will be known as the prime moving force that made it possible for the Antelope Valley Freeway to be built on a continuing year-by-year schedule. As chairman of the Antelope Valley Freeways and Transportation Committee, his low-key, friendly leadership was responsible for the annual flow of money that made it possible for the freeway project to be moved ahead steadily, without delay.

He was a civic leader in the classic sense, always willing to devote himself to the job at hand.

As president of the Antelope Valley Progress Association (now the Board of Trade), and as chairman of the Four-County Development Committee, he demonstrated strong leadership in pushing for improvements on the high desert.

He was a key factor in bringing about the joint-use agreement that resulted in the development of the Palmdale Air Terminal.

Water, schools, streets, parks, libraries, and all kinds of community service developments were enthusiastically supported by him.

He insisted on thorough coverage of the community—its activities, its people, its problems, its tragedies, and its triumphs.

The growth and singular success of the Antelope Valley Press was due to his tireless zeal in leadership in publishing "Your Community Newspaper".

Now that an untimely death has forced him to vacate the desk where he guided the destiny of the Antelope Valley Press, his two sons, Monty Jr. and Bill, will continue on in his place.

The Antelope Valley Press will continue to be guided by the community-oriented journalistic principles practiced by Editor and Publisher Monty Odett. The entire newspaper staff pledges to strive to live up to the outstanding example of a dedicated newspaperman—Monty Odett.

There will be no "30" at the end of this story, because the spirit of Monty Odett will live on in this newspaper and in this Antelope Valley.

EXAMPLE FOR NEW YORK CITY

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. FINDLEY. Mr. Speaker, as the Congress ponders the question of a financial rescue of New York City, we can wisely note the record of other communities in resolving fiscal problems.

I am proud of the record of my hometown, Pittsfield, Ill., a community of about 4,000.

Pittsfield has faced the same basic problems as New York in recent years—sharply rising cost of community services and a steady growth of such services.

Thank to prudent leadership over the years, Pittsfield is in sound condition. This is a tribute to the vision of former Mayors T. N. Troutner, Sr., and Frank Penstone, Sr., the present mayor, Dudley Williams, and the councilmen who have served with them.

The article below, originally published in the November 12 issue of Pittsfield's weekly newspaper, the Pike Press, recounts the Pittsfield record, one which is in sharp contrast with that of New York City.

The article follows:

HOW A SMALL MIDWEST TOWN MANAGES ITS MONEY

(By Betty Kriegshauser)

While New York City totters on the edge of bankruptcy and Mayor Abe Beame ponders if help will come before his great city is forced to default on paying off its bills and loans, Mayor Dudley Williams and Pittsfield's city council sit financially snug on a fat bank account for a town the size of Pittsfield.

MONEY IN BANK

Pittsfield's bank account the end of October stood at $702,356. Of that, $353,607 is a cash balance after all the bills were paid; $348,749 represents reserve funds and money invested in securities (certificates of deposit)—a tidy "nest egg" over and above the money needed to meet the city's bond obligations, payroll and other normal operating expenses.

And that nest egg is drawing about $24,000 a year in interest, Mayor Williams stated last Friday while reviewing the city's financial picture for the Pike Press.

RECORD-BREAKING BUSINESS

Referring to the treasurer's report for the month of October, the mayor pointed out that Pittsfield has done a record-breaking $926,634 "worth of business" during the first six months of the 1975–76 fiscal year. The total includes receipts from the sale of water and gas, the city's share of the state sales tax, its share from property taxes levied at the county level, federal revenue sharing funds, all sources. The total a year ago the same time was nearly $200,000 less—$729,404.

Disbursements for the six-month period came to $841,312—leaving the current cash balance of $353,607. In a casual aside, the mayor noted the city has spent $50,000 on new equipment alone so far this year.

Back to the $348,749 in reserve funds—the nest egg and funds invested in securities to produce additional money:

$95,000 of the total is motor fuel tax funds returned to the city by the state and reserved for street improvements. It's drawing interest for the city until put to use.

$22,500 is federal revenue sharing money earmarked to be spent on repairs to the swimming pool at King park. It, too, is invested and drawing interest.

Mayor Williams stressed the importance of putting available money to work by investing it in certificates of deposits and treasury notes until it's needed for a specific project.

Wise investments plus preparing a realistic budget and "staying within it" are essential to the financial health of a city, in Mayor Williams' opinion.

One of Mayor Beame's problems, said Williams, is that New York City didn't follow its budget. Also reserve funds weren't established and bonds were issued beyond the legal debit margin. "Somebody closed their eyes, . . . they had to . . . had no choice," said the Pittsfield mayor talking about New York's dilemma.

WON'T BE CAUGHT SHORT

Unlike New York City, Pittsfield isn't likely to be caught short in meeting its bond obligations. Mayor Williams credits past city fathers who set up bond and interest reserve funds to make sure the city could meet its obligations when payments came due. "They were smart years ago." Those fiscal policies have kept Pittsfield solvent and account, in part, for today's nest egg.

FAVORS RESERVE FUNDS

Mayor Williams' goal is to establish reserve funds in all departments. He specifically mentioned a reserve fund for street improvements not qualified for motor fuel tax money.

This year the council established a fire engine depreciation reserve fund in which $7,000 is being set aside annually against the time new equipment must be purchased for the fire department.

Designated reserve funds currently amount to $231,247. Here's the breakdown:

$85,000 in the general obligation bond fund.

$10,328 in the water construction fund.

$81,286 in the water works and sewer bond and interest reserve fund.

$6,000 in the gas meter deposit fund.

$2,000 in the water meter deposit fund.

$38,496 in the municipal utilities depreciation reserve fund.

$1,137 in the water main and sewer extension fund.

$7,000 in the fire engine depreciation reserve fund.

Pittsfield's present long-term indebtedness amounts to only about $306,000 in revenue bonds issued for the construction of the present sewer plant and the water plant at the new lake. In addition, approximately $87,725 is left to pay on the general obligation bonds which were issued to build the city lake.

In September, the city made its last payment of $4,000 on revenue bonds issued on the "old" sewer plant which hasn't been in use since the present sewer plant went into operation.

A payment of $10,000 also was made in September on revenue bonds issued in the amount of $141,000 in 1954 to build the present sewer plant. These bonds are scheduled to be paid off in 1984 and were issued with an interest rate of only 4.25 percent. September's payment was the first scheduled on this issue.

The city also has outstanding $320,000 in revenue bonds at 4.25 percent for the water plant. These bonds were issued in 1960 and are scheduled to be paid off in 1990. The first payment of $3,000 will be due in September, 1977.

The city lake was built with general obligation bonds, voted by the people in 1960. The original issue totaled $458,000 with an interest rate of 3.75 percent. Only two payments of around $43,000 each are left and these bonds will be retired. The scheduled retirement date is December, 1976.

TAXES ABATED

Interestingly enough, the tax levied for the lake bonds has been abated each year because, under the leadership of the late Tom Troutner, mayor at the time, the council passed an ordinance which provides that $3,500 a month be set aside from sales tax receipts to pay for these bonds.

Mayor Williams envisions applying the Troutner approach in financing the updating of the sewage treatment facility—a major project now in the planning stages.

HOW TO FINANCE IT

As Mayor Williams sees it, the nest egg money plus a designated amount of income from sales tax returns could finance the city's share in the city-state financed project. Pittsfield's share will run 20 percent—around $200,000—of the total cost of the nearly $1 million project with no added burden to the taxpayers.

However, sewer rates would be increased, maybe $2 or $3 a month, to cover operating costs. But there would be no "use" charge for the plant customarily charged to pay for financing bonds and which can run as high as $30–$40 a month (reportedly the range in Quincy) or $14 a month, which is being charged in Nebo.

WHAT WOULD HAPPEN?

But what would happen if the brisk commercial business Pittsfield enjoys takes a nose dive and the city loses the healthy sum it now receives from sales tax returns?

Without batting an eye, the mayor replied he'd have "no alternative" but to cut equipment purchases and reduce the work force. And he wouldn't hesitate to tell government agencies like EPA who impose regulations "to go jump in the lake" unless they provide the money for implementing the programs they expect municipalities to follow.

COLUMNIST BUCHANAN, FORMER NIXON AIDE, RAPS PRESIDENT FORD FOR FIRING SCHLESINGER AND OTHER CABINET CHANGES

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. EVINS of Tennessee. Mr. Speaker, it is always interesting to observe the currents that run in Government and I was, therefore, most intrigued by a recent column by Mr. Patrick J. Buchanan, formerly a very vocal top aide to former President Nixon, sharply critical of President Ford's recent Cabinet changes and lack of management.

Referring to the recent Cabinet changes and reported internal struggles for power within the Ford administration, this former member of the Nixon team wrote:

> Rightly or wrongly, the impression emergent is that of a President incapable of imposing discipline upon his unruly household.

Because of the public interest in this matter, I place the report by Mr. Buchanan which appeared in the Nashville Tennessean in the RECORD herewith:

FORD WROTE HIS TICKET FOR POLITICAL DEPARTURE

(By Patrick J. Buchanan)

WASHINGTON.—Despite his command performance Monday evening, Mr. Ford, with his startling cabinet shake-up, has again shortented the odds that he will be the first Republican President in memory to lose the nomination of his own party.

It is not so much what was done, as how it was done. Rather than the smooth, programmed transfer of power it was intended to be, Mr. Rockefeller's abdication and the dismissal of Secretary Schlesinger and Mr. Colby came with all the breath-taking suddenness and surprise of political unfolding in downtown Lisbon.

The President may now have, in the defense and security agencies, men with whom he can comfortably work. But the impression in this city is less of confidence strengthened than of confidence shaken.

Mr. Rockefeller's departure from the Republican ticket was foreordained, predicted here as long as early last summer. The vice president was prescient and wise to stand down, rather than endure an ignominous nine months of political sniping from the right and embarrassing inquiries from the national press.

But if his departure relieves one major headache for Mr. Ford, it creates others. Never long on party loyalty, the former governor of New York now has some major scores to settle with the Republican right and no reason for postponing their settlement. While Mr. Ford has the vice presidency to troll in front of every drooling and ambitious Republican, the removal of Rockefeller is a signal certain that his eventual choice will not be a Rockefeller Republican.

Messrs. Brooke, Percy, Mathias, Javits, Weicker, etc., can read these tea leaves as well as the next fellow. With Rockefeller removed, with no chance themselves of being anointed in his stead, with Gerald Ford moving rightward to combat Governor Reagan, the incentive for Republican liberals to remain presidential loyalists is disappearing. Look for an open break between the White House and the Republican left on Capitol Hill.

Rockefeller's declination may be the Sarajevo of the GOP, the opening shot in a renewal of the conflict of '64 between the party's liberal and conservative wings. Such a conflict will leave the President in the diminishing center; indeed, the possibility emerges that Gerald Ford will have at least taken opposition in the party primaries from the liberal wing as well as Mr. Reagan.

As for Mr. Schlesinger's departure from Defense, that is a loss to the cabinet and the country. Abrasive he may have been with the barons of Capitol Hill, but he is also a man of brilliance and integrity. Almost alone within the cabinet, he has warned America, in Churchillian accents, against an over-investment of hope in detente, against the consequences to the West of the shifting balance of military power. If it was impolitic and undiplomatic to denounce House Appropriations' cuts in defense as "arbitrary" and "savage," it was also true and courageous. His departure leaves empty a pair of shoes Mr. Rumsfeld will not find easy to fill.

With Schlesinger gone, skepticism over what America is trading away in the SALT negotiations is certain to grow. Should the President and Dr. Kissinger come home with an arms agreement no better than the deal brokered at SALT I, all hell is going to break loose among the Jackson Democrats and Goldwater Republicans.

Considered individually, the power shift is of marginal utility to Dr. Kissinger who loses his NSC post to a loyal deputy, but who is also rid of his most capable antagonist in the councils of government.

The shift, however, was of considerable advantage to Mr. Rumsfeld who hands over the dead-end post of chief of the White House staff to a trusted protege, while ascending himself to a cabinet position of power and visibility.

The imperative need now is for the President to get control of his government. Dissent there must be within its councils, but, all too often, White House aides and cabinet officers supposedly loyal to Gerald Ford have been engaging in personality clashes and political battles on the front pages of the nation's press.

Rightly or wrongly, the impression emergent is that of a president incapable of imposing discipline upon his unruly household. Which makes one wonder if all this jockeying for position and shifting of posts is little more than quarreling generals fighting for office space on Corregidor.

LATVIAN INDEPENDENCE DAY

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1975

Mr. McCOLLISTER. Mr. Speaker, today, November 18, is the 57th anniversary of the day Latvia proclaimed itself an independent republic. This commemoration is a useful reminder that the peoples of the Baltic nations remain enslaved by Soviet imperialism. The United States continues strong in its resolve to support the independence of the Latvians, Lithuanians and Estonians and to resist Soviet claims that their forced annexation of the Baltic nations should be legitimized by international organizations.

Opposition to the forced incorporation of the Baltic nations far transcends political opposition to communism as an ideology or to the expansion of Soviet influence. We are dealing here with a question of basic human rights—the kind of rights recognized in the United Nations Declaration of Human Rights. The United States has long been the champion of individual rights and political self-determination. In 1975, the United States stands as firmly committed to self-determination and independence for Latvia as it was in 1918 when Latvia declared its independence.

In recent years, the United States has taken the initiative to promote world peace through its policy of détente, reducing international tensions between the world's two superpowers, the United States and the Soviet Union. Nowhere in our softened policy of relations with the Soviets, however, has the United States ever endorsed Soviet policies toward the Baltic nations. Nor will it.

EDUCATION RESCISSIONS SHOULD BE REJECTED

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. PEYSER. Mr. Speaker, yesterday President Ford asked Congress to rescind $1.28 billion from education programs of the Department of Health, Education, and Welfare. The cuts are proposed in the following areas: $220.4 million in elementary and secondary education; $220.9 million for school assistance in Federal affected areas; $36.4 million for education for the handicapped; $14.2 million for occupational, vocational and adult education; $768.1 million for higher education; and, $28.9 million for library resources.

I urge the President to withdraw these rescissions, and if he does not, I urge the Congress to reject the rescissions. The President is asking us to reverse our earlier actions and now cut the budget that we worked long and hard to make as fiscally prudent as possible.

For nearly a year now we have fought the battle of education appropriations. The Congress overwhelmingly passed the education appropriations bill, and then overwhelmingly overrode the veto of that bill. For the President to now ask us to reverse those actions and approve these rescissions is to have ignored what we in the Congress have consistently maintained, that is, this is the bare minimum that these programs need.

In my opinion, the careful and well reasoned arguments that we have made in favor of the educations appropriations bill still prevail, and therefore, these rescissions should either be withdrawn or rejected.

THE ABRAHAM LINCOLN BRIGADE: PARTISAN REPORTING

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. McDONALD of Georgia. Mr. Speaker, at a time when the Spanish Government is in transition and U.S. bases in Spain are up for negotiation, it is interesting to note that the activities of groups supporting the Spanish Communist Party are increasing here in the United States.

The Veterans of the Abraham Lincoln Brigade—VALB—has been receiving considerable attention in the mass media for its views on Spanish affairs. The VALB is headed by national commander, Steve Nelson, a former Comintern agent, spy, and saboteur who was for many years a top leader of the Communist Party, U.S.A.—CPUSA.

Nelson's public articles and statements on behalf of the brigade do not mention the Communist origins of his organization. In a letter to the Daily World, March 1, 1975, Phil Frankfeld criticized Nelson for not giving the CPUSA credit and noted:

> The Lincoln Brigade was not a spontaneous, immaculate conception. Unlike Minerva, it did not spring full-blown from Jupiter's brow.
>
> It had its origin, inspiration and organizing genius somewhere.
>
> That was the Communist Party of the United States. At a plenary session of the national committee held in mid-1936, * * * A motion was unanimously and enthusiastically adopted that an American contingent be formed to help defend the Spanish Republic.
>
> Every Party leader was directly involved and given responsibility to recruit volunteers, raise funds, help obtain passports and necessary equipment for combat conditions. In this the Party was ably supported by the Young Communist League.

Nelson's rejoinder was that as commander of the VALB, his function was to "raise the issues on Spain which have the widest appeal, which go beyond the Communists, the left, and the 'New Left.'"

Nelson continued to state that he was aware that it was the Communist Party of Spain which was organized the "Democratic Junta" in Spain from leftist elements of the "Monarchists, Socialists, Basques, Catalan nationalists, bourgeois democrats, and even the Catholic Church."

In light of the Communists' need to organize these elements into a controllable front, Nelson said that—

> It is more important to project a broad policy and win support of people who might shy away from supporting us in the fight today, than merely to re-state factual matters which existed in 1936.

That is, to boldly mention Communist involvement.

With these facts in mind, syndicated columnist, Jeffrey Hart, has produced a commentary on a Rolling Stone article extolling the veterans of the Abraham Lincoln Brigade. Mr. Hart points out that the writer of the Rolling Stone article has previously produced highly emotional anti-Vietnam war "tear-jerkers" when she was a principal New York Times correspondent in South Vietnam. I commend the attention of my colleagues to this column:

CELEBRATING THE ABRAHAM LINCOLN BRIGADE

(By Jeffrey Hart)

In its July 31 issue, the quasi-underground paper Rolling Stone ran a long and celebratory article on the Abraham Lincoln Brigade. These were American volunteers, largely Communist and serving under Communist auspices, who fought on the Republican side in the Spanish Civil War. There is nothing remarkable about the appearance of the article in Rolling Stone—the politics of that paper is standard New Left—except that the author of the article was Gloria Emerson of the New York Times, not long ago a principal Times correspondent on the scene in Vietnam.

Let us for a moment go back three or four years, to the time when the Vietnam War was a burning and divisive issue in American politics. Gloria Emerson's regular dispatches from the scene were not "news." They were mood pieces, designed to capture the essence of things in some small incident. Week after week they appeared, sometimes on the front page, and their quality was inimitable. The closest thing in my experience to the Emerson mood was the soap-box radio serial, Stella Dallas. Emerson wrote tear jerkers.

At one point in 1972, the Saigon government was trying to resettle in the South some farmers from exposed Quantri Province in the North. Here is the special Emerson music:

"The refugees, many of them bare-foot, stood on the shiny airstrip early yesterday morning holding clumsy bundles and shivering babies and looking fearful of the big American warplanes and the long voyage ahead. . . . The United States mission in Vietnam has been severely criticized for its relocation programs, which were often considered of little or no benefit to the Vietnamese who were forced to move . . ."

Just by way of contrast, here is how another Times reporter wrote up the same relocation program four days later: "After the heartache and uncertainty of leaving home, and a short-lived epidemic of airsickness, the 1,500 pioneers of South Vietnam's most ambitious refugee resettlement project are taking over their new village and say they are eager to start a new life. For the swarming families who arrived here last Thursday, Friday and Saturday, the move looks like a good deal. 'This is good land, much better than I had up there,' said Le Tiet, a 50-year old farmer."

From the thousands upon thousands of words filed from Vietnam by Emerson, let us select one other choice item, from 1971. This time she rated five columns on the front page of the Sunday edition. Ostensibly, the story concerns some minor skirmishing around the obscure village of Bachuc. Four South Vietnamese had been killed, and some villagers injured, by Vietcong mines in the neighborhood.

The moral of this strange item is presented by Nguyen Van Sam, a Bachuc "religious leader," who says, according to Gloria Emerson: "Between death and injury, death is perhaps easier for us. We are very poor. If a villager loses an arm or a leg his family will suffer, for he can no longer work." Accompanying all this is a large front-page photo of Tran This Nam, a "mother of eight," who lost an arm and a leg in a Vietcong mine blast.

All of this, of course, issued in an implicit but very loud message. If you supported Vietnamization and continued resistance to a Communist takeover, you wanted to blow the limbs off the "mother of eight" and by inference wanted the "eight" to starve.

Miss Emerson concluded these heartrending proceedings, and by this time the reader was about ready to turn himself in as a war criminal, with another quotation from the ever obliging Nguyen Van Sam: "God cannot hear what we are trying to say. We are choked by the hands of the government, so we cannot shout out."

God might not have been able to hear, but the reader certainly did. It was not enough that the U.S. withdraw its troops. The war itself had to stop, and whatever the consequences.

Now let us return to the present, things having been tidied up in Vietnam. Miss Emerson not only wrote the long paean to the Lincoln Brigate for *Rolling Stone*, but along with 1,300 other enthusiasts attended the 38th anniversary celebration in New York's Statler-Hilton Hotel. Steve Nelson and other Brigade veterans made speeches. Nelson is national commander of the veterans of the Brigade. He has also been identified by Louis Budenz as a Soviet espionage agent.

The official Communist organ *Daily World* welcomed the anniversary, and was not shy about identifying the genesis of the Brigade. "The Lincoln Brigade was not a spontaneous immaculate conception. . . . It had its origin, inspiration, and organizing genius somewhere. That was the Communist Party of the United States."

This kind of thing is usually discreetly overlooked, but it is common knowledge. The Lincoln Brigade was the American unit. Josip Broz, later Tito, a Communist functionary, ran the overall transport operation in Paris. The German contingent was named after Ernst Thaelman, a German Communist, etc.

As the editors of *Rolling Stone* reminded the youthful audience for Gloria Emerson's article, the Lincoln Brigade is a "stirring reminder that Americans did once fight on the side of democracy."

ALAN PARSELL HONORED ON RETIREMENT

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. McKINNEY. Mr. Speaker, I would like to pause and pay tribute today to one of my constituents, Alan U. Parsell, as he is justly honored by his town this weekend on the advent of his retirement from elected office after 42 years of dedicated public service.

Mr. Parsell first served as a justice of the peace in the 1930's, and then was persuaded to run for the board of education where he remained for 17 years, 7 of which were spent as its chairman. I might point out that these years came at a period of Westport's most rapid growth. Five schools were built, renovated or expanded—always with the aim of providing for the needs of the town with a sharp eye out for unnecessary cost to the local taxpayer.

From the board of education Mr. Parsell then moved to the representative town meeting, a form of government that tries to do just what its name implies: embody the spirit of the New England town meeting through elected representatives when the size of the town makes a true town meeting unwieldy. Throughout the last 17 years thousands of Westporters have enjoyed his Yankee twang making points and comments through anecdotes and speeches—his concern for his town ever evident.

Many who know him feel that this concern stemmed from his profession of farmer and nurseryman. Dealing with things that grow, nurturing them and keeping them pruned from excess—it hardly matters whether you are discussing the shrubs or the town itself.

He says that he is retiring because he is "old and tired" but at the same time I am happy to note that he promises to continue making his voice heard on behalf of what he believes to be the best interests of the town. We will all be the richer for that. This spirit of concern for the community, so perfectly exemplified by Alan Parsell, is the cornerstone of our American democracy.

In closing I can do no better than to quote from an interview that appeared last month in the Bridgeport Sunday Post wherein Mr. Parsell himself summed it all up saying,

> I never lose sight of the fact that I'm a damn Yankee.

May his kind increase, and may these years of slightly decreased activity bring him and his wife the time to enjoy at leisure the fruits of his hardy labors.

AMERICA'S THIRD CENTURY

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. HARRINGTON. Mr. Speaker, at a time when mere speculation is often the basis of long-range environmental and energy planning, an optimistic appraisal of the future of natural resources deserves consideration. For it happens that such views tend to illuminate other less apparent yet perhaps more imminent problems we will have to contend with.

Predicting ever-increasing global supplies of food energy sources, and mineral substitutes, Norman Macrae concludes that the crises lurking in our third century will be substantially different from those commonly feared.

I am submitting for today's RECORD the fifth part of Norman Macrae's continuing survey of the American past and future. The author's unique perspective on and insight into our third century give rise to a host of serious questions that I feel cannot be ignored in attempting to draw up some sort of coherent and comprehensive policy for the next hundred years.

The text of the fifth installment of "America's Third Century" follows:

AGENDA FOR WORLD LEADER

(No problems for the future energy, food, minerals. Real problems living too long, and . . .)

On the first day of our Lord, when the order had gone out from Caesar Augustus that all the world should be counted, there were probably around 250m human beings, with an average annual income per head of $100 in terms of today's money. On the first day of the United States, on July 4th of 1776, there were probably around 700m human beings, with the same average annual income per head. The world then stood at one minute to dawn after 10,000 years of technological stagnation.

The average Roman citizen in AD 1 seems to have had a slightly higher annual income (guessed at today's equivalent of just under $300 a head) than his successor citizen 1775 years later in the next great republic (just under $200 a head for the United States in 1776). The man of 1776 used much the same energy sources as the man of AD 1 (animal muscle, wind and water): he could travel much the same tiny maximum distance per day; he used much the same materials for tools (wood and iron) and had much the same average expectation of life (to his late 30s or early 40s), although Rome's standards of big-city-sanitation were better. Rome reached a population of a million, which no subsequent city dared to do until London after 1800, because the million-people-megalopolis did not seem safe under post-Roman but pre-1800 standards of cleanliness, plague control, law and order protection, and unmechanized transport of peasant or feudal agriculture's products into the towns. The two really big technological advances between AD 1 and 1776 were in killing power (gunpowder by 1776 had several times the killing area of arrows) and information technology (Gutenberg's printing press after 1441 increased the circulation potential of each written word several hundredfold).

Then shortly after 1776, all the charts scattered through this survey took off with a whoosh.

Between 1776–1975 world population has increased sixfold, real gwp eighty fold, the distance a man can travel a day between a hundredfold and a thousandfold, the killing area of the most effective megadeath weapon over a millionfold, the amount of energy that can be released from a pound of matter over 50 millionfold (with much more to come) and the range and volume of information technology several billionfold (although how do you compare the range of an orator's voice in 1776 with Neil Armstrong's telecast from the moon to everybody's drawing room, or an abacus with a computer?)

GROWTH TO COME

Note that the things which cause gwp to increase (potential energy, information technology, etc.) have already increased by thousands or even millions of times more than gwp itself, so that there is a lot of existing technology still to work through to living standards as well as even more technology to come. In 1975, when it is fashionable to forecast that world growth is about to stop technological realism suggests that growth is more probably at an early stage of an extraordinary acceleration.

The eightyfold increase in real gwp since 1776 has been based on man's increase in control over matter and energy, at a pace that has risen in each of the last 20 decades after having stood still in the previous 10,000 years. To this matter-cum-energy-revolution there has been added in the past two decades a breakthrough in the processing of information (computers, etc) and a nascent breakthrough in the distribution of information (telecommunications by satellite, the beginnings of packaged and computerised "learning programmes", maybe even at last a start towards understanding of the learning process itself).

During 1950–73 real gwp was increasing at an annual average 5%, which meant that it doubled about every 14 years. It will be surprising if during most of America's third century 1976–2076 the world does not have the potential to grow considerably more quickly than that. But note, first, that even if only 5% annual growth were continued then by 2045 today's $5½ trillion gwp would be over $350 trillion. My guess is that by 2059 world population might be around 15 billion, and people probably would not want a gwp much higher than that trebling for every human of America's present gnp per head. Note, second, from Table 1 the distribution of income with which the world starts. Two-thirds of mankind are still living at pre-1776 levels of under $300 a head. The other third of us have average incomes between five and 25 times as high. Trillion in this survey means, in the American language, one million million; and billion means a thousand million.

There is a temptation to preach to any world leader from Table 1 on the way in which he should determine to help distribute these many chickens for every pot. But what may stop them from being hatched?

American ecologists—who for some reason think that all the post-1776 charts which have risen with a whoosh will now drop with a whoosh—say growth is going to be stopped by a shortage of energy, food and raw materials (especially metals) plus high pollution and high birth rates. These seem, in fact, the five least likely forecasts for the next 20 years. Instead, the three biggest worries over the next three decades may be: a fall in the old people's death rate, a growth in mass-killing-power, and the danger that new knowledge will expand out of control. But consider the five red herrings first.

TOO MUCH ENERGY, NO POLLUTION

There are many thousand possible ways of releasing energy from storage in matter. They range from petty ways, like 25 BTU's per pound of matter by letting a pound of elastic bands untwist; through fairly petty ways, like 20,000 BTUs by burning a pound of petrol; through more sophisticated ways like 250 BTUs from the fission of the U–235 isotope in one pound of natural uranium; up to 260 thousand billion BTUs from the fusion to helium of a pound of hydrogen. Note that this last system, in which the waters of the oceans could serve as a limitless reservoir of fuel, would be over 10,000,000,000 times more effective per pound of matter than burning a pound of the Arabs' oil.

The trend since 1776 has been for new technology to drive on in sudden bursts towards the cleaner power sources nearer the top of the range. The present "energy crisis"—ie, the raising to 100 times its marginal cost of the asking-price for the inconvenient mineral slime that is temporarily considered the most transportable energy source—must make the next burst a bit faster. The likely speed of the coming glut in oil might best be gauged by the speed with which other sources were displaced when oil became cost-effective (oh, those poor interwar coalminers and horses), by the range of known future alternatives (unprecedented, including fusion, solar, geothermal, ocean-gradient, renewable-cellulose-into-clean-alcohol, a lot of others) and by the inefficiency with which all industrial countries have used fossil fuels (generation, storage and transmission mechanisms have long been archaic).

A big advantage is that each new energy source tends to be much less pollutant than the last one. A horse dragging a cart through an urban mile emits 600 grams of solid pollutant and 100 grams of liquid pollutant; a motor car emits only 6 grams of pollutant of any sort; a battery-driven car will emit . . .? Pittsburgh and London peasoup fogs have largely disappeared with soft King Coal.

TABLE 1.—GROSS WORLD PRODUCT

	Population (million)	Total GNP (billion)	GNP per head	Annual GNP growth 1960–73 (percent)
United States	215	$1,500	$7,000	4.
Other industrial (West Europe, Japan, etc.)	550	2,300	(1)	From 3 (Britain) to over 10.
Middle class (Communist Europe, Mediterranean, some fast developers)	550	850	1,550	5 to 10.
Oil countries	150	200	(2)	Erratic.
Poor countries	2,550	650	250	Generally around 5.
Total	4,000	5,500	1,400	

[1] From $3,300 (Britain) to $7,000.
[2] From $300 (Nigeria) to over $10,000.

Note: Annual total GNP growth from 1960–73, generally around 5 percent.

THE COMING GLUT OF FOOD

The present world political system is that nearly all poor countries (under an annual $500 a head) rig their economic policies against their farmers—and then find that the universally-high elasticity of supply in agriculture means that their countries are very short of food; while nearly all rich countries (over $1,000 a head) rig their economic policies in favour of their farmers—and then find that the universally-high elasticity of supply in agriculture saddles them with butter mountains. Over the next three decades most countries will move above the $1,000 a head mark, and we will suddenly find ourselves swimming in food gluts.

Shortages in food supply per head of local population are not nowadays well correlated with soil conditions. India-Pakistan-Bangladesh, the most tragic area, has more arable land than the United States, great ability for multiple cropping, a more bountiful water supply. More interestingly, the elasticity of food supply (ie, the usual % rise in supply in response to a % rise in real price) is not nowadays well correlated with social conditions.

In the five years after 1965 there were huge increases in wheat and rice yields in India-Pakistan (aided by the politicians' temporary emphasis on agriculture, by favourable terms of trade for petroleum-based fertilisers, by the green revolution, maybe by good weather), so that India temporarily became self-sufficient in agriculture. If these increases in yields had been continued for a century, the world would have been destroyed because its entire surface would have been covered by rice to a depth of three feet. But then Indian and Pakistani politicians turned to concentrate their budgets on more bellicose things, and higher energy prices moved the terms of trade against the farmers.

Agriculture in the rich countries is now uneconomically energy-intensive, so it is easy for those who count in megajoules to say there is wild exaggeration in the argument that if all the land now cultivated were brought up to Dutch standards of efficiency, then the world could feed 60 billion people, 15 times today's population. Instead, there is understatement. This estimate refers only to the tiny 3% of the globe's surface that is now farmed. It ignores the fact that in most poor countries there has not been a serious "green revolution" study of the best methods and crops. It underestimates the fact that 70% of crops in some poor parts of the world are eaten by easily-destroyable pests. It takes no account of the way plant growths can already be increased between tenfold and a hundredfold in plastic greenhouses or other scientifically-controlled chambers free of diseases and pests. And the chemical equivalent of outdoor protection by plastic greenhouses is bound to come.

Above all, it ignores the waste in the present extraordinary agricultural system of turning grain into meat through very inefficient livestock converters.

The world's pigs today eat seven times more primary protein than the world's North Americans. The world's horses (now often a recreational animal) eat more than its Chinese. The world's cows (a third of them Afro-Asian nonproducers) eat more grain than all the world's people. With apologies to cows, our children will move to rearing food by conversion of cellulose by enzymes and of petroleum wastes by single-cell high-protein organisms. Listen to America's J. Leon Potter:

"A pound of bacteria, feeding on crude oil so worthless that it is burned as waste, can grow fast enough to produce 10 pounds of protein in a day. If a yearling calf were able to manufacture protein at the same rate, it would end the day roughly the size of a three car garage and it would have consumed several tons of expensive grain in the process. The cost of protein produced from waste effluents is approaching 3 cents/pound, compared with agriculture and animal protein at 10 cents/pound. Algae produces protein at a rate of 30 to 50 tons/acre/year, compared with the conventional agriculture of 3 to 5 tons/acre/year."

Will this food from bugs be made palatable? Unfortunately, yes. It is already possible to make sewage taste like stew.

The real food problem for the future is rich men's habit of eating more food than is good for health, partly because of the accident that "entertaining", both social and business, has morbifically become attached to this natural function, rather than to the two that are assumed to be more disgusting than a drunken guzzle (defecation and sex), or than to the civilised Roman one. It will be wise in this next century to go back to holding social gatherings and informal business negotiations in what could now be various exciting sorts of baths.

ON YOUR METALS

Five of the world's 16 main metals are in virtually limitless supply (iron, aluminium, magnesium, titanium, silicon). Four others are subject to continuing improvements in the mining process, and the next will be the big step of just picking up nodules from the ocean floor (copper, cobalt, manganese, nickel). That leaves seven whose long-term prices might rise sharply if today's "known reserves" were the most economic way of mining them (chromium, lead, zinc, tin, gold, silver, mercury). But the whole anti-intellectual concept of talking about "known reserves" of anything, including oil, is often the last refuge of the scoundrelly oil company's public relations officer. Listen instead to Professor Wilfred Beckerman:

"Given the natural concentrations of the key metals in the earth's crust, as indicated by a large number of random samples, the total natural occurrence of most metals in the top mile of the earth's crust has been estimated to be about a million times as great as present known reserves. Since the latter amount to about a hundred years' supplies this means we have enough to last about one hundred million years. Even though it may be impossible at present to mine to a depth of one mile at every point in the earth's crust, by the time we reach the year AD 100,000,000 I am sure we will think up something."

Other rather obvious points: the world does not actually consume metals at all, but employs them in ways that make them available for re-use after anything between 3 and 25 years (ie "known reserves" should include all the already-used metals eventually available for recycling); most of the industrial materials used today were not even conceptually recognised a short time ago, and most of the materials that will be used in the coming century are not conceptually recognised today; substitutions through plastics, etc, will hugely increase; and microminiaturisation with integrated circuits means that it is going to be increasingly economic to put on to a chip the size of a postage stamp properly connected electrical circuits which would previously have required assemblies of machinery that fill a room.

One mineral probably is going to be short for a while, because countries have foolishly made it a free good; water.

POPULATION: THE FIRST WORRY

At last year's World Population Conference in Bucharest, the United Nations Secretariat presented a World Plan for Action (on which it had been working for years), calling for a reduction of world population growth to 1.7% a year by 1985. Nobody liked to point out that world population had probably fallen to 1.7% a year already.

The anti-baby hysteria of the 1960s was a classic of trendy innumeracy. It came after a fall in fertility rates had been made certain by the breakthrough in both birth control technology (the pill, etc.) and in birth control attitudes (acceptance of abortion and of papal fallibility). By 1972 the World Bank was already reporting a decline in fertility in 56 of the 66 countries for which meaningful data on births are available; but those whose jobs depended on the continued organisation of the anti-baby World Population Year pressed on regardless. The result will now be a risk of emotion the other way. It is already fashionable to say that the present 4 billion world population will still be under 6 billion by the year 2000. This is probably wrong, because the next problem has not been foreseen.

Awkwardly, medicine is bound eventually to make a breakthrough in curing the main degenerative diseases, so that old people will start to exist longer. This will set the real population problem. As the death rate drops, mankind will probably have to move towards acceptance of euthanasia and even planned death (with a hell of a going-away party on your 85th birthday?).

My guess is that mankind will accept this smoothly. Witness how abortion was a word you could not mention to auntie 15 years ago, but today any woman could get an abortion in most cities by next weekend. It will not be at all surprising if there is in some quite near decade-and-a-half a similarly swift and equally civilised dash to acceptance of killing off old codgers (by then, like me) as there has been, in so short a twinkling, towards the more emotive act of killing unborn babies. Acceptance of planned death means that mankind must then surely alter all the lifestyles for all the ages of present individual existence as well.

But this had better be discussed later, after first pondering whether the real dangers of 1976–2076 will allow mankind lifestyles at all.

REPUBLICANS AND TAXES

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. PHILLIP BURTON. Mr. Speaker, we Democrats are frequently accused of overspending and being careless with taxpayers' money.

I am inserting for the RECORD an article from the Service Union Reporter of California, September 1975, about one of those who most frequently proclaims his fiscal purity and how he protects the taxpayer.

Text of article follows:

TAXES HURT EVERYONE EXCEPT RONNIE, BABY—AND THAT COSTS THE REST OF US MORE

Remember that fellow who said that taxes should hurt? He said that if taxes hurt, the taxpayers would zero in on all those wild spenders in Congress, state legislatures, city and county government, and force them to keep taxes down.

Well, Ronald Reagan surely can't complain that taxes hurt him no matter what he once said. It was just a couple of years ago that it was revealed that he paid no state income taxes despite the tens of thousands of dollars he took in one of the years he was governor. He found some loopholes, just as Nixon attempted to do, and made sure that taxes hurt someone else, but not Ronnie, baby.

Now the former governor is back at his same old tricks making sure that he's not hurt even though every cent he doesn't pay has to be made up for by someone else. And guess who that is? You and I, that's who.

Reagan recently bought a 664 acre ranch up in Santa Ynez in Santa Barbara County. According to figures published in the news media, the property is worth more than $500,000. That figures out to about $753 per acre which seems reasonable for valuable Santa Barbara County land.

The new Reagan spread, where he can play cowboy once again while he plots out ways to destroy Social Security (have you heard his radio broadcasts lately?), is valuable enough to be put up as security for $486,000 in loans. The fact that banks would put up that much money on that ranch as security indicates that the land is worth even more than the half million Ronnie paid for it.

But now comes the kicker. Despite the value of the property Reagan has found another loophole and he is paying almost no property taxes. So guess who's making up the difference in Santa Barbara. The other guys like you and me, that's who.

Reagan has signed a trust agreement setting his land aside as an agricultural preserve which says he won't develop the land or plow it up and plant something, which he never intended to do anyway, and so he only has to pay taxes on the buildings and the small part of his ranch they stand on. That might seem fair enough if the appraisal were reasonable and if the land were opened up for the use of the other citizens of the state for riding and roughing it.

Well, Ronnie has evidently found a friend in the tax appraiser's office. We have been told that the living quarters on the Reagan rancho are a rambling Spanish style abode and have barns, stables, and a few conveniences like a swimming pool and a tennis court. The records in Santa Barbara indicate that Reagan's $500,000 investment has an assessed value of only $11,530, and his tax bill is only $1,108. That means that the former governor is paying just about what the owner of a $40,000 home has to come up with.

None is suggesting that there is anything illegal in what Reagan is doing. But there is something just a little immoral in someone running around saying that taxes should hurt and then making sure that the guy getting hurt is someone else.

Of course there are similar legal tax loopholes which allow insurance companies, banks, oil interests, and other big wheels to pay far less than their fair share. But that doesn't make it right and it doesn't make Reagan fit for any public office. Someone once said that "Reagan believes in the minimum wage and he wants it to be as minimum as possible."

He has the same feeling about his taxes.

Preferential treatment on tax bills is what makes taxes for all the rest of us so high. If all the loopholes were closed and everyone were paying a fair share of the burden of government we wouldn't have politicians claiming that it is the high wages of public servants which has caused all the trouble in our cities.

Our problems would be much less if the politicians like Ford and Reagan were not rigging everything for the rich and killing the rest of us with inflation and unemployment.

There are those who say that all the problems of inflation go back to the last Democratic president, LBJ. Well, look at the record. When Nixon took over in 1969, unemployment was less than three percent and the inflation rate was less than four percent. When Nixon left office, unemployment was 6.8 per cent and inflation was twice as high. When we last looked at the Ford record we saw that over ten per cent of California workers were unemployed and inflation has averaged about 15 per cent for his 13 months in office.

Well, in his domestic policies, Reagan is even more rich man oriented than Ford. He is the living proof that politicians should be forced to reveal their income tax returns before being allowed to run for office.

FARMERS ARE CONSUMERS

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. SEBELIUS. Mr. Speaker, the following is the eighth in a series of 10 messages sponsored by Far-Mar-Co Inc., Hutchinson, Kans., in U.S. News & World Report to stress the importance of a vigorous and reliable market for farm products. The farmer, like any other businessman, attempts to maintain a balanced checkbook and tries to make ends meet. It is often forgotten that farmers are faced with fixed and variable operating expenses, payments for costly machinery, buildings, and land along with high grocery bills. The article follows:

A FARMER BY ANY OTHER NAME IS A CONSUMER

Whether you're a city-consumer or a farmer-consumer, "consuming" is getting more and more expensive.

And whether you're a city-consumer or a farmer-consumer, you have grocery bills, clothing bills, gasoline bills, utility bills, and a variety of other bills.

But in addition to all of those bills they have in common, a farmer-consumer also has tractors, combines, trucks. And seed, fertilizer, herbicides, pesticides. And irrigation equipment, grain bins, silos, barns.

So when you think of consumers. Remember there are no geographical boundaries. The American farmer is paying the price just like his city counterpart.

But he can continue to pay it only if he receives a fair return on his investments. So let's not take him for granted.

AN ALARMED CITIZENS' VIEW OF THE NATIONAL DEBT

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. HAMMERSCHMIDT. Mr. Speaker, I have recently had the good fortune of receiving some very well-taken and well-reasoned viewpoints on the national debt, from the point of view of my constituent, Mr. Russell T. Purdy, of Fayetteville, Ark.

Mr. Purdy's thoughts on this subject are enlightening and offer much insight into the issue of fiscal integrity and responsibility. They reflect a good deal of commonsense, which is the most vital ingredient necessary in the effort to harness the runaway public debt that so threatens the Nation's future economic stability.

I echo the sentiments expressed by my constituent and I submit them for the consideration of my congressional colleagues. I believe the sound and commonsense views expressed could and should serve as meaningful guideposts for the Congress to follow.

Mr. Purdy's remarks appear below:

AN ALARMED CITIZEN'S VIEW OF THE NATIONAL DEBT

When I say to young adults that they are still paying interest on a dollar borrowed by the Government in 1932 and that this dollar has doubled to two, redoubled to four and again perhaps eight, on which they are now paying interest, most are disbelieving and some have said, "OH, NO—they wouldn't let a thing like that happen."

When I tell them that the Government plans to go deeper in debt by 71 billion dollars this fiscal year and that this increase is at a rate of almost 200 million dollars a day and that in July it was actually 350 million dollars a day, including Saturdays, Sundays and holidays, they look at me in stunned disbelief and usually shake their heads in total inability to comprehend such staggering figures.

Next I show them a graph (Exhibit No. 1) of national debt plotted against time, explaining that the 24 billion debt of 1920 resulted from World War I and that we wisely started reducing this debt so as to enhance the nation's credit against another emergency, which soon came along as the great depression of 1929. From 1932 on the debt, with a few minor exceptions, has constantly increased until today it stands at about five hundred billion, one-half of a trillion dollars.

It is planned to increase the debt this fiscal year to five hundred and fifty billion, the interest on which will be about a hundred million dollars a day (a hundred million dollars a day borrowed to pay interest on borrowed money!)

The sudden upturns resulting from World War II and the Viet Nam fiasco are apparent, but nowhere do we show any tendency to shore up the nation's credit by reducing this debt, even in times of great prosperity. In fact, I cannot recall ever having heard a responsible candidate campaign on a platform of paying off this debt. It seems probable that nobody intends ever to pay it off and therein lies disaster.

Let's assume that we realize our peril and have the fortitude to go "cold turkey", quit borrowing for our living expenses and borrow only to support the present debt.

The interest alone will kill us for the debt will double approximately each ten year period, going from 500 billion today to one trillion in ten years, to two trillion in twenty years, and to four trillion in forty years, etc.

Awesome and horrible as the thought is at first glance, it would be less bad to print paper money than to print paper I.O.U.'s that nobody intends to repay, for we would have to pay interest on the I.O.U.'s.

It seems reasonable to use the last twenty-five years of our curve as reference in determining trends. With some small exceptions it is an ever upward curve at an ever increasing rate, so much so that at the right end it is approaching the vertical. This 25-year portion is shown in Exhibit No. 2, plotted to the same scale and starting at the then existing debt of 250 billion dollars, itself a staggering burden. The dashed portion represents an attempt to extend the curve into the future, using past performance, and this year's planned debt increase as criteria and remembering that the interest on the debt will be on the order of 35 billion a year at the start.

If we do not mend our ways and this forecast proves accurate we will double, in four or five years, the national debt accumulated in almost 200 years and the curve will be standing in an almost upright position.

I can almost hear someone say "What do I care if it does become vertical?" Theoretically, it can't become vertical but it can approach the vertical so closely that for all practical purposes it is upright.

When this occurs the cost of borrowing for an additional year, moving to the right on the time scale, becomes so astronomically great on the debt scale that further debt becomes unrealistic, even impossible.

With no way to borrow money the government would be forced to live within its income and would be impossibly handicapped in time of war or other major emergency. The results could and might well be a collapse, not depression but collapse, such as was experienced by Germany.

My friends have said "Oh, well, we'll just cancel everything and start over." Easy now, it's just not that simple for, in such a calamity, we could well be forced into another form of government. It would be far better to straighten out this mess now, cure our currency ailments and keep the government we have than to risk the possibilities inherent in a collapse.

Now please allow me to attempt to illustrate this predicament in the manner of the cartoonist. Customarily, positive figures are plotted above the horizontal axis and negative values below. Now if there's anything more negative than debt I'm at a loss to know what it is, so let's plot the last twenty-five years properly, below the horizontal line as shown in Exhibit No. 3.

Now please imagine with me that this curve represents a river flowing to the right and we are in a boat at the start of the flow (1950) on the left side. It was easy to drift with the current, borrow money and let the future take care of itself. Now we are at a point on the far right, well over the top of fall and almost to the point of vertical drop wherein we will become unstable in that we cannot help ourselves and we collapse as a unified nation and become a mob of panic stricken individuals.

We still have a life line aboard that will enable us, if we are willing to pull hard enough, to swing over to the bank of the stream and begin our long, toil, tears and sweat, trek back up and over the edge of the bluff.

We are well past the danger zone and are swiftly approaching the area where we become unstable and go over the falls. It is now time to pour cold water on all internal selfish governmental squabbling, to throw aside all partisan politics and join hands as statesmen to lead the nation back toward the path of fiscal common sense.

REINTRODUCTION OF THE DISPLACED HOMEMAKERS ACT

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mrs. BURKE of California. Mr. Speaker, today I am reintroducing the Equal Opportunity for Displaced Homemakers Act—H.R. 10272—with 40 cosponsors. I am pleased to have my colleagues join me in supporting this legislation to help displaced homemakers make it through a readjustment period so that they may become self-sufficient and productive members of society.

At this time I would like to insert into the RECORD a list of the cosponsors of the bill and an excellent article about the plight of the displaced homemaker by Marguerite Sullivan which appeared recently in the San Diego Union:

EQUAL OPPORTUNITY FOR DISPLACED HOMEMAKERS ACT COSPONSORS

Bella Abzug (New York).
Michael Blouin (Iowa).
George Brown, Jr. (California).
John Burton (California).
Charles Carney (Ohio).
Shirley Chisholm (New York).
Cardiss Collins (Illinois).
John Conyers (Michigan).
Ronald Dellums (California).
Don Edwards (California).
Joshua Eilberg (Pennsylvania).
Harold Ford (Tennessee).
Donald Fraser (Minnesota).
Michael Harrington (Massachusetts).
Augustus Hawkins (California).
Henry Helstoski (New Jersey).
Robert Kastenmeier (Wisconsin).
Martha Keys (Kansas).
John LaFalce (New York).
Andrew Maguire (New Jersey).
Ralph Metcalfe (Illinois).
Parren Mitchell (Maryland).
Joe Moakley (Massachusetts).
John Moss (California).
Robert Nix (Pennsylvania).
Richard Ottinger (New York)
J. J. Pickle (Texas).
Frederick Richmond (New York).
Donald W. Riegle, Jr. (Michigan).
Peter W. Rodino, Jr. (New Jersey).
Benjamin Rosenthal (New York).
Edward Roybal (California).
Leo Ryan (California).
Stephen Solarz (New York).
Gladys Spellman (Maryland).
Fortney (Pete) Stark (California).
Henry Waxman (California).
Richard Vander Veen (Michigan).
Charles H. Wilson (California).

[From the San Diego Union, Oct. 24, 1975]

"DISPLACED HOMEMAKER" SEEKS A HAND

(By Marguerite Sullivan)

WASHINGTON.—The letter from the "Ex-Housewife," as she called herself, was filled with bitterness:

"I was a housewife for 30 years and now find myself alone at 51 wondering if I must go into someone's home and raise their family in order to live."

Recently she took an occupational training program in retailing through a local high school in her Southern California suburban city, she wrote—"only to be told there was no store for the on-the-job part of the training. The high school students were all placed in stores, however.

"P.S. I am healthy and not overweight, so that cannot be the employers' excuse for discrimination regarding the training program. It is age."

The woman is a "displaced homemaker." It is a new term for a not-so-new but growing problem: middle-aged women, homemakers most of their lives, usually dependent on a husband for income, who suddenly find themselves alone because of divorce or widowhood.

EMPLOYMENT BARRIER

Displaced homemakers have little or no work experience. When they go to look for a job, they find age and sex discrimination, combined with lack of job experience, an almost insurmountable barrier.

They don't qualify for unemployment insurance. They often are not eligible for Social Security benefits because they are too young. If divorced and unmarried less than 20 years, they never will qualify for benefits from their former husband's earnings.

They are not entitled to benefits under federal welfare assistance (aid to families with dependent children) if their children are over 18.

They may, especially if divorced, have lost their beneficiary status under their husbands' pension and health plans, and be too old to readily receive private health insurance.

"The loss of the wage earner in their family leaves them in a state of despair, with few resources and no one to turn to, with the knowledge they need to start new lives," said Sen. John Tunney, D-Calif., who along with Rep. Yvonne Brathwaite Burke, D-Calif., has introduced legislation to assist the displaced homemaker. Mrs. Burke introduced her bill in May, Tunney his in September.

BASIS OF LEGISLATION

Both legislators are reintroducing, with changes, an Equal Opportunity for displaced Homemakers Act. The two bills, which have some differences, were developed from proposals from the National Organization of Women (NOW) and its Task Force in Older Women. NOW is also responsible for many of the changes.

Under the redrafted legislation, the secretary of Health, Education and Welfare could establish programs to provide outreach, counseling and information and referral services to insure the health, welfare and income capabilities and employment of the displaced homemaker. The services could be direct or referral depending on resources available in the community.

Tunney's measure would be a pilot program, limited to 20 to 30 centers around the country with a $2.5 million funding ceiling for each of the two years of the legislation. Mrs. Burke's measure would put no numerical or financial limitations on the centers.

Under both bills, the HEW secretary would be required to make a report evaluating the program to Congress. Mrs. Burke would like the study to include the eligibility of displaced homemakers for unemployment insurance.

A similar measure, sponsored by state Sen. Jerry Smith, D-San Jose, which will establish a demonstration displaced homemakers center in Alameda County, was signed last month by Gov. Brown.

No one knows just how many displaced homemakers exist. Tunney said, however, that, according to NOW figures, they number three million. Mrs. Burke said the number could be as high as six million.

"We must realize that 47 per cent of California women who are 35 years or older are widowed or divorced, more than 155,000 Californians living below the poverty level are in female-headed households, and there has been an increase of 46 per cent in the number of households headed by women in the last 10 years," Tunney said.

Nationwide, figures from the Commerce Department show that in 1973 (the latest year available), of women between the ages of 45 to 54, 7.7 per cent were widowed and 0.3 per cent were divorced.

For men at the same ages, it was 1.2 per cent and 3.9 per cent respectively.

Of women between the ages of 55 to 64, 21 per cent were widowed and 4.5 divorced. Of men between the same ages, the figures were 4.1 per cent and 3.4 per cent.

Linda Teiveira, chairman of the Washington chapter of the Alliance of Displaced Homemakers and the leaders of the legislative campaign for women's groups around the country, said one major accomplishment of the bill would be to get homemaking recognized as a skill.

"These are people who have not been recognized by the employment market. Homemaking simply is not recognized as a legitimate kind of work.

"But it should be, because the homemaking skills are being additionally required by the society," she said.

"Day-care centers are proliferating, care for the aged increasing, handicap programs are growing. All of these could use homemakers.

"But now they are not, because no one recognizes the homemakers' skills," Miss Teiveira said. "Take day-care legislation.

"The legislators think always of 'professionals' running the centers. They don't think of the people who brought the legislators up—their mothers. Who is more professional than a mother?"

REVENUE SHARING

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. EMERY. Mr. Speaker, the following resolutions express my sentiments and those of my constituents with regard to the revenue-sharing program in the State of Maine. No further discussion is needed, as these resolutions speak for themselves. The resolutions follow:

REVENUE SHARING RESOLUTION

Whereas, County governments in nearly half of the states budget from July through June and all counties must make long term budget commitments to efficiently meet the needs of their citizens;

Whereas, Counties depend on general revenue sharing dollars for essential county programs;

Whereas, Revenue sharing dollars enable counties to fill locally determined vital needs with minimal redtape and federal restrictions;

Whereas, Efficient county government calls for well-planned advance budgeting;

Whereas, Responsive county government depends on efficient county planning and budgeting and ample time for citizen participation;

Whereas, The current revenue sharing program expires December 31, 1976 and July through June fiscal year counties must begin budgeting the previous spring;

Therefore, be it resolved by Waldo County, that general revenue sharing be re-enacted by the first session of the 94th Congress providing counties with advance dollar figures that can be used for efficient, responsive planning of programs and budgets and that can be identified for more than half of their fiscal '76 year and can be incorporated in long term effective planning.

Be it further resolved that a copy of this resolution along with the summary report be immediately forwarded to the Senate and the House of Representatives.

SUMMARY REPORT

Waldo County, population 23,328, has received $212,349.00 in revenue sharing funds since 1972.

These funds have been used to provide a County Detention Center and to keep an already high county property tax from being raised.

The county's planning of the budget begins in June 1976 for the biennium starting January 1, 1977 through December 31, 1978. The county adopts the budget by November of the year prior to the beginning of this period. Therefore, Waldo County must know about revenue sharing funds well in advance in order to make plans for expenditure of the funds.

Without revenue sharing funds Waldo County would be forced to cut back services, lay off employees and raise property taxes by 20 percent.

REVENUE SHARING RESOLUTIONS

We, the Knox County Commissioners, have met and passed the following resolutions:

Whereas, County governments in nearly half of the states budget from July through June and all counties must make long term budget commitments to efficiently meet the needs of their citizens;

Whereas, Counties depend on general revenue sharing dollars for essential county programs;

Whereas, Revenue sharing dollars enable counties to fill locally determined vital needs with minimal redtape and federal restrictions;

Whereas, Efficient county government calls for well-planned advance budgeting;

Whereas, Responsive county government depends on efficient county planning and budgeting and ample time for citizen participation;

Whereas, the current revenue sharing program expires December 31, 1976 and July through June fiscal year counties must begin budgeting the previous spring;

Therefore, be it resolved by Knox County, that general revenue sharing be re-enacted by the first session of the 94th Congress providing counties with advance dollar figures that can be used for efficient, responsive planning of programs and budgets and that can be identified for more than half their fiscal 1976 year and can be incorporated in long term effective planning.

Be it further resolved that a copy of this resolution along with the summary report be immediately forwarded to the Senate and the House of Representatives.

SUMMARY REPORT

Knox County, population 29,013, has received $170,316.00 in revenue sharing funds since 1972.

These funds have been used for operating maintenance in the categories of Public Safety, Public Transportation, and Financial Administration; for capital expenditures under Multipurpose and General Government; and to keep an already high county property tax from being raised.

The county's budget year begins in January and the budget cycle starts in October and culminates with adoption in the spring. Therefore, Knox County must know about revenue sharing funds well in advance in order to make plans for expenditure of the funds.

Without revenue sharing funds, Knox County would be forced to cut back services, lay off employees and raise property taxes by 10 to 15 percent.

MAINE COUNTY COMMISSIONERS ASSOCIATION

Whereas, County governments in nearly half of the states budget from July through June and all counties must make long term budget commitments to efficiently meet the needs of their citizens;

Whereas, Counties depend on general revenue sharing dollars for essential county programs;

Whereas, Revenue sharing dollars enable counties to fill locally determined vital needs with minimal redtape and federal restrictions;

Whereas, Efficient county government calls for well-planned advance budgeting;

Whereas, Responsive county government depends on efficient county planning and budgeting and ample time for citizen participation;

Whereas, The current revenue sharing program expires December 31, 1976 and July through June fiscal year counties must begin budgeting the previous spring;

Therefore, be it resolved by Sagadahoc County, that general revenue sharing be reenacted by the first session of the 94th Congress providing counties with advance dollar figures that can be used for efficient, responsive planning of programs and budgets and that can be identified for more than half of their fiscal '76 year and can be incorporated in long term effective planning.

Be it further resolved that a copy of this resolution along with the summary report be immediately forwarded to the Senate and the House of Representatives.

ACTION OVERDUE ON EXTENDED FISHING LIMIT LAW

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. HUGHES. Mr. Speaker, I would like to bring to your attention an issue which calls for immediate congressional action. Unless legislation providing for a 200-mile limit is enacted in the near future, there will not be any fish left to protect.

Mr. Frank McGrew aptly discusses the situation in an article that appeared in the Sunday, November 16, issue of the Atlantic City Press. In an interview he had with Mr. Whittaker, spokesman of the recently established National Oceanographic and Atmospheric Administration, Mr. McGrew learned that within a few months, if the current situation continues, the foreign fleets will deplete our supply.

I urge the Senate to get this much-needed bill to the floor. The time has come for the bill to be made law. Delays at this point will only bring irrevocable harm.

The article follows:

ACTION OVERDUE ON EXTENDED FISHING LIMIT LAW

(By Frank McGrew)

The good news: there are not as many foreign fishing fleets off the Jersey coast this year. The reason why, however, is the bad news: there's not as much fish as there used to be.

The offshore fishing situation is getting much worse and, according to a federal expert in South Jersey, unless the present 12-mile limit is extended in the next few months, there won't be any fish left.

The federal official is Special Agent Richard Whittaker of the National Oceanographic and Atmospheric Administration which established an office recently in Cape May.

A month ago, Whittaker said fishing stock was already depleted, primarily because of foreign fishing fleets. If the 200-mile limit is not established soon, he said, there won't be any fish left to protect.

Words like that sink pretty deeply into South Jersey residents.

The bill to extend the present 12-mile limit to 200 miles that passed the House earlier this month is now before several Senate committees. Although there is no way to know for sure, it should come to the Senate floor for a vote. Even if it passes, however, it is likely that President Ford will veto it. Whether the veto could be overridden, remains to be seen.

Why the opposition from the administration and some senators?

The reason is that they want the matter settled internationally, at the United Nations Law of the Sea Conference that will be held in New York City starting in March. Now these conferences have met in the past and they are not noted for taking speedy action on anything. There is no guarantee that the 200-mile limit will ever be accepted at the conference.

The matter of changing the fishing limits can get quite complicated because many other factors also are affected such as navigation passage rights, mineral rights and military operations, to name a few. The administration also says that if the Congress passes the 200-mile limit bill before the conference begins, our position at that meeting will be weakened.

What is taking place now behind the scenes is an attempt to work out some kind of a compromise. There is some talk of changing the date when the new 200-mile limit would go into effect, moving it beyond next July 1.

For some reason or other, no official has mentioned some kind of a more gradual change in the mileage limit. For example, rather than go directly from 12 to 200 miles, go to 50 and then a certain time later to 100, finally reaching 200 after a longer period of time.

Of course, it is too much to expect that the nations that are scooping up the fish off our shores—mostly Iron Curtain countries—would take any kind of voluntary action to restrict their catches.

Without question, the majority in the Congress realize the gravity of the situation. It is difficult to believe that some kind of definite action the public can appreciate will not be taken this year.

MILLER PRAISES DR. HERBERT COLE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. MILLER of California. Mr. Speaker, yesterday the House passed by an overwhelming vote the bill S. 6, the Education for All Handicapped Children Act of 1975. I was privileged to work on this bill as a member of the Subcommittee on Select Education, chaired so ably by our distinguished colleague from Indiana, JOHN BRADEMAS.

During the course of the hearings and consideration of the House bill, it was obvious that there are dedicated and highly capable men and women throughout our country who are involved with special education programs and anxious to expand their efforts to reach previously unserved or underserved children.

One of these teachers is Dr. Herbert M. Cole, the assistant superintendent for special schools and services of the Mount Diablo Unified School District, located in Concord, Calif. In just 1 year, Dr. Cole has reorganized and revitalized this valuable program which, I believe, can serve as a model for other special education programs throughout the Nation.

Since this House has endorsed an accelerated special education program by a nearly unanimous vote, I know that my colleagues will be pleased to read of the accomplishments of the Mount Diablo Unified School District in serving exceptional children, and especially the fine leadership by Dr. Cole.

The article follows:

[From the Contra Costa Times, Nov. 12, 1975]

SPECIAL SCHOOL DIRECTOR REVIEWS HIS FIRST YEAR

(By Alan Fishleder)

CONCORD.—Dr. Herbert M. Cole has survived one year in the Mt. Diablo Unified School District.

By all appearances, the school district has survived Herb Cole, and the two seem better for it.

Cole is the district's assistant superintendent for special schools and services.

In the $27,132-a-year post he assumed a year ago, Cole administers the district's 13 programs for handicapped students, and serves as chief attendance officer and head counselor.

His verve, vitality, quick wit and subtle toughness, punctuated by a lively smile, have brought changes to the district's special education programs.

But he has performed without significantly adding to his division's personnel rolls.

In fact, the revisions, he says, are aimed at making the most of existing resources.

Speaking candidly during a recent one-hour interview, he reviewed some of the accomplishments during his first year in the sensitive position which affects nearly all of the district's 45,000 students.

"I feel pretty good about it," said Cole, 37, who came to the Mt. Diablo district from the San Bernardino City Unified School District where he was director of special educational services.

In his first year, Cole has reorganized his special services division, which includes reassignment of about 50 per cent of the district's guidance staff.

This frees about $200,000 for other uses in the district, he says.

A new program for the physically handicapped in the regular day schedule will bring another $750,000 in income to the district.

Adaptive physical education for the physically handicapped, an expanded foster home program, a new diagnostic center to ease pupils into special programs, and efforts at better coordination in the career education program came with Cole's administration.

A new project for trainable mentally retarded, ages 18 to 20, and a vocational homemaking program for retarded are being planned or underway.

The long-range success or failure of Cole's ventures remain to be seen, but he has a philosophy about starting something that will help district students.

"Anything worth doing is worth doing poorly," he says. But this isn't a plea for mediocrity.

His idea is to get things started; get them moving. "Once you have a house, go ahead and fix it," he says.

Of special interest to the administrator is "the habitual dropout in affluence."

A child, whose parents might hold professional positions and college degrees, but has dropped out of school, would be served by the program.

Cole's entire professional life has been oriented toward special education problems.

The Beaumont, Tex., native began his professional experience in 1959 as a supply officer at the Houston State Psychiatric Institute for research and training. In 1961 he began teaching in the Houston Independent School District.

He joined the San Bernardino schools in 1964 as a teacher and was appointed coordinator of special education in 1967. He became director of special education in 1971.

Cole holds bachelor's and master's degrees from the University of Houston and a doctorate with major in special education and a minor in school administration from the University of Southern California. He has completed post doctoral work in school psychology at USC.

A member of several professional organizations, he is the past president of the California Council for Exceptional Children.

This year he serves on the state Commission on Special Education, and advisory group to the California Board of Education.

PRO-LIFE RESOLUTION

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. CONTE. Mr. Speaker, on November 14, 1975, I received a copy of a resolution passed by the Diocesan Council of Catholic Nurses of the Diocese of Springfield, Mass., accompanied with a letter from their chaplain, the Reverend Thomas M. Courtney. I should like to insert them both in the RECORD.

DIOCESAN COUNCIL OF CATHOLIC
NURSES OF SPRINGFIELD, MASS.
November 12, 1975.

Representative SILVIO O. CONTE,
House of Representatives,
Washington, D.C.

DEAR SILVIO: Your secretary in Pittsfield was most helpful when I requested on Nov. 11th the names of the Senators and Congressmen of New England.

I am enclosing a copy of a Pro Life resolution that the New England Council of Catholic Nurses adopted in Worcester on Oct. 25th. This resolution was approved by the Bishops of the 11 (eleven) Roman Catholic dioceses of New England. This resolution will be sent to all the N.E. members of Congress.

Would it be possible to have the resolution included in the Congressional Record at your request?

With best wishes to you and all the members of your family, I remain, an old Pittsfield friend,

Rev. THOMAS M. COURTNEY,
Diocesan Chaplain.

PRO-LIFE RESOLUTION OF THE DIOCESAN COUNCIL OF CATHOLIC NURSES OF SPRINGFIELD, MASS.

Whereas unfortunately the Supreme Court decisions on abortion have created an atmosphere of abortion on request; and

Whereas these same Supreme Court decisions have denied protection of the law to unborn children; and

Whereas the Catholic Church has ever maintained that human life must be safeguarded from the moment of conception; and

Whereas Catholic nurses are vitally concerned with the right to life of all human beings, including unborn children;

Be it resolved, that the New England Diocesan Council of Catholic Nurses in solemn assembly in Worcester, Massachusetts on October 26, 1975 vote to place its spiritual and material resources in Pro-Life activities as its No. 1 priority during the Bicentennial Year 1976.

This resolution was unanimously approved by the entire membership on October 25, 1975 in Worcester, Massachusetts.

It was resolved that the resolution be printed with proper style and mailed to every hospital in New England and to all members of Congress in New England.

This resolution has the endorsement of the 11 Catholic Dioceses of New England.

His Eminence Humberto Cardinal Medeiros, Boston.

The Most Rev. John F. Whealon, Hartford.

The Most Rev. Daniel A. Cronin, Fall River.

The Most Rev. Walter W. Curtis, Bridgeport.

The Most Rev. Bernard J. Flanagan, Worcester.

The Most Rev. Louis E. Gelineau, Providence.

The Most Rev. Odore Gendron, Manchester.

The Most Rev. John F. Hackett, Hartford.

The Most Rev. John A. Marshall, Burlington.

The Most Rev. Edward C. O'Leary, Portland.

The Most Rev. Daniel Riley, Norwich.

The Most Rev. Christopher J. Weldon, Springfield.

The Most Rev. Timothy J. Harrington, Worcester.

ONE ALTERNATIVE TO GUN CONTROL

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. MOORHEAD of California. Mr. Speaker, a recent address by Chief Edward M. Davis, of the Los Angeles Police Department has come to my attention. The speech is entitled "One Alternative to Gun Control."

In his speech, Chief Davis points out that although advocates of gun control are claiming that the great increase of crime has been caused by the proliferation of weapons, the statistics do not bear this out. While violent crime had increased from 156.9 per 100,000 in 1955 to 414.3 crimes per 100,000 in 1973, only 15.47 percent of the violent crimes committed in 1973 involved the misuse of guns.

The full text of Chief Davis' remarks are as follows:

ONE ALTERNATIVE TO GUN CONTROL

(By Edward M. Davis)

As this nation stands at the threshold of celebrating its bicentennial, the cause for that celebration, freedom and independence, remains in jeopardy. In fact, we may well be rejoicing at a time when one of our very basic freedoms is being carried away through the back doors of several State Houses and the U.S. Congress. Liberty itself may be withering like a delicate flower at the first sign of frost.

Specifically, several coalitions and individual groups are moving toward an objective of removing all firearms from private individuals. Under recent legislative proposals, only the government and its designated representatives would be permitted to possess firearms. Oh, the principal item of discussion is handguns, but the objective goes beyond that. The focal point of their argument lies with the view that firearms are the cause of crime because they are a tool of criminals. This may be a simplistic and narrow view, but it is gaining wide acceptance, even though it ignores statistical evidence to the contrary. Since guns are not a significant tool in crime, those seeking an alternative to violent crime, might consider a more workable solution.

While the proponents of gun control utilize comparative data from other nations with relative ease in analyzing gun related crimes, they forget another significant variable in their comparisons. The judicial system in the United States is unique and unlike any other system in the world. Since 1914, our legal system has operated with limited authority under a term called the Exclusionary Rule. Prior to this decision, the admissibility of evidence was not affected by the legality of the means used to obtain it. A criminal could be arrested and prosecuted for a crime based upon all the evidence. The searching methods employed by the arresting officer were not the central issue in these earlier cases.

However, the United States Supreme Court in the Weeks case decided that since federal authorities seized evidence without a warrant and without the consent of the defendant, the evidence, letters in this case, could not be used at trial. The court said, "If letters and private documents can be seized and held and used as evidence against a citizen accused of an offense, the protection of the Fourth Amendment declaring his right to be secure against such searches and seizures is of no value, and so far as those thus placed are concerned, might as well be stricken from the Constitution.

Still, the Weeks case did not have an impact on the actions of local law enforcement officers. It only influenced the actions of federal authorities. However, the Weeks case opened the door to a gradual extension of other decisions, including a case wherein the whole concept of due process under the Fourteenth Amendment was added (Wolf v. Colorado, 338 U.S. 25, 69 S. Ct. 1359).

In 1955, the California Supreme Court adopted the Exclusionary Rule as the only viable method of preventing the police from seizing evidence improperly. The court stated, "We have been compelled to reach that conclusion because other remedies have completely failed to secure compliance with constitutional provisions on the part of police officers with the attendant result that the courts under the old rule have been constantly required to participate in, and in effect condone the lawless activities of law enforcement officers." (People v. Cahan, 44 Cal. 2d 434). In 1961, the United States Supreme Court in Mapp v. Ohio (367 U.S. 643) decided that the Exclusionary Rule applied to every state.

The violent crime rate in the United States at the time of the Mapp decision was 156.9 crimes per 100,000. By 1973, the violent crime rate had grown to 414.3 crimes per 100,000, an increase of 160 percent. If the notion of the advocates for gun control were accepted, that is, firearms are the principal tools of criminals and can be removed from criminal hands, then perhaps we could expect the elimination of all serious crime. However, only 15.47 percent of all violent crime in 1973 involved the misuse of guns. Perhaps the gun control advocates can explain the remaining increase in crime in an equally simplistic fashion. Gun control does not equate with crime control. The adoption of gun control in any form will not prohibit the judicial system from exercising the Exclusionary Rule of evidence, which permits the releasing of criminals back into society.

Prior to the court's use of the Exclusionary Rule, law enforcement was effective at gathering evidence and presenting a case for the trier of fact. The courts themselves were less involved in a complex decision-making process. The primary concern at that time was public safety and with the guilt or innocence of the accused. Both the courts and the police are charged with the responsibility of protecting the community and enforcing the law. Since the full implementation of the court's Exclusionary Rule, the justice system has been preoccupied with the conduct of the arresting officers and seemingly less concerned with the crime or with the suffering of the victim. This is not to imply that members of the justice system themselves are preoccupied with the officers' conduct, but rather to point out one of the major faults of the Exclusionary Rule itself. Ideally, the system should properly balance the rights of the accused with the rights of society. Yet, under the Exclusionary Rule, the public suffers and the criminal escapes punishment on a technicality. The law itself loses integrity when criminals are afforded an easy method of avoiding punishment.

When legal integrity is lost, chaos results. The criminal who escapes punishment commits further illegal acts and further victimizes the community. It seems that a higher social value is placed on protecting the "rights" of the criminal than in protecting the community from criminal acts. Perhaps this accounts for the increase in crime and the real fear of victimization shared by the public.

Ironic though it may be, some of the same persons and groups pushing for gun control are the same ones using the Exclusionary Rule to the benefit of their criminal clients. Many of them know that the criminal will not discontinue his rampage against the public because of some gun law. They are equally aware that the law-abiding public will be the only ones affected by such a law. The criminals will continue to have the opportunity to utilize the Exclusionary Rule and other technicalities to escape punishment. The criminal has effectively removed the public's freedom to pursue happiness.

An alternative to these past practices is desperately needed. Hopefully, one that would provide a substitute for the Exclusionary Rule while providing for public protection. Britain and Canada do not exclude evidence obtained in an unauthorized manner and their legal systems are highly regarded. One alternative to the exclusion of evidence would involve the use of an existing remedy. The court could officially admonish the officer for his conduct and bring the matter to the attention of the employing agency for disciplinary action. A complaint by a citizen alleging a violation of Fourth Amendment rights might be handled in the same manner. The Department's disciplinary response might range from an admonishment to termination, depending upon the totality of circumstances. Such a modification in the Exclusionary Rule would also provide the officer with an opportunity to receive additional training in the law. The important point is that the criminal would be punished without penalizing the public for the officer's technical abuse.

In essence then, people on both sides of the gun control issue have voiced disgust at the rising crime rate. It is generally accepted that regardless of the number of well-trained police officers or prosecutors, little can be done to curb the rise in crime without the creation of a favorable judicial environment. The removal of the Exclusionary Rule will ensure punishment of criminal offenders and ensure the safety of the general public. If, on the other hand, the major issue for the proponents of gun control is not the suppression of crime or the prevention of criminal use of firearms, but the abolition of guns from law-abiding citizens, then they might want to reject this proposal and continue their present course through history. The course they have chosen will bring about tyranny.

The effectiveness of gun control laws and crime rates has been the object of study for well over a decade. However, the proponents for gun control are unable to point to any evidence which clearly indicates that gun control is effective in preventing or controlling crime. In fact, there is a great deal of evidence to indicate that it may have the opposite effect. Cities and States with the strictest gun laws appear to have the most serious crime problem. It is submitted that if firearms were the principal cause of crime, more than half this nation would be criminals. If laws abolishing private gun ownership are passed, that statement will be a fact. Few people will be willing to part with their gun at a time when their personal security and the security of their family is being placed in serious jeopardy. They will continue to hide in their homes adding another aggressor to their list, namely, government.

Some people talk about gun registration laws as the best method of keeping guns away from criminals. Well, discounting for the moment the ease by which criminals get guns, the United States Supreme Court in 1968 decided that a felon could not be tried for failing to register a gun, because to do so would violate his right against self-incrimination. Felons, therefore, are excluded from registration laws (Haynes v. United States, 390, U.S. 85). Further, registration has never prohibited an individual or militant group from obtaining a handgun, rifle or machine gun. We have laws prohibiting certain acts and defining them as crimes, but that hasn't stopped murder, robbery, burglary, rape, or auto theft. Crime cannot be legislated away. It must be dealt with strongly, effectively and without compromise. Our nation does not have a gun problem, it has a crime problem. Crime must be attacked within the confines of an effective criminal justice system. The power of the criminals must be diminished and integrity must be returned to our system of justice in order to insure the protection of our citizens.

Rather than celebrate this bicentennial in a negative way by abolishing gun ownership—as was advocated by General Gage at Concord two hundred years ago—let's rededicate ourselves to the principles of freedom and liberty for the majority of our citizens while providing proper penalties for abuse. Rather than punish the law-abiding public, let's provide a proper atmosphere for the criminal. If and when a person is judged guilty, let's find the necessary intestinal fortitude to impose a penalty which will save the public from further victimization.

In tracing our history, it can be observed that our founding fathers sought to create a government which would provide some commonalty without compromising individual liberties. The Constitution and the Bill of Rights provide the basic structure for this philosophy. The ultimate power and responsibility for this government still rests with the people. It was wisely intended that way and so it shall remain.

Two hundred years after the first attempt at gun control we find a group of individuals attempting to plea bargain our liberties. This attempt should be answered with Patrick Henry's caution to the Virginia Convention—"If you intend to preserve your inalienable rights you must have the most expressed stipulation; for, if implication be allowed, you are ousted of those rights. If people do not think it necessary to reserve them, they will be supposed given up." We must, therefore, be ever vigilant of our liberties; for if we forget, we will lose them.

STUDIES AND POLLS SHOW AMERICAN PEOPLE DISENCHANTED WITH FOREIGN AID PROGRAM—NATIONS SUPPORTED WITH FOREIGN AID VOTE AGAINST UNITED STATES IN U.N.

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. EVINS of Tennessee. Mr. Speaker, of all the programs of the U.S. Government, the foreign aid program is certainly one of the least understood, and the worst.

Few people realize the total extent of this country's aid, assistance, and commitments to the other nations of the world.

The fact is that the United States has been very generous—overly generous—we have provided a helping hand to our friends and even to some countries which are unfriendly.

This program of bilateral and multilateral foreign economic and military aid to many nations of the world continues and accelerates although this Nation had good and sound warning almost 200 years ago from our first President, George Washington, that the United States not become involved with entangling alliances with other nations.

In his Farewell Address, President George Washington admonished future generations to avoid such alliances.

He said:

> The great rule of conduct for us, in regard to foreign nations is, in extending our commercial relations, to have with them as little political connection as possible.

Also later in the speech, he emphasized his point:

> 'Tis our true policy to steer clear of permanent alliances with any portion of the foreign world.

While obviously in today's world we cannot discontinue all alliances because it is in our interest to have mutual friendship with some other nations based on our own self-interest, certainly the basic elements of Washington's thesis remain credible.

The fact is that the practice of aiding foreign nations through economic and military assistance has cost the American people countless billions of dollars.

To put it bluntly, Mr. Speaker, I was shocked recently to learn that our investment in direct foreign aid over the past 29 years exceeds the growth of the national debt for the same period and, moreover, I am disenchanted by the repeated votes in the U.N. of the so-called friendly nations who have been aided with American assistance and bounty. The recent vote in the U.N. on equating Zionism with racism is an excellent example.

FOREIGN AID GROWTH

The report which accompanied the latest foreign assistance appropriations bill debated by this body and signed into law by the President indicates that since our foreign aid program began, the American Government has spent more than $164 billion on grants and loans to foreign nations, and that the Government has paid an additional $105.7 billion for interest paid on money we had to borrow to give away to foreign nations.

That makes the total cost in foreign aid of almost $270 billion.

The foreign aid program, since it began, has cost more than $40 billion more than the accumulated national debt for the same period.

But, Mr. Speaker, the figures cited in the report on the foreign assistance appropriations bill do not give the total picture of our foreign aid. These figures do not include the hidden sums of additional military aid which are classified—nor do they include the tremendous borrowings of the Export-Import Bank—and certainly not included are the numerous and costly international tax loopholes which assist many foreign nations and a scattering of large American corporations, but which cost the American Government additional billions annually in lost revenue.

When these additional programs and others are included, the total foreign assistance program of this Nation is much more than $270 billion—the exact figure, no one really knows.

BALANCE-OF-PAYMENTS DEFICIT INCREASES

Mr. Speaker, it is also interesting to note that since fiscal year 1950, our international balance of payments accumulated a deficit of more than $90 billion through fiscal year 1973.

During this 24-year period, this country experienced a balance-of-payments surplus only twice. Also since 1950, the Federal budget of this country has had a surplus only four times.

There are those, of course, who believe that the balance-of-payments situation and the growth of the Federal budget deficits are not significantly influenced by the foreign aid program. But it must be acknowledged that the cumulative foreign aid program which now totals almost as much as the total budget request for fiscal year 1976 has played a role in the deteriorating financial situation of this country.

Mr. Speaker, the disclosure of these figures I have cited has led me to conduct a more intensive study of some aspects of our foreign aid program.

The most useful resource document in studying the program of providing foreign assistance by the United States is the "Green Book" published by the Agency for International Development.

The most current issue dated May 1974 indicates that the total military and economic assistance loans and grants, including the Export-Import Bank, from fiscal year 1946 to fiscal year 1973 actually total $185.1 billion, of which more than $125 billion has been in the form of grants and will never be repaid.

Of the $59.4 billion of foreign aid loans made during this period, more than $30 billion remain to be paid.

These figures include the Agency for International Development and its predecessor agencies, also Food for Peace, the Export-Import Bank, the Peace Corps, various military assistance programs, and this country's contribution to various international organizations as the United Nations, and to international financial institutions and regional development banks, among other recipients of our largesse.

MILITARY ASSISTANCE—$62 BILLION PLUS

Mr. Speaker, our military assistance program is worth analyzing. The total military assistance program is more than $62 billion, of which $58 billion has been in the form of direct grants of military equipment, supplies, and services. More than 70 percent of this amount has been spent in the less developed countries.

Whether these sales and assistance have been beneficial to world peace or whether they have contributed to world tensions is open to question. But the facts are clear that the U.S. Government is expending massive sums of money on the military establishments of many foreign countries.

The Statistical Abstract of 1974 reports that based on figures by the U.S. Arms Control and Disarmament Agency, this country exported more than $5 billion in arms in 1973.

This, according to the Disarmament Agency, is almost twice the estimated arms exports of the Soviet Union during the same year, and more than half the arms exports of the entire world.

Mr. Speaker, the purpose of the foreign aid program is well known. It had noble beginnings with the Marshall Plan to assist the war-torn and devastated countries following World War II. I believe the record shows that the American Congress has, over the past 30 years, provided substantial sums to aid those countries which needed help in their development. Certainly the American people have been unselfish in their tax dollars to assist those unable at times to assist themselves.

POLL SHOWS DISENCHANTMENT WITH FOREIGN AID

But, international political situations, the reluctance or refusal of foreign aid recipients to assist us and growing domestic problems have led the American public to begin to question the value of our military and economic assistance. Recently the Chicago Council on Foreign Relations conducted a poll of "American Public Opinion and U.S. Foreign Policy in 1975." This poll, conducted nationwide by Louis Harris, states "there is little sentiment among the American public for a retreat from the world." The report goes on to say, "Two thirds of the American public shares a great belief that 'the United States should play an active role in the world.' "

But the report continues:

> A large majority of the public also believes that the real American concerns should be at home, and 52 percent believe that we should build up our own defenses and let the rest of the world take care of itself.

Concerning economic aid, the report concluded:

> About half the American public—52 percent—support the principle of foreign economic aid, but 56 percent also want the level cut back; and only 10 percent want it increased. Cuts are particularly favored when seen in the context of competing domestic priorities.

This report indicates that the American people are beginning to question the current thrust of American aid abroad. There appears to be a growing feeling that this country's aid programs are not a good investment, but represent money thrown away.

FAILURE OF FOREIGN GOVERNMENTS TO SUPPORT THE UNITED STATES IN THE UNITED NATIONS RAISES QUESTIONS

One way of measuring the effectiveness of our assistance program is to study the United Nations. Certainly it is not my feeling that foreign assistance should be used as a ransom to compel a country to vote with the United States in the U.N., but certainly moderate support can and should be expected. However, a study of the voting patterns brings out some startling facts and trends which attest to the contrary—many of the recipients of our foreign aid rarely support the U.S. position.

I have surveyed 39 countries which are members of the U.N. and which continue to receive foreign aid.

In addition, I have also studied the 197 rollcall votes of the 28th General Assembly of the United Nations during September–December 1973. Of all these votes, the United States and the Soviet Union had opposing positions in 62 instances. The United States and the U.S.S.R. voted alike on 32 votes and one or the other did not vote the remainder of the time.

For the purpose of this study, I focused on these 62 votes where the United States and Russia differed. The sentiments of the United Nations was clear: The U.S. position was sustained only 16 percent of the time—in only 10 votes out of 62 did the U.S. position carry the United Nations when the U.S. position differed from the position of Russia.

U.S. SUPPORT LOWER AMONG FOREIGN AID RECIPIENTS

Of those 39 countries still receiving aid, the average support of the U.S. position was even less, 14.5 percent—an average of nine times.

However, support for the U.S.S.R. also decreased, and these countries just did not vote 31 percent of the time.

Total U.S. aid to these 39 countries is more than $40 billion, of which 51 percent is in the form of outright grants which will never be repaid. In addition, 81 percent of the loans—more than $16 billion—remained to be paid at the end of fiscal year 1973.

Military sales to these countries totaled $8.2 billion, of which 95 percent was in the form of grants.

In addition, Export-Import Bank loans to these 39 countries totaled $5.7 billion, of which all but $1.5 billion has been repaid.

U.S. support: 14.5 percent, Russian support, 55 percent.

These 39 countries supported the Russian position on 34 of the 62 votes—almost 55 percent—where the United States and the U.S.S.R. positions differed, and supported the United States only nine times, or less than 15 percent of the 62 votes checked.

These 39 countries which have received U.S. aid through fiscal year 1973 and continue to receive aid and assistance include:

Bolivia has received more than $600 million, including more than $350 million in grants. Bolivia supported the United States on 26 votes.

Brazil has received more than $2.8 billion, including almost a billion dollars in grants. Military loans and grants total more than $430 million. Brazil supported the United States on 20 votes.

Chile received $1.1 billion, including $360 million in grants. Chile supported the U.S. position nine times.

Colombia has received more than $1.4 billion, including $390 million in grants. Colombia supported the United States on 10 votes.

Costa Rica received $190 million, more than half in grants, and supported the United States on 21 votes.

The Dominican Republic, which received $500 million, roughly half in grants, including $33 million in military grants, supported the United States on 12 votes.

El Salvador, which received more than $150 million, half in grants, supported the United States on nine votes.

Ecuador has received more than $340 million, including $180 million in grants, more than $60 million of which was for military purposes. Ecuador supported the United States on 10 votes.

Guatemala, which received almost $325 million, including more than $210 million in grants, supported the United States on nine votes.

Guyana has received $80 million, $25 million in grants. Guyana supported the United States on 6 votes.

Haiti, which received almost $110 million, of which all but $10 million was in grants, supported the United States on only 5 votes.

Honduras, which received more than $140 million, including more than $80 million in grants, supported the United States on 11 votes.

Jamaica, which received more than $86 million, including more than $50 million in grants, supported the United States on three votes.

Nicaragua, which received more than $200 million, including more than $90 million in grants of which $17 million was for military assistance, supported the United States on 32 votes.

Panama, which received more than $280 million, half in grants, supported the United States only six times.

Paraguay, which received $160 million, including $84 million in grants, supported the United States 12 times.

Peru has received more than $560 million, including $340 million in grants of which more than $120 million have been for military purposes. Peru supported the U.S. position seven times.

Uruguay received more than $200 million, including $60 million in military assistance. Uruguay supported the U.S. position on 16 votes.

Ethiopia received more than $475 million, including $350 million in grants of which almost $200 million was for military assistance. Ethiopia supported the United States in only six votes.

Ghana received $280 million in U.S. aid, $60 million in grants. Ghana supported the United States eight times.

Kenya received $98 million in grants and supported the United States in the United Nations on six votes.

Liberia, which received $224 million including $132 million in grants, supported the United States on only eight votes.

Morocco, which received more than $900 million in U.S. aid, including more than $110 million in military assistance grants and loans, supported the United States on three votes.

Nigeria, which received more than $400 million, 75 percent in grants, supported the United States only five times.

Rwanda, which has received $8.3 million in grants supported the United States on seven votes.

Sudan has received $115 million, including $70 million in grants. Sudan voted with the United States seven times.

Tanzania has received $86 million, $70 million of which has been grants. Tanzania supported the United States on only four votes.

Tunisia has received $790 million, including $450 million in grants. Military aid totals almost $50 million. Tunisia supported the United States on just seven votes.

Zaire has received almost a half billion dollars in U.S. aid, more than $300 million of that in the form of grants. Military aid totals $50 million. Zaire supported the United States on five votes.

Afghanistan received more than $450 million, including almost $360 million in grants. Afghanistan supported the United States on only two miserable votes.

India has received $8.9 billion, including $2.2 billion in grants and $5.4 billion in unpaid loans. India supported the United States on six votes.

Indonesia received $1.9 billion, including $160 million in military grants. Indonesia supported the U.S. position on eight votes.

Nepal has received $193 million, including $179 million in grants. Nepal supported the United States on seven votes.

Pakistan has received almost $4.9 billion, half in the form of grants, including more than $680 million in military grants. Pakistan supported the U.S. position on seven votes.

The Philippines, which received almost $2.3 billion, of which almost $2 billion was in grants, including more than $700 million for military assistance, supported the United States on eight votes.

Ceylon received more than $200 million, including almost $95 million in grants. Ceylon supported the United States on six votes.

Thailand, which received almost $1.8 billion including $1.7 billion in grants, of which more than $1.1 billion was for military assistance, supported the United States only eight times.

Turkey has received more than $6.5 billion, including almost $5 billion in grants, $3.7 billion of which was for military aid. Turkey supported the United States on 12 votes.

Yemen has received almost $50 million, all in the form of grants. Yemen supported the United States on four votes.

And so it goes in the United Nations—countries which were supported the most support the United States the least.

TEN PERCENT OF WORLD'S POPULATION CONTROLS TWO-THIRDS OF UNITED NATIONS VOTES

Mr. Speaker, I am concerned that the support for our country in the United Nations is at such a low ebb. Delegates representing 10 percent of the world's population now control two-thirds of the vote in the U.N. General Assembly. This country has spent literally hundreds of millions in tax dollars to support the United Nations operations—indeed, we continue to provide more than 20 percent of the total budget of the U.N. development program which has more than 6,000 ongoing projects. Our percentage has been decreasing, but it is still substantial.

Mr. Speaker, the American people have a right to expect that those countries which have received billions in U.S. foreign aid would be more friendly to this country's position in world affairs. However, my study has shown that the 39 countries still receiving assistance under the programs of the Agency for International Development have a poorer record of support of the U.S. position—just 14.5 percent—than the United Nations taken as a whole.

I have cited these facts because I feel that the Congress and the American people deserve to know the full story of our foreign aid program. Not only have we provided aid to poor countries, but have also given lavish sums to the oil rich nations in the Mid-East and other nations which have substantial financial reserves. And what was the result of our giveaways—an oil embargo that caused untold hardships and miseries for the American people.

Mr. Speaker, as stated earlier, this country has been very generous with billions spent in the form of both bilateral and multilateral development assistance programs, in addition to military aid.

And what has been our reward?

A slap in the face by our "friends" in the U.N.—a worsening balance-of-payments deficit—an oil embargo—and little military or financial assistance or cooperation when we need them.

Many international financial institutions supported by the United States have put a drain on this country's money market and loaned money for projects with liberal repayments, some interest free.

GIVEAWAYS CONTINUE

For instance, on March 13, the World Bank Group announced a loan totaling $15 million to 126 mixed farms and coffee estates in Kenya, including $7.5 million from the World Bank at 8½ percent interest for 25 years, including 5 years of grace. In addition, the International Development Association provided an additional $7.5 million, interest free for 50 years, including 10 years of grace. The only interest charge is three-fourths of 1 percent for administrative costs.

Mr. Speaker, where can the U.S. farmer or small businessman get a deal like that?

This Nation is doing for foreign nations what our Government refuses to do for our own people—this is not right—certainly not sound policy.

In recent days there has been a great deal of discussion concerning the very large Federal budget deficit, and many fear this large deficit will put a drain on the money market and prompt higher interest rates and another round of inflation.

Let us consider the effect on the capital market of these foreign aid dollars and the additional borrowings of the international financial institutions. Let us also consider the "invisible" foreign aid in the form of tax breaks such as domestic international sales corporations which will cost the taxpayers more than $1 billion in lost revenue this year. These items certainly influence the budget deficit and the money market.

Mr. Speaker, we have been told that the foreign aid program is good business. Certainly it is good business for those who receive it.

It is good business for the high paid officials stationed around the world as the mission directors of the AID who receive high salaries and additional sums for expenses. And certainly it is good business for big business. For instance, the Overseas Private Investment Corporation's insurance portfolio goes to the top 500 corporations, and in 1973 small business participation in AID's direct procurement amounted to less than 5 percent.

CONCLUSION

The time has come to ask if these massive expenditures are good for America. I think the answer is obvious—that these giveaways are not good or sound. They should be greatly reduced and cut.

At least $12.6 billion has been requested by the administration for more foreign economic and military assistance in fiscal year 1976. Considering the past programs and the poor results, it is time for Congress and the American people to reevaluate this Nation's foreign aid programs.

These programs are draining the resources of this Nation, costing the taxpayer enormously, producing an outflow of dollars which have contributed to our unhealthy balance-of-payments situation, and contributed to the huge Treasury deficits.

Let us economize—let us cut back on these foreign aid programs—let us be sensible—let us turn our attention to and marshal our resources to deal with our domestic problems. At a time when we have widespread unemployment and an economic recession at home, it is time to cut back on foreign aid and to strengthen the economy of the United States.

CRITICAL MASS: ILLEGAL ACTS PLANNED AGAINST NUCLEAR POWERPLANTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. McDONALD of Georgia. Mr. Speaker, a conference called Critical Mass '75, self-characterized as the "second national gathering of the citizen movement to stop nuclear power," drew more than 1,200 people from across the country to its 2 days of meetings here in Washington, D.C., November 16–17, 1975.

Conference-goers wandering through the overheated meeting rooms of the Shoreham Hotel heard more than 50 scientists and other alleged experts predict doom and dire consequences from the peaceful uses of nuclear energy and vilify the U.S. nuclear power industry for trying to make a profit for their stockholders and for future expansion.

The prime mover in the Critical Mass '75 operation was Ralph Nader, the "self-appointed crusader for all American consumers." In his opening statement to the Critical Mass conference, Nader made a broad "shotgun" attack on the nuclear industry which he claimed was a "shambles."

Nader, who organizes public pressure for greater and greater government control, called for still more "citizen action and involvement in coming months" to smash the nuclear power industry.

He said:

> Nuclear energy is disintegrating and our full effort must now be devoted to designing and advocating a non-nuclear future for the country.

Nader, it appears, would rather have the United States dependent on the OPEC countries than have it develop a nuclear powerplant alternative.

On the final day of the conference, Ralph Nader issued several warnings to the nuclear industry, its trade associations and employees—and to law enforcement—that their interest in the antinuclear movement could be considered "illegal interference" and an invasion of the right to privacy, which would be "relentlessly exposed." Reference was particularly made to law enforcement agencies who have inquired into the activities of so-called "environmental" or "ecology" groups which included among their members persons with records of involvement in revolutionary organizations and persons with a potential for violence.

And as Mr. Nader, in his role as the environmental knight in white armor, concluded his strictures against surveillance, he was joined on the platform by Samuel Holden Lovejoy, 30, a successful, admitted saboteur of a nuclear powerplant under construction in Montague, Mass.

It will be recalled that Lovejoy, a leader of the environmentalist and antinuclear power group called Nuclear Objectors for a Pure Environment—NOPE—and a resident of an organic farming commune which formerly served as the headquarters of the revolutionary Liberation News Service, surrendered himself to police on February 22, 1974, after loosening the bracing cables of a preliminary weather tower at the nuclear plant site. The $50,000 tower collapsed. In a prepared statement to the press, Lovejoy admitted "full responsibility for sabotaging that outrageous symbol of a future nuclear powerplant."

After a trial in which Lovejoy defended himself as having acted in the public interest, the judge directed acquittal on grounds of a faulty indictment which charged Lovejoy with destruction of personal rather than real property. Lovejoy then told the press.

> The publicity * * * was a great victory, and we've entered the issue of civil disobedience into the environmental movement.

Civil disobedience to Lovejoy and his supporters means deliberate violations of the law including the destruction of property.

Lovejoy has been touring the country lining up support from Marxist and leftist-pacifist groups like the War Registers League who used civil disobedience tactics in support of the Vietcong. WRL works actively with several Soviet and Communist Party, U.S.A., fronts in support of disarmament and détente.

As Mr. Nader buried his head in his hands, Lovejoy read two resolutions prepared earlier that day by an ad hoc activist caucus of some 60 conference participants.

Lovejoy said:

> We feel that Critical Mass represents the leadership of the nuclear opposition movement. It seems fitting that as a group we should attempt to provide concise direction for nuclear opponents across America. In this respect, we feel that Critical Mass should address its responsibilities to the people and adopt resolutions aimed at uniting all nuclear opponents and determining the most vital and significant targets in order to maximize our effectiveness.

Lovejoy's resolutions, greeted with tumultuous and enthusiastic applause by the crowd to Nader's obvious chagrin, were:

> Number 1: The opposition to commercial nuclear power plants recognizes the integral connections between itself and the nuclear disarmament movement; and also recognizes and seeks to ally itself with peace and disarmament groups, organizations and coalitions in order to achieve total nuclear disarmament.
>
> Number 2: The people here assembled recognize the nuclear juggernaut may not be stopped without an active, national popular movement. We support all non-violent forms of nuclear resistance including civil disobedience and other humane means of direct action.

Observers of the nuclear disarmament and the antinuclear power movements have long recognized the close connection. Both movements are anticapitalist—aimed at smashing the free enterprise system and the system of individual liberty and responsibility on which it rests. Both movements are internationalist and collectivist.

Many avowed Marxist revolutionary groups have been trying to unite the two movements—from the Communist Party, U.S.A., to the Workers World Party through its fronts and the October League by linking up to the Marxists of the Georgia power project. But it appears that the articulate Sam Lovejoy, nuclear saboteur and "ecotage" expert, has achieved a striking success in his own right.

A summer, 1974, article by Lovejoy was distributed at the Critical Mass '75 conference. The article, entitled "An Editorial," sets forth the ideology of the radical antinuclear movement in clear and unmistakable terms. Lovejoy wrote:

> The tower ecotage episode was a catalyst for awareness and action, a *moderate first step* . . . but it also surfaced an inevitable social collision between the progressive-enlightened and the stagnant forces in * * * the United States and the world. The background, the lifestyle, the entire mind set of myself, and countless other brothers and sisters, see the locally proposed NUKE as the * * * microcosmic symbol for an enormous political-social system so corrupt and so in need of change that . . . * * * (Emphasis added.)

After that passage in which Lovejoy did everything but say the word "revolution," he continued by pointing how all the various radical special interest groups can be united around the antinuclear issue:

> As energy is at the base root of life itself, so the ecology movement, the anti-war, anti-race movements, the sexual liberation movements, all progressive minded peoples everywhere are uniting their energies to halt and prevent the scourges of prejudice, avarice, injustice, and yes, imbalance. The No NUKES movement is thus profoundly political and international. * * *
>
> On the practical level * * * The nuclear power industry is just a shadow of the total monstrosity of western industrial technology. And the glutonous [sic] cry for electricity is only the end result of an impossible, ever-expanding economy and fancy, highly financed public relations. * * * until humanity can *eliminate* self interest and profit as the motive forces in society . . . planet Earth will never attain its ultimate harmony * * *.

It is clear that America's energy industries—nuclear and nonnuclear—are vital to our future development and our national well-being and security. The environmental extremists are a small minority who hope that America will return to a preindustrial "dark age." Their allies are revolutionary Marxists who would manipulate the movement to weaken and divide our country.

Crusader Nader has his constitutional right to carp and criticize. But when Nader offers his movement as a cloak to screen the attacks of potential lawbreakers, we must call upon all the appropriate agencies of our Government, both Federal and local, to closely monitor their activities in order to insure that in this volatile area neither the public safety nor our internal security is subjected threats of violence.

WHY ARE RAILROADS IMPORTANT TO THE NATION?

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. GOLDWATER. Mr. Speaker, as a member of the Committee on Public Works and Transportation, I was especially interested in a prize-winning essay written by a young man by the name of David Harmer. He was the recipient of a $1,000 scholarship, having placed second in a nationwide competition among the Boy Scouts of America for essays on the subject of railroads. I present David's essay for my colleagues interest:

WHY ARE RAILROADS IMPORTANT TO THE NATION?

(By David Harmer)

American railroads have been called, "the lifeline of the nation," and it's no wonder. Railroads are the backbone of America's transportation system—they carry 39% of the nation's intercity freight load, and move more ton-miles of intercity freight each year than trucks, barges, and airlines combined. Railroads also carry over half of all domestic non-local mail, and large amounts of baggage and express.

Because of this, all Americans have a pocketbook interest in railroads, since transportation costs are part of nearly everything we buy. Our nation's way of life, based on large-scale production and consumption, would be impossible without railroads. (This is often seen during major railroad labor strikes.)

And the load is constantly growing. Railroad volume increased by a third in the last decade, and even greater growth is expected in the next—partly under the influence of environmental and energy concerns. For railroads can help solve many of our nation's critical problems such as air pollution, energy conservation, mass transit, urban congestion, and wise land utilization.

ENERGY CONSERVATION AND AIR POLLUTION

Railroads are extremely efficient—much more so than highways or airplanes. Freight trains, for example, can move freight three to four times more efficiently than trucks.

On trains, the steel wheels move over the steel rails with very little friction—far less than the tires of a truck moving over a highway. Therefore, truck, truck engines must work harder than a locomotive to move the same weight. In doing so, they consume about three times more fuel than trains to move the same weight.

Railroads pollute little because they are so energy efficient. They pollute about three times less than trucks. In a study made during a recent year on air pollution, railroads' share of polluting emissions in America was about 1%, yet railroads moved more freight than their competitors, who polluted much more.

WISE LAND UTILIZATION

Land is one of America's most precious natural resources, so we should use it carefully.

Railroads operate on their own right-of-way. In 1916, railroads had 254,000 miles of track. Since then, the mileage has been reduced to 201,000 miles, though traffic has increased. Compare that to our highway system. Since 1955, the land that highways use has increased rapidly. Now, highways use about ten times more land than railroads.

Studies show that one track of double-track railroad is equal in capacity to ten to twenty lanes of multiple-lane highway, yet it uses far less land.

Many highways are crowded. However, railroads are operating at only about one-third of their capacity—they could triple their volume without acquiring any large amounts of new land.

MASS TRANSIT

All Americans want to reduce air pollution and urban congestion. One way would be to use more commuter trains and other forms of railroad transportation. Rail transit is becoming increasingly important in America, because it can do what the auto can't—move many commuters quickly into the heart of a city, with little congestion, pollution, or inefficiency.

Light rail transit systems are being developed in many cities because they cost less than a superhighway, but help to reduce congestion, pollution, and noise. Also, railroads are seventeen times safer than automobiles, as far as fatalities are concerned.

In the future, railroads will be very important in mass-transit and corridor service. They're efficient, clean and safe, which is so important today and will continue to be in the future. American railroads have the best freight service in the world, and it's going to become even better.

American railroads are important because without them, America wouldn't be what it is today.

FREE ENTERPRISE SYSTEM

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. GOLDWATER. Mr. Speaker, twice before, I have brought an outstanding example of the American free enterprise system to the attention of my colleagues. On both occasions, I spoke about Galpin Ford in the San Fernando Valley of California. Galpin Ford, owned and operated by H. F. "Bert" Boeckmann II, has once again won the National Automotive Retailer of the Year Award. I am not surprised. Bert's way of providing consumer service and marketing are years ahead of the times. Bert's involvement in the community is so well known that his name is synonymous with "good neighbor." Once again, I commend and bring to the attention of my colleagues a living example of what is right about American business.

FACE UP TO BUSING ISSUE

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. BLANCHARD. Mr. Speaker, it is about time the House of Representatives faced the issue of school busing squarely. In my opinion, the only effective way to face this issue squarely is by adopting a constitutional amendment to prohibit forced busing and preserve neighborhood schools.

Unfortunately, too many of our leaders feel that someone else should resolve the busing issue. They think that someone else will stop busing or that the issue of busing will go away. They are concerned with the divisiveness of the busing issue and hope to forestall action on it, thinking that it really can be resolved without "biting the bullet."

Two recent actions here in Washington reflect the unwillingness of many elected officials to deal with the busing issue.

Today a majority of the members of the Democratic Caucus voted to table consideration of a resolution calling for a constitutional amendment to prohibit busing. I think they are wrong. That is why I voted against tabling the resolution and why I feel we should adopt a constitutional amendment to preserve neighborhood schools.

Several weeks ago President Ford stated he opposes a constitutional amendment to prohibit busing. I believe both the majority in the caucus and the President are ignoring the reality of this most serious issue. The busing issue will not be resolved by someone else and will not go away. Millions of our citizens across the country are a testimony to that fact. Concern over busing is spreading, not receding, and it will continue to do so until we adopt a constitutional amendment.

We cannot wait for the courts to come to their senses or wait for someone else to grapple with the great issues of the day. We were elected to do that. Let us do it.

HOUSE OF REPRESENTATIVES—*Thursday, November 20, 1975*

The House met at 12 o'clock noon.

The Rev. James R. Hallam, Asbury United Methodist Church, Philadelphia, Pa., offered the following prayer:

O God, thank You for the gift of another day of life. May we not become so lost in busyness that we do not appreciate it. Increase our awareness so that we do not miss a laughing, frolicking child; a cool, clear fall day; or an intimate conversation with a friend.

Help us to take off our masks. You see through our pretentions. You know our mixed motives, our thirst for position and power, our fears, and our guilts. Give us the strength to change our behavior and the courage to risk being human.

Keep us sensitive to each other. Do not allow our ears to grow deaf to the pain, anger, and despair expressed by the jobless, the oppressed, the hungry, and the aged. Use us to accomplish Your purpose. Give us the wisdom to deal with complex issues so that peace, justice, and compassion may be experienced by all people. In the spirit of Jesus of Nazareth we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8841) entitled "An act to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and for other purposes."

THE REVEREND JAMES R. HALLAM

(Mr. EDGAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDGAR. Mr. Speaker, I am pleased and honored to introduce to my colleagues in the House of Representatives, the Reverend James Hallam, who so eloquently delivered the opening prayer today. I have known Jim for over a decade, and he is my personal friend. We have shared many experiences with each other, and our careers have been parallel in many ways.

Jim attended high school, Girard College in Philadelphia, and embarked on his insatiable quest for higher learning at Dickinson College. We were both wrestlers, and I remember a match between us which found me on the short end of the score. He was very strong then, and he remains strong now, both physically and spiritually. We entered the same class in seminary at Drew University where our friendship blossomed.

I was very pleased when Jim was selected to succeed me as the campus minister at Philadelphia's Drexel University. He had experience directing the activities of the People's Emergency Center of the Asbury Ministry which I helped to cofound, and we shared the stark realities of the street as members of the Philadelphia police clergy unit. Before taking over my responsibilities at Drexel, he served 5 years as the director of the Wesley Foundation at the University of Pennsylvania, affiliated with the United Methodist Campus Ministry. While at Penn, he received his M.S. in education. But his formal education did not end there. He has taken courses at Princeton Theological Seminary, and is currently working on his doctoral dissertation in anticipation of receiving a doctor of ministry from Drew University in June.

I want to convey to my colleagues, Mr. Speaker, my profound respect for Jim as a concerned human being who is sensitive to the needs of his fellow man. I have admired his commitment to social action, and his efforts to humanize what often can become a sterile institution of glass and steel for undergraduate students at Drexel. The pursuit of academic interests at Drexel, with its rigorous curriculum, sometimes places severe pressures upon its students. Jim cares, and his efforts have been successful in allowing many students to cope with these pressures. He is a skilled counselor and adviser in both secular and nonsecular matters. I felt a sense of loss in leaving my position at Drexel to become a Member of the Congress. But I know that Jim is dynamically working to provide the students of the Philadelphia university city area with a compassionate and sympathetic ear, combined with the will to see the stains when people are spilled on.

Jim is a devoted family man, and I know that his wife, Bonny, and their two children, Steven and Jennifer, are proud to have been present to have heard Jim deliver the opening prayer today.

RESOLUTION TO IMPEACH JONATHAN GOLDSTEIN AND BRUCE GOLDSTEIN

(Mr. HELSTOSKI asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HELSTOSKI. Mr. Speaker, I have introduced a resolution today calling for the impeachment of Jonathan Goldstein, U.S. attorney for the district of New Jersey, and of Bruce Goldstein, principal assistant U.S. attorney for the district of New Jersey, for high crimes and misdemeanors.

The resolution which I have introduced is as follows:

H. Res. 881

Whereas article II, section 4, of the Constitution of the United States provides: "The President, the Vice President, and all civil Officers of the United States shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors" and

Whereas article I, section 2, paragraph 5, of the Constitution of the United States provides: "The House of Representatives shall have the sole Power of Impeachment", and

Whereas Jonathan Goldstein, United States Attorney for the District of New Jersey, and Bruce Goldstein, Principal Assistant United States Attorney for the District of New Jersey, have committed the acts hereinafter set forth, which constitute high crimes and misdemeanors within the meaning of Article II, section 4, of the Constitution of the United States in that:

They have subjected citizens of the United States Attorney and Principal Assistant United States Attorney and abused the power vested in said offices.

They have violated the duties of a United States to the deprivation of their rights, privileges, and immunities secured by the Constitution and laws of the United States.

They have been guilty of acts by which the rights of the United States and that of individuals have been unlawfully prejudiced and the orderly and fair administration of justice defeated or obstructed in one or more instances.

They have illegally and wastefully expended public funds.

They have abused Grand Jury subpoena power by issuance of various false, unauthorized, and illegal Grand Jury subpoenas.

They have corruptly induced and procured Grand Juries to return into the District Court for New Jersey indictments charging crimes without there being evidence before said Grand Juries which would in any degree justify the finding and filing of such indictments.

They have flagrantly, arbitrarily, and maliciously violated Rule 6 of the Federal Rules of Criminal Procedures respecting the functioning of the Grand Jury and the secrecy of such proceedings.

They have corruptly conspired with other persons to spread broadcast throughout New Jersey and adjoining areas of maliciously false newspaper publications and reports, emanating as official or semi official statements and purporting to describe results of investigations conducted by said United States Attorney and his assistants, and of purported findings of Grand Juries in such matters, with the object of interfering, prejudicing, and influencing federal elections.

They have abetted, approved, acquiesced, and permitted unlawful and oppressive misuse of subpoenas and other process before Grand Juries in the District of New Jersey.

They have corruptly used the powers of their offices for the purpose of slandering and libeling peaceable and law-abiding people to their great injury.

They have conspired to interfere with the rights of another and prohibited an elected official from performing his duties.

They have corruptly and willfully refused and neglected to take cognizance of unlawful conduct of their assistants in connection with the performance by them of official duties.

They have utilized illegal investigative methods, including but not limited to illegal searches and seizures, and interference with personal rights and due process of law.

They have conspired to gain possession of the personal documents of another through the means of unauthorized and criminal theft of said documents.

They have used perjured witnesses in an attempt to deprive citizens of the United States of their rights, privileges, and immunities secured by the Constitution and laws of the United States.

They have exhibited a serious bias, prejudice, and partiality, preventing the fair and proper discharge of the obligations of the Office of the United States Attorney: Now, therefore, be it

Resolved, That Jonathan Goldstein, United States Attorney for the District of New Jersey, and Bruce Goldstein, Principal Assistant United States Attorney for the District of New Jersey, ought to be, and are hereby impeached by this House of high crimes and misdemeanors in office.

PROVIDING FOR CONSIDERATION OF H.R. 10612, TAX REFORM ACT OF 1975

Mr. MADDEN (on behalf of Mr. BOLLING) from the Committee on Rules, reported the following privileged resolution (H. Res. 878, Rept. No. 94–676), which was referred to the House Calendar and ordered to be printed:

H. Res. 878

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10612) to reform the tax laws of the United States, and all points of order against said bill for failure to comply with the provisions of clause 3, Rule XIII are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed six hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment to said bill in the Committee of the Whole or in the House shall be in order except the following: (1) amendments offered by direction of the Committee on Ways and Means, but said amendments shall not be subject to amendment; (2) the following amendments inserted in the Congressional Record of November 14, 1975 by Reprepresentative Mikva on pages 36652–54 under the headings "Real Property", "Minimum Tax", "Portfolio Investments in United States of Nonresident Aliens and Foreign Corporations", "DISC Base Period", and "Capital Loss Carryback for Individuals" respectively; (3) the amendment inserted in the Congressional Record of November 14, 1975 by Representative Jones of Oklahoma on pages 36656–60 under the heading "Minimum Tax for Individuals"; and (4) the amendment inserted in the Congressional Record of November 19, 1975 by Representative Smith of Iowa on page 37350, and said amendments shall not be subject to amendment except amendments offered by direction of the Committee on Ways and Means. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

THE PRESIDENT IS WRONG

(Mr. BADILLO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BADILLO. Mr. Speaker, President Ford has said that he will veto legislation now before the House of Representatives providing for Federal guarantees of New York City bonds. He says that the only thing that he will approve is "amendments to the Federal bankruptcy laws which would insure that such a default, if it occurs, would be orderly."

Mr. Speaker, the President is wrong. If the only action taken by this Congress is to approve changes in the municipal bankruptcy laws, there will be chaos, not order. In the words of the Joint Economic Committee's report on New York City's financial crisis "payrolls will be missed, massive layoffs will be required and public assistance checks would have to be withheld."

Even if the bankruptcy laws are changed to enable the city to go into court and even if a Federal judge suspends all payments on bonds and notes, the city of New York will need $305 million more each month than it can expect to collect during the 4 months from December to March simply to continue to provide basic city services.

Under the bankruptcy bill that has been prepared by the Judiciary Committee Subcommittee on Civil and Constitutional Rights, on which I serve, and approved unanimously by the entire Judiciary Committee, the judge could authorize the city to issue certificates of indebtedness for the $305 million required each month. But unless Congress guaranteed those loans—as we did for Penn Central Railroad and Lockheed Aircraft—nobody would buy them.

Therefore, if we are able to have order, as the President says he wants, we will have to approve not only a bankruptcy bill, but a bond guarantee bill to insure that bankruptcy will not lead to chaos.

I ask you, Mr. Speaker, as long as we must approve a bond guarantee bill along with a bankruptcy bill, isn't it better to approve that guarantee bill now—and avoid bankruptcy altogether?

The answer, of course, is "Yes." The President is dead wrong when he says the bond guarantee legislation before us is irrelevant. The fact of the matter is that it is the most vital—and essential lifeline to a stable and well-ordered future to New York City.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO HAVE UNTIL MIDNIGHT, NOVEMBER 21, 1975, TO FILE A REPORT ON H.R. 6721; AND UNTIL NOON, NOVEMBER 26, 1975, TO FILE REPORTS ON H.R. 4941, S. 267, H.R. 1747, AND H.R. 9883

Mr. MELCHER. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight, Friday, November 21, 1975, to file reports on H.R. 6721 and may have until noon, Wednesday, November 26, 1975, to file reports on H.R. 4941, S. 267, H.R. 1747, and H.R. 9883.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

PERMISSION FOR COMMITTEE ON EDUCATION AND LABOR TO FILE REPORT ON H.R. 7782

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may have until midnight tonight to file a report on H.R. 7782, the Arts and Artifacts Indemnity Act, as amended.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

UNICEF VERSUS UNICEF

(Mr. McDONALD of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDONALD of Georgia. Mr. Speaker, yesterday I read with interest the extension of remarks on page 37255 of the November 18, 1975, Congressional Record by the gentleman from Minnesota (Mr. Fraser) who is presently serving in the United Nations as a part of our delegation. In this extension of remarks he castigates Colonel Heinl of the Detroit News and myself for our alleged false charges against UNICEF. Frankly, I am amazed at this response. The gentleman from Minnesota should realize that the information presented in Colonel Heinl's article—see page 17119 of the June 4, 1975, Congressional Record—which in turn became the basis of subsequent stories, came from UNICEF itself.

The Detroit News interviewed a UNICEF information officer and he furnished the facts upon which the column was based. So, if UNICEF has a problem, then the organization needs to decide which of its spokesmen is telling the truth. For my part I will rest my case with Colonel Heinl's article since I feel his reputation as a careful, conscientious reporter and reputable columnist is excellent, and remains unsullied.

It is readily apparent to everyone that the United Nations is an organization that is going out of style. Going back in history we can all recall when in 1961 $10 million of UNICEF funds, with some sleight-of-hand bookkeeping, were transferred to the general fund of the U.N. in order to further finance the bloody U.N. invasion of Katanga during the troubles there in the Congo—now Zaire. We can recall that Albert Schweitzer, world renowned humanitarian, condemned UN activities in the Congo, as did 40 doctors who issued the Livre Blanc from Katanga protesting UN atrocities. Going further back, we recall the horrendous silence of the UN when the Soviet Union crushed the Hungarian revolt of 1956. Again, the stunned silence when the Soviet Union invaded Czechoslovakia in 1968.

Everyone currently is upset over the resolution on Zionism and many are calling for reappraisal of our role in the United Nations. It is high time we left the organization as we have in the case of the ILO where our membership no longer serves a purpose. In this connection, I would like to quote a statement attributed to a Member of the other body, Senator Packwood, of Oregon, who is reported to have said:

> I can't think of anything in the last 30 years as odious. Wherever Hitler may be, I am sure he drank a toast to the devil last night and rattled his cage. The United Nations has shown it doesn't take itself seriously. We could well ask whether we belong in that body.

So, I understand the embarrassment of the gentleman from Minnesota, but there is really nothing left to defend except for those who live in a dream world and believe in the fairytale that the U.N. is the best hope for world peace.

POLLUTION EMERGENCY IN PITTSBURGH EMPHASIZES NEED FOR CLEAN AIR

(Mr. ROGERS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ROGERS. Mr. Speaker, for those who question the purpose and goals of the Clean Air Act, I would ask that they look to what is happening today in Pittsburgh.

Residents of that city who are elderly, women who are pregnant or those persons who are chronically ill have been advised to stay indoors because of the dangerous air.

We are not speaking about the beauty of clean air esthetically, we are speaking about the health of 2 million people who live in and around one of the Nation's largest cities.

The air in Pittsburgh did not grow unhealthy overnight. The levels of pollution have been rising for days. Yet little was done until health emergency levels were exceeded.

Yet we see more discussion on the part of an industry which has been debating and resisting cleanup moves for years, United States Steel and Allegheny County, and the Federal Government have been involved in a years-long court fight over how pollution from the Clairton works should be controlled. The company is still dragging its feet.

We do not know how long this alert will last. It may go on for days. And eventually schools may be closed, traffic banned, and airplane fights canceled.

I think this speaks strikingly of why we need to aggressively pursue our goals of cleaning up the air in this Nation.

[From the New York Times, Nov. 20, 1975]

A POLLUTION EMERGENCY CURTAILS STEEL OUTPUT IN PITTSBURGH AREA

PITTSBURGH, November 19.—As many as 30 individual plants in the Pittsburgh area were forced to curtail operations today as a weather inversion caused air pollution levels to soar to the highest levels since the establishment of Allegheny County's monitoring system.

The worst episode centered on the Monongahela and Youglogheny River Valleys, heart of the area's steel industry, where air pollution readings reached a level of 249 on a scale of 300 in midafternoon, with the expectation the level could rise.

An air pollution emergency was declared by the Allegheny County commissioners in eight communities with a total population of 53,250, the first time such a step has been taken since stringent air-pollution laws were adopted here in 1971.

County public health officials warned persons with respiratory or heart conditions to remain indoors, avoid undue physical exertion and refrain from smoking.

The Pennsylvania Department of Environmental Resources placed the rest of the state on a forecast condition, predicting that the weather conditions would move eastward and cause similar episodes elsewhere.

The air pollution conditions are expected to remain high here for 48 hours.

The United States Steel Corporation said hundreds of workers in its plants would be laid off and that the effects "will be felt even next month as December's natural gas allocations are being borrowed" to substitute for coal used in the plants.

The switch from coal was ordered at U.S. Steel's Clairton, Duquesne, Irvin, Homestead, Edgar Thomson and National Tube Works.

The Clairton coke works of U.S. Steel was ordered to lengthen its coking cycle and to seal coke oven doors. The coke works is one of the nation's largest single sources of sulphur dioxide pollution.

INCREASING COMPLAINTS

Hospitals in the affected area were reporting increased complaints, mostly from asthmatic persons and largely among children. There were also complaints of headache, choking and stinging of the eyes.

The pollution from soot and sulfur dioxide had been building up since Sunday, officials said.

The average healthy individual should encounter no difficulty in the present situation," said Dr. E. J. Fleming of the county health department. But she said that those with respiratory ailments, pregnant women and infants had been advised to stay indoors.

A pollution index of 15 to 35 is considered satisfactory. An alert is issued when the index reaches 100, and a health warning follows when it reaches 200.

A combination of fog and soot caused widespread traffic delays.

Though the commissioners may, under the law, take drastic measures such as shutting down schools and banks and prohibiting commercial travel, they limited themselves today to cutting back production at stationary sources of air pollution. Officials at the County Bureau of Air Pollution Control put into effect plans that had been arranged years in advance.

The current situation is reminiscent of the disaster that occurred just 19 miles south east of here in Donora Pa., in October, 1948. Twenty people died when a black cloud, a poisonous smog, composed of sulfur dioxide, industrial gases and particles of iron oxide, zinc oxide, silicates and carbon settled on this steel-mill town. Nearly half of the area's 13,839 residents became ill.

[From the Wall Street Journal, Nov. 20, 1975]

PITTSBURGH AREA'S AIR POLLUTION REACHES EMERGENCY LEVELS; U.S. STEEL SLATES CURB

PITTSBURGH.—For the first time since current monitoring systems came into use in the Pittsburgh area in 1970, air-pollution levels in surrounding industrial regions reached emergency levels.

U.S. Steel Corp., reacting to requests from Daniel Snyder III, regional Environmental Protection Agency administrator, and from the Allegheny County health department, agreed to curtail operations at its Clairton coke works, 20 miles southeast of Pittsburgh. Air-pollution readings at Clairton stood at 235 yesterday afternoon, after going off the gauge at about 250 earlier in the day. The top satisfactory reading on the Pittsburgh area index, as determined by the county agency, is 35.

Pollution levels reached a first stage alert of 126 in downtown Pittsburgh amid predictions that the weather conditions that are causing the concentration of sulphur dioxide and particulates may last through the end of the week. Consequently, people who are chronically ill, pregnant or more than 70 years old were advised to remain indoors.

CURTAILMENT TIMETABLE

Industries throughout the Pittsburgh area were asked to curtail operations. The situation, however, was most serious at Clairton, which is the world's largest coke-making plant.

Spokesmen for both the government agencies and U.S. Steel said the company had agreed to slow coke production at Clairton to a 48-hour cycle from the normal 16-hour cycle. However, there was disagreement about how quickly the curtailment could be accomplished, and Mr. Snyder and U.S. Rep. John Heinz (R., Pa.) among others, were to meet with U.S. Steel officials to discuss that matter.

An EPA spokesman in Philadelphia said that if a satisfactory timetable couldn't be negotiated, the agency would seek a federal court order forcing a quick cutback. U.S. Steel maintained that too fast a curtailment could harm the ovens, which are made of brick that could crack if they are cooled suddenly.

U.S. Steel on the one hand and Allegheny County, Pennsylvania and the federal government on the other are involved in a years-long court fight over how pollution at the Clairton works should be controlled.

U.S. Steel said it will lay off "hundreds" of workers at several area steelmaking operations that are fueled by coke oven gas from the Clairton works. The company wouldn't say exactly how many workers would be affected, or when.

If the pollution situation worsens, officials said, the Allegheny County health department could stop airplane flights and ban motor vehicle traffic, and close schools, businesses and government offices. Such actions aren't being planned currently, officials said.

Dr. Arvid Ek, administrator of technical services for the county's Bureau of Air Pollution Control, said the high levels of pollution resulted from three factors: Warm air high above the area trapped cooler air containing sulfur dioxide and particulate matter near the ground; wind in the area slowed to two miles per hour or less, and local industries, including the Clairton works, continued to spew forth pollutants, mainly particulates.

Dr. Ek said the Allegheny County air pollution index is calculated on the average percentage by which the combined amounts of sulphur dioxide and particulates in the air exceed an established normal 24-hour standard for each of those pollutants. The sulphur dioxide standard is 0.14 parts of sulphur dioxide per million parts of air; the particulate standard is 260 micrograms per cubic meter of air.

CHICKENS COMING HOME TO ROOST IN NEW YORK CITY FISCAL CRISIS

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, in a statement yesterday, President Ford said that the New York City bailout bill now before the House of Representatives is irrelevant because it does not address the current situation and he would veto it. The bill was withdrawn because the

President's statement left no alternative according to statements made by the gentleman from Wisconsin (Mr. REUSS).

Several members on the other side of the aisle according to press reporters have charged that the President was playing "chicken" with the New York State Legislature and playing politics with the New York aid issue.

A Federal guarantee of New York City bonds would leave Columbus Ohio, and other credit-worthy cities in a poor competitive position. Columbus recently sold $18 million worth of municipal bonds at a 4.46 percent interest rate; the lowest in 5 years. If Congress agrees to guarantee New York City bonds, New York would wind up with a higher rating than Columbus and Columbus would have to pay higher interest rates. A bailout like that comtemplated by the bill originally scheduled for yesterday would cause chaos in the bond market because values would no longer hinge on the credit worthiness of a city. Instead, the value would rely on Federal guarantee. The President was right. The chickens are in New York and they are coming home to roost.

NFL SHOULD COME UP WITH SOME ANSWERS

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, as one who has followed professional football very closely over the years and as a fan, I think some very important questions are raised by the famous or infamous Washington Redskins-St. Louis Cardinal call which has raised so much controversy. I recognize the problems of any discretionary authority whether it be a judge or a referee and those looking over the shoulder often see things differently. Yet, the replays show that there was more than a probability of error in this call. In this case it is more than a discretionary call we are considering, it is a generally established official error.

It raises a few questions which the fans can well ask. After all, if the fans and the public do not get a fair shake and a feeling that everything is on the up and up, like wrestling, pro football may hit the skids.

Here are a few questions Joe Fan might well ask of the NFL heirarchy:

First. How are people selected and/or tested to become National Football League officials?

Second. What system is used to grade them?

Third. What system is used to check their background?

Fourth. How are they selected for position interviews?

Fifth. How do they get their jobs?

Sixth. Are they full-time jobs or part-time jobs?

And what about a situation where one referee makes a number of bad calls? How do you bench a referee? Or do you?

SUPPORT FOR DANIEL MOYNIHAN

(Mrs. HECKLER of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HECKLER of Massachusetts. Mr. Speaker, I rise in support of U.S. Ambassador to the U.N. Daniel Patrick Moynihan, who was verbally attacked this week by his British counterpart, Ivor Richard. As reported in this morning's Washington Post, Mr. Richard has criticized our Ambassador for "plain-speaking": for meeting the verbal slings and arrows of other nations with similar weapons of his own. In fact, Mr. Richard has called our Ambassador a "Wyatt Earp looking for shootouts in the OK Corral."

Mr. Speaker, I am one Member of Congress who stands behind Mr. Moynihan and I am sure that I am joined by many of my colleagues. And I also know that Americans from all walks of life—including constitutents in my district in Massachusetts—applaud Mr. Moynihan's defense of this Nation's honor.

Mr. Moynihan is no Wyatt Earp. And the U.N. is no OK Corral. Mr. Moynihan is this country's Ambassador to a world's forum—responsible for representing U.S. interests and responding to other nations' views. When these views are presented as invective, as insults, as hostile emotional rhetoric, he has the right to stand up and be counted, rather than accept such abuse lying down. In his denouncements of statements by Uganda's President Amin and of a U.N. resolution equating Zionism with racism, he has exercised this right—as a spokesman for the American people. Such "plain-speaking" is an American heritage—a heritage I am proud to defend.

PENNSYLVANIA DELEGATION SUPPORTS FORD FOR REPUBLICAN CANDIDATE FOR PRESIDENT

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COUGHLIN. Mr. Speaker, as secretary of the Pennsylvania Republican congressional delegation, I have been asked to poll the Members and am pleased to report that an overwhelming majority are solidly behind the candidacy of President Ford for the Republican nomination for President.

In announcing this, I note that 10 out of 13 have informed me of their support of President Ford while 3 have indicated that they are uncommitted at this time.

We believe that President Ford's broad and extensive experience, as a Congressman, Vice President, and President, make him most qualified to cope with the national and international problems that confront us as a nation. In his service in the Federal Government, Mr. Ford has faced the issues squarely.

Moreover, President Ford is a good and decent man who represents the mainstream of America. He took over the leadership of the Nation at an exceedingly difficult time for our Republic and has acted with responsibility and courage to represent the American people.

FOURTH QUARTERLY REPORT OF COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Currency and Housing:

To the Congress of the United States:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the fourth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the past few months in monitoring both prices and wages in the private sector and various Federal Government activities that lead to higher costs and prices without creating commensurate benefits. It discusses in some detail the Council's studies in steel, aluminum, automobiles, industrial chemicals, and tires, as well as its filings before various Federal regulatory agencies. In addition, it contains a discussion of wages and prices for the second quarter of 1975 and the outlook for the remainder of the year.

We are continuing our efforts against inflation and progress is being made. The Council on Wage and Price Stability plays an important role in supplementing fiscal and monetary policies, and will continue to call my attention to wage and price developments or actions by the Government that could be of concern.

GERALD R. FORD.

THE WHITE HOUSE, *November 20, 1975.*

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished acting majority leader if he is in a position to inform us as to the program for the week following the recess.

Mr. McFALL. Mr. Speaker, if the gentleman from Arizona, the distinguished minority leader, will yield for that purpose, I would be glad to provide the information concerning the Calendar of the House for the week of December 1, when we return.

Mr. RHODES. I am glad to yield to the gentleman.

Mr. McFALL. On Monday, we have the Consent Calendar and five bills under suspension. Of course, the votes on the suspensions will be postponed until the end of the suspensions.

The suspensions are as follows:

S. 1245, Alaska Highway;

S. 364, Forest Service roads;

H.R. 6949, USIA film "Wilma Rudolph Olympic Champion";

H.R. 10727, expediting the holding of hearings under the Social Security Act; and

H.R. 7782, arts and artifacts indemnity.

On Tuesday and the balance of the week, we will have the Private Calendar. As of this announcement, there are no bills on the Suspension Calendar. We will have the following schedule:

H.R. 10481, intergovernmental emergency assistance—the New York bill—with an open rule and 3 hours of debate;

H.R. 8529, rice production, with an open rule and 2 hours of debate;

H.R. 10612, tax reform, with a modified open rule and 6 hours of debate;

H.R. 8631, amendments to the Price-Anderson provisions of the Atomic Energy Act, with an open rule and 1 hour of debate;

S. 622, energy conservation and oil policy conference report;

H.R. 9721, Inter-American Development Bank, with an open rule and 1 hour of debate.

The usual caveat applies, that conference reports may be brought up at any time. Any further program will be announced later.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman yielding to me.

I notice that H.R. 10481, Intergovernmental Emergency Assistance Act, is the first item listed for Tuesday, beyond the Private Calendar. Could the gentleman tell me which version this is, because in the Committee on Banking and Currency our chairman came back this week and asked for several amendments. Does the gentleman know which version this will be?

Mr. McFALL. I do not think anyone can predict at this time what may happen with reference to New York. We have placed it on the calendar with the anticipation that matters will adjust themselves in New York and in the White House during the week that we are on recess, so that we will be ready to go with approximately the same bill that was being proposed in the Rules Committee yesterday when the meeting was adjourned.

I would hope that we would be able to continue where we left off in the Rules Committee with an amendment to provide the bankruptcy section of the law, and so forth, but I am no more able to predict what might happen in the next week and a half than my friend from California is. I have hopes, but I am sure that the minority leader would join me in being unable to make any predictions with reference to this. I have hopes, and I guess he has hopes also.

Mr. RHODES. The minority leader joins with the gentleman.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, in the bill which came out of the Committee on Banking and Currency there was provision for a title relating to changes in bankruptcy procedure. Is it the intention of the leadership to take up, as part of this act, the bill, that has been voted out of Judiciary Committee, on bankruptcy?

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS IN ORDER ON WEDNESDAY, DECEMBER 3

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, December 3.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Title III, as I understand it, was provided in the banking and currency bill that came out of the gentleman's committee to be for the bankruptcy bill.

Mr. ROUSSELOT. Yes.

Mr. McFALL. And as the gentleman will recall, this was being worked on in the Committee on Rules, so that that bill, the Rodino bill, the bankruptcy bill, would be in order as title III. But at that particular time a telephone message came from the White House with the President's message about the bill, and all proceedings stopped.

That is what I was referring to in saying I would hope we would pick up at that point and the Committee on Rules would direct the gentleman from New York (Mr. DELANEY) to present that as an amendment to the rule and we would go ahead on that basis. But it is possible that by Monday next we may have a different scenario facing us, and I think we all have to wait and see.

Mr. ROUSSELOT. But there is no provision in the rule to take up the bankruptcy bill?

Mr. McFALL. As of now it would not be in order, as I understand it. There would have to be an amendment to the rule. Possibly by Monday, the Monday that we convene, we will be in a position to go ahead with an amendment or a different rule, or something. Hopefully, the difficult situation in New York will settle down and we will be able to go ahead with this bill.

Mr. ROUSSELOT. I thank the gentleman.

Mr. RHODES. Mr. Speaker, I would like to take this occasion to wish the Speaker and the acting majority leader a very fine Thanksgiving and a restful and plentiful recess.

Mr. McFALL. If the gentleman will yield, I thank the gentleman. I wish the gentleman and all of the Members the same.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, I want to join in wishing the acting majority leader a fine vacation, and I would suggest if he has not ordered his turkey that he might want to take the New York bill home with him as a replacement.

Mr. McFALL. If the gentleman will yield, I appreciate the suggestion of the gentleman from Maryland, but it might be pretty hard for me to chew.

THE RULES COMMITTEE SHOULD HAVE REPORTED A RULE ALLOWING THE ENTIRE HOUSE TO WORK ITS WILL ON THE PROPOSED TAX REFORM ACT

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, as one vitally concerned about real tax reform, I am very disappointed that the Committee on Rules decided late yesterday afternoon to recommend a rule for the consideration of H.R. 10612—the proposed Tax Reform Act of 1975—which will not allow the entire House to work its full will on tax reform legislation.

As I read the rule agreed to by the Committee on Rules, the House will be able to vote on only six amendments to the bill—all six of which are the ones recommended by a majority of the Committee on Ways and Means—and on no others. This will be true no matter how worthwhile, how pertinent, and how beneficial to the economy such other amendments might be. At the end of general debate—which will become somewhat artificial when we are not allowed to offer any other amendments—and at the end of consideration of those six specific amendments, we will then have to vote all up or all down on the entire 674-page bill.

This is not the way in which the House should be conducting its business.

It also is not the way in which the people think we should conduct our business.

Every Member of this House—all 435 of us—was elected by his or her constituency—among other responsibilities—to act fully upon the measures coming to the floor from our committees.

A vital aspect of that action has always been the consideration of floor amendments—amendments other than those allowed to be considered by the leadership of the Comittee on Ways and Means and the 15-member Committee on Rules.

There are many times when an amendment—not considered in committee and not specifically designated by the

Rules Committee—is offered and is passed—sometimes by large margins. That is the way in which the House works it will—and every one of us is elected to do that. It is a part of the constitutional process. We were not elected to vote on issues affecting the lives and livelihoods of the people—all issues except those which we are excluded from working our will by a rule governing the terms of a bill's consideration. Yet, that is what the proposed rule would do. It would exclude us from the exercise of the responsibility to which the people entrusted us upon election.

I went to the Rules Committee hearings yesterday, and I sat there for over an hour waiting to testify. What looked to me like an almost record number of Members were there to testify for an open rule—one which would allow floor amendments to be offered. These were Members of both political parties and of all philosophical persuasions. To them, including myself, it was inconceivable that the Committee on Ways and Means had held months of public hearings, had been in weeks of closed-door executive sessions—considering the widest range of policy alternatives with respect to tax policy—and that the whole House was being excluded from exercising that same degree of responsibility. Yet, the session before the Rules Committee was ended, and the rule was agreed to.

The argument against an open rule is made that the House cannot be allowed to work its will on tax reform legislation because such legislation is too complicated, too complex—that we might make amendments which would make a part of the bill's text inconsistent with other parts. I think that argument demeans both the quality of debate and the refinement of amendment language which characterize consideration of other measures we have before us. Amendments are very carefully drawn by Members—often with the advice and counsel of other Members, of the professional staffs of the committees having jurisdiction over the legislation, and of the general counsel's offices of the agencies involved. We do that on every other type of measure. We are able to do it on tax legislation as well.

Should there, nonetheless, be some overriding concern that, after consideration of all amendments, the bill might still have inconsistent provisions, the House could table for one day the final passage of the bill, during which time other measures could be considered and during which time the committee leadership of both parties could jointly prepare any necessary technical amendments to eliminate inconsistencies, bringing them to the House floor as technical or clarifying amendments the very next day prior to any vote on recommittal or final passage. And, a rule could certainly be drawn by our Rules Committee to allow that procedure.

It just seems to me—and let me say I have great respect for the expertise and legislative skill of the members of the Committee on Ways and Means and for the knowledge of the workings of the House of the Committee on Rules—that we should allow every Member of this House—elected by the people to exercise their best judgment on these matters—to work their will without these unnecessary and artificial restrictions.

I urge the House, when it returns from recess, to vote down the rule recommended to us yesterday, insisting instead that an open rule be adopted—one which would allow the full range of choice to be exercised from among competing alternative policies by the entire House for the good of the country.

KENNEDY ASSASSINATION ANNIVERSARY SUGGESTS REVIEW OF POLITICAL ASSASSINATIONS BY SELECT COMMITTEE

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, I do not intend to use the 15 minutes allotted to me in this special order, but I rise to evoke the memory that this coming Saturday, November 22, 1975, brings; it will complete some 12 years that have elapsed since that most fateful day, November 22, 1963. I rise to evoke the memory of John Kennedy, a great man, a great President, and a great friend.

President Kennedy was a man of high courage. He had a proud heart, he had a daring mind, he had a marvelous gift of speech, and he had an abundance of human wit and fire. To this day, the memory of that November day in Dallas, on which fate decreed that some of us would be present, is still seared into the minds and memories of all of us. The sight of this great man, a man with such great wit and humor and fire and other great personal endowments, lying lifeless on a slab in a Dallas hospital, had such a benumbing impact that it is difficult even to this day to me to realize that President Kennedy was assassinated 12 years ago.

Mr. Speaker, I am the author of House Resolution 204. The resolution now carries 53 of my distinguished colleagues as cosponsors. This resolution would call upon the House to create a select committee to review a decade or more of political assassinations and attempted assassinations, beginning with the assassination of President Kennedy and rounded out by the attempted assassination of George Wallace and the two attempts on the life of President Ford.

The death of President Kennedy has yearly increased and caused the increase of numberless questions. The circumstances surrounding his death and the findings of the Warren Commission, along with the conclusions thereof, have all left a long train of speculation and questions that to this day are begging answers. Not all of these questions are being raised by people whom we would consider as extravagant or unrealistic or imaginary but, rather, many questions are raised by serious persons such as Dr. Cyro Weick, the coroner of Allegheny County in Pittsburgh, Pa., and other distinguished pathologists and scientists who have since made very detailed studies.

In light of these many questions, I feel that if President Kennedy were alive today, he would advocate that a congression investigation get underway. Based on my friendship with him, I feel he would wonder why there should be any delay. Therefore, it is in his memory that I once again appeal to you to fulfill the obligation which is ours as the elected representatives of the people to thoroughly investigate the circumstances surrounding these deaths and the attempted assassination on Gov. George Wallace which have so greatly affected our country and the American people.

Yesterday I listed the names of 53 Members of this body who are cosponsors of House Resolution 204 which, if passed by the House, would establish a select committee for studying the circumstances surrounding these assassinations and the attempt on Governor Wallace.

This is just one aspect, however. I feel that the House and the Senate as well, but particularly the House, has a very disinct and a very serious responsibility to review political assassination in our country as it has impacted our governmental and democratic processes because, indeed, that impact is here.

Who among us can deny that we have an unelected President, an unelected Vice President, and a 25th amendment to the Constitution that made that possible because, and only because, President Kennedy was assassinated on November 22, 1963?

Mr. Speaker, I think there is a clear and a present and a serious responsibility for this Congress to review the impact of these series of acts on our national development, on our democratic processes, and on the Government itself.

In closing, I would like to bring to the attention of this body a 2-hour documentary entitled "The Assassins" to be viewed on the CBS television network Tuesday and Wednesday evenings, November 25 and 26, at 10 p.m. eastern standard time.

SCHEDULE OF WAYS AND MEANS SUBCOMMITTEE ON OVERSIGHT HEARINGS

The SPEAKER pro tempore (Mr. LLOYD of California). Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, on Tuesday, December 2, the Ways and Means Oversight Subcommittee will hold a hearing on the former IRS Intelligence Division operation known as Operation Leprechaun. The hearing will begin at 10 a.m.;

the hearing room will be announced at a later date.

Copies of the subcommittee's first hearing on Operation Leprechaun, held on March 26, 1975, may be obtained by writing to: Oversight Subcommittee, 1539 Longworth House Office Building, Washington, D.C. 20515.

ADMINISTRATIVE CONFERENCE REPORT ON IRS

The hearing announced in the CONGRESSIONAL RECORD on November 18—page 37271—on the Administrative Conference of the U.S. report on the Internal Revenue Service is changed from December 4 to December 9, with the room to be announced later.

Also during December, the subcommittee expects to hold another hearing on problems in supplemental security income and/or HEW's quality control program in AFDC. Details will be announced after the Thanksgiving recess.

A CONGRESSMAN—INDIANA STUDENTS STATE THEIR VIEWS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. FITHIAN) is recognized for 15 minutes.

Mr. **FITHIAN**. Mr. Speaker, I am glad to be able to share two more of the themes I have received from high school students in my district on the subject of the kind of job a Congressman should do. I believe that these themes, like the ones I presented yesterday, can provide all of us with some valuable insight into the expectations we must try to meet and the standards our constituents set for us.

THE ROLE OF A CONGRESSMAN

(By Bill Cooper, South Newton High School, Goodland, Ind.)

The most basic and important job of a congressman is deciding what becomes a law and what does not become a law. Therefore, the most important question to be considered is: "How should the congressman arrive at his decision?"

In making his decision, the congressman must consider not only his own feelings, but also the wishes of several important groups of people. These include the people in his district, special interest groups, his political party, and his fellow congressmen. Unfortunately, these groups are very rarely all in agreement on what they want, and the congressman is faced with the unenviable task of deciding who to please and who not to please. To do this, a congressman should first try to gain all the information he can and familiarize himself with the issue at hand. He should then look at and carefully evaluate the positions of all the interested groups.

In considering the wishes of special interest groups, an important thing to remember is that these groups are usually large business corporations or unions whose major concern is for their own good rather than the good of the nation. The congressman must remember that he is a United States Representative, and that his decisions should be made for the good of the whole United States.

The same principle should apply in considering the wishes of one's party. Political parties are important in the organization of elections and to some extent, in the organization of the government, but once a man has taken office, his party affiliation should take a back seat to the fact that he is a United States Congressman, representing people from both parties.

A representative's fellow congressmen are a very important group. They can often give a congressman a great deal of information about an issue which he would otherwise know very little about. However, a congressman should refrain from engaging in political dealing and "logrolling," as these practices could result in the passage of laws that are not good for the country.

The people in the congressman's district undoubtedly comprise the most important group to be considered. These are the people who elected him, and it is important that he be aware of their feelings on an issue. Still, when the people elected him, they must have done so because they respected his ability to make wise decisions, so the congreeman must realize that in some cases the people may be blinded to the national picture by their local concerns. The congressman, because of his position, is better informed on all the aspects of an issue and can look at it from a national standpoint. Therefore, a congressman should make a decision that he feels is right even though in some cases it might mean going against the wishes of the people he represents.

These ideas which I have offered would probably sound suicidal to a congressman playing the political "game". However, it is quite possible that these men who play the political "game" are the main reason for the government being in the rather sad shape that it is in now. A man who becomes a congressman must realize that he was elected to serve the people of the United States; not himself. If all congressmen would worry about making wise decisions that would benefit all Americans instead of worrying about being re-elected, the people of the United States would have a lot more respect for the government, and we could get a lot more worthwhile things done.

THE CONGRESSMAN AND HIS ROLE IN AMERICA TODAY

(By David Kerr, Valparaiso (Ind.) High School)

The peoples of the United States of America are privileged to live in a democratic society in which they each exercise the right to take part in the policy decisions which govern their society. If 240 million people were to each cast a ballot in each instance that new legislation is brought up, the wide variety of opinions represented would lead to anarchy. It is for this reason that we choose congressmen to represent us in our government. These men are chosen on their demonstrated ability to make frugal decisions and to work well with other congressmen to properly operate our legislative branch of government.

The individual congressman must keep in mind throughout his terms in office that he is representing a large section of the American public. He must use his better judgment in making decisions, but if he acts consistently in a manner which is not held to be just in the minds of those people which he is representing, he is defeating the whole purpose of the democracy in which he is operating. The single most important aspect of the congressman's job, therefore, is to maintain a constant awareness of how the people he represents feel on the issues. There are several ways in which he can do this: he should make widespread use of public opinion polls, using a fair cross-section of his district; he should use the media to make frequent reports to the public, and encourage response in the form of personal letters; he should spend as much time as possible among the people to get first-hand reactions from the voting public.

The job of a congressman is very difficult. No matter what decisions he makes, he can never please everybody. He usually hears much more from the people offended by his decisions than from those who feel that he is performing very well. While he works hard in Washington, many people feel that he has alienated them by spending so much time in Washington, rather than in his home state. These, and many more factors, add to the difficulties that a congressman faces every day. It is for this reason that I feel the American public owes its congressmen a little understanding and a little more warmth. It should not complain that his salary is too high (for I feel that for the specialized job they perform they are not paid enough), and above all, the American public should not be so quick to criticize its elected representatives.

The congressman today faces a terrific challenge. Post-Watergate America tends to question everything a politician does. The congressman must work with the public, going into our bicentennial year, to develop a positive attitude among the American people so that we might enter into our next 200 years with the strong government that has typified the first two centuries.

LEGISLATION TO ESTABLISH THE NATIONAL CONSUMER COOPERATIVE BANK

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 10 minutes.

Mr. **ST GERMAIN**. Mr. Speaker, it is my privilege, at the request of the Cooperative League of the USA and Congress Watch to introduce a bill to establish the National Consumer Cooperative Bank. I am joined in sponsoring this bill by Chairman HENRY S. REUSS of the Committee on Banking, Currency and Housing and 32 other colleagues.

This bill is a means of making it possible for consumers to take meaningful steps on their own behalf through cooperative action. The success of the cooperative farm credit system has contributed greatly to the development of agriculture in this country. This Consumer Cooperative Bank bill is patterned after that experience and will aid consumers in meeting their needs in much the same way. This bank would provide nonfarm cooperatives with access to sources of financing at reasonable rates. By assisting cooperatives in obtaining capital the bank would be helping to set up private enterprises which will furnish high quality goods and services at reasonable costs to their members.

This legislation also establishes a Cooperative Bank and Assistance Administration which would supervise the operations of the bank and, more importantly administer a self-help development fund of $250 million. These funds, among other things, will be available for investments in the capital structure of undercapitalized cooperatives and in turn make it possible for such cooperatives to obtain loans at reasonable rates. In this way low-income persons will be able to form their own cooperatives and benefit from lower cost goods and services. In addition to the self-help fund, the supervisory agency with the help of the bank will also provide technical assistance to cooperatives whose members lack the experience and training necessary to effectively organize and operate a cooperative venture.

The bank will initially be funded by the Federal Government and have its directors appointed by the President. However, as the cooperatives take advantage of the services offered by the Bank, they will replace the Government funds through mandatory stock purchases and eventually own the majority interest in the bank. At that time, the board of directors of the bank shall be comprised of representatives of cooperatives in the fields of housing, consumer goods, services, and financial and cooperatives whose members are predominantly low-income persons.

The major concept underscoring this proposal is helping people become self-sufficient and giving them the opportunity, through assistance at the outset, to have private enterprise effectively serve their daily needs.

Mr. Speaker, to further explain the purpose of the National Consumer Cooperative Bank, I include a section-by-section analysis of the provisions of the bill at this point in the RECORD:

SECTION-BY-SECTION ANALYSIS OF NATIONAL CONSUMER COOPERATIVE BANK ACT

The purpose of this bill, Sec. 2, is to create a financial organization for consumer-oriented cooperatives so as to enhance competition and thereby reduce the spread between production costs and consumer prices, and to minimize the impact of inflation and recession. This purpose would be accomplished through the additional capitalization and financing of nonprofit cooperative organizations, and with technical advice or assistance to be furnished through the specialized credit and other services of the Consumer Cooperative Bank.

Section 102 charters the bank as a mixed ownership government corporation to operate as an instrumentality of the United States. The general objectives of the bank will be to encourage the development of new and existing consumer cooperatives, which will result in a broadly based ownership and control of the bank, foster increased member participation in the affairs of borrowers from the bank and other eligible organizations, make possible the distribution of net savings from its operation to its stockholders and through them to their consuming patrons, as well as making available quality goods and services to consumers at reasonable costs.

While only a single bank is chartered initially, after seven years, as the need develops, not more than twelve additional banks can be chartered to serve eligible cooperatives in geographic regions or to serve particular classes of cooperatives. This plan has the advantage of keeping initial costs low and permitting expansion and specialization compatible with the needs and growth of the bank. (Sec. 103)

The activities of the central bank would be exercised under the policies of a 13-member board of directors and the public supervision is through a Cooperative Bank and Assistance Administration, the purposes and functions of which are more fully described in Title IV. At the outset, the board would be appointed by the President, with the advice and consent of the Senate, and will include seven cabinet or other officers of the United States and six non-Federal employee members as provided in Sec. 105. It is envisioned that most of the initial stock will be subscribed by the Treasury and the services of the bank will be supplementary to many existing Federal programs. As the borrower's holdings of stock increase to eventual majority ownership, appointive board members will be replaced by democratically elected borrower representatives. To assure that all types of eligible cooperatives are given fair representation on the board, nominees and subsequent elections will divide membership among cooperatives for housing, consumer goods, consumer services, financing, low-income members, and other cooperatives. The chairman of the supervising agency will continue as the only government board member after the cooperatives own 51 percent of the stock in the central bank.

The regional bank boards of seven members will initially be appointed by chairman of the supervising agency from among the same groups of cooperatives and one at-large member. After two years, the groups would elect their representatives on the board.

The regional banks would be capitalized by borrower stock subscription, investment stock sale, and perhaps by preferred stock subscription by the central bank.

After the creation of a regional bank, loans originating in its territory would be made by it, except as the regional bank requests central bank participation.

Local organizations of eligible cooperatives could be utilized for processing and servicing regional bank loans.

The corporate powers of the banks are enumerated in Sec. 104. The listed powers provide all those corporate authorizations thought to be necessary or appropriate for this type of financial institution.

Sec. 106 authorizes the purchase by the United States of $250,000,000 per year for four years of preferred Class A stock of the central bank. Classes B and C stock will be issued to eligible cooperative borrowers and organizations controlled by such borrowers. The amount of such required stock holdings is left for by-law or board determination, between the minimum of one share of voting stock and an amount not exceeding 10 percent of the face of the loan. This flexibility was found necessary in the modernization of the Farm Credit institutions in order to provide necessary leverage for funding their lending operations.

Investment stock and other capital contributions may also be issued to investors who are not eligible borrowers. Such means will more rapidly permit retirement of government held stock.

Treasury held stock will be entitled to a two percent return and when a reasonable amount of capital has been accumulated, it will be retired as borrower held stock is issued. The net earnings of the bank will be allocated or distributed in stock, as patronage refunds to borrowers.

Subject to limitations which will assure that the services of the bank will be supplementary to and not in competition with existing Federally assisted credit sources, such as the Farm Credit institutions, eligibility will be determined under qualifications described in Sec. 107. Corporations chartered or operated on a cooperative not for profit basis will generally be eligible.

In order to assure that the needs of eligible borrowers are fully considered by the banks, provision is made in Sec. 108 for the utilization of advisory committees familiar with their needs and problems.

Under Sec. 110 funds for the lending operations of the central bank would be obtained primarily through the issue and sale of bonds or debentures and other obligations in the private investment markets and to financial institutions, but not exceeding a ratio of 20 to 1 against paid-in capital and surplus. The Secretary of the Treasury could purchase such obligations at his discretion. This authority might be used in conjunction with operations of the Federal Financing Bank to avoid critical congestion of the "agency" market. Under Sec. 104(d)(2), until a regional bank has enough paid-in capital to justify the sale of its bonds or debentures, it would discount loans made by it to the central bank. Such discounted loans would support additional sale of central bank obligations.

Sec. 111 describes the lending objectives and general criteria for loans which will constitute the major activities of the banks. Forty-year, fully repayable loans to provide the borrower with the type of credit needed at the lowest reasonable costs on a sound business basis may be coupled with technical assistance. In order to maximize the use of other available sources of credit useable by cooperatives, loans made by other financial institutions may be guaranteed by the bank.

Title II provides the means through which cooperatives made up of, or rendering services to, low-income persons or groups can acquire goods, services and facilities necessary to maintaining their health and income producing capacity within their economic means.

Sec. 201 creates a Consumer Cooperative Self-Help Development Fund for which original appropriations of $250,000,000 are authorized.

As provided in Sec. 202, the Self-Help Development Fund would be used by the Consumer Cooperative Assistance Administration for investments in the capital structure, supplementary interest credits or payments, or special low rate interest terms, thereby aiding low income and undercapitalized cooperative organizations to serve their low-income members or patrons. The Fund by supplying supplemental equitv capital to such cooperatives under a long term plan for its retirement, would be making it possible for many such cooperatives to progressively qualify for obtaining sound loans from the banks under Sec. 111. Collections from such investments would be deposited in the Fund for reappropriation for its purposes. This approach has proven to be a cost effective method of bolstering the purchasing power of low-income groups. Sec. 203 provides that operations and accounting under Title II would be kept separate from the Title I regular loan and guarantee operations of the banks and Title III technical assistance.

Cooperative undertakings which have not succeeded can usually be identified with insufficient knowledge of organizational problems; lack of understanding of how best to obtain maximum benefits through the patronage of the cooperative; ambitious but unverified appraisal and survey of the market; and lack of experience or training in the responsibilities, functions, and activities of boards of directors and managers. Title III, Secs. 301–304, would authorize the banks and the supervising Administration to provide these types of technical assistance, independently, or in concert with educational institutions, foundations and other agencies. The costs of this technical assistance would be borne, in appropriate part by inclusion in the interest charged on sound loans under Title I, the Fund maintained under Title II, the fees, charges and appropriations authorized in Title III, and contributions under agreements with other agencies and institutions.

Historically, the public interest in and public dependence on, financial institutions has resulted in public authorization, regulation and supervision. In those cases of substantial initial capital assistance by government, the need is obvious. By degrees as cooperative ownership and capitalization replaces that of government, a case can be made for more freedom from supervision. In this instance involving probable continued Federal contribution to low-income cooperatives, a Federal supervisory agency is essential. Existing Federal agencies with programs dealing with consumer cooperatives do so, more or less, in a limited scope or as an appendage to major programs and functions. For these reasons, Title IV of the bill creates, describes the organization, functions and responsibilities of a new independent Federal agency in the Executive Branch. (Section 401)

This agency—the Cooperative Bank and Assistance Administration—would be headed by a board of 5 consisting of a chairman, who will be the chief executive officer, a member who shall be chosen for his experience in finance, another for his experience in cooperative organization and activities, one for his experience with cooperatives having a predominance of low income members and one representative of the general public.

The agency functions will primarily fall into three categories: (1) audit and examination of the banks, (2) supervising the lending and borrowing functions of the banks and the correlation of those activities with other Federal programs, and (3) the capital investments, interest supplements, and technical assistance to low-income cooperatives.

Section 401(b) authorizes the delegation by the Administration to the bank such responsibilities for technical assistance and the Self-Help Development Fund as can be effectively done in that manner.

Section 402 sets out the audit and examination authority.

Appropriations, expenditures, and quarters are provided for in Sections 403, 405 and 407, with Section 404 treating the tax status of the bank and Section 406 establishing the bases of continued Congressional review.

Section 408 provides for an administrative review, at the request of an aggrieved applicant, on the denial or restriction of a loan or for failure to properly apply the law and applicable policy rules.

Section 409 requires the establishment of conflict of interest rules no less stringent than those contained in Executive Order 11222 and for publication of financial interest in excess of $1,000 of senior executive officers and of candidates for board membership and of their positions as board member or senior officer held in other business organizations.

Section 410 contains necessary correlating amendments to the Government Corporations Control Act and to the Executive Schedule of basic pay for the chairman of the supervising agency.

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO HOLD HEARINGS ON PROPOSED LOBBYING LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. FLYNT) is recognized for 5 minutes.

Mr. FLYNT. Mr. Speaker, I take this occasion to notify my colleagues that the Committee on Standards of Official Conduct will commence hearings on proposed lobbying legislation at 10 a.m., December 2, 1975. More than 40 bills dealing with this subject have been referred to the committee. Some are identical and are cosponsored.

Members desiring to testify are requested to notify the committee not later than November 28, so we can arrange an orderly schedule. Those desiring to submit statements in lieu of giving oral testimony are requested to file their statements with the committee not later than November 28 in room 2360, Rayburn House Office Building. Your cooperation will be appreciated.

FOOD PROFITS AND FARM PRICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 10 minutes.

Mr. MEZVINSKY. Mr. Speaker, Business Week, in its issue of November 17, 1975, released its third-quarter survey of corporate performance with the good news that company earnings are making a "stunning comeback." It may be the fastest rebound in corporate history.

There is one area of the report, however, which I find disturbing. I am referring to the earnings registered by the Nation's largest food processing and retailing groups.

Farm prices, as we all know, are down from last year, but there seems to be no end in the rise in consumer food prices. Are our food prices almost totally independent of farm prices?

One reason for the incessant increase in food prices may be that the food processor profits grew 28 percent over 1974 third-quarter profits. Food retailers had a profit increase of 16 percent—not as impressive as the processors—but then far better than the all-industry average of 10 percent.

I include an excerpt from the survey at this point in the RECORD.

	Sales				Profits								
									Margins				
Company	3d qtr., 1975 (millions)	Chg. from 1974 (percent)	9 mo. 1975 (millions)	Chg. from 1974 (percent)	3d qtr., 1975 (millions)	Chg. from 1974 (percent)	9 mo. 1975 (millions)	Chg. from 1974 (percent)	3d qtr., 1975 (percent)	3d qtr., 1974 (percent)	Return com. eqy. 12 mo. ending Sept. 30	P–E, Oct. 24	12 mo earnings per share
RETAILING (FOOD)													
Albertson's (11)	$321.2	22	$888.5	22	$4.4	40	$10.4	29	1.4	1.2	22.1	11	2.11
American Stores (9)	764.0	14	2,204.1	14	7.1	92	19.6	47	.9	.6	12.2	6	4.96
Big Bear Stores (10)	**77.2	9	229.3	8	1.4	42	4.2	11	1.8	1.4	16.9	5	4.92
Borman's (11)	128.5	12	420.7	17	.2	−58	.7	−46	.1	.4	3.9	6	.37
Colonial Stores	302.1	4	737.4	3	4.7	88	10.2	61	1.5	.9	15.7	6	3.53
Dillon (6)	275.8	22	782.5	23	5.3	44	15.5	35	1.9	1.6	26.5	15	2.14
First National Stores (9)	237.1	2	708.7	4	.3	NM	.9	NM	.1	NM	1.5	25	.85
Fisher Foods	413.7	18	1,038.0	25	2.3	−32	9.0	−3	.6	1.0	19.0	6	1.87
Giant Food (10)	182.7	10	606.2	9	2.2	89	8.8	46	1.2	.7	15.2	5	3.02
Great Atlantic & Pacific Tea (10)	1,569.6	−7	4,680.3	−11	5.6	14	−1,798	NM	.4	.3	−32.8	NM	−6.96
Jewel (11)	851.7	10	2,117.9	10	7.1	−20	23.1	−15	.8	1.1	9.9	8	2.43
Kroger	1,643.0	11	3,988.9	10	7.5	−43	24.5	−20	.5	.9	9.8	6	2.90
Lucky Stores (11)	776.0	21	2,289.6	19	12.1	33	36.7	29	1.6	1.4	23.4	13	1.26
Munford	**77.8	28	191.7	12	1.4	3	2.7	0	1.8	2.2	14.5	4	1.48
National Tea	442.8	3	1,103.9	4	−1.2	NM	−3.8	NM	NM	NM	−1.2	NM	−.11
Niagara Frontier Services (6)	67.5	43	189.4	42	1.5	37	4.4	31	2.3	2.4	28.5	5	2.54
Pneumo (1)	**119.6	19	345.8	20	2.3	64	5.4	65	1.9	1.4	19.9	4	2.89
Pueblo International (11)	148.6	3	449.6	2	−1.5	NM	−2.8	NM	NM	0	−3.9	NM	−.38
Safeway Stores	2,286.2	17	6,536.9	19	31.8	43	96.3	73	1.4	1.1	16.8	11	4.63
Southland	478.5	10	1,318.3	10	11.4	18	26.3	15	2.4	2.2	13.9	13	1.91
Star Supermarkets	45.6	9	134.5	10	.5	48	1.3	73	1.0	.8	16.6	4	2.90
Stop & Shop (11)	302.7	14	1,005.7	11	2.4	68	9.6	16	.8	.5	14.2	6	3.58
Supermarkets General (11)	387.4	6	1,171.3	8	1.9	11	.5	−92	.5	.5	1.6	29	.16
Thriftimart (9)	88.1	12	249.8	8	−.3	NM	−.3	NM	NM	.3	.3	77	.11
Weis Markets	91.2	17	271.1	19	3.8	21	11.0	14	4.2	4.1	19.1	9	2.39
Winn-Dixie Stores (6)	716.8	13	2,140.0	15	11.7	3	38.0	−3	1.6	1.8	29.4	14	2.70
Industry composite	12,795.2	10	35,800.1	10	126.1	16	172.4	−46	1.0	.9	7.7	12	1.29

Company	Sales				Profits								
									Margins		Return com. eqy. 12 mo ending Sept. 30	P-E, Oct. 24	12 mo earnings per share
	3d qtr., 1975 (millions)	Chg. from 1974 (percent)	9 mo, 1975 (millions)	Chg. from 1974 (percent)	3d qtr., 1975 (millions)	Chg. from 1974 (percent)	9 mo, 1975 (millions)	Chg. from 1974 (percent)	3d qtr., 1975 (percent)	3d qtr., 1974 (percent)			
FOOD PROCESSING													
Baked goods, canned and packaged foods, dairy products, meat, condiments, etc.)													
Alexander & Baldwin	**$98.5	−25	$227.5	−13	$10.9	−68	$16.0	−72	11.0	25.6	14.1	5	3.22
American Bakeries	96.1	1	316.9	4	1.4	NM	4.7	505	1.4	NM	5.2	11	1.05
American Maize-Products	66.5	5	177.4	13	5.0	51	11.9	113	7.5	5.2	26.8	4	4.05
Amstar (6)	357.1	−34	962.2	−18	13.1	−22	18.0	−53	3.7	3.1	18.1	4	8.44
Anderson Clayton (6)	153.7	−21	589.5	−12	10.0	10	23.7	9	6.5	4.7	12.3	7	5.13
Beatrice Foods (10)	1,116.9	7	3,242.7	8	38.4	7	100.1	4	3.4	3.4	16.4	13	1.75
Borden	821.1	−2	2,493.6	5	25.5	15	70.9	9	3.1	2.6	11.2	9	2.90
Brewer (C.)	**74.4	−18	198.8	−4	3.2	−72	6.1	−67	4.3	12.9	18.2	5	4.91
CPC International	732.3	10	2,044.6	11	26.8	23	75.0	22	3.7	3.3	17.4	10	4.38
Campbell Soup (5)	369.4	8	1,170.2	4	20.8	−2	67.1	0	5.6	6.2	13.5	12	2.61
Campbell Taggart	206.5	12	505.5	15	5.4	20	14.1	21	2.6	2.4	NA	9	4.03
Castle & Cooke	**208.3	11	563.3	13	9.3	−32	27.3	7	4.5	7.2	16.6	5	2.89
Central Soya (4)	389.9	−9	1,342.0	−1	3.9	−29	11.8	−48	1.0	1.3	9.3	13	1.19
ConAgra (6)	122.8	−10	375.3	−15	4.3	NM	7.4	NM	3.5	NM	32.8	3	2.99
Consolidated Foods (6)	662.1	6	1,869.9	5	19.0	−3	34.6	−39	2.9	3.1	7.6	12	1.60
Cook Industries (7)	**108.1	−4	408.9	9	1.1	−51	25.4	−15	1.0	2.1	24.9	3	6.98
Dekalb AgResearch (4)	**42.8	−6	261.8	16	4.1	33	23.6	4	9.5	6.8	NA	09	1.94
Del Monte (7)	311.4	18	791.6	23	13.8	28	35.8	10	4.4	4.1	17.4	6	4.19
Esmark (2)	**183.5	6	3,426.5	0	20.1	18	56.6	14	1.7	1.5	13.8	6	4.88
Fairmont Foods (10)	132.6	13	376.5	15	2.4	34	5.5	17	1.8	1.5	10.0	7	1.59
Federal (7)	**136.0	13	375.0	7	6.1	429	11.9	97	4.5	1.0	17.2	5	4.65
Flavorland Industries (9)	98.1	35	276.0	22	.9	NM	2.8	NM	.9	NM	16.2	4	1.53
General Foods (9)	948.8	14	2,925.5	14	36.8	23	103.2	12	3.9	3.6	14.7	10	2.66
General Mills (7)	625.1	15	1,711.4	12	24.6	28	50.7	1	3.9	3.5	15.3	18	3.30
Gerber Products (9)	94.8	10	271.2	14	6.0	56	16.2	44	6.4	4.5	15.5	10	2.47
Great Western United (7)	169.2	43	377.2	52	22.7	73	43.5	135	13.4	11.1	112.0	1	30.81
Green Giant (9)	107.3	5	304.4	4	2.3	−4	5.2	−33	2.1	2.3	6.7	8	2.03
Greyhound	997.0	10	2,708.8	5	29.5	11	55.6	2	3.0	2.9	12.2	9	1.63
Heinz (H.J.) (8)	434.3	11	1,255.8	13	12.8	11	50.5	19	3.0	3.0	14.1	11	4.48
Hershey Foods	154.8	4	419.8	10	11.2	72	22.9	46	7.2	4.4	17.0	8	2.25
Hormel (Geo. A.) (2)	259.8	16	706.1	2	3.4	−26	9.3	−16	1.3	2.1	13.2	5	3.25
International Multifoods (10)	197.9	0	592.4	−3	3.4	2	9.3	−6	1.7	1.7	11.7	7	3.70
Iowa Beef Processors (2)	492.7	21	1,304.6	15	5.7	3	15.6	31	1.2	1.4	24.1	4	7.17
Kane-Miller	168.0	−1	475.6	−5	3.1	7	7.0	1	1.9	1.7	14.6	4	3.76
Kellogg	319.2	19	920.6	22	30.7	45	63.6	36	9.6	7.9	27.1	15	1.31
Knudsen	42.5	1	117.7	−8	1.2	109	2.6	91	2.8	1.3	NA	NA	NA
Kraftco	1,204.0	5	3,629.2	10	42.7	45	96.0	36	3.5	2.6	14.2	10	4.32
Libby, McNeill & Libby (6)	120.1	12	360.8	7	.5	−83	4.6	−53	.4	2.7	5.0	10	.75
Mayer (Oscar) (2)	273.1	14	755.6	5	8.4	−11	19.5	−4	3.1	4.0	16.4	7	3.05
MBPXL (2)	180.7	0	495.0	−15	1.6	85	3.5	−30	.9	.5	NA	7	1.36
McCormick (1)	60.4	13	169.6	15	2.1	14	5.2	14	3.4	3.4	16.0	17	1.95
Nabisco	497.8	13	1,431.8	13	14.3	38	38.9	27	2.9	2.3	14.3	11	3.36
Newhall Land & Farming (10)	**27.1	15	64.1	21	2.5	20	5.9	32	9.2	8.8	12.5	9	1.42
Norton Smith (6)	442.7	−2	1,191.2	−10	20.0	11	57.5	4	4.5	4.0	11.1	12	1.79
Pillsbury (7)	300.8	14	899.6	14	8.4	28	20.6	17	2.8	2.5	15.4	15	5.79
Seaboard Allied Milling (7)	62.6	−1	251.7	−2	1.0	95	1.9	2	1.6	.8	7.8	5	1.55
Spencer Foods (2)	133.0	19	315.9	−5	−.1	NM	.2	−91	NM	.6	0	NM	0
Staley (A. E.) Mfg. (3)	190.0	2	572.7	15	11.6	62	39.9	205	6.1	3.8	37.1	6	9.46
Standard Brands	*491.4	8	1,421.7	13	16.1	20	45.7	20	3.3	3.0	16.9	16	2.28
Stokely-Van Vamp (7)	114.0	0	342.2	5	2.9	19	7.7	−10	2.6	2.2	10.0	6	3.24
Tasty Baking	31.6	7	99.4	13	1.5	247	4.2	160	4.6	1.4	21.5	7	2.48
Tropicana Products (4)	45.1	19	127.8	22	4.1	42	10.6	27	9.0	7.5	21.1	17	1.36
United Brands	566.1	20	1,598.1	8	4.1	NM	7.0	NM	.7	NM	−2.2	NM	−.93
Valmac Industries (9)	41.0	71	114.5	43	3.2	NM	5.0	67	7.8	NM	22.7	4	3.60
Wrigley (Wm.) Jr	90.9	19	258.3	29	7.3	67	20.9	66	8.1	5.8	19.0	9	6.73
Industry composite	17,372.0	6	50,366.8	7	591.0	28	1,520.5	15	3.4	2.8	14.7	9	2.75

REDLINING

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. COLLINS) is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, recently the House passed the home mortgage disclosure provisions, of H.R. 10024. Many factors contribute to urban deterioration—the practice of redlining is one of them. This bill can serve as the first step in reversing the trend of urban decline.

This bill requires local depository institutions to disclose to the public the history of their mortgage lending practices. We are asking that the institutions list the number of mortgages that have been granted in a particular area and in what amounts. This information will be posted in the main office and in one branch office of the institution on an annual basis.

The information obtained from disclosure of a depository institution's lending practices will indicate whether individuals are being refused loans on the grounds—literally—of where they live rather than on the basis of their credit worthiness. Ultimately this information will tell us whether or not whole areas of our cities are being neglected because of a systematic lending policy used by some institutions. Once such information is made public, people will be able to determine whether the banks which are faithfully maintaining their checking and savings accounts are, at the same time, refusing to extend mortgage loans to repair the housing in their communities.

Public disclosure of the records of an institution which has engaged in redlining practices can be expected to result in withdrawal of depository accounts by bank customers living in redlined neighborhoods. Likewise, institutions which have engaged in redlining can be expected to alter or discontinue such practice in order to keep their customers. Many institutions do live up to their obligations by lending in the areas from which they receive deposits. However, many banks do not because the profit factor is not there. These banks prefer to go outside the city to the suburbs to invest in large land development projects. In view of the detrimental effect of this policy upon inner-city housing, it cannot be tolerated. Therefore, this simple provision on mortgage disclosure is intended to reverse the trend of inner-city benign neglect.

In the States of Illinois, New York, California, and Massachusetts, legislatures already have independently enacted laws to deter the practice of redlining by financial institutions. For the most part, these laws are much more stringent than the Federal home mortgage disclosure provisions. One example will illustrate: On January 18, 1974, Illinois became one of the first States in the country to adopt an antiredlining regulation. Article II, section 9 of the Illinois Savings and Loan Act of 1974, first, includes a record retention clause stating that each loan institution must retain rejected loan applications, and the reasons for the rejection, for a 24-month period; second, sets out a redefinition of what constitutes sound underwriting practices and lists standards which must be followed; and third, explicitly states that discrimination and redlining are prohibited.

H.R. 10024, the home mortgage disclosure bill, would coordinate State regulations and laws such as the ones we have in Illinois with Federal provisions. In order to reverse the tide of deterioration of our communities, it is absolutely essential that the Federal Government demonstrate a much stronger interest than heretofore in the serious problem of redlining. The passage of H.R. 10024 by the House is the first step in that direction.

PERSONAL EXPLANATION

(Mr. BADILLO asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BADILLO. Mr. Speaker, to my surprise, I have discovered that my vote on H.R. 8617, the Hatch Act amendments, was not recorded. Although I am recorded as having voted in the negative on all amendments that would have weakened the bill, including one immediately preceding the vote on final passage. Had it been recorded, however, my vote certainly would have been "aye."

THE NATIONAL EDUCATIONAL OPPORTUNITIES ACT OF 1975

(Mr. UDALL asked and was given permission to extend his remarks at this point in the Record).

Mr. UDALL. Mr. Speaker, talking to a reporter at a Boston high school, a 16-year-old young man said of the current racial problems, "Let's face it, I was brought up prejudiced."

I guess, to some degree, all of us are prejudiced in one way or another. But most of us, thankfully, have also been brought up with a sense of tolerance and justice.

The busing of small children to schools far removed from their neighborhoods understandably arouses the fears and passions of parents, making them susceptible to irresponsible leaders and, most unfortunately, vote-seeking politicians. Intelligent discussion of equal educational opportunity cannot occur while the discussion of quality education for all is obscured by the televised details of human frailty, frustration, and violence that point out the failures of massive court-ordered busing.

As the young man said in Boston, "Let's face it." We have to face the cold hard fact that an alternative to busing has to be given the Nation by the Congress—the sooner, the better.

It has been a full 20 years since the U.S. Supreme Court ruled that Lizzy Brown, a young black girl in Topeka, Kans., should not be forced to attend an all-black school 30 blocks from her home, but should be able to go to school in her neighborhood.

Brown against the Board of Education led the way to a new climate of racial justice and a determined effort by the Congress to enact laws assuring all Americans equal opportunity to cast their votes, to buy a house, and to get a job.

I worked for and supported the Voting Rights Act, the Public Accommodations Act, open housing, and equal opportunities legislation, all important steps to an open and integrated society.

A vital part of this society is equal educational opportunity for all. While I want this achieved, I am becoming increasingly skeptical about the ability of school busing for racial balance to meet the present problem. Busing may have gone as far as it can go—a theory gaining increasing credibility with the black community.

Again, let us face it, we have not given proper consideration to a good idea on how we can bring about equal educational opportunity for 10 years. While dedicated integrationists still bring lawsuits to force school districts to attain racial balance, the courts are armed only with busing as a tool when the facts prove that imbalance is jeopardizing equal education. And the parents of school children in middle America are still saying "no" to court-ordered busing. You would think that we could have learned something after 10 years of this frustration.

Two years ago, I joined with our colleagues, John Anderson, Barbara Jordan, Albert Quie, Richardson Preyer, and Andrew Young, in a call for new thinking and new approaches to break this political and constitutional deadlock. We stated:

> We meet as a group of Republicans and Democrats, White and Black, from all sections of the country. After some 25 years' experience with desegregation and its many difficulties, the time has come for a broad-based, national approach to our educational problems. While we may not all agree on every detail and may differ on specific provisions in various bills, we share a common goal.
>
> We accept and support the objectives of integration and of the equalization of educational opportunities.
>
> We are convinced that the vehicle adopted by the Supreme Court to achieve these goals—that of massive cross-busing to achieve racial balance—is often disruptive to society and can undermine the quality of education.
>
> We recognize that the courts have neither the practical capability nor the constitutional responsibility to resolve issues of social policy.
>
> We point to the forfeiture of responsibility on the part of the Executive and the Congress as a primary reason for many school systems being administered under judicial decree.
>
> We derive very little encouragement from recent court decisions that the Supreme Court will point the way out of the busing dilemma.
>
> We reject the sweeping solution of a constitutional amendment to prohibit busing designed to achieve racial balance as unnecessary, unduly drastic, and of dubious consistency with the basic moral commitments of our nation.
>
> We question both the constitutionality and effectiveness of legislation designed to limit the remedies which courts may employ to enforce constitutional rights.
>
> We feel that by addressing the underlying problems—rather than the judicial remedies—we can reduce the need for these remedies.
>
> We do not believe that there is a simple or even a single answer to our educational problems.
>
> We recognize that only Congress has the power and, indeed, the duty to establish a legislative framework within which fresh approaches to our difficulties can be attempted.
>
> We believe that alternative solutions will appear only when local communities and school officials are given the means and incentives to develop them.
>
> We are confident that, with the help of Congress, Americans have the ability to overcome racial segregation and unequal educational opportunities . . .

One outgrowth of this bipartisan, biracial call for new thinking and new leadership was the National Educational Opportunity Act of 1973, drafted by the late distinguished legal scholar, Alexander Bickel, and sponsored by Representative Preyer and myself. Though it was rejected as an amendment to the Elementary and Secondary Education Act, it remains the only constructive proposal yet advanced for real, substantive movement toward an integrated society in which all persons are given a genuine chance for equal educational opportunity. It has been introduced in this Congress, with modifications in response to criticisms already voiced, by Representative Preyer, with the cosponsorship of Representatives Lee Hamilton and James Symington, as H.R. 10146.

Today I am reintroducing that bill, with minor clerical corrections, as H.R. 10884. I do this with full knowledge that it will not satisfy everyone, that further amendment will probably be necessary. I am informed that hearings may be scheduled as soon as next month. Perhaps in those hearings expert witnesses will expose problems with the bill that have not occurred to the sponsors; perhaps it will ultimately prove impossible to achieve a spirit of consensus and reconciliation on so emotional an issue. But the important thing now is that we have a vehicle for discussion so that we may turn a destructive, divisive debate into a genuine dialog—so that we may advance from rhetoric to results.

Yesterday, the Democratic Caucus made clear its opposition to the blunt instrument of a constitutional amendment to halt court-ordered busing. But the eloquent and impassioned voices of our colleagues also reminded us of the deep social disruption wrought by busing in some cities.

For those on the other side of the aisle, and for my Democratic colleagues who were unavoidably absent, I would like to point out that the most favorable response of the caucus—from both supporters and opponents of the motion we were debating—was to the remarks of the distinguished gentleman from North Carolina, Representative Richardson Preyer. I urge all Members of this House to pay attention ot his words:

> Certainly Congress should exhaust all other remedies before going to such a drastic and uncertain solution as a constitutional amendment. It will be argued that "we have

> tried everything else and nothing works. A constitutional amendment is all that remains." This is not so. We have not tried the one key thing. We have not come to grips with a comprehensive education bill which addresses this question: "What is the best way to achieve equal educational opportunities? What can we do to reach the goal of desegregated schools without busing?"
>
> Such an approach is a realistic option; it is not just theory. A number of Congressmen and I have introduced such a bill—drafted by a constitutional expert, discussed with and approved by leading educational experts. If you want to do something about busing, that requires only a majority in Congress and not lengthy action by state legislatures, that zeros in on the problem of busing without compromising the goal of a desegregated school system, that is not the loose cannon shot that a constitutional amendment is, then support something like this bill—a legislative approach.
>
> Congress should legislate a national educational policy to attain equal educational opportunities in this country. This will not be easy. There are no quick shortcuts. We have not met the challenge in the past—and that is why we are here now. But I remain hopeful that we can bring the full legislative process to bear on this vexed question and find a solution which will help us in our attempt to achieve a more integrated society.

This bill neither compels nor forbids the transporting of large numbers of students out of their neighborhoods to attain a particular mix throughout a district. Instead, it requires each State and community to devise—under rigorous safeguards protecting the rights of minorities—a plan to achieve meaningful integration along with real equality of opportunity. The devices that may be used to attain these goals are as numerous and varied as the human mind. For some communities, busing may be the answer; while Louisville and Boston grab headlines, cities like Racine, Wis., have voluntarily chosen to use busing and other techniques—and have done so without friction. Other communities may follow the model of Atlanta, where black community leaders said, in effect, "Let's integrate the dollars—give us equal finances and community control, and we will make city schools so good the suburbs will come to us."

Under this bill, each State will be required to devise a 5-year plan for reducing racial isolation and achieving equal educational opportunity for its students. The particular methods for attaining these goals would be chosen by each community to reflect its social, economic, and geographic conditions. I want to emphasize that no school, no district, and no State would be permitted to evade its affirmative responsibility through the spurious "freedom of choice" or "quality education" smokescreens historically used to justify a retreat from full educational equality. At both the State and local level, the committees drawing up the plan would include parents of minority students in direct proportion to minority enrollment.

In recognition of the historical fact that the courts have often been the only protector available to those whose rights have been violated, the bill guarantees the right to sue for relief from a denial of equal educational opportunity. This right may be exercised by individuals, groups of individuals, or the Attorney General.

The bill provides Federal financial assistance geared to the minority enrollment in each State and provides that failure to adopt and carry out an acceptable plan will cut off this funding, as well as title I, title III, and all other educational enrichment and desegregation assistance funding; it also commands that school districts equalize resources among their schools, and guarantees the individual student the right to transfer from any school in which his racial group is in a majority to any in which his race is in a minority, with the costs of transportation and supportive services to be borne by the school district.

And, unlike present policy, it calls for a continuing process of review and adjustment to meet what most certainly is a fluid problem.

Mr. Speaker, this is a good and just Nation founded on a bedrock of equality. There is a great deal of good will among our people, all of them, but there is a delicate balance, one susceptible of being upset when pushed too far, too fast.

If today's depressing situation has taught us anything, it is that the Congress must act to provide a reasonable alternative or the fragile balance of reason and tolerance may tip.

John F. Kennedy once said that—

> While we did not all come over on the same ship—we are all in the same boat.
>
> Let us face it—indeed we are. The opportunity and the tools are there for us to utilize. Let us make the bitterness and hysteria of today our motivation for regaining our true spirit of rationality, decency, and equality.

INTERNATIONAL IMPLICATIONS IF NEW YORK DEFAULTS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, as my colleagues depart for the Thanksgiving recess I would like to bring to their attention a column written by Hobart Rowen which appeared in today's Washington Post.

Mr. Rowen clearly describes the concern felt by the European community about the possibility and impact of a default by New York City. As he states in his article:

> A New York bankruptcy could be equated with a new failure of capitalistic democracies.

The action which we take to alleviate this crisis can only be a beginning to the solution of the urban fiscal problem, but unless we are willing to take the first steps nothing will be accomplished and the consequences may well be disastrous.

Mr. Rowen's article follows:

A New York Default: The European Impact

(By Hobart Rowen)

Paris.—To Europeans, it had always been incomprehensible that New York City would be allowed to go down the drain. "What you don't understand," says an American businessman who has lived here for the past 20 years, "is that to Europeans, New York is America, and America is New York."

He adds: "There are cowboys in Texas, and gangsters in Chicago. But essentially, all anybody knows anything about is New York. That may be unsophisticated, but that's the general impression."

Chalk it up to the movies, if you will, but to many people here, a New York bankruptcy could be equated with a new failure of capitalistic democracies, already straining to prove they can halt the spread of recession and unemployment. The growing fear that the large democracies may not measure up to this task was one of the reasons political leaders here were anxious to convene last weekend's summit on economic problems.

Whether the summit will result in new vitality for the Western World remains to be seen. But prevention of a New York default will evoke a sigh of relief in all of the capitals here.

"If New York were allowed to go down," said Rinaldo Ossola of the Bank of Italy, "Europeans feel that the repercussions would be important, and there would be great sense of disquiet."

For example, there could be a substantial shifting of funds in the money markets, and a growing distrust of new investment in the United States. New York banks have kept a wary eye on the possibility that they would lose a substantial amount of deposits. Indeed, some of this has already taken place within the U.S.

"If I had money in New York banks," a former high U.S. government official told me the other day, "I'd look to see if I shouldn't take some of it out and place it in Chicago or San Francisco."

But at this point, European fears have been tamped down. They not only see a resolution of New York's immediate problems without a technical default or bankruptcy, but there is a reluctant admiration for what is termed President Ford's "courage" in insisting that New York City and New York State discipline themselves before getting federal aid.

"There are dozens of New York City situations in my country," said a European official who did not want his name mentioned or the country identified, "but no political figure would have the guts to do what President Ford did."

High U.S. officials in the past few days have been saying that their original hard-nosed position was essential to force concessions from New York City politicians, who otherwise would not have knuckled under to the harsh realities.

"It's something like a collective bargaining procedure," one official said privately. "It's a game we had to play this way.

But in the process of playing this game, the Ford administration—and especially Treasury Secretary William E. Simon—have earned the anger and distrust of some important elements of the banking and business community in the United States. They thought the administration took a great chance with the nation's economic future, at a time when high unemployment into 1976 seems assured. Some, of course, fully backed Mr. Ford.

What some Europeans see as presidential "courage" (now that some aid program is on track), many Americans label an effort to score political points. Clearly, President Ford enjoyed the crowd response as he flailed New York profligacy in recent speeches in Los Angeles, San Francisco, and Milwaukee—all of which, by the way, enjoy the highest credit ratings. Where better to condemn the sinner than in church?

But White House spokesmen indignantly turn aside the thought that President Ford is running against New York. At a recent economic symposium, White House aide William Gorog, a supporter of pushing New York to cut back its spending, said: "I happen to think a default would be a political disaster for President Ford and the President thinks it would be a disaster."

Inasmuch as the President, in his bitter and ill-tempered Press Club speech, seemed to be opting for a New York default and worse, this reporter asked Gorog to explain himself. "Whether or not there's a ripple effect from a New York default," Gorog elaborated, "nobody wins because default is such a difficult situation. No one really wants to sit by and see New York go down the drain."

The hard thing to explain to Europeans is that any solution to New York's problems will be highly imperfect. A loan or guarantee of New York City's bonds averts the trauma of default, and the stigma that might otherwise attach to all future issues of municipal bonds. On the other hand, it would rescue the bondholders (some of whom will make fat profits) while New York City taxpayers and employees suffer a loss of service and jobs.

As the Joint Economic Committee of Congress pointed out, short of a voluntary restructuring of the debt, there is no solution to the New York problem that avoids default and also requires the bondholders to bear some of the burden.

Europeans, obviously, think the price of avoiding a default is worth paying, and I tend to agree. But the real and overwhelming problem of bringing sensible management to New York and other big American cities—including an overhaul that puts the key responsibility for welfare on the federal government—will only then begin.

RETURN OF VOLUNTARY SCHOOL PRAYER IN OUR BICENTENNIAL YEAR

(Mr. ASHBROOK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, ever since the U.S. Supreme Court decisions of 1962 and 1963 concerning voluntary school prayer in the public schools, the continuing efforts of concerned citizens to return prayer to the schools have been frustrated by both the courts and Congress. Despite public support of prayer restoration, as evidenced by the polls over the years, the issue is still unresolved.

In 1966, the late Senator Everett Dirksen offered a constitutional amendment bill to a minor bill pending in the Senate. Although the bill passed by 49 to 37, the margin was short of the two-thirds needed for a constitutional amendment.

In the House in 1971, the very unusual legislative device known as the discharge petition was used to withdraw from the House Judiciary Committee similar legislation. Here again, although the bill passed easily, 240 to 162, it was 28 votes short of the necessary two-thirds of the 402 Members voting.

As the U.S. News & World Report of August 8, 1975, observed, there is a new push on to restore voluntary school prayer with New Hampshire and Connecticut recently passing laws allowing voluntary, nondenominational prayer and other legislatures slated to consider similar bills.

In the House and Senate constitutional amendments have again been introduced. In addition, legislation withdrawing appellate jurisdiction from the Supreme Court and the district courts in cases dealing with school prayer have been submitted. This approach is based on the constitutional right of Congress to limit the Federal courts in areas outside their original jurisdiction as spelled out by the Constitution. The Supreme Court over the years has conceded that Congress does have this authority, although Congress seems reluctant to use it. Unlike the constitutional amendment, this legislation requires but a simple majority for passage and does not involve ratification by the States.

While these two approaches would seem to be mutually exclusive, they need not be. The appellate legislation is an immediate, short-haul solution, requiring but a simple majority vote. The constitutional amendment is the more complete but more laborious corrective and, it seems, should be pursued along with the appellate proposal. Neither option should be discarded but supported as complements of each other, with the constitutional amendment as the long-range goal.

A recent letter I received from the national "Back to God Movement" indicates that the proprayer supporters will not be denied. Mrs. Bennett Miller, national coordinator of the movement, states that over 5 million signatures have been collected by 250 educational, religious, and patriotic organizations in all 50 States endorsing school prayer legislation over the years. Both the amendment and the appellate type of proposal have received support from Mrs. Miller's movement utilizing the dual-approach plan of action. H.R. 2414, the appellate proposal, and House Joint Resolution 102, the amendment bill, both of which I introduced in January of this year, are available vehicles to implement this new game plan for restoration of voluntary school prayer.

For over a decade now a large majority of the American people favoring voluntary school prayer have allowed their U.S. Congress to ignore their wishes. They should forcefully insist on corrective action in our Bicentennial Year.

I insert at this point the letter from the national "Back to God Movement" referred to above:

OCTOBER 29, 1975.

Hon. JOHN M. ASHBROOK,
House of Representatives,
Washington, D.C.

DEAR MR. ASHBROOK: Over five million petition signatures have been amassed to restore voluntary prayer in public schools (more arrive daily). See organization listing enclosed. This has been accomplished by the Back to God Movement and over 250 educational, religious and patriotic organizations from all 50 states.

For 13 years, since the Supreme Court Decisions of 1962–63 banning from the public school classroom prayer and Bible reading which had any devotional content, our nation has suffered a grave moral decline. Now no one is safe in home or school, in the street, or even in the hallowed halls of the Capitol itself. The Decisions rulings have been expanded and misinterpreted until many expressions of public reverence have been threatened. (See information sheet enclosed.)

The massive majority of our citizens feel these Supreme Court Decisions were in error. National and Congressional polls prove this with ratings of 73% to 94% favoring restoration of voluntary prayer to our schools. Three state referendums support it: Maryland, Florida and Massachusetts. Nine states have passed laws permitting or requiring silent meditation or prayer. One of these, New Hampshire, permits recitation of the "Our Father . . ." prayer. Doesn't this show that the American people want their children to have the opportunity to pray together, to sing hymns and corals, to celebrate religious and patriotic holidays in our schools?

For the sake of our National Security, our most precious resource, YOUTH, must have the opportunity to be educated in systems of public service which provide the basis of developing useful and responsible citizenship. This cannot be done without the teaching of moral and spiritual values, the essence of good citizenship—as found in the moral precepts of the wisdom of the ages, the Bible and historical documents.

Enforced prayer is wrong: prohibition of prayer is equally wrong. The second clause of the First Amendment to the U.S. Constitution must be implemented as well as the first clause. "Congress shall make no law respecting an establishment of religion *or prohibiting the free exercise thereof.*"

We urge you to do all in your power to promote Hearings on H2414 to assure action in this session of Congress so that the basic Civil Rights of Freedom of Speech and Freedom of Religion will be restored now to *all* citizens.

Sincerely,
MRS. BENNETT G. MILLER,
National Coordinator, Back to God Movement; Vice Chairman, Leadership Action, Inc.

MAKING TERRORISTS RESPECTABLE?

(Mr. ASHBROOK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, with the United Nation's votes against Zionism and in favor of the Palestine Liberation Organization—PLO—and Egyptian President Sadat's call for U.S. contact and negotiations with the PLO, some attention should be given to that organization.

President Sadat and the United Nations would have this country cozy up to a leader of a terrorist organization which has called for the elimination of Israel and committed numerous barbaric acts. Last year when Yasir Arafat, head of the PLO, spoke before the United Nations and called for the elimination of Israel he was wearing a gun—in a body that has a charter talking about peace. But then everyone should know how little the U.N.'s charter means to it.

Arafat is also leader of Al Fatah which has the most representatives in the Palestine Liberation Organization. Al Fatah under Arafat's leadership set up the Black September Organization. This organization has been responsible for numerous terrorist incidents.

To list a few since 1971, it has attempted to assassinate the Jordanian Queen Mother, assassinated the Jordanian Prime Minister, kidnaped 11 Israeli athletes at the Munich Olympic Games and subsequently slaughtered them, sent letter bombs to Israeli and Jordanian officials killing 1, and murdered 2 U.S. officials including the Ambassador to the

Sudan and 1 Belgian official stationed there.

The PLO under its own name has participated in such outrages as taking over an Israeli apartment house and slaughtering 18 civilians, mostly women and children. This is the type of organization and individuals that the United Nations and Sadat would have us become friendly with.

Reading the newspapers over the past several years makes even the most casual reader aware of numerous other terrorist groups causing death and havoc. What the media does not usually inform the reader about is the connection between the terrorist groups.

The Palestinian terrorists involved in the Munich killings seemed to have been aided by the West German Baader-Meinhof gang—the members of which were trained in Palestinian guerrilla camps in 1970. This same gang is thought to be responsible for bombings which killed four American servicemen in West Germany and partially destroyed several police stations.

Other terrorist groups that are members of the Palestine Liberation Organization have contacts with the Japanese United Red Army. The Red Army has hijacked a jet to North Korea, killed 26 and wounded 80 in a grenade and machinegun attack on Israel's Lod Airport, and participated with 2 Arabs in an attempt to blow up oil storage tanks in Singapore. All these actions were in addition to involvement in Japan in the murder of policemen and defense officials, bank robberies, and bombings. The United Red Army also is reported to have contacts with Marxist revolutionary groups in the United States and Latin America.

These are only a few of the terrorist groups in existence today. Terrorist activity continues on a worldwide scale. In the last Congress and present Congress I have introduced legislation to combat terrorism. My bill would make it more difficult for foreign and domestic terrorists and their supporters to coordinate activities and give each other aid.

NEW YORK CITY

(Mr. COCHRAN asked and was given permission to extend his remarks at this point in the Record and to include extraneuos matter.)

Mr. COCHRAN. Mr. Speaker, the House of Representatives has withdrawn from the calendar a bill to help bail out New York City. This was done because they did not have the votes to pass it, much less the number needed to override a certain Presidential veto.

The news from New York, which includes the broadcast networks, has couched the problem of Federal assistance in terms of a mean and unfeeling President who refuses to help the unfortunate citizens of New York City who have as their only champions their mayor and their Governor.

It disturbs me greatly that we are rarely told about the facts which truly describe the financial, as well as the political, plight of the city.

Not only have a few labor union bosses become so powerful as to be able to shut down the city's operation as ransom for lucrative wage and pension plans which the city cannot afford with its existing tax base, but the city's politicians have been misleading their own citizens and the city's creditors about the financial condition of the city. This is not a new problem. It has been going on for years. And now that it is time to level with everybody, the mayor, and Governor Carey, want the President to assume the financial and political responsibility for telling the people that they have to have a balanced budget and they must cut back spending or raise taxes to pay for these unwise political decisions of the past. He is not about to do that, and I applaud his decision.

As justification for my previous statement, here are some real facts, unedited by the New York media or press:

The ratio of New York's municipal employees to its inhabitants has increased 70 percent since 1960. The city has been unusually generous in its public services, providing free university education, subsidized hospitals, transit systems, and housing projects. It also has paid unusually high compensation to its municipal employees. But the city has not raised taxes proportionately to meet these increased expenditures. Instead, the city government has financed its deficits through short-term borrowing in anticipation of questionable future revenues.

A recent audit by the State of New York comptroller of New York City's budgetary and accounting system discloses gross misrepresentation by the city of its financial condition during the past 2 years.

For example, the audit report says, and I quote:

> The accounts receivable from the State and Federal governments applicable to the years ended June 30, 1974, and June 30, 1973, recorded in the City's central fiscal records as of March 31, 1975, are grossly overstated. We examined $373.3 million out of $434.2 million of such receivables, and found them to be overstated by $324.6 million.

In another part of the report there is a statement that—

> the City had included as accounts receivable substantial amounts that were not collectable or where the likelihood of collection was extremely remote.

Discrepancies also existed, according to this report from the State of New York, in amounts said to be due the city from real estate taxes and the amounts which the city had legal authority to collect. Again quoting from the report, it says:

> The inclusion of publicly-owned properties on the tax rolls resulted in the City assessing significant amounts of real estate taxes which could not possibly be collected—at a rate of about $36 million a year, leading to an accumulation of $126.6 million in uncollectable taxes at June 30, 1975. Included in the 18,000 parcels in this category were vacant land, city-occupied office buildings, an urban renewal land site, Carnegie Hall, and even a public park and high school.

I was truly shocked to read these findings from this audit report on New York City. If a private corporation had been managed in this fashion, its officers would be thrown in jail.

My suspicion is that the city, in an overzealous effort to make its bonds and notes more attractive to prospective purchasers, misrepresented its true financial condition to make the city look financially stable when in fact it was on the brink of bankruptcy.

As part of the political shenanigans, Governor Carey wants to be able to blame President Ford for the city's problems. Neither the Governor nor Mayor Beame wants to make the very unpopular political decisions that will restore fiscal responsibility in the city and the State. They want to tell the people of New York that the President has insisted on specific tax increases and other necessary steps to qualify for Federal assistance. But we see that President Ford is not buying that. And he should not.

New York's own politicians made the decisions and engaged in the misrepresentations, not to mention the extravagance, which led to the city's financial dilemma. They should assume the responsibility of imposing the measures needed to balance the ledger.

The Congress should stand with the President on this issue and refrain from imposing guidelines on New York. If the politicians and the people in New York want to dance, they should have to pay the fiddler; and it is the job of their own officials to tell them how much the fiddler charges.

DETAILS ON RESEARCH, TRAINING, AND MODEL PROJECTS FUNDED BY THE U.S. ADMINISTRATION ON AGING

(Mr. MATSUNAGA asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MATSUNAGA. Mr. Speaker, some time ago I initiated an inquiry with the U.S. Administration on Aging about the funds which they disburse pursuant to direct competitive applications, rather than by geographical allocations contained in the law, specifically, those funds appropriated by Congress for research, for training and manpower development, and for model projects.

AOA has responded to that request. In view of the high degree of interest among members of the Select Committee on Aging and other Members of the House, I am inserting in the Record the most recent data, for fiscal year 1975, provided by AOA. Fiscal year 1974 data on model project funding and on research and development funding by AOA is available from that agency in printed form.

I. TRAINING AND MANPOWER DEVELOPMENT

Pursuant to part A of title IV of the Older Americans Act, Congress appropriated $8,000,000 for fiscal year 1975 to help train personnel for programs in the field of aging. This amount was divided almost equally between relatively long-term training programs in institutions of higher education, and shorter term training designated to meet the inservice training needs of personnel already employed by State and area agencies on aging. AOA has available in published form a short description of each of the long-term training programs listed below, which I will not include in the interest of brevity and economy.

I am including in this section, however, a listing of fiscal year 1975 dissertation research grants. These grants were funded until now under the research and development authorization of title IV-B, but are being shifted as of fiscal year 1976 to the title IV-A training authorization:

FISCAL YEAR 1975 TITLE IV-A SUPPORTED PROJECTS

State and title	Grantee	Amount
REGION I		
Rhode Island: State title IV-A training	Rhode Island Division on Aging	$20, 000
Vermont: State title IV-A training	Vermont Office on Aging	20, 000
Connecticut:		
Career training program	University of Connecticut	77, 347
State title IV-A training	Connecticut State Department on Aging	47, 473
Maine:		
Undergraduate preparation of human service generalists with special emphasis in gerontology.	University of Maine	34, 750
State title IV-A training	Bureau of Maine's Elderly	20, 000
Massachusetts:		
Consortium gerontology training program.	Boston University, Brandeis University consortia.	154, 837
State title IV-A training	Massachusetts Department of Elder Affairs.	99, 441
New Hampshire: State title IV-A training	New Hampshire State Council on Aging	20, 000
REGION II		
New Jersey:		
Training for baccalaureate social work in aging.	Fairleigh-Dickinson University	51, 198
New Jersey title IV–A training	New Jersey Division on Aging	115, 667
New York:		
Multifaceted training in social gerontology.	Syracuse University	139, 172
New York State title IV–A training	New York Office for the Aging	313, 343
Puerto Rico: Puerto Rico title IV–A training	Puerto Rico Gericulture Commission	31, 356
Virgin Islands: Proposal for training title III and VII staff to improve services to the aging.	Virgin Islands Commission on Aging	10, 000
REGION III		
Washington, D.C.:		
Institute of Gerontology	Federal City College	147, 752
Interdisciplinary training program in policy planning and administration of aging programs.	Howard University	48, 901
Allied health career training for underutilized older persons.	George Washington University	92, 219
Design education resource development in environments and aging.	Gerontological Society	101, 450
U.S. Conference of Mayors project on the elderly.	U.S. Conference of Mayors/National League of Cities.	188, 988
Seminar on the care and needs of elderly, mentally ill in nursing homes and board-and-care homes.	American Psychiatric Association	17, 501
Youth conference on new charter for older Americans.	American Association of Retired Persons/AARP.	39, 800
Title IV–A training for District of Columbia.	District of Columbia, Division of Services to the Aged.	20, 000
Maryland:		
Center on aging-training program	University of Maryland	40, 200
Use of video in gerontology courses	do	55, 027
Training program in aging	Antioch College, Human Ecology Center, Columbia.	43, 272
State title IV–A training	Maryland Commission on Aging	51, 529
Virginia: State title IV–A training	Virginia Office on Aging	62, 603
West Virginia:		
Social work career training program in aging.	University of West Virginia	51, 724
State title IV-A training	West Virginia Commission on Aging	31, 685
Delaware: State Title IV–A Training	Delaware Division of Aging	20, 000
Pennsylvania:		
Career training programs in aging	Pennsylvania State University	143, 550
1976 multigenerational summer series in gerontology an initial planning effort.	Pennsylvania State University (summer).	26, 385
Title IV–A State training activities	Pennsylvania Office for the Aging	206, 556
REGION IV		
Alabama:		
Career training in gerontology: A Statewide consortium.	University of Alabama	50, 039
State title IV–A training	Alabama Commission on Aging	54, 818
Florida:		
A center for applied gerontology	University of Southern Florida	30, 231
Title IV–A training	Florida Division of Aging	165, 552
Mississippi:		
Aging training grant	University of Southern Mississippi	35, 902
State title IV–A training	Mississippi Council on Aging	36, 509
South Carolina: Title IV–A supplemental training project.	South Carolina Commission on Aging	33, 768
Georgia:		
Graduate training program in the sociology of aging.	Georgia State University	48, 476
A student training program in gerontology.	Albany State College	15, 118
State title IV–A training	Georgia Office of Aging	63, 041
Tennessee:		
Social gerontological graduate training program.	Fisk University	80, 607
Short term training under title IV–A of the Older Americans Act.	Tennessee Commission on Aging	64, 247
North Carolina:		
Undergraduate field instruction program in gerontology.	Livingstone College	$32, 900
Development education models	Duke University	64, 728
North Carolina title IV–A training	North Carolina Governor's Council of Aging.	71, 812
Kentucky: State title IV–A training	Kentucky Aging Program Unit	54, 161
REGION V		
Illinois:		
DHEW graduate training and basic research program.	University of Chicago	135, 900
Statewide title IV–A training	Illinois Department of Aging	175, 748
Indiana: Statewide title IV–A training	Indiana Commission on Aging and Aged.	78, 939
Michigan:		
Training of specialists in aging	University of Michigan	239, 729
Statewide title IV–A training	Michigan Office of Services to the Aging	122, 793
Ohio:		
Education in gerontology	Miami University (Ohio)	30, 241
Career training program in gerontology for northwest Ohio.	Bowling Green University	51, 606
State title IV–A training	Ohio Commission on Aging	159, 960
Wisconsin:		
Training for Planning, Managerial and Administration Careers in Gerontology.	University of Wisconsin, Madison	72, 429
An educational program [1] to develop awareness of aged among arts administrators.	University of Wisconsin Foundation	
Statewide title IV–A training	Wisconsin Division on Aging	74, 772
Minnesota:		
Training of administrators of programs for the aging.	University of Minnesota	96, 674
Training artists to work with senior citizens.[1]	COMPAS (community programs in the arts and sciences).	
Statewide title IV–A training	Minnesota Governor's Citizens Council on Aging.	63, 370
REGION VI		
Arkansas:		
Training programs in social gerontology	University of Arkansas	31, 890
Training program for State, area agency and local agency personnel.	Arkansas Office on Aging and Adult Services.	38, 592
Louisiana:		
Training program for direct services to the aging.	Southern University	50, 693
Title IV–A training	Louisiana Bureau of Aging Services	51, 529
Oklahoma: Oklahoma title IV–A training	Oklahoma Special Unit on Aging	48, 240
New Mexico: State title IV–A training	New Mexico State Commission on Aging.	20, 000
Texas:		
Career training program in aging	North Texas State	25, 015
Chicano aging project	Our Lady of the Lake	54, 066
Undergraduate training program in gerontology.	Bishop College	27, 632
State and local short-term training grant	Texas Governor's Committee on Aging	166, 648
REGION VII		
Iowa:		
National American Indian training program.	Association of American Indian Social Workers, Inc.	84, 084
Iowa title IV–A training project	Iowa Commission on Aging	53, 174
Kansas:		
Multilevel educational and training program in gerontology.	Wichita State University	93, 199
Title IV–A training program	Kansas Services for the Aging Section	41, 114
Missouri:		
Center for aging studies	University of Missouri, Columbia	86, 412
KCRCHE/co-swap-cooperative aging program.	KCRCHE (Kansas City Regional Council of Higher Education).	116, 853
Career training program in aging	St. Louis University	90, 226
Title IV–A training program	Missouri Office of Aging	87, 709
Nebraska:		
Gerontology career training program	University of Nebraska	82, 632
Title IV–A training program	Nebraska Commission on Aging	28, 067
REGION VIII		
Colorado:		
Undergraduate gerontology and social work education.	Adams State College	23, 313
Title IV–A training program	Colorado Services for the Aging	30, 918
Montana: Title IV–A training	Montana Aging Services Bureau	20, 000
North Dakota: Title IV–A training program	North Dakota Aging Services	20, 000
South Dakota: Title IV–A training	South Dakota Office on Aging	20, 000
Utah:		
Rocky Mountain gerontological training program.	University of Utah	219, 508
Utah title IV–A training	Utah Division of Aging	20, 000
Wyoming:		
Social work education, aging	University of Wyoming	16, 088
Title IV–A training	Wyoming Aging Services Unit	20, 000

Footnotes at end of tables.

FISCAL YEAR 1975 TITLE IV-A SUPPORTED PROJECTS—Continued

State and title	Grantee	Amount
REGION IX		
American Samoa: Title IV training grant	Government of American Samoa, Office of Governor.	$10,000
Arizona:		
Graduate program; retirement housing administration.	University of Arizona	73,617
State title IV-A training	Arizona State Department of Economic Opportunity.	29,273
California:		
Environmental planning for the elderly training program.	Andrus Gerontology Center, University of Southern California.	76,609
Long-term training for education in aging with emphasis on minority groups.	San Diego State	89,923
Master's degree/certificate program of interdisciplinary studies in gerontology.	California State-Sonoma	43,675
Comprehensive summer institutes: Study in gerontology.	Andrus Gerontology Center, University of Southern California.	56,570
Social work education in aging	University of California, Berkley	25,122
Training in social gerontology, dual degree program.	University of Southern California	125,029
Master's program for training in gerontology.	Holy Names College	27,982
State of California title IV-A training program.	California State Office on Aging	$295,910
Guam: Title IV-A short-term training	Guam Office of Aging	10,000
Hawaii:		
Gerontology training program	University of Hawaii	102,688
Hawaii title IV-A training	Hawaii Commission on Aging	20,000
Nevada: Title IV-A training	Nevada Division of Aging Services	20,000
Trust territories: State title IV-A training	Saipan Territorial Office on Aging	10,000
REGION X		
Alaska: State title IV-A training	Alaska Office on Aging	20,000
Idaho: Idaho State title IV-A	Idaho Office on Aging	20,000
Oregon:		
A multidisciplinary gerontology training center.	University of Oregon	228,689
Career training of human resources	Portland State University	74,042
Title IV-A training	Oregon Special Programs Division	37,277
Washington:		
Training older adults in community organization and development in aging.	University of Washington	26,824
Social work training in social and rehabilitation services, community organization and development in aging.	do	79,579
State of Washington title IV-A training	Washington Office on Aging	20,000

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[1] Previously funded.

DISSERTATION RESEARCH GRANTS

In FY 1975, $225,000 was distributed with 45 grantees each receiving $5,000.

STATE, UNIVERSITY, AND DEPARTMENT

Region 1

Massachusetts:
Brandeis, Social Welfare.
Connecticut:
Yale University, Economics.
New Hampshire:
New Hampshire, Social and Anthropology.

Region 2

New York:
SUNY/Albany, Sociology.
Cornell, Consumer Economics and Public Policy.
Columbia, Applied Human Development and Guidance.
Columbia, Applied Human Development & Guidance.
New York University, Sociology.
Columbia, Applied Human Development.
New Jersey:
Rutgers, Social Works.
Princeton, Anthropology.

Region 3

West Virginia:
West Virginia, Psychology.
West Virginia, Psychology.
Pennsylvania:
Pennsylvania State, Human Development.
Florida:
Florida, Marketing.
North Carolina:
North Carolina at Greensboro, Child Development and Family Relations.

Region 5

Michigan:
Michigan, Psychology.
Michigan, Education.
Michigan, Psychology.
Michigan, Social Works.
Michigan, Education.
Wayne State, Psychology.
Wayne State, Psychology.
Wayne State, Psychology.
Indiana:
Notre Dame, Psychology.
Illinois:
Southern Illinois University, Speech Pathology and Audiology.
Chicago, Human Development.
Chicago, Social Service Administration.
Chicago Economics.
Chicago, Education.
Minnesota:
Minnesota, American Studies.
Wisconsin:
Wisconsin, Social Works.

Region 6

Oklahoma:
Oklahoma State, Sociology.
Texas:
Texas at Austin, Sociology.

Region 7

Iowa:
Iowa State, Sociology & Anthropology.

Region 9

California:
Human Development and Aging.
University of California/San Francisco, Human Development and Aging.
USC, Sociology.
USC, Psychology.
UCLA, Architecture and Urban Planning.
Univ. of California/Davis, Sociology.
Hawaii:
Hawaii, Psychology.

Region 10

Oregon:
Oregon, Counseling Psychology.
Washington:
Washington State, Sociology.
Washington State, Psychology.
Washington, Sociology.

II. RESEARCH AND DEVELOPMENT

Part B of title IV of the Older Americans Act authorizes AOA to make grants for research and demonstration projects aimed at improving the lives of the elderly. In fiscal year 1975, AOA funded 50 projects under this authority, almost equally divided between new initiatives, 26, and continuations of existing grants, 24. Of the $5.1 million spent for these purposes, some $3 million went for continuations, and $2.1 million for new awards.

AOA also has available for distribution a fact sheet describing the 23 projects which received initial funding in fiscal year 1974:

FISCAL YEAR 1975 TITLE IV-B SUPPORTED PROJECTS

NEW RESEARCH PROJECTS

State and title	Grantee	Amount
REGION 1		
Massachussetts: Planning for the health care needs of the elderly.	University of Massachussetts-Boston, survey research program, Boston, Mass.	$168,566
REGION 2		
New York:		
Coping mechanisms among the elderly (R. & D. strategy, category A-2).	Community Research Applications, New York, N.Y.	50,769
Monitoring social services for the aging provided under Social Security Act title XX in New York State (R. & D. strategy, category D-12).	State Communities Aid Association, New York, N.Y.	154,218
Predicting accuracy of perceiving the aging person.	Research Foundation of the State University of New York, Albany, N.Y.	27,463
Uses of mass media by the aged	Columbia University, New York, N.Y	67,063
REGION 3		
Washington, D.C.:		
Impact of needs, knowledge, ability and living arrangements on decision-making of the elderly (R. & D. strategy category A-3).	Catholic University, Washington, D.C	118,013
Client oriented community assessments of long-term care facilities; methods and procedures; design phase (R. & D. strategy, category D-9).	Urban Institute, Washington, D.C	$161,760
Maryland:		
Individual and community competence: A study of the successfulness of coping mechanisms of the aged (R. & D.) strategy, category A-2).	University of Maryland, College, Md	66,899
Techniques for translating units of need into units of service (R. & D. strategy, category D-1).	Institute for economics and Social Measurements, Bethesda, Md.	91,642
Pennsylvania:		
Housing needs of urban and rural elderly	Philadelphia Geriatric Center	55,706
Planned crises/disasters: Nursing home closings.	University of Pennsylvania, School of Medicine.	80,786
REGION 4		
Florida:		
Price, quality and the welfare of elderly consumers.	University of Florida, Gainsville, Fla	39,784
Organization of cognitive abilities in old age.	do	23,900
Georgia: Rural retirement patterns and middle class life styles.	University of Georgia, Athens, Ga	49,570

State and title	Grantee	Amount
Illinois:		
Decisionmaking and the elderly (R. & D. strategy, category A-3).	University of Chicago, Chicago, Ill	$76, 144
Psychological determinants of public support for 5 social welfare groups.	National Opinion Research Center, Chicago, Ill.	49, 799
Crises and adaptation in the middle and late years.	University of Chicago, Chicago, Ill	131, 211
Michigan: Factors influencing the abondonment of private homes by the elderly.	University of Michigan, Ann Arbor, Mich.	137, 473
REGION 5		
Minnesota: A comparison of in-home and nursing home care for older persons in Minnesota.	Governor's Citizens Council on Aging, St. Paul Minn.	183, 154
Ohio: Perspective-taking and communications in the elderly.	Bowling Green State University, Bowling Green, Ohio.	16, 769
Wisconsin: Vocational counseling for the elderly.	Curative Workshop of Milwaukee, Milwaukee, Wis.	74, 201
REGION 7		
Missouri:		
Local socioenvironmental contexts and personal moorings in relation to decisionmaking and the elderly (R. & D. strategy, category A-3).	University of Missouri-Columbia, Columbia, Mo.	$115, 934
Residential segregation of the aged in American cities.	University of Missouri, Columbia, Mo	28, 597
REGION 9		
California:		
Identifying the opportunities for improving the quality of life of older age groups (R. & D. strategy, category A-1).	American Institute for Research, Palo Alto, Calif.	85, 967
Nonchrontological definitions of aging (R. & D. strategy, category A-1).	Andrus Gerontology Center, USC, Los Angeles, Calif.	45, 565
Life styles of the aging and consumer behavior.	University of California at Davis, Davis, Calif.	20, 955
Total		2, 121, 908

CONTINUATION OF RESEARCH PROJECTS

State and title	Grantee	Amount
REGION 1		
Massachusetts: Design evaluation, social use of elder housing.	MIT, Boston, Mass	$218, 463
REGION 2		
New York:		
Rehabilitation of adults and geriatric blind.	New York Infirmary, New York, N.Y	100, 000
Diagnosis of mental disorders in the United States and United Kingdom.	New York State Department of Mental Hygiene, New York, N.Y.	120, 849
The aged in crisis: A study in bereavement.	Montefiore Hospital and Medical Center, New York, N.Y.	127, 497
Day care center for the elderly	Montefiore Hospital, New York, N.Y	53, 026
New models of aging: Efforts at guided social change.	Center for Policy, Research, New York, N.Y.	70, 710
Study of consultation on programs for the aging.	Family Service Association of America, New York, N.Y.	65, 690
REGION 3		
Pennsylvania:		
Need, cost, and effects of home services for the aged.	Philadelphia Geriatric Center, Philadelphia, Pa.	193, 984
Effects of flood disaster on the elderly and services.	University of Philadelphia, Pa	80, 063
Maryland: Geriatric day care center, research and demonstration.	Levindale Hebrew Geriatric Center and Hospital, Baltimore, Md.	96, 792
Washington, D.C.:		
Analysis of transportation demonstrations for the elderly.	Institute of Public Administration, Washington, D.C.	228, 802
Decisionmaking among older americans	Catholic University, Washington, D.C.	232, 849
Committee on research and development goals in social gerontology.	Gerontological Society, Inc., Washington, D.C.	170, 599
REGION 4		
Georgia: Survey of programs for the aging under religious auspices.	National Interfaith Coalition on Aging, Athens, Ga.	$118, 580
North Carolina: Variations in living arrangements among the elderly.	Duke University, Durham, N.C	94, 391
REGION 5		
Illinois:		
Models for effective service delivery	University of Chicago	42, 214
National survey of the aged	University of Illinois, Chicago, Ill	112, 086
REGION 6		
Texas: Better services for aging through research utilization.	Governor's Committee on Aging, Austin, Tex.	45, 000
REGION 7		
Missouri: Housing and health care paths of dependent elderly.	University of Missouri, Columbia, Mo	66, 940
REGION 8		
Colorado: Alternatives to institutionalization for the aged.	Colorado Department of Institutions, Denver, Colo.	89, 549
REGION 9		
California:		
Family futures center	Mental Research Institute, Palo Alto, Calif.	99, 692
Integration of information on aging	USC, Los Angles, Calif	94, 157
A study of funding regulations, program agreements and monitoring procedures affecting the implementation of title III of the Older Americans Act.	USC	139, 252
Foundations for research in social problems of aging.	University of Southern California, Los Angeles, Calif.	333, 208
Total		2, 994, 393
New and continuation funding		5, 116, 301

CONTINUATIONS

State and city	Grantee	Title	Amount
REGION I			
Massachusetts: Holyoke	Geriatric Authority of Holyoke	Comprehensive Geriatric Services Development Project	$69, 812
REGION II			
New York:			
New York	Girl Scouts of U.S.A	Hand-in-Hand	108, 008
Do	N.Y.C. Office for Aging	A Community Based Program for Mentally Frail Elderly	30, 000
Do	do	Elderly (supplement)	20, 649
Do	do	Special Information Services T.V. Programing for the Elderly	16, 774
Do	Synagogue Council of America	Technical Assistance to Synagogue Leadership for Programing Direct Services to Older Persons.	68, 780
REGION III			
District of Columbia:			
Washington	Department of Human Resources	Model Senior Citizens Service Lounges	209, 992
Do	George Washington University	Research Training and Continuing Education Project in the Field of Aging.	75, 860
Do	International Center for Social Gerontology	Vacation Residential Exchange Service for Low-Income Older Adults.	51, 830
Do	do	International Information Clearinghouse Committee Housing and Environments.	123, 174
Do	National Council of Senior Citizens	Legal Resources for the Aged	188, 486
Do	National Council on Aging	OPERATION INDEPENDENCE	350, 392
Maryland: Rockville	City of Rockville	Direct Services to the Senior Citizens Community	50, 903
West Virginia: Charleston	West Virginia Department of Welfare	T.R.I.P	400, 000

CONTINUATIONS

State and city	Grantee	Title	Amount
REGION IV			
North Carolina: Durham	Duke University	Retirement Planning and Counseling Program	$19,986
South Carolina: Columbia	South Carolina Commission on Aging	Development of a Design for an Information & Referral System for the Elderly.	25,912
REGION V			
Illinois:			
Chicago	Ecumenical Institute	Uptown Elders Educational Program	25,000
Park Forrest S	Governor's State University	Utilization of Univ. Resources for Renewal and for Redirection	54,420
Springfield	Office of Lieutenant Governor	Lieutenant Governors Ombudsman on Aging	73,820
Ohio: Cleveland	Case Western Reserve University	Elderly Day Care Organized in Neighborhood	104,502
REGION VIII			
Colorado: Denver	Colorado Congress of Senior Organizations	Winterization of Homes owned by the Older Citizens of Colorado	50,000
Montana:			
Helena	Montana United Indian Association	Elderly Urban Indians	80,000
Do	do	Elderly Urban Indians (supplement)	3,000
REGION IX			
Arizona:			
Phoenix	LULAC	ABRAZAR	126,685
Do	do	do	54,750
Sells	Papago Council	The Wise Ones	56,039
Tucson	Pima Community College	PROJECT HEAL	24,300
REGION X			
Oregon: Portland	University of Oregon Model Dental Program.	A Model Dental Program for the Elderly	83,735
Washington: Seattle	Elder Citizens of Coalition of Washington, Advocacy.	Elder Citizens Coalition of Washington	25,000
Total			2,571,809

COMPETING EXTENSIONS

REGION II			
New York: Albertson	New Life Institute Human Resources Center	Clearinghouse for Voluntary Employment Agencies for Aging	$39,955
REGION III			
North Carolina: Durham	TRIANGLE J Council	TRIANGLE J AAA Housing Assistance Program	28,637
REGION IX			
Arizona: Sacaton	Gila River Indians	Elderly Nutrition Program	88,463
Nevada: Reno	Inter-Tribal Council Nevada	Food Delivery Service	77,371
REGION X			
Washington: Port Orchard	Kitsap County	TRIDENT	17,500
Total			251,926

NEW PROJECTS

REGION I			
Connecticut: Willimantic	Tolland Windham Legal Services	Connecticut Aging Legal Services	$33,406
Maine: Augusta	Bureau of Maine's Elderly	Project INDEPENDENCE	165,995
New Hampshire: Concord	New England Housing Development Corp	Housing Alternatives for New England Senior Citizens	68,000
REGION II			
New Jersey: East Orange	Urban Health Institute	Preventive Health Education for the Elderly	90,000
New York:			
New York	National Urban League	Minority Aged Services Training Institute	173,659
Do	N.Y.C. Office on Aging	Emergency Information and Referral Program for the Elderly	80,379
Do	Presbyterian Senior Services	Legal Services for the Elderly Poor	50,000
Suffern	Rockland Community College	Project MISSILE	53,400
REGION III			
District of Columbia:			
Washington	Handicraft Marketing Sales	Regional Handicraft Industries	70,117
Do	National Association for Human Development.	Model Project for Physical Fitness	283,425
Do	National Center for Housing Management	Training Managers for Housing for the Elderly	153,832
Do	National Center for Senior Citizens	Legal Research Services for the Elderly	61,121
Do	National Paralegal Institute	Technical Assistance and Training Materials for Paralegals	150,000
Do	National Retired Teachers Association; American Association of Retired Persons	Senior Citizens Legal Assistance Office	85,000
Maryland: Gaithersburg	International Association of Chiefs of Police	Crime, Safety and the Senior Citizen	150,000
Pennsylvania: University Park	Penn State University	New Rules for the Elderly Day Care	145,000
REGION IV			
Florida:			
Cocoa	Brevard Community College	Interim Catalyst Program	59,952
Miami	United Home Care Services	Share-A-Home	59,688
St Petersburg	United Way of Pinellas	Regional Information and Referral Support System	0,000
Michigan:			
Ann Arbor	University of Michigan Law School	Materials Developed and Technical Assistance for the Provision of Legal Services to the Elderly.	91,032
Okemos	Meridian Charter Township	Housing Rehabilitation and Repair Assistance Program for Low-Income Senior Citizens.	42,500
Minnesota: St. Paul	College of St. Thomas	Minnesota Consortium Educational Services in Retirement Planning for the Elderly.	125,492
REGION VI			
Arkansas: Fort Smith	Westark Community College	Arkansas College Consortium for Sixty Plus Education	54,035
Louisiana: New Orleans	Louisiana Center for the Public Interest	Socio-Legal Delivery Model and Interdisciplinary Program	70,432

State and city	Grantee	Title	Amount
REGION VII			
Missouri:			
St. Louis	St. Louis A.A.A	TAP-SIX	$200,580
Springfield	Southwest Missouri A.A.A	Mobile Information and Referral Unit	75,764
Nebraska: Emerson	Emerson Jaycees	Home Improvement Services for Older Americans.	11,000
REGION IX			
California:			
Los Angeles	USC National Senior Citizens Law Center	Training For State and Area Agencies and Expansion of Legal Services to the Elderly.	225,000
Palo Alto	Senior Adult Legal Assistance	Senior Adults Legal Services	47,322
Sacramento	California State A.A.A	Counselling, Paralegal Training and Job Development.	121,000
San Diego	San Diego Ecology Center	Project SARR	22,488
San Francisco	Chinatown-North Beach Health Care Planning and Development Corp.	ON-LOK Senior Health Services Model Project.	200,365
Mariana Islands: Saipan	Pacific Islands Office of the Commissioner	Statewide Model Project Program (Housing).	125,000
REGION X			
Oregon: The Dalles	Mid-Columbia Community Action Council	Model Demonstration Housing Repair Project.	54,300
Total			3,233,704
Nursing Home Ombudsman			−1,038,748
All Model Projects			7,096,223

III. MODEL PROJECT GRANTS

Section 308 of the Older American Act authorizes the Commissioner on Aging to make grants to public or private, nonprofit groups for "model projects which will expand or improve social services or otherwise promote the well-being of older persons."

In fiscal year 1975, AOA awarded 68 grants pursuant to section 308, along with special model grants to almost all States to help fund model nursing home ombudsman programs. The breakdown was as follows:

29 continuation grants	$2,571,809
5 competing extensions	251,926
34 new grants	3,233,704
68 grants in all	6,057,439
49 nursing home ombudsman grants	1,038,784
All model projects	7,096,223

Mr. Speaker, section 308 model grants provide one of the most difficult problems that has come to the attention of my subcommittee. Model grants are by definition short term in nature. Often a project has demonstrated its worth to the older persons being served, but the local or State government simply does not have the additional resources with which to continue the funding when the Federal model grant expires. I invite the comments of my colleagues or other readers of the RECORD about instances such as I have described, and welcome any proposals to deal with this knotty problem.

Again, I point out that AOA has available a fiscal year 1974 directory of model project grant recipients with short descriptions of each proposal.

FISCAL YEAR 1975 MODEL PROJECT GRANTS

Nursing Home Ombudsman

Region I:	
Connecticut	$18,000
Maine	18,000
Massachusetts	18,385
New Hampshire	18,000
Rhode Island	18,000
Vermont	18,000
Region II:	
New Jersey	21,385
New York	57,931
Puerto Rico	18,000
Region III:	
Delaware	18,000
District of Columbia	18,000
Maryland	18,000
Pennsylvania	38,188
Virginia	18,000
West Virginia	18,000
Region IV:	
Alabama	18,000
Florida	30,608
Georgia	18,000
Kentucky	18,000
Mississippi	18,000
North Carolina	18,000
South Carolina	18,000
Tennessee	18,000
Region V:	
Illinois	32,000
Indiana	18,000
Michigan	22,702
Minnesota	18,000
Ohio	29,574
Wisconsin	18,000
Region VI:	
Arkansas	18,000
Louisiana	18,000
New Mexico	18,000
Texas	30,810
Region VII:	
Iowa	18,000
Kansas	18,000
Missouri	18,000
Region VIII:	
Colorado	18,000
Montana	18,000
North Dakota	18,000
South Dakota	18,000
Utah	18,000
Region IX:	
Arizona	18,000
California	54,708
Hawaii	18,000
Nevada	18,000
Region X:	
Alaska	18,000
Idaho	18,000
Oregon	18,000
Washington	18,000
Total	1,038,784

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. GILMAN) to revise and extend his remarks and include extraneous material:)

Mr. KEMP, for 30 minutes, today.

(The following Members (at the request of Mr. LLOYD of California) to revise and extend their remarks and include extraneous matter:)

Mr. O'NEILL, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. FITHIAN, for 15 minutes, today.

Mr. KASTENMEIER, for 15 minutes, today.

Mr. ST GERMAIN, for 10 minutes, today.

Mr. FLYNT, for 5 minutes, today.

Mr. LLOYD of California, for 5 minutes, today.

Mr. MEZVINSKY, for 10 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Ms. ABZUG, for 30 minutes, on December 1.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MATSUNAGA, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $858.

Mr. ASHBROOK in three instances.

(The following Members (at the request of Mr. GILMAN) and to include extraneous matter:)

Mr. CEDERBERG.

Mr. HINSHAW.

Mrs. HECKLER of Massachusetts.

Mr. ASHBROOK in two instances.

Mr. MYERS of Indiana.

Mr. ROUSSELOT in two instances.

Mr. SYMMS in three instances.

Mr. GILMAN in four instances.

Mr. EDWARDS of Alabama.

Mr. STEIGER of Arizona.

Mr. HORTON.

Mr. WHALEN in two instances.

Mr. HANSEN.

Mr. WYLIE.

Mr. YOUNG of Florida.

Mr. FORSYTHE.

Mr. DERWINSKI in four instances.

(The following Members (at the request of Mr. LLOYD of California) and to include extraneous matter:)

Mr. WOLFF.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. Biaggi in five instances.

Mr. O'Neill.

Mr. Badillo in 12 instances.

Mr. Fraser.

Mr. Fithian.

Mr. Lloyd of California.

Mr. Byron.

Mr. Cornell.

Mr. Addabbo.

Mr. Rogers.

Mr. Udall in 10 instances.

Mr. Waxman.

Mr. McDonald of Georgia in four instances.

Mr. Maguire in two instances.

Mrs. Mink.

Ms. Abzug in two instances.

Mr. Rangel.

Mr. Jones of Oklahoma in two instances.

Mr. Leggett in three instances.

Mr. Ottinger.

Mrs. Collins of Illinois.

Mr. Pickle in three instances.

Mr. Alexander.

(The following Members (at the request of Mr. Patterson of California) and to include extraneous matter:)

Mr. Delaney.

Mr. Kastenmeier.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 12. An act to amend title 3, United States Code, to provide for the protection of foreign diplomatic missions, to increase the size of the Executive Protective Service, and for other purposes.

H.R. 8841. An act to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on November 19, 1975, present to the President, for his approval a bill of the House of the following title:

H.R. 10029. Making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

ADJOURNMENT

Mr. PATTERSON of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 485, the Chair declares the House adjourned until 12 o'clock noon, Monday, December 1, 1975.

Thereupon (at 12 o'clock and 37 minutes p.m.), pursuant to House Concurrent Resolution 485, the House adjourned until Monday, December 1, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2085. A letter from the Chairman, Federal Power Commission, transmitting notice of proposed new or intended routine uses of the information in existing Commission records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operatins.

2086. A letter from the Deputy General Counsel, Commission on Federal Paperwork, transmitting notice of the records systems proposed to be adopted by the Commission, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2087. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report covering the first quarter of fiscal year 1976 on the programing and obligation of famine or disaster relief funds, pursuant to section 451(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

2088. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual reports for fiscal year 1975 of the National Center for Health Services Research and the National Center for Health Statistics, pursuant to section 308a(1) of the Public Health Service Act, as amended (88 Stat. 368); to the Committee on Interstate and Foreign Commerce.

2089. A letter from the Deputy Assistant Secretary of the Army (Civil Works), transmitting an inventory of cooperation agreements with non-Federal interests for water resource projects and a report on their status during 1974, pursuant to section 221(e) of Public Law 91–611; to the Committee on Public Works and Transportation.

2090. A letter from the Chairman, National Transportation Safety Board, transmitting materials submitted by the Board to the Office of Management and Budget concerning the Board's fiscal year 1976 and 1977 budgets, pursuant to section 304(b) of Public Law 93–633; jointly, to the Committees on Public Works and Transportation, and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 878. Resolution providing for the consideration of 10612. A bill to reform the tax laws of the United States. (Rept. No. 94–676). Referred to the House Calendar.

Mr. FASCELL: Committee on International Relations. House Resolution 864. Resolution expressing the sense of the House of Representatives that the signing in Helsinki of the Final Act of the Conference on Security and Cooperation in Europe did not change in any way the longstanding policy of the United States on nonrecognition of the Soviet Union's illegal seizure and annexation of the three Baltic nations of Estonia, Latvia, and Lithuania (Rept. No. 94–677). Referred to the House Calendar.

Mr. PERKINS: Committee on Education and Labor. H.R. 8991. A bill to amend the Community Services Act of 1974 to make certain technical and conforming amendments; with amendment (Rept. No. 64–978). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 10727. A bill to amend the Social Security Act to expedite the holding of hearings under titles II, XVI, and XVIII by establishing uniform review procedures under such titles. (Rept. No. 94–679). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 7782. A bill to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, and to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes; with amendment (Rept. No. 94–680). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MELCHER (for himself, Mr. Andrews of North Dakota, Mr. Cornell, Mr. McHugh, Mrs. Lloyd of Tennessee, Mr. Evans of Colorado, and Mr. Aspin):

H.R. 10845. A bill to foster and continue the family farm in the United States by providing young farmers with the necessary assistance to purchase family farm units, and for other purposes; to the Committee on Agriculture.

By Mr. ARCHER:

H.R. 10846. A bill to limit U.S. contributions to the United Nations; to the Committee on International Relations.

By Mr. ASHBROOK (for himself, Mr. Bauman, Mr. Mathis, Mr. Brinkley, Mr. Rousselot, Mr. Davis, Mr. Collins of Texas, Mr. Flynt, Mr. Young of Florida, Mr. Abdnor, Mr. Archer, Mr. Runnels, Mr. Kindness, and Mr. Ketchum):

H.R. 10847. A bill to reduce payments to the United Nations and its affiliated agencies; to the Committee on Inernational Relations.

By Mr. ASHBROOK (for himself, Mr. McCollister, Mr. Guyer, Mr. Jenrette, Mr. Johnson of Pennsylvania, Mr. Moore, Mr. Derwinski, Mr. Mazzoli, Mr. Miller of Ohio, Mr. Hyde, Mr. du Pont, Mr. McDonald of Georgia, Mr. Treen, Mr. Robinson, Mr. Collins of Texas, Mr. Satterfield, Mr. Burgener, Mr. Anderson of Illinois, Mr. Rousselot, Mr. Pattison of New York, and Mr. Symms):

H.R. 10848. A bill to allow private parties to sue the Consumer Product Safety Commission for torts it commits against them; to the Committee on the Judiciary.

By Mr. ASPIN:

H.R. 10849. A bill to authorize the Secretary of Agriculture to make financial assistance available to agricultural producers who suffer losses as the result of having their agricultural commodities or livestock quarantined or condemned because such commodities or livestock have been found to contain toxic chemicals dangerous to the public health; to the Committee on Agriculture.

By Mr. KASTENMEIER (for himself, Mr. Edwards of California, and Mr. Mikva):

H.R. 10850. A bill to codify, revise, and reform title 18 of the United States Code; to make appropriate amendments to the Federal Rules of Criminal Procedure; to make conforming amendments to criminal provisions of other titles of the United States Code; and for other purposes; to the Committee on the Judiciary.

By Mr. BRODHEAD:

H.R. 10851. A bill to amend title XVI of the Social Security Act so as to make the supplemental security income benefits program more effective, and benefits under such program more realistically available, for mentally retarded persons; to the Committee on Ways and Means.

By Mr. CORNELL (for himself, Mr. Baucus, Mr. Beard of Rhode Island, Mrs. Burke of California, Mr. John L. Burton, Mr. Phillip Burton, Mr. Carr, Mr. Edgar, Mr. Hechler of West Virginia, Mr. Maguire, Mr. Miller of California, and Mr. Simon):

H.R. 10852. A bill to amend the Internal Revenue Code of 1954, the Social Security Act, and other laws to provide effective welfare reform by replacing public assistance and food stamps with a system of allowances and refundable credits, and for other purposes; to the Committee on Ways and Means.

By Mr. CORNELL (for himself, Mr. McHugh, Mr. Brodhead, Mr. Cleveland, Mr. Dellums, Mr. Derrick, Mr. Edgar, Mr. English, Mrs. Fenwick, Mr. Fish, Mr. Frenzel, Mr. Hannaford, Mrs. Meyner, Mr. Oberstar, Mrs. Schroeder, Mr. J. William Stanton, and Mr. Studds):

H.R. 10853. A bill to revise the laws governing appointments to the service academies so as to relieve Members of Congress from the responsibility of making nominations for appointments thereto, and for other purposes; jointly to the Committees on Armed Services, and Merchant Marine and Fisheries.

By Mr. CRANE (by request):

H.R. 10854. A bill to provide for reimbursement through the Federal Disability Insurance Trust Fund to private physicians for services in supplying medical evidence of record needed to evaluate claims for social security disability benefits under title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. CRANE (for himself, Mr. Kemp, Mr. Ketchum, Mr. Kindness, Mr. Lujan, Mr. McCollister, Mr. McDonald of Georgia, Mr. Martin, Mr. Milford, Mr. Mottl, Mr. Myers of Indiana, Mr. Ottinger, Mrs. Pettis, Mr. Roberts, Mr. Robinson, Mr. Runnels, Mr. Stephens, Mr. Symms, Mr. Treen, Mr. Whitehurst, and Mr. Winn):

H.R. 10855. A bill to require that the U.S. Government prepare and make public annual consolidated financial statements utilizing the accrual method of accounting and for other purposes; to the Committee on Government Operations.

By Mr. CRANE (for himself, Mr. Kasten, Mr. Pritchard, Mr. Waggonner, Mr. Archer, Mr. Armstrong, Mr. Bauman, Mr. Bowen, Mr. Butler, Mr. Byron, Mr. Collins of Texas, Mr. Dan Daniel, Mr. Davis, Mr. de la Garza, Mr. Derwinski, Mr. Emery, Mr. Erlenborn, Mr. Eshleman, Mr. Findley, Mr. Gradison, Mr. Hagedorn, Mr. Haley, Mr. Hansen, Mrs. Holt, and Mr. Hyde):

H.R. 10856. A bill to require that the U.S. Government prepare and make public annual consolidated financial statements utilizing the accrual method of accounting and for other purposes; to the Committee on Government Operations.

By Mr. CRANE (for himself, Mr. Bafalis, Mr. Flood, Mr. Jacobs, Mr. Jones of Oklahoma, Mr. Regula, Mr. Rousselot, Mr. Steiger of Wisconsin, Mr. Thone, and Mr. Walsh):

H.R. 10857. A bill to require that the U.S. Government prepare and make public annual consolidated financial statements utilizing the accrual method of accounting and for other purposes; to the Committee on Government Operations.

By Mr. DINGELL (for himself, Mr. Moss, Mr. Moffett, Mr. Brodhead, Mr. Maguire, Mr. Udall, Mr. Carney, Mr. Ford of Michigan, Mr. Badillo, Mr. Rosenthal, Mr. Edgar, Mr. Leggett, Mr. Scheuer, Mr. Hechler of West Virginia, Mr. Riegle, Mr. Nowak, Mr. St Germain, Mr. Hawkins, Mr. Miller of California, Mr. Studds, Mr. Moakley, Mr. Hayes of Indiana, Mr. Zeferetti, Mr. Mineta, and Mr. Harrington):

H.R. 10858. A bill to reform electric utility rate regulation, to provide for more effective planning of bulk power facilities, to assure reliability of bulk power supplies, to strengthen State electric utility regulatory agencies, and to establish the Federal Energy Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. DINGELL (for himself, Mr. Moss, Mr. Moffett, Mr. Brodhead, Mr. Maguire, Mr. Harris, and Mrs. Chisholm):

H.R. 10859. A bill to reform electric utility rate regulation, to provide for more effective planning of bulk power facilities, to assure reliability of bulk power supplies, to strengthen State electric utility regulatory agencies, and to establish the Federal Energy Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. DODD (for himself, Ms. Abzug, Mr. Beard of Rhode Island, Mr. Bedell, Mr. Blanchard, Mr. Cotter, Mr. D'Amours, Mr. Harrington, Mr. Helstoski, Mr. Mikva, Mr. Mitchell of New York, Mr. Mosher, Mr. Nedzi, Mr. Nowak, Mr. Ottinger, Mr. Pattison of New York, Mr. Riegle, Mr. Rostenkowski, Mr. Sarasin, Ms. Spellman, Mr. James V. Stanton):

H.R. 10860. A bill to amend title 38 of the United States Code relating to the recognition of representatives of the Polish Legion of American Veterans as claims agents for claims arising under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. EDWARDS of Alabama (for himself, Mr. McEwen, and Mr. Cleveland):

H.R. 10861. A bill to amend section 901(a) of the Education Amendments of 1972; to the Committee on Education and Labor.

By Mr. ENGLISH:

H.R. 10862. A bill to provide for the abolition of certain Federal regulatory agencies, or for the waiver of such abolition in certain instances, and for other purposes; jointly to the Committees on Government Operations, and Rules.

By Mr. GILMAN:

H.R. 10863. A bill to authorize emergency guarantees of obligations of States and certain State agencies, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. HARRINGTON:

H.R. 10864. A bill to extend for 2 years the authorization for the emergency job programs under title VI of the Comprehensive Employment and Training Act of 1973; to the Committee on Education and Labor.

By Mr. HEINZ (for himself, Mr. Baucus, Mr. Boland, Mr. Edgar, Mr. Eilberg, Ms. Keys, Mr. LaFalce, Mr. Lent, Mrs. Lloyd of Tennessee, Mr. Mosher, Mr. Mottl, Mr. Pattison of New York, Mr. Rodino, Mr. Santini, Mr. Sarasin, Mr. Simon, Ms. Schroeder, Mr. Symington, Mr. Udall, Mr. Van Deerlin, and Mr. Charles Wilson of Texas):

H.R. 10865. A bill to reform the food stamp program; to the Committee on Agriculture.

By Mr. JONES of Oklahoma (for himself, Mr. Burleson of Texas, Mr. Florio, Mr. Ford of Tennessee, Mr. Frenzel, Mr. Gilman, Mr. Harrington, Mr. Jarman, Mr. Martin of North Carolina, Mr. Risenhoover, Mr. Steed, Mr. Talcott, Mr. Whitehurst, and Mr. Charles Wilson of Texas):

H.R. 10866. A bill to facilitate in a realistic manner the implementation by States of child day care services programs under title XX of the Social Security Act, and to encourage the employment of welfare recipients in the provision of child day care services under such programs; to the Committee on Ways and Means.

By Mr. LAGOMARSINO:

H.R. 10867. A bill to terminate any phosphate lease or rights issued or pending under serial number Riverside 04843 pursuant to the Mineral Leasing Act of February 25, 1920, as amended, within the Los Padres National Forest; to the Committee on Interior and Insular Affairs.

By Mr. LEGGETT:

H.R. 10868. A bill to amend the Internal Revenue Code of 1954 to provide that for purposes of determining the amount of tax to be withheld, payments paid to Federal employees and members of the uniformed services for accumulated lease shall be considered to be paid on the basis of an annual payroll period; to the Committee on Ways and Means.

By Mr. LEHMAN:

H.R. 10869. A bill to reform residential electric utility rates; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGUIRE:

H.R. 10870. A bill to amend the Higher Education Act of 1965 to provide a system of reduced-interest loans to students in institutions of higher education, and to provide for a system of income-contingent repayment thereof, and for other purposes; to the Committee on Education and Labor.

H.R. 10871. A bill to provide for a $50 payment to certain individuals who were not eligible for the $50 payment under the Tax Reduction Act of 1975 because no social security benefits were paid to such individuals for March 1975, by reason of excess earnings being charged to such month; to the Committee on Ways and Means.

By Mr. MIKVA (for himself, Mr. Dominick V. Daniels, Mr. McHugh, Mr. Badillo, Mr. Bedell, Mr. Ottinger, Mr. Harris, Mr. Leggett, Mr. Mitchell of Maryland, Mr. Won Pat, Mr. John L. Burton, Mr. Simon, Mr. Pike, Mr. Baldus, and Ms. Holtzman):

H.R. 10872. A bill to correct inequities in certain franchise practices, to provide franchisors and francisees with even-handed protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open market economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLER of California (for himself, Ms. Abzug, Mr. Ambro, Mr. Bingham, Mr. John L. Burton, Mr. Phillip Burton, Mr. Downey of New York, Mr. Fraser, Mr. Gaydos, Mr. Kastenmeier, Mr. Melcher, Mr. Moffett, Mr. Richmond, Mr. Stark, Mr. Vander Veen, Mr. Young of Georgia, Mr. Harrington, and Mr. Badillo):

H.R. 10873. A bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. MINISH:

H.R. 10874. A bill relating to collective bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

By Mrs. MINK (for herself, Mr. Eilberg and Mr. Van Deerlin):

H.R. 10875. A bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year; to the Committee on Armed Services.

By Mr. PATTERSON of California:

H.R. 10876. A bill to amend the Uniform Time Act of 1966 to provide for permanent year-round daylight savings time; to the Committee on Interstate and Foreign Commerce.

By Mr. QUIE:

H.R. 10877. A bill to authorize funds for assistance to local educational agencies for the education of Cambodian and Vietnamese refugees and for other purposes; to the Committee on Education and Labor.

H.R. 10878. A bill to enact the National School-Age Mother and Child Health Act of 1975; to the Committee on Interstate and Foreign Commerce.

By Mr. QUIE (for himself, Ms. Holtzman, Mr. Jeffords, and Mr. Mikva):

H.R. 10879. A bill to encourage and assist States and localities to develop, demonstrate, and evaluate means of improving the utilization and effectiveness of human services through integrated planning, management, and delivery of those services in order to achieve the objectives of personal independence and individual and family economic self-sufficiency; to the Committee on Education and Labor.

By Mr. ROUSSELOT:

H.R. 10880. A bill to require that the U.S. Government prepare and make public annual consolidated financial statements utilizing the accrual method of accounting and for other purposes; to the Committee on Government Operations.

By Mr. St GERMAIN (for himself, Mr. Reuss, Mr. Barrett, Mr. Ashley, Mr. Minish, Mr. Annunzio, Mr. Rees, Mr. Mitchell of Maryland, Mrs. Boggs, Mr. Blanchard, Mrs. Spellman, Mr. Lloyd of California, Mr. Dellums, Mr. Conyers, Mr. Helstoski, Mr. Hawkins, Mr. Rodino, Mr. Brown of California, Mrs. Schroeder, Mr. Emery, Mr. Smith of Iowa, Mr. Brodhead, Mr. Bolling, Mr. Moakley, and Mr. Pepper):

H.R. 10881. A bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. SCHEUER:

H.R. 10882. A bill to amend the Export Administration Act of 1969 to strengthen the antiboycott provisions of such act, and for other purposes; to the Committee on International Relations.

By Mrs. SULLIVAN (for herself, Mr. Leggett, Mr. Ruppe, Mr. Biaggi, Mr. Forsythe, Mr. Studds, Mr. de la Garza, Mr. Young of Alaska, and Mr. Lent):

H.R. 10883. A bill to amend the Commercial Fisheries Research and Development Act of 1964, as amended, to change certain procedures so as to provide for more efficient program operation; to the Committee on Merchant Marine and Fisheries.

By Mr. UDALL (for himself, Mr. Preyer, and Mr. Symington):

H.R. 10884. A bill to provide for affording equal educational opportunities for students in the Nation's elementary and secondary schools; to the Committee on Education and Labor.

By Mr. WOLFF (for himself, Mr. Burgener, Mr. Collins of Texas, Mr. Conte, Mr. Gilman, Mr. Ketchum, Mr. Koch, Mr. Nix, Mr. Rousselot, Mr. Waxman, and Mr. Young of Florida):

H.R. 10885. A bill to suspend U.S. participation in the activities of the United Nations General Assembly until the Congress approves renewal of such participation and to cut off all U.S. payments in support of the General Assembly; to the Committee on International Relations.

By Mr. WRIGHT (for himself, Mr. Cleveland, and Mr. Don H. Clausen):

H.R. 10886. A bill to amend the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

By Mr. WYDLER:

H.R. 10887. A bill to amend section 112 of title 28 of the United States Code to divide the Eastern Judicial District of New York into two divisions; to the Committee on the Judiciary.

By Mr. YOUNG of Georgia (for himself, Mr. Bolling, Ms. Burke of California, Ms. Chisholm, Ms. Collins of Illinois, Mr. Conyers, Mr. Hawkins, Mr. Reuss, and Mr. Stokes):

H.R. 10888. A bill to amend the Social Security Act to establish a national health care program for all residents of the United States under which all existing health care prorgams for the aged and poor are consolidated, to provide for the administration of the national health care program and the existing social security programs by a newly established independent Social Security Administration, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CLEVELAND (for himself, Mr. Baucus, Mr. Bell, Mr. Conte, Mr. Harrington, Mr. Hicks, Mr. Johnson of California, Mr. Martin, Mr. Montgomery, Mr. Oberstar, Mr. Waxman, Mr. Winn, and Mr. Young of Alaska):

H.J. Res. 732. Joint resolution to authorize the President of the United States to designate National Ski Week; to the Committee on Post Office and Civil Service.

By Mr. BELL (for himself, Mr. Long of Maryland, Mr. Macdonald of Massachusetts, Mr. Price, and Mrs. Spellman):

H. Con. Res. 489. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on International Relations.

By Mr. FRASER (for himself, Mr. Maguire, Mr. Mazzoli, Mr. Downey of New York, Mr. Aspin, Mr. Tsongas, and Mr. Matsunaga):

H. Con. Res. 490. Concurrent resolution indicating the sense of Congress that every person throughout the world has the right to a nutritionally adequate diet; and that this country increase its assistance for self-help development among the world's poorest people until such assistance has reached the target of 1 percent of our total national production (GNP); jointly to the Committees on Agriculture, and International Relations.

By Mr. SIKES (for himself, Mr. Mathis, Mr. Barrett, Mr. Bell, Mr. Cederberg, Mr. Hammerschmidt, Mr. Murtha, and Mr. Roberts):

H. Con. Res. 491. Concurrent resolution with respect to the freedom of the Republic of China and its people; to the Committee on International Relations.

By Mr. STRATTON:

H. Con. Res. 492. Concurrent resolution expressing the sense of the Congress that the signing in Helsinki of the Final Act of the Conference on Security and Cooperation in Europe did not change in any way the long-standing policy of the United States on nonrecognition of the Soviet Union's illegal seizure and annexation of the three Baltic nations of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. STUCKEY (for himself, Mr. Hagedorn, Mr. Spence, Mr. Latta, and Mr. Crane):

H. Con. Res. 493. Concurrent resolution relating to the authority of the Federal Trade Commission to prescribe rules preempting State and local laws; to the Committee on Interstate and Foreign Commerce.

By Mr. DOWNING of Virginia (for himself, Mr. Findley, and Mr. Johnson of California):

H. Res. 879. Resolution creating a select committee to conduct an investigation and study of the circumstances surrounding the death of John F. Kennedy; to the Committee on Rules.

By Mr. GILMAN (for himself, Mr. Burgener, Mr. Helstoski, Mr. Steiger of Wisconsin, Mr. Zeferetti, Mr. Frey, Mr. Kindness, Mr. Mitchell of Maryland, Mr. Brodhead, Mr. McEwen, Mr. Dent, Mr. Abdnor, Mrs. Spellman, Mr. Murphy of New York,. Mrs. Fenwick, Mr. Rogers, and Mr. Dominick V. Daniels):

H. Res. 880. Resolution to express the sense of the House of Representatives that the President should, upon visiting the People's Republic of China, request the appropriate Chinese officials use their good offices to obtain a full and complete accounting of members of the U.S. Armed Forces missing in action and confined as prisoners of war in Southeast Asia and of all American civilian personnel who are listed as missing in Southeast Asia and should, upon his return to the United States, report back to the Congress on the results of his request; to the Committee on International Relations.

By Mr. HELSTOSKI:

H. Res. 881. Resolution impeaching Jonathan Goldstein, U.S. attorney for the District of New Jersey, and Bruce Goldstein, principal assistant U.S. attorney for the District of New Jersey, for high crimes and misdemeanors within the meaning of article II, section 4, of the Constitution of the United States; to the Committee on the Judiciary.

By Mr. JACOBS:

H. Res. 882. Resolution to express the sense of the U.S. House of Representatives with respect to voter participation in the Presidential election of 1976; to the Committee on House Administration.

By Mr. JONES of Tennessee (for himself, Mr. Abdnor, Mr. Addabbo, Mr. Alexander, Mr. Badillo, Mr. Baldus, Mr. Bauman, Mr. Bedell, Mr. Bergland, Mr. Bevill, Mr. Bowen, Mr. Breaux, Mr. Breckinridge, Mr. Burleson of Texas, Mr. Carter, Mr. Cleveland, Mr. Cochran, Mr. Cohen, Mr. Conte, Mr. Corman, Mr. D'Amours, Mr. Davis, Mr. Derrick, Mr. Downey of New York, and Mr. Esch):

H. Res. 883. Resolution to authorize the President to issue a proclamation designating the week beginning April 4, 1976, as National Rural Health Week; to the Committee on Post Office and Civil Service.

By Mr. JONES of Tennessee (for himself, Mr. Evins of Tennessee, Mr. Findley, Mr. Flood, Mr. Florio, Mr. Ford of Michigan, Mr. Fuqua, Mr. Guyer, Mr. Haley, Mr. Hamilton, Mr. Harkin, Mr. Hastings, Mr. Hefner, Mr. Heinz, Mr. Howe, Mr. Hubbard, Mr. Hughes, Mr. Jeffords, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Kazen, Mr. Ketchum, Mr. Krebs, Mr. LaFalce, and Mr. Leggett):

H. Res. 884. Resolution to authorize the President to issue a proclamation designating the week beginning April 4, 1976, as National Rural Health Week; to the Committee on Post Office and Civil Service.

By Mr. JONES of Tennessee (for himself, Mr. Litton, Mrs. Lloyd of Tennessee, Mr. Lott, Mr. McHugh, Mr. McKay, Mr. Madigan, Mr. Meeds, Mr. Mikva, Mrs. Mink, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Murtha, Mr. Nichols, Mr. Nix, Mr. Oberstar, Mr. Pattison of New York, Mr. Pepper, Mrs. Pettis, Mr. Peyser, Mr. Railsback, Mr. Randall, Mr. Regula, Mr. Riegle, and Mr. Rinaldo):

H. Res. 885. Resolution to authorize the President to issue a proclamation designating the week beginning April 4, 1976, as National Rural Health Week; to the Committee on Post Office and Civil Service.

By Mr. JONES of Tennessee (for himself, Mr. Risenhoover, Mr. Robinson, Mr. Roe, Mr. Rose, Mr. Russo, Mr. Santini, Mr. Scheuer, Mr. Sebelius, Mr. Sikes, Mr. Sisk, Mr. Smith of Iowa, Mrs. Smith of Nebraska, Mr. Vander Jagt, Mr. Vigorito, Mr. Walsh, Mr. Waxman, Mr. Charles Wilson of Texas, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Yatron, and Mr. Young of Alaska):

H. Res. 886. Resolution to authorize the President to issue a proclamation designating the week beginning April 4, 1976, as National Rural Health Week; to the Committee on Post Office and Civil Service.

By Mr. QUIE:

H. Res. 887. Resolution to provide that students and teachers at vocational schools and officers and employees of a State or local government shall be eligible to serve as congressional interns in the House of Representatives; to the Committee on House Administration.

By Mr. RYAN (for himself, Mr. Moss, Mr. Davis, Mr. Whitehurst, Mr. Duncan of Tennessee, Mr. Kasten, Mr. Eilberg, Mr. Scheuer, Mr. Nowak, Mr. Burgener, Mr. Gilman, Mr. Winn, Mr. Helstoski, Mr. Murphy of New York, Mr. Roe, Mr. Frenzel, Mr. Lent, Mr. Ottinger, Mr. Gradison, Mr. Hannaford, Mr. Rousselot, Mr. Levitas, Mr. Koch, Mr. Hubbard, and Mr. Long of Maryland):

H. Res. 888. Resolution to direct the Committee on Appropriations and the Committee on International Relations to begin immediate studies of the relationship of the United States with the United Nations and to report, within 3 months, to the Speaker of the House of Representatives recommendations with respect to whether the manner and nature of such relationship should be changed; to the Committee on Rules.

By Mr. RYAN (for himself, Mr. Santini, Mr. Mazzoli, and Mr. Downing of Virginia):

H. Res. 889. Resolution to direct the Committee on Appropriations and the Committee on International Relations to begin immediate studies of the relationship of the United States with the United Nations and to report, within 3 months, to the Speaker of the House of Representatives recommendations with respect to whether the manner and nature of such relationship should be changed; to the Committee on Rules.

By Mr. UDALL:

H. Res. 890. Resolution to provide that employees of the House Beauty Shop shall be subject to the compensation classification system established by the House Employees Classification Act, and for other purposes; to the Committee on House Administration.

By Mr. WOLFF (for himself, Mr. Montgomery, Mr. Bevill, Mrs. Collins of Illinois, Mr. Downey of New York, Mr. Eilberg, Mr. Guyer, Mr. Holland, Mr. Johnson of Pennsylvania, Mr. Ketchum, Mr. Lagomarsino, Mr. Mazzoli, Mr. Mitchell of Maryland, Mr. Mottl, Mr. Murtha, Mr. Ottinger, Mr. Rangel, Mr. Risenhoover, Mr. Roe, Mr. Rousselot, Mr. Scheuer, Mr. Tsongas, Mr. Walsh, Mr. Won Pat, and Mr. Zeferetti):

H. Res. 891. Resolution to establish the Vietnam veteran congressional intern program in the House of Representatives; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. REES introduced a bill (H.R. 10889) for the relief of Shirley Sutherland, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of Robert Alpago, Alliance, Ohio, relative to criminal justice; to the Committee on the Judiciary.

311. Also petition of the Military Affairs Council, Oklahoma City Chamber of Commerce, Oklahoma City, Okla., relative to defense expenditures; jointly to the Committees on Armed Services, and Appropriations.

SENATE—*Thursday, November 20, 1975*

(Legislative day of Tuesday, November 19, 1975)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. Metcalf).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O give thanks unto the Lord, for He is good: for His mercy endureth forever.—Psalms 107:1.

Our Father-God, we thank Thee for the blessings of life in this free land; for the fruits of the soil, the untold resources of the Earth, the opportunities for work and play and healthful living; for liberty in speech and written word, for public education, and regard for every man's welfare. As we thank Thee for these and all Thy mercies, we beseech Thee to guide us here in all our actions to complete the mission of this Nation to the end that all men may have full civil rights, freedom under law, and a life with dignity and eternal meaning. Make our Nation great in that greatness which alone is pleasing to Thee, even the righteousness that is the doing of Thy holy will. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Wednesday, November 19, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

EXTRADITION TREATY WITH AUSTRALIA; EXTRADITION TREATY WITH CANADA; PROTOCOLS FOR THE FURTHER EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT, 1971

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session and that the three treaties on the Calendar which were reported unanimously by the Committee on Foreign Relations be carried up to final reading.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive F (93d Cong., 2d sess.), Extradition Treaty with Australia; Executive G (93d Cong., 2d sess.), Extradition Treaty with Canada; and Executive C (94th Cong., 1st sess.), Protocols for the Further Extension of the International Wheat Agreement, 1971, which were read the second time, as follows:

Treaty on Extradition Between the United States of America and Australia

The United States of America and Australia, desiring to make more effective the cooperation of the two countries for the reciprocal extradition of offenders, agree as follows:

ARTICLE I

Each Contracting Party agrees, under the conditions and circumstances established by this Treaty, reciprocally to deliver up persons found in its territory who have been charged with or convicted of any of the offenses mentioned in Article II of this Treaty committed within the territory of the other Contracting Party, or outside that territory under the conditions specified in Article IV of this Treaty.

ARTICLE II

(1) Persons shall be delivered up according to the provisions of this Treaty for any of the following offenses provided these offenses are punishable by the laws of both Contracting Parties by a term of imprisonment exceeding one year or by death:

1. Murder or willful murder; assault with intent to commit murder.
2. Manslaughter.
3. Aggravated or willful wounding or injuring; assault occasioning actual bodily harm.
4. Unlawful throwing or application of any corrosive or injurious substances upon the person of another.
5. Rape; indecent assault, including unlawful sexual acts with or upon children.
6. Illegal abortion.
7. Procuring, or trafficking in, women or young persons for immoral purposes; living on the earnings of prostitution.
8. Abandoning or exposing a child when the life of that child is or is likely to be injured or endangered.
9. Bigamy.
10. Kidnapping; child stealing; abduction; false imprisonment.
11. Robbery.
12. Burglary; housebreaking or any similar offense.
13. Larceny.
14. Embezzlement.
15. Obtaining any property, money or valuable securities by false pretenses or other form of deception.
16. An offense against the law relating to bribery.
17. Extortion.
18. Receiving any property, money or valuable securities knowing the same to have been unlawfully obtained.
19. Fraud by an agent, bailee, banker, factor or trustee, by a director or officer of a company or by a promoter of a company, whether existing or not.
20. An offense relating to counterfeiting or forgery.
21. Perjury; subornation or perjury; conspiring to defeat the course of justice.
22. Arson.
23. An act done with the intention of endangering the safety of any person traveling upon a railway or in any aircraft or vessel or other means of transportation.
24. Any seizure or exercise of control, by force or violence or threat of force or violence, or by any other form of intimidation, of an aircraft.
25. Piracy, by statute or by law of nations; revolt on board a vessel against the authority of the master of the vessel.
26. Malicious injury to property.
27. An offense against the bankruptcy laws.
28. An offense against the laws relating to narcotics, dangerous drugs or psychotropic substances.
29. Dealing in slaves.

(2) Extradition shall also be granted for any other offenses that are made extraditable under the extradition laws of Australia and which are felonies under the laws of the United States of America.

(3) Extradition shall also be granted for any offense against a federal law of the United States of America of which one of the above-mentioned offenses is a substantial element, even if transporting or transportation or the use of the mails or of interstate facilities is also an element of the specific offense.

(4) Extradition shall also be granted for aiding, abetting, counseling or procuring the commission of, being an accessory before or after the fact to, or attempting or conspiring to commit, any of the offenses mentioned in the preceding paragraphs of this Article.

(5) If extradition is requested for any offense mentioned in a preceding paragraph of this Article and that offense is punishable under the laws of both Contracting Parties by a term of imprisonment exceeding one year or by death, that offense shall be extraditable under the provisions of this Treaty whether or not the laws of both Contracting Parties would place that offense within the same category of offenses made extraditable by that preceding paragraph of this Article and whether or not the laws of the requested State denominate the offense by the same terminology.

ARTICLE III

(1) For the purposes of this Treaty, the territory of a Contracting Party means all the territory under the jurisdiction of that Contracting Party, including airspace and territorial waters, and also includes—

(*a*) any vessel registered in any territory under the jurisdiction of that Contracting Party; and

(*b*) any aircraft registered in any such territory provided that the aircraft is in flight when the relevant offense is committed. (2) For the purposes of this Treaty—

(*a*) the territory under the jurisdiction of a Contracting Party includes the Territories for the international relations of which that Contracting Party is responsible;

(*b*) an aircraft shall be considered in flight from the moment when the power is applied for the purpose of take-off until the moment when the landing run ends.

ARTICLE IV

When the offense for which extradition has been requested has been committed outside the territory of the requesting State—

(*a*) if the United States of America is the requested State—the executive authority of the United States of America; or

(*b*) if Australia is the requested State—the Attorney-General of Australia.

shall have the power to grant the extradition if the laws of the requested State provide for jurisdiction over such an offense committed in similar circumstances.

ARTICLE V

(1) Neither of the Contracting Parties shall be bound to deliver up its own nationals under this Treaty but the executive authority of each Contracting Party shall have the power to deliver them up if, in its discretion, it considers that it is proper to do so.

(2) For the purposes of this Article—

(*a*) a reference to the executive authority of a Contracting Party shall, in the case of Australia, be construed as a reference to the Attorney-General of Australia;

(*b*) Australian protected persons shall be deemed to be nationals of Australia; and

(*c*) the nationality of a person shall be determined to be that which he held at the time when he was charged with the offense for which his extradition is requested.

ARTICLE VI

Extradition shall be granted only if the evidence is found sufficient, according to the laws in the territory where the person whose extradition is requested is found, either to justify his trial or committal for trial if the offense with which he is charged or its equivalent had been committed in that territory or to prove that he is the identical person convicted by the courts of the requesting State.

ARTICLE VII

(1) Extradition shall not be granted in any of the following circumstances:

(*a*) when the person whose extradition is requested is being proceeded against, has been tried and discharged or punished, or has been pardoned, in the territory of the requested State for the offense for which his extradition is requested;

(*b*) when the prosecution for the offense has become barred by lapse of time according to the laws of the requesting State; or

(*c*) when the offense in respect of which extradition is requested is of a political character, or the person whose extradition is requested proves that the extradition request has been made for the purpose of trying or punishing him for an offense of a political character.

(2) If any question arises whether a case comes within the provisions of subparagraph (*c*) of paragraph (1) of this Article, the requested State shall decide that question.

ARTICLE VIII

If, under the law of the requesting State, an offense for which the extradition of a person is requested, or any other offense for which he may be detained or tried under paragraph (1) of Article XIV, is subject to a penalty of death but the law of the requested State does not provide for such a penalty in a similar case, the requested State may recommend to the requesting State that any punishment imposed for any of those offenses be a less severe punishment.

ARTICLE IX

When the person whose extradition is requested is being proceeded against or is serving a sentence in the territory of the requested State for an offense other than that for which extradition has been requested, his surrender may be deferred until the conclusion of the proceedings and the full execution of any punishment that may be or may have been imposed on him.

ARTICLE X

The determination that extradition based upon the request therefor should or should not be granted shall be made in accordance with the law of the requested State and the person whose extradition is sought shall have the right to use such remedies and recourses as are provided by that law.

ARTICLE XI

(1) The request for extradition shall be made through the diplomatic channel.

(2) The request shall be accompanied by a description of the person sought, a statement of the facts of the case, the text of the applicable laws of the requesting State including the law defining the offense, the law prescribing the punishment for the offense and the law relating to the limitation of the legal proceedings.

(3) When the request relates to a person who has not yet been convicted, it must also be accompanied by a warrant of arrest issued by a judge or other judicial officer of the requesting State and by such evidence as, according to the laws of the requested State, would justify his trial or committal for trial if the offense had been committed there, including evidence proving the person requested is the person to whom the warrant of arrest refers.

(4) When the request relates to a person already convicted, it must be accompanied by the judgment of conviction and sentence, if any, passed upon him in the territory of the requesting State, by a statement, if applicable, showing how much of the sentence has not been served and by evidence proving that the person requested is the person to whom the judgment refers.

(5) The warrant of arrest and deposition or other evidence, given under oath or affirmed, and the judicial documents establishing the existence of the conviction, or certified copies of those documents, shall be admitted in evidence in the examination of the request for extradition when—

(*a*) in the case of a request by Australia—those documents or certified copies bear the signature, or are accompanied by the attestation, of a judge, magistrate or officer of Australia or are authenticated by the official seal of the Attorney General and, in any case, are certified by the principal diplomatic or consular officer of the United States of America in Australia; or

(*b*) in the case of a request by the United States of America—the warrant, if any, bears an original signature, or the other documents are certified, by a judge, magistrate or officer of the United States of America and, in any case, are authenticated by the oath of a witness or sealed with the official seal of the Department of State on behalf of the Secretary of State or of the Department of Justice on behalf of the Attorney General.

ARTICLE XII

(1) In case of urgency a Contracting Party may apply for the provisional arrest of the person sought pending the presentation of the request for extradition through the diplomatic channel.

(2) The application shall contain a description of the person sought, an indication of intention to request the extradition of the person sought and a statement of the existence of a warrant of arrest or a judgment of conviction against that person, and such further information, if any, as would be necessary to justify the issue of a warrant of arrest had the offense been committed, or the person sought been convicted, in the territory of the requested State.

(3) On receipt of such an application the requested State shall take the necessary steps to secure the arrest of the person claimed.

(4) A person arrested upon such an application shall be set at liberty upon the expiration of forty-five days from the date of his arrest if a request for his extradition accompanied by the documents specified in Article XI had not been received.

(5) Paragraph (4) of this Article shall not prevent the institution of proceedings with a view to extraditing the person sought if the request is subsequently received.

ARTICLE XIII

(1) If the requested State requires additional evidence or information to enable it to decide on the request for extradition, that State may request that such evidence or information be furnished within such period as it specifies.

(2) If the person sought is under arrest and the additional evidence or information submitted as aforesaid is not sufficient or if such evidence or information is not received within the period specified by the requested State, he shall be discharged from custody.

(3) The discharge of a person from custody under paragraph (2) of this Article shall not bar the requesting State from submitting another request in respect of the same offense.

ARTICLE XIV

(1) A person extradited under this Treaty may be detained, tried or punished in the territory of the requesting State for any offense mentioned in Article II for which the person could be convicted upon proof of the facts upon which the request for extradition was based.

(2) Except as provided in paragraph (1) of this Article, a person extradited under this Treaty shall not be detained, tried or punished in the territory of the requesting State for an offense other than that for which extradition has been granted, or be extradited by that State to a third State, unless—

(*a*) he has left the territory of the requesting State after his extradition and has voluntarily returned to it;

(*b*) he has not left the territory of the requesting State within thirty days after being free to do so; or

(*c*) the offense concerned is one for which the requested State has consented to his detention, trial or punishment or to his extradition to a third State and is an offense mentioned in Article II.

(3) A request for the consent of the requested State under subparagraph (*c*) of paragraph (2) of this Article shall be accompanied by such information and documents as are requested by that State.

(4) This Article does not apply to offenses committed after the extradition.

ARTICLE XV

A requested State, upon receiving two or more requests for the extradition of the same person either for the same offense, or for different offenses, shall determine to which of the requesting States it will extradite the person sought, taking into consideration the circumstances and particularly the possibility of a later extradition between the requesting States, the seriousness of each offense, the place where the offense was committed, the nationality and residence of the person sought, the dates upon which the requests were received and the provisions of any extradition agreements between the requested State and the other requesting State or States.

ARTICLE XVI

(1) The requested State shall promptly communicate to the requesting State through the diplomatic channel the decision on the request for extradition.

(2) Where extradition of a person for an offense is granted, the person shall be conveyed by the appropriate authorities of the requested State to a port or airport in the territory of that State agreed between that State and the requesting State.

(3) If a warrant or order for the extradition of a person sought has been issued by the competent authority and he is not removed from the territory of the requested State within such time as is prescribed by the laws of that State, he may be set at liberty, and the requested State may subsequently refuse to extradite that person for the same offense.

(4) Australia is not required to extradite a person before the expiration of fifteen days after the date on which he has been held judicially to be liable to extradition, or, if proceedings for a writ of habeas corpus have been brought, before the expiration of fifteen days after the final decision of the competent court has been given.

ARTICLE XVII

(1) To the extent permitted under the law of the requested State and subject to the rights of third parties, which shall be duly respected, all articles found in the requested State that have been acquired as a result of the offense or may be required as evidence shall, if the requesting State so requests, be surrendered if extradition is granted.

(2) Subject to the qualifications of paragraph (1) of this Article, the above-mentioned articles shall, if the requested State so requests, be surrendered to the requesting State even if the extradition, having been agreed to, cannot be carried out owing to the death or escape of the person sought.

(3) Where the law of the requested State or the rights of third parties so require, any articles so surrendered shall be returned to the requested State free of charge if that State so requests.

ARTICLE XVIII

(1) Expenses related to the transportation of the person sought to the requesting State shall be paid by the requesting State.

(2) The requested State shall make all necessary arrangements for, and meet the cost of, the representation of the requesting State in any proceedings arising out of a request for extradition.

(3) No pecuniary claim, arising out of the arrest, detention, examination and surrender of persons sought under the terms of this Treaty, shall be made by the requested State against the requesting State.

ARTICLE XIX

(1) The right to transport the territory of one of the Contracting Parties a person surrendered to the other Contracting Party by a third State shall be granted on request made through the diplomatic channel.

(2) In the case of a national of the requested State, the request shall establish that conditions are present which would warrant extradition of the person by the State of transit.

(3) The request may be refused if reasons of public order are opposed to the transit.

(4) Permission for the transit of a person surrendered shall include authorization for accompanying officials to hold that person in custody or request and obtain assistance from authorities in the State of transit in maintaining custody.

(5) The Party to which the person has been extradited shall reimburse the Party through whose territory such person is transported for any expenses incurred by the latter in connection with such transportation.

ARTICLE XX

This Treaty applies to offenses mentioned in Article II committed before, on or after the date on which this Treaty enters into force, provided that no extradition shall be granted for an offense committed before that date which was not an offense under the laws of both Contracting Parties at the time of its commission.

ARTICLE XXI

(1) This Treaty is subject to ratification and the instruments of ratification shall be exchanged in Canberra as soon as possible.

(2) This Treaty shall enter into force thirty days after the exchange of instruments of ratification.

(3) This Treaty may be terminated by either Contracting Party giving notice of termination to the other Contracting Party at any time and the termination shall be effective six months after the date of receipt of such notice.

(4) This Treaty shall terminate and replace, as between the Contracting Parties to the present Treaty, the Treaty on Extradition between the United States and Great Britain of December 22, 1931, as made applicable to Australia.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed this Treaty.

DONE at Washington this fourteenth day of May, 1974.

For the United States of America:
KENNETH RUSH.
For Australia:
PATRICK SHAW.

TREATY ON EXTRADITION BETWEEN THE UNITED STATES OF AMERICA AND CANADA

The United States of America and Canada, desiring to make more effective the cooperation of the two countries in the repression of crime by making provision for the reciprocal extradition of offenders, agree as follows:

ARTICLE 1

Each Contracting Party agrees to extradite to the other, in the circumstances and subject to the conditions described in this Treaty, persons found in its territory who have been charged with, or convicted of any of the offenses covered by Article 2 of this Treaty committed within the territory of the other; or outside thereof under the conditions specified in Article 3(3) of this Treaty.

ARTICLE 2

(1) Person shall be delivered up according to the provisions of this Treaty for any of the offenses listed in the Schedule annexed to this Treaty, which is an integral part of this Treaty, provided these offenses are punishable by the laws of both Contracting Parties by a term of imprisonment exceeding one year.

(2) Extradition shall also be granted for attempts to commit, or conspiracy to commit or being a party to any of the offenses listed in the annexed Schedule.

(3) Extradition shall also be granted for any offense against a federal law of the United States in which one of the offenses listed in the annexed Schedule, or made extraditable by paragraph (2) of this Article, is a substantial element, even if transporting, transportation, the use of the mails or interstate facilities are also elements of the specific offense.

ARTICLE 3

(1) For the purpose of this Treaty the territory of a Contracting Party shall include

all territory under the jurisdiction of that Contracting Party, including air space and territorial waters and vessels and aircraft registered in that Contracting Party or aircraft leased without crew to a lessee who has his principal place of business, or, if the lessee has no such place of business, his permanent residence in, that Contracting Party if any such aircraft is in flight, or if any such vessel is on the high seas when the offense is committed. For the purposes of this Treaty an aircraft shall be considered in flight from the moment when power is applied for the purpose of the take-off until the moment when the landing run ends.

(2) In a case when offense 23 of the annexed Schedule is committed on board an aircraft at any time from the moment when all its external doors are closed following embarkation until the moment when any such door is opened for disembarkation, such offense and any other offense covered by Article 2 committed against passengers or crew of that aircraft in connection with such offense shall be considered to have been committed within the territory of a Contracting Party if the aircraft was registered in that Contracting Party, if the aircraft landed in the territory of that Contracting Party with the alleged offender still on board, or if the aircraft was leased without crew to a lessee who has his principal place of business, or, if the lessee has no such place of business, his permanent residence in that Contracting Party.

(3) When the offense for which extradition has been requested has been committed outside the territory of the requesting State, the executive or other appropriate authority of the requested State shall have the power to grant the extradition if the laws of the requested State provide for jurisdiction over such an offense committed in similar circumstances.

ARTICLE 4

(1) Extradition shall not be granted in any of the following circumstances:

(i) When the person whose surrender is sought is being proceeded against, or has been tried and discharged or punished in the territory of the requested State for the offense for which his extradition is requested.

(ii) When the prosecution for the offense has become barred by lapse of time according to the laws of the requesting State.

(iii) When the offense in respect of which extradition is requested is of a political character, or the person whose extradition is requested proves that the extradition request has been made for the purpose of trying or punishing him for an offense of the above-mentioned character. If any question arises as to whether a case comes within the provisions of this subparagraph, the authorities of the Government on which the requisition is made shall decide.

(2) The provisions of subparagraph (iii) of paragraph (1) of this Article shall not be applicable to the following:

(i) A kidnapping, murder or other assault against the life or physical integrity of a person to whom a Contracting Party has the duty according to international law to give special protection, or any attempt to commit such an offense with respect to any such person.

(ii) When offense 23 of the annexed Schedule, or an attempt to commit, or a conspiracy to commit, or being a party to the commission of that offense, has been committed on board an aircraft engaged in commercial services carrying passengers.

ARTICLE 5

If a request for extradition is made under this Treaty for a person who at the time of such request, or at the time of the commission of the offense for which extradition is sought, is under the age of eighteen years and is considered by the requested State to be one of its residents, the requested State, upon a determination that extradition would disrupt the social readjustment and rehabilitation of that person, may recommend to the requesting State that the request for extradition be withdrawn, specifying the reasons therefor.

ARTICLE 6

When the offense for which extradition is requested is punishable by death under the laws of the requesting State and the laws of the requested State do not permit such punishment for that offense, extradition may be refused unless the requesting State provides such assurances as the requested State considers sufficient that the death penalty shall not be imposed, or, if imposed, shall not be executed.

ARTICLE 7

When the person whose extradition is requested is being proceeded against or is serving a sentence in the territory of the requested State for an offense other than that for which extradition has been requested, his surrender may be deferred until the conclusion of the proceedings and the full execution of any punishment he may be or may have been awarded.

ARTICLE 8

The determination that extradition should or should not be granted shall be made in accordance with the law of the requested State and the person whose extradition is sought shall have the right to use all remedies and recourses provided by such law.

ARTICLE 9

(1) The request for extradition shall be made through the diplomatic channel.

(2) The request shall be accompanied by a description of the person sought, a statement of the facts of the case, the text of the laws of the requesting State describing the offense and prescribing the punishment for the offense, and a statement of the law relating to the limitation of the legal proceedings.

(3) When the request relates to a person who has not yet been convicted, it must also be accompanied by a warrant of arrest issued by a judge or other judicial officer of the requesting State and by such evidence as, according to the laws of the requested State, would justify his arrest and committal for trial if the offense had been committed there, including evidence proving the person requested is the person to whom the warrant of arrest refers.

(4) When the request relates to a person already convicted, it must be accompanied by the judgment of conviction and sentence passed against him in the territory of the requesting State, by a statement showing how much of the sentence has not been served, and by evidence proving that the person requested is the person to whom the sentence refers.

ARTICLE 10

(1) Extradition shall be granted only if the evidence be found sufficient, according to the laws of the place where the person sought shall be found, either to justify his committal for trial if the offense of which he is accused had been committed in its territory or to prove that he is the identical person convicted by the courts of the requesting State.

(2) The documentary evidence in support of a request for extradition or copies of these documents shall be admitted in evidence in the examination of the request for extradition when, in the case of a request emanating from Canada, they are authenticated by an officer of the Department of Justice of Canada and are certified by the principal diplomatic or consular officer of the United States in Canada, or when, in the case of a request emanating from the United States, they are authenticated by an officer of the Department of State of the United States and are certified by the principal diplomatic or consular officer of Canada in the United States.

ARTICLE 11

(1) In case of urgency a Contracting Party may apply for the provisional arrest of the person sought pending the presentation of the request for extradition through the diplomatic channel. Such application shall contain a description of the person sought, an indication of intention to request the extradition of the person sought and a statement of the existence of a warrant of arrest or a judgment of conviction against that person, and such further information, if any, as would be necessary to justify the issue of a warrant of arrest had the offense been committed, or the person sought been convicted, in the territory of the requested State.

(2) On receipt of such an application the requested State shall take the necessary steps to secure the arrest of the person claimed.

(3) A person arrested shall be set at liberty upon the expiration of forty-five days from the date of his arrest pursuant to such application if a request for his extradition accompanied by the documents specified in Article 9 shall not have been received. This stipulation shall not prevent the institution of proceedings with a view to extraditing the person sought if the request is subsequently received.

ARTICLE 12

(1) A person extradited under the present Treaty shall not be detained, tried or punished in the territory of the requesting State for an offense other than that for which extradition has been granted nor be extradited by that State to a third State unless:

(i) He has left the territory of the requesting State after his extradition and has voluntarily returned to it;

(ii) He has not left the territory of the requesting State within thirty days after being free to do so; or

(iii) The requested State has consented to his detention, trial, punishment for an offense other than that for which extradition was granted or to his extradition to a third State, provided such other offense is covered by Article 2.

(2) The foregoing shall not apply to offenses committed after the extradition.

ARTICLE 13

(1) A requested State upon receiving two or more requests for the extradition of the same person either for the same offense, or for different offenses, shall determine to which of the requesting States it will extradite the person sought.

(2) Among the matters which the requested State may take into consideration are the possibility of a later extradition between the requesting States, the seriousness of each offense, the place where the offense was committed, the dates upon which the requests were received and the provisions of any extradition agreements between the requested State and the other requesting State or States.

ARTICLE 14

(1) The requested State shall promptly communicate to the requesting State through the diplomatic channel the decision on the request for extradition.

(2) If a warrant or order for the extradition of a person sought has been issued by the competent authority and he is not removed from the territory of the requested State within such time as may be prescribed by the laws of that State, he may be set at liberty and the requested State may subsequently refuse to extradite that person for the same offense.

ARTICLE 15

(1) To the extent permitted under the law of the requested State and subject to the rights of third parties, which shall be duly respected, all articles acquired as a result of the offense or which may be required as

evidence shall, if found, be surrendered to the requesting State if extradition is granted.

(2) Subject to the qualifications of paragraph (1) of this Article, the above-mentioned articles shall be returned to the requesting State even if the extradition, having been agreed to, cannot be carried out owing to the death or escape of the person sought.

ARTICLE 16

(1) The right to transport through the territory of one of the Contracting Parties a person surrendered to the other Contracting Party by a third State shall be granted on request made through the diplomatic channel, provided that conditions are present which would warrant extradition of such person by the State of transit and reasons of public order are not opposed to the transit.

(2) The Party to which the person has been extradited shall reimburse the Party through whose territory such person is transported for any expenses incurred by the latter in connection with such transportation.

ARTICLE 17

(1) Expenses related to the transportation of the person sought to the requesting State shall be paid by the requesting State. The appropriate legal officers of the State in which the extradition proceedings take place shall, by all legal means within their power, assist the requesting State before the respective judges and magistrates.

(2) No pecuniary claim, arising out of the arrest, detention, examination and surrender of persons sought under the terms of this Treaty, shall be made by the requested State against the requesting State.

ARTICLE 18

(1) This Treaty shall be ratified and the instruments of ratification shall be exchanged at Ottawa as soon as possible.

(2) This Treaty shall terminate and replace any extradition agreements and provisions on extradition in any other agreement in force between the United States and Canada; except that the crimes listed in such agreements and committed prior to entry into force of this Treaty shall be subject to extradition pursuant to the provisions of such agreements.

(3) This Treaty shall enter into force upon the exchange of ratifications. It may be terminated by either Contracting Party giving notice of termination to the other Contracting Party at any time and the termination shall be effective six months after the date of receipt of such notice.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed this Treaty.

Done in duplicate, in the English and French languages, each language version being equally authentic, at Washington this third day of December, one thousand nine hundred seventy one.

For the United States of America:
WILLIAM ROGERS.
For Canada:
MITCHELL SHARP.

SCHEDULE

1. Murder; assault with intent to commit murder.
2. Manslaughter.
3. Wounding; maiming; or assault occasioning bodily harm.
4. Unlawful throwing or application of any corrosive substances at or upon the person of another.
5. Rape; indecent assault.
6. Unlawful sexual acts with or upon children under the age specified by the laws of both the requesting and requested States.
7. Willful nonsupport or willful abandonment of a minor when such minor is or is likely to be injured or his life is or is likely to be endangered.
8. Kidnapping; child stealing; abduction; false imprisonment.

9. Robbery; assault with intent to steal.
10. Burglary; housebreaking.
11. Larceny, theft or embezzlement.
12. Obtaining property, money or valuable securities by false pretenses or by threat of force or by defrauding the public or any person by deceit or falsehood or other fraudulent means, whether such deceit or falsehood or any fraudulent means would or would not amount to a false pretense.
12. Bribery, including soliciting, offering and accepting.
14. Extortion.
15. Receiving any money, valuable securities or other property knowing the same to have been unlawfully obtained.
16. Fraud by a banker, agent, or by a director or officer of any company.
17. Offenses against the laws relating to counterfeiting or forgery.
18. Perjury in any proceeding whatsoever.
19. Making a false affidavit or statutory declaration for any extra-judicial purpose.
20. Arson.
21. Any act done with intent to endanger the safety of any person traveling upon a railway, or in any aircraft or vessel or other means of transportation.
22. Piracy, by statute or by law of nations; mutiny or revolt on board a vessel against the authority of the captain or commander of such vessel.
23. Any unlawful seizure or exercise of control of an aircraft, by force or violence or threat of force or violence, or by any other form of intimidation, on board such aircraft.
24. Willful injury to property.
25. Offenses against the bankruptcy laws.
26. Offenses against the laws relating to the traffic in, production, manufacture, or importation of narcotic drugs, Cannabis sativa L., hallucinogenic drugs, amphetamines, barbiturates, cocaine and its derivatives.
27. Use of the mails or other means of communication in connection with schemes devised or intended to deceive or defraud the public or for the purpose of obtaining money or property by false pretenses.
28. Offenses against federal laws relating to the sale or purchase of securities.
29. Making or having in possession any explosive substance with intent to endanger life, or to cause severe damage to property.
30. Obstructing the course of justice in a judicial proceeding, existing or proposed, by:

(*a*) dissuading or attempting to dissuade a person by threats, bribes, or other corrupt means from giving evidence;

(*b*) influencing or attempting to influence by threat, bribes, or other corrupt means a person in his conduct as a juror; or

(*c*) accepting a bribe or other corrupt consideration to abstain from giving evidence or to do or to refrain from doing anything as a juror.

PROTOCOLS FOR THE FURTHER EXTENSION OF THE WHEAT TRADE CONVENTION AND FOOD AID CONVENTION CONSTITUTING THE INTERNATIONAL WHEAT AGREEMENT, 1971

PREAMBLE

The Conference to establish the texts of the Protocols for the further extension of the Conventions constituting the International Wheat Agreement, 1971

Considering that the International Wheat Agreement of 1949 was revised, renewed or extended in 1953, 1956, 1959, 1962, 1965, 1966, 1967, 1968, 1971 and 1974,

Considering that the International Wheat Agreement, 1971, consisting of two separate legal instruments, the Wheat Trade Convention, 1971 and the Food Aid Convention, 1971, both of which were extended by Protocol in 1974, will expire on 30 June 1975,

Has established the texts of Protocols for the further extension of the Wheat Trade Convention, 1971 and for the further extension of the Food Aid Convention, 1971.

PROTOCOL FOR THE FURTHER EXTENSION OF THE WHEAT TRADE CONVENTION, 1971

The Governments party to this Protocol,

Considering that the Wheat Trade Convention, 1971 (hereinafter referred to as "the Convention") of the International Wheat Agreement, 1971, which was extended by Protocol in 1974, expires on 30 June 1975,

Have agreed as follows.

ARTICLE 1

Extension, expiry and termination of the convention

Subject to the provisions of Article 2 of this Protocol, the Convention shall continue in force between the parties to this Protocol until 30 June 1976, provided that, if a new international agreement covering wheat enters into force before 30 June 1976, this Protocol shall remain in force only until the date of entry into force of the new agreement.

ARTICLE 2

Inoperative provisions of the convention

The following provisions of the Convention shall be deemed to be inoperative with effect from 1 July 1975:

(a) paragraph (4) of Article 19;
(b) Articles 22 to 26 inclusive;
(c) paragraph (1) of Article 27;
(d) Articles 29 to 31 inclusive.

ARTICLE 3

Definition

Any reference in this Protocol to a "Government" or "Governments" shall be construed as including a reference to the European Economic Community (hereinafter referred to as "the Community"). Accordingly, any reference in this Protocol to "signature" or to the "deposit of instruments of ratification, acceptance, approval or conclusion" or "an instrument of accession" or a "declaration of provisional application" by a Government shall, in the case of the Community, be construed as including signature or declaration of provisional application on behalf of the Community by its competent authority and the deposit of the instrument required by the institutional procedures of the Community to be deposited for the conclusion of an international agreement.

ARTICLE 4

Finance

The initial contribution of any exporting or importing member acceding to this Protocol under paragraph (1)(b) of Article 7 thereof, shall be assessed by the Council on the basis of the votes to be distributed to it and the period remaining in the current crop year, but the assessments made upon other exporting and importing members for the current crop year shall not be altered.

ARTICLE 5

Signature

This Protocol shall be open for signature in Washington from 25 March 1975 until and including 14 April 1975 by Governments of countries party to the Convention as extended by Protocol, or which are provisionally regarded as party to the Convention as extended by Protocol, on 25 March 1975, or which are members of the United Nations, of its specialized agencies or of the International Atomic Energy Agency, and are listed in Annex A or Annex B to the Convention.

ARTICLE 6

Ratification, acceptance, approval or conclusion

This Protocol shall be subject to ratification, acceptance, approval or conclusion by each signatory Government in accordance with its respective constitutional or institutional procedures. Instruments of ratification, acceptance, approval or conclusion shall be deposited with the Government of the United States of America not later than 18 June 1975, except that the Council may grant one or more extensions of time to any signatory Government that has not deposited its instrument of ratification, acceptance, approval or conclusion by that date.

ARTICLE 7

Accession

(1) This Protocol shall be open for accession

(a) until 18 June 1975 by the Government of any member listed in Annex A or B to the Convention as of that date, except that the Council may grant one or more extensions of time to any Government that has not deposited its instrument by that date, and

(b) after 18 June 1975 by the Government of any member of the United Nations, of its specialized agencies or of the International Atomic Energy Agency upon such conditions as the Council considers appropriate by not less than two-thirds of the votes cast by exporting members and two-thirds of the votes cast by importing members.

(2) Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.

(3) Where, for the purposes of the operation of the Convention and this Protocol, reference is made to members listed in Annex A or B to the Convention, any member the Government of which has acceded to the Convention on conditions prescribed by the Council, or to this Protocol in accordance with paragraph (1)(b) of this Article, shall be deemed to be listed in the appropriate Annex.

ARTICLE 8

Provisional application

Any signatory Government may deposit with the Government of the United States of America a declaration of provisional application. Any Government depositing such a declaration shall provisionally apply this Protocol and be provisionally regarded as a party thereto.

ARTICLE 9

Entry into force

(1) This Protocol shall enter into force among those Governments which have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application, in accordance with Articles 6, 7 and 8 of this Protocol by 18 June 1975, as follows:

(a) on 19 June 1975, with respect to all provisions of the Convention other than Articles 3 to 9 inclusive and Article 21, and

(b) on 1 July 1975, with respect to Articles 3 to 9 inclusive, and Article 21 of the Convention,

If such instruments of ratification acceptance, approval, conclusion or accession, or declarations of provisional application have been deposited not later than 18 June 1975 on behalf of Governments representing exporting members which held at least 60 percent of the votes set out in Annex A and representing importing members which held at least 50 percent of the votes set out in Annex B, or would have held such votes respectively if they had been parties to the Convention on that date.

(2) This Protocol shall enter into force for any Government that deposits an instrument of ratification, acceptance, approval, conclusion or accession after 19 June 1975 in accordance with the relevant provisions of this Protocol, on the date of such deposit, except that no part of it shall enter into force for such a Government until that part enters into force for other Governments under paragraph (1) or (3) of this Article.

(3) If this Protocol does not enter into force in accordance with paragraph (1) of this Article, the Governments which have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application may decide by mutual consent that it shall enter into force among those Governments that have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application.

ARTICLE 10

Notification by depositary government

The Government of the United States of America as the depositary Government shall notify all signatory and acceding Governments of each signature, ratification, acceptance, approval, conclusion, provisional application of, and accession to, this Protocol, as well as of each notification and notice received under Article 27 of the Convention and each declaration and notification received under Article 28 of the Convention.

ARTICLE 11

Certified copy of the protocol

As soon as possible after the definitive entry into force of this Protocol, the depositary Government shall send a certified copy of this Protocol in the English, French, Russian and Spanish languages to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. Any amendments to this Protocol shall likewise be communicated.

ARTICLE 12

Relationship of preamble to protocol

This Protocol includes the Preamble to the Protocols for the further extension of the International Wheat Agreement, 1971.

In witness whereof the undersigned, having been duly authorized to this effect by their respective Governments or authorities, have signed this Protocol on the dates appearing opposite their signatures.

The texts of this Protocol in the English, French, Russian and Spanish languages shall be equally authentic. The originals shall be deposited with the Goverment of the United States of America, which shall transmit certified copies thereof to each signatory and acceding party and to the Executive Secretary of the Council.

PROTOCOL FOR THE FURTHER EXTENSION OF THE FOOD AID CONVENTION, 1971

The parties to this Protocol,

Considering that the Food Aid Convention, 1971 (hereinafter referred to as "the Convention") of the International Wheat Agreement, 1971, which was extended by Protocol in 1974, expires on 30 June 1975,

Have agreed as follows

ARTICLE I

Extension, expiry and termination of the convention

Subject to the provisions of Article II of this Protocol, the Convention shall continue in force between the parties to this Protocol until 30 June 1976, provided that, if a new agreement covering food aid enters into force before 30 June 1976, this Protocol shall remain in force only until the date of entry into force of the new agreement.

ARTICLE II

Inoperative provisions of the convention

The provisions of paragraphs (1), (2) and (3) of Article II, of paragraph (1) of Article III, and of Articles VI to XIV, inclusive, of the Convention shall be deemed to be inoperative with effect from 1 July 1975.

ARTICLE III

International food aid

(1) The parties to this Protocol agree to contribute as food aid to the developing countries, wheat, coarse grains or products derived therefrom, suitable for human consumption and of an acceptable type and quality, or the cash equivalent thereof, in the minimum annual amounts specified in paragraph (2) below.

(2) The minimum annual contribution of each party to this Protocol is fixed as follows:

	Metric tons
Argentina	23,000
Australia	225,000
Canada	495,000
Finland	14,000
Japan	225,000
Sweden	35,000
Switzerland	32,000
United States of America	1,890,000

(3) For the purpose of the operation of this Protocol, any party which has signed this Protocol pursuant to paragraph (2) of Article V thereof, or which has acceded to this Protocol pursuant to the appropriate provisions of Article VII thereof, shall be deemed to be listed in paragraph (2) of Article III of this Protocol together with the minimum contribution of such party as determined in accordance with the relevant provisions of Article V or Article VII of this Protocol.

ARTICLE IV

Food aid committee

There shall be established a Food Aid Committee whose membership shall consist of the parties listed in paragraph (2) of Article III of this Protocol and of those others that become parties to this Protocol. The Committee shall appoint a Chairman and a Vice-Chairman.

ARTICLE V

Signature

(1) This Protocol shall be open for signature in Washington from 25 March 1975 until and including 14 April 1975 by the Governments of Argentina, Australia, Canada, Finland, Japan, Sweden, Switzerland and the United States of America, provided that they sign both this Protocol and the Protocol for the further extension of the Wheat Trade Convention, 1971.

(2) This Protocol shall also be open for signature, on the same conditions, to parties to the Food Aid Convention, 1967 or to the Food Aid Convention, 1971 as extended by Protocol, and to those provisionally regarded as parties to the Food Aid Convention, 1971 as extended by Protocol, which are not enumerated in paragraph (1) of this Article, provided that their contribution is at least equal to that which they agreed to make in the Food Aid Convention, 1971 as extended by Protocol.

ARTICLE VI

Ratification, acceptance, approval or conclusion

This Protocol shall be subject to ratification, acceptance, approval or conclusion by each signatory in accordance with its constitutional or institutional procedures, provided that it also ratifies, accepts, approves, or concludes the Protocol for the further extension of the Wheat Trade Convention, 1971. Instruments of ratification, acceptance, approval or conclusion shall be deposited with the Government of the United States of America not later than 18 June 1975, except that the Food Aid Committee may grant one or more extensions of time to any signatory that has not deposited its instrument of ratification, acceptance, approval or conclusion by that date.

ARTICLE VII

Accession

(1) This Protocol shall be open for accession by any party referred to in Article V of this Protocol, provided it also accedes to the Protocol for the further extension of the Wheat Trade Convention, 1971 and provided further that in the case of parties referred to in paragraph (2) of Article V their contribution is at least equal to that which they agreed to make in the Food Aid Convention, 1967 or, subsequently, in the Food Aid Convention, 1971 as extended by Protocol. Instruments of accession under this paragraph

shall be deposited not later than 18 June 1975, except that the Food Aid Committee may grant one or more extensions of time to any party that has not deposited its instrument of accession by that date.

(2) The Food Aid Committee may approve accession to this Protocol, as a donor, by the Government of any members of the United Nations, of its specialized agencies or of the International Atomic Energy Agency, on such conditions as the Food Aid Committee considers appropriate, provided that the Government also accedes at the same time to the Protocol for the further extension of the Wheat Trade Convention, 1971, if not already a party to it.

(3) Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.

ARTICLE VIII

Provisional application

Any party referred to in Article V of this Protocol may deposit with the Government of the United States of America a declaration of provisional application of this Protocol, provided it also deposits a declaration of provisional application of the Protocol for the further extension of Wheat Trade Convention, 1971. Any other party whose application for accession is approved may also deposit with the Government of the United States of America a declaration of provisional application, provided that the party also deposits a declaration of provisional application of the Protocol for the further extension of the Wheat Trade Convention, 1971, unless it is already a party to that Protocol or has already deposited a declaration of provisional application of that Protocol. Any such party depositing such a declaration shall provisionally apply this Protocol and be provisionally regarded as a party thereto.

ARTICLE IX

Entry into force

(1) This Protocol shall enter into force for those parties that have deposited instruments of ratification, acceptance, approval, conclusion or accession.

(a) on 19 June 1975 with respect to all provisions other than Article II of the Convention and Article III of the Protocol, and

(b) on 1 July 1975 with respect to Article II of the Convention and Article III of the Protocol

provided that all Governments listed in paragraph (1) of Article V of this Protocol have deposited such instruments or a declaration of provisional application by 18 June 1975 and that the Protocol for the further extension of the Wheat Trade Convention, 1971 is in force. For any other party that deposits an instrument after the entry into force of the Protocol, this Protocol shall enter into force on the date of such deposit.

(2) If this Protocol does not enter into force in accordance with the provisions of Paragraph (1) of this Article, the parties which by 19 June 1975 have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application may decide by mutual consent that it shall enter into force among .those parties that have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application, provided that the Protocol for the further extension of the Wheat Trade Convention, 1971 is in force, or they may take whatever other action they consider the situation requires.

ARTICLE X

Notification by depository government

The Government of the United States of America as the depositary Government shall notify all signatory and acceding parties of each signature, ratification, acceptance, approval, conclusion, provisional application of and accession to this Protocol.

ARTICLE XI

Certified copy of the protocol

As soon as possible after the definitive entry into force of this Protocol, the depositary Government shall send a certified copy of this Protocol in the English, French, Russian and Spanish languages to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. Any amendments to this Protocol shall likewise be communicated.

ARTICLE XII

Relationship of preamble to protocol

This Protocol includes the Preamble to the Protocols for the further extension of the International Wheat Agreement, 1971.

In witness whereof the undersigned, having been duly authorized to this effect by their respective Governments or authorities, have signed this Protocol on the dates appearing opposite their signatures.

The texts of this Protocol in the English, French, Russian and Spanish languages shall all be equally authentic. The originals shall be deposited with the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding party.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an appropriate explanation of these treaties and the protocol be printed in the RECORD, for the purpose of allowing the membership of the Senate to have a chance to study them.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Extradition Treaty With Australia

PURPOSE

This treaty was signed on May 14, 1974, and sent to the Senate on August 22, 1974. In President Ford's letter of transmittal he stated that it "represents a substantial modernization with respect to the procedural aspects of extradition" and that it "will make a significant contribution to the international effort to control narcotics traffic."

MAJOR PROVISIONS

According to the Department of State, this treaty follows generally the form and content of extradition treaties recently concluded by the United States. It provides for the extradition of fugitives who have been charged with, or convicted of, any of the twenty-nine offenses specified in Article II. In addition, Article II (2) provides that extradition shall also be granted for any other offenses which are made extraditable under the extradition laws of Australia and which are felonies under the laws of the United States. This provision adds flexibility to the Treaty and was included in the Treaty to make it compatible with Australian domestic legislation. The Treaty also contains a provision in Article II which enables extradition to be granted in the case of a conspiracy to commit any of the specified or incorporated offenses.

Under the provisions of Article III, territorial jurisdiction includes registered aircraft in flight (as defined by the 1963 Tokyo Convention). It is understood that the major purpose of this provision is to extend jurisdiction to acts of air piracy whether or not they occur over U.S. territory.

Article IV provides for extradition for offenses committed outside the territory of either party, if the offense would be punishable under the laws of both parties. It is anticipated that this provision will be helpful in connection with narcotic and counterfeiting violations.

Article VII specifies the conditions under which extradition shall not be granted (e.g., the offense has been barred by the lapse of time or it is of a political nature) and Article VIII provides that, if extradition is requested for an offense which is punishable by death in the requesting State, but not in the requested State, the latter may recommend that any punishment imposed be a less severe punishment.

Article XIV provides that a person extradited under this treaty may be detained, tried or punished in the requesting State for any offense mentioned in Article II for which the person could be convicted upon proof of the facts upon which the request for extradition was based. In certain circumstances, therefore, it would be possible to obtain a manslaughter conviction against a person who was extradited for murder. Without this provision it would not be possible to obtain conviction on lesser offenses.

Many of the remaining provisions deal with the procedures to be followed in extradition proceedings. Pursuant to Article XVIII, each party is required to assist the other in the presentation of extradition cases before the respective judges and magistrates. This requirement has been included in our more recent extradition treaties because the costs of presentation are a hindrance to the making of extradition requests. This article differs from 18 U.S.C. 3195 which requires that costs or expenses incurred in extradition proceedings be paid by the requesting authority.

Article XX provides that the treaty applies to offenses mentioned in Article II committed before, on or after the date on which this Treaty enters into force, provided that no extradition shall be granted for an offense committed before that date which was not an offense under the laws of both Contracting Parties at the time of its commission.

DATE OF ENTRY INTO FORCE

The treaty will enter into force thirty days after the instruments of ratification are exchanged. It may be terminated by either party by giving six months written notice. The treaty will terminate and replace the treaty on extradition between the United States and Great Britain of December 22, 1931, as it applies to Australia.

COMMITTEE ACTION

The Committee held a public hearing on extradition treaties with Australia and Canada on November 11, 1975. At that time Mr. Knute E. Malmborg, Assistant Legal Adviser, Department of State, testified in support of the treaties. His prepared statement is set forth below.

At an open session held on November 18, 1975, the Committee ordered the treaty with Australia favorably reported to the Senate for advice and consent to ratification.

Extradition Treaty With Canada

PURPOSE

The Extradition Treaty with Canada was signed on December 3, 1971, and amended by an exchange of notes on June 28 and July 9, 1974. It is designed to facilitate the mutual efforts of the United States and Canada in combatting international crime. In addition, as President Ford stated in his letter transmitting this treaty to the Senate, "modernization of the extradition relations between the United States and Canada is especially important in light of the ease of travel between the two countries."

MAJOR PROVISIONS

According to the Executive Branch, the treaty, as amended, follows generally the form and content of extradition treaties recently concluded by the United States. Among the significant offenses covered by the treaty are those relating to narcotics, including psychotropic drugs and other dangerous drugs, and aircraft hijacking. Moreover, Article 2 provides that extradition may be granted for attempts to commit, conspiracy to commit, or being party to any of the offenses listed in the treaty.

Article 4, paragraph 3, provides for extradition for offenses committed outside the territory of either party if the offense so committed would be punishable under the laws of both parties. It is expected that this provision would be useful in the area of narcotic and counterfeiting violations.

Article 4 covers circumstances under which extradiction will not be granted, e.g., when the prosecution for the offense has become barred by lapse of time or when the offense is of a political character.

Article 6 provides that, if the offense for which extradition is requested is punishable by death under the laws of the requesting state and the laws of the requested state do not permit such punishment for that offense, extradition may be refused unless the requesting state provides adequate assurances that the death penalty will not be imposed or, if imposed, will not be executed.

Articles 9–17 contain the procedures by which extradition is to be accomplished. Under the provisions of Article 17 each party is required to assist the other in the presentation of extradition cases before the respective judges and magistrates. This requirement has been included because the costs of presentation are a hindrance to the making of extradition requests. It should be noted, however, that this article differs from 18 U.S.C. 3195 which requires that costs or expenses incurred in extradition proceedings be paid by the requesting authority.

EXCHANGE OF NOTES

After the treaty was signed in 1971, the Government of Canada identified several points concerning which it had difficulties and asked that the treaty not be submitted to the Senate until these points could be resolved by mutual agreement. Accordingly, in an exchange of notes which took place in 1974, the United States and Canada amended Article 4(2) (i) to provide that certain types of crimes shall not be considered political offenses, which would be a defense against extradition. These are ". . . conspiracy to commit, or being party to the commission of . . ." a kidnapping, murder, or other assault against the life or physical integrity of a person to whom a Contracting Party has the duty according to international law to give special protection. The notes also amended clause 26 of the Schedule annexed to the treaty to identify drugs considered appropriate in defining offenses against narcotic drug laws by reference to the Schedules from the Single Convention on Narcotic Drugs of March 30, 1961, and the Convention on Psychotropic Substances of February 21, 1971, rather than by listing those drugs currently considered to be appropriate. This latter amendment was necessitated in order to conform the language of this treaty with Canadian law and has the advantage of keeping the present treaty abreast of amendments to the above-mentioned conventions.

DATE OF ENTRY INTO FORCE

This treaty is not retroactive in effect. It will enter into force upon the exchange of instruments of ratification, and it may be terminated by either party by giving notice of termination. The termination will be effective six months after the date of receipt of such notice. Upon entry into force, the treaty will terminate and replace any extradition agreements and provisions of an extradition and any other agreement in force between the United States and Canada except that the crimes listed in such agreements committed prior to entry into force of this treaty shall be subject to extradition pursuant to the provisions of such agreements.

COMMITTEE ACTION

The Committee held a public hearing on extradition treaties with Australia and Canada on November 11, 1975. At that time Mr. Knute E. Malmborg, Assistant Legal Adviser, Department of State, testified in support of the treaties. His prepared statement is set forth below.

At an open session held on November 18, 1975, the Committee ordered the treaty with Canada favorably reported to the Senate for advice and consent to ratification.

PROTOCOLS FOR THE FURTHER EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT, 1971

PURPOSE OF THE PROTOCOLS

The United States has been a party to various international wheat agreements since 1949. The agreement currently in effect is the International Wheat Agreement, 1971 (IWA). Originally a three-year agreement, the IWA was extended by protocol through June 30, 1975; and another one-year extension has now been negotiated to continue the IWA in effect until June 30, 1976. The United States has signed these protocols for further extension of the IWA and will ratify upon approval by the Senate.

PROVISIONS OF THE INTERNATIONAL WHEAT AGREEMENT

The IWA consists of two parts: (1) the Wheat Trade Convention, the extension of which has been adhered to by 50 governments; and (2) the Food Aid Convention, the extension of which has been adhered to by 18 governments.

The Wheat Trade Convention provides for the continuing operation of the International Wheat Council, an administrative body established in 1949 to provide a mechanism for international cooperation in matters relating to the production and sale of wheat. At present, the Council's role is generally limited to reviewing the world wheat situation so as to provide participating governments with information relevant to their respective agricultural and price policies. Unlike previous agreements, the Wheat Trade Convention does not contain any provisions on maximum and minimum prices or purchase and supply obligations. The Convention does provide that, if the Wheat Council determines that such matters are capable of successful negotiation, the Council shall promptly request the Secretary-General of the UN Conference on Trade and Development to convene a negotiating conference. During the four-year life of the Agreement, however, this has not happened.

The Food Aid Convention commits its nine parties to provide minimum annual quantities of food aid to developing countries, as follows:

	Metric tons
Argentina	23,000
Australia	225,000
Canada	495,000
European Community	1,035,000
Finland	14,000
Japan	225,000
Sweden	35,000
Switzerland	32,000
United States	1,890,000

U.S. contributions under the Convention are made up of commodities sold or donated under P.L. 480 or through other bilateral AID programs and, according to the Administration, are within the range of what the United States would be providing even without the Convention.

DATE OF ENTRY INTO FORCE

The Protocols entered into force on July 1, 1975, for those parties which had satisfied their constitutional procedures, if any, for ratification, approval, acceptance, conclusion, or accession. For the United States, which has already deposited a declaration of provisional application, the Protocols will enter into force when instruments of ratification have been deposited, pursuant to Senate advice and consent to such ratification.

COMMITTEE ACTION

On July 11, 1975, the President transmitted to the Senate Protocols for the extension of both Conventions constituting the Agreement. On November 11, the Foreign Relations Committee held public hearings on the bill, at which time testimony was heard from Thomas O. Enders, Assistant Secretary of State for Economic and Business Affairs; and Richard E. Bell, Assistant Secretary of Agriculture for International and Commodity Programs (see appendix). On November 18, the Committee met in open session and, by voice vote without dissent, ordered the Protocols reported favorably to the Senate for advice and consent to ratification.

COMMITTEE COMMENT

The Committee notes that the International Wheat Council which operates under the Wheat Trade Convention, is now serving as the forum for discussion of a new wheat agreement, which could possibly come into effect as early as June 30, 1976, when the current Agreement expires. The Committee notes further that the Administration has submitted to the Council a proposal for an international grain reserves system which would operate on the principle of supply maintenance rather than price control. In keeping with its expressed interest in the achievement of an international agreement that includes substantive provisions, the Committee shall expect to be informed periodically by the Administration as to the progress of these negotiations.

The ACTING PRESIDENT pro tempore. Without objection, the treaties and protocol will be considered to have passed through their various parliamentary stages up to and including the presentation of the resolutions of ratification, which the clerk will state.

The assistant legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty on Extradition between the United States of America and Australia, signed at Washington on May 14, 1974 (Executive F, 93rd Congress, second session).

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty on Extradition between the United States of America and Canada, signed at Washington on December 3, 1971, as amended by an exchange of notes of June 28 and July 9, 1974 (Executive G, 93rd Congress, second session).

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocols for the Further Extension of the Wheat Trade Convention and of the Food Aid Convention, which together constitute the International Wheat Agreement, 1971, formulated by a Conference of Governments at London on February 14, 1975, and open for signature in Washington from March 25 through April 14 (Executive C, 94th Congress, first session).

NOMINATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate continue in executive session for the purpose of considering nominations on the calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The nominations on the executive calendar will be stated.

DEPARTMENT OF LABOR

The assistant legislative clerk read the nomination of Ronald J. James, of Illinois, to be Administrator of the Wage and Hour Division.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL LABOR RELATIONS BOARD

The assistant legislative clerk proceeded to read sundry nominations in the National Labor Relations Board.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

THE JUDICIARY

The assistant legislative clerk proceeded to read sundry nominations in The Judiciary.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

DEPARTMENT OF JUSTICE

The assistant legislative clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I yield to the deputy majority leader.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, from the Committee on the Judiciary, I report a nomination and ask unanimous consent for its immediate consideration.

The ACTING PRESIDENT pro tempore. The nomination will be stated.

The assistant legislative clerk read the nomination of Charles H. Haden II, of West Virginia, to be U.S. district judge for the northern and southern districts of West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the Committee on the Judiciary yesterday unanimously ordered the nomination of Charles H. Haden II to be U.S. district judge for the northern and southern districts of West Virginia and recommends that he be confirmed.

A hearing was held on the nomination on October 21, 1975, before a subcommittee of the Judiciary Committee during which questions were raised concerning the nominee's alleged slowness in his deliberations as a State supreme court justice and a possible conflict of interest in one case in particular.

Following this hearing, the Judiciary Committee at my request referred these matters to the Federal Bureau of Investigation for further examination. Upon receipt of the FBI's report on these matters, the committee is satisfied that there was no conflict of interest in any of the cases in which Judge Haden sat, and that he is qualified to serve as a U.S. district judge.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the President of the United States be notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ELIZABETH C. WEXLER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Calendar No. 451, Senate Resolution 305, which has been cleared on both sides.

The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Elizabeth C. Wexler, widow of Stephen J. Wexler, an employee of the Senate at the time of his death, a sum equal to ten and one-half months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

THE SCOPE OF THE CLOSED SESSION

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I wonder if it is appropriate to ask a question about the scope of the secret session that we are going to have to hear a report of the CIA Investigations Committee? I direct the inquiry to the distinguished Senator from Idaho (Mr. CHURCH).

Is the distinguished chairman of the Committee on Intelligence Investigations going to allow the Senate to express itself on the advisability of publicly releasing the names of the CIA operatives who may possibly have had some role with respect to assassination plots?

Mr. CHURCH. I know of no way to prevent Senators from raising that question. I anticipate them. The purpose of this session is not to place the report before the Senate as such, since the committee, on its own responsibility, has already voted to make it public, but to answer any questions Senators may raise and to explain the position of the committee and the basis for its decision to include certain names in the report and to exclude others.

Mr. ALLEN. Has that chain of action been set into motion to such an extent that it could not be stopped by appropriate advice from the Senate itself?

Mr. CHURCH. The committee was given authority by the Senate, under Senate Resolution 21, to issue such reports as it deemed advisable, and the committee, by unanimous vote—that is, without a dissenting vote—agreed that this report should be made public and so voted. It is the opinion of the Parliamentarian that, if the Senate were to desire to overrule the committee, it would have to take affirmative action to do so.

Mr. ALLEN. Could that be done at this secret session?

Mr. CHURCH. I think it is always within the prerogative of the Senate, if it wishes to overrule the committee, to initiate such action and, by an affirmative vote, undertake to override the decision of the committee.

Mr. ALLEN. Has the action of the committee gone so far that advice from the Senate itself to the committee not to take this step would be ineffectual?

Mr. CHURCH. The report has been printed; it will be available to the desk of every Senator today, and the committee, itself, has ordered the release of the report immediately following the close——

Mr. ALLEN. These names are in the printed report?

Mr. CHURCH. They are in the printed report.

Mr. ALLEN. They are on the desk of every Senator?

Mr. CHURCH. Yes.

Mr. TOWER. Will the Senator yield?

Mr. ALLEN. I yield; yes.

Mr. TOWER. Let me pose an inquiry to the Chair.

Mr. President, in a closed session, once that session has been concluded, to open the record or to make it public, does that require an affirmative vote by the Senate?

The ACTING PRESIDENT pro tempore. There is an injunction of secrecy on the proceedings and it will take an affirmative vote to make those public.

Mr. MONDALE. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. MONDALE. Do I understand correctly that the report itself would not be considered a part of the proceedings within the meaning of that ruling?

The ACTING PRESIDENT pro tempore. That is correct. It will take affirmative action on the part of the Senate relative to the report to make it secret, but the previous ruling, as to the proceedings, is that it takes affirmative action.

Mr. MONDALE. As I understand this ruling, then, the discussion that occurs on the Senate floor, as we hear this report, is subject to the secrecy injunction rules, but the report, itself, is not.

The ACTING PRESIDENT pro tempore. The Senator is correct, unless the Senate takes affirmative action.

Mr. TOWER. A further parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. TOWER. Is it within the power of the Senate to enjoin the publication of the report?

The ACTING PRESIDENT pro tempore. By a majority vote of the Senate, it is within the power of the Senate.

Mr. TOWER. I thank the Chair.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business until 9 a.m. with statements therein limited to 3 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. METCALF) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States which, with the accompanying report, was referred to the Committee on Banking, Housing and Urban Affairs:

To the Congress of the United States:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the fourth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the past few months in monitoring both prices and wages in the private sector and various Federal Government activities that lead to higher costs and prices without creating commensurate benefits. It discusses in some detail the Council's studies in steel, aluminum, automobiles, industrial chemicals and tires, as well as its filings before various Federal regulatory agencies. In addition, it contains a discussion of wages and prices for the second quarter of 1975 and the outlook for the remainder of the year.

We are continuing our efforts against inflation and progress is being made. The Council on Wage and Price Stability plays an important role in supplementing fiscal and monetary policies, and will continue to call my attention to wage and price developments or actions by the Government that could be of concern.

GERALD R. FORD.

THE WHITE HOUSE, *November 20, 1975.*

MESSAGE FROM THE HOUSE

At 1:29 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (H.R. 8578) to amend the Community Services Act of 1974 to increase the Federal share of financial assistance to community action agencies, in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

H.R. 12. An act to amend title 3, United States Code, to provide for the protection of foreign diplomatic missions, to increase the size of the Executive Protective Service, and for other purposes.

H.R. 8841. An act to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, November 20, 1975, he presented to the President of the United States the enrolled bill (S. 6) to amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes.

HOUSE BILL REFERRED

The bill (H.R. 8578) to amend the Community Services Act of 1974 to increase the Federal share of financial assistance to community action agencies, was read twice by its title and referred to the Committee on Labor and Public Welfare.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate the following letters, which were referred as indicated:

Report of the Comptroller General

A letter from the Comptroller General of the United States transmitting a secret report entitled "Equipment Shortages: A Result of Emergency Support of U.S. Allies" (with an accompanying report); to the Committee on Government Operations.

Report of the Commodity Futures Trading Commission

A letter from the Chairman of the Commodity Futures Trading Commission transmitting, pursuant to law, a report of the activities of the Commission since April 21, 1975 (with an accompanying report); to the Committee on Agriculture and Forestry.

Report of the Indian Claims Commission

A letter from the Chairman of the Indian Claims Commission transmitting, pursuant to law, a report on the final determination of the Commission in the case of Confederated Tribes of the Goshute Reservation, et al v. United States (with accompanying papers); to the Committee on Appropriations.

Approval of REA Insured Loan

A letter from the Acting Administrator of the Rural Electrification Administration transmitting, pursuant to law, a statement in connection with the approval by the Administration of an insured loan to Western Illinois Power Cooperative, Inc., of Jacksonville, Ill. (with accompanying papers); to the Committee on Appropriations.

Report of the Office of Management and Budget

A letter from the Deputy Director of the Office of Management and Budget reporting, pursuant to law, on the necessity for supplemental estimates of appropriations for the Veterans Administration; to the Committee on Appropriations.

Proposed Construction Projects for the Air National Guard

A letter from the Deputy Assistant Secretary of Defense notifying the Senate, pursuant to law, of certain proposed construction projects for the Air National Guard; to the Committee on Armed Services.

Proposed Legislation by the Secretary of Transportation

Five letters from the Secretary of Transportation transmitting drafts of proposed legislation and a statement of the need thereof (1) to revise and improve the laws relating to the documentation of vessels, and for other purposes; (2) to revise and improve the laws relating to the documentation of seamen; (3) to simplify the tonnage measurement of certain vessels; and (4) to eliminate Federal documentation of pleasure vessels (with accompanying papers); to the Committee on Commerce.

Reports of the Comptroller General

A letter from the Deputy Comptroller General transmitting, pursuant to law, a list of reports issued by the General Accounting Office for the month of October 1975 (with accompanying papers); to the Committee on Government Operations.

Proposed Legislation of the General Services Administration

A letter from the Acting Assistant Administrator of General Services transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949 (with accompanying papers); to the Committee on Government Operations.

Proposed Legislation by the Department of the Army

A letter from the Acting Secretary of the Army transmitting a draft of proposed legislation for the relief of Vojislav S. Bozic, et al (with accompanying papers); to the Committee on the Judiciary.

Report of the Secretary of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law a report on the administration of certain sections of the Public Health Service Act for the fiscal year 1975 (with an accompanying report); to the Committee on Labor and Public Welfare.

Proposed Regulations of the Department of Health, Education, and Welfare

Two letters from the Executive Secretary to the Department of Health, Education, and Welfare transmitting pursuant to law, copies of proposed regulations to be published in the Federal Register (with accompanying papers); to the Committee on Labor and Public Welfare.

Prospectus of the General Services Administration

A letter from the Acting Administrator of General Services transmitting, pursuant to law, a revised prospectus for construction of a U.S. courthouse in lieu of the previously authorized Federal office building for Madison, Wis. (with accompanying papers); to the Committee on Public Works.

PETITIONS

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate the following petitions which were referred as indicated:

A resolution adopted by the Village of Richfield, Ohio, relating to revenue sharing; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

H.R. 568. An act to grant an alien child adopted by an unmarried United States citizen the same immigrant status as an alien child adopted by a United States citizen and his spouse (Rept. No. 94–464).

By Mr. PERCY, from the Committee on Government Operations, without amendment:

H.R. 6692. An act to authorize appropriations for the period July 1, 1976, through September 30, 1976 (Rept. No. 94–467).

By Mr. PERCY, from the Committee on Government Operations, with amendments:

S. 2444. A bill to provide for the orderly transition to the new October 1 to September 30 fiscal year (Rept. No. 94–468).

S. 2445. A bill to provide permanent changes in laws necessary because of the October-September fiscal year (Rept. No. 94–469).

By Mr. METCALF, from the Committee on Interior and Insular Affairs, without amendment:

S. 2220. A bill to authorize and direct the Secretary of the Interior to reinstate oil and gas lease New Mexico 18302 (Rept. No. 94–470).

By Mr. METCALF, from the Committee on Interior and Insular Affairs, with an amendment:

S. 190. A bill for the relief of John Oakason and H. F. Mulholland (Rept. No. 94–471).

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs, without amendment:

S. 2672. A bill to extend the State Taxation of Depositories Act (Rept. No. 94–472).

By Mr. McCLELLAN, from the Committee on the Judiciary, with an amendment:

S. 22. A bill for the general revision of the copyright law, title 17 of the United States Code, and for other purposes (together with additional views) (Rept. No. 94–473).

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

H.R. 5197. An act to authorize the employment of certain foreign citizens on the vessel *Seafreeze Atlantic*, official number 517242 (Rept. No. 94–474).

By Mr. ALLEN, from the Committee on Agriculture and Forestry, without amendment:

H.R. 2343. A bill to designate the new Forest Service laboratory at Auburn, Alabama, as the "George W. Andrews Forestry Sciences Laboratory" (Rept. No. 94–475).

By Mr. EASTLAND, from the Committee on Agriculture and Forestry, without amendment:

H.R. 10027. An act to authorize the Secretary of Agriculture to enter into cooperative agreements which benefit certain Forest Service programs and to advance or reimburse funds to cooperators for work performed, and for other purposes (Rept. No. 94–476).

By Mr. MONDALE, from the Committee on Labor and Public Welfare, with an amendment:

S. 422. A bill to provide for the development and implementation of programs for children and youth camp safety (together with minority views) (Rept. No. 94–486).

By Mr. EASTLAND, from the Committee on Agriculture and Forestry, with amendments:

S. 698. A bill requiring the Secretary of Agriculture to convey certain lands to Mr. and Mrs. Pat Clark of Las Vegas, Nevada (Rept. No. 94–477).

By Mr. RANDOLPH, from the Committee on Public Works, without amendment:

S. 999. A bill to designate the Federal office building located in Dover, Delaware, as the "J. Allen Frear Building" (Rept. No. 94–484).

S. 2533. A bill to provide that the reservoir formed by the lock and dam referred to as the "Jones Bluff lock and dam" on the Alabama River, Alabama, shall hereafter be known as the R. E. "Bob" Woodruff Reservoir (Rept. No. 94–483).

By Mr. RANDOLPH, from the Committee on Public Works, with amendments:

H.R. 5272. An act to amend the Noise Control Act of 1972 to authorize additional appropriations (Rept. No. 94–481).

H.R. 7108. An act to authorize appropriations for environmental research, development, and demonstration (Rept. No. 94–479).

By Mr. RANDOLPH, from the Committee on Public Works:

S. 2709. An original bill to extend certain authorizations under the Solid Waste Disposal Act, as amended (Rept. No. 94–480).

S. 2710. An original bill to extend certain authorizations under the Federal Water Pollution Control Act, as amended. (Rept. No. 94–482).

By Mr. BENTSEN, from the Committee on Public Works:

S. 2711. An original bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes (Rept. No. 94–485).

By Mr. McINTYRE, from the Committee on Banking, Housing and Urban Affairs, with an amendment:

S. 1267. A bill to expand competition, provide improved consumer services, strengthen the ability of financial institutions to adjust to changing economic conditions, and improve the flow of funds for mortgage credit (Rept. No. 94–487).

By Mr. PHILIP A. HART, from the Committee on the Judiciary, without amendment:

H.R. 6971. An act to amend the Sherman Antitrust Act to provide lower prices for consumers (together with additional views) (Rept. No. 94–466).

Mr. PHILIP A. HART. Mr. President, today I submit the report to H.R. 6971, a bill to repeal the fair trade laws.

Although the bill bears a House of Representatives number, I should like the RECORD to show that the idea was first presented to Congress by Senator BROOKE—several months before the introduction of the House bill. Not only did Senator BROOKE conceive the idea, but he urged passage of the bill every step of the way. Because of unavoidable Senate scheduling, the House bill was passed before Senator BROOKE's bill came out of committee.

The Judiciary Committee voted to substitute H.R. 6971 for Senator BROOKE's bill in order to expedite passage of the legislation. The two bills are identical except as to title. Without the substitution, S. 408 would have had to be considered by the House after the Senate passed it. The substitution permits the bill to go directly to the President for consideration if passed by the Senate.

Abolition of the fair trade laws will benefit the consumer by about $2 billion a year, according to various studies. The present law creates an exemption to Federal antitrust laws which permits States to pass laws permitting manufacturers to require retailers to sell at a set price. Without fair trade, retailers can charge any price they desire. This not only will benefit the consumer, but also the retailer who wants to compete by lowering his prices.

Not only was Senator BROOKE's bill reported from the Antitrust Subcommittee and the Judiciary Committee by a unanimous vote, but it has been an impetus to States to repeal their fair trade laws. Since January of this year, when Senator BROOKE introduced his bill, 15 States have repealed their fair trade laws. They are: Arkansas, California, Colorado, Connecticut, Florida, Iowa, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Tennessee, and Washington. Thus, Senator BROOKE set in motion a movement that had a widespread effect.

It is my hope that the Senate will act speedily to repeal the fair trade laws. The legislation no longer serves a purpose. Fair trade laws hinder competition and foster higher prices, neither of which are tolerable in today's economy.

SUBMISSION OF A REPORT ENTITLED "ALLEGED ASSASSINATION PLOTS INVOLVING FOREIGN LEADERS" (REPT. NO. 94–465)

Mr. CHURCH, from the Select Committee To Study Governmental Operations with respect to intelligence activities, submitted a report entitled "Alleged Assassination Plots Involving Foreign Leaders," together with additional, supplemental, and separate views, which was ordered to be printed.

CONGREGATE HOUSING FOR OLDER ADULTS—SUBMISSION OF A REPORT FROM THE SPECIAL COMMITTEE ON AGING (REPT. NO. 94–478).

Mr. CHURCH, from the Special Committee on Aging, submitted a report entitled "Congregate Housing for Older Adults," which was ordered to be printed.

ANTHORITY TO FILE A JOINT REPORT BY NOVEMBER 26, 1975, FROM THE COMMITTEES ON JUDICIARY AND COMMERCE

Mr. PHILIP A. HART. Mr. President, I ask unanimous consent that permission be granted to file by November 26, 1975, a joint report from the Committees on the Judiciary and Commerce on S. 1136, the Antitrust Enforcement Authorization Act of 1975. The ranking minority member of the Judiciary Committee and the chairman and ranking minority member of the Committee on Commerce concur in this request.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

Charles H. Halden II, of West Virginia, to be U.S. district judge for the northern and southern districts of West Virginia.

By Mr. EASTLAND, from the Committee on the Judiciary:

James P. Castberg, of Wyoming, to be U.S. attorney for the district of Wyoming; and

David L. Russell, of Oklahoma, to be U.S. attorney for the western district of Oklahoma.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

Michael F. Butler, of Pennsylvania, to be General Counsel of the Federal Energy Administration.

Dale Kent Frizzell, of Kansas, to be Under Secretary of the Interior.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. KENNEDY (for himself and Mr. Javits):

S. 2696. A bill to amend the Federal Food, Drug and Cosmetic Act to provide for the continuation and expansion of existing authority through the establishment of expansion mechanisms to be known as the Food and Cosmetics Administration, and for other purposes. Referred to the Committee on Labor and Public Welfare.

S. 2697. A bill to amend the Federal Food, Drug and Cosmetic Act to provide for the continuation and expansion of existing authority through the establishment of an appropriate mechanism to be known as the Drug and Devices Administration, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. KENNEDY (for himself, Mr. McClellan, and Mr. Fong):

S. 2698. A bill to amend title 18, United States Code, so as to impose mandatory minimum terms with respect to certain offenses, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. McClellan, Mr. Philip A. Hart, Mr. Abourezk, Mr. Bayh, Mr. Tunney, Mr. Hruska, and Mr. Fong):

S. 2699. A bill to amend title 18, United States Code, so as to establish certain guidelines for sentencing, establish a United States Commission on Sentencing, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. STAFFORD (for himself, Mr. Kennedy, and Mr. Javits):

S. 2700. A bill to provide for minimum standards for public health programs directed at identifiable populations. Referred to the Committee on Labor and Public Welfare.

By Mr. ROTH:

S. 2701. A bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials. Referred to the Committee on Government Operations.

By Mr. BEALL:

S. 2702. A bill to establish, within the medicare system, a special program of long-term care services for individuals covered under part B of medicare, receiving SSI benefits, or eligible to enroll under part B of medicare; to establish special Federal, and provide for the establishment of special State and local, administrative organizations to administer such programs; and for other purposes. Referred to the Committee on Finance.

By Mr. CHURCH:

S. 2703. A bill to amend the Water Resources Development Act of 1974 in order to increase the authorization for certain bridge construction over Deep Creek in Idaho, required as a result of the construction of Libby Dam, Montana. Referred to the Committee on Public Works.

By Mr. DOLE (for himself and Mr. Talmadge):

S. 2704. A bill to amend section 815 of the Internal Revenue Code of 1954. Referred to the Committee on Finance.

By Mr. BELLMON:

S. 2705. A bill to provide for a study by the Secretary of Commerce of the need for regulation of weather modification activities, the status of current technologies, the extent of coordination and the appropriate responsibility for operations in the field of weather modification, and for other purposes. Referred to the Committee on Commerce.

S. 2706. A bill to authorize and direct the Secretary of Commerce to plan and carry out an experimental research program to determine the feasibility of and the most effective methods for drought prevention and alleviation by weather modification. Referred to the Committee on Commerce.

S. 2707. A bill to authorize the Secretary of Commerce to carry out a program of assistance to States in preventing and alleviating drought emergencies. Referred to the Committee on Commerce.

By Mr. McGEE:

S. 2708. a bill to designate the Tom Fitzpatrick Wilderness, Shoshone National Forest, in the State of Wyoming. Referred to the Committee on Interior and Insular Affairs.

By Mr. RANDOLPH, from the Committee on Public Works:

S. 2709. An original bill to extend certain authorizations under the Solid Waste Disposal Act, as amended. Placed on the calendar.

S. 2710. An original bill to extend certain authorizations under the Federal Water Pollution Control Act, as amended. Placed on the calendar.

By Mr. BENTSEN, from the Committee on Public Works:

S. 2711. An original bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes. Placed on the calendar.

By Mr. FANNIN (for himself, Mr. Thurmond, and Mr. Laxalt):

S. 2712. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for journalists. Referred to the Committee on Labor and Public Welfare and the Committee on the Judiciary, jointly, by unanimous consent.

By Mr. CHURCH:

S. 2713. A bill to amend title XVIII of the Social Security Act to liberalize the conditions under which post-hospital home health services may be provided under part A thereof and home health services may be provided under part B thereof. Referred to the Committee on Finance.

S. 2714. A bill to amend the Act of May 27, 1930, to expand the emergency authority of the Secretary of Agriculture regarding persons who are lost, seriously ill, injured, or who die within the National Forest System, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. KENNEDY (for himself, Mr. Mathias, Mr. Ribicoff, Mr. Bayh, Church, Mr. Philip A. Hart, Mr. Abourezk, Mr. Tunney, Mr. Humphrey, Mr. Ford, Mr. Brooke, Mr. Culver, Mr. Javits, Mr. Metcalf, and Mr. Hartke):

S. 2715. A bill to amend the Administrative Procedure Act to permit awards of reasonable attorney fees and other expenses for participation in proceedings before Federal regulatory agencies, and for other purposes. Referred, by unanimous consent, to the Committees on the Judiciary and on Government Operations, with instructions that either committee shall report within 30 days of the other committee.

By Mr. NUNN:

S. 2716. A bill to improve congressional oversight of the operations of Federal departments and agencies in order to insure that rules and regulations conform to the intent of Congress. Referred to the Committee on Government Operations.

By Mr. MATHIAS:

S. 2717. A bill for the relief of Doreen Beharry. Referred to the Committee on the Judiciary.

By Mr. BROCK:

S.J. Res. 148. A joint resolution to clarify and reaffirm Government purchasing policies. Referred to the Committee on Government Operations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY (for himself and Mr. Javits):

S. 2696. A bill to amend the Federal Food, Drug and Cosmetic Act to provide for the continuation and expansion of existing authority through the establishment of appropriate mechanisms to be known as the Food and Cosmetic Administration, and for other purposes. Referred to the Committee on Labor and Public Welfare.

S. 2697. A bill to amend the Federal Food, Drug and Cosmetic Act to provide for the continuation and expansion of existing authority through the establishment of an appropriate mechanism to be known as the Drug and Devices Administration, and for other purposes. Referred to the Committee on Labor and Public Welfare.

FEDERAL DRUG AND DEVICES ACT AND THE FEDERAL FOOD AND COSMETICS ACT

Mr. KENNEDY. Mr. President, I rise on behalf of myself and Senator Javits, to introduce two companion pieces of legislation designed to restructure the current Food and Drug Administration and to overhaul the drug regulatory system in the United States.

The Health Subcommittee began a comprehensive investigation of the pharmaceutical industry 2 years ago. The first year focused on the advertising, marketing, and promotion of pharmaceutical products. As a result of those hearings, legislation was introduced and is currently being marked up by the Health Subcommittee. For the past year, the inquiry has turned to those current governmental mechanisms which control how new drugs are developed and regulated in this country. A major part of this examination has been into the workings of the Food and Drug Administration. On the basis of our investigation of this agency, I am forced to conclude that as presently constituted, it is unable to effectively carry out its mandate to protect the health and safety of the American people.

There are many reasons why the Food and Drug Administration simply does not work. First, the Congress has given it an extraordinarily wide range of responsibilities. Among other responsibilities, it must guarantee that all drugs are safe and effective before they reach the American people; it must be sure that all pharmaceutical products meet manufacturing standards; it must assure the safety of the entire American food supply; it must protect the American people from unsafe medical devices, and soon it will have the legislative authority to assure that those devices are safe and effective before they reach the marketplace; it must examine the entire cosmetics industry; and it must oversee all veterinary products. The enforcement responsibilities of the Agency alone are staggering. The scientific responsibilities of the Agency involve the protection of the American people from all of these potentially hazardous products. As technology grows and develops, FDA's legislative responsibilities grow. Two kinds of activities are called for—increased scientific competence and a wider range of enforcement activities.

It is inconceivable that the few top policymakers of the FDA can effectively develop and implement policies on such a broad range of activities without sacrificing the quality of their work in any given area. When this is coupled with the fact that the budget which the Agency has received from the Congress has been ridiculously low, you have a built-in formula for failure. The Congress has piled responsibility upon responsibility on the FDA, yet it has never provided the funds necessary to develop the Agency's scientific capability and to assure that it can carry out its enforcement responsibilities. The paradox of an overextended mandate saddled with an inadequate budget has led the Agency into crippling administrative difficulties.

Serious charges about the FDA have been made at hearings of the Senate Health Subcommittee by its own employees and members of its own advisory councils. These allegations have still not been resolved in spite of a $200,000, 907-page report by the Commissioner of the FDA. I believe that report to be inadequate. It fails to resolve the doubts that linger about the FDA. The report focused on only 1 day of hearings. The subcommittee has focused on these issues for over a year. The independent HEW drug review committee which was set up to resolve some of the questions raised, not just at the first drug hearings, but at all subsequent drug hearings, has already issued a statement challenging the conclusions of the Commissioner's report. I believe that we must all await the final report of this review committee in order to help us to properly evaluate the truth or falsehood of these accusations.

One of the most significant deficiencies of the FDA is the scientific capability of its employees. There are many dedicated, able scientists who work at the FDA, but I think that there is a general consensus that the Agency has not been able to attract and keep the top-level scientists who are required for the effective fulfillment of their mandate. Topnotch scientists are essential to review complex scientific work. Scientific decisions must be the core of this Nation's drug regulatory process.

Last summer, extremely important allegations were raised before the Health Subcommittee concerning the Searle Drug Co.'s submissions to the FDA. The questions raised go to the heart of the regulatory process: Did the Searle Co. submit misleading scientific material to the FDA on at least two of its major products? Did that company falsify that scientific material? Why were not these questions about the data submissions raised at an earlier time by FDA before the drugs reached the marketplace? Regardless of the outcome of that case, these kinds of questions ought to be resolved prior to marketing. What is at stake is not only the integrity of the scientific data submitted to the FDA, but also the capability of FDA to judge scientific data, to catch errors, and to correct them before the American people are put at risk. I anxiously await the Commissioner's report on the investigation of that company. The investigation is currently in progress and the report is now scheduled to be delivered to the Health Subcommittee in January.

Mr. President, I have tried to describe the shortcomings of the FDA as currently constituted. It is overextended, under-budgeted, crippled by administrative difficulties. It lacks the scientific expertise necessary to accomplish its mission. The legislation which I will describe shortly is intended to correct these deficiencies. More importantly, however, this legislation is designed to correct what I perceive to be a major defect in the current drug regulatory system in the United States.

At the present time, the entire regulatory effort is concluded before a drug reaches the market. It is extensively tested for safety and efficacy for a particular purpose; it is reviewed for that purpose by the FDA and eventually approved for that purpose. Once on the market, however, it is caveat emptor, the physician is free to use that drug for any purpose he sees fit. The data on this issue is clear: Physicians do use drugs every day for unapproved purposes. The patient bears the consequences.

We really do not know how drugs are used in this country. There is no meaningful drug usage data available; thus, we do not know the true extent of adverse drug reactions. We do not know the adequacy of physicians' prescribing habits. Most importantly, we do not have the data upon which to take corrective action. What we have is an absurd system which delays a drug for years before marketing and then releases the drug without any regulatory oversight. It is released to be used at the discretion of the individual physician. The FDA admits that physician-prescribing nabits are deficient, but proclaims it has no legislative authority in this area. The American Medical Association defends the right of the individual physician to substitute his judgment for that of the FDA. The patient suffers the consequences.

Mr. President, the legislation I am introducing today will correct this imbalance in the current drug regulatory system. It will allow the Commissioner to develop drug-usage data and to take corrective action based upon it.

These, then, are the highlights of the legislation I am introducing:

First, the legislation will replace the current Agency with two new, separate and independent units—the Drug and Devices Administration and the Food and Cosmetics Administration.

These two new agencies combined may well be smaller than the existing FDA because they will have much more manageable responsibilities and much more reasonable mandates. They will certainly be more efficient because they will not have to deal with the unwieldy range of unrelated subjects within the FDA today.

Congress is already dealing with legislation which Senator EAGLETON has proposed in the area of cosmetics. Food safety legislation is currently pending before the Health Subcommittee. My major purpose here is to describe to you the outline of the reforms I am considering in the area of prescription drugs and medical devices.

Second, the new Drug and Devices Administration will have two distinct components—a scientific division and an enforcement division.

A significant proportion of the positions in the scientific division will be reserved for career scientists in the Agency. Additional positions will be reserved for scientists who are not career employees. My hope is that distinguished experts can be recruited from university campuses to spend several years on sabbaticals at the Agency in positions of real responsibility, with the opportunity to do laboratory work of their own. Correspondingly, permanent agency scientific personnel will have the opportunity to spend sabbaticals in universities and other research environments.

Third, the Drug and Devices Administration will have significant new authority. The major change I am proposing here is a new fourth phase of the regulatory process. Phases 1 to 3 will continue essentially as they are today. But the new phase 4 will allow broad but carefully controlled distribution of a drug before final approval is granted. The extent of this distribution will depend on the nature of the drug. A national distribution network will be established on a voluntary basis among all pharmacists and physicians willing to participate. From time to time, perhaps once every 2 or 3 years for any individual participant, the participant will be asked to report on his experience with a drug.

In other words, a random, statistical sample of doctors using such drugs will be carried out. The burden will be minimal on the individual physician, but the data collected will be extensive and typical of national prescription patterns.

The new Agency will also have the option of limiting phase 4 distribution to a portion of those participating in the network. For example, one phase 4 drug trial might be limited to cardiologists, another to hospital-based physicians, and a third to a particular region of the country.

The Agency will have three different possible paths to take. It can let a drug follow the current three-phase review with no additional requirements. It can add a phase 4 trial after the completion of the first three phases. Or, it can use the phase 4 procedure as a substitute for phase 3. This latter course could be taken only when safety considerations are satisfied and only when, in the judgment of the Commissioner, data on the effectiveness of the drug can be better achieved by using this new system of testing and distribution.

Fourth, a National Drug Review Board composed of outstanding scientists in the field will be created. The Board will have a full-time chairman and vice-chairman and a full-time staff. It will have limited membership from Government and industry, and its outside members will be exempt from civil service salary limits.

The Commissioner and the Board will be responsible for developing the phase 4 system and analyzing the data, and the Board will have powers of review over the Commissioner's decisions. The Board will also make a periodic state of the Nation report to Congress on drug usage in America.

The legislation I have just described is extraordinarily complex. It involves a fundamental overhaul of the drug regulatory process in this country. It involves a fundamental rearrangement of the Federal Government's regulatory apparatus in the area of drugs, medical devices, food and cosmetics. The Health Subcommittee will not hold any hearings on this legislation before next April because of its complexity. Prior to that time, I will specifically request that interested groups and individuals carefully study these bills and submit detailed analyses to the Health Subcommittee no later than March 31, 1976. The issues involved here are too important and touch too many people to be resolved by anything other than a full, public debate. I sincerely hope that all interested parties take me up on my offer and submit detailed analyses and suggestions with regard to these two pieces of legislation to the Health Subcommittee by March 31.

Mr. President, this Nation can be proud of the fact that it has had no thalidomides. It owes the FDA a great debt of thanks for that. This Nation can be proud of the magnificent research accomplishments of the pharmaceutical industry. The products developed in the U.S. laboratories have truly made us the druggists of the world. But if there are these obvious strengths, there are also serious weaknesses. I have tried to outline them here. I am asking that the FDA, the pharmaceutical industry, the Nation's pharmacists, representative consumer groups, the Nation's physicians, all join with the Health Subcommittee to correct the deficiencies, to strengthen the drug regulatory system in this country. After all, we have a common goal which is to continue to produce innovative new drugs as rapidly as possible and to assure our people that they have the most complete, the safest and the most effective drug supply of any nation in the world.

Mr. JAVITS. Mr. President, I have joined with Senator KENNEDY in introducing two bills: the Federal Drug and Devices Act, and the Federal Food and Cosmetics Act.

The purpose of both bills is to stimulate productive discussion and widespread input into the complex subject or reorganizing and revitalizing the FDA in its role of safeguarding the public interest with regard to drugs, medical devices, food, and cosmetics.

Let me emphasize that I am not doctrinaire with regard to the specific provisions of these bills, but I believe the introduction of the bills will provide the opportunity for response and comment from all interested parties.

The chairman of the Subcommittee on Health, of the Committee on Labor and Public Welfare—of which committee I am ranking minority member—has assured me that hearings will not be held on this legislation before April 1976.

I am convinced that this is imperative. To begin immediate action on the important issues contained in these bills, we will actively solicit comments and suggestions for precise legislative recommendations from the major groups involved, such as the scientific community, suppliers and manufacturers, drug companies, consumer groups, and the general public.

As of July 1975, the Subcommittee on Health had already held 12 days of hearings on the pharmaceutical industry and related matters this year. This is without regard to the six volumes of hearings—"Examination of the Pharmaceutical Industry"—which had been compiled in the 93d Congress. In addition, the Select Committee on Small Business, of which I am also the ranking minority member, held 10 days of hearings on related matters, as of July, in 1975.

It is time to move forward, but we must move judiciously and wisely.

The bills introduced today contain the following major provisions:

First. To the existing FDA structure would be reconstituted with two new separate and distinct units: The Drug and Devices Administration, and the Food and Cosmetics Administration. Each of these new agencies would have a scientific division and an enforcement division. Each would have specialized responsibilities and duties, and each would have an independent administrator under the jurisdiction of the Secretary of Health, Education, and Welfare.

Second. Under the new agencies, the scientific division would have a significant number of positions reserved for scientists who are not career employees, in order to encourage broad input from the distinguished scientific experts outside the Government. At the same time, career employees would be encouraged to spend sabbaticals in universities and research institutions to foster greater interchange of knowledge and skills.

Third. Establishment of a new fourth step in the drug approval process under the new Drug and Devices Administration to allow carefully controlled large-scale clinical trials of drugs before their introduction for general use. This seeks to respond to the problem of "drug-lag," but at the same time protect the public health.

Fourth. Establishment of a National Drug Review Board composed of outstanding scientists in the field of drug research.

Currently the FDA has an enormous mission—with a limited budget and a cumbersome administrative structure that has outgrown the complex and growing task of safeguarding the public interest in a wide range of areas.

These bills address the deficiencies and hopefully, with the widespread input our subcommittee will seek on this legislation, we can jointly arrive at legislation which will assist the FDA to deal with an ever increasing mandate for future concerns—including enforcement, scientific testing standards, evaluation procedures, basic research and data systems, and expansion into new areas of legitimate public and governmental concern.

By Mr. KENNEDY (for himself, Mr. McCLELLAN, and Mr. FONG):

S. 2698. A bill to amend title 18, United States Code, so as to impose mandatory minimum terms with respect to certain offenses, and for other purposes. Referred to the Committee on the Judiciary.

MANDATORY MINIMUM SENTENCES FOR CERTAIN VIOLENT CRIMES

Mr. KENNEDY. Mr. President, today I introduce bipartisan legislation cosponsored by Senators McCLELLAN and FONG calling for the imposition of mandatory minimum sentences in certain cases of violent street crime—the crime which troubles our citizens the most. This legislation provides that a mandatory minimum sentence of 2 years imprisonment—without the possibility of probation or parole—be imposed: First, in cases involving burglary or aggravated assault under the assimilated crime statute; second, murder in the second degree; third, crimes in which a handgun or other dangerous weapon is used; fourth, rape; fifth, robbery where the victim suffers serious bodily injury; and sixth, trafficking in heroin. In addition, a 4-year minimum term would be imposed if the convicted defendant were a repeat offender who had committed one of the above enumerated crimes for a second time.

An exception to the imposition of a mandatory sentence would be permitted only if the defendant were under 18 years of age, suffering from a mental disease, acted under duress or was merely an accomplice and not the principal offender. A post-trial hearing would be held to resolve such situations.

Mr. President, this legislation is designed to deal with the spreading plague of violent street crime which has risen by over 57 percent since 1968 and by some 18 percent the first 6 months of this year. This proliferation of violent street crime must be dealth with firmly. It is intolerable when the Nation's citizens must walk their own neighborhood streets in fear of being mugged or robbed. Recent surveys show that almost one-half of our population is afraid to venture out of their homes at night. In addition, the statistics demonstrate that one out of every three homes in our inner cities is the target of a burglary during a 1-year period. More often than not, the victims of these street crimes are the poor and the minority groups who live in the inner cities. Direct, immediate action is needed now to stem this wave of violent crime.

What I introduce today is not touted

as the final solution to our soaring crime problem. The problem of crime is elusive and complex; it defies simple analysis. The major first step for all of us to take in fighting crime is to recognize and acknowledge candidly that there is no easy panacea, no magic formula for reducing the Nation's crime rate. Certainly, slogans like "law and order" or the more subtle euphemism "domestic tranquility" are not the answer to rising crime. Tough talk without action avails us nothing.

But we must not counter the "law and order" syndrome with arguments that crime can only be controlled by eliminating poverty and discrimination and providing decent health care and education to our citizens. These are, of course, noble goals which all citizens of conscience must steadfastly pursue. Our heritage requires no less.

But firm, immediate action must be taken now to deal with crime; we must all fight a more practical, less ideological war on crime.

The bill that I am introducing is a modest step in the right direction. It deals with the very heart of our criminal justice system—the sentencing process. It is there that we must concentrate our efforts.

We must make punishment and imprisonment of the violent offender a certainty. Our existing criminal justice system—beset with expanding dockets, court congestion, and overcrowding—does not persuade the criminal offender that if he is caught, the chances are high that he will be swiftly and surely punished. The result, in all too many cases, is that crime does indeed pay. During an 8-month period in 1974, a special Boston police anticrime unit made 636 individual arrests for violent street crimes. Yet only 7 percent of those arrested received a jail sentence of any duration. In New York City, 97 percent of all adults arrested for a felony are filtered out of the system and escape a prison term. Simply stated, swift, certain punishment of the offender has all too often become the exception rather than the rule.

By imposing mandatory minimum sentences, this bill makes certainty of punishment more of a reality. The bill is not based on any vindictive desire to punish. Rather, it arises out of the need to deter potential offenders from criminal conduct while, at the same time, keeping the violent offender in jail and off the street.

In applying the mandatory minimum sentence we must also make sure that it is applied evenhandedly to all offenders, regardless of social class. Just as the poor suffer the most as victims of crime, so too do they often pay a heavier price for crime than others in society. We must end that shameful double standard and assure that mandatory sentences be applied with an equal hand.

I am aware that the Federal Government's role in this area is limited. Most street crime occurs in local neighborhoods and is purely a local problem. Nevertheless, Federal crime legislation incorporating mandatory minimum sentences can be a model for local governments in confronting their criminal justice problems and the problems of sentencing.

To call for such sentences, however, without providing the courts with the financial resources and technical assistance necessary to meet the challenge of increased caseloads would be self-defeating. Certainty of punishment must be coupled with swift justice. The Congress must increase financial aid and assistance to the courts if the concept of mandatory minimum sentences is to be truly effective.

I ask unanimous consent to have printed in the RECORD the text of the bill establishing mandatory minimum sentences for certain violent crimes.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2698

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 13 of title 18, United States Code, is amended by striking out "and subject to a like punishment," and inserting the following new sentence "Whoever is found guilty of a like offense under the provisions of this section shall be subject to a like punishment except that in those cases in which a person is convicted of committing any act which, according to the laws thereof in force at the time, constitutes:

(a) the crime of burglary, where at night a person, with intent to engage in conduct constituting a crime, enters without privilege, or remains surreptiously within, a dwelling that is the property of another; or

(b) the crime of aggravated assault, where a person, by physical force, intentionally causes serious bodily injury to another person;

said person shall be sentenced to a term of imprisonment which may not be less than two years."

SEC. 2. The third paragraph of subsection (b) of section 1111 of title 18, United States Code, is amended to read as follows:

"Whoever is guilty of murder in the second degree, shall be sentenced to a term of imprisonment which may not be less than two years and which may be up to life imprisonment."

SEC. 3. Subsection (c) of section 924 of title 18, United States Code, is amended to read as follows:

"(c) Whoever, while engaged in the commission of any offense for which he may be prosecuted in a court of the United States, knowingly possesses, displays, brandishes, or otherwise uses a firearm, destructive device, or other dangerous weapon, shall, in addition to the punishment provided for the commission of such offense, be sentenced to a term of imprisonment which may not be less than two years and which may be up to ten years. In the case of a second or subsequent conviction of a violation of this subsection, or in the case of a conviction under this subsection following a conviction of a State offense during the commission of which the defendant knowingly possessed, displayed, brandished or otherwise used a firearm, destructive device, or other dangerous weapon, such defendant, with respect to such conviction under this subsection, shall be sentenced to a term of imprisonment which may not be less than four years and which may be up to twenty years.

SEC. 4. Section 2031 of title 18, United States Code, is amended by striking out "imprisonment for any term of years or for life" and inserting in lieu thereof "shall be sentenced to a term of imprisonment which may not be less than two years and which may be up to life imprisonment."

SEC. 5 (a) Section 2111 of title 18, United States Code, is amended by striking out "shall be imprisoned for not more than fifteen years" and inserting in lieu thereof "shall be sentenced to a term of imprisonment which may not be less than two years and which may be up to fifteen years".

(b) Section 2112 of title 18, United States Code, is amended by deleting "shall be imprisoned not more than fifteen years" and inserting in lieu thereof "shall be sentenced to a term of imprisonment which may not be less than two years and which may be up to fifteen years".

(c) The third paragraph of section 2113(a) of title 18, United States Code, is amended by deleting "or imprisoned not more than twenty years, or both" and inserting "and shall be sentenced to a term of imprisonment which may not be less than two years and which may be up to twenty years".

(d) The first paragraph of section 2113(b) of title 18, United States Code, is amended by deleting "or imprisoned not more than ten years, or both" and inserting in lieu thereof "and shall be sentenced to a term of imprisonment which may not be less than two years and which may be up to ten years".

(e) Section 2113(d) of title 18, United States Code, is amended by deleting "or imprisoned not more than twenty-five years, or both" and inserting in lieu thereof "and shall be sentenced to a term of imprisonment which may not be less than two years and which may be up to twenty-five years"

SEC. 6. (a) Section 401(b)(1)(A) of the Controlled Substances Act (21 U.S.C. 841) is amended (1) by adding after the words "more than $25,000, or both" the following sentence: "In the case of a controlled substance in schedule I which is the narcotic drug heroin, such person shall be sentenced to a term of imprisonment of not less than two years or more than fifteen years, and a fine of not more than $25,000"; and (2) by adding after the words "more than $50,000, or both" the following new sentence: "In the case of a controlled substance in schedule I which is the narcotic drug heroin, such person shall be sentenced to a term of imprisonment of not less than two years or more than thirty years, and a fine of not more than $50,000."

(b) Section 1010(b)(1) of the Controlled Substances Act (21 U.S.C. 960) is amended by adding after the words "not more than $25,000, or both" the following new sentence: "In the case of a controlled substance in schedule I which is the narcotic drug heroin, such person shall be sentenced to a term of imprisonment of not less than two years or more than fifteen years and a fine of not more than $25,000."

SEC. 7. Title 18, United States Code, is amended by adding immediately after section 3578 the following new sections:

§ 3579. Increased sentence for repeat offenders

"(a) Whoever has been found guilty of an offense described in the provisions of section 13 relating to burglary and aggravated assault as defined therein, section 1111 relating to murder in the second degree, section 2031, section 2111, section 2112, any provision of section 2113 (other than the provisions contained in the second paragraph of subsection (b) of such section), or section 924 (c) of this title, or section 401(b) of the Controlled Substances Act, relating to the narcotic drug heroin in schedule I or the provisions of section 1010 of the Controlled Substances Act relating to the narcotic drug heroin schedule I, and said person is found to be a repeat offender, pursuant to subsection (c) of this section shall be sentenced to imprisonment for an appropriate term which may not be less than four years and may be up to the maximum provided by law for such violation for which he was convicted. Otherwise the court shall sentence the defendant in accordance with the law prescribing penalties for such violation. The court shall place in the record its findings, including an identification of the information relied upon in making such findings, and its reasons for the sentence imposed.

(b) Notwithstanding any other provision of this section, the court shall not sentence a repeat offender to less than any mandatory minimum penalty prescribed by law for such violation.

(c) A defendant is a repeat offender for purposes of this section if the defendant has previously been convicted in courts of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, any political subdivision, or any department, agency, or instrumentality thereof, for a violation of any provision within the purview of subsection (a) of this section committed on an occasion different from the alleged violation referred to in subsection (a), or has previously been convicted in any State court of a violation of a State law involving murder in the second degree, rape, robbery, burglary, aggravated assault, the commission of any offense while knowingly possessing, displaying, brandishing, or otherwise using a firearm, destructive device, or other dangerous weapon, or the commission of any offense involving the manufacturing, distributing, selling, dispensing, possessing, or importing of the narcotic drug heroin. A conviction shown on direct or collateral review or at the hearing to be invalid or for which the defendant has been pardoned on the ground of innocence shall be disregarded for purposes of this paragraph.

§ 3580. Imposition and execution of sentence

"(a) Except to the extent otherwise provided by subsection (b), the imposition or execution of any mandatory minimum sentence pursuant to the provisions of section 13 (relating to burglary and aggravated assault), 1111 (relating to murder in the second degree), section 924(c), section 2031, section 2111, section 2112, section 2113, or section 3579. of title 18, United States Code, or section 401(b)(1)(A) or section 1010(b)(1), of the Controlled Substances Act, shall not be suspended, probation shall not be granted, and section 4202 and chapters 309, 311, and 402 of this title shall not be applicable.

"(b) Notwithstanding any other provision of this title, no mandatory minimum sentence shall be imposed, and the provisions of subsection (a) shall not be applicable, with respect to any individual sentenced pursuant to any provision of this title referred to in subsection (a) if—

"(1) the individual was less than eighteen years of age at the time of the commission of the offense for which he is to be sentenced;

"(2) the individual's mental capacity, at the time of the commission of the offense for which he is to be sentenced, was significantly impaired, although not so impaired as to constitute a defense to the prosecution;

"(3) the individual, at the time of the commission of the offense for which he is to be sentenced, was acting under unusual and substantial duress, although not such duress as would constitute a defense to the prosecution; or

"(4) the individual to be sentenced was an accomplice, the conduct constituting the offense was principally the conduct of another person, and the individual's participation was relatively minor";

"(5) as to the crimes enumerated in sections 2111, 2112 and 2113, no serious bodily injury was inflicted on the victim."

"(c) Whoever is convicted of an offense described in subsection (a) of this section shall be granted a hearing by the court prior to imposition of sentence to determine whether any of the factors enumerated in subsection (b) of this section are applicable. The hearing shall be held before the court sitting without a jury, and the defendant and the government shall be entitled to assistance of counsel, compulsory process, and cross-examination of such witnesses as appear at the hearing. If it appears by a preponderance of the information, including information submitted during the trial, during the sentencing hearing, and in so much of the presentence report as the court relies on, that the defendant is subject to a term of imprisonment as set forth in subsection (a) of this section, the court shall so sentence the defendant. The court shall submit its findings in writing, including an identification of the facts relied upon in making its determination.

(d) The analysis of chapter 227 of title 18, United States Code, is amended by adding at the end thereof the following:

"§ 3579 Increased Sentence for Repeat Offenders
§ 3580 Imposition and execution of sentence.".

By Mr. KENNEDY (for himself, Mr. McCLELLAN, Mr. PHILIP A. HART, Mr. ABOUREZK, Mr. BAYH, Mr. TUNNEY, Mr. HRUSKA, and Mr. FONG):

S. 2699. A bill to amend title 18, United States Code, so as to establish certain guidelines for sentencing, establish a United States Commission on Sentencing, and for other purposes. Referred to the Committee on the Judiciary.

ESTABLISHING SENTENCING GUIDELINES

Mr. KENNEDY. Mr. President, today I am introducing broad bipartisan legislation designed to deal with a major problem which plagues the Federal court system and the administration of criminal justice—the wide disparity in the sentences imposed in criminal cases. All too often two convicted defendants with similar backgrounds, convicted of the same crime, receive widely differing sentences. One defendant may receive a term of probation, while the other is sentenced to a long term of imprisonment. Such disparity cannot be justified in reason or logic. It is unjust and serves neither a rehabilitative nor a deterrent theory of punishment.

The problem can be traced to the unbridled, unreviewable discretion we give to our Federal judges. This discretion has for too long been the hallmark of the Federal sentencing process. It is ironic that although the last few years have seen the development of elaborate procedures to safeguard the rights of those who stand trial, the Congress and the courts have treated with indifference the process of deciding whether, and for how long, the convicted offender will be imprisoned or otherwise dealt with. This neglect can no longer be tolerated. We cannot permit ourselves to stop thinking about the criminal process after the drama of apprehension, trial and conviction has ended.

The past few years have witnessed a new awareness that congressional action must be forthcoming if arbitrariness in sentencing is to be eliminated. Three major studies pointed out the need for such action.

In August of 1974, a study by the Federal Judicial Center made obvious that which had always been known but rarely discussed—that substantial sentencing disparity did exist in the Federal system. Concentrating on the second circuit, one of the Nation's most honored judicial circuits, the study demonstrated, on the basis of hypothetical case studies, that "there were large differences in lengths of prison terms imposed in the same case" by different judges. It concluded that—

> There is great disparity among the more experienced judges, both within the circuit as a whole and within a single district.

The most recent statistics show, for example, that in 1974, while the average Federal sentence was 42.2 months, it was only 18.4 months in the southern district of Georgia, but 94.9 months in the western district of Michigan. Bank robbers receive an average term of imprisonment of over 11 years nationwide, but receive 17 years in the northern district of Georgia, but only 5½ years in the northern district of Illinois.

A second major impetus for reform was the classic study on sentencing done by one of our most distinguished Federal district judges, the Honorable Marvin E. Frankel of the southern district of New York. In his treatise, "Criminal Sentences: Law Without Order," Judge Frankel pointed out that arbitrary sentences are based:

> . . . not so much in terms of defendants but mainly in terms of the wide spectrums of character, bias, neurosis, and daily vagary encountered among occupants of the trial bench. Left at large, wandering in deserts of unchartered discretion, the judges suit their own value systems insofar as they think about the sentencing problem at all.

These criticisms by an eminent, sitting Federal judge can no longer go unheeded.

The most recent indictment of present Federal sentencing practices can be found in a Yale Law School study to be released shortly, entitled "Toward a Just and Effective Sentencing System." This carefully written, scholarly work primarily authored by a practicing attorney and former law clerk to Justice Byron White, Pierce O'Donnell, highlights the fact that current sentencing practices are, in effect, the result of "lawless" judicial discretion, and are desperately in need of sweeping reform. The report concludes with a proposed draft for improving our Federal sentencing practices. This work constitutes the foundation of the bill introduced today.

Mr. President, my bill is the beginning of a concerted legislative effort to deal with sentencing disparity. The bill does the following: First, it establishes for the first time certain uniform general criteria which all Federal courts must consider in formulating a sentence for a convicted defendant. These criteria refer the court generally to the nature of the offense, the characteristics of the defendant, the need for the sentence imposed to reflect the seriousness of the offense, the need for just punishment, and the requirement that the sentence act imposed as a deterrent.

In addition the court is asked to consider whether other less restrictive sanctions had previously been applied to the same defendant. These criteria, uniformly applied, assure that all Federal courts will be considering the same general factors and goals of sentencing; they constitute a watershed in Federal sentencing procedures; second, it requires that the court, in sentencing the defendant to a term of imprisonment, give its reasons for the sentence imposed in writing, so that the justifications and reasons underlying the sentence can be reviewed by an appellate court and become part of the public record; third, it marks an important break with tradition by providing for appellate review of sentences. No longer will the trial court act unilaterally without the possibility of a judicial check on the exercise of discretion; fourth, finally, and most importantly, the bill established an independent U.S. Commission on Sentencing, a five-member commission with a mandate to promulgate specific guidelines for sentencing which will be distributed to every Federal court in the Nation. The Federal courts have never developed substantive standards for sentencing. This Commission, whose members will be appointed by the U.S. Judicial Conference, will develop such standards.

The Commission—with an initial life of 3 years—will be responsible for fixing the parameters of exactly what sentence should be imposed for what crimes in what situations, taking into account not only the general criteria spelled out in the statute but also various other factors including the nature and characteristics of the individual defendant. The Federal courts will be required to consider these specific sentencing guidelines promulgated by the Commission and not sentence outside of the guidelines without giving a detailed written explanation of reasons. Again, appellate review would follow.

Mr. President, we boast that ours is a "government of laws, not of men." Although this time-honored principle is generally followed with respect to how we treat the accused prior to conviction, it is generally ignored in determining the range of permissible punishment. Our present laws leave to the sentencing judge a range of choice that should be unthinkable in a "government of laws not of men." This bill is designed to narrow that choice.

As Judge Frankel states:

> It is our duty to see that the force of the state, when it is brought to bear through the sentences of our courts, is exerted with the maximum we can muster of rational thought, humanity, and compassion.

I ask unanimous consent to have printed in the RECORD the full text of the bill establishing sentencing guidelines.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2699

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 227 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3579. Imposition of a sentence of imprisonment

"(a) The court, in determining whether to impose a term of imprisonment within a range authorized under this title and, if a term of imprisonment is to be imposed, in determining the length of that term within such range, shall consider—

"(1) the nature and circumstances of the offense and the history and characteristics of the defendant;

"(2) the need for the sentence imposed (A) to reflect the seriousness of the offense and promote respect for law by providing just punishment for the offense, and (B) to afford adequate deterrence to criminal conduct;

"(3) whether other less restrictive sanctions have been applied to the defendant frequently or recently; and

"(4) any sentencing guidelines established by the United States Commission on Sentencing.

"(b) In every case in which the court imposes a term of imprisonment within the guidelines for sentencing promulgated by the Commission, the court shall make as part of the record, and disclose in open court to the defendant at the time of sentencing, a brief statement of the reason or reasons for the sentence imposed. A court may impose a term of imprisonment outside of the guidelines for sentencing promulgated by the Commission if it makes as a part of the record, and discloses to the defendant in open court at the time of sentencing, a statement of the specific reason or reasons for the particular sentence of imprisonment imposed. Failure to so comply shall be grounds for vacating the sentence and resentencing the defendant."

(b) The analysis of such chapter is amended by adding at the end thereof the following:

"3579. Imposition of a sentence of imprisonment."

SEC. 2. (a) Chapter 229 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3621. Imposition of a sentence of fine

"The court in determining whether to impose a fine within a range authorized by this title, and, if a fine is to be imposed, in determining the amount of the fine within such range, the time of payment, and the method of payment, shall consider—

"(1) the nature and circumstances of the offense and the history and characteristics of the defendant;

"(2) the need for the sentence imposed (A) to reflect the seriousness of the offense and promote respect for law by providing just punishment for the offense, and (B) to afford adequate deterrence to criminal conduct;

"(3) whether other less restrictive sanctions have been applied to the defendant frequently or recently; and

"(4) any sentencing guidelines established by the United States Commission on Sentencing.".

(b) The analysis of such chapter is amended by adding at the end thereof the following:

"3621. Imposition of a sentence of fine.".

SEC. 3. (a) Chapter 231 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3657. Imposition of a sentence of probation

"The court, in determining whether to impose a term of probation in accordance with the provisions of this chapter, and, if a term of probation is to be imposed, in determining the length of such term and the conditions of probation in accordance with such provisions, shall consider—

"(1) the nature and circumstances of the offense and the history and characteristics of the defendant;

"(2) the need for the sentence imposed (A) to reflect the seriousness of the offense and promote respect for law by providing just punishment for the offense, and (B) to afford adequate deterrence to criminal conduct;

"(3) whether other less restrictive sanctions have been applied to the defendant frequently or recently; and

"(4) any sentencing guidelines established by the United States Commission on Sentencing.".

(b) The analysis of such chapter is amended by adding at the end thereof the following:

"3657. Imposition of a sentence of probation."

SEC. 4. (a) Chapter 235 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3742. Review of sentence

"(a) Subject to the provisions of section 3576 of this title, in any case in which a sentence is imposed for an offense, except a case in which the sentence is equal to or less than that recommended or not opposed by the attorney for the government pursuant to a plan agreement under Rule 11(e)(1)(B) of the Federal Rules of Criminal Procedure or a case in which the sentence is equal to that provided in an accepted plea agreement pursuant to Rule 11(e)(1)(C) of the Federal Rules of Criminal Procedure, a petition to a United States court of appeal for review of such sentence may be filed by—

"(1) the defendant, within the time specified for the filing of a notice of appeal; or

"(2) the United States, within the time specified for the defendant's filing of notice of appeal, if the sentence includes a fine or term of imprisonment less than the minimum established by the guidelines for sentencing promulgated by the United States Commission on Sentencing or a minimum established by this Title.

"(b) If the court of appeals grants the petition, the clerk of the court that imposed the sentence shall certify to the court of appeals that portion of the record in the case that is designated as pertinent by either or both of the parties, the presentence report, the information submitted during the sentence imposed by the sentencing court.

"(c) Upon review of the record, the court of appeals shall determine whether—

(1) the sentence imposed is not within the guidelines for sentencing promulgated by the United States Commission on Sentencing (hereinafter referred to as the 'Commission') and is unreasonable having regard for—

"(A) the guidelines for sentencing established in accordance with this title and the guidelines issued by such Commission pursuant thereto;

"(B) the reasonableness of the district court's application of the guidelines established by the Commission;

"(C) the opportunity for the district court to observe the defendant;

"(2) the sentence imposed is within the guidelines for sentencing promulgated by the Commission but is clearly unreasonable having regard for—

"(A) the reasonableness of the district court's application of the guidelines established by the Commission;

"(B) the opportunity for the district court to observe the defendant.

"(d) If the court of appeals determines that—

"(1) the guidelines for sentencing promulgated by the Commission were properly applied by the district court, the court of appeals shall affirm the sentence—

"(A) if the sentence imposed outside the guidelines for sentencing is not unreasonable; or

"(B) if the sentence imposed within the guidelines for sentencing is not clearly unreasonable;

"(2) the guidelines for sentencing promulgated by the Commission were clearly erroneously applied by the district court, the court of appeals shall set aside the sentence and remand the case for further sentencing proceedings;

"(3) the guidelines for sentencing promulgated by the Commission were properly applied by the district court, but that the sentence imposed outside the guidelines for sentencing was otherwise unreasonable, or that the sentence imposed within the guidelines for sentencing was otherwise clearly unreasonable, the court of appeals—

"(A) in the case of a petition for review of his sentence by the defendant, may—

"(i) remand the case for imposition of a lesser sentence to be determined by the district court;

"(ii) remand the case for further sentencing proceedings; or

"(iii) impose a lesser sentence;

"(B) in the case of a petition to review a sentence submitted by the United States, may—

"(i) remand the case for imposition of a greater sentence to be determined by the district court;

"(ii) remand the case for further sentencing proceedings; or

"(iii) impose a greater sentence."

(b) The analysis of such chapter is amended by adding at the end thereof the following:

"3742. Review of sentence.".

SEC. 5. Part II of title 18, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 238—UNITED STATES COMMISSION ON SENTENCING

"Sec.
"3801. Definitions.
"3802. United States Commission on Sentencing; structure and composition.
"3803. Powers and duties of Commission.
"3804. Powers and duties of Chairman.
"3805. Annual report.

"§ 3801. Definitions.

"As used in this chapter—

"(a) 'Commission' means the United States Commission on Sentencing;

"(b) 'Commissioner' means any member of the United States Commission on Sentencing;

"(c) 'rules and regulations' means rules and regulations promulgated by the Commission pursuant to section 3803 of this title.

"§ 3802. United States Commission on Sentencing; structure and composition.

"There is hereby established as an independent Commission in the Judicial branch, for a period of three years from the effective date of this statute, a United States Commission on Sentencing which shall be comprised of five members appointed by the United States Judicial Conference. The Commission shall from time to time designate by majority vote one of its members to serve as Chairman and shall delegate to him the necessary administrative duties and responsibilities. The term of office of a commissioner shall be three years, except that the term of a person appointed as a commissioner to fill a vacancy shall expire at the end of three years from the effective date of this statute. Commissioners shall be compensated at a rate equal to the maximum rate, as in effect from time to time, for Federal judges.

"§ 3803. Powers and duties of Commission

"(a) The Commission, by majority vote, and pursuant to rules and regulations, shall promulgate and distribute to all Federal courts guidelines for sentencing consistent with this title which guidelines shall be considered by the sentencing court in determining the appropriate sentence for a defendant.

"(b) The Commission, by majority vote, and pursuant to rules and regulations, shall have the power to—

"(1) establish general policies and promulgate such rules and regulations for the Commission as are necessary to carry out the purposes of this chapter;

"(2) deny, revise, or ratify any request for regular, supplemental, or deficiency appropriations prior to any submission of such request to the Office of Management and Budget by the Chairman;

"(3) procure for the Commission temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code;

"(4) utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, local, and private agencies and instrumentalities with or without reimbursement therefor;

"(5) without regard to section 3648 of the Revised Statutes of the United States (31 U.S.C. 529), enter into and perform such contracts, leases, cooperative agreements, and other transactions as may be necessary in the conduct of the functions of the Commission, with any public agency, or with any person, firm, association, corporation, educational institution, or nonprofit organization;

"(6) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679 of the Revised Statutes of the United States (31 U.S.C. 665(b));

"(7) request such information, data, and reports from any Federal agency or judicial officer as the Commission may from time to time require and as may be produced consistent with other law;

"(8) arrange with the head of any other Federal agency for the performance by such agency of any function of the Commission, with or without reimbursement;

"(9) issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates directly to a matter with respect to which the Commission or any Commissioner or agent of the Commission is empowered to make a determination under this chapter; such attendance of witnesses and the production of evidence may be required from any place within the United States at any designated place of hearings within the United States;

"(10) establish a research and development program within the Commission for the purpose of—

"(A) serving as a clearinghouse and information center for the collection, preparation and dissemination of information on federal sentencing practices;

"(B) assisting and serving in a consulting capacity to Federal courts, departments, and agencies in the development, maintenance, and coordination of sound sentencing practices;

"(11) collect systematically the data obtained from studies, research, and the empirical experience of public and private agencies concerning the sentencing process;

"(12) publish data concerning the sentencing processes;

"(13) collect systematically and disseminate information concerning sentences actually imposed, and the relationship of such sentences to the criteria set forth in section 3579, 3621 and 3657 of this title;

"(14) collect systematically and disseminate information regarding effectiveness of sentences imposed;

"(15) devise and conduct, in various geographical locations, seminars and workshops providing continuing studies for persons engaged in the sentencing field;

"(16) devise and conduct a training program of short-term instruction in sentencing techniques for judicial and probation personnel and other persons connected with the sentencing process;

"(17) make recommendations to Congress concerning modification or enactment of sentencing and correctional statutes which the Commission finds to be necessary and advisable to carry out an effective, humane and rational sentencing policy.

"(c) The Commission shall have such other powers and duties and shall perform such other functions as may be necessary to carry out the purposes of this chapter or as may be provided under any other provisions of law and may delegate to any Commissioner or designated person such powers as may be appropriate other than the power to establish general policies, guidelines, rules, and factors under subsection (b)(1).

"(d) Upon the request of the Commission, each Federal agency is authorized and directed to make its services, equipment, personnel, facilities, and information available to the greatest practicable extent to the Commission in the execution of its functions.

"(e) The Commission shall meet not less frequently than quarterly to establish its general policies and rules.

"(f) Except as otherwise provided by law, the Commission shall maintain and make available for public inspection a record of the final vote of each member on any action taken by it.

"§ 3804. Powers and duties of Chairman.

"The Chairman shall—

"(a) preside at meetings of the Commission;

"(b) assign duties among the regional offices, if any, in order to assure efficient administration;

"(c) direct (1) the preparation of requests for appropriations for the Commission, and (2) the use of funds made available to the Commission;

"(d) appoint and fix the basic pay of personnel of the Commission.

"§ 3805. Annual report.

"The Commission shall report annually to each House of Congress, the United States Judicial Conference and the President of the United States on the activities of the Commission.".

Mr. TUNNEY. Mr. President, I want to commend the Senator from Massachusetts for this needed effort to end the gross inequities that frequently take place in the sentencing process. Too often we hear of situations where one person is sentenced to 15 years in prison while another individual, convicted of a similar crime, is released on probation. It is my belief that setting up a sentencing commission to establish guidelines for judges sentencing criminal offenders is a major step in ending the roulette approach at the sentencing phase.

I am concerned, however, and I have expressed this concern to my distinguished friend from Massachusetts, that Congress not remove the healthy flexibility so necessary to a rational sentencing process. An inflexible scheme is hardly an improvement on an arbitrary one. The bill does take some measures to insure this will not happen. The Commission's members will be appointed by the Judicial Conference. The Commission will develop guidelines, not rigid rules, for judges. If a sentence falls outside the guidelines, the judge must simply state the reasons for his decision. The sentence could be appealed but would be overturned only if unreasonable.

In addition, I hope the members of the appropriate subcommittees will compile a list of salient factors the Commission must take into account when developing its guidelines. The bill could be read as turning over to a group of nine Commissioners the complete power to set narrow standards for sentencing. This is clearly not my intention, nor the intention of the Senator from Massachusetts. A list of salient factors would give important congressional guidance to the Commission, as well as dispelling notions of rigidity in the new sentencing proposals.

Again, Mr. President, I wish to commend my colleague for this attempt to correct one of the most serious inequities in the criminal law.

Mr. HRUSKA. Mr. President, I am pleased to join as cosponsor in support of the bill introduced by Senator KEN-

NEDY to establish certain standards for criminal sentencing.

Like the similar portions of S. 1, the Criminal Justice Reform Act of 1975, of which I am also a sponsor, and like S. 1540, S. 1501, S. 2228, and S. 716, to establish appellate review of sentencing, which I introduced and ardently supported in the 90th, 91st, 92d, and 93d Congresses, the bill presently before us is designed to reduce the disparity around the country among sentences imposed by Federal courts for similar crimes committed under similar circumstances by similar defendants—a disparity which casts disrepute on the law, produces intolerable inequities, and contributes to unrest within the criminal justice system.

The bill accomplishes its objectives by: First, establishing sentencing criteria for trial judges, second, providing appellate-court review of sentences, a concept I have long championed, and third, establishing a commission under the auspices of the Judicial Conference of the United States to formulate standards for use by trial judges and appellate courts in imposing and reviewing sentences.

As I said in introducing and sponsoring previous legislation directed at similar reform, this rationalization of our sentencing system is sorely needed and long overdue. Sentencing is the only substantial issue in our criminal law that is final on the say-so of one individual, the trial judge, without appeal to another opinion. A large number of States and foreign countries, including Canada and England, have already seen the folly of this, and it is fair to say that the U.S. Federal system is one of the few advanced systems of criminal law that does not provide for such review. The Senate, in the 90th Congress, unanimously enacted S. 1540 providing for the kind of appellate review of sentences called for by the bill presently before us.

It is high time that Congress act to put an end to a major inequity in the law, and I urge prompt action on the bill we have before us at this time.

By Mr. STAFFORD (for himself, Mr. KENNEDY, and Mr. JAVITS):

S. 2700. A bill to provide for minimum standards for public health programs directed at identifiable populations. Referred to the Committee on Labor and Public Welfare.

Mr. STAFFORD. Mr. President, I am introducing a bill to provide for minimum standards for preventive public health programs. It is the goal of this legislation to have the Secretary of HEW develop minimum public health standards to maintain the preventive health care programs for this Nation.

I am looking toward the future enactment of national health legislation which will overshadow the need for continued preventive public health programs by the sheer magnitude of the undertaking of this project. This legislation is based on concerns brought to my attention by the commissioner of health in Vermont, Dr. Anthony Robbins, that public health service programs historically have been eliminated when other major industrialized nations have enacted matured health insurance only to be reinstituted at a later time when it was determined that the need still existed for these programs.

I share the concerns raised by Dr. Robbins and think it is time that the Federal Government seriously organize itself to meet this future challenge. I ask unanimous consent that an article written by the commissioner of health of the State of Vermont, which appeared in the New England Journal of Medicine, be printed in the RECORD, since it very concisely sets the stage for this legislation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE THREAT OF NATIONAL HEALTH INSURANCE TO PREVENTIVE PROGRAMS

(By Anthony Robbins, M.D.)

Nearly 60 years ago, the Medical and Chirurgical Faculty of Maryland was issued a warning strikingly relevant today:

"With the appropriations for health insurance running into millions of dollars annually it goes without saying that legislative bodies will not materially increase the appropriations for their health departments. Owing to this fact, there is a decided probability of sickness insurance acts endangering the very existence of State health departments by absorbing all of the funds available for health work. Our statesmen and lawmakers must, therefore, be careful that proper and ample provisions are made for health machinery in any sickness insurance act." [1]

I hope the United States is closer to National Health Insurance now than it was in 1917, but I share the concern of Drs. Warren and Sydenstriker that, in providing for the cost of personal health services, we do not lose sight of the need to preserve and maintain population-directed and preventive health programs. Immunizations, tuberculosis control, venereal-disease programs, and pediatric prevention programs have benefits that extend beyond individuals to whole populations. Protection must remain in place for populations at risk from hazards such as lead paint, malnutrition, rats, occupational exposures, unsafe drinking water and food-borne illness. Yet it seems to me that the benefits of preventive health measures for target populations may be imperiled by the politics of achieving, at long last, national insurance for personal health services.

The total cost of population-directed and preventive programs in the United States, both in and out of government health departments, is less than five billion dollars annually, or less than 4 per cent of the total cost of health services. National health insurance will not sustain these public-health programs; it will pay only for the personal-health-service components. Why should that concern us? Surely, the public-health programs are well established and will continue. Or will they?

Both the British and Canadian experiences with national health insurance suggest that the United States should take special care to protect public-health programs in an era dominated by personal health services. For example, many of us will believe, as physicians in Britain and Canada did, that since national health insurance pays for doctors' visits and pays for vaccines, adequate immunization levels will be maintained. Not so. In both Britain and Canada, after several years of national health services and provincial sickness insurance schemes, health programs directed at hazards to the population are now being redesigned, revived and rebuilt to recapture the target populations for effective prevention.[2] In short, the notion that personal health services could substitute for public-health programs was wrong.

Anyone who has followed Congressional activity around national health insurance is aware that each proposal has a price tag in "new dollars." (These are dollars not found in current government health programs, stat or federal). The tags range from $73 billion, for the most expensive Kennedy bill, to $3.6 billion for the Long-Ribicoff program for catastrophic-illness coverage.[3] Each sponsor manipulates the numbers to make the price as low as possible. One way this has been done is to deduct expenditures for population-directed and preventive programs currently financed by the government from the new dollar cost of national health insurance. However, national health insurance will pay for only personal-health-services components of these programs, omitting outreach, monitoring, and environmental-control efforts in the process. In other words, Congress may gut productive public-health activities under the mistaken belief that they would be sustained by national health insurance.

How can we avert this setback? Could not national health insurance and better population-directed, preventive programs emerge together? Of course they could. Minimum standards for public-health programs, directed at identifiable populations, can be specified both by content and outcome. Every state and locality could then be required to meet these standards before the federal government extended insurance coverage for personal health services. Surely, it is only reasonable to ask that people receive these highly cost-effective public-health benefits before tax dollars are spent on personal health services. This process need not delay the arrival of national health insurance since federal cost sharing with states and localities should encourage quick achievement of the essential minimum standards.

As a first step, we should ask the Congress to fund a project by the Center for Disease Control or by the Institute of Medicine of the National Academy of Sciences to develop such standards. Unlike the ordeal of standard setting by PSRO's, I think this job could be done in a year. Professional agreement should be far easier to achieve in this limited area of medicine than in the expanse of personal health services. Once set, the standards may be incorporated into a special cost-sharing provision of all the national-health-insurance proposals in the next Congress. It would be unique perhaps, but extremely worthwhile, if we could avoid the mistakes of others, and maintain our most effective public-health programs while generating, at last, nationwide financial protection for personal health services.

ANTHONY ROBBINS, M.D.

Mr. STAFFORD. Programs to protect against tuberculosis, venereal disease and other communicable diseases are important to the public health of this Nation and should be maintained as preventive health measures for the protection of our children, and therefore, the Secretary of HEW should publish a plan and standards for preventive public health programs as soon as possible. We should not wait to see if history will teach us the same lesson that it has taught Great

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[1] Warren BS, Sydenstriker E: Health insurance, the medical profession, and the public health. Public Health Rep 34 (16):775–789, 1919.

[2] Lalonda M: A new perspective on the health of Canadians: a working document. Ottawa, April, 1974.

[3] Committee on Finance of the United States Senate: National health insurance: brief outline of pending bills. Washington, D.C., Government Printing Office, 1974.

Britain and Canada because polio, rubella and scarlet fever attack our children first and they will pay the price for our inaction.

Mr. President, I ask that a text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2700

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Title V of the Public Health Service Act (42 U.S.C. 201) is amended by adding at the end thereof the following new section:

"'PUBLIC HEALTH PROGRAMS; STANDARDS

"SEC. 514. (a) The Secretary, in cooperation with appropriate professional entities and individuals, shall establish within one year after the date of enactment of this section standards with respect to preventive health care for identifiable populations within public health programs funded under this Act. Such standards shall be developed to identify population in need and to maintain population-directed preventive health programs."

By Mr. ROTH:

S. 2701. A bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials. Referred to the Committee on Government Operations.

SCHOOL BOARD REPRESENTATIVES ON ACIR

Mr. ROTH. Mr. President, I am introducing legislation today that would provide representation for elected school board officials on the Advisory Commission on Intergovernmental Relations—ACIR.

One of the most important responsibilities of government is to provide educational opportunities for its citizens. Local units of government and particularly elected school boards bear the major part of this responsibility. All too often the leadership role that school board officials play in our communities goes unheralded. This legislation is a step toward proper recognition of the important role of local school boards as an active level of representative government.

The Advisory Commission on Intergovernmental Relations was established to promote cooperation and development among different levels of government. Federal, State, and local representatives are brought together on the Commission to discuss common problems and foster a more responsive federal system. The ACIR has the job to see that the functions, responsibilities, and revenues are allocated among the levels of government in the most desirable fashion. The continued vitality of the Federal system requires that each level of government performs the appropriate functions. It is essential that the ACIR's discussions are carried on with representatives from all significant levels of government.

Representatives from the public education sector of government are conspicuously absent from the Commission today. This legislation would redress the imbalance created through failure to recognize the essential functions of the local elected school boards.

There is no question that school districts and elected school board officials comprise a level of government with broad scope and significant responsibilities. There are some 15,780 school districts organized in 45 States throughout the country. These districts budget and expend each year a large proportion of the resources spent by local governments. In 1972, for example, $118.5 billion was spent by local governments. School districts alone were responsible for one-third of these expenditures.

Local expenditures by function and unit of government

	Billion
Total local expenditures (fiscal 1972)	$118.5
City	43.7
School district	39.2
County	24.4
Township	4.2
Special district	8.6

SOURCE.—Department of Commerce, Bureau of Census.

The addition to the Commission of two elected school board officials, who are constantly exposed to the daily problems that occur in the actual operation of our schools would provide valuable insight into today's educational needs. These officials would provide the Commission with special appreciation for the problems of implementing complex Federal education programs at the local level.

The elected school board official is a key partner in the administration and management of our local tax resources. Yet the concerns of the school board officials have not been fully represented on the ACIR. This oversight can be remedied by the expansion of the membership of the Commission to include two elected school board officials. I urge my colleagues to support this bill to enlarge the Commission and improve the cooperation between levels of government.

By Mr. BEALL:

S. 2702. A bill to establish, within the medicare system, a special program of long term care services for individuals covered under part B of medicare, receiving SSI benefits, or eligible to enroll under part B of medicare; to establish special Federal, and provide for the establishment of special State and local, administrative organizations to administer such programs; and for other purposes. Referred to the Committee on Finance.

LONG-TERM CARE AMENDMENTS OF 1975

Mr. BEALL. Mr. President, I am sending to the desk legislation that would completely overhaul the role of the Federal Government in providing long term care to our Nation's senior citizens.

In recent years, I have become increasingly concerned about the Federal Government's failure to develop a coherent, comprehensive long term care strategy. Nursing homes have been a relatively modern development. At the beginning of this century, nursing homes were virtually unknown in the United States and there was apparently no great demand for institutions providing specialized care for older citizens. In 1900 only about 1 out of every 35 Americans reached the age of 65. Those that did rarely experienced any change in their life styles or working arrangements. For the most part, older workers continued in their occupations without interruption until death or disability intervened. Concepts such as retirement and expanded leisure in old age had not developed at this point in our history. Changes during the last three decades, however, began to rapidly change this picture.

The number of persons reaching old age began to increase dramatically and thus more families faced the prospect of caring for and supporting dependent parents or other relatives. At the same time, other factors such as industrialization, growing mobility of our population, and other economic and social changes were combining to make it increasingly difficult for families to meet all of their traditional responsibilities to dependent older family members.

The nursing home industry developed as a response to these changes in our society and undoubtedly received its greatest impetus from the enactment of the medicare and medicaid programs in 1965. These programs greatly expanded the Federal Government's interest in and financial commitment to nursing home care.

During the 1960's the number of nursing homes in the United States increased by 25 percent. Today we have over 22,000 long term care facilities and the number of admissions to nursing homes exceeds 1 million people. This number is expected to double by the year 2000 which is only 25 years away.

In recent years, the Congress has begun to concern itself with nonfinancial matters such as nursing home standards, quality and appropriate levels of care, utilization and alternatives to costly forms of institutionalized care.

But let us take a minute to look at the current situation. Medicare was never designed to provide long term care. Medicaid was designed to meet the medical needs of the general population, not those specifically related to the elderly. In addition, the medicaid law reflects the limited, narrow, constraints of the traditional medical view of health services.

The legislation I am introducing today will establish a comprehensive long term care strategy. This bill recognizes that the elderly are not well served by the Medical care system designed for the general population.

Mr. President, my interest in the special needs of the elderly go back many years, and in fact predate my election to the Senate. Since coming to the Senate in January 1971, I have had the privilege of serving as ranking minority member of the Labor and Public Welfare Committee's Subcommittee on Aging. In addition, I serve on the Health Subcommittee and the Subcommittee on Human Resources, both of which have jurisdiction over legislation affecting the well-being of older persons.

I am also a member of the Special Committee on Aging and its Subcommittee on Long Term Care, which has done much to expose the abuses and shortcomings of the present system.

Over the past several years I have visited a number of nursing homes throughout the State of Maryland in an attempt to gain a better understanding of how best to meet the long-term care needs of senior citizens. Several years ago I had the pleasure of participating in the dedication of the John L. Deaton Medical Center, a fine facility which is located in the inner harbor redevelopment area of Baltimore City. In August I toured Hurwitz House—a sheltered housing facility for the elderly—the Levindale Nursing Home—which provides four or five different levels of care ranging from day care to chronic hospital care—and Sinai Hospital which provides home health care and rehabilitation services for the elderly. On the same day I visited the physician assistant in family practice and geriatrics training program, and the family practice residency at the Franklin Square Hospital in Baltimore County. That program has a training component that is responsible for providing the personnel needed to provide adequate service to our senior citizen population.

I also had an opportunity to visit with residents, staff, families, and friends of the Pleasant Manor Nursing and Convalescent Center in Baltimore and the Villa Rosa Nursing Home in Prince George's County. On Monday I toured the Carroll Manor Nursing Home in Hyattsville which is an excellent long-term care facility. Carroll Manor combines skilled nursing care, an intermediate care facility and sheltered residential care for approximately 220 senior citizens under one roof.

Mr. President, these fine nursing homes and the standards of service they provide are models we should try to duplicate elsewhere.

Mr. President, I did not limit my personal activities to institutional facilities. I have visited scores of nutrition sites, health centers, area agencies on aging, and other providers of social services. What is clearly needed is a multifaceted program specially designed to meet the needs of older persons. It must strike a harmonious balance between medical and nonmedical services in institutional and noninstitutional settings. The legislation I am introducing today is designed to achieve these objectives in the following manner:

First, it establishes "Part D—Long Term Care Services Program" within title XVII of the Social Security Act.

Second, it establishes a Federal advisory council on long-term care which will be chaired by the Commissioner of the Administration on Aging and consist of four other public members. The advisory council will provide advice and recommendations to the Secretary and it must approve all long-term care regulations of the Secretary before they become effective.

Third, the enrollment for benefits process is closely alined with medicare part B. Thus, when an individual is deemed to be enrolled in part B he is simultaneously enrolled in part D, the long-term care services program. The monthly premium for part D is $3 per person per month if he or she enrolls during their initial enrollment period. If they delay their enrollment in part B/D, the part D premium increases by 10 percent for each 12 months of delay. The benefits covered by part D consist of: home health services; homemakers services; nutrition services; long-term institutional care services; day care services; foster home services; and community mental health center outpatient services.

Fourth, establishes a State long-term care agency which will designate service areas within the State and assist the organization of the community long-term care centers.

Fifth, to finance this program, a Federal long-term trust fund would be established. The trust fund will be derived from premiums paid, and general revenue from both the Federal and State Governments—State contribution, 10 percent.

Sixth, the community long-term care centers would be composed of a governing board, a majority of which will be individuals enrolled or eligible to be enrolled in the program under this legislation. The long-term care centers would provide either directly or through arrangements with other persons, the services listed above. The center will evaluate and certify the long-term care needs of individuals who reside in their service area so that they receive the proper level of care. The center will carry on a continuous followup relationship with each individual who receives benefits under part D. The community long-term care center insures local control and local accountability for this program.

Seventh, the bill provides a $36-per-year increase in supplemental security income benefits which will cover the $3 per month premium payment established by part D.

Eighth, in addition the Medicare Long-Term Care Amendments of 1975 would amend the Public Health Service Act to provide for the training of personnel to implement this system.

Mr. President, in drafting this legislation I received advice and counsel from a number of individuals knowledgeable in the field of long-term care. I would be remiss if I did not recognize the assistance I received from Dr. Matthew Tayback, director of the Maryland Office on Aging; Dr. William Reichel, chairman of the Department of Family Practice at Franklin Square Hospital; Laurence F. Lane, legislative representative for the American Association of Retired Persons/National Retired Teachers Association; Ms. Helen Padula, coordinator of services to the aged, Maryland Department of Health and Mental Hygiene; Dr. Joseph I. Berman, chief of the Department of Community Medicine, Sinai Hospital of Baltimore; and Dr. Noel List, Department of Community Medicine, Sinai Hospital. In addition I would like to thank Doug Hester of the Senate Legislative Counsel's Office for his patience, skill, and perseverance in the technical drafting of this measure.

Mr. President, I ask unanimous consent that the section-by-section analysis prepared by the Congressional Research Service of the Library of Congress and the text of S. 2702 be printed in the Record at the conclusion of my remarks.

Mr. President, in its final report, the Maryland Governor's Commission on Nursing Homes stated:

> . . . that the inability or unwillingness of State agencies and long term care facilities to deal in a concerted and integrated manner with problems of the aged, continue to be the major problem of our old people who require long term care and the major obstacle to the development for our aged of meaningful alternatives to institutionalization.

I would add that the Federal Government has done little, if anything, to improve this situation. I would hope that the legislative proposal I am introducing today will begin to bring order out of the chaos that is our present long-term-care system.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 2702

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Long-Term Care Amendments of 1975".

ESTABLISHMENT OF MEDICARE LONG-TERM CARE PROGRAM

Sec. 2. Title XVIII of the Social Security Act is amended by adding at the end thereof the following new part:

"Part D—Long-Term Care Services Program

"ESTABLISHMENT OF PROGRAM

"Sec. 1881. (a) There is hereby established a program to provide long-term care benefits in accordance with this part for aged and disabled individuals who are enrolled under such program.

"(b) The program established by this part shall be financed from premium payments by enrollees in the program together with contributions from funds appropriated by the Federal Government and contributions by States.

"ADMINISTRATION OF PROGRAM

"Sec. 1882. The Secretary shall administer the program established under this part thrlogh a separate organizational unit, which he shall establish for that purpose within the Department of Health, Education, and Welfare. Such separate organizational unit shall be headed by an individual designated by the Secretary and such individual shall report directly to the Secretary.

"ADVISORY COUNCIL

"Sec. 1883. (a) There is hereby established a Federal Advisory Council on Long-Term Care to consist of the Commissioner of the Administration on Aging, who shall be Chairman, and four members, not otherwise in the employ of the United States, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The appointed members shall be persons who are especially qualified, by reason of training and experience in fields relating to long-term care, to carry out the duties of the Council.

"(b) Each appointed member shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and except that, of the members first appointed (and as designated by the Secretary at the time of appointment), one member shall be appointed for a term of four years, one member shall be appointed for a term of three years, one member shall be appointed for a term of two years, and one member shall be appointed for a term of one year. A member shall not be eligible to serve continuously for more than two terms, but shall be eligible for reappointment if he has not served immediately preceding his reappointment.

"(c) It shall be the duty and function of the Council to provide advice and recommendations for the consideration of the Secretary on regulations under this part and on matters of general policy with respect to this part. No regulations of the Secretary under this part shall become effective unless they have first been approved by the Council.

"(d) The Council shall meet as frequently as the Chairman deems necessary, but not less often than once a year. Upon request of the Secretary or of three or more of the appointed members of the Council, it shall be the duty of the Chairman to call a meeting of the Council.

"(e) The Secretary shall furnish to the Council an executive secretary and such secretarial, clerical, and other services as may be required to enable the Council to carry out its duties and functions.

"(f) (1) Appointed members of the Council shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Council.

"(2) While away from their homes or regular places of business in the performance of services of the Council, appointed members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government are allowed expenses under section 5703(b) of title 5, United States Code.

"(g) Section 14(a) of the Federal Advisory Committee Act shall not apply to the Council established pursuant to this section.

"ENROLLMENT FOR LONG-TERM CARE SERVICE BENEFITS

"SEC. 1884. (a) Every individual who is or is deemed to be enrolled in the program established by part B shall be deemed to be enrolled in the program established by this part for any period, commencing on or after April 1, 1977, with respect to which such individual is or is deemed to be enrolled in the program established by part B.

"(b) (1) Every individual who is eligible to enroll in the program established by part B, but is not enrolled nor deemed to be enrolled therein, shall be eligible to enroll in the program established by this part only in such manner and form as may be prescribed by regulations, and only during an enrollment period prescribed in or under this subsection.

"(2) No such individual may enroll under this part more than once.

"(3) In the case of individuals who first become eligible to enroll in the program established by part B before April 1, 1977, the initial general enrollment period shall begin on January 1, 1977, and end at the close of March 31, 1977. For purposes of this section, an individual shall be deemed to have first become eligible to enroll in the program established by part B on the date he first meets the applicable requirements of section 1836.

"(4) In the case of an individual who first becomes eligible to enroll in the program established by part B on or after April 1, 1977, his initial enrollment period shall begin on the first day of the third month before the month in which he first becomes eligible to enroll in such program and shall end 7 months later.

"(5) There shall be a general enrollment period, after the period described in paragraph (3), during the period beginning on January 1 and ending on March 31 of each year beginning with 1978.

"(c) The period during which an individual is entitled to benefits under the program established by this part (hereinafter referred to as his 'coverage period') shall begin, in the case of an individual deemed to be enrolled hereunder pursuant to subsection (a), on July 1, 1977 or (if later) on the date such individual's coverage period under part B begins, and, in the case of any individual who enrolls pursuant to subsection (b), on whichever of the following is the latest:

"(1) July 1, 1977; or

"(2) (A) in the case of an individual who enrolls pursuant to subsection (b) (4) before the month in which he first becomes eligible to enroll in the program established by part B, the first day of such month, or

"(B) in the case of an individual who enrolls pursuant to subsection (b) (4) in the month in which he first becomes eligible to enroll in the program established by part B, the first day of the month following the month in which he so enrolls, or

"(C) in the case of an individual who enrolls pursuant to subsection (b) (4) in the month following the month in which he first becomes eligible to enroll in the program established by part B, the first day of the second month following the month in which he so enrolls, or

"(D) in the case of an individual who enrolls pursuant to subsection (b) (4) more than one month following the month in which he first becomes eligible to enroll in the program established by part B, the first day of the third month following the month in which he so enrolls, or

"(E) in the case of an individual who enrolls pursuant to subsection (b) (5), the July 1 following the month in which he so enrolls.

"(d) (1) An individual's coverage period shall continue until his enrollment has been terminated—

"(A) by the filing of notice that the individual no longer wishes to participate in the program established by this part, or

"(B) for nonpayment of premiums.

"(2) Notwithstanding any other provision of this title, if an individual is enrolled under both part B and this part, termination of such individual's enrollment under this part shall serve to terminate such individual's enrollment under part B. Such individual's coverage period under part B shall terminate on the same date as such individual's coverage period is terminated under this part.

"(3) The termination of a coverage period under paragraph (1) (A) shall take effect at the close of the calendar quarter following the calendar quarter in which the notice is filed. The termination of a coverage period under paragraph (1) (B) shall take effect on a date determined under regulations, which may be determined so as to provide a grace period in which overdue premiums may be paid and coverage continued. The grace period determined under the preceding sentence shall not exceed 90 days; except that it may be extended to not to exceed 180 days in any case where the Secretary determines that there was good cause for failure to pay the overdue premiums within such 90-day period.

"(4) No payment may be made under this part with respect to expenses of an individual unless such expenses are incurred by such individual during a period which, with respect to him, is a coverage period.

"(e) (1) Subject to paragraph (2), the monthly premium of each individual enrolled (or deemed to be enrolled) under this part for each month shall be $3.

"(2) (A) In the case of an individual whose coverage period began pursuant to an enrollment after his initial enrollment period (determined pursuant to paragraph (3) or (4) of subsection (b)), the monthly premium, as set forth in paragraph (1), shall be increased by 10 percent for each full 12 months, in the same continuous period of eligibility (as defined in section 1839 (f)), in which he could have been but was not enrolled. For purposes of the preceding sentence, there shall be taken into account the months which elapsed between the close of his initial enrollment period and the close of the enrollment period in which he enrolled. Any increase in an individual's monthly premium under the first sentence of this subparagraph with respect to a particular continuous period of eligibility shall not be applicable with respect to any other continuous period of eligibility which such individual may have.

"(B) If any monthly premium determined under the foregoing provisions of this subsection is not a multiple of 10 cents, such premium shall be rounded to the nearest multiple of 10 cents.

"SCOPE OF BENEFITS

"SEC. 1885. The benefits provided to an individual by the program established by this part shall consist of—

"(1) home health services,

"(2) homemaker services,

"(3) nutrition services,

"(4) long-term institutional care services,

"(5) day care services,

"(6) foster home services, and

"(7) community mental health center outpatient services.

"STATE LONG-TERM CARE AGENCY

"SEC. 1886. (a) The benefits provided under this part shall not go into effect in a State unless the Secretary makes a certification that such State has an agency (which shall be (i) the State agency on Aging with an adequate coordinating arrangement with the State health department and the State welfare agency, (ii) a major division of the State health department with an adequate coordinating arrangement with the State social welfare agency and the State agency on Aging, or (iii) a separate agency with an adequate coordinating arrangement with the State health department, the State social welfare agency, and the State agency on Aging (established pursuant to title III of the Older Americans Act of 1965) which—

"(1) designates service areas in the State in which community long-term care centers (as defined in section 1891 (a)) would provide the benefits covered by this part, after taking into consideration such factors as (A) demographic characteristics, (B) unusual patterns of utilization of health and community services, and (C) transportation services to the end that any such center serving a designated area will be conveniently accessible to the residents of the area; except that any service area so designated, if not coterminous with a planning and service area (as establshed pursuant to title III of the Older Americans Act of 1965) shall be wholly within such a planning and service area; and except that any service area so designated shall, to the maximum extent feasible, be wholly within an area designated by the Secretary under section 1152;

"(2) certifies, pursuant to standards and criteria established under regulations of the Secretary, community long-term care centers for participation in the program established by this part;

"(3) promotes and assists in the organization of new community long-term care centers in areas where they do not exist;

"(4) in any case where such a community long-term care center has not been certified for an area designated under paragraph (1), will establish a local office in such area for the purpose of performing the functions of such a center; except that such local office shall not be used for such purposes for longer than 2 years unless the Governor certifies to the Secretary that additional time is needed to establish a nongovernmental community long-term care center with respect to such area;

"(5) monitors the activities of all community long-term care centers in the State and reports to the Governor and to the Secretary whenever it finds that a community long-term care center either—

"(A) no longer meets the conditions of participation for a community long-term care center, or

"(B) is no longer effectively providing the benefits covered under this part;

"(6) certifies to the Secretary and makes payments to community long-term care centers in the State under the prospective reimbursement system required pursuant to section 1892; and

"(7) files an annual report with the Governor of the State and the Secretary on the operation in such State of the program established under this part.

"(b) The State long-term care agency shall conduct such audits as may be appropriate to assure that services furnished by providers pursuant to an arrangement with a community long-term care center are paid on the basis of reasonable charge, if the service is furnished by an individual practitioner, and on the basis of reasonable cost, if the service is furnished by a person other than an individual practitioner.

"PAYMENT OF PREMIUMS

"SEC. 1887. (a)(1) In the case of an individual who is entitled to monthly benefits under section 202 or 223, his monthly premiums under this part shall (except as provided in subsections (b)(1) and (c)) be collected by deducting the amount thereof from the amount of such monthly benefits. Such deduction shall be made in such manner and at such times as shall be prescribed in regulations.

"(2) The Secretary of the Treasury shall, from time to time, transfer from the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund to the Federal Long-Term Care Trust Fund the aggregate amount deducted under paragraph (1) for the period to which such transfer relates from benefits under section 202 or 223 which are payable from such Trust Fund. Such transfer shall be made on the basis of a certification by the Secretary of Health, Education, and Welfare and shall be appropriately adjusted to the extent that prior transfers were too great or too small.

"(b)(1) In the case of an individual who is entitled to receive for a month an annuity or pension under the Railroad Retirement Act of 1937 (whether or not such individual is also entitled for such month to a monthly insurance benefit under section 202 or 223), his monthly premiums under this part shall (except as provided in subsection (c)) be collected by deducting the amount thereof from such annuity or pension. Such deduction shall be made in such manner and at such times as shall be prescribed in regulations by the Secretary after consultation with the Railroad Retirement Board.

"(2) The Secretary of the Treasury shall, from time to time, transfer from the Railroad Retirement Account to the Federal Long-Term Care Trust Fund the aggregate amount deducted under paragraph (1) for the period to which such transfer relates. Such transfers shall be made on the basis of a certification by the Railroad Retirement Board and shall be appropriately adjusted to the extent that prior transfers were too great or too small.

"(c) If an individual to whom subsection (a) or (b) applies estimates that the amount which will be available for deduction under such subsection for any premium payment period will be less than the amount of the monthly premiums for such period, he may (under regulations) pay to the Secretary such portion of the monthly premiums for such period as he desires.

"(d)(1) In the case of an individual receiving an annuity under subchapter III of chapter 83 of title 5, United States Code, or any other law administered by the Civil Service Commission providing retirement or survivorship protection, to whom neither subsection (a) nor subsection (b) applies, his monthly premiums under this part (and the monthly premium of the spouse of such individual under this part if neither subsection (a) nor subsection (b) applies to such spouse and if such individual agrees) shall, upon notice from the Secretary to the Civil Service Commission, be collected by deducting the amount thereof from each installment of such annuity. Such deduction shall be made in such manner and at such times as the Civil Service Commission may determine. The Commission shall furnish such information as the Secretary may reasonably request in order to carry out his functions under this part with respect to individuals to whom this subsection applies. A plan described in section 8903 of title 5, United States Code, may reimburse each annuitant enrolled in such plan in an amount equal to the premiums paid by him under this part if such reimbursement is paid entirely from funds of such plan which are derived from sources other than the contributions described in section 8906 of such title.

"(2) The Secretary of the Treasury shall from time to time, but not less often than quarterly, transfer from the Civil Service Retirement and Disability Fund, or the account (if any) applicable in the case of such other law administered by the Civil Service Commission, to the Federal Long-Term Care Trust Fund, the aggregate amount deducted under paragraph (1) for the period to which such transfer relates. Such transfer shall be made on the basis of a certification by the Civil Service Commission and shall be appropriately adjusted to the extent that prior transfers were too great or too small.

"(e)(1) In the case of an individual receiving benefits under title XVI of this Act to whom neither subsection (a), subsection (b), or subsection (d) applies, his monthly premium shall be collected by deducting the amount thereof from the amount of such benefits. Such deduction shall be made in such manner and at such times as shall be prescribed in regulations.

"(2) Amounts deducted by the Secretary under paragraph (1) shall be deposited in the Treasury to the credit of the Federal Long-Term Care Trust Fund.

"(f) In the case of an individual who participates in the program established by this part but with respect to whom none of the preceding provisions of this section applies, or with respect to whom subsection (c) applies, the premiums shall be paid to the Secretary at such times, and in such manner, as shall be prescribed in regulations. Such regulations shall be designed to encourage and facilitate, in the case of any individual receiving periodic benefits under any retirement system (other than any of the foregoing) administered by an agency of the Federal Government, the payment of such individual's premiums under this part through automatic deductions from the individual's periodic benefit payments under such system; and, notwithstanding any other provision of law, the administrator of any such retirement system shall, when so requested by any recipient of benefits thereunder who is enrolled under this part, to deduct the individual's premiums therefrom and forward the same to the Secretary.

"(g) Amounts paid to the Secretary under subsection (c) or (f) shall be deposited in the Treasury to the credit of the Federal Long-Term Care Trust Fund.

"(h) In the case of an individual who participates in the program established by this part, premiums shall be payable for the period commencing with the first month of his coverage period and ending with the month in which he dies or, if earlier, in which his coverage under such program terminates.

"FEDERAL LONG-TERM CARE TRUST FUND

"SEC. 1888. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the 'Federal Long-Term Care Trust Fund' (hereinafter in this section referred to as the 'Trust Fund'). The Trust Fund shall consist of such gifts and bequests as may be made as provided in section 201(i)(1), and such amounts as may be deposited in, or appropriated to, such fund as provided in this part.

"(b) With respect to the Trust Fund, there is hereby created a body to be known as the Board of Trustees (hereinafter in this section referred to as the 'Board of Trustees') composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the Board of Trustees (hereinafter in this section referred to as the 'Managing Trustee'). The Commissioner of Social Security shall serve as the Secretary of the Board of Trustees. The Board of Trustees shall meet not less frequently than once each calendar year. It shall be the duty of the Board of Trustees to—

"(1) hold the Trust Fund;

"(2) report to the Congress not later than the first day of April of each year on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next 2 fiscal years;

"(3) report immediately to the Congress whenever the Board is of the opinion that the amount of the Trust Fund is unduly small; and

"(4) review the general policies followed in managing the Trust Fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the Trust Fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from the Trust Fund during the preceding fiscal year, an estimate of the expected income to, and the disbursements to be made from, the Trust Fund during the current fiscal year and each of the next 2 fiscal years, and a statement of the actuarial status of the Trust Fund. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(c) It shall be the duty of the Managing Trustee to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act are hereby extended to authorize the issuance at par of public debt obligations for purchase by the Trust Fund. Such obligations issued for purchase by the Trust Fund shall have maturities fixed with due regard for the needs of the Trust Fund and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum the rate of interest on such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield. The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, only where he determines that the purchase of such other obligations is in the public interest.

"(d) Any obligations acquired by the trust fund (except public debt obligations issues exclusively to the trust fund) may be sold by the Managing Trustee at the market price, and such public debt obligations may be redeemed at par plus accrued interest.

"(e) The interest on, and the proceeds from the sale or redemption of, any obligations held in the trust fund shall be credited to and form a part of the trust fund.

"(f) There shall be transferred periodically (but not less often than once each fiscal year) to the trust fund from the Federal Old-Age and Survivors Insurance Trust Fund and from the Federal Disability Insurance Trust Fund amounts equivalent to the amounts not previously so transferred which the Secretary of Health, Education, and Welfare shall have certified as overpayments (other than amounts so certified to the Railroad Retirement Board) pursuant to section 1870(b) and amounts equivalent to the amounts made nonpayable under section 1896(b). There shall be transferred periodically (but not less often than once each fiscal year) to the trust fund from the railroad retirement account amounts equivalent to the amounts not previously so transferred which the Secretary of Health, Education, and Welfare shall have certified as overpayments to the Railroad Retirement Board pursuant to section 1870(b).

"(g) The Managing Trustee shall pay from time to time from the trust fund such amounts as the Secretary of Health, Education, and Welfare certifies are necessary to make the payments provided for by this part.

"(h) The Managing Trustee shall pay from time to time from the trust fund such amounts as the Secretary of Health, Education, and Welfare certifies are necessary to make the payments provided for in sections 1892 and 1895 (c).

"(i) In order to assure that there will be sufficient moneys available for the administration of the insurance program established by this part during the early months of its operation, and to establish a contingency reserve, there is authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, to remain available through the calendar year 1980, for repayable advances (without interest) to the Trust Fund, such sums as may be necessary for such purpose.

"FUNCTIONS OF COMMUNITY LONG-TERM CARE CENTERS

"SEC. 1889. (a)(1) The functions which a community long-term care center must perform in order to meet the conditions of section 1891 (a)(4) shall be those described in paragraph (2).

"(2) A community long-term care center shall—

"(A) provide (directly or through arrangements with other persons) the items and services listed in section 1885 to each individual (i) who is eligible for benefits under this part; (ii) who resides in the area served by such center (as determined under section 1885 (a)), and (iii) who is certified as requiring such services as determined under subparagraph (B); except that such a long-term care center shall not provide directly any long-term institutional care services, nor shall any such center provide directly any other items and services unless they cannot be provided through arrangements with others or unless such center is able to provide them more economically than would be the case if they were provided under arrangements with others;

"(B) evaluate and certify (through a team composed of individuals with the skills necessary for such evaluation and certification) the long-term care needs of each individual, who is entitled to services under this part and applies to such center for an evaluation of his needs, and develop for such individual a plan of care and services designed to promote optimal health and to assist such individual to maintain maximum independence and physical, mental, and social function;

"(C) maintain a continuous relationship with (and periodically evaluate not less than annually) each individual who is receiving any of the items and services listed in section 1885 (including institutional services provided to inpatients) in order to assure (i) that such individual has access to the services provided found to be required pursuant to subparagraph (B), including the provision of assistance in connection with any problems such individual may have in the course of receiving such services, (ii) that such services are sufficient in quantity and quality to meet the objectives of the care plan, and (iii) that such center is continuously informed about the status of such individual and the need for any changes in the services being received by such individual;

"(D) in carrying out its function under subparagraphs (B) and (C), provide full opportunity for such individual and his family to participate in the determinations and functions under such subparagraphs;

"(E) provide an organized system for making its existence and location known to all individuals in its service area (as defined in section 1886(a)) who are eligible for benefits under this part, and for making known to such individuals the method or methods by which they (or persons interested in them) may most efficiently obtain and use the services which it makes available (including services not listed in section 1885);

"(F) provide appropriate assistance designed to assure that individuals, who are eligible for benefits under this part and who are in need of a particular service for which payment may be made under this part, actually are furnished the services which they need; and

"(G) performs such other functions as the Secretary may by regulation prescribe in order to have such center most effectively carry out the purposes of this part.

In carrying out its functions under subparagraph (B), a community long-term care center shall not certify the need for inpatient institutional services for an individual unless a determination has been made that the needs of such individual cannot, with equal effectiveness, be met through the provision of the noninstittuional services covered under section 1885 or other community resources available to such individual.

"(b) In the case of any service which a community long-term care center furnishes through arrangements with others, such services shall, if provided by an individual practitioner, be paid for on the basis of reasonable charge, and if provided by other than an individual practitioner, be paid for on the basis of reasonable cost.

"PAYMENT TO STATES FOR REIMBURSEMENT OF COMMUNITY LONG-TERM CARE CENTERS

"SEC. 1890. (a) From sums in the Federal Long-Term Care Trust Fund, the Secretary shall pay to each State which has a State long-term care agency certified under section 1886, for each quarter beginning with the quarter commencing July 1, 1977, an amount equal to—

"(1) the total amount expended during such quarter as payment to community long-term care centers in such State under the applicable provisions of this part, minus

"(2) 10 percent of such total amount.

"(b)(1) Prior to the beginning of each quarter, the Secretary shall estimate the amount to which a State will be entitled under subsection (a) for such quarter. Such estimates will be based on (A) a report filed by the State containing its estimates of the total sum to be expended in such quarter in accordance with the provisions of this part, and (B) such other investigations as the Secretary may find necessary.

"(2) The Secretary shall then pay to the State, in such installments as he may determine, the amount so estimated, reduced, or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this section to such State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

"DEFINITION OF TERMS USED IN THIS PART

"COMMUNITY LONG-TERM CARE CENTER

"SEC. 1891. (a) The term 'community long-term care center' as used in this part means an organization (or a distinct part of an organization) which—

"(1) is primarily engaged in providing (directly or through arrangements with other persons) the items and services listed in section 1885 (other than the direct provision of institutional services furnished to inpatients) to individuals residing in its service area (as designated pursuant to section 1886);

"(2) has policies, established by a group of professional personnel (associated with such organization) and concurred in by the governing board (as defined in subsection (b)) of such organization;

"(3) maintains medical and other records on all individuals receiving any of the items or services listed in section 1885 (including institutional services);

"(4) performs the functions described in section 1889;

"(5) has in effect an overall plan and budget which (under regulations of the Secretary) places the organization in a position to participate effectively and efficiently in the prospective reimbursement system required under section 1892;

"(6) is located so as to be easily accessible to individuals residing in its service area;

"(7) meets such other conditions of participation as the Secretary may find necessary in the interest of the health and safety of individuals who are furnished services by or through such organization; and

"(8) agrees not to impose any charges with respect to items or services furnished to an individual during such individual's coverage period for which such organization is paid under this part;

except that such term shall not include any nonpublic organization which is not a nonprofit organization exempt from Federal income taxation under section 501 of the Internal Revenue Code of 1954 (or any subdivision of such an organization); and except that such term shall not include any organization which has not been certified by the State agency referred to in section 1886 as meeting the requirements of this subsection.

"GOVERNING BOARD

"(b) For purposes of subsection (a), the term 'governing board', with respect to any community long-term care center, means a body of at least eleven individuals—

"(1) more than half the members of which are individuals enrolled or eligible to be enrolled under section 1884 who reside in the service area of such center, and who have been elected (under terms set forth in regulations) to such membership by individuals enrolled or eligible to be enrolled under section 1884 who live in such service area, and the remainder of whom have been selected by the members so elected with the concurrence of the principal local elected governmental official (as determined by the Governor of the State in which such service area is located) having authority over or with respect to such service area,

"(2) which changes its entire membership at least as often as every 6 years, and

"(3) which does not have members who have served more than 2 terms.

"NUTRITION SERVICES

"(c) The term 'nutrition services' for purposes of this part shall include only—

"(1) meals on wheels and similar programs for the delivery of meals to individuals in their place of residence;

"(2) food services (and nutritional information services) furnished to individuals in their place of residence by a community long-term care center or by another agency or organization having an arrangement with such center under which such services are furnished to individuals in need thereof who are insured under this part; and

"(3) services provided in the place of residence of such individual by a professional nutritionist (but only if the need for such services has been certified to by such individual's physician).

"HOMEMAKER SERVICES

"(d) The term 'homemaker services' for purposes of this part shall include—

"(1) services provided in the home of an individual designed to maintain the home (not including the structure of the home) in a condition which supports the objectives of enabling such individual to continue living at home, and

"(2) preparing and serving meals in the home of an individual.

"INSTITUTIONAL SERVICES

"(e)(1) The term 'institutional services' for purposes of this part means (A) extended care services as defined in section 1861(h), (B) intermediate care services as defined in paragraph (2), and (C) institutional day care services as defined in paragraph (3).

"(2) The term 'intermediate care services' for purposes of paragraph (1) means any of the following items and services furnished to an inpatient of an intermediate care facility (as defined in subsection (i)) and (except as provided in subparagraphs (C) and (F)) by such intermediate care facility—

"(A) nursing services;

"(B) bed and board;

"(C) physical, occupational, or speech therapy furnished by the intermediate care facility or by others under arrangements with them made by the facility;

"(D) social services certified as necessary (in the individual case) by the community long-term care center responsible for the care of such individual;

"(E) drugs, biologicals, supplies, appliances, and equipment, furnished for use in the facility for the care and treatment of inpatients;

"(F) medical services provided by an intern or resident-in-training of a hospital with which the facility has in effect a transfer agreement (meeting the requirements of subsection 1861(l)) under a teaching program of such hospital approved as provided in the last sentence of subsection 1861(h); and

"(G) such other services necessary to the health or well-being of the patients as are generally provided by intermediate care facilities.

"(3) The term 'institutional day care services' for purposes of paragraph (1) means intermediate care services (other than items or services, except meals, described in subparagraphs (B) and (E) of paragraph (2)) which are provided to outpatients.

"HOME HEALTH SERVICES

"(f) The term 'home health services' for purposes of this part shall have the meaning given it in section 1861(m).

"DAY CARE; FOSTER HOME CARE

"(g)(1) The term 'day care' for purposes of this part means care (other than care with a primary objective of providing medical or physical services) provided to an individual, on a regular (but less than 24-hour-a-day) basis, in a place other than such individual's usual place of abode, by a person or institution licensed or approved by the State long-term care agency, but only if such care is part of the services certified by the community long-term care agency under section 1889.

"(2) The term 'foster home care' for purposes of this part means placement of an individual on a full-time basis in a family setting, except that such term shall not include care in a foster home which is not licensed or approved by the State long-term care agency or which has more than four individuals unrelated by blood or marriage to such family.

"COMMUNITY MENTAL HEALTH CENTER OUTPATIENT SERVICES

"(h) The term 'community mental health center outpatient services' for purposes of this part means outpatient services provided by community mental health centers as defined in the Community Mental Health Centers Act.

"INTERMEDIATE CARE FACILITY

"(i) The term 'intermediate care facility' for purposes of this part means an institution which—

"(1) is licensed under State law to provide, on a regular basis, health-related care or other services to individuals who do not require the degree of care and treatment which a hospital or skilled nursing facility is designed to provide, but who because of their mental or physical condition require care and services (above the level of room and board), over and above the noninstitutional items and services listed in section 1885, which can be made available to them only through institutional services;

"(2) meets such standards provided by the Secretary as he finds appropriate for the proper provision of such care;

"(3) has adequate arrangements for handling medical emergencies; and

"(4) meets such standards of safety, health, and sanitation as are established under regulations in addition to those applicable to such facility under State law. The term 'intermediate care facility' also includes any skilled nursing home or hospital which meets the requirements of the preceding sentence.

The term 'intermediate care facility' also includes a Christian Science Sanitorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts, but only with respect to institutional services. The term 'intermediate care facility' also includes any institution which is located on an Indian reservation and is certified by the Secretary as meeting the requirements of this subsection.

"PAYMENT METHOD FOR COMMUNITY LONG-TERM CARE CENTERS

"SEC. 1892. (a) The Secretary, after consultation with organizations representing the chief executives of the various States, and other interested parties, shall develop and make available to community long-term care centers one or more methods of obtaining payment for the benefits covered under this part on a prospective basis. Once a community long-term care center elects a particular prospective method, it may not alter its election without the prior approval of the Secretary. Whenever the Secretary finds that the number of community long-term care centers electing a particular prospective payment method promulgated in accordance with this section is not sufficient to provide an adequate basis for either the operation or evaluation of that method, the Secretary shall withdraw that method and allow the community long-term care centers which have elected such method to select another method within 30 days of notice of such withdrawal.

"(b) Whenever the Governor of a State certifies to the Secretary a method of prospective payment other than those promulgated under subsection (a), the Secretary shall make available the method certified by the Governor to community long-term care centers situated in such State, but only if the Secretary finds that the use of such method will not increase the costs of the program established under this part over what the costs would be if such method were not so available.

"(c) Prospective payment methods authorized under this part shall include provisions for (1) financial incentives for efficiency and effectiveness equal to the potential difference between the prospective rates or amounts and the amounts actually incurred by a community long-term care center, and (2) maintaining independent management discretion and responsibility in community long-term care centers.

"(d) Any payment method which the Secretary promulgates under this section shall not be modified once established with respect to a community long-term care center, during any accounting period, except under the circumstances specified in regulations of the Secretary.

"(e) Following publication of final regulations governing the method or methods of determining prospective rates or amounts under this part, each community long-term care center shall have a period of 60 days within which to elect to participate in one of the prospective payment methods made available during the first fiscal year beginning more than 120 days after the end of such 60-day period.

"MISCELLANEOUS PROVISIONS

"SEC. 1893. (a) Notwithstanding any other provision of this part, any item or service which is covered under part A or B of this title shall not be a covered service under this part.

"(b) The Secretary shall pay to any State long-term care agency certified under section 1886, in advance or by way of reimbursement, amounts equal to 90 percent of the costs incurred by such agency in carrying out the functions described in such section (and may make adjustments in such payments on account of overpayments or underpayments previously made).

"(c) The provisions of paragraphs (2), (3), (4), (5), (8), (10), (11), (12), and (13) of section 1862(a) shall apply with respect to this part to the same extent as they apply with respect to parts A and B.

"(d) Notwithstanding any other provision of this title, no payment shall be made under this part for or on account of any service furnished by any nonpublic institution, agency, or organization, unless it has on file with the State long-term care agency (designated pursuant to section 1886) current information which makes (in accordance with regulations prescribed by the Secretary) full and complete disclosure as to the ownership and control of such institution, agency, or organization. Such State agency shall make public any and all such information filed with it pursuant to such regulations.

"DETERMINATIONS AND APPEALS

"SEC. 1894. (a) The determination of whether an individual is entitled to benefits under this part shall be made by the Secretary in accordance with regulations prescribed by him.

"(b) Any individual dissatisfied with any determination under subsection (a) as to (1) whether he is eligible to enroll or has enrolled pursuant to this part, or (2) the amount of his benefits under this part (including a determination where such amount is determined to be zero), shall be entitled to a hearing thereon by the Secretary to the same extent as is provided in section 205(b) and to judicial review of the Secretary's final decision after such hearing as is provided in section 205(g).

"REGULATIONS TO ASSURE HIGH QUALITY OF SERVICES

"SEC. 1895. (a)(1) In order to assure that homemaker services and nutritional services provided hereunder are of high quality, and are appropriately furnished, the Secretary shall by regulation prescribe standards respecting such services and the provisions thereof as may be necessary; and, with respect to other services provided hereunder, the Secretary is authorized to establish by regulation such additional standards as may be necessary to assure high quality and the protection of the health and safety of recipients of such services under this part.

"(b) Nothing contained in subsection (a) or in any other provision in this part shall be construed to limit any State, by law or regulation pursuant thereto, from establishing additional, or more stringent, standards and conditions which shall be applicable to the provision of services authorized to be provided under this part.

"STATE AGENCIES TO CERTIFY PROVIDERS

"SEC. 1896. No community long-term care center shall enter into any contract or other arrangement with any other person under which such other person will furnish services to individuals who are insured therefor under this part unless such person shall have been approved by the appropriate State agency as meeting the applicable standards imposed by this part and the regulations promulgated under this part.".

MISCELLANEOUS PROVISIONS

SEC. 3. (a) Section 1861 of the Social Security Act is amended by striking out "title" the first time it appears and inserting in lieu thereof "parts A, B, and C of this title".

(b) Section 1611 (e)(1)(B) of such Act is amended by inserting "or under part D of title XVIII" immediately after "under a State plan approved under title XIX".

(c) Section 1870(g) of such Act is amended by striking out "or under section 1837" and inserting in lieu thereof ", under section 1837, or under section 1884".

(d) Section 201(i)(1) of such Act is amended by striking out "and the Federal Supplementary Medical Insurance Trust Fund" and inserting in lieu thereof "the Federal Supplementary Medical Insurance Trust Fund, and the Federal Long-Term Care Trust Fund".

INCREASE IN SUPPLEMENTAL SECURITY INCOME BENEFITS

SEC. 4. Section 1617 of the Social Security Act is amended by—

(a) inserting "(a)" immediately after "SEC. 1617.", and

(b) adding at the end thereof the following new subsection:

"(b) With respect to months after June 1977, each of the dollar amounts (referred to in subsection (a)) in effect for any month, as determined without regard to this subsection, shall be deemed to be equal to the amount so determined plus $36; except that such $36 shall not be taken into account under subsection (a) in determining the amount of any increase pursuant thereto."

EFFECTIVE DATES

SEC. 5. (a) The amendment made by section 2 of this Act shall be effective upon the enactment of this Act; except that no payment shall be made for services covered under the program established by part D of the Social Security Act (as added by such amendment) which are furnished before July 1, 1977.

(b) The amendments made by section 3 of this Act shall be effective on July 1, 1977.

LONG-TERM CARE TRAINING PROGRAMS

SEC. 6. (a) Title VII of the Public Health Service Act is amended by inserting after section 796 the following new section:

"LONG-TERM CARE TRAINING PROGRAM

"SEC. 797. (a) The Secretary may make grants to and enter into contracts with institutions otherwise eligible under this part to assist in meeting the cost of training programs in the techniques and methods of providing long term health care for persons eligible for assistance under Part D of title XVIII of the Social Security Act.

"(b) No grant or contract may be entered into under this section unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(c) For the purpose of making payments pursuant to grants and contracts under this section, there are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1976, $2,500,000 for the interim period ending September 30, 1976, and $15,000,000 for the fiscal year ending September 30, 1977.".

(b) Section 792(c)(2) of the Public Health Service Act is amended by—

(1) redesignating subparagraphs (F) and (G) as (G) and (H); and

(2) inserting after subparagraph (E) the following:

"(F) developing, demonstrating, or evaluating programs for training geriatric services specialists;".

(c) Section 330(b)(1) of the Public Health Service Act (42 U.S.C. 254c) is amended by—

(1) redesignating subparagraphs (E) and (F) as (F) and (G); and

(2) inserting after subparagraph (D) the following:

"(E) geriatric services;".

SECTION-BY-SECTION ANALYSIS OF THE "LONG-TERM CARE AMENDMENTS OF 1975"

Sec. 2 amends title XVIII of the Social Security Act to provide for a new Part D—entitled "Long-Term Care Services Program."

"ESTABLISHMENT OF PROGRAM"

New Sec. 1881 establishes a long-term care benefits program for aged and disabled individuals to be financed through premium payments from enrollees and through Federal and State government contributions.

"ADMINISTRATION OF PROGRAM"

New Sec. 1882 provides for administration of the program through a separate organizational unit specially created within the Department of Health, Education, and Welfare and headed by an individual designated by the Secretary of HEW.

"ADVISORY COUNCIL"

New Sec. 1883 establishes a Federal Advisory Council on Long-Term Care consisting of the Commissioner of the Administration on Aging and 4 other members appointed by the Secretary of HEW. Sets forth the term of office, compensation, and duties of Council members, including advice and recommendations regarding general policy matters and approval of all program regulations prior to their effective date.

"ENROLLMENT FOR LONG-TERM CARE SERVICE BENEFITS"

New Sec. 1884(a) states that all individuals enrolled or deemed to be enrolled in Part B will be considered enrolled in the Part D—long-term care program beginning April 1, 1977.

New Sec. 1884(b) sets forth conditions for enrollment in the long-term care program for those individuals eligible for Part B who have either not enrolled or are not deemed to be enrolled in Part B. States that such enrollment will be conducted in accordance with regulations during specified enrollment periods and that no individual eligible under this subsection may enroll more than once. Specifies the enrollment periods as follows: 1) for individuals first eligible to enroll in Part B prior to April 1, 1977, the initial general enrollment for the Part D program will be between January 1, 1977 and March 31, 1977; 2) for individuals first eligible to enroll in Part B after April 1, 1977, the initial enrollment period will begin with the third month before the month in which such individuals first become eligible for Part B and will end 7 months later; 3) in addition, there will be a general enrollment period between January 1 and March 31 of each year beginning with 1978.

New Sec. 1884 (c) specifies the date on which an individual's entitlement to long-term care benefits would begin. Prescribes the coverage period for individuals eligible for long-term care benefits through their enrollment in Part B as beginning on July 1, 1977, or if later, on the date such individual's coverage under Part B begins. For individuals who are eligible for Part B but decline such enrollment, the coverage period for purposes of long-term care benefits would begin on whichever was the latest—July 1, 1977, or as follows:

(1) for an individual first eligible to enroll in Part B prior to April 1, 1977, who enrolls in the long-term care program during January, February, or March of 1977, eligibility for benefits would begin on July 1, 1977;

(2) for an individual first eligible to enroll in Part B on or after April 1, 1977, who enrolls in the long-term care program during the 7-month period beginning with the 3rd month preceding the 1st month he could have enrolled in Part B (but declined to do so), the month he would first become eligible for long-term care benefits would depend on the month of the 7-month period in which the enrollment occurred. If enrollment occurred during one of the first 3 months, eligibility for long-term care benefits would begin with the 4th month. If enrollment occurred in the 4th month, long-term eligibility would begin in the following month. If enrollment occurred in the 5th month, eligibility would begin with the 7th month. Enrollments during one of the final 2 months of the 7-month period would be effective with the 2nd month following the month of enrollment.

(3) for an individual who declines the opportunity to enroll in the long-term care program during the first enrollment period in which he is eligible to enroll and enrolls instead during the annual January-March open enrollment, eligibility for benefits would begin with July of the year of enrollment.

New Sec. 1884(d) states that coverage will continue unless terminated for nonpayment of premiums or until such time as the individual indicates that he no longer wishes to participate. Provides that termination of coverage under the Part D program will also serve as simultaneous termination of Part B coverage for those individuals enrolled under both programs. Stipulates that coverage terminated by an individual's notice of non-participation will cease at the end of the calendar quarter following the calendar quarter in which notice is filed. Stipulates that for termination consequent to nonpayment of premiums, coverage will end on a date determined under regulations, allowing for a grace period of not more than 90 days unless extended up to 180 days in cases showing good cause.

New Sec. 1884(e) states that the monthly premium for the program will be $3, except for those individuals failing to enroll until after the expiration of their respective initial enrollment periods, for whom premiums will be increased by 10 percent for each full 12 months in the same continuous period of eligibility in which they could have been, but were not, enrolled.

"SCOPE OF BENEFITS"

New Sec. 1885 lists the benefits provided by the program as consisting of home health services, homemaker services, nutrition services, long-term institutional care services, day care services, foster home services, and community mental health center outpatient services.

"STATE LONG-TERM CARE AGENCY"

New Sec. 1886(a) states that benefits will not go into effect in any State not certified as having a long-term care agency. Requires the State agency to be either the State Agency on Aging with coordination arrangements with the State health department and the State social welfare agency, or a major division of the State health department with similar interagency coordination, or a separate agency with adequate coordination with the State health department, State Agency on Aging, and State social welfare agency.

Enumerates the responsibilities of the State agency as follows:

(1) designation of service areas of community long-term care centers within the State, after taking into consideration such factors as demographic characteristics, health and community services' utilization patterns, and available transportation services.

(2) certification (in accordance with Federal standards and criteria) of community long-term care centers for participation in the program;

(3) promotion and assistance in organizing new long-term care centers in areas where none exist;

(4) establishment of local offices in areas without a certified long-term care center, to perform the functions of such a center for a period limited to not more than 2 years, unless the Governor certifies that additional time is needed to establish a non-governmental center;

(5) monitoring of the activities of long-term care centers and reporting to the Governor and the Secretary whenever a center no longer meets conditions of participation or no longer effectively provides the program's benefits;

(6) certification to the Secretary and payment to centers under the prospective reimbursement system required under Sec. 1892;

(7) filing of an annual report with the Governor and the Secretary on the operation of the program.

New Sec. 1886(b) directs State long-term care agencies to conduct appropriate audits to assure that providers' services are paid on a reasonable charge basis if furnished by an individual practitioner and on a reasonable cost basis if furnished by a person other than an individual practitioner.

"PAYMENT OF PREMIUMS"

New Sec. 1887(a)–(e) specifies that individuals entitled to monthly OASDI benefits, or annuities or pensions under the Railroad Retirement Act of 1937, will have their monthly premiums for the long-term care program deducted from their monthly benefits, annuities, or pensions. Makes similar provisions for individuals receiving annuities through programs for government employees administered by the Civil Service Commission and for individuals receiving benefits under the Supplemental Security Income Program. Provides for the transfer of funds from the OASDI Trust Funds, the Railroad Retirement Account, the Civil Service Retirement and Disability Fund, or the account applicable in the case of such other laws administered by the Civil Service Commission, to the Federal Long-Term Care Trust Fund. Allows individuals who would receive less in monthly benefits under OASDI or Railroad Retirement than the amount of the monthly premiums for the long-term care program to pay (under regulations) to the Secretary such portions of the monthly premiums for such periods as the individual may desire.

New Sec. 1887(f)–(g) provides that for individuals to whom none of the provisions of subsections (a) through (e) apply, premiums for the Part D program will be paid in accordance with regulations. Stipulate that such regulations are to encourage and facilitate the payment of such individual's premiums through automatic deductions from any periodic benefits such individual may be receiving under any retirement system (other than those described in subsections (a) through (e)) administered by a Federal agency.

New Sec. 1887(h) states that premiums will be payable beginning with the first month of an individual's coverage period and ending with the month in which he dies or, if earlier, in which his coverage under the program terminates.

"FEDERAL LONG-TERM CARE TRUST FUND"

New Sec. 1888 creates on the books of the Treasury a Federal Long-Term Care Trust Fund to consist of such amounts as may be deposited in or appropriated to such fund for purposes of the long-term care program. Makes the Fund subject to the same financial, reporting, and administrative conditions and obligations as pertain to other social security trust funds. Authorizes appropriation of such sums as may be necessary for the administration of the long-term care program during the early months of its operation and to establish a contingency reserve.

"FUNCTIONS OF COMMUNITY LONG-TERM CARE CENTERS"

New Sec. 1889 outlines the functions of community long-term care centers as follows:

(1) provides long-term care benefits to eligible individuals residing in the center's service area and certified as requiring such services; except that a center may not directly provide long-term institutional care nor any other items or services unless they cannot be provided through arrangements with others or unless the center is able to provide them more economically;

(2) evaluate and certify the long-term care needs of each individual entitled to services who applies for an evaluation and develop a plan of care and services to promote optimal health and assist the individual in maintaining maximum independence and physical, mental and social function;

(3) maintain a continuous relationship with (and at least once annually evaluate) each individual receiving long-term care benefits (including inpatient institutional services) to assure that access to services has been provided, that services are sufficient in quantity and quality, and that the center is continuously informed about the status and needs of such individual;

(4) provide full opportunity for the individual and his family to participate in the determinations and functions described above;

(5) provide an organized system for making its existence and location known to all eligible individuals in its service area and for instructing individuals on how to obtain and utilize the center's services;

(6) provide assistance to assure that eligible individuals are actually furnished the services they need;

(7) perform other functions as may be prescribed by regulations of the Secretary.

Prohibits a center from certifying to an individual's need for inpatient institutional services unless a determination has been made that the individual's needs cannot, with equal effectiveness, be met through noninstitutional services of the long-term care program or through other community resources. Specifies that individual practitioners' services would be paid on a reasonable charge basis, while other providers would be paid on the basis of reasonable costs.

"PAYMENT TO STATES FOR REIMBURSEMENT OF COMMUNITY LONG-TERM CARE CENTERS"

New Sec. 1890(a) requires the Secretary to pay each State having a certified long-term care agency for each quarter beginning with July 1, 1977, an amount equal to the total amount expended during such quarter as payment to community long-term care centers in the State, minus 10 percent of such total amount.

New Sec. 1890(b) requires the Secretary to estimate in advance of each quarter the amount each State will be entitled to receive, based on a State report estimating its total quarterly expenditures under the program and such other investigations as the Secretary may find necessary. Directs the Secretary then to pay to the State in installments the amounts so estimated, reduced or increased to reflect any overpayment or underpayment which was made (and not previously adjusted) for any prior quarter.

"DEFINITION OF TERMS USED IN THIS PART"

"COMMUNITY LONG-TERM CARE CENTER"

New Sec. 1891(a) defines the term "community long-term care center" to mean an organization (or a distinct part thereof) which—

(1) is primarily engaged in providing (directly or through arrangements with other persons) covered long-term care services (other than in-patient institutional services) to individuals residing in its service area;

(2) has policies, established by a group of professional personnel associated with such organization and concurred in by its governing board;

(3) maintains medical and other records on all individuals receiving covered long-term care services;

(4) performs the functions described in Sec. 1889;

(5) has in effect an overall plan and budget which (under regulations) allows the organization to participate effectively and efficiently in the prospective reimbursement system required under Sec. 1892;

(6) is easily accessible to individuals residing in its service area;

(7) meets such other conditions as the Secretary may find necessary in the interest of the health and safety of individuals furnished services by or through the organization; and

(8) agrees not to impose any charges with respect to services for which it is paid under the program.

Excludes any nonpublic organization which is not a non-profit organization exempt from Federal income taxation under Section 501 of the Internal Revenue Code of 1954, and any organization not certified by the State long-term care agency.

"GOVERNING BOARD"

New Sec. 1891(b) defines the term "governing board" with respect to any community long-term care center, to mean a body of at least 11 individuals—

(1) more than half of whom are enrolled in or eligible for the program, reside in the center's service area, and have been elected by other individuals enrolled in or eligible for the program and living in the center's service area; whose remaining membership has been chosen by the elected board members, with the concurrence of the principal local elected government official;

(2) which changes its entire membership at least once every 6 years; and

(3) whose members do not serve more than 2 terms.

"NUTRITION SERVICES"

New Sec. 1891(c) defines the term "nutrition services" to include only—

(1) meals on wheels and similar programs for delivery of meals to the individual's place of residence;

(2) food services (and nutritional information services) furnished in the individual's residence by a long-term care center or other agency under arrangements with the center; and

(3) services provided in the place of residence by a professional nutritionalist (but only if certified as necessary by the individual's physician).

"HOMEMAKER SERVICES"

New Sec. 1891(d) defines the term "homemaker services" to include the following:

(1) services provided in an individual's home designed to maintain the home (excluding the structure of the home) in a condition enabling the individual to continue living at home; and

(2) preparing and serving meals in the home.

"INSTITUTIONAL SERVICES"

New Sec. 1891(e)(1) defines the term "institutional services" to mean—

(A) extended care services as defined in Sec. 1861(h),

(B) intermediate care services as defined in paragraph (2), and

(C) institutional day care services as defined in paragraph (3).

New Sec. 1891(e)(2) defines the term "intermediate care services" to mean any of the following items and services furnished to inpatients of an intermediate care facility—

(A) nursing services;

(B) bed and board;

(C) physical, occupational, or speech therapy furnished by the intermediate care facility or by others under arrangements with the facility;

(D) social services individually certified as necessary by the community long-term care center responsible for the care of the individual;

(E) drugs, biologicals, supplies, appliances, and equipment furnished for use in the facility for the care and treatment of inpatients;

(F) medical services provided by an intern or resident of a hospital with which the facility has in effect a transfer agreement; and

(G) such other services necessary to the health or well-being of the patients as are generally provided by intermediate care facilities.

New Sec. 1891(e)(3) defines the term "institutional day care services" to mean intermediate care services (other than items or services, except meals, described in paragraphs (B) and (E) of paragraph (2) which are provided to outpatients.

"HOME HEALTH SERVICES"

New Sec. 1891(f) defines the term "home health services" as in Sec. 1861(m).

"DAY CARE; FOSTER HOME CARE"

New Sec. 1891(g)(1) defines the term "day care" to mean care (other than medical or physical services) provided on a regular (but less than 24-hour-a-day) basis, in a place other than the individual's usual place of abode by a person or institution licensed or approved by the State long-term care agency, but only if such care is part of the services certified by the community long-term agency.

New Sec. 1891(g)(2) defines the term "foster home care" to mean placement of an individual on a full-time basis in a family setting, excluding any foster home not licensed or approved by the State long-term care agency or in which there are more than 4 individuals unrelated by blood or marriage to such family.

"COMMUNITY MENTAL HEALTH CENTER OUTPATIENT SERVICES"

New Sec. 1891(h) defines the term "community mental health center outpatient services" to mean outpatient services provided by community mental health centers as defined in the Community Mental Health Center Act.

"INTERMEDIATE CARE FACILITY"

New Sec. 1891(i) defines the term "intermediate care facility" to mean an institution which—

(1) is licensed under State law to provide, on a regular basis, health-related care or other services to individuals not requiring hospital or skilled nursing care but who, because of their mental or physical condition, require care and services over and above the noninstitutional services listed in Sec. 1885, which can be made available to them only through institutional services;

(2) meets standards of the Secretary;

(3) has adequate arrangements for handling medical emergencies; and

(4) meets such standards of safety, health, and sanitation as are established under regulations in addition to those applicable to such facilities under State law.

Includes under the term any skilled nursing home or hospital which meets the above requirements. Also includes a Christian Science Sanitorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts, but only with respect to institutional services. Also includes any institution located on an Indian reservation and certified by the Secretary as meeting the above requirements.

"PAYMENT METHOD FOR COMMUNITY LONG-TERM CARE CENTERS"

New Sec. 1892(a) requires the Secretary, after consultation with organizations representing the chief executives of the various States, and other interested parties, to develop and make available to community long-term care centers one of more prospective payment methods for the benefits covered under the program. Stipulates that a center may not alter its initial choice of payment method without prior approval of the Secretary. Instructs the Secretary to withdraw a particular payment method when the number of centers electing that method is insufficient for adequate operation or evaluation of the method. Allows centers utilizing such methods to select another method within 30 days of notice of such withdrawal.

New Sec. 1892(b) directs the Secretary to make available an alternative prospective payment method (other than those promulgated under subsection (a)) certified by the Governor of a State to be used by community long-term care centers in such State, but only if such method will not increase program costs over what they would have been in the absence of such method.

New Sec. 1892(c) states that prospective payment methods are to include financial incentives for efficiency and effectiveness equal to the difference between the prospective rates and the amounts actually incurred by the long-term care center and also provisions for maintaining independent management discretion and responsibility.

New Sec. 1892(d) declares that, once established, a payment method will not be modified with respect to a community long-term care center, during any accounting period, except under circumstances specified in regulations.

New Sec. 1892(e) stipulates that each center will have a period of 60 days (following publication of final regulations governing prospective payments methods) within which to elect a particular payment method to be applicable during the first fiscal year beginning more than 120 days after the end of such 60-day period.

"MISCELLANEOUS PROVISIONS"

New Sec. 1893 declares that any item or service covered under Part A or B of this title will not be a covered service under Part D. Directs the Secretary to pay to any certified State long-term care agency, in advance or by way of reimbursement, amounts equal to 90 percent of the costs incurred by such agency in carrying out its prescribed functions. Makes paragraphs (2), (3), (4), (5), (8), (10), (11), (12), and (13) of Sec. 1862 (a) applicable to the Part D program. Prohibits payment for services furnished by any nonpublic institution, agency, or organization which has not filed with the State long-term care agency a full and complete disclosure of its ownership and control.

"DETERMINATIONS AND APPEALS"

New Sec. 1894 states that the Secretary, in accordance with regulations prescribed by him, will determine whether an individual is entitled to benefits under Part D. Entitles any individual dissatisfied with the Secretary's determination as to his eligibility, enrollment, or amount of benefits to receive a hearing by the Secretary and judicial review, as provided in Sections 205(b) and (g) respectively.

"REGULATIONS TO ASSURE HIGH QUALITY OF SERVICES"

New Sec. 1895 specifically directs the Secretary to prescribe by regulation standards to assure high quality homemaker and nutritional services, and to set such additional standards pertaining to other covered services as may be necessary to assure high quality and protection of the health and safety of covered individuals. Permits any State, by law or regulation, to establish additional, or more stringent, standards and conditions applicable to provision of services under the program.

"STATE AGENCIES TO CERTIFY PROVIDERS"

New Sec. 1896 prohibits long-term care centers from contracting or making other arrangements for the furnishing of services by persons not approved by the appropriate State agency as meeting the applicable standards and regulations imposed and promulgated under the program.

"MISCELLANEOUS PROVISIONS"

Sec. 3 makes various conforming amendments to the Social Security Act.

"INCREASE IN SUPPLEMENTAL SECURITY INCOME BENEFITS"

Sec. 4 amends Sec. 1617 of the Social Security Act to increase the amount payable as Supplemental Security Income Benefits by $36.

"EFFECTIVE DATE"

Sec. 5 states that the new Part D program would be effective upon enactment of this Act, except that no payment would be made for services furnished before July 1, 1977. States that amendments made by section 3 of this Act would be effective July 1, 1977.

"LONG-TERM CARE TRAINING PROGRAMS"

Sec. 6 amends title VII of the Public Health Service Act to add a new Sec. 797 entitled "Long-Term Care Training Program," which would permit the Secretary to make grants to and enter into contracts with eligible institutions for purposes of providing training in the techniques and methods of providing long-term health care for persons eligible under the new Part D program. Authorizes appropriations in the following amounts: $10 million for FY ending June 30, 1976; $2.5 million for the interim period ending September 30, 1976; and $15 million for FY ending September 30, 1977.

By Mr. CHURCH:

S. 2703. A bill to amend the Water Resources Development Act of 1974 in order to increase the authorization for certain bridge construction over Deep Creek in Idaho, required as a result of the construction of Libby Dam, Mont. Referred to the Committee on Public Works.

Mr. CHURCH. Mr. President, with the completion of the Federal Libby Dam-Lake Koocanusa Project, the existing bridge which crosses Deep Creek in Boundary County, Idaho, is deemed unsafe due to increased flooding which now occurs on Deep Creek 3 to 4 months each year.

Public Law 93–251 authorized the Army Corps of Engineers to replace the Deep Creek Bridge, and construction on the project is now scheduled to begin in early December. Earlier this year, after site exploration for the bridge replacement had been completed, it was discovered that the water pipeline which serves the community of Bonners Ferry would be ruined with construction of the new bridge. Thus, some 900 feet of this pipeline will have to be relocated, increasing the total cost of the project by approximately $27,000.

The Corps of Engineers informs me that they feel obligated to adhere to the language of Public Law 93–251, and not spend more than the original cost of the project, which was $350,000. Under this law, the corps is to approve the plans of the county commissioners and then reimburse the county for their expenditures up to the $350,000 limit. The county wishes to begin construction on the replacement bridge as soon as possible, so that it might be completed by next fall. The relocation of the waterline is to be one of the first steps in the construction process, and under the existing law, Boundary County will have to absorb the additional cost of moving the pipeline.

I am today introducing legislation to amend the existing law, so that the county will have the additional funds necessary for the relocation of the waterline.

Mr. President, I ask unanimous consent that a letter to me from Walter Worley, chairman of the Boundary County Board of Commissioners, which details the problem more fully, and the text of the bill be printed in the Record.

There being no objection, the letter and bill were ordered to be printed in the Record, as follows:

County of Boundary,
Bonners Ferry, Idaho,
September 29, 1975.

Senator Frank Church,
245 Russell Senate Office Building,
Washington, D.C.

Dear Senator Church: We currently have a bridge in Boundary County which crosses Deep Creek near the Kootenai River. This bridge is located in an area where water level is controlled by backwaters from the Kootenai River. Previous to construction of Libby Dam, the water would rise above the bridge for a short period of time during spring runoff. Now Libby Dam controls the spring runoff in such a manner that this bridge is under water for a much longer time. For this reason the bridge is badly in need of replacement.

During early 1974, we attempted to enter into an agreement with the Corps of Engineers to obtain funds for replacement of this bridge. Finally, in May, 1975, we entered into the agreement. An amount of $350,000 was allowed in this agreement for bridge and roadway replacement. Presumably, this amount of $350,000 was based on some sort of cost estimate made prior to 1974. Due to some problems encountered and the time lapse between the initial estimate and the present time, it appears that this amount is somewhat low. For this reason, we are contacting you in hopes of receiving some advice or relief.

The agreement with the Corps of Engineers is authorized by Public Law 516, 81st Congress, and modified by Public Law 93-251, 93rd Congress, HR 10203, Section 50. This law authorizes the Corps to reimburse the County for bridge and road reconstruction.

In December 1974, foundation explorations were made. At this time, a water supply pipeline for Bonners Ferry was found to be very near the bridge location. After analysis of the soils conditions, the possibility of pipeline failure became evident. Many ways to alleviate this problem were investigated. It appeared that replacement of approximately 900 feet of watermain waterline would be the most economical and safest alternative since this is the main water supply to Bonners Ferry and cannot be interrupted for a sustained period of time.

The length of time required to get together with the Corps of Engineers during a period of extreme inflation, combined with the need for replacement of the water supply line which no one involved knew about until more detailed information was put together, appear to have driven costs beyond the anticipated amount of $350,000. Consequently, the Corps was contacted by our engineers and advised of the problem. Although they seemed to agree with our conclusions, they informed us that they could only participate to the limit of $350,000 because of the way the law was written.

Sincerely,
County of Boundary,
Walter Worley,
Chairman, Boundary County Board of Commissioners.

S. 2703

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 50 of the Water Resources Development Act of 1974 (88 Stat. 12) is amended by striking out "$350,000" and inserting in lieu thereof "$380,000".

Mr. DOLE (for himself and Mr. Talmadge):

S. 2704. A bill to amend section 815 of the Internal Revenue Code of 1954. Referred to the Committee on Finance.

Mr. DOLE. Mr. President, on behalf of myself and the senior Senator from Georgia (Mr. Talmadge), I am today introducing a bill which would make a minor and narrowly constructed amendment to section 815(d) of the Internal Revenue Code of 1954.

It is a modification worked out by the Joint Committee on Internal Revenue Taxation to respond to a situation in which an inadvertent and promptly restored distribution was made from the Business Men's Assurance Co. of America—BMA—policyholders surplus account.

Under current law, a very harsh 100-percent tax has been assessed due to the inadvertent distribution—even though it was a mistake which benefited no one. The bill I am introducing today would correct this inequity by making it clear that Congress intended for such a tax to be imposed only when the relevant distribution was intentional, and was not returned before the due date of the tax return for the year.

This bill is necessary only because the Internal Revenue Service did not think it could grant administrative relief on the basis of the current restrictive language of the code.

Certainly, there is no impropriety in granting legislative relief to a taxpayer which has been penalized according to the "letter of the law"—simply because of a temporary and inadvertent distribution.

The amount of money involved in the inadvertent BMA distribution was nearly $5.5 million. And unless prompt legislative action is taken, more than 1 million policyholders in 49 States, Puerto Rico, and the Virgin Islands will be hurt. It is, therefore, a matter which deserves the attention of each Member of the Senate.

Mr. President, I have a prepared memorandum which affords a more complete explanation of this rather unique and complicated situation. It also explains why the proposed change in law is necessary. I ask unanimous consent that it be printed in the Record.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

MEMORANDUM IN SUPPORT OF PROPOSED AMENDMENT TO SECTION 815 (LEGISLATIVE RELIEF FOR UNINTENDED DISTRIBUTION OUT OF POLICYHOLDERS SURPLUS ACCOUNT)

PRESENT LAW

Under present law, a life insurance company is taxed currently on its "taxable investment income" plus one-half of the excess of its "gain from operations" (underwriting income) over its "taxable investment income." This currently taxed income is placed in a "shareholders surplus account" and may be distributed by the life insurance company to its shareholders without further tax consequences.

Tax on the remaining 50% of the excess of gain from operations over investment income was intentionally deferred by Congress because "it is difficult, if not impossible, to determine the true income of insurance companies otherwise than by ascertaining over a long period of time the income derived from a contract or block of contracts." *See* H.R. Rep. No. 34, 86th Cong., 1st Sess., (1959), p. 4; S. Rep. No. 291, 86th Cong., 1st Sess., (1959), p. 7. Life insurance companies are permitted to accumulate these tax-deferred amounts in a contingency reserve known as the "policyholders surplus account."[1]

Subject to certain limitations not relevant here (*see* § 815(d)(4)), life insurance company officials are allowed to use their own best judgment as to when amounts in the policyholders surplus account represent "true income" to the life insurance company which is no longer needed for the protection of policyholders. However, a company which makes a distribution to shareholders out of this account after exhausting its shareholders surplus eliminates the tax deferral on amounts so distributed. A distribution was thought to be an appropriate event for triggering the tax on the assumption that "the company itself has made a determination that [the distributed] amounts constitute income which [is] not required to fulfill the policyholders' contracts." *See* H.R. Rep. No. 34, *supra* at p. 15; S. Rep. No. 291, *supra* at p. 25.

The tax on distribution out of the policyholders surplus account is popularly known as a "phase III" tax.[2] It is computed by applying the regular corporate tax rate to the amount distributed out of the policyholders surplus account, "grossed-up" by the amount of tax payable in respect of the distribution. Under this "gross-up" method, at current corporate tax rates a life insurance company must pay approximately one dollar of tax for every dollar distributed out of the policyholders surplus account.

REASON FOR THE AMENDMENT

The Internal Revenue Service is interpreting present law to require a life insurance company to pay the phase III tax on a wholly unintentional distribution out of the policyholders surplus account even though the principal (99.8%) shareholder of the company promptly returned the distribution upon learning the true facts. The company had a long-standing policy of limiting its distributions to stockholders to amounts in the shareholders surplus account, and footnotes to its published financial statements stated that the company had "no present plans for distributing the amounts in 'policyholders' surplus'." The company paid an extraordinary year-end dividend in the belief that the dividend was consistent with this declared policy, but discovered on preparing its return for the year that it had unintentionally invaded the policyholders surplus account. Amounts distributed out of policyholders surplus by mistake were restored to the company before its return for the year was due.

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[1] Certain special deductions allowed in computing gain from operations are also added to this account.

[2] The tax on investment income is known as "phase I" and the tax on 50% of the excess of gain from operations over investment income is known as "phase II."

Imposition of the phase III tax in these circumstances seems plainly inconsistent with the intent of Congress, which assumed that a distribution would evidence a conscious determination by the life insurance company's officials that amounts to be distributed out of policyholders surplus "constitute income which was not required to fulfill the policyholders' contracts." Obviously, a life insurance company's officials could not have made any such determination if they were not even aware that a distribution was being made from the policyholders surplus account.

Congress should be especially sensitive to the Internal Revenue Service's attempt to turn phase III into another trap for the unwary. Without remedial legislation, the Internal Revenue Service's interpretation of the statute would result in substantial reductions in the policyholders surplus account which provides a cushion for policyholders against adverse loss experience. The reduction would be made before the life insurance company's officials made the determination contemplated by Congress that the cushion could safely be reduced. Moreover, the "gross up" method under which phase III tax is computed results in a tax equal to 100% of the unintentional distribution, a drastic penalty for a mistake.

Rather than allow the Internal Revenue Service to obtain a phase III tax windfall from a life insurance company at the expense of its policyholders, the tax law should encourage the company's shareholders to return the unintentionally distributed policyholders surplus by postponing the phase III tax if amounts distributed by mistake are promptly restored to the company. This is the purpose of the amendment to section 815 proposed herein.

EXPLANATION OF AMENDMENT

The proposed amendment would add a new § 815(d) (6) to the Internal Revenue Code which would prevent the Internal Revenue Service from penalizing a life insurance company for having made an unintentional distribution out of policyholders surplus, provided that the amounts so distributed are returned to the company within a reasonable time. So that there will be no administrative inconvenience to the Internal Revenue Service, the amendment provides that the amounts must have been restored no later than the time prescribed by law for filing the return for the taxable year in which the distribution was made (including extensions thereof); the taxpayer would not be permitted to reopen any prior year. Thus, if a company discovered upon preparing its return for the year that a dividend which it thought had been made from shareholders surplus had actually been distributed out of the policyholders surplus account, § 815(d) (6) would permit the company to continue to defer phase III tax to the extent that its shareholders restore the unintentionally distributed amounts to the company by the time its return for the year is due.

It should be emphasized that § 815(d) (6) would not permanently relieve a life insurance company of tax on amounts unintentionally distributed from the policyholders surplus account. Amounts returned to the company would remain in the policyholders surplus account under the proposed amendment and thus would continue to be subject to the phase III tax in accordance with the rules of § 815.

By Mr. BELLMON:

S. 2705. A bill to provide for a study by the Secretary of Commerce of the need for regulation of weather modification activities, the status of current technologies, the extent of coordination and the appropriate responsibility for operations in the field of weather modification, and for other purposes. Referred to the Committee on Commerce.

NATIONAL WEATHER MODIFICATION COMMISSION

Mr. BELLMON. Mr. President, weather modification has been a reality for 25 years. The great benefits to be derived from weather modification have not occurred because the Federal Government, which has financed most of the work, has failed to organize itself to give its resources maximum impact. The funds have been disbursed to 17 separate agencies, none of which has had sufficient resources to fully research the art of weather modifications.

Additionally, funding emphasis has shifted from agency to agency. The old agency has to phase out its old operation, and the new agency has to build up a completely new staff organization to carry out the function. The consequence of this has been to make it appear almost as if there were a deliberate attempt by the Government to assure that progress would be achieved at the slowest possible rate in developing the true potential of weather modification.

Mr. President, the purpose of this bill is to establish a National Weather Modification Commission to investigate and study the need for regulation of weather modification activities, the status of current technologies, the extent of coordination and the appropriate responsibility for operations in the field of weather modification, and for other purposes.

One of the responsibilities of this Commission will be to recommend a national weather policy which shall consider: First, the importance of weather modification to the production of agricultural products and energy, to other related economic factors, and the international implications in the light of its findings, and second, the roles of all levels of government, the private sector, and the colleges and universities in research and operational weather modification. The Commission will also recommend changes in the organization and involvement of Federal departments and agencies, changes in Federal funding of research and operational programs and changes in legislation which would be required to implement the national weather modification policy.

Mr. President, this National Weather Modification Commission will give weather modification the organization and direction that has been lacking.

I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2705

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF PURPOSE

SECTION 1. It is the policy of the United States (1) to develop, encourage, and implement, through local, State, Federal and private efforts, a coordinated, comprehensive and long-range national program of weather modification for the benefit of mankind through precipitation enhancement, protection from severe storms and certain other weather modification activities, and (2) to encourage the use techniques which have been proven beneficial and to encourage further research to achieve orderly and beneficial uses of weather modification, and (3) to encourage the safeguarding and enhancing of agriculture, water supply, energy sources and the atmospheric environment. To promote this policy, it is first necessary to assess the present technology, organizational structure, funding and problems associated with the orderly implementation of the emerging science of weather modification. Based on this assessment, a detailed weather modification policy for the United States must be established. Further legislation in this area should be guided by this detailed weather modification policy.

SEC. 2. There is hereby established within the Department of Commerce a National Weather Modification Commission (hereinafter referred to as the "Commission").

SEC. 3. (a) The Commission shall be composed of nine members to be appointed by the President, not more than two of whom shall be representatives of each of the following categories: the Federal Government, the States, colleges and universities, private industry dealing with weather modification, and private industry or individuals involved in the production of agricultural products or energy. The President shall designate one of the members of the Commission as chairman. In making such appointments, the President shall appoint individuals who are known for their experience and competence in the fields of weather modification research, operational weather modification, agriculture, agricultural economics, energy development, weather modification law, and social-ecological factors. Not more than five members of the Commission shall be members of the same political party and not more than four members shall be from Government (Federal and State).

(b) Any vacancy in the Commission shall not affect its powers and five members of the Commission shall constitute a quorum.

DUTIES OF THE COMMISSION

SEC. 4. (a) The Commission shall undertake a comprehensive investigation and study of the present state of development of weather modification technology, the problems impeding effective implementation of weather modification, and other related matters. Such a study shall include, but shall not be limited to—

(1) a review of the present and past research efforts to establish the degree of development of operationally useful weather modification technology, particularly as it relates to precipitation enhancement and reduction of damage from severe storms;

(2) a review of research needs in weather modification to establish areas in which more research could be expected to yield the greatest return in terms of operationally useful weather modification technology;

(3) a review of existing studies to establish the probable economic importance to the United States and to individual States in terms of agricultural production, energy, and related economic factors if the present weather modification technology were to be effectively applied;

(4) a review of the legal, social, and ecological implications of expanded and effective research and operational weather modification projects;

(5) a review of the status and any required improvements of legislation regarding regulation of weather modification activities at all levels of government;

(6) a review of the international importance and implications of weather modification activities by the United States including consideration of the potential for use of weather modification for assistance to developing countries which are unable to produce enough food for themselves;

(7) a review of present and past funding

for weather modification from all sources to determine the sources and adequacy of funding in the light of the needs of the Nation and the individual States;

(8) a review of the purpose, policy, methods, and funding of the Federal departments and agencies involved in weather modification and a review of the existing inter-agency coordination of weather modification research efforts.

(b) The Commission shall prepare a preliminary report to the President and to the Congress within one year after its organization, followed within six months by a final report which shall amplify the conclusions of the preliminary report. The report shall contain, but shall not be limited to—

(1) a summary of its findings in each of the areas of investigation specified in subsection (a) of this section;

(2) other findings which the Commission feels are pertinent to a consideration of a national policy on weather modification;

(3) a recommended Statement of National Policy on Weather Modification which shall consider (A) the importance of weather modification to the production of agricultural products and energy, to other related economic factors, and the international implications in the light of its findings, and (B) the roles of all levels of government, the private sector, and the colleges and universities in research and operational weather modification;

(4) recommendations and justifications for any changes from the present levels of Federal funding for research and operational weather modification considering the returns to the Nation which might reasonably be expected from the funding changes;

(5) recommendations and justifications for any changes in the organization and involvement of Federal departments and agencies in weather modification which may be needed to effectively implement the recommended national policy on weather modification;

(6) recommendations and justifications for any changes in legislation which may be required to implement and regulate weather modification policies along the lines of the national weather modification policy statement.

POWERS OF THE COMMISSION

SEC. 5. (a) The Commission or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings, take such testimony and sit and act at such times and places as the Commission deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

(b) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish the Commission such information as the Commission deems necessary to carry out its functions under this Act.

(c) Subject to such rules and regulations as may be adopted by the Commission, the chairman shall have the power to:

(1) appoint and fix the compensation of an executive director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title, and

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $150 per day for individuals.

(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) The General Services Administration shall provide administrative services for the Commission on a reimbursable basis.

COMPENSATION OF MEMBERS

SEC. 6. Members of the Commission, other than members who are officers or employees of the Federal Government, shall receive compensation at the rate of $150 per day for each day they are engaged in the performance of their duties as members of the Commission. All members shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.

DEFINITIONS

SEC. 7. As used in this Act—

(1) The term "weather modification" means any artificially produced changes in the composition, behavior, or dynamics of the atmosphere.

(2) The term "atmospheric environment" includes that portion of air and airborne particles surrounding the earth and bound to the earth more or less permanently by virtue of gravitational attraction, and includes any resources contained therein.

(3) The term "weather modification activity" means the use of any weather modification apparatus or weather modification agent to attempt any weather modification.

APPROPRIATIONS AUTHORIZED

SEC. 8. There is hereby authorized to be appropriated such sums as may be necessary, not to exceed a total of $750,000 to carry out the provisions of this Act.

TERMINATION

SEC. 9. On the ninetieth day after the date of submission of its final report to the President and to the Congress, the Commission shall cease to exist.

By Mr. BELLMON:

S. 2706. A bill to authorize and direct the Secretary of Commerce to plan and carry out an experimental research program to determine the feasibility of and the most effective methods for drought prevention and alleviation by weather modification. Referred to the Committee on Commerce.

Mr. BELLMON. Mr. President, even though weather modification is a reality, there are some people that believe there is no basis for operational weather modification. In Oklahoma each year farmers join together and hire private contractors to seed clouds to increase rainfall. Several cities have hired "rain makers" to seed clouds over the water sheds of the lakes that supply their municipal water. Yet there are still those who do believe that rainfall cannot be increased by weather modification.

The purpose of this bill is to authorize and direct the Secretary of Commerce to plan and carry out an experimental research program to determine the feasibility of and the most effective methods for drought prevention and alleviation by weather modification. The experimental research program would be carried out in a low rainfall agricultural area over a 10-year period.

The Secretary of Commerce would appoint an advisory board to make policy decisions regarding research priorities and to recommended methods for conduct and evaluation of research efforts. The Board will be composed of individuals who possess knowledge and experience in weather modification research or operations, meteorology, agriculture, and related fields.

The Secretary shall submit a report to the Congress upon completion of the experimental project summarizing the 10-year research project.

Mr. President, an extensive research project carried on by the Department of Commerce should determine whether weather modification is an effective tool to lessen the severity of droughts or whether cloud seeding has no effect on rainfall.

If American farmers are going to be able to produce food for the increasing world population, all technology and resources must be developed to the maximum extent. Weather modification can be one of the most useful tools used to increase food and fiber production.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2706

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

DECLARATION OF PURPOSE

SECTION 1. The Congress hereby finds and declares that the multi-state nature of climatic and related phenomena, the severe economic hardships experienced as the result of occasional drought and other adverse meteorological conditions, and the existing role and responsibilities of the Federal Government with respect to disaster relief, require appropriate Federal action to assist the States in attempting to prevent or alleviate such actual or potential adverse meteorological conditions. It is therefore the policy of the United States:

(1) to determine the means by which purposeful weather modification can be used to decrease the impact of drought on agriculture, energy resources, water supplies, economic growth and the general public welfare,

(2) to conduct experimental research into those scientific areas considered most likely to provide operationally useful techniques for drought prevention or alleviation.

(3) to develop operationally useful methods and devices for weather modification,

(4) to transfer weather modification knowledge, as it is developed, to those agencies, State, private companies or associations who may seek to use the knowledge for the benefit of mankind, and

(5) to assess the economic, social, environmental and legal impact of an operational weather modification as it is developed.

DEFINITIONS

SEC. 2. Definitions. As used in this Act—

(a) The term "Secretary" means the Secretary of Commerce.

(b) The term "weather modification" means any activity performed with the intention of producing artificial changes in the composition, behavior, or dynamics of the atmosphere.

(c) The term "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico and any territory or insular possession of the United States.

SEC. 3. (a) The Secretary is authorized and directed to carry out a ten year experimental research effort to determine the feasibility and define the conditions for decreasing the effects of drought through weather modification. The research program shall cease and a final report to the Congress and the President shall be due ten years from the date of this act unless an extension is specifically authorized by Congress.

(b) To obtain the benefits of the best available scientific, technical and operational knowledge and advice in carrying out and evaluating the above program, the Secretary shall appoint an Advisory Board of not more than 6 persons who possess knowledge and experience in weather modification research or operations, meteorology, agriculture, and other related fields and who are from States where weather modification research or operations are frequently conducted. The Secretary shall appoint members representing the Federal Government, State or Local Government and private companies or associations dealing in weather modification research or operations. Not more than two members of the Board shall be employees of the United States. The Secretary shall appoint a chairman every two years. The Board members shall serve for three year staggered terms and may not serve more than six years. The Board shall make policy decisions regarding research priorities and shall recommend methods for conduct and evaluation of the research effort. Members of the Board who are not full time employees of the United States Government, while serving on the business of the Board, may receive compensation at the rate of not more than $150 per diem plus their travel expenses, including per diem in lieu of subsistence, as authorized by Section 5703 of Title 5, United States Code, for individuals in the Government employed intermittently.

(c) The Secretary shall draw upon the capabilities and expertise of other agencies where practical to avoid duplication of efforts.

(d) The Secretary shall insure that the capabilities of the private sector shall be utilized, where appropriate, in the conduct of the field operations and studies in the above experimental program.

(e) The Secretary shall consult with State and local officials representing those areas in which operations may be conducted. The Secretary is authorized to negotiate agreements or contracts with States or local governments to assure continuity of an experimental area during the period of the field operations. As part of the conditions of these agreements, the Secretary may agree to suspend experimental operations during times when the Governor of a State in which research operations are conducted declares that an emergency drought situation exists so that the State or local agencies may conduct operational drought alleviation measures.

(f) During the course of the above program, the Secretary shall establish a mechanism for providing consultation to State and local governments who wish to mount weather modification drought alleviation efforts of their own, so that such efforts may be carried out using the latest scientific information available.

(g) The above program shall include the use of adequate safeguards to govern operations during potential or existing hazardous weather conditions and interference with ongoing Federal weather modification projects. Such safeguards shall be reviewed by the Advisory Board and shall be discussed with governmental officials representing the public in areas where the above program will be conducted.

(h) The Secretary shall conduct concurrent studies of the social, environmental, economic and legal impacts of the use of weather modification for drought alleviation.

(i) The Secretary shall choose one or more experimental sites in regions of the United States in which drought is frequently a major limiting factor for agricultural production and where water supplies for municipal and other uses are often curtailed by drought.

REPORTS

Sec. 4. The Secretary shall submit reports annually to the Congress and the President on (1) his progress in developing effective means of drought alleviation or prevention through weather modification, (2) summaries of other related developments on a worldwide scale, (3) his efforts to transfer the latest scientific drought alleviation information to users, (4) the problems facing effective utilization of weather modification for drought alleviation, and (5) his plans to overcome those problems. A final report shall be due ten years after the enactment of this legislation unless an extension of the experimental program is specifically authorized by Congress.

APPROPRIATIONS AUTHORIZED

There is authorized to be appropriated to carry out the purposes of this section, $1,500,000 for the first fiscal year, and such sums as are necessary, not to exceed $10,000,000 for each successive fiscal year, to remain available until expended. This authorization is not intended to limit the availability of funds for other weather modification activities carried out by the Secretary.

By Mr. BELLMON:

S. 2707. A bill to authorize the Secretary of Commerce to carry out a program of assistance to States in preventing and alleviating drought emergencies. Referred to the Committee on Commerce.

WEATHER MODIFICATION COST-SHARING PROGRAM

Mr. BELLMON. Mr. President, the purpose of this bill is to provide matching funds to States and their political subdivisions to implement operational weather modification to provide immediate and long term relief from drought.

I chaired a Senate Agriculture Committee field hearing on August 19, 1974, in Lawton, Okla., on S. 3313, the Emergency Drought Act of 1974. As a result of the hearing in Lawton, I am introducing this bill which incorporates most of the features of S. 3313 plus some additional elements. Basically, it authorizes the Secretary of Commerce to provide financial assistance in implementing approved State programs on weather modification programs designed to prevent or alleviate damage to crops and livestock due to drought.

At the hearing the secretary of the Oklahoma Water Resources Board testified that a $250,000 expenditure for cloud seeding in five southwestern counties in 1972 produced a 20-to-1 benefit-cost ratio in terms of increased crop production alone.

Dr. Merlin Williams, former director of the South Dakota State weather modification program, testified that a program in that State produced a 30-to-1 benefit-to-cost ratio in increased crop production.

The Federal Government has had experimental programs going for a number of years through the Department of the Interior, Department of Commerce, and various other agencies and departments, but Congress has never encouraged operational programs.

The droughts we experienced the past two summers and the effect they had on crop production, dramatically points to the need for an operational weather modification program.

The Agricultural Stabilization and Conservation Service paid more than $500 to farmers under the disaster clause of the 1973 Agriculture and Consumer Protection Act for drought relief on the 1974 wheat, cotton, and feed grain production. In 1973, the Farmers Home Administration made $557 million in disaster loans to the agriculture sector due to unfavorable weather conditions. Approximately 70 percent of these were forgiveness loans, with the remainder of the loans being made at 1 percent. Mr. President, an expenditure of up to $5 million for weather modification annually would save the Treasury many millions each year as well as preventing widespread hardship.

In a time when agriculture crop production is becoming increasingly important, the United States must effectively use the technology we have to maintain our upward trend of production to help fight inflation.

I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2707

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

The Congress hereby finds and declares—

(a) that the multistate nature of climatic and related phenomena, the severe economic hardships experienced as the result of occasional drought and other adverse meteorological conditions, and the existing role and responsibilities of the Federal Government with respect to disaster relief, require appropriate Federal action to assist the States in attempting to prevent or alleviate such actual or potential adverse meteorological conditions; and

(b) that although substantial limits and uncertainties still exist with respect to the state of the art of weather modification, the extensive damage and adverse economic impact which may result from drought and other adverse meteorological conditions dictate that the Federal Government provide appropriate assistance to those States that desire to use existing technology to attempt to prevent or alleviate such damaging conditions.

Sec. 2. Definitions. As used in this Act—

(a) The term "Secretary" means the Secretary of Commerce.

(b) The term "approved State program" means a program developed by a State, or by two or more States jointly, for the prevention or alleviation of drought conditions, which has been approved by the Secretary.

(c) The term "weather modification" means any activity performed with the intention of producing artificial changes in the composition, behavior, or dynamics of the atmosphere.

(d) The term "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico and any territory or insular possession of the United States.

Sec. 3. (a) The Secretary, upon application by a State or States, is authorized to provide financial assistance in implementing approved State programs in any area in which it is shown, in accordance with criteria promulgated by the Secretary, that there is a reasonable likelihood or actual existence of drought conditions which could cause damage to crops, lower water supplies or otherwise cause substantial economic hardship; criteria shall include rainfall, soil moisture conditions, meteorological and hydrological forecasts, and other related factors.

(b) The Secretary may hold public hearings when he deems it appropriate to determine the views of local or nearby interests in considering any application for assistance with respect to a drought alleviation or prevention program.

(c) Assistance under this Act shall be made available in the form of financial grants to States or political subdivisions thereof, or organizations approved by the Secretary, for the purpose of assisting and initiating weather modification measures designed to prevent or alleviate drought conditions. The total amount of such grant payments by the Secretary in any fiscal year shall not exceed 50 per centum of the total cost during that period of implementing such drought alleviation or prevention program.

(d) Financial assistance under this Act shall be allocated among the various States in accordance with guidelines established by the Secretary.

SEC. 4. The Secretary is authorized and directed to coordinate with all appropriate Federal and State agencies, and with private firms, institutions, and individuals known to be authorities in the science of weather modification and related fields, in monitoring and evaluating the results of any assistance granted under the provisions of section 3 of this Act.

SEC. 5. The Secretary is authorized to promulgate such rules and regulations as may be necessary to carry out the purposes of this Act.

SEC. 6. There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, not to exceed $5,000,000 for each fiscal year, to remain available until expended.

By Mr. McGEE:

S. 2708. A bill to designate the Tom Fitzpatrick Wilderness, Shoshone National Forest, in the State of Wyoming. Referred to the Committee on Interior and Insular Affairs.

Mr. McGEE. Mr. President, today I am introducing legislation which, in accordance with section 3(b) of the Wilderness Act (78 Stat. 891), will designate the area in the Shoshone National Forest in Wyoming classified as the Glacier Primitive Area as wilderness and, therefore, a component of the national wilderness preservation system. The area, to be known as the Tom Fitzpatrick Wilderness, is comprised of approximately 196,000 acres.

It is located in western Wyoming, east of the Continental Divide and in the Wind River Mountain range. It is a rough land with high, jagged mountain peaks, deep, precipitous canyons, and large, alpine plateaus covered with broken rock. Gannett Peak, the highest mountain in Wyoming, rising to 13,804 feet in elevation, is located on the west boundary of the area. In this same range, seven other mountain peaks exceed 13,000 feet in elevation. Active glaciers dominate this area and provide a unique scenic attraction. There are 44 glaciers present which together comprise an area of approximately 7,800 acres. The area also contains some 32 named lakes and over 540 unnamed lakes.

While some 13,000 acres of the proposed Tom Fitzpatrick Wilderness are covered with mature forests, shallow soils, steep terrain, and short growing seasons make prospects for commercial harvesting of timber very poor.

Grazing on the approximately 11,200 acres of suitable forage lands will continue unhampered. The pristine character of this land will, moreover, insure the continued flow of high quality water essential to downstream lands and users. Concurrently, the waters of the Tom Fitzpatrick Wilderness will continue to provide excellent fishing in its numerous lakes and 52 miles of streams. Finally, the area is to be noted for having one of the largest bighorn sheep herds found within the continental United States.

On February 8, 1972, President Nixon proposed that the Glacier Primitive Area and certain contiguous lands located outside its boundaries be redesignated as the Glacier Wilderness. With the exception of a few additional areas of land, I am essentially reproposing this plan to incorporate the Glacier Primitive Area within the national wilderness preservation system and to designate it as the Tom Fitzpatrick Wilderness Area.

I am proposing the change in name on the advice of my former colleague in the Department of History at the University of Wyoming, Dr. T. A. Larson, and Mr. Ned Frost, chief of the Historic Division of the Wyoming Recreation Commission. On the basis of a brief biography of Thomas Fitzpatrick written by LeRoy and Ann Hafen, which I shall request be inserted at the conclusion of these remarks, I have taken to heart the suggestion of Al Larson and Ned Frost that a man of Fitzpatrick's stature deserves commemoration. Fitzpatrick was a close partner—in fact the dominant one—with Jim Bridger. With the Bridger Wilderness already in being, one named after his partner in business would seem long overdue.

Briefly, Tom Fitzpatrick, born in County Cavan, Ireland, in 1799, coming to the United States soon after the end of the war of 1812, proved himself to be among the greatest of the mountain men. He first came to the Rockies in 1823 with the Ashley expedition and spent that winter in the Wind River Valley of Wyoming below the great peaks which I today proposed to designate as wilderness in his name. He was among the first to cross South Pass, to explore the Green River, to travel the Sweetwater, to trap in the Uintas, reach the headwaters of the Clarks Fork, travel the Big Horn, and establish the Green River Rendezvous. He covered thoroughly all the lands of western Wyoming in pursuit of the beaver until the end of the fur trade in 1840. From that time forward, he served as a guide to early settlers, as well as Gen. John C. Fremont in his important explorations of the Rocky Mountain region. Such famous forts along the Oregon Trail as Fort Laramie and Fort Hall were established upon his recommendation to the U.S. Army. In 1846, he was named Indian agent for the region of the Upper Platte in Arkansas and conducted the largest counsel with Indians ever held in the far West, which culminated in the famous Fort Laramie Treaty of 1851. Some 3 years later, while in Washington, D.C., to discuss Indian treaties, he died and was subsequently buried in the Congressional Cemetery.

Mr. President, I ask unanimous consent that the biography of Mr. Fitzpatrick, to which I previously referred, be printed at this point in the RECORD.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

THOMAS FITZPATRICK

(By LeRoy R. and Ann W. Hafen)

The Irish-American Thomas Fitzpatrick was a native of County Cavan, born in 1799. Of his early years we know little, except that he was of a Catholic family and that he had the fundamentals of a good education, as his later well-written prose testifies.[1] He was destined to be a leader in the fur trade of the West, and as that business declined he carved out two other successive careers—as a guide and then as Indian Agent—being outstanding in both.

Before he was seventeen Fitzpatrick came to America, and was soon in the Middle West, apparently engaged in the Indian trade, accompanied the Ashley expedition of 1823 up the Missouri River and was involved in the Arikara fight and the subsequent Leavenworth fiasco. Following the collapse of the Ashley-Henry trade venture on the upper Missouri, Fitzpatrick and Jedediah Smith led a small detachment overland to present Wyoming and wintered near the Crows in Wind River Valley.[2] Learning from the Indians of good beaver country in Green River Valley, and of a feasible route leading thereto, the party crossed South Pass and began profitable trapping in the virgin territory. Upon division of the company, Fitzpatrick led one group up Green River. They fared well, soon accumulating packs of prime pelts. Supposedly friendly Shoshones ran off with their horses, which the white men subsequently recovered, and loading the animals with their packs recrossed South Pass. At the appointed meeting with Jededian Smith it was agreed that Fitzpatrick carry the furs back to Missouri while Smith with most of the men continue trapping.

Encouraged by a rise in the Sweetwater, Fitzpatrick and his two companions built a bullboat, loaded their furs in it, and commenced their voyage. Rapids and other difficulties induced them to abandon boat, cache their furs, and make their way eastward on foot. After a difficult journey they finally reached Fort Atkinson on the Missouri. Fitzpatrick wrote to Ashley at St. Louis, telling of the wonderful trapping grounds in Green River Valley and urging him to come with a large party to reap the harvest. Then Fitzpatrick hired pack horses, returned up the Platte, uncached his furs and brought them back to the Missouri.

Meanwhile Ashley responded in the fall of 1824 and came out with ample supplies and trade goods. Guided by Fitzpatrick, the party reached Green River in April. Ashley divided his party into trapping groups, appointed a site where all were to rendezvous in early July, and himself floated down Green River in a bullboat to search out beaver country.

Fitzpatrick led a small party up Rendezvous Creek (Henry's Fork of Green River) and trapped the streams running north from the Uinta Mountains. They joined Ashley and the other groups at the fur trade rendezvous, the first of the sixteen annual gatherings now famous in fur trade history. The Ashley account books recording trade have this item: "140 Fitzpatrick." Whether this was Fitzpatrick's personal catch or that of his party is not clear.

Fitzpatrick's activity during the next year or two cannot be traced in detail. Jim Beckwourth, in Fitzpatrick's party, tells of a theft of horses from the white men encamped near Great Salt Lake. After a pursuit of several days the trappers came upon the Indian camp. Says Beckwourth:

> "We then divided our forces, Fitzpatrick taking command of one party and James Bridger the other. The plan resolved upon was as follows: Fitzpatrick was to charge the Indians, and cover Bridger's party while they stampeded all the horses they could get away with . . . we rushed in upon the horses and stampeded from two to three hundred, Fitz-

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Footnotes at end of article.

patrick at the same time engaging the Indians . . . we succeeded in getting off with the number of our own missing, and forty head besides. In the engagement, six of the enemy were killed and scalped, while not one of our party received a scratch."[3]

Fitzpatrick appears to have been with William Sublette in 1826–27 and was at the rendezvous of 1827 and 1828 at the south end of Bear Lake. After the latter gathering he accompanied David E. Jackson to the Flathead country and served him as clerk. Joshua Pilcher was there too, but neither of the American parties made much headway against the veteran Hudson's Bay Company, already well entrenched with the Flatheads. Governor George Simpson reported at Fort Vancouver on March 1, 1829:

"Jackson, accompanied by Clerk Fitzpatrick, and a Major Pilcher with a Clerk Gardner and 40 trappers . . . visited the Flathead Post last Winter; they had very few Skins, and of those few, about half fell into our hands in exchange for necessary supplies. . . . "The Major" and Smith Jackson and Siblit, are in hot opposition to each other, and both court our protection and countenance, while we contrive to profit by their strife."[4]

While Fitzpatrick and Jackson were with the Flatheads in the spring of 1829 they were delighted to welcome at their camp Jedediah Smith after his hazardous experiences in California and Oregon. Together they worked their way southward. Then Fitzpatrick rode to meet William Sublette, bringing out the supply caravan of 1829. They met on the Popo Agie branch of Wind River, where a July rendezvous was held with some of the trappers. Then Fitzpatrick guided Sublette westward to a meeting with partners Jackson and Smith at Pierre's Hole, where a second rendezvous of 1829 was held.

For the fall hunt Fitzpatrick accompanied Sublette on a trapping tour northward to the headwaters of the Missouri. En route they ran into hostile Blackfeet who tried to stampede the trappers' horse herd. But as Joe Meek relates it, the Indians were—

"Too hasty by a few minutes . . . only a few of the animals had been turned out, and they had not yet got far off. The noise of the charge only turned them back to camp.

"In an instant's time, Fitzpatrick was mounted, and commanding the men to follow, he galloped at headlong speed round and round the camp, to drive back such of the horses as were straying, or had been frightened from their pickets. In this race, two horses were shot under him; but he escaped and the camp-horses were saved.[5]

On Christmas Day 1829, Sublette and Moses Harris set out with a train of pack dogs and snowshoes for St. Louis to obtain supplies. Fitzpatrick presumably continued with Jackson, who went to Powder River and later moved south to the summer rendezvous at the junction of the Popo Agie and Wind River. Here they met William Sublette with his grain of provisions and trade goods, this time hauled in ten wagons.

At this rendezvous of 1830 Smith, Jackson and Sublette sold their mountain fur interests to five of their most competent brigade leaders—Fitzpatrick, James Bridger, Milton Sublette, Henry Fraeb and Jean B. Gervais. These were to operate under the firm name Rocky Mountain Fur Company, of which Fitzpatrick was the acknowledged head. The five men were capable trappers and brigade leaders, but were inexperienced business men who would encounter difficulties in meeting the competition of Astor and his great financial assets.

While Fraeb and Gervais led thirty-three men into the Snake River area, Fitzpatrick and the other two partners with a strong band of eight men ventured into the fur-rich Blackfeet country. They trapped the Three Forks region, wintered on the Yellowstone, and worked the Powder River area.

In early March 1831, Fitzpatrick took one man and headed for St. Louis to obtain the annual goods. When he reached Missouri in May the expected suppliers, Smith, Jackson, and Sublette, having decided to enter the caravan trade to Santa Fe, were already en route to New Mexico. Fitzpatrick had little choice but to accompany the partners to Santa Fe and there receive the wanted supplies. This round-about route caused a costly delay, for Fitzpatrick was not able to pack his goods until early July—at a time when he should have been unpacking them at rendezvous. Finally he pointed his forty-man pack train northward along the front range of the Rockies.

In the meantime, Fitzpatrick's partners had completed their spring hunt and were waiting restively for the expected supplies. Finally Fraeb, after consulting a Crow medicine man and being told that the bourgeois was on the wrong road, set out to find his delayed partner. After the two met on the North Platte, Fitzpatrick turned over the goods to Fraeb and then headed back to Missouri to be certain that next year's supplies would arrive at rendezvous on time.

Back in St. Louis for the winter of 1831–32, Fitzpatrick was in a difficult position. His Rocky Mountain Fur Company had been unable to get its furs to market in 1831, and the credit of the company was low. The best Fitzpatrick could do was to make a deal with William Sublette on the latter's terms. Sublette would bring a train of goods out to rendezvous and advance Fitzpatrick some cash and credit.[6] During the winter Fitzpatrick's partners carried on trapping operations, but found themselves harassed and pursued by American Fur Company men, now aggressively competing in the field.

When the supply train of 1832 reached the upper North Platte, Fitzpatrick raced ahead to carry to rendezvous news of the approach of supplies. With two fleet horses, which he rode alternately, he pushed confidently forward. But beyond South Pass he was pursued by Gros Ventres. Abandoning his horses on a steep hill and hiding in a hole in the rocks, he escaped immediate capture. But his sufferings had only begun. In crossing a flooded stream he lost his gun and equipment. Hungry days and sleepless nights wore away his strength until he finally collapsed. In this helpless condition he was found and rescued by two men sent out from the rendezvous to search for him. In his emaciated condition he was hardly recognizable. The experience seems to have grayed his hair and he was later referred to as "White Hair."[7] With food and safety Fitzpatrick rapidly recovered.

Sublette and the supplies had already arrived and with the Rocky Mountain Fur men, several independent parties, and Indian allies the rendezvous was one of the largest held in the mountains. Before the breakup it was further distinguished by the notable Battle of Pierre's Hole. After the beginning of the conflict the Indians withdrew behind breastworks in a jungle of willows. Fitzpatrick, recovered from his late ordeal, was, according to Leonard, commander-in-chief of the attacking force; but the undisciplined trappers mainly followed their own inclinations. In the late afternoon a false report drew the men back to their undefended main camp, and when they returned to the fray, darkness had settled down. During the night the Indians escaped, leaving their dead and some equipment. Among the abandoned horses Fitzpatrick was happy to find the two he had lost to these Indians on his perilous ride.

For the fall trapping, 1832, Fitzpatrick and Bridger led their men to the upper branches of Clark's Fork and the Missouri River, being dogged by American Fur Company men. When the two companies got into Blackfoot country both were attacked. Bridger was wounded with two arrows and W. H. Vanderburgh, leader of the opposition forces, was killed.

After wintering on Salmon River, Fitzpatrick and his men did well in spring trapping. He wrote to Robert Campbell on June 4th from the North Platte that he had a party of sixty men under his command, and had "done very well so far this hunt I put in cache a few days ago 40 packs of good fur."[8]

Robert Campbell brought out the supply train for the summer rendezvous, held this year in the lush Green River Valley near present Daniel, Wyoming.[9] After the breakup of the summer trade fair, Fitzpatrick and Milton Sublette helped Campbell take the furs to the Bighorn River, whence Campbell and Milton boated the skins to St. Louis. Nathaniel Wyeth also accompanied the boats.

Fitzpatrick and Milton Sublette made a contract with Wyeth to bring out their goods to the rendezvous by July 1, 1834. Neither party was certain of its ability to fulfill the agreement, but in case of inability each was to notify the other and the party that defaulted was to forfeit $500.[10]

With the furs safely embarked on Bighorn River, Fitzpatrick with his band of twenty or thirty trappers and over one hundred horses moved eastward to work the Powder and Tongue rivers. Here they were robbed by the Crows, apparently encouraged by agents of the American Fur Company.[11] Fitzpatrick fled this country and crossed over to Green River Valley.

Wyeth carried supplies to the rendezvous of 1834, but William Sublette, learning of the agreement with Wyeth, hurried a pack horse train westward and reached the rendezvous first. There Sublette, as principal creditor, pressured the Rocky Mountain Fur men into accepting his goods and dissolving the company. They refused to accept the goods Wyeth had brought out, but they did pay the $500 forfeit.[12] Disappointed, Wyeth thereupon took his trade goods on to the Snake River and there established Fort Hall. On August 3rd Fitzpatrick, Bridger and Milton Sublette joined Fontenelle and Drips to form Fontenelle, Fitzpatrick, and Company, which later obtained a trading license.[13] While Bridger and Drips conducted operations in the mountains, Fitzpatrick and Fontenelle took the furs to the States.

During the winter, which Fitzpatrick must have spent in Missouri, he and his partners bought from William Sublette and Robert Campbell their Fort William on the Laramie River. Campbell, and apparently Fitzpatrick, went out in the spring of 1835 and effected the transfer of the fort. Fitzpatrick was still at the post when the supply caravan of fifty or sixty men, six wagons, and two hundred horses, led by Montenelle and accompanied by missionaries Marcus Whitman and Samuel Parker, arrived on July 26.[14] Fontenelle remained at the fort while Fitzpatrick conducted the train to rendezvous and back again to Fort William. The two leaders again exchanged positions, Fontenelle hauling the furs eastward.

Fitzpatrick remained at the fort trading with the Sioux until January 3, 1836, when he made a mid-winter trip to St. Louis [15] and obtained backing from Pierre Chouteau, Jr., for another venture in the mountains.[16] He conducted the trade caravan up the Platte River Road, reluctantly escorting the Whitman-Spaulding missionary party toward Oregon. Joshua Pilcher, representing the American Fur Company, joined the caravan and accompanied it to rendezvous. There he purchased for his company the assets of Fontenelle, Fitzpatrick and Co., including their fort on the Laramie [17] and hired on an annual basis Fitzpatrick and the other leaders.

Fitzpatrick and Milton Sublette returned with the furs from rendezvous to the fort on the Laramie,[18] where Milton remained as major domo, while Fitzpatrick continued on to the Missouri River with the furs. He was back to the mountains again by March [19] and was apparently at Fort Laramie when his partner Milton Sublette died there on

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Footnotes at end of article.

April 5, 1837. Fitzpatrick led the supply caravan consisting of forty-five men and twenty carts to the summer rendezvous of 1837.[20] Sir William Drummond Stewart and his artist Alfred Jacob Miller accompanied the train. W. H. Gray, Oregon missionary who was at the rendezvous, tells of the arrival of the goods on July 18th and gives a jaundiced account of the celebration.[21]

It is well nigh impossible, from available records, to follow Fitzpatrick through the next year or two. He appears to have taken the train with the furs back to the States following rendezvous 1837; he was probably with traders on the South Platte in 1838 and 1839. Jim Beckwourth says that Fitzpatrick and Andrew Sublette took furs from Fort Vasquez on the South Platte to St. Louis.[22]

When Dr. F. A. Wislizenus visited Fort Vasquez on September 3, 1839, he wrote: "I met the well-known Fitzpatrick, who has passed through many an adventure during his life in the mountains. He has a spare, bony figure, a face full of expression, and white hair; his whole demeanor reveals strong passions." [23] Then Fitzpatrick drops from the records again, to reappear next in a new role.

The small rendezvous of 1840 was the last of the picturesque gatherings of trappers in the central Rockies. The beaver trade had faded out, and Thomas Fitzpatrick had seen it come and go. He had also escorted the early missionaries to the Rockies and Oregon. Now he was to witness the natural consequence of the fur traders and missionary penetration. The first covered wagon company of west-bound homeseekers was forming on the border of Missouri. These enthusiastic but green emigrants needed a seasoned Mountain Man and trusted leader to pilot them to a new land. Thomas Fitzpatrick was their man.

That first emigrant party to trek the trail to Oregon and California joined the first Catholic missionary band headed in the same direction in 1841. Thomas Fitzpatrick served as guide for both. "And it was well that we [he] did [writes John Bidwell], for otherwise probably not one of us would ever have reached California." [24] As the caravan moved along, the guide rode ahead selecting the route, choosing camping places, and managing generally. "Every day I learned to appreciate him more," wrote Father DeSmet.[25] Fitzpatrick safeguarded the party during a buffalo stampede and helped them across the North Platte River.

After escorting the missionaries to their destination in northern Idaho, Fitzpatrick returned to the central Rockies. Here, near Fort Laramie he joined the second Oregon-bound emigrant train. "I am now in an Indian country," wrote Dr. Elijah White, the leader of the party, "with foes on every hand, subtle as the devil himself; but our party is large and strong, and I have been able to obtain the services of Mr. Fitz Patrick, one of the ablest and most suitable men in the country in conducting us to Fort Hall, beyond the point of danger from savages." [26]

Fitzpatrick proved his ability as a diplomat in dealing with the Indians. J. C. Fremont in recounting the experience, wrote: "I have no doubt that the emigrants owe their lives to Mr. Fitzpatrick." [27] After getting the party safely to Fort Hall, Fitzpatrick returned to the States, but had a dangerous brush with the Pawnees en route.

In the spring of 1843 Fitzpatrick was employed by J. C. Fremont as guide for his second and longest expedition. They set out from Kansas Landing in late May, taking a course south of the Oregon Trail. On June 16th Fremont divided his party, and himself hurried ahead to Fort St. Vrain. This was the first of several times that Fremont divided his party and went off on exploring tours while he left Fitzpatrick to lead the main group and conduct the carts and baggage. Upon reaching the South Platte forts, Fitzpatrick found that Fremont had obtained more horses and had induced Kit Carson to join the expedition.

While Fremont tried a new route up the Cache la Poudre and went on to examine Great Salt Lake, Fitzpatrick led the main force to Fort Hall. After reuniting, they pushed on to Fort Boise and then over the Blue Mountains and to The Dalles. After Fremont went down to Fort Vancouver and returned with supplies and additional horses the company moved southward in late November. From western Nevada they made a difficult crossing over the snow-covered Sierra and reached the safety of Sutter's Fort. With new supplies they rode through the San Joaquin Valley, recrossed the range, intercepted the Old Spanish Trail and followed into central Utah. They continued over the mountains and to Bent's Fort and on to Missouri by the end of July 1844.[28]

In the spring of 1845 Fitzpatrick joined S. W. Kearny and the First Dragoons as guide for a tour to the mountains. The handsomely equipped cavalry was to impress the Indians and practice a march preliminary to the Mexican War, now anticipated. They rode the Oregon Trail to South Pass and turned south to Bent's Fort, where Fitzpatrick was detached for service with J. W. Abert. After reaching Fort Leavenworth, Colonel Kearny suggested to the War Department an exploring tour and wrote: "I would respectfully recommend for that purpose Mr. Thomas Fitzpatrick, who was our guide during the late expedition, an excellent woodsman—one who has been much west of the mountains, and who has a good, if not a better, knowledge of that country than any other man in existence." [29]

Fitzpatrick joined Abert and served him as guide and general manager of the train. The party of thirty-two men, with four wagons and sixty-three horses and mules, moved south from Bent's Fort and traversed the dangerous Comanche country of the Canadian River region. At the end of the tour Abert wrote this tribute to Fitzpatrick:

"Having spent many of the best years of his life exposed to the toils and vicissitudes of the mountain and the prairie, he had acquired an intimate knowledge of the Indian character, which enabled him to conduct our little party safely and successfully through a country inhabited by numerous and powerful hordes of people, long notorious for their faithlessness and treachery. . . . The preservation of our party was due to his vigilance and discretion." [30]

Difficulties with Mexico resulted in war in the spring of 1846. Ahead of the American troops on the Santa Fe Trail went some trader caravans, one of them suspected of carrying arms to New Mexico. Fitzpatrick was employed to guide Captain Moore and a detachment sent in pursuit of the traders. Failing to catch up with the party before it crossed the Arkansas boundary, Fitzpatrick and Moore's troops stopped at Bent's Fort to await the coming of Colonel Kearny and his Army of the West. Here Fitzpatrick learned of his imminent appointment as Indian Agent, but with permission to continue with the invading army if needed.

Again employed by Kearney as guide, Fitzpatrick accompanied the army to Santa Fe and then continued with it toward California.[31] Near Socorro they met Kit Carson with dispatches from California. Kearny ordered Kit to guide him westward and directed Fitzpatrick to take Carson's messages east to Washington. Upon arrival at the national capital Fitzpatrick received his appointment as Indian Agent for the region of the Upper Platte and Arkansas and was thus launched upon his third career.

Fitzpatrick's appointment was warmly acclaimed. "A better selection could not have been made," wrote T. P. Moor, Agent of the Upper Missouri.[32] The St. Louis *Weekly Reveille* of September 14, 1846, said,

"This appointment will give general satisfaction; for among both the whites and the Indians upon the frontier and the plains, Mr. Fitzpatrick is deservedly held in high respect—the latter indeed, reverence his person, and, from this fact, he has more power to control and restrain them than even the presence of armed force."

With army dispatches Fitzpatrick went to Fort Leavenworth, where his advice was sought regarding construction of forts on western trails. He recommended such establishments near the fur posts of Fort Laramie and Fort Hall on the Oregon Trail, at the Big Bend of the Arkansas, and near Fort Bent on the Santa Fe Trail. His advice on all four sites was soon followed.

It was nearly summer 1847 before Fitzpatrick was able to begin his first official tour of his Indian territory. At Bent's Fort he held a council with Cheyennes. He told them that friendship would be rewarded and enemies punished and reminded them of the "continual decrease of all game, and advised them to turn their attention to agriculture . . . and pointed out . . . the many evils arising from the use of spirituous liquors." [33]

In February 1848, Fitzpatrick visited the Indians on the South Platte, confiscated some liquor from the white traders there, and continued down the Platte to Missouri. In the fall he was back among his wards on the upper Arkansas. Fremont, on his fourth expedition into the West, met his old guide at the Big Timbers and reported:

"We found our friend, Major Fitzpatrick, in the full exercise of his functions . . . surrounded by about 600 lodges of different nations—Apaches, Camanches, Kioways and Arapahoes. He is a most admirable agent, entirely educated for such a post, and possessing the ability and courage necessary to make his education available." [34]

Fitzpatrick now began to plan for a general council with the Indians of his extensive agency. It culminated in the great Fort Laramie Treaty of 1851. It was the largest council ever held in the far West—not only large delegations of Arapahoes and Cheyennes, but also of Shoshones and Sioux. During the sessions, which lasted more than a week, the lands claimed and allotted to particular tribes were described and boundaries agreed upon. White men were granted permission to travel the Oregon and Santa Fe trails. For various concessions the Indians were promised annuities of $50,000 in goods for fifty years (later reduced by the United States Senate to fifteen years). Presents were distributed from the large wagon train, and at the end of the council a delegation of Indians was taken by Fitzpatrick to Washington, D.C. Two years later Agent Fitzpatrick, as sole commissioner, negotiated with the generally hostile Comanches and Kiowas a treaty providing annuities of $18,000 in goods.

While he was at the national capital discussing the treaty, he died of pneumonia in a Washington hotel on February 7, 1854. He was buried in the Congressional Cemetery.

In November 1849, Fitzpatrick had married Margaret, a daughter of John Poisal, a French-Canadian trapper, and Snake Woman, a sister of Chief Left Hand. Thomas and Margaret Fitzpatrick had two children—Andrew Jackson and Virginia Thomasine. Their father left an estate of over $10,000.

Thomas Fitzpatrick was an outstanding Mountain Man and was highly regarded as a guide and an Indian Agent. The Arapahoes, said Little Raven in 1865, had "but one fair agent; that was Major Fitzpatrick." Said Chief Black Kettle of the Cheyenne on the same occasion: "Major Fitzpatrick was a good man. He told us that when he was gone we would have trouble, and it has proved true. We are sorry." Fitzpatrick was greatly esteemed by the Indians, and among the white men since he is reputed to have been the best agent these tribes ever had," wrote C. W. Bowman in 1881.

Footnotes at end of article.

FOOTNOTES

[1] Omitted.

[2] The story of these general events is told and documented in the "Brief History of the Fur Trade of the Far West" in this *Series*, I, pp. 77–88.

[3] T. D. Bonner, *The Life and Adventures of James P. Beckwourth* (New York, 1931), 60–61.

[4] Simpson's report quoted in Maurice S. Sullivan, *The Travels of Jedediah Smith* (Santa Ana, Calif., 1934), 26.

[5] F. F. Victor, *The River of the West* (Hartford, Conn., 1870), 70.

[6] Letter of William Sublette to W. H. Ashley from Independence, Mo., May 12, 1832, Campbell Papers, Missouri Hist. Soc., St. Louis.

[7] The fullest account of the ordeal is given, presumably in Fitzpatrick's own words, in *Adventures of Zenas Leonard, Fur Trader*, edited by J. C. Ewers (Norman, 1959), 36–40.

[8] Letter of Fitzpatrick to Robert Campbell, in the Campbell Papers, Missouri Hist. Soc. A copy was supplied to me by Mr. Dale L. Morgan. In the letter Fitzpatrick asks Campbell to send a book or two, "such as you know would suit me."

[9] Elliott Coues, ed., *Forty Years a Fur Trader on the Upper Missouri, the Personal Narrative of Charles Larpenteur, 1838–1872* (New York, 1899), 15–16.

[10] The agreement is in the Sublette Papers, Missouri Hist. Soc.

[11] Washington Irving, *The Adventures of Captain Bonneville*, ed. by E. W. Todd (Norman, 1961), 178, 207. Fitzpatrick's letter to W. H. Ashley, now congressman from Missouri, and also his letter of Nov. 13, 1833, to Milton Sublette, both found in the Sublette Papers, Missouri Hist. Soc.

[12] The original papers are in the Sublette Collection, Missouri Hist. Soc. See also Wyeth's letter of July 1, 1834, in "The Correspondence and Journals of Captain Nathaniel J. Wyeth," in *Sources of the History of Oregon* (Eugene, 1899), 138.

[13] Letter of William Clark listing licenses he issued, Indian Archives, Washington, D.C.

[14] "Journal and Report of Dr. Marcus Whitman," etc., in *Oregon Historical Quarterly*, XXVIII, pp. 239–57. A good account of the journey is also given by Parker in his *Journal of an Exploring Tour, etc.* (Ithaca, N.Y., 1844).

[15] Sublette's letter to Campbell, Feb. 27 and 29, 1836, Missouri Hist. Soc.

[16] See Fitzpatrick's letter of March 18, 1836, to Pierre Chouteau, Jr. in the Chouteau-Papin Collection, Missouri Hist. Soc.

[17] A. B. and D. P. Hulbert, *Marcus Whitman, Crusader* (Denver, 1936), 230–31.

[18] Here Fitzpatrick signed drafts on August 15 paying off some of the men.—Papers in the Chouteau-Papin Collection, Missouri Hist. Soc.

[19] *Robert Newell's Memoranda*, ed. by Dorothy O. Johansen (Portland, 1959), 67.

[20] A. L. Haines, ed., *Osborne Russell's Journal of a Trapper* (Portland, 1955), 60.

[21] "Journal of W. H. Gray," in *Whitman College Quarterly* (June 1913), 55, 59–61.

[22] T. D. Bonner, *op. cit.*, 300.

[23] Adolphus Wislizenus, *A Journey to the Rocky Mountains in the Year 1839*, translated from the German (St. Louis, 1912), 137.

[24] John Bidwell, *Echoes of the Past About California* (Chicago, 1928), 6.

[25] H. M. Chittenden and A. T. Richardson, *Life, Letters, and Travel of Father Pierre-Jean DeSmet, S.J.* (New York, 1905), 1465.

[26] A. J. Allen, *Ten Years in Oregon, etc.* (Ithaca, 1848), 150.

[27] J. C. Fremont, *Report of Exploring Expedition, op. cit.*, 41.

[28] *Ibid.*

[29] S. W. Kearny's "Report of a Summer Campaign to the Rocky Mountains," etc., in *Sen. Ex. Doc. I*, 29 Cong., 1 sess., p. 213.

[30] "Journal of Lieutenant J. W. Abert, from Bent's Fort to St. Louis, 1845," in *Sen. Ex. Doc. 438*, 29 Cong., 1 sess., p. 6.

[31] In a letter Fitzpatrick expressed his pride in being with the advance arm that would plant the Stars and Stripes on the Pacific.—St. Louis *Weekly Reveille*, Oct. 26, 1846.

[32] *Annual Report of the Commissioner of Indian Affairs for 1846*, p. 296.

[33] Fitzpatrick's first annual report, Sept. 18, 1847, in the *Annual Report of the Commissioner of Indian Affairs for 1847*.

[34] John Bigelow, *Memoir of the Life and Public Service of John Charles Fremont* (N.Y., 1856), 359.

By Mr. FANNIN (for himself, Mr. THURMOND, and Mr. LAXALT):

S. 2712. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for journalists. Referred to the Committee on Labor and Public Welfare and the Committee on the Judiciary, jointly, by unanimous consent.

JOURNALISTS' FREEDOM OF CHOICE ACT

Mr. FANNIN. Mr. President, I am pleased to introduce today on behalf of myself and Senators THURMOND and LAXALT, the Journalists' Freedom of Choice Act. This bill would amend the National Labor Relations Act to provide for members of the printed and electronic press a genuine freedom of choice in bargaining and labor relations matters.

PURPOSE OF THE BILL

The purpose of this legislation is to strengthen first amendment guarantees for persons employed by the press, radio, and television as columnists, broadcast journalists, commentators, or critics on public issues. This would be accomplished by providing in the Federal labor laws an exemption for such employees from the exclusive representation provisions of the National Labor Relations Act.

These provisions can be found in section 9(a) of the act, or section 159(a) of title 29, United States Code, which reads in relevant part as follows:

> Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes, shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect of pay, wages, hours of employment, or other conditions of employment . . .

The amendment I am proposing would exempt individuals employed as columnists, broadcast journalists, commentators, or critics on public issues, hereinafter referred to as "journalists," from the exclusivity requirement of section 9(a) of the act.

Under section 9(a) as written, every employee in an "appropriate bargaining unit" must accept the union selected by the majority of employees as his exclusive representative for the purpose of negotiating an employment agreement. In addition, every employee must process whatever grievances he may have with his employer through the union. Furthermore, if the union and the employer agree to include a so-called "union security" clause in the collective bargaining arrangement which they negotiate, every employee must make financial contributions to the union to defray its expenses as exclusive representative. Such clauses can be found in the collective bargaining contracts of the Newspaper Guild and the American Federation of Television and Radio Artists, AFL–CIO.

This bill is designed to allow employees who are journalists to negotiate their own wages, hours and working conditions and adjust their own grievances with their employers, without intervention or control of any union, if they so desire. To the extent such individuals did choose to negotiate on their own behalf, they would be exempted from any union security clause in a collective arrangement covering their bargaining unit. Under the proposed amendment the journalist would have the option either to accept representation by the union chosen by the majority of employees in his bargaining unit, and thus financially to support that union by paying dues if a union security clause is in effect, or to represent himself, at his own expense. The persons exempted by my bill from section 9(a) would retain all the legal protections afforded to employees under other provisions of the National Labor Relations Act, but would be granted the opportunity and freedom to choose to bargain either through the majority's selected union or individually.

JOURNALISTS' EMPLOYMENT AGREEMENTS

In the news business a public affairs commentator, analyst, or columnist is employed by a publishing or broadcasting company under a collective bargaining agreement which the company has made with a union, the bargaining agent for the collective bargaining unit of which said journalist is a member. Normally journalists are covered by union contracts between his employer and the Newspaper Guild or the American Federation of Television and Radio Artists—AFTRA—if he is in radio or television. These agreements are uniform throughout the country and throughout much of the publishing and radio-TV industries. In broadcasting, for instance, AFTRA utilizes a "Code of Fair Practice"—one for radio and another for television—which stipulates that the broadcasting company may employ only such persons, including "commentators and analysts in the field of news," who are members in good standing. "Membership in good standing" means not only the payment of dues, but also compliance with union orders, and the union may order strikes, observance of picket lines, refusal to do business with certain employers, et cetera.

Over the years at the insistence of union negotiators, employers have inserted in their collective bargaining agreements clauses requiring all employees to join the union within 30 days from the date of employment and thereafter to remain members in good standing or be automatically terminated from their jobs. In making such demands the unions have relied on the language of section 8(a)(3) of the National Labor Relations Act. The relevant portion of this provision, section 158(a)(3) of title 29, United States Code, reads as follows:

> Nothing in this act, or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization . . . to require as a condition of employment membership therein on or after the thirtieth day following the beginning of such employment or the effective date of such agreement, whichever is the

later, (i) if such labor organization is the representative of the employees as provided in section 9(a) of this Act, in the appropriate collective-bargaining unit covered by such agreement when made . . . Provided further, That no employer shall justify any discrimination against an employee for nonmembership in a labor organization . . . or (B) if he has reasonable grounds for believing that membership was denied or terminated for reasons other than the failure of the employee to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership.

This section authorizes, although it does not require, agreements by which journalists must be union members, obey the union's orders and pay dues as a condition of employment as commentators on public affairs.

Mr. President, it should be emphasized that in the news media, it is customary for journalists to negotiate directly with the publisher or broadcasting company that hires them. Thus, their pay, wages, hours of employment are governed by individual contracts determined by themselves, despite the existence of collective bargaining agreements covering their bargaining unit. The union does not really function as exclusive representative in accordance with section 9(a). Furthermore, individual bargaining efforts bring the journalists far higher compensation than the wage levels negotiated by the unions and set forth in the collective bargaining agreement.

CONSTITUTIONAL ISSUES

Mr. President, section 9(a) does not merely create problems for a few individuals who happen to be employed in the news media as columnists, broadcast journalists, commentators, or critics on public issues. In my opinion, the exclusivity requirement poses a potential threat to individual liberties and fundamental freedoms enjoyed by all Americans. Unless amended, this provision of Federal labor law threatens to destroy the free speech and free press guarantees of the Constitution, especially where journalists are concerned.

The first amendment of the Constitution provides that—

> Congress shall make no law . . . abridging the freedom of speech or of the press . . .

Most courts recognize this constitutional protection extends to all media of expression, including both the printed and electronic press.

Accordingly, a journalist employed by a newspaper, magazine, or other publication, or by a radio or television station as a commentator, critic, or analyst of current events, politics, social, economic, or other public issues who makes known his own judgments or opinions or utters his own analyses or criticisms from his own viewpoint or bias, is guaranteed first amendment rights which cannot be abridged or abrogated by law or other State action. Commentary on public affairs is also entitled to full constitutional protection.

Our country has long been committed to the principle of uninhibited, robust, and wide-open debate on public issues as the essence of self-government. The courts have held consistently that prior restraints on freedom of speech by government cannot be sustained in the absence of competing and compelling necessity, which, if not satisfied, will create a "clear and present danger" to the public interest or result in "direct, immediate, and irreparable damage to our Nation or its people."

Yet, as experience in the labor relations field has demonstrated, the union membership requirements under our Federal labor laws have operated to create a chilling effect upon journalists' first amendment rights and freedom of expression.

Mr. President, to illustrate my point that legislative enactment is necessary to protect the rights of journalists from unreasonable prior restraint, I call to my colleagues' attention the problems created by section 9(a) of the act.

PROBLEMS CREATED BY SECTION 9(A)

By virtue of collective bargaining agreements journalists must join a union in order to be employed or to retain their jobs as commentators. Being required to be a union member in order to express one's own opinions and to present analysis and commentary is just an unreasonable restriction on a journalist's rights, in my opinion.

Furthermore, journalists must pay union dues and subject themselves to union discipline, as a result of sections 8(a)(3) and 9(a). I cannot overemphasize the chilling effect that union discipline can have on an individual's freedom of expression.

While a union may have no hiring hall or seniority list and its membership may be open to all who gain employment, a journalist who joins the union knows that he must accept substantial and sometimes severe union discipline. Yet he has no choice, and so the chilling effect is very real. If a strike is called and union members must refrain from crossing the picket line or are otherwise prevented from working or speaking on pain of forfeiture, a journalist cannot voice his opinions, present his analysis or express his views on matters of public importance and interest occurring in the world.

Mr. President, let me cite an instance which shows how harmful the union discipline requirement imposed on journalists under Federal labor law can be.

The only national strike by AFTRA against the networks occurred in 1967 because of a breakdown in collective bargaining negotiations for the 1966–69 codes and contracts under which commentators and analysts were for the first time expressly included within the bargaining unit. During that strike, picket lines were established, and union members were directed not to report for work. Chet Huntley, then a commentator for NBC television, expressed his opinions in news broadcasts which he continued to make for the network during the strike. In one broadcast he commented that it was against the public interest for persons such as himself to be involved in a union and questioned the validity of the strike, objected to the arbitrary manner in which AFTRA had gained jurisdiction over his work, and said that union wage demands made by news personnel to local radio and television stations were unreasonable and could price local news out of the market. After the strike, during a panel discussion, AFTRA's national president stated that the union had made a mistake by failing to discipline Huntley for not honoring the picket lines. It was also revealed that AFTRA had levied fines of $48,000 against five members for refusal to abide by union discipline.

I cannot help wondering what results my proposed amendment would have had, were it in effect, during the recent strike at the Washington Post. Although the members of the Post unit of the Newspaper Guild voted not to honor the picket lines of striking mechanical employees and to continue working, the officials of the parent guild organization threatened punishment for those who continued to show up at work and help publish the newspaper. Guild official Brian Flores' pronouncement to discipline or expel guild members who took a legal vote among themselves may have shown an arrogant disregard for free speech. However, along with the reported incidents of violence and injury inflicted upon recalcitrant nonstriking members, his threat may well have kept journalists away from their typewriters. thereby preventing them from stating their views in columns and articles of commentary.

Unions will readily punish members who fail to comply with union orders affecting other unions. On one occasion, 19 employees were fined over $129,000 by AFTRA for failing to comply with the national board's order to support the strike of a sister union of technicians. Sympathy walkouts by union workers who have no quarrel with their employers, but who are required to observe another labor group's pickets have caused considerable harm not only to the Nation's economy, but to the welfare of the workers' families. I cannot but believe that journalists, who are forced to keep silent as a result of such strikes which do not directly affect or concern them, are injured in an even more fundamental way.

The chilling effect on journalists' speech is substantial. By congressional action, journalists are subjected to union discipline and forced to agree in advance to a limitation on their conduct in a time of crisis. Such restrictions imposed by Congress are inconsistent with the first amendment, in my opinion, and should be corrected by congressional remedial action.

There are other harmful consequences for journalists flowing from the requirements of section 9(a). Many union officials require their membership organizations to take political positions with respect to National and State issues, including endorsement of specific candidates. Labor organizations under section 610 of title 18, United States Code, as amended by the Federal Election Campaign Act of 1971, are authorized to solicit and expend money in connection with a Federal election, so long as not secured by physical force, job discrimination, financial reprisals, or the threat thereof. In addition, contributions or expenditures must be from voluntarily financed, segregated union funds. Nevertheless, a journalist who is a union member may not agree with the partisan positions, endorsements, or decisions adopted by his union about which he has no say. It is often difficult for the journalist to hold himself out as a commentator of sincere, independent, personal views when the importance he wants attached to those opinions are nullified by the adverse actions of the organization he is known to be a member of.

For example, in 1972 the American Newspaper Guild voted to endorse a national political candidate for the Presidency. As the New York Times editorialized on July 22, 1972:

> The decision of the American Newspaper Guild's Executive Board to endorse the candidacy of . . . is wrong in principle and mistaken in tactics.

The Guild clearly includes members of diverse political viewpoints. The union leadership cannot and should not try to speak for them as if they were a political bloc. Moreover, impartiality and fairness in reporting and editing the news are the central ideals of the news profession, never perfectly attained, but strived for every day. While it is true that the large part of the Guild's membership has nothing to do with preparing, reporting, or editing, the union contains enough strictly professional journalists to warrant its avoidance of taking positions on public issues or political personalities. To do otherwise is to cast a shadow of doubt upon the profession's commitment to its own ideals.

FAIRNESS DOCTRINE REQUIREMENTS

The situation created by sections 8(a) (3) and 9(a) is bad enough for print journalists, but it is even more difficult for journalists working in the broadcasting field. Arguably, anyone with strong opinions and a desire to be heard may—if he has several million dollars anyway—start his own publication to express his own views on public affairs. Then, too, newspapers are not under any legal requirement to present a balance of viewpoint and, short of libel law restrictions, they do not even have to be truthful and accurate.

By contrast, radio and television licensees are required, by a law known as the "fairness doctrine" enforced by the FCC, to provide coverage of controversial public issues and afford a reasonable opportunity for spokesmen of contrasting viewpoints to air their opinions. Section 315 of the Communications Act also imposes an "equal time" requirement on broadcasting stations in their presentation of newscasts, interviews, documentaries and on-the-spot coverage of news events. Such laws were enacted for the benefit of the public interest for listeners and viewers, as well as commentators hired by broadcasters. Yet, by operation of sections 8(a)(3) and 9(a), journalists may be prevented from access to the airwaves without payment of dues and union membership, and the public is denied the right to receive broadcasts of commentary, analysis and opinions from diverse philosophic viewpoints.

THE PURPOSE OF THE NLRA

Mr. President, the Congress surely did not intend that the labor statutes would be used to stifle free expression of speech or of the press, or would contravene the Federal requirement that the public be adequately informed on public issues. The purpose behind the National Labor Relations Act was to protect workers, particularly unskilled labor, to enable them to bargain collectively for higher wages, shorter hours, and improved working conditions. Under some circumstances a union shop might be necessary to achieve that end, although Congress permitted the States to forbid the union shop and the agency shop under section 14(b) of the act. Yet for journalists the issue is more than union membership or protection of the weak and unskilled against management: It is the denial of freedom of expression upon which their livelihood depends and from which their fundamental rights evolve.

"FREE RIDER" ARGUMENT

As to newsmen other than journalists, a union might reasonably fear that its role will be undermined if certain professional members of the work force are permitted to opt out of their union obligations merely on a claim of violation of first amendment rights. The unions also argue that those who do not want to join or pay union dues are "free riders" who enjoy the benefits of membership and the union's efforts as collective bargaining agent. Such employees, they say, should at least pay an amount equivalent to the dues in return for the benefits.

In fact, journalists have bargained individually for their own compensation which exceeds the union scale or minimum. They do not really receive substantial "free rider" benefits for which dues should be forthcoming. If anything, it is the union which profits from the forced collection of dues from members who receive little or nothing in return. Consequently, the statutory collection of dues constitutes fees imposed on the exercise of a constitutional right.

In summary, the provisions of sections 8(a)(3) and 9(a) by which journalists are compelled to pay dues to a union under penalty of prior restraint on their expression of opinions concerning public issues would appear to violate the first amendment. The Congress, therefore, has a duty to correct this situation by amendment so as to protect the rights of journalists and the public in free speech and free press.

THE BUCKLEY CASE

Mr. President, I am sure that my colleagues have some familiarity with the case brought by Mr. William F. Buckley, Mr. M. Stanton Evans, and National Review, Inc., against the American Federation of Television and Radio Artists, AFL–CIO. Since the issues raised by those two distinguished conservative columnists-commentators in their complaints against the union are important to one's understanding of the need and purpose of this legislation, I will recite briefly the facts and history of that case.

The suit was filed in the U.S. District Court, southern district of New York, in January 1971, by William F. Buckley, the syndicated columnist, television commentator, and host of the interview-discussion program, "Firing Line," and by the conservative publication, National Review. In March of that year, M. Stanton Evans, then senior editor of the Indianapolis News and regular contributor to CBS Radio's "Spectrum" commentary series, and Nat Hentoff, the liberal columnist and civil libertarian activist, joined the Buckley lawsuit. They were later joined by the American Civil Liberties Union as amincus curiae. The case was financially supported by the National Right to Work Legal Defense Foundation. The plaintiffs challenged the constitutionality of the requirement that they join and pay dues to the union and maintain membership in good standing or be denied their right to comment on public affairs.

Upon filing the suit, the erudite Mr. Buckley spelled out the issues clearly when he stated:

> The requirement that an individual pay dues to a private organization in order to work is a modern writ of indenture. The requirement that he do the same in order to express an opinion over the public airways involves an act of coercion by a private organization operating under government sanction.

Mr. Buckley did not suggest that journalists be prohibited from joining labor unions, merely that the decision to join or not to join should be left up to each individual. He added that the requirement to pay union dues against his will placed an unreasonable restraint upon his right of free speech; deprived him of property without due process of law; and breached his rights under the first, fifth, and ninth amendments of the Constitution which "guarantee the individual citizen freedom of association, thought, speech, and political action; freedom to pursue the occupation of his choice; freedom from unwarranted invasion of privacy; and other fundamental personal and private rights." The complaint also stated that Buckley and Evans did not derive any benefit from their membership in the union except that they were thereby enabled to appear on television and radio.

In January 1973, the district court handed down a ruling favorable to the plaintiffs, finding that when union membership is forced upon those journalists who offer the public their own views on public affairs, it does have a "chilling effect" on their constitutionally protected rights of free speech and expression. The district court decision, though narrow in scope and applying only to broadcast news commentators and analysts, was viewed optimistically by many journalists as a first step toward a much broader interpretation that would eventually apply equally to all working newsmen, regardless of their status or medium.

Mr. Buckley said, when he learned of his first round "victory":

> What is involved here is a fundamental civil and human right. And unless this country has lost hold of its reason, the Supreme Court will acknowledge, as I am confident it will, the right of the individual to exercise his rights as guaranteed under the First Amendment, even if he declines to join a union.

However, the U.S. Court of Appeals for the Second Circuit did not see it that way. Early last year the appellate court reversed the district court decision. As seen by the court of appeals, the first amendment was not so "exalted" as to forbid a law effecting a prior restraint of speech where there is a "proper governmental purpose," such as reducing industrial strife, and thus prior restraint was appropriate to forcibly collect union membership dues from petitioners.

Finally on February 24, 1975, the Supreme Court of the United States denied a petition for writ of certiorari. In other words, a petition to the Nation's highest court for rehearing of the case was turned down. In my opinion, the Supreme Court decision—or failure to decide, since the Court refused to hear the case—was a blow to free speech and free press in America.

Many journalists viewed the Court's decision with alarm. Conservative Columnist Ralph de Toledano, writing in MORE, a liberal journalist review, wrote:

> If the First Amendment is more than a scrap of paper, then it must mean exactly what it says and must be so recognized by the courts and by the people. The prescient men who wrote the Constitution said that 'no law' should limit the right of an individual—whether white, black, two-headed or lacking the odor of sanctity which union membership presumably bestows—to speak or publish. Once the utterance has been made, there is relief if it infringes on others' rights. The NLRA is a law and it says that Buckley or Evans—or thee and me—cannot regularly express our views or report the news via the electronic media unless we bow to certain disciplinary pre-conditions.
>
> Lest those who labor in the vineyard of the printed medium believe that the tolling bell is not their concern, let it be noted that the First Amendment is indivisible.... The Supreme Court has never fully faced up to the First Amendment implications of the NLRA. Should it rule for AFTRA, its decision will apply equally to the American Newspaper Guild. And for the first time—and with the color of law—we will have a licensed press in the United States—and a licensed press corps.

Mr. President, "those who labor in the vineyards of the printed medium" do clearly understand that the issues involved in the Buckley case affect not only radio and television but are also very much their concern. Permit me to quote some representatives of the press on matters of free press and compulsory union membership:

Ben Bradlee, executive editor of the Washington Post:

> I have long been troubled by forced union membership, particularly in the newspaper business, where independence is so important.

Nicholas von Hoffman, Washington Post syndicated columnist:

> I do not appreciate being a member of a union against my will and live in fear and trepidation of a licensed press.

James J. Kilpatrick, syndicated columnist:

> These issues seem to me especially important when it comes to the news—when it comes to the expression of ideas. If the device of a union shop can be used to throttle the voicing on TV and radio of a particular point of view, the First Amendment, to that extent, is a dead letter.

Wes Gallagher, general manager of the Associated Press:

> If the AP is to maintain its standards of objectivity, it cannot force the news employees into any organization, including a union. Inherent in the First Amendment is the assumption that the press is going to be the independent watchdog over public affairs and government and be divorced from any particular partisan group.

Editor and Publisher, the newspaper editor's "bible," stated editorially:

> Putting aside all the complicated legalities, it seems only plain common sense that any requirement to pay a fee, or dues, or tribute, to anyone or any organization for the right to speak on the air or to express oneself in print should not be permitted in this country.

Commenting on "Buckley's Broader Case," the Wall Street Journal editorialized that the question involved in his lawsuit—

> is simply whether it is good public policy, in a social and economic sense, to permit private contracts that make membership in a union, or any organization, a condition of employment. Does not the basic right to freedom of association imply a basic right not to associate and not to be penalized, through being denied a job, for exercising that right? Some labor leaders contend that this question has been settled but it seems to us that such questions are never settled in any society that aspires to maximum individual freedom from economic coercion. Whether an individual owes a financial obligation that represents his interest is another question.

The Arizona Republic stated the issue squarely when it editorialized:

> The right of a union to prevent a journalist from practicing his craft on the basis of whether he joins is inherently an unconstitutional act. It flies in the face of the spirit of the First Amendment. . . . Common sense should indicate that no one—government or union—can license a person to speak his piece for a living.

Mr. President, I ask unanimous consent that the complete text of the Republic editorial of May 27, 1974, "Free speech hypocrites" be printed in the Record.

There being no obligation, the editorial was ordered to be printed in the Record, as follows:

Free Speech Hypocrites

A certain hypocrisy rolls off the lips of some press commentators and reporters as they condemn restraints on freedom of speech and freedom of the press.

"The people's right to know," is often the trigger phrase.

This is forked-tongue rhetoric, though.

In point of fact, some of the loudest and sternest judges of public press restraints are practicing and endorsing even more repressive private gags on freedom of the press.

Two such groups are the American Newspaper Guild and the American Federation of Television and Radio Artists, whose compulsory union membership rules literally deny freedom of speech.

Conservative commentators William F. Buckley, M. Stanton Evans and Fulton Lewis III, among others, are in the courts trying to end union power which can cut them off the air for failing to join labor's ranks.

This regulatory power is far worse than any imagined or real gag ever imposed on the press by public bodies. It is, in effect, licensing of speech.

Some Washington politicians, who impute dark and ugly press manipulation tactics to the Nixon administration, recently demonstrated their own affection for press restraints.

During United Press International's recent strike, some of the Washington political elite refused to provide information to non-union UPI personnel on the basis that they were "scab" workers. The fact that the politicians became accessories to denying the public information escaped their moral judgments easily.

CBS television's Walter Cronkite goes off the air at the snap of AFTRA's union fingers during contract disputes. Yet, Cronkite's lectures around the nation are filled with flaming denunciations of attempts to deny information to the public.

A California reporter, William F. Stetson, Jr., of the Berkeley Daily Gazette, has been protesting his required membership in the AFL–CIO's newspaper guild. He particularly resented the decision of one of his editors—who incidentally also is a member of the guild—to kill a wire service feature on Stetson's fight with the union.

The right of a union to prevent a journalist from practicing his craft on the basis of whether he joins is inherently an unconstitutional act. It flies in the face of the spirit of the First Amendment.

Federal courts have moved gingerly in this area. Yet, it is an unavoidable challenge which ultimately will have to go to the Supreme Court.

Common sense should indicate that no one—government or union—can license a person to speak his piece for a living.

Mr. President, in the court of public opinion, the evidence seems overwhelming. The Nation's press is strongly opposed to compulsory union membership requirements for journalists and newsmen. As the Chattanooga, Tenn., News-Free Press stated editorially after the Supreme Court refused to grant certiorari:

> No one should be prevented to, in effect, "license" newsmen, with a denial of license silencing them. It is a denial of the right of free speech and the right of free press to insist on membership in any organization as a condition of employment. . . . This fight must be renewed and continued.

Mr. President, I agree. If the Supreme Court cannot decide the matter, then Congress must.

I find myself in agreement with Chief Justice Warren Burger and Associate Justice William Douglas who, in their dissent to Buckley against AFTRA, noted the problems created by the clash between section 9(a) and the first amendment. As Justice Douglas wrote:

> These cases, as I view them, present the issue of whether a person suffers an infringement of his First Amendment rights when he is compelled to pay union dues (or their equivalent) as a precondition to expressing his ideas through a public broadcasting medium.
>
> It is significant that congressional permissiveness towards union shop agreements is coupled with the NLRA's 'exclusivity' principle, whereby a majority vote of the employees in a particular category is sufficient to designate an exclusive bargaining representative whose actions bind majority and minority alike. When Congress authorizes an employer and union to enter into union shop agreements binding and enforceable over the dissents of a minority of employees or union members, it has cast the weight of the Federal Government behind the agreements just as surely as if it had imposed them by statute.
>
> There is substantial question whether the union dues requirement imposed . . . should be characterized as a prior restraint or inhibition upon . . . free speech rights. In some respects, the requirement to pay dues under compulsion can be viewed as the functional equivalent of a "license" to speak. . . . Our

> cases dealing with flat license fees or registration requirements . . . tend to suggest that even a minimal payment designed solely to cover administrative costs may be impermissible in a First Amendment context.

Mr. President, the bill I have introduced will resolve the issues discussed by Justices Burger and Douglas and protect the rights of the dissenting minority of employees and union members about which they are justly concerned.

This bill does not purport to create a "national right to work law" for newsmen. It will not abridge the rights of union members or impair their union contracts. It will not endanger the private labor organizations or destroy unionism. In fact, it will strengthen the rights enjoyed by all employees working in the news media, including union members.

By exempting certain journalists from the "exclusivity" provisions of the National Labor Relations Act, this amendment to section 9(a) will restore to columnists, commentators, and analysts their common law privilege to abide by a collective-bargaining agreement or to incorporate it into any individual employment contract they might make with an employer. It insures that such print and broadcast journalists will be able to enjoy the freedom of choice in matters of labor relations which certain provisions of current Federal labor laws now deny to them.

As written, section 9(a) is a most restrictive approach to achieving the congressional purpose embodied in the National Labor Relations Act, as far as columnists, commentators, and public affairs analysts are concerned. It allows no freedom whatsoever to such employees as far as bargaining is concerned, while subjecting their basic freedoms to pervasive control by the majority union. Yet the purpose of the Federal labor law can be fully served with a less restrictive alternative.

As section 1, 29 United States Code, section 151 (1970) emphasizes, the purpose of the National Labor Relations Act is to provide legal protection to the right of employees to organize and bargain collectively. The language being proposed serves this purpose by allowing employees in the press, radio, and television to choose whether or not to accept exclusive union representation but retaining for them all the protections of the remaining sections of the act as against their employer, whether they bargain individually or through the union chosen by the majority.

The thrust and purpose of the act is advanced. Journalists who consider their bargaining power insufficient may still choose to deal with employers through the union. On the other hand, the proposed amendment injects minimum restrictions upon the free exercise of first amendment rights by those employees who, if they consider union dues and other requirements to be an infringement upon their liberties, can eschew such representation if they so choose.

Mr. President, Congress should fashion a "least restrictive" alternative to the current provisions of law which infringe upon first amendment freedoms. At the same time, we must not weaken the purpose and effect of Federal labor laws. The legislation I propose will reinforce the National Labor Relations Act by bringing it into strict compliance with established constitutional doctrine. It will fulfill a long overdue need and settle serious constitutional issues which the courts have so far failed to decide.

Mr. President, in my opinion, this measure will strengthen the bargaining rights and labor relations of working men and women. It will secure the rights of free expression enjoyed by journalists. It will protect the exalted rights of free speech and free press guaranteed to all Americans by the Constitution.

Mr. President, because of the paramount constitutional questions involved, I ask unanimous consent that this bill be jointly referred to the Judiciary and Labor and Public Welfare Committees. I look forward to hearings on the proposed amendment in the near future. I hope that my Senate colleagues will give prompt and serious consideration to this important legislation.

The PRESIDING OFFICER. Without objection, the bill will be jointly referred, as requested.

By Mr. CHURCH:

S. 2713. A bill to amend title XVIII of the Social Security Act to liberalize the conditions under which posthospital home health services may be provided under part A thereof and home health services may be provided under part B thereof. Referred to the Committee on Finance.

MEDICARE HOME HEALTH IMPROVEMENTS ACT

Mr. CHURCH. Mr. President, I introduce for appropriate reference the Medicare Home Health Improvements Act.

In recent years much lip service has been paid to the need for alternatives to institutionalization.

But the harsh reality is that our health care system has a very definite institutional bias.

This is especially true in the case of medicare. Home health care accounts for less than 1 percent of medicare expenditures.

As a result, many elderly persons are now prematurely and oftentimes unnecessarily institutionalized at a much higher public cost.

A recent survey by the General Accounting Office revealed that 25 percent of all patients were treated in facilities excessive to their needs.

This is not only costly but also wasteful to our overburdened health care personnel.

But if we are to overcome this overreliance upon institutions, it is essential that greater choices be made available to older Americans. In-home services should, in my judgment, be one of the cornerstones in any comprehensive health care system.

The bill that I introduce today is designed to make home health services a viable and effective alternative under medicare.

These measures are based upon proposals recommended at hearings conducted by the Committee on Aging's Subcommittee on Health of the Elderly on "Barriers to Health Care for Older Americans."

My Medicare Home Health Improvements Act includes three major provisions.

First, it would remove the requirement that only "skilled" nursing care or physical or speech therapy would qualify as reimbursable home health services under medicare.

This limitation is undoubtedly one of the principal barriers for providing adequate home health care. In effect, it limits the home care benefit almost entirely to persons who are acutely ill and need rehabilitation. It does not cover a wide range of situations when the patient's condition has stabilized.

This problem is further complicated because of the administration's restrictive definition of "skilled" nursing care. Many providers are now confused by the seemingly contradictory regulations. And, medicare patients are in a quandary. Quite frequently they rely upon the medical judgment of a professional, but later discover that they do not qualify for reimbursement under medicare. All too often they are financially hard pressed to pay for these services with their limited resources.

My bill would respond to these problems by making a patient eligible for medicare reimbursement when an individual needs, on an intermittent basis, nursing care or any other home health services listed in the law—such as physical, occupational, or speech therapy; medical social services; medical supplies, the use of medical appliances; and part-time or intermittent services of a home health aide.

In addition, the bill eliminates the requirement that the home health care must be for further treatment of a condition for which the patient received services as a bed patient in a hospital or skilled nursing facility. This requirement has resulted in the denial of many claims because the condition requiring home health care may differ from the one originally diagnosed for institutionalization.

Second, the bill would broaden medicare coverage to include homemaker services. Many persons are needlessly institutionalized now simply because appropriate supportive in-home services—such as shopping or cleaning—are not available.

Third, the Medicare Home Health Improvements Act would increase the number of reimbursable visits from 100 to 200. The 100-visit limitation under part A hospital insurance and part B supplementary medical insurance can work a hardship for persons requiring extended home care.

Most medicare patients do not require more than 100 home health visits. But those who do should not be denied necessary home health services, and possibly forced into the hospital.

As things now stand, medicare is very much oriented to post hospital, acute-illness care. My bill would help make medicare more responsive to the home care needs for patients with chronic or stabilized conditions.

In the long run, these measures can produce significant savings by substituting home care for more expensive institutionalization. This point should not be minimized because if we can shave 1 day off the medicare national hospital average this could produce a savings approaching $400 million.

For these reasons, I urge prompt and favorable action on the Medicare Home Health Improvements Act.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2713

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1814(a)(2)(D) of the Social Security Act is amended to read as follows:

"(D) in the case of post-hospital home health services, such services are or were required because the individual is or was confined to his home (except when receiving items and services referred to in section 1861(m)(7)) and needed nursing care on an intermittent basis or any of the other items or services referred to in section 1861 (m); and a plan for furnishing such services to such individual has been established and is periodically reviewed by a physician; or".

(b) Section 1835(a)(2)(A) of such Act is amended to read as follows:

"(A) in the case of home health services, such services are or were required because the individual is or was confined to his home (except when receiving items and services referred to in section 1861(m)(7)) and needed nursing care on an intermittent basis or any of the other items or services referred to in section 1861(m); and a plan for furnishing such services to such individual has been established and is periodically reviewed by a physician;"

(c) The amendments made by subsections (a) and (b) shall be effective only with respect to services provided in calendar months after the calendar month which follows the month in which this Act is enacted.

SEC. 2. (a)(1) Section 1812(a)(3) of the Social Security Act is amended by striking out "100 visits" and inserting in lieu thereof "200 visits".

(2) The first sentence of section 1812(d) of such Act is amended by striking out "100 visits" and inserting in lieu thereof "200 visits".

(b)(1) Section (a)(2)(A) of such Act is amended by striking out "100 visits" and inserting in lieu thereof "200 visits".

(2) The first sentence of section 1834(a) of such Act is amended by striking out "100 visits" and inserting in lieu thereof "200 visits".

(c) the amendments made by subsection (a) shall be applicable in the case of home health services provided under part A of title XVIII of the Social Security Act on visits which occur in one-year periods (described in section 1861(n)) of such Act which begin, in the case of any individual, after the date of enactment of this Act. The amendments made by subsection (b) shall be applicable in the case of home health services provided under part B of such title XVIII in calendar years which begin after the date of enactment of this Act.

SEC. 3. (a) Section 1861(m)(4) of the Social Security Act is amended to read as follows:

"(4) part-time or intermittent services of a home health aide and of a homemaker,".

(b) The amendment made by subsection (a) shall be applicable only in the case of services furnished in calendar months after the calendar month which follows the calendar month in which this Act is enacted.

By Mr. CHURCH:

S. 2714. A bill to amend the act of May 27, 1930, to expand the emergency authority of the Secretary of Agriculture regarding persons who are lost, seriously ill, injured, or who die within the National Forest System, and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. CHURCH. Mr. President, the campgrounds, shelters, waters, and trails of the national forest system are rapidly becoming the most intensely used recreational facilities within the Western United States. Each year, during the summer months in particular, a large number of visitors utilize these unique, and often remote attractions.

The remoteness of these areas, while helping to enhance a sense of retreat from the pressures of urban life can quickly turn a serious injury or illness into a nightmare of giant proportions. These scenic areas are often many miles from adequately staffed and equipped medical facilities.

To anyone who has driven the steep, winding roads which often lead to the most spectacular parts of these areas, the need for dependable, high-quality emergency ambulance operations is obvious. Presently, however, serious deficiencies are often common to the ambulance operations which serve these predominantly federally owned areas. One such inadequacy is the lack of modern, reliable ambulatory vehicles. Another is the lack of ambulance-to-hospital communications equipment. As Mr. Paul B. Anderson, chief of the emergency medical services of the Idaho State Department of Health and Welfare has said:

> The dedicated personnel (of the existing local ambulance operations) cannot provide dependable, high-quality emergency service with inadequate, undependable vehicles lacking communications capabilities.

A case in point is the volunteer ambulance service provided by the small township of Stanley, Idaho. Stanley, with a population of 47 permanent residents, is located within the boundary of the Sawtooth National Recreation Area. Over a million tourists visit the immediate area annually, most during the summer months. The closest hospital and physicians are located in Sun Valley, 60 miles, and a major mountain pass away from Stanley. Before 1972, however, it was necessary to summon an ambulance from Hailey, which is 75 miles away. Needless to say, this meant that the area essentially had no emergency ambulance service during this time period. In 1972, the residents of Stanley decided that someone had to accept some responsibility to improve this situation.

Therefore, they formed a volunteer ambulance squad and acquired a 1958 Army surplus ambulance with the assistance of the Idaho Civil Defense Office and the State Department of Environmental and Community Services. The current situation with an old, often unreliable vehicle—the windows must be kept rolled down to prevent the ambulance from filling up with carbon monoxide—is undoubtedly better than no service at all. However, it seems to me that an isolated community, surrounded by rugged terrain and 60 miles from the nearest hospital has a greater need for consistent ambulance service, than most small towns.

Mr. President, I ask unanimous consent that an editorial from Safety Signals, titled "Stanley's Ancient Ambulance," which presents a vivid description of the situation as it now exists in Stanley, and details the need for ambulance service there and in other such remote areas, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Safety Signals, October 1974]

STANLEY'S ANCIENT AMBULANCE

A patched emergency vehicle serving 1¼ million people whose closest doctor lives a mountain away is causing a lot of talk in the West—but so far nobody has come up with a new ambulance.

The permanent residents of Stanley, Idaho—numbering 47—are holding their breaths. And the reason is that 1¼ million tourists move into the Sawtooth National Recreation Area between Memorial and Labor Day dragging their tents and their cameras and inevitably some collide on the snaking mountain roads, slip over dropoffs or get fish-hooks in their eyes before they go back home.

The wounded are brought to a three-room red log cabin clinic to be treated by Marie Osborne, the only emergency nurse-practitioner in hundreds of miles and one of the few in the country. Marie, who skis in winter to treat gunshot wounds, fractures and burns has pleaded in vain for a replacement for Stanley's 1958 Pontiac ambulance. A year ago Marie thought that one of the victims of an exploding propane stove would be lost before they got a helicopter because intravenous feedings could only be administered in the ambulance to one patient at a time. One victim was on the floor and another on the stretcher while they raced to make contact with the helicopter.

What does the 42-year-old mother of five do at a time like that? "We drive as fast as we can," Marie says. Not long ago a woman was shot in a hunting accident and Marie wasn't certain the vehicle would survive the fast race over rocky mountain roads. The woman got emergency treatment but the Pontiac front frame actually did fracture from metal fatigue and had to be welded before it could be put back into daily service.

Part of the problem is the terrain. Stanley's closest mountain rises 8,700 feet and Galena Pass between Stanley and Sun Valley shoots up 10,000 with dropoffs that earn it the name of "Swiss Alps."

"Any ambulance has to be able to stand the curves," Marie says.

The people of Stanley are reluctant to pay thousands of dollars from their own pockets to care for 1¼ million vacationers from other states.

The Federal EMS Act (through HEW) has appropriated 185 million including some for emergency vehicles but "we can't shake it loose" according to Paul Anderson, Chief of Emergency Health Services, Idaho Department of Health and Welfare. Paul went to Washington with a proposal to get 75 percent funding for an ambulance to meet DOT standards, but failed. Meanwhile, Ms. Pat Ehrlich's office (Idaho Traffic Safety Commission) has tried breathing new life into the project by keeping the present ambulance's equipment in shape. The Commission's philosophy is to spend current money on a state-wide emergency network instead of pouring funds into just one or two communities.

Marie gives extensive care with telephone aid from two doctors beyond the mountain. If helicopters are needed, MAST (Military Air Safety Transport) at Mt. Home Air Force Base, Idaho, supplies them. On routine days, Marie takes care of lines of people outside the log cabin, teaches emergency training or instructs two ambulance technicians.

How did a housewife land such a job in the first place? "I complained to the head of the Idaho Hospital Association that rural areas in the state weren't getting a fair shake in advanced medical technology," the wife of an IBM employee in Boise remembers. Idaho offered Marie not a job—but a mission. She went to the University of Washington and added an emergency nurse practitioner's certificate to her college degree and RN credentials.

A New York Times travel article appeared on January 7, 1973, describing her as "one of the first (nurse practitioners) in the nation. Twenty five people wrote inquiring letters. Soon, somebody started a move to build a small clinic. "Our new facility is to be opened soon," Marie says.

As this newsletter goes to press, the new clinic is in operation but a new ambulance is still a dream.

Mr. CHURCH. Mr. President, the volunteer ambulance squad from Stanley and in other small communities throughout the West which operate in the midst of federally owned lands simply do not have the capital necessary to purchase modern, dependable vehicles equipped with ambulance-hospital radio communications gear.

It seems to me that the Federal Government should accept at least partial responsibility for funding emergency ambulance service in areas that are predominantly federally owned.

For that reason, Mr. President, I am today introducing legislation which would help to alleviate some of the current problems. This bill would authorize the Secretary of Agriculture to incur such expenses as may be necessary in:

Providing emergency medical services for persons ill or injured in the National Forest System, and while in transit to the nearest medical facilities;

Transporting persons ill or injured to the nearest medical facilities or to interested parties;

Transporting persons who die within the national forests to the nearest place where the body can be transferred to interested parties, or local authorities; and

Searching for persons lost in the national forests.

The bill would also allow the Secretary of Agriculture to cooperate with State and local officials, and to enter into written agreements with these authorities to provide such services.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2714

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act of May 27, 1930 (46 Stat. 387; 16 U.S.C. 757) is amended to read as follows:

"SEC. 3. (a) The Secretary of agriculture is authorized in cases of emergency to incur such expenses as may be necessary in—

"(1) searching for persons lost within the National Forest System;

"(2) providing emergency medical services for persons seriously ill or injured within the National Forest System and while in transit to the nearest medical facility;

"(3) transporting persons seriously ill or injured within the National Forest System to the nearest medical facility or to the nearest place where the sick or injured person may be transferred to interested parties or local authorities; and

"(4) transporting persons who die within the National Forest System to the nearest place where the body may be transferred to interested parties or local authorities.

"(b) The Secretary of Agriculture may cooperate with any State or political subdivision thereof in conducting activities under this section, and he may reimburse cooperators under terms of a written agreement for expenditures incurred in connection with services and materials provided under this section.

"(c) There are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this section.".

By Mr. KENNEDY (for himself, Mr. MATHIAS, Mr. RIBICOFF, Mr. BAYH, Mr. CHURCH, Mr. PHILIP A. HART, Mr. ABOUREZK, Mr. TUNNEY, Mr. HUMPHREY, Mr. FORD, Mr. BROOKE, Mr. CULVER, Mr. JAVITS, Mr. METCALF, and Mr. HARTKE):

S. 2715. A bill to amend the Administrative Procedure Act to permit awards of reasonable attorney fees and other expenses for participation in proceedings before Federal regulatory agencies, and for other purposes. Referred, by unanimous consent, to the Committees on the Judiciary and on Government Operations, with instructions that either committee shall report within 30 days of the other committee.

ATTORNEYS' FEES IN ADMINISTRATIVE PROCEEDINGS AND JUDICIAL REVIEW ACTIONS

Mr. KENNEDY. Mr. President, the aim of our Constitution is not merely to see that the laws are faithfully executed, but also to seek to insure that in their faithful execution justice is done. To this end conflicting interests will be fairly represented in impartial forums and that claims of adversaries are fairly heard, weighed, and judged.

Frequently the adversary system of justice, emerging from impartial forums, applies as well to Federal agency proceedings—at least in theory. But in practice the equal representation which we suppose the public interest shares with special interests does not exist in Federal administrative forums. In practice, representation of industry interests in agency proceedings is often more vigorous and more persuasive—unfairly persuasive, some would say—than the broader public interests.

Many reasons have been advanced for the real and apparent imbalances between special—and public—interest representation before government agencies. Some have attributed the industry orientation of Federal regulators to a pervasive corruption, and recent scandals have lent credibility to these charges. Others, making milder charges, speak of cooption, born of a revolving door of employment and of a continuity of social and official intercourse between industry and Government.

But we need not look for scandal or even for subtler corruption to explain why the interests of the public at large, and individual citizens, are too often underrepresented and ill-served in Federal administrative proceedings. We need only look at the simple fact that it is difficult, over time, for even the most well-intentioned and incorruptible civil servant to weigh objectively the interests of both the public and those industries which he is charged to understand in the course of his official duties.

For in time even the most conscientious officials are likely to view their duty to the public interest as embracing the legitimate aspirations and interests of those parties with whom the agency must deal on a daily basis. To the extent that this happens, to the extent that the interests of individual citizens are not as vigorously and robustly represented as the interests of industry, our theory of justice under law is undercut and weakened. And in these agency proceedings, this underrepresentation has too often become the rule. As one former FCC Commissioner observed a few years ago:

> Citizen participation in the decision-making process is virtually non-existent, with the necessary but unhappy result . . . that the FCC is a "captive" of the very industry it is purportedly attempting to regulate.

The agencies themselves were once thought to embody—and to provide advocacy for—the broadest interest of the general public. But this assumption is no longer valid. Judge—now Chief Justice—Burger stated the issue clearly in a case involving an FCC license renewal:

> The theory that the Commission can always effectively represent the listener interests . . . without the aid and participation of legitimate listener representatives fulfilling the role of private attorneys general is one of those assumptions we collectively try to work with so long as they are reasonably adequate. When it becomes clear, as it does to us now, that it is no longer a valid assumption which stands up under the realities of actual experience, neither we nor the Commission can continue to rely on it.

In the end, however, we cannot hope to free the captive agencies from an inevitably industry-oriented perspective unless we provide for the regular presentation of the public's views in everyday agency decisionmaking. One way to do this is through an institutional advocate—either inside or outside the agency. The Postal Rate Commission, the Railroad Passenger Service Corporation, and the Civil Aeronautics Board have inhouse public-interest advocates. The Agency for Consumer Advocacy would promote just this kind of independent advocacy of the consumer interests before all Federal agencies. I fully support these institutional public interest representatives. In fact, 5 years ago I proposed the establishment of a Public Counsel Corporation, a wholly independent public corporation to undertake advocacy in administrative proceedings of interests not otherwise represented.

Nonetheless, promotion of greater consumer advocacy within Government cannot substitute for the fundamental need to initiate direct participation of the public itself in government proceedings. We cannot expect that institutional advocates, despite the commitment they bring to their task or the expertise they offer from their vantage within the agencies themselves, will assure the public of the full panoply of vigorous, independent advocacy of its interests.

In recent years, the courts have gone to significant lengths in expanding the right to intervene in agency proceedings and to seek judicial review of agency decisions, by relaxing the stringent requirements for standing that had previously been established. No longer is it necessary for prospective intervenors to prove that they have legally protected interests or even an economic stake in the outcome of a proceeding, before they are permitted to intervene. Standing today is approached through such inquiries as to whether an intervenor is "aggrieved in fact" by a prospective agency decision, or whether it represents an interest that is "arguably within the zone of interests to be protected or regulated by the statute or constitutional guarantee in question."

These developments in the law were no accident. The courts have recognized, inevitably, that in order for Federal agencies to fulfill their statutory mandates to protect the public interest, they must have input from the public in direct and meaningful ways.

Public involvement to date, however, has been unable to provide the far-reaching Federal bureaucracy with sufficient input on matters intimately, and often adversely, affecting the public interest. The reason is clear. Even where the public has a legal right to participate in agency proceedings, its ability to do so has been severely impaired by the enormously high costs of participation. Thus, it is abundantly clear that the focus has now shifted from the judicial struggle to create a right of public intervention to the emerging congressional consensus that we must now act to make that right a reality.

Mr. President, the bill I am introducing today is directed toward surmounting the most formidable obstacles to public participation in Government proceedings: the high cost of lawyers, experts, and other elements required for effective representation. The bill would grant attorneys' fees to public interest representatives in rulemaking, licensing, and adjudicatory proceedings, and in civil cases challenging agency actions.

Congress has already recognized the need to authorize reimbursements of fees in both judicial and administrative proceedings. Over 50 Federal laws provide that parties who secure compliance with national policies through successful litigation should be awarded attorneys fees. The Voting Rights Act Extension, enacted in July, reflects the most recent congressional recognition of the importance of such fees to the implementation of the substantive rights guaranteed by the legislation. Both the Freedom of Information Act Amendments and the Privacy Act, passed last November, authorize the award of fees against the Federal Government to insure that agencies are faithful to the mandates of those important laws.

Likewise, Congress last spring passed the Magnuson-Moss Consumer Product Warranty-Federal Trade Commission Improvement Act authorizing the FTC to reimburse public interest intervenors in rulemaking proceedings. The conference report explains that fees and costs of participation in proceedings are authorized to be paid by the agency "in order to provide to the—fullest—extent possible that all affected interests be represented in rulemaking proceedings so that rules adopted thereunder best serve the public interest."

The bill I submit today would build on these statutes to extend to all types of proceedings before all Federal agencies the benefits obtained from increasing public participation through reimbursement of attorneys' fees.

The bill embodies two primary components: provisions governing attorney fee awards in agency proceedings, and those governing awards in civil actions to secure review of agency decisions.

Section 1 sets forth the standards and criteria for the agency component. It provides for awards of "reasonable attorneys fees, expert witness fees, and other reasonable costs of participation in any rule-making, licensing, or adjudicatory proceeding conducted by an agency under this subchapter where public participation in such a proceeding promotes the full and fair determination of issues involved in such a proceeding."

A person—defined as a class or individual member of a class—would qualify for fees and costs where he substantially contributed to a fair determination of the proceeding, in light of the number and complexity of the issues presented, the importance of widespread public participation, and the need for representation of a fair balance of interests. The person would also have to demonstrate that he had a small economic interest in the outcome of the proceeding compared to the cost of participation, or that he lacked the resources to participate without compensation. The agency would decide who should receive costs awards, when there should be a consolidation of petitions to avoid duplication of effort, and how funds should be allocated among eligible participants when they are insufficient fully to compensate them all.

Payment of all fees and costs under this section is to be made within 90 days of any final decision or order. Special allowances may be made where a person establishes that his ability to participate will be severely impaired by failure to receive funds prior to the conclusion of the proceeding, and there is reasonable likelihood that participation will substantially contribute to a full and fair determination of the proceeding. Another important feature is the requirement that all awards of fees and costs be based on prevailing market rates and the quality of the service rendered.

Generally, the agency will reimburse participants eligible for compensation out of agency funds appropriated specifically for this purpose. However, in certain situations the agency may require that the intervenor's costs of participation can be shifted to the other party. This could occur in any civil enforcement proceeding or in any other proceeding involving an application for a license, rate, route, or other privilege or grant. The agency may require the respondent or applicant to pay some or all of an award upon a determination by the agency that the respondent or applicant has "acted during the course of the proceeding in an obdurate dilatory, mandacious, or illegal fashion or for oppressive reasons."

Section 2 of the bill embodies the review component. It would strengthen the judicial review provisions of the Administrative Procedure Act by providing for awards of attorneys' fees and other litigation expenses in civil actions to secure review of agency decisions not involving monetary relief. These would be allowed where the court affords a person the relief sought in substantial measure, or after the filing of such action, the agency affords the person the relief sought in substantial measure; or where, in the judgment of the court, the initiation and prosecution of such action served an important public interest. The awards provided by this section are a necessary complement to the increased public participation in agency proceedings made possible by section 1.

Congress attempted through Chapter 7 of the Administrative Procedure Act to insure that the rights established by Federal laws are enforced by, among other things, allowing citizens to challenge administrative actions in court. In the absence of statutory authorizations of attorneys' fees, citizens were often financially able to bring such suits only because the court rewarded them for their efforts by granting them attorneys' fees for acting as "private attorneys general." On May 12, of this year, however, the Supreme Court in the Alyeska Pipeline case severely undercut the ability of the general public to seek judicial review of administrative decisions by ruling that attorneys' fees can no longer be awarded to "private attorneys general" unless Congress specifically provides for such an award by statute. If Congress is to guarantee that the rights which we enact do not exist only in theory, then we must provide the wherewithal for citizens to step in where agencies fail to act, or to challenge agency decisions that violate the law; section 2 would achieve this objective.

Section 3 contains reporting requirements and section 4 a special authorization to provide funds to carry out the provisions of the act.

I believe, Mr. President, that public confidence in our institutions of Government cannot be restored until the American people are able effectively to participate in the Government's decisionmaking processes and to challenge its failure to carry out the law with justice. As chairman of the Senate Subcommittee on Administrative Practice and Procedure, I have attempted over the past 6 years to promote increased citizen involvement in agency activities. Throughout, I have pressed each agency to open its doors to greater public involvement in order to remove many of the legal and procedural hurdles to public intervention. Insofar as Government secrecy makes effective public involvement impossible, I have maintained a continuous effort to remove the curtains of secrecy that surround the conduct of the people's business.

It is clear that removing barriers and opening processes are not enough. If we are really to bring the unrepresented public directly and fully into the governmental processes, we must provide for the Government to shoulder part of the cost. If we are to make judicial review of Government decisions practically available to the public, then courts must be able to shift to Government the costs of litigation. That is what this bill seeks to achieve. Its enactment would breathe life into that public interest standard which has of late grown stale from disuse, and would restore to the practice of our administrative agencies the guiding theory of our legal system.

Mr. President, I ask unanimous consent that the bill be referred jointly to the Government Operations Committee and the Judiciary Committee. I have cleared this with the ranking members of the Government Operations Committee as well as the Judiciary Committee, with the idea that when it is reported out of either one of those committees, the other committee would have a period of 30 days to consider it.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2715

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter II of chapter 5 of title 5, United States Code (relating to administrative procedure), is amended by inserting immediately after section 558 of such title the following new section:

"§ 558a. Attorneys' Fees And Participation Expenses

"(a) For purposes of this section, the term 'person' as defined in section 551(2) of this title includes a class and any individual member of such a class.

"(b) Each agency is authorized, in accordance with the provisions of this section, to award reasonable attorneys' fees, expert witness fees, and other reasonable costs of participation incurred by eligible participants in any rulemaking, licensing, or adjudicatory proceeding conducted by an agency under this subchapter where public participation in such a proceeding promotes a full and fair determination of the issues involved in the proceeding.

"(c) Any person is eligible to receive an award under this section based on participation (whether or not as a party) in a rulemaking, licensing, or adjudicatory proceeding if—

"(1) the person represents an interest which will substantially contribute to a fair determination of the proceeding, in light of the number and complexity of the issues presented by the proceeding, the importance of widespread public participation and the need for representation of a fair balance of interests in the proceeding; and

"(2)(A) the economic interest of the person is small in comparison to the costs of effective participation in the proceeding by that person, provided that if the person is a group or organization, the economic interests of a substanial number of members of such group or organization are small in comparison to the costs of effective participation in such proceeding, or

"(B) the person demonstrates to the satisfaction of the agency that such person does not have sufficient resources adequately to participate in the proceeding in the absence of an award under this section.

"(d) In any civil enforcement proceeding and in any other proceeding involving an application for a license, rate, route, or other privilege or grant, the agency may require the respondent or applicant to pay some or all of an award under this section upon a determination by the agency that the respondent or applicant has acted during the course of the proceeding in an obdurate, dilatory, mendacious, or illegal fashion or for oppressive reasons.

"(e)(1) In order to facilitate public participation, each agency shall, wherever possible, make a determination of a person's eligibility for an award under this section prior to the commencement of any proceeding.

"(2) Payment of fees and costs under this section shall be made within 90 days of the date on which a final decision or order disposing of the matters involved in the proceeding is made by the agency, except that if a person establishes that—

"(A) its ability to participate in the proceeding will be severely impaired by the failure to receive funds prior to conclusion of the proceeding, and

"(B) there is a reasonable likelihood that its participation will substantially contribute to a fair determination of the proceeding, then the agency shall make advance payments from time to time to permit the person to participate or to continue to participate in the proceeding with regard to the maximum amount payable for awards under this section for the subject proceeding and the possible requests for awards under this section to other parties.

"(3) Reasonable attorneys' fees, expert witness fees, and other reasonable costs of participation awarded under this section shall be based upon prevailing market rates and the quality of the service provided.

(b) The analysis of chapter 5 of title 5, United States Code, is amended by inserting immediately after the item relating to section 558 of such title, the following new item:

"558a. Attorneys' fees and participation expenses.".

Sec. 2. (a) Chapter 7 of title 5, United States Code, is amended by adding at the end thereof the following new section:

§ 707. Attorneys' fees and litigation expenses

"(a) For the purposes of this section the term 'person' as defined by section 551(2) of this title includes a class and any individual member of such a class.

"(b) Any party or other participant in a civil action for judicial review of agency action not involving monetary relief shall be entitled to recover reasonable attorneys' fees, expert witness fees, and other reasonable expenses of litigation from the United States if—

"(1) the court affords such person the relief sought in substantial measure, or after the filing of such action the agency affords such person the relief sought in substantial measure; and

"(2) in the judgment of the court, the initiation and prosecution of such action served an important public interest.

"(c) In any action in which a person has derived any benefit of pecuniary value as a result of the litigation, the court shall reduce or deny any award of litigation expenses under subsection (b) of this section to the extent that the court determines that the anticipation of the benefit ultimately received by such person was sufficient to provide an incentive to bring such action. If both monetary and nonmonetary relief are obtained in a single action, the court may award litigation expenses apportioned to the nonmonetary part of the action.

(b) Chapter 7 of title 5, United States Code, is amended by adding immediately after the item relating to section 706 of such title, the following new item:

"707. Attorneys' fees and litigation expenses.".

Sec. 3. (a) The Administrative Office of the United States Courts shall, in accordance with such rules as the Judicial Conference of the United States may prescribe, prepare and transmit to Congress an annual report on the awards of litigation expenses against agencies of the United States under this Act. Such report shall contain a list of all actions in which such awards were sought or ordered.

(b) Each agency of the United States (as defined in section 551 of title 5, United States Code) shall prepare to transmit to Congress an annual report with respect to all proceedings and adjudications in which grants pursuant to the amendment made by this Act were sought or made.

Sec. 4. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of the amendments made by section 2 of this Act. Payment from such appropriations shall be made under the supervision of the Director of the Administrative Office of the United States Courts.

(b) In addition to the sums authorized under Subsection (a), there is authorized to be appropriated for the purposes of carrying out the provisions of the amendment made by the first section of this Act, in addition to any funds otherwise available for supporting public participation in agency proceedings, the sum of $10,000,000 for the fiscal year 1976, and such funds as may be necessary for each fiscal year thereafter.

Mr. MATHIAS. Mr. President, I am pleased to join today with the Senator from Massachusetts (Mr. Kennedy) in introducing legislation which would authorize the payment of fees for attorneys and expert witnesses for citizens participating in Federal agency proceedings and seeking judicial review of agency actions.

If enacted, this proposal will provide two significant improvements in the way our agencies of Government function. First it would allow for greater participation in the administrative process by the general public. It would also move us closer toward the goal of reform of our regulatory agencies by helping to insure that all sides are heard at agency proceedings, thus increasing the responsiveness of Federal decisionmakers to the will of all our people.

In the past decade, our society has greatly benefited from a tremendous growth in the number and effectiveness of nonprofit public interest groups. This legislation will give these groups—and all other public-spirited citizens—far broader input regarding the rulemaking and other procedures of the regulatory agencies which increasingly govern our lives.

Our bill would allow participants in rulemaking, licensing, and other proceedings of Federal agencies to recover their attorneys' fees, expert witness fees, and other costs of participation, up to a reasonable amount. They would be reimbursed when and if the agency itself determines that they represent an interest which makes a substantial contribution to the proceeding.

This legislation is clearly necessary at a time when regulatory agencies exercise more intricate control over our economic life than ever before. In spite of many recent efforts to open up the administrative process to allow citizens to have some influence on Federal agency decisions, most proceedings have little or no public involvement today. The high cost of hiring attorneys and expert witnesses to penetrate the complex layers of issues under agency consideration and of preparing and duplicating materials for presentation to the agencies makes it virtually impossible for most individuals or organizations to participate. Ordinary public citizens obviously cannot be expected to make a contribution under these circumstances unless at least some of their costs are paid by the Government, as this bill would provide.

In the past Congress has frequently sought to insure that the rights established under the laws we passed are enforced by, among other things, permitting citizens to challenge administrative actions in court. In most cases, however, citizens have been able to afford to bring such suits only because the courts often were prepared to grant them attorney fees when their cases had merit, under the theory that they in effect acted as a "private attorney general."

More recently, the 1975 Supreme Court decision in the Alyeska Pipeline case has severely undercut the ability of the general public to seek judicial review of administrative decisions. In that case, the Court ruled that attorneys' fees can no longer be awarded to "private attorneys general" unless Congress specifically provides for such an award by statute. That decision makes the legislation we are introducing today all the more necessary.

If Congress is in fact to guarantee that the rights which we enact do not exist only in theory, this legislation is needed to assist in paying for the enormous legal costs necessary to encourage citizens to step in where agencies fail to act, or to challenge agency decisions which may stray from the appropriate mandate.

Section 2 of this bill would also grant reasonable attorneys' fees to persons who bring civil suits for judicial review of agency action. These fees could be obtained only if the relief sought by the plaintiffs were afforded in substantial measure either by the court itself or by the agency—after the filing of such action—and if the court determined that the plaintiffs served an important public interest.

It is to be hoped, of course, that these issues can be resolved first at the agency level, without the need to resort to court action. A great deal of litigation regarding administrative actions can be avoided in the first instance if we make it easier for citizens to present their viewpoints in administrative proceedings before final action is taken. Again, however, the enormous cost of participation makes it impossible to expect the average citizen to be able to afford to give an agency the additional information that may significantly contribute to an informed and considered decision. This citizen participation is a necessity in almost all Federal agencies, since their jurisdiction and duties are so vast. As long as citizens are not afforded counsel fees for bringing to the attention of administrative agencies an independent viewpoint, there is bound to be little general public participation.

This will be likely to perpetuate one inevitable result: the only interests capable of devoting the substantial resources necessary to participate in these proceedings will continue to be those with a large enough direct financial stake in the outcome—namely, the very industries which are supposed to be regulated. Non-profit public interest groups simply do not have the resources to compete on the same ground.

Former FCC Commissioner Nicholas Johnson has observed from his own experience that citizen participation in the decisionmaking process "is virtually nonexistent," with the "necessary but unhappy result * * * that the FCC is a captive of the very industry it is purportedly attempting to regulate." One need not imply any bad motives in this kind of situation in order to observe the likely outcome when any agency hears primarily from only one side of an issue.

A few illustrations of the difficulty of participating in administrative proceedings suggest why attorneys' fees are necessary. For example, one witness before a Senate Commerce Committee hearing last year pointed out that proceedings initiated by Southern Railway to demonstrate that its proposed rates were not unreasonable for its new "Big John" boxcars "took 4 years, covered 17,000 pages of testimony, and damaged the health of the ICC examiner involved. Many determinations take far longer. The average age of dockets in the CAB in 1960 was 32 months."

When one considers the large number of Federal agencies and the thousands of cases like Southern Railway, it becomes obvious that the average citizen or public interest group cannot be expected to make any kind of relatively important contribution without the potential of an attorneys' fee award.

Expert witnesses, as well as attorneys, are often needed to make an adequate presentation before a Federal agency. Yet they, too, may require a large expenditure of funds. For example, expert witnesses who appear before the Interstate Commerce Commission on behalf of industry representatives often cost as much as $4,000 or $5,000 in an average rate case.

This proposed legislation is modeled after a similar provision in the 1975 Magnuson-Moss Warranty—FCC Improvement Act already passed by Congress. That act authorized a fund of $1 million for participants in FTC proceedings, and the criteria for the award of such funds have now been developed in final regulations adopted by the FTC.

I would also like to note that this legislation will provide an important complement to the Agency for Consumer Advocacy, the establishment of which was recently voted by the Senate. If the ACA is approved by the President, there will still be a need for the wide variety of interests such as those of minorities, environmentalists and the poor who still need to be represented before Federal agencies in nonconsumer oriented proceedings. And even where the interests of consumers are the concern of Federal agency decisionmakers, the panoply of consumer needs and the overwhelming number of agency proceedings concerned with those interests dictates a supplement to the ACA where consumer representatives may themselves choose which proceedings should be entered.

Furthermore, if the ACA is vetoed by the President, then the need for enactment of this bill will be even greater. In any case, providing the means by which citizens could take advantage of the participation in agency proceedings which Congress has already permitted would certainly help make our agency decisions coincide more closely with our congressional mandates to each agency.

I should also like to stress that this legislation would not provide attorneys' fees automatically for any person or group intervening in an agency proceeding. Quite to the contrary, the agency itself would be authorized to determine, under the tight guidelines set down in this bill, whether the public interest was served by such intervention and to award reasonable fees only when the person or group demonstrates to the satisfaction of the agency that they would not otherwise have sufficient resources to participate.

I believe this bill represents a responsible, modest but significant step in the direction of greater agency responsiveness, and urge my colleagues to join Senator KENNEDY and me in moving this or similar legislation through the legislative process and to enactment.

Mr. JAVITS. Mr. President, I am today joining under conditions I will state, with the senior Senator from Massachusetts (Mr. KENNEDY), the senior Senator from Connecticut (Mr. RIBICOFF) and other members in introducing legislation to authorize the payment of legal fees and other costs to qualified public intervenors in proceedings before Federal administrative agencies, and in actions to secure judicial review of agency decisions.

This bill has potential dramatically to improve the adversary system of justice in our Federal regulatory system. The basic objective of the bill is to provide a broader opportunity for non-profit, public interest groups to have their voices heard in regulatory proceedings under suitable safeguards as I shall outline.

As the Senate knows, Senator RIBICOFF, Senator PERCY, Senator MAGNUSON, and I have been deeply concerned about the lack of representation of consumer interests in matters before regulatory agencies and Federal Courts. For more than 5 years the Senate Government Operations Committee and the Commerce Committee have sought to correct that imbalance by providing for a strong consumer protection agency.

The bill we introduce today is closely related in purpose to the consumer protection bill. Its fundamental purpose is to provide greater public access and broader input regarding rule-making and other agency activities, which in many instances have come to dominate our lives.

The purposes of this legislation are also directly related to many of the criticisms of the Federal regulatory system which is now the subject of intense interest in the Government Operations and Commerce Committees and in the public media as well.

Mr. President, although I very much endorse the purpose of this legislation, I nevertheless have some reservations concerning safeguard provisions in this bill. I believe that the criteria of eligibility for attorneys' fees awards must be tightened in order to limit appropriately and under appropriate criteria and the number of awards and total appropriations which would be expended.

The bill also does not address the issue of how the available funding is to be dispersed and allocated as between the various regulatory agencies. I believe that these question must be first resolved in any bill which is reported from the Government Operations Committee.

By Mr. NUNN:

S. 2716. A bill to improve congressional oversight of the operation of Federal departments and agencies in order to insure that rules and regulations conform to the intent of Congress. Referred to the Committee on Government Operations.

REGULATORY LIMITATION ACT OF 1975

Mr. NUNN. Mr. President, I today introduce the Regulatory Limitation Act of 1975, a bill to improve congressional oversight of the Federal regulatory process.

The bill provides that Federal rules and regulations shall take effect 60 days after they are published in the Federal Register, provided that neither House of Congress disapproves them during that period.

I do not propose that this bill is the ultimate solution to all of our regulatory problems, nor it is necessarily the answer to better congressional oversight of regulations. However, it will provide a vehicle by which the Government Operations Subcommittee on Oversight Procedures, of which I am honored to serve as chairman, can explore the many questions and problems in this area and search for a viable solution.

I expect the subcommittee to begin hearings in January on this bill and on the broad subject of proper oversight of regulations.

My distinguished colleague from Georgia, Representative ELLIOTT LEVITAS, has sponsored a similar bill to enable Congress to disapprove regulations which carry a criminal penalty. He has provided urgently needed leadership to return government to the elected representatives of the people. Congressman LEVITAS has had the foresight to realize that a democracy cannot survive if unelected, faceless bureaucrats are permitted to continually invade people's lives and infringe upon their liberties.

My bill expands on Representative LEVITAS' measure in that it applies to all proposed rules and regulations, not just those whose violation carries a criminal penalty. I hope my Senate colleagues will joint with me, as 140 of Representative LEVITAS' colleagues in the House have joined with him, in sponsoring legislation which can lead to improved responsiveness on the part of Federal agencies which have regulatory authority.

As he has rightly pointed out, this is not an issue which can be categorized as liberal or conservative. It is an issue which is of concern to everyone who cares about the principles upon which our Nation is founded.

We have foolishly departed from those principles in many instances, and in the process we have created an alienated and frustrated citizenry, many of whom feel that Government does not care.

It is not difficult to understand their complaints when we look at some of the regulations which have been put into effect or proposed.

Instances of arbitrary and capricious action occur far too often. It is time it stopped. Congress must end it by effective oversight of the bureaucracy.

My bill goes to the heart of congressional oversight of the regulatory process, for Congress at present lacks the power to disapprove a proposed regulation without passing an altogether new statute. This is true despite the fact that the regulatory agencies promulgate rules under authority delegated them by Congress.

Under my bill, citizens can bring unwise or unnecessary regulations to the attention of their representatives. If a majority of their colleagues in either House agree, such regulations will be prevented from going into effect.

Mr. President, Congress has moved in the past few years to regain much of the power it has either delegated or allowed to slip away to the executive branch. The best example is the Congressional Budget and Impoundment Control Act of 1974.

It is time now for Congress to regain authority over the rulemaking process in order to insure that Federal regulations are wise and are in keeping with the intent of Congress as expressed in the statutes authorizing them.

It is also time for Congress to begin reviewing the programs and policies it has enacted and which have resulted in the maze of Federal regulations that strangle businesses and encroach on the daily lives of our citizens. I am very pleased that the Government Operations and Commerce Committees have launched a major regulatory reform study, and I hope that the outcome will be a fundamental change in the way we go about running this great Nation.

During the past 40 years we have piled program on top of program, requirement on top of requirement, restriction on top of restriction. Today we are paying the price of growing Government in terms of over regulation and a mountain of Federal paperwork. We must now look back at what we have created and make Government agencies work where they should. Overzealous regulation and incompetence must be eliminated from our Government.

I noted with great pleasure a recent speech by the distinguished Senator from Maine (Mr. MUSKIE) in which he urged liberals not to be ashamed of being in favor of fiscal responsibility and productivity. He urged the Liberal Party of New York to take a hard look at the programs that have been enacted during the past 40 years and to emphasize the need to make these programs work in a sensible manner.

Senator MUSKIE's remarks were very encouraging, and I sincerely hope that they signal a united front by liberals, conservatives, and moderates all across the political spectrum to bring sanity back to our Government. There can be no greater achievement for the 94th Congress.

Mr. President, I ask unanimous consent that the text of the Regulatory Limitation Act of 1975 be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2716

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regulatory Limitation Act of 1975."

SEC. 2. Rules and regulations implementing the public laws of the United States shall take effect—

(a) only after the expiration of the first period of sixty calendar days of continuous session of Congress after the date on which the rule was published in the Federal Register; and

(b) only if during such sixty-day period neither House of Congress passes a resolution disapproving of such rules and regulations.

By Mr. BROCK:

Senate Joint Resolution 148. A joint resolution to clarify and reaffirm Government purchasing policies. Referred to the Comimttee on Government Operations.

Mr. BROCK. Mr. President, private enterprise in this country has traditionally accepted the primary responsibility of supplying goods, jobs, and services to all sectors of our national economy including the needs of our Federal Government. Unfortunately, it appears that this important role is now in jeopardy. As the Federal payroll continues to grow and employee compensation absorbs presently one-half of the total Federal dollars used to provide the goods and services which are needed by the Government, governmental reliance on the private sector has been significantly reduced.

This development permits a number of conclusions. First, the Federal Government is obtaining more and more of its goods and services without the benefits of competition. Second, the private sector loses a significant volume of business which it needs for facility expansion and employment. And third, the shift from the private sector to in-house procurement by the Government in the area of research and development tends to erode the technological capabilities of private industry. It indirectly affects our ability to compete in foreign markets. If unchecked, the consequences of this trend wil be calamitous.

For this reason, I am introducing today this resolution which reaffirms the policy of reliance on the private sector for goods and services required to meet Government needs. Mr. President, I ask unanimous consent that the text of the resolution be printed with my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 148

Whereas it is the function of the Government to set policy and manage the affairs of the Nation; and

Whereas it is the role of private enterprise to provide goods, jobs and services needed in that endeavor; and

Whereas optimum economy, efficiency, and productivity can be achieved if the Government relies on competitive procurement for its supplies and services; and

Whereas it is a primary goal of the Nation to improve its economy by adoption of anti-inflationary policies: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the general policy of the Government of the United States to rely upon private commercial sources for the goods and services required to meet Government needs, unless

(1) such reliance would demonstrably disrupt or significantly delay an urgent agency program; or

(2) in-house performance is mandatory for national security; or

(3) the product or service is not and cannot be made available from the private sector and is available from a Federal source.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 388

At the request of Mr. Church, the Senator from Montana (Mr. Mansfield), the Senator from Alabama (Mr. Allen), and the Senator from Vermont (Mr. Leahy) were added as cosponsors of S. 388, a bill to amend titles II, VII, XVI, XVIII, and XIX of the Social Security Act.

S. 1293

At the request of Mr. Metcalf, the Senator from California (Mr. Tunney) was added as a cosponsor of S. 1293, a bill to establish the Charles M. Russell National Wildlife Range; the Charles Sheldon National Wildlife Range; and the Kofa National Wildlife Refuge as part of the National Wildlife Refuge System, and for other purposes.

S. 2110

At the request of Mr. Church, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor to S. 2110, a bill to amend the Controlled Substances Act so as to make unlawful the robbery of a controlled substance from a registered pharmacy.

S. 2342

At the request of Mr. Magnuson, the Senator from South Dakota (Mr. McGovern), the Senator from New Jersey (Mr. Case), the Senator from Arizona (Mr. Goldwater), the Senator from Michigan (Mr. Philip A. Hart), the Senator from Minnesota (Mr. Mondale), the Senator from Maine (Mr. Hathaway), the Senator from Idaho (Mr. Church), the Senator from Wisconsin (Mr. Proxmire), and the Senator from New Hampshire (Mr. McIntyre) were added as cosponsors of S. 2342, a bill to provide for the safeguarding of taxpayer rights.

S. 2446

At the request of Mr. Church, the Senator from Michigan (Mr. Philip A. Hart) and the Senator from New York (Mr. Javits) were added as cosponsors of S. 2446, a bill to amend the Social Security Act to freeze medicare deductibles.

S. 2607

At the request of Mr. Hatfield, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 2607, a bill to lift the trade embargo against North and South Vietnam.

S. 2608

At the request of Mr. Fannin, the Senator from Oklahoma (Mr. Bellmon) and the Senator from Texas (Mr. Tower) were added as cosponsors of S. 2608, a bill to provide tax incentives for the development of geothermal energy resources.

S. 2617

At the request of Mr. Johnston, the Senator from Ohio (Mr. Glenn) was added as a cosponsor of the bill (S. 2617) the Minority Business Development and Assistance Act of 1975.

S. 2631

At the request of Mr. McIntyre, the Senator from Utah (Mr. Moss) was added as a cosponsor of S. 2631, a bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes.

S. 2642

At the request of Mr. Thurmond, the Senator from North Carolina (Mr. Morgan) was added as a cosponsor of S. 2642, a bill to authorize the Secretary of the Interior to establish the Old Ninety Six and Star Fort National Historical Park in the State of South Carolina, and for other purposes.

S. 2662

At the request of Mr. Humphrey, the Senator from Iowa (Mr. Culver) and the Senator from Vermont (Mr. Leahy) were added as cosponsors of S. 2662, the International Security Assistance and Arms Export Control Act of 1975.

S. 2666

At the request of Mr. Biden, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of S. 2666, a bill to establish a comprehensive oil spill liability and compensation law.

SENATE RESOLUTION 251

At the request of Mr. Biden, the Senator from Arkansas (Mr. Bumpers) and the Senator from Colorado (Mr. Haskell) were added as cosponsors of Senate Resolution 251, relating to the President's trip to China and American POW's and MIA's.

SENATE CONCURRENT RESOLUTION 70

At the request of Mr. Humphrey, the Senator from Arkansas (Mr. Bumpers) was added as a cosponsor of Senate Concurrent Resolution 70, relating to broadening the observance of Thanksgiving to an occasion of sharing our plenty with the hungry of other nations.

SENATE RESOLUTION 306—SUBMISSION OF A RESOLUTION TO CREATE SMALL BUSINESS EXPERTS IN THE TREASURY DEPARTMENT AND THE CONGRESS

Mr. NELSON (for himself and Mr. Humphrey), submitted the following resolution, which was referred to the Committee on Finance:

S. Res. 306

Whereas small and independent business is an important part of the U.S. economy, accounting for 52 percent of private employment, 43 percent of all business output, and 33 percent of the gross national product, and 12.6 million of the 13 million businesses in the United States are small businesses; and

Whereas there is an acute shortage of equity capital for smaller firms and especially new ventures, as indicated by the fact that there have been only 10 stock issues sold by medium- and small-sized businesses in the past 20 months; and

Whereas smaller businesses are at a marked disadvantage in obtaining loans and other forms of credit, which pattern seems to be intensifying in the recent past, especially in these periods of restrictive monetary policy; and

Whereas business income tax rates which are regressive, with some of our largest firms paying effective rates of only 25 percent of their net incomes in Federal taxes, while many medium-sized firms must pay effective rates of more than 50 percent, which inhibits smaller and medium-sized businesses from raising capital through retained earnings; and

Whereas pressures on all business, and particularly small business, are increasing, as reflected by bankruptcies in the year ending June 30, 1975, increasing 45 percent to 30,130;

Now, therefore, be it resolved that it is the sense of the Senate, in order to institutionalize the resources for long-range tax simplification and tax reform for small business, that

(1) There be designated in the Department of the Treasury a person whose assigned responsibilities shall include liaison with the small and independent business community in matters of tax policy and an analysis of the differential effects of tax policies on new, small, and medium-sized independent businesses, as well as their particular needs under the free, private enterprise system; and

(2) There be designated in the Congress, as a part of the Joint Committee on Internal Revenue Taxation, or otherwise, a person whose responsibilities include long-range tax simplification and tax reform having, as one of its objects, the small and independent business community.

Mr. NELSON. Mr. President, I submit for appropriate reference, a resolution stating the sense of the Senate that there be designated one person in the Treasury Department and one other person on the congressional staff of the Joint Committee on Internal Revenue Taxation to study long-range tax simplification and tax reform for the 97 percent of the business community which is classified as "small business."

There would thus be in the Treasury Department and in the Congress, staff points of contact and responsibility for the entrepreneurial sector of the economy in these vital tax-connected institutions. It would provide a focus for input by the small business community about their particular problems, and a resource for the analysis of the differential effects of the tax system on businesses of different sizes on a regular, ongoing basis.

The Select Committee on Small Business has found in 12 days of hearings on taxes this year, that new and small businesses are victims of a corporate income tax dating from 1950 and an estate tax structure established in 1942.

Inflation, and other changes in the economy since then, have made this structure substantially obsolete as applied to new, small and medium-sized independent enterprises.

Inflation has increased 224.1 percent from 1942 to June 1975. In comparison, the personal exemption for the individual taxpayer—including 10½ million sole proprietor businesses—has increased 50 percent from $500 to $750. The surtax exemption for small corporations did not increase at all until this year. After extensive efforts by our committee and the Congress, it was raised 100 percent—$25,000 to $50,000—for a temporary period of 1 year only.

Estate and gift tax exemptions have remained unrevised ($60,000 and $30,000 respectively) and largely unexamined for the past 30 years. This out-of-date tax structure has become a straitjacket for entrepeneurs wishing to begin a business, foster the growth of an enterprise, or pass a farm or small business on to their children.

During this time, the Internal Revenue Code and accompanying regulations have grown topheavy and complex, requiring the expertise of accountants and lawyers which most new and small businessmen cannot afford. For this reason, and because of the nature of some of the tax provisions themselves, effective tax rates of medium-sized corporations—between $1 million and $50 million in assets—average about 50 percent[1] while those of the 100 largest corporations average only one-half as much.

Reporting burdens have grown literally unchecked in the past quarter century. The possibilities for simplification are immense. For example, if the tax form 941 on industrial employment and the parallel form 943 for agriculture employment were made into annual filings, we could eliminate a stack of paper 10,700 feet high—over 2 miles—each year from the pile of reports that small businessmen and women must sit down and fill out and mail, and which Government agencies must process and store. There are several other examples of this kind that could be cited.

The point is that our existing institutions are neglecting the problems of small business. In doing so, we are eroding the foundation of our economy, and the wellsprings of local and national life. Small business accounts for more than one-half of all private employment, 43 percent of business output, and one-third of the gross national product. It has also been the source of more than one-half of all important industrial invention and innovations.

But past inattention to small business problems is taking its toll. Accumulated weakness resulting from an inequitable tax system, mounting paperwork burdens, and proliferating regulations have made small business especially vulnerable to the recession. As a result, business bankruptcies have increased 45 percent in the year ending June 30, 1975, to a level almost twice what it was 10 years ago.

The deterioration not only dims prospects for recovery from the recession in the short-term, but it impairs the health and vitality of our entire economy permanently.

As Prof. Irving Kristol, Luce professor of urban values at New York University, recently stated in the Wall Street Journal:

> . . . the small businessmen are being bankrupted by a political process that takes them for granted and is utterly indifferent to (their) problematic condition. . . .

It is clear to the Small Business Committee that the tax policy and tax-writing institutions of this country are not adequately serving the needs of the small business community, and that shortcoming is having adverse effects on the national economy. These institutions need help to modernize and cope with the changing conditions of the last quarter century.

As a first step in that discussion we are proposing this resolution. In my view, the resolution would create a focus for highly useful long-range study and thought on a systematic basis, and that would have benefits for the business community and the entire economy. On the basis of the work of such persons, we could better appraise where the small business community is now under the tax system, and what needs to be done in the future.

I urge speedy action on this resolution.

SENATE RESOLUTION 307—SUBMISSION OF A RESOLUTION TO AMEND THE RULES OF THE SENATE RELATING TO ASSESSMENTS OF LEGISLATIVE GOALS

Mr. LEAHY (for himself, Mr. HUMPHREY, Mr. DOLE, Mr. BIDEN, Mr. FANNIN, and Mr. STAFFORD) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 307

Whereas, legislation authorizing budget authority often has objectives that are poorly defined; and

Whereas, the performance of Federal programs in relation to legislative goals is often not properly assessed and reported to the Congress; and

Whereas, in the face of an expanding Federal bureaucracy and budget, the Congress often lacks adequate information to perform its oversight function: Now, therefore, be it

Resolved, that (a) rule XIV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"7. (a) It shall not be in order to consider any bill or joint resolution, authorizing new budget authority exceeding $1 million in its five-year cost or involving only administrative costs, reported by a committee unless the report accompanying such bill or resolution contains an assessment, prepared by the Comptroller General of the United States, of the language of such bill or joint resolution. Such assessment

"(1) shall determine whether the language in which the bill or joint resolution is phrased is sufficiently clear to enable useful evaluations to be made of the activities to be authorized by such bill or joint resolution;

"(2) shall determine whether the problems or needs to be addressed, the activities to be established, and the results to be accomplished by such bill or joint resolution, are sufficiently well-defined so as to be measurable, and whether such problems or needs, activities, and results are related in a manner clear enough to be tested; and

"(3) shall report those legislative objectives and assumptions which can be tested through evaluation.

"(b) Subparagraph (a) shall not apply to a bill or joint resolution if—

"(1) the committee determines, by a rollcall vote, that an emergency exists which requires that the provisions of subparagraph (a) be dispensed with; and

"(2) the committee report contains a tabulation of such rollcall vote and an explanation of the emergency."

(c) The amendment made by subsection (a) shall take effect at noon on January 3, 1976.

SEC. 2. (a) The Comptroller General of the United States is requested, at the request of any committee, to furnish to such committee an assessment, which meets the requirements of paragraph 7 of rule XIV of the Standing Rules of the Senate, of any bill or joint resolution to be reported by such committee.

(b) The Secretary of the Senate shall transmit a copy of this resolution to the Comptroller General of the United States.

Mr. LEAHY. Mr. President, too many bills enacted into law sacrifice pragmatism to good wishes. The language of many is unclear, and their goals immeasurably grand. Too often phrases such as "to end hunger" or "to end poverty" are the extent of the specificity with which goals are identified.

At a time when the birth rate for Federal agencies is on the average, 15 a year, and the death rate, so to speak, is one a year, Congress continues to reauthorize many programs because we often lack the criteria to judge which of them have outlived the purposes for which they were created.

The public larder is not boundless. Nevertheless, the budget and the bureaucracy continue their relentless growth. Congress must cast a cold eye on what it creates, and to improve its oversight it will need new tools.

Therefore, Mr. President, Senators STAFFORD, HUMPHREY, DOLE, BIDEN, FANNIN, and I are today submitting a Senate resolution proposing an amendment to the Senate rules to establish a procedure to aid in determining whether legislation authorizing new budgetary authority will be capable of fulfilling legislative goals. I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

Under its provisions, all bills authorizing new budget authority in excess of $1 million over a 5-year period would be referred to the General Accounting Office for an assessment as to whether or not they contain measurable goals.

The aim of this resolution is to improve the precision of legislative intent. It will require the Congress to ask: First, "how much sense will this bill make in a few years, and will it really do what it is intended to do?" and second, "will the Congress be able to judge its effectiveness when it comes up for appropriation or reauthorization?"

Title VII of the Budget Act of 1974

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[1] Hearings Before the Select Committee on Small Business, U.S. Senate, 94th Cong., 1st Sess., "Small Business Tax Needs," February 4, 5 and 20, 1975, pp. 345–414; and studies by Hon. Charles Vanik, U.S. House of Representatives of the largest corporations filing Quarterly 10K Forms to the Securities and Exchange Commission, 1971–1974.

provides for trial testing of proposed legislation. This resolution will supplement those provisions. These studies will not be economic assessments, such as those performed by the Congressional Budget Office, but assessments of manageability. They would be performed on fewer than 200 bills per year, at an estimated annual cost of less than $1 million. The potential savings are many, many times that amount.

I have discussed this concept with Comptroller General Staats who expressed a strong interest in it. In fact, he is currently conducting a trial test in order to study the feasibility of developing a system within the GAO for performing such assessments.

I hope that the Senate will concur with me that this is a task that needs doing. A concise assessment of a bill before it has been enacted will be worth much more than lengthy oversight hearings after the fact.

SENATE RESOLUTION 308—SUBMISSION OF A RESOLUTION TO ESTABLISH AN OFFICE OF SMALL BUSINESS ECONOMIC AND FINANCIAL ANALYSIS FOR THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. HUMPHREY (for himself and Mr. Nelson) submitted the following resolution, which was referred to the Committee on Banking, Housing and Urban Affairs:

S. Res. 308

Whereas small business accounts for 52% of all U.S. private employment, 43% of all U.S. business output, and 33% of the U.S. gross national product; and

Whereas 12.6 million of the 13 million businesses in the United States are small businesses; and

Whereas the shortage of equity capital for smaller firms is indicated by the fact that there have been only 10 stock issues sold by medium- and small-sized businesses in the past 20 months; and

Whereas small businesses are always last in line for other forms of credit, which pattern seems to be intensifying in the recent past; and especially in these periods of restrictive monetary policy; and

Whereas business income tax rates which are regressive, with some of our largest firms paying only 25% of their net incomes in Federal taxes, while many medium-sized firms must pay more than 50%, inhibiting smaller and medium-sized businesses from raising capital through retained earnings; and

Whereas pressures on all business, and particularly small business, are increasing, as reflected by bankruptcies in the year ending June 30, 1975 increasing 45%, to 30,130: Now, therefore, be it

Resolved by the Senate that it is the sense of the Senate that the Chairman of the Federal Reserve Board shall assure that analysis of all forms of economic and financial data relevant to the health of the small business sector of the United States of America shall be made and taken into account by the Board of Governors in making any of its decisions; and, in addition, the Board of Governors shall determine the impact on the small business sector of the United States economy before any of its decisions are finally made.

THE FEDERAL RESERVE MUST KNOW MORE ABOUT SMALL BUSINESS

Mr. HUMPHREY. Mr. President, in a Wall Street Journal column on November 13, Irving Kristol characterized the small business person as our society's new forgotten man. Kristol says:

> It is astonishing and dismaying how little interest there seems to be in the condition of small business in the United States today.

Mr. Kristol's comments are all too true. Small business has been a low priority issue for successive administrations and, unfortunately, much too often for the Congress too. If we hope to maintain a strong small business sector, this trend must be reversed.

To many small business people, it seems that the Federal Government is interested in them only if a Federal regulation is being violated or if Federal taxes are due. Good news from the Government rarely comes.

Let us see what effects this period of neglect by the Federal Government has had on the small business community.

The first is discriminatory tax rates. Our country's largest firms have an effective tax rate of about 25 percent, while small firms have a rate in excess of 51 percent.

The second is a depression in the housing industry, composed mostly of small and independent firms. Unemployment in construction now runs at about 20 percent.

The third is the proliferation of Federal regulations. These regulations capture the time, finances, and productive energies of small business.

The fourth is a capital shortage. Interest rates for smaller borrowers are now between 15 percent and 18 percent, and equity financing for small firms is virtually nonexistent.

The fifth is an increased bankruptcy rate. Bankruptcies are up 45 percent, to 30,130 for the year ending June 30, 1975.

And one of the most notable examples of this malignant neglect of small business rests in the Federal Reserve Board. Neither the Federal Reserve Board nor any of its branch banks has any expertise in the analysis of the small business sector.

Considering that the small business sector accounts for over 50 percent of U.S. employment, over 40 percent of U.S. business output, and over 30 percent of the U.S. GNP, this relegation of small business to a level of total insignificance is intolerable.

I am, therefore, introducing this resolution, which directs the Chairman of the Federal Reserve Board to assure that analysis of all forms of economic and financial data relevant to the health of the small business sector be made and taken into account by the Board of Governors in making any of its decisions. In addition, it directs the Board of Governors to determine the impact on the small business sector before any of its decisions are made final. I believe this resolution deserves the support of all my colleagues.

SENATE CONCURRENT RESOLUTION 78—SUBMISSION OF A CONCURRENT RESOLUTION DISAPPROVING PROPOSED BOND ISSUE BY THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

(Referred to the Committee on the District of Columbia.)

Mr. EAGLETON (for himself, Mr. Mathias, Mr. Inouye, Mr. Stevenson, Mr. Glenn, Mr. Bartlett, and Mr. Garn) submitted the following concurrent resolution:

S. Con. Res. 78

Resolved by the Senate (the House of Representatives concurring), That the Congress disapproves of the action of the Council of the District of Columbia described as follows: The Act enacted by the Council of the District of Columbia (1–57) entitled "An Act to authorize the issuance of $50,000,000 General Obligation Bonds of the District of Columbia to refund certain loans made to the District from the United States Treasury", passed by the Council of the District of Columbia on October 21, 1975, signed by the Mayor of the District of Columbia on October 22, 1975, and transmitted to the Congress on October 24, 1975, pursuant to section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act.

Mr. EAGLETON. Mr. President, on behalf of myself and all of the other members of the District of Columbia Committee—Mr. Mathias, Mr. Inouye, Mr. Stevenson, Mr. Glenn, Mr. Bartlett, and Mr. Garn—I am today submitting a resolution of disapproval of D.C. Council Act 1–57, an act to authorize the issuance of $50 million in bonds. The D.C. Committee plans to hold hearings on this resolution beginning December 2.

When Congress enacted legislation 2 years ago giving the District of Columbia a measure of home rule, one provision of that legislation authorized the District to issue municipal bonds, instead of borrowing the money directly from the U.S. Treasury as has been the practice heretofore. The home rule legislation also specifically authorized the continuation of borrowing from the Treasury for projects which had been authorized prior to passage of the home rule legislation.

The bond authorizing legislation recently passed by the Council and now before Congress is not for new projects. Rather, it would refinance borrowings which were made earlier this year from the U.S. Treasury.

Mr. President, all of us are acutely aware of the fiscal problems in New York City. We are also aware that the city reached its present crisis by allowing itself to be lulled into a false sense of security, by not watching carefully the financial legerdemain that its budget officials were using.

Washington is at a crossroads. Its capital spending program will effectively double in size over the next few years. Its bookkeeping system has never had a complete outside audit. The three pension programs which are designed to cover District of Columbia employees are unfunded systems with over $1 billion in unfunded liabilities.

At the same time, the municipal bond market is undergoing a crisis of confidence. Every issue is being examined with the greatest of care, causing interest rates to be at their highest levels in years.

Yet the only announced reason for the present D.C. bond issue is to refinance existing debt at a lower rate of interest. As a matter of fact, the authorization is for less than one-half of the debt which has been incurred in the last year.

Mr. President, these are issues which must be faced, and the time to do so is now—before the District of Columbia markets its first bond package. Some of the very problems which are causing New York City such agony can be seen today germinating right here in Washington, D.C.

Let me also remind my colleagues that the issue of a "D.C. bailout" will probably never come before us, because the financial viability of the District of Columbia rests ultimately with Congress under the Home Rule Act. Debt service has first claim on the annual Federal payment to the District, which payment is $254 million this fiscal year.

Mr. President, this link between the Federal budget and the fiscal health of the District of Columbia compels us to consider the proposed bond issue. We have a responsibility to the Nation to insure that the one city which is directly under Federal authority does not follow in the footsteps of New York City.

The committee will hold hearings on the general fiscal problems of the District of Columbia, beginning with consideration of the resolution of disapproval. It is the intention of the committee, however, to continue these hearings regardless of the action which is taken on the resolution.

Mr. President, we intend, in the coming months, to inquire into the entire range of fiscal issues which may affect the District of Columbia. Unless action is taken to counteract the trend, I can foresee an ever-widening gap between rising expenditures and faltering revenues.

Inflation, the increasing demand for public services, rising levels of real compensation for municipal employees, the need to fund the pension systems, the potential burden of the Metrorail system, the major capital improvement program—all of these factors could push expenditures far beyond the current projections.

Such a prospect might induce revenue-raising measures which are either unrealistic or counterproductive. The committee will look into the income side of the District budget, including such items as the appropriate size of the Federal payment, the changing municipal fiscal base, the potential loss in future revenues due to rent control, the statutory limitation on debt capacity, the difficulties of imposing new taxes, and the uncertainty of municipal bond market borrowing.

Mr. President, the District is about to embark on its most ambitious building program since the 1860's. This program, if carried out, would require hundreds of millions of dollars in borrowing. For all of these reasons, I urge that we move slowly and with deliberation in this matter of the District's first bond issue.

Mr. MATHIAS. Mr. President, today I join with Senator EAGLETON and every member of the Committee on the District of Columbia in submitting a concurrent resolution to disapprove the D.C. City Council's Act—1-57—which is now pending before our committee.

I intend to actively participate with the chairman in conducting in depth and comprehensive hearings on the fiscal situation in the District of Columbia. This seems to be a prudent thing to do, and my final decision will be determined by the evidence presented to the committee.

I might add parenthetically that anyone who doubts the wisdom of the action we are taking today need only look at New York City and the potential impact of that city's impending default on other municipalities to understand the concerns of this committee and reasons for the steps we are taking.

AMENDMENTS SUBMITTED FOR PRINTING

PHASEOUT OF GOVERNMENTAL INDEMNITY—S. 2568

AMENDMENT NO. 1154

(Ordered to be printed and to lie on the table.)

Mr. GRAVEL (for himself and Mr. PHILIP A. HART) submitted an amendment intended to be proposed by them to the bill (S. 2568) to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing remuneration in the event of a nuclear incident, and for other purposes.

Mr. GRAVEL. Mr. President, I am submitting today an amendment to S. 2568, the proposed extension of the Price-Anderson nuclear power liability law.

My amendment would restore to the potential victims of a nuclear power accident the right to seek recovery from the nuclear industry in the event that the money provided under the Price-Anderson scheme should prove to be too little to provide adequate compensation.

I believe that approval of this amendment would have two beneficial effects:

First, it would restore to potential nuclear accident victims the constitutional right of just compensation.

Second, it would inject into the nuclear industry the normal liability discipline of the marketplace, and in that way would help assure the safety of nuclear reactors and other facilities.

The right to full and just compensation is assured under the fifth amendment to the Constitution. However, under Price-Anderson, victims of a nuclear power catastrophe might be denied that right. Each of the Government's reactor safety studies, including the so-called Rasmussen report, has found that maximum damages in a nuclear accident could be in the billions of dollars. But Price-Anderson sets a lower limit—currently $560 million—on the amount of liability that exists.

In other words, under the present law, the victims of a nuclear accident are forbidden from suing to recover full damages if these damages exceed $560 million. This is undesirable in itself, and it is a dangerous precedent, which might lead to abridgement of fifth amendment rights in other industries.

Specifically, the Price-Anderson Act protects the nuclear industry from liability. Nuclear manufacturers could not be sued, even under normal tort law, for damages arising from a nuclear catastrophe. And yet it is these manufacturers who make the equipment which must operate properly if we are to avoid a catastrophic nuclear accident.

Liability acts in our legal system as an automatic and very efficient check on hazardous industrial activities. Nuclear proponents tell us that atomic energy is less hazardous than many industrial activities which exist without liability ceilings. Why, then, does the nuclear industry need this provision? And more important, will the manufacturers and utilities not be doubly careful to produce a safe product if they are held responsible for that product?

Former Atomic Energy Commissioner William Kriegsman has answered in the affirmative. He was quoted in Science magazine this year as saying:

> Do away with it (Price-Anderson liability limitation) and you'd probably see nuclear valves coming off the assembly line in better shape.

I want to emphasize that this amendment goes only to the liability-limit aspect of Price-Anderson. Supporters of Price-Anderson often point to other features of the act—its no-fault provisions, and so on. This amendment does not affect those provisions. In the consideration of this amendment, proponents of S. 2568 must explain the desirability of the limit-of-liability itself.

The liability ceiling was enacted as a temporary measure at a time when the nuclear industry was small and there was a universal desire to stimulate peaceful nuclear energy.

Now, 20 years later, the nuclear industry is large enough to give up the liability ceiling—provided nuclear energy is indeed safe. In addition, responsible and knowledgeable persons across the country are questioning our commitment to nuclear power. This is the time to see whether nuclear really can stand on its own, not the time to provide once more for the protection of the industry at the expense of potential victims.

I would like to note, Mr. President, that the vote on this amendment will be counted as part of the environmental rating chart of the League of Conservation Voters.

I ask unanimous consent that the text of the amendment be printed at this point in the RECORD, in addition to excerpts from the Ford Foundation's Energy Policy Project regarding Price-Anderson; an article from the San Jose, Calif., Mercury, quoting a Westinghouse official who said reactors would continue to be built without the Price-Anderson liability ceiling; and a paper on the liability limit by Dan R. Anderson, a professor of insurance at the University of Wisconsin.

There being no objection, the amendment and material were ordered to be printed in the RECORD, as follows:

Amendment No. 1154

On page 7, line 22, insert "of the insurer" after "liability".

On page 8, line 4, insert "of the insurer" after "liability".

On page 8, line 18, strike "tractor.". and insert in lieu thereof: "tractor: *Provided further*, That injured parties may bring suit to recover damages incurred as the result of a nuclear incident to the extent that such damages and injuries could not be reimbursed under the limits of liability otherwise provided for by this subsection; and liability for damage or injury in excess of the specified limits shall be determined by the ordinary rules of tort law.".

[From the Ford Foundation's Energy Policy Project]

A Time To Choose

"The production of nuclear energy is potentially a very hazardous activity. In most business activities, the potential liability, or the costs of insurance to protect against liability, are recognized as elements of cost by an enterprise considering whether to engage in a hazardous undertaking. If these costs are excessive, the market system automatically halts the hazardous activity. *With an enterprise held strictly liable, the market system would be society's first line of defense against catastrophic accidents.* In the case of the nuclear industry, this safeguard and its powerful monetary incentive for the industry has been replaced by a reliance on the effectiveness of AEC regulation, as provided for under the Price-Anderson Act.

". . . if an accident causes damages of a billion dollars, each person injured will recover only about 50 percent of his loss. . . .

". . . It is our view that the nuclear power industry is now sufficiently mature for a revision of the Price-Anderson Act, so that the marketplace will reflect the potential social costs of nuclear power. If nuclear power is indeed as safe as the AEC and the industry claim, the risks are small enough to be borne by the enterprises involved. If the utilities are unwilling to build new plants on certain sites, or to buy reactors of certain designs, without the shield of Price-Anderson, then those locations and those plants are too risky to be built.

"A new insurance system to make the industry fully liable for damages should include:

"A shift of the liability from the taxpayer to the utilities and their suppliers involved in providing nuclear energy.

"A removal of the limit on liability.

"Extension of these provisions to all parts of the fuel cycle where serious accidents could occur, including transportation of spent fuel." (pp 221–223, emphasis added)

[From the San Jose (Calif.) Mercury, Oct. 23, 1975]

Westinghouse Official Testifies—N-Reactor About Fail-Safe, Assembly Committee Hears

(By Bob Schmidt)

SACRAMENTO.—Nuclear reactors are virtually fail-safe, and even if an accident occurred the hazard would be slight, a Westinghouse executive told an Assembly committee Wednesday.

Nevertheless, W. H. Arnold Jr. said, federal limits on the amount of damages a person injured in a nuclear accident could receive should be retained because the limits "help us do business."

Arnold, pressed vigorously by members of the Committee on Resources, Land Use, and Energy, said Westinghouse would continue to build nuclear reactors if the liability limits in the Price-Anderson Act were lifted.

But he declined to respond to committee questions which described as inconsistent the safety claims in his prepared statement with Westinghouse's Washington lobbying effort to have the Price-Anderson Act extended.

"Why can't you convince insurance actuaries of the safety of nuclear reactors and then pay insurance premiums like everybody else?" committee chairman Charles Warren (D-Los Angeles), asked.

"It might be good public relation for you to do that," Barry Keene (D-Eureka), said.

The exchange took place during the fourth in a series of 15 hearings scheduled by the committee on the subject of the Nuclear Safeguards Initiative which has qualified for the June 8 primary ballot.

The Price-Anderson Act: Detrimental to Energy Decisions and the Public Interest

(By Dan R. Anderson)

Energy consumption and generation rank among the most crucial of society's problem areas. Modern industrial nations require great amounts of energy to run factories, to heat and cool houses, to power transportation facilities. Even developing nations are dependent on energy sources for basic agricultural necessities such as tractors, irrigation pumps and fertilizers.

In times when energy was cheap and plentiful, there existed little concern or interest in how energy was generated or how it was used. Today nations face not only temporary energy shortages but also finite supplies of some traditional energy sources.

The problem of pollution is closely associated with the energy problem. As there are finite energy sources so are there limitations on the earth's natural systems to absorb the effluents of modern machines and conveniences. Many of society's acute pollution problems originate directly from energy generation and consumption (oil spills, auto emissions, sulphur emissions from coal-burning electrical generating plants).

The solutions to these problems defy simple answers. Both the executive and legislative branches of government have been faced with difficult decisions. Often actions taken to relieve problems in one area complicate those in another. For instance, emission controls, designed to reduce automobile pollution, increase gasoline consumption. In addition, decisions often aggravate other critical economic concerns, like inflation and unemployment.

The author feels that a national policy must be set forth as to appropriate energy sources to be developed to meet future energy needs. An important variable in selecting appropriate sources is the relative costs of their production and distribution. These costs should include the cost of pollution abatement equipment, of potential dangers to the public, and social costs to the extent that they can be quantified. Government legislation, which creates subsidies or relieves a particular segment of the energy industry from public liability, complicates the process of making valid comparisons. In order to make proper energy decisions, subsidies and liability exemptions should either be eliminated or an equivalent cost should be assigned to them. Failure to take such action will result in incomplete internalization of costs for each particular energy source. In addition, removal of liability exemptions may result in a less safe, haphazard development of a technological area. Legal liabilities tend to have a deterring effect on extrahazardous business activity.

The purpose of this paper is to examine one of the most critical of all legislative acts, the Price-Anderson Act, as it affects the nuclear energy industry. The author will show how the presence of the Act interferes with the decision-making process of determining priorities among energy sources. The author will also develop a rationale why the Act should be terminated or significantly altered.

ORIGINS OF THE PRICE-ANDERSON ACT

Originally, it was intended that nuclear technological development would be a federal government monopoly. This intention was embodied in the Atomic Energy Act of 1946.[1] The Atomic Energy Act of 1954[2] reversed this policy and allowed for the private construction, ownership, and operation of nuclear reactors, subject to strict government supervision and to continued direct participation by the Atomic Energy Commission (AEC).[3] With private development came the need for insurance to cover potential public liability hazards.

The private insurance industry was unwilling to provide full coverage for a number of reasons: (1) lack of meaningful actuarial experience; (2) catastrophe potential of a nuclear accident; (3) low initial premium volume; and (4) small spread of risk in early years. Although private industry was authorized to construct and operate nuclear reactors, they refused until adequate liability protection could be obtained. Thus a stalemate resulted which was finally resolved with the passage of the Price-Anderson Act in 1957.[4]

PRICE-ANDERSON ACT [5]

The Price-Anderson Act is a unique and complex piece of legislation. Important amendments have been made since its original passage in 1957. The basic provisions of the Act as they now exist are as follows.[6]

(1) As a condition of each construction permit and operating license issued by the Nuclear Regulatory Commission (NRC), the licensee must obtain financial protection to cover public liability claims.[7] The amount of financial protection varies by size of reactor with most reactors (capacity of 100,000 electrical kilowatts or more) required to carry maximum protection.

(2) Financial protection is provided by private insurance pools.[8] Originally the maximum amount of insurance available was $60 million. This amount now stands at $125 million. Financial protection could also consist of private contractual indemnities, self-insurance, other proof of financial responsibility, or a combination of these.

(3) The licensee receives the benefit of an indemnity agreement with the NRC. The agreement operates to indemnify and hold harmless the licensee for amounts exceeding the financial protection required. The amount of indemnity is the difference between $560 million and the maximum of private insurance available. Presently this amount equals $435 million ($560—$125).

(4) An omnibus clause extends the indemnity benefits not only to the licensee but also to any other person who might be liable as a result of a nuclear incident.

(5) The total aggregate liability is set at $560 million, the amount of maximum private protection required plus the indemnity amount. If losses exceed this level, the licensees or others found liable are insulated from public liability suits for excess damage.

(6) A waiver of defenses by the licensee is required under the indemnity agreement. This waiver has the effect of creating a strict liability situation to enhance the public's ability to collect for damages. The waiver of defenses is only required for an extraordinary nuclear occurrence. Such a determination is made by the NRC and is final, without judicial review.

The stated objectives of the Price-Anderson Act are two-fold: (1) to eliminate the liability roadblock to private development of nuclear power; and (2) to provide assurance that the public would be compensated for losses resulting from a serious accident.[9] The latter objective has been vigorously promoted by those with a vested interest in nuclear power development. The primary ob-

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jective has received much less public attention, yet it is the primary objective which is the most significant, the most crucial—the main purpose of Price-Anderson.

PRIVATE INSURANCE PREMIUMS

Before discussing subsidies inherent in the Price-Anderson Act, it might be useful to examine the premium structure for the layer of liability insurance available through the private pools. The premium for this coverage can properly be considered an internal cost, as it is borne entirely by the licensees. A rather complicated formula is used to determine a premium rate for the first million dollars for a given reactor. Five basic factors are included in the rate formulation: type, use, power level, location, and containment of the reactor.[10] Once the basic rate for the first million dollars is determined, premium rates for additional layers are based on a percentage of the basic rate. Premium charges for the various layers are added together to arrive at the total annual premium.

Although exact premiums for various reactors are confidential information, an average basic rate for a typical reactor would be about $30,000 for the first million. Based on this rate, the calculatjon for the total premium for the maximum of $125 million of coverage is shown in Table 1.

The total premium of $260,000 represents the cost of the public liability risk for $125 million of coverage, as estimated by the private insurance industry, of a typical reactor for one year. Since the coverage is required by the NRC and is paid for by the licensee, the Price-Anderson Act has acted to internalize this portion of the total cost. Such is not the case for the remainder of the potential cost of a serious nuclear accident.

SUBSIDIES IN PRICE-ANDERSON ACT

Inherent in the legislation are a number of provisions which eliminate the risk of public liability claims for licensees of nuclear reactors. The effect of these provisions is the creation of subsidies for the private development of nuclear power. The first subsidy is in the form of the indemnity agreement which benefits the licensees. The effect of this agreement is to provide a layer of liability protection from $125 million to $560 million. Although it is frequently implied that the payment made by the utility to the AEC is in the form of an insurance premium, in actuality the payment is an administrative fee. This fee bears no relationship to an assessment of risk. One can get some idea as to the dollar value of this subsidy by comparing the cost of private insurance protection with the flat administrative fee for the indemnity amount.

TABLE 1.—PREMIUMS FOR NUCLEAR LIABILITY INSURANCE AVAILABLE THROUGH PRIVATE INSURANCE POOLS FOR A TYPICAL REACTOR

Coverage layer (in millions of dollars)	Percent of premium for 1st million	Premium (per million dollars)	Total premium per layer
$1	100.0	$30,000	$30,000
$2 to $5	50.0	15,000	60,000
$6 to $10	20.0	6,000	30,000
$11 to $20	10.0	3,000	30,000
$21 to $40	5.0	1,500	30,000
$41 to $60	2.5	[1] 1,000	20,000
$61 to $100	2.0	[1] 1,000	40,000
$101 to $125	1.6	[2] 800	20,000
Total premium			260,000

[1] $1,000 minimum premium per million for less than $100,000,000.

[2] $800 minimum premium per million for $100,000,000 to $125,000,000.

The administrative fee is based on size of reactor. The charge is $30.00 per year per 1000 KW of the thermal-energy capacity. Assuming a large power reactor of 3000 MW, the annual indemnity fee would equal $90,000. If liability limits were available on the private market above $125 million, a good estimate of the premium per million dollars would be that charged for the last layer in Table 1. Thus an estimate of the cost of private insurance for the indemnity layer would be $435 million X $800 per million OR $348,000. The difference between this amount and the $90,000 annually charged by the NRC is $258,000 or $10,320,000 spread over the anticipated 40-year lifetime of the reactor. Actually, this figure may be a conservative estimate for the value of the subsidy. It would be quite interesting to have actuaries estimate the premium per million for this $35 million layer. Although the usual practice in liability insurance is to have this rate remain constant or decrease, insuring nuclear reactors for the public liability exposure is not a usual situation. Due to the exceedingly large loss potential, it may be that actuaries would actually increase the premium per million dollars to account for a catastrophe loading. Any increase above $800 per million would increase the value of this particular subsidy.

The second subsidy results from an arrangement whereby the utility's defense costs are to be paid out of the total $560 million available for claims. It is difficult to assign a specific dollar value to this subsidy. Given a serious accident, especially one which exceeded $560 million, the defense costs could be considerable. Since $560 million is the total amount that can be dispensed, any loss exceeding that figure would result in a pro rata distribution of funds to injured parties. In addition, only 15 percent or $84,000,000 can be dispensed on an emergency basis, with the remainder having to wait for court approval. With injured parties receiving less than full compensation and payments being delayed, a situation would be created where a large number of suits would probably be filed. Such a situation would produce considerable defense costs.

By far the most important and valuable subsidy from the utilities' standpoint results from their tort liability exemption for claims in excess of $560 million. Although an exact dollar value cannot be placed on this subsidy, it would have to be considered substantial. A 1965 update of the 1957 Brookhaven study (WASH-740)[11] stated that a catastrophic nuclear accident might cause 45,000 fatalities, 100,000 personal injuries, $17 billion in property damage, and result in an evacuation of an area the size of the state of Pennsylvania. Even if one considers the probability of such an event to be remote, the value of being relieved of the potential responsibility of such consequences is considerable.

In order to obtain a rough estimate of the value of the subsidy associated with the limitation of liability, the author has constructed Table 2. The estimated number of deaths (45,000) and injuries (100,000) and the property loss ($17 billion) are taken from the update of WASH-740. The value of the subsidy is calculated for various dollar values assigned to the cost of deaths and injuries, and for different probabilities of a serious nuclear accident.

TABLE 2.—ESTIMATED VALUES OF LIMIT OF LIABILITY SUBSIDY UNDER VARIOUS ASSUMPTIONS

Probability of serious nuclear accident per reactor per year	Total loss from serious nuclear accident		
	$26,500,000,000	$40,500,000,000	$59,500,000,000
1/1,000	$26,500,000.0	$40,500,000.0	$59,500,000.0
1/10,000	2,650,000.0	4,050,000.0	5,950,000.0
1/100,000	265,000.0	405,000.0	595,000.0
1/1,000,000	26,500.0	40,500.0	59,500.0
1/10,000,000	2,650.0	4,050.0	5,950.0
1/100,000,000	265.0	405.0	595.0
1/1,000,000,000	26.5	40.5	59.5

	Calculations for 1	Calculations for 2	Calculations for 3
Deaths	$45,000	$45,000	$45,000
Cost per death	100,000	300,000	500,000
Total cost of deaths	4,500,000,000	13,500,000,000	22,500,000,000
Injuries	100,000	100,000	100,000
Cost per injury	50,000	100,000	200,000
Total cost of injuries	5,000,000,000	10,000,000,000	20,000,000,000
Property loss	17,000,000,000	17,000,000,000	17,000,000,000
Total cost of serious nuclear accident	26,500,000,000	40,500,000,000	59,500,000,000

The author will not attempt to name one best estimate. This would involve attempting to justify the selection of a particular probability, death cost and injury cost. The estimation of an appropriate probability has been the subject of heated debate. An entire paper could be written just reviewing the different viewpoints and methods concerning probability estimation. Herbert Denenberg has used an estimate of 1/1700 based on private insurance premiums calculations.[12] Professor Norman Rasmussen has performed an arduous analysis to arrive at a probability estimate of 1/100,000,000,000.[13] His results have been severely criticized in a joint report by the Sierra Club and the Union of Concerned Scientists.[14] To complicate matters further, Clifford Beck working on the 1965 update of WASH-740 made the following statement:

> There is no objective, quantitative means of assuring that all possible paths leading to catastrophe have been recognized and safeguarded or that the safeguards will in every case function as intended when needed. Here is encountered the most baffling and insoluble enigma existing in our technology: it is in principle easy and straightforward to calculate potential damages that might be realized under postulated accident conditions; there is not even in principle an objective and quantitative method of calculating probability or improbability of accidents or the likelihood that potential hazards will or will not be realized.[15]

Although one can justify a much better estimate of death costs and injury costs, this exercise is rather futile since the estimate of the subsidy depends also on the particular probability selected. Arguments can also be made that if the 1965 figures were updated, even worse consequences would result from a nuclear accident. Certainly this would be true by merely applying an inflation factor to 1965 property damages. The reader is left to his own judgment as to the best dollar esti-

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Footnotes at end of article.

mate of the limit of liability subsidy, knowing that any choice will essentially be a guess, at best an educated guess.[16]

SUBSIDIES INTERFERE WITH DECISION MAKING PROCESS

In attempting to establish national energy policies, the presence of subsidies seriously interferes with the decision making process. The author is not against subsidies per se. If it can be established that a particular action is in the public interest, then strong arguments can be made for the implementation of a subsidy. For instance, it has been established that compensating individuals for damage due to catastrophes is in the public interest. Hence the passage of the Federal Disaster Assistance Program and the National Flood Insurance Program with their corresponding subsidies. A necessary criterion is that it must be determined that a certain action is in the public interest before the subsidy can be justified and put into effect. If the subsidy exists prior to the decision, then the decision is biased by the subsidy, i.e., an advantage is created which favors the particular action that is receiving the subsidy.

Besides creating advantages for a particular action, the presence of subsidies often muddles the logic of the discussion. For instance, in discussing the effects of terminating the Price-Anderson Act, the Columbia (Rockett) Report stated: "The response of industry to the termination of financial protection should not be substituted for a reasoned legislative evaluation of national policy towards nuclear energy." [17] The Report argues that decisions on nuclear power development should be determined by "reasoned legislative evaluation of national policy" rather than a forced cessation by removal of the subsidies and financial protection under the Price-Anderson Act. To do so would be for the "wrong reasons," notes Rockett.[18] But yet the reason for nuclear power development in the first place was the presence of the Price-Anderson Act. Manufacturers and utilities had flatly refused to become involved in nuclear development without the subsidies and protection of Price-Anderson. Was not this development of nuclear power then for the wrong reasons? In other words, the original private development of nuclear power came about not through a reasoned legislative evaluation of national policy but because of the subsidies and financial protection of Price-Anderson. This is a most crucial point.

The AEC falls into the same type of garbled logic. In a staff study of the Price-Anderson Act, the AEC states, "Elimination of (the) liability (exemption) could arguably be shown not to be in the best public interest." [19] They argue that allowing the public to sue for damages in a catastrophe loss situation would bankrupt the utilties, which would be to the detriment of "customers, stockholders, and public bodies in the case of publicly-owned utilities." [20] In addition, injured parties may have difficulties collecting not only due to bankruptcy, but also because the waiver of defenses clause would be terminated. Congress would be hesitant to grant relief to losing plaintiffs or defendents before all the suits were settled, so there would be long delays for uncompensated parties.

All in all, a pretty grizzly picture is presented. Yet at no time does the AEC suggest that maybe it is not in the public interest to get into a situation where this could happen in the first place. They might have considered that the detrimental effects to society of a nuclear accident just might be so great that nuclear development should be curtailed. The public interest might be better served by developing other energy sources. The author says "might" because this is the critical question yet to be resolved: which energy sources should be developed to maximize the public interest?

One vital factor in this decision is the cost of various energy sources. It has been shown that the cost of nuclear power is artifically reduced by the subsidies inherent in the Price-Anderson Act.[21] Without Price-Anderson, the utilities would have to purchase liability insurance. The premiums for the liability insurance would increase the cost of producing energy through nuclear power. The utilities would also have to estimate a cost for the uncertainty that a potential loss may exceed liability limits available on the private market. The price of nuclear power would increase and the utilities would have to make the decision whether a price for nuclear power could be competitive and profitable relative to other energy sources. Very simply, the author is arguing for a marketplace decision unencumbered by subsidies.

LIABILITY PREMIUMS REFLECT COST OF RISK

Allocating costs of a particular action is often a difficult and inexact process. Take for instance the problem of determining the cost of decreasing quality of life due to increased pollution levels. What makes the allocation of public liability costs to the nuclear power industry so convenient is that it can be represented by premiums for liability insurance on the private market. As noted by Harold Green, "The availability of liability insurance enables the enterprise to shift the risk of liability to insurance companies and to translate the uncertain costs of potential liability into ascertainable sums paid periodically as insurance premiums.[22]

In evaluating alternative energy sources, it is necessary to internalize as many costs as possible. The effect of the Price-Anderson Act is to externalize a significant cost, namely the cost of potential public liability claims above the $125 million layer of private insurance. This cost can readily be determined by removing the protection of Price-Anderson and allowing the private insurance markets to operate. Limits would undoubtedly increase with a commensurate increase in premiums. Liability insurance premiums determined in this manner "represent the judgment of the insurance companies, our society's professionals in risk assessment, as to the magnitude of potential liability and the probability of occurrence." [23]

Another benefit of market determination of liability insurance availability and costs is that it "operates as a self-regulatory device to discourage extra-hazardous business activity.[24] The effect of Price-Anderson, by removing the costs of public liability, is that nuclear power's development and use must be forced at a more rapid rate than the market will bear.[25] As noted by Green in hearings before the Joint Committee on Atomic Energy:

In the ordinary course of events you do not have anything to regulate until it passes the test of the marketplace, which includes provision for liability. The liability mechanism is a means for screening out exceptionally harmful technology before they ever reach the point of regulation. I believe that is an essential aspect of insuring safety of an extraordinarily hazardous technology.[26]

INVOLVING THE PUBLIC IN THE DECISION MAKING PROCESS

When the author speaks of making decisions concerning energy priorities which are in the public interest, he is implicitly referring to how to involve the public more fully in the decision making process. One method would be to allow the public's representatives in Congress to make legislative decisions. Another method would be to allow the public to collectively express itself by actions in the market. The Price-Anderson Act is an example of the former. For reasons to be discussed below the author would argue that the latter approach is more appropriate when selecting energy sources which maximize the public interest.

Reluctance to Accept Risk

The author has always been puzzled as to why the public is content to bear a risk which was not fully acceptable to either the nuclear power industry, the private insurance industry, or the federal government, except to a limited extent. Statements by spokesmen of three leading potential participants in the nuclear power industry, prior to the passage of Price-Anderson in 1957, illustrate their unacceptance of risk of a nuclear catastrophe.

At this time we do not see any sound basis on which we can risk solvency on the possibility, remote as it may be, of a major nuclear catastrophe. (William Gale, Chairman, Commonwealth Edison Co.)[27]

Obviously we cannot risk the financial stability of our company for a relatively small project . . . We cannot exclude the possibility that a great enough fool aided by a great enough conspiracy of circumstances, could bring about an accident exceeding available insurance. (Charles H. Weaver, V.P., Westinghouse Electric Co.)[28]

We have been very reluctant, categorically, to state that we will not proceed unless an indemnity bill is passed by Congress. . . . Eventually, however, there comes a time for a frank statement on the position of the General Electric Company. . . . At present, I see no alternative but to recommend that work on the Dresden station be halted as soon as practicable after the end of this session of Congress in case appropriate legislation has not been pased by that time. (Francis K. McCune, Vice President, General Electric Co.) [29]

These statements indicate one of two things. Either General Electric, *et al.*, were pulling a big bluff to get subsidized liability coverage and liability exemptions; or given their information, they sincerely felt that the risk of catastrophic loss was so great that the benefits to be gained from nuclear power did not warrant further development.

The unwillingness of the private insurance industry to accept the risk is evident by the fact that the amount of coverage made available is quite small relative to the potential loss. The industry could increase their limits and hence their premiums, but they apparently do not think the risk is worth it.

For 18 years (1957–1974), the private insurance pools have collected premiums equalling $59,834,155 (net after dividends=$53,271,219), and earned approximately $8,500,000 (assume five percent earnings rate before tax) in investment income on these premiums. Even though the pools have never received a claim for bodily injury or property damage caused during the operation of a licensed nuclear reactor, they have been reluctant to significantly increase their exposure. These facts indicate that the insurance pools have a healthy respect for the possibility of a nuclear accident.[30]

In fairness to the insurance industry, it should be pointed out that they are faced with an extremely difficult rating problem in covering potential nuclear liability claims. Even though they are collecting quite a small amount of premiums relative to their exposures, they are under pressure to reduce their premiums. When probabilities are remote, but potential consequences catastrophic, insurance companies are faced with a difficult rating situation. If the event does not occur, they will have greatly overcharged the insureds, but if the event occurs, they will not have adequate funds to pay losses. These difficulties have undoubtedly contributed to the insurance industry's reluctance to offer higher limits. Indeed, they might be applauded for offering any coverage at all. Although profits to date have been excellent, one wonders if the indusrty would be very disappointed to abandon the area of nuclear liability coverage altogether.

The stipulation that limits of liability in the nuclear liability policy are on a lifetime

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aggregate, rather than an occurrence or annual aggregate basis, is further evidence of their desire to limit their exposure. In addition, unlike the situation under most liability policies, the expenses of investigation, defense, and settlement are added to the loss payments to determine when the limit is exhausted.

Even the federal government, by limiting the total amount of indemnity, is hesitant to guarantee its citizens full compensation of economic losses. Indeed one rationale advanced for limiting the original government obligation to $500 million was "that a claim for that amount would not significantly disturb the government budget," [31] or, more precisely, those parties with a vested interest in the budget. Obviously such a rationale suggests that the possibility of a catastrophe was great enough to limit the government's liability.

Public mislead

So why has the public accepted the risk of a catastrophic nuclear accident? The author finally surmised that the public is undoubtedly the party with the least information. An interesting piece of future research would be to poll the public as to their knowledge of the potential losses in a nuclear accident and their abilities to collect for these losses from various parties, utilities, insurance companies, and the government. The author would suggest that such a poll would probably display a great deal of public ignorance in this area. Why then the lack of information and the display of public ignorance? Some answers can be obtained by looking at discussion concerning the development of Price-Anderson legislation.

Green points out that "the story of the liability roadblock reflects consummate gamesmanship that does not cast industry, the AEC, or the Joint Committee in a favorable light." [32] In attempting to gain favor for the Atomic Energy Act of 1954, which first permitted private development of nuclear power, Green notes that the problem of a catastrophic accident was deliberately suppressed.

> . . . in the entire published legislative history of the 1954 Act there is only one reference to the problem . . . There was an understanding, tacit at least, that the liability problem would not be injected into the consideration of the legislation, lest enactment be jeopardized by public apprehension. There was time enough to raise the problem, it was felt, after the bill had become law.[33]

Once the 1954 Act was passed, there was considerable discussion that the possibility of a catastrophic loss may require special subsidies and liability exemptions. The AEC even commissioned a study by the Brookhaven Institute to authenticate the catastrophe potential (WASH 740).[34] Interestingly, once the Brookhaven study had served its purpose by assisting in the passage of the Price-Anderson Act, it was largely disowned and discredited by the AEC and the nuclear power industry as an academic exercise with little meaning. Indeed, the update of WASH 740 commissioned in 1965 by the AEC was suppressed until 1973, when faced by the threat of a Freedom of Information suit by Myron Cherry and the Friends of the Earth.[35] The update of WASH 740 portrayed even a greater potential loss than the original report.

The decision to establish a level of government indemnity was characterized by efforts to be less than totally honest and straightforward with the public. As noted by the Columbia (Rockett) report:

> In the end the figure of 500 million dollars as the limitation on government indemnity was chosen because it was small enough to "not frighten the country or the Congress to death" but arguably large enough to protect industry.[36]

When it was decided in 1966 that strict liability should be applied to nuclear accidents, it was accomplished in a rather circuitous fashion. Strict liability was accomplished by requiring those receiving indemnity benefits to waive certain defenses. This could have been accomplished more expeditiously by federal legislation which would have established strict liability in the event of a serious nuclear accident. One reason given for rejecting this approach was that singling out the nuclear industry as needing extraordinary rules of liability could have the effect of "stimulating public apprehension of potential dangers of atomic activities." [37]

Besides various maneuverings during Price-Anderson deliberations to be less than honest with the public, the AEC has been accused of suppressing information detrimental to nuclear development. In late 1974, the New York Times examined hundreds of memos and letters written by officials of the AEC and the nuclear industry. What they discovered was that for the last ten years, the AEC has repeatedly tried to suppress studies by its own scientists that found nuclear reactors were more dangerous than officially acknowledged or that raised questions about reactor safety devices. Although the AEC contended at the time that such practices had been corrected three years previously, further investigation by the Times found that the cover-up was still going on as recently as 1973.[38]

What if public were informed

If the public were truly informed about potential catastrophes inherent in nuclear development, the author would suggest that they would proceed with one of two courses of action. One, they would demand total compensation for their losses. Compensation would come from private insurance purchased by the utilities, the assets of utilities and government indemnity. It is inconceivable to the author that the public would tolerate the present liability exemption or a limit on the total amount recoverable.

The second possible reaction would be a decision by the public to forego the risks of nuclear development altogether. Even though the chances of an accident might be remote, the consequences are so great that avoidance might be the prudent rule. Dr. Edward Teller has called this the "zero-infinity dilemma: even if the chance of accident approaches zero, society should think carefully about consequences which could be so devastating." [39] Similarly, Green poses the query "whether there is any level of potential catastrophe that may result from use of a technology which our society will regard as unacceptably high despite the fact that the technology will yield substantial benefits." [40]

What is most interesting is that the nuclear power industry has essentially made this decision. Joseph Marrone, General Counsel of NELIA, depicted their position prior to Price-Anderson:

> The extreme improbability of a reactor accident occurring that would cause such awesome damages was acknowledged, but for corporate directors to proceed in reactor development and, by so doing, place their corporation's existence in jeopardy (in view of the limited liability insurance available) was simply impossible.[41]

Note that Marrone says that it was impossible to jeopardize the corporation's existence. Yet, based on this reasoning, the public's existence, at least partially, is being jeopardized.

The insurance industry has taken a similar stance. In a study by LeRoy Simon, it was shown that individual insurance companies in the nuclear pools base their capacity (the amount of risk accepted) on premiums, assets, and surplus. Although Simon is an advocate of increased capacity for the insurance industry, even his suggested formula implies an absolute ceiling on capacity, i.e., there is a limit.[42] Yet again when the public is concerned, when their assets, and surpluses (savings) and properties are considered, there is no limit. One wonders if the public were totally informed, if they might also set some limit to the degree of risk they would accept in the name of technological progress.

Marketplace and public interest

One problem with the above discussion is that even assuming an honest effort by the AEC and the nuclear industry, it is practically impossible to totally inform the public. Thus decisions tend to be made by those who are informed, i.e., those with a vested interest in nuclear development. This puts one back to square one, the situation as it exists today.

The author would argue that the most desirable method to resolve the dilemma is to allow the public to collectively express itself by actions in the marketplace. In other words, let those parties who have the access to and interest in the information and data concerning the risks of nuclear development make decisions as to the availability and price of nuclear power. These parties are logically the utilities and the insurance companies. Their decisions should be made without the encumbrances and subsidies embodied in the Price-Anderson Act. Availability and price of liability insurance would be determined by marketplaces. The author concurs with Green that the "availability of insurance coverage and the willingness of insurance companies to provide it at feasible rates are probably the best objective index to that level of risk which our society regards as acceptable." [43]

If adequate insurance amounts are not available or rates are too high, the utilities would have to make a decision as to whether the chance of catastrophic loss is remote enough to put their own assets on the line. The net effect would be reflected in the cost of nuclear power and the utilities' decision to utilize it as an energy source.

A PROPOSAL TO TERMINATE THE PRICE-ANDERSON ACT

The author has shown that the subsidies provided the nuclear power industry by the Price-Anderson Act have seriously interfered with the decision making process in choosing among alternative energy sources. These subsidies have created a significant advantage for nuclear power over other energy sources. Indeed the private nuclear industry exists today only because of the Price-Anderson Act. This fact, as Green notes, "has been artfully concealed from public view so that consideration of the indemnity legislation would not trigger public debate as to whether nuclear power was needed and whether its risks were acceptable." [44]

The Price-Anderson Act has allowed the private insurance industry, the nuclear power industry, and the federal government to limit their exposure in case of a serious nuclear accident. These limitations are at the expense of the public, the only party with an unlimited exposure. Thus the normal liability deterrent and the costs of removing that deterrent for a new technological development, with catastrophic loss potential, has been largely removed from those parties controlling that technology.

Much debate has been waged on the hazards of nuclear reactors. Yet in the end, those parties with the most information, i.e., private insurance companies, the utilities, manufacturers, and the AEC admit to the hazards, at least implicitly, by seeking extension of the Price-Anderson Act. It is totally inconsistent to maintain nuclear reactors are safe and continue to seek protection under the Price-Anderson Act. Unfortunately again the public has been less than totally informed, as noted by Green:

> It is remarkable that the atomic energy establishment has been so successful in procuring public acceptance of nuclear power in

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Footnotes at end of article.

view of the extraordinary risks of the technology that are so thoroughly and incontrovertibly documented by the mere existence of that Act.[45]

For the reasons set forth above, the author proposes that the Price-Anderson Act be terminated. The removal of the various subsidies would increase the costs of nuclear power development. These costs would be determined in the market. The costs of nuclear power could be compared to the costs of alternative energy sources, and decisions could be made unencumbered by subsidies. It may be that the costs of uncertainty of an exceedingly remote, yet potentially catastrophic, loss might cause the nuclear power industry to cease building and operating nuclear reactors. Such a decision if taken would seem warranted. Indeed, if the only reason for not making this decision is the shield of Price-Anderson, such an action would be definitely in the public interest.

Proponents of the Price-Anderson Act argue that termination of the Act would seriously hinder the public's ability to collect for damages. The principle is that strict liability would not apply because the waiver of defenses by the defendants would no longer be required. The author feels that this problem is vastly overrated. Most legal authorities agree that operation of a nuclear reactor with radiation hazards would constitute a dangerous instrumentality. Since strict liability is applied in situations involving dangerous instrumentalities, the same effect as the waiver of defenses clause would be created. If there were still those worried about possible irregularities and inconsistencies in the various states, a federal statute could be passed requiring that strict liability apply to suits involving injuries resulting from the operation of nuclear reactors.

Another reason which is frequently given for not terminating Price-Anderson is that the public would not have the benefit of the indemnity layer of $435 million. Proponents claim that the only recourse would be for the public to proceed against the utilities, the manufacturers, or other parties possibly responsible. Since the strict liability doctrine will be applied, the author does not see why proceeding against these parties would be any more difficult than the present arrangement, especially in the event the total loss exceeded $560 million. Depending on the number of parties involved in the suit and their financial capabilities, it may be that the combined financial capacity would be greater than $435 million, which would give the public more resources from which to seek compensation.

In order to guarantee public compensation, the author would make the federal government a guarantor of full compensation of economic losses arising out of nuclear accidents. To the extent that private insurance amounts and the reserves and surpluses of the utilities, et al., were insufficient to pay claims, the federal government would make payment without limit. Upon payment of any funds, the government would have cause to proceed against the utilities, et al., for those amounts. The government would be a surety, not a benefactor.

The author would still maintain the requirement that a certain level of financial protection be a condition of receiving an operating license or construction permit. Although the exact amount would have to be determined, it would certainly be greater than the present $125 million, possibly $1 billion. The author does not anticipate a problem, as the private insurance industry, upon renewal of Price-Anderson, should be under more pressure to increase capacity. No additional financial requirements would be made of the utilities, et al. Of course since their assets are at stake after insurance amounts are exhausted, it would be in their best interests to arrange individually or collectively for some type of reserve or contingency fund.

The author is convinced that the above proposal would lead to more rational decision making in the area of energy alternatives. He is also convinced that the public will be better able to collectively assert their will in the decision making process. The public interest, which has been so badly maligned by the presence of Price-Anderson, would undoubtedly be enhanced. The Price-Anderson Act should be terminated—logic and rationality demand it.

FOOTNOTES

[1] Act of August 1, 1946, ch. 724, 60 Stat. 755.

[2] Act of August 30, 1954, ch. 1073, 68 Stat. 919.

[3] The functions of the AEC have recently been divided into the Nuclear Regulating Commission (NRC), which handles regulatory functions, and the Energy Research and Development Corporation (ERDA), which handles all other AEC functions.

[4] For a discussion of the problems and issues leading up to the Price-Anderson Act of 1957 see Harold P. Green, "Nuclear Power: Risk, Liability, and Indemnity," *71 Michigan Law Review 479* (1973), pp. 481–487.

[5] Act of September 2, 1957, Publ. L. No. 85–256, 71 Stat. 576–7.

[6] No attempt will be made in this paper to extensively describe the Price-Anderson Act. Only those areas relevant to the discussion will be covered. For a more complete description of the Price-Anderson Act, see *Selected Materials on Atomic Energy Indemnity and Insurance Legislation*, Joint Committee on Atomic Energy; 93d Congress, 2d Session (Washington, D.C.: U.S. Government Printing Office, March, 1974); and *Atomic Energy Legislation through 93d Congress, 1st Session*, Joint Committee on Atomic Energy, U.S. Congress, Washington, D.C.

[7] The NRC has discretionary authority to require financial protection on its contractors and for persons granted licenses for such functions as distribution of special nuclear, special source, and by-product material.

[8] The private liability insurance pools are set up in the following manner. The Nuclear Energy Liability Property Insurance Association (NELPIA) is composed of some 113 American stock insurance companies. The Mutual Atomic Energy Liability Underwriters (MAELU) consists of six major mutual insurance companies whose entire exposure is reinsured with the Mutual Energy Reinsurance Pool, which includes the six insurers in MAELU plus 104 additional American mutual insurance companies. Together the pools provide $125 million in liability insurance for nuclear facilities. Of this amount, 77.5 percent ($96,875,000) is absorbed by NELPIA and 22.5 percent ($22,125,000) is covered by MAELU. Approximately 30 percent of the total capacity is reinsured by foreign companies. The operations of NELPIA and MAELU are closely integrated. Each reinsures every risk written by the other; identical policy forms, rates and rating procedures are used, and inspection of risks and handling of claims are carried out jointly.

[9] *5 Rep No. 296*, 85th Congress, 1st Session (1957).

[10] For a further discussion of determining liability rates for nuclear reactors see Richard H. Butler, "Liability Insurance for the Nuclear Energy Hazard," *Casualty Actuarial Society Proceedings*, Vol. XLVI (1959), pp 23–57; and Richard D. McClure, "A Review of Nuclear Energy Insurance," *Casualty Actuarial Society Proceedings*, Vol. LV (1968), pp. 255–294.

[11] Atomic Energy Commission, *Theoretical Possibilities and Consequences of Major Accidents in Large Nuclear Power Reactors* (Brookhaven Laboratory, WASH–740, 1957) (hereinafter referred to as WASH–740). The working documents of the 1965 update of WASH–740 were released at a press conference on June 25, 1973, after the threat of a Freedom of Information suit by Myron Cherry and the Friends of the Earth.

[12] Herbert Denenberg, Pennsylvania Insurance Commission, in Testimony before the Atomic Safety and Licensing Board, during License Hearing for Three Mile Island Nuclear Power Plant, November 7, 1973.

[13] Norman Rasmussen, Project Director, *Reactor Safety Study: An Assessment of Accident Risks in U.S. Commercial Nuclear Power Plants*, draft (Atomic Energy Commission, WASH–1400, August, 1974).

[14] Joint Review Committee, Sierra Club-Union of Concerned Scientists, *Preliminary Review of AEC Reactor Safety Study*, Second Printing (San Francisco-Cambridge: December, 1974).

[15] Clifford Beck, Deputy Director of Regulation, AEC, in an internal memorandum to AEC dated May 21, 1965. This memorandum was part of suppressed 1965 AEC update of WASH–740.

[16] The author has only dealt with subsidies to the nuclear power industry which result directly from the Price-Anderson Act. A number of other subsidiaries exist. For example, the federal government sells enriched uranium to nuclear reactors for about $34 per unit, rather than the true cost of around $75 per unit. Roughly 80 percent of the Energy Research and Development Administration Research Budget goes to nuclear development. For a discussion of various subsidies to encourage initial private development of nuclear power, see Green, *The Strange Case of Nuclear Power*, 17 Fed. B. J. 100 (1957); and Morrisson, *Federal Support of Domestic Atomic Power Development—The Policy Issues, 12 Vanderbilt Law Revision* 195 (1958).

[17] Laurie Rockett, Project Director, Legislative Drafting Research Fund, *Issues of Financial Protection in Nuclear Activities* (New York: Columbia University, December, 1973). p. 4–4.

[18] *Ibid.*

[19] "AEC Staff Study of the Price-Anderson Act," *Selected Materials on Atomic Energy Indemnity and Insurance Legislation*, p. 28.

[20] *Ibid.*

[21] Of course it assumed that subsidies presently existing for other energy sources would also be taken into consideration.

[22] Green, "Nuclear Power: Risk, Liability and Indemnity," p. 502.

[23] *Ibid.*

[24] *Ibid.*

[25] *Ibid.*, p. 506.

[26] Testimony of Harold Green, *Hearings Before the Joint Committee on Atomic Energy on Possible Modification or Extension of the Price-Anderson Insurance and Indemnity Act*, 93rd Congress, 2nd Session (Washington, D.C.: U.S. Government Printing Office, 1974), p. 90.

[27] Testimony of William Gale, *Hearings Before the Joint Committee on Atomic Energy on Government Indemnity for Private Licensees and AEC Contractors Against Reactor Hazards*, 84th Congress, 2nd Session (Washington, D.C.: U.S. Government Printing Office, 1956), p. 240 (hereinafter *1956 Indemnity Hearings*).

[28] Testimony of Charles H. Weaver, *1956 Indemnity Hearings, supra* note 27 at pp. 110, 114–115.

[29] Testimony of Francis K. McCune, *Hearings Before the Joint Committee on Atomic Energy on Government Indemnity and Reactor Safety*, 85th Congress, 1st Session (Washington, D.C.: U.S. Government Printing Office, 1957), p. 148.

[30] The premium and dividend figures were obtained from an article by Joseph Marrone, "Nuclear Liability—A Brief History Reflecting the Success of Nuclear Safety," *Nuclear Safety*, Vol. 12, No. 4, July-August, 1971; and from NELPIA in a letter from Joseph Marrone dated July 3, 1975.

[31] *1956 Indemnity Hearings, supra* note 27 at p. 121.

[32] Green, "Nuclear Power: Risk, Liability and Indemnity," p. 490.

[33] *Ibid.*

[34] WASH–740, *supra* note 11.

[35] See note 11 *supra*.

[36] Rockett, p. 2–4.

[37] Green, "Nuclear Power: Risk, Liability and Indemnity," p. 496.

[38] Summary of the N.Y. Times findings was reported in the *Wall Street Journal*, November 21, 1974, editorial page.

[39] Edward Teller, *Eighteen-Page Fact Sheet on Nuclear Power*, prepared by Senator Mike Gravel, Alaska, 1975.

[40] Green, "Nuclear Power: Risk, Liability and Indemnity," p. 505.

[41] Joseph Marrone, "Nuclear Liability Insurance—A Brief History Reflecting the Success of Nuclear Safety," *Nuclear Safety*, Vol. 12, No. 4, July-August, 1971, p. 291.

[42] LeRoy J. Simon, F.C.A.S., "Nuclear Energy Insurance Capacity," *Functional Underwriting Research Review*, 13, August-September, 1973, pp. 38.14.1–38.14.9.

[43] Green, "Nuclear Power: Risk, Liability and Indemnity," p. 506.

[44] *Ibid.*, p. 509.

[45] *Ibid.*, p. 510.

AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF 1961—S. 1816

AMENDMENT NO. 1155

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. CRANSTON (for himself, Mr. McGOVERN, and Mr. ABOUREZK) submitted an amendment intended to be proposed by them jointly to the bill (S. 1816) to amend the Foreign Assistance Act of 1961, and for other purposes.

HUMAN RIGHTS AND SECURITY ASSISTANCE

Mr. CRANSTON. Mr. President, today I am introducing an amendment to the Foreign Assistance Act designed to insure that human rights concerns will be a major factor in the decisions of the U.S. Government to grant or sell weapons and training and other forms of security assistance to the countries of the world. The legislation I am proposing is considerably tougher than section 502B of the present law, and it builds upon the admirable efforts of Representative HARKIN and Senators McGOVERN and ABOUREZK to raise human rights standards in connection with the foreign economic assistance program. Last December when Congress passed section 502B of the Foreign Assistance Act, many of us thought that a significant step forward had been taken. That law reads:

> "SEC. 502B. HUMAN RIGHTS. (a) It is the sense of Congress that, except in extraordinary circumstances, the President shall substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman or degrading treatment or punishment; prolonged detention without charges; or other flagrant denials of the right to life, liberty, and the security of the person.
>
> "(b) Whenever proposing or furnishing security assistance to any government falling within the provisions of paragraph (a), the President shall advise the Congress of the extraordinary circumstances necessitating the assistance.
>
> "(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation by such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross and any body acting under the authority of the United Nations or of the Organization of American States.
>
> "(d) For purposes of this section, 'security assistance' means assistance under chapter 2 (military assistance) or chapter 4 (security supporting assistance) of this part, assistance under part V (Indochina Postwar Reconstruction) or part VI (Middle East Peace) of this Act, sales under the Foreign Military Sales Act, or assistance for public safety under this or any other Act."

Mr. President, yet, despite the wording of the law, and its clear intent, Congress has not received in fiscal year 1976 a report from the President advising the legislative branch of "the extraordinary circumstances" necessitating security assistance to governments that grossly violate human rights. Nor do we have from the President a "detailed plan for the reduction and eventual elimination of the present military assistance program" as required by section 17 of the Foreign Assistance Act of 1974. I am glad to note that my colleague, Senator HUMPHREY, the chairman of the Foreign Assistance Subcommittee of the Foreign Relations Committee, has decided to help them along by submitting his own comprehensive plan for phasing out this program.

Instead, Mr. President, we have a statement from the Secretary of State and a report from the State Department that rather arrogantly ignore the laws passed by Congress on this subject.

In the Secretary's statement to the House International Relations Committee on November 6, in regard to the security assistance program, there is incredibly no mention of human rights as a factor in the decisions to extend security assistance to particular countries. I understand he did not discuss human rights before the Humphrey subcommittee yesterday.

Clearly, balance of power and Realpolitik considerations dwarf other concerns in the Secretary's mind. At one point he states:

> The United States cannot expect to retain influence with nations whose perceived defense needs we disregard. Defense supply links to these countries can significantly strengthen efforts to achieve cooperation on other issues.

He goes on to argue:

> And there are gains to our domestic position as well. Security assistance programs contribute needed jobs to several sectors of our labor force. They help us maintain a more favorable balance of payments. And they permit our defense industries to achieve significant economies through scale of production.

Something is missing here, Mr. President. There is no mention of human rights under "the criteria of security assistance" listed by the Secretary.

I find it very difficult to understand, in light of the wording of section 502B, why there are no statements by the President or the Secretary either in the document entitled "Security Assistance Program, Congressional Presentaton, Fiscal Year 1976" or in the Presidential message to Congress of October 30, setting out the "extraordinary circumstances" that warrant military assistance and other forms of aid to certain regimes.

Does this omission mean that the State Department has concluded that not a single one of the 45 or so countries, for which security assistance is requested in fiscal year 1976, has a government that, in fact, consistently engages in serious violations of internationally recognized human rights?

But in light of what everybody knows is going on in this world, this is a preposterous conclusion, Mr. President—if that is their conclusion.

I draw attention to the belated, unsigned report received on the Hill from the State Department this past weekend. It is entitled: "Report to the Congress on the Human Rights Situation in Countries Receiving U.S. Security Assistance."

After citing the law—section 502B—it states:

> We view Section 502B as an *authoritative* expression of Congressional concern for human rights in all countries receiving security assistance.

They ("we"?) then reveal that each U.S. mission in 68 countries has submitted to Washington its "classified analysis of the human rights situation within the country" in which it is located.

The report goes on to make the claim that, based on the embassy submissions:

> Repressive laws and actions, arbitrary arrest and prolonged detention, torture or cruel, inhuman or degrading treatment or punishment, unfair trials or other flagrant denials of the rights of life, liberty and the security of the person are not extraordinary events in the world community.

But the report also states that:

> Some countries, of course, present more serious evidence of violations than others.

Then the questionable conclusions follow, Mr. President. I quote:

> When we—

Notice the "we"—

> consider using security assistance as a possible lever to improve the human rights situation in a particular country we are faced at the outset with at least two fundamental questions:
>
> (1) Would the substantial reduction or termination of security assistance to that country damage our own national security?
>
> (2) Would the substantial reduction or termination of security assistance improve or worsen the human rights situation in that country or make it more difficult to make our views known?

The report continues:

> We know that some members of Congress feel that the U.S. Government should simply disassociate itself from repressive governments, even if such actions would have no effect on human rights problems there. Others feel that if our security interests (or other kinds of national interests, for that matter) are strong enough, these interests should prevail. Our view is that while both security interests and human rights are important, each country needs to be looked at individually to determine where our predominant interests lie in every case.

> We believe, in the spirit of Section 502B and the statements of policy quoted above, that the USG should take positive actions to improve human rights wherever possible. There are many ways of doing so, however, by direct and indirect means, such as diplomatic representation, multilateral efforts in concert with other countries, educational and exchange programs and the pressures of public and private opinion.

But, Mr. President, it is not a matter of what they ("we") consider, not a matter of what they ("we") know, not a matter of what they ("we") believe. Because the Congress of the United States has made the judgment, the Congress of the United States has set the policy, the Congress of the United States has passed the law of the land—which is section 502B.

Near the end of this unacceptable report, there is this far-reaching conclusion:

> In view of the widespread nature of human rights violations in the world, we have found no adequately objective way to make distinctions of degree between nations. This fact leads us, therefore, to the conclusion that neither the U.S. security interest nor the human rights cause would be properly served by the public obloquy and impaired relations with security assistance recipient countries that would follow the making of inherently subjective United States Government determinations that "gross" violations do or do not exist or that a "consistent" pattern of such violations does or does not exist in such countries.

Mr. President, the attitudes so prevalent in this document might well be characterized as "malignant neglect."

There is the inference that "everybody does it"—so why make an issue of it? But this is America, Mr. President. Of all the gifts bestowed on this country, the one that alone remains as the great American exception is the constitutional system in a democratic setting. For all our domestic and foreign mistakes, our record as a civilized society commands respect. If we do not respect our own history and hold up the torch of democratic ideas, who will? And if we do not, who are we?

When we hear about repression in another country—and there are gross violations against humanity occurring in countries to which we give military assistance—do we keep our distance? What would the Secretary of State have us do? Do we take the attitude that "After all, what does it have to do with us?"

Yes, there are many wrongs in the world and, yes, we cannot right all the world's inhumanity, but American attitudes do make a difference. We cannot remove totalitarian regimes, but we can shame them. And we can help their victims by refusing to allow security assistance to those countries who use the weapons and training to put their own people under the dictatorial boot.

This is a "political science lecture" that the Secretary of State has apparently never understood.

The administration maintains in the report that there is "no adequately objective way" to determine if gross violations of human rights are occurring, and that no good cause is served by a "public obloquy" on the matter. Obloquy—the discredit or disgrace resulting from public blame or revilement.

There may be no objective way to determine the degree of violations—but does the Secretary of State have any subjective feelings about what is going on in Chile, Brazil, Korea, Indonesia, Ethiopia and the Philippines today? And can he give us some examples of where quite, but forceful diplomacy has made a difference to the people living under those regimes?

Let me hasten to note, Mr. President, that many responsible individuals in the State Department are not so cavalier in their concern for human rights as these statements by the President and the Secretary of State suggest.

Last summer the Deputy Secretary of State, Robert Ingersoll, chided a Chilean official for the decision to refuse entry to an investigatory team of the U.N. Human Rights Commission. At an earlier time, Ambassador David Popper had raised human rights questions with the Chilean regime. Ambassador Moynihan in recent weeks has eloquently focused the attention of the world on the repressive practices of dictatorial regimes.

But the most impressive statement of all, Mr. President, was given recently in Boston by Mr. William D. Rogers, the Assistant Secretary for Inter-American Affairs, in a November 4 speech before the Pan American Society. He, in effect, answers the indifference of others in his department.

I would like to quote several passages from his noteworthy address:

> These efforts are not academic or frivolous. The rights of man are real issues in today's world. Individual guarantees are not everywhere insured. Our Hemisphere is hardly a refuge of democracy. Freedom of expression is not everywhere seen as contributing to public order; politically related arrest, torture and summary execution do exist in the Americas. We can hardly ignore the irony that this should be so in a Hemisphere which treasures a common origin in struggle against foreign tyranny.
>
> Some foreign policy analysts take a traditional view. They suggest that the United States should be unconcerned about the way another regime treats its own citizens. Only where the human rights of U.S. citizens are threatened, the argument goes, is there a basis for our engagement. Otherwise we should measure the virtues of other governments by the degrees to which they promote our other political, economic and military interests.
>
> In my judgment, this prescription for the conduct of U.S. diplomacy lacks only prudence, humanity and realism. It is inhumane because, as Secretary Kissinger has noted, "Many of our decisions are not imposed on us by (the requirements of national) survival". There are cases where we clearly have the latitude to "seize the moral opportunity", as he has put it. Moreover, although "our power will not always bring preferred solutions . . . we are still strong enough to influence events, often decisively". A nation that fails to exercise such influence where it can do so without paying an excessive price in terms of its other interests betrays humanity and itself.
>
> We have not been immune to the imperial virus. But after each deviation from the conception of the U.S. as vangard in an unrelenting struggle to enlarge the frontiers of human freedom and justice, we have purged ourselves with self-criticism and reaffirmed the original vision. In this country the cynics and the Realpoliticians have not enjoyed permanent employment.
>
> How then to structure the human rights inquiry in a way which will recognize these complexities? What, in other words, are the standards against which national behavior in the human rights field is to be judged? And how is the process of judgment to occur.
>
> There is a yardstick of public inhumanity. Every country is represented somewhere on it. No national record is unblemished.
>
> But there are differences of degree, even after one makes a proper allowance for varying historical experiences and levels of economic, social and political evolution.
>
> And there are, in the end, qualitative thresholds. These are the limits below which no government can fall without international judgment. Mass murder, officially tolerated torture, mass imprisonment or exile of those who peacefully dissent, comprehensive denial to some racial, religious or ethnic group of the opportunity to participate in the various social values, these acts are beyond the pale. They transgress the minimal standards of decency declared by mankind at large in the Universal Declaration of Human Rights, and the American Declaration of the Rights and Duties of Man, as well as a plethora of UN Resolutions, regional covenants and virtually all national constitutions. These international governing norms are so unequivocal and so profoundly embedded in the contemporary conscience that even those governments that perpetrate these acts feel compelled to deny them and conceal their delinquencies.

Mr. President, it should be obvious, Mr. President, that Congress needs to pass new legislation to get its message taken seriously at the highest levels of the executive branch. Therefore, today I am introducing an amendment to the security assistance bill designed to establish a formula for congressional approval of executive decisions to provide aid to regimes violating human rights. This, too, is a "sunshine bill." Its major provisions are:

First. No security assistance to any country engaged in gross violations.

Second. The President shall submit an annual report to Congress regarding the status of human rights within security assistance recipient countries.

Third. Further, upon the request of either the Foreign Relations or International Relations Committees, the President shall transmit within 30 days a certification stating that there are no gross violations, or that there are extraordinary circumstances warranting continuing the aid despite gross violations—within a particular country.

Fourth. Security assistance can then be terminated by Congress within 90 calendar days.

Fifth. The legislation covers grant aid, credit sales, cash sales, licenses, and training.

Mr. President, I invite my colleagues to give serious attention to this legislation. I will welcome their suggestions for improving it, as I plan to testify on the matter before Senator HUMPHREY's subcommittee on December 4.

I am very happy to have had the opportunity to work with Representative FRASER in the House on this and other human rights legislation. He and Representative SOLARZ will be submitting a similar amendment in the House.

I ask unanimous consent that the text of the amendment, and an exchange of correspondence myself and the Department of State be printed in the Record.

There being no objection, the amendment and material were ordered to be printed in the Record, as follows:

Amendment No. 1155

Insert at the appropriate place in the bill:

HUMAN RIGHTS

Sec. . Section 502B of the Foreign Assistance Act of 1961 is amended to read as follows:

"Sec. 502B. Human Rights.—(a) Except as provided in paragraph (c)(1)(C), no security assistance may be provided to any government which engages in a consistent pattern of gross violations of internationally recognized human rights.

"(b) The President shall transmit to Congress, as a part of the presentation materials for security assistance for each fiscal year, a statement for each country proposed as a recipient of security assistance on the status of gross violations of internationally recognized human rights.

"(c)(1) The President, upon the request of the Committee on International Relations of the House of Representatives or the Committee on Foreign Relations of the Senate, shall transmit to such Committee, within 30 days after receipt of such request, a report, with respect to the country designated in such request, certifying that the government of such country—

"(A) does not engage in a consistent pattern of gross violations of internationally recognized human rights; or

"(B) does engage in a consistent pattern of gross violations of internationally recognized human rights, and that no new obligation for security assistance will be entered into with such government during that fiscal year, subject to such further restrictions as Congress may impose under subsection (d)(2);

"(C) does engage in such a pattern of gross violations of internationally recognized human rights, but that—

"(i) extraordinary circumstances exist which necessitate a continuation of security assistance; and

"(ii) the government of such country has provided assurances that such security assistance will not be used to support such a pattern.

"(2) The President shall describe as fully and completely as possible, as part of any report made under paragraph (1) of this subsection, the number and nature of incidents of the type set forth in subsection (e)(1) of this section which have occurred in such country during the two calendar years immediately prior to the date on which such report is transmitted, and the circumstances and assurances justifying any report under clause (C) of such paragraph.

"(d)(1) In the event a report is requested pursuant to subsection (c)(1) of this section but is not transmitted in accordance therewith, not later than 30 days after such report was requested no security assistance shall be delivered for the remainder of the current fiscal year.

"(d)(2) In the event a report is transmitted under paragraph (A), (B), or (C) of such subsection,

Congress may, within the first period of 90 calendar days of continuous session after such report is transmitted, adopt a concurrent resolution (i) disapproving such report, and (ii) terminating or restricting security assistance to such government.

"(d)(3) For the purposes of this subsection—

(A) the continuity of a session is broken only by an adjournment of the Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the period indicated.

"(e) For the purposes of this section—

(1) 'gross violations of internationally recognized human rights' means—

(A) torture or cruel, inhuman, or degrading treatment or punishment;

(B) prolonged detention without charges and trial; or

(C) other flagrant denials of the right to life, liberty, and the security of person.

"(2) 'security assistance' means—

"(A) assistance under chapter 2 (military assistance) or chapter 4 (security supporting assistance) of this part or part VI (Middle East Peace) of this Act;

"(B) sales of defense articles or services, extensions of credits (including participation in credits), and guarantees of loans under the Foreign Military Sales Act;

"(C) any license in effect with respect to the transportation of arms, ammunitions, or implements of war (including technical assistance relating thereto) under section 414 of the Mutual Security Act of 1954;

"(D) assistance for public safety under this Act or any other act; and

"(E) military education and training under this Act."

November 5, 1975.

Hon. Henry A. Kissinger,
Secretary of State,
Washington, D.C.

Dear Henry: I am writing to inquire about several matters pertaining to the subject of human rights and foreign assistance, especially security assistance.

As you will recall, this is a subject of great interest to me. I have appreciated the opportunity to, along with Congressman Fraser and several other Representatives, visit with you on three occasions within the past year to discuss the proper relationship between human rights concerns and American foreign policy.

At two of those meetings, in December of 1974 and January of 1975, you indicated that you would have your staff provide me with a study of the status of human rights in countries receiving foreign assistance from the United States. Soon after the December discussion, a member of your staff, Bill Richardson, asked my staff for a sample list of countries. We submitted such a list, with the clear understanding that the State Department would provide an analysis of human rights conditions in those countries to my office within a few weeks. It was further discussed and understood that, following receipt of the initial reports and my reaction to them, similar reports on other countries would be prepared by State.

From the day the arrangement was worked out with Mr. Richardson to this date, not a single report or communication on this matter has been received in my office. Every time my staff inquired about the matter, they were given various reasons for delay. At one point, in February, your aides were waiting for reports from American embassies on the status of human rights in particular countries.

Later we were told that the reports were not in, and that the deadline for their submission had been extended. Still later we were told that the office of the Coordinator for Humanitarian Affairs was slow in getting organized to carry out its functions.

Finally, in early July, I called Jim Wilson, the Coordinator, to ask for the human rights reports that had been promised to me. He informed me that a human rights report was being prepared under Section 502B of the Foreign Assistance Act of 1974 in connection with security assistance legislation. He told me that a report on some 57 countries I had listed last fall during the annual foreign aid debate would be sent to me in early August. As of November 5, I have not received any such reports.

In conclusion, let me draw your attention to the provisions of Section 502B in the legislation passed last year. It reads:

"Sec. 502B. Human-Rights—(a) It is the sense of Congress that, except in extraordinary circumstances, the President shall substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman or degrading treatment or punishment; prolonged detention without charges; or other flagrant denials of the right to life, liberty, and the security of the person.

"(b) Whenever proposing or furnishing security assistance to any government falling within the provisions of paragraph (a), the President shall advise the Congress of the extraordinary circumstances necessitating the assistance.

"(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation by such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross and any body acting under the authority of the United Nations or of the Organization of American States.

"(d) For purposes of this section 'security assistance' means assistance under chapter 2 (military assistance) or chapter 4 (security supporting assistance) of this part, assistance under part V (Indochina Postwar Reconstruction) or part VI (Middle East Peace) of this Act, sales under the Foreign Military Sales Act, or assistance for public safety under this or any other Act."

In light of this wording, I find it difficult to understand why there are no statements by the President, either in the document entitled "Security Assistance Program, Congressional Presentation, FY 1976" or in his message to Congress on security assistance sent to me on October 30 by Under Secretary Carlyle Maw, setting out the "extraordinary circumstances" that warrant military assistance and other forms of aid to certain regimes.

Does this omission mean that the State Department has concluded that all the 45 or so countries, for which security assistance is requested in FY 1976, do not have governments consistently engaged in serious violations of internationally recognized human rights?

I hope to hear from you at your earliest convenience, Henry. I realize that you have many burdens, but I feel that these reports are long overdue. As you know, Congress will soon be voting on military aid and related assistance. I share the conviction you so eloquently stated in your July 15 speech in Minneapolis: "The relation of morality to policy is not an abstract philosophical issue."

I am also sending copies of this letter to Deputy Secretary Ingersoll, Under Secretary Maw, Assistant Secretary McCloskey, and James Wilson, Coordinator for Humanitarian Affairs.

With sincere best wishes,

Alan Cranston.

November 18, 1975.

Hon. Alan Cranston,
U.S. Senate,
Washington, D.C.

Dear Senator Cranston: Secretary Kissinger has asked me to thank you for your letter of November 5 regarding the delays you have encountered in connection with your requests for State Department reports on human rights conditions in certain countries. We, too, regret the length of time that has passed since we first undertook to compile and examine human rights developments around the world, but the procedures the Department has been following were designed to permit our overseas posts and all levels of the Department to study, question, corroborate, analyze and discuss the findings we have received from a variety of sources before we might fairly state our conclusions to the Congress.

As you know from your discussions with the Secretary, the Department questions the efficacy of publicly branding nations whose internal policies we may be in a better position to influence by other means. The assessment we have now completed has reinforced our feeling that the best approach lies in taking a broad overview of the all-too-pervasive lack of adherence to the Universal Declaration of Human Rights which most nations profess to accept as their goal. We have therefore prepared a generalized report which we believe responds to the intent of Section 5028 of the Foreign Assistance Act of 1974 and are forwarding it to the relevant Congressional Committees. A copy is enclosed.

Administration witnesses will be prepared to answer questions in greater detail at the hearings on security assistance.

Sincerely,
ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

SUSPENSION OF DUTIES ON CERTAIN YARNS OF SILK—H.R. 7727

AMENDMENT NO. 1156

(Ordered to be printed and to lie on the table.)

Mr. HANSEN. Mr. President, on May 22, 1975, I introduced S. 1804, which would exclude from gross income the discharge of indebtedness of an individual under a student loan if the discharge was pursuant to a provision of the loan under which the indebtedness would be forgiven if the individual worked a certain period of time in certain professions, geographical areas, or for certain classes of employers. The following of my colleagues have joined me in cosponsoring this legislation: Senators MCGEE, METCALF, STEVENSON, STEVENS, BUCKLEY, EASTLAND, CHURCH, HUGH SCOTT, HARTKE, FANNIN, DOMENICI, TUNNEY, and DOLE.

Today, I am offering the substance of S. 1804 as an amendment to H.R. 7727, a bill to extend for an additional temporary period the existing suspension of duties on certain classifications of yarns of silk.

Mr. President, I send my amendment to the desk and ask that it be printed and lie on the table.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I ask unanimous consent that my May 22, 1975, statement in support of S. 1804 be printed at this point in the RECORD, and that my amendment to H.R. 7727 also be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1156

Insert at the end of the bill the following new section:

SEC. . EXCLUSION OF INCOME FROM CERTAIN CANCELLATIONS OF INDEBTEDNESS UNDER STUDENT LOAN PROGRAMS

(a) EXCLUSION FROM INCOME.—Section 117 of the Internal Revenue Code of 1954 (relating to scholarship and fellowship grants) is amended by adding at the end thereof the following new subsection:

"(c) CANCELLATIONS OF STUDENT LOANS.—

"(1) IN GENERAL.—In the case of an individual, no amount shall be included in gross income by reason of the discharge of all or part of the indebtedness of the individual under a student loan if such discharge was pursuant to a provision of such loan under which all or part of the indebtedness of the individual would be discharged if the individual worked for a certain period of time in certain professions or certain geographical areas or for certain classes of employers.

"(2) STUDENT LOAN.—For purpose of this subsection the term 'student loan' means any loan to an individual to assist the individual in attending an educational institution (as defined in Section 151(e)(4))—

"(A) by the United States, or an instrumentality or agency thereof, or a State, a territory, or a possession of the United States, or any political subdivision thereof, or the District of Columbia, or

"(B) by an educational institution (as defined in Section 151(e)(4)) pursuant to an agreement with the United States, or an instrumentality or agency thereof, or a State, a territory, or possession of the United States, or any political subdivision thereof, or the District of Columbia under which the funds from which the loan was made were provided to such education institution."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to all taxable years.

STATEMENT BY SENATOR CLIFFORD P. HANSEN

Mr. President, I rise to introduce a bill that will negate the effect of an Internal Revenue Service revenue ruling which I feel is unfair to thousands of college and advance-degree students, inconsistent with defined community and social goals, and not in conformity with congressional intent. The bill I introduce today was introduced during the second session of the last Congress by the distinguished Senator from California, Senator TUNNEY. The Tunney bill had 15 cosponsors.

On June 11, 1973, the IRS issued a revenue ruling that the canceled portion of an educational loan would henceforth and retroactively be considered taxable income. Subsequently, the IRS amended this ruling, deleting the retroactive provision, making the ruling applicable only to loans made after June 11, 1973.

Mr. President, many State and Federal student loan programs provide for cancellation of indebtedness. The purpose of these programs is to accomplish some community or social purpose. Among them are national defense student loans, national direct student loans, State teaching and medical educational loans, and law enforcement educational loans. Under these loan programs if a student agrees to perform certain services or perform services in a certain geographical area all or a portion of the educational loan indebtedness may be waived. It is the intent of these loan waiver programs to encourage a recipient student, upon graduation to perform services which have been determined to be in the interest of our society.

Specifically, Mr. President, we in Wyoming, like a number of other States, have experienced difficulty in attracting medical doctors to our smaller communities. To address this problem many States, including Wyoming, have established programs under which the State loans a student the cost of tuition to attend medical school and provides that the loan payment will be waived if the young doctor practices medicine in the State or a certain geographic area.

Under the IRS ruling if the young doctor agrees to practice medicine in the specified area the IRS sends him a tax bill based on the amount of the loan that was waived. Certainly this IRS ruling is at direct odds with the purpose of these tuition waiver programs. The IRS ruling is a clear and direct disincentive for the young doctor to comply with the defined community or social need to practice in the prescribed geographic area, for to do so would require him to pay an income tax bill based on the thousands of dollars that were expended on his education.

Moreover this revenue ruling is inconsistent with the intent of Congress. Section 117(a) of the Internal Revenue Code of 1954, on which this revenue ruling is based provides that as a general rule amounts received as scholarships or fellowships are not included in an individual's gross income for income tax purposes. However, section 1.117-4(c) of the income tax regulations provides, in part, that any amount paid to an individual to enable him to pursue studies shall not be considered a tax exempt scholarship or fellowship grant if such studies are "primarily for the benefit of the grantor."

Based on this regulation the IRS has concluded that Government educational loan waiver programs are not tax exempt even where the purpose of the waiver was to accomplish some social or community purpose. It is the position of the IRS that those conditional loan waivers are not tax exempt scholarships or fellowships under section 117(a) because under the language of regulation 1.117-4(c) the waiver is "primarily for the benefit of the grantor."

Mr. President, assuming that regulation 1.117-(4)(c) generally conforms with the congressional intent of section 117(a), clearly, the revenue ruling promulgated under this regulation is not in conformity with the intent of section 117(a).

When the grantor is a governmental entity attempting to accomplish a social or community goal by waiving an educational loan repayment it is not reasonable to conclude that the waiver was "primarily for the benefit of the grantor." In these situations the benefit is for the larger society. Certainly, the IRS revenue ruling may be in conformity with the regulation when applied to a grantor who attempts to accomplish some self interest. However, when the regulation vis-a-vis the revenue ruling is applied to a governmental entity attempting to accomplish some community or social purpose it is not reasonable to conclude that the waiver was "primarily for the benefit of the grantor."

Clearly, whenever a governmental entity initiates a scholarship or fellowship program, the program has overriding social or community service goals. A governmental educational loan waiver program is no different than tax exempt scholarships or fellowships in this respect, and should not receive discriminatory income tax treatment. The legislation I am offering, eliminates this discriminatory treatment.

My bill makes it clear that an individual who as part of a Government educational loan program agrees to work "for a certain period of time in certain professions or certain geographical areas or for certain classes of employers" as a condition for the waiver of all or part of the loan is not to be taxed on the dollar value of the waiver.

The problem this bill addresses was brought to my attention by the Honorable Ed Herschler, Governor of Wyoming.

NOTICE OF HEARINGS ON DISTRICT OF COLUMBIA BOND ISSUE

Mr. EAGLETON. Mr. President, on behalf of the District of Columbia Committee I wish to announce hearings on Senate Concurrent Resolution 78 to disapprove the issuance by the District of Columbia of $50 million in bonds. Hearings will be held on December 2, 1975, at 9:30 a.m. to submit a written statement for the record may do so by submitting such statement to the committee no later than noon on December 1, 1975.

NOTICE OF HEARINGS ON DISTRICT OF COLUMBIA JUDICIAL MATTERS

Mr. EAGLETON. Mr. President, on Wednesday, December 3, 1975, the District of Columbia will be holding public hearings on H.R. 4287, to provide for additional law clerks for judges of the District of Columbia Court of Appeals; H.R. 10035, to establish the Judicial Conference of the District of Columbia; and on the nomination by the President of Charles W. Halleck for reappointment as a judge of the Superior Court of the District of Columbia.

Persons wishing to testify on either of the bills, or upon the nomination of Judge Halleck should contact the staff director of the committee, Robert Harris, 6222 Dirksen Senate Office Building no later than noon December 1, 1975.

REGULATORY REFORM HEARINGS—DECEMBER 5

Mr. METCALF. Mr. President, on behalf of the distinguished chairman of the Committee on Government Operations (Mr. RIBICOFF), I wish to announce that the committee will resume hearings on regulatory reform on Friday, December 5.

The hearings will commence at 10 a.m. in 3302 Dirksen Senate Office Building. The witnesses will be:

The Honorable Nicholas Johnson, chairperson, National Citizens Committee for Broadcasting, former member of the Federal Communications Commission and former Chairman of the Federal Maritime Commission;

Richard Olson, attorney, Boardman, Shur, Currie & Field, Madison, Wis.; and

Dave Schwartz, adjunct professor of economics, Michigan State University.

Mr. Olson practices before the Federal Power Commission. Professor Schwartz is a former assistant chief of the Office of Economics at the FPC.

Persons who seek additional information regarding the hearings should call Vic Reinemer at 224–1474 or Matt Schneider at 224–7469.

GOVERNMENT OPERATIONS COMMITTEE HEARINGS ON INTELLIGENCE OVERSIGHT

Mr. RIBICOFF. Mr. President, I wish to announce that the Government Operations Committee hearings on proposals to create a new intelligence oversight committee originally scheduled to start December 2 are postponed. The hearings have been rescheduled for January 13, 14, 15, and 16 at 10 a.m. in room 3302. The committee expects to hear at that time from a wide range of Members of Congress, Government officials, and former Government officials familiar with the Government's foreign or domestic intelligence and investigatory activities. The hearings will consider, among other proposals, S. 189, S. 317, and Senate Concurrent Resolution 4.

Those wishing to comment on these proposals are invited to submit their comments or views to the Senate Government Operations Committee.

NOTICE OF CHANGE IN TIME AND ROOM NUMBER FOR HEARINGS

Mr. ABOUREZK. I wish to announce a change in the time and room number for hearings to be held on Friday, November 21, 1975, by the Energy Research and Water Resources Subcommittee of the Interior Committee. These hearings have been moved to the Russell Building, room 457 and will begin at 9 a.m. The hearings are a continuation of the subcommittee's inquiry into an ERDA contract to the Bechtel Corp. Mr. Charles F. Brown, General Counsel of the National Science Foundation and Mr. Gilbert A. Cuneo, Esq., a private Government contract lawyer are the scheduled witnesses.

HEARINGS TO INVESTIGATE IMPROPER CUSTOMS PRACTICES

Mr. HASKELL. Mr. President, Senator ABE RIBICOFF and I would like to announce that the Subcommittee on International Trade of the Senate Committee on Finance will continue hearings on certain practices which have allegedly taken place within the Customs House of Denver, Colo., at 9 a.m. on Monday, December 8, 1975 in the Post Office Auditorium at 1823 Stout Street, Denver, Colo.

These hearings are concerned with certain practices which have allegedly taken place within the Denver Customs House throughout the last 5 years including: First, general improprieties of Customs employees affecting the importing public, second, the use of overtime by Customs employees in this port, and third, certain directives regarding the entry of persons and products from Chile during the period of office of former President Allende.

The following witnesses have been scheduled to testify before the subcommittee on Monday, December 8, 1975:

CUSTOMS OFFICIALS

Cleburne M. Maier, Regional Commissioner of Customs for Houston.

William Hughes, District Director at El Paso.

Harry Kelly, of the Houston Port.

John P. McDermott, Chief Inspector at Houston Port.

Albert Ehret.

Jack Rowe, of the Customs House of Denver.

Charles Miller, Chief Inspector at Denver Port.

Tim Angelo, Inspector at Denver Port.

PRIVATE INDIVIDUALS

Vincent Connery, National President of National Treasury Employees Union.

Keith Pettiman, Inspector for U.S. Immigration and Naturalization Service in Denver.

ADDITIONAL STATEMENTS

THE U.N. WAR OF WORDS

Mr. BAKER. Mr. President, a great deal of emotional rhetoric has emanated from this Chamber the past few weeks decrying a number of recent developments at the United Nations. In my opinion, much of the outcry has been justified. The U.N. resolution equating Zionism with racism, the general posture of that body toward the interests of the United States, and the tacit approval, at least by acquiescence, of the PLO's continued acts of violence in Palestine are, in this Senator's opinion, deplorable.

Even more disturbing in some ways, however, are the behind-the-scenes machinations to exclude the Sovereign State of Israel from participation in many U.N.-administered subgroups. The Washington Star, in yesterday's edition, has rendered the public a valuable service by bringing some of these submerged activities to light by deploring them in their lead editorial statement. In a moment, Mr. President, I shall ask unanimous consent that the Star article be included as part of this statement; but first, I shall highlight several significant ideas related thereto that I believe are deserving of our colleagues' attention.

The first is the significant debt this Nation continues to owe to Ambassador Moynihan for his forthrightness of delivery and perceptiveness of thought in defending the U.S. position against increasing odds. The Star correctly categorizes Mr. Moynihan as—

> A man who is not one to run away from a fight, and isn't even above picking one upon sufficient provocation. They further suggest the provocations to which he has responded have been more than sufficient to warrant his verbal pugilism.

Regardless of the meritorious efforts of Mr. Moynihan, however, the U.N. continues to move on a course designed to hasten its own deterioration. I believe in the charter which brought the U.N. into existence. I value the role the organization has played in alleviating world suffering. I am not currently for U.S. withdrawal. But, I am certain that if current U.N. policy is allowed to grow and continually fester, the base of U.S. citizen support essential to the U.N.'s financial existence will lead to its eventual demise.

The U.N. has seldom played a major role in controlling conflict or ending war. Its chief value has been through its subsidiary agencies that have at least attempted to meet worldwide needs. Yet, Ms. Geri Joseph's writing in this morning's Washington Post, has demonstrated that even these functions are currently under political sabotage. The U.N. Economic, Social, and Cultural Organization, UNESCO, has lead the recent fight to cut off all financial assistance to Israel for scientific and cultural projects. The U.N. International Labor Organization, ILO, and World Health Organization, WHO, have yielded to Arab attempts to stifle reports critical of Arab labor and health inadequacies. Other incidents are cited in Ms. Joseph's article.

The most disturbing thing is that a bloc of nations representing less than 10 percent of the world's population and 5 percent of its productive capacity are creating an atmosphere in this country that can even destroy our participation in this world body.

I am today calling on responsible citizens of this Nation and other nations to speak out against a usurpation of the only international process of dialog that is available to us. It would be eternally shameful if those nations most in need of the advantages such dialog offers should so cloud the process with propaganda and innuendo, that the agency itself be rendered virtually useless.

In addition, in order that the citizens of this country may be more aware of the stifling realities the U.N. must face up to, I ask unanimous consent that yesterday's Washington Star editorial and this morning's Post article by Ms. Joseph be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star, Nov. 19, 1975]

CHALLENGE TO HYPOCRISY

A diplomat traditionally is not a scrapper, so our ambassador to the United Nations has set tongues to clucking about his feisty behavior, wherever the sophisticates of the trade gather. Daniel Patrick Moynihan revealed quite early in his new diplomatic calling that he is not one to run away from a fight, and isn't even above picking one upon sufficient provocation. Thus far, we think, the provocations to which he has responded have been more than sufficient to warrant his verbal pugilism.

It started in earnest, as well all remember, with his backhand delivered to Idi Amin of Uganda, after the field marshal painted the United States as a bloody villain before the world body. And Moynihan's lacerating damnation of the U.N.'s designation of Zionism as racism went somewhat beyond the ordinary diplomatic style. There is ruddy passion as well as policy in his tone, and of course a diplomat never is supposed to get mad where anybody can see him.

But now Moynihan has come back in a cool and calculating way to pick a fight, to show up the glaring moral inconsistency of those who so eagerly laid the awful blame on Israel. This takes the form of a U.S. resolution calling for amnesty for all political prisoners in the world—that result to be sought vigorously by the world organization.

Of course it will get nowhere. Repressive pontificators from far and near will rise to object, since it applies most embarrassingly to the Communist and Third World totalitarian states. From Moscow, the news agency Tass sees it as an "unsavory stratagem" designed to shift attention from the anti-Zionism resolution. And the Saudi Arabian ambassador, Jamil Baroody, says it "smacks of propaganda." His country has countered with an amendment that in effect would call for release of all convicted Palestine terrorists in the world.

A point is won, we suppose, in forcing the opposition to stoop to such absurdity, seeming to put killers on the same level with other people who are imprisoned for merely expressing their thoughts. (The U.S. resolution would have the U.N. call on "all governments to proclaim an unconditional amnesty by releasing all political prisoners in the sense of persons deprived of their liberty primarily because they have, in accordance with the Universal Declaration of Human Rights, sought *peaceful* expression of beliefs and opinions at variance with those held by their governments . . ."

Moynihan reminded U.N. members that this country voted for earlier resolutions demanding release of all political prisoners in Chile and South Africa. But, obviously, hewing to such specificity on the right side of the ideological spectrum is self-serving to many U.N. members. Moynihan has told them to put up or shut up on the matter of human rights. He made the essential point that the U.N.'s penchant for "selective morality" in these matters has thrown a thick cloud over its integrity. "Unless we care about political prisoners everywhere, we don't really care about them anywhere." Hear, hear, Soviet Union and Indira Gandhi.

So what possible good can it do, some are saying, to turn the floodlight on a swamp of hypocrisy that everybody knew was there in the first place? It will only exacerbate feelings and international relations to no avail.

Maybe, but probably not. In any case, it is time to stop ignoring, and thereby dignifying, some of the guff we have endured. Nobody respects us for that. Moynihan is reminding all those weak imitations of democracy (from which so much pompous talk about democracy comes) that here is one nation which practices what it preaches and is proud of it. Nobody goes to jail for talking here. Nobody goes to jail for printing opinions. When some of the "liberated" places can say as much, they'll be worth listening to.

This may be educative; perhaps in time there will be more imitators in the matter of free expression. Anyway, we have a responsibility stemming from our beginnings to emphasize the difference between real and bogus democracy. In the words of The Bell, we are to proclaim liberty, whether anyone listens or not.

[From the Washington Post, Nov. 20, 1975]

THE U.N. WAR OF WORDS

(By Geri Joseph)

Last-ditch defenders of the United Nations always fall back on one persuasive argument: It is better to talk than fight. But, alas, words are not neutral. Used with malice and deceit, they are a threat to peace no less than a loaded gun.

In recent days, the world has had an ominous example of an aggressive and inflammatory use of words that could have devastating results not only for the existence of the United Nations, but for the fragile efforts to prevent war in the Middle East. An Arab-inspired resolution labeling Zionism a form of racism was passed in the U.N. General Assembly by a margin of 72 to 35 with 32 abstentions.

It was not the first effort to use the United Nations for dangerous political purposes, nor was it the first attempt to make Israel a pariah. But this action, coming so soon after the Egyptian-Israeli agreement on the Sinai, is bound to reinforce a considerable body of opinion both in and outside Israel that the Arabs seek not real peace with that tiny nation, but a means to secure its death.

To that end, they are using skillfully the economic power of Arab oil, the binding tie of religion with 19 non-Arab Moslem countries and support from the Soviet bloc and Third World countries influenced by Russia and the People's Republic of China.

Zionism, which the U.N. General Assembly damned with the much-violated word "racist" is—by more rational definition—a movement with two major goals: freedom to emigrate for Jews who live in countries hostile to them and the establishment and development of the state of Israel. Zionism has been called the oldest national liberation movement in history.

It is tempting to cry bigotry and hypocrisy and cite the cruel treatment by governments of people within the borders of many nations that supported the anti-Israel resolution. However, it is more useful to examine the deliberate pattern of politically inspired acts that is destroying the credibility of the United Nation.

U.N. supporters emphasize that much of the valuable work is done in the assorted agencies and conferences of the organization. But the Arabs have brought their holy war against Israel to both forums. Consider these examples:

In the U.N. Economic, Social and Cultural Organization (UNESCO), the Arabs—using the same combination of votes that passed the Zionist-racist resolution—led the fight to cut off all financial assistance to Israel for scientific and cultural projects. The spurious reason: Israel's archaeological excavations were endangering monuments in Jerusalem.

Through Arab influence, Israel also was denied membership in a regional group, which is the working arm of the UNESCO agency. Israel was the only country thus excluded. And last May, UNESCO's executive board refused to permit Israeli participation in two conferences which were to propose treaties to assure mutual recognition of university degrees among Mediterranean countries.

In the U.N. International Labor Organization (ILO) and World Health Organization (WHO), Arab efforts won recognition for the virulently anti-Israel Palestine Liberation Organization (PLO), although the PLO met none of the requirements for recognition.

Earlier, the WHO assembly refused to accept a report from one of its medical experts on the Physical and mental health of Arabs in Israel's occupied territories. The reason: The doctor had found that medical-care standards had not declined. Indeed, "in some areas, there were manifest improvements."

The anti-Israel crusade even found its way into what was supposed to be a meeting on equality of the sexes, the International Woman's Year Conference in Mexico City last July. Not only did the Arabs lead a delegate walkout when Leah Rabin, wife of Israel's premier, spoke, but they succeeded in writing a condemnation of Zionism into a final conference declaration.

One more example. Next year, the United Nations will sponsor an international conference in Vancouver, B.C., on urban problems. Out of this conference will come a permanent U.N. agency to promote worldwide programs and activities. Specialists in city planning, architecture, sociology and housing will participate. The Israelis could make a contribution; their urban areas have been called "veritable laboratories of applied sociology."

But at two preparatory meetings, the Arabs have begun a campaign to exclude Israeli representation. Final decision rests with a 56-member international committee in which the Arabs reportedly can count on a minimum of 30 votes. Is there any doubt that the Israelis will be barred?

No responsible nation—or individual—can take much pleasure in what is happening to the United Nations. And what is happening is that countries with 10 per cent of the world's population and 5 per cent of its production can put together a majority vote to promote their own political interests.

Prof. Hans J. Morgenthau put it this way: "Today, the core of a typical voting majority of the General Assembly is composed of mini-states . . . lacking in all or most attributes of nationhood, who enjoy the semblance of sovereignty only by courtesy of the world community and who could not exist . . . without foreign subsidies."

For the United States to drop out, however, is not the answer—although somewhere down the road that may be the only alternative. Instead, this country must put its money where its interests are and speak out forcefully for its beliefs.

MARTIN LUTHER KING STATUE

Mr. EAGLETON. Mr. President, in 1948 President Truman desegregated the American military services. In 1954 the Supreme Court desegregated our educational system. In 1964 Congress desegregated the Nation's public accommodations. Yet today, 27 years after President

Truman's action, there is no statue of a black American in the Capitol Building.

On Tuesday, November 11, 1975, the House Subcommittee on Library and Memorials of the House Administration Committee unanimously approved legislation to rectify this situation by placing a statue of Dr. Martin Luther King, Jr., in the U.S. Capitol Building. The House Administration Committee has indicated that they will take this issue up at their next meeting and it is anticipated that they will report it to the House floor in the near future.

A sculptor needs at least 6 months to complete a bronze or marble bust comparable to those now on display in the Capitol. Thus, extremely expeditious action by the Senate is required if a bust of Dr. King is to be in place in time for the height of the Bicentennial celebration.

The prospect of going through the Bicentennial celebration without a black person represented among the 179 busts or statues in the Capitol Building is inappropriate and downright shameful for a nation whose population is 12 percent black.

Apparently the absence of a statue or bust of a black person in the Capitol is primarily due to inattention by the Congress. In a majority of the cases, selection of the statue subject is not the function of the Congress. Each State presents two statues representing people of their choice for display in the Capitol. Additionally, 35 busts exclusively represent Vice Presidents of the United States who were, of course, Presidents of the Senate. Ten represent Chief Justices of the Supreme Court.

However, legislation to place a statue or bust of a black person in the Capitol was first introduced in 1974. When I cosponsored this legislation, I was confident that others would be equally shocked by the omission and that the statue or bust would be in place by the Bicentennial. Because of the unusual committee workload during the last 2 years, the bills have not progressed.

Outstanding personalities in our Nation's history have been selected for representation among the Capitol's statues and busts. They include Presidents Abraham Lincoln and George Washington as well as sculptor Thomas Crawford, artist Constantino Brumidi and Ambassador from Britain James Bryce.

Numerous black people who contributed to our history would qualify for inclusion. In 1940 the U.S. Post Office Department selected Booker T. Washington, the noted educator, to be the subject of a postage stamp.

Some of the sponsors of this legislation would have preferred to leave the subject selection to a commission of prominent black Americans. However, the time that would be necessary for the appointment of the commission and for the commission's deliberation and selection would jeopardize an unveiling in time for the peak of the Bicentennial.

There is considerable support for Dr. Martin Luther King, Jr., to be the subject of the statue, or bust. Among his many awards, Dr. King was given the Nobel Prize and was chosen as Time magazine's Man-of-the-Year. Dr. King played a major role in the enactment of the Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Civil Rights Act of 1968.

To millions of his countrymen Martin Luther King, Jr. was a symbol of hope for an improvement of race relations. His activities became a major catalyst for a drastic improvement in racial attitudes in America.

Senators HUMPHREY, MONDALE, and I have sent a letter to the chairman of the Committee on Rules and Administration (Mr. CANNON) urging that the committee give this issue precedence. It is our hope that committee consideration of this inexpensive and uncomplicated legislation can be concluded before the House bill reaches the Senate. Thus, Senate adoption can proceed expeditiously and the statue or bust can be in place in time for the height of the Bicentennial.

I urge our colleagues to give this matter priority when it comes before us in the Senate Chamber.

S. 961, MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT

Mr. STEVENS. Mr. President, I wish to speak today on behalf of S. 961, the Magnuson Fisheries Management and Conservation Act. This bill is a conservation measure designed to protect our already depleted fishstocks from foreign fishing until a Law of the Sea treaty can be ratified.

Mr. President, as a cosponsor of this bill I do not mean to demean the fine work that has been done in attempting to reach a Law of the Sea agreement. I support the concept of a worldwide Law of the Sea treaty. The problem lies not with the inherent nature of an international Law of the Sea treaty, for such an agreement would be highly desirable, but with the timeframe in which such an accord could be reached and then ratified by the nation state signatories.

The negotiating period needed to reach an accord on a Law of the Sea treaty could be as long as 3 to 6 years, if such a treaty can be reached at all. After the delegates have agreed upon the composition of the document, the participating nations must ratify the treaty. In 1958 Law of the Sea negotiations produced a document containing four separate conventions. It took 4 to 8 years for these conventions to be ratified.

There are many issues left to be resolved in the current Law of the Sea negotiations. The issues of deep-sea mining for example will take many years to resolve. There are also conflicts in the area of fisheries.

The fisheries issues at the Law of the Sea Convention are of extreme importance to the State of Alaska, where fishing is a major industry. On October 20, 1975, Alaska's Gov. Jay Hammond, who has endorsed the Magnuson Fisheries Management and Conservation Act, made a statement to the State Department Advisory Committee on Fisheries in which he discussed some of the fisheries issues the Law of the Sea Convention must resolve. Mr. President, I ask unanimous consent that the pertinent portions of Governor Hammond's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

FISHERIES PROVISIONS OF THE INFORMAL SINGLE NEGOTIATING TEXT, PART II: COMMENTS AND RECOMMENDATIONS

On the basis of the Alaska position on fisheries management, stated at length above, we now offer comments and recommendations on pertinent specific articles and paragraphs of Part II of the Informal Single Negotiating Text, which emerged from the Geneva LOS Conference session. The provisions to which we choose to address our remarks will be considered below in the order in which they appear in the Negotiating Text. There are of course many provisions of the Text not receiving comment in this document; this lack of specific attention should not be interpreted as either approval or disapproval.

INNOCENT PASSAGE

Article 16

Paragraph 2 of Article 16 lists several foreign-ship activities that, if conducted within the territorial sea, would constitute non-innocent passage or "considered to be prejudicial to the peace, good order or security of the coastal State * . . ." Fishing within the territorial sea is not listed.

Paragraph 4 indicates that passage of a foreign fishing vessel shall be considered non-innocent only if the vessel is not observing specific coastal-state fishing laws and regulations.

Alaska takes the position that any foreign fishing activity within the territorial sea should be considered as non-innocent passage, whether or not it violates particular coastal-state fishing laws. We therefore recommend the following amendments to Article 16:

Add to Paragraph 2 a new sub-paragraph (*l*), to state: "(*l*) fishing or any other activity in support of fishing, other than the mere passage of such vessel from or to fishing areas located outside the territorial sea of the coastal State."

Re-designate present sub-paragraph (*l*) as sub-paragraph (m).

Paragraph 4 of Article 16 could then remain as it now reads, since it would clearly apply to limit the innocent passage allowance for fishing vessels in the last clause of the new language suggested above.

Article 18

To us, the phrase in sub-paragraph (d), "conservation of the living resources of the sea," is too limited. The coastal state's right to control all aspects of fishing by foreign vessels in the territorial sea ought to be recognized. We therefore recommend the following:

Change sub-paragraph (d) to read: "(d) the conservation or harvest of the living resources of the sea;".

Article 19

We suggest the following self-explanatory addition to Article 19, paragraph 1 (the added words are underscored):

"1. A coastal State may, where it considers it necessary having regard to the density of traffic concentration, *including concentrations of unattended fishing gear,* require foreign ships exercising the right of innocent passage through its territorial sea to use such sealanes and traffic separation schemes as may be designated or prescribed by the coastal State for the regulation of the passage of ships."

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* In the preceding general statement of the Alaskan position, we have preferred to refer to nation-states as "nations" or "countries" to avoid confusion. In this section, however, our proposals necessarily take us into the language of international law and politics. We will consequently use the term "state" when referring to a nation-state. It will be clear, from language or context, whenever the reference is to the *State* of Alaska.

EXCLUSIVE ECONOMIC ZONE

Article 45

Alaska approves the use of the term, in Paragraph 1(a), "sovereign rights" in describing the rights of the coastal state to the natural resources of the exclusive economic zone. We do, however, prefer a more direct approach to describing such rights. We therefore recommend the following adjustment:

Change Paragraph 1(a) to read: "(a) sovereign rights in the natural resources, whether renewable or non-renewable, of the bed and subsoil and the superjacent waters, which shall include exclusive rights for the purpose of exploring and exploiting, conserving and managing such natural resources;".

Article 50

This is of course a key provision on fisheries management. To conform to the Alaska position, it would need to be amended somewhat. We recommend the following new Article 50:

"1. The sovereign rights of the coastal State in the renewable resources of its exclusive economic zone include the exclusive right to manage the harvests of living resources within the zone.

"2. In exercising its right to manage the harvests of living resources, the coastal State shall promote the objective of optimum sustainable yield of the living resources. Optimum sustainable yield is defined as the maximum sustainable yield, modified by relevant ecological, environmental, economic, and social factors, including the economic and social needs of coastal communities, fishing patterns, the interpendence of species, and any generally recommended subregional, regional, or global minimum standards; *provided that* in no case shall harvests be allowed to exceed maximum sustainable yield.

"3. Available scientific information, catch and fishing effort statistics, and other data relevant to the conservation of living marine resources shall be contributed and exchanged on a regular basis through subregional, regional and global organizations where appropriate and with participation by all States concerned, including States whose nationals are allowed to fish in the exclusive economic zone."

It is our feeling that Article 50, as presently drafted in the Single Negotiating Text, unnecessarily grants several rights and interests to non-coastal states in the management measures adopted by the coastal states. If asserted through international dispute-settlement proceedings or diplomatic negotiations, those rights and interests could interfere with the ability of the coastal state to manage the resources effectively and responsively. We are convinced that the general obligation to optimize sustainable yield, considered together with the coastal state's self-interest in insuring effective management of its renewable resources, will more nearly meet the interests of the international community.

Article 51

This is another very important fisheries provision and, from the Alaska perspective, also needs some re-drafting. We suggest the following new Article 51:

"1. Other States shall have no right under this Convention to enter the exclusive economic zone for the purpose of harvesting the living resources of the zone.

"2. Nothing in paragraph 1 shall prohibit the coastal State from granting, as part of its obligation to optimize sustainable yield of living resources of the exclusive zone, access privileges to other States.

"(a) In granting such access privileges to other States, the coastal State shall take into account all factors relevant to the optimization of sustainable yield of the living resources of the exclusive economic zone, as provided in Article 50.

"(b) Nationals of other States granted such access privilege shall comply with the management and enforcement regulations of the coastal State. These regulations may relate, *inter alia*, to the following:

"(1) licensing of fishermen, fishing vessels and equipment, and any other devices for harvesting living resources including payment of fees and other forms of remuneration;

"(2) determining the species which may be harvested and fixing harvest quotas;

"(3) regulating seasons and areas of harvest activities, the types, sizes, and amount of gear, and the numbers, sizes and types of fishing vessels, fishing platforms, and other devices that may be used;

"(4) fixing the age, size, and sex of fish and other species of living resources that may be harvested;

"(5) specifying information required of fishermen, including catch and effort statistics and position reports;

"(6) requiring, under the authorization and control of the coastal State, the conduct of specified fisheries research programmes and regulating the conduct of such research, including the sampling of catches, disposition of samples, and reporting of associated scientific data;

"(7) the placing of observers of trainees on board such vessels and other devices by the coastal State;

"(8) the landing of all or part of the harvest by such vessels and other devices in the ports of the coastal State;

"(9) restricting or regulating the use of processing vessels or other types of support vessels or platforms not actually engaged in capture;

"(10) terms and conditions relating to joint ventures or other co-operative arrangements;

"(11) requirements for training personnel and transfer of fisheries technology, including enhancement of the coastal State's capability of undertaking fisheries research;

"(12) procedures for all phases of enforcement, including surveillance, boarding, inspection, arrest, seizure, trial and punishment,

"(c) Coastal States shall give reasonable notice of management regulations, taking into account all relevant circumstances, including the necessity for emergency measures."

Several aspects of the Alaska re-draft of Article 51 deserve comment.

Basically, Paragraph 1 attempts to legislate clearly the Alaska proposal that foreign fishing rights be immediately and entirely terminated in the exclusive economic zone.

It ought nevertheless to be made clear in the Convention that the coastal state's general obligation to optimize the sustainable yield of the living resources in its zone may include granting privileged access to foreign fishermen under terms and conditions to be set essentially by the coastal state.

We have inserted the words "and sex" in Paragraph 2(b)(4) to ensure that managers of such resources as crabs can continue to prohibit or restrict the taking of females as a conservation measure.

We also recommend that the coastal state's ability to regulate or restrict the use of all forms of support vessels and devices, as well as capture devices, be spelled out.

Where appropriate, we have suggested changing "capture" or "caught" to "harvest" and also referred to fishing platforms and other devices, in anticipation of the possibility that techniques for harvesting living marine resources may move beyond current methods in the not-too-distant future.

Finally, it must be noted that we have omitted most references to special considerations for developing, land-locked and geographically disadvantaged states. In our opinion, rational and effective management is best pursued by focusing on optimum yield. Access by other states to the economic zone should be based not on special international rights or privileges but on the coastal state's best judgment on optimization of the benefits to be derived from living resources in the zone. The ability of developing nations to participate in the access-granting process should, if considered appropriate, be enhanced by transfer of technology and other direct forms of assistance.

Article 52

This article deals with requirements of international management coordination imposed by biological realities. Again certain changes are in order:

"1. Where the same non-anadromous stock or stocks of associated species occur within but not seaward of, the exclusive economic zone of two or more coastal States, these States shall seek either directly or through appropriate subregional or regional organizations to coordinate their respective research and management programmes with a view toward realizing the optimum sustainable yield of such stocks. Enforcement of such regulations shall be by each coastal State in its own exclusive economic zone.

"2. Where the same non-anadromous stock or stocks of associated species occur both within the exclusive economic zone and in an area beyond and adjacent to the zone, the coastal State and the States fishing for such stocks in the adjacent area shall seek either directly or through appropriate subregional or regional organizations to agree upon the management regulations applicable to the adjacent area, with a view toward optimizing the sustainable yield of such stocks. Enforcement of such regulations in the adjacent area shall be by the State of the nationals or vessels engaged in harvesting such stocks."

Again, the Alaska position on fisheries which extend beyond one coastal nation's economic zone is oriented as much as possible toward effective management. With the exception of anadromous species and highly migratory species, both special cases, there are two categories of fish stocks that thwart the 200-mile-zone management overlay: (1) those stocks that occur and migrate within more than one 200-mile zone; (2) those that occur and migrate primarily within but somewhat seaward of one or more 200-mile zones.

Proper management for these two categories for stocks will require cooperation between the concerned states. Absent cooperation, however, there should nevertheless be a method of establishing management rules to meet the international interest in optimum utilization of the sea's living resources. We have therefore recommended that deadlocked negotiations on management regulations be submitted to compulsory dispute settlement. It would be no doubt preferable, in the reference to the dispute-settlement chapter, to refer specifically to provisions for establishing a group of experts in the field of fisheries.

Article 53

As we have noted in our general statement, we are of the opinion that highly migratory species can be effectively managed only by international agreement. In line with this approach, we suggest the following new Article 53:

"1. Notwithstanding Article 45(1)(a) and any other provision of this Part, management regulations for the harvest of the highly migratory species listed in Annex A shall be promulgated and enforced by cooperation between the coastal States in whose exclusive economic zones such species are found and the States whose nationals harvest such species.

"2. The cooperation required by paragraph 1 shall be either direct or through appropriate international organizations and shall be conducted with a view toward promoting the optimum sustainable yield of such species. Where no appropriate international organization exists, the coastal States and the States whose nationals harvest such species shall co-operate to establish such an organization and participate in its work."

We have previously noted our opinion that marine mammals should be managed, along with other ocean life, within the optimum sustainable yield principle, we consequently propose that paragraph 3 of Article 53 should be deleted.

Article 54

A proper approach to the management of anadromous species is crucial to the Alaska position. Unfortunately, Article 54 does not provide a good management framework, and we strongly object to its provisions. To conform to the Alaska position, Article 54 should read as follows:

"1. Except as otherwise provided in paragraph 5, coastal States in whose waters anadromous species originate shall have exclusive rights and in and management jurisdiction over such species.

"2. Anadromous species shall not be harvested in areas seaward of the territorial sea; *provided that* the State of origin may authorize harvests beyond the territorial sea where such authorization is consistent with the optimum sustainable yield objective of paragraph 3.

"3. The State of origin shall promote the objective of optimum sustainable yield of its anadromous species. Optimum sustainable yield is defined as the maximum sustainable yield, modified by relevant ecological, environmental, economic and social factors, including the economic and social needs of coastal communities, fishing patterns, the interdependence of species, and any generally recommended subregional, regional, or global minimum standards; *provided that* in no case shall harvests be allowed to exceed maximum sustainable yield.

"4. The State of origin shall have primary jurisdiction to enforce the prohibition against harvesting anadromous species beyond the State of origin's territorial sea. Secondary enforcement jurisdiction and responsibility lie with States whose nationals or vessels violate the prohibition, States where harvests obtained in violation of the prohibition are landed, and States in whose exclusive economic zones prohibited harvest occurs.

"5. Where anadromous species migrate into or through the territorial sea of any nation other than the State of origin, or where the stream of origin of an anadromous species runs through more than one State, such States shall co-operate in promulgating management regulations. The regulations shall promote the objective of optimum sustainable yield of the anadromous species. Enforcement of the regulations shall be by each State in its own waters, except where otherwise agreed."

Alaskans are especially desirous of seeing an end to wasteful and inefficient high seas capture of salmon. Capture of commingled races, premature harvests, and "drop-out" losses would be permitted to continue under Article 54 as presently drafted, making it impossible to realize the full potential of this important food and recreation resource.

Article 56

For the reasons indicated in our discussion of Article 63, below, we suggest the following change in Article 56:

Substitute "living resources of the continental shelf" in place of "sedentary species."

Articles 57, 58, and 59

As indicated in the discussion of Article 51, above, we do not agree that the LOS treaty should grant to developing, landlocked or otherwise geographically disadvantaged states special access rights to the exclusive economic zones of other states. Our reasoning stems directly from the basic theme of the Alaska position: international negotiation of fishing regulations is contrary to effective management of living resources. In place of special access rights for disadvantaged states, we suggest stronger emphasis on direct assistance to those states, including transfer of fishing technology, to enable them to compete with other foreign nations for access to coastal state exclusive economic zones.

We therefore recommend deletion of the provisions of Articles 57, 58, and 59.

Article 60

Adequate enforcement of management regulations is an essential part of effective management. In our recommendation for a new Article 54 on anadromous species, we have suggested conferring enforcement jurisdiction on the source state and certain other states. We feel that it is inappropriate to incorporate those suggestions further by revising Article 60 somewhat. We submit the following new Article 60:

"1. The coastal State, as incident to its sovereign rights over the living resources in its exclusive economic zone, shall have exclusive jurisdiction to enforce compliance with the management laws and regulations promulgated by it in conformity with the provisions of the present Convention.

"2. The provisions of Paragraph 3 through 6 shall apply to the coastal State in the exercise of the enforcement jurisdiction referred to in Paragraph 1 and to the source State and the other States granted jurisdiction under Article 54 to enforce the prohibition against harvest of anadromous species beyond the territorial sea.

"3. The enforcing State may, in furtherance of its enforcement jurisdiction, take such measures, including boarding, inspection, arrest and judicial proceedings, as may be necessary or proper to ensure compliance with the appropriate laws or regulations.

"4. Arrested vessels and their crews shall be promptly released upon the posting of adequate bond or other security.

"5. Penalties for violations may not include imprisonment, in the absence of agreement to the contrary by the States concerned, or any other form of corporal punishment.

"6. In cases of arrest or detention of foreign vessels the enforcing State shall promptly notify, through appropriate channels, the State of registry of the action taken and of any penalties subsequently imposed."

CONTINENTAL SHELF

Article 63

In the only reference to living resources in the continental shelf provisions of the Single Negotiating Text, Article 63 adopts the "sedentary species" terminology and definition found in the 1958 Continental Shelf Convention. To us, this is not satisfactory. The term and the definition have caused problems in the past, from both a biological and diplomatic standpoint, and they should be changed.

We suggest an amendment to Article 63, Paragraph 4; with the amendment, the paragraph would read;

"4. The natural resources referred to in these articles consist of the mineral and other non-living resources of the sea-bed and subsoil together with the living resources of the continental shelf. The living resources of the continental shelf are those organisms which, at the harvestable stage, either are immobile on or under the sea-bed or are unable to move except by constant or frequent contact with the sea-bed or the subsoil. The living resources of the continental shelf include, *inter alia,* those organisms listed in Annex B."

HIGH SEAS

Article 103

In view of the Alaska position of anadromous species, and other changes suggested above, Article 103 should be re-drafted to read:

"All States have the right for their nationals to engage in fishing on the high seas subject to:

"(a) their treaty obligations;

"(b) their rights and duties as well as the interests, rights and duties of coastal States provided for, *inter alia,* in Article 52;

"(c) the prohibition of Article 54 against harvesting anadromous species; and

"(d) the provisions of this section."

Article 106

For the reasons mentioned in our general statement and re-stated with reference to our recommended amendments to Article 50, we object to the use of the term "maximum sustainable yield." We therefore propose that "optimum sustainable yield" be substituted for maximum sustainable yield" in Article 106.

Article 107

The comments we have already made in reference to marine mammals lead us to suggest deletion of Article 107.

LAND-LOCKED STATES

Article 116

We have previously indicated our view that land-locked and other disadvantaged states should not be granted special rights or privileges of access to exclusive economic zones but that such nations could be granted direct assistance.

We therefore recommend that Article 116 be deleted.

REGIME OF ISLANDS

Article 132

There has been some indication of reluctance in the LOS Conference proceedings to grant all dry rocks and points of land equal status for baselines purposes. Understandably, there is unwillingness to grant to a small mid-ocean finger of rock an EEZ equivalent in area to that due a 628-mile straight coastline. The problem becomes one of definition: when is an island not an island?

A glance at a map of Alaska and the Bering Sea will show the significance of several islands within this law of the sea context. Of course, the Aleutian chain presents the most obvious case. But consider also the Pribilofs and St. Matthew. These Bering Sea islands can, depending on the status of islands in the LOS treaty, account for a considerable extent of United States exclusive economic zone. It is very important to the United States, especially to Alaska, that all of these islands be included within the treaty definition of land masses entitled to exclusive economic zones. We feel certain that the Bering Sea islands and the Aleutian chain fall within the definition of such land masses now contained in Article 132 of Part II of the Informal Single Negotiating Text. Nevertheless, it might be appropriate to urge that all islands of a certain minimum high-tide area—say, ten square kilometers—be automatically included without regard to other features.

ENCLOSED AND SEMI-ENCLOSED SEAS

Article 134

Part IX of the Single Negotiating Text is of special concern to Alaska. Our state borders the Bering Sea, a body of water arguably within Article 133's definition of "enclosed or semi-enclosed sea." If the Bering Sea is such a sea, then Article 134(a) appears to require that the United States and the Soviet Union co-ordinate management of living resources *throughout the entire sea, including economic zones,* and not just in high seas areas enclosed by the exclusive economic zones of the two nations.

Alaska feels that, for management reasons, coastal nations should have exclusive management control within their respective economic zones, except where biological realities dictate international coordination. We have already suggested the approach that should be taken for such exceptions in our proposed Article 52.

We suggest that paragraph (a) of Article 134 be replaced by the following new paragraph:

"(a) co-ordinate the management of the living resources of any high seas area or areas enclosed by the exclusive economic zones of two or more coastal States;"

We would also propose that some effort be made to list or catalog by name in the LOS treaty all "enclosed or semi-enclosed" seas which are to be subject to the rules of Article 134. We would agree that the Bering Sea should be included on the list.

FRANK CHURCH

Mr. BIDEN. Mr. President, the Boston Phoenix, a weekly newspaper, recently carried an article entitled "The Flexible Liberalism of Frank Church," our colleague from Idaho.

The article covers a number of important issues on which Senator Church has spoken.

I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Flexible Liberalism of Frank Church

(By James Barron and Marjorie Arons)

Despite his official disclaimer that he will not seriously consider running for President until the hearings of his special committee investigating intelligence agencies ends, Idaho Senator Frank Church came quietly recently to Suite 1108 at the Parker House, for a meeting arranged by CPPAX coordinator Doris Kanin, to discuss his positions and potential candidacy with a dozen as yet uncommitted Massachusetts politicians and shapers of public opinion. (He'll return to the Hub on Nov. 22 for a couple of days.)

To date, Church has returned all money contributed to his unlaunched campaign and has actively discouraged those who have tried to organize on his behalf. But in the last couple of weeks, as the CIA investigation appears to be winding down, the Senator has stepped up his non-candidacy in forums such as *Face the Nation* and in small gatherings with potential supporters here and in California. Church told the Parker House group that if the hearings are over in December as expected, he will probably enter some of the later primaries—provided no other liberal candidate has "caught fire." Because he would have until January 7 to remove his name from the Massachusetts ballot, he did not preclude running here as well.

"Church seems to have a substance and depth of character not present in the other candidates I've met," said one of the invitees, who expressed the reaction of many in the group. "Though we don't agree on everything, he isn't going to blow in the wind. He thinks for himself and is a serious, caring person. Besides, it's not possible for a candidate who shares all my liberal leanings to get elected in 1976."

Frank Church considers himself to be a liberal, and so do many Democrats who think of his anti-war record and investigations of multinational corporations and the CIA. But Frank Church is definitely not a liberal ideologue. A man of cautious temperament, Church has shown a capacity for compromise.

In his 18 years in the Senate, Church has specialized and become expert in problems of foreign relations, the elderly and, to a lesser extent, energy and the environment. A strong supporter of civil rights and most of the progressive legislation to come before him. Church has gained a well-deserved reputation for foresight and thoughtful political independence.

At the same time, Church has not lost sight of the needs and concerns of his rural and politically conservative constituents, voting against such issues as gun control and water exportation. As a result, while recent Democratic presidential nominees have been overwhelmingly rejected by Idaho voters, Church has been returned to office by steadily increasing margins.

According to one of his aides, Church is "an old liberal fed up with pat liberal solutions." For Church, the strength of liberalism is its non-doctrinaire, pragmatic search "for the solution most apt to work, whatever it might be." Church does not try to please everybody and is quite critical of would-be leaders who "feel that in order to qualify for the support of liberals they must come out foursquare for each of the important causes of the day and end up marching to a hundred different drummers."

"Since there is no way to do this and not appear ridiculous," Church told a Harvard audience last month, "these men have lost the capacity to give the country a sense of direction."

It is as a member of the Foreign Relations Committee that Church has best demonstrated his own capacity for creative leadership. More than a decade ago, he sought to reject Cold War stereotypes in defining America's role in the world. He joined Senators Morse, Gruening and McGovern, then, the most outspoken opponents of the Vietnam War, in 1965 and subsequently co-sponsored virtually every major bill designed to restrict American hostilities in Southeast Asia.

If Church was ahead of most liberal Democrats in rethinking US policy of indiscriminate military intervention, he also took the lead in re-evaluating our foreign aid program. He voted against the foreign aid appropriation in 1971, asserting "this country simply cannot afford to sustain a $10 billion annual outlay out of habit, especially when in terms of its stated objectives—the containment of communism, the promotion of economic development, and the advancement of freedom—the program is on the whole a proven failure."

And, in a theme he later developed as chairman of the subcommittee on multinational corporations, he noted that foreign aid money was being used to support corrupt, anti-Communist dictatorships, with the primary purpose of creating a climate favorable to private business. (Our foreign aid program, he says, should be limited to technical assistance grants and loans made through institutions such as the World Bank.) Concern that Church's switch on foreign aid signaled a change in his support for Israel was unfounded. Indeed, he has been one of the staunchest Congressional advocates of a militarily and economically secure Israel. But having learned his lesson from the Tonkin Gulf incident, he was one of the most careful scrutinizers of the decision to send civilian advisers to the Sinai.

In his investigations into oil pricing policies and the gross corruption of multinational corporations, Church again led the way in emphasizing that the threat to America in the 1970s is more economic than military. And as chairman of the Intelligence Committee, he has sounded the warning for the 1980s. Unlike some critics of the intelligence community, however, Church sees a need to preserve the agencies for "legitimate intelligence-gathering functions" as long as they operate within a legal framework.

In a sense, Church is a law-and-order liberal. He reveres the Constitution, representative democracy, the separation of powers and the federal system. Believing "law is the mortar binding us together," he is equally critical of the contempt for the law he sees in labor unions, corporate boardrooms and government agencies. A steadfast defender of individual rights and liberties, he fears that "if respect for the law is not restored, a frightened people will react by imposing repressive measures." To those who criticize him for taking too legalistic an approach, Church responds, "What would we solve with an illegalistic approach?"

Just as Church opposes the arrogance of American power in international affairs, so too is he reluctant to seek federal solutions to all the major domestic problems. Opposing "warmed-over New Dealers" whose thinking has "proved to be neither sound nor valid," Church believes that the beauty of the American system of government is precisely that in many areas the states can and should solve their own problems. This is his rationale for his opposition to any federal gun control legislation, federal no-fault insurance, and to total assumption of welfare costs by the federal government. Though the federal government should assume a larger portion of the welfare burden, the states, says Church, must still contribute in order to have a stake in monitoring the program.

His suspicion of massive federal programs extends to national health insurance. Declaring himself in sympathy with the objectives of national health insurance, Church says, "As chairman of the Committee on the Aging, I am very much aware that our Medicare program has fallen short of providing adequate medical care for the elderly in this country. If we can't do the job for the elderly, then we might fail to do it for everyone. I would prefer to see us improve the Medicare program to the point where we have achieved an adequate care for the elderly, the people who need it the most and have the least to spend, before we attempt to adopt a national program for everyone. The elderly program is the laboratory within which we can perfect an adequate medical program that works." Church would move on a step-by-step basis, starting with a national program for dealing with catastrophic illness, and would "live with the results for a while" before deciding on the next step.

Church does believe, however, that the federal government should become "the employer of last resort in times of high unemployment" and that its role should be "to stimulate economic recovery as rapidly as possible." Church is equally committed to but similarly vague on specific steps the federal government should take to aid New York City. He conveys a deep concern for the country's economic problems but is reluctant to commit himself to specific solutions when he feels he is "not sufficiently educated in the matter."

Church refuses to be typecast on the emotional social issues as well. While he believes "there must be a better way than busing" to achieve racial integration, his commitment to busing as a tool for desegregation is strong, and he is one of the few national leaders to say that busing has had some positive results.

Church has a solid record on civil liberties, save for his vote to impose the death penalty as "fitting punishment" for certain heinous crimes. He has a good record on women's rights, especially in his own hiring practices. Church says he supports the Supreme Court abortion decision, but he also authored a "conscience amendment" alllowing certain hospitals to refuse for religious reasons to perform abortions. Although the amendment has been criticized as discriminating against the poor who may be unable to travel to another hospital, Church chides liberals who fought for the right of conscience in refusing the draft but cannot support the conscience of a hospital in refusing to perform abortions. Church supporters note that only William Fulbright opposed the bill when it came to a vote.

While Church acknowledges that the support of organized labor is essential for a Democratic victory, his COPE ratings over the years indicate that he is not an automatic supporter of labor's favored positions. At the 1972 Democratic convention, he voted against a resolution supporting Cesar Chavez's grape boycott. Church explains that while he supports farm worker unionization, he opposes boycotts as unnecessarily injurious to small family farms. He has spoken out against the longshoremen's refusal to load wheat lawfully sold to Russia, and firmly opposes strikes by public employees which endanger public health and safety. Commenting on the political impact of such stands, Church says "I don't think organized labor wants a kneejerk candidate for President. If they do, it reflects bad judgment on their part, and the candidate most assuredly would be unelectable."

Petitions are being circulated urging Church to run in the March 2nd primary here. There is some quiet but strong support of Frank Church in Massachusetts, which appears based on respect for his instincts, intellect and integrity. While a local professor grades Church a B to B plus because he has yet to develop a domestic program, many who have met Church feel he is "the only candidate of presidential timber." He doesn't have all the answers and doesn't pretend to," said one activist. "But he is eminently decent. Church is chemically right. He makes the other candidates seem like little boys."

Church himself is fatalistic about a candidacy. Now that he is the third-ranking member, he is in a position to fulfill his teenage dream of chairing the Senate Foreign Relations Committee. If he is at all impatient to conclude the CIA hearings, he does not reveal it. He regards his work on the investigation as the most important assignment of his career.

"It's more important to him than the Presidency," says a close associate. "It's the culmination of what he has been talking about for years—America doped on *hubris*, playing God in the world. It ties together his foreign policy and civil libertarian views. Sure, he's thought about running for President, but he put the idea aside to conduct the hearings conscientiously, and even now, any thoughts of running after December would be scrapped if the committee was to find its Butterfield."

RESOLUTION CONDEMNING THE UNITED NATIONS FOR CHARACTERIZING ZIONISM AS A RACIST PHILOSOPHY

Mr. ROTH. Mr. President, the outrageous United Nations vote on Zionsim has been rightly condemned by American people of all walks of life and nationality groups. The resolution passed last week by the Wilmington, Del., City Council is illustrative of this reaction. The Wilmington resolution condemned the vote as an unconscionable departure from the principles of humanity and justice and urged that the United Nations action be rescinded.

I ask unanimous consent that the text of the resolution be printed in the Record because I believe that it is important to publicize as widely as possible the very strong, grassroots reaction in the United States to the U.N. vote.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolution Condemning the United Nations for Characterizing Zionism as a Racist Philosophy

Whereas, the United Nations was established in 1945 as a forum for the promotion of peace and understanding among the peoples of the world; and

Whereas, the United Nations has deviated from this noble goal by the passage of General Assembly Resolutions in which the philosophy of Zionism is maliciously attacked and erroneously characterized as being a racist threat to world peace; and

Whereas, the passage of these two resolutions can have no effect other than to undermine the credibility of the United Nations and the cause of peace and understanding which it purports to serve.

Now, therefore, be it resolved by the Council of the City of Wilmington, That this Council condemns the United Nations for its unconscionable departure from the principles of humanity and justice so often espoused by its member nations and urges its membership to rescind these two resolutions.

Further resolved that the City Clerk forward copies of this resolution to President Gerald R. Ford, the U.S. Ambassador to the United Nations, and the Secretary General of the United Nations.

THE WORLD'S LARGEST SHOE REPAIRER—FIXING IMPORTED MISTAKES

Mr. McINTYRE. Mr. President, I call our colleagues' attention to a fascinating article that appeared in the November 19 issue of the Wall Street Journal.

On the front page of that issue is a story about the Lloyd Davis Shoe Co. which claims to be the "world's largest shoe repairer."

I call attention to this article for two reasons, Mr. President. First, because it shows that the spirit of business enterprise is still alive and vigorous. Second, because it offers convincing evidence that when it comes to quality control, American shoe manufacturing still leads the world.

The Lloyd Davis Shoe Co., is located in Somersworth, N.H., and the second paragraph of the article ought to impress anyone who reads it:

> The little company, opened at the end of March, fixed 350 pairs of shoes in its first week, 800 the second week and 7,500 the third. Since then, it has averaged nearly 12,000 pairs a week. That's 339,800 pairs repaired in eight months—a lot of shoes to fix in a town of 9,617 in a state with only 824,653 residents.

Obviously that kind of shoe business is not coming in from the streets of Somersworth. The company specializes in repairing brand new shoes that were poorly produced at the factory or damaged in transit.

Lloyd Davis has expanded his operation four times in 8 months but can't keep up with demand. The plant now occupies a 10,000 square foot building, already so crammed with equipment and work orders that Davis now plans to build a 5,000-square-foot warehouse in January and double his factory work force. Then, he says, he will be able to repair more than a million pairs of shoes in 1976.

But the remarkable success of the firm is only part of the story, Mr. President. As a Senator from a State that has seen its domestic shoe manufacturing industry badly hurt by cheap foreign imports, I find it most significant that at least 90 percent of Mr. Davis' repair business involves imported shoes.

In his own words, quoted in the article:

> The factories here often fix up their own mistakes and usually have too many quality-control guys around to let more than a few hundred bad shoes come down the line before they're caught.

Mr. President, shoe imports almost doubled from 1968 to 1975, while domestic shoe production dropped almost 200 million pairs a year during the same period.

If this trend is allowed to continue, two things seem certain. One, more and more U.S. plants will go out of business; and two, the Lloyd Davis Shoe Co., whose revenue is expected to rise to $1 million next year, will have more business than ever repairing an ever larger number of new-but-defective imported shoes. I salute Mr. Davis' enterprise and skills, but I regret the trend I have cited.

Mr. President, I ask unanimous consent to have the full text of the Wall Street Journal article on the Davis Shoe Co. printed at this point in the Record:

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Nov. 19, 1975]

Down-at-Heel Shoes Get Repairs That Last at New England Shop

(By Richard Martin)

Somersworth, N.H.—The sign along Route 16 here claims Lloyd Davis Shoe Co. is "the world's largest shoe repairer." And if it isn't, it probably soon will be.

The little company, opened at the end of March, fixed 350 pairs of shoes in its first week, 800 the second week and 7,500 the third. Since then, it has averaged nearly 12,000 pairs a week. That's 339,800 pairs repaired in eight months—a lot of shoes to fix in a town of 9,617 people in a state with only 824,653 residents.

Obviously, Lloyd K. Davis has something going for him here in the rolling hills of New Hampshire.

Mr. Davis' specialty is fixing up brand new shoes that were botched at the factory or damaged in transit. He and his crew of 28 nail on loose heels, sew peeling soles tight, refinish stains and blotches and alter ill-sized footwear. Shoe companies, importers and retail chains all over the U.S. send their woebegone wares here by the truckloads and, for about 50 cents to $3.50 a pair, depending on the complexity of the repair work, Mr. Davis sends back salable merchandise.

UNSTYLISH STITCHES

"You wouldn't believe all the things that can go wrong with shoes unless you spent a couple of weeks here," Mr. Davis says. Waving a pair of shiny black men's oxfords with orange stitching on the toes and sides and white stitches around the soles, he says: "Look at these. No buyer ordered shoes like these. Somebody in Taiwan just ran out of black thread and did the last 1,500 pair with orange and white instead."

Dying the stitches black is a quick, simple job for Mr. Davis's shop. Fixing a recent shipment of 4,400 pairs of vinyl slippers wasn't so easy. The Taiwan-made slippers arrived here waterlogged and mildewed, straight from the hold of a ship. They had to be washed, fumigated, refinished and repacked in new boxes. "It was very tough getting the smell out of those slippers," Mr. Davis recalls. "The odor was so powerful we could only unpack a few cases a day, and the employes handling them had to wear masks."

The shop currently is fixing 9,000 pairs of men's shoes from Brazil. They were intended to retail for $20, but the soles and heels started falling off before they got to the stores. It is taking four separate stitching, stapling and nailing operations to secure the soles and heels, at a cost to the shoe company of about $2 a pair.

"Even though it's great for my business, it's almost criminal the way stuff comes out of some factories and gets sent to customers," Mr. Davis says. "More and more shoes are being made overseas, so the buyer doesn't know how bad they are until he gets them off the boat and wear-tests a few. By then, he already owns the shoes, and his stores are after him to get them out onto their shelves."

FOUR EXPANSIONS

Mr. Davis has expanded his operation four times in eight months, but he still can't keep up with demand. He recently moved into a 10,000-square-foot building that was originally a roadside dance hall, but the place is already crammed with repair equipment, overflowing shoe racks and case after case of name-brand shoes from some top U.S. marketers. Two truckloads of shoes to be unloaded are parked nearby.

He plans to build a 5,000-square-foot warehouse in January and double his factory work force. He figures that will enable him to repair as many as 4,500 pairs of shoes a day, or about 1.1 million pairs altogether in 1976.

Like many others in the domestic shoe industry, Mr. Davis's own career was going downhill before he seized this opportunity to cash in on the booming import business. He is 47 years old and he has been in the shoe business 27 years, having worked his way up from factory hand to a succession of top-management jobs at now-defunct shoe factories in Maine, New Hampshire and Ohio.

He was running a little shoe manufacturer in nearby Farmington, N.H., "going without paychecks many weeks," when a Boston jobber asked him to repair 1,800 pairs of imported women's shoes with loose heels. "From what other jobbers told me, I figured there must be an awful lot of shoes coming into the country needing to be fixed," he says. With "$132 for living expenses," and "an understanding landlord," he set up shop in an idle Dover, N.H., shoe factory and passed out advertising fliers at a New York trade show. Business has been booming ever since.

Mr. Davis says his operation's revenues will top $500,000 this year and should rise to "$1 million or maybe $1.5 million next year." He is closemouthed about his profits ("they're fair and reasonable"), but Mr. Davis is driving a new Chrysler, and he just bought a seven-bedroom oceanfront house at Rye Beach, N.H.

His spacious private office in the front of the plant is decorated mostly with piles of shoes and stacks of shoeboxes, all either samples of incoming work or souvenirs of jobs already done. On a shelf are handsome, $18 brown, tan and black U.S.-made women's sandals that were white until the glue holding them together stained the leather with yellow streaks and splotches. "Migration" of chemicals is a problem that frequently mottles light-colored shoes and sometimes gives black shoes a blue or greenish cast, Mr. Davis says.

In a corner are several pairs of $28 men's boots from Brazil, mementos of his toughest job to date—cutting defective zippers out of 1,200 pairs of the boots and stitching new zippers in "right through the old holes so they didn't look like they'd been repaired." Next to the boots are boxes of sneakers from Korea representing his biggest order, "125,000 pairs with the soles peeling off because they were put together with the wrong cement," he says.

Across the office are some stylish women's high heels made for one of the nation's biggest retailers. Mr. Davis has 5,400 pairs of those, all with heels that come off easily. He is nailing the heels on and pasting "Made in Spain" labels over the retailer's brand name so the shoes can be sold in a discount store.

Only 5% to 10% of the shoes he fixes are made in the U.S., Mr. Davis says. "The factories here often fix up their own mistakes and usually have too many quality-control guys around to let more than a few hundred bad shoes come down the line before they're caught," he says.

U.S. manufacturers and importers are reluctant to talk about their own bad shoes, but some industry sources estimate that between 8% and 10% of the shoes arriving here from foreign factories are defective. Shoe imports rose to 300 million pairs last year from 175 million in 1968, while domestic shoe production declined to 452 million last year from the 1968 peak of 642 million.

Mr. Davis says his jobs often are "rush orders they want us to fix and ship yesterday," such as a load of 3,000 women's sandals made in Spain without a heel strap. "I don't know if it was an oversight or what, but those shoes wouldn't fit man or beast the way they were," he says. "We had everybody in the place working overtime sewing an elastic gore across the back. This is a seasonal business, and if you miss the season you lose the sales."

His jobs are mostly simple repairs like stitching or nailing—or moving the screws on the straps of a batch of 1,800 wooden-soled sandals from Italy "that were so tight women couldn't get their feet into them," he says.

But some jobs are complex. "It took us days" to find the right combination of chemicals to remove the word "seconds" accidentally stamped in indelible ink on the sides of 900 pairs of suede U.S.-made sneakers, he says.

He has turned down two jobs because repair costs would have been more than the shoes were worth. "But there's not a shoe made that I can't repair," he says. "If it's made of leather I can fix it, whether it's shoes or belts or hats or dispatch cases."

In fact, he recently dyed a dozen gray suede leather jackets cocoa brown for two New Jersey retailers, and he turned 430 white handbags antique brown for a Boston distributor "who had missed the season." But he isn't planning to diversify into that kind of work right away.

"I've got too many shoes to fix now without chasing extra business," he says. "But maybe after my next expansion. . . ."

A NEW PLAN FOR EDUCATION AND BUSINESS COOPERATION

Mr. BEALL. Mr. President, yesterday there was a meeting held in Washington, D.C., between the American Cyanamid Co. and the National Education Association—NEA—in an effort to forge a new connection and commitment between American education and American business.

Both American education and American business are indispensable pillars of this great Nation and of our free society. Both are essential to each other and to the advancement of the American dream. Too often, however, American corporations have made "contributions" to education without being real working "commitments." Too often, educators, while recognizing the desirability of a closer and continuing relationship with the industrial community, have not truly committed themselves to the efforts required for the development of a partnership between education and business.

The November 19 meeting was designed to map "a new plan for education and business cooperation." As the ranking minority member of the Education Subcommittee, I want to congratulate both NEA and American Cyanamid on this joint and important endeavor.

On July 4, 1975, Dr. J. G. Affleck, president of American Cyanamid Co., proposed this meeting. Because of the significance of the address and because of the importance of the meeting, I ask unanimous consent that the Fourth of July speech of Dr. Affleck be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

MEETING AMERICA'S GLOBAL CHALLENGE: A NEW PLAN FOR EDUCATION AND BUSINESS COOPERATION

(A talk by Dr. J. G. Affleck, president, American Cyanamid Co.)

Ladies and gentlemen: To stand at the podium above some 5,000 teachers is a dream for all seasons.

It is the secret desire of all the downtrodden Charlie Browns of the world.

The invitation to address this important gathering was a signal honor for American Cynamid Company and for industry in general. It is my hope that it will mark the development of a new relationship between those of us who are responsible for the management of America's economic resources and you, who are responsible for the development of its human resources.

We meet at a point in history when the the United States and the world are poised at the beginning of what could be one of the most progressive, prosperous and constructive eras of all time; an era in which the developing nations can begin to see the end of malnutrition and chronic disease, in which the emerging nations establish firm foundations for industrial development, and the developed countries turn their full attention to learning and innovation.

While we have been preoccupied over the past decade with our problems in Indochina, with political protest and changing mores in the United States, with political excesses in high places, and the continuing threat of conflict in the Middle East, a quiet revolution has been taking place in the world's industrial sector.

Despite continued political turbulence, the Latin American countries are raising industrial production and standards of living. Aided by technology developed in the United States, Japan and Western Europe, Latin America is creating a broad middle-class of skilled craftsmen, manufacturing supervisors, entrepreneurs, industrialists and professionals.

The Far East and Asian nations have established a stronger industrial base. India and Pakistan, despite their disputes, continue a year-by-year agricultural and industrial growth that is bringing more and more people within the main stream of economic life.

Change has taken place in the United States, too, based on evolving production and management patterns worldwide. While still the world's largest producer of agricultural and manufactured goods, the United

States has more and more become a nation of managers, scientists, engineers, designers, writers and teachers.

As noted by Professor Jean Gottmann, a noted geographer at Oxford University in England, in 1975, this year, managerial, professional, technical and clerical workers represent 40 per cent of all employment in the United States.

There is no question that this ratio will increase as we meet the challenges of the 70's. We face a critical future as we strive to maintain or even increase our standards of living—while at the same time coping with increasing costs of energy, raw materials, pollution control and elimination of environmental impact.

Each year, through our concern for the planet on which we live, we are increasing the cost of production. Our objective now must be to conserve energy, to reduce our demands for raw materials, to clean up and recycle our wastes, and to return the land to the condition in which we found it.

These costs can be paid for in one of only two ways: by lower standards of living, or by increasing our productive capacity through increased productivity. Our productivity will depend upon our ability to think and to create, and this means we must place increasing burdens and responsibility on the educational community. Our labors must become more mental than physical, more innovative than routine, more technical than simple. With its original concept of education for the masses, with its early, continuing and significant support for education, this nation has provided the philosophy for the future.

To accept this challenge, this nation, which is still the world's industrial leader, must be confident of its ability to continue its economic growth.

Despite the foreign policy failures of the recent past, despite our political disappointments, we are still the nation of July 4, 1776. But we must reffirm our belief in the worth of the individual and the ability of our way of life to allow each individual to reach his or her potential.

We must reaffirm our belief in the overall importance of education and the effectiveness of our educators.

Business, for its part, must recognize that it can no longer stand apart from the world of human affairs. It must think carefully about its effects on people, the nation and the world. It must have its codes of behavior that are acceptable to the peoples of the countries in which it operates.

Business must continue to be aware of the world outside the executive suite, to be acutely conscious of the hardships of unemployment, of the need to provide professional and managerial employment for women, of its part in providing jobs and upward mobility for minorities.

For its part, the educational community must recognize the challenges that increased world competition place on U.S. corporations and American workers. It must provide student graduates who are motivated to look forward to opportunities in American industry and are intellectually and technically equipped to accept and master those opportunities.

There are no easy alternatives for our children. We have conceived them and brought them into a world of great technological and social complexity, and we cannot afford them the luxury of ignorance and incompetency.

We are becoming a service economy, not by choice, but by necessity; as a result, a smaller and smaller proportion of total jobs will be available in the future for those who rely on their hands and their backs instead of their minds. In short, our future success will depend upon our ability to produce a greater proportion of highly educated workers than ever before.

This is the job of the educational community, which must ignore the complaints of the nay-sayers who will tell us we cannot educate for a predominantly intellectual society.

The educational community has already proven that it can be done.

Despite the problems being discussed here today, who would have predicted 199 years ago that we would have come this far along the road to a literate nation? Who would have predicted that by 1960 white-collar workers would have outnumbered blue-collar workers, including farm workers, in the United States?

The question, therefore, is not what must be done, or whether it can be done, but how do we begin?

We begin by accepting the fact that the educational community and the business community cannot go their separate ways.

There is a point down the road where our parallel directions must converge.

It was with this need in mind, with the conviction that industry and education have a common stake in our children's future that American Cyanamid Company and the National Education Association felt that we should explore appropriate beneficial relationships between NEA and the business community.

Therefore, I am happy to join with your president, Jim Harris, in announcing the "NEA-Industry Proposal" to study ways in which the resources of industry can be used to enhance the teacher's efforts in the classroom.

Perhaps together we can avoid a turned-off generation of vocational wanderers, perhaps we can excite children to the realities of business. At the very least, we ought, through our cooperation, to improve current career development and guidance programs from grades K through 12.

Under the "NEA-Industry Proposal," industry personnel will work with NEA to accomplish the following:

1. Identify problems of the schools where cooperation may result in significant solutions.

2. Establish an agenda for action on a national basis beginning on July 4, 1976.

3. Develop criteria for local teacher association and industry action programs and fund pilot programs.

4. Develop a mechanism for long-term industry-education cooperation.

5. Identify corporations prepared to participate in industry-education action programs.

The participants will present their report and recommendations to the governing boards of NEA and the participating companies by April 15, 1976.

In another area of cooperation with NEA, Cyanamid has agreed to sponsor the visits to the United States of 10 teachers from abroad who will participate in the NEA's Bicentennial Program. They will take part in the 1976 NEA Annual Meeting in Miami and in the Annual Meeting of the World Confederation of Organizations of the Teaching Profession in Washington. Our guests will remain in the United States for approximately five weeks, during which time they will have an opportunity to tour parts of the country and participate in NEA-planned seminars and meetings.

We hope that this NEA Bicentennial Program will enhance its theme: "A Declaration of Interdependence: Education for a Global Community."

The success of the "NEA-industry Proposal" will be its ability to develop concrete programs of involvement between teachers and industry personnel.

U.S. corporations have been giving millions of dollars annually in contributions to education. But they have been giving without participation, a dollar in the collection plate without commitment to the message.

Contributions by corporations to education have not brought the business community one inch closer to teachers. The gap remains because what is needed is direct, continuous, personal contact.

The "NEA-Industry Proposal," which is a product of your conference on educational neglect, will establish a means whereby each of us can better understand the other's point of view and worth to society.

We have reached a time in history when there is doubt as to whether we are or can improve the standards of living of the peoples of the world.

I think we can. People can live better and will live better. Our potential—as it has always been—is limited only by the capacity of the human mind.

And that is your job!

ASTP MEDICAL EXPERIMENTS PROVE TO BE VALUABLE

Mr. MOSS. Mr. President, results of the medical experiments carried out on the Apollo-Soyuz test project joint space flight last summer have just become available, and I am highly gratified to see not only that most of the experiments were successful but also that they should lead directly to better medicines here on Earth.

Probably the most successful experiment involved the production of urokinase by electrophoresis in the zero gravity of space. Urokinase is an enzyme found naturally in the body that dissolves blood clots and therefore can be highly useful in treating victims of heart disease and strokes. The results of this ASTP experiment indicate that commercial exploitation of electrophoresis in space is a distinct possibility, researchers believe.

The results and significance of the electrophoresis experiments are clearly described by Craig Covault in an article in a recent issue of Aviation Week & Space Technology. As he notes:

> Researchers believe the work funded by the National Aeronautics and Space Administration for the ASTP mission made most significant advances in the electrophoresis field since its inception.

Such experiments, Mr. President, will be an important part of the payloads carried on the space shuttle beginning in the 1980's. Because the benefits of electrophoresis in space promise to have great significance in the coming years, I ask unanimous consent that the article from Aviation Week be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ASTP RESEARCH SPURS MEDICAL BENEFITS

(By Craig Covault)

Huntsville, Ala.—Apollo-Soyuz Test Project electrophoresis experiments have resulted in significant new developments that should directly enhance the use of the process on earth in the development of drugs and other biological materials used in medical treatment and research.

The electrophoresis process involves the separation of biological materials such as living cells by means of an electric charge.

ASTP electrophoresis researchers meeting recently here at the Marshall Space Flight Center discussed new devolpments involving:

Increased capability to produce urokinase, a naturally occurring human enzyme that dissolves blood clots.

Greater flexibility in leukemia transfusions.

Developments of a zero-electrical-charge coating that facilitates electrophoresis separations.

Fabrication of new electrophoresis hardware.

Establishment of new sterility standards.

ASTP electrophoresis experiments were MA–011, a technology experiment headed by Center E. Allen of the Marshall Space Flight Center, and MA–014, a free-flow electrophoresis experiment funded by Germany and headed by Kurt Hannig of the Max Planck Institute of Munich.

ENZYME ISOLATION

A key aspect of the MA–011 experiment was the isolation in zero-g of the enzyme urokinase that is produced in the human body by kidney cortex cells.

Urokinase is the only naturally occurring enzyme in the body that dissolves blood clots. Production of large quantities of the substance outside the human body for use in treating heart attacks, strokes and phlebitides is difficult because of the large amounts of urine required to obtain the urokinase enzyme.

During the ASTP mission, kidney cells were successfully separated in zero-g that were able to continue growing in a culture medium after the separation process.

The cells separated on the Rockwell International Apollo spacecraft produced six-seven times more urokinase than would have been possible with cells separated on earth, Grant Barlow of Abbott Laboratories told the researchers. The results are of major significance and show potential for economic exploitation, researchers believe.

Findings from the ASTP work that could result in near-term help to leukemia victims resulted not from activities in orbit but from ground preparations in support of the orbital experiment. Separation of lymphocytes in space failed because of a hardware problem.

In preparing the lymphocyte specimens on earth, however, C. Van Oss of the State University of New York Medical School found a freezing method that could preserve the cells for as long as five years.

Leukemia patients with certain forms of the disease often can be given useful transfusions from a donor relative, but only with the relative present at the time of the transfusion. This frequently causes problems for both the donating family member and the patient. With the freezing method now known that can preserve the cells for up to five years leukemia patients in the future should not have to depend upon the immediate availability of family to provide the needed blood.

A problem in electrophoresis separations has been the inability to have precise, sharp separations between the cells and surrounding medium. The biological material being separated would often form a parabolic arc or bullet-shaped pattern, making it difficult for researchers to extract the separated cells.

The indistinct separations were the result of residual electrical charges that tended to pull the biological materials into non-uniform shapes.

ASTP ground-based research resulted in the development of a methyl cellulose coating with no electrical charge whatever. The application of this coating to the ASTP hardware made it possible to conduct electrophoresis separations with precise divisions between the materials.

The new coating retains its charge-free properties over a long period of time in severe environments, according to Robert S. Snyder, Marshall space processing project scientist. "Most electrophoresis people will now take this coating and put it on their apparatus and improve earth separation techniques," Snyder said. The discovery could have wide-ranging benefits for biologists in various research areas, he added.

HIGH LEVEL OF STERILITY

Another significant development from ASTP that was cited by most of the investigators was their ability to maintain a high degree of sterility throughout mission preparations. In most cases, the cellular samples used on the Apollo were subjected to substantial handling during flight and pre- and post-flight. In spite of this, rigid clean room and other procedures managed to keep the electrophoresis samples free of contamination.

On ASTP, the ability to maintain sample sterility within a manned spacecraft was demonstrated for the first time, a significant development, considering the conditions inside the Apollo.

An outgrowth of the ASTP experiments was the development by one researcher of a rotating electrophoresis tube. In zero-g, the lack of any gravity prevents the settlement of biological materials involved in the separations. It was found that by rotating the tube containing the biological materials a similar prevention of settlement could be achieved. The rotating-tube apparatus may have market potential for electrophoresis separations on earth, Montgomery said.

SIGNIFICANT ADVANCES

Researchers believe the work funded by the National Aeronautics and Space Administration for the ASTP mission made the most significant advances in the electrophoresis field since its inception.

Two other electrophoresis experiments were carried on earlier space missions, Apollo 14 and Apollo 16. These were little more than demonstrations involving photography of the process in zero-g, however. No electrophoresis experiments were flown on Skylab because the schedule for hardware development was not compatible with the analysis of the Apollo experiments. A series of NASA sounding rocket flights, mostly involving the space processing of metallic materials, may also include some electrophoresis experimentation.

Substantial work on board the space shuttle and in the Spacelab will be devoted to electrophoresis objectives.

PAKISTAN NEEDS DEFENSE SUPPORT

Mr. TAFT. Mr. President, yesterday's Washington Post contained new evidence of the aggressive posture India has taken in relation to her neighbors. According to the Post, it is reported that Indian Army units are firing on border posts of Bangladesh. Because India does not find the new government in Bangladesh willing to play its assigned role as an Indian satellite, India has already begun to apply military pressure.

The brutal, forceful annexation of Sikkim was the first step in India's new policy of active military aggression; Bangladesh appears to provide a further example. I think this activity on the part of India has important policy implications for the United States.

One of the most important implications regards Pakistan. Pakistan is one of America's oldest and most valuable friends in South Asia. Pakistan is, in comparison with most countries in that part of the world, well advanced in internal development. It is in an important strategic location, blocking direct access from the north to the Indian Ocean, Pakistan has always pursued a pro-Western policy, and it continues to do so.

There is no question that Pakistan will be the ultimate target of the expanding Indian policy of aggression. India has always realized that only Pakistan can block Indian hegemony over the subcontinent. History is filled with examples of past Indian attacks on Pakistan.

Unfortunately, Pakistan is increasingly in a disadvantageous position vis-a-vis India. India has one of the largest armies in the world, and, with large amounts of Soviet help, that army is being increasingly better equipped. The Soviet Union has provided a plant to India for the manufacture of Mig–21 aircraft. India is also manufacturing aircraft and tanks of her own design.

Pakistan, on the other hand, has chosen to put her resources into raising the living standards of her people, rather than into armaments programs. As a result, the Pakistani forces do not have the modern equipment they need to match the Indians.

Pakistan also now finds herself facing a potential two-front threat. The current Government in Afghanistan has expressed support for the destruction of Pakistan, in hopes of absorbing the Pashtoon population of Pakistan into Afghanistan. Both India and the Soviet Union are supporting Afghanistan, the latter with large amounts of military equipment.

I believe it is necessary that the United States seek to maintain the balance of power on the subcontinent, and thus to maintain peace. It is clear from India's attack on Bangladesh that only a strong military deterrent will hold Indian ambitions in check. I hope that the Government of the United States will take action, in the very near future, to consider sympathetically the defense needs of Pakistan, in terms of defensive military equipment. In particular, Pakistan needs aircraft, and I would hope she could be supplied with suitable defensive aircraft under the U.S. military aid and sales programs.

I raised the question of Pakistan's defense needs with Mr. Donald Rumsfeld, during his hearing before the Armed Services Committee. I hope Mr. Rumsfeld, now that he is Secretary of Defense, will give this urgent matter his personal attention.

I ask unanimous consent that the article from the Washington Post, "India Accused in Bangladesh Attack," be printed in the RECORD for the information of my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDIA ACCUSED IN BANGLADESH ATTACK

(By Lewis M. Simons)

(NOTE.—The following article was delayed by being filed from outside Bangladesh to avoid martial-law censorship.)

DACCA, November 15.—Indian army forces supporting bands of Bengali guerrillas have launched a groundfire attack on three Bangladesh border outposts and today held them in a state of siege, according to a source in direct contact with the new martial-law administration here.

"The outposts are encircled and could be overrun at any time," said the source, who may not be identified for security reasons. The source explained that the military regime is attempting to bring international pressure to bear on India to call off the attack. "But we know we cannot afford to push India into direct confrontation," he added.

Bangladesh military intelligence officers believe that the attack is the first of a series of small-scale "penny-pocket" assaults India intends to make in conjunction with a sabotage and propaganda campaign, in an effort to overthrow the three-man, anti-Indian martial-law government that came to power Nov. 7.

In three months of brutal political and military upheavals, Bangladesh has had four regimes, and the confusion and turmoil have certainly not ended yet. The nation and its remaining leaders can be identified almost entirely in terms of whether they like or hate India, which created Bangladesh barely four years ago. The soaring nationalism of that time is finished.

The rapid turnover of regimes now seems to indicate that the majority of politically aware Bengalis believe that India has interfered unduly in the nation's affairs and bled Bangladesh economically. This belief, fostered for years by facts, rumors and poverty, is shared by a great part of the country's 80 million impoverished people.

Prior to the outbreak of the 1971 struggle for independence from Pakistan, most Bengalis believed that they were being bled similarly by the two-winged nation's West Pakistani leadership.

However much or little India is to blame for the current grim state of affairs in Bangladesh, the people running the country at the moment are convinced that India will use all means in its power to reestablish a malleable regime in Dacca. "The border outpost attack is just the start," said the authoritative source.

Seven companies of Indian troops, said to number about 1,500, are firing light machine guns and mortars at the entrenched outposts, located in the vicinity of the northern Bangladesh town of Haluaghat. Casualties on both sides are reportedly very light, with two or three Indians known to have been killed.

The Indians have not crossed the border from their positions near Tura, in the far northeastern state of Assam, the source said. However, some 200 Bengali guerrillas, armed in India, have penetrated the defense perimeters ringing the three outposts, which are spread along 15 miles of the frontier.

(U.S. sources in Washington confirmed Sunday that there has been firing on the border between India and Bangladesh and added that there have been reports, not yet fully confirmed, that Indian advisers may be operating inside Bangladesh.

(A spokesman for the Indian embassy in Washington said, "I would be extremely surprised if these charges are true. It is an internal affair and I can't see any military action on our part. Charges like this would not surprise us if they were losing control of things internally."

(The Indian embassy spokesman said later that he had checked further with New Delhi and that government officials in the Indian capital report "no unusual military activity" on the Bangladesh border.)

The guerrillas are said to be led by Kader "Tiger" Sidiqui, a young man who won fame during the war with Pakistan as a daring fighter and then gained worldwide infamy when he personally bayonetted to death a number of bound civilians before television and press cameras in Dacca following the Pakistani surrender.

Sidiqui and his followers reportedly move easily across the border under protection of Indian army fire, and are supplied with arms, ammunition and rations by the Indians. Two of the guerrillas are said to have been captured by Bangladesh border defenders.

During the 1971 war with Pakistan, India trained and armed thousands of guerrillas like Sidiqui and his men, known as "Mukhti Bahini," or freedom fighters.

The attack began two weeks ago, at about the same time Dacca was rocked by a Nov. 3 counter-coup that dislodged the 87-day-old regime of Khondakar Mushtaque Ahmed and a group of young army officers who supported him.

Mushtaque had come to power Aug. 15 when the officers murdered the president, Sheikh Mujibur Rahman, and his family. The Mushtaque regime quickly set about balancing Mujib's decidedly pro-Indian (and pro-Soviet) policies.

The counter-coup brought to power Maj. Gen. Khalid Mosharraf, widely known among Bengalis for his pro-Indian sentiments, as well as personal ambition. He immediately appointed himself army chief of staff and effective military ruler.

Mosharraf's reign lasted barely four days. On Nov. 7, thousands of soldiers of the Dacca brigade mutinied, murdered dozens of officers, including Mosharraf, and then reinstalled Mosharraf's predecessor, Maj. Gen. Ziaur Rahman, as army chief of staff.

Zia's essential claim to popularity among the military forces and the civilian population is that he is rabidly anti-Indian. He currently shares power equally with two other deputy chief martial-law administrators, Naval Chief of Staff Commodore Mosharraf Hossain Khan and Air Vice Marshall Tawab, who has described himself as being "obsessed" with alleged Indian interference in Bangladesh domestic affairs.

With the advent of this three-man regime, nominally headed by President Abusadat Mohammad Sayem, formerly Supreme Court chief justice, India intensified its attack on the northern border outposts. According to a highly authoritative source, fresh troops were moved swiftly into position around Tura, bringing them to their present strength.

The Bangladesh troops, reportedly much smaller in number, are said to be well dug in and sheltered by bunkers. They are separated from the Indian positions by "a few hundred yards," the source said.

The Tura-Haluaghat border crossing was one of the first points Indian army units punched their way through in December 1971, when India swiftly overran the Pakistani Army and handed Bangladesh its independence. The same Indian officer who directed the 1971 invasion from Tura is now said to be in charge of the troops there.

The road from Haluaghat to Dacca, 85 miles due south, provides the quickest overland route to the capital.

But Bangladesh military intelligence officers do not believe the current attack on the border outposts heralds an all-out armed invasion. Instead, according to a source with access to this intelligence, they expect the Indians to stage similar small-scale attacks along the land frontier, which is completely bounded by Indian territory.

"The attack at Haluaghat and those we expect to follow are intended to tie up our forces so that Indian agents can spread chaos throughout the country, and then India can come to the rescue," said the source.

By "spreading chaos," the source explained, the new Bangladesh regime expects acts of sabotage and attempts to stir disturbances between the country's overwhelmingly Moslem majority and the Hindu minority.

Moslem-Hindu rioting would undoubtedly release a flood of Hindu refugees across the border into predominantly Hindu India. In 1971, during the nine-month buildup to the Indian invasion of what was then East Pakistan, some 10 million Hindus streamed into India. They became a social and economic burden on the government of Prime Minister Indira Gandhi, and ultimately Gandhi used their presence as the reason for Indian intervention.

On Nov. 7, the same day the anti-Indian Gen. Zia came to power, Gandhi told a meeting of her Congress Party workers that "India cannot remain indifferent and unconcerned about developments" in Bangladesh, particularly "when the stability of the region is disturbed."

Bangladesh intelligence sources claim that Indians and pro-Indian Bengalis are already hard at work preparing the ground for renewed intervention. Two Indian saboteurs were reportedly caught attempting to sabotage the government radio station in Dacca a week ago and are currently undergoing interrogation.

The military leadership, utterly naive in the workings of international policy, is groping desperately for a means of bringing pressure to bear on India without causing a major armed confrontation. India's military forces are overwhelmingly larger and more sophisticated than those of Bangladesh.

The Foreign Ministry is understood to have protested about the northern border attack to Indian Ambassador Samer Sen. There has been no response, according to an informed source.

Hoping that international opinion may force India to relent, the military regime has warned the embassy that if the attack does not halt, they will fly a large number of foreign diplomats from Dacca to the site of the battle.

They have also informed several Western intelligence agents based in Dacca of the attack and have begun tentative efforts to purchase small arms and other light weapons.

THE DEFENSE BUDGET

Mr. HOLLINGS. Mr. President, we have heard a great deal of debate about defense budgets this year. Much of it has been pure nonsense. I want to touch briefly on some of the major points that seem to have gained the most attention.

First, we hear a great deal about "the largest defense budget in history." The fact is that, in comparable dollars, this budget is one of the lowest since the Korean war.

Second, we are told that the Senate Budget Committee, in the second concurrent resolution, has shifted its priorities away from domestic programs in favor of national defense. The exact opposite is true. The modest increases we voted for defense—to accommodate largely uncontrollable increases in outlays, plus the new Middle East package—were far smaller than the increases we voted for many other functions.

The fact is that in recent years we have achieved major shifts in our national priorities to increase domestic programs. In 1965 national defense outlays accounted for 42 percent of all Federal spending. In this budget resolution, national defense outlays are estimated at 24.5 percent of the Federal total. In dollar terms, defense outlays in 1976 will be $42.5 billion higher than in 1965—an increase of 86 percent. But nondefense outlays in 1976 will be $214.8 billion higher than in 1965—an increase of 313 percent.

In the last 3 fiscal years alone there has been an increase in this trend. For example, compared to fiscal 1974, and during a period of rampant inflation—exceeding 40 percent in the Wholesale Price Index—and increasingly large deficits, the second concurrent resolution provides an increase of 17.9 percent in outlays for national defense and international affairs. This represents an actual decline in purchasing power. The comparable increase for all physical resources programs of the Federal Government—including agriculture, energy, environmental programs, community development, and transportation—is 43.2 percent. The increase for human resources programs—food stamps, unemployment insurance, social security, and others—is 52.9 percent, or almost three times the rate of increase for national defense and international affairs. I ask unanimous consent to have printed in the RECORD a table summarizing the trends in budget authority and outlays since fiscal 1974.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

BUDGET AUTHORITY AND OUTLAYS BY MAJOR CATEGORIES, 1974–76

[In billions of dollars]

	1974 actual		1976 Senate Budget Committee estimate		Percent increase, 1974–76	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
National defense and international affairs	$94.6	$82.2	$107.5	$96.9	$13.64	$17.88
Physical resources	46.6	30.8	55.2	44.1	18.45	43.18
Human resources	148.8	131.5	210.3	201.1	41.33	52.93
All other	23.8	23.9	29.6	33.5	24.37	40.17

Mr. HOLLINGS. Mr. President, nobody can deny that our defense budget has continued to rise, year by year, to levels which appear to exceed Vietnam war records and remind the casual observer of our World War II budgets. But it is important to keep these increases in perspective, and take note of the declining purchasing power of the defense dollar.

The last real pre-Vietnam defense budget, in fiscal 1965, was about $50 billion. We are now, in this budget resolution, approving a defense budget of $101.5 billion in budget authority. Yet, we are actually spending less for national defense, in real terms, then we spent in 1965.

The Defense Establishment, for example, employs 20 percent fewer people, and will spend 25 percent less, in real terms, for purchases from industry, than in fiscal 1965. There have been very substantial reductions in the number of naval combatant vessels, and in bombers and tactical aircraft.

We have just about achieved, in short, the 25-percent cut in defense spending proposed in 1964 by such pre-Vietnam defense critics as Roswell Gilpatric, who served from 1961 to 1964 as Deputy Secretary of Defense. We have achieved most of the economies and force realinements which the Brookings Institution in 1972 said would result in annual savings of $12 billion—at a time when our projected defense budget for the mid-1970's was around $88 billion.

And yet we are planning a defense budget of $101.5 billion. What has happened?

First, average military pay has increased two and one-half times since the mid-1960's. This is partly due to our decision to go to an all-volunteer force. But it is principally due to the laws which link basic military pay to the comparability scale which controls Federal civilian pay increases, and to the steady increase in military subsistence and quarters allowances.

Second, the military pay system, despite these increases, retains and has increased the value of fringe benefits such as non-contributory retirement, health care and commissaries.

Third, retired pay costs have risen by $6 billion in the last 12 years. As a result, pay and related personnel costs now absorb about 60 percent of the defense budget.

Fourth, unit costs of weapons systems have risen sharply in constant dollar terms due to the increased size, complexity, and capability of the individual units. As a result of increased manpower and unit weapons costs we are buying fewer weapons.

Finally, the entire defense budget has suffered, like all other budgets—Federal, State, municipal, family, and personal—from the effects of high inflation caused by increases in basic commodity prices.

It is time, in short, to recognize one fact: Because of normal pay raises, inflation, the growing retired population, and the inevitable pressures of technological change, our defense spending is going to still be higher in future years unless we are prepared to take some truly deep cuts. In the view of some, former Defense Secretary James R. Schlesinger may have lacked tact and a sense of what is possible in his approach to Congress. But in one matter he was absolutely right. We cannot go on, year in and year out, cutting the real purchasing power of the defense budget and hope to maintain first class forces of the present size.

In his February budget, President Ford projected defense budgets approaching $150 billion by 1980 and if his program were adopted, it would lead by 1985 to a defense budget of $200 billion—barring a major change in world affairs. I know that we can do a far better job than that in holding down defense costs by eliminating nonessential defense spending. But we will not be able to avoid some increases in defense expenditures without a truly major reduction in our defense capabilities, which I do not advocate at this time.

What this all means is that we should stop wasting our breath over dead issues like the need to de-emphasize defense in our budget priorities—we have done that—and stop shaking in our boots at the notion of a $100 billion defense budget. We need to face up to our role in the world and decide on the defense we need to protect our basic interests and reduce the risks of war—especially nuclear war—and then we need to get on with the hard, unglamorous work of getting rid of the real waste in the defense budget—the money that does not buy defense capabilities.

FAMILY-ORIENTED HEALTH CARE

Mr. BEALL. Mr. President, as my colleagues know, I have been very interested in health manpower problems. There is broad agreement that there has been overspecialization in this country, although unquestionably specialization has brought many benefits to our people and will always be needed. The problem is one of balance and we have been producing too many specialists and too few primary care practitioners.

Fortunately, this trend is changing. A recent issue of the "AAFP Report," a publication of the American Academy of Family Physicians, featured a story regarding a new family practice program at the U.S. Naval Academy. Drs. Meade and Gross, who are responsible for the program, also serve as volunteer instructors at the University of Maryland family practice residence program. The University of Maryland has one of the outstanding family practice programs in the country and naturally I am pleased that this cooperative effort is underway in my State.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FAMILY-ORIENTED HEALTH CARE COMES TO U.S. NAVAL ACADEMY

Two imaginative young family physicians, midway in their military commitment, are introducing family-oriented health care to a growing number of staff members and military dependents at the United States Naval Academy in Annapolis. They're also reaching out into the Annapolis community and 27 miles beyond to Baltimore, where they volunteer one-half day a week as instructors in the University of Maryland family practice residency program.

LCDR Neil Meade and LCDR Harvey Gross each see between 10 and 20 patients a day in the Naval Hospital's Family Practice Department. Operating much like a group practice, the department staff is made up of five M.D.'s, two nurse practitioners, a social worker, a nurse and a student physician's assistant.

Drs. Meade and Gross, who have full staff privileges in the Naval Academy's 50-bed hospital, were admitting about 15 patients a month when *AAFP Reporter* visited Annapolis in August. By Christmas, they expect to deliver at least 20 babies to women who have opted for care in the Family Practice Department rather than going to the hospital's ob-gyn out-patient service. Their husbands and children are also family practice patients. "We try to see whole families," Dr. Meade explained. "If a woman is going to an ob man, it's logical for her to take the kids to a pediatrician instead of a family physician."

They report a growing acceptance of the family practice services by patients who until recently were treated exclusively by the traditional specialty outpatient services.

Midshipmen are not among their patient population, which includes members of the Naval Academy staff, retired service personnel, enlisted persons at a nearby radar-radio and small craft naval station, and naval personnel who live in the nearby suburbs.

On occasion, Drs. Meade and Gross go into the community to make house calls to elderly Navy dependents who are unable to come to the department. Their volunteer community service includes membership in the county's Drug and Alcohol Abuse Commission.

Their satisfaction in the growing acceptance by patient families is enhanced by an increasing rapport with their professional peers. "They're seeing what we can do and understanding the contributions to be made by family practice," noted Dr. Meade.

A weekly joint conference with the pediatrics staff exemplifies the peer cooperation. They alternate with the pediatricians in presenting cases of interest for discussion.

On alternate Tuesdays, there's a Journal Club session. Dr. Gross, responsible for presenting the topic when we visited, had selected an article in *The New England Journal of Medicine* titled "Primer on Certain Elements of Medical Decision Making." "I think the dynamics of decision making should be emphasized more in residency programs," he stressed. "It's more important to know how to make decisions and apply diagnostic principles well than to memorize a list of disease symptoms."

Each Friday, all members of the family practice staff meet to review and coordinate the handling of problem cases.

Both men completed approved family practice residency programs in 1974 in New York state: Dr. Meade at the Deaconess Hospital in Buffalo and Dr. Gross at Southside Hospital in the State University of New York at Stony Brook program. Dr. Gross is an ABFP diplomate; Dr. Meade sits for the certifying exam this fall. Neither is certain whether he will remain in the military or go into civilian private practice after completion of a Berry Plan military commitment next year.

Family practice is growing at other military installations as well, with 255 residents currently training in 14 programs. To date, approximately 75 physicians have graduated from approved residencies in the military sector. In most cases, care to military families is delivered through model units of residency programs, whereas the Annapolis department does not function as a training facility. Its growing popularity among patients, as well as professional peers, indicates that it joins other facilities which have been identified as positive morale factors among military families.

Asked what suggestions he would have for training programs in general, Dr. Meade mentioned the importance of having a representative patient mix for the model family practice unit so that residents can deal with the spectrum of situations they will encounter in practice. He also feels residents need extensive experience with ambulatory patients in an office situation, citing as one reason the need to consider the impact of treatment in the patient's terms of time, cost and emotional impact. "Health care must be a shared responsibility of the patient and professional. Part of the current malpractice problem is the unrealistic expectations which result when doctors are thought of as God-like and infallible," Dr. Meade said.

Why are they volunteering a half day each week to teach at the residency program in Baltimore?

"There. are three main reasons on my part," Dr. Meade responded. "I wanted to experience teaching, it helps my own postgraduate growth to keep in touch with a university department, and I wanted to help out."

Dr. Gross concurred, adding that it's a stimulating experience, and being a 1974 graduate himself helps in relating to the residents' needs and viewpoints, while his practice experience adds another necessary dimension. "I feel it's very important to be experienced before you teach," he said. "Nothing prepares you to make decisions like having to accept full responsibility for them."

Dr. Edward J. Kowalewski, director of the University of Maryland School of Medicine Family Medicine Program, puts a high value on the teaching input of Drs. Meade and Gross. "They are a good influence on our residents, and an equally good influence on our faculty," he told AAFP Reporter.

Dr. Kowalewski added, "Being recent graduates of two different family practice programs, they bring their youth, their ability to peer relate and their varied training experiences to our residents. These important background factors provide the foundation from which interesting problem solving by different approaches invariably results."

Dr. LeRoy Davis, associate director of the program, noted, "We in family practice need a cadre of teachers as much as anything now. It's only the young who can furnish this. By the end of the year, this program will have 49 residents and we're delighted to have the help of Drs. Meade and Gross."

SATELLITE FINDS MAJOR ORE BODY

Mr. MOSS. Mr. President, a recent article in the Washington Post describes how a U.S. satellite launched in 1964 has apparently detected a massive body of mineral ores in Central Africa.

This satellite, the Orbiting Geophysical Observatory, was designed to provide basic data on the Earth's magnetic field and not to prospect for minerals. The discovery of what appears to be a very large body of ore in Central African Republic is another example of scientific serendipity—the unexpected discovery of something valuable.

Because such findings are of interest to my colleagues, Mr. President, I ask unanimous consent that the article by Thomas O'Toole be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Nov. 14, 1975]

SATELLITE FINDS BIG ORE LODE

(By Thomas O'Toole)

A satellite put into orbit by the United States 11 years ago has found a massive magnetic disturbance in the earth along the African equator, strongly suggesting that the region is rich in heavy metals like iron and uranium.

The disturbance covers almost the entire Central African Republic, where iron and uranium have been found but not mined.

So enormous is the magnetic difference in the region that geologists say it could only be caused by an ore body 125 miles wide, 430 miles long and from three to 20 miles deep, which would make it bigger in size than the Mesabi iron range in Minnesota, which is the largest in the United States.

"This is a whopping anomaly, no doubt about it," said the U.S. Geological Survey's Robert Regan, one of three geophysicists who identified the disturbance. "It may be one of the largest in the world."

The discovery of the disturbance does not mean there is a vast and recoverable lode of metal in the region, but it surely implies it. There may be other metals besides iron and uranium, which are scarce in a world growing increasingly dependent on both metals for its expansion and energy.

The discovery, made from earth orbit, represents the first time since the dawning of the Space Age in 1957 that a satellite has made such a finding. So important does the space agency regard this development that it is thinking seriously of orbiting a satellite to do nothing more than chart the earth's magnetic field.

The magnetic disturbance found in Africa is known formally as the "Bangui" anomaly, named for the capital city of the Central African Republic, a nation almost as big as Texas. An anomaly is something markedly different from the normal.

Finding the Bangui disturbance was an accident. The discovery was made by the Orbiting Geophysical Observatory, which was launched in 1964 and whose magnetometers were still measuring the magnetic field around the earth in 1970, when three geophysicists decided to use them for another purpose.

"We wanted to see if there was a jetstream in the ionosphere (an electrified layer of air above the earth's atmosphere) just above the equator, and we noticed this big kink in our data," said the Geological Survey's Joseph Cain. "I guess at the time we didn't know what we had, but it happened every time we crossed over that part of Africa, so we knew we had something that had to be different."

Survey scientists decided to check the discovery with their counterparts in the Soviet Union, who had flown Cosmos satellites equipped with magnetometers over the same region of the earth. Soviet findings supported survey conclusions, but did not confirm them.

Survey scientists then flew magnetometers in aircraft over the Central African Republic, which confirmed that the region showed severe magnetic disturbance.

There are no working iron or uranium mines in the Central African Republic, even though both metals were found there in the last 10 years. The newly discovered deposits are in the hilly regions away from the Ubangi River, so a railroad or highway would have to be built to carry ore to the river for shipping.

With prices for both iron and uranium on the rise, the possibility has increased that both metals will be exploited in the republic. State department sources confirmed that interest among foreign mineral extraction companies has risen in the region and will probably rise further as the Bangui anomaly gets more scrutiny.

The Central African Republic is an extremely poor land of 2 million people.

Its ruler, Jean-Bedel Bokassa, came to power in 1966 and was proclaimed president for life two years ago. Bokassa is best known in the West for his celebration of Mothers Day in 1971, when he ordered the execution of all men imprisoned for crimes against their mothers.

A year ago, Bokassa awarded exclusive mineral rights in the republic to the Aluminum Co. of Switzerland.

HATCHING TROUBLE

Mr. FONG. Mr. President, the sordid story of political corruption which led

Congress to enact the Hatch Act 36 years ago was recently recalled in an article appearing in "Roll Call," a Capitol Hill newspaper.

Writer Nat Kelly traces the types of partisan political coercion which pervaded the Works Progress Administration—WPA—in 11 states during the 1936 and 1938 general elections. Besides the WPA, other Federal agencies were also involved.

The Special Senate Committee on Campaign Expenditures and Use of Government Funds—known as the Sheppard Committee after the chairman, Senator Morris Sheppard, Democrat of Texas—found numerous violations of Federal law. In his article, Nat Kelly described these unlawful acts as ranging "from forcing workers to donate funds to Democratic candidates to siphoning highway funds into campaign committee bank accounts. Campaign committee officers included both WPA administrators and State employment commissioners. Campaign workers both offered voters WPA relief if they voted correctly and threatened those who held WPA jobs with the unemployment line if they did not vote properly. Workers were forced to sign papers declaring their support of Democratic candidates."

After the Senate returns from the Thanksgiving recess, it will have on its agenda H.R. 8617, a bill designed ostensibly to "restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation." Its title indeed conceals the fact that the bill would scuttle the Hatch Act, open up active partisan politics in the Federal merit system, and invite the return of the "spoils system" and all its attendant evils.

I believe it would be timely and useful to recall why the Hatch Act was passed by Congress and why the concerted drive now to emasculate that time-tested law should be defeated.

I ask unanimous consent to have printed in the Record the article titled "Hatching Trouble" by Nat Kelly in the November 6 issue of "Roll Call."

There being no objection, the article was ordered to be printed in the Record, as follows:

Hatching Trouble

(By Nat Kelly)

On January 3, 1939, Senator Morris Sheppard (D-Tex) reported to his colleagues the findings and recommendations of the Special Senate Committee on Campaign Expenditures and Use of Government Funds. The report contained several documented cases of political coercion and corruption regarding the Works Progress Administration (WPA) in eleven states during the 1936 and 1938 general elections.

The charges of corruption were not levied solely upon the WPA nor were the violations found in any one sector of the nation. Other federal agencies involved included the Treasury Department, the National Bituminous Coal Commission, the Home Owners' Loan Corporation and the Federal Housing Administration. The states included Arkansas, California, Georgia, Illinois, Kentucky, Maryland, New Jersey, Ohio, Pennsylvania, Tennessee and Wisconsin. Several prominent Senators found their careers tainted; among them, Joseph Guffey of Pennsylvania, William Gibbs McAdoo of California, F. Ryan Duffy of Wisconsin and Alben Barkley of Kentucky.

After the special committee released its findings and recommendations, a small war ensued between President Roosevelt and the Congress. The argument centered on the future of the WPA and its employees. While few disputed the worth of the agency (even the committee's minority report praised the WPA for providing invaluable services to the nation's unemployed), nearly all condemned the agency's deliberate efforts to govern the outcomes of political elections.

The argument came to a head on February 1, 1939 when Roosevelt issued Executive Order 7916, bringing WPA employees under the jurisdiction of the Civil Service Commission.

Congress blocked the President's attempt and began working on its own alternatives. Finally, on August 2, 1939, Roosevelt signed into law S. 1871; "An Act to Prevent Pernicious Political Activities," commonly known as the "Hatch Act."

The Act was designed to prevent federal employees from using their positions to coerce others or interfere with the outcome of an election. It specifically named the activities in which federal workers may not participate. But it also provided another function: it protected those employees from being pressured into political roles.

When the Sheppard Committee released its report, it had found numerous violations of federal law carried out by WPA workers in Pennsylvania, Kentucky, Indiana and Tennessee. The acts ranged from forcing workers to donate funds to Democratic candidates to siphoning highway funds into campaign committee bank accounts. Campaign committee officers included both WPA administrators and State employment commissioners. Campaign workers both offered voters WPA relief if they voted correctly and threatened those who held WPA jobs with the unemployment line if they did not vote properly. Workers were forced to sign papers declaring their support of Democratic candidates.

In Tennessee, workers of the WPA, the Postal Service, the Bureau of Internal Revenue and the Bureau of Public Lands were sent letters ordering them to appear before campaign committee officials. When they got there, they were told that they were expected to subscribe a certain amount of money to be used for the Democratic coalition ticket, including the candidate for the U.S. Senate, one Thomas Stewart. Poll-tax receipts were purchased in bulk for the purpose of influencing votes and voting in behalf of both sides.

In Pennsylvania, WPA supervisory personnel were ordered to change their voter registrations from Republican to Democratic. They were forced to buy tickets for political gatherings.

There were also instances of WPA employees and relief workers being pressured by outside individuals. On October 24, 1938, a letter, addressed to "Fellow Democrats" of Norristown, Pa., was mailed out bearing the name of Senator Joseph Guffey. The letter announced that a joint meeting of all federal, state and WPA workers would be held, emphasizing that: "There will be no excuse accepted for lack of attendance."

The committee also investigated charges that WPA wage increases in Oklahoma, Kentucky, Virginia and North Carolina were politically motivated. These charges could not be substantiated by the committee. The same applied to allegations involving irregularities in voter registration in Georgia. However, in Hudson County, N.J. the committee found that 80,000 fraudulent votes had been cast in the 1938 general election.

The list of abuses by WPA and other federal agencies went on and on. The committee made 16 recommendations to prevent such abuses from occurring in the future. Since that time, many state and local governments have enacted similar legislation to govern the political activities of their workers. And still the problem has not been brought under control. In some cases, it has become a popular form of entertainment. Nearly every television show, from Barnaby Jones to Harry O, has dealt with some form of political corruption. In the real world, the nation has recently weathered the worst political scandal in its history.

Unfortunately, many have labeled that event a Nixonian disease. They have forgotten that one of the symptoms is an affection for milk and that Congressmen were caught with curdled bottles. Likewise, they have overlooked Congressional affinity for the Western Maryland hunting lodge, as well as the Defense Department officials he meets there.

What might be suggested to the Senate Post Office and Civil Service Committee when they open hearings on the proposed amendments to the Hatch Act this week is not a liberalizing of the Act, but rather that further restrictions be written into it, perhaps even extending those restrictions into the legislative branch. Hopefully, the end result would free the constituent mail assistants from greasing their bosses in Grecian oil (so that they glow when placed in the proper Spartan light). Perhaps it might make an altogether pleasant experience when the congressional office actually answers the constituent's original inquiry.

EDITORIAL PRAISES ENGMAN ON HIS STAND AGAINST FAIRNESS DOCTRINE

Mr. PROXMIRE. Mr. President, an editorial broadcast by KNXT in Los Angeles on November 7 and 8 discusses a recent speech by Lewis Engman, Chairman of the Federal Trade Commission, in which he called for abolishment of the fairness doctrine that controls the content of broadcast news.

Mr. President, I ask unanimous consent that the editorial of the CBS-owned station be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

KNXT Editorial

The Chairman of the Federal Trade Commission, Lewis Engman, said the other day that Congress should abolish the Fairness Doctrine in broadcasting, because it stifles free debate and free speech.

He's right, but unfortunately, it is not the job of his agency to abolish the Doctrine.

The Fairness Doctrine—not to be confused with the so-called Equal Time Law—says, in effect, that radio and television stations must devote a reasonable amount of time to controversial issues of public importance, and provide reasonable opportunities for opposing points of view.

It all sounds so reasonable, but in practice it is a nightmare. Who decides what is fair? It is some bureaucrat in Washington, whose philosophy you might not agree with. But he decides for all stations.

The courts have upheld the Doctrine for radio and television, but in a landmark case they threw out a Florida law requiring much the same thing for newspapers, on the indisputable ground that it violates the First Amendment. In another case, they upheld the Doctrine for broadcasters, and the logic escapes us.

Government regulations is based in part on a supposed shortage of frequencies. The fact is there are more radio and television stations than there are daily newspapers. But still the Doctrine is upheld and tightened, and only a few people in Congress, like Senators Proxmire and Alan Cranston, see the dangers and want it abolished.

The Fairness Doctrine does not stimulate discussion of issues. According to the FTC Chairman, Lewis Engman, it discourages the broadcasting of controversial issues. We know from long experience that he is correct.

The Fairness Doctrine more and more is being used by government to decide what you will be allowed to see and hear. As long as the Doctrine exists, the First Amendment, and along with it your freedoms and democratic government, are in serious danger.

FBI AGENT HONORED

Mr. TAFT. Mr. President, Special Agent James G. Short recently observed his 35th year with the Federal Bureau of Investigation. The last 7 of those years have been spent in service in Cleveland, Ohio. Mr. Short's record is an excellent one and worthy of emulation by all who aspire to service as Federal law enforcement officers. In recognition of his service, Cleveland Mayor Ralph J. Perk recently proclaimed "James G. Short Day in Cleveland." I ask unanimous consent that the mayoral proclamation be printed at this point in the RECORD as a gesture of our gratitude to Special Agent Short.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

CITY OF CLEVELAND PROCLAMATION

Proclamation designating November 4, 1975, as "James G. Short Day in Cleveland."

On November 4, 1975, James G. Short, a native Clevelander, marks his 35th year as a Special Agent of the Federal Bureau of Investigation. He has served the FBI with distinction in Seattle, Washington; Butte, Montana; Pocatello, Idaho; San Francisco, Calif. (8 years); at Bureau Headquarters in Washington, D.C.; and, since 1958, in Cleveland.

I wish to extend my congratulations and express my commendation to Mr. Short on this special occasion.

Now, therefore, I, Ralph J. Perk, Mayor of the City of Cleveland, do hereby proclaim November 4, 1975, as "James G. Short Day in Cleveland" and extend my very best wishes to him, his wife Alice, his sons James Howell, Gerald Francis, daughter Catherine Louise, and daughter-in-law Linda.

BUYING SOLAR EQUIPMENT

Mr. ABOUREZK. Mr. President, the Office of Consumer Affairs has announced that it has underway a book to advise consumers interested in the purchase of solar cooling and heating. That book will not be available for several months. Mr. Joseph C. Dawson, Public Affairs Director of the Office of Consumer Affairs, earlier this week testified before the Small Business Committee. His testimony consisted of a series of questions concerning solar equipment, from a consumer viewpoint.

I ask unanimous consent that the statement of Mr. Dawson be printed in the RECORD. Doing so will provide a source of good advice for consumers interested in purchasing this equipment until such time as the publication by that Office is available to the public.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY BY JOESPH C. DAWSON BEFORE THE SENATE SELECT COMMITTEE ON SMALL BUSINESS

Senator McIntyre, members of the Senate Select Committee on Small Business:

I want to thank this committee for the opportunity to testify before you today.

The subject of solar power, its potential and its development is one that is of major concern to our office, the Office of Consumer Affairs, and its Director, Virginia H. Knauer, Special Assistant to the President for Consumer Affairs. The subject is important because if solar power is properly developed, it has the potential to:

1. Reduce monthly utility bills considerably;
2. Provide the consumer with an inexhaustible supply of non-polluting energy; and
3. Help our country reduce its dependence on foreign fuel supplies and conserve our domestic supplies.

The major question, of course, is whether solar power will reach its full potential. Will solar systems one day be a common feature in our homes, as common as the refrigerator and the stove are today?

This question is of particular importance now because what this committee does, what ERDA, FEA, NBS, HUD, and other government agencies do, what industry does, and what consumers do in the next year or so may well determine solar's fate.

The potential will not be reached if we over-promote solar as the solution to all our energy problems, or if we exaggerate its benefits without making equal note of its limitations.

The potential will not be reached if solar receives a bad reputation from either incompetent manufacturers or fraudulent sellers.

The potential will not be reached if all the entities involved in the development of solar —government, industry, and consumers—do not steer a middle course between too much enthusiasm and too much hesitancy.

I make these observations because they are very pertinent to the questions you raised in your November 7 letter to Mrs. Knauer.

Allow me to take each one of these questions and show how they relate to the above.

Question Number One: What is the consumer likely to find when he attempts to buy solar equipment?

To answer that, and at the risk of oversimplification, let us break consumers down into two basic groups, active and passive. An active consumer is one who deliberately and methodically seeks out information and education so that he or she may become an informed buyer. A passive consumer is one who waits for the information to arrive at his or her front door.

Let me give you several examples:

Two weeks ago, I had the opportunity to be a guest lecturer at Northern Virginia Community College. NVCC is having several weeks of classes on the subject of solar power for the general public. The classroom was filled to capacity and a number of solar engineers gave the audience a full and frank analysis of the pros and cons of solar power.

I have attended similar sessions for the public in New Hampshire and in South Dakota.

These consumers, when they are through with their classes, will have learned about the various solar systems now available; that some systems work and others don't; that most systems are built on site for the buyer; and that solar is in an infancy state. They will learn that buying solar is a very complex business, and that solar systems are not easily obtainable in many parts of the country. (The classes offer various catalogues in products and services. I have brought two which have been featured at the seminars I have attended.) They will learn the key generic questions to ask about systems available for sale, for instance:

Does the system have a warranty? If so, what does it cover and how long does it last?

Have tests been taken to measure the transparent and durability characteristics of the transparent cover?

Is there easy access to the storage in case a repair is needed?

What steps have been taken to prevent the fluid in the collector from freezing?

What maintenance problems can I anticipate?

Taking costs and benefits of a solar system on a life-cycle basis, how long will it take before I obtain a return on my investment? In other words, if I add up all the costs for a solar system—total installed costs, insurance, taxes, maintenance, interest rates for a loan—and measure that against savings—the cost of conventional fuel were it used instead of solar—how many years would it be before the savings made up for the costs? What guarantee do I have that the system will last that long?

Is the site of my home proper for a solar installation? Do I have a large enough space either in my roof or backyard so I can install a collector that will face south and receive enough unobstructed sun? Do I have enough space for proper storage?

What are the advantages of an air as opposed to a water solar system?

Has an independent laboratory evaluated the system and is the full report available for my inspection? Or does the manufacturer just quote from the report?

Have other people purchased the system, and, if so, what has been their experience?

Is the system corrosion-proof? Who says so and why?

Does the seller have an escrow account so that I can have assurance that any problems protected by warranty will be honored?

How does one properly measure the efficiency of a collector and of the whole system?

The active consumer will learn the need to ask these questions before buying. And they will learn that some questions are so complex, that a consumer should obtain the services of a qualified solar engineer.

The passive consumer will not know all this. The passive consumer, by and large, receives his or her information through the press. One only need look through the past several weeks of the Real Estate Section of The Washington Post to see a number of news stories about solar products for sale. This, in a way, is a form of solar roulette. The systems may be good, they may be bad. There is not enough information in the press to make a determination.

Finally, be a consumer active or passive, the time has not arrived when one can turn to the Yellow Pages and find solar sellers. When that day arrives, solar will have arrived.

Question Number Two: What safeguards are possible to protect the consumer from deceptively advertised products?

The short answer to that is the law, an informed public, and an industry built on integrity. But this answer needs ample qualifications.

It will be some time before we have either state or Federal laws necessary to deal with all forms of deception. The government can deal with some forms of deception, but not every form. This is because we have neither the standards nor the criteria in place to be able to state authoritatively that a particular claim is not justified.

Without indulging in engineering terminology, let us say that one group of engineers believes A plus B equals C, C being the Btu output of a solar system. Another group of engineers believes it should be A and D which equals C. Until this battle of the engineers is resolved, the public won't know beyond all reasonable doubt which group is accurate and which claim may be misleading. There are a number of such arguments taking place today.

We can do much, however, with an informed public. If the public learns to be cautious, to investigate, to hire a competent solar engineer as an advisor before one buys, if we can, so to speak, turn passive consumers into active ones, then we can accomplish a credible job in self-protection. I will elaborate on this later on.

Finally, what the solar industry does as an industry will be very important. Last May, Mrs. Knauer challenged the Solar Energy Industries Association to establish a strong code of ethics and self-policing mechanisms to protect the buyer against fraud and deception. SEIA has formed a committee to draft this code, and it is our understanding that this code will be ready for public announcement by January. If it is strong enough, then it can be used very effectively to protect the public.

Question Number Three: What is the role of the Office of Consumer Affairs in protecting the consumer who desires to purchase solar equipment for his home?

Mrs. Knauer spelled out our role in her May remarks before the SEIA, that is, to "support and to protect." We will properly support manufacturers of integrity while doing our utmost to protect the public from the few unethical sellers.

By properly support, I do not mean that we will say the ABC firm makes a better product than XYZ. We do not have the expertise available to do that. It does mean that we will work with industry to obtain a good code of ethics and proper self-policing mechanisms. It means that we will work with ERDA, FEA, HUD and other agencies to develop policies that aid the ethical seller. And it means that our door will always be open to ethical sellers—large or small—to give them proper aid and advice.

To help support and protect, Mrs. Knauer directed me to write a book for the consumer on how to buy solar. The book is now virtually complete and we will be asking various experts inside and outside of the government to review it before it is published. We would appreciate any thoughts you or your staff have on the book. The book discusses a wide range of subjects from solar systems and their components, the advantages and disadvantages of various systems, insurance, solar rights, isolation, insulation, fraud and deception, and other related subjects.

I would like to say at this point that the book couldn't have been written without the extensive help, advice, and editing by my colleagues in the various energy agencies. I owe a deep debt of gratitude to Joe Sherman at HUD, Norm Lutkefedder at FEA, and Ray Fields and Bill Rice at ERDA. Beyond that a number of representatives from small and large businesses—too extensive to name here—were very helpful. I would be remiss, however, if I didn't point out that two such businessmen—Bruce Anderson and Doug Mahone of Total Environmental Action—were from New Hampshire.

Beyond the book, we have advised the Council of Better Business Bureaus and consumer protection agencies around the country about the need to alert the public to be cautious in evaluating solar claims. We have asked BBB's and CPA's to report any suspicious claims to our office.

We have urged the press not to print press releases containing claims until the press has asked the reaction of an independent, objective solar expert.

We have held discussions with Consumer Action Now, the Consumer Federation of America, and other consumer organizations about various means by which promote and protect mechanisms can be established. We have heard one suggestion from CAN that appears promising—that is, that volunteer solar-consumer organizations be formed in each state and that each local volunteer organization keep a track record of the various experiences encountered by owners of solar equipment. This track record, given enough time and experience, could be of major help to future buyers.

Mrs. Knauer has appointed one of our lawyers to serve as the consumer representative on the American Bar Foundation's Solar Committee. This committee is developing model state legislation involving solar rights and solar incentives. Our lawyers will be available to work with others in the development of this new field of law.

Finally, we have forwarded all complaints involving alleged fraudulent claims to the proper legal authorities. In our discussion with these authorities, we have urged that in considering whether to act or not to act that priority be given not to present financial losses to consumers but to future losses to the country if the good name of solar is damaged by unchecked, unleashed confidence men.

On the matter of fraud and deception, I would like to make it clear that we have to walk a very fine line on how we discuss the issue. To the best of our knowledge, the number of alleged illegal acts are few in number; they represent a very small minority of sellers; indeed, to our knowledge most sellers tend to understate performance potential of their systems rather than overstate possible performance. Were Mrs. Knauer or I to go around the country consistently warning about the dangerous few, we ourselves could give solar a bad name. So we use caution and prudence when we address the issue.

Question Four: What are the drawbacks to solar home heating equipment?

The major drawbacks are unanswered questions.

We know that technically speaking solar has worked well in all parts of the country, and it may be generally economic for homeowners today. But there are different types of solar systems and different types of subsystems, or components. We are not sure of all the problems we can anticipate from a particular system or particular subsystem in every part of the country.

As an example, when I first started working last June or so on the book, I learned that some manufacturers were using what are called "electric warmers" in collectors to prevent the water in a collector from freezing. These are electric resistance wires that heat water when the temperature goes below freezing. I asked the question then whether the costs to operate an electric warmer might be self-defeating in colder climes. The answer I was given then was no. Several months later the answer had changed to yes, and we now know that electric warmers are good in such places as Florida or Southern California where the temperature rarely goes below freezing. But in other parts of the country we will have to use a different subsystem to have an economical anti-freeze system.

From a consumer viewpoint, only a very few people even know what questions to ask. For instance—who will repair the collector? What happens if the collector springs a leak? Will the collector help my house appreciate or depreciate? What happens when I go on vacation? What do I do if my neighbor puts up a tree and the tree blocks the collector? Beyond these questions, there are a number of possible institutional barriers such as financing, tax assessing, insurance, labor union problems, etc. These barriers have been discussed in detail in the National Program For Solar Heating & Cooling, ERDA–23A. ERDA's research and development program and FEA's commercialization program should give us answers to these questions.

Beyond these unanswered questions, a major drawback to active systems is relatively high initial costs. This may not be a drawback, however, to passive or hybrid systems which, because of their simplicity in design are more economical to build.

Question Five: What is the market size for solar equipment?

We have been informed of several market studies but they have been given to us on a proprietary basis, and I am not at liberty to discuss their contents publicly. I believe I can describe them generally as being very promising.

But one study has been made public. In Colorado Springs, Colorado, Douglas Jardine, President of Phoenix of Colorado Springs, a non-profit engineering corporation for the city, undertook a market study of the potential market for solar-heat pump systems in the community for the years 1977–1985. The study was based on an electric generation study by Stone and Webster. In summary, the market estimate for the Colorado Springs area for this time period was envisioned at 92,700 solar homes. The savings to the community resulting from cancellation of new plant generation construction costs was estimated at $44 million. Mr. Jardine has stated publicly that if his community is any example of what to expect nationally, the total solar market by 1985 will surpass the present total market for the automobile industries. However, we have other evidence which suggests that Colorado Springs may be in one of the most attractive areas in the nation for using solar energy from a technical and economic standpoint.

Moreover, I think that when you hear that Carrier Corporation has formed a solar division, when you hear that Honeywell-Lenox has formed a joint marketing division, when you hear from Dr. Harry Thomason what he is doing in North Carolina, and when you hear privately of other plans, then you can say that someone has done some homework, and the figures add up.

Question Six: What is the role of small business in servicing the consumer's wishes from the point of view of OCA?

Back in 1969, the Commerce Department issued a report on technological innovations. That report said that most of the new inventions and technology in this century came from small business. Indeed, so many of the small businesses were so successful with their innovations that they are no longer small businesses.

We expect, in fact, we know that many of the innovations, much of the new technology will come from small business.

If you visit the U.S. Patent Office today and examine all the energy patents filed in the past two years, you will discover that the field of solar leads the list, and that many of these patents came from small businesses.

Beyond this factor, small businesses have certain inherent advantages over big businesses. I remember listening to Freeman Ford, president of FAFCO, a manufacturer of swimming pool solar systems located in California. Mr. Ford said that he had a regulator on his desk and every so often it rang. And he would have to answer to that regulator whenever it rang. Now when a consumer calls General Electric on the phone about a complaint, he doesn't always get the president of the firm on the line. Freeman Ford's very existence depends upon that regulator, while the president of GE is concerned about other problems besides solar. There are a number of Freeman Fords in this industry, and they will be a very powerful factor in helping solar reach its full potential.

I do not mean to imply here that there isn't a very important role for big business, also. If we want a national in-depth market study of probable residential and commercial solar buyers, only big business has the wherewithal to undertake such a study. If we want to mass produce some of these very efficient but very expensive solar collectors as a means of bringing costs down, only big or at least a good sized business can do it.

I believe that with solar there is enough future, enough potential for everyone.

Our official position is that we wish both small and big businesses to be very successful. In fact, we are counting on it.

We are counting on it because we believe that we can take the actions necessary to move into solar as a mature adult moves through life—understanding risks as well as benefits. By so doing, we can see that the initial market consists of satisfied consumers and that the consumer has confidence in solar. In this way, solar will reach its full potential.

SENATOR PERCY'S REMARKS BEFORE PRAYER BREAKFAST GROUP

Mr. HANSEN. Mr. President, during these months when our Nation's 200th birthday is in the spotlight, it is certainly appropriate that we take time to focus on the important role which religion has played in the development of our great democracy. Our distinguished colleague from Illinois (Mr. PERCY) recently made some very thought-provoking observations before the Senate Prayer Breakfast group.

America has a history which firmly commits our people to the necessity and right of religious freedom. The American Spirit, as Senator PERCY so aptly observes, has a strong and vigorous tie to our religious past. Senator PERCY's comments are truly inspiring and noteworthy. He has graciously consented to allow me to share his thoughts with you. At this time, I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR CHARLES H. PERCY

Mr. Chairman: I am pleased to have this opportunity to share with you my thoughts on the Bicentennial. Our leader, Cliff Hansen, has suggested that occasionally it might be well if some of us addressed our remarks to this subject.

I am going to begin in a rather unusual way by first commenting on the role of religion in the People's Republic of China. I visited China in August as a member of the Seventh Congressional Delegation to the People's Republic of China. This was the first Congressional Delegation to visit China since the adoption on January 17, 1975 of the new constitution of the People's Republic of China.

This will probably be the first time a Senators' Prayer Breakfast has commenced with the reading of portions of the constitution of a Communist country. Let me pick out a few sections that appear to be pertinent to our discussion this morning.

Article I states: "The People's Republic of China is a socialist state of the dictatorship of the proletariat led by the working class and based on the alliance of workers and peasants."

Article II states: "The Communist Party of China is the core of leadership of the whole Chinese people. The working class exercises leadership over the state through its vanguard, the Communist Party of China.

"Marxism-Leninism-Mao Tsetung Thought is the theoretical basis guiding the thinking of our nation."

Article III commences: "All power in the People's Republic of China belongs to the people."

Article 26 goes on to say: "The fundamental rights and duties of citizens are to support the leadership of the Communist Party of China . . ."

Article 28 surprisingly enough states: "Citizens enjoy freedom of speech, correspondence, the press, assembly, association, procession, demonstration and the freedom to strike, and enjoy freedom to believe in religion and freedom not to believe in religion and to propagate atheism."

From our observations, party membership is not granted to anyone who practices a religious belief. Attendance at a university and certain other privileges also would be denied.

Now let me read from page 39 of the report our delegation filed on October 28, 1975 on the subject of religion: "In Yangchow we visited the Fa-ching Monastery. This Zen (Ch'na) Buddhist monastery, founded over 1200 years ago in the T'ang Dynasty . . . There are some 200 believers in Yangchow, which has a total population of 200,000 . . ."

"There is no Christian church in Yangchow; the monastery, therefore, is the only practicing religious institution in that city. We learned that there exists only vestigial remains of Christianity in China. There is a regular, sparsely attended Christian church service in Peking, and Prof. Ting Kuang-hsun, a Union Theological Seminary (New York) Graduate of 1948, teaches Christian theology to a few dozen students at Nanking University. The number of students is dwindling and even these are being trained to serve the State. Professor Ting is also a delegate to the National People's Congress as representative of Chinese Christians. Only a few cities other than Peking are known to have regular Christian church services, and these on a small scale. Christianity continues to be practiced in some homes but to practice this or any religion is incompatible with Communist Party membership."

Now let me turn to the American experience with religion. The American Bicentennial is a celebration of the American spirit that proclaims freedom and justice as the foundation of our social, political and religious life.

The origins of the American spirit run deep in the currents of 16th and 17th century Europe. It was then that the belief in political and religious freedom was expressed by such philosophers and theologians as Rousseau, Locke, Luther and Calvin. These men in turn inspired Jefferson, Madison, Adams and Paine, the architects of the American spirit.

Throughout the evolution of the American spirit there exists deep religious motivation. God is accepted as an historic force, the true source of all order, law and right. This force touched the new republic and the life of nearly every citizen, regardless of allegiance to church or synagogue. The force knew no sect.

God was the Provider and the Protector. God was the source of all freedom and justice. Civil liberties sprang from Divine Law.

This belief in God as the source of civil as well as spiritual virtue found expression in the writings and covenants of the first Americans. It evolved over the decades and the generations as the driving force of the American spirit. It is rooted in our founding documents and our living institutions. "In God We Trust" is the nation's motto. The pledge to the flag proclaims "One Nation Under God."

The birth of America was a great migration of people seeking a new home where they could govern and worship freely. One all-important group, which landed on the coast of Massachusetts in November, 1620, expressed religious allegiance and their hopes for the future in the Mayflower Compact, written and signed long before political and religious freedom became a reality.

"Having undertaken, for the glory of God and advancement of the Christian faith and honor of our King and Country, a voyage to plant the first colony in the northern parts of Virginia, we do by these presents solemnly and mutually in the presence of God and one another, covenant and combine ourselves together into a civil body politic, for our better ordering and preservation and furtherance of the ends aforesaid;"

Many followed in search of a new life. From the founding of the first settlements to the formation of the thirteen original colonies, the architects of the American spirit invoked a dependence on God who brought the nation into being. Their rights and responsibilities came from God. In 1765, John Adams expressed this belief in a thought that aforeshadowed the theme of the Declaration of Independence:

"All human beings have Rights that cannot be repealed or restrained by human laws—Rights derived from the great Legislator of the Universe."

Adams crystallized another thought, the notion that America, guided by the Higher Order, stands as a beacon of freedom and justice for all the world.

"I always consider the settlement of America with reverence and wonder as the opening of a grand scene and design in Providence for the illumination of the ignorant, and the emancipation of the slavish part of mankind all over the earth."

The most eloquent expression of the American spirit is the Declaration of Independence, the great document that set down the principles of our nation. It is a political document that invokes God's will.

It calls upon the will of God in Man's declaration of freedom and separation from dominance and oppression: ". . . the separate and equal station to which the laws of nature and of Nature's God entitle them."

It calls upon the will of God in proclaiming the basic rights of man:

"All men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty and the pursuit of happiness."

It calls upon the will of God to bless the aims of the Declaration: "to the Supreme Judge of the world for the rectitude of our intentions."

And finally, it calls upon the will of God to aid the signers who seek guidance: "a firm reliance on the protection of Divine Providence."

Along with a belief in Nature's God as the Higher Law, the architects of the American spirit proclaimed absolute separation of church and state. Religious freedom was as precious as political freedom.

Jefferson especially devoted himself to the principle of religious freedom. Although statutes requiring church attendance and support of the established church had been repealed, he set down in 1786 the Virginia Statute of Religious Freedom to proclaim absolute religious freedom and equality. Jefferson said the struggle for religious freedom was "the severest contest in which I have ever been engaged." He counted the fight for religious freedom as one of his three main contributions to history, along with authoring the Declaration of Independence and the founding of the University of Virginia.

Every President has invoked the help of God in the pursuit of official duties and responsibilities. The Higher Order and the Higher Law are consistently sought as a source of inspiration and guidance for the American experiment.

In the first year of his Presidency, Washington proclaimed the first Thanksgiving Day "as a day of public thanksgiving and prayer." This tradition survives to this day in the national celebrations of our blessings and bounty.

In his second inaugural, Jefferson called for God's guidance as he equated America with ancient Israel, the promised land to which the oppressed fled in search of freedom and peace.

"I shall need, too, the favor of that Being in whose hands we are, who led our fathers, as Israel of old, from their native land and planted them in a country flowing with all necessaries and comforts of life."

During the civil war, our nation's greatest trial, Lincoln expressed reliance on the faith expressed in the founding documents that linked religious inspiration with political desires. He reflected this belief in 1861 as he spoke in Independence Hall in Philadelphia:

"I have never had a feeling, politically, that did not spring from the sentiments embodied in the Declaration of Independence.

We find the belief in the order, law and right of Nature's God expressed in the words of modern Presidents. When John Kennedy took the oath of office in 1961, he noted that the pledge was the same as that prescribed by our forefathers a century and three quarters before. He noted also that the world is very different now. We have unlimited power to destroy as well as vast power to build.

"And yet the same revolutionary beliefs for which our forebears fought are still at issue around the globe—the belief that the rights of man come not from the generosity of the state but from the hand of God."

We must remember that of 143 nations in the United Nations, there are only 25 democracies. And yet of the nations on earth, some of the most vigorous, strong and dynamic in growth and outlook are inhabited by free people, living within a democratic, parliamentarian framework and under God.

Today we see Lebanon almost living in anarchy, torn asunder by the Christians on the right and the Muslims on the left. We see Ireland beset with strife between Catholics and Protestants. We saw India and Pakistan torn asunder by divisiveness between Hindus and Muslims. When we contemplate this terrible strife and turmoil, then I think we can be especially grateful that here in America, people of all religious beliefs live side by side without religious antagonisms, each with tolerance of the rights of others to hold their own convictions in peace and tranquility.

And we can be grateful for this institution of the Prayer Breakfast that enables us to bow our heads and pray, seeking guidance from God to enable us to carry forward the responsibilities entrusted to us by our Maker.

PROTECTION OF THE RIGHTS OF AUTHORS

Mr. McCLELLAN. Mr. President, the Permanent Subcommittee on Investigations this week held hearings on "the American role in encouraging respect for the freedom to write and to publish in the international community." John Hersey, the President of the Authors League of America, has submitted a statement for these hearings which, among other subjects, considers the relationship between copyright protection and the "freedom to write and publish." The statement discusses the legislation which I introduced, with Senator Jackson as a cosponsor, to preclude the Soviet Union and other authoritarian nations from using the U.S. copyright law to prevent the publication in the United States of the writings of their dissident authors. As I stated in introducing my bill:

> A major objective of the international copyright community, and our domestic legislation, must be the protection of the rights of authors. The right to decide whether his work may be published in any country belongs to the author, or his heirs.

The Author's League states that the United States cannot foster in the international community respect for the rights of authors if in our domestic legislation "it empowers Government agencies to license the use of books and poetry in various media without the permission of their authors." This subject will shortly come before the Senate in connection with the legislation for the general revision of the copyright law. Consequently, I ask unanimous consent that the statement of the Author's League be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

The Authors League of America, Inc.,
November 18, 1975.

Hon. Henry M. Jackson,
Chairman, Senate Permanent Subcommittee on Investigations, Committee on Government Operations, U.S. Senate, Washington, D.C.

Dear Chairman Jackson: At your invitation, The Authors League of America, the national society of professional writers and dramatists, submits this statement on "the American role in encouraging respect for the freedom to write and to publish in the international community." This statement is submitted on behalf of the League's 6,500 members and its affiliated organizations. The Dramatists Guild and the Authors Guild.

PROTECTION OF "THE FREEDOM TO WRITE AND TO PUBLISH" IS A MATTER OF INTERNATIONAL CONCERN

The Universal Declaration of Human Rights, subscribed to by the United States, calls upon all nations to promote respect and secure universal and effective recognition for the freedoms it proclaims. One of the most fundamental is stated in Article 19: "Everyone has the right to freedom of opinion and expression; this right includes the freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers."

The Authors League believes the United States has a profound moral obligation under the Declaration to protest the freedom to write and to publish in the international community. We think it can speak out more effectively against suppression of those freedoms in other countries, and that more effective steps can be taken by Congress, the Executive branch and the literary community to encourage respect for these essential rights. The Authors League also believes there are actions which the United States and the private sector should avoid—actions which endanger the foundations on which these freedoms rest; actions which compromise our moral capacity to protest suppression of these freedoms in other countries.

COPYRIGHT AND "FREEDOM TO WRITE AND PUBLISH"

In February, 1973 the U.S.S.R. announced it would join the Universal Copyright Convention, thus entitling Soviet works published after May, 1973 to secure copyright in each member nation of the Convention including the United States. Promptly, the U.S.S.R. laid the groundwork for control of these foreign copyrights by a government agency, posing the threat they could be used to censor works of Soviet dissident authors in other countries. Thus, Andrei D. Sakharov and five other Soviet intellectuals warned UNESCO that the threat had been created by changes in Soviet law that required all licenses under foreign copyrights for publication of Soviet works in those countries "be granted through an official Soviet agency." (*N.Y. Times*, March 28, 1973; p. 15.) The agency is VAAP, the All-Union Copyright Agency, and its Chairman soon announced that it "is now the sole legal Soviet body authorized to deal with foreign publishers on questions of copyright."

Mr. Sakharov and his colleagues did not object to Soviet entry into the UCC. On the contrary they welcomed it "as a potentially significant contribution to the cause of free exchange of intellectual information and cultural rapprochement among people . . ." But they were concerned that the imposition of state control over foreign copyright licenses would "suppress international copyrights of Soviet citizens." (ibid.)

Their concern was well deserved, for copyright is the essential foundation of the freedoms to write and to publish. As the preamble to the UCC states, effective copyright protection "will insure respect for the rights of the individual and encourage the development of literature, the sciences and the arts . . . (and) will facilitate a wider dissemination of works of the human mind and increase international understanding." This also is the philosophy underlying the copyright clause of the United States Constitution. (347 U.S. at p. 219) In the United States and other western countries, copyright is the cornerstone for the system of independent authorship and publishing, unsubsidized and uncontrolled by the state. Copyright thus makes it possible for authors and publishers to effectively exercise their freedoms to write and to publish.

In March of 1973, the Authors League proposed a change in the United States Copyright Act to prevent any foreign government from seizing control of U.S. copyrights in its authors' works. On March 26, 1973, Senator McClellan introduced a Bill for that purpose at the League's request (S. 1359), which you subsequently co-sponsored. The Bill, which is now Sec. 104(c) of the pending Copyright Revision Bill, would preclude authoritarian nations from using U.S. copyrights to censor or prevent publication of their dissident authors' works in the United States.

Enactment of this provision is one affirmative step that Congress can take to "encourage respect for the freedom to write and to publish in the international community." As Senator McClellan stated, "A major objective of the international copyright community, and our domestic legislation, must be the protection of the rights of authors. The right to decide whether his work may be published in any country belongs to the author, or his heirs . . ." (Congressional Record, vol. 119, pt. 8, p. 9387.)

U.S. EXPROPRIATION OF AUTHORS' RIGHTS AND THE FREEDOM TO WRITE AND PUBLISH

In their 1973 letter to UNESCO, Andrei Sakharov and his colleagues espoused the same view that Senator McClellan championed. They said "The international concept of copyright implies that this right is a purely personal one that the author may transfer to any publishing house, theater, movie studio and so on . . . governments may and must protect copyrights of their citizens but not appropriate them."

The United States cannot encourage "respect for the freedom to write and to publish" if it expropriates fundamental rights of authors, if it empowers government agencies to license the use of books and poetry in various media without the permission of their authors. Yet some proposed changes in our Copyright Act would do just that. The most imminent danger is an Amendment presented by Senator Mathias which would expropriate literary works for use on public television and radio, with fees to be fixed by a government agency. Authors would be deprived of their right to determine whether and on what terms their works should be used on these mass media. Ignoring the inappropriateness of mass licensing for literary works, lacking fundamental safeguards of due process, the Mathias amendment, writes into the United States Copyright Act for the first time, the dangerous concept of a compulsory license system for books, magazine articles, newspaper columns and other literary works.

The Authors League has presented its reasons for opposing the Mathias amendment in other hearings. However, we believe your Subcommittee should consider the recent statement by the Register of Copyrights on the amendment's dangerous implications for freedom of expression. Testifying in October of this year, before the House Judiciary Committee's subcommittee on copyright, the Honorable Barbara Ringer, Register of Copyrights, expressed the Copyright Officer's complete opposition to the Mathias amendment and its compulsory license plan:

"c. The Copyright Office considers the dangers of an unqualified compulsory license (to public broadcasting) for literary works so great and the need for it so unproven, that it could not support a copyright bill containing such a provision, including the revision bill as it was reported by the Senate Judiciary Committee on October 7, 1975."

The Register of Copyrights continued:

"The loss of control by authors over the use of their work in a major mass medium of communication, and the dangers of State control and loss of freedom of expression implicit in the proposed system would probably be too high a price to pay even if public broadcasting were being severely hampered by the legal obligation to get clearances. But aside from the problem of reading to the blind, discussed below, it cannot be said that the practical problems of public broadcasters in getting clearances for reading literary works, have been illustrated convincingly, much less proved."

The Authors League respectfully submits that the Congress will not encourage "respect for the freedom to read and publish in the international community" if it adopts the Mathias amendment. On the contrary, enactment of this plan to expropriate authors' rights to use their works in major media will make hollow our protests against measures authoritarian governments take to appropriate their authors' rights under copyright laws.

OTHER LEGISLATIVE ACTION TO INCREASE INTERNATIONAL RESPECT FOR FREEDOM TO WRITE AND TO PUBLISH

(i) A blatant obstacle to international freedom to write and to publish is the "manufacturing clause" of the United States Copyright Act—Sec. 24 of the present law, Sec. 601 of the Revision Bill. The clause is recognized universally as an unjustifiable barrier to the American authors' right "to impart information and ideas through any media and regardless of frontiers." The Congress would immediately increase respect in the international community for "the freedom to write and to publish" if it abolished the clause. Failing that, it would nonetheless improve that respect if it adopted the amendments to the clause proposed by the Authors League to Chairman Kastenmeier's Subcommittee. A copy of our statement proposing the amendments is attached.

(ii) Freedom to write and to publish are meaningless unless the author and publisher have access to their audience. For more than 175 years, the Congress provided an indispensable channel of communication for the dissemination of ideas and opinions, of literary, scientific and technical works—through the delivery of magazines, journals and other publications at rates that made an audience accessible to the smallest publisher. The enormous increases in second class postage rates since Congress abdicated this function to the Postal Service is bound to constrict the freedom of many authors and publishers to reach their audiences, although censorship is not the purpose of the rate increases. There are few more effective means available to Congress to increase international respect for freedom to write and to publish than to return to its 175-year-old tradition and restore the second class mails as essential medium of communication.

SUPPORT OF THE LITERARY COMMUNITY FOR INTERNATIONAL FREEDOM TO WRITE AND PUBLISH

Organizations of writers and publishers, including the Authors League, frequently have protested suppression of authors and their works by authoritarian governments. This support should, and undoubtedly will, continue. American publishers have it in their power to provide another means by which foreign authors can resist efforts by their governments to suppress their ideas and opinions—to publish the works of these authors here and abroad. Some of our publishers have performed that task nobly. We hope that other firms will join their ranks. The greater likelihood that an author's work will be published if he is made the victim of suppression may tend to discourage the mounting of such campaigns against him.

The Authors League hopes that American publishers will not reject works of dissident authors from a foreign country out of any concern for losing the opportunities to publish other works of that country in the United States, or to license its books for publication in that country. The League also hopes that no American publisher would undertake to publish any book by a foreign author without his explicit consent, or over his objection. A 1973 survey conducted by the Authors League with respect to the USSR indicated that some publishers would respect totally the Soviet author's rights, while others would publish solely under a license from the Soviet Agency.

SUPPORT BY THE UNITED STATES FOR INTERNATIONAL FREEDOM TO WRITE AND PUBLISH

An article from Moscow by David K. Shipler, in the New York Times of November 16, 1975, emphasizes the importance of outspoken protests by United States and other western officials and legislators against restrictions on freedom of expression in authoritarian states. (The Week in Review, p. 4).

The Authors League hopes that more members of Congress will join Senator Jackson and others in speaking out on these issues. It hopes that your Subcommittee can persuade the Department of State and other officials in the Executive branch, at all levels, that it is our government's moral obligation, under the Universal Declaration of Human Rights, to protest suppression by other countries of the freedoms to write and publish. And the Authors League believes the Subcommittee should consider the possibility of recommending the establishment of a permanent body which could investigate and report to the Congress on flagrant violations of these fundamental rights, providing information the Congress should have as it deliberates such related matters as the appropriation of substantial sums for foreign aid.

The Authors League appreciates this opportunity to present its views to your Subcommittee.

Respectfully yours,

JOHN HERSEY,
President, the Authors League.

CONSUMERS ACTION NOW

Mr. ABOUREZK. Mr. President, on October 8, the Small Business Committee conducted hearings on solar energy. One of the witnesses at that hearing was Lola Redford, director of Consumers Action Now. In her statement, Ms. Redford supported the concept of legislation which I have introduced to provide long-term, low-interest loans to finance solar cooling and heating equipment. I ask unanimous consent that her testimony in support of this legislation be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF LOLA REDFORD

Good Morning. My name is Lola Redford, I am the Director of Consumer Action Now, an organization with its headquarters in New York City that has been actively involved in consumer, environmental, and energy matters for the past several years.

At the outset let me compliment the Chairman of this Committee and its members for focusing public attention on an extremely important and vital issue—the issue of solar energy and the role of small business in its development.

In our view solar energy offers the prospect of enlarging the supply of domestically produced energy that is compatible with environmental protection, and it offers the prospect of bringing small business into the energy picture in a big way. Shortages and monopoly are two very serious concerns in the energy field. Solar energy offers a potential solution to both concerns, and I believe this Committee may be in a position to help make it become a reality.

In my testimony today, I would like to explain why Consumer Action Now believes that the development of solar energy is absolutely essential if this nation is to satisfy anticipated energy needs in this decade and beyond, and why Consumer Action Now wants the solar energy industry to avoid the kinds of problems presented by our present energy industries. I would also like to outline a possible approach to the development of solar energy which might insure this industry a future that is both successful and compatible with the best interests of this nation and in which the small businessman has an important role to play.

THE NECESSITY FOR SOLAR ENERGY

In CAN's view, the development of solar energy is absolutely essential. By solar energy we mean most natural renewable energy resources which directly or indirectly emanate from the sun's radiation: solar thermal power, bioconversion, ocean thermal gradients and wind power. Lessening energy demand through vigorous energy conservation is also an essential complement to solar energy, as is proper building design.

In our view solar energy is necessary for several reasons. In the first place, recent energy studies have disclosed that traditional sources of energy such as petroleum and natural gas are being depleted quickly; natural gas and oil may be exhausted in the next 15–25 years.

Even though this country's coal reserves are plentiful compared to petroleum, they too are finite. Moreover, coal has serious drawbacks. It is difficult to mine and exacts relatively high health costs and environmental costs during the mining; it is difficult to transport; and it is difficult to burn coal in a manner that preserves air quality. Coal is an important energy resource that must serve as an energy bridge between our present liquid and gaseous fossil fuels, but the problems with coal and its finite size point up the need to develop useable and reliable solar technologies.

Some might argue that solar energy development is not critical because nuclear energy will be available as fossil fuels are depleted. It may be foolish to suggest that nuclear energy has no place in meeting the energy goals of this nation but its attendant problems, namely its unreliability, its questionable safety, its costs, and its waste disposal problems certainly suggest that to proceed primarily down the nuclear track would be at least shortsighted, perhaps foolhearty and possibly catastrophic. Compared to nuclear power, solar energy is far safer, appears to have greater reliability potential, and certainly is more compatible with environmental goals. And most important, it would appear that solar energy, once it has passed its threshold development stage, would be substantially cheaper than nuclear energy or coal for heating and cooling buildings. And if social costs are considered, solar energy in future years may well become the lowest cost source for making electricity as well.

For these reasons Consumer Action Now is committed to doing what it can to insure that solar energy develops and becomes a basic element in this nation's energy picture within the next decade and beyond.

WILL SOLAR ENERGY BE DEVELOPED

On the basis of Consumer Action Now's initial experience in the solar field, we as an organization are concerned that the potentially enormous contribution solar energy technologies can make to the energy resources of this country may not reach fruition. Solar energy need not be a distant source that is many years away. Yet important steps must still be taken. Research and development and then demonstration now begun must continue. The production of efficient and cost-effective solar energy hardware is another necessary step. Such production will only occur if there is a strong and effective market that places intelligent demands upon the producers of solar energy technologies. When this demand occurs, these producers must have the financial capacity and the ability to respond to directed consumer demands.

Unfortunately a scenario that fits all these pieces together is not at present discernible in any facet of the solar energy effort.

In the first place, while large sums of money have been committed to research and development of solar energy, we are concerned that too large a portion of this funding has gone to corporations who also have a vested interest in the growth of nuclear power or other competing sources. It is difficult for us to determine whether or not these corporations can reach conclusions which are not colored by their vested interests. With their multi-billion dollar investment in nuclear and other energy facilities, there is probably good reason to be skeptical about the objectivity of the large corporations that now receive the bulk of the federal solar funding. At the present time we in CAN are not convinced that the proper speed of research, development and demonstration has been attained. We are pursuing solar energy with only a tiny fraction of the intensity that nuclear power was researched and developed.

The research, development and demonstration efforts for solar energy are not the only efforts that cause us some concern. We are somewhat apprehensive about the present embryonic solar energy market. First, that market is not being shaped by informed consumer demand. The average person knows little about solar technology and has no place to turn for information. This point was driven home clearly to CAN when we received 7,000 inquiries based upon a single television appearance by members of CAN who discussed solar energy.

There is some indication that this lack of consumer knowledge is causing shysters to pray upon unsuspecting consumers who want to do something about our present energy crisis and who are willing to install new solar technologies in their homes. Nothing will discourage solar development quicker than a few unscrupulous promoters who take the uninformed and unsuspecting solar consumer's hard earned money. But where do people turn for reliable information so they can protect themselves against unscrupulous promoters and choose the best technologies to meet their needs?

There is a final obstacle. Even assuming information on emerging solar technologies were available, there would be nothing to guarantee that the average person could effectively put information about new solar technologies to use. As one who has shopped for solar energy hardware, I can attest to the difficulty of understanding all the nuances concerning collector A or pump B— and I have spent a lot of time reading in the area.

Having discussed some of our concerns about the likelihood and feasibility of developing solar energy, I would like to turn now to the discussion of a possible approach which might alleviate some of our concerns.

A POSSIBLE APPROACH

Consumer Action Now has been trying to formulate an approach to the development of solar energy which might very well avoid the kind of obstacles to such development that we have been observing. We have been asking ourselves the question: "How can government activities and market forces be organized in such a way as to assure the development of a solar energy industry which is directly responsible to the needs of solar energy consumers?"

Let me present you with our current thinking. While we realize our views need further development, we do not think it is too early to begin a dialogue.

We would propose the creation of a Solar Energy Promotion Agency which would perform the following functions:

(1) It would oversee the research and development efforts of ERDA, HUD and NASA.

(2) It would monitor all demonstration programs and assemble information concerning the state of the art of solar energy for the use of solar energy consumers.

(3) It would loan money at low interest rates to persons purchasing solar energy hardware for use in their homes. This approach is not new. The rural electrification program was accomplished through the advancing of low interest loans. Senator Abourezk has recently proposed this low interest loan program for solar energy consumers in S. 2163.

(4) We have been considering making these low interest loans only available to consumers who are members of solar energy cooperatives. The cooperative approach offers these potential advantages:

(a) It is administratively easier to carry out a loan program through a cooperative where a package of loans can be processed at one time.

(b) Consumers are better protected. The leadership in the cooperative can acquire the necessary knowledge about the state of the art through their own efforts and through information supplied by the Solar Energy Promotion Agency. This prevents any member of the cooperative from being taken by a huckster.

(c) The cooperative can also insure that intelligent, informed demands are placed on the supply side of the solar energy industry.

(d) A cooperative can also facilitate installation and maintenance and prevent possible abuses or problems of unreliability in these areas.

(5) The Solar Energy Promotion Agency or the Small Business Administration might also make loans available to small businessmen who want to go into the solar energy business as suppliers, installers or maintainers. We think it is important to insure the participation of small businessmen in the burgeoning solar energy industry. Their participation helps prevent the development of monopolies or oligopolies. We also believe that a decentralized approach is the most compatible with the requirements of solar energy where each locality will have differing needs. The loan program for the small businessman who wants to go into the solar energy field is certainly something we hope this Committee will carefully explore.

(6) A final function of this new agency might be to encourage corporations which produce solar energy hardware or establish solar energy utilities to organize in such a way as to pass the profits mode by these corporations on to their employees. We think low interest loans to corporations with employee stock ownership plans might provide the needed encouragement. The potential advantages that might accrue are as follows:

(a) If employees have a direct stake in the success of the corporation the quality of the goods produced may be of a higher quality than if they had no such direct stake thus affording consumers of solar hardware a more reliable product.

(b) An employee stock ownership plan could provide solar energy producers with a source of capital not otherwise readily available for necessary plant expansion, thus facilitating growth in this emerging industry.

(c) An employee stock ownership plan also has the potential of giving a corporation more social direction. If employees have representation on the Board there is the potential that Board decisions will reflect the employees' interests as employees as consumers as well as employees as stockholders. But employee stock ownership plans can be abused and any low interest loans advanced should have strings attached so that any potential abuses are minimized.

While Consumer Action Now is certainly not tied to the approach outlined above, it is one that we believe deserves careful scrutiny by this Committee and others. Many pitfalls lie in solar energy's path and it is not too early to take a long hard look at where this country should go to be assured that solar energy is available and working for each and every one of us.

Thank you very much for the opportunity to present the views of Consumer Action Now on this very important subject. I would be happy to try to answer any questions that you might have.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the record is clear: 87 nations of the world have ratified the United Nations' Genocide Convention treaty, but ours has not.

As I have said before, our claims to moral leadership suffer every time this treaty is mentioned in an international forum. No matter how fervently we may argue our commitment to liberty, that commitment can always be questioned: "Why do you not support the Genocide Convention?" And our diplomats are always at pains to give an answer, for they themselves do not know. The truth is that there is no satisfactory reason for our failure to ratify this document, and the time to correct that failure has long been upon us.

Mr. President, it is bad enough that we were not the very first to approve this treaty; that would have been consistent with our traditions and heritage. Let us take action before we are in danger of being the last.

NEW HAMPSHIRE BICENTENNIAL DAY

Mr. McINTYRE. Mr. President, October 21, 1975, marked the celebration for New Hampshire Bicentennial Day in Washington.

The celebration was a major success giving New Hampshire and District of Columbia residents memories they shall never forget.

Congressman Walter E. Fauntroy gave a moving address at the New Hampshire luncheon which I wish to share with our colleagues.

At this time I ask unanimous consent that the text of Congressman Fauntroy's statement be printed in full.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Congressman Walter E. Fauntroy

Good afternoon, distinguished colleagues, Governor Meldrin Thomson, citizens of the great State of New Hampshire, ladies and gentlemen. I am delighted and honored to have this rare opportunity to greet you and welcome you on behalf of the citizens of the District of Columbia as we celebrate New Hampshire Day here in our Nation's Capital.

This nation, during its 200 years of glorious history, has established a democratic union of states that unites us all as Americans under the banner of liberty, justice and equality for everyone. These insoluable principles of our democracy bind us together in an unbreakable covenant that transcends state boundaries, regional and geographic diversity, ethnic origin and political persuasion.

Yet, we are all loyal to and proud of the state that we call home; its history, its heritage and its cultural traditions. And by rights, we should be proud, for if this nation has proven anything, it has proved that there can be harmony in diversity.

I know of no state that has a richer tradition, a greater heritage, or a more noble history than the great State of New Hampshire. No star burns brighter in the blue field of our grand flag than the star of the State of New Hampshire. For if it can be said that Boston, Massachusetts is the cradle of democracy, then it must be said that in New Hampshire, democracy came of age.

You in the state of New Hampshire can be justly proud of the place in our nation's history that you have carved for yourselves. Time, of course, will not permit me to list all the distinguished men and women from the Granite State who have served this nation at war and in peace.

However, the contributions of such dynamic Americans as the late Ralph Waldo Emerson, one of the greatest poets of all times and Daniel Webster, a pioneer, a lawyer, an orator and a statesman are an impressive representation of the key role the citizens, great and small, of this nation's 9th state have played in making America a greater and good country for everyone.

Therefore, I welcome you to Capitol Hill on which serves and have served some of this nation's most valuable statesmen elected by the people of New Hampshire to represent you in Congress.

One cannot call the roll of the truly outstanding men and women without mentioning Horace Greeley, the founder of the New York Tribune, Franklin Pierce, our 14th President, Harlan F. Stone, a former Chief Justice of the Supreme Court and Mary Baker Eddy, a noteworthy poet.

One can find no more valuable national legislators on this Hill today than those whom you have elected to represent you in the U.S. Senate and the House of Representatives in this 94th Congress, our Bicentennial Congress. I saluate the New Hampshire Delegation, headed by the Senior Member of the House, the Honorable Thomas J. McIntyre and the Senior Member of the Senate, the Honorable James C. Cleveland.

There's a touch of irony, however, in my greeting you here today as the District of Columbia's non-voting Delegate in the Congress. We in the District celebrate with you today a democracy that we do not fully share. You, like all other tax paying Americans, are privileged to elect Congressmen and Senators to vote for you in our national legislature. We in the District of Columbia, alone among the citizens of our nation, are denied that right. That's right. Today, 200 years after the founding of our republic, the citizens of the District of Columbia still endure the tyranny of taxation without representation, a condition as obnoxious in 1976 as it was to our founding fathers in 1776.

I know you will forgive me, therefore, if as we re-dig the wells of our faith in this great democracy in the Bi-Centennial, I ask you to join the citizens of our Nation's Capital in the effort to "MEND THE CRACK IN THE LIBERTY BELL" in this Bi-Centennial Congress. The Liberty Bell in Philadelphia, you know, was molded to proclaim an end to the tyranny of taxation without representation. But for nearly 200 years of our nation's history, there has been a crack in the Liberty Bell. Through that crack have fallen three-quarters of a million Americans who pay nearly a billion dollars in Federal taxes each year but, who, unlike all other taxpayers in our country, have no vote in the House and Senate as you do.

As the District's non-voting Delegate in the Congress, I represent a population that is greater than that in ten different states of our Union, each of which is represented by two votes in the Senate and one or more in the House of Representatives and yet I cannot vote. As a matter of literal fact, I represent without a vote more people than any single member of the House of Representatives and more people than do twenty Senators in what we call "the other body." Surely, we should mend that crack in the Liberty Bell as a part of our Nation's Bi-Centennial Celebration.

Your Senators and Representatives will have an opportunity to vote in this 94th Congress for a constitutional amendment that would grant the District voting representation in both Houses of the Congress and thus mend this imperfection that mars our proclamation of democracy. With your help and that of your Senators and Representatives from the state of New Hampshire, I think we can find the "Spirit of '76" in this the Bi-Centennial Congress. It was that "Spirit of '76" two hundred years ago which ended the tyranny of taxation without representation for the thirteen colonies. It is that same spirit in this 94th Congress that can end, as a part of our Bi-Centennial Celebration, the tyranny of taxation without representation for the voteless citizens of our Nation's Capital.

Would you do two things for me? Would you be kind enought first, to take this bumper sticker to the President of your State Bi-Centennial Commission, Mr. Gilbert Center and ask him if he and his Commission will not make voting representation for the District of Columbia one of the tangible and enduring accomplishments of our Nation's Bi-Centennial Observance? It reads "Taxation Demands Representation". Mend the Crack in the Liberty Bell.

And then, secondly, I'm sure that your distinguished Congressmen and Senators would not mind if you urged them before you leave today to cast a vote in your behalf when the time comes to mend the crack in the Liberty Bell. Thank you and God bless you.

SOLAR LOAN AGENCY

Mr. ABOUREZK. Mr. President, a magazine named Energies, one of the new magazines devoted to solar energy research and development, recently published an interview in which I responded to a series of questions concerning S. 2163, a bill that would provide long-term, low-interest loans for solar cooling and heating equipment. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Questions and Answers Concerning S. 2163

(On July 23rd of this year, Senator James Abourezk, (D-South Dakota) introduced the Solar Energy Equipment Loan Act to Congress; it is very unique among the solar-energy related bills. If enacted, this bill would establish the Solar Energy Loan Administration, as a separate agency, to administer low-interest, long term loans. It also provides for the creation of consumer cooperatives or other non-profit associations to take advantage of the provisions of the act. Senator Abourezk has long been an outstanding and courageous supporter of alternative, clean energy—we are bringing his thoughts to you.)

Energies. Why do you feel it was necessary to provide for a separate agency?

Senator Abourezk. A separate agency, free from the bias and entrenchment of an existing department or agency of government, is the best way, I believe, to start a new program. That is the way that the Rural Electrification Program got started. Engineers and lawyers were given a challenge in the mid-1930's to build central station systems in the rural areas. The private power companies said it couldn't be done. Farmers would not use enough power to make it economically feasible. A new design was developed for the distribution lines. Cooperatives were developed to take advantage of the low-interest loans. At least a good part of the strength of that agency, especially in the early days, was because it was a new agency.

Energies. Why do you think the 2% loans provide the greatest incentive?

Senator Abourezk. The 15% of the American people that can now afford their own homes perhaps do not need such an incentive. I am concerned about the other 85% and their opportunity to reduce their costs of heating and cooling. With the present capital costs of installing solar heating and cooling equipment ranging from $4,000 to $8,000, I am convinced that for this group of people to take advantage of solar energy, their costs, on a monthly basis, must be similar to their alternative costs or the mass market will never occur, or at least not very soon. Monthly payments of principal and interest on a $5,000 loan for 25 years would be $21.20. Payments of that amount, I believe, would make solar heat competitive with all forms of energy. It would foster the mass market so that subsidies could be reduced or eliminated, hopefully in something like a 10-year period.

Energies. How would the cooperatives function?

Senator Abourezk. The cooperatives would be the means by which prospective users develop plans for solar cooling and heating, dealing with the various architects, engineers, manufacturers and contractors to design and install these systems. Their principal function would be to deal with the federal lending agency. Groups of applications, even though to individual homeowners, would be much easier to act on than separate applications. The members of the cooperatives or non-profit agencies certainly would achieve economies in design of their systems and in purchase and installation of them. The bill provides that the homeowners can allocate up to 10% of the cost of their system to the cooperative for providing these services. I believe that this would be no net increase in cost because of the economies of group purchases and contracts, and in many cases, similar designs.

That feature would also make it possible to administer the new loan agency with a minimum of help. Rather than dealing with hundreds of applicants, the agency would deal with only representatives of the cooperatives. In the early stages of development, the cooperatives would probably have to rely on either voluntary help or on contributions from their members. Perhaps the bill should include provision for technical assistance grants until such cooperatives were functioning.

Energies. With many of the large corporations receiving a large part of the grants from the federal agencies for solar research and development, is it possible for small firms to compete?

Senator Abourezk. I am concerned about this situation. The Senate Small Business Committee, of which I am a member, is also concerned and has held hearings in this regard. Legislation will apparently be necessary to keep the large firms from establishing a new monopoly or extending their control over this new energy source.

Energies. Would you prefer large-scale, centralized solar power generation, or would you advocate small-scale, decentralized, on-site, solar power generation?

Senator Abourezk. The dream of all of us is that someday technology will provide some device with energy-storage capability so that we no longer will have to depend on any utility or firm for any of our energy needs. I do not see that potential developing in the short-range. I hope for it in the long-range and believe that at least part of our research dollar should be used for that purpose. However, I do hope that smaller and smaller central-station units can be developed, efficiently and economically, so that electric power and energy can be produced closer and closer to the ultimate user.

Doing so has many advantages. The cost of transmitting electrical energy is rising nearly as fast as the cost of generation. The giant electric generating stations using any of the fossil or nuclear fuels present many problems. Perhaps the most promising method of generating electricity by smaller units is the fuel cell. Fuel cells could be located as we now locate substations. Developing economical energy closer to the source would also provide much greater opportunity for electric consumers to own and control their own electric systems, through municipal electric or public power systems. That option, in many cases today, is not an economic choice because the lowest-cost power is from the larger units which small cities or areas cannot justify by themselves, or to which they do not have access.

Energies. How then, do you view the role of the large utilities and the energy conglomerates in the development of solar power?

Senator Abourezk. The energy conglomerates, specifically the oil companies, are now in control or virtual control of all of our energy resources; I hope we don't let them control the energy from the sun. That is one reason that I advocate spending more money on research for energy systems that can be as close as possible to the ultimate consumer, if not in his home or on his roof, at least in his geographic area, without having to transmit electric power for hundreds of miles. I think consumer owned systems can exert control over systems that do not have to rely on giant transmission systems and giant generating plants hundreds of miles away.

"Those homneowners that are now installing demonstration or experimental equipment . . . are 'pioneers' and should be given the appropriate economic advantage for doing so." (Congressional Record, July 23, 1975, pg. 24253.)

"S489 (Abourezk) The bill would make it unlawful for any person engaged in the production and refining of petroleum or natural gas or both, to *a*) acquire any interest in the coal, oil shale, uranium, nuclear reactor, geothermal steam, or solar energy businesses after the enactment of the legislation, or *b*) own or control any of the above businesses after the expiration of three years after the enactment of the legislation." (Congressional Record, August 1, 1975, pg. 26914.)

Energies. Is the present Administration helping in your efforts to secure low cost solar energy for all? What do you think of the present Administration's stand on energy?

Senator Abourezk. My principal criticism is that we are spending most of our research and development money on nuclear power. I believe we can and should spend much, much more on the alternative energy sources. If there had been the allocation of funds to develop solar power for the past 25 years that we have spent on nuclear power, I am confident we would now have commercially competitive solar power. Rather, after World War II, we had some sort of national compulsion to show that there was something good about our nuclear efforts.

Energies. What suggestions would you make to the homeowner or small businessman interested in solar energy? Where can they go? What can they do to find out about solar equipment?

Senator Abourezk. The House Committee on Science and Technology has published a 545-page document called "Survey of Solar Energy Products and Services." It is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., zip 20402. The price is $4.60. That document lists all of the manufacturers of this equipment and a variety of other information about solar energy products. If one is thinking about an investment of several thousands of dollars, that's a reasonable price to begin investigation of the products available.

Many engineers and architects are becoming advocates of solar heating and cooling, and have become professional in their knowledge about these systems.

SIMPLIFICATION OF THE INTERNAL REVENUE CODE

Mr. HATHAWAY. Mr. President, I take a moment to commend the House Ways and Means Committee for title XIX of the Tax Reform Act of 1975. Title XIX, referred to as the deadwood provisions, is a completely noncontroversial part of this bill that is long overdue and most welcome. It would repeal and revise obsolete and rarely used provisions of the code that have simply never been cleaned out. As such it would be a big first step towards simplifying the code, and I feel that simplifying the Code to make it somewhat more intelligible to the average reader should be one of our most important goals in revising and reforming the Internal Revenue Code. I commend the Ways and Means Committee, and I hope that when the Senate receives this measure from the House, it will not fail to retain these provisions in the Senate version of the bill.

THE LOST ART OF CONSERVATION

Mr. ABOUREZK. Mr. President, the December 1975 issue of the Atlantic magazine published, as one of its major features, an article by Mr. Donald E. Carr on energy conservation. Mr. Carr's article is an excellent and timely discussion of this subject. I ask unanimous consent that his article be published in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Lost Art of Conservation

(By Donald E. Carr)

The twenty years from 1957 to 1971 were remarkable as the years when *the price of energy went down* in comparison with all other things we could buy. We seemed to be bathed in energy. Technologists sat up nights dreaming up new things to run with electricity. They developed a pogo stick that jumped on gasoline power. Anyone without a power mower might as well have wielded a sythe. Established in those two decades was the standard increase rate of 3.7 percent per year for total energy use. Then in 1973, when unmistakable signs of fuel shortages and electrical blowouts had already been visable for eighteen months, the overall increase rate topped out at 4.8 percent—the most power ever used by one nation in all history; so much more than other nations, or even all of Europe, that it may well stand up as an eternal champion record of power swinishness.

What were some of the practices and contrivances that led us to waste 35 percent of the energy we consumed, and how can we rebuild a conservational society?

"Building a conservational society": the key word is *building*, for in architecture the modern world has committed its worst sins and yet, either by luck or brilliance, has accomplished its most promising breakthroughs.

BUILDINGS AND HOUSES

Consider the luck or instinct of the ancient builders of the cave dwellings in Mesa Verde, Colorado. The dwellings face south, and in winter, when the sun is low, it shines directly on the adobe back walls, which store heat during the day and release it at night. In the summer, the sun strikes at the horizontal surface, where roofs of wood and grasses are set as insulation. Here are dwellings built by men and women who knew the essentials about solar energy. They should have gone one step further and discovered how to heat water with it. But they probably felt no deep need, as we do, for what Rupert Brooke called "the benison of hot water." For this benison we now pay dearly, since the heating of water is the largest single source of energy consumption in our homes.

But in addition, America has become essentially a collection of high-rise commercial buildings, and the operation of these buildings consumes 50 percent of all the electric power produced in the United States.

As June Stein of the Smithsonian Institution has emphasized, one could start the campaign of energy economy in buildings at the cement mixer. Concrete gains strength for years after hardening; thus, if early strength specifications were relaxed below the standards now in force, a savings of about 20,000 million kilowatt-hours per year would be achieved—enough to provide electric power for several million families. The relaxation of cement standards is associated in the public mind with city-hall skulduggery, but the disasters that have happened because of rotten building materials occurred because the materials met *no* standards at all, and were in fact never subjected to inspection.

Cement-making itself is a hoggish industry, mainly because of the huge amount of heat needed to decompose limestone. The average fuel consumption in U.S. cement kilns is 1.2 million BTUs per barrel of cement. In most European plants, heat rejected from the kilns is used to preheat the limestone, with the result that the total fuel requirement is more than halved to about 550,000 BTUs per barrel. An even more economic "reinforced-suspension" preheater is used in Japan by the Onoda Cement Company. Only inertia and stubbornness explain why American cement companies cannot do better than they do.

In the United States, the traditional way of financing buildings is based on first costs: what the owner pays at the time the building is completed. Yet, in an energy-conscious society, the building designer as well as the sophisticated bank should think in terms of what has to be paid out in cash or in net energy over the lifetime of a building to keep it standing and to keep it providing inexpensive comfort and light for the people who work in it or live in it.

THE GLASS MENAGERIE

Ever since Lever House was built in Manhattan in 1952, buildings consisting primarily of glass have sprung up all over the nation—an unfortunate example of the way architecture can go 180 degrees wrong because of a vague desire to be chic and trendy. Glass is a notoriously poor insulator, and as far as keeping the heat out in summer or in during winter is concerned, the glass building is virtually a thermal sieve. Special high-metal, reflective types of glass have been developed, but if you install them in your windows, you increase your *neighbor's* air-conditioning bill, because you have in effect focused mirrors upon his building, which may be mostly glass too. Then, if he also goes for high-reflective glass, you engage in battle.

The answer, of course, lies in more expensive double-glazing, making every window of double panes, since the air sealed in between acts as a good insulator. (Even this tactic has limited usefulness, however, because if the window is big enough, the air in the space between the panes has a sort of weather of its own. If it gets to moving around, like an imprisoned wind, it transmits heat or cold by the process of convection.)

Office windows are seldom opened. Double-glazed office windows, one may say with some assurance, are *never* opened. This is a pity because, as the architect Richar Stein points out, of the 3100 hours a year that an average office building is occupied, at least 900 occur in the temperature range where untreated outside air can be used. Simply opening the windows would bring about a 19 percent reduction in the use of energy for handling building air. But instead of letting in outside air, and the sound, perhaps, of birds as well as traffic, the modern skyscraper is built to be sealed in and afflicted with Muzak.

Some improvements are visible and some obvious first principles are still being applied. For example, it is axiomatic that a slab-shaped building will lose 20 percent less energy if the broad sides face north and south. And in Tempe, Arizona, the new municipal building has its glass walls slanted at a 45-degree angle to reduce the amount of the sun's heat that enters. Though few architects seem to realize it, the weather at the top of a high-rise building is quite different from the weather at street level. High winds up there not only produce four times as much pressure, but may blow down the *side* of the building at rates of 30 miles per hour. Clever advantage has been taken of this fact in the new Qantas building in Melbourne, Australia, which is specifically designed to encourage the air to rustle down and bring comfort to the street in summer.

Although one can argue about the design of high-rise buildings—how they use their lighting systems, how their huge capacities strangle a city's traffic, and how they look—there is no arguing about their essential superiority as energy conservers, especially if living is combined with working in them. High-rise population centers use much less energy than low-rise ones. (New York City uses only 138 million BTUs per capita per year, compared with an average of 255 million BTUs for the United States as a whole.) High-rise apartments of the same living capacity use 58 percent less gas and 40 percent less electricity than single-family homes. Because of the much higher heat loss occasioned by the greater ratio of surface to volume, a row of ranch houses needs two and a half times as much gas or heating oil as a residential tower with the same floor space.

In fact, with cleverly designed high-rise construction we hear the first noises of a new urban trend that would revolutionize lifestyle as well as cut transportation energy uses to the bare bone. The Olympic Towers on Fifth Avenue was New York's first major project combining living and working space—a brilliant adventure pioneered by Chicago in its building of the 100-story Hancock Center. There one "commutes" (using a few watts of elevator power and producing zero air pollution) from, say, the ninetieth floor, where one lives, to the fortieth floor, where one works. Chicago's Sears Tower, the tallest in the world, is also suitable as a combination town and city where one needs no automobile for commuting.

THE FACTS OF HOUSING LIFE

Until very recently, if you insulated your home or place of business you paid an ad valorem tax on the insulation, whereas the heating or cooling costs were considered as untaxed operating expense. This is in the same category of bureaucratic senselessness as the Interstate Commerce Commission's insistence on railroads charging more freight per pound for scrap steel than for iron ore.

Nothing pays off so fast in energy saving as insulation. If every house had six inches of fiber glass or its equivalent in the attic and three inches on the walls, Americans could save some 20 billion gallons of oil and over one trillion cubic feet of gas per year. One of the prime technical objects of insulation is to keep walls, floors, ceilings, and windows warm on the inside, not so much to prevent heat from leaving or entering the house (although that is surely important) as to prevent your body from radiating heat to the surroundings. The rate of heat loss by radiation depends on the *fourth power* of the temperature difference between the radiating object and the target of radiation.

If you are a regulation-sized adult, you give off about the same amount of heat as a 100-watt light bulb. But the rate at which heat radiates from your body and hits a wall depends much more on how cold the wall is than on how cold the air in the room is. The difference between inadequate and proper insulation in a temperate climate can amount to 40 percent of your fuel bill. Storm windows (double glazing) cut in half the heat loss from the windows and also cut in half the difference between the air temperature in the room and the window temperature.

Much has been made of the unnecessary luxury of pilot lights for gas stoves or hot-water heaters. It is true that the pilot uses about one third of all the gas you consume on the stove, but in the wintertime it is an efficient source of space heat. In the summer an electric igniter is worthwhile.

Turn off the energy-wasting drying cycle on your dishwasher. Dishes dry perfectly well at room temperature. As mentioned earlier, your water heater is the fiercest energy hound you control. Be sure to drain sediment from the bottom of it every month.

In any central home heating system, the tendency is to work overtime to keep one problem room warm while the others are too warm. Study the problem room a bit. Maybe it would save money to close it off or boost it with a separate space heater.

Evergreen trees planted to form a windbreak slow the rate at which winter winds suck heat from your house. As for other greenery, if your lawn is going to be presentable, it must be fertilized. A fifty-pound bag of nitrate fertilizer takes a vast number of BTUs of hot natural gas to produce, and a lawn 10,000 feet square requires about five bags a season. When it has designed to grow, it grows faster than your whiskers and takes half a million or more BTUs worth of gasoline to mow—a harvest that is thrown away. If Americans had sense, they would use their lawn space to grow vegetables.

The central air-conditioner is an energy swine of huge dimensions. Air-conditioning energy now costs so much that prudent people are thinking of returning to the attic fan, which, in a well-insulated house, can provide summer comfort. An attic fan uses about 300 kilowatt-hours a year, whereas a central cooling system in a house 1500 feet square may consume 4000 kilowatt-hours. Put awnings on the south side of the house, so you can open the shaded window when it's not too hot. Don't build a sunny patio next to the house, because there will be a blast of heat from the flagstones. On the other hand, the more plants or trees the better, since plants respire water and its evaporation gives a cooling effect along the house perimeter.

If you insist on buying an air-conditioner, first find out the energy efficiency ratio (EER). That is a number, customarily guaranteed, obtained by dividing the number of BTUs cooling capacity by the wattage (electric power required). A 10,000 BTUs system that draws 1000 watts would have an EER of 10, which is satisfactory. Anything lower than this should be viewed with suspicion. Don't get a unit that's too big, because it cools the rooms so quickly that the compressor does not have time enough to work on its secondary chore—that of dehumidifying the air.

In the first five years of the 1970s, the energy consumed in this country by transportation amounted to about one quarter of the energy consumed for all purposes.

An inspiring example of all-around energy streamlining is the Everett Barber demonstration house in Gilford, Connecticut. Heat from the refrigerator coils and kitchen sewer are used to preheat the water for cleaning or bathing. Insulated shutters for the windows are closed at night. In the summer, air is allowed to circulate by convection (going where it wants to go) rather than being blown by a power-consuming fan. In the model home at Schnecksville, Pennsylvania, designed by Drexel University and the Franklin Institute, a closed-circuit water loop for helping with space heating makes the rounds of every appliance in the house that could be a source of wasted heat—the chimneys of the two fireplaces, the clothes dryer, and the heating-coil of the refrigerator. Insulated draperies are wired to open and close automatically so sunlight can be absorbed during the day and room heat conserved after dark. In this house the windows have triple panes of glass.

The General Services Administration (GSA), an agency more or less under the aegis of Congress, has small, seven-story demonstration buildings at Manchester, New Hampshire, and Saginaw, Michigan, where new ideas are being tried out. There are no windows at all on the north wall, whereas double-glazed window space on the other walls is limited to 15 percent of the wall area. Different lighting systems are being tried out on the various floors, including one that has the lights built into the furniture. One floor has large windows to experiment with natural light.

Perhaps the most crucial GSA experiment is designed to answer the question, Can janitors and scrubwomen work in the daytime without the clerks and vice presidents falling into water buckets and tripping over somebody's mop? This is not a frivolous issue, because in the metropolitan high-rise office buildings a large amount of energy goes into lighting up every story on the graveyard shift, when the custodial or clean-up work is normally performed.

The biggest landlord in New York City is Samuel J. Lefrak, who owns 60,000 apartments with 250,000 tenants. A few simple conservation rules have, he claims, made him rich rather than bankrupt. In the first place, all washing machines must use cold water (no exceptions whatever are allowed). In every apartment a piece of aluminum foil is placed between the radiator and the cold wall so that heat will be reflected back into the room. The radiators are painted with enamel, since he finds that the use of metallic or flat paint cuts down the radiation by about 25 percent.

CONSERVATION IN INDUSTRY

American industry, until quite recently, has been nonchalant about its housekeeping on energy. Energy has been so cheap that out of every dollar the average manufacturer spent, only a nickel went for energy. The value of energy saved was often less than the cost of trying to save it.

The scene has changed. Dow Chemical has gone so far as to operate an infrared reconnaissance helicopter above some of its plants, and discovered such things as a heated sidewalk that somebody had forgotten to turn off. Some of the wasteful practices, however, were so stupid that they should have been rectified without the spur given by an increase in the utility bill or the price of coal. For example, in one large manufacturing plant, the first step in saving energy was to replace several hundred broken windows, through which heated or refrigerated air had been leaking for years.

Basic industries, such as steel—once the pride of the country—were the worst offenders. Industrial experts estimate that about 50 percent of the water-cooled skidrails in American heat-drawing furnaces are fully insulated, compared with 90 percent in major steel plants abroad. Rolling mills five years ago were scandals of wasted heat. In a typical mill in Pennsylvania, one day's survey disclosed that the men would open a furnace door to warm themselves, ruining the work. The huge end of a heated warehouse would be opened to let out a little forklift (when one expected a gigantic statue of Baal to emerge, pulled by a thousand slaves). Workers maintained the furnace flame as hot as possible, oblivious to the tenets of flame management, i.e., to obtain the maximum BTUs per unit of fuel. The heat from the production facilities was vented *outside,* while separate and expensive equipment was used to heat the nearby office.

Much wasted heat goes up the stacks. By inserting a simple recuperator for recapturing stack gas heat from a radiant-fired tube and using it to preheat combustion air, it is easy to save 30 percent of the fuel used in many direct heating operations. The cost is about equivalent to installing a grate in a fireplace.

In many industrial operations, such as vacuum furnaces, the manager seems to be unaware of the fact that heat transfer from the fuel charge to the furnace wall is necessarily by radiation in entirety. Through the use of specially designed antiradiative insulation and other simple changes, the fuel requirements can be reduced by 75 percent.

Sometimes a manufacturer is prevented from saving energy by the bureaucracy. Many steam operations, such as paper pulping, paper drying, and the vulcanizing of rubber, require low-quality steam (steam of low pressure and low temperature). Now, unless your plant is adjacent to an operation that has low-quality steam as a by-product, you might as well put in a boiler and cook up some high-grade steam. You can put this through a turbine, get enough electric power for any of your other factory operations, and still use the low-grade steam from the turbine exhaust for your specific requirements (e.g., paper pulping). It usually turns out that the generator, in order to produce enough low-grade steam, puts out more power than the manufacturer can use, commonly three or four times. It thus appeared that the teaming up of paper plants with power generators could lead to a highly efficient expansion in overall electrical capacity. In the 1920s and early 1930s, when people had more gumption than they had excess power, several large paper companies did just this. The Department of Justice promptly stepped in, and in a series of court suits, asked the paper companies to decide whether they were in the paper business or in the electric power business.

Since the lush days of the 1950s and 1960s, industry in general has focused so much attention on energy conservation that Du Pont's energy consulting division, which works on problems of other companies, reports a 300 percent increase in business in 1974. Sometimes, in a quest for energy savings, you get a new insight into an old process. One excellent example is RCA's Coronet Industries, which for years had used hot-air "dryers" (they thought) at their Dalton, Georgia, plant to stick the foam and latex backing onto carpets. In fact, their chemists found the warm air was not drying anything. The heat in the air was setting off a curing process. In genuine drying it is the volume of air that counts, but in curing it is only the temperature. They had been heating about five times as much air as they needed to.

The average American farmer is incompetent in those very areas of modern agriculture where we pride ourselves on being leaders. A recent survey of gasoline-powered farm tractors in several midwestern states showed that three quarters of them were in such poor shape, because of neglected maintenance, that they could develop only a shockingly low percentage of their rated horsepower.

Other needless power wastage on the American farm comes from excessively deep plowing (eleven inches when seven would do the job, except in the case of peanuts) and chopping forage to a finicky one eighth of an inch, as if we were feeding toothless animals.

On big, sophisticated farms the situation is different. These large, better-managed agricultural ventures represent precisely the kind of "agribusiness" that the majority of smallhold farmers resent, but from the energy viewpoint the question is, Can we afford the small, sloppy farms?

THE WASTED MILES

In the first five years of the 1970s, the energy consumed in this country by transportation amounted to about one quarter of the energy consumed for all purposes.

A few numbers on passenger miles per gallon of fuel, compiled by the Office of Emergency Preparedness, are of interest, since they emphasize the importance of sharing the ride. In the early 1970s, traveling expensively by the B747 jumbo jet (60 percent capacity) added up to 22 passenger miles per gallon. For an average automobile (sedan) the corresponding figure was 32 passenger miles to the gallon, reflecting the fact that the average car ride took place with only two people in the car, while during commuting, 56 percent of the automobiles were occupied only by the driver. The average commuter train gets 100 passenger miles to the gallon—figured as diesel fuel—the large bus 125, and the two-decker suburban train 200 passenger miles to the gallon.

If we won't car-pool, and if we won't or can't use mass transportation, can we at least get more mileage from the gallon?

Yes, you can get 297.731 miles per gallon, the equivalent of going from New York to Los Angeles on about 10 gallons. But you have to follow along the lines prescribed by the economy champion Ben Visser: first, tear your car apart. Throw away the frame, transmission, springs, shock absorbers, and rear axle. Construct a brand-new frame with the rear wheels side by side in the center, where the trunk was located. Put the motor in where the back seat used to be, and connect it to the rear wheels with a long bicycle chain. Pump up the tires to eight times normal pressure and be sure the tires are worn treadless. Replace the fan, water pump, and generator. Wrap the engine in six layers of insulation to seal in the heat. Sit in the center so that you rest on the single axle and two simple key bearings. Replace all grease with thin oil. (You should now be able to push your hideous skeleton of a once bonny automobile around with one hand.)

When you drive this apparition, you will have only one high gear left. Accelerate to precisely 16.5 miles per hour. Shut off the engine and coast down to seven miles per hour before starting over again. If you want, you can whistle "California, Here I Come!" remembering that you will get there in about three weeks of nonstop driving.

Visser has improved fuel economy from about 13 to nearly 300 miles per gallon, merely by reducing road friction, air resistance, and friction in the transmission of power from the engine to the wheels. At the speeds involved, one could probably get by on two cylinders. If special, very high octane fuel is used, the compression ratio could be upped to about 10 to 1, which would greatly increase the thermal efficiency. I would predict that Ben Visser, with such further refinements, could wind up at around 350 miles to the gallon.

In the 1975 model year, most cars went up about 15 percent in mileage, averaging city and highway driving. Whereas former methods of pollution control penalized fuel economy, the use of catalysts in the exhaust allowed more precise tuning of the engine. However, the catalysts may result in a more dangerous type of pollution and can be regarded as only a temporary answer to the older problems.

On looking at the tests on 1975 models, one is struck by the discrepancy between imported and domestic cars, both of which have to meet the same emission standards. Foreign cars and subcompacts dominated the competition for economy. In fact, the top-twelve list for mileage per gallon in both city and highway driving did not include a single American-made car. The Datsun B210 was best in both kinds of driving, with 39 miles per gallon on the highway and an almost incredible 27 miles per gallon under simulated city-traffic conditions. (This is all the more astonishing since, except for the special California model, the Datsun does not use a catalyst, but meets EPA exhaust specifications by blowing extra air in the exhaust manifold and partially recycling exhaust vapors to reduce the formation of nitrogen oxides.)

Following fairly closely were two Volkswagen models, the Rabbit and the Sirocco, while other German and Japanese sub-compacts trailed not too far behind. The best showing in city driving for an American car was that of the Chevrolet Vega subcompact at 22 miles per gallon (13th), while on the highway the AMC Gremlin showed a fairly good 30 miles per gallon (17th) and is notable for being the only six-cylinder car among the front-runners.

Detroit reluctantly accepted the fact in 1974 that the car-buying public had its eyes on smaller cars, because there is—comparatively speaking—no profit in sub-compacts.* Detroit's response was to fancy up the little cars, making normally optional equipment standard, and upping the price so much that sub-compacts turned out to cost as

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much as the "intermediates" of the year before. People decided to drive the old car for at least another year.

The 1976 models, however, reflect a radical change in the attitude of Detroit toward achieving fuel economy. According to EPA figures, the 1976 cars average 12.8 percent better fuel economy than the 1975 models, and 26.6 percent better than in 1974. Moreover, for the first time, an American car, the Chevette by Chevrolet, topped the economy list.

In a time of concern about fuel economy of cars, a plague of hucksters has appeared, selling gimmicks—typically "miracle" attachments to the carburetor. Some of them, such as the "catalytic carburetor screen," show some benefit not by "catalysis," but by achieving more even distribution of fuel to the cylinders. Real improvements in economy, however, require direct injection or some other fundamental change in combustion philosophy. In the meantime, slower driving means more mileage. This is especially true for big cars, and even more so for trucks. The fantastic argument by truckers that, because of transmission inefficiency, they lose economy below 60 mph is sheer rubbish. At these speeds a truck's fuel economy depends almost entirely on air resistance, and this increases as the cube of the speed.

THE GREAT RECYCLE EXPERIMENT

Practical conservationists in this country have been interested in recycling garbage, sewage, and trash for several decades, and the Chinese have done it for about 5000 years. Early in the American campaign for cleaning up, in the 1950s, one discouraging discovery was that trash collection and classification costs a lot of money. The state of Michigan discovered that picking up beer cans scattered beside highways costs thirty cents a can. Oregon decided that the only answer was to make nonreturnable cans and bottles illegal. Los Angeles halfheartedly experimented with compelling citizens to classify the garbage and trash before collection. The recovery of energy and recycling solids has finally started in this country, notably in St. Louis and the state of Connecticut. And even sewage, which has so long been swept under the rug in North America, is now being looked upon as a source of methane, the main constituent of natural gas.

In the 1930s, sewage plants commonly used their own effluvia, so-called "digester gas," to fuel engines for agitators, compressors, and the like. The plants switched to natural gas when it became available, because the digester gas was slightly corrosive, containing, in addition to methane, some hydrogen sulfide, carbon dioxide, and water vapor. The plants are switching back again, since even with the cost of extraction of the acid impurities, it is now cheaper than natural gas. Sanitation plants in Orange County, California, have been burning digester gas since 1966.

Methane is also formed in the course of time by bacterial decomposition of garbage in the landfills, and since the start of the smog furor, the Los Angeles area has used landfills for garbage disposal. The Pacific Gas and Electric Company plans to tap such sites for methane, and, in fact, NRC Technology, Inc. has been draining gas from shallow wells at the Palos Verdes landfill for several years.

If the equivalent of natural gas can be recovered from human excrement, it can be recovered from animal excrement even more conveniently. Individual farmers and big feedlot operators have lately realized this. A single farmer in Indiana, for instance, pumps the manure from his eighty cattle into a closed tank, lets the anaerobic bacteria go to work, and recovers forty cubic feet of gas a day, which is enough to heat his ten-room house all winter. At the other extreme, the Monfort Company of Greeley, Colorado, the largest cattle feedlot operator in the world, has completed a $4 million plant to gasify the manure at the rate of four million cubic feet per day.

Yet excrement may be more valuable as a fertilizer. A large-scale experiment in the use of sewage is taking place in Muskegon County, Michigan, where raw sewage is collected at the Lake Michigan end of the county, pumped fifteen miles east to be treated bacterially in aerated lagoons, stored in larger lagoons to allow the solids to settle out, then used to spray-irrigate 1000 acres of corn. The percolate from the spray is collected in wells and underdrains and returned to Lake Michigan as what is claimed to be the cleanest effluent water in the country. The dried sludge from the settlers is used to improve the tilth of the soil. One fly remains in this ointment. The Department of Agriculture has pointed out that in cases such as Muskegon County, where the sewage contains industrial as well as human wastes, the spectacular increase of corn yields to 176 bushels per acre is accompanied, after about two years, by an equally spectacular increase of heavy metals in the grain (copper, lead, chromium, zinc, mercury, and cadmium). The multiplication may be as high as a factor of 20, and this is worrisome when the grain is used almost entirely for fattening cattle.

GARBAGE TO FUEL

Most garbage in this country is a mixture of material that is combustible as is (paper), combustible when dried (food wastes), metal, and glass. Connecticut is initiating a disposal system in Bridgeport. Sixty trailer trucks bring the refuse from five transfer stations to the $30 million plant, dumping the waste into a sunken storage area. From storage it passes through industrial shredders where heavy-duty magnets extract the iron or steel. Then it goes to classifier towers where blowers and vacuums separate the light from the heavy residue (mostly glass). The light portion is put through dryers, from which it emerges as a confetti-like, low-sulfur fuel burned as a supplement to fuel oil in the boilers of a nearby electrical utility plant. Ten plants similar to the Bridgeport prototype are planned around the state. Connecticut is justifiably proud of this program. When it is completed, they will have disposed of a nuisance and gained energy and the bonus of scrap steel and glass.

The privately owned Union Electric Company of St. Louis is converting two of its coal-fired plants to allow them to burn 7500 tons per day of organic garbage generated by the city and six surrounding counties. The mixture will consist of 80 percent coal and 20 percent dried garbage. Again, there is a pollution bonus, for the garbage is low in sulfur. Because each ton of garbage contains 150 pounds of recoverable steel and twenty pounds of other metals, the utility will sell scrap metal. Finally, it will take over the dumping fees that the sanitation department had to pay for landfill or incineration. By 1977, Union Electric estimates, garbage will replace 6 percent of its boiler coal. (The Dutch have been using garbage to produce steam heat and electricity for over fifty years Copenhagen and Paris have been using similar systems almost as long. This year West Germany expects 25 percent of its total population to get electricity from garbage.)

Aside from the energy yield, we are running out of ways for disposing of solid waste. Each person in America generates, per year, an estimated ton of solid waste that would occup a pile nine feet square and thirteen feet high. That means a total of 400 billion pounds of garbage, now costing, depending on where you live, from $2 to $13 a ton, including a considerable proportion of energy, to get rid of. Chicago and Akron have run out of landfill space. Miami, Cleveland, Toledo, and Oklahoma City have a year or so to go.

Recycling plants are planned or under construction in New York, Chicago, Philadelphia, New Orleans, St. Louis, Baltimore, San Diego, Detroit,, Boston, Washington, Cleveland, Buffalo, Memphis, Rochester, Albany, Knoxville, Akron, and Brockton, Massachusetts.

If the nation as a whole, including the small cities and towns where there is the greatest need for relief, could recycle, we could conserve the equivalent of 290 million barrels of oil per year, recover up to $1 billion worth of metals, and forget about our desperate solid waste disposal problem.

THE NODDING OF HEADS

The Ford Foundation has produced a book entitled *A Time to Choose: America's Energy Future* (Ballinger, 1974). The gist of the book's conclusions is that: (1) mandatory and gradually increasing standards on automobile fuel economy should be established (at 30 miles per gallon, the study emphasizes, cars would be people-movers as efficient as present mass transit systems); (2) financial incentives should be set up for more efficient heating and cooling of buildings; (3) regulatory and tax policies should be revised to eliminate promotional rates and subsidies (e.g., electric rates should no longer include discounts for large users; in fact, higher rates should be charged on account of the higher costs of peaking power); (4) until conservation is well under way, we would forget about new and exotic sources of power.

This line of thought had little appeal for former Secretary of the Interior Rogers Morton, who called these conservation blueprints "fancy footwork with computers." In spite of Morton's alleged temperamental distaste for mandatory conservation measures, the Fuel and Energy Administration's recent "Project Independence Blueprint" contains recommendations practically identical to those of the Ford Foundation. Conservation tricks of one kind or another could reduce the yearly rate of increase in demand for energy to around 2 percent, and by 1985 the consumption of energy in the United States would be 12 quadrillion BTUs less than at the present rate of burning things.

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*Except for materials (a much lower fraction of the total than labor), the manufacturing costs for all sizes of American cars are about the same; hence both the maker and the dealer have prospered by selling relatively big, expensive cars.

I.R. & D.—HOW NOT TO CREATE JOBS

Mr. PROXMIRE. Mr. President, independent research and development—I.R. & D.—is costing the taxpayer more than $1 billion a year.

EMBARRASSING ANSWERS TO POINTED QUESTIONS

Is the program worth the money? No one knows. There is practically no information on the activities supported by I.R. & D. and no systematic analyses or evaluations of the benefits that result from I.R. & D.

How much control does Congress exercise over I.R. & D.? Virtually none.

Does Congress authorize or appropriate funds for I.R. & D.? No. I.R. & D. payments are made on the basis of administrative discretion, mostly by the Pentagon.

Is there a line item in the budget for I.R. & D.? No.

Does any committee of Congress review the way I.R. & D. funds are spent? No.

Do we know exactly how much is spent for I.R. & D.? No. The Pentagon's accounting is incomplete. There are no firm figures or total expenditures.

Are the names of the firms and the amounts they receive for I.R. & D. available to the public? No. The information is considered proprietary.

Why, then, is the program continued year after year? One reason is congressional indifference and willingness to accept assertions by the Pentagon and its contractors that the program is necessary.

RECENT SIGNS OF CONGRESSIONAL CONCERN

There have been recent signs that Congress might take a greater interest in I.R. & D., which has been characterized by the Comptroller General as a grant program.

Subcommittees of the Armed Services Committee and the Joint Economic Committee held joint hearings on I.R. & D. last September. Unsurprisingly representatives of the Pentagon and the giant defense contractors praised the program. At the same time, Adm. H. G. Rickover condemned it as worthless and other witnesses including Prof. Franklin A. Long of Cornell University and Mr. D. G. Soergel, an aerospace industry consultant, severely criticized it.

In its November 6, report the Senate Defense Appropriations Committee also had a few sharp words to say about I.R. & D. According to the committee, the method used by DOD to pay the costs of I.R. & D. "and the fact that there is no line item in the budget for this expensive program makes it virtually impossible for Congress to exercise control over it."

HERE COME THE LOBBYISTS

Now come the private Lobby groups to defend their sweet I. R. & D. deal. Doubtlessly, a number of my colleagues have already been contacted by firms in their States on the subject. In the weeks and months to come we might expect much more of the same.

An interesting twist in the usual defense industry lobby technique is reflected in a letter from Gerald Sklarsky, President of the Engineers and Scientists Guild.

THE PUBLIC INTEREST AGAINST PRIVATE INTERESTS

Mr. Sklarsky has forwarded to the members of the key House and Senate committees a "position paper" he claims to have written on behalf of "a million or more engineers and scientists employed in the private sector of our economy."

Mr. Sklarsky's cover letter is more interesting and revealing than his position paper. I will quote the key passage:

> The subject of independent research and development is close to our hearts for without it many of us would be unemployed, and if it is further reduced or curtailed many of us will face unemployment in the future.

I like Mr. Sklarsky's style. He gets right to the heart of the matter rather than beating around the bush.

But the heart of the matter to Mr. Sklarsky is not the heart. It is the pocketbook, his pocketbook.

He wants Congress to retain I.R. & D. in order to have his job and other jobs. This is a straightforward appeal based on self-interest.

Some may consider Mr. Sklarsky's appeal narrow and selfish. It can be argued for example, that it may not be in the public interest to use tax dollars to keep Mr. Sklarsky employed. The billion dollars spent on I.R. & D. might be better spent for things the country really needs.

Indeed, one might be persuaded by Mr. Sklarsky's crass approach that there may be a good case for eliminating I. R. & D. altogether.

THE NEED FOR A LINE ITEM IN THE BUDGET

At the very least there ought to be a line item for I.R. & D. in the budget. Until this step is taken, the program will be a continuing source of embarassment to Congress, and evidence that we are not concerned enough about tax dollars to see that they are properly spent on activities that are in the public interest.

I request unanimous consent that Mr. Sklarsky's letter of November 11, 1975, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ENGINEERS AND SCIENTISTS GUILD,
Burbank, Calif., November 11, 1975.

Senate Committeemen of Aeronautical and Space Sciences, Appropriations, Armed Services.
House Committeemen of Appropriations Committee, Armed Services Committee.

Attached is a position paper I have written on behalf of a million or more engineers and scientists employed in the private sector of our economy.

The subject of independent research and development is close to our hearts for without it many of us would be unemployed, and if it is further reduced or curtailed many of us will face unemployment in the future.

Please read the attached paper before making any firm decision as to the future of IR&D in the United States.

Very truly yours,

GERALD SKLARSKY,
President.

RACIAL QUOTAS

Mr. HARRY F. BYRD, JR. Mr. President, last month, a constituent sent me a most thoughtful article from the Richmond Times-Dispatch.

That article, written by Patrick J. Buchanan, deals with a subject which, like forced busing, has become one of the most divisive issues of the day: "reverse discrimination" through governmentally imposed racial quotas.

Quotas are inherently discriminatory. Government-mandated racial quotas are destructive of the basic freedoms of each individual guaranteed by our Constitution.

When the Supreme Court made its landmark decision in 1954, it meant to end forever the invidious discrimination which results from Government-sanctioned preferential treatment on the basis of race.

But recently, the Federal Government and, more specifically, the executive branch has led the fight against "invidious discrimination" by resorting to the very practices it pretends to oppose: Government imposition of racial quotas in employment, in school assignments, in any area, in fact, where Federal funds are spent.

The authority for this form of "racism," Mr. Buchanan notes, is not from the Congress nor from the courts, but from Executive orders of the President requiring undefined "affirmative action" by all Federal contractors.

These orders are not congressional enactments—they are the mandates of the Chief Executive alone, requiring only his signature for creation, implementation, modification, or termination.

The article, "The Roots of Reverse Discrimination," offers a way out of this illogical and inherently discriminatory trap the executive branch has unwittingly set for the people. The President should modify this Executive order to specifically prohibit the imposition of racially motivated quotas.

I find this suggestion to be sound.

I would urge the President to take such action.

I ask unanimous consent that the article from the Richmond Times-Dispatch be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ROOTS OF REVERSE DISCRIMINATION

(By Patrick J. Buchanan)

WASHINGTON.—Twenty-one years after *Brown vs. the Board of Education*, the U.S. government has become the paramount practitioner of racism in America.

That seems a harsh thing to say. But is it not so?

Who else requires the assignment of children to public schools on the basis of race? Who else imposes quotas for hiring, based on sex and national origin, upon college faculties? Who else commands federal contractors to engage in preferential treatment in the hiring and promotion of favored "minorities"?

The U.S. government—specifically, the Civil Rights Division at Justice and HEW, the "contract compliance" crowd at Labor, and the EEOC—does not see it that way. These civil rights zealots view themselves as angels of light opposing the forces of darkness, moral heavies energetically laboring to root out the vestiges of sexism and racism from American life.

They are viewed otherwise, however, by their victims. The Italian, Irish, Jewish, Polish, Greek, Slovak and WASP teachers, professors, government employes, police and workingmen who pay for this federal altruism in delayed promotions and lost jobs see these bureaucrats not as heroes but oppressors.

To many, what the government is doing today, in its conscious favoritism toward blacks, feminists, Indians and the Spanish-speaking is no more defensible than what the segregationists of another era used to do for just us white folks. The consequences of ancient injustices are not swept away by pursuing new ones.

The embarrassing truth is that reverse discrimination has taken root in federal policy while two Republican presidents were sitting in the Oval Office.

How did it happen?

First, of course, was the congenital incapacity of the guilt-ridden bureaucrat to say "no" to any demand no matter how outrageous, made by a group officially designated as "victim" by the national consensus. Second, there was the fear that beats in every moderate Republican breast of being charged with "insensitivity" on the race issue.

So it was that Nixon's White House, after all its stirring anti-quota rhetoric at the convention in 1972, rolled over and played dead while HEW imposed quotas on half the colleges in the country.

Where does the bureaucracy find the authority for what it is doing? Through a perversion of the purposes, spirit and language of the Civil Rights Act of 1964 and President Johnson's Executive Order No. 11246 to implement it.

Specifically, the Civil Rights Act makes "unlawful" the refusal to hire or the firing of any individual because of "race, color, religion, sex or national origin." Executive Order No. 11246 calls on employers to "take affirmative action" to ensure that "applicants are employed and employes are treated . . . without regard to their race, color, religion, sex or national origin."

What the bureaucrats have done, in effect, is to drop the phrase "without regard to," pick up the "affirmative action" part and use it to justify new forms of discrimination to replace the old.

Unlike forced busing, however, the elimination of which requires congressional action, reverse discrimination can be halted by the President himself. All he need do is draft a new executive order, replacing or amending LBJ's, to wit:

(1) U.S. policy is to oppose discrimination, whether against or in favor of any individual, solely on the basis of sex, color, etc.

(2) Impositions of race or sex quotas under the guise of "numerical goals" and "timetables" is henceforth prohibited.

(3) Unions, universities, businesses and independent contractors shall—like any citizen—be deemed innocent of discrimination unless and until there is verifiable proof otherwise. The presence or absence of any specified number of a minority in the labor force shall not, of itself, constitute such proof.

(4) "Affirmative action" means swift termination of all discriminatory practices against all minorities—not the institution of preferential treatment on behalf of some.

Having done that, Mr. Ford can save some of that $28 billion he has been worrying about by putting the reverse discrimination enthusiasts out on the street by New Year's.

THE FUEL CELL AMENDMENT

Mr. ABOUREZK. Mr. President, I support the amendment to increase the appropriation for research and development of the fuel cell to $10 million, the amount authorized by the Senate. I was the first witness at the hearings reviewing ERDA authorizations. In my statement to the committee I called special attention to the development of the fuel cell and expressed my support for a $400 million, 8-year program to develop this technology.

The fuel cell, I am convinced, holds great promise—not only for the urban areas of the Nation which have special problems of providing corridors for extra-high voltage transmission systems—but for small rural systems and municipally owned electric systems, as well.

Fuel cells can be placed near the load centers where the power is used. Their appearance is similar to a modern electrical substation. They are nonpolluting.

Fuel cells hold great promise for small consumer-owned systems as a complementary supply for peaking or for base load power. Ultimately, with further development of solar generating plants, hydrogen produced by such plants could be used as fuel for the fuel cells, in effect providing a storage system for energy produced by solar electric plants.

Witnesses at these hearings testified that power from fuel cells could be developed on a competitive basis in 8 years, if we provide the $400 million funds to do so. They may, therefore, become the first commercially competitive nonpolluting power generation facility available to the industry.

For these reasons, I enthusiastically support this amendment.

WATER POLLUTION AND THE FAMILY FARM

Mr. NELSON. Mr. President, 3 years ago the Congress enacted the Federal Water Pollution Control Act Amendments of 1972—Public Law 92–500. The objective of this legislation is to restore and maintain the chemical, physical, and biological integrity of the Nation's waters.

Section 402 of the law established the National Pollutant Discharge Elimination System—NPDES—permit program. Simply put, the act requires that each point source of pollution, identified by the Environmental Protection Agency—EPA—or the State pollution abatement agency, be issued a NPDES permit and install the pollution abatement technology. Issuance of the NPDES permit is conditional upon the willingness of the polluter to comply with abatement guidelines, effluent limitations, that are required by section 301 of the law.

In December 1972, the EPA began to implement a NPDES program. Since part of the statutory definition for point source contains the phrase "concentrated animal feeding operation," the Agency turned its attention to agricultural sources of pollution—animal feedlots. Various NPDES and effluent guideline programs were considered throughout 1973, with final regulations being promulgated in the Federal Register on February 14, 1974.

Through the administrative process, EPA adopted, to a greater or lesser degree, a basic approach that defined virtually every animal feeding operation as an agricultural point source of pollution. EPA then proceeded to adopt regulations to exempt certain point sources from compliance with the NPDES and effluent limitations programs. The Agency claims that the Administrator has the discretion to promulgate this program.

In my judgment, this concept does not follow the clear congressional intent of the legislation and is illegal. First, it ought to be well understood, by farmers and environmentalists, that Congress in considering and enacting this legislation over a Presidential veto, did not intend that each and every one of the Nation's 1.5 million animal feeding operations be covered by the law. However, Congress did intend that large feedlots, where great numbers of animals are concentrated, be considered a point source of pollution. In addition, Congress did intend that small operations that contributed significant amounts of pollution to a receiving waterway be considered a point source under the statute.

Second, the act does not give the Administrator of the EPA the power to declare everyone a point source and then exempt some point sources from compliance. The law on this question is quite specific. Each point source of pollution must have a NPDES permit and must comply with promulgated effluent guidelines. Large or small point sources cannot be exempted by administrative action.

In debating Public Law 92–500 in 1972, the Congress foresaw this problem and gave the EPA guidance on how to approach it. The Congress gave the EPA limited discretion to decide who was a point source of pollution and who was not. Specifically, Congress gave the EPA the discretion to define, by regulation, the term "concentrated animal feeding operation."

During Senate consideration of Public Law 92–500, Senator MUSKIE, chairman of the Environmental Pollution Subcommittee of the Senate Public Works Committee, specifically discussed this problem with Senator DOLE. The Muskie-Dole colloquy is the only legislative history we have on this point. The colloquy set forth criteria that, in my view, should be followed by the EPA in drafting regulations that determines what is a point source, what is a "concentrated animal feeding operation," and what is a nonpoint source. The criteria for agricultural point sources states:

> If a man-made drainage ditch, flushing system or other such device is involved and if any measurable waste results and is discharged into water, it is considered a "point source." Natural run-off from confined livestock and poultry operations are not considered a "point source" unless the following concentrations of animals are exceeded: 1,000 beef cattle, 700 dairy cows, 290,000 broiler chickens, 180,000 laying hens, 55,000 turkeys, 4,500 slaughter hogs, 35,000 feeder pigs, 12,000 sheep or lambs, 145,000 ducks. Any feedlot operations which result in the direct discharge of waste into a stream that transverses the feedlot are considered point sources without regard to number of animals involved.

On October 9, 1973, I wrote to Administrator Train and urged him to abandon the Agency's all encompassing approach and to replace it with a program modeled after the legislative history. EPA refused.

Meanwhile, the Natural Resources Defense Council—NRDC—had filed suit against the EPA in Federal District Court in Washington alleging that the Agency did not have the discretion to exempt certain classes and categories of point sources from compliance with the law. On June 10, 1975, Federal District Court Judge Flannery ruled in NRDC's favor and ordered the EPA to develop new regulations for the "concentrated animal feeding operation" category of point sources by November 10, 1975.

Judge Flannery, in his Memorandum of Opinion, supported my position. He stated:

> The very nature of the term (concentrated animal feeding operation) requires that agency discretion be exercised to determine what is encompassed within its scope.

Judge Flannery continued:

It appears that the Congress intended for the agency to determine, at least in the agricultural and silvicultural areas, which activities constitute point and nonpoint.

To clarify the current situation, the Senate Select Committee on Small Business, the Senate Agriculture Committee, and the Senate Committee on Public Works, held 2 days of hearings on October 21 and 22, 1975. In prepared testimony the EPA asked for legislation to give them the authority Judge Flannery ruled they did not administratively have. EPA also presented a number of options to implement the court order if the requested legislation was not forthcoming. Representatives of the U.S. Department of Agriculture, national farmers organizations, University of Wisconsin Agricultural Engineer and Dairy Science, Wisconsin and Minnesota water pollution enforcement agencies, and environmental groups, presented their views. Everyone agreed that the congressional approach of defining what is a "concentrated animal feeding operation" deserved further consideration.

Pursuant to Judge Flannery's court order of June 10, 1975, the EPA has promulgated new regulations in today's issue of the Federal Register. It seems to me that these new regulations represent an equitable solution for this most serious and complicated problem. The regulations are modeled after the Muskie-Dole colloquy. In fact, given the testimony at the October 21 and 22, 1975, hearings, the numerical cutoff of animal units are too high. While it is true these numbers appeared in the original colloquy, the Congress, nonetheless, was only giving direction. The actual numerical cutoff could, in my opinion, be adjusted to reduce pollution while not creating administrative burdens. For example, the numerical cutoff of 700 dairy animal units could be lowered to approximately 200 animal units equivalents

Under the regulations that were promulgated today, each and every small farmer will not be covered by the 1972 law. However, the major sources of feedlot pollution will be covered. In addition, States like Wisconsin that have taken over the NPDES program from the Federal Government, will continue to have the option of moving against smaller farm operations where, in the judgment of the enforcing department, the farm contributes a significant amount of pollution to a given waterway. Furthermore, other sections of Public Law 92–500 require watershed management planning which will provide further pollution abatement from smaller operations.

In summation, these new regulations will not create an administrative burden. They will not unfairly burden small family farmers. And they will move this country farther toward attainment of the goal of the 1972 legislation, the protection and enhancement of this Nation's water resources.

WILTON, MAINE'S, SOLAR PROJECT

Mr. HATHAWAY. Mr. President, I bring to the attention of our colleagues an article from the Central Maine Morning Sentinel of November 15, 1975. The town of Wilton, Maine, has embarked upon a solar wastewater treatment project, and the design for the plant has won a national energy conservation award. I commend all those involved for their innovative work on this project.

This project points out, I think, the significant role which solar energy can assume in meeting our energy requirements in all climatic areas of the country, and the importance of placing priority on its full development and utilization. The aggressive research in the whole field of solar energy which the Paley Commission recommended in 1952—prophesying that such an effort was necessary "in order to avoid the risk of seriously increased unit costs in energy"—has regrettably just begun. I look forward to the day, however, when the optimistic predictions of the Paley Report as to the potential of solar energy are realized, and am pleased that projects in Maine will be among those leading the way.

At this time, I ask unanimous consent that the article from the Morning Sentinel be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Wilton's Solar Project Receives National Design Award

Wilton.—The design for a solar wastewater treatment plant in Wilton won a national award, it was learned Friday.

The design, submitted by Wright, Pierce, Barnes & Wyman, engineers of Topsham, took first prize, industrial division, in the 1975 Energy Conservation Awards sponsored by Owens-Corning Fiberglas Corp.

The awards program was instituted in 1972 and is designed to encourage a national awareness of the urgent need to conserve the country's energy resources. Each year's awards recognize architects, engineers, and owners of buildings which have been designed or equipped to conserve energy.

Solar consultant and architect on the project was Douglas A. Wilke of Glen Head, N.Y. The treatment plant is a "totally integrated" solution to an architectural, engineering and process problem. Solar collectors totaling 2,680 square feet will provide the majority of energy needed for the plant's process machinery; methane gas produced by the plant's waste disposal process and an electric generator will supplement power on cloudy days.

"Sensitive siting and orientation will provide optimum solar collection, protection from severe winter elements and ideal melding of structure with topography," the judges noted.

The wastewater collection and treatment project encompasses 12 miles of gravity sewer 3.5 miles of force main, 16 grinder pump stations, seven pumping stations, and a 450,000 gallon per day wastewater treatment plant. Approximately 800 households and businesses will be connected to the collection system in addition to the Forster Mfg. Co.'s woodturning mill and the G. H. Bass shoe factory. The new collection system will stretch the length of Wilson Lake, and connect the village of East Wilton.

The architects stressed the special features of the project, which take into account the particular requirements of the Wilton community. Because the town is small, the treatment plant had to be designed for ease of operation and maintenance, not requiring round-the-clock supervision.

Also, special provisions had to be made for special effluent discharge for extremely low stream flow conditions, because the stream into which the treated effluent will be directed is small and vulnerable to drought conditions. The treatment plant also had to be designed to be as self-sufficient as possible, because the town is at "the end of the line" for receiving critical supplies such as chlorine and fuel oil.

David Fuller is project manager for the Wilton plant. Assisting him are Stephen Brooks and Robert Crockett of the Topsham firm.

The $5.9 million project is expected to take about 60 weeks for completion, according to Wilton Town Manager John Donald Jr. Funds for the plant were provided by the U.S. Environmental Protection Agency, from the state Department of Environmental Protection, and from the Farmers Home Administration.

SOVIET LAWS

Mr. HUGH SCOTT. Mr. President, in the spirit of détente, and to better understand Soviet laws, I ask unanimous consent that a fine article in the Pittsburgh Legal Journal, written by Donald E. Rohall, entitled "Some Comments on the Soviet Law of Wills, Inheritance, and Probate," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Some Comments on the Soviet Law of Wills, Inheritance and Probate[1]

(By Donald E. Rohall[2])

GENERAL COMMENTS ON THE SOVIET LEGAL SYSTEM

In order to better understand the Soviet law of Wills, Inheritance and Probate, it is necessary to place this field of law into its proper context. In the war of ideologies we have experienced during the last quarter-century, it is difficult to conceive that a Soviet legal system does, in fact, exist. From what your author could detect during a recent visit to the USSR, as well as from professional meetings with Soviet Judges and Lawyers, they have a viable system that seems to work; for them, exceedingly well.

The Soviet Union is a union of fifteen republics, generally comparable to our fifty states. Each republic has its 'Soviet' or legislative body which, however, is subservient to the 'Supreme Soviet'; akin to our doctrine of federal supremacy. Within that legislative framework, the present Soviet legal system is based upon the Roman Civil Code, a legal system widely used throughout much of the world, with, however, Marxist-Leninist concepts and ideologies superimposed upon it. It is a system based upon so-called 'positive-law', rather than 'case law'—a system quite different from our Common Law heritage, even though certain selected appellate cases are reported. Although such reported cases do not constitute *stare decisis* as we know it, it appears that the cases tend to be followed in practice by the lower Courts, along with the higher Courts' explanations and instructions to the lower Courts as to the application of the law in question.

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[1] The author wishes to express his gratitude and appreciation to Raphael Sotak, Instructor in Languages at Shadyside Academy, Pittsburgh, Pa., for English translations of certain materials in the Russian language and to Edmund C. Jann, Chief; and Tadeusz Sadowski, Senior Legal Specialist; respectively, of the European Law Division, Law Library of Congress, Washington, D.C., for their help in preparing a selected Bibliography and making available materials on the subject matter. The author however, accepts full responsibility for any errors and inaccuracies.

[2] Attended Carnegie Institute of Technology and The University of Pittsburgh, graduating in 1956, and attended The University of Pittsburgh School of Law and George Washington University Law School, earning a J.D. degree, 1960. Member Pennsylvania and District of Columbia Bars; presently in private practice.

As in many other European countries and American code-law states, Soviet law is divided into 'Codes'; such as the Civil Code, Criminal Code, Family Code and so on. Within the Civil Code are subdivisions, such as on property law and inheritance law. Each 'Code' is composed of 'Articles', with each 'Article' containing, in general, the exposition of one rule of law. As is natural with any system of classification governing complicated facets of human endeavor, there appears to be overlappings and duplications; similar to our system, where one fact situation may give rise to a criminal and/or civil act, or call for a legal and/or equitable remedy.

Probably the most important aspect of Soviet law is the basic assumption that such laws exist primarily to serve the State; and secondarily, the people. No Soviet law, from its 1917 birth to date, exists, at least *dejure*, that does not knowingly promote Marxist-Leninist doctrines and the eventual evolvement of the USSR into a completely classless communistic society.

HISTORY OF THE SOVIET LAW OF WILLS, INHERITANCE AND PROBATE

As far back as 1848, a basic tenet of scientific communism was the total abolition of all rights of inheritance. This was based upon the socialist theory that inheritance only perpetuated the wealth of the so-called exploiters of the masses. The Communists reasoned that there would be no place in the socialist scheme of things for the doctrine of inheritance as there would be no unearned income; such as rents, interest, dividends, or profits from a privately-owned business. Furthermore, there would be no need for such a doctrine; for in a true communistic society, all the able-bodied would work and have their living amply secured, and all the disabled would be taken care of by the State through social insurance and social programs.

Actually, within four months of the formal establishment of the Soviet government, all rights of succession were officially abolished; subject only to the rights of the decedent's next-of-kin to "use" his property until the issuance of a Decree concerning the subject was promulgated. In practice, rights of succession seemed to follow that of pre-existing Czarist practice. As time passed, the doctrine of inheritance became more and more acceptable. Finally, in the 1936 Constitution (Fundamental Law) of the USSR, Article 10 provided as follows:

"The law shall protect the right of citizens to have personal property in the form of earned income and savings, a house and a house-and-garden plot, articles of household and personal use and convenience, and also the right of citizens to inherit personal property."

The apparent Soviet reasoning for allowing the right of inheritance to exist was that, since private capital was effectively barred from any productive investment, and private ownership of property was extremely limited, and then only to articles of consumption and small houses, the right to inherit lost its so-called undesirable capitalistic features. There is also some belief that, at least in the abstract and in the far distant future, all rights of inheritance and rights of succession are destined to disappear because all citizens will be able to obtain from the national economy a complete satisfaction of their earthly needs and will not need any of these remaining primitive vestiges of capitalism. Unlikely? Of course, but it is the theories of Marx and Lenin at its penultimate. The doctrine of inheritance may well be an anachronistic embarrassment to Communist purists but, as will be seen, its limitations are such that, despite the broad language of Article 10 of the Constitution, supra, the Soviet Civil Code greatly modifies or extremely limits its actual applicability.

PROPERTY SUBJECT TO OWNERSHIP AND SUCCESSION

There is no private ownership of land or interests in land in the USSR. All land belongs to the State. Article 6 of the Constitution, supra, provides:

"State property, that is property belonging to the whole people, shall comprise the land, its mineral wealth, waters, forests, the factories, mills, mines, railways, water and air transport, the banks, means of communication, large state-run agricultural enterprises (state farms, machine-and-tractor stations, etc.), municipal institutions and the bulk of urban housing."

Articles 7 and 8 of the Constitution, supra, go on to provide, however, that collective farms and cooperative organizations may have land ". . . allocated to them for their free use for an unlimited time; that is, forever."; somewhat of a perpetual Life Estate. As for individuals, Article 7 continues:

"In addition to its basic income from communal farming, every collective-farm household shall have a plot of land attached to the house for its own use, and as its personal property, a subsidiary husbandry—a house, livestock, poultry and minor agricultural implements—in conformity with the rules of the agricultural cartel."

What then, in fact, may the average individual Soviet citizen own and therefore pass on to his chosen heirs? He may own what, under Soviet law, is considered personal property; and which, under our Common Law, would be termed chattels. He may own a house, since a building is not regarded as realty, nor as a fixture to realty, but is considered personal property on the theory that, at least technically, such buildings are capable of being moved; a legal fiction worthy of the Common Law.

Ownership also includes, and apparently without limitation as to size, wages, savings from wages, deposits in State Banks (along with accumulated interest, pensions, scholarships, household articles such as furniture, clothing, appliances, automobiles, professional tools and equipment, copyrights and inventor's rights (patents).

Restrictions on ownership do appear in what we would term realty. A Soviet citizen may own a single family dwelling house (or, of an urban resident, a cooperative apartment), plus a holiday cottage. In any case, there are fixed maximums as to the size of such units. Cooperative apartments in modern high-rise buildings may be purchased and resold, and are also subject to the rights of inheritance and succession.

If such a home or apartment owner acquires a second home or apartment by inheritance (exclusive of his holiday cottage), one of the two must be disposed of within one year. Failure to do so may result in its forced sale and/or confiscation. Furthermore, such units must generally not be resold more often than once in each three years, as a means to discourage the buying and selling of such units as a speculative business. On the other hand, such units may be sublet under the restrictions of rent control for limited periods of time, but not for the overt purpose of providing the owner with unearned income.

In the USSR, private property cannot officially be used to make money. A private cab or shop, for example, is subject to confiscation; in theory, if not in practice, even though Article 9 of the Constitution provides:

"In addition to the socialist economic system, which is the predominant economic form in the USSR, the law shall permit small private undertakings of individual peasants and handicraftsmen, based on their own labour and precluding the exploitation of the labour of others."

Furthermore, a Soviet citizen has various legal remedies to protect his property. Article 10 of the Constitution, supra, guarantees him extensive rights to recover property taken from him by the government (similar to our law of eminent domain), as well as the right to prevent interference with such property. The Soviet system of government and its resulting bureaucracy seems to permeate every facet of its citizens' lives, on a daily basis, from birth through death. Actually, considering the relatively recent Soviet start into a mechanized society and the brutal devastation of the Second World War, it appears that the average Soviet citizen has a better life now than at any prior time in his country's history. This trend hopefully will continue, along with increased liberalization of many governmental policies those of us in the free World would find hard to accept.

Just as we have our "in-trust" and joint account non-probate situations, Article 561 of the Soviet Civil Code provides that citizens who have deposits of money in State labor savings banks, or in the State Bank of the USSR, have the right to give instructions to such bank regarding the payment of such deposits to another person in the event of his death; which deposits are not then part of nor subject to the restrictions applicable to the inheritance of other types of property. Apparently, the reason for this exclusion from the usual laws of inheritance was to encourage citizens to use the State savings banks.

INTESTACY IN THE USSR

Intestacy, called by the Soviets as inheritance by operation of law, occurs upon a citizen's death; to the extent that the intestacy is not modified by a Will. There are two classes of heirs. Heirs of the first class include children (including adopted children), spouse and parents (including adoptive parents), as well as a child of the deceased born after his death. Inheritance is equal among such class of persons on a per capita basis.

If there are no heirs of the first class, or if such heirs refuse their inheritance, the second class of heirs consists of brothers, sisters and grandparents of the deceased, both maternal and paternal, again on a per capita basis. In addition, persons incapable of working, who were dependent on the deceased for not less than one year prior to his death, can be included as a member of either class and will also take per capita with the other members of that specific class; even though such person was not related to the decedent. Grandchildren and Great-grandchildren take their parents' respective share per stirpes. Legal adoption cuts off the rights of inheritance from the natural parents or by the natural parents.

Overriding this basic scheme of inheritance is Article 533 of the Code which provides that ordinary household furnishings and utensils shall pass to heirs who have lived with the decedent for not less than one year prior to his death, regardless of their class or their statutory share of the inheritance. Rights to inherit can also be lost by judicially decreed deprivation of parental rights, failure to support and by what we would term a slayers-act law. Lacking any persons in either of the two classes of heirs, property escheats to the State.

In many Soviet households, particularly non-urban households, parents, grandparents and children live within the same dwelling or apartment. It makes some social sense then for the government to give equal protection to all those different classes of persons, so as to enable them to continue the family unit relatively unaffected by the death of any one member. It is also interesting to note that the USSR, as well as many other countries of the World, accepts the concept of "Forced Heirship", a system by which those dependent upon the decedent, even though unrelated, may inherit, And, as will be seen, even where the decedent died testate, his right to disinherit persons dependent upon him is extremely limited.

TESTACY IN THE U.S.S.R.

Prior to 1961, a testator could only bequeath property to those persons who would have been his intestate heirs. Such a testator, however, could vary the proportions among such intestate heirs and treat them dissimilarly. Since 1962 though, a Soviet citizen can bequeath all his property to anyone he chooses, subject only to the "Forced Heirship" clause. Article 535 of the Code provides that minor children (those under 18), those incapable of working among the testator's spouse, parents and dependents (including non-relatives dependent upon the decedent), must be left no less than two-thirds of the share each of them would have received under intestacy.

Although the concept of Life Estates, per se, does not exist in the USSR, Article 538 of the Code provides that a testator may charge a testate heir with the performance of an obligation for the benefit of one or more other persons; which other persons thereby acquire the right to demand such performance; including the right to use the decedent's house, or a designated part thereof, for life; even despite future transfers of the house to others.

The technical requirements necessary to constitute a valid will are extremely few. Any citizen over the age of majority; that is, 18, may execute a Will. The Will must be in writing (handwriting or typed), signed by the testator (except in certain limited cases) and authenticated and certified by a State Notary. As will be seen, the role of the State Notary is far different from our concept of a Notary Public. The Code also provides for certain substitutes for notarized Wills for servicemen, seamen, invalids, and also defines the cases in which another may sign for the testator. Wills can be revoked, amended or modified at any time; but again, only by the State Notary.

STATE NOTARIES IN THE USSR AND THE "PROBATE" OF ESTATES

State Notaries in the USSR are legally educated or legally trained officials, appointed by the Soviet Supreme Court. Their task is to verify the legality of certain types of legal documents (wills, contracts, etc.), distribute property being transferred under testacy or intestacy by issuing Certificates of Heirship, issue other Certificates for various purposes and to perform a large variety of other acts having legal consequences. They are quasi-judicial officers and their decisions may be appealed to the Courts.

As of January 1, 1974, a Federal Law on the State Notaryship took effect which created a uniformity throughout the union republics. Article 3 of the Statute sets forth the extremely broad scope of these officers' duties and their resulting powers; which range from certifying transactions and acting as escrow agents to accepting citizens' petitions and the protesting of promissory notes. The Notaryship law covers many pages of specific duties and detailed responsibilities. In many smaller towns and villages, the State Notary is deemed to be the single most important individual affecting the legal lives of the average citizen.

Within our context, the State Notary registers the execution of a testator's Will and may keep the original of it. Article 27 of the Statute provides that information concerning Wills shall be given out by notarial agencies only after the death of the testator. State Notaries also have the power to protect inherited property, pending administration, and may also issue Certificates of Inheritance to the proper heirs so that formal transfer of ownership may be undertaken.

Although a testator may appoint an executor in his Will, the executor's consent must appear in the Will or by a separate declaration attached to the Will and personally signed by the executor. The executor receives no remuneration for his duties but does have the right to reimbursement for expenditures made by him in protecting and managing the inherited property. The executor can also be required to furnish the heirs with an accounting of his performance.

In practice, however, it appears that the administration of the ordinary decedent's estate passes to his testate or intestate heirs. They are charged with paying the debts of the decedent, but only to the extent of their actual inheritance. Creditors have six months from the day an inheritance is opened; akin to our grant of Letters of Administration or Letters Testamentary; to present their claims to the heirs who have accepted the decedent's property, to the executor, or to the notarial office where the inheritance was opened. Such creditors may also bring suit in the local People's Court against the inherited property. All such awards or decisions are appealable to the appellate Courts.

After six months from the day the inheritance was opened, the heirs may apply for their Certificates of Inheritance; and should they not be able to reach agreement among themselves, a judicial-type hearing may be held. While there is no inheritance tax, per se, in the USSR, the notarial offices charge fees for their services as established under an official scale. For example, the fee scale for the issuance of Certificates of Inheritance ranges from a low of one Ruble (about $1.40), up to a maximum of 10% of the value of the inherited property. However, in many cases, heirs may not actually need such Certificates of Inheritance and, consequently, there would be no such "fee" involved.

CONCLUSION

It is hoped that these Comments on the Soviet Law of Wills, Inheritance and Probate are considered more than a pedantic exercise in comparative legal research. Language barriers and translation difficulties are always significant problems in comparative analysis and much reliance, therefore, must be made on secondary source materials. Therefore, no attempt has been made to produce a law review-type analysis of the subject matter. No bias, pro or con, regarding the Soviet legal system is intended, and any such viewpoints are unintentional.

Despite the inherent danger of generalization, the value in analyzing any comparative legal system is two-fold. First; it lies in the use we make of such analysis in evaluating our own system; its weaknesses and strong points. For example, would it be socially desirable for us to have a system of "Forced Heirship" for the protection of certain dependents of a decedent? Would a Soviet-type State Notary System be of any value? All of these questions must be evaluated in terms of the greatest potential public benefit. The legal profession in the USSR is so drastically different and minimal in size as compared to ours, that these facts alone seem to justify the application of radically different systems.

Second, and more philosophically, such comparative studies illustrated that, even among diverse peoples, with different languages, laws, history and customs, there is a certain universality of basic concepts that are necessary to the fulfillment and in the growth of any civilized and organized society. The Soviet law of Wills, Inheritance and Probate reveals a human nature consistent with that of other peoples throughout the World. These basics of human nature are the ties that tend to bring all men together.

AN INDEPENDENT, NONPOLITICAL SOCIAL SECURITY ADMINISTRATION

Mr. CHURCH. Mr. President, social security is without question one of the more important institutions in our society today.

In one form or another, it affects almost every American family.

Therefore, it is essential that social security be free from any partisan influence.

In January, I introduced legislation—the Social Security Administration Act, S. 388—to help insulate the social security system from political pressures.

Two key provisions in my bill are designed to implement this objective.

First, S. 388 would reestablish the Social Security Administration as an independent nonpolitical agency outside the Department of Health, Education, and Welfare. This new autonomous unit would be under the direction of a three-member governing board, appointed by the President with the advice and consent of the Senate.

Second, S. 388 would prohibit the mailing of political notices with social security checks.

In adition, my bill would separate the transaction of the social security trust funds from the unified budget.

S. 388, I am pleased to say, has generated strong support. Leading organizations in the field of aging—including the National Association of Retired Federal Employees, the National Council of Senior Citizens, and the National Retired Teachers Association-American Association of Retired Persons—have urged that this legislation be enacted.

In addition, S. 388 has solid bipartisan support in the Congress.

To date, 48 Members of the Senate have sponsored this bill, including the distinguished majority leader (Mr. MANSFIELD) and minority leader (Mr. HUGH SCOTT).

The November edition of Senior Citizens News, which is published by the National Council of Senior Citizens, includes an excellent article about my independent Social Security Administration bill. It also provides compelling reasons for prompt enactment of this legislation.

Mr. President, I commend this article—entitled "Senior Action Needed on Social Security Bill"—to my colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENIOR ACTION NEEDED ON SOCIAL SECURITY BILL

Senior citizens should be alert to the fact that there will be another assault on the benefit increases due social security recipients as a result of increases in the cost of living. Anyone collecting social security will remember bitterly the attempt by President Ford early in 1975 to force Congress to place an artificial five per cent "lid" on the benefit increases due this past July.

The President told Congress at the time

that this had to be done in order to help cut the Federal budget by several billion dollars. Fortunately, Congress resisted the Presidential siren song of reduced Federal spending at the expense of the poor and the old.

But there is every indication that President Ford will try again with the next session of Congress to place an artificial lid on benefit increases earned as a result of the escalator clause in social security next year. Again the chief executive will argue that it is necessary to cut back on benefit increases pledged by Congress.

But this time there will be an added inducement for Congress to listen.

For several weeks there has been in existence a secret list of cuts that President Ford wants to make in his next Federal budget. The best estimate of the amount that the President wants to cut all together is $27.7 billion. So far the public has not seen the list of precisely how much the White House wants cut from each segment of the Federal budget.

But, considering his track record, there is every reason to believe that the President will attempt to get Congress to hold back some or possibly even all of the social security benefit increases needed to help keep payments even close to increases in the cost of living.

A PHONY ARGUMENT

The trick this next time is that Mr. Ford has already told Congress that if they will cut his budget down then he will go along with a major income tax cut. Of course there is nothing a politician—be he President or Congressman—would like better than handing his working constituents a tax cut on an election year. Next year, of course, is an election year. Therefore the temptation to hold back social security catch-up benefit increases will be stronger for some lawmakers.

The real shame is, though, there really shouldn't be any connection between reductions in the Federal budget and social security benefits.

The National Council has testified many times—and this paper has carried many stories—carefully reminding Congress that there is really no connection between the monies raised to run the Federal government and those mandatory contributions which are collected to run the social security and Medicare/Medicaid systems. The monies in those trust funds are protected from the hands of any President or Director of the Office of Management and Budget. The money simply can't be used for any purpose but to operate these programs.

Yet, some six years ago some clever bookkeepers in government figured out that if only they could—at least on paper—count the monies in the Social Security Trust Funds against expenditures for the rest of the Federal budget it would reduce the bduget and make it appear as if the budget were closer to being in balance. It's all a bookkeeper's trick but it was accepted as part of what is now known as the United Federal Budget. Unfortunately, even though such a device doesn't really help the Federal budget in the real world, ever since 1969 there have been various pressures from two Presidents and various budget officials to either block emergency benefit increases—or, as happened last year, reduce benefit increases pledged in law and based upon a formula relating to increases in the cost of living.

So, once again, seniors can expect trouble next year in obtaining the benefit increases pledged to them—all in the name of balancing the budget.

IT DOES NOT HAVE TO HAPPEN

Of course, this could all be changed. All that is needed is to remove the trust funds of social security from the Unified Federal Budget.

In fact, Senator Frank Church (D., Idaho), Chairman of the Senate Special Committee on Aging has been proposing just this for the past two years. As part of the bill he has been pushing for the past two years, called the Independent Social Security Agency bill, Church calls for just this, a removal of these trust funds, and the resultant temptation to play economic football with them, from the rest of the Federal budget.

The Senator's bill would do other important things to improve social security such as create an independent agency to administer it—thus keeping the hands of politicians away from social security. The Church bill would also prohibit the mailing of partisan political literature with social security checks.

CHECK YOUR SENATORS

There are 45 cosponsors to the Church bill now.* There is little time left before this session of the 94th Congress ends. But, if it were possible to get at least 51—or more than half the Senate—as cosponsors to the Independent Social Security Agency bill there would be a chance of passage this year.

At the worst, even if the bill did not pass this year, the presence of more than half the Senate as cosponsors to a bill to end the foolishness of trying to balance the Federal budget on the back of social security would be much harder for the President and his assistants to overcome.

SENATE COSPONSORS OF S. 388, THE INDEPENDENT SOCIAL SECURITY AGENCY BILL

There is little time remaining to enact the vital Independent Social Security Agency bill before the end of this session of Congress. If either or both of your Senators names do not appear on this list you are urged to contact them immediately, calling on them in the strongest possible terms to cosponsor S. 388. Enactment of this legislation is vital if seniors are to avoid another round of fear caused by yet a second attempt from the White House to withhold pledged increases in social security next year.

California: John Tunney (D).
Colorado: Floyd K. Haskell (D).
Connecticut: Abraham Ribicoff (D).
Delaware: Joseph Biden (D).
Florida: Richard Stone (D).
Idaho: Frank Church (D) (prime sponsor).
Illinois: Adlai E. Stevenson (D).
Indiana: Vance Hartke (D), Birch Bayh (D).
Iowa: Dick Clark (D).
Kentucky: Walter D. Huddleston (D).
Maryland: Charles McC. Mathias (R).
Massachusetts: Edward M. Kennedy (D), Edward Brooke (R).
Michigan: Phillip A. Hart (D).
Minnesota: Walter F. Mondale (D), Hubert H. Humphrey (D).
Mississippi: James O. Eastland (D).
Missouri: Stuart Symington (D), Thomas F. Eagleton (D).
Montana: Lee Metcalf (D).
Nevada: Howard W. Cannon (D).
New Hampshire: Thomas J. McIntyre (D), John Durkin (D).
New Jersey: Harrison A. Williams (D), Clifford P. Case (R).
New Mexico: Joseph M. Montoya (D), Peter V. Domenici (R).
New York: Jacob K. Javits (R).
North Dakota: Quentin N. Burdick (D).
Oregon: Mark Hatfield (R).
Pennsylvania: Hugh Scott (R), Richard S. Schweiker (R).
Rhode Island: John O. Pastore (D).
South Carolina: Ernest F. Hollings (D).
South Dakota: George McGovern (D), James Abourezk (D).
Tennessee: William E. Brock (R).
Utah: Frank E. Moss (D).
Vermont: Robert T. Stafford (R).
Washington: Henry Jackson (D), Warren G. Magnuson (D).
West Virginia: Jennings Randolph (D).
Wisconsin: Gaylord Nelson (D).
Wyoming: Gale McGee (D).

DR. DETLEV BRONK

Mr. PELL. Mr. President, earlier this week our Nation lost one of its most able and esteemed scientists and educational leaders when Dr. Detlev Bronk, the president emeritus of Rockefeller University, died in New York City.

Dr. Bronk was a brilliant biophysicist whose pioneering work in his chosen specialty continued throughout his lifetime. The contributions he made in this field would, for most persons, comprise a full and meaningful life.

But Dr. Bronk went far beyond his vocation as a scientist. He served 4 years as president of Johns Hopkins University and 15 years as president of Rockefeller University and in both roles made profound contributions to those two outstanding institutions. He served many years as a science adviser to three Presidents—Truman, Eisenhower, and Kennedy.

He devoted his tireless energies, too, to organizations which play a key role in guiding the science policies of our Nation. He headed the National Academy of Sciences for 12 years and was also president of the American Association for the Advancement of Science. He was a charter member of the National Science Board of the National Science Foundation. In fact, this year, Dr. Bronk published a history of the National Science Foundation.

Only a few weeks ago I was privileged to be with Dr. Bronk and to benefit from the quiet wisdom which he brought to all deliberations. He was, as I am, one of the American members of the Club of Rome, an international organization devoted to the exploration of the global problems which afflict our planet.

The American members of the Club of Rome conducted a meeting in Washington to explore the idea of establishing an American chapter of the club. Despite his still pressing schedule, Dr. Bronk was able to join us and his counsel was, as always, of great benefit to the meeting.

Mr. President, I extend my deepest sympathy to Dr. Bronk's widow, Helen; his three sons, and his four grandchildren.

THE RISE AND FALL OF CPA

Mr. ALLEN. Mr. President, the House of Representatives recently considered their bill to create another consumer protection agency. The operation was a success but the patient apparently died.

After gutting the bill to the point where it would be worthless, the House passed it by a vote of only 208 to 199.

It is finally clear that a consumer agency bill could not withstand a much deserved veto in that Chamber. I also am confident that the Senate would sustain the President's promised veto today.

In fact, I am sure that if that House vote had come 2 weeks later, the bill

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*Additional cosponsors of S. 388 (after the publication of the November 1975 edition of *Senior Citizens News*) include Senators Mansfield and Allen.

would have been defeated outright on the floor. That is how fast informed legislators are fleeing from this potential disaster.

THE 91ST CONGRESS

I remember well a cold December day in 1970 when the Senate first considered a bill to layer another Federal consumer agency on top of the teetering pile of existing agencies. As the supporters of that bill later admitted, it was very bad legislation.

They did not make that admission while the bill was being considered, however. Instead, they used a tactic which was to become their trademark throughout the tedious history of this bill. They argued that a vote against this bill was a vote against consumer protection, deliberately confusing a desired end with a disreputable means.

Our much beloved former colleague, the very distinguished Sam Ervin, saw through the big hoax, but the bill unexpectedly came on the floor out of order and the time was too short, for even that great man, to explain the dangers lurking in its complexities. The bill passed this body by a vote of 74 to 4. Of the four lonely dissenters who were immediately labeled anticonsumer by the bill's zealous supporters, I alone remain in the Senate. So it is I who must speak today to vindicate my departed colleagues.

Fortunately, the House Rules Committee saw many of the problems in their similar bill that year, and refused by a tie vote to allow it to come to the floor. Again the zealots vilified those who voted against letting an imperfect bill go to the floor for debate at the end of that very difficult 91st Congress. Again the zealots were proved wrong when cooler supporters later read the bill and admitted publicly that it, also, would have been bad legislation.

THE 92D CONGRESS

Another attempt was made to ram a defective consumer agency bill through the next Congress. One did pass in the House by a vote of 344 to 44 in 1971. Even Ralph Nader, himself, was later to admit publicly that this bill was a fraud. He, of course, conveniently forgot this factor in later years when citing this House vote as an example of the bill's popularity.

In that 92d Congress, Senator Ervin was given time to explain the complexities of the bill to his colleagues here. The virtues of full debate could not be better illustrated than by this example. Senator Ervin's unanswerable arguments ripped the bill apart.

A bill which passed this body by an astounding vote of 74 to 4 in the 91st Congress could not muster a two-thirds vote to cut off debate in 1972—even though three cloture votes were taken.

This time Senator Sam Ervin and others managed to save consumers from the zealots who hide their mysteries behind the banner of "consumer protection." Again, we opponents of the bill were vilified personally, the strongest weapon in the consumer mercenary's arsenal.

THE 93D CONGRESS

Last year, the House once again moved first. Their consumer agency bill passed by a vote of 293 to 94. The value of debate could be seen even in that body. The number of opponents had more than doubled from the previous Congress, in the face of mounting hysteria among the zealous paraconsumers who had by now obviously forgotten or ignored the purpose of the bill merely for the sake of getting a bill.

I repeat, these zealots now had only one purpose: Pass the bill—any bill—at any cost. Failure to support this very imperfect bill was, in their twisted thinking, failure to support the concept of consumer protection.

Extreme pressure was brought to bear in the Senate, amplified by the most blatant use of misinformation to support a bill that I have ever seen. If ever there were a bill which deserved full and close scrutiny in debate, it was this bill. It took page upon page of detailed analysis to counter the simplistic simperings of supporters of this bill, many of whom talked out of both sides of their mouths. I wish that a legislative historian would someday review the entirety of the debates on this concept to fully expose the big hoax approach that was—and still is being—taken to get it enacted.

Senator Ervin again led us with magnificent perseverance and attention to important detail. Again a two-thirds majority could not be reached on a concept which once passed by a vote of 74 to 4 when there was no realistic opportunity for full debate. Again, we who sincerely felt we were acting in the interests of consumers, were vilified personally by the self-anointed high priests of consumerism in big Government who forced no less than four cloture votes in a vain attempt to gag needed debate.

THE 94TH CONGRESS

A revised consumer agency bill, S. 200, was brought to the floor in the Senate in May. A revised rule XXII limited the chances of full debate.

Instead, we experienced a frenzy of special interest slashings at the bill. This was started by the adamant demands of organized labor that NLRB's major functions be entirely outside the domain of the consumer agency—even though the explicit original intent was to include these functions because of their great effect on consumer interests.

The consumer zealots not only paid this price, they allowed themselves to be used in promoting this special interest exemption by issuing some of the most misleading and inaccurate big labor material I have ever seen. They also paid the price of exempting just about everyone else who asked—consumer protection was no longer the goal; salvaging any piece of legislation to protect their reputations was the goal.

A joke of a bill passed the Senate in May, but this time we did not hear Ralph Nader call a fraud a fraud. The vote was 61 to 28—the Senate opponents had grown 700 percent since they had first voted on this concept. In addition, we were informed that a veto was likely if this worthless, inflationary bill ever got to the President's desk.

In the House debate on their bill, H.R. 7575, earlier this month, supporters implored their colleagues to bring in a vote well over the two-thirds necessary to override a veto. They wanted to show the President with their vote how important the bill was. They showed him, all right.

The Washington Post reported that up to the last minute the vote was so close that it was uncertain whether the bill would even survive temporarily in the House. As I mentioned earlier, it did survive, but just barely on a vote of 208 to 199. A switch of just five votes would have killed the poor thing.

I should note, Mr. President, that before that vote, the House also did its own slashing of its bill, making it a mockery of what its supporters maintain is needed. Again, we no longer hear the zealots calling a fraud a fraud. Again we now see them avoiding the issues only vilifying personally those who disagree with them.

A PERSPECTIVE ON FAILURE

The tediously long history of this magnificent fraud shows the value of full debate on a complex and controversial proposal. As Congress looked further and further beyond the glorious titles on these consumer agency bills, it became more and more concerned.

This resulted, during the period already discussed, in a net loss of support in the Senate of 37 votes and an astounding net loss of 291 votes in the House.

The attrition of support has continued at a remarkable rate, as legislators poll real consumers in their constituencies as to whether they wish to see us create another Federal agency for consumers. The majority plead with us for less bureaucratic "protection"—they can no longer afford to be protected by Washington bureaucrats.

The consumer mercenaries who are paid to lobby for this concept are still attempting to make their own self-deception contagious.

They do indeed have a worthy purported goal—protection of consumers—but they continue to argue that this end equals their unworthy means. That is, anyone who does not agree with them that adding another consumer agency to the Federal bureacracy equals consumer protection, must also not agree with them that consumers need protection. If consumers need anything, they need protection from this type of "representation."

If the more ardent salespeople of this consumer agency were in charge of the Ford Motor Co., they would still be producing Edsels, and going down to bankruptcy with a vile curse on their lips for anyone who dared to suggest that, just maybe, they ought to stop promoting that vehicle and continue other efforts of more benefit to the public.

CIA VETERAN RESENTS POISONED ATMOSPHERE

Mr. PELL. Mr. President, I am concerned that in the course of Congress very proper and necessary scrutiny of the work and functioning of the Central Intelligence Agency, we have given too little thought to the very fine and essential work being done by the CIA. In an article published by the Washington Post on November 5, 1975, Mr. George A. Fill, a former CIA officer, drew attention to the problem and asked why no one in the executive branch has spoken out in defense of the Agency. He further stated that:

> If the congressional investigations and media coverage do not start telling the whole story pretty soon, the Agency will be ruined and the U.S. Government will lose its best eyes and ears overseas.

I, for one, would like to express my admiration for the splendid performance of the vast majority of the career officers of the Central Intelligence Agency. They constitute a dedicated corps of highly able professionals whose often dangerous and unglamorous work has not been fully appreciated. Unless the morale, and consequently the effectiveness, of these men and women is maintained, this country is in grave danger of sowing the seeds of a second-rate intelligence organization. We cannot afford that.

Mr. President, I ask unanimous consent that the Washington Post article of November 5 be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CIA VETERAN RESENTS POISONED ATMOSPHERE

(By George C. Wilson)

NORTH MYRTLE BEACH, S.C.—George A. Fill—though it has been three months since he quit the beleaguered Central Intelligence Agency in frustration—is still angry.

"Where are all these people we helped so much over the year?" he asked during a lengthy interview here. Nobody, he complained, is coming to the defense of the agency in this, its darkest hour.

"President Ford should be speaking out," Fill said. "Kissinger should. Laird should. Mitchell should. They all know what we have done for the country."

In the absence of support from officials such as President Ford, Secretary of State Henry A. Kissinger, former Secretary of Defense Melvin R. Laird and former Attorney General John N. Mitchell, Fill said only the CIA's critics are being heard.

"I feel persecuted," said the 54-year-old veteran of 22 years' service with the CIA. And the persecution is being felt all through the CIA, he contended, causing people to think about quitting the agency.

Also, Fill, said, he and other CIA officers who have quit are having trouble finding jobs because of the poisoned atmosphere.

If the congressional investigations and media coverage do not start telling the other side of the CIA story pretty soon, he warned, the agency will be ruined, and the U.S. government will lose its best eyes and ears overseas.

"Ten years from now," he said, "when some great calamity comes upon us, and it will, someone is going to ask why didn't the CIA know about this."

Fill's portrait of the CIA he knew is of an agency that does its vital job ploddingly, year after year. The James Bonds are the exception, not the rule, he said

"The CIA never assassinated a single soul," said Fill, a station chief in Latin America when he quit in July. "But you'd never know it from reading the papers or watching the TV.

"You've got to understand that there are three basic types of people in the CIA: the liberal intellectuals who come from places like Harvard, the World War II vintage professionals—ex-FBI agents and former military intelligence people—and the cowboys. (Fill puts himself in the second category.)

"Now the cowboys are the soldiers of fortune in the agency who would do anything if you didn't rein in on them. E. Howard Hunt was a cowboy.

"I can imagine these cowboys talking about assassinating some head of state. But talking about it and doing it are two different things. Doing it would require a project with no less than 15 to 20 approvals.

"The Bay of Pigs invasion was a project. It took up 40 volumes and required approval at the highest levels."

Fill said that the black picture of the CIA's intelligence work within the United States does not square with what he did as director of the CIA's Chicago office from 1965 to 1968.

"That's when the Iron Curtain went up—a lot of our professors went over there and a lot of Soviet students came here," he said.

As director of that CIA field office, Fill advised professors on what they were likely to run into in the Soviet Union. He warned them against buying such items as a pen or a watch on the street. The Soviets might consider that a violation, he said, and threaten the professor with jail unless he answered their questions.

Fill, who remains an unashamed Cold War warrior, said he did not plant questions with the professors because this would have been a dead giveaway to the Soviets that the professors' mission went beyond academic interests.

But CIA officers did interview American professors upon their return from Communist nations, often learning such seemingly routine intelligence as the transfer of a Soviet scientist to a new city, he said.

The CIA might know from other sources, however, that the city was a Soviet center for developing military Inter-Continental Ballistic Missiles, he said, adding that the scientist's transfer to the site might add an important piece to the puzzle—such as how far a certain Soviet missile had progressed.

Fill said he also talked with foreign students in Chicago—something he could not do in their native countries without risking police action. Again, the interviews were a way to dig out such nuggets as the personal health, habits and whereabouts of Soviet and other world leaders. The information added to what the CIA calls its 201 file—the equivalent of a newspaper morgue where biographical information about important persons is filed.

Fill said the CIA was hoping to use these interviews to identify Communists who wanted to defect to the United States. This systematic, unglamorous work in Chicago, Fill said, netted intelligence breakthroughs, but he declined to identify them.

That is the kind of intelligence gathering, Fill said, that the CIA concentrated on in Chicago and other cities. Not massive CIA spying on Americans.

DEVELOPING A REALISTIC FOOD AND AGRICULTURAL POLICY

Mr. HUMPHREY. Mr. President, recently I delivered an address to the National Milk Producers Federation in New Orleans, La.

In my comments, I indicated some of the problems which beset our farmers today, including not only the failure to receive a fair return for their labors but the belief on the part of many that their hard work goes unrecognized and unappreciated.

This situation is particularly serious in the case of our dairy farmers. Few other jobs in our society require an individual or his family to be tied down 7 days a week and 52 weeks of the year. And yet, most dairy farmers estimate that they have been losing from $1.50 to $2 per hundredweight of milk over most of the past 2 years.

I also indicated to the federation members that we should not be deceived by the rhetoric today concerning the need to remove "the shackles of government intervention and interference from the farmer." I suggested "these speeches do not represent the dawning of a new era in agricultural economics. They represent an attempt to turn back the clock."

I also pointed out the important role of the cooperative in assisting the farmer in marketing his own product. The agricultural cooperative in a sense has given the farmer a more complete operation from the standpoint of production to the marketing of his output.

There has been a great deal of misunderstanding as to the role of the cooperative and its impact on competition in food prices. I pointed out that only 28 percent of all farm output is marketed through cooperatives. In 1973, the combined sales of all cooperatives totaled $19 billion while General Motors alone had sales of over $28 billion.

I also pointed out the substantial losses which my Minnesota dairy farmers have experienced as a result of the administration's unfortunate dairy policies. Last August the average value of a cow had dropped in 2 years from a net worth of $590 to $355. It is understandable that many of our dairy farmers find it impossible to continue.

I recommended that we should establish a balanced food and agricultural policy which would aim at the following specific objectives:

First. Price and income protection for producers of food and fiber;

Second. Food supply stability for consumers and at reasonable prices;

Third. Adequate supplies of inputs and transportation for producers and at reasonable prices;

Fourth. Assuring the production of adequate supplies of dairy and livestock products for domestic and international needs;

Fifth. The establishment of a reserve program to: provide market stability during periods of shortage and surplus; maintain the reliability of the United States as an exporter; and continue the provision of food assistance to needy nations.

Mr. President, we all have seen some of the problems of recent years from rising food prices, embargoes, rising farm indebtedness and foreclosures, and volatile export markets, to the cost-price squeeze on farmers, particularly livestock and dairy producers.

It is clear that we can do a better job of developing policies which are relevant for today's world.

Mr. President, I ask unanimous consent that my remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR HUBERT H. HUMPHREY

Today we stand at the crossroads in American agriculture.

Our farmers often feel neglected, unappreciated and misunderstood. Many urban consumers do not understand agriculture and its modern complexities.

And we have an Administration which is trying to forget lessons learned and legislation developed over this century.

It's not a case of trying to teach an old dog new tricks. It is a case of trying to remind a confused Administration of some basic facts.

I sometimes feel that the Administration resembles a person who is going through an identity crisis and an energy crisis at the same time. It doesn't know who it is, and it is too tired to find out.

The National Milk Producers Federation has every reason to be proud of the role it has played in developing improved agricultural programs for all Americans. And I am delighted to be able to be with you tonight to celebrate your 59th annual meeting.

Time and again, Pat Healy and the Federation have been before Congressional Committees and the Department of Agriculture offering their counsel and advice.

And I have been proud on many occasions to join in supporting these efforts.

I have worked with dairy farmers and their cooperatives for many years. But I cannot recall a period when these were more difficult problems than during the past few years.

The list includes soaring production costs, expanded imports and depressed prices. And government policies have ignored the realities of the industry while attacks were launched on the basic institutions you have built to market your product.

To some, these issues may seem to be an academic exercise. But for the farm family that works 12 or 14 hours every day of the week, or for the struggling cooperative managers these are critical matters. These are problems which can mean the difference between producing the food we need and another statistic detailing declining farm output.

When I first came to the Senate, the farm debates were at least as heated as today. But during the intervening years we developed programs and policies to respond to the needs of the farmers and the consumers of this nation.

Tonight let us review some of these developments and look to the future.

Today we hear a lot of talk about the advantages of the free market. And we are told of the wisdom of removing the shackles of government intervention and interference from the farmer. These speeches do not represent the dawning of a new era in agricultural economics.

They represent an attempt to turn back the clock. Even if these policies were sound, I would expect this Administration to drop the key just as it has so often dropped the ball.

When I came to the Senate in 1949, these policies were urged on us. And the doomsayers have continued to predict disaster if we did not move in that direction.

Let us not kid ourselves. The programs we have fashioned over the years have not been perfect. We did not provide adequate rewards for our farmers, but let's look at the record.

The American farmer from the Minnesota dairyman to the Louisiana rice producer—stand before his nation and the entire world with a record of productivity that is unmatched.

The people of America today enjoy a diet unparalleled in the world for quality, variety and—most important—abundance at a cost of only about 17 percent of take-home income.

In the years right after World War II, America was looked to as the breadbasket of the world. And we have responded when there were typhoons or famine throughout the world.

Today, the United States plays a major role in helping to feed the world's 4 billion people. That's a record of which we should all be proud. And it has been achieved by providing agriculture with the stability needed to encourage the farmer to invest in new technology, and to plan his operation for five, ten or more years into the future.

It is a record that has been made possible by developing programs to assure the availability of credit in agriculture.

It is based on agricultural research efforts, market promotion and development, adequate transportation and inputs.

It is also based on a tremendous growth in the ability of the farmer to market his own product. Those of you gathered here know this story better than most, because you have helped to write that history.

The agricultural marketing cooperative of today has given the farmer the ability to compete in the market place. In a sense, the cooperative has given the farmer a more complete operation, from his production on the farm to the marketing that is done by his cooperative.

The average American has been able to improve his diet through a generally rising standard of living, by programs of consumer information and by improved food quality, quantity and safety.

The child nutrition programs have been greatly expanded and extended to reach additional millions with better school lunches, with school breakfasts, and additional milk. A special effort has been made to place these food programs within the reach of all children, regardless of family circumstances.

We also have launched a special supplemental feeding program for the nutritionally vulnerable. This Woman, Infants and Children (W.I.C.) program is designed to make certain that the most needy infants have the opportunity for normal mental development.

The food stamp program has made an adequate diet a reality for millions of people. And it also serves as a buffer during periods of severe unemployment.

All of these efforts to improve agriculture and our national nutrition levels came only because someone was there to argue the case. Someone recognized a need and saw the responsibility of having the government act in the public interest.

But, in spite of our progress, we face major problems in agriculture today. You folks know this better than I.

Over 5,000 former Minnesota dairymen who could have attended your 1973 convention will not be here tonight. They are no longer in the dairy business because they could not hold on in the face of double digit inflation and price deflation.

Last Spring, Congress passed a one year farm bill. It was not an ideal piece of legislation. We were forced to temper what we felt was needed against what might be acceptable to the White House. But even this modest bill brought forth a Presidential veto, although grain prices were well above the target prices in the bill.

In vetoing the bill, President Ford said that it would cost too much money. He acknowledged that farm costs were 11 percent higher than in 1974, and prices were down 7 percent.

And unfortunately the Department of Agriculture resorted to furnishing highly misleading and distorted information on the cost of the bill in order to defeat it.

The President praised the American farmer for responding to his call for all-out production. And he pledged his personal support to maintain the farmer's access to world markets.

During the fight on the veto override in the House of Representatives, Secretary Butz pledged to make a mid-year review of the dairy price supports.

What has happened since the failure to overide that veto?

Grain producers have seen prices for their crops sag—in the case of corn and soybeans to levels under those of mid-May.

As in 1974, the President ordered an embargo on further grain sales to the Soviet Union—so much for his promise on having access to world markets. But meanwhile production costs continued to rise.

Dairy farmers have perhaps fared somewhat better with prices recovering from their low level of a year ago. But this has come in the face of declining milk production, which in July was at the lowest point for that month in 20 years.

But even in the face of this improvement, dairymen are concerned that they are still not meeting their production costs. And they are concerned that prices will drop again.

A few weeks ago, the Senate adopted my resolution calling for the quarterly adjustment in the dairy price supports. This is one small item salvaged from the vetoed farm bill of last spring, but it can be an important element in helping to meet the ever-increasing production costs. The House appears ready to act on the measure shortly.

I was encouraged by Secretary Butz's announcement of early last month increasing the dairy price support level. With milk production down almost 5 billion pounds from 1972, I think that the word has finally gotten through to the Administration about what has been happening down on the farm.

The situation with the dairy price support program is a prime example of why we need a national food and agricultural policy.

This policy should be designed to meet the needs of consumers and producers. And it should relate domestic, export and humanitarian requirements.

When milk production fell in 1973, the Department of Agriculture did not encourage production by increasing price support levels. Rather, the Department increased imports which drove prices down and deepened the problem.

And I hardly need to remind you of the Flannigan report which envisioned increased dairy imports in return for European purchases of U.S. grain. I hope the Administration now realizes the folly of that proposal.

Everyone is well aware of the financial crisis of our cities. But how many people are aware of the loss Minnesota dairy farmers suffered just on the value of their herds. In August, 1973, the average dairy cow in the state was worth $590, and the total milk cow inventory was valued at $535.7 million. Last August, the average value of a cow was $355 and the inventory value was down to $310.6 million.

With a drop in asset value like that, the bankers are about as likely to extend credit as they are to buy New York City bonds.

But it is not just on the farm that we face uncertainty today. In the marketing of agricultural commodities, farmers have made tremendous investments in the development of cooperative associations to market their products.

When the cooperative movement began, it was often subject to attack as a violation of antitrust laws. In 1922, Congress through the Capper-Volstead Act said that farmers needed cooperatives to permit them to compete in the market.

Over the years, Congress has encouraged farmers cooperatives on the basis that they improve the marketing ability of farmers and serve to stimulate competition with private corporations.

But today, the cooperatives are under attack once again, being charged with "unduly enhancing" food prices. It is clear that the Administration would like to restrict cooperatives in the name of stimulating competition.

But let us not be deceived. The talk about limiting cooperatives is really a discussion of how we can limit the farmers in the market place.

It is interesting to note that only 28 percent of all farm output is marketed through cooperatives. In 1973, the combined sales of all cooperatives totaled $19 billion while General Motors had sales of over $28 billion.

The cooperative is a force for stability and a means to enable the producer to get a better deal. But today, we hear veiled threats which create concern and confusion.

This is just one more area where this Administration has shown itself to be deficient.

We need not only a new coach and a new team but an entirely different game plan.

Without going into detail, we should establish a balanced policy which would aim at the following specific objectives:

1. Price and income protection for producers of food and fiber;

2. Food supply stability for consumers and at reasonable prices;

3. Adequate supplies of inputs and transportation for producers and at reasonable prices;

4. Assuring the production of adequate supplies of dairy and livestock products for domestic and international needs.

5. The establishment of a reserve program to:

(A) Provide market stability during periods of shortage and surplus;

(B) Maintain the reliability of the U.S. as an exporter; and

(C) Continue the provision of food assistance to needy nations;

And this can be done without depressing farm prices.

We all have seen some of the problems of recent years from rising food prices, embargoes, rising farm indebtedness and foreclosures and volatile export markets to the cost price squeeze on farmers, particularly livestock and dairy producers.

We must get away from the uncertainty as to whether this year will be a bad year for our livestock or grain producers.

It is clear to me that we must put these elements together into a balanced program. I have recommended the establishment of a coordinator of food and agricultural policies at the White House.

In our diverse and complex society, it is no easy task to develop a comprehensive policy to meet the needs of both producers and consumers. It will require the best efforts of your organization, the Congress and the Executive.

I personally am committed to this effort. I am sure I can count on your commitment as well.

THE MINORITY BUSINESS DEVELOPMENT AND ASSISTANCE ACT OF 1975—S. 2617

Mr. GLENN. Mr. President, I rise to add my support, and ask that I be included as a cosponsor to S. 2617, a bill that would establish an Office for Minority Business Development and Assistance in the Development of Commerce.

This bill would consolidate under one single office the 17 different Federal Government programs that currently operate in the area of minority business and economic development.

Most importantly, this bill would create the Office of an Assistant Secretary of Commerce who would have the power and the prestige to take strong and significant action that will relegate minority business development to a high priority status and remove it from the backrunners of national priority.

Minority business development is of vital importance to both blacks and whites in the United States. Blacks have made some economic progress in the last decade or so but are still not fully in the mainstream of American life. In 1947, the median income ratio was 58 percent. Black median income was estimated at $7,800, white median income at $13,400. This income ratio represents a decline from the ratio's of the 1960's. This income disparity has widened considerably in the North and West, in contrast with the South. Relative income levels of black families have not moved upward in the period 1970–74.

As the economy began its recessionary nosedive in 1974, unemployed rates for blacks reached 13.7 percent by the first quarter of 1975 as opposed to 7.6 percent for whites. For black teenagers, the unemployment rate reached a startling 39.8 percent in the first quarter of 1975 as opposed to 18.0 percent for white teenagers. Add to those statistics the numbers of "hidden employeds," those not counted as seeking work, those who gave up the chase, and we have appalling percentages of 30–40–50 percent overall unemployment in many of our most severely impacted black areas. Add to this the devastating impact that inflation has had on the purchasing power of poor people, black and white, and we have a devastating economic picture only slightly offset by increasing college enrollments and the very gradual continued entry of blacks into white-collar jobs.

So, Mr. President, the role of minority business development takes on added importance as part of an overall effort to root out racial discrimination and make equal opportunity an economic reality. By moving into the mainstream areas of business, both by integration into existent business and by new efforts begun by minority entrepreneurs, incomes can increase, expertise can be developed and jobs can be had.

In 1972, nearly all black-owned firms operated as sole proprietorships. And although there were 195,000 black-owned businesses with total receipts of $7.2 billion, black firms still remained a marginal sector of the overall business community. Black firms represented only 2.7 percent of all businesses and had only 1.7 percent of all gross receipts. Black firms were concentrated in the retail trade and service areas. In Ohio, there are 10,524 black-owned firms but in 1972 their gross receipts only amounted to $332,793,000.

Mr. President, it is time to reorganize and elevate Federal efforts to help develop minority-owned business and time to act on the depression-level economic conditions in our black communities. Tight credit, high interest rates, massive unemployment; these are depressants.

S. 2617 does several vital things:

First, through the creation of the Office of an Assistant Secretary of Commerce for Minority Business Development and Assistance it expands upon the current functions of the Office of Minority Business Enterprise.

Second, it transfers to the authority of the new Secretary, all of the currently overlapping and duplicative minority business programs.

Third, it requires a prompt study and evaluation of all current minority business development programs in order to recommend further steps that might be taken legislatively to further minority business development.

Mr. President, this is a good bill. It consolidates, it eliminates waste and duplication, while at the same time upgrading the effort and status of Federal efforts to promote minority entrepreneurship. This bill is before the Government Operations Committee of which I am a member. I look forward to hearings on it. I am happy to add my name as a cosponsor.

MR. JUSTICE WILLIAM O. DOUGLAS

Mr. PELL. Mr. President, I rise today to pay tribute to a truly distinguished American, the Honorable William O. Douglas, the 81st Justice of the U.S. Supreme Court.

When asked to describe our most cherished possessions as a nation, most Americans respond by mentioning our basic freedoms of speech, religion, press, assembly, and petitioning the Government—our cherished first amendment rights.

No greater accolade can be offered to the outstanding career of former Justice Douglas than to say that he used as a guiding principle the preservation of these noble freedoms. Our individual liberties today are stronger because of his 36½ years on the high bench.

We saw his courageous and outspoken independence manifested many times, first in dissent, then among the Warren Court majority, and finally in dissent at the end of his service—an individual whose ideas and independence remained strong despite his weakened physical condition. Throughout, he held sacred our cherished individual freedoms, a stand for which we owe him an inestimable debt of gratitude.

In an era of creeping Government intervention into our lives, we are reminded of the warnings found in earlier Douglas opinions:

> Under our Constitution one's belief or ideology is of no concern to government. One can think as he likes, embrace any philosophy he chooses, and select the politics that best fits his ideals and needs. That is all implicit in the First Amendment rights of assembly, petition, and expression. Those rights merely enforce, protect, or sanction the beliefs or ideology to which one is committed. So does the right of association which we have said over and again to be part and parcel of those First Amendment rights. Basic in this scheme of values is the immunity of beliefs, ideas, and ideology from government inquiry, probing, or surveillance. *W.E.B. DuBois Clubs of America* v. *Clark*, 389 US 309, 314 (1967). (dissenting opinion)
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> Free speech has occupied an exalted position because of the high service it has given our society. Its protection is essential to the very existence of a democracy. The airing of ideas releases pressures which otherwise might become destructive. When ideas compete in the market for acceptance, full and free discussion exposes the false and they gain few adherents. Full and free discussion even of ideas we hate encourages the testing of our own prejudices and preconceptions. Full and free discussion keeps a society from becoming stagnant and unprepared for the stresses and strains that work to tear all civilizations apart.
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> Full and free discussion has indeed been the first article of our faith. We have founded our political system on it. It has been the

safeguard of every religious, political, philosophical, economic, and racial group amongst us. We have counted on it to keep us from embacing what is cheap and false; we have trusted the common sense of our people to choose the doctrine true to our genius and to reject the rest. This has been the one single outstanding tenet that has made our institutions the symbol of freedom and equality. We have deemed it more costly to liberty to suppress a despised minority than to let them vent their spleen. We have above all else feared the political censor. We have wanted a land where our people can be exposed to all the cultures of the world. *Dennis* v. *United States*, 341 US 494, 584–585 (1950) (dissenting opinion).

The State of Rhode Island has chosen the Independent Man as its symbol, and a sculptured representative of this idea adorns the State house in Providence. Rhode Islanders respect independent thinking and individual integrity. Justice Douglas' life—as a scholar, teacher, author, administrator, judge, outdoorsman, conservationist—defies stereotyping. His individualism serves as a model for all Americans, and particularly Rhode Islanders proud of their independent heritage.

In selecting a successor, let us hope the President will look for someone possessing the same strength, independence, and integrity to fill the Court's vacant seat.

In tribute to Justice Douglas, the Providence Journal of Saturday, November 15, 1975, carried an editorial reviewing his accomplishments during a long and illustrious career and offering thoughts on the choosing of a successor.

Mr. President, I ask unanimous consent that the Providence Journal editorial, entitled "Justice Douglas, a Towering Figure," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Providence Journal, Nov. 15, 1975]

JUSTICE DOUGLAS, A TOWERING FIGURE

"I haven't been much of a proselytizer on the court," Justice William O. Douglas once said. "I've had the theory that the only soul I had to save was my own."

The remark underscores the independence and integrity of this man who served more than 36 years on the high court, longer than any other justice in history. To be sure, controversy was the watchword of the Douglas career, virtually from the time of his appointment by President Franklin D. Roosevelt in 1939 until his resignation on Wednesday. As he excelled his colleagues in the art of dissent, he attracted thunderbolts from his critics and reverent accolades from those who endorsed his interpretation of the Constitution.

Even his enemies were hard pressed to take issue with one of his most fundamental beliefs. It was that the basis of American government is "the theory that if the mind of man is to be free, his ideas, his beliefs, his ideology, his philosophy must be placed beyond the reach of government." This led him naturally to defend the rights guaranteed by the First Amendment whenever they came under attack.

Civil libertarian, ultra liberal, great dissenter, even heretic were some of the labels applied. Pilloried for his lack of conformity, thrice the target of unsuccessful attempts to impeach him, he was in one important respect the antithesis of the political radical. It was his profound conviction that "the Constitution was designed to take government off the backs of the people."

Freedom of speech and of the press, the right of privacy, equal rights for the individual regardless of race, creed, color or sex. These were among the sacred building blocks of the American system, in Justice Douglas' view.

Without him on the bench, and with his successor expected to follow a more conventional and conservative bent, the court may well alter its position on some key cases this year. The balance could shift on capital punishment, reinstating the practice of executing individuals for their crimes and making the United States one of the few leading powers of the world to carry on this reprehensible form of official retribution.

A challenge to the new campaign spending law is expected to be decided in coming months. A prediction on the outcome would be foolish but it is known that Justice Douglas worries about infringing on this form of political expression.

Civil rights cases involving housing and school desegregation are likely to be affected by the absence of a leading exponent.

But to paint a picture of a court thrown sharply out of balance would be absurd, without knowing whom President Ford will select for his first high court nomination. Intriguing speculation has focused on the possibility of the first woman on the court. Not only would such a move be in keeping with the nation's commitment to equality of the sexes, it would foster increased respect for the judicial branch of government and add a legal perspective that the court has historically lacked.

A REPORT ON THE EUROPEAN COMMUNITY

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of the Senate an outstanding series of articles on the European Community in the October 23 issue of Minnesota Agriculture.

In this article, Milton Hakel traces the history of relationships between the post-World War II European Community and the United States. He indicates that there has been a "steady base of cooperation—which is so strong and so vital that it may well survive the dire economic troubles on both sides of the Atlantic."

He emphasizes that times are bad for both parties, and mentions that democracies are "in enough trouble" and that we do not need to create more. "Cooperation—seems—the logical course," he adds.

Two of the articles deal with the United States and European community positions on trade. Frederick Dent, President Ford's Special Trade Representative, is quoted:

> Trade problems are to be handled fairly . . . (and it would be U.S. policy) to consult fully with our trading partners to avoid misunderstandings and overreaction.

It is suggested that Dent wants industrial and agricultural trade concessions and agreements to be negotiated "in conjunction with each other so that one is not sacrificed to the other."

The EC position is presented regarding foreign cars being sold at an unfair value in the United States. A strongly worded memo suggests:

> Imports of EC automobiles into the United States are reasonably priced. . . (and) factors other than imports are hurting the U.S. car industry.

Another article reports on a speech of the EC's Division Chief for Energy Balances and Forecasts Melville Gellard, who suggested that the escalation of energy costs is increasing EC's energy bill by $4 billion a year. He said that the disastrous consequences of the energy crisis have forced the Community to develop an energy policy; that precise targets have been set for diversifying energy supplies and reducing demand by 1985.

Gallard said that farm consumption—2 to 3 percent of total EC energy use—"probably had not been reduced."

He indicated that one of the major goals for EC was "to go nuclear," including the goal of producing half of its electric power in nuclear plants by 1985. He elaborated on other 1985 goals which are to: "Keep energy consumption 15 percent below pre-energy crisis forecasts; increase electricity use by 10 percent to reach 45 percent of total consumption; use nuclear energy for 45 percent of electricity production; and reduce dependence on outside energy from 63 to 40 percent."

EC has developed a program to get the consumption of oil down by a series of conservation measures while making greater use of plentiful coal supplies.

Mr. President, this is an informative series of articles. Mr. Hakel is to be commended on his reporting, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

A VISIT TO "THE HUB" OF THE EUROPEAN COMMUNITY

(By Milton D. Hakel)

From the beginning, Americans have been enchanted with the idea of the European Community—particularly with the possibility that it could evolve some day into a United States of Europe.

When the idea of a European "Common Market" emerged at least partially as a result of the Marshall plan for European recovery, Americans applauded and hoped that it was the first sign that the nations of Western Europe could rise above the conflicts, the hostility and the narrow nationalism which had plagued them for centuries.

As a matter of history, the idea of European union was not new at all. Statesmen and philosophers had thought about it from time to time over several centuries.

The adversity following the suffering and devastation of the Second World War convinced leaders of the postwar Europe that the idea of unity was an attractive one, worth seeking now.

Of course, it was a bold dream that a group of nations marked by a tradition of rivalry and animosity could set the past aside and embark on a course of economic cooperation.

The fact that the Marshall plan was administered on a centralized basis through the Organization for European Economic Cooperation proved to be an element which fostered cooperation.

As the Community developed, first with the treaty for the European Coal and Steel Community in 1951 and then with the "Economic Community" and "Euratom" treaties in 1957, Americans looked at the developments with interest and approval.

The paternalistic approval began to turn sour at times as the EC began to emerge in its own identity and appeared to be becoming a rival economic power.

In 1962, in a Philadelphia speech, President John F. Kennedy spoke about the importance of the EC and the U.S. developing as partners.

Later, strains began to appear in U.S.-EC relations and there was open criticism on the American side of the ocean about the trade policies, the economic policies and the Common Agricultural Policy of the EC. The soybean embargo, the Nixon import surcharge in 1971, the chicken war and the dairy controversies didn't help matters.

But, while the conflicts were getting most of the headlines, a steady base of cooperation was being built which is so strong and so vital that it may well survive the dire economic troubles on both sides of the Atlantic and the worst that hard-nosed officials on both sides can do in the current trade disputes.

We are each other's most important and consistent trading partners and the stakes are huge—$5.5 billion dollars of U.S. farm exports to the EC alone.

The economic stagnation/inflation in the U.S. needs no stress here. With inflation ranging as high as 25% in some EC countries, it is no Sunday School picnic there either.

The U.S. has now come through the torture of Watergate and its aftermath—almost every EC country has gone through a change of government in the past year.

It would seem to this observer that democracies are in enough difficulty without creating new ones among themselves.

It would seem a time for cooperation, rather than confrontation—on our editors' visit to Brussels, it seemed to us that the EC was ready to play the game in whatever way we were determined—cooperation or conflict.

With only a finite world and a finite habitat to share, it seemed we ought to be choosing the route of cooperation. With democracy in a state of economic shock, further shocks seemed pointless.

Cooperation also seemed the logical course—because after all, we were only generations removed from being brothers and sisters of our neighbors in the Community.

U.S. Position—Trade Problems To Be Handled Fairly

Frederick Dent, President Ford's special trade representative, has minimized the most recent trade controversy with the EC.

In a statement issued on Sept. 30, Dent said that complaints about dumping of foreign products on the American market "will be handled fairly in accordance with both domestic laws and international obligations."

Dent's statement was distributed to American editors at the time of their visit with spokesmen of the agricultural attache's office in the U.S. mission to the EC in Brussels.

Ambassador Dent said it would be U.S. policy "to consult fully with our trading partners to avoid misunderstandings and over-reaction" to investigations of charges that certain imported products are being sold for less than the price where they are made.

Dent denied that the U.S. was being "protectionist" and warned the EC to "cool" its charges of protectionism.

Ambassador Dent declared that—

The U.S. believes in continuing trade progress on the basis of mutual overall reciprocity and the free market system of comparative advantage.

Prospects for the Geneva Trade Talks could be damaged if nations succumb to the temptation of abandoning the goals of the Tokyo declaration and conveniently blame someone else's protectionism.

Sound trade policy decisions and actions based on reasonable and equitable applications of national interest and international obligations should not cause, or be used as an excuse for, international repercussions.

Dent warned that "unwise, hasty and unjustified trade actions could loose the forces of protectionism in the world and destroy the world trading system."

"Despite the clear commitments by my government as to the continuing nature of our expansive international trade policy, some view with dismay the reports of complaints that have been filed under the anti-dumping, countervailing duty escape clause and other trade grievance settlement procedures," Dent explained.

"It must be understood that these are grievances filed by the private sector in keeping with our new trade reform act, which for the first time, gives our private sector the assurance that its government will try to find some answers to their problems as well as just listening to them."

Dent noted that since the signing of the Trade Act on January 3, only two import investigations have resulted in positive findings against imported products—countervailing action against EC cheese export subsidies, which was suspended, and a dumping finding against Polish golf carts.

Commenting on the liberalization of world agricultural trade, Dent said that the U.S. insists that industrial and agricultural trade concessions and agreements must be negotiated in conjunction with each other so that one is not sacrificed to the other. But, he noted that this view has not been accepted by the EC.

"We are at a very precarious, as well as challenging juncture," Dent's statement said. "Unwise, hasty and unjustified trade actions could undermine our last best opportunity to improve the world trading system and, in fact, destroy the system itself in a welter of trade wars and economic nationalism, isolation, stagnation and depression."

Dent said he finds such an alternative "wholly repugnant and unacceptable."

EC Position—Why Go on With Trade Talks

The US investigation to determine whether or not cars produced in the European Community are being sold at unfair value in the United States "calls into question the usefulness of pursuing further efforts in multilateral trade negotiations," according to the EC Commission.

In a strongly worded memo delivered October 1 to the U.S. Department of State, the Commission stressed that:

Imports of EC automobiles into the United States are reasonably priced and are manifestly not injuring the U.S. auto industry. The compact and subcompact section of the U.S. automotive industry—the only one where EC cars compete directly with U.S. production—is prospering despite the industry's general recession.

Factors other than imports are hurting the U.S. car industry—the economic recession, the energy crisis, and delayed response by manufacturers to the shift in consumer demand to fuel-efficient smaller models.

The investigation is inconsistent with the Anti-Dumping code within the General Agreement on Tariffs and Trade (GATT) signed by the United States as well as the Community.

OBLIGATIONS UNDER THE GATT ANTI-DUMPING CODE

Article 5(a) of the GATT Anti-Dumping Code says that an investigation may be opened only in two circumstances:

"Normal" circumstances, at the request of an industry. The current investigation was initiated at the request of the United Automobile Workers and Congressman John H. Dent (D-Pa.), and not by a manufacturer.

"Special" circumstances in which, without any complaint from the industry, a government has evidence both on dumping and on the resulting injury. These preconditions did not both exist, since the U.S. Treasury when asking the International Trade Commission (ITC), the U.S. body responsible for determining injury, for a preliminary determination stated that there was "substantial doubt" as to injury.

Article 3(d) requires injury due to dumped imports to be assessed in relation to the domestic production of like products. Available production data shows that U.S. small car production is prospering despite the industry's current difficulties.

Article 3(a) requires the investigators to be satisfied that the dumped imports are "demonstrably the principal cause of material injury or of threat of material injury" and to weigh heavier than "all other factors taken together which may be adversely affecting the industry." No such demonstration has been made in this investigation.

Article 5(b) requires the evidence of both dumping and injury to be considered simultaneously. In this investigation, the U.S. Department of Treasury will first make a tentative determination of whether dumping has occurred, a process which can take six months from August 8, when the case was opened, with a possible three months' extension. Treasury then has three months more to make a final determination of dumping. If Treasury finds that dumping has occurred, the ITC then has three months to determine whether dumping has injured U.S. industry. While the ITC completes its investigation, Treasury must withhold customs appraisement. The uncertainty this action would raise in the minds of both importers and exporters would seriously disrupt trade and cause additional harassment and legal expenses, including further delays in the liquidation of customs entries.

The Community has expressed its "grave concern" over this prospect in this memo and at the September 25 meeting of the Council of the General Agreement on Tariffs and Trade (GATT) in Geneva. At the request of the Community, the GATT's Antidumping Committee has moved a meeting, originally scheduled for the end of the year, to October 21 to consider the Community's complaint.

"This investigation is one of several cases where action has been threatened against imports from Europe and which have been giving rise to concern in the Community. As the Commission stated in connection with the recent petition for countervailing duties on imports of steel from the Community, the Commission "looks to the United States administration to respect its international obligations and to exercise its general responsibility, with other members of the international community, to control the forces of protectionism."

Total U.S. imports of cars during 1974 amounted to $7.5 billion. Domestic U.S. production during the same period totaled $20.8 billion. Community exports to the United States amounted to $2.5 billion, originating as follows: Germany, $1.9 billion; Italy, $240 million; the United Kingdom, $156 million; France, $46 million.

The largest single non-Community exporter to the U.S. market was Canada ($3 billion), followed by Japan ($1.7 billion), and Sweden ($227 million).

Understanding the Jargon of the EC's Common Agricultural Policy—CAP

Following are some of the common terms which are used when the Council of Ministers meets to fix prices each year for the principal agricultural commodities:

Basic price: This applies to pig-meat and to fruit and vegetables. Once average market prices fall below the basic price, action may be taken to support the market by buying in surplus output.

Compensatory amount: This is the amount used to take account of a fundamental difference in prices in intra-Community trade. It will apply at diminishing rates to much trade in farm products between the three new member countries and between old and new members. When a sales transaction is from a high-price to low-price member country, a restitution payment is made; for trade in the other direction, a levy is charged. The country with the higher level of prices administers the system. Similar arrangements are used to take account of currency fluctuations, with 'monetary' compensatory amounts.

Customs duties: These are not connected with the levies. As far as agricultural imports are concerned, they are applied at fixed rates on certain products imported from non-EEC countries—16 per cent on live cattle, 20 per cent on beef and veal, 15 per cent on live sheep and 20 per cent on mutton and lamb. Various rates apply to fruit and vegetables. Duties may be reduced or suspended by the Council of Ministers.

Denaturing: To encourage the use of wheat as animal feed, a denaturing premium can be granted to authorized users which makes wheat competitive with less expensive coarse grains. Sugar can also be denatured so that it must be used for animal feeds.

Export refunds: To enable a Community exporter to sell on world markets, a refund or restitution payment can be made to bridge the gap between high Community price levels and lower world prices.

Guide price: This applies to beef and veal and is designed to act both as a target price and as a trigger for import control and support buying. There is a single rate throughout the Community.

Intervention price: This is the price at which national intervention agencies are obliged to buy up commodities which are offered to them. It is set at a given level—for cereals about 8 per cent below the target prices. From the basic intervention price derived intervention prices of areas are set throughout the Community to allow for differences in supply and demand. For pigmeat the intervention price is set at 85–92 per cent of the basic price. It includes transport costs and is thus a wholesale rather than an on-farm price.

Levy: For cereals, the levies on non-Community imports are fixed each day according to the cheapest offers at Rotterdam. For animal products such as pigmeat, the levies are fixed quarterly and contain two elements, one allowing for the difference in cereal cost between world and Community production costs and another giving extra preference for Common Market producers. Levies may also be imposed to discourage exports when world prices are high.

Reference price: Similar to the sluicegate price, but applying to fruit and vegetable imports. Also used to describe weighted Community average prices for livestock.

Sluicegate price: This is fixed for pigmeats, eggs and poultry and is reckoned to represent cost of production in non-member countries. A levy is payable on imports above this price and a supplementary levy on imports coming in below the sluicegate price.

Target price: Community policy is geared to keep market prices as close as possible to the target price. For cereals this price is seasonally stepped to allow for storage costs throughout the year and it is at its highest in areas which are most in deficit in grain.

Threshold price: This is the minimum import price at which non-Community supplies of cereals, milk products and sugar can be delivered at Community ports. Once transport costs from the port are added, imports should be marked at or above target price. Commodities shipped into the EEC below the threshold price are subject to levies to bring their cost up to the threshold level.

Unit of account: The monetary unit used in pricing in the Community budget 35 units of account (u/a) are worth 1 oz. of fine gold. Currently, a unit of account is equal to about $1.20, U.S.

In Energy, EC Sets Precise Targets for Diversification of Supplies and Reducing Demand by 1985; Nuclear Plants to Produce Half of Electricity

Warnings of an energy crisis had been made for years and had been ignored, Melville Gellard told the American editors' group in their session at the EC headquarters in Brussels.

An official of a British oil company before joining the EC Commission's energy department, Gellard declared that "it was clear even before 1973 that world demand would cause a rise in world prices."

Gellard is division chief for energy balances and forecasts but acknowledged that it is almost impossible to chart the future for energy.

He said the escalation of energy costs is increasing the EC's energy bill by about $4 billion a year.

Gellard said the disastrous consequences of the energy crisis have forced the community to develop an energy policy. He reviewed the plan developed by the EC commission to cut dependence on imported energy sources and restructure internal consumption and production patterns.

Precise targets have been set for diversifying energy supplies and reducing demand by 1985, he explained.

Farm consumption of energy is thought to be on the order of 2 to 3% of total EC energy use, he said. Farm use probably had not been reduced because of the need for maximum production, he speculated.

One of the major goals, he noted, was for the EC to "go nuclear," that is to produce half of it's electric power in nuclear plants by 1985. Presently, less than 10% is so produced, Gellard said.

He outlined the energy targets as:

The Community's overall objectives for 1985, would be to:

Keep energy consumption 15 per cent below pre-energy crisis forecasts.

Increase electricity use by 10 per cent to reach 45 per cent of total consumption.

Use nuclear energy for 45 per cent of electricity production.

Maintain solid fuel (coal, lignite, peat) production at its current level.

Raise natural gas internal output and ensure safe import supplies.

Reduce oil consumption by replacing it with other energy sources where possible.

Reduce dependence on outside energy from 63 per cent to 40 per cent.

These goals would be adapted to the particular situation of each member state.

The Commission proposed a 22 point action program of priority measures which would eventually keep EC 1985 energy consumption 15 per cent below pre-crisis forecasts. By cutting the annual growth of consumption from 5 per cent to 3.5 per cent between 1973 and 1985, 1985 energy costs could be cut by $22 billion. The bulk of this saving would come from cutting oil use and reducing oil import costs by $8 billion.

The program's priorities for households would account for an 18 per cent energy saving by 1985. Roof insulation alone could reduce heat loss by more than 10 per cent. It calls for measures promoting insulation, regulated ventilation and heating, efficient hot water production, and production of energy conserving appliances.

The Commission outlined six major areas where proper action could cut energy use in the transport sector by 16 per cent by 1985. The savings would be made through: promotion of diesel engines, and improved vehicle construction, ignition timing, carburetor setting, heating of public transport vehicles, private and public urban transport systems, and urban traffic flow.

Industrial users could reduce their energy consumption by 15 per cent by 1985. Efficient combustion could reduce fuel consumption by 5 per cent to 10 per cent. Other areas singled out for savings include: plant insulation and operation efficiency, production processes, combined production of heat and power, recycling of materials, and residual heat recovery.

A 6 per cent savings could be made in the energy industry alone, the Commission said, through stepping up plant efficiency; combining heat and power production, and recovering heat lost from the thermal and other types of nuclear power stations.

The Commission's guidelines call for making coal's share of total EC energy use 16 per cent by 1985. Coal production, which has been falling off in recent years would be maintained at its current annual level of 250 million metric tons. By finding new outlets and replacing some oil, coal consumption would reach 300 million tons annually. The best markets are the power stations and the steel industry which already account for about 80 per cent of domestic hard coal consumption.

Meeting these objectives would require measures to strengthen the coal industry by:

Setting up adequate financing and pricing policies.

Improving production and mining techniques.

Developing a manpower policy offering better pay and mining career prospects.

Increasing research and technology.

Developing a Community import policy.

Increasing investments.

Offsetting short-term market fluctuations by stockpiling hard coal and creating emergency reserves.

Gaining maximum use of existing brown and hard coal power stations, converting multi-fuel stations to coal where possible, and stabilizing coal sales to power stations through a system of aids.

Maintaining a subsidy system for coke used in the steel industry.

The overall objective of the EC's oil proposals are to reduce oil's share of total EC energy consumption to about 40 per cent by 1985 (61 per cent in 1973). Through development of EC resources, EC dependency of foreign oil could be reduced to about 70 per cent (98 per cent in 1973).

The Community oil and gas policy, should be built on cooperation between the consuming and producing countries. On a Community level, it would basically entail a supply policy based on EC and national coordinated action.

It would include the folowing elements:

Rationalizing resources uses by cutting waste through an information campaign or, if necessary, through direct prohibition.

Developing reliable sources of supply, including the Community's own resources such as the newly discovered North Sea oil fields.

Establishing an EC information and consultation system for imports and exports.

Coordinating and increasing investments for refining, transport, and distribution.

Establishing a price policy based on cost transparency and prices to reflect real supply conditions.

Setting up measures to ensure EC unity in the event of supply difficulties.

Expanding the Community's electricity output by more than double by 1985 by raising the EC nuclear capacity, will be a major factor in cutting EC oil needs. Therefore, the EC proposed guidelines for raising electricity's share of total Community energy demand from 25 per cent in 1973 to 35 per cent by the year 2,000. This would require an investment of about $205 billion over the next ten years.

They call for:

Increasing nuclear energy's share of electricity production to 45 per cent (7 per cent in 1973).

Developing new methods of production,

transmission, and economizing electricity use.

Substituting electricity for oil products for certain industrial, domestic, and transport uses and discouraging natural gas and oil use for power generation.

Increasing solid fuel power station capacities, speeding up nuclear equipment programs and building up fossil fuel reserves for conventional power stations.

Stabilizing demand through suitable tariff measures to promote off-peak electricity.

Setting up a common EC financing policy and instituting realistic Community-wide electricity tariffs to cover higher fuel costs and needed investments.

Harmonizing and standardizing EC environmental protection standards primarily regarding nuclear plant safety, thermal pollution, and sulphur dioxide emissions.

Adequate and secure supplies of uranium, enrichment services, and reprocessing facilities are essential for the Community's nuclear production capacity to reach a goal by 1985. The EC Commission estimates that the annual demand for nuclear fuels will increase nearly tenfold over the next 10 years. The corresponding capital investment required for production and materials and services will come to nearly $8.4 billion with a turnover in the nuclear fuels sector of about $4.2 billion in 1985.

The Community's first priority, the Commission said, should be to secure access to source materials especially natural uranium. This would be done by: strengthening operations of the EC mining industry in the Community and third countries; establishing mutually satisfactory terms of trade with the third countries rich in uranium; encourage exploration efforts on EC territory, possibly by granting EC financial help to European companies, and providing technological and industrial incentives for mining, research, and development.

HARTKE CONDEMNS FBI THREATS TO DISCREDIT DR. MARTIN LUTHER KING, JR.

Mr. HARTKE. Mr. President, recent revelations of the Senate committee investigating intelligence operations are both frightening and shocking. Disclosures indicating that the FBI attempted to force one of America's most prominent leaders to take his own life, tear at the very fabric of our free society. America was founded on such lofty principles as freedom of speech and the right of every man to the individual pursuit of happiness. In attempting to discredit Dr. Martin Luther King, the FBI not only blatantly overstepped its boundaries and circumvented our Constitution, but has caused great anguish and turmoil for many Americans. For an instrument of our Government to engage in such disreputable activity is unthinkable and such action should be condemned by all decent law-abiding citizens. Being a victim of illegal wiretapping and surveillance operations myself, in 1970, I can readily understand the need for this investigation.

The Agency's attempt to silence Dr. King represents an irreparable insult not only to the Nation's black citizens, but to all Americans who believe in the democratic principles that have made our country strong. Dr. King carried the philosophy of nonviolence and love of one's fellow man throughout our Nation. His pursuit of such pure ideals earned him one of the world's most prestigious honors—the Nobel Peace Prize.

The FBI's surveillance and threats to discredit Dr. King should serve as a stern reminder to all Americans of the importance of our Constitution and the necessity to preserve our democratic ideals. I completely concur with the continuing investigation of the Senate Intelligence Committee with the hope that a thorough and exhaustive investigation can be made. Once this investigation is complete our intelligence agencies can begin to do the work for which they were created and cease the flagrant abuse of the constitutional rights of American citizens.

EXPORT-IMPORT BANK FINANCING NOTIFICATIONS

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues three communications I have received from the Export-Import Bank pursuant to section 2(b)(3) of the Export-Import Bank Act notifying the Senate Banking Committee of pending Eximbank loans and guarantees in connection with nuclear power projects in Spain and the Philippines and a rapid transit system in Brazil.

In the Spanish proposal, the Bank proposes to extend a direct credit in the amount of $148,115,000 to Iberduero, S.A., a Spanish electric utility company, to assist the construction and initial operation of two 930 megawatt nuclear powerplants. Exim's participation would cover approximately 55 percent of the value of the U.S. exports involved. The loan will bear interest at the rate of 8.23 percent per annum and mature at the end of a 10-year repayment period beginning May 6, 1981, in the case of one of the powerplants, and November 6, 1982, in the case of the other.

In the Philippines proposal, the Bank proposes to extend a direct credit in the amount of $277,200,000 and a guarantee of loans by private lenders in the amount of $367,200,000 to the National Power Corporation, a Philippines Government corporation, to assist in the construction and initial operation of a 620 megawatt nuclear powerplant. Exim's participation would cover approximately 105 percent of the value of the U.S. exports involved. The loan will bear interest at the rate of 8.5 percent per annum, and the entire financing package will mature at the end of approximately 18 years.

In the Brazilian proposal, the Bank proposes to extend a direct credit in the amount of $23,360,000 and a guarantee of a loan by the Private Export Funding Corporation in the amount of $17,520,000 to Rio Metro, an entity of the State of Rio de Jaieiro, Brazil, to assist in the purchase of subway cars and related parts for use in a rapid transit system to serve metropolitan Rio de Janeiro. Together with preliminary commitments already issued for further financing in connection with this project, Eximbank's total assistance will exceed $60 million.

In the present transaction, Exim participation would cover 70 percent of the value of the U.S. exports involved. The loan will bear interest at the rate of 8 percent per annum and mature at the end of a 10-year period beginning November 30, 1978.

Mr. President, I ask unanimous consent that the letters from Eximbank pertaining to these transactions and the accompanying statements be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Export-Import Bank of the
United States,
Washington, D.C. November 13, 1975.

Hon. William Proxmire,
Chairman, Senate Committee on Banking, Housing and Urban Affairs, Washington, D.C.

Dear Mr. Chairman: In accordance with section 2(b)(3) of the Export-Import Bank Act of 1945, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I respectfully furnish herewith a copy of this statement for your consideration.

Sincerely,

William J. Casey.

Export-Import Bank
of the United States,
Washington, D.C., November 13, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: Pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended Eximbank hereby submits a statement to the United States Senate with respect to the following transaction:

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to extend a direct credit of $277,200,000 to the National Power Corporation (NPC), a company wholly owned by the Government of the Republic of the Philippines, and to guarantee loans by private financial institutions to NPC in the amount of $367,200,000, of which up to $90,000,000 is to cover financing of interest charges during construction. The purpose of the Eximbank credit and guarantee is to facilitate NPC's purchase of goods and services from the United States for the construction and initial operation of one 620 megawatt nuclear power plant to be built in the municipality of Bagac, about 47 miles west of Manila. When operational, the Bagac plant will supply 16 percent of total generating capacity on the island of Luzon.

The principal portion of the equipment will be manufactured in the United States by Westinghouse Electric Corporation, and the related services will be performed by Westinghouse and other United States firms. The estimated total construction cost is $824,800,000 of which $616,400,000 represents purchases of United States goods and services, including the initial fuel core having an estimated cost of approximately $47,600,000.

Exports of the equipment and fuel will be made within the framework of a Bilateral Agreement for Cooperation between the United States and the Republic of the Philippines which entered into force on July 19, 1968, following submission of the agreement to the Joint Committee on Atomic Energy. Pursuant to the Bilateral Agreement, its safeguard provisions were implemented by a Trilateral Agreement among the United States, the Republic of the Philippines and the International Atomic Energy Agency which also entered into force on July 19, 1968.

The Republic of the Philippines became a party to the Treaty on the Non-Proliferation of Nuclear Weapons on October 5, 1972. Pursuant to its obligations under the NPT, the Philippines concluded a safeguards agreement with the IAEA which went into force on October 16, 1974. The United States has agreed that the Trilateral Agreement would be suspended while the NPT safeguards agreement is in effect.

Fuel enrichment services are to be provided by the Energy Research and Development Administration pursuant to a long-term service contract entered into by NPC with the U.S. Atomic Energy Commission in 1974. Prior to shipment, licenses must be obtained from the Nuclear Regulatory Commission with respect to individual sales of equipment and fuel.

2. *Identity of the borrower*

Established in 1936, NPC is wholly-owned by the Government of the Republic of the Philippines. Under Presidential Decree No. 40, NPC is responsible for providing all future power generation expansion throughout the Philippines. At present, NPC has a total power generating capacity of 657 megawatts, or 21 percent of the total generating capacity in the Philippines. By the end of 1982, NPC is expected to have established new power stations, including the Bagac nuclear project, which together with existing power facilities will have a total generating capacity of 3,641 megawatts, or 55 percent of projected national capacity.

3. *Nature and use of goods and services*

The principal goods to be exported from the United States for use in the construction and initial operation of the Bagac plant will consist of a Westinghouse nuclear steam supply system and related components. In addition, Westinghouse and other United States firms will perform various related technical services in connection with the design, installation, fuel fabrication and start-up operations of the nuclear power plant.

B. EXPLANATION OF EXIMBANK FINANCING

1. *Reasons*

The proposed extension of credit by Eximbank in the amount of $277,200,000 and the guarantee of $367,200,000, including up to $90,000,000 to cover financing of interest charges during construction, of private financing will result in the export of United States goods and services valued at $616,400,000. This will have a favorable effect not only on the United States balance of payments, but on employment for substantial numbers of United States workers at a time when business activity in the United States is slack. It is estimated that the man-years directly generated will total about 18,800 in 18 different states. Moreover, fuel reloads and replacement and repairs over the life of the plant would provide continuing, long-term employment and substantial export sales.

In view of the magnitude and term of the transaction, and the limited availability of private financing, Eximbank's credit and guarantees are essential if United States manufacturers are to secure this sale.

No adverse impact upon the United States economy will be caused by the export of these goods and services. Due to current slowdowns and cancellations of previously planned nuclear power facilities by domestic utilities, United States manufacturers welcome the opportunity to export such goods and service at this time and can do so without endangering the supplies of equipment available for use in United States markets. In fact, it is essential that U.S. nuclear power equipment manufacturers obtain export orders to retain their specialized engineering and technical staffs and to maintain their production work forces with which to be able to meet domestic demand in the future. Moreover, these exports assist the U.S. in maintaining its competitive position in the world's nuclear power industry.

Accordingly, Eximbank's participation in this major export serves to implement our Congressional mandate of 40-years standing to aid in financing and to facilitate United States exports. We will be doing so in a manner which will materially benefit both employment in the United States and the competitive position of U.S. industry, while neither causing nor contributing to a scarcity of goods in the United States.

2. *The financing plan*

The total cost of United States goods and services to be purchased by NPC is $616,400,000, on which NPC will make a 10 percent cash downpayment. The balance of the United States costs will be financed by Eximbank's credit and Eximbank-guaranteed private credit:

[Thousands of dollars]

	Plant costs	Initial fuel core	Transmission line	Total
10 percent cash payment	$54,700	$4,800	$2,500	$62,000
45 percent Eximbank credit at 8.5 percent	244,900	21,400	10,900	277,200
45 percent private credits with Eximbank guarantee	244,900	21,400	10,900	277,200
Total	544,500	47,600	24,300	616,400

In addition to the above Eximbank financing, Eximbank will guarantee at a fee of one percent per annum loans of up to $90,000,000 by private institutions to NPC for the purpose of partially financing the interest charges that will accrue during construction.

(a) Eximbank Charges

Disbursements under the Eximbank Credit will bear interest at the rate of 8.5 percent per annum, payable semiannually. A commitment fee of one-half percent per annum, also payable semiannually, will be charged on the undisbursed portion of the Eximbank Credit. In addition, the private financial institutions being guaranteed by Eximbank will pay a guarantee fee to Eximbank of 1.0 percent per annum on the amounts they have disbursed to NPC and a commitment fee of one-eighth of 1 percent to Eximbank on the undisbursed amounts.

(b) Repayment Terms

The repayment schedule has been tailored to the project's projected total cash flow. The Eximbank Credit of $244,900,000 for plant purchases will be repaid by NPC in five semiannual payments beginning June 10, 1992; the Eximbank Credit of $10,900,000 for transmission facilities will be repaid by NPC in two semiannual payments beginning June 10, 1992; and the Eximbank Credit of $21,400,000 for the initial fuel core will be repaid by NPC in four semiannual payments beginning June 10, 1991. The private financing guaranteed by Eximbank will be repaid as follows: $244,900,000 for U.S. plant purchases in six semiannual installments beginning June 10, 1989; $10,900,000 for transmission facilities in two semiannual installments beginning June 10, 1989; and $21,400,000 for the initial fuel core in four semiannual installments beginning June 10, 1988. The Capitalized Interest Loan to be guaranteed by Eximbank in an amount up to $90,000,000 will be repayable in four semiannual installments beginning June 10, 1987. The total repayment term of about 18 years is necessary in order to enable NPC to generate sufficient revenues from this project to service the indebtedness to Eximbank and the private financial institutions.

Sincerely yours,

WILLIAM J. CASEY.

EXPORT-IMPORT BANK OF THE
UNITED STATES,
Washington, D.C., November 13, 1975.
Hon. WILLIAM PROXMIRE,
Chairman, Senate Committee on Banking, Housing and Urban Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with section 2(b)(3) of the Export-Import Bank Act of 1945, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I respectfully furnish herewith a copy of this statement for your consideration.

Sincerely,

WILLIAM J. CASEY.

EXPORT-IMPORT BANK OF THE
UNITED STATES,
Washington, D.C., November 14, 1975.
Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits the following statement with respect to a transaction involving the purchase of United States goods by Companhia do Metropolitano do Rio de Janeiro (Rio Metro) for use in a rapid transit system in the Rio de Janeiro metropolitan area. In addition to the subject transaction, Eximbank has issued preliminary commitments to United States firms in which it has indicated the terms and conditions under which it will be prepared to assist Rio Metro in financing the purchase of additional United States goods in connection with the rapid transit system. The Eximbank loan and financial guarantee for the subject transaction, together with the Eximbank financing contemplated in the preliminary commitments, will exceed $60,000,000.

A. DESCRIPTION OF TRANSACTION

1. *Purpose*

The transaction to which this statement relates is the sale by Westinghouse Electric Corporation, Budd Company and other United States suppliers of subway car components and related goods of United States manufacture for use in the initial stage of the rapid transit system. Eximbank is prepared to extend to Rio Metro (1) a direct loan of $23,360,000 and (2) a financial guarantee of a loan of $17,520,000 from the Private Export Funding Corporation (PEFCO) to assist in financing the purchase of this equipment. Repayment of the Eximbank loan and the PEFCO loan will be unconditionally guaranteed by the Government of the Federative Republic of Brazil.

The total rapid transit system is expected to cover approximately 55 miles and consist of 9 sections and 71 stations. Stage I of the system, for which Eximbank financing has been requested, will cost approximately $1,039,000,000. United States costs for the subject transaction for Stage I are estimated at $58,400,000. Initial subway operation is scheduled for January 1979. Later phases of the rapid transit system will be undertaken after 1980.

2. *Identity of the borrower*

Rio Metro is an entity of the State of Rio de Janeiro. Established in 1966, its purpose is to construct and operate a subway and surface level rapid transit system to serve metropolitan Rio de Janeiro.

3. *Nature and use of goods and services*

Metrocarro Rio, a joint venture consortium consisting of Westinghouse Electric Corporation, Budd Company, Industrias Villares S.A. and Material Ferroviario S.A., has agreed to furnish Rio Metro with 210 subway cars and spare parts for a base contract price of $137,167,313 of which $58,400,000 represents the estimated contract price for United States goods. A portion of the subway car components, including subway car truck components, propulsion control equipment, stainless steel, air conditioning units, air brake components and spare parts, will be manufactured in the United States by Westinghouse, Budd and other United States firms. The components will be exported to Brazil, blended with components manufactured in Brazil, and assembled into subway cars. This consortium has performed similar work for the Sao Paulo Metro.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The proposed Eximbank loan and guarantee, totaling $40,880,000, will result in the export of United States goods valued at $58,400,000. This will have a favorable impact not only on the United States balance of payments, but also on income and employment in the areas where the suppliers of the United States goods are located. Major employment benefits will be realized particularly in Pennsylvania where most of the Westinghouse and Budd equipment will be manufactured.

Also, there will be significant employment benefits derived from equipment manufactured in New York, Connecticut, and Ohio. In addition, obtaining this sale may lead to substantial future export sales of United States equipment for later phases of the rapid transit system.

United States exporters obtained this order, contingent on satisfactory financing arrangements, despite competition from French and Japanese suppliers. In view of the availability of long-term government supported financing for the French and Japanese groups, and the magnitude and repayment term of the transaction, Eximbank's loan and guarantee are necessary to enable United States manufacturers to secure this sale.

No adverse impact upon the United States economy is foreseen as a result of these exports.

2. Financing plan

The total estimated contract price of United States goods to be purchased by Rio Metro in connection with the subject transaction is $58,400,000. Rio Metro will make a 10 percent cash payment and the remainder of the United States costs will be financed as follows:

10 pércent Cash payment	$5, 840 ,000
40 percent Eximbank loan at 8 percent	23, 360, 000
30 percent PEFCO loan with Eximbank guarantee	17, 520, 000
20 percent Private source loan without Eximbank guarantee	11, 680, 000
Total	58, 400, 000

(a) Eximbank Charges

Disbursements under the Eximbank loan will bear interest at the rate of 8% per annum. Eximbank will charge a loan commitment fee of ½ of 1% per annum on the undisbursed portion of the Eximbank loan and a guarantee commitment fee of ⅛ of 1% per annum on the undisbursed portion of the PEFCO loan. In addition, Eximbank will charge a guarantee fee of 1% per annum on the disbursed portion of the PEFCO loan. Interest and fees will be payable semiannually.

(b) Repayment Terms

Loans extended for the purchase of United States goods in connection with the subject transaction will be repaid in 20 semiannual installments. The first 4 installments and a portion of the 5th installment will be applied to the repayment of the unguaranteed private source loan beginning November 30, 1978; a portion of the 5th installment, all of installments 6 through 11 and a portion of the 12th installment will be applied to the repayment of the Eximbank-guaranteed PEFCO loan beginning November 30, 1980; and a portion of the 12th installment and all of the last 8 installments will be applied to the repayment of the Eximbank loan beginning May 30, 1984.

Sincerely,

WILLIAM J. CASEY.

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C., November 14, 1975.

Hon. WILLIAM PROXMIRE,
Chairman, Senate Committee on Banking, Housing and Urban Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with section 2(b)(3) of the Export-Import Bank Act of 1945, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I respectfully furnish herewith a copy of this statement for your consideration.

Sincerely,

WILLIAM J. CASEY.

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C., November 13, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction:

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to extend a direct credit of $148,115,000 to Iberduero, S.A., to facilitate Iberduero's purchase of goods and services from the United States for export to Spain for the construction and initial operation of two 930-megawatt nuclear power plants, one to be located at Sayago in the Province of Zamora and the other to be located in Punta Endata in the Province of Guipuzcoa. When completed, the power plants will be directly tied into the Spanish electric power grid.

The equipment will be manufactured in the United States by Westinghouse Electric Corporation and the related engineering and fuel fabrication services will be performed by Westinghouse and other United States firms. The estimated total cost for Sayago and Punta Endata is $1,434,000,000 of which $269,300,000 represents purchases of United States goods and services, including the initial fuel fabrication service which has an estimated cost of $32,800,000.

Exports of the equipment and fuel will be made within the framework of the bilateral "Agreement on Atomic Energy: Cooperation for Civil Uses" between the United States and Spain, and the trilateral agreement among the U.S., Spain and the International Atomic Energy Agency, relating to application of IAEA Safeguards. Both of these Agreements entered into force on June 28, 1974, following consideration by the Congress under the provisions of Section 123 of the Atomic Energy Act of 1954.

ENUSA, Spain's uranium supply company, will furnish the enriched uranium which will then be fabricated into fuel assemblies by Westinghouse. The enriched uranium may come from ENUSA's existing enrichment commitments with ERDA. Prior to export, licenses must be obtained from the Nuclear Regulatory Commission with respect to individual sales of equipment and U.S. fabricated fuel assemblies.

2. Identity of the borrower

Iberduero, S.A. was created in 1944 as a result of a merger of two electric utility companies. Headquartered in Bilbao, it is the largest electric utility and one of the largest privately owned industrial enterprises in Spain. The utility accounts for more than 20% of Spain's electricity sales.

3. Nature and use of goods and services

The principal goods to be exported from the United States for use in the construction and initial operation of Sayago and Punta Endata will consist of nuclear steam supply systems and components as well as turbine generator sets. In addition, United States firms will perform various related technical services in connection with the design, installation, fuel fabrication and start-up operations of the nuclear power plants.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The proposed extension of Credit by Eximbank in the amount of $148,1115,000 will result in the export of United States goods and services valued at $269,300,000. This will have a favorable impact not only on the United States balance of payments, but also on employment for substantial numbers of United States workers at a time when business activity in the United States is slack. It is estimated that the export will support 14,000 man years of work through direct contracts and resulting subcontracts throughout the U.S. Major employment benefits will occur in 32 cities located in 18 states.

The availability of Eximbank financial assistance together with competitive prices and dependable performances by U.S. suppliers have resulted in large repeat orders from Spain of nuclear power plants from the United States. However, manufacturers in Germany, France, Japan, Canada, Sweden, Switzerland and the United Kingdom are capable of supplying equipment for the Sayago and Punta Endata projects at competitive prices and delivery schedules. Recent experience indicates that suppliers from these countries are increasing their marketing efforts in Spain and that the national export credit agencies of these countries will aggressively support their manufacturers. In recent months Spanish electric utility companies awarded a nuclear power plant contract to a German concern after sharp marketing competition with U.S. bidders. The German bid included a liberal financing package with German government support. A French manufacturer, aided by a government-supported financing package at very low cost, is competing vigorously for three Spanish nuclear power plant contracts that are scheduled to be awarded by the end of 1975.

In view of the magnitude and term of the transaction and the existence of strong potential foreign competition, Eximbank's loan appears to be necessary to enable United States manufacturers to secure this sale.

No adverse impact upon the United States economy will be caused by the export of these goods and services. Due to current slowdowns and cancellations of previously planned nuclear power facilities by United States public utilities, United States manufacturers welcome the opportunity to export such goods and services at this time and can do so without endangering the supplies of equipment available for use in United States markets.

Accordingly, Eximbank's participation in this major export serves to implement our longstanding Congressional mandate to aid in financing and to facilitate United States exports. We will be doing so in a manner which will materially benefit both employment in the United States and the competitive position of U.S. industry, while neither causing nor contributing to a scarcity of needed goods for use in the United States.

2. The financing plan

The total cost of United States goods and services to be purchased by Iberduero is $269,300,000. Iberduero will make a 45 percent cash payment and the balance of the United States costs will be financed by Eximbank:

[Thousands of dollars]

	Plant costs	Fuel costs	Engineering costs	Total
45 percent cash payment	$97,740	$14,760	$8,685	$121,185
55 percent Eximbank credit at 8.23 percent	119,460	18,040	10,615	148,115
Total	217,200	32,800	19,300	269,300

(a) Eximbank Charges

Disbursements under the Eximbank Credit will bear interest at the rate of 8.23% per annum, payable semiannually. A commitment fee of ½% per annum, also payable semiannually, will be charged on the undisbursed portion of the Eximbank Credit.

(b) Repayment Terms

The Eximbank financing of $119,460,000 for the nuclear plant equipment costs will be repaid by Iberduero in 20 semiannual installments beginning May 6, 1981, for Sayago and November 6, 1982, for Punta Endata (which is, in each case, six months after the estimated completion date of the respective plant). The Eximbank financing of $28,655,000 for the fuel fabrication and engineering costs will be repaid by Iberduero in 10 semiannual installments beginning May 6, 1981, for Sayago and November 6, 1982, for Punta Endata.

Sincerely,

WILLIAM J. CASEY.

COOPERATIVES UNDER ATTACK

Mr. HUMPHREY. Mr. President, in recent years, cooperatives have been under attack. They are blamed for the increase in food prices and attacked for improper campaign contributions which were made by a few cooperatives.

However, according to the National Council of Farmer Cooperatives in a publication entitled "Farmer Cooperatives. They Are Doing the Country a Lot of Good," these criticisms are based on "distorted, often inaccurate—and sometimes false—information."

The Council asserts that coops cannot be the cause of increased food prices. "Farmer cooperatives compete in the marketplace, they do not control it." They do not control both the production and marketing for any commodity. This is illustrated by USDA statistics that the "farm value of a market basket of 65 representative foods fell 9.9 percent" between February 1974 and February 1975. However, the retail price of these foods rose 10 percent. Farmers were paid less while consumers paid more.

In response to the criticisms concerning campaign contributions, the National Council of Farmer Cooperatives calls attention to the fact that "there were only two proven abuses among the Nation's more than 7,800 cooperatives.

Cooperatives have grown in size and power, but they are far from being as large and powerful as the noncooperative agribusinesses with which they must compete.

According to the USDA, the increase in sales of these noncooperative corporations was 8.4 times that of farmer cooperatives, the increase in total assets was 18 times larger, their net worth was 2.5 times more than coops, and net assets was 24 times bigger than coops.

Cooperatives are necessary for farmers to compete with and be protected from big business. They are an integral part of the agricultural force in the United States. Along with Government policies, and private enterprise, cooperatives have helped farming to "achieve its present high level of quality, efficiency, and reliability."

Mr. President, I ask unanimous consent that this report be printed in the RECORD so that this matter may be better understood.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

INTRODUCTION

Farmer cooperatives have been doing a good job for a long time. Co-ops are helping to preserve America's family farms by giving farmers dependable markets for their products, and by helping them buy farming necessities at the best possible prices.

Co-ops aid consumers, too, by helping to keep prices for high-quality food products at reasonable levels.

Even the severest critics of co-ops are quick to acknowledge that they have done a lot of good in the past and are continuing to do a lot of good today. Nobody is saying that farmer cooperatives should be abolished.

But co-ops are under attack. Critics point to the shelves in the supermarkets and say, "Food prices are too high." You know that everything—not just food—costs more these days. And you know that you can't point the finger of blame at co-ops to explain the rise in food costs.

Critics may also call attention to the improper campaign contributions made by certain cooperatives. But what they fail to point out is that there were only two proven abuses among the nation's more than 7800 cooperatives.

Many people have formed their opinions of co-ops on the basis of distorted, often inaccurate—and sometimes false—information.

Our task is to reveal the fallacies, right the inaccuracies, correct the distortions. We haven't pulled any punches in the nine questions that follow. They're questions some co-op critics have asked. We hope the answers will give you a better understanding and perspective of co-ops and the value of the work they do.

ARE CO-OPS TOO BIG AND TOO POWERFUL?

While farmer cooperatives have experienced considerable growth in recent years, the plain truth is that the nation's co-ops haven't come close to the size and power of the big non-cooperative corporation with which they must deal and compete.

Statistics published in a recent Department of Agriculture booklet clearly illustrate the difference in size and power that exists between farmer cooperatives and non-cooperative agribusinesses.

If you consult the table, you'll find that during the decade ending in 1970, non-cooperative agribusiness sales increased by $45.3 billion, total assets by $50.2 billion, net worth by $21.9 billion, and net assets by $2.4 billion. At the same time, farmer cooperative sales increased by only $5.5 billion, total assets by just $2.8 billion, net worth by a comparatively small $900 million, and net assets by a relatively insignificant $100 million.

What does this mean? Non-cooperative agribusinesses enjoyed an increase in sales that was 8.4 times that of farmer cooperatives, gained 18 times what co-ops did in total assets, increased their net worth 2.5 times more than co-ops did, and tacked on a net assets gain that was a whopping 24 times bigger than the co-ops'.

In short, non-cooperative agribusinesses grew at an average rate far greater than the co-op growth rate. And at present, the non-co-op growth rate shows little sign of slowing significantly in the foreseeable future.

Who really dominates the American food industry? Certainly not farmer cooperatives! A full 72% of America's farm output is marketed through non-cooperative firms; only 28% of the country's food is marketed through co-ops.

Even in the milk market, which most people automatically associate with farmer cooperatives, the non-cooperative firms are king. The 1974 combined sales figure for all dairy co-ops in the U.S. was less than the individual sales figure of the nation's largest individual non-cooperative dairy corporation for the same period.

And here's another interesting statistic: in 1973, the combined sales of all farmer cooperatives in the United States totaled $19 billion. During the same period, General Motors alone had sales of more than $28 billion.

Because of the power of noncooperative agribusiness, farmer cooperatives—even the biggest ones—have worked hard to make the gains they've achieved in recent years. Their members know that growth is the only way to gain maximum efficiency and hold on to their hard-won bargaining power.

Co-op's efforts to keep expanding and broadening their sphere of influence have met with some success. Last year one of the nation's 5,096 marketing cooperatives surpassed the "magic" $1 billion sales figure. But in the company of the many other American firms that surpass this figure each year, even this co-op doesn't take on the appearance of the more famous "superbusinesses."

Today, co-op penetration in individual food industry markets varies greatly from market to market; in some areas, co-ops are doing quite well. But even in the markets that have been tougher to crack, farmer cooperatives achieve their basic goal: providing farmers with alternatives to marketing their products under weak bargaining conditions.

DOES CO-OP GROWTH POSE A THREAT TO FAIR COMPETITION?

In their final report to the President and Congress, the members of the National Commission of Food Marketing stated that farmer cooperative growth has enhanced competition in the food marketplace, not weakened it.

The Commission further indicated that ". . . the scope and effectiveness of group (farmer cooperative) action will be limited unless the groups have the means of planning production in advance, controlling the rate of their own marketing, and negotiating about price."

It's true that farmer cooperatives have grown in recent years through mergers and acquisitions. But this growth was largely necessitated by even faster growth in noncooperative agribusiness.

Examine the two charts carefully. Chart A shows that cooperatives account for only 9% of the total poultry and egg sales in the U.S. Chart B indicates that in the area where co-ops are strongest, the four largest dairy co-ops have gained some ground over their non-cooperative rivals. But these co-ops aren't the "behemoths" many think they are; their combined sales are still only 28% as big as the combined dairy and dairy product sales of the four largest non-cooperative milk firms.

All figures are taken from "Cooperative Growth," a USDA publication issued in

March, 1973. Similar figures for other commodity areas are available in this study.

In its report, the Commission on Food Marketing added, ". . . two groups in the food industry appear to have substantial market power; retailers, including many of the small chains, and large manufacturers, usually diversified with strong national brands. Unorganized farmers have no positive market power at all."

Thus, any group action that lets independent farmers overcome their lack of market power helps them achieve financial stability and keep supplying the country with generous amounts of reasonably-priced foods. Co-ops provide this function.

Noncooperative corporation expansion and merger have created large conglomerates with a finger in virtually every business pie—including agriculture. By calling on the collective strength—both numerical and financial—of their members, farmer cooperatives have narrowed the gap. As a result, independent family farmers now have some power in dealing with large-scale firms.

And remember, cooperatives are operated at cost to provide dependable markets for farmer-members. Money left over after expenses from co-op activities is distributed proportionately among the members. This is because individual farmers, by joining a co-op, express their desire to maintain a sound farm operation and their willingness to help others too.

"At cost" operation keeps co-op marketing and processing expenses to a minimum. This makes co-ops vigorous competitors in the marketplace. For example, co-op food brands compete side-by-side on the grocers' shelves against labels from noncooperative processors.

Removing the co-op presence from the food and fiber market would hurt competition. It's that simple.

CHART A

Period	Cooperative net volume of business (thousands)	Proportion of poultry and egg business through cooperatives (percent)
Cooperative poultry and egg business:		
1950–51	$263, 360	7
1955–56	351, 494	8
1960–61	423, 938	10
1956–66	438, 196	9
1969–70	587, 679	9

CHART B

Year	4 cooperatives (millions)	4 noncooperatives (millions)	Cooperatives as a percent of other businesses (percent)
Total sales of the 4 largest dairy cooperatives and 4 largest noncooperative dairy firms:			
1960	$584	$3, 484	16. 8
1965	750	4, 624	16. 2
1970	2, 049	7, 208	28. 4

DO CO-OPS RAISE FOOD PRICES?

Farmers join marketing cooperatives for one reason: to get fair prices for their products—just as any business tries to get a fair price. But co-ops can't get more than the fair price for their products because of the unique supply-demand conditions for farm products as well as legal restrictions.

Farmer cooperatives compete in the marketplace, they don't control it. In fact, to even attempt to set the price of any one farm product, a cooperative would need full control of production and marketing. Today, no co-op controls the market for any commodity. And the Capper-Volstead Act assures the consumer that no cooperative can "unduly enhance prices."

But even if one firm could monopolize a particular commodity, it still couldn't fix a price. It's a proven fact that when the price of any food item goes too high, consumers switch to other foods. The food market is simply too diverse to monopolize; the only effective way to dictate the price for one commodity would be to dictate prices for all commodities.

Co-ops have never come close to gaining the power required to dictate retail food prices in the last 20 years. Even in dairy products, traditionally a strong co-op market, dairy cooperatives face vigorous competition from the nation's big, non-cooperative dairy firms—competition that's good for consumers.

Take a stroll through any American supermarket and you will see an abundance and variety of food that has never been matched anywhere else on the face of the Earth at any time in history. This means that housewives can—and do—switch from brand to brand and food to food to get their best buy.

Consumers switch when the price of one commodity or brand seems out of line . . . and their revolt against beef prices is a good recent example.

When beef prices soared, some consumers went to the picket line, the airwaves and the letters columns of their local newspapers. But for every vocal complaint against high beef prices, there were millions of shoppers who kept quiet—and simply bypassed the beef section of their meat counters. They bought poultry, eggs, cheese, pork and other products to supply their families' protein needs. Because of the influence these consumers had in the marketplace, beef prices soon dropped.

There isn't a co-op in the country that can make a consumer buy when the consumer has good reasons—like rising prices—for cutting off her purchases. So what it boils down to is this: consumers are the true controllers of food prices.

It's true that co-ops, like other business, do sometimes gain modest price increases for their members. But investigations have nearly always shown that higher co-op prices are justified by increased production costs. Thus, these price increases are in the public interest because they help keep farmers in business, which in turn assures a stable food supply.

If the charge that co-ops unduly enhance prices were true, then recent food market history would have been much different. Between February 1974 and February 1975. USDA figures show that the farm value of a market basket of 65 representative foods fell 9.9%. During the same period, the retail price for that same market basket rose 10%. Thus, consumers saw their grocery bills going higher each week while farmers were actually getting less!

Are co-ops the cause of high food prices? Obviously not.

WHAT ARE THE FACTS ABOUT UNDUE PRICE ENHANCEMENT?

There are very sound economic reasons for not finding undue price enhancement among agricultural cooperatives. The basis for these reasons is in the unusual supply-demand characteristics of virtually all agricultural products. When a food or fiber product is overpriced in the vast agricultural market, demand suddenly dries up. There's an old, and often quoted adage that expresses the consequences of this phenomenon—"sell it or smell it!"

The special supply-demand nature of the U.S. food market makes overpricing by co-ops risky business—especially for farmer-members. A high price for potatoes, for example, will simply result in greater consumption of rice, macaroni or other starches by the public—and piles of rotting potatoes in the growers' storage bins.

Thus, the farmer does not have the luxury of being able to set prices—even when he owns his own marketing company. Now immediately detractors of co-ops will point to an example where one group, let's say a fruit grower's co-op, is the dominant factor in marketing one type of fruit juice. Using this as an example, some will say this group has the ability to unduly enhance the price of that fruit juice. There's just one very practical problem: the American public isn't about to buy only one kind of fruit juice.

This is why co-ops haven't been found guilty of undue price enhancement—the agricultural market is simply too huge and too diverse. It's the American system of competition at work.

To date, the Secretary of Agriculture has ruled on five formal charges brought under the Capper-Volstead Act. In addition, USDA has investigated numerous other complaints in which cooperatives were accused of using monopoly power to unduly enhance food prices. In each case, the complaints have been dismissed after thorough investigation.

While all co-op members want the best possible return for their products, their primary concern is for their long-term investment in land and equipment. This concern makes them very cautious when the times allow a price increase, and quite often they will use their power as owners of processing facilities to keep increases small, thus insuring both a long-range and short-range market future for their particular product.

The co-op member's long-term market interest isn't shared by noncooperative food corporations. If these businesses kill a product market by pushing prices to "whatever the traffic will bear," they simply drop out of that market and seek other sources of return for stockholders. Unfortunately, this often means that the farmers who were supplying the firm in the "burned out" product market are left without any buyers for their products.

As you can see, there are basic, inescapable differences between noncooperative agribusinesses and farmer cooperatives. And it was in recognition of these basic differences that the Department of Agriculture was empowered to oversee pricing behavior by co-ops under the Capper-Volstead Act.

Despite the history of food pricing and up-to-date evidence favoring co-ops, however, some ranking government officials feel that the Department of Agriculture has been negligent in its duty to enforce Capper-Volstead's price enhancement restrictions. A few even suggest that Agriculture's authority to insure Capper-Volstead's public benefits be transferred to the Anti-Trust division of the Justice Department.

A statement typical of this sentiment was made in 1973 by Assistant Attorney General Thomas Kauper, who expressed the opinion that, under Capper-Volstead, "A 'super co-op' may . . . be able to raise prices (without restriction or punitive action) to all processors, who in turn have no alternative but to pass on higher prices to consumers."

Kauper's statement raised serious questions about the effectiveness of the Capper-Volstead Act—questions that could have resulted in a vote to amend. In reply to the Kauper implications, Mr. Donald E. Graham, vice president and general counsel for the National Council of Farmer Cooperatives commented:

"The Justice Department . . . is not aware of how little bargaining power independent farmers have in sectors of the food and fiber market where co-ops are inactive or only loosely organized . . .

"Joint action among farmers originated largely as a defensive mechanism to combat exploitation and abuse from their buyers and suppliers, not to secure unreasonable price increases for their commodities, The so-called changed conditions of farming (and farm market economics) have not altered the basic market structure of agriculture.

"Capper-Volstead and Department of Agriculture supervision of farmer cooperatives . . . are vitally necessary today if consumers are to have the benefit of action which farmer cooperatives can provide."

Mr. Graham's comments emphasize a co-op's lack of ability to control price in the market place, even if wanted to. To develop substantial market power, one must control the national output of a commodity. Farmers don't have such output control. They can't shut down the output of dairy cows, fruit trees, laying hens, sows or a beef herd when demand falls. They can't operate like a hard goods manufacturer who can shut down an assembly line or plant. Agricultural production just doesn't work that way.

Farmer cooperatives are unlike any other corporate businesses in America; their nonpredatory, self-help policies are unique in the food and fiber industry. But the distinction between co-ops and noncooperative businesses might be overlooked if enforcement power over co-ops pricing behavior is given to the Anti-Trust Division of the Department of Justice. Justice simply can't give farmer cooperatives the attention—and understanding of basic principles—that they deserve.

IS THE CAPPER-VOLSTEAD ACT OUTDATED AND IN NEED OF REVISION?

Even though it was passed in 1922, the Capper-Volstead Act is far from outdated. It provides today—just as it did 53 years ago—the framework that allows farmers to organize their own marketing businesses-farmer cooperatives.

Farmer cooperatives have been important ever since they were created—especially to the family farmer. Before the passage of Capper-Volstead, the family farmer had only two ways to market his products: sell them himself at a roadside stand or take the prices offered by the large noncooperative corporations.

In either case, his return for the long hours of labor he put in was minimal . . . and often insufficient to cover expenses.

By providing the legal means to enter into cooperative busines associations, the Capper-Volstead Act lets family farmers work together to help themselves gain a more equitable return for their labor, management and investment. It gives them a chance to try to do business on a more equal footing with large corporations and allows them to draw on specialized resources, like research programs.

Thanks to Capper-Volstead, farmer cooperatives have encouraged more competition—competition that has forced noncooperative agribusiness to provide improved products and services at reasonable prices.

Today, some people, including several influential legislators, think of the Capper-Volstead Act as an obsolete document, out of step with modern agribusines conditions and practices. A few even favor dropping the Act completely—but Capper-Volstead must remain alive, and intact. Here's why:

First, contrary to popular belief, Capper-Volstead does not insulate farmers from antitrust laws. While it does remove restrictions in the Sherman Antitrust Act and the Clayton Act that prevent farmers from working together in marketing their products, Capper-Volstead requires prosecution for any farmer cooperative that engages in undue price enhancement.

Nor does Capper-Volstead protect co-ops from prosecution for other antitrust violations, such as predatory business practices and collusion with outside parties.

Capper-Volstead is needed today to keep family farms in business and to help protect consumers. This law is an important means of maintaining an income adequate to keep relatively small, but very efficient farms in business. If this segment of our agricultural system is forced out of business, the alternative is either a government or large corporate takeover of farming. Overwhelming evidence indicates that this family farm operation is the most efficient system ever known in the history of agriculture—and that means fair prices to consumers. If we destroy this portion of the system, we risk having our food prices directed by monopolistic influences.

Capper-Volstead works! It benefits both farmers and consumers, and by letting farmers organize marketing alternatives to large, investor-owned businesses. It also permits long-range planning that insures higher quality products and freer markets for years to come.

DO THE FEDERAL MARKETING ORDERS USED BY CO-OPS HAVE AN INFLATIONARY EFFECT ON THE NATIONAL ECONOMY?

Federal marketing orders for milk, fruits, vegetables, and specialty crops are designed to stabilize markets for farmers and consumers. This is accomplished through quality or price, or in some cases quantity regulation. Abuse of these forms of regulation could have an inflationary impact on food prices, but a commission created in 1974 by President Ford recently found that marketing orders had overall benefits for consumers rather than adverse effects on the economy. It is true that 56 Federal milk marketing orders establish minimum prices to be paid farmers for milk, but the commission found that these regulated prices are not inflationary because they are closely tied to supply and demand conditions. The 47 fruit, vegetable, and specialty crop marketing orders do not set prices but regulate the quality, and occasionally quantity, of marketings. Only a small proportion of all fresh fruits and vegetables produced in the country are affected by these 47 marketing orders.

The market stabilizing effects of marketing orders benefit consumers as well as farmers. They help avoid volatile prices and periodic shortages and gluts for the commodities covered. Effective marketing orders reduce the risk of farming and encourage higher production. Consumers enjoy a greater variety and abundance of high quality food as a result.

Cooperatives often take an active role in formulating the provisions of a marketing order. However, the opportunity for abuse is minimized by an elaborate process of review and consent by the government and industry. First, proposals for regulation are examined at a public hearing at which all interested parties, including consumers and farmers, have an opportunity to testify and cross examine witnesses. Second, the hearing evidence is studied and analyzed by the U.S. Department of Agriculture which then develops a recommended decision on the basis of the evidence. Any decision rendered is designed to satisfy the criteria of the law, which stresses the interests of consumers. Third, interested parties can submit questions and objections to the recommended decision and these submissions are carefully evaluated by the Secretary of Agriculture before a final decision is issued. Fourth, a final decision issued by the Secretary of Agriculture carries his consent and approval, but must also be approved by at least two-thirds of the farmers affected. Thus, the interests of a consenting majority, not a few powerful individuals, are served.

The Secretary of Agriculture reviews all federal marketing orders at regular intervals after they are issued. He may hold public hearings, note any needed revisions in the orders' standards, and release his findings through the Department of Agriculture for action by the marketing order groups.

These requirements seem stiff, but there is a good reason: a marketing order must be in the public interest in order to become law.

IS MANAGEMENT TAKING CONTROL OF CO-OPS AWAY FROM FARMER-MEMBERS?

As farmer cooperatives have grown in size and market power, farmer-members have given professional managers broader operating control. This has been done for one reason: without top-flight management, co-ops could not possibly compete with the larger noncooperative firms in the food and fiber market.

The farmer's first order of business is his daily farm operation. Co-op members—and that includes members of boards of directors—are professionals at running farms. They need to hire other professionals to carry on the day-to-day business of their co-ops.

The Capper-Volstead Act gives farmers legal permission to form their own self-help corporations within existing antitrust boundaries. It lets independent farmers seek efficient marketing and fair prices—goals attainable only through sound guidance from hired business managers. It's important to remember, though, that these managers are hired by the directors and they can be dismissed by the directors. The farmer-members, through their directors, retain control of the cooperative.

Agricultural economists agree that since 1922, co-ops have shown steady growth in managerial competence, better organizational structure and methods, financial strength and enlightened membership administration. This growth, has significantly increased operating efficiency, which means savings for members and consumers.

Non-co-op agribusinesses seek the same talent that co-ops do . . . and they pay for it. For example, the head of the nation's biggest noncooperative dairy firms earns over $400,000 a year. Co-ops are up against top-calibre businessmen, and that's why they need the experience and expertise that true professionals bring with them.

Retaining top management talent has helped make co-ops successful . . . and co-op critics uneasy. They see co-op managers as a group who have taken co-op control out of the hands of farmer members. Fortunately, this isn't the case.

When co-op members sense that too much power has slipped away, they are quick to object . . . and react. Through meetings and correspondence, they let their directors know that they want changes at the management level. Since the directors are farmer-members themselves who have been elected to represent their fellow farmers in policy-making, they are obligated to do the will of their constituents—or face removal from office if they ignore their obligation.

Just how much co-op members can—and do—actively control their organizations became readily apparent at the 1974 annual meeting of the Sublette (Kansas) Cooperative, Inc. Some 520 members turned out for the meeting and for good reason: the co-op had marketed $8.7 million worth of products in 1974 at a savings of $430,000.

Three vacancies on the board of directors were to be filled during the meeting. Unlike non-co-op companies, where directors are routinely chosen by the largest stockholders, there's often heavy competition for the seats on a coop's board. This insures that new directors can be chosen promptly when needed.

The Sublette meeting was typical. Eight members were nominated for the vacancies and there was spirited balloting. One director was re-elected, while the other two victorious candidates were elected to serve on the board for the first time.

The Morrison (Iowa) Co-op exemplifies how member control can lead to positive results. The co-op was floundering when, in 1969, the farmer-members, acting through their board, ordered their professional managers to completely overhaul the co-op's grain marketing system. They also demanded accurate monthly financial reports from their managers.

In 1970, the Morrison Co-op edged into the black; by 1973, annual savings reached the $200,000 mark.

A few people argue that farmer-members and co-op directors don't really understand what their managers are doing. Of course, farmers can't be expected to be completely familiar with the financial and other operating intricacies and techniques their managers use regularly. Professional managers bring with them business and financial skill that make them vital to the success of farmer cooperatives.

True, farmer cooperatives are built around two highly specialized groups of people. But specialization characterizes almost every sector of American business; it simply isn't possible for a few "Jacks of all trades" to successfully operate a large-scale corporation in today's ultra-competitive markets.

Specialization doesn't keep farmer members from exerting their right and ability to control co-op policies. Members, not managers, own the co-ops. And as long as this is true, their rights to control their co-ops will remain intact.

HAS THE CAPPER-VOLSTEAD ACT MADE IT POSSIBLE FOR CO-OPS TO MANIPULATE FOOD MARKETS?

The Capper-Volstead Act is structured to eliminate the threat of co-op manipulation of food industry markets, not facilitate such manipulation.

Nonetheless, concern that Capper-Volstead might make it easier for co-ops to exert improper market influences still exists. In fact, it was one of the subjects dealt with by the National Commission on Food Marketing during its two year study, 1964–1966. The commission's basic purpose was to study and appraise changes in the food industry, and its investigation led to some significant conclusions.

In its June, 1966 report, the commission voiced its opinion that the Capper-Volstead Act actually helped to offset any excessive market power of big food companies by encouraging cooperative formation among independent farmers. The report included the following observation:

". . . Two groups in the food industry appear to have substantial market power: retailers, including many of the small (grocery) chains; and large manufacturers, usually diversified with strong national brands. Unorganized farmers have no positive market power at all and depend upon competition among buyers to obtain the full value that market conditions justify for their products.

". . . We believe that farmers do not yet fully appreciate the importance of cooperative action in marketing their products. We support all assistance government can reasonably give to producer cooperation."

The commission's report also examined current laws governing market power in the food industry and came to the following conclusions about their importance to farmers and to the nation:

"The various statutes—both general and specific—dealing with market power in the food industry, collectively seek an equitable and workable distribution of power by restraining concentrations of great strength and by lending support to the weak. Antitrust laws are in the first category; the Capper-Volstead Act . . . (is) in the second. Extension of policy in both respects appears desirable; but the policy should be conceived as impartial effort to achieve an appropriate distribution of power rather than as a commitment for or against any group."

Thus, the National Food Marketing Commission favored strengthening, not weakening, the Capper-Volstead Act and supported the objectives farmers seek through its provisions.

As we noted earlier, co-op marketing is one of the biggest aids available to the "famity farmer". It gets him reasonable prices for his products and helps insure his financial survival. And by banding together in co-ops, family farmers also keep pressure on the big noncooperative food companies. As a result, competition is nurtured, markets remain open, and consumer prices are at fairer levels.

Do Today's Farmers Really Need Co-ops?

Today, as they have been for more than five decades, farmer cooperatives are a constructive force in America's food and fiber industry. And agricultural leaders feel that their importance to farmers, consumers—in fact, all Americans—will actually increase in the years ahead. Farmers need co-ops today more than they ever have before.

The United States boasts the world's best, most productive farmers; Americans are the best-fed and best-clothed people in history. And because of the success of our agricultural system, the United States also enjoys the enviable distinction of being the world's greatest supplier of food and fiber to other nations. In fact, in 1974 the U.S. exported $22 billion worth of American farm products, an all-time record high.

Co-ops are an important part of the system. The chart shows how co-op product sales have kept pace with GNP and total cash receipts of all farmers. In other words, an important part of the agricultural wallop that this country packs comes from co-ops!

Farming in the United States didn't achieve its present high level of quality, efficiency and reliability by accident; our agricultural progress is the result of an unusual combination of cooperatives, private enterprise, and helpful government policies.

Today, American agriculture balances on a foundation created by three influential forces: the large noncooperative agribusiness firms; the Department of Agriculture; and farmer cooperatives. The interaction between these three groups is much like the "give and take" that characterizes the three branches of our federal government.

By working together in key agricultural areas and providing a system of economic checks and balances, the three groups keep the power to administer American farming out of the hands of any single organization.

Critics of farmer cooperatives would, if successful, destroy the complex and delicate balance that American agriculture has attained. Market power would shift into the hands of noncooperative business and government—and make price domination much easier while leaving the independent family farmer, who is most dependent on co-ops for his financial survival, in a very weak bargaining position.

The family farmer, the modern-day model of individualism, self-reliance and initiative, has always been the cement that holds our agricultural system together. Without farmer cooperatives, though, many of these farmers would have already gone under—and the results will be damaging if co-ops are hamstrung by unwise legislation.

And, remember, co-ops directly help consumers, too. They provide much-needed food industry competition, making it difficult for big corporations to dominate any sector of agriculture in which co-ops also operate. Their presence has significantly improved quality and nutritional value in many food items.

The influence of noncooperative agribusiness corporations is growing, and farmer cooperatives must also broaden their influence if they hope to survive. If they aren't severely crippled by unwarranted government "wingclipping," co-ops will continue to serve America well.

CONCLUSION

We hope these questions and answers have given you a clearer picture of farmer cooperatives. We've tried to show you how farmer cooperatives work to build a strong American agriculture. More and more, other countries are looking to us for food. And today, most of those countries are paying for that food.

American agriculture has to stay on a sound, financial footing. It makes humanitarian sense. It makes national and international economic sense. Family farmers are the most numerous and also the most productive segment of American agriculture. They are by far the most important segment. And co-ops help to keep family farmers in business.

No one can claim that farmer cooperatives are perfect. But co-ops have proven their value over many years.

They must be allowed to continue helping their farmer members produce and market top quality reasonably priced food and fiber.

THE SENATE'S ADVICE-AND-CONSENT ROLE IN THE APPOINTMENT OF SUPREME COURT JUSTICES

Mr. ABOUREZK. Mr. President, in April of 1939, the Senate confirmed the nomination of William O. Douglas to the Supreme Court of the United States to fill the seat vacated by Justice Brandeis. With Justice Douglas' retirement last week, we will again be called upon to participate in the selection of someone to fill this time-honored seat. I would like to take this opportunity to discuss the nature of the senatorial confirmation power and its importance to the scheme of separation of powers. In so doing, before the President submits the name of his nominee, I seek to focus on the Senate's responsibilities in the advice-and-consent process without drawing personalities into the discussion. I strongly believe that it is not only appropriate, but necessary for the Senate to consider and establish basic criteria against which we can assess the qualifications of any Supreme Court nominee, not only in this situation, but to use in all future nominations.

Article II, section 2 of the Constitution provides that—

> The President shall nominate, and by and with the Advice and Consent of the Senate, shall appoint ambassadors, other public Ministers and Consuls, Judges of the Supreme Court, and all other officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law.

The present language was chosen at the Constitutional Convention of 1787 after much debate over the wisdom of placing the appointment power solely within one branch of the Government. The convention was seriously divided into two factions on the appointment issue.

Alexander Hamilton and others who favored the creation of a strong executive, pushed for Presidential appointment of judges. Yet while initially approving executive appointment of all officers not otherwise provided for, the delegates repeatedly refused to extend executive appointment to judges. The opponents of executive appointment, principally Benjamin Franklin and George Mason, argued that the concentration of too much power in the hands of the executive would lead to monarchical tyranny. Their position of senatorial appointment was endorsed by James Madison in June of 1787. Madison stated:

> I am rather inclined to give it to the Senatorial branch, as numerous eno' to be confided in—as not so numerous as to be governed by the motives of the other branch; and as being sufficiently stable and independent to follow their deliberate judgments.

Senate appointment of judges was approved by the convention on July 21, 1787 and was included in the draft of the Committee of Detail on August 6. Hamilton, unhappy about the diminution in executive power, proposed as a compromise, that the President appoint and nominate with Senate power to "reject or approve," implying that the Senate not participate in the nominating power. The Committee of Eleven, on September 4, accepted Hamilton's compromise with one significant modification: "Reject or approve" was changed to "advice and consent," thereby expanding the role of the Senate. This compromise was finally agreed to in the very last days of the convention.

However, the adjournment of the convention did not end the debate over the nature of the Senate's role in appointments. Indeed, that debate is as lively today as it was when Hamilton stated in the Federalist Papers, No. 76, that—

> Senate approval would be an excellent check upon a spurt of favoritism of the President, and would tend greatly to prevent the appointment of unfit characters from state prejudice, from family connection, from personal attachment, or from a view to popularity.

Throughout the 19th century, the Senate exercised its confirmation power vigorously, with the encouragement of legal scholars. Both Kent and Story in their commentaries of 1826 and 1833 respectively stated that the advice-and-consent clause gave the Senate an essential duty in the constitutional process of appointment.[1]

In 1837, Benjamin F. Butler, Attorney General under Presidents Jackson and VanBuren and a strong advocate of Executive power, acquiesced in an expanded senatorial role:

> *The Senate may suggest conditions and limitations to the President*, but it cannot vary those submitted by him, for no appointment can be made except on his nomination, agreed to without qualifications or alteration." (Italics added.)[2]

In this century, an active confirmation role has also been pressed upon the Senate by such distinguished men as Prof. Charles L. Black, Jr. of Yale Law School, Prof. Joel B. Grossman of the University of Wisconsin, and Prof. Stephen L. Wasley of Southern Illinois University. Indeed my distinguished colleague from Michigan, Senator GRIFFIN, argued before the Senate Judiciary Committee in July of 1968 that—

> To assure the independence of the Judiciary as a separate and coordinate branch, it is vitally important then to recognize that the "advice and consent" power of the Senate with respect to the Judiciary is not only real, it is at least as important as the power of the President to nominate.[3]

Against a backdrop of strong precedent for the position that the Senate's function of confirmation is essential for the maintenance of the separation of powers inherent in our constitutional system, I would like to turn to a brief description of how we have in the past fulfilled this function. Specifically, what has been the scope of senatorial inquiry into the fitness of the nominee?

Out of a total of 136 Supreme Court appointments, 27 nominations, or more than one-fifth, have failed to receive Senate confirmation. By contrast, since 1789, only 8 men nominated to the Cabinet have been rejected by the Senate. As evidenced by these figures, the Senate has deferred greatly to the President in the appointment of executive officers, but not in Supreme Court nominations when the quality of the judiciary is at stake. And this is as it should be. Cabinet posts are not lifetime appointments. Moreover, the President is directly responsible for the conduct of his Cabinet. Justices, on the other hand, are assured independence from both the executive and the legislative branches pursuant to article III of the Constitution.

It is, therefore, unthinkable that the Senate conduct less than a vigorous examination of any Supreme Court nominee. In so doing, the Senate has traditionally considered a nominee's political views, philosophy, writings, and attitudes on particular issues as well as the nominee's fitness. Professor Black has argued that this inquiry is not only proper, but essential because "social philosophy shapes judicial behavior."

And Justice Frankfurter, among others, recognized that justices are—

> molders of policy rather than impersonal vehicles of revealed truth.[4]

The Senate's first refusal to appoint occurred in 1795, when George Washington nominated John Rutledge for Chief Justice after John Jay's resignation. Rutledge, a man described by Charles Warren in "The Supreme Court in United States History," as "eminently fit," made the mistake of attacking the Jay Treaty with Great Britain. The speech was viewed as an anti-Federalist attack. Soon afterward the Federalist-dominated Senate rejected the nomination.[5]

Rutledge's case signaled a long line of 19th century rejections of men whose political philosophies were repugnant to the Senate. Tyler's nominations of Whig supporters Walworth and King were not affirmed by the predominantly Democratic Senate. In 1869, the Radical Republicans in the Senate rejected Grant's nominee, Ebenezer R. Hoar, who had opposed radical reconstruction of the South after the Civil War. Instead, the Senate demanded and obtained the appointment of the former Secretary of War, Edwin M. Stanton.

There have been far fewer senatorial rejections in this century. Among them were Herbert Hoover's nomination of Judge John J. Parker, who was rejected in 1930 because of his antilabor and antiblack record. Similarly, the Senate refused to confirm G. Harrold Carswell because of his longstanding opposition to civil rights.

While I believe that senatorial inquiry into the qualifications of a nominee quite properly includes an examination of the nominee's philosophical views, I would like to distinguish what I consider to be improper reasons for rejection.

Frequently, the Senate's failure to confirm has been due to partisan political motives. For example, in 1893, President Grover Cleveland's nominee, William Hornblower, a highly regarded New York lawyer, was opposed by Senator David B. Hill of New York because, as an election commissioner, Hornblower had ruled against one of Hill's men. The nomination was rejected. This conduct not only belittles the stature of the Senate, but also compromises our legitimate function to test the philosophical views of a nominee against our own consciences.

While I am on the subject of the scope of the confirmation power of the Senate, I think it appropriate to consider the circumstances under which a Presidential nomination is made. A strong executive, as envisioned by Hamilton and Madison, must be premised on the fact that the Presidency is an elective office. In the past, when the Senate has felt that the President is not representative of the people because he was both not elected and had been defeated for his party's nomination for the next election, little deference was given to his Supreme Court nominations. I refer specifically to John Tyler, the first Vice President to succeed to the Presidency after the death of William Henry Harrison in 1840. Almost from the start it became clear that Tyler would not win his party's nomination for President in 1844.

As a State Rightists, he was anathema to the Whigs, who instead chose Henry Clay to lead the party. Tyler's first nominee, John C. Spencer of New York, was rejected in January of 1844. His next two nominations of Reuben H. Walworth and Judge Edward King were tabled because of the upcoming Presidential election. Both the Whig and Democratic Parties preferred that a President with a clearer mandate from the electorate fill the bench. After Polk's election in 1845, Tyler withdrew the names of King and Walworth and instead submitted Chief Justice Samuel Nelson of New York. Nelson's nomination, widely regarded as nonpolitical, was confirmed. However, no action was taken on Tyler's last nomination of John Read of Philidalephia. When President Polk finally filled the open seat it had been vacant for 19 months. The scholarly community of the time supported the Democratic Senate's action. For example, the National Intelligencer wrote:

> Better the bench shall be vacant for a year, than filled for half a century by . . . partisans committed in advance to particular beliefs.[6]

With the exception of Ulysses S. Grant, the only other President to have as much trouble filling Supreme Court vacancies was Millard Fillmore who succeeded to the office upon the death of Zachary Taylor. After the Whig Presidential Convention in June of 1852, where Fillmore lost to Winfield Scott, he attempted the nomination of Edward A. Bradford from Louisiana. The Senate refused to take action on the nomination. After Pierce's election in 1852, the nonelected President unsuccessfully nominated two additional men to fill the vacant seats.

The Tyler and Fillmore fiascos suggest that a President who assumes power under extraordinary circumstances should use great self-restraint in the exercise of the constitutional power of nominating Justices to the Supreme Court. Thus I would urge the same self-restraint today. While the President does have the power under the Constitution to nominate, wisdom and a respect for the electoral system dictate a staying of the nominating power in this case.

I do, however, draw a distinction between the appropriateness of a nomination by an unelected President and that of a duly elected President in the last year of his term—the so-called lame-duck appointment. I believe such appointive power is necessary to preserve the constitutional separation of powers between the executive and the legislative bodies. In a letter sent to Senator EASTLAND, chairman of the Senate Judiciary Committee, by the distinguished law professors concerned about the opposition to Justice Fortas and Judge Thornberry, it was stated:

> We find no warrant in constitutional law for the proposition that the concurrent authority and obligation of the President and Senate with respect to the appointment of high Federal officials are in any degree attenuated by a presidential decision not to seek a further term. . . . The Constitution contemplates, *and the people in electing a President and Senators expect,* that the highest executive and legislative officials of the land will exercise their fullest authority to govern throughout their terms of office." (Italic added.)

I want to repeat, in closing, that the Constitution gives us a solemn duty to participate in the selection of Justices for the Supreme Court. I hope that we fulfill our obligation vigorously and with full debate.

REFERENCE SOURCES

1. 1 Kent, Commentaries 310 (1826); 2 Story, Commentaries § 1539 (1833).
2. 3 Op. Atty. Gen. 188 (1837).
3. 79 Yale Law Journal 657 (1970).
4. Felix Frankfurter on the Supreme Court, 211 (P. Kurland ed. 1970).
5. Vol. One, p. 128.
6. Swindler, 56 A.B.A. Journal 533.

TRADITIONAL AMERICAN VALUES IN A WORLD OF HOSTILITIES

Mr. HUMPHREY. Mr. President, I want to share with my colleagues an address which was delivered to the graduating class at Lebanon Valley College earlier this year by Mr. Warren Robbins, founder and director of the Museum of African Art in Washington, D.C.

It has been my privilege to work closely with Warren Robbins over the years. He is a man of great depth and understanding not only of the cultures of the African continent, but of our own society as well.

In this address, entitled, "Traditional American Values in a World of Hostilities", he recapitulates some of the social and political trends which have impacted on our own culture in recent years.

In the search for rediscovery of national values, Mr. Robbins admonished these young graduates:

> Do not lose the context which the university with its links to the past can provide for evaluating ourselves and our society. Utilize the literature of our Bicentennial to define and observe the highpoints of our history, the strong points in our national character and be guided by them. Do not be seduced by the easy cynicism that disillusioning events tend to foster.

I commend this address to the attention of my colleagues, Mr. President, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TRADITIONAL AMERICAN VALUES IN A WORLD OF HOSTILITIES

(By Warren Robbins)

For a number of reasons, I was pleased to accept President Sample's invitation to speak at this Commencement Program. For one thing, this is the first time in years that I have been asked to speak on any subject other than African art and that was very kind of him. A second reason is that ever since I grew this beard several years ago, people have been addressing me as "Doctor" and I have always felt constrained to correct them. Now, as the recipient of an Honorary Degree of Doctor of Laws, I can just keep my mouth shut. Lastly, the occasion affords me the opportunity to put my own thoughts in order regarding the condition of our society today, and what a reasonable response to it might be. My challenge this morning is to cover the entire history of the world and my own social philosophy in 20 minutes or perhaps 25 in case I can't squeeze it all in. I accept the challenge and hope that when I have completed my remarks you will not have the same response that George Bernard Shaw once had when he was asked if he had enjoyed himself at a lecture, "Certainly I enjoyed myself," he replied, "what else was there to enjoy?"

This is a time of demoralization and apprehension for many Americans. The debacle of Vietnam and the disgrace of Watergate have made us question the capacity of our country to continue to be what Lincoln termed, "the last best hope of earth."

But a friend and associate of Lincoln, Carl Schurz, a German immigrant who came to this country in 1852 and made an important contribution to American life as a newspaper editor, a United States Senator and a diplomat had this to say:

"How the European revolutionary idealists, as I knew them in the old world would at first be startled, if not shocked, by the aspect of a really free people—a democracy in full operation on a large scale—the most contradictory tendencies and antagonistic movements openly at work side by side, or against one another: enlightenment and stupid bigotry; good citizenship and lawlessness; benevolent and open-handed public spirit and rapacious greed; democracy and slavery; independent spirit and subservience to party despotism and to predominant public opinion—all this in bewildering confusion.

"The newly arrived European democrat, having lived in a world of theories without having had any practical experience with a democracy at work, asks himself, "Is this really people living in freedom? Is this the realization of my ideas?" He is puzzled and perplexed until it dawns upon him that, in a condition of real freedom, man manifests himself not as he ought to be, but as he is, with all his bad as well as his good qualities, instincts and impulses; with all his attributes of strength as well as all his weaknesses; that this therefore, is not an ideal state, but simply a state in which the forces of good have a free field as against the forces of evil, and in which the victories of virtue, of enlightenment and of progress are not achieved by some power or agency outside of the people for their benefit, but by the people themselves."

How timely this statement is today, though written well over a hundred years ago. How applicable to the questions we ask ourselves in our time about America and the values it espouses.

America today is being put to the test and, despite our discouragement, I think that, measured by the criteria of Carl Schurz, we can say that it is coming through.

For the college graduate today, considering the not entirely unrelated worlds of national political affairs and of employment, both of which command our everyday attention, the outlook would appear to be bleak; to some, depressing. Charismatic leadership is lacking, integrity is at a premium, inspirational models are few, jobs are scarce, inflation is rampant, demands are many. Cynicism follows upon the heels of disillusionment and inertia sets in.

Bill Moyers (former White House Press Secretary and Director of the Peace Crops) said recently in an address similar to this one, "I find a growing number of people who question whether anything matters, whether anything works, whether anyone listens, whether anyone cares."

Thus the great social movement of the 60's led by the younger generation of Americans is stalled in its tracks, its participants demoralized and dispersed, its momentum dissipated—this we find even though the protest movement has had a profound effect upon our society. I don't believe that this new generation of people has really recognized its victory nor gained inspiration from it. But is was they more than any other segment of our population who took the first steps to put a stop of the war in Vietnam; it was they who have been the great *debunkers* of the platitudes with which the older generations have been comforting themselves; it was they who turned this country around whether winning acceptance for long hair as an inalienable right or fostering different and more honest socio-sexual mores, or refusing to be satisfied with rhetoric as a substitute for action, or simply persevering with their own new set of truths.

The important thing that is happening today, I believe, is that we as a Nation are losing our innocence. We are gaining that gift, "to see ourselves as others see us"—a gift which, though it carries the pain of realizing our own imperfections and shortcomings, is nevertheless indispensable to our maturity.

It has taken the war in Vietnam to make us realize that we are not pure, that we hold no monopoly on truth, that we are not infallible and—perish the thought—that we are not indispensable to other nations. Life goes on and prospers without us, even in such places as East Germany which we now recognize and trade with, or in Cuba, with which we are preparing to resume normal relations (cigar smokers and two-lumps-of-sugar-in-tea drinkers, rejoice), or even in South Vietnam, as we have begun to note from uncensored newspaper reports telling us of acts of kindness and self-discipline among the victorious soldiers of the Viet Cong. Can it be that they behave as we used to like to think we Americans did—before the exposure of the massacre of My Lai (for which no one was punished except calloused Lieutenant Calley and even he has been pardoned).

It is a cliche of course to state that our nation is young—but when one stops to consider that there are people in this auditorium whose grandfathers' grandfathers were walking these woods of William Penn in the time of America's founding, it conveys to us not only how young we are but how far we've come in a span of time that we can measure in intimate lifetimes. This we must consider when we ponder how long a way we have still to go. When we realize that, although man as a species is somewhere between 2 and 8 million years old, man in history only 16–20,000 years old, and that man as we know him today—modern man, beginning with the scientific revolution of Galileo, is but 300 years old—a drop in the bucket—we need not be too impatient with ourselves. A lord of one of the stately old mansions of England was once asked by an admiring American: "how do you manage to have such wonderful expanses of beautiful green lawn; in America our lawns are filled with crab grass and dandelions." The Englishman's bland reply was: "we simply take care of them for five or six hundred years."

Our problems arise from the very fact that we've come so far so fast and that we cannot adjust so rapidly to the changes that have been wrought.

Prior to the generations which we here encompass, society did not change appreciably within the life span of any given individual, and from one generation to the next we were able to adjust to the social bi-products of the scientific and industrial revolutions. But with the tremendously accelerated pace of change in the post World War II period, we are expected to adjust socially to the radically new circumstances of one decade before we have completed our adjustment to changes brought about in the previous one.

And one must remember that democracy, as the political reflection of our kind of industrialized society can be like a Frankensteinian monster since without an enlightened and responsible populace, without a generally accepted code of behaviour, without individual self-discipline, a democratic society cannot control itself. "America," Frank Lloyd Wright has said, "is the only culture that has gone from barbarism to decadence without becoming civilized in the meantime." Patience, Mr. Wright, we're not yet finished.

During the years 1950–1960, I was involved as a Foreign Service officer—a cultural attache—in the democratization of Germany. This was the term applied by Allied authorities to the process of rehabilitating Germany after its completely devastating defeat. A necessary, if rather presumptious undertaking, the process was an integral part of the American presence in Germany along with the Marshall Plan which helped set war-ravaged European nations back on their feet—victor and vanquished alike. (The Marshall Plan, incidentally, was as much a reflection of that altruistic streak in the American mentality as it was a politico-economic device for containing Communism. And it represented the American spirit at its best in our relations with other nations.)

In the talks I gave to groups of Germans I used to quote the sociologist Curt Lewin who, in his book *Resolving Social Conflicts*, wrote, "Democracy must be learned anew with each generation." This was a main point of my orientation talks but I never realized how true the idea was until I observed in the 60's in our own country the self-righteously fascistic tactics of the Weathermen and the other militant academic groups who justified their violence and their infringement of the rights of others by what they regarded as the trueness of their cause.

In the 60's I was losing *my* innocence. It had been my view that the principal impediment to a properly functioning democracy was lack of education for the masses. Simply give everyone a proper, if conventional education, and democracy was bound to work. But among the Weathermen and other groups, one found persons who had been given every educational advantage. Yet they had not learned the lesson of the previous generation's battle with totalitarianism, nor had they learned to recognize the requisites of a democratic society. Our domestic fascists were right in not accepting the materialistic values flaunted on all sides in America, but they were completely wrong in how they went about their resistance. The adherents of Hitlerism also believed in the trueness of their cause.

Closing down a university whether with bombs or strong arm tactics because one group didn't agree with its policies, brings us back not merely to Hitler, but to the clubs and stones of earlier millenia. And the pity of it is that university administrators, with the exception of a few hardy souls like President Hayakawa of San Francisco State, capitulated, thus not only failing to protect the rights of those students who wanted to go to their French classes, but failing themselves, as deans of learning, to demonstrate what 200 years of Constitutional democracy should be teaching us. A man's right to swing his fist, ends where the other fellow's nose begins.

For me, the strength and the saving grace of American society lies not merely in its human and humane characteristics, wherever they appear to gladden our hearts, but in the simple fact that ours is an open society where, as Schurz said, 'the forces of good have a free field against the forces of evil." And where, to bring it up-to-date, an ordinary common man—a security guard in whom the basic qualities of decency and integrity had been instilled in the home (an underprivileged home, most probably)—could take that first step in a chain of events, to bring down through peaceful means and the governance of the law, a regime—we call it an administration—which by its own mendacity and cynicism, its deceit and its extreme hypocrisy, threatened to displace and therefore destroy the basic values which have nurtured our society during these past 200 years. A common man, a judge armed only with the precedent of the law, a legislative committee outspokenly representative of a cross section of the people and a press that would not be intimidated. And we got back on the track again.

Ours is not only an open society, it is a self-adjusting society; and it is a society that learns, and therein lies its ultimate significance.

Take racial integration as an example. Here are 20,000,000 people, one tenth of our population, who for several hundred years had been shamefully deprived of their basic human rights, of the opportunity for self betterment, of the possibility to partake fully of the fruits of the land of their birth. Gradually, steadily the demand arose: "move over and make room for us," and 200,000,000 people, despite their frailties and weaknesses and the animosities that some may harbor, have been moving over. Not without failures to be sure, and not without social adjustments yet to be worked out—Boston being an example. But the national climate is there, the laws are clear and the precedent is set; and the change is striking to behold. I see it in our Museum where classes of little children, black and white together, from schools of Virginia and Maryland, as well as Washington come to learn about Africa and about each other. It is beautiful to observe.

American society has been severely handicapped by the myth of racial inferiority—a myth deeply rooted in the American mind and reinforced by popular imagination. In the traditionally ethno-centric view of human culture that America has shared with Europe, most other peoples of the world have been regarded as culturally barren and historically incapable of making significant contributions to mankind.

But this view is changing as we learn to open our minds—not just our hearts—and to evaluate other cultures in their own terms, not in terms which we erroneously superimpose on them. Thus we discover that the linguistic structures and the vocabularies of certain African languages convey principles of human responsibility, of moral philosophy and of social order which are worthy of our respect, and which we would do well to emulate. We learn from the modern artists of the Western world—Picasso and others—that the sculpture produced by the tribal people of Africa is to be counted as among the great creative traditions of mankind: that in music, the Africans' command of polyrhythmic structure is far superior to that of Western man.

With such discoveries, a new kind of understanding, consistent with scientific knowledge is emerging, which in the last analysis will provide an indispensable foundation for our changing American society.

Regarding political and social values in America, we used to be able to divide things up into four neat categories: radical, liberal, conservative and reactionary. Radicals were those who wanted to bring about change through violent means or the threat of it, as in the slogan, "by any means necessary." Liberals were those who wanted to bring about change through peaceful means within the framework of existing laws and customs. Conservatives were those who mistrusted big government and deficit spending, were for decentralization and state's rights and who would take no significant action to bring about change. Reactionaries were those who wanted to move backward to the good old days (that never were) and who would block change in any way they could.

That's the way it used to be and it was easy for people to categorize themselves or be categorized. Radicals were men with beards and home-made bombs. Liberals were internationalists who believed in world cooperation through international bodies like the League of Nations (which we helped found after World War I, but then didn't join), or of today's United Nations. Liberals were in favor of using the graduated income tax to support vast domestic programs of social betterment or for the reclamation of whole regions through such programs as the Tennessee Valley Authority.

New Dealers were liberals. Presidents Roosevelt, Truman, Kennedy and Johnson were liberals. On the other hand, Hoover, Eisenhower, Nixon and Ford are regarded as conservatives. (But not by the reactionaries, I should add, who regarded them as liberals.) Reactionaries were people whose views were antiquated from the standpoint of progressive democracy. They were a minority who also, for example, didn't believe we should enter World War II. Isolationists were reactionaries.

But today, liberals opposed to America's presence in Asia are tending toward isolationism, which used to be the domain of the reactionaries. Militants though they work for causes long espoused by the liberals, reflect the radicalization of larger numbers of people, still with beards and bombs. Liberals and conservatives now also grow beards but, unlike the radicals, they trim them.

The current conservative administration though it still speaks out against big government and deficit spending, is putting out the biggest budgets in the history of the nation with the largest amounts going for military hardware. Doctors were usually conservative, opposing for many years, such liberal concepts as socialized medicine. Today, however, conservative doctors readily accept the liberal concept of Medicare—along with its federal payments—and that's socialism which used to be radical.

Reactionaries who once invoked George Washington's Farewell message against America's intervention in foreign wars, are today the strongest exponents of war on foreign shores—necessary, they contend, to contain Communism. But that's a form of internationalism which used to be liberalist policy. And a Presidential candidate like George Wallace who has taken up the cry of the populists in behalf of the little man—formerly the domain of the liberal—must nevertheless continue to be regarded as a reactionary for his opposition (right up to the school house door) to equal rights for all Americans.

So today categories are fuzzy; we have no precise signposts anymore to guide our political thinking; no labels to define our social values. We tend to be taken in by the smoothest manipulator of the media and accept the labels handed out by PR men.

University graduates are frequently given advice at Commencement Exercises to help them face the so-called real world beyond the college gate. But in the last decade or so, so many unreal things have happened to bludgeon our sensibilities—assassinations, corruption at the highest political levels, violence, apathy, bankruptcy of our cities—things that we thought could never happen in America—that it is extremely important if one is to retain sanity and balance, to keep in mind what history can tell us about ourselves as a nation. Perhaps it is the university, standing in the mainstream of our past, that provides us with clues to reality and it is the passing episode of the last decade-and-a-half that is really the unreal in America.

If so, this would be my admonition. Do not lose the context which the university with its links to the past can provide for evaluating ourselves and our society. Utilize the literature of our Bicentennial to define and observe the highpoints of our history, the strong points in our national character and be guided by them. Do not be seduced by the easy cynicism that disillusioning events tend to foster.

The most difficult thing to deal with today, in our efforts to rediscover national values, is the fact that there are no longer any hard and fast rules to go by; authoritarianism, whether in the home or in the classroom, is passe. Absolutes are out. "Doing your own thing," which sort of reflects in everyday parlance Einstein's Theory of Relativity, is what we have arrived at. "Doing your own thing," is the logical extreme of democracy. But even as we are learning not to discriminate in regard to human rights and social opportunity, we must at the same time learn to discriminate more in terms of merit, of judgment, of standards of excellence. Everything may be relative as Einstein and the cultural anthropologists tells us, but there have to be measures to go by. Even Einstein had to establish a fixed reference point for his theory of the Universe. Therefore, if general rules are no longer imposed from the top to govern our social behavior and define our responsibilities, then we must apply them ourselves through the individual reassertion of our collective national values, our traditional values as a people. We know what they are, even though in recent years they may have been conspicuous by their absence in public affairs. These values are not grandiose. They are simply stated from time to time by great men among us. Not infrequently for example by President Truman—an ordinary American who became one of our greatest Presidents because he knew what they were and he asserted them not only in his public statements but in his own political behavior. Or by Truman's Secretary of State, Dean Acheson who, in a low-key talk made in 1946, said:

"For a long time we have gone along with some well-tested principles of conduct: that it is better to tell the truth than falsehoods; that a half truth is no truth at all; that duties were older than, and as fundamental as, rights; that, as Justice Holmes put it, the mode by which the inevitable came to pass was effort; that to perpetuate a harm was wrong, no matter how many joined in it . . . Our institutions are founded on the assumption that most people will follow these principles most of the time because they want to and the institutions work pretty well when this assumption is true . . . This is what we have to get back to—these well-tested principles of conduct."

I would also like to cite as a good statement of democratic values, the words of the British historian Kenneth Clark who, in ending his book and TV series on "Civilization," says:

"I believe that order is better than chaos, creation better than destruction, I prefer gentleness to violence, forgiveness to vendetta. I believe in courtesy, the virtue by which we avoid hurting other people's feelings by satisfying our own egos. On the whole I think that knowledge is preferable to ignorance and I am sure that human sympathy is more valuable than ideology. I believe that in spite of the recent triumphs of science, men haven't changed much in the last 2000 years and in consequence we must all try to learn from history. History is ourselves . . . What Western man has achieved in the last thousand years (has) often (been) after setbacks and deviations at least as destructive as those of our times. Western civilization has been a series of rebirths. Surely this should give us confidence in ourselves . . . It is lack of confidence more than anything else that kills civilization. We can destroy ourselves by cynicism and disallusion just as effectively as by bombs."

These statements alone, eloquent in their simplicity, can well serve as a soft-spoken credo for our times and as a "guide for the perplexed."

THE EDUCATION OF ALL HANDICAPPED CHILDREN ACT

Mr. KENNEDY. Mr. President, I was pleased to serve as a conferee on S. 6, the Education of All Handicapped Children Act.

I want to commend the Senator from New Jersey (Mr. Williams), the author of this legislation, and the Senator from West Virginia (Mr. Randolph) for their leadership on this measure.

The legislation provides substantial impetus for the realization of equal educational opportunity for all handicapped children.

It is a fulfillment of a Federal commitment to the Nation's handicapped who for too long have been subtly excluded from full participation in the educational system of the Nation.

I particularly want to express my appreciation for the retention of the amendment I introduced with Senator Stafford to provide States with an incentive to provide preschool educational services for handicapped children 3 to 5 years of age. Those States serving those children will receive a bonus of $300 per child.

I also want to note that the conference accepted the provision which allows States such as Massachusetts which already mandate special education to all handicapped children to use Federal funds to help defray the excess of cost of expanded services.

Finally, I would note that the conference retained the guarantees of due process that are so essential to protect the rights of handicapped children.

Mr. President, the Council for Exceptional Children has prepared a summary of the conference report which I ask unanimous consent to be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Summary—The Education of All Handicapped Children Act, S. 6, Conference Agreement

A House-Senate conference committee has completed its work on S. 6, the "Education of All Handicapped Children Act." Therefore, pending approval of the Conference Report by both House and Senate (no problems anticipated there), S. 6 will shortly be transmitted to the President. Presidential approval or disapproval remain an unknown quantity.

What follows is a characterization of the major features of the joint House-Senate bill as it will be transmitted to the White House. It should be understood that when this summary was being prepared the Conference Report had not been completed. The following must, therefore, be perceived as our best interpretation of conference action.

FORMULA

S. 6 establishes a formula in which the Federal government makes a commitment to pay a gradually-escalating percentage of the National average expenditure per public school child times the number of handicapped children being served in the school districts of each State in the Nation. That percentage will escalate on a yearly basis until 1982 when it will become a permanent 40 percent for that year and all subsequent years.

Here is the scale:

Fiscal 1978, five percent.
Fiscal 1979, ten percent.
Fiscal 1980, twenty percent.
Fiscal 1981, thirty percent.
Fiscal 1982, forty percent.

It should be carefully noted that such a formula carries an inflation factor, i.e. the actual money figure fluctuates with inflationary-deflationary adjustments in the National average per pupil expenditure.

FORMULA "KICK-IN"

As obviously indicated in the preceding heading, the new formula will not go into operation until fiscal 1978.

It will be recalled that existing law was already moving toward a permanent, significant increase in the Federal commitment. Public Law 93-380, the Education Amendments of 1974 (signed August 21 of 1974), created the first entitlement for handicapped children, based upon factors of the number of *all* children aged three to twenty-one within each State times $8.75. This formula (called the "Mathias formula" after its originator), amounting to a total annual authorization of $680 million, was authorized for fiscal 1975 only—with a view toward permitting an emergency infusion of money into the States while at the same time deferring to final determination of a permanent new funding formula as now contained in S. 6. This "Mathias formula" would be retained in both bills until "kick-in" of the new formula.

CEILINGS

For the two years of fiscal 1976 and 1977 when the formula remains under the "Mathias entitlement," the conferees set authorization ceilings of $100 million for fiscal 1976 and $200 million for fiscal 1977. On the basis of the current National average per pupil expenditure, the following authorization ceilings are generated for the first years on the new formula:

Fiscal 1978: $387 million (on the five-percent factor).

Fiscal 1979: $775 million (on the ten-percent factor).

Fiscal 1980: $1.2 billion (on the twenty-percent factor).

Fiscal 1981: $2.32 billion (on the thirty-percent factor).

Fiscal 1982: $3.16 billion (on the forty-percent factor).

COUNTING LIMITATION

S. 6 addresses the potential threat of "overcounting" children as handicapped in order to generate the largest possible Federal allocation. The measure prohibits counting more than 12 percent as handicapped served within the total school-age population of the State between the ages of five and seventeen.

LEARNING DISABILITIES

S. 6 retains, with minor alterations, the existing Federal definition of handicapped children (EHA Section 602(I) and (15) of extant law), and this definition includes children with specific learning disabilities. However, it would appear at this point of interpretation of conference action that the Commissioner *may*, within one year, provide detailed regulations relative to SLD, including the development of a more precise definition, the prescription of comprehensive diagnostic criteria and procedures, and the prescription of procedures for monitoring of said regulations by the Commissioner. If the authorizing committees of the House and Senate disapprove the Commissioner's regulations, then a ceiling on the number of children with learning disabilities who may be counted by the State for purposes of the formula will be included when the new formula takes effect. The ceiling would provide that not more than one-sixth of the 12 percent of school-age children aged five to seventeen who may be counted as handicapped children served may be children with specific learning disabilities.

PRIORITIES

Existing law (P.L. 93-380), in conformance with the overall goal of ending exclusion, orders a priority in the use of Federal funds for children "still unserved." S. 6 maintains and broadens that priority in the following manner:

First priority to children "unserved."

Second priority to children inadequately served when they are severely handicapped (within each disability).

BENEFICIARIES

S. 6 stipulates that all handicapped children, aged three to twenty-one years, may enjoy the special education and related services provided through this measure. There is also provision for the use of Federal monies for programs of early identification and screening.

PASS-THROUGH

As finalized, S. 6 contains a substantial pass-through to the local school districts. In the first year of the new formula, 50 percent of the monies going to each State would be allocated to the local education agencies. In the following year, fiscal 1979, the LEA entitlement would be enlarged to 75 percent of the total allocation to a given State with the SEA retaining 25 percent. This 75-25 arrangement commencing in fiscal '79 becomes the permanent distribution arrangement. The current State-control of all funds is retained for the remainder of fiscal 1976 and fiscal 1977.

CONSTRAINTS UPON LOCALITIES

Though S. 6 authorizes a substantial local entitlement, there are numerous "strings attached." Initially, the State education agency will act as the clearinghouse of all data from the localities gathered in order to determine local entitlement, and the State will transmitt hat information to the Commissioner. Furthermore, the State education agency may refuse to pass-through Federal monies generated when:

The school district does not conform to the overall State-plan requirements contained in this Act and in existing law (such as "full service" goal, confidentiality, etc.);

The school district fails to meet the local application requirements;

The State deems the local district unable to make effective use of its entitlement unless it consolidates its entitlement with the entitlement of one or more other school districts (this apparently allows great flexibility in funding arrangements—intermediate districts, special districts, etc.);

When the program for handicapped children within the school district is of insufficient size and scope;

When the school district is maintaining "full service" for all its handicapped children with State and local funds. (This provision will end when all districts within the States have reached "full service," at which time a degree of supplanting will in effect be permitted.)

Most significantly, S. 6 sets a flat monetary minimum. If a school district, after counting all of its handicapped children served, cannot generate an allocation for itself of at least $7,500, a pass-through to that school district does not occur. This provision is, of course, also aimed at encouraging various sorts of special education consortia in order to make a meaningful use of the Federal dollars.

STATE AND LOCAL REQUIREMENTS

S. 6 makes a number of critical stipulations which must be adhered to by both the State and its localities. These stipulations include:

Assurance of extensive child identification procedures;

Assurance of "full service" goal and detailed timetable;

A guarantee of complete due process procedures;

The assurance of regular parent or guardian consultation;

Maintenance of programs and procedures for comprehensive personnel development;

Assurance of special education being provided to all handicapped children in the "least restrictive" environment;

Assurance of nondiscriminatory testing and evaluation;

A guarantee of policies and procedures to protect the confidentiality of data and information;

Assurance of the maintenance of an individualized program for all handicapped children;

Assurance of an effective policy guaranteeing the right of all handicapped children to a free, appropriate public education, *at no cost* to parents or guardian.

It is most important to observe that an official, written document containing all of these assurances is now required (in the form of an application) of *every* school district receiving its Federal entitlement under S. 6.

HOLD HARMLESS

S. 6 stipulates that every State will be "held harmless" at its actual allocation for fiscal 1977 (the last year of appropriations under the "Mathias formula").

EXCESS COST

S. 6 provides that Federal monies must be spent only for those "excess cost" factors attendant to the higher costs of educating handicapped children. A given school district must determine its average annual per pupil expenditure for all children being served, and then apply the Federal dollars only to those additional cost factors for handicapped children beyond the average annual per pupil expenditure. Such a requirement does not obtain for the State education agency in the utilization of its allocation under this Act.

INDIVIDUALIZED INSTRUCTION

S. 6 requires the development of an individualized written education program for each and every handicapped child served, to be designed initially in consultation with parents or guardian, and to be reviewed and revised as necessary at least annually. This provision takes effect in the first year under the new formula, fiscal 1978.

Each child requires an educational blueprint custom-tailored to achieve his/her maximum potential.

All principles in the child's educational environment, including the child, should have the opportunity for input in the development of an individualized program of instruction.

Individualization means specifics and timetables for those specifics, and the need for periodic review of those specifics—all of which produces greatly enhanced fiscal and educational accountability.

DATE CERTAIN

It is generally agreed that the Congress ought to fix a chronological date, however, innately arbitrary, beyond which no State or locality may be failing without penalty to guarantee against outright exclusion from the public educational systems. Also, it is felt that the States ought to be given a reasonable, but not lengthy, time period in which to reach "full service."

S. 6 therefore requires that every State and its localities, if they are to continue to receive funds under this Act, must be affording a free public education for all handicapped children aged three to eighteen by the beginning of the school year (September 1) in 1978, and further orders the availability of such education to all children aged three to twenty-one by September 1, 1980. However, these mandates carry a "big 'if' " in the area of preschool, apparently in the age range of three to five. Under S. 6., such mandate for children in that group would apply only when there is a similar mandate in State law or practice.

DUE PROCESS

The vital provisions of existing law (P.L. 93-380, the "Stafford guarantees") toward the guarantee of due process rights with respect to the identification, evaluation, and educational placement of handicapped children are constructively refined in S. 6 toward at least the following objectives:

To strengthen the rights of all involved;

To conform more precisely to court decrees;

To clarify certain aspects of existing law;

To guarantee the rights of all parties relative to potential court review;

To insure maximum flexibility in order to conform to the varying due process procedures among the States.

FEDERAL SANCTION

If the Commissioner finds substantial noncompliance with the various provisions of this Act, with emphasis upon the guarantees for children and their parents, he shall terminate the funding to a given locality or State under this Act, as well as the funding of those programs specifically designed for handicapped children under the following titles:

Part A of Title I of the Elementary and Secondary Education Act

Title III of the Elementary and Secondary Education Act (innovative programs) and its successor, Part C. Educational Innovation and Support, Section 431 of P.L. 93-380

The Vocational Education Act

SEA AUTHORITY

S. 6 requires that the State educational agency be responsible for ensuring that all requirements of the Act are carried out, and that all education programs within the State for all handicapped children, including all such programs administered by any other State or local agency, must meet State educational agency standards and be under the general supervision of persons responsible for the education of handicapped children. This provision establishes a single line of authority within one State agency for the education of all handicapped children within each State.

This provision is included in the Act for at least the following reasons:

To centralize accountability, both for the State itself and from the standpoint of the Federal government as a participant in the educational mission;

To encourage the best utilization of education resources;

To guarantee complete and thoughtful implementation of the comprehensive State plan for the education of all handicapped children within the State as already required in P.L. 93–380, the Education Amendments of 1974, with the further planning provisions of this Act;

To ensure day-by-day coordination of efforts among involved agencies;

To terminate the all too frequent practice of the bureaucratic "bumping" of children from agency to agency with the net result of no one taking substantive charge of the child's educational well-being;

To squarely direct public responsibility where the child is totally excluded from an educational opportunity;

To guarantee that the State agency which typically houses the greatest educational expertise has the responsibility for at least supervising the educational mission of all handicapped children;

To insure a responsible public agency to which parents and guardians may turn when their children are not receiving the educational services to which they are entitled.

SPECIAL EVALUATIONS

S. 6 orders a statistically valid survey of the effectiveness of individualized instruction as mandated in the legislation. S. 6 also orders the U.S. Commissioner to conduct an evaluation of the effectiveness of educating handicapped children in the least restrictive environment and orders the Commissioner to evaluate the effectiveness of procedures to prevent erroneous classification of children.

SUPPLANTING

S. 6 carries a stipulation which permits the U.S. Commissioner to waive the provision against supplanting of State and local funds with Federal dollars when a State presents clear and convincing evidence that all handicapped children within said State do in fact have available to them a free, appropriate public education.

EMPLOYMENT

S. 6 stipulates that recipients of Federal assistance under this Act shall make positive efforts to employ and advance in employment qualified handicapped individuals.

ARCHITECTURAL BARRIERS

S. 6 authorizes such sums as may be necessary for the U.S. Commissioner to award grants to pay all or part of the cost of altering existing buildings and equipment to eliminate architectural barriers in educational facilities. Such provision is aimed at assuring certain handicapped children an appropriate public education in the least restrictive environment.

LIFETIME

S. 6 establishes a permanent authorization with no expiration date.

PRESCHOOL INCENTIVE

S. 6 carries a special incentive grant aimed at encouraging the States to provide special education and related services to its preschool handicapped children. Each handicapped child in the State aged three to five who is counted as served will generate a special $300 entitlement. It should be noted that this incentive entitlement goes to the State education agency and must be used by the SEA to provide preschool services. Additionally, this entitlement is a separate "line item" appropriation, independent of the larger S. 6 entitlement.

ADVISORY

S. 6 provides that each State shall have a planning and advisory panel with the following duties:

Advise the State education on unmet needs and prescribe general policies for educating handicapped children;

Comment publicly on rules and regulations issued by the State and procedures proposed by the State for distribution of funds;

Assist the State in developing and reporting such data and evaluations as may assist the U.S. Commissioner.

LEGISLATIVE FORMAT

S. 6 amends the existing Education of the Handicapped Act and rewrites Part B of that Act. In that context, it is important to observe that all of the important advances made in Part B through P.L. 93–380 (Education Amendments of 1974) are retained in S. 6, and, in many instances, are considerably improved upon.

IMPACT

S. 6 provides for an annual evaluation of the effectiveness of this legislation toward assistance in the achievement of a free, appropriate public education for all of the Nation's handicapped children.

INTERNAL REVENUE SERVICE

Mr. MONTOYA. Mr. President, on Sunday, October 19, the Washington Post carried a front page news story which stated that Commissioner Donald Alexander of the Internal Revenue Service had "blocked" an audit of my tax records. The implications in the story were insulting and derogatory, both to me and to Commissioner Alexander. The story was based on information given to the Post reporter by "highly reliable sources." Buried within the Post story was the statement that no evidence existed of any illegal evasion of taxes by me and that no evidence existed that I was aware of or sought special treatment from the IRS. However, this part of the Post story was omitted from the stories which went out to other newspapers in the Nation, including the papers in my own State of New Mexico.

On Monday morning, following the publication of this story, I addressed the Conference of Spanish-Speaking Coordinators at the IRS Building, and I took that opportunity to clarify my own personal position. I will be happy to make that statement available to any of my colleagues who wish to have a copy. Included within my statement, of course, is the fact that I have never asked for special treatment by the IRS and that as far as I know I have never received any. I have paid my taxes, promptly, and have no reason to fear an audit if any returns should be selected.

On the day of publication of the Post story, Mr. Walter Coppinger, Regional Commissioner of the IRS in Dallas, Tex., issued the following statement to the Press:

> I have had and still have the authority to do whatever is called for in the Senator Montoya Tax matter. Senator Montoya's files in the IRS for 1966 through 1972 were recently reviewed by three highly competent and respected employees—one from Audit and two from Intelligence—here in Dallas. These employees had no previous association with this matter. This analysis has been detailed and thorough. They have satisfied me that the Service acted in a fair and impartial manner. No investigation was justified, nor is one justified at present. However, Senator Montoya's tax affairs will continue to receive the same attention as those of any other taxpayer.

A spokesman for Commissioner Alexander made the following statement on that same day:

> We are prohibited from disclosing confidential tax information relating to specific taxpayers because of privacy and disclosure laws. The Commissioner does say that no one is immune from the tax system, no matter what his position, but the tax system is not to be used as a weapon or to effect retribution upon someone by making investigations that would not ordinarily have been initiated.

These two statements are self-explanatory, I believe. However, I think it is probable that the reliable sources who leaked information to Post reporter Bob Woodward were IRS employees. If that is true, and information about my tax returns is being leaked by personnel within IRS, the same danger exists for an attack upon the privacy of other taxpayers.

Title 26, United States Code, section 7213, specifically makes the release of information relating to Federal income tax returns a crime, and prescribes criminal penalties as follows:

> . . . shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $1,000, or imprisoned not more than one year, or both, together with the costs of prosecution; and if the offender be an officer or employee of the United States, he shall be dismissed from office or discharged from employment.

My interpretation of this law is that it is illegal for anyone to receive or print tax information which it would be illegal for an employee of the Government to disclose, and I believe the law is clear in prohibiting the disclosure of any information concerning any individual tax return.

It is my understanding that the improper release of information concerning my tax returns is being investigated at this time. I am hopeful that those persons who are responsible will be properly dealt with as quickly as possible.

The implication in the Post story was that it was my position as chairman of the Subcommittee on Treasury, Post Office, and General Government which was the reason for my taxes being handled in a manner which was not normal. The direct attack in the newspaper was upon Commissioner Alexander of IRS, and the reporter implied that Commissioner Alexander had blocked a review of my taxes because of my power over IRS. The insult in that statement is not just to the Commissioner, or to me, but to the Senate itself, and to the committee system. For that reason, I want to take a few minutes today to talk about disclosure of tax information and about the current legislation which is before the Congress and which is aimed at tightening controls over confidential tax information.

My subcommittee has held hearings for 3 years to examine the state of taxpayer services performed by IRS, and to listen to the testimony of tax experts, tax lawyers, citizen tax groups, and individual taxpayers about the way in which IRS agents and employees handle their job. I believe that the hearing reports are evidence that we sincerely tried to listen to all sides and that our goal was to improve taxpayer services, protect taxpayer rights, and also to protect necessary and sensible procedures of IRS. I do not consider myself to be an enemy of the IRS and I do not believe that the committee has given any IRS employee reason to be fearful of our power. We have recommended changes, and we have proposed legislation which would mandate some new procedures. I still believe that legislation to be necessary, and I reintroduced bills in January which would require judicial confirmation of the need for jeopardy assessment (S. 137), which would require formal procedures and criteria for the selection of individual income tax returns for audit (S. 136), which would revise the provisions relating to property exempt from seizure (S. 138), and which would redefine the term of office for the Commissioner (S. 139). In addition, I am a cosponsor of S. 2342, a bill to provide safeguards of taxpayer rights and to restrict the authority for inspection of tax returns and the disclosure of information derived from tax returns.

I urge any of my colleagues who have not examined these bills to do so. They are important to our tax system. They will provide a better working relationship between the public and the Internal Revenue Service. They will provide a greater guarantee that taxpayer rights will not be infringed upon by overzealous IRS employees, and they will provide an apparently necessary protection for taxpayer privacy.

The confidentiality of income tax returns is a reasonable expectation of the taxpayer. However, as a recent report of the Administrative Conference of the United States points out:

> Beginning about 1920, without a change in the tax code, there has been a gradual administrative erosion of the confidentiality of tax returns. The government continues to maintain their confidentiality so far as the general public is concerned. Within the government, however, the returns more and more have come to be viewed as a general resource available for purposes going far beyond the administration of the tax laws. Tax returns have become readily available sources of information, used by the government to study the population in general and to investigate individuals in particular. . . . In the wake of the Watergate affair, there also are questions as to whether the White House has not obtained access to tax returns for political purposes.

Because the initiation of the inquiry into my own taxes was not an official "audit," and was not revealed to me, I have a serious question about why it was begun. It apparently was originated, according to the reliable sources of the Post, in January of 1973, by the New Mexico District Director. This date is only a few weeks following the announcement of my hearings into taxpayer complaints.

Apparently, efforts were made to search my files or to selectively audit my taxes during 1973 and 1974. This was the period during which I was a member of the Watergate committee. It was also a period during which I was working to try to improve taxpayer services and protections.

It became very clear to this body and to the public during this period that there had been attempts to make political use of the IRS. I questioned the present Commissioner and previous commissioners of the IRS about this misuse of our tax service for political purposes, and I believe that I made clear the fact that I wished to get that kind of action stopped. The current Commissioner, Commissioner Alexander, testified before my subcommittee hearings on this problem. This testimony was printed in the CONGRESSIONAL RECORD of August 6, 1974, in part of my report on those hearings. I do not want to repeat it here, except to note that Commissioner Alexander said at that time:

> My policy is, has been, and will be, that politics has no part in the Internal Revenue Service. No pressure has been brought upon me to start an audit, stop an audit, start any other enforcement process, or affect it in any way. . . . If any were, I would not give in, in any way, to any such pressure. If I were ordered to, I would refuse to obey the order.

I have no reason to believe that the Commissioner has ever changed that position or would change it. I have found, on the contrary, that the Commissioner has made every effort to bring about needed change within IRS to provide greater taxpayer service and protection, and that he has always been very responsive to recommendations by the subcommittee as a result of our hearings.

The matter of taxpayer confidentiality is serious. The matter of possible political misuse of the IRS is serious. The matter of "leaking" of IRS information by employees of our tax system is serious. It is not only one Senator, or one Senate subcommittee, or one individual IRS Commissioner which is under attack. It is our tax system, and the confidence of the public which is most seriously affected by unsupported allegations and political misuse of tax information.

I ask the unanimous consent of the Senate to have printed in the RECORD at the close of my remarks an article from People and Taxes, published by the Tax Reform Research Group, and written by Louise Brown, a well-known writer on tax matters. I also ask unanimous consent to have printed in the RECORD following my remarks an article from the Albuquerque Journal and three editorial comments from New Mexico newspapers, all concerning this matter. It is interesting to note that the small town newspapers of New Mexico were able to note the pertinent facts about my hearings and to separate them from the rather impertinent allegations of Washington, D.C.'s major newspaper. It is just possible that all the political intelligence of this Nation is not concentrated here in the Nation's Capital. For that we should all be grateful.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From People & Taxes, 1975]

AGENCY STRUGGLE HURTS IRS CHIEF

(By Louise Brown)

There appears to be a campaign afoot to discredit the head of the Internal Revenue Service, Donald C. Alexander, and to drive him from office. Since September 26, when a Miami television station aired the first attacks, Alexander has become the focus of a series of largely anonymous and unsubstantiated charges involving his personal integrity.

Treasury Secretary William Simon has announced a high-level probe of the charges and Alexander himself has asked Congress for an investigation. These probes should be prompt, thorough and impartial. Much is at stake besides Alexander's reputation and his career. The stakes include the public's confidence in the voluntary self-assessment tax system, and the future direction of the agency itself.

MONTOYA ALLEGATION

The report that Alexander improperly halted a tax investigation of Sen. Joseph M. Montoya (D-N.M.) is a sample of the kind of charges being made. On October 19, the Washington Post printed allegations that Alexander stopped an investigation of the Senator because Montoya heads a powerful subcommittee with jurisdiction over IRS appropriations. The Post said that, when the Commissioner blocked a probe started by the IRS District Director in New Mexico, that official switched his attention to Montoya's family and business associates. As a result, he was demoted and sent to the Denver Office as Assistant District Director.

But there is another side to the story. First, the IRS says it has reviewed Montoya's tax returns for 1966–72, and that no investigation was justified, nor is one justified at present. Further, if Alexander did halt the IRS probe, he may have had a good reason. It had the earmarks of a political attack.

TIMING IS SUSPECT

First, the probe's timing is suspect. It began in January, 1973—five months before Alexander took office, but shortly after Montoya announced special hearings on the agency's audit and collection practices. The hearings, set for the spring of 1973, were to be a unique departure from the usual annual appropriations review. In preparation for them, Montoya asked taxpayers to send him documented cases of their complaints against the agency. The request received nationwide publicity in July, August, and September of 1972. Three months later, the IRS District Director decided to review Montoya's files, although the agency had not questioned the Senator's tax returns for the previous 25 years, according to the Post.

Second, the reasons given for the review are at least debatable. Montoya was "habitually delinquent in paying taxes." (His office denies it.) He was a "key figure in controlling IRS policy and appropriations . . ." (He had been the subcommittee chairman for two years and had held only routine appropriations hearings.) He "failed to file returns in 1945 and 1946." (But he had settled this tax dispute years earlier.) Over the 25 year period, he had invested in real estate now worth a million dollars. (But this is not hidden income.) His committee for the 1970 Senate race failed to report campaign contributions. (The contributions were not reported in New Mexico, because state law did not require it, according to Montoya's office. They were reported to the clerk of the U.S. House of Representatives in accordance with the old Federal Corrupt Practices Act, however. Under that law, such reports were closed to the public two years after they were filed.)

Alexander took office on May 29, 1973.

The special IRS hearings were over. They had revealed many instances of unfair treatment of taxpayers, and Montoya had promised to continue them in the following year. While the IRS was already reeling from allegations of political misuse against administration "enemies," the District Director was pushing for an in-depth audit. Alexander may well have believed the proposed investigation of Montoya amounted to selective targeting for purposes of retaliation.

ALEXANDER STATEMENT

In a recent statement on the matter, Alexander said, "The tax system is not to be used as a weapon or to effect retribution upon someone by making investigations which would not ordinarily have been initiated."

And if he blocked a promotion of the District Director, as the Post reported, he may have believed the Director's investigation of Montoya's family and business associates was an attempt to strike back at the Senator.

The point is not whether this version of events is correct and the Post story incorrect. The point is that Treasury and Congressional investigators should not only look carefully at the allegations, but should ask who is making them, and why.

Alexander says that he is being attacked by former and present employees who support his policies and resent his efforts to make agency personnel follow the law, according to an agency spokesman. In the last eight months, the Commissioner has taken steps to bring intelligence gathering under control and to concentrate the agency's resources on tax law enforcement instead of on general law enforcement. Both his policies and administrative decisions have brought him squarely into conflict with individuals inside and outside the agency who are involved in intelligence gathering.

STRICT GUIDELINES

Alexander has prohibited payments to confidential informants without personal approval of the Assistant Commissioner for Compliance in Washington, D.C.; ordered agents in some districts to name their confidential informants; and abolished the Intelligence Gathering and Retrieval System, which harbored files on hundreds of individuals not involved in tax violations, according to IRS internal reports. Finally, he has issued new guidelines which confine IRS information gathering to matters which are both directly tax related and necessary to the administration of the tax law. This move is aimed at easing the IRS out of general law enforcement activities, which have landed it in trouble in the past.

SENSITIVE DATA

IRS assistance in general law enforcement is prized because the agency has information and powers which other federal bodies lack. It is a giant repository for sensitive personal data provided for tax purposes. Its legal authority is unique. No other federal agency can search for and seize property without a court order, for example. However, IRS reports show that illegal and improper actions by agency employees have mainly been related to narcotics trafficking and political corruption probes—matters which are, in fact, the responsibility of other agencies.

Alexander told the House subcommittee, "If we use our powers to enforce laws for other agencies which are denied those powers, we are clearly abusing our powers." And he believes the results are harmful to tax law enforcement. He explained to members of the New York State Bar Association in June, 1975 that, "If the IRS becomes entangled in information gathering, confidential informants, and fishing expeditions relating to persons who are merely suspected of committing non-tax related crimes, public confidence in the IRS . . . could be seriously damaged."

The issue is a key one which has concerned among others, the Justice Department. It works closely with the IRS on "Strike Force" investigations involving enforcement areas like organized crime. The IRS supplies personnel, tax returns and tax return information to the Strike Force teams.

If Alexander is correct in his belief that persons within his agency are responsible for the recent attacks, the charges against him may continue until his programs and his credibility are destroyed. But the issues Alexander has raised should not be settled by an internal struggle within the IRS. They should be settled by reasoned and informed Congressional action.

LOOK AT IMPLICATIONS

Congress could take the tax agency out of general law enforcement by giving the Federal Bureau of Investigation, the Drug Enforcement Administration and other such agencies the same broad powers now enjoyed by the IRS. But, if it hesitates (and with good reason) to follow this course, Congress should at least look at the implications of what is happening now. Certainly, it should not continue to see the tax law misused. either should it allow Alexander to be turned out of office, if his only transgression is, as he says, an attempt to stop that misuse.

[From the Albuquerque Journal, Oct. 26, 1975]

MONTOYA'S IRS HEARINGS QUIETLY BRINGING RESULTS

(By Paul R. Wieck)

WASHINGTON.—The changes in the method of operation of the Internal Revenue Service (IRS) brought about by the oversight hearings of Sen. Joseph M. Montoya, D–N.M., over the last three years aren't the kind that attract headlines.

But they have put some strong curbs on what Montoya and others feel are pressure tactics used by IRS agents to intimidate taxpayers in the past.

In short, they have spoiled the game for some of the zealous.

At this time, all the substantive changes have come in the form of administrative actions taken by IRS by Commissioner Donald C. Alexander.

Alexander was sworn in only days before he made his first appearance before Montoya's initial oversight hearing in 1973.

Since then, he and Montoya have had a good working relationship.

In fact, Montoya is convinced Alexander is just as much "a victim" of the recent allegations made by IRS sources about favoritism in handling Montoya's tax returns as the senator himself.

The two major administrative changes are these:

First, Alexander has ruled the IRS must point out in the letter a taxpayer receives notifying him he is to be audited that he is not being checked for a criminal procedure.

Second, at Montoya's insistence, Alexander has ruled that the agent who makes the decision on an assessment against the taxpayer cannot take part in the decision made on an appeal from the taxpayer.

"These two rulings inhibited their pressure tactics," Montoya said this week.

Montoya has also pressed Alexander and his top aides on reports that the "quota system" once used to judge the performance of auditors is still being used under the guise of performance standards.

"They have gone round and round on this," a Montoya staffer said.

Under the "quota system" once used in some districts, an auditor's performance was rated on the basis of how much money he picked up for the federal coffers through audits of taxpayers' returns.

The performance standards that took the place of quotas smacked of the same thing.

Montoya has pressed for a system in which the supervisor of an employe would not have access to information on how much money was recovered for the federal government by an individual auditor or how many returns he audited.

The people around Montoya are convinced pressure on this point and others has aroused resentment among career IRS officials deeply entrenched in regional offices.

For one thing, it has stripped them of performance standards to display to their superiors in Washington.

In line with this, Montoya has told Alexander not to come before his treasury, post office and general government sub-committee and say "give me some, so much money for more people to audit and I will bring in so much money."

That, to Montoya, also smacks too much like the quota system he despises.

Instead, his instructions to Alexander for budget hearings is to "make a case for what you need to handle the volume of work facing you and I'll do everything I can to get the money you need".

In addition to the administrative rulings mentioned above, the IRS has taken a number of steps in the last three years to make more information available to taxpayers and offer them more help in the weeks before April 15.

A taxpayer service division has been set up.

As a result, there has been an increase of nearly 4 million in the number of taxpayers assisted by the IRS.

Hours have been extended, toll-free telephones have been put in, a special publication called "Your Federal Income Tax" published and made available free of charge, instructions published in Spanish.

The publicity received by the Montoya hearings has generated over 30,000 letters from taxpayers complaining about IRS procedures.

Another result in that the Administrative Conference of the United States has begun a comprehensive study of IRS administrative procedures.

It will look at challenges to citizen's complaints, the availability of information, the secrecy of tax information, the method of selecting returns to be audited, the use of summoning powers and selected complaints of taxpayers.

The next round will be fought out on the Senate and House floors over several measures introduced to further reform the IRS.

One of the major bills, co-sponsored by Montoya, is the Federal Taxpayers' Rights Bill of 1975.

It was drawn up by the Ralph Nader group.

In addition, Montoya has his own bill which proposes at least one major reform not included in the bill proposed by the Nader group.

Montoya is proposing a 5-year term for the IRS Commissioner.

Under Montoya's bill, the commissioner would not be eligible for reappointment and his term would not coincide with the election of a new president.

This, Montoya hopes, would remove some of the political pressure from that office.

Both Montoya and the Nader group proposes a major reform of the procedures used in judicial assessments.

Under these procedures, IRS can terminate the tax year for a taxpayer at any time it suspects wrong-doing and assess the taxpayer for the tax IRS determines is due at that time.

Montoya claims the intent of Congress was that this be used very sparingly, primarily in the cases of persons the IRS thought were about to skip the country or persons transfering their assets to another individual to prevent the IRS from getting them.

But he says it is not used sparingly these days so he is asking Congress to pass a bill requiring the agency to go to court to prove the urgency of a judicial assessment.

The Nader group adds further reform.

It would give the General Accounting Office (GAO) authority to oversee IRS and then direct IRS to report to the Congress annually on the IRS operation.

This isn't too popular among career IRS officials, either.

Montoya's bills are now pending before the Senate Finance Committee, which has been tied up in controversy over the energy program most of the year.

[From the Sun News, Las Cruces (N. Mex.) Oct. 21, 1975]

MONTOYA'S TAXES

New Mexico's senior U.S. senator stands accused, at least by the Washington Post and some source within the Internal Revenue Service, of having any audit of his taxes blocked by the IRS.

Sen. Joseph Montoya has denied the accusation and responded that someone within IRS is trying to get back at him for the hearings he has conducted on taxpayer rights and services.

The Post report said IRS Commissioner Donald Alexander blocked audits of Montoya's returns for two years because Montoya heads a subcommittee overseeing IRS operations. The report did not specifically accuse Montoya of any personal wrongdoing but it said Alexander "made strong suggestions amounting to orders" that the New Mexico IRS district director restrict a preliminary inquiry or be fired. The Post report also attributed a questionable tax return history to Montoya.

It must be either poetic or ironic that Montoya was a member of the Senate Watergate Committee. It's noteworthy that he did what former President Nixon failed to do. Instead of coming forward to talk around the issue as Nixon did, Montoya stepped forward and said, "I have no reason to fear an audit, because no evidence (of income tax evasion) exists."

Montoya should not be judged yet. The Post informant within the IRS presents a damaging case and Alexander offered little rebuttal. On the other hand, Montoya has worked hard for IRS reforms and it is indeed possible his bills were not popular with IRS employes.

If the report is a vendetta, it's unfortunate that it is so easy to cast political shadows on the approaching election day. On the other hand, public exposure of suspected bureaucratic abuse serves the public well. Montoya knows this from his Watergate investigation role. His public career dates back to the days of Truman and he also knows all about the kitchen and the heat.

The senator has taken the proper first step with a frank explanation. Montoya's constituents should follow the developments closely, but we owe him the fairness of not passing judgment based on innuendo.

[From the New Mexico Independent Newspaper, Oct. 22, 1975]

A sordid little exercise in irresponsible journalism hit the front pages of the local dailies lately, but originated with the Washington Post.

The story had it that some underling in the Internal Revenue Service had "blocked" a possible audit of the tax forms of U.S. Sen. Joseph M. Montoya (D-NM). The story also said there was no evidence Montoya's tax reports were other than proper and no evidence that the New Mexico senator was aware that anybody wanted to audit his tax returns or that anybody had "blocked" same.

If that strikes you as a non-story of the first water, there's more. They didn't bother to explain, at least in the first story we saw, that Montoya has been after the IRS with a hot poker for the last two years.

As chairman of the Treasury, Post Office and General Government subcommittee of the Appropriations Committee, Montoya is the man in the Senate most directly in charge of "oversight" of the IRS. He has been dispatching that job with diligence, holding hearings into alleged IRS misbehavior. In general, the New Mexico senator's attitude has been that the IRS has become too police-state like in its actions, and that citizen rights need some protection. Probably, the overwhelming majority of the American people feels exactly the same way.

But one thing is certain: before he decided to start a running fight with the bureaucracy of the IRS, Montoya had brains enough to see that his taxes were in order first. Charging out after the IRS when your own returns are less than perfect is tantamount to suicide, as you can bet your last carbon copy that such congressmen get looked over with the finest of fine-tooth combs.

Now comes the IRS to admit that no less than three of its most "competent" employees have already gone over Montoya's taxes and found them in apparent order.

Then Montoya's picture appeared on page one of the Journal again Monday, with cutline "Tax Charges Denied." What tax charges? This is the classic "when did you stop beating your mother?" sort of routine.

There's not much to be done about it, but you'd think our alleged "major" daily newspapers would outgrow such junk.

[From the Farmington (N. Mex.) Daily Times, Oct. 21, 1975]

SENATOR MISTREATED

U.S. Sen. Joseph M. Montoya received a lot of publicity as the result of a weekend story in the Washington Post concerning his relationship with the Internal Revenue Service.

There can be little doubt that the New Mexico Democrat was hurt politically by the allegations made in the story and which were widely circulated through the national news media.

Although the Post's story said there was "no evidence that Montoya has illegally evaded taxes or that he was aware of or sought special treatment from the IRS," the fact is a lot of people feel "where there's smoke there's fire."

The Washington paper alleged that IRS Commissioner Donald Alexander and other IRS officials blocked tax investigations of Montoya.

In the meantime, Walter T. Coppinger, Southwest Regional commissioner for the IRS, said in Dallas that the senator's IRS files from 1966 through 1972 were reviewed recently by "three highly competent and respected" employes and that the senator's tax files showed "no investigation was justified, nor is one justified at present."

Contending "I'm clean," Sen. Montoya said he thought it "is patently clear that much of the information in the Washington Post story was furnished by over-zealous persons within the IRS in an effort to get back at me for having held hearings into taxpayer rights and services."

We tend to agree with Montoya's assessment that the Post's "attack on the commissioner and indirectly upon me is an excellent example of exactly the kind of political misuse of IRS power and information that I have been trying to get stopped."

The Internal Revenue Service has every right to check on tax returns submitted by anyone from the President of the United States on down. It has absolutely no right to publish unsubstantiated allegations about anyone. If there have been abuses by Sen. Montoya or anyone else insofar as his federal income taxes are concerned, let the IRS detail those allegations specifically so they may be proved true or false.

Roundabout attacks on the character of any American through governmental agencies should not be condoned by the people.

Perhaps still intoxicated by its role in uncovering the Watergate-related abuses in government, the Washington Post may be a little bit too eager to make further revelations of improper conduct by government officials.

Regardless of how one feels about Sen. Montoya as a legislator, it should be apparent that he has been treated rather shabbily by the Washington Post.

QUESTIONS AND ANSWERS OUTLINING FEA STUDY OF OIL SUPPLY AND TRANSPORTATION ALTERNATIVES

Mr. MAGNUSON. Mr. President, many of us are concerned over the availability of energy for consumers, and specifically over cutbacks in the supply of Canadian crude oil to the U.S. refineries. I understand the committee has provided funds for a study of this matter. Could the chairman of the subcommittee describe in some detail the planned study?

Mr. ROBERT C. BYRD. The committee has provided $500,000 for the study. The committee took that action at the request and recommendation of Senator MONDALE and others. Since it is Senator MONDALE's amendment, I would ask him to respond to the question of the Senator from Washington.

Mr. MONDALE. The proposed FEA study is to look at how the Federal Government can help deal with and avoid the problems resulting from the loss of Canadian crude oil imports. The Nation faces energy shortages generally. In the northern tier, the situation is particularly grave since our area is now over 50 percent dependent on Canadian oil, with no alternative supply of oil in sight. The loss of oil—if it is not offset in time—could result in severe negative effects upon our economy. I believe your State, Senator, also depends on Canadian oil.

Mr. MAGNUSON. We certainly do. We have had a very good arrangement in the past, but with further cutbacks and eventual cutoff, our area could suffer environmental and economic disruption as well. We really need to find other sources of oil to meet our regional needs and bring it to our refineries in an environmentally safe way.

Mr. MONDALE. The study that is being proposed would do just that. It would assess the alternative sources of oil for the northern tier region, including Washington, and the alternative transportation systems for delivery of that oil to these States. It would have to evaluate the feasibility of each alternative, its costs, and its environmental effects. And, we need this analysis as soon as possible, within the next 6 months, to be ready before the cutback in supplies results in economic injury.

I would like to be clear about what the study provided for under the pending bill would do.

First, the FEA would review the amount of time remaining before the cutback of Canadian supplies begins to impact essential uses in affected States.

Second, the agency would review the

feasibility of the long-term supply and transportation options, including the lead time required for implementation, financial, legal, political, and other potential problems associated with the various alternatives.

Third, an assessment would be conducted of the cost of the options, particularly the impact on the consumer of the alternative long-term supply and transportation systems.

Fourth, an environmental assessment of the alternatives would be carried out.

Fifth, the administration would report on the status of private industry attempts to secure long-term alternative supplies of crude oil.

Finally, the FEA would report to the Congress on actions which the Federal Government could take to facilitate the adoption of a solution that can assure long-term supplies and transportation of petroleum to the northern tier region, and provide those supplies at prices that are most nearly competitive with those in other regions of the country.

Mr. MAGNUSON. This sounds like a large study. Who is going to be involved?

Mr. MONDALE. The FEA will have lead responsibility, with help from Interior, Transportation, EPA, and NOAA. The States involved are also to participate.

Mr. MAGNUSON. I am particularly glad to hear that the States will be represented. Each State has a different situation, and we want to get their input. Will there be enough money available to do this study?

Mr. MONDALE. Originally I had requested $1 million. The committee believes that the amount provided is sufficient, but I hope FEA would come to us in a supplemental if not.

Mr. MAGNUSON. Once the study is done, what happens with the results?

Mr. MONDALE. I would hope the analysis and recommendations would be used to solve the problem facing all the northern tier States. We want to know from FEA what the Federal Government can do, what the States can do and, as importantly, what industry can do and is doing.

Mr. ROBERT C. BYRD. Just let me say that the Senator from Minnesota (Mr. MONDALE) has accurately described the intent and purpose of the committee in adopting his amendment and providing the funds for the study.

Mr. MAGNUSON. I look forward to seeing the results of the study. This is more than a State or regional issue. It affects the entire country.

SOUTHERNERS VIEW THE BUREAUCRACY: "TOO SLOW, TOO ARBITRARY, TOO INEPT, TOO MUCH"

Mr. NUNN. Mr. President, I have been concerned for some time now about the dangers posed to business and industry by Government overregulation. We all realize that some regulation may be wise and necessary, for example, in the areas of health and safety. However, very often foolish and superfluous regulations are promulgated which do more harm than good.

The people, Mr. President, are tired of the Government interfering in their lives and businesses. I see this reflected in my mail as, I am sure, other Senators do. An article in the current issue of the South magazine offers further evidence that a people's revolt is brewing against the bureaucracy.

The South magazine surveyed 330 top executives across the South about their attitudes and opinions regarding governmental regulation. The results leave no doubt that businessmen think Government is too big and unresponsive and that business is too regulated and misunderstood. The consensus was that "private enterprise is endangered by a ponderous and overrestrictive Government."

There was near unanimity on these points. Fully 92 percent of those surveyed thought Federal Government was too big, while 90 percent said business is overregulated and the Government unresponsive.

I commend this fine and thoughtful article to my colleagues, particularly those from the South.

Mr. President, I ask unanimous consent that the article from the South magazine be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the South magazine, November–December 1975]

TOO SLOW, TOO ARBITRARY, TOO INEPT, TOO MUCH

(By Roy Bain)

An age-old struggle between government and business raises this question: can business deliver the rising level of affluence which the government has promised? The answer apparently is in the gray area of: depends on the degree of government control exercised and where it chooses to exercise that control. The struggle then comes back to matter of: government regulations.

Responses of southern business leaders on government control were sought by editors of the South magazine. These responses were asked for in a questionnaire mailed to 330 top executives; 60, or just over 18 per cent, returned the survey. If it can be assumed that those responses represent consensus opinion among business leaders, there is little doubt buinessmen think:

Government is too big, both on the federal and state level.

Business is over regulated both by the fed and states.

Government isn't adequately responsive to business interests either at the federal or state level.

That private enterprise is endangered by a ponderous and over-restrictive government.

That government misunderstands the interests of business.

And, that business interests are consistent with the good of the country something like 80 per cent of the time.

In other words, the businessmen surveyed indicate they think restrictive government is crushing business.

The businessmen surveyed are those who head "The South's Top 200 Publicly-held Industrial and Services Companies", "The South's Top 50 Banking Companies", "The South's Top 50 Life/Health Insurance Companies" and "The South's Top 20 Utility Companies." The rankings for those 330 companies were compiled in July/August and September/October issues of South. The results of the survey indicated the business leaders were generally in agreement in their opinions or anti-big government sentiment. Here in question and answer form are responses to the survey:

1. Is Government too big?

a. On the federal level? Yes ( ), No ( ), About right ( ).

b. On the state level? Yes ( ), No ( ), About right ( ).

Answers: Fifty-five of the 60 respondents (92%) said they think federal government is too big. No one said it wasn't or that it was about right. Forty respondents (67%) said state government is too big. Three said state government isn't too big and 11 (18%) said it is about right.

2. Is business over regulated by government?

a. On the federal level? Yes ( ), No ( ), About right ( )

b. On the state level? Yes ( ), No ( ), About right ( )

Answers: Fifty-four respondents (90%) said business is over regulated by federal government. None said it is not or that it is about right. Thirty-two respondents (53%) said state governments over regulate business. Six said states don't over regulate and 17 (28%) said state regulations are about right.

3. Is government adequately responsive to business interests?

a. On the federal level? Yes ( ), No, ( ), About right ( )

b. On the state level? Yes ( ), No ( ), About right ( )

c. If your answer is no to either a. or b., please explain what you mean by not adequately responsive.

Answers: Fifty-four (90%) of the respondents said federal government is not responsive to business. None said it is responsive and only one said that its response is about right. In explaining their "no" answer, chief executive officer comments include . . . It does not understand that by being free to be creative and productive business might actually deliver the rising level of affluence which the government has promised . . . government tends to be motivated by considerations of self-perpetuation and proliferation and responsive to current public whims, government also considers itself benevolent and in this respect knows what is best for society, including business . . . failure to look at environmental regulations in terms of costs vs. benefits, result: environmental overkill at consumers' expense. They go beyond fairness, logic, and common sense in enforcing employment rules . . . basic philosophy is to treat business as an adversary . . . discriminates against business . . . have swung too far *left*, responsive to powerful labor unions and socio-economic pressures . . . taxations prevent capital formations which is lifeblood of free market system . . . inadequate recognition of need for capital formation . . . predetermines outcome before obtaining all facts . . . too slow, too arbitrary, too inept, inconsistent . . . takes almost punitive approach to business, doesn't seem to understand what makes our economy function . . . rabidly anti-business . . . too many layers of red tape . . . fails to implement request from business to in any way release its stranglehold, rather continues through regulations to increase it . . . emphasis has been on consumer and environment with little regard for economic impact . . . looks at opinions voiced by business as purely self-serving and disregards valid points . . . basic economic laws are ignored in favor of complex, expensive political expediency.

4. If either federal or state government isn't adequately responsive to business interests, what do you think is responsible for allowing that situation to exist?

a. On the federal level?

b. On the state level?

Answers: (Federal level) Civil Service security locks in "New Deal" thinking . . . more concern with social demographic problems instead of a mix of same and preserving our economic society ... civil service makes the people unreachable for discharge ... government employees suspicious of or opposed to concept of profit making ... the governed ... autocracy ... disregard facts, act to please activists ... it starts with the pro-government bias within the field of education. government has been thought, until recently, to be able to provide solutions to economic, racial and social problems ... legislators get Potomac fever—they think they know it all ... business does not demonstrate its concern for the people ... bureau chief who wants to build the department into an empire ... arrogance of both the executive and congress ... businessmen have been afraid to speak out—consumers, union advocates are most outspoken ... the media.

5. If either federal or state government isn't adequately responsive to business interests, what should be done about it?

a. On the federal level?

b. On the state level?

Answers: (Federal level) Better organization on part of business community in political activities ... more candidates with business background ... consolidate independent agencies with clearly defined responsibilities, remove Civil Service rules that protect people from reasonable discharge ... work for election of good people ... better public relations by business ... give business equality with labor in permitting campaign contributions ... reduce bureaucracy ... education of public and politicians ... try convincing the electorate that goods and services come only from production and work—not government taxing ... economic evaluation of legislation on long-term basis, measuring loss of individual freedoms for benefits provided ... place labor unions under anti-trust laws ... pressure congressmen to make each agency account for money as well as need for every action each year—cancel those that cannot . . . control invisible hand or Civil Service. (State level) Answers similar but less emphatic.

6. Cite the most serious example of over regulation by the federal government.

Answers: NLRB . . . EPA . . . Robinson-Patman Act . . . the new pension law . . . ICC regulation of railroads has killed the RR financial health . . . one example doesn't touch the problem it is the multiplicity which creates an environment leading to stifling of the self-balancing characteristics of the free enterprise system . . . Clean Air Act of 1970—costing consumers millions without a compelling benefit to show for such a waste . . . federal Coal Mine Health & Safety Act . . . wage and price controls . . . prolonged withholding of new lifesaving drugs from the marketplace even though European experience has proven their efficiency and safety ... Federal Trade Commission acting as judge and jury . . . EEOC—let an employee go with reason, they go to EEOC, suit follows, EEOC both prosecution and judge . . . expansion of government controls by enforcers who don't know best interest of their country . . . OSHA, FDA, FTC, Department of Agriculture all compete with each other in harassment . . . conflict of jurisdiction . . . FTC is everywhere . . . Consumer Product Safety Commission . . . SEC . . . IRS . . . federal minimum wage . . . Bureau of Indian Affairs . . . intervention, over regulation of employment . . . SEC and FTC are tied for first place . . . Welfare program.

7. Cite the most serious example of under regulation by the federal government.

Answers: If they haven't surfaced it, why should we give them a hint? This could be the final, fatal straw! . . . self-appointed do-gooders (like Nader) and the highly protected labor cartel . . . can't think of one example . . . consumer interests . . . anti-trust . . . government spending on nonessential projects . . . audit and control of most major programs is poor . . . supervisors of medical program . . . apparent inability to regulate small planes to prevent serious accidents with commercial aircraft, radios should be required before private planes are allowed to fly near commercial airports . . . food stamp give-away programs . . . failure to regulate the number of federal employees . . . news media—only where irresponsible reporting destroys the character and public image of an individual without sufficient facts—however, freedom of pen and speech must be preserved . . . failure to go after big labor unions for political contributions and for monopolistic practices . . . should be a federal right to work law . . . medical malpractice insurance and related liability claims . . . criminal laws.

8. List those states in which your company does business where business is over regulated.

Answers: All states are being drawn into the federal regulation net by OSHA, EEOC, wage and hour . . . all states (15 respondents) . . . none (6 respondents), Florida (5), North Carolina (4), California (4), Alabama (3), New York (3), South Carolina (2), Tennessee (2), New Jersey (2), Massachusetts (2), one respondent each for Connecticut, Ohio, Michigan, Illinois, Arkansas, Wisconsin, Texas, Louisiana, Virginia, Kentucky, Mississippi . . . generally we have not found over regulation by state governments . . . all about the same except California—excessive flammability and bedding laws . . . Arkansas, Alabama, Mississippi, Missouri with respect to blue laws and Sunday closing.

9. List states in which your company does business where business is under regulated.

Answers: None (by 18 respondents) . . . none, although Delaware incorporation laws are too lax in corporate disclosure requirements . . . southern states seem to encourage business . . . no severe problem at state level.

10. Of those states in which your company does business, list the state most difficult to deal with.

Answers: New York (6 respondents), California (4), Florida (3), North Carolina (3), two respondents each for Louisiana, Wisconsin, Texas, Virginia, Illinois, Alabama, and one each for South Carolina, New Jersey, Oklahoma, Pennsylvania, Massachusetts, Mississippi, Arkansas, Kentucky . . . this question is stupid.

11. Of those states in which your company does business, list the state least difficult to deal with.

Answers: South Carolina (8 respondents), Florida (5), North Carolina (4), Alabama (3), and two respondents each named Virginia, Texas, Georgia, Tennessee, then one respondent each named Louisiana, Ohio, Kentucky . . . this question is stupid.

12. Do you think the government should have required the Coors Beer company to expand [remove restrictions upon] its marketing beyond its traditional sales territories?

Yes ( ), reasons.

No ( ), reasons.

Answers: All 60 respondents indicated the government shouldn't interfere, although one said tongue-in-cheek "yes" I like it and would like to be able to easily buy it, then added "no," (1) their business, not government's, (2) might bruise the brew . . . government only louses up free enterprise activities . . . hell no . . . government should not have power to force expanded business activities which must be related to economics . . . Coors is a privately-owned profit-making company which must be allowed to survive or fall on its own management decisions . . . government should not be involved in individual business decisions, the only thing government does well is collect taxes . . . government did not say Coors had to agressively market, only it could not limit sales by state, still think there should be no interference to free market system . . . government should rarely require anyone to do anything . . . marketing is key component of successful business operation—the Coors company's future success is jeopardized . . . not familiar with case, but neither they nor anyone should be penalized for success or high demand for their product . . . a business should have freedom to operate as they think best, unless, of course, it concerns the health and welfare of the nation and its people.

13. Does the example of the Coors Beer company being placed under government requirement to sell [not limit by geography the sale of] its products beyond traditional market territories pose any sort of threat to your concept of private enterprise in this country?

Yes ( ), reasons.

No ( ), reasons.

Answers: All respondents indicated "yes" . . . leads to control of permissible markets, permissible customers. Antithesis of free enterprise . . . its precedent could have far-reaching effects and could put a strain on capital . . . to protect the clear public interest is the historic valid concept of government, by no stretch of the imagination does it apply to choosing a territory in which to sell beer . . . inexcusable government meddling . . . further evidence of swing to left . . . encroachment in small things is like the camel's nose under tent, where does it stop? . . . monstrous precedent . . . do we want enterprise or nationalized industries . . . obviously there is no area of business where the government does not feel they can regulate . . . it may not be economically feasible and could result in the ruination of a company, this sort of dictatorship should not be tolerated . . . free enterprise is bastardized by such actions, however, the Coors case is two-sided and the FTC does have a reasonable position . . . such a trend could be ruinous.

14. Is there any government regulation or activity during the past 5 to 10 years which violates your sense of the true private enterprise concept?

Answers: EEOC, NLRB, FTC and to a lesser extent SEC, OSHA and certain approaches by EPA . . . I know of no new activity furthering the private enterprise concept . . . government guarantees of certain large corporate debts . . . pressure on private charitable foundations . . . government anti-trust activity that is redefining law without legislative action, in fact this tendency to move beyond intent of law is our greatest danger in too much government control . . . many, cost-push inflation is rapidly succeeding supply, demand economics . . . requiring casualty companies to write or participate in a "pool" to write medical malpractice insurance even though they never have or have no expertise in writing such insurance . . . Robinson-Patman Act actually decreases competition and works to the adverse interests of consumers . . . government in national health insurance as Mr. Kennedy wants it . . . monopoly power of the press . . . $75,000 ceiling on pensions . . . proposed furniture flammability standards when known cause of problem is cigarettes . . . agricultural controls . . . ICC and FTC regulations on "backhauls" . . . limitation or freeze on sale of grain at present time to Soviet Union.

15. a. Who is the most essential federal regulatory official in your judgment?

Answers: Chairman Arthur Burns and the Federal Reserve were the most numerously named, the Securities and Exchange Commission was second, the attorney general, the judicial system and the justice department followed. Others named were Environmental Protection Agency, Internal Revenue Service, Federal Trade Commission, Highway Department, the President, Federal Drug Administration, the energy chief, Federal Aviation Authority, Federal Communications Commission.

b. Who is the least essential federal regulatory official in your judgment?

Answers: Too many, or all, or most all carried the majority, then came such heavies as EPA, National Labor Relations Board, EEOC, HEW, FTC, secretary of agriculture, SEC commissioner, consumer protection agency, Interstate Commerce Commission, Civil Aeronautics Board, then Bureau of Indian Affairs . . . department of nuns . . . 95% are tied for that honor.

16. Who is the most powerful federal regulatory official in your judgment?

Answers: The FRB and Arthur Burns carried the most mentioned honors, followed by the IRS, chairman of the SEC, and the FTC, Department of Justice, EPA, OSHA, FBI, HEW secretary, too many, NLRB, EEOC, secretary of state, attorney general and the President, the Supreme Court . . . Arthur Burns controls the economy . . . head of EPA has blind and uninformed public support on "motherhood" theme and vast "special interest" environmental organization lobbying.

17. a. What is the most critical elective office, in your judgment, in insuring that federal government maintains adequate responsiveness to business interests?

Answers: The President was the overwhelming choice, followed by senators then congressmen.

b. What is the most abused elective office, in your judgment, in insuring that federal government maintains adequate responsiveness to business interests?

Answers: Congress took major honors here, followed by the President, the Senate, the House of Representatives and state governors.

18. Do you think "business interests" are consistent with the good of the country? Check one:

Absolutely.
Over 95% of the time.
Over 80% of the time.
Over 70% of the time.
Over 60% of the time.
Over 50% of the time.
Over 40% of the time.
Over 30% of the time.
Over 20% of the time.
Over 10% of the time.
Under 10% of the time.

Answers: Over 80% of the time swept honors with 20 responses, over 70% of the time was next with 17, absolutely carried 10 responses and over 95% had five, over 50% had four and over 60% had three.

19. Do you think business in the United States can expect more or less government regulation, and would the trend you anticipate be good or bad for business and for the country and why?

a. (More —) (Good for business —) (Bad for business —) Why?

Answers: Fifty-two responses said more regulation is expected and all said that would be bad for business. The "why" included . . . interferes with free market concept of free enterprise . . . labor controlled representatives of government . . . regulation discourages initiative, production . . . congressmen being elected tend to be anti-business . . . history and mood shows pattern already there . . . gone too far already and unless Pres. Ford can get congressional support for his expressed desire to reduce government interference, the trend probably will continue . . . traditionally, more regulation tends to hamper the ability of business to produce . . . cost, red tape, too many half-baked ideas from unqualified bureaucrats . . . government making management decisions adds unnecessary costs only customer will pay . . . kills initiative and reduces willingness to assume risk . . . not necessarily bad if business is not more responsible . . . look to England for the answer . . . economic conditions have not gotten grave enough to cause less regulation . . . the liberals want to control . . . people will rely more on government instead of relying on themselves and work (productivity) . . . we can kill individual initiative that has given us the highest standard of living in the world.

19. b. (Less —) (Good for business —) (Bad for business —) Why?

Answers: Three responses indicate less regulation ahead saying that will be good for business and reasons "why" include . . . I'm at least hopeful that they will realize the global nature of our markets . . . this may not happen soon—voters insist sometime . . . even the Congress may realize that only if business is allowed to grow and prosper can we achieve the productivity required to continue the growth of our affluence.

EPA LIVESTOCK FEEDING REGULATIONS

Mr. DOLE. Mr. President, I would like to call the attention of my colleagues—particularly those from agricultural States—to the Environmental Protection Agency's proposed national pollutant discharge elimination system regulations as published in today's Federal Register.

I am especially pleased with these new guidelines relative to concentrated animal feeding operations because they are based almost to the letter on a colloquy which occurred between the distinguished Senator from Maine (Mr. Muskie) and myself during debate on the 1972 Federal Water Pollution Control Act. It is always desirable, I think, that Federal agencies entrusted with the implementation of our laws develop standards as close to the legislative intent as possible—and I want to commend the EPA for having done that in this instance.

The key to the regulations just issued is the interpretation of the terms "point source" and "nonpoint source" as related to agriculture. In that regard, the permit system to be established upon finalization of the rules appears to be in essential conformity with the guidance offered by Senator Muskie in response to my request for a clarification of those two terms.

I understand that the dairy farmers are for the most part satisfied with the new sections to be added by these regulations, and I am hopeful cattle breeders will find them acceptable as well. We in Congress are very seldom in substantial agreement with the administration given our legislation, and I am reassured by the EPA's efforts on this occasion.

Mr. President, I believe it would be helpful to have a brief description of the content and objectives of the standards in question, and I ask unanimous consent that this portion of the November 20, 1975, Federal Register be printed in the Record.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

[From the Federal Register, vol. 40, No. 225, Nov. 20, 1975]

Proposed Regulations for Concentrated Animal Feeding Operations

CONTENT OF REGULATIONS

(1) The exclusion of small concentrated animal feeding operations from the NPDES permit program is deleted from §§ 124.11 and 125.4.

(2) The definition of the term "animal confinement facility" is deleted from §§ 124.1 and 125.1.

(3) Provisions for the issuance of permits for pollution control from concentrated animal feeding operations are found in an amended Subpart I of Part 124 and a new Subpart F of Part 125, both Subparts entitled "Special Programs."

(4) New Sections, §§ 124.82 and 125.51, Concentrated Animal Feeding Operations, are added. These sections would establish a permit system substantially similar to that currently being administered under the NPDES. This program is developed from the guidance provided by Senator Edmund Muskie, Chairman of the then Air and Water Pollution Subcommittee of the Senate Committee on Public Works, during the Senate debate on the FWPCA. Senator Muskie was asked by Senator Dole from Kansas, a major agricultural State, to clarify the "terms 'point source' and 'non-point source'—especially as related to agriculture." Senator Muskie responded by stating the "present policy with respect to the identification of agricultural point sources," and listed three factors to determine the definition of a point source. These three factors—(1) presence of a man-made drainage ditch, flushing system, or other similar device, (2) presence of certain numbers and types of animals, and (3) presence of navigable waters within the confined area—are included in the definition of "concentrated animal feeding operation" in this program. (Legislative History, pp. 1298 and 1299). Except for those operations which have discharges of pollutants only as a result of a 25 year, 24 hour rainfall event, concentrated animal feeding operations within this definition would be required to apply for a permit. The required permit application would be NPDES Short Form —— (to be added) which must be submitted by March 10, 1977. In addition. permit applications would be required from those owners or operators of animal feeding operations designated by the permit issuing agencies as concentrated animal feeding operations, taking several factors into consideration to make such designation. Finally, the administrative procedures of this alternative would be the same as the permit system established pursuant to Subparts A through K of Part 124 and Subparts A through E of Part 125.

STRATEGY OF REGULATIONS

This proposed regulation conforms with the express guidance stated by Senator Muskie, which is the most explicit statement of Congressional intent on the issue of agricultural point sources. Senator Muskie's response to Senator Dole's concern that "(m)ost sources of agricultural pollution are generally considered to be non-point sources," indicates that he was in agreement with Senator Dole. Thus, this program incorporates the Senators' intent and establishes a permit program similar to that currently administered. Permits for those operations within the definition of concentrated animal feeding operation would be issued on an individual basis, including individual notice, opportunity for a public hearing, and individual responsibility for compliance. Because this permit program closely parallels the permit program established pursuant to Parts 124 and 125, the administration of this approach would require no new procedures. Permits would be based upon effluent guidelines.

By using Senator Muskie's identification of point sources, those concentrated animal feeding operations below the cutoffs and outside the definition suggested by the Senator are excluded from EPA's jurisdiction over point sources except in the case where the Regional Administrator or the Director of a State water pollution control agency designates an animal feeding operation as a concentrated animal feeding operation. Thus, this program should enable EPA and NPDES States to regulate all appropriate sources in the concentrated animal feeding operation category which were identified as point sources by the Senate debate.

REQUEST FOR COMMENTS

Interested persons may participate in this rule-making by submitting written comments to Legal Branch, Water Enforcement Division, Office of Water Enforcement, EN–338, Environmental Protection Agency, Washington, D.C. 20460. Comments upon all aspects of the proposed regulation are solicited; in particular comments are desired concerning the technical definition of "concentrated animal feeding operation" and other definitions; the scope of the regulations; the purpose of the regulations, including the water quality benefits to be gained as contrasted with the costs to the affected owners and operators; the technical numbers used in defining the terms, setting procedural limitations, and requiring pollution control; the administrative procedures for issuing individual permits; and the resource implications of imposing requirements upon both permittees and permit issuing agencies.

In the event comments are in the nature of criticisms as to the adequacy of data which are available, or which may be relied upon by the Agency, comments should identify and, if possible, provide any additional data which may be available and should indicate why such data are essential to the development of the regulations. In the event comments address the approach taken by the Agency in establishing this regulation, EPA solicits suggestions as to what alternative approach should be taken and why and how this alternative better satisfies the requirements of the court order.

A copy of all public comments will be available for inspection and copying at the EPA Public Information Reference Unit, Room 2922, Rear Library-Mall, Waterside Mall, 401 M Street, SW., Washington, D.C. 20460. The EPA information regulation, 40 CFR Part 2, provides that a reasonable fee may be charged for copying. All comments received on or before January 5, 1976 will be considered.

(Secs. 304, 402, 501 Federal Water Pollution Control Act Amendments of 1972. (86 Stat. 816 et seq., Pub. L. 92–500 33 U.S.C. 1251 et seq.)

Dated: November 13, 1975.

JOHN QUARLES,
Acting Administrator.

INTERNAL REVENUE SERVICE

Mr. MAGNUSON. Mr. President, on Tuesday, September 16, I and 12 other Senators introduced S. 2342, the Federal Taxpayers' Bill of Rights Act of 1975. This legislation is designed to correct the flagrant abuses which have recently been revealed within the Internal Revenue Service. This same legislation has been introduced in the House of Representatives by Congressman CHARLES A. VANIK, of Ohio, and his majority colleagues on the Oversight Subcommittee of the House Ways and Means Committee.

The Internal Revenue Service is the one governmental agency which touches every employed citizen every year. It is the face of the Federal Government to most citizens. If it has no credibility, or if it is arbitrary and capricious, or if it favors the rich over the poor, or if it is insensitive to reasonable complaints of which it is aware, or if it is inefficient or bureaucratic, the entire U.S. Government stands indicted.

The Senate has been fully aware of the whole range of abuses in each of these areas within the Internal Revenue Service through the hard work of the Appropriations Committee, the Watergate Select Committee, the Select Committee on Intelligence, and other Members of this body. The bill we introduced is an effort to build a consensus for comprehensive procedural reform in the Internal Revenue Service taxation system. The bill contains seven major provisions:

First, it provides for significant new limitations on disclosure of tax return information.

Second, it establishes safeguards against political misuse of the IRS.

Third, it protects taxpayers from arbitrary IRS procedures.

Fourth, it establishes a taxpayers' servicing and complaint assistance office as an ombudsman within the IRS.

Fifth, it requires the IRS to inform the taxpayer fully of his rights during any tax audit or tax appeal procedure.

Sixth, it authorizes a pilot project for independent legal assistance to taxpayers in audits and appeals.

Seventh, it mandates the General Accounting Office to oversee the actions of the IRS and report annually to Congress.

I am particularly gratified by the broad support that this bill has received in the Senate. The legislation is supported by Republicans and Democrats, conservatives and liberals, as well as many Members of the Finance Committee. It is my hope that the Senate Finance Committee will proceed with hearings on this matter in the very near future.

There is no single, simple solution to many of the abuses which have been revealed in the IRS, but it is time that the Senate address procedural tax reform as an integral whole. It is my hope that we will see final legislative action on this bill long before next April when most citizens will again have to face the tax man.

I ask unanimous consent that a Washington Post article dated November 18, 1975, as well as the text, and a section-by-section analysis of S. 2342 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Nov. 18, 1975]

IRS FOUND ARBITRARY, INCONSISTENT

(By William Chapman)

The American system of collecting taxes is inconsistent and frequently arbitrary, partly because of unclear guidelines controlling the conduct of Internal Revenue Service employees, a federal study of the IRS reported yesterday.

As one example, the report cited the attitude of IRS collectors charged with handling possibly delinquent tax cases.

"Nearly all (IRS) officers agreed that a taxpayer's behavior was an important element in determining what collection action would be taken," it said.

"Thus, a courteous, pleasant taxpayer would more likely receive favorable treatment than one in a similar situation who is discourteous, hostile or generally unpleasant."

The report was prepared by a committee of the Administrative Conference of the United States, an organization established in 1964 to examine the activities of government agencies.

The report said:

"Without any guidelines to steer employee conduct, it is likely to be whimsical, inconsistent, unpredictable and highly personal." It cited a lack of guidelines drawn by either Congress or the courts in controlling tax audits, delinquent collections, and other activities of the IRS.

"The result is a large body of discretionary authority given to the IRS to collect taxes forcibly," the report said. "Inevitably, such discretionary power is not uniformly exercised and is open to administrative abuse.

"As a result, the exercise of the formidable collection powers at times poses troublesome conflicts between the right of government to exact taxes and the property rights of the individual citizens."

The report said that there is a wide balance variance between communities in the degree to which the IRS enforces laws against delinquent taxpayers.

In 1971, the service's Cincinnati district collected only 19 per cent of its delinquent tax claims, while the Newark district took in 88 per cent.

One of the problems found by the Administrative Conference committee was the lack of information among many individual taxpayers about the nature of tax audits and delinquent collection proceedings.

It said the IRS should publicize to average taxpayers the fact that they can be called on to supply income tax records dating back as far as three years.

S. 2342

A bill to provide for the safeguarding of taxpayer rights, to restrict the authority for inspection of Federal tax returns and the disclosure of information derived from such returns, to clarify the authority of the Comptroller General to oversee the administration of the internal revenue laws, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Taxpayers' Rights Act of 1975".

SEC. 2. AMENDMENT OF 1954 CODE; MEANING OF TERMS.

(a) 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

(b) MEANING OF TERMS.—For purposes of this Act—

(1) RETURN.—The term "return" has the same meaning as when used in section 6103 of the Internal Revenue Code of 1954.

(2) OTHER TERMS.—Terms used in this Act which are also used in such Code shall have the same meaning as when so used.

SEC. 3. DISCLOSURE OF RIGHTS AND OBLIGATIONS OF TAXPAYER.

(a) IN GENERAL.—The Secretary of the Treasury or his delegate shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, prepare brief but comprehensive pamphlets which set forth in simple and nontechnical terms—

(1) the rights and obligations of a taxpayer and the Service during an audit;

(2) the procedures by which a taxpayer may appeal any adverse decision of the Service (including administrative and judicial appeals);

(3) the procedures for prosecuting refund claims and filing of taxpayer complaints; and

(4) the procedures which the Service may use in enforcing the internal revenue laws (including assessment, jeopardy assessment, levy and distraint, and enforcement of liens).

(b) Transmission to Committees of Congress.—The Secretary of the Treasury or his delegate shall transmit drafts of the pamphlets required under subsection (a) (or proposed revisions of any such pamphlet) to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Internal Revenue Taxation on the same day. Any draft (or any revision of a draft) of a pamphlet may not be distributed under subsection (c) until 90 days have elapsed from the date it was transmitted to such committees.

(c) Distribution.—The pamphlets prepared in accordance with subsections (a) and (b) shall be distributed by the Secretary of the Treasury or his delegate to any taxpayer upon request, and notice of the availability of such pamphlets shall be displayed prominently in all public offices of the Service. Copies of appropriate pamphlets shall be provided to any taxpayer with the first communication from the Service to the taxpayer regarding the taxpayers' liability for tax for a taxable year, if such communication occurs during a meeting or is in writing. If such a communication is by telephone, copies of the appropriate pamphlets shall be mailed to the last known address of such taxpayer within 24 hours after such a communication.

Sec. 4. Assistant Commissioner for Taxpayer Services; Taxpayer Assistance Orders.

(a) Assistant Commissioner for Taxpayer Services.—

(1) In general.—Section 7802 (relating to Commissioner of Internal Revenue) is amended by adding at the end thereof the following new subsection:

"(c) Assistant Commissioner for Taxpayer Services.—There is established within the Internal Revenue Service an office to be known as the Office of Taxpayer Services to be under the supervision and direction of an Assistant Commissioner of Internal Revenue. The Assistant Commissioner shall be responsible for—

"(1) providing to taxpayers—

"(A) assistance in obtaining easily understandable tax information and information on audits, corrections, and appeals procedures (including pamphlets prepared under section 3 of the Federal Taxpayers' Rights Act of 1975);

"(B) assistance in answering questions on tax liability and preparing and filing returns; and

"(C) assistance in locating documents or payments filed with or submitted to the Internal Revenue Service by taxpayers;

"(2) providing personnel in local offices of the Internal Revenue Service to receive and evaluate complaints of improper, abusive, or inefficient service by Internal Revenue Service personnel and, with due regard for the rights of both the taxpayer and the Internal Revenue Service personnel and under regulations prescribed by the Secretary or his delegate, to take action to correct such service;

"(3) surveying taxpayers to obtain their evaluation of the quality of the service provided by the Internal Revenue Service;

"(4) compiling data on the number and type of taxpayer complaints in each internal revenue district and evaluating the actions taken to resolve such complaints;

"(5) issuing Taxpayer Assistance Orders under section 6304; and

"(6) carrying out such other functions which relate to assisting taxpayers as the Secretary or his delegate may prescribe.

The Assistant Commissioner shall submit an annual report to the Ways and Means Committee of the House of Representatives, the Finance Committee of the Senate, and the Joint Committee on Internal Revenue Taxation on the activities of the Office of Taxpayer Services."

(2) Salary.—Section 5109(c) of title 5, United States Code, is amended to read as follows:

"(c) The positions held by employees appointed under subsections (b) and (c) of section 7802 of the Internal Revenue Code of 1954 are classified at GS–18, and are in addition to the number of positions authorized by section 5108(a) of this title."

(b) Taxpayer Assistance Orders.—Subchapter A of chapter 64 (relating to collections) is amended—

(1) by redesignating section 6304 as section 6305, and

(2) by inserting immediately after section 6303 the following new section:

"Sec. 6304. Taxpayer Assistance Orders.

"(a) Authority To Issue.—Upon application filed by a taxpayer with the Office of Taxpayer Services, in such form, manner, and at such time as the Secretary or his delegate shall by regulations prescribe, the Assistant Commissioner for Taxpayer Services may issue a Taxpayer Assistance Order if, in the determination of the Assistant Commissioner, the taxpayer is suffering from an unusual, unnecessary, or irreparable loss as a result of the manner in which the internal revenue laws are being administered by the Secretary or his delegate.

"(b) Effect of Order.—The Secretary or his delegate may not take any action adverse to such taxpayer under—

"(1) chapter 64 (relating to collection),

"(2) chapter 70 (relating to jeopardy, bankruptcy, and receiverships),

"(3) chapter 78 (relating to discovery of liability and enforcement of title), or

"(4) any other provision of law,

which is specifically described by the Assistant Commissioner in such order during such period (not to exceed 60 days) of time as may be so specified in such order."

(c) Conforming Amendments.—

(1) The section heading for section 7802 is amended to read as follows:

"Sec. 7802. Commissioner of Internal Revenue; Assistant Commissioners."

(2) The table of sections for subchapter A chapter 80 is amended by striking out the item relating to section 7802 and inserting in lieu thereof the following:

"Sec. 7802. Commissioner of Internal Revenue; Assistant Commissioners."

"(3) The table of sections for subchapter A of chapter 64 is amended by striking out the item relating to section 6304 and inserting in lieu thereof the following:

"Sec. 6304. Taxpayer Assistance Orders.

"Sec. 6305. Collection under the Tariff Act."

(d) Effective Date.—The amendments made by this section shall take effect on the 90th day after the date of the enactment of this Act.

Sec. 5. Pilot Project for Legal Representation for Taxpayers.

(a) Establishment.—The President of the Legal Services Corporation (established under the Legal Services Corporation Act of 1974) is authorized to establish Taxpayer Representation Offices in four cities selected by such President for purposes of providing legal assistance to individuals in connection with—

(1) any audit by the Service of any return made by or on behalf of the individual with respect to any tax imposed by chapter 1 of the Internal Revenue Code of 1954, or

(2) an assessment or collection from any such individual of any tax imposed by such chapter.

Such legal assistance may include participation by employees of the Corporation as legal representatives of such individuals during all administrative procedures conducted by the Service, and any litigation in any United States court, with respect to taxes imposed by such chapter 1 on such individuals. For purposes of this section, legal assistance does not include assisting an individual in preparing a return.

(b) Information.—The Secretary or his delegate shall notify (in a manner and form approved by the President of the Legal Services Corporation) all individual taxpayers whose returns of tax imposed by such chapter 1 are audited, or who are subject to any assessment and collection action with respect to any such tax, of the location of a Taxpayer Representation Office, if such office is located within a reasonable distance from the mailing address of such individual, and of the services provided by such office.

(c) Fees.—Individuals who are provided services by Taxpayer Representation Offices shall pay a fee for such services to such office. The amount of such fee shall be determined under regulations prescribed by the President of the Legal Services Corporation and shall be based on the adjusted gross income of the individual and the type of service provided. All amounts received under the provisions of this subsection shall be deposited into the Treasury of the United States as miscellaneous receipts.

(d) Authorization.—There are authorized to be appropriated to the Legal Services Corporation such sums as may be necessary to carry out the provisions of this section for fiscal years 1976, 1977, and 1978, and the 3-month period ending September 30, 1976.

(e) Annual Reports.—The President of the Legal Services Corporation shall prepare and transmit a report to the Congress at the beginning of each calendar year on the effectiveness of the Taxpayer Representation Offices, which shall include such recommendations and other information with respect to such offices as he considers necessary or appropriate.

Sec. 6. Show Cause Hearing With Respect to Jeopardy Assessments and Termination of Taxable Years.

(a) Jeopardy Assessment.—Section 6861 (relating to jeopardy assessments of income, estate, gift, and certain excise taxes) is amended—

(1) by redesignating subsection (h) as subsection (i), and

(2) by inserting immediately after subsection (g) the following new subsection:

"(h) Abatement Under District Court Order.—Within 10 days after the date on which a taxpayer receives notice and demand under subsection (a), the taxpayer may file a petition in any United States district court for the district in which such taxpayer is domiciled, or in which property of such taxpayer is located if such property is subject to levy, requesting a hearing before such court to determine the reasonableness of the belief of the Secretary or his delegate that assessment or collection of a deficiency will be jeopardized by delay. Such district court shall convene such a hearing as soon as practicable (but not later than 10 days after the date on which a petition is filed under this subsection). If the court determines by a preponderance of the evidence that the Secretary or his delegate did not have reasonable cause for making an assessment under subection (a), or that the Secretary or his delegate made an assessment under subsection (a) which was unreasonable in amount, the court shall, by an appropriate order, require the Secretary or his delegate to abate and release such jeopardy assessment or (if the Tax Court has not rendered a decision in respect of the amount of the deficiency) any portion thereof found to be unreasonable in amount."

(b) Termination of Taxable Year.—Section 6851 (relating to termination of taxable year) is amended by adding at the end thereof the following new subsection:

"(f) Reopening Under District Court Order.—Within 10 days after the date on which a taxpayer receives notice and demand under subsection (a), the taxpayer may file a petition in the United States district court for the district in which such taxpayer is domiciled requesting a hearing before such court to determine the reasonableness of the finding by the Secretary or his delegate under subsection (a). Such district court shall convene such a hearing as soon as practicable (but not later than 10 days after the date on which a petition is filed under this subsection). If, in the determination of the court, the Secretary or his delegate did not by a preponderance of the evidence, have reasonable cause for terminating the taxable period under subsection (a), the court shall, by an appropriate order, require the Secretary or his delegate to reopen such taxable period."

(c) Conforming Amendments.—Subsection (a) of section 7421 (relating to prohibition of suits to restrain assessment or collection) is amended by inserting immediately after "6313(a)," the following: "6851(f), 6861(h),".

(d) Effective Date.—The amendments made by this Act shall apply with respect to assessments or terminations of taxable years, as the case may be, which are made after the date of the enactment of this Act.

Sec. 7. Property Exempt From Levy.

(a) In General.—Section 6334(a) (relating to property exempt from levy) is amended—

(1) by striking out "$500" in paragraph (2) and inserting in lieu thereof "$1,500",

(2) by striking out "$250" in paragraph (3) and inserting in lieu thereof "$1,000", and

(3) by striking out paragraph (8) and inserting in lieu thereof the following:

"(8) Salary, wages or other income.—So much of the taxpayer's salary, wages, or other income as is equal to the sum of—

"(A) $100 per week; plus

"(B) if the taxpayer is required by judgment of a court of competent jurisdiction to contribute to the support of his minor children, so much of his income as is necessary to comply with such judgment."

(b) Effective Date.—The amendments made by this Act shall apply with respect to levies made after the 90th day after the date of the enactment of this Act.

Sec. 8. Authorizing, Requiring, or Conducting Certain Investigations, Etc.

(a) Prohibition, Etc.—Section 7214 (relating to offenses by officers and employees of the United States) is amended by redesignating subsection (c) as subsection (d) and by inserting immediately after subsection (b) the following new subsection:

"(c) Authorizing, Requiring, or Conducting Certain Investigations, Etc.—

"(1) In general.—Except as provided in paragraph (2), an officer or employee of the United States acting in connection with any revenue law of the United States shall not knowingly authorize, require, or conduct—

"(A) any investigation into or surveillance over, records regarding—the beliefs, associations, or activities of any individual or organization which are not directly related to such revenue laws, or

"(B) the maintenance of any records containing information derived from such an investigation or surveillance.

Any person violating the preceding sentence shall be fined not more than $10,000, or imprisoned not more than 2 years, or both.

"(2) Exception.—The provisions of paragraph (1) shall not apply with respect to any otherwise lawful investigation of any individual who is an applicant for, or who holds, any position in the Internal Revenue Service or any position in the Government the duties of which relate to the administration or enforcement of internal revenue laws of the United States, or who is a contractor, or prospective contractor, with the Internal Revenue Service.

"(3) Definitions.—For purposes of this subsection—

"(A) Investigations.—The term 'investigations' means any oral or written inquiry directed to any person, organization, or governmental agency.

"(B) Surveillance.—The term 'surveillance' means—

"(i) the monitoring of persons, places, or events by means of electronic interception, overt or covert infiltration, overt or covert observation, or photography, and

"(ii) the use of informants.

(b) Civil Remedies.—

(1) In general.—Subchapter E of chapter 76 (relating to judicial proceedings) is amended by inserting immediately before section 7492 the following new section:

"Sec. 7491. Civil Cause of Action for Violation of Section 7214(c).

"(a) Remedies.—

"(1) Damages.—Whoever violates any provision of section 7214(c) (relating to certain offenses by officers and employees of the United States) shall be liable for damages to any individual or organization which, as a result of such violation, has been the subject of a prohibited investigation, surveillance, or recordkeeping, in an amount equal to the sum of—

"(A) any actual damages suffered by plaintiff or $100 per day for each day the prohibited activity was conducted, whichever is greater;

"(B) such punitive damages (not in excess of $1,000) as the court may allow; and

"(C) the costs of any successful action, including reasonable attorney fees.

"(2) Equitable relief.—Any individual or organization which has been the subject of any investigation, surveillance, or recordkeeping in violation of section 7214(c), may bring a civil action against the United States for such equitable relief as the court determines appropriate to enjoin and redress such violation.

"(b) Venue.—An individual or organization may bring a civil action under this chapter in any United States district court for the district in which the violation occurs, or in the United States district court for the district in which such person resides or conducts business, or has his principal place of business, or in the United States District Court for the District of Columbia.

"(c) Jurisdictional Amount.—Any Federal court in which a civil action under this section is brought pursuant to subsection (b) shall have jurisdiction over such action regardless of the pecuniary amount in controversy."

(b) Clerical Amendment.—The table of sections for such subchatper is amended by inserting immediately before the item relating to section 7492 the following new item:

"Sec. 7491. Civil cause of action for violation of section 7214(c)."

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act, except that such amendments shall not apply with respect to the maintenance of records during the 90-day period beginning on such date of enactment if such records were in existence on such date.

Sec. 9. Restrictions on Access to Tax Returns.

(a) In General.—Section 6103 (relating to publicity of returns and disclosure of information as to persons filing income tax returns) is amended to read as follows:

"Sec. 6103. Publicity of Returns and Disclosure of Information as to Persons Filing Income Tax Returns.

"(a) Returns Open to Inspection.—

"(1) Income, gift, and estate tax returns.—Except as provided in subsections (b), (c), (d), and (f), returns made with respect to taxes imposed by chapters 1, 2, 3, 6, 11, and 12 shall only be open to inspection—

"(A) by the taxpayer who files such return, or his attorney in fact, and

"(B) by an officer or employee of the Department of the Treasury or the Department of Justice, or by the President personally, if such inspection is solely in connection with the administration or enforcement of this title.

"(2) Certain excise tax returns.—All returns made with respect to taxes imposed by chapters 5 and 32, subchapters B and C of chapter 33, subchapter B of chapter 37, and chapter 41 shall be open to public inspection at the time and place and in the manner specified in regulations prescribed by the Secretary or his delegate.

"(b) Inspection by Federal Government for Nontax Purposes.—

"(1) Criminal investigations.—

"(A) Inspection only where search warrant issued.—Returns made with respect to taxes imposed by chapters 1, 2, 3, 6, 11, and 12 shall be open to inspection by officers and employees of the United States in connection with an investigation of any criminal act alleged to have been committed by the taxpayer who filed such return if a search warrant has been issued to such officer or employer by competent judicial authority specifically authorizing the inspection of such return.

"(B) Grounds for issuance of warrant.—A warrant shall not be issued for purposes of subparagraph (A) unless the officer or employee seeking such warrant shows to the satisfaction of the issuing authority that there is probable cause to believe that information contained in the return involved is necessary to an investigation of a criminal act and that no alternative source of the information contained in such return is reasonably available to such officer or employee.

"(2) Civil investigations.—

"(A) Social security and railroad retirement taxes.—Officers and employees of the Social Security Administration and of the Railroad Retirement Board may inspect returns filed with respect to taxes imposed under chapters 2, 21, and 22 in the manner, and at the time and place, specified in regulations prescribed by the Secretary or his delegate for purposes of administering the Social Security Act and the Railroad Retirement Act of 1935 or 1937.

"(B) Pension administration.—In the manner, and at the time and place, specified in regulations prescribed by the Secretary or his delegate—

"(i) returns filed with respect to taxes imposed by this title shall be open to inspection by officers or employees of the Department of Labor and of the Pension Benefit Guaranty Corporation to the extent necessary for the administration of titles I and IV of the Employee Retirement Income Security Act of 1974, and

"(ii) registration statements (as described in section 6057) shall be open to inspection by the officers and employees of the Department of Health, Education, and Welfare for purposes of administration of section 1131 of the Social Security Act.

"(C) Bureau of census.—Returns filed with respect to taxes imposed by this title shall be open to inspection by officers and employees of the Bureau of the Census solely for the purpose of obtaining information which is to be published in statistical form without directly or indirectly disclosing the name or address of any taxpayer.

"(D) General accounting office.—Any return filed with respect to any tax imposed by this title shall be open to inspection by the Comptroller General for purposes of carrying out section 11 (a) or (c) of the Federal Taxpayers' Rights Act of 1975, if the request for such return is in writing and specifies the identity of the taxpayer whose return is to be inspected.

"(c) Inspection by States.—

"(1) State disclosure laws.—A return may not be made available for inspection by any State officer or employee under paragraphs (2) or (3) unless such State has enacted a law, including criminal penalties for any violation of such law—

"(A) which limits disclosure of information derived from inspections of Federal tax returns, and

"(B) which, in the determination of the Secretary or his delegate, substantially conforms with the provisions of this section and section 7213.

"(2) Corporate tax returns.—Upon the written request of the Governor of any State, an officer or employee of such State may have access to the returns of any corporation, or to an abstract thereof showing the name and income of any corporation, in the manner, and at the time and place, specified in regulations prescribed by the Secretary or his delegate. The written request of such Governor shall specify—

"(A) the reason for the inspection of such return,

"(B) why the information sought is available solely from such return, and

"(C) that such inspection is necessary to carry out a specified legal duty.

Such access shall be only for purposes of carrying out such specified legal duty.

"(3) State tax enforcement.—Upon the written request of the Governor of any State, all returns filed with respect to taxes imposed by chapters 1, 2, 3, 6, 11, and 12 shall be open to inspection by an officer or employee of any agency or commission lawfully charged with the administration of any State tax law or of any tax law of a local political subdivision of such State, if the inspection is for the purpose of such administration. The written request of such Governor—

"(A) the reason for such inspection,

"(B) why the information sought is available solely from such return, and

"(C) that such inspection is necessary to carry out a specified legal duty.

Inspection of returns under this subsection shall be made in the manner, and at the time and place, provided in regulations prescribed by the Secretary or his delegate.

"(d) Inspection by Committees of Congress.—

"(1) Upon written request from the chairman of the Committee on Ways and Means of the House of Representatives, the chairman of the Committee on Finance of the Senate, the chairman of the Joint Committee on Internal Revenue Taxation, the chairman of any other committee of the Senate or House which is specifically authorized by a resolution of the Senate or House, or the chairman of any other joint committee so authorized by concurrent resolution, the Secretary or his delegate shall furnish to the respective committee sitting in a session which is closed to the public any return or information from a return filed with respect to taxes imposed by this title.

"(2) Any return filed with respect to taxes imposed by this title shall be open to inspection by an agent designated by any committee specified under paragraph (1) at such times and in such manner as such committee may determine.

"(3) Any committee which obtains information under paragraph (1) or (2) may submit such information to the Senate or House sitting in a secret session.

"(e) Discloure to Persons Having Substantial Interest.—

"(1) In general.—A return filed with respect to taxes imposed under chapter 1, 2, 3, 6, 11, or 12 shall be open to inspection, upon written request, by—

"(A) Partnerships.—In the case of a return filed by a partnership for a taxable year any person who was a partner in such partnership during any part of such taxable year.

"(B) Corporations.—In the case of a return filed by a corporation (or any subsidiary of such corporation)—

"(i) any person designated by a resolution of the board of directors of such corporation,

"(ii) any officer or employee of such corporation upon written request signed by the chief executive officer of such corporation,

"(iii) any person who is a bona fide shareholder of record if a court of competent jurisdiction so orders after making a finding that there is reasonable cause to believe the shareholder has an interest which may be affected by the information contained in such return and the information sought is available solely from such return, and

"(iv) if such corporation has been dissolved, any person authorized by applicable State law to act for such corporation.

"(C) Estates.—In the case of a return filed by an estate—

"(i) the administrator, executor, or trustee of such estate, and

"(ii) any person who is a beneficiary under the will of the decedent with respect to whose estate such return was filed or any person who is an heir at law of such decedent.

"(D) Trust.—In the case of a return filed by a trust—

"(i) a trustee of such trust, and

"(ii) any person who is a beneficiary of such trust.

"(E) Scope of inspections.—Inspections under this paragraph may be made only—

"(i) in the case of any inspection under subparagraph (B)(i) or (B)(ii), to the extent of the authority expressly granted in writing, or

"(ii) in the case of any inspection under subparagraph (A), (B)(iii), (B)(iv), (C), or (D), for purposes directly related to the protection of the interests on which such inspection is based.

"(2) Attorneys.—An attorney who is authorized in writing by any person who is entitled to inspect a return under this paragraph shall be entitled to inspect any return which such person is entitled to inspect under the same terms and conditions applicable to such person.

"(3) Deceased or incompetent individuals.—If an individual who may inspect a return under the provisions of subparagraph (A), (B)(iii), (C)(ii), or (D)(ii) of paragraph (1) dies or becomes legally incompetent, such return may be inspected by—

"(A) in the case of a deceased or incompetent individual, the administrator, executor, trustee, guardian, or committee of the estate of such individual, and

"(B) in the case of a deceased individual, a beneficiary under the will of such individual or any heir at law of such individual, under the same terms and conditions applicable to such individual.

"(4) Report by the Secretary or his delegate.—At the end of the 6-month period which begins on January 1, 1976, and at the end of each 6-month period thereafter, the Secretary or his delegate shall report to the Congress on requests to inspect returns made under the provisions of this subsection and of his disposition of such requests. Such report shall include the number and types of returns which were inspected, the names and titles of the persons who requested such inspection, the disposition of such request, and the date on which such request was received.

"(6) Certain nominees.—In the case of a Presidential nomination to an executive or judicial office, the Secretary or his delegate shall, upon written request from the President or from a committee of the Congress which has jurisdiction over such a nomination, provide to the President or such committee tax-related information with respect to an individual whom the President has nominated. Such information shall be limited to whether such individual—

"(A) has not filed a return for any of the 3 taxable years ending more than 45 days before such nomination,

"(B) has been assessed for a deficiency during the previous 3-year period, or

"(C) has been convicted or is under investigation for any criminal violation of the internal revenue laws."

(b) Technical Amendments.—

(1) Section 6106 (relating to unemployment tax returns) is amended by striking out "paragraph (2) of subsections (a) and (b)" and inserting in lieu thereof "subsection (c)".

(2) Section 7213(a)(2) is amended by striking out "section 6103(b)" and inserting in lieu thereof "section 6103(c)".

(3) Section 7213(a)(3) is amended by striking out "section 6103(c)" and inserting in lieu thereof "section 6103(e)(1)(B)".

(c) Effective Date. — The amendments made by this section shall take effect beginning 90 days after the date of the enactment of this Act.

Sec. 10. Civil Liabilities for Unauthorized Disclosure of Information.

(a) In General.—Subchapter D of chapter 75 (relating to miscellaneous penalty and forfeiture provisions) is amended by adding at the end thereof the following new section:

"Sec. 7345. Civil Liabilities Arising in Connection With Unauthorized Disclosure of Information.

"Any person who knowingly discloses information in violation of the provisions of 7213(a) shall be liable to the person from whose return such information was taken who may sue in any court of competent jurisdiction for damages arising from such disclosure."

(b) Clerical Amendment.—The table of sections for such subchapter is amended by adding at the end thereof the following new item:

"Sec. 7345. Civil liabilities arising in connection with unauthorized disclosure of information."

(c) Effective Date.—The amendments made by this section shall apply with respect to disclosures occurring after the date of the enactment of this Act.

"Sec. 11. General Accounting Office Oversight of the Administration of the Internal Revenue Laws.

(a) Audits and Investigations.—The Comptroller General shall establish a program to provide for a continuing audit and investigation of the efficiency, uniformity, and equity of the administration of the internal revenue laws of the United States.

(b) Annual Reports.—The Comptroller General shall annually prepare and transmit to the Congress a report on the program established under subsection (a), together with such recommendations for legislation as the Comptroller General may consider necessary or appropriate. Such report shall include a statement by the Comptroller General on—

(1) the type and extent of assistance which the Internal Revenue Service (hereinafter in this Act referred to as the "Service") provides to taxpayers in the preparation of returns, and the accuracy and consistency of any advice which the Service provides in connection with such assistance;

(2) the adequacy of the procedures by which the Service responds to taxpayer complaints, and the number and nature of such complaints;

(3) the equity of the procedures by which the Service conducts audits, collections, and taxpayer appeals, the means by which the

taxpayer is advised of such procedures, and the adequacy and consistency of such advice;

(4) the uniformity of the Service's administration of the internal revenue laws, including the uniformity of the standards and legal interpretations it employs;

(5) the number and specific circumstances of disclosures, if any, of returns or of information derived from such returns which the Comptroller General determines to be in violation of law;

(6) the investigation and prosecution by the Service and the Department of Justice of alleged civil and criminal violations of the internal revenue laws;

(7) the implementation by the Service of section 552 of title 5, United States Code (relating to freedom of information); and

(8) any other matter which the Comptroller General determines to be necessary or appropriate.

(c) OTHER INVESTIGATIONS.—The Comptroller General shall conduct any special audit or investigation of the administration of the internal revenue laws requested by any committee of the Congress or any Member of Congress. The Comptroller General may conduct any other audit or investigation of the administration of the internal revenue laws which he considers appropriate.

(d) DISCLOSURE OF INFORMATION TO THE COMPTROLLER GENERAL.—The Comptroller General, for purposes of conducting any audit or examination under subsection (a) or (c), shall have access to any Federal agency's books, documents, papers, and records on the administration, operations, and effects of the internal revenue laws and to inspect returns. Requests for such inspection of returns must be made in writing and must specify the identity of each taxpayer whose return is to be inspected.

SECTION BY SECTION ANALYSIS OF S. 2342, THE TAXPAYERS BILL OF RIGHTS ACT OF 1975

Section 1. This section establishes the short title.

Section 2. This section refers all amendments to the Internal Revenue Code of 1954 and states all terms in the bill have the same meaning as defined in the tax code.

Section 3. Disclosure of rights and obligations of taxpayers.

(a) This subsection requires the IRS within 180 days to prepare brief nontechnical pamphlets explaining the rights and obligations of the taxpayers and the IRS during an audit and the procedures to be followed by the IRS in the event of appeals, refunds, complaints and enforcement of claims.

(b & c) These subsections require the IRS to submit drafts of the pamphlets to appropriate committees of Congress 90 days before public distribution and require the IRS to provide the pamphlets to any taxpayer on request, as well as upon the first contact with a taxpayer regarding a taxpayer's tax liabilities.

Section 4. Assistant Commissioner for Taxpayer Services; Taxpayer Assistance orders.

(a) This subsection establishes within the IRS an Assistant Commissioner of Internal Revenue for Taxpayer Services. He is responsible for providing taxpayers tax information, tax liability guidance, and assistance in locating information within the IRS. The Assistant Commissioner must place complaint personnel in local offices of the IRS to receive and evaluate taxpayer complaints about the IRS; and must also take corrective action. He is directed to submit annual reports to the Ways and Means and Finance Committees and the Joint Committee on Internal Revenue Taxation on the activities of his office. The report will include a survey of taxpayers' comments on the quality of IRS service and the number of complaints and the resolution of such complaints by revenue district. The Assistant Commissioner is classified at GS-18 civil service grade level.

(b) This subsection gives the Assistant Commissioner for Taxpayer Services authority to issue "Taxpayer Assistance Orders". These orders have the effect of delaying an IRS collection or enforcement section up to 60 days if the Assistant Commissioner determines the taxpayer is suffering from unusual, unnecessary or irreparable loss as a result of IRS action.

(c) Conforming Amendments.

(d) The section takes effect 90 days after enactment.

Section 5.

(a) This subsection authorizes the President of the Legal Services Corporation to establish taxpayer representative offices in four cities selected by the President of the Corporation to provide legal assistance to individuals in connection with IRS audits or tax collection proceedings. The legal assistance may take any form during administrative procedures of the IRS or any federal court tax litigation. It may not include the preparation of returns.

(b) This subsection requires the Secretary or his designee to notify (in a manner approved by the President of the Legal Service Corporation) all individual taxpayers whose tax returns are audited or who are subject to any assessment or collection action of the location of a Taxpayer Representation office, if such office is located within a reasonable distance, and of the services they provide.

(c) This subsection requires individuals who are provided a service by the Taxpayer Representation Office to pay a fee determined by the Legal Services Corporation and based on income and type of service provided. The fees are to be deposited into the U.S. Treasury.

(d) This subsection authorizes appropriation of such sums as are necessary for the legal representation projects for those fiscal years ending September 30, 1978.

(e) This subsection requires the President of the Legal Services Corporation to prepare and transmit a yearly report to Congress on the effectiveness and his recommendations for the Taxpayer Representatives offices.

Section 6. Show Cause Hearing with respect to Jeopardy Assessments and Termination of Taxable Years.

(a) This subsection relates to immediate levies of income, estate, gift and certain excise taxes which the IRS often makes without warning against taxpayers it believes may abscond or hide assets from the government. There presently are no standards or other effective limits on the Service's discretion. Nor is there an effective remedy to the taxpayer if the Service errs. The section protects against unreasonable arbitrariness in the IRS by allowing a taxpayer who receives a notice of jeopardy assessment 10 days to file a petition in any U.S. District Court in the district where he lives or in which the property subject to levy is located. The petition may request a court hearing to determine the reasonableness of the decision of the Secretary or his delegate that the government's tax assessment and collection of a tax deficiency will be jeopardized by delay. The district court must hold a hearing within 10 days after the request is filed. If the court determines the Secretary or his delegate did have reasonable cause for making the jeopardy assessment or that the assessment was of an unreasonable amount the court shall order the Service to release the jeopardy assessment to the extent it was found to be unreasonable. This court review does not delay the jeopardy assessment. But the review does provide an effective after-the-fact remedy if the Service acts unreasonably.

(b) This subsection provides the taxpayer the same remedy as in subsection (a) if the Secretary or his delegate did not have reasonable cause for terminating the taxpayer's taxable period.

Both subsections (a) and (b) will be effective immediately upon enactment.

Section 7. Property Exempt from Levy.

(a) This subsection increases the amount of a taxpayer's personal property exempt from federal tax levy from $500 to $1500. It also increases the amount of the tax levy exempt from $250 to $1000 for books and tools of a trade, business or profession. It provides a salary tax levy exemption of $100 per week plus support payments for minor children, as determined by a court of competent jurisdiction.

(b) The effective date of these amendments is 90 days after the date of the enactment of this Act.

Section 8. Authorizing, Requiring or Conducting Certain Investigations, etc.

(a) This subsection provides that an officer or employee of the United States acting in connection with any revenue law of the United States shall not knowingly authorize, require or conduct any investigation into or surveillance over records regarding the beliefs, associations or activities of any individual or organization if the investigation is not directly related to revenue laws. Nor may he authorize the maintenance of any records containing information derived from such an investigation or surveillance. Any person violating this section shall be fined not more than $10,000, or imprisoned for up to 2 years, or both. These restrictions do not apply to an otherwise lawful investigation of any individual who is an applicant for, or holds any position in the IRS or the Federal Government whose duties are related to the administration or enforcement of internal revenue laws or who is a contractor, or prospective contractor, with the IRS. The subsection defines "investigations" as any oral or written inquiry directed to any person, organization or governmental agency. It defines "surveillance" as the monitoring of persons, places or events by means of electronic interceptions, overt or covert observation or photography and the use of informants.

(b) This subsection provides Civil Remedies in the event of an unlawful investigation specified in (a). Any individual who violates subsection (a) shall be liable for damages to the individual or organization which was the subject of the prohibited investigation, surveillance, or record keeping.

Damages will be the sum of the actual damages, or $100 per day for each day the prohibited activity was conducted, whichever is greater, and such punitive damages (not to exceed $1000) as the court may allow, plus the costs of any successful legal action, including reasonable attorney fees. The court may also provide equitable relief it determines appropriate. The civil action may be brought in any U.S. District Court for the district in which the violation occurs or the district in which the plaintiff resides, conducts business, has his principal place of business or in the District of Columbia. The federal courts will have jurisdiction over the civil action regardless of the amount of money in question.

(b) Amends table of sections.

(c) The effective date is the date of enactment, except that the maintenance of records prohibition will not apply during the first 90 days after the enactment if such records were in existence on such date.

Section 9. Restrictions on Access to Tax Returns.

This section amends Sec. 6103 of the Internal Revenue Code regarding disclosure of tax return information.

(a) This subsection provides that income, gift and estate tax returns shall only be open to inspection, except as provided in (b), (c), (d), (f), of this section, by a taxpayer or his attorney. The following federal officers may inspect returns, if such inspection is solely in connection with the administration or enforcement of the Taxpayers Bill of Rights Act: an officer or employee of the Department of the Treasury or Department of Justice, or the President personally. This subsection also provides that returns made with respect to taxes on transfers to avoid income tax, manufacturers' excise taxes and Interest Equalization taxes shall be open to public inspection as specified by the Secretary or his delegate.

(b) This subsection sets forth the specific conditons under which Tax Returns can be inspected by the Federal Government for non-tax purposes.

1. Criminal Investigations. Federal officers may inspect a tax return in connection with a non-tax related criminal investigation only if they have a search warrant authorizing the inspection. A search warrant may be obtained where it can be shown that there is probable cause to believe that the returns contain information necessary to an investigation of a criminal act.

2. Civil Inspections. The following inspections are permitted.

(a) Social Security and Railroad Retirement Taxes. The Social Security Administration and the Railroad Retirement Board may inspect returns filed with respect to taxes on Self-Employed Income, the Federal Insurance Contributions Act and the Railroad Retirement Act, under regulations set by the Secretary of the Treasury or his delegate, for purposes of administering the Social Security Act and the Railroad Retirement Act of 1935 and 1937.

(b) Pension Administration. The Department of Labor and the Pension Benefit Guaranty Corporation may inspect returns to the extent necessary for the administration of Title I and IV of the Employee Retirement Income Security Act of 1974. Registration statements shall be open to inspection by the Department of Health, Education and Welfare for purposes of administering section 1131 of the Social Security Act.

(c) Bureau of Census. The Bureau of the Census may gather statistical information only, without disclosing the name or address of any taxpayer.

(d) General Accounting Office. The Comptroller General may inspect any return filed to comply with any federal tax for purposes of carrying his responsibilities under this legislation if he requests a return in writing and specifies the identity of the taxpayer whose return is to be inspected.

(c) This subsection sets forth specific conditions under which Tax Returns can be inspected by States.

1. State Disclosure Laws. States cannot have access to federal tax returns unless the State has enacted a law, including criminal penalties for violations, which limits disclosure of information derived from federal tax returns and which, in the opinion of the Secretary of the Treasury, or his delegate, substantially conforms to provisions of the Taxpayer's Rights Act of 1975 dealing with the unauthorized disclosure of information.

2. Corporate Tax Returns. Corporate tax returns can be made available to a State only upon the written request of the Governor which states the reason for the inspection, why the information sought is available solely from such return and that such inspection is necessary to carry out a specified legal duty. State access to corporate returns shall be only for the purposes of carrying out that specified legal duty. The time, place and manner of inspection shall be specified by regulations prescribed by the Secretary or his delegate.

3. State Tax Enforcement. The same restrictions apply to State access to individual tax returns dealing with gift, estate or income taxes.

(d) This subsection specifies the conditions under which tax returns may be inspected by Committees of Congress: upon the written request of the Chairman of the Ways and Means Committee, the Committee on Finance, the Joint Committee on Internal Revenue Taxation or the chairman of any other Committee of the Congress specifically authorized by resolutions of the respective Houses. The Secretary or his delegate is required to provide to the respective Committees in closed session any tax return or information from any tax return.

Any tax return shall be open to inspection by such committee's agent at such time and manner as the committee may determine. The committee may submit gathered information to the House or Senate only in a secret session.

(e) This subsection specifies the conditions under which tax returns may be inspected by persons having substantial financial interests in the entity filing the return. In general, a return filed with respect to income, gift, and estate taxes shall be open to inspection: In the case of partnerships upon written request by a partner who was a partner during any part of the taxable year; in the case of corporations by any person designated by a resolution of the Board of Directors; by any officer or employee of the corporation upon the written request of the chief executive officer of the corporation; or by any person who is a bona fide shareholder of record if a court of competent jurisdiction so orders after making a finding that there is reasonable cause to believe the shareholder has an interest which may be affected by the information in the return sought and is available solely from such return; and if such corporation has been dissolved, by any person authorized by applicable state law to act for such corporation. In the case of returns filed by estates the administrator, executor or trustee of such estate and any person who is a beneficiary under the will of the decedent with respect to whose estate such return was filed or any person who is an heir at law of such decedent. In the case of a return filed by a trust, a trustee of such trust and any person who is a beneficiary of such trust. The scope of the inspections referred to in this section is strictly limited to the authority expressly granted or to the purposes directly relating to the protection of interests on which the inspection is based. This subsection also provides that attorneys, authorized in writing, may act for any person who is entitled to inspect any return under this paragraph to inspect returns under the same terms and conditions as apply to such person. The administrator, executor, trustee, guardian or committee of the estate of a deceased or incompetent individual and in the case of a deceased individual, a beneficiary under the will or heir at law, may also inspect the returns under the same terms and conditions. The Secretary or his delegate shall report to Congress every 6 months on the number and types of requests to inspect returns and the disposition thereof.

(f) This subsection allows tax return inspection in the case of a Presidential nomination to an executive or judicial office upon the written request of the President or of a committee of the Congress which has jurisdiction over the nomination. Such inspection shall be limited to information related to whether such individual has not filed a return for any of the 3 years ending more than 45 days before the nomination or has been assessed for a deficiency during the previous 3 year period or has been convicted or is under investigation for any criminal violation of internal laws. The effective date of these amendments is 90 days after the date of enactment.

Section 10. Civil Liabilities for Unauthorized Disclosure of Information. This section provides that any person who knowingly discloses restricted tax information shall be civilly liable to the person from whose return the information was taken for the damages arising from disclosure. This section shall apply to disclosures occurring after the date of enactment of this act.

Section 11. General Accounting Office Oversight of the Administration of the Internal Revenue Laws.

(a) This subsection requires the Comptroller General to establish a continuing audit and investigation of the efficiency, uniformity and equity of the administration of internal revenue laws.

(b) The Comptroller General shall transmit annually to Congress the program, together with recommendations for legislation which he considers necessary or appropriate.

(c) This subsection provides that the Comptroller General may undertake any special audit or investigation of the administration of the Internal Revenue laws which he considers appropriate or which is requested by any committee or Member of Congress.

(d) This subsection provides that the Comptroller General shall, for the purposes of conducting any audit or examination, have access to any federal agency's books, operations, and effects of the internal revenue laws and to inspect returns. Requests for such inspection of returns must be made in writing and must specify the taxpayer whose return is to be inspected.

SENATE CONCURRENT RESOLUTION 28—RELATIVE TO A BUST OR STATUE OF MARTIN LUTHER KING

Mr. MONDALE. Mr. President, I have reintroduced, along with 36 cosponsors from both parties and all sections of the country, Concurrent Resolution No. 28, which would authorize the commissioning of a statue or bust of Dr. Martin Luther King, Jr., to be placed in the U.S. Capitol. A similar resolution, introduced by Congressman BINGHAM in the House of Representatives was reported out of the Subcommittee on Library and Memorials of the House Administration Committee on November 11.

Dr. King was one of this country's great leaders. For over a decade he guided the Nation in its struggle to alleviate tension between the races and to achieve equal justice, equal opportunity, and equal rights for all. For his important work, Dr. King received many honors. He was the youngest man ever to receive the Nobel Peace Prize. Time magazine chose him as their man of the year. But perhaps the greatest honor bestowed on him was by his fellow countrymen, who until his untimely and tragic death, looked to him as a symbol of hope for the future.

We cannot let this great man who dedicated his life to millions of his black countrymen and to his country go unhonored in our Nation's Capitol. While the Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Civil Rights Act of 1968 stand as living monuments to Dr. King, Congress can act to honor this great leader in yet another way.

There are currently 681 works of art which honor the American women and men who have contributed to this country's greatness in the Capitol. Not a single black American has been honored in this way. While Dr. King's portrait hangs today in millions of homes, no such portrayal memorializes him in the Halls of the U.S. Capitol—a building in which his deeds have been felt, and the seat of Government of a Nation which he profoundly affected. The Capitol is supposed to be a building that symbolizes a Government of all the people. Our Nation is 12 percent black.

It is only fitting that as our Nation approaches its Bicentennial year that Congress set right the wrongs of the past. We must assure that all feel a part of this great Nation as we begin our Bicentennial celebration.

The Senate must act promptly though if we are to have a statue in time for the Bicentennial celebration. With the beginning of the 12-month celebration only 43 days away, I ask that the resolution which I have reintroduced be passed quickly so that a bronze bust or statue of Dr. King may be placed in a suitable place in the Capitol.

CORPORATION FOR PUBLIC BROADCASTING AND PUBLIC RADIO

Mr. HATFIELD. Mr. President, in November, the Senate passed important legislation involving the Corporation for Public Broadcasting. During the Senate debate on that issue, a colloquy between the distinguished manager of the bill (Mr. Pastore) and my colleague from Minnesota (Mr. Humphrey) set out certain concerns about public radio.

Mr. President, I want to add my own concerns about the future of public radio, and associate myself with their comments in the Record on the 17th.

When I heard that this issue might be raised during the floor debate, I asked the manager of the Portland, Oreg., public radio station, KBPS, Pat Swenson, for some background on the activities and programs that have been made possible by KBPS under the limited funding they have received.

Such ambitious programing by KBPS, which incidentally is a public AM, not FM, radio station, reminds me that we should provide greater funding for public radio throughout the country.

I ask unanimous consent that a description prepared by Pat Swenson of KBPS at my request be printed at this point in the Record.

There being no objection, the description was ordered to be printed in the Record, as follows:

Senator Mark Hatfield,
Senate Office Building,
Washington, D.C.
Attention: Walt Evans.

Dear Senator Hatfield: In response to your request as to how radio station KBPS, the public AM radio station in Portland licensed to the Portland public schools, has used Federal funds in the form of its community service grants from the corporation for public broadcasting, here are some examples. These radio series, whose planning, production and engineering costs are paid with Federal funds have been initiated to broaden the station's service to more citizens' groups in our community, as well as to begin dialogues to better meet a broader spectrum of citizen needs. I'm sure that other public radio stations throughout the country could add examples of similar series.

These program series begun with our grant monies are divided into four general categories: Community concerns and issues, the cultural arts, instructional series, and "the seeing sound" programs for the blind and handicapped.

1. Community concerns and issues

A. Regular series

Consumerscoop—a weekly analysis of current consumer legislation locally, state-wide nationally. . . . Trends in heightening sensitivity to consumer concerns and problems, and possible solutions involving citizen participation. Executive secretary. Oregon consumer league plans and hosts.

It's your city—weekly "explorations" by members of the League of Women Voters, many through on-the-spot interviews of city government officials, agency heads and civic leaders on a broad spectrum of community issues, i.e., Port of Portland trade plans and developments, office of neighborhood associations, budget/financial issues facing public schools, the role of women in government, impact of environmental controls on industry and citizens, interviews of candidates for position on the school board, city council, board of county commissioners.

City/county government weekly reports—round-up of city council activities, mayor's desk, bureau of human resources and county commissioners' actions.

People perspective—Weekly interviews, planned and implemented by a black woman host, of blacks in the community from all walks of life and of all ages who have achieved. Information for and about black community, its members, its events, activities, meetings . . . for youths and adults.

La voz Educativa—Weekly programs in Spanish, planned by an Hispanic-American host, which give educational information related to schooling for jobs, referrals for public service agency help, current, local, State, national, and international views affecting persons of Hispanic heritage. . . . News also of current, local activities in which the listeners could participate, such as the annual senior citizens' arts and crafts display. In addition, Latin American songs and instrumentals are always a part of the program. Interviews are frequent, as well as musically talented guests.

Schooline: 234–5469—Live call-in series hosted by school board members and other school officials to take and answer citizens' questions on any matter pertaining to the school district's budget and administration, financing, the curriculum, or building maintenance. . . . Also coverage of open hearings on annual school district budget planning.

B. Special events coverage . . . Remote broadcasts live or recorded.

The KPBS microphones cover meetings, conferences, speeches, distinguished visitors, local, State, national, international leaders of significance for citizen enlightenment. Examples include:

Earth 2020: "Visions for Our Children's Children"—for the non-scientist sponsored by NASA/Ames Research Center, National Science Foundation, Astronomical Society of the Pacific.

World Population Year Conference—Focus on Oregon 1974 Japanese-American Citizens League Convention hearings—National Committee of Citizens for Education Governor's Conference on Housing: Government and Housing National Trust for Historic Preservation Conference, White House Conference on Domestic-Economic Affairs, Traffic Safety Conference—Stop the Bloodshed! World Affairs Council Series—Oregon's Congressional Delegation, Mental Health Conference—Services for Children, National Association for Advancement of Colored People, Oregon Corrections Association.

II. Cultural concerns of the community—KEPS devotes its Saturdays, as well as several evenings, to the concerns and interests of citizens in the area of the arts.

Portland Junior Symphony Concerts—This outstanding youth orchestra has its concerts brought live to the community along with interviews of student orchestra members.

The Saturday Opera—Throughout the year when the Metropolitan Opera is not heard, local musical leaders assist with the planning, selection, and broadcast of weekly operas, and intermission interviews.

Curtain Up—Weekly previews and reviews of live community and college theater offerings in the Portland metropolitan area . . . Interviews, excerpts handled by woman manager of the Portland Civic Theater.

OHS Report—Weekly previews and news of local and statewide activities, events, exhibitions of the Oregon Historical Society. Society field historian, plans and hosts program.

Gallery Guide—Twice-weekly series of informational programs on exhibits in local and regional art galleries, as well as interviews with museum curators and directors.

Portland Art Museum "Gallery Walk"—Previews of exhibitions with museum personnel . . . interviews concerning significant art events.

Premieres of local operas, concerts, choirs, art symposiums, other cultural vocal and instrumental events such as the Fine Arts Quartet.

Guest of the Week/Event of the Week—Interviews, George Shearing, composer/conductor Aaron Copland, the Portland Symphonic Choir Director, and live concerts, the Sapporo Japan Symphony Orchestra.

The Arts—Conversations With Choreographers; Dancers of the Joffrey Ballet; Pianist Van Cliburn; Sergio Luca, Director of Chamber Music Northwest; Lawrence Smith, Director of Portland Symphony; Jacob Avshalomov, Portland Junior Symphony.

III. Instructional Series—Federal funding has been used to develop and to produce several series for classroom student listening and learning. They include these areas:

Social studies/economics: The Port of Portland; Gateway to Trade—To Careers—Grades 4–8.

Consumer Education: Wise Choices—Grades 4–6.

Whatcha See Is Whatcha Get—Grades 7–8.

Career Education: Who's Behind It?—Grades L–3.

This Could Be You—Grades 4–6.

Mathematics: Make It Metric—Grades 7–8.

Bicentennial: Lewis and Clark Explorations—Grades 8–12.

Women of Oregon: They Made a Difference—Grades 6–12.

IV. The seeing sound.

This is 12 hours of programing, open circuit on AM radio. Each Sunday in the service of the blind and handicapped. The station consults regularly with an advisory council of persons representing the Oregon Council of the Blind, the National Federation of the Blind of Oregon, and the Oregon Commission for the Blind. All programs are planned and produced by volunteer participants, but KBPS assistance with some of the production and engineering costs is given through its community service grant funding. Topics included on the day-long programs include "Helpful Ideas" on public transportation, legal helps, development of new aids for the blind, gardening, cooking, grooming, adjustments to living, newspaper and book reading, sports, city-county government activity reports, interviews highlighting achievements in living and adjusting to physical impairments, the community calendar, music and art reviews. . . . All subjects are those requested by the listeners who describe the KBPS seeing sound programs as "the best invention since sliced bread!"

The foregoing descriptions of series delineate just some of the ways in which KBPS spends its Federal funds in its service via its AM radio station programs beamed to the citizens in its coverage area. Listeners report the impact of these programs and often demand more frequent, longer, and more in-depth broadcasts, but, the funds can be stretched only so far!

The community service grant which the CPB has allocated to public radio stations has stayed at nearly the same level over the past several years. All of the new dollars have gone into expansion of the system. This is important, but both the expansion and the development of the existing system must be achieved at the same time, going along "hand-in-hand", as it were. And, it will take at least a split of 25% for public radio, if stations are to adequately serve the citizens in the local community with both consistency and quality.

Long range and adequate funding to public radio stations such as KBPS, the 53 year old AM Educational/Public Radio Station of Portland, Oregon, will enable these stations to carefully plan their services to citizens far enough in advance to have the greatest impact, as well as enable these public radio stations to serve with quality the needs of citizens both young and old in the communities to which they have been licensed.

Sincerely,

PATRICIA L. SWENSON,
Manager, Radio Station KBPS, Portland, Oregon.

A COMMUNICATION FROM THE KING OF SAUDI ARABIA

Mr. WILLIAM L. SCOTT. Mr. President, recently I received a most friendly and kind letter from King Khalid of Saudi Arabia. It was written in Arabic and I obtained a translation today from the Library of Congress. As it may be of interest to my colleagues, I ask unanimous consent to have it printed in the RECORD for their information.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

(Translated by Casimir C. Petraitis)

[Translation—Arabic]

(Al-Tā'if, Ramadān 27, 1375 [of the Hegira] corresponding to October 2, 1975)

Sen. WILLIAM L. SCOTT.

DEAR SENATOR: Best greetings!

We have received your letter, dated September 12, 1975 which you sent us on your return to the United States after a fact finding journey that you undertook in the Middle Eastern countries. We received also the accompanying copy of your report that you presented to the Senate.

We have studied your report with a special attention to the part concerning the Kingdom of Saudi Arabia.

We thank you for the kind sentiments expressed in your letter.

We highly appreciate your comprehension of the situation and your understanding of the dimensions of the Middle East problem and the violated Arab rights.

We hope that the objectivity that characterizes your report will produce good results benefitting our country, the countries of the Middle East and the whole world.

We wish you continuous good health and happiness.

May God protect you!

Khālid Ibn 'Abd al-'Azīz Āl Sa'ūd.

SUPERB WASHINGTON STAR EDITORIALS

Mr. McGOVERN. Mr. President, one of the finest editorial pages I have seen in some time is offered in today's issue of the Washington Star. I ask unanimous consent that these excellent editorials be printed in the RECORD:

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

Lectures We Can Do Without

It was inevitable, we suppose, that Richard Nixon and Spiro Agnew someday would start trying to rehabilitate themselves, but their reemergence is unexpectedly early. Their first mini-lectures on proper values for this country are awfully hard to swallow, this soon after the scandals that drove them from public life. We imagine that most Republicans, in particular, are hoping they will take new vows of silence until after next year at least.

Whether they really learned anything from all of it—except not to get caught—is hard to tell. There is Mr. Nixon, venturing to feel his way into the public consciousness from San Clemente, groping at once for the old gunpowder machismo. It may take a military invasion somewhere in the world, threatening American lives, to snap us out of our patriotic slump, he says in an interview in the *Ladies Home Journal.*

And what if nobody obliges? Presumably, then we shall just drag along hang-dog without regaining, as he put it, "our sense of belief in our country and our need for strength." Sadly, "we are a compromised country at the moment." Is it possible that Richard Nixon does not know who, more than anyone else, has contributed to the public cynicism he deplores?

It isn't a new notion, of course, that there is strength in war, the great unifier. But our last war illustrated vividly that war no longer is invariably unifying, and can be a disastrous divider. Mr. Nixon should know this better than anyone else.

An unregenerate perception of other things is revealed; President Ford, he says, is not performing badly except that he's too accessible, hence subject to "absurdities" coming from his many contacts. This from the former president whose isolation helped foster the delusions of presidential grandeur which brought him and the country to such grief, only last year.

After everything that happened, he is still selling short the peaceful capabilities of American constitutional democracy to overcome the divisions and obstacles that bedevil us, and perpetuate its inspiration which was ignited two centuries ago.

Mr. Nixon's dour attitude may be understandable, in that the constitutional system's greatest recent vindication was his own removal from office. Likewise in the case of Mr. Agnew, who is forming a nonprofit foundation to promote, as he says, public understanding and appreciation "of the advantages of a democratic society." He wearied of waiting for the voices of truth to be heard. Yea, he says, "for the past two years I have waited for more well-known national spokesmen (yes, I said spokesmen, not spokespersons) to take up the fight against the apologists for the revolutionaries who are intent on destroying the strengths of our great country."

Well, there is no one better known than Mr. Agnew, and Mr. Nixon, and if they wish to speak it is their right. But when we hear of who has eroded the strength of America, we would rather hear it from someone other than these champion eroders themselves.

Mr. Lincoln Makes a Speech

As Carl Sandburg tells the story in *Abraham Lincoln: The War Years,* the most masterly speaker who ever graced the White House learned by printed invitation of the forthcoming dedication of Gettysburg battlefield. Even after the President sent word that he would attend, the battlefield commissioners hesitated to invite him to speak—it was widely rumored that he had told a coarse joke on a similarly solemn occasion at Antietam.

But two weeks before the ceremony, and six weeks after the planners had lined up a celebrated orator for the main speech, President Abraham Lincoln was asked "as Chief Executive of the nation, formally (to) set apart these grounds to their sacred use by a few appropriate remarks."

Those "few remarks," delivered on November 19, 112 years ago yesterday, are now etched in the American memory. But they had a mixed reception when he spoke them. Lincoln himself, though he had fussed over the talk and probably thought better of it than he let on, told a friend immediately afterwards that his Gettysburg Address "won't scour." It was an Illinois country expression that Sandburg explains as follows: "On the farms where Lincoln grew up, when wet soil stuck to the mold board of a plow they said it didn't scour."

But Edward Everett, the featured speaker, who had invoked the funereal customs of Attic Greece for a full hour and 57 minutes, knew better. It scoured for him. "I should be glad," he wrote to Lincoln, "if I could flatter myself that I came as near to the central idea of the occasion in two hours as you did in two minutes." Everett did not share the pompous view of the Chicago *Times* that the President "did most foully traduce the motives of the men who were slain at Gettsburg." The *Times* found its editorial cheek "tingling with shame" at the views Lincoln had expressed, a folly of short-sightedness its successors do well to bear in mind.

Subsequent students of speechmaking have taken Everett's view. But what is it about the Gettysburg Address that lasts? Certainly, as an interpretation of the Civil War it reflects a more soaring vision than even Lincoln, in his more pragmatic moods, glimpsed. It expressed the bald, unqualified view that the survival of democracy itself was at hazard—of "government of the people, by the people, for the people," although the former Whig railroad lawyer undoubtedly knew that the Confederate government was no more autocratic than the government in Washington. And even in Britain and France, the franchise was under a steady broadening, sometimes under Tories like Derby and Disraeli. Such government might be imperiled; but was in little danger of "perishing from the earth."

One is thrown back, then, on the idea that it was the spartan simplicity and poignancy of Lincoln's language that, more than its vision, echoed and goes on echoing in the American mind. Certainly the contrast with the rolling periods of Everett's speech was, by our standards, not only large but distinctly unflattering to Everett.

Of Lincoln's language, the late Edmund Wilson, writing of the prose of the Civil War period, says that it introduced to public affairs an entirely new style—a new modesty and crispness. "It was partly," says Wilson, "that the language of the West, the simple and forceful speech that Lincoln had been hearing from boyhood, had made it natural for him to avoid pomposity and ornamentation." Wilson found the same quality in the vernacular humor of the West, as well as in the later memoirs of General Grant. Its brevity seemed to go well with the accelerating pace of national life.

What have we made of the legacy? Its phrases used to be planted by rote in American schoolrooms, although one wonders if that is so any longer. It would at least be reassuring to think that Lincoln raised a standard of simple clarity to which all political orators to follow—or at least all Presidents—repaired. But that would require a certain deafness to the quality of American official prose. Where Lincoln led, the followers have been too few.

Chipping Away at Disposables

It is greatly to be hoped that James P. Gleason, the Montgomery County executive, will not again veto legislation to try to control the egregious waste and litter of throwaway bottles and cans. A year ago, Mr. Gleason zapped a council-passed bill that would have imposed a mandatory deposit on all containers, throwaway or returnable. The new measure, due for final action by the county council shortly, strikes us as a better approach—a 4-cent tax on the tossaways to stimulate purchase of potables in returnable containers.

The council's action in Montgomery is, of course, only a skirmish won in a war in which the bottling and beverage industries have shown no inclination to surrender. But, in conjunction with other recent engagements, it is progress.

The Environmental Protection Agency last week took the first procedural step to require a 5-cent deposit on all beverage containers sold under federal auspices, which would have an obvious impact on the Washington area. And the Maryland Court of Appeals in March upheld an ordinance passed by the town of Bowie in 1971, requiring the mandatory deposit.

There appears to be developing a wider feeling that disposable containers represent a ridiculous wastefulness and a lack of aesthetic concern for our own backyards. The arguments of the bottlers and soft-drink purveyors do not hold water, and they would do well now to get cracking on the the conversion back to returnables instead of trying to impede the effort by rhetoric and litigation.

No serious argument has been made that elimination of throwaways would involve no difficulties. But the point is that these would be temporary and worth the economic dividend in conservation. One recent study, by the Maryland Governor's Council of Economic Advisers, said that weaning ourselves from disposables would create 1,500 jobs in the state, would produce $1.1 million in new tax revenue, and would reduce highway litter in the neighborhood of 30 per cent.

Throwaways are a problem, as we have said before, that is not so intractable as many of our urban knots. We trust that Mr. Gleason will see it that way, this time around. And in a time of scarce household money, even in Montgomery, the savings to the consumer of drinks in returnables over throwaways amounts to 60 per cent.

CULTURAL NOTE

This tidbit is offered to any sociologist or urban anthropologist who has been too busy filling out forms for foundation grants to get around to field work. It means something, we think, perhaps something of coruscating insight.

A proud municipality in our area sponsored a Halloween dance for its "older teenagers" at the community center. The town will be left anonymous, to spare it possible embarrassment, but also because we suspect its experience was duplicated in other suburbs. The following description comes from the town newsletter.

"Despite the presence of some 10 chaperons and 3 policemen, the men's toilet was stopped up with paper and the room flooded, and empty beer cans, bottles and cartons were strewn over the parking lot area. Considering that an estimated 300 young people were present during the evening, except for the problems noted above and a messed up gym floor, the dance was characterized to be about as orderly as expected in these days and times."

The comingling of tones in this brief dispatch—of fatalism, ennui, frustration, and a sense that the town may have gotten off with lesser ravages than anticipated—should speak eloquently to the trained investigator of current social phenomena.

CONCLUSION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. GLENN). The period for the transaction of routine morning business is closed.

CLOSED SESSION

The PRESIDING OFFICER (Mr. GLENN). Under the previous order, the hour of 9 a.m. having arrived, the Senate will go into closed session, not to extend beyond 1 p.m.

The Chair now directs the Sergeant at Arms to clear the galleries, close the doors of the Chamber, and exclude all those not sworn to secrecy.

(At 9 a.m. the doors of the Chamber were closed. The following proceedings in closed session are printed in the RECORD pursuant to the order of the Senate removing the injunction of secrecy and providing for the printing thereof in today's RECORD.)

PROCEEDINGS IN CLOSED SESSION

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GLENN). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I am about to make a unanimous-consent request, and I do so with some fear and trepidation because of the numbers involved, and that number in relation to the closed session which the Senate will now undertake.

I think it is a very bad precedent to have more than two people here at any time from outside the Senate, but on this occasion, in view of the situation which has developed, I ask unanimous consent—and this is not to be considered a precedent—that the following members of the staff of the Senate Select Committee on Intelligence be accorded full privileges for the period of this closed door session of the Senate.

Before I list their names, again, they will have to be sworn in by the Sergeant at Arms and pass that test:

> William G. Miller, Frederick A. O. Schwarz, Jr., Curtis Smothers, Charles Kirbow, David Aaron, Joseph DiGenova, Richard Inderfurth, Robert Kelley, Charles Lombard, Michael Madigan, Elliot Maxwell, Walter Ricks, Burton Wides.

Mr. ALLEN. Reserving the right to object—and I shall not object—will the Senate be given an opportunity to express itself during this session on the advisability of releasing the names of CIA agents who may have been involved in assassination plots?

Mr. MANSFIELD. The leadership would never think of foreclosing any right, privilege, or prerogative of the Senate, and the answer would be in the affirmative.

Mr. ALLEN. I thank the Chair.

The PRESIDING OFFICER. Is there further objection?

Mr. ALLEN. I thank the distinguished majority leader.

Mr. GRIFFIN. Mr. President, on the point that the Senator from Alabama has just raised, when will it be possible to have a discussion on that particular question, I ask the majority leader?

Mr. MANSFIELD. Under the agreement reached, the session cannot go beyond 1 o'clock.

Mr. GRIFFIN. Then I wonder if there could be a period of at least 15 minutes, something at the beginning, to lay out some basic legal questions about this that Senators could then be mulling over in their mind as they are listening to the rest of the presentation and then, perhaps, some further discussion at the end?

Mr. MANSFIELD. I would think so, and I am sure that the chairman of the committee and the ranking Republican member of the committee would be willing to give that consideration.

Mr. TOWER. Will the Senator yield?

Mr. CHURCH. May I just say, in the interest of orderly presentation, the chairman and the vice chairman had hoped to present the report, during which these questions to which the Senator from Michigan refers will be alluded to, because they have been carefully considered by the committee, and then after that, of course, any discussion concerning the question that the Senator raises would be entirely appropriate.

Mr. GRIFFIN. The Senator from Michigan has some questions that he would not just expect the distinguished chairman to allude to, but to address himself to.

Mr. CHURCH. There will be plenty of opportunity to do that.

Mr. TOWER. Will the Senator yield?

Mr. MANSFIELD. Yes.

Mr. TOWER. The way that we agreed on it yesterday is that the time should be equally divided between the Senator from Idaho and myself.

Mr. MANSFIELD. That is right.

Mr. TOWER. And then on a rotational basis we would yield to people on our side in turn.

The presentation by the chairman and the vice chairman should not take an extraordinarily long time and each member of the committee, I think, ought to express himself briefly and I think there will be adequate time for colloquies and questions on this matter on the part of the Members of the Senate that wish to participate.

Mr. GRIFFIN. Including——

Mr. PASTORE. Reserving the right to object——

Mr. SPARKMAN. Just a question.

Mr. PASTORE. Reserving the right to object——

Mr. ROBERT C. BYRD. There is a request pending.

Mr. MANSFIELD. I yield to the Senator.

Mr. PASTORE. I was wondering, could we not set a time limit insofar as the presentation, because none of us know here what is going to develop.

The PRESIDING OFFICER. Could the Senator speak up, please? We do not have a loud speaker system.

Mr. PASTORE. If we go from 9 until 1,

I think what we ought to do is set aside an hour or an hour and a half in the beginning and then we can resume the talk about the legalities involved and the procedures to be followed because, after all, here we are in the dark. We do not know what is going to develop until we hear it and I think that is what we ought to do. We ought to set aside an hour and a half or an hour of the first 5 hours.

What is it, 5 hours?

Mr. MANSFIELD. Four hours.

Mr. PASTORE. Four hours.

Then we take it from there, and then we can have 15 minutes or 20 minutes.

Mr. MANSFIELD. Make it the last hour to give them a chance to explain.

Mr. PASTORE. That is right.

Mr. SPARKMAN. Will the leader yield for a question?

Mr. MANSFIELD. Yes; and then to the Senator from North Dakota.

Mr. SPARKMAN. I merely want to ask, the leader read off quite a long list of names.

Mr. MANSFIELD. Too long a list.

Mr. SPARKMAN. Are they a part of the Senate?

Mr. MANSFIELD. They are not a part of the Senate. They are attachés attached to the Select Committee.

Mr. SPARKMAN. They are a part of the committee?

Mr. MANSFIELD. Yes.

Mr. SPARKMAN. I thank the Senator.

Mr. YOUNG. My question, along the same line, I can see where some staff members are necessary, but I cannot understand why and I would like an explanation of why so many. There will probably be more staff members than Senators.

Mr. MANSFIELD. Will the Senator yield?

There are 11 members on the committee and it allows them each an assistant, plus the Democratic counsel and the Republican counsel. Just like the umpire made a decision based on his judgment in St. Louis last Sunday with which some people found fault. The leadership has done the best it could and it has reduced it from about 25 down to 13.

Mr. YOUNG. I am not going to object, but I think there will be bigger press coverage this way than if we let the press in.

Mr. MANSFIELD. I agree.

Mr. BAKER. I might say, for the reassurance of our colleagues, there is another reason to want them here. That is in the interest of security. We broke the staff down into compartments. One compartment did not know what the other compartment was working on. So there is no staff member, except the majority and minority counsel, who have a general overview, and they do not in detail. This was to preserve the secrecy of the proceedings. It seems to me we need at least this many in order to have a full presentation. While I agree with the majority leader that it is unfortunate, I believe it is essential.

Mr. CHILES. Now they will have it all put together for them?

Mr. BAKER. This is put together in a printed book that will be placed on the desks. Members of the committee in a drafting session have approved the draft. But in order to elaborate or extend on any point in there, we will need representatives from the several drafting groups.

Mr. CHILES. Will they all be here at one time?

Mr. BAKER. Eleven of them.

Mr. CHURCH. May I say in furtherance of what the distinguished Senator said——

Mr. PASTORE. May we take our seats so we can talk?

Mr. SCHWEIKER. Let us turn the microphones on.

Mr. CHURCH. This has been an extraordinarily diligent committee. Members have, for 6 months, sat through endless sessions in the most intensive investigation of the assassination issue. I have never served on a committee where there was such fidelity of attendance on the part of the membership. These committee members should not only have the right, but have expressed the the desire, to participate in this presentation. Because of the breadth of the material covered, each one has assumed a responsibility for a particular chapter if highly technical questions arise. For that reason, the committee members feel the need to have their own staff assistant sitting with them.

Mr. MANSFIELD. Time is fleeting. Could we get a judgment?

Mr. CHILES. Can I ask one more question? I can understand the explanation of the need to have the staff members for the answering of questions. I wonder if at some stage when the questions are answered so to speak, if we get to a point where we want some debate, could they then be excused? It would seem to me that there might well be some time that we would just want to have the Senate here if we were going to have a debate.

Mr. MANSFIELD. The answer, I would assume, would be in the affirmative, or at least that would be my opinion.

Mr. TOWER. I think any Senator would be within his rights in trying to promulgate a consent request to exclude staff.

Mr. CHURCH. I think in that situation the chief counsel, the Democratic and Republican counsel for the committee, ought to be allowed to remain.

Mr. STENNIS. Can the Senator speak a little louder so we can hear?

The PRESIDING OFFICER. If we might all keep that in mind, please do so. I am having trouble hearing up here. We do not have a loudspeaker system. If, during this discussion, we can all speak up, we would all appreciate it.

Mr. MANSFIELD. You are doing great.

Mr. CHURCH. Senator CHILES has suggested that, at some point in the proceedings this morning, if the Senate desired to engage in debate, these special assistants for the members of the committee might be dismissed. I do not object to that, but I think, in any case, the chief counsel for the Democratic side and deputy counsel for the Republican side should remain.

Mr. SYMINGTON. Will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. SYMINGTON. It is my understanding that the committee felt the report should be published. Is that correct?

Mr. CHURCH. Yes. The committee so voted and then reconfirmed its vote following receipt of a Presidential letter asking that the report remain concealed.

Mr. SYMINGTON. Was that decision by the committee unanimous?

Mr. CHURCH. That decision was taken without a dissenting vote. There was one abstention.

Mr. SYMINGTON. That being true, I hope we do not chase windmills. It is certainly my intention, if the committee works this many months, speaking personally for myself, whatever the committee thinks should be done with this report I am going to be for, and I hold myself under no obligation not to be for.

Mr. CHURCH. I thank the Senator very much.

Mr. MANSFIELD. Mr. President, in view of the fact that 15 minutes have elapsed under the time schedule, could the Chair at this time act on my request that these additional staff members be allowed?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, reluctantly, because if the subject is this complex that we have to have this number of staff people on the floor I do not know how a person like myself can understand it, I ask unanimous—I will not object. Go ahead.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that paragraph numbered 4 of rule 36, page 55 of the Senate Manual, be printed in the RECORD at this point.

There being no objection, the paragraph was ordered to be printed in the RECORD, as follows:

> 4. Any Senator or officer of the Senate who shall disclose the secret or confidential business or proceedings of the Senate shall be liable, if a Senator, to suffer expulsion from the body; and if an officer, to dismissal from the service of the Senate, and to punishment for contempt.

Mr. MANSFIELD. May I emphasize the fact that this is not to be considered a precedent, the idea of having such huge staff numbers, comparatively speaking, in a closed session.

Now the time is equally divided between the chairman and the vice chairman of the committee.

Mr. TOWER. Mr. President, I ask unanimous consent that the time on the presentation of the select committee report be equally divided between the Senator from Idaho and the Senator from Texas.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I believe the Senator's request is representative of the bipartisan spirit which has guided the committee from its origin.

Mr. President, I reserve to myself such

time as this initial presentation may require.

Mr. MUSKIE. I wonder if it would not be helpful for the Senator to speak from the well, facing the Senate. We could all hear him better.

Mr. CHURCH. May I inquire of the Chair if those assistants whose presence has been requested might enter the Chamber and assume their places?

[The Vice President assumed the Chair at this point.]

Mr. CHURCH. In the summer of this year, the Select Committee on Intelligence took up the investigation of U.S. involvements in alleged assassination plots against foreign leaders, continuing the task begun by the Rockefeller Commission.

The select committee asked for this closed session today to describe our findings and conclusions to our colleagues before making this interim report available to the American people later this afternoon.

We will turn to the contents of the reports in a moment, but, first, I would like to express my gratitude to Senator TOWER, whose constant attention to his responsibilities as vice chairman has been of invaluable assistance to the committee. And to all other members of the committee who have worked so hard. The same expression of appreciation has been earned by members of the staff, in connection with this report, whose names I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the names of staff members were ordered to be printed in the RECORD, as follows:

> William G. Miller, Frederick A. O. Schwarz, Jr., Curtis Smothers, Charles Kirbow, David Aaron, Frederick Baron, David Bushong, Elizabeth Culbreth, Rhett Dawson.
>
> Joseph Dennin, Joseph DiGenova, Richard Inderfurth, Loch Johnson, Robert Kelley, Charles Lombard, Michael Madigan, Elliot Maxwell.
>
> Paul Michel, Andrew Rostal, Gordon Rhea, Walter Ricks, Patrick Shea, Jack Smith, Greg Treverton, Burton Wides.

Mr. CHURCH. Never have I known a group of harder working men and women.

This committee has heard over 100 witnesses. It has studied thousands of documents and amassed a record of sworn testimony almost 10,000 pages long. We have spent months drafting and redrafting this report to make sure the evidence was stated fairly and completely. Meeting first in a subcommittee composed of Senator TOWER, Senator HART of Colorado, and myself, and then in the full committee, our descriptions of the assassination plots are all carefully documented, and we have done our utmost to meet the requirements of Senate Resolution 21 to determine the full facts about the matters we investigated.

I am proud to say that the committee adopted this report by unanimous vote, an accomplishment, I think, that was not thought possible when we first undertook the investigation.

The committee also decided to reconfirm its earlier decision last summer to make the report public. This vote was also unanimous, with one abstention. Our reasons for feeling so strongly about the right of the people to have access to this historic document are set forth in summary on page 2 of the report.

We believe the public is entitled to know what the instrumentalities of their Government have done. We believe that our recommendations can be judged only in the light of the factual record. We believe the truth about the assassination charges should be told because democracy depends upon an informed electorate. Truth is the very anchor of our democracy.

We wrestled long and hard with the contention that the facts disclosed in this report should be kept secret since they are embarrassing to the United States.

We concluded that despite any temporary injury to our national reputation, foreign peoples will, upon sober reflection, respect the United States more for keeping faith with its democratic ideals than they will condemn us for the misconduct revealed. We doubt that any other country would have the courage to make such a disclosure, and I personally believe this to be the unique strength of the American Republic.

Our decision to make the report public was reinforced by the fact that portions of the story had already been told. Innuendo and misleading piecemeal disclosures are unfair to the individuals involved; nor are they a responsible way to lay the groundwork for informed public policy judgments. In short, the rumors and allegations about the assassination plots must be put to rest. Any effort to keep the truth from the American public could only have the effect of increasing the corrosive cynicism about Government, which is such a threat to our society today.

Also without dissent, the committee agreed upon clear criteria for determining which individuals should be identified by their true names in the report.

We were exceedingly careful. We asked the administration and the CIA to read the report for the purpose of commenting on this particular question. After lengthy discussion and application of the committee's standards, we agreed to limit reference for more than one-half of the names requested to be deleted by the administration to a title or, in some cases, a pseudonym. However, some public officials and some of the persons whom the Agency used in assassination efforts, including certain underworld figures, were so central to the report that we concluded their true identities should be made known.

James Madison recognized the right of freely examining public characters and free communication thereon as the only effective guardian of every other right. And, as the Supreme Court stated:

> The power of the Congress to conduct investigations is inherent in the legislative process. That power is broad. It comprehends the probes into departments of the Federal Government to expose corruption, inefficiency or waste.

So the right of the committee to name in its report those officials who were responsible for the assassination plots is beyond serious doubt.

The only time this right was challenged, as it was in an 11th hour attempt to exclude a certain name from the report, the right of the committee to include that name was strongly upheld by the Federal district court.

Earlier this week, the U.S. district court had occasion to review whether the inclusion of the name of a certain former official in the report violated any of his constitutional rights. Judge Gerhard Gesell found, in his opinion that the only right even conceivably at issue was the right of privacy. He then concluded, after having heard full argument in camera in which the CIA and its general counsel were represented, and after taking public arguments in open session, that—

> A former government official has no right of privacy vis-a-vis the Congress where his official conduct is under review.

The court decided further—

> This is not, as the Court views it, a case of exposure for the sake of exposure alone.

The court ruled in this case that "the public interest greatly outweighs any private interest of the plaintiff." The court found the standard the committee applied in determining whether to include certain true identities to be, in the words of the court, "responsible criteria."

Now let me turn to the substance of the report. All of you have a copy before you, and from time to time we may have occasion to turn to certain parts of it.

It is organized as follows:

Part I introduces the committee's work, explains why the report must be made public, and summarizes the events examined in the body of the report.

Part II explains several key concepts which are necessary to understand the events reviewed in the report, such as the nature of covert action, the basic lines of authority in the CIA, and the doctrine of plausible denial.

Part III sets forth the facts and testimony relating to the assassination operations and the level at which they were authorized.

Part IV contains the findings and conclusions of the committee.

Finally, part V, outlines the recommendations of the committee.

During the course of its investigation, the committee addressed four broad questions.

First, did the United States or U.S. officials instigate, attempt, or aid and abet plots to assassinate foreign leaders?

Second, did U.S. officials assist foreign dissidents in a way which significantly contributed to the killing of foreign leaders?

Third, where U.S. officials were involved in assassination plots or other killings, were their activities authorized, and if so, at what levels of our Government?

Fourth, even if the involvement of officials of the U.S. Government in assassination activities was not expressly authorized, did those officials perceive their actions to be within the scope of their lawful authority? Furthermore, did higher authorities exercise adequate control to prevent such misinterpretation?

Richard Helms, who had been involved in an assassination plot before he became the Director of the CIA, issued an intraagency order banning assassination once he became Director in 1972. William Colby did the same in 1973, and told the committee:

> With respect to assassination, my position is clear. I just think it is wrong.

The committee's findings and conclusions are set out in part IV of the report, beginning at page 255. Its findings regarding whether officials of the U.S. Government were involved in assassination attempts appear at pages 255 through 257.

Senator TOWER and I have agreed to divide the initial presentation, and in order not to duplicate what he intends to say, I would like to address the remainder of my time to an outline of the findings and conclusions of the committee.

The committee's investigation establishes once and for all that assassination is an abhorrent practice that must never again be undertaken in times of peace by the U.S. Government. Our view that assassination has no place in America's arsenal is shared by this administration. President Ford, when he asked this committee to study America's involvement in assassination, stated:

> I am opposed to political assassination. This administration has not and will not use such means as instruments of national policy.

Witnesses who testified before the committee denounced assassination as immoral, described it as impractical, and reminded us that an open society, more than any other, is particularly vulnerable to the risk that its own leaders may be assassinated—something of which we hardly need to be reminded, I should think.

Now let me turn to our findings with respect to the plots themselves. Turning first to the Lumumba case, we have concluded that officials of the U.S. Government formulated a plot to assassinate Patrice Lumumba, and took steps in furtherance of that plot, including the delivering of lethal biological substances to the Congo. This Nation had no involvement, however, in Lumumba's actual death, which occurred at the hands of his Congolese enemies.

In the Castro case, the committee has found that officials of the U.S. Government initiated and participated in a series of plots to assassinate Fidel Castro and other members of the Cuban leadership. Plans to assassinate Castro with poisoned cigars, exploding seashells, and a contaminated diving suit did not advance beyond the laboratory phase. Another plot, however, in which the U.S. Government used underworld figures, reached the stage of producing poison pills, procuring potential assassins within Cuba, and apparently delivering the pills to the island itself.

Yet another episode involved a Cuban who initially had no intention of engaging in assassination, but who finally agreed, at the suggestion of the CIA, to attempt to assassinate Raoul Castro if the opportunity arose. In the AMLASH operation, the CIA gave active support and encouragement to a Cuban whose intent to assassinate Castro was known, and provided him with the means for carrying out the assassination.

The overthrow of Rafael Trujillo was clearly an objective of U.S. foreign policy. American officials offered both encouragement and weapons to dissidents in the Dominican Republic known to have the intent to assassinate Trujillo. The United States was not involved, however, in the actual assassination.

Similarly, American officials offered encouragement to a group of Vietnamese generals plotting the overthrow of Ngo Dinh Diem. However, the assassination of Diem and his brother Ngo Dinh Nhu was neither planned nor suggested by officials of this country.

Our investigation has established that officials of the U.S. Government offered encouragement to the Chilean dissidents, and plotted the kidnaping of Gen. René Schneider, but no U.S. official planned or encouraged Schneider's murder. Certain high officials did know, however, that the dissidents planned to kidnap General Schneider, and the possibility that he would be killed should have been recognized as a foreseeable risk of the kidnaping.

In addition to these five cases, the committee has received evidence that ranking Government officials discussed and may have authorized the establishment within the CIA of a generalized assassination capacity known as the Executive Action project.

The question of the level at which these plots were authorized or known about in the U.S. Government is a complex one, not susceptible to easy answers. Our conclusions concerning this issue are set forth at length in part 4 of the report. Those findings are introduced and summarized at pages 6 and 7 of the introduction and summary section of the report, from which I now quote:

> The picture that emerges from the evidence is not a clear one. This may be due to the system of deniability and the consequent state of the evidence which, even after our long investigation, remains conflicting and inconclusive. Or it may be that there were in fact serious shortcomings in the system of authorization so that an activity such as assassination could have been undertaken by an agency of the United States Government without express authority.
>
> The Committe finds that the system of executive command and control was so ambiguous that it is difficult to be certain at what levels assassination activity was known and authorized. This situation creates the disturbing prospect that Government officials might have undertaken the assassination plots without it having been uncontrovertibly clear that there was explicit authorization from the Presidents. It is also possible there might have been a successful "plausible denial" in which Presidential authorization was issued but is now obscured. Whether or not the respective Presidents knew of or authorized the plots, as chief executive officer of the United States, each must bear the ultimate resposibility for the activities of his subordinates.
>
> The Committee makes four other major findings. The first relates to the Committee's inability to make a finding that the assassination plots were authorized by the Presidents or other persons above the governmental agency or agencies involved.

Let me just digress here a moment to explain that the committee was very careful not to make findings where the evidence was insufficient, or where it was conflicting, or where there were gaps which we were unable to fill because we were reaching back 15 years into a world of secrecy.

In those cases, however, we set out the evidence so that Members of the Senate, the American public, and historians in the future might have an opportunity to know what this committee found in connection with the evidence and make their own appraisal of each case.

In fairness to men now dead who cannot speak up for themselves, only in those situations where the evidence was conclusive, did the committee make findings.

So, if I may repeat, the committee makes four other major findings.

The first relates to the committee's inability to make a finding that the assassination plots were authorized by the Presidents or other persons above the governmental agency or agencies involved.

The second explains why certain officials may have perceived that according to their judgment and experience assassination was an acceptable course of action.

The third criticizes Agency officials for failing on several occasions to disclose their plans and activities to superior authorities or for failing to do so with sufficient detail and clarity.

The fourth criticizes administration officials for not ruling out assassination, particularly after certain administration officials had become aware of prior assassination plans and the establishment of a general assassination capability.

As explained at pages 262 and 263, we could find no hard evidence that assassination was seriously considered or urged in the high councils of Government outside of the CIA. The minutes of the National Security Council and special group meetings, however, contain repeated exhortations for action such as getting rid of Lumumba and removing Castro. While assassination may not have been explicitly authorized by the Presidents and their advisers, their strong expressions of hostility to certain foreign leaders created an environment in which it was likely that some CIA officials would perceive assassination as a permissible course of action.

We have found that the plots to assassinate Lumumba and Castro were clearly authorized by the Deputy Directors for Plans, the head of the CIA covert-action arm. The plot to assassinate Lumumba had the approval of Allen Dulles, who was the Director of the Central Intelligence Agency when the assassination plot in the Congo took place.

There is considerable evidence that Dulles may himself have authorized the plot to kill Castro although there is no evidence that his successor, John McCone, was aware of the assassination attempts against Castro that took place during his tenure as Director of the CIA.

We have no solid evidence that either President Eisenhower or President Kennedy were aware of any U.S. assassination plots. One witness did recall a statement by President Eisenhower at the NSC meeting that left him with the impression that President Eisenhower had ordered Lumumba's elimination, but other persons who attended that meeting testified that they did not recall ever hearing President Eisenhower order his assassination.

Our investigation has also raised serious questions not only about knowledge and authorization of the assassination efforts at the Presidential level but also about whether officials of the CIA sufficiently informed their superiors in the agency and officials above the CIA about their activities.

In the final analysis, the tragic events investigated by the committee were in large part a result of the system of executive command and control which created the risk of confusion, rashness, and irresponsibility in the very areas where clarity and sober judgment were most necessary.

Whatever can be said in defense of the original purpose of the doctrine of plausible deniability, the extension of the doctrine to internal decisionmaking was absurd.

The democratic process is undermined by any doctrine which insulates elected officials from information on which to base their decisions. According to some witnesses, the extension of the plausible denial doctrine to internal decisionmaking required the use of circumlocution and euphemism in speaking with Presidents and other senior officials. Failing to call dirty business by its rightful name may have increased the risk of dirty business being done.

Ultimately, Presidents must be held responsible for determining the nature of major Government activities and for preventing undesirable activities from taking place. High administration officials had a duty to make clear to their subordinates that assassination was impermissible and to inquire further when they received indications that assassination was being considered by some of their subordinates.

Just as Presidents must be held accountable, their subordinates throughout the Government had a concomitant duty to disclose fully their plans and activities. This sets a demanding standard but the committee supports it. The future of democracy rests upon such accountability.

I might suggest, as all Senators know, that nothing is more fraught with peril to the foreign policy of a nation than assassinations. They have set off great wars including, as Senators will remember, the First World War, and thus the need is evident for clear command, control, and complete accountability within the executive branch.

The committee's long investigation of assassination has brought a number of important issues into sharp focus. Above all stands the question of whether assassination is an acceptable tool of American foreign policy. Recommendations on other issues which relate more generally to covert action and the command and control system must await completion of our continuing investigation and the issuance of our final report. But the committee has received sufficient evidence to be convinced that an absolution prohibition against assassination should be written into law.

It would be irresponsible not to do all that can be done to prevent assassination from happening again. A law is necessary to deter specific conduct, to strengthen the will of those who want to resist urgings to engage in such conduct, and to express the values of our Nation.

The committee, therefore, recommends the enactment of a law that will provide criminal sanction against the assassination of foreign leaders, as well as any conspiracies or attempts to commit such acts in time of peace.

The proposed law is contained in appendix A at page 289 of the report. It is sometimes asked whether assassination should be ruled out absolutely, such as in a time of truly grave national emergency. Adolf Hitler is often cited as an example. Of course, the cases which the committee investigated were not of that character at all. Tragically, they related to Latin leaders and black leaders of little countries that could not possibly have constituted a threat to the security of the United States.

The only time when Mr. Castro permitted his island to become a base for Russian missiles, the only time during which it might have been said that he had become a threat to the security of the American people, was the one time when all assassination activity, plans, and plots against his life were stood down.

So we are not talking about Adolf Hitler or anything of that character, nor are we prejudicing actions taken in a grave national emergency when the life of the Republic is endangered. In such cases, the President has constitutional powers to act to defend the Nation; and he is answerable to history, to Congress, and to the American people for the action he takes in emergencies of that extreme character.

The committee's sentiments are aptly summarized in the epilog to the report which appears at page 285.

The committee does not believe that the acts which it has examined represent the real American character. They do not reflect the ideals which have given the people of this country and of the world hope for a better, fuller, fairer life.

We regard the assassination plots as aberrations. The United States must not adopt the tactics of the enemy. Means are as important as ends. Crisis makes it tempting to ignore the wise restraints that make men free; but each time we do so, each time the means we use are wrong, our inner strength, the strength which makes us free, is lessened.

Despite our distaste for what we have seen, we have great faith in this country. The story is sad, but this country has the strength to hear the story and to learn from it. We must remain a people who confront our mistakes and resolve not to repeat them. If we do not, we will decline. But if we do, our future will be worthy of the best of our past.

[Applause.]

Now, I should like to recognize the distinguished Senator from Texas who serves so well as vice chairman of the committee.

Mr. TOWER. I yield myself such time as I may require.

Mr. President, I compliment the distinguished Senator from Idaho, the chairman of the Select Committee, for his very good summation of the contents of the report. He has worked very hard to make this report a reality and has earned the gratitude of the Senate in the process.

I have just a few comments in amplification of the chairman's presentation. While I agree with him substantively on everything that he said regarding the report, we may have some degrees of disagreement on matters of foreign policy, but I will not open the foreign policy debate here today.

The select committee comes before the Senate today for consideration, prior to official disclosure to the public, of a report on matters of very grave national importance. It has been apparent since the first surfacing of allegations of U.S. involvement in assassination attempts that this Senate inquiry would have a profound impact on the future course of our intelligence organizations and their activities. This report will be the first public document to provide an in-depth review of some of the workings of intelligence-related aspects of our national security apparatus.

Along with some other members of the select committee, I initially expressed strong reservations against any detailed account of the evidence received by this committee—not because of any partisan consideration but, rather, for fear of permanent damage to the Nation's security and the continued effectiveness of our intelligence agencies.

While I accept and respect the judgment of my colleagues, I am compelled to state my continuing concern regarding the wisdom of full public disclosure. The ultimate effect of the report may be for the American public to appreciate that quick, seemingly easy answers, such as assassination, are not the most effective way to rid ourselves of those with whom we are engaged in ideological combat.

Careful public examination of the entire report also should provide some perspective for evaluation of the views of those who would summarily place the entire blame for the departures from democratic tradition at the feet of the much maligned and too often maligned intelligence community. Hopefully, the public will begin to wrestle, as the select committee has, with the real problem—the absolute necessity for instrumentalities of the U.S. Government to have secrets and discharge their obligation to protect the people's right to be secure, with the assurance that the American public and Congress stand behind them. It may be that baring these reprehensible activities is necessary to achieve this result.

It is a very difficult problem with

which to wrestle. We might raise this rhetorical question: At what point must the people's right to know be subordinated to the people's right to be secure, to the extent that an effective intelligence-gathering capability can make them secure?

Before turning to the results of our investigation, I should like to say another word concerning public release of the report. The President sent a letter to every member of the select committee, asking that we not make the report public. His concern is not to conceal from the public any activities of his administration. Everything we looked into occurred before this administration came into office; so it is because of no concern with the President's own skin that he made this request of us. Rather, he feels that public release will cause serious harm to the national interests and would endanger certain individuals. I fully understand and accord a great deal of weight to the President's concern.

The President, in the concluding paragraph of his letter, sharpened the committee's problem by stating:

> I am sure the select committee will recognize the enormous responsibility it has to see to it that serious damage will not result to the United States by the publication of this report and will recognize also the duty which I have to emphasize the disastrous consequences which can occur by publication.

Since receiving the President's letter, the committee has made great strides in accommodating most of his stated objections. In the few instances in which the language of the report might have revealed sensitive sources or methods, the committee has deleted entirely such references.

The committee has always intended to omit such references, and our concern in that regard has been heightened by the President's remarks. The deletions were based on the judgment and advice of a longtime CIA employee who worked for several days with a member of the staff in receiving the report. This expert also pointed out several places in the report which may have unnecessarily risked the life or livelihood of a CIA employee or agent by divulging his name. In each instance, we weighed the risk for potential harm to the individual which might result if his or her name were used. The committee then decided whether to delete the name, to provide an alias, or to leave the individual's name in the report.

Turning to the report itself: In general, I believe the report fairly represents what happened. Some of the witnesses, I personally believe, did not tell the whole truth, and others concealed what may be the truth. On the whole, history should record this investigation as an honest effort by a hard-working committee.

The select committee, pursuant to Senate Resolution 21 and the necessity to complete the work begun by the Rockefeller Commission, spent many long hours over the last 8 months conducting our investigation into the alleged assassination efforts against foreign leaders. As a matter of fact, we have been so diligent in this activity that I suspect that all 11 members of the committee have allowed some constituent business to slide a bit. We may be rewarded for that later.

One aspect of the plots which has become clear to me is the historical context of the times in which they occurred. America in the post-war period was engaged in a battle against the spreading infection of communism in what have been called the "back alleys of the world." Soviet influence was increasing in the emerging new nations that were formerly of colonial status. In the summer of 1960, shortly after the Congo gained its independence from Belgium, Patrice Lumumba threatened to invite the Soviets into the hastened Belgian withdrawal. When Fidel Castro came to power in Cuba in 1959, his appearance was generally acclaimed, but it became increasingly clear over the next 12 months, as Cuba signed a trade agreement with the Soviets and then nationalized industries, that Castro's presence and influence 90 miles off our shores constituted a clear and present danger to the United States. It is understandable, then, that as to each target of assassination that this committee studied, we found that the President of the United States viewed those targeted with extreme hostility.

Commenting further on the matter of Cuba, and I shall not go into the assassination plots, because my distinguished colleague from Idaho has already summarized these, I would expand further, however, on the Castro matter. The authorization for the plots against Fidel Castro appears to stem from a document discovered by the CIA only last week and delivered to the committee last Friday evening while the staff was in the process of proofreading the galleys of the report.

This document makes it crystal clear that Allen Dulles approved the thorough consideration of the elimination of Fidel Castro in December of 1959. Prior to the receipt of that document, it had not been entirely certain whether Allen Dulles approved or knew of the planning against Castro. In light of that document, the only question remaining is whether the individuals who were directed to consider the plan somehow exceeded Dulles' order by contacting underworld figures. It is my strong personal conclusion that the CIA employees who received the order from Dulles to plan for eliminating Castro need not have returned to him at that point, even assuming that they did not. In the highly disciplined CIA, I would expect employees to go forward with an order for consideration until they came up with a plan which they were confident would succeed.

After these many months of investigation, I concluded that in each of the cases studied, assassination was an improper and reckless tactic, one which did not serve our national interest. I concur in the committee's recommendation that there be legislation to outlaw further assassination efforts against foreign leaders.

My second and more general conclusion is that by no means should any past involvement in assassination plots adversely reflect on the present CIA leadership or on the great number of its highly disciplined, dedicated, and enormously loyal employees. I sincerely hope that we have not placed the CIA or our other intelligence apparatus in a position which would, in any way, erode or threaten our necessary covert efforts or our highly sophisticated and sensitive collection methods.

As the chairman noted, the task before our committee has been difficult and carrying out these responsibilities has been painful. We have worked diligently in our efforts to provide the Senate and the American people answers to the hard assassination questions. I believe that, to the extent possible, this report provides those answers.

Mr. President, I think I would be remiss if I did not allude to the fact that the report of the select committee which the Senate is considering today is very unique as to subject matter. But it has something in common with most well-prepared Senate documents. It would not have been possible without the dedicated work of the staff. I think we have been especially fortunate on the select committee in assembling a most able and well-trained group of capable people in all levels of positions. The excellence of our clerks, secretaries, researchers, and professional staff members is exceeded only by their willingness to work long, long hours furthering the committee's investigative efforts and accomplishing the formidable paperwork which accompanies a major investigation. In no area of the committee's work have these qualities been more evident than during the investigation of the various assassination allegations and in preparing the report submitted today.

I should like personally to thank every woman and man on our staff who sacrificed personal time in order that the objectives of Senate Resolution 21 could be met. The preparation of the report has been a bipartisan staff effort, and I know that I express the sentiment of all of my colleagues on the committee when I extend our appreciation to the entire staff for a splendid and, perhaps, monumental piece of work.

Mr. CHURCH. Mr. President, this report, as I earlier mentioned, is the report of your committee. The resolution by which the committee was empowered to undertake this investigation delegated to the committee the authority to issue such reports as, in the judgment of the committee, were warranted. This report bears the signatures of the members of the committee, all of whose signatures appear except for that of PHILIP HART on the Democratic side, who was unable to attend many of the hearings because of his illness.

I should like, first, to defer to Senator HART, the ranking Democratic Member, for any remarks he would like to make. Then other members of the committee may have some comments, after which the floor will be open to general questions and debate.

Senator HART, is there anything you would care to say?

Mr. PHILIP A. HART. No; except to

thank you and Senator TOWER and others for your kindness during that period and to indicate that my views, very brief, are found on page 297. In short, I feel that I have been able to inhale enough of the testimony and participate in sufficient of the discussion to support the committee recommendations for a statute explicitly prohibiting assassination activity. I feel that I would be faking it if I signed a report indicating that I participated in the authorship, or signed as a regular participant.

Mr. CHURCH. I just want to say how much we all appreciate the fact that Senator HART is back with us again in connection with our continuing work.

I yield 2 minutes to the Senator from Tennessee.

Mr. BAKER. Mr. President, in my 9 years in the Senate, I have never undertaken anything more difficult, more embarrassing, and potentially more damaging than this inquiry and investigation, notwithstanding the others in which I have participated. Even so, I think it was essential that we go forward with the inquiry, because I think that, having the suggestions made that there were, I believe, irregularities in the intelligence apparatus, it would be unconscionable not to inquire into it.

I think both Senator CHURCH and Senator TOWER have done a magnificent job, not only of administering the investigation and the staff, but of maintaining a degree of equanimity and tranquility in an emotionally charged and a potentially political atmosphere.

I commend them and each member of the committee as well as the staff for keeping their cool.

I generally agree with the committee report and with the observations by Senator CHURCH and Senator TOWER. I do believe, however, that were we involved in a trial of the facts before a jury in the usual traditional way that a different result might have obtained.

I rather expect that a scholarly and responsible analysis of the facts does indeed give us only one possible conclusion, and that is we do not know whether Presidents authorized or did not authorize these assassination attempts. There is no doubt that the attempts occurred. But I think if we tested the proof by the usual courtroom standards, that is, the appearance and demeanor of the witness while testifying, of his means of knowledge, of his prior inconsistent statements, of the possibility of involvement, and inconsistencies while testifying under cross-examination of the witness, his means of knowledge, his interest in the subject matter, if any, I think by observing the testimony as well as hearing it, one would conclude, as I have concluded, on balance it is more likely that Presidents did know and probably authorized the several activities than that they did not.

It is a far cry from saying we have proved that. Rather I think it more likely that diminishes the image of the intelligence community as an irresponsible apparatus. I think it intensifies the need that we put in place a system of accountability for significant agency and Presidential activities.

Mr. CHURCH. Mr. President, I recognize the senior Senator from Minnesota for 5 minutes.

Mr. MONDALE. I thank the Senator very much.

I also wish to join the others in commending our chairman and our vice chairman for their work in the development of this historic report.

In my opinion, we need a CIA; we need the best intelligence-gathering agency in the world, and we must make certain that we continue to have it.

To have a CIA, it must operate in secret. This is a very grievous concession for a democracy to make but one which must be made if it is going to do its work.

What bothers me about what has been developed in this report is that our intelligence operations are not only secret but they have been unaccountable; as we tried to sort through the facts of these allegations and pin down what happened, it came to be like trying to nail jello to the wall.

Practically everything said in direct testimony was contradicted by somebody else. The documents often contradicted one another or there were contradictions in the same document.

As you read this report you will find that running through the whole CIA and the Government structure that was supposed to control these very sensitive and explosive matters was the doctrine of plausible deniability, the theory that if something was exposed everyone in responsibility ought to be in a position to deny it.

I think you will see by the documents that it does not work. It ends up with a principle of implausible deniability.

We put our top officials in a position where they either ultimately have to admit responsibility for an operation or worse they have to lie about it, as we did in the U–2 incident, as we did initially in the Bay of Pigs, and so on. It is a theory that does not work. It is humiliating and it undermines American confidence in its own Government.

So I would hope, as we consider this report, we would see how we can strengthen the CIA. Equally important we must consider how we can also make certain that from here on out should there be questions about responsibility for an operation, the record, privately and secretly, but clearly, disclose who did it, why, and who is responsible.

Not only is this required because democracy must have that kind of ultimate accountability but, I think it can help increase the sobriety and restraint of those making the decisions. I think there is evidence in the report that many of these steps were taken by people rather loosely and without mature consideration—among other reasons, because they did not think they would be blamed if someone found out.

So both because our Constitution requires it and, second, because we want to make certain that our Government is very careful when they do covert operations—and I hope we will prohibit much of the sort of thing that is in this report—I think it is important to nail down an accountability system that cannot be avoided.

A second point I would like to make concerns the technique of assassination itself: First of all, I think it is a very dangerous tactic for Government leaders to pursue. There is a statement in Macbeth about how inventions return to plague the inventor. We do not know what happened, but when we pursue a strategy of assassinating foreign leaders, I think we ought to concern ourselves with the possibility that foreign leaders might decide that if we are going to play such a game against them they can play it against us.

Now, it embarrasses me, with Senator KENNEDY present—and it also is not an accurate reflection of the record—to say that one of the things that disturbed me the most in our investigation was to find an interview by Prime Minister Castro 5 weeks before the tragic assassination of President Kennedy in which he said just that. He knew that the CIA was trying to assassinate him, and he said so publicly.

The second thing I would like to say on this point is this: running through practically every one of these attempts by the CIA was an incredibly naive view that somehow, with a couple of guns, a couple of bucks or a couple of lies, we could manipulate other societies in a way we know no one could ever do to us.

It never worked. We were never able to kill anybody we tried to kill—that is the first thing; and, moreover, there is no evidence that if succeeded, it would not be more harmful to us than leaving things the way they were.

Third, it seemed to me there was never any serious discussion about the overall risks of what we were doing; what happened if the public heard about it, what would be the results in that society, and what would be the fundamental result to the integrity and moral authority of our country in foreign affairs. Today, no matter what happens around the world, if Faisal is killed, we did it. If there is trouble in Portugal, we did it. We get blamed for more things we do not do than any country in the world, because we have stuck our nose naively and foolishly into too many people's businesses. And almost always, it does not work. It kicks back on us, and it hurts us more than it can possibly help. But it seems those questions were never asked.

So I would hope we would look at the system of command and control over overt operations. But I also hope we would look at the question of how much America can really influence the internal politics of another society in this way.

Mr. President, the events described in this report are in every sense a tragic chapter in American history. Rather than dwell on the report and its detailed account of the assassination plots which the Select Committee investigated, I would rather dwell upon America's response to this tragic story.

There are two basic responses to tragedy. One is to withdraw, to tune out, to become self-absorbed and cynical. The other, more difficult, response is to accept the facts and then go forward with the changes that will help assure that tragedy will not be repeated.

I believe that confronted with the facts, the American people have the strength and character to choose the second course. It is my hope that, through all the public outcry that this report will rightly generate, the American people will not lose sight of the important lessons to be learned. It is my conviction—based on this report and the subsequent work of the committee in the whole range of intelligence activities—that major changes are required in the way our Government conducts itself in this vital field of national security.

Today I would like to focus briefly on these changes.

The first step, as recommended in the report, is to rule out assassination as an instrument of U.S. foreign policy. Wartime obviously constitutes a different situation, but in peacetime, there is no place for assassination in our arsenal of international policies and programs.

Nonetheless, if we are to continue to have clandestine intelligence organizations—which I believe are necessary given the current state of world affairs—then we must take steps to insure that these organizations strictly adhere to policies, purposes and standards of the American Government and the American people.

Two things are called for:

First, we must devise a better structure of accountability for clandestine activities.

Second, we must adopt more mature policies governing such intelligence operations.

Accountability is the most important issue. I am prepared to accept that intelligence activities must be secret. But I am not willing to further concede that they can be unaccountable. I am convinced that if we had an effective system of accountability, the misguided efforts outlined in this report would never have been undertaken.

Much public discussion is likely to focus on whether the President knew and approved of the assassination plots outlined in the committee's report. This is an important issue and we have put forward all the relevant facts at our disposal. But the real issue is that there is no system to hold the Government to account in such matters. Instead we had a system of deniability, where everyone could avoid responsibility or claim higher authority for their actions, or both.

Theoretically, the CIA reports to the President. But in practice, the Agency usually takes orders from a committee, or from Presidential assistants, or acts on its own authority. Committees, of course, are a notorious way to avoid responsibility. And in some adminstrations, there were up to a half-a-dozen Presidential assistants purporting to speak for the President. Even in those administrations where the line of command was clear, Presidential assistants have not been subject to congressional scrutiny. Until the establishment of the Select Committee, the CIA itself did not apparently discuss the matters contained in this assassination report with the then duly-constituted congressional bodies.

This system is unacceptable in a democracy. It must change. To this end, I propose that the following remedies be given serious consideration. They seek to provide a clear system of accountability backed up by one of the most important principles of our Founding Fathers—the control of power through the process of checks and balances.

There must be a clear chain of command. No longer should the CIA report to a committee, or to a shifting group of Presidential aides and advisers. Moreover, all clandestine activities—intelligence and counterintelligence, not just covert actions—should be subject to review in this chain of command.

The chain of command should include a Cabinet officer. The President is too busy to monitor the intelligence community. The chief of intelligence cannot do it himself; for he has too great a self-interest. So there must be someone between him and the President. Assistants to the President should not do it, for they are too insulated from congressional oversight.

I have therefore concluded that it is a Cabinet officer, be it the Secretary of State or the Secretary of Defense, on whom we must place the primary responsibility for policy review and operational accountability for our clandestine intelligence activities.

The clandestine services, the "operational" part of the CIA, should be made into a separate agency with a primary mission to collect intelligence.

This is strong medicine, but I believe it is essential to strengthen outside control over potentially dangerous and risky clandestine activities. It would apply the concept of checks and balances to the intelligence community. It would permit intelligence analysts to make a more objective assessment of the activities of the clandestine operators than if they live under the same roof as they do today—an arrangement by which the operators have inevitably bested the analysts.

The effectiveness of congressional oversight would also be strengthened. There is no question but that we can keep closer tabs on clandestine activities if they are not insulated from oversight by being mixed in with an agency that has a vast array of other programs and personnel running technical collection projects and producing various forms of intelligence.

Moreover, we are likely to produce better intelligence by moving the clandestine service out of CIA. This would free CIA analysts of any obligation to rely more on their clandestine services than on other vital sources of intelligence such as NSA, State and Defense.

Finally, we must establish a system of effective congressional oversight. The Select Committee staff has been developing proposed legislation to that end, which the committee will turn to shortly.

We must of course have no illusion that structural changes alone will solve every problem. They cannot provide 100-percent assurance against future abuse. While we must be realistic about what we can accomplish through legislation, we must avoid the cynicism which says that Government is inherently bad, that nothing can be done about it, and that all we can do is hope for better human nature. I believe that something can be done; that sometime must be done. And I hope that the changes I have outlined will be given the most serious consideration.

In addition, however, we need to make some changes in our outlook. The American people are determined not to be the world's policeman, prepared to intervene with military force in every corner of the globe. We must not substitute the equally fallacious and naive idea that we can change the course of history with a couple of bucks, a couple of lies, or a couple of guns.

As we face the challenges of the next quarter of this century, we should keep in mind an important lesson which applies to every aspect of life and human endeavor. We should do those things that we do best; those things that we are equipped to do. The brightest chapters of American international involvement in peacetime are the constructive episodes—the Marshall plan, NATO, the Peace Corps, the Alliance for Progress—and the darkest chapters are those when we thought we could beat the totalitarians at their own game.

In facing the unpleasant facts of the assassination report, America must also face the more encouraging fact that we are just not very good at that sort of thing.

The idea that this kind of business can be kept secret, and therefore cost free, has proven to be an illusion. The dirty secrets inevitably come out and America ends up paying more, once these deeds are revealed, than it ever could have achieved by their success.

Mr. President, I am hopeful and confident that America will learn the lessons of this report. I believe that we can modify our intelligence institutions to make them accountable to the Congress and the American people and prevent further abuses of this sort. In the end, I am confident that America will be strengthened by once again learning the lesson that our Government must be true to the American character and to our basic values.

Mr. TOWER. Mr. President, I yield 5 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, before I read the paper I prepared I would like to concur in what Senator BAKER has said and what Senator MONDALE has touched on by this statement: I asked two different top men of the CIA if they would lie to protect the Presidency, and they both said they would. I think we have to accept that determination on their part as an obstacle over which we probably can never crawl.

I believe that the publication of an interim report on assassinations is an action which the Senate will come to regret.

While I have added my signature to the report, it is purely an act of gratitude for the hard work done by the committee and the staff.

My own views on this whole subject matter are appended to the report.

Now, strong arguments can be made for the public's right to know. And, in general, I fully support the principle that Americans must know and need to know about their Government.

But traditionally and going back to

the founding of this Republic, certain matters have been excluded from this general principle. Grand jury proceedings are one example. The conduct of intelligence operations and methods is another example.

In one way or another the United States has been involved in intelligence activities beginning with the Revolutionary War. By tradition common to all nations our intelligence operations have been shrouded in secrecy.

It is inconceivable to me that any of our allies would publish the kind of report we propose to release today; and let us remember that some of them hold to democratic principles just as dearly as we do.

There are several questions I believe the Senators should ask themselves as we ponder the question of releasing an interim report on assassinations.

First. Will it raise more questions than it will answer? I believe the answer is "Yes."

Two. Will the reputation of great Americans be damaged? I believe the answer is "Yes."

Three. Will it serve any public interest? I say "No."

Four. Will it serve any legislative purpose? I say "No."

Five. Do the benefits of publishing outweigh the hazards? Emphatically, I say "No."

While there may be some possibility that classified information will be revealed through the publication of this report, I believe a sincere and determined effort has been made to prevent such an occurrence.

My chief concern is the diplomatic damage this document may do to our country. It is difficult to predict the reactions of our friends and enemies abroad, but I believe it will be generally unfavorable to our interests.

In fact, a few weeks ago, in visiting the headquarters of NATO, this whole subject was the major subject of discussion between our commanders there and the commanders of our allies.

Cooperation by foreign governments with our diplomatic and intelligence services is to a large extent based on mutual confidence. Where intelligence operations are involved, assurances of secrecy provide a flow of information—a flow that stops when secrecy agreements are violated.

And the publication of this report will certainly have one bad effect: it will make it more difficult for foreign governments or friendly foreign citizens to believe they can enter into confidential relations with the United States of America which will be respected. Much of the information received by the select committee that went into the interim report was gained in other years from persons who were given promises of confidentiality and in some instances protection.

I hasten to add that the substantial damage that has been done to our intelligence services is not the result of actions by Congress. We all know the story. Much of what has appeared in the press was released by persons who had some political or personal grievances.

But, the fact that substantial damage has already been done is no reason to throw another log on the bonfire.

Part of the problem we are facing comes from the determination of recent Congresses to assert authority over foreign policy. The meddling with Jewish immigration from Russia and the meddling in the Greek-Turkish conflict over Cyprus are two examples—and two examples where the effects were bad. I could cite more.

I believe it is impossible for the Congress to try to influence the day-to-day decisions in foreign policy. Moreover, I believe the President and his agents must have the primary role in our relations with other countries.

In other words, the Congress is attempting to do something which has failed in the past. One of the weaknesses in the Articles of Confederation was the lack of executive authority in foreign policy.

In the aftermath of World War I, the Senate injected itself into the postwar settlement with considerable damage done for the long-range interests of America. Notably, was the failure to join the League of Nations, which signaled that America had retreated into isolationism.

I believe that Congress does have rights and obligations in the conduct of foreign policy. They derive from article II, section 2 of the Constitution. What we are talking about is the broad area of general policy decisions through the treaty making process.

For the most part Presidents have submitted important policy decisions to the Congress. The creation of NATO and of the Marshall plan are examples of how the President and the Congress have shared important policy decisions. And, here are two examples where the Nation and the free world benefited beyond measure.

Mr. President, one more minute or two is all right.

Turning to the subject of abuses, I believe we know the story of where recent administrations strayed away from the law. If laws have been violated, then let us return indictments, and let the courts do their job.

The wholesale foraging of the Congress into the details of foreign policy and the intelligence services upon which it depends, can only serve to give comfort to our opponents and to embarrass our friends.

Our reputation abroad is not enhanced by a spectacle of public self-flagellation. Most of our allies are dumfounded, incredulous, and stupefied by what we are doing.

Let us get on with the job of remedial legislation where needed.

Let us not tell the world we are retreating into isolationism.

Most important, let us get our intelligence services out of the klieg lights, because those lights blind them at a crucial moment in our history.

Mr. CHURCH. Mr. President, I recognize Senator HUDDLESTON for 5 minutes.

Mr. HUDDLESTON. I thank the chairman.

First of all, I express my appreciation to the chairman and the vice chairman of our committee and the entire staff. I think the leadership they have given to this very important work has been exemplary in every aspect of the word and has contributed to the success the committee has had to date in dealing with these very difficult and complex problems.

Mr. President, the Select Committee To Study Governmental Operations With Respect to Intelligence Activities is today releasing its first—and one of its principal—reports.

It is, therefore, a proper and fitting time for us to pause to reflect on the duties and responsibilities of the U.S. intelligence community and of this congressional committee and to bring the focus on this report and the committee's activities into perspective.

There have been, since this investigation was initiated, fears by those who believed legitimate and necessary intelligence activities would be undermined and those who believed that a coverup of improper activities and policies was likely. I believe that our committee has proven that those on both the outer edges of the spectrum were incorrect. I believe that we have proven that we can study, even investigate, without impairing necessary operations and without blinding ourselves to questionable activities, which may have gone beyond authority granted, legal norms, or simple propriety.

But, without a doubt, the greatest disservice we can do to our intelligence apparatus, our investigation, our Nation, or ourselves is to view these activities out of the context in which they exist and which, to a great extent, has formed them. For me, the danger of any imbalance, of any misunderstanding, of any misrepresentation, lies in three areas we should all be aware of. It lies, I believe, in, first, a discounting of the threats to U.S. security which do exist; second, a pretension that ill-advised actions and policies have not taken place; or third, allowing sensational and isolated events—especially those events occurring in other times, other places, other atmospheres—to be viewed outside the context in which they had their being. Fire is comfort or danger, depending on its nature and the circumstances. So, too, are intelligence activities. The key lies in protecting the features which provide comfort and preventing those which raise danger.

Intelligence activities do not today—and never have—existed in a vacuum. It is, I believe, important to remember that modern U.S. intelligence activities were an outgrowth of the attack on Pearl Harbor more than 30 years ago. There had been a number of warning signs that hostilities could be expected, but the available information was not properly analyzed and evaluated—and it, therefore, was not translated into policy. U.S. intelligence activities were further nurtured in post World War II Europe, where a confrontation between East and West became the modus operandi. And, with time, as American interests—whether for good or for bad, whether inevitable or avoidable—spread throughout the world, so too did U.S. intelligence efforts.

As the years have passed, the direct and obvious relations between intelligence and national security have perhaps been obscured. A softening in the challenge atmosphere of previous decades and a diminishing threat of military confrontation in Europe have suggested to many that the cold war has indeed become history. As Berlin walls have given way to détente, Sputniks to joint space ventures and Czechoslovakias to security conferences, the events and developments which once reminded us of security needs have been clouded.

This does not mean, however, that they have ceased to exist. Today, interests continue to vary among nations. One need only look at recent debates within the United Nations to see how far and deep the divisions run. One need only follow the arms sales throughout the world and the probable impending enlargement of the nuclear community to understand how fragile peace and security really are. One need only review the recent history of the Middle East to know that, despite some rays of light, the stages for confrontations are still set. One need only examine the very complex shifts in world economic power to realize that challenges to peace and economic well-being will arise in many new forms in the years ahead. One need only refer to scholars' speculations about the Soviet Union after Brezhnev or Yugoslavia after Tito to understand that the world is still not the safe haven we wish it would be. One need only read the press speculations about SALT violations to recall that some of our security blocks are agreements, which are subject to abrogation and breach.

The threats remain. The conflicts among those who share this planet are still there. That they may look—and intrinsically be—different from the way they were in the late 1940's, the 1950's, and even the 1960's, does not signal their demise. Forms can change but basic realities remain. And out of this comes two lessons: The need for a strong, effective intelligence community continues, and methods and policies of the past may be creatures of their own time and place.

While today's interim report of the select committee details the kind of sensational, spectacular, and even bizarre activities that always grab the headlines, it is important to remember that intelligence operations are more than dreams and fancies pursued by modern-day adventurers. They are much more than groups of ill-advised men and women stirring a witches brew of plots and counterplots and manipulating foreign nations and peoples, as many detractors of the intelligence community would have us believe. These situations are the exception, not the rule. They are the few instances where the bounds of authority and propriety have been clearly overstepped. They need correction. But, the larger number of persons in the intelligence community are involved in legitimate activities, taken under proper command and control—honest men and women pursuing a job which few will even know about or appreciate and yet which is a cornerstone to much of our Nation's security. As such they need, deserve—and must know they have—the firm backing of those they work to protect. And, they are certainly entitled to clearly defined authority and guidelines clearly enunciated by the Nation's policymakers.

Thus, in approaching the committee's work, I have tried constantly to keep in mind these few principles—my work on the committee has only underscored my belief in them—my commitment to a strong, efficient, well-organized intelligence community as an essential of our national security, my concern that intelligence agencies be put above the level of suspicion raised by many reports and the belief that we must constantly strive to keep the information available and our activities in proper perspective.

As we begin with the report before us today, I hope my colleagues will think about these principles and their relation to our considerations.

EVOLVEMENT OF ASSASSINATION REPORT

To properly appraise the significance of the committee's Interim Report on "Alleged Assassination Plots Involving Foreign Leaders" we must look at the genesis of the report. The enabling resolution, Senate Resolution 21, instructs the committee to investigate and report on the full gamut of governmental intelligence activities and the extent, if any, to which such activities were "illegal, improper, or unethical." Moreover, in addition to that general mandate, the committee was and remains bound to investigate, study, and make legislative recommendations.

Senate Resolution 21, for example, requires the committee to study and investigate the following:

> The extent and necessity of . . . covert intelligence activities . . . abroad;
>
> (The) nature and extent of executive branch oversight of all United States intelligence activities;
>
> The need for improved, strengthened, or consolidated oversight of United States intelligence activities by the Congress . . .

During the course of the inquiry of the Presidentially appointed Rockefeller Commission into improper domestic activities of the CIA, allegations surfaced concerning assassination activity by the agency on behalf of the U.S. Government. That panel conducted interviews and reviewed documents, and it filed with the President a separate, classified report on the various assassination plots pursuant to information provided to it by the CIA in the form, basically of the 1967 Inspector General's report. That Commission's report was not and never has been made public. At the direction of the President, however, the Commission delivered to the select committee what work it had completed, along with documents relating to assassination.

The committee then proceeded to conduct an exhaustive investigation. Literally thousands of documents were read, hundreds of witnesses were interviewed, and thousands of pages of testimony were taken under oath in executive session to determine both the truth of the allegations and under what authority such actions, if true, were conducted. The committee, in an effort to be fair to the agency and to the individuals involved, living and dead, and hopefully to resolve the questions concerning authority and command and control followed every lead, requested every relevant document, and interviewed every available witness. It is important to note that as a result of such an indepth look at this single issue of assassination we gleaned valuable information that will be applicable to our broader investigation of the intelligence community. For example, we have received documents of the various National Security Council, special group, special group—augmented, 303 committee, and 40 meetings. Thus, we have been privy to the documents of the decisionmaking mechanisms in the executive branch which deal with covert actions of various types. We have seen the problems in that decisionmaking process, the dilemmas, and pitfalls.

Our exhaustive look into "Operation Mongoose," the anti-Castro covert action program in the post-Bay of Pigs era, readily demonstrates the importance which our assassination investigation served. The totality of the documents and testimony concerning that operation provided a substantial background for the consideration of other instances of covert action.

IMPORTANCE OF REPORT

It is certainly true that the assassination issue is not only one of the more sensational of those covered, but probably also the most unpalatable to the American people and to the world. But its sensational and unsavory nature does not mean that it can or should be avoided. In fact, it is, perhaps, particularly important that these matters be reviewed in an open and objective manner and be placed in proper perspective. Ignoring the issues could only have fueled the fires of speculation and innuendo. It could only have provided those with qualms about the agency with additional reason to charge "coverup." The far better approach, I believe, is this report which has been worked on by all members of the committee and which seeks to bring the very important elements of knowledge and perspective to the events of a time when U.S. foreign policy and the U.S. role in the world were perceived quite differently from the way they are today.

At the same time, the report is important because, as I suggested earlier, it raises many of the more general issues regarding intelligence activities. It raises questions of propriety regarding policy. This is, of course, an extremely difficult area with which to deal. One man's morals are not another's. What is permissible in war and confrontation may not be permissible in peace. Consideration of such issues readily lends itself to pious oratory and rhetoric which contribute little to a true understanding of the complex and comprehensive issues involved. I think there could be little debate over the statement that assassination of foreign leaders is not a policy of the U.S. Government. It is not. It should not be. But, to wax oratorically on that, to the exclusion of other considerations, is to place the issue out of context.

Beyond the propriety question, there are the questions of what intelligence policies are proper, how such policies should be determined in a democratic society, what command and control arrangements exist or should exist both within an intelligence agency and above it, what the role of covert activities in intelligence work is, what standards should overlay our entire intelligence efforts, and what degree of direction and supervision should be assumed by Congress. These are not easily answered, but the information which we have gathered as part of the assassination study should lend understanding to them, and it certainly underscores the necessity for clearer determinations of policy as early as possible.

COMMITTEE PROCEEDINGS

The committee has, of course, conducted all of its proceedings concerning the subject of this report in executive session. This was done out of a unanimous understanding and appreciation of the need to be responsible in our method. We have had access to the most sensitive information which nations can possess. We heard from individuals whose very lives were in the balance because of their past involvement in these activities. All of the members of the committee felt a deep sense of personal responsibility for the actions of the committee and, on the whole, we met that challenge by establishing what I consider to be a remarkable record of security during our deliberations. Each member exercised great restraint considering the length and depth of the proceedings on this issue. For security reasons, some information must remain secret. But, because of the attention given to the issue and the questions raised, a report to the American people seems essential to overcome any brooding shadows which may remain. We would not have served our citizenry well had we left them totally in the dark on these activities. I decided to support release of the report, however, only after assuring myself that such release would in no way impair our national security. The committee has engaged in long and deliberate consultation with the various agencies who are referenced in the report in order to come to agreement on what had to be deleted to avoid harming legitimate intelligence activities of an ongoing nature. These negotiations have led to massive deletions from the original text in an effort to accommodate the needs of intelligence with the needs of the public.

In concluding that American citizens should be advised to the fullest extent possible of the activities of its Government full consideration was given to the probability that the revelation of these activities most likely will be embarrassing to our country. Great care was given to differentiate between embarrassment and real harm to national security.

It is my judgment that our country is great enough and our people hearty enough to sustain embarrassment when such is called for. And perhaps the embarrassment itself will provide us with the necessary incentive to take swift and decisive action to prevent the recurrence of the kind of activities detailed in this report.

I believe further that the legislative response is much more likely to be appropriate if both Congress and the people are informed of the nature and extent of the problems.

The findings of the committee represent a distillation of all the evidence, both documentary and testimonial, compiled by this committee on this highly sensitive issue. We deplore the use of assassination as an instrument of either official or unofficial U.S. policy. Having said that, however, I must hasten to add that it was not and is not the task of this committee to assess blame for these acts. Our investigation into this one area was not conducted as a trial. Our objective has been to ascertain what occurred, how it occurred, why it occurred, under what authority it occurred, and how the decisions were arrived at.

There is no doubt, as the report clearly details, that agents of the U.S. Government plotted the assassination of foreign leaders and in some cases direct action was taken to carry out the plots.

The evidence does not show that any foreign leader was actually slain as a result of these plots.

And, unfortunately, the evidence also is not conclusive as to the question of origin or authority and to what extent, if any, Presidents participated or had knowledge of the plots themselves or the actions to carry them out.

It is not happenstance that this is the case. The doctrine of plausible deniability, the practice of circumlocutory reports, and oral-only accounts of official meetings have effectively confounded all efforts to piece together the complete and accurate story after the passing years, as indeed they were probably intended to do. That is part of the system as it operated that cries for correction.

What Presidents knew and what part they played in these matters is left to the inference of each reader of the report. The available evidence is there. Whatever view is taken on that issue, the system by which CIA actions in this area of inquiry were supposed to be supervised and controlled was grossly inadequate. Agency officials have testified that on occasion they failed to fully or adequately disclose to both Directors of Central Intelligence and to officials above the agency the exact nature of their actions. Conversely, this approach to "briefing" both directors and responsible officials at high levels of the executive branch was, in part, precipitated by the subtle indications of those higher officials that they wanted to be kept insulated from certain "activities," so that they could plausibly deny knowledge.

As the committee notes, blame notwithstanding, the responsibility for the plots must lie with the Presidents. Recent investigations by the Congress—Watergate and the formal impeachment proceeding—have focused on the standard of Presidential responsibility required in areas involving the actions of subordinates. Indeed, during both of the above investigations frequent reference was made to the Madisonian precept, contained in the Federalist Papers and the records of the Federal Convention, that the President was to be held responsible when he failed to superintend his subordinates. Moreover, superimposed upon this more particular standard was his constitutional duty to take care that the laws be faithfully executed. Thus, whatever else may be said on the question of authorization, the various Presidents involved in the time frame of these plots should have known about them if, in fact, they did not. It is such accountability that supports the fragile underpinnings of a democracy. This conclusion is clearly supported in terms of the constitutional history and framework within which these tragic events occurred.

But, as I have said, it is for each reader of the report to decide for himself where responsibility rests. Our task now is to assume the burden of oversight and act where we may have failed to act in the past.

We have an old saying in my State that "it ain't what you don't know that hurts you; it is what you know that ain't so that gets you into trouble." I think from reading reports around the country and the world a lot of people know a lot of things that "ain't so" about the United States and our intelligence gathering operations. I believe the release of this report will help dispel some of those misconceptions.

I decided to support the release, however, only after being fully convinced in my own mind that the release would do no substantial harm to our intelligence-gathering operation. To substantiate that, I might say that we have had before the committee members of the intelligence gathering organizations who have testified that up to this time the work of the committee, the information that has been obtained, has caused no serious problem. They cited only one possible instance where one agent that they might have been able to get had decided not to become part of our operation—one that they might. They do not know for sure whether they would have gotten him or not.

So we are not engaging here, in my judgment, in any exercise that is going to cause serious harm to the security of our country.

We are, of course, fully aware of the probability that the release of this report would cause some embarrassment to the United States. We have taken that into full consideration. We have been very careful to delineate between embarrassment and real harm. I personally think that our country is strong enough and our people are hardy enough that we can accept embarrassment when such is called for. It just might be that that very embarrassment will provide the incentive, the spur that we need, in order to take the kind of decisive and swift action that is necessary to provide the legislative framework to prevent these things from recurring.

As has already been pointed out, we did not conduct the hearings as a court. It was not our objective to attempt to fix blame. We simply tried to find out what occurred, when it occurred, why it occurred, how it occurred, and how the decisions were arrived at that initiated this action.

The evidence, of course, is not conclusive in every respect.

There can be no doubt that this country was involved in plots and attempts to assassinate foreign leaders. There can be no doubt that in at least two instances plans were put into effect to carry out these plots by our own agents.

The question of what Presidents knew, to what extent they participated, is left unclear and is left to the inference of each reader of this report as to where that responsibility is.

But I believe the report is correct, and the findings of the committee are correct, when they say that the final responsibility must rest with the Presidents.

Our responsibility now is to proceed to our own oversight burdens, and the burden of providing the kind of legislative framework that is necessary in order to make sure that our intelligence-gathering operations can operate in the very efficient manner that is necessary but stay within the bounds of what a free and democratic society demands.

Mr. TOWER. Mr. President, I yield 5 minutes to the Senator from Maryland.

Mr. MATHIAS. Mr. President, I thank the Senator from Texas for yielding me this time.

I believe that the painful story that has unfolded in the factual record which is now on the desks of Senators can, in fact, be the source of some important lessons for the future.

Very briefly, I would suggest that these included some new insight into the corrosive effects of the exercise of great power in excessive secrecy without those checks and balances that are designed to guard liberty and to protect our values.

Second, I would suggest that it poses the necessity for Congress to determine the proper role of intelligence agencies within the constitutional system of Government.

Finally, that it poses the need for a new, comprehensive statutory charter for all of the intelligence agencies.

I think viewed in this perspective we can see that the publication of the report does have a clear legislative purpose, for the proposal of that charter for all intelligence agencies is the most useful work that the select committee can accomplish. I think it is the basic justification for the existence of the committee. I believe we are going to have to work very, very hard in the next 3 months to fulfill that purpose.

But the legislative purpose is also served by the mere factual record which is set forth as a part of this report.

In the course of this examination and this investigation, as Senators have heard, we have examined witnesses, we have examined many documents. I believe constitutional government requires more than rhetoric. It requires some rendering of accounts, accountability. That is really the definition of this report.

On the question of publication, I would refer you again to James Madison. He said that knowledge will forever govern ignorance and people who mean to be their own governors must arm themselves with the power which knowledge is.

I believe Madison there spells out a duty which is the very essence of democracy.

This is a darker side of life, a darker side of Government, contained in this report, but life presents us sometimes with hard and difficult jobs. If we are to prevent further erosion and rot we have to face up to the facts as we have found them to be.

Much of what Senators will find in this report is, of course, inconclusive. There ought to be no illusions that even the work done by the Members of the committee and by the very efficient and effective staff that we have gathered gives us any more than some oblique insight into the destructive effect of excessive secrecy on the practice of Government. There is much more here that is of concern to the Congress: Attempts to pervert the press, attempts to invade the literary and academic worlds. If the Congress is concerned about these subjects, it is going to have to stiffen its backbone to consider what was the job to be done in these areas.

Our purpose here was not to damage the intelligence services or injure the reputations of past administrations. What we were trying to do and are trying to do is to stop the erosion of society's values caused by excessive secrecy and by unchecked executive power by making this record just as factual and accurate as possible.

These assassination plots are, of course, profoundly disturbing. But I think we have to recognize they are not unique. They are a repetition of many stories that are familiar in history. I believe they are disturbing because they represent a step backward. History has, in fact, often witnessed the practice of assassination as an instrument to practice or to terminate political power, and history also shows that men and governments have come to recognize the compelling force of ethical principles.

Over that far doorway is the motto novous ordo seclorum, a new order of the ages. But the story that is unfolded in this document is not the story of a new order for the ages. It is the old order, the order that we thought we had abandoned in establishing this Government.

When practiced against a domestic leader, assassination is common murder. When practiced against a foreign leader, assassination is an act of war without even the sorry sanction that war gives to the taking of human life.

I think there can be no place in a world that is striving toward civilization for either practicing or condoning assassinations. I think that principles are impersonal—if they are right for the weak, they ought to be right for the strong—and that moral strength is more enduring than power.

If nations will be guided by these concepts, I think they can avoid some of the lessons of history, that a contrary course brings tragedy not only to the victim of the assassination but to the assassin as well. I believe that nothing that is in these pages will be found to contradict the lessons that mankind ought to have learned, that you cannot practice this kind of policy without very grave consequences.

The question has been raised here, and I am sure will be raised in many places, as to whether there will not be grave damage to our country's name in the eyes of our friends abroad and our friends around the world. I think that we will in fact strengthen our country's reputation by making known our efforts at self-correction, and by our adherence to the traditional values and beliefs that the world associates with America. I think that by doing that, we can insure that America keeps its place as a beacon to which men everywhere may look as the best hope for representative democracy on the globe.

The PRESIDING OFFICER (Mr. STONE). Who yields time?

Mr. CHURCH. I yield 5 minutes to the distinguished Senator from North Carolina.

Mr. MORGAN. Mr. President and gentlemen of the Senate: I join with what has already been said by my colleagues, and especially with regard to the objectivity of the committee and the diligence of the committee. I think if you read this report carefully, you will find the substance of some 11,000 or 12,000 pages of testimony set forth in a very objective manner.

At the end of the report, on pages 299, 300, and 301, are set forth three pages of additional views which I have tried to prepare very carefully. I ask unanimous consent that those three pages be printed in the RECORD at this point.

There being no objection, the additional views of Senator MORGAN were ordered to be printed in the RECORD, as follows:

ADDITIONAL VIEWS OF SENATOR ROBERT MORGAN

Our Nation needs a strong, secure, and effective intelligence community. Our memory of Pearl Harbor and testimony taken in hearings with regard to that catastrophe as well as testimony taken during these hearings clearly establish the need for a central intelligence agency to coordinate the intelligence gathered by our various agencies of Government. If the United States had had a coordinating intelligence agency in 1941, the disaster at Pearl Harbor would, in my opinion, have been averted. That we have now, and continue to have, such an agency is essential if we are to avert any future threats to our national security. Our national security is, after all else, of paramount importance.

We must recognize, however, that our national security can be subverted by overzealous governmental action as well as antagonistic domestic or foreign agents. Our Nation cannot remain intact if we ourselves subvert our own ideals; consequently, it is as important for our government to abide by them. In the words of U.S. Supreme Court Justice Louis Brandeis:

"Decency, security, and liberty alike demand that governmental officials shall be subjected to the same rules of conduct as the citizen. In a government of laws, existence of the government will be imperiled if it fails to observe the law scrupulously. Our government is the potent, the omnipresent teacher. For good or for ill, it teaches the whole people by its example. If the government becomes a lawbreaker, it breeds contempt for the law; it invites every man to become a law unto himself; it invites anarchy. To declare in the administration of [a democracy such as ours] the end justifies the means * * * would bring terrible retribution. Against that pernicious doctrine, [we] resolutely set [our] face."

It is argued, and in many cases justifiably so, that in dealing with our national security, and especially with hostile or adversary forces abroad, extraordinary means are necessary. So long as the Soviets maintain KGB agents around the world, we must maintain an effective intelligence gathering capability. However, this report deals with a particular activity of the government, which in the absence of armed conflict, would, if true, shock the conscience and morals of most Americans. That this investigation was necessary was unfortunate, but it was made so by the broadly circulated and printed reports of alleged assassination plots, some of which were given credence by public statements by various officials. It was my belief in the beginning, and still is, that it would be far better to ascertain the truth as far as possible, and clear the air, to the end that our intelligence agencies could get back to their assigned tasks.

I have weighed in my own mind for many days and nights how much of the information contained in this report should be made available to the American public and thus to the world, including our potential adversaries. That the public has a right to know is incontrovertible, but whether that right extends to information which could damage our image and national security is not so easily determined. Is it satisfactory for the members of the Congress, the duly elected representatives of the people, to hold such information in trust for the people? In some cases of national security the answer can and must be "yes", and in the future, such information must be held by competent and aggressive oversight committees.

In the present situation too much water has gone over the dam for such secrecy and to refuse to make as full and complete a disclosure as is consistent with the safety and protection of our present intelligence personnel would only add to the intrigue, and the issue could not be put to rest. So though I have in some instances voted with some of my colleagues to retain much information in executive session, I have concurred with the issuance of this report after being assured that the release of it would not violate any law with regard to classified matter and after the respective agencies have had another chance to recommend exclusion of extremely sensitive matters.

Throughout the hearings one issue has remained paramount in my mind. If the alleged acts happened, were they the result of over-anxious, over-zealous intelligence agents who were acting like "a rogue elephant on the rampage", or, were they basically the acts of responsible, well-disciplined intelligence agents acting in response to orders of "higher authority"? To me the conclusion is important. If the first is true, then the agencies must be revamped or possibly dismantled and new agencies created to replace them. If the second is true, then clearer lines of authority must be established and stringent oversight by the duly elected representatives of the people must take place.

During the course of these hearings. I have been impressed by the belief held by the principals that those illegal and immoral acts engaged in by our intelligence agencies were sanctioned by higher authority and even by the "highest authority." I am convinced by the large amount of circumstantial evidence that this is true. Although illegal and immoral activities carried out by our intelligence agencies cannot be justified by any argument, it is, I think, important to note that these actions were carried out in the belief that they were sanctioned by higher authority, even though this Committee has been unable to establish whether or not presidential authority was given.

Some of the acts conducted by these agencies could have been, and probably were, beyond the scope of the projects authorized. In addition, the agencies may have conducted other activities which, in spite of this investigation, are still unknown to this Committee. Thus, they cannot be absolved of all the blame.

Since our intelligence agencies act on both a compartmentalized and need-to-know basis, it is difficult to establish in retrospect who was informed and what authority was given. It is also difficult to establish what was told to those who were informed since circumlocution was also a standard practice within the chain of authority. The practice was, after all, adopted to insure official deniability as well as to acquire consent. And the effectiveness of these techniques of "need-to-know" and "circumlocution" is attested by the fact that this Committee not only has been unable to establish whose consent was given but has also been unable to establish who was not involved. We have been able to establish neither responsibility nor innocence. In this situation, the presumption of innocence cannot be applied without question, since the mere willingness to participate in circumlocutions briefings implies a willingness to deny responsibility at crucial times. Consequently, I also believe that responsibility for the illegal actions of our intelligence agencies must be shared; it should not be carried entirely by our intelligence community.

In drafting legislation to circumscribe the activities of intelligence gathering agencies, I would stress the need to guarantee their ability to function effectively in our complex and dangerous world. The effectiveness of our intelligence agencies must not be limited solely by sound and practical applications of law drafted with clear objectives in mind. We must know what we want our intelligence agencies to do and what we do not want them to do. Then we can confidently allow them to function in the knowledge that they will not only defend the law but abide by it. Only in that way can we be certain that our society will be preserved as an embodiment of our openly democratic ideals. Although we must have intelligence, we also must preserve our open society, for to destroy the latter for the sake of the former would be a complete perversion of our goals.

While we may realize that investigations of this nature into sensitive governmental actions in effect strengthen our country, we would be foolhardy to think for a moment that our enemies, and perhaps even friends, will openly acknowledge this significant accomplishment. We can assume, for instance, that our opponents will go to great lengths to publicize and distribute propaganda based on this report inimical to the best interests of the United States. That this, in fact, will be done only serves to reinforce my belief that we need, and must have, as strong an intelligence capability as possible. And while this Committee is charged with the responsibility of investigating and reporting on the misdeeds of the Central Intelligence Agency, we cannot reveal the details of the many meaningful accomplishments of the Agency which without a doubt have been beneficial to our country. That we have such an agency now, that we maintain our intelligence potential in these times of continuing international tension is essential to our society and continued existence as a nation.

The release of this report, based on the public's right to know, does not compromise our right to be secure. The report details only the actions of Agency employees in the cases under investigation and does not unnecessarily reveal confidential intelligence sources and methods. One can, however, successfully predict the impact the report will have in the news media. A review of previous revelations concerning assassinations which have appeared in the press have gone a long way towards sensationalizing this country's involvement in assassination plots. This report confirms some prior public allegations while it disproves others. While some may shudder upon learning that the events related in the report actually took place, we can all take great pride in the ability of this country to look frankly at problems within our system of government, and accordingly, in our ability to govern ourselves. History will undoubtedly record our ability to openly reveal and discuss improper, unpopular governmental actions as one of the basic elements in the continued existence of our free society and the general ability we, as a nation, have achieved to subject ourselves and our government to the rule of law.

Mr. MORGAN. In addition to that, let me say just one or two things.

I join especially in the comment of the distinguished Senator from Tennessee with regard to the facts and the evidence as he has observed them, and especially in the comments of the Senator from Minnesota (Mr. MONDALE) with regard to his very keen observations concerning the need for a Central Intelligence Agency, and also the need for some degree of secrecy.

As we have gone about our duties throughout these several months, there has been one question paramount in my mind. That question is this: Were the events which we have all found shocking to the morals and consciences of all Americans committed by agents of the Central Intelligence Agency on their own and without authority, acting irresponsibly, or were they in fact acts which were committed by a well-disciplined intelligence organization acting under the justified belief that they were carrying out orders of higher authority?

I think the answer to these questions is important. For if the answer to the first is affirmative, then we must, in my opinion, reorganize and revamp the Central Intelligence Agency, if not in fact dismantle it and start again. But if, on the other hand, the answer is "no" to the first and "yes" to the second, that is, that they acted in the belief that they were carrying out orders of higher authority, then I think we are compelled in this Congress to strengthen the guidelines under which the intelligence agencies operate, and the oversight that Congress must maintain.

From listening to all of the evidence and observing the witnesses as they testified before us, I have concluded from that evidence that, by what we in law would call its greater weight, the principals in the events that we are talking about acted in the firm belief that they were carrying out orders of higher authority, and I am satisfied in my mind that they were justified in that belief.

That is not to say that I believe that every single act carried out by the Central Intelligence agents was authorized by higher authority, but it is to say that I think the overall planning was authorized by higher authority, or at least the principals were justified in believing so.

That being true, I believe it devolves upon us now to legislate change, not only in outlawing assassinations, which, as I say, have shocked the consciences and morals of every freedom-loving American, but also it becomes incumbent upon us to make sure that we maintain strict oversight over these agencies.

I find, Mr. President, as a whole, that the members of the Central Intelligence Agency and the other intelligence agencies are highly dedicated and competent individuals. I have said many times throughout this investigation that while I am extremely concerned about the events that we have disclosed to you here this morning, I believe more strongly than I ever have that the real threat to the national security of this country and to the individual freedoms and liberties of the people of this country comes not so much from the Central Intelligence Agency, but from the abuse of power and the misuse of power by the Federal Bureau of Investigation and possibly the Internal Revenue Service.

So as we proceed with the next 3 months of this investigation, I hope you will be just as aware and just as attentive to what is going on as you have been for the last 9 months.

Thank you, Mr. Chairman.

Mr. TOWER. I yield 5 minutes to the Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, first, I would like to compliment the chairman of our distinguished committee, the Senator from Idaho (Mr. CHURCH) and the vice chairman of our committee, the Senator from Texas (Mr. TOWER) for their very great leadership and very fair and equitable handling of some very difficult and complex problems. Second, I would like to compliment the staff for their dedicated zeal in the effort that really made this very tedious and painful job possible.

I join with my colleagues on the Senate Select Committee on Intelligence Activities to present to the Senate a report entitled "Alleged Assassination Plots Involving Foreign Leaders." The investigation which led to this report has been long and difficult. I believe the committee report accurately reflects the evidence uncovered, and I concur with the committee's findings and conclusions. Thus, I would like to address these remarks to the question of why this report should be made public.

The Select Committee voted without dissent to make the report available to the public. I strongly support that judgment. This decision was made after 9 months of taking testimony from over 100 witnesses, reading literally hundreds of documents, spending many hours discussing findings and formulating recommendations. It was made after extensive consultations with the executive branch, including meetings with representatives of the Defense Department, the State Department, and the CIA. These discussions enabled the committee to insure that no sensitive sources and methods of intelligence gathering were included and compromised. It was made after the committee examined the present circumstances of each individual who figured in this report, deleting the names of many and disguising others by the use of aliases, so that no one's life or livelihood would be threatened.

In short, the decision to make this report public was made against the background of the fullest possible study of the issue.

But some might say that the securing of sources and methods of intelligence gathering and the protection of individuals is not enough. They say that the report should not be published because it would embarrass the United States and hinder our Nation in the conduct of its foreign affairs.

There may be temporary injury, true. But I believe the countries of the world will recognize that our willingness to examine our past and seek a better future openly, without flinching, is an indication of the greatness of our country. In our effort not to offend, we could suppress this report, but our Nation is admired in proportion to the openness of our society. Withholding this report from the public would more closely resemble the practices of totalitarian regimes, who are haunted by the disparity between their public faces and their private souls, than it would the history of this great land.

Even more important than the impact of this report on other nations are the effects of its publication here at home. It is these ultimate positive effects on the Nation which led me to join with the committee in its approval of the publication of this report.

The publication of this report will:

First, clear the air. The innuendo, charges, piecemeal and self-serving disclosures, have provided an incomplete and distorted view of what individuals and Government agencies did, and what they did not do.

The publication of this report will discourage similar occurrences in the future. Great power, and the serious abuses which flow from it, flourish in secrecy. Government officials with such power will hesitate to use it for illegal or unethical conduct if they know that some day their actions will be exposed and that they will be held accountable. Thus, public disclosure is yet another check in our system of checks and balances.

The publication of this report will renew public faith in Government. The public has been ignored, or deceived, too long. The public needs governmental recognition of their right to know, and governmental acknowledgment of the importance of honesty and candor. The public will not stand for yet another coverup.

The publication of this report will allow the public to make up its own mind; not the Senate, not Congress, not the President, not the CIA—the public. Without the information contained in the body of this report, the public could not possibly judge either the conclusions or the recommendations of this committee or whatever legislative action that we are going to take in the future in this area.

The publication of this report will encourage public participation in the legislative process. Congress will soon be considering legislation concerning not only assassination, but also executive and congressional oversight of the intelligence agencies. This detailed report provides a basic understanding of the very special problems of this important and highly secret agency and the other agencies as well. Such an understanding is absolutely necessary if the public is to be a participant instead of a bystander in the dialog about the CIA and other intelligence agencies' future.

These are among the positive benefits of publishing this report. I do not need, I believe, to belabor the point that democracy depends upon the accountability of public servants. And accountability rests upon knowledge. Thus, the public's right to know is central—is fundamental—to our very form of government. As James Madison wrote:

> A popular Government, without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy; or perhaps both. Knowledge will forever govern ignorance. A people who mean to be their own governors, must arm themselves with the power which knowledge gives.

The report should be made available so that the public will know what has been done in its name. Without such a report, the people could not understand their past, nor would they be able to design a better future. The great American philosopher Santanyana once wrote:

> Those who do not remember the past are condemned to relive it.

The assassination attempts by our Government are a shameful part of American history. They must be condemned. They must not be repeated. As they were a product of secrecy, public disclosure will assure that they will never happen again.

Mr. CHURCH. Mr. President, I yield 5 minutes to the Senator from Colorado.

Mr. GARY HART. Mr. President, shortly after taking office, President Eisenhower asked a citizen commission to study the status of the intelligence community in this country. In September 1954 that commission reported back to the President and its chairman, General James Doolittle, in statements contained in the introduction of that report, stated as follows:

> . . . another important requirement is an aggressive covert psychological, political and paramilitary organization more effective, more unique, and, if necessary, more ruthless than that employed by the enemy. No one should be permitted to stand in the way of the prompt, efficient and secure accomplishment of this mission. . . .
>
> . . . It is now clear that we are facing an implacable enemy whose avowed objective is world domination by whatever means and at whatever cost. There are no rules in such a game. Hitherto acceptable norms of human conduct do not apply. If the U.S. is to survive, long-standing American concepts of "fair play" must be reconsidered. . . .
>
> . . . It may become necessary that the American people be made acquainted with, understand and support this fundamentally repugnant philosophy.

Mr. President, we have sowed the wind and we are reaping the whirlwind.

That philosophy articulated in that report has dominated the intelligence community in this country the last 20 years, and today we are seeing its results.

Our committee did not choose to get into the assassination question. But we had no alternative once the facts began to emerge but to inquire into those facts, and we had no alternative but to follow those facts wherever they might lead.

Mr. President, if this report represents anything, it is the fact that the truth cannot and will not be hidden. What have we found as a result of 9 months of work? We found chaos, we found failure of control, we found expediency, and worst of all, we found abandonment of the democratic principles upon which this Nation was founded.

It is tragic and ironic that upon the eve of the celebration of the 200th anniversary of this Nation its greatest deliberative body would sit here today discussing matters of this sort.

I point out that this is, first of all, an interim report. None of us believes that this report contains all of the facts. For myself, I am not sure that all of the facts will ever be known. In a footnote at page 181 of this report, Senators will find a matter that only recently came to our attention that a middle-level CIA official requested the establishment of something that he called a "Health Alteration Committee" to deal with an Iraqi colonel, presumably to eliminate him merely because he did not agree with our foreign policy in his nation or in fact balked at some of the activities that we wanted to pursue.

Information of this sort will continue to come out over the years, and I am not sure the American people will ever entirely know the truth.

One other fact I think is important. We are looking at the entire intelligence community. As our distinguished colleague from Missouri (Mr. SYMINGTON) has pointed out on many occasions, the CIA in dollar terms only represents about 15 percent of this entire community. The information that we develop about other elements of this community will be brought out in our final report.

There is one other element that I think is important for us particularly here today to note, and that is there is a tendency when things go wrong or unhappy facts come out for the politicians of this country to point their finger at the people who carry out orders. But if this record shows anything, Mr. President, it shows that the politicians in the White House, in administrative positions, were themselves as guilty as the operatives who carried out many of these activities, and the Congress of the United States over the years, I think, must bear equal blame for not exercising its proper role of oversight and responsibility, and that is the matter that not only our committee, but every Member of this body will have to answer for eventually.

I add one word to that which has been said by many of our colleageus. We had a staff of 100-some individuals, collected under an atmosphere where people in the press and in this body itself said we could not put together a staff which would act responsibly and even the members of the committee themselves could not act responsibly. I took the floor several days ago to point out there had been leaks, but there had not been at that time one leak that was attributable to the committee members or the staff that we had collected.

Unfortunately, since that time, there has been an instance in which, in my judgment, someone in our committee or on its staff has leaked information, but not to the jeopardy or detriment of the national security of this country.

Mr. President, Congress itself has been on trial—the question of whether Congress could exercise investigative responsibility in an area of the utmost secrecy and delicacy and carry out that responsibility in the manner that it has been carried out. I think our committee and the Members of this body should be proud of the work that has been done here, and all done under the umbrella of national security.

I was appointed to this committee less than 30 days after I took the oath of office. In the 9 or 10 months that have passed since that time, I have become aware that whether I serve here 5 more years or 50 more years, the work that this committee does may be the most important think in which I will have an opportunity to participate. The work that the committee presents to you, the Senate of the United States, will be among the most important of the issues that any of you will ever face.

There is a saying from the Bible:

> You shall know the truth, and the truth shall make you free.

Ironically, that motto is found on the walls of the Central Intelligence Agency.

Mr. CHURCH. Mr. President, I should like to stress one or two other matters, and I will be brief.

First of all, this committee faced the choice, when it began this unpleasant duty of investigating the assassination allegations, of whether to conduct its hearings in public or in executive session, behind closed doors. I do not believe that any member of the committee had any doubt that a long series of public hearings, featuring these many witnesses, and telecast to the four corners of the globe, for weeks and months on end, would have constituted unprecedented political box office. But it would have done this country grievous damage. So we refrained from holding any public hearings on the matters that are taken up and discussed in this report.

However, from the beginning, it was understood—and the committee twice, by its vote, affirmed—that at the end of the investigation a report would issue. That was understood by the President and all those of the White House staff with whom we worked. That was understood at the CIA. At the 11th hour, after the work of the committee had been done, any number of road blocks were thrown up in an attempt to keep this report concealed. The very last of those road blocks had to do with certain names contained in this report.

Senator TOWER has already told you how carefully we went through this report with agents of these very agencies to execlude any name that, in the judgment of the committee, should be deleted, or any reference that in any way might expose intelligence sources or any other matter relating to the legitimate national security interests of the United States.

Of those names they asked us to exclude, we excluded 20, and that left about 9 where the committee took a view different from that of the executive branch. I can explain each of those nine, but I will just give you some idea why the committee took a different view, by citing a few examples.

One such example is Mr. Dearborn, who is named in the report. He was the ranking U.S. official in the Dominican Republic where the assassination of Trujillo occurred. He was in close and continuous contact with the assassins, even transferring weapons, and has identified himself publicly by writing a letter to the editor of the Washington Post on the assassination.

A second, Conein, was the contact with the assassins in another country, South Vietnam, and his role was fully publicized when the Pentagon papers were published. Indeed, the reference to him by name in the report helps to clarify the fact that the United States never intended the assassination of Diem. Three others—Harvey, King, and Tweedy—were high-ranking CIA officials who helped develop detailed plans for the assassination plots. Two of them held policy-making positions, and their role is so intricately interwoven into this report that to exclude their names and positions would be to render the report incomplete.

Two others are Viaux and Valenzuela, who are foreigners. They were convicted by military tribunals for their roles in the plots in their own countries.

Three others were members of the Mafia. John Roselli was a Mafia leader who, contacted by Mayheu, participated with the CIA in several attempts against the life of Castro. His appearance before the committee was highly publicized, not by the committee but by the press. His role has been commented on extensively in the press on numerous occasions. Another is Santos Trafficante. He was a Mafia chieftain with gambling interests in Cuba who was used by Roselli and Mayheu to locate the Cubans to carry out the assassination plots and was a principal in the conspiracy.

The final name was Robert Maheu, himself, who was the CIA's contact man with the Mafia. He testified before the committee and, indeed, afterward he held a press conference in which he discussed his role.

So we believe that in those cases where we have exercised the judgment to leave these names in the report, we have done it judiciously and that this, above all else, should not be a reason for objecting to the release of the report at this time.

Mr. TOWER. Mr. President, I yield myself 2 minutes.

Generally speaking, although what the chairman says is correct, that some obstacles were thrown in the way of the investigation, we probably got as much cooperation as we reasonably could expect.

I note that it was not so much hesitance in disclosing matters to the committee as in making those matters public. I think that has been the primary concern of the various agencies with which we have dealt—not that they did not want to cooperate with the committee and disclose sensitive matters to the committee, but that they did not want the matters further disclosed to the public. It is important to make that distinction because, generally speaking, I think we have had a pretty good level of cooperation.

I must say that Mr. Colby has been extremely cooperative. He, of course, objected to our publication of this report, which I think is normal under the circumstances. But I do not believe that at any time he withheld anything from the committee in an effort to impede its investigation.

So again I think the point should be made that the question is: What do we make public? What is of such sensitive nature that it should not be made public? I think the Members of the Senate and the Members of the House have a right to know, on a need-to-know basis, anything that the intelligence community has. But I think that we, ourselves, must be very judicious in what we reveal to the public. We will be facing up to this awesome responsibility in the days to come, in our continuing investigation.

I stress what Senator HART mentioned—that is, that this is an interim report, that our work is not yet done, and we are currently engaged in looking into the matters that I think prompted Senate Resolution 21 in the first place, which launched this investigation, and that is in the area of domestic abuse. I believe this is the area of perhaps greatest importance.

So I want to make sure that you have everything in perspective and know that this committee has not been dealing only with assassinations. This is only part of it. This is perhaps a less important part of it than what is done in the domestic area, in the way of abuse, that infringes on the rights of American citizens.

Mr. President, I yield 10 minutes to the Senator from Michigan.

Mr. GRIFFIN. I thank the Senator from Texas.

Mr. President, I did not rise to speak to the question of the wisdom of releasing this report to the public but, rather, the question of the procedure by which it would be done if the decision is made.

I should like to prevail upon Senators to refer to the Standing Rules of the Senate and turn to rule XXXVI, particularly sections 3 and 5 thereof, and I think we can bring into focus the question I want to raise.

That is rule XXXVI of the Senate, particularly sections 3 and 5. I take it that no one would question that this report contains information which was provided by the President or heads of departments of the executive branch in classified form. The basic question is whether or not that material is to be made public and, if so, how is it to be made public, by what procedure? Let me just fill in here by calling attention to a letter dated October 31, addressed to Chairman CHURCH, from the President of the United States, to which reference has already been made. I want to focus on a couple of sentences.

> I have endeavored to make available all the material in the executive branch on this subject to the Select Committee of the Senate and the House and the Department of Justice. This was done under procedures designed to serve the national interest. The materials were turned over in classified form.
>
> You will recall that I said on June 9, 1975, "I know that the Members of Congress involved will exercise utmost prudence in the handling of such information."

The President goes on in his letter to the chairman of the committee:

> It is not a question of withholding information required by the Select Committee to carry out its inquiry into these allegations, which relate entirely to past administrations of both parties. On the contrary, I have endeavored to make all of the information available to your committee so that legislation can be proposed, if necessary, and to the Justice Department to facilitate any investigation indicated. However, we must distinguish between disclosures to the Select Committee of sensitive information and publication of that information which is harmful to the national interest and may endanger the physical safety of individuals. There is no question about the access to these materials by appropriate officials. The only issue concerns publication, which obviously cannot be limited to Members of Congress or other American citizens.

Then, if you will read with me from rule XXXVI, the very first clause of section 3 reads as follows:

> All confidential communications made by the President of the United States to the Senate shall be by the Senators and the officers of the Senate kept secret; and all treaties which may be laid before the Senate, and all remarks, votes, and proceedings thereon shall also be kept secret . . .

Notice the word "also," which indicates that the second clause is a separate clause from the first clause. But even in the case of treaties, it says

> . . . until the Senate shall, by their resolution, take off the injunction of secrecy, or unless the same shall be considered in open Executive session.

Even more pertinent is section 5 of rule XXXVI.

> Whenever, by the request of the Senate or any committee thereof . . .

And these materials were provided in response to the request of the committee——

> . . . any documents or papers shall be communicated to the Senate by the President or the head of any Department relating to any matter pending in the Senate . . .

The CIA investigation by this committee was a matter pending in the Senate——

> . . . the proceedings in regard to which are secret and confidential under the rules, said documents and papers shall be considered as confidential, and shall not be disclosed without leave of the Senate.

I raise this question because I think it is a very, very fundamental question. As I understand the situation which is being presented, it is that unless the Senate takes some affirmative action to overrule the action of the select committee, this report will be made public.

I submit that would be not only in violation of the rules of the Senate, but a very bad precedent. If we were to do this—and maybe it should be done—it is certainly one of the most basic and fundamental decisions that is going to be made in the service of any of us in this body.

It is going to have a profound impact on our international relations. It will have a profound impact, I suggest, on the ability of the executive branch, of the President, under any administration of either party, in his relationship with Congress, if he cannot assume that confidential information requested of him and delivered on a classified basis will be treated as classified information, at least in accordance with the rules of the Senate itself. And certainly, it will have a profound impact on the ability of the President of the United States to deal in international affairs with other nations.

It is not enough to say, yes, but you can make a motion here, in the Senate, in closed session, to deny the committee the right to publish this report. If we accept that, then we have said that any committee or any subcommittee of the Senate, from now on, has the right to make public any classified information provided by the executive branch.

Mr. PASTORE. Will the Senator yield for a question?

Mr. GRIFFIN. I gladly yield.

Mr. PASTORE. Will the Senator agree that the Senate itself has the right to remove the secrecy and authorize the ad hoc committee to publish the report?

Mr. GRIFFIN. I think that section 5 is right on the point.

Mr. PASTORE. In other words, what you are actually saying is that the committee, on its own——

Mr. GRIFFIN. Does not have that authority.

Mr. PASTORE (continuing). Must have to report back to the Senate with their recommendations.

Mr. GRIFFIN. That is right.

Mr. PASTORE. But it is up to the Senate to authorize the publication of it.

Mr. GRIFFIN. And it is an obligation under the rules that the Senate itself, as a whole, cannot duck.

Mr. PASTORE. I think the Senator is right. Otherwise, we would be setting a bad precedent, and I think we can do it.

Mr. GRIFFIN. We had this kind of question arise in the Committee on Foreign Relations, having to do with classified documents relating to the Sinai agreement. The committee inadvertently, I would say, because I do not think we were adequately aware of the rules of the Senate when it was done, without any improper motive, whatsoever—and I attribute no improper motive, incidentally, in this situation, either. We can have differences of opinion as to what the rules should require.

In that instance, classified documents which had already appeared in the New York Times were made public by a committee vote. But, afterward, the committee itself recognized that they had made a mistake and that the action taken by the committee was not in accordance with the rules, and it so indicated. At least, that precedent was not established, because the committee, itself, acknowledged that it had not acted in accordance with the rules of the Senate.

I just want to emphasize the importance here of not allowing this to be made public without compliance with the rules of the Senate.

I will say this: As for me, I should have a difficult time voting today, not having had a chance to read this report at all, on the question of whether the Senate should authorize it to be made public. I think Senators ought to have an opportunity to read and to study it and to deliberate, to some extent, on the very, very fundamental question involving national security and national interest, as to whether this document should be made public. It may be that in the end, I shall vote to make it public. But I should think that it would be the better part of wisdom to delay this decision until after the recess and to give Senators an opportunity to be fully cognizant and aware of what they might be doing.

Mr. CURTIS. Will the distinguished Senator yield for a question?

Mr. GRIFFIN. I am glad to yield to the Senator from Nebraska.

Mr. CURTIS. Is what the distinguished Senator saying that a committee cannot release secret information unless the Senate affirmatively grants permission for it?

Mr. GRIFFIN. I have a difficult time reading section 5 any other way, I say to the Senator from Nebraska.

Mr. CURTIS. In other words, the absence of a motion denying the committee the right to release it would not suffice, would it?

Mr. GRIFFIN. Absolutely not.

Mr. CURTIS. I think the penalty referred to in section 4 or paragraph 4, whichever it is, of rule XXXVI is so severe——

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. TOWER. I will yield 5 additional minutes to the Senator from Michigan.

Mr. CURTIS. I believe we should handle this in strict conformity to the rules, otherwise the committee or those members of the committee who do release it would be facing a very embarrassing situation.

Mr. GRIFFIN. I thank the Senator for his contribution.

I will be glad to yield to the Senator from Alabama.

Mr. ALLEN. I think we might inquire of the chairman if this committee report may not possibly be in the hands of the media now in view of the embargo printed here on the outside indicating they have got a right to move it starting at 4 o'clock this afternoon?

Mr. CHURCH. First of all, I am in complete disagreement with the argument being made about the rules of the Senate and their applicability in this case, and we are prepared——

Mr. THURMOND. Will the Senator speak louder; we cannot hear him?

Mr. CHURCH. I am in complete disagreement with the argument being made that our proceedings here are in any respect contrary to the rules of the Senate.

We have investigated this very thoroughly. We have conferred with the Parliamentarian; we have received his opinion based upon the precedents, and we are prepared to argue the case.

Now, we are prepared to show, based on the precedents and the opinion we have received from the Parliamentarian, that this committee was given the authority to issue this report, and the rules of the Senate being referred to here are not being interpreted properly by the distinguished Senator from Michigan. They do not, in the circumstances, preclude the committee from issuing the report, on its own authority. We have looked into this very carefully.

If the Senate wants to vote no confidence in the committee and enjoin the committee from issuing this report, it may do so. But it takes an affirmative act of the Senate to do that. It is always within the Senate's power. For that reason, although these reports are out on the Senators' desks and, as practical public men we know the difficulty, following this session, of preventing the contents of the report from being disseminated——

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. CHURCH (continuing). Nevertheless, in deference to the Senate, we have refrained from circulating the report to the press until we have first had an opportunity to come to the Senate and make its contents known to the Senate. But we do not accept the proposition laid down by the Senator from Michigan, and we are prepared to refute it.

Mr. PASTORE. Is the Senator saying that the original resolution gives him that authority?

Mr. CHURCH. Yes.

Mr. PASTORE. I would like to hear the argument as to why it does.

Mr. CHURCH. I yield to Senator MONDALE.

Mr. MONDALE. I would like to respond to this.

Mr. TOWER. Mr. President, is this on the time of the Senator from Idaho?

The PRESIDING OFFICER. Yes, it is.

Mr. MONDALE. This executive session was called under the unanimous-consent agreement propounded by the majority leader, not for the purpose of acting on the report, but for the purpose of hearing it. We thought out of deference to the Senate and in view of the delicacy of this matter that it ought to be heard first by Senators before it is released to the public. It is not here to be adopted or approved. It is here to be heard. That is the nature of this meeting.

The suggestion was made by the Senator from Michigan that under rule XXXVI, since this report was based in part upon some classified information obtained from the executive department, it may only be released under that rule by an affirmative vote of the Senate.

We have checked with the Parliamentarian and it is his opinion that rule XXXVI refers to private communications that are presented to the Senate as a whole in, say, the course of deliberations with respect to a treaty, and matters of that kind that are considered in executive session. Under those circumstances you have to vote to release it. But he said that matters that go routinely before committees, which are often classified, can be released by those committees in their normal function.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. MONDALE. Yes, I yield.

Mr. PASTORE. Why did we have to have an executive session today if you are going to release it anyway? If you are not seeking the approbation of the Senate in what you are doing, why did we come here in secrecy to begin with? Why did we not have an open meeting?

Mr. MONDALE. Two things: First, there are many matters that could be asked about that could only be answered in executive session and, in deference to the Senators——

Mr. PASTORE. Answered by whom, by the Senate?

Mr. MONDALE. Well, by experts——

Mr. MANSFIELD. By the committee.

Mr. MONDALE. By expert people, dealing with some aspects not necessarily stated in this report, matter that could not be answered except in executive session.

Second, out of deference to the Senators, in light of the highly delicate nature of this matter, it seemed only proper that a thorough briefing of our colleagues be made.

Now, the Senate resolution, which was the product of the distinguished Senator from Rhode Island, confers upon this committee the authority, indeed requires of this committee, that is the Committee on Intelligence, that it shall issue a final report. Moreover it may—it has the authority—to issue such interim reports as it deems appropriate. Therefore, according to the Parliamentarian, this rule does not apply. It is meant to deal with a different situation.

Another point is this: If we accept the interpretation of the Senator from Michigan, I want you all to be familiar with the new rule we have established. Every time the Armed Services Committee issues any report that is based directly or indirectly on confidential or classified information coming from the executive branch, it will first have to come to the full Senate to get approval for its release. The same goes for NASA, the Space Committee, Foreign Relations or anyone else. It will mean that whenever the executive branch wants to bottle something up they will take a stamp out of the lower left-hand drawer, stamp it "top secret," and send it to you classified. It will be a new Official Secrets Act of a kind we never had before. It will give the executive branch power they never had before; power binding not only upon the executive, but upon the Congress itself. It will destroy Congress' power and responsibility of informing the public. I cannot think of any ruling——

Mr. PASTORE. Mr. President, will the Senator yield to me?

Mr. MONDALE. Yes.

Mr. PASTORE. I am for the release of this report 100 percent.

Mr. MONDALE. Correct.

Mr. PASTORE. And if this rule is being used, the recitation of this rule, to get into a filibuster, then all bets are off. But I thought it would be a very nice thing for the public to know that JOHN PASTORE and everybody else in the Senate are for the release of this publication. That is the only reason why I raised the question.

I would like to be a party to it, and I would hope we would not filibuster this, and we could get a unanimous-consent agreement to vote at 1 o'clock, and I am all for that, and then we are all in on it; and that is the reason why I raised the queston.

Mr. MONDALE. The Senator is right. However, I do not hear the Senator from Michigan saying that. The Senator from Michigan is saying that we cannot release this report until the Senate votes to release it. That is an entirely different thing. If the Senate wants to vote——

Mr. MANSFIELD. That is not so.

Mr. MONDALE. That is what the Senator from Michigan is saying. He says the only way it can be released is to vote to release it. That is not what the rules say. I predict that if we get onto that track and the report is not released, it will be leaked all over town in the worst possible way. We are going to be charged with a coverup, and moreover we will come dangerously close to a new precedent that means every time an executive official puts a secret stamp on something that comes up to a committee you have to get Senate approval to release it.

Mr. MANSFIELD. Mr. President, will the Senator yield.

Mr. MONDALE. I yield.

Mr. MANSFIELD. Mr. President, I am in complete accord with what the distinguished Senator from Minnesota said. You cannot keep this secret. After all, I believe the Senate unanimously created the committee which is now reporting to the Senate as a courtesy and as a duty, and I certainly hope there is no indication on the part of any Senator to hold back the publication of this report, because it will go out with or without action by the Senate this afternoon, and if you think you can keep this secret now you are mistaken.

So I am delighted that the Senator from Minnesota said what he has said. I hope the Senate as a whole will recognize its responsibility and not throw any roadblocks in the path of this interim report.

Mr. MONDALE addressed the Chair.

Mr. GRIFFIN addressed the Chair.

Mr. MONDALE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. FORD). The Senator will state it. He has the floor.

Mr. MONDALE. Is it the opinion of the Parliamentarian that this report and its contents were not within the rule XXXVI in terms of the requirement of affirmative Senate vote?

The PRESIDING OFFICER. It is the opinion of the Parliamentarian that this does not apply under rule XXXVI, paragraph 5, because it is not a communication from the President of the United States to the Senate.

The second part of the rule says: To the Senate—not to the Senator or the committee.

Mr. GRIFFIN. Mr. President, may I now be recognized for the remainder of my time?

Mr. TOWER. Mr. President, I yield 5 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. GRIFFIN. Mr. President, with all due respect to the Parliamentarian, I find that to be an incredible interpretation of section 5.

In effect, the ruling is that a committee or subcommittee—or a committee, rather, of the Senate can rise above the Senate itself and would have more power than the Senate would.

The effect of the ruling is to say that if the President had addressed and delivered the confidential information to the Senate rather than to the committee, that then only it could have been made public, only by action of the Senate.

If the Senate is required as a whole to make public information of information directed to the Senate, how in the world can we say that a committee has more power than the Senate as a whole?

And that is the effect of the ruling of the Chair.

Rather than to have that kind of precedent established—and I am sure this is an unprecedented situation—rather than to leave the Senate in a situation where we are saying, in effect, that a committee has the power to make public classified information, I ask unanimous consent, even though I personally prefer we not vote until after the recess, I do not want to be put in the position of having that important rule of the Senate brushed aside on the theory that I am trying to filibuster, that is not the case, I will vote today.

I will ask unanimous consent we vote at 1 o'clock on a motion in accordance with section 5, XXXVI, to give leave of the Senate to make this report public.

I may vote against it, but I will make the motion.

Mr. CHURCH. Mr. President, reserving the right to object, and asking for an opportunity to reply, it is a grave misrepresentation to suggest that the Parliamentarian's ruling in any way implies that a committee, let alone this committee, but that any committee of the Senate has powers that exceed the power of the body.

That is not what the Parliamentarian has ruled. Our situation is quite different.

Under the resolution that created this committee, the Senate conferred upon the committee the right to make this report or any other report. In the dialog that took place at the time of the debate, that was made very clear.

Let me quote. Mr. BAKER said:

> If there appears to be conduct by any agency of the United States Government that appears to be improper or exceeds its jurisdiction that would not be limited by paragraph 2 of this amendment.

Speaking to an amendment of the resolution which was adopted.

Mr. STENNIS replied:

> This does not put a limitation on the committee. It requires the committee to proceed under rules, regulations and procedures, but these things are still left in the hands of the committee.

Now, this committee—and we researched it carefully—could have issued this report without ever coming back to the Senate because the Senate had given us that power. But we chose to come back to the Senate so that Senators might first know what was in the report, not to offer it up here for a vote. Of course, the Senate could, if it now chose to do so, enjoin the committee from issuing the report.

That is our situation and, if we go with the suggestion of the Senator from Michigan, we change the whole meaning of this rule. From now on we establish a precedent which will require all committees, under similar circumstances, to come back to the Senate and obtain affirmative consent if there is anything in those reports that is derived from any material that the executive branch has classified.

That is the reason I object so strenuously.

Mr. BUCKLEY. Will the Senator yield?

Mr. TOWER addressed the Chair.

Mr. JAVITS addressed the Chair.

Mr. CHURCH. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator has the floor.

Mr. CHURCH. Do I have the floor?

Several Senators addressed the Chair.

The PRESIDING OFFICER. Just a minute. I recognize the Senator from Texas (Mr. TOWER).

Mr. TOWER. Mr. President, is there a consent request pending, did the distinguished whip couch his proposal in terms of a consent request?

The PRESIDING OFFICER. On a motion to be made that we vote at 1 o'clock.

Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER. The Chair now is going to ask for an objection.

Mr. CHURCH. Mr. President, I have an objection to this request unless it is phrased differently.

In order to preserve the precedents of the Senate and in order not to make a bad mistake that would do grave injury to committees in the future and greatly exalt executive power over the Congress, that motion must be made in a different form.

Mr. GRIFFIN. No.

Mr. CHURCH. The motion must be made that the Senate reject the report or enjoin the committee from issuing it; otherwise we change the rules of the Senate and we set a precedent that we cannot live with in the future.

I would have no objection to that, but let us not play around with rules of the Senate that will impose limitations, not only upon committees, but enhance executive power over the right of Senate committees to deal with classified information in the future.

Mr. MANSFIELD. Will the Senator yield?

Mr. CHURCH. Yes.

Mr. MANSFIELD. The Senator has advanced a reasonable proposition. The Committee on Intelligence did not have to come back and make a report to the Senate. What this committee is doing, it is doing on its own initiative, no requirement.

The chairman and the ranking minority member have met with the joint leaders from time to time to discuss this possibility and we encouraged them to report to the Senate.

But what I want to emphasize is that they were not required to. This was an action taken by the chairman and the vice chairman and concurred in by the rest of the committee. I hope we will keep that factor in mind and not try to submerge what this committee has done by taking a rule out of the procedure book and saying that this applies to what this committee has done, because, as the Senator from Minnesota has said, it would apply to the Armed Services Committee, it would apply to the Foreign Relations Committee, it would apply to the Government Operations Committee, it would apply to all sensitive appropriations subcommittees.

I want Senators to think this matter through carefully because all of us, no matter what committee we are on, all of us are going to be affected if we follow through what the distinguished assistant minority leader had in mind and has indicated he might propose at this time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I yield 2 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I have no desire to participate in this debate, but I feel I must because I think the Senate is missing a number of critical facts.

One fact is, Mr. President, that we are now in a very delicate situation with the Presidency. We want more information than probably a Senate has received in history. We have to be responsible for it when we get it.

Second, Mr. President, if this rule does not say what BOB GRIFFIN says it says it should be revised, and I will say why.

The President, the rule admits, has the right to stamp a document as confidential. We have the right to undo it, if the President protests the publication, which he is doing here.

He is the President of the United States. We are the Senate. We are both sovereign.

This is very serious, Mr. President, because in a confrontation between the President and the Senate on this very issue, as we want more than we have ever gotten before, we could lose, and the country could lose.

I believe what JOHN PASTORE has suggested is absolutely right. Without compromising the rule in any way, and not trying to settle this legal dispute on which I have an opinion, Senator CHURCH has an opinion and others, let us vote on this particular proposition. No prejudice, just vote. Whatever words we can invent, and maybe I can invent some——

Mr. SYMINGTON. The vote should be an appeal against what the Parliamentarian says. I do not think there should be any vote, but if there is going to be a vote, it should be a vote against the Parliamentarian, not against the committee.

Mr. JAVITS. If the Senator will forgive me, it is not necessary to decide that question here and now. It is too sticky and I respect Senator CHURCH. Let us just vote some catechism of words, which we can invent in a few minutes, which will not prejudice the rules, just that the Senate says to release this. But then I think we will have gotten out of this dilemma, and it is a real dilemma.

Several Senators addressed the Chair.

Mr. CHURCH. I yield such time as he may require to the distinguished Senator from Minnesota.

Mr. HUMPHREY. When the distinguished Senator from Michigan first brought this to our attention, I tended to agree with him. But I believe if we will read the rule and listen to the mandate which was given to the special committee——

Mr. CHURCH. May I yield 5 minutes to the Senator?

Mr. HUMPHREY (continuing). We will see that the circumstances that prevail now are substantially different than under ordinary circumstances.

No. 1, the special resolution creating this committee called upon the committee to make a report to the Senate; second, to make interim reports if it so desired. That rule, in other words, fulfills the injunction that is in subsection 5 of rule XXXVI, where it says, relating to confidential information, "shall not be disclosed without leave of the Senate."

The Senate already gave to the committee the power to make thorough investigations. It was completely and well understood that that investigation would, by necessity, require confidential and secret information. The committee is not reporting a document of the President. The committee is not reporting confidential instruments of an executive branch. The committee is reporting a committee investigation with conclusions and recommendations based on evidence and information obtained by the committee. That committee report has drawn from secret and confidential information just as the Appropriations Committee draws from it when it has executive officers before it; just as the Senate Foreign Relations Committee draws from executive sessions where confidential and secret information is given to us.

The situation relating to the Foreign Relations Committee on the Sinai agreement was substantially different because we were then releasing the entire actual document, word-for-word, that was stamped "secret."

In this instance, the actual documents are not being released. Excerpts and paraphrased language are being released, interpretation is being made, dialog and testimony are being evaluated. But as I have glanced through this report rather hastily there are no official documents, as such, stamped secret, top secret, confidential, sensitive or classified.

Mr. BROCK. Will the Senator yield?

How can we say that a part of a top secret document is not secret? How do we selectively declassify? I am for release of this material.

Mr. HUMPHREY. We frequently do what we call sanitize top secret material or excerpt or capsulized extended information.

Mr. BROCK. This is not sanitized. These are direct quotations, word for word, one, two, three.

Mr. HUMPHREY. But that is not the full secret document. It is parts of it and it is the committee's report.

Furthermore, when we passed this resolution, everybody in this body knew exactly what we were doing. We knew we were not going to call in a reporter for the Washington Post. We knew the committee would have to call in the CIA Director. The committee would have to call in people who were in sensitive positions. They were going to have to listen to secret, classified information. On the basis of that information, the committee would present a report. This is required by the language of the Senate Resolution 21.

I fully agree that if we come in here to release full documents that are classified, we would be violating the law relating to classification, unless the Senate, by affirmative action, takes a position to the contrary.

Mr. BROCK. Will the Senator yield further?

Mr. HUMPHREY. Mr. President, I think in a very real sense we gave ourselves the necessary clearance by the original resolution which item 5 under rule XXXVI already requires, namely, that said documents and papers shall be considered as confidential and shall not be disclosed without leave of the Senate. The Senate gave leave to this special committee by the very wording of the resolution creating the committee.

The Senate authorized this committee to use documents, to investigate, to interrogate, to move into classified information, and now it is presenting to the Senate the committee report. Personally, I would like to resolve it by an affirmative vote. I feel like the Senator from Rhode Island. I would like to let the country know what is in this document. I would like to be on record, not because I enjoy reading what is in this document, but because certain conditions now prevail which require official concurrence in the release of the report.

First, this document is out of the public as sure as my name is HUBERT H. HUMPHREY, and it is going to appear in the New York Times and other publications. It is going to happen. It is printed. If we do not know that around here, then we are babes in the woods. We are blessed with a degree of innocence which an unborn child does not have.

Mr. GRIFFIN. Will the Senator from Minnesota yield?

Mr. PASTORE. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PASTORE. I hope I am not being misunderstood. My position is that in view of the letter which was written by the President, all I would suggest, short of a filibuster—because I would not tolerate that anyway—I would say publish the report regardless of what the legalities are. I am not getting into the legalities. All I am saying is in view of the fact that the letter of the President has been published, that he has asked that this document not be made public, my motion would be to compliment the committee for the fine work that they have done and that the report should be published. That is all. I would like to have my name appear on the record.

Mr. HUMPHREY. I thoroughly agree, may I say, with the Senator from Rhode Island. I hope he will make that proposal. This does not in any way violate rule XXXVI no matter what kind of interpretation is put on it. We ought to do it in an affirmative manner.

THE PRESIDING OFFICER. The Senator's 5 minutes have expired.

The Senator from Idaho.

Mr. CHURCH. I ask for the attention of the distinguished Senator from Rhode Island.

Mr. PASTORE. Will the Senator yield?

Mr. CHURCH. May I make a suggestion first? If that is worded so that it does not prejudice the rule one way or another, so we do not set bad precedents for the future——

Mr. PASTORE. We do not mention the rule.

Mr. CHURCH. I think we should insert in the unanimous-consent request that it is done without prejudice to the rule and, second, we should insert in the unanimous-consent request that this is the one vote the Senate is going to take, that we are going to take it at a time certain and that we are not opening ourselves up to a whole series of proposed amendments to the report and alterations of the report. We either vote it up or down.

If those conditions are in the unanimous-consent request, then I think we could get together.

Mr. TOWER. Mr. President——

Mr. PASTORE. Will the Senator yield?

Mr. CHURCH. I yield.

Mr. PASTORE. This is it: Whereas, the Senate has heard and received the interim report of the select committee on the matter of the assassinations, be it therefore resolved that the Senate commends the select committee for its work and welcomes its interim report as a significant contribution towards the purpose of the charter, and that it be released.

Mr. CHURCH. I think the wording is beautiful, but I think somewhere there we should say without prejudice to this rule so we do not set a bad precedent for committees in the future in matters of this kind.

Mr. PASTORE. I am not invoking the rule one way or the other.

Mr. TOWER. Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I yield myself such time as I may require. It occurs to me that this matter could be handled by a simple motion. I do not think we need to compliment the committee at all——

Mr. STENNIS. Mr. President, may we have quiet so we can hear?

Mr. TOWER. I feel constrained to propound a motion that would read this way:

> I move that the Senate approve the release of the interim report of the select committee, without prejudice to any rights the committee may have under rule XXXVI.

SEVERAL SENATORS. Question! Question!

Mr. CHURCH. Mr. President, I would be prepared to support such a motion, as long as it can be done in connection with a unanimous-consent agreement that if we are going to have a vote on that motion, we will have a vote on it at a time certain.

Mr. TOWER. Not later than 1 o'clock.

Mr. CHURCH. And that we are not going to open the report to another series of motions that could amend or alter it. Give us that protection.

Mr. MANSFIELD. We go out at 1 o'clock. That time is set hard and fast, and if no action is taken by 1 o'clock, then publication of the report goes out. If other action is taken which is deleterious, which is dilatory, which indicates a filibuster or a squeezing of interpretations to get around rule XXXVI, I think we had better be careful.

Mr. TOWER. Mr. President, I yield myself such time as I may require.

I hope we can dispose of this matter with a motion. I abstained, in committee, on the matter of public release of the committee report. I did not vote for public release. But we are where we are, and the fact of the matter is there is no way you can keep this report secret now. No way.

Therefore, if we delay the vote until after the recess, or even until later today or until tomorrow, I do not think it would prevent this report from coming out; because it was generally understood that it would be released, and I think if a vote were taken right now, a majority of the Senate would vote to release it. I see no point in filibustering the issue, and I do not think anyone is trying to filibuster it. I see no point in trying to amend the report, because I think any effort to that end would fail. We worked like hell on this document for a long time, and I think the committee will defend the report against any assault that is made on it.

So I think the Senator from Idaho is correct in insisting that we vote on one issue, but I think, too, that other Senators were right in not wanting to nail down or seal in cement some particular interpretation of rule XXXVI that they happen to disagree with; and I can understand such concern.

I think in matters of this sort, whether the rule requires it or not, the Senate ought to join together in voting to release this information, even though the rule does not require it. So for that purpose, Mr. President, I will put my motion, which is debatable, and urge its adoption.

I move that the Senate approve——

The PRESIDING OFFICER (Mr. FORD). Will the Senator suspend so that other Senators might listen to his motion? The Senate will be in order.

Mr. TOWER. I move that the Senate approve the publication and general dissemination of the interim report of the select committee, without prejudice to the committee's rights under rule XXVI.

Several Senators addressed the Chair.

Mr. MANSFIELD. Mr. President, I offer the Pastore proposal as a substitute.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. I yield such time as he may require to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I have no amendment or anything like that, no filibuster or anything. I am concerned about this matter. I totally applaud the committee on the really fine work they have done.

I really do not understand, though, the reasons for pressing the so-called assassination story to the front, and rushing out with the publication of it now.

I want to respond to two things. Time is limited. The Senator from Minnesota made a splendid statement, I thought, but there are two points in here, as brought up by the Senator from Idaho.

There were two former Presidents; both of them have passed on. There was something said there about the way of President Kennedy having some kind of knowledge, or there was an intimation, a shadow cast, about some kind of report. And there was another point about President Eisenhower; the testimony showed that someone thought that President Eisenhower said at a National Security Council meeting, or had indicated to the witness, that the President knew about, at least, these assassination plans.

Mr. President, in such a grave matter, let us not fool ourselves. If that report goes out in its present form—and I think it ought to be modified; if you do not have evidence on a thing, do not mention it—it will be talked about a hundred years from now, that those two men as Chief Executives of our Nation, who were clean as a pin, I think, knew about or talked about or somebody said something about it in the solemnity of this report, and in our deliberations here we approved it.

I commend again the work of the committee, but could we not do something at least to correct that situation, and eliminate that inference and shadow?

Mr. TOWER. I yield 1 minute to the Senator from Nebraska.

Mr. CURTIS. Mr. President, when the President delivered the material to the committee, he delivered it to the Senate. I would like to have the attention of the Parliamentarian. When the President delivered the material to the committee, he delivered it to the Senate.

In section 3 of the resolution, we read:

> The Senate hereby empowers the select committee as an agency of the Senate.

Mr. HANSEN. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats.

Mr. CURTIS. And then it goes on and recites what powers the committee has as an agency of the Senate.

There is not a lawyer in this Chamber who would dispute the fact that the delivery was a delivery of the material to the Senate. Furthermore, Mr. President, section 5 of the resolution says this:

> The select committee shall make a final report of the results of the investigation and study conducted by it pursuant to this resolution, together with its findings and its recommendations as to new congressional legislation it deems necessary or desirable, to the Senate. . . . The select committee may also submit to the Senate such interim reports as it considers appropriate.

The resolution did not authorize the committee to report to anyone but the Senate.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. I yield to the distinguished Senator from West Virginia. How much time do I have left, Mr. President?

The PRESIDING OFFICER. The Senator has 13 minutes.

Mr. CHURCH. How much time does the Senator require?

Mr. ROBERT C. BYRD. I do not know. Just let me begin, and finish when I can.

Mr. CHURCH. Very well.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, I do not see where the rule is prejudiced whatsoever by the release of this report. I think it is up to the Senate to vote not to release the report if that be its will.

Mr. HANSEN. We are unable to hear the Senator.

Mr. ROBERT C. BYRD. I say I think it is up to the Senate, if it does not want the report released, to so vote, but I do not think that a release of the report would prejudice the rule in any way whatsoever. I will state the reasons why, and leave it to the Senate to decide if it does not want to release the report.

Reluctantly, I shall not vote against release of the report. I say reluctantly, because the report was made available to us only today. I am somewhat nonplused also by this embargo on the face of the report, but nevertheless that is another matter.

Now, why do I say that the release of this report by the Senate committee would not prejudice the rule? I read the rule:

> Whenever, by the request of the Senate or any committee thereof—

So we have the Senate or, in the alternative, any committee thereof—

> any documents or papers shall be communicated to the Senate by the President

And so on.

If the authors of the rule had intended for the committee to be included they would have said:

> Whenever, by the request of the Senate or any committee thereof, any documents or papers shall be communicated to the Senate or any committee thereof.

But they did not say that. They noticeably, and, undoubtedly, we have to assume, intentionally left out the words "or any committee thereof."

So it says:

> Whenever, by the request of the Senate or any committee thereof, any documents or papers shall be communicated to the Senate.

These papers were not communicated to the Senate. The papers were communicated to a committee thereof. Consequently, the rule that we are talking about does not cover the actions that were taken in submitting material to a committee.

Materials that are submitted to the Senate from the President have to come in that front door from where they proceed to the desk or they have to be authorized to go over there to the Secretary of the Senate. It takes an authorization by the Senate to leave them with the Secretary. They either have to come in the front door, where an announcement is made, they go to the Secretary. That is when a communication is made to the Senate.

Mr. GRIFFIN. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. No, just in a moment when I have completed.

These communications that went to the committee, are not covered by this precise rule in this particular instance.

Further, my second reason why I say that the rule is not violated—in my judgment, we do not have to be concerned about this rule—rule XXXVI has to do with executive sessions which deal with treaties, nominations, and so on. That is the historic reason and use for rule XXXVI.

We are not discussing a nomination here; we are not discussing a treaty here. Rule XXXVI covers treaties and nominations. We are in closed session today under rule XXXV—a session with closed doors.

Finally, let us take for the sake of argument only that rule XXXVI is involved. The Senate in its action in creating this committee, by its resolution—worded as it was—modified that rule. That is if we wish to assume that rule XXXVI is involved, and I do not for a moment assume that. Here is what the Senate said:

> The Select Committee shall make a final report. The Select Committee may submit to the Senate such interim report as it considers appropriate.

The PRESIDING OFFICER. I only wished for order in the Senate so we could hear.

Mr. ROBERT C. BYRD. The select committee shall institute and carry out such rules and procedures as it may deem necessary to prevent: First, the disclosure outside of the select committee of any information relating to the activities of the CIA and, second, the disclosure outside the select committee of any information which would adversely affect the intelligence activities of the CIA.

We know how valid and important legislative history can often be in matters that come before the courts of this country. I shall read a section of the legislative history from the debate on the resolution creating the committee that will substantiate my contention that the Senate in creating this resolution determined—if one wants to assume for a moment, and I do not so assume for the reasons already stated—that rule XXXVI was not to apply—here is the section from the debate.

> It would appear—

Senator BAKER said—

> on its surface to say that if we stumbled into a matter such as the Chilean situation, the Bay of Pigs or the Lebanon incursion, notwithstanding it might appear to the committee, it might be something that ought to be dealt with in the Congress, we should not disclose it.

Senator BAKER is a member of the committee—

> Will the Senator from Mississippi reassure me that that is not the purpose of paragraph 2?
>
> Mr. STENNIS. No. That is not the purpose of paragraph 2. We tried to wrap it up in such a way as to require rules of procedure in the committee which I understand to be the feeling of the Senator from Tennessee.
>
> Mr. BAKER. If there appears to be conduct by any agency of the United States Government that appears to be improper or exceeds its jurisdiction that will not be limited by paragraph 2 of this amendment.
>
> Mr. STENNIS. This does not put a limitation on the committee. It requires the committee to proceed under rules, regulations, and procedures, but these things are still left in the hands of the committee.

So I say to Senators, even disclosures that may be potentially harmful to the United States of America were to be within the committee's discretion to make, by authority delegated to it by the Senate. It may have been an unwise delegation of authority, but there it is. That is the legislative history; that is the pertinent section of the resolution. That is the pertinent extract from the legislative debate. I say to Senators that the committee is acting within its authority, delegated to it previously by the Senate. If the Senate today wishes to vote down publication of the report—thus retrieving the authority previously delegated to the committee—that is quite a different matter. But I say to Senators that the publication of this report will not violate rule XXXVI.

Mr. GRIFFIN. Mr. President, will the Senator from West Virginia yield for 2 minutes?

Mr. PASTORE. Mr. President, will the Senator yield?

Several Senators addressed the Chair.

Mr. PASTORE. Does the Senator see the point we are missing here? The President did not raise rule XXXVI.

Mr. CHURCH. Mr. President, may we have this on the other side's time? Our time is running out. Can we have this on the time of Senator TOWER?

Mr. PASTORE. Nobody has given time. I asked a question.

Mr. TOWER. Mr. President, I yield 2 minutes to the Senator from Rhode Island, and then I must yield to people on the other side.

The VICE PRESIDENT. Two minutes are yielded to the Senator from Rhode Island.

Mr. PASTORE. The President did not raise the question as to rule XXXVI. He raised it on the question of public policy.

In view of that letter, I am taking this position, regardless of the legalities, as the right thing for us to do, in view of the letter written by the President, who claims that this will be damaging. We do not think so. The report should be published. It would be more effective and more comfortable for the people of this country if they knew that the Senate took affirmative action, and that is the only reason why I raised the question.

I do not see as reasonable men why we cannot take a vote at 1 p.m., and either vote it out or in.

Mr. MANSFIELD. Make it 12:45.

Mr. PASTORE. 12:45. Any time is all right with me.

Mr. MANSFIELD. Mr. President, will the Senator make a motion?

Mr. TOWER addressed the Chair.

The VICE PRESIDENT. The Senator from Texas.

Mr. PASTORE. Mr. President, I ask unanimous consent that no later than 1 p.m. we take a vote——

Mr. MANSFIELD. At 12:45.

Mr. PASTORE. At 12:45, no later than 12:45 we take a vote on the motion.

Mr. MANSFIELD. On the Pastore substitute.

Mr. PASTORE. The motion that is pending at the desk now which is the Pastore substitute.

The VICE PRESIDENT. Is there objection?

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

Mr. TOWER. Mr. President, reserving the right to object, it is my understanding that the motion of the Senator from Texas is the pending business.

The VICE PRESIDENT. No; the substitute by the Senator from Rhode Island.

Mr. TOWER. Mr. President, will the clerk state the substitute?

The VICE PRESIDENT. The substitute will be stated.

Mr. MANSFIELD. Read it.

Mr. PERCY addressed the Chair.

Mr. TOWER. Mr. President, will the clerk state the substitute? We do not know what it is.

The legislative clerk read as follows:

> The Senator from Rhode Island (Mr. Pastore) moves whereas the Senate has heard and received the interim report of the Select Committee on Intelligence Activities on Assassinations, be it resolved, therefore, that the Senate commend the Select Committee for its work and welcomes its interim report as a significant contribution toward the purpose of its charter and that the said report be released to the public without prejudice to rule XXXVI of the Senate.

Mr. CURTIS. Mr. President, I object.

Mr. MANSFIELD. Mr. President, remove the words "without prejudice to rule XXXVI."

Mr. PASTORE. Take it out. They asked me to put it in.

Mr. MANSFIELD. That was not in there. No. Let me see it.

Mr. TOWER addressed the Chair.

Mr. ROBERT C. BYRD. Take them out. Do not put them in.

The VICE PRESIDENT. The Senator from Texas.

Mr. MANSFIELD. The Senator wants that last part deleted.

The VICE PRESIDENT. It is so modified.

Mr. TOWER. Mr. President, might I suggest I do not see why we are splitting hairs insisting on a particular interpretation of the rule even though the Parliamentarian agrees, the majority disagrees, or whatever, but that seems to be sticking in people's craw. Why do we have to get into it? Why could we not simply say "without prejudice under the rules" and leave it at that?

Mr. ROBERT C. BYRD. We do not have to make that statement. That implies that the rule is contrary to the action by the committee in releasing the report.

Mr. TOWER. Let me tell the distinguished assistant majority leader that he is getting us into a brawl on the rules now, so we are going to hassle on the rules.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. TOWER. I see no point in it. I see no point in getting into a fight on the rules. Let us do that some other time. Let us come back after the recess with a proposed amendment to the rule.

Mr. PASTORE. I ask that it be deleted without prejudice to the rule.

Mr. HUMPHREY. Mr. President, will the Senator from Texas yield?

The VICE PRESIDENT. Is there objection to the last modification?

Mr. TOWER. Mr. President——

Mr. PASTORE. Let us have it read again.

The VICE PRESIDENT. The clerk will reread the substitute.

The legislative clerk read as follows:

> Whereas the Senate has heard and received the interim report of its Select Committee on Intelligence Activities on assassinations,
>
> Be it therefore resolved that the Senate commends the Select Committee for its work and welcomes its interim report as a significant contribution toward the purpose of its charter and that the said report be released to the public.

Mr. BELLMON. Mr. President, reserving the right to object——

The VICE PRESIDENT. Is there objection to voting at a quarter to 1?

Mr. CASE. Mr. President, reserving the right to object——

Mr. TOWER. Reserving the right to object, Mr. President, I ask the Senator from Rhode Island to say "not later than 1," rather than a quarter to 1.

Mr. MANSFIELD. Mr. President, will the Senator yield? After all, we have some business to attend to today in addition to this. We have the Interior appropriation bill; we have the budget resolution; we have conference reports. Also, the Senate has agreed that the discussion of this matter would occur only between the hours of 9 and 1. Hence, the Senator from Rhode Island asks that the time be 12:45, and in executive session.

The VICE PRESIDENT. The Senator from Texas.

Mr. TOWER. The reason why I ask the Senator from Rhode Island to amend his request is that I have a number of people here who are seeking time, and I want to try to accommodate them. If we run out of gas over here, we can yield back time.

Mr. PASTORE. Make it 1 o'clock.

Mr. MANSFIELD. Not later than 1 o'clock. I ask for the yeas and nays.

Mr. CASE. What is the proposition?

The VICE PRESIDENT. To vote not later than 1 o'clock.

Mr. CASE. On what?

Mr. BELLMON. Mr. President, reserving the right to object——

The VICE PRESIDENT. Not later than 1 o'clock.

Mr. CASE. We have to go out, if we are going to vote, unless we have unanimous consent. We want to stay in closed session until this is disposed of. We would have to do that by unanimous consent, and I object to that until I have spoken.

Mr. MANSFIELD. I just asked for the yeas and nays on the pending amendment.

I ask for the yeas and nays.

Mr. CASE. We cannot vote on that in closed session.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I think I am about the only one who has much time left. I will yield it to everyone who wants to speak, if they will indicate to me that they want to speak.

Am I to understand now that the unanimous-consent request has been objected to?

Mr. BELLMON. Yes, I object.

Mr. CASE. I object.

The VICE PRESIDENT. There was an objection.

Mr. MANSFIELD. To what?

The VICE PRESIDENT. To voting at 1 o'clock.

The yeas and nays have been ordered.

Mr. TOWER. Something is going to happen at 1 o'clock, anyway.

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Does someone yield for a parliamentary inquiry?

Mr. TOWER. I yield 3 minutes to the Senator from Michigan.

Mr. GRIFFIN. I thank the Senator.

I think that the argument of my dear colleague from West Virginia, who has made a masterful argument with a very weak case, has to be responded to, even though I am glad we are putting this ruling aside, but I do not think we should let that argument not have a response.

First of all, he is saying that delivery of confidential information by the President to the committee does not constitute delivery to the Senate and that therefore the rule does not apply. With all due respect, that is incredible. It is saying, in effect, that for the President of the United States to deal with committees, such as the Committee on Armed Services, the Committee on Foreign Relations, and other committees, he must be sure that he sends the material to the President of the Senate, and then the rule will apply. I think that is incredible.

What county or municipality rises above the State? The effect of this ruling or the interpretation is that a committee rises above the Senate itself.

Second, he tries to labor hard with the language in the resolution. The Senator from Nebraska already has pointed out that the authority given to the committee was to report to the Senate, not the public. If that report contains classified information, then rule XXXVI applies.

The other interesting aspect is section 7:

> The Select Committee shall institute and carry out such rules and procedures as it deems necessary to prevent the disclosure outside the Select Committee of information—

Mr. ROBERT C. BYRD. As it deems necessary.

Mr. GRIFFIN. To prevent the disclosure outside. We are not doing that. We are going contrary to the provisions of the resolution.

So I hope we will not decide the question about the rule in this situation.

Mr. TOWER. Mr. President, I yield 3 minutes to the Senator from Illinois.

Mr. PERCY. Mr. President, I trust that my comments will not in any regard detract from my gratitude and admiration for the work of every member of the committee. Certainly, I have long believed in sunshine legislation and opening up the processes of government. As I understand it, too much sunshine sometimes causes cancer.

Sometimes we forget that we are not a pure democracy, that we cannot lay everything out and bare it before the whole world, because it is going to be used by our enemies as a hatchet against us.

We also have to take into account that sometimes, in the conduct of international affairs and our diplomacy and the establishment of policy, we must deal with confidence and in confidentiality. Even in the sunshine legislation, we clearly laid out certain provisions, certain standards, and provided that if they were met, we would close those doors and conduct our business in a confidential manner.

I am deeply concerned about the whole issue of the governability of this Nation. We are making it more and more difficult to govern the Nation.

There is a mood of distrust with the executive branch of Government that permeates through the whole country, and we are adding to it. The executive branch has tried now, in reaching out to the legislative branch, in every conceivable way, to say that the rules of the past are no longer the rules of the future or the present so far as our relationship with the elected representatives of the people is concerned.

They have bared their souls. They have laid everything on the line, under the rules of the game that they thought existed at that time—that it was released in a confidential manner, under the confidence rules of the Senate and that particular committee. Now we seem to be changing those rules. We bordered on it with respect to the Sinai agreement. We were deeply disturbed about that. I think all of us were. But now we have once again a case where we are asked to approve something as a fait accompli, when we are told it cannot be kept secret, anyway. I think it could be kept secret, if we voted it, and we can release a sanitized version that would reach reasonable standards between the executive and legislative branches.

I hope we do not hand a hatchet to the enemy. If we are asked to vote on this, I cannot possibly vote to release this document, when I have not read it, and no one other than the committee members has read it. We do not know what is in it. All we know is that we have a solemn letter from the President of the United States, as a former Member of Congress, urging us, with all the candor he has exercised—and no President has dealt with Congress with greater candor than he has—that it would be against the national interest to release this report, which we have not yet read.

Therefore, if there is a resolution to vote on whether or not to put it out, even though preserving the confidentiality will be difficult, I will have to vote against that resolution. I cannot assume the responsibility, against the judgment of the President of the United States, without knowledge of what is in this report.

Mr. TOWER. Mr. President, I yield 3 minutes to the Senator from New York.

Mr. BUCKLEY. I thank the Senator from Texas.

First of all, I just want to say that I cannot see why the elementary distinction cannot be made between the right of a committee to have access to confidential documents in order to derive conclusions which are incorporated in a report and a disclosure or a compromise on the confidential information itself.

I should like to address myself now to what was talked about by the Senator from Illinois.

Frankly, I have been appalled, totally appalled and disturbed, by the fact that we seem to be presented with a fait accompli. The distinguished Senator from Minnesota (Mr. MONDALE) and the distinguished majority leader have told us that we have to snap to because we have no choice, that it will be out in the streets. If we in fact have no control over the dissemination of information such as this, which none of us has had a chance to analyze, to judge independently, then something is incredibly wrong with our institutions.

If the gentlemen who say we cannot control the dissemination of this information are stating that the Senator and officers of the Senate cannot be trusted to keep their mouths shut or to honor their obligations, then I suggest that we consider seriously applying section 4 of rule XXXVI, which says:

> Any Senator or officer of the Senate who shall disclose the secret or confidential business or proceedings of the Senate shall be liable, if a Senator, to suffer expulsion from the body; and if an officer, to dismissal. . . .

We sort of make a game of the fact that any time we close these doors, within 2 minutes, the Washington Post will have an accurate verbatim copy of what goes on. I think this is disgraceful. I think it is something that we should be ashamed of, and I hope that this body has the guts to press for the identification of anyone who leaks any information out of this proceeding or any future proceeding, and has the further guts to institute proceedings for expulsion.

I have not made up my mind how I am going to vote on this. If I vote to approve its dissemination because I think it is a fait accompli, it will be done under protest. However, I shall probably be joining the Senator from Illinois.

Mr. CHURCH. Mr. President, first, we hear that the Senate ought to vote because that is the proper way to go. Then we hear that the Senate ought not to vote because it has not had a chance to fully consider the report. These are the very reasons why the committee did this on its responsibility. The rules are clear that we had the right. We did not come here to ask for a vote. We came here to explain what was in the report that we had already voted to make public.

I am not here asking for a vote, either. I am here only to uphold the rules of the Senate and to uphold the prerogatives of the committee. Therefore, I cannot accept the argument that we are forcing Senators to vote without full knowledge of what is in the report, because nobody on the committee came here for that purpose this morning.

Mr. CURTIS. Will the Senator yield for a question?

Mr. CHURCH. I have only 1 minute left.

Mr. TOWER. Mr. President, I yield 3 minutes to the Senator from New Jersey.

Mr. CASE. Mr. President, this is not the kind of thing we ought to try to answer by reference to specific language in a rule. This is a matter of broad public policy and relations between the executive and the legislative branches of Government. I think that JOHN PASTORE, with his usual good gut reaction, hit the right note when he said that no matter what the rule might say in ordinary circumstances, no matter what the language of the authorization might be construed to permit, we, in the light of the President's very clear statement that this is a serious matter, affecting our public relations, ought to take it with equal seriousness and treat it as a matter for decision by the whole Senate.

I think, as a matter of fact, that in order to preserve our right as a body to declassify material sent up under the stamp of confidentiality, we should do it in all cases. I think we have to insist that, ultimately, the Senate may decide what to release to the public. I think we ought to be very, very slow in having this kind of thing done by any action less than full action by the whole Senate, and that, in this instance, it is particularly important.

I do not accept the suggestion that FRANK has made that, because some people do not want to release it at all, or some people do not want to release it until they have read it, the committee has to take this kind of action. I think the committee has done a superb job. I agree fully with the report. I, myself, have read enough of it to satisfy myself that I can answer intelligently the question, Should it be published or not? And I am prepared to do it.

But I think we ought not to—"the letter killeth and the spirit giveth." That is the thing we ought to do here. We ought to act as a body approving the publication and not try to do a legalistic job of deciding whether this is going to add so many cubits to this particular precedent for committee authority or whatnot. This is a matter which, because of its own nature as we all understand it now, ought to be handled by the full Senate, without prejudice to any other action by any other committee in any other circumstance.

Mr. TOWER. I yield 2 minutes to the Senator from Oklahoma.

Mr. BELLMON. I thank the distinguished Senator.

Mr. President, so far as I know, no Member of the Senate had seen this report until the hour of 9 o'clock this morning. There are 346 pages. I have not had a chance to read even one page, so far.

I am one of those who favors sunshine

legislation. I was Governor of a State that has a sunshine law and I know it works; I am in favor of it. But I think it is totally unfair to ask Senators who have not read a report like this to vote for or against it.

I want simply to say that, as one Member of the Senate, I am going to object to any unanimous-consent request to vote on this matter until at least we have had a chance to know what we are voting on.

Mr. HARRY F. BYRD, JR. Mr. President, will somebody yield me 2 minutes?

Mr. TOWER. I yield to the Senator from Wyoming 1 minute.

Mr. HANSEN. Mr. President, I speak in response to the observations made by the Senator from Nebraska in calling attention to what rule XXXVI said, as commented upon by the distinguished majority whip. As I recall what the Senator from West Virginia said, it was essentially that this confidential information was not released to the Senate, it was released to a committee of the Senate. I make the point, Mr. President, that every committee of the Senate is a creature of the Senate. They can be established and they can be abolished. It seems to me to beg the question to try to argue that it is not being handed to the Senate when it is handed to a committee of the Senate. When a witness before a committee of the Senate refuses to testify, the action is not to hold him in contempt of that particular committee; he is held in contempt of the Senate.

I must say that, though I nearly always agree with the logic of the majority whip, in this instance, I think it misses the point.

Mr. ROBERT C. BYRD. Mr. President, in the abstract, the Senator is right; committees are the creatures of the Senate. But we are talking about the rule and how it specifically does not apply under this particular circumstance.

Mr. HANSEN. It was precisely that point I was addressing. I think the Senator from Nebraska laid it clearly on the line. This material was made available to the Senate. The report is made to the Senate, and nobody else has any right to it until the Senate says, we will release it.

Mr. TOWER. Mr. President, I yield 2 minutes to the Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from Texas.

As I understand it, Mr. President, we are going to vote, if we vote at all, on the Pastore motion or resolution first. I would favor the "Whereas" portion of the Pastore resolution in which the committee is commended—and I commend the committee for its dedication, its hard work, its sense of duty, and the fine investigation that it has done.

The second phase of it would impel me to vote against the whole resolution; that is, on release of this very sensitive information. So I am going to have to vote against the Pastore resolution and, either way that goes, I would also vote against the Tower resolution, which also calls for a release of this **report.**

The committee has done a great job, but it ought to keep a great deal of this information within its breast. I think that therein lies the fault of the report. I do not feel that much of this information should be released. But as far as commending the committee for its fine work, I am all for that and I want to extend my commendation, for what little it may be worth, to the committee for the great job that it has done.

Now, on the matter of discretion, on the matter of the exercise of discretion, in the release of sensitive information, well, I cannot say so much. If they had left off with investigation and not so much report I think we would be much better off. I oppose releasing the confidential and sensitive information contained in this report.

Mr. HUMPHREY. Mr. President, will the Senator from Texas yield me 1 minute to offer a proposal?

Mr. TOWER. I would be delighted to yield to the Senator in just a moment, but I——

Mr. HUMPHREY. A conciliatory proposal, may I say, that will help us.

Mr. TOWER. May I yield to other Senators and then I will put the Senator's name on the list.

I yield 1 minute to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, may I have the attention of the distinguished chairman of the committee?

Mr. CHURCH. Yes, indeed, if he may have it on Senator TOWER's time.

Mr. TOWER. Yes.

Mr. McCLELLAN. Do I understand the committee is not asking for the Senate to vote on the release of this report?

Mr. CHURCH. That is correct. The Senate committee came here, having voted to release it on its own authority and responsibility. The purpose of this meeting was to inform Senators first what the committee's findings were.

Mr. THURMOND. We cannot hear the Senator.

Mr. CHURCH. In response to the Senator's request, I said the committee did not bring the report here for the purpose of imposing an obligation on the Senate to vote on it one way or another. It is the committee, on its own responsibility and on the authority that had been delegated to it, which voted first to approve the report and, second, to make it public. We came here, in deference to the Senate, so Senators might first know what the findings of the committee were.

Mr. McCLELLAN. Mr. President, if the Senator will yield further, this report we are asked to vote to release contains about 346 pages, and I discovered——

Mr. CHURCH. That is precisely why we did not come here to ask the Senate to vote on it.

Mr. McCLELLAN. That is why I am asking for information. We have had no time, as the distinguished Senator from Illinois pointed out, I have had no time, to read it. I do not know what is in it. I might vote to release it all if I had some opportunity to be familiar with the report. But I am reluctant to vote to release something as sensitive as this is without knowing what it contains. Therefore, I may have to vote "Present."

The VICE PRESIDENT. The Senator's time has expired.

Mr. TOWER. I yield 1 minute to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I feel one would need to go through many pages of the CONGRESSIONAL RECORD over many years to find 11 more excellent speeches than were made this morning by the 11 members of this committee. Each speech was concise, restrained, thoughtful.

In regard to the situation we find ourselves in now, I think the Senator from Arkansas has raised an important point. As I understand it, as I read the rules of procedure of the committee itself, adopted April 9, 1975, and amended September 22, 1975, on page 17 it says this, beginning on line 1:

> The Select Committee shall make a final report to the Senate. The Select Committee may also submit to the Senate such interim reports as it deems appropriate.

It seems to me that report should have been submitted to the Senate before any effort was made to release it to the public. I probably will vote to release it to the public because, as a practical matter, I feel rather sure the reports are in the hands of the news media, and that probably stories have already been written based on the report. But I think we are faced with a rather unfortunate situation because I hesitate to vote to release a report of 350 pages without having an opportunity to read it.

Mr. TOWER. I yield 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I make this very practical suggestion in light of the persuasive suggestions made on both sides of this issue.

We have heard many legal arguments we are not prepared to judge. I offer this proposal—the Senate, as provided in Senate Resolution 21, has received the report of the committee. The Senate commends the committee on its interim report and concurs in the release of the report of the committee.

My motion or, should I say suggestion, gets the Senate not on record in terms of all the provisions of the report or all of the legalities or technicalities, but it does at least follow the procedure outlined in the resolution; namely, this committee is an agent of the Senate, the committee was called to report to the Senate. The Senate takes note that it has received the report, commends the committee, and concurs in its release.

Mr. PASTORE. That is what I did.

Mr. HUMPHREY. But, may I say most respectfully, the other one said that we supported it.

Mr. PASTORE. No.

Mr. HUMPHREY. I think that by the word "concur" in the release we find ourselves not in the position of either dotting every "i" or crossing every "t" or supporting particular material or even having to make judgment on rule XXXVI and its reference to the language of the report. We would be acknowledging the report and commending the committee, and expressing our concurrence in the publication and dissemination of a very important public document. This, in fact, is what Senate Resolution 21 provides when it calls upon the committee to report to the Senate.

May I say I believe there has been argument here on that rule today which needs a great deal of clarification and, in fact, in my own instance I am convinced there was classified material in the report, which causes me doubt as to some of my own argument.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes

Mr. ROBERT C. BYRD. The Senator is asking the same thing the Senator from Rhode Island is asking for except saying that it comes within the provisions of the original resolution which, I think, is good.

Mr. HUMPHREY. Yes.

I send this to the desk. I do not know if it is in order. I give it to Senator Pastore. He has taken the lead.

Mr. PASTORE. Mr. President, I ask that mine be modified. I think it is the same thing.

Mr. HUMPHREY. Let us do that.

Mr. PASTORE. I ask that my amendment be modified.

The VICE PRESIDENT. Without objection, the pending motion will be so modified.

Mr. SYMINGTON. Parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SYMINGTON. Do we not have to have unanimous consent?

The VICE PRESIDENT. The yeas and nays have been ordered. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, reserving the right to object, is there a motion before the Senate?

The VICE PRESIDENT. The clerk will read the modification.

The legislative clerk read as follows:

> The Senate, as provided in Senate Resolution 21, has received the report of the committee. The Senate commends the committee on its interim report and concurs in the release of the report of the committee.

Mr. BELLMON. Is the motion subject to debate?

The VICE PRESIDENT. It is not debatable. It is a unanimous-consent request.

Mr. CHILES. Reserving the right to object——

The VICE PRESIDENT. On whose time?

Mr. TOWER. Mr. President, I have not yielded the floor.

Mr. CHILES. I object.

The VICE PRESIDENT. Is there objection to the unanimous-consent?

Mr. CHILES. I object.

The VICE PRESIDENT. Objection is heard.

Mr. TOWER. Then the original motion of the Senator from Rhode Island is the pending business, is that not correct?

The VICE PRESIDENT. That is correct.

Mr. TOWER. Mr. President, I will yield 2 minutes to the Senator from Tennessee and then I am going to yield back my time.

Mr. BAKER. Mr. President, I only want to say just this: I have the advantage over all 10 of my colleagues in the Senate in that I have been intimately involved in developing the information on which this report is written and, in fact, in the preparation of the report itself.

I am familiar with all 346 pages of it, including those 43 that are my separate views in the appendix attached to it.

I understand your concern about voting to release this report before you have read it, but I commend it to you.

I agree with the Senator from Rhode Island, the Senator from New York, and others who have expressed concern that we are about to do something I think we do not intend to do, and that is to basically alter and change the relationship between the Senate and the executive department with respect to declassification of documents. I agree we need not fight that battle here, as the Senator from New Jersey pointed out.

I simply want to say it is the position of the Senator from Tennessee that this report should be released, that we should not deal with the precedents involved.

Mr. HANSEN. Mr. President, may we have order?

Mr. BAKER. May I ask one question: It was my understanding that the Chair stated the position of the Parliamentarian on this issue relating to rule XXXVI. It was not my recollection that the Chair ruled in that manner, and I propound now a parliamentary inquiry as to whether or not the Chair has ruled in accordance with the recommendation of the Parliamentarian on that point.

The VICE PRESIDENT. The Chair has stated his opinion on the advice of the Parliamentarian, in response to a parliamentary inquiry.

Mr. BAKER. Mr. President, I really do not wish to disagree unduly with the Parliamentarian, whom I respect, but that is not the way I recall the record, and I will not debate the matter here except to reserve my rights with respect to that as we read the written record on the point.

It is my contention that the Chair has not ruled in accordance with the recommendation of the Parliamentarian.

The VICE PRESIDENT. Who yields time now?

Mr. TOWER. Mr. President, if the chairman is prepared to yield back the remainder of this time I am prepared to yield back mine.

Mr. CHURCH. I yield back the remainder of my time.

Mr. TOWER. I yield back the remainder of my time.

STATEMENT SUBMITTED BY MR. TAFT

Mr. TAFT. Mr. President, I share in the additional views expressed in the report by Senator Goldwater and on the floor by the Senator from Illinois (Mr. Percy) as to the danger of releasing this report.

The President's warning that the report will do grievous damage must be taken seriously. It seems certain that, as he says, it "would likely be exploited by foreign nations and groups hostile to the United States in a manner designed to do maximum damage to the reputation and foreign policy of the United States. It would seriously impair our ability to exercise a positive leading role in world affairs."

The likelihood is that the report will leak if it is not authorized to be published and much of the damage will be done, but that does not mean we should endorse or legitimatize its publication. I shall not join in compounding the error of releasing the report.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 83 Leg.]

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Bumpers
Byrd,
 Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Dominick
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Leahy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
Mondale
McIntyre
Morgan
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. Gravel), the Senator from South Dakota (Mr. Abourezk), the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Delaware (Mr. Biden), the Senator from Colorado (Mr. Haskell), the Senator from Louisiana (Mr. Johnston), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), the Senator from New Hampshire (Mr. McIntyre), the Senator from Montana (Mr. Metcalf), the Senator from Utah (Mr. Moss), the Senator from Wisconsin (Mr. Proxmire), the Senator from Illinois (Mr. Stevenson), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Massachussetts (Mr. Brooke), the Senator from Nevada (Mr. Laxalt), and the Senator from Virginia (Mr. William L. Scott) are necessarily absent.

LEGISLATIVE SESSION

(At 12:51 p.m. the doors of the Chamber were opened.)

The VICE PRESIDENT. A quorum is present.

INTELLIGENCE ACTIVITIES

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate go back into open session.

The VICE PRESIDENT. The question is on the motion——

Mr. ROBERT C. BYRD. The motion is not debatable.

The VICE PRESIDENT. The Senator is correct. (Putting the question.)

The motion was agreed to.

Mr. TOWER. Mr. President——

The VICE PRESIDENT. The Senator from Texas.

Mr. TOWER. Mr. President, obviously a number of people have decided that they do not want to vote on this issue. I am distressed and sorry that Members of the Senate have arrived at that notion.

Mr. ROBERT C. BYRD. Is the Senate now in open session?

The VICE PRESIDENT. The Senate is now in open session.

Mr. TOWER. Therefore, Mr. President, since the Senate has not voted, I want now to publicly disassociate myself from any public release of this report.

Mr. MANSFIELD. Mr. President, I believe it ought to be kept in mind that a number of Senators had indicated they did not want to vote on the release of this report because they had not read it, and other Senators indicated they would oppose any unanimous-consent request leading to a vote. I think what the select special committee has done is to fulfill its responsibilities. It has reported to the Senate an interim report, and I do not believe there is any apology due anyone for any action taken or not taken over the previous 4 hours.

I commend the chairman and the ranking minority member, and I find no fault but only approbation for what the committee has done.

Mr. HUGH SCOTT. Will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HUGH SCOTT. Mr. President, I was perfectly prepared to vote to release the report. I would have contended that we should have inserted some line indicating that we had not had time to read it. Had we had a resolution saying that the report shall be made, that the Senate obviously has not had time to read it but that it does have high regard and great confidence in the committee, I could have then gladly accepted it.

Several Senators addressed the Chair.

Mr. JAVITS. Mr. President, may we have order in the Senate so Members can be heard?

The VICE PRESIDENT. There will be order in the Senate.

Mr. MANSFIELD. Mr. President, regular order.

CONGRESSIONAL BUDGET FOR U.S. GOVERNMENT, 1976

The VICE PRESIDENT. Under the previous order, the Senate will now resume consideration of Senate Concurrent Resolution 76, which the clerk will state.

The assistant legislative clerk read as follows:

A Senate concurrent resolution (S. Con. Res. 76) revising the Congressional Budget for the United States Government for the fiscal year 1976, directing certain reconciliation action, and providing for the transition quarter.

The Senate proceeded to consider the concurrent resolution.

Mr. McCLELLAN. Mr. President, let us have order.

The VICE PRESIDENT. There will be order in the Senate, please.

The Senator from New York.

INTELLIGENCE ACTIVITIES

Mr. JAVITS. I ask recognition to make a unanimous-consent request, Mr. President, and would ask the leadership to hear me, if it will.

May we have order, Mr. President?

The VICE PRESIDENT. The Senator from New York is asking a question of the leadership.

Mr. JAVITS. Mr. President, may we first have order?

The VICE PRESIDENT. Senators will please take their seats.

Mr. JAVITS. Mr. President, Senators have the right to be heard respecting their position on a report which was discussed in executive session.

May I ask the leadership on the majority and minority side whether, as a courtesy to me and to other Members of the Senate, a time be allotted—it does not have to exceed 30 minutes—to allow Members to express themselves upon this subject as Senator TOWER has done in public session.

Mr. MANSFIELD. Of course. At the conclusion of the regular business today, we will set aside 30 minutes.

Mr. JAVITS. May I say to the Senator, as the Senator knows that will not work because the press of the world will carry this story and they are not going to carry it if it comes at 7 tonight. Therefore, Mr. President——

Mr. MANSFIELD. They can carry any story they want. The Senate has agreed to a consideration of a concurrent resolution on the budget, which is of prime importance. The Senate has agreed to take up the Interior appropriations bill. If the Senator can get time from either Senator BELLMON, the ranking member of the Budget Committee, or Senator MUSKIE, the chairman, during that time, that would be fine. As far as I am concerned, I approve the report. I am glad it is going to be publicized. My record is clear and that is that.

Mr. JAVITS. Mr. President——

Several Senators addressed the Chair.

The VICE PRESIDENT. The Senator from New York has the floor.

Mr. MANSFIELD. Is the time controlled?

The VICE PRESIDENT. Who yields time?

Mr. MANSFIELD. How much time does the Senator want?

Mr. JAVITS. Mr. President, if I could have 3 minutes of that time——

Mr. MANSFIELD. Three minutes on the resolution?

Mr. JAVITS. That is correct.

Mr. BROCK. Three.

Mr. MANSFIELD. Get Senator BELLMON here. He can give time.

Several Senators addressed the Chair.

Mr. JAVITS. Mr. President——

The VICE PRESIDENT. The Senator from New York has 3 minutes.

Mr. JAVITS. Mr. President, I wish to say only that I approve the publication of the report of the select committee. If there had been a vote, and I believe there should have been—it is a great mistake we have not taken it—I would have voted yea.

Mr. President, I also wish to state that the advice of the Parliamentarian needs to be reviewed. I have very grave doubts about the validity and propriety of the construction of rule XXXVI which the Parliamentarian has suggested to the Chair. I hope that at an appropriate time, without doing it now, that may be reviewed. I do not wish, as one Senator, to be bound by that ruling. On the contrary, should that ruling be made by the Chair, I would consider it my duty to take an appeal to the Senate to overrule it.

I thank the Chair for its time.

The VICE PRESIDENT. The Chair would like to comment that there was no ruling made——

Mr. JAVITS. May we have order?

The VICE PRESIDENT. The Chair would like to comment that there was no ruling made. There was a comment by the Parliamentarian. I checked because I was not here. He said it was a comment but that no ruling or precedent was set.

Mr. JAVITS. I thank the Chair. That is exactly what I thought.

Several Senators addressed the Chair.

Mr. CURTIS. Mr. President, I have the floor.

Mr. MANSFIELD. No.

Mr. MUSKIE. I yield 1 minute to the distinguished Senator from Nebraska.

Mr. CURTIS. Mr. President, it is my opinion that this report cannot be released without affirmative action by the Senate. The penalty for doing so is very severe. Therefore, Mr. President, I send my copy of the report to the Chair for safekeeping.

Mr. MUSKIE. Mr. President, I think the distinguished majority leader yielded 2 minutes to Senator BROCK.

Mr. BROCK. Mr. President, I would like to associate myself with the remarks of the Senator from New York. I thoroughly disagree with the advisory opinion of the Parliamentarian. It is the most stretched construction I have ever seen in my life.

I think it is utterly inexcusable that this body has refused to come to grips with a fundamental public responsibility. I resent the fact that we were not allowed to vote. I regret it. My own inclination would have been to accept a fait accompli, because we had no choice. The matter is before the public now. But I wanted the right to vote up or down. It is my responsibility under the Constitution to so vote, and I do not like being put in a position where the parliamentary devices of this body are used to prevent Members from having an opportunity to accept and undertake their constitutional responsibility. I regret it very much.

Mr. MUSKIE. I yield 2 minutes to the Senator from New Jersey.

Mr. CASE. Mr. President, I think the committee has done a superb job in this interim report, and I commend the committee and all Members for the way they have handled this difficult and terribly important matter. As I said in executive session, I think the matter of releasing the report should have been decided by the whole Senate. I think this was an important decision for us to make, not because I think that the release of the report will damage the country; I was prepared to vote to release it, and if we had had a chance to do it, I would have so voted. I think the public is entitled to have this information the way it is presented in the report, a very beautifully and carefully written job.

But I think it was most unfortunate for the Senate to acquiesce in a procedure which suggests that a committee of this body has a right to release information given to it or to the Senate—I do not make any great distinction between them; Senate committees are bodies of the Senate—without action by the whole Senate. We should have taken that responsibility, and I think for the future of our relations with the executive and our ability to get confidential information which we must have to do our job, we should insist upon this proposition: The Senate has the right to declassify information, but only by action of the whole Senate.

Mr. MUSKIE. Mr. President, I yield 3 minutes to the Senator from Florida, and then 2 minutes to the Senator from South Carolina.

Mr. McCLELLAN. Mr. President, let us have order.

The PRESIDING OFFICER (Mr. DURKIN). The Senate will be in order. Senators will take their seats.

Mr. CHILES. Mr. President, I believe the Senate Select Committee on Intelligence has worked long and hard and done an outstanding job. I was impressed with the fact that members of a bipartisan and biphilosophical committee could reach a unanimous conclusion. I was also impressed with the summary we received, which showed there were plots hatched by the CIA and members of the Government to carry out political assassinations. I think the American people are entitled to that information.

My personal belief would be that it would be better to summarize some of that information than to have tried to detail every bit of it. Not having had the opportunity to read the report and its 346 pages, it certainly would not be something that I would like to say that I concur that everything in that report should be released. I also do not agree with a representation that was made by the Parliamentarian to the effect that every committee can now declassify information just because the confidential information goes to the committee rather than through the doors of the Senate Chamber. I think that is a ruling we could live to regret.

It seems to me that we could get all of the essence of the report necessary to the American people, the summary and the findings and the necessary legislation that is going to be required, without having to go in and publish every sordid detail, which might impair our relations or might impede the agents themselves, and that is the concern that I would have. Not having been able to read the 346 pages and at least make up my mind whether that would be true or not certainly would govern me as to whether I would vote for the release of the report.

I think the information should be released. I believe if a vote had occurred, I would have voted against the release of the full report at this time, without having had an opportunity to read it.

Several Senators addressed the Chair.

Mr. MUSKIE. I yield 10 seconds to the Senator from Louisiana for a unanimous-consent request.

Mr. LONG. Mr. President, I ask unanimous consent that Mike Stern of my staff, have the privilege of the floor in connection with this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the chair.

Mr. MUSKIE. Mr. President, my order of recognition was dictated by the majority leader, who yielded this time before I arrived. Senator THURMOND, I believe, is next, and then Senator BAKER.

Mr. THURMOND. Mr. President, I commend the committee for the work they have done on this subject I wish we had had a vote. I would have voted to release the report. I disagree with the opinion of the Parliamentarian that the committee had the right to release it without coming back to the Senate.

I think rule XXXVI, section 5, is clear that the Senate is the one that would have to release it. I regret that action was not taken by the full Senate today.

Mr. MUSKIE. I yield 2 minutes to the Senator from Tennessee (Mr. BAKER), 1 minute to the Senator from Georgia (Mr. NUNN), and 1 minute to the Senator from Maryland (Mr. MATHIAS), in that order.

Mr. BAKER. Mr. President, I, like the occupant of the chair and others, worked long and hard, and I hope diligently, on this report. I came to this session today fully expecting and intending to vote for its release to the public, if that vote was put.

I am now in a position, regretfully, to say only that I think the Senate has handled this matter in the worst possible way. I do not doubt for 1 second that a majority of the Senate, given an opportunity, would have voted to release the report, and I think that would have been the right decision. But I think to have it released by inaction casts credit on neither the Senate nor the committee, and I regret it.

I would make only one further point, that I believe is already clarified, but, if the Chair will give me his attention and the Parliamentarian will listen for a moment, I want to make sure the record is abundantly clear on this point.

On the question that I raised during the executive session with respect to rule XXXVI, does the ruling of the Vice President, then the occupant of the Chair, that the Parliamentarian's statement in that respect was reflected as an opinion of the Parliamentarian, and not as the ruling of the Chair, mean that the Chair did not rule on that point? I make that in the form of a parliamentary inquiry. Will the Chair please confirm that understanding for me?

The PRESIDING OFFICER (Mr. GARY HART). Rulings are issued only in response to points of order, and no point of order having been made, there was no official ruling of the Chair.

Mr. BAKER. That is more than I asked for, but let me make sure I have it nailed down. I do not really care about that point. I simply want to know, was there a ruling by the Chair as to rule XXXVI, based on the advice of the Parliamentarian?

The PRESIDING OFFICER. The Chair can only restate the statement it just made: Rulings of the Chair are issued in response to points of order. No point of order having been made, there was no ruling of the Chair.

Mr. BAKER. Do I understand, then, there was not?

The PRESIDING OFFICER. The Chair restates what it just said.

Mr. BAKER. That is the way I interpret it.

Mr. MUSKIE. I yield to the Senator from Georgia.

Mr. NUNN. Mr. President, I think the Senate has made a very bad record today in the way this matter has been handled. What has been set as a precedent, whether by ruling of the Chair or otherwise, is that a committee may declassify information without the concurrence of the full Senate.

What I am afraid of is that the executive branch of the Government may very logically draw the conclusion that the only way that classified information can be protected as to a decision by the full Senate is to send that information through that door, rather than directly to committees. So I think we have jeopardized the committees of the Senate in being able to receive, handle, and analyze classified information, and I believe we will come to regret the way we have handled this particular situation this date.

Mr. MUSKIE. I yield to the Senator from Maryland.

Mr. MATHIAS. Mr. President, the select committee took great care in the submission of this report to reserve the option of the Senate to make a decision, and the Senate has today refused to exercise that option. I think this is a matter for great regret, and I find myself in substantial agreement with the distinguished Senators from Tennessee (Mr. BROCK and Mr. BAKER) in the sentiments that they have just expressed.

I do not think that the Senate ought to leave the subject under any delusion that by failing to exercise the option the select committee gave it that it has not taken action.

Mr. BROCK. Right.

Mr. MATHIAS. It has taken action, action that is going to be viewed as precedent. It is going to affect our future decisions, and I think it is a great misfortune because it was not done in a deliberate, careful, and a profitable way.

I only wish to suggest to the Senate that this is a subject to which we are going to have to return so that we do not have another misfortune of the kind which we have experienced.

Mr. FORD and Mr. McCLURE addressed the Chair.

Mr. MUSKIE. Mr. President, I yield to the Senator from Kentucky 1 minute.

Mr. FORD. Mr. President, there have been several inquiries of the Chair as to the ruling on the Parliamentarian's interpretation.

I make a matter of record that I was in the chair at the time the question was put. I related the opinion of the Parliamentarian at the time, but no ruling of the Chair was made. So there has not been a ruling by the Chair on the Parliamentarian's opinion. I was only stating his opinion at that time upon the question of the Chair.

Mr. BAKER. Mr. President, will the Senator from Kentucky yield briefly.

Mr. FORD. Yes.

Mr. BAKER. I thank the Senator from Kentucky for that clarification.

Mr. MUSKIE. The Senator from Idaho.

Mr. McCLURE. Mr. President, I do not know whether to do this or not in a formal way, but I suggest that someone might wish to ask unanimous consent of the Senate that no member of the select committee be subject to expulsion under the rule, because, while we made no decision, as a matter of fact we backed away from making a decision as to the effects of the rules of the Senate in regard to the release of classified information. If that rule applies, and if it is applied here, it also subjects every member of that committee who voted for the release of the committee report to expulsion from the Senate.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield.

Mr. BROCK. I think it is appropriate to point out that the members of the committee did not vote to release the material. They voted to bring the matter to the Senate for the Senate's decision, and the Senate copped out because it would not reach a decision. It refused to allow a vote on the matter.

Mr. McCLURE. I suspect, if someone were to bring an action asking for expulsion of all 11 members of that committee for a violation of the Senate rules, that there would then be a question of whether or not the committee had released the material or whether some unnamed individuals with or without the authority.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Maine.

Mr. HUDDLESTON addressed the Chair.

Mr. MUSKIE. Mr. President, I am perfectly willing to yield within reason, but there is limited time on the budget resolution. I have been yielding for a minute or 2 minutes. I do not wish to get into a question of a vote for an issue that is extraneous to the budget resolution. I wish to have this time for that purpose.

Mr. McCLURE. Mr. President, will the chairman indulge me 1 additional minute?

Mr. MUSKIE. One additional minute.

Mr. McCLURE. I thank the chairman for doing so.

I raise that question because I wish people to understand what happened here this morning when we took a rule of the Senate and subverted it through parliamentary devices which sometimes in other contexts are known as filibusters in order to avoid the Senate taking a vote on one of the most critical issues that will confront us with respect to the release of classified information.

I agree with the various Senators who have expressed the opinion that we took very hasty and ill-advised action.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield a minute to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. First, I ask if the Senator from Maine at the appropriate time will yield me 12 minutes from the concurrent resolution.

Mr. MUSKIE. By all means, yes.

ORDER FOR YEAS AND NAYS ON SENATE CONCURRENT RESOLUTION 76

Mr. HARRY F. BYRD, JR. Second, I ask for the yeas and nays on the concurrent resolution.

Mr. McCLURE. What is it?

Mr. MUSKIE. He asked for the yeas and nays on the budget resolution.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HUDDLESTON. Mr. President, will the Senator yield 2 minutes?

Mr. MUSKIE. I yield to the Senator from Kentucky 2 minutes.

Mr. HUDDLESTON. I thank the distinguished Senator from Maine.

First, I wish to correct an assertion made by the distinguished Senator from Tennessee. I am sure he did not make it intentionally. But as a member of the Select Committee, let me state emphatically that the Select Committee did vote to release the assassination report. It was never contemplated by the Select Committee that that report would be brought before the Senate for the purpose of securing concurrence of the Senate or approval of the Senate for release by the Senate in order to fulfill what the committee saw was its responsibility.

The whole purpose of coming before the Senate by the committee was simply to inform Senators so they would not read about the report in the press before they had any knowledge what it is all about. The unfortunate thing about this morning, of course, is that we spent nearly the entire time debating the question as to whether or not the Senate ought to vote or not vote on releasing the report. Members came here prepared, each one of us assigned a particular segment of the report, to answer the most detailed and specific questions about this report that Senators may have had. We went through the entire morning without ever having an opportunity to answer one single question about the substance of the report. That is unfortunate. Senators will now have an opportunity to read it in the press and read their interpretation of it and make whatever assumptions that they care to make.

But it is unfortunate that the Senate today got hung up on these questions which were not even pertinent to the whole session today.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Maine.

Mr. BELLMON. Mr. President, will the Senator from Maine yield to me for 1 minute?

Mr. MUSKIE. I yield to my good friend from Oklahoma.

Mr. BELLMON. Mr. President, I thank the distinguished Senator from Kentucky for the statement he just made. It very much enlightened the Senate, I believe, on what the intentions of the select committee were this morning. I believe if it were better understood the great deal of debate that occurred would not have occurred, and we would have been able to get from the members of the committee the enlightenments they were prepared to give us.

I feel very strongly it has been a mistake to ask those of us in the Senate who never had an opportunity to see the report to pass judgment on it as we were asked to do.

I thank the Senator from Kentucky for enlightening us as he just has.

Mr. FORD. I thank the Senator from Oklahoma.

The PRESIDING OFFICER. Who yields time?

CONGRESSIONAL BUDGET FOR U.S. GOVERNMENT, 1976

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 76) revising the congressional budget for the U.S. Government for the fiscal year 1976, directing certain reconciliation action, and providing for the transition quarter.

Mr. MUSKIE. Mr. President, if I may yield myself a minute or two, I understand that Senator KENNEDY is on his way to the Chamber to offer his amendment which, as I understand it, is the only amendment that is likely to be offered to the budget resolution.

I take this time to express my appreciation to the staff of the Committee on the Budget. I pay special tribute to the Staff Director, Douglas Bennet, and Chief Counsel, John McEvoy, who were the first to be appointed to the staff, and who had to bring it through the difficult organization and recruiting period. They have assembled, I think, one of the outstanding professional staffs of any committee on the Hill. To them I give my appreciation and my personal gratitude.

Then beyond them I thank the whole staff of the Committee on the Budget, not only on my own behalf or for the committee, but also on behalf of the entire Senate. Exploring new territory is hard work. There are false starts, and dead ends. There are imagined dangers that do not occur and unimagined ones that do, and the destination is never entirely clear.

For over a year now, the staff of the Senate Committee on the Budget, every member of it, has been under enormous pressure to make this first year work. Their performance has been heroic. Their success can be measured by the sense I feel in this Chamber today that Congress really has begun to take hold of America's fiscal priorities and national priorities.

I mention, in particular, Sid Brown, who is the committee's chief budget expert, and Arnold Packer, the committee's chief economist. These are two men of outstanding and recognized professional competence in their fields. Beyond that, they are men of vision and political sensitivity who have served the committee well as both teachers and practical technicians in the early months of the process.

I should like to add this special note of thanks also to those members of the staff who serve as assistants to the Senators who are members of the committee. They have served not only their principals, but also the work of the committee as a whole, and I suspect that, from time to time, that takes a little fast footwork. I appreciate their cooperation in that respect.

Finally, I should like to make it clear, if it is not, that I also pay tribute to the minority staff, especially Bob Boyd, chief of the minority staff, who has served so well that most of the time I forget he has a Republican principal.

Some of my colleagues said last night that the budget process will turn out to be our most important governmental reform in decades. If that is true—and I underline the "if"—and if we succeed—and I underline that "if," too—a full share of the credit goes to the Budget Committee staff.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. MUSKIE. The time to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I yield 10 minutes to the distinguished Senator from Tennessee (Mr. BROCK).

Mr. BROCK. I appreciate the Senator yielding.

Mr. President, when the Senate passed the Budget Reform Act in June of 1974, I said that the American people had won a major battle, but the war to instill responsibility in the Federal Government had just begun. I am afraid the second budget bill submitted by the Budget Committee indicates how difficult this war really is.

Their suggested budget calls for a total deficit of roughly $75 billion. Interest alone on this new debt will cost the average family over $100 a year from now until the debt is repaid.

The discussion of budgets and deficits is not new to this Chamber. In fact, we have very recently been listening to another very similar argument—this one on determining a correct and reasonable budget for the city of New York. Somehow, the problems of New York City have never gone beyond the question of, "who is going to save New York City?" After looking at the huge deficit suggested by the Budget Oversight Committee, I wonder if the New York question is not more properly one we should ask of our Nation. Who is going to sacrifice, who is going to pay the taxes, who is going to provide the incentive, who is going to give us the jobs if Congress continues to deficit spend at this insane rate? Everyone seems to think New York City must balance its budget. Why do so few want America to do likewise?

New York City's difficulties should be an early warning for all of us. If the premise that New York allowed fiscal management to fall victim to politicians' promises is true, the outcome of such behavior has now been graphically illustrated for us. In all candor, I think that is what we see here today. A budget that is based upon borrowing almost 20 percent of the operating funds is fiscally irresponsible. That is the lesson of New York. The budget now before the Senate contains provisions to borrow 20 percent of the operating expenses of this Federal Government. Does the lesson not apply to us as well?

The sad truth is that New York City is not unique. It is not an isolated circumstance of excessive graft, corruption, "liberal excesses," or blatant incompetence. It is symptomatic. It is indicative. True, New York City cannot print money. But neither can this country print money indefinitely without destroying our economy and eroding our individual freedoms. For me, New York City has become an indication of the shape of things to come without a greater acceptance of public responsibility on our part.

I say this looking at the problems of the United States of America. I say this looking at a budget authorization bill that sets a target deficit of $75 billion. If New York City is the Dunkirk of deficit spending, then this budget may well be our Munich. New York is a peep show of the disaster that lies ahead for this entire country. Yet, for some reason we do not seem able to translate this vision into affirmative action. For those who ask, "Why do you oppose more Federal spending," New York City's difficulties are stark proof of the very real consequences of fiscal mismanagement and irresponsibility.

Let me paraphrase an old saying. Government—Federal Government in particular—has taken the concept of "turn the other cheek" and made it into an ideal of "empty the other person's pocket". New York City's economic crunch is the logical consequence of that brave new ideal, as is our national rate of inflation. The crisis we are witnessing is the first real confirmation that our nagging fears about the future of America are, unfortunately, coming true.

The real question, then, becomes simply, "Can the cures suggested for New York City become the prescription for our own ills as a nation?"

Those who have joined me in difficult and agonizing decisions to vote against uncontrolled Federal spending have often been characterized as uncaring. But now we are faced with the suffering of a city of 8 million people. And what brought this suffering about? Certainly not "an indifference to the needs of poor people." Rather, it was caused by a belief that problems could be solved if they were covered with money — someone else's money, borrowed today to be repaid later, hopefully never.

But, how soon can we expect the lesson to be learned by those of us in Washington? Inflation, too, causes massive human suffering. Government must finally face the awful but constant human choice of deciding what it can do before determining what it wants to do. We face such difficult realities as we leave adolescence and enter adulthood. Acceptance of the required self-discipline is a fundamental prerequisite to "growing up." Well, this Government needs to grow up too.

Senators STEVENSON, PROXMIRE, and others have said that New York City should be required to meet stringent conditions prior to any Federal aid. My question is: Who is going to force the United States to meet similarly stringent conditions? Who is going to return this country to the financial stability so necessary for the success of every member of our society? Only Congress can appropriate money. The responsibility is ours. Thus, I do not mean to focus attention on the problems of New York City government. I mean to focus attention on the problems of Federal Government.

If we do not return Government back to the people, if we do not begin to cut the bureaucracy, if we cannot find the courage to start slashing waste, the United States can become New York on a huge scale. New York City is not a failure of the system. Rather, it is a concrete demonstration that excessive government has become a system that guarantees failure. Unless we learn this lesson, New York City is beyond any real help. No short term solution will work without fundamental long-term solutions for the Federal Government itself.

When the President signed the Budget Control Act, I said that the Federal budget had gotten completely out of control, both in size and in its responsiveness to the needs of the Nation. Unfortunately, I feel compelled to make that same statement again today. The congressional budget mechanism is much improved, but unless it is coupled with the courage to use it, that mechanism is meaningless.

This does not mean there is nothing more to be done to improve the mechanism of budget controls. We, in Congress, are still woefully short of good economic analysis. Environmental impact statements are now required so we can be more certain that the real impact of a project will be on the environment. We need to extend that concept into the economic sphere—our economic environment. Every bill should contain an economic impact statement.

This statement would detail the impact on inflation, loss or gain or revenue, projected changes in employment and the like. It would provide a better picture of the total impact of each piece of legislation that we propose. Far too often, decisions are made without a complete and total understanding of their implications.

Of even greater importance is the need for oversight and evaluation of existing programs. Not one member present can deny the existence of awesome waste, duplication of effort, contradictions in policy, excessive overhead, and basic incompetence in management of countless Federal programs. These do not represent the loss of "Government" dollars, they represent the loss of citizen earnings. People pay taxes. They work hard to do so. Irresponsibility in the use of their funds is intolerable. It can and must be resolved, and only Congress can do so.

Understand that my constant reference to New York is not intended to cloud even further the difficult and complex issues facing that much beset and unfortunate city. But, as we contemplate the fallen dream of New York, we must realize that without a change in Federal policy, our day will come. Then where do we turn? The United States cannot long continue to mortgage its tomorrow for today. Sooner or later it will catch up with us. And there will be no one to turn to then.

Mr. President, my vote against the budget bill is not a vote against the mechanism of budget control, which I take considerable pride in having authored. Rather, it is a vote against the philosophy that suggests there is no tomorrow.

I do not think this country can afford a $75 billion deficit. It cannot afford it this year, and it certainly will not be able to afford it for the next 20 years as the bill comes due.

I thank my colleague for yielding.

Mr. MUSKIE. Mr. President, I wish to make a couple of observations.

First of all, I share the Senator's concern with the budget numbers contained in this resolution. I doubt that there is a Senator in this body who does not. The question is what, if anything, can and should we do about it? The Senator was a coauthor, really, of the budget reform bill, and he understands, as well as I, that it is an attempt by Congress to get a handle on expenditures, on the budget, and on its use as an economic tool. There are certain practical difficulties—they are more than practical; they are unavoidable difficulties—in terms of the state of the economy and the momentum of the budget with which the Senate is confronted.

Last night I put into the Record, on page 37479, a table which indicates the difficulty. Total outlays recommended in the second budget resolution are $375.6 billion. Of that amount, let me list some of the items that are included.

There is the Defense program, $92.1 billion. The Senator, I understand, voted against an amendment that would have reduced that figure. So, presumably, he accepts that as the rockbottom figure for Defense spending this year. So, from his point of view, that is uncontrollable.

Interest is $35.2 billion; social security, $72.6 billion; railroad retirement, $3.4 billion; civil service retirement, $8.6 billion; unemployment compensation, $19.9 billion; medicare, $17.6 billion; medicaid, $8.2 billion; veterans programs, $19.1 billion; farm income stabilization, $1.6 billion. All of those amounts are mandated by current law. The Committee on the Budget has no authority to reduce them. They generate commitments which the executive branch has to pay.

The total of those items is $278.3 billion, leaving $97.3 billion in the so-called "controllable" aspects of the Federal budget. To contemplate getting or offsetting the deficit of $75 billion out of that $97.3 billion is a pretty unrealistic proposition, and it becomes even more difficult when we consider the nature of some of these programs. Even though they are controllable, they involve some important considerations and values. Attempting to cut them out is an impossible political, if not other, task. We are talking about 6 months of the fiscal year that is left, and so the $97.3 billion translates into roughly half that number that is available if we eliminate those programs altogether. So, if we eliminate those programs altogether for the remainder of this fiscal year, we would still be $30 billion in the hole.

This is not to challenge the Senator's concern. As I said, we share that. The difficulty of getting a handle on it is very frustrating.

Mr. BROCK. Will the Senator yield?

Mr. MUSKIE. Of course, I yield to my good friend from Tennessee.

Mr. BROCK. I want to make it very clear that my protest against the level of the deficit is not one against the committee.

Mr. MUSKIE. I understand that.

Mr. BROCK. I understand the committee's difficulty. The Senator from Maine and I have spent I do not know how many hours working to develop this process, this mechanism. I think he and I can claim some credit for the passage of the law. As I say, I take great pride in that and I have great respect for the Senator's ability.

What I am trying to say is that we have, as an institution of Congress, not yet come to grips with our fundamental responsibility in terms of oversight and evaluation of ongoing programs to do an adequate job to see that they are cost-effective, to see that we eliminate the complications, the complexities, the duplications. The Senator knows how difficult that is, but I know he also shares my desire to achieve that objective.

Mr. MUSKIE. That is right, and I underline and emphasize his point. I think one of the results of the budget process is that it is focusing our attention upon items such as those on the list I have just read off, which are the real base of budget expenditures and which we have to look at.

The other observation, of course, is the state of the economy. The state of the economy has resulted in a shrinkage in Federal revenues of substantially more than half of the deficit. I do not know what the current number is. I think it is probably around $55 billion on an annual basis, and if we were close to 5 percent or less unemployment we would be reasonably in balance.

Nevertheless, even if that is the case, I think we have to accept the discipline, which the Senator is suggesting, of looking, from base zero, at all Government programs and expenditures in order to get a handle on them.

Mr. BROCK. All that I am pleading for is that the other Members of this body assist the Senator from Maine and the Senator from Oklahoma. I know of their commitment. I just want the rest of us to share in that commitment and we will get the job done.

Mr. MUSKIE. I thank the Senator from Tennessee.

Mr. CURTIS. Mr. President, will the Senator yield for a unanimous-consent request for a staff member?

Mr. BELLMON. I yield.

Mr. CURTIS. Mr. President, I ask unaimous consent that Mr. Don Moorehead of the Finance Committee staff may be permitted the privileges of the floor throughout the discussion and action on the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

I compliment the distinguished Senator from Tennessee for his contribution to the debate on the second concurrent resolution, and also on the work he did in developing the Budget Act.

The Senator has compared the Nation's budget problems to the problems that New York City has. I would like to point out to him there is one major difference which, I think, tends to dominate the thinking of the Budget Committee, and that is among our responsibilities of Congress, is the problem of dealing with the state of the Nation's economy.

There is no question but that if we slash defense spending enough, and if we cut back on other programs and raise taxes we could, in theory, produce a balanced budget. But, in so doing, we would also produce a major national depression which, in the long run, would cause a greater deficit than we will likely have if the economic program and stimulus we have adopted work.

Our objective, frankly, was to have the lowest possible deficit over time. We could have a lower deficit for the current fiscal year, but we would then have larger deficits in the 3 or 4 years following.

If the Senate and Congress approve it, our receipts will go up and the deficit will diminish.

Also there are many problems that Congress needs to address before we are able to work our way out of the situation we are now in. On page 37473 of yesterday's Record there is a lengthy tabulation of the various kinds of tax expenditures that Congress has presently put on the books. This was put in the Record by Senator Beall. These total $103.3 billion.

In other words, Congress is, in effect, spending $103 billion every year to accomplish objectives which may or may not be valid any longer, and this whole process needs to be reexamined, not by the Budget Committee so much as by the various authorizing committees that have put these programs into effect.

So I think the Senator has made a very necessary and very significant contribution by pointing up the fact that we need to look carefully at the size of the deficit and at the programs we recommended here. But I think we should go further and recommend the whole Senate now take seriously the entire budget process and see if we need to change some laws so that some of the uncontrollable items and some of the tax expenditure items should be examined, and if they are no longer needed, that they be changed.

Mr. BROCK. I appreciate the Senator's comments and thoughts.

Mr. BELLMON. Mr. President, I suggest the absence of a quorum, the time to be charged to both sides.

The PRESIDING OFFICER. On whose time?

Mr. BELLMON. To be charged equally to both sides.

Mr. President, I withhold the request in order to yield to the Senator from Idaho.

How much time would the Senator like? I yield 5 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. McCLURE. I thank the Senator for yielding at this time, and I recognize the time of the Budget Committee has been severely limited because of the earlier colloquy relating to this morning's activities in executive session.

I do not mean to prolong the discussion at this time simply for the sake of prolonging it, but there are a couple of points I think need to be made and, perhaps, should be underscored at this time, dealing with the committee report.

First, as I am sure everyone has noted, the Senator from New York and I have entered our own views as an appendix to the second concurrent resolution, and outlined in some detail the reason for our minority and supplemental views in opposition to this resolution.

But I think we should underscore both publicly and in the RECORD the fact that we do commend the budget process as the beginning of a very useful process which will yield results in the future in ways which they have not been able to yet yield, because of the complexity of the various problems with which we deal in the budgetary controls of the fiscal affairs of the United States.

I want to call particular attention to two items with which we did not deal this year and, perhaps, a third, but we will have to deal with them in the future even though we could not this year.

The first is the question of the unfunded liability for retirement in the Defense Establishment.

There is, as everyone knows, a massive unfunded liability or obligation on the part of the Government for the payment of pension benefits in the future, those benefits having already accrued or will accrue under the enlistments of the various people who now serve in the U.S. Armed Forces, and those amounts being carried, of course, in the defense budget in their annual expenditures.

On page 30 of the report is a statement that the committee will look at the possibility next year of transferring some or all of that function from the defense function to the income security function, and I think the Armed Services Committee ought to cooperate with us, and I am sure that they will, in attempting to determine how much of the annual appropriations for the function, for that particular purpose may be carried as income maintenance rather than as an expenditure of the Defense Establishment.

I think as we look at the size of the defense budget in comparison with other nations, we must bear in mind that there are massive amounts of money carried in ours for those personnel costs that are not necessarily carried there in the same way in other nations, so we get a distorted picture of the amount of expenditure for defense functions as compared to other nations.

The second item I wish to address, in terms of what we have not yet done but will have to do, lies in the budget authority figures, and the way in which those budget authority figures, both in past years that have not yet resulted in outlays, and budget authority which is passed in this year and not expended in this year, accumulate together with the so-called commitments or entitlements programs to limit the discretion which we will have in future year budgets.

There have been a number of such discussions in the press and in academia. Various institutions of Government have taken some look at it, and the Budget Committee is going to have to cooperate with the Congresssional Budget Office in attempting to project over all of the future fiscal years all of the cumulative effects of actions taken by Congress in past years in both budget authority and in the entitlements programs which create liabilities in future budgets.

The third item I would like to mention at this time is that of the overestimate of revenues. I am afraid our Government, through OMB and otherwise, is no less subject to the temptation to overstate revenues than was the city of New York. That is one of the problems we have had in the past, deliberately overstating revenues when we knew they would not be that high, and there are at least two specific examples that can be given.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. McCLURE. Mr. President, on behalf of the Senator from Oklahoma, will the Senator yield 2 additional minutes?

Mr. MUSKIE. I would presume to do it. I would give you mine but I only have a minute left. I yield 2 minutes of Senator BELLMON's time.

Mr. McCLURE. I thank the Senator. I take the time only to express this point: The OCS revenues are estimated by the Government at $8 billion. We cut that back to $4 billion in the first concurrent resolution. They suggested a revised estimate of $6 billion, and we still said it would not exceed $4 billion, and I think even that $4 billion is overstated, so the budget deficit may be, in realistic terms, higher than that which we have already stated.

The other overstatement of revenues which I think was a misstatement of fact, which we did not fully correct, was the statement of revenues from the sale of stockpiled materials because Congress has been reluctant to accept the security assessments of the implications in the sale of stockpiled materials. Therefore, the revenues from those sources have been and will remain less than that estimated by OMB. I think we should recognize that to the extent we know that is going to happen we have understated the deficit, because we have overstated revenues, and from that standpoint, I think, we fall at least marginally subject to the same criticism that we level against the city of New York.

The PRESIDING OFFICER (Mr. STONE). Who yields time?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 1150

Mr. KENNEDY. Mr. President, I call up my amendment No. 1150 to Senate Concurrent Resolution 76, the Senate second concurrent budget resolution, and I ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 2, strike out "$74,800,000,000" and insert "$74,600,000,000".

On page 2, line 4, strike out $300,800,000,000" and insert "$301,000,000,000".

On page 2, line 6, strike out "$6,400,000,000" and insert "$6,200,000,000".

On page 2, line 12, strike out "$6,400,000,000" and insert "$6,200,000,000".

On page 2, line 21, strike out "$15,300,000,000" and insert "$15,200,000,000".

On page 2, line 23, strike out "$84,800,000,000" and insert "$84,900,000,000".

Mr. KENNEDY. Mr. President, the purpose of the amendment is to restore a part of the first concurrent budget resolution calling for additional revenues for tax reform, by providing for $200 million in such revenues for fiscal year 1976 and $100 million in such revenues for the transition quarter in 1976.

I commend the committee and its chairman and its members for the outstanding job they have done in making the budget reform process work successfully, and in providing such effective economic guidance and advice to the Senate.

But I believe it is important for the Senate to go on record at this time, in its budget resolution, in support of tax reform.

I agree with the committee's conclusion that it is unrealistic, at this date, to expect large revenue gains from tax reform in fiscal year 1976. The first concurrent resolution, adopted last May, contained $1 billion in such additional revenue gains for fiscal year 1976. The $1 billion figure was carried over unchanged in the House second concurrent budget resolution, passed last week.

It is extremely unlikely, however, that tax reform revenues of this magnitude will be received in the remainder of fiscal year 1976, even if tax reforms are enacted this year or early next year and are made effective for all of calendar year 1976. The reason for the low return, even if tax reform is enacted, is that the fiscal year ends on June 30, 1976, whereas the overwhelming majority of tax reform revenues for the calendar year will not be collected until late 1976 and the early part of 1977, after fiscal year 1976 has ended. Nevertheless, if significant tax reforms are enacted, the portion of revenues received in fiscal year 1976, although relatively small, is still sufficient to be recognized in the second concurrent budget resolution.

The situation is approximately the same with respect to the transition quarter. As the calendar year 1976 proceeds, some tax reform revenues are received in the transition quarter, July 1, 1976, to September 30, 1976, and they are significant enough to be recognized in the second concurrent resolution.

The figures in the amendment are based on the enactment of approximately $1.5 billion in tax reforms for calendar year 1976, a reasonable target based on the current stage of pending legislation in the House of Representatives and the likely schedule for action by the Senate.

If we are serious about tax reform, the amendment I am proposing to the budget resolution reflects our commitment—$1.5 billion in tax reform in calendar year 1976 will bring in approximately $200 million for fiscal year 1976, and $100 million for the transition quarter. The additional revenues from tax reform would be used to reduce the budget deficits stated in the resolution.

Mr. President, I believe that the principle at stake here is an important one. Major tax reform legislation is about to be considered by the House of Representatives and will soon be considered by the Senate. By acting now to include a modest tax reform provision in the Concurrent Budget Resolution, we can demonstrate our support for meaningful tax reform as a high priority in the Senate.

Kennedy Tax Expenditure Amendment 1150 to the Budget Resolution

PURPOSE

Amend S. Con. Res. 76 to express a commitment by the Senate to a reduction of approximately $1.5 billion in tax expenditures in calendar year 1976.

PROVISIONS OF THE AMENDMENT

1. Translate the calendar year savings from reduced tax expenditures into the framework of the Budget Resolution by:

Adding $200 million to the appropriate level of Federal revenues for fiscal year 1976;

Adding $100 million to the appropriate level of Federal revenues for the transition quarter.

2. Use the revenues gained from lower tax expenditures to reduce the Federal deficit for the fiscal year and the transition quarter.

The revenues I am proposing are not pie-in-the-sky figures, but a realistic estimate of what can be achieved under the sort of responsible tax reform effort that is now well underway.

Acceptance of this amendment does not commit any Member to any particular tax reform. But it does offer each of us a way to make a commitment to prompt and worthwhile tax reform, consistent with the effective groundwork now being laid by our colleagues in the House.

Mr. President, all of us are aware that tax reform, like many other issues, is in trouble in this country. We are well aware of the rise and fall of meaningful reform in the original Ways and Means Committee proposals—reforms that have started crumbling in recent months because of the relentless pressure of lobbyists and special interest groups. An editorial cartoon in the morning paper tells us that tax reform is now a paper airplane that has crashed.

We have the chance to take a stand in our budget resolution. We can declare that these obituaries for tax reform are premature. We can respond to the average taxpayers of this country who want tax reform, who know that their taxes are too high because others pay too little. I hope that the amendment will be approved .

Mr. President, I ask unanimous consent that a brief outline and explanation of the amendment may be printed in the RECORD:

Explanation

1. The pending Resolution contains no provision for reducing tax expenditures. Yet tax expenditures—Federal spending and subsidies through the Internal Revenue Code—have been rising rapidly, from $82 billion in 1974 to $89 billion in 1975 to $103 billion in 1976, an increase of 27% in the past two years. Over the decade 1967 to 1976, Federal outlays have risen by 130%, but tax expenditures have risen by 180%. If the Senate can reduce the $100 billion defense budget by $7 billion, it can reduce the $100 billion tax expenditure budget by $1.5 billion.

2. $1.5 billion is a realistic estimate of the revenues that would be derived from meaningful and substantial reductions in tax expenditures enacted for calendar year 1976. The proposed amendment would put the Senate on record in its Budget Resolution as favoring such a reduction in tax spending.

3. The amendment translates the revenue effects of the calendar year reforms onto a fiscal year and transition quarter basis. As a rule of thumb, 15% of the calendar year revenues from tax expenditure cuts are collected in the fiscal year. Thus, $1.5 billion in lower tax expenditures in calendar year 1976 would produce $200 million in new revenues in fiscal year 1976 and $100 million in the transition quarter.

4. The proposed revenues from cuts in tax expenditures are also consistent with the Ways and Means Committee legislation now pending in the House. The Committee bill and the widely discussed package of proposed strengthening amendments would increase revenues by $1.5 billion in calendar year 1976. According to estimates of the Joint Committee on Internal Revenue Taxation, these specific changes would bring in approximately $200 million in fiscal year 1976 and $100 million in the transition quarter.

5. The amendment is consistent with Senate action reducing tax expenditures either before sine die adjournment in December or early in 1976, so long as the reductions are effective on January 1, 1976. In general, depending on the particular cuts, the increased receipts in fiscal year 1976 will be derived from withholding rates after the date of enactment, and by quarterly tax payments due from individuals and corporations on April 15 and June 15, 1976, reflecting their tax liability for the year. Thus, the proposed amendment to the Budget Resolution for fiscal year 1976 contemplates enactment of tax expenditure savings at least in time for the second quarterly payment next year.

Mr. MUSKIE addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

First of all, may I say to the distinguished Senator from Massachusetts that I am not happy to be on the opposite side of this amendment. He and I have joined in tax reform efforts before on the floor with less success than we would have liked. Actually, with respect to some of the proposed tax reform proposals that I gather are going to be offered on the House side, I think he and I have supported some, if not all, of those on the Senate floor before.

So that on the substance of what the Senator from Massachusetts seeks to do, he would find the Senator from Maine most sympathetic and probably an associate at the right time.

I am going to oppose this amendment for reasons that have nothing to do with the substance of tax reform, which concerns Senator Kennedy.

The job of the Budget Committee is to present its best judgment to the Senate with respect to overall expenditures, with respect to overall revenues, and the deficit and how those figures relate to the requirements for Government services, and the state of the economy.

We are not a legislative committee, we do not write legislation of any kind. We are concerned only with the numbers that I have indicated.

One of our prime objectives this year has been to establish our credibility with respect to these numbers. We have challenged the administration on its numbers.

One notable demonstration of that was the administration's estimate of revenues from sales of Outer Continental Shelf leases. The administration earlier this year projected $8 billion which we concluded was completely unrealistic. In the first concurrent resolution we projected $4 billion, which also in our judgment was a high figure. The administration finally reduced its estimate to $6 billion this fall and we have held to our $4 billion figure, still conceding that even that may be too high.

We have done this, Mr. President, because for too long the public and the Congress and the administration itself, indeed many administrations, have been deluded by budget numbers that take the form of gimmicks, or ultraconservative estimates, or ultraoptimistic estimates, all designed to achieve a budget picture according to somebody's design.

We think it is our responsibility to be as realistic as we can presenting numbers.

With respect to revenues, the figure we have given to the Senate is our best judgment as to what can realistically be expected by way of revenues to offset outlays in this fiscal year.

May I say this about the Kennedy amendment: First of all, the goal it seeks to accomplish, tax reform, is a goal which the Budget Committee has taken into account in its resolution. But the latest revenue estimates of current reform legislation—to which we gave considerable attention—make clear that the $300.8 billion revenue floor recommended by the committee is the maximum amount of fiscal year 1976 revenues which reasonably can be expected to be collected in fiscal year 1976 even if, and I emphasize this, the five specific additional reforms that Senator Kennedy has in mind were enacted.

Let me spell this out in more detail.

The Budget Committee report says this about tax reform:

> The $300.8 billion revenue floor adopted by the Committee requires that any tax reductions in excess of $6.4 billion be offset with revenues from other sources. The Committee recommends that if any additional tax reductions are desired that they be offset with revenues from tax reforms.

The Budget Committee has also indicated its intent to deal forcefully with tax expenditures in the future. As stated in the report:

> The Committee believes the Congress should address the issue of major tax reform to promote prosperity and eliminate serious inequities. . . .
>
> Most tax expenditures are enacted for indefinite periods of time and resemble permanent authority for direct expenditures in that they continue in effect year after year at a substantial cost of budgetary resources until they are amended or terminated by specific legislation. Therefore, tax expenditures have important long-term impacts on the Federal budget which the Committee will take into account in future resolutions.

Our second resolution provides that anticipated revenues of $307.2 billion shall be reduced by $6.4 billion of tax cuts which otherwise would expire at the end of calendar 1975. This is the amount of cuts necessary to keep withholding rates constant through the end of fiscal year 1976.

However, the bill reported by the Ways and Means Committee already exceeds this $6.4 billion by approximately $300 million. The $300 million is comprised of approximately $100 million attributed to the net impact of the tax reform part of this bill, and approximately $200 million attributed to increased investment tax credits for the movie industry which Ways and Means has classified as part of the tax cut extension segment of the bill. As a result of this movie provision, the tax cut extension part of the Ways and Means bill is now estimated to cost $6.6 billion rather than the $6.4 billion provided for by both the House budget resolution and the resolution currently before this body.

The total cost is $6.7 billion when one takes into account the impact of a tax reform which reduces revenue rather than increases it.

Senator Kennedy's amendment to increase the revenue floor by $200 million is based upon the assumption that a $300 million increase in fiscal year 1976 revenues generated by a series of amendments to the Ways and Means bill would result in net additional revenues from that bill of $200 million. In fact, since the entire Ways and Means bill currently would lose $300 million, adoption of the Ways and Means bill with the amendments recommended by Senator Kennedy would raise no additional fiscal year 1976 revenues. Therefore, there is no realistic basis for increasing the budget resolution revenue floor to accommodate the anticipated revenue impact of the current Ways and Means bill amended by the reforms supported by Senator Kennedy.

To put it another way, the House Ways and Means Committee bill already contains within its four corners the kind of pressure that Senator Kennedy is trying to generate with this amendment.

Even more significant than the revenue impact of the current Ways and Means tax bill which is the focus of Senator Kennedy's amendment, the views of the Finance Committee must be taken into account in this budget resolution. The Finance Committee has indicated a desire to reduce fiscal year 1976 revenues in excess of the $6.4 billion tax cut contained in the resolution.

I am not trying to predict what the final decision of the committee will be. But definitely there is some desire in the committee to do that.

To the extent these tax cuts may exceed $300 million, tax reforms might be necessary under the budget resolution which would even exceed the amount recommended by Senator Kennedy.

May I make briefly two or three other points, Mr. President, and then I shall conclude my remarks and yield to the distinguished chairman of the Finance Committee.

This is a procedural point. If we were to raise the revenue floor as recommended by Senator Kennedy, that act could cause serious procedural difficulties for the important tax cut extension provisions.

If the tax cut extension legislation is separated from the tax reform provisions and taken up first by the Senate as will most likely happen, then it would reduce revenues to $300.8 billion or below the $301.0 billion floor which would be set under the Kennedy amendment. The tax cut bill thus would be subject to a point of order on the Senate floor.

One other consequence could be this: If we raise the revenue estimates, thus, in effect, as provided by the Kennedy amendment, reducing the projected deficit and if we do not enact the tax reform provisions into law, the only other place where pressure would be applied in order to meet the new deficit target would be outlays. It would then be incumbent upon the Budget Committees and the Senate to reduce outlays somewhere across the spectrum of the 17 functions in the budget by the $200 million necessary to hold the deficit down to that which is before the Senate at the present time.

Those are some of the considerations, Mr. President, unrelated to the merits of the tax reform proposals which Senator Kennedy supports, that motivated the Budget Committee's decision. We think the revenue numbers in this budget resolution are the most realistic we could contrive in trying to take into account all the considerations which I have spelled out this afternoon.

With that I reserve the remainder of my time and yield 15 minutes to Senator Long, the chairman of the Finance Committee.

Mr. Packwood assumed the chair at this point.

Mr. LONG. Mr. President, in my judgment we ought to make it against the law for anybody to call this bill a reform bill. A reform by definition means a change for the better or an improvement of something that exists. I do not know of any Senator or any Member of the House who ever introduced a bill who did not believe the country would be better off if we passed this bill.

I insisted that we take the word "reform" out of the title of the Trade Act last year, which was called the Trade Reform Act when it passed the House. Whether or not that is a good law or a bad law only time can tell. I can recall when President John F. Kennedy urged us to pass the investment tax credit. He was my dear friend and the brother of the sponsor of this amendment, a great Senator as well as the Senator who has offered the amendment.

From the point of view of one who does not favor the investment tax credit, like Senator Harry Byrd, Sr., at that time, that proposal was a loophole, just to give somebody a tax advantage for an expense that did not exist, a handout from the Treasury for an expense that one had not incurred at all. But, from the point of view of one who supported the credit, it was tax reform, because it was going to stimulate the economy. Some of us thought it overstimulated the economy, so we went down and recommended to the President that it be repealed. So we repealed it, and that was tax reform, when we closed the loophole. Then we went into a recession, and people thought the fact that we had repealed the tax credit caused people to cancel orders for new machinery. We put the credit back in the law, and called that tax reform. Then later, when the economy became overheated, we repealed it again, and still called it tax reform.

Mr. President, we ought to stop playing games with the American people, and start facing these things for what they are. What is a loophole? That is something that benefits the other guy. If it benefits you, it is tax reform.

Mr. President, in 1969 we had this same problem. The Senate Democratic Policy Committee met and passed a resolution, and I agreed to go along with it, saying that Congress should not go home before it had passed meaningful tax reform.

Well, we took that resolution to the Senate Finance Committee, and Senator Fannin asked me, "What do you mean by meaningful tax reform?"

I said, "It means anything that can muster 51 votes in the Senate."

Mr. President, here is the history of the so-called reforms. These are the structural changes in four major tax change bills. I have some small familiarity with them, having managed every last one of them on the Senate floor.

In 1964, in the name of tax reform, the House made structural changes that would have raised revenues $1.1 billion, and at the same time they made other structural changes that lost $500 million. Then the Senate proceeded to go on with this business of sharing the goodies with the people; and what did we do? We reduced the tax increase in the Senate down from $1.1 billion to $700 million, and we raised the revenue loss by providing more tax cuts to the extent of $800 million. So the total result of the Senate action and the House action was $700 million in tax losses, by the time the Senate got through adding on to what the House did.

In the so-called 1969 Tax Reform Act that I spoke of, by the time the House got through imposing tax increases on the corporations, the House picked up $4.2 billion. The Senate reduced that to $2.6 billion, a reduction of $1.6 billion.

In terms of doing these good little things to make everybody happy, giving tax cuts, the House had cut revenues by $1.9 billion. The Senate proceeded to cut them by $4 billion, so that the generosity of the Senate exceeded that of the House by $2.1 billion.

Then we take the 1971 Revenue Act. The provisions to reduce revenues in the House of Representatives lost $7.8 billion. The Senate, which is always more generous than the House, having a second shot at it—if the House wants to do some good, the Senate wants to do more good—proceeded to reduce revenues by $13.4 billion, $5.6 billion more than the House.

Let us take this last tax bill, the 1975 Tax Reduction Act. The President recommended a $16 billion tax cut. The House proposed $19.8 billion, but they reduced the depletion allowance for a $2.2 billion offset. In the Senate, we increased the proposed tax cut to $34.3 billion. Then the Senate, by virtue of a floor amendment by Senator HARTKE, actually picked up more revenue than the House bill did, because he wanted to tax the income of corporations doing business abroad, so we collected $3.7 billion. But the net effect of the Senate bill was a revenue loss of $13 billion more than the House bill.

Looking at the sum total on those four bills, the amount by which the Senate increased the revenue loss in those four measures was $23 billion. Mr. President, why do we not quit kidding the American people? Every so-called tax reform bill we have ever had yet has lost more revenue than it picked up.

If we are successful in enacting the kind of thing the Senator from Massachusetts would like to see enacted, that will be amended to carry provisions to help people and further reduce taxes for someone else, and wind up not picking up any money at all to speak of.

For example, the House Ways and Means Committee has been criticized already for the fact that they have not recommended something the Senate voted for by a 3-to-1 margin, to say that the poor would have the benefit of a tax credit, to try to make work more attractive than welfare for the working poor. The total annual cost of the provision we passed this year is estimated to be about $1.7 billion.

Mr. President, that one provision, and it is a good one, would consume all of the so-called tax increases in the way of reform for which the Senator has spoken, and then $100 million on top of that. If we are able to find the money to fund it, we are going to continue the low-income tax credit or work bonus, as some of us have been known to call that proposal. We would like to do some other things to provide tax reductions for people who are having a very difficult time paying all the taxes levied against them, principally the people in the low- and middle-income brackets.

Every time you hear about tax reform, the whole bid to get Senators to vote for the bill is that if they do this, they will be able to get everyone who deserves it a tax reduction. That is why the matter has so much appeal. When they talk about tax reform, it means:

> Don't tax you, don't tax me,
> Tax the fellow behind the tree.

If we are able to raise some money, as one member of the Finance Committee, and as the chairman of the committee, I am proud to say, I will suggest that whatever we raise in revenue, we think of that in terms of using it to finance low-income tax credits, something to help the poor.

I do not believe the Ways and Means bill provides a 1-percent tax credit for corporations that have an employee stock ownership plan, either. That is something else that I would like to see a part of any structural change or so-called tax reform bill.

So, Mr. President, it is totally unrealistic to say we are going to make $1.6 billion on tax reform. If we do it, fine; but it is not going to happen. Our whole history shows it does not happen, and we should not mislead anyone into thinking we can do that.

Originally, the House voted earlier this year to pick up $3 billion with their tax reform. The Ways and Means Committee bill would take in about $700 million, though not until the next fiscal year. Another $900 million of tax increases was rejected by the Ways and Means Committee though amendments will be offered in the House. The pending amendment assumes we will put that $900 million back in, or the House will.

Mr. President, we should not count our chickens before they are hatched. We ought to proceed with the revenues that we can see, and we should not go off under the expectation that we are going to vote to pass some bill here whereby we raise taxes on corporations and well-to-do individuals by $1.6 billion and yet do not, at the same time, reduce taxes for the many people in this country who are being overtaxed the way it is now.

The whole thought of tax reform has to do with tightening up on the loose ends and loosening up on the tight ends. The unfortunate thing about this amendment is it refers only to the part where we are tightening up on the loose ends; it does not refer at all to the point of loosening up the tight ends. But that part will necessarily be a part of any tax proposal.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, I have some comments that I wish to make in response. I understand we have an extensive time agreement, an hour on each side. What I wish to do, if it is agreeable with the manager of the bill, is to put in a live quorum and then have 10 minutes of debate on each side and vote shortly after that. I will be glad to debate the issue for whatever might be a reasonable time after others have spoken. I am not interested in delaying the Senate from expressing its will, but I wish to draw the attention of the Members of the Senate to the amendment, particularly since we have been preoccupied earlier with the CIA report today.

Mr. MUSKIE. That is agreeable to me. I want to be sure that I accommodate everyone who wishes to speak.

Mr. KENNEDY. Fine.

Mr. MUSKIE. Does the Senator wish to use a little more time?

Mr. KENNEDY. When the Senator is ready to make such an arrangement, I would be glad to work something out with the Senator.

Mr. CURTIS addressed the Chair.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield 5 minutes to the distinguished Senator from Nebraska.

Mr. BUCKLEY. The Senator from Kansas (Mr. DOLE) does intend to address himself to this. I do not want his time cut.

Mr. MUSKIE. Then I yield 5 minutes to Mr. CURTIS first. Is that agreeable to the Senator from New York?

Mr. BUCKLEY. Yes.

Mr. MUSKIE. I yield 5 minutes to the distinguished Senator from Nebraska.

Mr. CURTIS. Mr. President, I rise in opposition to the pending amendment. As pointed out by the distinguished chairman of the Committee on Finance, the history of tax reform legislation is that it lessens the revenue. Every time Congress starts out with high hopes that by tax reform they will increase some revenue that is not the case. It was not the case in 1964. It was not the case of the 1969 Tax Reform Act, the 1971 Revenue Act, or the 1975 Revenue Act.

Any reliance that the revenue would increase in the hope of tax reform is very unrealistic. In this particular case it is quite unrealistic.

I hold in my hand H.R. 10612, which has been reported by the Committee on Ways and Means of the House of Representatives. It contains 674 pages. This does not include five amendments that we understand will be offered on the House floor. What will happen to them no one knows.

If the bill comes over to the Senate, it has a long way to go. The very volume of the work here means that no thorough and conscientious person can do too much but hurried work on it. So it is not going to bring in any revenue in this fiscal year, even if we are to assume that tax reform would add to the revenue. When it comes to the Senate floor, there no doubt will be all manner of amendments offered that will diminish revenue. So there is a danger that we would follow the same pattern that we have in the last four tax bills and that is reducing the revenue. As a matter of fact, Mr. President, a big portion of the deficit that we are now wrestling with was caused by the fact that Congress has repeatedly reduced taxes at a time when there was not enough revenue to pay for the expenditures.

It is all done with high motives. The last four Presidents have recommended tax reduction. They have been told by their advisers, "Reduce a little bit right now, it will spur the economy, and then we will have a greater national income and more taxes." It sounds good. But that play has been worked so long that the public has lost confidence in any spurt to the economy, because they are concerned about the ever-increasing deficit.

But that is not the issue here, whether we shall have tax reduction or not. The issue is can we realistically depend upon increased revenue from tax reform in this fiscal year? The answer is so obvious. It is, no. Therefore, we cannot do the right kind of job and budgeting if we take a contrary view.

Mr. President, as the ranking minority member of the Committee on Finance, I oppose the pending amendment and urge its rejection. The amendment is both unrealistic and dangerous as a matter of principle.

As a practical matter, the amendment is totally unrealistic. The pending amendment in effect assumes that the so-called tax reform bill reported by the Ways and Means Committee will be passed by the House after the adoption of five amendments on the House floor and that the bill will then be passed promptly by the Senate and signed by the President.

How the Senate can make such an assumption is simply impossible for me to understand. The bill now before the House is controversial to say the least. It was approved by the Ways and Means Committee by a narrow three-vote margin. I think it is fair to say that the House itself might not even pass the bill and send it to the Senate. Moreover, the five amendments which the pending amendment assumes will be adopted were rejected by the Ways and Means Committee. How can we blithely assume that these rejected proposals will now be approved by a majority of the House, much less by the Senate?

Our Budget Committee properly rejected the inclusion of anticipated receipts from the possible enactment of so-called tax reform as unrealistic. That sound judgment should be supported by all Senators.

This amendment should also be rejected on grounds of principle. The amendment in effect asks the Senate to accept sight unseen a $1.6 billion tax increase in the name of putting the Senate on record as favoring "tax reform." No hearings on these proposals have been held by the Committee on Finance, and this amendment in effect tells the affected taxpayers that the Senate of the United States is prepared to take final action without giving them a hearing. This amendment also tells the Committee on Finance itself that the Senate now has little interest in the committee's judgment on important matters of Federal taxation. As the committee's ranking minority member, I cannot stand idly by in the face of this attempt to circumvent our committee.

We have heard much about the importance of our new congressional budget process and I am hopeful that it will ultimately help restore fiscal responsibility as a fundamental principle of government. I respect the Budget Committee's jurisdiction even though at times I disagree with its judgments on the proper levels of Federal spending. But I also respect the jurisdiction of the Committee on Finance to assist the Senate by first ascertaining all the facts, evaluating competing tax proposals, and presenting its best judgment to the Senate.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. CURTIS. Mr. President, will the Senator from Maine yield me 1 additional minute?

Mr. MUSKIE. Yes.

Mr. CURTIS. Under the leadership of our distinguished chairman, the committee has performed its duties in a timely and responsible manner. I see no reason why we should now preempt the Committee on Finance from the proper exercise of its jurisdiction.

For these reasons, Mr. President, I join with our able and dedicated chairman in urging that the pending amendment be rejected.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield to my chairman.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. I yield 2 minutes to the Senator.

Mr. LONG. Mr. President, as the Senator knows, while the Kennedy amendment does not specifically say it, the effect of it is to put the Senate on record in favor of passing this 674-page monstrosity that I hold in my hand, along with $900 million of other specified tax increases to be levied on business.

Is there any possibility that we can put this $1.6 billion of taxes on the business people of this country without further worsening the recession in this country?

For example, the real estate people now are all losing money. I do not know of any real estate person who is not losing money. Many of them are going bankrupt. Yes, this bill proceeds on the assumption that just by chance if somebody does make a buck, they want to make sure they can tax him at 70 percent. Does not that type thing tend to discourage people from building new homes, from building office buildings, from going into development?

Mr. CURTIS. Yes, I believe that the adoption of this amendment, putting the Senate on record with respect to imposing these taxes, would be very depressing on our economy. Perhaps some should be imposed. But the people are entitled to their day in court; and if it goes out to the country that the Senate acts without giving them their day in court, businessmen and others are not going to proceed to invest.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. RIBICOFF. Mr. President, will the Senator yield to me?

Mr. MUSKIE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 27 minutes remaining.

Mr. MUSKIE. I yield 2 minutes to the Senator.

Mr. RIBICOFF. Mr. President, I support the position of the chairman of the Committee on Finance and the ranking minority member and oppose the amendment of the Senator from Massachusetts.

I say candidly that the Senator from Massachusetts and I probably agree completely on what loopholes should be closed and what tax reforms we should support. Yet, in all fairness, when we are talking about tax reforms and a tax bill, how we possibly could write tax legislation on the floor with the Kennedy amendment is beyond reality. Three years have been spent on the tax bill by the House, and the Senate certainly is going to have to spend a substantial amount of time in hearings, in markups, in executive session. At that time, there will be an opportunity to determine what we should and should not do, taking into account what tax breaks we give to some people and what tax penalties we might impose on others.

Consequently, I do not see how the Senate today, in this measure, can impose a $1.5 billion tax proposal upon the people of this country.

I will vote against the Kennedy amendment.

Mr. BELLMON. Mr. President, I yield 1 minute on the resolution to the distinguished Senator from Texas.

UNANIMOUS-CONSENT REQUEST TO REMOVE THE INJUNCTION OF SECRECY FROM THE CLOSED SESSION OF THE SENATE

Mr. TOWER. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from the closed session of the Senate of this morning.

Mr. MANSFIELD. Mr. President, I object. I do so only because I think more Senators should be in the Chamber who are aware of what went on at that meeting.

Mr. TOWER. Mr. President, I wonder what we have to hide.

Mr. MANSFIELD. Nothing. It is a procedural matter.

Mr. TOWER. At this moment, the report is being released, without the approval of the Senate. I think we should remove the injunction of secrecy from this morning's session.

Mr. MANSFIELD. It will be given consideration, but I think the Senate should have more notice than this.

CONGRESSIONAL BUDGET FOR U.S. GOVERNMENT, 1976

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 76) revising the congressional budget for the U.S. Government for the fiscal year 1976, directing certain reconciliation action, and providing for the transition quarter.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, if it is agreeable to the floor manager of the bill, I ask for a live quorum, on my time, with the intention of taking perhaps 10 minutes at the end, when we have a quorum, and yielding back the remainder of my time. I hope the floor manager will do the same, so that we can get to a vote on this matter.

Mr. MUSKIE. I have no objection to that.

Mr. KENNEDY. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 52 minutes.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum, and I give notice to the Members that it will be a live quorum.

Mr. MUSKIE. I say to the Senator that I have 20 minutes.

The PRESIDING OFFICER. The Senator has 25 minutes.

Mr. MUSKIE. Of which I have promised 10 minutes to Senator Dole. I have been waiting for him to come to the Chamber. When he has used his time, we can enter into the agreement that the Senator has requested.

Mr. KENNEDY. Does the Senator just want to have a routine quorum call until Mr. Dole arrives in the Chamber, and then we can proceed as I have outlined?

Mr. MUSKIE. Yes.

I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. KENNEDY. On my time, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that I be given an additional 25 minutes, for the reason that I used about that much in yielding to Senators in connection with the Church committee meeting this morning, and that of that 25 minutes, 12 minutes be yielded to the distinguished Senator from Virginia (Mr. Harry F. Byrd, Jr.), 10 minutes to Senator Chiles, and 3 minutes to Senator Stone.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MUSKIE. Mr. President, I yield 10 minutes on the amendment to Senator Dole.

Mr. DOLE. Mr. President, I am opposed to the amendment offered by the Senator from Massachusetts.

In apparent anticipation of enactment of tax reform the amendment would raise the committee's recommended revenue target by $200 million and lower the deficit figure by the same amount.

The Senator from Kansas strongly favors reducing budget deficits, whenever possible and prudent. I favor meaningful tax reform as well. But I also believe these objectives must be pursued in an orderly and deliberate fashion, and that the budget resolution must establish realistic targets.

As a member of the Finance Committee, I have observed with great interest and anticipation the tax reform measures that have been shaped by the House Ways and Means Committee. I am aware of and appreciate the serious efforts of that committee.

But it is not yet clear what tax reform measures, if any, will be approved by the House and sent to the Senate. In any case, the bill approved by the House will not come to the Senate in time to allow for hearings and for thorough and fair consideration of whatever tax reform measures are contained in that bill. The enactment of revenue producing tax reform this year is therefore highly unlikely if not impossible.

In fact, it is impossible, and I am certain that has been stated previously on the floor. I regret that the Senator from Kansas was absent because of food stamp hearings.

The Committee on the Budget is seriously concerned about the magnitude, effectiveness, and equity of existing tax expenditures. Senator Beall has already expressed some of these concerns in his statements in support of the resolution.

The Budget Committee was hopeful that significant, revenue-producing tax reform that addresses this issue could be enacted this year. An allowance for $1 billion of added revenue was made in the first concurrent resolution. But, as the year progressed and the fiscal year began, this estimate has been gradually revised downward. For the reasons stated above, that estimate is now zero. This is reflected in the revenue target of $300.8 billion recommended by the Committee on the Budget.

The amendment to allow for $200 million in tax reform revenues and to revise the revenue target accordingly is apparently offered in order to "keep the pressure on" and to express Senate sentiment in favor of tax reform. As I have indicated, I do not think it is prudent at this late date to try to force tax reform in this way. Nor would it be effective. The most likely result of adopting this amendment would be to force a reconciliation as actual tax revenues fall short of the binding target. In the opinion of this Senator, no useful purpose would be served by this.

Failure to allow for tax reform in our revenue target does not put the Senate on record against such measures. Nor does it prevent tax reform. The revenue target puts a binding minimum on tax revenues. If by some turn of events, revenue-producing reform is enacted in time to affect fiscal year 1976, the result would be to bring in revenues over the target. The binding targets established in this second concurrent resolution in no way preclude this possibility.

I would note that the revenue target recommended in the committee report does reflect an extension of this year's temporary tax reduction. This reflects the committee's assessment at this time of the fiscal policy needed to support continued strong economic recovery.

For these reasons, Mr. President, I support the revenue target reported by the committee and strongly oppose the amendment before us that would change that target.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, if I may, to the Senator from Massachusetts, I suggest we have a quorum to work out the arrangement that he suggested earlier.

Mr. KENNEDY. I think that would be the best way to proceed, Mr. President. Therefore, I suggest the absence of a quorum on my time.

Mr. LONG. If the Senator will withhold, may I ask, before this is done, if we can have an understanding that those of us who oppose the amendment will have equal time with those who support it?

Mr. MUSKIE. Yes.

Mr. KENNEDY. Yes.

Mr. LONG. For example, I do not know precisely what the Senator is going to say, but I am confident I will not agree with him.

Mr. KENNEDY. My point, I say to both the chairman of the Committee on Finance and the Senator from Maine, is that we should have a live quorum, and then have a short time before the vote, so that Members will stay around. That is the purpose. If the time is too long after the quorum, it really does not achieve that purpose. So I thought if we had 10 minutes to a side on it, we can probably hold the attendance.

Mr. MUSKIE. If that is the agreement, I can let the Senator from Louisiana have 7 minutes of the 10. I think his is a more complicated part of the argument than mine.

Mr. LONG. Fine.

QUORUM CALL

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum on my time.

I withhold that for a moment.

Mr. President, I ask unanimous consent that when a quorum is achieved, the time remaining on the amendment be 20 minutes, evenly divided between the Senator from Maine and the Senator from Massachusetts.

Mr. MUSKIE. That is agreeable to the Senator from Maine.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 84 Leg.]

Bellmon
Buckley
Burdick
Byrd,
  Harry F., Jr.
Chiles
Culver
Curtis
Dole
Domenici
Fannin
Fong
Ford
Garn
Griffin
Haskell
Hatfield
Jackson
Johnston
Kennedy
Long
Mansfield
McClellan
McClure
McGee
McIntyre
Metcalf
Moss
Muskie
Pastore
Ribicoff
Sparkman
Stafford
Stone
Symington
Talmadge
Tower

The PRESIDING OFFICER. A quorum is not present.

Mr. KENNEDY. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER (Mr. DOMENICI). The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Allen
Baker
Bartlett
Beall
Bentsen
Biden
Brock
Bumpers
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Durkin
Eagleton
Eastland
Glenn
Goldwater
Gravel
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Javits
Leahy
Magnuson
Mathias
McGovern
Mondale
Montoya
Morgan
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stennis
Stevens
Stevenson
Taft
Thurmond
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE), and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

Who yields time?

Mr. KENNEDY. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I would like to take this time to explain very briefly what the amendment does and why I think it deserves the support of the Senate on the resolution that is before us this afternoon.

What the amendment does is to provide for a reduction in tax expenditures of $200 million in fiscal year 1976, and $100 million in the transition quarter before we go to our new fiscal year basis.

The practical impact of that, Mr. President, is to provide a commitment by the Senate to a tax reform program of $1.5 billion next year.

The chairman of the Budget Committee and the members of the Finance Committee doubt whether this commitment is proper on the budget resolution. Let me just point out to the Members of the Senate that when they voted last May for the conference report on the first budget resolution, by 69 votes to 22 votes, there was a provision in the resolution for $1 billion of tax reform. As the first budget resolution came over from the House of Representatives, it provided a commitment of $3 billion. It came out of conference with a provision of $1 billion in tax reform, and it was accepted by 69 Members of the Senate to 22 in the negative.

This fall, the House Budget Committee again has committed itself to $1 billion in tax reform, but we do not have any similar provision in the Senate budget resolution which is before us.

The effect of my amendment is to say that the Senate is going to go on record for $1.5 billion in tax reform, or $1.5 billion less in tax expenditures.

The Budget Committee has done a superb job in reviewing the allocation of appropriations and direct expenditures. But they have not addressed themselves at all to the issue of tax expenditures. Yet, in fiscal 1976, total Federal spending consists of $375 billion in direct expenditures and another $603 billion in tax expenditures. To be worth its salt, budget reform has to deal with both expenditures. We cannot focus narrowly on direct expenditures and ignore tax expenditures.

What have we seen over the period of the last 3 years? Enormous inflation in tax expenditures. Tax expenditures have increased from $82 billion in 1974, to $89 billion in 1975, to $103 billion in 1976.

The President often talks about his opposition to increased Federal spending. But he never talks about the part of Federal spending that takes place through tax expenditures. Direct Federal spending in the past decade has risen 130 percent. But in the same period, Federal tax expenditures have gone up by 180 percent. If we are concerned that direct spending is out of control, we have to be even more concerned about tax expenditures.

All we are asking in this amendment is to say that, with tax expenditures at $103 billion for fiscal 1976, we are going to reduce them by $1.5 billion.

I ask, why are we so reluctant to take a position on the issue of tax reform? I have listened with some amusement and good cheer to my friend from Louisiana, holding up a 700-page House bill and saying, "If you vote for KENNEDY'S amendment you are voting for that."

Hogwash. You are not. This amendment binds no one to any particular bill or to any particular tax reform. All it asks is that we commit ourselves to a target of $1.5 billion in tax reform next year.

We could meet that target in a variety of ways. It is a conservative target for anyone who is serious about tax reform. It might be the minimum tax, which a majority of the Members of the Senate have voted for. It might be the elimination of DISC. It might be reaching into the tax shelters. All we have to do is cut tax expenditures by $1.5 billion. That is the practical effect of this amendment.

The House Budget Committee and the full House have already gone on record for much more substantial tax reform—much more than I am requesting in the Senate. The House figure asks $1 billion in fiscal 1976. My amendment asks only $200 million, in recognition of the fact the reforms we enact now will have a relatively small impact in fiscal 1976.

Mr. President, I do not want to take much more time, but I would like to point out briefly some of the areas of need in tax reform. We should not really have to debate that, although the issue has been raised by the chairman of the Finance Committee.

We all know and have read in the newspapers about the thousands of Americans with large incomes who pay no taxes. We know about the corporations that pay no taxes. Of those individuals who made over $1 million last year, seven of them paid no tax at all. Of those with over $500,000 in income, 22 paid no tax at all. Of those with over $200,000, 164 paid none at all. Of those with over $100,000, 622 paid no tax at all.

We just cannot get around the fact that when we have a tax code with these kinds of loopholes, it is generally the working people who pay the difference. Their taxes are too high because others pay too little. They do not have the opportunity to take advantage of these various special provisions and preferences in order to reduce their tax burden.

For all these $103 billion in tax expenditures, it is the working people who do not have the opportunity to use them, but who end up paying for them in higher taxes of their own.

So I would hope, Mr. President, that the Senate of the United States could make a commitment in the area of tax reform as part of the budget resolution. I think we ought to be willing to express our position as an institution that tax reform is important to the Senate.

If we are going to suggest to the various committees that we reduce spending by so much on defense, so much on health, so much on housing, so much on education and other budget cuts this year, we ought to be able to say also, "Yes, and we are going to commit ourselves to $1.5 billion in cuts in tax expenditures this year."

I reserve the remainder of my time.

Mr. MUSKIE. I yield to the Senator from Nebraska for a unanimous-consent request.

PRIVILEGE OF THE FLOOR

Mr. CURTIS. Mr. President, I ask unanimous consent that Tom Cantrell be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. I yield 7 minutes to the distinguished Senator from Louisiana.

Mr. LONG. Mr. President, what we have usually referred to as tax reform is in a bill where we seek to tighten up the loose ends and loosen up on the tight ends, where we try to raise more money by putting taxes on someone we think should pay more, and give tax breaks to someone we think is paying too much. I have supported measures of that sort before, and we called them tax reform bills.

I say to the Senator, if that is his concept of tax reform, this amendment would prevent us from doing that. If we do what the Senator wants to do, pass this 674-page bill the House has been working on to raise $700 million——

Mr. KENNEDY. Mr. President, will the Senator yield on my time, just to make a point?

Mr. LONG. Hold on just a minute. And then do what the Senator said in his previous speech, to put an additional $900 million of taxes on the people of this country and call it tax reform, in that you are taxing people that you think are getting a break today, this amendment would foreclose us from giving a tax cut to the poor with those revenues. If we are able to raise $1.7 billion, I would like to continue the low income tax credit the working poor are getting right now, something to make work effort more attractive than welfare. There are a lot of other suggestions people might have, where one would say, "Well, here is something that might be a good idea for the poor souls who are paying too much right now; we ought to give them a break."

We could not do that with this amendment. Does the Senator wish me to yield at this point?

Mr. KENNEDY. The point is that there is nothing in my amendment that says we have to accept the House legislation.

Mr. LONG. No, but——

Mr. KENNEDY. And so when the Senator misstates what I have said, and then disagrees with it, I take some umbrage at that.

Mr. LONG. Senator, if you will read the speech you made night before last, you will find it right here. This is what I am talking about. I am talking about this House bill, plus the things that the Ways and Means Committee first agreed to and later on rejected.

Mr. KENNEDY. The House bill is just an example. It shows how we can raise $1.5 billion in tax reforms, but my amendment does not bind us to that bill or formula. We can do it any way we choose. The point is, we ought to do it.

Mr. LONG. I do not yield on my time at this point, Mr. President.

This amendment would have the effect of subjecting to a point of order any amendment that would permit us to give the poor in this country a tax break.

For example, the Ways and Means bill would put a big tax on anyone who owns a big home, by limiting the deduction on interest to $12,000. Here are the real estate people, every one of them I know is going broke, but just in case some poor soul does make a profit down there in Florida, where they have all these empty subdivisions and all those half-completed houses rotting out in the rain, in case some poor soul does make a profit, they want to tax him 70 percent as ordinary income.

Having done all that, without one moment's hearing or any consideration at all, the Senate would then be foreclosed to proceed to spend that money in ways we think would be equitable, in terms of those we think are paying altogether too much.

I, for one, want to see us continue some of the considerations we gave the taxpayers last time. But the record, overall, of these tax reform bills, has been that every tax reform we have passed, and I managed every one of those, starting in 1964, 1969, 1971, and 1975, every one of them lost a great deal more revenue than they picked up, because all the tax reform people always love to vote to give some poor soul a tax cut, and if they are like me, they do not like to put any more taxes on anyone. So I think tax reform bills, in general, turn out to be losers rather than gainers. So if you want to reform taxes, you ought to amend the budget resolution to reduce revenues, rather than increase them.

What does tax reform mean to people? It means "tax everybody else, and reduce my taxes." Tax reform means:

> Don't tax you, don't tax me.
> Tax the fellow behind the tree.

Mr. President, I would say we would have the most disappointed Americans in all 50 States if we were to tell them we voted for tax reform, but they did not get a tax cut themselves. To them it would not be tax reform.

We can vote on all these tax measures when we have a tax bill before the Senate, even this 674-page monstrosity. The Senator can offer all his amendments on a revenue bill when that comes before the Senate. But I would submit, Mr. President, that we should not play games with the American people.

The Budget Committee has heard the bulk of the arguments and voted not to deceive the American people about this, and I do not think we should.

Mr. MUSKIE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. KENNEDY. Does the Senator want me to use a couple of minutes to respond at this point?

Mr. MUSKIE. Yes.

Mr. KENNEDY. Mr. President, I want to point out the exact language in the budget resolution, on the conference report that the Senator from Louisiana voted for. This is what it says:

> Accepts the House position with respect to raising additional revenues through enactment of tax reform legislation, but reduces from $3 billion to $1 billion the amount to be realized in fiscal year 1976.

That is in the conference report on the first budget resolution, and the Senator from Louisiana voted for it. He was not here crying crocodile tears about the work bonus at that time. I did not hear the Senator talk about that program then.

Mr. LONG. Mr. President, will the Senator yield?

Mr. KENNEDY. I will not yield on my time.

The Senator voted for that conference report last May—$1 billion in tax reform in 1976. All this amendment is trying to say is, we are going to put in the realistic figure of $200 million in place of the $1 billion. That is a simple matter.

The Budget Committee did not think it was a wild idea last May to recommend that we commit ourselves to $1 billion in tax reforms in fiscal 1976.

I withhold the remainder of my time.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. MUSKIE. Mr. President, I yield the Senator 1 minute. I have only 3.

Mr. LONG. Mr. President, what the Senator is talking about has to do with the House voting earlier this year that they put $3 billion in their budget resolution for tax reform. But the Ways and Means Committee bill itself will only raise $700 million, and they still have not passed that bill.

All I am saying, Mr. President, is that the Senate Budget Committee said to put zero in the budget resolution for tax reform, because you cannot rely on additional revenues from that source; if the Senate passes tax increases fine, but you cannot rely upon it, and if you vote a tax increase, how do you avoid also putting in a tax cut for the poor?

Mr. MONDALE. Mr. President, it is with regret that I rise to join the distinguished chairman of the Senate Budget Committee (Mr. MUSKIE) in opposition to the amendment offered by the distinguished Senator from Massachusetts (Mr. KENNEDY).

Although I hope for prompt enactment of a substantial tax reform package, the plain fact is that it is too late in the present session of Congress and too late in the fiscal year for the pending amendment to help.

Five facts must be borne in mind.

First, that in order to obtain $200 million in fiscal year 1976—which ends June 30, 1976—tax reforms totalling $2 billion on a calendar year basis must be enacted.

Second, that the tax "reforms" contained in the Tax Reform Act now before the House of Representatives actually lose $100 million in revenues in fiscal year 1976. These losses are not allowed under the pending budget resolution.

Third, that while the pending budget resolution contains an allowance of $6.4 billion to extend the Tax Reduction Act enacted last February and keep withholding rates for most Americans from rising on January 1, the tax bill now before the House of Representatives exceeds this allowance by $200 million in addition to the $100 million in "negative tax reforms." Under the pending resolution, these excesses must be eliminated, or balanced by further revenue-raising amendments.

Fourth, that under the Constitution, revenue measures must originate in the House of Representatives. Unfortunately, the House has not yet sent us its tax reform bill, and will not do so until the first week in December, at the earliest. And I for one believe that time must be allowed for careful examination of the House passed legislation.

Fifth, that if reforms cannot be achieved in the waning days of the present session, as seems likely, enactment of the pending amendment would give rise to a point of order against an extension of existing personal tax withholding rates.

In the last analysis, I do not believe that this would serve the interests of the American people, of thoughtful tax reform, or of the infant budget process.

Mr. MUSKIE. And I will refer to this statement, which really summarizes my argument.

The Senator from Louisiana has identified the issue with which the Budget Committee was concerned. It was our job to establish the credibility of additional revenues from tax reforms that would be produced and generated in fiscal year 1976 to offset the expenditures which we recommend in this second budget resolution.

This is not last May. This is late November. The prospects in late November are not as good as they were last May, and Senators can judge for themselves, having heard from the chairman of the Finance Committee, what the prospects are of getting $200 million from this source.

If we do not realize that $200 million, then the tax cut bill will be subject to a point of order, if the Kennedy amendment is adopted, and we would be in quite a lot of trouble.

Second, if the tax cut bill were not subject to a point of order, the outlay expenditures may be subject to a point of order if we do not have the revenues at that point to hold to the deficit target which the Kennedy amendment would propose.

So what our concern is, Mr. President, is that we present responsible numbers to the Senate reflecting the realities as we understand them and we receive inputs from every committee of the Senate, including the Finance Committee, and we make our judgments based on those inputs. The figures we have given are the honest figures in our judgment, and on that basis we ask Senators' support.

Mr. HOLLINGS. Let us vote.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. KENNEDY. I yield myself the remaining time.

Mr. President, we have heard doubts here about whether we can rely at all on the Senate to vote for any tax reform.

We voted on an important tax reform earlier this year, in the area of the oil depletion allowance. The Members of the Senate dealt effectively with one of the most emotional and important issues of tax reform. So the Senate has been prepared to act in the past on tax reform.

Finally, Mr. President, we debated here on the floor of the U.S. Senate for days and days about cutting $7 billion from the defense budget. I voted for those cuts. We were prepared to vote a $7 billion reduction in defense spending, out of a $100 billion defense budget.

Now, I ask what shall we do with the tax expenditure budget of $103 billion? The Budget Committee says, do nothing. In this amendment I ask the Senate to go on record in favor of a reduction of $1.5 billion—only a $1.5 billion cut in a $103 billion budget, when we have just finished cutting $7 billion from a $100 billion defense budget.

Why are we so reluctant to deal with tax spending when we were prepared to cut out $7 billion in the area of national defense? Now we have $103 billion in terms of tax expenditures. Are we going to say to the American people—when we have companies and corporations that have gone down to the Bahamas and charged off those vacations as business expenses, when we have countless other unjustifiable loopholes ad pretenses in the tax laws—are we going to say there shall be no cuts at all in tax spending, when we are cutting every other spending program to the bone? Is the Senate of the United States in 1976 going to refuse to cut $1.5 billion from our wildly initiated tax spending? That I think is the issue which is before us Mr. President.

The House has acted on this issue. The House has made a commitment to a cut in tax expenditures, and the Senate should do the same.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KENNEDY. Mr. President, I ask unanimous consent to print in the RECORD a letter from Common Cause in support of this amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMON CAUSE,
Washington, D.C., November 20, 1975.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Russell Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: Common Cause believes that fiscal responsibility requires a Senate commitment to a $1.5 billion reduction in the estimated $103 billion of federal tax spending in 1976. This goal can be easily attained by enactment of a reasonable tax reform bill this year that would be a responsible and realistic step toward greater fairness and equity in the tax laws.

At a time when Congress is moving to impose strict budget controls on direct federal spending, it must also give the same close scrutiny to federal tax expenditures. Therefore, Common Cause supports your amendment to the Senate Second Concurrent Budget Resolution and urges its approval.

Sincerely,

JACK MOSKOWITZ.

The PRESIDING OFFICER. The Senator from Maine has 1 minute remaining.

Mr. LONG addressed the Chair.

Mr. MUSKIE. I will give the Senator 30 seconds. He may have the full minute.

Mr. LONG. Mr. President, this amendment would prevent the Senate from reducing taxes for anyone while we are raising taxes on others. This amendment would preclude that and make it subject to a point of order. If we were not able to pass that bill or if the President vetoed it and we could not override it, it would then make our appropriations, that we count on making under this bill, all subject to a point of order in both Houses. That is why it should be voted down.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, may I say that the tax expenditure problem that Senator KENNEDY has described is a real one. The Budget Committee has a recommendation to deal with it. But we cannot in the 10 working days that we have remaining before the target date for recess put a tax reform package together which will realize the kind of revenues that we will need in fiscal 1976 to support this resolution, and that resolution, not a tax bill, is our responsibility today.

ADDITIONAL STATEMENTS SUBMITTED ON MR. KENNEDY'S AMENDMENT

Mr. CRANSTON. Mr. President, I intend to vote against the Kennedy amendment.

In doing so, however, I want to commend the Senator from Massachusetts for his intent, which I share, to achieve meaningful tax reform.

I simply do not believe that such action is likely to be accomplished within sufficient time to have a meaningful impact on fiscal 1976 revenues, before the fiscal year expires on June 30, 1976.

Because of the potential effect that raising revenue floors would have in threatening passage of the extension of the tax cut, I must oppose the amendment.

Mr. MOSS. Mr. President, I strongly favor tax reform.

My statement before this body yesterday addressed the need for extension of the 1975 tax cut. An increase in taxes would mean a failure to achieve the goal of reducing unemployment.

Extension of the tax cut is also necessary to increase the income people have to spend and to offset the loss of consumer purchasing power. A tax cut would also encourage investment so that we could increase industrial capacity, raise productivity, and begin to provide goods at lower prices.

The second resolution recommends and assumes extension of the 1975 tax cut in fiscal 1976 in a manner that does not raise withholding rates next January. Maintenance of withholding rates at current levels requires that an additional $2 billion tax reduction be provided because the 1975 tax cut was applied over 8 months. The resolution includes the additional reduction.

I support tax reform, but regrettably I must oppose this particular amendment because:

The second resolution already contemplates as much or more tax reform as that recommended by this amendment.

The tax cut bill reported by the House Ways and Means Committee already exceeds the $6.4 billion tax cut assumed in our resolution by about $300 million. Hence, adoption of this amendment would raise no net additional revenue in fiscal year 1976 over what is contained in this resolution.

Tax reforms generally are prospective in effect, and thus payment of additional taxes required under the reforms for calendar year 1976 would not be paid generally until 1976 tax returns were filed long after the close of fiscal year 1976.

The committee believes Congress should address the issue of major tax reform to promote prosperity and eliminate serious inequities. However, it does not believe at this late date that reforms could be adopted in time to generate the additional revenues this amendment contemplates in fiscal 1976.

We have worked hard to provide accurate and realistic estimates so that this budget resolution is meaningful to the Government who must implement it and to the people who look to it in so many ways for fulfillment of their hopes and aspirations. To assume a higher amount of revenues from tax reform in fiscal year 1976 is, in my view, illusory.

I urge that we work assiduously to insure realization of the revenues we have included in this budget from the tax bill and that we continue our efforts to obtain early tax reform.

Mr. KENNEDY. I would just like to clarify one point with the distinguished Senator from Missouri. It is his understanding, is it not, that the bill does not affect the existing law which provides for the continued independence of the title VII, nutrition for the elderly programs. Under existing law, the level of coordination and consultation with area agencies on aging is a mutual decision, requiring the assent of both the nutrition programs and the area agencies. Is that the Senator's understanding?

Mr. EAGLETON. The Senator is correct.

Mr. KENNEDY. Also, it would be contrary to our intent for the State or national offices on aging to require as a condition of a grant or a grant renewal that a title VII program, which otherwise is conducting a good nutrition program, any level of coordination beyond that which is worked out with the mutual consent of both the nutrition program and the area agency on aging.

Mr. EAGLETON. The Senator is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE), and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

The result was announced—yeas 21, nays 76, as follows:

[Rollcall Vote No. 525 Leg.]

YEAS—21

Abourezk
Biden
Clark
Culver
Durkin
Eagleton
Hart, Philip A.
Hatfield
Hathaway
Huddleston
Jackson
Kennedy
McGee
McGovern
Pastore
Pell
Proxmire
Stone
Symington
Tunney
Williams

NAYS—76

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hartke
Haskell
Helms
Hollings
Hruska
Humphrey
Inouye
Javits
Johnston
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—3

Bayh
Brooke
Laxalt

So Mr. KENNEDY's amendment (No. 1150) was rejected.

Mr. MUSKIE. Mr. President, I simply would like to alert Senators as to what appears to be the time left. There are no more amendments to my knowledge. Four Senators have time already allocated to them. I think that time totals about 40 minutes. Senator BELLMON and I have only 5 minutes between us left. So it looks like a vote in 45 minutes or thereabouts on final passage. If Senators who have time could reduce it, that would be all to our benefit.

Mr. LONG. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CURTIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTELLIGENCE ACTIVITIES

Mr. TOWER. Mr. President, I think the Senators should be informed that either I or someone else, or the Senator from Idaho, will propound a unanimous-consent request that the injunction of secrecy for the closed session of the Senate of this morning be removed.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. MANSFIELD. Mr. President, the Senator from Texas made that request earlier and I objected. If he makes the request again, I shall again have to object—not because I am opposed to releasing the hearings of the closed-door session this morning, but because I believe that, under the ordinary rules of procedure, courtesy, and consideration, all Members who spoke during that session should be asked if it would be all right to clear their remarks. Right now, I shall say that as far as my remarks are concerned, they can be cleared. The distinguished assistant majority leader said his statement, I believe, could be cleared. I believe that the committee members' statements can be cleared. This is a matter of comity, I think, between Senators that ought to be observed. I would suggest that the staffs get on the phone this afternoon, from the offices of both the Senator from Idaho and the Senator from Texas, and ask those Senators if they are averse to such a proposal. If they are not, I certainly shall not oppose it.

Mr. TOWER. Mr. President, I do not see why we cannot propound the request and if there are Senators who do object to having their remarks made public, they can. I remind the Senate that the Senators still have their usual right to go to the official reporters' office and correct their remarks, even though we remove the injunction of secrecy. The Senators have the same rights they have in an open session.

Mr. CHURCH. I might say to the Senator from Texas that I know of no reason why the injunction of secrecy ought not to be removed in view of the character of the debate this morning. There was certainly no revelation of anything affecting national security interests that would make it unwise to make the whole proceeding public.

Mr. MANSFIELD. Mr. President, I feel the same way.

Mr. CHURCH. I think it should be done. I am wondering if unanimous consent that would make the proceedings public tomorrow at a time certain, giving all Senators who did speak notice so that each would have an opportunity to take such action as he wishes, would not be the way to resolve this question.

Mr. TOWER. Mr. President, I do not see why we have to do that, because the RECORD is not published until tomorrow morning, anyway. Every Senator has until the close of business today to go back and review his remarks with the clerk.

Mr. MANSFIELD. Oh, no; a Senator went back there and he was told that he had to go to the office of the Senator from Texas or the Senator from Idaho.

Mr. TOWER. If we remove the injunction of secrecy, all he has to do is go back to the official reporter.

Here is the point: the Senate did not act—did not act—either in approval or disapproval of the release of the report. I think that we should be allowed to talk to the press about what transpired this morning. Obviously, if we are embargoed until tomorrow, we cannot talk about it.

Where is all the sunshine that was supposed to come floating into the Senate? Why does the injunction of secrecy prevail when the report has already been released? I do not see why we cannot agree now to remove the injunction of secrecy so we can talk to the press now. I disassociated myself from the public release of the report because the Senate did not act. I should like to be at liberty to talk to the press.

Mr. CHURCH. I have no objection.

Mr. MANSFIELD. Mr. President, if the Senator will yield, the leadership does have a responsibility. As far as I am concerned, we can publish what remarks I made here this morning. But as far as the other Senators are concerned, I think that they should have the courtesy of being informed and making their own decisions. I think if the offices of these two Senators want to make a special project of calling up all Senators who spoke this morning, outside of the committee members, and ask them if it is all right to go ahead, it would be fine with me. But somebody has to protect the absent Senators, and I do not mean absent from the city, because we had 97 Senators, I think, on the last rollcall.

Mr. CHURCH addressed the Chair.

Mr. TOWER. Mr. President, I should like to serve notice that I shall renew my request in 30 minutes if I can get the floor for that purpose. I do not see why we should be gagged on the session this morning.

Mr. MANSFIELD. Mr. President, will the Senator yield to me briefly?

Mr. TOWER. Yes, I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that unless any Senator who spoke in the closed session today objects before the close of business today that the injunction of secrecy be removed from the proceedings earlier today.

Mr. CURTIS. Reserving the right to object, and I shall not object, will it be understood that anyone objecting should come here and, in open session, state his objection?

Mr. MANSFIELD. No, not at all. I think he should make his views known to either the chairman or the vice chairman of the committee.

Mr. STEVENS. Reserving the right to object, and I shall not object either, having sat through most of the morning I do not know why we were in secret session.

Mr. MANSFIELD. No, nor do I.

Mr. CHURCH. So far as I know, everyone wants to remove the injunction of secrecy. The only question is on the procedure to do so.

Mr. MANSFIELD. Exactly.

Mr. CHURCH. I am told we can immediately notify all offices of this unanimous-consent request so all Senators will know of it right away, and any Senator who may wish to object will have an opportunity to do so.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. CHURCH. Yes.

Mr. McGEE. I speak for that group that did not speak this morning, the silent majority, in this Chamber and, therefore, will not be misquoted on anything that was said here this morning. But one comment that passed along the back row right there was it was a good thing in some ways that it was a secret session because it was not the finest hour the few times we were exchanging language corrections one way or another, and I was wondering if there was some way we could clean it up a little bit so we could look better in the Senate.

Mr. TOWER. That does not make any difference. We are operating now under the "sunshine" rule. Let the Sunshine in; sunshine.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request propounded by the majority leader?

Mr. BUMPERS. Mr. President, let me say I certainly do not intend to raise objection to our distinguished majority leader's request, but I would like to make this observation. The language to which my distinguished colleague from Wyoming has referred was made by a lot of people in the belief that we were in executive session to hear a report and to vote on it, and I do fear what that will do to any future executive sessions.

It troubles me to think that men came here this morning and spoke very freely and very sincerely, and I am like the Senator from Wyoming, I was silent, so I have nothing to protest. But I am glad now that I was silent because I would hate to have somebody call my office and ask me to possibly be the only Senator in the U.S. Senate to protest or object to this unanimous consent request.

All I am saying is I think the precedent for future executive sessions is not good.

Mr. MANSFIELD. I agree.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, may I say the request for the secret session held this morning came, I believe, from the chairman and the vice chairman of the committee in question.

ORDER AUTHORIZING COMMITTEES TO FILE REPORTS ON NOVEMBER 26, 1975

Mr. MANSFIELD. Mr. President, will the Senator yield me one-half minute?

Mr. President, I ask unanimous consent that all committees may be authorized to file reports on Wednesday, November 26, 1975, between the hours of 10 a.m. and 3 p.m.

The PRESIDING OFFICER (Mr. TAFT). Without objection, it is so ordered.

Several Senators addressed the Chair.

CONGRESSIONAL BUDGET FOR U.S. GOVERNMENT, 1976

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 76) revising the congressional budget for the U.S. Government for the fiscal year 1976, directing certain reconciliation action, and providing for the transition quarter.

The PRESIDING OFFICER. Who yields time? The Senator from New York has the floor.

Mr. BUCKLEY. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. BUCKLEY. Mr. President, I ask unanimous consent, if I might, because I thought I was yielding 2 minutes——

Mr. CURTIS. Mr. President, may we have order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BUCKLEY. Mr. President, I thought I was yielding——

Mr. MUSKIE. Mr. President, I ask unanimous consent that the distinguished Senator from New York may have the full 15 minutes which he had been allotted yesterday and which has now, I am sure, been pretty well eaten up in discourse on another matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, the Senate is still not in order.

The PRESIDING OFFICER. The Senate will be in order. Those who wish to converse will retire to the cloakroom.

The Senator from New York.

Mr. BUCKLEY. Mr. President, I rise today to speak against the adoption of Senate Concurrent Resolution 76, the second concurrent resolution on the budget. My colleagues will recall that last May I opposed adoption of the first concurrent resolution and offered a substitute. I did so because I believed that the spending and revenue levels set in the first concurrent resolution were derived from an incorrect theory or understanding of economics, and because I felt they would not result in a recovery from the recession that would result in sustainable growth without inflation. The levels set in the second concurrent resolution repeat and lock in the mistakes of the first concurrent resolution. I therefore feel compelled to voice my opposition to Senate Concurrent Resolution 76 and to vote against it.

The major flaw in the thinking which resulted in the policies inherent in both the first and second concurrent resolutions on the budget is the assumption that Federal deficits necessarily stimulate the economy and that the larger a deficit is, the more stimulative it is.

Mr. HARRY F. BYRD, JR. Mr. President, the Senate is not in order. We cannot hear the Senator from New York.

The PRESIDING OFFICER. The Senate will be in order. The Senator will desist until it is.

The Senator may continue.

Mr. BUCKLEY. The first concurrent resolution recommended a deficit for fiscal year 1976 or $68.8 billion and the second concurrent resolution recommends a deficit of $74.8 billion. It is my understanding that deficits of these sizes are not stimulative, but are actually counterproductive. I will explain my reasoning on this point later. But I would like to emphasize that although the Senate Budget Committee admits that recovery has been more vigorous than anticipated in the report on the first concurrent resolution, it is recommending a deficit that is $6 billion larger than its first recommendation. Even using the committee's economic framework, it makes no sense from an economic standpoint to increase the size of the deficit. From my point of view, the larger deficit contained in the second concurrent resolution poses even more of a threat to a recovery characterized by sustainable growth without inflation than did the deficit in the first concurrent resolution. In addition, I believe that the recovery to date has occurred in spite of, not because of, the Government's economic policies. My reasons for this belief are discussed in the minority views that the Senator from Idaho (Mr. McCLURE) and I submitted in the report on the resolution.

It was interesting to note that throughout the discussion in hearings and committee meetings leading up to the reporting of the resolution, little attention was focused on the appropriateness of any particular fiscal policy. Rather, the discussion focused on how "restrictive" monetary policy was frustrating the Congress fiscal policy. Although I disagree with their monetary policy prescriptions, I am delighted that the committee is increasingly taking into account the importance of monetary policy. The implication of this shift in focus is that even the most ardent advocates of large Federal deficits are admittting that monetary policy is the most effective tool through which the Federal Government can influence the economy. If this were not so, monetary policy would not be able to frustrate fiscal policy. This new awareness should prove to be most helpful in future discussions on the economy.

But for the present, I am concerned about what this budget and deficit mean for the future well-being of the American people. First, it will mean, in the longer run, fewer jobs and thus higher levels of unemployment. It has been estimated that the private sector of the economy will have to create 15 million more jobs by 1985 to accommodate new entrants into the labor force while maintaining a 5-percent level of unemployment.

Mr. MUSKIE. Mr. President, will the Senator yield so that I can make a request for the yeas and nays while we have Senators here?

Mr. BUCKLEY. Gladly.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUCKLEY. I thank my friend from Virginia.

It is further estimated that this will require a rate of capital investment 50-percent higher than it has been in the recent past. But if the Federal Government continues to make heavy demands on the available supply of capital in order to finance large deficits, such as the one recommended for fiscal year 1976, funds will not be available for private capital investment and the additional jobs will not be forthcoming. Thus the Budget Committee is recommending, through economic policies inherent in the second concurrent resolution, high long-term levels of unemployment in exchange for a politically appealing short-lived drop in short-run levels of unemployment.

Another consequence of the economic policies inherent in the second concurrent resolution will be a likely return to the high rates of inflation which produced our present economic troubles and which have over the years eaten away at the purchasing power and accumulated savings of the American people. The inflationary potential of the resolution's policies arises from the political pressures that are being brought to bear on the Federal Reserve to increase the rate of growth of the money supply in order to accommodate the large Federal deficit. If the Federal Reserve yields—as it has historically—the resulting rapid expansion of the money supply will have its inevitable inflationary effect.

It was evident from much of the testimony received by the Senate Budget Committee that inflation continues to be a major problem and that the Government must show that it is working to permamently reduce its rate in order for inflationary expectations to be defused and for consumer confidence to be restored. It will not do so by accepting Federal deficits of the size recommended in the second concurrent resolution. Yet the Senate Budget Committee recommends a deficit of almost $75 billion and in its report calls for a rate of growth of the money supply of 9 to 10 percent to accommodate this deficit. By attempting to end the recession and reduce unemployment through massive deficits, the Congress will only assure the nation of high levels of price inflation in the future, probably beginning sometime in 1977 or 1978. And this inflation will only throw us into another inflation-recession cycle such as the one from which we are recovering.

We must be careful, therefore, in our zeal for short-term economic improvements, not to sacrifice long-term stability. But this is what a $75 billion deficit and money supply growth in the range of 9 to 10 percent would do. I believe that to achieve sustainable growth without inflation, the Congress should be accepting a much lower level of Federal expenditures for fiscal year 1976, and that monetary policy should continue to be pursued within the targets of 5- to 7½-percent money growth throughout 1976.

Mr. President, in this connection, I note that in his opening statement yesterday on the budget resolution, the chairman of the committee, Mr. MUSKIE, said:

> Our goal is to achieve a real growth rate in the economy of 8 percent for the next several quarters. I emphasize that point, Mr. President, because the Chairman of the Federal Reserve Board indicated in testimony to the committee that if Congress makes such a goal clear, the Federal Reserve Board would regard it as a mandate to gear its policies to the achievement of that goal. Such growth in our judgment is necessary to restore our economy to full health while achieving long-term stability. In addition, I would emphasize that this resolution assumes a monetary policy that will maintain essentially stable interest rates through the early part of the recovery. Such a monetary policy is necessary to accommodate the fiscal stimulus and expansionary momentum of the economy, only if monetary and fiscal policies are working toward the same goals will we make progress toward economic recovery.
>
> May I repeat, Mr. President, that we have emphasized this point to Chairman Burns of the Federal Reserve Board in open hearings, we have emphasized it to him in private discussions. I would hope, therefore, that this point is clearly understood by the Federal Reserve Board which, of course, shapes monetary policy as well as by Congress.

Mr. President, I would like to make it clear here that, on page 12 of its report on the resolution, the Budget Committee states that a growth rate of M_1 in the range of 8 to 10 percent over the fiscal year 1976 appears to be consistent with its goals.

However, in recent testimony before the Senate Committee on Banking, Housing and Urban Affairs, Chairman Burns stated that the Federal Reserve Board's projected growth range for M_1 is 5 to 7½ percent for the coming year. This announced target is in compliance with House Congressional Resolution 133 and these targets were accepted by the Banking Committee.

In its report accompanying House Congressional Resolution 133, the Senate committee stated:

> There is no need to choose between unemployment and inflation. Rather, maximum employment and stable prices are compatible goals as a long run matter provided stability is achieved in the growth of the monetary and credit aggregates commensurate with the growth of the economy's productive potential, as is called for by the resolution.

The report further states:

> S. Con. Res. 18 did not include interest rate goals. As was earlier noted, the House passed resolution does. Moderate interest rates and especially moderate long term rates are a proper goal of economic policy. The term "moderate long term interest rates" as used in the Resolution is intended to mean a rate without add-ons or premiums for expected inflation. Thus achieving moderate long term interest rates is implicit in achieving stable prices.

And finally, in its first report on the conduct of monetary policy, the Banking Committee states:

> The committee believes that pursuit of the monetary policy plans announced by the Federal Reserve Board will be helpful to the nation's economic recovery. . . .
>
> Underlying the Federal Reserve's plans is that recovery requires progress on the inflation front. The Committee feels this is true, and that it would be dangerous to ignore this concern. If inflation is rekindled, any recovery will be shortlived and will end in another recession, one almost certain to be more virulent than the present one. Of course, inflation has been subsiding in recent months. It will continue to taper off and ultimately be contained, if (1) monetary policy does not attempt to accomplish too much too fast and (2) it is recognized that inflation cannot endure unless it is financed by money supply growth in excess of the economy's potential to increase production. The Federal Reserve's plans and objectives appear to reflect these caveats.

The wisdom of this analysis, Mr. President, became apparent when the recent quarterly growth figure of 11 plus percent real growth was announced. While such a rate will not be sustained—clearly, it cannot be—the present monetary growth targets are proved presumptively sound.

In addition, with regards to interest rates, the distinguished Chairman of the Federal Reserve, Arthur Burns said, in recent testimony before the Senate Banking Committee:

> Around the middle of this year, the major monetary aggregates were increasing at rates far above the longer-run ranges the Federal Reserve was seeking. We therefore set forces in motion which helped to return the pace of monetary expansion to the moderate rate desired. More recently, increases in the monetary aggregate have fallen below our projected ranges. Once again, steps have been taken—including a modest reduction in reserve requirements—to encourage a return to the desired path of long-run monetary expansion.
>
> These corrective actions have had some influence on the level of interest rates—particularly short-term rates—which rose conspicuously in late June and early July, but have recently retreated on a broad front. Temporary fluctuations such as these in short-term market interest rates are an inevitable by-product of efforts to keep the rate of monetary expansion from straying too far from the desired longer-run path. It is important to recognize that the Federal Reserve's conduct of monetary policy conforms in this respect not only to our best judgment, but also to the spirit of House Concurrent Resolution 133.

As I indicated above, Mr. President, House Concurrent Resolution 133—which has been, of course adopted by the Senate—established national policy that money supply targets should not exceed the economy's long-term growth potential. Mr. President, there are few economists who think that an 8 percent real growth rate is sustainable. As the minority views to the second concurrent resolution point out:

> A review of the entire postwar period reveals that the U.S. economy has never grown at a real rate in excess of 6% for more than six quarters in a row.

Should we force feed the economy beyond potential, there will be inflation. I am fearful that the good intentions of the Budget Committee majority will lead directly to renewed double digit inflation. If the Federal Reserve were to exceed its announced targets, as the distinguished Chairman of the Senate Budget Committee urges, then I am afraid that inflation will again return to recession-causing levels.

The point is that I believe the Senate should make it quite clear that the present Budget Committee resolution does not and is not intended to alter the sound growth policies as provided for by House Concurrent Resolution 133, which has twice passed the Senate unanimously.

A third point I wish to make is that the second concurrent resolution will mean high interest rates for a long time to come. The size of the deficit contained in the resolution eliminates any possibility for either short- or long-term interest rates to show permanent reductions in 1976 or 1977. If, on the one hand, the Federal Reserve does not accommodate this deficit by increasing the rate of growth of the money supply, heavy demands on the capital market from the Government and from a resurgence in business demand for investment capital will cause interest rates to rise and stay high. Consequently, potential private borrowers will be crowded out of the market. If, on the other hand, the Federal Reserve does give in to political pressures to increase the rate of growth of the money supply, interest rates will rise due in large part to inflationary expectations. Recent economic studies have shown that over the past 15 years, 90 percent of the movement in long-term interest rates is explained by changes in inflationary expectations, while most of the movement in short-term rates over the past 50 years is explained by such changes. In addition, while recently short-term interest rates have fallen somewhat—despite slow rates of growth of the money supply—long-term interest rates have not fallen at all from their levels at the time of the first concurrent resolution. This indicates that inflationary expectations are still high. These expectations are to a large extent a result of the high deficit mandated by the first concurrent resolution and the continued pressure on the Federal Reserve to increase the rate of growth of the money supply. Therefore, in accepting the spending and deficit levels of the second concurrent resolution, Congress must stand prepared to accept the blame for high interest rates and crowding out in 1976. It must recognize that, through its policies, it is eliminating the option for lower interest rates.

The fourth product of the adoption of the second concurrent resolution will be an expanded governmental sector. Contrary to popular thinking, the main effect that the Government's fiscal policies have on the economy is to determine the relative sizes of the public and private sectors. Government spending is only stimulative to the extent that it adds to aggregate spending. To add to total spending, Government spending must be financed with funds that would not otherwise be spent or loaned unless sopped up by the Government through taxes or borrowing. But I see no evidence that massive amounts of private funds will go unused in 1976. So to the extent that Government spending merely replaces private spending, it does nothing to stimulate the economy. What it will more likely result in is a permanent expansion in the percentage of our GNP consumed by the Federal Government. Unless increased Government spending is accommodated by the creation of new money, it will do nothing to stimulate the economy to higher levels of real growth in anything other than the very short term.

Finally, I believe that the economic policies inherent in the second concurrent resolution mean a reduction in the long term potential of the American economy. A reduction in potential will come about for two reasons. First, if one believes as I do that private investment projects are generally more productive than Government projects, then increasing the relative size of the Government sector may actually reduce the long term productive potential of the economy. Second, a reduction in potential occurs when the Government, through its policies of financing large deficits, causes interest rates to rise, and thus crowds private borrowers out of the capital markets.

The effect of Government deficits on long term interest rates is especially important in this regard, as these are the interest rates that impact on investment in housing and business plant and equipment. A decision as to whether this long term investment spending is undertaken depends to a large extent on the level of long term interest rates, which have been at unusually high levels and steadily rising since the mid-1960's. And, as I mentioned before, the size of the deficit in the second concurrent resolution virtually eliminates any possibility for a substantial fall in long term interest rates through 1976. Thus, it seems that the economic policies of the resolution threaten the long term potential for job-creating economic growth, and will result in a lower standard of living than Americans would otherwise be able to enjoy.

Under all these circumstances, I find it impossible to accept the outlay, budget authority, and deficit figures recommended in the second concurrent resolution and will vote against it. But before concluding, I wish to make some brief comments about the budget process itself.

My disagreement with the particular numbers in Senate Concurrent Resolution 76 should not be interpreted as disenchantment with the concept of the budget process itself. The process established under the Congressional Budget and Impoundment Control Act of 1974 gives Congress the mechanism through which to rationalize congressional spending and revenue decisions with the economic policies appropriate to the conditions of the economy. To the extent that the process is successful, a giant step will be made in the area of Federal Government budgeting. But the experience with the process to date illustrates two possible shortcomings of the process. First, to the extent that the conventional economic thinking of the past few decades continues to prevail, the budget-process will do little to produce economic policies that put the economy on a path toward economic stability and sustainable growth without inflation. Second, to the extent that the budget process fails to make Congress enact the reforms necessary to gain control of those programs currently misnamed "uncontrollable," the members of the Budget Committee will find themselves helpless to exercise any degree of control over major expenditures that now dominate the Federal budget. Instead, with respect to these, they will serve as little more than bookkeepers adding up the effects of individual spending measures with little or no hope of reconciling their levels of funding with other congressional priorities and the total level of Government spending appropriate for the economy.

Individual items within the Federal budget are uncontrollable only to the extent that the Congress lacks the will to control them. Yet almost three-fourths of the Federal budget is composed of such programs. With no control over this portion of the budget, Congress effectively loses control of the entire budget.

Another major problem arises from the Budget Committee's willingness to accept recommendations from the other committees for potential levels of spending for their programs, rather than minimum levels of funding required. If the Budget Committee continues this practice, it will be unable to influence these other committees to reexamine existing programs and enact other reforms needed to gain control over the ever-increasing number of programs and the spiralling cost. Yet unless a systematic review of them is undertaken, we will not be able to bring to a halt the growing encroachment of the Federal Government on the U.S. economy. To the extent that it is able to bring this about, we can look forward to a more rational approach to Federal budgeting. Let us hope that the Budget Committee and the Congress rise to accept this challenge.

Mr. President, I ask unanimous consent that the Minority Views that the Senator from Idaho (Mr. McClure), and I submitted with the Budget Committee report be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Minority Views of Senators James L. Buckley and James A. McClure

A PROPOSAL FOR SUSTAINED RECOVERY

Errores praeteriti nobis intellegendi sunt ne eosdem iteremus

At the time of the First Concurrent Resolution on the Budget, we felt compelled to dissent from the views of the majority of the Committee. At that time we believed that the spending and revenue decisions were based upon faulty economic assumptions and theories. The First Concurrent Resolution recommended levels of $367.0 billion in Federal outlays and $298.2 billion in revenues, resulting in a budget deficit of $68.8 billion.

Contrary to the opinion of the majority of the members, we believed that this deficit was not stimulative but actually posed a threat to a recovery characterized by a sustainable level of growth without inflation.

Since the passage of the First Concurrent Resolution, recovery has been more vigorous than anticipated. Yet we find the Committee recommending an even larger deficit of $74.8 billion in the Second Concurrent Resolution. Although in our views on the First Concurrent Resolution we anticipated that the size of the actual deficit would be larger than that recommended in the First Concurrent Resolution, this larger deficit makes no sense in light of present economic conditions, even if one uses the conventional economic assumptions of the past thirty years. It makes even less sense based on our understanding of economics. Indeed, we believe that the recent recovery has occurred in spite of, not because of the Government's economic policies. We would therefore like to review and reflect upon some of the points we made in our views on the First Concurrent Resolution, to examine the economics of the First Concurrent Resolution, to discuss the problems we see which should be confronted by the Budget Committee in the future, and to project what we believe will be the impact on the economy of the fiscal policy contained in the First and Second Concurrent Resolutions. In addition we believe that some of the budget process is in order.

Before doing this, we would like to make clear that our concern is not with the concept of the budget process itself, but rather with the results it has produced to date. The budget process is an important step toward rationalizing Congressional spending and revenue decisions with the appropriate economics policies called for by the condition of the economy. But the process is merely a means to an end, and it is therefore of particular importance that as we go through the mechanics of the process we not lose sight of the ends for which it was designed. The process has provided us with a valuable learning experience this year, and if the Committee works toward correcting the problems that have been brought to light in the course of its first year's work, the budget process will have great potential for controlling Federal spending in future years.

In the meantime, however, we must address ourselves to the Committee's recommendations for the Second Concurrent Resolution. As they not only repeat, but lock in the errors inherent in the first Resolution, we have no choice but once again to register our dissent.

Problems with the first concurrent resolution

In our views on the First Concurrent Resolution, we discussed what we saw as basic inadequacies in the economic methods used to arrive at the economic policies implicit in its recommended spending and revenue levels. The First Concurrent Resolution was based upon what has over the past few decades become the "orthodox" economic way of thinking. This thinking suggests that Federal budget deficits are stimulative to the economy, and in addition that large deficits are more stimulative than small ones. As a consequence, whenever the economy suffers a slowdown, massive doses of increased spending and tax cuts are called for to push the economy back to acceptable levels of growth and employment. But these new spending initiatives and tax cuts become permanent elements of the budget structure and have contributed to the trend toward accelerating inflation-recession cycles, with each cycle being worse than the last. The economy has been locked into this trend because policymakers over-emphasize short-term goals at the expense of long-run stability.

If we are to establish the basis for a recovery designed to attain sustainable long-term growth without inflation, we must turn away from the older economic practice and avoid the policy mistakes of the past which have brought us to our current situation. Policymakers must come to terms with the true relationships that exist among unemployment, economic growth, Government spending, Federal deficits, capital formation, interest rates, inflation, and growth of the money supply. Only then will the trend toward progressively worse inflation-recession cycles be reversed. These relationships have not been recognized in the Second Concurrent Resolution.

Is there a trade-off between unemployment and inflation?

One of the major mistakes in the current thinking which was reflected in the First Concurrent Resolution and continues to be reflected in the Second Concurrent Resolution is that a choice must be made between inflation and unemployment, and that unemployment is now a more serious problem than inflation. We agree that current rates of unemployment present an extremely serious problem. But as a number of witnesses testified, under today's conditions we are no longer dealing with tradeoffs between unemployment and inflation that are significant even in the shorter run. On the contrary, the only way to bring about a meaningful and lasting reduction in the unemployment rate is to reduce the inflation rate.

This is true for a number of reasons, not the least of which is the way the inflationary impact of the economic policies of the Second Concurrent Resolution will affect interest rates and through them long-term capital formation and productivity. We will focus more on this particular problem later. But we wish to emphasize that the important aspect of the policies inherent in the Second Concurrent Resolution is their inflationary potential. And a Federal deficit of close to $75 billion does have a serious inflationary potential.

Historical evidence shows us that if the money supply were to grow at the 10 to 11 percent the Senate Budget Committee recommends, we would soon return to double digit inflation. A resurgence of inflation would only lead to another severe recession and high levels of unemployment. We therefore endorse the Federal Reserve's announced policy of maintaining a rate of monetary growth within a range of 5 to 7½ percent throughout 1976.

The economy

At the presnt time, the majority of economic indicators show that the recession is over and a fairly rapid recovery is now underway. The severity of the 1974–75 economic downturn was without parallel in the post World War II period. Output declined 7.8 percent from the peak levels achieved in late 1973 to a trough in the initial quarter of 1975. Unemployment reflected this decline in overall economic activity rising from 4.6 percent in October of 1973 to 9.2 percent during May of 1975. The reduction in economic activity which was experienced was twice as severe as that realized in the recession of 1957 and 1958.

The combination of recession and substantial price inflation is unique in the post World War II period. For that reason alone there has been a general lack of agreement with respect to an appropriate policy designed to both stimulate recovery and control inflation. Most economists do agree that the inflation of the past few years resulted from unsound monetary and fiscal policies combined with a number of exogenous price shocks in the fuel and food areas. While fuel price increases were caused by OPEC policies, food prices rose to reflect higher profits to middlemen rather than farmers.

The inflation, which reached its height during 1974, has a history which dates back to 1965. A combination of expenditure demands related to the Vietnam War and the programs of the Great Society caused the Federal budget to reach a cumulative $100 billion deficit between 1965 and 1974. This deficit occurred during a period of time when relatively little economic or productive slack existed. The inflationary implications of such a fiscal policy were made more dramatic by a financing policy which resulted in the monetization of 40 percent of that cumulative deficit. This predictably inflationary policy was the result of a willingness on the part of Government to spend but an unwillingness to accept the tax consequences of such an expenditure policy. It further reflected a short-term attempt to avoid the higher interest rates which would have followed the actual competition between the Treasury and private borrowers for available capital market funds. To a large extent the impact of this expansionary monetary policy has worked its way through the system during the period of stagnation which began in 1972 and has continued into 1975.

It is important to recognize that some attempts to cool inflation were undertaken during this same period. In 1968 an anti-inflationary tax surcharge was levied but was largely ineffective because Government expenditures rose even more rapidly than the expanding tax revenues. In that same year the money supply was allowed to grow at an 8 percent rate and the fiscal year 1968 $25 billion deficit was a record for any peacetime period. In 1969 an additional attempt to reduce the rate of price increase was initiated. The budget was brought into balance, the rate of money growth reduced and prices which had been increasing at a rate of 6 percent in December and January fell to a rate of 2.7 percent in June. The increased levels of unemployment which followed were a result of the fact that wage contracts negotiated in 1968 reflected the anticipated level of inflation of 5–7 percent. When monetary policy became restrictive so that prices rose at less than 3 percent, wage levels were then incompatible with full employment. As unemployment rose the Federal Reserve reversed its restrictive monetary policy and inflationary price increases followed in 1970.

The final attempt to stem the inflationary tide was undertaken in the form of mandatory wage and price controls. Price controls were first imposed some 5,000 years ago in the fifth dynasty of ancient Egypt. They were as ineffective then as they were in 1971. Price controls simply turned potential price increases into actual shortages. In addition, the imposition of controls resulted in reduced productivity due to inefficient allocation of basic resources.

As a final note on the inflationary price increases which have occurred recently it should be recognized that declining productivity played and continues to play a significant role. Unit labor costs have risen more quickly than the rate of inflation. In 1974 wage rates rose by some 10 percent while productivity fell by 3.6 percent. In effect, then, unit labor costs climbed 13.6 percent during 1974 and 11.4 percent in the first quarter of 1975. The relationship between increased productivity and price stability is well documented. It is therefore vital that current economic policy insure the reestablishment of our historic annual rates of productivity growth.

The recovery (short term)

While the future is always somewhat uncertain, most forecasters are in general agreement that the pace of recovery will be dramatic through the final quarter of 1975 and the first two quarters of 1976. This recovery follows a long period of stagnation as measured by the fact that as a nation, in mid-1975, we are no better off in real terms than we were in mid-1972 or before. Real per capita disposable income is no different now than it was in mid-1972. Real spendable weekly earnings are at levels comparable with those of 1970. Corporate profits, adjusted for inflation are no different than they were in 1971 or 1972. Price deflated GNP stands at a level of $783.6 billion which is no different than it was during the initial two quarters of 1972.

The first genuine signs of strength in the economy appeared in late April and May of 1975. The rate of price increase began to decline. By early summer total employment had increased by over 1 million and the unemployment rate had declined from 9 percent in March to 8.4 percent in August. Retail sales of nondurable goods picked up and inventories at the retail level were reduced to the reorder point. The improvement in retail sales was both nominal and real. Such sales were in fact 3 percent higher in real terms as of July 1975 than they had been during the final quarter of 1974. Consumer debt had been reduced and the sales of durable goods and housing units began to turn up. For the most part inventory liquidation has run its course and inventory investment should become yet another factor contributing to an acceleration in real growth.

Some substantial progress has also been recorded in stemming the rate of price increase. By the second quarter of 1975 inflation rates were half as high as those recorded in 1974. In addition to these factors some improvements in productivity have been noted and the rate of increase in unit labor costs has moderated. Corporate pretax profits, which are highly volatile, fell 65 percent in the first quarter of 1975 but rose 57 percent during the second quarter. After tax earnings, however, were 4 percent of sales and remained below 1973 and 1974 levels.

The initial signs are positive and clear for all to see. Unfortunately our present circumstances will impose a number of burdens on the recovery. The predicted upturn will take place in an atmosphere of rising prices. This is unusual as most upturns begin after the rate of price increase has been greatly reduced. Consumer spending which historically has led the way out of previous recessions may duplicate the rather modest performance recorded after the 1969–70 recession. At that time prices were rising at a rate of only 3½ percent per year during the initial year of that sluggish recovery. The uncertain future of interest rates and housing starts introduce yet another burden. Finally, the deficit related demand for funds by the Treasury could well reduce the access of business to credit on reasonable terms.

The recovery (*long term*)

It is apparent that a recovery is underway. The scope, strength and duration of that recovery are subject to much conjecture. It is our contention that the implicit philosophy and economic policy of the Second Concurrent Resolution will create an unsustainable and therefore illusory rate of economic growth. Further, we have cause to fear that the slow and painful progress which has been made in the fight against inflation will fall victim to the high levels of stimulus contemplated by the Resolution. These are clear and present dangers while the problems posed for capital formation and growth in productivity are less apparent but can also be related to the inappropriate focus of the Resolution.

The economic picture for the next few months is fairly clear. We can expect to see rates of real GNP growth in the 8–10 percent range for the remainder of FY 76. The rate of price increase will moderate as higher food and fuel prices have worked their way through the productive sector. The rate of unemployment will fall but will probably remain in the area of 7 percent at the end of FY 76. Based on past experience we can expect that money growth will be much higher than many observers predict and that M_1 will grow by at least 8 percent between now and the end of FY 76.

Businesses will also become active borrowers as they seek to build inventories, undertake modernization of equipment and reactivate expansion plans which had been put aside. In these respects the recovery will bear a surface resemblance to those of 1950, 1955, 1965, and 1972.

At the conclusion of 1976, despite the fact that the unemployment rate will still be above 7 percent, economic growth may begin to falter. The rate of economic growth could decline basically due to the reversal of the inventory subcycle which had been a substantial factor contributing to the higher level of activity. A review of the entire postwar period reveals that the U.S. economy has never grown at a real rate in excess of 6 percent for more than six quarters in a row. The reason for this is the inventory subcycle which functions to support the rise in sales initially, but then as inventories reach adequate levels this form of net new investment becomes neutral or negative.

In many instances, the inventory subcycle also receives support or reinforcement from the cycle of consumer durable purchases. The two cycles proceeded in unison in 1952, 1956, 1960, 1962, and 1973. Had not wage and price controls been in place we would have the same cycle comparability in 1972.

Historically, the slowdown which follows the crest of these cycles may simply be a reduction in growth to a sustainable 4 percent overall rate or the emergence of a recession with its negative growth rates. This latter phenomenon was apparent in 1960 and 1973. A recession did not follow the inventory crest of 1952 and 1962. In 1952, the Korean War kept the economy moving. In 1962, massive tax reductions, the introduction of the Investment Tax Credit, liberalized depreciation and excise tax cuts continued the stimulus.

The correct policy response to the situation which will develop in 1977 would involve programs designed to increase corporate cash flow and to reduce the costs of borrowing. In short, monetary and fiscal policy must focus now on investment rather than consumption. Our failure to take such action will produce an increase in aggregate demand without a comparable increase in aggregate supply and will surely occasion the same kinds of shortages and price explosions which were evident in 1974.

The massively stimulative economic policy inherent in the Second Concurrent Resolution assumes that the productive slack which now exists in the economy will mitigate against any new round of shortages or inflation. The report on the Resolution further insists that the money supply can and should be rapidly expanded to accommodate the deficits created by the Federal budget. Finally, the Resolution is predicated on the assumption that consumption rather than investment will lead the economy forward into a new and sustainable period of growth. The accuracy of each of these assumptions should be seriously questioned.

Economic slack

According to most measures the Nation's productive plant and equipment are running at about 70 percent of potential capacity. If that were true it would follow that strong stimulative measures leading to rapid economic growth would hold little inflationary danger for at least 3 or 4 years. In fact, just such an assumption underlies the stimulative posture of the Second Concurrent Resolution. Production capacity measures are, however, very inexact. Capacity measures were initiated in 1962. At that time full capacity was defined in terms of the year 1955. This year was selected as a base since the factory operating rate was at 90 percent, unemployment stood at 4 percent and prices had just begun to rise reflecting both the low rate of unemployment and the high level of factory operation. From that base an assumed rate of growth in potential GNP was used to account for labor force growth, plant additions and new technology. The rate of increase was predicted to be approximately 4 percent annually.

Many economists feel that the rate of growth assumed in the calculation of potential GNP is too high. They indicate that investment demands have in recent years reflected expenditures for pollution control and safety requirements. In addition, it is quite probable that full employment is not reached at an unemployment rate of 4 percent but rather 5 percent due to the changing character of the labor force. In the event that these figures are correct the GNP gap is not $120 billion but rather $85 billion and therefore we are currently operating much closer to capacity than the Senate Budget Committee contends.

In addition, it should be recognized that operations at 100 percent capacity are possible only in theory and full capacity production, in actual practice, is about 90 percent of total capacity. Serious shortages can be experienced despite the fact that manufacturing utilization rates are less than 90 percent. It should also be remembered that not all production capacity exists in the appropriate industries or at the proper stage of the production process. Capacity in the finished goods sector is useless if it is not balanced by complementary capacity at the basic production stage. These factors are especially disquieting when viewed in the context of our aging national capital stock. If capacity utilization were adjusted to reflect the factors discussed above, our current operating rates would be close to 80 percent of true capacity. To the extent that capacity and potential GNP have been overestimated in the report on the Second Concurrent Resolution, the inflationary impacts of the "would-be stimulative" fiscal policies of the Resolution have been underestimated.

While it is important to relate economic policy to the capacity of the nation's productive plant, it is equally as important to recognize the deterioration which has reduced the efficiency of our capital stock. Investment as a percentage of GNP will over time determine the rate of growth which can be achieved by any nation. During the period 1960–1973 the United States invested in new plant and equipment a lower percentage of its GNP than did most other industrialized nations. In percentage terms Japan invested some 30 percent of its GNP in new plant and equipment while we committed only 12–13 percent of our GNP to such investment. In consequence the rate of growth in productivity was lower during that period in the U.S. than in other countries. The impact of this long period of minimal investment will render the United States less able to produce efficiently at home or to compete effectively in international markets. A continued budgetary emphasis on consumption rather than investment will result in rendering much of our capital stock obsolete in the near future.

Monetary policy

Since the adoption of the First Concurrent Resolution in May, interest rates have failed to conform to the predictions which were made at that time. Short-term interest rates have not fallen as fast as was supposed while long-term rates have hardly declined at all. During that period, M_1 (currency plus demand deposits) has grown by approximately 7 percent rather than the 10 percent rate of growth which was assumed by the Resolution. We have been led to believe that if monetary policy had been more expansive or accommodating, interest rates would have declined substantially. The report on the Second Concurrent Resolution makes much the same argument. We are of the opinion that rates of growth in M_1 of 10 percent will cause interest rates to rise, not fall, and that frequent changes in monetary policy are undesirable and destabilizing. The behavior of long-term interest rates is especially important to the recovery inasmuch as these rates condition the willingness of consumers to undertake the purchase of durable goods and housing. They also influence the speed and extent to which new business investment is made. It is only through such investment that capacity is enlarged and unemployment reduced.

Over the past few years interest rates and the rate of growth in the money supply have tended to move in the same direction. It should be noted that money supply growth during this period unfortunately was responsive to political pressures to accommodate the fiscal policies and large deficits which characterized the period. To a large extent this relationship between money supply growth and interest rates can be explained by the effect of inflationary expectations on interest rates. In times of continually high rates of inflation, lenders begin to fear future inflation and anticipating it, add an inflation premium to the interest rate. Inflationary expectations are especially important in their impact on long-term interest rates. According to a study by First National City Bank, "empirical evidence suggests that changes in price expectations alone explain more than 90 percent of the movements in long-term market rates over the past 15 years and most of the movements in short-term rates during the past half century."

Long-term interest rates have not declined at all from their level at the time of the First Concurrent Resolution, indicating that inflationary expectations are still high. These expectations are in part a result of the Budget Committee's early actions and the continued pressure on the Federal Reserve to increase the rate of growth of the money supply. This shows that the relatively short period of slow monetary growth has not been sufficient to stem inflationary expectations in the long term, and that long-term lenders expect the Federal Reserve to begin increasing the rate of growth of the money supply to accommodate the large Federal deficit and political pressures.

In addition to maintaining a 5–7½ percent growth in money supply through 1976, the Federal Government will have to reduce its demands on the capital markets if interest rates are to fall. As a practical matter little can be done at this point in time to reduce the fiscal year 1976 deficit. However, the Budget Committee can make sure that fiscal year 1977 will not require that the Federal Government participate in the capital markets to a degree anywhere near its fiscal year 1976 level. Hopefully a small fiscal year 1977 deficit will offset some of the long-term counterproductive effects of the fiscal year 1976 deficit.

Money growth and interest rates

The stock of money as measured by M_1 (currency plus demand deposits) should grow in order to accommodate real economic growth at stable price levels. When M_1 grows at a rate higher than this it accommodates price inflation in addition to real economic expansion. The Resolution calls for an accommodative monetary policy. Within the context of the Resolution and its accompanying deficit the word "accommodation" clearly means inflation. Real economic activity and more stable price levels can be supported by a continuation of money growth and rising velocity well within the target ranges adopted by the Federal Reserve. The only thing which cannot be so included is the massive deficit and the resultant financing activities of the Treasury.

We disagree with the relationship between money stock and interest rates which is assumed to exist in the report on the Second Concurrent Resolution. It can be said with confidence that an increase in the rate of money growth will lead to a decline in short-term interest rates in only the very short run. That brief decline increases the demand for credit and causes interest rates to rise. That rise in rates calls forth the demand for more money growth to reduce these rising rates. To the extent that the stimulative effects of the increased money supply exceed the economy's productive capacity, inflation accelerates and even higher interest rates follow. For this reason, a monetary policy which attempts to secure constant or falling interest rates during a recovery will be self-defeating in the end as it contributes to the establishment of higher, not lower, rates of interest.

The report on the Resolution seeks to accommodate both 6 percent inflation and real economic growth in a single monetary policy. In so doing, it sows the seeds for higher short-term interest rates in 1976. It is conceivable that the prime rate will rise to 9¼ percent or 10 percent during the coming year. The real danger, however, is that despite rapid nominal growth rates in GNP the unemployment rate will not fall quickly enough and even more stimulative policies will be demanded. Should this occur inflationary expectations will rise, speculative purchases increase and the experience of the recent recession will be repeated during the next 2 or 3 years.

The alternative policy which we have recommended calls for slower but sustainable progress. That policy, however, requires a different approach to monetary management than that followed by the Federal Reserve in recent years.

Insofar as the productive capacity of the economy grows at a somewhat steady rate the money supply should also reflect a more steady growth rate. The table below indicates that the growth in monetary aggregates has been erratic.

TABLE 1.—*Rates of monetary growth, 1970 to 1975*

	Annual rate of growth of—	
	M_1	M_2
June 1970 to June 1973	7.3	10.9
June 1973 to June 1974	5.6	8.7
June 1974 to Jan. 1975	.9	5.1
Jan. 1975 to July 1975	8.6	12.0
July 1975 to 4 weeks ending Oct. 15	.3	4.4

The explanation of these growth rates and their economic effects is not difficult. Likewise a change in policy which would contribute toward increased stability in economic performance would not be difficult. The Federal Reserve Board has attempted to adjust the rates of growth in monetary aggregates to the needs of the economy. To date, they have been unsuccessful in the sense that policy changes have occurred too late and been too abrupt. In short, the performance of the Federal Reserve has not been such that its stated objectives have been achieved. In large measure, the reason for the gap between objectives and results can be related to the fact that the Board has attempted to manipulate or control M_1 by concentrating on the wrong variables. In fact many observers have indicated that until such time as the Federal Reserve alters its procedure it will be impossible for the Board to improve its performance.

At the present time, the Federal Reserve attempts to convert its monetary growth targets into a rate on Federal Funds. The trading desk is then instructed to carry out those activities which are consistent with maintaining Federal Funds at a specified rate. The principle which underlies this procedure is that the rate of monetary growth is related to the level of bank reserves and the multiplier which translates one dollar of reserves into some larger dollar amount of money balances or M_1. The willingness of banks to acquire reserves and make loans is related then to the rate on Federal Funds and the rates at which banks can loan the money so acquired. The problems which exist in such a system are a function of the fact that the Federal Reserve cannot accurately predict what Federal Funds rate will create the desired impact on bank behavior and therefore achieve targeted growth in the money stock. In addition the problem is further complicated by the fact that if an error is made in judging the appropriate Federal Funds rate, that mistake becomes cumulative until such time as it is recognized. Early this year such an error was made. The Fed underestimated the Federal Funds rate required to meet M growth objectives and banks borrowed heavily. In order to peg or maintain the rate, the Fed was forced to supply additional reserves. In like manner when the error was discovered reserves had to be extinguished and money growth fell abruptly. The Federal Reserve's situation is analogous to that of a swimmer pursuing a float which is being carried by the tide. The swimmer reaches the float perhaps through his own efforts or perhaps because the tide has turned but he will not know until he attempts to return to shore. In like manner when the Federal Reserve reaches its Federal Funds target it may find that the tide has turned and a series of dramatic and contrary actions are required to prevent an explosion or contraction in monetary growth rates. The result has been a destabilizing on-again, off-again, approach to monetary management.

The Federal Reserve has within its power an alternative approach to managing the rate of growth in money. It is entirely possible to relate monetary objectives to rates of increase in the monetary base (currency + deposits at Federal Reserve Banks). If such an approach were followed the trading desk in New York would be instructed to buy or sell the amount of securities necessary to cause the desired increase or decrease in the monetary base. Under this procedure the Federal Reserve makes no attempt to manage various interest rates but only the supply of money. Interest rates themselves would rise or fall to reflect the operation of free market forces. We recommend that the Federal Reserve, as well as announcing a target rate of growth for the money supply, also announce an absolute target for the size of the monetary base for four, eight, and twelve quarters into the future.

Crowding out

At the time of the First Concurrent Resolution we warned that the huge Federal deficit and financing by off-budget agencies would seriously affect the ability of corporations to acquire capital in the amounts required to provide a base for sustained recovery. That danger remains a real one. In fact the current decline in short-term rates may well be symptomatic of "crowding in." Investors who feel that inflation is still a danger will remain in the short-term end of the market fearing capital losses in long-term instruments. Therefore the Treasury will have little or no difficulty financing the deficit but long-term private borrowers will face rates which are prohibitively high.

The ability of the private sector to borrow and expand capacity will provide the only effective measure to counter unemployment. Between now and 1985 jobs will have to be provided for 15 million new workers. If we are serious about reducing unemployment to a 4 percent level the total jobs required are 18 to 20 million. In order to provide this number of jobs next economic growth must average 6½ percent for the next 5 years and 3½ percent thereafter. Capital investment between 1975–85 must be 50 percent greater than the rates in recent years. There will be no room for these levels of private investment if Federal deficits remain large.

How stimulative is the deficit?

The mistaken notion of the orthodox economic thinking to which the Second Concurrent Resolution has fallen victim is that a budget deficit is necessarily stimulative. Indeed, the direct effect of the Federal Government's fiscal policy is to define the level of Government activity in the economy. Its indirect effect is on the rate of economic growth. If one believes, as we do that public programs are generally less productive than private initiatives, then the indirect effect of expanding the public sector is to lower the attainable rate of real economic growth.

For this reason we believe that the $74.8 billion deficit in the Second Concurrent Resolution is not at all stimulative, but rather counter-productive. If the Federal Reserve does not monetize a good portion of this deficit then the Federal Government will be forced to borrow a substantial amount of money in the capital market. Contrary to the orthodox thinking that the Government will absorb available funds that would otherwise not be used, this heavy Government borrowing will only mean a transfer of funds from the private to the public sector. If the Government deficit and thus its capital needs were smaller, interest rates would fall and stimulate private initiatives that would not be pursued at the higher interest rates. Thus every dollar borrowed by the Government, by raising the total demand for credit and consequently the interest rate, crowds out a dollar of potential private borrowing. Total borrowing is unchanged and therefore there is no stimulative effect.

It is interesting to note that during the weeks preceding the enactment of the First Concurrent Resolution, debate centered on how large the Federal deficit should be in light of the current economic conditions. That question is no longer the focus of the debate. Since that time we have increasingly come to hear about how the Federal Reserve is frustrating the fiscal policy of the Congress with its monetary policy. The implication of this change in focus is that even the most ardent advocates of large Federal deficits are publicly admitting that monetary policy is the most effective tool the Federal Government has to influence the economy. If this were not so, the Federal Reserve would not be in a position to frustrate fiscal policy. We view this increasing awareness as appropriate. It should prove to be most helpful in the months ahead when we concentrate on the appropriate policies through which to achieve growth without inflation.

Consumers attitudes and expectations

The attitudes and expectations of consumers are key economic variables. The propensity of the consumer to spend and to undertake long-term debt obligations for the purchase of durable goods and housing will in large measure determine the scope and duration of economic recovery. In order to better understand the variables which determine consumers' attitudes the Budget Committee invited three experts in the field of consumer attitude measurement to testify at a hearing held October 31, 1975. Without exception the three agreed with a statement made by Dr. F. Thomas Juster of the Survey Research Center at the University of Michigan. Dr. Juster testified that inflation or the fear of future price increases was the single most important variable affecting consumer attitudes. In addition, the witnesses agreed that large Federal deficits were related to the inflationary expectations of consumers.

Mr. Pat Caddell, President of Cambridge Reports, Inc., made the point that consumers were less optimistic about the future of this country than at any other time in the history of the survey. An excerpt from his statement follows:

"The number of people who are optimistic, in other words people who believe that we are on an upward positive trend as a country, is down to 20 percent. When we ask people to look at their own personal lives, again their own abilities to prosper, we find if we can take a long look at the comparison figures over the last 15 years, that we have had a real flattening out of personal expectations.

"In other words, people feeling that they are somewhat better off today than they were in the past, but that difference is not very great, their expectations for the future while again being slightly positive for the whole population are not as great or as steep as they were in 1970, 1964 or 1959. We find, too, that almost one out of four Americans believes that their lives are declining, that they are worse off today than they were 5 years ago and will be worse off in the future, and less than half exhibit straight positive optimism about their own lives, only about 45 percent believe that they will be better off, that they are better off today than they were in the past and will be better off in the future. If you look at those framework attitudes you have a longer term feeling of pessimism. What we feel that has been done has also put some constraints on how rapid a recovery will be.

"Given that and the lack of confidence people in public institutions particularly in dealing with the economy, that linked with the double-digit inflation has made them more cautious."

The role and scope of Government has expanded, deficits have risen, and yet the truly "Great Society" remains as elusive as ever. The Second Concurrent Resolution implies more, not less, governmental intervention, higher not lower deficits, and rising rather than stable prices. In short, the course of action contemplated within the Resolution provides for the extension of old and tired solutions—solutions which have proven to be problem generating rather than problem solving. The philosophy of the Resolution fails to appreciate the fact that deficit Federal spending and massive Federal intervention will not provide the base from which a sustained and healthy economic recovery will be generated.

THE BUDGET PROCESS

Some additional comments

The Congressional Budget and Impoundment Control Act of 1974 was designed to allow the Congress to engage in a process effective financial planning and control. During this year of partial implementation the process has achieved a higher level of success than many had anticipated. While we applaud that success it is incumbent upon us to point out that the basic purposes of the Act and its goals will not be easily attained and the real tests lie in the future.

The basic concepts of budgeting are everywhere the same. Households, corporations, and governments each face the problems which are inherent in a situation where the resources available fall far short of those required to achieve a level of outcome which are at once perceived to be both necessary and desirable. The first function of a budget process then becomes one of establishing priorities and formulating a plan consistent with those priorities. The budget itself is an expression of the will of the Congress in financial terms. The process through which that budget is formulated will be fully implemented for fiscal year 1977. As that fiscal year unfolds the real rather than the alleged merits of the budget process will be clearly apparent. The work of the Budget Committee will include not only the formulation of the budget but also the continuing responsibility to assure that the original Congressional priorities are preserved and budget discipline maintained. In this context the budget process should not be thought of simply as a device for limiting expenditures in a given fiscal year, but rather as a tool for obtaining over the longer run the most productive. Thus the budget process implies the use of standards or targets against which actual results may be evaluated. This procedure of "controlling to plan" requires the use of sophisticated monitoring systems which permit an evaluation of legislative performance with respect to budgetary targets and ceilings. To the extent that this is not done the process will be characterized by uncertainty and frustration at all levels of Government.

The establishment of targets or ceilings requires an understanding of the activities carried on by Government and a shared philosophy of the legitimate extent and scope of those functions. In the event that such a consensus is not achieved the budgetary targets imposed will lack the overall support required to make them operational and controlling. An effective budget process is not simply oriented to the here and now but must also focus on the future. In this sense the budget is a method of minimizing the disruptive effects of unanticipated events. It should then serve to minimize surprise and permit gradual adjustment to the ongoing changes which are present in the environment. Given this view of an effective and efficient budgetary process our experiences this fiscal year should serve to warn us that much remains to be done if the potential benefits of the Act are to be realized in the future.

Upon full implementation of the Act the potential benefits associated with the complete budget process will be within reach. That is to say the Committee and the Congress will be in a position to:

(1) Mutually establish and alter legislative priorities.

(2) Control expenditures, revenues and deficits.

(3) Monitor the performance of the legislative process within the context of targets and ceilings.

(4) Minimize shock and surprise by anticipating developing budgetary needs and their consequences.

The Congress has considerable skill and experience as regards the establishment and alteration of legislative priorities. However, in each of the other three areas mentioned above the realization of the potential benefits of the budget process will be more difficult.

Expenditures and deficits

Expenditure control and its impact on the level of the Federal deficit are not well understood. The deficit is, of course, the difference between outlays and revenues. While revenues can be estimated with a fair level of accuracy in normal times, outlays are not nearly as predictable. Outlays are generated in large measure on the basis of budget authority or the permission to spend granted in the appropriations process. To the extent that the budget process concentrates on outlay figures, its attention is diverted from the real source of spending which is budget authority. The budget authority provided, in this and prior years, for outlays at some future time, when combined with existing entitlement programs, puts the bulk of future years' outlays beyond the effective control of the budget process. In fiscal 1976 outlays from prior years' budget authority totaled $58.25 billion or approximately 15 percent of total outlays. Given the action of Congress to date spending in fiscal year 1977, from prior years' budget authority, will be approximately 20 percent of total outlays. In addition, the budget process is complicated by the so-called "uncontrollable" expenditures under automatic entitlement programs and other programs that account for about 75 percent of the budget, and whose unanticipated growth in the form of nondiscretionary reestimates added $7.0 billion to estimated fiscal year 1976 expenditures during the six months that have elapsed since the adoption of the First Concurrent Resolution. To the extent that the budget process fails to concentrate on budget authority and "spend out rates" of prior years' budget authority, and the problems of the "uncontrollables," the real control of outlays and deficits becomes minimal.

At present, the Congressional Budget Office is unable to provide the kind of information, by functional area, which would enable the Committee to concentrate on and predict outlay figures with accuracy. If the budget procedure is to have any success in the control of outlays the CBO must generate timely and accurate information relating to the outlay implication of prior years' budget authority and that of pending legislation.

In much the same manner a focus on budget authority will provide a method for reassessment of the so-called uncontrollables within the budget. A limitation of budget authority carries with it the need to reexamine the substantive provisions of existing law in order to alter or reaffirm them in light of their outlay implications. In this manner the vast bulk of the Federal budget becomes more flexible and responsive to a changing economic environment and evolving priorities.

We deeply regret the Committee's apparent decision to deemphasize the budgetary problems which have been created because of the entitlement or uncontrollable spendings programs which have been enacted. While it was originally proposed that there would be a task force of Senate Budget Committee members to study this area of the budget, this proposal was eventually downgraded to a staff level inquiry. We are hopeful that the Committee will set up a full task force on the so-called uncontrollable items within the budget.

In addition the budget process should address itself to the authorization process. That process must be carefully examined and indicated changes made if future Congressional priority decisions are to be meaningful. The present practice of authorizing programs and projects, without looking at competing demands and probable future resources, creates a political reality which reduces the available priority options. The budget process will have to address itself to a periodic review of previously enacted budget authority to reexamine the priorities established in earlier years in the light of current and future needs if it hopes to gain control of expenditures. The enactment of authorizations based solely on perceived "needs" creates constituencies with expectations of "full funding" of the authorizations. It seems clear that the total of present authorizations far exceeds probable future resources available to fund them and that the pattern of authorization bears no resemblance to probable, present or future priority patterns.

FEEDBACK ON LEGISLATIVE PERFORMANCE

The budgetary experience in the early months has proven frustrating for many Members of Congress. From time to time there appeared to be as many different budget numbers on the floor as there were members making reference to them. To a large extent, this problem has been unavoidable. The confusion over the impact of any particular piece of legislation on budget targets or ceilings could have been anticipated inasmuch as a single bill may have budget consequences in a number of functional areas. The scorekeeping reports themselves did little to address this problem directly. It is anticipated that these problems will not be evident in fiscal 1977 since a crosswalking procedure will enable all committees to predict the implications of their considerations on budget targets and ceilings. In the event that the crosswalking procedures are unsuccessful, we will once again be unable to monitor legislative performance in the light of budgetary priorities, targets and ceilings.

To date the Congress has not given serious consideration to any reorganization which would adapt committee structure to reflect the functional orientation of the budget. Such reorganization, while it would pose certain difficulties, does offer many advantages which would closely coordinate the work of the committees of Congress with the budgetary constraints imposed upon them.

The role of the Congressional Budget Office

Much of the success of the budget process will depend on the integrity of the Congressional Budget Office. The CBO was conceived as a service organization designed to support the work of the Congress in much the same manner as the General Accounting Office. If the CBO is to function effectively in a support role, it must avoid the temptation to pursue a life and a mission of its own apart from that established for it in the Act. To date, the CBO has been unable to perform its designated role. It has been criticized both in the Congress and in the press for its alleged bias in staffing and reporting and more importantly for its apparent determination to become a policymaking and evaluating body. This criticism of CBO has been extended to the entire budget process and has resulted in a real loss of credibility. It is our opinion that the potential benefits of the budget process are far to great to be placed in jeopardy by the failure of the Congressional Budget Office to recognize its assigned role and act accordingly.

The responsibility of the Congressional Budget Office to serve the Congress and the budget process in a full, complete and equitable fashion can not be overemphasized. It is incumbent upon the CBO to reflect in its studies the real scope of economic thought and theory which can be profitably brought to bear on issues which are vital to the establishment of priorities. Recent studies appear to utilize projective models which are representative of a single economic school of thought to the exclusion of other widely held viewpoints and models which reflect them. To the extent that representatives of entire schools of economic thought are excluded from the staff selection process the CBO will lose support, relevance and effectiveness. It is our opinion that the initial efforts to secure such diversity within the CBO have not been pursued with sufficient vigor.

Anticipation of needs

The budget process must of necessity deal with both the present and the future. In any one fiscal year the budget procedure is basically a revenue and expenditure control device. However, as the process looks toward future years it becomes primarily a planning tool. Ultimately the success of the budget process will be closely related to its ability to perceive future needs and their consequences on present programs. A good illustration of this point involves the treatment of social security. The trust fund is even now incapable of meeting the cash demands made against it. Despite this fact, the tendency of the Congress has been to vote in favor of increased benefits and against increased social security taxes. A continuation of this trend will soon cause fund payments to become a substantial burden on general revenues. The budget process should provide for an early warning of that event and should make clear to the appropriate committees the expenditure and tax consequences which are involved. A knowledge of these events and of their potential impact will permit a more thoughtful reordering of priorities to accommodate the crisis or give rise to substantive changes in legislation designed to mitigate or eliminate the attendant difficulties.

Summary

The potential benefits which can be derived from a complete implementation of the provisions of the Congressional Budget Act are clear. The failure of the Congress to vigorously pursue its present opportunity under the Act would be unfortunate. It is therefore crucial that those involved in the budget process recognize and accept the many challenges which will be a part of its complete implementation during the coming year.

JAMES L. BUCKLEY.
JAMES A. MCCLURE.

The PRESIDING OFFICER. The 15 minutes of the Senator have expired.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CURTIS. Mr. President, I claim my time reserved to me.

The PRESIDING OFFICER. The Senator has 15 minutes.

Mr. CURTIS. I thank the Chair.

Mr. MAGNUSON. Mr. President, the Committee on the Budget, of which I am a member, has reported out its second concurrent resolution. I believe the Senate should give its support to that resolution, and thereby signal again the commitment of this body to meaningful congressional budget making.

I think the spending and revenue levels recommended by the second resolution are very responsible. They provide for a fiscal policy designed to get us out of the grips of the recession. They assume an extension of the tax cut coupled with a continued high level of expenditures on job producing programs to stimulate recovery. Without a fiscal policy combining both of these elements we would very likely find ourselves faced with an economy that never achieved the momentum to be self-sustaining. Although we would wish otherwise, we would be faced year after year with deficit after deficit, a prospect that is totally unacceptable.

The recommendations are also practical. Although the level of total spending is up somewhat from the target initially contained in the first resolution, the major cause is unexpected increases in uncontrollable programs; and as their name implies, these are not programs that can be quickly altered in order to curb expenditures in this fiscal year. The Budget Committee has recognized the importance of introducing some controllability into some of these programs, and may provide recommendations for the Senate's consideration at a later date. But for now there is no practical alternative to simply absorbing the cost increases.

The second resolution also reflects the informed judgment of the appropriations process. The first resolution contained targets that served as recommendations to the Senate as it considered fiscal year 1976 spending legislation. The Appropriations Committee took those recommendations seriously during its deliberations, and although there were times when we may have wondered whether the new budget process had not introduced more confusion than direction, I think we can agree that the net result was an improved congressional budget. The appropriations bills were not always 100 percent consistent with the first resolution targets, but they were not expected to be. The initial targets served as recommendations, not directives. The appropriations bills that ultimately emerged reflected those recommendations in part. To the extent that they did not, they served as recommendations back to the Budget Committee to alter the budget resolution; and the second resolution now before us does accommodate the appropriations bills approved by the Senate. There may be some remaining uncertainty regarding their adequacy for expected supplemental appropriations, such as for public service jobs, but this is a reflection primarily of uncertainty regarding the appropriate size of the programs involved.

Mr. President, it has been 6 months since the Congress approved the first concurrent resolution on the budget. I believe the Members of the Senate should feel gratified that the passage of time has only served to underscore the appropriateness of our earlier judgments.

We thought that economic conditions warranted more antirecession spending than the administration was recommending, and we were right.

We thought the economy in response to that stimulus would show renewed vigor without renewed inflationary pressures, and we were right.

We thought the administration was playing games by presenting us with unrealistic budget estimates in many areas, and we were right.

Taken as a whole, the major thrust of the second resolution is a reaffirmation of our basic first resolution judgments on an appropriate fiscal policy to deal with the current recession. The behavior of the economy over the past 6 months has demonstrated that that judgment was correct, and the Senate therefore should approve the second resolution with assurance that it is doing the right thing.

Finally, I would like to point out that even though we are now reconfirming our commitment to a fiscal policy that should stimulate recovery, it is necessary for us to remember that much of what we seek to do can be undone by an unaccommodating monetary policy. The second budget resolution assumes that the rate of growth of the money supply will be adequate to finance the needed recovery. If it is not, then capital will become scarce as interest rates rise, and the recovery will be thwarted. I urge the Members of Congress to use their powers of persuasion to encourage the Federal Reserve to not let this happen.

Mr. CURTIS. Mr. President, I commend the distinguished Senator from New York for his remarks. I think they merit the attention of all of us.

Mr. President, I also commend the Budget Committee for their dedication, the facts which they have brought before the Senate, and the attention which they have focused on this very important problem of the budget.

I believe that the creation of the Budget Committee has been effective in restraining some of the spending of Government. When people consider this is the first year of their operation, that is very commendable.

I say that at the same time that I announce to the Senate that I cannot support the pending resolution.

During my years in Congress, I have voted against those things which lead to deficit financing. Right now our big burdens of the budget are what might be termed the welfare state. Thirty-nine cents of every dollar spent goes directly to individuals; 16 cents goes to States and localities. The States and localities pass 5 cents of that on to individuals. So in individual benefits, 44 cents out of every dollar goes for that purpose.

Also, it takes 7 cents to pay the interest. The amount of money going to individuals, States, and localities is 55 cents, with 7 cents to individuals, leaving 62 cents. We are only spending 27 cents out of the dollar for national defense. Two years ago it was 29 cents, 10 years ago it was 40 cents. That leaves 11 cents for the general Government.

In other words, Mr. President, the burdens to govern are not so great. It is the burden of providing. And when the roll has been called in the past on Federal aid to education, medicaid, medicare, public housing and these other social programs, I have been recorded as against the inauguration of this type of program.

Now they are here. I believe in such matters as social security, which was passed before I came to Congress, the Government should absolutely make good and pay the benefits, and I think we should pay them in dollars that will buy something.

Mr. President, we cannot serve this country by going on and having a deficit of $74.8 billion.

Mr. President, I just wish to yield myself 10 minutes. I would like to be notified when the time expires.

Mr. President, I do not think anyone would be justified in voting no on this resolution or in advocating a zero deficit unless they were willing to take the responsibility of stating where they would cut.

When the first resolution was before us in May, I stated some places where I would cut to save $67.2 billion. I will mention those again. I am willing to update that list and to add some other items in order to meet the present situation.

Here is what I proposed at that time to bring the budget into balance: I said we should repeal the tax reduction made earlier in the year. This amounts to $23 billion. Why should we cut taxes when we are running a $74 billion deficit? There is no reason at all. The tax cut did not spur the economy because people have no confidence in the Government of the United States to manage its own affairs.

I said I would abolish revenue-sharing. That would be $6.3 billion.

I am in favor of stopping foreign economic assistance. It is $4 billion. It will probably take $1 billion to phase it out. We could save $3 billion there. Since May we have added to it. We have committed ourselves for the next 3 years to $9 billion in the Mideast.

The space program has been cut materially but I would cut it another $1½ billion.

On mass transit, I would cut that by $1 billion because we are guaranteeing the losses of bus lines and transit systems. We are not spending the money for research on innovations that will help mass transit to do a better job. In the mass transit law we underwrite the failures of transportation companies. That ought to be cut.

On what the budget refers to as community development, a lot could be said for it, but if we went back to the 1974 level of expenditures there, which would be reasonable, we could save $1 billion.

Ten years ago we were spending $3 billion in education. It is now $7 billion. If we would go back to the 1974 figure we would save $2 billion.

I am ready to say to the educators of the country, "This is all we have to give you. You come forth with some ideas to make this go just as far as possible, to do the utmost good."

Under manpower and social services, this originated in the Finance Committee. It was supposed to cost a few hundred million dollars. The first thing we knew it was headed for $5 billion. We have already cut it, but I am ready to vote for another cut and confine those social services to those who have the first need—probably the handicapped. We cannot afford everything.

Ten years ago we were spending for health programs $3 billion. Today it is $30 billion. Does any Senator know any reason why, when we are running a deficit, we should add to the social security taxes of the working people, to pay the hospital and medical bill of somebody who is 65, just because they are 65, even if they are some of the most wealthy people in the country?

We ought to make a cut there of $5 billion and we would still do justice to those who cannot provide their own medical care.

I admit I have not updated these figures. They were valid as of last May. I cite them as an illustration to show where I stand.

We debated last spring whether we should add 5.5 percent or 8.5 percent to wages and retirement. When we have a $74 billion deficit, why not decide on zero? Why not say to the recipients, "Yes, we would like to give you a raise but there is no money in the till."

That would have saved $12.9 billion on wages and retirement.

Law enforcement is supposed to be a local activity. Ten years ago we were spending a half billion dollars on it. Now it is $3.5 billion, an increase of sevenfold. That ought to be cut by $1 billion.

Food stamps could stand a $2 billion cut.

Welfare reform could stand a $2 billion cut.

I believe some real tax reforms would save a billion dollars. Here is another thing: If we operated at zero deficit, we would save $2 billion in interest this year.

Mr. President, I am willing to take those figures, update them, and do whatever is necessary to get a zero budget.

The PRESIDING OFFICER. The Senator has used 10 minutes of his time.

Mr. CURTIS. I yield myself the additional 5 minutes.

Mr. President, I totally disagree with those who feel that deficits are going to lift up this economy. They will make it get worse. Perhaps we could have good, sound management for a number of years, and then release the spigot and get a little lift from it. But we forget that people in every section of the globe have lost confidence in Uncle Sam's ability to pay his bills.

I also wish to say that some of the leading economists of the country totally reject that notion. I wish to read from Dr. Roger Freeman, one I could put at the top of the list:

> Some close observers have expressed the fear that a continuation of current trends in the public debt may lead to Federal bankruptcy. But, there is really no reason to be afraid. The Federal Government cannot go bankrupt because it can always print all the money it needs to meet its obligations and repay its creditors in dollars that are worth but a fraction of the dollars it borrowed many years before. Some may take a dim view of such a method to defraud those who entrusted their savings to the Federal Government. Others will regard this as clever money management.
>
> What is to be feared is not Federal bankruptcy but runaway inflation. Ever-expanding deficit spending and enlarged money supply are bound to produce inflation—as they have done countless times in a devastating manner over the past one thousand years—from China to Latin America, from Persia to France and Germany. And when the money lost most or all of its value, runaway inflation often not only ruined a country economically but led to social unrest, violent upheaval, revolution and even destruction of the society. More than any other single factor it was the German superinflation of the 1920s which broke the middle class and killed its belief in the justice of the existing social order that brought Hitler to power.

Now, listen to this, Mr. President: The Consumer Price Index lost 18 percent from 1955 to 1965, and 70 percent from 1965 to 1975. Mr. President, it took 163 years, from 1789 to 1952, for our domestic expenditures to reach $12 billion. In the next 20 years, they multiplied 10-fold. Federal expenditures doubled 3½ times from 1952 to 1972.

Mr. President, how much time do I have remaining,

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. CURTIS. Mr. President, I firmly believe that the only thing that will save this Republic from ruin is a constitutional amendment that will compel a balanced budget, not some time in the future but now. I have such an amendment. We had 2 days of hearings on it this fall. It mandates Congress to balance the budget. At the end of the year, the President calculates whether we have a deficit; he ascertains it and announces it, together with a calculation of how much surtax, which is an added percentage tax on individuals and corporation, it would take to recoup the deficit, and the surtax goes in automatically. The proposed permits a waiver of the tax to recoup the deficit if three-fourths of both Houses of Congress find that we are in a grave national emergency or in case of a declaration of war.

Mr. President, if Congress and the President have to face the issue of balancing the budget or raising taxes, they will balance the budget. We will then have some priorities. We will confine our social programs to the people in need. We will for instance confine our help in the medical field to people who cannot get medical services any other way.

Mr. President, I do not think there is much support growing in Congress for my constitutional amendment, although there is some, but there is a very growing support for it across the country and among the State legislatures. The States know they have lost control of their budgets because it takes all the money they can raise to match Federal programs and they want the brakes put on it in Washington.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CURTIS. Mr. President, I suggest that we can reduce the budget. We have to change laws, but let us not put it off any longer.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia has 12 minutes remaining.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats.

Mr. HARRY F. BYRD, JR. Mr. President, the Congressional Budget Act of 1974, which created the budgetary procedures which we are implementing today, had noble objectives. Among them were these: To establish targets for revenues and spending; to coordinate the work of the Congress in the budgetary area; to provide timely information on the status of actions affecting budgetary goals; to exercise discipline in the appropriation of funds.

The pending resolution, in my view, represents a highly creditable job in the first three areas. The problem arises in connection with the fourth objective: discipline.

The concurrent resolution says that for fiscal year 1976—in rounded figures—the appropriate level of Federal revenues is $300 billion; the appropriate level of spending is $375 billion; and the appropriate deficit is $75 billion.

I am compelled to say that the declaring of a deficit of $74.8 billion as appropriate for fiscal year 1976—and that is the word required by law, the word used in the resolution, appropriate—is an abandonment of discipline.

Mr. NUNN. Mr. President, will the Senator yield for an observation at that point?

Mr. HARRY F. BYRD, JR. I yield to the Senator from Georgia.

Mr. NUNN. I completely agree with the Senator from Virginia that the wording, is, I think, required by statute——

Mr. HARRY F. BYRD, JR. That is correct.

Mr. NUNN. In the original law setting it up, the wording of the appropriate level of expenditures, the appropriate level of revenue, and the appropriate level of deficit for the year, is a matter that is of grave concern to me. I know it is of concern to other Senators on the Budget Committee, and I am going to be making a speech or inserting part of it in the RECORD on that and other points.

What we have here is not really a committee position, because the majority position, I do believe, has not been that the appropriate deficit is $74 billion. That certainly does not represent the position of the Senator from Georgia.

What we have is a result of the level of the so-called entitlement programs, or uncontrollable expenditures, that continue to go up in spite of the recession.

I hope that next year we can have a more explicit budget resolution, that would say something to the effect that the deficit is not an intentional deficit, that it is not the appropriate level of deficit as deemed by the Budget Committee, but rather that it is the result of years and years of fiscal irresponsibility, years and years of open-ended entitlement programs being passed one after another, and a reluctant administration and Congress not being able to repeal laws that set up these so-called uncontrollable expenditures.

In fairness to the chairman and the ranking minority member of the Budget Committee, frankly, the Budget Committee is going to have to get into these entitlement programs. The Budget Committee is going to have to mandate that certain of these so-called entitlement programs be closed up, and then look to other committees and the full body of both the House and the Senate to begin to correct some of this.

In other words, a lot of this is beyond control of the Budget Committee itself, and I think the budget process, as the Senator has already observed, has got to come to grips with this situation; otherwise, what we will be doing in this budget process is going after the defense bill every year, and the foreign aid bill and certain other bills that are in the so-called controllable 25 percent.

If we cannot deal with that uncontrollable 75 percent, and even if the Budget Committee does make a correction, which I believe will begin to happen next year, on the so-called uncontrollables, if the other committees, such as Finance and others, do not respond by taking action, we will not really come to grips with this budget.

That is the central problem facing us, not only the Budget Committee but the U.S. Congress, and also the central problem confronting our country, with respect to control of the budget. So I agree with the observation of the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I thank the Senator from Georgia.

Mr. MUSKIE. Mr. President, will the Senator yield for a word of explanation?

Mr. HARRY F. BYRD, JR. I yield to Senator MUSKIE.

Mr. MUSKIE. I was also part of writing the Budget Reform Act, as the Senator from Virginia will recall. We used the word "appropriate" as the most nearly neutral word we could find. We did not want it to suggest recommendation. We did not want it to suggest anything positive. We tried to find a neutral word. Maybe we can find a better one. I hope that word of explanation will be of some assistance.

Mr. NUNN. If the Senator from Maine will agree, after going through all the budgetary work hours on the Budget Committee, the word "inevitable" ought to be used instead of the word "appropriate."

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. HELMS. Instead of the word "inevitable," let us make it "appalling."

Mr. HARRY F. BYRD, JR. That would be more in the line with the thinking of the Senator from Virginia.

Mr. NUNN. I will agree with all the adjectives except "appropriate."

Mr. HARRY F. BYRD, JR. The fact is that the legislation before the Senate today says it is appropriate to have a deficit of $75 billion. To me it is totally inappropriate and indeed totally irresponsible.

I do not care what word we use, whether we use the word "appropriate" or "inevitable," or any other word, the fact is that there is a deficit being proposed of $75 billion. Not only is it not appropriate but in my judgment it is totally irresponsible.

When the Congressional Budget Act was being debated in the Senate, I stated at the time, and I repeat today, that unless Congress builds real discipline into the budgetary process, until we move toward a balanced budget, Congress will continue to find "appropriate" a huge deficit every year.

I very much fear that the Congressional Budget Act, which was supposed to be a foundation stone for sound fiscal policies, is more like a piece of putty being shaped in any way the political and economic fashions of the moment dictate.

On page 4 of the committee report it is stated that during the past 6 months it has been that—

> Congress has the discipline to exert its influence over the Nation's financial affairs and to lay a foundation for long-term recovery and stability.

But in the very next paragraph the committee reports that in those same 6 months, the spending target has gone up by $8.6 billion and the deficit target by $6 billion.

That is not my idea of discipline.

The problem with Senate Concurrent Resolution 76 is its underlying philosophy, the philosophy of the free lunch, the philosophy that none needs pay the bill.

This resolution projects ahead for yet another year the tired and discredited economic dogmas which are chiefly responsible for the inflation and recession we have been experiencing: the doctrine that when things go wrong, the thing to do is to spend your way out of trouble.

Just about the only solution Washington, D.C. has had for any of the Nation's problems in the last 15 years has been more Government spending and more Government control.

Nearly all of the increase in the deficit projection between the first and second concurrent resolution—and the deficit in the first resolution was a whopper—is attributed to "uncontrollable" outlays under entitlement programs.

I submit that the only truly "uncontrollable" item in the budget is interest on the debt—and we could control that, too, if we would stop adding to the debt.

At this point I wish to say that if this resolution is approved, as it will be, that will mean that for the 6-year period 1971 through 1976 the total accumulated Federal funds deficit, namely, the amount added to the debt, will be $227 billion. As stated another way, at the end of——

The PRESIDING OFFICER. The Senator used 10 of his 12 minutes.

Mr. HARRY F. BYRD, JR. At the end of this fiscal year, 35 percent of the total national debt will have been created in 6 years, namely the years 1971 through 1976.

What we must do—and I recognize this is not in the purview of the Budget Committee—is to get a measure of control over the so-called uncontrollables.

I do not suggest that we refuse to aid Americans who, to take one example, through no fault of their own, are unable to earn a living. We owe an obligation to them, and no such drastic action is necessary.

I have joined with other Senators in sponsoring legislation to reform our outdated, much-abused welfare system. Projections indicate this would not only save the taxpayers money, but would actually increase benefits to the truly needy.

This is the direction in which we must move—and just one example.

Until we do, until we get a real handle on Federal spending, deficit will continue to pyramid upon deficit. That will mean more inflation, more crowding of private investors out of the money market, higher interest rates, continually declining consumer confidence—and, in the longer term, the threat of a deep depression.

On page 11 of the committee report it is stated that—

> Recent experience indicates that inflation forecasting is more a guessing game than an analytical exercise.

In the short run, that may be a valid statement. But I have no hesitation in forecasting that the pursuit of the economic philosophy embodied in the pending budget resolution will continue the long-term inflation which is now plaguing us. In fact, it will worsen it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent for another 6 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. That is bad news for the hard-working men and women of this Nation, because it means that the steady erosion in the value of their paychecks will continue.

Until we establish genuine discipline in Federal finances, inflation will go on undermining the foundations of the economy of the United States.

Inflation is a tax. It is a hidden tax and a cruel tax. It hits hardest those on fixed incomes and those in the lower and middle economic brackets.

To put it another way: We will not get the cost of living under control until we get the cost of Government under control.

I pay special tribute now to the Senator from New York (Mr. BUCKLEY) and the Senator from Idaho (Mr. McCLURE) for the eloquent and soundly reasoned minority views which they published in the report of the Budget Committee.

Senator BUCKLEY and Senator McCLURE see only too well the fallacy of this resolution, the bankruptcy of the policies which it represents. If we are to have soundly based recovery for the economy of the United States, we shall have to give heed to the cogent reasoning set forth by these distinguished Senators.

Because I concur in the views expressed by my colleagues from New York and Idaho, because I believe that we must establish true financial discipline in the Government of the United States, I oppose Senate Concurrent Resolution 76.

To me, a $75 billion deficit is unacceptable and irresponsible.

Mr. President, I realize that the prevailing view in Washington today is the philosophy exemplified by the pending resolution. That sophisticated view, namely that the country can spend its way to prosperity, takes me back 10 years, 9 years, 8 years, or 7 years, when the sophisticated view in Washington was that the way to fight a war in Vietnam was to fight a limited war and not to attempt to bring the war to an early and successful conclusion. That sophisticated view by the experts on that subject proved itself totally wrong and I say that the present sophisticated view by the experts that the way to handle the country's economic problems now is to run up higher and higher Federal deficits will prove itself equally as wrong.

The continued, accumulated higher deficits represent the major cause of the inflation that the American people are suffering, inflation that is eating so heavily into every wage-earner's paycheck and into every housewife's grocery dollar. I do not believe that we will get inflation under control until we reverse our policy, get away from these continued deficits, and get the country back on a sound financial basis.

I do not see how anyone can contend that a $75 billion deficit can, by any stretch of the imagination, be considered a sound way to handle the Nation's finances. With one exception, it is well more than double the highest deficit in any previous year.

The accumulated deficits for the 6-year period ending June 30, 1976, will be $227 billion.

Mr. President, I ask unanimous consent to have printed in the RECORD a table I have prepared showing the receipts, outlays, and deficits and the interest on the debt, and that the text of Senate Concurrent Resolution 76 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT 1957–76 INCLUSIVE

[Billions of dollars, prepared by Senator Harry F. Byrd, Jr., of Virginia]

Year	Receipts	Outlays	Surplus + or deficit −	Debt interest
1957	$68.8	$67.1	$+1.7	$7.3
1958	66.6	69.7	−3.1	7.8
1959	65.8	77.0	−11.2	7.8
1960	75.7	74.9	+.8	9.5
1961	75.2	79.3	−4.1	9.3
1962	79.7	86.6	−6.9	9.5
1963	83.6	90.1	−6.5	10.3
1964	87.2	95.8	−8.6	11.0
1965	90.9	94.8	−3.9	11.8
1966	101.4	106.5	−5.1	12.6
1967	111.8	126.8	−15.0	14.2
1968	114.7	143.1	−28.4	15.6
1969	143.3	148.8	−5.5	17.7
1970	143.2	156.3	−13.1	20.0
1971	133.7	163.7	−30.0	21.6
1972	148.8	178.0	−29.2	22.5
1973	161.4	186.4	−25.0	24.2
1974	181.2	198.7	−17.5	29.3
1975	187.5	238.5	−51.0	32.7
1976[1]	198.9	272.9	−74.0	37.5
20-yr total	2,319.4	2,655.0	−325.6	332.2

[1] U.S. Treasury Department estimates.

Source: Office of Management and Budget and Department of the Treasury.

S. CON. RES. 76

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the appropriate level of total budget outlays is $375,600,000,000;

(2) the appropriate level of total new budget authority is $406,200,000,000;

(3) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $74,800,000,000;

(4) the appropriate level of Federal revenues is $300,800,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $6,400,000,000;

(5) the appropriate level of the public debt is $623,200,000,000; and

(6) the Senate Committee on Finance and the House Committee on Ways and Means shall submit to their respective Houses legislation to decrease Federal revenues by $6,400,000,000.

SEC. 2. The Congress hereby determines and declares that, for the transition quarter beginning on July 1, 1976—

(1) the appropriate level of total budget outlays is $100,100,000,000;

(2) the appropriate level of total budget authority is $92,200,000,000;

(3) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $15,300,000,000;

(4) the appropriate level of Federal revenues is $84,800,000,000; and

(5) the appropriate level of the public debt is $639,500,000,000.

The PRESIDING OFFICER. The Senator from Florida has 3 minutes.

Mr. STONE. I will be briefer than that.

Mr. President, the Senator from Florida introduced a resolution, Senate Resolution 289, which would require a reduction in the level of total budget outlays and total budget authority, to the extent that the projected rate of employment between the first and second budget resolutions is less than the 7.5 percent projected rate of unemployment assumed.

The point is that these deficits are projected in order to stimulate employment. That is the reason for these expenditures in deficit. If we can convince ourselves and commit ourselves that as the employment picture improves and the unemployment picture improves, we will reduce the deficit by at least the amount proposed in my resolution, we will have aided the inflation situation and we will have aided the budget process.

Mr. President, in order to save the time of the Senate, I ask unanimous consent that a comparison table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARISON OF 1ST AND 2D BUDGET RESOLUTIONS

[In billions of dollars]

	1st budget resolution	2d budget resolution
Budget authority	$386.7	$406.2 (+$19.5)
1976 outlays	367.0	375.6 (+8.6)
Estimated deficit	68.8	74.8 (6.)
Unemployment rate	(1)	(2)
Budget outlays by function:		
National Defense	90.7	92.1 (+1.4)
International Affairs	4.9	4.8 (−.1)
General Science, Space. and Technology	4.6	4.6 (........)
Natural Resources, Environment and Energy	11.6	11.5 (−.1)
Agriculture	1.8	2.6 (+.8)
Commerce and Transportation	17.5	18.3 (+.8)
Community and Regional Development	8.65	7.1 (−1.55)
Education, Manpower, and Social Services	19.85	20.9 (+1.05)
Health	30.7	33.0 (+2.3)
Income Security	125.3	128.1 (+2.8)
Veterans Benefits and Services	17.5	19.1 (+1.6)
Law Enforcement and Justice	3.4	3.4 (........)
General Government	3.3	3.3 (........)
Revenue sharing and general purpose fiscal assistance	7.2	7.3 (+.1)
Interest	35.0	35.2 (+.2)
Allowances	1.2	.9 (−.3)

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[1] May 1975—9.2 percent (designed to reduce this to 7.5 percent by December 1976).

[2] End of 3d quarter, 1975—8.6%.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I yield 3 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, if I may have the attention of the managers of the bill, I should like to ask one question.

The bill, I am very pleased to see in the comments at page 44 of the committee report, does provide funds for the summer youth program. I have fought for that for quite a number of years.

I ask the manager of the bill on what that estimate was based. Who submitted the figures, and so forth, and is it any improvement over this year's program, in view of the continuing endemic unemployment?

Mr. MUSKIE. It is essentially the same as this year's program. We have made no changes in it.

Mr. JAVITS. I suppose we should be grateful that it is not down.

Mr. MUSKIE. There is, of course, pressure. The reestimates that raised the deficit by $8.6 billion formed pressure to hold the numbers down.

Mr. JAVITS. I thank the Senator.

The other question is this: We are struggling for, and there is a bill on the calendar for, aid to New York City. There is a guarantee bill on the calendar. There is considerable discussion about a loan bill to take care of the cash flow problem, which is an idea that has just been floated as recently as a couple of days ago.

Nobody knows whether it will be loans, whether it will come out of the Federal Reserve, whether it will be loans at all, or guaranteed securities. In the event of a default and a bankruptcy, we will have chaos and anarchy, unless some help on the cash-flow proposition to meet essential services is provided, quite apart from the other tragic arguments.

I wonder whether the Budget Committee considered that at all and what they had in mind about it.

Mr. MUSKIE. We certainly discussed it. We are not in a position to put any numbers in because of the uncertainty of any action at all. We did conclude that if it were a guarantee proposition, the prospects of any outlays at all in fiscal 1976 were minimal.

Mr. JAVITS. I think that is very helpful and hopeful, and I thank the Senator for that view. If it were not a guarantee, what is the budget arrangement which would allow such an emergency being met?

Mr. MUSKIE. The only action available to us then would be a third concurrent resolution.

Mr. JAVITS. To deal with that emergency?

Mr. MUSKIE. To deal with that emergency or with any other emergency.

Mr. JAVITS. The last question: I was responsible for an amendment respecting the tax expenditures, and so these impact on the budget process. May I know whether the Budget Committee is keeping the heat on for that and when we may expect reports and consideration of tax expenditures in the budget process.

Mr. MUSKIE. The Senator will find language in the committee report.

Second, we have created an expenditure task force which is headed by Senator MONDALE, who shares with the Senator from New York a high degree of concern about this problem. We are hoping that we can begin to move in this area next year.

Mr. JAVITS. And the Senator will keep the heat on the various agencies of Government and the appropriate committees of the Senate in this regard?

Mr. MUSKIE. We certainly will.

I point out that Senator BELLMON put a table in the RECORD yesterday, indicating that these tax expenditures amount to $103 billion.

Mr. JAVITS. I thank the Senator for yielding me the time.

THE BUDGET

Mr. CHILES. Mr. President, this is the first time the Senate has considered a second concurrent resolution on the budget and there are some things about it which are worth pointing out.

I think those of us on the Budget Committee have learned from our experiences with the budget this year how important it is to set our spending totals before the beginning of a fiscal year, as we will begin to do for 1977. This will allow us to see the cumulative effect of small changes in many programs. I think we could do an even better job of controlling expenditures.

We have learned how difficult it is in the second resolution to keep the numbers from changing when the programs have already been put in operation. The fact is that in this resolution we have provided only $3.7 billion for new programs not yet legislated. For the most part this does not reflect an expectation of major spending programs. Rather, it is the total effect of allowing for small add-ons to spending in 7 of the 14 program functions of the budget.

The fact that we have only added $3.7 billion—just 1 percent of the total budget—in a recession year demonstrates the admirable restraint Congress has shown. With the leadership of the chairman of the Budget Committee and the cooperation of the chairmen of other committees, we in the Senate have faced hard choices and cut back on several popular programs in order to keep within our ceilings.

I am convinced that this first demonstration of our ability to restrain spending has increased the confidence of the American people in Congress capacity to take a hard look at the size of Government and start to do something about it. We have a long way to go, but we are on the right track.

Nevertheless, even this slight growth in spending for new programs could balloon into more than twice the amount next year. This is because the $3.7 billion is an estimate for spending during the second half of the fiscal year after the legislation has been passed and the programs started.

One concern I think the Budget Committee should have is being aware of the fact that these part-year commitments could become full-year commitments next year, and could push spending up by $3 to $5 billion more next year.

These nondiscretionary cost increases and future year effects of small increases in this year's budget just illustrate the basic problem we have in harnessing budget growth.

The basic problem is that even if you net out about $20 billion in temporary spending caused by the recession—such as extra expense for unemployment compensation, food stamps, and job creation programs—we still end up with about a $25 billion growth in spending in the permanent programs of the budget over 1975 levels.

This amounts to about an 8-percent growth rate. If you count the effects of new legislation at their full annual cost, which is the actual size of the programs, it goes up to 9 percent annual growth.

This leaves us about 2 to 2½ percent real growth above inflation in permanent programs in just 1 year.

Taking the figures in this second resolution, a 2- to 2½-percent growth in real programs would mean $7 to $8½ billion for 1977. If we added this to $24.5 billion for inflation at 7 percent, and added $3 to $5 billion for annualizing part year spending, we could easily find next year's budget increasing by $34 to $38 billion for permanent programs.

I am not saying that we have no choice. I am saying that there is a real danger of getting these kinds of increases without starting major new programs. To get the total budget under control, we are going to have to start making tradeoffs for these small program changes.

If we liberalize benefits in an entitlement program, or increase appropriations for an ongoing program, we are first going to decide what we are willing to give up elsewhere. I do not think the American people want us to keep piling one program on top of another. They want us to stop old programs before we start new ones.

We have got to dig into the base of the budget and find inefficiencies and duplications which can yield savings. I would like to close by calling attention to the problem of reforming some of our entitlement programs, which some of my colleagues on the Budget Committee addressed last night.

This is an area where the Budget Committee is offering a clear challenge to the Senate.

At my suggestion, the first concurrent resolution included a recommendation for a billion dollars worth of savings due to reforms.

I might note that we were not asking for a reduction of benefits to needy persons, but only for tighter administration, elimination of eligibiliy loopholes, and reduction of excess benefits like the extra 1 percent above cost of living in some retirement programs.

Food stamp reform is the only area where the Senate has taken enough action so far that we felt we could realistically project savings for this fiscal year.

I am pleased that the Agriculture Committee is actively considering a reform bill which I introduced with Senator NUNN, as well as several other bills sponsored by members of the Budget Committee.

I hope that this year we will be able to take the same lead in other areas and get the same kind of cooperative response from the authorizing committees. If they will apply their expertise to our suggestions for reform, then maybe we can fulfill our mandate to start controlling the total Federal budget.

MONETARY POLICY

Mr. President, as the Senate considers passage of the second concurrent resolution on the budget for fiscal year 1976, I think it is important that we emphasize the importance the Senate Budget Committee attaches to monetary policy and the need for monetary and fiscal policy to work together.

I am privileged to serve as chairman of the Budget Committee Task Force on Monetary Policy and Capital Needs. This task force held three seminars earlier this fall on monetary policy, the possibility of Government borrowing crowding out private investment, and the longer run prospects of a capital shortage.

The full Senate Budget Committee also spent considerable time on monetary policy in hearings which included prolonged discussions with the Chairman of the Federal Reserve, the Secretary of the Treasury, and others.

Through these activities it became abundantly clear to us that if the Federal Reserve continues to think that its role and its responsibility is to counterbalance the stimulus the Congress is giving to the economy to achieve recovery, then we are going to have monetary policy going one way and budget policy going another way, each nullifying the other.

It became evident last June when the tax cut began to have its impact that the Federal Reserve was going to cushion the impact of the tax cut by tightening up on the money supply. The net effect of this was that interest rates rose, the housing market remained in crisis, and the punch was taken out of the tax cut.

When this happens, tight monetary policy dampens the spurt to growth and employment that would have resulted from the tax cut and actually enlarges the deficit.

So the Congress is kept from achieving its goal of controlling spending while providing the stimulus to the economy it desires and that it believes will not add to inflation, and the Federal Reserve is kept from its goal of cutting the rate of inflation while letting the economy recover from the recession.

So the need for monetary and fiscal policy to be in concert with each other rather than in conflict is fundamental to an effective economic policy to achieve recovery without more inflation.

The Senate Budget Committee recommends a rate of growth in the narrowly defined money supply (M_1) of 8 to 10 percent for fiscal year 1976. This contrasts with the Federal Reserve's target rate of growth of 5 to 7½ percent.

This difference in the numbers is not as important as the difference over policy.

Because right now monetary policy is easing up quite a bit, interest rates, are falling, disintermedation of funds out of savings and loans has lessened, housing is picking up slightly, and so on. But this is probably only a monetary thing.

An easier monetary policy on a more continuing basis is possible now because the inflation we have is not caused by excessive demand. This inflation is unusual if not unique because it is occurring when we have high unemployment and unused capacity in industry. There is a lack of demand not too much demand.

If there were excess demand then a tighter monetary policy would be the right thing to do but now with recession and inflation at the same time a slightly easier monetary policy that is consistent with our fiscal policy is necessary to achieve recovery while slowing inflation.

What we need to stress is the importance of the Federal Reserve understanding that the Congress is serious about controlling Federal spending so that is has the confidence that Congress will not fan the flames of inflation.

If the Federal Reserve can realize this, and can realize at the same time the tremendous need in this country right now to bring down the extremely high rate of unemployment, to bring recovery to the recession ridden sectors such as housing, and to assure a solid trend toward recovery into the economy as a whole, then there is a good possibility of achieving an effective economic policy.

What I am saying is that we in the Congress cannot do it alone. We need the cooperation of the Federal Reserve and the President of the United States in achieving the economic goals of our people. Our budget resolution cannot bear the whole burden of achieving either recovery or price stability.

We must work together and the President and the Federal Reserve need to join with us in this effort.

Mr. ROTH. Mr. President, the Senate is today considering the adoption of the second budget resolution to set total Government spending levels at $375.6 billion, producing a budget deficit of $74.8 billion. In addition to this budget deficit, the Government will have to borrow another $14 billion for the various Federal agencies that have been removed from the budget.

A portion of this enormous budget deficit is due to a reduction in tax revenues caused by the recession and to increased spending programs to help the unemployed. But the bulk of the deficit is caused by increased spending in the many Government programs that have been created in the past decade.

The Federal Government has had budget deficits for 15 out of the last 16 years, resulting in nearly $250 billion in red ink. In fiscal 1974, the Government was spending $268 billion. With the adoption of this resolution, the Government will spend $375 billion in fiscal 1976, an increase of $107 billion in just 2 years.

In 1962, the Federal Government's total budget was only $107 billion. And in the last 2 years, we have increased spending as much as we did in the 186-year period between 1776 and 1962.

In these same last 2 years, the Government has run up budget deficits of $119 billion, which is more than the total Federal budget in 1965, just 10 years ago.

I believe that it is clear that these deficit spending policies are primarily responsible for the inflation and high unemployment we are experiencing today, and attempts to spend our way out of our economic problems will only result in more inflation and even higher levels of unemployment.

Over the past 15 years, the Congress has responded to virtually every problem by enacting well-intentioned, politically appealing, costly programs. Members of Congress may benefit from these politically popular spending programs, but the average working family has to pay for this spending in increased taxes and higher rates of inflation.

I believe that the taxpayers of this country have had enough of wasteful spending programs and that Congress must take action to reduce the growth of Government spending programs.

That is why it is so important that any tax cut bill that we adopt must be linked to a corresponding reduction in Federal spending. A combined reduction in Federal taxes and Federal spending will increase consumer purchasing power, make more money available for the creation of new jobs, and stimulate economic growth.

Mr. BARTLETT. Mr. President, I recognize that many support the increase in spending because the costs of many existing programs are increasing. However, this land of catchup spending is foreign to the purpose of the new budget process. I do not think we are supposed to tacitly approve all inflation-generated cost increases. What we are doing is locking ourselves into a vicious spiral. We here in Congress cause inflation by today's deficit spending, and then we justify even more spending tomorrow because, lo and behold, inflation has driven up costs for the Government. You have to draw the line somewhere, and I thought we were drawing it at $365 billion last spring.

Even if one accepts the "more Government is more prosperity" theories which have been in vogue here for 40 years, and I do not, the only rational reason for increasing spending is if the recovery were weaker than we have anticipated. In fact, it is stronger than we thought. Even with the tax cut, tax revenues are higher than predicted. If we were really reacting to changing economic predictions, we would be cutting spending.

This proposal accelerates a vicious economic cycle, which will further stimulate inflation.

I implore my colleagues to take a firm position that we are not going to let the Government get completely out of fiscal control. If we allow this deficit increase to go through, I fear that it may signal the failure of our noble experiment in budget reform.

IMPORTANCE OF ADVANCE FUNDING FOR EDUCATION

Mr. BEALL. Mr. President, as both a member of the Budget Committee and as the ranking minority member of the Education Subcommittee, I rise to comment on the statement contained on page 20 of the committee report with respect to the future year impact of advanced funded programs.

Those of us who have been active in the education area are acutely aware of the problems resulting when funds for education programs are received by local educational agencies and educators late. In fact, many educators have told me that they would even prefer less funding with earlier notification than a higher funding level which was received late. This is because of the need for effective planning. If resources are to be utilized in the most effective manner.

Education has particular problems in this regard. Decisions as to staffing for September in many instances, have to be made in the preceding February and March and these decisions can be made with confidence only if there is general understanding of the amounts which will be made available for the school year at a early date. What I am saying, Mr. President, is that school authorities at all levels of education—elementary, secondary, and postsecondary—need as early and as accurate information as can be given from the Federal level with respect to the available funds so they can make up their own institutional projects.

I personally believe that a distinction can be drawn between programs funded 2, 3, and 4 or more years in advance of outlay and those which are forward-funded for 1 year. In the case of multiyear funding, circumstances can and often do change substantially which require reassessment by the Congress. In the case of programs advanced funded for a single year, and in this category I would place all of the educational authorities covered by the General Education Provisions Act—such as title I ESEA the consolidation provisions of title IV ESEA, the Adult Education Act and the various statutes governing student assistance—there is a sound basis for the continuation of the present policy of providing advanced funding for the fiscal year subsequent to the fiscal year covered by the act being considered.

I recognize that it is a difficult area in which to balance competing values, each of which has much to recommend it in the abstract, but it would be my hope that, in our desire and commitment to obtain a firm handle on governmental outlays, we will not unduly complicate the operations of our great educational institutions at every level through removing a procedure which has helped to bring about a more efficient and economical use of Federal money through advance planning.

The distinction I have drawn, between forward-funding for 1 year only, as in the educational programs, and advance funding for multiple years ahead, may be helpful in keeping values in perspective.

One other caution must be voiced however, when a Federal commitment has been given to build a school under Public Law 815, or when a commitment has been given to a student undertaking a 3-year course of study, that resources would be available, providing his record of scholastic progress was maintained, for the period needed to complete the training begun in such instances, I believe the discontinuance of support should not take place for that school or that student until the commitment is liquidated. The discontinuance should apply only in those cases which could be classified as "new starts."

What we are striving for is equity, as well as economy. Both are desirable ends, and in the long run, they are not incompatible, rather through the elimination of the wastes inherent in sudden twists and turns in funding patterns we may very well find that the equitable solution if the most economical one.

I ask unanimous consent that this portion of the committee report be printed in the Record.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Future Year Impact

A Committee staff analysis shows that 21.3 percent of the budget authority (Federal funds) contained in the Second Resolution will not be translated into outlays during fiscal year 1976 but will be carried forward for spending in the Transition Quarter or in later years. For some functions, the carryover is in excess of 60 percent. The Committee recognizes that in many cases advance funding is necessary to enable Federal, State and local agencies as well as private organizations to plan the operations of long-term programs. But in many cases, also, the existing pattern has serious implications for the efforts of Congress to establish firmer control over spending priorities in the future. If this traditional pattern were to continue, Congress would continue to find itself powerless to cut back spending 2 or 3 years from now in programs which it might decide had lost their value, were not fulfilling the goals which Congress had set for them, or were less important than other programs needing additional funds.

The Committee has asked the staff to analyze the pattern of budget authority and to recommend procedures for use in preparing the fiscal year 1977 budget that will enable the Committee and the Senate to relate budget authority more closely with its judgment on spending priorities from year to year. The Committee will seek advice from authorizing committees and the Appropriations Committee in this effort to expand Congressional understanding of and control over such "prior-year" budget authority.

Mr. GARN. Mr. President, I rise today to express my strong disagreement with the budget levels which are reflected in the budget resolution, and wish to associate myself with the points made by my colleagues BUCKLEY, MCCLURE, and others who have pointed out the outmoded economic assumptions which underlie these levels.

I cannot emphasize too strongly that time is running short in this country. Our refusal to learn from the experience of New York is nothing short of astonishing. New York should have taught us, if it taught us nothing else, that there comes a point beyond which the books cannot be juggled, beyond which taxes cannot be raised to cover obligations incurred in the past. I say to the Senate that we are now fast approaching that point.

The taxpayers of my State are already saying it, and they are saying it loud and clear. We had an election earlier this month, and all across the country, the voters had one thing to say: we will not support additional Government spending. And I will tell you this, if the people of this country had to vote on a bond issue before the Federal Government could borrow money, that bond issue would be resoundingly defeated. So would any proposal to increase the debt limit.

Unfortunately, the Federal Government is not forced to level with the voters in that way. The Government can walk into the credit market and soak up large sums of money to pay for its deficits. It can do that even though that money is desperately needed to pay for the capital investment needed in this country.

And even worse, it can simply "create" the money it needs to finance its deficits, even though the effects of the resulting inflation are devastating to the very people Government is supposed to help: the poor, the aged, those on fixed incomes. Of course, Government cannot create the wealth that must accompany the creation of money, and it is an illusion of ideological economists that it can.

Now I know that the budget is supposed to be uncontrollable, but it is not. It is controllable if we have the courage to act. There have been a number of figures presented here today of expenditures which could be cut from the Federal budget. Some of these are outmoded programs which simply resist discontinuation; some of them are bad programs which should never have been enacted in the first place; some of them are good programs which would much more effectively be done at the State or local level.

There is no reason to doubt that local government, if the taxing leeway were returned to it, would raise the necessary taxes and make the expenditures for the necessary programs. Local governments are far more responsive to real needs, and that is where the taxes ought to be raised, and the spending decisions made.

A proposal of this nature is, of course, rank heresy in these hallowed halls these days, but believe me, someone needs to start making it. If we do not heed the example of New York, we will follow her into bankruptcy. My friends from New York call on Washington to bail her out, forgetting that there is no one to bail us out. We cannot continue, and I for one, will make my stand here, against this budget resolution, for what it represents. It represents an economic theory which has led us into stagnation with inflation, and which is well on its way to driving us into total bankruptcy. The voters feel it, the taxpayers know it. We had better start heeding the message.

Now, Mr. President, it will not do to say that we will achieve the spending reduction by cutting the defense budget. For one thing, the defense of the Nation is the most clearly justifiable of all Federal expenditures. Every time the Federal Government sticks its nose into another area of private action, a host of constitutional arguments are raised. Unfortunately, these are rarely heeded, but the point is that no one argues with the Federal monopoly of national defense; so defense spending is the most defensible of all. And the fact is that real spending for defense is in serious decline. It is true that the overall defense budget request is at record levels, but we must consider the impact of the shift to a volunteer military on those levels, and the effect of long-deferred procurement programs. The nitty-gritty of defense spending, the buying of weapons systems and the provisioning of the forces for actual combat, is woefully underfunded. I fear, Mr. President, and my constituents feel, that we are no longer able to defend our interests around the world. The unhealthiness of that situation is uncontested, and we must not allow budget resolutions to bias our actions in the direction of further cuts.

Mr. CRANSTON. Mr. President, the successful conclusion of the fiscal year 1976 budget process, through the passage today of the second concurrent resolution, is due in no small part to intelligence, perceptiveness, and hard work of the Senate Budget Committee staff. Our distinguished chairman, Mr. MUSKIE, has assembled equally distinguished core staff headed by Doug Bennet and John McAvoy, whose leadership and ability are outstanding.

I would like to thank and commend Hal Gross and Susan Kinsman who serve as my task force support staff on the Budget Committee. They have been invaluable in supplying me with accurate and high quality information and advice. Both of them have grown with the budget process.

I want also to compliment the diligence and ability of Tom Dine of the Defense task force, who formerly served on my staff.

Finally, I would like to pay special tribute to Alice Rivlin, Director of the Congressional Budget Office. I can think of no other person who has been better able to cut through the statistical and semantic maze of the budget and expose the core of our budget problems to me. Dr. Rivlin will be a major contributor to the economic stability of our Nation.

Mr. DOMENICI. Mr. President, I am and have been a strong advocate of tax reform. However, as a member of the Budget Committee, I believe the task of this body to be that of passing a second budget resolution which reflects its assessment of the probable course of events.

If we felt it to be appropriate to use the second concurrent resolution as a means of expressing our wishes, I suggest that the resolution would look very different. I know that, for my part, I wish that a balanced budget could be achieved this year. I am sure that most, if not all, the Members of this body join me in that wish.

I know that a balanced budget is necessary. I know that we must bring under control the situation which gave rise to this deficit.

This must, however, as must tax reform, result from legislative change. Our function here is to express probable results in this fiscal year and the transition quarter. I do not view substantial gains from tax reform this fiscal year as a realistic probability, especially in view of the fact that the House Ways and Means bill will bring a larger cut than that contemplated by the resolution.

For this reason, I must oppose the amendment despite my strong support for tax reform to be enacted at the earliest time.

Mr. HRUSKA. Mr. President, I am casting my vote in favor of Senate Concurrent Resolution 76, the second concurrent resolution on the budget.

My support is mainly for the process of budget reform and for the continuing efforts of the Senate Budget Committee to provide an orderly framework for establishing spending priorities. This in turn can prove most helpful in obtaining congressional agreement on appropriation targets.

It is my judgment that the Budget Reform Act of 1974 has already served the Congress and the Nation well by demonstrating clearly the magnitude of our runaway spending problems and the kinds of hard choices which must be made soon if we are to avoid economic disaster.

Mr. President, I regret that the committee and the Senate have not made more progress in addressing "uncontrollable" categories in the Federal budget. Until we control them, we will in effect be legislating open-ended budget resolutions. On the other hand, considering the intricacies of the 1974 act and the serious economic problems which have confronted the committee since its start, remarkable progress has been made in the area of budget control.

I am in sympathy with the views expressed by the junior Senator from New York and the junior Senator from Idaho. The Committee on the Budget continues to favor the discredited theory that the Federal Government can spend the economy out of its problems. Yet, it is excessive spending that has led to the twin curses of inflation and recession.

Financing both great society social programs and the Vietnam war with the printing press rather than with increased taxes caused the initial round of serious inflation. Predictably, efforts to end the inflation led to unemployment. Vain attempts to end the unemployment in turn prompted the Government to suddenly reverse gears and refuel the inflation.

We have followed this vicious cycle several times since with resulting increases in both the rates of inflation and unemployment. Today we see both rates hovering around 10 percent. Incredibly, we find ourselves in this state with a projected deficit of nearly $75 billion.

The record is clear. Stimulative economic policies are to blame for this situation. They are certainly not the cure. Yet the committee continues to favor a stimulative course. At some point we must either recognize reality or proceed inevitably toward a socialistic economy.

Ending our stimulative economic policies will entail severe short-run consequences. But the long-term consequences of continuing these policies are more severe. The longer we delay in making the change, the more difficult will be the transition. The choice today is not more inflation in return for less unemployment, but rather more inflation now in return for more unemployment later.

There is another very severe problem. Too many social service programs have been enacted for which no effective budgetary limits have been set, the so-called uncontrollables. These programs set rules for eligibility. All who meet the eligibility requirements are entitled to receive aid. In practice, these programs have required far more money than was anticipated. When a limit on the entire budget is set, the only programs that can be effectively cut are the ones which themselves operate under a ceiling, such as national defense. We have put ourselves into the dangerous situation that when we hold back on the budget we can cut only selected parts. It is most disturbing that putting a ceiling on the budget portends cutting back far more in the area of national security than it does in social service programs. All parts of the budget must be brought under the same degree of control and be subject to effective oversight.

Mr. President, the remaining months of this fiscal year will put the second concurrent resolution on the budget to a hard test. Will we be able to avoid entertaining proposals to increase the spending and deficit limits? We have already slipped badly from the $68.8 billion level set last May for reasons which the members of the committee have explained. My own efforts as a member of the Appropriations and Judiciary Committees will be directed toward holding to this resolution and, wherever possible, supporting spending levels below those provided for.

Mr. McCLELLAN. The second concurrent resolution, as the first concurrent resolution, speaks only of aggregate totals for outlays, budget authority, the deficit, Federal revenues, public debt and suggested actions by the Senate Finance Committee and the House Committee on Ways and Means to decrease Federal revenues.

Yet, certain language on page 19 of the Budget Committee's report suggests that within the totals provided for both budget authority and outlays for national defense and international affairs functions, a certain amount has been further earmarked for "security assistance."

Am I correct in assuming that such specific breakdowns below the functional level are only in explanation of how the Budget Committee acted and are not legally binding nor could they indeed be intended as "sub-ceilings" that apply within those two functions?

Mr. MUSKIE. Yes.

Mr. McCLELLAN. Am I also correct in assuming that notwithstanding the inclusion of any amount in the concurrent resolution totals, the Budget Committee recognizes that the Appropriations Committee is the appropriate committee to review and act on any administration requests falling within the totals in the second concurrent resolution?

Mr. MUSKIE. Yes. The Budget Committee deals with priorities and aggregates. The Appropriations Committee deals with line item matters. Now, sometimes, as in the case of the Middle East matter, the distinction between line items and basic priorities is not all that clear. But I believe the Budget Committee has demonstrated this year that we can do our work without duplicating that of the Appropriations Committee.

Mr. McCLELLAN. May I also assume that the Budget Committee's reference in its report to "reducing the ceilings"—if the funds provided by the Congress for security assistance are below the amounts assumed by the Budget Committee—are merely references to the possibility that the Budget Committee itself may propose a third or later concurrent resolution since the Budget Committee has at several points indicated its acceptance of the inherent jurisdictional limits and problems created by the Budget Committee judgments on line item matters within the province of the Appropriations Committee?

Mr. MUSKIE. Yes. Our responsibility is to recommend the appropriate level of support for each major national priority and the appropriate overall level of spending and taxes for the year. The language in the budget resolution report establishes the legislative intent in formulating the resolution as well as the guidelines that the Budget Committee will use in determining whether or not to support particular spending bills when they come up on the floor of the Senate, as we have done in the past. From a "scorekeeping" standpoint, the Budget Committee will not favor the spending of any savings from the security assistance request for other programs. That was the clear intent of the Budget Committee in reporting the resolution.

Mr. McCLELLAN. Since the Budget Committee proposes to treat the totals for the transition quarter as binding ceilings, what are the more precise assumptions behind these estimates? How can these estimates be considered binding, given that the committees have not had an opportunity to formulate recommendations for these numbers, and that the weekly scorekeeping reports have not kept track of numbers for the transition quarter?

Mr. MUSKIE. The totals for the transition quarter represent an extension of the committee's priority recommendations for fiscal 1976 through the transition quarter. It was the committee's intention that major increases in budget authority should not occur during the transition quarter but rather should be enacted as part of the orderly budgetary procedures established by the Congressional Budget Act. As a result, the figures for the transition quarter, calculated for the Senate by the Congressional Budget Office, reflect an extension of the decisions already made in appropriations bills with respect to fiscal 1976 and the transition quarter and the priority judgments implicit in this second budget resolution.

Mr. McCLELLAN. What provisions are made in the second concurrent resolution to include matters being considered in the first supplemental now being marked up by the Committee on Appropriations? How will the Committee on the Budget view the second supplemental, which normally comes before the Congress sometime in the spring?

Mr. MUSKIE. The second budget resolution recommended by the committee provides for supplemental requirements known at this time, including those not yet formally requested by the President. These include:

The 1976 supplemental bill recently passed by the House;

The supplemental for pay raises—less 10 percent absorption—that will be requested by the President early in the next session;

Other supplemental requirements known at this time that have been identified by the Office of Management and Budget and the Congressional Budget Office which have not yet been formally requested by the President.

However, I should point out that the second budget resolution totals do not make provision for supplemental requirements unknown at this time which may develop later in the fiscal year. The "allowances" category in the second budget resolution includes only requirements already enacted, plus the pay raise. There are no "unprogramed" sums in the "allowances" totals.

Mr. McCLELLAN. What procedures does the Budget Committee propose to adopt to inform committees that the total budget ceilings on spending—which are not to be exceeded after the passage of the second concurrent resolution—may be exceeded by certain legislation?

Mr. MUSKIE. The committee and the Congressional Budget Office will issue regular scorekeeping reports which show how the targets contained in the resolution are being met. These scorekeeping reports should provide adequate information to the various committees concerning how the total budget ceilings are being enforced. The Budget Committee and its staff will work closely with the chairmen, members, and staff of other committees to help all Senators and committees to accurately judge, as far in advance as possible. The relationship between the spending ceilings contained in the budget resolution and legislation under consideration by those committees.

This process will of course, be aided in the next budget cycle, beginning in January. The "crosswalk" procedures of the Budget Act will be in effect, under which each committee which has jurisdiction over budget authority will know in advance the total amount of budget authority contained for that committee in the first concurrent resolution. Those committees will, in turn, further allocate these amounts by subcommittee—basically by bill in most cases—and announce that result to the Senate before the first spending bills are taken up.

Mr. PACKWOOD. Mr. President, we in Congress have not really grasped the notion that we have limited financial resources. Congress has too long operated under the assumption that there is always "more where that came from." And that assumption, the old "money-tree theory," like a narcotic, is hard to kick. In the 6 months since the first budget resolution, we have denied ourselves very little. We have approved appropriations for a variety of good, worthwhile programs with only token reference to their effect on the economy. The immediate appeals of these individual programs lures us away from aggregate spending deficits. We cannot see the forest for the trees.

When the first concurrent resolution on the budget came before the Senate last April, most Senators viewed with shock the huge sums we were called upon to vote on and approve. Over the past 6 or 7 months, I have noticed that this shock has dissipated. Once we descend from the aggregate spending levels into the specific appropriation bills, it is relatively easy to be less horrified; special interests and constituents are involved. It is easy to be against aggregate spending levels and support individual appropriations.

I look forward to the day when Congress will have, not only the courage—for it takes courage to vote against popular appropriations bills—but also the foresight to see that individual appropriation measures are what become the cumulative, aggregate totals. The sooner Congress makes that linkage, the faster we will get a hold on our economy. As long as the attitude prevails that individual appropriations are unrelated to aggregated spending levels, as long as the link is not made between the two, we will continue to spend ourselves into greater and greater deficits.

It is like the old story of the frog and the boiling water. If you put a frog into hot water, he will jump out. It is too great a shock for him. If you put a frog into cold water, he swims around with vigor, happy as can be. As you heat the water slowly, the frog becomes more lethargic, his senses dulled. You continue to heat the water to boiling, the frog has no energy, and you will eventually kill him.

Mr. President, the water is getting hot. Incremental increases in spending dull our sense of the aggregate totals. I salute the Budget Committee for making us look at the budget totals. I also salute the budget process, but I cannot accept the results. The totals this resolution proposes are not pleasing: Outlays at $375.6 billion, up $8.6 billion from the first resolution. A deficit proposed at $74.8 billion, up $6 billion from 6 months ago, Mr. President, the water is too hot.

If we continue to spend and spend, if we continue to heat the water, we are heading in a direction which could eventually crumble our economy. We are fueling inflation. We are heating the water.

Mr. President, I, along with many colleagues, am shocked by these huge totals. Dangling above boiling water is a sobering experience. I do not support these huge totals and I will vote against the resolution which sets these levels. But, relatively, this is an easy vote. The difficult votes will continue to be the individual appropriation measures, all those measures which are just slightly above the amount requested and set by the Budget Committee. They are the degrees by which we eventually get burned.

Mr. McCLELLAN. Mr. President, I would like to clarify the record as to some of the problems and considerations weighed by the Senate Appropriations Committee in estimating how changes in budget authority affect outlays.

For example I noticed that the first concurrent resolution forecast a reduction of $7 billion in budget authority and a corresponding cut of $3.3 billion in outlays for the national defense function. However, the Appropriations Committees' experience indicates that unless personnel—military or civilian—are a significant part of that $7 billion cut in budget authority, it would be very difficult to obtain an outlay cut that is as high as about one-half of the reduction in budget authority. A more realistic forecast of the outlay reduction which would accompany those budget authority reductions would be closer to $2.8 billion than to the $3.3 billion assumed in the first concurrent resolution.

As such, I would hope then any future forecasts of outlay reductions would be based on the character of the budget authority cut. The proper budget authority in the resolution should be determined, and then outlays should be a "fallout."

In estimating outlay reductions, our committee has found it helpful to look at the way Congress has previously reduced the budget requests for the Defense function. In the past, most budget authority reductions have been in military construction, procurement and research and development—the investment accounts which are the slower spending portions of the budget in the budget year. The fast spending areas—the operating accounts like personnel and operation and maintenance have not been cut as much as the investment accounts. As such, corresponding outlay reductions in defense are usually less than half of the budget authority reductions.

If you look at congressional action of the President's DOD budget, including military construction, for the past five years, you can see where the Congress has previously cut the national defense appropriations bills. There are seven major titles in the two largest bills in the function: Military personnel, operation, and maintenance, retired pay, procurement, research and development, military construction and family housing. The average cut was 10 percent in military personnel, 13 percent in operation and maintenance, 57 percent in procurement, 14 percent in research and development, 6 percent in military construction, 1 percent in family housing. So you can see that a total of about 77 percent of the reductions occurred in the relatively slower spending areas of procurement, research and development, and military construction, while only 23 percent occurred in the fast spending areas of military personnel and operation and maintenance. I will place the details in the Record.

The implications of this experince would indicate that outlay estimates in future concurrent resolutions should rely more heavily on the historical relationship of budget authority cuts in defense and the corresponding first year outlay reductions that could be expected. For example, using the figures I just gave, here is what the first concurrent resolution would have looked like:

NATIONAL DEFENSE FUNCTION, FIRST CONCURRENT RESOLUTION—DERIVATION OF OUTLAYS

	FY 76 Budget Authority	FY 76 Outlays
Total cut in function, First Concurrent Resolution	−7.0	
Military personnel, 10 percent equals $.7 billion times 97 percent outlays	−.7	−.7
Operation and maintenance, 13 percent equals $.9 billion times 84 percent outlays	−.9	−.7
Procurement, 57 percent equals $4.0 billion times 17 percent outlays	−4.0	−.7
RDT&E, 14 percent equals $1.0 billion times 66 percent outlays	−1.0	−.7
Military construction, 6 percent equals $.4 billion times 4 percent outlays	−.4	-----
Family housing, 1 percent equals $.1 billion times 59 percent outlays	−.1	-----
Result	−7.0	−2.8
Actual reduction, First Concurrent Resolution	-----	−3.3
Difference	-----	.5

NOTE: Details may not add to totals because of rounding.

REDUCTIONS AND PERCENTAGE OF TOTAL REDUCTIONS, BY TITLE BASIC DOD AND MILITARY CONSTRUCTION APPROPRIATIONS BILLS

[Dollar amounts in millions]

	New budget authority (BA), fiscal year—					Average cut all 5 years	Outlays in 1st year as percent of new BA [2]
	1971	1972	1973	1974	1975 [1]		
Basic DOD bill:							
Title I: Military personnel	−$298	−$267	−$518	−$332	−$529		
Percent	13	8	9	9	10	$10	$97
Title II: Retired military personnel				−$24			
Percent				1			100
Title III: Operation and maintenance	−$152	−$348	−$524	−$625	−$1, 093		
Percent	7	11	9	16	21	13	84
Title IV: Procurement	−$1, 329	−$1, 905	−$3, 370	−$2, 144	−$1, 836		
Percent	59	58	61	56	35	54	17
Title V: Research, development, test, and evaluation	−$370	−$430	−$809	−$412	−$746		
Percent	16	13	15	11	14	14	66
Other miscellaneous titles		−$74	−$6		[3] −$750		
Percent		2			14	[3] 3	([4])
Military construction bill:							
1. Military construction	−$94	−$291	−$335	−$228	−$214		
Percent	4	9	6	6	4	6	4
2. Family Housing	−$3	+$15	−$3	−$93	−$96		
Percent				2	2	1	59
Total	−2, 247	−3, 301	−5, 565	−3, 857	−5, 263		
Percent	100	100	100	100	100	100	

[1] Adjusted for transfers to military assistance, service funded, as follows:

Military personnel	24
Operation and maintenance	626
Procurement	800

[2] Provided by the Congressional Budget Office at the request of the Senate Appropriations Committee.

[3] Reductions are principally in the procurement area.

[4] Not available.

Note: Details may not add to totals because of rounding.

Mr. TAFT. Mr. President, the second concurrent resolution on the budget is before us, and it is primarily an update of the outlay and receipt figures of last May. It is not a fundamental statement of Congress views of a long-term economic plan. It is admittedly an ad hoc document for getting through a nearly completed budget for a nearly half-finished fiscal year.

Senator McCLURE and Senator BUCKLEY have spoken out against the typical deficit spending response to recession, and have described how such an approach sows the seeds of its own failure.

It is true that in every recession we have had since World War II, the Federal effort has been one of scrambling out of it, without any clear thoughts on how to avoid falling back in several years in the future. The Federal Reserve Board has consistently put us on a roller coaster of rapid money creation, followed by inflation, followed by tight money, followed by recession, and so on. Fiscal policy has frequently followed suit, with deficits to get us out of the recession and extending into the boom, followed by surpluses, followed by further recession. Many observers feel that the Federal deficits in and of themselves push the Federal Reserve into easing money, which in turn leads to the inflation we have been experiencing. Thus there seems to be a great need for some study of the interaction between fiscal and monetary policy.

The end of a recession and the middle of the fiscal year is not the time to try to alter a budget or a budget resolution to solve the problems I have described. This can only be done by planning ahead. We should immediately begin an investigation of the causes of recession, and try to avoid falling into such predicaments in the future. I think this can only be done by turning away from rapid changes in Federal policy, either fiscal or monetary, and attempting to run the Government on an even keel. This has not been our practice in the past.

Furthermore, I believe that we must learn by looking at nations who have had more success in these matters than we have had. Most of our major trading partners have done more in the way of private investment than we have here in the United States. These nations consume a smaller percentage of their gross national product, and invest a higher percentage. The resulting increases in their capital stock have provided their workers with more and better tools with which to work, increasing their productivity, and increasing their real wages. Since our basic goal is a decent wage for every member of our society, I think we should seriously consider this approach. It works in Europe, and I see no reason why it cannot work in the United States.

Toward that end, I suggest that we need to hold down the size of the Federal budget, and reduce taxes, so that the private sector may increase its expenditure on plant and equipment, and so that our workers may enjoy higher real wages. I suggest that we move toward such an approach gradually, and that the Congress and the President move toward a compromise approach on taxes and spending, which will enable us to avoid an increase in tax withholding in January, while we investigate the posibility of a joint tax and spending cut in the budget for fiscal year 1977.

Mr. NUNN. Mr. President, the Senate Budget Committee has reported a second concurrent resolution with expenditures of over $375 billion, and a Federal deficit of over $74 billion. As required by law, the report states that the deficit is appropriate in light of economic conditions and all other relevant factors. That deficit, however, is neither appropriate nor acceptable to me. It is the inevitable result of the inability and unwillingness of the Congress and the administration to deal with so-called uncontrollable spending which has become the dominant feature of the Federal budget.

It is true that the Budget Committee rejected over $50 billion in further spending increases proposed by the Congress last spring, and we have rejected still another $10 billion in this resolution. Nevertheless, the growth in total spending has been too large. The Budget Committee had envisioned the second concurrent resolution as revising the totals in the first concurrent resolution based upon macroeconomic data and judgments. Too many of our decisions, however, involved mere acceptance of so-called nondiscretionary increases, but because we felt they were desirable, but because the programs are still beyond control.

I realize this is a new process. This year the Congress had to deal with the President's budget which had unrealistically low estimates of spending in the entitlement programs. The President's budget had so-called offsetting receipts which were presented in a way that hid the true spending in the various functions. As indicated in our committee report, much of the increase since the first concurrent resolution has been the result of increased payments required by law in the entitlement programs.

The challenge facing us as legislators is to gain control over the so-called uncontrollable programs which comprise about 75 percent of the Federal budget. I doubt that any Member who supported the Budget Act wanted the new budget process to merely address that one-fourth of the budget which is called controllable. The national defense function contains most of that controllable spending, and, again this year, it has received considerable attention.

On the other side, in the other three-fourths of the budget, little progress has been made to revise and gain control of the runaway spending created by 30 years of legislative negligence and fiscal giveaways. The Budget Committee and the Congress make a small step in the right direction with the limits this resolution places on overall spending. Some new spending has been resisted, but still we see virtually no reform in entitlement programs. The Budget Committee cannot do that alone. The Congress obviously has not done it this year with the new process, especially with the fiscal year half gone. For the budget process to be meaningful it must meet head on the sacred cows of entitlement programs and tax expenditures.

I would like to vote for this resolution, for some ceiling on Federal spending—a ceiling where there never has been one before. Voting for this is an attempt to insure that this budget process, which has just barely begun, can continue, but I must state emphatically that those so-called uncontrollable programs can and must be brought under more thorough control and review by the Congress, and this resolution does not do that.

I feel that defense has borne an extraordinary share of the visible cuts made by the budget process this year. I appreciate the fact that much of this committee's effort has been devoted to preventing excessive spending proposals from even reaching the floor. I want to compliment the chairman and ranking minority member for their work with many committees, and work done behind the scenes. Yet those efforts have merely reduced the expansion of entitlement programs. The Congress still has taken no affirmative action to revise programs and gain "mandatory" control of the programs which are leading the Federal Government down the same road as New York City. As the report which accompanies this resolution indicates, the Budget Committee has put the requirement on Congress to take more specific action to gain control of the many items in the budget which we now seem to accept as mandatory or uncontrollable, but there has been too little progress to date.

In short, I applaud the efforts the Budget Committee has made this year to restore order to the chaotic budget process that existed for too long in the past. But I cannot support a Federal deficit of over $74 billion. I do not feel such a deficit is either wise or necessary, but it is inevitable as long as Congress is unwilling to control the tough decisions that are required to bring the budget under control. We can weep and wail and gnash our teeth about runaway Government spending, but that will not solve the problem. The solution requires close scrutiny of programs which have grown like Topsy year after year. It is not necessary for us to compliantly accept these ever higher levels of spending. Our constituents did not send us to Washington to acquiesce to the mistakes of the past. They sent us here to exercise responsible leadership. Too often we have failed to do that.

The efforts this year have been sincere but sincerity is not enough. This resolution represents a first step on the road to congressional control of the budget. I support that effort and what I believe the Budget Committee can do in the future, but the road is long and we are far from our destination. I urge my colleagues to take the next step toward fiscal sanity by starting to reexamine the entitlement programs.

These programs were created by statutes and they can be changed by statutes. All we need is the resolve to do so.

Mr. MOSS. Mr. President, developing a budget under the demanding requirements of the Budget Act provides an enlightening and sobering experience. It manifests the foresight and wisdom of the Congress in enacting budget reform last year from which this new process emerged. I am pleased to have been a participant and to share in this experience as a member of the Budget Committee. This was by no means an easy year for budgetmaking. Nonetheless, I believe the committee's initial efforts proceeded well and have resulted in the development of an effective and responsible product. The debates on the first and second resolutions before this body have already served to identify issues and to provide an exchange of information on the Federal budget in a way heretofore unknown. From this year's budget experience have emerged certain actions which if implemented would enable us to better realize the full potential of the budget system. These I mention are not intended to be a complete listing of initiatives but merely illustrative of some basic areas which appear to offer high payoff.

First, the need for Congress to focus efforts on the time period farther out. In this first year we got a late start and understandably had to concentrate more on the immediate period. I am encouraged by what we were able to do, but priorities cannot be shaped by decisions on each year's budget alone. It is apparent that we must focus our efforts farther up the budget stream to more effectively establish priorities and achieve greater budget control.

Second, is the need for Congress to review the uncontrollable programs which now comprise over 70 percent of the Federal budget. This seriously limits the scope of control of the budget and restricts flexibility for setting national priorities or recognizing new programs. Many of these programs overlap and in the aggregate their administration constitutes a large part of the Federal bureaucracy. Even improved management of existing programs could have billions. Already we know of the potential to save about $1 billion in the food stamp program. And better management of the SSI program suggests a savings of about $.5 billion. Although programs are uncontrollable under present laws, Congress made the laws and Congress can change them. Such programs should be reviewed as a basis for determining whether they are in accord with current priorities and national needs and whether savings can be achieved on those essential programs which are continued.

Third, there is a patent need to improve the estimates associated with the budget. This year, the administration underestimated by $13 billion. A study by the Budget Committee staff shows that over the last 10 years budget estimates have been off. The administrations budget, normally submitted to Congress in January, has misestimated expenditures about 7 percent annually. Even the revised estimates submitted at about the time the fiscal year begins, has misestimated expenditures by an average of 1½ percent annually. The latter may seem like a small deviation, but in a budget the size of this year's it approaches $6 billion. That amount of money would fund the Utah State Budget for about 8 years at current rates. The Government and the Nation would be better served by improved estimates which are in tune with reality.

Fourth, is the significant amount of budget authority which will be carried forward for spending in periods beyond fiscal year 1976. For some functions, the carry over exceeds 60 percent. In many cases advanced funding is necessary to the planning of operations, especially for long-term programs which involve agencies down to the local level. But the existing pattern has serious implications for the efforts of Congress to establish firmer control over spending priorities in the future. I think it is important that this committee work with other committees, especially the Appropriations Committee, as a basis for expanding congressional understanding of and control over "prior-years" authority.

Without prejudging the results, I am confident that we can benefit from up-to-date assessments of such activities. Review of some areas can probably be completed in time for results to be reflected in the fiscal 1977 budget. Others may take longer but that is all the more reason to get started.

We have taken a big step this year toward improved control of the budget. But in a sense we have just started. In my view, we have only scaled the tip of the iceberg of potential for improving management of the Nation's financial affairs. Congress should now fully exploit the opportunities which flow from the new process for budget-making and establishment of priorities. This will help to restore the public confidence in the Government's ability to deal with today's economic realities.

Mr. BAKER. Mr. President, I wish to commend the Committee on the Budget for its diligence and forthrightness in reporting the grim statistics reflected in the second concurrent resolution on the budget for the 1976 fiscal year. Given the parameters of their jurisdiction, I believe that the members of the committee acted wisely and well, and I intend to vote for Senate Concurrent Resolution 76; but I am not particularly happy about it.

The first concurrent budget resolution, adopted in May, provided for a staggering deficit of $68.8 billion, and now we find that the second resolution calls for a 1976 fiscal year deficit of $74.8 billion, a projected increase of $6 billion. Furthermore, the fact that this increase is the result of reestimates in mandatory spending programs provides little solice for those who are concerned, as I am concerned, about the economic well-being of this country and the Federal Government.

Mr. President, this disparity between the deficits projected in the respective resolutions on the budget, a disparity which apparently is attributable to increased mandatory spending outlays, tells me that the Congress must do more than practice budgetary self-discipline. The Congress must also undertake an immediate and extensive reexamination and restructure of our Nation's mandatory spending programs, for I believe that budget spending and deficit targets of this magnitude are economically unacceptable.

In this light, Mr. President, I urge Congress and the administration to establish a permanent ceiling on targeted budgetary outlays, a ceiling which obviously would necessitate substantial revisions in so-called mandatory or obligated Federal spending. We cannot balance the budget immediately, but we surely can strictly control expenditures so as to allow revenues to eventually match and hopefully surpass the current $375 billion target for Federal outlays.

A budgetary surplus for the Federal Government not only is desirable, it is essential if we are to experience once again moderate interest rates and a stable credit market. I recognize that it would be disruptive to simultaneously reduce expenditures and increase revenues so as to achieve a balanced budget situation, but I certainly believe that a mandatory ceiling on spending could be established so as to allow a gradual and inexorable return to Federal fiscal responsibility.

Mr. HUMPHREY. Mr. President, the occasion of consideration of the second concurrent resolution on the 1976 budget is a good opportunity to review the performance of the Congress this year in dealing with the budget and with economic policy.

1975 has been a year of baptism by fire for the new budget process. We knew we enacted the new budget procedures that they would face many obstacles and pitfalls; that it would require both hard work and political courage to make them effective. But we did not dream, even one short year ago, that these pitfalls would include the worst recession in 40 years—a recession which would bring with it the largest budget deficit in peacetime history.

To act responsibly in this uniquely difficult economic situation has meant treading narrow lines between too much spending and not enough; between too large a tax cut and too little tax relief. It has meant understanding that the deficit stemmed from high unemployment rather than from excessive spending and that the only way to restore balance in the budget was to restore balance to the economy by moving as quickly as we could back to full employment.

The Budget Committees have done a good job of treading the narrow line between too restrictive and too expansive a budget. They have consistently presented honest and complete estimates of the budget numbers. They have resisted the powerful temptation to play games with the budget. They have been relentlessly honest in facing up to the true size of the budget deficit. May I say they have set a splendid example for the executive branch of Government, which has had to make repeated major revisions in its budget estimates. I hope that in future years more candor and realism on the budget will prevail not just in the Congress but at both ends of Pennsylvania Avenue.

Congress as a whole has responded nobly to the demands of the new budget process. Our success to date in staying within the guidelines set for the individual appropriation bills is really quite remarkable. The changes in the budget totals between the first and the second resolution stem largely from changes in the economic situation rather than from any congressional deviation from the guidelines we originally set. Outlays estimates have been revised upward because of higher than expected costs of such things as unemployment compensation, medicare, veterans benefits, and interest on the public debt. At the same time receipts are running ahead of expectation, in part because inflation has pushed individuals into higher tax brackets.

The net result of these changes is that the deficit is somewhat larger than anticipated at the time of the first resolution. The most important fact to remember about the deficit, however, is that it is recession-induced. It is a direct result of high unemployment. It will be overcome only by giving the economy the kind of budget support which will bring unemployment down.

This budget resolution makes provision for that support. It assumes the extension of current tax withholding rates. It seems to me quite obvious that such an extension of the 1975 tax cuts is essential if economic recovery is to continue. I may say I find it incredible that the willingness of the President to sign an extension of these tax cuts remains in doubt.

The budget resolution also would support economic recovery through enlarged expenditures on public service employment. In this particular respect the Senate resolution is, however, somewhat less satisfactory to me than the resolution already passed by the House of Representatives. By providing a larger authorization, the House resolution provides for an orderly continuation of this program at levels which are clearly necessary, indeed minimal, in light of the expected continuation of high rates of unemployment. I have not felt it necessary to offer a floor amendment on this point, but I hope that in conference the Senate conferees will be prepared to yield to the House on this point.

Needless to say, this budget does not do all that any of us would like to see done to reduce unemployment. The unemployment rate is expected still to be at 7.5 percent or higher when the current budget year ends. The recent jump in the unemployment rate to 8.6 percent in October is a stinging reminder that these gloomy predictions of continued high unemployment are well founded on a realistic assessment of the current situation.

As we move in the months ahead to consideration of the transition quarter and the fiscal 1977 budget, greater provision must be made for dealing directly with continued high unemployment. Hundreds of thousands of the unemployed will be exhausting their unemployment compensation benefits over the next year. Other hundreds of thousands of young people entering the labor force have no benefit entitlements. During the next year we must make a fundamental choice between a welfare strategy for dealing with these unemployed and a jobs strategy. Do we extend unemployment compensation beyond the present 65 weeks or do we provide useful temporary work for these people? For those thrown out of work by the recession the arguments in favor of work rather than welfare are overwhelming. This issue must be addressed more adequately in next year's budget than it has been possible to do this year.

I repeat, we have done a good job with this year's budget in the face of many and unexpected difficulties. The Budget Committees are to be congratulated. I will vote for this second concurrent budget resolution with satisfaction for a job well done.

At the same time, we must recognize that the Federal budget is not an annual document, but a continuing process. If that basic fact is ever lost sight of, our budget reform effort will have been for naught. Already it is time to turn concentrated attention to the 1977 budget. The current services budget submitted by the Office of Management and Budget on November 10 provides a useful tool for beginning that intensive examination. The Joint Economic Committee will be holding hearings on the current services budget and submitting its required report to the Budget Committees before Christmas.

In that report we will try to lay out the difficult questions which must be answered next year on both the tax and spending sides of the budget. That report, of course, will be only one part—though an important part—of the complex budget procedure which must be followed this next year. I am confident that Congress has made an excellent start with its new budget procedures this year and that we can do an even better job next year.

Mr. JAVITS. Mr. President, I wish to extend my congratulations to the members of the Senate Committee on the Budget who have labored so diligently to produce this second concurrent resolution on the budget for fiscal year 1976.

The second concurrent resolution appears appropriate for the precarious economic times in which we live. By any objective standard, the recovery is still fragile, as indicated by the recent increase in the unemployment rate to 8.6 percent from 8.3 percent of the labor force, the slowdown in the growth rate of industrial production from 1.8 percent to 0.4 percent, and the first monthly decline in new orders received by manufacturers in 6 months.

Furthermore, the McGraw-Hill Survey of planned capital investment expenditures in 1976 indicates no increase over 1975 in real terms.

Even more significantly, the personal income gains of August and September were so adversely affected by rising prices and higher tax brackets that real, after tax personal incomes fell from an annual rate of $620 billion in the second quarter to an annual rate of $610 billion in the third quarter.

The Senate Budget Committee has grappled with these complex economic factors and inconsistent statistical evidence and has reported out a sensible resolution.

I ask unanimous consent that a brief

analysis of the economy by Brookings Institution be printed in the RECORD. It is a useful and enlightening study of the present economic situation.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

THE ECONOMY AND THE BUDGET

The economic news in the past two years has been rather grim. Prices have risen much more rapidly than appeared possible a few years ago. Unlike earlier periods of rising prices, this one has been characterized by a declining standard of living for most Americans, with wages and then corporate profits declining in real terms. Also unlike earlier inflations, this one was accompanied by unemployment rates that were not falling but in fact climbed throughout 1974, and by late in the year were rising at unprecedented rates. The real value of gross national product also declined steadily throughout 1974 and was falling sharply by early 1975, stamping the present downturn as the longest and deepest of the six American postwar recessions. The problem of stagflation—economic stagnation coupled with price inflation—has never seemed so grave.

The current economic crisis has reached such proportions that the economic implications of the budget represent the most important aspect of the President's proposal for 1976. Like any budget, this one will have a strong impact on the economy. This is partly because the federal government, in its purchases of goods and services, grants to state and local governments, and income support payments to individuals, is directly responsible for a significant portion of final output. But also, the federal government, unlike any other sector, has a responsibility to frame its budget in accordance with overall economic goals. The impact of the 1976 budget on the twin objectives of full employment and price stability is the topic of this chapter.

GOVERNMENT STABILIZATION POLICY

The government can stabilize the economy by varying its expenditures and taxes in response to overall economic conditions. If private expenditures are rising rapidly and threatening to outpace the growth of productive capacity, thus generating inflationary pressures, the government can either cut its own expenditures, hence directly reducing overall spending, or inhibit private spending by raising taxes. Either action will increase the federal budget surplus or reduce the deficit. If, on the other hand, private spending is falling or rising less rapidly than potential output in the economy, inflationary pressures will generally recede but unemployment will tend to increase. In this event the government could either spend more itself or stimulate private spending by lowering taxes. These actions will lower the budget surplus or raise the deficit. It is important to remember, therefore, that budget surpluses or deficits result partly from the federal government's efforts to stabilize the economy. If these efforts—termed countercyclical fiscal policy—were not taken, ups and downs in private spending demands would generate much larger and more destructive cycles in income and employment.

The budget contains many "automatic stabilizers" that greatly strengthen its countercyclical fiscal policy. If, for example, private spending demands were to fall and unemployment to mount, personal and corporate income tax payments would fall and unemployment benefits would rise. These changes would automatically cushion declines in income and employment; hence, the government budget would be automatically stabilizing the economy. Reverse movements would take place if private spending demands were to become excessive. Of course, it is also true that just as the government budget automatically stabilizes the economy, the deficit automatically changes with economic conditions—that is, it declines when the economy is booming and rises when the economy is sluggish.

Automatic stabilizers have become a very significant force in the present-day American economy. For every dollar that GNP declines in a business cycle, the budget deficit is estimated to rise by about 30 cents, thereby greatly limiting the downturn. At the same time, automatic stabilizers *alone* are incapable of preventing fluctuations; they only cushion the effects. To prevent fluctuations altogether, the automatic stabilizers must be supplemented with explicit discretionary actions that compensate for swings in private spending and maintain the growth of aggregate demand at a rate consistent with high employment.

Automatic stabilizers also complicate the analysis of fiscal policy. To evaluate the impact of the budget on the economy, movements in the budget deficit or surplus due to the automatic stabilizers, which result from economic fluctuations, must be distinguished from those due to discretionary policies taken to prevent such fluctuations from occurring in the first place. Obviously, this distinction is particularly important in a business decline as large as the present one.

The need to distinguish automatic from discretionary movements in budget policy has led economists to focus on the "full-employment budget" as a better indication of the impact of discretionary fiscal policy than the size of the actual deficit or surplus. The theory behind the full-employment budget is simple. To determine how discretionary fiscal policy is changing over time—whether budgetary actions are exerting a more or less restrictive influence on the economy—the budget deficit or surplus must be adjusted for the effect of changes in economic activity. It would be highly misleading, for example, to equate the stimulative effect of a budget deficit automatically generated by a recession with that of an equally large deficit incurred in the absence of a recession through a discretionary increase of governmental spending. The former deficit resulted automatically from a swing in the economy, while the latter resulted from explicit government actions. To make proper comparisons of the influence of discretionary fiscal policy, budgets must be examined on the assumption that rates of economic activity were equal between the two periods.[1]

The government can also influence economic activity through monetary policy. The Federal Reserve Board, a government agency partially independent of the administration, determines the aggregate supply of money and bank credit, and hence the interest rates and credit flows that influence spending on capital equipment, houses, automobiles, and the like. If overall spending is excessive, the Federal Reserve can restrict monetary growth, driving up interest rates and thus limiting credit-sensitive types of spending. It can respond to reduced overall spending by expanding the supply of credit. Thus a complete analysis of government stabilization policy cannot exclude monetary policy: the more expansionary it is, the less fiscal stimulus is required to achieve a given level of income. Moreover, monetary authorities can limit the effects of an expansionary fiscal policy. If the greater demands for credit stimulated by rising levels of activity are not accommodated by greater supplies of credit, higher interest rates will restrict the rise in economic activity generated by fiscal policy.

THE PRESENT DILEMMA—INFLATION AND RECESSION

The coexistence of inflation and recession makes it more difficult to deal with today's economic difficulties than it has been in earlier years. For, in addition to the usual questions regarding the proper timing and coordination of fiscal and monetary policies, the very direction in which such policies should be aimed is much less clear. Should the budget be restrictive and try to limit spending demands to dampen inflation, even though these actions will reduce sales and production and thereby raise unemployment? Or should fiscal policy be designed to stimulate demand and fight unemployment even though such measures may aggravate inflation? These difficulties have been present to some degree throughout the postwar period, but they have been greatly aggravated in the early seventies, and especially in 1974 and 1975.

The problem is illustrated graphically in figure 2–1, which shows combinations of unemployment and inflation rates over the 1956–74 period. The inflation rate is measured by the most comprehensive price index, the implicit price deflator for gross national product (GNP).[2] In the fifties and sixties there was an inverse relationship between unemployment and inflation: as the unemployment rate declined, the rate of inflation increased; as unemployment rose, inflation fell. This relationship shifted somewhat in the early seventies, resulting in more inflation at any level of unemployment (with the exception of 1972, when there were controls on prices and wages); it then shifted dramatically in 1974, when the GNP deflator advanced at a rate almost twice as great as at any other time in this period.

Inflation

An attempt to interpret these present-day economic difficulties is best begun by examining the recent inflation. It should first of all be emphasized that unemployment rates in 1973 and 1974 were not low by historical standards, and indeed were rising throughout the two-year period. Consequently, the usual argument that inflation was caused by excessive total spending does not provide a very convincing explanation. The important question, in other words, is not why inflation was so rapid, but why it was so rapid when the unemployment rate was as high as it was.

There is little doubt that a combination of extraordinary events, generally beyond the control of domestic fiscal and monetary policies, has been largely responsible for the problem. These include:

Two separate dollar devaluations in early 1973 that led to a 24 percent growth in import prices from the fourth quarter of 1972 to the fourth quarter of 1973. As these increases spread through the economy, they were responsible for rises in the prices of other products that competed with or used imports in 1974.

Worldwide food shortages in 1973 and 1974 that caused a 31 percent increase in the food component of the consumer price index in the two years. These increases in turn generated others, mainly as a result of the adjustment of many wage contracts to cover the food (and other) price rises. Higher labor costs then led to further price increases.

A fourfold increase in world petroleum prices since mid-1973 that resulted in higher prices for gasoline, petrochemicals, other petroleum-based commodities, and electricity, and that subsequently led to higher prices for most other final products and wages.

Related to the above, the natural or artificial shortages of many raw materials, including food and petroleum, that caused rapid rates of inflation in other countries around the world, which further boosted prices for imports, exports, and import-competing products.[3]

In addition to these unique factors, there is a more subtle and possibly much more pervasive explanation involving price expectations. In the nineteenth and early

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Footnotes at end of article.

twentieth centuries, industrial economies underwent the discipline of periodic business cycles and actual declines in the general price level. The United States, however, has not experienced a year of actual price decline (as measured by the GNP deflator) since 1949. Moreover, in the mid- and late sixties, there was a steady, if occasionally interrupted, increase in the rate of inflation that is undoubtedly becoming more anticipated by business firms and labor. Their response has itself tended to promote inflation: firms have been less inclined to cut prices when sales have fallen, labor unions and other workers have been less inclined to reduce wage demands with mounting unemployment, and they have been more apt to protect themselves against inflation by explicit or implicit cost-of-living escalators.

Thus as inflationary expectations become more widespread, so do inflationary wage and other adjustments, and the arbitrary distributional effects of unanticipated inflation are lessened. But while such behavior may eliminate the inequities of inflation, the wage adjustments severely impede the federal government's ability to promote full employment. Whenever labor and product markets get reasonably tight—with rising production and employment—increases in prices become widely anticipated and hence generate still more rapid inflation. If allowed to continue, this process could end in a rapid and uncontrollable price spiral. For this reason, even though the empirical evidence is still ambiguous, many economists are coming to believe that the economy may not be able to sustain rates of unemployment permanently below some equilibrium, or "natural" rate, without seriously risking ever-accelerating inflation. Empirical estimates of this natural rate of unemployment are in the neighborhood of 4.0 to 5.5 percent.[4]

Recession

Unfortunately, however, the question whether it is possible to sustain permanently low rates of unemployment will not be relevant for the next few years. The reason is that the recession, which began in late 1973, had by early 1975 proceeded so far that it will take several years of vigorous economic growth to restore anything close to full employment. When real output first started dropping in late 1973, the unemployment rate stood at 4.8 percent (see figure 2–1), reasonably close to the full-employment level. By early 1975 real output had declined five quarters in a row—the longest and steepest decline in the postwar period. The unemployment rate rose gradually at first and was still only 5.4 percent in August 1974, but then it moved upward with alarming speed: 5.8 percent in September, 6.0 percent in October, 6.5 percent in November, 7.1 percent in December, 8.2 percent in January 1975, 8.7 percent in March, and 8.9 percent in April. The 1975 rates were the highest ever experienced in the post-war period, and almost all forecasters expected them to rise still further. For a short time there was even a risk that the downturn would get out of control and turn into something resembling a depression if strong fiscal or monetary action were not taken.[5]

In large measure the 1974–75 recession was so serious precisely because it occurred when inflation was already rapid. Although the pace of economic growth had slowed before the Arab oil embargo and the related international petroleum price increase of late 1973, these events were the most obvious causes of the current downturn. The international oil price increase not only raised all domestic prices, but it also drained a massive amount of spending power from the American economy. It has been estimated that the petroleum price increase had a direct impact on the economy roughly comparable to that of a $35 billion excise tax.[6] Moreover, since inflation was so rapid, neither fiscal nor monetary policy limited the recession; in fact, both added to it. Budget policy, as measured by the full-employment surplus, became sharply more restrictive over the 1973–75 period and contributed to a downturn in real consumer spending. Because the Federal Reserve failed to expand the money supply as rapidly as prices were increasing, monetary policy was also very tight, generating high interest rates, falling prices for common stock, and drastic reductions in expenditures for housing and other types of spending affected by credit conditions.

If there is a bright side to this gloomy picture, it is that the recession was so serious that inflation is now on the wane. By early 1975 wholesale prices were actually falling and the consumer price index was rising at approximately a 7 percent annual rate, well below its 1974 peak. Unless the economy suffers new external inflationary shocks, aggregate demand has slackened to such a degree that it is unlikely to cause serious inflationary pressure for the next few years.

The outlook

It is difficult to make quantitative predictions about the future course of unemployment and inflation because of the totally unprecedented nature of the present situation. Yet an examination of the relationship between unemployment and inflation during the past two decades may clarify the issues confronting fiscal and monetary policymakers. One set of estimates, also given in figure 2–1, indicates that if there are no new cost pressures, a rate of expansion rapid enough to lower the average unemployment rate to 6.0 percent over the 1975–79 period will result in an average rate of inflation for the same period of about 5.6 percent—well below the 1974 level. If the economy grows somewhat more slowly and the five-year unemployment rate averages 7.0 percent (still somewhat below the rate assumed by the administration in its five-year projection in the budget document), the average inflation rate is expected to be 4.9 percent (though the administration itself gives a slightly higher inflation estimate). If, on the other hand, the economy does not resume healthy growth and the unemployment rate remains in the 8 percent to 9 percent range, the inflation rate will still be as high as 4 percent.[7]

These numbers, even if they are only approximately correct, suggest that the bad inflation experience of 1974 was indeed due to a unique combination of events and is unlikely to be repeated unless there are renewed external pressures. Moreover, inflation is unlikely to decline much more if the recession is prolonged than if it is quickly arrested. If there are renewed external pressures, however, the present period of stagflation will persist and make it much harder for policymakers to choose between high unemployment and high inflation.

FOOTNOTES

[1] It is important to note that the choice of a rate of activity at which to compare budgets is arbitrary: budgets could be compared when unemployment rates were equal to 4 percent (the conventional definition of full employment), 6 percent, 8 percent, or any other value that remains constant over time. The level of the budget surplus would differ in each case, but changes in the surplus which indicate whether fiscal policy is becoming more or less restrictive, would not. This analysis follows standard conventions in making these comparisons at full employment, but it should be emphasized that this choice is only by convention.

[2] There are many other price indexes. The most common are the consumer price index, used to adjust many private wages and government income support payments for inflation, and the wholesale price index, generally considered a leading indicator of movements in other prices.

[3] Six of the fourteen major industrialized countries—Japan, Denmark, the United Kingdom, Italy, France, and Switzerland—experienced faster rates of inflation than the United States in 1973. Of the remaining seven countries, West Germany experienced the lowest inflation rate, 7.5 percent, which was still three-quarters of that of the United States. See Robert M. Solow, "The Intelligent Citizen's Guide to Inflation," *Public Interest*, no. 38 (Winter 1975), p. 58.

[4] Probably the most widely read statement of this view is given by Milton Friedman, "The Role of Monetary Policy," *American Economic Review*, vol. 58 (March 1968), pp. 1–17. The highest estimate of the natural rate of unemployment we are aware of—5.5 percent—can be found in a recent paper by Robert E. Hall, "The Process of Inflation in the Labor Market," *Brookings Papers on Economic Activity* (2:1974), p. 345.

[5] One byproduct of this episode was to generate a considerable amount of semantic confusion about "recession" and "depression." The term recession initially referred to the slowdown in growth after the peak of a classical business cycle but before the trough. It was later used to distinguish the mild postwar economic downturns, during which unemployment rates never exceeded 7 percent, from the much more serious prewar downturns (the unemployment rate was 25 percent in the Great Depression of the thirties). There have been enough important improvements in the ability of government to stabilize the economy that no one now expects unemployment rates of 25 percent. But many observers agree that a recession should be called a depression if the unemployment rate rises above 10 percent.

[6] See George L. Perry, "The Petroleum Crisis and the U.S. Economy," paper prepared for the Conference on the Impact of Higher Oil Prices on the World Economy (Brookings Institution, November 1974; processed).

[7] The expected growth of the labor force and productivity over this period imply that aggregate demand must grow about 4 percent a year in real terms simply to maintain a stable unemployment rate. It normally takes a 3 percent growth in output in excess of this long-run growth rate to lower the unemployment rate by 1 percentage point. This means, then, that it would take an average growth rate in real GNP of 8 percent a year—quite high by historical standards—to lower the unemployment rate 1.3 percent a year from expected 1975 levels, and approximately achieve a five-year average unemployment rate of 6 percent. Slower real GNP growth obviously leads to higher unemployment rates. For estimates of these relationships, see Arthur M. Okun, "Potential GNP: Its Measurement and Significance," in American Statistical Association. *Proceedings of the Business and Economic Statistics Section* (1962), pp. 98–104; reprinted in Okun. *The Political Economy of Prosperity* (Brookings Institution, 1970). Appendix.

The inflation estimates given above start with the fourth quarter of 1974 to eliminate the effect of price rises that have already occurred. They assume no further large increases in food, oil, or foreign prices. The administration's forecast comes from *The Budget of the United States Government, Fiscal Year 1976*, p. 41. The estimated inflation-unemployment relationship results from a five-year simulation of the MPS (MIT-Penn-SSRC) econometric model described in James L. Pierce and Jared J. Enzler, "The Effects of External Inflationary Shocks," *Brookings Papers on Economic Activity* (1:1974), pp. 19–29. The estimated relationship is well above previous observations of unemployment for each rate of inflation because of the heritage of inflationary expectations created by recent high rates. Other models of the wage-price process give similar results.

Mr. BELLMON. Mr. President, I yield back the remainder of my time.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Chair lay before the Senate House Concurrent Resolution 466.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (H. Con. Res. 466) revising the congressional budget for the U.S. Government for the fiscal year 1976, and directing certain reconciliation action.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the House concurrent resolution.

There being no objection, the Senate proceeded to consider the House concurrent resolution.

Mr. MUSKIE. Mr. President, I ask unanimous consent to strike all of the language after the resolving clause and insert in lieu thereof the language of Senate Concurrent Resolution 76.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the House concurrent resolution, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from California (Mr. Cranston), the Senator from South Carolina (Mr. Hollings), and the Senator from Hawaii (Mr. Inouye) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. Brooke), the Senator from Nevada (Mr. Laxalt), the Senator from Illinois (Mr. Percy), and the Senator from Texas (Mr. Tower) are necessarily absent.

The result was announced—yeas 69, nays 23, as follows:

[Rollcall Vote No. 526 Leg.]

YEAS—69

Abourezk
Baker
Beall
Bellmon
Bentsen
Biden
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Culver
Dole
Domenici
Durkin
Eagleton
Fong
Glenn
Gravel
Griffin
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Taft
Tunney
Weicker
Williams
Young

NAYS—23

Allen
Bartlett
Brock
Buckley
Byrd, Harry F., Jr.
Curtis
Eastland
Fannin
Ford
Garn
Goldwater
Hansen
Hatfield
Helms
McClure
Morgan
Nunn
Packwood
Roth
Scott, William L.
Stennis
Talmadge
Thurmond

NOT VOTING—8

Bayh
Brooke
Cranston
Hollings
Inouye
Laxalt
Percy
Tower

So House Concurrent Resolution 466, as amended, was agreed to, as follows:

House Concurrent Resolution 466

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the appropriate level of total budget outlays is $375,600,000,000;

(2) the appropriate level of total new budget authority is $406,200,000,000;

(3) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $74,800,000,000;

(4) the appropriate level of Federal revenues is $300,800,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $6,400,000,00;

(5) the appropriate level of the public debt is $623,200,000,000; and

(6) the Senate Committee on Finance and the House Committee on Ways and Means shall submit to their respective Houses legislation to decrease Federal revenues by $6,400,000,000.

Sec. 2. The Congress hereby determines and declares that, for the transition quarter beginning on July 1, 1976—

(1) the appropriate level of total budget outlays is $100,100,000,000;

(2) the appropriate level of total budget authority is $92,200,000,000;

(3) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $15,300,000,000;

(4) the appropriate level of Federal revenues is $84,800,000,000; and

(5) the appropriate level of the public debt is $639,500,000,000.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MOSS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Senate concurrent resolution be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, the passage this afternoon of this budget reconciliation resolution marks the completion of the first cycle of the new budget process adopted by Congress last year.

The overwhelming vote in favor of the Budget Committee's resolution on the issues that determine the fiscal policy for this Government and in return determine the economic viability of the Nation can be attributed only to the extraordinary leadership of the distinguished Senator from Maine (Mr. Muskie).

Many within the Senate, within the Government, and throughout the Nation doubted that this budgetary process and self-imposed discipline by Congress would be willingly assumed by the elected members of this Government. The fact that it has, I believe, is due to this extraordinary leadership of Senator Muskie and his Republican counterpart, the distinguished Senator from Oklahoma (Mr. Bellmon). Without that leadership and without the perspective that they have provided to these issues, putting our fiscal house in order would never become a reality. I believe that under this leadership and the precedents it will set for the coming years future generations will owe Senator Muskie and Senator Bellmon a debt of gratitude.

OLDER AMERICANS AMENDMENTS OF 1975—CONFERENCE REPORT

Mr. EAGLETON. Mr. President, I submit a report of the committee of conference on H.R. 3922, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3922) to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such act, to prohibit discrimination on the basis of age, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of November 17, 1975, at page 36959.)

The PRESIDING OFFICER. The Chair will ask the Senator from Missouri to suspend until there is order in the Chamber. The Senate will be in order.

The Senator from Missouri.

Mr. EAGLETON. Mr. President, this has been cleared on both sides.

Mr. President, H.R. 3922, the Older Americans Amendments of 1975, continues for an additional 3 years, until September 30, 1978, authorizations for programs conducted under the Older Americans Act of 1975; the bill establishes new standards for States to encourage the provision of four specified kinds of services to the aging, in the areas of transportation, various home services, legal services and programs of residential renovation and repair; and it prohibits unreasonable age discrimination in programs and activities receiving Federal financial assistance and, in connection therewith, the U.S. Commission on Civil Rights is directed to conduct a study of the subject of unreasonable age discrimination in federally assisted programs which is to precede the implementation, by regulation, of such prohibition.

BACKGROUND

Programs being operated under this act have proved to be of enormous value to older people in America since they were first established, beginning in 1966. In some cases, such as with the nutrition projects established under title VII of the act and now serving over 250,000 persons daily, Federal funds authorized by the Older Americans Act provide most of the support. In other cases, as with the title III program of grants to State and area agencies on aging, Federal funds are used primarily to help organize existing local resources and to stimulate the provision of new services in unmet areas of need.

Whatever the arrangements may be at State and local levels, it is the fact that, every day, across the Nation millions of older Americans are receiving social services, obtaining nutritious meals, riding on transportation systems specially designed to meet their needs or on regular transit systems at reduced fares, getting home nursing care, being counseled as to where they can get assistance with housing, income or health problems, participating in social and recreational programs at senior centers, and receiving dozens of other benefits which, very often, mean the difference between a full, rich life, on the one hand, and the kind of bleak and joyless existence to which isolated and impoverished elderly people are typically relegated, on the other.

Mr. President, I do not intend to go into great detail with respect to this bill since the conference report and the joint explanatory statement of the conferees speak for themselves. Moreover, since the final bill agreed upon by the conference committee is identical in many respects to S. 1425, the companion bill passed by the Senate, those who seek greater detail on the background of the legislation and the legislative intent underlying it may refer to the report on the bill by the Committee on Labor and Public Welfare (S. Rept. 94-255).

However, I do want to address myself to several changes made by the conference committee.

BUDGETARY IMPACT

First, with respect to the impact on the budget, the conferees agreed in every case where the bill provides a fixed dollar authorization to adopt the lower of the Senate and House figures. Thus, the members of the conference committee held the dollar authorizations to the lowest levels they could without exceeding their authority under the rules of the Senate and the House. The results of our agreement are contained in the following table:

OLDER AMERICANS AMENDMENTS OF 1975 (H.R. 3922)—DOLLAR AUTHORIZATIONS AS CONTAINED IN CONFERENCE AGREEMENT

Program	Fiscal year 1976 (to June 30)	Fiscal year 1976 (July 1 to Sept. 30)	Fiscal year 1977	Fiscal year 1978
Title III—Area planning and social services	$180,000,000	$57,750,000	$231,000,000	$287,200,000
Title VII—Nutrition programs for the elderly	(1)	62,500,000	(2)	275,000,000
Title IX—Community service employment for older Americans	100,000,000	37,500,000	150,000,000	200,000,000
Amendments to Domestic Volunteer: Service Act of 1973:				
Retired senior volunteer program			22,000,000	22,000,000
Foster grandparents			35,000,000	35,000,000
Senior companions			8,000,000	8,000,000
Total dollar authorizations	280,000,000	157,750,000	446,000,000	827,200,000

(1) Presently authorized at $200,000,000.

(2) Presently authorized at $250,000,000.

While the budget constraints we currently face required this exercise in fiscal moderation, I do want to serve notice that those of us who are concerned with programs for older Americans will be pressing for a more adequate level of appropriations, within the authorization limits we have set. It would be tragically ironic if old people on fixed incomes, the group perhaps hit hardest by inflation, were to have programs vital to them cut back—as the administration proposes to do—in the name of fighting inflation.

MANDATED SERVICES

One matter which the House and Senate initially approached quite differently has to do with mandating certain services to be provided by State and area agencies on aging. The House bill required each State to spend at least 20 percent of its allotment under title III of the act to provide four specified kinds of services, in addition to its current expenditures for these named services—transportation, legal assistance, home sevices and residential repair, and renovation programs. The Senate amendment did not contain such a requirement but it did establish a new grant program covering the first three of these areas of service to encourage the States to provide them.

The conference committee arrived at what I believe to be an excellent compromise by deleting the grant program of the Senate amendment and very substantially modifying the original provisions of the House bill that would have inevitably resulted in a great disruption of the programs now being carried on by the States.

In arriving at this compromise, the conferees sought to retain the large area of local discretion in determining what services are to be provided that is currently contained in the act, while at the same time establishing priorities with respect to the provision of four services that the Congress has determined are important in assisting older persons in leading independent lives and avoiding unnecessary institutionalization. States which make a substantial effort in these areas by using 33⅓ percent or more of their funds for this purpose are exempt from any of the new requirements with respect to the allocation of their State plan funds. States which are making relatively little effort are required to use at least 20 percent of their funds for these purposes, beginning in fiscal year 1977. Since the new fiscal year has already begun, the conferees determined that this requirement of minimum funding for national priority areas should not take effect until the next fiscal year so as to allow the States involved some time to prepare for the new requirement. Both the low effort States, the 20 percent States, and all other States which are spending less than 33⅓ percent of their title III funds for these purposes must use at least half of their "new" money (the amount of their title III State plan allotment that exceeds the similar allotment in fiscal year 1975) for the provision of such services.

JOBS FOR OLDER WORKERS

The bill also continues the authorization for title IX of the act, which authorizes the older workers public service jobs program. There is ample evidence that workers aged 55 and older are largely excluded from the public service jobs program operated under title VI of the Comprehensive Employment and Manpower Act of 1973, CETA. Until this year, funding was provided for special purpose public service jobs programs for older workers under title II of CETA through contracts entered into by the Secretary of Labor with several national organizations, which operated the projects through local sponsors.

These organizations have made an excellent record and the job projects for which they are responsible have consistently received high marks from independent evaluators. Despite overwhelming evidence of the value of these programs the Secretary has declined to provide title II, CETA, funding for these projects beyond the current contracts, which expire at different points in this fiscal year. It is expected that these projects will be picked up with funds appropriated under title IX, as extended by this bill.

To this end, the revised title IX—in section 906—directs the Secretary of Labor to reserve from each year's appropriation such sums as may be necessary to continue the existing older worker job programs operated by national contractors at least at the level of activities—that is, number of job slots—at which they operated in fiscal year 1975. The remainder of the sums appropriated may be distributed to the States by a formula which takes into account both the population aged 55 and over at each State and the State's relative per capita income. I want to emphasize that the Secretary is not limited to supporting these outstanding national contractor programs at their fiscal year 1975 levels. That is simply the minimum below which he may not go. He is authorized to use additional sums to increase the national contractors' level of activities, and I would most emphatically encourage him to do so.

Mr. President, I feel confident that I express a consensus among most of the conferees when I say that our actions taken with respect to title IX are in no way intended to imply approval, from either a public policy or a legal standpoint, of the Secretary's decision to terminate funding for older workers job programs under title II of CETA. We believe that he should provide such funding and that there are organizations, such as the National Caucus on Black Aged, which are capable of operating projects that would greatly assist the many thousands of older workers who could benefit from this program.

LEGAL SERVICES FOR THE AGING

One of the major contributions made by this bill is its recognition of the great need that older persons have for increased access to legal assistance. We have sought to meet that need in several different ways. This bill amends the Older Americans Act to include legal services as one of the social services that may be provided under title III of the act and, moreover, includes legal assistance as one of four areas given priority under title III. Legal services are also among those that may be provided in job programs operated pursuant to title IX. A new training authority is created as part of title IV, under which the Commissioner on Aging may make grants to assist in training professional and paraprofessional legal personnel to provide legal services to the elderly.

In this connection, both the Senate committee report and the conference report include language, inserted at my request, to the effect that Congress does not intend through this legislation to preempt State laws, court rules, and so forth, which govern the practice of law. To this should also be added the caveat that neither do we imply any intent to affect Federal statutes, court rules, judicial decisions and regulations concerning the authorized practice of law and the activities of nonlawyers.

Finally on this subject, I want to note my approval of the model project grants recently made by the Commissioner under section 308 to provide for legal services to older Americans. Such model projects, I believe, offer an extremely effective way to carry out the section 308 purposes to "expand or improve social services or otherwise promote the well-being of older persons." Thus, I strongly urge the Commissioner to continue model projects funding for successful programs and to fund new model projects to demonstrate effective ways of providing legal services to older Americans under section 308.

AGE DISCRIMINATION

The provisions of this bill which prohibit age discrimination in federally-assisted programs and activities have caused me much difficulty, Mr. President. I share the concern of the Members of the House, who supported these provisions so strenuously, that there may be otherwise qualified individuals who are denied access to such programs solely because of their age, but I could never get satisfactory answers to certain fundamental questions, such as: "Which programs? In what numbers? Who decides what age discrimination is unreasonable?"

This last question of reasonableness is of the utmost importance, Mr. President, for unlike race discrimination, age discrimination is not per se arbitrary. Our laws commonly make distinctions among individuals based upon their age, often for the purpose of defining those eligible for a particular kind of Government benefit, such as social security, or for describing the target group for a particular piece of legislation, just as this bill is designed to aid older Americans. So it is not all age discrimination that we want to prohibit, but only that which is unreasonable.

And what is unreasonable age discrimination? Whatever it is cannot be determined from the bill, for it simply prohibits "unreasonable age discrimination" and tosses the ball to the executive branch to determine what is reasonable and unreasonable.

Take, for example, admission to medical schools. Medical schools are heavily subsidized by the Federal Government and have several applicants for each slot. Is it reasonable for such schools to establish age limits for admission, or even to favor the younger of two equally-qualified applicants, on the theory that society is likely to gain a greater return from its investment in a younger person?

The same question could be asked about a host of other training programs supported by the Federal Government and there are numerous other questions—difficult public policy questions—that could be raised about programs and activities supported by virtually every Federal department or agency.

The effort to resolve the difficult issues posed by the age discrimination provisions of the House bill was responsible for the delay of several months in reaching agreement on the entire bill in conference. All other disputed issues were settled last July. We finally reached an agreement on the prohibition against age discrimination—described more fully in the conference report and joint statement—in which I was able to join, albeit reluctantly, for several reasons:

First. Without an agreement on the age discrimination provisions, we could never get a bill extending the vitally needed programs under the Older Americans Act, most of which had expired June 30, 1975, and which were limping along under a continuing resolution.

Second. The conferees agreed on a study of the subject of age discrimination to be conducted by the U.S. Commission on Civil Rights before implementation of the prohibition contained in the bill will begin. I am hopeful that this study will provide guidance on the policy issues left unresolved.

Third. No regulations implementing this prohibition may become effective before January 1, 1979, and such regulations will provide the exclusive remedy for violations of the prohibition against unreasonable age discrimination in federally-assisted programs and activities. Thus, this will be a live subject when we act in 1978 to again consider extension of Older Americans Act programs and Congress will be forced to address the issue of the proposed regulations before they become effective.

Subject to these misgivings about the age discrimination title of the bill, I believe we have an excellent bill. We will have an opportunity over the next 3 years to take such steps as may be called for to provide a more responsible basis for the issuance of regulations respecting unreasonable age discrimination, and I intend to monitor carefully developments in this area.

On a rather technical aspect of the age discrimination provisions, language was inadvertently omitted from the joint statement of the conferees to the effect that other Federal laws include prohibitions against age discrimination in federally-assisted programs—for example, section 703(1) of the Comprehensive Employment and Training Act of 1973, and section 417(a) of the Domestic Volunteer Service Act of 1973. There is no intention in establishing the prohibition against age discrimination contained in title III of the conference substitute, or in making a specific disclaimer that the provisions of title III do not affect the Age Discrimination in Employment Act of 1967, to alter in any way the protections afforded by such prohibitions in other Federal laws, or to affect the administering Federal agency's interpretation or application of such other provisions.

Mr. President, I urge the adoption of the conference report.

Mr. President, I yield to the distinguished Senator from Maryland (Mr. BEALL).

Mr. BEALL. Mr. President, it is a pleasure to join with my distinguished colleague from Missouri (Mr. EAGLETON), the chairman of the Labor and Public Welfare Committee's Subcommittee on Aging during Senate consideration of the conference report on H.R. 3922, the 1975 Amendments to the Older Americans Act.

As the ranking minority member on the Subcommittee on Aging, and a member on the Special Committee on Aging, I have a deep and abiding interest in the welfare of our Nation's 20 million senior citizens. I have always contended that America's elderly citizens deserve a great deal more attention than they have previously received. They have certainly earned the right to live their retirement years in security, dignity, and independence. I believe that we owe our senior citizens a great debt of gratitude, for they are primarily responsible for the prosperity and the greatness our Nation enjoys today.

During the past year the members of the Subcommittee on Aging have worked to shape a bill that would extend, expand and build upon the substantial progress we made with the enactment of the Older Americans Comprehensive Services Act of 1973 (Public Law 93-29). The 1973 amendments to the Older Americans Act achieved four basic goals: First, strengthened and increased the visibility of the Administration on Aging within the Department of Health, Education, and Welfare; second, established within the framework of title III, a comprehensive and coordinated system for the delivery of social services to the elderly; third, title VII, established a nationwide nutrition program for needy senior citizens which is currently serving over 200,000 hot meals per day; fourth, established a program of community service employment for Older Americans. The conference report on H.R. 3922, represents a refinement and a reaffirmation of basic goals contained in Public Law 93–29.

One can hardly comment on the progress we have made in recent years in our effort to meet the needs of the elderly without mentioning the role of Dr. Arthur S. Flemming. Dr. Flemming is a distinguished public servant who has served his Nation in a variety of capacities in the last four decades. As the Chairman of the 1971 White House Conference on Aging, Dr. Flemming brought together thousands of delegates and experts from all across the Nation. He oversaw a highly productive White House conference which helped to generate the momentum that was needed to enact the kind of progressive legislation we have before us today. Since the White House Conference on Aging, Dr. Flemming has served, first, as Special Consultant to the President on aging, and, since 1973, as Commissioner on Aging. Dr. Flemming is an able administrator, an advocate of the needs of the elderly, and a man dedicated to the cause of coordinating and making more effective the various governmental programs affecting senior citizens.

I believe that the 1975 Amendments to the Older Americans Act will continue the progress we have made in the last 2 years and further strengthen and solidify the administrative structure on the State and area agency level.

Last November I chaired a subcommittee hearing in Salisbury, Md., which examined the area agency on aging concept in considerable depth. The lower four counties of Maryland's eastern shore have been included in an "area agency" which was established as a demonstration project 3 years ago. Thus, the particular areawide model project gave the subcommittee a chance to study the area agency concept in a more fully developed mode. This hearing, which was the first in a five part series conducted by the subcommittee in the preparation of this legislation reaffirmed my personal confidence in the area agency approach to delivering services to the elderly.

On April 23, 1975, I chaired a subcommittee hearing which primarily focused on the physical fitness needs of senior citizens. There has been a steadily growing body of data that would indicate that some of "the adverse affects of aging, both mental and physical, can be diminished by an appropriate program of physical activity." The subcommittee received testimony from two panels of witnesses who addressed themselves to different aspects of this problem. The first panel was composed of medical experts and other professionals possessing a broad range of expertise on the physical activity needs of the elderly. The second panel was composed of the chairman, vice chairman, and the executive director of the Maryland Commission on Physical Fitness accompanied by three senior citizens who participate in special physical fitness programs. The second panel provided the subcommittee with practical information on the programs presently being conducted in the State of Maryland. As a result of this hearing H.R. 3922 contains language broadening the definition of social services to include "services designed to enable older persons to attain and maintain physical and mental well-being through programs of regular physical activity and exercise."

In addition, this conference report places emphasis on the delivery of several additional types of services: First, transportation; second, home care; third, legal services; and fourth, residential renovation and repair. These special emphasis programs will be carried out as part of the title III program.

Last year, the Congress passed and the President signed into law Public Law 93–351. This legislation extended the title VII nutrition program for 3 additional years. During the debate on that legislation I proposed an amendment which required the Secretary of Agriculture to donate agricultural commodities to the title VII nutrition program. The annual level of support was 10 cents per meal. Mr. President, I would like to commend Secretary Butz, Juan Del Castillo, the Director of the Food Distribution Division, and the other officials at USDA who so promptly implemented the provisions of Public Law 93–351. I am especially pleased that the Department of Agriculture implemented this program in the same positive spirit which brought about its enactment by the 93d Congress. I am pleased that the committee has accepted, in modified form, my recommendation to raise the support level contained in the original Beall amendment to Public Law 93–351. The conference report would raise the support level to 15 cents per meal during fiscal year 1976 and 25 cents per meal in fiscal year 1977. I proposed this increase in the level of agricultural commodities support for several basic reasons:

First. The infusion of USDA commodities has allowed the title VII program to expand in a significant manner even during a period of rapid inflation and necessarily tight budgetary restrictions.

Second. The huge purchasing power of the Department of Agriculture makes these commodities available to the nutrition projects at a far lower cost than they could expect to find if they purchased the same goods on the local market.

Third. This type of program helps the agricultural sector of our economy by enabling the Secretary to stabilize farm prices by purchasing the items he makes available to the school lunch program, the title VII program, and so forth.

H.R. 3922 also extends the authorizations for the older Americans volunteer programs—OAVP—which are administered by the ACTION Agency. RSVP, foster grandparent program, and the new senior companions program were all extended through fiscal year 1978. The conference report goes on to express criticism of the regulations and policies of the ACTION Agency as they relate to the OAVP. As the ranking minority member on the Human Resources Subcommittee which has jurisdiction over the domestic volunteer programs, I believe that the ACTION Agency has made a sincere effort to accommodate many of the concerns expressed in this conference report. So as to give the Agency an appropriate opportunity to outline the steps it has taken in attempting to comply with these concerns I requested their comments relative to the points outlined in the conference report. In an effort to make the legislative history of H.R. 3922 as complete as possible, I would ask unanimous consent, Mr. President, that the reply I received, from Mr. William B. Prendergast, Assistant Director for Congressional Affairs, be printed in the Record at this point in my statement.

There was no objection, the letter was ordered to be printed in the Record, as follows:

ACTION,
Washington, D.C., November 20, 1975.

Hon. J. Glenn Beall,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: In response to your letter of November 19, ACTION welcomes the opportunity to comment on the observations and recommendations on the Foster Grandparent Program contained in the Conference Report on H.R. 3922, the Older Americans Act of 1975. I can assure you that the high level of interest on the part of Congress in this valuable program, manifested in the generous attention given to it by the Conferees, is gratifying both to the Director and the staff of ACTION and to the 13,000 Foster Grandparents throughout the Nation. Thoughtful Congressional guidance on the administration of the program is most helpful and has been actively solicited by the officials of ACTION.

We interpret the directives contained in the Conference Report relative to the treatment of those 21 years of age and older who are receiving care under the Foster Grandparent Program as an endorsement of the general policy laid down by ACTION's Director, Michael P. Balzano, in a letter to Senator Cranston, dated October 1, 1975. In that letter, Dr. Balzano wrote, "Compliance with age requirement will be achieved without the involuntary separation of any person now serving as a Foster Grandparent and with scrupulous care to assure the availability of adequate alternative care for those now receiving service under this program whose age makes them ineligible for continuation."

We interpret the directive contained in the Conference Report on the treatment of those in the 18–20 age group served by a Foster Grandparent as approval of the policy of preparing a transition to alternative care for those in this group—a policy established by ACTION by regulation on September 4, 1975. The pertinent section of that regulation provides that "a plan in writing (must be developed) to provide for an alternative supportive relationship after age 20 for the person being served by the Foster Grandparent."

It is perhaps unfortunate that the Report does not explicitly recognize that its directives touching the two foregoing problem areas are consistent with the policy adopted by ACTION. An uninformed reader might well conclude from the tone of the Report that ACTION's policies are in direct conflict with these directives.

In two respects the Conference Committee directs ACTION to proceed somewhat further down a road on which it has embarked by recent modification of its regulations. First, the Committee states its intention that eligibility for Foster Grandparent services continue universally up to the age of 21. By regulation of September 4, 1975, ACTION raised the pre-existing age limit from 18 to 21 for many cared for by Foster Grandparents. No difficulty is anticipated in making the adjustment required. Second, the Committee directs that Senior Companion Programs be established at appropriate sites under the administration of a single director. By modification of its regulations on September 4, 1975, ACTION made possible administration of Senior Companion and Foster Grandparent Programs by a single director. It can do no more until funds permitting expansion of the Senior Companion Program are provided by the Congress.

Here again, we believe that the Conference Report could have eliminated possible misunderstanding of the position of ACTION on its recommendations by noting the policy changes mentioned above already made by the Agency.

In some respects the Conference Report leaves ACTION with serious doubts and concerns. Certain statements in the Report on the matter of age limitation for those served by Foster Grandparents might be construed as retreat from the purpose of the Foster Grandparent Program—the service of children. ACTION has understood this to be its intended purpose. ACTION believes that the Congress wants this to continue to be its purpose. But we do not find in the Conference Report a positive reaffirmation of this.

ACTION will administer this Program and all others in conformity with the wishes of Congress. If the Congress desires that Foster Grandparents devote themselves to the care of adults, other than those now above the age of 20 who are in the Program, we believe a change in the statute is required.

To suplement the Conference Committee Report, we wish to point out briefly some of the steps taken in recent months to facilitate broadened service and greater effectiveness in the Foster Grandparent Program and ACTION's other Older American Programs.

An Older American Resource specialist has been designated in each of ACTION's state offices. Last week these specialists from the Eastern States were given training for their assignments in Atlanta. By mid-December similar training sessions for those from the other areas of the country will have been completed.

On September 26, 1975, ACTION formally informed Regional Directors of its intention to rescind its regulation which required that 80 percent of those served in each Senior Companion Project be 60 years or age or older. With increased funding for the Program, this change will help to eliminate current problems of the Foster Grandparent Program.

Finally, may I assure you and your colleagues of the value to this Agency, to its volunteers, and to those whom they serve of the interest of the Members of Congress in our programs. We shall endeavor to keep the Congress informed of our activities and problems, confident that they will receive from you sympathetic consideration.

Kindest regards,

WILLIAM B. PRENDERGAST,
Assistant Director, Office of Congressional Affairs.

Mr. BEALL. Mr. President, the conference report on H.R. 3922 contains a new title which may be cited as the Age Discrimination Act of 1975. This provision prohibits "unreasonable discrimination on the basis of age in programs or activities receiving Federal financial assistance, including programs or activities receiving funds under the State and Local Fiscal Assistance Act of 1972." The process of prohibiting age discrimination will begin with a thorough study of the problem which will be conducted by the Commission on Civil Rights. The Commission's findings will be transmitted to the Congress, the President, and the head of each Federal department and agency no later than 18 months after the date of enactment. One year after receiving this report the Secretary of Health, Education, and Welfare will publish proposed general regulations to carry out the prohibition of age discrimination. The agencies affected and the committees of both the House and the Senate which have jurisdiction over each agency shall have an appropriate period of time to comment on the proposed general regulation and conduct hearings if necessary. Ninety days after the publication of the proposed general regulations, the Secretary shall issue final general regulations. Ninety days after the final general regulations have been published in the Federal Register, the head of each Federal department or agency will transmit to the Secretary of HEW and simultaneously publish in the Federal Register proposed regulations to carry out this mandate. Under no circumstances, however, will any of the regulations issued pursuant to the Age Discrimination Act of 1975 become effective prior to January 1, 1979.

I believe, Mr. President, that the age discrimination title constitutes a truly important step forward for our Nation's 20 million senior ciitzens. While its procedures may seem cumbersome to many, its thrust could have a profound and far reaching effect upon our middle age and older citizens.

Before concluding, Mr. President, I would like to make an observation which I believe accurately reflects the view of the majority of the conferees on one particular aspect of the age discrimination provision. By including programs and activities funded under general revenue sharing, it was not our intention to amend in any way the State and Local Fiscal Assistance Act of 1972. I believe very strongly in the principle of revenue sharing and I do not believe that we should impose unnecessary limits or restrictions upon the use of these funds by State and local governments. Local determination of priorities is at the very heart of the revenue sharing concept. It is clearly my understanding, and I would stress once again that I believe that I express the near unanimous opinion of the House and Senate Conferees on this matter that there is nothing in this title that would permit the Department of Health, Education, and Welfare to determine by regulation how revenue sharing funds will be used.

Mr. President, the House passed H.R. 3922 on April 8, 1975. Senate action occurred on June 26, 1975 and the measure was in conference for 5 months. Even though the conference took far longer than any of us originally anticipated, I believe that this conference report is good legislation that deserves prompt and favorable consideration by the Senate. House approval yesterday by a vote of 404 to 6 clearly reflects the unanimity of support for this legislation. I would hope that the Senate will give this measure its overwhelming support and I would urge the President to probably sign it into law.

Mr. President, I ask unanimous consent that the section-by-section analysis of the conference report of H.R. 3922 be printed in the RECORD.

There being no objection, the section-by-section analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS: CONFERENCE COMMITTEE AGREEMENT ON H.R. 3922, "OLDER AMERICANS AMENDMENTS OF 1975"

Sec. 101. Would extend from November 3, 1975 to January 1, 1976, the time by which the President is directed to make recommendations: (1) for bringing about greater uniformity of eligibility standards of benefit programs for the elderly operated by Federal, State, and local government agencies; (2) for eliminating the negative impact that one program's standards may have on another; and (3) with reference to the combined impact of all taxes on the elderly. These recommendations are to be made after the Federal Council on the Aging has conducted studies of these subjects and transmitted the results of its studies to the President.

Sec. 102. Provides that the provisions and requirements of the Joint Funding Simplification Act of 1974 (P.L. 93–510) shall not apply to the administration of the provisions of the Older Americans Act of 1965, as Amended, or to any program or activity under that Act.

Sec. 103. Would add to the definition of "social services", as that term is used in Title III of the Older Americans Act: (1) "services designed to provide legal and other counseling services and assistance, including tax counseling and assistance and financial counseling to older persons"; and (2) "services designed to enable older persons to attain and maintain physical and mental well being through programs of regular physical activity and exercise."

Sec. 104. Would amend the Title III allotment provision (Sec. 303(b)) to permit direct allotment of Title III funds of a State to an Indian tribal organization serving Indians of that State, where the Commissioner on Aging determines that the members of that tribe in that State are not receiving Title III funds equivalent to benefits provided to other older persons in the State and that members of that tribe would be better served by grants made directly to the tribal organization. If he decides to make such direct grants, he would take from the amounts which would otherwise be allotted to the State under the Title III formula, not less than 100 percent nor more than 150 percent of an amount which bears the same ratio to the State's allotment for that fiscal year as the population of all Indians aged 60 or over in the State for which he made such determinations bears to the total aged 60+ population of that State; and he would directly allot the amount thus taken out of that State's allotment, directly to the Indian tribal organizations of the Indians as to which these determinations were made. For purposes of this provision, defines the terms, "Indian", "Indian tribe", and "tribal organization".

Sec. 105. Would amend the area plan requirements of the Older Americans Act, Title III, by deleting the requirement that the area plan include a provision that the AAA will, "where necessary and feasible, enter into arrangements "for using Title III funds to provide legal services to older persons, and by authorizing AAA's or State agencies (as to areas in which no AAA has been designated) to enter into agreements with rehabilitation agencies and those administering the social service provisions of the Social Security Act to develop and implement plans for meeting the common needs for transportation services of their clients and older persons served by Titles III and VII of the Older Americans Act.

Sec. 106. Would include a new requirement for State plans under Title III, that they provide for use of not less than certain percentages of the State's Title III allotment for four new "national priority services": (1) transportation; (2) home services designed to assist older persons to continue living independently in a home environment; (3) legal services, including tax counseling and assistance and financial counseling for older persons; and (4) residential repair and renovation programs. Requires area plans to give priority to these services in providing for social services in their areas.

Sec. 107. Would increase from $160,000 to $200,000 the minimum allotment to each State for planning, coordination, evaluation, and administration of State plans (and increase the minimum for territories from $50,000 to $62,500), but also provides that each State is entitled to an allotment for this purpose for any fiscal year which is not less than its allotment for FY 1975. Also provides that any State which desires to receive more for this purpose than its allotment can apply for more funds to the Commissioner, who, upon making certain findings could give it a limited amount in addition.

Sec. 108. Contains proposed new model project requirements. Would require the Commissioner, in making model project grants and contracts, to give special consideration to projects designed to meet three needs (in addition to those meeting four special needs, as required by present law). The three are: (1) projects to enable State agencies on aging and other public and private nonprofit organizations to assist in the promotion and development of ombudsman services for residents of nursing homes; (2) those to meet the special needs of, and improve the delivery of services to, older persons who are not receiving adequate services under other provisions of the Act, with emphasis on the needs of low-income, minority, Indian, and limited-English speaking individuals, and the rural elderly; and (3) those to assist older persons to remain out of institutions and to maintain independent living.

Sec. 109. Would amend Sec. 403 of the Older Americans Act to define the term "institutions of higher education" (to which the Commissioner may make grants for the purpose of attracting qualified persons to the field of aging) as having the meaning attributed to this phrase by the Higher Education Act of 1965 (thereby assuring that the term, as used in Sec. 403, will be given a broad interpretation).

Sec. 110. Would amend Sec. 404 of the Act (relating to "training programs for personnel in the field of aging") to clearly state an intent that funds appropriated under it may be used to assist in paying the costs of short-term and inservice training courses, workshops, institutes, and other activities designed to improve the capabilities of participants to provide services to older persons and to administer programs related to the purposes of the Act, and that such funds may be used to assist in paying the costs of postsecondary education courses of training or study related to the purposes of the Act, including the payment of stipends to students in the courses. Also authorizes the Commissioner to make grants to assist in the training of lawyers and paraprofessionals to provide legal counseling and services to older persons, or monitor the administration of aging programs, including nursing home programs and similar programs, and to make grants for training of employees of public or private agencies or organizations, who will identify legal problems affecting older persons, develop solutions to such problems, and mobilize the resources of the community to respond to the legal needs of older persons.

Sec. 111. Would require the Secretary of Agriculture, until Sept. 30, 1976, to purchase on the open market, high protein foods, meat, and meat alternates, for distribution to Title VII projects, but provides that such foods purchased for this purpose will not be considered donated commodities for purposes of meeting requirements of annually programmed level of assistance; would authorize "such sums as may be necessary" to implement this requirement. Would increase from 10¢ per meal to 15¢ during the fiscal year ending Sept. 30, 1976, and to 25¢ during FY 1977 the amount which the Secretary of Agriculture is required to maintain as an annually programed level of assistance in donating commodities. Would make it mandatory, rather than permissive (as in present law), that surplus commodities be donated to Title VII projects. Would allow a State which had phased out its commodity distribution facilities before June 30, 1974, to elect to receive cash in lieu of donated commodities, which cash the State would have to disburse to recipients of grants or contracts for Title VII projects, which would, in turn, use the cash to purchase domestic agricultural commodities and other foods for their projects.

Sec. 112. Would extend authorizations of appropriations for most Older Americans Act programs through Sept. 30, 1978, as follows:

Sec. 204, National Information and Resource Clearing House for the Aged—". . . such sums as may be necessary . . ." for fiscal periods between July 1, 1975 and Sept. 30, 1978.

Sec. 303, Grants for State and community programs on aging—$180,000,000 for FY 1976, $57,750,000 for July 1–Sept. 30, 1976, $231,000,000 for FY 1977, and $287,200,000 for FY 1978.

Sec. 308, Model Projects—". . . such sums as may be necessary . . ." for fiscal periods between July 1, 1975 and Sept. 30, 1978.

Sec. 431, Training and research—". . . such sums as may be necessary . . ." for fiscal periods between July 1, 1975 and Sept. 30, 1978.

Sec. 505, Acquisition, alteration, or renovation of multipurpose senior centers— "... such sums as may be necessary . . ." for fiscal periods between July 1, 1975 and Sept. 30, 1978.

Sec. 708, Nutrition program for the elderly—$62,500,000 for the period July 1—Sept. 30, 1976; and $275,000,000 for FY 1978. (Authorizations for fiscal years 1975, 1976, and 1977 were made by P.L. 93–351, July 12, 1974).

Sec. 113. Would add a new Title IX to the Older Americans Act, entitled "Community Service Employment for Older Americans," to supersede a similar Title IX of the Older Americans Comprehensive Services Amendments of 1973, which is proposed to be repealed. Authorizations for fiscal periods between July 1, 1975 and Sept. 30, 1978, are provided in the following amounts:

FY 1976, $100,000,000
July 1—Sept. 30, 1976, $37,500,000
FY 1977, $150,000,000
FY 1978, $200,000,000

Other than providing authorizations for the above periods, the new Title IX is only slightly different from the Title IX which it would supersede.

Sec. 114. Would make various technical amendments to the Older Americans Act, with little, if any, substantive significance.

TITLE II

Sec. 201. Would extend from July 1, 1977 through Sept. 30, 1978 the authorization in Sec. 110, Higher Education Act of 1965, of grants to institutions of higher education (or combinations thereof) to assist them in planning, developing, and carrying out programs specifically designed to apply the resources of higher education to the problems of the elderly, particularly with regard to transportation and housing problems of elderly persons living in rural and isolated areas. Would make applicable to the transition period July 1—Sept. 30, 1976 and to FY 1978 the authorization of ". . . such sums as may be necessary . . .", now provided for fiscal years through June 30, 1977.

Sec. 202. Would extend from June 30, 1975 through Sept. 30, 1978, the authorization of ". . . such sums as may be necessary . . ." for Sec. 310, Adult Education Act, for grants to provide educational programs for elderly persons whose ability to speak and read the English language is limited and who live in an area with a culture different than their own.

Sec. 203. Would extend from June 30, 1974 through Sept. 30, 1979, the authorization in the Older Americans Comprehensive Services Amendments of 1973 of "such sums as may be necessary" for the Senior Opportunities and Services program administered by the Community Services Administration (formerly the Office of Economic Opportunity).

Sec. 204. Would require that in consumer and homemaking education programs authorized by the Vocational Education Act of 1963, special consideration be given to special consumer and homemaking programs for persons aged 60 or older who need services provided by such programs, and that these programs be designed to assist them to live independently in their own homes and to alleviate the adverse effects of loneliness and isolation.

Sec. 205. Would amend the Domestic Volunteer Service Act of 1973 (P.L. 93–113, Oct. 1, 1973) as follows: (1) by providing additional authorizations for the Retired Senior Volunteer Program; $6,000,000 for the transitional period July 1-Sept. 30, 1976, and $22,000,000 each for FY 1977 and FY 1978 would be authorized; (2) as additional authorizations for the Foster Grandparent Program and Other Older American Community Service Programs, $10,750,000 would be authorized for the transitional period July 1-Sept. 30, 1976, and $43,000,000 would be authorized each for FY 1977 and FY 1978, with a requirement that of these sums, $8,750,000 for the transitional period and $35,000,000 each for FY 1977 and FY 1978 be available for grants and contracts for Foster Grandparent and other programs for children, and $2,000,000 for the transitional period and $8,000,000 each for FY 1977 and FY 1978 be available for grants and contracts for Senior Companions and other programs for persons (other than children) having exceptional needs; (3) by striking the word "volunteer" in various provisions of the Domestic Volunteer Service Act, and substituting the word "individual", to reflect the fact that participants do not serve without compensation or reimbursement of expenses; (4) by requiring that the Director of ACTION, in order to provide maximum coordination between ACTION's Older American programs and those carried out under Titles III and VII of the Older Americans Act of 1965, designate an aging resource specialist in each State in which such ACTION programs are carried out.

Sec. 206. Extends from May 31, 1975 to May 31, 1976, the date by which the Secretary of HEW, in consultation with the National Institute on Aging and the National Advisory Council on Aging and others, is required by the Research on Aging Act of 1974 (P.L. 93–296) to develop a plan for a research program on aging.

TITLE III

Sec. 301. Gives the provisions of this title the short title, "Age Discrimination Act of 1975".

Sec. 302. States the purpose of this title to prohibit unreasonable discrimination on the basis of age in programs or activities receiving Federal financial assistance; including revenue sharing.

Sec. 303. With limited exceptions (stated in Sec. 304), prohibits exclusion of any person in the U.S., on the basis of age, from participation in, or denial of the benefits of, or from being discriminated against under, any program or activity receiving Federal financial assistance.

Sec. 304. Requires the Secretary of HEW, not later than one year after the transmission of the report of the U.S. Civil Rights Commission's report on age discrimination in federally-assisted programs or two and one-half years after this Act is enacted, whichever occurs first, to publish in the Federal Register proposed general regulations to carry out the provisions of Sec. 303. Not later than 90 days after publication of the proposed regulations, the Secretary is required to publish in the Federal Register final regulations. Not later than 90 days after that, the heads of all Federal departments or agencies which extend Federal financial assistance would be required to publish regulations of their own to carry out the provisions of that section. However, it would be provided that no regulation issued under this section will be effective before January 1, 1979.

Would provide that it will not be a violation of this Act if the differentiation based upon age reasonably takes into account age as a factor necessary to the normal operation or the achievement of any statutory objective of the program or activity; if the differentiation is based upon reasonable factors other than age; or if the program or activity was established under a law which provides benefits or assistance based upon the age of the recipients, or establishes criteria for participation in age-related terms.

Would specifically provide that this Act does not amend or modify the Age Discrimination in Employment Act of 1967, and does not apply to employment practices (except with regard to providing employment assistance under the Comprehensive Employment and Training Act of 1974).

SEC. 305. Would provide the means of enforcing the age discrimination prohibitions of this Act. Would permit the head of a Federal department or agency to seek to achieve compliance with the Act's prohibitions and those of regulations under the Act, by terminating or refusing to grant or to continue Federal financial assistance. However, provides that this punitary action must be limited to the political entity or other recipient which discriminated, and must be limited to the program or activity or part of a program or activity with respect to which the finding of discrimination was made. In addition, a finding of discrimination would not be based on a finding with respect to any program or activity which does not receive Federal financial assistance.

Would provide that such suspension of Federal assistance would not be carried out without an effort to secure compliance by voluntary means, and that even if such efforts fail, the suspension could not take effect until 30 days after the head of the department or agency transmits a written report to the committees of the House and Senate having legislative jurisdiction over the program or activity involved.

Provides that the prohibition against discrimination could be enforced "by any other means authorized by law," but that "the provisions of this section shall be the exclusive remedy for . . . enforcement . . ."

SEC. 306. Provides for judicial review of a department's or agency's actions taken to enforce this Act, and clearly states an intent that such agency determinations are not intended to be "committed to unreviewable agency discretion."

SEC. 307. Requires the U.S. Civil Rights Commission to undertake a study of unreasonable discrimination based on age in Federally-assisted programs and activities, and to identify any Federally-assisted program or activity in which there is found evidence of discrimination based upon age. Requires the Commission, not later than 18 months after enactment of this Act, to transmit to the Congress and to the President a report of its findings and recommendations for statutory changes and administrative action, and to send a copy of the report to the head of each department or agency with respect to which the Commission makes findings and recommendations. Not later than 45 working days after receiving a copy of the report, each of these departments and agencies would be required to submit its comments and recommendations regarding the report to the President and to the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor.

Would authorize "such sums as may be necessary" to carry out this section.

SEC. 308. For purposes of this Act, defines the terms, "Commission", "Secretary", and "Federal department or agency".

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARRY F. BYRD, JR. Mr. President, may I address a question to the Senator from Missouri?

Mr. EAGLETON. Yes.

Mr. HARRY F. BYRD, JR. How does the dollar figure differ from the dollar figure in the Senate bill?

Mr. EAGLETON. These programs are extended for 3 years at approximately the same rate of increase in authorization levels as existed in the legislation that is already on the books.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. FONG. Mr. President, as the ranking minority member of the Special Committee on Aging, I am most pleased to give my support to the Older Americans Amendments of 1975 now before the Senate in the conference report on H.R. 3922.

Members of the Subcommittee on Aging of the Labor and Public Welfare Committee, the conference committee, and their staffs, have worked long and hard to bring out a bill which would serve the best interest of older persons. They are to be commended for their bipartisan efforts on behalf of older persons. The conference committee especially deserves commendation for effectively resolving the differences between the Senate and House bills regarding this extension of the Older Americans Act.

During the 10 years since the act was first passed, we have seen significant changes in opportunities for a better life for older Americans. With the development of a strong Administration on Aging, an increase in the effectiveness of the State agencies on aging, and the establishment of area agencies on aging in 1973, we now have a mechanism in place to coordinate a comprehensive delivery of services for older persons from both public and private agencies. This extension of the act for another 3 years should provide these agencies with the sense of continuity necessary for them to consolidate their efforts in the field of aging.

Members of the Senate may recall that several months ago the funding for community service employment for older Americans under programs operated by the five national contractors was in jeopardy. I was pleased to sponsor an amendment to the emergency employment appropriations bill, H.R. 4481, passed by the Senate on April 25, which provided for the continuance of these programs with funds from title IX of the Older Americans Act.

I am particularly gratified that the Older Americans Community Service Employment Act is now title IX of the Older Americans Act with authorization for the next 3 years. Provided Congress in an appropriations bill allows sufficient funds, older Americans now working under this program would be assured of continued employment under the programs of the five national contractors. While it is most important to maintain these nationally sponsored part-time older person employment programs, which have already proved successful, I am pleased that the bill also gives recognition to the need for expansion of similar support at the State and local level where it does not now exist.

The inclusion of additional supportive services for older persons and the expansion of the very successful nutrition program will effectively continue the efforts by all States and territories to give meaning to the retirement years.

Since the bill on which we are acting today reflects the contributions of many persons in and out of Congress, including key members of the administration, I hope and trust that the President will see fit to give it his prompt approval.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a 10-minute limitation on voting on the conference report.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Immediately after that we are going to take up the Interior appropriation bill.

Mr. STENNIS. Mr. President, may I ask the Senator, What is the amount in the bill per year?

Mr. BEALL. Mr. President, will the Senator yield? I ask unanimous consent that David Rust of my staff be granted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. May I respond to the Senator's question. The total aggregate over the 3-year period is $1.7 billion for 3 years.

Mr. BELLMON. Mr. President, having just completed action on the second concurrent resolution which set binding spending ceilings for fiscal year 1976, we should all be acutely aware of the tightness in this year's budget and the difficulties we face today in our efforts to control Federal expenditures in 1977 and beyond. As we have discussed on several occasions, one of the problems in controlling the budget is the spending which naturally occurs this year because of action taken in a prior year.

We are now discussing the conference report on H.R. 3922, the Older Americans Act and this report illustrates one of the potential risks we face. I am very pleased that the conferees reached the decision to limit the requested authorization for fiscal year 1976 to $280 million. This is substantially below the Senate passed version of $500 million. I am led to believe that the actual budget authority and outlay impact in fiscal year 1976 will be well below the $280 million level—hopefully it will be a realistic level in the neighborhood of $50 million or so. So, our problem is not with the budget impact in fiscal year 1976 despite the fact that this bill falls in function 500 and this function is under extreme pressure. Our November 17 scorekeeping report shows that this function is currently under target by $200 million but will go over target by as much as $900 million if various pending legislation is fully funded.

Rather, our problem with this bill involves the promises it makes regarding the future. I know this is only an authorization bill and the actual decisions regarding funding levels will be made in the appropriations process, but this bill requests authorizations totaling over $1.7 billion for the next 3 years and the level might be $2.2 billion if you add in other authorizations which are described in this bill. The levels jump year by year from $280 million to $446 million to $827 million. This growth in authorization is liable to be misinterpreted as a promise by the people who might benefit from this program; namely, older Americans. But the truth is the actual appropriation each year will depend on our resources and our priorities in that year. It will be very cruel if potential recipients are misled. As my colleague on the Budget Committee, Senator MAGNUSON, said during floor debate last June, if we funded everything that is authorized in this kind of bill then we would have to put a bankruptcy sign on the door of the Treasury.

While we need to know what the total picture is in any program and therefore multiyear authorizations are not bad, we must be extremely careful that large authorization levels do not mislead and cruelly disappoint potential recipients.

Mr. CHURCH. Mr. President, I support the adoption of the conference report on the Older Americans amendments, H.R. 3922.

The conference agreement represents a major victory for all Americans, but especially older Americans.

I am also pleased that the bill includes, in one form or another, practically every provision in my Older Americans amendments, S. 1426.

OLDER AMERICANS ACT AMENDMENTS

Ten years of experience under the Older Americans Act have demonstrated beyond any doubt its value and worth for the elderly.

H.R. 3922 would build upon this solid foundation in several ways. First, it would extend basic program—including area planning and social services, model projects, research, training, multidisciplinary centers of gerontology, multipurpose senior centers, and the hot meals program—through fiscal 1978.

Second, it would give a new dimension to the title III State and community programs on aging by designating four priority services for funding: transportation, home health, legal counseling, and residential repairs.

Third, the section 308 model projects program would be expanded to include ombudsman activities for nursing home residents; assistance in establishing senior ambulatory day care centers; and improvements in the delivery of services for aged minority groups and the rural elderly. These new activities can help make service programs under the Older Americans Act more responsive to the needs of senior citizens who may now be overlooked or largely ignored.

The bill includes other provisions to focus more attention on the problems of the rural elderly. State plans, for example, would be required to take into account the relative distribution of older persons residing in rural and urban areas.

H.R. 3922 would authorize the Commissioner on Aging to provide direct funding to Indian tribes, provided two conditions are met:

Members of the Indian tribe are not receiving benefits equivalent to those provided to other persons in the State; and

They would be better served through direct funding.

DOMESTIC VOLUNTEER SERVICE ACT

In addition H.R. 3922 would continue Older American programs under the Domestic Volunteer Service Act and with increased authorization levels.

I am also pleased that the conference report responds to a major problem confronting the Foster Grandparent program—the termination of the Foster Grandparent relationship when a mentally retarded child reaches age 18.

Recently ACTION issued regulations to modify this provision, allowing Foster Grandparents, in exceptional cases, to serve children through age 20.

The conference report makes three important points.

First, Foster Grandparent supportive services should be continued through age 21—not 18 as initially provided by ACTION's regulations.

Second, the Foster Grandparent relationship should be permitted to end only when ACTION is certain that an alternative arrangement can be made, satisfactory to the needs of the Foster Grandparent, the child's family, and the sponsoring agency.

Third, the Foster Grandparent relationship must be continued if suitable alternative arrangements cannot be made.

OLDER AMERICAN COMMUNITY SERVICE EMPLOYMENT ACT

Equally important, H.R. 3922 would continue and expand the older American community service employment program.

This measure becomes all the more compelling now because unemployment has risen markedly for older Americans.

During the past year alone, the number of jobless persons in the 55-plus age category has increased by 57 percent.

But this figure—as depressing as it is—does not even begin to reflect the seriousness of the situation for older workers. One important reason is that there is a substantial amount of hidden unemployment among persons 55 or older.

Community service employment, though, can be an effective and efficient means to combat joblessness among mature workers. Moreover, it can help provide vital services at the same time.

AGE DISCRIMINATION ACT

Finally, H.R. 3922 would prohibit discrimination on the basis of age in programs or activities receiving Federal financial assistance.

"Age-ism" can be just as vicious as other forms of discrimination in our society.

It not only robs our Nation of the skills of productive and energetic persons, but it is also demoralizing for the individuals affected and their families.

Title III of H.R. 3922 would also direct the Civil Rights Commission to undertake a study concerning age bias in programs and activities receiving Federal financial assistance. The Commission would be required to prepare a comprehensive report with recommendations to help eliminate age discrimination in Federal programs and activities.

GEORGE CRONIN

Mr. President, I would also like to take a moment to pay special tribute to George Cronin, a former Committee on Aging professional staff member who died 2 months ago of a cranial aneruism.

George, I know, would be greatly pleased with the Older Americans Amendments of 1975—particularly the prohibition concerning age discrimination.

He made a number of valuable contributions to the proposal which I introduced. And, I deeply appreciate his unselfish efforts and strong sense of commitment.

I feel very strongly that older Americans, as well as our entire Nation, will benefit greatly by this potentially landmark legislation.

IMPORTANCE OF OLDER AMERICANS AMENDMENTS

No other proposal now under considation by the Congress is more important for the elderly than the Older Americans amendments.

For many aged persons, services under the Older Americans Act can mean the difference between institutionalization and living in dignity at home.

For others, the ACTION programs can provide a new and rewarding second career for older persons who believe that retirement should not shut them off from meaningful activity.

And the community service employment provisions can enable many elderly individuals to help themselves out of poverty while helping others at the same time.

For these reasons, I reaffirm my support for the enactment of the Older Americans Amendments of 1975.

Mr. SCHWEIKER. Mr. President, I am pleased to express my strong support for the Older Americans Act Amendments of 1975. This measure represents the culmination of a year's effort by the Senate Subcommittee on Aging, on which I serve, and the House Select Education Subcommittee. The legislation would continue the programs for the elderly authorized by the Older Americans Act for an additional 3 years, and establish several new programs, including transportation, home care, legal services, and residential renovation and repair. In addition, the bill would insure that native Americans receive equivalent services by authorizing the Commissioner on Aging to make direct grants to Indian tribal organizations. Also included are provisions prohibiting age discrimination in federally assisted programs and activities.

In addition, Mr. President, this measure extends the older American volunteer programs in ACTION, Foster Grandparents, and Senior Companions. An aging resource specialist would be designated for each State to coordinate these programs with programs carried out under titles III and VII of the Older Americans Act. In addition, I am pleased that the report expresses the intention of the conferees that Foster Grandparent services be continued up to the age of 21—not 18 as the agency regulations have provided. No efforts should be made to discontinue established relationships or seek alternative arrangements merely because the "child" enters his or her 18th year. Mr. President, many of my constituents serve as Foster Grandparents for mentally retarded children, and they have expressed concern to me that their "grandchildren," although chronologically 18 years of age, are of a much lower mental age, and therefore still need the support provided by Foster Grandparents.

Mr. President, for too long this Nation has treated its elderly as second-class citizens. The Congress has gone on record in support of services for the elderly by enacting the Older Americans Act and its Amendments. This legislation is one further step in providing senior citizens the quality of life they deserve, in return for the contributions they have made to our society. Earlier this week the other body passed this measure by a vote of 404 to 6. I urge speedy passage and enactment of this important legislation.

Mr. DOMENICI. Mr. President, I am pleased to lend my support today to the Older Americans Act amendments as contained in the conference report. These amendments extend authorizations for several existing successful programs operated at the State and local levels as well as strengthen these State and local programs in several ways. Although broad congressional priorities and concerns are established, I am particularly pleased to note that much flexibility rests with the States and localities to design and implement programs to meet their determined needs.

It has been recognized that in order for State agencies on aging to carry out their comprehensive responsibility for systematic planning, advocacy, and social service support on behalf of older persons in their States, they need more funds to put additional qualified staff to work on getting resources in the State directed toward the elderly. Accordingly, the minimum allotment for State agency operations has been increased to $200,000. My own State of New Mexico will greatly benefit from this increased allocation. Other provisions in the amendments and accompanying statement will strengthen the State aging programs by requiring coordination with these State agencies in the administration of the older Americans community service employment program, the foster grandparent and retired senior volunteer programs, and the social service program under title XX of the Social Security Act. The explanatory statement also makes clear the intent of Congress that State agencies on aging be a distinct and independent organizational unit at the State level, and not be buried in umbrella State agencies.

Furthermore, I was encouraged with the provisions in the legislation to expand the State nutrition programs by requiring the Secretary of Agriculture to make increased food contributions toward this meal program which is of great importance in New Mexico.

Also of significance to New Mexicans, is the new provision allowed which will make certain that States will provide equitable benefits to older Indians under the area planning and social service program. As the Senate report stated, many States are now providing such equitable benefits, but this bill will guarantee that all States provide a fair proportion of these funds to Indians in the future by allowing the Commissioner on Aging to withhold funds from a State's allotment and make direct grants to Indian tribes if he determines there is not an equitable distribution of funds to Indians.

Congress has now established a priority under the area planning and social services program for services which help older persons to remain independent and prevent unnecessary institutionalization. To implement this priority, States will be required to spend 50 percent of their new funds under their title III program or, beginning in fiscal year 1977, one-third of their total allotment on transportation, in-home services such as homemakers, legal counseling and home repair and renovation for the aged.

I have repeatedly voiced my concern in this body for our forgotten elderly caught in nursing homes and the like with few alternatives from which they can choose. I am sure my colleagues agree with me that services offered to the elderly to encourage their continued residence in their own homes will help save money—not to mention dignity and human enjoyment for our older citizens.

In conclusion Mr. President, I wish to commend the efforts of the conferees in determining these final amendments to the older Americans Act, and I wholeheartedly support the measure at this time.

Mr. KENNEDY. Mr. President, I rise to endorse acceptance of the extension of the Older Americans Act for the conference report extending the Older Americans Act for 3 years.

As a member of the conference and of the Senate Subcommittee on Aging, I want to commend the distinguished chairman, the Senator from Missouri (Mr. EAGLETON) for his leadership in this matter.

The bill before us represents an expansion of opportunities for the Nation's elderly, a rejection of the administration's proposals for limiting the services available to the elderly, and a firm statement of continued Federal commitment to improving the quality of the Nation's elderly.

I am pleased that this bill includes the legislation, S. 962, which I introduced on March 5, 1975, with 29 cosponsors, to extend and increase the level of authorizations for the Older Americans Community Service Employment Program, title IX, to $100 million in fiscal year 1976, $150 million in fiscal year 1977 and $200 million in fiscal year 1978.

This program, which I originally introduced several years ago and which became part of the Older Americans Act of 1973, has been a successful route for providing an opportunity for part-time community service to older workers and for enabling them to earn needed income.

The conference report also preserves the primary role of national aging organizations in carrying out the title IX program, organizations such as the National Council of Senior Citizens, the National Council on Aging, AARP/NRTA, the National Farmer's Union, which have been successful in their past direction of these programs.

The conference report expands services under title III, particularly in the areas of transportation, legal counseling, home care and residential renovation and repair. It also provides important encouragement for the training of personnel to provide assistance to the elderly, in both informal short-term institutes and in formal college and university settings.

I also want to note that the conference adopted an increase in the authorization for title VII, the nutrition program for the elderly, raising the level of funding in the transition quarter to an annual level of $250 million, and providing $275 million for fiscal year 1978.

The conference report also contains a strong statement insuring an end to discrimination against the elderly in federally funded programs.

Finally, I want to emphasize that nothing in this act affects the retention of the independence of the title VII, nutrition for the elderly programs. They still have the continued independence to determine for themselves the level of coordination with area agencies on aging. Obviously, consultation will take place, but the determination of the level of coordination is a mutual one, requiring the assent of the title VII program as well as the assent of the area agency on aging.

Mr. MUSKIE. Mr. President, S. 1425, the Older Americans Act, has come back from conference at a level lower than that at which it passed the Senate and I am glad to applaud the work of the Senate conferees. I would remind Members of the Senate that when this bill passed the Senate last June, no report was available, and it was very difficult for Senators to make judgments about the bill's contents. As passed by the Senate this bill originally authorized $600 million in budget authority and outlays for fiscal year 1976, an amount substantially greater than the current funding for this program and much more than would likely have been appropriated. As reported from conference committee this bill requests authorizations of $280 million, an amount that should result in appropriations consistent with our resolution.

However, this bill does contain expanded authorizations for future years. The bill authorizes $446 million for 1977 and $829 million for 1978. The congressional budget process has considered budgetary requests 1 year at a time in light of current needs and economic conditions. If it is to be effective, the congressional budget process cannot be committed in advance to sizable future year increases such as those contained in this bill. I commend the work of my colleagues in reducing fiscal year 1976 authorizations to more realistic levels. But, I must remind Senators that the budget process generally considers funding levels for the Older Americans Act, and similar multiyear authorizations, only for the year to which our current resolution applies.

I would also like to comment on the structure of this bill. Because portions of the bill have already been authorized in previous years, authorized amounts for these portions are not included in the current report. This practice does not allow the Senate to develop a clear picture of actual current and future year authorizations for older American programs. If we add previous authorizations for title VII nutrition programs and domestic volunteer services, for instance, the authorization levels for this bill increase from $280 to $540 million in 1976, and from $466 to $696 million in 1977.

In conclusion, let me add my support to those who have labored in producing this legislation which provides services, nutrition, and meaningful work for one of America's most deserving groups, without exceeding the budgetary limitations set by our current economic conditions.

Mr. President, I ask unanimous consent to have printed in the RECORD certain tables in connection with this matter.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Fiscal year 1976 impact of Older Americans Act[1]

	Budget authority	*Outlays*
Continuing resolution	103	103
House-passed version	303	303
Senate-passed version	603	603
Conference report	280	(²)

[1] Authorization for Older Americans programs ran out in 1975, the programs have since been carried in the continuing resolution at $0.1 billion.

[2] Less than $50 million.

AUTHORIZATIONS FOR OLDER AMERICANS PROGRAMS INCLUDED IN REPORT 94-670

[In millions]

Title	Fiscal year— 1976	TQ	1977	1987
Title III	180	58	231	287
Title VII—Nutrition	(¹)	63	(¹)	275
Section 707	(²)	(²)	(²)	(²)
Title IX—Employment	100	38	150	200
Domestic volunteers	(¹)	28	65	65
Total H. Rept. 94-670	280	185	446	827
Other authorizations:				
Title VIII—³ nutrition	200		250	
Domestic⁴ volunteers	60			
Total H. Rept. 94-670 plus other	540		696	

[1] Authorized elsewhere.

[2] Such sums as are necessary.

[3] Authorized in Older Americans amendments 1975 (Public Law 93-351).

[4] Authorized in Public Law 93-113.

Mr. TAFT. Mr. President, I was happy to cosponsor the Senate version of the Older American Amendments of 1975, and I rise in support of the conference report.

America owes a great debt to its senior citizens. They are the group of Americans who have done the most to make America the strong and free Nation it is today.

This legislation, in addition to extending for 3 years many worthwhile programs under the Older Americans Act, creates a new section establishing four national priority needs of services for the elderly:

First. Transportation services—if our senior citizens are to have access to programs such as nutrition projects, health care facilities, social, recreational, and cultural activities, there must be adequate transportation services;

Second. Home care—to provide an alternative to institutionalization. Home care includes homemaker services, home health care, shopping services, escort services, reader services, letter-writing services, and other services which will enable our senior persons to continue living independently in the home environment;

Third. Legal and counseling services and assistance programs, including tax counseling and assistance and financial counseling. This legislation would also expand the training provisions of the act to include training of lawyers and paraprofessionals to provide the legal counseling and to monitor programs designed to provide assistance or services to the elderly; and

Fourth. Residential repair and renovation to enable older persons to maintain their homes in conformity with minimum housing standards or to adopt homes to meet the needs of elderly persons suffering from physical disabilities. The ability to obtain, or retain, safe and sanitary housing in an acceptable environment is essential to a dignified and rewarding life for our senior citizens.

This measure expands the Model Projects section to include: First, ombudsman activities for nursing home residents; second, improving services to low-income, minority, Indian, and limited English-speaking individuals and to the rural elderly; and third, assisting in the establishment of ambulatory senior day care centers.

It provides for an increase in the level of assistance to be provided by the Secretary of Agriculture for surplus commodities for the title VII nutrition program from 10 cents per meal to 15 cents per meal in 1976, and to 25 cents per meal in 1977. The elderly have a high level of malnutrition relative to other age groups because older persons face other problems due to physical mobility—making it difficult to shop for or prepare food, many are ill or weak, perhaps living alone, and may not have the stamina to prepare nutritious, well-balanced meals for themselves.

Idle older workers constitute a waste of productivity that our country can ill afford. In order to foster and promote useful part-time work opportunities in community service activities for unemployed low-income persons aged 55 years or older and who have poor employment prospects, this legislation extends the Community Service Employment for Older Americans. The importance of gainful employment to the older American cannot be understated. A great many of our senior citizens are willing and able to contribute to their own support and should be encouraged to do so if at all possible.

The specter of an able-bodied citizen being refused the right to participate in federally assisted programs solely on the basis of age is extremely disturbing. Therefore a new section was added to the Act to prohibit unreasonable discrimination on the basis of age in programs or activities receiving Federal financial assistance.

We must continue to address ourselves to our aged population by providing programs which will protect them against circumstances that would destroy their independence, dignity, and sense of purpose. I believe the Older Americans Amendments of 1975 will contribute significantly to the well-being of our senior citizens by providing them the opportunity for continued usefulness and meaningful activity and the chance to participate in family and community as fully as ability and desire dictate. I heartily endorse its enactment.

Mr. TUNNEY. Mr. President, today we send legislation to the President which will benefit 22 million people nationally. One in every 10 individuals alive today will reap the financial and, more important, the social and psychological benefits from the renewal of the Older Americans Act.

Congress last dealt with the Older Americans Act in 1973 when we performed major surgery on the measure, greatly expanding the services and broadening the information base and program network. In that year, we established the framework of agencies on aging, functioning from the national level to the State and local levels. It was the goal then, as it is now, to make comprehensive service programs available to all older Americans. In the 2 years since our last amendments were accepted, over 400 of a proposed 600 area agencies on aging have been established and begun to provide the outreach and coordination of services vital to this program. Their work, reaching over 70 percent of the elderly population nationwide, has been commendable, particularly because, more often than not, the agency is under a year old. The mandate by Congress that by 1975 all older Americans will have access to information and referral services through an area agency on aging is close to being met. The title VII nutrition program funds allotted to the States for grants to program sponsors, another program broadly expanded in 1973, has to date established 4,622 nutrition sites nationally, serving at least one hot, nutritious meal a day to thousands of senior citizens. Other programs introduced or expanded in 1973 have not fared as well as the result of inadequate appropriations by an unresponsive administration.

The amendments to the Older Americans Act which we consider and forward to the President today do not constitute a major revision of the act. Rather, they constitute a clarification of purpose and further explanation of program requirements, honing sharp congressional intent regarding the treatment of older Americans. The administration shall have a crystal view of what Congress wants to develop or continue in behalf of senior citizens. They will have no feasible argument against funding level requests nor against the intent of the law. Moreover, through these amendments, including new authorizations to carry the programs under the act through 1978, we will permit the older American to participate in part-time work, to get out among other people, to receive adequate nutrition, to escape discrimination as the result of age, and to play an active role in the society in which he or she lives.

At this point, I would like briefly to outline the major programs to be carried out or continued under the act.

TITLE III AUTHORIZATIONS

First, the authorization of appropriations for grants to the States under title III for funding State and area agency programs is extended through 1978 at the levels of $180 million for fiscal 1976, $231 million for fiscal 1977, and $287 million for 1978. This represents an increase of $50 million above the current authorization and $97 million beyond the actual appropriation. For California, based on the current formula, this means an authorization of $16.4 million for fiscal 1976, $21 million for fiscal 1977 and $26.1 million for fiscal 1978.

SPECIAL EMPHASIS PROGRAMS

Four new special emphasis programs are included under the title III State plan authority. These include transportation services, home care and health services, residential rennovation and rehabilitation, and legal services. Each program serves an important, hitherto underserved need of older Americans. The last, however, is of particular importance to me since it has developed as a direct result of efforts I have made through legislation and hearings to call attention to the legal service needs of older persons.

Under this new section, States will be authorized to spend at least 20 percent of their allocation on any combination of these services, and are further encouraged to spend up to 33⅓ percent on the program.

Transportation services are needed badly since most seniors cannot afford to purchase private transportation, cannot afford the high cost of taxis, and often live in areas poorly served by public transportation. Further, current design mass transit systems are often inaccessible because of high steps or other inconveniences which create problems of maneuverability or orientation for the elderly. The benefit of the title VII nutrition program or title IX part-time employment program can hardly be reaped if senior citizens cannot reach the appropriate nutrition site or workplace. This request has been included in the Older Americans Act for several years, but never funded by the administration. Now, it will be funded at a level determined by each State, from the funds granted that State by the Federal Government.

Homemaker and other home care services will help senior citizens remain independent, living on their own with the aid necessary to perform certain chores which have become too difficult. Such a program provides an adequate alternative to nursing home care, an industry which has recently come under tremendous scrutiny by Congress. We have learned from the GAO that in-home care and chore services will provide a fiscally sound alternative to long-term care facilities, reducing medicare and medicaid costs significantly. Furthermore, it has been demonstrated time and time again that an independent lifestyle breeds vitality and health, commodities with which senior citizens benefit greatly.

Residential repair and renovation is yet another means of preventing the unnecessary institutionalization of senior citizens, a situation which often occurs when the older adult can no longer afford the high cost of housing and home repair. Funds are available under this section for renovation of homes to provide reduced rents and multifamily units, fostering the concept of congregate living. Additional sums will be made available to make homes accessible for the elderly handicapped.

Legal services is the program of which I am particularly proud. Joint hearings before my Subcommittee on Representation of Citizen Interests and the Senate Special Committee on Aging underscored the need to expand the provision of legal services to the elderly. Perhaps more than any other group, the elderly rely on complex public and private programs and institutions for their very survival. Many have no experience in dealing with the bureaucracy of the Federal Government on which they have become dependent. Their tax problems, housing problems, difficulties with social security, SSI payments, medicare, and medicaid are far ranging, confusing, and often able to be solved only with the aid of qualified legal help. Unfortunately, few senior citizens can afford the $40, $50, and even $60 per hour fee charged by the average lawyer. Thus, they fall through the cracks of the legal system: too rich for legal aid; too poor for a lawyer. For this reason, I authored legislation to insure adequate care, and am delighted that the substance of my bill has been incorporated into the act.

TRAINING AND RESEARCH

The title IV training and research program is of value primarily for the increasing numbers of individuals it has brought into the field of gerontology. It has provided a broad range of quality training and retraining opportunities, responsive to the changing needs of the aging community. A new emphasis under this program is the provision of opportunities for the training of lawyers and legal paraprofessionals to enable them to provide legal counseling assistance to senior citizens. Under this section, curriculums for law schools and other legal training programs can be developed which stress the special needs of senior citizens. Again, I am delighted that this has been one of the results of the findings of the hearings I chaired on the legal problems of older Americans.

COMMUNITY SERVICE EMPLOYMENT

The title IX program, operating under the Comprehensive Employment and Training Act, if implemented fully and with appropriate levels of funding, can provide an estimated 210,000 part-time jobs to individuals over the age of 55. The program is designed to provide service employment which will not only give the worker an added sense of dignity and worth, but will provide benefits to his fellow older Americans in the process.

The program has been awarded authorization levels reflecting congressional belief that the program can save countless older workers from welfare and despair. As it is now drafted, older workers will even be trained and employed as legal aides, thus ameliorating one of their own grave problems. The authorization of appropriations range from $100 million for fiscal 1976 through $200 million for fiscal 1978. It is clear that Congress will not condone administration foot-dragging on this key program.

NUTRITION PROGRAMS

As with other programs, the title VII nutrition program has been extended through 1978. With this amendment, all of the programs now under the Older Americans Act will be subject to reauthorization at the same time, thus saving the nutrition program from possible death as it stands alone on a different funding cycle.

The authorization of appropriations includes $200 million for $176; $250 million for 1977 and $275 million for 1978. For the State of California, if one calculates the percentage based on the current formula for State allocations, the increase would be significant. Most, if not all of the areas which currently are not served by a nutrition site could be served; existing sites could be expanded, and, most important, the programing will be able to keep pace with our continued inflation which has cut dearly into the number of meals available. California can expect $17.4 million in 1976; $21.8 million in 1977; and $23.9 million in 1978.

SENIOR VOLUNTEERS

Senior citizen volunteer programs under the Domestic Volunteer Services Act have been extended through 1978. Appropriations break down in the following fashion: RSVP, $22 million for fiscal years 1977 and 1978; Foster Grandparents, $35 million for fiscal years 1977 and 1978; Senior Companions, $8 million for fiscal years 1977 and 1978.

Congress does express concern about the separation of Foster Grandparents from their charges when the youths reach the age of 21. We have recommended, therefore, that an orderly transition be developed from the Foster Grandparents program to the Senior Companions program. Should such a transition not be effected, then it is wholly responsible to extend the Foster Grandparent-child relationship under the existing program beyond the usual termination date for the mutual benefit of both senior citizen and child.

AGE DISCRIMINATION

This new section of the Older Americans Act has the potential of providing substantial additional services and benefits to the elderly without establishing a single new program or requiring additional program funding. We expect that this provision will mean greater access to existing programs by the elderly by prohibiting unreasonable discrimination based on age in programs or activities receiving Federal financial assistance. This new provision is to be carried out in the following fashion:

The Commission on Civil Rights will undertake a study of unreasonable discrimination based on age in Federal and federally funded programs;

The Secretary of HEW will publish regulations to implement this legislation to end age discrimination;

Each Federal agency will publish regulations specific to their program to implement this program.

Of course, there is provision for congressional review to insure that the regulations being adopted by the Federal Government indeed, are combatting "ageism."

In the past we have seen sections of the Older Americans Act ignored by an administration which prides itself on cutting social programing. The title V program for multipurpose senior centers has never received a budget from the Administration. The President thinks the title III transportation program to be duplicative of other transit programs, and consequently does not fund it. The title VII nutrition program has been the victim of countless cuts, rescissions and deferrals.

This new legislation restores what the administration had tried to take away. It reinforces congressional intent that programs to benefit senior citizens do constitute a part of our scheme of national priorities.

Mr. WILLIAMS. Mr. President, today we consider the conference report on H.R. 3922, the Older Americans Act Amendments of 1975. This is a measure which I believe every Member of the Senate can support. Let me commend at the outset the distinguished chairman of the Subcommittee on Aging (Mr. EAGLETON) for the unanimity of support developed for this measure.

The Committee on Labor and Public Welfare has a long history of concern for older Americans and this support is a tribute to their needs.

Ten years ago the Congress of the United States recognized that some of the most basic needs of our senior citizens were going unmet. In adopting the Older Americans Act of 1965, the 89th Congress inaugurated the development of a comprehensive network of special programs designed to augment the essential physical and emotional health and well-being of the Nation's elderly.

In the last decade we have built upon that foundation to expand the charter programs and create new programs that are responding to the needs and the interests of America's older population. The value of these programs has been manifestly demonstrated in the way they have touched the lives of millions of older persons on a daily basis.

The 1975 amendments to the Older Americans Act further develop and strengthen our commitment to establish a humane and purposeful existence for our citizens of advanced years.

Through these amendments, Congress is expanding the title VII nutrition program, continuing the title IX National Senior Citizens Corps to provide for 137,000 part-time jobs for older workers over the next 3 years, and authorizing the creation of important new social service programs in the vital areas of transportation, in-home services, and legal counseling. The amendments are also directed to expanding the development of model projects benefiting the elderly, and to stimulate research, training and greater sensitivity among professionals and lay persons working in age-related fields.

Finally, these amendments direct the U.S. Civil Rights Commission to undertake a major study to determine whether older persons are being discriminated against because of age in projects receiving Federal financial assistance.

On the basis of the Commission's findings, the Secretary of Health, Education, and Welfare is to formulate regulations insuring that no person shall, on account of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity supported in part or in full by Federal funds.

PLIGHT OF THE ELDERLY

Older Americans are waging a daily struggle for survival. The social and economic problems which beset our Nation have a special impact on the elderly, rendering them isolated, powerless, and vulnerable to life's personal tragedies.

No segment of our society suffers the pain and burden of our economic ills as do our older citizens. Inflation remains the primary problem, taking from them what little they do have—depriving them not only of the means to house and feed and clothe themselves, but of the dignity and independence of their many years.

Our disastrous economic troubles, and inflation in particular, have made old age in America a nightmare for a million score of our citizens. Twenty percent of our over-65 population live in circumstances of uncontroverted poverty. Others are engaged in a constant, taxing struggle to eke out an existence on terms that enable them to survive only marginally above the poverty level.

The rapid escalation of prices for food, fuel, and medical care are choking the budgets of older Americans. Cruel inflation has made it impossible for them to cope with the costs of even essential items and services. There is little left over for their comfort, convenience, or enjoyment.

The aged must struggle painfully to find and maintain shelter. Thirty percent of the elderly live in substandard housing, lacking adequate heat, bathing, or toilet facilities. Yet their rents rise more quickly than the plaster can fall from their apartment walls.

Many elderly Americans who do own their own homes are being driven from them by increasing property taxes which are beyond their means.

And, unemployment, like other social problems, takes a still higher toll among older workers than the population at large. Among persons 55 and older, unemployment jumped nearly 80 percent in 1975.

THE FORD ADMINISTRATION'S INDIFFERENCE

President Ford and his administration have displayed a shameful callousness to the plight of the elderly.

The President has proposed to limit a lawful 8-percent rise in social security benefits to 5.5 percent this year. The administration planned to increase the cost of medicare to elderly participants but was stopped by Congress.

The Ford team has frozen committed funds which were authorized to provide better housing for older persons.

The President proposed cutbacks in the elderly manpower and nutrition programs under the very Older Americans Act we are extending today.

How many older Americans does President Ford propose to plunge further into poverty, further into deprivation, further to the limits of starvation and ill health?

His proposals simply fail to reflect the reality of the pressing needs of older persons.

And while I agree with the President's stated desire to control Federal spending, I, unlike he, am unwilling to exact further suffering on the part of older Americans for that purpose.

I believe that the administration's program of assault on the elderly budget is both shortsighted and self-defeating.

We spend billions for the institutional care of the elderly, yet the Ford administration is reluctant to establish and carry out programs which help the elderly to remain independent and maintain productive lives. This is the point that President Ford's budget-cutting advisers always miss. Their fundamental policy of reducing elderly services is first and foremost false economy. The Ford advisers fail to realize that by responding directly and immediately to the needs of the elderly, future expenditures for more costly health care and maintenance can be reduced.

The United States must have a comprehensive long-range strategy to deal with the problems of the aged.

Here the Older American Act has a vital role to play. Ten years ago, this act was passed to coordinate fragmented Government programs and services benefiting our older citizens.

The Administration on Aging was created within the Federal structure as the focal point for national action and concern.

Today, 412 area agencies have been established in areas where 70 percent of the elderly live. Twenty-one agencies in my home State of New Jersey coordinate and develop systems to link public and private agencies to meet the needs of older people.

Area agencies have acted as both a stimulus and a catalyst in the development of a comprehensive network of services. These agencies are not designed to be competitors but rather innovators and coordinators of services which could not otherwise be supplied.

TITLE VII NUTRITION PROGRAMS

In 1972, Congress amended the Older Americans Act to provide for the title VII nutrition projects which now serve wholesome meals to hundreds of thousands of aged participants at more than 4,000 locations.

As food prices have risen more than 25 percent during the last 2 years, a growing number of our senior citizens have been unable to stretch their limited budgets to satisfy their basic nutritional requirements. Many of our older people are going hungry, while others have been driven to desperate measures to survive. The pet food industry estimates that a shocking percentage of their total sales are made to elderly individuals for personal consumption. Supermarket managers report a sharp increase in shoplifting among older persons who are simply unable to afford staple foods. That this should be, in our land of plenty, is an outrage. Yet it is all the more outrageous that the Ford administration commits the country to massive "grain giveaways" to foreign nations while our own elderly go hundry.

We are expanding the title VII nutrition projects to enable more of our older citizens to enjoy the benefits of at least one decent meal daily. I believe that these projects are of extreme value to the older persons that they serve.

In addition to improving the nutritional levels of the participating aged, they provide older Americans with an essential opportunity for social reenforcement. I have visited a number of the project sites and have observed how the interaction among participants encourages a greater interest and awareness in living.

With these amendments, we are extending the reach of local nutrition projects by providing increased funding for additional meals and administrative costs. Let us not forget, however, that there are more than 5 million older people who will not be able to participate in these projects, though they would qualify, because programs are not available to them in their localities.

TRANSPORTATION

Because public transportation fails to serve their needs adequately, the elderly find it difficult to participate in existing social service projects operated for their benefit at central locations.

These amendments attempt to remedy this particular problem by authorizing the appropriation of Federal funds to be distributed to the States to support up to 90 percent of the transportation costs for older persons to participate in nutrition projects and home service projects and to obtain medical services and legal counseling. Priority in award of these moneys will be given to areas where transportation services are most inadequate to meet the needs of the elderly.

Transportation costs represent the third largest expenditure in a retired couple's budget. Despite this, our older citizens are subject to a type of "house arrest" because of their limited financial resources, their relative lack of mobility, and, in some cases, physical handicaps which make it difficult or impossible to use existing public transportation. Owning a car is out of the question for most elderly persons; neither their budgets, nor often their health, will permit it. Public transportation systems are inadequate to meet their needs, much as they are for all low-income persons in our society.

The elderly, therefore, are effectively barred from access to cultural, educational, and recreational resources. More unfortunate still, they are forced to neglect their health because it is no small task to travel to a hospital, clinic, or doctor's office.

Pilot projects funded under the Older Americans Act have demonstrated that we can develop special public transportation systems that serve older individuals more successfully. Innovations such as "Dial-A-Ride" and demand service have proved their value: They can help to save older people from being shut-ins or residents of institutions.

I believe that we need to apply these proven concepts developed under model projects to meet the needs of older persons in communities throughout the Nation. I am hopeful, as well, that these 1975 amendments will make possible further creative innovations in meeting the transportation needs of the elderly through the development of additional model projects.

LEGAL SERVICES AND COUNSELING

I believe that there is an outstanding need for senior citizens to have access to legal counseling. Testimony before the Senate Committee on Aging underscored that the elderly have numerous legal problems, including personal litigation, ordering of their financial affairs, and coping with the complexities of Federal benefit programs.

Too often our older citizens find themselves confronted with challenges to their eligibility and amount of entitlement under these assistance programs. There is a critical need for the elderly to be able to consult with legal counsel to determine their rights. It follows that there is a critical need as well that they be provided with advocates to represent their interests in the adjudication of legitimate disputes in a legal or quasi-legal forum.

Legal services projects must also provide the elderly with counsel regarding commitment and conservatorship of their assets.

Wrongful commitment is a terrible injustice that occurs far too frequently. Thousands of aged Americans are virtual prisoners in mental institutions, though they need not be. Disorientation or changes in personality among old people may be temporary, even normal. Or they may be based in a treatable physical problem. The elderly need protection from wrongful commitment and only legal counsel can provide that protection.

The aged often require legal assistance to provide for the conservatorship of their assets. Fraud or commitment proceedings may deprive them of their lifetime savings.

Older people have other problems that require legal assistance. Their insurance may be terminated. Their employment may be discontinued without adequate cause. They may be unreasonably denied credit. They may be victims of fraudulent business dealings. Their private pension plan benefits may be withhold.

Many members of our senior generation are confronted with one or more of these serious problems. And they simply must have access to legal counsel if their rights are to be preserved.

These amendments establish legal assistance, including tax and financial counseling, as a social service to be provided under title III through the local area agency of aging. The amendments further authorize the Commissioner of the Administration on Aging to encourage the development of legal services projects at the local level through model project grants and special grants. Training for lawyers and paraprofessional personnel to provide legal services is an essential element for the success of such projects. Therefore, these amendments authorize funding for such training, as well as for special programs of research concerning the legal problems of the elderly and how they may best be solved.

HOME SERVICES AND HEALTH CARE: AVOIDING INSTITUTIONALIZATION

These amendments recognize the pressing need for programs of in-home services to assist the elderly.

Because minimal health care or homemaker assistance has been heretofore unavailable, hundreds of thousands of older Americans have been forced to take up residence in nursing homes.

The programs we are authorizing under these amendments will enable many of the elderly to remain in their own homes, preserving their independence and avoiding the adverse psychological and physical effects of institutionalization.

Home service programs will reduce the warehousing of aged individuals in institutions. There is hope, as well, that this will result in a significant overall cost savings—home assistance services should prove not only more emotionally satisfying to the elderly, but are potentially far less expensive for the Government.

In recent years elderly Americans have been faced with a Hobson's choice: resolutely remain in their homes while unable to fully care for their daily needs or resign themselves to spend their remaining days in institutions where they may be deprived of their freedom, deprived of their dignity, and deprived of their will to live.

I believe that every member of our senior generation should have the legitimate opportunity to choose which of these environments best meets his requirements. In-home service programs are long overdue and I am extremely pleased that Congress has authorized them through these 1975 Amendments.

SENIOR CENTERS

Title V of the 1975 amendments expresses Congress support for the development of multipurpose senior centers. The senior center approach advocates the centralization of recreational and professional services at a common facility of convenient location.

I believe development of community centers for senior citizens is an important goal. Such centers should offer comprehensive programs of medical and social services. A senior center should be a place where the elderly can gather to play cards, attend parties, and view movies. But it should also offer information and referral services, medical assistance and preventive health care, educational programs, hot meals, and even group therapy sessions.

I believe that the senior center concept in truly comprehensive application can be of great value not only in enriching the lives of older Americans but, as with homemaker services, in helping thousands of them avoid institutionalization. The senior center can provide group reinforcement and help to satisfy what daily needs older individuals have that they cannot quite meet themselves. Thus, they may be able to live a life of independence alone in their own homes. Or, for those with families, the senior centers may provide "day care" for the elderly so that they do not become a continuous burdensome presence that their relatives determine "needs" to be placed in a nursing home.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

Many older Americans now living in poverty or on the borderline of poverty are capable of working part time, particularly in the community service field.

These amendments continue and expand the title IX program providing job opportunities for our older citizens in their local communities. I am gratified that we are creating 137,000 part-time jobs for older workers over the next 3 years.

During the past 10 months unemployment for persons 55 and above has soared from 395,000 to 702,000, for a 78-percent increase.

Economic hardship alone would be adequate cause for expansion of employment opportunities for persons of the older age group. But other good reasons exist, too.

For large numbers of participants, work has enabled an escape from poverty and for many more, it has allowed a useful existence which gives meaning to their lives.

Community work can recapture and preserve human abilities, utilize manpower, provide satisfying occupation, and forestall additions to the mounting welfare caseload.

RESEARCH AND TRAINING

These amendments extend authorization for gerontological training and research under title IV and establish new programs for training in legal services to the aging and in college and university-based career training.

I believe that a forward-looking society seriously concerned with finding solutions to its problems must commit substantial resources to scientific investigation. We need to develop truly comprehensive programs of clinical and theoretical research into the medical and social problems affecting the aged.

At present, however, our research programs are inadequate. Less than 1 percent of the National Institutes of Health's budget is devoted to the study of aging. Only 3 percent of the budget of the National Institute of Mental Health is devoted to the study of mental problems of old age. And though our older citizens suffer the greatest ill health of anyone in this country, the body of knowledge concerning their maladies, indeed concerning aging itself, is pathetically limited.

Why is this so? I would suggest that we have made inadequate commitments to research concerning the problems of the elderly because of the fears and self-realizing expectations perpetuated in this society regarding old age.

In so doing of course, we not only fail to come to terms with the problems of today's senior generation, but ironically, assure that when we are aged, we will face the same unsolved problems and indifference on the part of tomorrow's youth.

In my 21 years in the U.S. Congress, I have long been an advocate of substantial programs to improve the quality of life for the elderly. I believe that these amendments to the Older Americans Act recognize that we can and must commit ourselves to shaping a more rewarding existence for our older citizens.

Almost 10 years of experience under the Older Americans Act have amply demonstrated its value and worth.

Today all Americans—whether they be young or old—have a vital stake in assuring that our Nation's commitment in aging is built upon a sound and effective strategy.

The Older Americans Act, with these 1975 amendments incorporated, represents a solid cornerstone on which still more effective future programs will be built.

Mr. HANSEN. Mr. President, the extenison of the Older American's Act contains provisions aimed at strengthening the various programs that help provide social services and nutritional assistance to a long-ignored group of Americans; our Nation's older citizens. I am happy to see that the bill contains several improvements in the potential benefits offered to these valued members of our society.

I believe this extension reflects a growing concern in Congress over the difficulties that senior status in our society can bring. The bill also encourages States to spend the money in four service areas—for transportation, homemakers' services, home repairs, and counseling.

And, I support the philosophy in the act which gives the States the authority to distribute the money at the local level. Local administrators on aging know best what the needs are and how they may best be serviced.

Under the nutrition part of the bill, I am glad to see that the act will require increased contributions of food from the Agriculture Department to meal programs. Currently, the USDA donates 10 cents worth of commodities per meal. The act will increase that to 15 cents per meal within 1 year and 25 cents per meal by the 1977 fiscal year.

And of particular interest to me is a section of this act that gives elderly Indians the ability to appeal their grants if they do not feel they have been treated equally.

Mr. President, I am particularly pleased to see the passage of this extension of the Older Americans Act. And, I congratulate our colleagues of both parties who have worked to forge this law providing additional benefits to the elderly. In this era of providing more and more welfare programs, I am proud to see that we are giving increasing priority to those who are honestly deserving, our older Americans.

Mr. CRANSTON. Mr. President, I rise to urge passage of the conference report on the Older Americans Amendment of 1975.

Before addressing the merits of the legislation, Mr. President, I would like to express my gratitude to the chairman of the Aging Subcommittee, Mr. EAGLETON, and its ranking minority member, Mr. BEALL, and to the members of both the subcommittee who were so instrumental in developing the Senate bill. I also congratulate the members of the House and Senate conference committee and their staffs for their fine work in the preparation of the conference report, particularly Jim Murphy and Dave Rust of the Subcommittee on Aging.

INTRODUCTION

Mr. President, Congress last dealt with the Older Americans Act in 1973 when we authorized the creation of a national network of area agencies on aging to function under the State agencies on aging to plan and provide a wide variety of services to older people. Since that time, about 400 of a projected 600-area agencies have been established and have begun to function, although most are less than a year old.

California, in fact, has been very successful in its implementation of the requirements of the Older Americans Act of 1965, and has successfully developed a meaningful and useful network of area agencies which is at present serving the needs of our elderly. The progress in dealing with the problems of our older

Americans in California was recently given an added boost by the Governor's appointment of Janet Levy to be director of the California State Office on Aging. Leaders of senior groups throughout my State have applauded this excellent appointment and I look forward to the programs authorized under the pending legislation receiving the benefit of her fine leadership.

NEW STATE PLAN REQUIREMENTS

Mr. President, at this point I would like to highlight some of the provisions in the legislation which I believe are of particular significance.

The conference report amends the act by adding a new subsection 305(b), which establishes a new State plan requirement to provide assurances that a substantial amount of the moneys appropriated under this act are being spent in four priority categories—transportation, home care, legal services, and residential renovation and repair. This is an important step in providing our elderly with those services designed to aid them in leading independent lives and avoiding unnecessary institutionalization. Although my own State of California is one of those 33 States which are already spending more than 33⅓ percent of their State allotment to provide service in these four priority areas, and is therefore exempt from the percentage requirements established under new paragraph (10) added to section 305(a), I would hope that because of the emphasis the conferees placed on these four areas, all States will expand their activities to provide services in each of these areas, so that the needs of our older Americans are met in the most expeditious manner.

LEGAL SERVICES

Mr. President, the specific reference in new section 305(b)(3) to legal services as part of the four priority categories is an area I would like to single out for particular comment. In my floor statement at the time that the Senate passed its version of the bill, I commented on the need for legal counseling and services specifically designed to aid our senior citizens. As I stated at that time, perhaps more than any other group, the elderly rely upon complex public and private programs and institutions for their daily subsistence. Many have no experience at dealing with the governmental programs and large bureaucracies upon which they have become largely dependent.

Superimposed upon the lives of the elderly is a vast array of complex statutory, regulatory, and decisional law. Their shelter may be provided or secured under Federal or State public or subsidized housing laws, relocation laws, and zoning laws. Their health is often dependent upon medicare, medicaid, laws regulating nursing homes, and laws relating to prescription drugs. Their nutrition is often secured by the title VII nutrition program, the food stamp program, or other federally established nutrition programs. The source of their incomes may be social security, supplemental security income under title XVI of the Social Security Act, or private pensions. Finally, the dignity of their personal freedom and control of their personal and real property is subject to the complex laws of guardianship, conservatorship, and involuntary commitment. They must have someplace to turn for adequate and effective legal assistance in dealing with a vast complex of crucial legal issues if they are to take full advantage of the governmental programs designed to benefit the elderly.

But, in far too many instances and far too many areas, Mr. President, our Nation's elderly lack adequate legal services.

I have also been very concerned that tax and financial counseling be included as part of the legal services provided to the elderly. I am very pleased that the conference report includes the substance of the clarifying amendment I offered during our committee's development of the bill, to provide for these services.

Mr. President, tax and financial counseling services can make a substantial difference in the living conditions of many older Americans who are trying to stretch fixed incomes to cover inflated living expenses. Yet these are the very people who can ill afford the fees charged by professional counselors. Moreover, because elderly persons have been the target of less than honest advisers, it is often difficult for the private sector to establish a trust relationship with retirees. Thus, I offered an amendment that makes tax and financial counseling an integral part of the legal services to be provided and training for provision of legal services, to older Americans under this act.

Mr. President, I believe the view expressed in the Senate committee report regarding legal services model project grants under section 308 is of critical importance. I have spoken with Senator Eagleton, chairman of the Senate Subcommittee on Aging and of the Senate conferees, and he agrees that the language in the Senate report also represents the view of the conferees. The Senate report states on this point that—

> The Committee views with favor the model project grants recently made by the Commissioner under section 308 to provide for legal services to older Americans. Such model projects certainly are an effective way to expand and improve social services and otherwise promote the well-being of older persons. The addition of legal counseling and services to the definition of social services in section 302(1) of the Act should serve to emphasize the value of legal services model projects, and the Committee urges the Commissioner to continue model projects funding for successful programs and to fund new model projects to demonstrate effective ways of providing legal services to older Americans under section 308.

I am convinced that there is a critical need to expand the provision of legal services, including tax and financial counseling, specifically designed to meet the legal needs of older Americans, and I believe that this expression of Congressional intent is particularly important in this regard.

FUNDING PROVISIONS

Mr. President, I would like to point out another provision in the conference report which I believe is of particular import to my State of California, especially as it relates to the administration of title III and title VII programs under the act. Currently in California there are 15 area agencies serving more than 18,000 seniors in title VII programs. The director of the California State Office on Aging has informed me that much of the administrative efforts at the State level are focused on administration and oversight of the title VII programs. Since no administrative moneys had been previously set aside in the act for the title VII program, new section 306(b)(2)—added by section 107(b) of the conference report provides an important new authority under which additional moneys—above the new minimums—may be available to the State for administrative purposes for both title VII as well as title III purposes. The language of the joint explanatory statement relating to the Commissioner's authority to grant such additional funds states that—

> The conference substitute retains the Senate amendment regarding the increase in the floor for State administrative costs to $200,000 for States and $62,500 for outlying territories. The remainder of the Senate amendment is omitted by the conference substitute and in lieu thereof the conference substitute authorizes States to apply to the Commissioner for authority to use funds allotted to the State under section 303 for State administrative purposes. No State may be authorized to use more than three-fourths of one percent of the amount of its allotments under section 303(b) and section 703 (a) in any fiscal year under the special authority granted by section 303(b)(2) of the Act, as added by the conference substitute. Moreover, before the Commissioner may authorize the use of such funds for administrative purposes he must find that the State has made a sufficient showing of a particular need for such funds for administrative purposes and that the State is making full and effective use of its existing funds. Under this provision, if a State can demonstrate, for example, that it is in need of additional personnel to carry out new programs, that it cannot administer its existing programs with its allotment under section 306, that additional funds are needed for the purpose of retaining existing personnel, or any other reason which the Commissioner finds meets the criteria defined in the conference substitute he may authorize a State to spend up to three-fourths of one percent of its title III and title VII allotment for such purpose, with the funds to be derived from the section 303 allotment.

I believe these provisions will assure that adequate administrative funds are available to States such as California, where there are extensive programs providing service to the elderly and where inflation is making it increasingly difficult to maintain the present personnel levels.

RURAL INDIANS

Mr. President, another area of concern to me and the subject of amendments I originally authored, deals with the plight of our older citizens who are also rural native Americans. These amendments have been retained in section 104(a) of the conference report which adds a new paragraph (3)(A) to section 303(b) of the act.

My amendment is for tribal organizations living off of reservations in rural areas to be treated the same as members of Indian tribes living on reservations for purposes of direct grants from the Commissioner on Aging—section 303(b) as amended in the committee bill. In California, more than 45 percent of the 91,000 Indians reside in rural communities which are not within the boundaries of any Federal or State reservation. Under this amendment in the conference report, if the Commissioner determines that benefits provided to such Indians 60 or older are not equivalent to those being provided to other older Americans in the State, and if he further determines that such Indians would be better served by means of direct grants, off-reservation tribal organizations in rural areas would also be eligible for direct grants as are Indian tribes on reservations under section 303(b)(3) as added by section 104 of the conference report.

The definition I offered would require that the members be organized in a band, group, or other organization, and thus individual Indians would not be eligible for direct grants.

Another amendment I authored in this area dealt with the maximum amount of funds which may be set aside for Indian tribal organizations in a reservation of funds by the Commissioner on Aging when he makes the two determinations required under the new paragraph (3) which section 104 of the conference report would add to section 303 (b). This amendment also was retained in the conference report.

SENIOR DAY CENTERS

Mr. President, I am extremely pleased that the conference report includes a provision, which I first offered in the Senate, to amend section 308, the model project requirements. Section 308(a) is amended to include a new clause (7), which authorizes the Commissioner to give special consideration to funding model projects that are designed to establish and operate senior ambulatory care day centers. The day center concept is not a new one—it has been successfully used in Europe and is being experimented with here in our country—including a program at the On Lok Senior Health Services Center in San Francisco. The day center provides more comprehensive services than do many multipurpose senior centers. It is designed to meet the needs of the frail, moderately impaired, or somewhat disoriented older individual who is in need of some supervised health care, but whose health is not so impaired as to require institutionalization on a 24-hour basis. Without the alternative of a day center, many of these seniors must acquire the often costly services of a home health aide or enter an institution.

Under my amendment, in order for a senior day center to be eligible for special consideration for model projects funding, the center must operate according to a planned schedule of health, therapeutic, educational, nutritional, recreational, and social services; provide necessary transportation arrangements for clients; serve a hot midday meal; carry out outreach and public information programs; and provide maximum opportunities for senior participants and senior volunteers in the planning and operation of the day centers.

In addition, Mr. President, such a center would be required to enter into arrangements with the State's medicaid program and with other appropriate social service agencies to assure payment to the day center of all or a part of the center's costs.

I am very gratified to note that these provisions were retained intact in the conference report.

Mr. President, there has been some confusion with respect to this provision. If a present multipurpose senior center—funded or not funded under title III—meets the criteria specified in this clause (7), or adds services so as to meet them, it will be eligible for a special projects grant. The point I was trying to make in my original floor statement was that many of these multipurpose centers do not now provide all of these service components and that there is a need for those kinds of comprehensive Senior Day Centers.

AGE DISCRIMINATION

Mr. President, I was particularly interested in working out a reasonable compromise on the age discrimination provision—title III in the conference report. I think we have done so by making sure that before any agency regulations are finalized and the program gets underway, we will have the benefit of the study mandated to be conducted by the Civil Rights Commission. Frankly, Mr. President, I have felt throughout our consideration of the House-passed provision—both in our committee and during conference—that the evidence and background data were lacking to make effective, supportable decisions in this very complicated area. I believe the Civil Rights Commission study will enable the lead agency, HEW, and all other Federal departments and agencies to bridge this gap to develop administerable guidelines as to what is prohibited "unreasonable" discrimination on the basis of age.

There is one important clarification with respect to the title III provision that I think is necessary, and I have discussed my interpretation on this point with Senator EAGLETON and the distinguished chairman of the Subcommittee on the other side, Mr. BRADEMAS, and they concur.

There are other Federal laws, Mr. President, which include prohibitions against age discrimination in federally assisted programs—for example, section 703(1) of the Comprehensive Employment and Training Act of 1973, and section 417(a) of the Domestic Volunteer Service Act of 1973. There is no intention in establishing the prohibition against age discrimination in title III of the conference report, or in making a specific disclaimer in section 304(c)(2) that the provisions of title III do not affect the Age Discrimination in Employment Act of 1967, to alter in any way the protections afforded by such prohibitions in other Federal laws, or to affect the administering Federal agency's interpretation or application of such other provisions.

AMENDMENTS TO DOMESTIC VOLUNTEER SERVICE ACT OF 1973

Mr. President, I would now like to turn my attention to the provisions of the conference report pertaining to the older American volunteer programs under the Domestic Volunteer Service Act of 1973. These programs, the retired senior volunteer program—RSVP, foster grandparents, and senior companions, are authorized by title II of that act—Public Law 93-113. The Special Subcommittee on Human Resources—which I am privileged to chair—of the Labor and Public Welfare Committee, has Senate oversight responsibility for these programs carried out under the Action Agency. Since these programs previously were a part of the Older Americans Act and are major programs benefiting older Americans, we agreed with the House that it would be appropriate to deal with them in the 1975 Older Americans Act amendments, and to address some pressing issues with respect to these title II programs.

EXTENSION OF OLDER AMERICAN VOLUNTEER PROGRAMS

Mr. President, we agreed with the House to provide an authorization of appropriations through fiscal year 1978 for the three older American volunteer programs carried out under title II of Public Law 93-113. The appropriations for these programs are presently authorized through fiscal year 1976. We have provided for approximately 10-percent increases for RSVP and the foster grandparent program—somewhat less than the amount in the House bill. Specifically, the conference report provides for authorizations of appropriations for the older American volunteer programs in title II of the Domestic Volunteer Service Act of 1973 for 2 fiscal years beyond fiscal year 1976—through fiscal year 1978—as follows: RSVP—$22 million for fiscal years 1977 and 1978; foster grandparents—$35 million for fiscal years 1977 and 1978; and senior companions—$8 million for fiscal years 1977 and 1978.

Since these are the only programs carried out by the Action Agency which have enjoyed any increase in appropriations over the last several years—as contrasted with the programs under title I of Public Law 93-113—the extension of these title II programs, coupled with the program duration provision in section 413 of the Domestic Volunteer Service Act—directing that the programs be carried out through fiscal year 1977—removes any urgency for action next year to extend the authorization of appropriations for titles I and IV—administration—of the act. These functions can be continued under a continuing resolution after the close of fiscal year 1976—just as all Action Agency programs are now operating, and may continue to operate, throughout much of the present fiscal year—or under a regular appropriation in an Appropriations Act.

TITLE II STAFF SUPPORT BY THE ACTION AGENCY

One of the issues that has concerned me is the manner in which the Action Agency has provided staff support for the older American volunteer programs, both at the headquarters and regional staff levels. The conferees were concerned that such support, and indeed, the Agency's emphasis of these programs, might not be as strong as it should be. These concerns were buttressed by the fact that while the older Americans volunteer programs account for a large percentage—well over 50 percent—of the Agency's overall domestic program budget, they receive a very low percentage of staff support. And in the headquarters office, there is no one Agency official primarily responsible for RSVP, and no one Agency official primarily responsible for the Foster Grandparent/senior companion programs.

To allay this concern, and to insure that the older American participants in these programs are provided sufficient staff support and recognition, the conferees adopted a compromise provision in lieu of the language in the House version of the bill. The conference report thus provides that the Action Agency shall designate an "aging resource specialist" in each of its State offices. The specialist's primary responsibility—meaning that he or she must devote more than one-half of their regular working hours to this function—shall be to support programs carried out under title II of Public Law 93-113, and to seek to coordinate those programs with the basic area service and nutrition programs carried out under titles III and VII, respectively, of the Older Americans Act.

The House conferees, especially Mr. BRADEMAS and Mr. QUIE, were most cooperative in working out this substitute, Mr. President. The original provisions contained in the House-passed version of the bill would have required the Action Agency to reimburse each State agency on aging for the salary of a resource person—designated by the State Agency on Aging, not by the Action Agency—to coordinate these programs. I opposed such an arrangement because I believe it would have had a crippling effect on the ability of the Action Agency to operate its programs, and I am most pleased that we were able to modify this arrangement.

AGENCY REPORTING REQUIREMENT ON AGING RESOURCE SPECIALIST REQUIREMENT

I would like to point out, however, Mr. President, that to insure the effectiveness of the conference provisions, the conferees included related directives in the joint explanatory statement accompanying the conference report which require the Director of the Action Agency to submit to the appropriate committees of the Congress, not later than 90 days after the enactment of the conference report, a list of the names and specific responsibilities of the employees designated as aging resource specialists. The conferees further directed both the Action Agency Director and the Commissioner on Aging in Health, Education, and Welfare, to report annually on the effectiveness of the arrangement in contributing to effective program implementation under the two acts.

In addition, Mr. President, the conferees also stated their belief that the Action Agency should establish in the Older American Volunteer Program Division an Agency official primarily responsible for the retired senior volunteer program and a second official primarily responsible for the Foster Grandparent/senior companion programs. I strongly advocate this arrangement, Mr. President, not only as a demonstration of the Action Agency's support for these separate programs, but because I believe it makes good administrative sense to have one person specifically responsible for such major programs.

Let me illustrate this point, Mr. President, with a situation which I think clearly demonstrates the need for greater program accountability within the Action Agency, and which is the second major area of concern dealt with by the conferees.

FOSTER GRANDPARENT AGE-LIMITATION

Mr. President, during the past several months we in the Congress have received a great deal of mail from Foster Grandparents, from families who have members served by Foster Grandparents, and from personnel working at institutions where Foster Grandparents are assigned to work with mentally retarded persons. These letters expressed great apprehension that the Action Agency was embarking on a policy which would prevent Foster Grandparents from continuing to provide companionship to mentally retarded individuals over age 21 with whom they are now working. Why? Because the recipients of these Foster Grandparent services are not children, and the law established the program to serve children.

The Action Agency reports that nationwide, as of October 14, there were 204 such assignments, where Foster Grandparents were working with individuals over the age of 21. I regret that the joint statement incorrectly stated that there were 300 to 400 such assignments, but the Agency has in fact advised us that it is not certain of the real numbers and is relying at this point on reports from sponsors.

Mr. President, I ask unanimous consent that there be printed in the RECORD at the conclusion of my remarks the October 1, 1975, letter to me from the Director of the Action Agency and an October 14, 1975, directive from the Agency setting forth these figures and the Agency policy, which was developed after extensive input from the Congress.

There being no objection, the letter and directive were ordered to be printed in the RECORD.

Mr. CRANSTON. Mr. President, Agency officials themselves admit that it was because the Agency did not monitor these programs that the situation of these unauthorized assignments arose. Hopefully the new staffing arrangements in the conference report will help prevent such lack of monitoring in the future.

My own concerns with respect to the immediate assignments of Foster Grandparents, were fourfold. I did not want to see any existing relationships disrupted; nor did I want to see any mentally retarded individual who needed companionship denied that companionship; I did not want any Foster Grandparent to lose his or her job, because of an unwitting assignment to a person over 21 years of age; and I wanted to see the Action Agency move more quickly to develop the newer senior companion program, which was established to complement the Foster Grandparent effort by providing service to those other than children.

I was most pleased, then, Mr. President, when the conferees unanimously agreed to the language, Mr. QUIE and I developed for inclusion in the conference report, designed to deal with this problem in a compassionate and practical manner and to bring the operation of the Foster Grandparent program within the parameters of the law.

In the joint explanatory statement, Mr. President, the conferees express their intent that Foster Grandparent services be made available for children up to the age of 21—not 18 as Agency regulations originally provided, and that senior companion services should be viewed as an alternative arrangement for persons over 21 years old who could benefit from this kind of companionship with an older American. Mr. President, because this issue directly affects the lives of so many individuals, I ask unanimous consent that the full text of the joint explanatory statement with respect to this issue be set forth at this point in my remarks.

There being no objection, the text of the statement was ordered to be printed in the RECORD, as follows:

DOMESTIC VOLUNTEER SERVICE ACT OF 1973

HOUSE BILL

The House bill amended the Domestic Volunteer Service Act of 1973 to extend the authorizations for appropriations for the Older American Volunteer Programs (R.S.V.P., Foster Grandparents, and Senior Companions) under title II of that Act for 3 fiscal years beyond fiscal year 1976—through fiscal year 1979. The amounts authorized to be appropriated were as follows: R.S.V.P.—$24 million for fiscal year 1977, $28.8 million for fiscal year 1978, and $34.56 million for fiscal year 1979; Foster Grandparents—$38.4 million for fiscal year 1977, $46.08 million for fiscal year 1978, and $55.296 million for fiscal year 1979; and Senior Companions—$9.6 million for fiscal year 1977, $11.52 million for fiscal year 1978, and $13.824 million for fiscal year 1979.

The House bill amended the Domestic Volunteer Service Act of 1973 to require the ACTION Agency to reimburse each State agency on aging, establishing under the Older Americans Act of 1965, for the salary of a resource person designated by such agency to coordinate programs carried out under title II of the Domestic Volunteer Service Act and title III of the Older Americans Act.

The House bill also amended the Domestic Volunteer Service Act of 1973 to eliminate the word "volunteer" from the title of title II of that Act ("Older American Volunteer Programs") and throughout Part B of that title regarding the Foster Grandparent program; and to mandate the conduct of the R.S.V.P. program (part A).

SENATE AMENDMENT

No provision.

CONFERENCE SUBSTITUTE

The conference substitute provides for authorizations of appropriations for the Older American Volunteer Programs in title II of the Domestic Volunteer Service Act of 1973 for 2 fiscal years beyond fiscal year 1976—through fiscal year 1978—as follows: R.S.V.P.—$22 million for fiscal years 1977 and 1978; Foster Grandparents—$35 million for fiscal years 1977 and 1978; and Senior Companions—$8 million for fiscal years 1977 and 1978.

The conference substitute provides that the ACTION Agency shall designate in each of its State offices an "aging resource specialist" whose primary responsibility (devoting more than one-half of regular working hours) shall be to support programs carried out under title II of the Domestic Service Act and to seek to coordinate those programs with programs carried out under titles III and VII of the Older Americans Act in the State or States served by the State offices involved.

In reaching this compromise provision, the conferees drew general guidance from the ACTION Agency directive of July 7, 1975, providing for a comparable State office administrative arrangement. Under the conference substitute provision, the conferees intend that the person designated as the aging resource specialist shall be the "state program director" only in extraordinary circumstances and only when that individual is clearly the most qualified by reason of experience and training to carry out responsibilities in the aging field. The conferees also stress that they do not intend by mandating such a State office administrative arrangement to require, as a matter of law, the establishment or continuation of State ACTION Agency offices but merely to require that ACTION Agency aging resource specialists be stationed in the States.

The conferees direct the Director of the ACTION Agency to submit to the appropriate committees of the Congress, not later than 90 days after the enactment of the conference report, a list of the names and specific responsibilities of the employees designated as aging resource specialists. The conferees also direct the Director of the ACTION Agency and the Commissioner on Aging each to report annually on the effectiveness of this administrative arrangement in contributing to effective program implementation under the two Acts.

The conferees wish to express their concern that older American volunteer programs have not received sufficient emphasis or staff support, at either the headquarters or regional staff levels, under the ACTION Agency. This is not to suggest that the overall Agency personnel ceiling should be increased. The conferees believe, however, that with the present staffing level one way to improve this situation would be for the ACTION Agency to establish in the Older American Volunteer Program Division an Agency official primarily responsible for the Retired Senior Volunteer Program and another such official primarily responsible for the Foster Grandparent/Senior Companion programs. The establishment of the aging resource specialist position required in the conference substitute should be another way of improving this situation. The conferees intend that the respective committees will review the effectiveness of the aging resource specialist arrangement provided for in the conference substitute after receiving the fiscal year 1976 first annual report from the Director of the ACTION Agency and the Commissioner on Aging.

The conferees note their disapproval of the manner in which the ACTION Agency has dealt with the question of establishing a maximum age after which children are no longer eligible to be served by Foster Grandparents. Of special concern are instances where the Agency has acted in a way which has caused the termination or disruption of established relationships between Foster Grandparents and their "grandchildren" when the child reaches the age of 18.

The conferees believe that generally there can be no hard and fast cut-off point for the maximum age after which a "child" is no longer eligible under present law to be served by a Foster Grandparent. As a starting point, it is the intention of the conferees that Foster Grandparent services be continued up to the age of 21—not 18 as the Agency regulations have provided. No efforts should be made to discontinue established relationships or seek alternative arrangements merely because the "child" enters his or her eighteenth year.

The Agency has advised the committees that between 300 and 400 individuals now being served by Foster Grandparents are over the age of 21 and that all of these individuals are mentally retarded. The conferees are especially concerned about maintaining these relationships and reversing certain Agency actions which have been seen as threatening the withdrawal of the Foster Grandparent. Both committees have made known to the Agency their strongly held view that existing relationships between the Older American participants and those over 21 whom they are now serving must not be disrupted. In order to accomplish this, the conferees believe that existing or replacement Foster Grandparent program sites, Senior continue serving these individuals over 21 presently served by the program. The Foster Grandparent relationship should be permitted to cease when and only when the Agency is certain that an alternative arrangement—mutually satisfactory to the Foster Grandparent, the child's family, and the sponsor institution—can be made, including enrollment of both parties in the Senior Companion program or other comparable program. Such an alternative arrangement should, if at all possible be accomplished during the grant cycle during which the "child" becomes 21 years old.

Moreover, in future years, with respect to individuals served by a Foster Grandparent and who approach the age of 21, transitional arrangements during their twentieth year should be made to ensure the maintenance of a companionship relationship for that individual (under section 211 of the Domestic Volunteer Service Act of 1973 or another comparable program) if continued need for such companionship is indicated. If it is not possible to make such an arrangement, the Foster Grandparent relationship must be maintained.

The conferees note that the Domestic Volunteer Service Act of 1973 provided for expansion of the successful Foster Grandparent model by providing for the establishment of the Senior Companion program to enable older low-income Americans to work with "persons (other than children) having exceptional needs, including * * * persons having developmental disabilities or other special needs for companionship." This newer program was intended to complement the Foster Grandparent effort by providing for similar services to those 21 and over. It should also be used, on a priority basis, to ensure a continuation of companionship, where needed, for "children" who become 21 years old while being served by the Foster Grandparent program. Indeed, for those presently served mentally retarded "children", the statutory purpose of the Senior Companion program—to serve "persons (other than children) having developmental disabilities"—clearly envisions such a continuation.

The conferees thus believe that the ACTION Agency should establish, to the maximum extent possible, at appropriate Foster Grandparent program sites, Senior Companion program components under the administration of a single director, so that these two programs can complement each other. This would enable a transitional mechanism to be established for transferring the Older American participants from the Foster Grandparent program to the Senior Companion program, when appropriate, in a smooth and orderly process with compassionate concern for all parties involved. No Foster Grandparent program or Senior Companion program should be terminated on the basis that a dual program arrangement is not possible at that site.

It is anticipated that enactment of the fiscal year 1976 appropriations Act containing the ACTION Agency's appropriation will make available for both the Foster Grandparent and the Senior Companion programs a combined increased level of funding. Until such funding flexibility is available, the conferees direct that, in order to deal with the immediate situation, service to all those over 21 years old presently being served by the program be continued (using the mental age rather than chronological age of the person served as the basis for continued eligibility for Foster Grandparent services).

The conferees also are aware that State money may be available to fund Foster Grandparent components without regard to any federally-imposed age limitation. This is another alternative arrangement that can be explored by the mutual agreement of the Foster Grandparent, the child's family, and the sponsor institution.

In view of the foregoing, the conferees direct the ACTION Agency to revise its regulations to comply fully with the above-stated policies, and to ensure that each sponsor organization (which should in turn notify all Foster Grandparents and families involved) is fully apprised of the policies reflected and that no existing Foster Grandparent companionship relationship will be endangered under any circumstances regardless of the age of the person presently being served.

Mr. CRANSTON. Mr. President, I would also like to point out, Mr. President, that as chairman of the subcommittee having oversight responsibility for these programs, I intend to monitor closely the Agency's progress in responding to the directives of the conferees on this issue.

In this regard, I should point out, Mr. President, that in his October 1 letter to me, to which I have referred above, the Agency Director states the Agency's intention to "achieve compliance with the law—without the involuntary separation of any person now serving as a Foster Grandparent and with scrupulous care to assure the availability of adequate alternative care for those now receiving service under this program whose age makes them ineligible for continuation." I believe that by following the recommendation of the conferees with respect to the establishment of senior companion program components under the administration of a single director, the Agency will be better able to meet this objective.

It should also be clearly understood, Mr. President, that the ACTION Agency's revision of its prior policy, as explained in the October 14 memorandum, required that proposed alternative care arrangements for all those in the 18- to 20-year-old category be submitted immediately even if the child was only 18 or 19. The conferees did not want this kind of 3-year limbo status continued.

Moreover, the conferees rejected the present revised policy, as enumerated in the Agency's September 4 final regulations, of continuing those Foster Grandparent relationships after age 18 only "in exceptional cases"—stressed twice in the regulations—and only then when "it has been professionally determined that with the same Foster Grandparent there is a likelihood of improvement for the child in personal adjustment, social relationship, learning ability, and/or motor coordination * * *" So the blanket extension of eligibility for a Foster Grandparent's companionship up to age 21 never has been the Agency's policy, as the Agency has been suggesting to some. Quite to the contrary was the Agency's own latest directive, as reiterated in the October 14 issuance:

> Foster Grandparents serving persons 18–20 who do not meet the policy criteria [in ACTION Order 4405.37 of September 4] must be reassigned to children 17 or under.

The need to make such reassignments of those "in the 18- to 20-age group who do not meet the policy criteria" was reiterated at the close of the October 14 memorandum.

But how do these calls for termination square with the statement from the Director's October 1 letter to me or the following statement in the October 14 issuance:

> The individual considerations involved in the changed assignments that will necessarily take place must be handled in such manner as to avoid any volunteer being terminated in the resolution of this matter. I believe a gradual, phased approach is best where reassignments are indicated.

If there was a clear Agency policy prior to this conference report, we have not been able to find it. And I know that sponsoring institutions have been similarly puzzled throughout the last several months as to what the Agency's policy really is.

If one were to say before today: "Will the real ACTION Agency policy on Foster Grandparent age-limitation please stand up!", how would we have known if it was sentence 1, sentence 2, or sentence 3?

Compliance with the directions in the joint explanatory statement should provide a temporary end to this replica of "To Tell the Truth."

It is for these reasons that the conferees have clearly rejected the Agency's present approval on this 18- to 20-year-old question approaches, and in the words of the gentleman from Minnesota on the floor of the other body yesterday:

> We have set out in the conference report what they should do.

I would also like to point out, Mr. President, that the conferees have made possible an interim arrangement to assure that no one will be separated from the program in the event the ACTION Agency does not have the funds to provide, within the current grant cycle, an alternative placement for both the Foster Grandparent and the 21-year-old or older individual to whom he or she is assigned. This arrangement provides that, until sufficient funding flexibility is obtained, the Agency may, as to those being served on their 21st birthday, use mental age rather than chronological age to define "children" to determine eligibility, and thereby assure that no one is dropped from the program pending the enactment of the fiscal year 1976 appropriation. I would like to stress, however, Mr. President, that this construction is admittedly strained, and would permit such an arrangement only as a matter of last resort in order to achieve protection of those in the program on their 21st birthday. Such an arrangement would be needed in only a relatively few cases until greater title II funding is provided, thereby permitting an expansion of the senior companion program.

It is certainly not the intention of the conferees to establish any blanket definition of age based on mental, rather than chronological years. To the contrary, for all but the above-stated exceptional purpose for this period pending enactment of an appropriation providing funding flexibility for title II programs, it is the intention of the conferees that the term "children" refer to individuals through chronological age 20, and the term "other than children" refer to individuals chronologically 21 years of age and over.

By providing in the joint explanatory statement an expression of policy intended to resolve the problem before us, Mr. President—a statement which will provide greater opportunities for Foster Grandparent care to those between the ages of 18 and 21—we are not overlooking the needs of still thousands of very young children confined to hospitals and institutions who could benefit enormously from Foster Grandparent care. We are acutely aware of their needs. The ACTION Agency should certainly be initiating Foster Grandparent services for the very young. In short, no one age grouping should have a monopoly on the services available through either the Foster Grandparent or the senior companion program, and I would hope that the ACTION Agency would keep this in mind as it develops new programs in the future.

To answer any doubts the Agency may entertain about congressional intent, Mr. President, I stress that the action of the conferees is not intended to alter in any way the fundamental legislative character of either the Foster Grandparent program or the senior companion program. The former is to serve "children"—clarified in the joint explanatory statement to mean those under age 21—with special needs; the latter is to serve those other than children—age 21 and above—with developmental disabilities or other special needs.

I trust that the above discussion will put in its true perspective the ACTION Agency's red herring, in its letter of this date to Senator BEALL, that language in the joint explanatory statement somehow "might be construed as retreat from the purpose of the Foster Grandparent program—the service of children." Let the preceding discussion then be "the positive reaffirmation of this" which the agency is seeking.

Finally, Mr. President, let me also note, and it probably needs no reiteration, that it was not the Congress that created these difficulties in the first place. What we have been trying to do is to help the Agency to extricate itself from this unfortunate situation. I hope we have done that.

Mr. President, I intend to continue to press for increased funding for these fine programs under title II of the Domestic Volunteer Service Act of 1973. I believe that the actions of the conferees should go a long way toward opening up new opportunities for service in each of these older American volunteer programs, and I urge my colleagues to support the provisions relating to the Domestic Volunteer Service Act of 1973 in the bill we now have before us.

CONCLUSION

Mr. President, I urge adoption of the conference report.

WASHINGTON, D.C.,
October 1, 1975.

Hon. ALAN CRANSTON,
Chairman, Special Subcommittee on Human Resources, Committee on Labor and Public Welfare, U.S. Senate, Dirksen Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your August 20 letter in which you requested certain data on the ages of persons served by Foster Grandparents, I am providing the information which has just been compiled here on the subject.

Reports from our Regional Directors show the following situation as of September 25:

SELECTED DATA ON AGE DISTRIBUTION OF THOSE SERVED BY THE FOSTER GRANDPARENT PROGRAM

Region	FGP projects	Extent of service to those above age 17				
		Projects affected	FGP's affected	People above age 17		
				18 to 20	21 plus	Total
I	10	2	8	8	0	8
II	16	2	34	51	1	52
III	18	5	42	71	1	72
IV	26	2	10	4	6	10
V	31	6	58	48	10	58
VI	9	2	28	73	0	73
VII	15	7	16	19	0	19
VIII	10	2	7	4	3	7
IX	17	9	113	68	157	225
X	5	3	31	42	26	68
Total	157	40	347	388	204	592

These figures yield the following conclusions:

Approximately ⅗ of one percent of those being served by Foster Grandparents are over 21.

Approximately 1.2 percent of those being served are between their eighteenth and their twenty-first birthday.

More than 98 percent of those being served are below the age of 18.

Approximately 1.8 percent of the Foster Grandparents are serving people who have passed their eighteenth birthday.

You are aware, of course, of the recent policy change that permits Foster Grandparents to serve people up to the age of 21. The problem that remains is to provide alternative care for the 204 people above that age now being served under this program in order to achieve compliance with the law. This will be achieved without the involuntary separation of any person now serving as a Foster Grandparent and with scrupulous care to assure the availability of adequate alternative care for those now receiving service under this program whose age makes them ineligible for continuation.

Your letter also inquired as to the average number of children served by individual Foster Grandparents and the range of numbers of children served. A recent survey in this area indicated that Foster Grandparents are assigned on a 1 to 2.6 ratio. Accordingly 13,000 Foster Grandparents would, on the average day, serve 33,800 children. Most Foster Grandparents serve two children and nearly all of the small number serving more or fewer than two serve from one to four children. In a few exceptional cases, in group residential settings, a larger number of children benefit from a Foster Grandparent's care and affection but the children are not formally assigned in such large numbers.

We are unable at this time to provide the number of those between the ages of 16 and 18 who receive service under the Foster Grandparent Program. The information transmitted in this letter is available now because the process of collecting it began some time before receipt of your inquiry. Compiling this information is a laborious and time consuming process. The problem has been discussed between your staff and mine.

We await word about whether this item of information is needed before embarking on a new survey to collect it.

It is hoped that this information will be of assistance to the Subcommittee. Your interest in and continued support of ACTION's Older Americans Volunteer Programs is deeply appreciated.

Sincerely,

MICHAEL P. BALZANO, Jr.

ACTION REGIONAL DIRECTORS—RONALD E. GEREVAS, ASSOCIATE DIRECTOR, DOMESTIC AND ANTIPOVERTY OPERATIONS, COMPLIANCE WITH AGENCY POLICY ON THE AGE OF CHILDREN SERVED BY FOSTER GRANDPARENTS

This is to advise you that, commencing immediately, you are to make every reasonable effort to reassign, at the earliest feasible date, the Foster Grandparents serving persons over 20 years of age. Additionally, for those persons served in the 18–20 years category who meet the criteria specified in ACTION Order 4405.37, volunteer stations must submit the alternative supportive relationship plans required to assure their care after reaching their 21st birthday. Foster Grandparents serving persons 18–20 who do not meet the policy criteria must be reassigned to children 17 or under.

I appreciate the considerable efforts involved in both the data collection required and the plans you submitted in response to my memorandum on this matter. The essence of most of the plans received is to have State Program Directors work directly and closely with project sponsors in bringing their individual volunteers, volunteer stations and projects into compliance. I am in full agreement with this approach and desire that all actions be handled in this manner.

The Foster Grandparent/client served relationships are very special considerations worthy of the utmost care on the part of all concerned. I recognize the difficulties that can and do arise and want to ensure that our actions relative to this matter are viewed as humane, and not bureaucratic or arbitrary. At the same time, we all recognize that the problem must be dealt with.

The individual considerations involved in the changed assignments that will necessarily take place must be handled in such manner as to avoid any volunteer being terminated in the resolution of this matter. I believe a gradual, phased approach is best where reassignments are indicated. Additionally, while desiring that the number of persons served in the 18–20 years category be reduced to a practical minimum, I do not consider the assignment of quotas, as recommended in one instance, to be compatible with the individual consideration necessary to every case handled.

I will depend on the ability, finesse and good judgment of our State Directors to carry out this task, armed with a more flexible policy that permits, when certain criteria are met, continued service to persons in the 18–20 years category until satisfactory alternative relationships are developed.

As of September 25, 1975, the magnitude of the problem breaks out regionally as follows:

Region	Projects affected	Foster grandparents affected	Persons served over 17		
			18 to 20	21 plus	Total
I	2	8	8	0	8
II	2	34	51	1	52
III	5	42	71	1	72
IV	2	10	4	6	10
V	6	58	48	10	58
VI	2	28	73	0	73
VII	4	23	29	5	34
VIII	2	7	4	3	7
IX	9	113	68	157	225
X	3	31	42	26	68
Total	37	354	398	209	607

Our major problem is in dealing with the 209 persons 21 or over and the Foster Grandparents serving them. I am pleased to advise that Region IX has submitted a plan that will bring California into full compliance, accounting for 67 of the persons in the 18–20 year range and 156 of the persons in the 21+ range. Accordingly we are dealing with approximately 330 persons in the 18–20 category and 69 in the 21+ category.

Please advise me when the Foster Grandparents serving persons in the 21+ bracket have been reassigned to children and when those serving persons in the 18–20 age group who do not meet the policy criteria are assigned to children. This information is needed on a state-by-state basis.

Mr. DOLE. Mr. President, I am pleased to lend my support to H.R. 3922, the Older Americans Amendments of 1975. It is a sound bill which responds compassionately to the special needs of older Americans.

I am especially pleased that the conferees included in the final version of the bill an amendment I offered on the floor of the Senate. It deals with a unique situation which exists in Kansas by enabling Kansas nutrition projects for the elderly under the Older Americans Act to receive direct cash donations in lieu of commodities from the Department of Agriculture.

This scheme is necessary since Kansas does not have a commodity distribution system—the previous system having been dismantled with the active encouragement of the USDA.

Passage of this bill will put Kansas elderly nutrition projects on a par with Kansas child nutrition projects which, under the terms of the recently passed child nutrition bill, receive cash in lieu of donated commodities for the school lunch, school breakfast, and other child feeding programs.

H.R. 8922, including the amendment I offered, will assure that Kansas' older citizens receive their fair share of Federal Older Americans assistance.

The PRESIDING OFFICER. The question is on agreeing to the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Connecticut (Mr. RIBICOFF), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Massachusetts (Mr. BROOKE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Nevada (Mr. LAXALT), the Senator from Illinois (Mr. PERCY), and the Senator from Texas (Mr. TOWER), are necessarily absent.

The result was announced—yeas 89, nays 0, as follows:

[Rollcall Vote No. 527 Leg.]

YEAS—89

Abourezk
Allen
Baker
Beall
Bellmon
Biden
Brock
Buckley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hruska
Huddleston
Humphrey
Inouye
Jackson

Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—11

Bartlett
Bayh
Bentsen
Brooke
Cranston
Goldwater
Hollings
Laxalt
Percy
Ribicoff
Tower

So the conference report (H.R. 3922) was agreed to.

The PRESIDING OFFICER. The Senator from Utah.

S. 641—EXTENSION OF TIME FOR COMMITTEE TO REPORT BILL

Mr. MOSS. Mr. President, when S. 641, a bill to regulate commerce and protect consumers from adulterated food by requiring the establishment of surveillance regulations for the detection and prevention of adulterated food, and for other purposes, was introduced, it was referred by unanimous consent "jointly and simultaneously to the Committees on Commerce and Labor and Public Welfare with the proviso that when one committee reports the bill the other will report as soon as possible or will be deemed discharged from said bill." Since the two committees have worked closely in developing the legislation, and the Committee on Commerce has now ordered the bill reported. I ask unanimous consent that the Committee on Labor and Public Welfare have until March 1, 1976 to report the bill, or be deemed discharged from further consideration of the bill. I am informed that this has been agreed to by all concerned, the chairman, the ranking member and the subcommittee chairman.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR EXTENSION OF TIME TO FILE REPORT ON HOUSE JOINT RESOLUTION 549

Mr. SPARKMAN. Mr. President, I ask unanimous consent that time for the Committees on Foreign Relations and Armed Services to report House Joint Resolution 549 be extended through January 27, 1976.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate Calendar No. 449, H.R. 8773.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 8773, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 8773) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1976, and for the period ending September 30, 1976, and for other purposes.

The Senate proceeded to consider the bill, reported from the Committee on Appropriations with amendments.

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order. Senators will kindly suspend conversations.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Joe Stewart and Mr. Dwight Dyer, of the Appropriations Committee staff, be granted the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask that Linda Richardson and David Lohman be granted the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Mrs. Julia Wetzel, of my staff, be granted the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I ask unanimous consent that Mrs. Mary Jane Due be granted the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that Robert Dotchin be granted the privilege of the floor during the consideration of H.R. 8773.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I ask unanimous consent that James Hargis, of my staff, be granted the privilege of the floor during the consideration of H.R. 8773.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Ruth Wilson, of the Appropriations Committee staff, be granted the privilege of the floor during the consideration of this bill and during rollcall votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that Richard Vodra, of the staff of Senator SCHWEIKER, be granted the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wyoming.

Mr. ROBERT C. BYRD. Mr. President, I call attention to the fact that there is a time limitation on this bill.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ROBERT C. BYRD. I yield to the Senator out of my time.

Mr. HANSEN. Mr. President, I ask unanimous consent that Sunny Nixon, of my staff, be granted the privilege of the floor during the consideration of H.R. 8773.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Merrill Englund of the staff of the Committee on Interior and Insular Affairs have the privileges of the floor during consideration of the Interior appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield myself such time as I may require.

Mr. President, it is my privilege for the first time to bring before the Senate the appropriation bill for the Department of the Interior and related agencies. I have found it no small task to attempt to fill the shoes of the distinguished former Senator from Nevada, Alan Bible. I doubt that anyone ever will perform this difficult task as brilliantly as Senator Bible, but I have made very effort to follow the fine traditions he established in managing this bill. Fortunately we have a fine subcommittee membership, and the distinguished Senator from Alaska (Mr. STEVENS) has again contributed invaluable experience and assistance as ranking minority member. His willingness to help shoulder the burden of the subcommittee's lengthy hearings and subsequent analysis of the budget estimates was a major factor in the excellent bill the subcommittee has reported to the full committee and the full committee reported to the Senate.

COMMITTEE RECOMMENDATIONS AND BUDGET CEILING

Normally this bill would have been taken up months earlier, but this year we were confronted with late-running authorizations—some of which have still not been finalized—and with major budget amendments that stretched our hearings into mid-October.

In our hearings we took lengthy testimony from all agencies covered in the bill and from more than 350 public witnesses. We received proposed amendments from all but a few Senators that involved about 280 separate proposals. In total they would have added more than $1 billion to the budget. Proposals from outside witnesses would have tacked on still another $2 billion.

Obviously the committee could not accommodate all these requests, but it has responded to those with the highest priority. Every proposal was carefully documented and considered by the committee.

At the same time, the committee was mindful of the need for spending restraints in keeping with both the spirit and the restrictions of the Congressional Budget Reform Act. The committee was determined to keep the total appropriation within the amended budget total, and I am pleased to say that we accomplished this. I am also pleased to report that the bill is also well within the broad function ceilings of the budget resolution in both budget authority and outlays.

This achievement is significant since

another closely related appropriation bill, that for public works and energy, will be taken up in the Senate shortly. Thus, any expansion of this appropriation will create difficult pressure on the overall natural resources and energy ceiling. I ask all Senators to keep this important consideration in mind as we take up this bill.

SUMMARY OF BILL

With that background, let me highlight the bill and the major changes recommended by the committee. If Senators will examine the first page of the committee report, they can see that total appropriations recommended by the committee are $993,000 below the budget estimates for fiscal 1976 and $10,377,000 under budget requests for the July-September budget transition period.

Although the committee acted on $270,960,000 in fiscal 1976 budget amendments not considered by the House and on $3,831,000 in items passed over by the House as unauthorized, the committee's total recommendation is well below that difference—$187,796,000—as far as the increase in the House allowance is concerned. The transition period increase over the House is also comprised mainly of budget changes not considered by that body.

It is true that the recommended appropriation total is $321,982,960 over fiscal 1975 appropriations, but this is marginal when we consider the tremendous increases required to high priority energy programs funded in this bill.

The fact that the bill is being taken up so late has made it possible for the committee to recommend adjustments throughout the bill in approved program increases. Costs for new personnel, for example, can be reduced by nearly 50 percent in most instances.

Let me now highlight the major changes recommended in the bill:

INTERIOR DEPARTMENT

For the Interior Department, our recommendations put us some $48 million over the budget in new budget authority.

Major increases are for the Bureau of Land Management range and timber resource programs, for Federal land acquisition, for Fish and Wildlife Service operations and construction, for the National Park Service, for mining programs of MESA and the Bureau of Mines, and for Bureau of Indian Affairs construction.

We have prepared report language stressing that program increases funded in the bill shall be reflected in needed additional personnel, regardless of OMB personnel ceilings. This is most important for such agencies as the National Park Service and Fish and Wildlife Service.

Major reductions are for reduced new personnel costs as the result of the half-year lapse, for offshore oil and gas leasing activities resulting from slippages in the OCS leasing schedule, for certain BIA program increases affected by the half-year lapse, for reduced needs of the Indian Financing Act because of large unobligated funds, for contract liquidation cash where large unexpended balances are available, and for certain adjustments within territorial affairs and the Office of the Secretary.

I might add that none of these reductions should have any impact on ongoing programs. We have often agreed with the House reductions, but we have also made every effort to honor departmental appeals when justified.

RELATED AGENCIES

Within the related agencies section under title II of the bill, our recommendations provide for a budget reduction of $50.9 million.

First, major increases: The Forest Service is the biggest beneficiary—a total add-on of $53 million, mainly for reforestation, timber management, recreation, research, and construction. There is also an increase of nearly $20 million for the Youth Conservation Corps, which is shared equally by the Service and the Interior Department. Other major increases are for the conservation, oil and gas and MHD programs of the Energy Research and Development Administration, Indian Health Services and Facilities, Indian Education Act programs, and the National Endowment for the Arts.

Incidentally, we recommend restoring the House cut in the American Revolution Bicentennial Administration.

Major reductions, aside from new personnel costs and related lapse changes are in both ERDA and the Federal Energy Administration, the Smithsonian Institution, and the National Endowment for the Humanities.

In ERDA we are suggesting a $45 million reduction in coal research programs. This is because ERDA ended the 1975 fiscal year with more than $100 million unobligated—almost half its total appropriation for that year. The recommendation, however, still leaves the coal research program with a $48 million increase over last year.

We are also recommending strong report language requiring ERDA to present more detailed budget justifications in the future and to seek committee approval for any significant reprograming of funds.

In the FEA we recommend taking the revised budget down by a a total of $101 million. More than half this reduction is the $55 million home weatherization program which is not authorized under FEA and is being funded elsewhere in another appropriations bill.

Mr. President, may we have order in the Senate?

The **PRESIDING OFFICER**. The Senate will be in order.

The Senator from West Virginia may proceed.

Mr. **ROBERT C. BYRD**. Another $34.9 million also comes out of the conservation program for proposed contracts which the FEA did not justify adequately at our lengthy hearing on their budget, which more than doubled in a last-minute budget amendment. We have made other selected cuts based on the budget hearing and on information developed subsequently by the staff. Nevertheless, our recommendation gives the FEA a substantial $28 million increase over last year.

One further note on the FEA: We recommend very little change in the proposed regulatory programs. The future of fuel allocation and price controls is uncertain, but the need for a strong compliance program has been stressed recently by the GAO and others.

Mr. President, that completes my highlights of the bill. Before proceeding further, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by agreeing to this request.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, in line 10, strike out "$193,839,000" and insert "$188,832,000".

On page 2, in line 12, strike out "$59,092,000" and insert "$58,042,000".

On page 2, in line 17, strike out "$9,061,000" and insert "$9,361,000".

On page 2, in line 26, strike out "$4,683,000" and insert "$3,183,000".

On page 7, in line 5, strike out "$18,905,000" and insert "$17,715,000".

On page 7, in line 17, strike out "$5,912,000" and insert "$5,562,000".

On page 7, in line 19, strike out "$1,478,000" and insert "$1,411,000".

On page 8, in line 6, strike out "$309,761,000" and insert "$307,886,000".

On page 8, in line 9, strike out "$79,748,000" and insert "$77,198,000".

On page 8, in line 11, strike out "$35,980,000" and insert "$37,980,000".

On page 8, in line 12, strike out "$10,000,000" and insert "$8,675,000".

On page 8, in line 18, strike out "$75,488,000" and insert "$76,488,000".

On page 8, in line 24, strike out "$2,700,000" and insert "$3,700,000".

On page 9, in line 4, strike out "$75,488,000" and insert "$76,488,000".

On page 9, in line 13, strike out "$115,984,000" and insert "$117,787,000, of which not to exceed $2,000,000 shall remain available until expended".

On page 9, in line 17, strike out "$27,389,000" and insert "$28,639,000".

On page 10, in line 1, strike out "$14,229,000" and insert "$14,981,000".

On page 10, in line 9, strike out "$10,000,000" and insert "$7,500,000".

On page 11, in line 19, strike out "$240,413,000" and insert "$245,595,000".

On page 11, in line 22, strike out "$74,022,000" and insert "$75,968,000".

On page 12, in line 13, strike out "$196,000" and insert "$396,000".

On page 12, in line 15, strike out "$26,255,000" and insert "$26,494,000".

On page 12, in line 18, strike out "$7,100,000" and insert "$7,150,000".

On page 12, in line 24, strike out "$46,093,000" and insert "$38,011,000".

On page 12, beginning in line 25, strike out: *Provided,* That the $5,700,000 available for repair and resurfacing of the Baltimore-Washington Parkway shall not be obligated or expended during the period April 1, 1976, to September 30, 1976.

On page 13, in line 6, strike out "$9,900,000" and insert "$11,000,000".

On page 13, in line 13, strike out "$24,666,000" and insert "$24,516,000".

On page 13, in line 21, strike out "$2,575,000" and insert "$2,500,000".

On page 14, in line 7, strike out "$16,000,000" and insert "$14,000,000".

On page 14, in line 18, strike out "$4,000,000" and insert "$5,000,000".

On page 16, in line 5, strike out "$265,065,000" and insert "$268,544,000".

On page 16, in line 13, strike out "$66,425,000" and insert "$67,695,000".

On page 17, in line 17, strike out "$76,136,000" and insert "$82,698,000, of which not to exceed $2,800,000 shall remain available until expended for the construction of facilities:".

On page 17, in line 24, strike out "$20,035,000" and insert "$20,736,000".

On page 19, in line 5, strike out "$146,608,000" and insert "$157,584,000".

On page 19, in line 6, strike out "$28,544,000" and insert "$101,610,000".

On page 19, in line 11, strike out "$36,505,000" and insert "$39,186,000".

On page 19, in line 12, strike out "$7,085,000" and insert "$23,850,000".

On page 20, beginning with line 22, strike out "$543,031,000" and insert "$539,765,000, of which not to exceed $30,952,000 for assistance to public schools shall remain available for obligation until September 30, 1977; *Provided,* That the amount made available to each State from sums appropriated for fiscal year 1976 for assistance to public schools shall not be less than the amount made available for comparable purposes for fiscal year 1975.".

On page 21, in line 5, strike out "$174,474,000" and insert "$175,246,000, of which not to exceed $7,300,000 for assistance to public schools shall remain available for obligation until September 30, 1977."

On page 21, in line 14, strike out "$63,556,000" and insert "$86,534,000".

On page 21, in line 18, after "mation", insert a colon and the following: "*Provided further,* That not to exceed $2,148,000 shall be available to assist the Pyramid Lake Paiute Tribe of Indians in the construction of facilities for the restoration of the Pyramid Lake fishery pursuant to the Washoe Act (43 U.S.C. 614): *Provided further,* That not to exceed $6,000,000 shall be available for assistance to the Ramah Navajo School Board, Incorporated, New Mexico, for the construction of school facilities.".

On page 22, in line 19, strike out "$10,000,000" and insert "$15,000,000".

On page 23, in line 2, strike out "$7,000,000" and insert "$3,000,000".

On page 25, in line 23, strike out "$16,000,000" and insert "$22,000,000".

On page 27, in line 21, strike out "$81,000,000" and insert "$77,196,000".

On page 29, in line 4, strike out "$2,270,000" and insert "$3,000,000".

On page 29, in line 12, strike out "$11,143,000" and insert "$11,382,000".

On page 29, in line 14, strike out "$2,626,000" and insert "$2,703,000".

On page 29, in line 19, strike out "$18,599,000" and insert "$19,732,000".

On page 29, in line 22, strike out "$4,171,000" and insert "$4,408,000".

On page 29, in line 25, strike out "$12,381,000" and insert "$12,278,000".

On page 30, in line 2, strike out "$2,445,000" and insert "$2,515,000".

On page 30, beginning with line 3, insert:

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payment in foreign currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States, for necessary expenses of the Office of the Secretary, as authorized by law, $1,494,000, to remain available until expended: *Provided,* That this appropriation shall be available, in addition to other appropriations, to such office for payments in the foregoing currencies (7 U.S.C. 1704).

For "Salaries and Expenses" (Special Foreign Currency Program), for the period July 1 1976, through September 30, 1976, $75,000, to remain available until expended.

On page 33, beginning with line 4, insert:

Sec. 108. Notwithstanding any other provision of law, persons have heretofore and may hereafter be employed or otherwise contracted with by the Secretary of the Interior to perform work occasioned by emergencies such as fire, flood, storm, or any other unavoidable cause and may be compensated at regular rates of pay without regard to Sundays, Federal holidays, and the regular workweek.

On page 34, in line 3, strike out "$358,746,000" and insert "$363,012,000".

On page 34, in line 6, strike out "$1,910,000" and insert "$10,000,000".

On page 34, line 18, strike out "$81,955,000" and insert $82,005,000".

On page 35, in line 2, strike out "$33,594,000" and insert "$32,994,000".

On page 35, in line 5, strike out "$116,759,000" and insert "$118,388,000".

On page 35, in line 6, strike out "$996,000" and insert "$1,060,000".

On page 35, in line 8, strike out "$22,277,000" and insert "$21,550,000".

On page 35, in line 9, strike out "$10,052,000" and insert "$9,802,000".

On page 35, in line 17, strike out "$16,618,000" and insert "$17,607,000".

On page 36, in line 4, strike out "$20,000,000" and insert "$30,000,000".

On page 36, in line 6, strike out "$10,000,000" and insert "$15,000,000".

On page 36, in line 7, strike out "$10,000,000" and insert "$15,000,000".

On page 36, beginning with line 10, insert:

For "Youth Conservation Corps" for the period July 1, 1976, through September 30, 1976, $10,000,000, to remain available until the end of the fiscal year following the period for which appropriated.

On page 36, in line 19, strike out "$117,859,000" and insert "$112,857,000".

On page 37, in line 1, after "501)" insert "during the period July 1, 1976, through September 30, 1976,".

On page 41, beginning with line 17, insert:

"The period July 1, 1976, through September 30, 1976, inclusive, shall be treated as a fiscal year for the purpose of computing and making payments provided under provisions of the Acts of May 23, 1908, as amended, March 1, 1911, as amended (16 U.S.C. 500); March 4, 1913, as amended (16 U.S.C. 501); June 20, 1910 (36 Stat. 562, 573); and June 22, 1948, as amended (16 U.S.C. 577c–577h), except the percent used shall be one-quarter of the three-fourths of 1 percent specified in this Act and the period July 1 through September 30, 1976, shall not be counted as a year in computing the ten-year interval between determination of the fair appraised value of the National Forest lands involved.".

On page 42, in line 14, strike out "$406,594,000" and insert "$454,850,000".

On page 43, in line 8, strike out "$104,568,000" and insert "$114,656,000".

On page 43, in line 23, strike out "$20,425,000" and insert "$21,025,000".

On page 44, in line 5, strike out "$8,200,000" and insert "$8,240,000".

On page 45, in line 3, strike out "$98,388,000" and insert $158,245,000".

On page 45, in line 9; after "activities", insert a colon and the following: "*Provided further,* That no part of this appropriation shall be available for utility rate restructuring studies unless such studies provide for direct consumer representation in the planning and implementation of such studies.".

On page 45, in line 18, strike out "$25,439.000" and insert "$27,000,000".

On page 47, in line 20, strike out "($35,000,000)" and insert "($31,000,000)".

On page 47, in line 21, strike out "($4,000,000)" and insert "($8,000,000)".

On page 48, beginning with line 10, insert:

Navajo and Hopi Relocation Commission

For necessary expenses of the Navajo and Hopi Relocation Commission as authorized by law (Public Law 93–531, section 25(a)(1), 25(a)(4), and 25(a)(5)), $16,500,000, to remain available until expended: *Provided,* That $5,500,000 shall be available for payments pursuant to section 14(b) of Public Law 93–531: *Provided further,* That $10,500,000 shall be available for payments pursuant to section 15 of Public Law 93–531: *Provided further,* That $500,000 shall be available for the operating expenses of the Commission.

For operating expenses of the Navajo and Hopi Relocation Commission for the period July 1, 1976, through September 30, 1976, $125,000, to remain available until expended.

On page 49, in line 14, strike out "$77,908,000" and insert "$77,752,000".

On page 49, in line 20, strike out "21,634,000" and insert "$21,712,000".

On page 49, in line 24, strike out "$1,500,000" and insert "$1,875,000".

On page 50, in line 2, strike out "$406,000" and insert "$500,000".

On page 50, beginning with line 4, insert:

MUSEUM PROGRAMS AND RELATED RESEARCH (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States, for necessary expenses for carrying out museum programs, scientific and cultural research, and related educational activities, as authorized by law, $500,000, to remain available until expended and to be available only to United States institutions: *Provided,* That this appropriation shall be available, in addition to other appropriations to the Smithsonian Institution, for payments in the foregoing currencies.

On page 52, in line 17, strike out "$7,564,000" and insert "$7,431,000".

On page 52, in line 21, strike out "$1,937,000" and insert "$1,904,000".

On page 53, in line 15, strike out "$154,910,000" and insert "$159,910,000".

On page 53, in line 15, strike out "$72,000,000" and insert "$77,000,000".

On page 54, in line 15, strike out "$33,125,000" and insert "$33,750,000".

On page 55, in line 18, strike out "$1,876,000" and insert "$1,871,000".

On page 55, in line 24, strike out "$9,000,000" and insert "$9,962,000".

On page 56, in line 4, strike out "$1,626,000" and insert "$1,861,000".

On page 56, in line 19, strike out "$19,000" and insert "$30,000".

On page 56, in line 25, strike out "$708,000" and insert "$764,000".

On page 57, beginning with line 6, insert:

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

SALARIES AND EXPENSES

For necessary expenses, as authorized by section 17 of Public Law 92–578 as amended, $916,000.

For "Salaries and expenses" for the period July 1, 1976, through September 30, 1976, $218,000.

On page 58, beginning with line 6, strike out:

Sec. 303. No part of any appropriation under this Act shall be available to the Secretary of Interior or the Secretary of Agriculture for the leasing of oil, natural gas, or other mineral rights by noncompetitive bidding on publicly owned lands within the boundaries of the Shawnee National Forest, Illinois: *Provided,* That nothing herein is intended to inhibit or otherwise affect the sale, lease or right of access to minerals owned by private individuals.

On page 58, in line 14, strike out "304" and insert "303".

Mr. ROBERT C. BYRD. Mr. President, I yield to the ranking minority member (Mr. STEVENS).

Mr. STEVENS. Mr. President, I thank my colleague, the chairman of our committee very much. I commend him for the outstanding job he has done on the bill, and I am really very grateful to him for the courtesy and cooperation extended to me and the other members of the committee throughout the hearings and the markup.

Together with Senator BYRD, I wish to commend Dwight Dyer of the staff for the work he has done on this measure, as well as Linda Richardson and Dave Lohman on our side.

Mr. President, our distinguished subcommittee chairman has already given an excellent summary of the bill. I wish to reaffirm his remarks and emphasize certain aspects of the bill.

The committee's recommendation for appropriations for the Department of the Interior and Related Agencies is $4,527,598,000 and $1,215,991,900 in the transition quarter. Since our national economic circumstances clearly call for fiscal restraint, I am particularly pleased to be associated with a bill that provides sufficient and responsible funding for so many of our important Federal agencies without exceeding the administration budget.

It should be noted that some of the activities funded in this bill are themselves sources of a large amount of revenue. Such activities as timber sales, Outer Continental Shelf leasing, mineral leasing, grazing fees, and rights-of-way leases will provide an estimated $7.3 billion in receipts this fiscal year.

In other activities, the payoffs are not so immediate or tangible, but are no less important. In this area of human needs we are recommending approximately $1.13 billion in the fiscal year for BIA and HEW programs benefiting Native Americans. Approximately $283 million is recommended for cultural activities in fiscal year 1976 through such Federal agencies as the Smithsonian Institute, American Revolution Bicentennial Administration and the National Endowment on the Arts and the Humanities. Finally, recognizing the need for wise management of our Federal land, minerals, timber, and energy resources, the bill provides approximately $2.7 billion in this fiscal year for the Federal agencies traditionally concerned with our natural resources and for the Federal Energy Administration and the Energy Research and Development Administration.

Mr. President, we have tried to be fair and responsible in determining which requests for additional funds to include. Many worthy proposed additions had to be disallowed simply because we had to do face the fact that we cannot afford to do in this one year all that needs to be done in the areas covered by this bill. I urge that the Senate concur with this spirit of restraint and pass this bill as recommended by the Committee on Appropriations.

If I may direct one question to our subcommittee chairman: The Park Service has negotiated a contract for the purchase of the Glacier Bay Lodge in Alaska. The contract provides for the payment of interest from the time the contract was signed, until the transfer is finalized. By the time we will have completed action on this bill and have it signed, several months' interest, I am informed, will have been accumulated. I ask if he will concur with the opinion that within the amount that we have provided there will be funds available for the Park Service to pay this interest.

Mr. ROBERT C. BYRD. As I understand it, the contract was signed in October, and the interest rate was approximately 1 percent per month. This will not amount to a great deal, and I am sure that, with the increases we have provided the Park Service, the necessary funds will be available to complete the purchase of Glacier Bay Lodge.

Mr. STEVENS. I thank the Senator from West Virginia. We reserve the remainder of our time.

Mr. HUDDLESTON. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I promised to yield to the distinguished Senator from Kentucky.

Mr. HUDDLESTON. I thank the distinguished Senator from West Virginia and commend the distinguished chairman of the Appropriations Committee's Interior Subcommittee and the ranking Member, the Senator from Alaska, for the very diligent and effective way in which he conducted the hearings in preparation for bringing this legislation to the floor.

I know he did have a tremendous job in trying to decide between those additional requests that were made by Members, and I think he has done a very excellent job in presenting to the Senate a well-balanced bill that meets the needs and stays within the necessary budget restraints.

As the distinguished Senator from West Virginia knows, I have been very concerned about the upgrading of the subdistrict office of MESA in Madisonville, Ky., to full district status.

Mr. ROBERT C. BYRD. Yes. The Senator from Kentucky has reminded me of that item several times, may I say.

Mr. HUDDLESTON. I point out that there is no question that the need is there and MESA has made a public commitment to do this.

It is well to point out that in Kentucky we have two district coal-producing areas, one in Eastern Kentucky and one in the extreme western end of the State in which Madisonville is located. They are about 300 miles apart, and a district office in the eastern end, as we have now, simply cannot serve adequately the needs in the western district.

I was particularly pleased to note that the subcommittee did include in the report on the Interior appropriation bill language in support of the upgrading of this office, and I would simply like to ask the chairman of the subcommittee if it is not the definite intention of the subcommittee that the MESA proceed immediately with this upgrading.

Mr. ROBERT C. BYRD. It is the intention of the subcommittee, and more than that, it is the intention of the full committee as expressed in the Senate committee report, and I shall read one sentence therefrom.

> Additionally, the Committee . . .

That means the full committee.

> Additionally, the Committee recommends the upgrading of the MESA subdistrict office in Madisonville to full district status as another measure to strengthen health and safety programs in Kentucky.

The Senator from Kentucky is correct. He has expressed concern about this office a number of times, and the subcommittee at his request recommended to the full committee that this language be placed in the committee report. The full committee also approved that request, and we would expect the agency to conform to the committee report language.

Mr. HUDDLESTON. I thank the distinguished Senator and I appreciate the attention that he has given to the mine enforcement safety needs of Kentucky and the rest of the Nation.

Mr. ROBERT C. BYRD. I thank the distinguished Senator for his interest.

Mr. HANSEN. Mr. President, will the distinguished minority floor manager of the bill yield me 10 minutes?

Mr. STEVENS. I am happy to.

Let me inquire. May I inquire if the balance of time is 30 minutes on the bill? Is that correct?

The PRESIDING OFFICER. The Senator has 26 minutes.

Mr. STEVENS. Yes.

I am happy to yield to the two Senators 10 minutes of that time.

Mr. HANSEN. Mr. President, it is my intention to call to the attention of the Senate the fact that the coyote is an increasingly serious predator throughout America.

In this past year, according to the USDA statistical report bulletin released January 28, 1975, 809,100 head of sheep were taken by coyotes resulting in an economic loss of $32,364,000.

We would like to have the distinguished managers of this bill agree with us that there would be an earmarking of funds for predator control which not only benefits the sheepman and the cattleman of the West, but also adds significantly in reducing losses of wildlife by expending from the $2,500,000 that has been added for wildlife resource improvement $570,000 for the use of controlling coyotes.

Mr. McCLURE. Mr. President, will the Senator from Wyoming yield?

Mr. HANSEN. Mr. President, I yield to my friend from Idaho.

Mr. McCLURE. Referring to page 39 of the committee report, it shows there that the department head requested a reprograming of other funds in the amount of $570,000 and the committee has, for other reasons completely unrelated to the merit of this need, turned down that request for reprograming. But on page 12 and 13 it is outlined the addition that the Senator from Wyoming has indicated was made at $2.5 million to this function and the specific suggestion that the Fish and Wildlife Service might ask for reprograming of a portion of this $2.5 million.

Would it not be the thought of the Senator from Wyoming that the Senate might direct then to utilize out of the $2.5 million the $570,000 which they had previously requested for this purpose?

Mr. HANSEN. That is my intention. And will the distinguished floor manager of the bill agree with that?

Mr. ROBERT C. BYRD. I would.

Mr. STEVENS. I would. There is a $2.5 million increase. There is only $126,000 earmarked. They asked for authority before. We assume they will use the money made available to what they had before. If they wish to reprogram any other moneys they are going to have to come back and ask for permission to do so.

Mr. McCLURE. Out of the $2.5 million it would be our expectation that they would use $570,000 as they had previously requested.

Mr. ROBERT C. BYRD. Yes.

Mr. HANSEN. And that is the intention of the Senate at this time?

Mr. ROBERT C. BYRD. That is the intention of the subcommittee, that it be used out of available funds.

Mr. McCLURE. Mr. President, Senator HANSEN and I appreciate the direction to the U.S. Fish and Wildlife to expend the amount of $570,000 to expand its coyote control program in the West. The Appropriations Committee noted in its report that a reprograming request for the money from animal damage control funds was rejected.

Mr. President, it is not wise to rob Peter to pay Paul, and I feel this needed coyote control should be funded on its own merits.

This additional amount to be taken from the $2,500,000 added will be used for increased conventional control techniques. Predation losses for lambs alone, taken from USDA statistical report bulletin released January 28, 1975, are 809,100 head at an estimated economic loss of $32,364,000. Adult sheep losses, goats, wildlife, and other victims of predators will substantially raise this total.

Additional statistics are contained in a preliminary report titled "Sheep Losses Due to Predators and Other Causes in the Western United States, 1974." I ask unanimous consent that it be included in the RECORD following my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SHEEP LOSSES DUE TO PREDATORS AND OTHER CAUSES IN THE WESTERN UNITED STATES, 1974

A PRELIMINARY REPORT

(Prepared under the direction of Richard S. Magleby)

Coyotes are a major cause of sheep loss in the western United States. This preliminary report features data on death losses gathered as part of a USDA project funded by Congress to make a comprehensive analysis of the sheep-predator issue, including the economic, environmental, and social impacts of alternative predator control policies. The analysis will be reported in 1976.

More than 6 percent of the docked lambs and about 2.5 percent of the stock sheep in the West were lost to coyotes in 1974, according to sheep producers in 15 western States. These losses to coyotes accounted for more than half a million docked lambs and a quarter million stock sheep.

The loss estimates are based upon reports from about 9,000 producers surveyed in January 1975 by the Statistical Reporting Service in cooperation with the Economic Research Service. Each surveyed producer reported his sheep inventory and lamb crop, and estimated his losses of sheep and lambs to various causes such as weather, disease, coyotes, and other predators.

COYOTES ARE LEADING CAUSE OF LAMB DEATHS

In the 15 western States, 940,000 lambs or about 12 percent of those docked were lost to all causes. Coyotes were by far the largest estimated cause of lamb loss, accounting for more than half of the total losses after docking:

Cause of loss	Lambs lost after docking	Percentage of all docked lambs
	1,000 head	Percent
Coyotes	503	6.4
Other predators	133	1.7
Other causes	304	3.9
Total, all causes	940	12.0

Surveyed producers also estimated losses of lambs to various causes during the period between birth and docking. Total losses to all causes during the before-docking period were 1.1 million, or slightly higher than the 940,000 lost after docking. Adding losses to all causes during the two periods, there were more than 2 million lambs lost, or nearly one-fourth of all lambs born in the 15 western States.

Losses attributed to coyotes in the before-docking period were substantial—more than 2.5 percent of lambs born—but only about a third as large as losses to other non-predator causes, including unfavorable weather and disease. When these coyote-attributed losses before docking were added to after-docking losses, the combined loss to coyotes totaled 735,000 lambs, more than 8 percent of lambs born and more than one-third of the losses to all causes.

Total lamb losses to all causes varied widely among States (see table 1). The number of docked lambs lost was highest in Texas and Wyoming because of the large lamb crops in these States. The highest percentage losses occurred in New Mexico and Montana, both with over 20 percent. States with 15 to 20 percent losses were Colorado, Nevada, and Utah. Lowest percentage losses were in Kansas, North Dakota, Nebraska, and South Dakota.

In 9 of the 15 States, coyote-attributed losses accounted for more than half of total lamb losses after docking. States with the highest percentage lamb losses to coyotes were Colorado, Montana, and Nevada all with over 13 percent of lambs docked. States with 9–10 percent losses were Utah and New Mexico. The lowest percentage losses of docked lambs to coyotes were reported in Nebraska, Kansas, South Dakota, and North Dakota.

COYOTES ARE SECOND MAJOR CAUSE OF STOCK SHEEP LOSSES

The survey indicated that about 950,000 head or 10.4 percent of the stock sheep inventory in the 15-State region were lost to all causes in 1974. Losses to coyotes were 2.5 percent of the inventory, compared with 7 percent lost to nonpredator causes combined:

Cause of loss	Number lost	Percentage of all stock sheep
	1,000 head	Percent
Coyotes	230	2.5
Other predators	86	.9
Other causes	634	7.0
Total, all causes	950	10.4

Losses of stock sheep varied widely among the 15 western States (see table 2). The number of head lost was greatest in Texas and Wyoming because of large sheep inventories in these States. The highest percentage losses to all causes occurred in New Mexico, Montana, Nevada, Wyoming, and Oregon, with 12–16 percent of stock sheep lost. Percentage losses were lowest in South Dakota, Arizona, California, **Idaho, Kansas, and** Texas.

Percentage losses of stock sheep attributed to coyotes were particularly high in Nevada (over 11 percent), followed by Montana, Utah, and Colorado (4–5 percent). Losses to coyotes were under 2 percent in South Dakota, Arizona, Nebraska, North Dakota, California, and Idaho.

TABLE 1.—LAMB LOSSES TO VARIOUS CAUSES AFTER DOCKING, 15 WESTERN STATES, 1974 ESTIMATES

State	Lambs docked	Cause of loss: Coyotes	Cause of loss: Other predators	Cause of loss: Other causes	Cause of loss: All causes	Lambs docked	Cause of loss: Coyotes	Cause of loss: Other predators	Cause of loss: Other causes	Cause of loss: All causes
	Thousands					Percent of docked lambs				
Arizona	232	13.9	4.8	5.3	24.0	100	6.0	2.0	2.3	10.3
California	750	28.0	19.1	24.9	72.0	100	3.7	2.5	3.4	9.6
Colorado	542	75.9	6.8	22.3	105.0	100	14.0	1.3	4.1	19.4
Idaho	645	32.7	3.2	24.1	60.0	100	5.1	.5	3.7	9.3
Kansas	[1] 166	3.5	.2	2.6	6.3	100	2.1	.1	1.6	3.8
Montana	537	73.3	12.4	29.3	115.0	100	13.7	2.3	5.4	21.4
Nebraska	[1] 144	1.9	.2	7.0	9.1	100	1.3	.1	4.9	6.3
Nevada	125	17.0	1.5	2.5	21.0	100	13.6	1.2	2.0	16.8
New Mexico	395	36.5	17.3	32.2	86.0	100	9.2	4.4	8.1	21.7
North Dakota	[1] 231	7.1	.8	4.4	12.3	100	3.1	.3	1.9	5.3
Oregon	323	18.0	8.6	13.4	40.0	100	5.6	2.7	4.1	12.4
South Dakota	[1] 741	15.3	4.4	26.6	46.3	100	2.0	.6	3.6	6.2
Texas	1,500	54.3	34.6	46.1	135.0	100	3.6	2.3	3.1	9.0
Utah	578	57.5	5.7	24.8	88.0	100	10.0	1.0	4.2	15.2
Wyoming	892	68.6	13.1	38.3	120.0	100	7.7	1.5	4.3	13.5
Total, 15 States	7,801	503.5	132.7	303.8	940.0	100	6.4	1.7	3.9	12.0

[1] Differs from reported lamb crop by number of lambs lost before docking.

TABLE 2.—STOCK SHEEP LOSSES TO VARIOUS CAUSES, 15 WESTERN STATES, 1974 ESTIMATES

State	Stock sheep inventory, Jan. 1, 1974	Cause of loss: Coyotes	Cause of loss: Other predators	Cause of loss: Other causes	Cause of loss: All causes
	Thousands				
Arizona	311	1.7	2.5	21.8	26.0
California	874	13.3	10.0	46.7	70.0
Colorado	546	20.5	7.4	32.1	60.0
Idaho	560	10.2	1.2	35.6	47.0
Kansas	174	5.9	.7	8.4	15.0
Montana	576	30.9	3.9	50.2	85.0
Nebraska	162	1.5	.1	17.4	19.0
Nevada	132	15.3	.1	2.6	18.0
New Mexico	499	13.8	15.6	50.6	80.0
North Dakota	222	2.4	.6	22.0	25.0
Oregon	321	6.5	12.9	20.6	40.0
South Dakota	727	1.8	1.3	51.9	55.0
Texas	2,241	48.2	16.6	135.2	200.0
Utah	634	26.5	6.5	39.0	72.0
Wyoming	1,089	31.9	6.1	100.0	138.0
Total, 15 States	9,068	230.4	85.5	634.1	950.0

State	Stock sheep inventory, Jan. 1, 1974	Cause of loss: Coyotes	Cause of loss: Other predators	Cause of loss: Other causes	Cause of loss: All causes
	Percent of stock sheep				
Arizona	100	0.6	0.8	7.0	8.4
California	100	1.5	1.2	5.3	8.0
Colorado	100	3.8	1.3	5.9	11.0
Idaho	100	1.8	.2	6.4	8.4
Kansas	100	3.4	.4	4.8	8.6
Montana	100	5.3	.7	8.7	14.7
Nebraska	100	.9	.1	10.7	11.7
Nevada	100	11.6	.1	1.9	13.6
New Mexico	100	2.8	3.1	10.1	16.0
North Dakota	100	1.1	.3	9.9	11.3
Oregon	100	2.0	4.0	6.5	12.5
South Dakota	100	.2	.2	7.1	7.5
Texas	100	2.2	.7	6.0	8.9
Utah	100	4.2	1.0	6.2	11.4
Wyoming	100	2.9	.6	9.2	12.7
Total, 15 States	100	2.5	.9	7.0	10.4

Mr. METCALF. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. METCALF. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8, line 6, insert the following: strike $307,886,000 and insert in lieu thereof $308,896,000 and on page 8, line 11, strike $37,980,000 and insert in lieu thereof $39,080,000.

Mr. METCALF. Mr. President, this simply provides for the purchase of some land in Montana, the Mt. Haggin Refuge.

The Mt. Haggin Ranch is a very thrilling ranch, a great big ranch of several thousand acres. It has moose, elk, deer, big horn sheep, mountain goats, sand hill cranes, as well as numerous small-sized wildlife.

It had 20 mountain lakes. It had numerous ponds and over 60 miles of trout streams.

The Mt. Haggin Refuge is for sale. It is about a $9 million property. The Conservation Research Organization, the Forest Service, the State of Montana, and several people have gone together to try to purchase this property for the benefit of the people of the United States so that ti will not go into subdivisions, small ranches, and so forth.

We need $2.1 million.

Mr. President, in this bill there is an appropriation for $1 million. One million dollars does not help us one bit. We need $2.1 million to purchase the Mt. Haggin property, to participate in this $9 million program.

I am sure, after talking with some of the people on the committee, that they confuse this with another program that Senator MANSFIELD and I talked about, the Goodrich Ranch, where we asked for a million dollars and the nature conservationists put up $25,000 for an option. We lost that. It is gone. It is dead.

The $1 million will not help us in the Mt. Haggin property. We need the exact amount or we do not have anything going for us, either.

I ask the chairman of the committee if he will try to talk to the House and explain this whole situation. If he cannot hold them to $2.1 million, then he has $1 million to deal with on a sort of deficit situation.

This is a very valuable property. It is a very thrilling and exciting property. It is something we would like to preserve, not only for the people of Montana but also for the people of America. Our participation is only small compared with the whole $9 million program.

I ask the chairman to consider my amendment or at least try to work out something on this program.

Mr. ROBERT C. BYRD. Mr. President, as I stated in the beginning, the total appropriations in this bill recommended by the committee are just $993,000 below the budget estimate for fiscal 1976. Although we are under the budget ceiling, the public works appropriation bill that which will be following this bill is definitely going to be over the budget. If we increase the Interior appropriations bill by any amount, the two bills combined could bulge against the ceiling and go above it. So I have to oppose the amendment.

However, I would be willing to take the following steps to assist the Senator:

I will write to the Secretary of Agriculture, as chairman of the subcommittee, and request that the additional $1.1 million which the able Senator from Montana is requesting be given priority consideration for funding from the general funds provided for land acquisition and the purchase of inholdings. I will make the same request of the Chief of the Forest Service.

If I do not receive an assurance that these funds can be provided— and I will try to get that assurance—and I will certainly consider very sympathetically any steps that can be taken to include the funds in a supplemental appropriations bill. If those steps are unsuccessful, I will consider even more sympathetically a request by the Senator to be included in the next regular appropriations bill.

Mr. METCALF. Mr. President, I do not know whether we will have this land when the next regular bill comes along. This is one of those exciting things for the acquisition of a tremendous land ownership that we have an opportunity to acquire perhaps once in a generation.

I certainly am in accord with and agree with the Senator from West Virginia. We have 45 days, or whatever it is, until the supplemental comes along, and I hope we can work something out in this connection.

Mr. ROBERT C. BYRD. I will do my best.

Mr. METCALF. If we cannot, I will renew my request for an amendment and for consideration.

Mr. ROBERT C. BYRD. I will write to the Secretary, and to the Chief of the Forest Service, and I will send the Senator copies of that correspondence. If we fail there, we can certainly try to have it included in the supplemental.

Mr. METCALF. If it fails, then let the Senator and I, shoulder to shoulder, try to acquire this unique property at this time.

Mr. ROBERT C. BYRD. I will do what I can to help the Senator.

Mr. METCALF. I thank the Senator.

Mr. President, I withdraw the amendment.

Mr. ROBERT C. BYRD. I thank the Senator for withdrawing the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator may proceed for 2 minutes, without the time being charged against either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

GEORGE W. ANDREWS FORESTRY SCIENCES LABORATORY

Mr. ALLEN. Mr. President, H.R. 2343, by Mr. NICHOLS of Alabama, was reported by the Committee on Agriculture and Forestry today. This bill merely provides for the naming of a building on the campus of Auburn University, at Auburn, Ala., after the late Honorable George W. Andrews, who served with distinction in the House of Representatives, from Alabama, for 27 or 28 years.

There is no controversy on this measure. It has been cleared on both sides of the aisle. I ask unanimous consent that the Senate proceed to the consideration of the bill at this time.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 2343) to designate the new Forest Service laboratory at Auburn, Alabama, as the "George W. Andrews Forestry Sciences Laboratory."

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry.

Mr. ROBERT C. BYRD. Mr. President, has this request been cleared on the other side of the aisle?

Mr. ALLEN. It has been cleared.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to be read a third time, was read a third time, and passed.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1976

The Senate continued with the consideration of the bill (H.R. 8773) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1976, and for the period ending September 30, 1976, and for other purposes.

Mr. METCALF. Mr. President, I send to the desk an amendment on behalf of myself and Senator Bellmon and Senator Burdick.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. Metcalf), for himself, Mr. Bellmon, and Mr. Burdick, proposes an amendment:

On page 10, line 10, strike $7,500,000 and insert in lieu thereof $10,000,000.

Mr. METCALF. Mr. President, for a long time it has been my privilege to be a member of the Migratory Bird Conservation Commission. That is a commission that purchases land for wildlife and waterfowl refuges. Over the years in which I have been associated with the Commission, I have been overwhelmed and astounded by the increasing cost of the land we are buying. We are buying the most wanted and the most valuable land in America. We are buying oceanfront, waterfront, lakeside, and riverside lands. We are trying to buy those as refuges and preserve them as waterfowl refuges, nesting grounds, and breeding grounds, and so forth.

The other day, I went to a Commission meeting, although I am no longer a member of the Commission—Senator Burdick took my place—and one of the land acquisitions was 400 percent over the amount we had estimated just a couple of years ago.

The purpose of this amendment is to try to get some money right now to buy these lands and to repay it a little later. It seems important to me that we acquire the waterfowl and the wildlife refuges and try to fill out our system and try to fill out the program immediately, before the prices go up greatly.

I offer this amendment as good, sound investment procedure, and I offer it on behalf of Senator Bellmon and Senator Burdick, who are members of the Commission.

I hope we will have agreement to that amendment.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. METCALF. I yield to the Senator from Oklahoma.

Mr. BELLMON. I thank my distinguished colleague.

I again commend Senator Metcalf for the outstanding service he has rendered for many years to the migratory bird and wetlands conservation field. With his service, this program has moved a lot further along than it would have without him. We still have problems, and the purpose of this amendment is to solve the problem before it is too late.

Mr. President, in 1961 the Wetlands Loan Act was approved by Congress authorizing $105 million over a 7-year period, to be repaid with duck stamp receipts upon expiration of the act. Congress extended this legislation for an additional 8 years since less than half of the authorization was appropriated. This act expires at the end of fiscal year 1976 and $19.1 million is still unappropriated, none of which is requested in the President's budget. The administration did not request advance appropriations in fiscal years 1974 or 1975, although Congress did deem it necessary to add $3.5 and $1 million, respectively.

Once again, the Department of Interior requested no funds for this account for fiscal year 1976. When this matter was considered by the House Appropriations Committee, $1 million was recommended for acquisition of wetland areas. As this bill reached the House floor, an amendment was offered and accepted to increase funding for this account to $10 million in 1976. This $10 million, coupled with the estimated $12 million from duck stamp receipts would allow the Department to make substantial land acquisition during this fiscal year. However, the potential for wetland acquisition has once again been placed in jeopardy through the actions of the Senate Appropriations Subcommittee on Interior, of which I am a member. Though I objected strongly, the subcommittee recommended that $2.5 million be transferred from the migratory bird conservation account to the national wildlife resource management program. While I am aware of the problems currently facing wildlife resource management, I am equally aware of the urgency which faces the Migratory Bird Conservation Commission.

The Migratory Bird Conservation Commission reviews and approves national wildlife refuge purchases proposed by the Department of the Interior with funds from the migratory bird conservation account. The Commission is continually urging that acquisition of land for these refuges be completed since the cost of land is constantly going up. The reply to the Commission is always the same; there is not enough money to proceed any faster. I have watched the Fish and Wildlife Service struggle to acquire this necessary waterfowl habitat against the pressures of spiraling land prices and the competition of individuals and corporations which results in destruction of this habitat.

The Department of the Interior's budget for the migratory bird conservation account requests only receipts from the duck stamp sales, estimated at $12 million. This in reality could be slightly less than $11.1 million, based upon fiscal year 1975 sales. The Fish and Wildlife Service has nearly $3 million in options to acquire wetland habitat that cannot be accepted due to the shortage of 1975 funds, and thus is going into fiscal year 1976 with a good share of the budget request essentially spent. There is already a backlog of over $32 million worth of tracts that the Migratory Bird Conservation Commission has approved for purchase, but cannot be acquired due to lack of funds. The economic recession is presenting an excellent opportunity to acquire land. It would be unfortunate if we cannot respond to this economic lull.

It is ironic that the duck hunter must share the entire burden of protecting these wetlands. Wetlands have a broad range of benefits which accrue to the general public. Aside from their waterfowl values, they serve as flood retention sites, returning the waters to recharge the ground water systems rather than running it through ditches to cause havoc downstream; the coastal estuaries which the commission acquires and protects support this Nation's fisheries and abate storm tides; they protect flood plains of our major rivers; and provide countless recreational benefits to the general public. Yet, the entire wetlands acquisition program must be shouldered by the waterfowl hunter regardless of the benefit of the people.

It is only fair Mr. President that the Treasury make available funds now so that these lands can be acquired at current costs.

Every year that passes results in a diminishment of the dollar's purchasing power. If the $105 million was appropriated within the original 7 years, the accelerated wetlands program would have reached its goal in 1968. This program deserves to be funded as Congress intended when the Wetlands Loan Act was approved. Migratory waterfowl are a renewable resource but the wetlands upon which they depend are not. Massive wetland destruction is continuing and it will only be a matter of time until opportunities to acquire these needed lands will be gone and, with it, this Nation's wildlife heritage and environmental well-being.

With this in mind, I urge the Senate to approve this amendment so that the level of appropriations recommended by this body for the migratory bird conservation account will be in accordance with the House action. This is a very important program, and as pointed out previously, further delay will only increase future appropriations.

I join with Senator Metcalf in his

statement that this land that we are trying to acquire is the most sought-after land in the Nation, that it is probably the most valuable land that the Government can buy so far as improving the quality of life for future generations. The longer we wait, the more it is going to cost, and this $2.5 million, rather than being an expense, is one of the best investments that Congress can make. I join the Senator in asking that this amendment be approved.

Mr. ROBERT C. BYRD. Mr. President, I have listened to the very persuasive argument by both of my friends, the distinguished Senator from Montana (Mr. METCALF) and the distinguished Senator from Oklahoma (Mr. BELLMON). I thought we had covered the subject of wetlands acquisition funding in committee. In fact, we approved a shift in funding, of $2.5 million at the request of Senator BELLMON, that provided a total of $7.5 million for the Migratory Bird Conservation Act over and above the budget. There was no budget request for this item.

I think I should point out that, in addition to the increase recommended by the committee, there is $12 million in duck stamp revenues also available for wetlands acquisition. This amount is in addition to the increase recommended by the committee.

Let me also note that the amount recommended by the committee is far above the $1 million appropriated last year. We increased wetlands acquisition at the expense of funds that are urgently needed for the operation and maintenance needed for wildlife refuges.

I know that the Senator is probably aware of the serious deficiencies existing in the operation and maintenance program of the national wildlife refuge system, deficiencies that have concerned many Senators, both on the committee and off the committee. I believe we have done as well as possible for the wetlands acquisition program, and the difference between the Senate and the House amendments, of course, will be in conference.

I hope that the very able Senator from Montana (Mr. METCALF) will be willing to withdraw his amendment under the circumstances.

Mr. METCALF. Mr. President, I think the best investment we can make today is to go out and use this $2.5 million for the purpose of these wetlands and these water fowl refuges. The Senator from West Virginia is just going to postpone the purpose and the next time we are up, $2.5 million will only purchase half as much as it has purchased before.

I am appalled by the increase in the amount of money that we have to pay from year to year in trying to complete our refuge program. It would seem to me that, right now, regardless of the budget, regardless of budget-busting, or any of these things, the best investment in America would be to invest in these programs.

Mr. STEVENS. Will the Senator yield?

Mr. METCALF. Of course I yield to my friend from Alaska.

Mr. STEVENS. I certainly share in the total support of the Senator from Montana for the program. But there is $12 million coming in already. This is $7.5 million to be added to the fund above that. The House had $10 million and we made it $7.5 million. At the request of the Senator from Oklahoma—we had originally intended to fund a part of that out of other receipts. But under this circumstance, I hope that the Senator from Montana will accept the suggestion of the Senator from West Virginia and allow us to go to conference with the difference of the $2.5 million.

We have other differences, and the Senator has been in conference and understands the problem of some of the adjustments that are made in conference. I think that he ought to be assured of our support of the program, and we have met the objections of the Senator from Oklahoma to our use of funds for operation and maintenance.

I think we have done our best to accommodate the commissioners who are Members of the Senate on this. I might add that I hope some day I might be able to serve with the Senator on that Commission, since most of these ducks and geese we are talking about come from my State.

Mr. METCALF. Believe me, most of them do come from there. The nesting grounds of ducks and geese——

Mr. STEVENS. I hope the Senator has confidence in us, as we take this bill to the House, to leave us the management room to deal with items that we know the House wants when we deal with items that we know we want. I am sure the Senator understands the conference procedure in that regard. We hope that he will rely upon us.

Mr. METCALF. May I defer to my friend from Oklahoma?

Mr. BELLMON. Mr. President, if the Senator will yield, I should like to say to the Senator from Alaska that I think he misunderstands the purpose of these land purchases. These are not lands for the birds to rest upon. A lot of these lands are the so-called pothole countries of Montana and other places where the birds go and spend the summer and reproduce. Once those lands are burned and turned into farmlands, that area is permanently destroyed as far as wildlife is concerned. That is an argument aside from the argument of economics that the Senator from Montana makes so eloquently. This is a resource that is rapidly being destroyed. Once it is gone, we can never get it back. If we wait until 5 years from now, we can never get it back, because it will not be there.

Mr. STEVENS. We are using the time of the Senator from West Virginia.

Again, I say, there is no budget request. We are trying to keep under the budget estimate and there is the $10 million allowance from the House. We have reduced that to $7.5 million. Again, the Senate told us, stay below a figure, and we are barely below it. This $2.5 million add-on means we would be very close to the budget estimate, and other people have some amendments, too.

As long as we have stayed within the budget on this item by providing $7.5 million, and we are going into the conference with the House, knowing of our support of this program, I hope, again, that the Senator will not press an amendment where he will put us in a position where we will go above this budget that we have all agreed to stay below.

Again, with due deference to the Senator from Oklahoma, I just, reluctantly, voted for the Senate budget resolution. But there is no budget request for this item and without a budget request, it should have been zeroed out, if we are going to follow the procedure that we are supposed to be dealing with. We left three-quarters of it there.

If the House people want it as strongly as we think they want it, that matter will be adjusted in conference, along with some of the things we want. I am sure the Senator from Montana and the Senator from Oklahoma want those add-ons in other areas—parks and fish and wildlife. Look at the other areas we have added in this bill. If we add this back on, we are going to have to take $2.5 million off somewhere else, and I do not know where it is going to come from until we get into conference.

Mr. METCALF. Let me warn the Senator from Alaska that if we delete this amount, we are going to pay twice or three times the amount out of the budget for the same land that we would have an opportunity to purchase if we had this money available right now. This is the kind of saving that is an outrageous sort of thing, because we are going to have to purchase this land, I hope, for the benefit of the people of America. I know the Senator from Alaska wants to acquire these lands in accordance with this refuge program.

I know that the Senator from West Virginia wants to acquire the land. But if we do not purchase it today and this year we are going to have to pay twice as much, three times as much, four times as much, in accordance with my experience.

Mr. STEVENS. I would be happy to join with the Senators from Montana and Oklahoma in sending a request to the Office of Management and Budget asking for a budget request for the amount of money that should be spent.

I agree. I do not think this is enough money because we would like to have even more of those funds. These wetlands were being acquired back in the time when I used to be downtown, and that is too many years ago now, and I understand the program. But again if they are not going to request the money and if we are going to have to add a program such as this when the duck stamp money ought to be doing it then—I think, maybe the Senator from Oklahoma disagrees—why was not there a budget request? Again there should be one.

Mr. BELLMON. Congress, of course, departs frequently from the budget request of the administration. The fact that it did not ask for this money does not mean we cannot appropriate for it if we see fit to do so. The choice is whether the priority for these lands is equal to or superior to the request for other lands that are going to be considered by the Senate this afternoon. So far as I am concerned, this is the very highest priority, and we ought to take care of it.

Mr. ROBERT C. BYRD. May I say to the distinguished Senator I am going to be opposed to any request that will increase this bill, regardless of who is proposing it. We are trying our best to hold the line on the budgetary ceiling. The distinguished Senator is on the Budget Committee of the Senate and he is doing an outstanding job on that committee. I cannot compliment him highly enough. But the Senator knows since we argued this in the committee yesterday, that we just cannot stay within these budgetary ceilings if we start giving a little here and a little there. Therefore, it has to be my position to oppose this amendment.

I realize the Senator has made a fine and persuasive argument. However, he knows the budget restrictions that we are facing, and I hope the Senators will not force this to a rollcall vote, and I hope they will not press this amendment. I hope they will withdraw it. I can assure the Senators that whatever proposals come later I will and have to oppose them.

If the Senate approves this amendment it means we are going to have to go to conference and take something out of somebody else's hide.

The committee gave careful consideration to this item. There was no budget estimate, as the able Senator from Alaska has stated, and I hope the Senator will not ask us to take this out of Peter's pocket to pay Paul, and that is exactly what we will be doing if we take this amendment.

Mr. BELLMON. Mr. President, if the Senator will yield, I believe the Senator from Alaska just now said there is $2.3 million left in the budget or available to the committee that has not been appropriated.

Mr. STEVENS. That was until the subcommittee got to the full committee and now there is $993,000.

Mr. ROBERT C. BYRD. It is $993,000 under the 1976 budget.

Mr. METCALF. Mr. President, I have just one last word.

If we turn down this amendment it is going to cost us three times as much money to acquire the land that we want to acquire as far as water fowl and wildlife refuge are concerned, and this is sort of a penny-saving deal. I am not going to ask for a rollcall vote. I am just warning you we are going to buy this land because the people of America want this land acquired, and we are going to pay an awful lot more for it.

Mr. ROBERT C. BYRD. Mr. President, I am glad the Senator will not press this for a rollcall vote. If it were not for the budget restrictions under which we are operating, the fact that Congress is trying to discipline itself and live under a ceiling, and it is doing magnificently thus far, under the leadership of the Senator from Maine (Mr. MUSKIE) and the distinguished Senator from Oklahoma, who is vice chairman of that committee, who has set a splendid and shining example. I hope that he will join with the Senator from Montana in not pressing this amendment because if he does, it is going to bulge this ceiling which the distinguished Senator from Oklahoma has been so instrumental in persuading this body to live up to.

I thank the Senator from Montana, and I understand his argument. If it were not for this budgetary ceiling we are trying to live under, I would advocate and support this amendment. As a matter of fact, I would join the Senator in cosponsoring it. But I hope that under the circumstances he will relent and withdraw the amendment.

Mr. STEVENS. Is the Senator's amendment withdrawn?

Mr. METCALF. Mr. President, no, I would like to have the Chair put my amendment. I am not going to ask for a rollcall vote.

The PRESIDING OFFICER. Do the Senators yield back their running time?

Mr. METCALF. Yes.

Mr. ROBERT C. BYRD. I yield back my time on this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana. (Putting the question.)

The Chair is in doubt and asks for a division.

Senators in favor of agreeing to the amendment will rise and stand until counted. (After a pause.) Those opposed will rise and stand until counted.

On a division, the amendment was rejected.

Several Senators addressed the Chair.

Mr. STEVENS. Mr. President, I yield 5 minutes to the Senator from Ohio.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STEVENS. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. TAFT. Mr. President, I thank the distinguished Senator for yielding. I do not intend to propose an amendment tonight.

I do want to call to the attention of the committee the problem that, I think, is going to be forthcoming in a very few months.

The legislation authorizing the Cuyahoga Valley National Recreation Area in northeastern Ohio was signed by the President in December of 1974.

I particularly want to thank the committee for its consideration in the land acquisition funds that have been authorized totaling some $5 million during the next fiscal year and the partial year, that has been provided already and was put in even though it was omitted from the budget, I think, originally, by oversight.

However, the original request for operation and maintenance funding for the park was some $80,000 for fiscal year 1976, and again I want to say I appreciate the committee's giving us $75,000 of that to handle three additional positions needed if the park is to progress and the land acquisition program is to proceed.

However, no funding has been included in the budget for any of the areas authorized after the budget was prepared. It has now been learned that the State of Ohio intends to turn over 3,300 acres of State parkland to the Federal recreation area during the fiscal year 1976.

In order to maintain this land we are advised by the Park Service that an additional amount of $20,000 at least may be needed, and it was requested by the Park Service.

This total figure of $100,000 for operation and maintenance was supported by the Department of Interior.

Only $75,000 has been provided. However, as I say, I think we can perhaps be able to handle that amount as the time comes and as the State land is acquired. But if it goes on the schedule that is now practically certain of an acquisition early next year, the additional acreage, we may well have to come back to the committee and ask for some assistance for additional personnel to handle the problems that will be created thereby.

I again thank the committee for its consideration.

Mr. GLENN. Mr. President, will the Senator yield?

I would like to associate myself with the remarks of my senior colleague from Ohio. One of the areas we are concerned about is the Cuyahoga Valley Park, in relation to the adequate land funds of the State.

We have found that some of the more speculative land buyers in that area have already gotten into the act there. I would like to encourage those who are on the floor now to support in the future some of our land acquisition efforts in that area in the next budget so that we can keep the ultimate cost of that park down. It is rising daily as rezoning takes place and as land becomes more valuable in the area. We will save quite a bit in the long run if we can get early funding for the acquisition of additional land for the Cuyahoga Park.

Mr. ROBERT C. BYRD. Mr. President, the committee appreciates the position as stated by both Senators from Ohio, and the subcommittee will try to be sympathetic as the needs for this area arise.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota (Mr. HUMPHREY) proposes an amendment: On page 8, line 9, strike out "$77,198,000" and insert "$83,998,000".

Mr. HUMPHREY. Mr. President, this amendment relates to the Voyageurs National Park in the State of Minnesota. The committee report indicates to us that the committee is fully aware of the negotiations by the Park Service to purchase most of the remaining private holdings in the Voyageurs National Park in a single transaction.

In fact, I can report that that transaction has already been undertaken.

Here, again, we see the same process underway that the distinguished Senator from Montana (Mr. METCALF) referred to where the original cost was estimated around $5 million and now, because of increases in land value, it has gone up to over $11 million.

Of course, any delay just means these

land costs do continue and that there will be a greater outlay.

After a rather lengthy period of negotiation, the Boise Cascade Co. and the National Park Service agreed to a land acquisition figure of $11,120,000.

As I indicated earlier, the appraisal made by the Park Service and the original estimate was $5,100,000.

Now, the Appropriations Subcommittee has added on somewhat to the House appropriations figure, but we still have a void here, or a gap, of $6,700,000 necessary to bring the total to the level of the negotiated contract under current land prices.

I want to make it clear that the transaction has really been completed except for the money. Of course, the contract is open, namely, that as we go on, if the land costs go up, then there is going to be a greater cost to the Government.

But I understand what the Senator from West Virginia said here today. I also know what the budget constraints are in reference to our budget resolution and I appreciate the statement that was made in the committee report. I believe I am correct when I read from the report, as follows:

> The committee—namely, the Interior Appropriations Subcommittee—will extend sympathetic consideration to a supplemental request as soon as details and justification of the acquisition price are available.

May I ask the Senator from West Virginia, do I understand that once the details are in and the acquisition price has been agreed upon that the subcommittee will look with sympathy and favor upon a request from the Park Service for the additional amount?

Mr. ROBERT C. BYRD. As far as I am concerned, I can say yes.

The Park Service has just completed the negotiations in this matter.

Mr. HUMPHREY. Yes.

Mr. ROBERT C. BYRD. But to date, the subcommittee has not received a budget estimate. If the National Park Service provides the committee with a budget estimate, I assure the Senator that I will give this item careful and sympathetic consideration, and I assure the Senator that I will support the item if the Park Service can justify it. I believe that with the Senator's help, that justification will be achieved.

Mr. HUMPHREY. I am very grateful to the Senator from West Virginia. I do not think I could ask for more, except to get the money right now and I have a feeling that is not in the offing.

I want to thank the Senator and the committee for including planning moneys for the Red Lake Indian Reservation Hospital. There is a need, of course, for construction funds and we hope that we will be able, after the planning is done, to accomplish that goal.

I just visited the Red Lake Indian Reservation and I want to say to my colleagues that they would not feel very good about it if they saw the hospital conditions that prevail there. It is a very sad situation.

Also, I note the fact that the home improvement program for the Red Lake Indian Tribe request of $4 million was not granted and I would hope that the committee would respond in a more sympathetic and favorable manner.

There is a need, a desperate need on that reservation, for just some decent, modest housing.

I spent a day on the reservation just about a month ago and I can assure Senators that the need is so much evident that it is almost pathetic.

The chairman of the Tribal Council of the Minnesota Chippewa, Mr. Roger Jourdain, has written to me and I visited the reservation at his request. There needs to be about 800 units built over a 5-year period to even meet minimum requirements, and of course by the request that I entered this year for $4 million, it would only be a beginning.

I must say again, with these escalating costs, that all this goes up and up and up. But there is no way for us to deny, over the long run, the imperative necessity of meeting some of the human needs of the Indian people.

I say to the Senator from Montana (Mr. METCALF) that I was in full support of his efforts here a moment ago on wetlands acquisition. I recognize the budgetary problem, but these are wise investments. These investments pay off over the years and I think that the citizen and the taxpayer recognizes that when one can get a better price, that is the time to make the deal.

One of the problems with our governmental system is that we work on an annual basis. Of course, if anybody did that in private business, they would all go bankrupt. People try to make their acquisitions and their investments when the price is right. Regrettably, we have not yet achieved that sense of fiscal maturity. But I can assure everyone that if they were in a business enterprise, if they saw that the price was right, that is the time to make the deal.

We generally wait until the price goes up and say, "Well, necessity compels us to pay the price."

Mr. HATFIELD. Will the Senator yield?

Mr. HUMPHREY. Nevertheless, I bow to the constraints of the budget.

I said to the distinguished Senator from Maine today that he has disciplined me on these matters and I am going to stay so to speak, within the framework of the budget constraints.

Yes, I yield to the Senator from Oregon.

Mr. HATFIELD. To go back to the first item on the Senator's list, which he has referred to today, the one relating to the Voyageurs Park in the State of Minnesota, as a member of the Authorization Subcommittee of the Interior Committee I worked closely on this matter, and then also as a member of this subcommittee.

I want to assure the Senator that the Park Service, as he knows, has worked out a figure for which they feel they can establish a justification. I want to assure the Senator, for the RECORD, and associate myself with the subcommittee chairman, the Senator from West Virginia (Mr. ROBERT C. BYRD), that I shall support, as well, the efforts that will be made to secure the appropriations in the supplemental in order to complete this relationship, particularly with the Boise Cascade Co., in order to complete the park.

Mr. HUMPHREY. Will the Senator look with equal sympathy on my Red Lake Indian Tribe matter for a hospital?

Mr. HATFIELD. If the Senator only knew I had made a request of about $6.5 million for one in Oregon that I lost out on.

First after mine, next time I will be happy to.

Mr. HUMPHREY. Would the Senator like to go tandem?

I thank the Senator.

Mr. HATFIELD. I will reserve my answer until further study on the subject.

Mr. HUMPHREY. I think what we are pointing out here is the tremendous need. Obviously, we cannot meet them all.

I want to thank the committee.

I have here the responses of the chairman and other members of the committee to my request. I am very grateful for the cooperation and the manner in which all these requests and letters to my office have been handled and have been replied to.

I think it is a fine example of the kind of cooperation that we have received from the distinguished Senator from West Virginia, the distinguished Senators from Alaska, Oregon and others who serve on this committee.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. HUMPHREY. I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The Senator from South Dakota.

Mr. ABOUREZK. I want to yield for a moment to the Senator from Iowa, but I have an amendment I first want to call up.

The PRESIDING OFFICER. The Senator does not have time until he calls up the amendment.

Mr. ABOUREZK. I call up the first amendment I sent to the desk.

The legislative clerk proceeded to read the amendment.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the reading——

Mr. ROBERT C. BYRD. Mr. President, let the clerk finish reading the amendment so we will know what it is.

The legislative clerk read as follows:

> On page 20, delete lines 9 through 11 and in lieu thereof add the following: "by law; grants for strengthening tribal government as provided in Section 104 of the Public Law 93–638, the Indian Self-Determination and Education Assistance Act; and for general administration of the Bureau of Indian Affairs, including such expenses in field offices, $564,765,000."

Mr. ABOUREZK. Mr. President, I yield 2 minutes to the Senator from Iowa (Mr. CULVER).

Mr. CULVER. Mr. President, I wish to obtain the attention, if I might, of the manager of the pending legislation.

Mr. ROBERT C. BYRD. Can we allow the amendment of the Senator from South Dakota to be discussed and acted upon first?

Mr. CULVER. I thought I would just take a minute.

Mr. ROBERT C. BYRD. Can we have the amendment first?

Mr. ABOUREZK. I told Senator CULVER he could have a couple of minutes from my time, if agreeable.

Mr. ROBERT C. BYRD. All right.

Mr. CULVER. Mr. President, I had intended to offer an amendment to this legislation, but I certainly respect the efforts at fiscal restraint in terms of the total appropriations being considered this evening.

In 1865, the steamship *Bertrand* sank in the Missouri River near DeSoto Bend. It was conveying a cargo of supplies to Fort Benton, Mont.—supplies crucial to the opening of the West. The discovery and salvage of this cargo in 1968 provided our citizens, in effect, with a time capsule—of the Civil War era, of westward expansion, of the story of life on the Missouri River.

Despite conscientious and dedicated service by personnel of the Fish and Wildlife Service and the U.S. Park Service the current facilities at DeSoto Bend need additional assistance in the task of preserving these priceless artifacts from deterioration.

The provision of $100,000 would allow us to prevent this loss. With those funds, expert personnel could be hired and additional equipment purchased to stabilize the condition of the collection and to allow for their proper cataloging and curation.

Moreover, these funds would allow us to take the first steps toward establishing the kind of research, storage, and display facility which an archive of this caliber, and this area so clearly deserves. Along with thousands of other visitors from all over America, I have personally viewed the *Bertrand* collection and was both inspired and impressed with its quality and variety. In its proper and natural setting at DeSoto Bend it relates an eloquent chapter of our history. I would urge that we take the action necessary to let this story be told and properly displayed where it was discovered.

Mr. President, I wonder if the chairman would be kind enough to indicate to me whether or not, in his judgment, he feels that an amount up to $100,000 from the interpretation and recreation activity of the U.S. Fish and Wildlife Service might be applied and made available for the purposes of the operation and maintenance costs associated with the study, display and preservation of artifacts from the steamship *Bertrand*, a matter that we had an opportunity to discuss today.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator has discussed this proposal with me, a proposed amendment that he had in mind. He wrote to me about it earlier. Here, again, we are compelled to resist any additions. However, there is some $6.2 million available to the Fish and Wildlife Service for interpretation and recreation. Within that funding, I would urge the service to utilize, if my distinguished counterpart on the other side of the aisle will join me, up to $100,000 for costs indicated by the Senator from Iowa for the steamship *Bertrand* artifact collection.

Mr. STEVENS. I think that would be entirely consistent with the money provided. The Senator from Iowa has discussed this with me, also.

Mr. CULVER. I thank the distinguished chairman and the ranking member for their consideration.

Mr. ABOUREZK. The amendment which I called up, Mr. President, adds $25 million to implement the Indian Self-Determination and Education Assistance Act which was passed and signed into law on January 4, 1975. This Congress and the President have gone on record in support of Indian self-determination. What that means is that we are going to make an effort to cut the strings from the Bureau of Indian Affairs so that the Indian tribes around the country can learn to govern themselves. That is the objective of this Congress.

The only problem with agreeing with that objective is that we have not provided the funds to allow the Indian tribes to do just that. The reason we have not provided them is because the Bureau of Indian Affairs has failed to request them in this budget. The reason the Bureau of Indian Affairs has refused to request the $25 million, which they will concede internally they need to give to the tribes, is because it means that the balance of power between the Bureau of Indian Affairs and the tribes will be upset.

Mr. STEVENS. Will the Senator yield for 1 minute?

Mr. ABOUREZK. Yes.

Mr. STEVENS. I am a supporter of this, as I am sure the Senator realizes. My good friend, the Commissioner of the Bureau of Indian Affairs, and I have discussed it along with the head of the Office of Indian Education in HEW, as the Senator knows.

I can say to my good friend from South Dakota that those people have proceeded with the budget request. It is in the Office of Management and Budget. I have tried to get it cleared but it has not been cleared yet. It was a new authorization, as the Senator knows, and it did not get to us in time for consideration.

I would hope that my friend does not imply that there is some power struggle because that would even complicate the thing more. They have asked for the money. It is in OMB.

I was on the phone just before we cleared this bill from the subcommittee to try and get the clearance so that the budget request would be before us, but it was not received. I am informed that it will be processed in due course and at that time it will have our urgent attention and my absolute support, as my friend knows.

Mr. ABOUREZK. If I can respond to that, it was not requested. I would disagree that it is just not ready to be requested yet. The request has been ready. The OMB has approved at least part of that funding request but the Bureau of Indian Affairs has refused to do it. That is recognized in the committee's report on page 22.

Let me read from that report.

> The committee was disturbed at the failure of the Department to request additional funding for the implementation of Indian Self-Determination Act responsibilities. Delaying funds will only disrupt this program and evidence bad faith to the Indian people. The Committee will expect an early supplemental appropriation request to meet these needs.

Mr. STEVENS. Will the Senator yield?

Mr. ABOUREZK. In a moment I will.

It may not make much difference to the subcommittee whether or not they get this $25 million request now or later on in a supplemental, but it makes a great deal of difference when the Indians get it. If they are going to implement the Self-Determination Act and become somewhat self-determinative, they are going to have to have money to do it. What it amounts to now is that they are going to have to once again go to the BIA and beg for money to do the things that they want to do for themselves right now. That is to hire technical and clerical help in order to govern themselves.

They have been tied to the Bureau of Indian Affairs apron strings for so long now that we have all become fed up with it, including the Senator from Alaska. The way to get over that is to provide the money for them now under the authorization of the Indian Self-Determination Act.

I have talked to Senator BYRD who says he has a ceiling on this bill. He says if we have to take any amendments to conference, we will have to trim somewhere else. Might I respectfully suggest to the committee that if they do that, if this amendment is accepted, and I hope it is, that they trim $25 million from the Bureau of Indian Affairs because they are not going to need it if this money is put into the bill.

It really is an evidence of bad faith to the Indian people. We tell them we are going to let them start to learn to govern themselves and then shut off their money so they have to keep begging the Bureau of Indian Affairs.

I reserve the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I do not quarrel with the Senator that the implementation of the Indian Self-Determination Act provisions he has discussed requires additional funding. We touched on this in our hearings. It was our understanding that the administration would send up a budget request. As the distinguished Senator from Alaska has indicated, the Bureau of Indian Affairs stated to the subcommittee that the request was pending and that a budget estimate was expected, but it has not been able to get by the Office of Management and Budget.

The Congress certainly should expect a budget estimate for this program, together with adequate details and justification, funding the allocation.

Without a proper budget request and adequate hearings the committee did not feel it was appropriate to write in the funding as a budget add-on.

As the Senator may remember, in response to his request and that of several other Senators, we did add almost $16 million to the budget for public school construction assistance for Indian children under the Indian Self-Determination Act. That was because we were dealing with an established program and established priorities; but within the spending constraints imposed on us by the Budget Reform Act, for which we voted, I think we have done all we can do in this area at this moment. It is now incumbent upon the Office of Management and Budget to keep faith with the new law and send up appropriate budget estimates.

In light of the considerations we have already extended in the Indian health, education, and welfare area—with addons amounting to more than $69 million above the budget—I would hope the Senator could see fit to withdraw his amendment and not force a rollcall vote on it. We are all sympathetic to it and supportive of it, but under the budget constraints, I think we have to oppose the amendment.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Again, I have supported what the Senator from South Dakota has sought to do, and have done my utmost to get the Indian Self-Determination Act funding cleared through the budget process. I hope that the Senator will not put me in a position, as one who is trying to hold the line on what we are doing to comply with the budget restraints, of having to oppose an amendment that I support. I have done my best to get that money cleared.

I have been told there will be a discussion not only of this money, but the HEW money, and that we will be getting a request to act soon with regard to a supplemental; which supplemental it will come in I have no guarantee. I can only say I have done my best to get it cleared, and discussed it with the two principals in the administration, in both HEW and the BIA, who are supportive of Indian Self-Determination Act money.

I agree about the time; I agree about the necessity; and I agree that we have made a commitment, a commitment that must be kept.

If we cannot get Office of Management and Budget approval, the time well may come when we will have to face this question and start taking it out of someplace else, as the Senator suggests. I for one would not like to see that happen immediately, because the level of assistance that comes from the BIA for people who have not gone into the self-determination program should not be disturbed until the Self-Determination Act really takes hold and is working in a particular area.

I think we will have some period in here where there is actually the BIA which is ready to help, and the Indian Self-Determination Act money is building up the capability of the tribes themselves, and there will be some duplication in expenditures for a year or more, until in time the appropriations of the BIA will be reduced, as the Senator from South Dakota suggests.

There are several of us on the committee who feel very strongly about this, but it is a failure to have a request here which rests with the OMB, not with the Department, and I think the blame should rightfully rest where the request rests.

I would hope the Senator would follow the suggestion of the chairman and withdraw the amendment, and if we do not get this request within a reasonable period of time, I will join with him in seeking the add-on at a time when it should be available, which I again say we are talking about a delay, perhaps, of 6 weeks to 2 months, in starting a brilliant new program and starting it right, as opposed to trying to proceed without appropriate budget action.

So I cannot support the amendment, as much as I would like to.

Mr. ABOUREZK. Mr. President, the big problem is that it is a real Catch-22 situation. OMB, incidentally, has approved—they have said that they think $10 million can be used for this purpose. The BIA has said $25 million. They refuse to ask the committee for it, and the committee refuses to grant it unless they ask for it; and all the while the Indians are sitting out there hanging on to the BIA string, which is exactly the way the BIA wants it.

Mr. STEVENS. It is not the BIA constraint; it is that the BIA operates under the constraints of the Office of Management and Budget.

Mr. ABOUREZK. If I may say so to my friend from West Virginia, the Office of Management and Budget has asked for $10 million for this program. The fact is the Bureau of Indian Affairs refuses to go along with that request, because they want to keep the tribes dependent on them.

Mr. ROBERT C. BYRD. I know of no such request before our committee.

Mr. ABOUREZK. My interview with the Office of Management and Budget indicated that a request for $40 million is pending before them now. Since this request is for $25 million, the request for the counterpart has to be $40 million.

Mr. STEVENS. No.

Mr. YOUNG. Mr. President, will the Senator from South Dakota yield?

Mr. ABOUREZK. I yield.

Mr. YOUNG. I would hope the Senator would not press his amendment tonight. I am in accord with his views. We share a common problem; we even have one reservation together.

This matter is necessary, but I do not see how we can handle it now, because of the ceiling of the Budget Committee. All we can do is send it back to the committee. We could not delete $25 million for other sources in conference with the House of Representatives, so we have the practical matter of not being able to take it now.

I would hope the Senator would not press for it now, because he has made a good case and is going to win in the end.

Mr. ABOUREZK. May I ask this? I guess the Senator from Alaska and the Senator from West Virginia have said they would take this up within 2 months, at a time when the supplemental request comes up. Do they intend to do that whether or not the Bureau of Indian Affairs requests it? That is the only question I have.

Mr. STEVENS. I cannot speak for my friend from West Virginia as to whether or not he is willing to grant it, but I have told the Office of Management and Budget that if that request is not here by the time the supplemental comes up, I would offer this amendment myself.

Mr. ABOUREZK. I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. ABOUREZK. I call up another amendment which I have at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the appropriate place in the Act, insert the following:

That this Act is hereby amended so that $198,000 appropriated in PL 93–404, statutes 803, August 31, 1974 shall be available to assist the Little Wound School Board, Inc., in planning of new school facilities at Kyle, South Dakota.

Mr. ABOUREZK. Mr. President, the Little Wound School Board, under the Indian Self-Determination and Educational Assistance Act, is an all-Indian school board located on the Pine Ridge Indian Reservation in South Dakota. It was in the process of negotiating a contract with the Bureau of Indian Affairs in accordance with the Buy Indian Act. It was for the purposes of planning a new school facility at Kyle, S. Dak.

A commercial bidder on this contract, a bidder who lost the contract, intervened under a technicality in the Buy Indian Act, and has managed to forestall the award of the contract to the winning bidder. The matter is presently pending in the General Accounting Office as a protest, and the GAO has frozen that $193,000, waiting for the outcome.

It was clearly the intention of Congress that local Indian school boards should have the opportunity to plan their own facilities. This amendment would simply allow the school board to contract for the facilities.

In a report filed with the General Accounting Office, the Bureau of Indian Affairs has said that that was their intention in negotiation of the contract with the school board.

Mr. President, this amendment will not add 1 cent to the budget ceiling. What it does is redirect and reappropriate the $193,000 already appropriated last year for this purpose, and it clearly and expressly states the intention of Congress that that money be used by the all-Indian school board to contract for this school; so it does not violate the ceiling at all, and I would hope the committee would accept the amendment and allow the intention of Congress to be carried out on that matter.

Mr. STEVENS. Mr. President, may I ask the Senator a question? Is he saying money we appropriated last year ought to continue to be made available to the school board now, without regard to the GAO investigation and the advertising that went on in that school?

Mr. ABOUREZK. Yes, essentially what it will do is redirect the money from when it was appropriated last year, and it will express the intention of this Senate and this Congress, if it is passed finally, that the money was intended to be used by the school board and that a non-Indian commercial contractor could not intervene to stop it under a technicality as he did.

Mr. STEVENS. I leave it to the chairman. I will agree with whatever he would like to do with it. I do not think it has a budgetary impact. Maybe it is legislation in an appropriation bill and in the House the Senator knows how they feel about those things.

Mr. ABOUREZK. I state to the Senator from Alaska it has no budgetary impact whatsoever. What it will do is allow that school board to finish the planning and construction of their school. It is setting their waiting for this thing to be resolved. The intention of Congress clearly stated can resolve that conflict.

Mr. ROBERT C. BYRD. Mr. President, the committee did consider the Senator's request. I am in sympathy with the Senator's effort to help the Indians in this instance. Unfortunately, this does involve a contract that has already been put up for bids. I understand that the General Accounting Office has involved itself in the dispute. It is felt by the subcommittee that it would be inappropriate for the subcommittee to inject itself into the contract dispute.

It did not feel it was an appropriate step to recommend in an appropriation bill.

I hope the Senator would withdraw the amendment. I could make a point of order against the amendment. It is not in order. I hesitate to do that.

Mr. ABOUREZK. Could we just have a vote on it?

Mr. ROBERT C. BYRD. Yes. I will certainly be glad to have a voice vote on it.

Mr. ABOUREZK. Mr. President, I wish to have a vote. I move a division on it.

I wish to emphasize again that this does not add on anything. It has no budgetary impact. It would only allow the Indian school board to begin and complete the construction of their school at Kyle, S. Dak.

I urge support of this amendment.

The PRESIDING OFFICER. A division has been called for.

Do all Senators yield back their time?

Mr. ROBERT C. BYRD. I yield back the remainder of my time.

Mr. ABOUREZK. I yield back the remainder of my time.

The PRESIDING OFFICER. All of the Senators have yielded back their time.

The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was rejected.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas has been seeking recognition, and the Chair recognizes the Senator from Kansas.

Mr. DOLE. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Kansas (Mr. Dole) for himself and Mr. Pearson) proposes an amendment.

The amendment is as follows:

> On page 42, line 14, strike "$454,850,000," and insert in lieu thereof "$455,269,000,"

Mr. DOLE. Mr. President, let me say at the outset this will take about 2 minutes.

Mr. President, I am offering an amendment to the Interior appropriation bill which would provide funding for the advanced efforts of researchers at Kansas State University. These researchers are working on a process for converting organic wastes into methane gas. This amendment calls for funding at a level of $419,000 for the first year for construction of a pilot plant for testing and improving their process.

There was some confusion as to which appropriations bill this funding would properly be a part of since the funding for the Energy Research and Development Administration is divided between the Interior and Public Works bills. After consultation with subcommittee staff, I submitted this project for consideration to the Public Works Subcommittee. Later it became clear that this project belonged in the Interior bill. I contacted the members of the Interior Subcommittee, but they received the information too late to consider the project. Therefore, I am offering this amendment on the floor.

I understand the desire of the subcommittee to keep the appropriations bill within reasonable limits. I strongly feel, however, that this research proposal has great potential and should be included in the Energy Research and Development Administration portion of this bill.

This research has been going on for a number of years and is entering the pilot plant stage.

Essentially, the process uses agricultural wastes, such as livestock manure, and converts it into methane gas which can be used as a fuel and as a feedstock for the production of ammonia fertilizer.

Agricultural areas have a special interest in this project as a means of finding a way to dispose, or even market, otherwise useless agricultural wastes. Right now, the disposal of this waste is a serious environmental problem.

This project is a great deal more than an exercise in research. It is estimated that urban and animal waste could realistically meet 5 to 10 percent of our energy needs, if practical conversion methods are developed. Kansas State researchers have been in close contact with commercial engineers with an eye toward transition of the use of their process from the pilot plant stage to the commercial production stage. The Kansas State proposal received high marks from the Department of Agriculture and the Federal Energy Administration prior to the creation of ERDA.

In light of the valuable nature of the continued research in this field, I urge the adoption of this amendment.

I might say in addition that since submitting the amendment I discussed with the staff of both the distinguished Senator from West Virginia and the distinguished Senator from Alaska; perhaps if either of the Senators can assure me reference to this project the amendment can be withdrawn.

Mr. STEVENS. I say to my friend from Kansas that I have discussed this with the chairman of the committee. We share the interest of the Senator from Kansas in funding the project and developing the processes of converting farm waste into usable fuels.

As the Senator pointed out the timing of the request and the problems that we have in terms of whether this should be within the Interior appropriation bill or the public works appropriation bill have not been resolved until just recently.

I do think, based on the merits of the Kansas State University project, which the Senator described in his letter to the subcommittee, that we should expect the Energy Research and Development Administration to take a very careful look at this process and see if it should be funded under appropriation provided in the bill.

There is plenty of money in this bill to do this, if they agree that it has merit, and we certainly think it is a worthy concept that ought to be pursued.

I hope that the Senator would accept our statement that because the request was received at a fairly late date in terms of the ERDA request we really did not have time to go into all the processes. We have given them sufficient money to start, we think. They have a tremendous amount of money, as a matter of fact. There ought to be enough money in here to go into this Kansas State University project if they can substantiate with ERDA, and I think they should be able to do so.

Mr. DOLE. I thank the Senator from Alaska.

Based on the Senator's assurance there should be adequate funds to accommodate this project, based on the Senator's support of the project, I withdraw the amendment.

Mr. President, I ask unanimous consent that the letter referred to by the Senator from Alaska to the Subcommittee on Public Works be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., October 22, 1975.

Hon. John C. Stennis,
Hon. Mark O. Hatfield,
Subcommittee on Public Works, Appropriations Committee, Washington, D.C.

Gentlemen: Since your Subcommittee will soon be marking up the appropriation for the Energy Research and Development Administration, I wanted to request your support for funding advanced efforts of researchers at Kansas State University who are working on a process for converting organic wastes into methane gas.

This project is moving into the pilot plant stage and is in need of additional funding. This would involve approximately 1.5 million dollars from ERDA spread over a four-year period with approximately $419,000 required the first year. It is my hope that these funds can be included in the FY 76 appropriation.

Please note the enclosed letter signed by Senators Eastland, Bartlett, Domenici, Pearson, Young and myself in support of this project. We feel the project is especially important given the potential it has for leading to the production of 5 to 10 percent of our energy requirements and to better usage of our agricultural and urban wastes. The attached letter outlines in greater detail some of the merits of the project.

Since funds for this type of research are always limited, I would hope there will be recognition of the project's special merit in view of Kansas State University's facilities, personnel, experience and technical and advisory support. Their efforts, given the proper support, should lead to practical commercial use that will benefit the nation as a whole.

Sincerely yours,

Bob Dole,
U.S. Senate.

The PRESIDING OFFICER. The amendment is withdrawn.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio and then the Senator from Tennessee.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Ohio allow me to ask for the yeas and nays on final passage so Senators will know there is going to be at least one more rollcall vote?

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GLENN. Mr. President, I call up my amendment, which is at the desk, submitted for myself and Mr. Weicker, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. Glenn) for himself and Mr. Weicker, proposes an amendment:

The amendment is as follows:

On page 42, line 14, strike out "$454,850,000," and insert in lieu thereof "$459,250,000."

On page 43, line 9, strike out "$114,656,000," and insert in lieu thereof "$116,156,000."

Mr. GLENN. Mr. President, I ask unanimous consent that two staff members, Len Bickwit and Dave Hafemeister be granted floor privileges during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, our amendment deals with fuel cells and their funding. It is our intent to increase the amount for fuel cells by some $4.4 million; from $5.6 million to $10 million.

Recently ERDA has carried out a technology assessment of the fuel cell program using a panel of outside experts from ERDA, NASA, and the Department of Defense. Their results have been very favorable to the fuel cell program with the result that ERDA has changed their position and increased their official requests for funds up to the $10 million figure.

Unfortunately, these events took place after the Senate appropriations hearings which framed this bill. The House and Senate conferees on the ERDA authorizations (S. 598) of which I have been a part of for the last several days, have agreed with the technology assessment and ERDA's acceptance of it by funding the fuel cell at the full $10 million level.

In testimony given on November 12 before the House Appropriations Committee, Mr. Austin Heller, ERDA's Assistant Administrator for Conservation, was asked by Representative Regula his opinion of the amounts of money that could properly be spent and where the fuel cell development program stood. In asking about the increase of funds, whether they properly could be used, Mr. Heller replied:

> Yes. We have a program plan which we feel will result in significant fuel cell technology advancements in the near term. Technology assessment studies recently completed indicate that we can demonstrate the fuel cell in utility power plant applications by 1978. The additional ten million dollar FY 1976 appropriation will enable the initiation of the design and fabrication of a 4.8 megawatt fuel cell power plant. A hardware evaluation of the cell will be performed during FY 1977.

Many of us feel that the ERDA budget does not pay enough attention to the very near term energy problems of the country, and the fuel cell is one of the few technologies that can make a difference in this near term.

Fuel cells are about a factor of two more efficient on the basis of energy in and energy out than the older gas turbines and some of the outdated power stations which they will replace or may replace in the near term.

UTC, United Technologies, have been the forerunners or pioneers in the use and development of fuel cells. They developed the cells for the space program and they are probably the preeminent fuel cell team in the world. They have been carrying the full load at their own company expense, and now that some of the NASA support has gone down because of reductions in that program, it means that UTC in particular will be very hard hit.

This money could be used to carry on their efforts and help them carry some of this load in what has the possibility of being one of the biggest energy—clean energy—sources of the future that can be brought onstream by late 1977 or 1978 in potentially significant quantities.

Mr. President, I urge that we put this amount back in. I hope that the distinguished chairman of the subcommittee and the ranking minority member can support this increase, because this has a tremendous potential for the future.

The conference report on S. 598 will be following on the floor shortly, as soon as it is written up. It is a rather all-encompassing bill. It includes the higher figure of $10 million, and I think it is well-justified. It is a very small price that we are being asked to include for such a potential energy source for the future.

Mr. WEICKER. Mr. President, will the Senator yield?

Mr. GLENN. I yield.

Mr. WEICKER. I thank the distinguished Senator from Ohio. I associate myself with all his comments.

Mr. President, I am pleased to join my distinguished colleagues, Senators Glenn and Ribicoff, in offering this amendment. As I am sure most of you know, fuel cells have been, and continue to be, important factors in the success of our manned space program. Although developmental emphasis for fuel cells has been directed toward their military and space applications, they may very well prove to have viable civilian applications in the generation of electricity.

The commercial fuel cell development program has thus far been financed entirely by private industry with no contribution from the Federal Government. Much of the financing has come from gas and electric utility companies and the total investment to date by all involved is approximately $200 million. It has been proved that it is technically feasible to generate electricity with fuel cells. What remains is demonstrating the economic feasibility of generating electricity using fuel cells.

On November 12 of this year, ERDA testified that the funding proposed by the amendment will make possible the demonstration of a multimegawatt fuel cell generator to be constructed in cooperation with private industry. It is very questionable whether private industry—which, as I said earlier, has already spent over $200 million in this area—can afford to go it alone on this project. They need ERDA's help—both in dollars and expertise.

This is not a subsidy to the private sector. Rather, it is a recognition of what the private industry has already expended in an effort to develop a more efficient alternative source of energy production.

Because the benefits will accrue to a broad segment of energy users, it is entirely proper that the Federal Government should participate without delay. Without a significant commitment by ERDA, the program could be abandoned and the national asset gained by the private investment to date will be lost. With major Government participation, the benefits of fuel cell power generation will start to accrue before 1980. The additional funding offered by the amendment will be a clear signal that Congress intends to expedite the availability of this efficient new energy technology—the only new technology that can help our energy dilemma in this near-term time frame.

Mr. President, if we want to resolve the problems of this age, it has to be done through science and technology. Here is a particular area where we have that technology, and we are able to apply it in a very practical fashion.

I realize that much of the information came to mind or to attention after the committee did its work. But I hope—and I address myself to the distinguished Senator from Alaska and the distinguished Senator from West Virginia—that at the very least, if nothing can be done at this time, we will act upon this newly discovered technology or the facts emanating therefrom in time for inclusion in the supplemental appropriation to come later.

I am very much in favor of the amendment. I would like to have it now, but I believe the Senator from Ohio and I are confronted with a very practical situation. The months do not bother me; the years do. So if indeed, we can elicit some comment from the distinguished Senator from Alaska and the distinguished Senator from West Virginia, that would at least be a great help toward achieving a very important breakthrough in this area of science and technology.

Mr. GLENN. The Senator is correct, in that the 5.6 figure is enough to start. But the problem is that no one wants to start unless they know that there will be some follow-on funds for this project; particularly the $10 million for the 4.8 megawatt plant, which probably will not get started until they have indications of it being more adequately funded in the future. There are the reasons why I hate to see these funds held back into the future.

Mr. MOSS. Mr. President, will the Senator yield?

Mr. GLENN. I yield.

Mr. MOSS. Mr. President, I join Senator WEICKER and Senator GLENN in sponsoring this amendment because I have a strong personal interest in this power system, for several reasons.

First, I believe that the fuel cell alone can offer efficient power sources for rural communities, such as in Utah, or in many other States.

All other practical power sources that I am aware of must be huge in order to attain the high efficiency required for economical operation. Power must be transmitted over long distances to rural communities. However, these same high efficiencies are achieved in the fuel cell at power levels one-thousandth that of the giant powerplants.

Second, I have seen how successfully NASA applied the fuel cell to space applications—the fuel cells aboard Apollo/Soyuz performed flawlessly.

Third, the fuel cell is environmentally benign both because it emits no pollutants and because it uses fuel far more efficiently than alternative energy conversion systems.

Fourth, the fuel call can operate on a wide variety of fuels, conventional or synthetic. So fuel cells could offer a means of "stretching" our dwindling reserves of natural gas and oil while being compatible with the eventual introduction of synthetic fuels made from coal or shale.

So I urge support of this amendment for fuel cell research.

On September 15 of this year, I wrote to the Senator from West Virginia (Mr. ROBERT C. BYRD), who is chairman of the Appropriations Subcommittee having jurisdiction over the fuel cell research, and requested that his subcommittee provide $10 million for research on fuel cells. The ERDA authorization bills of both the House and the Senate contain a $10 million level, and the conferees agreed on this figure.

So I believe that we should provide adequate funding for the research and development and expansion in this field of fuel cells that may well offer the breakthrough that we need in this field of greater production of energy.

I thank the Senator from Ohio.

Mr. GLENN. I agree with the distinguished Senator from Utah, and I appreciate his remarks.

I should like to address a question or two to the distinguished floor manager and the ranking minority member of the committee.

It has been my impression that we were working within the budget constraints here that were the limitations set by the Senate in our considerations of bills as they come through. I have checked with Senator MUSKIE and his staff, and I have felt that we were operating quite within the limits in asking for this increase.

Can we have that delineated, as to exactly what budget limits we are operating under? Are they the Senate limits or the President's limits?

Mr. STEVENS. In connection with the budget process, this subcommittee accepted the budget request as its limit for the appropriation process. We only have a portion of the total, and the budget request was the amount we agreed we would stay beneath. The overall appropriations bills may be in excess of the administration's budget or may be below it, but we agreed that we would stay at or below the level of the budget.

Mr. GLENN. Are we operating within the budget limitations as suggested by the President?

Mr. STEVENS. We just adopted the budget requests as the level of the ceiling for this subcommittee, it is my understanding. There are other subcommittees that could go above and some that were set below, such as DOD. But this one we accepted the general level of the budget requests as our level of appropriations.

Mr. GLENN. We had agreed earlier in the year, as I understood it—perhaps I was wrong, and the Senator will correct me if I am wrong—but I understood that we had set our own Senate limits and were going to make every effort to stay within the Senate limits to which we all agreed. In asking for this amendment—I guess I was wrong, but it had been my understanding that we are still operating within our own Senate-set limits. That is why I put this bill in and asked for it, because I had had indications that we were still under those limits with this extra $14.4 million included. So it came as somewhat of a surprise to me to find that we have a different total budget limit now being set.

Mr. ROBERT C. BYRD. Mr. President, when the Public Works appropriations bill comes along, we are going to find that we may be in real trouble. If we go above the figures that the committee has recommended here and then the public works appropriation bill comes along, we are really going to be bursting that ceiling.

Mr. STEVENS. It was my understanding that the chairman of the full committee asked the subcommittees to give him a level of appropriation as a ceiling so that we could comply with the Budget Committee's request for an allocation of the Senate budget. We stated at that time that we would stay within the executive budget request. We have done so.

The Public Works Committee bill is coming along, also. It, too, is within the natural resources function of the Senate budget document. I concur in what the Senator from West Virginia says. I am informed that these two bills, together, may well push us over the ceiling.

Mr. GLENN. The Senator from Ohio realizes that, and I do not want to push the point here. I was surprised, because I thought that I was operating, when I put this in, under the budget limits that the Senate had set. I do not want to exceed those budget limits, as I have voted many times this year against things I might otherwise have voted for just to stay within the budget limits that we set in the Senate—not that were set for us by the executive branch or somewhere else. I think it needs to be pointed out what budget limits we are operating under here so that we are all aware of that when we give in on things we do not like to give in on.

I shall not press the point on this. I think that ERDA——

Mr. STEVENS. I do not want to mislead the Senator. We are staying within the Senate budget resolution by setting the total administration request level as the total appropriation in this bill. We have not stayed within the individual

Mr. GLENN. I understand, and I understand, also, that the original Senate budget, as we set it, I believe would have provided somewhere around another billion dollars that could have included some of these things that we have been pushing for this evening.

Mr. President, I hope that the ERDA authorization bill is approved when it gets to the floor. We have provided ERDA with considerable flexibility on their funding. I would hope that they can make this a priority item when they do consider the flexibility that they have in their budget. I am sure they will be able to find this extra $4.4 million.

Then I hope, Mr. President, that we could see fit, when a supplemental budget goes through, to make up this $4.4 billion difference. I solicit the comment of the distinguished floor manager in that regard.

Mr. ROBERT C. BYRD. Mr. President, the committee went into the fuel cell program several times in its budget hearings for ERDA. We asked specifically about ERDA's capability to expand that program to the amount in the Senate authorization, and the answer was a negative one. Dr. Seamans told the committee, in essence, that ERDA was still exploring the possibilities of fuel cell technology and was not ready to justify the kind of program envisioned in the Senate authorization bill.

I shall read from Dr. Seamans' testimony in response to a question from Senator BELLMON.

> Senator BELLMON. Is this as much as you need for fuel cell work?
>
> Dr. SEAMANS. I think you would have to say that we are still exploring the value of the fuel cell. As you know, I had quite a bit to do with development of fuel cells in connection with the space program.
>
> Fuel cells by themselves do not create energy. As a matter of fact, the Pratt & Whitney-United Aircraft effort, now called United Technologies Inc., has been primarily on fuel cells that use natural gas, so it is more a method of conversion rather than a source of energy.
>
> It does have the advantages of decentralizing, if you will. It does have an advantage from an environmental standpoint over other methods for conversion. However, we are still exploring conceptually the importance of the fuel cell and making a determination of the extent to which we should support the development.

I might point out that, according to ERDA's testimony, there is more than the $600,000 listed for fuel cell research under the advanced energy systems activity. ERDA testified there is a total of $3.2 million in the budget, and to that we have added $5 million for a new total of more than $8 million.

The breakdown is: $600,000 for advanced energy systems; $600,000 conservation; $2,000,000 in work for EPA.

We did include the additional $10 million the Senator wanted for Devonian shale under petroleum and natural gas extraction. Considering ERDA's response and the amount already added by the Committee over and above the budget—together with our determination to hold below the budget total for the bill—I hope the Senator would be willing to withdraw his amendment. I can assure the Senator that the Committee will follow the fuel cell technology issue very closely and continue to support the maximum needs for it as those needs are justified.

Mr. GLENN. I thank the distinguished floor manager. I believe the testimony he alluded to there was taken on October 6. The testimony that I indicated in my original statement, which was quite contrary to that, was a later statement made by the assistant administrator, Mr. Austin Heller. It was made on November 12 of this year, it was a recent statement. ERDA has changed its mind on this and the money they would like to have.

I hope that we can continue emphasis on fuel cells, Mr. President. I know that we do not want to go over the budget, whichever one we are operating under. For that reason, having a big interest in staying within our budgets this year, wherever they come from, I withdraw this amendment.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator for withdrawing it.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. BAKER. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 12, line 24, delete "$38,011,000" and insert in lieu thereof "$38,875,000".

Mr. BAKER. Mr. President, this amendment would add $864,000 to that portion of the bill that provides for the liquidation of obligations under the road construction authority. This money would be spent to initiate planning on two sections of the Natchez Trace Parkway in Tennessee, sections 1–C and 1–D.

I have been seeking this money for some time, because of the great need. I sought to have it included in the supplemental bill last year. I testified on the need before the committee last spring.

Appropriations on the Natchez Trace Parkway started nearly 40 years ago, with work on the Tennessee portion begun before World War II. All told, $93,912,000 has been spent on the 317 miles of the Trace that are open: 57 miles in Tennessee, 22 miles in Alabama, and 238 miles in Mississippi. But, Mr. President, the last work in Tennessee was completed nearly a decade ago.

The people of Tennessee have been pleased by the recent action of Congress appropriating funds for construction on the Natchez Trace. A total of $7.4 million was added in the Senate to the regular fiscal year 1975 appropriations bill for Natchez Trace work in Mississippi and Alabama.

But work on the Tennessee portions of the parkway has lagged. My amendment would initiate the engineering and design work on the next two logical portions of the Parkway in Tennessee. Section 1–D would connect with the completed parkway at Gordonsburg, Tenn., and carry the parkway 9.5 miles north to Williamsport, at Tennessee Route 50. Planning has already begun on portions of the Trace that are lower on the Park Services' priority list than this important link. Planning work of this segment will cost $369,000. Section 1–C would extend from Williamsport 12.2 miles to a point north of Santa Fe, Tenn. Planning on this segment will cost $495,000.

The right-of-way has been fully acquired for both of these sections. Now is the logical time to begin planning. Initiation of this planning would also encourage the State of Tennessee to complete its acquisition of right-of-way on the two remaining sections of the Trace in Tennessee before land prices escalate much farther. For the record, these are sections 1–B, which runs 10.1 miles north to Leipers Fork, and 1–A, which extends from Leipers Fork 13 miles into the outskirts of Nashville.

The State has acquired 99.5 percent of the right-of-way for section 1–B, and planning work could begin shortly. Work on section 1–A is farther off. Slightly over half the needed land is now owned by the State or is under negotiation. But the remaining 48 percent of right-of-way is under reappraisals.

Mr. President, I believe that a strong need exists to demonstrate the intent of Congress to accelerate the parkways and park road programs. A total of more than $220 million in unprogrammed contract authority for the parkway program had been accumulated. The contract authority available for both the parkways and the park roads program, in the current fiscal year, totals $105,000,000. Yet, the obligational authority is limited to less than 40 percent of that sum. The 1976 levels are approximately the same. This means that we are continuing to fall behind the needs, as determined by the authorizations for these important programs. This backlog of funds is more than enough to cover the $179.3 million cost to complete the entire Natchez Trace in three States.

Mr. President, I urge the distinguished floor manager of the bill (Mr. BYRD) and the distinguished ranking minority member of the committee (Mr. STEVENS), and my colleagues to approve this amendment.

Mr. President, I understand this is not a propitious time to ask for increases in this bill, having sat here on the floor and watched the disposition of the other efforts in that respect. I must say, with some deference and respect to the interest of my constituents notwithstanding, that I admire the efficiency of the Senator from West Virginia and the Senator from Alaska. They have done their job very well, indeed.

As a result of that I do not really have much illusion about what is going to happen to this one.

Mr. ROBERT C. BYRD. The Senator makes it very difficult for me to comment, in my present stance, but I will try to hold on to my desk and listen to your proposal. [Laughter.]

Mr. BAKER. I do not have much illusion as to what is going to happen to this one. But, Mr. President, I would hope we could call attention that the Natchez Trace Parkway in my part of the United States is important to that part of the country and it is important, I believe, as well to go forward in an orderly way with construction. This addition to the bill would do that.

Now, I, too, am aware of the fiscal and budgetary restraint under which we are operating and, to be honest and frank, at this point I would be willing to see if the distinguished Senator from West Virginia and the Senator from Alaska would assure me that during the consideration of these matters at the next opportunity—presumably next year—consideration would be given to this proposal, that is, funds appropriated for those portions of the parkway that lie in Tennessee and which ought to be eligible for construction. There has been no construction in my State for 10 years.

I hope that I could have one more assurance, if I may, and that is that at least to the extent that funds are already available in this bill we might have the commitment of planning money for $300,000 or $350,000 of existing funds already in the bill, I understand already available for that purpose, for planning on section 1–D of this parkway, not additional money.

If the distinguished managers of the bill could give me any enlightenment as to this bill, I will give further consideration to what I have in mind.

Mr. ROBERT C. BYRD. I appreciate the problem which the Senator has outlined, and I would like to be helpful to him. Therefore, I would urge, if my distinguished counterpart, Mr. STEVENS, would join me, that the Park Service fund at least $369,000 from available funds to get the selection 1–D construction underway. This amount can be handled within the total amount appropriated for the Park Service, and as I understand it, it would get this work started. I can also assure the Senator that we will certainly extend every consideration to the Senator's requests in future appropriation bills.

Mr. BAKER. Mr. President, that is entirely satisfactory, and I am personally grateful.

Mr. STEVENS. I concur. It is my understanding the Senator from West Virginia has stated the situation. Those funds are available within the road funds, and I think the Senator has made a very good case with regard to Natchez Trace Parkway as far as his State is concerned, and we will make every effort to make certain that the parkway is completed.

As I told the Senator I have been familiar with that one for too long. I did not know it was not completed in the Senator's State, to tell the truth. I will be most pleased to help the Senator complete the project.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. BAKER. I would be happy to yield.

Mr. BROCK. I would like to express my appreciation for the response of the Senator from West Virginia. He knows our area very well. The Senator from Alaska has been familiar with this matter. This has been for enormously too long, a problem. I appreciate the leadership of my senior colleague from Tennessee.

Mr. BAKER. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, before we conclude on the bill, I would like to call attention to three typographical errors in the report accompanying the bill:

On page 51 of the report, "General Provisions, Department of the Interior", the bill reference is printed as "Page 57, line 12". The correct reference is Page 33, line 4.

On page 76, in the report table, the recapitulation of related agencies definite appropriations for the transition period has an incorrect comparison in column 7. The figure as printed is +$476.171. It should be −$17,762,000.

Finally on page 77, in the report table, the grand total of budget estimates for liquidation of contract authority in the transition period is printed as $32,521,000. The figure should be $38,521,000.

Mr. President, I ask to have printed in the RECORD a comparative table reflecting the fiscal year 1975 appropriation, the fiscal year 1976 estimates, the amount appropriated by the House and the amount recommended by the committee with comparisons.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1976 AND THE TRANSITION PERIOD

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated]

					Increase (+) or decrease (−), Senate bill compared with—		
Agency and item (1)	New budget (obligational) authority appropriated, 1975 (2)	Budget estimates of new (obligational) authority, 1976 and the transition period (3)	Recommended in the House bill (4)	Recommended by Senate committee (5)	New budget (obligational) authority 1975 (6)	Budget estimates of new (obligational) authority 1976 and the transition period (7)	House bill (8)
TITLE I—DEPARTMENT OF THE INTERIOR							
LAND AND WATER RESOURCES							
BUREAU OF LAND MANAGEMENT							
Management of lands and resources	175,886,000	186,989,000	193,839,000	188,832,000	12,946,000	1,843,000	−5,007,000
Transition period	--------	57,380,000	59,092,000	58,042,000	--------	662,000	−1,050,000
Construction and maintenance	6,725,000	9,061,000	9,061,000	9,361,000	2,636,000	300,000	300,000
Transition period	--------	2,238,000	2,238,000	2,238,000	--------	--------	--------
Public lands development roads and trails (appropriation to liquidate contract authority)	(4,070,000)	(4,683,000)	(4,683,000)	(3,183,000)	(−887,000)	(−1,500,000)	(−1,500,000)
Transition period	(--------)	(1,121,000)	(1,121,000)	(1,121,000)	(--------)	(--------)	(--------)
Oregon and California grant lands (indefinite, appropriation of receipts)	38,200,000	38,200,000	38,200,000	38,200,000	--------	--------	--------
Transition period	--------	10,200,000	10,200,000	10,200,000	--------	--------	--------
Range improvements (indefinite, appropriation of receipts)	4,187,000	5,450,000	5,450,000	5,450,000	1,263,000	--------	--------
Transition period	--------	600,000	600,000	600,000	--------	--------	--------
Recreation development and operation of recreation facilities (indefinite, special fund)	242,000	300,000	300,000	300,000	58,000	--------	--------
Transition period	--------	100,000	100,000	100,000	--------	--------	--------
Total, Bureau of Land Management	225,240,000	240,000,000	246,850,000	242,143,000	16,903,000	2,143,000	−4,707,000
Transition period	--------	70,518,000	72,230,000	71,180,000	--------	662,000	−1,050,000
OFFICE OF WATER RESEARCH AND TECHNOLOGY							
Salaries and expenses	19,792,000	18,327,000	18,905,000	17,715,000	−2,077,000	−612,000	−1,190,000
Transition period	--------	4,516,000	4,411,000	4,411,000	--------	−105,000	--------
Total, Land and Water Resources	245,032,000	258,327,000	265,755,000	259,858,000	14,826,000	1,531,000	−5,897,000
Transition period	--------	75,034,000	76,641,000	75,591,000	--------	557,000	−1,050,000
FISH AND WILDLIFE AND PARKS							
BUREAU OF OUTDOOR RECREATION							
Salaries and expenses	5,380,000	5,645,000	5,912,000	5,562,000	182,000	−83,000	−350,000
Transition period	--------	1,411,000	1,478,000	1,411,000	--------	--------	−67,000
LAND AND WATER CONSERVATION FUND							
Appropriation of receipts (indefinite)	307,492,000	300,000,000	309,761,000	307,886,000	394,000	7,886,000	−1,875,000
Transition period	--------	75,000,000	75,488,000	76,488,000	--------	1,488,000	1,000,000
U.S. FISH AND WILDLIFE SERVICE							
Resource management	103,798,000	112,433,000	115,984,000	117,787,000	13,989,000	5,354,000	1,803,000
Transition period	--------	27,038,000	27,389,000	28,639,000	--------	1,601,000	1,250,000
Construction and anadromous fish	14,397,000	6,727,000	14,229,000	14,981,000	584,000	8,254,000	752,000
Transition period	--------	1,060,000	1,060,000	1,060,000	--------	--------	--------
Migratory bird conservation account (definite, repayable advance)	1,000,000	--------	10,000,000	7,500,000	6,500,000	7,500,000	−2,500,000
Transition period	--------	--------	--------	--------	--------	--------	--------
Total, U.S. Fish and Wildlife Service	119,195,000	119,160,000	140,213,000	140,268,000	21,073,000	21,108,000	55,000
Transition period	--------	28,098,000	28,449,000	29,699,000	--------	1,601,000	1,250,000
NATIONAL PARK SERVICE							
Operation of the national park system	220,138,000	240,121,000	240,413,000	245,595,000	25,457,000	5,474,000	5,182,000
Transition period	--------	74,485,000	74,022,000	75,968,000	--------	1,483,000	1,946,000
Planning and construction	60,412,000	22,800,000	26,255,000	26,494,000	−33,918,000	3,694,000	239,000
Transition period	--------	6,000,000	7,100,000	7,125,000	--------	1,125,000	25,000
Road construction (appropriation to liquidate contract authority)	(26,026,000)	(38,820,000)	(46,093,000)	(38,011,000)	(11,985,000)	(−809,000)	(−8,082,000)
Transition period	(--------)	(9,400,000)	(9,900,000)	(11,000,000)	(--------)	(1,600,000)	(1,100,000)
Preservation of historic properties	24,476,000	24,516,000	24,666,000	24,516,000	40,000	--------	−150,000
Transition period	--------	6,040,000	6,040,000	6,040,000	--------	--------	--------

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item	New budget (obligational) authority appropriated, 1975	Budget estimates of new (obligational) authority, 1976 and the transition period	Recommended in the House bill	Recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					New budget (obligational) authority 1975	Budget estimates of new (obligational) authority 1976 and the transition period	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TITLE I—DEPARTMENT OF THE INTERIOR—Continued							
FISH AND WILDLIFE AND PARKS—Con.							
NATIONAL PARK SERVICE—Con.							
Planning, development and operation of recreation facilities (indefinite, special fund)	11,900,000	14,000,000	16,000,000	14,000,000	2,100,000	----	−2,000,000
Transition period	----	5,000,000	4,000,000	5,000,000	----	----	1,000,000
John F. Kennedy center for the performing arts	2,500,000	2,575,000	2,575,000	2,500,000	----	−75,000	−75,000
Transition period	----	741,000	741,000	741,000	----	----	----
National Park Service	319,426,000	304,012,000	309,909,000	313,105,000	−6,321,000	9,093,000	3,196,000
Transition period	----	92,266,000	91,903,000	94,874,000	----	2,608,000	2,971,000
Total, Fish and Wildlife and Parks	751,493,000	728,817,000	765,795,000	766,821,000	15,328,000	38,004,000	1,026,000
Transition period	----	196,775,000	197,318,000	202,472,000	----	5,697,000	5,154,000
ENERGY AND MINERALS							
GEOLOGICAL SURVEY							
Surveys, investigations, and research	254,146,000	268,259,000	265,065,000	268,544,000	14,398,000	285,000	3,479,000
Transition period	----	67,200,000	66,425,000	67,695,000	----	495,000	1,270,000
MINING ENFORCEMENT AND SAFETY ADMINISTRATION							
Salaries and expenses	67,913,000	79,500,000	76,136,000	82,698,000	14,785,000	3,198,000	6,562,000
Transition period	----	20,600,000	20,035,000	20,736,000	----	136,000	701,000
BUREAU OF MINES							
Mines and minerals	133,807,000	158,387,000	146,608,000	157,584,000	23,777,000	−803,000	10,976,000
Transition period	----	39,450,000	36,505,000	39,186,000	----	−264,000	2,681,000
Total, Energy and Minerals	455,866,000	506,146,000	487,809,000	508,826,000	52,960,000	2,680,000	21,017,000
Transition period	----	127,250,000	122,965,000	127,617,000	----	367,000	4,652,000
INDIAN AFFAIRS							
BUREAU OF INDIAN AFFAIRS							
Operation of Indian Programs	485,932,000	544,249,000	543,031,000	539,765,000	53,833,000	−4,484,000	−3,266,000
Transition period	----	173,186,000	174,474,000	173,246,000	----	60,000	−1,228,000
Construction	64,804,000	61,400,000	63,556,000	86,534,000	21,730,000	25,134,000	22,978,000
Transition period	----	13,550,000	13,550,000	13,550,000	----	----	----
Road construction (appropriation to liquidate contract authority)	(59,500,000)	(66,705,000)	(66,705,000)	(66,705,000)	(7,205,000)	(----)	(----)
Transition period	(----)	(28,000,000)	(28,000,000)	(28,000,000)	(----)	(----)	(----)
Indian loan guaranty and insurance fund	20,000,000	20,000,000	10,000,000	15,000,000	−5,000,000	−5,000,000	5,000,000
Transition period	----	----	----	----	----	----	----
Revolving fund for loans	38,000,000	12,000,000	7,000,000	3,000,000	−35,000,000	−9,000,000	−4,000,000
Transition period	----	----	----	----	----	----	----
Alaska native fund	70,000,000	70,000,000	70,000,000	70,000,000	----	----	----
Transition period	----	40,000,000	40,000,000	40,000,000	----	----	----
Trust funds (definite)	3,000,000	3,000,000	3,000,000	3,000,000	----	----	----
Transition period	----	750,000	750,000	750,000	----	----	----
Trust funds (indefinite)	19,500,000	31,200,000	31,200,000	31,200,000	11,700,000	----	----
Transition period	----	8,298,900	8,298,900	8,298,900	----	----	----
Total, Bureau of Indian Affairs	701,236,000	741,849,000	727,787,000	748,499,000	47,263,000	6,650,000	20,712,000
Transition period	----	235,784,900	237,072,900	235,844,900	----	60,000	−1,228,000
TERRITORIAL AFFAIRS							
OFFICE OF TERRITORIAL AFFAIRS							
Administration of territories	15,350,000	15,000,000	16,000,000	22,000,000	6,650,000	7,000,000	6,000,000
Transition period	----	3,800,000	3,800,000	3,800,000	----	----	----
Permanent appropriation (special fund)	(625,000)	(600,000)	(600,000)	(600,000)	(−25,000)	(----)	(----)
Transition period	(----)	(185,000)	(185,000)	(185,000)	(----)	(----)	(----)
Transferred from other accounts (special fund)	(875,000)	(975,000)	(975,000)	(975,000)	(100,000)	(----)	(----)
Transition period	(----)	(253,000)	(253,000)	(253,000)	(----)	(----)	(----)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item	New budget (obligational) authority appropriated, 1975	Budget estimates of new (obligational) authority, 1976 and the transition period	Recommended in the House bill	Recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					New budget (obligational) authority 1975	Budget estimates of new (obligational) authority 1976 and the transition period	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TITLE I—DEPARTMENT OF THE INTERIOR—Con.							
TERRITORIAL AFFAIRS—Continued							
OFFICE OF TERRITORIAL AFFAIRS—Continued							
Trust Territory of the Pacific Islands	69,750,000	81,000,000	81,000,000	77,196,000	7,446,000	−3,804,000	−3,804,000
Transition period		15,100,000	15,100,000	15,100,000			
Micronesian claims fund, Trust Territory of the Pacific Islands	1,400,000	10,000,000	10,000,000	10,000,000	8,600,000		
Transition period		8,600,000	8,600,000	8,600,000			
Ex gratia payment, Bikini		3,000,000	2,270,000	3,000,000	3,000,000		730,000
Transition period							
Total, Office of Territorial Affairs	86,500,000	109,000,000	109,270,000	112,196,000	25,696,000	3,196,000	2,926,000
Transition period		27,500,000	27,500,000	27,500,000			
SECRETARIAL OFFICES							
OFFICE OF THE SOLICITOR							
Salaries and expenses	11,082,000	12,014,000	11,143,000	11,382,000	300,000	−632,000	239,000
Transition period		2,727,000	2,626,000	2,703,000		−24,000	77,000
OFFICE OF THE SECRETARY							
Salaries and expenses	19,839,000	21,343,000	18,599,000	19,732,000	−107,000	−1,611,000	1,133,000
Transition period		4,850,000	4,171,000	4,408,000		−442,000	237,000
Departmental operations	10,618,000	14,278,000	12,381,000	12,278,000	1,660,000	−2,000,000	−103,000
Transition period		2,920,000	2,445,000	2,515,000		−405,000	70,000
Salaries and expenses (special foreign currency program)	192,000	1,714,000		1,494,000	1,302,000	−220,000	1,494,000
Transition period		100,000		75,000		−25,000	75,000
Total Office of the Secretary	30,649,000	37,335,000	30,980,000	33,504,000	2,855,000	−3,831,000	2,524,000
Transition period		7,870,000	6,616,000	6,998,000		−872,000	382,000
Total, Secretarial Offices	41,731,000	49,349,000	42,123,000	44,886,000	3,155,000	−4,463,000	2,763,000
Transition period		10,597,000	9,242,000	9,701,000		−896,000	459,000
Total, new budget (obligational) authority, Department of the Interior	2,281,858,000	2,393,488,000	2,398,539,000	2,441,086,000	159,228,000	47,598,000	42,547,000
Transition period		672,940,900	670,738,900	678,725,900		5,785,000	7,987,000
Consisting of—							
Appropriations	2,281,858,000	2,393,488,000	2,398,539,000	2,441,086,000	159,228,000	+47,598,000	42,547,000
Transition period		672,940,900	670,738,900	678,725,900		5,785,000	7,987,000
Definite appropriations	(1,895,885,000)	(2,004,338,000)	1,997,628,000	(2,044,050,000)	(+148,165,000)	(+39,712,000)	(+46,422,000)
Transition period		(573,742,000)	(572,052,000)	(578,527,000)		(+4,785,000)	(+6,475,000)
Indefinite appropriations	(385,973,000)	(389,150,000)	(400,911,000)	(397,036,000)	(+11,063,000)	(+7,886,000)	(−3,875,000)
Transition period		(99,198,900)	(98,686,900)	(100,198,900)		(+1,000,000)	(1,512,000)
Memoranda—							
Appropriations to liquidate contract authority	(89,596,000)	(110,208,000)	(117,481,000)	(107,899,000)	(+18,303,000)	(−2,309,000)	(−9,852,000)
Transition period		(38,521,000)	(39,021,000)	(40,121,000)		(+1,600,000)	(+1,100,000)
Total, new budget (obligational) authority *and* appropriations to liquidate contract authority	(2,371,454,000)	(2,503,696,000)	(2,516,020,000)	(2,548,985,000)	(+177,531,000)	(+45,289,000)	(+32,965,000)
Transition period		(711,461,900)	(709,759,900)	(718,846,900)		(+7,385,000)	(+9,087,000)
TITLE II—RELATED AGENCIES							
DEPARTMENT OF AGRICULTURE							
FOREST SERVICE							
Forest protection and utilization:							
Forest land management	419,362,000	338,297,000	358,746,000	363,012,000	−56,350,000	24,715,000	4,266,000
Transition period		111,388,000	116,759,000	118,388,000		7,000,000	1,629,000
Forest research	77,612,000	79,211,000	81,955,000	82,005,000	4,393,000	2,794,000	50,000
Transition period		21,550,000	22,277,000	21,550,000			−727,000
State and private forestry cooperation	34,784,000	30,222,000	33,594,000	32,994,000	−1,790,000	2,772,000	−600,000
Transition period		9,202,000	10,052,000	9,802,000		600,000	−250,000
Total Forest Protection and Utilization	531,758,000	447,730,000	474,295,000	478,011,000	−53,747,000	30,281,000	3,716,000
Transition period		142,140,000	149,088,000	149,740,000		7,600,000	652,000
Construction and land acquisition	31,337,000	14,475,000	16,618,000	17,607,000	−13,730,000	3,132,000	989,000
Transition period		11,074,000	11,074,000	11,074,000			
Youth conservation corps	10,392,000	10,400,000	20,000,000	30,000,000	19,608,000	19,600,000	10,000,000
Transition period		8,054,000		10,000,000		1,946,000	10,000,000
Forest roads and trails (appropriation to liquidate contract authority)	(124,578,000)	(108,225,000)	(117,859,000)	(112,859,000)	(−11,719,000)	(4,634,000)	(−5,000,000)
Transition period	( )	( )	( )	( )	( )	( )	( )

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item	New budget (obligational) authority appropriated, 1975	Budget estimates of new (obligational) authority, 1976 and the transition period	Recommended in the House bill	Recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					New budget (obligational) authority 1975	Budget estimates of new (obligational) authorty 1976 and the transition period	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TITLE II—RELATED AGENCIES—Con.							
DEPARTMENT OF AGRICULTURE—Con.							
FOREST SERVICE—Con.							
Acquisition of lands for national forests:							
Special acts (special fund, indefinite)	161,000	161,000	161,000	161,000			
Transition period							
Acquisition of lands to complete land exchanges	39,310	35,000	35,000	35,000	−4,310		
Transition period							
Acquisition of lands, Klamath Indians	49,000,000				−49,000,000		
Transition period							
Cooperative range improvements (special fund, indefinite)	700,000	700,000	700,000	700,000			
Transition period							
Assistance to States for tree planting	1,355,000	1,359,000	1,359,000	1,359,000	4,000		
Transition period		829,000	829,000	829,000			
Construction and operation of recreation facilities (indefinite, special fund)	1,260,000	3,674,000	3,674,000	3,674,000	2,414,000		
Transition Period		2,212,000	2,212,000	2,212,000			
Total Forest Service	626,002,310	478,534,000	516,842,000	531,547,000	−94,455,310	53,013,000	14,705,000
Transition period		164,309,000	163,203,000	173,855,000		9,546,000	10,652,000
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION							
Operating expenses, fossil fuels	330,936,000	463,400,000	406,594,000	454,850,000	123,914,000	−8,550,000	48,256,000
Transition period		117,460,000	104,568,000	114,656,000		−2,804,000	10,088,000
Plant and capital equipment, fossil fuels	13,260,000	21,025,000	20,425,000	21,025,000	7,765,000		600,000
Transition period		8,240,000	8,200,000	8,240,000			40,000
Special foreign currency program, fossil fuels		6,650,000	6,650,000	6,650,000	6,650,000		
Transition period							
Total Energy Research and Development Administration	344,196,000	491,075,000	433,669,000	482,525,000	138,329,000	−8,550,000	48,856,000
Transition period		125,700,000	112,768,000	122,896,000		−2,804,000	10,128,000
FEDERAL ENERGY ADMINISTRATION							
Salaries and expenses	130,035,000	260,095,000	98,388,000	158,245,000	28,210,000	−101,850,000	59,857,000
Transition period		50,825,000	25,439,000	27,000,000		−23,825,000	1,561,000
FEDERAL METAL AND NONMETALLIC MINE SAFETY BOARD OF REVIEW							
Salaries and expenses	60,000	60,000			−60,000	−60,000	
Transition period		15,000				−15,000	
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE							
HEALTH SERVICES ADMINISTRATION							
Indian health services	235,672,000	269,541,000	273,017,000	272,662,000	36,990,000	3,121,000	−355,000
Transition period		73,028,000	73,580,000	74,197,000		1,169,000	617,000
Indian health facilities	57,431,000	41,458,000	43,758,000	56,466,000	−965,000	15,008,000	12,708,000
Transition period		11,084,000	11,084,000	11,084,000			
Total, Indian Health	293,103,000	316,999,000	316,775,000	329,128,000	36,025,000	17,670,000	12,353,000
Transition period		84,112,000	84,664,000	85,281,000		1,169,000	617,000
OFFICE OF EDUCATION							
Indian education	42,034,000	42,055,000	57,055,000	57,055,000	15,021,000	15,000,000	
Transition period		516,000	516,000	516,000			
INDIAN CLAIMS COMMISSION							
Salaries and expenses	1,324,000	1,420,000	1,411,000	1,411,000	87,000	−9,000	
Transition period		355,000	352,000	352,000		−3,000	
NAVAHO AND HOPI RELOCATION COMMISSION							
Salaries and expenses		37,500,000		16,500,000	16,500,000	−21,000,000	16,500,000
Transition period		125,000		125,000			125,000
SMITHSONIAN INSTITUTION							
Salaries and expenses	70,706,000	79,408,000	77,908,000	77,752,000	7,046,000	−1,656,000	−156,000
Transition period		22,010,000	21,634,000	21,712,000		−298,000	78,000
Museum programs and related research (special foreign currency program)	2,000,000	2,000,000		500,000	−1,500,000	−1,500,000	500,000
Transition period		750,000				−750,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority appropriated, 1975 (2)	Budget estimates of new (obligational) authority, 1976 and the transition period (3)	Recommended in the House bill (4)	Recommended by Senate committee (5)	Increase (+) or decrease (−), Senate bill compared with—		
					New budget (obligational) authority 1975 (6)	Budget estimates of new (obligational) authority 1976 and the transition period (7)	House bill (8)
TITLE II—RELATED AGENCIES—Continued							
SMITHSONIAN INSTITUTION—Continued							
Science information exchange	1,805,000	1,875,000	1,500,000	1,875,000	70,000		375,000
Transition period		500,000	406,000	500,000			94,000
Construction and improvements, National Zoological Park	9,420,000	9,550,000	8,390,000	8,390,000	−1,030,000	−1,160,000	
Transition period		1,440,000	1,440,000	1,440,000			
Restoration and renovation of buildings	1,490,000	1,467,000	1,192,000	1,192,000	−298,000	−275,000	
Transition period		400,000	400,000	400,000			
Construction (appropriation to liquidate contract authority)	(7,000,000)	(3,000,000)	(2,500,000)	(2,500,000)	(−4,500,000)	(−500,000)	( )
Transition period	( )	( )	( )	( )	( )	( )	( )
Salaries and expenses, National Gallery of Art	7,015,000	7,598,000	7,564,000	7,431,000	416,000	−167,000	−133,000
Transition period		1,946,000	1,937,000	1,904,000		−42,000	−33,000
Salaries and expenses, Woodrow Wilson International Center for Scholars	954,000	975,000	962,000	962,000	8,000	−13,000	
Transition period		244,000	238,000	238,000		−6,000	
Total Smithsonian Institution	93,390,000	102,873,000	97,516,000	98,102,000	4,712,000	−4,771,000	586,000
Transition period		27,290,000	26,055,000	26,194,000		−1,096,000	139,000
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES							
SALARIES AND EXPENSES							
Endowment for the arts	67,250,000	74,500,000	72,000,000	77,000,000	9,750,000	2,500,000	5,000,000
Transition period		33,750,000	33,125,000	33,750,000			625,000
Endowment for the humanities	67,250,000	74,500,000	72,000,000	72,000,000	4,750,000	−2,500,000	
Transition period		21,375,000	20,750,000	20,750,000		−625,000	
Administrative expenses	10,783,000	11,000,000	10,910,000	10,910,000	127,000	−90,000	
Transition period		2,750,000	2,727,000	2,727,000		−23,000	
Total, salaries and expenses	145,283,000	160,000,000	154,910,000	159,910,000	14,627,000	−90,000	5,000,000
Transition period		57,875,000	56,602,000	57,227,000		−648,000	625,000
MATCHING GRANTS							
Endowment for the arts (indefinite)	7,500,000	7,500,000	7,500,000	7,500,000			
Transition period		500,000	500,000	500,000			
Endowment for the humanities (indefinite)	6,500,000	7,500,000	7,500,000	7,500,000	1,000,000		
Transition period		500,000	500,000	500,000			
Total, matching grants	14,000,000	15,000,000	15,000,000	15,000,000	1,000,000		
Transition period		1,000,000	1,000,000	1,000,000			
Total, National Foundation on the Arts and the Humanities	159,283,000	175,000,000	169,910,000	174,910,000	15,627,000	−90,000	5,000,000
Transition period		58,875,000	57,602,000	58,227,000		−648,000	625,000
COMMISSION OF FINE ARTS							
Salaries and expenses	176,000	200,000	198,000	198,000	22,000	−2,000	
Transition period		45,000	45,000	45,000			
NATIONAL CAPITAL PLANNING COMMISSION							
Salaries and expenses	1,777,000	1,895,000	1,876,000	1,871,000	94,000	−24,000	−5,000
Transition period		424,000	419,000	419,000		−5,000	
AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION							
Salaries and expenses	9,686,000	10,000,000	9,000,000	9,962,000	276,000	−38,000	962,000
Transition period		1,876,000	1,626,000	1,861,000		−15,000	235,000
FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION							
Salaries and expenses							
Transition period		6,000	6,000	6,000			
LOWELL HISTORIC CANAL DISTRICT COMMISSION							
Salaries and expenses			75,000	120,000	120,000	120,000	45,000
Transition period			19,000	30,000		30,000	11,000
JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA							
Salaries and expenses	693,000	708,000	708,000	764,000	71,000	56,000	56,000
Transition period		120,000	120,000	120,000			

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item	New budget (obligational) authority appropriated, 1975	Budget estimates of new (obligational) authority, 1976 and the transition period	Recommended in the House bill	Recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					New budget (obligational) authority 1975	Budget estimates of new (obligational) authority 1976 and the transition period	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TITLE II—RELATED AGENCIES—Continued							
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION							
Salaries and expenses	824, 000	1, 256, 000		916, 000	916, 000	−340, 000	916, 000
Transition period		314, 000		218, 000		−96, 000	218, 000
Total, new budget (obligational) authority, Related Agencies	1, 702, 583, 310	1, 913, 670, 000	1, 703, 423, 000	1, 863, 254, 000	160, 670, 690	−50, 416, 000	159, 831, 000
Transition period		514, 907, 000	472, 834, 000	497, 145, 000		−17, 762, 000	24, 311, 000
Consisting of—							
Appropriations	1, 702, 583, 310	1, 913, 670, 000	1, 703, 423, 000	1, 863, 254, 000	+160, 670, 690	−50, 416, 000	+159, 831, 000
Transition period		514, 907, 000	472, 834, 000	497, 145, 000		−17, 762, 000	+24, 311, 000
Definite appropriations	(1, 686, 462, 310)	(1, 894, 135, 000)	(1, 683, 888, 000)	(1, 843, 719, 000)	(+157, 256, 690)	(−50, 416, 000)	(+159, 831, 000)
Transition period		(511, 695, 000)	(469, 622, 000)	(493, 933, 000)		(−17, 762, 000)	(+24, 311, 000)
Indefinite appropriations	(16, 121, 000)	(19, 535, 000)	(19, 535, 000)	(19, 535, 000)	(+3, 414, 000)		
Transition period		(3, 212, 000)	(3, 212, 000)	(3, 212, 000)			
Memoranda—							
Appropriations to liquidate contract authority	(131, 578, 000)	(111, 225, 000)	(120, 359, 000)	(115, 359, 000)	(−16, 219, 000)	(−4, 134, 000)	(−5, 000, 000)
Transition period							
Total, new budget (obligational) authority *and* appropriations to liquidate contract authority	(1, 834, 161, 310)	(2, 024, 895, 000)	(1, 823, 782, 000)	(1, 978, 613, 000)	(+144, 451, 690)	(−46, 282, 000)	(+154, 831, 000)
Transition period		(514, 907, 000)	(472, 834, 000)	(497, 145, 000)		(−17, 762, 000)	(+24, 311, 000)
RECAPITULATION							
Total, new budget (obligational) authority, all titles	3, 984, 441, 310	4, 307, 158, 000	4, 101, 962, 000	4, 304, 340, 000	319, 898, 690	−2, 818, 000	202, 378, 000
Transition period		1, 187, 847, 900	1, 143, 572, 900	1, 175, 870, 900		−11, 977, 000	32, 298, 000
Consisting of—							
Appropriations	3, 984, 441, 310	4, 307, 158, 000	4, 101, 962, 000	4, 304, 340, 000	319, 898, 690)	2, 818, 000	202, 378, 000
Transition period		1, 187, 847, 900	1, 143, 572, 900	1, 175, 870, 900		−11, 977, 000	32, 298, 000
Definite appropriations	(3, 582, 347, 310)	(3, 898, 473, 000)	(3, 618, 516, 000)	(3, 887, 769, 000)	(+305, 421, 690)	(−10, 704, 000)	(+269, 253, 000)
Transition period		(1, 085, 437, 000)	(1, 040, 912, 000)	(1, 072, 460, 000)		(−12, 977, 000)	(+31, 548, 000)
Indefinite appropriations	(402, 094, 000)	(468, 685, 000)	(420, 446, 000)	(416, 571, 000)	(+14, 477, 000)	(+7, 886. 000)	(−3, 875, 000)
Transition period		(102, 410, 900)	(101, 898, 900)	(103, 410, 900)		(+1, 000, 000)	(+1, 512, 000)
Memoranda—							
Appropriations to liquidate contract authority	(221, 174, 000)	(221, 433, 000)	(237, 840, 000)	(223, 258, 000)	(+2, 084, 000)	(+1, 825, 000)	(−14, 582, 000)
Transition period		(38, 521, 000)	(39, 021, 000)	(40, 121, 000)		(+1, 600, 000)	(+1, 100, 000)
Grand total, new budget (obligational) authority *and* appropriations to liquidate contract authority	(4, 205, 615, 310)	(4, 528, 591, 000)	(4, 339, 802, 000)	(4, 527, 598, 000)	(+321, 982, 690)	(−993, 000)	(+187, 796, 000)
Transition period		(1, 226, 368, 900)	(1, 182, 593, 900)	(1, 215, 991, 900)		(−10, 377, 000)	(+33, 398, 000)

Mr. PELL. Mr. President, as chairman of the Senate Special Subcommittee on Arts and Humanities, I wish to commend the Committee on Appropriations and the Subcommittee on the Department of Interior and Related Agencies for providing appropriate funding for the National Endowment for the Arts.

However, I wish to express my concern over some implications contained in the committee's report on pages 46 and 47 which refer to the American Film Institute.

Mr. President, I have long been a supporter of the American Film Institute and believe that the growth noted in the report is an appropriate one, in keeping with the development of the important art of film in our country. In this regard, I wish to remind my colleagues that last week we held comprehensive joint hearings with the House of Representatives on the reauthorization of the Arts Endowment. Included among the witnesses was Mr. George Stevens, director of the American Film Institute. I believe that Mr. Stevens submitted excellent testimony with respect to the institute—its present and future plans and achievements, and I ask unanimous consent that the testimony that Mr. Stevens gave be printed in the RECORD, so that my colleagues will have an opportunity to examine it.

Mr. President, as chairman of the Senate Special Subcommittee on Arts and Humanities, I find I do not agree with the report language which pertains to the funding of the American Film Institute, and especially with implications that this funding be reduced, or subject to restrictions of this kind.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF GEORGE STEVENS, JR.

I am privileged to come before you today to report on our shared enterprise of institution building—The American Film Institute.

It is through the support and interest of these two Congressional Committees, the efforts of many individuals within the National Endowment for the Arts, the Trustees and staff of The American Film Institute, and the general public that we have come as far as we have toward creating a stable national film institute which is part of the fabric of this country's cultural life.

I consider this a special opportunity to bring you up to date on the growing list of programs which the AFI has accomplished and the expanded services which we are now providing, and to relay to you the progress which we are making in our quest for institutional stability. The uncertainty of AFI's institutional standing and the absence of a long-term funding plan are obstacles with which we have been grappling, the only ones standing between us and the achievement of the dream encompassed in the original creation of The American Film Institute.

Perhaps that creation is the place to begin our review. You will recall that the first glimmer of the AFI dream was continued in Lyndon Johnson's words on the signing of the National Arts and Humanities Act in 1965, when he said: "We will create an American Film Institute bringing together leading artists of the film industry, outstanding educators, and young men and women who wish to pursue this 20th Century art form as their life's work."

The National Endowment for the Arts created AFI two years later in the summer of 1967, calling for it to be a point of focus and coordination for progress in the film and television arts. On the occssion of AFI's founding, President Johnson wrote to the Chairman of the National Endowment, Roger Stevens, complimenting him on the organizational approach which NEA set forth for the new film institute:

"I think your organizational approach is a sound one. Operating as a private nonprofit, nongovernmental corporation supported by funds from the National Endowment for the Arts, and private monies, the American Film Institute will have the necessary support as well as the essential freedom of action which a creative venture of this kind requires."

Since that time, the Trustees and staff of The American Film Institute have been privileged to work closely with Roger Stevens and with the Endowment's present chairman, Nancy Hanks, in a difficult but most worthwhile task of creating a national institution. As time passes, it has often been necessary for AFI to stress the nature of our origins, to emphasize that the institute is a creature of the National Endowment, that it would not exist were it not for the federal government's initiative, nor would it survive without its continued financial support.

We are grateful to the members of these committees and to Nancy Hanks and her staff for the efforts which are presently under way to clarify AFI's standing and its future funding. There are many formulas by which this situation can be clarified, and I know that our mutual objective is to find an efficient method which will assure AFI's continued existence and provide some form of funding which will ensure stability and reasonable growth.

It has been suggested that a multi-year funding arrangement would contribute to that stability, and we have been having constructive discussions with the National Endowment staff over such an approach. NEA's counsel has not yet determined whether the Endowment can make multi-year grants under the present Act or whether this would require new language in the legislation.

I know that Nancy Hanks has placed a high priority on solving the problems associated with AFI's growth and that her intent is to develop a relationship between our agencies which will enable the Endowment and the AFI to jointly serve the rapidly growing field of the film and television arts in America in the most efficient and effective way. I am confident that with the cooperation of these committees a valid and lasting solution can be obtained.

GROWTH OF SELF-GENERATED SUPPORT

I am proud to be able to report today not only on a growing list of program achievements but on greatly enlarged support from the private sector. Our private fundraising doubled between 1973 and 1975, and our self-generated revenues are expected to increase another 27 percent in fiscal year 1976. This means that in the period from 1973 through 1976 AFI's annual self-generated revenue has grown from $900,000 to $2,370,375. This extraordinary development is the result of a great deal of hard work and an ever-growing constituency.

We are now planning a major long-term fundraising effort, including, for the first time, an endowment program. It is a necessity in obtaining endowments for an institution to have assurance of its continued existence. I believe that the dramatic growth of our self-generated support and the stability which will come from the clarification of the Institute's relationship to the federal government will fulfill and fully realize the "sound organizational approach" which President Johnson envisaged at the time of AFI's founding.

PROGRAM ACHIEVEMENTS

I want to report on the program achievements of the Institute so that the committees can be fully apprised of how AFI has worked to fulfill its obligations to the American public.

Whether it be ensuring the preservation and adding to the AFI Film Collection at the Library of Congress such classic films as Frank Capra's "Meet John Doe" (1941) and Lewis Milestone's "All Quiet on the Western Front" (1930), advancing a young filmmaker's career such as that of Karen Arthur, whose feature-length film "Legacy" (which was completed with the aid of an AFI Independent Filmmaker Grant) received international acclaim and a major Award at the 1975 Locarno Film Festival, or whether it is premiering in our nation's capital a retrospective of the legendary silent film comedian Harold Lloyd, or honoring the artistic achievement of Orson Welles, who gave the history of world cinema the remarkable "Citizen Kane," or renewing with increased support from the Rockefeller Foundation the highly successful Directing Workshop for Women, or launching "American Film," a national magazine devoted to the film and television arts, the AFI has endeavored in every way to fulfill its aims of preservation and advancement of America's film and television arts.

Those are but a few highlights of recent AFI activities; the complete record of our achievements demonstrates not only what has been done by the Institute, but also indicates what can be done in the future.

Motion picture preservation

In 1967, when The American Film Institute was created, it was estimated that over half of the feature films produced in America had been lost. Faced with that astounding fact, AFI's motion picture preservation program set out to find as much of our neglected and misplaced movie heritage as possible and to establish a coordinated system of ensuring that the film arts would be accorded the conscientious protection and preservation they deserve.

American Film Institute archivists, with the aid of other experts in film history, compiled a "rescue list" and began a search for missing and endangered films that combed the world; film archives in Czechoslovakia, a projection booth in Alaska, and attics in the homes of movie stars. At the same time, AFI, through funding by the National Endowment for the Arts provided major grant support to the leading film archives of the United States—The Museum of Modern Art, George Eastman House, and the Library of Congress—so that they might accelerate and expand their film preservation activities in a systematic fashion.

The coordination and leadership that the Institute brought to the film preservation field sparked film historian William K. Everson to write: "The number of 'permanently lost' films that have been turned up by the AFI in just the first few months of their operations is staggering."

Since those first months, the AFI has secured for preservation in its collection at the Library of Congress more than 12,500 motion pictures. Films such as John Ford's "Stagecoach," Orson Welles' "Citizen Kane," Cecil B. De Mille's "The Ten Commandments," and Frank Capra's "Mr. Smith Goes to Washington" have been rescued from a precarious past. The work continues each year to ensure the safety of a larger portion of America's film heritage.

Before us looms the difficult and pressing problem of television preservation. Television has charted our culture's pulse for over thirty years, and its programming has been the repository of our national memory. Present estimates indicate that perhaps one-third of television programming produced prior to 1972 has been consciously preserved. The video record of our culture may prove to be even more elusive than the cinematic, yet AFI stands ready to aid in its pursuit.

AFI catalog and oral history

Two related efforts to AFI's preservation activities have been The American Film Institute "Catalog," a massive research and publication project supported by funding from the National Endowment for the Humanities, designed to document every feature film produced in the United States since 1893, and the AFI Oral History program, funded by the L. B. Mayer Foundation, an extensive collection of interviews with figures who played significant roles in the development of the motion picture arts.

AFI's "Catalog," which will soon publish the second of a projected 19-volume series, has already been hailed by scholars and librarians as a project essential to sophisticated and thorough film scholarship of modern American history as well as the film industry. The careful recording of the oral chronicles of persons such as Raoul Walsh, Leo McCarey, George Cukor, and Mary Pickford will make possible a comprehensive understanding of the history of the birth and growth of filmmaking in the United States.

Education and training

The Institute's concern for the motion picture's past is matched by its commitment to maintaining and developing programs that contribute to the future of film and television arts. AFI's Center for Advanced Film Studies in Beverly Hills, California, is a unique conservatory for filmmakers which was created to bridge the gap between academic training and professional experience. In the past year, more than 1000 young professionals participated in various facets of the program.

Some of the AFI Fellows who have gained public and critical acclaim for their achievements include: Matthew Robbins, who received the Cannes Film Festival Prize as co-author of "The Sugarland Express" and who has written with Hal Barwood scripts for "MacArthur, Bingo Long and His Traveling All-Stars," and "Clearwater"; Steve Carver who directed "Big Bad Mama," starring Angie Dickinson, and whose AFI student film "The Tell-Tale Heart" was presented at the 17th Cork Film Festival in 1972; Terrence Malick who wrote, produced, and directed the critically acclaimed "Badlands" which was shown at the 1974 New York Film Festival and the 1974 U.S.A. Film Festival; and Oscar Williams, who wrote and directed "Five on the Blackhand Side" for United Artists and "Black Mass" for Columbia Pictures.

The Center for Advanced Film Studies bases its curriculum on the time-tested relationship between the master and the apprentice, between the professional filmmakers and the filmmaking students (see separate exhibit). All of the Fellow programs—directing, screenwriting, production, management, and cinematography—depend on close interaction between the students and masters of the profession. Screenwriting Fellows work in a close tutorial relationship with a faculty made up of noted writers such as Fay Kanin, Carl Foreman, Robert Towne, Tracey Keenan Wynn, and Edward Anhalt.

The Center's filmmaker-in-residence program has, this year, brought internationally acclaimed film director, Jan Kadar, into full-time work with the Fellows. The seminar program brings artists from all facets of the field to participate in extended discussion sessions with the students. In recent weeks Elia Kazan, Frank Perry, George Cukor, Tom Laughlin, Jeanne Moreau, and Ingmar Bergman have given seminars at the Center.

Other training programs

The Center for Advanced Flm Studies also administers, in cooperation with the Academy for Motion Picture Arts and Sciences, an internship program that places aspiring film directors with established professionals to follow the complete process of making a feature motion picture. Over seventy interns have been assigned to work with directors such as Arthur Penn, Sam Peckinpah, Francis Ford Coppola, Robert Wise, Billy Wilder, and Mike Nichols.

In 1974, with funding from the Rockefeller

Foundation, AFI initiated a pilot training program designed to aid women already in the professional motion picture field to gain the further experience that would enable them to break into the male-dominated ranks of film directing. The AFI Directing Workshop for Women attracted participants such as Ellen Burstyn, Maya Angelou, Lee Grant, Susan Oliver, and Nancy Walker. This year, its funding renewed and increased considerably, the Workshop includes screenwriters, assistant directors, editors, and well-known actresses such as Anne Bancroft, Trish Van Devere, and Carol Eastman.

Assistance to filmmakers

Also housed at the Center for Advanced Film Studies is the AFI Independent Filmmaker Grants program. Funded by the National Endowment for the Arts, the program has provided financial support to over 150 filmmakers since 1968. The program has launched the filmmaking careers of many now accomplished artists. John Hancock, who directed "Bang the Drum Slowly" for Paramount Pictures received an AFI grant to complete his film, "Sticky My Fingers, Fleet My Feet," which later garnered an Academy Award nomination. Karen Arthur's AFI supported film, "Legacy," has been awarded international film prizes. Many others have been enabled to finish the film that might have otherwise remained only a wish rather than the realized proof of their talent and insight.

As the Institute builds its resources and develops its training programs, it is continually seeking ways and means to make those resources and programs accessible and meaningful on an ever-widening basis. AFI's Education Liaison program is currently conducting a national study of the needs in film/TV higher education which will provide the solid information necessary to developing national programs of service and resource. Many of the materials being developed at the Center for Advanced Film Studies provide the essential substance of AFI publications or serve as models for similar programs and developments at other institutions throughout the country.

Publications

While the Institute has maintained an active publications program since its inception, the most recent addition of "American Film: Journal of the Film and Television Arts," a monthly magazine, is providing an exciting, nationally felt dimension to this area of the Institute's work. The magazine covers all facets of the film and television arts with detailed essays, regular columns, extended interviews, and provocative comments. Writers such as Larry McMurtry, Arthur Schlesinger, Jr., Walter Kerr, Budd Schulberg, Andrew Sarris, and Fay Kanin bring a variety of experiences and perspectives to this most eclectic coverage of the motion picture arts.

The Institute also publishes the biennial "AFI Guide to College Courses in Film and Television," which now lists 791 colleges and universities offering courses in film and/or television along with useful and detailed information about the individual programs. The guide has proven an indispensable reference tool for students entering college level film study.

AFI's publication program will continue to both encourage thoughtful appreciation of our motion picture arts and their role in our culture as well as provide useful information and service to those more than casually interested in film and television.

Public programs

The American Film Institute Theater in the Kentucky Center for the Performing Arts is now in its third year of operation. The theater, built with funds given by Jack L. Warner, is truly a "national gallery" of film showing over 600 films a year. Programs have included the classic silent cinema as well as the most recent computer-made animation, major restrospectives of important film studios such as MGM, Paramount, and Twentieth Century-Fox, special salutes to individual artists such as Orson Welles, John Ford, Katherine Hepburn, and Ingrid Bergman, and films from around the world—Egypt, Japan, France, Great Britain, and the Soviet Union have all been the subjects of major film series.

The AFI Theater offers a university level course in the history of film which is staffed by visiting expert lecturers and guest artists. Film personages such as Rouben Mamoullian, Vincente Minnelli, Louis Malle, and Satyajit Ray have appeared at the AFI Theater to discuss their work with audiences.

The AFI Theater, through its Outreach Program, offers aid and advice to regional theaters throughout the United States in programming and exhibiting special film programs. Recent funding by the Exxon Corporation has made possible the national tour of three AFI originated programs of films: "Fred Astaire and Ginger Rogers," "Treasures of the Past," and "A Tribute to the Great Hollywood Cameramen." Audiences throughout the country will be continually served by AFI's exhibition programs.

National events and fundraising

The Institute annually honors an individual artist for his or her outstanding contribution to the development of the motion picture arts. The AFI Life Achievement Award has paid tribute to the American director John Ford, actor James Cagney, and director/actor Orson Welles. A ninety-minute television special on the Life Achievement Award Dinner is nationally broadcast each year and is the largest single fundraising program for the Institute. The James Cagney special received the Emmy Award for outstanding program achievement from the Academy of Television Arts and Sciences, and the Orson Welles special has been nominated for the same honor.

National Film Day is an annual event in which major theater owners and motion picture distributors donate a large portion of that day's receipts to aid The American Film Institute's work. The Day represents a national celebration of the motion picture in America and is proclaimed by mayors, governors, congressmen, and the President of the United States. In his proclamation, President Gerald R. Ford affirmed the importance of the event by noting, "Among the most significant and indigenous art forms, the motion picture has long provided a steady source of entertainment, education, and enjoyment for vast numbers of Americans. I applaud The American Film Institute for its continuing sponsorship of National Film Day."

The American Film Institute has worked over the years to draw national attention to and enthusiasm for our country's motion picture heritage and the future of its development. The work has been well spent. National membership in the Institute now stands at approximately 10,000. A single project such as the initiation of the American Film" monthly has encouraged 2500 individuals to give their support to and enjoy the benefits from the work of The American Film Institute. Graduates of AFI's Center for Advanced Film Studies have proven by their accomplishments the value of their unique training experience. The Institute's successes in film preservation and research, specialized training programs, publications, exhibition, and education services have potential yet to be realized. There is much more to be done.

CONCLUSION

We have said before that while it would not be possible to pass a law which would make films better, it is possible to create and nourish an institution which stimulates progress in the film arts. The American Film Institute in such an institution. It is young and it is ambitious, as it must be if it is to meet the growing needs across the country as film and television move more and more into the center of the lives of the American public.

We are grateful for the support that the government has provided by creating The American Film Institute, and—given sufficient resources and stability—we are pledged to carry on and expand that work and to continue to raise millions of dollars of private funds to ecomplement the Institute's federal funding.

Mr. BUCKLEY. Mr. President, I have noted with great pleasure the inclusion of $300,000 for the Seneca Nation of Indians' health service proposal within the Interior appropriations bill, H.R. 8773.

I am extremely grateful to the members and staff of the Appropriations Committee and especially my distinguished colleagues, the Senators from West Virginia (Mr. Robert C. Byrd) and Alaska (Mr. Stevens). I have appreciated their willingness to understand the special problems faced by many of the Indians within the Appalachian Region and I particularly appreciate their affirmative action to improve the deplorable health status of the Seneca Nation of Indians.

The members of the Appropriations Committee have recognized the Seneca Nation of Indians' genuine and desperate need for adequate health services and they have acted with compassion. I hope our colleagues will bear this in mind as they consider H.R. 8773.

Mr. HATHAWAY. Mr. President, I would like to take this opportunity to commend the distinguished chairman of the Interior Subcommittee of the Appropriations Committee for his actions in reporting this bill. Some weeks back my colleague from Maine, Mr. Muskie, and I sent a letter to the chairman requesting some additional funding in two small but important areas of the bill. These are the contingency fund for insect control and the funding for research. Today I am delighted and gratified to note that the committee did increase the contingency fund from $1.91 to $10 million and provided $450,000 for research on the control of the Eastern Spruce Budworm. This money constitutes an investment in a national resource, our forests.

It is an investment that will be returned to us many times over in the form of revenues as well as the forest products themselves, and I commend the committee for its wisdom in including this funding in their bill, and I thank the distinguished chairman of the subcommittee, Senator Robert C. Byrd, for his most able assistance in providing that funding. Thank you Senator Byrd. Thank you Mr. President.

Mr. HATFIELD. Mr. President, I congratulate the distinguished Senator from West Virginia (Mr. Robert C. Byrd) and the distinguished Senator from Alaska (Mr. Stevens) for their ability and responsibility in developing an appropriations bill for the agencies which fall under the jurisdiction of the Appropriations Subcommittee on Interior and Related Agencies which recognize the need for

Federal investments in natural resource programs.

As a member of the subcommittee, I proposed several amendments to the bill, and I am extremely pleased that many of them were accepted, at least in part. For the Forest Service, for example, I offered an amendment to increase funding for reforestation and timber stand improvement, as I have in the past. The administration's budget requests have simply failed to provide the funds necessary to manage the national forests in a responsible manner, and over 3 million acres require reforestation. Last year, this subcommittee and the Congress put the Forest Service on a 10-year program, during which the reforestation backlog would be eliminated. The administration failed to request the funds necessary to continue the program, however, so I offered an amendment to increase the reforestation budget by $5.8 million, the timber stand improvement budget by $8.586 million, and the nursery operation and development budget by $3 million.

The subcommittee approved the $5.8 million for reforestation, $7 million for timber stand improvement, and the $3 million for nursery operation and development. As a result, the Forest Service will be able to reforest an additional 8,745 acres, accomplish timber stand improvement on an additional 59,227 acres, and operate 2 more nurseries. I am confident that the Congress will not regret this investment; it will be returned many times over through increased timber for housing, more and better recreational opportunities, and better wildlife and watershed protection. This bill also includes $2.9 million of the $3.9 million I requested in additional funds for an expanded silviculture examination program and the $1.2 million I requested for forest resources evaluation research. These programs will better enable us to make the proper land management decisions on the Nation's national forests.

The subcommittee also went a long way in approving portions of the increases I sought for land management programs of the Bureau of Land Management in the Department of the Interior; $1,172,000 of the $1.4 million increase for forestry programs on the public domain lands was approved; $4 million of the $5 million increase I proposed for range improvements on public lands is included in this bill; $1 of the $2 million increase for wildlife management on the national resource lands is included; the bill also includes the $1 million I requested for soil and water activities on BLM lands.

Funding in this legislation was also provided to get under way a major range validation area in Oregon's Blue Mountains. Four years of research into range management have provided guidelines as to appropriate funding levels for a major project to test range management concepts and to provide information to help direct a program of Forest Service range management nationwide. This validation area will include about 3 million acres of land of various ownerships and types; one-half is in National Forest land. This project was supported by many conservation and user groups. At the subcommittee hearings, Mr. Garland Meador of the Grant County, Oreg., Resources Committee, Mr. William Farrell, the Grant County agriculture extension agent, and Mr. Donald Ostensoe, of the Oregon Cattlemen's Association, all testified in support of the proposal; $1.4 million has been provided for this project in fiscal year 1976.

In recent years, the Forest Service has been forced to close public campgrounds because of the lack of funding to adequately maintain them. In response to my questions, the Forest Service indicated that 12 sites were eliminated and 16 others closed in Oregon alone last year because "funding was inadequate to operate and maintain them in a safe and sanitary condition." The administration's budget request for recreation maintenance will hardly keep up with inflation. Therefore, I proposed an increase of some $7 million for recreation maintenance nationally, of which $1 million is included in the committee bill. This is certainly a step in the right direction and I hope that the Forest Service will provide us with a program designed to improve campground maintenance further next year.

In the fiscal year 1973 budget for the Bureau of Mines, the Congress included my request for $300,000 for planning and design of a pilot plant at the Bureau's Albany, Oreg., facility which could convert wood waste, through a hydrogenation process, into low sulfur oil. Such a process offers great promise in areas, such as the northwest, where a great deal of waste material exists in the forests. Moreover, other organic wastes could also be utilized in such a process. In the fiscal year 1974 budget, I requested construction funds for the project and $1 million was provided for this purpose. Construction continued last year with funds included in the administration's budget request, but the administration requested no funds to complete construction this year in the budget for the Energy Research and Development Administration, where the project has been transferred. I am, therefore, extremely pleased that the committee bill includes $2.8 million I requested to complete construction of this facility and to make it operational.

In addition to the foregoing items, Mr. President, this bill will provide an additional $500,000 I requested to continue construction of the Warms Springs National Fish Hatchery, $85,000 to complete site development and construction plans for the Oregon Dunes National Recreation Area, $271,000 to increase the staff at the Indian Health Service clinic at the Umatilla Reservation from 5 to 27, and $133,000 to continue the masters in public health program for Native Americans at the University of California at Berkeley.

To my regret, the subcommittee could not approve my request for funds to begin construction of a replacement facility for the Chemawa Indian School and an accompanying health clinic. I will, however, continue to seek funding for these worthwhile facilities and note that the committee report asks the Bureau of Indian Affairs to request funds so that construction of the school can begin.

In conclusion, Mr. President, I believe that the subcommittee did a superb job on this measure. This is due to the excellent leadership of the subcommittee chairman, Senator ROBERT C. BYRD, and the ranking minority member, Senator STEVENS. As always, Mr. Dwight Dyer, staff assistant for the subcommittee, did a very thorough and fine job in insuring that all the items included in the legislation were given the consideration they deserved. As a member of the subcommittee, I have enjoyed working with all of these gentlemen, and look forward to continuing cooperation in the future. I strongly support the measure before the Senate and urge my colleagues to approve it.

Mr. FANNIN. Mr. President, I want to commend the distinguished chairman, Senator ROBERT C. BYRD, and the ranking member, Senator STEVENS, for producing an appropriation bill that is reasonable, financially responsible, and yet meets our national commitments. They are to be congratulated for resolving the many choices that they confronted in a manner which does credit to the programs and policies which are a part of this measure.

While I am in complete agreement with the committee's recommendations I would like to offer some comments concerning certain provisions of the bill.

First, while I am greatly disappointed that the committee could not approve funding for a new IHS hospital at Whiteriver, Ariz., I commend the committee for its willingness to undertake a phased construction program for the Indian Health Service. This decision is a progressive one. Instead of funding one or two construction projects a year the committee is taking a major step toward realizing substantial progress in meeting the very real needs of the IHS facilities by approving a number of projects to be funded over a number of appropriation cycles. This makes eminently good sense and will, hopefully, speed up our efforts to overcome the lag in construction needs for the Indian Health Service.

In regard to the Whiteriver Hospital, it is my understanding that this project is now considered as the top priority with the possibility that it will receive approval for funding in fiscal year 1977. Because of the need for this hospital it would have been my inclination to offer an amendment to fund this project, either in part or the whole, this year, but I believe that the Congress must fund these projects on the basis of need as established by the Indian Health Service. To move projects ahead of other priority facilities would make a mockery of the priority funding system. In this connection I want to commend the committee for approving funding on the basis of priority need and I shall support the committee even though the temptation to realize the needs of the Whiteriver Hospital in fiscal year 1976 is great, only because the need at Whiteriver is so acute.

Second, I especially want to commend the committee for approving an increase in the budget for the Indian Health Service. The committee in making this decision is accurately reflecting congressional concern that the Indian Health Service be assured of sufficient resources to meet its commitments. While I would like to see an even higher appropriation I recognize and accept the financial restraints under which the committee is operating. Perhaps, with the passage of the Indian Health Care Improvement Act we can achieve a higher funding commitment and thus strengthen the capacity of the IHS so that it can meet its responsibilities, without the lack of resources which currently impairs its operations.

Third, the decision of the committee to rectify the decision of the House of Representatives regarding the funding of the Johnson-O'Malley program is to be commended as well. The House Interior Appropriations Committee in considering the funding of JOM determined that the formula for allocating supplemental funds, which is new this year, would result, if not changed, in a number of States receiving less in JOM funds in fiscal year 1976 than they had received in fiscal year 1975. The House committee decided to adopt a hold harmless provision with the unfortunate result that some States that had gained JOM funds because of the formula would then lose their increase.

The Senate Committee recognized, however, that it was unfair to penalize those States which had gained additional funds and adopted a provision which would overcome the House designed inequity. The decision adopted by the committee consisted of a hold harmless provision coupled with $3 million in additional funds so that all States receiving funds would receive their share of funds without loss due to the implementation of the formula. But more importantly, this decision will assure that those States which were scheduled to receive an increase in funds will not be penalized. It is these States which have the greatest need and to lose such funds would clearly be unreasonable. I hope that the committee will insist on its proposal in conference.

Fourth, the committee is also to be commended for approving, without change, the increase proposed by the House in the title IV program, the Indian Education Act. This increase will enable this excellent program to expand its efforts at strengthening Indian education programs which is essential in the long-range effort to realize quality educational programs for Indian citizens.

Finally, I particularly appreciate the decision of the committee to appropriate $15,927,000 for the public school construction provision of Public Law 93-638, the Indian Self-Determination and Education Assistance Act. This program, which I authored, was designed to supplement the Public Law 815, school construction program which has been lagging behind in meeting the critical construction needs of reservation public schools. This appropriation coupled with the appropriation for Public Law 815 this year will help to meet these needs.

Again, because of the very real need of reservation public schools for construction assistance I urge the committee to resist any cuts in this program during conference. In connection with this program I should point out that the backlog has been increasing and Congress will soon have to confront in a more realistic way this backlog.

Mr. President, this concludes my remarks on H.R. 8773, the Department of the Interior and related agencies appropriation bill for fiscal year 1976. Again, I commend the committee for its superb job in responding in a reasonable way to the many demands it must confront especially in connection with realizing the objectives of Indian education and health programs.

In this regard, I ask unanimous consent to have printed in the RECORD the most recent list of unfunded projects eligible for funding under Public Law 815 and section 204 of Public Law 93-638.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESERVATION PUBLIC SCHOOL CONSTRUCTION PRIORITY FUNDING LIST, SEPTEMBER, 1975, PUBLIC LAW 815

ORDER OF PRIORITY INDICES AND FUNDS NEEDED, SUBSEC. 14(a) AND 14(b)

Project No.	Applicant	Priority		Funds needed	
		Tent.	Firm	Tent.	Firm
AZ 75-C-16	Parker S.D. No. 27 (Waiver)	200.0 T		2,022,955	
MT 76-C-405	Heart Butte E.S.D		198.9		2,307,000
AZ 74-C-413	Alchesay H.S.D		197.8		3,551,000
MT 75-C-5002	Pryor H.S.D. No. 3		192.7		2,294,000
MT 75-C-4001	Blaine County H.S. No. 50 (Hays)		190.8		1,458,000
MT 75-C-15	Blaine County E.S.D. No. 50 (Hays) (W).		176.3		3,041,000
MT 75-C-404	Lodge Grass E.S.D. No. 27	147.1 T		1,379,610	
UT 76-C-2	San Juan County S.D. (Waiver No. 1).	144.8 T		3,042,000	
AK 76-C-6001	North Slope Borough Schools, Barrow.	137.3 T		10,000,000	
UT 76-C-2	San Juan County S.D. (Waiver No. 2).	122.9 T		1,865,000	
MT 75-C-1203	H.S.D. "G", Box Elder	120.4 T		1,600,000	
AK 75-C-5001	Galena City S.D	113.2 T		1,000,000	
AK 75-C-5003	Dillingham City S.D	107.5 T		2,500,000	
MT 75-C-5001	Frazer H.S.D. No. 28		106.6		1,639,539
AK 76-C-1102	Hydaburg Public Schools	104.7 T		4,685,868	
MT 75-C-17	Frazer E.S.D. No. 2		104.4		472,024
MT 75-C-416	E.S.D. No. 13, Box Elder	101.0 T		1,600,000	
MT 75-C-406	E.S.D. No. 9, Poplar	100.4 T		3,725,000	
AZ 73-C-607	Kayenta E.S.D. No. 27		96.0		2,304,000
NM 75-C-802	Magdelena Muni. S.D	93.1 T		150,000	
AZ 76-C-516	Window Rock S.D. No. 8	88.5 T		42,631,000	
WA 76-C-512	Inchelium S.D. No. 70	88.1 T		1,750,000	
NM 73-C-402	Gallup-McKinley (Navajo Waiver).		85.8		910,000
AZ 76-C-1001	Apache County S.D. No. 19, Ganado.	82.4 T		6,890,000	
AZ 74-C-517	Indian Oasis S.D		80.3		5,748,749
AK 75-C-5002	Craig City S.D	79.2 T		1,850,000	
MN 69-C-403	I.S.D. No. 707, Nett Lake		78.9		89.500
AZ 76-C-404	Chinle S.D. No. 24		76.2		32,569,092
AZ 73-C-16	Yuma S.D. No. 27, Parker		70.4		1,524,620
AZ 76-C-607	Kayenta S.D. No. 27	69.0 T		5,249,000	
WA 72-C-403	Taholah S.D. No. 77 (1971)		67.9		773,830
NM 73-C-402	Gallup-McKinley (Crown Point Waiver).		62.2		1,470,000
AZ 71-C-805	Union E.S.D. No. 62		61.6		117,000
NM 75-C-512	Jemez Springs Muni. S.D	56.0 T		1,550,000	
OK 75-C-5002	Oaks Mission S.D	55.7 T		200,000	
SD 74-C-3001	West River I.S.D. No. 18 (waiver)		55.6		400,000
MT 73-C-3001	E.S.D. No. 28, St. Ignatius		54.4		592,240
MT 73-C-14	Browning E.S.D. No. 9		51.6		1,092,000
MT 75-C-410	Hardin E.S.D. No. 17-H		51.4		1,680,000
AZ 73-C-14	Northern Yuma County U.H.S.D		45.9		415,600
MN 71-C-401	Red Lake S.D		44.0		773,280
MT 76-C-3001	E.S.D. No. 28, St. Ignatius	43.3 T		1,139,377	
AZ 72-C-1001	Apache County S.D. No. 19, Ganado.		42.9		4,180,420
SD 71-C-1801	Waubay I.S.D		42.8		318,750
OK 73-C-3001	Pleasant Grove I.S.D. No. 5		37.4		109,350
SD 76-C-507	White River I.S.D. No. 29	36.0 T		2,539,584	
WA 71-C-25	Clallam County S.D		32.2		667,700
OK 75-C-437	Salina S.D	31.8 T		238,000	
OK 75-C-601	Little Axe S.D	30.3 T		130,000	
MT 70-C-1801	Harlem H.S.D		29.6		159,710
NM 75-C-411	Tularosa Muni. S.D	29.5 T		2,350,000	
SD 76-C-6001	Lyman County S.D. No. 12	28.4 T		950,000	
ND 76-C-6001	Eight Mile S.D. No. 6, Trenton	27.0 T		800,000	
MT 76-C-7	E.S.D. No. 30, Ronan	26.2 T		1,176,000	
NM 75-C-412	Bloomfield Muni. S.D	26.2 T		872,000	
NM 75-C-603	Los Lunas Cons. S.D	22.2 T		475,000	
MT 75-C-14	Browning E.S.D. No. 9	19.1 T		7,753,480	
KS 70-C-1802	Mayetta S.D		18.2		130,000
MN 75-C-5001	I.S.D. No. 435, Waubun	18.1 T		30,000	
MI 75-C-5001	Bark River-Harris S.D	15.9 T		250,000	
AZ 74-C-702	Tuba City H.S.D		15.8		1,168,000
IA 69-C-1701	C.S.D. South Tama County		13.8		219,800
WA 71-C-44	Wapato S.D. No. 207		13.5		456,750
UT 72-C-401	Uintah S.D		13.2		916,000
OR 70-C-13	Jefferson County S.D		13.1		226,000
MN 75-C-401	I.S.D. No. 38, Red Lake	12.9 T		3,227,600	
OR 76-C-13	Jefferson County S.D. No. 509C	12.2 T		281,000	
NM 75-C-9	Pojoaque Valley I.S.D	12.1 T		634,653	
CA 71-C-619	Bishop Union S.D		12.0		102,690
NM 75-C-4	Espanola Muni. S.D	11.5 T		475,000	
CO 75-C-409	Ignacio United S.D. No. 11 Jt	11.3 T		393,750	
OK 75-C-5001	Falls S.D. No. 31	11.1 T		130,000	
AZ 72-C-414	Tuba City E.S.D. (1971)		10.8		1,638,750
NM 76-C-602	Taos Muni S.D. No. 1	9.8 T		1,038,300	
NM 73-C-402	Gallup-McKinley (W. Tse Lee-Bonito).		8.0		262,500
MN 75-C-403	I.S.D. No. 707, Nett Lake	7.9 T		1,426,000	
MF 71-C-7	Ronan S.D		2.4		1,400,000
NM 73-C-402	Gallup-McKinley (W)(Zuni & Towa Yallane).		1.8		70,000
ID 73-C-5	Blackfoot S.D. No. 55		1.4		440,000

Mr. PROXMIRE. Mr. President, I am impressed with the excellent job the Senator from West Virginia (Mr. ROBERT C. BYRD) has done on the Interior appropriations bill.

I want also to thank the Senator for his consideration of the urgent needs of the Menominee Indian Tribe of Wisconsin in providing $1 million for construction of an out-patient clinic on the reservation. The Menominee tribe was particularly hard-hit by the Federal policy of termination which has only been reversed in the last 2 years. When the Menominee lost their status as Indians, more than 10 years ago, they also lost their hospital. The committee's action in providing funds for this long-needed health facility is deeply appreciated by me and by the more than 3,500 people whom the clinic will serve in its first year of operation.

Mr. MUSKIE. Mr. President, H.R. 8773, the Interior and Related Agencies Appropriations bill provides $4.5 billion in fiscal year 1976 for the several bureaus of the Department of Interior and such related agencies as the Forest Service, the Smithsonian Institution and the Federal Energy Administration.

As reported by the Appropriations Committee, the bill is basically consistent with the budget resolution on which the Senate began debate yesterday.

Seven functional categories of the budget are covered by this bill, although the bulk of the funds fall within function 300: Natural resources, environment and energy.

In this function the budget resolution allows budget authority of $1.0 billion in additional funds above the President's January budget request for this appropriations bill and for the public works/energy appropriations bill still in committee, as well as for authorization bills that were not contemplated by the President but will likely pass and will need to be funded in fiscal 1976. This allowance reflects the Budget Committee's belief that energy-related programs must have a high priority in the budget.

As reported, this bill according to the Congressional Budget Office uses up approximately $200 million of this billion dollars in additional funds. This means that $800 million is left for add-ons to the public works/energy appropriations bill and to fund forthcoming authorizing legislation. I know that the Appropriations Committee, which shares my desire to place the entire Federal budget under greater congressional control, will therefore examine the remaining budget requests most carefully.

Mr. President, I support H.R. 8773 and commend our distinguished majority whip for bringing the bill in consistent with the budget resolution.

On another matter, I notice that on page 15 of the report a $200,000 allotment in the planning and construction account of the National Park Service for advance operating funds for the Roosevelt Campobello International Park Commission. As you know, I am a member of this International Commission and have a special interest in the Campobello National Park. My understanding is that the park is requesting slightly more than $200,000, in the vicinity of $235,000 and that the Canadian Government will match whatever appropriations the United States provides. I understand that this bill will permit us to match what the Canadian Government provides, even if it would be slightly more than the reported allotment, and specifically, that $200,000 is provided in fiscal year 1976 and that the remainder can be covered by the transition quarter amount.

Mr. ROBERT C. BYRD. Yes. As has been our custom in the past, we intend to match the amount of our appropriation to the amount which the Canadian Government provides, which this year, as I understand it, will be in the range of $235,000. Hence this bill as reported will allow for a U.S. contribution of $235,000.

Mr. FONG. Mr. President, I wish to commend the distinguished Senator from the State of West Virginia, chairman of the Interior and Related Agencies Subcommittee of the Appropriations Committee and the distinguished Senator from the State of Alaska, ranking minority member of the subcommittee for their outstanding work on the measure we have before us today.

In particular, I would like to thank them for favorably considering an addition of $250,000 to the budget estimates of the USDA Forest Service for urgently needed research on a phenomenon known as the Ohia-Lehua decline epidemic which is devastating hundreds of acres of native forest land in the State of Hawaii.

While scientists have several theories as to what is causing these tree deaths on a massive scale, a great deal of additional research is vitally needed to reach a definitive conclusion so work can begin to halt the epidemic.

Last year, Congress provided $100,000 for this research program. The funds provided in the pending measure will bring the effort up to a level of $350,000 this fiscal year, and will mark the first of a 5-year research program to save these native forests which cover nearly one-quarter of my State's land area.

Mr. President, I wish to direct a question to the distinguished chairman of the subcommittee relative to the funds provided to the Forest Service for the transition period for forestry research. The bill provides $21,550,000 for this activity, the same amount as was requested in the budget estimate. Is this amount sufficient to continue the Ohia-Lehua research program at an annual level of $350,000?

Mr. ROBERT C. BYRD. That is correct. The committee made a $3,000,000 reduction in the forest research base and since not all of the projects added require recurring funding, the amount provided for the transition period will be adequate to meet the needs of continuing research programs such as the Ohia-Lehua project in Hawaii.

Mr. FONG. I thank the Chairman.

Mr. MAGNUSON. Many of us are concerned over the availabilty of energy for consumers, and specifically over cutbacks in the supply of Canadian crude oil to the U.S. refineries. I understand the committee has provided funds for a study of this matter. Could the chairman of the subcommittee describe in some detail the planned study?

Mr. ROBERT C. BYRD. The committee has provided $500,000 for the study. The committee took that action at the request and recommendation of Senator MONDALE and others. Since it is Senator MONDALE's amendment, I would ask him to respond to the question of the Senator from Washington.

Mr. MONDALE. The proposed FEA study is to look at how the Federal Government can help deal with and avoid the problems resulting from the loss of Canadian oil imports. The Nation faces energy shortages generally. In the Northern Tier, the situation is particularly grave since our area is now over 50 percent dependent on Canadian oil, with no alternative supply of oil in sight. The loss of oil—if it is not offset in time—could result in severe negative effects upon our economy. I believe your State, Senator, also depends on Canadian oil.

Mr. MAGNUSON. We certainly do. We have had a very good arrangement in the past, but with further cutbacks and eventual cut off, our area could suffer environmental and economic disruption as well. We really need to find other sources of oil to meet our regional needs and bring it to our refineries in an environmentally safe way.

Mr. MONDALE. The study that is being proposed would do just that. It would assess the alternative sources of oil for the Northern Tier region, including Washington, and the alternative transportation systems for delivery of that oil to these States. It would have to evaluate the feasibility of each alternative, its costs, and its environmental effects. And, we need this analysis as soon as possible, within the next 6 months, to be ready before the cutback in supplies results in economic injury.

I would like to be clear about what the study provided for under the pending bill would do.

First, the FEA would review the amount of time remaining before the cutback of Canadian supplies begins to impact essential uses in affected States.

Second, the agency would review the feasibility of the long-term supply and transportation options, including the leadtime required for implementation, financial, legal, political, and other potential problems associated with the various alternatives.

Third, an assessment would be conducted of the cost of the options, particularly the impact on the consumer of the alternative long-term supply and transportation systems.

Fourth, an environmental assessment of the alternatives would be carried out.

Fifth, the administration would report on the status of private industry attempts to secure long-term alternative supplies of crude oil.

Finally, the FEA would report to the Congress on actions which the Federal Government could take to facilitate the adoption of a solution that can assure long-term supplies and transportation of petroleum to the Northern Tier region, and provide those supplies at prices that are most nearly competitive with those in other regions of the country.

Mr. MAGNUSON. This sounds like a large study. Who is going to be involved?

Mr. MONDALE. The FEA will have lead responsibility, with help from Interior, Transportation, EPA, and NOAA. The States involved are also to participate.

Mr. MAGNUSON. I am particularly glad to hear that the States will be represented. Each State has a different situation, and we want to get their input. Will there be enough money available to do this study?

Mr. MONDALE. Indications are that the amount provided is sufficient, but I hope FEA would come to us in a supplemental if not.

Mr. MAGNUSON. Once the study is done, what happens with the results?

Mr. MONDALE. I would hope the analysis and recommendations would be used to solve the problem facing all the Northern Tier States. We want to know from FEA what the Federal Government can do, what the States can do and as importantly, what industry can do and is doing.

Mr. ROBERT C. BYRD. Just let me say that the Senator from Minnesota (Mr. Mondale) has accurately described the intent and purpose of the committee in adopting his amendment and providing the $500,000 for the study.

Mr. MAGNUSON. I look forward to seeing the results of the study. This is more than a State or regional issue. It affects the entire country.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. STEVENS. Mr. President, I yield to the Senator from New York 1 minute.

Mr. JAVITS. Mr. President, I rise only because the report on the National Foundation on the Arts and the Humanities indicates a most intelligent and statesmanlike job by my colleagues.

I happen to have been the original author of this thing so many years ago I hate to remember it is that long ago, and I would like to, in return for their very intelligent handling of this, pledge to them that I will follow through upon what are substantive recommendations dealing with legislative oversight to see that things get done.

I thank my colleagues.

Mr. President, I ask unanimous consent that pages 46 and 47 of the report relating to National Foundation of the Arts and the Humanities be printed in the Record.

There being no objection, the pages were ordered to be printed in the Record, as follows:

National Foundation on the Arts and the Humanities

SALARIES AND EXPENSES

Appropriation, 1975	$145,283,000
Budget estimate, 1976	160,000,000
House allowance	154,910,000
Committee recommendation	159,910,000

* * * * *

Transition period estimate	57,875,000
House allowance	56,602,000
Committee recommendation	57,227,000

The Committee recommends an appropriation of $159,910,000, a reduction of $90,000 in the budget estimate and an increase of $5,000,000 in the House allowance. This recommendation includes the restoration of a $2,500,000 House reduction in the National Endowment for the Arts request and the addition of $2,500,000 to the Arts total. The Committee has concurred in a GSA space cost reduction of $90,000.

These changes are displayed below by activity:

National Endowment for the Arts	$77,000,000
National Endowment for the Humanities	72,000,000
Administrative expenses	10,910,000
Pay costs	211,000

The Committee experienced some difficulty in tracking the actual administrative costs of the two endowments because of fragmentation in the budget justifications. It is expected that these costs will be fully and clearly displayed in future budget requests.

For the transition quarter, the Committee recommends appropriations of $33,750,000 for the Arts, $20,750,000 for the Humanities and $2,727,000 for administrative expenses. These total $57,227,000, a reduction of $648,000 in the budget estimate and a $625,000 increase in the House allowance.

Over the past eight years the National Endowment for the Arts has steadily increased its support for the activities of the American Film Institute. This support has grown from an initial $118,400 in fiscal 1968 to a projected total of $2,199,239 in fiscal 1976. The Institute has shown a continuing failure to match this support on a dollar for dollar basis. The Committee does not believe the taxpayer should be expected to continue to pay for the activities of the Institute at an ever increasing level.

A healthy film industry together with an interested public should be able to provide sufficient support for the Institute in the years ahead to enable it to operate on a self-sustaining basis. Accordingly, the Committee directs the Arts Endowment to reduce the general grant to the Institute by 10 per cent below the fiscal 1975 level of $1,100,000 and to require the Institute to match these funds on a dollar for dollar basis. The Committee intends this cutback to be a first step in placing the operations of the Institute on a self-sustaining basis in view of the substantial support available from the private sector.

The Committee is concerned that Washington, D.C., has been without a major professional and resident ballet company since the demise of the National Ballet Company in 1974. Yet, considerable ballet talent is being developed in the Washington area as demonstrated in the summer festival at the Washington Cathedral performed by a group of young artists known as the Washington Ballet. This talent deserves encouragement, and the Arts Endowment should make a special effort to assist in the revitalization of the ballet as a cultural asset for the Nation's capital.

In passing the National Foundation on the Arts and Humanities Act of 1965, the Congress intended that the two granting Endowments provided by the Act support the study and presentation of folk culture. The National Endowment for the Arts established its formal Folk Arts program only as recently as 1975. The National Endowment for the Humanities, although granting some funds over the years to folkloric study, has not yet seen fit to add trained folklorists to its staff or to initiate a formal folklore program. In short, the Committee finds the Endowments' support for American folklife has been woefully inadequate.

The Committee believes the endowments should see the Bicentennial year as an opportunity to expand dramatically their commitment to the simple beauty and natural expression of tens of millions of citizens to whom the avenues of high culture are not open. The mandate which stands behind the National Foundation for the Arts and Humanities is a charge that the culture of *all* Americans is intrinsically worthy of support.

Congress expects the administrators of arts and humanities policy to act responsibly and imaginatively in the area of folk culture. The two endowments, in particular, should expand and improve their programs in support of American folk culture.

The PRESIDING OFFICER. Is all time yielded back?

Mr. STEVENS. I yield my time back.

Mr. ROBERT C. BYRD. I yield back my time.

The PRESIDING OFFICER. The bill having been read a third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, debate is not allowed on a rollcall, but there will be no more rollcall votes tonight.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from California (Mr. Cranston), the Senator from South Carolina (Mr. Hollings), the Senator from Rhode Island (Mr. Pastore), the Senator from Connecticut (Mr. Ribicoff), the Senator from Delaware (Mr. Biden), the Senator from Virginia (Mr. Harry F. Byrd, Jr.), the Senator from Florida (Mr. Chiles), the Senator from Idaho (Mr. Church), the Senator from Mississippi (Mr. Eastland), the Senator from Arkansas (Mr. McClellan), the Senator from New Hampshire (Mr. McIntyre), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore), and the Senator from New Hampshire (Mr. McIntyre) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. Beall), the Senator from Massachusetts (Mr. Brooke), the Senator from Arizona (Mr. Goldwater), the Senator from Nevada (Mr. Laxalt), the Senator from Maryland (Mr. Mathias), the Senator from Illinois (Mr. Percy), the Senator from Ohio (Mr. Taft), and the Senator from Texas (Mr. Tower) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. Taft) would vote "yea."

The result was announced—yeas 78, nays 0, as follows:

[Rollcall Vote No. 528 Leg.]

YEAS—78

Abourezk
Allen
Baker
Bartlett
Bellmon
Brock
Buckley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McClure
McGee
McGovern
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Talmadge
Thurmond
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—22

Bayh
Beall
Bentsen
Biden
Brooke
Byrd, Harry F., Jr.
Chiles
Church
Cranston
Eastland
Goldwater
Hollings
Laxalt
Mathias
McClellan
McIntyre
Pastore
Percy
Ribicoff
Symington
Taft
Tower

So the bill (H.R. 8773) was passed.

Mr. ROBERT C. BYRD. Mr. President, the record would certainly not be complete without some words of commendation to the committee staff. This is a complex bill and preparing it for the floor involved a tremendous amount of work. There were literally hundreds of proposed amendments to sift through, to analyze, to prepare for the decisions that had to be made. It is a tribute to their competence that this bill could be managed so effectively. To Dwight Dyer, Joe Stewart, and Ruth Wilson on the majority staff, and to Linda Richardson and David Lohman on the minority staff, I wish to extend my thanks and my appreciation for a difficult job well done.

Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make clerical and technical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate insist on its amendments, request a conference with the House of Representatives, and that the Presiding Officer appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. Burdick) appointed Mr. Robert C. Byrd, Mr. McClellan, Mr. Montoya, Mr. Chiles, Mr. Mansfield, Mr. Stevens, Mr. Young, and Mr. Hatfield conferees on the part of the Senate.

Mr. MANSFIELD. Mr. President, I commend the leadership of the distinguished Senator from West Virginia (Mr. Robert C. Byrd) for the efficient disposition of this most complicated and far-reaching Interior appropriations bill. A bill of such complexity and affecting every State of the Union was disposed of in a matter of hours in the Senate, without change from that which was recommended by our committee under the leadership of Senator Robert C. Byrd and the Senator from Alaska (Mr. Stevens), the ranking Republican member of this subcommittee.

Their diligent work over the past month in the committee and the wisdom of their recommendations are reflected in the overwhelming vote of endorsement for the bill, without significant change.

I hope that the precedent set this week will continue as the Senate returns after the Thanksgiving recess and that the cooperation received by the leadership from all the Members of the Senate will continue in the weeks ahead.

The leadership is thankful to all Members of the Senate for their cooperation during the recent days in the disposition of so many complicated and controversial matters.

Mr. ALLEN. Mr. President, in all sincerity, I want to commend the distinguished Senator from West Virginia and the distinguished Senator from Alaska (Mr. Stevens) for their management of the Interior appropriations bill. I have been very much intrigued sitting here watching and listening to a number of amendments that seemed to be meritorious but which would have carried the appropriation beyond the budget estimates. I have admired the distinguished Senator from West Virginia and the distinguished Senator from Alaska as they have stood firm and have been able to turn back all of these amendments. I want to commend the Senate for following this leadership. Where the leadership holds the line, I believe that the Members of the Senate are willing to follow that leadership. I believe it is an excellent example of fiscal responsibility on the part of the Senate, led on this occasion by the distinguished Senator from West Virginia (Mr. Robert C. Byrd) and his counterpart on the committee, the distinguished Senator from Alaska (Mr. Stevens).

Mr. ROBERT C. BYRD. Mr. President, I do thank the distinguished Senator from Alabama, and I thank him on behalf of Mr. Stevens. I especially thank the Senate, as the distinguished Senator from Alabama has called attention to the fact that it is the Senate in reality which has stood behind the subcommittee and the committee in its efforts to hold the line. So the debt of gratitude is to the Senate.

I think that the American people can feel satisfied that the Senate is taking this strong position to discipline itself, to hold itself within reasonable limits. I hope that the American taxpayers themselves will take a lesson out of this book. Big government did not spawn itself. Big government is the result of big demand back home. Every message I get from the people is twofold: "Cut the budget. When am I going to get my check?" They are all for cutting the budget in the abstract but when it comes to making selective cuts, that is another tune. I hope that the people will see that the Senate is responding to their concerns.

I also hope that the message will get back to the grassroots that all of us, everybody, taxpayers, special interest groups, and so on, are going to have to exercise some restraints on their own appetites on the Federal Treasury. When they do that, their representatives will reflect that attitude from back home. I thank the Senator.

Mr. ALLEN. I thank the distinguished Senator.

SPECIAL PAY FOR NUCLEAR QUALIFIED OFFICERS

Mr. NUNN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2114.

The PRESIDING OFFICER (Mr. Burdick) laid before the Senate the amendment of the House of Representatives to the bill (S. 2114) to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes, as follows:

Strike out all after the enacting clause, and insert: That chapter 5 of title 37, United States Code, is amended as follows:

(1) Section 302a is amended by striking out "July 1, 1975" wherever it appears therein and inserting in place thereof in each instance "October 1, 1977".

(2) Section 303 is amended by striking out "July 1, 1975" wherever it appears therein and inserting in place thereof in each instance "October 1, 1977".

(3) Section 312(e) is amended by striking out "June 30, 1975" and inserting in place thereof "June 30, 1976".

Sec. 2. This Act shall become effective July 1, 1975.

Mr. NUNN. Mr. President, I move that the Senate disagree to the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to.

CONVEYANCE OF CERTAIN LANDS

Mr. CANNON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 464, S. 698.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 698) requiring the Secretary of Agriculture to convey certain lands to Mr. and Mrs. Pat Clark of Las Vegas, Nevada.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. CANNON. Mr. President, this has been cleared on both sides of the aisle. There is no objection to it. It was reported out unanimously. I ask for its passage.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed

for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 698) was passed, as follows:

S. 698

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to convey, without consideration, by quitclaim deed to Mr. and Mrs. Pat Clark of Las Vegas, Nevada, all right, title, and interest of the United States in and to the following described lands located in Clark County, Nevada, such lands having been acquired by the United States as the result of the failure of a bona fide purchaser to record prior to recording by the United States:

Commencing at a point on north and south quarter section line of section 10, township 19 south, range 56 east, M.D. meridian, and being a portion of west half of said section 10, whence the north quarter section corner of said section 10 bears north 2,123 feet;

thence west 212.4 feet along the north boundary line of tract of land, donated to United States Government for use of boys and girls for a playground;

thence north 0 degrees 03 minutes east 185.59 feet to southerly side line of a highway constructed by United States Government, and leading up and through Lee Canyon to Pahrump, Nevada, and Death Valley, California;

thence along southerly side of a curve in said highway to a point, the course of the long chord being north 56 degrees 24 minutes east for 186.53 feet to a junction of a subsidiary road leading to the building on said boys and girls playground;

thence along the westerly side of said subsidiary road which road curves in a south easterly direction, the course of the long curve being south 11 degrees 11 minutes east, 294.4 feet to the point of beginning, and containing $1\frac{1}{8}$ acres more or less. Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder, and remainders, rents, issues, and profits thereof.

AVAILABILITY OF RECORD OF CLOSED SESSION OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I am authorized by the distinguished majority leader to say that as soon as the Senate adjourns, the record of the closed session today will be available.

Mr. BUMPERS. Mr. President, I would like to ask the distinguished Senator from West Virginia a question.

Does that mean the so-called embargo has been lifted from the Senate's closed session?

Mr. ROBERT C. BYRD. Yes.

Mr. BUMPERS. I am sure that is what the Senator meant.

Mr. ROBERT C. BYRD. The Senator is correct.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider certain nominations which were reported earlier today.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The first nomination will be stated.

FEDERAL ENERGY ADMINISTRATION

The legislative clerk read the nomination of Michael F. Butler, of Pennsylvania, to be General Counsel of the Federal Energy Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of Dale Kent Frizzell, of Kansas, to be Under Secretary of the Interior.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of David L. Russell, of Oklahoma, to be U.S. attorney for the western district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of James P. Castberg, of Wyoming, to be U.S. attorney for the district of Wyoming.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the President of the United States be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

ORDER FOR SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE PRESIDENT OF THE UNITED STATES AND THE HOUSE OF REPRESENTATIVES DURING ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the President of the United States and from the House of Representatives during the adjournment of the Senate until Monday, December 1, 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE, AND ACTING PRESIDENT PRO TEMPORE TO SIGN ENROLLED BILLS AND RESOLUTIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the adjournment over to Monday, December 1, 1975, the Vice President of the United States, the President of the Senate pro tempore, and the Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PRINT H.R. 5900—EQUAL TREATMENT OF CRAFT AND INDUSTRIAL WORKERS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 5900 be printed as it passed the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

TVA BONDING AUTHORITY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 448, H.R. 9472, which has been cleared on both sides of the aisle.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 9472) to amend section 15d of the Tennessee Valley Authority Act of 1933 to increase the amount of bonds which may be issued by the Tennessee Valley Authority, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. RANDOLPH. Mr. President, I ask recognition.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. I realize that I have a responsibility, of course, as chairman of the Committee on Public Works and also as a colleague of the able ranking minority member of that committee, but I also have the responsibility, even though the measure has been reported from our committee to the Senate and is now pending and even though I voted to report the measure, I wish the record to indicate, as it must now, as it did in the committee, that I have very serious doubts about the continued advisability of the expenditures on too large a scale in reference to the development of nuclear energy. This must be said. I shall, of course, vote for this bill. I have so indicated but I do have a constituency in the State of West Virginia and there is a constituency throughout the country that believes that the expenditure for nuclear programs is perhaps one that we must look into very carefully.

I also wish the record to show that during the consideration of this measure its sponsor, the able Senator from Tennessee (Mr. BAKER), was very frank to tell us that there were some plans within the Tennessee Valley Authority to use the increased bonding authority for the development of nuclear power. However, that is not within the legislative language of the bill, and very frankly, we will have the opportunity when we return, not just in a few days, but when we return next January, to review very carefully certain matters which were discussed during the session of the committee when this measure was reported.

I want it very, very thoroughly understood that I have had doubts not on this score, but I have had doubts on many scores as to the emphasis for the development of nuclear power in this country, but I am not attempting here by my words tonight to do anything that would diminish the appeal of this vote for the approval of the Senate.

I thank the Chair.

Mr. BAKER. Mr. President, I only say that I appreciate the remarks made by the distinguished chairman of the committee. He and I have talked of this matter many times. As the chairman knows I consulted with him today, this afternoon, to make sure that he did not object to the clearance of this matter to be brought to the floor, and he very kindly did not object.

The record of the Committee on Public Works deliberations fully reflects his concern in that respect as he has expressed it tonight, and his concern is taken note of in the report which indicates this in no wise indicates floor ratification of all the judgment decisions of the agency.

But notwithstanding his doubts, I commend the chairman for supporting the reporting of this bill, permitting the Senate to go forward with it and adopt it as the Senate will adopt this bill tonight.

I thank the chairman for it.

The PRESIDING OFFICER. The bill is open to amendments. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

ORDER FOR VOTE TO OCCUR ON TREATIES AT 4 P.M., MONDAY, DECEMBER 1, 1975

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the vote occur on the three treaties that have already been advanced up to and including the presentation of the resolution of ratification on Monday, December 1, 1975, at 4 p.m., with one rollcall to count for three rollcall votes on the three treaties mentioned.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT ON H.R. 7656

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, with respect to Calendar Order No. 450, H.R. 7656, an act to enable cattle producers to establish, finance, and carry out a coordinated program and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products, there be a time limitation for debate thereon on Monday, December 1, of 2 hours, the time to be equally divided between the distinguished majority leader and minority leader, or their designees, with no votes on that measure that day, that there be a time limitation of 3 hours on that bill on Tuesday for debate on Tuesday, December 2, and that any rollcall votes on that bill that are ordered on Monday, if such be ordered, be carried over until Tuesday and that there be a time limitation of one-half hour on any amendment, debatable motion, or appeal, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

RAIL SERVICES ACT FOR 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation agreement on the Rail Services Act for 1975, an original bill reported by the Committee on Commerce, with the following limitations thereon: Six hours of debate on the bill, to be equally divided between Mr. HARTKE and Mr. WEICKER, a time limitation of 30 minutes on amendments in the first and second degree, time limitation on any debatable motion or appeal of 20 minutes, and that the agreement be in the usual form with the understanding that the bill would not be called up before Tuesday, December 2.

Mr. ALLEN. Mr. President, reserving the right to object, and I shall object, this is an area in which the Senator from Alabama has been interested on several past occasions during which lengthy debate was held, and at this time I object to a time limit. Inasmuch as it would not come up until Tuesday after the recess, we could consider it at that time. But I object this far in advance to the time limit.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Very well.

ORDER TO PROCEED TO CONSIDERATION OF H.R. 7656, ON TUESDAY, DECEMBER 2, 1975

Mr. President, in light of the distinguished Senator's objection to a time agreement, I ask unanimous consent that upon the disposition of Calendar Order No. 450, H.R. 7656, the beef cattle research bill on Tuesday, December 2, the Senate then proceed to the consideration of the Rail Services Act of 1975.

Mr. ALLEN. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 noon on Monday, December 1.

I ask unanimous consent that, after the two leaders or their designees have been recognized under the standing order of that day, there be a period of not to exceed 1 hour for the transaction of routine morning business, with statements limited therein to 5 minutes each, and at the conclusion of which the Senate proceed to the consideration of H.R. 7656.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there is a time agreement on that bill. There will be no rollcall votes on the bill or on amendments thereto on Monday, under the agreement, such votes, if any are ordered, going over until the following day, Tuesday, December 2.

However, at 4 p.m. on Monday, by unanimous consent, the Senate will go into executive session and a rollcall vote will occur immediately, without intervening motion or debate, on the three treaties, with one rollcall vote to count for three.

Immediately after that rollcall vote, the Senate, without further debate or intervening motion, will resume legislative session.

On Tuesday, the Senate will complete its consideration of the beef cattle research bill, H.R. 7656, and will then proceed to the Rail Services Act, 1975.

So there will be at least three rollcall votes on Monday, December 1, that being the three treaties, the three-for-one vote. There will be rollcall votes on Tuesday, December 2.

THE RISE AND FALL OF CPA

Mr. ALLEN. Mr. President, the House of Representatives recently considered their bill to create another consumer protection agency. The operation was a success but the patient apparently died.

After gutting the bill to the point where it would be worthless, the House passed it by a vote of only 208 to 199.

It is finally clear that a consumer agency bill could not withstand a much deserved veto in that Chamber. I also am confident that the Senate would sustain the President's promised veto today.

In fact, I am sure that if that House vote had come two weeks later, the bill would have been defeated outright on the floor. That is how fast informed legislators are fleeing from this potential disaster.

THE 91ST CONGRESS

I remember well a cold December day in 1970 when the Senate first considered a bill to layer another Federal consumer agency on top of the teetering pile of existing agencies. As the supporters of that bill later admitted, it was very bad legislation.

They did not make that admission while the bill was being considered, however. Instead, they used a tactic which was to become their trademark throughout the tedious history of this bill. They argued that a vote against this bill was a vote against consumer protection, deliberately confusing a desired end with a disreputable means.

Our much beloved former colleague, the very distinguished Sam Ervin, saw through the big hoax, but the bill unexpectedly came on the floor out of order and the time was too short, for even that great man, to explain the dangers lurking in its complexities. The bill passed this body by a vote of 74 to 4. Of the four lonely dissenters who were immediately labeled anticonsumer by the bill's zealous supporters, I alone remain in the Senate. So it is I who must speak today to vindicate my departed colleagues.

In addition to Mr. Ervin and myself,

the bill was opposed by the then senior Senator from Louisiana, Mr. Ellender, and the then Senator from Florida, Mr. Spessard Holland. They, Senator Ervin, and I were the four Senators who voted against the original consumer protection bill.

Fortunately, the House Rules Committee saw many of the problems in their similar bill that year, and refused, by a tie vote, to allow it to come to the floor. Again, the zealots vilified those who voted against letting an imperfect bill go to the floor for debate at the end of that very difficult 91st Congress. Again, the zealots were proved wrong when cooler supporters later read the bill and admitted publicly that it, also, would have been bad legislation.

THE 92D CONGRESS

Another attempt was made to ram a defective consumer agency bill through the next Congress. One did pass in the House by a vote of 344 to 44 in 1971. Even Ralph Nader, himself, was later to admit publicly that this bill was a fraud. He, of course, conveniently forgot this factor in later years when citing this House vote as an example of the bill's popularity.

In that 92d Congress, Senator Ervin was given time to explain the complexities of the bill to his colleagues here. The virtues of full debate could not be better illustrated than by this example. Senator Ervin's unanswerable arguments ripped the bill apart.

A bill which passed this body by an astounding vote of 74 to 4 in the 91st Congress could not muster a two-thirds vote to cut off debate in 1972—even though three cloture votes were taken.

This time Senator Sam Ervin and others managed to save consumers from the zealots who hide their mysteries behind the banner of "consumer protection." Again, we opponents of the bill were vilified personally, the strongest weapon in the consumer mercenary's arsenal.

THE 93D CONGRESS

Last year, the House once again moved first. Their consumer agency bill passed by a vote of 293 to 94. The value of debate could be seen even in that body. The number of opponents had more than doubled from the previous Congress, in the face of mounting hysteria among the zealous paraconsumers who had by now obviously forgotten or ignored the purpose of the bill, merely for the sake of getting a bill.

I repeat, these zealots now had only one purpose: Pass the bill—any bill—at any cost. Failure to support this very imperfect bill was, in their twisted thinking, failure to support the concept of consumer protection.

Extreme pressure was brought to bear in the Senate, amplified by the most blatant use of misinformation to support a bill that I have ever seen. If ever there were a bill which deserved full and close scrutiny in debate, it was this bill. It took page upon page of detailed analysis to counter the simplistic simperings of supporters of the bill, many of whom talked out of both sides of their mouths. I wish that a legislative historian would some day review the entirely of the debates on this concept to fully expose the big hoax approach that was—and still is being—taken to get it enacted.

Senator Ervin again led us with magnificent perseverance and attention to important detail. Again a two-thirds majority could not be reached on a concept which once passed by a vote of 74 to 4 when there was no realistic opportunity for full debate. Again, we, who sincerely felt we were acting in the interests of consumers, were vilified personally by the self-anointed high priests of consumerism in Big Government who forced no less than four cloture votes in a vain attempt to gag needed debate.

THE 94TH CONGRESS

A revised consumer agency bill, S. 200, was brought to the floor in the Senate in May. A revised rule XXII limited the chances of full debate.

Instead, we experienced a frenzy of special interest slashings at the bill. This was started by the adamant demands of organized labor that NLRB's major functions be entirely outside the domain of the consumer agency—even though the explicit original intent was to include these functions because of their great effect on consumer interests.

The consumer zealots not only paid this price, they allowed themselves to be used in promoting this special interest exemption by issuing some of the most misleading and inaccurate big labor material I have even seen. They also paid the price of exempting just about everyone else who asked—consumer protection was no longer the goal; salvaging any piece of legislation to protect their reputations was the goal.

A joke of a bill passed the Senate in May, but this time we did not hear Ralph Nader call a fraud a fraud. The vote was 61 to 28—the Senate opponents had grown 700 percent since they had first voted on this concept. In addition, we were informed that a veto was likely if this worthless, inflationary bill ever got to the President's desk.

I might say I have reference to the distinguished present occupant of the Office of the Presidency, President Ford, who has threatened to veto this legislation.

In the House debate on their bill, H.R. 7575, earlier this month, supporters implored their colleagues to bring in a vote well over the two-thirds necessary to override a veto. They wanted to show the President with their vote how important the bill was. They showed him, all right.

The Washington Post reported that up to the last minute the vote was so close that it was uncertain whether the bill would even survive temporarily in the House. As I mentioned earlier, it did survive, but just barely on a vote of 208 to 199. A switch of just five votes would have killed the poor thing.

I should note, Mr. President, that before that vote, the House also did its own slashing of its bill, making it a mockery of what its supporters maintain is needed. Again, we no longer hear the zealots calling a fraud a fraud. Again we now see them avoiding the issues, only vilifying personally those who disagree with them.

A PERSPECTIVE ON FAILURE

The tediously long history of this magnificent fraud shows the value of full debate on a complex and controversial proposal. As Congress looked further and further beyond the glorious titles on these consumer agency bills, it became more and more concerned.

This resulted, during the period already discussed, in a net loss of support in the Senate of 37 votes and an astounding net loss of 291 votes in the House.

That is computed by adding the reduction in the number of votes that it received, adding that figure to the increase in the number of votes against the bill. So, during the time that the Consumer Protection Agency bill has been before the Senate, it has sustained a net loss in the Senate of 73 votes and an astounding net loss of 291 votes in the House.

The attrition of support has continued at a remarkable rate, as legislators poll real consumers in their constituencies as to whether they wish to see us create another Federal agency for consumers. The majority plead with us for less bureaucratic "protection"—they can no longer afford to be protected by Washington bureaucrats.

I might comment parenthetically that when I went throughout the State of Alabama in August, attending various meetings there and making speeches throughout the State, I was once introduced by the man in charge of the program as one who was seeking to protect us from consumer protection. People do not want this consumer protection legislation.

I was interested, 2 or 3 weeks ago—I attended a breakfast in Washington of an organization known as the Hairdressers and Cosmetologists Association. Congressman JACK KEMP of New York spoke at that breakfast, and he made a fine speech in favor of the free enterprise system and fiscal responsibility in Government, and putting an end to mushrooming Federal bureaucracy. He got any number of rounds of applause as he made his free enterprise speech there. But to my pleasant surprise, the remark that brought him the largest and strongest applause was when he said that we do not need a Consumer Protection Agency in this country. They could have torn the house down with their applause.

That surprised me somewhat, that this message has gotten down in and among the everyday citizens of this country—not just those who read up on legislation and study trends in our Government, but the rank and file people. They realize that this type of legislation is not in the public interest and it is not in their interest.

The consumer mercenaries who are paid to lobby for this concept are still attempting to make their own self-deception contagious.

They do indeed have a worthy purported goal—protection of consumers—but they continue to argue that this end justifies their unworthy means. That is, anyone who does not agree with them that adding another consumer agency to the Federal bureaucracy equals consumer protection must also not agree with them that consumers need protection. If consumers need anything, they need protection from this type of "representation."

If the more ardent salespeople of this consumer agency were in charge of the Ford Motor Co., they would still be producing Edsels, and going down to bankruptcy with a vile curse on their lips for anyone who dared to suggest that, just maybe, they ought to stop promoting that vehicle and continue other efforts of more benefit to the public.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTELLIGENCE ACTIVITIES

Mr. HATHAWAY. I rise, Mr. President, to commend the committee for its detailed and well-reasoned report on its labors. And I would in particular applaud the firm yet moderate approach which the committee has taken when it encountered, as it frequently did, issues of great sensitivity. I am sure that the people of our Nation, both now and in the future, will regard this committee's work with feelings of gratitude and of renewed confidence in the ability of Congress to safeguard the liberties of the people.

I am pleased that the committee's report is to be released to the public. I am confident that many will feel that plots by an agency of our Government to assassinate foreign leaders have not served the interests of this Nation. But I am certain that most will agree that it is far better to let the truth be known about these covert and shameful practices than to keep them shrouded in a state of secrecy.

And if others share that principle with me, as I believe most do, I must observe that the Senate should have voted on the questions of full publication of the report in order to obviate thereby any difficulty which might be presented by any rule of the Senate, especially rule XXXVI.

And finally, Mr. President, it is my conviction that the issue of the application of rule XXXVI should be resolved as quickly as possible.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. Res. 309. An original resolution to pay a gratuity to Marguerite G. Cronin.

S. Res. 310. An original resolution to pay a gratuity to Shirley M. Schweinsberg.

H.R. 2724. An act to provide for establishment of the Father Marquette National Memorial near St. Ignace, Mich., and for other purposes (Rept. No. 94–492). Referred to Committee on Interior and Insular Affairs, by unanimous consent, with instructions to report back by December 10, 1975.

S. Res. 301. A resolution authorizing supplemental expenditures by the Committee on Public Works for inquiries and investigations (Rept. No. 94–491).

S. Res. 298. A resolution authorizing additional expenditures by the Committee on the Judiciary for routine purposes (Rept. No. 94–490).

S. 2620. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States pursuant to the Act of August 20, 1912 (37 Stat. 319) (Rept. No. 94–488).

S. 2619. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States by the Library of Congress Trust Fund Board (Rept. No. 94–489).

Mr. CANNON. Mr. President, included among the measures which I have just reported from the Committee on Rules and Administration is H.R. 2724, which provides for the establishment of the Father Marquette National Memorial near Saint Ignace, Mich., and for other purposes. Inasmuch as the Committee on Interior has general jurisdiction over the National Park Service and the preservation and interpretation of our national heritage, and has held hearings on a similar proposal in a previous Congress, I ask unanimous consent that H.R. 2724 be referred also to the Committee on Interior and Insular Affairs with instructions to report back to the Senate no later than December 10, 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 309 AND SENATE RESOLUTION 310—ORIGINAL RESOLUTIONS REPORTED TO PAY GRATUITIES

Mr. CANNON, from the Committee on Rules and Administration, reported the following resolutions:

S. Res. 309

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Marguerite G. Cronin, mother of George A. Cronin, an employee of the Senate at the time of his death, a sum equal to five months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

S. Res. 310

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Shirley M. Schweinsberg, widow of George F. Schweinsberg, an employee of the Senate at the time of his death, a sum equal to seven and one-half months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE ACCOMPLISHMENTS

Mr. MANSFIELD. Mr. President, since the last summation of the legislative record of this session, the Senate has passed several additional measures of major importance. We have passed the natural gas bill, the so-called "government in the sunshine" legislation, a bill for financing public broadcasting, the common situs picketing-collective bargaining bill and an extension of present oil price controls until December 15. The latter is still the only existing brake on increases in gasoline and fuel, or perhaps I should say, that legislation and the uncommonly mild weather. After many hours of consideration, the Senate and House conferees have reached an agreement on a full-scale energy program which looks to the future as well as the present. It combines an oil price rollback with strong conservation measures. It includes mandatory standards for the efficient consumption of fuel by automobiles, energy efficiency standards for household appliances, the creation of a national oil reserve as a protection against another embargo, certain pressures on industry to conserve fuel, and loan guarantees to speed production of cleaner coal. All of these measures are elements of the program advocated by the congressional majority in February in its program for economic recovery and energy sufficiency.

With regard to these and other important bills which the Senate has passed or which remain for Senate consideration this session, I ask unanimous consent to have inserted in the RECORD at the conclusion of my remarks a status report on, first, the congressional energy program; second, other major legislation; third, 1976 appropriations; fourth, 1975 Presidential vetoes; and, fifth, a statistical comparison of 1974 and 1975.

Mr. President, these reports indicate the extent of the Senate's legislative achievements for this year. There still remain several important matters for action in December. I refer to tax legislation, four appropriation bills, and the financial rehabilitation of New York City. With this in mind, I urge all Senators to use the legislative recess to good advantage by contact with the people we represent and with other sources of awareness of the needs of our States and the Nation.

Statistics indicate that scheduled legislative recesses have improved Senators' attendance at rollcall votes. As of now, the Senate average attendance at record votes is 89.49 percent which is the best average since 1964 when attendance was 90.25 percent. In the intervening years, attendance has been as low as 76.4 percent and has averaged 84 percent a year. Scheduled recesses which allow Senators to concentrate on their representational responsibilities have not only increased Senate attendance in the last few years, but have increased the effectiveness of the legislative output.

Mr. President, I ask unanimous consent that a report and index prepared by the staff of the Senate Democratic Policy Committee also be inserted in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

STATUS OF ENERGY LEGISLATION

1. Personal and Corporate Tax Reduction, Public Law 94–12.

2. Disapproval of Oil Excise Tax, H.R. 1767. Vetoed March 4, 1975.

3. Repeal of Oil Depletion Allowance, Public Law 94–12.

4. Oil Price Control Extension, H.R. 4035 and S. 1849 both vetoed. H.R. 9524 became Public Law 94–99 with extension to November 15, 1975 and **S. 2667 became Public Law**

94–133 with extension to December 15, 1975.

5. Strip Mining, H.R. 25. Vetoed May 20, 1975. Similar provisions in S. 391, P/S July 31, 1975.

6. Coal Leasing—Strip Mining, S. 391, P/S July 31, 1975.

7. Standby Energy Authorities Act, S. 622. In conference.

8. Appliance Labeling Act, S. 349. P/S; In conference on S. 622.

9. Automobile Fuel Economy, S. 1883. P/S; In conference on S. 622.

10. Strategic Energy Reserves, S. 677, P/S; In conference on S. 622.

11. Mandatory State Conservation Program. Title II of S. 622; In conference.

12. National Petroleum Reserves (Naval & Interior), H.R. 49; In conference.

13. Coal Conversion Act Extension, vetoed in H.R. 1767, H.R. 4035, and S. 1869. In conference on S. 622.

14. Mandatory Coal Conversion, S. 1777. Hearings held.

15. Coastal Zone Amendments for Energy Facilities Siting, S. 586. P/S July 16, 1975; H.R. 3981; Markup underway.

16. Outer Continental Shelf Drilling, S. 521. P/S July 30, 1975.

17. Natural Gas Decontrol, S. 2310. P/S October 22, 1975.

18. ERDA Authorization, H.R. 3474. In conference.

19. National Energy Production Board, S. 740. Markup underway.

20. Industrial Conservation Act, S. 1908. Markup underway.

21. Energy Taxes, H.R. 6860. Markup underway.

STATUS OF OTHER MAJOR LEGISLATION

Enacted or cleared for President:

Debt Limit Extension—Public Law 94–132.

Emergency Housing—Public Law 94–50.

Handicapped Children's Education—Public Law 94–

Health Services—Nurse Training—Public Law 94–63

School Lunch Program—Public Law 94–105.

Securities Acts Amendments—Public Law 94–29.

Social Security Benefits Increase (Wage and Price Controls)—Public Law 94–61.

Tax Reduction—Public Law 94–12.

Unemployment Compensation—Public Law 94–45.

Voting Rights—Public Law 94–73.

In conference or passed both Houses:

Common Situs Picketing, H.R. 5900. P/H; P/S amended.

Consumer Product Safety, S. 644. P/S; P/H amended.

Consumer Protection, S. 200. P/S; P/H amended.

Foreign Economic Aid, H.R. 9005. In conference.

Public Works Employment, H.R. 5247. In conference.

Home Mortgage Disclosure, S. 1281. In conference.

Financing for Corp. for Public Broadcasting, H.R. 6461.

Railroad Improvement and Employment, S. 1730. P/S; P/H amended.

Second Congressional Budget Resolution. P/H; P/S.

Passed either House or Senate:

Government in Sunshine, S. 5. P/S.

Postal Reorganization, H.R. 8603. P/H.

On Senate or House calendar:

New York City Financial Assistance, S. 2615. On Senate calendar.

Tax Cut, H.R. 10612. House rule granted. Tentatively scheduled for floor first week of December.

Unemployment Health Benefits, S. 625. On Senate calendar.

In committee:

Foreign Military Aid. S. 2662. Hearings in progress.

APPROPRIATIONS—1976

Enacted or cleared for President:

Agriculture—Public Law 94–122.

Education—Public Law 94–94.

Legislative—Public Law 94–59.

HUD—Public Law 94–116.

Military Construction—Public Law 94– .

State-Justice-Commerce—Public Law 94–121.

Transportation—Public Law 94– .

Treasury-Postal Service—Public Law 94–91.

In conference:

Defense.

Labor-HEW.

Interior.

Passed House:

Public Works—Subcte. markup underway.

Await House committee action:

District of Columbia—Request received Nov. 5—Hearings underway.

Foreign Aid—Hearings underway.

Status of Presidential Vetoes—94th Congress

Vetoes overridden:

1. H.R. 5901 Education Appropriations. Vetoed July 25. House overrode September 9. Senate overrode September 10. Became Public Law 94–94.

2. S. 66, Health Service—Nurse Training. Vetoed July 26. Senate overrode July 26. House overrode July 29. Became Public Law 94–63.

3. H.R. 4222, School Lunch Program. Vetoed October 3. House and Senate overrode September 7. Became Public Law 94–105.

Vetoes sustained:

4. H.R. 4296, Agricultural Price Supports. Vetoed May 1. House sustained veto on May 13. (Secretary of Agriculture will hold quarterly oversight meetings with Agriculture Committees on subject.)

5. H.R. 25, Strip Mining. Vetoed May 20. House sustained veto on June 10. (Similar provisions passed Senate in S. 391 on July 31.)

6. H.R. 4481, Emergency Employment Appropriations. Vetoed May 28. House sustained veto on June 4. (Similar measure, H.J. Res. 492 became Public Law 94–36.)

7. H.R. 4485, Emergency-Middle Income Housing. Vetoed June 25. House sustained veto on September 10. (Similar measure, H.R. 5398, became Public Law 94–50.)

8. S. 1849, Oil Price Controls. Vetoed September 9. Senate sustained veto on September 10. (H.R. 9524 extending controls to November 15 became Public Law 94–99 and S. 2667 extending controls to December 15 became Public Law 94–133.)

Vetoes referred to committee:

9. H.R. 1767, Oil Import Fees, President's authority to impose. Vetoed March 4. Referred to Ways and Means. Relevant provisions contained in H.R. 4035 which was also vetoed, and in S. 622 which is in conference.

10. H.R. 5357, Tourist Promotion. Vetoed May 28. Referred to House Interstate and Foreign Commerce Committee. Similar measure S. 2003 became Public Law 94–55.

11. H.R. 4035, Oil Policy. Vetoed July 21. Referred to House Interstate and Foreign Commerce Committee. Related provisions in S. 622 which is in conference.

12. H.R. 9497, Tobacco Price Supports. Vetoed September 30. Referred to House Agriculture Committee.

COMPARISON OF 1974 AND 1975 AS OF NOVEMBER 20

	1974	*1975*
Days in session	149	162
Hours in session	928: 10	1043: 41
Total measures passed	655	558
Public laws	256	133
Treaties	5	11
Record votes	470	528

SENATE LEGISLATIVE ACTIVITY INDEX

(94th Congress—1st Session)

(By Senate Democratic Policy Committee)

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Agricultural Pest Control (S. 1617).

Brucellosis (S. Res. 216).

DES (S. 963).

Disaster Loan Program (S. 555).

Food Stamp Increase (H.R. 1589).

Food Stamp Program Study (S. Res. 58).

Food Stamps—SSI Recipient Eligibility (S. 1662).

Forest Pest Control (S. 441).

Forestry Research (S. 1307), (S. 1529).

Grain Standards (S.J. Res. 88).

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Peanut Allotments (S. 1545).

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Plum Island Animal Disease Center (S. Res. 190).

Potato Stocks (S. Res. 122).

*Price Supports (H.R. 4296).

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*Tobacco Price Supports (H.R. 9497).

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*Emergency Employment (H.R. 4481).

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Office, General Services, Justice, HEW, State, Treasury (H.R. 3260).

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*Emergency Petroleum Allocation (S. 1849), (H.R. 9524), (S. 2667).

Energy Labeling and Disclosure (S. 349).

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Natural Gas Decontrol (S. 2310).

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*Oil Import Fees (H.R. 1767).

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*Health Services—Nurse Training (S. 66)

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*School Lunch Program (H.R. 4222).

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*Emergency Middle-Income Housing (H.R. 4485).

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Brazilian Shrimp Agreement (Ex. D, 94th–1st).
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Arkansas Post National Memorial Park (S. 1516).
Assateague Island National Seashore (S. 82).
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Land and Water Conservation Fund—National Historic Preservation Act—Oil Shale Revenues (S. 327).
National Trails Studies:
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River Basin Monetary Authorizations (S. 2270).
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Alexander P. Butterfield to Retired List U.S.A.F. (S. 182).
Stanley K. Hathaway to be Secretary of Interior.
Carla Anderson Hills to be Secretary of HUD.
Thomas J. Meskill to be U.S. Circuit Judge.
Donald Rumsfeld to be Secretary of Defense.
Earl J. Silbert to be U.S. Attorney for D.C.
Alton D. Slay to Lieutenant General, U.S.A.F.

PROCLAMATIONS

American Business Day (S.J. Res. 15).
American Institute of Banking Week (S.J. Res. 58).
Buchenwald Concentration Camp (S.J. Res. 56) (S.J. Res. 123).
Car Care Month (S.J. Res. 57).
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Saint Elizabeth Seton Day (S.J. Res. 125).
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New Hampshire Senate Vacancy—Committee Funding (S. Res. 54).
Open Committee Meetings (S. Res. 9).
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Amtrak Supplemental Authorization (H.R. 5975).
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Federal-Aid Highway Apportionments (S. Con. Res. 62).
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Public Broadcasting Authorization (H.R. 6461).
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VETERANS

Disability Compensation and Survivors' Benefits (H.R. 7767).
Veterans' Day (S. 331).
Veterans' Physician Pay (S. 1711).

SENATE LEGISLATIVE ACTIVITY

(94th Congress, 1st Session)

(By Senate Democratic Policy Committee)

Days in session, 162.
Hours in session, 1043:41.
Total measures passed, 558.
Private laws, 19.
Public laws, 133.
Treaties, 11.
Confirmations, 59, 132.
Record votes, 528.
Vetoes, 12.

Symbols: P/H—Passed House; P/S—Passed Senate; *—Vetoed in 1975; (VV)—Passed by Voice Vote; numbers in parenthesis indicate number of record vote on passage, conference report, or reconsideration.

AGRICULTURE

African/Brazilian honeybee control.—Amends the Act of 1922 regarding honeybees by prohibiting the importation of honeybees in all of their life stages (from germ plasm to adult) except under certain specified conditions and authorizing the Secretary of Agriculture to cooperate with State governments, organizations, individuals, and the governments of Mexico, Canada and the Central American countries to eradicate and control the spread of undesirable species of honeybees, including all forms of the African (or Brazilian) honeybee. S. 18. P/S June 16, 1975. (VV)

Agricultural pest control.—Broadens and strengthens the authority of the Secretary of Agriculture to control and eradicate agricultural pests by (1) permitting the Secretary to carry out eradication and control programs with respect to plant pests not now covered by the Organic Act of 1944 including spider mites, slugs, and snails; (2) extending the Secretary's authority to cooperate with all governments of countries in the Western Hemisphere in carrying out eradication and control programs; (3) making discretionary the Secretary's authority to provide phytosanitary inspection and certification service for domestic plants and plant products for export, and extending such authority to inspection and certification of any plants or plant products offered for export or transiting the United States; (4) repealing provisions of the Act of October 6, 1917, for cooperation with Mexico and adjacent States in the extermination of pink bollworm infestations in Mexico which authority is now contained in the Organic Act; and (5) clarifying the Secretary's authority to cooperate with certain Western Hemisphere countries with respect to animal disease control and the carriers of animal diseases. S. 1617. P/S Sept. 16, 1975; P/H amended Nov. 4, 1975. (VV)

Brucellosis.—States as the sense of the Senate that the Secretary of Agriculture should within 90 days formulate and submit to the Committee on Agriculture and Forestry a plan for the complete eradication of the animal disease brucellosis over a 5-year period, and provide a feasibility study of the plan and the estimated costs. S. Res. 216. Senate adopted Sept. 29, 1975. (VV)

DES.—Prohibits the administration of the drug diethylstilbestrol (DES) to animals intended for use as food or whose products are used as food pending completion of current studies of the health effects on humans resulting from such use of DES and separate and concurrent reports by the Secretaries of Health, Education, and Welfare and of Agriculture to the Congress recommending the course of action which should be followed concerning this use of this drug;

Amends the Food, Drug, and Cosmetic Act to require that any drug composed wholly or partly of DES carry a label stating that the drug may cause cancer, may not be used as a contraceptive after sexual intercourse except in cases of rape or incest or a comparable medical medical emergency, and that the drug may not be taken without the patient or patient's legal guardian being fully informed and giving written consent;

Provides in title II, the "Food and Drug Administration Act," for a statutory Food and Drug Administration within the Department of Health, Education, and Welfare; authorizes the appointment by the President of a Commissioner of Food and Drugs, a Deputy Commissioner, and a General Counsel by the President with the advice and consent of the Senate; and contains other provisions. S. 963. P/S Sept. 9, 1975. (387)

Disaster Loan Program.—Amends the Consolidated Farm and Rural Development Act to simplify the procedures under which loans are made to victims of natural and major disasters or emergencies and make additional credit assistance available to them; eliminates the requirement that there be a general need for agricultural credit; clarifies the authority of the Secretary to delegate authority to State directors of the Farmers Home Administration to make emergency loans to an area if the director finds that a natural disaster has substantially affected twenty-five or less farming, ranching, or aquaculture operations in the area; provides that loans would be made only to victims of a disaster who are unable to obtain sufficient credit elsewhere at reasonable rates and terms with respect to loan applications filed after July 9, 1975; makes emergency loans available for livestock (as well as crop) changes deemed desirable by the applicant as a result of shifts in market demand occurring after a disaster; authorizes loans in excess of the actual loss caused by the disaster provided that a rate of interest is charged for the amount in excess which is equal to the commercial rate charged for similar loans; requires that an applicant seeking an emergency loan based on production losses show that his operation sustained at least a 20 percent loss as a result of the disaster; requires the Secretary to accept as security for repayment of emergency loans collateral which has depreciated in value because of the disaster if the Secretary has confidence in the repayment ability of the applicant with such loans repayable at a time deemed justifiable by the needs of the applicant; provides annual subsequent loans for a period of up to 5 years when the borrowers need the credit to continue their operations and cannot obtain financing from other sources with interest rates for such loans at the commercial rate; authorizes the Secretary—for any disaster occurring after January 1, 1975—to make an emergency loan for an operating-type purpose for 20 years if it is determined that the applicant's financial need justified a longer payment term than that normally extended for operating loans in order to afford needed relief to victims of such severe disasters as the January 1975 blizzard in the Midwest; provides that loans made by the Small Business Administration in connection with disasters occurring after enactment of this act shall bear an interest rate not more than the average annual interest rate on all interest-bearing obligations of the United States; and requires the Secretary to testify before the House and Senate committees on Agriculture before February 15 of each year to provide justification in detail of amounts requested in the budget to be appropriated for the next fiscal year for the purposes authorized in the Consolidated Farm and Rural Development Act, and of the amounts estimated to be utilized during such fiscal year from the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund. S. 555. Public Law 94–68, approved August 5, 1975. (VV)

Food stamp increase.—Suspends until December 30, 1975, the proposed administrative increase in the costs of coupons to food stamp recipients published in the Federal Register on January 22, 1975, (which would have the effect of increasing food stamp purchase requirements to 30 percent of net income for nearly all food stamp recipients by March 1, 1975), in order to give Congress an opportunity to pass on the merit of such an increase. H.R. 1589. Public Law 94–4, without approval Feb. 20, 1975. (8)

Food stamp program study.—States the sense of the Senate that the Secretary of Agriculture should conduct a study of the food stamp program and report to Congress by June 30, 1975, recommendations for legislative changes which will (1) disqualify families who have adequate incomes; (2) reduce administrative complexities; (3) tighten accountability for procurement, shipping, and handling of food stamps; and (4) increase penalties for those who abuse the program, as well as any other recommendations he deems desirable. S. Res. 58. Senate adopted Feb. 5, 1975. (6)

Food stamps—SSI recipient eligibility.—Continues through June 30, 1976, the provisions of law under which the Secretary of Agriculture issued his regulations governing the eligibility of SSI recipients (aged, blind and disabled) to receive food stamps and participate, where applicable, in the family commodity distribution program; permits eligible SSI food stamp recipients to use the stamps, where a need exists, to purchase meals prepared and delivered to them by private nonprofit organizations ("meals on wheels"); and directs the Secretary to provide certification procedures to allow a food stamp aid applicant to receive temporary certification and authorization to purchase food stamps on the same day the person applies. S. 1662. P/S June 10, 1975. (VV)

Forest pest control.—Provides that funds appropriated for fiscal year 1975 to carry out the program of eradication and control of forest insect pests and diseases shall remain available until expended. S. 441. Public Law 94–40, approved June 20, 1975. (VV)

Forestry research.—Amends the McIntyre-Stennis Act of 1962 to make privately endowed colleges eligible for the cooperative program of forest research under this act. S. 1307. P/S Mar. 24, 1975. (VV)

Amends the McIntyre-Stennis Act of 1962 to authorize the Secretary of Agriculture to make matching grants to private colleges and universities (that are ineligible under present law) which carried out a forestry and research program prior to enactment; authorizes such additional funds as necessary; and authorizes the Secretary to appoint officials of participating colleges and universities to the advisory committee. S. 1529. P/S Apr. 29, 1975. Note: (This bill is intended to clarify the purpose of S. 1307 which passed the Senate on Mar. 25, 1975.) (VV)

Grain standards.—Grants the Secretary of Agriculture 1-year emergency powers to enable him to take immediate action to strengthen the system for the inspection, handling, and export of grain; requires the Secretary to review the designation of all official inspection agencies to determine if they are in compliance with the provisions of the United States Grain Standards Act; makes several changes in the Act and the U.S. Criminal Code to increase the sanctions for violations of the Act; protects Department of Agriculture personnel assigned to inspecting, grading or weighting functions from assault and death, and makes clear that bribery of licensed inspectors is punishable as a felony; directs the Comptroller General to make a 1-year study concerning compliance of the Act by major grain exporters; requires the registration of any person engaged in the business of buying grain for sale in interstate or foreign commerce or in the handling, weighing, or transporting of grain for sale in interstate or foreign commerce; requires the Secretary to notify the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry of complaints made by foreign purchasers regarding faulty grain deliveries and cancellation of any contact for the export of more than 100,000 metric tons of grain: requires the Secretary to make studies regarding the adequacy of the current grain standards established under the Act and the contamination, transportation, and handling of U.S. agricultural products; and requires the Secretary to make periodic reports during the 1-year period concerning the steps taken to improve the inspection system for grain and any legislative recommendations. S.J. Res. 88 P/S Sept. 25, 1975. (VV)

Horse protection.—Amends the Horse Protection Act of 1970 (Public Law 91–54) in order to stop the practice of altering the gait of horses by injury ("soring") to assure that the horse has a destinctive high-stepping gait; prohibits the movement of "sore" horses in commerce, the showing of horses with "unsound" limbs, and the sale at a public auction or the showing of horses that have been sored or are wearing devices banned by the Secretary of Agriculture because they are usually used to make a horse sore or unsound; requires the management of horse shows and auctions to keep records subject to inspection by agents of the Department of Agriculture; imposes penalties for violations of the Act; and grants the Secretary of Agriculture the necessary authority to enforce the Act. S. 811 P/S Oct. 9, 1975. (VV)

Insecticides.—Extends the Federal Insecticide, Fungicide, and Rodenticide Act from July 1, 1975, until September 30, 1975, and authorizes therefor $11,967,000. H.R. 6387. Public Law 94–51, approved July 2, 1975. (VV)

Extends the Federal Insecticide, Fungicide, and Rodenticide Act from October 1, 1975, until November 15, 1975, and authorizes therefor $5,983,500. S. 2375. Public Law 94–109, approved Oct. 10, 1975. (VV)

Insecticides (FIFRA.—Extends for 1 and ½ years the authorization for the Environmental Protection Agency (EPA) to carry out the provisions of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) at a total authorization of $47,868,000 for the period October 1, 1975 through September 30, 1976, and $23,600,000 for the period October 1, 1976 through March 31, 1977;

Requires the Administrator of EPA to provide the Secretary of Agriculture with copies of proposed changes in pesticide classification or cancellation actions 60 days prior to publication, except in the case of suspension actions when an imminent hazard has been determined; requires that all such data be published in the Federal Register;

Requires EPA to give the House and Senate Agriculture Committees advance copies of proposed and final regulations;

Authorizes the completion of a certification form as fulfillment of the private applicator certification provision that an applicant has completed an EPA approved training program and that pesticide dealers are licensed under an approved State program with the State to have the option of submitting a different plan for certification;

Requires EPA to assess the impact of proposed changes in classification or cancellation on production and prices of agricultural commodities, retail food prices, or other effects on the agricultural economy and to submit a report thereon to the Secretary of Agriculture; requires publication of the report in the Federal Register;

Establishes a scientific advisory panel consisting of 7 members appointed by the Administrator from a list of 12 nominees submitted by the National Institute of Health and the National Science Foundation; requires EPA to submit proposed changes in classification, cancellations, and regulations to the panel for comment as to the impact on health and environment; requires that the panel's comment and the Administrator's response be published in the Federal Register;

Requires EPA, in exempting any Federal or State agency from any provision of FIFRA because of emergency conditions, to consult the Secretary in determining whether such conditions exist;

Adds a new provision requiring EPA and the States to develop materials on integrated pest management techniques and advise interested individuals of their availability;

Provides that experimental use permits may be issued to agricultural research institutions for cancelled pesticides; and

Extends for 1 year the time for implementation of certain provisions of the act. H.R. 8841. Public Law 94–__, approved ____ 1975. (482)

Livestock Credit.—Amends the Emergency Livestock Credit Act of 1974 to (1) extend financial assistance to a farmer or rancher primarily involved in the breeding, raising, fattening, or marketing of livestock including dairy cattle; (2) permit secondary financing of the guaranteed portion of livestock loans through the Federal Financing Bank; (3) provide that contracts of guarantee shall not require the Secretary of Agriculture to guarantee more than 90 percent of principal and interest on such loan; (4) provide that guaranteed loans shall be for the period reasonably required by the needs of the borrower but not to exceed 7 years and may be renewed for not more than 3 years; (5) increase the guarantee of a line credit from $250,000 to $350,000 and limits the total outstanding loan guarantees to $1.5 billion; (6) authorize the payment of administrative expenses from any funds available including the Agriculture Credit Insurance Fund; (7) extend the act from July 25, 1975, until December 31, 1976; (8) require that action by the Department of Agriculture on each loan application be completed within 30 days; (9) require collateral adequate to protect the government's interest but allows collateral which has depreciated in value owing to temporary economic conditions; and (10) require an annual report on the effectiveness of the Act; and also amends the Consolidated Farm and Rural Development Act to provide that contracts of guarantee under that Act shall not require the Secretary to guarantee more than 90 percent of the principal and interest on such loans. S. 1236. Public Law 94–35, approved June 16, 1975. (VV)

Milk price supports.—Requires, effective on the date of enactment and ending on March 31, 1979, that the Secretary of Agriculture adjust upward the support price of manufacturing milk at the beginning of each quarter to reflect any estimated increase during the preceding quarter in the index of prices paid by farmers for production items, interest, taxes and wage rates. S.J. Res. 121. P/S Sept. 29, 1975; P/H amended Nov. 18, 1975. (VV)

Peanut allotments.—Authorizes the Secretary of Agriculture to permit the transfer of all or part of the peanut acreage allotments for any farm located in an area having suffered a natural disaster which would prevent the planting of peanuts on a timely basis to another farm engaged in the production of peanuts. S. 1545. P/S Nov. 12, 1975. (VV)

Peanut distribution.—Expresses the sense of the Senate that the Secretary of Agriculture immediately take steps to distribute excess peanut stocks in useful edible forms to needy persons at home and abroad under the domestic food assistance programs and the Public Law 480 program. S. Res. 101. Senate adopted Mar. 24, 1975. (VV)

Plum Island Animal Disease Center.—States the sense of the Senate that the Office of Management and Budget should expedite its consideration of the supplemental budget request of the Department of Agriculture for $9.45 million for the expansion of animal quarantine facilities and diagnostic laboratories and for the construction of a pilot vaccine plant at the Plum Island, New York, Animal Disease Center, and forward this request to Congress for its consideration. S. Res. 190. Senate adopted June 19, 1975. (VV)

Potato stocks.—States the sense of the Senate that the Secretary of Agriculture immediately take steps to distribute potato stocks, which are now in abundant supply, in useful edible forms to needy persons at home and abroad under the domestic food assistance programs and the Public Law 480 program to supplement protein deficiencies, the basic cause of malnutrition. S. Res. 122. Senate adopted May 16, 1975. (VV)

*Price supports.—Establishes an emergency price support program for the 1975 crop or commodity year for upland cotton, wheat, feed grains, soybeans and milk; increases the target price on cotton from 38 cents to 45 cents a pound, on corn from $1.38 a bushel to $2.25 and on other feed grains at comparable levels, on wheat from $2.05 a bushel to $3.41; increases the production loan levels on cotton from 34 to 38 cents per pound, on corn and feed grains from $1.10 a bushel to $1.87, and on wheat from $1.37 a bushel to $2.50; sets the support price of milk at no less than 85 percent of the parity price on the date of enactment and provides that the milk support price shall be adjusted quarterly thereafter, with this provision to remain in effect until April 1, 1976; and contains other provisions. H.R. 4296. Vetoed May 1, 1975. House sustained veto May 13, 1975. (116)

Rural electrification loan program.—Amends the Rural Electrification Act (REA) of 1936, as amended, to authorize assignment to REA-guaranteed loans; clarifies the Act by providing that a person's vulnerability to the defense of fraud or misrepresentation arises only if he had actual knowledge of the fraud or misrepresentation at the time he became a holder of an REA guarantee; and requires the Secretary of Agriculture to appear annually before the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry and provide justification for the amount requested to be appropriated in the President's budget for necessary administrative expenses in carrying out the Act. H.R. 4799. Public Law 94–124, approved Nov. 4, 1975. (VV)

Timber sale road costs.—Authorizes the Secretary of Agriculture to provide for the transfer of the unamortized portion of road costs on timber sale contracts from one timber sale contract to another timber sale contract held by the same purchaser within the same proclaimed National Forest. S. 364. P/S Oct. 10, 1975. (VV)

*Tobacco price supports.—Amends the Agricultural Act of 1949, as amended, to increase the price support level for the 1975 crop of flue-cured tobacco from 93.2 cents per pound to 99.9 cents per pound. H.R. 9497. Vetoed Sept. 30, 1975. (VV)

Watershed projects.—Amends the Watershed Protection and Flood Prevention Act to require congressional approval of watershed projects where the estimated Federal contribution is in excess of $750,000 instead of $250,000 as under existing law. S. 1230. P/S June 21, 1975. (VV)

Wheat referendum.—Amends the Agricultural Adjustment Act to change the marketing year for wheat from July 1–June 30, to June 1–May 31. S. 435. Public Law 94–61, approved July 25, 1975. (VV)

White corn.—Expresses the sense of the Senate that the Department of Agriculture should continue the white corn survey, which provides the white corn industry with critical data for orderly production, marketing and processing, and make the survey reliable by obtaining data from all the significant white corn producing States. S. Res. 155. Senate adopted May 21, 1975. (VV)

APPROPRIATIONS

1975:

Continuing.—Extends the continuing resolution, which expires on February 28, 1975, to provide obligational authority for foreign assistance programs through March 25, 1975, and funding of activities under title IX of the Public Health Service Act through June 30, 1975, for the following programs within HEW and the Community Services Administration which did not achieve final enactment during the 93d Congress: Health Revenue Sharing and Services; Nurse Training; Health Manpower; Developmental Disabilities Services and Construction; and the Regional Medical program. H.J. Res. 219. Pub. Law 94–7, approved Mar. 14, 1975. (VV)

Emergency Employment.—Appropriates a total of $5,306,508,000 in new budget authority, $485 million in loan authority and $92,362,000 in liquidation of contract authority for the acceleration of existing Federal programs and projects in order to increase immediately employment throughout the nation; provides two approaches to the unemployment problem: (1) $2,318,150,000 in direct creation of jobs as follows: $1.625 billion in public service jobs, $458,050,000 for summer youth employment and transportation, $30 million in jobs for older Americans, $119.8 million in work-study grants for college students, $70 million in the work incentive program to provide jobs, training and related child care for welfare recipients, and $15.3 million for the summer youth recreation program to be administered by the Community Services Administration which together with funds previously appropriated or available total about $3.5 billion; and (2) $2,988,358,000 for funding of projects which would stimulate jobs through acceleration of on-going public works projects, increase of rural water and sewer grants, improvement and modernization of existing veterans' hospitals, increased maintenance of the national cemeteries, reforestation and timber stand improvement, expansion and upgrading of facilities in national parks, forests and other Federal lands, increased assistance to small businesses, major repairs and renovations of existing buildings, and purchase of automobiles used by Federal agencies. H.R. 4481. Vetoed May 28, 1975. House sustained veto June 4, 1975. (151)

Foreign Assistance: Appropriates a total of $3,674,346,982 in new obligational authority, which is $175,926,982 more than the amount allowed by the House and $271,750,000 less than that allowed by the Senate, $272,113,927 less than the fiscal year 1975 amended budget estimate, and $193,637,982 more than the 1974 appropriations; and includes:

Appropriations for Foreign Assistance Act activities of $854,800,000 in new obligational authority for economic assistance, which includes $300 million for food and nutrition development assistance; $125 million for population planning and health development assistance; $125 million for international organizations and programs; $5 million for the United Nations Environment Fund; $500,000 earmarked for the National Association of the Partners of the Alliance skill exchange program among peoples of the Americas; $17.5 million for international narcotics control; $35 million for famine or disaster relief assistance; $25 million for assistance to Portugal and Portuguese colonies in Africa gaining independence; $440 million for Indochina Postwar Reconstruction Assistance; $100 million for the Middle East Special Requirements Funds; and $660 million for Security Supporting Assistance and Middle East peace programs;

Appropriations for military assistance of $450 million in new obligational authority, which equals the 1974 appropriation, and is $757 million below the budget estimate of $1,207,000,000 in new obligational authority, which, when added to other available funds, would support a proposed fiscal year 1975 program of $1,246,000,000;

Appropriations for foreign military credit sales of $300 million, which is $255 million less than the budget estimate of $555 million and, combined with outside credits, will support a total military credit sales program of up to $872.5 million, the ceiling established in the authorization bill;

Appropriations for other foreign assistance of $844,546,982, which is $355,813,927 less than the budget estimate of $1,200,360,909, and includes $77 million for the Peace Corps, $90 million for the Cuban Refugee Program, $8,420,000 for migration and refugee assistance, $40 million for Soviet Jewish immigrants to Israel, $10 million for assistance to Palestinian refugees, funds to the President for international financial institutions (Asian Development Bank, Inter-American Development Bank, and the International Development Association) of $619,126,982; and

Sets a limitation on use of corporate funds for the Export-Import Bank of $6,413,328,000 which is the same as the House amount and the budget estimate. H.R. 4592. Public Law 94–11, approved Mar. 26, 1975. (77)

Summer Youth Employment and Recreation.—Appropriates a total of $473,350,000 for the summer youth employment and recreation programs of which $15,300,000 is to be used for the recreation program. H.J. Res. 492. Public Law 94–36, approved June 16, 1975. (VV)

Supplemental.—Appropriates a total of $143,175,000 in new budget authority for fiscal year 1975 of which $17,175,000 is for alteration, maintenance, furnishing, and protection of House office space, $1 million is for temporary parking facilities for the Senate, and additional costs in acquiring the site for a Senate garage, and the remaining $125 million is for operating assistance for the Penn Central and other railroads in reorganization under the Regional Rail Reorganization Act of 1973, and contains an increase of $150 million in loan guarantees for these railroads upon which no appropirations action is required; and repeals the provisions of Public Law 93–554 which, in effect, amounted to a blanket 5 percent reduction in Government travel. H.J. Res. 210. Public Law 94–6, approved Feb. 28, 1975. (31)

Appropriates in title I, a total of $15,066,595,998 in new obligational authority for general program supplemental appropriations for fiscal year 1975, advance funding for fiscal 1976, and one small item for fiscal 1974; in addition, also provides $206,407,375 in transfer authority, $274,306,000 in increased limitations and $53,714,000 for liquidation of contract authority; in title II, provides for increased pay costs; and in title III, prohibits use of funds under this Act to force the busing of students in schools or school districts which are desegregated as defined in title IV of the Civil Rights Act of 1964, to abolish a desegrated school, or to force the transfer of students in desegregated schools, and prohibits the use of funds under this Act for busing of students or teachers in order to overcome racial imbalance in any school or school system or carry out a plan of racial desegregation of any school or school system; and contains other provisions. H.R. 5899. Public Law 94–32, approved June 12, 1975. (192, 194)

Veterans' Supplemental.—Appropriates an additional $638,038,000 for Veterans Administration readjustment benefits to fund the authorized increases contained in Public Law 93–337 which increased to 10 years the 8 year delimiting period for post-Korean veterans; in Public Law 93–358 which increased from $2,800 to $3,300 the maximum grant for specially equipped automobiles for disabled veterans and extended eligibility for training and adaptive equipment; in Public Law 93–356 which increased from $17,500 to $25,000 the housing grant for certain disabled veterans; and in Public Law 93–602 which increased from 18.2 percent to 22.7 percent the monthly allowance for vocational rehabilitation trainee programs makes a total VA appropriation of $4,125,738,000 for fiscal year 1975; and appropriates $500,000 for salaries and expenses of the Federal Election Commission. H.J. Res. 375. Public Law 94–17, approved Apr. 25, 1975. (140)

Vietnamese Refugee Aid.—Appropriates $405 million to aid refugees from Cambodia and Vietnam—$305 million to the Department of State for relocation and resettlement costs and $100 million to the Department of Health, Education, and Welfare for income, medical and education assistance to refugees in the United States—and prohibits aid to government of Vietnam. H.R. 6894. Public Law 94–24, approved May 24, 1975. (187)

1976 AND TRANSITION PERIOD

Agriculture.—Appropriates a total of $11,061,282,000 for fiscal year 1976 and $2,052,922,000 for the transition period July 1–September 30, 1976 for the Department of Agriculture and related agencies programs. H.R. 8561. Public Law 94–122, approved Oct. 21, 1975. (333)

Continuing.—Makes continuing appropriations for fiscal year 1976 which shall be available from July 1, 1975, and until enactment of the individual appropriation act or the sine die adjournment of the first session of this Congress, whichever occurs first. H.J. Res. 499. Public Law 94–41, approved June 27, 1975. (230)

Defense.—Appropriates $90,721,789,000 for fiscal year 1976 and $21,849,816,000 for the transition period July 1–September 30, 1976 for the military functions of the Department of Defense; including pay, operations and maintenance, procurement; research and development, intelligence functions and funds for the Central Intelligence Agency. H.R. 9861. P/H Oct. 2, 1975; P/S amended Nov. 18, 1975. (505)

Education.—Appropriates $7,480,312,952 for fiscal year 1976 and $464,683,000 for the transition period July 1–September 30, 1976, for education programs, including support to local school districts, aid to individuals attending institutions of higher learning, and special assistance to the needy and handicapped. H.R. 5901. Vetoed July 25, 1975. House overrode Sept. 9, 1975; Senate overrode Sept. 10, 1975. Public Law 94–94, without approval Sept. 10, 1975. (258, 293, 389)

HUD.—Appropriates $49,344,914,000 for fiscal year 1976 and $5,648,914,000 for the transition period July 1–September 30, 1976 for the Department of Housing and Urban Development and various independent agencies. H.R. 8070. Public Law 94–116, approved Oct. 17, 1975. (338)

Interior.—Appropriates $4,527,598,000 for fiscal year 1976 and $1,215,991,900 for the transition period from July 1–September 30, 1976 for the Department of the Interior and related agencies. H.R. 8773. P/H July 23, 1975; P/S amended Nov. 20, 1975; Senate requested conference July 20, 1975. (528)

Labor-HEW.—Appropriates $36,274,092,318 for fiscal year 1976 and $8,960,364,000 for the transition period July 1–September 30, 1976 for the Departments of Labor, and Health, Education, and Welfare (HEW), and related agencies; includes programs for comprehensive manpower assistance and public service employment, occupational health and safety, maternal and child health, emergency medical services, Public Health Service hospitals, National Institutes of Health (NIH) research, alcohol, drug abuse, and mental health programs, public assistance, human development, and community services programs;

Exempts employers having 3 or fewer employees from the requirements of the Occupational Health and Safety Act (OSHA) and limits the fine on first inspections for firms with 15 or fewer employees to $50;

Prohibits the use of funds under this act by HEW to require transportation of students to schools other than those closest to home, and prohibits the use of funds by HEW under this act to require transportation of students except pursuant to a final decree of a court of law. H.R. 8069. P/H June 24, 1975; P/S amended Sept. 26, 1975; Conference report filed. (423)

Legislative.—Appropriates $827,546,570 for the legislative branch for fiscal year 1976 and $207,391,365 for the transition period July 1–September 30, 1976, which includes funds for the Architect of the Capitol to prepare studies and develop a master plan for future development within the Capitol grounds and to remove architectural barriers to the handicapped on Capitol Hill, funds for increases in salaries for top Senate officials and staff employees ($40,000 for the Secretary of the Senate, the Sergeant at Arms of the Senate, and the Legislative Counsel, $39,500 for the party Secretaries, and $38,000 for administrative assistants and top committee staff), and moneys for a full telecommunications network to bring a comprehensive legislative information system into each Senator's office; freezes the salaries of Senate and House pages at their present level; and directs the Architect of the Capitol to recommend within 3 months a plan to reduce by at least 50 percent the number of elevator operators in the Capitol complex. H.R. 6950. Public Law 94–59, approved July 25, 1975. *Note*: (See S. Res. 239, regarding legislative salaries.) (266)

Military Construction.—Appropriates $3,585,014,000 for fiscal year 1976 and $359,100,000 for the transition period July 1–September 30, 1976, for military construction for the Department of Defense including bachelor and family housing, hospital programs, the Uniformed Services University of Health Sciences, maintenance facilities, construction backlog, pollution abatement, Trident submarine support site, and NATO infrastructure; directs the Department of Defense to evaluate the problem posed by the debris and obsolete buildings remaining as a result of World War II in the Aleutian Islands in Alaska, including an analysis of the methods and costs for their removal, and a study on plans for utilizing and the feasibility of clearing the island of Kahooawe, in Hawaii, of unexploded ordnance; prohibits the use of funds appropriated under this act prior to April 15, 1976, for construction on the island of Diego Garcia except that $250,000 may be used to procure, construct and install aircraft arresting gear; and contains other provisions. H.R. 10029. Public Law 94– , approved 1975. (474)

State-Justice-Commerce. — Appropriates $5,958,676,000 for fiscal year 1976 and $1,551,256,000 for the transition period July 1–September 30, 1976, for the Departments of State, Justice, and Commerce, the Judiciary, and various related agencies, and states as the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the Canal Zone and in the operation, maintenance, property and defense of the Canal. H.R. 8121. Public Law 94–121, approved Oct. 21, 1975. (378)

Transportation.—Appropriates $3,978,924 for fiscal year 1976 and $970,721,939 for the transition period July 1–September 30, 1976 for the Department of Transportation and related agencies; includes $300,000 for the Civil Aeronautics Board for analytical research to effect necessary regulatory reform of the airlines industry, $10 million for the Coast Guard Pollution Control Fund to insure immediate clean up of oil spills, $6 million for a bikeway demonstration program, $66,850,000 for the National Highway Traffic Safety Administration, including funds for demonstration projects for emergency medical services, $1.5 million for rail passenger and terminal facilities at Baltimore-Washington International Airport, and $90,059,000 advance funding for the Washington Metropolitan Area Transit Authority; limits obligation of appropriated Federal-aid highway funds to $9 billion through September 30, 1976; and contains other provisions. H.R. 8365. Public Law 94– , approved 1975. (232)

Treasury-Postal Service.—Appropriates $6,314,070,000 for fiscal year 1976 and $1,275,352,000 for the transition period July 1–September 30, 1976, for the Treasury Department, the Postal Service, the Executive Office of the President, and certain other independent agencies. H.R. 8597. Public Law 94–91, approved August 9, 1975. (334)

ATOMIC ENERGY

International Agreements

Atomic Energy Cooperation Agreement With Israel. Approves the proposed two year extension of the Agreement for Cooperation Between the United States and Israel which concerns peaceful research applications in the field of atomic energy. So. Con. Res. 15. Senate adopted Feb. 19, 1975; House adopted Mar. 11, 1975. (VV)

Enriched Uranium Distribution to Euratom.—Approves the proposed increase (from the present 35,000 megawatt ceiling to 55,000 megawatts) in the amount of enriched uranium which may be distributed by United States to EURATOM under Section 54 of the Atomic Energy Act of 1954, as amended, to support the fuel cycle of power reactors in the Community, such transfers to be subject to the additional Agreement for Cooperation with EURATOM (which among other things, contains provisions for safeguards against the diversion of special nuclear material to military applications) and in accordance with our Non-Proliferation Treaty obligations. S. Con. Res. 14. Senate adopted Feb. 19, 1975; House tabled Mar. 17, 1975. (VV)

Enriched Uranium Distribution to the International Atomic Energy Agency.—Approves the proposed increase in the amount of enriched uranium which may be distributed by the United States to the IAEA under Section 54 of the Atomic Energy Act of 1954, as amended, to allow for the support of fuel cycle of power reactors, to be purchased from U.S. manufacturers, located in member states of IAEA (2 in Mexico, 1 in Yugoslavia) having a total installed capacity of 2,015 megawatts of electrical energy. S. Con. Res. 13. Senate adopted Feb. 19, 1975; House tabled Mar. 17, 1975. (IV)

Nuclear Regulatory Commission Authorizations.—Authorizes supplemental appropriations of $50.2 million to the Nuclear Regulatory Commission for fiscal year 1975 which is in addition to the $90,765,000 fiscal year 1975 authorization for the Atomic Energy Commission (Public Law 93–276) and transferred to the Commission on January 19, 1975, when the Atomic Energy Commission was abolished pursuant to the Energy Reorganization Act of 1974 (Public Law 93–438) and its functions transferred to the Nuclear Regulatory Commission and Energy Research and Development Administration. S. 994. Public Law 94–18, approved Apr. 25, 1975. (VV)

Authorizes $222,935,000 for fiscal year 1976 and $52,750,000 for the transition period July 1–September 30, 1976, for the Nuclear Regulatory Commission; authorizes an additional 131 employees for nuclear safety inspection and enforcement; prohibits the shipment, by air transport, of any form of plutonium (except if it is contained in a medical device designed for individual human application) until the Commission has certified to the Joint Committee on Atomic Energy that a safe container has been developed which will not rupture under crash and explosion of a high-flying aircraft; and clarifies the commencing date for the terms of the members of the Commission. S. 1716. Public Law 94–79, approved August 9, 1975. (VV)

BUDGET

Deferrals—1975

Energy Research and Development Administration.—Rescinds $66.5 million and disapproves $46.1 million of the $112.6 million deferral recommended by the President in his message of November 26, 1974, provided under the 1975 Public Works-AEC Appropriations Act (P.L. 93–393) for various programs within the Energy Research and Development Administration. By this action, deferral of budget authority was disapproved for the following programs: Biomedical and Environmental Research—Artificial Heart Research, $4 million (S. Res. 32); Nuclear Materials, $12 million (S. Res. 75); Laser Fusion Program, $4.7 million (S. Res. 76); Controlled Thermonuclear Research—Fusion Program, $8 million (S. Res. 77); Physical Research, $2.7 million (S. Res. 78); Gas Cool Fast Reactor Program, $6.7 million (S. Res. 79); and LMFBR Technology, $8 million (S. Res. 80). S. Res. 32, S. Res. 75, S. Res. 76, S. Res. 77, S. Res. 78, S. Res. 79, S. Res. 80. Senate adopted May 7, 1975. (VV)

HUD—Comprehensive Planning Grants.—Disapproves the $50 million deferral for the HUD Comprehensive Planning Grant Program recommended by the President in his message of November 26, 1974. S. Res. 23. Senate adopted Mar. 13, 1975. (VV)

Transportation—Highway Funds.—Disapproves the $9,136,590,427 deferral for Federal highway funds to the States recommended by the President in his message of September 20, 1974. S. Res. 69. Senate adopted Apr. 24, 1975. (149)

Youth Conservation Corps.—Disapproves the $10 million deferral for the Forest Service Youth Conservation Corps program recommended by the President and reported by the Comptroller General in his letter of July 9, 1975. S. Res. 205. Senate adopted July 10, 1975. (VV)

Deferrals—1976

Emergency Energy Conservation Services.—Disapproves the proposed deferral of $16.5 million fo the Emergency Energy Conservation Services program recommended by the President in his message of July 26, 1975. S. Res. 267. Senate adopted Oct. 3, 1975. (VV)

Rescissions—1975

Agriculture, Commerce, Consumer Product Safety, DOD, HEW, Labor.—Rescinds $16,454,704 ($10 million for Forestry Incentive Programs, $955,000 for Defense special foreign currency programs, $500,000 for the Consumer Product Safety Commission, and $4,999,704 for the Laitn-American Cultural and Trade Center within the Department of Commerce) and disapproves $1,243,939,250 of the rescission of $1,260,393,954 recommended by the President in his message of January 30, 1975, and the communications of the Comptroller General of February 7 and 14, 1975, as follows: Department of Agriculture—$191,690,000; Consumer Product Safety Commission—$1,209,000; Community Service Employment for Older Americans in the Department of Labor—$12 million; Department of HEW—$936;030,250; and Department of Commerce—$125 million which is for the Job Opportunities Program which had been submitted as a deferral and reclassified by the Comptroller General as a rescission. H.R. 4075. Public Law 94–15, approved Apr. 8, 1975. (VV)

Agriculture, Commerce, DOD, Executive Office, General Services, Justice, HEW, State, Treasury.—Approves rescission of budget authority in the amount of $243,359,370, and disapproves $706,083,802 of the amounts proposed for rescission by the President, for the following departments:

Department of Agriculture: Approves a partial rescission of $7,856,470 for the Agriculture Stabilization and Conservation Service Water Programs, leaving available $13,356,470 for the wetlands and marshlands conservation program; disapproves rescissions of $14,921,000 for the Forest Service;

Department of Defense: Approves rescission of $60,300,000 for operations and real property maintenance; disapproves rescission of $5,700,000 for Army UH–IH utility helicopters procurement because rescission would result in no procurement of needed helicopters in fiscal year 1975; approves rescission of $122,900,000 for Air Force F–111F fighter aircraft; disapproves rescission of $29,600,000 for Air Force A–7D attack aircraft as being necessary for modernization of the Air National Guard;

Department of Health, Education and Welfare: Disapproves rescission of $284,719,000 for Hill-Burton hospital bed construction;

Department of State: Approves rescissions of $2.1 million in savings;

Department of Justice: Disapproves rescission of $5,350,000, $1.3 million, and $2.4 million respectively for salaries and expenses of the FBI, Immigration and Naturalization Service, and the Drug Enforcement Administration on the basis that the rescission would adversely affect accomplishment of the purposes of these agencies; approves rescission of $7 million for the Bureau of Prisons in view of a lower than expected prison population and the possibility of acquiring a new facility at no cost;

Department of Commerce: Approves rescissions totaling $2.25 million for Social and Economic Statistics Administration, Trade Adjustment Assistance, U.S. Travel Service, the Patent Office and the marine data buoy project of the National Oceanic and Atmospheric Administration; disapproves rescission of $2 million for Economic Development Administration assistance programs which affect planning for areas of chronic, high unemployment; disapproves rescissions of $1.3 million, $500,000, and $500,000 respectively for National Oceanic and Atmospheric Administration, salmon and steelhead rearing ponds, three regional fisheries commissions under the National Fisheries Policy, and the marine ecosystems project in Puget Sound;

Department of the Treasury: Approves rescissions of $1.53 million affecting the Office of the Secretary, the Federal Law Enforcement Training Center, the Bureau of Accounts, and the Internal Revenue Service; disapproves rescission of $9,230,000 and $10,240,000 respectively, for accounts, collection, and taxpayer service and compliance in the Internal Revenue Service; disapproves rescission of $3 million for the Customs Service on the basis of adverse impact on its functions;

Executive Office of the President: Approves rescission of $2,240,000 for the Special Action Office for Drug Abuse Prevention as legislative authority for this office expires June 30, 1975 and other funding available is considered sufficient;

General Services Administration: Approves rescission of $20,022,900 for the Federal Buildings Fund which will be withdrawn from programmed low-priority work which has not been started. H.R. 3260. Public Law 94–14, approved Apr. 8, 1975. (68)

HEW—Health and Medical Service Programs.—Disapproves $264,700,000 of the proposed rescission of $266,323,000 recommended by the President in his messages of April 8 and May 8, 1975, for the following programs of the Department of Health, Education and Welfare: Alcohol, Drug Abuse and Mental Health; D.C. medical facilities; Nurse training, allied and public health, and funding for medical facilities and construction; and emergency food and medical services, and summer youth sports; and approves the rescission of $1,623,000 for health services. H.R. 6573. P/H May 12, 1975; P/S amended June 10, 1975; House disagreed to Senate amendment June 12, 1975. (VV)

HUD—Homeownership Assistance.—Disapproves the $264,117,000 rescission for the HUD Homeownership Assistance Program recommended by the President in his message of October 4, 1974. S. Res. 61. Senate adopted Mar. 13, 1975. (VV)

Rescissions—1976

Agriculture, HEW, Interior, Transportation, Treasury.—Rescinds $47.5 million for the Department of Interior, Bureau of Mines helium fund and disapproves $184,337,334 of the rescission of $188,888,000 recommended by the President in his message of July 26, 1975 as follows: HEW, Headstart services to handicapped children—$7 million; HEW, Community Services Administration—$9 million; Agriculture, Forest Service roads and trails—$25,723,000; Transportation, scenic highways—$90 million; and Treasury, construction of Federal Law Enforcement Training Center—$8,665,000. H.R. 9600. Public Law 94–111, approved October 13, 1975. (VV)

RESOLUTIONS

First Budget Resolution.—Recommends budget outlays of $367 billion, estimated revenues of $298.18 billion and an estimated deficit of $68.82 billion as compared to the President's budget estimates of $355.6 billion in outlays adjusted as of April 4, estimated revenues of $297.5 billion, and a proposed deficit level of $60 billion; recommends, in order to achieve the revenue level suggested that revenues should be decreased by $3.4 billion; and, in making the revenue recommendations (1) assumes that major provisions of the Tax Reduction Act scheduled to expire December 31, 1975 will be extended by the Congress and thus lower revenues by $4.4 billion, (2) takes the position that additional revenues should be raised through enactment of tax reform legislation in the amount of $1 billion in fiscal year 1976, and (3) assumes that, as a result of recent tax collection experience, an additional $2 billion in revenues will be received during fiscal year 1976; does not contain the function-by-function allocations which will be reported in later years but is based on recommended outlays for budget programs by function for fiscal year 1976 as compared with the President's proposed budget outlays as follows:

National Defense: $91.2 billion in budget outlays as compared to $93.9;

International Affairs (conduct of foreign affairs, foreign information and exchange activities, the Peace Corps, Food for Peace, and foreign assistance except for military assistance): $4.9 billion as compared to an estimated $5.1 to $6.4 billion;

General Science, Space, and Technology: $4.6 billion, which is the same as that proposed in the President's budget;

Natural Resources, Environment, and Energy: $11.6 billion as compared to $10.2 billion;

Agriculture: $1.8 billion, which is the same as that in the President's budget;

Commerce and Transportation: $17.5 billion as compared to $14.7 billion;

Community and Regional Development: $8.65 billion as compared to $6 billion;

Education, Manpower, and Social Services: $19.85 billion as compared to $16.6 billion;

Health: $30.7 billion as compared to $28.4 billion;

Income Security (social security and unemployment insurance, retirement systems for Federal and railroad employees and assistance programs for the needy): $125.3 billion as compared to $120.9 billion;

Veterans Benefits and Services: $17.5 billion as compared to $16.2 billion;

Law Enforcement and Justice: $3.4 billion as compared to $3.3 billion;

General Government: $3.3 billion as compared to $3.2 billion;

Revenue Sharing and General Purpose Fiscal Assistance: $7.2 billion, which is the same as that in the President's budget;

Interest: $35.3 billion as compared to $34.4 billion;

Allowances (includes energy tax equalization payments, civilian agency pay raises and contingencies): $1.2 billion as compared to $8.1 billion, caused mainly by the deduction of $7 billion included in the President's budget to equalize the impact of his original energy tax proposals based on the assumption that the President's program will not be approved by the Congress; and

Undistributed Offsetting Receipts (includes Federal Government contributions to the employee retirement funds, interest earned on trust funds and revenue from oil leases on the Outer Continental Shelf): Deduction of $16.2 billion in undistributed off-setting receipts from the budget total in 1976 as compared to $20.2 billion in the President's budget, in the Congressional budget difference being due to an estimate of $4 billion in receipts by the Committee from the sale of leases for offshore oil drilling and an estimate of $8 billion in such receipts in the President's budget. H. Con. Res. 218. House adopted May 1, 1975; Senate adopted amended May 5, 1975; House and Senate agreed to conference report May 14, 1975. (157)

Second Budget Resolution.—Sets binding ceilings on spending levels; raises the spending target of the First Budget Resolution by $8.6 billion and the deficit target by $6 billion based essentially on higher estimates of the cost of existing programs under current conditions;

Recommends the following levels of spending, revenue, and outlays for fiscal year 1976: Revenues—$300.8 billion; Budget authority—$406.2 billion; Outlays—$375.6 billion; Deficit—$74.8 billion; and Public Debt Ceiling—$623.2 billion, and for the transition period July 1–September 30, 1976: Revenues—$84.8 billion; Budget authority—$92.2 billion; Outlays—$100.1 billion; Deficit—$15.3 billion; and Public Debt Ceiling—$639.5 billion;

Retains the spending priorities of the First Budget Resolution, including job creating programs, railroad finance, and energy initiatives, with some increases allowed for defense, and continues social programs with increases allowed where the programs meet needs that are aggravated by the recession; and recommends extension of the 1975 tax reduction. H. Con. Res. 466. House adopted Nov. 12, 1975; Senate adopted amended Nov. 20, 1975. (526)

CONGRESS

August recess.—Provides for the adjournment of the Congress from Friday, August 1 until noon, Wednesday, September 3, unless reassembled by the House or Senate leadership, and authorizes the Secretary of the Senate and the Clerk of the House to receive messages, including veto messages, from the President during this time. S. Con. Res. 54. Senate adopted July 22, 1975; House adopted July 28, 1975. (307)

Congressional paycheck disbursements.—Amends section 3620 of the Revised Statutes relating to payroll disbursements to give Congressional employees the same option as other Federal employees of having their pay sent to two or three different financial institutions of their choice effective when the Secretary of the Senate and the Clerk of the House respectively determines the feasibility of compliance for their employees but no later than July 1, 1976. H.R. 7405. Public Law 94–57, approved July 19, 1975. (VV)

Guam and Virgin Islands delegate allowance.—Provides that the clerk hire allowance and the transportation expenses subject to reimbursement under Federal law of the Delegates from Guam and the Virgin Islands shall be the same as allowed for Members of the House of Representatives. H.R. 4269. Public Law 94–26, approved May 27, 1975. (VV)

Joint Committee on the Bicentennial.—Establishes a Joint Committee on Arrangements for the Commemoration of the Bicentennial, to be composed of 12 members (the majority and minority leaders of the Senate and House, the members of Congress who are members of the American Revolution Bicentennial Board, 2 members appointed by the President of the Senate, and 2 members appointed by the Speaker of the House) to coordinate the planning and implementation of Bicentennial activities and events of the Congress with those of other groups; to consult with the Speaker of the House and President of the Senate to provide for congressional representation at appropriate Bicentennial events; and to develop and implement programs to inform and emphasize to the Nation the role of the Congress, as the representative of the people, over the past 200 years. S. Con. Res. 44. Senate adopted June 13, 1975; House adopted amended June 23, 1975; Senate agreed to House amendment with amendment July 30, 1975. (VV)

Supreme Court Chamber.—Declares officially open the Chamber of the Supreme Court which is located in the Capitol and extends congratulations and appreciation to the various people who contributed to the restoration of this Chamber. S. Res. 164. Senate adopted May 21, 1975. (VV)

CONSUMER AFFAIRS

Consumer fraud.—Protects consumers and reduces the instances of consumer fraud by amending the United States Code in order to make the knowing commission of the following consumer frauds subject to criminal penalties: (1) offering or advertising of goods or services with the knowledge that they will not be sold as so offered or advertised; (2) utilization of false or misleading statements or advertising with respect to goods and services; (3) false description of goods; (4) refusal to return a price or deposit when goods have not been and will not be delivered or when services contracted for have not or will not be performed; and (5) use of physical force, threats, harassment or similar misconduct in the course of a sale or in an attempt to collect the purchase price of goods and services from a customer; imposes a maximum fine of $1,000 and/or 1 year imprisonment for first offenses and a $10,000 fine and/or 3 years imprisonment for second and subsequent offenses; allows a consumer to cancel any contract or agreement resulting from a transaction involving a proscribed unfair consumer practice; and authorizes the Attorney General of the United States and the attorney general of any State to seek an injunction to enjoin the commission of such unfair consumer practices. S. 670. P/S July 10, 1975. (VV)

Consumer product safety.—Authorizes $51 million for fiscal year 1976, $14 million for the transition period July 1—September 30, 1976, and $55 million for fiscal year 1977 to implement the Consumer Product Safety Act; contains provisions concerning the jurisdiction of the Consumer Product Safety Commission which: (1) eliminates pesticides from the Commission's jurisdiction under the Poison Prevention Packaging Act of 1970 as being duplicative of the Environmental Protection Agency's authority under the Federal Environmental Pesticide Control Act of 1972 to enforce pesticide-related packaging standards for the purpose of child protection; (2) provides that the Commission has no jurisdiction to regulate tobacco or tobacco products as being a "hazardous substance" under the Federal Hazardous Substances Act, but provides that the Commission may regulate tobacco and tobacco products under the Consumer Product Safety Act to the extent that such products present an unreasonable risk of injury as a source of ignition; (3) provides that the Commission, under the Hazardous Substances Act, may not regulate ammunition as a "hazardous substance" but may continue to establish and enforce cautionary labeling requirements relative to storage in a household, and may continue to regulate fireworks as a "hazardous substance"; prohibits political clearance by the Executive Office of the President, the Office of Management and Budget, or other executive agency of any employee whose principal duties would involve significant participation in the determination of major Commission policies or who would serve as a personal assistant or adviser to any Commissioner; requires, in order to facilitate the identification of potential product hazards, that a product liability insurer or an independent testing laboratory which discovers a substantial product hazard in the course of its business must report that finding to its insured or its client and inform him of his obligations, if any, under the law; enlarges the enforcement authority of the Commission; provides a uniform Federal preemption clause for the Federal Hazardous Substances Act, the Flammable Fabrics Act and the Consumer Product Safety Act which provides that if the Commission has requirements in effect for a product, State or local requirements must conform to the Federal standard unless the State requirement does not cause the product to be in violation of the Federal standard and provides a significantly higher degree of protection without unduly burdening the manufacture or distribution of products in interstate commerce; gives courts the discretion to award attorney's fees to persons involved in obtaining judicial review under the Consumer Product Safety Act; and contains other provisions. S. 644. P/S July 18, 1975; P/H amended Oct. 22, 1975. (297)

Consumer protection—Protects the interests of consumers and promotes consumer protection in the United States; creates an independent Agency for Consumer Advocacy (ACA) to represent and advocate the interests of consumers before other Federal agencies and Federal courts; authorizes the ACA to receive and transmit complaints from consumers and develop and disseminate information concerning interests of consumers;

Exempts from the jurisdiction of the ACA the following: the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security and intelligence functions of the Departments of State and Defense and the military weapons program of the Energy Research and Development Administration, as well as any Federal Communications Commission proceeding relating to renewals of radio or television broadcasting licenses, or any labor-management case before the National Labor Relations Board; prohibits intervention or participation by the ACA in any proceeding or activity directly affecting producers of livestock, poultry, agricultural crops or raw fish products; prohibits such intervention with respect to the granting or enforcement of any right-of-way or other authorization relating to the Alaska pipeline system of oil or natural gas; prohibits such intervention in proceedings relating to limiting the manufacture or sale of firearms or ammunition;

Requires the General Accounting Office to review all of ACA's activities and report to Congress thereon within 3 years; makes the provisions of the Freedom of Information Act applicable to the ACA; provides for the preparation of cost and benefit assessment statements by Federal agencies issuing rules or proposing legislation which have a substantial economic impact; and contains other provisions. S. 200. P/S May 15, 1975; P/H amended Nov. 6, 1975. (184)

Motor vehicle information and cost savings.—Amends the Motor Vehicle Information and Cost Savings Act to authorize additional appropriations to implement the four titles of the bill for fiscal year 1976, the fiscal year transition period July 1–September 30, 1976, and fiscal year 1977 respectively, as follows: Title I, which requires the Secretary of Transportation to promulgate bumper standards applicable to all passenger motor vehicles: $500,000, $125,000 and $500,000; Title II, which provides for an automobile consumer information program: $2 million, $650,000 and $4 million; Title III, which provides for diagnostic inspection demonstration projects: $5 million, $1.5 million, $7.5 million and Title IV, which sets odometer requirements: $450,000, $100,000 and $650,000; redefines the special motor vehicle diagnostic inspection demonstration project under title III to assure that the project will be designed for use by States for high volume inspection facilities to evaluate conditions of parts, components and repairs required to comply with State and Federal safety, noise and emission standards and to assist the owner in achieving the optimum fuel and maintenance economy and authorizes an additional $7.5 million for fiscal year 1978 to implement this program; provides the Secretary with additional authority to enforce the odometer anti-tampering provisions; and imposes a civil penalty of not to exceed $10,000 for each violation and criminal penalties of not more than $50,000 and/or 1 year in prison. S. 1518. P/S June 5, 1975. (VV)

CRIME—JUDICIARY

Bilingual court proceedings.—Amends title 28, U.S.C., by adding a new section specifying the circumstances when an interpreter must be furnished to translate all or part of the court proceedings for the benefit of a non-English-speaking party or when a witness does not speak English and imposes administrative duties upon the Administrative Office of the U.S. Courts in relation to certification and use of interpreters. S. 565. P/S July 14, 1975. (VV)

Federal Rules of Criminal Procedure.—Approves and amends certain amendments to the Federal Rules of Criminal Procedure as proposed by the Supreme Court in its order of April 22, 1974, pursuant to statutes known as "rules enabling acts", to become effective on December 1, 1975. H.R. 6799. Public Law 94–64, approved July 31, 1975. (VV)

Federal Rules of Evidence.—Amends the Federal Rules of Evidence to make clear that nonsuggestive lineup, photographic and other identifications, made in compliance with the Constitution, are admissible in evidence. S. 1549. Public Law 94–113, approved Oct. 16, 1975. (VV)

Federal Rules of Evidence and Criminal Procedure.—Makes technical amendments to the Federal Rules of Evidence, the Federal Rules of Criminal Procedure, and to related provisions of titles 18 and 28 of the United States Code. H.R. 9915. P/H Nov. 3, 1975; P/S amended Nov. 13, 1975. (VV)

Florida Judicial District.—Transfers Madison County from the middle judicial district to the northern district of Florida to reduce the average travel time for Madison County residents. S. 723. P/S June 19, 1975. (VV)

Judgeships for the U.S. courts of appeals.—Authorizes the President to appoint, with the advice and consent of the Senate, one additional circuit judgeship each for the first, third, fourth, sixth, seventh, eighth and tenth circuits. S. 286. P/S Oct. 2, 1975. (VV)

Jurors fees.—Amends the Jury Selection and Service Act of 1968, as amended, to increase from $20 to $25 per day the jury attendance fee and estbalish minimal criteria for judicial certification of additional fees for extended petit and grand jury service; authorizes new procedures for determining amounts to be expended for juror travel allowances and expenses including tolls and parking charges and new procedures for determining the amounts to be expended for juror subsistence allowances necessitated by long travel distances or sequestration;

Requires that any employee, other than a temporary worker, applying for reemployment within 15 days after completing his or her jury service, be rehired at his or her former seniority, status, and pay; requires that any employee so restored be classified as having been on furlough or leave-of-absence for purposes of insurance and other employment benefits; prohibits such employee from being discharged without cause for at least 1 year after returning to work; confers upon the district courts original jurisdiction to grant money damages regardless of the amount in controversy; requires U.S. Attorneys to act as attorneys for any person claiming a violation of his or her reemployment rights; and prohibits the assessment of attorney fees or court costs against any person who brings such an action in good faith. S. 539. P/S Sept. 30, 1975. (VV)

Parole Commission.—Reorganizes the Federal paroling structure by abolishing the present U.S. Board of Parole and replacing it with an independent U.S. Parole Commission attached to the Department of Justice; increases the Parole Board from 8 to 9 Commissioners (one to serve as Chairman, three to serve as members of a National Appeals Board, and five to serve in the five regions around the country); provides for panels of hearing examiners, operating under guidelines adopted by the full Commission, to conduct parole hearings and recommend decisions subject to review by regional commissioners and the National Appeals Board before becoming final; provides an internal process by which the Attorney General or the offender may trigger a review by the National Appeals Board of any decision made by a regional commissioner; gives the Chairman the necessary administrative powers to keep the decision-making machinery of the Parole Commission operating on a timely basis; provides a procedure to insure better opportunities for decision-making and fairness in parole interview; requires that the revocation process whereby a parolee is returned to prison for violating the conditions of his parole must contain certain procedural safeguards set out by the Supreme Court in Morrissey v. Brewer, 408 U.S. 471 (1972) and Gagnon v. Scarpelli, 411 U.S. 778 (1973); and provides that an offender who has demonstrated by his conduct that he has rehabilitated himself could be discharged from supervision by the Parole Commission. H.R. 5727. P/H May 21, 1975; P/S amended Sept. 16, 1975; In conference. (vv)

Pyramid sales.—Prohibits the use of any means or instrumentality of transportation or communication in interstate commerce or of the mails for sales, offers, or attempts to sell a participation or rights to participate in a "pyramid sales scheme" which is defined as an investment program based on inducing people to buy the right to sell similar rights to other people. S. 1509. P/S May 14, 1975. (VV)

Robert E. Lee.—Restores posthumously full rights of citizenship to General Robert E. Lee, effective June 13, 1865, which were forefeited by him as General of the Army of Northern Virginia in the war between the States. S.J. Res. 23. Public Law 94-67, approved August 5, 1975. (VV)

Three-judge courts.—Eliminates the requirement for special three-judge courts in cases seeking to enjoin the enforcement of State or Federal laws on the grounds of unconstitutionality except when specifically required by act of Congress or in any case involving congressional reapportionment or the reapportionment of any statewide legislative body and clarifies the composition and procedure of three-judge courts in those cases where they are required. S. 537. P/S June 20, 1975. (VV)

DEFENSE

Coast Guard authorization.—Authorizes $149,676,000 for fiscal year 1976 and the transition period July 1-September 30, 1976 to the Coast Guard for the procurement of vessels and aircraft, construction of shore and offshore establishments including the Valdez, Alaska, vessel traffic control system and the Sitka, Alaska, Air Station to assure that the stations are operational upon the completion of the Trans-Alaska pipeline, and payment to bridge owners for the cost of alterations of railroad bridges and public highway bridges across the navigable waters of the United States; authorizes the year-end strength for active duty personnel and provides additional personnel for fishery surveillance and enforcement by helicopter; and authorizes the military training student loads. H.R. 5217. Public Law 94-54, approved July 7, 1975. (VV)

Defense production—Commission Productivity and Work Quality.—Extends the expiration date o fthe Defense Production Act of 1950 and funding for the National Commission on Productivity and Work Quality for 90 days, through September 30, 1975. S.J. Res. 94. Public Law 94-42, approved June 28, 1975. (VV)

Extends the expiration date of the Defense Production Act of 1950 and funding for the National Commission on Productivity and Work Quality for 60 days, through November 30, 1975. H.J. Res. 672. Public Law 94-100, approved Oct. 1, 1975. (VV)

Defense production—National Commission on Supplies and Shortages.—Extends the Defense Production Act until September 30, 1977, to coincide with the new fiscal year established in the Congressional Budget Act of 1974 (P.L. 93-344) except for title III authority relating to loan guarantees which must be authorized yearly:

Contains separate more restrictive authority relating to the President's authority to grant antitrust immunity to voluntary agreements developed in support of the national defense effort or the Executive Agreement on an International Energy Program (IEP) signed by the United States on November 18, 1974, which includes: approval by the Attorney General before any agreement is authorized, assurance that the provisions of the Federal Advisory Committee Act will apply to advisory committees established pursuant to this act, and assurance that the public will have recourse through the Freedom of Information Act when seeking information concerning voluntary agreements; makes clear that the authority granted under this provision shall not be construed as any form of congressional approval of specific terms of the IEP Agreement;

Removes the $15 per diem limitation on travel expenses for members of the National Defense Executive Reserve (NDER) while serving without pay and traveling for the purpose of participating in the NDER training program and permits them to be reimbursed in accordance with applicable statutes authorizing such allowances for other individuals serving the U.S. without pay;

Provides that the Cost Accounting Standards Board shall take into account and report to the Congress on the probable effects, if any, compared to the probable benefits, including advantages and improvements in the pricing, administration and settlement of contracts in promulgating standards and major rules and regulations;

Removes the 40 cent per 100 words limitation on the cost of stenographic services to report hearings of the Joint Committee on Defense Production; and

Extends from March 31, 1976 to December 31, 1976, the time in which the National Commission on Supplies and Shortages must submit its report to the President and Congress with respect to institutional adjustments and from October 31, 1976 to March 31, 1977, the time for the Commission to prepare, and transmit such other reports it deems appropriate; increases from $75,000 to $150,000 the authorization for the advisory committee; and increases to $1,484,000 the authorization for the Commission. S. 1537. P/S Sept 15, 1975; P/H amended Nov. 14, 1975; Senate agreed to conference report Nov. 18, 1975. (VV)

Diego Garcia.—Disapproves the proposed construction project on the island of Diego Garcia, the need for which was certified by the President in a document received by the Senate on May 12, 1975. S. Res. 160. Senate rejected July 18, 1975. (340)

Military construction authorization.—Authorizes a total of $3,853,750,000 for fiscal year 1976 and the transition period July 1-September 30, 1976, to provide construction and other related authority for the military departments, and the office of the Secretary of Defense, within and outside the United States, and authority for construction of facilities for the Reserve Components; includes $13.8 million for construction and expansion of the naval base at Diego Garcia in the Indian Ocean and $52,738,000 for aircraft shelters for in-place aircraft in the United Kingdom with the assurance by the Department of Defense that NATO recoupment would be requested prior to expending any of the funds; contains language to reduce the number of deficiency authorizations; directs the Defense Department to make certain changes in the organization of future requests; and contains other provisions. S. 1247. Public Law 94-107, approved Oct. 7, 1975. (425)

Military procurement authorization.—Authorizes $25,513,383,000 for fiscal year 1976 and $5,354,723,000 for the transition period July 1-September 30, 1976 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, devlopment, test and evaluation for the Armed Forces; authorizes $380.5 million for six airborne warning and control system—AWACS—aircraft and $7.362 million for the B-1 bomber; authorizes the personnel strength for military active duty components of the Armed Forces and makes a total reduction of 9,000 in the requested strengths, to be made as directed by the Secretary of Defense; authorizes the annual average military training student load for each of the active and reserve components and the personnel strengths for the Selected Reserve of each of the Reserve components; provides a 23,000 total reduction of the requested end strengths for civilian personnel for the Department of Defense, with civilian personnel to be allocated among the military departments and Defense agencies by the Secretary of Defense; contains provisions regarding discrimination in supplying petroleum products for the Armed Forces; provides that no service members who retired after January 1, 1971 may receive less retired or retainer pay than they would have received at an earlier date on or after January 1, 1971; reduces the number of enlisted service personnel who may be assigned as servants to officers; approves the admission of women to the service academies for the class beginning in 1976; extends until December 31, 1977 the President's authority to transfer aircraft and related equipment by sale, credit, or guarantee in order to maintain the military balance in the Middle East; and contains other provisons. H.R. 6674. Public Law 94-106, approved Oct. 7, 1975. (214,374,424)

Naval Museum.—Expresses the approval of Congress with respect to the establishment by the State of South Carolina of the Naval and Maritime Museum in the city of Charleston. S. Con. Res. 9. Senate adopted Feb. 28, 1975. (VV)

Nuclear-trained naval officers pay bonus extension.—Extends through fiscal year 1977, the authority under Public Law 92-581 to pay a $15,000 bonus to any nuclear-trained naval officer who prior to completion of 10 years of active service, agrees to remain on active duty for 4 years in addition to any other period of obligated active service. S. 2114. P/S July 26, 1975; P/H amended Nov. 17, 1975. (VV)

Officer Graduate School appointees.—Eliminates any period during which an officer was listed in a missing status for the purpose of computing the 6-year period in considering eligibility of appointees to officer graduate school. S. 1767. P/S May 21, 1975. (VV)

DISTRICT OF COLUMBIA

Southeastern University.—Insures the continued eligibility of Southeastern University for the benefits of the several acts providing for aid to higher education and amends its Charter to make possible the continued operation of the University as a nonprofit, tax-exempt educational institution under the provisions of section 501(c) (3) of the Internal Revenue Code. S. 611. P/S June 19, 1975; P/H amended Nov. 3, 1975. (VV)

ECONOMY—FINANCE

Appalachian regional development.—Extends the Appalachian Regional Development Act for 2 years, until September 30, 1977 and authorizes therefor $267 million for essential health, education, and other public services; provides new demonstration authority to address the social, economic and environmental effects of expanded energy production;

Extends the highway portion of the program until September 30, 1981 to facilitate completion of the Appalachian Development Highway System and authorizes therefor $1.02 billion;

Gives the Regional Commissions authorized by Title V of the Public Works and Economic Development Act of 1965 statutory status comparable to that enjoyed for the past decade by the Appalachian Regional Commission;

Extends Title V of the Public Works and Economic Development Act for one year beyond its present expiration date of June 30, 1976 and authorizes a total of $500 million for fiscal year 1976, the transition period and 1977; provides that such funds shall be apportioned among the seven regional commissions on a percentage formula based on equality, land area, population and per capita income; and contains other provisions. H.R. 4073. P/H May 19, 1975; P/S amended July 17, 1975; In conference. (295)

Bank acquisitions.—Amends the Bank Holding Company Act of 1956, as amended, to allow the Federal Reserve Board to shorten the time requirements for notice to the respective primary bank supervisory authority from 30 days to 10 days if it finds that an emergency exists requiring expeditious action to prevent a probable failure of a bank or bank holding company, and shortens from 30 days to 5 days the Justice Department's period for comment on such acquisitions except that all notice requirements may be dispensed with if the Board needs to act immediately. S. 2209. P/S July 30, 1975. (VV)

Commodity futures: Extends for 90 days the following provisions of the Commodity Futures Trading Act of 1974 (Public Law 93-463) which becomes effective April 21, 1975: provisional designation as a contract market to any board of trade for commodities traded thereon; required Commission approval of contract market bylaws and rules; provisional and eventual permanent registration of any futures commission merchant, floor broker, associated person, commodity trading advisor, or commodity pool operator; and amends the Act to provide that the Commission will have 9 months instead of 6 months to determine whether trading by floor brokers and futures commission merchants for their own accounts and for their customers at the same time is permitted; provides the Commission 180 days instead of 90 days to define bona fide hedging transactions or positions; and delays the effective date to 15 months instead of 1 year of the provisions for handling customers' complaints. H.J. Res. 335. Public Law 94-16, approved Apr. 16, 1975. (VV)

Council on International Economic Policy: Authorizes $400,000 for the period July 1–September 30, 1975, for the Council on International Economic Policy which as part of the Executive Office, brings the views of the various Federal agencies on international economic policy to the attention of the President and represents the Administration on these issues with Congress and the public. S.J. Res. 97. P/S June 21, 1975. (VV)

Authorizes $1,657,000 for fiscal year 1976 and $1,670,000 for fiscal year 1977 for the Council on International Economic Policy and provides that the staff of the Council shall be appointed without regard to provisions of law relating to employment and compensation of persons in Government service with supergrade positions limited to 8. H.R. 5884. Public Law 94-87, approved August 9, 1975. (VV)

Council on Wage and Price Stability: Extends from August 15, 1975 to September 30, 1977 the expiration date of the Council on Wage and Price Stability, which was established on August 24, 1974 to monitor wage and price developments in the private economy, to review the inflationary impact of governmental programs and policies, and to recommend measures for containing inflation;

Provides for Senate confirmation of persons appointed as director of the Council in the future;

Gives the Council authority to require periodic information reports and subpena power regarding witnesses and the production of relevant books and other documents relating to wages, prices, costs, profits, and productivity by product line or by such other categories as the Council may prescribe; and contains other provisions. S. 409. Public Law 94-78, approved August 9, 1975. (167)

Duty suspensions

Dyeing and tanning materials: Extends from September 30, 1975 to June 30, 1978 the existing suspension of duties on certain dyeing and tanning materials entered or withdrawn from warehouse for consumption after September 30, 1975. H.R. 7715. Public Law 94-108, approved Oct. 8, 1975. (VV)

Graphite—Child care staffing—alcoholism and narcotic treatment: Suspends the duty on natural graphite until June 30, 1978; delays until January 31, 1976, enforcement of the child care staffing requirements of the Social Services Amendments of 1974 which became effective October 1, 1975, insofar as they apply to children between the ages of 6 weeks and 6 years; and amends title XX of the Social Security Act of 1974 to insure the observance of the confidentiality requirements of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970; to insure that the entire alcohol rehabilitation program be considered as one unit in determining whether medical costs or room and board costs are a subordinate part of the total cost of service funded; and to exempt, until January 31, 1976, the initial detoxification process up to a period of 7 days if such process is deemed to be an integral part to the provision of further service. H.R. 7706. Public Law 94-120, approved Oct. 21, 1975. (VV)

Hopper cars.—Suspends until June 30, 1975, the column 1 rate of duty on open-top hopper cars exported for repairs or alterations and provides that, upon appropriate application, entries of such articles made after September 1, 1974, and before the date of enactment could be liquidated or reliquidated on a duty free basis. H.R. 7731. Public Law 94-76, approved August 8, 1975. (VV)

Istle fiber—child support funding.—Extends from September 5, 1975 to June 30, 1978 the existing suspension of duty on processed istle fiber; and amends Public Law 93-647 to extend from July 1 to August 1, 1975 the effective date of the act in order to enable some 11 States to comply with the statutory child support regulations in order to receive Federal matching grants for their child support activities. H.R. 7709. Public Law 94-46, approved June 30, 1975. (VV)

Platinum and carbon.—Suspends until October 31, 1975, the column 1 and column 2 rates of duty on catalysts of platinum and carbon imported for use in producing caprolactam; applies the suspension to imports of such catalysts entered or withdrawn from warehouse for consumption on or after the date of enactment; and provides for retroactive duty suspension on entries or withdrawals after October 1, 1973, upon appropriate request filed with the customs officer concerned within 120 days after the date of enactment. H.R. 7728. Public Law 94-75, approved August 8, 1975. (VV)

Watches—child support funding: Suspends the duty on watches and watch movements manufactured in any insular possession of the United States by increasing to 70 percent the value of foreign materials contained in such watches and watch movements effective with articles entered or withdrawn from warehouse after the date of enactment; and amends the child support law which becomes effective August 1, 1975 to protect States whose legislatures have not yet had time to meet the new requirements in order to receive Federal matching grants for their child support activities and to protect assistance recipients from a reduction in income. H.R. 7710. Public Law 94-88, approved August 9, 1975. (VV)

Zinc—copper: Suspends until June 30, 1978 the column 1 rates of duty on certain forms of zinc entered or withdrawn from warehouse for consumption on or after the date of enactment; and continues until June 30, 1978, the suspension of duties on copper waste and scrap, articles of copper and other metal waste and scrap. H.R. 7716. Public Law 94-89, approved August 9, 1975. (VV)

Federal Reserve banks purchase of U.S. obligations: Extends until October 31, 1976, the authority of Federal Reserve banks to purchase directly from the Treasury public debt obligations up to a limit of $5 billion outstanding at any one time. S.J. Res. 134. Public Law 94-125, approved Nov. 12, 1975. (VV)

Lower interest rates: States the sense of the Congress that the Federal Reserve Board and the Federal Open Market Committee (1) pursue policies in the first half of 1975 so as to encourage lower long term interest rates and expansion in the monetary and credit aggregates appropriate to facilitating prompt economic recovery and (2) maintain long-run growth of the monetary and credit aggregates commensurate with the economy's long-run potential to increase production so as to promote effectively the goals of maximum employment, stable prices and moderate long-term interest rates; and provides for semiannual oversight hearings by the House and Senate Banking committees wherein the Board of Governors of the Federal Reserve System and the Open Market Committee will consult with Congress with respect to the ranges of growth or diminution of monetary and credit aggregates in the upcoming 12 months. H. Con. Res. 133. House adopted Mar. 4, 1975; Senate adopted amendment Mar. 17, 1975; Senate agreed to conference report Mar. 20, 1975; House agreed to conference report Mar. 24, 1975.

National Commission on Supplies and Shortages: Amends section 720 of the Defense Production Act which created a National Commission on Supplies and Shortages to assure that certain conflict of interest provisions shall not apply to members appointed to the Commission from the private sector; extends from March 1, 1975, to June 30, 1975, the time in which the Commission must submit its report to the President and Congress with respect to institutional adjustments and from June 30, 1975, to December 31, 1975, the time for the Commission to prepare, publish and transmit such other reports it deems appropriate; provides that the $75,000 authorization for the advisory committee shall remain available until December 31, 1975; and extends the $500,000 authorization for the Commission from June 30, 1975, until December 31, 1975. S.J. Res. 27. P/S Feb. 5, 1975. (VV)

Amends section 720 of the Defense Production Act which created a National Commission on Supplies and Shortages to extend from March 1, 1975, to June 30, 1975, the time in which the Commission must submit its report to the President and Congress with respect to institutional adjustments and from June 30, 1975, to December 31, 1975, the time for the Commission to prepare, publish and transmit such other reports it deems appropriate: provides that the $75,000 authorization for the advisory committee shall remain available until December 31, 1975; and extends the $500,000 authorization for the Commission from June 30, 1975, until December 31, 1975. S.J. Res. 48. Public Law 94-9, approved Mar. 21, 1975. (VV)

Amends section 720 of the Defense Production Act which created a National Commission on Supplies and Shortages to extend to March 31, 1976, the time in which the Commission must submit its report to the President and Congress with respect to institutional adjustments and to October 1, 1976 the time for the Commission to prepare, publish and transmit such other reports it deems appropriate; provides that the $75,000 authorization for the advisory committee shall remain available until October 1, 1976; and extends the $500,000 authorization for the Commission until October 1, 1976. H.J. Res. 560. Public Law 94–72, approved August 5, 1975. (VV) *Note:* (See S. 1537 extending the Defense Production Act and changing the reporting dates for this Commission.)

National insurance development program: Extends the National Insurance Development Program, which would expire on April 30, for an additional 2 years so as to maintain the Federal Riot Reinsurance Program which reinsures the general property insurance business against the peril of riot and the Federal Crime Insurance Program which provides basic crime insurance coverage in States where it is needed. H.R. 2783. Public Law 94–13, approved Apr. 8, 1975. (VV)

Public debt limit increase: Increase the debt limit by $131 billion for a temporary and permanent debt limit of $531 billion until June 30, 1975. H.R. 2634. Public Law 94–3, approved Feb. 19, 1975. (10)

Increases the debt limit by $46 billion for a total temporary and permanent debt limit of $577 billion until November 15, 1975. H.R. 8030. Public Law 94–47, approved June 30, 1975. (256)

Increases the temporary debt limit from $177 billion to $195 billion for a total temporary and permanent debt limit of $595 billion until March 15, 1976. H.R. 10585. Public Law 94–132, approved Nov. 14, 1975. (VV)

Repatriated U.S. citizens—SSI recipient food stamp eligibility: Makes permanent the authority under section 1113 of the Social Security Act permitting the Secretary of Health, Education, and Welfare to provide temporary assistance to American citizens and their dependents who have been repatriated from foreign countries and limits the authorization to $8 million through September 30, 1976, and $300,000 for each subsequent fiscal year; and amends Public Law 93–233 to extend for an additional 12-month period, through June 30, 1976, the provision which makes needy, aged, blind and disabled people qualifying for benefits under the SSI program eligible to participate in the Food Stamp program. H.R. 6698. Public Law 94–44, approved June 28, 1975. (VV)

Savings and loan associations: Amends the Homeowners' Loan Act of 1933, as amended, to clarify section 5(c) of the Act to provide that Federally chartered saving and loan associations may act as custodians for Individual Retirement Accounts (IRA's) authorized pursuant to Public Law 93–406, the Employee Retirement Income Security Act of 1974. S.J. Res. 102. Public Law 94–60, approved July 25, 1975. (VV)

Securities acts amendments: Amends the Exchange Act, Securities Investor Protection Act, Investment Advisers Act, and Investment Company Act to make changes in the structure and regulation of the securities industry as follows:

National Securities Market System: Grants the Securities and Exchange Commission (SEC) broad, discretionary powers to oversee the development of a national market system encompassing all segments of the corporate securities markets including common and preferred stocks, bonds, debentures, warrants and options in order to provide greater investor protection and maintain a strong capital raising and allocating system: encourages maximum reliance on communication and data processing equipment consistent with justifiable costs and grants the SEC broad authority over the processing and distribution of market information; sets as a goal the establishment of trading rules and procedures for auction trading, trading in unlisted securities, and third market trading;

Self-Regulation and SEC Oversight: Consolidates and expands SEC oversight powers with respect to the self-regulatory exchange organizations, their members, and officers; confers upon the District courts the jurisdiction to command compliance with the act; clarifies the rule-making powers of SEC; and provides for judicial review of SEC actions in an appropriate court of appeals;

Municipal securities: Extends Federal regulations to brokers and dealers trading exclusively in tax-exempt State and local bonds thus removing their exemption from the provisions of the Exchange Act; vests the ultimate authority and responsibility for the regulation of the municipal securities industry in SEC with the rulemaking responsibilities vested in a new self-regulatory agency, the Municipal Securities Rulemaking Board;

Clearing Agencies and Transfer Agents: Establishes a system for the development of an integrated national system for clearance and settlement of stock transactions in interstate commerce; centralizes in the SEC the authority and responsibility to regulate, coordinate and direct the operations of all persons involved in the securities handling process, and requires registration and reporting by clearing agencies and transfer agents; and empowers the SEC to review and amend the rules of such entities;

Securities Trading by Members of a National Securities Exchange: Prohibits stock exchange member from effecting any transaction on the exchange for its own account, the account of an associated person, or an account with respect to which the member or an associated person exercises investment discretion; provides exemptions from this prohibition for certain types of transactions which contribute to the fairness and orderliness of exchange markets or which have not given rise to serious problems, such as transactions by market makers, including specialists and block positions, bona fide arbitrage transactions, transactions for a member's own account and transactions for the account or estate of a natural person or a trust created by a natural person for himself or another person; authorizes the SEC to exempt any other transaction which is consistent with the purposes of these provisions and also to regulate or prohibit the exchange transactions which are specifically exempted; authorizes the SEC to extend the broad prohibition against the combination of money management and brokerage to the over-the-counter market to maintain fair and orderly markets, assure equal regulation or to protect investors; and provides for a 3-year phase in of these provisions following the date of enactment for exchange members who were members on May 1, 1975;

Commission Rates: Prohibits fixed commission rates after the date of enactment except that rates charged by members acting as brokers on the floor of an exchange for other members or as an odd-lot dealer may be fixed until May 1, 1976; permits the SEC to reimpose fixed rates, by rule, prior to November 1, 1976, and provides a procedure for continuing or reimposing fixed rates after that date;

Institutional Disclosure: Authorizes the Commission to require the disclosure of certain institutional portfolio holdings and transactions;

And contains other provisions. S. 249. Public Law 94–29, approved June 4, 1975. (VV)

Social security—medicaid: Makes permanent the temporary provision of law authorizing disregard of the 1972 Social Security increase in regard to medicaid eligibility, thus protecting the medicaid eligibility of those who would otherwise lose their eligibility because of the 1972 increase; and gives Puerto Rico, the Virgin Islands, and Guam, which deliver care to medically indigent people through their public health care systems, a permanent exemption from the freedom of choice requirement for obtaining medical services in order to alleviate the costs connected with private services. H.R. 8109. Public Law 94–48, approved July 1, 1975. (VV)

Stock transfer taxes: Amends section 28(d) of the Securities Act of 1934 to restore to a State or political subdivision the ability to impose a transfer tax where the basis of the tax is the transfer and issuance of a new certificate by a registered transfer agent, and makes clear that such taxes cannot be imposed on transfer agents that transfer record ownership of securities by bookkeeping entry without physical issuance of securities certificates. S. 2136. P/S July 30, 1975. (VV)

Tax rebate—State taxation: Clarifies the intent of the Senate that the tax rebates provided under the Tax Reduction act of 1975 (Public Law 94–12) are not subject to State income tax. S. Res. 158. Senate adopted June 9, 1975. (VV)

Tax reduction: Amends the Internal Revenue Code of 1954 for a $22.8 billion net tax reduction as follows:

INDIVIDUAL TAXES:

1974 tax rebate: Provides a refund on 1974 tax liability to be paid in one installment within 45 to 60 days equal to 10 percent, ranging from $100 (or the amount of taxes paid if less than $100) to a maximum of $200 on an adjusted gross income of $20,000 which is scaled down to $100 when income reaches $30,000 and over;

1975 Standard Deduction: Increases the low income allowance on minimum standard deductions from $1,300 for single and joint returns to $1,600 for single and $1,900 for joint returns; increases the regular standard deduction to 16 percent of adjusted gross income up to a maximum of $2,300 for single and $2,600 for joint returns;

1975 Personal Exemption Credit: Provides a $30 tax credit for each member of the family in addition to the $750 personal exemptions;

1975 earned income credit or work bonus: Provides a refundable credit of 10 percent of earned income up to a maximum of $400 to families with dependent children with a phase-out to zero when income rises from $4,000 to $8,000;

1975 Home Purchase Tax Credit: Provides a 5 percent credit against tax liability up to a maximum of $2,000 for individuals purchasing a newly constructed home including a mobile home, provided it was built or under construction by March 25, 1975;

Cash Payment to Social Security Recipients: Provides a one-time $50 cash payment from the Treasury at the earliest practicable date to each recipient of Social Security, railroad retirement, or Supplemental Security Income benefits;

BUSINESS TAXES

1975–76 Investment Tax Credit: Increases the investment tax credit rate to 10 percent for taxpayers, including public utilities; provides an additional 1 percent and requires companies with investments of $10 million or more to use the 1 percent savings for an employee stock ownership plan; increases from $50,000 to $100,000 the cost of used property qualifying for the credit; for public utilities increases the amount of tax liability that may be offset in a year to 100 percent for a two year period which is reduced back to 50 percent over the next 5 years;

Depletion Allowance: Repeals the 22 percent depletion allowance for major oil and natural gas producers; retains the 22 percent depletion allowance for independent companies, who do not have retail outlets, on a daily maximum of 2,000 barrels of oil or 12 million cubic feet of natural gas which is phased down to 1,000 barrels or 6 million cubic feet of gas by 1980 and to a 15 percent depletion allowance on the first 1,000 barrels or 6 million cubic feet by 1984;

Foreign Source Income: Provides that the foreign tax credit for foreign oil and gas extraction income is limited to 10 percent above the normal U.S. tax rate for 1975, 5 percent for 1976 and 2 percent for 1977; provides that excess credits cannot be claimed as a credit only against foreign oil related income including interest and dividends; eliminates tax deferral for certain specified types of "tax-haven" income of multinational corporations provided it exceeds 10 percent of gross income; limits tax deferral for shipping income received by a foreign subsidiary to reinvestment in shipping operations only; ends the deferral for certain income earned abroad but reinvested in a less-developed country; repeals the "per-country" limitation for oil and gas related income; eliminates foreign tax credit for payments made to a sovereign government for the purchase of oil where the taxpayer has no economic interest in oil in place and buys or sells such oil at other than the market price; denies DISC (Domestic International Sales Corporation) benefits for the export of natural resources for scarce commodities; denies investment tax credit for drilling rigs used in international and territorial waters of the Southern Hemisphere;

1975 Corporate Surtax Exemption: Increases the present $25,000 surtax exemption to $50,000; provides a tax rate of 20 percent on the first $25,000, 22 percent on the next $25,000 and 48 percent on income over $50,000; increases the accumulated earnings tax from $100,000 to $150,000;

Federal Welfare Recipients Employment Incentive (W.I.N.) Tax Credit: Allows employers to hire a Federal welfare recipient for more than 30 days and obtain a tax credit equal to 20 percent of wages not to exceed $1,000 per individual, until July 1, 1976;

MISCELLANEOUS

Extends unemployment compensation for those eligible under the 1974 Emergency Unemployment Act for an additional 3 months to June 30, 1975; allows a maximum of $4,800 in child care expenses to be deducted by families with an income up to $35,000 and phases out to zero such a deduction when income reaches $44,000; extends the tax deferment period for reinvestment in residences from the current 12 months to 18 months; and contains other provisions. H.R. 2166. Public Law 94–12, approved Mar. 29, 1975. (112, 117)

EDUCATION

College work-study program funds: Permits the intrastate reallocation of funds appropriated for the College Work-Study program in cases where funds originally obligated to institutions are not needed and permits such funds to be expended in the succeeding fiscal year; extends the termination date of the National Advisory Council on Equality of Educational Opportunity from June 30, 1975 through the end of fiscal year 1976 to make it coterminous with its related program, the Emergency School Aid program; and authorizes the Commissioner to carry over into fiscal year 1976 Basic Educational Opportunity Grant funds for fiscal year 1975 which have not been paid to students entitled to such grants. H.R. 4221. Public Law 94–43, approved June 28, 1975. (VV)

Handicapped children: Amends and extends the Education of the Handicapped Act to aid in making an appropriate education available to all handicapped children; extends the present entitlement formula for payments to States through fiscal year 1977; establishes a new entitlement formula for payments effective for fiscal year 1978 which provides that the maximum amount to which a State is entitled shall be equal to the number of handicapped children, aged 3 to 21, who are receiving special education and related services in the State multiplied by 5 percent of the average per pupil expenditure in public elementary and secondary schools in the United States, by 10 percent for fiscal year 1979, by 20 percent for fiscal year 1980, by 30 percent for fiscal year 1981, and by 40 percent for fiscal year 1982 and each fiscal year thereafter; assures each State a minimum base payment in each fiscal year equal to the amount it received in the fiscal year ending September 30, 1977; provides that a State, in order to be eligible for funding, must have a "right to education" policy for all handicapped children and requires that a free appropriate public education must be made available to all handicapped children aged 3 to 21 by September 1, 1980, unless the application of this requirement would be inconsistent with State law or practice, or a court order; further extends the protections afforded under present law assuring handicapped children and their parents of procedural safeguards in any decisions affecting the education of the children; provides for an individualized planning conference which is to be held with the parents, an education agency representative, the teacher, and when appropriate, the child, to be present for the purposes of developing a written statement of the educational program for the child which is to be reviewed at least annually; includes provisions designed to strengthen the administration and evaluation process provided by the Office of Education; requires the Secretary of Health, Education, and Welfare to insure all recipients of funds under this act take affirmative action to employ handicapped individuals; gives new authority to the Commissioner of Education to make grants to State and local educational agencies for the removal of architectural barriers; and contains other provisions. S. 6. Public Law 94–   , approved 1975. (227, 513)

Indochinese refugees educational assistance: Authorizes $125.5 million to reimburse (on a 100 percent basis the first year and a 50 percent basis the second year) local education agencies for costs incurred in the educating of Indochina refugee children through a basic cost of education grant plus a $300 per refugee child payment for supplementary assistance; and amends the Adult Education Act to direct the Commissioner to operate a program of grants to State and local governments for adult education programs for refugees with such funds to be appropriated from existing authorizations. S. 2145. P/S Oct. 29, 1975. (VV)

Lister Hill scholarships: Amends the Public Health Service Act to require the Secretary of Health, Education and Welfare to make grants to ten individuals a year, to be known as Lister Hill Scholars, who agree to enter into the family practice of medicine in shortage areas upon completion of their educational program, and authorizes therefor $60,000 for fiscal year 1975, $120,000 for fiscal year 1977, and $240,000 for fiscal year 1978. S. 1191. P/S June 13, 1975. (VV)

ELECTIONS

Federal Election Commission: Extends the Federal Election Commission through December 31, 1976, and increases the authorization therefor from $10 million to $15 million. S. 1434. P/S June 18, 1975; P/H amended June 19, 1975. (VV)

Federal Election Commission regulations: Disapproves the two regulations proposed by the Federal Election Commission and transmitted to the Senate on July 30, 1975, relating to the use of office accounts and franking privileges of Federal officeholders prior to an election in which they are a candidate. S. Res. 275. Senate adopted Oct. 8, 1975. (VV)

Overseas citizens voting rights: Guarantees the right of otherwise qualified private U.S. citizens residing outside the United States to vote in Federal elections in the State of their last voting domicile; requires a citizen, voting under the bill, to state his intent to retain his prior State as his voting residence and domicile if he has not registered to vote and is not voting in any other State, territory or possession of the United States; adopts a uniform absentee registration and voting procedure including the requirement that election officials mail out balloting material as promptly as possible after receipt of a properly completed application; assures that Federal and State governments could not seek to impose taxes on a citizen which would cause him to lose any tax exemption solely on the basis of having exercised his right to register and vote absentee; and imposes a $10,000 fine and 5 years imprisonment for wilfully giving false information when registering or voting absentee. S. 95. P/S May 15, 1975. (VV)

Voting rights: Amends the Voting Rights Act to provide that States or political subdivisions which the Attorney General has determined have, in 1964 or 1968 (1) maintained a literacy or other test or device as a prerequisite for voting and (2) also had a record of less than 50 percent of the voting-age population registered or less than 50 percent voting, shall be covered for an additional 7 years through August 1982 (making the total period 17 years instead of 10 years) by the special provisions which require such a state or subdivision to preclear any voting changes it wishes to make with the U.S. District Court for the District of Columbia or the Attorney General of the United States, and which authorize the appointment of Federal examiners and of Federal observers to assure nondiscrimination on account of race or color in regard to voting rights; adds provisions which apply these special provisions to States or subdivisions which the Attorney General determines are covered because of conditions existing in 1972, with a coverage period of 10 years;

Makes the temporary ban which was placed by the 1970 amendments to the Voting Rights Act of 1965 on the use of literacy tests and other similar devices a permanent prohibition applicable to all States and political subdivisions;

Expands the coverage of the act to certain jurisdictions in which language minorities reside; provides in title II, which is designed to identify areas with the most serious problems of voting rights discrimination against language minorities such as the use of various forms of intimidation to prevent their participation in voting, that (1) a jurisdiction is deemed to employ a test or device as a prerequisite to voting if it provided election materials or assistance only in English and it had more than a 5-percent citizen population of any one language group, such as American Indians, Alaskan Natives, Asian Americans, or persons of Spanish heritage, and (2) that coverage of the act will apply if that jurisdiction also had less than 50 percent of the voting-age population registered or voting; mandates bilingual elections for covered areas for a 10-year period; requires preclearance of voting changes, and authorizes the appointment of Federal examiners and of Federal observers to oversee elections; provides a bailout process which operates in the same manner as the current provision in the act whereby a State or political subdivision may exempt itself by obtaining a declaratory judgment that English-only elections or any other "test or device" has not in fact been used in a discriminatory fashion against language minorities and other racial and ethnic groups for the 10 years preceding the filing of action; addresses in title III the problems of language minority groups in participating in the voting process which are caused by the lack of equal educational opportunities and illiteracy; brings a State or political subdivision under coverage of title III if a single language minority comprises 5 percent of the voting-age population and if the illiteracy rate of that group is greater than the national average; defines illiteracy for the purposes of this title as failing to complete the fifth primary grade, which is the level at which a minimum comprehension in English ordinarily would be achieved; provides a limited remedy for protected classes by requiring that the covered jurisdiction provide bilingual election materials and information in the language of the applicable minority group or groups; provides that a jurisdiction may be removed from coverage if it shows that the illiteracy rate of the language minority which triggered coverage has dropped below the national average, which it may do either by using Census Bureau data or by any reliable or valid survey;

Amends the act to permit private persons as well as the Attorney General to bring suit under the act and to allow a court to grant relief to private parties by suspending the use of literacy and other tests and devices, to impose preclearance restrictions and to appoint Federal examiners as it now may do in cases brought by the Attorney General; authorizes payment of attorney's fees to prevailing parties; and contains other provisions. H.R. 6219. Public Law 94-73, approved August 6, 1975. (329)

EMPLOYMENT

Public works employment.—Amends the Public Works and Economic Development Act of 1965 to provide $2.125 billion for anti-recessionary public works authorization for fiscal year 1976, including (1) $1 billion under Title I for grants to State and local governments for public works projects in the following order of priority: (a) projects inactive because the applicant is unable to provide the local matching share, (b) projects halted after approval because inflation has pushed total project costs beyond the ability or willingness of agencies to provide the Federal share, and (C) projects initiated by State and local governments without other Federal financial participation; (2) a $125 million increase for working capital loans under the Economic Development Administration's business development program to prevent the loss of jobs in the private sector; and (3) $1 billion for the Job Opportunities Program to accelerate the job-creating impact of various Federal, State and local programs; limits the available authority to obligate funds for Title I grants and for the Title X Job Opportunities Program when the national unemployment rate declines below 9 percent during the most recent calendar quarter by reducing the authority to obligate by one-fourth, up to $500 million, for each one-half of one percent by which the rate declines below 9 percent;

Provides a new formula for allocation to States of approximately $9 billion in previously impounded water pollution control funds for construction of waste treatment facilities which is based 50 percent on population and 50 percent on need instead of on relative State need only;

Authorizes appropriations for financial assistance to State and local governments when the national seasonally adjusted unemployment rate exceeds 6 percent in the amount of $125 million per calendar quarter plus $62.5 million multiplied by the number of one-half percentage points by which the seasonally adjusted national rate exceeds 6 percent; authorizes assistance from these amounts to States and local governments based upon their unemployment rate and level of tax revenue, as measures of recessionary impact and the level of services provided; and contains other provisions. H.R. 5247. P/H May 20, 1975; P/S amended July 29, 1975; In conference. (348)

Railroad improvement and employment.—Creates a supplemental public service employment program to accelerate the repair and rehabilitation of railroad roadbed and facilities which are essential to national transportation needs; authorizes $600 million to the Secretary of Transportation to make grants to States, local transportation authorities, railroads, regional commissions and similar bodies to enable them to hire persons for approved railroad roadbed and facility repair or rehabilitation projects; authorizes an additional $100 million to enable the Secretary to assist grant recipients to purchase materials or equipment for the approved projects if the recipient is financially unable to acquire materials without assistance; provides $100 million for loan guarantees for assistance in purchasing materials and equipment; and contains other provisions. S. 1730. P/S May 16, 1975. (189)

Unemployment compensation.—Extends the time for payment for the additional 13 weeks of unemployment compensation authorized by the Tax Reduction Act of 1975 for the Federal Supplemental Benefits (FSB) program established by the Emergency Unemployment Compensation Act of 1974, which authorized 26 weeks, thus making a total of up to 39 weeks of benefits payable in addition to regular unemployment compensation benefits (which averages 26 weeks) through March 1, 1977;

Changes, effective January 1, 1976, the rate of insured unemployment (which is about 2 percentage points less than the actual unemployment rate) which must be reached for payment so that, instead of payment when the rate is 4 percent or more nationally or in the State for all additional weeks, payment for benefits after the first 39 weeks (26 regular weeks and 13 additional weeks) will be made for the 39th to 52nd weeks when the insured unemployment rate is between 5 and 6 percent in an individual State and payment for the 53rd to 65th week may be made when the insured unemployment rate is 6 percent or over in the individual State;

Extends the Supplemental Unemployment Assistance (SUA) benefits program (payable to unemployed people who do not qualify for unemployment compensation) established by the Emergency Jobs and Unemployment Assistance Act of 1974 to permit payments through March 31, 1977, and increases the number of benefit weeks from 26 to 39; entitles the Virgin Islands to borrow money from Federal general revenues as necessary to continue its unemployment insurance program; and contains other provisions. H.R. 6900. Public Law 94-45, approved June 30, 1975. (240,257)

Virgin Islands unemployment compensation funds—Railroad retirement.—Provides that certain unemployment compensation funds may be used for repayable loans not to exceed $5 million to the Virgin Islands; amends the railroad tax act so that wages will be considered to be earned as of when they are paid unless the employee requests that they be treated on the basis of when they were actually earned. H.R. 9091. Public Law 94-93, approved August 9, 1975. (VV)

ENERGY

Automobile fuel economy.—Establishes, in title I, a mandatory fuel economy standards program within the Department of Transportation; directs the Secretary of Transportation to establish yearly minimum standards applicable to each manufacturer's average production of new automobiles or new light-duty trucks, as appropriate, which are to apply to model years 1977 through 1985; provides that the standards are to be set to achieve a 50-percent improvement in fuel economy for automobiles by model year 1980 over that of 1974 models, or 21 miles per gallon as opposed to 14 miles per gallon for the 1974 model average, and a 100-percent improvement for at least 28 miles per gallon by model year 1985, and authorizes the Secretary to modify these goals if necessary; provides that the Secretary set standards separately for light-duty trucks, which are not placed under the 50- and 100-percent improvement goals for automobiles; provides civil penalties for violations; requires that each new automobile and light-duty truck have attached a manufacturer-prepared energy guide setting forth information on fuel economy and estimated annual fuel costs, and that dealers disclose estimated annual fuel costs to prospective purchasers prior to the completion of any purchase of an automobile or light-duty truck; directs the Secretary to conduct a study regarding the use of electric vehicles, including whether they should be included under this title;

Contains, in title II, provisions for an automotive research and development program within the Department of Transportation, in coordination with the Energy Research and Development Administration (ERDA), to develop production prototypes of advanced automobiles which represent the maximum practicable fuel efficiency attainable consistent with environmental, safety, and damageability requirements; in title III, establishes not more than three motor vehicle diagnostic inspection demonstration projects;

And contains other provisions. S. 1883. P/S July 15, 1975. *NOTE:* (Provisions contained in S. 622, Standby Energy Authority.) (285)

Coal leasing—strip mining.—Makes basic changes in the Mineral Leasing Act of 1920 governing leasing of Federally owned coal which constitutes almost 50 percent of the recoverable coal reserves in the United States; provides that all leasing shall be done under a 5-year program to be developed by the Secretary of the Interior and designed to meet national needs for Federal coal in a manner consistent with (a) timely and orderly development of Federal coal resources, (b) environmental protection, and (c) receipt of fair market value for public resources; provides that leases may be issued only by competitive bidding on either a royalty or bonus bidding basis in order to permit a wider opportunity for competition for Federal coal leases;

Requires the preparation of land use plans where the United States owns both the surface and subsurface prior to sale of leases, and provides that, in cases where the surface is not Federally owned, no lease sale shall be held if the Secretary determines that development of such coal deposits would be inconsistent with any applicable State or local land use plan except where the Secretary finds that such development would be in the national interest;

Eliminates prospecting permits and preference right leases to prospectors as no longer appropriate or necessary since considerable information has been accumulated since 1920 about Federal coal resources which provides an adequate basis for leasing decisions; provides that coal leases shall be for a specified term of 20 years and so long thereafter as coal is produced instead of for indeterminant periods dependent upon diligent production as at present; requires a lessee, within 3 years after obtaining a coal lease and before significant environmental disturbance, to formulate and submit for approval a development plan which must show the work to be done, the manner of extraction, how applicable environmental and health and safety standards are to be met as well as reclamation standards set out in title II;

Increases by 22½ percent (from 37½ to 60 percent) the share of lease revenues to the State in which the lease is located and specifies that the additional 22½ percent amount shall be used for planning, construction and maintenance of public facilities, and provision of public services in those areas suffering impact problems as a result of energy development;

In title II, the Federal Lands Surface Mining Control and Reclamation Act of 1975, applies to Federal lands and Federal coal the basic surface coal mining and reclamation standards of the recently-vetoed strip mining bill (H.R. 25); requires the Secretary to issue regulations for a Federal program implementing this Act; requires after enactment of this Act that persons wishing to conduct any surface mining operations on Federal lands must obtain a permit from the Secretary; specifies the permit application information that must be given to demonstrate that the environmental protection provisions of this Act can be met, which includes submission of a reclamation plan; provides for the giving of public notice and the holding of public hearings in regard to an application; and contains other provisions. S. 391. P/S July 31, 1975. (364)

Coastal zone management.—Amends the Coastal Zone Management Act to assist States facing Outer Continental Shelf (OCS) oil and gas development or other energy-related developments and facilities affecting the coastal zone; provides assistance in the form of grants or loans to coastal States from a new coastal energy facility impact fund, which is to be available to States receiving or anticipating impacts in their coastal zones from the exploration, development, and production of energy resources, or from the location, construction, expansion or operation of any energy facility requiring a Federal license or permit; authorizes moneys for the fund at $250 million per year for 3 fiscal years and the 1976 transition period; provides that up to 20 percent of the moneys may be used for planning grants with the balance to be used for efforts to reduce or ameliorate adverse impacts from energy exploration and development or to provide public facilities and services necessitated by such activity; requires as a condition of eligibility to provide public facilities and services necessitated by such activity; requires as a condition of eligibility for assistance from the fund that the State must participate in a coastal zone management program and must experience or anticipate a temporary or net adverse impact or have experienced an adverse impact within the 3 years prior to enactment; authorizes automatic grants payable from the General Treasury to any State where OCS oil or natural gas is being directly landed (brought ashore); provides a Federal guarantee for State or local government bonds issued to pay for measures needed to reduce adverse coastal impacts; contains provisions to clarify that Federal leases must be consistent with approved coastal zone management programs of the affected States; raises the Federal share for coastal zone management funding from 66⅔ percent to 80 percent; amends the Mineral Leasing Act of 1920 to increase from 37½ percent to 60 percent the amounts returned to the States as reclamation funds from royalties paid to the Federal Government by mining companies extracting federally-owned minerals; and contains other provisions. S. 586. P/S July 16, 1975. *NOTE:* (Impact fund provisions also contained in S. 521, Outer Continental Shelf Management.) (291)

*Emergency petroleum allocation.—Extends the Emergency Petroleum Allocation Act, which contains the only presently existing authority for allocation and price control of oil, from August 31, 1975 to March 1, 1976; extends the authority of the Federal Energy Administration (FEA) under the Energy Supply and Environmental Coordination Act to require electric powerplants and major industrial facilities with the capability to utilize coal to convert from oil and natural gas to coal from June 30, 1975 to December 31, 1975; and requires the FEA to include in its quarterly energy information reports information on pricing and related developments in the coal industry and any other major energy industries not subject to Federal price regulation. S. 1849. Vetoed Sept. 9, 1975. Senate sustained Sept. 10, 1975. *NOTE:* (Provisions contained in H.R. 4035, Oil Pricing, which was vetoed on July 21, 1975.) (281,388)

Extends the Emergency Petroleum Allocation Act (containing price control and allocation authority) until November 15 and suspends the President's authority under section 4(g)(2) to send Congress a plan which would institute a major change in the petroleum pricing policy until November 1. H.R. 9524. Public Law 94–99, approved Sept. 29, 1975. (421)

Extends the Emergency Petroleum Allocation Act of 1973 for an additional 30 day period, until December 15, 1975. S. 2667. Public Law 94–133, approved Nov. 14, 1975. (VV)

Energy labeling and disclosure.—Amends the Federal Trade Commission Act to require that the energy characteristics and estimated annual operating costs of major energy-consuming household products and automobiles be disclosed to consumers prior to purchase so that consumers can readily compare and avoid buying products which unnecessarily waste energy;

Requires each manufacturer or importer of major energy-consuming household products and automobiles to include the estimated annual operating cost data and an appliance energy guide or an automobile energy guide as part of the material shipped with each product or automobile to suppliers; prohibits car dealers from selling any new automobile without disclosing the estimated annual operating cost to the buyer prior to sale; contains provisions regarding advertising; authorizes the Administrator of the Federal Energy Administration and the Federal Trade Commission to carry out a consumer education program with respect to annual operating costs, appliance and automobile energy guides, and the need for energy conservation; and contains other provisions. S. 349. P/S July 11, 1975. *NOTE:* (Provisions contained in S. 622, Standby Energy Authority.) (275)

Energy supply—Clean air.—Extends from June 30, 1975, until December 31, 1975, the Federal coal conversion programs under the Energy Supply and Environmental Coordination Act of 1974 (Public Law 93–319). S. 2337. P/S Sept. 19, 1975. (VV)

ERDA authorization.—Authorizes $4,736,200,000 for fiscal year 1976 and $1,242,300,000 for the transition period July 1–September 30, 1976, for the Energy Research and Development Administration (ERDA) which was established by the Energy Reorganization Act of 1974 and is responsible for the nuclear programs formerly administered by the Atomic Energy Commission and which also has the leadership role in implementing nonnuclear energy research programs; includes, among the nuclear programs funded: basic physical research; fusion research; fission research, including the development of advanced reactors which will permit increased utilization of nuclear fuel resources—uranium and thorium; a nuclear materials program to assure a sufficient supply of enriched uranium to fuel civilian power reactors; a national security program to enable continued maintenance of a nuclear weapons capability; and environmental and safety research, which also includes work on the artificial heart and nuclear medicine; includes among the nonnuclear programs funded: fossil energy development programs in coal, oil and gas, and oil shale research and development; fusion, solar and geothermal energy programs; and advanced energy systems research programs; authorizes actions to accelerate demonstration projects in oil shale recovery and in the commercial-scale recovery of synthetic fuels from coal, oil shale, and nonconventional energy sources; and authorizes ERDA to establish a Federal loan guarantee program to stimulate commercial synthetic fuel enterprises. H.R. 3474. P/H June 20, 1975; P/S amended July 31, 1975; In conference. (371)

International Petroleum Exposition.—Authorizes the President to invite the several States and foreign nations to participate in the International Petroleum Exposition at Tulsa, Oklahoma, from May 16 through May 22, 1976, for the purpose of exhibiting machinery, equipment, supplies, and other products used in the production and marketing of oil and gas, and bringing together buyers and sellers for the promotion of foreign and domestic trade and commerce in such products. S.J. Res. 59. P/S May 13, 1975. (VV)

Natural gas decontrol.—States in title I, temporary provisions, the finding of Congress that severe gas shortages will occur during the heating season from November 1975 through March 1976; sets an expiration date for the temporary provisions of midnight April 4, 1976:

Directs the Federal Power Commission (FPC), which administers Federal regulation and price control over natural gas companies in the interstate market, to provide exemptions for periods up to 180 days for interstate pipelines which do not have a sufficient supply of natural gas to meet the needs of their high-priority consumers; places a price ceiling on first sales of natural gas interstate and intrastate based on the highest wellhead price, as determined by the FPC, at which natural gas was sold during the period June 1 through August 1, 1975, in the unregulated intrastate market in the State where the sale is made;

Grants the Federal Energy Administration authority to prohibit the use of natural gas as boiler fuel; continues the existing propane allocation program through the emergency period; permits the direct purchase by high-priority users of intrastate gas at the unregulated intrastate price by enabling them to arrange for the transportation of such gas by interstate pipelines when the interstate pipeline is unable to secure the needed gas; and contains other provisions.

Contains in title II, permanent provisions effective as of midnight April 4, 1976, which remove price controls on the wellhead price of "new" onshore natural gas, provide for a phaseout of controls on "new" offshore Outer Continental gas by 1980, and continue price control on "old" onshore and offshore Outer Continental gas under a new national price ceiling as follows:

Includes in the category of "new" natural gas (1) gas "dedicated" for the first time into interstate commerce by a producer's entrance into a contract of sale with a purchaser on or after January 1, 1975, and (2) gas produced from a reservoir discovered on or after January 1, 1975, or from wells initiated and completed in an extension of a previously discovered reservoir on or after that date; includes in the category of "old" natural gas that gas which is under a contract in interstate commerce which was entered into prior to January 1, 1975, or which is continued in interstate commerce after a contract entered into prior to that date expires;

"New" onshore natural gas: Decontrols the wellhead price as of midnight, April 4, 1976;

"New" offshore Outer Continental natural gas: Provides for the phasing out of Federal price regulation by December 31, 1980, by directing the FPC to establish a new national price ceiling, which may be modified from time to time, for gas produced from January 1, 1975, through December 31, 1980, and removes all price regulation on this offshore gas effective January 1, 1980; sets new criteria to be used by the Commission in setting this ceiling based on present and prospective costs instead of historical costs as under present law;

"Old onshore and offshore Outer Continental natural gas: Continues Federal price regulation under a national price ceiling to be established by the FPC and modified every 2 years using new criteria set by this act which are based on present and prospective costs instead of historical costs:

Provides that priority in obtaining supplies of natural gas shall be given, first, to residential users, small users, and services vital to the public health and safety, second, to essential agricultural purposes, and third, to essential industrial purposes where natural gas is used as a raw material in making products such as synthetic fibers, plastics, pharmaceuticals, petrochemicals, and fertilizers; gives the FPC jurisdiction over synthetic gas plants to the same extent as if it were a natural gas company;

Authorizes the FPC to prohibit the use of natural gas as boiler fuel by powerplants; directs the Federal Energy Administration to issue regulations governing the ornamental and decorative use of natural gas;

Requires all pipelines to file separate tariffs with respect to "new" natural gas and "old" natural gas, and to give first priority on the lower priced regulated "old" gas to companies serving residential users and small commercial agricultural users;

Provides for the sale of offshore royalty gas belonging to the Federal Government; and contains other provisions. S. 2310. P/S Oct. 22, 1975. (452)

Naval petroleum and strategic energy reserves.—Amends chapter 64, title 10 United States Code to provide for the full exploration and development of the naval petroleum reserves and to permit limited production of Naval Petroleum Reserves 1—Elk Hills, No. 2—Buena Vista, and No. 3—Teapot Dome under the authority of the Secretary of the Navy;

Defines "national defense" for the purposes of permitting such production in terms broad enough to permit production to partially offset a situation such as the Arab embargo of 1973; provides that production will not exceed the maximum efficient rate determined in accordance with sound oilfield engineering practices or 350,000 barrels per day whichever is less; limits production to 5 years; makes production at Elk Hills contingent upon the Secretary reaching a binding agreement with Standard Oil Company of California, which owns approximately 20 percent of Elk Hills field that would protect the public interest; authorizes the President to direct that oil produced under the provisions of this act be placed in a strategic reserve as authorized by law;

Waives, for the period of production, the requirement that the Secretary consult with the Congress on every contract; retains the requirement that the sale of all production be by competitive bidding; establishes a special account in the Treasury to permit an accurate accounting for accomplishment of the purposes of this legislation, which includes operation of the naval reserves on a self-sustaining basis; requires the Administrator of the Federal Energy Administration to submit a written report within 180 days after enactment recommending procedures for the exploration, development and production of Reserve No. 4 in Alaska;

Contains provisions identical to the Strategic Energy Reserves Act of 1975 which the Senate passed on July 8, 1975 and which provides for the establishment of national federally owned oil reserves, regional petroleum reserves, and interim industry reserves under the management of the Federal Energy Administration; and contains other provisions. H.R. 49 (S. 2173). P/H July 8, 1975; P/S amended July 29, 1975; In Conference. (342)

Oil import fees.—Suspends for the 90-day period beginning on the date of enactment any authority the President might have to adjust imports of petroleum and petroleum products; negates any Presidential action to adjust petroleum imports taken after January 15, 1975, and before the date of enactment, and also provides for the rebate of any duties or import fees or taxes levied and collected pursuant to any such action; provides that the suspension of this authority will cease if at any time during the 90-day period war is declared, a national emergency occurs, or certain situations involving the commitment of U.S. Armed Forces arise; and provides that the import license fee system on petroleum and petroleum products which the provisions of this bill provide shall not affect the import license fee system on petroleum and petroleum products which was in effect on January 15, 1975. H.R. 1767. Vetoed Mar. 4, 1975. House referred to Ways and Means Committee Mar. 11, 1975. (13)

Oil pricing.—Makes more effective the mechanism in existing law for congressional review and right of disapproval of Presidential proposals to exempt petroleum products from the allocation or pricing controls currently in effect under the Emergency Petroleum Allocation Act of 1973;

Expands the time for congressional review from 5 to 20 days and contains procedures for expediting review to assure that the question of approval or disapproval can be brought to the floor of either House within the 20-day review period;

Requires the President to administratively establish price controls for presently noncontrolled "new oil" (oil produced at levels above the 1972 volumes) with price ceilings no higher than the January 31, 1975 prevailing prices (which averaged $11.28 per barrel on a national basis); does not make this authority subject to congressional review unless the proposal would bring the price over this maximum ceiling;

Provides for congressional review of any proposal to permit the price of presently controlled "old oil" (oil from properties producing at, or less than, their 1972 production levels) to increase substantially above its national average price of $5.25; grants specific authority to alter present price controls to allow a price incentive to take account of natural declines in field production and to encourage the most costly use of secondary and tertiary recovery methods where the costs are significantly greater than the regular methods; requires congressional review only where the total incentives are of such a magnitude as to cause an increase in excess of 50 cents per barrel in the national average price of "old" crude oil;

Extends the Emergency Petroleum Allocation Act, which contains the only presently existing authority for price control and allocation of crude oil and petroleum products, from August 31 to December 31, 1975; extends the authority under the Energy Supply and Coordination Act of the Federal Energy Administration to issue coal conversion orders requiring facilities using oil or gas to convert to coal and the authority under that act to gather energy data from June 30 to December 31, 1975;

Provides a limited exemption for small refiners from the crude oil entitlements program in effect under current Federal Energy Administration regulations;

And contains other provisions. H.R. 4035. Vetoed July 21, 1975. House referred to Interstate and Foreign Commerce Committee July 23, 1975. (161,287)

Oil shale revenues.—Amends the Mineral Leasing Act of 1920 to permit each State, after January 1, 1974, to use its share of oil shale revenues for planning, construction and maintenance of public facilities, and provision of public services. S. 834. P/S Apr. 22, 1975. (VV)

Outer Continental Shelf management.—Amends the Outer Continental Shelf Lands Act of 1953 for the purpose of increasing production of oil and gas from the Outer Continental Shelf (OCS) in a manner which assures orderly resource development, protection of the environment, and receipt of fair market return for public resources and encourages development of new technology to increase human safety and eliminate or reduce environmental damage;

Directs the Secretary of the Interior to prepare a comprehensive advance planning program for leasing which would indicate the size, timing, and location of leasing activity which the Secretary believes would meet national energy needs over the next 5 years;

Contains provisions giving States and local governments and the general public a significant opportunity to participate in and comment on Federal OCS planning and policy decisions which include authorization for the Governors of coastal States to establish a regional OCS advisory board which would advise the Secretary on all matters related to OCS oil;

Contains provisions identical to the new coastal zone impact fund provisions contained in the Coastal Zone Management Act Amendments which passed the Senate on July 16, 1975, which amend the Act and establish a new coastal zone impact fund to assist coastal States in ameliorating adverse environmental impacts and controlling secondary economic and social impacts associated with OCS oil and gas development;

Requires a Federal lessee who finds oil and gas to prepare and submit to the Secretary, the Governors of affected coastal States and any regional OCS advisory board a development and production plan in order to give them an opportunity for review and to permit the coastal States to assess the potential impacts of the development and to resolve any problems with the Secretary and the lessee before they occur;

Directs the Secretary to conduct a survey of oil and gas resources of the OCS; authorizes the Secretary to conduct or contract for exploratory activities in order to obtain more information about the oil and gas resources on the OCS and for exploratory drilling on an experimental basis when needed for national security, environmental reasons, or to expedite development in frontier areas;

Puts into law the existing rule, established by Departmental regulation, that an OCS lessee is liable for the total cost of control and removal of spilled oil; creates a new strict liability rule for damages from OCS oil spills which imposes damage liability, except for acts of war, without regard to fault or to the ownership of the land or resource damaged if the land or resource is relied on for subsistence or economic purposes; makes the lessee or holder of a right of way liable for the first $22 million and the Offshore Oil Pollution Settlement Fund, created by the Act, liable for the balance; finances the fund by placing a fee of 2½ cents per barrel on oil produced from the OCS;

Requires any person holding a geological or geophysical exploration permit to submit to the government the data and information, including interpretive data, obtained during exploration, which would be kept confidential unless the Secretary determined that public availability of the data would not damage the competitive position of the permittee or lessee; directs the Secretary to establish safety and performance standards for all pieces of equipment pertinent to public health, safety or environmental protection;

Authorizes a wide variety of new bidding systems in addition to the cash bonus fixed royalty system which has been the historical method of OCS bidding; provides clear authority for the Federal government to take oil or natural gas royalties in kind and dispose of them in a manner to alleviate shortages; requires environmental baseline and monitoring studies before oil and gas drilling can begin on any OCS area not previously leased; increases criminal penalties for certain willful violations of the Act and imposes civil liability for violations which continue after notice and opportunity to correct violations; contains provisions designed to promote Federal interagency coordination and directs coordination with State and local government agencies;

Increases to 60 percent the amount given to States from Federal mineral revenues derived under the Mineral Leasing Act of 1920 from coal, oil shale, oil and gas, and other public land mineral development, and provides that this additional amount shall be used by States socially or economically impacted by this development for planning, construction and maintenance of public facilities, and provision of public services; and contains other provisions. S. 521. P/S July 30, 1975. (362)

Petroleum products fair marketing: Prohibits the termination, cancellation, or nonrenewal of a petroleum products franchise unless the affected franchise failed to comply substantially with any essential and reasonable requirement of the franchise, failed to act in good faith in carrying out the terms of the franchise, or the supplier withdraws entirely from the sale of petroleum products in commerce; provides that a civil action may be brought against a distributor or refiner who is in violation of the act within 3 years of the date a termination or cancellation notice is rendered; and limits, on an equal basis, marketing activities of all major oil companies to restrict the expansion of distribution and retaining operations with personnel under their direct control. S. 323. P/S June 20, 1975. (VV)

Standby energy authority: Grants the President authority to ration fuels in the event of an acute energy shortage subject to congressional review and right of disapproval; authorizes the President to allocate materials and equipment for energy production if a critical shortage occurs; authorizes the President to (1) require production of designated domestic oil and gas fields at the maximum efficient rate and over that rate for a period of 90 days if he determines that the condition of a reservoir permits such production without excessive risk of losses in the later recovery of the remaining oil or gas, (2) utilize production on properties on Federal land, (3) require adjustment of processing operations of domestic refiners to produce refined products in amounts commensurate with national needs;

Authorizes priority fuel allocations to those engaged in the exploration, production and transportation of fuels and other minerals; authorizes the President to restrict exports of coal, natural gas, petroleum products, and petrochemical feedstocks, drill pipe, drilling rigs, and such supplies which he determines are necessary to further production or conservation of energy supplies;

Contains provisions for administrative procedure and judicial review; authorizes the collection of such energy information as is necessary to achieve the purposes of the above provisions; contains procedures for carrying out international voluntary energy agreements;

Extends the Emergency Petroleum Allocation Act from August 31, 1975, to March 1, 1976; makes any increases in the price of "old" oil (oil from wells existing in 1973 produced at a rate equal to 1972 production) and any proposed exemptions of crude oil, residual fuel oil, or a refined petroleum product from price controls subject to congressional review and approval; permits the pricing of oil recovered by secondary or tertiary methods up to $7.50 a barrel; sets a maximum price for "new" domestic crude oil at a level not to exceed that prevailing on January 31, 1975; exempts small refiners (100,000 barrels a day) for the first 50,000 barrels from the entitlements program under the oil allocation regulations;

Authorizes the President to institute interim energy conservation plans pending the promulgation of regulations to establish national energy conservation standards which include but are not limited to standards for: Federal buildings and for homes and buildings financed under any Federal loan guarantee or mortgage program; decorative and nonessential lighting; the increase of industrial efficiency in the use of energy; the better enforcement of the 55 mile per hour speed limit; the maximizing of use of carpools and public transportation; reasonable controls and restrictions on discretionary transportation activities; energy efficiency standards for Federal procurement; and low interest loans and loan guarantee programs to improve the thermal efficiency of individual residences;

Directs the Federal Energy Administration to issue the regulations containing the national standards, and makes such plans and standards subject to congressional review and the right of disapproval; provides for the development and implementation of approved State energy conservation programs with Federal technical and financial assistance, failing which, Federal standards shall apply;

Extends the Energy Supply and Environmental Coordination Act, which contains the Coal Conversion Act of 1974, from June 30, 1975, to December 31, 1975;

And contains other provisions. S. 622. P/S Apr. 10, 1975; P/H amended Sept. 23, 1975; Senate agreed to House amendment with amendment in the nature of a substitute embodying the provisions of the following bills as passed by the Senate: S. 622, Standby Energy Authority; S. 1883, Automobile Fuel Economy; S. 349, Energy Labeling and Disclosure; and S. 677, Strategic Energy Reserves Sept. 26, 1975; In conference. (138)

Strategic energy reserves.—Provides for the creation and maintenance over a 7-year period of strategic energy reserves equal to 90 days of imports, which would place an average total of 594 million barrels in reserve and would compensate, based on the amount by which imports were reduced under the 1973–74 oil embargo, for import reduction for a period of 237 days;

Provides for the establishment and maintenance of a Strategic Energy Reserve system by the Federal Energy Administration (FEA) acting through a Strategic Energy Reserve Office within the FEA and: (1) requires the FEA to establish a national Federally owned crude oil storage program, which could include storage of crude oil from Federal lands, including the naval petroleum reserves, if authorized by Congress; (2) authorizes the creation of Federally owned regional petroleum product reserves or refined petroleum products and requires that a reserve be established for any fuel in any district where more than 25 percent of the demand for that fuel has been met by imports during the preceding 24 months, which presently covers residual fuel oil, and for No. 2 fuel—home heating oil—where more than 10 percent of the demand is met by imports, these fuels being a particular supply problem in eastern coast States; (3) authorizes the FEA to require interim industry storage reserves consisting of up to 3 percent of imports or refinery throughout the previous calendar year until the total level under the 7-year national and regional programs is reached and, thereafter, to require industry to maintain stocks in an amount equal to the average readily available inventories for the corresponding month of the 3 preceding years; (4) provides for the inclusion of such other components as Congress may authorize;

Exempts materials in the interim industry reserves from any tariff or import license fee; authorizes the use of the reserves if petroleum imports have fallen or are within 30 days expected to fall by 10 percent or if required to do so under international agreement; provides that the Administrator is to establish price levels and allocation procedures for the oil withdrawn that are consistent with the objectives enumerated in the Emergency Petroleum Allocation Act; authorizes the FEA to adjust the processing operations of domestic refineries to produce refined products in proportions commensurate with national needs and consistent with the objectives of the Emergency Petroleum Allocation Act in the case of an embargo; and contains other provisions. S. 677. P/S July 8, 1975. Note: (Provisions contained in S. 622, Standby Energy Authority.) (263)

*Strip mining: Establishes a program for the regulation of coal surface mining activities and the reclamation of coal mined lands in order to assure that surface coal mining operations—including exploration activities and the surface effects of underground mining—are conducted so as to prevent or minimize degradation to the environment, and that surface mining operations are not conducted where reclamation is not feasible according to the terms and conditions of the act;

Establishes the Office of Surface Mining Reclamation and Enforcement in the Department of the Interior to administer the programs for controlling surface coal mining which must be submitted for approval;

Requires the Corps of Engineers to approve the basic standards regulating mine waste disposal and review plans but with no responsibility for on-the-ground supervision and enforcement;

Establishes a fund and a program for the reclamation of abandoned mined lands and for relief of impacted areas; provides funding for such activities from reclamation fees collected at 35 cents per ton for surface mined coal, 15 cents per ton for all coal mined by underground methods or 10 percent of the value of the coal at the mine, whichever is less except that the fee will not exceed 5 percent of the value of lignite; provides that 50 percent of fees collected in any one State are to be expended in that State for reclamation or alleviating the impact of coal development in the area; provides that, in areas where there is relatively little damage from past coal mining, the States' share of the fees may be used for other purposes;

Sets a series of minimum uniform requirements for all coal surface mining operations on both Federal and State lands which deal with four basic issues—pre-planning, mining practices, post-mining reclamation and the protection of water resources; specifies that lands which cannot be reclaimed under the standards of the act and lands within the National Park, Wildlife Refuge, Wilderness and Wild and Scenic Rivers systems, National Recreation Areas, National Forests, and certain other areas may not be strip-mined; makes special provision for mining which affect alluvial valley farming land; provides for certain limited variances to the prescribed standards where such variances provide equal or better protection to the environment and result in a higher post-mining use;

Provides, in regard to rights of private surface owners, for obtaining consent as a condition of issuing a new Federal coal lease, and requires payment of all damages, including lost income, and payment of limited additional compensation to the surface owner;

Establishes a grant program to fund mining and mineral resources and research institutes in public colleges and universities to train qualified personnel in mine-related fields and to conduct research related to mining technology;

Provides for a study, to be completed by 1976, to determine the appropriate program for regulating surface coal mines on Indian lands and requires, in the interim, that all leases on Indian lands include certain performance standards at least as stringent as those in the Act; and contains enforcement and other provisions. S. 7. P/S March 12, 1975. (62) H.R. 25. Vetoed May 20, 1975. House sustained veto June 10, 1975. Note: (Comparable provisions are contained in S. 391, Coal Leasing—Strip Mining.)

TVA bonding authority: Amends the Tennessee Valley Authority Act of 1933 to increase from $5 billion to $15 billion the amount of revenue bonds which the Tennessee Valley Authority may have outstanding to finance additions to its power system and allow for annual payments to the Treasury for earlier appropriated investments as is the case for other Federal corporations. H.R. 9472. Public Law 94- , approved 1975. (VV)

ENVIRONMENT

Council on Environmental Quality—Environmental policy: Authorizes $2 million for fiscal year 1976 and $500,000 for the transition period (July 1–September 30, 1976) for the Council on Environmental Quality and amends the National Environmental Policy Act of 1969 to permit the Council to accept certain reimbursements for domestic and international travel, and to make use of volunteer and uncompensated services. H.R. 6054. Public Law 94–52, approved July 3, 1975. (VV)

Environmental impact statements: Amends the Environmental Policy Act of 1969 to establish a single uniform procedure for environmental impact statements (EIS) prepared after January 1, 1970 on major projects funded under a program of Federal grants to States including, the Federal-aid highway program; permits State preparation of an EIS so long as the responsible Federal official guides and participates in the EIS preparation and independently evaluates the product before approving and adopting it; and requires the Federal official to prepare independently for the EIS the analysis of the impacts and alternatives of major interstate significance associated with the project or action which is the subject of the EIS. H.R. 3130. Public Law 94–83, approved August 9, 1975. (VV)

National Advisory Committee on Oceans and Atmosphere: Authorizes $445,000 for fiscal year 1976, $111,250 for the transition period July 1–September 30, 1976, and $445,000 for fiscal year 1977 for the National Advisory Committee on Oceans and Atmosphere. H.R. 5447. Public Law 94–69, approved August 5. 1975. (VV)

Ocean dumping: Amends the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations for fiscal year 1976 and the transition period July 1–September 30, 1976 as follows: Title I, Ocean dumping permit program—$5.3 million for fiscal year 1976 and $1.325 million for the transition period: title II, research program on the effects of ocean dumping on the marine environment—$6 million for fiscal year 1976 and $1.5 million for the transition period; and title III, marine sanctuaries areas—$6.2 million for fiscal year 1976 and $1.55 for the transition period; and changes from January to March, the month in which the Secretary of Commerce must file his annual report on the effects of ocean dumping on the marine environment. H.R. 5701. Public Law 94–62, approved July 25, 1975. (VV)

Scrimshaw art preservation: Permits the Secretary of Commerce, who administers the Endangered Species Act with respect to whales, to grant exemptions for a limited period of time for the sale of finished scrimshaw (etched designs and carvings from whale bone) products in interstate commerce. S. 229. P/S Apr. 10, 1975. (VV)

GENERAL GOVERNMENT

Alaskan Natives: Reopens for one year the roll of Alaska Natives to enroll those Natives who failed to meet the March 30, 1973 enrollment deadline and provides for the adjustment of distributions of money thereunder; requires the Secretary of the Interior to redetermine the place of residence of Natives who had enrolled in Native "villages" or "groups" which were subsequently found ineligible, for purposes of receiving benefits; authorizes the Secretary to place revenues received by the Interior Department from Federal lands which will be patented to the Natives in an escrow account to receive interest until the time of patenting and then to pay the account funds to the Natives; establishes the rights of easement holders on such lands to revenues arising directly from the easement; permits mergers of Native Village Corporations which are too small to be economically viable with other Village Corporations or the Regional Corporation; removes Native corporations from the purview of the Investment Company Act of 1940, the Securities Act of 1933, and the Securities Exchange Act of 1934 until December 31, 1991; insures that Settlement Act benefits would not be counted against eligibility for the food stamp or other Federal programs; extends the authority of the Joint Federal-State and Land Use Planning Commission for Alaska until June 30, 1979; authorizes $250,000 to pay four Native corporations in cities where Native populations were once in the majority but are now in the minority and which have land selection rights but received no funds under the Settlement Act with which to do the necessary organizing and inventorying to make the selections; authorizes the payment of $100,000 to each of six villages which elected to obtain fee title to reservation lands rather than receive land and monetary benefits; and permits Natives who chose to accept ownership of reservation land to enroll either in the Village Corporation or on an at-large basis with the Regional Corporation receiving benefits. S. 1469. P/S August 1, 1975. (VV)

American Legion badges—Patent renewals:

American Legion: Renews and extends for 14 years design patent No. 54,296 for the protection of the emblem and insignia of the American Legion. S. 720. P/S May 13, 1975. (VV)

American Legion Auxiliary: Renews and extends for 14 years design patent No. 55,398 for the protection of the emblem and insignia of the American Legion Auxiliary. S. 721. P/S May 13, 1975. (VV)

Sons of the American Legion: Renews and extends for 14 years design patent No. 92,187 for the protection of the emblem and insignia of the Sons of the American Legion. S. 719. P/S May 13, 1975. (VV)

Assistant Secretary of Commerce: Authorizes an additional Assistant Secretary of Commerce who shall be appointed by the President with the advice and consent of the Senate. S. 1622. P/S June 27, 1975. (VV)

Attorney General's salary: Repeals Section 1 of Public Law 93–178 (enacted to remove the question concerning the impact of Article I, Section 6, Clause 2 of the Constitution on the President's nomination of Senator William B. Saxbe to be Attorney General of the United States) to restore to the Office of the Attorney General the annual rate of basic pay of $60,000 (Level I of the Executive Schedule) and provides that the act shall take effect February 4, 1975, following the February 3, 1975, resignation date of Attorney General William Saxbe. S. 58. Public Law 94–2, approved Feb. 18, 1975. (VV)

Barrier-free environment for disabled: Declares the sense of the Congress that there shall be a national policy to recognize the inherent right of all citizens, regardless of their physical disability, to the full development of their economic, social, and personal potential through the free use of the manmade environment, and that the adoption and implementation of this policy requires the mobilization of the resources of the private and public sectors to integrate handicapped people into their communities. S. Con. Res. 11. Senate adopted May 20, 1975. (VV)

Bikini Atoll: Provides a $3 million ex gratia payment to the people of Bikini Atoll who were relocated to Kili Island in 1946 in order to provide a nuclear test site on the Atoll. H.R. 5158. Public Law 94–34, approved June 13, 1975. (VV)

Executive Protective Service: Increases from 850 to 1200 the number of executive protective service officers; directs the Service to provide, upon request, for extraordinary protective needs at foreign missions in cities where 20 or more such facilities exist with the authority to delegate this protective service to local police officials outside Washington, D.C.; and authorizes therefor $3.5 million to reimburse State and local governments. H.R. 12. P/H May 19, 1975; P/S amended Oct. 28, 1975. (VV)

FBI Director, ten-year term for: Amends the Omnibus Crime Control and Safe Streets Act of 1968 to provide for a ten-year term of service for the Director of the Federal Bureau of Investigation; limits the appointment of a Director to one 10-year term; and provides that the law regarding Federal mandatory retirement at age 70 shall apply to this appointment. S. 1172. P/S Mar. 17, 1975. (64)

Federal Metal and Nonmetallic Mine Safety Board Abolishment: abolishes the Federal Metal and Nonmetallic Mine Safety Board of Review which reviews appeals by non-coal mine operators from closure orders issued by the Department of Interior's Mining Enforcement and Safety Administration and transfers such functions to the Secretary of Interior. S. 1774. P/S June 24, 1975. (VV)

General Federation of Women's Clubs: Amends the Act granting a charter to the General Federation of Women's Clubs to delete the $1.5 million figure on real estate the Federation may hold under the charter, thus allowing the value of its real or personal property to be determined by current market value which has increased due to inflation. S. 240. P/S May 8, 1975. P/H amended Nov. 3, 1975. (VV).

Government in Sunshine: Provides that meetings of congressional committees and multiheaded Federal agencies shall be open to the public, and establishes for the first time a clear, statutory prohibition against private ex parte communications between agencies and outside parties on matters being adjudicated by the agency;

Amends the rules of the House and Senate governing committee meetings by requiring such meetings to be open; requires the Senate and the House to hold mark-ups and other committee meetings in public unless the majority of the committee or subcommittee votes to close the meeting on certain specified grounds, which cover matters such as national defense and foreign policy, personnel matters, criminal or civil investigations, personal privacy, and trade secrets; imposes the same requirements on the meetings of joint committees; does not affect the rules governing hearings which are already required by law to be open unless committees close them on certain specified grounds; requires that all meetings of conference committees be open unless either the House or Senate managers determine by a majority vote that the meeting should be closed; specifies that these provisions are enacted pursuant to the rulemaking authority of both Houses, thus recognizing the right of either House to alter the rules as they apply to such House, or to enact other rules;

Requires meetings between heads of Federal agencies headed by two or more Commissioners or similar officers to be open to the public; defines the term "meeting" to include agency deliberations where at least a quorum of the agency's members meet to conduct or dispose of official agency business; provides that meetings can be closed by the agency only by a majority vote of all agency members on certain specified grounds which are based in most respects on the exceptions contained in the Freedom of Information Act; requires advance notice of each meeting to the public, and the release to the public after the meeting of every major portion of the meeting that did not in fact involve sensitive matters;

Establishes an across-the-board statutory prohibition of exparte contacts between agency decisionmakers and all persons outside the agency where the purpose of the contact is to discuss the merits of any matter being formally adjudicated by the agency in order to prevent secret communications between the agency and an outside person interested in the outcome of a proceeding; applies this provision to formal agency adjudications and rulemaking proceedings which are adjudicative in nature (so-called formal "on the record" rulemaking);

And contains other provisions. S. 5. P/S Nov. 6, 1975. Note: (Provisions amending the Senate Rules to require open committee meetings are contained in S. Res. 9 which the Senate adopted on November 5, 1975.) (472)

GPO employees: Authorizes the Public Printer to designate employees to administer and certify the oath or affirmation of office required by section 3331, title 5, U.S.C., and other oaths or affirmations that may be required by law or regulation with respect to the operation of the Government Printing Office. S. 2264. P/S Sept. 18, 1975. (VV)

GSA leases: Amends section 111 of the Federal Property and Administrative Services Act of 1949 to permit the Administrator of the General Services Administration (GSA) to enter into multiyear leases (not to exceed 10 years) of automatic data processing equipment including collateral maintenance, software and other kinds of supplies and services associated with such equipment, at amounts in excess of what is available in the fund, provided the amount of unfunded obligations authorized is not needed and the balances of the fund are maintained in such amounts as are necessary at any time for cash disbursements. S. 1260. P/S July 14, 1975. (VV)

John F. Kennedy Center authorization: Authorizes $2.8 million for fiscal year 1976, $741,000 for the transition period July 1–September 30, 1976, and $3.1 million for fiscal year 1977 for the non-performing arts functions of the John F. Kennedy Center and directs the General Accounting Office to perform a regular audit of the accounts of the Kennedy Center. H.R. 6151. Public Law 94–119, approved Oct. 21, 1975. (VV)

NASA authorization.—Authorizes to the National Aeronautics and Space Administration $3,562,310,000 for fiscal year 1976 and $925,150,000 for the transition period July 1—September 30, 1976, for research and development, construction of facilities and research and program management including continued development of the space station and shuttle program. H.R. 4700. Public Law 94–39, approved June 19, 1975. (VV)

National Arboretum.—Authorizes the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum which was established for purposes of research and education concerning tree and plant life. S. 1649. Public Law 94–129, approved Nov. 13, 1975. (VV)

National Center for Productivity and Quality of Working Life.—Repeals Public Laws 92–210 and 93–311 which created a National Commission on Productivity and Quality of Working Life to be composed of a 27-member board of directors headed by a Chairman to be appointed by the President with the advice and consent of the Senate;

Directs the Center to develop and establish, in consultation with the appropriate committees of Congress and departments and agencies of the executive branch, a national policy for productivity growth in public and private sectors and to encourage the maximum active participation of the private sector as well as State and local governments to improve the rate of productivity growth in all sectors of the Nation's economy consistent with the needs of the economy, the natural environment, and the best interests of management, the work force and consumers; empowers the Center to enter into contracts and other funding arrangements to carry out the purposes of this act;

Requires the Center to submit a report to the President and Congress by December 31 of each year detailing its activities and any recommendations; requires the Comptroller General, within 36 months of enactment, to submit a report evaluating the effectiveness of the Center along with any recommendations; and authorizes therefor $6.250 million, for fiscal year 1976, and $5 million for each of fiscal years 1977 and 1978. S. 2195. Public Law 94   , approved   , 1975. (379)

National Guard technicians' retirement: Amends title 5, U.S.C., to grant full retirement credit for National Guard technician service performed before 1969 to all former technicians serving in any position subject to the retirement law on or after January 1, 1969, including those who have retired and whose annuities therefor would be subject to recomputation; allows credit for 100 percent of pre-1969 technician service for annuity computation purposes; and permits eligible technicians to pay the full amount rather than 55 percent otherwise owed as a deposit for pre-1969 technician service. S. 584. Public Law 94–126, approved Nov. 12, 1975. (VV)

National Portrait Gallery: Amends the National Portrait Gallery Act of 1962 to redefine the term "portraiture" to permit the National Portrait Gallery to acquire photographs and othter portrayals of individuals in addition to "painted or sculpted likenesses". S. 1657. P/S July 25, 1975; P/H amended Oct. 28, 1975. (VV)

National Science Foundation authorization: Authorizes $787,000,000 to the National Science Foundation for fiscal year 1976 and an additional $4 million in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States. H.R. 4723. Public Law 94–86, approved August 9, 1975. (VV)

National Security Council: Amends the National Security Act of 1947, as amended, to include the Secretary of the Treasury as a member of the National Security Council. S. 2350. P/S Oct. 9, 1975. (VV)

Nixon tapes.—Disapproves the regulations proposed by the Administrator of General Services in his report to the Senate submitted on March 19, 1975, pursuant to title I of Public Law 93–526, regarding public access to materials and tape recordings of former President Nixon. S. Res. 244. Senate adopted Sept. 11, 1975. (VV)

Patents.—Amends certain sections of title 35, U.S.C. to implement the Patent Cooperation Treaty (Ex. S. 92d–2d) which enables U.S. and foreign nationals to file international applications with the Patent Office which would act as a Receiving Office and process such applications and provides applicants filling applications for patents only in the U.S. with the same flexibility afforded to applicants filing under the treaty. S. 24. Public Law 94–131, approved Nov. 14, 1975. (VV)

Public Builders.—Broadens the policy of the Federal Government in the acquisition and use of public office buildings; encourages the purchase of older buildings and their recycling into new office space for Federal agencies; and provides for the multiple use of Federal buildings by allowing rental to commercial and other tenants of a limited amount of space in Federal office buildings. S. 865. P/S August 1, 1975. (VV)

Small business act amendments: Increases from $725 million to $825 million the subceiling for the Small Business Investment Company loan and guarantee programs; increases from $450 million to $525 million the subceiling for economic opportunity loan programs; increases from $35 million to $45 million the authorization for the Surety Bond Guarantee Fund and allows additional appropriations up to $15 million for the program; and clarifies the language in Public Law 93–501 to allow Small Business Investment Companies to charge an interest rate, in certain cases, that is in excess of the State usury law. S. 1839. P/S June 4, 1975. (VV)

Small business emergency relief.—Provides relief to small business concerns caught in the economic squeeze between fixed-price Federal contract commitments and rising costs of material, supplies and energy;

Grants executive agencies the latitude to terminate, for the convenience of the Government, any fixed-price contract between that agency and a small business concern upon a finding that (1) during the performance of the contract the concern has experienced or is experiencing significant unanticipated cost increases directly related to the contract, and (2) the conditions which have caused or are causing such cost increases were, or are being, experienced generally by other small business concerns in the market at the same time and are not caused by negligence, underbidding, or other special management factors peculiar to that small business concern. H.R. 5541. P/H Apr. 22, 1975; P/S amended Oct. 30, 1975; House requested conference Nov. 6, 1975. (462)

Smithsonian Institution Museum support facilities.—Authorizes the Regents of the Smithsonian Institution to undertake planning of museum support facilities on federally owned land within the District of Columbia metropolitan area for the conservation, preparation, and study of the national collection of scientific, historical, and artistic objects and artifacts, their documentation, and the training of museum conservators. S. 907. Public Law 94–98, approved Sept. 19, 1975. (VV)

Smithsonian Institution site.—Reserves for future public use of the Smithsonian Institution that portion of the Mall bounded by Third Street, Maryland Avenue, Fourth Street, and Jefferson Drive in the District of Columbia. H.R. 5327. Public Law 94–74, approved August 8, 1974. (VV)

Standard reference data program.—Authorizes to the Department of Commerce $2.8 million for fiscal year 1976, $750,000 for the transition period July 1–September 30, 1976, $3 million for fiscal year 1977, and $3 million for fiscal year 1978 to carry out the purposes of the Standard Reference Data Act which provides the scientific community with accurate and accessible quantitative data needed in the physical sciences, together with critical evaluations thereof. H.R. 37. Public Law 94–48, approved July 2, 1975. (VV)

*Tourism promotion.—Amends the International Travel Act to authorize funding for the United States Travel Service, Department of Commerce, which is charged with promoting travel and tourism to and within the United States as follows: for international tourism promotion—$5 million for the transition period July 1–September 30, 1976, $25 million for fiscal 1977, and $30 million in each fiscal 1978 and 1979; for domestic tourism promotion—$625,000 for the transition period July 1–September 30, 1976, and $2.5 million for each fiscal 1977 through 1979. H.R. 5357. Vetoed May 28, 1975. House referred to Committee on Interstate and Foreign Commerce June 20, 1975. (VV)

Amends the International Travel Act to

authorize funding for the U.S. Travel Service, Department of Commerce, which is charged with promoting travel and tourism to and within the United States as follows: for international tourism promotion—$5 million for the transition period July 1–September 30, 1976, $25 million for fiscal 1977, and $30 million for each fiscal 1978 and 1979; for domestic tourism promotion—$2.5 million for fiscal 1976, $625,000 for the transition period July 1–September 30, 1976, and $2.5 million for each fiscal 1977 and 1978; and directs the Secretary of Commerce to promote travel within the United States and its possessions through activities that are in the public interest and which do not compete with those of any State, city or private agency. S. 2003. Public Law 94–55, approved July 9, 1975. (VV)

Trust Territory of the Pacific.—Increases the fiscal year 1975 authorization for the activities of the civil government of the Trust Territory of the Pacific Islands from $60 to $75 million and authorizes an additional $1.5 million to fund the transition of the Mariana Islands District from the Trust Territory Government to a new commonwealth status as a territory of the United States, pursuant to an agreement signed on February 15, 1975, by the U.S. and the Marianas, if approved by Congress. S. 326. Public Law 94–27, approved May 28, 1975. (VV)

War risk insurance.—Amends the Federal Aviation Act of 1958 to extend the present authority of the Secretary of Transportation to issue war risk insurance until May 7, 1976; authorizes the investment of the aviation war risk insurance revolving fund in interest-bearing securities of the United States; and requires a study by the President of the possible expansion of the program to include losses and damage resulting from riots, civil disorders, hijacking or other similar acts and to report the results of the study together with his recommendations to Congress 90 days after enactment. H.R. 8564. Public Law 94–90, approved August 9, 1975. (VV)

GOVERNMENT EMPLOYEES

Cost-of-living increase—Postal Service OSHA compliance.—Authorizes an annual minimal adjustment for top executive, legislative and judicial officers and employees of the United States who last received an increase in compensation in March 1969, including each level of the Executive Schedule, the salary of the Vice President, rates of pay for members of Congress and officials of the legislative branch, and salaries in the judicial branch; provides that the adjustment is to become effective whenever a comparability adjustment is made in the rates of pay under the General Schedule (normally in October of each year) and shall equal the percentage of the comparability adjustment, rounded to the nearest $100;

Makes the Occupational Safety and Health Act of 1970 applicable by statute to the Postal Service, which is presently bound by its July 1973 collective bargaining agreement with the National Postal Unions. H.R. 2559. Public Law 94–82, approved August 9, 1975. (352)

Federal employees pay increase.—Disapproves the alternative pay plan submitted to Congress by the President on August 29, 1975, providing for a 5-percent increase in pay for Federal employees in lieu of 8.66 as determined under the comparability procedures set forth in the Federal Pay Comparability Act of 1970. S. Res. 239. Senate rejected Sept. 18, 1975. (398)

Part-time Government employees.—Declares as policy that a certain regulated proportion of all positions in the General Schedule (except positions in grades GS–16, GS–17, and GS–18) shall be made available on a part-time career employment basis (16 to 30 hours per week) for persons who are unable or do not wish to work full time; covers, with certain exceptions, executive and regulatory agencies subject to the rules of the Civil Service Commission; provides for a gradual phase-in of part-time career employment, with at least 2 percent of all positions in each grade in each agency to become available yearly until the 10 percent limit placed on part-time positions is reached; authorizes waivers of the percentage minimum by the Civil Service Commission in cases of need; prohibits the forcing of an employee to accept part-time employment as a condition of new or continued employment; gives part-time employees entitlement to the same proportionate fringe benefits as those vested in regular hour employees; and contains other provisions. S. 792. P/S June 23, 1975. (VV)

Travel expenses.—Increases the per diem allowance (from $25 to a maximum of $35) and the actual daily expense reimbursement (from $40 to a maximum of $50) which may be paid to regular employees of the Federal Government, and to consultants and experts employed intermittently, who are traveling on official business within the continental United States; authorizes the President to establish the per diem allowance for travel outside the continental United States and authorizes the Administrator of General Services to prescribe the conditions under which an employee may be reimbursed for actual and necessary expenses (not to exceed $21 per day) in addition to the maximum per diem established for that locality; provides commensurate increases, under regulations established by the Senate Committee on Rules and Administration, in the per diem allowances and actual expense reimbursement for Senators and Senate employees and members of a Senator's personnel staff traveling to and from the Senator's home State on official business; prohibits reimbursement for travel to or from a home State 120 days prior to a primary or general election in which the Senator is a candidate; increases the mileage rates for the use of privately owned vehicles used while traveling on official business (automobiles—from 12 cents to 15 cents; airplanes—from 12 cents to 18 cents; and motorcycles from 8 cents to 11 cents); requires the Administrator of General Services to make a determination with respect to the cost of travel and the operation of privately-owned vehicles and adjust the rates at least once a year; and provides that the agency or branch of Government concerned must absorb expenses incurred during fiscal year 1975 as a result of increases in per diem and mileage allowances out of its existing funds. S. 172. Public Law 94–22, approved May 19, 1975. (VV)

HEALTH

Communicable disease control—Consumer health education.—Revises and extends expiring communicable and other disease control programs and the venereal disease prevention and control programs; and authorizes consumer health education and promotion programs through the establishment of an Office of Consumer Health Education and Promotion within HEW. S. 1466. P/S July 30, 1975. (VV)

Developmentally disabled persons assistance.—Provides a 3-year extension and revision, through 1978, of programs under the Developmental Disabilities Services and Facilities Construction Act; authorizes a total of $2.87 million for these programs; expands the definition of a "developmental disability" to include autism as well as mental retardation, cerebral palsy, or epilepsy, or any other condition related to mental retardation or dyslexia; continues the University-Affiliated Facilities (UAF's) clinical facilities programs and system of demonstration and training grants for professional personnel, with emphasis directed to accomplishing the provision of services to adults and children in programs of community care as an alternative to providing such services in institutionalized settings; proposes the establishment of UAF Satellite Centers which would be primarily concerned with the delivery of clinical services; revises the organizational structure for administration of the act and continues formula grants to the States for planning, services and facilities; mandates the establishment of an evaluation system by the Secretary and a time-phased plan for each State's implementation of an evaluation system; contains a "Bill of Rights" for the developmentally disabled which establishes a clear Federal policy that the mentally retarded have a right to appropriate treatment, services, and habilitation and to assure that public funds are not provided to institutions or other residential programs for the mentally retarded that do no provide adequate treatment, service or habilitation or which do not meet minimum standards; requires an individual written habitation plan for each person being served in the program; requires a system in each State to protect and advocate the rights of persons with developmental disabilities; and contains other provisions. H.R. 4005. Public Law 94–103, approved Oct. 4, 1975. (VV)

Drug Abuse Office and treatment.—Continues the current authorization of $45 million through fiscal year 1979 for drug abuse prevention and treatment programs; increases from $100 million to $200 million the figure used to determine the minimum formula grant to any state (currently $66,666, which would increase to $133,333 if there is no change in the ratio of actual to authoraddiction and drug abuse as a serious, long-term problem requiring continuous effort; redesignates the Special Action Office for Drug Abuse Prevention as the Office of Drug Abuse Prevention Policy, and redefines its role as strictly that of coordination and policy direction; confirms and clarifies the programatic role of the National Institute of Drug Abuse; broadens the prohibition on discrimination against drug abusers in hospital admissions to include all admissions instead of emergency admissions only; and contains other provisions. S. 2017. P/S June 26, 1975; P/H amended Sept. 11, 1975; In conference. (VV)

*Health services—Nurse training.—Amends title VII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training until fiscal year 1978 and to revise and extend programs of health revenue sharing and health services until fiscal year 1977;

Authorizes a total of $1.422 billion for health services and health revenue sharing programs for 2 years, including $15 million for each year for detection and treatment of hypertension (high blood pressure); extends the authorizations in title X regarding Family Planning Programs and specifies that population research shall be conducted under the authorities of that title and requires an annual report on family planning programs; extends the Community Health Centers program for 2 years and authorizes grants for the planning, development and operation of community health centers, including existing neighborhood health centers; extends the Migrant Health Centers Program and authorizes planning, development and operation grants to such centers which offer a broad range of health services in an area in which not less than 6,000 migrants reside; includes a separate authorization to cover the reasonable costs of inpatient and outpatient hospital services for migrants; extends the Community Mental Health Centers programs to continue progress toward the goal of establishing a center in each of the approximately 1,500 catchment areas across the Nation and to assure continued support of the 500 centers already begun; provides authorization to expand the types of disease control programs to include programs for diseases borne by rodents; establishes a demonstration program of start up grants to home health agencies and grants for training personnel to provide home health services; establishes a Committee on Mental Health and Illness of the Elderly for a one year period to review the mental health needs of the elderly and recommend policy for the care and treatment of mentally ill aged persons; establishes a Rape Prevention and Control Center within the National Institute for Mental Health to study the causes, control and treatment of rape and to establish a clearinghouse of information and provides support for demonstration projects in the prevention and control of rape; establishes a temporary Commission on Epilepsy to devise a national plan for the control of epilepsy and its consequences, the State and Federal role in research on epilepsy and on the identification, treatment and rehabilitation of persons with epilepsy; establishes a temporary Commission on Huntington's Disease to devise a comprehensive national plan similar to the one outlined for epilepsy; establishes a new Hemophilia Diagnosis and Treatment program and provides grants to establish treatment centers; sets a $1,000 fine and/or 1 year imprisonment for intimidating or coercing a person who has requested or is receiving welfare benefits to undergo an abortion or sterilization as a condition of receiving such benefits;

Extends through 1977 the nurse training authorities of title VIII at levels of $156 million in 1976, $181 million in 1977 and $201 million in 1978; includes authorization for: construction grants with priority funding to schools expanding their capacity to enroll nurses in advanced training programs; "capitation" grants to schools based on the number of nursing students enrolled but designating different amounts for different types of nursing schools to reflect more accurately the differential in costs between baccalaureate degree, associate degree, and diploma schools of nursing; special assistance to nursing schools that are in serious financial straits to meet operational costs for maintaining quality programs or their accreditation requirements; special project grants to assist schools in trying out better methods of teaching, better utilization of faculty, expanded enrollments and recruiting and retaining students from disadvantaged backgrounds; graduate and other advanced training programs for professional nurses to teach, serve as administrators or practice in nursing specialties; the nursing loan, scholarship and traineeship program to meet current demands and needs; and grants for programs for training nurse practitioners with specific emphasis on geriatrics and the care of nursing home patients; and contains other provisions. S. 66. Vetoed July 26, 1975. Senate overrode veto July 26, 1975; House overrode veto July 29, 1975. Public Law 94–63, without approval July 29, 1975. (132,337)

Medical device safety.—Authorizes the Food and Drug Administration to regulate the development and marketing of medical devices; requires that medical devices used in life-supporting situations, including all implanted medical devices such as a heart valve, pacemaker or interuterine device (IUD), shall be subject to premarket scientific testing; authorizes the Secretary of Health, Education, and Welfare to establish protocols for testing medical devices and requires that test data be submitted to HEW when a manufacturer seeks approval of a lifesupporting medical device for marketing; provides that medical devices for which experts agree standard-setting is sufficient to protect the public health and safety need only meet performance standards; provides that the third classification of devices which are generally safe when used in accordance with their instructions, such as a tongue depressor, is exempted from either procedure; and contains other provisions. S. 510. P/S Apr. 17, 1975. (139)

Older Americans.—Continues authorizations for programs concerning the elderly through fiscal year 1978; continues authorizations for the R.S.V.P., Foster Grandparents, and Senior Companions programs and for special programs for the aging under the Adult Education Act, the Higher Education Act, the Older Americans Comprehensive Service Amendments of 1973, and the Vocational Education Act; provides that a State shall not commit less than 20 percent of its State plan funds for the following four categories of services for the elderly: transportation, home care, legal services, and residential renovation and repair; authorizes the Secretary of Labor to establish an Older American Community Service Employment program to promote part-time work opportunities for unemployed low-income persons aged 55 or older; authorizes direct grants to Indian tribal organizations for the provision of services to elderly Indians; requires that the Secretary of Labor reserve funds sufficient to maintain the fiscal year 1975 level of activities as conducted by national contractors under the Older Americans Community Service Employment Program and that the remainder of the funds is to be distributed based on a formula which takes into account the number of persons aged 55 or over and the per capita income in each State, with a minimum guaranteed to each; prohibits discrimination based on age; and contains other provisions. H.R. 3922. Public Law 94– , approved 1975. (527)

School lunch and child nutrition program.—Amends section 13 of the National School Lunch Act to continue the Special Food Service Program for children, which expires June 30, 1975, through September 30, 1975; authorizes 1975 summer meal reimbursement rates to be adjusted to account for increase in food costs this past year; and requires USDA, within 10 days following enactment, to issue its regulations pertaining to the option of this year's summer feeding program. S. 1310. Public Law 94–20, approved May 2, 1975. (VV)

*School lunch program.—Makes permanent the authorization for the school breakfast program; extends through September 30, 1977, the authority of the Secretary of Agriculture to purchase agricultural commodities for donation to the child nutrition programs when acquisitions under other agricultural authorities are not available, and permits States which phased out their commodity distribution facilities prior to June 30, 1974, to elect to receive cash in lieu of donated foods; revises the year-round phase of the special food service program for children to establish a child care food program for children in nonresidential child care institutions for the period through September 30, 1978;

Extends the special supplemental food program for women, infants and children (WIC) through September 30, 1978; expands the definition of "school" under the school lunch program and the school breakfast program to include any public or licensed nonprofit private residential child care institution, including, but not limited to, orphanages and homes for the mentally retarded;

Deletes the State's option to serve reduced price lunches and provides that State educational agencies are to establish income guidelines for reduced price lunches at levels which are 95 percent above those in the income poverty guidelines prescribed by the Secretary;

Provides that any child whose parent or guardian is providing the child's principal support and is unemployed shall be served a free or reduced price lunch if the existing family income eligibility guidelines for free or reduced price lunches are met;

And contains other provisions. H.R. 4222. Vetoed Oct. 3, 1975. House overrode veto Oct. 7, 1975; Senate overrode veto Oct. 7, 1975. Became Public Law 94–105, without approval Oct. 7, 1975. (274, 383, 429)

Supplemental food programs.—Extends through September 30, 1975, the special supplemental food program for women, infants, and children. H.R. 7136. Public Law 94–28, approved May 28, 1975. (VV)

HOUSING

Emergency housing.—Contains provisions for mortgage foreclosure relief to homeowners who cannot meet their mortgage payment because of recession conditions; authorizes the Department of Housing and Urban Development (HUD) to co-insure mortgages in default or to make monthly payments of up to $250 for as long as 24 months when lenders are unwilling or unable to forebear on their loans; and authorizes $1.5 billion for coinsurance contracts and a maximum of $500 million for mortgage relief loans;

Provides for home purchase assistance which expands the President's authority to make mortgage credit available when housing starts are low; extends the existing Home Purchase Assistance Act to June 30, 1976; permits financing of condominiums and apartments, sets a maximum rate of interest at 7 and ½ percent, and provides for additional housing financing by the Federal Finance Bank; and authorizes an additional $10 billion in mortgage credit;

Includes provisions for housing rehabilitation and repair; continues the section 312 rehabilitation loan program through August 1976 at an authorized level of $100 million; and

Extends by 7 months, the time period during which certain purchasers of older inner-city housing insured by FHA can apply for compensation for correcting serious defects that were not detected at the time of purchase. H.R. 5398. Public Law 94–50, approved July 2, 1975. (255)

* Emergency middle-income housing.—Authorizes emergency Federal assistance to stimulate housing construction, to increase employment and to provide critically needed housing for families now priced out of the housing market;

In title I, establishes a temporary emergency program in order to increase the present low level of housing starts and create jobs; gives homebuyers whose family income does not exceed 120 percent of the median income of their area three options to assist them in buying a home: (1) a 6 percent mortgage loan which will gradually increase to the market rate after 3 years; (2) a 7 percent mortgage for the life of the contract; or (3) a $1,000 cash grant to be used to defray the downpayment expenses on a newly constructed house; provides that no new commitment or contract for assistance can be entered into after June 30, 1976;

In title II, authorizes $500 million to the Secretary of Housing and Urban Development to make repayable, emergency mortgage relief payments up to $250 per month for a period of no longer than 2 years on behalf of homeowners who are delinquent in their mortgage payments as a result of a substantially reduced income because of involuntary unemployment or underemployment;

In title III, contains miscellaneous provisions extending the section 312 rehabilitation loan program until August 22, 1977 and authorizing therefore $35 million for each of the two years; increasing the set-aside of contract authority for projects to be owned by public housing agencies from $150 million to $300 million; extending the section 235 homeownership assistance program until July 1, 1977; extending by seven months the period during which owners of FHA-insured houses which have serious structural defects can request assistance from HUD to repair such defects; extending until January 1, 1976 the date after which Federal financial assistance will be denied to flood-prone areas unless the community is participating in the

National Flood Insurance Program; and contains other provisions. H.R. 4485. Vetoed June 24, 1975. House sustained veto June 25, 1975. (148,221)

Home mortgage disclosure.—Contains provisions, effective for 3 years, to enable consumers to compare the lending record of different banks and thrift institutions in local communities and to create greater awareness by municipal governments of the effects of local lending patterns on homeownership and neighborhood preservation, and possibly to encourage reinvestment in areas formerly "red-lined" (areas marked as less desirable for investment because of their age, racial or ethnic make-up or income level);

Requires mortgage lenders covered by the Real Estate Settlement Act of 1974 to disclose by ZIP code area the number and dollar amounts of mortgage loans originated by that institution during the previous fiscal year, as well as the total number and dollar amount of all such loans outstanding as of the close of the fiscal year; requires that the disclosure statement also disclose the breakdown between loans to owner-occupied versus absentee-owned housing; applies these requirements only to lenders within standard metropolitan statistical areas (SMSA) but requires lenders within an SMSA to disclose any loans outside that SMSA;

Provides that the Federal Reserve Board shall write the overall regulations for implementation of the act, and that each bank supervisory agency shall regulate institutions under its usual jurisdiction; requires the Board to carry out a 3-year study of the legislation and to provide recommendations for additional disclosure, if any; and provides that States are free to adopt their own mortgage disclosure requirements, and that the Board shall exempt any institution located within a State that has adopted similar or more stringent disclosure requirements. S. 1281. P/S Sept. 4, 1975; P/H amended Oct. 31, 1975; Senate requested conference Nov. 13, 1975. (382)

Mobile-home loans.—Increases the ceiling for mobile-home loans which the Secretary of Housing and Urban Development is authorized to insure under title I of the National Housing Act from $10,000 to $12,500 for a new mobile home and from $15,000 to $20,000 for a mobile home composed of two or more modules;

Authorizes special capital grant assistance for the Kendall Square Urban Renewal Project in Cambridge, Massachusetts, in excess of the two-thirds project costs limit under the Housing Act of 1949, as amended, because of certain extraordinary circumstances which have delayed completion of the project;

Extends the emergency implementation provisions of the National Flood Insurance Act of 1968, as amended, for 1 year, from December 31, 1975, to December 31, 1976, to insure the continued availability of federally subsidized flood insurance to communities who have not yet completed their required eligibility studies;

Authorizes the Secretary of Housing and Urban Development to deal with insurance of mortgages in FHA programs on a 75 percent basis instead of the present 45 percent except for the section 8 program which deals with cost limits on a prototype basis; and

Makes technical amendments to section 221(f) of the National Housing Act by striking certain occupancy limitations. S. 848. P/S Sept. 10, 1975. (390)

Real estate settlement procedures.—Suspends for 1 year sections 4, 6 and 7 of the Real Estate Settlement Procedures Act (P.L. 93–533) which requires a complicated uniform settlement, a 12 day advanced disclosure of settlement costs by lenders, and a requirement, in some instances, of the disclosure of the previous selling price of existing real property, and repeals section 121(c) of the Truth in Lending Act which also requires a full statement of closing costs in connection with consumer and home mortgage lending. S. 2327. P/S Oct. 9, 1975; P/H amended Nov. 17, 1975. (VV)

Variable interest rate mortgages.—States the sense of the Congress that the Federal Home Loan Bank Board shall refrain from authorizing, by rule, regulation, or otherwise, a Federal savings and loan association to offer loans with variable interest rates and secured by one-to-four family homes or dwelling units unless Congress specifically, by law, authorizes such variable interest rates. S. Con. Res. 45. Senate adopted June 16, 1975. (VV)

INDIANS

American Indian Policy Review Commission.—Authorizes the American Indian Policy Review Commission to accept and use donations of money, property, and uncompensated services from Government and private sources and to procure the temporary or intermittent services of experts and consultants at a rate of compensation not in excess of that paid to employees of the Senate; authorizes the reimbursement for travel, subsistence, and other necessary expenses incurred by a person providing voluntary and uncompensated services in the performance of their service; and permits the Commission to use the frank of any member of Congress who is serving as Chairman of the Commission for mailing materials. S. 2073. Public Law 94–80, approved August 9, 1975. (VV)

Indian Claims Commission.—Authorizes $1,550,000 for fiscal year 1976 for the Indian Claims Commission; extends the life of the Commission for an additional 3 years, from April 10, 1977 to April 10, 1980; and provides that cases still pending upon the expiration date of the Commission shall be turned over to the Court of Claims for final adjudication. H.R. 3979. P/H June 16, 1975; P/S amended August 1, 1975; In conference. (VV)

Indian health care.—Provides the direction and financial resources to overcome the inadequacies in the existing Federal Indian health care program and invite the greatest possible participation of Indians and Alaska Natives in directing and managing that program;

Establishes, in title I, the Indian Health Manpower Program and authorizes: a grant program to recruit and aid Indians in pursuing health careers; a preparatory scholarship program for the final two academic years of any pre-professional health education curriculum; a health professions scholarship program; a program to facilitate employment by the Indian Health Service (IHS) of medical students to further expand their opportunities for training; education and training programs in environmental health, health education, and nutrition; and a continuing education allowances program, for the purpose of assuring an adequate health manpower base for proper Indian health services and a sufficient cadre of Indian professional and health workers to permit Indian communities to have a maximum voice in shaping those services;

Provides, in title II, for a planned growth of the Indian Health Service's delivery system and facilities and authorizes funds to remove the backlogs in direct patient care and dental care, improve field health services, mental health care and services, treatment centers for children, and other unmet health needs;

Authorizes, in title III, funds for construction of modern, efficient hospitals and other health care facilities serving Indians where none exist and to renovate existing facilities, most of which are in a state of general deterioration and to remedy the lack of safe water and sanitary waste disposal facilities in the Indian environment;

Meets, in title IV, the problem of limited access by Indians to services supported by Medicare or Medicaid due to most Indians living on remote reservation lands, by authorizing payments under the two programs to be made to qualified Indian Health Service hospitals and long-term care facilities for services rendered to Medicare and Medicaid patients, and provides 100 percent Federal Medicaid matching funds for services provided to any eligible Indian in an IHS facility;

Establishes, in title V, programs in urban areas to make health services more accessible to the urban Indian population and assist them in making the difficult transition from traditional reservation life to the urban world;

Authorizes a total of $1.6 billion for fiscal years 1977 through 1983; and changes the various Secretarial reporting requirements to assist Congress in undertaking a thorough review of all expenditures at the end of the third fiscal year in order to revise authorization levels if appropriate. S. 522. P/S May 16, 1975. (VV)

Klamath Indian land—Colonial Williamsburg.—Gives tribal members receiving moneys from gains from the sale of lands in trust the same exclusion from Federal taxation as was afforded to tribal members who withdrew from the tribe in 1959 and received tax free cash payments for their interests; and amends the Internal Revenue Code to add a provision affecting the situation of Colonial Williamsburg, a tax-exempt foundation, which provides the same treatment regarding depreciation recapture to a tax-exempt organization as a taxable organization where assets are received through liquidation of a subsidiary and are used in an unrelated taxable trade or business. H.A. 83. Public Law 04–81, approved August 9, 1975. (VV)

Pueblo of Laguna.—Declares that 480 acres of land used for cattle grazing by the Pueblo of Laguna Indians be held in trust for the tribe by the United States, and provides for the trust transfer of 39.9 acres of land which was omitted from other lands transferred to the Pueblo pursuant to the Act of August 13, 1949. S. 557. Public Law 94–115, approved Oct. 17, 1975. (VV)

Pueblo Tribe, New Mexico.—Repeals a 1926 statute which subjects Pueblo tribal lands to condemnation pursuant to State law. S. 217. P/S May 21, 1975. (VV)

Submarginal lands.—Provides for the trust transfer of submarginal lands in certain specified projects, including all surface and subsurface mineral interests, to the affected Indian tribes or communities. S. 1327. Public Law 94–114, approved Oct. 17, 1975. (VV)

INTERNATIONAL

Agricultural commodity trade negotiations.—States the sense of the Senate that the Secretary of Agriculture shall serve as a principal representative of the United States Government with respect to all negotiations with foreign governments concerning the exportation or importation of agricultural commodities, and that any agreements or understandings with foreign governments regarding such exports or imports shall be submitted to the Senate Committee on Agriculture and Forestry. S. Res. 285. Senate adopted Oct. 20, 1975. (VV)

Arts and artifacts indemnity.—Authorizes the Federal Council on the Arts and the Humanities to make indemnity agreements against loss or damage of specified art works and artifacts brought into this country for exhibitions which the Secretary of State or his designee deem to be in the national interest. S. 1800. P/S July 25, 1975. (VV)

Cambodia—food aid.—States as the sense of the Senate that 50 percent of the food commodities which the President has budgeted for Cambodia under title I of the

Agricultural Trade Development and Assistance Act of 1954 which is delivered after the date this resolution is agreed to and prior to July 1, 1975, be made available for humanitarian purposes under Public Law 480 title II humanitarian grant assistance and be administered by voluntary agencies already established in Cambodia. S. Res. 94. Senate adopted Mar. 10, 1975. (VV)

Foreign aid authorization.—Authorizes $1,592,507,000 for fiscal year 1976 and $1,313 million for fiscal year 1977 for international disaster assistance, food aid to poor countries and development assistance;

Consolidates, under title I, disaster relief authorities in recognition of the need for improved coordination of response to natural disasters, and provides for a Presidentially appointed Special Coordinator whose responsibilities would include research, contingency planning and the coordination of disaster relief; includes an authorization of $50 million to assist the Sahelian and other African countries in recovering from the recent drought;

Amends, in title II and III, the Agricultural Trade Development and Assistance Act, the Public Law 480 food for peace program; provides new guidelines for overseas operation to help meet urgent food needs abroad and to promote agricultural production in poor countries, which includes the giving of priority consideration to the requirements of countries most seriously affected by food shortages and which are unable to meet those requirements through normal commercial purchases; authorizes the President to credit, or grant back, up to 10 percent of title I loan repayment obligations if the proceeds from sales by the recipient government are used for certain self-help purposes with the exception of abortion; provides more general authority for the President to waive the prohibition of title I sales to countries trading with Cuba or North Vietnam; establishes, to assure continuity, a minimum volume of food assistance to be distributed under the Public Law 480 title II donation program of 1.3 million metric tons, of which a minimum of 900,000 metric tons would be distributed through nonprofit voluntary agencies and the World Food program; adds new provisions to increase the participation of the land-grant colleges and other universities and colleges in solving the food, agriculture, and nutrition problems of the developing world;

Updates the fiscal year 1975 congressional directive allocating Public Law 480 title I food aid sales between humanitarian and political purposes to require that a minimum of 80 percent of the aid must be allocated to countries most seriously affected by food problems, using a $250 or less per capita gross national product under World Bank figures as a standard unless the President certifies, and neither House of Congress disapproves, that the food is otherwise needed for humanitarian purposes; authorizes the President to seek international agreement, subject to congressional approval, for a system of food reserves to meet food shortage emergencies and provide insurance against unexpected shortfalls in food production; requires a report from the President on the implementation of the recommendations of the World Food Conference, and requires the President to consult with the Agriculture Committees of the Congress in regard to negotiations involving agricultural commodities covered under farm price support and other agricultural programs of the U.S. Government; requires a report on the implementation of the recommendations of the World Food Conference;

Continues, in title III, emphasis upon efforts focused on critical functional problems in the less developed countries such as food production, nutrition and rural development, population planning and health, and education, public administration and human resource development; provides new authority for the use of dollar receipts from previous aid loans to support various assistance activities in the food and nutrition field, including funding for the proposed International Fund for Agricultural Development, long-term development assistance to drought-stricken areas of Africa, agricultural research and others; and

Contains other provisions, including requiring congressional approval of any settlement of a debt owed the United States in an amount less than its face value, and expressing the sense of the Congress that the U.S. Ambassador to the United Nations vote in the Security Council against any proposal to admit North or South Vietnam to membership in the U.N. until each gives the fullest possible account of missing U.S. personnel. H.R. 9005. P/H Sept. 10, 1975; P/S amended Nov. 5, 1975; In conference. (467)

Israel.—Expresses the displeasure of the Senate with respect to the attempts by some of the nonaligned Third World nations to expel Israel from membership in the United Nations and states the Senate's intent to review all present United States commitments to the Third World nations involved in the event of Israel's expulsion as well as its continued membership in the United Nations. S. Res. 214. Senate adopted June 18, 1975. (VV)

Japan-U.S. Friendship Trust Fund.—Creates a Japan-U.S. Friendship Trust Fund to support a variety of mutual educational and cultural studies, facilities, exchanges, and other activities between Japan and the U.S.; authorizes therefor the transfer of 7.5 percent of the proceeds of the Okinawa Reversion Agreement and those funds available in U.S. accounts in Japan pursuant to the agreement with Japan regarding the Settlement of Postwar Economic Assistance to Japan including the interest accruing to the G.A.R.I.O.A. (Government and Relief in Occupied Areas) account; and establishes a Commission to administer the program. S. 824. Public Law 94–118, approved Oct. 20, 1975. (VV)

Lebanese conflict.—Deplores the current violence taking place in Lebanon; states as the sense of the Senate that any unilateral, uninvited intervention of any nation or armed force in the current conflict is viewed with disfavor; deplores the shipment of arms and continued encouragement of the conflict by external forces; states U.S. support for all efforts to resolve the internal conflict and achieve a return to normalcy through peaceful negotiations and the Lebanese political process; and states that the United States should provide, through the United Nations, on request from the Government of Lebanon, such humanitarian and emergency aid and assistance as may be necessary to further the cause of peace, humanity and stability in the area. S. Res. 293. Senate adopted Nov. 4, 1975. (VV)

Magna Carta.—Expresses appreciation to the United Kingdom for the loan to the United States of the Magna Carta for the Bicentennial celebration and directs the Architect of the Capitol to make the necessary arrangements for display of the document in the rotunda of the Capitol. H. Con. Res. 458. House adopted Oct. 22, 1975; Senate adopted Oct. 23, 1975. (VV)

MIA's in Southeast Asia.—States as the sense of the Senate that the President, when he visits China, should request that appropriate Chinese officials use their good offices to obtain a full and complete accounting of members of the United States Armed Forces and civilians missing in action or held as prisoners of war in Southeast Asia. S. Res. 251. Senate adopted Nov. 19, 1975. (VV)

Middle East dispute.—Endorses the efforts of and commends the Secretary of State and the President in trying to achieve a peaceful resolution of the Middle East disputes and urges the Secretary to continue to use his good offices to help the parties in dispute abandon intransigence and see the wisdom of these objectives. S. Res. 119. Senate adopted Mar. 24, 1975. (VV)

Nuclear non-proliferation.—Endorses the purpose of the conference of parties in Geneva reviewing the operation of the Nuclear Non-Proliferation Treaty to assure that its purposes and provisions are being realized and commends the President for his commitment to furthering the objectives of this Treaty. S. Res. 146. Senate adopted May 6, 1975. (VV)

Peace Corps authorization.—Authorizes $88,468,000 for fiscal year 1976 and $27,887,800 for the transition period July 1–September 30, 1976, to finance the operations of the Peace Corps plus an additional amount up to $1 million to cover increases in salary or other employee benefits authorized during this period; authorizes the transfer of $315,000 fom Peace Corps funds to ACTION's readjustment allowance account in order to rectify an existing imbalance in that account for the period March 1, 1961 to February 28, 1973; prohibits sex discrimination with respect to enrollment, terms and conditions of service of volunteers; increases the readjustment allowance for all regular Peace Corps volunteers from $75 to $125 per month of service; and increases the stipend of the regular VISTA volunteer from $50 to $75 per month. H.R. 6334. Public Law 94–130, approved Nov. 14, 1975. (VV)

Romania—most favored nation status.—States the sense of the Senate that the President should certify to Congress that he will use his authority under the Trade Act of 1974 to terminate by Exectuive order most favored nation status to Romania if Romania engages in discriminatory emigration practices as detailed in sections 402 and 409 of the Trade Act. S. Res. 219. Senate adopted July 25, 1975. (VV)

Approves the extension of non-discriminatory treatment with respect to the products of the Socialist Republic of Romania transmitted by the President to the Congress on April 25, 1975. S. Con. Res. 35. Senate adopted July 25, 1975; House adopted July 28, 1975. (330)

Sinai agreement.—Authorizes the President to implement the "United States proposal for early-warning system in Sinai" provided that the U.S. civilian personnel to be assigned to the Sinai under the proposal shall be removed immediately in the event of an outbreak of hostilities between Egypt and Israel or if the Congress by concurrent resolution determines that their safety is jeopardized or that continuation of their role is no longer necessary;

Specifies that the U.S. civilian personnel participating in the system shall include only persons who have volunteered to participate;

Provides that so long as participation of U.S. civilian personnel continues the President shall submit written reports to the Congress periodically, but no less frequently than once every 6 months; and

States that the authority given by this joint resolution to the President does not signify approval of the Congress of any other agreement, understanding, or commitment made by the executive branch. H.J. Res. 683. Public Law 94–110, approved Oct. 13, 1975. (441)

State Department authorization.—Authorizes $869,931,000 for fiscal year 1976 for the State Department, for international organizations, conferences and commissions, for information and cultural exchange and other purposes; authorizes the establishment and maintenance of a $25 million Emergency Refugee and Migration Assistance Fund; declares the sense of Congress concerning criteria for the selection and confirmation of U.S. Ambassadors; amends the basic legislation of the Arms Control and Disarmament Agency to strengthen its role in U.S. Government arms control policymaking and negotiations; establishes a Foreign Service grievance system; requires the President to direct the U.S. Ambassador to the United Nations to insist that the U.N. take steps to obtain an accounting of members of the U.S. Armed Forces and U.S. civilians missing in action in Southeast Asia and requires the President to report to Congress within 6 months on the action taken by the U.N.; and contains other provisions. S. 1517. Public Law 94– , approved 1975. (394)

Trade protection.—States the sense of the Senate that the President's Special Representative for Trade Negotiations together with the appropriate officials of the Departments of State, Commerce, Treasury and Justice and in consultation with the Chairman of the Finance Committee and the congressional delegates for trade agreements should initiate negotiations within the framework of the current multilateral trade negotiations in Geneva and other negotiations pursuant to the Trade Act of 1974 to develop a code of international conduct together with specific trading obligations and suitable procedures for settling disputes, including sanctions for problems caused by nonparticipating nations, to eliminate the illegal and unethical practices which burden international trade; and states that the code of conduct and other obligation should become part of the international system of rules and obligations under the framework of the General Agreement on Tariffs and Trade and other international trade agreements negotiated under authority of the Trade Act of 1974. S. Res. 265. Senate adopted Nov. 12, 1975. (479)

TREATIES

Anti-ballistic-missile protocol.—Amends the Anti-Ballistic-Missile (ABM) Treaty (Ex. L, 92d-2d) to limit to one the ABM deployment complexes that each side may have at any one time; provides that either side may exchange one deployment area for another after notifying the other side prior to starting construction with the provision that this right to exchange sites may be exercised only once; and provides that such notification may be given only during the year beginning October 3, 1977, or during any year which commences at 5-year intervals after October 3, 1977. Ex. I, 93d-2d. Resolution of ratification agreed to Nov. 10, 1975. (475)

Brazilian shrimp agreement.—Replaces the existing Agreement with Brazil Concerning Shrimp (Ex. P, 92d–2d); reduces from 160 to 120 the number of U.S.-flag vessels which may fish within a designated fishing area; increases from $200,000 to $361,000 per year the amount the U.S. must pay Brazil to exercise its enforcement responsibilities; increases from $100 to $500 the amount that the U.S. will be required to compensate Brazil for each day a U.S. shrimp vessel is under control of Brazilian enforcement authorities for a violation of the Agreement and imposes an additional charge of $200 for each day such vessels are so detained; limits the size of U.S. shrimp vessels to approximately 85 feet in length; provides for joint cooperation in the development of fishing industries and expansion of international trade of fishery products; and requires duly appointed scientists to meet at least once a year for the purpose of exchanging scientific knowledge on shrimp stocks and fishing effort in the area of the Agreement. Ex. D, 94th–1st. Resolution of ratification agreed to Oct. 28, 1975. (457)

Intergovernmental Maritime Consultative Organization.—Amends the Convention on the Intergovernmental Maritime Consultative Organization to open participation on the Maritime Safety Committee to all members of the Intergovernmental Maritime Consultative Organization (IMCO); increases the membership on the Council from 18 to 24 members with the 6 additional members to be representative of states not elected under navigation; and alters the number of members required for a quorum to reflect the increased size of the Council. Ex. F, 94th–1st. Resolution of ratification agreed to Oct. 28, 1975. (458)

International coffee agreement.—Extends the International Coffee Organization through September 30, 1976, or up to 12 months beyond that date if a new coffee agreement has by then been negotiated and signed but has not yet entered into force because of the interval needed for ratification. Ex. B, 94th–1st. Resolution of ratification agreed to Oct. 28, 1975. (456)

International Office of Epizootics.—Established an International Information Office of Epizootics to report on the outbreak of animal diseases, provide and exchange of technical information on the control of animal diseases and provide uniform sanitary codes for the movement of livestock and other animals in international trade. Ex. M, 93d–2d. Resolution of ratification agreed to May 5, 1975. (162)

Prevention and punishment of crimes against internationally protected persons.—Creates a legal mechanism whereby persons alleged to have committed serious crimes against heads of state, ministers of foreign affairs, diplomats, an official of an international organization, or any member of their family will be prosecuted or extradited; and establishes a framework for international cooperation in the prevention and punishment of such crimes. Ex. L, 93d–2d. Resolution of ratification agreed to Oct. 28, 1975. (455)

Regulations for preventing collisions at sea.—Revises the 1960 regulations for preventing collisions at sea including the rules governing vessels in sight of one another, the conduct of vessels in restricted visibility, and sound and light signals; sets forth criteria for determining the appropriate safe speed which vessels must observe and prescribes the actions to be taken and the rules to be followed to foresee and avoid collisions with other vessels; specifies certain requirements for navigation in narrow channels; requires vessels to observe traffic separation schemes adopted by the Inter-Governmental Maritime Consultative Organization (IMCO); specifies the color, intensity, and configuration of lights or shapes to be displayed by the different types of vessels when engaged in various kinds of maneuvers or modes of operation; and prescribes certain sound or light signals to be transmitted by vessels which are in potentially hazardous circumstances or sailing maneuvers. Ex. W, 93d–1st. Resolution of ratification agreed to Oct. 28, 1975. (453)

Safety of life at sea.—Amends seven regulations contained in chapters II, III, IV, and V of the International Convention for the Safety of Life at Sea as follows: Redefines "incombustible material" for fire protection to allow uniformity in the acceptance or rejection of construction materials; amends the regulation concerned with lifeboat construction and permits the government of the country in which a sign is registered discretion to approve a lifeboat design if it is satisfied that the craft has sufficient stability and freeboard when fully loaded; requires inflatable rafts to be drop tested from expected stowage heights and requires "float free" storage of such rafts; permits the placement of lifesaving appliances in the bow of the ship if placed in a sheltered position and meeting suitable design and placement precautions; permits the radio officer to interrupt the listening watch on the radiotelegraph distress frequency to carry out repairs on important ships' telecommunications equipment; contains more detailed requirements for the construction and operation of pilot ladders and mechanical pilot hoists; and replaces chapter VI dealing with the "carriage of grain" to provide safer methods of transporting grain in ships which have marginal stability while allowing ships with more than adequate stability to carry grain without installation of unnecessary fittings. Ex. K, 93d–2d. Resolution of ratification agreed to Oct. 28, 1975. (454)

Tax Convention With Iceland.—Assures consistent tax treatment of foreign investment and follows the model tax convention of the Organization for Economic Cooperation and Development and other U.S. Tax Conventions (including those with Japan and Norway; includes the continental shelves for purposes of taxing income arising from the exploration and exploitation of natural resources; extends the reciprocal exemption for income from transportation by ship and aircraft to gains arising from their sale and to income derived from the use of containers; allows a deduction for dividends paid with respect to the income of a United States permanent establishment in Iceland; exempts income from interest, industrial and artistic royalties, and equipment rentals from tax unless connected with a permanent establishment in the source country; and contains other provisions. Ex. E, 94th-1st. Resolution of ratification agreed to Nov. 18, 1975. (501)

Tax Convention With Poland.—Assures consistent tax treatment of foreign investment between the United States and Poland and follows the model tax convention of the Organization for Economic Cooperation and Development and other U.S. Tax Conventions (including those with Japan and Norway); includes the continental shelves for purposes of taxing income arising from the exploration and exploitation of natural resources; extends the reciprocal exemption for income from transportation by ship and aircraft to gains arising from their sale and to income derived from the use of containers; limits the tax on dividend income from direct investments to 5 percent and the tax on any other dividends to 15 percent; exempts interest income from tax unless it is connected with a permanent establishment in the country from which the interest is paid; limits income from royalties, including cultural and industrial royalties, to 10 percent; and contains other provisions. Ex. A, 94th-1st. Resolution of ratification agreed to Nov. 18, 1975. (502)

Tax Convention with Romania.—Assures consistent tax treatment of foreign investment between the United States and Romania and follows the model tax convention of the Organization for Economic Cooperation and Development and other U.S. Tax Conventions (including those with Japan and Norway); includes the continental shelves for purposes of taxing income arising from the exploration and exploitation of natural resources; extends the reciprocal exemption for income from transportation by ship and aircraft to gains arising from their sale and to income derived from the use of containers; limits the tax on income from dividends to 10 percent; limits the tax on interest income to 10 percent except that interest paid in connection with indebtedness guaranteed, insured, or indirectly financed by one of the countries is exempt; limits the tax on income from cultural royalties (including films) to 10 percent and the tax on income from industrial royalties to 15 percent; provides that income from equipment rentals is subject to tax only if connected with a permanent establishment in the source country; exempts insurance or reinsurance premiums from any tax unless the premium is connected with a permanent establishment; and contains other provisions. Ex. B, 93d–2d. Resolution of ratification agreed to Nov. 18, 1975. (503)

Turkey—military assistance.—Amends the Foreign Assistance Act of 1961—and related continuing resolutions (the terms of which have expired)—to make possible on a contingent basis the resumption of United

States military assistance to Turkey, and to provide that the President shall make monthly reports to the Congress on progress toward the conclusion of a negotiated solution of the Cyprus conflict, S. 846. P/S May 19, 1975; House rejected July 23, 1975. (190)

Turkey—Military assistance.—Board for International Broadcasting.—Authorizes the delivery to Turkey of approximately $185 million in defense articles which Turkey contracted for under the Foreign Military Sales Act prior to the start of the arms embargo on February 5, 1975; permits the issuance of licenses in connection with commercial sales; defers additional sales under the military sales program until enactment of authorizing legislation; requests the President to initiate discussions with Greece to determine the most urgent needs of Greece for economic and military assistance and requires a report by him to Congress within 60 days after enactment of this act on such discussions together with his recommendations for such assistance; requires a report from the President within 60 days on the progress made during this period toward the conclusion of a negotiated solution of the Cyprus conflict; requests the President to initiate discussion with Turkey concerning effective means of preventing the diversion of opium poppy into illicit channels; and

Authorizes $65,640,000 plus necessary amounts for statutory employee salary and benefits increases for the Board of International Broadcasting (Radio Free Europe and Radio Liberty) for fiscal year 1976. S. 2230. Public Law 94–104, approved Oct. 6, 1975. (373)

United Nations peacekeeping forces in Middle East.—Authorizes such appropriations as may be necessary for the payment of the United Nations peacekeeping forces in the Middle East for the period beginning October 25, 1974, and $5.7 million in supplemental payments for the period prior to October 25, 1974, to meet the U.S. share of peacekeeping expenses in excess of those originally anticipated. S. 818. Public Law 94–37, approved June 19, 1975. (VV)

United Nations Zionism Resolution.—Condemns the resolution adopted by the Third Committee of the United Nations General Assembly on October 17, 1975, which associates and equates Zionism with racism and racial discrimination and urges the United Nations General Assembly to disapprove the resolution when it is presented for a vote. S. Res. 288. Senate adopted Oct. 28, 1975. (VV)

Condemns the resolution adopted by the United Nations General Assembly on November 10, 1975 which encourages anti-Semitism by wrongly associating and equating Zionism with racism and racial discrimination thereby contradicting a fundamental purpose in its Charter; states Congressional opposition to any participation by the United States in the U.N. "Decade for Action to Combat Racism and Racial Discrimination" so long as that decade and program remain compromised by the resolution naming Zionism as one of the targets of that struggle; calls upon those concerned with the adherence of the United Nations to the purposes stated in its Charter to obtain reconsideration of the resolution to remove the subject of Zionism from the context of any programs or discussions focusing on racism or racial discrimination; and asks the Senate Committee on Foreign Relations and the House Committee on International Relations to begin hearings immediately for the purpose of reassessing further U.S. participation in the U.N. General Assembly. S. Con. Res. 73. Senate adopted Nov. 11, 1975. (VV)

United States—Soviet Trade.—States the sense of the Senate that the President, during the negotiations on a multiyear agreement with the Soviet Union on the purchase of American grain, should attempt to negotiate an agreement whereby the Soviet Union would sell oil to the United States and that United States negotiators shall negotiate the purchase price for Soviet oil at a level which reflects the high value which it attaches to its grain resources. S. Res. 269. Senate adopted Oct. 2, 1975. (VV)

Vietnam and Cambodia—Humanitarian Assistance.—Authorizes the President to use any noncommitted funds available for military assistance for South Vietnam and Cambodia for humanitarian assistance for South Vietnamese and Cambodian refugees. S. 1696. P/S May 8, 1975. (VV)

Vietnam—Assistance and evacuation.—Authorizes (1) the use of the armed forces, if the President determines such use is necessary, in the expeditions withdrawal of the remaining American citizens and dependents from South Vietnam and the withdrawal of such foreign nationals as may be brought out along with U.S. citizens and their dependents; (2) $177 million in unappropriated balances of previous authorizations for economic aid to Indochina which will be available for humanitarian assistance to and evacuation programs from South Vietnam; and (3) additional humanitarian assistance in South Vietnam in the amount of $150 million to be dispersed through international organizations and voluntary relief agencies to the extent feasible; requires a quarterly report from the President to the Congress regarding the amount and nature of assistance, the expected recipients, the organizations involved in the distribution and the means of distribution; and contains other provisions. H.R. 6096 (S. 1484). P/H Apr. 24, 1975; P/S amended Apr. 24, 1975; Senate agreed to conference report Apr. 25, 1975; House rejected conference report May 1, 1975. *NOTE*: (The conference report was rejected by the House because American evacuation of South Vietnam had been completed.) (145,152)

Vietnam—Peace negotiations.—Calls upon the President to request all Vietnamese parties to reopen discussion toward the implementation of the Agreement on Ending the War and Restoring Peace in Vietnam, to encourage those elements seeking a political settlement, and to make known that American assistance to all Vietnamese will depend on the degree of good faith efforts made by them to obtain a cease-fire and political solution to the conflict; and directs the President to report to the Senate, within 30 days, on the steps he has taken. S. Res. 133. Senate adopted Apr. 21, 1975. (VV)

Vietnamese refugee aid authorization.—Authorizes $455 million, without fiscal year limitation, for assistance to and in behalf of Cambodian and Vietnamese refugees utilizing procedures and administrative machinery established under the Migration and Refugee Assistance Act of 1962; requires the President to keep the appropriate committees of Congress fully and currently informed regarding the use of funds and the exercise of activities carried out pursuant to this act and requires submission of a plan for their resettlement or return, and further requires the President to submit periodic reports on the status of his efforts to retrieve all amounts previously authorized for assistance to South Vietnam and Cambodia excluding the $98 million allocated to the State Department for the movement of refugees. H.R. 6755. Public Law 94–23, approved May 23, 1975. (186)

Vietnamese refugees.—States as the sense of the Senate that State and local governments, with the assistance of voluntary and civic organizations, should join with the Federal Government in assuming responsibility for the sponsorship, resettlement and assimilation of Indochinese refugees into American communities. S. Res. 187. Senate adopted June 18, 1975. (VV)

Vietnamese refugees welcome.—Welcomes on behalf of the Senate the latest exiles to American shores—the refugees from South Vietnam and Cambodia. S. Res. 148. Senate adopted May 8, 1975. (168)

World Food Conference.—Endorses the World Food Conference of 1976 to be held in Ames, Iowa from June 27 through July 1, 1976, and commends the Iowa State University of Science and Technology for a humanitarian undertaking of international significance. S. Con. Res. 19. Senate adopted Apr. 25, 1975; House adopted June 17, 1975. (VV)

LABOR

Common situs picketing—collective bargaining.—Authorizes common situs picketing at construction sites by treating the general contractor and the subcontractors at the site as a single person for purposes of the secondary boycott provisions of the National Labor Relations Act, thus permitting unions to direct strike activity if there is a labor dispute with one of the contractors against the general contractor and the subcontractors; excludes from the scope of the act work involving residential structures of three stories or less without an elevator; specifies that this act does not apply to construction work contracted for and actually started on November 15, 1975; requires at least 10 days advance notice by a labor organization of intent to engage in common situs picketing, which must be given to the unions, and employers at the site, to the national or international organization with which it is affiliated and to the National Construction Industry Collective Bargaining Committee, and an advance authorization of the intended picketing by the national or international union; does not make lawful any conduct which previously would have been unlawful under the National Labor Relations Act;

Creates a national framework to stabilize and improve the fragmented conditions of collective bargaining in the construction industry;

Establishes a Construction Industry Collective Bargaining Committee which is to be composed of 10 management representatives, 10 labor representatives, and up to 3 neutral members appointed by the President after consultation with the Director of the Federal Mediation and Conciliation Service as non-voting ex officio members;

Requires a 60 day notice to the Committee before the termination or modification of collective bargaining agreements, including those modifications permitted by any reopener provisions in an agreement; provides that the Committee may then take jurisdiction over the labor negotiations for the 60 day period plus a 30 day cutting off period if it determines that such action will meet one or more of the following criteria: facilitating collective bargaining, promoting construction industry stability, encouraging bargaining agreements with more appropriate expiration dates and geographic coverage, promoting practices consistent with apprentice training skill level differentials, and promoting voluntary procedures for dispute settlement; authorizes the Committee to take jurisdiction on its own initiative or at the request of an interested party;

Authorizes the Committee to assist the parties by referring the labor matter to a national craft board or to the national dispute procedures established by the appropriate branch of the construction industry, to meet with the parties, and to take other appropriate assistance action;

Provides that during the 90 day period no party to the agreement will be allowed to initiate or continue any work stoppage unless the Committee sooner disaffirms its prior assertion of jurisdiction; requires, when the Committee has requested the participation of the appropriate national organization, that the national union approve agreements entered into or intended to be effective during or after the 90 day jurisdictional period;

And contains other provisions. H.R. 5900.

P/H July 25, 1975; P/S amended Nov. 19, 1975; Senate requested conference Nov. 19, 1975. (523)

MEMORIALS, TRIBUTES, AND MEDALS

Alexander I. Solzhenitsyn.—Authorizes the President to declare by proclamation that Alexandr I. Solzhenitsyn shall be an honorary citizen of the United States. S.J. Res. 36. P/S Mar. 20, 1975. (VV)

American Revolution Bicentennial commerative medals.—Authorizes the Secretary to the Treasury to strike and furnish to the American Revolution Bicentennial Administration a maximum of 25,000 medals commemorating up to 21 ethnic heroes of the American Revolution to be selected by the Bicentennial Administration. S. 371. P/S June 6, 1975. (VV)

Apollo-Soyuz test project.—Congratulates the National Aeronautics and Space Administration and the Soviet Academy of Sciences on the joint Apollo-Soyuz Test Project. S. Res. 222. Senate adopted July 26, 1975. (VV)

Armed Forces Bicenntential medals—Authorizes the striking of medals in commemoration of the bicentennials of the U.S. Army, the U.S. Navy, and the U.S. Marine Corps. H.R. 5708. Public Law 94–117, approved Oct. 17, 1975. (VV)

Bess Truman's birthday.—Extends best wishes to Elizabeth Wallace Truman on the occasion of her ninetieth birthday. S. Res. 65. Senate adopted Feb. 7, 1975. (VV)

Bob Hope—Cites Bob Hope for distinguished and meritorious service to his Nation and to the cause of freedom upon the occasion of his 25th anniversary in television. S. Res. 282. Senate adopted Oct. 9, 1975.

Boy Scouts of America—Pays tribute to the Boy Scouts of America on the occasion of its 65th anniversary. S. Con. Res. 6. Senate adopted Jan. 28, 1975. (VV)

Clinton P. Anderson, death of.—Expresses the sorrow of the Senate on the death of Clinton P. Anderson, a former Senator from the State of New Mexico. S. Res. 300. Senate adopted Nov. 12, 1975. (VV)

Emperor and Empress of Japan.—Extends to Their Majesties, the Emperor and Empress of Japan, a warm welcome and sincere good wishes from the American people on the occasion of their historic first visit to the United States. H. Con. Res. 402. House adopted Sept. 26, 1975; Senate adopted Sept. 29, 1975. (VV)

George W. Andrews Forestry Sciences Laboratory.—Designates the Forest Service laboratory presently under construction on the campus of Auburn University, Auburn, Alabama, as the "George W. Andrews Forestry Sciences Laboratory." H.R. 2343. Public Law 94– , approved 1975. (VV)

Girl Scouts of America.—Pays tribute to the Girl Scouts of America on the occasion of the 63d anniversary of its founding. S. Con. Res. 22. Senate adopted Mar. 6, 1975. (VV)

International Ladies Garment Workers Union.—Commends the International Ladies Garment Workers on its 75th anniversary. S. Res. 194. Senate adopted June 25, 1975. (VV)

James R. Schlesinger.—Commends former Secretary of Defense James R. Schlesinger for his excellence in office, his intellectual honesty and personal integrity, and for his courage and independence. S. Res. 303. Senate adopted Nov. 18, 1975 (VV)

John C. Kluczynskie Federal Building.—Designates a Federal office building in Chicago, Illinois as the "John C. Kluczynski Federal Building." H.R. 4241. Public Law 94–84, approved August 9, 1975. (VV)

King Faisal, Death of.—Expresses the sorrow of the Senate upon the death of King Faisal of Saudi Arabia. S. Res. 120. Senate adopted Mar. 26, 1975. (VV)

Lester S. Jayson.—Expresses gratitude and appreciation to Lester S. Jayson for the long and outstanding service by him to the members and committees of the Senate in his capacity as Director of the Congressional Research Service, Liberty of Congress, and extends best wishes upon his retirement. S. Res. 284. Senate adopted Oct. 9, 1975. (VV)

Martin Luther King.—Commemorates the forty-sixth anniversary of the birth of the Reverend Doctor Martin Luther King, Jr., on January 15, 1929, and honors his contributions to the cause of social progress and economic justice for all Americans. S. Res. 14. Senate adopted Jan. 16 ,1975. (VV)

Rabbi Menachem Schneerson.—Congratulates Rabbi Menachem Schneerson on the observance of his twenty-fifth anniversary, January 22, 1975, as leader of the Movement of Lubavitch. S. Res. 22. Senate adopted Jan. 21, 1975. (VV)

Roy Wilkins.—Honors Roy Wilkins, Executive Director of the NAACP, on the occasion of his being named "American of the Year" by the American Religious Town Hall Meeting, Inc., in Dallas, Texas. S. Res. 35. Senate adopted Jan. 27, 1975. (VV)

Senator Morse's home.—Expresses the sense of the Senate that the Secretary of the Interior assist the State of Oregon in the preservation and protection of the home of Senator Wayne Morse (a 26-acre ranch located in Eugene, Oregon) by making available to the State such assistance as may be available through programs under the administration of the Secretary. S. Res. 266. Senate adopted Sept. 26, 1975. (VV)

Tom Steed Reservoir.—Designates the Mountain Park Reservoir, Oklahoma, as the Tom Steed Reservoir. S. 1531. Public Law 94–77, approved August 9, 1975. (VV).

U.S. flag display.—Provides that the American flag may be flown for 24 hours of each day in Valley Forge State Park, Valley Forge, Pa. S.J. Res. 98. Public Law 94–53, approved July 3, 1975. (VV)

Vietnam veterans.—Commends those Americans, living and dead, who participated in the Southeast Asian conflict and extends gratitude to them and their families, S. Res. 171. Senate adopted May 22, 1975. (VV)

William James Durant.—Commemorates the 90th anniversary on November 5, 1975, of the birth of William James Durant and honors his contributions to the knowledge and understanding of mankind through history. S. Res. 294. Senate adopted Nov. 5, 1975. (VV)

World Series.—Wishes both the Boston Red Sox and Cincinnati Reds well in the forthcoming World Series. S. Res. 283. Senate adopted Oct. 9, 1975. (VV)

NATURAL RESOURCES—NATIONAL HISTORIC SITES

American Falls Dam Replacement.—Amends the Act authorizing the replacement of the American Falls dam through the use of non-Federal financing by the American Falls Reservoir District, Idaho, to provide that the dam and related facilities constitute solely water facilities for purposes of section 103 of the Internal Revenue Code thus assuring that bonds issued by the reservoir district to finance such construction are tax exempt. S. 1152. P/S July 7, 1975. (VV)

Arkansas Post National Memorial Park.—Raises the authorization ceiling for the Arkansas Post National Memorial Park from $550,000 to $2,725,000. S. 1516. P/S Oct. 21, 1975. (VV)

Assateague Island National Seashore.—Amends the 1965 law which provided for the establishment of Assateague Island National Seashore in the States of Maryland and Virginia to repeal sections 7 and 9 mandating the construction of roads and overnight and other public accommodations on the island and authorizes the Secretary of the Interior to hold hearings and make payments to the County of Worcester, Maryland, on claims for compensation for damages or other losses incurred by the county as a result of the repeal of these sections. S. 82. P/S June 4, 1975. (VV)

Franklin D. Roosevelt National Historic Site.—Authorizes the acceptance of additional lands for the home of the Franklin D. Roosevelt National Historic Site in Hyde Park, New York and authorizes an additional amount, not to exceed $104,000, for development purposes. H.R. 2808. Public Law 94–19, approved Apr. 30, 1975. (VV)

Grand Canyon National Park.—Provides for a study of the enlarged Grand Canyon National Park for possible inclusion in the wilderness system pursuant to the provisions of the Wilderness Act. H.R. 4109. Public Law 94–31, approved June 10, 1975. (VV)

Guadelupe Mountains National Park.—Authorizes the exchange of certain lands within the Guadalupe Mountains National Park, Texas for other lands which will provide an improved access road to the McKittrick Canyon portion of the park. S. 313. P/S June 4, 1975.

Hells Canyon National Recreation Area.—Establishes the Hells Canyon National Recreation Area in the States of Idaho, Oregon, and Washington to be comprised of an approximate 100 mile area with specified parts designated as recreational, scenic and wild; and deauthorizes the Asotin Dam which was authorized under the provisions of the Flood Control Act of 1962. S. 322. P/S June 2, 1975. (VV)

Indian trails.—Provides for the study of the Indian Nations Trail in Oklahoma for possible designation as a National Trail under the National Trails System Act. S. 1123. P/S May 21, 1975. (VV)

Indoor recreation facilities.—Amends the Land and Water Conservation Fund Act by adding new authority which permits a State to use not more than 25 percent of its total annual allocation from the Fund for the planning and development of sheltered recreational facilities within specified areas thus permitting the enclosure of swimming pools, ice skating rinks, tennis courts, and similar outdoor facilities for year-round use where climate now controls the season or where there is a shortage of available land. S. 28. P/S May 21, 1975. (VV)

Klondike Gold Rush National Historic Park.—Authorizes the Secretary of the Interior to establish the Klondike Gold Rush National Historical Park, an area of approximately 13,271 acres consisting of the following four units: Pioneer Square, Seattle, Washington and the Skagway, Chilkoot Trail, and White Pass units in Alaska. S. 98. P/S June 4, 1975. (VV)

Land and Water Conservation Fund—National Historic Preservation Act—Oil shale revenues.—Amends the Land and Water Conservation Fund Act to increase from $300 million to $1 billion the minimum annual level of the Fund; raises from 7 to 10 percent the maximum percentage of allocated grant funds to which a State is entitled in any one year; changes the formula for land acquisition grant monies from 50–50 to 70–30; requires States to submit their Statewide plans to the areawide clearing house created under the Intergovernmental Cooperation Act for comment; provides that not to exceed 25 percent of a State's annual allocation shall be available for sheltered facilities; requires States to account for funds received on a project-by-project basis; clarifies the extent to which Land and Water Funds can be used to acquire land for endangered species or wildlife refuges;

Amends the National Historic Preservation Act of 1966 to change the formula for matching grants for planning, nationally significant properties, demonstration projects, and meeting houses from 50–50 to 70–30; repeals the 50 percent limit on planning; establishes a National Historic Preservation Fund and authorizes therefor $150 million per year over a 5-year period to carry out the purposes of the act;

Provides for Senate confirmation of future appointments to the office of: Director of the Bureau of Land Management, Director of the National Park Service, Director of the Bureau of Outdoor Recreation, Commissioner of Reclamation and Governor of American Samoa; and

Amends section 35 of the Mineral Leasing Act of 1920 to permit each State to use its share of oil shale revenues for planning, construction, and maintenance of public facilities and provisions of public services. S. 327. P/S Oct. 29, 1975. (VV)

National trains studies

Dominguez-Escalante Trail.—Provides for the study of the Dominguez-Escalante Trail, which extends approximately 2,000 miles through the States of New Mexico, Colorado, Utah and Arizona, for possible designation as a National Trail under the National Trails System Act. S. 805. P/S Oct. 21, 1975. (VV)

Pacific Northwest Trail.—Provides for the study of the Pacific Northwest Trail, which extends approximately 1,000 miles through the States of Washington, Idaho and Montana, for possible designation as a National Trail under the National Trails System Act. S. 1390. P/S Oct. 21, 1975. (VV)

Polecat Bench area. Pick-Sloan Missouri basin program.—Authorizes the construction, operation, and maintenance of the Polecat Bench area of the Shoshone extensions unit of the Pick-Sloan Missouri Basin program in northwest Wyoming. S. 151. P/S August 1, 1975. (VV)

Reclamation loan projects.—Amends the Rehabilitation and Betterment Act of 1949 to provide that organizations concerned with projects constructed under the terms of the Small Reclamation Projects Act, as amended, may be eligible and apply for loans in accordance with the Rehabilitation and Betterment Act of 1949 with repayment subject to the terms of the small Reclamation Projects Act. H.R. 543. Public Law 94–102, approved Oct. 3, 1975. (VV)

River basin monetary authorizations.—Provides increased monetary authorizations of $186 million for fiscal year 1976 and the transition period July 1–September 30, 1976 for continuation of activities on four river basin plans (Arkansas River Basin—$4 million, Mississippi River Project—$158 million, North Branch Susquehanna River Basin—$22 million, and Santa Ana River Basin—$2 million) for flood control, navigation, power, and related purposes under the jurisdiction of the Secretary of the Army and the Chief of Engineers. S. 2270. Public Law 94–101, approved Oct. 2, 1975. (VV)

Saline water authorization.—Authorizes $4.1 million for fiscal year 1976 for the Federal saline water conversion program conducted by the Secretary of the Interior including $250,000 for completion of research on the freeze crystallization process of water purification which was developed as an advanced water desaliniation process. H.R. 3109. Public Law 94–38, approved June 19, 1975. (VV)

Touchet Division, Walla Walla project.—Authorizes $22,774,000 plus such additional amounts as may be necessary to operate and maintain the Touchet Division, Walla Walla project, in the States of Oregon and Washington. S. 1922. P/S Oct. 9, 1975. (VV)

Volunteers in the parks.—Increases the annual authorization for the Volunteers in the Parks Program from $100,000 to $250,000. S. 896. Public Law 94–128, approved Nov. 13, 1975. (VV)

Water resources planning.—Amends the Water Resources Planning Act to extend the authority for financial grants to States for water resources planning; increases the rate of compensation for experts and consultants to the Water Resources Council and River Basin Commissions; provides authorizations for preparation of a national assessment and for regional and river basin plans; and revises the membership of the Water Resources Council. H.R. 5952. Public Law 94–112, approved Oct. 16, 1975. (VV)

Wild and scenic rivers studies

Allegheny River.—Designates a 128 mile segment of the Allegheny River in the State of Pennsylvania for study for possible inclusion in the National Wild and Scenic River System. S. 1004. P/S August 1, 1975. (VV)

Housatonic river.—Designates a segment of the Housatonic River in the state of Connecticut for study for possible inclusion in the National Wild and Scenic Rivers System. S. 10. P/S August 1, 1975. (VV)

Wilderness areas

Bristol Cliffs Wilderness.—Modifies the boundaries of the Bristol Cliffs Wilderness Area, located in the Green Mountain National Forest, Vermont, by eliminating all privately owned lands and approximately 720 acres of noncontiguous National Forest lands thus reducing the size of the area from 6,500 acres to 3,775 acres. S. 2308. P/S Oct. 8, 1975. (VV)

Eagles Nest Wilderness.—Designates a 128,084 acre area in the Arapaho and White River National Forests, Colorado, as the Eagles Nest Wilderness. S. 268. P/S June 5, 1975. (VV)

Flat Tops Wilderness.—Designates a 235,230 acre area in the Routt and White River National Forests, Colorado, as the Flat Tops Wilderness. S. 267. P/S June 5, 1975. (VV)

Sheep Mountain Wilderness.—Designates a 52,000 acre area in the Angeles and San Bernardino National Forests as the Sheep Mountain Wilderness. S. 74. P/S August 1, 1975. (VV)

Wilderness areas studies

Snow Mountain DeFacto Wilderness.—Designates an approximate 37,000 acre area in the Mendocino National Forest, California, known as the "Snow Mountain Defacto Wilderness Area" for study for possible inclusion in the National Wilderness Preservation System. S. 1391. P/S August 1, 1975. (VV)

NOMINATIONS

(Action by Roll Call Vote)

Alexander P. Butterfield to retired list U.S.A.F.—Authorizes the President to appoint Alexander P. Butterfield (formerly a retired colonel, United States Air Force, until he resigned his commission in order to meet the eligibility requirements that the Administrator of the Federal Aviation Administration be a civilian at the time of his nomination) to the grade of colonel on the retired list of the Regular Air Force, with pay and other benefits based on a retirement date of February 1, 1969. S. 182. Senate rejected May 20, 1975. (193)

Stanley K. Hathaway, of Wyoming, to be Secretary of Interior.—Nomination confirmed June 11, 1975. (220)

Carla Anderson Hills, of California, to be Secretary of Housing and Urban Development.—Nomination confirmed Mar. 5, 1975. (44)

Thomas J. Meskill, of Connecticut, to be U.S. Circuit Judge for the Second Circuit.—Nomination confirmed Apr. 22, 1975. (141)

Donald Rumsfeld, of Illinois, to be Secretary of Defense.—Nomination confirmed Nov. 18, 1975. (497)

Earl J. Silbert, of the District of Columbia, to be U.S. Attorney for the District of Columbia.—Nomination confirmed Oct. 8, 1975. (430)

Major General Alton D. Slay, to be Lieutenant General. U.S.A.F.—Nomination confirmed Oct 28, 1975. (459)

PROCLAMATIONS

American Business Day.—Designates May 13 of each year as "American Business Day". S.R. Res. 15. P/S Mar. 20, 1975 (VV)

American Institute of Banking Week.—Proclaims the week of May 25 to 31, 1975, as "National American Institute of Banking Week". S.J. Res. 58. P/S Apr. 18, 1975. (VV)

Buchenwald concentration camp.—Proclaims April 6, 1975, as a day of observance of the liberation of the survivors of the Buchenwald concentration camp. S.J. Res. 56. P/S Mar. 20, 1975. (VV)

Proclaims April 6, 1975, as a day of observance of the liberation of the survivors of the Buchenwald concentration camp. S. Res. 123. Senate adopted Mar. 26, 1975. (VV)

Car care month.—Designates May 1975 as "National Car Care Month". S.J. Res. 57. P/S Mar. 20, 1975. (VV)

Child Abuse Awareness Week.—Designates the period January 9 through January 15, 1975, as "National Child Abuse Awareness Week". S. Res. 43. Senate adopted Feb. 3, 1975. (VV)

Earth Day.—Designates March 21, 1975, as "Earth Day". H.J. Res. 258. Public Law 94–8, approved Mar. 21, 1975. (VV)

Energy Conservation Month.—Declares the period from February 16 to March 15, 1975, as "Energy Conservation Month"; requests the President to report to Congress by March 31, 1975, on the steps taken to promote energy conservation and their results and on any recommendations for legislation necessary to implement a continuing program of energy conservation; and requests the President to report monthly to the American people and Congress on the status of energy conservation initiatives and their effectiveness, domestic energy supplies and shortages, energy imports and the impact of available supplies or shortages on the economy of and employment in the United States, S. Res. 59. Senate adopted Feb. 5, 1975. (VV)

Family Week.—Designates the fourth week in November containing the Thanksgiving Holiday as "National Family Week". S.J. Res. 101 P/S Oct. 20, 1975. (VV)

Good Neighbor Day.—Designates the fourth Sunday in September of each year as "Good Neighbor Day". S.J. Res. 128. P/S Sept. 17, 1975. (VV)

Haym Salomon Day.—Designates January 4, 1976, as "Haym Salomon Day". S.J. Res. 99. P/S Oct. 9, 1975. (VV)

Historic Preservation Week.—Designates the week beginning May 12, 1975, as "National Historic Preservation Week". H.J. Res. 242. Public Law 94–21, approved May 9, 1975. (VV)

Hobby Month.—Designates October 1975 as "Hobby Month". S.J. Res. 84. P/S June 19, 1975. (VV)

Honor America.—Declares the 21-days from Flag Day through Independence Day as a period to honor America. S.J. Res. 92. Public Law 94–33, approved June 13, 1975. (VV)

Hunting and Fishing Day.—Designates the fourth Saturday of September 1975, as "National Hunting and Fishing Day". S.J. Res. 34. Public Law 94–96, approved Sept. 18, 1975. (VV)

Indian Day.—Designates September 28, 1975, as "National Indian Day". S.J. Res. 44. P/S May 8, 1975. (VV)

Japan-U.S. Friendship Days.—Designates September 30 to October 13, 1975, as "Japan-United States Friendship Days". S. Res. 270. Senate adopted Sept. 29, 1975. (VV)

Marine Corps Birthday.—Designates November 10, 1975 in commemoration of the 200th anniversary of the founding of the U.S. Marine Corps. S. J. Res. 144. P/S Nov. 10, 1975. (VV)

Music In Our Schools Day.—Designates March 13, 1975, as "Music in Our Schools Day". S.J. Res. 18. P/S Feb. 19, 1975. (VV)

Newspaper Week.—Designates October 5 through 11, 1975, as "Newspaper Week". S.J. Res. 46. P/S May 8, 1975. (VV)

Newspaper Carrier Day.—Designates October 11, 1975, as "Newspaper Carrier Day". S.J. Res. 46. P/S May 8, 1975. (VV)

Norwegian-American Day.—Designates October 9, 1975, as "Norwegian-American Day". S. Res. 135. Senate adopted June 19, 1975. (VV)

Saint Elizabeth Seton Day.—Designates Sunday, September 14, 1975, as "National Saint Elizabeth Seton Day". S.J. Res. 125. Public Law 94-95, approved Sept. 11, 1975. (VV)

Shut-In Day.—Designates the first Sunday in June 1975, as "National Shut-In Day". S.J. Res. 79. P/S May 8, 1975. (VV)

Ski Week.—Designates the first Tuesday in January of every year as "National Ski Week". S.J. Res. 90. P/S Sept. 25, 1975. (VV)

Space Observance.—Designates the period of July 16 through 22 as "United States Space Observance". S. Con. Res. 47. Senate adopted July 11, 1975. (VV)

Youth Art Month.—Designates March 1975 as "Youth Art Month". S.J. Res. 8. P/S Feb. 19, 1975. (VV)

SENATE

Cloture Rule.—Amends rule XXII (cloture) of the Standing Rules of the Senate to change from two-thirds present and voting to a constitutional three-fifths of the membership (or 60 Senators) the number of Senators required to vote for ending debate except on a measure or motion to amend the Senate rules, which shall require an affirmative vote by two-thirds of the Senators present and voting. S. Res. 4. Senate adopted Mar. 7, 1975. (55)

Commission on the Operation of the Senate.—Establishes a Commission to make an independent, impartial overall study of the organization and operation of the Senate including (1) the functioning of Members, officers, and employees in the light of the responsibilities of the Senate in the area of law-making, representation, and over-sight, (2) conflicts in the programming of business, (3) office accommodations and facilities, (4) information resources, and (5) internal management administrative support structure; does not include within the purview of the Commission an examination of the question of the jurisdictions of the committees over subject matter; provides for the appointment of 9 Commissioners from private life and 2 *ex officio* non-voting Commissioners who are presently officers or employees of the Senate; requires an interim report by March 31, 1976 and a final report, together with its findings and recommendations, by September 30, 1976. S. Res. 277. Senate adopted July 29, 1975. (VV)

Provides that any member of the Commission on the Operation of the Senate who is an officer or employee of the United States shall serve without additional compensation but shall be entitled to reimbursement for travel expenses and to receive a per diem in lieu of subsistence, at the same rate as other members of the Commission. S. Res. 286. Senate adopted Oct. 20, 1975. (VV)

Committee expenses.—Continues through May 31, 1975, the authority of Senate Committees to pay employees and make expenditures for inquiries and investigations. S. Res. 111. Senate adopted Mar. 17, 1975. (VV)

Continues through July 15, 1975, the authority of the Senate committees to pay employees and make expenditures for inquiries and investigations. S. Res. 191. Senate adopted June 23, 1975. (VV)

Continues through July 31, 1975, the authority of the Senate Committes to pay employees and make expenditures for inquiries and investigations. S. Res. 207. Senate adopted July 15, 1975. (VV)

Committee staffing.—Amends Senate Rule XXV to authorize each Senator to employ personal staff persons to assist in committee duties; allows funds for this purpose in an amount equivalent to that for three professional positions—two for all standing committees except for the District of Columbia, Post Office and Civil Service, Rules and Administration and Veterans' Affairs Committees, and allows one position for these four standing committees and select, special, and joint committees; provides that a Senator who serves on three of the standing committees in the category for which two positions are provided and who does not serve on any of the other standing committees for which one position is provided may use all three positions for his standing committees; and offsets the number of positions allowed by the number of present employees allocated to a Senator. S. Res. 60. Senate adopted June 12, 1975. (225)

Amends S. Res. 60, to direct the Secretary of the Senate to make available for public inspection names and total aggregate compensation of any professional staff appointed to assist Senators in connection with their committee responsibilities. S. Res. 182. Senate adopted June 13, 1975. (VV)

Floor privileges.—Amends rule XXXIII of the Standing Rules of the Senate to extend privileges of the Senate floor to the Parliamentarian Emeritus of the Senate. S. Res. 196. Senate adopted July 10, 1975. (VV)

Government intelligence.—States as the sense of the Senate that the Senate should consider, after proper committee review, all legislative proposals to study government operations with respect to intelligence activities, improve existing or create additional mechanisms to provide continuing congressional oversight of the such activities, and act upon any proposals by March 1, 1976; and further states that the Senate should pass by June 1, 1976 such necessary legislation to assure that the intelligence activities of the Federal Government are consistent with the Constitution of the United States. S. Res. 231. Senate adopted July 31, 1975. (VV)

New Hampshire Senate debate—TV/radio coverage.—Suspends Rule IV of the Rules for regulation of the Senate wing of the United States Capitol to permit radio, television and photographic coverage of all proceedings of the Senate in open session with respect to the determination of the contested New Hampshire Senate seat contingent upon prior agreements limiting debate thereon; provides that such broadcasting shall be in conformity with procedures agreed upon by the joint leadership; and requires the leadership to assure that the most advanced technology is employed in televising these proceedings especially with respect to the selection of cameras that require no additional lighting in the Senate Chamber. S. Res. 177. Senate adopted June 9, 1975. Note: (Agreement could not be reached between the networks and the joint leadership as to lighting requirements.) (VV)

New Hampshire Senate vacancy.—Declares the New Hampshire Senate seat vacant immediately. S. Res. 202. Senate rejected July 9, 1975. (269)

New Hampshire Senate vacancy—Committee funding.—Declares a vacancy in the contested New Hampshire Senate seat as of August 8, 1975, so that New Hampshire may hold another election; authorizes the Select Committee on Nutrition and Human Needs to expend not to exceed $485,000 during the 1975 investigative year for increase in investigations. S. Res. 54. Senate adopted July 30, 1975. (VV)

Open committee meetings.—Amends rule XXV of the Standing Rules of the Senate to require that each meeting of a standing, select or special committee of the Senate or any subcommittee, including hearings, be open to the public;

Provides that a meeting to determine whether the subject matter to be discussed requires a closed session may be closed upon a motion made and seconded to go into closed session; requires a record vote in open session by a majority of the members if it is determined to close the meeting; allows meetings on the same subject to be closed for a period of up to 14 days;

Specifies that a meeting may be closed only for action on the following: (1) national security; (2) committe staff personnel or internal staff management or procedure; (3) the professional standing of an individual which could lead to possible criminal or misconduct charges or an unwarranted invasion of privacy; (4) the identity of an informer or law enforcement agent or the disclosure of information relating to the investigation or prosecution of a criminal offense; (5) information relating to trade secrets or financial or commercial information of a specific person required by law to be kept confidential or obtained by the Government on a confidential basis; or (6) disclosure of a matter required to be kept confidential under other provisions of law;

Allows a Chairman to clear a committee meeting of spectators when a disorder or a demonstration by the audience occurs and go into closed session;

Requires that a complete transcript or electronic recording be kept of the proceedings of a meeting unless a majority of the members vote not to do so;

Permits radio and television coverage of an open meeting under rules adopted by the committee;

Amends rule XXVII of the Standing Rules of the Senate to require that House-Senate conference committee meetings be open to the public except when a majority of the managers of either the House or Senate, in open session, with a roll call vote, determine that all or part of the meeting on that day be closed; provides that this provision shall not take effect until a similar rule is adopted by the House; and

Makes the provisions of this resolution applicable to all committees by repealing section 133 (b) of the Legislative Reorganization Act of 1946, section 133A (b) of the Legislative Reorganization Act of 1970 and sections 102(d) and (e) of the Congressional Budget Act of 1974 which relate to open and closed committee meetings. S. Res. 9. Senate adopted Nov. 5, 1975. *NOTE:* (Provisions requiring open meetings of Government agencies and Congressional committees are contained in S. 5, Government in Sunshine.) (470)

Select Committee on Intelligence.—Authorizes $750,000 for the establishment of an 11-member select committee composed of six Democrats and five Republicans to investigate and study governmental operations with respect to intelligence activities and the extent, if any, to which illegal, improper, or unethical activities were engaged in by any agency of the Federal Government or by any persons, acting individually or in combination with others, on behalf of the Federal Government; empowers the committee to require by subpena the attendance of witnesses and the production of evidence; directs an investigation of the following matters among others: (1) whether the Central Intelligence Agency has conducted an illegal domestic intelligence operation; (2) the conduct of domestic intelligence or counterintelligence operations against citizens by the FBI or any other Federal agency; (3) the origin and disposition of the so-called Huston Plan to apply intelligence agency capabilities against individuals or organizations within the U.S.; (4) the extent to which the FBI, the CIA and others coordinate their respective activities; (5) the extent to which domestic intelligence or counterintelligence activities within the United States by the CIA conforms to its legislative charter; (6) past and present interpretation by the Director of Intelligence of the responsibility to protect intelligence sources; (7) the extent and nature of executive branch oversight as well as congressional oversight of all intelligence activities; (8) the need for specific legislative authority to govern the operation of any intelligence agencies of the Federal Government without explicit statutory authority, such as the Defense Intelligence Agency and the National Security Agency; (9) the extent to which intelligence agencies are governed by Executive orders, rules or regulations either published or secret and the extent to which these Executive orders, rules or regulations interpret, expand, or conflict with specific legislative authority; (10) violation or suspected violation of any State or Federal statute by any intelligence agency or person on its behalf, including surreptitious entries, surveillance, and illegal opening or monitoring of U.S. mail; (11) whether any of the existing laws are inadequate to safeguard the rights of American citizens, to improve control of intelligence activities and to resolve uncertainties as to the authority of U.S. intelligence and related agencies; (12) whether there is unnecessary duplication of expenditure and effort in the collection and processing of intelligence information by agencies; and (13) the extent and necessity of overt and covert intelligence activities in the United States and abroad; authorizes the committee to recommend new legislation with regard to its findings and to make a final report of the results of the investigation; provides that the committee shall prevent disclosure of information relating to CIA or other intelligence activities which would adversely affect intelligence activities in foreign countries; prohibits committee personnel from accepting any honorarium, royalty or other payment for a speaking engagement, article, or book in connection with the investigation; and requires security clearance for employees who have access to classified information. S. Res. 21. Senate adopted Jan. 27, 1975. (1)

Authorizes the Select Committee to obtain data contained in tax returns provided that names, addresses, and personal identifications are presented in such a form as not to identify the individual tax returns from which the data is derived. S. Res. 167. Senate adopted May 22, 1975. (VV)

Amends S. Res. 21 to increase the authorization for the Select Committee from $750,000 to $1.1 million of which not to exceed $300,000 shall be for the procurement of consultants. S. Res. 165. Senate adopted June 6, 1975. (VV)

Amends S. Res. 21 to increase the authorization for the Select Committee through February 29, 1976 from $1.15 million to $2.25 million of which not to exceed $600,000 shall be for the procurement of consultants. S. Res. 218. Senate adopted July 31, 1975. (VV)

Senate photograph.—Provides for a temporary suspension of rule IV of the Rules for the Regulation of the Senate Wing of the Capitol (which prohibits the taking of pictures in the Senate Chamber) for the purpose of permitting the United States Capitol Historical Society to photograph the Senate in actual session and authorizes the Sergeant at Arms to make the necessary arrangements with a minimum of disruption to Senate proceedings. S. Res. 217. Senate adopted July 25, 1975. (VV)

Witness fees.—Increases the limitations with regard to daily witness fees and transportation expenses payable to witnesses summoned to appear before the Senate or any of its committees as follows: Witness fees—from $25 to $35 a day; transportation expenses for not more than 600 miles—from 20 cents to 35 cents per mile; and transportation expenses for more than 600 miles—from 12 cents to 20 cents per mile. S. Res. 17. Senate adopted June 4, 1975. (VV)

TRANSPORTATION—COMMUNICATIONS

Airport and airway development.—Extends to September 30, 1975, the authorization for airport development grants contained in the Airport and Airway Development Act of 1970, as amended. S. 1972. P/S June 24, 1975. (VV)

Alaska highway right-of-way.—Amends the Federal-Aid Highway Act of 1973 to delete that portion of section 218(a)(1) which provides that the rights-of-way granted by the Canadian Government for the reconstruction of that segment of the Alaska Highway running through Canada "shall forever be held inviolate as a part of such highways for public use". S. 1245. P/S Sept. 4, 1975. (VV)

Amtrak—Penn Central.—Authorizes an additional $347 million to insure the continuation of essential rail services in the Northeast and Midwest under the Regional Rail Reorganization Act (Public Law 93-236); increases from $85 million to $282 million Federal grants to bankrupt railroads in the Northeast and Midwest to keep them in operation until a plan being developed by the U.S. Rail Association becomes effective after its submission to Congress by March 28, 1975; increases from $150 million to $300 million loan guarantees to bankrupt railroads to maintain and improve rail facilities until the new system is in operation and gives the Secretary of Transportation more flexibility in deciding how and when the guarantees will be used; provides a mechanism for allowing a Federal district court overseeing a reorganization to reconsider the decision that a bankrupt railroad was capable of reorganization on an income basis and thus outside of many parts of the Regional Rail Reorganization Act as in the case of the Erie-Lackawanna; clarifies the position of the Interstate Commerce Commission's Rail Services Planning Office during the reorganization period by making it explicit that they are to continue representing the interests of the small communities and users during the whole reorganizing process and authorizes the Office to hold public hearings on any supplement to the preliminary system plan; provides that no railroad in reorganization shall withhold from a State or subdivision any tax collected from a tenant of its property and imposes a maximum fine of $10,000 for violations; and contains other provisions. S. 281. Public Law 94-5, approved Feb. 2, 1975. (5,28)

Amtrak supplemental authorization.—Provides a $63 million supplemental authorization for fiscal year 1975 to meet increased costs identified as (a) railroad performance incentive contract payments of an additional $21.5 million; (b) settlement of the Amtrak/Penn Central contractual dispute, which has resulted in an additional expense of $22.9 million; (c) additional expenses in Amtrak's car overhaul program of $5 million; and (d) increased operating costs primarily due to inflation of $49.7 million; and provides that the salary of the president of Amtrak may be as high as $85,000 instead of $60,000—the present salary ceiling. H.R. 4975. Public Law 94-25, approved May 26, 1975. (173)

Cargo vessel passengers.—Amends section 26 of the Merchant Marine Act of 1920, as amended, to authorize the Coast Guard in an emergency situation to permit cargo vessels engaged in domestic trade to carry more than 16 passengers currently authorized by law. H.R. 5405. Public Law 94-85, approved August 9, 1975. (VV)

Federal-aid highway apportionments.—Directs the Secretary of Transportation to apportion the $3.25 billion, previously authorized under the Federal-Aid Highway Act of 1970 for fiscal year 1977, for the Interstate Highway System and approves the 1975 cost estimate which contains apportionment factors for the several States. S. Con. Res. 62. Senate adopted Sept. 8, 1975. (VV)

Federal-aid highway projects.—Increases the Federal matching share for Federal-aid highways and certain mass transportation projects to provide States unable to meet the matching requirements for Federal-aid highway funds with moneys to cover Federal Highway Administration apportionments up to 100 percent. H.R. 3786. Public Law 94-30, approved June 4, 1975. (VV)

Maritime authorizations.—Authorizes $562,933,000 for the following six categories of programs of the Maritime Administration for fiscal year 1975: (1) acquisition, construction, or reconstruction of vessels and construction-differential subsidies; (2) ship operating-differential subsidies; (3) research and development; (4) reserve fleet; (5) maritime training at the Merchant Marine Academy at Kings Point, N.Y.; and (6) financial assistance to State marine schools; authorizes additional supplemental appropriations for increases in salaries, pay, retirement, or other employee benefits authorized by law; and requires that at least one regional office of the Maritime Administration be maintained for each of the four major seacoasts (Atlantic, Gulf, Great Lakes, Pacific). S. 332. Public Law 94-10, approved Mar. 23, 1975. (VV)

Authorize $543,618,000 for the following six categories of programs of the Maritime Administration for fiscal year 1976: (1) acquisition, construction, or reconstruction of vessels and construction-differential subsidies; (2) ship operating-differential construction-research and development; (4) reserve fleet; (5) maritime training at the Merchant Marine Academy at Kings Point, N.Y.; and (6) financial assistance to State marine schools; authorizes additional supplemental amounts for increases in pay, retirement, or other employee benefits authorized by law and in operating expenses of the Merchant Marine Academy; requires that not less than 10 percent of appropriated funds be allocated for construction and operating differential subsidies to serve the foreign trade requirements of the ports of each of the four seacoasts of the United States (Atlantic, Pacific, Gulf, and Great Lakes); and increases from $5 billion to $7 billion the limitation on the aggregate unpaid principal on obligations guaranteed by Title XI Federal ship mortgage guarantee program. S. 1542. Public Law 94-127, approved Nov. 13, 1975. (VV)

Public broadcasting authorization.—Provides a 5-year authorization for the operation of the Corporation for Public Broadcasting (CPB) for the period July 1, 1975 through September 30, 1980, which is equal to 40 percent of the amount of the non-Federal financial support received by public broadcasting entities in the second year preceding each such fiscal year but not to exceed the following limitations in each fiscal year; 1976—$88 million; transition period—$22 million; 1977—$103 million; 1978—$121 million; 1979—$140 million; and 1980—$160 million;

Requires that a certain portion of Federal funds be distributed directly to local noncommercial educational radio and television broadcast stations; and

Authorizes CPB to engage in the development and use of non-broadcast communications technologies such as cable television and communications satellites for the distribution and dissemination of educational radio and television programs. H.R. 6461. P/H Nov. 10, 1975; P/S amended Nov. 17, 1975; House requested conference Nov. 19, 1975. (495)

Railroad safety—Hazardous materials transportation authorizations.—Authorizes $35 million for fiscal year 1976 and $8,750,000 for the transition period July 1, 1976 through September 30, 1976, to carry out the purposes of the Federal Railroad Safety Act of 1970 which prescribes regulations to ensure the safety of the Nation's railroads; includes: $18 million for safety inspection and enforcement activities and increases the number of inspectors from 350 to 500, $10 million for safety research and development, and $3.5 million for State participation programs; amends the act to require the Secretary of Transportation to supply more information on the transport of radioactive materials by rail; and authorizes $7 million for fiscal year 1976 and $1,750,000 for the transition period July 1–September 30, 1976, to carry out the purposes of the Hazardous Materials Transportation Act which regulates the transport of hazardous materials by rail. S. 1462. Public Law 94–56, approved July 19, 1975. (VV)

Railroad temporary operating authority (Rock Island).—Amends the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending a final determination by the Commission as in the case of the Chicago Rock Island and Pacific Railroad Company which has entered reorganization under section 77 of the Bankruptcy Act; authorizes the Commission to grant temporary approval of the operation of a railroad by another railroad applying to conduct such operations if failure to do so would result in the destruction of railroad properties or limit future usefulness with no direct cost to the Federal government; directs the Commission to report bi-monthly to Congress on the effects of any such orders issued; permits the Commission to extend service orders for not to exceed an aggregate of 240 days instead of the present 180 day period; and provides for repayment, within 30 days, to carriers ordered to so operate. S. 917. P/S Apr. 28, 1975; P/H amended June 23, 1975. (VV)

Railroad unemployment and sickness benefits.—Amends the Railroad Unemployment Insurance Act to raise the maximum daily benefit for unemployment or sickness from $12.70 to $24 a day for the period July 1, 1975 through June 30, 1976, and to $25 a day thereafter; retains the basic benefit standards of replacement of 60 percent of most recent wages; provides a program of extended unemployment compensation benefits during periods of high unemployment for railroad employees with less than 10 years service so that they are protected as railroad employees with more service now are; changes the formula for employer contributions to increase the amount carriers pay into the railroad unemployment insurance fund; provides statutory authority for the Railroad Retirement Board to borrow funds from the Railroad Retirement Account if it finds that the unemployment insurance account is insufficient to meet its obligations for benefits; and contains other provisions. H.R. 8714. Public Law 94–92, approved August 9, 1975. (VV)

Shrimp fisheries.—Amends the Offshore Shrimp Fisheries Act to implement amendments to the shrimp fishing agreement between the United States and Brazil (Ex. D, 94th–1st) by making technical amendments to the Act regarding the life of the agreement, the permissible number of vessels allowed to fish in a defined area at any particular time, the fees for licenses, and other changes needed to conform the Act with the new agreement. H.R. 5709. Public Law 94–58, approved July 24, 1975. (VV)

Tuna fisheries.—Implements the agreement between the United States and other fishing nations on the management and conservation of Atlantic tunas (Ex. H, 89th-2d); authorizes the Secretary of Commerce to administer the conservation program as it relates to fishing by U.S. citizens and vessels; directs the Secretary to implement conservation recommendations of the governing body created by the Convention, the International Commission for the Conservation of Atlantic Tunas; authorizes the use of the Coast Guard, the U.S. Customs Service, and where appropriate, those of coastal States to enforce the act; authorizes the President to appoint Commissioners and alternate Commissioners to represent the U.S. on the International Commission; establishes an advisory committee to the U.S. Commissioners; designates the Secretary of State as the U.S. agency to receive reports, requests and other communications of the Commission and respond thereto with the decisions to accept or object to recommendations of the Commission to be made jointly with the Secretary of Commerce, and the Secretary of Transportation to make such decisions in matters pertaining to enforcement; and contains other provisions. H.R. 5522. Public Law 94–70, approved August 5, 1975. (VV)

Urban mass transportation.—Authorizes the Secretary of Transportation to use the $500 million (set aside out of the section 3 capital grant program under provisions contained in P.L. 93–503) for operating as well as capital assistance costs of public mass transportation service in rural and small urban areas (population less than 50,000) under terms and conditions similar to those now governing section 5 grants to urbanized areas; increases the number of transit managerial training fellowships available; expands the definition of "construction" in the capital grant program to include preliminary engineering; requires the Secretary to promulgate standards governing transportation planning and equipment and facilities design for all new rapid rail systems as well as for other vehicles integrated into the system including buses to assure that elderly and handicapped persons have the same rights as other persons to utilize mass transportation facilities and services; requires the Secretary to convert the two outstanding capital loans under the Mass Transit Loan Program, which is no longer in existence, into capital grants; and requires the Secretary to provide by February 1, 1976, a detailed estimate of major capital grants to be made in fiscal years 1977–1981 under the section 3 program. S. 662. P/S Sept. 15, 1975. (VV)

VETERANS

Disability compensation and survivors benefits.—Provides a 12 percent cost-of-living increase in the rates of disability compensation for those veterans rated 50 percent disabled or less and a 14 percent increase for more severely disabled veterans rated 60 percent to totally and permanently disabled; provides a 12 percent cost-of-living increase in the rates of additional compensation for dependents of veterans whose disability is rated 50 percent or more; increases from $150 to $175 the annual clothing allowance for a veteran who because of his compensable disability wears or uses a prosthetic or orthopedic appliance, including a wheelchair, which tends to wear out his clothing; makes the effective date of an award of increased compensation the earliest date that it is ascertainable that an increase in disability occurred if the application is received within a year of such date; provides a 14 percent cost-of-living increase in the rates payable for dependency and indemnity compensation (DIC) for widows and children, as well as for additional allowances for those in receipt of DIC and death compensation in need of aid and attendance; and provides that the survivors of a veteran who was rated totally disabled and permanently service-connected disabled at the time of death would be automatically entitled to dependency and indemnity compensation. H.R. 7767. Public Law 94–71, approved August 5, 1975. (VV)

Veterans' Day.—Redesignates effective January 1, 1978, November 11 of each year as Veterans' Day and makes such day a legal public holiday. S. 331. Public Law 94–97, approved Sept. 18, 1975. (VV)

Veteran's physician pay.—Amends title 38, U.S.C., to provide special pay and other improvements designed to enhance the recruitment and retention of physicians, dentists, nursing personnel and other health care personnel in the Department of Medicine and Surgery of the Veterans' Administration thereby, giving VA physicians and dentists salary comparability with those in the military and Public Health Service who are eligible for special pay benefits above $36,000 under Public Law 93–274, the Uniformed Services Physicians Bonus Act. H.R. 8240. Public Law 94–123, approved Oct. 22, 1975. (376)

ADJOURNMENT UNTIL MONDAY, DECEMBER 1, 1975

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of House Concurrence Resolution 485, as amended, that the Senate stand in adjournment until 12 o'clock meridian on Monday, December 1, 1975.

The motion was agreed to; and at 8:31 p.m. the Senate adjourned until Monday, December 1, 1975, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate November 20, 1975:

DEPARTMENT OF COMMERCE

Elliot L. Richardson, of Massachusetts, to be Secretary of Commerce, vice Rogers C. B. Morton.

DEPARTMENT OF JUSTICE

Frederick M. Coleman, of Ohio, to be U.S. attorney for the northern district of Ohio for the term of 4 years (reappointment).

DEPARTMENT OF JUSTICE

Richard N. Moore, of Tennessee, to be U.S. marshal for the western district of Tennessee for the term of 4 years; vice George R. Tallent, resigned.

MINING ENFORCEMENT AND SAFETY ADMINISTRATION

Robert E. Barrett, of Pennsylvania, to be Administrator of the Mining Enforcement and Safety Administration (new position).

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of commander:

Jerome P. Foley
Charles H. King, Jr.
Donald R. Casey
Warren H. Madson
Walter R. Wilkinson
Richard J. Hinkle
James D. Prout
Robert T. Willoughby
John A. Randell
Robert L. Ashworth
John L. Patterson
William A. Anderson
Kenneth E. Wagner
Samuel J. Cavallaro
Thomas F. Frischmann
Adam J. Shirvinski
Thomas E. Braithwaite
John A. Setter
Matthew J. Barbour, Jr.
Joseph S. Anderson, Jr.
Robert J. Swain
Robert F. M. Blackburn
James S. Billingham
George P. Wisneskey
John C. Trainor
George E. Gaul
David A. Worth
Joseph C. Beima
George A. Wildes
Jon D. King
Leonard V. Dorrian
Paul E. Versaw
Jonathan C. Ide
Stanley F. Powers
Robert F. Muchow
John S. Davis
Robert A. Ferguson
William B. Steinbach, III
Anthony B. Ford
Peter L. Collom
John C. Midgett, Jr.
Donald J. Aites
Gregory J. Sanok
James C. Carpenter
John W. Keith
Leeland N. Gregg, Jr.
William C. Donnel
Homer A. Purdy
Richard F. Young
William A. Doig
Roger D. Williams
Roger T. Ostrom
John L. Bailey
Ronald C. Addison
Frank R. Peasley
James K. Woodle
James F. Hunt
Theodore P. Brandsma
Paul C. Shearer
James D. Johnson
William E. Zimmerman, Jr,
William B. Watkins
David I. Nelson
Mikel A. Cole
Allen E. Rolland
James L. Walker
James A. McIntosh
Joseph H. Discenza
Leonard J. Pichini
Charles W. Morgan

Robert A. Bastek
Francis W. Mooney
Ronald M. Potter
Stephen H. Hines
George A. Casimir
Thomas P. Keane
Thomas H. Lloyd, Jr.
John G. Schmidtman
Richard A. Walsh
Harvey F. Orr
Rudy K. Perchel
Phillip J. Keis
John W. Lockwood

The following officer of the U.S. Coast Guard for promotion to the grade of lieutenant (junior grade):

Michael E. Toczek

The following Reserve officers of the U.S. Coast Guard for promotion to the grade of commander:

Paul R. Taylor
Edward W. Wiegand

The following member of the permanent commissioned teaching staff of the U.S. Coast Guard for promotion to the grade of captain:

Ronald C. Kollmeyer

The following Reserve officers of the U.S. Coast Guard to be permanent commissioned officers in the Regular Coast Guard in the grade indicated:

Lieutenant commander

Alton E. Turner

Lieutenant

Barry C. Capelli
John J. Harris
Thomas L. LaGuardia
Kenneth J. Losser
Henry W. Motekatis
Jerome W. Thomas
Richard C. Wigger
John C. Dusch
Stephen T. Helvig
Charles R. Leland
Robert S. Maas
James G. Montgomery
"L" "R" Taylor
Marion T. Woodward

Lieutenant (junior grade)

Kenneth I. Johnson
Gregg W. Sutton

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Daniel Orrin Graham, [redacted] Army of the United States (brigadier general, U.S. Army).

CONFIRMATIONS

Executive nominations confirmed by the Senate November 20, 1975:

DEPARTMENT OF LABOR

Ronald J. James, of Illinois, to be Administrator of the Wage and Hour Division, Department of Labor.

NATIONAL LABOR RELATIONS BOARD

Peter D. Walther, of Pennsylvania, to be a member of the National Labor Relations Board for the term of 5 years expiring August 27, 1980.

John Stiles Irving, Jr., of Maryland, to be General Counsel of the National Labor Relations Board for a term of 4 years.

DEPARTMENT OF JUSTICE

Samuel K. Skinner, of Illinois, to be U.S. attorney for the northern district of Illinois for the term of 4 years.

Arthur J. Wilson, Jr., of Illinois, to be U.S. marshal for the eastern district of Illinois for the term of 4 years.

James P. Castberg, of Wyoming, to be U.S. Attorney for the District of Wyoming for the term of four years.

David L. Russell, of Oklahoma, to be U.S. Attorney for the Western District of Oklahoma for the term of four years.

DEPARTMENT OF THE INTERIOR

Dale Kent Frizzell, of Kansas, to be Under Secretary of the Interior.

FEDERAL ENERGY ADMINISTRATION

Michael F. Butler, of Pennsylvania, to be General Counsel of the Federal Energy Administration.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before a duly constituted committee of the Senate.)

THE JUDICIARY

Gerald B. Tjoflat, of Florida, to be U.S. circuit judge for the fifth circuit.

John F. Grady, of Illinois, to be U.S. district judge for the northern district of Illinois.

Charles H. Haden II, of West Virginia, to be U.S. district judge for the northern and southern districts of West Virginia.

EXTENSIONS OF REMARKS

BOND HOUSE PROBE

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1975

Mr. HARRY F. BYRD, JR. Mr. President, because of the financial condition of New York City, considerable attention has been focused in recent months upon the municipal bond market—and who would benefit from the Federal guarantee of New York City bonds.

Some light was shed on the subject in an article written by David McClintick in the Wall Street Journal of November 19. The title of the article is, "Bond-House Probe Shows How Investors Bought Municipals on Sly to Hide Income." It suggests who, among others, would benefit from a New York bailout.

Mr. McClintick writes:

> Hiding taxable income by purchasing municipal bonds is an old ploy, especially among corrupt politicians. What's new, investigators think, is the increasing use of the scheme by otherwise law-abiding citizens. The New Jersey investigation has turned up evidence that tens of millions of dollars have been concealed by taxpayers, mainly wealthy people dealing confidentially with New Jersey bond salesmen.

The article presents an interesting insight into the ownership of tax-exempt municipal bonds. I ask unanimous consent that the partial text of Mr. McClintick's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Nov. 19, 1975]

BOND-HOUSE PROBE SHOWS HOW INVESTORS BOUGHT MUNICIPALS ON SLY TO HIDE INCOME

(By David McClintick)

NEWARK, N.J.—When Dr. John added up his fees from patients in mid-1973, he realized he probably would earn at least $150,000 that year—putting him in the 66% income-tax bracket. So he consulted his accountant, who sent him to see Stan the Bond Man, a salesman at a New Jersey bond house.

Stan showed Dr. John (neither name is real) how to hide $50,000 of his income so the Internal Revenue Service never would find it. All he had to do was buy $50,000 in unregistered, tax-exempt municipal bonds, for cash, under an assumed name. Stan said his firm wouldn't have to report the sale to any government agency, and of course Dr. John wouldn't tip the IRS to his purchase because he wouldn't have to report the tax-exempt interest on his tax return.

The scheme sounded foolproof, and Dr. John went along with it. Now he's sorry he did. The IRS did find out about his purchase—and similar tax-dodging maneuvers by other doctors, lawyers, businessmen and even a few mobsters in the New York-New Jersey area. The IRS's criminal division, under the supervision of Jonathan L. Goldstein, U.S. attorney for New Jersey, is conducting an intensive investigation. Evidence is being presented to a federal grand jury, and indictments are expected.

WIDESPREAD ABUSE

Hiding taxable income by purchasing municipal bonds is an old ploy, especially among corrupt politicians. What's new, investigators think, is the increasing use of the scheme by otherwise law-abiding citizens. The New Jersey investigation has turned up evidence that tens of millions of dollars have been concealed by taxpayers, mainly wealthy people dealing confidentially with New Jersey bond salesmen.

The bond scheme is attractive to tax evaders mainly because it is hard to detect and because two major elements, the purchase for cash and the anonymity, aren't by themselves illegal under present law. Municipal bonds generally are unregistered and don't bear their owners' names. Their interest income is tax-free, so bond dealers aren't required to obtain conclusive identification of a customer. This makes it possible for a customer to buy bonds under an assumed name.

All this is, of course, illegal when it furthers tax evasion, and that clearly is the motive of many anonymous municipal-bond purchasers. Industry sources say such purchases are so important to the business that outlawing them could hurt bond sales.

NO APOLOGIES NECESSARY FOR WATER DEVELOPMENT PROGRAMS

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. MYERS of Indiana. Mr. Speaker, I believe every American with an interest in the future of this Nation should take a moment to heed the remarks of Mr. R. L. Mark Chambers of Indianapolis, president of the Water Resources Congress, during the 44th Annual Convention of the National Water Resources Association.

Mr. Chambers' eloquent and forthright statement in support of our water conservation and development programs represents the only practical approach to solving the anticipated demands for an adequate supply of water.

I urge my colleagues in the Congress

and the critics of water development programs throughout the Nation to give serious consideration to Mr. Chambers' important message:

REMARKS OF R. L. MARK CHAMBERS

OUR COMMON BOND

To suggest that those of us gathered here today are bound together by common goals is a statement that surely would win, in anybody's contest, the award for the understatement of our time. That, you see, is part of the problem, because those who take note of this conference will view it as though we got together to discuss problems that are uniquely our own. Nothing could be further from the truth. For the problems under consideration in this conference are problems that every man, woman and child in America is facing and the effectiveness of our decisions as we put them into action will affect millions of people the world over.

We are not here to discuss ways of lobbying to get legislation on or off the books that will be self-serving and beneficial for a select few. We are here to serve, to implement policies that will bring the greatest good to the greatest number of people and that is what good government is all about. We are not here to destroy but to build.

I am for rivers with no dams. I am for water with no additives needed to make it safe to drink. I am for water with no human or industrial waste in it or near it. I am for animals, birds, trees and fish. I am for unspoiled natural beauty. Show me one American anywhere who is not for all of these things. But if the price of these luxuries is poverty because industry is stifled, tyranny because we lack the energy necessary to protect ourselves, misery because of floods and starvation because we lack the resources to feed ourselves, then I contend that that price is too high to pay.

Hundreds of millions of people do not have enough to eat. They look to the United States for bread. Hundreds of millions more live in abject poverty. They look to us for help. Developing nations look to us for food, clothing, industrial technology and development. To think that we can aid in their development and at the same time become once again a frontier nation ourselves is nothing short of sheer madness.

So if we can irrigate to raise food for the hungry, build a dam to create energy and control floods, build a bridge across a river to provide transportation to get goods where they are needed most, build locks to transport food and materials and in short utilize our water resources for the good of all mankind, then I readily admit, with pride, that I cast my vote in favor of the greatest good for the greatest number of people.

The National Water Resources Association and the Water Resources Congress have worked tirelessly, and most of the time without thanks, for the betterment of mankind throughout the world. It is time for us to stand up together and declare to this nation that we are not the enemy! You and I must face, head on, the question of whether or not we and the citizens of this country can continue to afford the duplicative efforts of our two organizations. Our mutual friend, John Simmons, has served as an officer of both associations. He is the very personification of our common bond, of our common goals. And we had all better start taking a page out of John Simmon's book.

For too long now we have defended our water resources development and conservation programs. It is now time for us, if you will, to start demanding them. We have no apologies to make to anyone anywhere. For I remind you again that in truth these are not our programs, but they are the positive expression of a cause that belongs to America and has as its design the common good of all. Make no mistake; the job is not finished. It will never be finished as long as man makes this planet his home.

The American free enterprise system works. We tell ourselves, but then fail to appreciate that we have, in fact, built the greatest nation with the highest standard of living on the face of the earth. We haven't done this simply because we are blessed with more natural resources than the rest of the world. We have done this because we have utilized our natural resources in an effective way in the climate of a free enterprise system. I contend that our people with our form of government would have accomplished the same thing on any continent anywhere in the world.

The system is valid. Our problem is the paternalistic, overprotective mood of governmental bureaucratic agencies. They, not we, are the purveyors of legislation designed for the satisfaction of small self-interest groups who want their way at the expense of the American people. If people are provided food and clothing through the creation of jobs by an industry that moves barges up and down our rivers, is it justifiable, by anyone's criteria, to stop the barge's use of that river because it obstructs the scenic view of a fisherman for the time it takes the barge to pass? If the building of a dam causes the pileated woodpecker to nest in the hills instead of the valleys and at the same time saves thousands of homes in times of flooding, can you justify not building that dam because the local bird watching society would rather see the woodpeckers in the valley? I am sure not one of the men who conceived the Environmental Protection Agency intended that, and if EPA today would only stick to the achievement of its laudable original intent, there would be no problem.

Who do they think we are? The very words Environmental Protection Agency, its very name implies that someone is lurking in the shadows hell bent on destroying our environment. Our primary concern here today is water. How many of you want to destroy it? Ladies and gentlemen, you have done more than any placard carrying hippie in the world to protect it! You have quietly, and without thanks, spent millions of your own dollars and millions of your own man-hours to conserve it. Indeed—who do they think we are?

I read the story of an elderly couple who starved to death in their apartment. When the authorities entered their home they discovered thousands of dollars hidden in various places. They "saved" their money at the cost of losing their lives because of malnutrition and exposure. What a waste! What an incredible waste! People who read that story shook their heads in disbelief and said, "What a waste!" And yet people would "save" our natural resources that could save millions of lives through their wise use. What a waste! The most useless waste of our natural resources would be not to utilize them for the good of man. Ladies and gentlemen, we are not the enemies of our natural resources, we are the champions. God knows we stand to lose as much as anyone by the improper use of our water. Let us stand together today to tell our government that it is a waste of time and money if they are protecting our water from us.

If the governmental regulatory bureaucracies will get the hell out of the way, we, the American people, will continue to build our great country and continue to share our surpluses with a needy world as we have been doing for the past two hundred years.

Back home in Indiana, I have a fifteen year old son. Like most fathers he is the pride and joy of my life. I love him with all my heart. I want him always to have clean fresh water to drink. I want him to know the thrill of a fighting black bass at the end of a line. I want him to know the exuberation that comes from hearing the sweet symphony of birds as they sing from the tops of majestic oaks. I want him to have all the bountiful joys of this wonderful land. I want him to have a rich, full and productive life. The self-appointed protectors of our land have nothing to fear from me.

I pledge to him and to you to do everything in my power to protect and utilize our most precious resource, water. I see no conflict of interest between a bountiful land and a beautiful land. Together, let's protect it and utilize it for the good of all.

Our common bond.

NEW YORK CITY

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1975

Mr. HARRY F. BYRD, JR. Mr. President, advocates of a Federal guarantee of the principal and interest on New York City have argued that if a default on these bonds occurs, widespread and severe consequences will result in the municipal bond market.

This argument is effectively countered in an article by Charles J. Elia in the November 19 edition of the Wall Street Journal, entitled "Financial Impact of a New York City Default Has Beeen Largely Discounted, Study Indicates."

Mr. Elia reports on a study conducted by Computer Directions Advisers, Inc., of Silver Spring, Md., the conclusion of which is:

> The effects of a default by New York City should be minimal.

I ask unanimous consent that Mr. Elia's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FINANCIAL IMPACT OF A NEW YORK CITY DEFAULT HAS BEEN LARGELY DISCOUNTED, STUDY INDICATES

(By Charles J. Elia)

While the brinkmanship of default by New York City continues to be played out in Albany and Washington, financial observers still are debating the meaning of default to the financial markets.

Two clearly opposed positions were staked out as city and state officials sought to elicit help from the Federal government in staving off default in December. One, emphasized by New York's adherents, was that default would throw the municipal bond market into chaos. The other was the position taken by President Ford, Treasury Secretary William E. Simon and other administration officials, that the municipal bond market won't be seriously affected.

The effects of default, of course, could extend well beyond the financial markets. But analysts have been zeroing in, as best they can, on the purely financial aspects, specifically the probable impact on the municipal-financing mechanism, and at least one current study tends to back the optimists.

"The effects of a default by New York City should be minimal," says James Warren of Computer Directions Advisors Inc., Silver Spring, Md. Mr. Warren has just completed an analysis of the changing spread between yields of municipal bonds and the country's highest-security bonds, those of the U.S. government. He believes it shows that the pattern of rising municipal bond yields in the past 23 months has already discounted the worst of the events anticipated if New York City defaults.

Mr. Warren set out to gauge the extent of the bond market's discounting process by comparing two Standard & Poor's statistical series. One is the S&P average of yields on 15 different municipal bonds; the yields were averaged on a monthly basis in 1974 and weekly this year. The other S&P average is of yields on government bonds, considered risk-free when adjusted for length of maturity. In both cases, 20-year bonds were used.

Because the income from U.S. bonds is taxed and income from municipals is tax-exempt, Mr. Warren assumed a 50% tax rate on the U.S. issues, adjusting their yields downward to reflect this. By examining the differential, or gap, between U.S. bond and municipal-bond yields, he came up with a pattern of change that, he believes, shows bond investors have largely discounted New York's problems.

A widening gap between the two yields for example, would mean investors were marking down prices of municipals, causing yields to rise, essentially because they saw more risk in municipals.

This is essentially what has happened over the past 23 months. Surprisingly, however, a large part of the discounting, via rising differentials between municipal and Treasury-issue yields, occurred last year in the early stages of falling confidence in the city.

The yield differential, Mr. Warren says,—as expressed in percentage points—climbed from 2.07 in January 1974 to a peak of 4.32 early last September. But one of the biggest jumps in that differential occurred between March 1974, when it was 2.1, and July 1974, when it was 3.2. That move began after New York State's Urban Development Corp. defaulted and New York City's underwriters began examining more closely the city's financial condition.

The yield differential next spurted sharply in December 1974, climbing to 3.71 percentage points from 3.2 in November. In linking events with yield patterns, Mr. Warren cites two developments for this move: City Controller Harrison Goldin's announcement that the city's deficit was larger than claimed by Mayor Abraham D. Beame and the appearance of only one bid at a record interest cost for $600 million of city notes in December.

The yield gap reached 3.74 percentage points early this year, but eased for several months on the pledge of help to the city by the state. By May, the yield gap again began to widen as the city's crunch intensified. Layoffs were being announced and it became known the city didn't have ready cash to meet payrolls and expenses into June. New York State's decision to create the Municipal Assistance Corp. helped a bit, and was accompanied by a narrowing of the yield gap from 3.96 in late May to 3.77 in early June.

But new crises soon developed. In late June and July, the state comptroller cited overstatements in the city's receivable accounts; city layoffs seemed to be fewer than promised; the city controller reported new, higher deficits; some city workers struck to protest job reductions. In August, the risk of default heightened as a financing package put together by MAC officials fell apart and only a last-minute increase in MAC bond purchases by banks prevented default.

That series of events, says Mr. Warren, widened the yield differential sharply to 4.32 percentage points by early September.

Through all that has followed, including President Ford's tough speech on Oct. 29 in which he ruled out help to prevent default, the yield gap generally has narrowed and hasn't exceeded the Sept. 3 level. It came closest, at 4.31, in the week ended Nov. 5, when default talk was uppermost. But in the week ended last Wednesday, with investors responding to hopes that Washington might bend a bit, the differential narrowed to 4.11.

SYMPOSIUM ON THE WORLD FOOD CRISIS, XII—HUNGER: HOW MANY CAN WE FEED?

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. BRECKINRIDGE. Mr. Speaker, two different views of U.S. food assistance to "third world" nations were expressed at the World Food Crisis Symposium at the University of Kentucky April 1 and 2. Dr. Wayne H. Davis, professor of zoology at the University of Kentucky, contended that well-meaning programs such as Food For Peace lead "third world" nations to lose interest in developing their own agriculture and birth control programs. Frank R. Ellis, a native Kentuckian who received a Distinguished Service Award in 1972 upon his retirement from the Agency for International Development for "exceptional skill in structuring food aid programs to combat hunger and malnutrition and promote development" took the opposite view that food aid contributes significantly to restraint of population growth. The two statements follow:

STATEMENT OF WAYNE H. DAVIS

The Third World cannot continue to depend upon the United States for food relief. Hungry people can outbreed the ability of this nation or any other to provide their food. To guarantee that we will feed the world's poor and all the offspring they can produce is to make certain we cannot uphold the guarantee. You cannot solve a hunger problem by feeding hungry people. We learned this once with Public Law 480 in 1954, a program to dispose of our surplus grain by providing for the world's hungry. Under this program we fed people in more than a hundred nations and territories around the world.

Results were that these nations increased their population by more than 50 percent and have more hungry people now than in 1954. The real disaster was that the program caused these nations to lose interest in developing their own agriculture and birth control programs. It depressed farm prices, driving peasant farmers off the land and into the coastal city slums where they would be closer to the grain ships delivering the American wheat. The program, developed in the best American traditions of humanitarian good faith, increased human misery and deprivation on a grand scale and was a major factor responsible for the desperate plight of many of these people today. The undesirable results of the program are also another affirmation of Garrett Hardin's basic ecological law: You can never do just one thing (or every action has untoward and unforseen reactions or side effects).

I believe that a World Food Bank would produce the same disastrous effects we have seen from PL 480. Garrett Hardin has described how such a program would prevent the poor nations from developing their population control programs and would be of benefit only to U.S. businesses who would reap billions at taxpayers' expense (hearings before the House subcommittee on Fisheries and Wildlife Conservation and the Environment November 25, 1974, Serial No. 93-35 pp 514–521). Such a program would only continue the compounding of human misery at ever higher rates.

Therefore I believe that the humanitarian responsibilities of the American people and our government to the starving nations is to help those nations develop the ability to feed themselves, to help them develop population control programs, and to resist the temptation to try to feed them with the produce of American farms.

At the World Population Conference in Bucharest, spokesmen for the Third World rejected the idea of population control for themselves but decried excess consumption of the industrial nations as responsible for the world's problems. This is false logic. Certainly the industrial nations, especially the U.S., should be censured for their stupendous wastage of resources and certainly the affluent people have far greater adverse impact upon the life support systems of Earth than do the hungry billions. It does not follow, however, that there is not need for population control in the poorest and fastest growing nations, where the population doubles in 20–30 years.

The Third World spokesman claimed the right of their nations to continue uncontrolled population growth. I accept that right but I believe the right must go along with a responsibility—the responsibility to feed their growing population. I reject the idea that the United States should be responsible for feeding them.

STATEMENT OF FRANK R. ELLIS

The first legislation providing material assistance to family planning programs in developing countries was the Food for Peace Act of 1966.

The act contained two pioneering provisions. One provided for the use of sales proceeds from PL–480, Title I food "for financing, at the request of such country, programs emphasizing maternal welfare, child health and nutrition, and activities, where participation is voluntary, related to the problems of population growth, under procedures established by the President through any agency of the United States, or through any local agency which he determines is qualified to administer such activities."

The second provision directed that in making food assistance available under the act, "the President shall take into account efforts of friendly countries to help themselves . . . including efforts to meet their problems of food production and population growth."

The significance of the first provision is that from the very beginning the connection between nutrition and family planning was recognized. Also, the principle that the U.S. should only give assistance to a country upon the request of such country and finally, that assistance would be given only when individual participation is voluntary. This is still U.S. policy.

The second provision, which directs that "account be taken" of efforts a country is making to solve its food production and population problems, also remains U.S. Government policy. There are some who express the view that food aid compounds the problem of population growth and hence that it should be withheld unless the country is making progress in restraining population growth or that, at the minimum, food aid should be conditioned upon increased efforts on the part of the government of a receiving country to bring about population growth restraint.

While the time may come, indeed, it may be here, when the world must "choose between famine and family planning", I do not believe that supplying food to a hungry country or hungry person, should carry with it any population-growth-restraint requirement. I have two reasons for this view: First, I don't think the ability to produce food in excess of domestic requirements, thereby having it available to supply to a food deficit country, gives the food-supplying country a right to dictate either the governmental policy or the individual decisions of families in the food-deficit country. My second, and equally, if not more important reason, for opposing conditioning food aid on population growth restraint, is that it is unenforceable, and an unenforceable requirement is counter-productive.

On the question of whether food aid, by keeping people alive who would otherwise starve, should be discontinued in order to avoid worsening the population problem, I hold the view that "prosperity is the best contraceptive". An adequately fed couple with healthy, well nourished children is far more likely to utilize their procreative capabilities responsibly than is a couple living in the shadow of hunger and malnutrition. Food aid not only does not compound the population growth problem but, instead, contributes significantly to restraint of population growth. However, even if it did not contribute to restraint of population growth, I maintain that we as a Nation cannot, should not, and will not agree that starvation is an acceptable solution to the population growth problem.

BRISTOL HERALD-COURIER "FOR JUDGE WIDENER"

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1975

Mr. HARRY F. BYRD, JR. Mr. President, upon the resignation of Mr. Justice Douglas last week, I stated my belief that choosing a nominee to fill that vacancy would perhaps be the most important appointment President Ford would be called upon to make.

I feel it is vitally important that the President select not only an outstanding lawyer but one who believes in judicial restraint.

In an editorial on November 17, 1975, the Bristol, Va., Herald-Courier announced its support for the nomination of Judge H. Emory Widener, Jr., to the U.S. Supreme Court. Judge Widener sits on the bench of the U.S. Court of Appeals for the Fourth Circuit.

As the Herald-Courier editorial notes, Judge Widener is possessed of the qualifications befitting a nominee to the highest court of our land.

I have high regard for Judge Widener, both as a practitioner and a student of the law and as a fine human being. And I am deeply impressed by Judge Widener's attitude on the subject of judicial restraint, as evidenced by his legal opinions and his scholarly writings.

The publisher of the Bristol Herald-Courier is Herman H. Giles. The editor of the editorial page is James Baxley.

I ask unanimous consent that the editorial of the Bristol Herald-Courier, "For Judge Widener", be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Bristol (Va.) Herald-Courier, Nov. 17, 1975]

FOR JUDGE WIDENER

We enthusiastically add our support to the recommendations that President Ford nominate Bristol's Emory Widener to the U.S. Supreme Court to replace retired Justice William Douglas.

It was, of course, no surprise to learn that Ninth District Congressman William C. Wampler has already submitted the name of Judge Widener to the court. Nor were we surprised to learn that former State Sen. George Warren Jr. of Bristol has suggested to U.S. Sen. Harry Byrd that Judge Widener be promoted from the judicial circuit court of appeals to the High Court.

We can think of no one more qualified by experience, temperament, service and personal integrity than Emory Widener. We have known him for years and always known him to be an astute lawyer and a distinguished judge, first on the U.S. Western District court and now in his important position as a federal circuit judge which, in effect, is only a step away from the Supreme Court.

Mr. Widener is a judicial conservative but not oppressive in his belief in the rights of individuals for fair and impartial judicial renderings. He has always displayed a keen and devout knowledge of and belief in the U.S. Constitution.

We hope President Ford will react favorably to the recommendation that Mr. Widener be nominated. It would, of course, be a great singular honor for Bristol but more, the appointment of Mr. Widener would be of tremendous and lasting benefit to the U.S. Supreme Court.

JOHN MICHAEL MARINO LODGE, NO. 1389

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. WOLFF. Mr. Speaker, recently I had the honor of attending the 50th anniversary celebration of Port Washington's John Michael Marino Lodge, No. 1389, of the Order Sons of Italy in America. The large influx of Italian immigrants to the United States in the late 19th and early 20th centuries, prompted the founding of the Order Sons of Italy in 1905 in New York State, and the subsequent organization of the John Michael Marino Lodge in 1925.

This fine fraternal organization has provided fellowship for Port Washington's 10,000 Italian-Americans, and has helped to preserve their rich cultural heritage.

In addition, the Port Washington Sons of Italy have made numerous contributions to the community of Port Washington, and other areas of Long Island. In conjunction with the Glen Cove Lodge, the Port Washington Lodge furnished a statue of Columbus, which has been permanently erected in front of the supreme court in Mineola. To further promote public awareness of the Italian heritage, the Port Washington Lodge was one of the first to bring about an annual Columbus Day parade. Other contributions include the refurbishment of the Police Athletic League Field for baseball playing, and the initiation of numerous saint's day festivals on Long Island.

Throughout its existence, the John Michael Marino Lodge, No. 1389, has contributed consistently to community services and local organizations, and can be proud of the generations emerging as leaders in business and education, who will continue to serve their organization and community.

At this time I should like to mention those who participated in the program for the anniversary celebration of the John Michael Marino Lodge, No. 1389, and would like to place their names in the RECORD, so that they may receive the recognition they deserve:

LIST OF PARTICIPANTS

Dario Ramazzotti, Dinner Chairman.

Master of Ceremonies, Vincent R. Balletta.

Pastor, St. Peter's Church, Rev. Francis T. Dobson.

Executive, County of Nassau, Hon. Ralph G. Caso.

Grand Trustee, State of New York, Thomas F. Rosolio.

First Assistant Gr. Ven. State of New York, Peter R. Zuzolo.

Grand Venerable, State of New York, Joseph E. Fay.

Venerable, John Michael Marino Lodge, James Salerno, Jr.

Ex. Gr. Venerable, State of New York, Joseph G. Bologna.

Supreme Treasurer O.S.I.A., Giuseppe A. Nigro.

Supreme Deputy O.S.I.A., Carmine Cocchiola.

Congressman, Hon. Lester L. Wolff.

Supervisor, Town of North Hempstead, Hon. Michael F. Tully.

NEW YORK LOSING HOUSING UNITS AT RATE OF 12,000 PER YEAR

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. BADILLO. Mr. Speaker, New York is in crisis, and we are attempting to come to grips with the immediate needs of the city. But when the dust settles, we are going to have to face our ongoing problems again. And one of the major problems we will be dealing with for years to come is the overwhelming shortage of decent housing in New York City—a situation that is only being exacerbated by the city's fiscal crisis, and the ill-fated history of the State's Urban Development Corporation.

Ada Louise Huxtable, the brilliant and incisive architecture critic for the New York Times, points out in this recent article that the Federal Government has failed to take a decisive social role in the construction of housing. For years, Federal housing programs have been designed to remove the Federal Government from the housing business, and have ignored the question of developing rent subsidy and other programs that can make new housing viable at every economic level. This, as Ms. Huxtable points out, is not a problem unique to New York—it is just bigger in our city—and the ramifications of not rethinking our national housing policies may be disastrous for the entire country.

THE HOUSING CRISIS

(By Ada Louise Huxtable)

At some point, when New York has either ceased its daily trip to the edge of the precipice or it has become routine procedure, some of the issues involved are going to be recognized for their larger implications. The important fact is that New York's problems are national in scope, alarmingly resistant to solution and increasing in severity. When the preoccupation with original municipal sin and appropriate suffering has faded, a much bigger reckoning will have to be faced.

Housing is a prime example. New York City is losing housing at the rate of 12,000 units a year, and the fiscal emergency has forced all city housing plans to a total halt. Even without this desperate cut-off, the Mitchell-Lama program has already come to a dead end, faced with the prospect of massive mortgage default. Abandonment and tax delinquency at record rates reflect rising costs and multiple problems of which rent control is only a single factor. The certain prospect now is not only of no new construction, but of the irrevocable loss of both marginal and sound stock. The magnitude of the housing disaster, in terms not only of shelter but of the destruction of neighborhoods, can hardly be grasped.

But the problem does not stop there. At the state level, housing programs are also being canceled. The Housing Finance Agency, long held up as a model of fiscal prudence and safe policies, is in serious trouble. With the closing of the money markets, it can no longer find financing. And New York State is not alone; bond sales are being affected everywhere, on every level. The failure of the Urban Development Corporation—rescued only to the point of completing work in progress but at the penalty of no new undertakings—killed New York's most progressive program, meant to provide the kind of housing that the conventional agencies would not touch. Without funds, both approaches have become academic.

The main thrust of the Federal effort has been to sweep the realities under the rug. The objective of the 1974 Community Development Act was to get the Government out of the business of building housing, and the rent-subsidy program, while it has much to recommend it in principle, was really meant as a way of passing the problem of production back to the private sector. This effort, too, has become almost academic, because the involvement the Government was trying to escape—entrapment in inflationary construction and the mismanagement of programs and other long-term ills—is proving to be even less attractive to private investors. Cities everywhere are finding that financing for rehabilitation, one of the prime objectives of the 1974 act, is as unobtainable as that for new housing starts.

Rental subsidies aimed at a housing shortage begin to appear absurd. And as costs continue to rise, the subsidies required over a 20 to 40-year mortgage period become unreal. In New York and other cities, how and where to use limited subsidy funds to anchor slipping neighborhoods or support stranded construction is an exercise in frustration and futility. Even if all the problems were clarified and the climate changed tomorrow, present policy could hardly make a dent in the accelerating need and accumulating shortage that is hitting the poor the hardest and increasing hardship for the middle class.

These dilemmas—the lack of both public and private housing production, the inadequacy and unworkability of Federal programs, the disappearing bond markets and investor capital, the rising costs of construction, the continuing and even increasing reluctance of the public to authorize spending for housing—are not peculiar to New York. The Moreland Commission investigating the U.D.C. crisis has worked through complex economic and political layers to confront the hard, basic question that is ultimately going to have to be answered: what the Government's social role in housing can and should be, and how it can be met in these extraordinarily difficult times.

No one is asking that question in Washington. The just-released recommendations of the President's Labor-Management Advisory Committee on how to spur the housing industry are a compendium of nothing new. According to The Wall Street Journal, the White House refused to make public the committee's "very strong" statement of criticism of Government housing policies. When the Great Society died, so did the objective of 26 million new and rehabilitated homes that were to be achieved by 1978, and so did policy, in the real sense of vision and goals. In its true, national dimensions, housing is one of the most severe and tragic emergencies that this country faces. Disaster just strikes faster and more dramatically in New York.

A STRUGGLE FOR JUSTICE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. RANGEL. Mr. Speaker, I want to share with my fellow Members of the House of Representatives an experience I had during the recent congressional recess. Last August 24 I traveled to Roanoke Rapids, N.C., to address a rally of more than 1,000 textile workers and their families. After the rally, I joined these people—black, Indian, and white—as they marched through the town, singing and chanting slogans in the 97 degree heat.

What was the issue that brought these people together in such a moving demonstration of solidarity?

It was their determination to win a right enjoyed by more than 17 million other working Americans—the right to a union contract, the basic protection which working women and men are supposed to have under the laws of the United States.

These textile workers have closely adhered to the guidelines and the spirit of the law, yet they have been continually frustrated in their attempts to gain decent working conditions by a corporation with an unparalleled record of lawbreaking.

On August 18, 1974, in an election conducted by the National Labor Relations Board, workers at seven textile mills in Roanoke Rapids voted for representation by the Textile Workers Union of America. These seven mills are owned by J. P. Stevens & Company, the second largest textile manufacturer in the United States. J. P. Stevens had sales in fiscal 1974 of over a billion dollars, and profits of $39.4 million. It employs some 46,000 workers in 89 plants, almost all of them in the South.

J. P. Stevens, by the way, is not a southern company. It is headquartered in New York, the city from which I come. Thirty years ago, its mills were located in the Northeast. But, as workers in these States began organizing, as they began to achieve fair wages and improved working conditions, this company ran away to the South, abandoning its mills, its workers and the communities which had sheltered it. It moved everything out lock, stock, and barrel, except for its headquarters and the homes of its top executives, heading for a region where it thought it could turn the poverty and powerlessness of American citizens into higher profits.

As I told the Roanoke Rapids workers:

> We in the city and the state of New York recognize that major industries have just been concerned with their greed and their profit, and have left to exploit unorganized workers throughout this country. They have no compassion in closing up a plant in New York and in coming to North Carolina and other parts of the South to exploit workers because our unions (in New York) will not allow them to do it. And if these corporations know that they can run away from justice and have their haven for exploiting people in your fair city, then they can do it throughout these United States.

Today, more than a year after these workers voted for union representation, the J. P. Stevens Co. still refuses to give them a fair contract. The problem is certainly not what the workers, through the union, are asking for:

A 10 percent wage increase, when they are now making less than 70 percent of the national average industrial wage;

Three weeks' vacation with pay after 15 years' employment;

Eight paid holidays instead of five;

Meaningful pension and insurance plans.

These are not unreasonable demands. They would, in fact, give these workers less than what the U.S. Government says is needed to provide a family of four with a modest standard of living. Yet J. P. Stevens, with profits of almost $40 million in 1 year, refuses to make a single concession to justice and fairness. It prefers to spend its time and energy living up to its record as the foremost labor law violator in the country today.

I do not make this charge lightly or without substantiation. Consider the facts. J. P. Stevens has been found guilty of illegal acts by the National Labor Relations Board in 13 separate, major cases. Decisions supporting these rulings were issued eight times by various U.S. Circuit Courts and three times by the U.S. Supreme Court. J. P. Stevens and its directors have been held in contempt by the Second U.S. Court of Appeals. As a result of these decisions, the company has been forced to pay out more than $1.3 million in back-wage awards to workers illegally fired or discriminated against.

But that is not all. J. P. Stevens has paid more than one-quarter of a million dollars to the U.S. Government to settle price-fixing charges against the company. It has paid more than $300,000 to several North Carolina counties for illegally withheld back taxes. And it has paid $50,000 to the Textile Workers Union of America and the Industrial Union Department of the AFL–CIO to settle damage claims arising from alleged company wiretapping of union organizers' telephones.

Wiretapping, tax evasion, price-fixing, contempt of court. Yet this company remains a major Government contractor while its officers and directors continue to flout the law.

I have made my position clear on such flagrant corporate lawbreaking, and I would like to repeat it exactly as I stated it in Roanoke Rapids:

> We in the United States Congress believe—whether it's the Democratic Study Group,

whether it's the Congressional Black Caucus—that the days of Watergate have to be behind us. And if people violate the law, whether it's President Nixon or whether it's J. P. Stevens, they can not be rewarded with government contracts. Let any one of you, white or black, man or woman, commit the atrocities against the law that J. P. Stevens has and you would not be in this auditorium today. I think it should take the strength of the United States Congress to start an investigation to say that if we can find out that Richard Milhous Nixon is not above the laws of this country, then certainly J. P. Stevens should not be held above the law.

This is not going to be just a single appearance of a public official to support you. It would be a cowardly act for us to come here today and to give you this support and to run away from you tomorrow. Because of this I commit myself and those members of Congress I can reach to make certain that the victory that you have here is not only heard throughout the J. P. Stevens family of industrial thieves but throughout the state of North Carolina and in every haven where corporations seek to exploit American citizens. The power of the corporate structure cannot be stronger than the power and the will of the people.

Let me say to my friends in Roanoke Rapids that I am honoring the pledge that I made to them on that Sunday afternoon. I call on the members of this lawmaking body, and upon concerned people throughout these United States, to demand justice for the workers of J. P. Stevens. No Government of law can survive in the face of corporate lawbreaking. Let the steps we take to bring J. P. Stevens to justice show that we will survive and prevail.

WESTCHESTER FOUNDATION OFFERS VALUABLE PUBLIC EDUCATION PROGRAM IN COMMUNITY PLANNING

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. OTTINGER. Mr. Speaker, I would like to bring to the attention of my colleagues the very commendable public service activities of the Westchester Foundation of White Plains, N.Y. Since January 1974, this organization has made pioneering efforts in creating widespread community participation in the planning of housing needs through its "Sensible Growth" program.

The foundation has developed and executed a public education scheme which is unique in the area of community development planning. Through the formation of local housing action groups, constructive dialogue over local housing problems between diverse elements within Westchester County has been initiated. The Westchester Foundation deserves hearty congratulations for their fine efforts which have resulted in these valuable forums for the exchange of community attitudes.

In addition, the Westchester Foundation by involving experts in the fields of land use, zoning, and environmental planning, has provided these local coalitions with tremendously useful technical assistance. The public education program was even further enhanced by the foundation through a campaign of informative advertisements carried by the local media.

In less than 2 years this full-scale drive has proved itself a great success. Two towns in Westchester County, as a result of the foundation's efforts, have adopted master plans which assure wise and proper land use. More impressively, in many communities in Westchester County, thanks to the foundation's work, environmentalists and developers are working cooperatively for sound development.

I would like to recommend to all communities around the Nation that the Westchester Foundation's innovative lead be followed. In doing so, our local governments will be able to deal far more effectively with the problems of housing and land use which confront us today.

LATVIAN INDEPENDENCE DAY—1975

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. BIAGGI. Mr. Speaker, yesterday marked the official celebration of Latvian Independence Day, which occurred on November 18, 1918. However as it has been for the last 36 years this celebration has been muted by the fact that independence is but a myth for the people of Latvia.

For a period of a little more than 20 years, the people of Latvia did enjoy the fruits of freedom and their nation did indeed flourish. In August 1939, their freedom was truthlessly taken from them under the terms of the Hitler-Stalin agreement. Latvia was then annexed by the Soviet Union an act which was never recognized by the United States.

In the past year the people of Latvia and other nations in Eastern Europe were delivered a bitter blow by the United States when we attached our signature to the Helsinki agreement which in essence affirmed the Soviet hegemony over Lativa and her other Eastern European nations. I vehemently opposed our Government action and feel we should instead be concentrating our efforts toward getting the Soviet Union to release their stanglehold on the captive peoples of the world.

As a cosponsor of the Captive Nations resolution, I strongly believe that this Nation should do all in its power to make the fires of freedom burn again in Lativa. The right of self determination should be extended to all who do not presently enjoy it. As we prepare to celebrate our own 200th anniversary of freedom, let us rededicate ourselves to assisting those for whom freedom is but a dream.

PLIGHT OF MS. OLGA TALAMANTE

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. MINETA. Mr. Speaker, this month marks 1 year since a young resident of California's 13th Congressional District, Ms. Olga Talamante, was arrested by the Argentine Government and placed in prison. Her plight, as well as that of innumerable other Americans, has compelled me to share with my colleagues a realization which has grown out of my experience with this case: that is, the apparent inability of the State Department to protect and defend the rights of American citizens imprisoned in other countries.

Since January of this year, my office has been directly involved in attempts to secure Ms. Talamante's release. We have worked consistently and closely with the State Department on this matter, aware that a wrong move might jeopardize a successful resolution of Ms. Talamante's case.

Unfortunately, these efforts have achieved nothing but frustrating delays and no success. The State Department's promises and encouragement for an early resolution of the matter, not to mention conflicting information they have given my office, have seriously impaired my faith in the effectiveness of this agency to safeguard the rights of Americans imprisoned abroad and to effectuate the release process. Continued assurances by State Department officials that they have made every effort on Ms. Talamante's behalf have provided no consolation to offset the reality: 1 year later, she still remains in prison.

I do not question the universally accepted principle of National Sovereignty, which grants each nation full authority over judicial matters within its boundaries; however, I believe that questions relating to the role of the State Department in these matters must be asked and adequate responses must be provided.

For example, does the State Department do everything in its power to aid such individuals? Are there adequate means at the American Embassies' disposal—such as sufficient staff and authority—to intercede on behalf of these citizens? Does a consistent policy exist among the American Embassies on such matters? Are positive relationships with foreign governments developed as a means of approaching such situations? Or, is there little, if anything, the State Department can actually do other than request just and humane treatment of these citizens?

Through my involvement with Ms. Talamante's case, and with the cases of many other constitutents, I am forced to reach the distressing conclusion that the State Department is not able to offer more than token assistance to American citizens imprisoned in foreign countries. Surely a country as great and powerful as ours, Mr. Speaker, should be able to do more.

TIME TO WITHDRAW FROM THE U.N.

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. McDONALD of Georgia. Mr. Speaker, as the actions and activities of the United Nations become more and more irrational it is time to seriously consider complete withdrawal from the United Nations. It may be nice, as some Members have suggested, to just gradually reduce our contributions to the infamous organization, but in my view a clean break is called for. In this connection, I would like to call to the attention of my colleagues the article by Robert W. Lee which appeared in The Review of the News on October 22, 1975. The article follows:

TIME TO WITHDRAW FROM THE U.N.

(By Robert W. Lee)

October 24, 1975, marks the thirtieth anniversary of the founding of the United Nations, an achievement which may breathe new life into the old cliché about not trusting anybody (or any body) over thirty.

Clichés have played a crucial role in the historical development of the United Nations. Clever slogans and superficially convincing arguments have been used extensively during the past three decades to persuade Americans to accept without question the alleged good intentions and high purposes of the U.N. And the granddaddy of them all is the claim that The U.N. is man's last best hope for peace. It is difficult to locate a pro-U.N. article, speech, or book which does not emphasize this central theme, despite the fact that there is not a single provision in the U.N. Charter which contemplates the end of war.

Writing in the October 1945 issue of the influential Establishment quarterly, Foreign Affairs, R. Keith Kane explained:

> The Charter does not call on its signatories to renounce force; rather, it seeks to bring force under control by registering agreement on certain purposes and binding the contracting parties to refrain from the threat or use of force in any manner inconsistent with those purposes.

In other words, war is condoned by the U.N. as long as it is fought to achieve a United Nations goal, in which case it becomes a "peacekeeping" operation. Canadian historian Kenneth McNaught, writing in Foreign Affairs for July 1955, adds:

> . . . the program envisaged by the U.N. assumes that certain things are valued more highly than peace itself. Indeed, one could make an imposing list of the values which the Charter seeks to protect even at the expense of peace. The entire machinery of collective security is based upon the assumption that force must be used (i.e., the peace must be broken) against any state committing aggression [as defined by the U.N.] upon those values which are held higher than peace.

Professor McNaught continued: "It is the peoples of the world who believe the peace mythology of the United Nations . . . it is a mythology which is perpetrated in true Machiavellian style by their governments who do not for a moment believe it themselves. Former Undersecretary of State and Ambassador to Mexico J. Reuben Clark, Jr. put it this way in an unpublished analysis of the U.N. Charter completed in August 1945:

> . . . there is no provision in the Charter itself that contemplates ending war. It is true the Charter provides for force to bring peace, but such use of force is itself war . . . . The Chapter is built to prepare for war, not to promote peace. . . . The Charter is a war document not a peace document.

Ambassador Clark further noted:

> Not only does the Charter Organization not prevent future wars, but it makes it practically certain that we shall have future wars, and as to such wars it takes from us the power to declare them, to choose the side on which we shall fight, to determine what forces and military equipment we shall use in the war, and to control and command our sons who do the fighting.

The U.N.'s "police action in Korea five years later confirmed the accuracy of Ambassador Clark's analysis. Discussing the Korean conflict in a speech delivered on March 8, 1952, former American Bar Association President Frank E. Holman exclaimed angrily:

> . . . America is not allowed to win the war though we were put into it by United Nations action. Because of the conflicting interests and policies of other nations, America is not allowed to prosecute the war to a successful conclusion. Until this new kind of "phony war was conceived, everyone supposed that the chief objective of any war was to achieve victory. The chief objective of this United Nations war is to produce a stalement and prolong the war instead of achieving victory. Thus, the United Nations in prolonging the war which might otherwise be concluded. acts as a menace to peace.

And you hardly need to be reminded that the Vietnam War was fought under the same U.N.-inspired "no-win" ground rules, with results even more tragic for the cause of peace and freedom in the world.

In a speech delivered on August 10, 1962, former President Herbert Hoover recalled that he had urged ratification of the U.N. Charter, but lamented that it had become necessary to recognize that the U.N. had failed to offer even a remote hope for lasting peace. "Instead," he acknowledged, "it adds to the dangers of wars which now surround us." And he was right, for it could hardly be otherwise when the world's most notorious arsonists—the Communists—were (and are) firmly entrenched in positions of great influence on the very commission charged with extinguishing the flames of war.

In April of 1970, U.N. Secretary General U Thant asserted that Communist dictator Lenin's ideals of peace were "in line with the aims of the U.N. charter." (*Los Angeles Times*, April 7, 1970.) And since Communists use the word "peace" to mean the absence of resistance to Communism, it is reasonable to assume that the U.N. uses the term in the same way. Which helps explain why its bloody war of aggression against anti-Communist Katanga in the early Sixties was labelled a "peacekeeping" operation; why its current drive to pull down the anti-Communist leadership of Rhodesia with economic sanctions is branded a "peace" maneuver; and, why expelling anti-Communist Free China, and welcoming the mass murderers of Red China, was a "move toward peace" by U.N. standards.

At the U.N. organizing conference in San Francisco in 1945, all of the nations allowed to participate were formally at war with one country or another. United Nations membership was denied Sweden, Switzerland, and Ireland specifically because they had refused to fight in World War II. Since they didn't get into the war, they were not "peace-loving" by U.N. standards.

Only a few weeks after the conclusion of the conference, an American President who had helped organize the United Nations approved history's only wartime use of the atomic bomb against a nation already on its knees and obviously defeated. Twenty years later, during an international meeting of World Federalists in San Francisco (June 20–26, 1965), a former Mexican Ambassador to the U.N. actually suggested that the *atom bomb* be awarded the Nobel Peace Prize because it had frightened so many people into the peace movement.

Since the U.N.'s founding, over a billion human beings have been enslaved by the Communists, and the November 1970 issue of the U.N. periodical *UNESCO Courier* reported: "More than 100 wars or other international and national conflicts and disputes have occurred since the end of the Second World War." The U.N. was not meant to stop war but to promote Communist conquest.

The U.N. has *contributed* to hostilities by serving as a forum in which Jews are slandered as Nazis, and South Africans, Rhodesians, and Free Chinese are told that their views are not worthy of consideration. As explained by political scientists Abraham Yeselson and Anthony Gaglione (both of whom support the United Nations), "Real negotiations require that the parties define differences as narrowly as possible, avoid recrimination, and exclude extremists from the discussions. At the U.N. issues are widened, insults are common, and the most violent spokesmen frequently dominate the debate." (*Intellect Magazine,* April 1975, Page 430.) In short, the very manner in which the U.N. serves as a public forum for the airing of grievances, which has so often been propagandized by U.N. advocates as a contribution to peace, is actually a *roadblock* to peace. The obvious reasons were described by G. Edward Griffin in *The Fearful Master* (Boston, Western Islands, 1964), his authoritative study of the United Nations:

> Consider what would happen if every time a small spat arose between a husband and wife they called the entire neighborhood together and took turns airing their complaints in front of the whole group. Gone would be any chance of reconciliation. Instead of working out their problems, the ugly necessity of saving face, proving points, and winning popular sympathy would likely drive them further apart. Likewise, public debates in the U.N. intensify international tensions. By shouting their grievances at each other, countries allow their differences to assume a magnitude they would otherwise never have reached. Quiet diplomacy is always more conducive to progress than diplomacy on the stage.
>
> When nations bring grievances to the U.N., it is almost always for the purpose of embarrassing an opponent rather than finding a solution. Nations which are for the most part getting along with each other never air their differences publicly in the U.N. forum. As they seek truly peaceful solutions to their problems, they go out of their way to avoid the United Nations. Thus, the U.N. serves as little more than a catalyst and barometer for frustration and rage, and has actually become itself an important weapon in world politics. Quiet diplomacy, on the other hand, can be adequately carried on through the traditional channels of nation-to-nation Ambassadors, Embassies, etc. The United Nations is not needed to achieve this purpose. In fact, it is a hindrance.

So we see that the U.N., whose proponents claim it was formed to stop war, curb international hostilities, and promote freedom, has compiled a truly miserable record. And it is not surpirising, since the U.N. is composed of some 141 nations and numerous "blocs" which have practically nothing in common. Quite often, U.N. advocates try to draw a parallel between the federation of nations under the U.N. and the federation of American colonies under the Constitution. But there is no real parallel. John Jay, writing in Essay Number Two of *The Federalist Papers,* described some of the unique characteristics which favored federation of the American colonies:

> It has often given me pleasure to observe,

> that independent America was not composed of detached and distant territories, but that one connected, fertile, wide-spreading country was the portion of our western sons of liberty . . . .
>
> With equal pleasure I have as often taken notice, that Providence has been pleased to give this one connected country to one united people—a people descended from the same ancestors, speaking the same language, professing the same religion, attached to the same principles of government, very similar in their manners and customs, . . .

Compare that situation with the United Nations, as described by U.N. supporter Morris B. Abram in *Foreign Affairs* for January 1969:

> Even among the nations which originally constituted the United Nations . . . there were significant differences in values and outlook. They included the communist nations of Eastern Europe and the capitalist nations of Western Europe and America. They were both developed and underdeveloped nations. These differences sharpened when the cold war shattered the big-power anti-Nazi alliance, and they multiplied when a large number of new states in Asia and Africa—nonwhite, non-Christian, culturally different and economically underdeveloped—were admitted to the U.N.

It is important to remember that despite the remarkable compatibility of our early states, it was less than a century before they were fighting among themselves a lengthy, bloody war, thus proving that mere political federation is no guarantee of peace. Yet, for thirty years we have been asked to believe that an international union under the economic, political, cultural, geographic and linguistic Tower of Babel on New York's East River can save us from the scourge of war.

It is interesting to note that the provisions of the U.N. Charter which have to do with economic cooperation are based on the premise that a necessary prerequisite for the maintenance of international peace and security is the creation throughout the world of "conditions of stability and well-being." The economic system best equipped to contribute such stability and well-being is Free Enterprise, with its emphasis on the production of new wealth and the right of individuals to own and control private property (thus enhancing their incentive to produce). But the United Nations is an advocate of Socialist economic policies, with an emphasis on redistribution of existing wealth—called the new international economic order.

As viewed by the U.N., the lot of the poor can be improved by "ripping-off" the rich. From each according to his ability, to each according to his need, as Marx put it. And since the wealthy victims are the very nations now footing most of the bill for U.N. expenses, the U.N. itself has created yet another threat to world peace, similar to that described by Alexander Hamilton in Essay Number Seven of *The Federalist Papers:*

> There is perhaps, nothing more likely to disturb the tranquility of nations than their being bound to mutual contributions for any common object that does not yield an equal and coincident benefit.

If we were to permit the specialized agencies of the U.N. to take everything we have and redistribute it to poor nations, over-all misery in the world would scarcely be affected. There are simply too many of them, and too few of us. But if we could help the backward nations throw off the shackles of socialism which are keeping them backward, and adopt instead the basic economic techniques which have been responsible for our own unprecedented abundance, we would be making an unparalleled contribution to world stability and well-being. The United Nations, unfortunately, stands as a serious Marxist roadblock to such a change, and must be removed before there will be much chance to cope realistically with the problems of world hunger and poverty.

Besides, contrary to the implication of U.N. propaganda, prosperity is no sure guarantor of peace. Hunger, ignorance, poverty, disease, etc., are serious problems which merit concern and solution, but they are not the roots of war, as is often claimed. Nor are wars prevented by increased understanding between nations. Germany's health, education, economic and social status were almost the highest in the world prior to World War I, and there was little economic distress or unemployment in Germany at the start of World War II.

Surely few nations on earth understood each other better than England and Germany, who fought so bitterly in both World Wars. History shows that it has been advanced nations, more than backward nations, which have disturbed world peace. After all, it takes armaments and large armies to fight a world war, and nations hovering on the brink of poverty and disease are too sick and hungry to produce sufficient armaments and effective field armies; and too poor to keep a war going.

In his 1945 analysis of the U.N. Charter referred to earlier, Ambassador J. Reuben Clark Jr. wrote: "We have been so intrigued by the concept and phrase that godless men coined—'total war'—that we not only tolerate, but take pride in boasting about, butcheries of peoples that a generation ago would have shocked to the very core all but the most depraved." It is an interesting point, for how often have we heard U.N. advocates rejoice that the U.N. has kept us out of "total war," thus largely overlooking the enormous human losses which have occurred in those hundred-plus "limited" wars and skirmishes which have taken place since 1945?

Harlan Cleveland, former U.S. Ambassador to N.A.T.O., once observed that "It is almost impossible even to think about a durable world peace without the United Nations." That is utter and complete nonsense unless what you mean by "world peace" is a New World Order under Communism. Testifying before the Senate Foreign Relations Committee on May 8, 1975, Dr. Abraham Yeselson declared:

> . . . the United Nations to working, but not in the interests of international peace or of the foreign policy of the United States.
>
> . . . Clearly, the United Nations is now an instrument useful primarily to the developing countries and Communist States. . . .

Dr. Yeselson, who is Chairman of the Political Science Department at Rutgers University, testified further:

> It will be extraordinarily difficult now to rationalize continued involvement in an Organization which sponsors wars, passes one-sided or unenforceable resolutions, provides forums for international insult instead of diplomacy, and is guilty of the most outrageous examples of selective justice.

He speculates: "Perhaps it will be impossible for the American people to overcome disillusion and they will demand withdrawal from the world body." We hope so, Professor.

LATIN AMERICAN TEACHING FELLOWSHIPS: THE VENEZUELAN EXPERIENCE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. FRASER. Mr. Speaker, I have long had an interest in the Latin American Teaching Fellowships—LATF—program of the Fletcher School at Tufts University. Currently, LATF has 155 professors teaching throughout Latin America. A number of my constituents from Minnesota have participated in the program and have commented favorably about their experience in it.

LATF is currently expanding its operations in Venezuela. Mr. Rick Campagna, a young attorney with a masters degree in Latin American studies, has just taken up his post in Caracas where he will serve as LATF's local director of operations. Rick, who speaks excellent Spanish, recently visited my office with Bill Cloherty, director of the program, to review Rick's upcoming assignment in Venezuela.

I am pleased that LATF will be expanding its Venezuelan operations in response to the Venezuelan request for more LATF-provided professors. Venezuela is attempting to complete their development process within a democratic framework. The Venezuelans deserve whatever support we can provide for this effort.

I think it particularly inappropriate that the Congress lumped Venezuela with the OPEC nations that embargoed the United States when economic and trade sanctions against OPEC were included in the Trade Act of 1974. I would like to see those unwise and unjust sanctions against Venezuela eliminated.

Venezuela is investing a very high proportion of its resources in human development, specifically education. They have developed a massive educational effort known as the Gran Mariscal de Ayacucho scholarship program. This program last year sent several thousand young Venezuelans to study in the United States. LATF assisted in this effort by managing the placement of 279 of these young scholarship winners in eight U.S. universities. The performance of these students, of LATF and of the Ayacucho management in Caracas, was outstanding. Of the 279 scholarship students who came here a year ago under LATF's general direction, 273 have commenced their second year of study. That is a solid record of performance.

I am placing in the RECORD at the conclusion of these remarks an article from the Caracas Daily Journal by Alfredo Hurtado Roo. It describes the work of LATF in Venezuela.

The article follows:

LATF's OPERATIONS DIRECTOR SEES VENEZUELA AS EXAMPLE FOR DEVELOPMENT UNDER DEMOCRACY

(By Alfredo Hurtado Roo)

"There is a great awareness in the United States concerning the great Venezuelan gamble . . . that you can effect a massive social and industrial transformation within a democratic framework. It is a question that has yet to be answered . . . and Venezuela's experience—good or bad—promises to show the way for other developing countries that are watching and waiting."

So said William M. Cloherty, the Director of Operations of the Latin American Teaching Fellowships (LATF), an autonomous organization affiliated with Tuft University's Fletcher School of Law and Diplomacy.

Speaking during an interview with The Daily Journal, the LATF Director of Operations said that "Venezuela is the world's preeminent example of a nation seeking to transform itself within a democratic framework. It is clear that Venezuela is making a massive attempt at developing an economic infrastructure that would provide jobs and income for its people once the nation's nonrenewable resources are gone. The Venezuelan government hopes that by that time the basic infrastructure for a good and just society will be established."

Cloherty used Holland as an example of a society that long ago built an infrastructure that now allows it to enjoy a high and dignified standard of living and a democratic government, without possessing great natural wealth.

"The Dutch have invested in the education of their people, which is what Venezuela is trying to do with such massive educational programs as the Gran Mariscal de Ayacucho scholarship program," he explained.

Recently, Cordiplan Minister Gumersindo Rodriguez, whom Cloherty described as "a virtual nonstop dynamo," met personally with each of the fifty Venezuelans studying in the Boston area under the Ayacucho scholarship program.

Cloherty, who had the opportunity to discuss the Ayacucho scholarship program with Rodriquez during his recent trip to Boston, described that program "as the most massive professional education program in the world."

He lauded the program for giving rural and economically less privileged Venezuelans the opportunity both to better themselves and to participate fully in the nation's development.

Cloherty noted that the professional education program undertaken during the time of Japan's Meiji Restoration is the only comparable example of an educational program of such ambitious proportions as the Venezuelan government's Gran Mariscal de Ayacucho's scholarship program. "Unfortunately," he added, "the 19th century Japanese program in which Japanese students were sent to be educated abroad was not done within a democratic framework."

Cloherty said that "many people all over the world claim that profound revolutionary change can only come about under a totalitarian regime." He noted that apparently a lot of people are convinced that this is true due to the fact that "there are few countries that are following in the tradition of Thomas Jefferson." He added that Venezuela and Colombia are the only democratic countries in South America.

"Hitler and Mussolini claimed that democratic governments were weak, and that people living under them were incapable of mustering their energy in a constructive way. Their governments were based on the belief that the body of the people are immature," Cloherty explained.

Cloherty noted that many Venezuelans studying under the Gran Mariscal de Ayacucho Scholarship program appear to be carrying out their studies successfully.

"Cordiplan Minister Dr. Gumersindo Rodriguez recently visited the Fletcher School of Law and Diplomacy at Tufts University in Massachusetts for four purposes," Cloherty said.

"First, to view first-hand the work of the Latin American Teaching Fellowships (LATF) in the placement and administration, in cooperation with the Institute of International Education, of Venezuelan students in the Boston area under the terms of the Gran Mariscal de Ayacucho program. LATF, an autonomous branch of the Fletcher School of Law and Diplomacy, has been responsible for the placement and supervision of Venezuelan students in the Boston area. Dr. Rodriguez instructed LATF/Fletcher to continue the good work that has been done to date on the Ayacucho program," Cloherty said.

"Second," he continued, Rodriguez came to Fletcher to deliver a major address concerning the new relationship between the United States of America and Venezuela. Dr. Rodriguez pointed out that although there would be a period of adjustment and transition, the new relationship would be beneficial to both parties. His theme was the real possibility of increased cooperation between Venezuela and the USA, particularly in the area of transfer of technology, management and engineering education and general educational co-operation."

"Speaking of the transfer of technology," Cloherty added, "I believe that the Latin American sense of family and tradition is in a lot of ways more advanced than the U.S. nuclear family society."

Returning to the topic of Gumersindo Rodriguez' recent trip to the Fletcher School of Law and Diplomacy, Cloherty said that the third reason for it was "to view the initial arrangements for the major conference to be held between the United States and Venezuela in Boston in late January. The conference, a major element in the increased dialogue between Venezuela and the United States as called for by President Carlos Andres Perez, will feature individuals from the top elements of the political, economic and intellectual leadership of both countries."

"And fourth," he continued, "to review with the faculty and administration of the Fletcher School various questions relating to the development process." Cloherty noted that "the Fletcher School is one of the leading centers in the United States in studies relating to development economics."

"Dr. Rodriguez also met with Professor Vassily Leontiv, Harvard's Nobel Prize winner in economics," Cloherty said. He explained that "Dr. Leontiv was the originator of the input-output system of economic analysis."

He also noted that "Dr. Leontiv will come to Venezuela soon to assist Venezuela in the development effort that has been launched by the current Venezuelan government."

NORTHWEST INDIANA CITIZENS AND THE TOLL ROAD

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. FITHIAN. Mr. Speaker, I want to take this opportunity to announce my decision to terminate my cosponsorship of H.R. 4163, the proposal to continue to collect tolls on the Indiana toll road following the retirement of the toll road bonds.

In making this decision to terminate my cosponsorship of this legislation, I have benefited from the collective input of several community leaders, local organizations, citizens groups, and the ordinary working families of northwestern Indiana.

Upon completion of a detailed analysis, I find that the people of northwestern Indiana would be discriminated against if tolls collected on this road are used to finance roads in southern and central Indiana. It is blatantly unfair to the citizens of northwestern Indiana who use the toll road for commuting to work and pleasure. I am opposing this legislation because I believe it is my job to represent the people who live in my district.

The tolls on this road should be terminated as soon as the bond issues are finally paid. No extension of these tolls is justifiable. I urge the Committee on Public Works and Transportation to delete this section from the pending legislation.

EMERGENCY PUBLIC FINANCE CORPORATION ACT OF 1975

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. GILMAN. Mr. Speaker, I rise today to introduce the "Emergency Public Finance Corporation Act of 1975."

Last week I joined a bipartisan delegation of New York State Congressmen in a cross-country campaign to arouse support for emergency legislation to stave off possible default by New York City. The results of that trip indicated to me that not only would the citizens of this Nation be receptive to Federal loan guarantee legislation to win time for New York City until it could balance its budget and restore investor confidence, but that a substantial number of our citizens perceive the real need for a permanent Federal mechanism that would be able to provide emergency financial assistance during times of acute financial crisis for local governmental units.

Accordingly, what I am proposing today is that Congress establish an Emergency Public Finance Corporation to be run by a Board of Directors composed of the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, and three other individuals appointed by the President, by and with the advise and consent of the Senate. This Board would administer an emergency municipal debt guarantee fund to be established in the Department of the Treasury for the purpose of guaranteeing State obligations in order to enable a State, or one of its local subdivisions to continue to provide essential public services or facilities and to prevent or mitigate the effects of default.

In order to qualify for such Federal guarantees, the State would first have to meet very stringent conditions of eligibility. First, the municipality's State legislature must declare that a period of financial emergency exists for the State by reason of a possible default by the State, or a local governmental unit within that State, and then the Governor and the chief financial officer of that State must affirm that the resources of the State are inadequate for the purpose of preventing default by that governmental unit. Concurrently with that action, the State in question must take every possible step to resolve the financial crisis confronting it, as well as establishing a State apparatus to run the financial affairs of the State or local governmental unit until it is back on a sound financial basis. Finally, the Secretary of the Treasury or the Chairman of the Federal Reserve System must declare that default by the State or by a local subdivision would have far ranging economic and financial consequences.

The total amount of all guarantees which may be outstanding under this act at any one time may not exceed $10 billion and no more than $5 billion in guarantees may be allocated at any one time for a particular State or agency thereof. Finally, the term of any such Federal obligation could not exceed, in any case, 8 years.

Mr. Speaker, the problems of New York City and its resultant nationwide effects are by now well known. It is my hope that this bill will not only help New York City help itself out of its monumental problem, but will also be a vehicle which could be utilized by other municipalities confronted with emergency situations. Already, the ripple effects of New York City's fiscal crisis is being felt in my own district by way of unemployment and eroded municipal credit. But parochial concerns alone did not prompt me to introduce this legislation. It has been estimated that a New York City default would cost the Nation $14,000,000,000 in lost national production and over 500,000 jobs. Across the Nation there is some $12 billion of publicly held New York City securities. About one-third is held by banks and the balance is held by small private investors. There are 50 banks which have approximately 50 percent of their capital invested in New York City's municipal bonds and there are an additional 200 banks sprinkled throughout the Midwest, South, and Far West which have approximately 20 percent of their funds tied up in New York bonds.

There is no doubt that the road out of New York's fiscal crisis is a rough one. But without some guidance and assistance from the Federal Government there is no path at all. What I propose today is not a handout or bail-out for New York City, or any other governmental unit. Rather, this legislation is intended to overcome the problem of market access for municipalities of government. It does not include any subsidies, either at the cost of borrowing or of repayment. The severe conditions imposed in this measure should be sufficiently onerous to discourage any use of this program except in extraordinary financial emergencies.

Mr. Speaker, I am inserting this bill at this point in the RECORD and urge my colleagues to lend their support to this proposal.

H.R. —

A bill to authorize emergency guarantees of obligations of States and certain State agencies, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

§ 1. Short title

This Act may be cited as the "Emergency Public Finance Corporation Act of 1975".

§ 2. Definitions

(a) The term "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

(b) The term "political subdivision" shall have the same meaning as used in section 103 of the Internal Revenue Code of 1954.

(c) Any action authorized or required under this Act by or with respect to a State may be taken by or with respect to any agency thereof approved by the Board for that purpose.

§ 3. Establishment of the Emergency Public Finance Corporation

(a) There is created an Emergency Public Finance Corporation (hereinafter referred to as the "Corporation"). The board of directors of the Corporation (hereinafter referred to as the "Board") shall be composed of the Secretary of the Treasury, as Chairman, the Chairman of the Board of Governors of the Federal Reserve System, and three other individuals appointed by the President, by and with the advice and consent of the Senate. These three individuals shall each be appointed for a term of three years. A vacancy shall be filled in the manner in which the original appointment was made. Decisions of the Board shall be made by majority vote.

(b) The Secretary of the Treasury and the Chairman of the Federal Reserve Board shall provide to the Corporation on a reimbursable basis such personnel as the Corporation may request.

§ 4. Authority for guarantees

The Board may guarantee the payment, in whole or part, of interest, principal, or both, of obligations of States (including agencies thereof as described in section 2(c) in accordance with this Act. The Board shall give prompt consideration to any application for a guarantee under this Act and shall, in the event such guarantee is denied, set forth the reasons for such denial in a written statement copies of which shall be furnished to the Governor of the State concerned, the Committee on Banking, Housing and Urban Affairs of the Senate, and the Committee on Banking, Currency and Housing of the House of Representatives.

§ 5. Purpose

The Board may make guarantees under this Act only for the purpose of—

(1) enabling a political subdivision of a State to continue to provide essential public services and facilities; or

(2) preventing, or mitigating the effects of, default in the payment of obligations of a political subdivision of a State where such default has had, or, in the judgment of the Board, could reasonably be expected to have, a serious adverse effect on general economic conditions or on the marketability of obligations of States and their political subdivisions in general.

§ 6. Conditions of eligibility

The Board may make guarantees under this Act to a State for the benefit of a political subdivision thereof only if—

(1) the State's legislature must declare that a period of financial emergency exists for the State by reason of the threatened financial collapse of a local governmental unit within the State;

(2) the Governor and the chief financial officer of the State must declare that the resources of the State are inadequate to prevent a default of the local governmental unit or of the State; that, to the extent permitted under the State's constitution, the State government has taken every feasible step to deal with the problem: and that there is in place a State apparatus for the control of the budgetary practices and expenditures of the affected State or local governmental unit, and

(3) the Secretary of the Treasury or the Chairman of the Federal Reserve Board must declare that a default by such State or local governmental unit would have economic and financial consequences of more than local or regional significance.

§ 7. Guarantee fees

Whenever any obligation is guaranteed under this Act, the Board shall assess and collect from the obligor a guarantee fee which shall not exceed three-quarters of 1 percent per annum. Any such fees shall be paid into the Emergency Municipal Debt Guarantee Fund established under section 11 of this Act.

§ 8. Limitations on amount of guarantees outstanding

(a) The total amount of all guarantees which may be outstanding under this Act at any one time shall not exceed $10,000,000,000.

(b) The total amount of all guarantees which may be outstanding under this Act at any one time of a State or agency thereof (or both) may not exceed $5,000,000,000.

§ 9. Additional terms and conditions

As a condition to making any guarantee under this Act, the Board shall require:

(1) The interest rate on any obligation so guaranteed must be 1 percentage point higher than the current rate obtained by the Federal Financing Bank on other obligations of comparable maturity it is purchasing.

(2) The term of any such obligation made would be the period that the Board determines is the least necessary in the circumstances with a maximum of five years, but renewable by the Corporation for up to an additional three years.

(3) Any drawdowns of an authorized loan may be used only to pay maturing debt obligations (both bonds and notes) of the affected State or local governmental unit that were issued prior to the authorization of the loan.

(4) The State, or its specifically designated agency, must submit to the Corporation at the time of applying for a Federal loan a plan for its repayment, and if the loan is not paid at maturity, the Board may require the State to pledge its, or the affected local governmental unit's share of general revenue sharing.

(5) In the event that the Federal Government during the term of any loan assumes functions therefore performed by the affected governmental unit (such as a reorganization of the Federal welfare system) the amount of any fiscal burden from which the local governmental unit is thereby relieved must be applied by reduction of the Federal loan.

(6) Any State to or through which such obligations are made, and any local governmental unit receiving assistance, must adopt within one year thereafter Municipal Finance Officers Association (or even more stringent) accounting standards and publish at least annually financial statements in conformity with such standards, together with a full disclosure document.

§ 10. Audits

No guarantee may be made under this Act for the benefit of any State or political subdivision thereof unless the General Accounting Office is authorized to make such audits as may be deemed appropriate by either the Board or the General Accounting Office of all accounts, books, records, and transactions of the State, the political subdivision, if any, involved, and any agency or instrumentality of such State or political subdivision. The General Accounting Office shall report the results of any such audit to the Board and to the Congress.

§ 11. Emergency Municipal Debt Guarantee Fund

(a) There is established in the Treasury an emergency municipal debt guarantee fund (hereinafter referred to as the "fund") to be administered by the Board. The fund shall be used for the payment of the expenses of the Board and for the purpose of fulfilling the Board's obligations under this Act. Moneys in the fund not needed for current operations may be invested in direct obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States or any agency thereof.

(b) Sums realized from the guarantee fee required under this Act shall be deposited in the fund. Notwithstanding any other provision of law, the Secretary of the Treasury shall deposit in the fund any payment, or portion thereof, which a State government or unit of local government would otherwise be entitled to receive under the State and Local Fiscal Assistance Act of 1972, or any comparable program of fiscal assistance to State and local government, and which is waived by such government pursuant to this Act.

(c) Payments required to be made as a consequence of any guarantee by the Board shall be made from the fund. In the event and to the extent that the moneys in the fund are insufficient to make such payments the Secretary of the Treasury is authorized and directed to make such payments on behalf of the Board and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include any such payments.

§ 12. Federal Reserve banks as fiscal agents

Any Federal Reserve bank which is requested to do so shall act as fiscal agent for the Board. Each such fiscal agent shall be reimbursed by the Board for all expenses and losses incurred by it in acting as agent on behalf of the Board.

§ 13. Protection of Government's interest

(a) The Attorney General shall take such action as may be appropriate to enforce any right accruing to the United States or any officer or agency thereof as a result of the issuance of guarantees under this Act. Any sums recovered pursuant to this section shall be paid into the emergency loan guarantee fund.

(b) The Board shall be entitled to recover from the borrower, or any other person liable therefor, the amount of any payments made pursuant to any guarantee agreement entered into under this Act, and upon making any such payment, the Board shall be subrogated to all the rights of the recipient thereof.

(c) There is hereby reserved to the United States the right to offset against any sums otherwise due for any reason from the United States (including but not limited to any sums which may be due under the State and Local Fiscal Assistance Act of 1972, or other comparable general purpose financial assistance) to any State whose obligations are guaranteed under this Act, or to any political subdivision for whose benefit any guarantee is made under this Act, the amount in whole or part of any payment actually made by the United States pursuant to any such guarantee. Such right of offset shall be exercised only with respect to such sources of Federal revenue, and at such rate, as the Board may determine to be appropriate with a view to reimbursing the United States as expeditiously as may be practicable under the circumstances as they exist at the time.

(d) Whenever any guarantee under this Act is outstanding, and there is a failure on the part of the obligor or on the part of the political subdivision for whose benefit such assistance was extended to fulfill any commitment or undertaking which it agreed to fulfill in consideration of such assistance, the Board may, in its discretion, for any period during which such failure continues, assess an additional guarantee fee in any amount such that the total of the original guarantee fee and any such additional fees for such period does not produce a total which is at a rate in excess of three times the rate otherwise authorized under section 106.

§ 14. Reports

The Board shall submit to the Congress quarterly a full report of its operations under this Act.

FLAWED ENERGY BILL

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. ALEXANDER. Mr. Speaker, on Friday, November 14, the New York Times printed an editorial concerning the energy proposal on which the Congress has spent many months of effort. I believe that the points which this editorial makes are well worth our study and commend its content to our colleagues. Therefore, I would like to make it a part of the RECORD at this time:

FLAWED ENERGY BILL

With oil price controls due to expire tomorrow, the long deadlock between President Ford and the Democratic Congress appears to have been broken. Election-year politics on both the Democratic and Republican sides seems to have triumphed over the need for progress toward energy independence.

Congress was determined not only to hold oil prices down in an election year but even to roll them back. And Mr. Ford, who started the year by calling for total decontrol of oil in his State of the Union Message and who has consistently held to a higher price policy, has apparently decided to avoid the political onus—and the economic risk—of vetoing the bill and thus letting oil prices jump with the expiration of controls.

As we have observed before, there were strong reasons for not permitting controls suddenly to expire; to have done so would almost certainly have worsened inflation and, by increasing business and consumer costs by billions of dollars, jeopardized economic recovery. But the oil price rollback—which Congress has now scaled down to 12 percent from 14 percent—will immediately increase oil consumption in the United States. And uncertainties about future prices will tend to curb domestic oil production and development over the coming 40 months of controls.

Congress has written an extremely complicated bill with respect to prices. After the initial rollback, oil prices could start climbing at the maximum rate of 10 percent a year. But, starting in February 1977, safely after the election, the President could decree a faster rate of increase—unless either the House or the Senate vetoed it. At the same time, either House or Senate could also freeze oil prices at their prevailing rate.

These pricing provisions seriously mar a bill with many otherwise excellent provisions. These include establishment of an oil reserve to provide greater protection against another Arab oil embargo; mandatory fuel-efficiency standards for automobiles; energy-efficiency standards for household appliances; Federal funds for states that set energy-saving plans. The bill would extend loan guarantees to stimulate coal production by small operators. It would increase the reliability of Government information about the oil industry by Congressional auditing of the books of certain oil and gas companies.

However, the bill's price provisions could increase American dependence on imported oil for the next few years, slow the rate of domestic energy development and even—if and when the economy moves into a stronger recovery—create another gasoline shortage. The bill's grant of standby authority to the President to impose gasoline rationing in the event of such a shortage is no substitute for policies aimed at preventing a shortage while reducing dependence on imported oil.

Given the immediate danger to the nation's economy of sudden and total decontrol, we believe that Congress should pass and the President should sign this bill. But it seems most unlikely to have established the definitive national energy policy. The issue seems sure to recur—when the 1976 election is over, or perhaps even sooner.

A TRIBUTE TO JUSTICE DOUGLAS

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. BADILLO. Mr. Speaker, I rise today to pay homage to one of America's most distinguished jurists and civil libertarians, Justice William O. Douglas. Few others can lay claim to the impact on the field of jurisprudence that this man has had. Ever since his appointment to the Supreme Court in 1939, well over 36 years and 5 chief justices ago, this man has stood steadfastly as one of the most singularly outspoken champions of the poor, the powerless and the socially heretical.

Justice Douglas continually battled those legal inequities which were insidiously inherent within politically time-honored, culturally-customized practices. His penchant for recognizing the critical trends of the law well in advance of his contemporaries is well verified by his frequent dissents which more often than not marked the preliminary footprints along the footpaths of new judicial precedent. Moreover, Justice Douglas is to be commended for his early decision not to be satisfied with affecting society merely in a purely legal sense on abstract, technical issues; for he often ventured off the bench into the public arena to voice concern in areas such as business regulation, growth of Federal bureaucracy, environmental protection and individual liberty under the words of our constitution. Justice Douglas already has lived a life well shaped by personal commitment and deep, abiding conviction. We, the eager recipients of such wit and wisdom, can only hope that he will be with us for many years to come.

Over the years, we have come to accept many of the thoughts of Justice Douglas as being what they truly are, that is, rational expressions of truth and justice. Among the more notable contributions of Justice Douglas have been his efforts to eradicate all forms of racial discrimination. Particularly important has been his influence in preventing any type of purely ethnic discrimination. All people are indeed created equal and deserve to be given an equal social advantage.

During his earlier years on the Court, Justice Douglas advocated the temperance of business practice with governmentally imposed ethical standards. He voted consistently to uphold Government regulation of business and industry. He was the champion of the small firm or individual investor, much like the justice whom he succeeded, Louis D. Brandeis.

On the other hand, during his later years, Justice Douglas stressed the importance of regulating Government itself in its mushrooming intrusion into the affairs of private citizens. Again and again Justice Douglas spoke sharply against the abuses of Government loyalty and security programs, libel and obscenity laws, Government snooping, unfair criminal procedures, and any kind of enforced conformity in speech or thought. Through his efforts primarily, we now enjoy the benefit of expanded first amendment rights and many of its previously unknown penumbras.

Justice Douglas has always ardently supported every attempt to preserve our free environment in its natural state. He personally, since his childhood, has loved the outdoors and has continually enthralled himself in the adventure which it has to offer. His judicial opinions frequently sought to protect this uniquely American treasure, to the joy and satisfaction of all succeeding generations.

Although it is easy to appreciate the reasons for Justice Douglas' decision to step down at this point, his presence on the Court will be sorely missed. Without any doubt, we may now expect fewer decisions upholding the rights of individuals against State and Federal governments and fewer rulings prodding courts to intervene in legal controversies at the behest of the poor and others seeking to use the judiciary as an instrument of social change.

As time passes, we will certainly come to realize, even more so than we do today, the heritage which Justice Douglas has left us by his service on the Court and the wisdom which he continues to leave us by his personal writings. Words do little to mark the significance of a judicial career so well served; however, to a man who maneuvered words to the benefit of all of us, we can only hope to express our appreciation and gratitude for such brilliance and unceasing commitment. Justice Douglas, we honor you as one of the finest Americans our country has known. We are deeply indebted to you for your countless contributions to an improved society and we wish that you may continue to share this improved society with all of us for many years to come.

THE DAY OF THE DOLPHIN

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. LEGGETT. Mr. Speaker, as chairman of the House Subcommittee on Fisheries and Wildlife Conservation and the Environment, I have been extremely impressed by the extraordinary amount of interest which the American public has shown in marine mammal protection and, in particular, in prevention of porpoise deaths during commercial tuna fishing operations. To refer to the correspondence which I and my subcommittee have received on the porpoise problem as voluminous would be gross understatement.

Included in this barrage of public sentiment was a special booklet prepared by 54 Central Junior High School students from Greenwich, Conn. In addition to compiling this creative and informative dolphin release, this group has held rallies and marches, made T-shirts and bumper stickers, written letters, presented programs, and traveled to Washington to talk with Members of Congress on behalf of the porpoises. Their goals are not to put the tuna industry out of business, but simply to instill conscience in the tuna industry as well as in the American public, since, as they put it, "Only we can speak for the dolphins."

Here are just two examples of the poems and short stories about dolphins which the students included in their release. The first is a winning poem by Linda Coupe, and the second is a short story excerpted from an article by Bill Martin, John Leyden, and Barbara Guidice.

THE DOLPHIN

An amazing pet the dolphin makes,
Many tricks he can do.
Bouncing balls
And balancing, too—
These are just a few.

Now the dolphin needs our help,
Deprived of air beneath the sea
Held captive by a net,
No match is he with the tuna fisherman.

He cannot vie
And so will die.

WHY THE DOLPHINS WENT BACK TO THE SEA

Son, don't bother splashing about. We're in the net and there's nothing we can do about it. Calm down and listen to a story. It's a story everyone should hear at least one time in his life.

It goes back in time, far back—back to a time when you wouldn't recognize yourself. You would have been living on land, no longer with smooth skin, but with a soft material like man's hair, but shaggier and longer. You would have been a terrible swimmer because you would have had four fins that were like man's feet. And you know what a terrible swimmer man is! Remember all the men we have saved?

I think I should mention that we're not a greedy species. We dolphins living on land were not too happy because of the hate and greed of the other animals. All day long—threaten, attack, kill for the limited food. One day right before our weekly meeting, some of us were taking a walk when some neighbors said that we were trespassing, that we should get off their land immediately. We went on to explain that this was God's land, not theirs, recommending that they stop and listen to us. Maybe our beliefs, like brotherhood, were better than theirs. They wouldn't listen to us they were so busy arching their backs, pawing the ground, baring their fangs and making threatening sounds.

Well, I know enough is enough. I got up to leave. The others followed except for four who didn't want to give up. They persisted in trying to communicate with them. As soon as we were a little distance away, the animals attacked. Before we could help, they had killed our friends. Solemnly, we took their bodies, giving them to the sea as we usually do. It was then that we seemed to experience a common thought. Our future lay in the sea. It was there we should return. There we could live our days in the lap of a bountiful mother, happy and peaceful.

Well, son, they are hauling the nets up now. Say goodbye to the ocean. This will be the last time you will ever see or feel the sea. Don't worry; it will be over soon. It doesn't take long to suffocate.

WAR ON PESTICIDES

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. SYMMS. Mr. Speaker, the United States has had the highest standard of living, coupled with abundant food supplies, of any nation anywhere in the world. This is because we have allowed our farmers, our scientists, and our technicians to apply their knowledge and skills to the creation of a better life.

Now we seem to be turning our backs on these developments and are deliberately making choices based on fear and ignorance, choices which could very well destroy the good life that we have experienced. One such decision has been the war on pesticides. I commend this article which appeared in Barron's magazine to your attention:

WAR ON PESTICIDES: DDT WAS NUMBER ONE ON THE CASUALTY LIST

(By Dana L. Thomas)

In June 1974, 15 helicopters swooped down on the forests of Washington, Oregon and Idaho, spraying DDT over nearly 430,000 acres of Douglas and other fir trees, ravaged by an epidemic of the tussock moth. For two months, 570 men fought to exterminate a parasite that had destroyed 560,000 acres of timberland, indirectly led to two forest fires and inflicted residents of the area with lung trouble, eye inflammation and other ailments caused by the irritating hairs of tussock moth larvae. When the battle was over, officials totted up the cost. One major lumber firm suffered losses of $4 million and will need years to restore its timberlands. Municipalities, which received revenues for schools and roads from the lumber industry, eventually face a sharp drop in income and may be forced to hike taxes.

The plight of various individuals is even sadder. A case in point is Adria Teske, a local home-owner. According to paper filed in a lawsuit in the U.S. District Court of Oregon: "Nearly all of her 60-to-100-year-old Douglas Fir trees are dead or dying. During the infestation in 1973, a forest fire (the Rooster Peak fire) near her home, which started in dead and defoliated trees, threatened to destroy her home. In her effort to save her home by carrying buckets of water to fight the fire, she strained her back. Her physician has advised her that as a result of this injury, she will eventually be partially paralyzed."

AFTER STRONG PRESSURE

While the applications of DDT finally stopped the tussock epidemic, the operation was highly unusual. DDT had been banned in this country in June 1972, and its use was permitted by the Environmental Protection Agency only after strong pressure from Washington and Oregon state officials, the petitioning of 50,000 citizens, and a suit filed by the Pacific Legal Foundation to compel the EPA to release the DDT. Even so, if some people have their way, DDT may never be used again in such an emergency.

This deadly insect-killer has freed over one billion people around the world from malaria and saved additional millions from epidemics of typhus, yellow fever and sleeping sickness. It also has enabled millions in poverty-ridden countries to escape famine by killing crop-destroying pests. Nonetheless, it not only has been banned by the EPA for use in the U.S. but environmentalists also have brought a suit against the Agency for International Development that could hinder its exports.

DDT has been the target of a bitter attack by such groups who charge that it kills off birds and other wildlife and causes cancer. Meanwhile, DDT is being vigorously defended by agronomists, entomologists and public health officials. Its defenders argue that millions of people have been exposed to DDT in the battle against disease without suffering ill effects. Statistics released by the Audubon Society show that during the years of peak usage of DDT in the U.S., the populations of many species of birds and other wildlife actually increased.

Interestingly, William Ruckelshaus. the EPA administrator who banned DDT against the advice of his own hearing examiners 15 months previously (while serving as Assistant Attorney General), wrote a 70-page brief, extolling the virtues of the pesticide. "The total value of DDT to mankind is inestimable," he declared. (Queried by Barron's, Ruckelshaus replies that as Assistant Attorney General, he was an advocate for the government. As EPA Administrator he was a maker of policy and therefore he believes the two statements are not inconsistent.

Despite the current attacks on DDT, after Dr. Paul Muller, a Swiss chemist developed dichloro diphenyl trichloroethane (DDT), he won the 1948 Nobel Prize for Medical Achievement. Found to be a most effective killer of deadly, disease-bearing mosquitoes, DDT was regarded as a "lifesaver"—the greatest discovery after antibiotics. And its achievements in the years since bore out these hopes.

DDT was first employed in Italy during World War II, to combat an epidemic of typhus. It saved the lives of American troops as well as those of numerous Italians. By wiping out the disease among the soldiers, DDT, in the opinion of some observers, averted the possible defeat of the Allies on the Italian front and the stalling of the war effort against Hitler.

In its first eight years, DDT reduced India's annual death rate from malaria from 750,000 to 1,500; by 1959 it eradicated the disease in Europe, Singapore, Chile and several Caribbean islands. By 1968, according to the World Health Service, thanks to DDT, yearly malaria fatalities had dropped to one million around the world, compared with four million in the 1930s. Before World War II, malaria was endemic in 26 states of the U.S. but between 1945 and 1952, the U.S. Public Health Service sprayed over six million U.S. homes with DDT and eliminated the disease here.

DDT also dramatically reduced the danger from typhus, which had killed over 200 million people in Europe and Asia. It has brought yellow fever under control in parts of Africa, Central and South America by killing the deadly Aedes Aegypti mosquito. It has reduced the incidence of sleeping sickness by wiping out the tsetse fly, and it has virtually eradicated the Bubonic Plague.

Despite its widespread use, there was no question as to its safety. In 1971, the National Communicable Disease Center of the Department of Health, Education and Welfare declared, "The safety record for the use of DDT . . . is nothing short of phenomenal."

However, in the early 1960s, DDT suddenly became the target of a massive effort by some to brand it as a health hazard. Rachel Carson wrote a book, Silent Spring, which set forth the premise that man shouldn't attempt to control nature with his chemical technology. If left alone, she argued, nature would correct its own abuses. Miss Carson attacked chemical pesticides as the arch offenders in the attempt to control nature, and she singled out DDT as the main villain.

According to the environmentalist position, DDT was a cancer threat, destroyed birds and other wildlife, and would eventually destroy the world's supply of oxygen. The nation's press took up the attack and carried the message to millions of Americans. An Environmental Defense Fund launched a legal battle which culminated in the banning of DDT.

In the wake of this all-out attack, a group of scientists belatedly has arisen to challenge what they insist are major fallacies in the thesis of Rachel Carson and her followers. They question the notion that man must stop trying to control nature. This, they say, will lead to disaster. Farmers cannot grow crops and raise livestock without destroying insects, weeds and other predators. Doctors cannot fight disease (and expand the life span) without using chemical drugs.

DEVELOP COMPOST HEAP

Declares Walter Ebeling, Professor of Entomology at the University of California: "For those wishing to live in a 'balance of nature,' there are still large areas available such as I have seen in Eastern Peru and the Congo. There they might pass their brief lives, developing compost piles and 'organic' gardens to their heart's content, incessantly surrounded by swarms of insects, many of them vectors of disease, some venomous, all pestiferous."

Although the defenders of DDT admit that it must be used carefully, the same must be said for medical drugs to cure disease. Points out one scientist: "It is dangerous to drive an auto carelessly. There is a risk in taking an airplane. Does that mean that society should eliminate autos and planes?"

Society, they insist, must weigh the risks of any course of action against the benefits. And, the benefits of DDT, they point out, are substantial. Thanks to chemical pesticides, fertilizers and other tools for scientific farming, the U.S. has been able to boost its food production to the point where it takes only 5% of the population to feed the rest of the nation. This compares with 55% in Russia.

Dr. Norman Borlaug, who won the Nobel Prize in 1970 for developing high-yield food grains, says he couldn't have accomplished this without chemical fertilizers and pesticides like DDT. Pointing out that half of the people in the world are undernourished, Dr. Borlaug warned, before DDT was banned, that if it were outlawed, "I have wasted my life's work."

Other scientists have been spearheading the fight to place the scientific record before the American people. Prominent among them are Dr. J. Gordon Edwards, Professor of Entomology at San Jose (Calif.) State College; Dr. Thomas Jukes, Professor of Medical Physics, University of California, Berkeley; and Dr. Robert White-Stevens, chairman of the Bureau of Conservation and Environmental Science, Rutgers University.

The struggle has become more and more heated. Dr. Edwards told Barron's that he, Dr. Jukes and Dr. White-Stevens last spring filed a $12 million libel suit against the Audubon Society for writing that they had been paid by the pesticides industry to lie about the Audubon bird counts (which the Edwards groups maintains show the bird population is rising).

In banning DDT, for farm uses, the then-EPA director Ruckelshaus over-ruled the federal hearings examiner Edmund Sweeney. After seven months of hearings, during which 125 witnesses were called and 9,000 pages of testimony were submitted, Sweeney declared that the evidence indicated that DDT wasn't a cancer hazard. He added that, on balance, its usage did not create an unreasonable risk with its benefits.

NEW ASSIGNMENT

"In my opinion," he said, "the evidence in this proceeding supports the conclusion that there is a present need for the essential uses of DDT."

After leaving the EPA in 1973 and going into private law practice, Ruckelshaus shifted his stance. Last spring, he was hired as a legal representative of the polyvinyl chloride (PVC) industry, several of whose workers had died of cancer after long exposure to vinyl chloride gas (Barron's, December 9, 1974). The EPA, reacting to the pressure of environmentalist groups, has demanded stringent plant regulations for PVC exposure. The industry argues that they are more excessive than necessary to protect its workers.

In his new role, Ruckelshaus is displaying a more pragmatic approach to the issues of the environment. He is now asking ecologists to view the environment in the context of other social problems. If Ruckelshaus is right in his attitude today, his approach to the DDT problem should be re-examined.

The aforementioned DDT spraying in the Northwest—like everything else about the pesticide—is the subject of bitter controversy. Environmentalists claim that the tussock moth epidemic was dying off after the third year and that the spraying was unnecessary. But the U.S. Forest Service points out that seven major outbreaks of the tussock moth have lasted four or more years and that if DDT hadn't been used, there is no telling what further damage would have been inflicted.

NO DOCUMENTED CASES

The Forest Service's monitoring studies indicate that no documented cases of fatal DDT poisoning occurred in man or any other adverse effect to people connected with the 1974 spraying operation. Nor was there any appreciable bird loss directly attributable to DDT, although several birds were found dead of a variety of causes. While the spraying had a short-term effect on aquatic and terrestrial insects, there was no specific mortality found in fish. Sheep and cattle, grazing on ranges involved in the spraying, were held back from the market longer than usual to make sure the level of DDT residues dropped below the tolerance for marketed meat set by the government.

While DDT defenders have scored a temporary victory by forcing its release to fight the tussock moth, it remains under a tight ban for all other agricultural uses. Farmers have been told that DDT is not needed because there are excellent substitutes available. When the EPA banned DDT, it accepted methyl parathion as the best substitute for most crops. Actually, parathion is highly dangerous and has killed both children and adults.

Although no other chemical has been the subject of such intensive research as DDT, no conclusive evidence has been found that it causes cancer in humans. In 1967, Dr. Edward Laws, of the U.S. Public Health Service, launched a study of workers at Montrose Chemical Co., the world's largest producer of DDT and the only firm making it in the U.S. Thirty-five workers who had been heavily exposed to DDT from nine to 19 years, absorbing over 400 times as much as the general public, were examined. In addition, the records of the other former employees who had worked at the plant at various times during the previous 19 years were studied. No cases of cancer were reported.

MASSIVE DOSES

Another study was undertaken by Dr. Wayland Hayes, formerly of the U.S. Public Health Service. He examined 17 prisoners who volunteered to take, for 21 months, doses of

DDT 1,000 times greater than the average American absorbed during a period of extensive DDT usage from 1956 to 1972. No cancer developed, Dr. Hayes reports, nor did any other illness show up that did not have an easily recognized cause unrelated to DDT.

On the other hand, DDT has been used successfully to treat unconjugated jaundice (as well as adrenal cancer). Dr. Laws undertook an experiment with mice at Johns Hopkins to determine whether DDT might also be used to retard the growth of brain tumors. He induced tumors in a control and an experimental group of mice and then fed the latter DDT. This group, according to Dr. Laws, generally developed tumors more slowly than the control group. He concluded that the test provides an indication that DDT may have an inhibitory effect on at least one experimental cancer.

A major charge of the environmentalists—that DDT spraying kills birds and other wildlife—has been hammered home to the American people via newspapers, magazines and television. An examination of the evidence raises the question as to whether many gentlemen of the media read anything but publicity handouts.

BIRD POPULATION RISES

Dr. J. Gordon Edwards, Thomas Jukes and other scientists fighting to expose the allegation of a declining bird population, cite the figures put out by the National Audubon Society. They show that far from declining during the years of DDT usage, the bird population actually has been on the rise. Every Christmas, bird watchers all over America assemble to count birds and turn in their figures to the Audubon Society.

According to this data, from 1941 through 1969, the number of robins observed increased 12 times; cowbirds, 21-fold; blackbirds, 38-fold; and grackles, 131 times. Indeed, gulls became so numerous on the East Coast that in 1972 the Massachusetts Audubon Society sought permission to poison thousands in order to protect the terns along the coast.

In Silent Spring, Rachel Carson lamented the decline of robins and predicted that they were a doomed species because of DDT. But according to the Audubon bird count, from 1949, the year after DDT was introduced into the U.S., through 1962, the number of robins observed shot up from 41,214, to 928,905. The tally of other kinds of birds show comparable gains.

(Queried about these figures, an Audubon spokesman said that more people are out counting birds than ever before and hence are turning in greater numbers. Asked if he knows of statistics to refute the signs of a rising trend in many species he admitted he knew of none, but insisted several species like Bald Eagles were declining.)

COFIRMS AUDUBON FIGURES

Confirming the Audubon figures are statistics released by the Hawk Mountain Sanctuary in Pennsylvania, which has been counting birds since the 1930s. They reveal an increase in most kinds of migrating hawks during the peak years of DDT usage. Osprey sightings climbed from less than 200 in 1945 to over 600 by 1970 (even while anti-DDT groups were claiming that ospreys, like robins, were a vanishing species). The total of migratory birds rose from 15,471 in 1941 to 29,765 in 1968. While the number of bald eagles has been declining, the drop began 15 years before the introduction of DDT.

Nor has other wildlife been significantly affected by the use of DDT. According to the U.S. Department of the Interior, the population of big game doubled between 1948 and 1967. White-tailed deer, for example, increased from 461,500 to 1,361,999; antelope, from 22,600 to 54,925; elk, from 42,000 to 81,368; and black bear, from 13,900 to 23,019.

Another charge of the environmentalists is that close to 25% of all the DDT manufactured has collected in the world's oceans, where it is killing baby fish and destroying plankton, and threatens to destroy man's oxygen. In 1971, the National Academy of Sciences published this charge by one of its panels, which has received wide publicity. After criticism from skeptical scientists, the NAS two years later appointed a new committee to check on the findings of the original one. In January 1973, it reported to NASA that "less than 1% of the DDT that has been produced appears now to be in the surface of the oceans. This is contrary to the frequent interpretation of the 1971 report." To date, however, the NAS has not publicized this committee's findings.

The EPA itself has confused the facts regarding DDT. In a report on the human dietary intake of DDT, the EPA said it was 13.8 milligrams a day in 1970. Upon being challenged, Laurence O'Neill, of the Office of Public Affairs, admitted in a letter to Max Sobleman of Montrose Chemical: "I have checked with Dr. Arnold Aspelin of EPA's Pesticide Program and you are correct in stating that EPA's DDT report erred . . . According to Dr. Aspelin the correct figures would have been 15 micrograms per day in 1970." In other words, the actual amount was only one-thousandth of the level previously reported.

The government has treated the facts about other pesticides with exaggeration. Last spring, it came out with a report—which received wide press coverage—that hundreds of thousands of American farm workers are injured annually by pesticides. A week later, it was admitted that the figures were undocumented. A spokesman explained: "We used those statistics in good faith, thinking they were accurate. They turned out not to be accurate."

The battle over DDT is only part of a bigger issue. Since some mosquitoes are growing resistant to DDT, many entomologists cite the need to encourage research to develop and refine a spectrum of safe pesticides which, carefully used, will battle the deadly parasites and insects that beset mankind. Within the past five years, virtually every known parasitic disease has been found in the U.S. The American Journal of Tropical Medicine says that epidemics lurk continually as a threat. In fact, last summer, America's worst outbreak of encephalitis in two decades broke out in 15 states. The disease is caused by a mosquito which carries it from birds to human beings.

Nonetheless, environmentalist groups have launched a nationwide campaign in the press, the halls of Congress and at the EPA to outlaw not only DDT but also a growing spectrum of chemicals used to control crop pests, as well as diseases. Now farmers, a number of scientists and rank-and-file citizens are beginning to fight back. The story of this controversy will be detailed in a forthcoming issue.

SERVICES BY GOVERNMENT AND CITY SHOULD NOT BE INTERRUPTED BY STRIKES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. DERWINSKI. Mr. Speaker, I believe that government services and essential city services should not be interrupted by strikes. The strike of postal workers in Canada is an example of such a strike which clearly is against the public interest. In the same way, the strike by doctors in Cook County, Ill., is not only jeopardizing the public interest but is a disgrace to the medical profession.

Mr. Speaker, I believe the editorial broadcast on October 31, 1975 over WMAQ–TV very clearly expressed the point of view I have on this important issue:

EDITORIAL BY STATION WMAQ–TV

Until this week, there had never been a strike by medical doctors in Illinois. So this, of course, is the first time doctors have ignored a court order telling them to do their jobs.

The 450 striking members of the House Staff Association at Cook County Hospital may have some legitimate complaints about their excessively long hours for rather low pay. And if they wish to have a union to negotiate wages, hours and working conditions, that's fine.

But we think it is shameful that members of the medical profession—these young interns and residents—have chosen to ignore the injunction of Judge Donald O'Brien. The judge ordered them not to strike, not to slow down hospital operations and not to engage in mass picketing at the hospital.

The doctors violated the court order, so they must be prepared to pay a penalty for ignoring the injunction.

And when the case returns to his courtroom next week, Judge O'Brien must be prepared to enforce that order. We are not seeking vengeance toward the doctors. But unless the judge stands by his order, the doctors and other public employee unions will get the impression that court injunctions are not worth the paper they are written on. And when that happens, respect for the law is diminished.

OUR VIOLENT SCHOOLS—PART III

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. BIAGGI. Mr. Speaker, I am pleased to insert the last article of a three part series by the New York Daily News regarding violence in the city's schools.

This final article is concerned with the remedial call for discipline by concerned authorities in the city's schools, and some of the alternatives offered by them to combat crime and violence in the schools.

The article, like the ones which preceded it, again focuses on some of the problems and inconsistencies found within our juvenile court system and the classrooms. Many officials blame the growing trend of violence in schools on the lenient policies and delaying tactics used by the court system in dealing with the troublemakers and the criminals. Often, these methods allow the release of young offenders who quickly find their way back into the school system. Because of this, many officials feel that schools may be sowing the seeds of their own destruction.

By failing to act aggressively against the criminals who hide within the public school system, widespread withdrawal of support by the public may be the result. These advocates insist on the hard line approach to dealing with the criminal elements in the city's schools. By replacing the troublemaker in special programs designed to handle their problems, and by suspending the incorrigible troublemakers, you not only remove the problem from the classroom but you reintroduce the element of old-time discipline to the classroom.

In contrast to this type of thinking, are those who advocate children's rights. Rather than looking at the particular problems of the child, they take into account the environmental factors and behavioral attitudes which are reflected in a child's criminal actions. Their concern with the troublemaker is geared toward the reason why a child gets "caught up" in trouble.

These differing views on disciplining the problem child are important for our understanding of how violence in the schools may be controlled.

Finally, the article outlines some safety measures proposed by concerned parents, teachers, and officials in addressing the problem of school violence.

Mr. Speaker, with the help of these articles, I hope the distinguished Members of this Congress will direct their attention to the problems faced by the schools in our Nation today. Our schools have become a refuge for the criminals and a haven for violence. It is my concern, and I hope the concern of my colleagues, that we may soon curb school crime and reform the policing and administration of our school system, to insure a decent and unmolested education for all.

The article follows:

Teachers Call for That Old Time Discipline

(By Judson Hand)

With beatings, robberies, shakedowns, thefts and other crimes at an all time high in the city's public schools, educators are sharply divided on how to deal with classroom criminals.

Law and order advocates insist on a hard line approach. Remove chronic troublemakers from regular classrooms, they urge, and place them in special programs geared to deal with their problems. Suspend incorrigible troublemakers from schools until they show evidence of shaping up.

Advocates of children's rights, on the other hand, contend that problem kids should not be removed from regular classrooms except as a last resort and only after their interests are fully protected at a full-scale hearing.

Kids make trouble, they contend, primarily because they are caught up, through no fault of their own, in problems outside the schools—poverty, crime in the streets, poor housing, broken families, to name but a few. When progress is made in solving these outside problems, they say, school violence will decrease.

Caught in the middle of this debate are most of the city's teachers, who chiefly want to teach in peace, and the vast majority of pupils, who want no part of school violence.

"I always thought violence was something that happened to others," says David Kobrin, a shop teacher. "In 26 years of teaching, it had never happened to me."

JAW BROKEN

One day, Kobrin was escorting a group of youths at a school for problem kids in the Bronx when he was assaulted by a burly 15-year old. Korbin's jaw was broken and he lost six teeth. He is still recovering from the attack.

Like many teachers and pupils, Kobrin is more interested in safe classrooms than he is in abstract theory. "Teachers should teach, period," he says.

Currently, there is a growing conviction among educators that drastic changes in attitude are needed in the juvenile justice system if the schools are to be made safe.

Albert Shanker, head of the city teachers' union, blames much of the violence on leniency in the family courts, on delaying tactics by defense attorneys representing children and on years of literature which has represented students as a "kind of oppressed colonial majority."

"Victims of assaults," says Shanker, "are reluctant to report them and press charges because of the all-too-prevalent stratagem of shifting blame from the assailant to the victim."

About half of all juvenile cases are dropped or adjusted by juvenile authorities before they ever get to Family Court. Of those cases which do make it to Family Court, only a small percentage ever result in the juvenile offender being put away for any length of time. Many young muggers, robbers and drug offenders are, in fact, quickly released and sent back into the school system, where they may well continue their criminal ways.

Jeremiah McKenna, director of the Policy Sciences Center, a research organization, says this lenient policy may be conditioning an entire generation to think it's futile to resist criminal conduct. In short, you can get away with almost anything.

"In failing to act more vigorously against criminals, the public schools may also be sowing the seeds of their own destruction," warns McKenna. "Few could deny that there are already clear signs of withdrawal of public support for the city's public school system."

What, specifically, can be done to curb violence in the schools?

Most teachers agree that the force of school security guards, which was cut in half this year because of the city's budget crisis, should be beefed up. According to Edward Muir, a school safety expert for the school system and the teachers' union, schools which last year had enough guards to patrol their corridors effectively showed definite declines in violence.

Other safety measures often proposed by teachers, parents and officials:

More special schools and classes for disruptive and violent students with teachers and counselors specially trained to deal with problem kids. Such a program, however, would be difficult to start with today's budget crisis.

Teams of parents and teachers to monitor schools. If wholesale violence developed in such a school, the parents and teachers would pressure the district school board or the Board of Education to provide security measures and suspend troublemakers.

More student human relations groups to help relieve tensions, racial and otherwise, among students.

More "hallway vigilance" by teachers, who would report strangers in the school to security guards. "This could really make a difference," says Charles Pilgrim, head of the 400,000-member United Parents' Association.

SIMPLY BORED

In addition, many students and teachers complain that school course offerings are too rigid, that courses are irrelevant and that schools are so big and, in some cases, so overcrowded that students misbehave simply because they are bored and want attention.

Above all, there is a hue and cry among many parents and teachers for old time discipline in the classrooms, though many parents recognize that things aren't what they used to be.

"When I was a kid and got punished at school, I got punished again when I got home," says a black construction worker. "The teacher was always right, and you'd better believe it.

"Nowadays, parents storm up to the teacher and accuse him of hassling their kid, no matter what the kid has done. And too many kids don't pay any attention to teachers or parents. Why should they? They've never received any discipline."

Parents like the construction worker do have a part to play in restoring order to the schools, says Carl Marburger, head of the National Committee for Citizens in Education.

"The key to remedying this problem is for parents to meet with school officials and calmly tell them what they conceive their children's needs to be, then to join in with school authorities in creating ways to meet them," he says. "Only if parents, teachers and students work together can these problems be solved. At the moment, this is not happening."

Meanwhile, teachers like to tell a story about a guard at a city jail who studied at night for 12 years to become a math teacher. Finally, he won his certification and began teaching in one of the city's junior high schools. Six months later, he was back at his post in the jail because he found it less dangerous than his teaching job.

Teachers say it doesn't matter whether the story is true or not. The point is, it could well be true.

START OF PEWTERER'S CAREER

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mrs. HECKLER of Massachusetts. Mr. Speaker, with the approach of the American Revolution Bicentennial celebration, our interest in the various aspects of American colonial life is heightened, and one essential part of any early American household was pewter with every kind of utensil imaginable being produced and used in the home. The producers were skilled artisans devoted to quality, and I am proud to note that this tradition of fine craftsmanship is continued today by Manuel Bettencourt of Taunton, Mass. I take this opportunity to share with my colleagues the story of his outstanding work:

The Start of My Pewterer's Career

(By Manuel J. Bettencourt)

In the spring of 1937 when I was a sophomore at Taunton High School, I was asked if I would like to take a full-time job where my Mother worked. Of course I wanted to help to support the family of four brothers and four sisters, so I started at twenty cents an hour (take home pay was $7.40 for a forty-hour week). At the time, it seemed like a lot of money. My job was to be an an all-around errand boy which entailed washing silver, sweeping the floor, dressing handles (deburring them as they say today), and getting them ready to solder to teapots or sugars or whatever we happened to be assembling at the time.

After approximately a year of working at these varied duties, the general manager asked me if there was any one trade I would like to learn. I told him I wanted to learn how to make and assemble the complete piece. By this time, I had worked in every department and had learned the basics of all the operations. The last operation I was to learn was the art of metal spinning. This was very interesting to me. In this operation you had to start to make a water pitcher from a flat circle of pewter and work the pewter over a form which was spinning at 1500 to 3200 RPM. This operation was done with a long-handled tool which measured about 36 inches. The steel used was highly polished tool steel tempered so as not to crack. If a crack appeared on the working surface of the tool, it would pick up the pewter leaving a heavy ridge (sometimes called railroad tracks) which meant the finisher would have to work much longer than he would on a nice evenly-spun piece.

After mastering the art of spinning, I then worked in several different factories to learn their various methods of spinning. In 1946 I operated my own metal shop, designing work for different companies and contracting metal work which was too difficult for the company employees.

Pewter, of course, was always made, but from approximately 1941 to 1950 it was almost a lost art. In 1972 pewter really came back into its own. Today it is very popular as there is no upkeep—just let it age and take on the dull sheen which pewter lovers admire so much.

Today, I custom-make a lot of pewter items. If a customer brings in a picture of an item they would like to have for a special occasion or just for their own collection, I am able to produce this piece according to their specification. Some of my custom work is in Germany and Italy. Whenever someone has visitors from out of State or Country and they visit my shop and showroom, I explain how pewter is made, how it is spun, the different tools I use in my pewter designs, and then how it is shaped into the many different items in my showroom. When I display my art in the actual making of a piece of pewter, the people exclaim, "Unbelievable," "Fantastic," or the like. They have never seen the artist at work with hammer and spinning tool.

I started as a metal spinner under the mark of Bettencourt Spinning—designing metal items for many companies. Later, on March 26, 1951, a corporation was formed with Mr. Max Swartz. In June of 1952, I bought the 50% shares of Max Swartz and became sole owner with members of the family composing the required number of officers—Lillian E. Bettencourt, President; Manuel J. Bettencourt, Treasurer; Philip E. Bettencourt, Clerk; and Richard P. Bettencourt, Trustee. The mark of Colonial Silversmiths, Inc. is applied to every item I make and is prominently marked on the custom work done at the shop.

As it is advertized, the pewter shop welcomes customers and shows them how pewter is made right before their eyes. Spinning over a bottle, lining a glass coaster or a plate with pewter, forming pewter to make an electric candelabra are just some of the many items that can be seen at the Colonial Silversmiths, Inc. Pewter Shop showroom.

Pewterer,

MANUEL J. BETTENCOURT.

STATEMENT ON THE ROBINSON-PATMAN ACT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. PICKLE. Mr. Speaker, my good friend and colleague, the Congressman from San Antonio, HENRY GONZALEZ, has been conducting some very worthwhile and needed hearings of the Ad Hoc Subcommittee on Antitrust of the Small Business Committee. This committee has been focusing on the question of the Robinson-Patman Act.

Among those testifying at these hearings was Mr. William E. Woods, representing the National Association of Retail Druggists. I would like to insert Mr. Woods' outstanding testimony into the RECORD. I hope that my colleagues will avail themselves of his excellent presentation:

STATEMENT ON THE ROBINSON-PATMAN ACT

The National Association of Retail Druggists, established nearly a century ago, represents approximately 35,000 independently owned retail pharmacies in which some 75,000 of the 120,000 pharmacists in this country practice their profession and dispense about 60 to 70 percent of the nation's out-of-hospital prescription needs.

The independent community pharmacist of today is simultaneously a health care professional and a small businessman. NARD and its members vigorously support the American free enterprise system which provides the only meaningful climate under which a small businessman can economically survive, have the opportunity to succeed by his own efforts, and perform an important and essential service to his community.

The independent pharmacist of today is called upon to serve a wide range of the health care needs of his community. This has come about in part with the growth of medical centers and the exodus of health personnel from the inner city and rural areas, leaving the independent pharmacist, as the last remaining health care professional in many communities.

Today the neighborhood independent pharmacist, in addition to his crucial role of filling prescriptions, provides advice to his customers on drug usage and interactions. Many independent pharmacists now maintain patient drug profiles so that even though a patient is seeing more than one doctor for various ailments, the pharmacist can assist in advising the doctors on possible adverse drug reactions as well as provide a history of a patient's adverse drug reactions.

Many independent pharmacists provide delivery of prescription drugs, recognizing that many in the community he serves are the old and those too sick or enfeebled to make the trip to even a neighborhood facility. Additionally, the independent pharmacist provides emergency after hours service so that those in need of immediate assistance can find it within their own communities, at any time of day or night. As a corollary to the importance of making health care readily available to members of the community, the independent pharmacist has traditionally maintained a wide inventory of drugs permitting prompt filling of prescriptions.

The vital services which I have briefly described above are not provided by many of the pharmacies in the large chain drug and grocery store corporations owned by nonpharmacists. Few chains permit consultation between the pharmacist and the customer. Fewer still have delivery or emergency hour prescription service. Some have their prescription department open only part of the time that the rest of the store is open. One of the key methods of controlling cost by the chains is the maintenance of a limited inventory of prescription drugs. All of these measures may mean cost savings for the chains, but they are a disservice to the prescription holder.

This Ad Hoc Subcommittee was formed in part to investigate the enforcement and proposals for the repeal of the Robinson-Patman Act. In my opinion the repeal of the Robinson-Patman Act will make it impossible for many of the sick, poor and aged to obtain life saving drugs where and when they are needed and will create havoc in the availability of retail pharmacy services to members of the community. Many of NARD's members are in very small communities. These communities, nonetheless, are served by 2 to 4 pharmacies. If larger corporate chains are encouraged by repeal of the Robinson-Patman Act to use their national buying power to induce price favors from drug companies and suppliers, the result will quickly be the creation of pharmacy monopolies in these communities. In some areas it is even conceivable that a single chain drug store will be left to serve several communities. This forecast is not difficult to make considering the predatory practices used by some of these chains today. These practices demonstrate that their chief concern is the development of store traffic—not service. These chains will use a prescription department as a loss leader just as quickly as they will sell antifreeze, maple syrup and Kosher pickles below cost.

What this means is not simply that in the place of 2 to 4 competing pharmacies there will then be only one, but that for the invalid there is no delivery service, for the mother with a sick child needing to fill a prescription in the middle of the night, there is nowhere to turn. For the elderly taking a variety of medications, this would mean there is no one readily available to discuss methods of administration or side effects. Thus, we are not talking simply about the loss of independent businessmen and the resultant loss of competition, we are talking about the loss of very vital community services. Nor should we be unmindful of the last act in this dismal course of events. When the monopoly is complete and the independent service-oriented drug store is driven out of business, you may be sure that the consumer will start paying higher prices.

Against this background of what I believe is a realistic portrayal of what will happen if the Robinson-Patman Act is repealed, let us consider for a moment how we come to be talking about the repeal of a statute which has been operating for nearly forty years. A statute which during that period has been variously described as the Magna Carta of small business and the Golden Rule. As I understand the Administration's position, it is in favor of less government regulation. It feels that federal regulation has shackled competition. Let me say that the members of NARD applaud that goal. Let me also say that to the extent that this approach is applied to industries which have had entry and prices controlled by regulatory agencies, this might, after careful weighing of the original reasons for regulation, result in some competitive gains.

I also understand that this Administration is espousing increased antitrust enforcement. This is another goal with which NARD members can have no quarrel. Neither of these goals are served, however, by a proposal to repeal one of the basic antitrust laws.

I think that it is necessary to focus on a few facts, which again would seem to be self-evident, but which have apparently escaped recognition by the Department of Justice. All antitrust statutes are a form of regulation of the free enterprise system. In 1890 Congress recognized that for a healthy and vigorous economy some regulation of free enterprise was necessary. As a result, it passed the first antitrust law, the Sherman Act.

In 1912, the increasing concentration of business in the hands of the trusts was considered a sufficient threat so that both political parties ran on platforms supporting increased antitrust enforcement. In 1914, as a response to this problem, the Clayton Act was passed. There can be no question in anyone's mind that all of these statutes regulate the conduct of business. I believe that no one would disagree, however, that some regulation of business is necessary if we are not to have an economy in which all business is controlled by a few monopolists or obigopolists.

The basic philosophy behind these early antitrust statutes was a reaffirmation of this country's belief in a free enterprise system and a concern that competition within that system be limited to those acts and practices which would preserve for the long term a healthy competitive economy. Congress then and now saw little to be gained by the cartel systems adopted in many other free enterprise economies. A multiplicity of sources of products and services was seen as an incentive to innovation and better service at lower prices.

The critics of this Act do not seem to understand that the Robinson-Patman Act is an expression of this basic philosophy. The idea that the Robinson-Patman Act is some aberration in the stream of antitrust development is demonstrably false. The theory on which the Robinson-Patman Act is based is the same theory supporting the Sherman Act and the Clayton Act. The evils which the Robinson-Patman Act addresses had been recognized as pernicious in another context as early as 1887. The creation of the Interstate Commerce Commission was the result of Congress' determination to end the practice of railroads giving preferential freight rates to favored shippers by means of rebates. Congress at that time felt that such discrimination was anticompetitive. The 1914 Clayton Act incorporated this concept into the antitrust laws.

The passage of the Robinson-Patman Act in 1936 was, therefore, not the response to a new evil, but an attempt to strengthen the regulation of a long recognized evil. The 1936 Act was an amendment to the 1914 attempt to regulate the same problems. In passing Section 2 of the Clayton Act in 1914, which prohibited price discrimination, and in passing a strengthened Section 2 in 1936, Congress was stating that preferential treatment provided to large buyers because of the pressure which they can place on a seller are not practices which lead to the end sought by the antitrust laws. Such practices can only lead to further concentration of power and diminished competition.

The Robinson-Patman Act can probably best be understood as a prophylactic measure: If Congress did not prohibit the practices covered by the Act, it would only be a matter of time before the antitrust enforcement agencies were faced with monopoly or oligopoly situations requiring the application of other sections of the antitrust laws, such as Section 2 of the Sherman Act.

I believe that Congress' analysis in 1914 and 1936 was accurate. I believe that if the retail drug field is characteristic of the effect of the repeal of this Act the result will be the wholesale demise of independent businessmen and the rapid demise of independent retail pharmacies in both urban and rural areas. The end result in many areas will be a monopoly or duopoly situation controlled by some large out-of-state corporate chain drug store, little concerned with serving the community except to the extent that it has a positive effect on its corporate ledger.

When Congress was considering passage of the 1936 Act it did not do so in a factual vacuum. Congress conducted its own investigation and determined that "the evidence is overwhelming that price discrimatory practices exist to such an extent that the survival of independent merchants, manufacturers and other businessmen is seriously imperiled . . .". In addition, Congress had available a study by the Federal Trade Commission which showed that the rapid development of very large marketing organizations were in many cases supported by preferential discounts and rebates these organizations coerced from their suppliers. Congress in passing a strengthened Section 2 was simply reasserting that there must be an equal opportunity to compete if the free enterprise system is to function. Coerced preferential discounts crippled the system and would not be permitted.

Despite the overwhelming nature of the evidence provided to Congress in 1936 of the abuse of purchasing power by large buyers to disadvantage their competitors, present day reformers come forth clad only with contradictory slogans of increased antitrust enforcement and deregulation. Against the evidence which resulted in overwhelming passage of the Robinson-Patman Act, it does not seem to be asking too much to suggest that those urging repeal produce facts to support their slogans and theories.

As far as the retail pharmacy field is concerned, I am here to testify that the facts existing today, even against the backdrop of the strengthened Section 2 demonstrate the pernicious nature of the evil which the Act is intended to prevent and the necessity for its increased enforcement.

When the Robinson-Patman Act was passed, there were very few chain drug stores. The largest then and today is the Walgreen chain. One of the findings of Congressman Patman's "Special Committee Investigating the American Retail Federation and Trade Practices of Big Scale Wholesale and Retail Buying and Selling Organizations and their Associations" which served as the basis for the passage of the Act was that there were 250 separate instances of special discounts, allowances and secret rebates to Walgreen Drug Company by various suppliers. Because of the Federal Trade Commission's almost non-existent enforcement of the Act today, it would not surprise me to find similar abuses by large corporate chains if an investigation were undertaken at this time.

Today the number of retail drug chains is growing at a rapid rate. Some, if not all of this growth is due to the same abuses previously documented in 1936 against the Walgreen Drug Company. The use of cost cutting by limiting services and carrying a limited inventory have aggravated this situation forcing countless independent retail pharmacists out of business. In the past five years it has been estimated that 1,000 independent drug stores per year have been forced to close their doors. Another device of the chains, during the period in which any independent competition continues to exist, is the use of their pharmacies as loss leaders thereby ensuring a quicker demise of the independent pharmacist, who as a professional relies on the practice of his profession for his livelihood as opposed to using it as a sideline for the sale of pet foods, blankets, car batteries and laundry products.

The fact that evidence of the pernicious effects of the practices banned by the Act continues to exist requires a review of the enforcement of this Act. Enforcement of the Robinson-Patman Act on the federal level has traditionally been vested in the Federal Trade Commission rather than in the Antitrust Division of the Justice Department. This division of responsibility is understandable since the Federal Trade Commission's Report to Congress in 1936 detailing the abuses of power by large purchasers was a significant factor in passage of the Act. This Subcommittee is fortunate to have as its special counsel a man long familiar with the history of this Act and the Federal Trade Commission's early vigorous support of the principles of that statute. Unfortunately, as Mr. MacIntyre, a former Commissioner of the Federal Trade Commission, is aware, this vigorous effort came to an almost complete stop within the past six years. Now the Commission not only refuses to enforce this statute, but actively seeks repeal of a statute it is obligated to enforce. Vigorous efforts by this Subcommittee to stop this bureaucratic mockery of federal law will certainly be appreciated by the small businessmen of this country. But more importantly the public will not face victimization by the monopolies that are to result if the FTC is allowed to remain in this supine position of doing nothing to protect the consumer.

Lest we be accused of the same fault as the supporters of the repeal, I would like to provide the Subcommittee with a recent example of the Commission's attitude toward this Act. In the course of its consideration of a proposed Trade Regulation Rule which would preempt the laws of 33 states and permit advertising of prescription drug prices, the Commission staff investigated the claim made by some opponents of the proposal that many of the price differentials which form the basis for the Commission's action resulted from illegal price preferences to chain drug stores. The investigation was done in the Portland area by the Seattle Regional Office of the Federal Trade Commission. The staff study supporting the trade regulation rule indicated that to the extent that price discrimination existed it did not fully explain the differentials and therefore the rules should be adopted.

The Seattle Regional Office Report was obtained by NARD by filing a Freedom of Information Act Request with the Commission. It is clear from the expurgated copy of the report made available to NARD that the staff had discovered evidence of possible Robinson-Patman Act violations. Despite this no action has been taken by the Commission to remove a cause of the price differentials which the Commission claims to have such great concern over that it is willing to preempt the legislatures and regulatory bodies of 33 states. It is hard to imagine a more concrete example of the Commission's present aversion to the Robinson-Patman Act. If more concrete evidence is needed, however, one need only examine the Annual Reports to Congress by the Federal Trade Commission which detail the almost complete cessation of activity in this area by the Commission.

The Federal Trade Commission's refusal to enforce the Robinson-Patman Act indicates the same disdain for duly enacted legislation as the Commission's proposal to overrule 33 states with respect to duly enacted legislation and regulation dealing with prescription drug advertising. If the Administration is serious about its call for less federal regulation we suggest it take a careful look at the activiites of the FTC which is today asserting the right to establish federal regulatory standards in many areas historically handled by the states. If the FTC's proposed trade regulation rules are examples of this Administration's deregulation efforts, I suggest that this Administration may well be building a record long in rhetoric, but short in credibility.

When the Robinson-Patman Act was passed in 1936, the increased protection afforded small businesses against the predatory practices of large organizations possessing vast economic power, and as the evidence indicated a willingness to use and abuse that power, independent pharmacists along with other small businessmen, felt that once again Congress had demonstrated an ability to carefully balance the concept of free enterprise against the types of practices which if allowed to go unregulated threaten free enterprise. NARD continues to feel that way and urges that Congress demand evidence that its prior decision was erroneous.

All of the evidence available to NARD indicates that the possibility for even greater abuses than those which resulted in passage of the Act exist today. The number of organizations which possess the requisite buying power to demand and coerce preferential treatment is many times greater now than in 1936.

It seems totally inconsistent, or insincere, to argue for increased antitrust enforcement on the one hand, while taking action which will generate the conditions requiring increased enforcement in the years ahead. The Robinson-Patman Act like the other antitrust laws assists all businesses to compete freely and fairly in the marketplace. The repeal of the Act would mean that large organizations will be allowed to use their size and power to compete unfairly by coercing and demanding preferential treatment from sellers.

We do not believe that repeal proposals are in the interest of the American public or the free enterprise system. Repeal would be special interest legislation which would allow large organizations to get larger until the consumer was left in the retail pharmacy field not only without freedom of choice but without vital health care services. The Robinson-Patman Act is not a handout to small business. It does not provide a subsidy or guarantee of success. The Act merely provides a method to insure the continuation of competition by the prevention of the abuse of economic power in the hands of large organizations.

When the large nonpharmacist-owned chain drug corporation becomes a monopolist, I ask this Subcommittee whether supposed cost savings will be distributed to the consumer or to the stockholders of the corporations owning the chain. I ask this Subcommittee whether the chain drug store which has already so clearly demonstrated its concept of insensitivity to community service and needs by reducing inventories, eliminating emergency and home delivery, and by isolating the pharmacist from the patient—all in the interest of profit—will not exact the monopoly profit which history teaches us is the reward of the successful monopolist.

This Subcommittee should recommend increased enforcement of this Act by the government. The FTC has been too ready to say that private enforcement provisions mean that government action is not required. The costs of litigation in terms of time and money mean that the small independent businessman will be long gone and forgotten before any judicial decision on the merits is reached. Since the Federal Trade Commission in the past has shown itself so patently opposed to enforcement, we recommend that this Subcommittee recommend that funds be earmarked in the budgets of both the FTC and Department of Justice for enforcement and that the heads of these agencies be required to explain to this Subcommittee and their respective oversight and appropriation committees their enforcement intentions with respect to this statute.

NARD has in the past appeared before the House Select Committee on Small Business and discussed the unfair competition faced by independent pharmacists from the sale to nonhospitalized patients of drugs through hospital pharmacies. Using the Non-profit Institutions Act as a shield, these hospitals have obtained drugs at prices far below those paid by the independent pharmacists. This practice was found to violate the Robinson-Patman Act by the Ninth Circuit. A petition for certiorari was filed by the drug companies in that case. While we believe that the Ninth Circuit's decision will be upheld, we suggest that this Subcommittee consider the continuing validity of the Non-Profit Institutions Act in light of the disappearance of the charity patient. We believe the Act should no longer apply to "non-profit" hospitals.

Finally, I would like to emphasize that repeal of this statute will affect many industries adversely.

Concentration in all of these industries will increase. The elimination of independent businessmen by unfair means concerns NARD and its members, as supporters of the free enterprise system. With respect to the retail drug field however, the problem is not only one of maintaining competition consistent with the theories underlying all of the antitrust laws since the passage of the Sherman Act in 1890, but the preservation of the last health care professional in many neighborhoods. When out-patient care is being stressed, action which will result in the removal of thousands of health care professionals from within communities seems particularly incongruous.

We have all heard the expression that the more things change, the more they remain the same. The Robinson-Patman issue is a classic example in point. I would like to end with this quote from Congressman Patman's speech at the 1936 convention of NARD soon after the passage of the Robinson-Patman Act which gives strong support to that point and which remains as valid today as it was almost 40 years ago.

"It is not right for all the small merchants of the country to pay for the concessions and subsidies that manufacturers have been granting to the large national corporate chains. This law is intended to change the system that has penalized the small buyers and subsidized large buyers, and particular business that this law, calling for fair dealings, will regulate, must be an awfully rotten business. This law will not destroy, injure or harm in any way legitimate business, but it will prevent a few large, greedy selfish monopolists from placing a tollgate at every operation that leads to a retail sale to the customers.

"This law is directed against the unfair trader, the cheater, the chiseler and the defrauder. It is intended to give equal rights to all and special privileges to none. It will place all dealers upon the same competitive floor, and not give any of them unfair advantage over the other."

REMARKS TO THE NATIONAL COUNCIL OF NEGRO WOMEN

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Ms. ABZUG. Mr. Speaker, the Congress overwhelmingly approved the equal rights amendment to the Federal Constitution in 1972. It has since been ratified by 34 States, with only 4 States remaining for final ratification. Despite the recent defeat of the equal rights amendment to the New York State Constitution, all indicators still reveal that most Americans support such an amendment. A recently released Harris poll showed that more that 70 percent favored it. This temporary setback should only serve as an impetus for the women's movement to unite behind the ERA issue until it is ratified.

I was recently honored to address the National Council of Negro Women on the status of women. The words of Mary McLeod Bethune, the founder of that important and vital organization, are still timely today: "Women in Unity—Living the Legacy." I would like to take this opportunity to insert in the RECORD the remarks which I delivered to the National Council of Negro Women on November 12, 1975:

SPEECH BY REPRESENTATIVE BELLA ABZUG

I am deeply honored at your invitation to join in this Mary McLeod Bethune Centennial year.

We are indeed "women in unity—living the legacy" of Mary Bethune, who said in her last will and testament:

"I leave you love . . . I leave you faith . . . I leave you racial dignity . . . I leave you a desire to live harmoniously with your fellow men . . . (and) I leave you finally a responsibility to our young people."

This is a creed we all must live by. Mary McLeod Bethune was a woman of great moral leadership and strength, but she was also an activist. She believed in doing. And her testament also gave us a guide to what we must do.

"The freedom gains are half a-jar," she said. "We must pry them fully open."

I think it is a very fortunate coincidence that the centennial of Mary Bethune's birth coincides with the celebration of international women's year when women throughout the world are asserting their right to full equality.

Mary Bethune recognized that the history of women and the history of Negroes are, as she said, "in the essential features of their struggle for status, quite parallel."

She pointed out very correctly that the perennial arguments of physical and mental inferiority used to repress and subjugate women were the same arguments used to repress and subjugate black people, men and women alike.

The struggle against slavery in our country and the struggle for women's rights proceeded along parallel lines, motivated by the goal of individual freedom. Sometimes they fought shoulder to shoulder, sometimes they went their separate ways, but great leaders like Frederick Douglas saw the common thread of purpose in both movements.

And when the fight against slavery was won technically, and black men were given the vote, the struggle went on for another fifty or more years until black women and white women also won the vote, and, as we know, the real struggle for economic freedom continues until this day.

I think it is important to have an historical perspective of the women's rights movement because, in the wake of last week's defeat of the equal rights amendment in New York State, we are being told that the women's rights movement is a failure, that we are dead or dying, or at least in terrible trouble. There is a great deal of wishful thinking in that judgment, but very little truth.

History and time are on our side, and we shall win equal rights for women and men.

Let us remember that throughout the long struggle to win votes for women—and it went on for almost a century—there were always women who could be found to state that they would never, never think of voting. And did not want the right to vote.

Indeed, at the first women's rights convention at Seneca Falls in 1848, when Elizabeth Cady Stanton proposed a women's suffrage resolution there was a great deal of opposition to it. It was believed that this was too radical a proposal to put forward. Elizabeth Stanton and Frederick Douglas argued for it, seeing that the fundamental right to choose representatives and make laws, was the right by which all other rights could be secured.

They prevailed, but the suffrage resolution was the only resolution that was not adopted unanimously.

Like everyone who has ever been involved in a struggle for change, the women and men in the women's rights movement knew they had an uphill fight all the way, but they never wavered in their belief in the rightness and justice of their cause.

They held thousands of meetings and debates, passed thousands of resolutions, conducted struggles State by State. There were endless debates, referenda and votes. Mostly they lost, in the beginning, but they made headway. There were many, many setbacks on the road to victory, but they did win at last in the Congress and in the States.

Today you could search the whole country over and you would be hard put to it to find the woman or man who would stand up and say, no, women should not have the right to vote. Now that this right has been secured, everyone is for it.

So we are disappointed at the setback we have had in New York in our struggle for equal rights, but we should not be discouraged or feel defeated. The fight will go on, and we will win.

And it will help us if we can assess our weaknesses and our strengths, realistically discuss the problems and figure out what we did wrong, so that we can do better next time.

I think two of the main problems were complacency and apathy.

The equal rights amendment to the Federal constitution has been overwhelmingly approved by the Congress. It has been ratified by 34 states, with only four more states needed for final ratification.

It has the approval of the Democratic Party, the Republican Party, every major women's organization, including the National Council of Negro Women, and hundreds of civic and good government groups.

A Harris poll, released just this week, showed that more than 70 percent of Americans favor the amendment.

Fifteen states have attached equal rights amendments to their state constitutions, and, contrary to what the opponents of ERA in New York claimed in their hysterical and deceptive compaign of lies about ERA, the family, as the basic unit of our society, has not been changed by ERA; women have not been drafted in those states; public toilets have not been made communal; women have not been forced out of their homes to go to work; homosexual marriages have not been legalized; women have not lost alimony or child support or maternity benefits or social security benefits.

These were essentially the charges against ERA circulated by its opponent in New York. They were lies, but they took hold, because all the organizations supporting ERA did not bother to come through with the money or forces needed to counter those lies. They thought it was a sure thing that ERA would win, and so they did not take the necessary steps to get out the vote in the areas of greatest support. In an offyear election in which there were few contests in New York City, there was a small turnout at the polls, and so we lost by several hundred thousand votes.

Interesting enough, continuing a national trend that favors the election of women to office, about 60% of the women who ran for various local and state offices in New York were elected, and this is a tribute to the wide acceptance of the women's movement and its basic demand that women must be allowed to participate fully in the political structures of our government.

If we have such outstanding black women in Congress as Yvonne Burke, Shirley Chisholm, Cardiss Collins and Barbara Jordan, it is because we do have a very strong and very broad women's movement that has brought to the fore women with great talent and great leadership abilities.

And we will continue to build that movement so that the many women throughout our country who have so much to contribute will continue to have an opportunity to come into leadership and to use their talents and skills for the benefit of our whole society.

Among the main goals of the women's movement are the achievement of equal pay for equal work, and equal job opportunities. And I think it is significant that black women have made some gains in these areas. For instance, since 1960 the percentage of black women in professional and technical jobs increased from six percent to 11 percent. The number of architects increased from zero to 107, the number of attorneys from 222 to 497, and the number of physicians from 487 to 1,855.

Black women in clerical jobs increased from nine percent to 22 percent, and the percentage of black women in private household work decreased from 35% to 17%.

Black women are still at the bottom of the wage earning level, but they are narrowing the wage gap with their white women counterparts. Their wages are still far too low. But the median wage for fulltime black women workers increased from $2,372 in 1969 to $4,464 in 1970, and they went from 70 percent of the wage earned by white women to 85%, and from 63% of the wage earned by minority men to 71%.

But now we are deep in a recession, the worst since the 1930's, and this is going to create problems for the women's movement. I think that fear of women taking jobs away from men was one of the hidden factors in the unfavorable ERA vote in New York. The employment gains made by minorities and women are being seriously jeopardized by the worsening economic situation.

Women and blacks, who have only recently gained access to many jobs, are too often among the first fired. Affirmative action programs are just beginning to correct the imbalance between white and black and male and female workers. As job opportunities decrease, competition for available positions becomes more in intense.

Let's face it. Most women work because they have to work. They have to support themselves. They have to supplement their husbands' inadequate earnings. Or, as heads of household, they have to support themselves and their children.

We have to ask ourselves what kind of society do we have that makes men and women compete with each other for jobs that both need? It would be tragic for all of us if women are put into the position of fighting men for fewer and fewer jobs. I believe that everyone who is ready, willing and able to work has a right to a job and we must fight for the kind of society that assures people that right.

The women's movement has been properly concerned with the status of women within a male-dominated society. Now we must enlarge our view and look at the whole society and examine very carefully whether it is organized to take care of the needs of all people, men, women and children, whether it is able to provide work for all who need work, to provide child care and decent education, to make available the kind of opportunities and human services needed for a decent life.

We have to conduct this fight in our communities, in our States, and in Congress. As you know, I have been fighting in Congress for equal job opportunities, for comprehensive child care, for the minimum wage for domestic workers (we won that one), and for the equal opportunity and full employment Act of 1976, which was developed by the black caucus.

This far-reaching proposal would guarantee that every adult American, without regard to race or sex, who is willing and able to work has a job with fair pay at all times.

The government would have the responsibility to help find a job for the person in the private sector or provide one in the government itself. This would require a fundamental change in the American economic system and result in a redistribution of the nation's wealth. We have 24 million Americans living below the poverty level, and their number is increasing. This bill would change that. It also recognizes that only under conditions of genuine full employment will it be possible to eliminate the prejudice, discrimination, and fear that has resulted in women and members of racial minorities getting the lowest paid and most menial jobs, or, no jobs at all.

With unemployment at almost 9 percent nationally, with unemployment in the ghettos, especially among young black people, at 40 percent and higher, with the Ford administration deliberately making mass unemployment an integral part of its national policy, we have a hard task ahead of us.

We are trying in Congress to enact programs that will put people back to work. But we have run into government by veto. President Ford has vetoed programs for jobs, health, education, school lunches, and now he is trying to veto an entire city. New York is in deep financial difficulty, and mostly because of economic policies made in Washington. We have high unemployment, high taxes, and high prices. We have a million people on welfare, and for those on welfare who are able to work there are no jobs. Under pressure from Washington and the banks, Mayor Beame has eliminated 35,000 jobs and is planning to eliminate another 8,000. That is going to hurt middle class blacks, because municipal government in New York is the major source of decent jobs for black people.

Some people thought that when we got rid of Nixon, we were getting rid of the threat to our democracy. But that threat still exists, and we must be aware of it.

Minority rule is entrenched in Washington under Gerald Ford. We are being governed by a non-elected President, a non-elected Vice-President, and one-third plus one vote of the House or Senate. That is all it takes to sustain a veto.

To counter these continuing attacks on our living standards, we are going to have to make sure that democracy works for us. We are going to have to continue to build and strengthen the women's movement so that it reaches out to the grass roots and convinces women who are not in organizations that we share the same goals.

We seek government that is responsive to the basic human needs of people, and not to the special interests.

We seek government that is truly democratic and open to all people, especially those who have been shut out of power.

We seek a society in which all people, of all races, men and women, can live in decency and dignity.

FOR REALISTIC DECONTROL OF OIL

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. DERWINSKI. Mr. Speaker, since the Congress is adjourning today and continuing its inaction on the energy bill as well as inaction by the House on S. 2310, the natural gas bill passed by the Senate, the editorial in the Chicago Tribune on November 7 is still quite pertinent.

The lack of realism by the majority party in Congress on the energy issue is truly working against the public interest.

The article follows:

FOR REALISTIC DECONTROL OF OIL

Any day now, Congress is expected to bring forth legislation dealing with the complex issue of oil price controls. Of course, Congress has proved that dealing with a situation doesn't necessarily mean coming to grips with it, and that's exactly what Congress is going to have to do sooner or later, sooner better than later.

Unless Congress enacts an oil price control bill which President Ford finds suitable, oil price controls will expire Nov. 15. They were extended earlier this year after the Congress and the President were unable to agree on the issue. Expiration of controls would mean that the $5.25 a barrel ceiling on "old oil," basically that from wells in production before 1972, would be removed.

Roughly 60 per cent of domestic production would be free to move to the so-called market price of about $13 a barrel, even though that price is as much a creation of the OPEC cartel as it is the market.

In the best of all possible worlds, the controls would come off as soon as possible, since the realities of the market would indicate some degree of price stability. But, unfortunately, the best of all possible worlds is not the earth's address in 1975.

The most reasonable course, it would seem, would be to phase out controls over a relatively short period of time. This would avoid the shock effect of immediate removal, even though the price impact might not be too great. The industry estimates immediate removal of controls would cost 3 to 5 cents a gallon on gasoline.

Complete removal of controls would probably lead to pressure for a "windfall profits tax" in Congress, where economic illiteracy runs every bit as rampant as in the general populace. Such a tax would be punitive primarily, preempting dollars which could be used for exploration, and likely would be more permanent than controls.

Although one man's "windfall" may be another man's "shortfall," the artificially high oil profits generated by the soaring prices during and after the Arab oil embargo in 1973 have made it popular in Congress to attack the oil industry with emotions rather than reason.

Oil prices, though, were going up even before the embargo—18 per cent in real terms between 1957 and 1973—and would have continued to go up without the embargo, though perhaps not as precipitously. But estimates of 75 cents or $1 a gallon have not materialized.

Congress can't legislate lower prices without insuring inadequate supplies for a long time. But congressmen can attack the oil industry and boast to the folks back home about how they poked their finger in the chest of the big, bad oil companies. It's popular. It takes little courage, and almost no knowledge.

It's easy to see why such an approach has appeal. People remember the frustrations surrounding the fuel crunch and have seen prices nearly double almost overnight. But finding a place to lay the blame doesn't turn turbines or power autos.

That a myth has wide circulation doesn't necessarily remove it from the realm of mythology and into reality. But preconceived notions are hard to change, especially when people don't want to change them.

The oil industry reflects the imperfections of all of society, and has no reason to be immune from criticism. But criticism should be based on something more than emotion and the industry shouldn't be a target simply because even a blindfolded marksman can hit it.

The industry's greatest sins seem to be that it is big and it is visible. Not many individuals are direct customers of other giants such as chemical or steel companies, but virtually everybody buys gasoline. Still, no one oil company commands more than 10 per cent of the American market.

There's nothing sacred about size, but there's nothing demonic about size alone, either. And in an industry with large capital requirements, it could be argued that size isn't just an advantage, but a necessity.

The oil industry has said that higher prices and profits will lead to exploration for new supplies, and so far it seems to be right. Drilling was on a steady decline from 1965 to 1971 and has turned around since then. Seismic activity, the geological groundwork which precedes actual drilling, is up even more.

Despite the increased search domestic production is down, because, like the fizz in a bottle of soda, oil fields wear out in time, making recovery more difficult. Since it takes about five years from the time new exploration starts until oil starts to flow to market, we should see the results of the push of the early 1970s within a couple of years.

Because it's in more remote areas and other costs have gone up, the new oil will be more expensive to find and will have to bring higher prices to make it economically feasible to go after. The ceiling on "old oil" has already made it uneconomic to use some advanced secondary and tertiary methods to wring the remaining oil out of the rocks of oil fields.

Congressmen who cry to break up the oil companies or legislate to keep prices artificially low may win some votes but they do a disservice to all of us by helping insure that supply problems will continue. No one likes to pay more for fuel, but it's better to have adequate supplies at a higher price than very little at bargain rates.

While Congress is busy pointing its finger at people to blame, it might point to the mirror. Two years have passed since the embargo hastened the energy crisis, and in that time the government has accomplished nothing of substance in the way of a solution.

A good start would be to enact a realistic price decontrol bill, one which reflects the realities of 1975 instead of its rhetoric.

AMERICAN PUBLIC SUPPORTS UNITED STATES-TAIWAN RELATIONS

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. LEGGETT. Mr. Speaker, as one who has been concerned for a long time with the Republic of China on Taiwan and United States relations with that country, I was most interested to see that the Gallup organization has recently completed another survey of American public opinion on United States-China policy.

I find the results of this latest Gallup poll on the subject quite noteworthy. A large majority—61 percent of those surveyed—favored our establishing diplomatic relations with the People's Republic of China. Only 23 percent oppose our having formal diplomatic relations with the Peking regime, as opposed to the current liaison offices.

An even larger majority, however, opposes our paying the price that would now be required to set up formal ties with Peking. Fully 70 percent favor our retaining formal relations with Taiwan. And only 10 percent say we should do what the People's Republic says is necessary before we can have diplomatic relations with them—that is break off relations with Taiwan.

The American public is also quite concerned about our treaty relations in Asia, and the question of their continuing value to other states. By a margin of over 2 to 1—58 percent to 25 percent—the public believes that the end of our involvement in Vietnam has caused other Asian nations to doubt the value of American treaties and guarantees.

A plurality of Americans believes, moreover, that the United States should retain its mutual defense treaty with the Republic of China. By 47 percent to 31 percent, the American people continues to accept the notion that the United States should stand by its treaty obligation to defend Taiwan in the event of an attack on the island.

At this point I would like to include in the RECORD the results of the Gallup organization's poll on United States-China policy:

1. Now that the United States has ended its involvement in Vietnam, do you think this has or has not led other Asian nations to doubt the value of American treaties and guarantees in Asia?

(Answers in percent)

Yes	58
No	25
Don't know	17

2. There has been talk of the United States establishing diplomatic relations with the People's Republic of China-Mainland China. Would you favor or oppose our establishing diplomatic relations with Mainland China?

Favor	61
Oppose	23
Don't know	16

3. We now have diplomatic relations with Nationalist China on Taiwan. Do you favor or oppose continuing formal relations with Nationalist China on Taiwan?

Favor	70
Oppose	14
Don't know	16

4. The People's Republic of China—Mainland China—insists that before the United States can establish diplomatic relations with that country, it must first break off formal relations with Nationalist China on Taiwan. Do you think the United States should or should not withdraw recognition from Nationalist China in order to establish relations with the People's Republic of China?

Should	10
Should not	70
Don't know	20

5. We now have a mutual defense treaty with Nationalist China, approved by Congress in 1954. Do you think the United States should continue to stand by this treaty to defend Nationalist China in the event of an attack?

Yes	47
No	31
Don't know	22

LEADERSHIP CONFERENCE CONDEMNS U.N. RESOLUTION

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. ADDABBO. Mr. Speaker, I have previously addressed myself to the irresponsible action of the United Nation's General Assembly on the issue of Zionism. Many other Members of this Chamber have spoken out against the blatant discriminations and anti-Israel sentiments expressed by the smaller nations of the General Assembly.

Recently I received a statement issued by the executive committee of the Leadership Conference on Civil Rights, chaired by Roy Wilkins. That document correctly portrays the U.N. action as a threat to freedom and the fight against racism everywhere in the world.

I am inserting the text of the statement by the Leadership Conference's executive committee in the RECORD at this point for the information of my colleagues and I strongly endorse that statement as a matter of principle and in the hope that the U.N. will reconsider its unwise and unworthy position on Zionism.

LEADERSHIP CONFERENCE ON
CIVIL RIGHTS,
Washington, D.C., November 4, 1975.

A STATEMENT ON THE U.N. ANTI-ZIONIST RESOLUTION BY THE EXECUTIVE COMMITTEE OF THE LEADERSHIP CONFERENCE ON CIVIL RIGHTS

The resolution of the Third Committee of the United Nations to declare Zionism "a form of racism and racial discrimination" is an appalling act.

For 26 years the 135 national civil rights, labor, religious and civic groups that make up the Leadership Conference on Civil Rights have worked to end racial discrimination in all aspects of American life. We see in the U.N. move to launch a Decade for the Elimination of Racism, an attempt that would extend a campaign such as ours throughout the world. The resolution now threatens to make a mockery of a noble idea.

We recognize Zionism, itself, as part of the long fight against racism. For more than a century it has been a movement of the Jewish people to save themselves from discrimination by establishing through peaceful means, a nation in the Middle East ready to live at peace with its neighbors. The Third Committee resolution would shamelessly distort that truth.

The Leadership Conference on Civil Rights, will continue to fight racial discrimination in the United States wherever it appears. The resolution would hurt that fight as the wild charge it embodies would hurt the fight against racism everywhere in the world.

If the resolution is approved by the General Assembly, here in the United States it is sure to foreclose Congressional approval of the U.N. Decade for the Elimination of Racism. That will be a grave setback for all who work for equality. But it will also injure the U.N. in the eyes of Americans as a forum for dealing seriously and responsibly with the world's problems.

We, the members of the Executive Committee of the Leadership Conference on Civil Rights, join in condemning the resolution and call upon the General Assembly to reject it.

TAX REDUCTION ACT OF 1975

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. MAGUIRE. Mr. Speaker, today I am introducing a bill to provide for a $50 payment to certain individuals who were not eligible for the $50 payment under the Tax Reduction Act of 1975, because they did not receive social security, railroad retirement, or SSI benefits for the month of March 1975. Primarily these are persons who were repaying benefits, because they earned above the income limitation and as a result were hurt twice: Once because they earned too much income to be eligible for their benefits and because they did not receive a check they did not qualify for the $50 payment. It is time we stopped punishing people for working to support themselves and their families and realize that the income levels are unrealistic during these times of inflation. The least capable of fighting the inflationary spiral are the low income and those on fixed income. It is time to act to relieve the present conditions and to take action on the increases which have occurred.

The Tax Reduction Act of 1975 acted to boost the economy by injecting $20 billion into the economy in the form of tax reductions to individuals, public utilities, and small businesses. The enactment of these and other provisions came at a crucial time—unemployment in January 1975 was 8.2 percent and all indicators showed the economy to be operating significantly below potential. Economists agreed that a tax reduction would mean relief to many millions facing hardships in terms of money and unused human resources. It was a gross inequity in the interpretation of the law not to allow all individuals some tax break. Many who did not originally receive the $50 payment will receive it under this bill and it will mean relief to families and individuals on limited incomes facing the hardships of daily living. Not to allow all recipients of social security, railroad retirement of SSI tax credit is to violate the very reasons for the act.

The bill is as follows:

A bill to provide for a $50 payment to certain individuals who were not eligible for the $50 payment under the Tax Reduction Act of 1975 because no social security benefits were paid to such individuals for March, 1975, by reason of excess earnings being charged to such month

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) The Secretary of the Treasury shall, at the earliest practicable date after the enactment of this Act, make a $50 payment to each individual—

(1) who was not eligible for a $50 payment under section 702 of the Tax Reduction Act of 1975; and

(2) who was not paid a monthly insurance benefit under title II of the Social Security Act for the month of March, 1975, solely by reason of deductions under section 203(b) of the Social Security Act for excess earnings charged to such month.

(b) Subsections (c) and (e) of section 702 of the Tax Reduction Act of 1975 shall apply to any payment made under subsection (a) of this Act in the same manner as if such payment were made under such section 702.

WELFARE REFORM

HON. ROBERT J. CORNELL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. CORNELL. Mr. Speaker, 10 months have passed since I became a Member of this body and during that period of time one might expect that the subject of general welfare reform would be discussed somewhere in the House of Representatives. Unfortunately, and much to my disappointment, this particular subject is rarely mentioned, and to my knowledge has not been the object of any congressional hearings or floor debate. It appears that only the American public, and not their elected officials, are really concerned about the complexities and inequities of our current welfare system. To remedy this apparent lack of concern I want to spend some time today calling to the attention of my colleagues the urgent need for a complete overhaul of the welfare system.

I am also taking this opportunity to reintroduce my Tax Credits and Allowances Act of 1975. I am especially pleased that Representatives BAUCUS, BEARD of Rhode Island, JOHN L. BURTON, PHILLIP BURTON, BURKE of California, CARR, EDGAR, HECHLER of West Virginia, MAGUIRE, MILLER of California, and SIMON have joined me in this effort. I had introduced this bill previously with Representatives BENITEZ, BROWN of California, CONYERS, JORDAN, RIEGLE, RYAN, SEIBERLING, and VANDER VEEN as cosponsors. Some of the names I just mentioned were cosponsors last year when the bill was first introduced by former Representative Martha Griffiths.

Let me briefly point out some of the major features of the Tax Credits and Allowances Act:

First. The bill eliminates the two major Federal welfare programs, food stamps and aid to dependent children, and replaces them with direct cash grants administered by the Internal Revenue Service.

Second. The bill provides a system of tax credits which are rebatable for those in the lowest-income groups and also reduces the tax burden for lower- and middle-income families.

Third. The demeaning aspects of the current welfare system are eliminated but work is encouraged by the provisions that an individual will not lose all his benefits as soon as he finds employment.

Fourth. The massive Federal bureaucracies now administering our welfare programs would be greatly reduced by the streamlined procedures—and uniform standards—of the Tax Credits and Allowances Act.

I do not question that the Federal welfare programs we have today were the responses to immediate needs of the people of this country over the past 40 years. Those who inaugurated them were unquestionably well-intentioned and dedicated leaders. The time to reevaluate these programs, however, is long overdue. Many of them are overlapping and involve considerable duplication. Each has its own particular bureaucracy to administer it at tremendous cost to the American taxpayer. Some of our neediest people—the 58-year-old widow without recent work experience or the 60-year-old man in declining health—are not eligible. Many who are eligible rightfully consider the requirements and regulations demeaning to their human dignity. Yet some find such programs preferable to and more lucrative than work.

The principle underlying the Tax Credits and Allowances Act of 1975 will go a long way to remedy these defects in our present welfare system. It is my hope that in the coming months congressional action on meaningful welfare reform will be forthcoming.

Earlier I referred to nationwide concern about the failure of Congress to act in this area. I would like to have included at the end of my remarks excerpts from some recent articles and editorials on welfare reform. I hope my colleagues will read these carefully and then join with me in sponsoring the only major welfare reform bill now before the Congress:

[Excerpt From Los Angeles Times, August 4, 1975]

EDITORIAL—A NEW WELFARE SYSTEM

More than 11 million Americans now rely on the main welfare program, Aid for Families with Dependent Children. It is a bad and wasteful system.

There is virtually no chance of saving tax money through reform, but there is ample opportunity to make more of this tremendous welfare outlay reach the poor. The system can also be made less oppressive to family dignity, less destructive of family structures, and less of a barrier to those who would like to get jobs and end their dependence on government handouts.

Each state has its own plan, with varying criteria for eligibility and varying benefits to the poor. Each state has its own administrative bureaucracy, and each collects half its benefit payments from Washington.

The plans tend to penalize people who find work. Welfare benefits are suddenly cut off when a family reaches a certain income level. This built-in incentive to avoid employment is unfair to the welfare recipient and unfair to the rest of society.

Because the programs usually give benefits to mothers with children—but not if the fathers are present—welfare encourages the least-desirable family organization. That eats away at the fabric of society, and constantly prepares new generations for dependence on welfare.

All the nation's programs for the poor rely heavily on providing specific goods and services instead of what poor people lack: money. Of course, there is a separate bureaucracy for each service offered—be it job training, housing, medical care, food or child care. That means added cost to the taxpayer. For the person in need, it means more application forms, long delays, intrusive interviews, harassment and alienation. Many of these services are needed and are of good quality. But some are wasteful or simply bad.

Programs for the poor must meet two goals. They must offer poor people an adequate living standard, and they must provide strong incentives for able people to see work.

A negative-income-tax system, combined with adjusted tax rates on low incomes, could go far toward meeting these goals without overwhelming the federal budget.

The Internal Revenue system is already in place and could handle the added load more efficiently than any other agency. But once the nation settles on a negative tax, Congress must cut taxes on low incomes enough to make work an attractive substitute for the federal tax dole.

Richard Nixon seemed to see the lure of such a program when he first offered his Family Assistance Plan in 1969. The Democratic Party espoused a similar idea in its 1972 platform. But nothing has happened except more studies and analyses, and the nation cannot afford to wait much longer.

A new system is needed now. So is a congressional effort to prune gradually away at the tangle of "service" programs for the poor, keeping only those that serve national needs effectively and efficiently.

[Excerpt from the New Republic, Oct. 4, 1975]

ALICE IN WELFARELAND

"Whom God hath joined together," warns the Bible majestically, "let no man put asunder!" Nonsense, says the $130-billion-a-year federal welfare system, we are putting tens of thousands of husbands and wives asunder every month. You can't believe it; how is it done? Simple enough, by paying a disruptive "desertion bonus" to a poor man who knows that the family gets more without him than with him.

"The subcommittee found," a House committee under Martha Griffiths reported last December, "that in July, 1972 a man with a wife and two children who worked at two dollars an hour could increase the income of his family by an average of $2158 annually by deserting them."

Yes, since 1959 the proportion of families without a father has risen 50 percent. It now constitutes a majority of poor families with children. An accident? Not according to the evidence. The arrant neglect of the male-headed families, and the poor devil of a husband trying to support his children at low wages full time "appear to have *created*" (their italics) "more female-headed families with children."

If one thing cries for reform today in Washington it is the top-heavy income security-welfare system. It is a horrifying mess. Social security faces a funding crisis; it is stretched too thin; it gives out more than it is taking in. The six-billion-dollar-a-year food stamp program with 19 million participants may have slowed down but, on the other hand, unpublished theoretical studies indicate that by next year 50 million Americans will be eligible, costing $10 billion in the Bicentennial year if they all apply (which of course they won't). There are already 62 separate aid programs and Congress keeps thinking up new gadgets for the crazy structure piecemeal, categorical goodies: housing allowances, transportation stamps for the elderly, clothing vouchers and fuel coupons for the poor—anything but cash. You can't give cash to poor people; they might know better what they need than the government. Let them have food stamps and stand in line!

[Excerpt from Christian Science Monitor, June 13, 1975]

WELFARE FAILINGS: A BASIC SOLUTION

(By Martha W. Griffiths)

The overhaul of the welfare system is one of the chief problems confronting Congress and the nation. Consideration later this year of whether to make permanent the recently enacted temporary tax cut offers an unparalleled opportunity to begin that overhaul.

Few would tolerate tax cuts earmarked only for the aged, the blind and disabled, the unemployed, and women raising children alone. Yet the vast bulk of our $142 billion in federal public welfare outlays—including welfare checks for the poor, social insurance checks, and subsidized goods and services such as food, health and housing—is concentrated on just these groups. Two-parent-working families, healthy single persons, and childless couples generally can claim only food stamp benefits, however great their need.

This creates a caste system among the poor, since aid is denied to many families and persons just as needy as those helped. It also creates a real incentive to come within the favored class. Aid to Families with Dependent Children (AFDC), for example, largely assists female-headed families. Families with a fully employed father, no matter how poor, are barred, resulting in a financial incentive for family break-up or fraud.

[Excerpt from the Washington Post, July 28, 1975]

URBAN LEAGUE HEAD URGES NEW APPROACH TO WELFARE

(By Austin Scott)

ATLANTA, July 27.—The executive director of the National Urban League said tonight that in order to create a "more just, more equal society," the nation must replace "a welfare system that destroys families, discourages work, demeans both giver and recipient, and arouses hostility and rage instead of compassion and concern."

Castigating both President Ford and the Democratic-controlled Congress for doing "nothing constructive about the economy," Vernon Jordan called for an income maintenance system similar to a negative income tax.

TRANSPORTATION PLANS FOR GRAIN SHIPMENT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. PICKLE. Mr. Speaker, several months ago when the first news about the sale of grain to Russia hit the papers, I joined others in voicing my concern. Naturally, I was alarmed about the inflationary impact sales might have, but I was even more afraid of the transportation snafu which could be caused by a lack of careful planning.

Tremendous inflationary pressures were created by the tieup of this Nation's transportation system during 1973. This was largely due to a paucity of railcars. When I raised this same question earlier this year, it seemed that both the administration and rail officials pooh-poohed this idea.

All the stories I read this summer quoted various officials as saying that there was a more than adequate number of boxcars to handle any and all grain shipments. There would be no problem.

But when I read a story reprinted in the Washington Post, datelined from the heart of the corn country, my earlier apprehension was confirmed. The story quoted the Illinois director of agriculture as saying that a shortage of railcars is causing serious complications. Once again, I call upon the administration to develop a detailed blueprint for an orderly transportation of our grain to the market.

I enclose the aforementioned article, dated November 12, 1975:

CORN OVERFLOWING BINS—BUMPER CROP RUNS RISK OF ROTTING ON GROUND

(By C. Robert Hillman)

BRADFORDTON, ILL.—For John Mavis, the elevator manager here, the 175,000 bushels of corn piled along the highway outside his office is a bumper crop only if it doesn't rot.

Like nearly a third of the 750 country elevators in Illinois, the Bradfordton Co-op has dumped corn on the ground because the silos and grain bins are bursting at their seams.

Illinois farmers have nearly finished harvesting the state's largest corn crop, some 1.2 billion bushels. Yet the bumper crop, brought in more rapidly than usual because of ideal autumn weather, has crippled the railroads' capacity to move the grain. Covered railroad hopper cars are especially scarce because many of them have been spoken for by the nation's largest grain companies.

After a flying tour of the state last week, Illinois Agriculture Director Robert Williams estimated that more than 5 million bushels of corn were heaped unprotected on the ground.

"It doesn't take a genius to figure out that, left there long enough, the corn will very simply rot," he said. Williams, himself a farmer and elevator owner near Carmi in Southern Illinois, blamed the railroads.

Much corn in this area can be trucked directly to river terminals such as Havana and Beardstown on the Illinois. But the shortage of rail cars already has diverted large amounts of grain to the trucks and barges and they now are becoming scarce.

The storage problem here is further complicated because many farmers, who have filled their bins, want to hold their corn in nearby elevators hoping the price will go up.

This year's bumper corn crop, now predicted by the Agriculture Department at 5.7 billion bushels, up 23 per cent from 1974's skimpy harvest, has driven the price down.

After nearly a week of prodding, Williams said he persuaded the Interstate Commerce Commission to order railroads to give priority in their distribution of empty rail cars to elevators with large amounts of corn on the ground.

To solve the recurring problems of a bumper crop, though, Williams said a national agricultural transportation policy must be worked out with the railroads and the federal government.

MA BELL'S ONE-MAN COMPETITOR

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. LEGGETT. Mr. Speaker, in this age of big Government and giant corporations, it is both refreshing and heartening to hear of situations where the big boy on the block faces some competition from the little guy. Perhaps few business organizations are closer to being synonomous with corporation bigness than the Bell Telephone Co. Indeed, "Ma Bell" has become a symbol for the great industrial organizations which are now a part of American economic life.

Pacific Telephone, the Bell subsidiary in my home State of California, is probably one of the biggest with 12 million subscribers and they do a job of quality. There are also 29 independent telephone companies in California. The largest of them, General Telephone in the Los Angeles area, is itself a corporate giant with 3 million subscribers. But there are 28 others, scattered among the small towns and rural areas of the State, serving 360,000 customers who otherwise would be without telephone service.

One of the smallest of these independents is located in my district. And none of them has less employees—that is, one—the Capay Valley telephone system, which is strictly a one-man operation. The owner, Andy Smith, serves 280 subscribers as everything from President to repairman to janitor from the system. This to me is a reflection of the free enterprise system which underlies American growth, but is all too seldom encountered these days.

Groth has not even escaped the Capay Valley telephone system, however. Its subscribers have more than tripled since Andy Smith bought the company 27 years ago. And it is now in need of further expansion which will require a second full-time employee. The company has applied for a $650,000 loan from the Rural Electrification Administration to upgrade service from party to private lines and increase capacity to 500 subscribers. I am hopeful that REA will see fit to approve this loan and enable Andy Smith to provide his customers a level of service which we metropolitan residents take for granted. This will permit what I find to be a classic story of American enterprise to reach a proper conclusion.

I would like to include in the Record at this point articles from the Sacramento Bee and the National Enquirer which describe this fascinating story of the little guy.

[From the Sacramento Bee, July 6, 1975]

Andy Smith Is Big Operator in Capay Valley Phone Co.

(By Walt Wiley)

For most the Bell System's giant Pacific Telephone and Telegraph is "the phone company"—but not for all Californians.

In fact, in Capay Valley the telephone company is Andy Smith.

Smith is the president, general manager, linesman, repairman, and just about everything else for Capay Valley Telephone System, Inc. He's also the only employe and lone stockholder.

The company serves 280 customers strung out along 21 miles of Highway 16 between Capay and Rumsey in pretty Capay Valley in western Yolo County.

"I hire people now and then to help out on jobs—right now I've got a high school kid running a Ditch Witch for an underground line through an orchard," said Smith as he chugged down the highway toward Rumsey one recent morning in the company's battered GMC aerial truck.

"But I'm the only full-time employe. It's not really that hard; I've been doing this long enough that most of it's in my head anyway.

"The PUC makes me keep records, of course, but I can see one of the customers and tell you his telephone number—all of them. It's a lot easier to just remember everyone's number than to have to keep running and looking in the records."

Smith said his company might be a typical small telephone company, "Except I'm sure no one has any fewer employes than this one."

He guessed a larger company operating the Capay Valley system might have three full-time workers.

Smith said he became a public utility owner when he returned from Navy duty after World War II to his native Capay Valley and learned the phone company was for sale.

"I had $28 in my pocket, so I borrowed $1,000 from my uncle for the down payment.

"The whole selling price was only $6,500, but there wasn't much here either. There were 83 customers on six lines—one line in Capay had 22 parties on it. The basic rate was $2 a month.

"It wasn't even full service; there was only an operator from seven in the morning to nine at night.

"There were the old magneto phones where you turn the crank—we went right from them to direct distince dialing when I got enough money to build up to start improving the service," Smith said.

As with everything else, that $2 rate has gone up somewhat since Smith took over. The last increase was in 1964 and Smith is now applying for another.

He got his first increase without asking for it: "After I went from Magneto to dial and made all those improvements, the State Public Utilities Commission came in and saw what I'd done and ordered a rate increase. I didn't even know enough to ask for it. The rate went from $2 a month to $3.25."

Today, the Capay Valley basic rate is $5.30; it will go to $7 if the rate increase is approved.

The book value of the company has gone up, too, to more than $200,000 from the original $6,500. Smith has applied for a $650,000 federal loan to upgrade service and allow for growth, with central office equipment for 500 numbers, all on private lines, he said.

"Right now there's a lot of 10-party lines. They all ring separately so the customers don't have to listen to a lot of extra rings on their lines, but it's still not the best.

"I'll see people down at the office using the pay phone out front when they have a phone in their house. You just never know when someone might be listening in with the 10-party lines."

He said his own house is on a four-party line.

If the federal loan comes through it will mean the end of an era for the Capay Valley Telephone System, Inc. Smith will have to hire a full-time helper.

"I'm looking right now for someone I can hire full-time who knows this central office switching equipment. It'll be too much for me to handle on my own."

As it is, he said, he spends a couple of days each month preparing bills and mailing them, and all his other time is spent looking after the system, installing phones, getting trees off lines, solving problems.

"I've had 32 days vacation in the 28 years I've owned this thing—of course, I love it this way. People say I'm always on vacation, and there's a little truth in that too. It's a good way of life."

Although small, Capay Valley is not the smallest phone company in California, though. According to the PUC, the smallest is Bryan Telephone Co. with 16 phones. And there are other tiny ones. Companies with names like William Butts Telephone Co. (140 phones), Evans Telephone (3,611) and the Volcano Telephone Co. (3,688).

Of the state's 29 independent phone companies, General Telephone in the Los Angeles Area is the giant with all but 360,000 of the three million phones owned by independents. Pacific Bell has the other 12 million. And 35 per cent of the state—unpopulated mountain and desert areas—has no telephone service at all, according to Neal Hasbrook of the California Independent Telephone Association.

"The independent companies serve half of the area in the state that has telephone service," he said. "But that's not to say the independents have half the subscribers. Except for General Telephone they are all in the small towns and rural areas."

[From the National Enquirer, Sept. 30, 1975]

He Runs Nation's Only One-Man Phone Company

(By Philip V. Brennan, Jr.)

When people in Capay, Calif, have telephone trouble, they go right to the top—they call on the owner of the telephone company.

Not that there's anyone else to call, because Andrew Smith owns what is probably the only one-man phone service in the entire U.S., the Capay Valley Telephone System, Inc.

"I know every one of my customers personally, and I know all their numbers by heart," says Smith. "I'm a walking telephone directory."

Smith—who laughingly says he does "every job from janitor to president"—bought the tiny telephone company 27 years ago, when there were 83 customers.

Now he's got 280 customers in the small town 35 miles north of San Francisco.

"If you like work, running a one-man telephone company is the thing to do," Smith advised. "The bookkeeping alone is enough to keep me busy all day. Then there's the engineering, the construction, the new phone installations, and so on.

"Heck, I never know what I'll be doing five minutes from now. I might have to hop in the truck and go put a pole back up that somebody knocked down."

Smith bought the company for $6,500 in 1948. "I had $26 in my pocket, and I had to borrow $1,000 to make the down payment," he recalled.

"Now I'm negotiating a loan of over half a million dollars for improving equipment and facilities," he said proudly.

"When I bought the company, the 83 customers were all using crank-type magneto telephones. Today we've got the same modern service as Bell Telephone, including direct distance dialing."

Gorman McMullen, public relations director for the United States Independent Telephone Association in Washington, D.C., said, "Most of these small companies are family operations but as far as we are aware, Capay Valley Telephone is unique. "It's strictly a one-man operation."

INNER-CITY SCHOOL BECOMES "MAGNET"

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. UDALL. Mr. Speaker, while the politicians of this Nation are locked in a loud, unruly confrontation over busing as a tool for school desegregation—while the hopes and fears of parents are shamelessly exploited by racist demagogues—while Congress and the executive fail to give the leadership that could end a decade of increasing frustration—the people of this country are showing that we can find a way out of this impasse.

In Tuesday's New York Times, Judith Cummings reported on one city's breakthrough in achieving integrated, quality education without fear or conflict. In Stamford, Conn., the school system and the citizens showed that imaginative, innovative programs developed by the community itself can draw the support and the participation of black and white families—and can even attract students from outlying areas to the inner city.

Ryle School in Stamford was slated to be closed until neighborhood parents protested; through their efforts, a "magnet school" featuring specialized programs has drawn students on a voluntary basis from all over the city. As the article states:

> During the last three years, Ryle has been building evidence to buttress what some social theorists have been saying: that people really don't care where or with whom their children go to school, as long as they believe they are getting a good education there.

The experience in Stamford is typical of a little noticed but significant trend in this country. There, as in many other cities, our people are showing that an integrated society can be built on respect, tolerance and human ingenuity.

This kind of approach is precisely what is envisioned by the National Educational Opportunities Act, sponsored by myself and Representatives PREYER, HAMILTON, and SYMINGTON.

It is time for the people of good will in this House and this country to get up out of the trenches and start looking for better ways, to stop placing the full burden of reducing racial isolation and polarization on the courts. I urge all of my colleagues to read this encouraging report from Stamford and to start offering leadership instead of invective, constructive ideas instead of division.

The text of the article follows:

INNER-CITY SCHOOL BECOMES "MAGNET"

(By Judith Cummings)

STAMFORD, CONN.—Instead of sending her two small sons to a local school two blocks from their home in North Stamford, Patricia Purnell, who is white, puts them on a bus every morning for a 40-minute ride to a predominantly black and Hispanic school near this city's aging center.

"It's the best school in town," Mrs. Purnell says of the Ryle School.

During the last three years, Ryle has been building evidence to buttress what some social theorists have been saying: that people really don't care where or with whom their children go to school, as long as they believe they are getting a good education there.

In the three years since Ryle became a "magnet" school with a special brand of open education, the proportion of its 360 students who are white has grown from 10 percent to 30 percent. In kindergarten through the second grade—the grades in which enrollment has been opened so far to out-of-district children—nearly half the pupils are white and other families are waiting for space to open up. Ryle's program runs to the fourth grade.

"Magnet" schools, featuring a special program or curriculum to attract students, are being tried by a growing number of urban school districts to encourage whites to remain in the public school. In New York City, they generally have not been successful in promoting racial balance.

Stamford has a desegregation plan for its 19,000 public-school pupils, but the Ryle School is an exception to it. The desegregation plan involves primarily one-way busing of minority children from downtown to schools in the north, 30 percent minority ratio of the city's pupil population.

This method is generally credited with success in achieving a racial mixture, but some blacks in this city complain that it places the burden of desegregation entirely on them, because it is mainly black children and not white ones who must travel.

"I will say what Roy Wilkins has said," said Eleanor Parks Davis, president of the local chapter of the National Association for the Advancement of Colored People. "It isn't the way we would like it, but it is a way."

When the plan was adopted by the Board of Education in 1972, one of its provisions was that Ryle and several other inner-city schools occupying old facilities be closed down. After lobbying by residents in the mostly black Waterside neighborhood, Ryle was allowed to remain open provided it adopted a special 'magnet' program and opened its doors to out-of-district children.

At that point, Frank Jerabek, Ryle's principal and a former student and later a teacher there, set out to find a new educational program for the school. What he chose, with the approval of the Board of Education, was a mode of open education developed by the Bank Street College of Education.

The program is based on the principle that the child assumes some responsibility for pursuing his interest and developing his capacities. It stresses individual instruction—with several activities going on in the classroom at once—and curriculums created out of things the child sees around him.

But Mr. Jerabek rejects a popular notion of open education as a free-wheeling milieu in which children do pretty much as they please, without defined objectives.

"These children have more responsibility than in a traditional classroom—they do learn the basics," he insists.

The old-fashioned, high-ceilinged classrooms have been transformed with bright paint, clusters of low tables, pillows and pieces of old carpeting for quiet corners. Many rooms are outfitted with high reading lofts, built by parents and local high-school students.

Walls are liberally hung with maps, charts, and comments from children on their experiences in class projects. Curriculums are integrated into "flow charts," taking a single theme and working out lessons bringing together reading, math, social studies, and other disciplines. Bank Street calls it "environmental studies"—branching out from an object or activity in the child's living environment.

Several classes this fall are using apples as a theme, and the children have cooked apples, dried and preserved them, studied the types and grades, read about such historical figures as Johnny Appleseed, and gone apple-picking—mapping the bus route, distance, and topography as they went.

Most of the 15 teachers have aides, and parents move in and out of classrooms freely, helping or just watching.

"I had a child in a suburban school," said one parent, Blanche Tremblay. "When I asked what I could do, they said 'Bring cookies.' It was so structured, if you walked into a classroom it was disruptive. Here, I read to one child and three or four others who are right there just do their own work," she said.

Shirley Patterson, like the other teachers at the school, volunteered after years of teaching in a traditional classroom to stay at Ryle and learn the Bank Street method. Now she has no desk and instead works with her third-grade pupils individually or in clusters to start them on their next task or to give help.

"It's much more work than in a structured classroom," said Mrs. Patterson, who is black, "but you can see it must be pretty good because people are busing their kids in here."

The school must accept all children applying from its neighborhood district and then can fill remaining places with others, Mr. Jerabek said. It also offers a Spanish-English program that draws students from all over Stamford.

TERRORISM BY BOMB

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. McDONALD of Georgia. Mr. Speaker, our society is being plagued by an increase of extreme forms of violence in the realms of both criminal activity and political terrorism.

The summary of bombing statistics for the first 9 months of this year compiled by the Federal Bureau of Investigation shows a shocking increase in the number of persons killed and injured and in the total number of bombing incidents over the same period in 1974. The UPI wire service story noting the figures was buried on the back pages of the New York Times on November 12th as a column filler. There was no mention of the story in the local Washington press.

The summary follows:

BOMB DEATHS RISE TO 42

WASHINGTON, Nov. 10.—The Federal Bureau of Investigation reported Monday that 42 persons were killed and 242 injured in bombing attacks in the first nine months of 1975. In the same period a year ago 18 were killed and 152 hurt. There were 1,574 attacks by bombs and incendiary devices in the United States and Puerto Rico in the 1975 period, compared with 1,484 in the 1974 period, the preliminary F.B.I. figures showed.

TRIBUTE TO RABBI A. NATHAN ABRAMOWITZ

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. WAXMAN. Mr. Speaker, in the history of our country it has always been those people who have inspired others who have been the moving forces for good. Certainly inspiration is the best persuader, and setting an example is the strongest inspiration.

Today, I would like to pay homage to a man who is setting example, who has inspired others, and who has brought about great changes for good in his career, Rabbi A. Nathan Abramowitz of Tifereth Israel Congregation, in Washington, D.C.

Rabbi Abramowitz, is this week celebrating, with his congregation, family, and friends from all over, his 15th year in the pulpit at Tifereth Israel and his 20th year in the Rabbinate.

Rabbi Abramowitz, a youthful 47, became a rabbi through a force stronger than he. One of the four children from a very observant Jewish home, he delighted his family when he graduated Phi Beta Kappa with a bachelor degree in economics from the Johns Hopkins University in 1953. He was all set for a fellowship to get his Ph. D in economics, with a career his professors assured would be a brilliant one, when something compelled him to enter the Jewish theological seminary.

It was not that he had not been interested in Jewish religion and culture before: he had studied Jewish religious music with the famous cantor, Adolph Weisgal in Baltimore, and during his summers and other vacations, he taught Jewish singing and dancing at Camp Ramah in Pennsylvania and Brandeis Camp in California. He also conducted religious services as a lay leader and led discussions on Judaism through his involvement with United Synagogues' youth.

At this seminary, his talent with young people was recognized, and he was employed by the seminary as national advisor to the Leaders Training Fellowship, an organization of the most gifted and educated young people in the conservative movement.

When he graduated from the Jewish theological seminary in 1955 he was not only ordained as a rabbi, but had a masters degree in Hebrew literature.

The summer after his graduation, Rabbi Abramowitz made the first of five trips to Israel—this holiday season will mark his sixth trip when he takes a congregational group to the Holy Land.

Then he volunteered to join the Army as a chaplain, and served 1 year in the United States in various posts, and 1 year in Germany. It was during his Army service that he met and soon married Barbara Hillson of Brookline, Mass.

When he got out of the Army in 1957, he contacted the seminary. to find a post for the Jewish high holiday in September "as far west as possible."

Finally they settled on Denver, Colo., where he stayed for 3 years. His 10-day posting had so endeared him to the members of Congregation Rodef Sholom in Denver that he was persuaded to stay on. In Denver, the Abramowitz's had their first child, David, who is now 16.

In Colorado, Rabbi Abramowitz continued active reserve duty as chaplain at Fitzsimmons Army Hospital. He continued to teach singing and dancing, and also toured the circuit in the west for the Jewish Chatauqua Society. In addition he was the captain of the only rabbi-led synagogue ski team in America, skiing with his flock every Wednesday as long as the snow lasted.

In 1960 Rabbi Abramowitz moved east rather than west in answer to another inexplicable call, and took over the pulpit at Tifereth Israel Congregation. With his congregation, he has continued to work closely with the youngsters. He pioneered an educational program in Washington by persuading 18 families to enroll their 6-year-old first graders in a 3-day a week, 6-hour a week program of religious studies with emphasis on conversational Hebrew. Up to that time the cities Jewish schools for first graders ran 2 hours a week. The program was so popular that the children themselves petitioned to continue it, and 17 of the original group of 18 stayed in the program for their entire Jewish education.

He also pioneered sleepouts in the Synagogue Sukkah during Sukkot for the entire religious school—a program that, like his school program, has since been adopted by other local synagogues.

He did not neglect his adult congregants either. In 1967 his sermon "The Drug Culture" was published in "Best Jewish Sermons of 5725–5718," coveted in the Rabbinate.

Rabbi Abramowitz was an early leader in the civil rights movement. He was a member of the Board of Neighbors, Inc., a neighborhood organization devoted to successful neighborhood integration. This organization was the first of its kind in the Nation, and its programs were successfully adopted by organizations all across the country in the ensuing years.

During the civil rights march of 1964 Rabbi Abramowitz opened synagogues to marchers to give them a place to sleep and eat. He and Mrs. Abramowitz also took some 30 children into their home during the march.

Rabbi Abramowitz is a former cochairman of the Inter Religious Committee on Race Relations. He helped to plan an in-service clergy development program through the "Metropolitan Ecumenical Training Center" where he was the first rabbi to participate.

His religious association involvements include membership on the board of the Jewish Social Service Agency, The Jewish Community Council, The Jewish Community Center, and the United Jewish Appeal. He is on the Board of Inter/Met, and the only conservative rabbi in the country to have had three intermet rabbis in training under his guidance in the past 3 years. He is a former two-term president of the Washington Board of Rabbi's, and is now treasurer of the Rabbinical Assembly of the Washington Region.

Rabbi Abramowitz's commitment to the inner city has enabled him to keep his congregation growing and getting younger members while other urban congregations have deserted to the suburbs.

Rabbi Abramowitz is also special in that he is the first Rabbi—and in fact the first non-Jesuit—to be appointed to the Department of Theology at Georgetown University. His appointment came in 1967. In 1968 he was awarded the Hyman Goldman Lectureship in Jewish studies, Georgetown's first permanent endowed lectureship in theology. He has taught a three credit course "Judaism" for the last 8 years during which time it has always been overenrolled. His students think he is "cool."

He has also taught courses in "Israel and its Bible" and "Reading from the Talmud and Midrash."

In 1974 he headed a group of students on a "Georgetown Seminarian Israel," for academic credit. His coleader was William C. McFadden, S.J., chairman of Georgetown's theology department.

Rabbi Abramowitz was also appointed to the faculty of the Jewish theological seminary as adjunct lecturer in practical rabbinics in the rabbinical department.

His sojourn in Washington has been marked by two other bright spots: the birth of his son, Daniel, now 11, and the birth of his daughter, Susie, 9.

Truly Rabbi Abramowitz can be said to represent a great example of teaching by doing, a course of inspiration and a movement to goodness for those who have come into contact with him.

I extend my heartiest congratulations to Rabbi Abramowitz on the occasion of his 20 years in the rabbinate and hope that he will be as much a source of inspiration for as many more years as he wishes.

THE PANAMA CANAL—IT'S OURS, LET'S KEEP IT

HON. ANDREW J. HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. HINSHAW. Mr. Speaker, there are those who mount extensive efforts to seriously diminish our capability to protect our vital interests throughout the world, in the interest of "getting along" with our friends and in some cases our enemies.

In recent years, we have seen our Department of Defense budget reduced each year in terms of its percentage to our national budget. We have seen unfounded attacks upon our intelligence gathering capability throughout the world. Our national economy and, indeed, the economy of the industrialized free world are reeling under attacks of product embargoes. We are constantly asked, in my view, to pay a greater than warranted share of aid to undeveloped countries. Our contribution to the United Nations budget is out of proportion to our influence and voting rights in the General Assembly; and, in recent days, we have seen the General Assembly of that body pass a highly irresponsible resolution regarding racism and Zionism.

Over the past several months, there have been discussions, negotiations and comments made relative to our continuing interest in the Panama Canal and what our future interest in the canal should be in terms of our relationship with the Panamanian Government. In an effort to more fully understand this issue, I recently undertook some research as to our acquisition of rights in the Panama Canal Zone and then summarized that research into a newsletter, which I sent to constituents in my 40th Congressional District in California. Copies of this newsletter were also sent to each Member of Congress for his or her information.

Notwithstanding this wide circulation to Members of Congress, I have been requested by several Members of the House to insert this bulletin in the CONGRESSIONAL RECORD under that section reserved for Extension of Remarks, so that the analysis would receive even wider dissemination to all those who scrutinize the CONGRESSIONAL RECORD. The newsletter, as originally written, follows:

NEW ATTEMPT AT REWRITING TREATY FOR PANAMA CANAL FACING STRONG OPPOSITION

On December 2, 1903, the Provisional Government of Panama ratified a pact titled the Convention for the Construction of a Ship Canal (the Hay-Bunau-Varilla Treaty) which gave the United States the right to build, operate, and defend a canal across the Isthmus of Panama and to exercise "in perpetuity" full sovereign rights and authority within a specified zone contiguous to the canal. Panamanian resentment of the "sovereignty" clause and what it considers other inequitable terms have made the Canal issue a major irritant in United States-Panama relations ever since. We have periodically altered provisions of the 1903 Treaty. However, the sovereignty principle has remained unchanged.

To gain a proper perspective on the festering situation, we need to go back to the original idea for the creation of a canal across the Central American Isthmus. That came in 1826 when Secretary of State Henry Clay proposed a joint undertaking for a canal across the Isthmus. Congress supported Clay's concept and requested the President in 1839 to negotiate treaties to advance the idea. Seven years later, the U.S. and New Granada (Colombia) signed the 1846 Treaty of Peace, Amity, Navigation, and Commerce. Then, in 1878, Colombia made a deal with a French company to build an interocean canal through its territory. This company collapsed in 1889. Following this, Congress passed a law in 1899 directing the President to name a commission to examine all practical routes for the construction of a ship canal across Central America. Congress enacted the Spooner Act in 1902 which authorized the President to acquire the assets of the former French canal company (the U.S. paid $40 million for them) and to acquire a specified strip of land and additional rights and territory from Colombia for the construction and operation of a ship canal.

This led to the Hay-Herran Treaty which United States and Colombia signed on January 22, 1903, granting the U.S. a 100-year lease (with option for renewal) to a specified zone of land across the Isthmus, and the exclusive right to construct, operate, and protect a ship canal. Soon after the Colombian Senate rejected this treaty.

After Colombia rejected the treaty Panamanians, many of whom had long sought an independent Panamanian nation, proclaimed their independence. As its first major action the new Panamanian government gave approval to the Hay-Bunau-Varilla Treaty, which was based substantially on the Colombian-rejected Hay-Herran Treaty. Basically it provided that:

1. United States was granted "in perpetuity the use, occupation and control" of a specified zone of land through Panamanian territory for the construction, operation, and defense of a ship canal (Article I).

2. United States was afforded "all the rights, power and authority within the zone—which the United States would possess and exercise if it were the sovereign of the territory—to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority" (Article III).

3. United States would pay Panama an initial $10 million and a yearly annuity of $250,000 (Article XIV).

Our basic interest in the Canal stemmed from our national defense need to get our Navy from the Atlantic to the Pacific Oceans without going around South America. The trip from the U.S. coast to coast around Cape Horn, at the time, took two months to cover the 13,000 miles, versus 4,500 miles if there were a Panama Canal. The U.S. construction of the Panama Canal began in 1904. It was completed ten years later at a cost to the U.S. of $387 million. The first three years were spent on surveys and controlling the yellow fever, which had, with financial problems, forced the French company to abandon its attempt to build the canal.

The territory that makes up the Canal Zone covers 553 square miles (compared to Orange County's 786 square miles). Nowadays, it takes about eight hours for a ship to transit the Canal. Six locks on each of the Atlantic and Pacific sides rise or lower ships in a step-like procedure over the continental divide. Of the traffic, 81% is commercial and petroleum products make up the highest percentage of cargo, 18.2%, with grains second, at 15.8%.

The basic 1903 treaty has been revised twice, with the sovereignty principle remaining unchanged each time. First change was in 1936, when the Hull-Alfaro Treaty cancelled U.S. guarantees of Panamanian independence from Colombia, and the right of the U.S. to intervene in certain internal Panamanian affairs. The annual U.S. payments to Panama were also increased from $250,000 to $430,000. An Eisenhower-Remon Treaty devised in 1955 transferred certain U.S. rights and properties to Panama. Annual payments to Panama from Canal toll charges were increased, this time to $1.93 million. Nor was Colombia forgotten in all this. In 1914, the year the Canal was completed, the Thomson-Urrutia Treaty provided that the U.S. compensate Colombia with $25 million for its loss of the Panama territory to the Panamanians.

Panamanian nationalist sentiment erupted in serious demonstrations in 1959 and culminated in the violent anti-United States flag riots of January 1964. That precipitated a major diplomatic crisis. Panama broke relations with the U.S. The breach was healed three months later when the U.S. and Panama agreed to work toward another revision of the 1903 Treaty. In 1967, three draft treaties were produced. They provided for joint U.S.-Panamanian control of the Canal; for joint construction of a new sea-level canal, and for U.S. defense of the old and new canals for a specified time. Neither country ratified the treaties. Strong opposition was expressed in Congress. The treaties were never submitted to the Senate for ratification. In October 1968, the new government of Panama—a dictatorship led by General Omar Torrijos Herrera—officially rejected the draft treaties.

Panama requested and the U.S. agreed to new negotiations in 1970 which have continued intermittently since that time. On February 7, 1974, Secretary of State Kissinger and Panamanian Foreign Minister Juan A. Tack signed an agreement of principles as the basis for formal negotiations. These highly controversial principles call for an entirely new treaty with a fixed termination date, ending the basic concept of perpetuity; the return to Panama of the 10-mile-wide, 40-mile-long Canal Zone; a "just and equitable" share for Panama of the financial benefits from the Canal; a role for Panama in administering the Canal during the life of the new treaty and total responsibility for its operation upon termination of the treaty; joint protection and defense of the Canal by the two nations; the rights necessary for the U.S. to regulate the flow of ships through the Canal and to operate, maintain, and defend it; and provisions for the future enlargement of the waterway.

This is my position: I am opposed to the proposals cited above. That's why almost immediately after the 94th Congress convened, I joined with other concerned Members in sponsoring legislation in support of continued undiluted United States sovereignty and jurisdiction over the U.S.-owned Canal Zone. There are 126 other Members cosponsoring this legislation. As a further expression of our opposition, we amended the State Department's appropriation bill in late June by barring it from using any of those funds to negotiate the surrender of any U.S. rights in the Panama Canal Zone. The vote was overwhelming—**246 to 164.**

Usually the House does not ratify treaty negotiations, a prerogative of the U.S. Senate. But we will in this case, because any proposed new agreement with Panama would involve turning over to Panama land that had been purchased by the U.S. Government. Article IV, Section 3, of our Constitution is clear; it states: "The Congress shall have the power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States . . ." This has been interpreted to mean that the yielding of any property paid for from appropriated funds, such as the Canal Zone, must be approved by the House as well as the Senate. The treaty itself would require only Senate ratification. Both chambers would have to act on enabling legislation.

Those voices in favor of relinquishing U.S. sovereignty over the Canal Zone argue that unless there is a change bitterness will fester throughout Latin America. They also claim the Canal is economically and militarily a "convenience" and not a necessity to the U.S. as it may have been in earlier years. I cannot agree with those postulations.

The Canal remains vital to our nation's defense and commerce. It enables our naval vessels to move easily between the Atlantic and Pacific. Along with our bases in Cuba, and Puerto Rico, the Canal forms a triangle upon which the security of the Caribbean rests. Loss of that would pose grave consequences to us. Commercially, approximately 70% of the Canal traffic either originates or terminates in U.S. ports. Any change in its status would have a major impact on coastal states with large ports and shipping interests, such as California.

To the idea that the Canal Zone "belongs" to Panama, I must respond by saying the United States purchased all privately owned land and property in the Zone. From 1904 to 1974 we have expended more than $6.8 billion for defense, operation and maintenance of the Canal Zone. It should also be noted that the Canal's operations have brought economic benefits to Panama, the result of which has been to give it the highest per capita income in Central America.

IMMORAL OBLIGATIONS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. SYMMS. Mr. Speaker, for many years the politicians in New York City have been playing the game of buying votes by spending money they did not have. This is a game which many politicians in Washington have also been playing. However, we live in a real world where everything has a real price. The time has come and is long overdue, in fact, for New York City to face reality and get its own affairs in order.

I do not want to point the finger solely at New York City, however, because the Congress of the United States has not been any more responsible itself. The time has come for us to get our own house in order. One of the most basic truths in our world is that "there's no such thing as a free lunch," and the fact that the U.S. Government has control of the printing presses that print money does not alter that fact. New York City should be a lesson in basic economics for all of us.

Several years ago one of the Nation's "leading" economists, John Kenneth Galbraith, said that New York City had no problems that could not be solved by doubling its budget. Since that time, New York has tripled its budget. We must wake up to the fact that that kind of economics simply does not work. The following article on New York City needs to be thoughtfully considered:

IMMORAL OBLIGATIONS: POLITICALLY, NEW YORK STATE IS BANKRUPT

(By Robert M. Bleiberg)

Hugh Carey, Governor of the State of New York, apparently is one of the rare Irish politicians to fall flat on his face when he tried to kiss the Blarney Stone. When the good fairies handed out the gift of gab, the ex-Congressman from Brooklyn somehow missed the roll call. Hence instead of a lilt, Governor Carey tends to speak in abrasive tones which raise the hackles, rather than the spirits, of his fellow citizens. "Federal money," he cried last month on Capitol Hill, "or federal troops." When the White House proffered neither, an "angry and combative" Governor accused the President of the United States of "hauling off and kicking the people of the City of New York in the groin." Urging his listeners, in fine rabble-rousing fashion, to "take to the streets," he added: "I'm going to fight back."

Last week, the man who (with apologies to John O'Hara) couldn't turn on the charm if he wanted to, gave another demonstration of how not to win friends and influence people. In an open letter to the head of the Federal Reserve Bank of New York, as well as to President Ford, the Governor, in order to avert an imminent default by four state agencies (the Dormitory Authority, Environmental Facilities Corp., Housing Finance Agency City union locals have erected a fence to keep and Medical Care Facilities Financing Agency), sought a 90-day, $576 million emergency loan. "I wish to stress to you," so Carey wrote Ford, "that each has an enviable record of financial soundness and prudent management. . . . Yet these agencies . . . now find themselves precluded from the investment market—a condition that has only been severely aggravated since your recent speech calling for the bankruptcy of New York City."

Whoever said "there are lies, damn lies and statistics" covered considerable ground, but in passing he might have mentioned poltical rhetoric. Even in this notoriously free-and-easy atmosphere, however—remember Kennedy's missile gap, Johnson's Great Society and Nixon's alleged devotion to conservative doctrines—one hopes for a degree of self-restraint, some contact (however tenuous) with the truth. On this score, evidently, in Albany as elsewhere, one hopes in vain. Contrary to Governor Carey's assertion, President Ford, by rejecting federal aid for New York City, did not bar the clutch of state agencies from the money market; the latter had effectively slammed the door weeks before, when sources close to the Administration were still winking and using body English to convey to reporters the inevitability of a U.S. bailout.

As to the agencies' "enviable record of financial soundness and prudent management," let's—as a former Governor of the State of New York, who must be turning over in his grave, used to say—look at the record. Significant bits and pieces are emerging from the Moreland Act Commission hearings on the collapse of the NYS Urban Development Corp. (Barron's, March 3, 1975) which began last month. Thus, John G. Heimann, Superintendent of Banks, has cited the huge and disproportionate rise in the state's and city's short-term indebtedness. In the past decade, the official observed, such debt has increased from $1.4 billion to $7.6 billion, or by nearly 450%, "more than twice as fast as in other states." Short-term debt applicable solely to New York State and its agencies surged by over 700%. At the present time, roughly one fifth of the outstanding obligations of the Housing Finance Agency, among those in serious difficulty, must be rolled over in 12 months or less. Borrowing short and lending (or investing) long, so financial annals painfully attest, is the classic way to go broke.

Mismanagement and imprudence are bad enough. However, as the Moreland Act Commission—whose principals seem wedded to the welfare state—is unaware. they scarcely scratch the surface. "We accept as given," said a deputy counsel to the Commission, "that government has chosen to address social problems," notably housing. But that mandate wasn't given—it was unscrupulously seized. Back in the Fifties, voters repeatedly turned down proposals to subsidize middle-income housing (which, by generous bureaucratic standards, today includes families with incomes upwards of $50,000 per annum), a jolting experience for the social engineers and planners who, in a successful effort to by-pass the electorate, devised such expedients as lease financing (the Albany Mall) and the so-called moral obligation. Billions of dollars of New York State bonds and notes now in danger of default were issued without taxpayers' sanction and, in the view of some legal scholars, in clear-cut violation of the state Constitution. Governor Carey is seeking financial assistance, and the Federal Reserve is charged by law with being the lender of last resort. Even the openhanded Fed, however, should think twice before advancing funds for purposes which may be immoral, illegal or both.

And beyond a doubt—as the collapse of the Urban Development Corp. suggests—costly. Before defaulting on $105 million in Bond Anticipation Notes and a $30 million bank loan last February, UDC, in barely half a decade, had issued some $1 billion in obligations (and made commitments totaling at least as much more). After frantic politicking in Albany, marked by overt pressure on commercial and savings banks, the legislature tapped a state reserve fund for $140 million; pledged—subject to approval by future lawmakers—another $80 million per year over the next 40 years; and created a bail-out body, the Project Finance Agency, to take over whatever UDC projects looked remotely viable, float securities of its own and repay the state loan. PFA wound up with 38 UDC projects, nearly half of which are now behind two or more months (five-and-one-half months on average) in their mortgage payments. Though a sale of its own obligations, rated double-A by the way, to reluctant savings banks was scheduled for mid-October, the deal has yet to come off.

What went wrong at UDC is the object of the Moreland Act Commission inquiry, which still has witnesses—notably Vice President Rockefeller, architect of the disaster—to call. Hearings to date have been provocative but inconclusive. According to Edward J. Logue, former head of UDC, neither he nor his agency is to blame. "In seven years," he testified, "UDC's record at the state level is one of unparalleled accomplishment." Specifically, he boasted of having improved the lot of 33,000 New York families (at perhaps $40,000 apiece); with the help of a $30,000 gift from ex-Governor Rockefeller, and a $135,000 loan, Mr. Logue was able to acquire a cooperative apartment on East End Avenue, thereby nicely meeting his own housing needs. Logue went on to lay the onus for the collapse at the banker's door. Other observers, notably a partner of Touche, Ross, certified public accountants, took a different view. Financial planning at UDC, he testified, was haphazard to the point where the agency committed itself to spend huge sums it wasn't sure it could raise, and lent money below its own cost of borrowing. Be that as it may, in mid-November, as the money was running out and the house of cards was about to collapse, UDC went public with a $6 billion, 10-year blueprint—hailed for its innovativeness and daring by The New York Times—to rebuild Harlem.

On UDC, Edward Logue makes a doubtful witness. However, his comments on other state agencies—in comparison to which he sought to make his own look good—strike us as perceptive. For example, the Battery Park City Authority ($200 million in outstanding securities) "is a single purpose public benefit corporation which has and will have serious continuing financial problems." As to the state Mitchell-Lama (subsidized middle-income housing) program, run by the hard-pressed $5 billion Housing Finance Agency, "(it) was subject to serious cost escalations because of processing delays and from time to time cost over-runs. Prolonged use of short-term financing necessitated a frequent rollover, exposing the projected stream of revenues fully to the wild swings of the last two years in the marketplace." While blind to the mote in his own eye, Mr. Logue is keenly aware of the Beame in his neighbor's.

So is his staff. In a recent paper on rent control—no reference to the ravages of which appears in either Mr. Logue's testimony or, so far as we can tell, anywhere else in the Moreland Act Commission proceedings—Frank Kristof, UDC housing economics director and well-known authority in the field, flatly stated: "It has been estimated that some 15% to 20% of all city Mitchell-Lama occupants are over-income and are avoiding surcharges for which they become liable. . . . Thus we have the spectacle of about $30 million of subsidy going to middle income tenants, about half of whom are paying 15% of their income or less for rent and many of whom are cheating on surcharge obligations . . ." From recent circulars, it's also evident that Mitchell-Lama housing, rental units and co-ops alike, is available to families with income of $50,000–$60,000 per year. Talk of robbing Peter to pay Paul.

Politicians—and public housing fanatics—may shrug off such strictures, but voters don't. Of three referenda on Mitchell-Lama housing in the Fifties, one was rejected and two just squeaked through. On Election Day last week, a proposed $250 million program to subsidize shelter for the elderly went down to defeat by a 2-to-1 margin. In their zeal, the state's do-gooders, headed by the ex-Governor, haven't blinked at riding roughshod over the will of the people. In the process, they also have surely flouted the intent, if not the letter, of the law. New York State's constitution flatly prohibits the issuance of debt unless legislation authorizing it "shall, at a general election, have been submitted to the people and have received a majority of all the votes cast. . . ."

Despite claims to the contrary, only one court test of the legality of the moral obligation has been brought in New York State none of the lease financing scheme by which the state incurred a billion-dollar obligation for the Empire State Plaza—the Albany Mall. Plaintiff—Leon E. Wein, assistant professor of law at the Brooklyn Law School—lost 4–3 in the Court of Appeals and is pressing a related case before the same tribunal. In his view (and that of an associate, William J. Quirk, law professor at the University of South Carolina): "Former Governor Rockefeller, advised by John Mitchell and assisted by a compliant legislature, has illegally borrowed almost seven billion dollars on the credit of the State. The people have not approved these projects. The Constitution's requirement of a voter referendum has been evaded." Messrs. Quick and Wein may or may not prevail before the bar of justice, but the significance of what they say looms large. Like New York City, the State of New York has been alarmingly misruled. Whether or not it succeeds in paying its bills, with or without the help of the Fed, its government is bankrupt.

NEW YORK CITY A BAILOUT

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. WYLIE. Mr. Speaker, I commend to the attention of my colleagues a letter I have received from Mr. William M. Harmon, a constituent of mine, which injects another position concerning a Federal bailout of New York City. The letter reads as follows:

DEAR CONGRESSMAN WYLIE: The company I work for has traditionally been a union shop. We sign a standard contract with the Sheet Metal Workers International Association. This contract is a nationwide agreement EXCEPT in New York City. We have never been able to sell any of our products in New York City simply because the New York City union locals have erected a fence to keep products out that are not made within the city.

So, although our firm's business is largely dependent on high rise buildings, we have never been able to sell any part of the New York City skyscraper construction because of the union actions.

Luckily, the rest of the country is large enough to form an adequate market so we have never had to do any of the things necessary for outside firms to do business in New York City. New York City didn't want us and we didn't need the New York City business.

This business background is provided so you can better understand my position about not wanting even 5c of my tax money to go to New York City to continue the support in the style they have been accustomed.

Yours very truly,

WILLIAM M. HARMON.

ALBANIAN INDEPENDENCE

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. DELANEY. Mr. Speaker, next Friday, November 28, marks the 63d anniversary of the independence of Albania, a Balkan country that has never enjoyed more than a brief taste of freedom.

Albania is one of the smallest nations in Europe, yet the courage and perseverance of her people are truly great.

Her national hero, Skanderbeg, overcame superior Turkish forces in 1443 to establish her freedom, but it lasted only until 1478, and from then until 1912 she was never completely free.

In September 1912, after repeated uprisings, the Albanian people were finally granted a measure of autonomy by their Turkish conquerors. One month later the First Balkan War broke out when Bulgaria, Greece, Montenegro,, and Serbia invaded the Balkan Ottoman. Finally, on November 28, 1912, at the height of war, a provisional government was established and Ismael Kemal was able to proclaim Albanian independence from the Empire.

Despite secret agreements by certain Allied Powers during World War I, which envisaged dismemberment, Albania was reconfirmed as a sovereign and independent state by the Paris Peace Conference—largely as a result of the efforts of Woodrow Wilson. In 1920, she was admitted to the League of Nations and at Lushnje on January 21, 1920, a new constitution provided her people the greatest degree of political freedom in their history.

Then, in 1939, Mussolini invaded. Following Italian surrender in 1943, Nazi troops took over the occupation. And as the Germans retreated from the Balkans in 1944, the Communist-led "National Liberation Front" decimated smaller, non-Communist resistance groups. Through subterfuge and violence they took control of the country on November 29, 1944, and established the dictatorship which has ruled ever since.

Ordinarily a day such as November 28 would be a day for rejoicing, an occasion for celebrating the anniversary of the birth of a nation, a day for recognizing contributions of patriots to the cause of freedom and of dedication and renewed inspiration. But, Mr. Speaker, it is not Rather, it is a solemn reminder, a symbol of the dream of freedom which flickers within the heart of a captive nation.

Albanians are a deeply religious people. Prior to the Communist takeover most had been followers of Islam. The Christians within the country can trace their origins directly to the missionary activities of Christ's Apostles in the first century A.D. Mr. Speaker, all religious institutions have been abolished, as have all other liberties, by the Red Chinese-dominated regime. In 1967 puppet dictators proclaimed their state the "first atheist state in the world."

Despite such oppression, despite repeated attempts at brainwashing, the Albanian people will never allow their rich heritage to be submerged. The United States does not now recognize and has no diplomatic or consular relations with the present government. May God speed the day when Albania will once again join the free nations of the world and we can in good conscience recognize her chosen leaders.

NEW YORK HISPANIC COMMUNITY DECRIES U.N. RESOLUTION

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. BADILLO. Mr. Speaker, I am pleased to submit an editorial that appeared in El Diario, New York's leading Spanish language newspaper, on November 14. The editorial truly reflects the anger felt by New York's Hispanic community at the atrocity committed at the United Nations last week:

INFAMOUS RESOLUTION

The war to save the world from Hitler produced the United Nations and the reborn state of Israel. The U.N. and Zionism were partners in responding to the most atrocious racist extermination in history. The U.N. authorized the creation of Israel; the Zionist movement created Israel.

Now the U.N. has passed a resolution that denounced Zionism, and thus part of its own heritage, as "racist" and applies the same term to survivors of that extermination. This resolution has been approved by the Social, Humanitarian and Cultural Committee, a Committee whose work must hereafter be viewed on the basis of this judgement.

The issue presented to the General Assembly by this resolution is whether an organization formed to protect human rights can vote to make group hatred respectable without subverting itself.

Nothing the General Assembly does can make group hatred respectable. But it is a tragedy that the machinations of Left-and-Right-wing dictatorships have reduced the U.N. to voting on whether to mock its own Charter and the teaching of all great religions. Although this resolution is a time bomb aimed at Israel and world Jewry, the explosion may do more damage to the U.N. itself, for the real assault is on world morality and rationality.

The rally in New York City was called to defend Israel, Zionism, and all victims of racism against organized slander. But it was also a rally to defend the Charter of the United Nations against those who would destroy it if they can't pervert it; to defend the hopes of everyone who has worked over the centuries to build a peaceful world community, and to defend language itself against those who would deprive words of meaning.

These votes are a mockery of simple justice and a cruel distortion of a historic fact, representing nothing more than the power of the anti-Semitic juggernaut in the United Nations which is becoming a willing tool in the Arab campaign against not only Zionism but against legitimacy of the State of Israel.

We are pleased that both houses of Congress unanimously adopted resolutions calling for a reassessment of American relationship to the world body and condemning the vote.

El Diario-La Prensa feels there has got to be a fundamental reappraisal of the structures for carrying out international business in such a way that the important action programs in peace-keeping, arms control, food, energy, trade, resources, population, get extricated from what has become a meaningless propaganda forum. And the time is now.

LATVIAN INDEPENDENCE

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. WHALEN. Mr. Speaker, I am pleased to join with so many of my colleagues in commemorating the 57th anniversary of the Latvian Declaration of Independence.

On this date in 1918, Latvia proclaimed itself an independent democratic republic. After a 2-year war of liberation, this small country witnessed in 1920 a Soviet renunciation "forever" of any claims to Latvian territory and a pledge to respect her status as a sovereign nation.

That commitment was short lived. Twenty years later the U.S.S.R. occupied Latvia, Lithuania, and Estonia and the three Baltic States were dragged from the company of the free world into the shadow of the Iron Curtain. There those three countries remain today, steadfastly resisting the gross attempts at Russification the Soviets have attempted so blatantly and consistently throughout Eastern Europe.

The United States does not recognize the forcible annexation of the Baltic States by the Soviet Union despite attempts by the Russian Government to construe our position otherwise as a result of the Helsinki Agreement. As a cosponsor of House Resolution 864 reiterating our continuing recognition of Latvia, Lithuania, and Estonia as free and independent nations rather than captive vassals of the Soviet Union, I am honored to participate in today's observance of Latvian Independence Day. As we approach the 200th observance of our own Declaration of Independence, we find our feelings of joy tempered by those of sorrow for Latvia and the other countries of East and Central Europe who presently are prevented from exercising the rights of freedom and self-determination. Our thoughts remain with them.

HUDSON HIGH SETS A NEW NATIONAL RECORD

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1975

Mr. GRIFFIN. Mr. President, the people of my State are intensely proud of Hudson High School and the entire Hudson community where championship football teams are produced year after year. Last Saturday, Hudson High won over Hackett High School of Kalamazoo, and thereby established a new national record—for that was the 73d consecutive victory for Hudson High football teams.

Hudson High has not lost a football contest since the opening game of the 1968 season.

The game that Hudson High won last weekend attracted coverage by major television networks, the Nation's top sports reporters, and film cameras of the National Football League. But the national spotlight did not affect the poise of Hudson High's team, their spirit never lagged, and their winning streak remained intact.

So, it is no wonder that the whole State of Michigan is bursting with pride. These days as football fans throughout the Nation recognize and salute the remarkable achievements of this remarkable community, its outstanding football team and its great coach, Tom Saylor.

Sportswriter Vern Plagenhoef captured some of the spirit and drama of last weekend as Hudson won its 72d straight game. I ask that two of his articles which appeared in the Grand Rapids Press be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Hudson Wins as World Watches

(By Vern Plagenhoef)

"Will next week be anti-climactic?" asked Hudson High School football coach Tom Saylor, repeating a reporter's question.

"I thought this week was anti-climactic."

That, apparently, is the attitude when you're conditioned to winning, and no one, but no one, is more accustomed to winning right now than Saylor's Hudson Tigers.

With the whole world watching, Hudson established the imposing record of 72 consecutive football victories—25 more than Oklahoma registered from 1952–57—by defeating Kalamazoo Hackett, 24–14, in a state Class C semifinal playoff game played Saturday before an overflow crowd of 10,500 at Houseman Field.

Hudson now advances to the Class C championship game next Saturday in Mount Pleasant, meeting Ishpeming, a 32–6 winner over Portland. Ishpeming will carry a 9–1 record into the game.

Last Friday, Hudson tied the record of 71 straight victories established by Jefferson City, Mo. from 1958–66. The Tigers reached the record book with a 24–6 win over Class B Hillsdale.

If one ever expected the Tigers' immunity to pressure to wane, Saturday was the day because the entire country converged on Grand Rapids to see what made the Tigers tick.

Sports Illustrated came . . . NFL films was here . . . CBS . . . NBC . . . The New York Times. Obviously, it wasn't an ordinary Saturday in Grand Rapids. But, then, Hudson isn't an ordinary team.

"You can't get me to talk about one kid," said Saylor, in tribute to the remarkable poise exhibited by his Tigers. "How can you forget the touchdown run by Terry Carr, or the interceptions by Tim Decker and Mark Luma and Dan Salamin? How can you forget our offensive line? I thought they were really quick off the ball."

It was the quickness of that offensive line in the first half, and the ability to produce key defensive plays in the second half which carried Hudson past Hackett, a team which was rated a strong chance to end the Tigers' streak after having lost only to Jackson Lumen Chriti during the regular season.

In that game, the Irish of Hackett had two lost fumbles converted into touchdowns, and Saturday mistakes again plagued Coach Dick Soisson's club.

"We made tremendous mistakes early that gave them awful good field position, and then later we had a key first down to make . . . and didn't make it."

Hackett's first mistake—a fumble by Frank Kent on the initial play from scrimmage—was recovered by defensive end John Barrett on the Irish 33. Eight methodical plays later, Hudson's senior halfback Greg Gutierrez dove one yard for the score and, after Luma powered in for the two-point conversion, Hudson was on top for keeps.

That fumble set the tone for the entire first half as Hudson demonstrated ball control football to build a secure 24–6 halftime advantage.

The Tigers ran twice as many plays as Hackett in that first half, running up a 22 to 5 edge in the first quarter, and showed good resiliency by springing back from a 76-yard touchdown pass from Hackett quarterback Andy Koestner to wide receiver Lonnie Henegar.

The two-point conversion attempt, however, failed when Scott Kingsley stopped Kent just short of the goal-line.

Hudson came right back to march 70 yards in 11 plays with Gutierrez scoring his second touchdown on a 13-yard burst around left end . . . compliments of a crushing block by reserve halfback Terry Camp.

An interception by Luma set the stage for the final Hudson points, a 56-yard dash by Carr, who left tacklers strewn in his path.

Hackett dominated the second half and scored on its first possession. Fullback Jeff Rubleski capped the 43-yard march with a 5-yard run, and Vic Majden's run for two points brought the score to its final count.

But not before some hectic moments for Hudson followers.

The "key play" Soisson referred to occurred late in the third quarter when Hackett faced a fourth-and-one on Hudson's 38.

The Irish sent Kent into the line, but senior tackle Keith Milliman rose up and slapped down Kent with some assistance from linebacker Chris Monahan.

Midway through the final quarter, after Hackett had advanced to Hudson's 26 primarily due to a 37-yard flea flicker play from Koestner to Henegar to Tom Edel, Decker picked off a look-in pass to resolve the issue.

Hudson finished with 278 total yards, all on the ground and 200 in the first half. Carr paced the ground game with 138 yards in 25 carries, while Gutierrez added 70 in 17 tries and Luma 65 in 12.

Rubleski accounted for 55 of Hackett's 145 rushing yards, and Koestner three for 113 more, but was intercepted three times.

Little remains for Hudson to accomplish, except to claim the first competitive football championship in Michigan history.

Soisson feels the chances are good. "I don't know who they'll meet in Mount Pleasant next week," he said, before learning the outcome of the Portland-Ishpeming game. "But whoever it is is in for one heckuva game."

As for the Tigers' perspective, Salamin put it quite well.

After intercepting a pass in the game's final minute, Hudson's all-purpose player limped to the sidelines with a charley horse.

"How does it feel," asked a teammate.

"Who cares how it feels," replied Salamin. "We're national champs!"

SUCCESS STORY WRITTEN ON SOUND BLOCKING

(By Vern Plagenhoef)

Three fruitless second half possessions had failed to produce a single first down, and Hudson offensive center John Miler was getting restless on the sidelines as Kalamazoo Hackett got rolling on the playing field.

"This is getting too close," remarked Miler to an offensive linemate. "We've got to get moving the next time we get the ball."

On the next ball possession Mark Luma raced for 13 yards and Hudson proceeded to kill four of the remaining seven minutes on the clock. That helped preserve the Tigers' 24–14 Class C state semifinal football playoff victory over Hackett and their record-breaking 72nd consecutive victory in a game played Saturday at Houseman Field.

In the mania which ensued, Hudson Coach Tom Saylor stuck to his philosophy of praising the team, rather than individuals. In the process, of course, he left resourceful writers groping to pinpoint the reason why Hudson—basic, fundamentally-honed Hudson—has won football games since the beginning of time.

And while those reasons are multiple, it seems appropriate that one of the major causes for all this simplistic success is a relatively overlooked but necessary function—blocking.

"From end to end, this year's line is the best overall that we've had during the winning streak," remarked offensive line coach Ray Curran. "We've had better individuals in the past, but never such an overall sound line."

Hackett will vouch for that.

The Hudson interior line of Miler, guards Dale Miller and Paul Stoyk and tackles Keith Milliman and Bob Hackett repeatedly carved holes in Hackett's defensive front to the tune of 200 yards in 33 rushes and a 24–6 lead by halftime.

The Tigers may be only Class C, but few teams get off the ball in unison and as quickly as Hudson. The results are obvious—a ball control attack which is remindful in style of many of the most successful major college teams.

"It's a traditional thing with us," said Curran. "The kids take a lot of pride in getting off the ball ahead of the defensive team.

"We work at the quickness all year round. In the off-season, it's some weight lifting, but mostly quickness drills, a lot of wind sprints and that sort of stuff.

"When our line fires out like it did today, it sure puts a lot of pressure on the defense. I think it really surprised Hackett that our backs got to the holes as quickly as they did, too," added Curran, emphasizing that he felt Houseman's artificial surface amplified Hudson's superior quickness.

Ask the kids what it's all about, and they sound like a Curran echo.

"Our line works real hard to come off that ball," said Miller. "We all put our hearts into it."

"We work hard in practice to get off the ball fast. Mainly it's timing. The coaches want us to stick them with the first hit, and they stress quickness."

If quickness isn't enough, a keen football instinct doesn't hurt.

"These kids are smart," commented Curran. "We drill them against every conceivable defense alignment, so that they're not fooled by anything the other team does. They make their own blocking adjustments right during the game."

Next Saturday, Hudson will meet Ishpeming for the first competitive high school football title in state history.

Despite this national notoriety, head coach Tom Saylor thirsts for another first . . . he actually wants Hudson's game completed before the others so the Tigers can be crowned the first champs.

"They probably won't throw the ball, just to get the game over quickly," remarked Hackett Coach Dick Soissan, kiddingly.

Why should they?

An interesting anecdote to Saturday's session in history is the fact that Saylor had never before coached a term in the afternoon or on Saturday.

"I decided we would bus here Saturday morning instead of Friday night," said Saylor. "A former coach of mine, Pat Connors (now at Tecumseh) once told me to do what I think is right and never look back.

"The only thing we did differently today was to eat steak and eggs, rather than pot pies," he added, with a chuckle.

"Tonight we're staying in Grand Rapids, and I think the boys will enjoy it a little more than if we had stayed last night."

REAL ESTATE AND SETTLEMENT ACT

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. RUPPE. Mr. Speaker, in recent weeks I have been contacted by a number of northern Michigan residents who have expressed deep concern over the Real Estate and Settlement Procedures Act of 1974. This legislation was originally intended to help prospective homeowners by minimizing unnecessary costs and difficulties in purchasing housing. Admirable as it may have seemed in theory, when it went into effect last June, it created infinitely more problems than it solved, and imposed incredible amounts of paperwork and delay on all the parties involved. Wrote one 11th District constituent:

> In my opinion, it has had the opposite effect of what it was intended . . . many lenders have now curtailed real estate loans because of the red tape involved now in making them.

One example of a problem which has been created by RESPA is section 6 which calls for advance disclosure of settlement costs. The form which is used to comply with this section is several pages long, requires hours to fill out, and affords a minimum return of understandable information for the consumer. Originally, this section was intended to permit the purchaser to shop around for fixed settlement charges, but many are already set, and there is not much of a meaningful cost difference. In addition, the costs of filling out the paperwork are passed on to the consumer. It has been estimated that the time between loan applications and settlement has been increased 11 days by this action. In addition, there is too much vagueness in the regulations and causes differing interpretations, which in turn makes it difficult to comply with.

In response to the numerous complaints which have arisen, the Congress has quickly moved to act to give relief from the most onerous provisions. Final conference action on this legislation cannot come quickly enough. The Government must learn that Federal intrusion into our lives will not always mean that the individual citizen will benefit. RESPA must be rethought by all the parties involved—the consumer, banks, real estate agents, title insurance companies, attorneys, and builders—so that all parties will be protected from penalties or harm which result from excessive regulation of our lives by the Government.

AN INDIGNANT OBSERVER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. DERWINSKI. Mr. Speaker, since our friends in the fourth estate are especially vigorous these days penetrating Government secrecy and also challenging violations of confidentiality when that principle applies, an article by Vermont Royster in the Wall Street Journal of November 6 takes on substantial significance. The issue basically is the role of the media in protecting privacy when, for their purposes, they have pledged to do so.

AN INDIGNANT OBSERVER

(By Vermont Royster)

That was truly a remarkable letter in last week's National Observer, not this time a letter to the editor but a letter from the editor.

It wasn't, that is, the familiar kind of letter from a reader irate at something The National Observer had done but a letter to the readers from editor Henry Gemmill, irate at something his National Observer had done. Plainly, he was as he said, stunned and angry.

"I've discovered," Mr. Gemmill wrote in a six column combination expose and apology, "that my own publication, the Observer, has employed what I regard as slick trickery in dealing with some of its own subscribers—readers willing to extend themselves in being helpful."

As things go these days in the world of politics, government, business or journalism the kind of "trickery" that raised Mr. Gemmill's ire may seem to many people rather trivial. Nobody was defrauded, nobody was hurt. That, indeed, is what makes Mr. Gemmill's indignation so remarkable—and worthy of some note.

To summarize briefly:

Earlier this year The National Observer, a sister publication of The Wall Street Journal in the Dow Jones family, decided to send out a questionnaire to find out a little bit about its readers, their occupations, their interests and their attitudes towards the weekly publication.

The readers were asked, for instance, what topics in the paper interested them particularly, how much time they spent reading it, how many other people in their households might share the paper. Other questions covered such things as the readers' social and civic activities, whether they belonged to the PTA, a garden club, a church group or a hobby club.

All harmless questions, all strictly routine, the sort of questions asked in marketing surveys for all manner of consumer goods, including newspapers and magazines.

In the case of publications the answers are not only useful to circulation managers trying to locate suitable subscriber prospects and to advertising managers trying to provide potential advertisers with information about the kind of audience the publication offers. The answers are also valuable to the editors who want to know what kind of audience they have in order to serve them better.

About the worst thing that could be said about the questionnaire itself is that, being so lengthy, it asked a lot of the readers' patience. But that apparently didn't bother the Observer's readers; a startling 70% of them filled it out and mailed it back.

So far, no problem. However the questionnaire was prominently marked "confidential" and no reader was asked to sign it or otherwise identify himself. It was explained that while each individual reply would be confidential, combining all the replies would give a composite picture of all subscribers.

But unknown to Mr. Gemmill, who had endorsed the project and personally urged readers to reply, the form distributed by Erdos and Morgan, an independent research firm, had a number on it in invisible ink which did identify each respondent. It could be read by placing it under ultraviolet light.

This meant that the research firm, or the Observer's business executives who were aware of it, could if they chose penetrate the anonymity and identify any particular reply by name and address.

It turned out that nobody went to that trouble, as Mr. Gemmill learned when having discovered it he assigned one of his own investigative reporters to investigate what was going on. Even if anyone had, nobody's dark secrets would have been revealed; the questions weren't that kind. So looking at it one way, I suppose you could put it all down as a bit of harmless deceit and wonder why Mr. Gemmill got so exercised.

As it turned out, not everybody was so exercised. For the investigation disclosed that just about everybody's done it—Time, Fortune, Saturday Review, New York Magazine, Newsweek, Forbes, Business Week, some using the same invisible ink, others different ways of secretly identifying "confidential" questionnaire returns.

"It's a common practice," so says Time's director of research. "As far as I'm concerned it's a fairly standard operating procedure," says a spokesman for Forbes. The president of Erdos and Morgan says it's "an accepted practice being done for all publications."

That being so, why should Mr. Gemmill be indignant about it? Let him explain:

"It seems to me a sad thing that even one contact between this publication and a fraction of its readers should get mixed up with the melodrama of clandestine coding in invisible ink. In this post-Watergate era, after CIA, FBI, IRS, and plenty of other scandals, lots of Americans have developed quite an allergy to surreptitious invasion of privacy. And in my personal opinion they are dead right."

He is dead right, and the reason has nothing to do with whether anyone was harmed or could be by being identified in so innocent a questionnaire. He is right because to imply to people what they say will be anonymous, and then to arrange that it will not be, is deceit. It is the deceit and not the result of it that is wrong.

Without doubt this is a trivial example of it. Unhappily, though, we live in an age when technology threatens to take from us the remnants of our privacy, with too many examples of deceit about the privacy of our tax returns, our personal mail, our private telephone calls. So every example, however trivial, subtracts its mite from our sense of trust.

I began this by saying Mr. Gemmill's letter to his readers was remarkable. It was so not only for what it reveals about the practice of secret coding but for the fact that it was written and published at all.

Discovering an embarrassment, no stonewalling, no devious dodging, no convoluted excuses. Even about itself the Observer told it like it was. Speaks well for both Henry Gemmill and his newspaper.

WASHINGTON POST EDITORIAL: THE FAILURE OF OIL POLICY

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. JONES of Oklahoma. Mr. Speaker, I would like to bring to the attention of my colleagues the Washington Post editorial of November 19, 1975, entitled "The Failure of Oil Policy."

This editorial accurately indicates that S. 622, the Energy Policy and Conservation Act, as reported out of conference, "is a botched job."

The Post has joined other major newspapers, including the New York Times, in devastating the bill with a critical analysis of its long-term consequences.

I hope that my colleagues will not only read the insightful editorial below, but will return from the Thanksgiving recess committed to a realistic energy bill in the best interests of this Nation.

The editorial follows:

[From the Washington Post, Nov. 19, 1975]

THE FAILURE OF OIL POLICY

The oil bill finally produced by the long House-Senate conference is a botched job. The President is now trying to decide whether to sign it. Between them, Congress and Mr. Ford are collaborating in a self-portrait of a government beside itself with frustration and confusion.

The dilemma is one with which the United States has been struggling continuously but ineffectually for the past two years. Rising prices of oil outrage the voters, but rolling prices back down increases consumption and that in turn means importing more oil from the Arabs. There are legions of economists with answers to the technical issues, but there doesn't seem to be anyone in Washington with a solution to the basic political question. The new oil bill is a disingenuous straddle. It proposes to force prices down now, before the election, and let the President raise them later if he dares. As an example of political maneuver at its narrowest and least useful, it bears a strong resemblance to the President's proposal to cut taxes next January while leaving the corresponding budget cuts until next fall. Congress is in a position to block the worst features of the President's fiscal plan. But the oil bill, unfortunately, may shortly become law.

The worst aspect of this rollback in oil prices is the dangerously misleading signal that it sends to American consumers. Rising prices warned them of the necessity to save fuel, and they have taken the warning seriously. A falling price says that the squeeze is over, and the country can return to its wasteful old ways. Just when the American automobile companies at last have begun to produce efficient small cars in quantity, Congress swings around and promises drivers cheaper gas. Fuel conservation is crucial to the economic health of this country, and to undercut conservation with a price rollback is pure irresponsibility.

This broad bill covers many topics, from automobile fuel standards to a silly plan to pay the states to promote conservation. It lacks, unaccountably, one extremely important safeguard—the strategic petroleum reserve to carry the country through another embargo. But the heart of the bill is its oil pricing formula. It is inordinately complex, and Congress has deliberately built a very high degree of uncertainty into it. Under the present rules two barrels of identical oil sell at different prices, one more than twice as much as the other, if one comes from a controlled pre-1973 well and the other does not. Under the new bill there will have to be at least three prices for oil, and maybe as many as four or five. The bill specifies only an average price, and leaves it up to the President to figure out a way to reconcile the various different categories of controls to it.

Whose fault is this botch? A good deal of it belongs, unhappily, to the White House. Congress is poorly adapted to design comprehensive legislation on a subject that is both unfamiliar and bitterly disputed. The White House knows very well the kind of questions and accusations that confront Congressmen in the regions of the country that consume oil: Isn't the gasoline price rise just another rip-off by the monopolies? If the rise was justified, why did the companies make so much money during the Arab embargo? If we decontrol, doesn't that merely invite OPEC to raise prices through the roof and throw the whole economy back into recession? The administration's energy policy is failing because it has never managed to persuade the country that it has any answers to those questions. It has never seriously addressed the threat that decontrol legislation poses to representatives and senators from the North and East. The White House has never found a way to write a decontrol bill that would not leave them open to charges of selling out to the oil industry. That is why the administration keeps losing vote after vote in Congress.

Now the President has to make up his mind what to do with the bill. If he is prepared to propose quite a different kind of legislation, in which the public benefits would be explicit, then perhaps it would be worth risking a veto despite the spate of name-calling that would ensue, and the possibility of being overturned. This kind of legislation might usefully adopt two key principles. It might tie decontrol directly to increased production. To get exemption for a barrel of oil under price controls, for example, a producer might be required to bring in a barrel of new production—anywhere in the United States, but not abroad. If the industry wants to get out of controls, let it drill its way out. There is already a precedent for this kind of rule, in a small way, in the present regulations. The second necessary principle is a guarantee that decontrol will not increase profits per barrel of oil. Enforcement of this provision probably requires a confiscatory windfall tax on profits that rise faster than production. Windfall profit taxes are dubious in concept and the industry will not care for the idea. But it must be evident even to the oil men that there will be no decontrol without a firm safegaurd against another surge of profits.

If the President is not prepared to change direction and go after this kind of bill, he would do better to sign the present one and be done with it. There is no point in prolonging the present stale and tedious controversy. The whole history of this legislation suggests that there is little hope of coherent and competent energy legislation before January 1977, when an elected President and a new Congress will take office.

OSHA SHOULD FOLLOW RULES AND REGULATIONS, NOT MAKE THEM

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. HAGEDORN. Mr. Speaker, a recent news story emerging from Minnesota brings to mind once again the single-minded determination of Federal bureaucracies to pursue to a dead end their own rules and regulations with complete disregard for the social consequences of their actions. Presumably, it is considered outside their authority to concern themselves with these matters. In this case, not surprisingly, the Occupational Safety and Health Administration—OSHA—is the culprit. Although I strongly supported H.R. 8618 earlier this week, a bill to provide additional consultation assistance to those businessmen unable to hire their own legal departments, the following story reinforces my belief that there is still a long way to go before OSHA can be considered a reasonable or effective piece of legislation.

In the process of imposing Federal uniformity in areas where this is costly and unnecessary, OSHA has, with minimum safety benefit, forced businessmen to undergo heavy financial loses through fines and through the cost of conforming "defects" to OSHA standards, often with severe impact upon employment opportunities for that businessman's employees.

Excerpts from articles and a letter follow:

"The Park Plaza Hotel, an 80-year-old downtown landmark, will close Sept. 15," owner Michael Gehren said Wednesday.

Gehren bought the building three years ago and invested $90,000 in improvements. Still the structure was unable to meet a recent federal inspection. He said the $150,000 cost to upgrade the building was too high.

There are 65 to 75 permanent residents, mainly elderly, low income people. (Dispatch-Pioneer Press, Winona, Minn., Sept. 4, 1975.)

(Owner) "Gehren said it would cost between $150,000 and $200,000 to bring the 85-year-old hotel into compliance with OSHA standards. . . ."

The future of the building is in doubt. "My opinion would be it'll be a parking lot, Gehren said today, indicating OSHA-required improvements exceed the building's value as a hotel."

The move will idle the hotel's 70 employees and force relocation by 65–70 permanent residents now living in the 105-unit hotel. Gehren said rental housing is already critically short in the city and predicted it will be "virtually impossible" for all the hotel's residents—largely senior citizens and college students—to find other housing by Oct. 1.

Residents were given notice to move Tuesday. The units rent for $75–125 a month. Gehren said he probably could obtain financing for the repairs but concluded the building isn't worth an investment that "would not increase our business" or "better our building. . . ."

"OSHA fines have totaled between $800 and $1,000," he said.

(Gehren's banker, Merchants National Bank Vice-President Richard Gillen) Gillen predicted trouble for a lot of other city businesses if OSHA decides to spotcheck them, and urged action to change OSHA laws. "We'd all better look at our towns and talk to our political people and we'd better do something about it," he said. Winona Daily News, Sept. 3, 1975.)

"On July 22nd, Mr. Paul White, the Minnesota Occupational Safety and Health inspector, came to our hotel. The purpose of OSHA is to provide safe working conditions for employees. To comply with the 1975 OSHA requirements, the inspection resulted in a very long list of modifications to be done in the electrical system, elevators, boilers, and many other minor corrections.

In our three years of business operating this hotel and restaurant, we felt that we provided a safe place for our employees to work. Our accident rate has been virtually nil, except for a few minor injuries which have required no loss of working time."

From owner Michael Gehren's letter to his hotel's occupants, informing them of OSHA's regulations forcing the hotel's demise.)

CAN WE AFFORD NEW YORK'S BANKRUPTCY?

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. BADILLO. Mr. Speaker, the distinguished chairman of the Subcommittee on Economic Stabilization of the House Committee on Banking and Currency, Mr. ASHLEY, has been a most eloquent and understanding advocate on behalf of New York. Yesterday the Times carried an article by him which detailed the implications of and the pitfalls inherent in a bankruptcy procedure on the part of the city. I believe it would be very useful for my colleagues to read Mr. ASHLEY's assessment of the situation. For their convenience, I am inserting the material into the RECORD:

[From the New York Times, Nov. 19, 1975]

THE TOLEDO WAY

(By Thomas L. Ashley)

WASHINGTON.—I suppose that how a Midwesterner regards New York City's plight is largely a matter of perception and a reflection of his background.

When the banks closed in the early 1930's, my father lost his structural-steel business in its entirety because he owed one of the closed banks $20,000. He had repaid more than $500,000 but he defaulted on his final payment, so the bank foreclosed and took over the enterprise "for one dollar and other valuable considerations," none of which I've ever been able to identify.

My father then started a tiny fabricating shop and for nearly a decade ours was a typical middle-class Midwestern family, scrambling with considerably ingenuity to remain solvent. Accounts went unpaid, bill collectors were avoided, promises made and broken. The immediate day-in, day-out concern was to avoid bankruptcy because this was regarded as a permanent blot on one's respectability, financial and otherwise.

The only reason that my father and most other debtors escaped the humiliation of bankruptcy proceedings is that there were more creditors decent enough to wait, often at considerable risk, than those who would not.

This is what allowed a great juggling game to work. It always struck me as ironic that the bad guys got paid first and the good guys last, but I've since come to learn that memories are long and that there's a system of rewards and penalties constantly at work, even long after the fact.

Then there's the matter of punishment. The midwestern ethic here is that if you suffer your own sins, that's probably enough. My Toledo community, beset by labor violence during the 1930's, was effectively redlined for nearly a quarter of a century thereafter by corporate America.

But in the late 1950's, that same corporate America suddenly realized that only two other cities in the United States had better labor records than Toledo on the basis of man-hours lost by reason of strikes. We had made our mistakes, paid for them ourselves, learned the lesson and profited thereby.

There may be another thing that's a part of a Midwesterner's perception or understanding of New York City. Before World War II, Toledo was a community of separate fighting, proud ethnic neighborhoods. Intermarriage was the exception, almost always an embarrassment. Today, we're still proud of ourselves but we're proud of our collective self. It's not "we" and "them," it's "us," an "us" that now cuts across political, racial, marriage and every other line. So how can New York City be "them"?

In sum, many in the Midwest equate municipal bankruptcy with individual bankruptcy; both are to be avoided at all costs because in either instance it is the signal that there is no longer the ability or willingness to fight to recapture self-respect and the confidence of one's peers. But in our view the very worst that can befall either an individual or a community is to be forced unwillingly, while there is still the will and capability to recover, into the submission of bankruptcy.

The ultimate irony, in this view, is for our nation's largest and greatest city to suffer this forced denigration solely on the insistence and responsibility of a national leader who constantly asserts that the rightful role of states and municipalities has been undercut and eroded by a usurping Federal Establishment.

It may be well and good for New York City to become an object lesson for the rest of the country, Washington included. But if the health of the profligate is of any concern, surely a public flogging is inappropriate.

New York City, after all, is already in the most painful kind of receivership. Furthermore, Federal legislation, as a condition for pre-default assistance, would insist on even more onerous sacrifices to assure that past fiscal irresponsibility be corrected and a balanced budget restored. Is the pound of flesh really necessary?

It's not to the working people who drink beer at Jim and Lou's Bar on Lagrange Street in Toledo, every afternoon. They're smart enough to want New York City to have a chance to work its way back to solvency without the benefit of their tax dollars and they simply do not believe this can best be accomplished by pushing the city into bankruptcy.

TRIBUTE TO BOB ROPE

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. LLOYD of California. Mr. Speaker, I am saddened by the passing away of Bob Rope, a business and community leader in southern California whose friendship I was fortunate enough to have had.

Bob was a self-made man who understood the workings of local government and who wielded great influence in the San Gabriel Valley.

His untimely death leaves a void in the entire business community of the San Gabriel Valley and he will be sorely missed.

REDUCED-INTEREST LOANS TO STUDENTS

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. MAGUIRE. Mr. Speaker, today I am introducing a bill to amend the Higher Education Act of 1965. This legislation is intended to provide a federally funded and administered system of reduced-interest loans to students attending institutions of higher education. A unique feature of this bill is an income-contingent repayment schedule which matches payments to the borrower's net taxable income. This means that the principal and accrued interest of a loan are repaid over a period of years by an annual assessment of a percentage of a borrower's income.

Both the presently operating national direct student loan program—NDSLP—and the guaranteed student loan program — GSLP — discriminate against many needy students. Neither provides a sufficient amount of funds, and both are characterized by an alarming high rate of default. Since these programs expire in June of 1976, I believe that it is time to introduce a program that will correct their weaknesses. But rather than patching up the piecemeal and ineffective provisions of the NDSLP and the GSLP, I think that this Congress should institute an innovative program that efficiently responds to the financial needs of students and realistically accounts for their ability to repay their loans after graduation. If we are to have a workable student loan program, we must make sure that it is comprehensive, equitable, and well managed.

ELIGIBILITY

Under the national direct student loan program, it is not the student but his parents who are the chief parties in determining his eligibility for a loan. The parents must submit to complicated and discriminatory procedures of financial reporting to arrive at an adjusted gross income upon which the amount of money they are expected to contribute to their child's education is based. Parents want their children to have the best education possible. Many of them pay at least half or more of the costs of sending their children to college or graduate school. But with the economy as it is, can they really afford such a drain on their budget? A lifetime of hard-earned and sorely needed savings can be wiped out in 4 or 5 short years.

Although the guaranteed student loan program does not require an initial needs test, the financial and social status of a student's parents are important factors in determining whether or not he will receive a bank loan. Banks are, of course, in the business of making money and the GSLP offers them an excellent opportunity to court favor with their established clients and attract potential clients. Loans are made primarily for the profit of the bank, not the educational need of the student.

Since students are the direct beneficiaries of their own education, I believe that their needs and not the status of their parents should determine the amount of money they can borrow for their educational expenses.

ADEQUATE FUNDING

The present borrowing ceilings of the NDSL and GSL programs do not reflect the rising cost of a higher education. HEW estimates the average total costs of an undergraduate in 1975–76 as follows:

School:	Resident	Commuter
Public, 2 years	$2,411	$2,058
Private, 2 years	3,690	3,421
Public, 4 years	2,679	2,266
Private, 4 years	4,391	3,950

According to a recent report by my own State, New Jersey's Commission on Financing Postsecondary Education:

> The costs of education to students have risen at about 9% per year over the past four years.

The Commission goes on to say that:

> There is no reason to expect this trend to be reversed. At the same time the cost of living has been rising and students and parents are finding themselves with fewer discretionary dollars to spend for education."

In 1974, 680,000 students borrowed $440 million in Federal direct student loans. Correspondingly, 937,527 students received $1.13 billion in Federal guaranteed loans in 1974 and more than 990,000 students borrowed $1.3 billion in fiscal 1975.

A student who qualifies for a national defense student loan may borrow a total of $2,500 for attendance at a junior college or for the first 2 years of a 4-year program. The total allowed for the last 2 years of undergraduate study including money borrowed for the first 2 years is $5,000. For students pursuing a graduate education the limit is $10,000 including any amount borrowed as an undergraduate. These figures do not reflect the lower ceilings imposed by the mandatory needs test based on parents' income and expected contribution.

The guaranteed student loan program imposes a maximum of $7,500 for undergraduate education and $10,000 for graduate study including all amounts borrowed as an undergraduate.

Since neither the NDSL or GSL program alone is usually sufficient to meet a student's financial needs, he is often forced to attempt to borrow under both systems and also seek additional funds, be they grants or loans, elsewhere. This all adds up to a needlessly piecemeal package of funding which fails to respond to the financial plight of most students.

My program would be funded by direct congressional appropriations to the regional offices of HEW. To insure that enough loan money will be available the program is funded at $2.2 billion for the first year and $2.4 billion for each successive year to 1981. By raising the borrowing ceilings to levels consistent with the actual expenses of a higher education this program would eliminate the need for students to borrow here, there, and everywhere to pay their educational costs.

Under my program a student attending a 4-year college full time could borrow up to the following amounts:

Freshman	$3,500
Sophomore	3,500
Junior	4,000
Senior	4,000
Maximum total	$15,000

A student attending a junior or community college full time could borrow up to $3,500 a year—$7,000 maximum total. A full-time student in a graduate or professional school could borrow $4,500 per year providing he does not exceed the $15,000 total including all moneys borrowed as an undergraduate. Part-time students—at least half time, but less than full time—can borrow one-half the above amounts per year up to the $15,000 limit.

Two-thirds of each of the allowable amounts per year under my program can be borrowed at one-half the base rate of interest. The base rate of interest is calculated as the aggregate rate of interest paid on 7-year securities of the United States. At the present time this rate is approximately 9 percent; therefore, the primary rate of a student loan would be 4½ percent.

For students who wish to borrow additional funds, the next one-sixth of the maximum can be borrowed at two-thirds the base rate of interest—6 percent—and the last one-sixth of the maximum at full base rate.

These varying rates of interest are coupled with regional directives allocating specific proportions of the total funds to be lent at each interest level. Such a combination of regulations prevents the program's funds from being exhausted by a particular region or by an unpredicted increase in total student borrowing.

REPAYMENT

According to HEW, by July of 1973 there was an $860,000,000 default in the NDSLP. This sum represents 10.4 percent of the loans made since the program's inception in 1959. The federally insured portion of GSLP has a default rate of 18 percent.

I believe that one reason for these distressingly high rates is the inflexible 10-year repayment schedule of both programs. This schedule creates artificial hardships by placing a heavy financial burden on students at a time when they are beginning their careers and are faced with a variety of obligations such as finding a new place to settle, getting married, and raising a family. It is not surprising that so many young people are forced to default on their payments or declare bankruptcy.

Another reason for the high default rate is the absence of an aggressive collection process. The GSLP is particularly vulnerable on this point. Banks which receive up to a 3-percent subsidy for acting as middlemen know that their loans are guaranteed by the Federal Government. Such a comforting assurance does not make them the most zealous of collection agents.

A young woman who graduated college last year recently contacted my office for advice. Her guaranteed student loan repayment was due, but her salary as a special education teacher in a private school was too low for her to afford the required amount. Under the present system she must either go further into debt, declare bankruptcy, or default; none of which is a satisfactory alternative.

If she defaults or declares bankruptcy, her credit rating will be ruined ad she will probably be financially stigmatized for the rest of her life. The bank turned a deaf ear to her complaint; even if she defaults, the Federal Government will pay the loan with interest and subsidy included.

The income-contingent repayment and strict collection provisions of my bill are aimed at significantly lowering the rate of default on student loans. According to the income contingent schedule I have devised, graduates who enter or advance to higher paying professions will be able to repay their loans quickly; those whose salaries remain low or who face financial difficulties at the beginning of their careers are allowed to extend their repayment period.

Following my schedule; if a borrower's net taxable income is at least $5,000, but less than $10,000, the payment is 1 percent of such income per $2,000 borrowed:

$10,000–14,999, 1½ per 2,000.
$15,000–19,999, 2% per 2,000.
$20,000–24,999, 2½ per 2,000.
$25,000–over, 3% per 2,000.

For the purpose of this program a borrower's income is defined as the net taxable income figure reported to the IRS. To avoid misrepresentation, the lending agency has the right to certify this line entry on a borrower's IRS return. There are no provisions for bankruptcy; borrowers who earn less than $5,000 in a given year are not required to make a repayment for that year.

Although there is a 30-year liability schedule to insure the collection of outstanding loans, the average student loan is expected to be repaid within 10 to 15 years.

Since the Federal Government will administer this program through existing regional offices there are no profit-taking middlemen such as banks. Borrowers will be directly responsible to the Government for their loans, thereby streamlining and strengthening the collection process.

Accordingly: 30 days after the due date, the borrower is notified of the consequences of further delay and of the availability of forbearance on collection activities upon showing of legitimate excuse; 90 days after due date, collection efforts commence with the cost being assessed to borrower; 180 days after due date if borrower has not obtained an extension, judicial proceedings are instituted to collect the unpaid balance of the principal amount of the loan plus accrued interest and cost.

The concept of an income-contingent loan program has been proposed by such reputable organizations as the Ford Foundation, the Carnegie Council on Policy Studies in Higher Education, the Presidential Panel on Educational Innovation, and the U.S. Commission on the Financing of Post-Secondary Education. Successful programs are already in operation at some of our most notable universities.

A higher education is a financial investment in the future. According to HEW an average college graduate can look forward to 50 percent more income over his lifetime than a high school graduate; the holder of a B.A. degree may earn twice as much as an elementary school graduate. My bill, by making available low-interest income-contingent loans, encourages people of all ages and backgrounds to develop their intellect and skills, thus becoming greater assets to their communities.

Educated citizens are our most vital resource. The funds we allocate for their development today will be more than repaid tomorrow.

LATVIAN INDEPENDENCE

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. FORSYTHE. Mr. Speaker, as our own Bicentennial rapidly approaches, it is fitting that we commemorate the birth of another republic. Fifty-seven years ago, on November 18, 1918, Latvia proclaimed its independence as a democratic republic.

Unfortunately, although the United States has enjoyed uninterrupted freedom for almost 200 years, the Latvian Republic was not so fortunate. The brief period of freedom enjoyed by the Latvian people ended with the Soviet invasion and occupation in 1940 and since that time Latvia and its neighboring Baltic States have remained subject to Russian domination. The American Declaration of Independence lead to 200 years of freedom which allowed the country to flourish. The Latvian proclamation of independence lead to a brief, bright moment filled with the promise of freedom and prosperity but that promise was never allowed to mature.

The signing of the Helsinki agreement has been interpreted by some as giving permanent status to the illegal annexation of the Baltic States. The official policy of the United States, however, has been that the results of the European Security Conference in no way change our refusal to recognize the forcible annexation of these states. I strongly support that policy.

As our own 200th birthday approaches, therefore, it is extremely fitting that we commemorate the birth of the Latvian Republic. As a people who cherish freedom, we must continue to hope that freedom will once again return to the Latvian people.

FEDERAL CRIMINAL LAW REVISION AND CONSTITUTIONAL RIGHTS PRESERVATION ACT OF 1975

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. KASTENMEIER. Mr. Speaker, today, along with my colleagues Don Edwards and Ab Mikva, I am introducing the Federal Criminal Law Revision and Constitutional Rights Preservation Act of 1975.

Our introduction of this bill is prompted by our great concern with the highly repressive and regressive features of S. 1, the Criminal Justice Reform Act. It is motivated by our strong desire to preserve individual liberties at the same time we bring greater clarity, coherency, and uniformity to the criminal law.

As members of the National Commission on Reform of Federal Criminal Laws which, for 3 years, worked on recommendations to reform the existing Federal Criminal Code, we are well aware of the importance of laying out a code which is clear and predictable. Such a code makes infinitely easier and less arbitrary the job of judges, lawyers, and law enforcement officers. It enables the citizen to know precisely what is and what is not criminal conduct. A rational, predictable, and consistent code also more readily assures equal treatment for all under the criminal justice system.

The National Commission on Reform of Federal Criminal Laws, better known as the Brown Commission because of the distinguished leadership of the Honorable Edmund G. Brown, former attorney general and Governor of the State of California, was established in late 1966 by act of the 89th Congress. It was a bipartisan commission consisting of U.S. Senators, Members of the House of Representatives, U.S. district and circuit court judges, and outstanding practicing attorneys.

The mandate of the Commission, as set out in the law which established it, was to:

> Make a full and complete review and study of the statutory and case law of the United States which constitutes the Federal system of criminal justice for the purpose of formulating and recommending to the Congress legislation which would improve the Federal system of criminal justice. It shall be the further duty of the Commission to make recommendations for revision and recodification of the criminal laws of the United States, including the repeal of unnecessary or undesirable statutes and such changes in the penalty structure as the Commission may feel will better serve the ends of justice.

The Commission filed its final report in January 1971, after 3 years of intensive study. Since that time its recommendations have been taken and reworked by several parties.

During the 93d Congress, Senators McClellan, Ervin, and Hruska, the Senate members of the Commission, introduced S. 1, which represented the minority views of the Commission. The Justice Department, under Attorneys General Mitchell and Kleindienst, developed a bill which represented the view of the administration at that time of what a criminal code should be.

Mr. EDWARDS of California and I, believing that the recommendations of the Brown Commission should be placed before the Congress for consideration, introduced a bill which represented the majority views of the Brown Commission.

The Senate Judiciary Subcommittee on Criminal Laws and Procedures, chaired by Senator MCCLELLAN, held hearings on S. 1 and the Nixon administration bill during the 93d Congress. At the beginning of the 94th Congress, Senator MCCLELLAN introduced a new S. 1 which represents an amalgam of these two bills.

Along with DON EDWARDS, AB MIKVA, and JOSHUA EILBERG, I introduced again at the beginning of this Congress the majority views of the Brown Commission, H.R. 333.

Although DON EDWARDS, AB MIKVA and I have already introduced a codification bill, I must point out that H.R. 333 represents a compromise between the Brown Commission members—persons of widely differing points of view.

However, just as the sponsors of S. 1 chose to draft a bill more closely reflecting their beliefs, so too have we now chosen to introduce a bill which reflects our own feelings about Federal criminal law.

The Federal Criminal Law Revision and Constitutional Rights Preservation Act of 1975 addresses some of the grave objections we have to S. 1. We have addressed S. 1 in our bill because S. 1 has emerged as the principal bill under consideration in the Senate to revise the criminal code.

Our bill is drawn to parallel S. 1 in form, though it differs significantly in many areas in substance. We believe that the bill we are offering today provides the best vehicle for improving and reforming the Federal criminal code.

More important, however, we have proposed a revised criminal code which protects the rights of the individual in our society, and more readily assures equal treatment for all under the criminal justice system.

Some highlights of the differences between the Federal Criminal Law Revision and Constitutional Rights Preservation Act of 1975 and S. 1 follow:

HIGHLIGHTS OF FEDERAL CRIMINAL LAW REVISION AND CONSTITUTIONAL RIGHTS PRESERVATION ACT OF 1975

1. Insanity Defense.—The defense was effectively abolished under S. 1. In accord with the recommendation of the American Law Institute, the National Commission and other commentators, the defense now widely used throughout the Federal system has been codified.

2. Ehrlichman Defense.—S. 1, in its present form, would allow a public official to claim that he believed his conduct, such as breaking and entering, was justifiable in the interest of national security. This mistake of law defense, unavailable to the average citizen, has been eliminated.

3. Espionage and Related Provisions.—In the bill we are introducing, one carefully drawn espionage offense replaces a myriad of information-disclosure offenses contained in S. 1. These sections of S. 1 have rightfully been criticized as representing a serious threat to the freedoms of speech and press. Criminal sanctions should attach to release of classified information only if such information pertains to the national defense and would be used by a foreign power to the detriment of vital interests of the United States. Our bill contains an espionage statute drafted to reflect these concerns, providing adequate protection to legitimate interests of national security without sacrificing critical First Amendment freedoms.

4. Smith Act.—This provision has been deleted. Mere advocacy of revolutionary change should not be punished by criminal sanctions unless genuine harm to society occurs. If a speaker intentionally incites unlawful conduct, and such conduct occurs, the speaker is liable as an accomplice to the acts of violence. See § 401, Liability of an Accomplice.

5. Obstructions of Government Functions by Fraud and by Physical Interference.—These offenses, contained in S. 1, would allow prosecution for exercise of rights secured by the First Amendment. Every demonstration necessarily entails some measure of disruption. But if a U.S. mail truck is delayed, should the demonstrators be subject to federal prosecution for "obstructing a government function by physical interference?"

The "fraud" offense is so overbroad as to give no notice as to what conduct is prohibited and to allow unlimited prosecutorial discretion. Publication by a newspaper of information kept secret by a federal agency might be subject to this provision due to the broad definition the courts have given to similar fraud offenses.

These offenses have been deleted. Acts of fraud and obstruction which are a source of legitimate sanction are punishable under other sections of the code. See § 1734 (Executing a Fraudulent Scheme) and § 1833 (Engaging in a Riot).

6. Nonelected Public Servant Making a False Statement.—It is a crime for the people to lie to government officials. This new offense also makes it a crime for nonelected public servants to lie to the people whom they serve.

If a person knowingly gives false information in a tax return, application for federal benefits or many other transactions with the government, he may be subject to imprisonment. This new offense is a tandem provision to insure that the people have a comparable right to the truth from public servants who are otherwise unaccountable. Elected officials may, of course, be removed at the ballot box.

7. Marijuana.—We have now learned enough about marijuana to make it totally unjustifiable to continue to send people to prison for use of this substance. Therefore, the bill makes possession of marijuana an infraction, punishable by a fine of up to $100.

8. Obscenity.—If there should be any obscenity crime at all, this is surely a matter which should be left to each state to apply its own standards within constitutional guarantees. Accordingly, the federal offense has been deleted.

9. Death Penalty.—Imposition of the death penalty is both inhumane and contrary to sound public policy. Advocates of such an extreme sanction have the burden of demonstrating the deterrent effect of a death penalty; this they have failed to do. Unlike S. 1, which reintroduces the death penalty, no such provision is contained in the present bill.

10. Sentence to Imprisonment.—A person should be sent to prison and confined for no longer than is necessary to protect the public and to deter criminal conduct. S. 1 contains sentences of imprisonment which can not be justified in relation to these goals. In accord with the recommendations of the American Bar Association and the National Commission on the Reform of the Federal Criminal Laws, sentence length has been reduced. A person shall be released on probation or parole unless there is sufficient cause to justify imprisonment.

Many of the specific recommendations of the National Commission as to length of sentence, availability of probation and parole, and calculation of concurrent and consecutive sentences have been adopted. However, we believe the sentencing structure in this bill has been simplified as to be more readily understandable by courts and defendants alike.

DENOUNCES U.N. ACTION

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. LEVITAS. Mr. Speaker, in the wake of United Nations' passage of a resolution equating Zionism with racism, I have been heartened by the response of my constituents. They have been justifiably horrified that such blatant anti-Semitism has actually been sanctioned by an organization created to keep the peoples of the world from ever again suffering the devastation and heartbreak caused by the world's most successful anti-Semites.

One wonders if anyone learned the lessons of Nazi Germany so concisely put in a quote attributed to Pastor Martin Niemoller:

> In Germany, the Nazis first came for the communists, and I didn't speak up because I was not a communist. Then they came for the Jews, and I did not speak up because I was not a Jew. Then they came for the trade unionists, and I didn't speak up because I wasn't a trade unionist. Then they came for the Catholics and I was Protestant so I didn't speak up. Then they came for me . . . by that time there was no one to speak up for anyone.

I am indeed encouraged by the responses of my fourth district constituents and would like to insert in the RECORD the resolution passed by the board of directors of the Christian Council of Metropolitan Atlanta condemning the action of the U.N. General Assembly:

CHRISTIAN COUNCIL OF
METROPOLITAN ATLANTA, INC.,
Atlanta, Ga.

LIFTING HIGH THE CROSS OF RECONCILIATION AND SERVICE OVER THE ATLANTA AREA

The board of directors of the Christian Council of Metropolitan Atlanta expresses its condemnation of the resolution adopted by the General Assembly of the United Nations that Zionism be declared a form of racism and racial discrimination. We believe that this is not in accordance with facts.

We applaud the vigorous action of the United States delegation in denouncing this resolution as anti-Semitic, and we urge our representatives to continue to oppose it by all means within their power.

The Christian Council, with all men and women of good will, desires and prays for a just and lasting peace in this troubled area of the world, and that justice for all parties should be done. But anti-Semitism should and must be denounced whenever it occurs, and Christians should be the first to speak out against it.

A NEW YORK DEFAULT: THE EUROPEAN IMPACT

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. SCHEUER. Mr. Speaker, I would like to call my colleagues' attention to a November 20 column by Hobart Rowen which appeared in the Washington Post. I believe that Mr. Rowan has aptly assessed the reaction of the European community to the New York City fiscal crisis.

I do not share Mr. Rowen's observation that "courage" and "guts" are the primary motivating factors behind President Ford's refusal to come to New York City's assistance to date.

If the President really wants to help New York, he would make a laundry list of corrective measures instead of just pontificating over fiscal responsibility.

The text of the Hobart Rowen column follows:

A NEW YORK DEFAULT: THE EUROPEAN IMPACT

(By Hobart Rowen)

PARIS.—To Europeans, it had always been incomprehensible that New York City would be allowed to go down the drain. "What you don't understand," says an American businessman who has lived here for the past 20 years, "is that to Europeans, New York is America, and America is New York."

He adds: "There are cowboys in Texas, and gangsters in Chicago. But essentially, all anybody knows anything about is New York. That may be unsophisticated, but that's the general impression."

Chalk it up to the movies, if you will, but to many people here, a New York bankruptcy could be equated with a new failure of capitalistic democracies, already straining to prove they can halt the spread of recession and unemployment. The growing fear that the large democracies may not measure up to this task was one of the reasons political leaders here were anxious to convene last weekend's summit on economic problems.

Whether the summit will result in new vitality for the Western World remains to be seen. But prevention of a New York default will evoke a sigh of relief in all of the capitals here.

"If New York were allowed to go down," said Rinaldo Ossola of the Bank of Italy, "Europeans feel that the repercussions would be important, and there would be a great sense of disquiet."

For example, there could be a substantial shifting of funds in the money markets, and a growing distrust of new investment in the United States. New York banks have kept a wary eye on the possibility that they would lose a substantial amount of deposits. Indeed, some of this has already taken place within the U.S.

"If I had money in New York banks," a former high U.S. government official told me the other day, "I'd look to see if I shouldn't take some of it out and place it in Chicago or San Francisco."

But at this point, European fears have been tamped down. They not only see a resolution of New York's immediate problems without a technical default or bankruptcy, but there is a reluctant admiration for what is termed President Ford's "courage" in insisting that York City and New York State discipline themselves before getting federal aid.

"There are dozens of New York City situations in my country," said a European official who did not want his name mentioned or the country identified, "but no political figure would have the guts to do what President Ford did."

High U.S. officials in the past few days have been saying that their original hardnosed position was essential to force concessions from New York City politicians, who otherwise would not have knuckled under to the harsh realities.

"It's something like a collective bargaining procedure," one official said privately. "It's a game we had to play this way."

But in the process of playing this game, the Ford administration—and especially Treasury Secretary William E. Simon—have earned the anger and distrust of some important elements of the banking and business community in the United States. They thought the administration took a great chance with the nation's economic future, at a time when high unemployment into 1976 seems assured. Some, of course, fully backed Mr. Ford.

What some Europeans see as presidential "courage" (now that some aid program is on track), many Americans label an effort to score political points. Clearly, President Ford enjoyed the crowd response as he flailed New York profligacy in recent speeches in Los Angeles, San Francisco, and Milwaukee—all of which, by the way, enjoy the highest credit ratings. Where better to condemn the sinner than in church?

But White House spokesmen indignantly turn aside the thought that President Ford is running against New York. At a recent economic symposium, White House aide William Gorog, a supporter of pushing New York to cut back its spending, said: "I happen to think a default would be a political disaster for President Ford, and the President thinks it would be a disaster."

Inasmuch as the President, in his bitter and ill-tempered Press Club speech, seemed to be opting for a New York default and worse, this reporter asked Gorog to explain himself. "Whether or not there's a ripple effect from a New York default," Gorog elaborated, "nobody wins because default is such a difficult situation. No one really wants to sit by and see New York go down the drain."

The hard thing to explain to Europeans is that any solution to New York's problems will be highly imperfect. A loan or guarantee of New York City's bonds averts the trauma of default, and the stigma that might otherwise attach to all future issues of municipal bonds. On the other hand, it would rescue the bondholders (some of whom will make fat profits) while New York City taxpayers and employees suffer a loss of service and jobs.

As the Joint Economic Committee of Congress pointed out, short of a voluntary restructuring of the debt, there is no solution to the New York problem that avoids default and also requires the bondholders to bear some of the burden.

Europeans, obviously, think the price of avoiding a default is worth paying, and I tend to agree. But the real and overwhelming problem of bringing sensible management to New York and other big American cities—including an overhaul that puts the key responsibility for welfare on the federal government—will only then begin.

13TH ANNUAL JOHN F. KENNEDY 50-MILE HIKE/RUN

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. BYRON. Mr. Speaker, last Saturday, November 15, 733 men and women of almost all age groups departed Boonsboro, Md., on the start of the 13th Annual John F. Kennedy 50-Mile Hike/Run. Among them were myself, my son, Kim, and Jack Russ, our majority chief of page service.

The event began as a result of President John F. Kennedy's challenge to the American people to keep themselves in top physical fitness through the friendly and pleasant practice of hiking and jogging over great distances. The late President's challenge certainly finds fulfillment in the difficult course facing the hikers. The hike begins with 15 miles on the Appalachian Trail—climbing over 1,200 feet in the first 8 miles—and continuing down the C. & O. Canal towpath to its welcome end at St. James, Md.

Mr. Speaker, the significance of the hike/run lies not only in the wholesomeness of the physical activity but in the fact that it brings together in friendly competition, Americans of many backgrounds and interests. While they are promoting their health, they are enjoying a truly spiritual communion with each other and with the beauty of nature. I congratulate those who finished—they were many—and all who participated to the limit of their endurance and encourage all to stay in training as Kim, Jack, and I will be doing for the 14th annual hike/run in 1976.

RECOGNIZING SOFTBALL ACHIEVEMENTS

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. STEIGER of Arizona. Mr. Speaker, I would like to publicly recognize the recent achievements of the Glendale Toltecas, a girls' softball team whose members live in Glendale, Ariz., or neighboring communities.

The 13 women who make up the team range in age from 15 to 26, and they have just completed a 15–1–1 season to capture the "B" Division Championship of the Phoenix Women's Open Softball League, sponsored by the Phoenix Parks and Recreation Department.

Captain of the team is Mrs. Geri Peralta, an outstanding first baseperson, who has played for the Toltecas for two seasons.

Other members are Mary Lou Gomez, Soqui Espinoza, Chris Espinoza, Frances Castillo, Barbara Quihuis, Carmen Cordova, Florentina Gomez, Dora Rivera, Mary Rivera, Pat Miranda, Erma Orozco, and Rosana Galindo.

Jaqui Balckom, though a wife and mother of two youngsters, finds time to serve as team statistician.

The team is sponsored by Toltec Floor Service, which is owned by Mr. Ricardo M. Lucero. Mr. Lucero, who has taught at the high school level and at Glendale Community College, and has also been a counselor and administrator, is the coach and manager.

To win the league championship, the Toltecas competed against 16 other teams, playing twice weekly throughout the season. In a recent post-season tournament, the Toltecas were handicapped by having three of their starting members injured and unable to play. They placed third in the tournament, nevertheless.

Most of the student team members attend Apollo High School, but Dora and Mary Rivera are enrolled at Peoria High School. Mrs. Cordova is a housewife and assistant to the physical education teacher at Tolleson Elementary School, while Mrs. Gomez is employed in the corporate headquarters of American Express, and Mrs. Peralta operates an arts and crafts business.

Erma Orozco is a school-community worker in the Roosevelt School District. She is employed by Valle del Sol, a community based Mexican-American organization.

The Toltecas have participated in an international invitational tournament at Nogales, Ariz., with teams from Mexico and other Arizona communities.

Wherever they have gone, they have been hailed as outstanding sportspersons and players of exceptional ability. By virtue of their winning the "B" Division softball tournament, the Toltecas next season will be elevated in rank to the "A" Division.

HUMAN RIGHTS AND FOREIGN POLICY IN LATIN AMERICA

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. WHALEN. Mr. Speaker, as this country approaches the Bicentennial, there is a renewed interest in the basic precepts upon which this Nation was founded and, concurrently, an increased appreciation of the freedoms guaranteed to all our citizens.

At the same time, it is fitting to reflect on the fact that the rights we cherish are not universally observed, even within our own hemisphere. In a speech before the Pan American Society in Boston, Assistant Secretary of State for Inter-American Affairs William D. Rogers addressed the dilemma the human rights issue presents in our foreign relations with our Latin American neighbors.

He succinctly outlines the parameters of the discussion about the appropriate role of the United States in the hemispheric observance of human rights. I commend Assistant Secretary Rogers' most articulate presentation to the attention of my colleagues:

HUMAN RIGHTS AND FOREIGN POLICY IN LATIN AMERICA

It will come as no surprise to many of you that the issue of human rights has become, in very recent times, a major interest and a vexing dilemma for our relations with the other nations of this Hemisphere. Of course, there is a wide range to our Latin America policy—Cuba, Panama, interdependency politics, nationalization problems and so forth. But when I came to reflect, I found I could not resist the temptation to concentrate on the human rights issue, here in Boston, now on the eve of our own independence celebrations.

The issue is high on the agenda of public concern. The evidence of public interest about human rights practices in the Hemisphere is close at hand. I cite a few examples:—your own senior Senator's amendment to last year's Foreign Assistance Act banning military assistance to Chile; the considerable editorial and news attention to the report on Chile by the UN Human Rights Working Group; and the House-passed amendment to this year's foreign assistance legislation which would hinge our bilateral economic aid throughout the world to human rights policies in the recipient countries.

These efforts are not academic or frivolous. The rights of man are real issues in today's world. Individual guarantees are not everywhere insured. Our Hemisphere is hardly a refuge of democracy. Freedom of expression is not everywhere seen as contributing to public order; politically related arrest, torture and summary execution do exist in the Americas. We can hardly ignore the irony that this should be so in a Hemisphere which treasures a common origin in struggle against foreign tyranny.

At the beginning of the last decade, when I came to government for the first time, the coincidence, indeed the interrelationship, in Latin America of political oppression and economic underdevelopment seemed self-evident and was our abiding concern. We assumed that these twin conditions, if unassuaged, would lead in many states to radical revolution. We also assumed that our efforts toward economic progress would be bootless without political liberalization.

The point remains that fifteen years ago, in the early Sixties, the subjective reality in Washington was a fear for the future of an unreformed Latin America. It was from this fear that the Alliance for Progress sprung.

We hoped then to hold violent revolution at bay temporarily while reform eroded the revolutionary constituency. We thought that in the longer run force could succeed only in league with justice. It now appears that we exaggerated both the importance of reform for stability, and our ability to induce reform and democracy.

The economies of the Hemisphere have made considerable progress since 1960. The struggle toward democracy, however, if one can sum the experience of the Hemisphere, has not been as successful.

This is not to say, of course, that Latin America now, almost fifteen years after the Alliance began, is unrelievedly authoritarian. There are a fair number of countries which are authentic struggling democracies, where speech remains free, where political dissent is welcome and where the use of arbitrary arrest and police brutality as political instruments are unknown. Costa Rica, Colombia, Venezuela, Trinidad and Tobago deserve our special respect in just this sense, to name several.

Otherwise, the nations of the Hemisphere span a fairly wide spectrum of human rights practices, political participation, pluralism and conditions of societal openness.

But all are friends, and important to our interests. While often critical of the behavior of multinational corporations, they provide a large and growing market for our capital and our goods. As a group within the Third World Bloc, they are a force for moderation and compromise. In other words, by the standards of diplomacy, we want good relations. We have interests everywhere, in some countries more acutely than in others, which we are bound to protect and cultivate. And it is precisely this fact, juxtaposed against their internal behavior, which can sometimes and in some countries create dilemmas of conscience and policy for the United States.

Some foreign policy analysts take a traditional view. They suggest that the United States should be unconcerned about the way another regime treats its own citizens. Only where the human rights of U.S. citizens are threatened, the argument goes, is there a basis for our engagement. Otherwise we should measure the virtues of other governments by the degrees to which they promote our other political, economic and military interests.

In my judgment, this prescription for the conduct of U.S. diplomacy lacks only prudence, humanity and realism. It is inhumane because, as Secretary Kissinger has noted, "Many of our decisions are not imposed on us by (the requirements of national) survival". These are cases where we clearly have the latitude to "seize the moral opportunity", as he has put it. Moreover, although "our power will not always bring preferred solutions . . . we are still strong enough to influence events, often decisively". A nation that fails to exercise such influence where it can do so without paying an excessive price in terms of its other interests betrays humanity and itself.

And that is why, as applied to the United States, the prescription of disinterest is imprudent and unrealistic, as well as inhumane. For it demands that we reject our heritage and therefore our identity. The American people have, from the beginning of the nation's history, embraced a sense of mission. There have been times when that sense has been twisted into a parochial arrogance and deployed to justify the exercise of national power for either crassly selfish or dazzlingly paternalistic ends. We have not been immune to the imperial virus. But after each deviation from the conception of the U.S. as vanguard in an unrelenting struggle to enlarge the frontiers of human freedom and justice, we have purged ourselves with self-criticism and reaffirmed the original vision. In this country, the cynics and the real politicians have not enjoyed permanent employment.

One reason we have regularly rejected their counsel is the often intuitive appreciation that a remarkably diverse people such as we have a peculiar need for overarching ideals. Those ideals, by accommodating our ethnic, racial, and religious diversity, have cemented our unity, given focus to our priorities, and thus made us a powerful force for decency in the world. Our bedrock principles—representative government, the individual right to liberty of conscience and to equal opportunity for participation in the good things of organized society, including wealth, power, education and respect—not only bind us together into a single people but, in addition, link the American people with their Government. In this country, no Government can conduct foreign policy if it is lacking broad public support. There will be no broad public support for a policy which is indifferent to the claims of humanity beyond our frontiers.

We have come to realize, in short, that the human rights practices of other nations are not matters of their internal concern exclusively. Human rights are relevant to the conduct of our relationships with the other nations of the Hemisphere.

But, while I preceive a broad and growing consensus within the American electorate that the Government address the issue of human rights in the Americans, the precise weight human rights should receive in the conduct of our diplomacy is an issue not without dilemmas.

A prime source of difficulty is the older notion that there is a sharp distinction between human rights, on the one hand, and our traditional political, strategic, and economic interests on the other; that they are generally unrelated; and indeed that they are often opposed. The point, to some, is that by concerning ourselves with human rights practices we may do damage to our relations with a particular country. The dichotomy is far too facile.

Oppressive regimes often seem more permanent than they are. Opposition sentiment, being forced underground, is concealed. Forces for change and moderation may be biding their time. Complaints which in a representative system would work their way up to decision centers for resolution, fester. To most observers, the authoritarian Government of Portugal looked solid enough until the very eve of its utter collapse. So did the corrupt and brutal order imposed on Greece by Papadopulis and company.

There is not, therefore, a simple dichotomy between moral and other values in the conduct of our relations with particular nations. There is, as well, the question of the degree to which our interest in the long term should be subordinated to what may be a short-term consideration.

Another defect in the conception of human rights as a value distinct from other diplomatic concerns is its failure to take account of the universality of American interests and of the increasingly transnational character of politics. A number of political movements have branches throughout Europe and in many Latin American states. If we are to lead a coalition of democratic people, we must act consistently and coherently across the board to support the values we mutually profess.

I do not, of course, propose that human rights and all other interests of state are always complementary. Such a claim would simply replace the illusion of a perpetual dichotomy with another of universal harmony. In the real world, there are tough choices to be faced.

There are, in the first place, national interests at stake which can compete with our concern with human rights. And even if one focuses solely on the human values and attempts to operate on the theoretical assumption that the concern of our diplomacy is the enhancement of those values, the choices are wide. A too narrow conception of human rights will not serve.

There is a tendency to focus exclusively on a present delinquency, and ignore the human rights consequences of efforts to terminate the delinquency or, at a minimum, to dissociate ourselves from the delinquent.

Détente is a clear case in point. We do not conceal our concern for the abuse of human rights in the Soviet Union, or for that matter, in Cuba. We do not pretend to a coincidence of values with either nation.

Yet we probe for areas of accommodation with both. In the case of the Soviet Union, we do so in order to reduce the risk of war and, if possible, the terrible costs of armament which consumes so large a portion of our economic means, means which might otherwise be employed to place a higher floor under poverty both at home and abroad. These are just as much moral and human ends as the efforts to protect Soviet dissidents.

Here, then, is another reason why when we attempt the translation of humanitarian concern into concrete policy, it is necessary to avoid too simple a distinction between human rights and the traditional ends of diplomacy. In specific cases, the apparent dichotomy may in fact, be convertible either into a conflict over alternative conceptions of and means for promoting human rights or, as I noted earlier, into a debate over short-run versus long-run strategic interests.

How then to structure the human rights inquiry in a way which will recognize these complexities? What, in other words, are the standards against which national behavior in the human right field is to be judged? And how is the process of judgment to occur?

There is a yardstick of public inhumanity. Every country is represented somewhere on it. No national record is unblemished.

But there are differences of degree, even after one makes a proper allowance for varying historical experiences and levels of economic, social and political evolution.

And there are, in the end, qualitative thresholds. These are the limits below which no government can fall without international judgment. Mass murder, officially tolerated torture, mass imprisonment or exile of those who peacefully dissent, comprehensive denial to some racial, religious or ethnic group of the opportunity to participate in the various social values, these acts are beyond the pale. They transgress the minimal standards of decency declared by mankind at large in the Universal Declaration of Human Rights, and the American Declaration of the Rights and Duties of Man, as well as a plethora of UN Resolutions, regional convenants and virtually all national constitutions. These international governing norms are so unequivocal and so profoundly embedded in the contemporary conscience that even those governments that perpetrate these acts feel compelled to deny them and conceal their delinquencies.

We have, I think, a clearer view of the purpose and role of America in the world today than we have had in times past. We now know better that our own national standard is not necessarily the moral standard of the world; or at least we cannot force it to be. We know that our political habits, our untidy process of public policy decisionmaking, our openness, and our tolerance are not for many others, at least not yet. And we know, therefore, that if we are to help enhance respect for human rights, the standards of judgment must be standards which derive their authority, not from our experience and tradition, but from international consensus. We are not the moral preceptors of the world, and we should not pretend to that role.

This is the significance of the Universal Declaration and of the American Declaration of the Rights and Duties of Man which, as Thomas Burgenthaler has said in his recent article in the American Journal of International Law, has now a greatly strengthened normative character as a result of the most recent amendments of the Charter of the Organization of American States. These, and a constellation of international organization resolutions along similar lines, set down collective standards against which the behavior of signatory nations may properly be judged. Their authority is international and universal, not national and paternalistic.

By the same token, the process of measuring the observance of these international principals must also, in the first instance, be international. This is the reason why it is essential that we lend our assistance to strengthening the authority and the self-confidence of the international instruments of human rights observance—the UN Human Rights Commission and, in our Hemisphere, the Inter-American Human Rights Commission.

The experience with both organizations is limited. Both are in their infancy. Neither enjoys the wholehearted support of its constituency. There are dangers for both. The member states may cripple them out of fear that they will prove dangerous. They may attempt to manipulate their agenda in a hypocritical fashion to avoid equal treatment and force the commissions to concentrate on a few unpopular targets. Or they may attempt to dilute the efforts of the two by packing them with ineffective or timid people.

The United States has a major role to play. If, as I have suggested, a concern with human values is an essential element in our contemporary foreign policy, and if the establishment of human rights standards should in the first instance be those set down by international compact and measured by international machinery, then it is our obligation to insure that that international machinery rapidly achieves a measure of competence, respect and permanence which will insure that its efforts are taken seriously and its writ runs wide. To this end, we must insure that the Commissions are blessed with effective and courageous members, that they are adequately staffed, that their budgets allow for the full range of essential activities and that finally their efforts are encouraged and supported in the member states.

The question whether international machinery can bear effectively on human rights issues is particularly acute in this Hemisphere. The nations of the Americas share many things. But the most significant common bond is not geography or history but morality. Here, if anywhere, the nations of this part of the world are bound by a common dedication to the rights of man.

So, in a sense, the capacity of the inter-American system to sever, protect and enhance those rights is very much at stake just now. That system has traditionally concentrated on relations between nations. The record of the Organization of American States on issues of peace and political security is well-known; now, it is increasingly seized with vexing questions of our economic relationships—and, I might add, has been not very much more immune than its sister organization in New York to the rhetorical temptations of that issue.

The human rights issue, however, is of a new sort for the OAS. It represents a challenge to the inter-American system unlike the challenges of the past. For it tests whether the nations of the Hemisphere share enough common moral ground to cooperate, not merely in addressing relations between states, but as well in the application of international standards of how nations should treat their own citizens.

It is early yet to say whether the inter-American system can discharge this important task. The Inter-American Human Rights Commission, as I have said, is in its infancy.

But its efforts are of a piece with the humane tradition which has inspired the political development of the nations of the New World for two centuries. If there is any task more appropriate for the Organization of American States, I am unaware of it.

Its success—the extent to which the Commission can indeed nurture, protect and enhance respect for human rights in the Hemisphere—could come to be considered the most significant accomplishment of the inter-American system in the years to come.

The United States pledges its full support to that effort.

MARSHALL McGRATH

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. EDWARDS of Alabama. Mr. Speaker, I was saddened to learn of the recent passing of Marshall C. McGrath, head of government relations for International Paper Co. here in Washington. He was known by many of us in Congress as a man of kindness, diligence and integrity.

Since his company has a large facility in my district, I heard from Mr. McGrath frequently.

Marshall McGrath had a long, successful career with International Paper which began in 1951 when he joined the Otis Mill in Chisholm, Maine. He moved to the corporate headquarters of the firm in New York City 2 years later.

It was in New York City that he became actively involved in the company's plans to open its first formal government relations program. In 1962, he was assigned to government relations responsibilities on a full-time basis and in 1967, he was named director of government relations for the company.

In 1971, International Paper opened its Washington Corporate Affairs Office and at that time, Mr. McGrath was named director of corporate affairs.

Mr. McGrath was a credit to his company and to his country.

He will be missed by many.

PASTORAL LETTER ON NEW YORK FROM BISHOP MOORE

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. BADILLO. Mr. Speaker, this pastoral letter from the Episcopal bishop of New York, the Right Reverend Paul Moore, a man who has stood on the side of the oppressed and the alienated throughout his distinguished career, was read from the pulpit of every Episcopal Church in the New York diocese on Sunday, November 9. It simply states our problems, it simply asks for our help. I commend it to your attention:

LETTER

DEAR FRIENDS: I turn to you in this time of crisis, a time full of potential tragedy for all of us and especially for the poor, the sick, and the children of our city. New York City faces default. We face default because the truth has been hidden from the people of America. The President has distorted the facts and is leading the city and indeed the nation into a dark and unknown passage.

Here are some facts:

1. New York note and bond holders, two thirds of whom are small investors, stand to lose at least $7 billion. This will cost the Federal government approximately $2 billion in tax write-offs.

2. A consulting firm used by the President's Council of Economic Advisers estimates that a New York City default would cost the nation $14 billion in lost production and 500,000 jobs.

3. Even now, cities with good credit rating, such as Chicago and Boston, cannot market their bonds. Thus New York's impending default threatens every city in the land.

4. Budget cuts and the high cost of borrowing has stalled thousands of housing units and *already* has cut police, sanitation, education, health and social services to a point of hardship.

5. Without question, the political rhetoric surrounding default elicits the worst in human nature. It exacerbates urban-rural conflicts, stirs up insidious racism and excites anti-Semitism, deeply dividing our State and our Nation.

New York does not ask one penny in aid, but rather, through Federal backing of our credit, we ask for time to put our house in order and to pay our own debts. I believe that if the people of the United States understood these facts, they would wish the Federal government to prevent default.

By reducing presently inadequate services, default will bring untold suffering and even death to the aged and the poor of our cities, who even now exist on the very edge of survival.

It is not too late to act. Therefore, I urge you to wire or write your Senators and Congressmen immediately to pass the Senate Proxmire bill and the House Reuss bill. More importantly, alert your friends, relations and colleagues in other parts of the Nation to do likewise.

Whether the city defaults or not, we are in for a time of austerity and crisis. The churches must give spiritual leadership to New York and the other cities of our region. I call upon our people . . . to ask God's help and guidance and to unite for action.

Faithfully, your Bishop

Right Rev. PAUL MOORE, Jr.

REVENUE SHARING NEEDS QUICK PASSAGE

HON. ELFORD A. CEDERBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. CEDERBERG. Mr. Speaker, I have followed with intense interest the debate in the hearings regarding the question of revenue sharing and its continuing role, its acknowldged successes, its potential benefits, and its future promises. Such interchange is not only healthy but also necessary to ferret out any shortcomings or spotlight areas of special merit that deserve our attention and scrutiny in this, admittedly, experimental concept. Innovative in its boldness, the program was a dramatic turnabout in the Federal Government's approach to State and local assistance. The Revenue Sharing Act of 1972, for the first time, gave to local government substantial discretionary power to spend Federal funds as it saw fit. Subsequent assessments have acclaimed this legislation as one of the few financial blessings of the decade.

Initially most revenue sharing recipients were suspect of the apparent minimal Federal redtape and controls. However, after becoming more familiar with the legislation, they quickly embraced the program. The huge stack of favorable letters which I have received in the last few months, attests to the overwhelming approval for this concept. I have been repeatedly urged, in explicit and persuasive terms, to support the immediate consideration of an extension for revenue sharing, currently due to expire in December 1976.

Villages, small towns, larger cities, and counties, all have joined in a resounding consensus that the demise of this program will precipitate a drastic reorientation of their financial structures involving one or more unpalatable and unpopular alternatives. Without revenue sharing, they are faced with a financial hiatus based upon two unavoidable realities—a lack of funds to support growing government services and demanding constituencies, and a constitutional requirement, in most cases, to balance their budgets. It is, therefore, imperative that the renewal of revenue sharing be assured before the end of the year.

Given certain complications in the legislative timetable, it is all too possible that the renewal of revenue sharing will not come to a final vote before next summer. The monkey wrench in the works is a little known provision of the new Budget Control Act, which goes into effect on January 1, 1976. Congress will be prevented from appropriating any funds for the upcoming fiscal year until after the joint congressional budget resolution is adopted in the second week of May. In addition each passing day reinforces my conviction that Congress will not awaken from its lethargy to take action on this important measure in the remaining weeks of this year.

Thus, the real problem is not whether revenue sharing will be continued, for I think that eventually it will be passed in some form, but rather when revenue sharing recipients will be assured of this fact. Budget planners require long lead times. If they are responsible, and most of them are, they cannot assume, until there is congressional approval, that revenue sharing will be continued. Communities with a July 1 fiscal year will be acutely affected by this limitation. Comptrollers will have to restructure their budgets to reflect different sources of revenue based upon a different set of priorities.

To avoid being stigmatized as fiscal derelicts, Michigan government, as I am sure communities everywhere, will be faced with three rather drastic choices: first, raise property taxes; second, reduce essential services; and/or third, postpone capital improvement projects. At our present stage of economic recovery, none of these alternatives is acceptable.

In the last 15 months of the current program $406.8 million in revenue-sharing funds will be pumped into Michigan—over $15 million into my congressional district. A comparable amount can be expected in fiscal year 1977 if revenue sharing is extended. Obviously, if these amounts must be accounted for by one or more of the previous alternatives, Michigan's depressed but slowly recovering economy would fall flatter than the proverbial pancake.

Our choice is clear. The Congress can either pass an extension of revenue sharing this year, eliminating the fiscal uncertainty currently stranding our local governments on an economic precipice, or it can continue to procrastinate on this vitally important legislation. If final congressional approval is postponed, we will have to bear the full measure of responsibility for the budgetary chaos that will result at the State and local level.

The choice is really no choice. We cannot remain callous to the needs of our local and State governments. I only hope that my colleagues become aware of this pressing need and the urgency with which it must be remedied before it is too late.

FOR GOD AND COUNTRY

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. HANSEN. Mr. Speaker, the foundations of Idaho and the Nation were largely laid by men and women of God seeking the freedom to practice their faith without persecution and dedicated to sharing it with others through missionary endeavors. This heritage was born with our Pilgrim fathers which we are again about to reverently acknowledge in celebrating Thanksgiving, and was continued with the pilgrimage west by the early missionaries of many faiths and then by the great Mormon migration of Brigham Young.

Prominent in my congressional district is the Church of Jesus Christ of Latter Day Saints, the Mormons. It was they who founded the first permanent settlement in Idaho at Franklin in 1860. These are unusually enterprising people who brought irrigation and industriousness to an arid West and made it blossom and bustle in a way that would be unbelievable to the old explorers and mountain men like Jim Bridger.

Mr. Speaker, it is appropriate as we approach the American Bicentennial, our 200th birthday, that we recognize those who have played a prominent part in the realization of the "American dream". The Mormons are uniquely American having been founded April 6, 1830, at Palmyra, N.Y. They are uniquely patriotic in that they believe in a God-inspired heritage for this Nation. And they have been a robust part of our national expansion and development, first by colonization of the Midwest, then by migration to the Mountain West and Pacific Coast and finally by reverse migration and conversion they are spreading throughout the land with temples and churches from sea to sea.

Mr. Speaker, to better illustrate the unusual heritage and patriotic spirit Mormons have for America, I submit the following article published in the Idaho Statesman newspaper of November 13, 1975:

MORMONS PRAISE FOUNDERS OF U.S. AT RITES

ST. GEORGE, UTAH.—Mormon official Ezra Taft Benson praised the nation's founding fathers Wednesday during rededication of a temple in which a posthumous ceremony was held in the late 1800s brought them into the church.

Elder Ezra Taft Benson, president of the Council of Twelve Apostles, was among speakers during the second and final day of rededication services for the St. George Temple. The temple was built from 1871–1877 and was recently refurbished.

A church spokesman said more than 20,000 persons attended the two days of rededication services, which were open only to church faithful. He said an estimated 84,000 persons visited the temple during a recent 10-day period it was opened to the public.

The church believes the founding fathers were raised up by God to do divinely inspired work, and they were brought into the church in the ceremonies after 19th century Mormon President Wilford Woodruff said he was inspired by the founding fathers themselves to do it. All those who signed the Declaration of Independence, plus some early U.S. presidents, were included.

Elder Benson, a former U.S. Secretary of Agriculture and next in line under Mormon custom to head the Church of Jesus Christ of Latter-day Saints, said, "The founding fathers of the United States were inspired by God to do the things they did. These men who laid the foundation of this country were the best spirits the Lord could find on the face of the earth."

He said, "The Declaration of Independence was a spiritual manifesto declaring the divine source of man's rights. Yet, it set forth the moral justification for man's freedom of choice, for his inalienable rights."

President Spencer W. Kimball, spiritual leader of the world's 3.4 million Mormons, spoke briefly regarding the church's belief that ceremonies such as baptisms can be held for the dead, with living church members standing in for ancestors.

President Kimball said this practice is not new. He said such ceremonies were recorded by the Apostle Paul in the New Testament.

"Many of our progenitors are waiting for us to do this vital vicarious work for them," President Kimball said "Let us not keep them waiting. We hope that as a result of these dedicatory services there will be a great upsurge of temple work, not only in this temple but in all of the Lord's temples throughout the world."

Another member of the Council of Twelve Apostles, Elder L. Tom Perry, also, discussed origins of the country.

"I think the founding fathers are crying to us again today that this nation is a land of promise and will so remain as long as we serve God," he said. "But if we deny Him, our freedoms can be taken from us."

Perry said, "I pray that we, as did the founding fathers, will rededicate our own lives, our fortunes and our sacred honor to keeping this nation a land of God."

Another council member, Elder Delbert L. Stapley, said, "Temples are sanctuaries of the Lord, dedicated to Him for the administration of holy ordinances to His children. Because we enter the temple as the Lord's guests, we should enter clean and with pure hearts."

Elder Joseph Anderson, an assistant to the council, said, "We are a temple-building people, and we will continue to be a temple-building people from now throughout the millennium."

DEFICIT FINANCING CANNOT CONTINUE

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. ROUSSELOT. Mr. Speaker, just last week this Congress passed the second concurrent budget resolution approving a budget deficit of $72 billion for fiscal year 1976 and thereby boosting the sum total of the national debt to over $640 billion. This kind of deficit financing cannot continue. By constantly running our Federal budgets in the red we are headed on a collision course with fiscal bankruptcy, while crowding the private sector out of the capital markets at the same time.

We need to start now to learn to live within our means as a nation, to not spend more than we take in; in short, we need to tighten our belt and balance the national budget.

The following is an article that appeared in the Los Angeles Herald Examiner on Sunday, November 9, 1975. It tells us how one private corporation, by incorporating a concept of "zero-budget control," put its financial house in order and saved millions of dollars a year while doing it. I think the U.S. Government could learn a good deal from the experience of this firm:

SOCAL EDISON S-T-R-E-T-C-H-E-S DOLLARS

(By Bruce Entin)

Rest assured that when Southern California Edison asks you to conserve energy, it practices what it preaches. Except, the giant Southland utility conserves money which, in turn, helps lower consumers' monthly electric bill.

Faced in the last two years with declining revenue from a two per cent drop in electric consumption, delays in getting rate hikes approved, soaring fuel costs, escalating costs of borrowing money, and accelerating inflation, Edison was in deep trouble.

Since the public utility cannot raise rates to recover higher costs of doing business, without permission from the California Public Utilities Commission, it had to keep a lid on rising internal costs.

"We want to stay in business to make a dollar," said Don Anderson, budget director for SoCal Edison in an interview. "But there were times when survival was a nagging thought in the backs of our minds."

Drastic situations call for hard-hitting cost control programs, Anderson said, and Edison was about to embark on a collision course with rising costs. And just in time, too, because chairman of the board, and chief executive officer Jack K. Horton told his management team last June to cut operational and maintenance costs by five per cent or about $15 million. The proposed budget for 1975 was $295.4 million.

The problem was clear: How do you cut internal costs when all associated costs are on an upward spiral? "It's usually tough enough to keep the budget from rising, let alone cut costs without cutting corners, Anderson said. "After all, we have to keep the lights on."

Rather than order each department to make across-the-board cuts in spending, and possibly eliminate worthwhile programs in the process, the utility adopted a relatively new concept in budgeting called zero-based budgeting.

Zero budgeting control, is a tough-minded operational tool that is helping SoCal Edison and other companies squeezed by high costs to save millions of dollars annually. Edison is the first utility in the nation to employ the technique, management said.

The concept, pioneered at Texas instruments in 1970, works like this:

Department managers and supervisors are asked to prepare their fiscal budget with the assumption he has zero dollars to work with. The method, therefore, forces manager to defend the validity of every operation under his control, to study the alternatives, and associated costs.

Under normal conditions a manager assumes last year's budget total as a base to which he can add new programs and personnel.

Under the zero budgeting plan managers must rank each activity or program he wants for the next fiscal year in order of importance. All priority lists are finally examined by a higher link in the management chain.

This budgeting process can take up to six months to complete but Anderson says it molds tough-minded, entrepreneurial managers.

What management must do now is study all the lists and determine which programs are more worthwhile than others because they are all competing for the same resource dollars. The chief executive will then compile a company-wide priority list, made up of all the programs his managers assessed.

Say, for example, the number of programs company-wide is 100. The chief executive will reorder these 100 programs in order of importance. He knows that X amount of revenue dollars will cover the costs of only some of the programs. In an oversimplification, if the company has $100 to spend, and the five most important programs need $100, then all other programs are eliminated.

Specifically, Southern California Edison 1903 managers will use zero-based budgeting this year to reduce the operations and maintenance budget from $295.4 million to $288.6 million. The revised budget is smaller than the 1974 budget of $292.6, despite inflation and other rising cost factors. Operational expenses rose about 11 per cent in the 1970–73 period alone, Anderson said.

Manpower for 1975 has also been cut because the activities they performed are no longer provided for in the budget. The initial 1975 manpower budget called for 13,498, compared to a 1973 level of 13,363 and 1974 total of 12,940. But the revised manpower for 1975 is 12,440. Anderson points out that managers are advised to cut activities which, in turn cuts personnel.

Most emphasis is placed on the maintenance budget at Edison because its costs are within the company's control. Capital expenses, interest rates, taxes and fuel costs are beyond its control.

In any event, zero-based budgeting will soon become a "way of life for utilities" because their rate of return requirements are so low Anderson said.

Zero-based budgeting has also been adopted by United California Bank, which shaved millions of dollars off its budget last year by eliminating duplicative and unworthy programs.

In fact, former governor of Georgia, Jimmy Carter, implemented zero-based budgeting in his home state with much success. Now, a declared Democratic contender for the 1976 presidential nomination, he said that if elected, he would seek to impose "zero-based budgeting in Washington . . . which would require every government agency to start from a budgetary zero every year. Based on my experience in Georgia," Carter said, "I know the zero-based budget is an effective way to focus attention to government priorities."

Aside from zero-based budgeting, SoCal Edison has utilized other cost-saving devices, in many instances, the company has assumed functions it used to contract out. For example, the company saves $2.9 million annually by designing and building various construction projects by using in house personnel.

The utility has formed typing pools, and implemented word processing techniques to cut costs allotted for secretarial help. And the company, which prints thousands of documents each year, now uses both sides of the page, which saves thousands of dollars a year.

Edison is forming an in-house productivity advisory committee to administer the three facets of cost control—namely, productivity measurement, operational auditing and zero-based budgeting. Previously, the company used outside consultants to help keep costs under control.

Anderson said that most auto and truck repairs of company cars is now done by Edison mechanics, a move that lopped off thousands of dollars normally paid to private mechanics.

In addition, the company, in an agreement with the banks, saves about $410,000 in interest a year by processing customers' electric bill payments the same day they are received, rather than waiting a day or two to deposit them in a saving account. The utility receives about $8–11 million a day in customers' payments.

And, yes, Edison cuts its electric consumption, too. Lights near windows are shut off, and every other hallway light is off, the company said.

HARVEST

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Ms. CHISHOLM. Mr. Chairman, today has been set aside by Oxfam-America, an independent international development and relief agency, as a day of fast to bring to the attention of North Americans the cause of world hunger. With a small staff, Oxfam has helped some of the world's poorest people and has worked throughout the third world to provide both emergency relief and development of agricultural resources.

I would like to share with you today some of the conclusions the staff members of Oxfam have reached concerning the hunger problem in underdeveloped and developing nations. These startling statistics are indeed food for thought:

THE MOST IMPORTANT EVENT ON EARTH EACH YEAR IS THE HARVEST

Each year the rural people, who make up most of the earth's population, produce more than a billion metric tons of grain. Each year the crop is eaten. Yet the Rome Food Conference estimated that there are 460 million severely malnourished people in the world, and projected the total to increase to 750 million by 1985. Death rates are again rising in several developing countries, with malnutrition probably the main cause.

Why? People eat what they can afford and the poor are increasing in number. Crop failures, skyrocketing oil prices, continuing population growth, worldwide inflation, unfavorable trade patterns and the profiteering of elites all contributed to poverty as well as food costs. Poor families in the less developed countries spend up to 80% of their income for food.

"The 'marginal' men, the wretched strugglers for survival on the fringes of farm and city, may already number more than half a billion. By 1980, they will surpass a billion, by 1990 two billion. Can we imagine any human order surviving with so gross a mass of misery piling up at its base?"—Robert McNamara, President of the World Bank.

No one knows how many farmers there are, but the World Bank estimates that there are perhaps a billion *small* farmers, many of whom produce largely or entirely the food for their own families. These family farms probably account for about ⅗ of Africa's agricultural production and ⅛ of Latin America's, with Asia falling somewhere in between. When crops fail, the result is hunger, if not starvation. The health and vigor of all, particularly children, is impaired; the capacity for work, the ability to learn, diminished.

Farming in North America's heartland is little like farming in the tropics where crops are almost totally dependent on unpredictable rain patterns. Floods and intermittent drought, unproductive soil, insects and storage problems, reduce yields.

In North America, where the average farmer can feed 46 people besides himself, people usually think of small-scale labor-intensive farms as inefficient. This is true where labor is scarce and capital plentiful. But in poor countries, where capital is scarce and labor plentiful, new seed varieties, adequate water and improved implements, combined with hand cultivation, can result in dramatic yield increases. When coupled with land reform, access to credit, education and marketing coooperatives, small farmers have equalled or surpassed per acre production on this continent.

The nature of the present crisis is not so much a global scarcity of food as maldistribution of agricultural resources. It is neither practical nor likely for the remote villages of South Asia, Sahelian Africa and Latin America's altiplano to be fed by the wheat and cornfields of North America. They must depend for their food upon the harvest of their own farmers.

"We cannot rely on the outside world to protect us from famine, we must rely on ourselves."—Farmer of Bhagya Nagar, Orissa, India.

This is why Oxfam has given its highest priority to helping small farmers to grow more food for their own families and the people who live in their own villages. By putting funds into rural associations and community-based projects, such things as farm credit, water management, seeds, fertilizers and village-level health care become possible through the efforts of the people themselves.

Where people are starving, it is only a partial response to provide food. It is necessary to ask why hunger has occurred and work to prevent its happening again.

Some Oxfam projects include:

In the Omo Valley, Gemu Goffa province, Ethiopia, Oxfam is helping to finance local construction of 40 windmills to provide water for irrigation in an area devastated by intermittent drought and famine.

In the Tambopata Valley of Peru, selected Sierra Indian farmers are being trained to demonstrate improved methods on their own farms. By their example and persuasion, it is hoped that neighboring farmers will be convinced that they should try these practices.

"We cannot rest where we are because some of us are comfortable or content. Those of us who are free to develop ourselves and our nation have no right to demand that the oppressed, the victims of discrimination, the starving, and the persecuted, should acquiesce in their present condition. If we do make such a demand we are ourselves becoming their persecutors and their oppressors."—Julius K. Nyerere, President of Tanzania.

DOES DÉTENTE MEAN HELPING THE COMMUNIST CHINESE AT EXPENSE OF THE FREE CHINESE?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. ASHBROOK. Mr. Speaker, Secretary of State Kissinger has returned from a trip to Peking. His visit is a prelude to one scheduled by President Ford for later this year.

Most articles on Kissinger's talks in Communist China reported that a certain "coolness" seemed to prevail in the meetings. It seems that the Communist Chinese are not completely satisfied with the speed of movement in relations with the United States.

One aspect of these relations is the so-called problem of the Republic of China on Taiwan. The Communist Chinese want to take over that country. They are jealous of the economic and social progress of the island and its continued existence as a symbol for the enslaved Chinese on the mainland.

The United States has had very close relations with the Republic of China on Taiwan. In recent years those relations have been taking a back seat as relations with mainland China have been sought. No longer does Secretary of State Kissinger brief the Free Chinese Ambassador. Lower level officials in the Department of State deal with officials of the Republic of China. Until pressure was put on President Ford, the Secretary of Agriculture was going to represent the United States at the funeral of President Chiang Kai-shek.

In other areas the same situation prevails. For example the United States' military presence has been downgraded.

Nonetheless the Republic of China has been growing in importance as an economic partner of the United States. Currently, it is in the top 15 countries in the amount of trade carried on with the United States. It sends buying missions to the United States. It continues to seek U.S. investment and partnership in new programs.

And in the economic area is where there has been some serious questions raised about current State Department policy toward the Republic of China. The Republic of China is trying to develop offshore energy deposits. One offshore gas field is in the exploration stage with a couple of wells already having been drilled. But the State Department is discouraging American companies from helping the Free Chinese develop these resources even though the Chinese Government is offering joint ventures and export of energy to other free Asian nations and the United States if sufficient quantities are found.

While defending its actions in seemingly traditional terms, the State Department actually is following a policy which will do something quite different than what traditional American policy in Asia has attempted to do. The result is to help the Communist Chinese at the expense of the Free Chinese. The State Department is helping to deny the free countries of Asia the ability to provide themselves with energy. Those countries including Free China will have to remain dependent on the OPEC nations for energy. At the same time they will witness Communist China developing energy resources which are being denied to them by American policy.

While American oil companies are being discouraged from entering into joint ventures with the Free Chinese and Koreans, other American companies are selling energy technology to the Communists.

I am opposed to any so-called détente policy in Asia which denies energy sources to our allies while enhancing the position of the Communists at the expense of those same allies.

STUDENT LOANS AND HIGHER EDUCATION: A WAY OUT

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mrs. MINK. Mr. Speaker, I have the privilege of inserting into the RECORD a proposal written by Dr. David Alloway and Dr. Francesco Cordasco of Montclair State College in New Jersey which provides a fresh approach to student educational loans.

Many deserving students are now denied assistance under our present student financial aid programs because of eligibility requirements or because of the reluctance of lending institutions to make them the loans. The Alloway-Cordasco proposal seeks to make educational loans available to all deserving students.

Undoubtedly, the Alloway-Cordasco proposal will generate a great deal of discussion in the financial aid community. That is the purpose of the proposal. There is no better time for such discussion for the Congress is currently considering legislation on student financial assistance.

The Alloway-Cordasco proposal is yet an idea. As it continues to be refined and revised by the authors, their concept will be formulated into legislation which I hope to introduce next year.

The proposal follows:

STUDENT LOANS AND HIGHER EDUCATION: A WAY OUT

(By David N. Alloway and Francesco Cordasco*)

With each year it has become increasingly difficult for many college students (neither poor nor affluent) to remain in college with rapidly escalating costs: as a result, there has been a steady erosion of middle class students whose families earn too much to qualify them for the federal largesse of free tuition programs, and yet who need assistance if they are to remain. The usual route for the middle class student has been to borrow money for the collegiate years from banks under a fairly cumbersome federal underwriting operation that has not worked very well. Banks have been backing away from student loans because of high default rates and slow government coverage of the now roughly $700,000,000 in defaults on the outstanding obligations. Some students have (somewhat imaginatively) used the bankruptcy approach to walk away from the loan and this has only made it harder for those who come along behind them. Clearly something must be done, and we propose a way out.

An effective way out would be the establishment by federal legislation of a College Student Acceptance Corporation which would become the lender for all college students in the United States. The corporation would be empowered to go into the capital markets and negotiate for the several billions needed every year just as a major corporation goes into the market to do the same thing—raise a lot of money.

Using the full faith and credit of the United States, it would be able to obtain the most favorable rates of interest possible, and could even lower interest by offering tax exempt bonds to the general public in denominations as small as $100.00 sold through banks, post offices, and the like, as U.S. Savings Bonds are now being sold. The CSAC could use the same machinery in the process. The Corporation then would be in the federal business of lending money to qualified college students, in fact, to any student with a demonstrable need and in any amount that would be truly necessary. Eligibility rules could be easily worked out: e.g., a family with a total annual income of $15,000 a year or less would be eligible up to 100% of all tuition, transportation, and living costs. This could decline at the rate of 10% of eligibility for every additional $2,500 of family income. The result would be that when family income reached about $37,500 a year, all eligibility would cease.

For efficiency of operation and coordination, the CSAC would arrange for a field service office on every campus with 100–150 loanees, and the field service office would simply do the whole operation locally. It could be supervised by tie-lines that would include a computer terminal at each campus tied to a central machine regionally. All transactions would have to go into the machine within 24 hours of execution and the central regions could run daily print-outs to see where they stood. The field service office would simply execute the documents, establish eligibility (after formal admission was established—and it would be on the spot to check same and to check locally that the student remained in the college as well). The field service officer would counsel the family on the matter and execute the documents locally and issue the authorization. Copies would go forward and regional offices could countermand, but the assumption would be acceptance in the absence of disapproval; in essence, the reversal of the present system of long waits and endemic confusion.

The field service office would run a bank operation in conjunction with local banks, or campus banking operations, and pay out monthly, forcing students to learn to manage in the process. The field service office would issue a voucher to the student in lieu of a check. The voucher would be used to pay tuition and the colleges would simply collect vouchers and submit them, appropriately authenticated, for lump sum payment from the CSAC—which would pay the colleges monthly or quarterly or however else might be most effective in holding down costs for the students. The same would be true of loan payments to students for living costs. The voucher system, similarly, would be used for dormitory and college boarding costs as well and appropriate checking regulations could ensure honesty in the process.

The CSAC would be best run by a part-time Board of Governors appointed by the President and confirmed by the Senate and its composition consist of:

1. a currently active college professor
2. a currently active, or retired bank executive
3. a currently active, or retired federal judge
4. a currently active, or retired, college president
5. a currently active, or retired, very high grade civil service officer (e.g., from the Treasury)
6. a currently active, or former member of Congress
7. a currently enrolled college student

Not more than three could be of the same political party (to allay partisan squabbles) and their terms might be for seven years. The college student member might rotate round the country annually. The Comptroller of the Currency and the Bank Examiners of federally chartered banks should supervise and "examine" the CSAC (annually) as they examine federally chartered banks, and the CSAC should have a liaison (non-voting) member sit with the Governors from the Federal Reserve Bank system as well as from the U.S. Treasury.

The Governors could set variable limits for students in various kinds of programs and in various kinds of colleges or parts of the country: e.g., state college tuition is lower than in private colleges so there would be variation within a single state. Living costs may vary somewhat in different parts of the country, and this would be variable as well. The Governors would set the 100% limits in regions, states, or even individual colleges if the colleges are that unique, and vary this from year to year as costs of living, etc., rise or fall accordingly.

In the matter of recouping the loans, a very efficient way to do this would be to have the U.S. Internal Revenue Service do it for the CSAC as it now does for the Social Security Administration. A variable method might be to allow the student to repay any amount he wishes, but it could not be less than the equivalent of 10% of his income tax liability in any calendar year. Thus, if the student had a very good year financially he would be required to repay more, and if he had a disastrous one he would repay nothing or very little. Repayment would rise and fall with the vicissitudes of the student's income after graduation and entry into the world of work. This would ease the shockingly heavy load some students face when just starting out. In fact, the law would be arranged to permit the borrower to simple have his withholding rate calculated and then automatically upped by 10% (or more) and he would have paid it in regular small amounts throughout the year. When filing a tax return, an additional short schedule would be added to cover the loan matter and the two could be paid jointly in the process. The I.R.S. would then turn collections over to the CSAC in lump sums as it now does for the F.I.C.A. (Social Security) tax collections.

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*The authors are respectively Professor of Sociology and Professor of Education at Montclair State College (Upper Montclair, N.J.).

The enabling legislation should call for regular felony prosecution for borrowers and field service officers who commit frauds or try to cheat, and the loans should be put beyond the pale of bankruptcy relief, since it would be flexible to meet financial ups and downs.

The CSAC would open the "loan window" to any person not otherwise eligible. It should be open to supplement scholarships on a reduced eligibility basis and could be used by the government to encourage students into certain programs. In fact, the whole federal loan program (as it presently exists) could be siphoned into the CSAC. The computerization and the tie-line system with field service offices would actually reduce the personnel and overhead costs for all programs. The CSAC would find the available loan money and give the lending institutions relief from all the paper work and afford them a lender of prime credit rating, the full faith and credit of the Government of the United States.

The CSAC would not loan out more than is needed to carry its paper from year to year and in due time the income in the form of repayments of capital and interest would equal needs, and the operation could simply keep rolling over. It would make sure there was loan money available to all deserving students at all times and that students would get it at the best best (meaning least expensive) interest rates possible. In a period of fiscal stringency, the CSAC concept promises the most equitable arrangement to meet increasing higher education costs: for tens of thousands of middle class American students it affords a way out of what has become, for them and their parents, a financial nightmare.

UNITED STATES-CHILE RELATIONS, PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. McDONALD of Georgia. Mr. Speaker, on page E 6190 of the November 18th CONGRESSIONAL RECORD I inserted a statement by Dr. Ernest W. Lefever which considered the following two broad questions: What is the basis of U.S. policy in Latin America? and Why did the Allende regime fail?

The second part of Dr. Lefever's statement, which was presented before a subcommittee of the House Foreign Relations Committee on August 5, 1974, was addressed to the questions of: First. How well is the present government doing? and Second. What are the prospects for U.S. relations with Chile?

Since the House may soon consider the issue of foreign military assistance, which is presently being denied to Chile while being granted to its hostile neighbor, Peru, I would like to bring the second part of Dr. Lefever's statement to the attention of my colleagues:

HOW WELL IS THE PRESENT GOVERNMENT DOING?

The present military government in Chile was conceived in desperation and brought forth in anguish. For almost three years the Armed Services tried to cooperate with the Allende regime. They had a long tradition of respect for democratic institutions and non-interference in the political arena. But with the breakdown of civil order, the collapse of the economy, and the crisis of public confidence, the military chiefs felt compelled to act.[1] Many people and organizations pleaded for them to intervene to restore order, maintain security, repair the economy, and create the conditions for a return to democratic rule. It is estimated that as many as 85 or 90 percent of the population approved their intervention. Most of the Chileans I interviewed said that if the September coup had not occurred, the country would have experienced a violent coup organized by Marxist extremists or have slid quickly into civil war.

The great reluctance of the military to act was matched by their inexperience in the political realm. They acted on very short notice. Their planning was inadequate. And they apparently underestimated the extent of armed resistance they would face. Hence, many mistakes were made on September 11 and in the weeks thereafter. Some of them were tragic. There was excess violence by some members of the Armed Forces. Many detainees were abused and some were tortured.

This is not the place for detail, much of which in any event is not verifiable. But it is the place to put certain events of the coup and its aftermath in perspective. To attempt to understand the causes of reprehensive behavior is not to excuse or condone it. One man tortured is one too many.

On September 11, the military commanders asked Allende to resign and gave him several opportunities for safe conduct to a waiting aircraft to carry him, his family, and close political collaborators to safety in a country of his choice. He refused and committed suicide. The military demand for surrender met resistance in some government buildings, factories, political headquarters, and other places and fighting followed. Some arrests were also resisted. As a result from 2,000 to 5,000 persons were killed in the coup and its aftermath, including a reported 96 by summary execution.

In accordance with a Constitutional provision, the Junta declared a "state of siege" to deal with the internal security emergency. The Congress was dismissed and Marxist political parties were declared illegal just as they were in 1946. The Christian Democratic and other non-Marxist parties were suspended. Under the "state of siege," the government legally assumed certain extraordinary powers, including the authority to arrest suspects without making a formal charge against them. Military courts were given jurisdiction over all alleged illegal activity related to national security. The civilian courts continued to deal with ordinary criminal cases.

One may agree or disagree that the emergency created by the Allende regime justified the intervention of the military and the imposition of a "state of seige." But this is the de facto situation and it is not likely to change in the next year or two.

The practical and moral questions to ask about the existing regime are these: 1) Has it abused its powers? 2) How well is it facing its pressing domestic problems? 3) Is it preparing for the restoration of competitive politics? 4) Does it pursue a responsible foreign policy?

1. High government officials freely acknowledge there have been abuses against suspects, including some torture by overzealous interrogators. But they point to extenuating circumstances, including sniping against police and soldiers and an emotional climate of class hatred generated by the Marxist militants. One also might add the total inexperience of the military in arresting and interrogating suspects and the fact that in a time of great chaos and stress a kind of latent sadism expresses itself in certain individuals suddenly thrust into a position of authority. It should be noted that students of Latin American police and prison practices say there is a steady minimum of such abuse in all countries and that it is bound to rise in a time of turbulence and confusion.

Perhaps more important, I found no evidence that the top military authorities ever ordered or approved the abuse of suspects, though a case might be made that they did not act as early or as vigorously as they might have to eliminate it. Such abuse was condemned early this year and at least five Chileans were arrested, prosecuted, and punished for mistreatment of suspects, one to 15 years in prison. Further, according to the testimony of many Chilean and foreign observers, serious abuse was virtually eliminated by late April of 1974. Hence, the findings of Americans who visited Chile before that time, including the testimony in the Human Rights hearings by the House Subcommittee on International Organizations and Movements, is out of date.

Certain less dramatic problems persist, including unemployment resulting from prior close association with the Allende regime or with one of the Marxist parties or groups. There is also the large number of suspects against whom charges have not been made after weeks or months in detention.

It is noteworthy that none of the 40 high government officials of the Allende regime who were imprisoned on Dawson Island was subjected either to torture or interrogation about their political activities and that at least three of them have been released without charges. There have been no known death sentences carried out in Chile this year, and it is likely that the four persons condemned to death for treason on July 30 will have their sentences commuted to life imprisonment.

Competent U.N. officials report that the government was extraordinarily cooperative in providing for several thousand refugees to leave the country. It has permitted the International Committee of the Red Cross freely to visit and inspect detention centers. It has welcomed delegations from international and other organizations to observe the Air Force trials. Foreign newsmen come and go as they please and report what they wish without censorship. These are hardly the marks of a repressive regime.

As in all countries in a state of emergency there is some internal censorship in Chile, but it is comparatively light and almost entirely of the self-regulatory sort under guidelines provided by the Junta. Under very rare circumstances there has been precensorship. Unlike the situation in neighboring Peru, the government does not own or control any mass medium of communication.

Contrary to the impression sponsored in sectors of the American press, Chilean church leaders and other critics of the regime enjoy remarkable freedom of expression. This point

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Footnotes at end of article.

was emphasized by Cardinal Silva on the occasion of the release of the Catholic bishops of Chile statement in April 1974 which criticized certain aspects of the government. "We were granted absolute freedom to prepare it," said the Cardinal, and "we have had complete freedom to publish it." This is "the best proof that in Chile, people have the right to dissent and that the continuity of every law is in full effect."

The Cardinal addressed two additional points to foreigners. First, "we want to make it clear . . . that the Chilean situation is incomprehensible if you do not take into account the chaotic state of the country and the enormous exacerbation of passions that existed during the previous government." Second, our declaration "reflects a situation of concern to Chileans only" and we do not want "for any reason whatsover" foreigners to interfere "in our internal affairs." These words of the Cardinal were perhaps more newsworthy than the formal declaration itself, which in any event was addressed primarily to Chileans, but the New York Times totally ignored the Cardinal's admonitions to foreigners and printed only the formal statement.

In the same vein, the New York Times ignored the significant May 12, 1974, declaration of Monsignor Emilio Tagle, Archbishop of Valparaiso, Chile's second largest city. Among other things, the Archbishop said the Armed Forces "legitimately took over the government in a quick action that prevented the catastrophe of a civil war. They, therefore, deserve the gratitude of the Fatherland." Internal security is still endangered, he added, because there are "many centers of aggression, that even receive help from abroad." Was this statement of a major religious leader not newsworthy?

In the whole range of legal questions unrelated to internal security, the government appears to be observing the letter and spirit of the Constitution, though it must be said that with the legal wreckage of the Allende period, many complex and legally murky problems remain to be clarified.

2. Many Chileans told us that the human rights issue was largely a concern of the past and that the most urgent task was the economic problem—curbing inflation and restoring productivity. It is too early to assess the performance of the government in this complex area, but the preliminary indicators appear encouraging. The inflation rate has been substantially reduced and the lines at food stores have been eliminated. But the prices are still high and are a hardship to the poor.

Industrial productivity is being gradually restored and the workers are being given a greater stake in the fruits of production. The government is releasing some of the small enterprises nationalized by Allende to the competition of the market, but has no intention of denationalizing the copper industry.

The economic product has been more widely distributed in Chile than in many other Latin American countries, and the government appears determined to keep it that way. It is also generally committed to the welfare measures of its predecessor regimes. The Junta is actively promoting land reform and urban housing projects.

Concern for internal security is a major government preoccupation. Though law and order has been effectively restored throughout the country, there is the potential threat posed by underground guerrillas, small in number, and hidden arms caches which are found from time to time. Both former President Ford and Cardinal Silva have publicly acknowledged the continuing seriousness of this problem.

Many of the foreign subversive groups have fled Chile along with some of their Chilean comrades. From safe havens abroad, they are still plotting to renew the Marxist revolution that failed. With the help of Marxist governments and private sympathizers, they are carrying on an unprincipled propaganda campaign to romanticize the Allende regime and vilify the present government. One of these many propaganda efforts throughout the United States was the National Legislative Conference on Chile and People's Lobby, held July 14–15, 1974, in Washington. This lobbying effort to pressure the U.S. Government to eliminate all military and economic aid to the present government of Chile was strongly supported by the American Communist Party.[2]

3. The regime regards its task of reconstructing the nation as temporary, but this may last from two to five years. It says the country is not yet ready to return to competitive politics, insisting that Chilean society has been fractured by contending political ideologies and demagogic politicians. The people, say the Junta spokesmen, need a rest from politics, political demonstrations, and the politicization of the school systems from kindergarten to University.

Nevertheless, the Junta established a Constitutional Commission which is already at work preparing a draft Fundamental Law for eventual return to democratic and civilian government.

4. The Junta appears to be pursuing a responsible foreign policy. In sharp contrast to its immediate predecessor, it has met its international debt obligations and has agreed to compensate the nationalized foreign copper companies. These acts plus sober domestic economic measures have resulted in the reestablishment of Chile's creditworthiness abroad. These achievements were accomplished in less than a year.

Again, in sharp contrast to the Allende regime, the Junta has cooperated actively with Washington and other governments in attempting to put a stop to the illicit drug traffic between Chile and the United States, which by the last year of the Allende period had risen to $309,048,000 worth of seized cocaine. Seven days after the September 11 coup, the new government in response to a U. S. request extradited known Chilean smugglers into the hands of American authorities and they are now all in U. S. jails awaiting trial.[3] For this "swift and unprecedented" cooperation, the Deputy Secretary of the Ministry of the Interior was given a citation by the United States. By such behavior, the government has demonstrated that it can keep its international commitments.

The present government, like its pre-Allende predecessors of the last five decades or more, has pursued a non-aggressive foreign policy. It has no known designs on its neighbors. And its military posture, present and projected, is designed to deter external attack, particularly from Peru. Consequently, Chile is a force for regional stability.

Assessing the internal and external performance of the Chilean military government by normal standards, and taking into account the state of emergency precipitated by the disasterous policies of the Allende regime, one can conclude that the Junta is doing a reasonably good job. Compared to the disorder, subversion, economic disaster, and illegality permitted or encouraged by its immediate predecessor, the present regime looks good indeed. It is far from perfect and in some areas has been too slow to acknowledge and correct its faults. But measured against what it replaced, one can say with confidence that it offers a far better chance for vitable political and economic development and for the restoration of democratic civilian government than the Allende regime ever did.

PROSPECTS OF U.S. RELATIONS WITH CHILE

There are two principal barriers to continued and mutually rewarding relations between the United States and Chile. One is the partial and unfair reporting of Chilean affairs in influential sectors of the American press. Neither your subcommittee nor the Congress can do much to remedy this situation.

The second barrier is the determination of a few members of Congress to use U. S. aid as a weapon to force changes in the internal political and economic institutions of Chile. For reasons best known to themselves, these reformers are seeking to punish a regime which is making a serious effort to clear away the wreckage of the "Allende Earthquake," as it is called in Santiago. This subcommittee and the Congress can do something to counter the press-inflated importance of these reformers whose arrogance too long has poisoned our relations with Latin America.

The first prerequisite for good relations with Chile is respect for her sovereignty and non-interference in her internal affairs. We should recognize that only the Chileans can find a Chilean solution to Chilean problems. The present government is facing difficult problems and we should be tolerant of its mistakes which, I believe, are due largely to inexperience.

Equally important, we should recognize the substantial achievements of the government under extremely adverse circumstances. The Junta's forthright attack on the economic problem, its capacity to maintain internal order, its general respect for the rule of law, and its commitment to orderly, peaceful, and legal development merit commendation.

More important in determining U.S. policy, however, is the Chilean Government's performance in the international sphere. It has demonstrated its willingness and capacity to keep its foreign economic commitments, it has cooperated effectively with the United States in curbing the illicit drug traffic, and it continues to pursue a nonaggressive policy toward its Andean neighbors. The government is thus making a significant contribution to regional stability and peaceful development. For these reasons, I believe Chile deserves U.S. support and encouragement.

I have not given detailed study to the Administration's modest economic requests for Chile, which involve $25 million in agricultural loans, $1 million in grant technical assistance (largely agriculture), and the continuation of PL 480 aid, but I am inclined to support them. This assistance would help make up for the 1973–74 harvest shortfall and give a boost to the economy.

In view of the potential threat to Chile from the growing superiority of Peru's armored strength and the uncertainty of equipment deliveries from Britain, the Administration's proposed military assistance would appear minimal. The Administration suggests grant aid of $800,000 to be used exclusively for the training of Chilean officers and NCOs in U.S. facilities. Chile has not received any grant military equipment for a number of years, but the Administration proposes non-concessional Foreign Military Sales credit amounting to $20.5 million, payable over 7 to 8 years with interest. The amounts in both categories are comparable to those proposed for other South American countries of similar size and importance and within the range of what has been available to Chile during the Allende period.

Providing this modest military assistance to Chile, I believe, would help serve U.S. interests in five areas, though the results are not always certain:

1. It would help restore the military balance between Chile and Peru, tend to make war between the two less likely, and thus contribute to regional stability.

2. It would make the Chilean Government less dependent on other external suppliers who may be unreliable or who might use military deliveries to subvert Chilean inter-

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Footnotes at end of article.

ests. It should be noted that even during the Allende years, the Chilean military refused Soviet military hardware offered on terms far more generous than those of the United States.

3. It would enable the Chilean Armed Forces to be more effective in internal civic action and humanitarian operations, especially during flood and earthquake disasters.

4. It would help to provide continued access of American officials to Chilean military leaders. Clear lines of communication fostered by U.S. training and advice are especially important during this emergency period of military government.

5. Military sales would help ease the U.S. balance of payments problem.

Conversely, if this military assistance is withheld for punitive and reformist reasons, Chile will consider it a serious rebuff, especially since her leaders believe that the very survival of the country is at stake. They would tend to feel isolated and forsaken by their best friend, an attitude hardly conducive to moderate domestic or foreign policies.

Past experience demonstrates that unilateral sanctions imposed by the United States or any other power tend to be self-defeating. They cause unnecessary resentment, erode mutual confidence, and lay the foundation for counter-sanctions. They would rightly be regarded as arrogant interference in internal affairs and would tend to create a climate that would make the satisfactory solution of the outstanding expropriation claims and debt repayment problems with the United States more difficult.

If we fail to provide U.S. military training and to sell the modest amount of equipment Chile seeks to buy from us, the government will feel compelled to go elsewhere. And there is no assurance that the alternative supplier will have the same respect for the integrity of Chile or the same interest in peaceful development as does the United States.

For these reasons, Mr. Chairman, I believe the Congress should give serious consideration to the Administration's modest requests for economic and military assistance.

FOOTNOTES

[1] The reason for their action are enumerated in Proclamation 5, issued on September 11, 1973. See Appendix E, page x.

[2] The proposed schedule and list of participants of the National Legislative Conference on Chile are found in the *Congressional Record*, July 11, 1974, pp. 23031–23032.

[3] See *Chicago Tribune*, July 18, 1974.

IN HONOR OF IRMA FLECK: BRINGING THE ARTS TO THE BRONX

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. BADILLO. Mr. Speaker, recently, a luncheon was held to honor Irma Fleck, a Bronx resident. The Bronx—most people thing of it as the home of the Yankees, the Grand Concourse, and yes, some of the worst slum neighborhoods in New York. But the Bronx has become one of the country's foremost models of what a community arts program can bring to an area. And one of the driving forces behind this great cultural renaissance is Irma Fleck, who recently retired as director of the Bronx Council on the Arts.

The Bronx Council on the Arts, as it is presently constituted, had its beginnings in a desk drawer in Irma's Bronx residence. It has expanded to the point where it provides financial assistance and other forms of help to over 100 cultural and community organizations and provides programs in which thousands of individuals participate.

When, as Bronx Borough president, I initiated what became the Bronx Council on the Arts. I had the good sense to appoint Irma its first chairwoman. That was in 1967. She took hold of every facet of the organization, from publicity to fund-raising, from writing the funding proposals to planning the exhibits. She helped establish the Bonx Museum of the Arts, and originated Project SPAN—Students Promoting Arts in the Neighborhoods—which brought cultural opportunities into every corner of the borough. She originated and established a Neighborhood Arts Service Project and developed cultural programs at colleges and other institutions in the Bronx.

In paying tribute to Irma, Sister Christine Marie, president of the Council, said:

> Irma has left a legacy of culture in the borough. The Board of Directors and myself are most grateful to her, for the arts are alive and well in the Bronx. We are indeed happy that she will remain with us as an advisor and that she will continue in another undertaking for the Council that will nurture culture and assist creative people in our area.

And it pleases me too, that the word retire for Irma is an inoperative verb. For she will be working on the Collector's Corner, a new council project—a nonprofit gallery run by and for the artists of the Bronx. She has also been named to a special statewide committee of the New York State Council on the Arts by its chairmwoman, Joan Davidson, that will study ways of distributing State council funds on a local level.

My life, and the life of every Bronx resident, has been enriched by Irma Fleck—and it will continue to be for many years to come.

DAMAGE TO CIA

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. YOUNG of Florida. Mr. Speaker, as I discussed last week on the floor of the House, I am gravely concerned over the effect of incessant attacks on the CIA and FBI, attacks which would gravely impair the domestic and international security activities of these agencies.

In a recent column, Jack Anderson—one of the CIA's major detractors—admitted that these attacks are seriously damaging the functioning and credibility of the CIA on an international level. Our allies are losing confidence in our intelligence service, and top-level informants are turning away from the CIA and giving vitally-needed information to other intelligence services.

I would like to include the text of this column for the benefit of my colleagues, and once again express the sincere hope that the attitude of the Congress toward the CIA and FBI will be responsible and realistic, and take into account the need to protect our national security in every way possible:

[From the St. Petersburg Times, Nov. 10, 1975]

CIA EXPOSURE REPERCUSSIONS

(By Jack Anderson)

WASHINGTON.—There is another side to the CIA story that hasn't been told. It's a story of demoralization and deterioration inside the clandestine agency. It's the reason William Colby was finally fired as the CIA chief.

We believe that excessive secrecy produced an unwholesome environment, which was changing the CIA into an ugly, frightening creature. "For too long," we recently wrote, "the CIA has operated in a subterranean world of half light, a world of grotesque shapes and shadows." This was turning the CIA, we suggested, into an unfamiliar, un-American agency, which plotted murders, committed burglaries, conducted buggings, blackmailed diplomats, tailed newsmen and spied on loyal Americans.

Our CIA contacts have given us another picture, which we feel obligated to publish. We felt sunlight was the best antidote for the rot that was infecting the CIA. They claim there has been too much sunlight which, as one CIA source put it, "has left us naked before our enemies."

Here are some of the repercussions, which we have been able to confirm:

Top CIA informants and contract employees are switching their allegiances to foreign intelligence services, which they consider more trustworthy.

The Soviet defectors, whom the CIA has been able to coax over to the American side, no longer trust the agency. This could shut off invaluable future sources of information.

The spectacle of the CIA confessing its sins to Sen. Frank Church, D–Idaho, has left sophisticated allied intelligence officials incredulous. One of them commented: "You don't have a country, you have a church—no pun intended."

This has reduced the CIA's credibility with allied intelligence agencies. "Oh, they have to deal with us," one source acknowledged, "but the extent of the cooperation is less because of their lessened confidence in us."

The Middle Eastern intelligence services simply can't understand how the CIA could be induced to turn over to Rep. Otis Pike, D-N.Y., the most secret material on the Cyprus crisis and related Middle East problems.

In Portugal, where a communist coup is still a threat, the CIA normally would have given clandestine support to moderate leaders at least commensurate with what the Soviets are doing. Instead, it has been left largely to Britain, France, Italy and West Germany to save Portugal.

In Italy, Communists have taken over at least 17 major jurisdictions during recent elections. In times past, the CIA would have worked with Italian security men to prevent the victories, just as the Soviets poured money into the campaigns to elect the Communists.

In Spain, the Soviets are more active than at any time since the Spanish civil war. They are strengthening the Communist remnants throughout the country. In contrast, the CIA has been outmanned, their morale broken.

In Lebanon, the Soviet-supported Palestine Liberation Organization is gaining power. Once the CIA operated one of its strongest networks in Lebanon. Now its efforts are feeble.

In Israel, the long ties between the CIA and the crack Israeli intelligence service have been badly strained.

Even in Canada, the old relationship between the CIA and the intelligence arm of the Royal Canadian Mounted Police has become corroded.

"All of them (are beginning to) mistrust us," explained a CIA contact. "They looked to us for leadership. Because they are out on the firing line, they must know that our word is trustworthy. But who will trust us with their country's secrets now?

"You don't write up contracts in this business. The dealings of one agent with another become a sort of unofficial contract with the U.S. government."

CIA agents look upon themselves as patriots. Even in time of peace, they put their lives on the line for their country. Declared one CIA man with long experience: "No one in this business would work with all that self-sacrifice if he didn't think he was part of the secret arm of our government. Every CIA agent feels that he is an instrumentality of the President, no matter which president is in power."

TRIBUTE TO THE HONORABLE CLINTON P. ANDERSON

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. ANDERSON of California. Mr. Speaker, I consider myself fortunate to have known the Honorable Clinton P. Anderson, the former Senator from New Mexico, on a personal basis. Thus, it was with a great sense of sadness and loss that I learned of his death last week at the age of 80.

Senator Anderson's leadership and ability were more than amply demonstrated during his many years of Government service. He is known as "The Father of Medicare" for his efforts to see that our Nation's elderly received decent medical care that they otherwise could not have afforded. Clint Anderson was a strong and active member of the Joint Committee on Atomic Energy and was a leader in the development of nuclear power for peacetime purposes. He was also a strong supporter of our Nation's endeavors in the exploration of space.

Years before it became politically popular, Clint Anderson was an active conservationist and proponent of social reform. His efforts on behalf of medicare reflected a lifelong concern for the welfare of the elderly. He was also responsible for the Wilderness Act, which set aside portions of our wild areas as preserves for future generations.

Clinton's career in the Senate, although distinguished, was only one aspect of a long life served on behalf of the American public.

He originally came to Washington in 1940 as a Member of the House of Representatives, where he served with distinction on the House Agriculture Committee. The leadership and expertise he displayed in this House led to his appointment in 1945 as Secretary of Agriculture by the late President Harry Truman. Clint Anderson served as Secretary during the crucial postwar period, when American foodstuffs were vitally necessary to feed a world still shocked by the effects of war.

I was very fortunate to become well acquainted with him during his many visits to California. In the early 1950's, as State chairman of the Democratic Party in California, I had the privilege of going with him to many areas where he was the principal speaker. I also traveled with him on other occasions to numerous meetings in California where his expertise on agriculture was always in great demand.

He was a man who inspired confidence and respect in all who came in contact with him. As I came to know him better, that feeling of respect grew—Clint combined a rare level of intelligence and competence with an unusual capacity for conscientious work.

Our Nation lost Clinton's leadership several years ago, when he retired from public life due to his health. His death is an even greater sorrow for those of us fortunate enough to have known him—and worked with him—during his long and outstanding career as a public servant.

My wife, Lee, joins with me in expressing our sincere condolences to Clinton's lovely wife, Henrietta; his son, Sherb; and his daughter, Nancy.

CONSECRATION OF ST. CATHERINE AND GEORGE CHURCH, OCTOBER 26, 1975—"A SHINING EXAMPLE OF COOPERATION BETWEEN CHURCH AND LAITY"

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. BIAGGI. Mr. Speaker, in the course of public life, there are those occasions when we have the opportunity and privilege to participate in an event of special significance to the people we represent. Such an event was held on October 26, when the Church of St. Catherine and George located in the Queens portion of my congressional district, was officially consecrated into the Greek Archdiocese of North and South America, Hellenic Orthodox community of Astoria.

This was an especially memorable day for me, as not only was I fortunate enough to have been invited to the ceremony, I also had the extreme and unexpected honor of receiving one of the highest honors bestowed by the Greek Orthodox Church, the Golden Medallion of St. Paul, presented to me by the beloved archbishop of the Greek Orthodox Church, His Eminence Archbishop Iakovos.

The consecration ceremony marked the fulfillment of a dream begun 4 years ago, when the ground was first broken for the St. Catherine Church. Through the tireless and dedicated work of the Greek community, the church was completed by 1973 and today has grown into one of the most outstanding houses of worship in the entire city, serving 700 persons as well as 950 students currently enrolled in their school.

The St. Catherine Church is a proud and beautiful building capturing the essence of esthetic beauty which has characterized Greek architecture during the past several centuries. Of particular note is the outstanding iconography of the church created by the internationally known Byzantine artist, Constantine Youssis. Due to Mr. Youssis' talent, the Church of St. Catherine represents the most beautiful expression of Byzantine art through his departure from the old classic and austere and his substitution of a more mellow and visually pleasing form. Also worth noting is the outstanding woodwork done by Mr. C. Pylarinos.

Any discussion of St. Catherine's Church would not be complete without a special word about their distinguished pastor, Father John Poulos. Father Poulos has provided the leadership and inspiration which helped make the St. Catherine Church a reality. Father Poulos in addition to being pastor of St. Catherine, is also pastor of the St. Demetrios Church, thus making him the leader of the largest Greek American congregation in this Nation.

In addition to his spiritual leadership, Father John as he is affectionately known, is also an active force in the large Greek community of Astoria. He is especially well known for the invaluable assistance he provides for the newly arrived members of the Greek-American community. Father Poulos' parishes have been referred to as "mini-city hall's", for under his leadership jobs, legal, and educational assistance as well as citizen preparation assistance, is provided to these Greek immigrants making their assimilation process that much easier.

Father Poulos, in addition to his time consuming work as pastor of these two Greek American churches, also serves as the chaplain for the New York City Police Department. All in all, Father Poulos is a remarkable man, dedicated to improving the lives of his fellow man. His work in the Greek community has earned him their lasting respect and love. The consecration ceremony was an especially proud moment for Father John Poulos, and I was pleased to join with his many friends in saluting his efforts on behalf of the St. Catherine Church.

In addition to Archbishop Iakovos and Father Poulos, the consecration ceremony was attended by other outstanding leaders of the Greek community. Included among these were the Consul of Greece, the Honorable H. Carabarbounis, the Consul General of Cyprus, the Honorable Dinos Moushoutas, and the distinguished president and executive director of the Hellenic Orthodox Community of Astoria, Mr. Theodore Miller and Mr. Theodore Theortheadorl participation in the consecration ceremony made it a memorable event for all.

Yet for me, it was a truly special day. One which I shall never forget. I had long known about the rich tradition and symbolism surrounding the Golden Medallion of St. Paul. When suddenly and without notice, I was summoned to the altar by a man who is recognized as the spiritual leader to millions to receive one of the most coveted awards of the Greek Orthodox Church, made October 26, 1975, one of the proudest days of my life.

The Greek community in awarding me this medal, cited my work on behalf of peace and justice for Cyprus. I only hope that the dream for peace on Cyprus can come to pass in the near future, as the suffering of the people of Cyprus is felt by each and every member of the Greek community in this Nation.

Mr. Speaker, I would like to share some of the highlights of this memorable day with my colleagues. Following my remarks, I will insert the remarks of Archbishop Iakovos at the presentation ceremony of the Golden Medallion of St. Paul. In addition, I would also like to insert the archbishop's moving address at the consecration banquet held later that day. I have also included my remarks at the banquet and the program listing the outstanding members of the Greek communities who participated in these event.

I am sure once these statements are read, more of you will gain an understanding of why this day was so important to the Greek-American community, and why this day will have special memories for me for years to come:

PRESENTATION OF GOLD MEDALLION TO REPRESENTATIVE BIAGGI

(By Archbishop Iakovos)

It is my pleasure today to present to you the golden Medallion of the Greek Archdiocese of N. & S. America as an excellent man of the public who has offered and offers precious services to our national matters of Cyprus and also the matters of advancement and elevation of our fellow countrymen.

Many high officials are honoring us today with their presence. It is a great day for us. A day for consecrating our own selves anew in the teachings of Christ, to His highest doctrine of loving one another, to His prayer that we all be one and to His commandment that we take upon ourselves the frailties of the poor.

Gentlemen, the man we are honoring today is all, our own Congressman Mario Biaggi, a great champion for the cause of justice for Cyprus he has fought for the growth of the cause of justice, for the respect of the laws here and in our International relations he is a protagonist for all the people especially in our case for Cyprus who have been deprived even from the right to hope for a better tomorrow.

Mario Biaggi has been to us not only vocal but a great fighter, very very valuable to us. I would like to ask you dear Congressman to come forward. (While Mr. Biaggi is approaching the altar His Eminence the Archbishop continued) The Congressman was here from the early hours today and still is with us and he will be with us to the end.

I would like to bestow upon you my esteemed and valuable friend Mario the Golden Medallion of St. Pauls' (who said Praise and Glory to those who work for whatever is good for justice and peace).

My people are more than happy today to have you in our midst, to share the Consecration ceremonies to offer our prayers for the peace of the world and justice among them.

Our love for you is very profound and our praise for your record as a Congressman is reflected by this Medallion. May the glory which God bestows upon all the faithful servants of His people shine upon you always.

SPEECH OF ARCHBISHOP IAKOVOS

My Honored friend Mario Biaggi, Ladies and Gentlemen: I would like to dwell only for a brief moment on the true meaning of the Consecration day. Mario acted himself like a theologian and he attempted to tell you that today was or it should be a historic day for everyone of us for Consecration must be a personal commitment in an age when we are so hesitant in commiting ourselves to noble and sacred goals and ideals but certainly the Consecration was not of the beams and not of the steel, not the cement blocks, it was the consecration of you, each one of us, because unless we are the living temple of the living God no Cathedral will ever be able to convince God that the majesty of the architecture of the beauty of the iconography are sufficient evidence of the piety and of the morality and spirituality of the people. St. Paul addressing himself to the Christians in Corinth and discussing with them the sacredness of the human body asked the following question which is very appropriate to be asked once again today, and the question was the following: "Don't you know that your body is a living temple of the living God and that the Holy Spirit dwells within you?" Now if you don't know that my friends I think we were just spectators of the beautiful and symbolic ceremony will be long remembered but nothing more than that. And I don't like to think of you today as spectators or auditors. When I was explaining everything that I was doing there as a part of the Consecration ceremonies I had in mind to make you participants, cocelebrants together with me and we were consecrating all of us in unison not a building but our own individual selves. It is high time for everyone here in the United States not simply for the Greek Orthodox Community in Astoria to reconsecrate himself or herself to the faith, traditions and values of Christianity which made this land of ours the great Nation she was and she intends to be.

We have gone through the last fifteen years many a crisis political, judicial, educational, religious, moral, spiritual, international. We have been humbled, we have been humiliated, we have been exposed as a nation of weaklings, of arrogant leaders who have no respect for law and justice, but we are determined to continue to be a great nation and to reconsecrate ourselves to the high and lofty goals set forth by the Founders of this Nation. The first speaker or rather the toastmaster, Nick Andriotis, mentioned briefly the bicentennial, but to me and I believe the bicentennial is an occasion provided by history so that we may rediscover the American destiny and the American dream and commit ourselves to both. To carry on the political and religious philosophy of the Founding Father of this Nation and at the same time to advance the goal of democracy, the goal of equality, the goal of justice, the goal of human dignity of the goal of freedom the goal of democracy at its best. And I believe that our Consecrating a church today was a participation of the observance of the bicentennial for we the Greek American Community in Astoria offer to our Nation a new temple, a temple not simply beautiful but a temple made of living temples of people, those present by thousands this morning on Ditmars Avenue and those present at this moment as participants and cocelebrants of this bicentennial banquet. I would like to end with one thought which is my constant prayer and the most fervent one that consecration continues for a long time to mean a great deal to us, because what we have witnessed all these years was desecration, one desecration after another. One act of desecration after another. And yesterday another desecration took place. In Constantinople four thousand of demonstrating Turks entered into the great Christian temple of St. Sophia and there they raised the Turkish flag proclaiming St. Sophia, a museum now, as a Moslem Mosque, or tzami, and they demanded that all these mosaics, the beautiful mosaics of St. Sophia, be destroyed so that no evidence of presence of this Byzantine spirit and art may continue to be a reminder to the Turks.

They do not deserve to be the inheritors of that great civilization which continued for one thousand years, unconquerable record of any other civilization of the world. But the Turks don't like to have anything in common with Byzantium they like the mosaics destroyed and the church of St. Sophia to be a mosque in which the Turks must offer prayers for the destruction of the Nation of Hellenes. And they carried together placards reading "Burn Greeks" and "We like to tread upon Greek blood". Now this was a desecration, a history desecrating history, a case history of barbarism at its worst, because there is suspicion that this contemptible act of assassination of two Turkish diplomats were actions committed either by Armenian, Cypriot Greeks or Kurds. Of course no one here, Mr. Biaggi, has any word of praise for such actions, they are actions of cowardice, they are actions immoral and no one regardless of how much he likes or dislikes Turks never will find a word of praise for such acts, unmanly, unchristian, barbarous acts. I don't know who has assassinated the Turkish Ambassador in Vienna, I don't know who has assassinated the Turkish Ambassador in Paris, but I know one thing and this I like to submit to you in a most responsible and official way that Greeks have no stigma of barbarism in their long, over three thousand year history, and civilization. And I must tell you this in a vein of not exactly amusing but when the end of the last world war was seen in the horizon and when Italian invaders of Greece decided to leave Greece, and when the German Fascists troops were persecuting Italians in Greece those who protected the Italians were the Greeks. You said very correctly that we are members of one family and we Greeks taught Romans how to live, how to educate their generations, even how to fight and when Romans came to the point of being the most powerful nation in Europe, and subjugated Greece, Cicero, a Roman philosopher and politician, said that when Greece was conquered by the Romans she in turn conquered the Romans through her spirit, through her civilization and through her heart. Therefore, we belong together.

SPEECH OF HON. MARIO BIAGGI

Thank you Chairman Nick Andriotis, Your Eminence Archbishop Iakovos, Your Graces, Reverend Clergy, and especially my dear friend Rev. Poulos, Counsel to Greece, Ambassador Dino Moushoutas, my dear friend who leaves me with a heavy heart whenever he leaves this country, distinguished guests, colleagues in Government, Ladies and Gentlemen: First, I must tell you what Nick Andriotis said to me when the preceding speakers spoke in Greek, he says I guess Mario this is all Greek to you. And it was true in the sense that he meant it, but I would like to respond to him at this point; when you speak from the heart we understand each other in any language. I've spoken from this podium many times in the Crystal Palace, many, many times, too often to deal with tragedy, of Cyprus, the tragedy which still exists, but today for a little while at least, I choose to put aside, as humanly possible as I can, the tragedy of Cyprus and deal with the beauty and miracle of the day, the Consecration of St. Catherine's Church. I participated at the ceremonies in the sense that I witnessed and I am privileged to have been invited, I saw the Archbishop during the entire ceremony hour after hour and his colleagues of the clergy hour after hour perform what should be one of the most singular events in the church in at least the City of New York if not the Nation if not the

North and South Hemisphere which he has jurisdiction of. I am told he is the inspirational leader of Greeks in both of these areas. You might like to know Your Eminence that your inspiration goes beyond those people of Greek ancestry, that you touch many others. And it's this type of day really, Consecration of St. Catherine's Church, on the feast day of St. Demetrios, and one other dimension, on my birthday. (Audience sang Happy Birthday to Hon. Mario Biaggi. Father Poulos said we had in mind to surprise him but he surprised us, the cake is coming later on.) Oh, I was surprised. I was surprised and I am sure you know I will never forget this day it was October 26, 1917 this very day. But at the end of the ceremonies today I was called to the altar by His Eminence and I knew some people were being honored for their contribution to the Church and to the Community and I listened and I knew what a great honor it was especially those who were so close and who sought so little then I was called, then I was introduced and asked to come forward not knowing what was in store, well the cake Father Poulos may be a surprise but no greater surprise was mine than when His Eminence pinned the medal of St. Paul on my lapel in St. Catherines, on this its Consecration Day. And for this I repeat I'll be eternally grateful and I've never been more overwhelmed in my life. And I've been honored many times.

But let's talk today about St. Catherines, what it means and how it came to pass and its effect on this Nation or not simply on this City of New York or on the people of Greek ancestry who attend school and who will go on to high school according to the plans on the drawing boards find out what it means, it's the contribution of immigrants, of children of immigrants who have pride in their culture, a culture that has endured for three thousand years, a culture that has as its beneficial influence on every nation in the world, on every culture of the world. What we are doing is perpetuating a culture that has the best of all cultures. If the principles and the characteristics of those of Greek ancestry were to be adopted and practiced by all, we would have no trouble in this world, hard work, respect of family, respect of church, respect of self, respect of neighbor and aspire for a better life by application and education. This is what St. Catherine means to me. This is what St. Catherine has to offer to you, those of Greek ancestry. St. Catherine under the leadership of Father John Poulos, a great dynamo in your Church. But St. Catherines will be, if it's at all possible even more than a religious centre, more than an educational centre, it will be the equivalent of a city hall but even more than that, it will be the inspirational centre for all those of Greek ancestry and all of their neighbors and they can point with pride at what can be done when you get together and work together for the common good. As for myself Father John says its only a mistake of geography or mistake of history that I am not Greek for in every other sense I am Greek. But the most important virtue I feel is the Greek sense of justice in that area we don't differ one cintila and in the pursuit of justice, everywhere in the world in the pursuit of justice everywhere in the world with the leadership of His Eminence Archbishop Iakovos whose force and effect is felt everywhere in the world. One day we will see a tranquil world and I would like you to know that no leader is without a troubled mind. No leader has a tranquil moment. But Your Eminence, I wish for today at least you would put aside your troubles and think of the beauty of which you have wrought and the beauty that can still be done for all mankind and yours is an invaluable contribution. Thank you very much.

ALTERNATIVE APPROACH TO TAX REFORM

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1975

Mr. JONES of Oklahoma. Mr. Speaker, I have approached tax reform with these three goals in mind: First, to increase equity for the individual taxpayer; second, to simplify compliance with the Tax Code; and third, to accomplish these reforms without creating capital disincentive for investments in selected industries.

The LAL provisions of this bill are extremely complicated, will create major accounting problems, and adversely discriminate against six specific industries.

Under the rule agreed to by the Rules Committee, I plan to offer a minimum taxable income proposal to H.R. 10612. This MTI proposal would replace the LAL provisions in this bill and the minimum income tax for individuals.

MTI is a more responsible and equitable alternative as the following reasons indicate:

MTI will minimize the impact on any given industry;

MTI will more evenly spread out the impact of increased taxes;

MTI will affect 175,000 to 200,000 tax returns, compared with 30,000 now affected by the minimum income tax;

MTI has no carryforward, unlike LAL, which has an indefinite carryforward;

MTI will for the most part affect taxpayers above the $50,000 income class.

Revenue effect: $866 million net revenue increase above present law, rising to $1.335 billion in 1981.

The LAL provisions in this bill simply are not sound economic policy, and it does not make sense to draft a tax reform bill absent a consideration of its economic consequences. These provisions will profoundly affect already depressed industries such as housing.

Housing starts are down dramatically, to perhaps the lowest point since World War II. Multifamily housing starts have dropped from over 1 million in 1972 to 300,000 this year. Overall housing starts are projected to be 1.15 million this year, compared with 1.3 million last year and 2.4 million in 1972. In addition, nonresidential construction is off 17 percent from last year.

Unemployment in the construction industry continues to be extremely high at 18 percent from last year.

And there is a sweeping ripple effect throughout the related industries. Portland cement production is down 10 percent from last year, 20 percent from 1973. Fabricated structural steel production is down 25 percent since 1973. Softwood lumber production is down 19 percent from last year, 15 percent from 1973.

Farmers continue to have severe problems, and the number of farms continues to dwindle. The petroleum industry would also be hard hit by LAL in the area we as a Nation can least afford, the drilling of new wells. After virtually repealing the depletion allowance, to come back and attach intangible drilling costs will curtail new drilling. The effects of the depletion action can be seen not in current drilling figures, but in the number of active seismic crews. According to the Society of Exploration Geophysicists, the number of contract seismic crews operating this September was 195, compared with 246 a year ago. The trend has been steadily downward.

This MTI proposal provides for an alternative tax. The taxpayer would pay the greater of the tax on, first, the normal taxable income computed in accord with section 63 as under present law, or second, the minimum taxable income:

WHAT IS MTI? HOW IS IT COMPUTED?

Adjusted gross income.

Plus tax preferences.

Minus personal exemptions.

Minus $10,000.

Minus extraordinary medical expenses (amount by which deductible expenses exceed 10 percent of AGI+Tax preferences).

Minus extraordinary casualty losses (amount by which deductible expenses exceed 10 percent of AGI+Tax preferences).

Minus charitable contributions.

Minus investment interest and expenses up to the amount of investment income.

Multiply this by 55 percent=MTI.

MTI is then taxed at normal tax rates.

Formula: AGI plus Tax preferences minus Personal exemptions minus $10,000 minus extraordinary medical expenses and casualty losses minus charitable contributions minus investment interest and expenses up to investment income/multiplied by 55 percent=MTI.

The formula for MTI is to add adjusted gross income and tax preferences, and then to subtract personal exemptions, $10,000, extraordinary medical expenses and casualty losses, charitable contributions, and certain investment expenses. This figure is then multiplied by 5 percent to determine MTI, which is taxed at regular rates. The taxpayer will pay the higher of his regular taxes, or his taxes on his minimum taxable income.

WHAT ARE THE TAX PREFERENCES?

The tax preferences, to be added to AGI, include all of the current preference items in section 57, the minimum income tax for individuals. Added to these nine preferences would be the one new preference adopted by the committee, accelerated deductions for intangible drilling costs for developmental wells in excess of capitalized deductions.

In effect replacing LAL, the accelerated deductions in excess of net related income would be added as preferences when they result from real estate, farming, oil and gas, films, equipment leasing, and sports franchises, as stated in the committee bill, pages 13–21.

The purpose of the $10,000 deduction, which was included in the 1974 committee MTI proposal, is to exclude low- and middle-income taxpayers. The additional offsets for extraordinary medical expenses and casualty losses will permit taxpayers at all income levels to pay on less than one-half of their income, free of the MTI limitation, when this is due to large expenses of a catastrophic nature.

I offer the MTI substitute because it has two distinct advantages over the committee bill. First, it directly and simply conveys to each taxpayer that all taxpayers, regardless of income, are paying their fair share. And second, it allows the marketplace to determine the flow of capital, without additional interference from the Internal Revenue Code:

XIII. Supplemental Views of Hon. James R. Jones

I have approached tax reform with these three goals in mind: (1) to increase equity for the individual taxpayer; (2) to simplify compliance with the Tax Code; and (3) to accomplish these reforms without creating capital disincentive for investments in selected industries.

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Unemployment in the construction industry continues to be extremely high at 18 percent, more than twice the national average.

And there is a sweeping ripple effect throughout the related industries. Portland cement production is down 10 percent from last year, 20 percent from 1973. Fabricated structural steel production is down 25 percent since 1973. Softwood lumber production is down 10 percent from last year, 15 percent from 1973.

Farmers continue to have severe problems, and the number of farms continues to dwindle. The petroleum industry would also be hard hit by LAL in the area we as a nation can least afford, the drilling of new wells. After virtually repealing the depletion allowance, to come back and attach intangible drilling costs will curtail new . . .

HOUSE OF REPRESENTATIVES—*Monday, December 1, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Trust in the Lord forever, for the Lord God is an everlasting rock.—Isaiah 26: 4.

Eternal God, amid the hectic pace of busy times and the hearty desire to get our work done, make us mindful of Thy presence during this Advent season. We recall again Thy great gift to the world and pray that the spirit of Christmas may truly live in our hearts and in the hearts of our people. By Thy grace may we learn to love one another, to understand one another and to help one another that in some little way Thy kingdom may come to new life in our day.

Give us strength for the adventures of these hours and may truth and love fill our minds and find expression in our daily living: through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills and concurrent resolution of the House of the following titles:

H.R. 5900. An act to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers;

H.R. 8773. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and

H. Con. Res. 466. Concurrent resolution revising the congressional budget for the U.S. Government for the fiscal year 1976, and directing certain reconciliation action.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 5900) entitled "An act to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Williams, Mr. Randolph, Mr. Pell, Mr. Nelson, Mr. Hathaway, Mr. Mondale, Mr. Durkin, Mr. Javits, Mr. Schweiker, Mr. Taft, and Mr. Stafford to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 8773) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Robert C. Byrd, Mr. McClellan, Mr. Montoya, Mr. Chiles, Mr. Mansfield, Mr. Stevens, Mr. Young, and Mr. Hatfield to be the conferees on the part of the Senate.

The message also anounced that the Senate disagreed to the amendment of the House to a bill of the Senate entitled:

S. 2114. An act to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 698. An act requiring the Secretary of Agriculture to convey certain lands to Mr. and Mrs. Pat Clark of Las Vegas, Nev.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the bill on the Consent Calendar.

PROVIDING FOR DISPOSITION OF FUNDS APPROPRIATED TO PAY JUDGMENT IN FAVOR OF COWLITZ TRIBE OF INDIANS

The Clerk called the bill (H.R. 5090) to provide for the disposition of funds appropriated to pay a judgment in favor of the Cowlitz Tribe of Indians in Indian Claims Commission docket numbered 218 and for other purposes.

Mr. McKAY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

The SPEAKER. This being the only bill on the Consent Calendar, this concludes the call of the Consent Calendar.

APPOINTMENT OF CONFEREES ON H.R. 5900, TO PROTECT RIGHTS OF LABOR IN BUILDING AND CONSTRUCTION INDUSTRY AND TO PROVIDE EQUAL TREATMENT FOR CRAFT AND INDUSTRIAL WORKERS

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5900) to protect the rights of labor in the building and construction industry and to provide equal treatment for craft and industrial workers, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. PERKINS, THOMPSON, BRADEMAS, FORD of Michigan, CLAY, BIAGGI, MILLER of California, QUIE, ASHBROOK, and ESCH.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
November 21, 1975.

Hon. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted on November 19, 1975, the Clerk has received this date the following messages from the Secretary of the Senate:

That the Senate passed H.R. 2343, an act to designate the new Forest Service laboratory at Auburn, Ala., as the "George W. Andrews Forestry Sciences Laboratory."

That the Senate passed H.R. 9472, an act to amend section 15d of the Tennessee Valley Authority Act of 1933 to increase the amount of bonds which may be issued by the Tennessee Valley Authority, and for other purposes.

That the Senate agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3922) entitled "An act to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such act, to prohibit discrimination on the basis of age, and for other purposes."

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND CALLEY,
Deputy Clerk.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Wednesday, November 19, 1975, he did on November 20, 1975, sign the following enrolled bills of the House:

H.R. 2343. An act to designate the new Forest Service laboratory at Auburn, Ala., as the "George W. Andrews Forestry Sciences Laboratory";

H.R. 3922. An act to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such act, to prohibit discrimination on the basis of age, and for other purposes; and

H.R. 9472. An act to amend section 15d of the Tennessee Valley Authority Act of 1963 to increase the amount of bonds which may be issued by the Tennessee Valley Authority, and for other purposes.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER laid before the House the following communication from the chairman of the Committee on Public Works and Transportation; which was read and referred to the Committee on Appropriations:

COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION,
Washington, D.C., November 20, 1975.

Hon. CARL ALBERT,
Speaker of the House of Representatives, Washington, D.C.

MY DEAR MR. SPEAKER: Pursuant to the provisions of section 201 of Public Law 89-298, the Committee on Public Works and Transportation of the House of Representatives today adopted a Committee resolution authorizing the following water resources development project:

Manatee County, Florida

A copy of the resolution is enclosed.

With kindest personal regards.
Sincerely,
ROBERT E. JONES,
Chairman.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *November 26, 1975.*

Hon. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith two (2) sealed envelopes from the White House, each received in the Clerk's Office at 11:05 a.m. on Wednesday, November 26, 1975 and said to contain—

(a) a message from the President wherein he transmits the annual report of the Secretary of the Interior under the Federal Coal Mine Health and Safety Act of 1969, and

(b) a message from the President wherein he transmits the ninth annual report on the Operation of the Automotive Products Trade Act of 1965.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

NINTH ANNUAL REPORT ON OPERATION OF AUTOMOTIVE PRODUCTS TRADE ACT OF 1965—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Ways and Means:

To the Congress of the United States:

I hereby transmit the Ninth Annual Report on the Operation of the Automotive Products Trade Act of 1965. This report contains information about the United States and Canadian Automotive Products Agreement, including trade, prices and employment in 1974. Also included is other information pertinent to the various provisions of the act.

GERALD R. FORD.
THE WHITE HOUSE, *November 26, 1975.*

ANNUAL REPORT OF SECRETARY OF INTERIOR UNDER FEDERAL COAL MINE HEALTH AND SAFETY ACT OF 1969—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

In accordance with Section 511(a) of the Federal Coal Mine Health and Safety Act of 1969, I am pleased to submit to you the Annual Report of the Secretary of the Interior.

This report consists of Part 1, detailing the activities of the Mining Enforcement and Safety Administration, and Part 2, describing the mining research activities of the Bureau of Mines.

GERALD R. FORD.
THE WHITE HOUSE, *November 26, 1975.*

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 9005, INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill H.R. 9005, to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION TO HAVE UNTIL MIDNIGHT TUESDAY, DECEMBER 2, 1975, TO FILE CONFERENCE REPORT ON H.R. 8069, DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES, APPROPRIATIONS, 1976

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that the managers may have until midnight Tuesday, December 2, 1975, to file a conference report on the bill H.R. 8069, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PROPOSING RESCISSIONS AND DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-311)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose 13 new rescissions totalling $838.6 million in budget authority. In addition, I am reporting 18 new deferrals that total $253.2 million in budget authority and changes to one deferral previously transmitted that decrease the budget authority deferred by $4.1 million.

If we are to avoid excessive Federal spending, the kinds of actions I am proposing today are essential. I believe that both the legislative and executive branches must continually weigh the contribution made by each Federal program against the limited resources available. We must carefully assess new or expanded activities before they are implemented. To make room for necessary new spending, we must eliminate Federal spending for programs that are no longer needed, that duplicate other programs, or that can be financed from other sources.

The details of each rescission proposal and deferral are contained in the attached reports.

GERALD R. FORD.

THE WHITE HOUSE, *November 29, 1975.*

TAX REFORM ACT OF 1975 VITAL TO ECONOMIC RECOVERY

(Mr. McFALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McFALL. Mr. Speaker, the House will vote this week on the Tax Reform Act of 1975, a measure all of us agree is vital to our continued economic recovery.

Last March, not long after the President was advocating a tax increase, Congress enacted a major tax reduction, which has been the single most effective element in turning the recession around and launching our current economic rebound.

The Tax Reform Act would extend those tax cuts. It also would close loopholes in our tax structure which permit the escape of millions of dollars in revenues. I believe both elements of this bill must be enacted now. The alternative would be to wipe out the tax cuts of last March. Withholding rates would revert to pre-March levels for virtually every American taxpayer. And our hard-won economic recovery would be halted in its tracks. At the same time, the loopholes would remain intact, permitting some of the wealthiest taxpayers to avoid their fair share of taxes and promoting further alienation among the millions for whom there are no loopholes.

Traditionally, major tax bills are considered in the House under a closed rule after the Ways and Means Committee has thoroughly debated their provisions. The Rules Committee last month granted a modified rule for the Tax Reform Act. It will permit seven specific amendments. I believe it is a good rule. In the name of tax equity and continued economic recovery, it is imperative that we vote for the previous question, adopt the rule and enact the Tax Reform Act.

LEGISLATIVE PROGRAM

Mr. O'NEILL. Mr. Speaker, I take this time to announce that we will call up under a suspension of the rules today the following items:

Item No. 6 will be H.R. 9883, the Lyndon Baines Johnson Memorial Grove;

Item No. 7 will be H.R. 1747, authorizing an exchange of lands for an entrance road at Guadalupe Mountains National Park; and

Item No. 8 will be S. 267, Flat Tops Wilderness, Routt and White River National Forests, Colo.

Then tomorrow we will call up under a suspension of the rules House Resolution 864, a sense of Congress resolution concerning recognition of Estonia, Latvia, and Lithuania.

RETIREMENT OF KARL F. VELEY, OFFICIAL REPORTER TO HOUSE COMMITTEES

(Mr. FLOOD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLOOD. Mr. Speaker, I recently learned of the impending retirement of one of our most highly regarded committee reporters, Karl F. Veley. Karl has been reporting congressional hearings for 28 years, and he has been one of the official reporters to committees of the House of Representatives for the past 11 years. I would like to take this opportunity to recognize his competent and dedicated service to the House, and particularly to the Committee on Appropriations. As a member of the Subcommittee on Defense, and as chairman of the Subcommittee on the Departments of Labor and HEW, I have sat through hours and hours of hearings dealing with subjects which may range from intercontinental ballistic missiles in Defense to maternal and child health programs in HEW. The competence of Mr. Veley—indeed, of all the official reporters to committees—cannot be doubted when one considers the variety of subjects with which they must deal.

I would certainly be remiss if I did not also mention the tremendous volume of material that Karl Veley and his colleagues handle so efficiently. Let me use two subcommittees on appropriations as examples. The Labor-HEW subcommittee produced eight full volumes of hearings on the fiscal year 1976 budget alone. The Defense subcommittee has 10 full volumes. This quite obviously entails many, many hours of testimony which must then be translated into thousands of pages for the hearings record. I never cease to be impressed with the dedication, perseverance and accuracy of our committee reporters when confronted with a task of such magnitude. Karl Veley in my opinion—and I am sure I can also speak for many of my colleagues—is an excellent example of all these fine qualities.

Naturally, Karl has to have support in his fine work. I commend Mrs. Hooks, his note reader, for the excellent quality of the transcript made available to the committee early on each morning following our long hearings. Karl has spoken very favorably of her work many times.

Finally, I would like to mention the names of several of my colleagues who have contacted me personally with highest praise for Karl Veley's work. These include two members of our distinguished leadership—Congressmen JOHN J. RHODES, minority leader, and JOHN J. McFALL, majority whip; and Congressmen JAMIE WHITTEN, MORRIS UDALL, WILLIAM NATCHER, JAMES HALEY, TOM STEED, and HAROLD JOHNSON.

I could go on at great length with words of praise for this dedicated public servant. But I shall end with a simple and sincere thanks to you, Karl Veley. Your work has aided us immeasurably. I am sure all of the Members of the House of Representatives join me in wishing you a very rich and fulfilling retirement—you certainly deserve the best.

BLUE CROSS/BLUE SHIELD REDUCTION OF PSYCHIATRIC BENEFITS

(Mr. GUDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUDE. Mr. Speaker, in a secret move, Blue Cross/Blue Shield has reduced substantially fees allowable for certain psychiatric benefits without bothering to notify either the patients or the doctors involved.

In effect, the patient is continuing therapy without the benefit of knowing that his coverage has been cut back. This is a cruel and underhanded way to effect back-door benefit cuts.

Federal employees health benefits programs amount to nearly 10 percent of the Blues total premiums. I am shocked that Civil Service which has congressional authority to negotiate the Federal health package has allowed a carte blanche policy with regard to ongoing cost reviews which may be effected at any time during the contract year without notification to subscribers.

Seven months ago, I introduced H.R. 7031 along with 34 sponsors to assure the subscriber the right to have a say in the yearly health negotiation process. This most recent outrage by the Blues underscores the need for an immediate review of the health negotiation process by this Congress.

EQUAL RIGHTS AMENDMENT

(Mr. CARTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARTER. Mr. Speaker, recently on the floor of the House I recounted the votes in New Jersey and New York on the equal rights amendment and stated that this amendment might go down the drain, whereupon I received letters calling me a male chauvinist.

Mr. Speaker, I have always loved women—the happiest hours of my life were spent in the arms of another man's wife, my father's.

I include the following:

Here's to women all over the Earth,
Women of beauty and women of worth,
Women with missions and women with fads,
Women with figures and women with pads;
Blondes, brunettes, and all other shades,
Wives and widows and prim old maids;
Savage and heathen, Christian and Jew,
From faraway Tokyo and Kalamazoo;
The plump, the lean, the short, the tall—
Bless their dear hearts, I love them all.

AMENDMENTS TO FEDERAL RULES OF EVIDENCE AND CRIMINAL PROCEDURE

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9915) to make technical amendments to the Federal Rules of Evidence, the Federal Rules of Criminal Procedure, and to related provisions of titles 18 and 28 of the United States Code, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 4, line 15, strike out "16(b)." and insert: "16(b); by changing the reference to rule 4(b)(1) in rule 9(b)(1) to rule 4(c)(1); and by changing the reference to rule 4 (c) (1), (2), and (3) in rule 9(c)(1) to rule 4(d) (1), (2), and (3)."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. HUTCHINSON. Mr. Speaker, reserving the right to object, and I shall not object, but I take this time to ask the gentleman from Missouri to explain what this is.

Mr. HUNGATE. Mr. Speaker, will the gentleman yield?

Mr. HUTCHINSON. I yield to the gentleman from Missouri.

Mr. HUNGATE. Mr. Speaker, H.R. 9915 was passed by this body on November 3, 1975, by a vote of 360 to 1. The bill makes technical and conforming amendments in the Federal Rules of Evidence, in the Federal Rules of Criminal Procedure, and in related provisions of title 18 of the United States Code.

The Senate also agreed to the bill, but it made an amendment. This amendment corrects two cross-references in rule 9 of the Federal Rules of Criminal Procedure. These cross-references refer to subparts of rule 4. Rule 4 was changed and its subparts were redesignated. However, when rule 4 was changed, the cross-references to it in rule 9 were not. The Senate amendment corrects this oversight.

This purely housekeeping amendment is acceptable to both sides of the aisle, so I urge my colleagues to vote to suspend the rules and pass H.R. 9915 together with the Senate amendment.

Mr. HUTCHINSON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 9861, DEPARTMENT OF DEFENSE APPROPRIATIONS, 1976

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9861) making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none and appoints the following conferees: Messrs. Mahon, Sikes, Flood, Addabbo, McFall, Flynt, Giaimo, Chappell, Burlison of Missouri, Edwards of Alabama, Robinson, Kemp, and Cederberg.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT THIS WEEK WHILE HOUSE IS IN SESSION

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may be permitted to meet on separate transportation legislation while the House is in session this week.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 721]

Abdnor
Addabbo
Andrews, N.C.
Archer
Ashbrook
Badillo
Bell
Biaggi
Boland
Bolling
Chisholm
Cochran
Conable
Conte
Conyers
Cotter
D'Amours
Dent
Diggs
Early
Eckhardt
Edwards, Calif.
Eilberg
Emery
English
Esch
Eshleman
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Goldwater
Gonzalez
Hagedorn
Hall
Hansen
Harrington
Hébert
Heckler, Mass.
Heinz
Hightower
Hinshaw
Jacobs
Jarman
Jones, Ala.
Jones, Okla.
Jordan
Kastenmeier
Keys
Koch
Lehman
Macdonald
Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Mikva
Mink
Moorhead, Calif.
Murphy, Ill.
Neal
O'Hara
Patman, Tex.
Pepper
Peyser
Pritchard
Quillen
Randall
Rosenthal
Rostenkowski
Russo
Santini
Sarasin
Scheuer
Schulze
Shuster
Skubitz
Staggers
Stanton, James V.
Steelman
Steiger, Wis.
Stephens
Stokes
Stuckey
Studds
Symington
Udall
Waxman
Weaver
Wolff
Wydler
Young, Alaska
Young, Fla.
Young, Ga.

The SPEAKER. On this rollcall 336 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

APPOINTMENT OF CONFEREES ON HOUSE CONCURRENT RESOLUTION 466, REVISING CONGRESSIONAL BUDGET FOR U.S. GOVERNMENT FOR FISCAL YEAR 1976 AND DIRECTING CERTAIN RECONCILIATION ACTION

Mr. ADAMS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 466), revising the congressional budget for the U.S. Government for the fiscal year 1976, and directing certain reconciliation action, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Washington? The Chair hears none, and appoints the following conferees: Messrs. Adams, Wright, Giaimo, O'Hara, Leggett, Mitchell of Maryland, Landrum, Gibbons, Derrick, Latta, Broyhill, Del Clawson, and Hastings.

NATCHER HAS A PERFECT VOTING RECORD

(Mr. THOMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMPSON. Mr. Speaker, our colleague, William H. Natcher, Democrat of Kentucky, has never missed a vote since he has been a Member of Congress.

Representative Natcher was elected in a special election on August 1, 1953, and since Congress was in adjournment at that time he was not sworn in as a Member until the first day of the 2d session of the 83d Congress on January 6, 1954.

From January 6, 1954 to November 20, 1975, Mr. Natcher has cast 4,649 rollcall votes. In addition to having never missed a rollcall vote, he has answered 3,320 quorum calls. When you add the quorum calls together with Mr. Natcher's perfect record on rollcall votes, you have a total of 7,969 rollcalls.

Mr. Speaker, I am informed that other than Representative Natcher, no Member, since the beginning of the U.S. Congress up to the present time, has ever served in the House of Representatives or in the Senate for 17 consecutive years or longer from the time of their swearing in without missing one or more votes. BILL NATCHER has completed 21 years and is on his 22d year.

At the close of 10 years of service in the House of Representatives Ralph N. Roberts, the Clerk of the House, directed a letter to Mr. NATCHER certifyng the fact that after a careful check of his voting record from the day he was sworn in on January 6, 1954, and for the following 10-year period that he had not missed a vote. Mr. Roberts, until he was succeeded by W. Pat Jennings in 1967, by letter to Mr. NATCHER certified each year that he had not missed a vote. Beginning in 1967, Mr. Jennings by letter to Mr. NATCHER certified each year that he had not missed a vote, and that he had a perfect voting record.

Mr. Speaker, it is an extreme privilege and honor for me to call attention of the Members of the House of Representatives to the all-time record established by our friend, BILL NATCHER.

ALASKA HIGHWAY

Mr. HOWARD. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1245) to amend section 218 of title 23, United States Code.

The Clerk read as follows:

S. 1245

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of subsection (a) of section 218 of title 23, United States Code, is amended to read as follows:

"(1) will provide, without participation of funds authorized under this title, all necessary right-of-way for the reconstruction of such highways;".

The SPEAKER. Is a second demanded?

Mr. DON H. CLAUSEN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HOWARD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, section 127 of the Federal-Aid Highway Act of 1973 authorized $58,670,000 for the purpose of completing necessary reconstruction of the Alaska Highway from the Alaskan border to Haines Junction in Canada and the Haines Cutoff Highway from Haines Junction in Canada to the south Alaskan border. In connection with this project, the act sets forth certain responsibilities of the United States and Canadian Governments, all of which have been agreed to, except the provision which requires that the right-of-way which Canada provides be "Forever * * * inviolate as a part of such highways for public use." Canada considers this an infringement on its sovereignty and will approve the agreement contingent upon the removal of this requirement from the law. The fiscal year 1975 appropriation of $4.825 million for the Alaska Highway cannot be obligated until final agreement is reached by the two Governments.

S. 1245 removes the requirement that the right-of-way forever be held inviolate as a part of such highways for public use, and retains the requirement that Canada provide all necessary right-of-way and adequately maintain the completed facility to serve present and future traffic. The retention of these and other requirements in the agreement will insure that U.S. interests are adequately protected.

There is a degree of urgency to the passage of this legislation in that no work can progress on the project until an agreement is signed with the Government of Canada. It is intended that construction be started in the spring and it is necessary to have the preliminary engineering and design work completed during the winter months so that the project can proceed on schedule.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 1245, a bill to provide for a minor change in existing law to permit the reconstruction of a stretch of the Alaskan Highway through Canada.

The Congress, in the Federal-Aid Highway Act of 1973, authorized the reconstruction of 322 miles of the Alaska Highway in Canada from the Alaska border to Haines Junction in Canada and the Haines cutoff highway from Haines Junction in Canada to the south Alaska border. This road would primarily serve the Port of Haines in Alaska and link up that busy port with the population center in Fairbanks on the other side of the Canadian stretch. There is no other feasible way to provide access between these two points in Alaska.

The Federal Highway Administration has estimated that this reconstruction will cost $120 million to complete. The 1973 Highway Act contained total authorizations for the project of $58,670,000.

A fiscal 1975 appropriation of $4.825 million cannot be obligated until an agreement is reached between the United States and Canadian Governments regarding issues outlined in the 1973 act. The Canadian Government has already agreed to maintain the highway upon completion, continue to grant reciprocal recognition of vehicle registration and drivers' licenses and not impose any tolls or taxes on the use of the highway. They could not agree, however, to grant perpetual right-of-way, and it is to this one remaining point of disagreement that this legislation addresses itself.

S. 1245 does nothing more than remove the clause from section 218 of title 23 that requires perpetual right-of-way so that an agreement of a defined number of years can be reached.

This language modification is essential to finalizing the agreement between the Governments of Canada and the United States and is little more than an acknowledgment of the sovereignty of Canada. The State Department and the Federal Highway Administration have met on two separate occasions with Canadian representatives, and they have concluded and have given assurances that the resultant agreement will fully safeguard the interests of the United States.

Preliminary discussions between the two countries have focused on a 25 year right-of-way agreement with a 5-year notice of termination by either party, with extensions optional. Because the arrangement is subject to Congress before finalizing the agreement, it would not be practical to modify the language to establish in law the exact number of years, since any changes in the arrangement would require further legislation, thus further delaying the badly needed project.

Mr. Speaker, the Federal Highway Administration has estimated that 75 to 85 percent of the traffic in the stretch through Canada is American traffic, and little enduring benefit will accrue to the Canadian people as a result of the construction. There would be enormous benefit, however, to the people of Alaska who are hindered because of the present state of this highway from moving easily between the population centers in Alaska. The bill before us would not substantially change existing law. Indeed, it is more technical than substantive. Therefore, I urge enactment of this legislation.

Mr. Speaker, I have no requests for time.

Mr. HOWARD. Mr. Speaker, I have no requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. HOWARD) that the House suspend the rules and pass the Senate bill S. 1245.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

FOREST SERVICE ROADS

Mr. HOWARD. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 364) relating to certain Forest Service timber sale contracts involving road construction, as amended.

The Clerk read as follows:

S. 364

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Act of October 13, 1964 (78 Stat. 1089), is amended by adding at the end thereof a new sentence as follows: "The Secretary is authorized, under such rules and regulations as he shall prescribe, to permit the transfer of unused effective purchaser credit for road construction earned after the date of enactment of this sentence, from one timber sale to a purchaser to another timber sale to the same purchaser within the same National Forest.".

The SPEAKER. Is a second demanded?

Mr. DON H. CLAUSEN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from New Jersey (Mr. HOWARD) and the gentleman from California (Mr. DON H. CLAUSEN) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of S. 364, which relates to certain Forest Service timber sale contracts involving road construction, and I yield to the distinguished gentleman from California, the chairman of the Committee on Public Works and Transportation, Mr. JOHNSON, such time as he may consume.

Mr. JOHNSON of California. Mr. Speaker, the bill under consideration today, S. 364, provides a new authority for the Secretary of Agriculture to provide for the transfer of effective purchaser credit for road construction costs on timber sale contracts from one timber sale contract to another timber sale contract held by the same purchaser within the same national forest. This provision would become effective with road costs earned on existing and new contracts after the date of enactment. It would not apply retroactively to road costs earned before the date of enactment.

Under the present system, timber can be appraised and offered for sale even before the necessary access roads have been constructed. As the purchaser of the timber proceeds to construct the road, he is credited for the estimated cost of the work up to the maximum amount stated in the contract and the earned credits are applied against the charges he pays for the timber. The bill under consideration today would simply allow a purchaser to apply the earned credit toward stumpage charges on another of his sales within the same national forest.

The Comptroller General has ruled that a change in law is necessary to permit application of purchaser credit to other than the tract of timber on which it is earned, and the bill under consideration today provides for these changes.

Mr. Speaker, this matter has been thoroughly reviewed by the committee. Hearings were held on May 21 of this year and testimony in support of the legislation was received from Members of Congress, the administration, the forest products industry, and the National Association of Counties. I know of no opposition to this bill.

Mr. HOWARD. Mr. Speaker, I reserve the balance of my time.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 364, a carefully drafted measure to ease a problem of timber operators logging in our national forests while safeguarding the interests of the United States.

Basically, the problem arises from the system for financing construction of roads providing access to Forest Service timber. The purchaser—the timber operator—bears the entire cost. When he begins cutting timber, he is entitled to offset those road costs by reducing his payment to the Forest Service up to the amount of the road construction costs incurred.

This can be an expensive proposition, with construction costs running in the range of $100,000 not at all uncommon. This can be a severe financial burden because under existing law, an operator can recover the cost of building a road to any one tract by an offset against stumpage fees for timber on the same tract.

For a number of reasons, including weather, there may be a considerable lag between the time an operator incurs the expense and the time he is actually able to begin cutting timber and begin taking credit for his road costs. At the same time, that same operator may have a purchase contract to cut timber on another tract within the same national forest. Less extensive construction may be needed to get the timber out. In some cases, the road may already have been built. It is not uncommon for small as well as large operators to have multiple contracts in a national forest.

Accordingly, this bill would make it possible for an operator to offset costs of constructing a road to tract "A" by transferring his construction credit to tract "B," where he may be in a position to commence logging operations sooner. In no event, however, could he become entitled to a larger amount of credit than if he were limited to the purchase credit arrangement now in effect. It would simply let him get his money out earlier and ease his cash flow problem.

The bill originated in the other body and came to us in reasonably good shape. However, our subcommittee on surface transportation was concerned that there might arise the possibility that credits which can become unusable for a number of reasons might be subject to transfer. Therefore, we amended the bill to assure that the operator transferring credit from one tract to another would be limited to the amount of credit to which he would be entitled ultimately on the original tract.

Thus, Mr. Speaker, the bill is responsive to real needs of the timber operators in this complex procedure of dealing with the Forest Service while protecting the interests of the United States.

Two other points deserve mention. First, this bill is not retroactive, and would apply only to those contracts negotiated subsequent to its enactment. Second, while it would temporarily reduce Forest Service receipts, and hence the 25 percent going to localities in lieu of taxes, those receipts eventually would catch up. The National Association of Counties has examined this closely and expresses no objection.

Mr. Speaker, I urge passage of this bill.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Speaker, I would like to associate myself with the remarks of the gentleman from California and thank him and the chairman of the committee for bringing this bill to the floor for early passage.

Mr. DON H. CLAUSEN. Mr. Speaker, I reserve the balance of my time, and I have no further requests for time.

Mr. HOWARD. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. HOWARD) that the House suspend the rules and pass the Senate bill S. 364, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

USIA FILM, "WILMA RUDOLPH OLYMPIC CHAMPION"

Mr. HAYS of Ohio. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6949) to make the film "Wilma Rudolph Olympic Champion," which was produced by the U.S. Information Agency, available for certain limited use within the United States in conjunction with promotion of the 1976 Olympic games.

The Clerk read as follows:

H.R. 6949

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461), the Director of the United States Information Agency shall, upon satisfaction of the conditions established by section 2 of this Act, make available to Cappy Productions, Incorporated, of New York, New York, a master copy of the film entitled "Wilma Rudolph Olympic Champion", produced in 1961 by the United States Information Agency, in order that portions of such film may be used in a television program entitled "Women Gold Medal Winners" which is being produced by Cappy Productions, Incorporated, and which will be shown in the United States and elsewhere to promote the 1976 Olympic Games.

SEC. 2. The Director of the United States Information Agency may not make available to Cappy Productions, Incorporated, a master copy of the film entitled "Wilma Rudolph Olympic Champion" unless—

(1) Cappy Productions, Incorporated, pays to the United States the amount necessary to reimburse the United States for its expenditures in connection with the production of such film; and

(2) the Director receives assurances satisfactory to him that—

(A) such film will be used solely for purposes of the television program described in the first section of this Act, and

(B) such television program will be used solely to promote the 1976 Olympic Games.

The SPEAKER. Is a second demanded?

Mr. BUCHANAN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Ohio (Mr. HAYS) will be recognized for 20 minutes, and the gentleman from Alabama (Mr. BUCHANAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. HAYS).

Mr. HAYS of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill, H.R. 6949, permits extracts of the film "Wilma Rudolph Olympic Champion," which was produced by the U.S. Information Agency, to be made available for certain limited use.

Cappy Productions, Inc., of New York wants permission to use approximately 2 minutes footage of this USIA film about Wilma Rudolph in a film which the company is making to promote the 1976 Olympic games. This legislation is necessary because the law prohibits USIA materials from being disseminated in the United States.

Cappy Productions is producing eight 1-hour television specials which will be played immediately before the 1976 Olympics. One will be entitled "Women Gold Medal Winners" and will feature five women athletes, including Wilma Rudolph.

The 10-minute USIA film deals with aspects of Wilma Rudolph's life, such as training and education at Tennessee State University, and her home life. It is the only known film showing her in situations other than actual competition.

No cost to the U.S. Government will be incurred by the proposed legislation. The bill requires Cappy Productions to reimburse the United States for its expenditures in connection with the production of the film, and specifically excludes the use of the film for any purpose other than the promotion of the 1976 Olympics.

The Subcommittee on International Operations held a hearing on this bill, and its sponsor, Hon. John Murphy of New York, testified. The subcommittee viewed the entire film, and ordered the bill reported without objection. The Committee on International Relations also ordered the bill favorably reported without objection.

Mr. BUCHANAN. Mr. Speaker, this legislation passed out of subcommittee and full committee without dissenting vote. The U.S. Information Agency indicates they have no objection. There is no cost incurred by the U.S. Government. H.R. 6949 provides a fitting tribute to one of our great athletes while promoting a cause most of us would consider meritorious.

I, therefore, Mr. Speaker, urge passage of this legislation.

Mr. MURPHY of New York. Mr. Speaker, I rise today in support of the motion to suspend the rules and provide for the final passage of H.R. 6949, a bill which would make available for certain limited use segments of a U.S. Information Agency-produced film in conjunction with the promotion of the 1976 Olympic games.

The film in question is called "Wilma Rudolph, Olympic Champion," a film about one of the greatest women athletes of all time. It was made in 1960 by the USIA following Miss Rudolph's triumphant return from the Olympic games in Rome as the winner of three Gold medals. The cameras show her in training with her coach and teammates at Tennessee State University, in a victory parade with her parents, and at her White House reception by President John Kennedy. The film has absolutely no political content; it is simply excellent film footage of a great American Olympic champion.

The problem lies in the fact that it is the only film in existence of Wilma Rudolph showing her in any circumstances other than in actual competition.

To go to the heart of the matter, Cappy Productions of New York City is producing eight 1-hour specials to be played on worldwide television immediately prior to the 1976 Olympics. One of the segments is titled "Women Gold Medal Winners," and features five of the greatest women athletes of all time: Babe Didrikson, Gymnast Vera Caslavska of Czechoslovakia, Dawn Fraser of Australia, Fanny Blankers-Koen of Holland, and Wilma Rudolph of the United States.

There has been the utmost in cooperation from the Governments of Australia, Holland, and Czechoslovakia—the latter being somewhat surprising since Miss Caslavska is known to be in conflict with the present Czech regime. Yet the only missing links are a few short segments from the USIA film on Wilma Rudolph, which are limited by U.S. law from being shown in the United States.

The mission of the U.S. Information Agency is to promote the image of the United States overseas and not at home. The Congress saw fit in 1948 to place such restrictions on the use of Government-produced materials within the United States, and had good reasons for such a move which are still valid in some cases. For example, the U.S. Government is one of the largest film producers in the country, and as such is probably the largest employer of film-related workers outside the early days of the Hollywood extravaganzas. One purpose of the restrictions was so that the U.S. Government would not be in competition with American business. Another purpose was so that political content could not be disseminated within the United States without a "balanced" point of view from the party not in power.

But the facts of the case argue loudly for themselves.

The particular footage of Miss Rudolph is the only film of its kind available anywhere on Earth. It is not in competition with any filmmaker of today—it is history, and as such should be available to a nation which is proud of its outstanding achievers.

In keeping with the spirit of the laws governing the purpose of the USIA, the resulting program about Olympic champions will be shown not just in the United States, but around the world, and will be a platform for all nations to see and understand our commitment to amateur sportsmanship.

And, there is no political content; it is simply a great American sportswoman in her shining hour.

And finally, there is no attempt here to "sting" the U.S. Government. The bill before you specifically requires the producer to assume any and all costs which result from the USIA's agreement to supply the film. It also specifically excludes the use of the film for any other purpose than the promotion of the 1976 Olympic games throughout the world—a purpose we should be pleased to support.

The United States has always been one of the superpowers of the sports world, and one of the most active supporters of the Olympic games. It is also well known that the amateur athletes of our Nation are among the most dedicated in the world. They receive no direct help whatsoever from their Government, as athletes in many other countries do.

When one of our own shows the dedication and sacrifice to become one of the greatest women athletes of all time, we cannot then just ignore her accomplishments. We are proud of her story, proud enough to tell the rest of the world of the American way of winning.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. Hays) that the House suspend the rules and pass the bill H.R. 6949.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on H.R. 6949, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SOCIAL SECURITY HEARINGS AND APPEALS

Mr. BURKE of Massachusetts. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10727) to amend the Social Security Act to expedite the holding of hearings under titles II, XVI, and XVIII by establishing uniform review procedures under such titles.

The Clerk read as follows:

H.R. 10727

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1631(c) of the Social Security Act is amended to read as follows:

"HEARINGS AND REVIEW

"(c)(1) The Secretary is directed to make findings of fact, and decisions as to the rights of any individual applying for payment under this title. The Secretary shall provide reasonable notice and opportunity for a hearing to any individual who is or claims to be an eligible individual or eligible spouse and is in disagreement with any determination under this title with respect to eligibility of such individual for benefits, or the amount of such individual's benefits, if such individual requests a hearing on the matter in disagreement within sixty days after notice of such determination is received, and, if a hearing is held, shall, on the basis of evidence adduced at the hearing affirm, modify, or reverse his findings of fact and such decision. The Secretary is further authorized, on his own motion, to hold such hearings and to conduct such investigations and other proceedings as he may deem necessary or proper for the administration of this title. In the course of any hearing, investigation, or other proceeding, he may administer oaths and affirmations, examine witnesses, and receive evidence. Evidence may be received at any hearing before the Secretary even though inadmissible under the rules of evidence applicable to court procedure.

"(2) Determination on the basis of such

hearing, except to the extent that the matter in disagreement involves a disability (within the meaning of section 1614(a)(3)), shall be made within ninety days after the individual requests the hearing as provided in paragraph (1).

"(3) The final determination of the Secretary after a hearing under paragraph (1) shall be subject to judicial review as provided in section 205(g) to the same extent as the Secretary's final determinations under section 205.".

Sec. 2. Section 1631(d) of the Social Security Act is amended by striking out paragraph (2), and by redesignating paragraph (3) as paragraph (2).

Sec. 3. The persons appointed under section 1631(d)(2) of the Social Security Act (as in effect prior to the enactment of this Act) to serve as hearing examiners in hearings under section 1631(c) of such Act may conduct hearings under titles II, XVI, and XVIII of the Social Security Act if the Secretary of Health, Education, and Welfare finds it will promote the achievement of the objectives of such titles, notwithstanding the fact that their appointments were made without meeting the requirements for hearing examiners appointed under section 3105 of title 5, United States Code; but their appointments shall terminate not later than at the close of the period ending December 31, 1978, and during that period they shall be deemed to be hearing examiners appointed under such section 3105 and subject as such to subchapter II of chapter 5 of title 5, United States Code, to the second sentence of such section 3105, and to all of the other provisions of such title 5 which apply to hearing examiners appointed under such section 3105.

Sec. 4. The third sentence of section 205(b) of the Social Security Act is amended to read as follows: "Any such request with respect to such a decision must be filed within sixty days after notice of such decision is received by the individual making such request.".

Sec. 5. The amendments made by the first two sections of this Act, and the provisions of section 3, shall take effect on the date of the enactment of this Act. The amendment made by section 4 of this Act (and the amendment made by the first section of this Act to the extent that it changes the period within which hearings must be requested) shall apply with respect to any decision or determination of which notice is received by the individual requesting the hearing involved on or after the date of the enactment of this Act.

The SPEAKER. Is a second demanded?

Mr. ARCHER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BURKE of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill, which was unanimously reported out of the Subcommittee on Social Security and the full committee, would amend the Social Security Act to expedite the holding of hearings under titles II, social security; XVI, SSI; and XVIII, medicare, by establishing uniform review procedures under such titles. Every Member is aware of the problems in the appeal of disability cases before the Social Security Administration and we all have our horror cases of justice delayed.

H.R. 10727 eliminates the distinction between the nature of the hearings and the hearing officers under the social security and SSI programs, thus resulting in a common corps of hearings officers authorized to conduct hearings under both programs with equal procedural safeguards provided under the Social Security Act and under the Administrative Procedure Act.

The enormous backlog of cases before the Bureau of Hearings and Appeals has been of great concern to the Subcommittee on Social Security. We held extensive hearings on the appeals process during September and October, and received testimony from 43 witnesses, including some of the foremost experts in administrative law and social security.

The provisions of H.R. 10727 will provide for much more effective utilization of hearings officers employed by the Bureau of Hearings and Appeals, Social Security Administration, and will make it possible to reduce the present backlog of appeals at the rate of 3,000 per month so that within 18 months the maximum processing time of an appeal for a hearing would not exceed 90 days. Currently, the backlog stands at 105,000 cases.

The bill also reiterates the intention of Congress that claimants under the supplementary security income—SSI—will be fully protected by the provisions of the Administrative Procedure Act, as are people who apply for social security and medicare.

Mr. Speaker, I would emphasize that H.R. 10727 is emergency legislation which we earnestly hope will be enacted this year. In this regard, I would state that this action will not prejudice our consideration of some of the more comprehensive bills on this subject introduced by the gentleman from California (Mr. Sisk), the gentleman from Ohio (Mr. Seiberling), the gentleman from Kentucky (Mr. Breckinridge), the gentleman from Rhode Island (Mr. Beard), and many more Members from both sides of the aisle. In this regard, the Subcommittee on Social Security expects to consider all aspects of the appeals process in depth when it takes up comprehensive social security legislation next session.

Mr. BRECKINRIDGE. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to my friend, the gentleman from Kentucky.

Mr. BRECKINRIDGE. Mr. Speaker, I rise in support of H.R. 10727. I want to thank the chairman of the subcommittee and the chairman of the committee for bringing this legislation before this body today and for insuring through it the expeditious and equitable processing of the 100,000-odd outstanding claims representing the needs of our constituents.

Mr. BURKE of Massachusetts. Mr. Speaker, I thank the gentleman from Kentucky, because the gentleman has made a fine contribution toward this legislation. This bill is along the lines the gentleman recommends and meets 90 percent of his recommendations. The gentleman has done a great deal of work in this area.

Mr. BRECKINRIDGE. Mr. Speaker, I thank the gentleman from Massachusetts for his support.

Mr. BURKE of Massachusetts. Mr. Speaker, I yield to the gentleman from California (Mr. Sisk).

Mr. SISK. Mr. Speaker, I wish to commend my distinguished colleagues, Mr. Burke and Mr. Ullman and the members of their committee, for their expeditious action in bringing to the House floor legislation aimed at clearing up the large backlog of social security disability and SSI claims which are now pending in the Bureau of Hearings and Appeals of the Social Security Administration awaiting hearings. While I am inclined to support H.R. 10727, inasmuch as I agree that we should have a uniform hearing procedure for all claims under titles II, XVI, and XVIII of the Social Security Act. I must say that I could do so more enthusiastically had the Social Security Subcommittee seen fit to include in the bill the procedural changes proposed in my bill, H.R. 8018, which would require the Social Security Administration to conduct face-to-face interviews with disability claimants prior to the hearing level of processing and which would require the Social Security Administration to provide to claimants detailed, written statements explaining exactly why their claims have been denied in those cases where a claim is denied after reconsideration. It is my feeling that these two procedures, along with the changes incorporated in H.R. 10727, would insure a greater degree of quality in the processing of disability claims along with speeding up the appeal process.

The procedural changes proposed in H.R. 8018—which was cosponsored by 56 of my colleagues—received substantial support, including that of the Social Security Administration as expressed by Commissioner Cardwell in his testimony before the subcommittee on October 20 and as expressed by HEW Secretary Mathews and Civil Service Commissioner Hampton in their departmental reports on the bill. After reviewing my bill, however, the subcommittee concluded that these procedural changes could best be implemented administratively without need for legislation. May I point out that I introduced H.R. 8018 precisely because the Social Security Administration in the past has not taken these administrative actions to insure quality development of claims early in the review process. I am not, therefore, entirely confident that the Social Security Administration will make these changes of their own initiative, and I would like to know from Mr. Burke what kind of followup action will be taken by his subcommittee to prod SSA into implementing these procedures.

Mr. BURKE of Massachusetts. I would like to say to the gentleman from California, who is the chief sponsor of legislation to improve social security hearing procedures, that the Subcommittee on Social Security looked at his bill and agrees with its general purposes. At the same time, however, there are some provisions in the bill that should be considered very carefully before being enacted into law.

The bill's provisions regarding face-to-face interviews at the reconsideration level are, I think, a step in the right direction and this type of procedure is presently being implemented on an experimental basis in 16 States. I also agree with the provisions of the bill that claimants be fully informed concerning the issues involved with their claims. These, as the gentleman mentioned, are matters that can be—and to some degree are being—handled administratively and the subcommittee will continue to monitor the operation of the program to assure that they are.

Some of the other provisions of his bill, however—such as the requirement the claimant must set forth in his request for a hearing specific allegations of error of fact or law—would put a burden on the claimants that most of them are not able to assume. These requirements might tend to formalize the appeals process and turn hearings into adversary proceedings requiring legal representation for most of the claimants.

I prefer to improve the hearings procedures as much as possible by trying changes out to make sure that they will benefit the claimants and the program before mandating them in the law. But, I do not mean to prejudge the provisions of H.R. 8018 which will be thoroughly considered when we take up comprehensive social security legislation.

Mr. SISK. A second concern which remains with me is that of the morale problem now affecting social security administrative law judges who have a lower civil service classification than do other Federal administrative law judges who hear claims involving the interests of large corporations. The apparent attitude of the Civil Service Commission, as I understand it, is that because social security judges hear claims dealing with the needs and plight of poor, disabled individual somehow these claims are not as important as the corporate claims and therefore the judges hearing them do not merit the same grade and pay as the other Federal judges. I do not share that attitude. The subcommittee has expressed its feeling that the social security judges are entitled to a review of their civil service status and suggests that a review of this matter by the Center for Administrative Justice should be undertaken. Mr. BURKE, will such a review determine whether in fact legislation is needed to equalize the status of social security judges and other federal administrative law judges?

Mr. BURKE of Massachusetts. Yes, the report states that the "recommended study should address this broad issue—APA coverage of Social Security and SSI—together with such subjects as the appropriate qualifications, method of appointment, and position and grade classification of social security ALJ's."

Mr. SISK. Finally, am I correct in my understanding of H.R. 10727 that it specifically provides that hereafter all hearings on claims under titles II, XVI, and XVIII will be subject to the provisions of the Administrative Procedures Act, and does the bill assure the same degree of independence from agency control for the temporary ALJ's—the current pool of SSI and black lung hearing examiners—that the title II and XVIII ALJ's now possess?

Mr. BURKE of Massachusetts. Yes, although the committee was unaware of any prejudicial "agency control" exercised by HEW over SSI hearing examiners, this will eliminate the possibility of the courts determining that SSI review procedures do not comply with the APA and due process.

Mr. Speaker, I wish to commend the gentleman from California for the great work the gentleman has done in this area and the hours of time the gentleman has spent in helping the committee on this extremely difficult legislation.

Mr. CARTER. Mr. Speaker, will the distinguished gentleman from Massachusetts yield?

Mr. BURKE of Massachusetts. I will be happy to yield.

Mr. CARTER. Mr. Speaker, I would like to ask the distinguished gentleman how many more in this 3-year tenure would there be employed by the Federal Government?

Mr. BURKE of Massachusetts. It would provide more effective use of about 200 hearing officers.

Mr. CARTER. They would be utilizing 200 more?

Mr. BURKE of Massachusetts. No. They would be more effectively utilizing the ones they have.

Mr. CARTER. What about the administrative law judges, would they be continued in their presest positions?

Mr. BURKE of Massachusetts. Yes. Their status will not be affected.

Mr. CARTER. They would continue in their present status; is that correct?

Mr. BURKE of Massachusetts. Yes.

Mr. CARTER. If the gentleman will yield further, this would entail the employment of 200 extra people at a salary of about how much per year?

Mr. BURKE of Massachusetts. No. This will permit the Department to more effectively use the ones they have now.

Mr. CARTER. As I read this, this would call for more people under the grade 13. Of course, our administrative judges are at a much higher level.

Mr. BURKE of Massachusetts. The bill would entail no more cost and would save administratively as much less as $16.3 million in fiscal years 1977 through 1981.

Mr. CARTER. As I understand, if the gentleman will yield further, these people are to be employed and we do realize we have a backlog of cases; but after 3 years they are to become administrative law judges, is that correct?

Mr. BURKE of Massachusetts. We have recommended in the Committee Report that these people will be considered for appointments as ALJ's along the lines that are required.

Mr. CARTER. I thank the distinguished gentleman for yielding, but I would like to ask the gentleman, is the gentleman sure there will be no extra cost in the employment of these extra people?

Mr. BURKE of Massachusetts. All the information the committee has from the agencies and from the staff people indicate there will be no additional cost.

Mr. CARTER. I can hardly see how we can employ more people to do this extra work without increased costs.

Mr. BURKE of Massachusetts. We are not employing more people. We are using more effectively the hearing officers we have.

Mr. CARTER. What are they doing now? Why are they not doing their job now?

Mr. BURKE of Massachusetts. The existing SSI hearing examiners are being underutilized and they will be able to divert their time to the area where the case backlog exists.

Mr. CARTER. I say to the distinguished gentleman from Massachusetts that in our State of Kentucky we are very much short of administrative law judges. They have a backlog of cases now.

We have one judge who has the highest rate of production of any man in the United States, Judge Helm of Paducah. In other sections of Kentucky, there are a great number of cases that need adjudication. We need more ALJ's not fewer.

I thank the gentleman for yielding to me.

Mr. BURKE of Massachusetts. I want to commend the gentleman for bringing this to our attention. He and the gentleman from Kentucky (Mr. BRECKINRIDGE) have brought the problems in Kentucky to the attention of the committee. The committee intends to continue its work along these lines to carry out their intentions.

Mr. CARTER. I thank my good friend for yielding to me.

The SPEAKER pro tempore (Mr. McFALL). The gentleman has consumed 10 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I have no further requests for time.

Mr. ARCHER. Mr. Speaker, this bill carries a note of genuine urgency, and I wish to commend the chairman of the Committee on Ways and Means, the gentleman from Oregon, and the chairman of the Subcommittee on Social Security, the gentleman from Massachusetts, for their leadership in bringing the measure speedily forward.

The social security hearings mechanism has been clogged far too long with far too many pending cases. Virtually every Member of this body has heard from constituents who have had to wait many months, sometimes even years, for final determinations on their appeals of denied claims. The vast majority of their claims are for disability benefits, under both the social security program and the supplemental security income, or SSI, program.

H.R. 10727 was developed expressly to deal with this problem. It would pave the way for a substantial reduction of the case backlog by removing existing distinctions in the nature of hearings and hearing officers under titles 2, 16, and 18 of the Social Security Act, thus creating a common corps of hearing officers to handle all social security, medicare, and SSI cases.

Under current law and regulations, there are three groups of hearing officers working in the disability determination area. The largest group, administrative law judges, are appointed under the Administrative Procedure Act. Technically, they could hear all cases, but in practice, they hear only social security cases, including some concurrent with SSI. Another group, appointed as hearing examiners under section 1631(d)(2) of the Social Security Act, can hear only

SSI cases. A third group, black lung administrative law judges, was appointed under separate authority to hear only so-called black lung cases.

In view of the fact that determinations of disability are based on essentially the same criteria under social security and SSI, this multilevel handling of hearings has contribtued significantly to the buildup of cases on appeal. H.R. 10727 would correct that situation.

The first section of the bill would provide SSI claimants with the same rights to hearing and to administrative and judicial review as are now extended to claimants under the social security and medicare programs. Specifically, title 16 of the Social Security Act would be amended to:

First. Require that decisions after a hearing should be on the basis of evidence adduced at the hearing;

Second. Provide the Secretary of HEW with authority to hold hearings and make findings of fact, administer oaths, examine witnesses, and receive evidence; and

Third. Make final determinations of the Secretary subject to the "substantial evidence rule" upon judicial review. The net effect of this change would be to apply the same rules of judicial review to SSI and social security cases.

This section also would increase, from 30 to 60 days, the period in which requests for review of denied SSI claims must be filed. I might note at this point that section 4 of the bill would reduce the period for filing social security and medicare appeals from 6 months to 60 days. The committee felt that the filing times under both programs should be the same, and that 2 months should give applicants sufficient time to decide whether to seek reconsideration of denied claims or to appeal unfavorable decisions on reconsideration.

The second section of the bill would repeal section 1631(d)(2) of the Social Security Act, which has given the Secretary authority to appoint SSI hearing examiners outside the Administrative Procedure Act. The committee felt that it would be inappropriate to continue this authority because, under the bill, SSI cases in the future would require APA hearing officers.

Section 3 of the bill would enable SSI hearing examiners, who were appointed under title 16, to hear cases under titles 2 and 18 as well. The Secretary of HEW would be authorized to make these appointments if he found that this action would help achieve the objectives of the programs involved. The committee understands, and has so stated in its report, that the Secretary would make such findings with respect to all SSI hearing examiners. The authority for the new temporary ALJ's to hear social security and medicare cases, in addition to SSI cases, would continue through calendar 1978.

By that time, SSI hearing examiners will have acquired sufficient adjudication experience to qualify for appointment as regular administrative law judges. The committee was informed that virtually all black lung administrative law judges now hold SSI hearing examiner appointments. We have attempted to make it clear in report language that both of these groups of hearing officers should be given every consideration if they apply for placement on the register for regular administrative law judge appointment, on a merit basis under civil service procedures.

Mr. Speaker, H.R. 10727 was prepared with great care following extensive public hearings by the Committee on Ways and Means' Subcommittee on Social Security. We heard 43 witnesses representing administrative law judges, hearing examiners, social security and SSI claimants, and other interested parties. The suggestions which were made to improve the hearings and appeals process were numerous and varied. While this bill includes many of those suggestions and would go a long way toward solving problems associated with the process, it is by no means offered as the last word on the matter. Fundamental structural changes may well be in order. But before this could be determined, further extensive investigation would be necessary.

Therefore, the committee has recommended strongly that the Social Security Administration authorize the Center for Administrative Justice to conduct a thorough, indepth study of the entire process and to recommend any changes, structural or otherwise, which it feels would be helpful.

The Center for Administrative Justice is an activity of the American Bar Association's administrative law section and is affiliated with the George Washington University. The committee felt that the center, which is in its third year of operation, would be an especially appropriate organization to undertake the full-scale, objective review which we believe to be necessary.

Mr. Speaker, there are more than 100,000 cases pending before the Bureau of Hearings and Appeals. If H.R. 10727 is enacted, it will enable the Bureau to reduce that backlog by 3,000 cases per month. Within 18 months it would be possible for all cases to be adjudicated within 90 days. Therefore, I believe it is extremely important that this bill be enacted into law as soon as possible.

When the Center for Administrative Justice has completed its study and reported its findings, and when our committee has conducted further inquiries of its own, it will be appropriate to entertain proposals for more farreaching changes in the hearings and appeals process. But for the present, Mr. Speaker, the intersts of both taxpayers and beneficiaries under the SSI and social security programs would be well served by speedy approval of H.R. 10727.

Mr. WAMPLER. Mr. Speaker will the gentleman yield?

Mr. ARCHER. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Speaker, I rise in support of this legislation.

I would like to ask the gentleman from Texas to advise the House whether or not the enactment of this legislation would be helpful in expediting the tremendous backlog of black lung claims which are pending now.

Mr. ARCHER. Absolutely. The flexibility I have discussed will enable better utilization of personnel so that where they are needed on black lung cases, they can be switched over.

Mr. WAMPLER. I would say to my friend from Texas and to the Members of the House that I represent a major coal-producing constituency, and I know that many of the disabled miners in my district have had black lung claims pending since the enactment of the Federal Coal Mine Health and Safety Act of 1969 which provided, among other things, for Federal payments to disabled miners suffering from complicated coal worker's pneumoconiosis or black lung as it is commonly called.

It seems to me that the maxim, "Justice delayed is justice denied" certainly would be applicable here because many of these disabled coal miners have lost confidence in the governmental process in that they feel they have been wrongfully denied that which the Congress intended them to have. Hopefully, this legislation will help provide a sufficient number of administrative law judges so that the black lung claims can be heard expeditiously and either be approved or disapproved. Would the gentleman agree?

Mr. ARCHER. I certainly agree, and I compliment the gentleman from Virginia on his statement. The committee heard a great deal of testimony along the lines the gentleman is talking about, and this bill, in our opinion, will definitely improve and accelerate the handling of these cases.

Mr. WAMPLER. I thank the gentleman, and I commend the committee for its efforts in recognizing this problem.

Mr. CARTER. Mr. Speaker, will the gentleman yield further?

Mr. ARCHER. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Speaker, like the gentleman from Virginia, I also have a large coal mining area, and we have a large backlog of black lung cases which are undecided. At the present time, we have an office in Middlesboro, Ky., and I am told that this office might well be closed. It is in the heart of the coal-producing area.

I would hope that this legislation would not tend to cause the closure of such offices as this in Middlesboro, or over in the district represented by my friend, the gentleman from Kentucky (Mr. PERKINS), in the Seventh District, which is also a large coal-producing area. We need more people in these areas, not fewer, but certainly we would hope that their qualifications would be equal to the jobs for which they are going to be appointed according to this legislation.

Mr. ARCHER. I would say to the gentleman from Kentucky that there is no provision in this bill that provides for the closing of an office in Middlesboro, Ky.

Mr. CARTER. I thank the distinguished gentleman.

Mr. DOMINICK V. DANIELS. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentleman from New Jersey.

Mr. DOMINICK V. DANIELS. It is my

understanding that this bill would authorize those 200 individuals who presently hold appointments as non-APA GS–13 hearing examiners, or as temporary black lung hearing examiners, to conduct hearings under titles II, XVI, and XVIII which presently are conducted by GS–15 administrative law judges. Is it intended that these GS-13 non-APA hearing examiners would then be upgraded to GS–15 level and eventually be converted to administrative law judges?

Mr. BURKE of Massachusetts. Although we do not "grandfather" in the present supplemental security income hearing examiners and the temporary black lung administrative law judges, we fully expect that the vast majority of these individuals will eventually be converted into ALJ's. The appointment procedures under which they receive their appointments were virtually identical to the procedures used in appointing ALJ's, except for the fact that the procedures were administered by the Department of Health, Education, and Welfare rather than the Civil Service Commission, and that their minimum legal experience requirement was 4 years rather than 7 years as in the case of regular ALJ's.

As to the grade levels of these individuals while they have these temporary appointments, the report states:

> Although the bill is silent on the grade level of temporary ALJ's, the Administration's proposal made at the hearing before the Subcommittee envisioned a GS–14 for such officers who would have been allowed to hear concurrent cases (applications for SSI and Social Security) in addition to those solely for SSI benefits. Your Committee's bill authorizes broader authority for these temporary ALJ's so that the Bureau of Hearings and Appeals will have the maximum amount of flexibility in eliminating the appeals backlog. These temporary ALJs, therefore, would also be able to hear Social Security and Medicare cases. For these reasons and also because the Black Lung ALJs who will be included in the temporary corps have already been classified at the GS–14 level, the Committee believes that GS–14 would be an appropriate classification for those holding authority provided for by the bill.

Unlike some other committees who have designated hearing officers statutorily at a specific grade level—namely, a super grade GS–16—we have refrained from doing so believing this is a function of the Civil Service Commission. But in acting responsibly in this manner, we wish to make it very clear that we are not happy with the administration of the Office of Administrative Law Judge in the Civil Service Commission. We believe that they have been slow in providing registers, have adopted unrealistic standards for appointment which over emphasize regulatory agency experience, and have taken questionable job classification actions in this area.

In regard to the latter, recent threats by the Office to downgrade social security ALJ's are particularly disturbing. The committee, as a consequence, has called for a study of the social security appeals procedures by the Center for Administrative Justice which shall include "such subjects as the appropriate qualifications, method of appointment, and position and grade classification of social security ALJ's." I hope that the distinguished gentleman from North Carolina and his committee will join with our Subcommittee on Social Security in seeing to it that social security ALJ's are appointed and compensated under reasonable standards and administrative procedures.

Mr. SEIBERLING. Mr. Speaker, today the House will consider H.R. 10727, a bill designed to eliminate the huge backlog of hearing requests on social security claims and to reduce the average processing time for hearing decisions to a tolerable level within 18 months.

Over the past 4 years the backlog of hearing requests on social security, disability, and medicare claims has steadily built up to its present, unmanageable level of some 107,000 cases. Most of my constituents who contact me about their social security hearings have been waiting more than a year for decisions on their claims. As this situation has worsened, I have continually expressed my concerns to the Social Security Administration about the resulting financial hardships suffered by deserving claimants and urged the Social Security Administration to take strong measures to deal with this problem. Each time I was assured that everything possible was being done to expedite the hearing process. So I am surprised but delighted that in response to pressure by the Subcommittee on Social Security, the Social Security Administration has proposed and is now implementing processing changes which are significantly helping to reduce the hearing backlog by 1,000 cases per month.

The Social Security Administration predicts that the passage of H.R. 10727 will reduce the huge hearing backlog by an additional 2,000 cases per month. The bill would shorten the length of time, from 6 months to 60 days, during which people can request hearings on the denial of their claims. It would also allow the 125 SSI hearing examiners to hear social security, disability, and medicare claims along with the present 445 administrative law judges of the Bureau of Hearings and Appeals.

However, since the average administrative law judge handles 21 cases per month, and since SSI hearing examiners already have their own backlog of 17,000 cases with another 26,000 expected to be filed this year, I wonder whether the use of these hearing examiners can have a great impact on the hearing backlog.

Nevertheless, I believe the enactment of H.R. 10727 is necessary to help the Social Security Administration pull out of its present dilemma, and I fully support its passage. However, I urge the Social Security Administration to continue to seek new ways of reducing the backlog so that the goal of this legislation, that all hearings be adjudicated within 90 days, will be realized at the earliest possible date.

Mr. WHALEN. Mr. Speaker, I rise in support of H.R. 10727. As one of the 73 Members who urged early hearings on the delays in the processing of appeals cases for social security claimants. I commend Chairman Burke and the Subcommittee on Social Security for taking expeditious action on an emergency bill to help reduce the enormous backlog of social security appeals cases now pending within the Social Security Administration.

The delays in the appeals processes have been of much concern to my constituents. Indeed, earlier this year in our region there were approximately 16,000 pending claims for title II disability and black lung benefits. Sixty judges were handling these claims and rendering about 16 decisions per calendar month. After a hearing was requested, it was taking anywhere from 12 to 15 months to establish a hearing date.

In view of the problems residents of my district were experiencing, I was pleased to join with Representative St Germain in requesting Chairman Ullman and Burke to investigate this situation and recommend legislation. I also became a cosponsor of Representative John Seiberling's Social Security Rights Act, which would set specific time limits for the processing of social security claims and streamline procedures for replacing missing benefit checks.

The bill before us today certainly is a timely step in the direction of reforming the appeals processes. Eliminating the differences between SSI and other social security hearings by allowing SSI claimants the same rights to administrative and judicial review presently allowed medicare and OASDI claimants should contribute to the reduction of the current backlog. The section shortening the social security and medicare appeal filing time from 6 months to 60 days after initial decisions are received also should help to expedite the present delays.

I also am glad that the committee in its report accompanying this measure has recommended that the Social Security Administration authorize the Center for Administrative Justice to make a study of the social security appeals procedures and make recommendations for any structural changes relating to improving both the speed and quality of social security adjudications. I further applaud the committee's announced intention to consider the appeals processes in depth when it takes up comprehensive social security legislation next session.

In the meantime, I urge my colleagues to vote in favor of this emergency bill, H.R. 10727.

Mr. STEIGER of Wisconsin. Mr. Speaker, I support H.R. 10727, which would help expedite the reconsideration and appeal of denied claims under the social security and supplemental security income programs.

Latest estimates indicate there are about 105,000 cases, most involving disability claims, pending before the Social Security Administration's Bureau of Hearings and Appeals. Some of these cases have been in the processing "mill" for years.

The Director of the Bureau has informed the Committee on Ways and Means that if this bill becomes law, that huge logjam can be broken. The mountain of cases can be lowered at a rate of 3,000 per month, and by mid-1977, final adjudications can be made within 90 days or less.

As far as I am concerned, Mr. Speaker, that is ample reason to enact H.R. 10727 as promptly as we can.

The primary effect of this bill would be to create a common corps of hearing officers to handle all social security, medicare, and SSI cases. Under present law and regulations, administrative law judges, appointed pursuant to the Administrative Procedure Act, hear social security and medicare cases. Hearing examiners, appointed under title 16 of the Social Security Act, which established the SSI program, hear only SSI cases.

Those already appointed as SSI hearing examiners, and the black lung administrative law judges who hold appointments as hearing examiners, would be given authority to hear social security and medicare cases until 1979. At the end of this transition period, it is expected that those hearing examiners would be able to meet all of the requirements for appointment as regular administrative law judges under civil service procedures.

During the transition period, the hearing examiners would be given appointments as temporary administrative law judges. Along with the permanent administrative law judges already in service, they should provide the Bureau of Hearings and Appeals with a pool of about 600 hearing officers to handle all pending cases.

The bill also provides that the new temporary judges will operate, as the permanent judges already do, under provisions of the Administrative Procedure Act.

H.R. 10727 also makes uniform the time periods in which appeals may be filed under both SSI and social security. Current law gives an individual, whose social security disability claim has been denied, 6 months to file for a reconsideration. If his claim is denied on reconsideration, he has another 6 months to appeal. SSI claimants have 30 days for each step.

The bill would provide 60-day filing periods under both programs.

Frankly, Mr. Speaker, I have reservations about reducing so drastically the time limit for social security claimants. However, I have been informed that about two-thirds of all hearings requested are filed within 60 days already, and I have noted that a reduction in the time limit would bring about a reduction in administrative costs, and more importantly, would require less case development at the hearing level. I am also assuaged by the Social Security Administration's assurance that no case already filed will be "cut short" and that an extensive public information program will be launched to make certain that potential applicants are fully advised of the shortened period of time for filing an appeal.

In summary, Mr. Speaker, I feel that reservations I might have on this one point are outweighed by the merits of the bill as a whole, and by its primary purpose, which is to reduce as quickly as possible the awful backlog of cases in the hearing and appeals process.

I hope my colleagues will join me in approving H.R. 10727 today, that the other body will act favorably and expeditiously on it, and that the President soon will sign it into law.

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of H.R. 10727. As the gentleman from Massachusetts noted, the backlog of social security appeals cases has reached an impossible level. Impossible for the claimants, and impossible for the Government. I have constituents who have been waiting literally years for their appeals to be decided. I am sure each of you know of similar cases.

Hopefully, this bill will provide some relief. It frees manpower and funds and standardizes procedures. It is a step toward a rationale appeals system, easily accomplished, and long overdue. I urge an aye vote.

Mr. ARCHER. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. BURKE) that the House suspend the rules and pass the bill H.R. 10727.

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVIII and the Chair's prior announcement, further proceedings on this motion will be postponed.

Does the gentleman from California withdraw his point of order of no quorum?

Mr. ROUSSELOT. Yes, I do, Mr. Speaker.

ARTS AND ARTIFACTS INDEMNITY ACT

Mr. BRADEMAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7782) to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, and to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes, as amended.

The Clerk read as follows:

H.R. 7782

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Arts and Artifacts Indemnity Act".

FEDERAL COUNCIL

SEC. 2. (a) The Federal Council on the Arts and Humanities (hereinafter in this Act referred to as the "Council"), established under section 9 of the National Foundation on the Arts and the Humanities Act of 1965, is authorized to make agreements to indemnify against loss or damage such items as may be eligible for such indemnity agreements under section 3—

(1) in accordance with the provisions of this Act; and

(2) on such terms and conditions as the Council shall prescribe, by regulation, in order to achieve the purposes of this Act and, consistent with such purposes, to protect the financial interest of the United States.

(b) For purposes of this Act, the Council shall be an "agency" within the meaning of the appropriate definitions of such term in title 5, United States Code.

ELIGIBLE ITEMS

SEC. 3. (a) The Council may make an indemnity agreement under this Act with respect to—

(1) works of art, including tapestries, paintings, sculpture, folk art, graphics, and craft arts;

(2) manuscripts, rare documents, books, and other printed or published materials;

(3) other artifacts or objects; and

(4) photographs, motion pictures, or audio and video tape;

which are (A) of educational, cultural, historical, or scientific value, and (B) the exhibition of which is certified by the Secretary of State or his designee as being in the national interest.

(b)(1) An indemnity agreement made under this Act shall cover eligible items while on exhibition in the United States, or elsewhere when part of an exchange of exhibitions, but in no case shall both parts of such an exchange be so covered.

"(2) For purposes of this subsection, the term "on exhibition" includes that period of time beginning on the date the eligible items leave the premises of the lender or place designated by the lender and ending on the date such items are returned to the premises of the lender or place designated by the lender.

APPLICATION

SEC. 4. (a) Any person, nonprofit agency, institution, or government desiring to make an indemnity agreement for eligible items under this Act shall make application therefor in accordance with such procedures, in such form, and in such manner as the Council shall, by regulation, prescribe.

(b) An application under subsection (a) shall—

(1) describe each item to be covered by the agreement (including an estimated value of such item);

(2) show evidence that the items are eligible under section 3(a); and

(3) set forth policies, procedures, techniques, and methods with respect to preparation for, and conduct of, exhibition of the items, and any transportation related to such items.

(c) Upon receipt of an application under this section, the Council shall, if such application conforms with the requirements of this Act, approve the application and make an indemnity agreement with the applicant. Upon such approval, the agreement shall constitute a contract between the Council and the applicant pledging the full faith and credit of the United States to pay any amount for which the Council becomes liable under such agreement. The Council, for such purpose, is hereby authorized to pledge the full faith and credit of the United States.

INDEMNITY AGREEMENT

SEC. 5. (a) Upon receipt of an application meeting the requirements of subsections (a) and (b) of section 4, the Council shall review the estimated value of the items for which coverage by an indemnity agreement is sought. If the Council agrees with such estimated value, for the purposes of this Act, the Council shall, after approval of the application as provided in subsection (c) of section 4, make up indemnity agreement.

(b) The aggregate of loss or damage covered by indemnity agreements made under this Act shall not exceed $250,000,000 at any one time.

(c) No indemnity agreement for a single exhibition shall cover loss or damage in excess of $50,000,000.

(d) Coverage under this Act shall only extend to loss or damage in excess of the first $15,000 of loss or damage resulting from a single exhibition.

REGULATIONS

SEC. 6. (a) The Council shall prescribe regulations providing for prompt adjustment of valid claims for losses which are covered by an agreement made pursuant to section 5, including provision for arbitration of issues relating to the dollar value of damages involving less than total loss or destruction of such covered objects.

(b) In the case of a claim of loss with respect to an item which is covered by an agreement made pursuant to section 5, the Council shall certify the validity of the claim and the amount of the loss to the Speaker of the House of Representatives and the President pro tempore of the Senate.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. Thre are hereby authorized to be appropriated such sums as may be necessary (1) to enable the Council to carry out its functions under this Act, and (2) to pay claims certified pursuant to section 6(b).

REPORT

SEC. 8. The Council shall report annually to the Congress (1) all claims actually paid pursuant to this Act during the preceding fiscal year, (2) pending claims against the Council under this Act as of the close of that fiscal year, and (3) the aggregate face value of contracts entered into by the Council which are outstanding at the close of that fiscal year.

EFFECTIVE DATE

SEC. 9. This Act shall become effective 30 days after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. QUIE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. QUIE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, briefly, the proposed legislation as reflected in the bill, H.R. 7782, as amended, would establish a program to be administered by the existing Federal Council on the Arts and Humanities, to indemnify international exhibitions of art works and artifacts which are brought to the United States or elsewhere when part of an exchange program.

One of the major costs of international exhibitions lies in insurance—estimates range from one-half to two-thirds of the overall cost of an exhibition.

Recognizing this problem, Mr. Speaker, the last Congress passed emergency legislation providing for the indemnifying by the Federal Government of two major exhibitions; the Chinese Archeological Treasures and the Scythian Gold Artifacts from the Soviet Union. Without such indemnification, the cost of insurance for these two exhibitions would have been prohibitively high.

Mr. Speaker, before I go any further, let me express my appreciation for the efforts of the members of the subcommittee who have worked together bringing this matter to the floor today.

In particular, Mr. Speaker, I would like to thank the distinguished chairman of the Education and Labor Committee, the gentleman from Kentucky (Mr. PERKINS), and the distinguished ranking minority member of the Education and Labor Committee (Mr. QUIE), for their support.

Mr. Speaker, I would make the further observation that H.R. 7782 was reported unanimously by both the Subcommittee on Select Education, which I have the honor to chair, and the full Education and Labor Committee.

Earlier this year the other body also passed, by a unanimous vote, a bill similar to the one now before us.

I should also note that the bill is supported by the administration and is also in line with the kind of legislation called for by the House Interior Appropriations Subcommittee.

Briefly, Mr. Speaker, the bill under consideration would allow the Federal Council on the Arts and Humanities to enter into agreements with respect to works of art, other artifacts and objects, photographs, motion pictures, and audio and video tapes, which are of educational, cultural, historical, or scientific value, and certified by the Secretary of State to be in the national interest.

The aggregate loss or damage covered by such agreements could not exceed $250 million at any one time. In addition, no agreement for a single exhibition could cover loss or damage in excess of $50 million.

Further, Mr. Speaker, coverage under the bill would extend only to loss or damage in excess of $15,000 per single exhibition.

Mr. Speaker, the Arts and Artifacts Indemnity Act will expand opportunities for citizens throughout our country to enjoy art and cultural objects from other countries. This program will be particularly meaningful to smaller museums which do not have the resources to acquire on loan foreign art objects and artifacts for which, understandably, foreign museums demand full insurance coverage or indemnity as a prerequisite to their being loaned.

Often, in the past, major cultural treasures were available for view only by persons who could afford international travel, or those living in a major metropolitan center. This circumstance has often meant that Americans living in smaller communities or rural areas were deprived of such opportunities for cultural enrichment.

Mr. Speaker, previous statutory authority for indemnity of foreign exhibitions has been by ad hoc statutes which authorize Federal indemnity for single exhibition. H.R. 7782, as amended, will create a permanent authority which will grant indemnity for those exhibitions certified by the Department of State to be in the national interest.

Mr. Speaker, I would like to stress that H.R. 7782, as amended, is a very limited bill, and will not involve any cost to the Federal Government aside from small administrative cost unless a major damage occurs to an indemnified object. The tight application of this authority is assured by the following provisions:

First. The Department of State must certify that an exhibition is in the national interest of the United States.

Second. The first $15,000 worth of damage is not covered, and indemnity on a single exhibition is limited to $50,000,000. Thus, a role for private insurors is preserved both for amounts of above $50,000,000 and amounts less than $15,000.

Third. Actual experience shows that damage to art and other treasures is very rare, due to highly developed procedures of packing and security of such treasures during shipment.

To cite a specific example of the narrow or limited liability incurred by the Federal Government by authority similar to that represented by H.R. 7782, as amended, the experience of the New York Metropolitan Museum of Art is useful.

Since 1970, nine major international exhibitions with an aggregate value of $261.8 million have been exchanged for exhibition at the Metropolitan Museum of Art. Insurance for these exhibitions totals $818,000, but no major loss has ever been incurred.

Thus, Mr. Speaker, not a single claim has ever been made by the Metropolitan Museum on this large expense of insurance premium.

Mr. Speaker, the testimony before our committee shows that exhibitions which have been brought to this country have experienced almost no loss and, indeed, the language in the committee report notes the statement of Mr. Douglas Dillon, the former Secretary of the Treasury, who testified before the committee in respect of losses which had been experienced under the British system. Mr. Dillon said as follows:

> We have obtained detailed figures showing the British record under this system for the past six years. Works of art valued at approximately $275,000,000 were indemnified with only one loss of over $25,000, which amounted to about $35,000. This is a loss ratio of only slightly over 1/100 of one percent—a minute fraction of what the cost of insurance would have been.

As the report points out, Mr. Speaker, this history, in conjunction with the language in the bill requiring the $150,000 deductible, indicates the probable cost to the Federal Government will be minimal.

Under H.R. 7782, as amended, the American museums which exhibit art and artifacts from other countries which art and artifacts are certified to be in the national interest will not have to pay these high insurance premium costs, and consequently the number of such exhibitions and their geographic distribution should be greatly improved.

Mr. Speaker, this measure, which will provide permanent authority for such indemnities, is sound legislation which will bring benefits to all Americans throughout the Nation by advancing their knowledge of foreign cultures.

The experience of other nations which engage in such indemnification has been excellent. In fact, statistics show that the losses experienced in international exhibitions tend to fall within the less than $1,000 range. Under the bill, as I have said, the Federal Government would have no liability for losses under $15,000.

In closing, Mr. Speaker, let me once

again say that this is a bipartisan effort and that the bill is supported by the administration. I have also noted that in its report on the Interior appropriation bill for 1976, the Appropriations Committee of the House called for passage of such legislation.

Mr. Speaker, I urge the House to give its overwhelming support to this measure.

Mr. QUIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation was given consideration in the Committee on Education and Labor, and initially there was some reservation about it. I note now that the Office of Management and Budget still has some reservations about it, stated some opposition to it.

However, we have made some changes in the legislation that I think make it acceptable. No. 1, there is an aggregate limit, as the gentleman from Indiana (Mr. BRADEMAS) indicated, of $250 million in 1 year. Also there is a limit of $50 million on each exhibit. Many of the exhibits are much more valuable than that, and private insurance will have to be secured for the additional amount.

Furthermore, there is a $15,000 base which would have to be reached before any payment would be made. We do not want the Federal Government to pay for normal wear and tear on exhibits. The history of the exhibits, as we look at the experiences of the past, indicate this will be of little cost.

Mr. Speaker, on two occasions in the past few years we did have special legislation providing for indemnification of an exhibit in order to protect it so the museum showing the exhibit would not have to buy the insurance. So much of the premiums, as the report indicates, goes out of this country that, therefore, that is not of any value to insurance companies in the United States. For those reasons, I believe that this bill is in line.

I must point out that any museum cannot go out and simply enter into an indemnity agreement. Any exhibit has to be certified by the Secretary of State to be in the national interest before it can be indemnified by this program.

Lastly, Mr. Speaker, any program of indemnification of an exhibit has to be agreed to by the Federal Council on the Arts and Humanities. The Federal Council on the Arts and Humanities is made up of people in the executive branch of the Federal Government, and, includes the Chairman on the Arts and the Humanities and the Chairman of the National Endowment for the Arts, who are on that Council, as well as the Commissioner of Education, the Secretary of the Smithsonian, the Director of the National Science Foundation, the Librarian of Congress, the Chairman of the Commission on Fine Arts, the Archivist of the United States, the Commissioner of Public Buildings Service, the General Services Administration Director, and the member designated by the Secretary of State, by the Speaker of the House of Representatives, by the Secretary of the Interior, the Chairman of the Senate Commission on Arts and Antiquity; all of them are on that Federal Council on the Arts and Humanities.

Therefore, Mr. Speaker, I believe it is adequately protected by individuals who are responsible to the Chief Executive. I further believe that we have a limit which is adequate and responsible, and it will only be on exhibitions that are here because of the national interest.

For that reason, Mr. Speaker, I urge my colleagues to support the legislation.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. QUIE. Yes, I yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, I am in support of the objective of this bill, though it is true that the bill takes a rather big step in creating a new program that will obligate the Federal Government to a potential expenditure of millions of dollars.

We have had some cultural exhibits over here for many years and we recently have had to pass separate legislation with respect to insuring two of those exhibits so that it would be possible for the exhibits to be properly insured. It is very undesirable that we should have to pass separate legislation every time an exhibit is brought over here from some foreign country to be shown to the American people, and in this regard I believe this legislation is desirable.

Mr. Speaker, I have no quarrel with the bill itself except that its funding provision violates the principle established in the Budget Control Act. It provides for back-door spending. It provides for an insurance program which once established becomes uncontrollable in its potential spending effect. It does not go through the Committee on Appropriations.

Therefore, Mr. Speaker, I have suggested that on page 22, line 6, the following language be added to the bill, although, of course, I have no authority, under the suspension of the rules procedure, to offer this amendment:

> Notwithstanding any other provision of this Act, any indemnity agreement authorized by this bill shall be entered into only to such extent or in such amounts as are provided in advance in appropriation acts.

It seems to me that we should not violate the principle of splintering the way in which we create financial obligations on behalf of the Federal Government. We should proceed in accordance with the principles of the Budget Control Act. Under a proper fiscal procedure once this legislation is passed, the Council created in the bill should send the Committee on Appropriations a budget estimate saying that certain exhibits are anticipated for the forthcoming year. Officials could set forth that the likelihood of indemnity having to be paid by the taxpayer is remote, but they could ask for a certain amount of money to be provided. We would then provide the money needed in an appropriation act.

Then the money, we would hope, would not be expended, any more than the guarantee of the insurance would be expended, but we would get away from this business which we are now getting into in a big way of sidestepping proper fiscal procedures by these insurance programs.

If we continue to enact these various insurance programs and loan guarantees, then the potential for fiscal chaos will be greatly accelerated.

Therefore, Mr. Speaker, although some of us cannot vote for this bill in its present form because it does violate the back-door spending principle, I would hope that we could get some encouragement from the committee, and I have asked the gentleman from Indiana (Mr. BRADEMAS) if he would be willing to offer this kind of amendment in order to remedy what we believe to be a deficit in the bill.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. QUIE. Yes, I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman for yielding.

I have appreciated the opportunity to discuss this matter with the distinguished chairman of the Committee on Appropriations, and I would say to him with respect to this bill that it incorporates the same principle as was involved with regard to the two separate pieces of legislation that were earlier passed with respect to providing authorization for indemnification of the Chinese exhibition and the exhibition of the Scythian gold, to which I made reference earlier.

These were special bills that did not require going to the Committee on Appropriations for approval first. It was in no small part in response to the request of the Committee on Appropriations that such general legislation as is represented by the bill before us be provided, that we bring this bill to the floor of the House.

It is the hope of the members of the Committee on Education and Labor that no money need be provided under this particular bill. And, indeed, the record of the testimony before us, as indicated earlier, is that the damages that follow such international exhibitions are so minute as to make no expenditures necessary. This is particularly the case in view of the $15,000 deductible clause that is written into the bill.

In addition, if we were to adopt the amendment that has been suggested by the distinguished chairman of the Committee on Appropriations, the consequences of it would be to greatly undo the prospects for good that are in the bill. Among other reasons, it would require a great time lag in respect of the negotiations with regard to an international exhibition and the time when an appropriation bill might be passed.

Moreover, I would say to the gentleman from Texas that even any losses that might occur are subject to arbitration under the bill. Finally I would say to the distinguished chairman of the Committee on Appropriations, as the gentleman from Minnesota (Mr. QUIE) has already pointed out, no agreements for indemnification would be permitted to take place until after a very significant process has gone forth which involves the approval of the Secretary of State, which involves the approval of the General Council on the Arts and Humanities, the members of which contain a whole array of respected officials that deal with the arts and the humanities, including the architect of the Capitol, the librarian of the Library of Congress and the distinguished chairmen of both the Council on the Arts and the Humanities.

So for all these reasons, Mr. Speaker, it seems to me that the proposed amendment is really not necessary and I would hope that the bill before us would be approved.

Mr. MAHON. Mr. Speaker, will the gentleman yield further?

Mr. QUIE. Mr. Speaker, I will yield further to the gentleman from Texas, but before I do, let me say that I believe in the principle of no back-door spending, but as with many principles, there are times when one does not go with such a principle. An example of this was in the case of the nutrition bill when it came on the floor and we did not have the provision in it because the Committee on the Budget proposed that we have no back-door spending in the WIC program. Subsequently, however, the Committee on the Budget, after taking another look at it, finally agreed the section 32 funds could be used to fund the program for nutrition for children, infants, and women. And there are other instances, as well, where we have decided to continue back-door spending, such as in the Commodity Credit Corporation. We could use some other method as the gentleman suggested in this legislation. However, it would mean a setting aside, it seems to me, of Federal money in the case there might be a loss. However, we do not need to do it under this legislation. But if there is a loss, the administration would have to go through the appropriation process in order to get it. If we were to get turned down by the Committee on Appropriations for that expenditure then that would affect any type of indemnification for any exhibits this country might wish to undertake in the future. So what we have done is having a back-door expenditure after the fact and I think it is better to have a back-door expenditure after the fact than before the fact.

Now I yield to the chairman of the Committee on Appropriations.

Mr. MAHON. Mr. Speaker, the Budget Control Act has recently been passed. We have had all manner of back-door spending by various agencies of the Government, but we have made dramatic progress in closing the back-door spending loophole. The reason this issue is being raised on this bill is that it is a back-door spending operation which is unnecessary and is in violation of the spirit of the new procedures which we have undertaken to follow in closing the various back-door spending provisions.

To correct this bill as I have suggested certainly would do no violence to the objectives of the bill. We have made great progress in improving our fiscal procedures, yet there are being proposed now all manner of bills for guarantees, for sidesteps to the appropriation process. It is for that reason that I raise the issue here. I hope that the bill would not be approved as long as it contains the back-door spending provision.

Mr. QUIE. I would say, first, if there is any expectation of the expenditure of Federal moneys, I would agree with the gentleman, but there is no expectation of expenditures. In the event that there is, we still would have a chance to vote on it.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Indiana.

Mr. BRADEMAS. I thank the gentleman for yielding.

As I understand backdoor spending—and I stand ready to be corrected—that is a phrase that we use in this chamber that indicates an automatic expenditure of moneys that goes around the Committee on Appropriations. This legislation does not provide for any automatic expenditure of moneys, as the bill will make very clear.

The amendment that is being proposed would, it seems to me, involve an appropriation or a setting aside of moneys, as I understand it. The purpose of this bill as it has been written, and the structure of the bill as it has been written, provides for no automatic expenditure of one single dime, so I do not see that it is accurate to describe it as backdoor spending.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding.

The bill provides that the full faith and credit of the U.S. Government is pledged once these indemnity agreements are made. Past interpretations of similar acts have stated that once language such as this is used then there is a valid claim against the Government which must be funded.

Mr. QUIE. No; I must stop the gentleman there. We do not have to, any more than the agreement that was made in the Middle East where $2 or $3 billion-plus in the Middle East went in that agreement. This Congress does not have to appropriate that full amount of $3 billion-plus. It can cut it in half if it wants to. The same way here, the contract can be entered into, but unless this Congress agrees to appropriate the money, it will not be expended.

Mr. MAHON. Whenever a decision is made against the U.S. Government, it has to be paid, but that is after the fact, and that does bypass the Committee on Appropriations and the Congress.

Mr. Speaker, under leave to revise and extend my remarks, I would like to discuss further this matter of backdoor spending through the creation of federally insured programs and loan guarantee programs.

Mr. Speaker, during this session of Congress we have made considerable progress in improving our fiscal procedures. As a result we now have the potential of achieving a greater fiscal stability than we have had in recent years.

But, Mr. Speaker, a phenomenon is now developing at a very rapid pace. This is the profusion of bills being reported by various authorizing committees that contain various insurance and loan guarantee programs that involve the potential expenditure of billions of dollars.

First of all, Mr. Speaker, there is some question as to whether the Congress should pass any legislation that creates new potential spending obligations such as this bill proposes and as others propose in light of the very serious and damaging fiscal condition the Government is in. But leaving this question aside temporarily, there are serious fiscal procedural questions that legislation such as this raises if it does pass.

The 1976 Budget presented by the President showed some $160 billion in various loan guarantee programs for which the credit of the United States Government has been pledged. Already this year, this amount has increased considerably through increases in ongoing loan guarantee programs and in new legislation which the Congress has passed.

Besides the bill before us now, several other bills have been scheduled or are under active consideration that would greatly add to the total fiscal liabilities of the Government. These include the New York legislation which as originally reported would have involved $7 billion of loan guarantees, the Price-Anderson Act which would involve untold billions of dollars in potential insurance type of liabilities for nuclear powerplants, the ERDA legislation which would provide some $6 billion in loan guarantees for the development of synthetic fuel and several other bills of a similar nature.

All of these bills as originally reported would set up financial obligations in the billions of dollars that would bypass the appropriations process. This is not a matter of quarreling over committee jurisdiction, but rather a matter of pointing out the need for greater fiscal control and discipline that can only result if there is one checkpoint and balancing of all the various spending possibilities that the authorizing committees are allowing.

If these various authorizations continue to be passed without any requirement for a proper fiscal procedure, then these acts just simply add more and more billions of dollars to the uncontrollable spending of the Federal Government.

We must get our fiscal house in order. It is not a matter of the Appropriations Committee gaining control of the spending in such measures, but rather of the Congress gaining control of the spending it authorizes.

Such legislation as is before the House now and that will be before the House during the next few weeks is a step in the wrong direction as far as fiscal discipline and improving our budgetary procedures are concerned.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Indiana.

Mr. BRADEMAS. I thank the gentleman for yielding.

I would just want to say that if there is an agreement made under the proposed bill to provide for any payment, that agreement must be approved by the Committee on Appropriations.

Mr. QUIE. That is right.

Mr. BRADEMAS. There is no automatic expenditure provided for under this bill.

Mr. QUIE. I would like to yield to some other Members, I will say to the gentleman from Texas. Perhaps he can get the gentleman from Indiana to yield time to him.

Mr. COHEN. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Maine.

Mr. COHEN. I thank the gentleman for yielding.

I am a bit confused about some of the statements made in conjunction with this bill. As I understand the gentleman from Indiana, he indicated the full committee supported it, the subcommittee, and the administration. It is my understanding that the administration opposes this particular measure based upon the legislative digests we have.

Mr. QUIE. I will say to the gentleman from Maine that the Directors of the National Endowment for the Arts and the National Endowment for the Humanities have supported it and indicated that support. We do have information which came out of OMB which must be based on the bill prior to the amendment we added in the full committee. As a result, the OMB position is not accurate regarding the present bill. OMB says it is an unlimited amount of Federal outlays, which is not true. We put a limit, both an aggregate limit, a pre-exhibition limit, and a deductible amount. OMB says it is not limited to an officially sponsored exhibit. This is also not true because each exhibit has to be certified by the Secretary of State before it can be approved.

Last, they say it would establish an objectionable organizational entity which is essentially an advisory body. I would agree with them if that council were made up of individuals outside of Government. I have long opposed giving such individuals authority to commit Federal funds without our going into the authorization and appropriation process, but that is not the case. These people are all in the executive branch and are responsible to the Chief Executive.

Mr. COHEN. If the gentleman will yield further, one of the complaints I have is that this measure is designed to place art objects, and so forth, in the smaller rural areas. I was wondering what is in this legislation that would in any way differ from the Chinese exhibit?

Did that receive substantial circulation in the small or rural areas as well?

Mr. QUIE. No, the Chinese exhibit, because of its nature, did not, but other international exhibits are not limited in that way and many of them will travel around the country when they get here.

Mr. McDADE. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Speaker, I thank the gentleman for yielding.

I do have some questions with respect to the bill. I think the chairman of the Committee on Appropriations has pointed out, it seems to me, something tremendously important that we ought to be concerned with in this House, and that is when the budget was first sent up there were loan guarantees to which the Federal Government was obligated amounting to about $160 million. Already that amount has significantly increased this year.

On page 20 of this bill we extend that even further. At least as I read it, we extend those loan guarantees further. In fact, this bill pledges the full faith and credit of the United States to pay any amount for which the Council becomes liable. Would the gentleman agree that the language pledging the full faith and credit of the United States to pay any amount makes it absolutely obligatory that if the Council enters into an agreement, and we hope nothing will happen, but if something does happen, without any further appropriation process we have to pick up the check?

Mr. QUIE. It is the same as the two indemnity programs on the Chinese and on the Soviet Union exhibits. If there had been a loss they would not have received any money in order to pay for that loss unless the bill had gone through the Appropriations Committee for it.

Mr. McDADE. I agree there would be money appropriated, but the Congress would have no choice at that point. If we did not do it, having pledged the full faith and credit of the United States, they would simply take us to court and we would have to pay it. We would have no choice. It seems to me the way this is drafted, as the chairman of the full committee, Mr. MAHON, has pointed out, we find ourselves in a place where we have no choice. I hope nothing will happen and I agree the committee has done excellent work in trying to get these exhibits here, but the fiscal procedure in this bill could be improved in my opinion.

Mr. QUIE. I would expect the Congress would honor the pledge that was made, because that has been our nature in the past.

Mr. McDADE. Right.

Mr. QUIE. But in the event we felt it unwise, as I say, the Appropriations Committee can take such action within the rules as would be proper, that would prevent something from being entered into in the future. I agree that would be the case.

However, if we did it and we made the expenditure I believe it would be wiser than making these huge expenditures for premiums that go to the London insurance market.

Mr. McDADE. Mr. Speaker, I do not disagree with that philosophy. I do say at least if we in the Appropriations Committee were able to join with the committee of the gentleman and look at the full amounts before putting them out as guarantees we would be more able to improve the Government's fiscal position. So really we are depriving ourselves of being able to keep close rein on the matter of potential obligations of the U.S. Government. It seems to me this is placing in the Council the opportunity to bind this committee and this Congress to a completely irrevocable thing.

Mr. QUIE. They are people in the executive branch of the Government.

Mr. McDADE. I thank the gentleman.

Mr. QUIE. Mr. Speaker, may I ask the gentleman from Indiana to yield 3 minutes to the gentleman from Maryland, to whom I had promised to yield time?

Mr. BRADEMAS. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN) for that purpose.

Mr. BAUMAN. Mr. Speaker, we see in the discussion that has preceded my remarks the fundamental problem this bill presents. The gentleman from Texas (Mr. MAHON) was perfectly justified in calling this backdoor spending. The gentleman from Pennsylvania (Mr. McDADE) has put his finger exactly on the type of binding obligation that this creates. I think we ought to realize that potentially this bill has a $1 billion price tag over a period of 5 years if all the potential liability comes to fruition. That is a rather tidy sum to put upon the backs of the taxpayers.

In effect, we are creating in this instance a sort of Federal No-Fault Insurance Corporation for foreign exhibitions. If a valuable artifact is destroyed or damaged, there is $50 million in potential liability which is laid squarely on the backs of the taxpayers. That potential liability has been described in dramatic fashion very accurately in this debate.

We should consider one other aspect of this new Federal insurance system we are asked to establish, which is that potential third-party beneficiaries are not going to be private owners or museums. Rather, we possibly could be facing a major claim on the U.S. Government on behalf of the Soviet Union, Red China, or some other foreign exhibitor.

Our taxpayers may be asked to pay $50 million to the Soviet Union for a destructive fire that may damage something at no fault of the U.S. Government. Certainly this is backdoor foreign aid, if you will, paying the Russians for some damage that may occur to these artifacts being shipped to the United States. There is no definition in this bill as to a loss. There are only limitations as to the upper amounts that could be paid. It is entirely left to a Federal Advisory Council as to what this amount is going to be.

I honestly believe it is the height of folly to bring legislation to the floor under suspension, with a liability of hundreds of millions of dollars. I think this bill at least should be submitted to the amendment process. With all due respect to the gentleman from Indiana and the gentleman from Minnesota we should defeat this bill under suspension and bring it back under an open rule and cure many of the defects that have been pointed out today. This is bad legislation. I personally intend to vote against it and seek a rollcall.

Mr. QUIE. Mr. Speaker, if there had been any experience of losses above the $15,000 deductible, then I would be deeply concerned about it; but our experience in the past is that virtually every loss is down around $1,000 and there has never been a loss over $10,000. The reason for this bill is to save money so we do not have to pay out tremendous premiums that we have been paying.

Mr. BRADEMAS. Mr. Speaker, I yield 1 minute to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in hearty support of this bill. I think it exemplifies an interchange that is desirable and appropriate, a most hopeful part of the world's changes; but I would like to suggest to the committee that a further step is necessary, when we see what happened to Houdon's bust of Benjamin Franklin which left these shores. We have no laws to protect our own objects of great artistic and historical importance and I suggest to the committee that this is a matter of great concern.

Mr. BRADEMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. GUDE).

Mr. GUDE. Mr. Speaker, I rise in support of this legislation.

Mr. BRADEMAS. Mr. Speaker, I yield to the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Speaker, I appreciate the gentleman yielding.

I notice on page 19, line 12, it says: "on exhibition in the United States, or elsewhere."

What is "or elsewhere"?

Mr. BRADEMAS. If the United States were to have art or artifacts exhibited in another country and the other country were to have art or artifacts exhibited in the United States, which they have indemnified, this would require us to provide indemnification in the other country.

Mr. DANIELSON. What the gentleman is saying is that we would not require reciprocity, but if no reciprocity is furnished, we do our own insuring; is that the idea?

Mr. BRADEMAS. The gentleman is correct. What we do not provide, but what we prohibit, in effect, is that the United States would provide indemnification for both exhibits. We would not indemnify the art in another country while they would refuse to indemnify the art of our own country. We would require that they indemnify their own art in this country if we were to be having an exhibition in their country which we would indemnify.

Mr. DANIELSON. Conversely, if some foreign art were brought into this country for exhibition and we provided indemnification, then if we in turn were to send some of our art to the foreign country, would they provide the indemnification?

Mr. BRADEMAS. It would all depend upon the arrangement with regard to the particular case.

Mr. DANIELSON. It would be negotiated, in any case?

Mr. BRADEMAS. That is correct.

Mr. DANIELSON. Would the gentleman have an agreement as to maximum exposure in each given instance?

Mr. BRADEMAS. No. They would be subject to negotiations on the part of those making the arrangements.

Mr. DANIELSON. Would that be prior to the exhibition?

Mr. BRADEMAS. Yes.

Mr. DANIELSON. I thank the gentleman. That is the understanding under which I will do my voting.

Mr. BRADEMAS. I just might say finally, Mr. Speaker, before closing debate, that I just received a telegram from Mr. Douglas Dillon, President of the Metropolitan Museum of Art, who refers to the law that this Congress passed last year to idemnify that museum for loss or damage to works of art sent to the Soviet Union as part of an international exchange which brought Scythian Gold to this country. He says further:

> I am pleased to advise you that all the museum's paintings returned safely this week after having been seen in Leningrad and Moscow by more than 600,000 people. The exhibition simply would not have been possible without the supporting legislation which was in turn without cost to the U.S. Government.

He goes on to endorse this legislation.

Mr. Speaker, the gentleman from Minnesota (Mr. QUIE) has put his finger on an important point. The bill under consideration does not provide, as the suggested amendment would require, an appropriation of funds. I would point out finally that the defeat of this legislation would really mean the denial to museums in every community in this country an opportunity which is not now theirs because of the high cost of insurance, an opportunity to bring to their communities art and other artifacts of very great interest to people in every State in this Union. Defeat of the legislation would be a vote to continue, in effect, subsidizing the Lloyds of London Insurance Co. rather than making it possible to give Americans an opportunity to enjoy art and artifacts from all over the world.

I would say finally, Mr. Speaker, in reply to what my friend from Maryland (Mr. BAUMAN) observed with regard to the fact that the bill is under suspension of the rules, that this legislation was passed unanimously in the other body, reported unanimously by the subcommittee here and unanimously by the Committee on Education and Labor. For those reasons, I hope it will have, if not unanimous, overwhelming support here.

Mrs. SMITH of Nebraska. Mr. Speaker, I rise in opposition to the consideration of H.R. 7782 under suspension of the rules. Along with the other members of the House Education and Labor Committee, I believe that well-directed encouragement of art and humanities programs can greatly enrich our lives and, therefore, support this legislation in principle. But consideration of this measure under procedures which preclude perfecting amendments does not allow the opportunity to correct what I believe are three shortsighted and unwise features of the bill before us.

Funding for arts and humanities programs is properly limited to specified levels for this and the following fiscal year. Beyond that, however, no limits are applied. This is clearly an abdication of our responsibility as legislators to assess and establish national priorities—and is an all-too-often-followed procedure that has contributed heavily to our staggering national debt. Since the bill as reported by the committee did not specify an authorization level, I believe members should have the opportunity to do so by amendment during its consideration.

A second fault meriting correction is the requirement that each State establish a separate State agency, conforming to Federal standards, as a prerequisite for receiving assistance. In my State of Nebraska, for example, we established a citizen-based Committee for the Humanities in 1972. Through its successful efforts has evolved a sound, working humanities program involving virtually all segments of our population, and reaching from our cities to our smallest towns. H.R. 7782 would undermine this progress by replacing a proven entity with yet another layer of bureaucracy for those interested in the humanities to contend with.

In testimony during hearings on H.R. 7782, Keith Blackledge, chairman of the Nebraska Committee for the Humanities, summed up the wisdom of continued reliance on citizen involvement:

> The Committee's task has some particular difficulties in a state that is 500 miles across and where thirteen of the seventeen four-year colleges or universities are within 75 miles of the largest city. It is difficult, too, in a state where agriculture is still the major industry and where a large share of the population is basically conservative and somewhat suspicious of both government and of higher education. It seems to me that we have been accepted in Nebraska as more of a citizen committee than as something identified either with government or with institutions of education, and that this has helped us reach a type of public in many cases that is not ordinarily reached by more conventional adult education programs.

A third shortcoming is the potentially dangerous exposure to financial risk presented by title II, part B, which would allow unlimited indemnity against loss or damage to art or artifacts brought to the United States for display. It simply does not make sense to allow more works of art than we can afford to indemnify to be placed on display at any one time. As unpleasant as it is to be reminded, we should not overlook the increasing frequency of senseless acts of vandalism such as the recent defacing of Michelangelo's Pieta in Rome.

Mr. Speaker, I urge my colleagues to vote against this bill today, so that we may have the opportunity to consider it more fully under the normal rules of the House.

Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 7782 which I was pleased to have cosponsored and which authorizes indemnities for exhibitions of artifacts while the artifacts are on tour in the United States. In the past, cultural exchanges have been hampered by the exorbitant cost of insurance. Testimony in the last Congress brought out the fact that indemnification in Britain had, over a 6-year period, proved highly successful and resulted in only one loss, a loss ratio of approximately one one-hundredth percent. The 93d Congress enacted two special laws which provided indemnifications for the Chinese archeological exhibitions and the exhibition of Scythian Gold from the U.S.S.R. Both of these exhibits were well received throughout the United States and were highly popular in the areas where they were shown.

H.R. 7782 specifies that indemnity agreements be strictly limited to nonprofit agencies and that they be administered by the existing Federal Council on the Arts and Humanities. The indemnity agreement under the act would cover the items from the period of time they leave the premises of the lender until they return to the point of origin.

This legislation will help to facilitate cultural exchanges between the United States and other countries, permitting Americans to have the benefit of viewing art objects and other items which they might otherwise not have the opportunity to see. It will also prove invaluable in opening doors of communication with other nations, providing a common bond of appreciation of the arts.

In recent testimony before the House Subcommittee on Select Education, National Arts Chairman, Nancy Hanks, aptly stressed the importance of international art exhibitions, stating:

> Cultural exhibitions and exchanges of high quality should be encouraged by the laws and policies of the United States Government. They are in the national interest because of the personal esthetic, intellectual, and cultural benefits accruing to every man, woman, and child of this nation who has the opportunity to experience these beautiful and enlightening presentations. We believe that this country should do as much as any nation in the world to insure that these vitally important programs are strengthened.

Accordingly, I urge my colleagues to support this worthy measure.

Mr. PERKINS. Mr. Speaker, the bill we are considering today, H.R. 7782, will be very helpful in bringing to Americans an opportunity to experience the magnificence of the world's cultural heritage. I wish to make special mention at this point of the outstanding work of the chairman of our Subcommittee on Select Education—JOHN BRADEMAS—for his continuing interest in legislation of interest to the arts. Both he and his subcommittee members on both sides of the aisle have worked to put together this legislative package which, in my judgment, can very properly receive the unanimous endorsement of the House.

The basic thrust of this legislation, Mr. Speaker, is to make it possible for a greater international exchange of the products of a nation's culture. For the citizens of our country to be able to enjoy the immense national wealth of other countries through international exhibitions is a rare privilege, indeed. This is what this legislation is about, and H.R. 7782 is designed to make possible additional international exhibitions of the treasures from other lands, through a new program of Government supported indemnification of these artistic treasures.

Mr. Speaker, this is the type of international cooperation which can surely be described as mutually beneficial, and I feel that it is quite appropriate for the United States to take a more active role in providing the necessary support so that these international treasures can be brought to this country for sustained exhibitions across the Nation. Such exposure and opportunity in my home State of Kentucky—as well as other basically rural areas across the land—can do much to reveal the wonder and beauty of the cultural heritage of other nations, and can have immense value in terms of our cultural awareness.

As has been explained, Mr. Speaker, the costs involved in this legislation are minimal, but the benefits to be derived from its provisions are, in my judgment, substantial, and worth every bit of investment which the U.S. Government will assume in implementing the provisions of H.R. 7782.

In testimony received by the subcommittee regarding the desirability of this legislation, there was enthusiastic support for it, not only for the actual fact of it, but also the inherent value in making these artistic exhibitions available to the people of this Nation.

In testimony before the Select Education Subcommittee recently, Nancy Hanks, Chairman of the National Endowment for the Arts reaffirmed the support of the endowment for this legislation applauding these efforts as a major step forward in attempting to deal with the extremely serious problems of our Nation's museums.

The House Appropriations Committee, in their House Report 94–374, has indicated support for this legislation in an effort to help alleviate the burdens placed on the National Gallery of Art, for instance, in providing for the exhibition of valuable art objects from foreign countries.

Mr. Speaker, I think that the bill before us is a good bill and should receive the unanimous endorsement of this body.

Mr. ROSTENKOWSKI. Mr. Speaker, I rise to strongly support and recommend to my colleagues that today we pass the bill, H.R. 7782, the Arts and Artifacts Indemnity Act.

This bill will provide that art works and artifacts exhibited in the United States by foreign countries or by the United States abroad will be covered by an indemnity agreement under a program administered by the Federal Council on the Arts and Humanities. The Council will be empowered to issue an indemnity agreement after reviewing an application and agreeing to the estimated value of the art items to be covered. The aggregate loss or damage covered by indemnity agreements cannot exceed $250 million at any one time; no indemnity agreement for a single exhibition may cover total losses or damages in excess of $50 million, and payment may only be made to the extent losses and damages exceed $15,000. The indemnity agreement will cover eligible items while they are on exhibition in the United States, or in foreign countries when part of an exchange of exhibitions.

The report of the Committee on Education and Labor states that exchanges of art and other treasures have long been recognized as enhancing international goodwill and greater understanding of foreign cultures. However, the committee points out that in recent years the frequency of this type of international cooperation has been hampered by the prohibitive cost of insurance, and adds that a generic program of indemnification for international exhibitions should be established.

I am now personally involved in helping to arrange the transportation of some priceless artifacts from Poland for inclusion in the Chicago showing of "The World of Franklin and Jefferson" exhibition. I have worked out the details with the proper Polish authorities and have assumed responsibility for securing all costs pertaining to insurance, packing and round-trip shipping from Poland. The exhibition is scheduled to open in Chicago at the Art Institute on July 4, 1976. The Polish artifacts, including letters from Jefferson to Kosciuszko, a portrait of Pulaski, and Kosciuszko's sword, will only be included in the Chicago version of the "World of Franklin and Jefferson." The exhibition, which I had the pleasure to view in Warsaw last June during one of its three European showings, will then tour this country as part of our 200th anniversary celebration.

Mr. VANIK. Mr. Speaker, I wholeheartedly support H.R. 7782 as a long-needed step to insure that the practice of art exchange continues. The minuscule amount of money that it is estimated this legislation will cost will go a long, long way toward insuring and encouraging the exchange of cultural exhibitions so that people all over this country might have a chance to view and enjoy these exhibits. Otherwise, the soaring cost of insuring priceless art works against loss, theft, and damage may soon prohibit the exchange of all but the least important works. The masterpieces that people have been able to enjoy on tour in recent years will gather dust in their home museums, where only the limited audience of local inhabitants and wealthy tourists will be able to appreciate them.

The Cleveland Museum of Art, which is located near my congressional district, is a highly innovative and energetic museum for arranging touring exhibitions. In fact, the Cleveland museum is cosponsoring the "European Visions of America" exhibition which is scheduled to open in Washington at the National Gallery later this week. Although this exhibit is being subsidized by the National Endowment for the Arts and the National Endowment for the Humanities, the insurance premium still costs over $140,000, of which the Cleveland Museum's share will amount to over $40,000. The cost of the insurance premiums alone represents over 50 percent of the entire cost of putting on the exhibit. This exhibit is scheduled to visit Washington, Cleveland, and Paris, France, and represents an important bicentennial event for the arts.

In addition, the Cleveland Museum has arranged the first one-man show with the museum in Augsburg, Germany, of the works of the 17th century artist Johann Liss. This exhibit will open in 2 weeks in Cleveland. Again, the insurance premiums amount to over $60,000, which must be partially subsidized by the NEA.

As Dr. Sherman Lee, director of the Cleveland Museum of Art, has pointed out, these high insurance premiums are "small potatoes" when compared with the price that some museums in New York, Chicago, and Los Angeles must pay for major exhibits. There, insurance premiums of over $300,000 are not uncommon for showings of the European masters.

American museums have maintained an impressive record for safe handling of touring exhibitions. I understand that the Cleveland museum has not had a loss of over the $15,000 deductible limit that this legislation provides since World War II. Most problems such as chipped frames and the like are repaired right at the museum where the mishap occurred, and no claim is ever made. Further, the programs in Britain and other countries that provide indemnification for their art exhibitions have been notably free from major losses. The people who handle the exhibitions are all trained professionals, so that the risk of accident or loss is minuscule. In fact, it is estimated that the greatest cost of this proposed program to the Federal Government will be small administrative expenses.

Mr. Speaker, as I noted earlier, H.R. 7782 will go a long way toward continuing and encouraging the exchange of great works of art so that more and more people can enjoy them. Without a Government indemnification program, many shows cannot take place. This legislation is particularly timely, therefore, in light of the many touring exhibits that are being prepared for the Bicentennial celebration. Even the well-endowed museum needs this legislation. The Cleveland museum, for example, is normally open to the public free of charge. However, the high cost of insurance premiums could force the museum to charge admission to offset the insurance costs. Though this may be a more satisfactory remedy than no show at all, it would still effectively deny the show to many people in the Cleveland area. I hope that this legislation will be enacted quickly, so that the Bicentennial celebration may have the full benefit of the participation of the arts, and so that millions of Americans may enjoy and appreciate works that they otherwise might never have a chance to see.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. BRADEMAS) that the House suspend the rules and pass the bill H.R. 7782, as amended.

The question was taken.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 7782.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana

There was no objection.

AMENDING JOINT RESOLUTION PROVIDING FOR ESTABLISHMENT OF LYNDON BAINES JOHNSON MEMORIAL GROVE ON THE POTOMAC

Mr. TAYLOR of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9883) to amend the Joint Resolution approved December 28, 1973, providing for the establishment of the Lyndon Baines Johnson Memorial Grove on the Potomac, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the joint resolution approved December 28, 1973 (87 Stat. 909), providing for the establishment of the Lyndon Baines Johnson Memorial Grove on the Potomac, is amended by changing the period in the last sentence to a comma and inserting the following thereafter: "except that this provision shall not apply to the development, hereby authorized, or improvements to federally owned land that will facilitate or enhance the pedestrian and vehicular access to the memorial: *Provided, however,* That in no event shall Federal expenditures for such development exceed $1,000,000."

The SPEAKER pro tempore. Is a second demanded?

Mr. SEBELIUS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Kansas (Mr. SEBELIUS) will be recognized for 20 minutes.

Mr. SEBELIUS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this bill authorizes the appropriation of not to exceed $1,000,000 for the construction of a parking area and a pedestrian bridge across the adjacent boundary channel, so that visitors may gain access to the newly constructed Lyndon Baines Johnson Memorial Grove on the Potomac River.

The entire effort of the planning and construction of the memorial itself has been accomplished by donated funds with no cost to the Federal Government.

If the memorial is to have ample visitor parking and access in time to accommodate the expected influx of tourists during next year's Bicentennial activities in the Nation's Capital, this parking and access way will need to be completed promptly.

I support this bill, and ask for favorable endorsement by my colleagues.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I think this is a very timely and salutary proposal. Private sources have already raised sufficient funds to develop the site of the LBJ Memorial Grove. This includes interior walkways and plazas, park furniture, the stone megalith, water connections, planting and lighting, and all necessary construction. That work is going on and it will be completed on schedule in January 1976.

In order that the tranquillity and beauty of this serene glade may be shared with and enjoyed by the many thousands of people who will visit our Capital in the Bicentennial year, we need certain improvements on adjacent public properties to permit easier and more convenient public accessibility to the grove. Specifically, we need a walkway and a parking lot.

Mr. Speaker, enactment of this bill will mean that the public will have available access to that which has already been and is being provided by private funds raised by the Lyndon Baines Johnson Memorial Grove Committee.

The Department of the Interior enthusiastically supports this bill, and there is no objection from the Office of Management and Budget. From a budgetary standpoint, the amount of public funds involved will be minimal. I earnestly trust that the House will act favorably on this bill today.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, I would like to commend the Committee on Interior and Insular Affairs for so promptly reporting out this bill that will provide for improvements for parking adjacent to the Lyndon Baines Johnson Memorial Grove. This is particularly appropriate during this coming Bicentennial year when perhaps we can expect a million additional visitors to our Nation's Capital.

This is also a very practical project since the parking will be useful for visitors to the Pentagon, as well as visitors to the LBJ Memorial Grove on the Potomac. The authorization sets a limit of $1 million, that would be expended on this project.

Providing facilities for parking will enable more of our visitors to take advantage of our permanent tribute to our great President, Lyndon Baines Johnson.

I should also like to commend the LBJ grove committee for the leadership it has given to the construction of this grove. Sufficient funds have been raised for the construction of phase I, as promised. Work is progressing on schedule. It will be a beautiful park. We all owe a special vote of thanks to Mr. Laurance Rockefeller and M. V. Nash Castro who have given much time and guidance toward its realization.

Mr. SEBELIUS. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, just for the historic record, I want to observe that this legislation originally was passed by Congress for a laudable purpose. Congress was told at that time it was not going to cost the taxpayers anything, it would be all paid for by private subscription, that not a dime of taxpayers' money would be diverted toward this noble purpose.

Mr. Speaker, today we are being asked to appropriate $1 million for this project which was not going to cost the taxpayers anything.

Mr. Speaker, I just thought for the record that we should not let this go by since it is like so many other bills about which we hear the same thing.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, let me point out to the gentleman that not a dime is going to the L.B.J. Memorial Grove. The money that is being authorized here is not to be spent on that park. This money is going entirely for the purpose of creating access thereto, just as we did on Theodore Roosevelt Island. In that case we also built the parking lot and the bridge to get to it.

I believe the record should be set straight. I agree with the gentleman from Maryland that the promise was made that not a dime of public funds was going to go toward the monument itself or toward the grove, and that is still the case.

Mr. SEBELIUS. Mr. Speaker, I have no further requests for time.

Mr. TAYLOR of North Carolina. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the bill H.R. 9883, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AUTHORIZING EXCHANGE OF LANDS FOR ENTRANCE ROAD AT GUADALUPE MOUNTAINS NATIONAL PARK, TEX.

Mr. TAYLOR of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1747) to authorize an exchange of lands for an entrance road at Guadalupe Mountains National Park, Tex., and for other purposes.

The Clerk read as follows:

H.R. 1747

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 2 of the Act approved October 15, 1966 (80 Stat. 920), providing for the establishment of the Guadalupe Mountains National Park in the State of Texas, is amended by adding the following after the third sentence: "In order to provide for an adequate entrance road into the McKittrick Canyon area of the park, the Secretary may accept title to and interests in lands comprising a right-of-way for a road or roads outside of the boundary of the park from United States Highway numbered 62 and 180 to the park boundary, and in exchange therefor he may convey title to and interests in lands comprising a right-of-way from said highway to the boundary which have been donated to the United States. The Secretary may accept cash from or pay cash to the grantor in such exchange in order to equalize the values of the properties exchanged. Lands and interests in lands comprising the right-of-way acquired pursuant to this subsection shall be administered as part of the park.".

The SPEAKER pro tempore. Is a second demanded?

Mr. SEBELIUS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection

The SPEAKER pro tempore. The gentleman from Kansas (Mr. SEBELIUS) will be recognized for 20 minutes.

Mr. SEBELIUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a very simple bill which does nothing more than authorize a minor land exchange near the park boundary for purposes of relocating the right-of-way for a park entrance road which will be constructed sometime in the future.

I know of no controversy over this bill, and there is no cost involved in the land exchange, other than minor administrative costs. This bill contains no monetary authorization.

Mr. Speaker, the construction of roads within our national parks has been a subject of much concern, particularly through recent years. Most of that concern has been over the need for sensitivity in the placement of roads upon the park landscape. This road will permit better access to the park so that the park may be better enjoyed by greater numbers of people than is the case today. At such time that this road is constructed, I would urge and hope that the National Park Service will use great care in its design and location so that there will be no undue impairment of the natural environment.

I urge my colleagues to vote for the passage of this bill.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Speaker, I thank the chairman of the committee for yielding.

Mr. Speaker, in 1966, Congress established the unique Guadalupe Mountains National Park through a bill I sponsored in the 89th Congress. Enthusiastic nature lovers flocked to visit this new national park only to find public access via the present road limited to 4 cars per weekday and 10 cars per day on weekends. Why? Because the Park Service does not own a usable road for entrance into the park's interior. The only road to the main attraction of the park passes over private land and the owner has limited the number of visitors that can pass each day. That is why I introduced H.R. 1747, to permit a land exchange allowing for construction of an entrance road into the McKittrick Canyon portion of the Guadalupe Park. Senator BENTSEN introduced a companion bill, S. 313, which passed the Senate on June 4.

The park is an oasis of flora and fauna that rises from the desert floor and Guadalupe Peak represents the highest point in the State of Texas. The area's Permian marine limestone mountains contain the most extensive and significant fossil reefs in the world, and artifacts found so far indicate that the area was inhabited by man up to 12,000 years ago. The most visually spectacular feature of the park is McKittrick Canyon, with its trout stream and rugged, tree-studded canyon walls.

The original land donated for an access road to the canyon—an approximately 500-foot-wide corridor—has been determined through engineering surveys to be unfeasible for an all-weather public use road because of rugged terrain and a wide wash subject to flash floods.

As is explained in the departmental report on the bill, public access to the canyon and a route to the ranger residence portion of the park is currently obtained via a privately owned ranch road. The private landowner, Mrs. Fletcher Pratt, has formally agreed to exchange the presently used right-of-way for basically the other property originally donated by her late husband to the National Park Service for the access road.

Under the agreement proposed, the National Park Service would receive a 200-foot-wide strip of land from the highway to the mouth of McKettrick Canyon essentially following the present road alinement. In addition a 100-foot-wide strip will be included to provide access to the ranger residence just within the park boundary and southwest of the canyon.

In exchange, the landowner would receive the corridor of land previously conveyed by her late husband in addition to receiving use of the new access road for entry into her property and construction of cattle crossings under the road corridor which would necessarily split her ranch. The properties are about equal in value and as mentioned in the Senate report accompanying the companion bill—

> The discrepancy in acreage to be exchanged lies in the rugged terrain of the present Federal land which make it of less value than the proposed acquisition.

It has been estimated that costs associated with this transaction would amount to about $3,750 and the proposal is not anticipated to affect the park's staffing needs. Estimates on the cost of constructing the all-weather public use road are approximately $3,040,000.

I urge your favorable action on this bill.

Mr. TAYLOR of North Carolina. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the bill H.R. 1747.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill (S. 313) to authorize an exchange of lands for an entrance road at Guadalupe Mountains National Park, Tex., and for other purposes, and ask for immediate consideration of the bill.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 313

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 2 of the Act approved October 15, 1966 (80 Stat. 920), providing for the establishment of the Guadalupe Mountains National Park in the State of Texas, is amended by adding the following after the third sentence: "In order to provide for an adequate entrance road into the McKittrick Canyon area of the park, the Secretary may accept title to and interests in lands comprising a right-of-way for a road or roads outside of the boundary of the park from United States highway numbered 62 and 180 to the park boundary, and in exchange therefore he may convey title to and interests in lands comprising a right-of-way from said highway to the boundary which have been donated to the United States. The Secretary may accept cash from or pay cash to the grantor in such exchange in order to equalize the values of the properties exchanged. Lands and interests in lands comprising the right-of-way acquired pursuant to this subsection shall be administered as part of the park.".

MOTION OFFERED BY MR. TAYLOR OF NORTH CAROLINA

Mr. TAYLOR of North Carolina. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. TAYLOR of North Carolina moves to strike out all after the enacting clause of S. 313 and to insert in lieu thereof the provisions of H.R. 1747, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 1747) was laid on the table.

DESIGNATING THE FLAT TOPS WILDERNESS, ROUTT AND WHITE RIVER NATIONAL FORESTS IN THE STATE OF COLORADO

Mr. MELCHER. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 267) to designate the Flat Tops Wilderness, Routt and White River National Forests, in the State of Colorado.

S. 267

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with subsection 3(b) of the Wilderness Act (78 Stat. 891), the area classified as the Flat Tops Primitive Area, with the proposed additions thereto and deletions therefrom, as generally depicted on a map entitled "Flat Tops Wilderness—Proposed", dated May 1975, which is on file and available for public inspection in the office of the Chief, Forest Service, Department of Agriculture, is hereby designated as the "Flat Tops Wilderness" within and as part of the Routt and White River National Forest, comprising an area of approximately two hundred and thirty-five thousand two hundred and thirty acres.

SEC. 2. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of the Flat Tops Wilderness with the Interior and Insular Affairs Committees of the United States Senate and the House of Representatives, and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such map and description may be made.

SEC. 3. The Flat Tops Wilderness shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

SEC. 4. The previous classification of the Flat Tops Primitive Area is hereby abolished.

The SPEAKER pro tempore. Is a second demanded?

Mr. JOHNSON of Colorado. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Montana (Mr. MELCHER) will be recognized for 20 minutes, and the gentleman from Colorado (Mr. JOHNSON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Montana (Mr. MELCHER).

Mr. MELCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 267 establishes the Flat Tops Wilderness, Routt and White River National Forests, in the State of Colorado. The area encompasses about 235,230 acres.

In accordance with the review requirements of the wilderness law, the Forest Service completed field studies of the area, including local public hearings in 1967, and the President submitted his recommendations to the Congress on March 29, 1968.

Numerous public hearings, both in Washington and in the State of Colorado, have been held on various wilderness proposals for the Flat Tops area by both the Senate and House Committees on Interior and Insular Affairs. This year hearings were held in Glenwood Springs, Colo., on April 3 and in Washington, on April 17. The various proposals which have been made by various groups and individuals differing only on boundary locations, not wilderness establishment, required careful assessment by the committee. S. 267 reflects the overwhelming sentiment at public hearings for adding the Flat Tops to the National Wilderness Preservation System.

Concern has been expressed by some organizations and individuals regarding water utilization downstream from the area. There is nearly universal agreement among the Colorado water boards and districts that wilderness designation of this area will help assure a continuous flow of high quality water by protection of these valuable watersheds. The Flat Tops area is one of the largest contributors of water in the Colorado River Basin, and by designating this area as wilderness we will preserve that watershed and protect it for future downstream use of good water. The greatest public value according to the Forest Service for this area is its water yield.

Mr. Speaker, the Department of Agriculture set up a critique and recommendation on this proposal which varies somewhat from the finding of the committee. Let me read what the Department of Agriculture sent up in its supplemental statement on the Flat Top Wilderness proposal which varies somewhat from the findings of the committee.

> . . . the proposed additions in the headwaters of the North Fork of the White River (Areas T and N), including approximately 36,000 acres, contain about 25,000 acres of commercial forest land, and management for the development and use of this forest resource is desirable. The area north of Trappers Lake receives moderate snowmobile use which would be foregone if the area is designated as wilderness. There are water supply systems requiring access and maintenance and other evidence of man's activity within the proposed additions.

Mr. Speaker, I want to make it clear that it is the intent of the committee that passage by the House of this proposal will not preclude the Forest Service from designating other nearby areas for snowmobile use so that those people seeking that type of recreation will not have lost that opportunity, located in some area adjacent to this wilderness area on Forest Service land that will fit their convenience.

In addition, it is the intent of the committee that indeed there continue to be access and maintenance of water supply systems that were mentioned by the Department of Agriculture. In fact, in drawing the boundaries most or all of these water supply systems have been eliminated from the proposed area.

Mr. JOHNSON of Colorado. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this wilderness area lies in the confines of my district exclusively. It is one of the most beautiful areas that one will ever find. It is an area that has almost unanimous support of the people who live in the western Colorado area. There was some controversy that arose from interests from outside of the immediate vicinity. But I am delighted that the committee has seen fit to bring the bill to the House in its present form.

Mr. Speaker, I want to pay particular tribute to the gentleman from Montana (Mr. MELCHER) who has been very patient in shepherding this bill through the last Congress and this Congress. He has done an excellent job. The people of Colorado owe him a debt of gratitude and I want to publicly thank him now.

Mr. MELCHER. Mr. Speaker, I recommend that the House pass S. 267 as reported by the Committee on Interior and Insular Affairs.

I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Montana (Mr. MELCHER) that the House suspend the rules and pass the Senate bill S. 267.

The question was taken.

Mr. MELCHER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 3 of rule XXVII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER

Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will not put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

SOCIAL SECURITY HEARINGS AND APPEALS

The unfinished business is the question of suspending the rules and passing the bill H.R. 10727.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts (Mr. BURKE) that the House suspend the rules and pass the bill H.R. 10727.

The question was taken.

Mr. DEL CLAWSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 370, nays 0, not voting 63, as follows:

[Roll No. 722]

YEAS—370

Abzug
Adams
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flood
Florio
Flowers
Forsythe
Fountain
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruppe
Ryan
St Germain
Santini
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—63

Abdnor
Addabbo
Andrews, N.C.
Ashbrook
Bell
Bolling
Brooks
Cochran
Conte
Dent
Eckhardt
Emery
Esch
Eshleman
Fish
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Hagedorn
Hansen
Harrington
Hébert
Heinz
Hightower
Hinshaw
Jacobs
Jarman
Jones, Ala.
Jones, Okla.
Karth
Keys
Koch
Macdonald
Mazzoli
Meeds
Mink
Moorhead, Calif.
Neal
O'Hara
Patman, Tex.
Pepper
Peyser
Pritchard
Quillen
Rostenkowski
Russo
Sarasin
Schulze
Skubitz
Stanton, James V.
Steelman
Stephens
Stokes
Symington
Udall
Weaver
Wolff
Wydler
Young, Alaska
Young, Fla.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Quillen.
Mr. Addabbo with Mr. Emery.
Mr. Brooks with Mr. Young of Florida.
Mr. Flynt with Mr. Skubitz.
Mr. O'Hara with Mr. Bell.
Mr. Harrington with Mr. Conte.
Mr. Jones of Alabama with Mr. Fish.
Mr. Koch with Mr. Wydler.
Mr. Macdonald of Massachusetts with Mr. Steelman.
Mr. Gaydos with Mr. Heinz.
Mr. Andrews of North Carolina with Mr. Abdnor.
Mr. Dent with Mr. Esch.
Mrs. Mink with Mr. Moorhead of California.
Mr. Karth with Mr. Sarasin.
Mr. Jones of Oklahoma with Mr. Eshleman.
Mr. Neal with Mr. Cochran.
Mr. Fraser with Mr. Ashbrook.
Mr. Foley with Mr. Hagedorn.
Mr. Eckhardt with Mr. Jarman.
Mr. Mazzoli with Mr. Peyser.
Mr. Ford of Michigan with Mr. Schulze.
Mr. Meeds with Mr. Pritchard.
Mr. Ford of Tennessee with Mr. Hansen.
Mr. Hightower with Mr. Young of Alaska.
Mr. Jacobs with Mrs. Keys.
Mr. Patman with Mr. Russo.
Mr. Rostenkowski with Mr. Stokes.
Mr. Pepper with Mr. Weaver.
Mr. Symington with Mr. Udall.
Mr. Wolff with Mr. James V. Stanton.

Messrs. RICHMOND and GUYER changed their votes from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b)(3) of rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all of the additional motions to suspend the rules on which the Chair has postponed further proceedings.

ARTS AND ARTIFACTS INDEMNITY ACT

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 7782, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Indiana (Mr. BRADEMAS) that the House suspend the rules and pass the bill, H.R. 7782, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 253, nays 116, not voting 64, as follows:

[Roll No. 723]

YEAS—253

Abzug
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Cederberg
Chappell
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Calif.
Eilberg
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Forsythe
Frenzel
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Hefner
Helstoski
Henderson
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hungate
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Krebs
Krueger
LaFalce
Landrum
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
McClory
McCloskey
McCormack
McEwen
McFall
McHugh
McKinney
Madden
Maguire
Mann
Matsunaga
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Pike
Pressler
Preyer
Price
Quie
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Roybal
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Stark
Steed
Steiger, Wis.
Stratton
Stuckey
Studds
Sullivan
Thompson
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Wampler
Waxman
Whalen
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—116

Adams
Alexander
Anderson, Ill.
Archer
Armstrong
Bafalis
Bauman
Beard, Tenn.
Bennett
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burleson, Tex.
Burlison, Mo.
Byron
Carter
Casey
Clancy
Clausen, Don H.
Clawson, Del
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Downing, Va.
Edwards, Ala.
Findley
Flowers
Fountain
Frey
Goldwater
Gradison
Grassley
Guyer
Haley
Hammerschmidt
Harsha
Hastings
Hechler, W. Va.
Hicks
Holt
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Long, Md.
Lott
Lujan
McCollister
McDade
McDonald
McKay
Madigan
Mahon
Martin
Mathis
Michel
Milford
Miller, Ohio
Montgomery
Moore
Myers, Pa.
Natcher
O'Brien
Passman
Pickle
Poage
Randall
Rhodes
Rinaldo
Roberts
Robinson
Rousselot
Runnels
Ruppe
Satterfield
Schneebeli
Sebelius
Shriver
Shuster
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Vander Jagt
Waggonner
Walsh
White
Whitehurst
Whitten
Winn
Wylie

NOT VOTING—64

Abdnor
Addabbo
Andrews, N.C.
Ashbrook
Bell
Bolling
Cochran
Conte
Conyers
Dent
Eckhardt
Emery
Esch
Eshleman
Fenwick
Fish
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Hagedorn
Hansen
Harrington
Hébert
Heinz
Hightower
Hinshaw
Jacobs
Jarman
Jones, Ala.
Jones, Okla.
Keys
Koch
Macdonald
Mazzoli
Meeds
Moorhead, Calif.
Neal
O'Hara
Patman, Tex.
Pepper
Peyser
Pritchard
Quillen
Rostenkowski
Russo
Sarasin
Schulze
Skubitz
Staggers
Stanton, James V.
Steelman
Stephens
Stokes
Symington
Teague
Udall
Weaver
Wolff
Wydler
Young, Alaska
Young, Fla.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Conte.
Mr. Udall with Mr. Bell.
Mr. Flynt with Mr. Peyser.
Mr. Wolff with Mr. Wydler.
Mr. Rostenkowski with Mr. Quillen.
Mr. Addabbo with Mr. Skubitz.
Mr. Dent with Mr. Eshleman.
Mr. Foley with Mr. Heinz.
Mr. Eckhardt with Mr. Esch.
Mr. Staggers with Mr. Steelman.
Mr. Stokes with Mrs. Fenwick.
Mr. Ford of Michigan with Mr. Hansen.
Mr. Gaydos with Mr. Fish.
Mr. Macdonald of Massachusetts with Mr. Young of Florida.
Mr. Pepper with Mr. Schulze.
Mr. Patman with Mr. Cochran.
Mr. Jones of Alabama with Mr. Young of Alaska.
Mr. Koch with Mr. Hagedorn.
Mr. Andrews of North Carolina with Mr. Jarman.
Mr. Fraser with Mr. Moorhead of California.
Mr. Symington with Mr. Abdnor.
Mr. Neal with Mr. Ashbrook.
Mr. O'Hara with Mr. Emery.
Mr. Teague with Mr. Sarasin.
Mr. Stephens with Mr. Pritchard.
Mr. Russo with Mr. Conyers.
Mr. Mazzoli with Mr. Weaver.
Mr. Jones of Oklahoma with Mrs. Keys.
Mr. Meeds with Mr. Hightower.
Mr. Jacobs with Mr. Ford of Tennessee.
Mr. Harrington with Mr. James V. Stanton.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes.".

A motion to reconsider was laid on the table.

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be discharged from the further consideration of the Senate bill (S. 1800) to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, and to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes, and ask for immediate consideration of the bill.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1800

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Arts and Artifacts Indemnity Act".

FEDERAL COUNCIL

SEC. 101. (a) The Federal Council on the Arts and Humanities (hereinafter in this Act referred to as the "Council"), established under section 9 of the National Foundation on the Arts and the Humanities Act of 1965, is authorized to make agreements to indemnify against loss or damage such items as may be eligible therefor under this Act (as described in section 102)—

(1) in accordance with the provisions of this Act; and

(2) on such terms and conditions as the Council shall prescribe, by regulation, in order to achieve the purpose of this Act and, consistent with such purpose, to protect the financial interest of the United States.

(b) For the purposes of this Act, the Council shall be an "agency" within the meaning of the appropriate definitions of such term in title 5, United States Code.

ELIGIBLE ITEMS

SEC. 102. (a) The Council may make an indemnity agreement under this Act with respect to—

(1) works of art, including tapestries, paintings, sculpture, folk art, graphics, and craft arts;

(2) manuscripts, rare documents, books, and other printed or published materials;

(3) other artifacts or objects; and

(4) photographs, motion pictures, or audio and video tape;

(A) which are of educational, cultural, historical, or scientific value and (B) the exhibition of which is certified by the Secretary of State or his designee as being in the national interest.

(b) An indemnity agreement made under this Act shall cover eligible items while on exhibition in the United States. For the purposes of this subsection, the term "on exhibition" includes that period of time which begins at the point when the eligible items leave the premises of the lender or place designated by the lender and ends when such items are returned to the premises of the lender or place designated by the lender.

APPLICATION

SEC. 103. (a) Any person, nonprofit agency, institution, or government desiring to make an indemnity agreement for eligible items under this Act shall make application therefor in accordance with such procedures, in such form, and in such manner as the Council shall, by regulation, prescribe.

(b) application under subsection (a) shall—

(1) describe each item to be covered by the agreement (including an estimated value thereof);

(2) show evidence that the items are eligible under subsection 102(a); and

(3) set forth policies, procedures, techniques, and methods with respect to preparation for, and conduct of, exhibition of the items, and any transportation related thereto.

(c) Upon receipt of an application under this section, the Council shall, if such application conforms with the requirements of this Act, approve the application and make an indemnity agreement with the applicant; and when so approved, the agreement shall constitute a contract between the Council and the applicant pledging the full faith and credit of the United States to pay any amount for which the Council becomes liable under such agreement; and for such purpose the Council is hereby authorized to pledge the full faith and credit of the United States.

INDEMNITY AGREEMENT

SEC. 104. (a) Upon receipt of an application meeting the requirements of subsections (a) and (b) of section 103, the Council shall review the estimated value of the items for which coverage by an indemnity agreement is sought. If the Council agrees with such estimated value, for the purposes of this Act, the Council shall, after approval of the application as provided in subsection (c) of section 103, make an indemnity agreement.

(b) The aggregate of loss or damage covered by indemnity agreements issued under this Act shall not exceed $250,000,000 at any one time.

(c) No indemnity agreement for a single exhibition shall cover loss or damage in excess of $25,000,000.

(d) Coverage under this Act shall only extend to loss or damage in excess of the first $25,000 of loss or damage out of a single exhibition.

REGULATIONS

SEC. 105. (a) The Council shall issue regulations providing for prompt adjustment of valid claims for losses which are covered by an agreement made pursuant to section 104, including provision for arbitration of questions of the dollar value of damages involving less than total loss or destruction of such covered objects.

(b) In the case of a claim of loss with respect to an item which is covered by an agreement made pursuant to section 104, the Council shall certify the validity of the claim and the amount of the loss to the Speaker of the House of Representatives and the President of the Senate.

AUTHORIZATION OF APPROPRIATIONS

SEC. 106. There are hereby authorized to be appropriated such sums as may be necessary (a) to enable the Council to carry out its functions under this Act, and (b) to pay claims certified pursuant to subsection 105(b).

REPORT

SEC. 107. The Council shall report annually to the Congress (a) all claims actually paid pursuant to this Act during the preceding fiscal year, (b) pending claims against the Council under this Act as of the close of that fiscal year, and (c) the aggregate face value of agreements entered into by the Council which are outstanding at the close of that fiscal year.

EFFECTIVE DATE

SEC. 108. This Act shall become effective 30 days after enactment.

MOTION OFFERED BY MR. BRADEMAS

Mr. BRADEMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BRADEMAS moves to strike out all after the enacting clause of S. 1800 and to insert in lieu thereof the provisions of H.R. 7782, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes.".

A motion to reconsider was laid on the table.

A similar House bill (H.R. 7782) was laid on the table.

DESIGNATING THE FLAT TOPS WILDERNESS, ROUTT, AND WHITE RIVER NATIONAL FORESTS IN THE STATE OF COLORADO

The SPEAKER. The unfinished business is the question of suspending the rules and passing the Senate bill S. 267.

The Clerk read the title of the Senate bill.

The SPEAKER. The question is on the motion offered by the gentleman from Montana (Mr. MELCHER) that the House suspend the rules and pass the Senate bill, S. 267, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 369, nays 1, not voting 63, as follows:

[Roll No. 724]

YEAS—369

Abzug
Adams
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flood
Florio
Flowers
Forsythe
Fountain
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Price
Quie
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruppe
Ryan
St Germain
Santini
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—1

Poage

NOT VOTING—63

Abdnor
Addabbo
Andrews, N.C.
Ashbrook
Bell
Bolling
Cochran
Conte
Conyers
Dent
Eckhardt
Emery
Esch
Eshleman
Fish
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Hagedorn
Hansen
Harrington
Hébert
Heinz
Hightower
Hinshaw
Jacobs
Jarman
Jones, Ala.
Jones, Okla.
Keys
Koch
Macdonald
Madden
Mazzoli
Meeds
Moorhead, Calif.
Neal
O'Hara
Patman, Tex.
Pepper
Peyser
Pritchard
Quillen
Rangel
Rostenkowski
Russo
Sarasin
Schulze
Skubitz
Stanton, James V.
Steelman
Stephens
Stokes
Symington
Udall
Weaver
Wolff
Wydler
Young, Alaska
Young, Fla.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Wydler.
Mr. Rostenkowski with Mr. Conte.
Mr. Madden with Mr. Quillen.
Mr. Flynt with Mr. Young of Florida.

Mr. Gaydos with Mr. Skubitz.
Mr. Dent with Mr. Bell.
Mr. Meeds with Mr. Fish.
Mr. Patman with Mr. Steelman.
Mr. Russo with Mr. Heinz.
Mr. Wolff with Mr. Abdnor.
Mr. Udall with Mr. Esch.
Mr. Addabbo with Mr. Moorehead of California.
Mr. Eckhardt with Mr. Sarasin.
Mr. Foley with Eshleman.
Mr. Fraser with Mr. Cochran.
Mr. Stephens with Mr. Ashbrook.
Mr. Koch with Mr. Hagedorn.
Mr. O'Hara with Mr. Jarman.
Mr. Jones of Oklahoma with Mr. Peyser.
Mr. Harrington with Mr. Schulze.
Mr. Conyers with Mr. Pritchard.
Mr. Neal with Mr. Hansen.
Mr. Macdonald of Massachusetts with Mr. Young of Alaska.
Mr. Pepper with Mr. Emery.
Mrs. Keys with Mr. Jacobs.
Mr. Mazzoli with Mr. Ford of Tennessee.
Mr. Andrews of North Carolina with Mr. Ford of Michigan.
Mr. Symington with Mr. Rangel.
Mr. Hightower with Mr. Jones of Alabama.

Mr. McDONALD of Georgia changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FOR PROTECTION OF FOREIGN DIPLOMATIC MISSIONS AND TO INCREASE SIZE OF EXECUTIVE PROTECTIVE SERVICE—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–312)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning, without my approval, H.R. 12, a bill to provide for the protection of foreign diplomatic missions and to increase the size of the Executive Protective Service.

I am in agreement with the primary objective of H.R. 12—to increase the size of the Executive Protective Service to enable it to more effectively fulfill its responsibility under current law. I am also mindful of the need to assure adequate protection of foreign diplomats and missions. However, I am unable to sign this bill because it would unwisely extend the purpose and functions of the Executive Protective Service and would create a precedent that could erode current and proper distinctions between Federal and local law enforcement responsibilities.

Protection of foreign diplomatic officials and missions is an established part of the overall responsibility of local law enforcement agencies to protect individuals and property within their respective jurisdictions. The conditions under which EPS personnel could be assigned outside the Washington, D.C., area under the enrolled bill are unwarranted and unwise. Although I realize that the Congress has limited these circumstances to only seven metropolitan areas and to situations of extraordinary protective need, I am concerned that this bill would be but a first step toward a permanent and wider expansion of the role of EPS nationally.

When the Congress enacted Public Law 91–217, which established the EPS in 1970 and authorized the President to assign officers of the Service to areas outside Washington, D.C., on a case-by-case basis to safeguard foreign missions, it made its intention clear concerning the wise exercise of that authority. The House Committee on Public Works in its report on that legislation emphasized that:

"This authority extends only to situations of extraordinary gravity, where the local police force is totally incapable of providing a level of protection deemed essential to the international integrity of the U.S., or where the protection of the President himself, for example, would be involved. This additional authority is not, and may not be construed to be, a substitute for the responsibility of local police forces to provide protection for consulates, the United Nations, and similar foreign delegations within the U.S." (House Committee on Public Works report on H.R. 14944, December 8, 1969).

I agree fully with that statement.

H.R. 12 would also authorize the Secretary of the Treasury to reimburse State and local governments for provision of protective and other services to foreign missions and visiting officials, in lieu of providing those services directly by the Executive Protective Service. A maximum of $3.5 million annually would be authorized to be appropriated for that purpose. This authority, too, would set an unwise and potentially very expensive precedent. It would inevitably lead to pressures to reimburse State and local governments for other local services provided to foreign missions and perhaps even for protection of the President and Presidential candidates. Moreover, reimbursements to State and local governments for protective assistance, which is a historic part of their duty under our Federal system of government, are contrary to the cooperative nature of law enforcement in the United States.

GERALD R. FORD.

THE WHITE HOUSE, *November 29, 1975.*

The SPEAKER. The objections of the President will be spread at large upon the Journal and the message and the bill will be printed as a House document.

POSTPONING CONSIDERATION OF VETO MESSAGE UNTIL WEDNESDAY, DECEMBER 10, 1975

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that further consideration of the bill H.R. 12 and the President's veto message be postponed until Wednesday, December 10, 1975.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

PERSONAL STATEMENT

Mrs. FENWICK. Mr. Speaker, I was unavoidably detained when the vote came on the bill H.R. 7782. I ask that the record show that I would have voted in favor of the legislation.

PRIVILEGES OF THE HOUSE—SUBPENA IN CASE OF THE PEOPLE OF THE STATE OF CALIFORNIA AGAINST BATTIN

The SPEAKER. The Chair recognizes the gentleman from California (Mr. PATTERSON).

Mr. PATTERSON of California. Mr. Speaker, I rise to a question of the privileges of the House.

Mr. Speaker, I have been subpenaed to appear before the Superior Court of the County of Orange, State of California to testify on December 1, 1975, in Santa Ana, Calif., in the criminal case of The People of the State of California against Robert W. Battin.

Under the precedents of the House, I am unable to comply with this subpena without the consent of the House, the privileges of the House being involved. I therefore, submit the matter for the consideration of this body.

Mr. Speaker, I send the subpena to the desk.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

[In the Superior Court of the State of California, County of Orange, No. C 34528]

SUBPENA IN CRIMINAL CASE

The People of the State of California, vs. Robert W. Battin, Defendant.

The People of the State of California to: Congressman Jerry M. Patterson, 34 Civic Center Plaza, Suite 921, Santa, Ana, California 92701

You are commanded to appear before the Superior Court of the County of Orange, State of California, at the court room of said Court at the Court House in the City of Santa Ana, in said County, on the 1st day of December, 1975 at 8:30 o'clock A.M., Department 10 as a witness in a criminal action prosecuted by the People of the State of California against Robert W. Battin.

AND YOU ARE REQUIRED, also, to bring with you the following:

Judge.

BRUCE SUMNER,
KEN LAE,

Given under my hand and the seal of said Court, this 25th day of November, 1975.

WILLIAM E. ST. JOHN,
County Clerk and Clerk of the Superior Court of the State of California, in and for the County of Orange.

Mr. O'NEILL. Mr. Speaker, I offer a privileged resolution (H. Res. 892) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 892

Whereas Representative Jerry M. Patterson, a Member of this House, has been served with a subpena to appear as a witness before the Superior Court of the County of Orange, State of California, to testify at the Court House in the City of Santa Ana, California, on the 1st day of December, 1975, at 8:30 antemeridian, in the case of the People of the State of California against Robert W. Battin, criminal case numbered C 34528; and

Whereas by the privileges of the House no Member is authorized to appear and testify, but by the order of the House: Therefore be it

Resolved, That Representative Jerry W. Patterson is authorized to appear in response to the subpena of the Superior Court of the County of Orange, State of California in the case of the People of the State of California against Robert W. Battin at such time as when the House is not sitting in session; and be it further

Resolved, That as a respectful answer to the subpena a copy of this resolution be submitted to the said court.

The resolution was agreed to.

A motion to reconsider was laid on the table.

WHO NEEDS SOCIALIZED MEDICINE?

(Mr. DEVINE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DEVINE. Mr. Speaker, some of our colleagues, as well as aggressive lobbyists are hell-bent in pushing socialized medicine on this country, notwithstanding the lesson history teaches.

In the Columbus Dispatch on Friday, November 28, there was a headline story with a dateline London—AP—stating: "Doctor Strike Paralyzes British Socialized Medicine."

Before we take yet another step in the direction of "free medical care for everyone," I think everyone should learn what is happening in the United Kingdom. I am accordingly including the text of the article, "Doctor Strike Paralyzes British Socialized Medicine."

Before we take another step in the direction of free medical care for everyone, I think everyone here should learn what is happening in the United Kingdom.

The article follows:

Doctor Strike Paralyzes British Socialized Medicine

London.—Britain's system of socialized medicine faced the greatest crisis in its 27-year history Friday after thousands of hospital doctors began a work slowdown.

Hospitals prepared to close down and thousands of nonurgent admissions and outpatients were turned away as doctors began their revolt Thursday.

Some of Britain's 19,000 hospital doctors, particularly in Scotland, refused to join the protest but first reports indicated a majority had carried out their threat to only treat emergencies or to put in a 9 a.m.-to-5 p.m., 40-hour week instead of their normal work week of twice that figure.

Cancer patients, women in childbirth, children and emergency cases were still being treated but other National Health Service (NHS) patients faced the prospect of joining waiting lists already well over 500,000 for nonurgent operations for ailments such as hernias or varicose veins.

Worse was to come Monday when 11,000 specialists, known here as consultants, join the emergency-only action.

The crisis climaxed weeks of bickering between doctors' representatives and Britain's Labor government, and in particular, Social Services Minister Mrs. Barbara Castle.

The hospital doctors, whose pay starts at about $6,000 a year, are demanding more money.

The specialists are battling for the right to treat private patients in NHS hospitals. Mrs. Castle wants them to work only for the state.

Dr. Paul Copland, leader of 1,800 hospital doctors in the region northwest of London, said the health service would "virtually grind to a halt" by next week unless the government gave in.

"In London there will be virtually no possibility of emergency or casualty facilities for miles and miles," he predicted.

Eighteen London hospitals were already refusing new admissions Friday, and hospitals throughout the country had to close their emergency wards at 5 p.m. when doctors walked out, authorities said.

Sir Rodney Smith, president of the Royal College of Surgeons, pleaded to Prime Minister Harold Wilson to intervene. He expressed "grave concern for patient safety."

Mrs. Castle, meanwhile, deplored the doctors' action which she said was aimed at breaching the government's anti-inflation policy of limiting annual pay raises to six pounds (about $12) a year.

"I believe the vast majority of ordinary people of this country are against it (the doctors' action) because it can only be taken against the sick people they are there to serve," she said.

Mrs. Castle, who wants to remove all private medicine from NHS hospitals, was accused Thursday of having received private treatment herself in 1965.

Dr. Leonard Kingdom said he was the surgeon who operated on the minister and received a private fee.

Mrs. Castle would only say she was seeking legal advice before commenting on the claim.

VICE PRESIDENT SALUTES CONGRESSMAN BOB McCLORY FOR 25 YEARS IN PUBLIC SERVICE

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include an address by the Vice President.)

Mr. MICHEL. Mr. Speaker, at a testimonial dinner in behalf of our distinguished colleague from Illinois (Mr. McClory) on Friday evening, November 14, in Lincolnshire, Ill., the Vice President of the United States paid tribute to his Dartmouth College classmate for Bob's 25 years of public service which includes 12 years in the Illinois General Assembly followed by 13 years as our colleague in the U.S. House of Representatives.

While Vice President Rockefeller's remarks may be in many respects more personal than those some of us might make, they represent a well-deserved commendation of our colleague's public service.

Mr. Speaker, I have secured a copy of the Vice President's tribute on the occasion of Congressman Bob McClory's silver anniversary of public service and ask unanimous consent that it be printed in its entirety at this point in the Record.

Remarks of the Vice President at the McClory Testimonial Dinner

It is always a pleasure to be back in the land of Lincoln. And it is a special pleasure tonight, because we are all here to honor a friend who has a lot of Lincoln in him—Congressman Bob McClory.

As I travel about the country, I have the opportunity to speak out for many of the great leaders our party produces. But this occasion is somewhat different and special. The man we are honoring tonight has been my personal friend since the days of our youth.

We were both members of the class of 1930 at Dartmouth. Already, in those days, you could see the traits that produced the man we love and admire today. Bob McClory genuinely liked people—and cared about people. And people reciprocated.

Bob McClory was a worker from the beginning. He waited on tables at college. He worked on freighters during summers. He was willing to work for what he wanted—and what he wanted most was to serve his country. Today, Bob McClory is more than an accomplished individual. His life personifies the real meaning of America.

If any foreigner should ask us what makes democracy tick, if he asked how we came to be the greatest country on Earth, the answer is people like Bob McClory, people who have faith in this country, people who will devote their lives to upholding your basic values, belief in the dignity of the individual—and opportunity for all on the basis of equality.

Tonight, we celebrate 25 years of Bob McClory's public service—in the Illinois State legislature and in the House of Representatives. During that quarter century, Bob McClory has provided the kind of representation that epitomizes the Republican philosophy of government. He has shown deep concern and care in solving our problems, and, at the same time, he has been just as concerned and careful with your tax dollars.

Let's look at the bills that Bob McClory is sponsoring in the House of Representatives, for economic growth—legislation to generate capital for expanding industry and increasing jobs; for older people—legislation allowing them to work if they want to, without jeopardizing so much of their social security; for the consumer—legislation to end those price-fixing and unfair trade laws; for sick people—comprehensive health insurance; for energy independence—legislation to promote energy conservation; and for greater protection of our families, Bob McClory has been in the forefront of Federal legislation to strengthen crime fighting legislation.

That, ladies and gentlemen is some record. That is a record of practical humanitarianism. That is a record of Republican responsibility. And that is the record of one of the most admired Congressmen—on both sides of the aisle, in the United States House of Representatives.

One last word about Bob. He is also the second-ranking Republican on the House Judiciary Committee. That is one of the committees that conducted the hearings on my confirmation as Vice President.

After I finally became Vice President, President Ford named me as Chairman of the Committee on the Right of Privacy. I guess I was named because, after those hearings, I knew what it was like not to have any privacy. I just want to say that throughout those months of my confirmation, Bob McClory was a model of objectivity and fairmindedness. And I want to thank him.

And with all of you, we thank Bob for 25 years of service to his state and country. Democracy works and this country became great because of the Bob McClorys that America produces.

WCBS–TV'S BICENTENNIAL PROJECT—AN UNPRECEDENTED TV BROADCAST EFFORT TO INFORM THE PUBLIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Thompson) is recognized for 5 minutes.

Mr. THOMPSON. Madam Speaker, I am sure my colleagues will share in my appreciation of an unprecedented public service project successfully undertaken by the CBS flagship WCBS–TV serving New York, New Jersey, and Connecticut. Using its broadcast resources channel 2 is concentrating on a multifaceted Bicentennial project.

The project created to fulfill the official American Revolution Bicentennial Administration themes is bringing millions of viewers a challenging Bicentennial happening and I congratulate WCBS-TV's management.

A major prime-time 1 hour special June 30, launched the project. "The Great American History Test," enabled viewers to compare their answers and scores not only with other members of their families, friends, and relatives, but with the results of a selected studio audience composed of adults and students from New York, New Jersey, and Connecticut.

Hosting the quiz special on channel 2 news was Jim Jensen, as the questioner, and Dave Marash who answered most questions, and reported on how the studio audience did. Celebrity guests and personalities in the news—Mayor Abraham D. Beame of New York City, Gov. Brendan Byrne of New Jersey, Senator JACOB JAVITS of New York, Senator LOWELL WEICKER, JR., Connecticut, Senator HARRISON WILLIAMS of New Jersey, Mayor Kenneth Gibson of Newark, N.J., actress Ginger Rogers, and baseball great Willie Mays—were called upon to give the right answers, too.

Questions, which were of two types—true or false and multiple choice—were presented in a fast-paced mix of historic drawings, cartoons, pictures, film, videotape, and animation.

Ten schools representing private, parochial and public high schools from the tristate area provided five students and five adults to make up the competing studio audience. The schools participating include the following: Paul VI Regional High School, Clifton, N.J.; the High School of Music and Art, New York, N.Y.; Westwood Regional High School, Westwood, N.J.; John F. Kennedy High School, Bellmore, N.Y.; Horace Mann High School, Bronx, N.Y.; East Orange High School, East Orange, N.J.; Greenwich High School, Greenwich, Conn.; Rye High School, Rye, N.Y.; Mary Louis Academy, Jamaica Estates, N.Y.; and Seward Park High School, New York, N.Y.

Preparations for the test were initiated over 2 years ago when Channel 2 News began working with representatives of the New York City Bicentennial Corp. and the New York State Bicentennial Commission and similar organizations in New Jersey and Connecticut.

Officials of the Smithsonian Institution and the National Portrait Gallery, Washington, D.C., and other historical societies and museums in the tristate area were consulted in the selection of questions and visuals.

To insure that all questions and answers were historically correct, Channel 2 News consulted with Richard B. Morris, Gouverneur Morris Professor of History at Columbia University. Professor Morris is also President-elect of the American Historical Association and Chairman of the American Historical Association's Bicentennial Committee and presently consulting on additional Bicentennial projects. The "Great American History Test" after governmental, critical and viewer acclaim was repeated September 7.

Mayor Kenneth Gibson proclaiming June 30, 1975 as "Great American History Test Day" said:

> The future of any nation is determined to some degree by its citizen's understanding of their history, and the continuing process to further clarify that history by accepting new information which can be authenticated; and through the process of knowing our history we will understand the long process, often with turbulent times, it takes to build a great nation such as ours.

Mayor Abraham Beame of New York City said:

> Special Bicentennial projects are particularly valuable to the young people of our city. Local television is not ignoring its role, and today we call the attention of New Yorkers to this special Bicentennial project devised by WCBS-TV.

Mayor William Wood of Westwood, N.J. said:

> An important event now planned will be the hour long broadcast scheduled by WCBS-TV. "The Great American History Test", will by making Americans of all ages aware of our heritage encourage active participation in Bicentennial actions.

Television critics said:

> If the participating studio audience is representative of the public at large, the program could very well stimulate an investigation into the teaching of history in this country's schools. . . .—New York Times.
>
> "We tried to make it entertaining," says Jim Jensen, but we must add that our purpose included more than entertainment. We hope the questions and answers jog memories, provide new information of inquiry into our past.—New York Post.
>
> You've got a history test Monday. High schools from the Tri-State Area will be providing five students and five adults to make up the competing studio audience.
>
> The studio audience will be divided into two teams—students versus adults. The 100 competitors will sit in electronically wired seats with "button boxes" so that audience answers can be electronically tabulated. —The Princeton Packet.
>
> The producer is to be praised also for the scope of the test . . . the show recognized that our history and our problems were just beginning on July 4, 1776. Given the limited amount of time that TV has for instruction in our basic heritage, it is more important to jog our memories about what has happened in the 200 years after the Declaration was signed.
>
> The Channel 2 history test was entertaining. It was an open-picture-book test. I especially enjoyed the opening montage produced by Emil Sabbine, a telling of 200 years of history in two and a half minutes through pictures, headlines and songs.—Newsday.

Using broadcasting's most effective means of mass communication—the spot announcement in a public service form WCBS-TV has created a series of Bicentennial salutes to Tri-State leaders "who helped make America Great." The first group to air was a salute to Thomas Edison of Menlo Park, N.J.; Mrs. Franklin Delano Roosevelt of Hyde Park, N.Y.; and Jackie Robinson of Brooklyn and Connecticut. The announcements consist of rare archive film footage, drawings, illustrations, and photographs, of these leaders. The salutes produced by Charisma Communications and the Corporation for Entertainment & Learning allow the viewers to share the ARBA theme "to better help Americans experience the heritage and values of this Nation. The focus is on the past as it relates to today."

Sixteen additional leaders from New York, New Jersey, and Connecticut will be saluted as "people who helped make America Great." They include:

> George Washington Goethals of Staten Island performed an engineering miracle to build the Panama Canal.
>
> Theodore Roosevelt of New York City, environmentalist, rough rider, governor, president.
>
> Fiorella LaGuardia New York's beloved Mayor, fought for the rights of children, women and labor.
>
> Alfred E. Smith rose from the sidewalks of New York to become four-time governor and presidential candidate.
>
> John Peter Zenger of colonial New York, risked his person and fortune, fighting for freedom of the press.
>
> Ralph Bunche of New York—Nobel Prize Winner . . . Internationally admired for his work at the United Nations.
>
> Astronaut "Buzz" Aldrin, born in New Jersey walked upon the moon in 1969.
>
> Albert Einstein of New Jersey has been called the greatest contributor to man's understanding of the universe.
>
> Glasboro, New Jersey—Glasboro, New Jersey, hosted the 1967 summit peace meeting between Lyndon Johnson and Aleksei Kosygin.
>
> James Fenimore Cooper, born in New Jersey wrote "The Last of the Mohicans." One of the people who helped make America Great.
>
> Mary McCauley of New Jersey, earned the name "Molly Pitcher" when she carried water to revolutionary war soldiers during battle.
>
> Ethan Allen of Connecticut led the "Green Mountain Boys" to victory at Fort Ticonderoga.
>
> Marian Anderson of Connecticut was the first American black to perform at the Metropolitan Opera.
>
> Harriet Beecher Stowe, born in Connecticut, wrote "Uncle Tom's Cabin" and shaped opinion against slavery.
>
> Eli Whitney of Connecticut created the cotton gin, a landmark invention in world history.
>
> Mark Twain of Connecticut, born Samuel Clemens, gave us the immortal Tom Sawyer and Huckleberry Finn.

Further participation illustrating WCBS-TV's commitment to help inform and allow viewers to enjoy the Nation's 200th year and these wide-ranging community efforts.

An animated Channel 2 station identification announcement of July 4 fireworks was produced and will be aired during the year long celebration.

In cooperation with the New York City Bicentennial Corp., the station sponsored a nonstop festival in historic lower Manhattan celebrating the Nation's 199th birthday. "July 4th in Old New York," a free festival took place from 1 to 10 p.m. on Friday, July 4 at streets, parks, and plazas situated amid South Street Seaport, Water Street, and Battery Park. The day was filled with parades, historic pageants, children's activities, street games, crafts, ethnic performances, a concert by the American Symphony Orchestra and fireworks.

WCBS-TV sponsored a "Channel 2 People Plaza," and a glorious aerial display of Bicentennial fireworks to cap off the evening's entertainment. Television news personalities, exotic Caribbean Soul and African dancers, a mini-fashion show, a senior citizens band, Latin-Afro-Soul musical vibrations and an earthy rock group were featured. Channel 2 news correspondents making personal appearances were Jim Jensen, Rolland Smith, Dave Marash, Vic Miles, Jim Bouton, Joel Siegel, Lucille Rich, and J. J. Gonzalez.

Another on-air effort is the exchange of programs by the CBS owned television stations.

"Freedom Rings" for example, aired in November, produced by KNXT, Los Angeles, was a half-hour dramatization focusing on the people most responsible for the creation of the Declaration of Independence.

Barry Sullivan hosts and narrates the production enacted by the 10-member Heritage Players, a Los Angeles-based drama ensemble. The historical personages portrayed in the broadcast are John Dickinson, Edward Rutledge, Richard Henry Lee, Abigail Adams, Patrick Henry, George Washington, Thomas Jefferson, Martha Washington, John Hancock, and Benjamin Franklin.

With Sullivan providing historical continuity, "Freedom Rings" opens with the Boston Tea Party and concludes with the signing of the Declaration of Independence. Interspersed are dramatic vignettes of men and women chiefly responsible for the development and signing of the enduring Declaration document.

Another WCBS-TV produced series bears note: Channel 2 "Eye On—A Conversation with W. Averell Harriman," broadcast on Saturday, September 27 at 7:30 p.m., was the first in a series of conversations with outstanding Americans to be broadcast on Channel 2 as part of the Nation's Bicentennial observance.

Other projects are being planned to round out this already exemplary landmark project in station commitment to the community.

Mr. Speaker, as ranking member of the House Education and Labor Committee I believe that the architect of this meaningful project, Mr. Thomas F. Leahy, vice president and general manager, WCBS-TV should be commended and I wish to call it to the special attention of the FCC, the House Subcommittee on Communications, the Senate Subcommittee on Communications, the Governors of New Jersey, New York, and Connecticut, the American Revolution Bicentennial Administration who have interest in television role in observing our 200th birthday and the educational process.

Though we are young in years if we are ever to appreciate the range of the American experience, reflecting cultural and ethnic diversity, then television must be a major communicator. This job has been well done by WCBS-TV. In addition to WCBS-TV and the CBS television stations the following individuals and organizations contributed to the preparation of these various projects:

The Smithsonian Institution.
The National Portrait Gallery.
The National Archives.
The Library of Congress.
American Revolution Bicentennial Administration.
New York State Bicentennial Commission.
New York City Bicentennial Corporation.
The New York Public Library.
The Museum of the City of New York.
Time-Life Books, Inc.
U.S. News and World Report.
New York Graphic Society.
U.S. Merchant Marine Academy.
Hon. Mayor Abraham D. Beame (D., New York).
The Newark Public Library.
Hon. Mayor Kenneth Gibson (Ind., Newark, New Jersey).
The New York Mets.
The New York Times.
Governor Brendan T. Byrne (D., New Jersey).
Senator Jacob Javits (R., New York).
Senator Lowell Weicker, Jr. (R., Connecticut.
Senator Harrison Williams (D., New Jersey).
Congressman John M. Murphy (D., New York).
Mr. Willie Mays.
Miss Ginger Rogers appeared through the courtesy of J. C. Penny, Inc.
The Chicago Historical Society.
The New York Historical Society.
The Canal Museum.
Charisma Communications, Ltd.
Crown Publishers.
Corporation for Entertainment and Learning, Inc.
Heritage Players of Los Angeles.
UNESCO.
Thoreau Foundation.
The Peale Museum.
Photo World, Division of F.P.G.
The Seward Museum.
Maryland Historical Society.
Woolaroc Museum.
Montana Historical Society.
Steamship Historical Society.
City of New York Transportation Administration.
The White House.
The Associated Press.
National Baseball Hall of Fame.
Columbia Pictures.
Vitaprint.
Yale University Art Gallery.
Metro Goldwyn Mayer.
New York City Department of Cultural Affairs.
Maryland National Guard.
U.S. Department of Interior.
Bureau of Mines.
Viacom Enterprises.
N.J. Bicentennial Commission.
U.S. Department of Agriculture.
Bettman Archives.
Culver Pictures.

THE VICIOUS AND DISHONEST CAMPAIGN AGAINST THE CHILD AND FAMILY SERVICES BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Madam Speaker, few matters concern me more than the growing erosion of confidence by Americans in their public officials.

Of course, when those who hold public office abuse their trust, I understand how citizens can lose faith.

But when that confidence is destroyed as a result of tactics of smear and deception, the tactics of Watergate, unwittingly aided by a lackadaisical press, I feel it important to protest such tactics.

And, Madam Speaker, I must report to the House that I believe such tactics of smear and deception are today being used, in reckless disregard of the facts, to attack a piece of legislation which has been introduced by 124 Members of the House of Representatives and Senate, of both our political parties.

The bill to which I refer is the Child and Family Services Act of 1975, which has been introduced by our distinguished colleague, the gentleman from Indiana (Mr. BRADEMAS), and the distinguished senior Senator from Minnesota (Mr. MONDALE) as well as by the gentlewoman from Hawaii (Mrs. MINK), the gentleman from California (Mr. BELL), the gentlewoman from Massachusetts (Mrs. HECKLER), the senior Senator from New York (Mr. JAVITS), and as I have already indicated, many other Members of the House and Senate, both Democrats and Republicans.

PURPOSE OF THE CHILD AND FAMILY SERVICES ACT

Mr. Speaker, the principal purpose of the proposed Child and Family Services Act is, in the language of the bill, H.R. 2966:

> To provide a variety of quality child and family services in order to assist parents who request such services, with priority to those pre-school children and families with the greatest need, in a manner designed to strengthen family life and to insure decision-making at the community level, with direct participation of the parents of the children served and other individuals and organizations in the community interested in child and family service (making the best possible use of public and private resources), through a partnership of parents, State and local government, and the Federal Government, building upon the experience and success of Headstart and other existing programs.

The bill also, in its statement of findings and purposes, reads as follows:

> SEC. 2. (a) The Congress finds that—
>
> (1) the family is the primary and the most fundamental influence on children;
>
> (2) child and family service programs must build upon and strengthen the role of the family and must be provided on a voluntary basis only to children whose parents or legal guardians request such services, with a view toward offering families the options they believe to be most appropriate for their particular needs;
>
> (3) although there have been increased services for children of working mothers and single parents and although Headstart and similar programs have provided supplemental educational and other services for children, such services have not been made available to families to the extent that parents consider necessary; there are many parents who are working full or part time without adequate arrangements for their children, and there are many children whose families lack sufficient resources to obtain adequate health, nutritional, educational, and other services;
>
> (4) it is essential that the planning and operation of programs be undertaken as a partnership of parents, community, private agencies and State and local government with appropriate supportive assistance from the Federal Government.

Mr. Speaker, despite the findings and purpose of the proposed Child and Family Services Act of 1975, this bill has been the subject of some of the most scurrilous and misleading propaganda that I have ever seen.

Members of Congress in Indiana, Kansas, Kentucky, Michigan, Minnesota, Missouri, Ohio, Oklahoma, and Texas have received a substantial amount of mail from their constituents attacking alleged provisions of the bill which in fact are not in the bill nor ever contemplated by its sponsors for inclusion in it.

UNSIGNED FLYER BEING CIRCULATED

Mr. Speaker, at the risk of giving wider circulation to these false and vicious attacks, I shall here insert one of the apparent sources of this correspondence, the following flyer, which, unsigned by any sponsoring organization, has been circulated in mimeographed form in a number of States across the country:

Raising Children—Government's or Parent's Right?

There is before Congress legislation known as The Child & Family Service Act of 1975 (Senate: S262 & House: HR2966). If passed it would take the responsibility of the parents to raise their children and give it to the Government.

CHILD ADVOCACY CLAUSE

In the Congressional Record we read: "If, in the judgment of those who are in charge of such a program (the State by way of the Secretary of Health, Education and Welfare), parents are not doing a good job, the advocate (a "specialist" appointed by the government) would enter the home and direct the education, even within the home. And, if the parent would object, the authority in the home would, De Facto, be transferred to these advocated."

Charter of Children's Rights of the National Council of Civil Liberties is becoming a part of this Child Development Act. Following are four of the several items proposed in this charter. They can be found on page 44138 of the Congressional Record.

(1) "All Children have the right of protection from, and compensation for, the consequences of any inadequacies in their homes and backgrounds." (Note: In other words, never punish your child because he may come back to you with a civil suit.)

(2) "Children have the right to protection from any excessive claims made on them by their parents or authority." The question was asked, by way of example, what do you mean by the fact "Excessive claim", and the example was given, "If the mother or father asked the child to take the garbage out and the child doesn't want to, the parents have no right to insist on it."

(3) "Children have the right to freedom from religious or political indoctrination." That means that you have no right to insist on taking them to church, if they do not wish to go. That also means they have the freedom to insist that they be taught nothing, or any ideas, about God.

(4) "Children shall have the freedom to make complaints about teachers, parents and others without fear of reprisals." This speaks for itself.

This piece of legislation was vetoed in 1971, but it is back on the floor of Congress and now has the votes to passed. It is our obligation to tell our legislators: Senators Bayh and Hartke & our U.S. Representatives what we think of this legislation. Only our complaints can change their minds. They take your vote seriously. Take the trouble to write or suffer the consequences of your silence.

CAN THE GOVERNMENT TAKE AWAY YOUR CHILDREN?

Comprehensive child development, the Soviet-style system of communal child rearing which almost became law in this country in 1971 is once again being pushed through Congress. The current bills HR. 2966 (House of Representatives) S626 (Senate), are virtually identical to the original act passed in 1971, but fortunately vetoed by the then president, Nixon. Now it is known as the Child & Family Services Act of 1975 and any changes are merely cosmetic.

In vetoing the original bill which would have removed children from their parent's instruction shortly after birth, Mr. Nixon said that it would weaken the American family by committing "the vast moral authority of the national government to the side of communal approaches to child rearing over against the family oriented approach."

We are in serious danger of "Sovietizing" the education of our children if we let the Child & Family Services Act of 1975 pass. Those who support this Act in the Congress are convinced that it will "Sail through the House."

According to the Congressional Record, the intent of this bill is for the government to be responsible . . . for the nutritional interests of your child, for all Psychological interests of your child."

The following excerpts are taken from the Congressional Record: "What is at issue is whether the parent shall continue to have the right to form the character of the children or whether the State, with all its power & magnitude, shall be given the decisive tools and techniques for forming the young lives of the children of this country."

"As a matter of the child's right, the Government shall exert control over the family because we have recognized that the child is not the care of the parents but the care of the State. We recognize further that not parental, but communal forms of up-bringing have an unquestionable superiority over all other forms. Furthermore, there is serious question that maybe we cannot trust the family to prepare young children in this country for this new kind of world which is emerging."

This all smacks of Communism. This is what in fact has been and is being done in Soviet Russia. This is what can become the law of our land, if the Child & Family Service Act of 1975 is passed by the Congress. We elected this Congress, but do we know what they are attempting to do to our freedoms and our rights?

LIBRARY OF CONGRESS ANALYSIS DISCREDITS FLYER

Mr. Speaker, I am confident that every fair-minded Member of this House must agree that the statements contained in this flyer are not only outrageous distortions of the purpose of the proposed legislation but gross falsifications of the actual language of the bill.

In fact, a point-by-point analysis of this handbill made by the Library of Congress demonstrates that virtually all of the statements in it were either made by Senators or others who in 1971 opposed similar legislation or are, apparently, statements taken from publications of an organization in a foreign country and falsely attributed to the child and family services bill.

I cite, for example, the "Charter of Children's Rights of the National Council of Civil Liberties" referred to in the flyer.

The flyer alleges that this "charter" to which I refer "is becoming a part of" the child and family services bill.

The fact is that such a "charter" has never even been considered in the House of Representatives and will not become a part of the legislation.

Rather, the "charter" cited in the flyer was mentioned in a speech made on December 2, 1971, by Senator CARL CURTIS of Nebraska in opposing the comprehensive child development bill which was then under consideration.

The charter, according to Senator CURTIS, was developed by a British organization and, as the Library of Congress study notes, Mr. Speaker, Senator CURTIS did not claim in his statement that the charter "is becoming a part of" the bill.

SAFEGUARDS OF PARENTAL RIGHTS

Mr. Speaker, the charges in the flyer are, of course, absurd and irresponsible.

The sponsors of the bill have carefully drafted it to protect the rights of parents and their children: First, participation in any program authorized by the bill would be completely voluntary. Children would not participate without the specific request of a parent or legal guardian.

Second, children would not be tested unless the parent or guardian were informed and given the opportunity to except the child from testing.

Third, the bill contains specific language providing protection against any interference with the moral or legal rights of parents or guardians with respect to the moral, mental, emotional, or physical development of their children.

THE POISON SPREADS

So how, Mr. Speaker, does such outrageous material as that contained in the flyers I have cited spread like wildfire throughout the country?

I am afraid that I must report that this poison has been spread in large part by some journalists who have reported as fact the contents of these flyers without even bothering to check to learn if the material was indeed contained in the bill.

Let me give you some examples.

In Texas, T. S. Hancock, director of the Region 4 Education Service Center in Houston, mailed a copy of the flyer to Houston area school superintendents with a note saying:

> I urge that you take the time to read the attached information. I believe it has frightening implications to our American way of life.

Yet Hancock later admitted to Richard Fly, a reporter for the Houston Chronicle, that he had not read the legislation or checked the flyer's accuracy before sending it to the school administrators.

Apparently, the flyer was brought to Mr. Hancock's attention by a listener to Houston radio station KTRH where announcer Dewey Compton had on October 14, 1975, broadcast information about the flyer and the legislation. Again, Mr. Compton failed to do any checking before he made his broadcast.

Thanks to good work by Phil Mosely, press aide to the gentleman from Texas (Mr. ARCHER), much of the fear that the Compton broadcast and Hancock letter aroused were diminished. But the poison had spread throughout the Houston area before Mr. Mosely was able to report that the statements were inaccurate.

WSBT–TV EDITORIAL

In the district represented by the gentleman from Indiana (Mr. BRADEMAS) the news director of a major television station in South Bend, WSBT–TV, delivered the following totally false editorial on October 25, 26, and 27, 1975, and on WSBT radio on October 27:

> Little Herbie Jones is ten. He belongs to Local 53 of the American Federation of Children's Unions. He's about to file suit against his folks because they forgot to take him to the zoo last week. The folks are a little upset because they've already been hit by a restraining order that says Herbie can't be forced to attend Sunday school. In a companion ruling, a judge says the parents will be in contempt of court if they make Herbie take the garbage out one more time.

> Sounds stupid, doesn't it. But that's the language of a congressional measure now on Capitol Hill that is part of the overall Child and Family Services Act. The bill is being co-sponsored by Minnesota Senator Walter Mondale and Indiana's Third District Congressman John Brademas.
>
> The overall intent of the bill is to provide protection for young people within the framework of the family unit. But buried in the measure are proposals that we feel threaten the family structure itself.
>
> For example, the measure reads, "All children have the right of protection from, and compensation for, the consequences of any inadequacies in their homes and backgrounds."
>
> Or how about this, "Children have the right to protection from any excessive claims made on them by their parents or authority."
>
> Another gem in the bill says, "Children have the right to freedom from religious or political indoctrination."
>
> In a paragraph that reads like a labor union contract, the bill proposes that children shall have the right to make complaints about teachers, parents and others without fear of retaliation.
>
> And in their final stroke, the bill's authors suggest that "The government shall exert control over the family because we have recognized that the child is not the care of the parents, but the care of the state."
>
> While we recognize that some legislation may be needed to insure that children receive every opportunity possible for a decent start in life, we urge Congressman Brademas to seek the elimination of these incredibly naive parts of the bill.
>
> After all, we wouldn't want anybody to think the Congressman hadn't been raised properly.

WSBT–TV RETRACTS

Obviously, Mr. Speaker, the news director of WSBT–TV made no effort to read the child and family services bill before delivering the editorial nor did he make any inquiry of Mr. BRADEMAS, principal sponsor of the legislation and the Representative in Congress of the district where this station is located.

I am pleased to report that, 2 weeks later, station WSBT issued the following retraction on November 8, 1975:

> TV 22 recently aired an editorial dealing with a bill before Congress known as the Child and Family Services Act whose prime sponsor in the House is Third District Congressman John Brademas.
>
> In opposing the bill, we cited several provisions which we were led to believe were contained in the House measure. Those statements dealt with allegations that the bill somehow would take parental control away from the family and give it to governmental agencies, and that children would have legal recourse against undue demands by parents or other authorities.
>
> In fact, those specific provisions are not contained in the bill. The measure does contain a statement that the family is the primary and most fundamental influence on children and that services offered under the bill are intended to strengthen the role of the family and are provided on a voluntary basis to parents who request them.
>
> The information which formed the basis for our original editorial came from material put together by vigorous opponents of the bill . . . a group that Congressman Brademas claims is out to smear him through a campaign of political dirty tricks.
>
> Our editorial certainly was not intended to play into the hands of any group. We would never do that. It was simply a case of not doing proper research. For that we apologize.
>
> Because credibility is our business, it is important for us to be right. When we're not we'll let you know.

Nevertheless, Mr. Speaker, as a consequence of this and other editorial attacks on the bill made in reckless disregard of the facts, mail has been flooding to the offices of Members from northern Indiana and southern Michigan.

RESPONSIBILITY OF THE NEWS MEDIA

Mr. Speaker, the two examples I have cited were of a radio station in Texas and a television station in Indiana. Fortunately, the Federal Communications Commission has the responsibility to oversee such recklessness on the part of the electronic media.

Such protection, of course, does not exist with respect to such reckless disregard of the facts on the part of newspapers or magazines.

Newspaper reporters and editorial writers ought therefore to exercise all the more care and responsibility in dealing with subjects of this nature.

Such, unfortunately, has not been the case, for, I regret to report, many newspapers in the country have editorially condemned the child and family services bill by citing the provisions alleged by the flyer I have inserted in the RECORD and thereby falling hook, line, and sinker for the propaganda distributed by these unknown extremist groups.

GRAND RAPIDS, MICH., PRESS

On the other hand, a number of newspapers have forthrightly condemned such extremist propaganda. For example, an editorial in the Grand Rapids, Mich., Press edition of November 11, 1975, refers to the flyer as "one of the most specious and inflammatory leaflets to gain widespread distribution in the Grand Rapids area."

Says this newspaper:

> The extent to which the Federal Government should involve itself in family services is a proper issue which can be debated responsibly. What is not responsible, however, is the distribution of emotional and patently false material which makes rational discussion all but impossible. It is the politics of fright.

SOUTH BEND, IND., TRIBUNE

The South Bend, Ind., Tribune, after running an excellent news story on the dishonest flyer, published a similar editorial entitled "Child and Family Services," on November 11, 1975.

Said the South Bend Tribune editorial:

> We have read the bill ourself, in addition to a malicious, unsigned flyer opposing it and other arguments pro and con. We find no evidence that the bill would lead to the "sovietization" of the education of American children, whatever that might mean. On the contrary, the measure explicitly makes provisions of the bill voluntary and provides for the participation of parents in its implementation.

GOSHEN, IND., NEWS

The Goshen, Ind., News, which had reprinted on October 22, 1975, an editorial from another newspaper also based on the dishonest flyer, published a retraction on November 7, 1975, entitled, "An Apology to Brademas."

Said the Goshen News:

> To distribute leaflets with false information is hardly the proper way to oppose the legislation. It really is an unfair "smear attempt" to suggest that "hardly a citizen realizes that we are voting ourselves into Communism without a whimper of protest" and that the bill "will cost you about the last vestige of control over the family you think you have."

ANN ARBOR, MICH., NEWS

The Ann Arbor, Mich., News said, in a Sunday, November 16, editorial:

> Such legislation is always subject to debate, but the debate should be based on facts and not on misinformation circulated as a scare tactic. It is difficult to determine the truth and even to understand some of the legislation being proposed in Lansing and Washington. It is totally irresponsible to misrepresent it.

Mr. Speaker, as the Grand Rapids Press says:

> Finally, the purported "facts" contained in the flyer are so outlandish and totally out of character for the bill's two respected sponsors—Rep. John Brademas of Indiana and Sen. Walter Mondale of Minnesota—that they should be discounted out of hand.

THOMAS L. BLAXTON OF OKLAHOMA

Finally, Mr. Speaker, there is one other individual whom I would like to mention in commending those who have vigorously stood up for the truth in the face of the campaign of deception that is being waged against the child and family services bill.

That man is the Reverend Thomas L. Blaxton of Yukon, Okla.

When the poison hit his area in western Oklahoma, he went to the district office of the gentleman from Oklahoma (Mr. ENGLISH) to request the facts about the bill.

On finding that the flyers were inaccurate, the Reverend Mr. Blaxton wrote to all the clergymen in his town in order to enable them to refute the propaganda during their Sunday services. He also sent a letter to the editors of two newspapers in Oklahoma City. His letter, also printed in the Yukon Review, concludes by saying:

> Parents, we better wake up, shake ourselves good, study these bills and write our Senators and Representatives to support the bill as it now is and for them to be on the alert for the tricks of those who oppose it. . . . Just remember the next paper you are handed that has no heading or signature. Throw it in the trashcan, better yet burn it so no one will be misled and confused by it.

CONCLUSION

Mr. Speaker, whether we support or oppose this legislation, I urge that every Member of the House be on alert for the fearmongers who spread such poison throughout the land. For credibility and confidence in the efforts of responsible Members of Congress cannot be allowed to suffer at the hands of malicious individuals who spread such outrageous falsehoods.

Mr. Speaker, an excellent analysis of the distortions of the Child and Family Services Act was presented to the Senate by Senator MONDALE and can be found starting on page 37380 in the CONGRESSIONAL RECORD of November 19, 1975.

In addition, Mr. Speaker, further to assist Members in answering correspondence on this matter, I am pleased to insert the following material:

[Articles from the Houston (Tex.) Chronicle, Nov. 7, and 9, 1975]

Official Mails Misleading Letter to Area School Heads

(By Richard Fly)

An unsigned and apparently inaccurate letter encouraging opposition to family service legislation pending in Congress has been distributed to area school superintendents by the director of the Houston area regional office of the Texas Education Agency.

The letter, which apparently originated in Kansas, was mailed to superintendents Oct. 27 by T. S. Hancock, director of the Region IV Education Service Center in Houston.

Hancock attached a note to the letter stating. "I urge that you take the time to read the attached information. I believe it has frightening implications to our American way of life."

Hancock said Thursday he did not read the legislation or check the letter's accuracy before sending it to the school administrators.

At least one of the superintendents, Dr. C. Lee Meyer of the Pasadena school district, passed the letter on to his district's personnel.

Meyer said he also did not check the accuracy of the letter before passing it along.

The letter's statements purportedly refer to the Child and Family Service Act of 1975, introduced in the House and Senate Feb. 7.

Phil Moseley, press aide to U.S. Rep. Bill Archer, R-Houston, said that after receiving numerous inquiries about the anonymous letter, he researched the statements contained in it.

Three-fourths of those statements were excerpted from congressional debate on a bill of the same title in 1971, Moseley said.

However, Moseley said, most of the statements are taken out of context and presented in such a way as to distort their meaning.

The letter was brought to the attention of the TEA's regional office by a Galveston County school official who heard about it on a broadcast by KTRH radio personality Dewey Compton.

Compton said Thursday he originally broadcast information about the letter and legislation Oct. 14. Since then, he said Moseley "dug into the letter's content and found much of it to be fraudulent."

He said that Thursday morning he retracted his radio statements on the letter, which he said came from Kansas.

"It's a mess," Compton said. "It looks like a lot of us are victims of a fraud or a conspiracy."

He said it was regrettable that he did not check the letter and verify it before reading it on the air.

TEA's Hancock said he talked with Moseley, who would provide him with information on the letter's contents and the provisions of the family service act. Hancock said he would pass that information to the superintendents.

He said the statements in the letter considerably alarmed him, and on that basis he informed school district administrators of the legislation.

He said that since he talked with Moseley about the letter's questionable contents, "I'm not as concerned now (about the bill) as I was."

But Hancock said, "I'm still concerned that something like this might come out of Congress. Guidelines for the enforcement of such bills sometimes are rather drastic."

Meyer, of Pasadena, said, "All I did was pass along the information I received from the regional service center."

He said he would read the bill, which he received Thursday afternoon, and that if any corrections need to be made concerning the letter, he will inform the district personnel.

Moseley pointed to several inaccuracies or distortions in the letter.

One part of the letter mentioned a "Charter of Chidren's Rights." Proposed items in this charter were:

"All children have the right of protection from and compensation for the consequences of any inadequacies in their homes and backgrounds."

"Children have the right to protection from any excessive claims made on them by their parents or authority."

"Children shall have the freedom to make complaints about teachers, parents and others without fear of reprisals."

The charter was referred to by Sen. Carl T. Curtis, R-Neb., during debate on Dec. 2, 1971, as an example of how far the legislation could go in its interpretation. The charter, Curtis said, was recommended in England by an education advisory commission and was the product of the English National Council of Civil Liberties.

The letter did not mention that the charter originated in England and was not planned for inclusion in Congress's legislation.

In addition, Moseley said, three paragraphs at the end of the letter, purportedly from the Congressional Record, actually are a compilation of statements from debate on the legislation, an unrelated article on education and child raising in the Soviet Union and other material apparently added by the letter's unknown author.

One sentence from this portion of the letter said:

"As a matter of the child's right, the government shall exert control over the family because we have recognized that the child is not the care of the parents but the care of the state."

That sentence is from the article on the Soviet Union.

Moseley said Archer's office is getting a large amount of mail from school superintendents, principals, teachers and parents in the Houston area.

"Some are saying. 'This can't be true. You've got to stop the legislation.' Others are saying. 'It isn't true, is it?' " Moseley said.

The Child and Family Services Act now pending in Congress states, in part. "The family is the primary and the most fundamental influence on children; child and family service programs must build upon and strengthen the role of the family and must be provided on a voluntary basis only to children whose parents or legal guardians request such services."

Hearings on the legislation ended in the House Subcommittee on Education July 16. A full committee vote has not been taken. It appeared that action on the bill would not be taken this year.

How "Rights" Letter Came to Houston

(By Richard Fly)

An anonymous letter warned that a bill pending in Congress would destroy the American family.

The letter made its way from a revival meeting in Missouri to a compost and feed company in Kansas and from there to a Beeville merchant and thence to a Houston radio station. It ended up in offices of more than 50 school superintendents in the Houston area.

In the fashion of a chain letter, the unsigned epistle was copied, passed along and copied again as people reacted with alarm to the claims in the letter that the Child and Family Service Act of 1975 would destroy family structure and make children wards of the state.

The actual legislation bears little resemblance to the bill described in the letter. But few of the letter's recipients questioned whether it was true before passing the letter along.

The letter arrived in Houston about four weeks ago. It was first publicized by KTRH radio personality Dewey Compton, who read the letter on his program and asked listeners to write their congressmen opposing the bill.

Compton said his office distributed about 200 copies of the letter at the request of listeners.

One of those listeners was a Galveston County school administrator, who passed the letter along to the Region IV Education Service Center, an office of the Texas Education Agency, in Houston.

The center's director, T. S. Hancock, was alarmed by the letter, he said, and sent it to the more than 50 school district superintendents in the region.

In a note attached to the letter, he said: "I urge that you take the time to read the attached information. I believe it has frightening implications to our American way of life."

At least one superintendent, Dr. C. Lee Meyer of the Pasadena school district then passed the letter along to the district's personnel.

The majority of the statements in the letter are excerped from the Congressional Record, a daily chronicle of proceedings in Congress.

However, Phil Moseley, a press aide to U.S. Rep. Bill Archer of Houston, researched the contents of the letter. He said most of the statements are taken out of contex and tied together in such a way as to distort their meaning.

The statements are taken from the record of debate on Dec. 2, 1971. At that time, Congress was debating a similar, but stronger, bill than the one now before them.

Moseley pointed to several inaccuracies and distortions in the letter.

One part of the letter mentioned a "Charter of Children's Rights." Proposed items in this charter were:

"All children have the right of protection from and compensation for the consequence of any inadequacies in their homes and backgrounds."

"Children have the right to protection from any excessive claims made on them by their parents or authority."

"Children shall have the freedom to make complaints about teachers, parents and other without fear of reprisals."

The charter was referred to by Sen. Carl T. Curtis, R-Neb., during debate on Dec. 2, 1971, as an example of how far the legislation could go in its interpretation. The charter, Curtis said, was recommended in England by an education advisory commission and was the product of the English National Council of Civil Liberties.

The letter did not mention that the "charter" originated in England among a group of Socialists, was not part of English law and was not planned for inclusion in Congress's legislation.

In addition, Moseley said, three paragraphs at the end of the letter purportedly from the Congressional Record, actually are a compilation of statements from debate on the legislation, an unrelated article on education and child raising in the Soviet Union and other material apparently added by the letter's unknown author.

One sentence from this portion of the letter said:

"As a matter of the child's right, the government shall exert control over the family because we have recognized that the child is not the care of the parents but the care of the state."

That sentence is from the article on the Soviet Union.

How the letter made its way from Kansas to Houston is a saga of happenstances.

Hancock, of the Region IV center, received a copy of the letter from an assistant, Tom Pate. Pate received the letter from Dr. Henry Willis, assistant superintendent of the Santa Fe school district in Galveston County, who received a copy from Compton.

Compton received his copy from Jack Megason, a Beeville resident whose agricultural products business is a sponsor of Compton's radio program. Megason received the letter from George Seacat, a compost retailer in Ashland, Kan., who received it from a friend.

Seacat's friend picked up the letter in the Dodge City Office Supply Co., Dodge City, Kan.

The letters arrived in the store from an unknown source, the company's manager said.

Here there is a gap which picks back up at Radio Station KMAN in Manhattan, Kan.

The press director of the Kansas Farm Bureau, a conservative lobby group, based one of his KMAN radio programs on the family service legislation. He interviewed a farmer, Richard Bayshor, who had heard a broadcast on Radio Station KFRM in Wichita, Kan., opposing the bill and referring to statements made in the letter.

KFRM did its broadcast on the basis of a note to the editor clipped from the Salina, Kan., Journal.

The note, written by David and Karen Smith, was based on the letter.

Smith received the letter from Richard Burson, retired director of the Kansas Bible Camp near Hutchinson.

Burson was the source of the letter which reached Houston and many other parts of the country.

"I only put out a thousand of them," Burson said, "and I'm surprised how far they've scattered."

He said he compiled his one-page letter from a three-page pamphlet he received from his brother-in-law's sister. She received the pamphlet at a revival in Missouri.

He rewrote the letter to make it shorter and tone down the "screaming" language, Burson said.

Burson's letter appears to be the one which has circulated the farthest and had the largest effect.

He said he stopped distributing the letter about a week after he started. He did so, he said, because he found out the letter was misleading.

"I think that many people who read this seem to think that the Congressional Record account that is presented is the bill. But it isn't the bill. It is simply a discussion of the bill by people who were opposed to it," he said.

He also said people would be led to believe the statements in the letter referred to the 1975 bill. Actually, he said, it refers to the 1971 legislation.

Burson said he is "sort of sorry" he distributed the letter, because he has since received better information about the bill from Sen. Robert Dole, R-Kan., which he plans to distribute.

But the effects of the letter cannot so easily be dispersed.

Congressmen are receiving a large number of letters and phone calls about the legislation.

Hearings on the bill in the House subcommittee on education ended July 16. No action has been taken on it, so it appears doubtful that it will get out of committee before the end of the year.

But the letters keep coming.

[From the Houston Chronicle, Nov. 9, 1975]

WHAT THE CHILD AND FAMILY PLAN REALLY WOULD PROVIDE

(By Judy Wiessler)

WASHINGTON.—Until a few weeks ago, the Child and Family Services Act of 1975 was just another of the hundreds of bills with popular sounding titles and steep price tags languishing in congressional subcommittees.

Then, with a speed and intensity that neither congressional opponents nor proponents profess to fully understand, the bill became the subject of torrents of mail to members of Congress. Most of it was negative and based on false impressions of what the legislation would do.

Sponsored by Sen. Walter F. Mondale, D–Minn., and John Brademas, D–Ind., the bill is controversial in its own right.

But not because it would take children away from their parents, put them in communes, allow them to organize labor unions or sue their parents if they were forced to go to Sunday school or mow the lawn.

Such allegations, circulated broadly and anonymously, are seen by both sides as a threat to the prospect of serious debate on the real issue of whether the federal government should invest millions of dollars in a broad, new social program.

Even opponents of the bill, like Rep. Bob Casey, D–Houston, are uncomfortable with some of the propaganda. Casey is against the bill because he thinks "it costs too much and the federal government shouldn't be setting up day care centers across the country," an aide said. But he added that many constituents are writing letters based on information that is "inflammatory and completely false."

What the bill actually proposes is expenditure of $150 million next year, increasing to $1 billion in 1978, for a wide range of programs, including day care and health services, for children and, in some cases, their parents.

Priority would be given to services for children under 6, to needy families, families with working mothers and minorities.

Although the programs would be mostly funded by the federal government, they would be operated on the local level by governing boards on which parents of participating children could make up at least half the membership.

Children would not be allowed to participate in any of the program unless their parents or legal guardians specifically requested that they do so. The bill prohibits any practice which would "infringe upon or usurp the moral and legal responsibilities of parents or guardians."

Parental permission would be required for any research or experimentation or medical or psychological examination involving a child.

A very similar Mondale-Brademas bill was killed in 1971 when Congress failed to override a veto by then-President Richard Nixon, who called the earlier bill "family weakening."

However, sponsors have a list of more than 80 groups which they say have endorsed the measure as "family strengthening." Those include the National Parent-Teachers Association, National Educational Association, National Association of School Boards, AFL-CIO, American Association of University Women, Girl Scouts of America, Boys Clubs of America, Salvation Army and National Leagues of Cities.

Religious groups supporting the bill include the United Methodist Church, Baptist groups, Church of God, United Church of Christ, Episcopal Church, American Lutheran Church and B'nai B'rith.

The bill would establish a new Office of Child and Family Services within the Department of Health, Education and Welfare to coordinate the local programs.

Units of local government, such as cities and counties, would apply to HEW to become "sponsors" of the programs and would set up the local governing boards with parent representatives.

The local boards would decide what kinds of programs are needed in their areas, choosing from a long list of the kinds of services authorized.

These include day care, educational programs before and after school and in the summer, family counseling, prenatal and post-partum medical care to mothers who cannot afford to pay, special help such as bilingual tutoring for minorities and migrants and activities geared to physically, mentally or emotionally handicapped children.

The bill requires that information be disseminated regularly to parents about available activities, that parents be consulted regularly on each child's development and that parents be allowed to "observe and participate in their children's activities."

Provisions of the bill have been sufficiently appealing to attract 29 cosponsors in the Senate and 94 in the House, including Reps. Barbara Jordan, D-Houston, and Henry B. Gonzalez, D-San Antonio.

But there is considerable skepticism, shared privately by some proponents, that the bill will become law unless it is scaled down dramatically.

Sponsors assume President Ford would veto such an expensive measure and acknowledge it could be difficult to muster the two-thirds vote necessary for an override, especially in the Senate.

[From the South Bend Tribune, Nov. 2, 1975]

BRADEMAS VICTIM OF POLITICAL "DIRTY TRICK"

(By Jack Colwell)

Congressman John Brademas has been the victim of a political "dirty trick" which apparently resulted in erroneous statements in a WSBT television and radio editorial about a bill Brademas is sponsoring.

The "dirty trick" involves distribution of an unsigned leaflet attacking the proposed Child and Family Services Act and containing false statements about the intent of the measure and "children's rights" which it allegedly would provide.

While the bill is controversial, it contains none of the "children's rights" sections quoted in the leaflet and also cited in the broadcast editorial and in newspaper editorials printed in Warsaw and Goshen.

Brademas said Saturday that the leaflets were being circulated in Northern Indiana in "a deliberate effort" to spread "false information" in tactics similar to those of Watergate fame.

"Never in my 17 years as a representative in Congress have I seen a more systematic, willful attempt to smear both me and my work in the House of Representatives," Brademas said.

Quotations in the leaflet about so-called "children's rights" to "make complaints about teachers, parents and others without fear of reprisals" appear nowhere in the bill.

Brademas said the quotations apparently were taken from a speech made in 1971 by Sen. Carl Curtis of Nebraska, who said at the time he was quoting from the "Charter of Children's Rights" of the "British Advisory Center of Education" and the "National Council for Civil Liberties."

None of the "rights" quoted in the leaflet and in the editorials appear in the bill he is sponsoring or were even contemplated in similar legislation in the past, Brademas said.

In several instances in the leaflet, there are references to something allegedly appearing in the Congressional Record, but it does not specify who put the statement in the Congressional Record or was quoted in the Congressional Record or when the statement was made or in what context.

The congressman said he has asked WSBT to "correct" erroneous impressions which may have resulted from the editorial.

Jack E. Douglas, station manager, said Saturday that the quotations to which Brademas has raised objections are being checked and that, "if there are inaccuracies, they will be corrected."

Douglas said he expects the matter to be a subject for the WSBT editorial next week.

One of the paragraphs in the broadcast editorial to which Brademas objected contained the comment: "And in their final stroke, the bill's authors suggest that 'The government shall exert control over the family because we have recognized that the child is not the care of the parents, but the care of the state.' "

No such language appears in the bill, Brademas noted.

In fact, a statement of "purpose" at the start of the measure says:

"Child and family service programs must build upon and strengthen the role of the family and must be provided on a voluntary basis only to children whose parents or legal guardians request such services . . ."

Brademas said allegations in the leaflet that the measure would permit children to sue their parents if they were punished or to organize into the equivalent of labor unions against their parents are "not only outrageous falsehoods—they are downright silly."

He said the Child and Family Services proposal is designed to provide day care services "so that working mothers and welfare mothers can be sure, while they are on the job or are looking for work, of adequate care for their children."

He said the bill would make available health services "to enable parents to get expert help in detecting physical and mental handicaps early in a child's life," Brademas added:

"I think it is significant that the bill my colleagues and I are sponsoring is supported by the AFL–CIO, the League of Women Voters, the American Bankers Association, the United Auto Workers, the United Methodist Church, the Baptist and Lutheran Churches, the National Conference of Catholic Charities and many more similar organizations."

The congressman acknowledged there are also opponents of the bill and that he expects debate about its actual provisions.

[From the Grand Rapids Press, Nov. 11, 1975]

CHILD BILL FRAUD

Despite the risk of lending unearned credence to one of the most specious and inflammatory leaflets to gain widespread distribution in the Grand Rapids area, comment must be made on a two-page publication entitled "Raising Children—Government's or Parent's Right?"

The material attacks U.S. House Bill 2966, commonly known as child and family services legislation. The proposal would expand a number of family services already provided to a limited number of persons. The proposal's stated purpose is to reduce infant mortality (the U.S. ranks 14th in this regard) and physical and mental impairments by authorizing prenatal and family health care assistance and to extend day care services beyond current Headstart programs.

Similar legislation was vetoed by President Nixon in 1971 largely on the basis of cost. At the time The Press found difficulty reconciling Mr. Nixon's demands that able persons on welfare must be made to work with his rejection of a bill which would have permitted day-care aid for a single parent who was forced to remain at home with young children.

The current legislation, similar in purpose to the 1971 bill, has been altered to meet previous criticism. First-year planning and operations would be scaled down considerably, funds would be authorized for personnel training and the bill, throughout, emphasizes and clarifies the voluntary nature of the program. Nothing in the bill makes participation mandatory, and much of the program would be directed by the parents.

The extent to which the federal government should involve itself in family services is a proper issue which can be debated responsibly. What is not responsible, however, is the distribution of emotional and patently false material which makes rational discussion all but impossible. It is the politics of fright.

The local situation is especially disturbing because the leaflet has been widely distributed in schools, churches and working places and has triggered hundreds of inquiries to Rep. Richard Vander Veen's office. It is also distressing to find that such obviously spurious information is taken seriously.

There are several elements in the two-page letter which should automatically raise doubts about its veracity. Nothing on the material identifies its source; that should be sufficient reason to discard any "fact" sheet. As proof of its allegations against the Child and Family Service Act, the letter quotes from the 1971 Congressional Record. The reference is not to the bill itself but to a speech by Sen. Carl Curtis of Nebraska who equated the legislation to a "Charter of Children's Rights."

The "charter" had been advocated, unsuccessfully, by two parties in Britain and bears no relationship to the particulars in the proposed U.S. legislation. The Congressional Record is a repository for any variety of outrageous claptrap deemed worthwhile by a member of Congress. In this case Sen. Curtis used his privilege not wisely, not responsibly, but well enough, apparently, to suit his purposes.

Finally, the purported "facts" contained in the flyer are so outlandish and totally out of character for the bill's two respected sponsors—Rep. John Brademas of Indiana and Sen. Walter Mondale of Minnesota—that they should be discounted out of hand.

Those who have gone on record as supporting the intent of the legislation include the Salvation Army, the National Conference of Catholic Charities, eight national Baptist organizations, the National PTA and a dozen or so organizations representing handicapped persons.

Still, the concept of expanding federal aid to poor families with pre-school children must be debated intelligently. That cannot be done, however, when certain opponents to the bill deliberately obfuscate the issue with a layer of lies and emotions.

Rep. Garry Brown of Schoolcraft opposes the legislation but nevertheless felt moved to inform his constituents that the flyers, like those distributed in Grand Rapids, contained "false and misleading information."

Rep. Vander Veen, who said he will not decide how to vote on the bill until he sees its final form, has called the discrediting material "a deliberate attempt to mislead the public."

The congressman is much too kind. The flyer is a gross form of public deception which threatens to make legitimate debate on an important issue impossible. And unfortunately, those well-meaning persons who have innocently caused its dissemination have not advanced the cause of good government.

[From the South Bend Tribune, Nov. 11, 1975]

CHILD AND FAMILY SERVICES

Despite the scurrilous nature of certain charges directed against the Child and Family Services Bill, sponsored in the Senate by Sen. Walter Mondale, D-Minn., and in the House by Rep. John Brademas, D-South Bend, a question of whether the bill merits passage remains.

We have read the bill itself, in addition to a malicious unsigned flyer opposing it and other arguments pro and con.

We find no evidence that the bill would lead to the "sovietization" of the education of American children, whatever that might mean. On the contrary, the message explicitly makes provisions of the bill voluntary and provides for the participation of parents in its implementation.

Its authors clearly intend it as an attempt to strengthen the family while providing services not now available to parents and children at the lower end of the economic spectrum.

The measure would provide for health, nutritional, educational and other services now available to some families but which many children who need them do not receive.

Day-care facilities, "other health, social, recreational and educational programs designed to meet the special needs of children and families," social services, prenatal and other services for expectant mothers, programs to help minority ethnic groups, food and nutritional services, help in countering medical and emotional disabilities—these are the sort of programs envisioned by the bill.

In common with much legislation intended to attack social problems, the cost would be high. The bill calls for initial appropriations of $158 million in the fiscal year ending June 30, 1976 and $200 million in the next fiscal year for "training, technical assistance, planning, and such other activities" necessary to prepare for its implementation.

It further authorizes $500 million in the fiscal year ending Sept. 30, 1977 and $1 billion in the next fiscal year, subject to the appropriation of funds to carry out part A of the Headstart Follow Through Act. A portion of the funding would be on the state or local level.

Like most of the Great Society programs, including those which undeniably have worked successfully, the bill might in fact cost a great deal more than the preliminary figures indicate, once it was fully implemented.

How much of a burden to taxpayers it would become must be considered by Congress. The fiscal integrity of the United States is at stake, and new programs must be evaluated with that realization.

The Child and Family Services Bill contains some provisions that may be enacted in some form, eventually. Like national health insurance, they may have to await a time when our economy is expanding healthily, inflation is in check and our federal deficit has been brought under control.

Anyone seeing a copy of the flyer attacking the bill as "the Soviet-style system of communal child rearing" ought to treat it as any unsigned hate propaganda deserves to be treated. That, however, does not automatically mean that the measure should be voted into law at this time.

[From the Ann Arbor News, Nov. 16, 1975]

FAMILY SERVICES BILLS BEING MISREPRESENTED

One of the most time-consuming but worth-while tasks of a daily newspaper is seeking out the source of some of the irresponsible literature floating around and trying to mitigate its effects.

Recent letters to The News indicate that the Ann Arbor area is receiving some of the inflammatory leaflets that have circulated in other areas attacking House and Senate bills commonly known as child and family services legislation. In some places the leaflets have carried the title "Raising Children—Government's or Parent's Right? "

The following paragraph is an example of the material in the leaflet, allegedly taken from House bill 2966:

"As a matter of the child's rights, the government shall exert controls over the family because we have recognized that the child is not the care of their parents but the care of the State. We recognize further that not parental, but communal forms of upbringing have an unquestionable superiority over all other forms. Furthermore, there is a serious question that maybe we cannot trust the family to prepare young children for this new kind of world which is emerging."

That, of course, does not appear in the legislation. It is quoted from the 1971 Congressional Record, which unfortunately gives an aura of legitimacy to some of the greatest nonsense to come out of Washington. Members of Congress can fill it with speeches delivered to empty halls or with views they believe will enhance their standing with constituents. The quotation above came not from the legislation but from a speech by Senator Carl Curtis of Nebraska who equated the legislation to a "Charter of Children's Rights," which had been advocated, unsuccessfully, by two parties in Britain.

How anyone could compare that "charter" with the child and family services legislation is a mystery. The legislation, vetoed in an earlier version by President Nixon because of the cost, was introduced by Rep. John Brademas of Indiana and Sen. Walter Mondale of Minnesota. The intent of the bills has been endorsed by such groups as the Salvation Army, the National Conference of Catholic Charities, the national PTA and eight national Baptist organizations.

The revised legislation would expand a number of family services now existing and extend day care services beyond the Headstart program, and a goal would be reduced infant mortality. The bills have been modified substantially to reduce costs. The voluntary nature of the program is emphasized throughout, contrary to what is being said in the anonymous leaflets being circulated in opposition to the legislation.

Such legislation is always subject to debate, but the debate should be based on facts and not on misinformation circulated as a scare tactic. It is difficult enough to determine the truth and even to understand some of the legislation being proposed in Lansing and Washington. It is total irresponsibility to misrepresent it.

[Memorandum, Prepared by the Office of Congressman BRADEMAS, Refuting Attacks Made in the Flyers]

MEMORANDUM

Subject: Attacks on Child and Family Services Bill

Flyers entitled: "Raising Children—Government's or Parent's Right?"

ATTACK

"There is before Congress legislation known as the Child & Family Services Act of 1975 (Senate: S262 & House: 2966). If passed it would take the responsibility of the parents to raise their children and give it to the Government."

FACT

This bill would in no way take the responsibility for childraising away from parents. All programs authorized in the bill are (HR 2966, Sec. 2(a) (2)) "provided on a voluntary basis only to children whose parents or guardians request such services." In addition, any practice which would "infringe or usurp the moral and legal responsibilities of parents or guardians" is specifically prohibited (Sec. 504(a)).

ATTACK

"Child Advocacy Clause. In the Congressional Record we read: 'If, in the judgment of those who are in charge of such a program (the State by way of the Secretary of Health, Education and Welfare), parents are not doing a good job, the advocate (a "specialist" appointed by the government) would enter the home and direct the education, even within the home. And, if the parent would object, the authority in the home would, DeFacto, be transferred to these advocated (sic).'"

FACT

This quotation does not appear in the Congressional Record although it appears to be a combination of a number of related statements that appear throughout the Congressional Record of December 2, 1971. However, it is categorically false to contend that: (a) such language appears in HR 2966; (b) such beliefs are held or advocated by any of the sponsors of HR 2966; or (c) that any "child advocacy clause" of any kind appears in the bill. (See "Special Note on the Congressional Record" below.)

ATTACK

"Charter of Children's Rights of the National Council of Civil Liberties is becoming a part of this Child Development Act."

(The flyers go on to list "several items in this charter," alleging that they can "be found on page 44138 of the Congressional Record.)

FACT

No such language or "charter" has ever been proposed, included or even considered for the Child and Family Services Act or any related piece of legislation. This "charter" initially surfaced during Senate debate on December 2, 1971 on the Conference Report on the Office of Economic Opportunity Act. Senator Carl T. Curtis (R-Nebraska) said, "In England, child development advocates have gone so far as to draft a charter of 'children's rights.'" Curtis continued by reading from something he called the "Charter of Children's Rights" of "the British Advisory Center of Education and the National Council for Civil Liberties." Thus these so-called "rights" were never advocated by sponsors of this legislation and, in fact, the "Council" cited is not even an American organization. (See "Special Note on the Congressional Record" below.)

ATTACK

"Can the Government take away your children? Comprehensive child development, the Soviet-style system of communal child rearing which almost became law in this country in 1971 is once again being pushed through Congress. The current bills H.R. 2966 (House of Representatives), S. 626 (Senate), are virtually identical to the original act passed in 1971, but fortunately vetoed by the then president, Nixon. Now it is known as the Child and Family Services Act of 1975 and any changes are merely cosmetic.

"In vetoing the original bill which would have removed children from their parent's instruction shortly after birth, Mr. Nixon said that it would weaken the American family by committing 'vast moral authority of the national government to the side of communal approaches to child rearing over against the family oriented approach.'

"We are in serious danger of 'Sovietizing' the education of our children if we let the Child and Family Services Act of 1975 pass. Those who support this Act in the Congress are convinced that it will 'Sail through the House.'"

FACT

These charges, made by President Nixon in vetoing the Comprehensive Child Development Act of 1971, are absurd and irresponsible. The sponsors of the bill have carefully drafted it to protect the rights of parents and their children:

First, participation in the program is completely voluntary. Children will not participate without the specific request of a parent or legal guardian.

Second, children will not be tested unless the parent or guardian is informed and given the opportunity to except the child from testing.

Third, the bill contains specific language providing protection against any involvement of the moral or legal right of parents or guardians with respect to the moral, mental, emotional, or physical development of their children. (See attachment A.)

Unlike the public school program, the child and family services programs are totally voluntary.

ATTACK

"According to the Congressional Record, the intent of the bill is for the government to be responsible . . . for the nutritional interests of your child, for all psychological interests of your child."

FACT

The intent of the bill is (Sec. 2(b)) "to provide a variety of quality child and family services in order to assist parents who request such services, with priority to those pre-school children and families with the greatest need, in a manner designed to strengthen family life and to insure decision-making at the community level, with direct participation of the parents of the children served and other individuals and organizations in the community interested in child and family service (making the best possible use of public and private resources), through a partnership of parents, State and local government, and the Federal Government, building upon the experience and success of Headstart and other existing programs." (See "Special Note on the Congressional Record" below.)

ATTACK

"The following excerpts are taken from the Congressional Record: 'What is at issue is whether the parent shall continue to have the right to form the character of the children or whether the state, with all its power and magnitude, shall be given the decisive tools and technique for forming the young lives of the children of this country.

'As a matter of the child's right, the government shall exert control over the family because we have recognized that the child is not the care of the parents but the care of the state (sic). We recognize further that not parental, but communal forms of upbringing have an unquestionable superiority over all other forms. Furthermore, there is serious question that maybe we cannot trust the family to prepare young children in this country for this new kind of world which is emerging.'

"This all smells of Communism. This is what in fact has been and is being done in Soviet Russia. This is what can become the law of our land, if the Child & Family Service Act of 1975 is passed by the Congress. We elected this Congress, but do we know what they are attempting to do to our freedoms and our rights?"

FACT

These citations do not appear in the Congressional Record. In fact, they are diametrically opposed to the purpose and intent of the bill.

First, the programs are completely voluntary.

Second, the precisely stated purpose of the legislation is to "strengthen family life," not weaken it.

Third, the program is to be operated locally, not by the national government.

Fourth, specific prohibitions against any practice infringing on the rights and responsibilities of parents are contained in the bill (Sec. 504(a)). (See "Special Note on the Congressional Record" below.)

SPECIAL NOTE ON THE CONGRESSIONAL RECORD

Throughout this leaflet, the "Congressional Record" is cited. The Congressional Record has the ring of an official pronouncement to it. But anyone who has ever even glanced at the Record knows that it contains not only the debates in the House of Representatives and Senate but also speeches and material simply "inserted" into the Record. Any Member of Congress has the right to insert material in the Record and therefore the assertion that a statement is "according to the Congressional Record" is meaningless since the Record itself makes no statement of policy. Policy statements are made by the Members of Congress quoted in the Record.

This flyer provides a good example of the abuse of the citation of the Congressional Record. Senator Curtis of Nebraska included as part of his remarks on a bill considered by Congress in 1971 some material which be attributed to an organization in a foreign country. By misleading citation, the flyer implies that this material appeared in the Congressional Record this year and that it represents the contents of the bill. The bill's chief sponsor in the House had never before seen this material.

[Memorandum, prepared by the office of Congressman BRADEMAS, listing key points about the Child and Family Services Act]

MEMORANDUM

Subject: Key Points About the Child & Family Services Act

1. Purpose of the Bill: "Provide a variety of quality child and family services in order to assist parents who request such services . . . in a manner designed to strengthen family life and to insure decisionmaking at the community level." (HR 2966, Sec. 2(b).)

2. No Interference with Parental Rights and Responsibilities.

First, participation in the program is completely voluntary; children will not participate without the specific request of a parent or legal guardian. (Sec. 2(a) (2).)

Second, any practice which would "infringe upon or usurp the moral and legal responsibilities of parents or guardians" is specifically prohibited. (Sec. 504(a).)

Third, no research or experimentation can be conducted with any child without the knowledge of a parent or guardian and the parent or guardian can refuse permission of the child to participate. (Sec. 504(b).)

Fourth, no medical or psychological examination or treatment can be administered to any child without the written permission of a parent or guardian. (Sec. 504(c).)

3. Programs run at the local, not federal, level. Although the funding for the programs will be provided from the Federal government, all administration of the programs will be by state or local sponsors. (Sec. 104.)

In addition, each sponsor must have an advisory council made up of parents and of people recommended by parents. This advisory council plays an important policy-making role under the bill. (Sec. 105.)

4. The bill has broad bi-partisan support. The legislation has always enjoyed broad bi-partisan support. Among the current sponsors are Republicans Margaret Heckler of Massachusetts, Peter Peyser of New York and Larry Pressler of South Dakota; Democrats John Brademas of Indiana, Carl Perkins of Kentucky and George Miller of California.

The bill is similar to provisions recently advocated by a Republican Congressional task force and by both parties in their platforms at their 1972 National Conventions.

5. The bill is supported by a wide range of respected organizations. Among the long list of national organizations supporting the legislation are these:

American Academy of Pediatrics.
United States Catholic Conference.
National Council of Jewish Women AFL–CIO.
U.S. Conference of Mayors.
American Association of University Women.
League of Women Voters.
National Council of Churches.
United Methodist Church.
United Auto Workers.
National League of Cities.
American Bankers Association.
Common Cause.
Urban League.

6. Opponents have been conducting a nasty smear campaign against the bill. Here are some of the tactics that the extreme right wing groups opposing this legislation have been using against this legislation:

(a) Forming Committees with high-sounding names (e.g., National Coalition for Children) which merely operate out of the offices of existing radical right groups.

(b) Distributing unsigned leaflets calling the bill "communism."

(c) These unsigned flyers make various references to material appearing in the Congressional Record as though it were the words of the supporters of the legislation. In fact, they turn out to be the words of the small group of Senators who are opposed to the bill.

(d) The flyers, and subsequent editorial comment, contend that some absolutely wild provisions are contained in the bill. Not only do the provisions not appear in the language of the bill, they turn out, after investigation, to be items taken from a document published by a foreign group in England.

(e) Many critics of the bill have not even read the bill.

NEW RULE 2.12 OF THE HOUSE SELECT COMMITTEE ON MISSING PERSONS IN SOUTHEAST ASIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

Mr. MONTGOMERY. Madam Speaker. In keeping with House procedures, I am inserting at this point in the RECORD a new rule 2.12 of the House Select Committee on Missing Persons in Southeast Asia. This new rule was adopted by the committee on November 11 and provides the procedures for coverage of our open meetings by radio and television broadcast and still photography.

The rule as adopted is as follows:

RULE 2.12

Whenever any hearing or meeting conducted by the Committee or any subcommitttee is open to the public, the Committee or subcommittee, as the case may be, may permit by majority vote that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any such methods of coverage, under the following rules:

(a) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(b) No witness served with a subpoena by the Committee or subcommittee, as the case may be, shall be required against his will to be photographed at any hearing or meeting or to give evidence or testimony while the broadcasting of that hearing or meeting, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(c) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(d) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Members of the Committee or subcommittee, as the case may be, or the visibility of that witness and that Member to each other.

(e) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(f) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing room while the Committee or subcommittee, as the case may be, is in session.

(g) Floodlights, spotlights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing room, without cost to the Government, in order to raise the ambient lighting level in the hearing room to the lowest level necessary to provide adequate television coverage of the hearing at the then current state of the art of television coverage.

(h) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and the United Press International Newspictures. If request is made by more than five media for coverage of the hearing for still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(i) Photographers shall not position themselves, at any time during the course of hearing or meeting, between the witness table and the Members of the Committee or subcommittee, as the case may be.

(j) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(k) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(l) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(m) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

GOVERNOR OF THE CANAL OPENS THE LOCK TO OPPORTUNITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEGGETT) is recognized for 5 minutes.

Mr. LEGGETT. Madam Speaker, on November 10, Maj. Gen. Harold R. Parfitt, the Governor of the Canal Zone, proposed some significant changes in the structure of the educational and housing systems in the Canal Zone and also in the restrictions on certain job positions in the canal organization. Under the changes now proposed by the Governor, the separate Latin American and U.S. school systems in the zone will be consolidated, housing communities separated by nationality will be abolished, and more job positions in the Panama Canal Company/Canal Zone Government will be filled irrespective of nationality.

In my view, there ought to be, on behalf of all those who are interested in the canal issue, strong support for these initiatives because they will be salutary to the general posture of the United States on the Isthmus of Panama and because they will greatly contribute to the greater individual fulfillment of all employees of the canal organization.

It is important to note that Latin American citizens in the Canal Zone have aspired to the consolidation of the schools and housing system in the Canal Zone for many years because they believed separation by nationality was a convert brand of racial or ethnic segregation. In recent years various Federal investigators have scored the Canal Zone for its appearance of discrimination. An especially important contribution in terms of Federal reports was made in the study of the General Accounting Office for the Subcommittee on the Panama Canal. That study, originally requested by me, has provided substantial information partial to the contemplated changes.

Some of the more salient GAO observations on the issue of the Canal Zone school systems indicated that historically pupils in the silver-roll and Latin American schools had more constricted curricula and horizons than their U.S. neighbors; that the results of the present Latin American system have been somewhat disappointing; that there is no great evidence that the non-U.S. citizens in the Canal Zone ever desired a Latin American system; that the Canal Zone Government is capable and would find it financially advantageous to consolidate the school systems; and that the very difficult problem of employment of teachers in a consolidated school system could be overcome. These observations of the GAO, together with my own personal observations, convinced me some time ago that the general welfare in the Canal Zone mandated the consolidation of the school system.

Like the consolidation of Latin American and U.S. schools, the creation of a housing community not divided on national lines is highly encouraging. The GAO report previously cited and follow-up hearings on it indicate that there has been a policy of attrition to decrease the number of non-U.S. citizens in the Canal Zone; that there has been little upgrading of Canal Zone housing for U.S. or non-U.S. citizens in the last 20 years; that there could be one housing community in the Canal Zone with no detriment to the security of the Canal; and that the acute shortage of housing on the Isthmus of Panama is exacerbated by the Canal Company's Latin-American attrition policy of previous years. I look forward to walking through a Canal Zone where all U.S. citizens do not live on one side of a line, with all Panamanians living on the other side.

An important part of the security aspect of the operations of the Panama Canal derives from the political and social atmosphere in which the waterway operates. In recent years that atmosphere has been clouded by the lack of specific criteria for security positions—that is, positions reserved for U.S. citizens—in the canal organization. This absence of criteria laid open the Company/Government to charges of using the positions to protect certain individuals in an arbitrary and capricious manner. The designation of some of these positions as "security positions" has had the effect of dividing the employees in the Canal Zone against one another. This initiative of Governor Parfitt to reduce the number of security positions will lessen tensions and will provide full equal opportunity for all employees.

Inasmuch as these three changes do have an important historical significance, I believe all of those connected with them are to be commended, particularly Mr. Victor Veysey, Chairman of the Board of the Panama Company, and, of course, the Governor. At this point I should like to submit an exchange of correspondence between Mr. Veysey, who's also the present Assistant Secretary of the Army for Civil Works and a former Member of this body, and my distinguished chairman of the Subcommittee on the Panama Canal, the Honorable Ralph H. Metcalfe.

Department of the Army,
Washington, D.C., November 12, 1975.

Hon. Ralph Metcalfe,
House of Representatives,
Washington, D.C.

Dear Mr. Metcalfe: On 10 November Governor Parfitt informed the Canal Zone Civic Councils and labor organizations of proposals to consolidate Latin American and U.S. schools, to reduce security positions and to allow competition for Canal Zone housing on equal basis between United States and non-United States citizens. Those attending the meeting were asked to submit their comments on these proposals by 8 December.

On that same day the treaty negotiators also informed the Panamanians of these proposals.

I am attaching for your review, information papers which describe in more detail the three proposals.

Sincerely,

Victor V. Veysey,
Assistant Secretary of the Army (Civil Works).

Canal Zone Schools

The Governor of the Canal Zone has commenced consultations with community representatives on a plan to eventually consolidate the United States and Latin American school systems.

Under the proposed school consolidation program, Panamanian students residing in the Zone would be given freedom of choice of attending school in the Canal Zone or public/private schools in the Republic of Panama. Regardless of the choice, the cost of education including transportation would be the responsibility of the Canal Zone Government.

If the proposal is implemented, the Latin American school system would be phased out in two to four years, starting January 1976. The Latin American school system now contains two elementary and two secondary schools for a total of 955 students. The U.S. school system on the other hand consists of 14 elementary and 3 secondary schools for a total of 9823 students. Details of the consolidation are now being determined.

Latin American teachers would be integrated to the extent needed in the U.S. school system provided they qualify under U.S. school standards. The plan should provide improved education, lower per student costs, and should remove any grounds for accusation that we are operating a dual school system.

Canal Zone Housing

The Governor of the Canal Zone has started consultations with Canal Zone community and labor representatives concerning a proposal which would allow Panamanians who presently are assigned Panama Canal family housing to compete on an equal basis, under established criteria, with U.S. citizens. The proposal does not open Panama Canal housing to non-U.S. citizens who now reside outside the Zone.

Under the proposal, non-U.S. citizens now assigned family quarters in the Canal Zone who are paid at the NM-7 level, or above, would compete with eligible U.S. citizens, who meet the same grade criteria, for assignment to any quarters. Other non-U.S. citizens now assigned family quarters retain their present rights. In addition, U.S. citizens paid below the cutoff who are the repatriation responsibility of the Canal organization or who are present on the Isthmus because of their Panama Canal employment would be eligible to compete for housing in what is currently termed Latin American communities.

Panama Canal Company/Canal Zone Government Security Positions

The Governor of the Canal Zone may designate "any position under his jurisdiction as a position which for security reasons shall be filled by a citizen of the United States; including but not limited to, positions (a) involving security of property; (b) involving access to defense information not releasable to foreign nationals; or (c) requiring the use of United States citizens to insure continuity and capability of operation and administration of activities in the Canal Zone by the United States Government."

On November 10 the Governor began consultations with Canal Zone Civic Councils and union representatives on a proposed plan which would modify the current security position concept by revising the criteria under which positions are designated to be filled only by a citizen of the United States. While it is premature to definitely state the impact of the number of security positions under the new criteria, it is believed that detailed review will likely reduce the number of such security positions by one-half, or from approximately 1,000 to the neighborhood of 500. It should be noted that the modification of the security position concept will not bring about an immediate increase in the number of Panamanians employed by the Panama Company/Canal Zone Government. Those U.S. citizens currently holding positions no longer classified as security will be allowed to continue in their present jobs, but promotional opportunities to higher positions would be open to Panamanians.

November 20, 1975.

Hon. Victor V. Veysey,
Assistant Secretary of the Army, Department of the Army, Washington, D.C.

Dear Mr. Vesey: I have read and reflected upon your significant correspondence of November 12 relative to consolidation of Latin American and U.S. schools in the Canal Zone, a reduction in the number of security positions in the Canal organization and establishment of competition for Canal Zone housing on an equal basis between United States and non-United States citizens. I have also received communications from residents of the Canal Zone on these matters and I have read recent news reports from the Isthmus which discussed these three initiatives.

It is my strong belief that the Governor's proposals are cogent and meritorious, and therefore I enthusiastically support them. The proposals take cognizance of several important factors: they meet the criticisms which have been heard in many places that the nationally-divided community structure in the Canal Zone is anachronistic; they remove the appearance of discrimination in the Canal organization's provision of job-related benefits; they respect the findings made by the General Accounting Office and other federal agencies and offices which have studied the organization of the Canal Zone; and finally, they emphasize the spirit of open opportunity and achievement which should be the essence of the United States of America. Without infringing on the dignity of any person, the Governor's initiatives do very much to more fully recognize the dignity and pride of our Latin American citizens, especially those who live in the Canal Zone.

The Governor and the Canal Zone Government deserve a commendation not only for the courage and wisdom which is being exhibited by the three proposals, but also for the conscientious manner in which these matters are being handled. It appears to me that those who are most directly affected by the changes are being given every opportunity to discuss with the Governor the ramifications and details of the proposed changes. I think the provision of various alternatives in the consolidation of the U.S. and Latin American schools is especially laudable.

With a suitable measure of good will on the part of the U.S., the Panamanian, and the other nationalities involved in these changes, I am confident that their results will be beneficial for all for many years to come, and I am certain that history will confirm the wisdom of Governor Parfitt's actions.

Sincerely,
RALPH H. METCALFE,
Chairman,
Subcommittee on the Panama Canal.

ANNUNZIO BILL PROTECTS INNOCENT AND REHABILITATED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Madam Speaker, on July 16, I introduced legislation that would amend the Fair Credit Reporting Act with regard to prohibiting the inclusion of information of records of arrest, indictment, or conviction of crime in consumer reports under certain specified circumstances—H.R. 8861. These circumstances include if:

(1) the police have elected not to refer a matter to a prosecutor;

(2) a prosecutor has elected not to commence criminal proceedings;

or if a case results in:

(3) acquittal;
(4) charge dismissed;
(5) nolle prosequi;
(6) no paper; or
(7) case continued without finding.

The Washington Post carried a story on November 8 that is a perfect example of the great need for this legislation.

Mr. Joseph B. Lewis, a District of Columbia resident described in the Post article as known as a man of impeccable reputation and conduct was placed on trial for the May 7 armed robbery of a 64-year-old truckdriver.

During the trial the prosecutor, assistant U.S. attorney Donald Robinson became convinced of Mr. Lewis' innocence and had all of the charges against him dropped.

The Post quoted the presiding judge, George H. Goodrich, as saying:

> Justice is being served . . . justice with a capital "J."

The article stated that Judge Goodrich further went on to say that it is unfortunate that the defendant has been put to untold time—and concern.

It is indeed unfortunate that an innocent man was put through the heartache of an unnecessary trial, but what is even more unfortunate is that the difficulties Mr. Lewis can experience from this situation may be just beginning.

Mr. Lewis' credit record now carries the notation that he was arrested for a criminal act. It is now quite possible that he faces a life with no new credit cards, no more bank loans, and no mortgage loan when he wants to buy a new house. I see a long future for Mr. Lewis, papered with form letters from credit agencies bearing the notation, "we are unable to approve your credit request due to information contained in your credit record." Even if the credit reporting agency is very efficient and includes the fact that all charges against Mr. Lewis were dropped at the suggestion of the prosecuting attorney, potential creditors calling in to check Mr. Lewis' record may routinely be advised of his arrest record for the next 7 years. Surely this will be enough to prejudice many creditors against accepting him as a credit applicant.

My legislation would prohibit any inclusion of this unfortunate incident in Mr. Lewis' record. It would also protect youthful offenders who, under certain specified conditions, are considered to be rehabilitated and are released back into society from being marked as criminals for years to come.

For example, in November 1972, a young man was convicted of the theft of Government property in a Federal court. He was sentenced under the Federal Youth Corrections Act. The sentence was suspended and he was placed on probation for 1 year. Prior to the expiration of the period of probation the plaintiff was unconditionally discharged, and his conviction was automatically set aside. A certificate to that effect was issued pursuant to 18 U.S.C. Sec. 5021(b) of the Federal Youth Corrections Act.

In August of 1973 the young man was employed as an insurance salesman. His employer secured a credit report which reported the young man's arrest record, sentence, and the setting aside of the conviction. He lost his job.

Surely allowing criminal records to follow young offenders for the rest of their lives is the direct antithesis of what the Federal Youth Corrections Act was designed to accomplish.

I feel very strongly that Mr. Lewis and others arrested and subsequently found to be innocent at some stage of the legal process have suffered enough. Will justice really be served by branding these people as criminals and making them bear the additional burden of being unable to establish credit in our very credit oriented society?

MEDICAL RESEARCH DOCUMENTS HAZARDS OF SMOKING TO NONSMOKING MAJORITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 30 minutes.

Mr. DRINAN. Madam Speaker, despite vigorous efforts by the tobacco industry to associate smoking with the beautiful and healthy things in life, scientific research has conclusively established that smoking is dangerous to health and may cause death. Smoking is the primary cause of lung cancer, chronic bronchitis, and pulmonary emphysema in the United States. Thirty percent of all coronary heart disease, our Nation's No. 1 killer, is caused by smoking. Cancer of the larynx, the lip, and the esophagus are among other diseases which may result from smoking. Medical researchers estimate that smoking is responsible for the premature deaths of some 300,000 Americans each year.

Aside from this appalling loss of life, smoking leaves millions of Americans with crippled lungs and overstrained hearts. Pregnant women who smoke have smaller babies and are more likely to have stillborn children than nonsmoking women. The National Center for Health Statistics estimates that $11.5 billion is spent annually on health care to repair the damage caused by smoking. Smoking helps to raise the price of health insurance and to reduce our national productivity.

WHY IS SMOKING HARMFUL?

Although research into the composition and effects of tobacco smoke is continuing, medical science knows much about why smoking has such an adverse impact on human health. Tobacco smoke is a complex mixture of gases, liquids, and particles, containing hundreds of chemical compounds. Many of these components are relatively harmless; others are deadly. Nicotine constricts blood vessels throughout the body, forcing the heart to work harder than normal. Tars damage sensitive lung tissues and can remain lodged deep within the lungs for years.

One of the most dangerous components of tobacco smoke is carbon monoxide. This colorless, odorless gas combines with red blood cells to form a new compound—carboxyhemoglobin. The presence of this compound prevents needed oxygen molecules from attaching themselves to the red blood cells to replenish the entire body. The body becomes starved for oxygen, causing psychomotor dysfunctions, heart strain, and in some instances, coronary heart disease.

Investigations are presently underway into the effects of other dangerous components of tobacco smoke including cadmium, nitrogen dioxide, ammonia, hydrogen cyanide, benzene, benzpyrene, pyridine, and formaldehyde. Cadmium damages the air sacs of the lungs and cannot be removed once it has entered the lungs. Benzpyrene is a suspected cancer-causing agent. Hydrogen cyanide is a poison that attacks respiratory enzymes. A smoker's lungs retain between 80 percent and 99 percent of most of the substances which are inhaled.

INVOLUNTARY SMOKING

The indisputably harmful effects of smoking are not limited to the 50-60 million Americans who are active smokers. All of us who participate in a conference, sit in an office, ride on an airplane, or attend a party where somebody is smoking are involuntary smokers. The term "involuntary smoking" is used by the Department of HEW and medical researchers to mean the inhalation of tobacco smoke from the atmosphere by the nonsmoker. As the U.S. Public Health Service's 1975 report on The Health Consequences of Smoking, explains:

> This type of exposure is, in a sense, "smoking" because it provides exposure to many of the same constituents of tobacco smoke that voluntary smokers experience. It is also

> "involuntary" because the exposure occurs as an unavoidable consequence of breathing in a smoke-filled environment.

Thus, the vast majority of Americans, who do not smoke, are subjected to the same tar, nicotine, carbon monoxide, and other toxic substances which smokers inflict voluntarily on themselves. Our lungs are, in a sense, captive to the contaminated fumes generated by others. In a smoke-filled environment, involuntary smoking is continual, interrupted only when the nonsmoker escapes outside "for a breath of fresh air." An average cigarette smoker inhales 8 or 9 times for a total of 24 seconds, but his or her burning cigarette releases smoke into the atmosphere for 12 minutes. Even after the cigarette has been extinguished, its smoke lingers in the atmosphere, contained within each breath we take.

It is particularly ironic and somewhat surprising that sidestream smoke, which comes from the tip of a burning cigarette and is released into the atmosphere, has a greater concentration of toxic contaminants than does mainstream smoke, which is inhaled into the smoker's own lungs. According to HEW's National Clearinghouse on Smoking and Health, sidestream smoke contains twice as much tar and nicotine, 3.7 times as much benzyprene, nearly 5 times as much carbon monoxide, and 46 times as much ammonia as mainstream smoke. Cigarette filters, while reducing the amount of tar and nicotine passed into the smoker's own lungs, have no effect on the sidestream smoke which is breathed by the involuntary smoker.

Numerous studies have been conducted to determine the level of toxic contaminants in enclosed areas filled with varying amounts of tobacco smoke. Many substances, while clearly detectable within the body, are difficult to measure in the atmosphere. Doctors Raymond Slavin and Marvin Hertz studied the presence of dust and nicotine particles and concluded that their concentration in a closed room where smoking is taking place "may become so high that the nonsmoker inhales as much harmful tobacco byproducts as a smoker inhales from 4 to 5 cigarettes."

The presence of carbon monoxide is particularly easy to measure using a portable device. Drs. M. A. H. Russell and P. V. Cole reported in the Postgraduate Medical Journal in October 1973 that:

> The results of their investigation indicate unequivocally that in circumstances of poor ventilation non-smokers do absorb carbon monoxide from tobacco smoke produced when other people smoke.

The U.S. Public Health Service's 1975 report on smoking stated:

> Cigarette smoking in poorly ventilated enclosed spaces may generate carbon monoxide levels above the acceptable 8-hour industrial exposure limits.

That present limit is 50 ppm., but OSHA has already proposed lowering the standard to 35 ppm. Tests performed in various environments during the past 4 years have shown smoking to produce atmospheric levels of carbon monoxide reaching 75 or even 100 ppm., subjecting the nonsmoker to adverse health consequences. To quote the Public Health Service report once again:

> Carbon monoxide generated in a confined area by the smoking of tobacco products reaches excessive, irritating, and potentially hazardous levels.

THE EFFECT OF SMOKING ON THE NONSMOKER

Although the 25 percent of Americans who smoke are the most susceptible to illness or death resulting from their habit, the rest of us, the involuntary smokers, may suffer as well. "Essentially all the effects on the smoker," remarks Dr. Dwight Harken of Harvard Medical School, "are shared by the proximal nonsmoker, only in a slightly diluted form." To most nonsmokers, tobacco smoke is an unpleasant and irritating annoyance. The contaminants in the smoke causes their eyes to water, their throats to burn, and their heads to ache. According to Dr. David Burns, Medical Director of the National Clearinghouse for Smoking and Health:

> There is ample evidence that involuntary smoking causes annoyance and minor eye and throat irritation to a substantial percentage of the population.

Researchers are presently investigating whether involuntary smoking poses a more serious health hazard to the healthy nonsmoker.

There are, in addition, more than 34 million Americans with particular susceptibility to the harms of involuntary smoking. To these individuals, atmospheric smoke is more than a nuisance, it is a real threat to their health. Some 6 million Americans suffer from coronary heart disease or shrinking of the blood vessels. It is crucial to their bodies that a sufficient supply of oxygen be carried by their red blood cells. The presence of carbon monoxide and the concomitant displacement of oxygen threatens that life-sustaining supply. As Dr. Wilbert Aronow, chief of the cardiology section of the VA hospital in Long Beach, Calif., points out:

> Increased carboxyhemoglobin levels may also result from passive smoking. . . . Restrictions on smoking in public places may be necessary to protect patients with coronary heart disease.

Dr. David Burns adds that involuntary smoking produces "a reduced cardiac reserve in some persons with cononary heart disease." The Public Health Service reported:

> The severity of possible effect (of involuntary smoking) range from minor eye and throat irritations experienced by most people to the angina attacks of some persons with cardiovascular disease.

More than 25 million Americans suffering from emphysema, chronic bronchitis, asthma, hay fever, or chronic sinusitis also are particularly susceptible to tobacco smoke. According to the U.S. Public Health Service report:

> People with certain heart and lung diseases may suffer exacerbations of their symptoms as a result of exposure to tobacco smoke-filled environments.

Moreover, Drs. Edward O'Connell and George Logan of the Mayo Clinic in Rochester, Minn., estimate that 1.5 million Americans are allergic to tobacco smoke and may suffer smoke-caused asthmatic attacks.

LEGISLATIVE ACTION WARRANTED

Thus, in summary, involuntary smoking is an annoyance and a health hazard to most nonsmokers, and a serious health hazard to tens of millions. Five doctors of the Lahey Clinic in Boston reported:

> It has been proven that cigarette smoke inhaled at a distance can: (1) irritate the bronchial tree and provoke asthma and bronchitis in susceptible people; (2) cause cardiovascular changes and change the blood supply to the heart, skin, and brain; (3) create cumulative inhalations along with other pollutants to cause bronchitis, emphysema, heart disease, and possibly lung cancer.

We are not dealing with a matter of social courtesy here; it is an issue of protecting the public health. Although the smoker may value his own desire to puff away above his neighbor's preference to breathe uncontaminated air, the fact, as Dr. Burns points out, is that involuntary smoking "may cause major and, occasionally, life threatening problems to people with heart and lung disease."

The evidence is still coming in as medical researchers in the United States and throughout the world study the impact of smoking on the health of nonsmokers. It is already established, however, that a majority of Americans are adversely affected by those who blow smoke into the air they breathe and that a considerable minority are gravely threatened by a smoke-filled environment. Since I introduced H.R. 10748, The Smoker and Nonsmoker Health Protection Act of 1975, on November 13, I have received hundreds of letters from individuals who have had to quit their jobs or avoid certain enclosed public places because of their vulnerability to tobacco smoke.

It is an outrage that in the face of all this scientific evidence, the multibillion-dollar tobacco industry continues to dismiss the issue of nonsmokers' rights as a subversive plot or a frivolous jest. One does not need a very good memory to recall the battle waged by the cigarette companies to suppress and then to undermine the 1964 Surgeon General's report which identified smoking as a health hazard for the first time. The industry has consistently done all that it could to keep antismoking ads off the air, to keep public awareness of the dangers of smoking to a minimum, and to stress the association between smoking and vibrant health to maximize its sales.

This powerful industry is now engaged in the same sort of battle with respect to nonsmokers' rights. As Dr. Arnold Reif, professor of pathology at the Boston University Medical School observes:

> The tobacco institute's assertion that there are no health dangers to the non-smoker is a deliberate lie intended to help continue the sale of the cigarette which represents the most serious avoidable health hazard in America.

The tobacco industry has read all of the medical evidence; it has simply chosen to ignore, and to the extent possible, discredit it.

Since the industry itself has little sense of responsibility toward the health of the 150 million American nonsmokers, Government has a responsibility to act on the people's behalf. Thirty-one States have already responded by enacting legislation to protect nonsmokers' rights by restricting smoking in public places. Numerous localities have done likewise. On November 13, I introduced H.R. 10748, the first Federal legislation in this area. The legislation has been supported by the American Heart Association, the American Cancer Society, the Massachusetts Lung Association, and by hundreds of citizens throughout the country.

Predictably, the tobacco industry has taken dead aim at that legislation, misrepresenting its provisions and ignoring its justification. Until Congress stands up to the tobacco companies and takes responsible action to protect the health of nonsmokers, a majority of Americans will continue to be subjected to irritation and annoyance and tens of millions will suffer serious health risks as a result of involuntary smoking.

FEDERAL LOAN GUARANTEES ARE NEEDED TO DEMONSTRATE COMMERCIAL PRODUCTION OF SYNTHETIC FUELS

The SPEAKER pro tempore (Mrs. LLOYD of Tennessee). Under a previous order of the House, the gentleman from Utah (Mr. MCKAY) is recognized for 5 minutes.

Mr. MCKAY. Madam Speaker, the ERDA authorization bill (H.R. 3474) has been approved in conference and will come to the floor soon. A great deal of discussion has centered on the $6 billion loan guarantee program for the development of synthetic fuels, section 103 of H.R. 3474. A vocal minority have attempted to discredit the program. I support the loan guarantees as a vital component of the Nation's energy plan and I would like to make some points in reference to the synthetic fuels program.

FEDERAL LOAN GUARANTEES ARE NEEDED TO DEMONSTRATE COMMERCIAL PRODUCTION OF SYNTHETIC FUELS

The loan guarantee program, section 103, in H.R. 3474 would authorize ERDA to guarantee private loans covering up to 75 percent of the costs of projects to demonstrate the commercial feasibility of existing technologies for the production of synthetic fuels. Without such guarantees, private capital is simply not available to finance commercial demonstrations of first generation technologies for coal gasification and oil shale production. Under the proposed program, the U.S. can determine in this decade whether our vast coal and oil shale reserves will be a viable resource to replace the declining domestic supplies of oil and gas. If the demonstration projects are successful, future plants should be able to obtain private financing without Federal loan guarantees.

THE PROPOSED LOAN GUARANTEE PROGRAM IS ENVIRONMENTALLY SOUND

The loan guarantee program will permit a few prototype synthetic fuel plants to be built under controlled conditions and will establish an industrial base for future expansion of the industry in an orderly and environmentally compatible manner. The Environmental Protection Agency supports the loan guarantee program as an "environmentally sound course of action that will facilitate the assessment of the environmental impacts of synthetic fuels development with a minimum of danger to the environment." The Council on Environmental Quality also endorses the legislation and believes that the pace and scope of the program will allow ample time "to assure that environmental effects are identified and control technologies are included in plant and equipment specifications."

THE LOAN GUARANTEE PROGRAM CAN BE SELF-SUPPORTING

As modified in conference, the loan guarantee legislation provides for the collection of guarantee fees of up to 1 percent from project borrowers. The administration estimates that these fees will more than compensate the Federal Government for anticipated default losses, even under conservative assumptions as to default rate. Thus, in all likelihood, the loan guarantee program will result in no net cost to the U.S. Treasury.

THE LEGISLATION DOES NOT INVOLVE PRICE SUPPORTS, CONSTRUCTION GRANTS, OR OTHER SUBSIDIES

Contrary to a common misconception, the loan guarantee legislation does not include authority for price supports, construction grants, or other subsidies. Although the administration has proposed supplementary legislation to private price supports and construction grants, the conference committee expressly agreed to state in the conference report that approval of the loan guarantee program does not imply endorsement of price supports, construction grants, or any other subsidies for synthetic fuel production. Moreover, testimony before the House Science and Technology Committee hearings indicates that some companies with advanced plans for full-scale commercial coal gasification and oil shale projects could proceed under the loan guarantee program without need for price supports or construction grants.

THE LOAN GUARANTEE PROGRAM WILL TEND TO PROMOTE COMPETITION AND TO AVOID CONCENTRATION IN THE ENERGY INDUSTRY

The Federal loan guarantee program will open the synthetic fuels industry to small and independent firms which would otherwise lack the resources and borrowing ability to participate in commercial-scale synthetic fuel projects, and it can prevent the industry from being dominated, at the outset, by major integrated oil companies. Large integrated companies would not be excluded from the program, but the conference committee agreed to express in the conference report an intent that ERDA should give appropriate priority consideration to priorities or projects in which a substantial equity ownership is held by independent users of oil, coal, or natural gas.

THE LEGISLATION PROVIDES AMPLE ASSISTANCE FOR IMPACTED LOCAL COMMUNITIES

In response to recommendations made by the Western Governors and others in the course of the House committee hearings, the Senate loan guarantee amendment was modified in conference to include a broad range of community assistance options for impacted areas. These options include planning grants, guaranteed municipal bonds, guaranteed tax revenues from project activity, and advance tax payments by project sponsors.

The loan guarantee authority contained in H.R. 3474 will implement national energy policy objectives announced by both the President and the majority leadership of the Congress. In his state of the Union message, the President called for Federal incentives to stimulate commercial applications of existing technologies for the production of synthetic fuels from coal and oil shale. In its own program or energy sufficiency, the majority leadership of the Congress also recommended Federal financial support for commercial demonstrations of synthetic fuel technologies, including new fuels from coal and oil shale.

Section 103 provides a plan advocated by both the President and the Congress for meeting a common national energy goal. The administration's comprehensive study of possible incentives for synthetic fuels commercialization concluded that Federal loan guarantees were appropriate for coal gasification and liquefaction and oil shale production. The Senate reached the same conclusion in adopting, with broad bipartisan support, the loan guarantee program contained in H.R. 3474.

The administration strongly supports the loan guarantee legislation, which is now approaching final congressional action. If Congress approves, an announced energy policy of both the President and the congressional leadership can be realized. If the measure fails, policy goals of both the President and the congressional leadership will have failed.

Some opponents of the synthetic fuels program have attempted to create the impression that Westerners in energy impacted areas oppose development of oil shale and coal. In September 1974 Lou Harris did an indepth study of voter attitudes in Colorado toward oil shale development. Harris attests that the survey was conducted in 60 locations throughout the State of Colorado, selected by multistage probability techniques, and provides a representative sample of the adult Colorado population 18 years and over.

The key question was: "Do you favor or oppose an oil shale development plant in Colorado?" The survey results are as follows:

WHETHER FAVOR OR OPPOSE AN OIL SHALE DEVELOPMENT PLANT IN COLORADO

[In percent]

	Favor	*Oppose*	*Not sure*
Total public	62	26	12
Central city	60	28	12
Suburb	66	22	12
Town/rural	57	30	13
Western slope	86	11	3
Active sportsman	57	33	10
Government leaders	75	11	14
Business leaders	82	14	4
Environmentalists	32	64	4

Madam Speaker, I urge my colleagues to join with me in support of this urgently needed loan guarantee program.

CONGRESSMAN MOSS SPEAKS WISELY ON REGULATORY REFORM

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Madam Speaker, there is no question that the operations and functions of a number of the Federal regulatory agencies are archaic and in need of reform. President Ford has rightfully made "regulatory reform" a priority issue for his administration; however, the administration's spokesmen have stressed the evils of regulation, reflecting little thought as to why the Federal Government felt compelled to regulate industry and overlooking the benefits which accrue from some forms of regulation. The President's answer to the complex problems of regulation is a simple one: deregulation.

The Government became involved in the operations of private industry to protect the public's interest in those instances where the free market failed to do so. In many areas this situation still exists: health, occupational safety, environment, and product safety—to name a few. In these cases deregulation would have an adverse impact on the quality of life for the individual, and this should be recognized as Congress considers various "reform" proposals.

There are examples where deregulation would serve the public interest. In those industries where economic competition will serve the purposes which regulation once served, economic deregulation would spur innovation and lower prices. One only needs to look at the effects of regulation as practiced by the agencies regulating rail and truck transportation to see that they are now serving the interests of industry to the detriment of competition and the public wellbeing. But this does not mean that wholesale deregulation is the answer to all of our problems in this area.

Our colleague, Congressman Moss, had the opportunity to discuss these issues as the keynote speaker at the annual convention of the North American Telephone Association. As chairman of the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce, Congressman Moss has been deeply involved in investigating the failures and successes of regulation in order that this Congress might offer constructive solutions to this difficult problem. I call my colleagues' attention to the succinct and clear statement which he made before NATA on regulatory reform.

STATEMENT BEFORE THE NORTH AMERICAN TELEPHONE ASSOCIATION

(By Hon. JOHN E. MOSS)

Thank you for inviting me to appear before the North American Telephone Association Convention. It isn't often that one gets an opportunity to talk with men and women who are courageous enough to challenge "Ma Bell."

Fifteen years ago, anyone who ventured to compete with AT&T was considered suicidal. Today, you are regarded as—"innovative." You are to be congratulated on the progress your industry has made in such a brief period of time.

Under current law, competition is not permitted in the provision of public telephone service. AT&T's monopoly exists because effective competition is considered to be neither prudent nor economically feasible. Some economists argue that because of economies of scale inherent in a telephone system, if competition was permitted, the largest telephone company would inevitably grow until it eliminated all of its competitors. Competition is also deemed undesirable because it might result in fragmented and uncoordinated phone service and wasteful duplication of facilities.

Whether or not we agree with these assumptions, we must realistically anticipate that the telephone monopoly will be with us for the foreseeable future. However, monopoly power in this industry, as in any market, carries the threat of abuse. In free markets, competition should have the beneficial effect of restraining the largest firm from exploiting their market power. But when there is no effective competition—either because of excessive concentration, oligopoly structure, or agreement—government regulation is necessary to prevent the abuse of monopoly power. That is why we need effective regulation of telephone service and certain other aspects of our economy.

President Ford and other Administration spokesmen have taken to the hustings calling loudly for "regulatory reform." I firmly agree that reform of a number of our regulatory agencies deserves the highest priority. However, when the President speaks of "reform," he almost always means deregulation. I am truly disturbed by the failure of the Administration to recognize that the public interest requires continued regulation of many activities because market forces are inadequate to do the job. The Bell System is a perfect example of what I mean. It provides an essential service that people would, of necessity, use regardless of the rates charged. The company is not restrained by price competition from other telephone companies. In the absence of government regulation nothing would prevent Bell from charging exorbitant rates and enjoying excessive profits.

Similar problems exist in other areas of regulation. Let's consider, for example, unsafe consumer products. The marketplace is an inadequate mechanism to protect consumers from injury by unsafe products. Since safety is a dimension that is generally invisible to the untrained consumer, many producers sacrifice safety to reduce price. Experience shows that unsafe products are not driven off the market by lack of consumer acceptance, and each year 20 million Americans are injured in accidents associated with them. To fill the breach, Congress established a Consumer Product Safety Commission with the responsibility of eliminating unsafe products from the marketplace. A loosening of Federal regulation in the area of product safety would once again leave the consumer defenseless against hazardous products. This is only one example of needed regulation because market forces inadequately protect the public interest. Diminished legislative authority is also unwarranted in the areas of auto safety, environmental and health regulation.

The Administration has oversimplified the regulatory problem and even put out misleading information. For example, the Office of Management and Budget issued a paper stating that the cost of Federal regulation and private restrictive practices is $130 billion annually. This figure is suspect. At the request of our Subcommittee, the General Accounting Office did a study of the OMB paper, and it is critical of OMB's conclusions and methodology. First of all, the OMB only considered the gross costs associated with regulation. No estimate was made of the net cost—that is, the true cost borne by the taxpayers after the benefits have been calculated. GAO likens the OMB approach to a corporation's "issuing an annual report which lists the corporate expenses in its summary statement but neglects to report corporate revenues." This is symptomatic of the Administration's attitude toward regulation—measure only the costs, ignore the benefits.

For example, OMB asserted that the cost to consumers of occupational health and safety regulation is $3.5 billion annually. No account is taken of the fact that consumers are paying fewer medical bills because safety regulations have reduced job-related injuries and illnesses. Nor does OMB consider the benefits to the national economy from workers enjoying longer, more productive careers.

Similarly, the Administration's paper reports only the gross costs of Federally-mandated auto safety devices. OMB makes no attempt to estimate the savings achieved because of the prevention of accidents and injuries.

As a further general criticism, the GAO also found that the Administration's study was based, in part, on obsolete information and contained misrepresentations of conclusions reached in certain sources. The Administration's $130 billion figure may, in fact, be overstated by $69 billion or more.

I believe strongly that the President's enthusiasm for sweeping deregulation is misguided. Economic competition should be allowed to work where it can. For example, in those industries regulated by the Interstate Commerce Commission and the Civil Aeronautics Board, more price competition and less price regulation would be to the public benefit. But government intervention in many areas is absolutely necessary and our efforts should be directed not toward deregulation, but toward making the regulatory system work to protect the little guy.

Congress and the Administration must come to grips with a number of the problems that are undermining the current regulation effort. One acute problem at the Federal Communications Commission is its miniscule budget. For fiscal year 1976, the President's appropriation request for the FCC was less than $40 million and Congress appropriated $50 million. In contrast, AT & T enjoys annual revenues in excess of $26 billion. How can the FCC regulate AT & T in the face of this enormous disparity in resources? Similarly, does AT & T or any other business enterprise want to be subject to regulation by an inadequately staffed, ineffective federal agency? I think not, since the effect is often excessive delay, uninformed decision, and ultimately public outrage.

Another problem that has plagued the regulatory agencies, including the FCC, is the failure of recent Administrations to make quality appointments to the various Commissions. It is imperative that occupants of the White House consider the regulatory agencies guardians of the public trust—not depositories for defeated politicians or platforms for expressing industry views. Successive Presidents have appointed as Commissioners men and women with overly close ties to the industries they are supposed to be regulating. Expertise is necessary, but I believe that the conflict of interest problem must be given much more attention. I hope we will be hearing something on this from the President soon.

I am also concerned that the proceedings of many agencies are unnecessarily protracted because of outdated and ill-advised procedural rules and statutes. The organization and operations of each agency must be reviewed in detail with an eye toward streamlining their proceedings. Our Subcommittee on Oversight and Investigations is presently engaged in such a review.

As we consider regulatory reform, it is worth remembering that, in most markets, vigorous competition is a better regulator than any government agency. There are certain things that simply cannot be accomplished by regulation. Judge Wyzanski once observed that "a quiet life is the chief reward of monopoly power." This is often true of corporations insulated from competition by government regulation. Government action can prevent a firm from reaping excessive profits, but poor regulation may guarantee that even the most inefficient and stagnant firms will prosper. Competition will often induce a firm to innovate and take risks. Regulation may not. The record of AT&T is testament to the fact that monopoly power and regulation are not always conducive to technical progress. While the Bell laboratories have certainly engaged in important research and have developed many new products, AT&T did not, of its own volition, pioneer the technology for communications satellites, microwave relay systems or telephone interconnection equipment. Only after firms such as yours began a legal and economic challenge to the Bell System was significant technical progress made in these fields.

We must be careful, therefore, to limit the scope of regulation and legalize monopoly to those parts of an industry where the public interest is, in fact, better served by regulation than by competition. We can, for instance, enjoy the advantages of a single, integrated telephone system without sacrificing the benefits of competition in the telephone equipment industry. On the other hand, the question of permitting competition for private telephone lines to eliminate from the Bell System its most profitable elements leaving AT&T to serve only the individual consumer at potentially higher rates, is a much more difficult issue.

Ultimately, I believe it must be resolved by the Congress. In general, however, regulatory barriers to competition in this industry should be eliminated and the antitrust laws should be enforced against any attempt to restrict competition. We must also be vigilant against the possibility that the dominant producer will use profits from its telephone service monopoly to subsidize competition in the equipment market. This problem is particularly complicated because of the division of ratemaking responsibility between State and Federal agencies.

Competition in many industries remains unnecessarily fettered. I think the recent amendments to the securities laws, which I sponsored, provide an excellent example of an industry, the stock brokerage business, which will undoubtedly prosper through competition. Turning to the FCC, I am distressed that it has not yet established technical standards for interconnection equipment. Until standards are developed, your competition will control the terms on which you compete.

Congress must proceed with a program of regulatory reform that will bring about substantial improvements in agency performance, but in proceeding with regulatory reform, it is important to remember that the Federal agencies were established to deal with genuine grievances experienced by consumers and competitors. While we should recognize and eliminate the defects in our agencies, we must not forget that, despite its flaws, effective government regulation is most certainly preferable to allowing our economy to be regulated by Big Business. As we seek to increase the effectiveness of our regulatory systems, I believe the Congress will remain committed to placing great reliance on vigorous competition.

Thank you.

FARMERS FEEL RAIL ABANDONMENT PINCH

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MILLER of Ohio. Mr. Speaker, the issue of rail reorganization throughout the Northeast and Midwest must be of concern to all of us. The far-reaching impact of the Regional Rail Reorganization Act will be felt by every segment of our economy. Soon the Congress will have to consider legislation to amend the Reorganization Act, and in the process of that deliberation I hope every Member of the House and Senate will consider very carefully the effect of abandonments upon the farmer.

This issue was the subject of a November 24, 1975, article in the Journal of Commerce and Commercial. I include this article for the interest of my colleagues:

[From the Journal of Commerce and Commercial, Nov. 24, 1975]

Rail Abandonments Hurting U.S. Farmers

(By Stanley Mantrop)

New Orleans.—Rail line abandonments in many of the nation's key farm belts are posing a serious problem for growers seeking to market at home and abroad and are adding to the transportation woes already confronting the agri-business industry.

This was the message left with the Council of State Governments, a nationwide organization which has just concluded a year-long study of transportation problems facing the rural areas of the United States.

The council's agricultural committee was informed also by the influential 15-state Southern United States Trade Association (SUSTA), recently formed to funnel Dixie farm products into foreign markets, that ocean shipping rates were posing a major problem for the farmers.

SUSTA executive director, Herbert Stone, told the council that ship charter rates can make or break the sale for a number of commodities.

"When U.S.-flag lines are competitive with foreign-flag lines, U.S.-flag preference is strongly recommended," said Mr. Stone. "However, if high union labor rates price them out of the market, then it is incumbent on SUSTA to inform our exporters of the lowest possible freight rates available so our shippers can deliver their products at competitive prices."

On future SUSTA ocean shipping policies, Mr. Stone told the council if it boils down to a matter of loyalty, our loyalty lies with the whipping boy of the past, the American farmer.

The council session which attracted delegates, including governors, from several parts of the United States, was informed that the rail line abandonments were leaving a large segment of the rural area without adequate transportation to reach even domestic markets, and was urged to seek methods to halt the practice before some areas were completely cut off.

Illinois Central Gulf Railroad president, Alan S. Boyd, and one-time transportation secretary, told the council, the nation's railroad problem can no longer be confined to the northeast area, but has become a national problem.

He said: "There are no walls along the Ohio and Mississippi rivers which can contain the problem in the Northeast."

Mr. Boyd urged the states to take positive action in their own areas to help resolve the rail transportation problem, calling on the states to become active in federal rail policies, and to help eliminate financial restrictions against the rail carriers in the state level.

State representatives agreed to seek ways to halt the rail abandonments, now estimated at more than 1,000 miles annually.

Iowa's Gov. Robert D. Ray told the council his state was seriously hit by track abandonments, but was able to partially resolve the situation by a community financing plan with the railroads which enabled the state to upgrade some of the badly deteriorated and lightly used lines, attract new shippers, and making it more profitable for the carriers to operate profitably in the rural areas.

It's working to everyone's advantage," Governor Ray said, "the shippers are happy. They have rail service they didn't have before, and they are committed to using it instead of going on as they had previously, and the railroads are getting trackage that is not only upgraded but which allows use of the track for a profit, and the government is not having to build roads it might otherwise be compelled to do."—

SUSTA executives also informed the council "the export market can no longer be considered an extra business, but is now a matter of survival."—

SUSTA President S. Mason Carbaugh, Virginia commissioner of agriculture, said the outlook for next year's farm exports were brighter than ever before.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Gaydos (at the request of Mr. O'Neill), for this week, on account of illness.

Mr. Hagedorn (at the request of Mr. Rhodes), for December 1, 2, and 3, on account of a broken leg.

Mr. Pepper (at the request of Mr. Taylor of North Carolina), for today, on account of official business.

Mr. Sarasin (at the request of Mr. Rhodes), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. Smith of Nebraska), to revise and extend their remarks, and to include extraneous matter:)

Mr. Kemp, for 30 minutes, today.

Mr. Miller of Ohio, for 10 minutes, today.

Mr. Jeffords, for 10 minutes, today.

(The following Members (at the request of Mr. Howe), to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today

Mr. Rostenkowski, for 5 minutes. today.

Mr. Thompson, for 5 minutes, today.

Mr. O'Neill, for 5 minutes, today.

Mr. Montgomery, for 5 minutes, today.

Mr. Leggett, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Drinan, for 30 minutes, today.

Mr. McKay, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. O'Neill, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,787.50.

(The following Members (at the request of Mrs. Smith of Nebraska) and to include extraneous matter:)

Mr. Heinz.

Mr. Kemp in three instances.

Mr. Young of Florida in five instances.

Mr. Cleveland in two instances.

Mr. Hutchinson.

Mr. Buchanan in two instances.

Mr. Dickinson.

Mr. Horton.

Mr. Whitehurst.

Mr. Derwinski.

Mr. Symms.

Mr. Lent.

Mr. Steiger of Arizona.

Mrs. Smith of Nebraska.

(The following Members (at the request of Mr. Howe) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Annunzio in six instances.

Mr. Anderson of California in three instances.

Mr. Sisk.

Mrs. Lloyd of Tennessee in six instances.

Mr. Seiberling in 10 instances.

Mr. Rangel in 10 instances.

Mr. Dodd in two instances.

Mr. Brodhead.

Mr. Bingham in 10 instances.

Mr. Jenrette.

Mr. Edgar.

Mr. Harrington in two instances.

Mr. Hamilton.

Mr. Breckinridge.

Mr. Traxler.

Mr. O'Neill.

Mr. McDonald of Georgia in two instances.

Mr. Alexander.

Mr. Florio.

Mr. Zablocki in three instances.

Mr. Wirth.

Mr. Rosenthal in 10 instances.

Mr. Rees.

Mr. Reuss in two instances.

SENATE BILL REFERRED

A Bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 698. An act requiring the Secretary of Agriculture to convey certain lands to Mr. and Mrs. Pat Clark of Las Vegas, Nev.; to the Committee on Interior and Insular Affairs.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2343. An act to designate the new Forest Service laboratory at Auburn, Ala., as the "George W. Andrews Forestry Sciences Laboratory".

H.R. 3922. An act to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such Act, to prohibit discrimination on the basis of age, and for other purposes; and

H.R. 9472. An act to amend section 15d of the Tennessee Valley Authority Act of 1963 to increase the amount of bonds which may be issued by the Tennessee Valley Authority, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on November 21, 1975 present to the President, for his approval, bills of the House of the following title.

H.R. 12. An act to amend title 3, United States Code, to provide for the protection of foreign diplomatic missions, to increase the size of the Executive Protective Service, and for other purposes.

H.R. 2343. An act to designate the new Forest Service laboratory at Auburn, Ala., as the "George W. Andrews Forestry Sciences Laboratory".

H.R. 3922. An act to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such Act, to prohibit discrimination on the basis of age, and for other purposes.

H.R. 8841. An act to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and for other purposes.

H.R. 9472. An act to amend section 15d of the Tennessee Valley Authority Act of 1963 to increase the amount of bonds which may be issued by the Tennessee Valley Authority, and for other purposes.

ADJOURNMENT

Mr. HOWE. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 53 minutes p.m.), the House adjourned until tomorrow, Tuesday, December 2, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[*Omitted from the Record of November 14, 1975*]

2091. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed additional criteria for selection of applications under the program of support for Vocational Education Curriculum projects for fiscal year 1976, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

[*Submitted December 1, 1975*]

2092. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period November 15, 1975, through February 15, 1976, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

2093. A letter from the Director, Central Intelligence Agency, transmitting a draft of proposed legislation to amend the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended, and for other purposes; to the Committee on Armed Services.

2094. A letter from the Director of Selective Service, transmitting his semiannual report for the period ended June 30, 1975, pursuant to section 10(g) of the Military Selective Service Act; to the Committee on Armed Services.

2095. A letter from the Acting Assistant Administrator of General Services, transmitting a report on the strategic and critical materials stockpiling program for the 6 months ended June 30, 1975, pursuant to section 4 of the Strategic and Critical Materials Stock Piling Act; to the Committee on Armed Services.

2096. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report covering the quarter ended September 30, 1975, on the export expansion facility program, pursuant to Public Law 90–390; to the Committee on Banking, Currency and Housing.

2097. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the Corporation's annual report for calendar year 1974, pursuant to section 17(a) of the Federal Deposit Insurance Act; to the Committee on Banking, Currency and Housing.

2098. A letter from the Chairman, Architectural and Transportation Barriers Compliance Board, transmitting a report on the housing needs of handicapped individuals, pursuant to section 502(g) of Public Law 93–112; to the Committee on Banking, Currency and Housing.

2099. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 1–64, "To provide for access to all duly licensed clinical psychologists without prior referral in private health plans," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2100. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 1–67, "To amend the District of Columbia Teachers' Leave Act of 1949 to authorize the eligibility of temporary salary class 15 employees for advanced additional leave, and for other purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2101. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 1–68, "To amend the Housing Regulations of the District of Columbia Regarding Security Deposits for Rentals," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2102. A letter from the Secretary of Health, Education, and Welfare, transmitting his response to the resolution of the House (House Resolution 718) requesting certain information concerning the busing of schoolchildren to achieve racial balance; to the Committee on Education and Labor.

2103. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed regulations governing the implementation of amendments effective in fiscal year 1976 for the financial assistance in federally affected areas (Impact Aid) program under Public Law 81–874, as amended by Public Law 93–380, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2104. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed regulations governing the national reading improvement program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2105. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed criteria for the selection of applications for fiscal year 1976 in the educational opportunity centers program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2106. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed regulations governing the Office of Education's career education program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2107. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed amendments to the regulations governing the program of assistance to States for education of handicapped children, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2108. A letter from the Assistant General Counsel, Securities and Exchange Commission, transmitting notice of a proposed change in the Commission's name-relationship index system, pursuant to 5 U.S.C. 552a (o); to the Committee on Government Operations.

2109. A letter from the Executive Director, Committee for Purchase from the Blind and Other Severely Handicapped, transmitting a proposed change in the committee's system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2110. A letter from the Director of Territorial Affairs, Department of the Interior, transmitting the annual report on activities under the Guam Development Fund Act of 1968 for fiscal year 1975, pursuant to section 6 of Public Law 90-601; to the Committee on Interior and Insular Affairs.

2111. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of Australia for permission to sell certain U.S.-origin military equipment to the Government of Nigeria, pursuant to section 3(a) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

2112. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate J. Vincent Learson and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

2113. A letter from the Administrator, Agency for International Development, Department of State, transmitting notice of the agency's intention to obligate funds from the Middle East Special Requirements Fund for Sinai surveillance stations for Israel and Egypt and for private voluntary agency projects in the occupied West Bank of Jordan and Gaza, pursuant to section 903(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

2114. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112 (b) of Public Law 92–403; to the Committee on International Relations.

2115. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report of the National Institute on Alcohol Abuse and Alcoholism for fiscal year 1974; to the Committee on Interstate and Foreign Commerce.

2116. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the study of legal barriers to the effective delivery of medical care under emergency conditions, pursuant to section 4 of Public Law 93–154; to the Committee on Interstate and Foreign Commerce.

2117. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to revise title VII of the Public Health Service Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

2118. A letter from the Director, Council on Wage and Price Stability, Executive Office of the President, transmitting the Council's comments on the proposed criteria and procedures for making route and service decisions of the Board of Directors of the National Railroad Passenger Corporation; to the Committee on Interstate and Foreign Commerce.

2119. A letter from the Administrator, Federal Energy Administration, transmitting a report on the sale of propane by domestic refiners and independent marketers between January 1972, and December 1974, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

2120. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in market shares for petroleum products during the months of July and August 1975, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

2121. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

2122. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the Federal Fire Prevention and Control Act of 1974; to the Committee on Science and Technology.

RECEIVED FROM THE COMPTROLLER GENERAL

2123. A letter from the Deputy Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during October 1975, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

2124. A letter from the Comptroller General of the United States, transmitting a report on the progress, problems, and challenges the Secretary of Defense and the Administrator of General Services must face to increase the effectiveness of the item entry program and to meet the objective of using items already in the logistics system rather than introducing similar items; jointly, to the Committees on Armed Services and Government Operations.

2125. A letter from the Comptroller General of the United States, transmitting a report on the impact on U.S. readiness of emergency support by the Department of Defense of U.S. allies; jointly, to the Committees on Government Operations and Armed Services.

2126. A letter from the Comptroller General of the United States, transmitting a report on how effectively health maintenance organizations and community health networks utilize their grants and ways to improve such activities; jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

2127. A letter from the Comptroller General of the United States, transmitting a report on factors to be considered in establishing a national policy for funding inland waterways improvements and operations and in considering proposals for imposition of waterways user charges; jointly to the Committees on Government Operations, and Public Works and Transportation.

2128. A letter from the Comptroller General of the United States, transmitting a report on the need to improve the management of the civilian health and medical program of the uniformed services; jointly, to the Committees on Government Operations, Armed Services, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on November 20, 1975, the following report was filed on November 21, 1975*]

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 6721. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; with amendment (Rept. No. 94–681). Referred to the Committee of the Whole House on the State of the Union.

[*Pursuant to the order of the House on November 20, 1975, the following reports were filed on November 25, 1975*]

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 1747. A bill to authorize an exchange of lands for an entrance road at Guadalupe Mountains National Park, Tex., and for other purposes (Rept. No. 94–683). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 9883. A bill to amend the joint resolution approved December 28, 1973, providing for the establishment of the Lyndon Baines Johnson Memorial Grove on the Potomac, and for other purposes; with amendment (Rept. No. 94–684). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 267. An act to designate the Flat Tops Wilderness, Routt and White River National Forests, in the State of Colorado; with amendment (Rept. No. 94–685). Referred to the Committee of the Whole House on the State of the Union.

Mr. EDWARDS of California: Committee on the Judiciary. H.R. 10624. A bill to revise chapter IX of the Bankruptcy Act; with amendment (Rept. No. 94–686). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on November 20, 1975, the following report was filed on November 25, 1975.*]

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 4941. A bill for the relief of Oscar H. Barnett, (Rept. No. 94–686). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOWEN (for himself and Mr. COCHRAN):

H.R. 10890. A bill to establish improved programs for the benefit of producers and consumers of rice; to the Committee on Agriculture.

By Mr. BRINKLEY:

H.R. 10891. A bill to provide for the payment of additional station per diem allowances in the case of members of the uniformed services captured during the Vietnam war; to the Committee on Armed Services.

By Mr. BURLESON of Texas (for himself, Mr. BALDUS, Mr. FLORIO, Mrs. HECKLER of Massachusetts, Mr. KASTEN, Mr. MCCOLLISTER, Mr. PIKE, and Mr. SMITH of Iowa):

H.R. 10892. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. CRANE (for himself, Mr. BROYHILL, Mr. BAUMAN, Mr. BEVILL, Mr. ROE, Mr. DAN DANIEL, Mr. LUJAN, Mr. D'AMOURS, Mr. TREEN, Mr. MILLER of Ohio, Mr. KINDNESS, Mr. BIAGGI, Mr. ABDNOR, Mr. DEL CLAWSON, Mr. SIMON, Mr. ROBINSON, Mr. CHARLES WILSON of Texas, Mr. EILBERG, and Mr. KEMP):

H.R. 10893. A bill to limit U.S. contributions to the United Nations; to the Committee on International Relations.

By Mr. CRANE (for himself, Mr. DICKINSON, Mr. LOTT, Mr. BUCHANAN, Mr. PATTISON of New York, Mr. ICHORD, Mr. SIKES, Mr. VANDER JAGT, Mr. D'AMOURS, and Mr. EDWARDS of Alabama):

H.R. 10894. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

By Mr. CRANE (for himself, Mr. COLLINS of Texas, Mr. HANSEN, Mr. DICKINSON, Mr. DINGELL, Mr. BAFALIS, Mr. ROBINSON, Mr. MADIGAN, Mr. KETCHUM, Mr. ROUSSELOT, Mr. STEIGER of Arizona, and Mr. ERLENBORN):

H.R. 10895. A bill to amend title 39, United States Code, to eliminate certain provisions relating to private carriage of letters, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CRANE (for himself, Mrs. HOLT, Mr. GRASSLEY, and Mr. CHARLES WILSON of Texas):

H.R. 10896. A bill to amend the Congressional Budget Act of 1974 to require that the first congressional budget resolution each year fix ceilings on budget outlays and new budget authority which must be met for the coming fiscal year (instead of only setting forth flexible targets as under present law) and include 3-year budget projections, and to prohibit the consideration of any measure in the House or Senate if its enactment would result in total budget outlays or total budget authority in excess of the ceiling in effect under the most recently adopted congressional budget resolution; to the Committee on Rules.

By Mr. DOMINICK V. DANIELS (for himself and Mr. PHILLIP BURTON):

H.R. 10897. A bill to amend the Federal Metal and Nonmetallic Mine Safety Act; to the Committee on Education and Labor.

By Mr. DODD (for himself, Ms. ABZUG, Mr. BEARD of Rhode Island, Mr. BEDELL, Mr. BLANCHARD, Mr. COTTER, Mr. D'AMOURS, Mr. HARRINGTON, Mr. HELSTOSKI, Mr. MCKINNEY, Mr. MIKVA, Mr. MITCHELL of New York, Mr. MOSHER, Mr. NEDZI, Mr. NOWAK, Mr. OTTINGER, Mr. PATTISON of New York, Mr. RIEGLE, Mr. ROSTENKOWSKI, Mr. SARASIN, Ms. SPELLMAN, and Mr. JAMES V. STANTON):

H.R. 10898. A bill to amend title 38 of the United States Code relating to the recognition of representatives of the Polish Legion of American Veterans as claims agents for claims arising under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. EDGAR:

H.R. 10899. A bill to amend title 39, United States Code, to establish a special rate of postage for postal cards mailed to Members of the Congress by their constituents; to the Committee on Post Office and Civil Service.

By Mr. EDGAR (for himself, Ms. CHISHOLM, Mr. COUGHLIN, Mr. D'AMOURS, Mr. BAUCUS, Ms. ABZUG, Mr. REUSS, Mr. OTTINGER, Mr. NIX, Mr. STARK, Mr. FISHER, and Mr. BROWN of California):

H.R. 10900. A bill to provide for certain additions to the Tinicum National Environmental Center; to the Committee on Merchant Marine and Fisheries.

By Mr. EILBERG:

H.R. 10901. A bill to amend the Uniform Time Act of 1966 to extend daylight savings time to the first Sunday after election day in November; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN of Pennsylvania:

H.R. 10902. A bill relating to the income tax treatment of securities which are acquired for business reasons and not as an investment; to the Committee on Ways and Means.

H.R. 10903. A bill to repeal percentage depletion on oil and gas royalties; to the Committee on Ways and Means.

By Mr. GUDE:

H.R. 10904. A bill to require the payment of interest by Federal agencies on overdue contract payments, to amend the Office of Federal Procurement Policy Act, and for other purposes; to the Committee on Government Operations.

H.R. 10905. A bill to amend the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act; to the Committee on Public Works and Transportation.

By Mr. HARRINGTON:

H.R. 10906. A bill to extend for 2 years the authorization for the emergency job programs under title VI of the Comprehensive Employment and Training Act of 1973; to the Committee on Education and Labor.

By Mr. HARRINGTON (for himself, Mr. ANDERSON of California, Mr. BADILLO, Mr. BEARD of Rhode Island, Mr. BRODHEAD, Ms. BURKE of California, Ms. COLLINS of Illinois, Mr. DE LUGO, Mr. EDGAR, Mr. EILBERG, Mr. FORD of Tennessee, Mr. HAWKINS, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. MILLER of California, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOORHEAD of California, Mr. NIX, Mr. PATTISON of New York, Mr. SANTINI, Mr. TREEN, Mr. WHITEHURST, Mr. WOLFF, and Mr. ZEFERETTI):

H.R. 10907. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals with permanently handicapped children for amounts contributed to a trust fund which is to be used for the care and support of such child; to the Committee on Ways and Means.

By Mr. HEINZ:

H.R. 10908. A bill to establish, within the medicare system, a special program of long term care services for individuals covered under part B of medicare, receiving SSI benefits, or eligible to enroll under part B of medicare; to establish special Federal, and provide for the establishment of special such programs; and for other purposes; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. JONES of Alabama (by request):

H.R. 10909. A bill to amend the Interstate Commerce Act, as amended, to increase efficiency and competition and to reduce costs in the motor carrier industry by allowing easier entry and greater price flexibility and by removing excessive and wasteful regulation, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. KARTH:

H.R. 10910. A bill to amend the Congressional Budget Act of 1974 to establish in the Congress a zero-base budgeting process, with full congressional review of each Federal program at least once every 6 years; to the Committee on Rules.

By Mr. KARTH (for himself, Mr. MCDADE, and Mr. JAMES V. STANTON):

H.R. 10911. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Public Works and Transportation.

By Mr. KASTENMEIER (for himself, Mr. STEELMAN, and Mr. SEBELIUS):

H.R. 10912. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; jointly, to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. KEMP (for himself, Mr. BURGENER, Mr. SCHULZE, Mrs. SMITH of Nebraska, and Mr. STEIGER of Arizona):

H.R. 10913. A bill to accelerate the formation and accumulation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy; to the Committee on Ways and Means.

By Mr. MARTIN:

H.R. 10914. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 10915. A bill to amend section 8336 (c), United States Code so that Federal Mine Inspectors will be eligible for hazardous duty retirement annuities; to the Committee on Post Office and Civil Service.

By Mr. RANGEL:

H.R. 10916. A bill to change the name of the J. Edgar Hoover F.B.I. Building; to the Committee in Public Works and Transportation.

By Mr. RICHMOND:

H.R. 10917. A bill to amend the Internal Revenue Code of 1954 to deny electric and gas utilities a deduction for amounts paid or incurred by such utilities to advertise or promote the sale or use of electricity or gas, and for other purposes; to the Committee on Ways and Means.

By Mrs. SCHROEDER:

H.R. 10918. A bill to designate the name of the new Federal building in the District of Columbia which is erected to house the Federal Bureau of Investigation; to the Committee on Public Works and Transportation.

H.R. 10919. A bill to prohibit the designation of buildings controlled by the United States by the names of persons who are living, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. STUDDS (for himself, Ms. BURKE of California, Mr. REES, and Mr. VANDER VEEN):

H.R. 10920. A bill to establish a uniform and comprehensive legal regime governing liability and compensation for damages and cleanup costs caused by oil pollution, and for other purposes; jointly to the Committees on Public Works and Transportation, and Merchant Marine and Fisheries.

By Mr. THONE:

H.R. 10921. A bill to establish a national policy for the prevention of unreasonable or excessive costs to consumers from Government programs and for priority consideration of proposals that can be expected to provide greater benefits in relation to costs to consumers, to require preparation of a consumer cost assessment for proposals for legislation or regulations which may have a significant impact on costs to consumers and for other purposes; to the Committee on Government Operations.

By Mr. CHARLES H. WILSON of California, (for himself, Mr. REES, Mr. NIX, Mr. CLAY, Mrs. SCHROEDER, Mr.

Brodhead, Mr. Simon, Mr. Hinshaw, and Mr. Beard of Tennessee):

H.R. 10922. A bill to amend title 39, United States Code, to require the furnishing of certain information in connection with the solicitation of charitable contributions by mail, and for other purposes; to the Committee on Post Office and Civil Services.

By Mr. WHITEHURST (for himself, Mr. Badillo, Mr. Beard of Rhode Island, Ms. Chisholm, Mr. Edgar, Mr. Frenzel, Mr. Harrington, Mr. Lloyd of California, Mr. Rodino, Mr. Scheuer, Ms. Spellman, Mr. Wirth, and Mr. Yates):

H.R. 10923. A bill to require the Secretary of the Interior to make a comprehensive study of the wolf for the purpose of developing adequate conservation measures; to the Committee on Merchant Marine and Fisheries.

By Mr. YOUNG of Florida (for himself, Mr. Ford of Michigan, and Mr. Charles H. Wilson of California):

H.R. 10924. A bill to amend part A of title XVIII of the Social Security Act to freeze the inpatient hospital deductible under the medicare program at its 1975 level; to the Committee on Ways and Means.

By Mr. MAHON:

H.J. Res. 733. Joint resolution making further continuing appropriations for the fiscal year 1976, and for other purposes; to the Committee on Appropriations.

By Mr. CRANE (for himself, Mr. Charles Wilson of Texas, Mr. Sikes, Mr. Coughlin, and Mr. D'Amours):

H.J. Res. 734. Joint resolution to proclaim the right of the Portuguese people to determine their form of government through free elections; to the Committee on International Relations.

By Mr. TEAGUE:

H.J. Res. 735. Joint resolution to authorize the erection of a memorial on public grounds in the District of Columbia, or its environs, in honor and commemoration of members of the Armed Forces of the United States who served in the Vietnam war; to the Committee on House Administration.

By Mr. WHITEHURST (for himself, Mr. Badillo, Mr. Beard of Rhode Island, Ms. Chisholm, Mr. Edgar, Mr. Harrington, Mr. Lloyd of California, Mr. Rodino, Mr. Scheuer, Ms. Spellman, Mr. Wirth, and Mr. Yates):

H.J. Res. 736. Joint resolution calling for an immediate moratorium on the killing of the eastern timber wolf; to the Committee on International Relations.

By Mr. WHITEHURST (for himself and Mr. Wright):

H.J. Res. 737. Joint resolution requesting the President to proclaim the second week of May as Municipal Clerks' Week; to the Committee on Post Office and Civil Service.

By Mr. RINALDO:

H. Con. Res. 494. Concurrent resolution expressing the sense of Congress that the signing in Helsinki of the Final Act of the Conference on Security and Cooperation in Europe did not change in any way the longstanding policy of the United States on nonrecognition of the Soviet Union's illegal seizure and annexation of the three Baltic nations of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. MATHIS (for himself, Mr. Gonzalez, Mr. Mikva, Mr. Nolan, and Mr. Rangel):

H. Con. Res. 495. Concurrent resolution with respect to the freedom of the Republic of China and its people; to the Committee on International Relations.

By Mr. DELANEY:

H. Res. 893. Resolution to direct the Committees on Appropriations and International Relations to begin immediate study of the present relationship of the United States to the United Nations and report their recommendations to the Speaker of the House within 3 months; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. LEGGETT introduced a bill (H.R. 10925) for the relief of Kwi Bok Kim, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

312. By the SPEAKER: Petition of Barry Dale Holland, Portsmouth, Va., relative to creating a national social service organization; to the Committee on Education and Labor.

313. Also, petition of Shiawassee County Board of Commissioners, Corunna, Mich., relative to Federal revenue sharing; to the Committee on Government Operations.

314. Also, petition of Culpeper County Board of Supervisors, Culpeper, Va., relative to Federal revenue sharing; to the Committee on Government Operations.

315. Also, petition of the village council of Richfield, Ohio, relative to Federal revenue sharing; to the Committee on Government Operations.

316. Also, petition of the Quapaw Tribal Business Committee, Quapaw Tribe, Quapaw, Okla., relative to legislation proposing organizational changes involving the Bureau of Indian Affairs; to the Committee on Interior and Insular Affairs.

317. Also, petition of David Cheatham, Pine Bluff, Ark., and others, relative to United Nations' resolution on Zionism; to the Committee on International Relations.

318. Also, petition of the city council, Tamarac, Fla., relative to the United Nations' resolution on Zionism; to the Committee on International Relations.

319. Also, petition of the Men's Club of the Jewish Community Center of West Hempstead, N.Y., relative to the United Nations resolution on Zionism; to the Committee on International Relations.

320. Also, petition of Schenectady County League of Women Voters, Schenectady, N.Y., relative to United Nations' resolution on Zionism; to the Committee on International Relations.

321. Also, petition of Cecil D. Penn, Elsinore, Calif., and others relative to the U.S. membership in the United Nations; to the Committee on International Relations.

322. Also, petition of the Osage Tribal Council, Osage Tribe, Pawhuska, Okla., relative to the proposed Energy Conservation and Oil Policy Act of 1975; to the Committee on Interstate and Foreign Commerce.

323. Also, petition of the Bethany Convent, St. Paul, Minn., relative to admitting Angela Garza to permanent residence in the United States; to the Committee on the Judiciary.

324. Also, petition of Allan Goodman Kaplan, Paterson, N.J., relative to redress of grievances; to the Committee on the Judiciary.

325. Also, petition of the National Association of State Directors for Disaster Preparedness, St. Louis, Mo., relative to coordinating disaster preparedness; to the Committee on Public Works and Transportation.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of November 18, 1975 (page 37095):

H.R. 10000. October 2, 1975. Judiciary. Confers jurisdiction upon the United States District Court for the district of New Hampshire to hear, determine, and render judgment on a certain tort claim filed against the United States.

H.R. 10001. October 2, 1975. Judiciary. Restores specified rights to a certain individual having a criminal conviction.

H.R. 10002. October 3, 1975. Government Operations. Amends the Privacy Act of 1974 to allow agencies to disclose records to any Member of either House of Congress without the prior consent of the person to whom the record pertains.

H.R. 10003. October 3, 1975. Armed Services. Prohibits the person who holds the position of Secretary of State from holding simultaneously any position supervising, directing, or controlling the staff of the National Security Council.

H.R. 10004. October 3, 1975. Post Office and Civil Service. Declares that persons living in rural areas who do not receive postal delivery service shall be provided with the use of a rent-free postal lock box.

H.R. 10005. October 3, 1975. Interstate and Foreign Commerce; Science and Technology. Directs the Administrator of the Environmental Protection Agency, with the assistance of other agencies, to determine the effects on public health and the environment of the discharge of chlorofluoromethane into the ambient air.

Prohibits, subject to such determination, the introduction into commerce of any aerosol spray container which discharges chlorofluoromethane into the ambient air. Establishes criteria for the licensing of manufacturers and importers of chlorofluoromethane.

H.R. 10006. October 9, 1975. Banking, Currency and Housing. Amends the Emergency Loan Guarantee Act to permit the Emergency Loan Guarantee Board to guarantee bonds to States and municipalities. Extends the termination date of the Emergency Loan Guarantee Act.

H.R. 10007. October 3, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to authorize the use of ad valorem taxes as a user charge system.

H.R. 10008. October 3, 1975. Interior and Insular Affairs. Allows States or localities to elect to receive payments from the Secretary of the Interior based on the amount of certain public lands within the boundaries of such governmental units in lieu of the sum of amounts made available to the States and localities under various provisions of law governing such public lands.

H.R. 10009. October 3, 1975. Judiciary; Standards of Official Conduct. Requires candidates for Federal office, Members of Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 10010. October 3, 1975. Agriculture. Amends the Food Stamp Act of 1964 by revising the eligibility requirements for participation in the program.

Requires each State to develop and submit to the Secretary of Agriculture for approval a State quality control plan specifying what actions will be taken to meet error tolerance goals established by the Secretary for administration and control of the food stamp program.

H.R. 10011. October 3, 1975. Merchant Marine and Fisheries. Authorizes appropriations to the Secretary of the Interior for the repair and restoration of a certain road in the St. Marks National Wildlife Refuge in Florida.

H.R. 10012. October 3, 1975. Interior and

Insular Affairs. Revises the boundaries of the Manassas National Battlefield Park in Virginia. Authorizes the Secretary of the Interior to acquire additional lands for the battlefield and to make minor revisions in the boundary. Establishes procedures to allow owners of property within the boundaries of the battlefield to retain a right of use and occupancy.

H.R. 10013. October 3, 1975. Science and Technology. Authorizes and directs the Secretary of Commerce to coordinate the establishment and operation of a program in the Federal Government for the collection, analysis, forecasting, modeling, and dissemination of data concerning past, present, and future climatic states, their fluctuations, and influence of man's activities on the process of climatic dynamics.

H.R. 10014. October 3, 1975. Ways and Means. Amends the Internal Revenue Code to exempt from tax any wager with respect to which (1) the winner is determined by the use of a punchboard, pulltab, or similar device; (2) the use of such device in making a wager is taxable by the State in which such use occurs; (3) the wager is not more than twenty-five cents; and (4) the maximum retail value of the possible winnings based on such wager is not more than fifty dollars.

H.R. 10015. October 3, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit for qualified savings and investments, and excludes from gross income certain capital gains.

Removes the undue hardship requirement for granting an estate tax extension. Allows a limited deduction from a gross estate for the decedents interest in a family farming operation.

Revises the corporate normal tax rates, increases the investment tax credit and increases the corporate surtax exemption.

Requires that a taxpayer's basis in property be varied by changes in the Consumer Price Index.

Establishes certain standards for employee stock ownership plan financing.

H.R. 10016. October 3, 1975. Veterans' Affairs. Increases from 10 to 15 years the delimiting period after which no educational assistance shall be afforded eligible veterans, certain wives of veterans, or the widows or orphans of veterans.

H.R. 10017. October 3, 1975. Judiciary. Requires life imprisonment for anyone who attempts to kill or kidnap any Member of Congress of Member-of-Congress-elect.

Stipulates penalties for the murder of an announced candidate for the office of President.

H.R. 10018. October 3, 1975. Education and Labor. Amends the Higher Education Act of 1965 to establish penalties for the furnishing of fraudulent information and for the misuse of funds connected with Federal student aid programs.

H.R. 10019. October 3, 1975. Post Office and Civil Service. Awards one preference point to National Guard and Armed Forces Reserve veterans applying for employment in the civil service.

H.R. 10020. October 3, 1975. Judiciary. Prescribes the death penalty for any person who murders the President of the United States.

Stipulates penalties for kidnapping or attempting to kill the President of the United States.

H.R. 10021. October 3, 1975. Standards of Official Conduct. Requires all Congressional offices to maintain a public register in which each lobbyist making a contact with such Member of Congress shall be required to report the date of the contact, the name of the lobbyist and his organization, and the views which are being promoted.

H.R. 10022. October 3, 1975. Interstate and Foreign Commerce. Directs the Federal Communications Commission to permit the use of certain double-sideband radio equipment until January 1, 1976

H.R. 10023. October 3, 1975. Government Operations. Amends the Privacy Act of 1974 to allow agencies to disclose records to any member of either House of Congress without the prior consent of the person to whom the record pertains.

H.R. 10024. October 3, 1975. Banking, Currency and Housing. Extends for two years the authority for the flexible regulation of interest rates on deposit and share accounts in depository institutions. Sets forth regulations with respect to the interest rate differentials on such accounts.

Directs the National Commission on Electronic Fund Transfers to make reports to certain Congressional Committees with respect to electronic fund transfer systems, monitoring of such systems, judicial decisions in this area, and recommendations for legislation and regulation.

Requires depository institutions within standard metropolitan statistical areas to make available to the public certain information regarding the number and total dollar amount of mortgage loans which were originated, or purchased by, that institution.

H.R. 10025. October 3, 1975. Interstate and Foreign Commerce. Extends appropriations for emergency medical services systems, under the Public Health Service Act.

Authorizes the Secretary of Health, Education, and Welfare to make certain additional grants for emergency medical service projects and to make grants and enter into contracts with eligible schools and training centers for training programs in the techniques and methods of providing emergency medical services.

H.R. 10026. October 3, 1975. Education and Labor. Requires the Bureau of Labor Statistics to publish a monthly cost of government index including information as to the amount of expenditures and receipts of State, Federal, and local governmental units.

H.R. 10027. October 3, 1975. Agriculture. Authorizes the Secretary of Agriculture to enter into cooperative agreements with public or private agencies, organizations, institutions, or persons to construct, operate, and maintain cooperative pollution abatement equipment and facilities; to engage in cooperative manpower and job training and development programs; to develop and publish cooperative environmental education and forest history materials; and to perform forest protection, maintenance, and improvement work in the National Forest System.

H.R. 10028. October 3, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to establish a catastrophic health insurance benefits program under which residents of the United States shall receive benefits in case of catastrophic illness. Replaces the medicaid program with a medical assistance plan for low-income people. Establishes a system of Federal certification of basic health insurance provided by private insurance carriers which meets certain specifications. Requires the Secretary to offer basic Federal health insurance to individuals residing in States in which no private health insurance program has received Federal certification.

H.R. 10029. October 3, 1975. Makes appropriations for military construction for the Department of Defense for fiscal year 1976 and the period ending September 30, 1976.

H.R. 10030. October 6, 1975. Ways and Means. Amends the Internal Revenue Code with respect to small business investment companies (1) to allow them to be investors in subchapter S corporations; (2) to exempt them from the passive investment income provisions; (3) to allow them to deduct certain loans and investments which shall be taxed on recapture; (4) to revise the means for computing their allowable bad debt reserve; (5) to allow corporations to deduct dividends paid on preferred stock held by such small business investment companies; and (6) to allow the special application of certain regulated investment company provisions to small business investment companies.

H.R. 10031. October 6, 1975. Banking, Currency and Housing. Extends for an additional two years certain provisions of the Defense Production Act of 1950.

Revises the consultative functions of the Attorney General and Federal Trade Commission under the Defense Production Act of 1950 concerning potential anticompetitive effects of voluntary agreements and programs undertaken pursuant to such Act. Directs the Attorney General and the Federal Trade Commission to promulgate jointly standards and procedures for the development and implementation of such agreements and programs.

H.R. 10032. October 6, 1975. Ways and Means. Amends the Social Security Act and the Internal Revenue Code to eliminate the provisions which presently exclude from coverage under the Old-Age and Survivors Insurance program any service performed by an individual in the employ of his or her spouse or by a child in the employ of his or her parent.

H.R. 10033. October 6, 1975. Post Office and Civil Service. States that it is the policy of Congress that Federal employees be encouraged to voluntarily participate in the political process. Sets forth guidelines for such participation. Establishes a Board on Political Activities of Federal Employees to hear and decide alleged violations of the guidelines set forth in this Act.

H.R. 10034. October 6, 1975. Ways and Means. Directs the President to reduce import duties on petroleum products in an amount equal to any increase in the price of such oil imposed by the Organization of Petroleum Exporting Countries during the remainder of 1975.

H.R. 10035. October 6, 1975. District of Columbia. Revises the District of Columbia Code to establish a judicial conference for the purpose of advising as to methods of improving the administration of justice within the District of Columbia.

H.R. 10036. October 6, 1975. Interstate and Foreign Commerce; Science and Technology. Amends the Solid Waste Disposal Act to expand research and development programs and to authorize the Administrator of the Environmental Protection Agency to make grants and guarantee loans for energy and resource recovery pilot plant and demonstration programs.

Includes provisions for grants and assistance to State, local, and interstate solid waste management and resource recovery programs.

H.R. 10037. October 6 1975. Interstate and Foreign Commerce; Science and Technology. Amends the Solid Waste Disposal Act to expand research and development programs and to authorize the Administrator of the Environmental Protection Agency to make grants and guarantee loans for energy and resource recovery pilot plant and demonstration programs.

Includes provisions for grants and assistance to State, local, and interstate solid waste management and resource recovery programs.

H.R. 10038. October 6, 1975. Ways and Means. Amends the Social Security Act by increasing the amount of outside income which an individual may earn without a reduction in Old-Age, Survivors, and Disability Insurance benefits. Revises the method of calculating the amount of allowable outside earnings.

H.R. 10039. October 6, 1975. Science and Technology. Directs the Secretary of Commerce to establish a weather modification research and development program to evaluate the necessity for and effects of weather modification activities. Prohibits individuals from engaging in weather modification activities without having obtained a permit from the Secretary.

Establishes requirements for State programs to regulate weather modification activities.

H.R. 10040. October 6, 1975. Education and Labor. Amends the Age Discrimination in Employment Act by extending the coverage of the Act to individuals sixty years of age or over.

H.R. 10041. October 6, 1975. District of Columbia. Amends the District of Columbia Self-Government and Governmental Regulations Act to delete all references to the National Capitol Service Area and to abolish the office of National Capitol Service Director.

Reestablishes certain areas surrounding the National Capitol as within the jurisdiction of the Commissioner of the District of Columbia.

H.R. 10042. October 6, 1975. Post Office and Civil Service. Stipulates that annual rates of pay for Members of Congress and the Vice President shall return to the rates in effect on September 30, 1975.

Amends the Federal Salary Act to delete Congress and the Vice-President from comparability pay studies for executive, judicial, and legislative officials.

H.R. 10043. October 6, 1975. Agriculture. Changes the method of determining the amount of timber receipts from harvesting in national forests to be made available for public schools and public roads where more than one jurisdiction is involved.

H.R. 10044. October 6, 1975. Judiciary. Includes bodies politic in the category of persons who may be sued for depriving any citizen of rights secured under the Constitution and laws of the United States.

H.R. 10045. October 6, 1975. Interior and Insular Affairs. Amends the Land and Water Conservation Fund Act of 1965 to authorize additional appropriations for preservation of outdoor recreation resources. Revises procedures for providing financial assistance to States.

Establishes a National Historic Preservation Fund from revenues collected from mining leases and leases on the Outer Continental Shelf. Authorizes the Secretary of the Interior to waive certain requirements in making grants to State historic preservation programs.

H.R. 10046. October 6, 1975. Interstate and Foreign Commerce. Directs the Federal Power Commission to take steps to assure the availability of natural gas to designated priority interstate users, and to assist in making natural gas available for certain essential agriculture purposes as determined by the Secretary of Agriculture. Directs the Commission to regulate prices of first sales of new natural gas on an area-wide basis.

Directs the Federal Energy Administrator to prohibit the use of natural gas as boiler fuel where adequate alternatives exist. Provides for increased rates of production at natural gas fields to satisfy the needs of priority users.

H.R. 10047. October 6, 1975. Ways and Means. Amends the Social Security Act to authorize Federal payments to States for programs providing certain social services to certain groups of individuals, without requiring a determination of each participant's eligibility.

H.R. 10048. October 6, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to require the Consolidated Rail Corporation to establish branch line management for operation and marketing of certain branch line services.

Authorizes the Secretary of Transportation to extend assistance to States for (1) rail service continuation, (2) acquisition and modernization of rail properties, (3) acquisition or preservation of rail properties for future transportation use by a State, (4) development of rail related solutions to loss of rail services, and (5) rail planning.

Requires the Corporation to acquire and operate lines covered by rail service continuation subsidies which meet certain safety and cost-benefit standards.

H.R. 10049. October 6, 1975. Ways and Means. Increases, temporarily, the national debt limitation by $197,000,000,000 until March 31, 1976.

H.R. 10050. October 6, 1975. Government Operations. Amends the Privacy Act of 1974 to allow agencies to disclose records to any Member of either House of Congress without the prior consent of the person to whom the record pertains.

H.R. 10051. October 6, 1975. Ways and Means. Amends the Internal Revenue Code to provide that, with respect to life insurance companies, no amount shall be subtracted from a taxpayer policyholder's surplus account with respect to a distribution made during the last month of the taxable year to the extent that amounts so distributed are returned to the taxpayer no later than the time prescribed by law for filing the taxpayer's return for the taxable year in which the distribution was made.

H.R. 10052. October 6, 1975. Public Works and Transportation. Requires contractors on certain water resource development projects to comply with all applicable State and local laws, including the payment of State and local taxes. Directs the Secretary of the Army to make payments to States and localities for certain properties owned by the United States and not subject to taxations.

H.R. 10053. October 6, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for the loss of certain personal property.

H.R. 10054. October 7, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to stipulate that payments to States and localities under the Act be made at the beginning of each quarter.

H.R. 10055. October 7, 1975. Ways and Means. Amends the Social Security Act with respect to Old-Age, Survivors, and Disability Insurance by directing the Secretary of Health, Education, and Welfare to establish procedures for expediting (1) replacement of lost, stolen or misdelivered benefit checks; (2) initial benefit payments; (3) hearings on eligibility; and (4) final determinations of eligibility.

H.R. 10056. October 7, 1975. Agriculture. Authorizes the Secretary of Agriculture, under the Consolidated Farm and Rural Development Act, to make or insure loans to farmowners or tenants for purposes of meeting Federal, State, or local government requirements for pollution abatement and control.

H.R. 10057. October 7, 1975. Ways and Means. Amends the Social Security Act to reduce the minimum amount claimed under medicare which would entitle an individual to a hearing and judicial review.

H.R. 10058. October 7, 1975. Judiciary. Increases the penalties for use of a firearm in the commission of a felony.

H.R. 10059. October 7, 1975. Banking, Currency and Housing. Amends the Housing and Community Development Act of 1974 to make mandatory (1) guarantees by the Secretary of Housing and Urban Development of State obligations issued to finance certain housing development programs; (2) payment of one-third of the interest on such obligations; and (3) grants for technical assistance for such programs.

Requires the Secretary of Housing and Urban Development to co-insure certain mortgages, advances, and loans, under the National Housing Act.

H.R. 10060. October 7, 1975. Post Office and Civil Service. Repeals existing Presidential authority to submit alternative comparability pay plans for Federal employees to the Congress.

H.R. 10061. October 7, 1975. Judiciary. Increases the penalties for use of a firearm in the commission of a felony.

H.R. 10062. October 7, 1975. Ways and Means. Amends the Internal Revenue Code to prohibit a deduction from gross income of expenses for the advertising of alcoholic beverages.

H.R. 10063. October 7, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for the expenses of education above the twelfth grade paid by the taxpayer for providing an education for himself or any other individual.

H.R. 10064. October 7, 1975. Education and Labor. Redefines provisions of existing law relating to the operation of vending facilities on Federal property by blind persons.

H.R. 10065. October 7, 1975. Judiciary. Establishes an additional United States district court in the State of California which shall comprise Orange, San Bernardino, and Riverside counties and be known as the Southwestern District.

H.R. 10066. October 7, 1975. Veterans' Affairs. Increases the number of appointments to the service academies to which the Delegate in Congress from Guam is entitled.

H.R. 10067. October 7, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to establish a national cemetery in Guam.

H.R. 10068. October 7, 1975. Ways and Means. Amends the Social Security Act with respect to Old-Age, Survivors, and Disability Insurance by directing the Secretary of Health, Education, and Welfare to establish procedures for expediting (1) replacement of lost, stolen or misdelivered benefit checks; (2) initial benefit payments; (3) hearings on eligibility; and (4) final determinations of eligibility.

H.R. 10069. October 7, 1975. Public Works and Transportation. Amends the Disaster Relief Act of 1974 to authorize the President to make disaster relief contributions for certain improvements on roads subject to frequent flooding.

H.R. 10070. October 7, 1975. Interstate and Foreign Commerce. Prohibits distributors and refiners of petroleum products from cancelling franchises without cause and without prior notice. Establishes limitations or marketing and financial activities by distributors, refiners, and major shareholders.

H.R. 10071. October 7, 1975. Agriculture. Amends the Food Stamp Act of 1964 by revising (1) eligibility standards; (2) the method of determining the amount of the coupon allotment; (3) administration of the program by State agencies, including the eligibility certification procedure and duties imposed on issuing agents; and (4) the method of computing the Federal share of program costs and of making payments to the States. Transfers the functions of the Secretary of Agriculture under the Food Stamp Act of 1964 to the Secretary of Health, Education, and Welfare.

H.R. 10072. October 7, 1975. Interior and Insular Affairs. Directs the Secretary of the Interior and the Administrator of General Services to convey certain public lands to the county of Mineral, Nevada.

H.R. 10073. October 7, 1975. Agriculture. Makes the Poultry Products Inspection Act applicable to domestic rabbits slaughtered for human consumption.

H.R. 10074. October 7, 1975. Veterans' Affairs. Makes certain criteria applicable to the approval procedure followed by the Administrator of the Federal Aviation Administration when such Administrator notifies the

Administrator of Veterans' Affairs of the accreditation of flight training courses.

H.R. 10075. October 7, 1975. Government Operations. Sets forth guidelines to be followed in the classification of material as "Defense Data" for purposes of determining whether its dissemination must be limited in the interest of national defense.

H.R. 10076. October 7, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10077. October 8, 1975. Interstate and Foreign Commerce. Establishes an Interstate Railroad System to operate certain rail lines in the United States and to rehabilitate and maintain such lines.

Creates the Federal Rail Property Administration in the Department of Transportation to acquire rail property, maintain and rehabilitate such property.

Transfers to the States responsibility for maintenance of lines not included in the Interstate system. Authorizes appropriations for rehabilitation and maintenance. Imposes a Rail User Charge of all railroads operating on facilities of the Administration.

Sets forth procedures to regulate (1) State and local rail service, discontinuance, and abandonment, (2) labor contracts, and (3) passenger service in the Northeast Corridor.

H.R. 10078. October 8, 1975. Agriculture. Authorizes the Secretary of Agriculture, under the Consolidated Farm and Rural Development Act, to make or insure loans to farmowners or tenants for purposes of meeting Federal, State, or local government requirements for pollution abatement and control.

H.R. 10079. October 8, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to increase assistance for local rail services. Requires an economic analysis by the Rail Services Planning Office of those services not designated to be continued in the final system plan.

H.R. 10080. October 8, 1975. Rules. Amends the Congresisonal Budget Act of 1974 to require the establishment of a ceiling on total budget outlays for each fiscal year and a three year projection of total budget outlays.

Prohibits the consideration in the House of Representatives or the Senate of any measure which would result in excessive budget outlays or reduce revenues which were not included in the ceilings fixed by the appropriate congressional budget resolution.

H.R. 10081. October 8, 1975. Ways and Means. Requires States which have entered into agreements with the Secretary of Health, Education, and Welfare for coverage of State and local employees under the Social Security Act to make payments to the Secretary of the Treasury on calendar-quarter basis.

H.R. 10082. October 8, 1975. Ways and Means. Requires States which have entered into agreements with the Secretary of Health, Education, and Welfare for coverage of State and local employees under the Social Security Act to make payments to the Secretary of the Treasury on a calendar-quarter basis.

H.R. 10083. October 8, 1975. Merchant Marine and Fisheries. Directs the Governor of the Canal Zone to make certain modifications in the Panama Canal.

Establishes the Panama Canal Advisory and Inspection Board to study and review all modification plans and designs for the canal.

H.R. 10084. October 8, 1975. Post Office and Civil Service. Stipulates that civilian air traffic controllers employed in Executive agencies shall be treated the same as air traffic controllers of the Department of Transportation for purposes of retirement.

H.R. 10085. October 8, 1975. Interior and Insular Affairs. Amends the mineral Leasing Act of 1920 to direct the Secretary of the Interior to establish a comprehensive exploratory program for coal deposits.

Regulates surface coal mining operations through a permit program administered by the Secretary of the Interior. Requires applicants to meet minimum environmental protection standards. Allows States to establish surface mining control programs at least as stringent as minimum Federal standards.

Authorizes financial assistance to State mining and mineral research institutes. Establishes a special fund for the reclamation of abandoned mine sites.

H.R. 10086. October 8, 1975. Ways and Means. Amends the Internal Revenue Code (1) with respect to capital gains and losses; (2) to recognize appreciation on capital assets held at death or transferred by gift; (3) to terminate the investment credit; (4) to repeal the asset depreciation range system; (5) to require the use of the straight line method for depreciable realty; (6) to limit deductions attributable to farming; (7) to repeal the percentage depletion allowance and the intangible drilling and development cost deduction; (8) to revise the treatment of foreign sources income and stock in controlled foreign corporations; and (9) to revise the estate and gift tax.

H.R. 10087. October 8, 1975. Ways and Means. Amends the Internal Revenue Code (1) with respect to capital gains and losses; (2) to recognize appreciation on capital assets held at death or transferred by gift; (3) to terminate the investment credit; (4) to repeal the asset depreciation range system; (5) to require the use of the straight line method for depreciable realty; (6) to limit deductions attributable to farming; (7) to repeal the percentage depletion allowance and the intangible drilling and development cost deduction; (8) to revise the treatment of foreign sources income and stock in controlled foreign corporations; and (9) to revise the estate and gift tax.

H.R. 10088. October 8, 1975. Ways and Means. Amends the Social Security Act to include optometrists' services and medical vision care under the Medicare supplementary medical insurance benefits program.

H.R. 10089. October 8, 1975. Public Works and Transportation. Amends the Disaster Relief Act of 1974 to extend disaster relief assistance to businesses.

H.R. 10090. October 8, 1975: Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to increase assistance for local rail services. Requires an economic analysis by the Rail Services Planning Office of those services not designated to be continued in the final system plan.

H.R. 10091. October 8, 1975. Judiciary. Incorporates the National Ski Patrol System, Incorporated.

H.R. 10092. October 8, 1975. Rules. Amends the Legislative Reorganization Act of 1970 to require Congressional Committee reports on proposed legislation to contain estimates of recordkeeping and reporting requirements to be imposed on private business as a result of such legislation.

H.R. 10093. October 8, 1975. Judiciary. Prohibits the granting to the United States by any court of a restraining order or injunction against any party seeking to freely speak, print or publish any matter except when the Government has alleged and proved that communication of said matter will result in direct, immediate, and irreparable damage to the security of the United States or its people.

H.R. 10094. October 8, 1975. Ways and Means. Amends the Internal Revenue Code to create the World Peace Tax Fund, and a Board of Trustees to administer the Fund and to make grants for research and other projects aimed at achieving world peace.

Permits persons conscientiously opposed to participation in war to designate his or her income, gift, or estate taxes to be paid into the Fund.

H.R. 10095. October 8, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to permit cost benefit analysis of certain light density rail lines. Sets forth regulations for the discontinuance of rail passenger service and the abandonment of light density lines. Authorizes the Secretary of Transportation to provide service continuation subsidies to certain out-of-service and light density lines during transition to the final system plan.

Authorizes the Secretary of Transportation to make grants to States (1) to assist the establishment and implementation of State rail plans, and (2) to assist the maintenance of passenger rail service.

H.R. 10096. October 8, 1975. Interstate and Foreign Commerce. Requires franchisors to give franchisees 90 days notice, with limited exceptions, of intent to cancel, or failure to renew, a franchise agreement. Allows such cancellation or failure to renew only for certain specified reasons. Requires a franchisor to compensate a franchisee for the value of the franchisee's business when the franchisor, for a legitimate business reason, fails to renew the franchise. Sets forth the judicial remedies available to a franchisee for a violation of this Act by a franchisor.

H.R. 10097. October 8, 1975. International Relations. Establishes the United States Passport Service in the Department of State and transfers all functions, powers, duties, and authority of the Passport office to the Service.

H.R. 10098. October 8, 1975. Interstate and Foreign Commerce. Prohibits the introduction of nonreturnable beverage containers in interstate commerce. Authorizes the Administration of the Environmental Protection Agency to establish such regulations as are necessary for the purpose of this Act.

H.R. 10099. October 8, 1975. Merchant Marine and Fisheries. Directs the Secretary of the Interior to regulate the trapping and capture of mammals and birds on Federal lands. Establishes an advisory commission to recommend to the Secretary acceptable methods for trapping and capture of mammals and birds.

Prohibits use of unacceptable traps in interstate or foreign commerce. Prescribes regulations to prohibit the interstate shipment of hide, skin, feathers, or resulting products of the use of unacceptable traps.

H.R. 10100. October 8, 1975. Interstate and Foreign Commerce. Establishes a Federal Energy Commission to regulate electric utilities. Transfers the powers, functions, and duties of the Federal Power Commission to the new commission.

Requires that differences in electric utility rates which favor consumption of large amounts of electric energy be shown to reflect differences in actual costs at an evidentiary hearing. Establishes requirements for the planning and siting of new electric power facilities.

Establishes criteria for Federal financial assistance to utilities and State regulatory agencies.

H.R. 10101. October 8, 1975. Ways and Means. Amends the Internal Revenue Code to exempt any liquid sold for use or used by aircraft museums from the tax on special fuels, and to direct the Secretary of the Treasury or his delegate to repay an amount equal to the amount of tax paid on gasoline used by any aircraft museum.

H.R. 10102. October 8, 1975. Ways and Means. Amends the Social Security Act to revise the procedure for Federal payment and adjudication of claims submitted by the States' under the programs of Old-Age Assistance, Aid to Families with Dependent Children, Services to the Aged, Blind, or Disabled, Aid to the Blind, Aid to the Permanently and Totally Disabled, Supplemental Security Income, Medicaid, and Social Services.

H.R. 10103. October 8, 1975. Post Office and Civil Service. Creates the Federal Labor Relations Authority to oversee labor relations between Federal agencies and civilian Federal employees. Enumerates unfair labor practices and empowers the Authority to prevent such practices.

Directs the Authority and the Federal Mediation and Conciliation Service to provide assistance to agencies and labor organizations in resolving negotiation disputes.

H.R. 10104. October 8, 1975. Armed Services. Authorizes recomputation at age sixty of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972.

H.R. 10105. October 8, 1975. Armed Services. Redefines the term "dependent" for purposes of uniformed services' medical and dental care and pay allowances.

H.R. 10106. October 8, 1975. Interstate and Foreign Commerce. Prohibits denial or limitation of insurance coverage solely on the basis of sex or marital status.

H.R. 10107. October 8, 1975. Ways and Means. Amends the Social Security Act to authorize payments to married couples of Old-Age Insurance benefits which have been computed on the basis of their combined earnings record.

H.R. 10108. October 8, 1975. Ways and Means. Amends the Internal Revenue Code (1) to permanently reduce individual and corporate income taxes; (2) to permanently increase the investment credit; (3) to provide investment incentives for the expansion of electric power facilities; and (4) to require that both Houses of Congress provide, by a concurrent resolution, for maximum budget outlays of $395,000,000,000 before such tax reductions shall have effect.

H.R. 10109. October 8, 1975. Post Office and Civil Service. Abolishes the Postal Rate Commission and stipulates that future postal rate increases be related to increases in the Consumer Price Index. Requires that proposed increases in postal rates which exceed the percentage increase in the Consumer Price Index be subject to Congressional review.

Stipulates that changes in the mail classification schedule made by the Postal Service be subject to Congressional review.

H.R. 10110. October 8, 1975. International Relations. Amends the Export Administration Act of 1969 to prohibit the export of grain to any petroleum producing country which produces petroleum in excess of its domestic requirements, except pursuant to an agreement providing for the exchange of such grain for petroleum.

H.R. 10111. October 8, 1975. Education and Labor. Directs the Secretaries of Agriculture, Labor, and the Interior to establish a Civilian Conservation Corps for the purpose of providing employment for unemployed persons in projects connected with the conservation of the Nation's land and water resources.

Authorizes grants for State conservation projects which meet eligibility requirements under this Act.

H.R. 10112. October 8, 1975. Ways and Means. Amends the Internal Revenue Code to authorize the Tax Court to issue judicially reviewable declarations with respect to interpretations of the Internal Revenue Code issued by the Secretary of the Treasury which provide a reduction in the tax liability of one or more taxpayers.

H.R. 10113. October 8, 1975. Banking, Currency and Housing. Establishes a Municipal Debt Guarantee Corporation in the Department of Housing and Urban Development which is authorized to guarantee, and enter into commitments to guarantee, the payment of principal and interest on the municipal securities issued by a municipality.

H.R. 10114. October 8, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to exempt certain sales of natural gas from regulation by the Federal Power Commission.

H.R. 10115. October 8, 1975. Science and Technology. Creates the National Technology and Research Corporation as an instrumentality of the United States to make and guarantee long-term loans for research in various areas including (1) the adequacy of energy resources, (2) environmental problems, and (3) the national economy.

H.R. 10116. October 8, 1975. Interstate and Foreign Commerce. Stipulates that the Interstate Commerce Commission, under the Federal Hazardous Substances Act, shall by regulation define the terms "extremely flammable", "flammable", and "combustible" as applied to any substance, liquid, solid, or the content of a self-pressurized container. Requires that such regulations specify the test methods generally applicable for defining such terms.

H.R. 10117. October 8, 1975. Judiciary. Requires the Federal Trade Commission, the Department of Justice, and the Department of Agriculture to compile information and annually report to Congress with respect to antitrust enforcement, market structure, and competition in the food industry.

H.R. 10118. October 8, 1975. Judiciary. Requires the Federal Trade Commission, the Department of Justice, and the Department of Agriculture to compile information and annually report to Congress with respect to antitrust enforcement, market structure, and competition in the food industry.

H.R. 10119. Ocober 8, 1975. Judiciary. Requires the Federal Trade Commission, the Department of Justice, and the Department of Agriculture to compile information and annually report to Congress with respect to antitrust enforcement, market structure, and competition in the food industry.

H.R. 10120. October 8, 1975. Ways and Means. Amends the Social Security Act to authorize payment under the medicare supplementary medical insurance program for portable whirlpool pumps purchased or rented for use in the patient's home pursuant to a physician's prescription.

H.R. 10121. October 8, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10122. October 9, 1975. Judiciary. Prohibits certain petroleum companies engaged in the production, transportation, refining, or marketing of petroleum assets from controlling any interest in another aspect of the petroleum industry. Directs the Federal Trade Commission to require divestment of ownership interests by affected companies.

H.R. 10123. October 9, 1975. Agriculture. Limits a broker's liability to the Federal Government to the amount of the commission received as a result of the sale of any agricultural commodity when that commodity serves as security for any loan made, insured, or guaranteed under a program administered by the Farmers Home Administration, if the broker does not have any ownership interest in the commodity at the time of or after the sale.

H.R. 10124. October 9, 1975. Ways and Means. Amends the Internal Revenue Code to permit a taxpayer who has attained the age of sixty-five to take a credit against his income tax for real property taxes paid by him, or for the amount of his rent constituting such taxes, or, if his income tax liability is less than his property taxes, to receive a payment from the Secretary of the Treasury equal to the difference between the amount of tax credit allowed and the amount of such real property taxes paid.

H.R. 10125. October 9, 1975. Ways and Means. Amends the Social Security Act by increasing the amount of outside income which an individual may earn without a reduction in Old-Age, Survivors, and Disability Insurance benefits. Revises the method of calculating the amount of allowable outside earnings.

H.R. 10126. October 9, 1975. Government Operations. Establishes the Department of Aging within the executive branch of the government which shall carry out the purposes of the Older Americans Act of 1965 and serve as a clearinghouse for information related to the problems of the elderly.

H.R. 10127. October 9, 1975. Ways and Means. Amends the Internal Revenue Code to authorize real property to be valued for estate tax purposes at its fair market value.

Amends the estate tax provisions of the Internal Revenue Code to allow a limited deduction from the gross estate of the value of the decedent's interest in a family farming operation which passes to an individual related to him or his spouse.

H.R. 10128. October 9, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to permit cost benefit analysis of certain light density rail lines. Authorizes the Secretary of Transportation to provide service continuation subsidies to certain out-of-service and light density lines during transition to the final system plan.

Authorizes the Secretary of Transportation to make grants to States (1) to assist the establishment and implementation of State rail plans, and (2) to assist the maintenance of passenger rail service.

Sets forth regulations for the discontinuance of rail passenger service and the abandonment of light density lines.

H.R. 10129. October 9, 1975. Ways and Means. Directs the President to reduce the charges, duties, or fees imposed under the Trade Expansion Act of 1972 on oil imports in proportion to the price increases of the Organization of Petroleum Exporting Countries.

H.R. 10130. October 9, 1975. Education and Labor. Amends the Fair Labor Standards Act (1) to increase the minimum wage; (2) to provide for an automatic increase in such wage rate based on increases in the price index; (3) to require an overtime rate equal to two and one-half times the regular wage rate; and (4) to reduce and then repeal the credit against the minimum wage which is based on tips received by tipped employees.

H.R. 10131. October 9, 1975. Interstate and Foreign Commerce. Stipulates that all sales of crude oil within the United States be made through a commodity exchange under the supervision of the Commodity Futures Trading Commission.

H.R. 10132. October 9, 1975. Science and Technology; Agriculture. Establishes a program of agricultural energy research within the Cooperative State Research Service of the Department of Agriculture. Authorizes allocation of funds among State agricultural experiment stations participating in such program.

H.R. 10133. October 9, 1975. Post Office and Civil Service; Agriculture. Upgrades the position of Under Secretary of Agriculture to Deputy Secretary of Agriculture.

Establishes two additional Assistant Secretaries of Agriculture and changes the rate of compensation for certain officials of the Department of Agriculture.

Increases by one the number of members of the Board of Directors of the Commodity Credit Corporation.

H.R. 10134. October 9, 1975. Government Operations. Amends the privacy Act of 1974 to allow agencies to disclose records to any Member or the designate of any Member of either House of Congress without the prior consent of the person to whom the record pertains.

H.R. 10135. October 9, 1975. Government Operations. Amends the Privacy Act of 1974 to allow agencies to disclose records to any Member or the designate of any Member of either House of Congress without the prior consent of the person to whom the record pertains.

H.R. 10136. October 9, 1975. Government Operations. Amends the Privacy Act of 1974 to allow agencies to disclose records to any Member or the designate of any Member of either House of Congress without the prior consent of the person to whom the record pertains.

H.R. 10137. October 9, 1975. Ways and Means. Amends the Internal Revenue Code to tax married and unmarried individuals at the same rate as married individuals filing jointly.

H.R. 10138. October 9, 1975. Education and Labor. Directs the Secretary of the Interior and the Secretary of Agriculture to extend the Youth Conservation Corps program to provide year-round employment for young adults between the ages of 19 and 24.

H.R. 10139. October 9, 1975. Interstate and Foreign Commerce. Requires franchisors to give franchises 90 days notice with limited exceptions, of intent to cancel, or failure to renew, a franchise agreement. Allows such cancellation or failure to renew only for certain specified reasons. Requires a franchisor to compensate a franchisee for the value of the franchisee's business when the franchisor, for a legitimate business reason fails to renew the franchise. Sets forth the judicial remedies available to a franchisee for a violation of this Act by a franchisor.

H.R. 10140. October 9, 1975. Judiciary. Incorporates the National Ski Patrol System, Incorporated.

H.R. 10141. October 9, 1975. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to authorize the law Enforcement Assistance Administration to make grants to the States for the improvement of State judicial systems and to encourage the development and implementation of innovative programs and projects.

Makes it a duty of the Administration to provide financial support annually for the National Center for State Courts.

H.R. 10142. October 9, 1975. Interstate and Foreign Commerce. Requires franchisors to give franchisees 90 days notice with limited exceptions, of intent to cancel, or failure to renew, a franchise agreement. Allows such cancellation or failure to renew only for certain specified reasons. Requires a franchisor to compensate a franchisee for the value of the franchisee's business when the franchisor, for a legitimate business reason fails to renew the franchise. Sets forth the judicial remedies available to a franchisee for a violation of this Act by a franchisor.

H.R. 10143. October 9, 1975. Ways and Means. Amends the Social Security Act by revising the Old-Age, Survivors', and Disability Insurance program to (1) exclude all of a woman's child-rearing years in computation of her benefits; (2) permit an uninsured wife of an insured individual to qualify for wife's benefits at age 62; and (3) allow a person entitled to mother's benefits to continue to receive such benefits even after the children of the insured have ceased to be entitled to child's benefits.

Amends the Social Security Act and the Internal Revenue Code to provide coverage under the Old-Age, Survivor's and Disability Insurance program for service performed by an individual in the employ of his or her spouse.

H.R. 10144. October 9, 1975. International Relations. Amends the Foreign Military Sales Act and the Mutual Security Act of 1954 to require that certain reports to Congress with respect to sales of military equipment to foreign countries contain the names of any sales agents involved in such sales and the amount of any fees or commissions received by such agent in conjunction with such sales.

H.R. 10145. October 9, 1975. Education and Labor. Establishes a Federal program of assistance to States with approved elementary and secondary education plans. Establishes procedures and requirements for determination of plan eligibility, and size and distribution of grants by the Assistant Secretary of Health, Education, and Welfare for Education.

H.R. 10146. October 9, 1975. Education and Labor. Establishes procedures and guidelines for the establishment of equal educational opportunity for students in elementary and secondary schools. Requires that States submit equal educational opportunities plans to the Secretary of Health, Education, and Welfare for his approval. Establishes criteria for approval of plans and eligibility for Federal assistance.

H.R. 10147. October 9, 1975. Interstate and Foreign Commerce; Ways and Means. Amends the Emergency Petroleum Allocation Act of 1973 to establish a program of phased decontrol of crude oil prices. Imposes a tax on the deregulation profits derived from domestic crude oil. Allows a credit against the tax for profits re-invested in the continued exploration and development of crude oil resources. Establishes limitations on the amount of such plowback investments to be utilized as a tax credit.

H.R. 10148. October 9, 1975. Ways and Means. Amends the Internal Revenue Code to exempt certain articles sold to any nonprofit volunteer firefighting or rescue organization for its exclusive use from the taxes on special fuels, automotive and related items, petroleum products, or communication services.

H.R. 10149. October 9, 1975. Public Works and Transportation. Directs heads of various Federal agencies which have jurisdiction over flood control projects to eliminate nonenvironmental procedural requirements in order to accelerate construction of such projects.

H.R. 10150. October 9, 1975. Banking, Currency and Housing. Requires the developers of all federally assisted condominium projects to disclose specific information on proposed new condominium construction or conversion to condominium units of existing structures.

Establishes the office of Assistant Secretary for Condominiums in the Department of Housing and Urban Development. Authorizes the Secretary of Housing and Urban Development to make grants to State and local governments to establish similar programs.

H.R. 10151. October 9, 1975. Ways and Means. Amends the Social Security Act by increasing the amount of outside income which an individual may earn without a reduction in Old-Age, Survivors, and Disability Insurance benefits. Revises the method of calculating the amount of allowable outside earnings.

H.R. 10152. October 9, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to authorize the Secretary of Transportation to enter into agreements for repairs to the Poughkeepsie Bridge in New York.

H.R. 10153. October 9, 1975. Armed Services. Authorizes the Secretary of Defense to dispose of the entire inventory of carbonyl chloride under his jurisdiction by sale within the United States.

H.R. 10154. October 9, 1975. Science and Technology. Establishes an Energy Extension Service in the Energy Research and Development Administration to develop a program of technical assistance and practical demonstration of energy-conserving technologies for agricultural and commercial purposes.

H.R. 10155. October 9, 1975. Ways and Means. Amends the Internal Revenue Code to include, as an item of exempt function income of political organizations, proceeds from any trade or business in which substantially all the work in carrying on such trade or business is performed for the trade or business without compensation.

H.R. 10156. October 9, 1975. Armed Services. Removes the limitation on the number of Junior Reserve Officers' Training Corps units which may be established. Requires the President to promulgate regulations prescribing the standards and criteria to be followed in selecting the institutions at which such units are to be established and maintained.

H.R. 10157. October 9, 1975. Ways and Means. Amends the Social Security Act to maintain the inpatient hospital deductible under the medicare program at its 1975 level.

H.R. 10158. October 9, 1975. Ways and Means. Amends the Social Security Act to maintain the inpatient hospital deductible under the medicare program at its 1975 level.

H.R. 10159. October 9, 1975. Government Operations. Amends the Privacy Act of 1974 to allow agencies to disclose records to any Member of either House of Congress without the prior consent of the person to whom the record pertains.

H.R. 10160. October 9, 1975. Ways and Means. Education and Labor. Amends the Comprehensive Employment and Training Act to establish a program of special manpower services designed to improve employment opportunities for disadvantaged individuals. Authorizes Federal assistance for relocation of persons unable to secure employment within their locality.

Establishes a program of Federal assistance to dislocated workers. Establishes a youth incentive program to provide Federal assistance for full-time summer employment and part-time employment and training programs during the school year.

Amends the Internal Revenue Code of 1954 to provide a tax credit for certain employee training programs. Authorizes funding of emergency public employment projects based on local unemployment statistics.

H.R. 10161. October 9, 1975. Post Office and Civil Service. Declares that persons living in rural areas who do not receive postal delivery service shall be provided with the use of a rent-free postal lock box.

H.R. 10162. October 9, 1975. Agriculture. Revises the farm acreage allotment procedures for the 1976 through 1977 crops of wheat, under the Agricultural Adjustment Act of 1938. Limits certain allowable or compensable uses of set-aside acreage.

Directs the Secretary of Agriculture, under the Agricultural Act of 1949, to establish national acreage allotments for feed grains, corn, grain sorghum, and, if designated by the Secretary, barley. Limits certain allowable or compensable uses of feed grain set-aside acreage.

Revises the procedures for establishing a national acreage allotment for upland cotton and repeals the national market quota provisions for such cotton.

H.R. 10163. October 9, 1975. Ways and Means. Amends the Social Security Act to include optometrists' services and medical vision care under the Medicare supplementary medical insurance benefits program.

H.R. 10164. October 9, 1975. Judiciary; Rules. Requires that whenever any officer or agency of the executive branch of the Federal Government proposes to prescribe certain rules and regulations or to make changes in rules or regulations, such proposals must be submitted to each House of Congress with a report containing a full explanation thereof. Stipulates that such rule, regulation, or change shall become effective unless either House of Congress disapproves the same within 60 days.

H.R. 10165. October 9, 1975. Armed Services. Stipulates that civilian personnel engaged in industrially funded activities shall be excluded from the computation of the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year.

H.R. 10166. October 9, 1975. Judiciary; Rules. Requires that whenever any officer or agency of the executive branch of the Federal Government proposes to prescribe certain rules and regulations or to make changes in rules or regulations, such proposals must be submitted to each House of Congress with a report containing a full explanation thereof. Stipulates that such rule, regulation, or change shall become effective unless either House of Congress disapproves the same within 60 days.

H.R. 10167. October 9, 1975. Ways and Means; Judiciary. Directs the Federal Energy Administration to retain all fees collected under the oil import fee program for eventual distribution to consumers.

H.R. 10168. October 9, 1975. Ways and Means. Amends the Social Security Act to prohibit the denial of Federal funds to a State on account of failure to comply with Federal child day care center requirements. Amends the Social Security Act and the Internal Revenue Code with respect to credit for Federal welfare recipient employment incentive expenses in general, and as applied to employment of welfare recipients in the provision of child day care services.

H.R. 10169. October 9, 1975. Post Office and Civil Service. Increases to 120 days the period before an election during which a Member of Congress may not make a mass mailing as franked mail if such Member is a candidate in such election.

H.R. 10170. October 9, 1975. Judiciary. Increases the maximum fines applicable to acts in furtherance of a conspiracy either to commit any offense against the United States or any agency thereof.

H.R. 10171. October 9, 1975. Interstate and Foreign Commerce. Establishes a National Commission on Regulatory Reform to study and make recommendations on the activities and effect on the economy of certain Federal regulatory agencies.

H.R. 10172. October 9, 1975. Ways and Means. Amends the Social Security Act to authorize Federal payments to States for programs providing certain social services to certain groups of individuals, without requiring a determination of each participant's eligibility.

H.R. 10173. October 9, 1975. Ways and Means. Amends the Social Security Act by allowing a State to terminate social security coverage for policemen and firemen without affecting the coverage of other public employees.

H.R. 10174. October 9, 1975. Banking, Currency and Housing. Repeals the Real Estate Settlement Procedures Act.

H.R. 10175. October 9, 1975. Public Works and Transportation. Authorizes the Secretary of the Army to expedite the development of studies and management plans for urban flood plains.

H.R. 10176. October 9, 1975. Ways and Means. Amends the Tariff Schedules of the United States to impose a duty on certain watches and watch parts without balance wheel and hairspring. Requires that such watches bear markings with respect to country of manufacture, name of manufacturer, number of jewels, and adjustments.

H.R. 10177. October 9, 1975. Interstate and Foreign Commerce. Directs the Federal Trade Commission to develop a test protocol for a consumer product to assist consumers in making informed purchasing decisions, whenever the Commission determines that, based upon the importance of a consumer product, the ease with which the average consumer can obtain its quality and performance characteristics, and the economic impact of the test protocols, such procedures would be helpful to the consumer.

H.R. 10178. October 9, 1975. Judiciary. Prohibits certain petroleum companies engaged in the production, transportation, refining, or marketing of petroleum assets from controlling any interest in another aspect of the petroleum industry. Directs the Federal Trade Commission to require divestment of ownership interests by affected companies.

H.R. 10179. October 9, 1975. Public Works and Transportation. Designates a certain lock on the Saint Marys River in Michigan as the John A. Blatnik lock.

H.R. 10180. October 9, 1975. Ways and Means. Amends the Internal Revenue Code (1) with respect to capital gains and losses; (2) to recognize appreciation on capital assets held at death or transferred by gift; (3) to terminate the investment credit; (4) to repeal the asset depreciation range system; (5) to require the use of the straight line method for depreciable realty; (6) to limit deductions attributable to farming; (7) to repeal the percentage depletion allowance and the intangible drilling and development cost deduction; (8) to revise the treatment of foreign source income and stock in controlled foreign corporations; and (9) estate and gift tax.

H.R. 10181. Octber 9, 1975. Ways and Means. Amends the Internal Revenue Code to increase the personal exemption and the amount of a withholding exemption for a taxpayer. Increases the gross income level requirement for filing a return and the gross income level which allows a later joint return to be deemed filed as of the date of the separate return or returns filed for the same tax year.

H.R. 10182. October 9, 1975. Government Operations. Creates an independent agency in the executive branch to enforce and administer immigration and naturalization laws.

Transfers various powers, functions, and duties from the Departments of State, Justice, and Labor, to the Administrator of the Visa and Naturalization Administration created by this Act.

H.R. 10183. October 9, 1975. Banking, Currency and Housing. Permits the Federal Reserve Board to assess civil penalties for violation of the Federal Reserve Act and the Bank Holding Company Act of 1956. Prohibits extensions of credit to persons with interests in member banks.

Allows the Federal Reserve Board to terminate activities of a bank holding company for unsound business practices.

Authorizes the Federal Reserve Board to issue cease-and-desist orders under the Federal Deposit Insurance Act for unsound banking practices.

Amends the Bank Holding Company Act of 1956 with respect to the acquisition of certain banks and bank withholding companies.

Amends the Federal Deposit Insurance Act.

H.R. 10184. October 9, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 with respect to (1) loans and emergency assistance by appropriations and obligations of the United States Railway Association; (2) interim agreements; (3) termination of rail service; and (4) local rail grants by the Secretary of Transportation.

H.R. 10185. October 9, 1975. Judiciary. Prohibits certain petroleum companies engaged in the production, transportation, refining, or marketing of petroleum assets from controlling any interest in another aspect of the petroleum industry. Directs the Federal Trade Commission to require divestment of ownership interests by affected companies.

H.R. 10186. October 9, 1975. Ways and Means. Amends the Social Security Act to permit the payment of child's insurance benefits to a minor child legally adopted by an individual entitled to Old-Age, Survivors', and Disability Insurance benefits if such child was living with and being supported by such individual for a year immediately before filing application for such child's insurance benefits.

H.R. 10187. October 9, 1975. Agriculture. Provides that seventy-five percent of all moneys received during any fiscal year from each national forest shall be paid by the Secretary of the Treasury to the State in which such national forest is located to be expended for the public schools and public roads of the country or countries in which such national forest is located.

H.R. 10188. October 9, 1975. Judiciary. Permits the advertising of bingo games that are conducted or operated under authority, and licensed in accordance with, State law.

H.R. 10189. October 9, 1975. Interstate and Foreign Commerce. Requires the Consolidated Rail Corporation, under the Regional Rail Reorganization Act of 1973, to provide rail service over certain light density lines.

Sets forth the Federal share of a rail service continuation subsidy for 10 fiscal years.

Directs the Rail Services Planning Office to analyze certain rail lines not designated for inclusion in the final system plan, and designate certain rail lines which should be transferred to the Corporation or are operating profitably.

H.R. 10190. October 9, 1975. Agriculture. Authorizes and directs the Secretary of Agriculture (1) to provide a continuing survey of existing methods of direct marketing from farmers to consumers in each State; (2) to utilize the Extension Service of the Department of Agriculture to disseminate direct marketing information to the States; (3) to establish cooperative enterprises and organizations of farmers to facilitate the interface of organized farmers and consumers; and (4) to establish and maintain, under the auspices of the Farmer Cooperative Service, projects involving the formation of new methods of direct marketing.

H.R. 10191. October 9, 1975. Banking, Currency and Housing. Amends the Consumer Credit Protection Act to prohibit certain abusive practices by debt collectors. Imposes civil liability and criminal penalties for violations of such prohibitions. Directs the Federal Trade Commission to undertake administrative enforcement.

H.R. 10192. October 9, 1975. Merchant Marine and Fisheries. Directs the Secretary of the department in which the Coast Guard is operating to take action to insure that appointments to the Coast Guard Academy be made without regard to sex, race, color, or religious belief. Stipulates that females shall be eligible for appointment and admission to the Coast Guard Academy on the same basis as males.

H.R. 10193. October 9, 1975. International Relations. Establishes a Commission on Security and Cooperation in Europe to monitor the acts of the signatories which reflect compliance with the Final Act of the Conference on Security and Cooperation in Europe.

H.R. 10194. October 9, 1975. Judiciary. Revises administrative procedure requirements for Executive departments and agencies with respect to public notice requirements. Redefines exceptions to public notice requirements for administrative rule-making to require that classified military and foreign affairs matters be so designated by Executive order. Deletes the exception for matters relating to public property, loans, grants, benefits, or contracts.

H.R. 10195. October 9, 1975. Judiciary. Revises administrative procedure requirements to require that Government employes who preside at certain evidentiary hearings give adequate notice and opportunity to all parties where factual issues are to be discussed.

H.R. 10196. October 9, 1975. Judiciary. Stipulates that certain conduct on the part of an employee or agent of a Federal agency shall not be deemed to be the performance of investigative or prosecuting functions in the context of certain adjudications.

H.R. 10197. October 9, 1975. Judiciary. Revises hearing procedures before Federal agencies. Authorizes the Administrative Conference of the United States to establish a Committee on Uniform Rules to draft uniform procedural rules to be utilized by all Federal agencies in reaching certain adjudications. Prohibits Federal agencies from making public statements about agency investigations which may tend to adversely affect any person.

H.R. 10198. Octber 9, 1975. Judiciary. Revises administrative procedure requirements to authorize Federal agencies to establish appeal boards to review decisions of presiding employees at administrative hearings.

Authorizes agencies to utilize the power of subpena to compel attendence and testimony at administrative hearings.

H.R. 10199. October 9, 1975. Judiciary. Grants the consent of the United States to be sued in actions brought to review certain administrative agency actions.

Revises the rules governing jurisdiction of the district courts in Federal question cases and in civil actions against an officer, employee or agency of the United States or the United States.

H.R. 10200. October 9, 1975. Government Operations; Rules. Abolishes all Federal regulatory agencies unless, prior to October 1, 1976, (1) the President recommends to Congress that any agency or agencies should not be abolished; (2) the relevant committee investigates and publishes a report on such agency; and (3) the Congress adopts a concurrent resolution disapproving the abolition of such agency or agencies.

Provides for ten or twenty year automatic abolition of existing agencies unless similar positive approval is given by the President and Congress.

Allows for the transfer of agency functions to the President or a successor agency with the continuation of the present rules and proceedings.

H.R. 10201. October 9, 1975. Post Office and Civil Service. Increases the amount of Federal contributions to the cost of Government employees' health benefits insurance.

H.R. 10202. October 9, 1975. Education and Labor Amends the Comprehensive Employment and Training Act of 1973 to require that the percentage of veterans hired for certain public service jobs under the provisions of the Act be at least equal to the percentage of veterans applying for such jobs in relation to the total number of applicants.

H.R. 10203. October 9, 1975. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to redefine the purposes of the Act to emphasize the establishment of maximum opportunity for employment in the private sector in employment or training programs not authorized by the Act.

Establishes additional restrictions on the use of funds authorized by the Act. Requires that a certain percentage of veterans be hired for public service jobs under the provisions of the Act.

H.R. 10204. October 9, 1975. Veterans' Affairs. Entitles veterans of the Mexican border period or of World War I and their widows and children to pensions on the same basis as veterans of the Spanish-American War and their widows and children. Increases the pension rate for these veterans and their survivors.

H.R. 10205. October 9, 1975. Interior and Insular Affairs. Establishes a program to permit certain residents to cultivate gardens on dormant Federal lands as part of Federal outdoor recreation programs.

H.R. 10206. October 9, 1975. Agriculture. Exempts the Sabine River Authority of Louisiana and Texas from the payment of annual charges for the use of lands in the Sabine National Forest in Texas in recognition of the development of the Toledo Bend Dam and Reservoir project as an environmentally sound source of energy.

H.R. 10207. October 9, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for the loss of certain personal property.

H.R. 10208. October 20, 1975. Armed Services. Stipulates that civilian personnel engaged in industrially funded activities shall be excluded from the computation of the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year.

H.R. 10209. October 20, 1975. Banking, Currency and Housing. Defines the terms "discount" and "surcharge" under the Truth in Lending Act and the Fair Credit Billing Act.

Prohibits the imposition of a surcharge upon use of credit cards, under the Fair Credit Billing Act.

Declares under the Fair Credit Billing Act that discounts not in excess of 5 percent shall not be considered a finance charge or other charge for credit under the credit disclosure laws of any State.

H.R. 10210. October 20, 1975. Ways and Means. Amends the Internal Revenue Code with respect to the payment of unemployment taxes and compensation for (1) certain agricultural labor; (2) domestic service; (3) service performed for nonprofit corporations; (4) state and local government employees; and (5) employees in the Virgin Islands.

Establishes a National Commission on Unemployment Compensation.

Increases the amount of wages subject to the Federal Unemployment Tax.

Redefines the "on" and "off" indicators which determine whether an extended benefit period for unemployment should be in effect.

Authorizes Federal reimbursement for benefits paid to newly covered workers during transition priods.

Prohibits benefit termination in case of pregnancy.

H.R. 10211. October 20, 1975. Ways and Means; Interstate and Foreign Commerce. Establishes a Long-Term Care Services program under the Medicare program of the Social Security Act to provide home health, homemakers nutrition, long-term institutional care, day care, foster home, and outpatient mental health services. Specifies that these services shall be delivered by community long-term care centers under the direction and control of a State long-term care agency.

H.R. 10212. October 20, 1975. Judiciary. Eliminates Federal court jurisdiction to review any case arising out of a State statute, ordinance, rule, or regulation or any interpretation, application, or enforcement thereof which relates to assigning or requiring any public school student to attend a particular school because of such student's race, color, creed, or sex.

H.R. 10213. October 20, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to require the States and units of local government to expend some of the funds received under this Act for specified priority expenditures. Increases and extends appropriations to the Trust Fund established under the Act. Provides an alternate method for the division between the State and units of local government of funds allocated to each State. Establishes a system of supplemental entitlements for low income communities.

H.R. 10214. October 20, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction for State and local public utility taxes, so long as the amount of the public utility tax is separately stated.

H.R. 10215. October 20, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to permit cost benefit analysis of certain light density rail lines. Sets forth regulations for the discontinuance of rail passenger service and the abandonment of light density lines. Authorizes the Secretary of Transportation to provide service continuation subsidies to certain out-of-service and light density lines during transition to the final system plan.

Authorizes the Secretary of Transportation to make grants to States (1) to assist the establishment and implementation of State rail plans, and (2) to assist the maintenance of passenger rail service.

H.R. 10216. October 20, 1975. Post Office and Civil Service. Prohibits civil service disciplinary action in the case of a civil service employee who refuses to comply with directives to report as directed for the service of State or local process in connection with State or local tax claims against such employee.

H.R. 10217. October 20, 1975. District of Columbia. Establishes a commission to study the adequacy of annual Federal payments to the District of Columbia.

H.R. 10218. October 20, 1975. Education and Labor. Amends the Labor-Management Reporting and Disclosure Act to provide that national and international labor organizations, and intermediate labor organization bodies, elect their officers by secret ballot.

H.R. 10219. October 20, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlord.

H.R. 10220. October 20, 1975. Interstate and Foreign Commerce; Ways and Means. Directs the President to establish a maximum price ceiling for domestically produced crude oil at $11.50 per barrel. Removes oil import tariffs and provides for refunds of any such duties collected after October 1, 1975 to the ultimate consumers of such petroleum products.

Stipulates that the President shall not have the authority to adjust imports of petroleum and petroleum products.

H.R. 10221. October 20, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to eliminate payments under the Act to State governments and reallocate funds previously granted to the States to local governments.

Extends appropriations to the Trust Fund established by the Act.

Authorizes the chief executive officer of any unit of local government to apply for Special Revenue Sharing Bond debt obligation guarantees from the United States.

H.R. 10222. October 10, 1975. Armed Services. Stipulates that civilian personnel engaged in industrially funded activities shall be excluded from the computation of the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year.

H.R. 10223. October 10, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to eliminate payments under the Act to State governments and reallocate funds previously granted to the States to local government units.

Extends and increases appropriations to the Trust Fund established by the Act.

H.R. 10224. October 20, 1975. Agriculture. Amends the Federal Laboratory Animal Welfare Act to authorize the Secretary of Agriculture to promulgate standards for the transportation, handling and care of certain animals in interstate or foreign commerce.

Prohibits the attendance at, promotion of, or supplying of, animal fighting ventures.

Sets forth regulations with respect to the transportation and handling of certain classes of animals.

H.R. 10225. October 20, 1975. Government Operations. Establishes an Office of Program Inspector in each agency of the Federal Government. Directs each Program Inspector to investigate each program which is administered by the agency in which such Inspector is located and which involved the application or disbursement of Federal funds in order to determine such program's compliance with applicable laws and to recommend correction of deficiencies in such program.

H.R. 10226. October 20, 1975. Judiciary. Includes magistrates under the provisions providing protection from and punishment for offenses against officers and employees of the United States.

H.R. 10227. October 20, 1975. Ways and Means. Amends the Social Security Act to include optometrists' services and medical vision care under the Medicare supplementary medical insurance benefits program.

H.R. 10228. October 20, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to redefine Corps of Engineers authority to require permits for the discharge of dredged or fill materials into the channels of navigable waters.

H.R. 10229. October 20, 1975. Merchant Marine and Fisheries. Amends the Endangered Species Act of 1973 to authorize the Secretary of the Interior to grant exemptions from the provisions of the Act for certain live endangered species held in captivity. Establishes a rebuttable presumption that such live endangered species were not lawfully held within the United States.

H.R. 10230. October 20, 1975. Science and Technology. Sets forth science and technology policy and goals for the United States.

Establishes the Office of Science and Technology Policy in the Executive Office of the President to advise the President with respect to scientific and technological matters.

Establishes a Federal Science and Technology Survey Committee within the Executive Office of the President to survey, examine, and analyze the total context of the Federal science and technology effort.

H.R. 10231. October 20, 1975. Science and Technology. Sets forth science and technology policy and goals for the United States.

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Establishes a Federal Science and Technology Survey Committee within the Executive Office of the President to survey, examine, and analyze the total context of the Federal Science and technology effort.

H.R. 10232. October 20, 1975. Public Works and Transportation. Amends the Federal-Aid Highway Act of 1973 to direct the Secretary of Transportation to carry out a demonstration project in Metairie, Louisiana, for the relocation of rail lines to eliminate certain ground level railroad highway crossings.

Redefines the term "highway" for purposes of the Act.

H.R. 10233. October 20, 1975. Government Operations. Authorizes the Administrator of General Services to utilize the money proceeds from the disposal of land at Fort Bliss Military Reservation to purchase certain land in El Paso County, Texas, for subsequent transfer to the Secretary of the Army.

H.R. 10234. October 20, 1975. Armed Services. Requires the phased elimination of any Junior Reserve Officer Training Corps unit containing less than 100 students.

H.R. 10235. October 20, 1975. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to include Puerto Rico and the District of Columbia as States for the purpose of specified provisions.

H.R. 10236. October 20, 1975. International Relations. Repeals the embargo on United States trade with North and South Vietnam under the Trading with the Enemy Act.

H.R. 102337. October 20, 1975. International Relations: Atomic Energy. Amends the Export Administration Act of 1969 to impose export controls on nuclear fuel and technology (1) to any country not a party to the Treaty on the Non-Proliferation of Nuclear weapons: (2) to any country which makes certain technology available to any country not a party to such Treaty; or (3) to any country which has not concluded certain agreements for inspection and safeguards against the diversion of nuclear materials for nonpeaceful purposes.

H.R. 10238. October 20, 1975. Education and Labor. Amends the Federal Coal Mine Health and Safety Act of 1969 with respect to Black Lung disability benefits to (1) require that miners or former miners be on the committee on coal mine health research established by the Act; (2) specifically define the term "total disability" with respect to coal miners; (3) delete the requirement for certain medical evidence in cases where the miner was employed for eighteen years or more in an underground coal mine.

H.R. 10239. October 20, 1975. Post Office and Civil Service. Requires notice to be given by the heads of executive agencies to the Congress of certain proposed actions affecting Federal civilian employment.

H.R. 10240. October 20, 1975. Judiciary: Rules. Declares that certain rules proposed by Federal agencies shall take effect only if, after a certain period of time, either House of Congress does not pass a resolution disapproving such proposed rule. Establishes procedures for exercising Congressional disapproval of such proposed rules.

H.R. 10241. October 20, 1975. Government Operations. Establishes a Department of Education to be administered by a Secretary of Education. Transfers specified education functions of the Department of Health, Education and Welfare, the Secretary of Agriculture, the Secretary of Defense, the Secretary of Health, Education and Welfare, the Secretary of the Interior, the Secretary of Labor and the National Science Foundation to the Department of Education.

Establishes a Federal Interagency Committee on Education and a National Advisory Commission on Education.

H.R. 10242. October 20, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to extend Federal revenue sharing for local governmental units until September 30, 1982. Stipulates that amounts equal to each State's share of revenue-sharing funds be allocated among cities with a population of 500,000 or more, commencing with the entitlement period beginning July 1, 1976.

H.R. 10243. October 20, 1975. Ways and Means. Amends the Internal Revenue Code to authorize real property to be valued for estate tax purposes at its value as farmland, woodland, or open land rather than at its fair market value.

Amends the estate tax provisions of the Interstate Code to allow a limited deduction from the gross estate of the value of the decedent's interest in a family farming operation which passes to an individual related to him or his spouse.

H.R. 10244. October 20, 1975. Agriculture. Amends the Food Stamp Act of 1964 by revising (1) eligibility standards; (2) the method of determining the coupon allotment; and (3) administration of the program by State agencies.

H.R. 10245. October 20, 1975. Ways and Means. Amends the Internal Revenue Code (1) with respect to capital gains and losses; (2) to recognize appreciation on capital assets held at death or transferred by gift; (3) to terminate the investment credit; (4) to repeal the asset depreciation range system; (5) to require the use of the straight line method for depreciable realty; (6) to limit deductions attributable to farming; (7) to repeal the percentage depletion allowance and the intangible drilling and development cost deduction; (8) to revise the treatment of foreign source income and stock in controlled foreign corporations; and (9) estate and gift tax.

H.R. 10246. October 20, 1975. Ways and Means; Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services and nursing home care under the Medicare and Medicaid programs of the Social Security Act.

Establishes a Home Health Patient Ombudsman in the Department of Health, Education, and Welfare.

Increases the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Housing Act.

H.R. 10247. October 20, 1975. Interior and Insular Affairs; Agriculture. Establishes the Boundary Waters National Recreation Area and the Boundary Waters Wilderness in Minnesota, to be administered by the Secretary of Agriculture.

H.R. 10248. October 20, 1975. Education and Labor. Authorizes the Secretary of Health, Education, and Welfare to provide assistance to projects designed to develop plans for delivery of human services within a State or interstate area. Establishes criteria for the development of allied human services plans by States and localities.

H.R. 10249. October 20, 1975. Ways and Means. Amends the Social Security Act to authorize payment under the medicare supplementary medical insurance program for portable whirlpool pumps purchased or rented for use in the patient's home pursuant to a physician's prescription.

H.R. 10250. October 20, 1975. Merchant Marine and Fisheries. Amends the Ports and Waterways Safety Act to stipulate that vessel design and conservation standards established by international convention shall not apply to vessels designed for exclusive operation on rivers, lakes, bays, and sounds.

H.R. 10251. October 20, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to authorize the Federal Power Commission to exempt certain sales of natural gas from regulation.

H.R. 10252. October 20, 1975. Ways and Means. Amends the Social Security Act to maintain the inpatient hospital deductible under the medicare program at its 1975 level.

H.R. 10253. October 20, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to convey certain property in Illinois to the University of Health Science/The Chicago Medical School.

H.R. 10254. October 21, 1975. Ways and Means. Amends the Social Security Act by increasing the amount of outside income which an individual may earn without a reduction in Old-Age, Survivors, and Disability Insurance benefits. Revises the method of calculating the amount of allowable outside earnings.

H.R. 10255. October 21, 1975. Armed Services. Stipulates that the armed forces' Survivor Benefit Plan shall be applicable to certain persons who meet all eligibility requirements, but for age, for non-regular retired pay.

H.R. 10256. October 21, 1975. Veterans' Affairs. Eliminates the time period in which a veteran has to use his educational benefits.

H.R. 10257. October 21, 1975. Agriculture. Amends the Food Stamp Act of 1964 by revising (1) eligibility standards; (2) the method of determining the amount of the coupon allotment; (3) administration of the program by State agencies, including the eligibility certification procedure and duties imposed on issuing agents; and (4) the method of computing the Federal share of program costs and of making payments to the States. Transfers the functions of the Secretary of Agriculture under the Food Stamp Act of 1964 to the Secretary of Health, Education, and Welfare.

H.R. 10258. October 21, 1975. Ways and Means. Amends the Social Security Act to include optometrists' services and medical vision care under the Medicare supplementary medical insurance benefits program.

H.R. 10259. October 21, 1975. Science and Technology. Creates a National Energy and Environment Research Corporation to finance certain high-risk efforts to develop new technology in areas of critical national concern. Directs the Corporation's Board of Directors to establish a scientific advisory panel to advise the Board with respect to categories and criteria for loan applications. Allows for congressional review of certain actions taken by the corporation.

H.R. 10260. October 21, 1975. Government Operations. Requires that all forms in use by executive agencies shall be discontinued or revised every 5 years. Requires all new and revised forms to be approved by the Comptroller General prior to use.

H.R. 10261. October 21, 1975. Public Works and Transportation. Directs the Civil Aeronautics Board to reissue by 1981 certificates for interstate transportation as an unduplicated list of city pairs which each air carrier is authorized to serve. Amends the Federal Aviation Act of 1958 with respect to (1) Civil Aeronautics Board proceedings; (2) certification; (3) route transfer, abandonment, and expansion; (4) certification restriction; (5) mail transport; (6) consolidation, merger, and acquisition of air carriers; (7) pooling and other agreements; (8) antitrust regulations; and (9) rates. Sets forth regulations for contracting by the United States Postal Service to conform with the city pairs system.

H.R. 10262. October 21, 1975. Public Works and Transportation. Reduces the permissible steering axle weight for users of the Interstate Highway System.

H.R. 10263. October 21, 1975. Ways and Means. Amends the Internal Revenue Code to exempt certain articles sold to any nonprofit volunteer firefighting or rescue organization, for its exclusive use, from the taxes on special fuels, automobiles and related items, petroleum products, or communication services.

H.R. 10264. October 21, 1975. Ways and Means. Amends the Social Security Act to revise the procedure for Federal payment and adjudication of claims submitted by the State's under the programs of Old-Age Assistance, Aid to Families with Dependent Children, services to the Aged, Blind, or Disabled, Aid to the Blind, Aid to the Permanently and Totally Disabled, Supplemental Security Income, Medicaid, and Social Services.

H.R. 10265. October 21, 1975. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to expand the programs on the treatment of burn injuries, research on burns, and the rehabilitation of burn victims by establishing additional burn centers and burn units and by supporting research and training programs in the treatment and rehabilitation of burn injury victims.

Appropriates funds for the continuation of present burn treatment programs and authorizes the appropriation of additional funds for such expanded programs.

H.R. 10266. October 21, 1975. Judiciary. Incorporates the National Ski Patrol System, Incorporated.

H.R. 10267. October 21, 1975. Banking, Currency and Housing; Interstate and Foreign Commerce. Establishes a Federal corporation to provide financial assistance to certain projects designed to increase the long term security of domestic United States energy supplies. Authorizes the Federal Energy Administration to certify certain energy projects to be of critical importance to energy independence goals.

H.R. 10268. October 21, 1975. Veterans' Affairs. Limits the authority of the Administrator of Veterans' Affairs to release the names and addresses of present and former personnel of the armed services and their dependents.

Increases the penalties for wrongful use of such information.

H.R. 10269. October 21, 1975. Veterans' Affairs. Revises the class of persons eligible to receive automobiles and adoptive equipment, to include disabled veterans and members of the Armed Forces who have suffered the loss or impairment of the use of an anatomical part which imposes a severe hardship with respect to operating or being transported by an automobile or other conveyance.

H.R. 10270. October 21, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from a taxpayer's capital assets property used in, or related to, his trade or business, which was provided to, or acquired by, him at no cost to him.

H.R. 10271. October 21, 1975. International Relations. Repeals the embargo on United States trade with North and South Vietnam under the Trading with the Enemy Act.

H.R. 10272. October 21, 1975. Education and Labor. Directs the Secretary of Health, Education, and Welfare to establish a multiservice program for displaced homemakers designed to assist them in obtaining employment and educational opportunities.

Authorizes a study of existing Federal programs to determine the feasibility of participation by displaced homemakers.

H.R. 10273. October 21, 1975. Veterans' Affairs. Stipulates that the plot and interment allowances paid by the Administrator of Veterans' Affairs, for veterans not buried in a national cemetery, shall not be reduced when such sum is paid to reimburse a State or local government for plot or interment expenses paid or assumed, if the deceased veteran is buried in a cemetery which is owned by such State or local government and solely or primarily used for the interment of veterans.

H.R. 10274. October 21, 1975. Banking, Currency and Housing. Suspends sections of the Real Estate Settlement Procedures Act of 1974 which pertain to uniform settlement statements, advance disclosure of settlement costs, and disclosure of previous selling price.

H.R. 10275. October 21, 1975. International Relations. Establishes a Commission on Security and Cooperation in Europe to monitor the acts of the signatories which reflect compliance with the Final Act of the Conference on Security and Cooperation in Europe.

H.R. 10276. October 21, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to prohibit the Federal Power Commission from regulating rates and charges with respect to certain transactions involving the sale of new natural gas. Directs the Commission to establish a ceiling price for new natural gas produced from offshore Federal lands, to remain in effect until 1980.

Directs the Federal Power Commission to provide adequate supplies of natural gas for essential agricultural purposes. Directs the Federal Energy Administrator to prohibit the use of natural gas as a boiler fuel where adequate alternatives are available.

H.R. 10277. October 21, 1975. Ways and Means. Amends the Internal Revenue Code with respect to facilities for the furnishing of electrical energy which will qualify as exempt activities under the industrial revenue bond provisions of the Code.

H.R. 10278. October 21, 1975. Banking, Currency and Housing. Creates an Intergovernmental Emergency Assistance Board to make loans to States or guarantee the payment of the obligations of States to provide essential public services and facilities, or to prevent or mitigate the default in the payment of obligations of a State or political subdivision thereof.

Amends the Internal Revenue Code to subject to taxation the interest on the obligations of a State, Territory, possession, or political subdivision which are guaranteed by the Federal Government, under this Act.

H.R. 10279. October 21, 1975. Ways and Means. Amends the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving Old Age, Survivors, and Disability Insurance benefits.

H.R. 10280. October 21, 1975. Interior and Insular Affairs. Authorizes a study of the feasibility of designating the Daniel Boone Trail as a national scenic trail.

H.R. 10281. October 21, 1975. Banking, Currency and Housing. Creates the Municipal Bond Holders' Insurance Corporation to insure municipal bonds under certain conditions.

H.R. 10282. October 21, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10283. October 21, 1975. Banking, Currency and Housing. Amends the Real Estate Settlement Procedures Act of 1974: (1) to redefine "federally related mortgage loan; (2) to repeal requirements for advance disclosure of settlement costs, and disclosure of previous selling price: and (3) alter regulations for uniform settlement statements.

Amends such Act with respect to: (1) information booklets prepared by the Secretary of Housing and Urban Development; and (2) regulation of borrower escrow accounts.

Permits the Secretary to exempt lenders for such loans from compliance with State settlement laws, under such Act.

H.R. 10284. October 22, 1975. Ways and Means. Amends the Social Security Act to require that the prevailing charge level for physicians services under the medicare program be maintained at not less than the 1975 fiscal year level. Extends for three years the authority of the Secretary of Health, Education, and Welfare to waive nursing staff requirements certain rural hospitals. Repeals provisions of the Social Security Act with respect to coordination between the medicare program and the Federal Employees Health Benefits program.

H.R. 10285. October 2, 1975. Judiciary. Requires the establishment of a system for the redress of law enforcement officers' grievances and acceptance of a law enforcement officers' bill of rights by the States and local government units as a condition to receiving grants under the Omnibus Crime Control and Safe Streets Act of 1968.

H.R. 10286. October 22, 1975. Judiciary. Establishes a Federal minimum death and dismemberment benefit to be paid to Federal, State, or local law enforcement, corrections and firefighting personnel or their surviving dependents.

H.R. 10287. October 22, 1975. Judiciary. Makes it a Federal crime to kill or assault a fireman or law enforcement officer engaged in the performance of his official duties when the offender travels in interstate commerce or uses any facility of interstate commerce for such purpose.

H.R. 10288. October 22, 1975. Education and Labor. Authorizes Federal emergency financial assistance to local government units to enable them to hire and fire police personnel to replace those public safety officers who were laid off by the unit due to severe financial hardship.

H.R. 10289. October 22, 1975. Judiciary. Requires that whoever murders a law enforcement officer or fireman engaged in the performance of official duties shall suffer death. Sets forth penalties for assault of law enforcement officers and firemen.

H.R. 10290. October 22, 1975. Judiciary. Exempts members of volunteer fire departments of any State, district, territory, possession, or subdivision thereof who have served as a member of one or more of such departments for at least a total of five years, from inclusion in any United States district court plan for random selection of grand and petit jurors.

H.R. 10291. October 22, 1975. Science and Technology. Authorizes the Secretary of Commerce to make grants to States and localities to assist in the financing of training programs for firemen.

H.R. 10292. October 22, 1975. Science and Technology. Directs the Secretary of Commerce to provide Federal assistance to local fire departments in the purchase of certain firefighting equipment.

H.R. 10293. October 22, 1975. Science and Technology. Creates a United States Fire Administration and a National Fire Academy in the Department of Housing and Urban Development. Includes provisions for Federal assistance to State and local governments and to facilitate education and training of fire prevention personnel.

H.R. 10294. October 22, 1975. Science and Technology. Creates a National Academy of Fire Prevention and Control to provide for training in firefighting techniques and procedures.

H.R. 10295. October 22, 1975. Ways and Means. Amends the Internal Revenue Code to permit an additional personal exemption for a taxpayer if during all of the taxable year he has served as a tenured member in a volunteer fire company.

H.R. 10296. October 22, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a deduction from gross income all ordinary and necessary expenses paid during the taxable year by a fireman for meals which he eats at his post of duty during any period of overnight duty.

H.R. 10297. October 22, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income pensions for annuities received by policemen or firemen or their dependents of survivors, for services performed in the employ of a Federal, State or local government.

H.R. 10298. October 22, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income amounts received by a volunteer fireman serving as a member of a firefighting or rescue unit.

H.R. 10299. October 22, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income limited amounts received as compensation for service as a full-time law enforcement officer in the employ of the United States, or a State or local political entity.

H.J. Res. 657. September 17, 1975. Rules. Creates a Joint Committee on Intelligence Operations to study and exercise oversight of all intelligence gathering operations and activities of the United States Government.

H.J. Res. 658. September 17, 1975. Judiciary. Proposes an amendment to the Constitution to extend the rights of due process and equal protection to persons at every stage of biological development regardless of age, illness, or incapacity. Allows medical procedures required to prevent the death of a pregnant mother.

H.J. Res. 659. September 18, 1975. Post Office and Civil Service. Authorizes the President to designate the week beginning November 2, 1975, as "National Respiratory Therapy Week."

H.J. Res. 660. September 18, 1975. Judiciary. Directs the Attorney General of the United States to investigate the manufacture, marketing, and sale of replacement home canning lids with respect to possible antitrust violations.

H.J. Res. 661. September 19, 1975. Post Office and Civil Service. Authorizes the President to designate the fourth Sunday in September of each year as "National Good Neighbor Day."

H.J. Res. 662. September 19, 1975. Post Office and Civil Service. Authorizes the President to designate November 23 through November 30, 1975, as "National Bible Week."

H.J. Res. 663. September 19, 1975. Post Office and Civil Service. Authorizes the President to proclaim January 17 of each year as "National Volunteer Firemen Day."

H.J. Res. 664. September 19, 1975. Judiciary. Proposes an amendment to the Constitution to prohibit a public school student from being assigned to, or required to attend, a particular school.

H.J. Res. 665. September 22, 1975. Judiciary. Proposes an amendment to the Constitution to prohibit a public school student from being assigned to, or required to attend, a particular school.

H.J. Res. 666. September 23, 1975. Post Office and Civil Service; Education and Labor. Requires the Director of the Census to compile and publish statistics with respect to the total population of Filipinos in the United States.

Directs the Secretary of Health, Education and Welfare, the Secretary of Labor, and other appropriate Federal officials to include Filipinos as a specific minority group.

H.J. Res. 667. September 24, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to accept Saint Paul's Church, Eastchester, in Mount Vernon, New York as a gift to the United States.

H.J. Res. 668. September 24, 1975. Education and Labor. Makes appropriations for Allen J. Ellender fellowships for disadvantaged secondary school students.

H.J. Res. 669. September 24, 1975. Judiciary. Proposes an amendment to the Constitution to require renomination and reconfirmation of Federal judges every six years.

H.J. Res. 670. September 25, 1975. Post Office and Civil Service. Designates April 13, 1976, as "Thomas Jefferson Day".

H.J. Res. 671. September 25, 1975. Judiciary. Proposes an amendment to the Constitution limiting appropriations to the amount of revenues, except during a national emergency. Imposes a plan for the repayment of the national debt.

H.J. Res. 672. September 26, 1975. Banking, Currency and Housing. Extends by two months the expiration date of the Defense Production Act of 1950 and the funding for the National Commission on Productivity and Work Quality.

H.J. Res. 673. September 29, 1975. Judiciary. Proposes an amendment to the Constitution to revise the qualifications for being President of the United States.

H.J. Res. 674. September 29, 1975. Judiciary. Proposes an amendment to the Constitution: (1) to prohibit compelling attendance in schools other than the one nearest a student's residence, and (2) to insure equal educational opportunities for all students.

H.J. Res. 675. September 29, 1975. Judiciary. Proposes an amendment to the Constitution to extend the rights of due process and equal protection to persons at every stage of biological development regardless of age, illness, or incapacity. Allows medical procedures required to prevent the death of a pregnant mother.

H.J. Res. 676. September 30, 1975. Post Office and Civil Service. Designates October 24 of each year as "National Sarah Josepha Hale Day".

H.J. Res. 677. September 30, 1975. Post Office and Civil Service. Authorizes and requests the President to designate January 6, 1976, as "Haym Salomon Day."

H.J. Res. 678. September 30, 1975. Post Office and Civil Service. Designates the week beginning on April 30th of each year as "National Beta Sigma Phi Week".

H.J. Res. 679. September 30, 1975. Post Office and Civil Service. Requests the President to declare the week which includes Thanksgiving Day as "National Family Week".

H.J. Res. 680. September 30, 1975. Post Office and Civil Service. Designates February 2, 1976, as "Bilingual Founding Document Day".

H.J. Res. 681. October 1, 1975. Judiciary. Proposes an amendment to the Constitution to give to the States the power to regulate or forbid the voluntary termination of pregnancy.

H.J. Res. 682. October 2, 1975. Agriculture. Amends the Agricultural Act of 1949 to require quarterly adjustments in the support price for milk.

H.J. Res. 683. October 2, 1975. International Relations. Authorizes the President to implement the "United States Proposal for the Early-Warning System in Sinai" under certain conditions.

H.J. Res. 684. October 6, 1975. Post Office and Civil Service. Designates the week beginning on April 30th of each year as "National Beta Sigma Phi Week".

H.J. Res. 685. October 7, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to accept Saint Paul's Church, Eastchester, in Mount Vernon, New York as a gift to the United States.

H.J. Res. 686. October 7, 1975. Judiciary. Proposes an amendment to the Constitution: (1) to prohibit compelling attendance in schools other than the one nearest a student's residence, and (2) to insure equal educational opportunities for all students.

H.J. Res. 687. October 8, 1975. Post Office and Civil Service. Designates "The Stars and Stripes Forever" as the national march.

H.J. Res. 688. October 8, 1975. Post Office and Civil Service. Designates April 19 of each year as "Revolutionary War Day".

H.J. Res. 689. October 8, 1975. Judiciary. Proposes an amendment to the Constitution limiting appropriations to the amount of revenues, except during a national emergency.

H.J. Res. 690. October 9, 1975. Post Office and Civil Service. Requests the President to declare the week which includes Thanksgiving Day as "National Family Week".

H.J. Res. 691. October 9, 1975. Post Office and Civil Service. Requests the President to declare the week which includes Thanksgiving Day as "National Family Week".

H.J. Res. 692. October 9, 1975. Post Office and Civil Service. Requests the President to declare the week which includes Thanksgiving Day as "National Family Week".

H.J. Res. 693. October 9, 1975. Post Office and Civil Service. Requests the President to declare the week which includes Thanksgiving Day as "National Family Week".

H.J. Res. 694. October 9, 1975. Post Office and Civil Service. Requests the President to declare the week which includes Thanksgiving Day as "National Family Week".

H.J. Res. 695. October 9, 1975. Post Office and Civil Service. Requests the President to declare the week which includes Thanksgiving Day as "National Family Week."

H.J. Res. 696. October 9, 1975. Post Office and Civil Service. Requests the President to declare the week which includes Thanksgiving Day as "National Family Week".

H.J. Res. 697. October 9, 1975. Post Office and Civil Service. Requests the President to declare the week which includes Thanksgiving Day as "National Family Week".

H.J. Res. 698. October 9, 1975. Post Office and Civil Service. Requests the President to declare the week which includes Thanksgiving Day as "National Family Week".

H.J. Res. 699. October 9, 1975. Post Office and Civil Service. Requests the President to declare the week which includes Thanksgiving Day as "National Family Week".

H.J. Res. 700. October 9, 1975. Post Office and Civil Service. Requests the President to declare the week which includes Thanksgiving Day as "National Family Week".

H.J. Res. 701. October 9, 1975. Judiciary. Confers honorary United States citizenship upon Christopher Columbus.

H.J. Res. 702. October 9, 1975. Post Office and Civil Service. Authorizes the President to designate the week beginning on the first Saturday after the first Tuesday in January of each year as "National Ski Week".

H. Con. Res. 390. September 9, 1975. Post Office and Civil Service. Declares it the sense of Congress that October 6, 1975, be designated as Child Health Day, and that at that time special recognition be given to persons contributing to children's hospitals.

H. Con. Res. 391. September 10, 1975. International Relations. Declares it the sense of Congress that it is the policy of the

United States not to recognize the annexation of the Baltic nations by the Soviet Union, notwithstanding the signing of the Final Act of the Conference on Security and Cooperation in Europe.

H. Con. Res. 392. September 10, 1975. International Relations. Declares it the sense of Congress that the President and the Secretary of State should take all necessary steps to bring the Baltic States question before the United Nations.

Declares it the sense of Congress that the Secretary of State should utilize communications media to bring this matter to the attention of all nations.

Declares it the sense of Congress that free elections should be conducted under the auspices of the United Nations in Estonia, Latvia, Lithuania, and all peoples involuntarily subjugated to Soviet communism.

H. Con. Res. 393. September 10, 1975. Agriculture; International Relations. Declares it the sense of Congress that every person has the right to a nutritionally adequate diet, and that the United States increase its assistance for self-help assistance among the worlds' poorest people until such assistance reaches 1 percent of our total national production.

H. Con. Res. 394. September 11, 1975. Public Works and Transportation. Declares it the sense of Congress (1) that certain public buildings be surveyed for architectural barriers to the handicapped, (2) that such barriers be removed, and (3) that other governmental units be urged to take like action.

H. Con. Res. 395. September 11, 1975. International Relations. Declares it the sense of Congress that the President and the Secretary of State should take all necessary steps to bring the Baltic States question before the United Nations.

Declares it the sense of Congress that the Secretary of State should utilize communications media to bring this matter to the attention of all nations.

Declares it the sense of Congress that free elections should be conducted under the auspices of the United Nations in Estonia, Latvia, Lithuania, and all peoples involuntarily subjugated to Soviet communism.

H. Con. Res. 396. September 11, 1975. International Relations. Declares it the sense of Congress that it is the policy of the United States not to recognize the annexation of the Baltic nations by the Soviet Union, notwithstanding the signing of the Final Act of the Conference on Security and Cooperation in Europe.

H. Con. Res. 397. September 17, 1975. House Administration; Government Operations. Declares it the sense of Congress that the Federal Government should use recycled paper to the fullest extent possible.

H. Con. Res. 398. September 17, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 399. September 17, 1975. District of Columbia. Expresses the disapproval of Congress of the District of Columbia Rental Accommodations Act of 1975 transmitted to Congress on September 8, 1975.

H. Con. Res. 400. September 18, 1975. Authorizes the Clerk of the House of Representatives to make certain technical corrections in the enrollment of H.R. 4005.

H. Con. Res. 401. September 18, 1975. International Relations. Declares it the sense of Congress that it is the policy of the United States not to recognize the annexation of the Baltic nations by the Soviet Union, notwithstanding by the signing of the Final Act of the Conference on Security and Cooperation in Europe.

H. Con. Res. 402. September 22, 1975. International Relations. Welcomes Their Majesties, the Emperor and Empress of Japan, to the United States.

H. Con. Res. 403. September 23, 1975. International Relations. Declares it the sense of Congress that the President and the Secretary of State should take all necessary steps to bring the Baltic States question before the United Nations.

Declares it the sense of Congress that the Secretary of State should utilize communications media to bring this matter to the attention of all nations.

Declares it the sense of Congress that free elections should be conducted under the auspices of the United Nations in Estonia, Latvia, Lithuania, and all people involuntarily subjugated to Soviet communism.

H. Con. Res. 404. September 23, 1975. International Relations. Expresses Congressional disapproval of the proposed sale of certain defense services to Saudi Arabia submitted by the President on September 19, 1975.

H. Con. Res. 405. September 24, 1975. Authorizes the Secretary of the Senate to make certain technical corrections in the enrollment of S. 1247.

H. Con. Res. 406. September 24, 1975. Armed Services. Declares it the sense of Congress that the Purple Heart be awarded posthumously to members of the Armed Forces of the United States interred in the Tomb of the Unknown at Arlington National Cemetery, Virginia.

H. Con. Res. 407. September 25, 1975. Public Works and Transportation. Declares it the sense of Congress (1) that certain public buildings be surveyed for architectural barriers to the handicapped, (2) that such barriers be removed, and (3) that other governmental units be urged to take like action.

H. Con. Res. 408. September 26, 1975. International Relations. Declares it the sense of the House of Representatives that the President should take steps to bring before the United Nations the question of eligibility of the Byelorussian and Ukrainian Soviet Socialist Republics for membership in the United Nations and seek their expulsion.

H. Con. Res. 409. September 29, 1975. International Relations. Declares it the sense of Congress that it is the policy of the United States not to recognize the annexation of the Baltic nations by the Soviet Union, notwithstanding the signing of the Final Act of the Conference on Security and Cooperation in Europe.

H. Con. Res. 410. September 29, 1975. Science and Technology. Declares it the sense of Congress that the Federal Government eliminate the use of animals in research to the extent feasible.

H. Con. Res. 411. September 30, 1975. International Relations. Declares it the sense of Congress that Mother Teresa of Calcutta be recommended for the Nobel Peace Prize.

H. Con. Res. 412. October 1, 1975. International Relations. Declares it the sense of Congress that it is the policy of the United States not to recognize the annexation of the Baltic nations by the Soviet Union, notwithstanding the signing of the Final Act of the Conference on Security and Cooperation in Europe.

H. Con. Res. 413. October 2, 1975. International Relations. Declares that Congress would support a Presidential declaration of policy against further manufacture or possession of lethal chemical weapons by the United States.

Urges an international treaty to ban the manufacture and possession of lethal chemical weapons by all nations.

H. Con. Res. 414. October 2, 1975. International Relations. Declares that Congress would support a Presidential declaration of policy against further manufacture or possession of lethal chemical weapons by the United States.

Urges an international treaty to ban the manufacture and possession of lethal chemical weapons by all nations.

H. Con. Res. 415. October 3, 1975. Public Works and Transportation. Declares it the sense of Congress (1) that certain public buildings be surveyed for architectural barriers to the handicapped, (2) that such barriers be removed, and (3) that other governmental units be urged to take like action.

H. Con. Res. 416. October 3, 1975. House Administration. Authorizes the Joint Committee on the Library to obtain likenesses of members of minority groups to be placed in the United States Capitol.

H. Con. Res. 417. October 3, 1975. International Relations. Declares it the sense of Congress that the President and the Secretary of State should take all necessary steps to bring the Baltic States question before the United Nations.

Declares it the sense of Congress that the Secretary of State should utilize communications media to bring this matter to the attention of all nations.

Declares it the sense of Congress that free elections should be conducted under the auspices of the United Nations in Estonia, Latvia, Lithuania, and all peoples involuntarily subjugated to Soviet communism.

H. Con. Res. 418. October 3, 1975. Interstate and Foreign Commerce. Declares it the sense of the Congress that the Federal Communications Commission take action to protect American young people and children from harmful effects as a result of the television broadcast of a certain motorcycle stunt.

H. Con. Res. 419. October 7, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 420. October 7, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 421. October 7, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 422. October 7, 1975. Ways and Means; Education and Labor. Declares it the sense of Congress that benefits for unemployed individuals, under the Emergency Unemployment Compensation Act of 1974 and the Emergency Jobs and Unemployment Assistance Act of 1974, be extended under certain economic conditions.

H. Con. Res. 423. October 7, 1975. Interstate and Foreign Commerce. Declares it the sense of Congress that pilot lights on gas stoves be eliminated.

H. Con. Res. 424. October 8, 1975. Declares Congress adjourned from October 9, 1975, to noon, October 20, 1975.

H. Con. Res. 425. October 8, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 426. October 8, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 427. October 9, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 428. October 9, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 429. October 9, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 430. October 9, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 431. October 9, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 432. October 9, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 433. October 9, 1975. Budget.

Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 434. October 9, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 435. October 9, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 436. October 9, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 437. October 9, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 438. October 9, 1975. Post Office and Civil Service. Declares it the sense of Congress that the national observance of Thanksgiving should include "Thankful Giving" whereby Americans make personal donations to the hungry abroad through appropriate charities.

H. Con. Res. 439. October 9, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 440. October 9, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 441. October 9, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 442. October 9, 1975. International Relations. Declares that Congress recognizes the right of the people of Ireland to control their own political destiny. Urges the President to pursue policies consistent with such right.

Specifies the procedure for handling certain subpenas duces tecum addressed to the Clerk of the House of Representatives.

H. Res. 718. September 17, 1975. Education and Labor. Directs the Secretary of Health, Education and Welfare to furnish the House of Representatives with (1) any documents listing public schools receiving Federal funds in the current fiscal year which are using busing to achieve racial balance, and (2) any documents with respect to rules and regulations of the Department of Health, Education and Welfare with respect to the use of Federal funds for such busing.

H. Res. 719. September 17, 1975. International Relations. Expresses the disapproval of the United States of the attempts to expel Israel from the United Nations. Declares that in the event that Israel is expelled the Senate will consider implications of continuing United States membership in the United Nations.

H. Res. 720. September 17, 1975. International Relations. Expresses the disapproval of the United States of the attempts to expel Israel from the United Nations. Declares that in the event that Israel is expelled the Senate will consider implications of continuing United States membership in the United Nations.

H. Res. 721. September 18, 1975. Rules. Creates a House select committee to conduct an investigation and study of the circumstances surrounding the deaths of John F. Kennedy, Robert F. Kennedy, and Martin Luther King, Jr., and the attempted assassination of George Wallace.

H. Res. 722. September 18, 1975. Sets forth the rule for consideration of H.R. 1287.

H. Res. 723. September 18, 1975. Sets forth the rule for consideration of H.R. 5397.

H. Res. 724. September 18, 1975. Sets forth the rule for consideration of H.R. 6227.

H. Res. 725. September 18, 1975. Sets forth the rule for consideration of H.R. 7222.

H. Res. 726. September 18, 1975. Sets forth the rule for consideration of H.R. 8603.

H. Res. 727. September 18, 1975. Sets forth the rule for consideration of S. 584.

H. Res. 728. September 19, 1975. Rules. Creates a Select Committee on Energy to review proposed energy legislation and to report a bill to the House of Representatives designed to make the United States self-sufficient with respect to the development, use, and control of all forms of energy.

H. Res. 729. September 23, 1975. Rules. Declares that the House of Representatives should meet during certain periods and cancel the Columbus Day recess and Veterans Day recess in order to facilitate enactment of energy and economic legislation.

H. Res. 730. September 23, 1975. Rules. Amends the Rules of the House of Representatives to require that the Congressional Record of the House of Representatives contain an accurate and verbatim record of remarks on the floor of the House. Authorizes the insertion of other data and material under certain conditions.

H. Res. 731. September 23, 1975. Sets forth the rule for consideration of H.R. 8617.

H. Res. 732. September 24, 1975. House Administration. Directs the Clerk of the House of Representatives and the Sergeant at Arms of the House of Representatives to enter into an agreement with any State so requesting to withhold state income tax in the case of each employee and Member of the House of Representatives who is subject to such tax and voluntarily requests such withholding.

H. Res. 733. September 24, 1975. House Administration. Restricts the stationery allowance of Members of the House of Representatives to expenditures for office supplies and similar expenses related to the operation of any official office of such member.

Requires that any amount of such allowance not expended at the time a Member ceases to hold office, be paid to the contingent fund of the House of Representatives.

H. Res. 734. September 24, 1975. Sets forth the rule for the consideration of H.R. 8841.

H. Res. 735. September 24, 1975. Sets forth the rule for the consideration of H.R. 7110.

H. Res. 736. September 24, 1975. Sets forth the rule for the consideration of H.R. 5665.

H. Res. 737. September 24, 1975. Sets forth the rule for the consideration of S. 2230.

H. Res. 738. September 25, 1975. Ways and Means; Interstate and Foreign Commerce. Declares it the sense of the House of Representatives (1) that any legislation for medical assistance programs include optometric services; and (2) that the States seek to continue such services whether or not they are included in any primary group of health care services.

H. Res. 739. September 25, 1975. Education and Labor. Charges the United States Employment Service with devoting its resources exclusively to assistance of the unemployed and the disadvantaged.

Directs Congress to review the Wagner-Peyser Act and subsequent legislation in order to bring such legislation into current and practical conformity.

H. Res. 740. September 25, 1975. International relations. Declares it the sense of the Senate that the United States supports the efforts in Portugal to secure democracy.

Directs the Administration to submit to Congress recommendations for providing support to a democratic Portugal.

H. Res. 741. September 26, 1975. Rules. Amends the Rules of the House of Representatives to require that copies of any bill, resolution, or committee report be available to Members on the floor for at least two hours before it is considered.

H. Res. 742. September 26, 1975. Rules. Establishes a House select committee to investigate and to study the circumstances surrounding the death of John F. Kennedy.

H. Res. 743. September 26, 1975. Rules. Establishes a House select committee to investigate and to study the circumstances surrounding the death of Jonn F. Kennedy.

H. Res. 744. September 26, 1975. House Administration. Directs that certain expenses of the House of Representatives Select Committee on Missing Persons in Southeast Asia shall be paid out of the contingent fund of the House of Representatives.

H. Res. 745. September 26, 1975. Education and Labor. Declares the disapproval of the House of Representatives of the amendments to the family contribution schedule and regulations proposed by the Commissioner of Education.

H. Res. 746. September 26, 1975. Rules. Sets forth the rule for the consideration of H.R. 7590.

H. Res. 747. September 26, 1975. Ways and Means; Interstate and Foreign Commerce. Declares it the sense of the House of Representatives (1) that any legislation for medical assistance programs include optometric services, and (2) that the States seek to continue such services whether or not they are included in any primary group of health care services.

H. Res. 748. September 26, 1975. Interior and Insular Affairs. Requests the Secretary of the Interior to assist the State of Oregon in the preservation of the home of Senator Wayne Morse.

H. Res. 749. September 29, 1975. Rules. Amends the Rules of the House of Representatives to establish a Select Committee on Energy to conduct studies on the development, application, use, and control of all forms of energy.

H. Res. 750. September 29, 1975. Rules. Amends the Rules of the House of Representatives to establish a Select Committee on Energy to conduct studies on the development, application, use, and control of all forms of energy.

H. Res. 751. September 29, 1975. Sets forth the rule for consideration of H.R. 9500.

H. Res. 752. September 29, 1975. Sets forth the rule for the consideration of H.R. 9861.

H. Res. 753. September 30, 1975. Elects Harold E. Ford to the House of Representatives Committee on Ways and Means.

H. Res. 754. September 30, 1975. House Administration. Restricts the stationery allowance of Members of the House of Representatives to expenditures for office supplies and similar expenses related to the operation of any official office of such Member.

Requires that any amount of such allowance not expended at the time a Member ceases to hold office shall be paid to the contingent fund of the House of Representatives.

H. Res. 755. September 30, 1975. Rules. Directs the House of Representatives committees on Education and Labor and Armed Services to make certain inquiries into the acquisition by Societe Imetal of Copperweld Corporation.

Directs the House of Representatives (1) to intervene in litigation pending to enjoin the culmination of such acquisition, and (2) to seek an injunction barring such acquisition until the Committees of Education and Labor and Armed Services have completed the directed inquiries.

H. Res. 756. September 30, 1975. International Relations. Declares it the sense of Congress that the United States support the efforts in Portugal to secure democracy.

Directs the Administration to submit to Congress recommendations for providing support to a democratic Portugal.

H. Res. 757. September 30, 1975. Sets forth the rule for consideration of H.R. 7988.

H. Res. 758. September 30, 1975. Sets forth the rule for consideration H.R. 8672.

H. Res. 759. October 1, 1975. Rules. Amends the Rules of the House of Representatives with respect to revision and extension of remarks made in the House or the Committee of the Whole.

H. Res. 760. October 1, 1975. Sets forth the rule for consideration of H.R. 200.

H. Res. 761. October 2, 1975. Education and

Labor. Declares that the Subcommittee on Labor Standards of the Committee on Education and Labor of the House of Representatives should commence an inquiry on the effect on American employment of the acquisition of Copperweld Corporation by Societe Imetal.

H. Res. 762. October 2, 1975. Post Office and Civil Service. Authorizes the President to designate the week beginning April 4, 1976, as "National Rural Health Week."

H. Res. 763. October 2, 1975. Education and Labor. Charges the United States Employment Service with assisting exclusively the unemployed and disadvantaged. Directs review and amendment of the Wagner-Peyser Act to assist the unemployed.

H. Res. 764. October 2, 1975. Rules. Amends the Rules of the House of Representatives to require that the Chairman of a committee shall report the names of absentees to the House, which shall be entered on the Journal, notwithstanding the presence of a quorum.

H. Res. 765. October 3, 1975. Rules. Amends the Rules of the House of Representatives to eliminate the limitation upon the number of Members who may sponsor any bill or resolution.

H. Res. 766. October 3, 1975. House Administration. Revises the student Congressional intern program to allow participation by students of vocational schools in addition to students of colleges, universities, and other institutions of higher learning.

H. Res. 767. October 3, 1975. House Administration. Revises the student Congressional intern program to allow participation by students of vocational schools in addition to students of colleges, universities, and other institutions of higher learning.

H. Res. 768. October 3, 1975. Interstate and Foreign Commerce. Sets forth policies for the development of pay television.

H. Res. 769. October 6, 1975. Judiciary. Declares it the sense of the House of Representatives that the Amateur Athletic Union restore the status of amateur athlete to the late Jim Thorpe.

H. Res. 770. October 6, 1975. International Relations. Declares it the sense of the Senate that the United States supports the efforts in Portugal to secure democracy.

Directs the Administration to submit to Congress recommendations for providing support to a democratic Portugal.

H. Res. 771. October 7, 1975. Judiciary. Declares it the sense of the House of Representatives that the Amateur Athletic Union restore the status of amateur athlete to the late Jim Thorpe.

H. Res. 772. October 7, 1975. House Administration. Authorizes the House of Representatives Committee on House Administration to incur expenses for the maintenance and improvement of computer services for the Committee on Appropriations of the House of Representatives.

H. Res. 773. October 7, 1975. Post Office and Civil Service. Cites Bob Hope for distinguished and meritorious service to the United States.

H. Res. 774. October 7, 1975. Rules. Creates a House select committee to investigate denials of basic human rights in Southeast Asia by Communist forces.

H. Res. 775. October 7, 1975. Rules. Sets forth the rule for consideration of H.J. Res. 683.

H Res. 776. October 7, 1975. Rules. Sets forth the rule for consideration of H.R. 6184.

H. Res. 777. October 7, 1975. Rules. Sets forth the rule for consideration of H.R. 9019.

H. Res. 778. October 7, 1975. Rules. Sets forth the rule for consideration of H.R. 9472.

H. Res. 779. October 7, 1975. Rules. Sets forth the rule for consideration of H.R. 10029.

H. Res. 780. October 8, 1975. House Administration. Disapproves the proposed regulation of the Federal Election Commission which pertains to the filing of required statements and reports by a candidate for the office of Representative, Delegate, or Resident Commissioner and by political committees supporting such candidate.

H. Res. 781. October 8, 1975. International Relations. Requests the President to express the concern of the United States Government for the safety and freedom of Valentyn Moroz.

H. Res. 782. October 8, 1975. Post Office and Civil Service. Expresses the gratitude of the House of Representatives to Armen Sarafian.

H. Res. 783. October 9, 1975. Judiciary. Requests each Federal agency which administers programs relating to older Americans (1) to collect and publish statistics on crimes against older Americans; (2) to study methods of reducing such crimes; and (3) to transmit such reports to the Senate with recommendations for legislation.

H. Res. 784. October 9, 1975. Rules. Directs the House of Representatives Committees on Education and Labor and Armed Services to make certain inquiries into the acquisition by Societe Imetal of Copperweld Corporation.

Directs the House of Representatives (1) to intervene in litigation pending to enjoin the culmination of such acquisition; and (2) to seek an injunction barring such acquisition until the Committees of Education and Labor and Armed Services have completed the directed inquiries.

H. Res. 785. October 9, 1975. Rules. Amends the Rules of the House of Representatives to establish a Select Committee on Energy to conduct studies on the development, application, use, and control of all forms of energy.

H. Res. 786. October 9, 1975. House Administration. Applies the House Position Classification Act to all positions of the House Beauty Shop.

SENATE—*Monday, December 1, 1975*

The Senate met at 12 meridian and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the Psalmist:

Give unto the Lord, O ye kindreds of the people, give unto the Lord glory and strength.

Give unto the Lord the glory due unto His name . . .

. . . for He cometh, for He cometh to judge the earth: He shall judge the world with righteousness, and the people with His truth.—Psalms 96: 7, 8, 13.

Eternal God, who in the fulness of time, revealed Thy majesty, and power, and love in Thy Son, make us ready for every new breakthrough in history. In this Advent season keep us under Thy forgiveness, ever attuned to Thy spirit, growing in grace and in wisdom. Help us to follow the light which shines above the darkness of this world. May we be so diligent in the work of Thy kingdom that we may not be found wanting when He shall come to judge the world with righteousness.

In the Redeemer's name, we pray. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, November 20, 1975, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to waive the call of the calendar under rule VIII.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDENT pro tempore. The minority leader is recognized.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that I may yield my time to the distinguished Senator from Michigan (Mr. GRIFFIN).

The PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Michigan.

Mr. GRIFFIN. I thank the distinguished minority leader.

NOMINATION OF JUDGE JOHN PAUL STEVENS TO BE AN ASSOCIATE JUSTICE OF THE SUPREME COURT

Mr. GRIFFIN. Mr. President, while there is no requirement that a nominee for the Supreme Court come from the judiciary—or even that such a nominee be a lawyer—certainly it is a tribute to the judiciary that one of its finest, Judge John Paul Stevens, has been selected by President Ford to fill the vacancy left by Justice William O. Douglas.

I have not had the privilege of knowing Judge Stevens personally. But there is every reason to believe that President Ford has chosen very wisely, with the highest appreciation of the vital role played by the Supreme Court in shaping the quality of life for all Americans in our land.

The President appropriately noted in connection with his announcement that the nomination of a Justice of the Supreme Court of the United States is one of the most important decisions a President has to make.

A look at the record clearly reveals that Judge Stevens has a brilliant and distinguished record of service. As a member of the Court of Appeals for the Seventh Circuit, he has earned from his colleagues and from the American Bar Association the highest possible evaluation of his performance on the bench.

Judge Stevens has impressive academic credentials. As reported in the press, he graduated with a Phi Beta Kappa key from the University of Chicago; and after serving in the Navy and earning a Bronze Star, he studied at the Northwestern University Law School, where he graduated first in his class and was coeditor of the Law Review.

Following graduation from law school, he served as a law clerk to Associate Justice Rutledge of the U.S. Supreme Court.

To most Americans, the name of John Paul Stevens may be unknown, perhaps because he had not been regarded as an activist in his various endeavors. Instead, he has taken a quiet and thoughtful approach to problem-solving.

Speaking of Judge Stevens, Phillip B. Kurland, a distinguished law professor at the University of Chicago said:

> He's very low-key, he's soft-spoken, he's modest, he's hard-working. He's basically bright and he's decent, and the combination is one that's not easy to come by.

From all indications, President Ford has chosen an outstanding person to be the next Justice of the Supreme Court, I hope and expect that the Committee on the Judiciary and the Senate will move now with dispatch to consider and confirm this nomination as quickly as possible in order that the Supreme Court will again be at full strength as early as possible.

I ask unanimous consent that several editorials and newspaper articles concerning Judge Stevens be printed in the Record.

There being no objection, the editorials and newspaper articles were ordered to be printed in the Record, as follows:

[From the Chicago Tribune, Dec. 1, 1975]

Judge Stevens' Nomination

President Ford has made an excellent choice in his nomination of Federal Judge John Paul Stevens of Chicago to the Supreme Court. If confirmed by the Senate, he will fill the vacancy caused by the retirement of Justice William O. Douglas.

We are pleased, of course, that Judge Stevens is from Chicago—he is only the fourth Illinoisan out of the 105 justices who have served on the court. But a strong case could also be made—and was made—for naming a woman, and there were some creditable candidates.

Judge Stevens' virtue is that he has earned this appointment not by controversial stances or his place of residence or his sex or his politics, but simply because in his five years on the 7th Circuit Court of Appeals he has been a steady judge and a good one. He has looked for the right answer or the best one, not for the one that would bring cheers or headlines. A good measure of his success is that in these five years he has never been reversed by the Supreme Court. His record supports the comment by White House counsel Philip Buchen that "he won't stretch to find a federal question arising in cases where there are only state questions."

His virtue as a strict constructionist is enhanced by the fact that his reputation is not engraved in stone as either a liberal or a conservative. For too long the Supreme Court has been divided between relatively inflexible blocs—the liberal activists on one side and the conservatives on the other. As the usual "swing" members, Justices Stewart and White have had more influence than any two men should. If Judge Stevens' nomination is confirmed, he will become a third member of this influential group and will thereby strengthen the court.

His nomination has the endorsement of Sen. Stevenson as well as of Sen. Percy and Atty. Gen. Levi, both of whom have known and worked with him. We have every reason to hope and believe that his nomination will be confirmed quickly. The Supreme Court has been weakened too long by its strong ideological division and by the illness of Justice Douglas. It has much important work ahead of it.

[From the New York Times, Nov. 29, 1975]

Admirable Appointment

President Ford was quite right in saying that the nomination of a Supreme Court Justice is "one of the most important decisions a President has to make." In nominating Judge John Paul Stevens of the United States Court of Appeals for the Seventh Circuit, the President met the high standards of that responsibility.

Judge Stevens has crafted an enviable career in the law and has earned the warm esteem of his colleagues on the bench and of lawyers who have practiced with him and argued before him. Judge Stevens' temperament and the quality of his mind are reflected in the statement of the American Bar Association accompanying the announcement that the judge had received its highest rating. His opinions show great scholarship, said the A.B.A., and they are "closely reasoned, meticulously prepared, reflecting intellectual honesty and openmindedness."

Thus the President has fully discharged his principal responsibility: to settle upon a nominee whose experience and whose qualities of mind and temperament are commensurate with the role of the Court in this society and its importance to the nation's future.

[From the Washington Post, Nov. 29, 1975]

Specialist in Antitrust Law

(By Stephen Isaacs)

John Paul Stevens, President Ford's nominee to succeed to the Supreme Court seat of William O. Douglas, is little known to the public in Chicago but widely known in legal circles there.

One of his greatest admirers in Chicago is Philip B. Kurland, the widely respected University of Chicago law professor who is a constitutional law scholar.

In an article five years ago, Kurland wrote that "justices often have a way of growing into their jobs." In the case of his friend Stevens, Kurland said last night: "He's already ready."

"He's very, very low key," said Kurland, "he's softspoken, he's modest, he's hard working. He's basically bright and he's decent and the combination is one that's not easy to come by."

Kurland's remarks were echoed by Samuel Skinner, U.S. attorney in Chicago. He told Washington Post correspondent Joel Weisman that Stevens is "one of the brightest, most understanding judges who has ever sat on the Seventh Circuit," Stevens is a judge on the 7th U.S. Circuit Court of Appeals in Chicago.

Skinner said that he particularly admired Stevens' not trying to expand the government's role but that Stevens "when necessary isn't afraid to do so."

Skinner's remarks were akin to those of his boss, Attorney General Edward H. Levi, who has known Stevens for years.

"I think it was a grand choice," said Levi, who Chicago associates think engineered the choice.

"John Paul Stevens has been a strong and most able judge. For the many who know Judge Stevens and for those who will come to know him, I am sure it will be realized that the nomination is a commitment to excellence."

According to Kurland, Stevens has not been particularly active politically although he is a Republican. He once served as minority (Republican) counsel for a year to the House Subcommittee on the Study of Monopoly Power.

He is a graduate of the University of Chicago, where Levi was dean of the law school. He was a classmate there of Illinois Republican Sen. Charles H. Percy, who Kurland says arranged for Stevens' appointment in 1970 to the federal judiciary.

Kurland says that Stevens cannot be considered a "strict constructionist" of the Constitution, nor an "activist," nor is he an ideologue. "I think he's been fairly tight on criminal cases," said Kurland, emphasizing that he believes Stevens "is not going to be an expansionist"—in other words Stevens is not a believer in interpreting the Constitution so that it moves the courts into areas not explicit in law.

Kurland, who himself has been considered a possible appointee to the court, first met Stevens in 1947, when Stevens, then a new graduate of Northwestern's law school, came to Washington to serve as law clerk to Supreme Court Justice Wiley Rutledge.

Stevens, Kurland said, like every clerk was affected by his service, but "Rutledge wasn't a superior intellect. I think the people who influenced him more were (Hugo) Black and Frankfurter and Robert H. Jackson."

Stevens has not written deeply on legal issues in law reviews, Kurland said, but has long been the premier legal mind in Chicago on antitrust matters, his field of specialty since his clerkship.

As a justice, says Kurland, "I think he'll end up in the middle of the court, about where (Potter) Stewart and (Byron R.) White and (Lewis F.) Powell are."

After graduating with a bachelor's degree (and a Phi Beta Kappa key) from the University of Chicago in 1941, Stevens joined the Navy and served until 1945. He won the Bronze Star.

After his discharge, he sped through the law school at Northwestern first in his class and was co-editor of the Law Review.

After his clerkship with Rutledge, he returned to Chicago, joining the firm of Poppenhusen, Johnston, Thompson and Raymond, and immediately became the key antitrust aide to that firm's antitrust expert, Edward R. Johnston, then considered Chicago's foremost antitrust lawyer.

Johnston (who is now 93) was then 66 years old and Stevens took on much of the workload, quickly becoming known among Chicago lawyers as the antitrust expert of the firm, which was the leading antitrust firm in Chicago.

That firm is now called Jenner and Block and includes, among its more than 100 lawyers, Albert E. Jenner Jr., who was Republican counsel to the House Judiciary Committee's 1974 impeachment inquiry.

He was with the firm about three years or so, having left first to take the temporary Washington job with the House subcommittee, then leaving in 1952 with several other partners to set up their own firm.

That firm, founded in 1952, was known as Rothschild, Stevens, Barry and Myers until Stevens left it in 1970 to become a judge.

Off and on during his 18 years with that firm he also taught antitrust law at both Northwestern and at Chicago.

Earl E. Pollock, a prominent Chicago antitrust lawyer, says that Stevens is "a very conservative fellow when it comes to his view of the judicial function.

"I recall trying my damndest to get him to speak to the Northwestern Alumni Association after he went on the bench. He was so sensitive to making any kind of public pronouncement that he said 'No' for two years.

"Finally, he consented, and he gave a very scholarly, carefully thought out talk on the judicial function."

Stevens' opinions in his five years on the circuit court, Pollock said, "disclose no political philosophy, except that he's such a lawyer-like fellow that he just might be regarded as something of a middle-of-the-roader."

Stevens has played his Republicanism at a very low level, according to Kurland and Pollock.

In fact, said Pollock, "he is almost a non-political animal, and I think that he was never regarded as being political, and I never really knew whether he had any political affiliation."

"His only political connection," Pollock added, "is his close relationship with Sen. Percy."

Stevens married Elizabeth Jane Sheeren when he was 22, before entering the Navy. They have four children: John Joseph, Kathryn, Elizabeth Jane and Susan Roberta.

He flies his own airplane and used to fly almost everywhere himself, according to Pollock, who added, "he's also a big bridge player."

He has appeared in nonlegal circles only rarely.

In the 1953–55 period, he served as a member of the Attorney General's National Commission to Study Anti-Trust Laws.

Before his appointment to the appellate bench by President Nixon in 1970, he served as general counsel of the special commission appointed by the Illinois Supreme Court to investigate the conduct of two justices of the court, Roy J. Solfisburg Jr. and Ray I Klingbiel. In the course of the commission's investigation, both justices resigned their posts.

In Chicago yesterday, aides to Stevens distributed two decisions about which they said the judge was especially proud.

One (Fitzgerald v. Porter Memorial Hospital) involved a suit by husbands and expectant wives who protested a ruling by a hospital in Valparaiso, Ind., that husbands could not be present during the birth of their children. Stevens held that the ruling violated civil rights of the parents.

The other cases (Cohen v. Illinois Institute of Technology) involved Stevens' narrowing the use of a section of a civil rights law. A woman faculty member of the institute had claimed the section required the institute to explain its reasons for not offering her tenure.

One of Stevens' dissenting opinions involved Father James Groppi, the civil rights militant from Milwaukee, who had been found guilty of contempt by the Wisconsin legislature.

The circuit court upheld the guilty finding, but Stevens' dissent became the basis of the Supreme Court's subsequent reversal.

In that opinion, Stevens wrote. "The preservation of order in our communities will be best insured by adherence to established and respected procedures. Resort to procedural expediency may facilitate an occasional conviction, but it may also make martyrs of common criminals."

[From Newsweek magazine, Dec. 8, 1975]

A Man for the Middle

They had chatted a few days earlier at a White House dinner honoring the Federal judiciary, and when Gerald Ford placed his telephone call last week to Judge John Paul Stevens of the Seventh Circuit Court of Appeals in Chicago, he paused and relished another short moment of small talk: pleasant evening, he told the judge, nice talking with you. Then Ford got to the point. "Unless you have some objection," he said mildly, "I intend to nominate you for the Supreme Court." If Judge Stevens did have any objections, he quickly overruled them. "From the President's reaction," recalled one Ford aide who was present, "you could tell the judge was a little excited."

For Stevens, 55, the President's surprise call capped a 28-year legal career that began in the law library of the Supreme Court where he had started out as a clerk to Justice Wiley Rutledge. And for a Congress and a country still absorbing the seismic shifts in Ford's Administration, Stevens looked like a reassuring choice: a quiet man, a legal scholar known for meticulous research and lucid prose, an unideological moderate whose appointment is likely to strengthen the centrist bloc already emerging as the dominant force in the Court. Stevens has neither the stylistic panache nor the liberal passion of William O. Douglas, the old warrior he would replace. But he comes with an exceptional professional reputation—"a lawyer's lawyer's lawyer," old partner Edward I. Rothschild enthused—and even one liberal academic who will miss Douglas blessed the choice: "I think the country should be grateful."

A controversial nominee was the last thing Ford was after. He ruled out a number of old political friends; he toyed with the notion of naming a woman—and dismissed it. He chose Stevens after a talent search assisted by the American Bar Association—and after browsing through a sampler of Steven's 200-plus circuit-court decisions. "His opinions are just magnificant," gushed one of the Ford aides who read them. The reaction in other quarters was almost equally enthusiastic. ABA president Lawrence Walsh pronounced himself "very pleased with the decision." Harvard law professor Alan Dershowitz ran Stevens's name past a number of civil libertarians and law professors and picked up approving vibrations. "We could have done a lot worse," he observed. "Ford obviously made a nonpolitical choice." There was one gentle dissent. "I'm disappointed that it was not a woman," said First Lady Betty Ford. "But I'm confident that he picked the most capable person—and the person best prepared for the job."

The choice came a bit abruptly nonetheless. As late as last Wednesday Ford said on national television that he would not submit a nominee to the Senate before his China trip. But the list of contenders somehow narrowed more rapidly than he had expected. He ruled out the only two women formally in the running—Carla Hills, 41, Secretary of Housing and Urban Development, and U.S. District Court Judge Cornelia Kennedy, 52. Political considerations knocked out Solicitor General Robert Bork, 48, a distinguished conservative who became controversial when he sacked special Watergate prosecutor Archibald Cox during the Saturday Night Massacre, as well as Michigan Sen. Robert Griffin, an old friend of the President's whose nomination entering an election year would have smacked of cronyism. Attorney General Edward Levi, 64, a respected academic, was apparently ruled out on grounds of age, since Ford had let the word out that he was interested in appointing a younger man.

SURPRISE

After the political calculations were computed, the field was left to a handful of highly respected lawyers and sitting Federal judges. Six names were known to have been submitted to the FBI for investigation; others were kept alive to give Ford the option of picking a surprise candidate. Along the way the President was subjected to some polite but heavy lobbying. Chief Justice Warren Burger supported Judge J. Clifford Wallace, a conservative from the Ninth Circuit Court in San Diego, Senate Minority Leader Hugh Scott backed Judge Arlin Adams, a highly regarded jurist from the Third Circuit in Philadelphia. But Levi persuasively argued the case for Stevens, a former colleague from the University of Chicago. The President's choice, said the A.G. afterward, "was a commitment to excellence."

The day before he shuttled off to Peking, Ford summoned Levi to the White House for a final review of the morning line with White House legal counsel Philip Buchen and chief of staff Richard Cheney. As the session began, eight or nine names were still in contention—all men. The list was painfully reduced to three, and finally to one before the President picked up the telephone to congratulate the winner. "Stevens won out on the basis of five years of good, well-drafted, lucid opinions," said one of the men who picked him. The choice, as it developed, needed less explaining than the President's no-one-in-sight statement only two days earlier. White House press secretary Ron Nessen offered the lawyerly quibble that Ford had merely said he would not submit a nomination until after the China trip, not that he had no one in mind. The nomination, he added, would go to the Senate this week.

The nominee's credentials looked impressive enough. A native of Chicago, he graduated Phi Beta Kappa from the University of Chicago in 1941 and first in his law-school class at Northwestern University (1947), where he co-edited the law review. After clerking two years for Rutledge, he went into private practice in Chicago, specializing in antitrust law; he also served as a consultant to the ABA and the Justice Department and taught law at the University of Chicago and Northwestern. In 1969 he became general counsel to a special Illinois commission investigating judicial corruption, an inquiry that forced the resignation of two Illinois State Supreme Court justices. Sen. Charles Percy, an old classmate from the University of Chicago, brought Stevens to the attention of Richard Nixon, who appointed him to the Federal bench in 1970. "I look upon him as a man who has great reverence for the Constitution," said Percy last week. "He is a man of justice, fairness, compassion and understanding—but also a man with a hard head."

Out of court, Stevens is an affable man given to narrow bow ties and tweed sport coats. He lives in the quiet Chicago suburb of Burr Ridge; he and his wife, Betty, have been married for 33 years and have four children. A year ago Stevens underwent open-heart surgery to correct a malfunctioning valve, but is now fully recovered. He is an accomplished pilot; he plays a respectable game of bridge, a passable game of golf and a formidable game of tennis; he putters in his garden whenever he gets the time. "He's kind of like an old shoe," said one close friend last week. "To look at him reminds you of Mr. Peepers."

Barring some improbable turn, it seemed likely that the Senate Judiciary Committee would confirm Stevens. But with the Supreme Court facing important test cases this term on capital punishment, the new Federal campaign reforms, school desegregation and discrimination in housing and employment, the impact of the new man upon the Burger Court remained a tantalizing riddle. "It's hard to pigeonhole him," observed Warren Christopher, chairman of the ABA's screening committee, which gave Stevens its highest rating. "The thing that struck us about him was the consistent excellence of his opinions in an astonishing number of fields, from antitrust and securities to Federal [court] procedure. You can line up a number of opinions which seem to indicate that he is conservative. But then you find an equal number . . . which seem to go the other way."

Triplets: The best guess was that Stevens would find himself most comfortable in the mid-road company of Justices Potter Stewart, Byron White and Lewis Powell, and that he would not further weight the balance of the Court toward the right. "He's not going to make the Minnesota Twins [Chief Justice Warren Burger and Justice Harry A. Blackmun] into the Minnesota triplets," predicted Harvard's Dershowitz.

No one believed he would fill the liberal vacuum left by Justice Douglas either—but in recent years, Douglas's influence had waned anyway, as he got older and the Court's liberal wing got smaller. Some scholars guessed a strong centrist would act as a more effective check on the right than a new, liberal voice in the wilderness.

Stevens chose discreetly to keep his own counsel until the Senate hearings begin. "I am alternately filled with joy and moments of consternation," the new nominee told one old friend last week. That sounded like a brief for common sense.

[From Time Magazine, Dec. 8, 1975]

CRAFTSMAN FOR THE COURT

Shortly after William O. Douglas resigned from the Supreme Court, one of the Justices privately admitted that he and his colleagues were "concerned" that the nominee would be a Senator chosen not for judicial qualities but because he could be easily confirmed. Other observers fretted that President Ford might seek, as Nixon had (and indeed many Presidents), to wrench the court toward his own views. In fact, past controversies over court nominees so warped expectations that Ford prompted unmerited surprise last week when he announced his choice: John Paul Stevens, 55, a Chicagoan generally rated among the top dozen of the nation's 97 U.S. appeals court judges.

By all accounts, it was a straight-forward process of selection. A few hours after Douglas' resignation, Ford summoned Attorney General Edward Levi and White House Counsel Philip Buchen to tell them he wanted a list of the best-qualified nominees available. He prefered someone no older than 55, the President said, and specifically excluded political affiliations, race and sex as criteria. Stevens' name was already on a standby list prepared by Levi weeks before at Ford's request. The very next day, renewing a practice downgraded by his predecessor, Ford sent the names of eleven potential nominees to the American Bar Association's committee on the federal judiciary. Stevens, and some of the others, got top rating.

Two women candidates, though later added to the list, were never leading contenders, and the choice eventually narrowed down to half a dozen men—all but one of them federal judges. Ford began reading selections from their opinions, and the day after Thanksgiving, he again called in Levi and Buchen for a two-hour conference at which he reached the conclusion that Stevens was the most impressive candidate.

Both liberal and conservative legal authorities praised the nominee. Stevens, who says he is "a Republican, but not a very active one," is a member of an old Chicago family. He was Phi Beta Kappa at the University of Chicago (where Illinois Senator Charles Percy was a classmate and friend) and first in his class at Northwestern Law School. After clerking for Supreme Court Justice Wiley Rutledge, Stevens entered private practice, specializing in antitrust law. In 1970 Percy got him an appointment to the Seventh Circuit Court of Appeals.

SWING VOTE

Stevens had open heart surgery in 1974, but continues to golf, play tennis, swim, fly his own Cessna, garden and plug away toward life-master status as a duplicate bridge player. In court, he is known as a stickler for proper procedure. Dissenting from a 1971 decision upholding the Wisconsin legislature's James Groppi on contempt charges, Stevens wrote that to "resort to procedural expediency may facilitate an occasional conviction, but it may also make martyrs of common criminals."

On the high bench, Stevens is expected to join Lewis Powell, Byron White and Potter Stewart as a potential "swing" vote. But Stevens' added centrist vote is likely to be less important to the character of the Burger Court than his legal craftsmanship. "He writes well and clearly and invitingly," says Chicago Attorney Albert Jenner, a former chairman of the A.B.A.'s federal judiciary committee. The University of Chicago's constitutional expert, Philip Kurland, who has criticized the present court for loose writing and reasoning, agrees. "The closest parallel to Stevens I can think of is John Marshall Harlan," says Kurland, referring to the tightly reasoned, legally principled decisions of the distinguished New York justice who sat on the high court from 1955 to 1971. Admired even by lawyers who lose in his court, Stevens is expected to have no trouble in Senate confirmation hearings, which start next week.

ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 1 hour, with statements therein limited to 5 minutes.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following calendar orders numbered: 454, 455, 456, 457, 458, 461, 463, 466, 467, 468, 469, 474, 475, 476, 477, 478, 479, 481, 482, and 484.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR TRANSITION

The bill (H.R. 6692) to authorize appropriations for the period July 1, 1976, through September 30, 1976, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94-467), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

Section 501 of the Congressional Budget and Impoundment Act of 1974 (Public Law 93-344) changed the fiscal year of the Government from a July 1–June 30 cycle to an October 1-September 30 cycle, to take effect as of October 1, 1976. The effect of this change was to create a three-month transition period from July 1 through September 30, 1976 which is part of neither fiscal year 1976 (old cycle) nor fiscal year 1977 (new cycle).

The purpose of H.R. 6692 is to provide a general authorization for appropriations from July 1, 1976 through September 30, 1976 for all Federal programs and activities for which funding was authorized on June 30, 1976. It does not affect existing law authorizing appropriations for that period or authorize any new programs.

BACKGROUND

Existing law prohibits the appropriation by the Congress of funds unless they have been previously authorized. Whereas appropriations are usually provided for a specific period of time by a single committee in each House, authorizations are processed and reported by the various standing committees and are limited in time, indefinite or continuous. Accordingly, it is often difficult to keep track of all existing authorizations.

In recognition of the fact that it would be very difficult to identify each and every authorization, and to insure that none would be omitted, the Congress, in section 502(a)(2) of the Congressional Budget Act, directed the President to submit to the Congress, as soon as practicable, proposed legislation which he considered appropriate with respect to changes in law necessary to provide authorizations of appropriations for the transition period.

HEARING

The Committee held a hearing on S. 1874, an identical companion bill to H.R. 6692, on November 12, 1975. Testimony in support of the measure was presented by Mr. William M. Nichols, Acting General Counsel, Office of Management and Budget, accompanied by Mrs. Jane Finn, Assistant General Counsel. Mr. Nichols reviewed the bill briefly, emphasizing that it provided authorizations only for appropriations which are not authorized by any other law.

COMMITTEE ACTION AND CONCLUSION

The Committee requested comments on the bill from the Chairmen of all of the Senate standing committees. Those who responded stated that they had no objection to its enactment.

The Congressional Budget and Impoundment Act provided, in effect, that the transition period between July 1 and September 30, 1976, to be treated as a separate transition quarter subject to separate appropriations. Although some of the standing committees have made provision for the period, with respect to programs under this jurisdiction, and some appropriations are authorized by law on a continuing basis, other appropriations for ongoing programs and activities have not been so authorized. Accordingly, the Committee concluded that enactment of this legislation is necessary to insure that such programs and activities, for which appropriations have not otherwise been authorized for the transition period will be funded during that period.

COST ESTIMATE

The Committee has been advised by the Office of Management and Budget that enactment of this legislation will not involve any costs other than the costs involved in the staff work required to carry out the transition.

FISCAL YEAR TRANSITION ACT

The Senate proceeded to consider the bill (S. 2444) to provide for the orderly transition to the new October 1 to September 30 fiscal year, which had been reported from the Committee on Government Operations, with amendments as follows:

On page 6, line 12, strike "non-Feedral" and insert "non-Federal";

On page 8, line 19, strike "303(b)(2)(c)" and insert "303(b)(2)(C)";

On page 15, line 6, strike "2510(b)(2))" and insert "2501a(b)(2))";

On page 15, line 15, strike "8311)," and insert "8311),";

On page 28, line 16, strike "1395a(b)(3));" and insert "395u(b)(3))";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fiscal Year Transition Act".

TITLE I

SEC. 101. (a) For the purposes of sections 222(d)(1), 421, 506(d), 516, 705, 901 (e)(2) and (f), 902, 905(b)(2), 1108, 1115, and 2002 (a)(2) of the Social Security Act, the term "fiscal year" includes the period of July 1, 1976, through September 30, 1976, and the exercise of authority pursuant to these provisions for that period shall be subject to the conditions stated in the following paragraphs:

(1) notwithstanding the provisions of section 222(d)(1) (42 U.S.C. 422(d)(1)), the amount authorized to be transferred from the trust fund pursuant to that section in the period beginning July 1, 1976, and ending September 30, 1976, may not exceed 1.5 per centum of the total of the benefits certified for payment in the first quarter of the fiscal year beginning July 1, 1975, and the amount authorized to be transferred from the Trust Fund in the fiscal year beginning October 1, 1976, may not exceed 1.5 per centum of the total of the benefits certified for payment in the preceding twelve months.

(2) the fixed dollar allotment to each State under section 421 (42 U.S.C. 621) shall be $17,500;

(3) the reduction required by section 506(d) (42 U.S.C. 706(d)) shall be the amount by which the sum expended from non-Federal sources for that period is less than one-fourth the sum expended from such sources for the fiscal year ending June 30, 1968;

(4) the amount allotted to each State under section 516 (42 U.S.C. 716) shall be the excess of one-fourth the amount of the allotment for the State under sections 503 and 504 of the Social Security Act (42 U.S.C. 703 and 704), for the fiscal year ending June 30, 1973, plus the amount of any grants to the State under sections 508, 509, and 510 of that Act (42 U.S.C. 708, 709, and 710), over the amount of the allotment of the State under sections 503 and 504 of that Act for the period;

(5) the limitation imposed by section 705(b) (42 U.S.C. 906(b)) on the amount that may be available for carrying out section 705(f) shall be $500,000 for that period;

(6) the percentage referenced in the second sentence of section 901(e)(2) (42 U.S.C. 1101(e)(2)) shall be reduced to 10 per centum for the purpose of advances to be made in that period;

(7) notwithstanding the provisions of section 901(f)(3)(A) (42 U.S.C. 1101(f)(3)(A)), for the fiscal year beginning October 1, 1976, the excess in the employment administration account shall be retained until the amount in such account is equal to 160 per centum of the amount of the total appropriation by the Congress out of the account for the period July 1, 1976, through September 30, 1976, and three thirty-seconds or $37,500,000 of the amount in the employment security administration account, whichever is the lesser, is authorized to be made available for the period under the conditions provided therein;

(8) the determinative calendar year for the purpose of a transfer to the unemployment account pursuant to section 902(a) (42 U.S.C. 1102(a)), at the beginning of the fiscal year beginning October 1, 1976, shall be calendar year 1975;

(9) the determinative calendar year for the purposes of a transfer to the extended unemployment compensation account pursuant to section 905(b)(2)(B) (42 U.S.C. 1105(b)(2)(B)), at the beginning of the fiscal year beginning October 1, 1976, shall be calendar year 1975;

(10) the limitations imposed by section 1108 (42 U.S.C. 1308) on amounts certified by the Secretary shall be one-fourth of the limitations imposed by that section with respect to the fiscal year ending June 30, 1976;

(11) the dollar limitation imposed by section 1115 (42 U.S.C. 1315) on the amount available for payments to the States for the cost of projects under that section shall be $1,000,000 of the aggregate amount appropriated for payments to the States for the period; and

(12) notwithstanding the provisions of subparagraph (A) of section 2002(a)(2) (42 U.S.C. 1397a(a)(2)), the limitation imposed by that subparagraph on payments with respect to expenditures by a State for the period shall be one-fourth of the limitation imposed on such payments with respect to expenditures by the State for the fiscal year beginning July 1, 1975; and notwithstanding the provisions of subparagraph (B) of section 2002(a)(2), the maximum allotments under that subparagraph for the period shall be $3,750,000 for Puerto Rico, $125,000 for Guam, and $125,000 for the Virgin Islands, but nothing in this Act shall apply to the second sentence of section 2002(a)(2)(A).

(b) Notwithstanding the provisions of sections 503 and 504 of the Social Security Act (42 U.S.C. 703 and 704), the fixed dollar allotment to each State under each of these sections for the period of July 1, 1976, through September 30, 1976, shall be $17,500.

(c) Notwithstanding the provisions of section 1101(a)(8)(B) of the Social Security Act (42 U.S.C. 1301(a)(8)(B)), the Federal percentages promulgated under that subparagraph in 1974 shall be conclusive for each of the nine quarters in the period beginning on July 1, 1975, and ending on September 30, 1977.

(d) Notwithstanding the provisions of section 2006(c) of the Social Security Act (42 U.S.C. 1397e(c)), the report on the operation of the program established by title XX of that Act during the fiscal year ending June 30, 1976, shall include the operation of that program during the period of July 1, 1976, through September 30, 1976, and shall be submitted to the Congress prior to April 1, 1977.

SEC. 102. For the purposes of section 401 of the Social Security Amendments of 1972 (42 U.S.C. 1382e note), the term "fiscal year" includes the period of July 1, 1976, through September 30, 1976, and the limitations imposed by section 401(a) on the amount payable to the Secretary by a State shall be one-fourth of the non-Federal share of expenditures as aid or assistance for quarters in calendar year 1972, as determined under that section.

SEC. 103. For the purposes of the provisions of sections 110 and 120 of the Rehabilitation Act of 1973 (29 U.S.C. 730 and 740), the term "fiscal year" includes the period of July 1, 1976, through September 30, 1976, and the exercise of authority pursuant to those provisions for that period shall be subject to the conditions stated in the following paragraphs:

(a) the fixed dollar minimum allotment for any State (other than Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands) under section 110 shall be $500,000 and

(b) the minimum allotment to any State under section 120 shall be $12,500.

SEC. 104. For the purposes of the first sentence of section 202(a) of the Community Mental Health Centers Act (42 U.S.C. 2682 (a)), the period of July 1, 1976, through September 30, 1976, shall be considered a fiscal year and the amount of $100,000 specified in section 202(a) shall be decreased to $25,000 for that period. For the purposes of the last two sentences of section 202(a), the period of July 1, 1976, through September 30, 1976, shall be considered part of the fiscal year beginning July 1, 1975.

SEC. 105. (a) For the purposes of section 210(a) and 307(c) of the Older Americans Act of 1955 (42 U.S.C. 3020(a) and 3027(c)), the period of July 1, 1976, through September 30, 1976, shall be considered part of the fiscal year beginning July 1, 1975, and the exercise of authority pursuant to those provisions shall be subject to the conditions stated in the following paragraphs:

(1) the term "appropriation Act" in section 210(a) (42 U.S.C. 3020(a)), shall be considered to include any appropriation Act for the period of July 1, 1975, through September 30, 1976; and

(2) notwithstanding the provisions of section 307(c) (42 U.S.C. 3027(c)), a State's allotment under section 303 for the period of July 1, 1975, through September 30, 1976, shall be reduced by the percentage by which its expenditures for such period from State sources under its State plan approved under section 305 are less than 125 per centum of its expenditures from such sources of the preceding fiscal year, and, notwithstanding the provisions of section 307(c), a State's allotment under section 303 for the fiscal year ending September 30, 1977, shall be reduced by the percentage by which its expenditures for that year from State sources under its State plan, approved under section 305, are less than 80 per centum of its expenditures for the period of July 1, 1975, through September 30, 1976.

(b) For the purposes of sections 303(b) and 306(b) of the Older Americans Act of 1965 (42 U.S.C. 3023(b) and 3026(b)), the period of July 1, 1976, through September 30, 1976, shall be considered a fiscal year, and the exercise of authority pursuant to those provisions shall be subject to the conditions stated in the following paragraphs:

(1) the amount specified in section 303(b)(2)(C) shall be decreased by 75 per centum for that period;

(2) the amount of $160,000 specified in section 306(b)(1)(A) shall be decreased to $40,000 for that period; and

(3) the amount of $50,000 specified in section 306(b)(1)(B) shall be decreased to $12,500 for that period.

SEC. 106. (a) For the purposes of sections 314(d)(3), 1516(c)(2), 1525(b), 1610(b), and 1640(b) of the Public Health Service Act, the period of July 1, 1976, through September 30, 1976, shall be considered a fiscal year and the exercise of authority pursuant to those provisions for that period shall be subject to the conditions stated in the following paragraphs:

(1) each State's allotment pursuant to section 314(d)(3) (42 U.S.C. 246(d)(3)) for that period may be less than the total amounts, but shall not be less than 25 per centum of the total amounts, allotted to that State under formula grants for cancer control, plus other allotments under section 314, for the fiscal year ending June 30, 1967;

(2) notwithstanding the provisions in the exception clause in section 1516(c)(2) (42 U.S.C. 3001–5(c)(2)), the amount of $175,000 specified shall be reduced to $43,750 for that period;

(3) notwithstanding the provisions of the exception clause in section 1525(b) (42 U.S.C. 300m–4(b)), the amount concerning which assurances are required in respect to the period shall be 75 per centum less than the amount specified, and funds expended in previous years shall not, for the purposes of that clause, include funds expended during that period;

(4) notwithstanding the provisions in section 1610(b)(1) (42 U.S.C. 300p(b)(1)), the amounts of $1,000,000 and $500,000 specified shall be decreased to $250,000 and $125,000, respectively, for that period; and

(5) notwithstanding the provisions of sec-

tion 1640(b)(2) (42 U.S.C. 300t(b)(2)), the amount of $1 specified in section 1640(b)(2) shall be decreased to 25 cents for that period.

(b) Section 308(c) of the Public Health Service Act (42 U.S.C. 242m(c)), shall not apply to any funds obligated or grants or contracts made or entered into for the period of July 1, 1975, through September 30, 1976. The aggregate number of grants and contracts made or entered into under sections 304 and 305 of the Act (42 U.S.C. 242b and 242c), for the period of July 1, 1975, through September 30, 1976, respecting a particular means of delivery of health services, or another particular aspect of health services, may not exceed twenty-five, and the aggregate amount of funds obligated under grants and contracts for that period under those sections respecting a particular means of delivery of health services may not exceed $6,250,000.

(c) No grant under section 395 of the Public Health Service Act (42 U.S.C. 280b–7) for the period of July 1, 1976, through September 30, 1976, shall exceed $50,000.

(d) Of the sums appropriated under the Public Health Service Act for the National Institutes of Health for the period of July 1, 1976, through September 30, 1976, not less than $125,000 shall be obligated for basic and clinical orthopedic research as prescribed under section 431(c) (42 U.S.C. 289a(c)).

(e) Notwithstanding the provisions of section 1516(b) of the Public Health Service Act (42 U.S.C. 300el–5(b)), the amounts specified in sections 1516(b)(1)(A), 1516(b)(1)(B), 1516(b)(2)(A)(i), 1516(b)(2)(A)(ii)(II), and 1516(b)(3) for purposes of grants made under section 1516 in the period of July 1, 1976, through September 30, 1976, shall be reduced by 75 per centum.

(f) For the purposes of section 1305(b)(1) of the Public Health Service Act (42 U.S.C. 300e–4(b)(1)), the period of July 1, 1976, through September 30, 1976, shall be considered part of the fiscal year beginning July 1, 1975, and the limitation specified in the second sentence of section 1305(b)(1) shall be $1,250,000 for the period beginning July 1, 1975, and ending September 30, 1976.

SEC. 107. For the purposes of the Development Disabilities Services and Facilities Construction Act (42 U.S.C. 2670 et seq.), the term "fiscal year" includes the period of July 1, 1976, through September 30, 1976, and the minimum allotment to any State (other than the Virgin Islands, the Trust Territory of the Pacific Islands, American Samoa, and Guam) under section 132(a)(1) of that Act (42 U.S.C. 2672(a)) for that period shall be $25,000.

SEC. 108. (a) For the purposes of section 302(e) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (42 U.S.C. 4572(c)), the period of July 1, 1976, through September 30, 1976, shall be considered part of the fiscal year beginning July 1, 1975, and the limitation of $50,000 specified in section 302(c) shall be increased to $62,500 for that period.

(b) For the purposes of section 302(a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (42 U.S.C. 4572(a)), the period of July 1, 1976, through September 30, 1976, shall be considered a fiscal year and the amount of $200,000 specified in section 302(a) shall be decreased to $50,000 for that period.

(c) For the purposes of section 304(c) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (42 U.S.C. 4574(c)), the period of July 1, 1975, through September 30, 1976, shall be considered a fiscal year, and the 10 per centum limitation specified in section 304(c) shall be increased to 40 per centum for that period.

SEC. 109. (a) For the purposes of the first sentence of section 403(c)(1) of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (42 U.S.C. 2693(c)(1)), the period of July 1, 1976, through September 30, 1976, shall be considered a fiscal year, and the limitation of $50,000 specified in section 403(c)(1) shall be decreased to $12,500 for that period; and that period shall be considered as part of the fiscal year beginning July 1, 1975, for the purposes of the second sentence of section 403(c)(1).

(b) For the purposes of section 403(c)(2) of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (42 U.S.C. 2693(c)(2)) the period of July 1, 1976, through September 30, 1976, shall be considered a fiscal year. The amount required to be expended from State sources under section 403(c)(2) shall be decreased by 75 per centum for that period.

SEC. 110. For the purposes of sections 1079 and 1086 of title 10, United States Code, the period of July 1, 1976, through September 30, 1976, shall be considered a fiscal year, except that for the purposes of computing the minimum fixed dollar amounts prescribed by sections 1079(b) and 1086(b), that period shall be considered as part of the fiscal year ending June 30, 1976.

SEC. 111. (a) Except where the context otherwise requires, or where otherwise provided in this section, the phrase "fiscal year" shall include the period of July 1, 1976, through September 30, 1976, wherever it appears in sections 3, 4, 6(a), 7, 8, 10, and 11 of the National School Lunch Act, as amended (42 U.S.C. 1752, 1753, 1755(a), 1756, 1757, 1759, and 1759a).

(b)(1) The phrase "fiscal year ending June 30, 1972", in section 4 of the National School Lunch Act (42 U.S.C. 1753) shall be construed to mean the period of July 1, 1971, through September 30, 1971, in computing the minimum aggregate amount of food assistance payments to be made by the Secretary to each State educational agency for the period of July 1, 1976, through September 30, 1976.

(2) For the purpose of the sixth sentence of section 7 of the National School Lunch Act, as amended (42 U.S.C. 1756), for the period of July 1, 1976, through September 30, 1976, State revenue shall constitute at least 8 per centum of the matching requirement for the same three-month period in the preceding fiscal year.

SEC. 112. (a) For the period of July 1, 1976, through September 30, 1976, the limitations on expenditures in sections 15(d)(5) and 15(d)(7) of the Peace Corps Act (22 U.S.C. 2514(d)(5) and 2514(d)(7)) shall be $1,500.

(b) For the period of July 1, 1976, through September 30, 1976, the limitation on expenditures in section 301(b)(2) of the Peace Corps Act (22 U.S.C. 2501a(b)(2)) shall be $100,000.

SEC. 113. For the purposes of section 3(d) of the Act of March 2, 1887, as amended 7 U.S.C. 361c(d)), the period of July 1, 1976, through September 30, 1976, shall be treated as a fiscal year and the figure $90,000 in section 3(d) shall be construed to be $22,500 for that period.

SEC. 114. (a) For the purposes of section 13 of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. 8311) the Corporation shall, for the period of July 1, 1976, through September 30, 1976, make payments in lieu of taxes on such bases and in a manner which is consistent, to the fullest extent practicable, with the payments authorized and made for the immediately preceding fiscal year and to be made for the fiscal year immediately following, in accordance with the applicable provisions of that section.

(b) Pursuant to the provisions of section 15c of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. 831n–4), the Corporation shall make a payment of $5,000,000, on September 30, 1976, as repayment of the appropriation investment plus a payment as a return on the appropriation investment for the period of July 1, 1976, through September 30, 1976, computed at the average interest rate payable by the Treasury upon its total marketable public obligations as of July 1, 1976, applied to the balance of said appropriations as of July 1, 1976.

SEC. 115. For the purposes of sections 409(b) and 409(c)(1) of the Drug Abuse Office and Treatment Act of 1972 (21 U.S.C. 1176(c) and (c)(1)), the period of July 1, 1976, through September 30, 1976, shall be considered a fiscal year and the exercise of authority pursuant to these provisions for that period shall be subject to the conditions stated in the following paragraphs:

(1) notwithstanding the provision in section 409(b)(3), the limitation of $50,000 specified in section 409(b)(3) shall be decreased to $12,500 for that period; and

(2) notwithstanding the provision in section 409(c)(1), the amount of $100,000 specified in section 409(c)(1) shall be decreased to $25,000 for that period.

SEC. 116. Notwithstanding the provisions of section 406(d) of the General Education Provisions Act (20 U.S.C. 1221e–1(d)), the report of the Assistant Secretary for the Department of Health, Education, and Welfare required by section 406(d) to be submitted in 1976 shall include a description of the activities of the National Center for Education Statistics during the period of July 1, 1976, through September 30, 1976.

SEC. 117. For the purpose of the Comprehensive Employment and Training Act, Public Law 93–203, the period of July 1, 1976, through September 30, 1976, shall be treated as part of the fiscal year beginning on July 1, 1975, and for the allocation of funds and the comparison of activities between fiscal years pursuant to that Act, amounts applicable to the period of July 1, 1975, through September 30, 1976, and the statistical measurements pertaining to those amounts, shall be reduced by 20 per centum.

SEC. 118. (a) For the purposes of sections 201(a) and 202(a) of the Immigration and Nationality Act of 1952, as amended (8 U.S.C. 1151(a) and 1152(a)), the period of July 1, 1976, through September 30, 1976, shall be considered part of the fiscal year beginning July 1, 1975, and the limitations of 170,000

(2) for the purpose of section 5142(b) (26 U.S.C. 5142(b)), the tax for part II (occupational tax) shall be reckoned proportionately for the 15-month period beginning July 1, 1976, and ending September 30, 1977, provided that on commencing any trade or business on which such tax is imposed, it shall be reckoned proportionately from the first day of the month in which the liability to a special tax commenced, to and including September 30, 1977; and

(3) for the purpose of section 5801 (26 U.S.C. 5801), the following rate of tax shall apply for the 15-month period commencing on July 1, 1976:

Importers, $625;
Manufacturers, $625; and
Dealers, $250.

Except an importer, manufacturer, or dealer who imports, manufactures, or deals in only weapons classified as "any other weapon" under section 5845(e) shall pay a special (occupational) tax for each place of business at the following rates: Importers, $31.25; manufacturers, $31.25; dealers, $12.50.

SEC. 120. For the purposes of section 8147(b) of title 5, United States Code, each agency and instrumentality of the United States dependent upon an annual appropriation and having an employee who is or may be entitled to compensation benefits under this subchapter or any extension or application thereof shall deposit in the Treasury to the credit of the Employees' Compensation

Fund, no later than July 15, 1976, but no earlier than July 1, 1976, 25 per centum of the amount stated in the August 15, 1975, statement.

SEC. 121. For the purposes of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), the term "fiscal year" includes the period of July 1, 1976, through September 30, 1976, and the amount to be transferred to the Secretary of Agriculture pursuant to that section and for that period is 7.5 per centum of the gross receipts collected under the customs laws on fishery products during calendar year 1975.

SEC. 122. For the purposes of section 2(a) of the Saltonstall-Kennedy Act (15 U.S.C. 713c-3), the term "fiscal year" includes the period of July 1, 1976, through September 30, 1976, and the amount to be transferred to the specified in section 201(a) and 20,000 specified in section 202(a), shall be increased to 212,500 and 25,000, respectively, for the period of July 1, 1975, through September 30, 1976.

(b) For the purposes of section 21(e) of the Act of October 3, 1965 (79 Stat. 921), the period of July 1, 1976, through September 30, 1976, shall be considered part of the fiscal year beginning July 1, 1975, and the limitation of 120,000 specified in section 21(e) shall be increased to 150,000 for the period of July 1, 1975, through September 30, 1976.

SEC. 119. For the purposes of sections 5008(c), 5142(b), 5801, 5802, and 5851 of the Internal Revenue Code, the period of July 1, 1976, shall be considered part of the fiscal year beginning October 1, 1976, and the exercise of authority pursuant to those provisions shall be subject to the conditions stated in the following paragraphs:

(1) for section 5008(c)(3) (26 U.S.C. 5008 (c)(3) the following table shall apply:

If total completions during the fiscal year in proof gallons are:	The maximum allowable loss in proof gallons is:
Not over 30,000	2 per cent of completions.
Over 30,000 but not over 150,000	600 proof gallons plus 1% of excess over 30,000.
Over 150,000 but not over 750,000	1,800 proof gallons plus .6% of excess over 150,000.
Over 750,000 but not over 3,000,000	5,400 proof gallons plus .3% of excess over 750,000.
Over 3,000,000	12,150 plus .2% of excess over 3,000,000.

Secretary of Commerce pursuant to that section and for that period is 7.5 per centum of the gross receipts collected under the customs laws on fishery products during calendar year 1975.

SEC. 123. For the purposes of section 2005 (a) of title 39, United States Code, the period of July 1, 1975, through September 30, 1976, shall be considered a fiscal year and the maximum net increase in the amount of United States Postal Service obligations outstanding imposed by that section for such period shall be deemed to be $1,875,000,000 for obligations issued for the purpose of capital improvements and $625,000,000 for obligations issued for the purpose of defraying operating expenses of the Postal Service.

TITLE II

SEC. 201. The period of July 1, 1976, through September 30, 1976, shall be treated as a fiscal year for the purpose of the following provisions of law:

(1) section 3(b)(2) of the Act of March 2, 1887, as amended (7 U.S.C. 361c(b)(2));

(2) section 6(b) of the Act of July 22, 1963 (7 U.S.C. 390e(b));

(3) section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b));

(4) section 16(b) of the Food Stamp Act of 1964 (7 U.S.C. 2025(b));

(5) the Act of June 30, 1932 (16 U.S.C. 557a);

(6) section 1 of the Act of June 29, 1966 (Public Law 89-473; 31 U.S.C. 628a);

(7) section 2 of the Act of December 23, 1944 (chapter 716, as amended, 31 U.S.C. 492b);

(8) section 3(a) of the Act of July 15, 1957 (chapter 509, 31 U.S.C. 581d);

(9) section 10(c) of the Act of June 29, 1935, as added by the Act of August 14, 1946, as amended (7 U.S.C. 427i(c));

(10) section 208(d) of the District of Columbia Public Post Secondary Education Reorganization Act (Public Law 93-471);

(11) sections 2209, 2210, 3201, 3202, 5401, 5402, 7581, 8201, and 8202 of title 10, United States Code;

(12) section 305(b) of the Social Security Amendments of 1972 (Public Law 92-603, 42 U.S.C. 401 note);

(13) sections 302(a), 403(g), 424, 431, 502, 901 (b) and (c), 903 (a)(1) and (b)(1), 1203, and 1841 (h) and (i) of the Social Security Act (42 U.S.C. 502(a), 603(g), 624, 631, 702, 906, 1101(b), (c) and (f), 1103 (a)(1) and (b)(1), 1323, and 1395t (h) and (i));

(14) part C of title IV of the Higher Education Act of 1965 (42 U.S.C. 2751-56a);

(15) section 7652(b) of the Internal Revenue Code of 1954 (26 U.S.C. 7652);

(16) the second sentence of section 3(b) (2) of the Act of May 8, 1914, as added by the Act of June 23, 1972 (7 U.S.C. 343(b)(2));

(17) section 15(b) of the Peace Corps Act (22 U.S.C. 2514(b));

(18) sections 206(d), 209(c), 311(c), 313 (b), 314(d)(4), 317 (b), (d)(4) and (f), 318 (f) and (g), 324(b), 328(b), 331, 1206(e), 1516(a), 1610(a), 1611(c), and 1640(a) of the Public Health Service Act (42 U.S.C. 207 (d), 210(c), 243(c), 245a(b), 246(d)(4), 247b (b), (d)(4) and (f), 247c (f) and (g), 251(b), 254a(b), 255, 300d-5(e), 300l-5(a), 300p(a), 300p-1(c), and 300t(a));

(19) sections 303 (c) and (e), 306(c), 307 (a), 501(b), 703, 705(a)(2)(B), and 706 of the Older Americans Act of 1965 (42 U.S.C. 3023 (c) and (e), 3026(c), 3027(a), 3041(b), 3045b, 3045d,(a)(2)(B), and 3045e);

(20) section 403(b) of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (42 U.S.C. 2693(b));

(21) the first sentence of section 221(c), the phrase "for the year" in the last sentence of section 224(a) and section 264(a) of the Community Health Centers Act (42 U.S.C. 2688a(c), 2688d(a), and 2688r(a));

(22) section 513(a) of the Headstart-Follow Through Act (42 U.S.C. 2928b(a)), except the material following the semicolon in the third sentence of that section shall not apply to funds appropriated for the period of July 1, 1976, through September 30, 1976;

(23) section 4(b) of the Act of July 22, 1967 (7 U.S.C. 290c(b));

(24) section 3(c) of the Act of May 8, 1914, as amended (7 U.S.C. 343(c));

(25) the last sentence of section 520(a) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (42 U.S.C. 3768(a));

(26) section 3(a) of the Act of September 30, 1950 (20 U.S.C. 238(a));

(27) the Act of June 15, 1935, as amended (16 U.S.C. 715s);

(28) section 203(d) of the Act of June 26, 1934, as amended (12 U.S.C. 1783(d));

(29) section 4 of the Act of July 18, 1958, as amended (15 U.S.C 633);

(30) section 316 of the Act of August 10, 1965 (15 U.S.C. 694);

(31) section 2(e) of the Act of August 4, 1950 (31 U.S.C. 181a(e));

(32) section 7 of the Act of February 22, 1921 (31 U.S.C. 491);

(33) Sections 4 and 20 of the Act of June 26, 1934 (31 U.S.C. 725c and 725s);

(34) sections 102 and 103 of the Act of December 6, 1946 (31 U.S.C. 847 and 848);

(35) section 257 of the Revised Statutes (31 U.S.C. 1027);

(36) section 15 of the Act of July 31, 1894 31 U.S.C. 1029);

(37) section 1 of the Act of February 26, 1907 (31 U.S.C. 1030); and

(38) section 401 of the Act of December 31, 1970 (31 U.S.C. 1033).

SEC. 202. The period of July 1, 1976, through September 30, 1976, shall be treated as a fiscal year for the purposes of the following provisions of law insofar as they relate to matching requirements:

(1) section 2 of the Act of March 1, 1911 (16 U.S.C. 563);

(2) sections 2, 4, and 5 of the Act of June 1, 1924, as amended (16 U.S.C. 565, 567, and 568);

(3) section 4 of the Act of October 10, 1962 (16 U.S.C. 582a-3);

(4) section 2 of the Cooperative Forest Management Act, as amended (16 U.S.C. 568d); and

(5) section 402 of the Rural Development Act of 1972 (7 U.S.C. 2652).

SEC. 203. For the purposes of the paragraph captioned "Commodity Credit Corporation", "Reimbursement for Net Realized Losses of title III of the Department of Agriculture and Related Agencies Appropriation Act, 1966 (15 U.S.C. 713a-11a), the period of July 1, 1976, through September 30, 1976, shall be considered a fiscal year and the words "June 30 of the fiscal year" shall be construed to mean September 30, 1976, for that period.

SEC. 204. The period of July 1, 1976, through September 30, 1976, shall be treated as part of the fiscal year beginning July 1, 1975, for the purposes of the following provisions of law;

(1) the following provisions of the Public Health Service Act:

section 207(b) (42 U.S.C. 209(b));

section 301(c) (42 U.S.C. 241(c));

section 308(a), and the second sentence of section 308(i)(1) (42 U.S.C. 242m(a) and 242m(i)(1));

sections 314(d) (6) and (7) (42 U.S.C. 246(d) (6) and (7));

section 398 (42 U.S.C. 280b-10);

the last sentence of section 419B (42 U.S.C. 287i);

section 434(f) (42 U.S.C. 289c-1(f));

section 436 (42 U.S.C. 289c-3);

section 437 (42 U.S.C. 289c-4);

section 439(f) (42 U.S.C. 289c-6(f));

section 439(h) (42 U.S.C. 289c-6(h));

section 513 (42 U.S.C. 229b);

section 1207(a)(2) (42 U.S.C. 300d-6a) (2));

section 1303(i) (42 U.S.C. 300e-2(i));

section 1305(b) (42 U.S.C. 300e-4(b));

section 1304 (k) (42 U.S.C. 300e-3(k));

section 1305(e) (42 U.S.C. 300e-4(e));

section 1610(c) (42 U.S.C. 300p(c));

section 1611 (d) (42 U.S.C. 300p-1(d));

section 1621 (42 US.C. 300q-1);

section 1625 (42 U.S.C. 300r);

(2) sections 208, 304(a), 305(a), 307(b), 505 (b), 707, and the last sentence of section 708, of the Older Americans Act of 1965 (42 U.S.C. 3018, 3024(a), 3025(a), 3027(b), 3041(b), 3045f and 3045g);

(3) section 503(d) of the Lead-Based Paint

Poisoning Prevention Act (42 U.S.C. 4843 (d));

(4) section 224(b), and the last sentence of section 261(a), and section 261(c) of the Community Mental Health Centers Act (42 U.S.C. 2688(b), 2688o(a) and 2688o(c));

(5) sections 401 (h) and (j) of the Mental Retardation Facilities and Community Health Centers Construction Act of 1963 (42 U.S.C. 2691-(h) and (j));

(6) sections 417(a)(1) and 437 (a) of the General Education Provisions Act (20 U.S.C. 1226c(a)(1) and 1232 (a));

(7) section 2(c) of the Sudden Infant Death Syndrome Act of 1974 (42 U.S.C. 289g note);

(8) the following provisions of the Social Security Act;

section 201(c)(2) (42 U.S.C. 401(c)(2);

sections 403 (c) and (f) (42 U.S.C. 603 (c) and (f));

section 423(c) (42 U.S.C. 623(c));

section 1118 (42 U.S.C. 1318);

section 1817(b)(2) (42 U.S.C. 1395i(b)(2));

section 1841(b)(2) (42 U.S.C. 1395t(b)(2));

section 1842(b)(3) (42 U.S.C. 395u(b)(3));

(9) sections 409(c)(2) and 412(d)(2) of the Drug Abuse Office and Treatment Act of 1972 (21 U.S.C. 1176(c)(2) and 1179 (d)(2));

(10) section 302(b) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (42 U.S.C. 4572(b));

(11) section 7 of the Act of September 30, 1950 (20 U.S.C. 241–1);

(12) section 410 of the Act of November 19, 1969 (Public Law 91–121, 50 U.S.C. 1436); and

(13) sections 1012, 1013, and 1014(e)(1) of the Impoundment Control Act of 1974 (Public Law 93–344, 31 U.S.C. 1402, 1403, and 1404(e)(1)).

SEC. 205. The period of July 1, 1976, through September 30, 1976, shall be treated as part of the ficsal year beginning October 1, 1976, for the purposes of the following provisions of law:

(1) section 5532(c)(ii) of title 5, United States Code;

(2) section 4(a) of the Federal Aid in Wildlife Restoration Act, as amended (16 U.S.C. 669c(a));

(3) sections 3, 4, and 5 of the Federal Aid in Sport Fish Restoration Act of 1950, as amended (16 U.S.C. 777b, 777c, and 777d);

(4) section 26 of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. 831y);

(5) section 303 of the Act of September 30, 1950 (20 U.S.C. 241bb);

(6) titles I, II, III, IV, and V of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 241a–o, 821–27, 841–a, 861–69a, and 1801–32);

(7) section 618 of the Education of the Handicapped Act (20 U.S.C. 1412);

(8) sections 704 and 705 of the Emergency School Aid Act (20 U.S.C. 1603 and 1604);

(9) section 713 of the Education Amendments of 1974 (20 U.S.C. 1943);

(10) sections 404, 501(d), and 502(g) of the Rehabilitation Act of 1973 (29 U.S.C. 784, 791(d), and 792(g));

(11) section 3646 of the Revised Statutes (31 U.S.C. 528(c));

(12) section 40 of the Act of August 10, 1965, as amended (31 U.S.C. 649c);

(13) sections 3 and 5 of the Act of July 25, 1956 (31 U.S.C. 705 and 706);

(14) section 103 of the Act of June 6, 1972 (31 U.S.C. 1203);

(15) section 105(a)(2) of the Act of October 20, 1972 (31 U.S.C. 1224(a)(2));

(16) section 407(b) of title 37, United States Code;

(17) section 413 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5053);

(18) section 701 (b) and (f) of title 10, United States Code; and

(19) section 1 of the Act of July 11, 1947, as amended (31 U.S.C. 132).

SEC. 206. The period of July 1, 1975, through September 30, 1976, shall be considered one year for the purposes of the following provisions of law—

(1) sections 407(b), 435(b), 646, 1210, and 1315 of the Public Health Service Act (42 U.S.C. 286a(b), 289c–2(b), 291o–1, 300d–9, and 300e–14);

(2) section 409(e) of the Drug Abuse Office and Treatment Act of 1972 (21 U.S.C. 1176(e));

(3) section 303 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (42 U.S.C. 4573);

(4) section 204(a) of the Community Mental Health Centers Act (42 U.S.C. 2684(a)); and

(5) section 205(b)(1) of the Water Pollution Control Act (33 U.S.C. 1285(b)(1)).

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94–469), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

Section 501 of the Congressional Budget and Impoundment Act of 1974 (Public Law 93–344) changed the fiscal year of the Government from a July 1-June 30 cycle to an October 1-September 30 cycle, to take effect as of October 1, 1976. The effect of this change was to create a 3-month transition period from July 1 through September 30, 1976 which is part of neither fiscal year 1976 (old cycle) nor fiscal year 1977 (new cycle).

The purpose of S. 2444 to insure the continuation of Federal programs and activities which are based, by statute, on the fiscal year. It would prescribe the transitional operation of such programs and is designed to continue operations during the summer of 1976 without disruption or uncertainty because of this fiscal year change. It is not intended to continue any program or activity beyond the date on which it was scheduled to terminate.

BACKGROUND

There are numerous Federal programs and activities which, by statutes, have limitations, technical financial provisions or other operational provisions based upon the fiscal year.

In recognition of the fact that various amendments to existing law, as well as other actions, would be necessary to insure continuation of existing programs during the transition period, the Congress, in section 502(b) of the Congressional Budget Act, directed the Director of the Office of Management and Budget to provide "by regulation, order or otherwise for the orderly transition" to the new fiscal year, and to submit proposed legislation which he considers necessary to accomplish this purpose. S. 2444 was prepared and submitted by the Office of Management and Budget in response to this requirement.

HEARING

The Committee held a hearing on S. 2444 on November 12, 1975. Testimony in support of the measure was presented by Mr. William M. Nichols, Acting General Counsel, Office of Management and Budget, accompanied by Mrs. Jane Finn, Assistant General Counsel. Mr. Nichols reviewed the bill briefly, emphasizing that each of the provisions of the bill is necessitated by the fiscal year change, and stating unequivocally that "no unnecessary or controversial changes are included."

Responding to Chairman Ribicoff's inquiry concerning changes in substantive law, Mr. Nichols stated "We have sought very carefully to avoid suggesting or recommending any changes in substantive law. Some provisions which were submitted to us by the agencies were rejected by us for inclusion in these bills with instructions to the agencies to submit their proposals to their oversight committees."

COMMITTEE ACTION AND CONCLUSION

Following the introduction of S. 2444, the Committee requested comments from the chairmen of all of the Senate standing committees. Several amendments, which were proposed affecting programs and activities within their legislative jurisdiction, have been incorporated in amendments submitted by the Office of Management and Budget and approved by the Committee. Additional amendments submitted by the Office of Management and Budget, reflecting further input by departments and agencies, have also been approved.

In view of the necessity for insuring the continuation of programs and activities which are based, by statute, on the fiscal year, and the uncertainties created by the change in the fiscal year period, the Committee concluded that enactment of this legislation is necessary to insure the orderly transition to the new fiscal year.

COST ESTIMATE

The Committee has been advised by the Office of Management and Budget that enactment of this legislation will not involve any costs other than those involved in the performance of the staff work required to carry out the transition.

FISCAL YEAR ADJUSTMENT ACT

The Senate proceeded to consider the bill (S. 2445) to provide permanent changes in laws necessary because of the October-September fiscal year, which had been reported from the Committee on Government Operations with amendments as follows:

On page 14, line 19, strike "Space Administration Authorization Act, 1971, as amended (42 U.S.C. 2462), is amended by deleting "July", "June"," and inserting "Space Administration Authorization Act, 1970 (83 State. 196), as amended by section 7 of the National Aeronautics and Space Administration Authorization Act, 1971 (84 Stat. 372; 42 U.S.C. 2462), is further amended by deleting "July", "June",";

On page 17, line 11, strike "Section" and insert "Sections";

On page 19, line 11, strike "tiitle" and insert "title";

So to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fiscal Year Adjustment Act".

SEC. 2. The following provisions of law are amended by deleting "June", wherever it appears, and inserting "September" in lieu thereof

(1) section 4(a)(2) of the Agriculture and Consumer Protection Act of 1973, as amended (Public Law 93–347; 7 U.S.C. 612c note);

(2) sections 406(c) and 410(a) of the Rural Electrification Act of 1936 (7 U.S.C. 946 (c) and 950(a));

(3) sections 5234, 5451, 5662(b), 5711(b), 5785, and 6386 of title 10, United States Code;

(4) section 203(d)(2) of the Federal Credit Union Act (12 U.S.C. 1783(d)(2));

(5) section 4(c)(6) of the Small Business Act (15 U.S.C. 633(c)(6));

(6) section 403 of the Small Business Investment Act of 1958 (15 U.S.C. 694 note);

(7) section 301 of the Act of November 2, 1965 (15 U.S.C. 713a–11a);

(8) section 2 of the Land and Water Conservation Fund Act, as amended (16 U.S.C. 4601–5);

(9) section 4(c) of the Fish and Wildlife Act of 1956, as amended (16 U.S.C. 742c(c));

(10) section 1 of the Act of September 18, 1972 (16 U.S.C. 576c);

(11) section 4 of the Central, Western, and South Pacific Fisheries Development Act (16 U.S.C. 758a note);

(12) section 16(b) of the Wild and Scenic Rivers Act, (16 U.S.C. 1287(b));

(13) section 305(h) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1454 (h));

(14) section 102 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 241b);

(15) section 3 of the Act of September 23, 1950 (20 U.S.C. 633);

(16) section 3(a) of the Special Projects Act (20 U.S.C. 1852(a));

(17) paragraphs (1) and (2) of section 406(f), and sections 409 and 843(d) of the Education Amendments of 1974 (20 U.S.C. 1865(f) (1) and (2), 1867, and 241c note);

(18) section 20 of the Act of June 26, 1934, as amended (31 U.S.C. 725s);

(19) section 402 of the Act of November 13, 1966 (31 U.S.C. 757f), except for the reference to June 30, 1967;

(20) section 112 of the Marine Protection Research, and Sanctuaries Act of 1972 (33 U.S.C. 1421);

(21) section 2 of the Act of May 6, 1974 (Public Law 93–274; 37 U.S.C. 313(e) note);

(22) section 756(e) of title 40, United States Code;

(23) section 2(a)(2)(A) of the Employment Security Administrative Financing Act of 1954, as amended (42 U.S.C. 1103(a)(2) (A));

(24) sections 435(b), 1305(d), and 1620 of the Public Health Service Act (42 U.S.C. 289c–2(b), 300e–4(d), and 300q);

(25) section 11(d) of the Railroad Unemployment Insurance Act (45 U.S.C. 361(d));

(26) section 1118 of the Social Security Act (42 U.S.C. 1318);

(27) section 3 of the Act of September 6, 1958 (42 U.S.C. 1893);

(28) sections 203 and 505(b) of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3143 and 3185 (b));

(29) section 304(a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (42 U.S.C. 4574(a));

(30) section 246 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5656);

(31) section 201(b) of the Act of August 28, 1937, as amended (43 U.S.C. 1181f(b); and

(32) section 303 of the Act of September 8, 1950, as amended (50 U.S.C. App. 2093(b)).

Sec. 3. The following provisions of law are amended by deleting "July", wherever it appears, and inserting "October" in lieu thereof—

(1) section 4 of the Act of August 30, 1980 (7 U.S.C. 326);

(2) section 7 of the Act of March 2, 1887, as amended (7 U.S.C. 361g);

(3) section 5(a) of the Commercial Fisheries Research and Development Act of 1964 (16 U.S.C. 779c(a));

(4) sections 5(b) and 201(b) of the Land and Water Conservation Fund Act (16 U.S.C. 4601–7(b) and 4601–11(b));

(5) sections 2, 3(b), 4(a), 5(e)(1), 7(a)(1) (A) and (B), and 303(a)(1) of the Act of September 30, 1950, as amended (20 U.S.C. 237, 238(b), 239(a), 240(e)(1), 241–1(a)(1) (A) and (B), and 241bb(a)(1));

(6) section 842(a) of the Education Amendments of 1974 (20 U.S.C. 246(a));

(7) section 16(a)(1)(A) of the Act of September 23, 1950 (20 U.S.C. 646(a)(1) (A));

(8) sections 723(a)(2) and 731(c)(1), of the Bilingual Education Act (20 U.S.C. 880b–9(a)(2), and 880b–10(c)(1));

(9) sections 14(c), 151(i), 305(c), and 309(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 241l(c), 241o(i), 844a(c), and 847a(c));

(10) section 439(h)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087–2(h) (2));

(11) section 311(b) of the Adult Education Act (20 U.S.C. 1209(b));

(12) section 442(a) of the Education Amendments of 1972 (20 U.S.C. 1221g(a));

(13) section 412(b) of the General Education Provisions Act (20 U.S.C. 1225(b));

(14) section 104(a)(1) of the Vocational Education Act of 1963 (20 U.S.C. 1244(a) (1));

(15) sections 604(b) and 612(a)(1)(B) of the Education of the Handicapped Act (20 U.S.C. 1403(b) and 1412(a)(1)(B));

(16) section 3(c)(1) of the Environmental Education Act (20 U.S.C. 1532(c)(1));

(17) section 306(c) of the Controlled Substances Act (21 U.S.C. 826(c));

(18) section 7(e) of the Fisherman's Protective Act of 1967, as amended (22 U.S.C. 1977);

(19) sections 5801, 5802, and 5851(b) of the Internal Revenue Code, as amended (26 U.S.C. 5801, 5802, and 5851(b));

(20) section 301(a) of the Rehabilitation Act of 1973 (29 U.S.C. 771(a));

(21) section 8 of chapter 283 of the Act of March 4, 1923, as amended (36 U.S.C. 131);

(22) section 106(f)(3) of the Water Pollution Control Act (33 U.S.C. 1256(f)(3));

(23) section 301a(e) of title 37, United States Code;

(24) section 48b(6) of the Wagner-O'Day Act, as amended (41 U.S.C. 48b(6));

(25) sections 903(a)(2) and 903(b)(1) of the Social Security Act, as amended (42 U.S.C. 1103(a)(2) and 1103(b)(1));

(26) section 715 of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000e–14); and

(27) paragraph (2)(A)(i) of section 305 (a) of the Education Amendments of 1974 (Public Law 93–380; 88 Stat. 533).

Sec. 4. The following provisions of law are amended by deleting "June" and "July", wherever they appear, and inserting "September" and "October", respectively, in lieu thereof—

(1) section 4(a) of the Federal Aid in Wildlife Restoration Act as amended (16 U.S.C. 669c(a));

(2) section 4 of the Federal Aid in Sport Fish Restoration Act of 1950, as amended (16 U.S.C. 777c);

(3) section 2 of the Commercial Fisheries Research and Development Act of 1964 (16 U.S.C. 779);

(4) sections 500(c)(3)(C) and 5142(b) of the Internal Revenue Code (26 U.S.C. 5008(c) (3)(C) and 5142(b));

(5) section 410(a)(7) of the Act of November 19, 1969 (50 U.S.C. 1436); and

(6) section 1310(d) of the Supplemental Appropriation Act, 1952, as amended (5 U.S.C. 3101 note).

Sec. 5. The following provisions of law are amended by deleting "December", wherever it appears, and inserting "March" in lieu thereof—

(1) section 9 of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. 831h);

(2) section 657(a) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2417 (a));

(3) section 8 of the Act of June 13, 1888, as amended (29 U.S.C. 6);

(4) section 103(a) of the Act of June 6, 1972 (31 U.S.C. 1203(a)); and

(5) section 519 of the Omnibus Crime Control and Safe Streets Act, as amended (42 U.S.C. 3767).

Sec. 6. The following provisions of law are amended by deleting "December" and "June", wherever they appear, and inserting "March" and "September", respectively, in lieu thereof—

(1) section 15d of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. 931n–4(e));

(2) section 634(f) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2394(f));

(3) section 35 of the Act of February 25, 1920, as amended (30 U.S.C. 191); and

(4) section 2677(c) of title 10, United States Code.

Sec. 7. The following provisions of law are amended by deleting "September", wherever it appears and inserting "December" in lieu thereof—

(1) section 9(a) of the Act of July 22, 1963 (7 U.S.C. 390h(a));

(2) section 308(a) of the Public Health Service Act (42 U.S.C. 242m(a));

(3) sections 901(b) and 901(d) of the Agricultural Act of 1970 (42 U.S.C. 3122(b) and 3122(d)); and

(4) section 603(b)(4) of the Rural Development Act of 1972 (7 U.S.C. 2204(b)).

Sec. 8. The following provisions of law are amended by deleting "September 30", wherever it appears and inserting "December 31" in lieu thereof—

(1) section 3(a) of the Act of July 25, 1956 (31 U.S.C. 703(a));

(2) section 46(i) of the Wagner-O'Day Act, as amended (41 U.S.C. 46(i)); and

(3) section 204(b)(5) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5614).

Sec. 9. The following provisions of law are amended by deleting "July" and "September" wherever they appear, and inserting "October" and "December", respectively in lieu thereof—

(1) section 2 of chapter 841 of the Act of August 30, 1890 (7 U.S.C. 324);

(2) section 5 of the Act of March 2, 1887, as amended (7 U.S.C. 361e);

(3) section 103(d)(2) of the Vocational Education Act of 1963 (20 U.S.C. 1243(d) (2)); and

(4) section 314(d)(6) of the Public Health Service Act (42 U.S.C. 246(d)(6), but this clause shall take effect June 30, 1976, with respect to "September" and the first occurrence of "July".

Sec. 10. The following provisions of law are amended by deleting "July" and "September 30", wherever they appear, and inserting "October" and "December 31" in lieu thereof—

(1) section 8(a)(2) of the Rehabilitation Act of 1973 (29 U.S.C. 707(a)(2)); and

(2) section 401(j)(1) of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (42 U.S.C. 2691(j)(1)).

Sec. 11. The following provisions of law are amended by deleting "January", whereever it appears and inserting "April" in lieu thereof—

(1) section 5 of the Act of May 8, 1914, as amended (7 U.S.C. 345);

(2) section 10 of the Rural Electrification Act of 1936 (7 U.S.C. 910);

(3) sections 279, 686, and 2110(b) of title 10, United States Code;

(4) sections 106 and 203 of the Government Corporation Control Act (31 U.S.C. 851 and 858);

(5) section 3(f) of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1862(f));

(6) section 21 of the Interstate Commerce Act, as amended (49 U.S.C. 21); and

(7) section 6 of the Trading With the Enemy Act, as amended (50 U.S.C. App. 6).

Sec. 12. The following provisions of law are amended by deleting "March" and inserting "June" in lieu thereof—

(1) paragraph (1) of section 406(d) of the General Education Provisions Act (20 U.S.C. 1221e–1(d));

(2) section 105(a)(2) of the Act of October 20, 1972 (31 U.S.C. 1224(a)(2)); and

(3) section 204(b)(6) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5614).

Sec. 13. The following provisions of law are amended by deleting "March 31" and inserting "June 30" in lieu thereof—

(1) section 405(c)(3)(F) of the General Education Provisions Act (20 U.S.C. 1221e (c)(3)(F));

(2) section 412(b)(6) of the Education Amendments of 1972 (20 U.S.C. 1221g(b) (6));

(3) section 604(b) of the Education of the Handicapped Act (20 U.S.C. 1403(b)); and

(4) section 731(a) of the Education Amendments of 1974 (Public Law 93–380; 88 Stat. 596).

Sec. 14. The following provisions of law are amended by deleting "November", wherever it appears, and inserting "February" in lieu thereof—

(1) section 313(a) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1462 (a));

(2) section 417(a)(1) of the General Education Provisions Act (20 U.S.C. 1226c(a) (1)); and

(3) section 410 (b)(1) and (d) of the Act of November 19, 1969 (50 U.S.C. 1436 (b)(1) and (d)).

Sec. 15. Section 4 of the Act of May 8, 1914, as amended (7 U.S.C. 344), is amended by deleting "July" the first time it appears, and "January" the last time it appears, and inserting "October" and "April", respectively, in lieu thereof.

Sec. 16. Section 201(b)(2) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1817(b)(2)), is amended by deleting "January", "June", "July", and "December" and inserting "April", "September", "October", and "March", respectively, in lieu thereof.

Sec. 17. Section 37(b) of the General Education Provisions Act (20 U.S.C. 1232f(b)), is amended by deleting "October" and inserting "January" in lieu thereof.

Sec. 18. Section 209(e)(1) of the Highway Trust Fund Act, as amended (23 U.S.C. 120 note), is amended by deleting "March" and "June 30" and inserting "June" and "September 30", respectively, in lieu thereof.

Sec. 19. Section 522 of title 28, United States Code, is amended by deleting "at the beginning of each regular session of Congress" and inserting "by April 1 of each year" in lieu thereof.

Sec. 20. Section 2(b) of the Act of July 31, 1947 (30 U.S.C. 602(b)), is amended by deleting "January" and "July" and inserting "April" and "October", respectively, in lieu thereof.

Sec. 21. Section 13 of the National Capital Planning Act of 1952 (40 U.S.C. 74), is amended by deleting "December" and "September" and inserting "March" and "December", respectively, in lieu thereof.

Sec. 22. Sections 423(c) and 1101(a)(8) (B) of the Social Security Act (42 U.S.C. 623(c) and 1301(a)(8)(B)), are amended by deleting "July" and "August 31", wherever they appear, and inserting "October" and "November 30", respectively, in lieu thereof.

Sec. 23. Section 2(a)(2)(B) of the Employment Security Administrative Financing Act of 1954, as amended (42 U.S.C. 1103(a) (2)(B)) is amended by deleting "May", wherever it appears, and inserting "August" in lieu thereof.

Sec. 24. Section 6 of the National Aeronautics and Space Administration Authorization Act, 1970 (83 Stat. 196), as amended by section 7 of the National Aeronautics and Space Administration Authorization Act, 1971 (84 Stat. 372; 42 U.S.C. 2462), is further amended by deleting "July", "June", "November", and "December" in sections 6(a) (6), 6(b)(1), and 6(d), and inserting "October", "September", "February", and 'March", respectively, in lieu thereof.

Sec. 25. Section 510 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3189), is amended by deleting "January 31" and inserting "April 30" in lieu thereof.

Sec. 26. Section 707 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3217), is amended by deleting "January 3" and inserting "April 1" in lieu thereof.

Sec. 27. Section 213 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1123), is amended by deleting "July" and inserting "April" in lieu thereof.

Sec. 28. Section 1111 of title 44, United States Code, is amended by deleting "November" and "December" wherever they appear, and inserting "February" and "March", respectively, in lieu thereof.

Sec. 29. Section 10(5) of the Service Contract Act of 1965, as amended (41 U.S.C. 358 (5)), is amended by deleting "For the fiscal year ending June 30, 1977, and for each fiscal year thereafter" and inserting "On or after July 1, 1976" in lieu thereof.

Sec. 30. Section 139 of title 2, United States Code, is amended by deleting "at the beginning of each regular session" and inserting "not later than April 1" in lieu thereof.

Sec. 31. Section 27(j) of the Consumer Product Safety Act (15 U.S.C. 2076(j)), is amended by deleting "on or before October 1 of each year" and inserting "at the beginning of each regular session of Congress" in lieu thereof.

Sec. 32. Section 263(b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 note), is amended by deleting "thirty-first day of the eighth" and inserting "thirtieth day of the eleventh" in lieu thereof.

Sec. 33. Section 704 of the Social Security Act (42 U.S.C. 904) is amended by deleting "at the beginning" and inserting "within one hundred and twenty days after the beginning" in lieu thereof.

Sec. 34. The Migratory Bird Hunting Stamp Act of March 16, 1934, as amended (16 U.S.C. 718 et seq.), is amended by deleting the word "fiscal" wherever it appears therein.

Sec. 35. (a) Section 15d, chapter 32, of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. 831n–4), is amended by adding the following at the end thereof: "As of October 1, 1975, the five-year periods described herein shall be computed as beginning on October 1 of that year and of each fifth year thereafter.".

(b) Section 26, chapter 32; of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. 831y), is amended by deleting "at the end of each calendar year" and inserting "on March 31 of each year" in lieu thereof.

Sec. 36. Section 208 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1118), is amended by deleting "at the beginning of each regular session" and inserting "by April 1 each year" in lieu thereof.

Sec. 37. Section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c) is amended by deleting "every six months" and inserting "not less often than twice annually" in lieu thereof.

Sec. 38. Section 6(a)(1) (D) and (E) of the Alaska Native Claims Settlement Act (43 U.S.C. 1605) are amended to read as follows:

"(D) $40,000,000 during the period beginning July 1, 1976, and ending September 30, 1976; and

"(E) $30,000,000 during each of the next five fiscal years, for transfer to the Alaska Native Fund in the fourth quarter of each fiscal year.".

Sec. 39. Section 901(f)(3)(A) of the Social Security Act (42 U.S.C. 1101(f)(3)(A)) is amended by deleting "fiscal" the last time it appears therein.

Sec. 40. Section 1304(j) of the Public Health Service Act (42 U.S.C. 300e–3(j)) is amended by (1) striking out "the fiscal year ending June 30, 1976" and inserting in lieu thereof "September 30, 1976", and (2) striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1977".

Sec. 41. Section 903(c)(2)(D) of the Social Security Act (42 U.S.C. 1103(2)(D)), and the sentence following subparagraph (D), are amended to read as follows:

"(D) the appropriation law limits the total amount which may be obligated during a twelve-month period (as prescribed in the law of the State), or during a transitional period of less than twelve months caused by a change in the twelve-month period (as prescribed in the law of the State), to an amount which does not exceed the amount by which (i) the aggregate of the amounts transferred to the account of such State pursuant to subsections (a) and (b) during such twelve-month period or transitional period of less than twelve months and the twenty-four preceding twelve-month periods (including the transitional period of less than twelve months if it is within such twenty-four twelve-month periods) exceeds (ii) the aggregate of the amounts used by the State pursuant to this subsection and charged against the amounts transferred to the account of such State during such twenty-five twelve-month periods (and the transitional period of less than twelve months if it is within the twenty-five twelve-month periods).

For the purposes of subparagraph (D), amounts used by a State during any twelve-month period or transitional period of less than twelve months shall be charged against equivalent amounts which were transferred and which have not previously been so charged; except that no amount obligated for administration during any such period may be charged against any amount transferred during a twelve-month period or transitional period of less than twelve months earlier than the twenty-fourth preceding twelve-month period (including the transitional period of less than twelve months if it is within such twenty-four twelve-month periods).".

Sec. 42. Section 8147(b) of title 5, United States Code (Federal Employee's Compensation Act), is amended by (1) striking out "fiscal year" in the first sentence and inserting "July 1 through June 30 expense period" in lieu thereof, (2) striking out "next" and, after "fiscal year", inserting "beginning in the next calendar year", in the second sentence, and (3) inserting "during the first fifteen days of October following the furnishing of the statement" after "control" in the fourth sentence.

Sec. 43. Section 313(e) of title 37, United States Code, is amended by deleting "April 30" and inserting "July 31" in lieu thereof.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94–469), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

Section 501 of the Congressional Budget and Impoundment Act of 1974 (Public Law 93–344) changed the fiscal year of the Government from a July 1-June 30 cycle to an October-September 30 cycle, to take effect as of October 1, 1976.

The purpose of S. 2445 is to make changes in existing law to conform to the new fiscal year dates. Most of the provisions are for date changes, either to substitute October or September for July or June, or to change dates for the submission of reports and for other requirements which are either based upon or tied to the present fiscal year system.

BACKGROUND

Prior to 1842, the business of the Federal Government was conducted on a calendar year basis. Thereafter, it was changed to a July-June fiscal year cycle. Consequently, virtually all Federal programs and activities, and authorizations and appropriations therefor, are geared to that fiscal year cycle. In addition, reporting requirements and certain other required actions, which are imposed by statute upon various agencies and departments, are also based upon that cycle.

In recognition of the fact that various amendments to existing law, as well as other actions, would be necessary to conform to the new fiscal year cycle, the Congress, in section 502(b) of the Congressional Budget Act, directed the Director of the Office of Management and Budget to provide "by regulation, order, or otherwise for the orderly transition" to the new fiscal year, and to submit proposed legislation which he considers necessary to accomplish this purpose. S. 2445 was prepared and submitted by the Office of Management and Budget in response to this requirement.

OIL AND GAS LEASE NEW MEXICO 18302

The bill (S. 2220) to authorize and direct the Secretary of the Interior to reinstate oil and gas lease New Mexico 18302, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of section 31 of the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C. 188), the Secretary of the Interior is authorized and directed to receive, consider, and act upon any petition of Sol West III, lessee of record of terminated oil and gas lease New Mexico 18302, for reinstatement of said lease filed within ninety days after the effective date of this Act, together with the required rental, if any, including back rental accruing from the date of the termination of the lease.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94–470), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

I. PURPOSE

The purpose of S. 2220 is to authorize and direct the Secretary of the Interior to consider a petition for reinstatement of oil and gas lease New Mexico 18302, if such petition is filed within 90 days of the effective date of this Act together with rental including back rental accrued since the lease termination date.

II. BACKGROUND AND NEED

Oil and gas lease New Mexico 18302 was issued competitively to Randolph M. Richardson effective as of May 1, 1973, and by instrument of assignment effective May 1, 1973, was conveyed to Sol West, III. The land covered is within the known geologic structure of a producing oil and gas and thus was leased competitively.

Mr. West failed to pay timely the rental due on the anniversary date, May 1, 1975, and thus the lease terminated by operation of law. On July 17, 1975, a petition for reinstatement of the lease was filed with the Bureau of Land Management in the New Mexico State Office, together with a check for $800 to cover the rental payment for the period May 1, 1975, to May 1, 1976. The Geological Survey reported on July 23, 1975, that drilling operations were in progress on the anniversary date, but that there was no well capable of production in existence on May 1, 1975.

The Mineral Leasing Act of 1920 provides in section 31 that "upon failure of a lessee to pay rental on or before the anniversary date of the lease, for any lease in which there is no well capable of producing oil or gas in paying quantities, the lease shall automatically terminate by operation of law * * *" (30 U.S.C. 188(b)). It further provides that where any lease has been so terminated, but rental was paid or tendered within 20 days after the anniversary date, and it is shown to the Secretary that the failure was either justifiable or not due to a lack of reasonable diligence on the part of the lessee, the Secretary may reinstate the lease if certain conditions are met (30 U.S.C. 188(c)). In this case since the rental was not tendered within 20 days, the Secretary has no discretion to reinstate the lease.

A decision was rendered by the New Mexico State Office on August 4, denying the petition. That decision has been appealed to the Board of Land Appeals of the Department of the Interior and the case is pending before the Board. Due to this pending legislation, action on the appeal has been suspended.

The lessee has spent $925,000 to develop a productive oil and gas well. According to the testimony of the lessee, failure to make timely payment was the result of his assumption that the well was capable of producing in paying quantities, which would have precluded rental payments under provisions of Section 31 of the Mineral Leasing Act. Testimony at the hearings indicated that the well tested at 41 barrels per hour at the time it was decided to continue drilling to a deeper formation. Mr. West indicated that the well represents an important cash flow source to his firm, loss of which could severely hamper the firm's operations.

JOHN OAKASON AND H. F. MULHOLLAND

The Senate proceeded to consider the bill (S. 190) for the relief of John Oakason, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 1, beginning with line 9, strike out:

To reinstate oil and gas lease numbered W–11843, which was issued to John Oakason and H. F. Mulholland and which was terminated automatically by operation of law for failure to pay the annual rental in accordance with that section.

And insert the following in lieu thereof:

To receive, consider, and act upon any petition of John Oakason and H. F. Mulholland, lessees of record of terminated oil and gas lease numbered W–11843 for reinstatement of said lease if filed within ninety days after the effective date of this Act notwithstanding the time limit for payment of such rental set forth in section 188(b) of title 30, United States Code.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94–471), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

I. PURPOSE

The purpose of S. 190 is to authorize the Secretary of the Interior to reinstate oil and gas lease W–11843, which was issued to John Oakason and H. F. Mulholland and which was terminated automatically by operation of law for failure to pay the annual rental in accordance with section 31 of the Mineral Leasing Act of 1920, as amended.

II. BACKGROUND AND NEED

The Secretary of the Interior issued an oil and gas lease (W–11843), for public lands in Wyoming to John Oakason and H. F. Mulholland. In 1972, the lease was terminated automatically by law for failure to pay the annual rental in accordance with section 31 of the Mineral Leasing Act, as amended. The problem arose when the rental check from Mr. Mulholland, which was made payable to a third party, was submitted without proper endorsement. The check was initially received by the Bureau of Land Management on May 26, 1972, 5 days before the due date and was deposited. Subsequently, the check was returned as uncollectable because the endorsement was missing. However, it was not returned to Mr. Mulholland until June 16. On June 23, a check covering the full amount due was submitted by Mr. Oakason, the other lessee.

Section 31 of the Mineral Leasing Act provides that "upon failure of a lessee to pay rental on or before the anniversary date of the lease, for any lease in which there is no well capable of producing oil or gas in paying quantities, the lease shall automatically terminate by operation of law . . ." (30 U.S.C. 188(b)). Section 31 further provides that where any lease has been so terminated, but rental was paid or tendered within 20 days after the anniversary date and it is shown to the Secretary that the failure was either justifiable or not due to a lack of reasonable diligence on the part of the lessee, the Secretary may reinstate the lease if certain conditions are met (30 U.S.C. 188(c)). In this case the rental was not tendered within 20 days so the Secretary has no discretion to reinstate the lease.

While the lessee failed in his responsibility to submit a check which was properly endorsed, had the omission been detected earlier, it might have been possible to resubmit payment within 20 days of the due date.

III. LEGISLATIVE HISTORY

Public hearings were held on S. 190 on October 7, 1975, and no opposition to the bill was heard.

EMPLOYMENT OF CERTAIN FOREIGN CITIZENS ON THE VESSEL "SEAFREEZE ATLANTIC"

The bill (H.R. 5197) to authorize the employment of certain foreign citizens on the vessel *Seafreeze Atlantic,* Official Number 517242, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94–474), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE AND BRIEF DESCRIPTION

The purpose of the bill is to allow, on a limited basis, the employment of foreign citizens on the vessel *Seafreeze Atlantic*. The bill grants with respect to this vessel, a limited exception to the provisions of the United States Fishing Fleet Improvement Act (46 U.S.C. 1401, et seq.), which require that only U.S. citizens and aliens legally domiciled in the United States may be employed on fishing vessels built with construction subsidies provided under that act. The *Seafreeze Atlantic* was built with Federal construction subsidies, but it has been unable to operate and is presently laid up in Newport News, Virginia, because the vessel owners have been unable to hire qualified U.S. citizens and legally domiciled aliens for certain positions on the vessel.

The bill permits the vessel to operate with a limited number of foreign citizens employed as fishermen and fish processors only. The bill would require that, during the 4-year exemption period (or any renewal period): (1) the master and all the vessel's officers must be U.S. citizens; (2) at least 40 percent of the crew must be U.S. citizens or legally domiciled aliens; (3) foreign citizens may be employed only as fishermen or fish processors; and (4) the vessel owner must seek to hire and train U.S. citizens or legally domiciled aliens to replace the foreign citizens as fishermen and fish processors. If any of these conditions are breached, the Secretary of Commerce may suspend the exemption for an appropriate period of time, until the conditions are met.

The exemption would be in force initially for 4 years. However, the Secretary of Commerce would be authorized to renew the exemption if the owner demonstrates to the Secretary's satisfaction that: (1) U.S. citizens or aliens legally domiciled in the United States are still not available as fishermen and fish processors; (2) the owner is pursuing a training program to qualify U.S. citizens and legally domiciled aliens for those jobs; and (3) there has been satisfactory progress in employing only U.S. citizens and legally domiciled aliens on the vessel.

Section 4 of the bill expressly provides that its provisions are not to be construed as an amendment of the United States Fishing Fleet Improvement Act, except to the extent that that act may be applicable to the *Seafreeze Alantic*. Further, this section provides that any construction and operation contract between the vessel owners and the United States, entered into before the date of enactment of this bill, shall continue in force. However, the Secretary of Commerce may amend any such contract in any manner he deems necessary to implement the bill's provisions. Section 4 further authorizes the Secretary to impose any necessary conditions to assure that the provisions of this bill will be complied with by the *Seafreeze Atlantic*, and may amend appropriately any documents executed in connection with the construction and operation of the vessel to require compliance. If the owner does not consent to any such amendment, the vessel will not be allowed to hire foreign nationals.

BACKGROUND AND NEED

During the fifties, a traditionally prosperous American fishing fleet began a precipitous decline. The ageing U.S. fleet came into intense competition wtih modern foreign fishing vessels operating with government subsidies and utilizing the most sophisticated equipment. Imports of fish products entered the United States at growing levels and at prices which the outmoded U.S. fleet could not match. By the sixties, the U.S. fleet found itself unable to attract the investment capital needed for renovation and growth. Foreign nations, especially Japan and the Soviet Union, systematically upgraded their fleets with more technically advanced and larger vessels, capable of distant-water fishing for extended periods. The differential between United States and foreign labor costs allowed foreign countries to construct these new vessels for about one-half the cost of construction in the United States. Since 1973, Federal law has prohibited the documentation of foreign constructed fishing vessels weighing over 5 tons in coastwide trade and fisheries of the United States. Consequently, U.S. fishermen are barred from purchasing less expensive foreign vessels and have not been able to afford comparable domestically constructed modern fishing vessels.

In the early sixties, Congress began to recognize the necessity of fleet modernization. In 1960, emergency assistance was provided through the enactment of the first fishing vessel differential construction subsidy program. This program was limited to the newer vessels which would operate in the ground fishery off New England and authorized 33⅓ percent subsidy participation by the Federal Government. Only 10 new vessels, ranging in length from 73 to 124 feet were constructed over a 4-year period, demonstrating that the 1960 act was too limited to appreciably upgrade the domestic fishing industry. In 1964, Congress expanded the fishboat construction program with The Fishing Fleet Improvement Act. The annual authorization for the construction subsidy was increased from $2.5 million to $10 million and the Federal subsidy level was raised to 50 perecent. The act specifically sought to stimulate construction of a fleet which would be competitive with the modern foreign factory vessels operating off U.S. shores. The act called for new vessels of advanced design utilizing modern gear and the best equipment available.

Among the vessels constructed in response to this act were the *Seafreeze Atlantic* and the *Seafreeze Pacfiic*, two 296-foot stern trawlers, equipped with processing and refrigerating equipment, each requiring a 40-man crew. These vessels were constructed by the Maryland Shipbuilding & Dry Dock Co. at a cost of $5.2 million each, with 50 percent being paid through Federal subsidy.

The processing and freezing capacity of these vessels permits extended voyages of up to 3 months in length and the stowage of 1,000 tons of fish. Under the conditions of its license, the *Seafreeze Atlantic* was permitted to fish for groundfish (cod, cusk, haddock, hake, pollock, and ocean perch), whiting, herring, mackerel, squid, and calico scallops, in the Atlantic and gulf areas. The *Seafreeze Pacific* was licensed to fish for groundfish on the west coast.

Although this bill applies solely to the *Seafreeze Atlantic*, it should be noted that the *Seafreeze Pacific* also has never functioned as originally intended. It was sold after three unsuccessful fishing voyages and its new owners converted the ship to processing crab and bonefish. Because of economic conditions in these markets and operational problems, the ship has been idled for extended periods.

The *Seafreeze Atlantic* has experienced similiar difficulties, primarily revolving around the unavailability of qualified fishermen and fish processors needed to operate the sophisticated equipment aboard the vessel. Section 2(b) of the Fishing Vessel Improvement Act (46 U.S.C. 1402(5)) requires that the owners of a subsidized vessel employ "only citizens of the United States or aliens legally domiciled in the United States". Therefore, the owners of the *Seafreeze Atlantic* have had to rely on a labor pool that has little or no experience manning and operating this type of advanced factory vessel.

For the seven voyages that the *Seafreeze Atlantic* took in its first three years of operation, the owners had to hire fishing and fish processing crew with experience unrelated to this type of work—factory hands, truck drivers, and seamen. Attempts were made to train the crew with foreign consultants who were experienced with the type of equipment used on the *Seafreeze Atlantic*. Consultants, usually Norwegians and Germans, had difficulty communicating with the inexperienced crew, and in the process, large amounts of expensive equipment were damaged, causing extensive layups for repairs. Aside from lack of training, the crew suffered morale problems because they were not used to being at sea for periods of up to 5 weeks. As a result, most fishermen and fish processors were with the crew for only one trip and the recruitment and training of a new crew then had to begin all over again. Under these conditions, it was obvious that American Export Industries, the owner of *Seafreeze Atlantic*, could no longer afford to operate the vessel. It is reported that the original owners lost $11 million. In April 1971, the *Seafreeze Atlantic* was decommissioned and offered for sale.

Three years later, the *Seafreeze Atlantic* was purchased by the present owners, American Stern Trawlers, Inc. Since April 1974, the owners have had to absorb lay-up costs in excess of $200,000 while trying to develop a viable plan for returning the *Seafreeze Atlantic* to useful and competitive service. In summary, the owners have made a substantial investment, believing that given time, they can overcome the obstacles to effective use of this vessel. Since manning problems appear to be the root cause of excessive lay-up time and gear damage, the company believes training of skilled U.S. fishermen and fish processors is the key to effective operation. However, if U.S. fishing crews are to be trained, and if the ship is to generate operating capital, foreign fishermen and fish processors will be needed for an initial period of transition and training. Foreign workers are the only people who have the training and experience to carry out these tasks. The owners estimate, however, that foreign crews would be needed for no longer than 4 years.

The owners have worked closely with labor organizations which represent U.S. fishermen and seamen. Most agree that this temporary waiver from the restrictions of the Fishing Fleet Improvement Act is needed if our fishermen hope to become efficient in the skills that are presently possessed by foreign fishermen. Once our domestic labor pool develops these skills, it is believed that training can be perpetuated, thereby encouraging operators to build advanced trawlers and fishing vessels. It is particularly timely because the Committee expects that in the next few years the United States will have a 200-mile fishery conservation zone which will provide new opportunities for U.S. fishing companies. The bill is expected to create 20 new jobs for U.S. seamen which would not be available if the vessel remains in lay-up. In addition, it would still maintain the requirement that the officers of the vessel all be U.S. citizens and that at least 40 percent of the crew be U.S. citizens.

The committee has concluded that the plan developed by American Stern Trawlers is a better alternative than allowing the vessel to be laid up with the obvious ensuing waste of U.S. subsidy funds. This narrow exception to the Fishing Fleet Improvement Act is limited in both scope and duration. The alternative would be to leave the vessel in lay-up. The bill is needed to prevent the loss of a substantial government investment to generate new job opportunities; to provide for training of skilled fishermen and fish processors; and to assure the entry of the United States into full competition with modern fishing vessels.

SECTION-BY-SECTION ANALYSIS

Section 1

This section contains the findings of Congress with respect to this bill. Specifically, Congress finds that the objectives of the U.S. Fishing Fleet Improvement Act (46 U.S.C. 1401–13) are not being realized in the case of the vessel *Seafreeze Atlantic*, Official Number 517242. This vessel is a large stern trawler of advanced design. The failure to achieve the act's objectives is attributed to the unavailability of skilled U.S. citizens or aliens legally domiciled in the United States who can be employed as fishermen and fish processors aboard the vessel.

Section 2

The U.S. Fishing Fleet Improvement Act (46 U.S.C. 1402(5)) requires that only U.S. citizens and aliens domiciled in the United States may be employed aboard U.S. vessels which were constructed with the assistance of subsidies provided under this Act. Subsection (a) would provide a limited exemption from this requirement for the *Seafreeze Atlantic*, but only for this vessel. Under this provision, foreign nationals could be employed on the *Seafreeze Atlantic* under the following conditions: (1) the master and the vessel's officers must be U.S. citizens; (2) at least 40 percent of the crew must be composed of U.S. citizens or aliens domiciled in the United States; (3) foreign nationals may be employed only as fishermen or fish processors; and (5) the owner must undertake a hiring and training program to qualify U.S. citizens and legally domiciled aliens as fishermen and fish processors aboard the vessel. The exemption would continue in force for a 4-year period unless the owner fails to observe any of the required conditions. Subsection (b) empowers the Secretary of Commerce to suspend the provisions of this bill until the conditions are met.

Section 3

Section 3 authorizes the Secretary of Commerce to extend the duration of the exemption for an additional period of time if the vessel's owner demonstrates that (1) qualified U.S. citizens or aliens legally domiciled in the United States are still not available to be employed as fishermen and fish processors aboard the *Seafreeze Atlantic;* (2) a hiring and training program has been instituted and maintained; and (3) progress is being made in employing U.S. citizens and legally domiciled aliens on the vessel. The provisions of section 2 of the bill would apply during the new extension period.

Section 4

This section expressly provides that the bill, if enacted, is not to be construed as an amendment to the U.S. Fishing Fleet Improvement Act, except to the extent applicable to the *Seafreeze Atlantic*. In addition, any construction and operation contract between the owner of the vessel and the United States is to remain in force and the Secretary of Commerce may amend any such contract to require that the provisions of this bill be incorporated therein. This section further authorizes the Secretary of Commerce to impose reasonable and necessary conditions which would be inserted in any documents connected with the construction and operation of the vessel. If the owner refuses to agree to any insertion, the provision of this bill would not apply.

ESTABLISHING COSTS

Pursuant to section 252 of the Legislative Reorganization Act of 1970, the committee estimated that there will be no additional costs to the Federal Government as a result of the passage of this bill.

COOPERATIVE AGREEMENTS WHICH BENEFIT CERTAIN FOREST SERVICE PROGRAMS

The bill (H.R. 10027) to authorize the Secretary of Agriculture to enter into cooperative agreements which benefit certain Forest Service programs and to advance or reimburse funds to cooperators for work performed, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94–476), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION

H.R. 10027 authorizes the Secretary of Agriculture to enter into cooperative agreements between the Forest Service and public and private agencies, organizations, institutions, and persons, and to reimburse such cooperators for the performance of work by them which benefits Forest Service programs. Such agreements could only be entered into where the public interest will be benefited and where there exists a mutual interest other than monetary considerations. Further under these agreements, cooperators and their employees would be able to perform cooperative work under supervision of the Forest Service in emergencies or otherwise as mutually agreed to.

BACKGROUND AND PURPOSE

H.R. 10027 is necessary to clarify and expand existing authority relating to cooperative agreements which may be entered into by the Forest Service. The bill provides clear authority to the Forest Service to engage in cooperative activities to construct, operate, and maintain cooperative pollution abatement equipment and facilities, including sanitary landfills, water systems, and sewer systems; to engage in cooperative manpower and job training and development programs; to develop and publish cooperative environmental education and forest history materials; and to perform forestry protection, including fire protection, timber stand improvement, debris removal, and thinning of trees.

At times the Forest Service has been unable to enter into cooperative arrangements because of the lack of statutory authority. In other cases, there have been inconsistent and uneven administrative practices throughout the country because of the lack of clear authority either to negotiate an agreement or to reimburse cooperators for work performed or for services, facilities, or equipment provided by the cooperator.

The authority provided by the bill will enable States to make maximum use of fire crews in order that they may be maintained on a year-round basis. States such as Oregon are having difficulty maintaining their crews throughout the year, thus endangering the renewal resources contained in national forest lands within their boundaries. The new authority would allow the use and reimbursement of these crews on needed nonfire work, such as reforestation, in national forests during periods of relatively low fire hazard as part of the cooperative arrangements and assure that the crews would be readily available in emergency fire situations.

COMMITTEE CONSIDERATION

On April 9, 1975, Senators Hatfield and Packwood introduced S. 1382, a bill to authorize the Secretary of Agriculture to reimburse cooperators for work performed which benefits Forest Service programs. The bill was referred to the Committee on Agriculture and Forestry and to its Subcommittee on Environment, Soil Conservation, and Forestry. On April 11, 1975, the bill was referred to the Department of Agriculture with a request for a report. A favorable report was received from the Department with a request for a perfecting amendment.

H.R. 5634, a companion bill, was considered by the House Committee on Agriculture and public hearings were held. As a result of those hearings, the legislation was revised and perfected and introduced as H.R. 10027. Further amendments were adopted and the bill was reported by the House Committee on Agriculture.

Because there is no controversy with regard to H.R. 10027, as amended, the Committee has not held public hearings. The Subcommittee on Environment, Soil Conservation, and Forestry was polled on November 4, 1975, and the full Committee voted on November 5, 1975, to report H.R. 10027.

SECTION-BY-SECTION ANALYSIS

Section 1. Negotiation of cooperative agreements; advancing funds

Section 1 authorizes the Secretary to negotiate and enter into cooperative agreements with public or private agencies, organizations, institutions, or persons—

(a) To construct, operate, and maintain cooperative pollution abatement equipment and facilities, including sanitary landfills, water systems, and sewer systems;

(b) To engage in cooperative manpower and job training and development programs;

(c) To develop and publish cooperative environmental education and forest history materials; and

(d) To perform forestry protection, including fire protection, timber stand improvement, debris removal, and thinning of trees.

The Secretary may enter into such cooperative agreements when he determines that the public interest will be benefited and there exists a mutual interest other than monetary considerations.

Section 1 also authorizes the Secretary in such cooperative arrangements to advance or reimburse funds to cooperators from any Forest Service appropriation available for similar kinds of work or by furnishing or sharing materials, supplies, facilities, or equipment without regard to the provisions of the Act of January 31, 1823, relating to the advance of public moneys.

Section 2. Supervision of cooperators

Section 2 authorizes Forest Service personnel to supervise such cooperators and their employees in emergencies or otherwise as mutually agreed to. In such cases, the cooperators and their employees would be covered under Federal tort liability and work injury laws, but would not be considered Federal employees for other purposes.

Section 3. No limitation on other authority to enter into cooperative agreements

Section 3 provides that nothing in the bill shall be construed as limiting or modifying the authority of the Secretary to enter into cooperative agreements otherwise authorized by law. The bill, therefore, supplements existing provisions of law relating to cooperative agreements.

SOLID WASTE DISPOSAL ACT EXTENSIONS

The bill (S. 2709) to extend certain authorizations under the Solid Waste Disposal Act, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Paragraph (2) of subsection (a) of section 216 of the Solid Waste Disposal Act, as amended (87 Stat. 11), is amended by striking "and not to exceed $76,000,000 for the fiscal year ending June 30, 1975." and inserting in lieu thereof ", not to exceed $76,000,000 for the fiscal year ending June 30, 1975, and not to exceed $76,000,000 for the period beginning July 1, 1975, and ending September 30, 1976.".

SEC. 2. Paragraph (3) of subsection (a) of section 216 of the Solid Waste Disposal Act, as amended (87 Stat. 11), is amended by striking the period and adding at the end thereof ", and not to exceed $25,000,000 for the period beginning July 1, 1975, and ending September 30, 1976.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94–480), explaining the purpose of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

The purpose of this bill is to extend until September 30, 1976, the monetary authorizations under the Solid Waste Disposal Act, as amended. Previous extensions expired June 30, 1975. Activities under the Act were continued under the Continuing Resolution (P.L. 94–41) until the enactment of the Environmental Protection Agency's regular appropriatons bill (P.L. 94–116). Now it is necessary to provide authorizations for the appropriated funds.

This bill authorizes $76,000,000 for the period July 1, 1975, through September 30, 1976, to carry out research, technical assistance planning support, and administrative responsibilities under the Solid Waste Disposal Act. This is the same amount authorized for such activities in each of fiscal years 1973 through 1975.

In addition the bill authorizes $25,000,000 for the period July 1, 1975, through September 30, 1976, for resource recovery demonstration projects under section 208 of the Act. This authority, added to the Solid Waste Proposal Act by the Resource Recovery Act of 1970, was not separately funded in fiscal year 1975. In fiscal years 1973 and 1974, however, section 208 authorizations were $140,000,000, though actual appropriations were only a fraction of that much each year. It is the Committee's present belief that additional large scale demonstrations of resource recovery technology are desirable, particularly of projects producing commercially valuable commodities other than energy from the organic fraction of municipal refuse, and of projects refining techniques for air pollution control in energy recovery.

The Committee has been considering comprehensive legislation to amend the Solid Waste Disposal Act for over a year. That legislation is expected to contain new provisions for hazardous waste disposal control, support for areawide and State solid waste management planning, and additional authority for guidelines on solid waste management practices. Such legislation cannot be completed by the end of this year, however, and the Committee intends to consider the subject in the first months of 1976.

ESTIMATES OF COST

Section 252(a)(1) of the Legislative Reorganization Act of 1970 requires publication in this report of the Committee's estimate of the costs of reported legislation together with a comparison of that estimate with any prepared by a Federal agency.

Enactment of this legislation will result in the authorization of the following sums, for the period July 1, 1975, to September 30, 1976: Section 208—$25,000,000; Section 216 (a)(2)—$76,000,000.

NOISE CONTROL ACT EXTENSIONS

The Senate proceeded to consider the bill (H.R. 5272) to amend the Noise Control Act of 1972 to authorize additional appropriations, which had been reported from the Committee on Public Works with amendments as follows:

On page 1, line 8, strike "1976, and $2,420,000 for the fiscal year ending September 30, 1977" and insert "1976"; and

On page 2, line 4, strike "and $12,199,000 for the fiscal year ending September 30, 1977;".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94–481), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

The purpose of this bill is to extend until September 30, 1976, the monetary authorizations under the Noise Control Act of 1972. Previous authorizations expired June 30, 1975. Activities under the Act were continued under the Continuing Resolution (P.L. 94–41) until the enactment of the Environmental Protection Agency's regular appropriations bill (P.L. 94–116). Now it is necessary to provide authorizations for the appropriated funds.

This bill authorizes $11,090,000 for fiscal year 1976 and $2,772,500 for the transition quarter, for the general technical assistance, regulatory, and administrative responsibilities under the Noise Control Act. In addition $2,200,000 for fiscal year 1976 and $550,000 for the transition quarter are authorized for the low noise emission product procurement program under section 15. Noise control research is authorized under H.R. 7108.

As passed by the House, H.R. 5272 contained authorizations for fiscal year 1977 in addition to those described above. The Committee is not satisfied with the progress made in implementing the 1972 Act and did not wish to approve a long extension without substantial oversight of the Agency's activities. The extensive effort of the Subcommittee on Environmental Pollution on amendments to the Clean Air Act precluded any consideration of the Noise Control Act. Therefore, the Committee is recommending that the authorizations be limited to a 15-month period.

The Committee hopes to schedule oversight hearings on the Noise Control Act in the next session before further authorizations are considered. Of particular interest to the Committee will be the status of standards for major sources of noise emissions, labeling, the regulation of aircraft and airport noise, and the need for noise control program support for State and local governments.

ESTIMATES OF COSTS

Section 252(a)(1) of the Legislative Reorganization Act of 1970 requires publication in this report of the Committee's estimate of the costs of reported legislation together with a comparison of that estimate with any prepared by a Federal agency.

Enactment of this legislation will result in the authorization of the following sums: For the period July 1, 1975, to June 30, 1976: Section 15, $2,200,000; section 19, $11,090,000.

For the period July 1, 1976, to September 30, 1976: Section 15, $550,000; section 19, $2,772,500.

FEDERAL WATER POLLUTION CONTROL EXTENSIONS

The bill (S. 2710) to extend certain authorizations under the Federal Water Pollution Control Act, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Section 104 (u)(2) of the Federal Water Pollution Control Act, as amended (86 Stat. 825, 88 Stat. 1924), is amended by striking "fiscal years 1973, 1974, and 1975" and inserting in lieu thereof "fiscal years 1973, 1974, 1975, and 1976".

(b) Section 104(u)(3) of the Federal Water Pollution Control Act, as amended (87 Stat. 825, 88 Stat. 1924), is amended by striking "fiscal years 1973, 1974, and 1975" and inserting in lieu thereof "fiscal years 1973, 1974, 1975, and 1976".

SEC. 2. Section 106(a)(2) of the Federal Water Pollution Control Act, as amended (86 Stat. 827), is amended by striking "for the fiscal year ending June 30, 1974, and the fiscal year ending June 30, 1975;" and inserting in lieu thereof "per fiscal year for fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $18,750,000 for the transition period of July 1, 1976, through September 30, 1976;".

SEC. 3 Section 112(c) of the Federal Water Pollution Control Act, as amended (86 Stat. 832), is amended by striking "and June 30, 1975," and inserting in lieu thereof "June 30, 1975, and June 30, 1976, and $6,250,000 for the transition period beginning July 1, 1976, and ending September 30, 1976,".

SEC. 4. (a) Section 208(f)(2) of the Federal Water Pollution Control Act, as amended (86 Stat. 842), is amended to read as follows:

"(2) For the two-year period beginning on the date the first grant is made under paragraph (1) of this subsection to an agency, the amount of each such grant to such agency shall be 100 per centum of the costs of developing and operating a continuing areawide waste treatment management planning process under subsection (b) of this section, and thereafter the amount granted to such agency shall not exceed 75 per centum of such costs in each succeeding one-year period.".

(b) The second sentence of section 208 (f)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1288) is amended by striking the period at the end and inserting in lieu thereof a comma and the following: "subject to such limitations as to funds authorized after June 30, 1975, as are provided in appropriation Acts.".

(c) Section 208(f)(3) of the Federal Water Pollution Control Act, as amended (86 Stat. 843), is amended by striking "for the fiscal year ending June 30, 1975." and inserting in lieu thereof "per fiscal year for the fiscal years ending June 30, 1975, and June 30, 1976, and not to exceed $37,500,000 for the transition period beginning July 1, 1976, and ending September 30, 1976.".

SEC. 5. Section 314(c)(2) of the Federal Water Pollution Control Act, as amended (86 Stat. 875), is amended by striking "and $150,000,000 for the fiscal year 1975" and inserting in lieu thereof "$150,000,000 for the fiscal year 1975; $150,000,000 for the fiscal year 1976; and $37,500,000 for the transition period beginning July 1, 1976, and ending September 30, 1976.".

SEC. 6. Section 517 of the Federal Water Pollution Control Act, as amended (86 Stat. 896), is amended by striking "and $350,000,000 for the fiscal year ending June 30, 1975." and inserting in lieu thereof "$350,000,000 for the fiscal year ending June 30, 1976, and $87,500,000 for the transition period beginning July 1, 1976, and ending September 1, 1976.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94-482), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

The purpose of this bill is to extend until September 30, 1976, certain monetary authorizations under the Federal Water Pollution Control Act, as amended. Previous extensions expired June 30, 1975. Activities under the Act were continued under the Continuing Resolution (P.L. 94-41) until the enactment of the Environmental Protection Agency's regular appropriations bill (P.L. 94-116). Now it is necessary to provide authorizations for the appropriated funds.

This bill provides for continuation of these authorities at the fiscal year 1975 level. The single largest item in the Federal Water Pollution Control Act, authorization for grants for construction of municipal waste treatment facilities, is not extended in this bill. The Environmental Protection Agency currently has available over $12 billion in budget authority for this construction grant program as a result of the Supreme Court decision, in February, ordering the release of impounded funds.

The sections of the Act for which this bill extends authorizations for the 15-month period are training programs under section 104; State program grants under section 106; training programs under sections 109 through 112; areawide waste treatment management; planning under section 208; clean lakes programs under section 314; and general administrative authorizations under section 517.

Section 4 of the reported bill contains a substantive amendment to section 208(f) of the Federal Water Pollution Control Act. This amendment provides that, for the first 2 years of operation of angency designated to conduct an areawide waste treatment management planning process under section 208, the amount of the Federal grant shall be 100 percent of the costs. The purpose of this amendment is to provide equity for new designations with those agencies which were designated before June 30, 1975, and under the terms of the existing law were eligible for 100 percent grants for the first 2 years' planning costs.

The authorization in this legislation for continued areawide waste treatment management planning assistance reflects the procedures enacted in the Budget and Congressional Control Act. All funds authorized for section 208 for fiscal year 1976 and thereafter will be subject to the appropriations process. However, the $137,000,000 authorized in P.L. 92-500 for section 208 for fiscal years 1973, 1974, and 1975 which is as yet unobligated is not affected by the language in this legislation. The Committee intends the funds authorized in this bill to supplement, and not replace, the original P.L. 92-500 authorization.

ESTIMATES OF COSTS

Section 252(a)(1) of the Legislative Reorganization Act of 1970 requires publication in this report of the Committee's estimate of the costs of reported legislation together with a comparison of that estimate with any prepared by a Federal agency.

Enactment of this legislation will result in the authorization of the following sums: For the period July 1, 1975, to June 30, 1976:

Section 104(u)(2)	$7,500,000;
Section 104(u)(3)	$2,500,000;
Section 106	$75,000,000;
Section 112	$25,000,000;
Section 208	$150,000,000;
Section 314	$150,000,000;
Section 517	$350,000,000;

For the period July 1, 1976, to September 30, 1976:

Section 106	$18,750,000;
Section 112	$6,250,000;
Section 208	$37,500,000;
Section 314	$37,500,000;
Section 517	$87,500,000;

R. E. "BOB" WOODRUFF RESERVOIR

The Senate proceeded to consider the bill (S. 2533) to provide that the reservoir formed by the lock and dam referred to as the "Jones Bluff lock and dam" on the Alabama River, Ala., shall hereafter be known as the R. E. "Bob" Woodruff Reservoir, which had been reported from the Committee on Public Works with amendments as follows:

On page 1, in line 6, strike "reservoir" and insert "lake";

On page 1, in line 8, strike "reservoir" and insert "lake";

On page 2, in line 1, strike "reservoir" and insert "lake";

On page 2, in line 2, strike "reservoir" and insert "lake";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in honor of late Probate Judge R. E. "Bob" Woodruff, of Lowndes County, Alabama, and in recognition of his long and outstanding service to his county, State, and Nation, the lake formed by the Jones Bluff lock and dam on the Alabama River, Alabama, shall hereafter be known and designated as the R. E. "Bob" Woodruff lake. Any law, regulation, map, or record of the United States in which such lake is referred to shall be held and considered to refer to such lake by the name of the R. E. "Bob" Woodruff Reservoir.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to provide that the lake formed by the lock and dam referred to as the "Jones Bluff lock and dam" on the Alabama River, Alabama, shall hereafter be known as the R. E. "Bob" Woodruff Lake.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94-483), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM REPORT NO. 94-483

PURPOSE

The purpose of S. 2533, as reported, is to designate the lake formed by the Jones Bluff Lock and Dam on the Alabama River in honor of R. E. "Bob" Woodruff, a distinguished citizen of Lowndes County, Alabama.

GENERAL STATEMENT

The late R. E. "Bob" Woodruff was a probate judge of Lowndes County, Alabama, in which Jones Bluff Lock and Dam is partially located. He was one of the foremost advocates of this important project, which is an integral part of the plan developed for the Alabama-Coosa Rivers, until he passed away in 1950.

The Jones Bluff Lock and Dam is located on the Alabama River in Lowndes and Autauga Counties. Construction was begun in 1966 and is scheduled for completion in 1978 at an estimated cost of approximately $74 million.

The lake formed by the lock and dam extends 82 miles up the Alabama and Coosa Rivers to Wetumpka, Alabama. It constitutes a vital link in the canalization of the Alabama River, which provides a nine-foot deep navigation channel to Montgomery, Alabama. The estimated future annual commerce on the Alabama River is over three million tons. The lake also will be accessible to a large part of the population of central Alabama for recreational uses. It is unnamed.

The county commissions of both Lowndes and Autauga Counties have adopted resolutions recommending that the lake be named in honor of this outstanding citizen and public official.

The committee believes it would be most appropriate to name the lake created by the Jones Bluff Lock and Dam in Alabama as the R. E. "Bob" Woodruff Lake in recognition of his outstanding contributions toward the planning and developing of this project.

COST OF LEGISLATION

Section 252(a)(1) of the Legislative Reorganization Act of 1970 requires publication in this report of the committee's estimate of the costs of reported legislation, together with estimates prepared by any Federal agency. There is no cost to the Federal Government authorized by this legislation.

ADJUSTMENT OF INTEREST PAID ON FUNDS DEPOSITED WITH THE TREASURY OF THE UNITED STATES

The bill (S. 2620) to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States pursuant to the act of August 20, 1912 (37 Stat. 319) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of this Act entitled "An Act to accept and fund the bequest of Gertrude M. Hubbard", approved August 20, 1912 (37 Stat. 320) is amended to read as follows:

"SEC. 3. In compliance with said conditions the principal of the sum so received and paid into the Treasury of the United States shall be credited on the books of the Treasury Department as a perpetual trust fund; and the Secretary of the Treasury shall invest such sum in Treasury obligations which shall earn interest at a rate which is the higher of (1) a rate which is 0.25 percentage points less than a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with the longest periods to maturity, adjusted to the nearest one-eighth of 1 per centum, or (2) the rate of 4 per centum per annum; and the Secretary of the Treasury shall thereafter credit such deposit with such interest semiannually, and such interest, as income, shall be subject to disbursement for the purposes herein authorized and as provided in the said bequest.".

ADJUSTMENT OF INTEREST PAID ON FUNDS DEPOSITED WITH THE TREASURY OF THE UNITED STATES BY THE LIBRARY OF CONGRESS TRUST FUND BOARD

The bill (S. 2619) to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States by the Library of Congress Trust Fund Board was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last paragraph of section 2 of the Act entitled "An Act to create a Library of Congress Trust Fund Board, and for other purposes", approved March 3, 1925 (2 U.S.C. 158) is amended to read as follows:

"In the absence of any specification to the contrary, the board may deposit the principal sum, in cash with the Treasury of the United States as a permanent loan and the Secretary of the Treasury shall invest such sum in Treasury obligations which shall earn interest at a rate which is the higher of (1) a rate which is 0.25 percentage points less than a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with the longest periods to maturity, adjusted to the nearest one-eighth of 1 per centum, or (2) the rate of 4 per centum per annum; and the Secretary of the Treasury shall thereafter credit such deposit with such interest semiannually, and such interest, as income, shall be subject to disbursement by the Librarian of Congress for the purposes specified: *Provided, however,* That the total of such principal sums at any time so held by the Treasury under this authorization shall not exceed the sum of $10,000,000.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 94–489), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

S. 2619 would increase the amount of interest paid on the trust funds deposited with the United States Treasury by the Library of Congress Trust Fund Board.

The Library of Congress Trust Fund Board has received gifts and bequests to establish trusts for the pursuit of certain objectives. These trusts operate on the income generated from the funds deposited in trust with the United States Treasury. When the Library of Congress Trust Fund Board Act was approved the rate of 4 per centum per annum was a fair rate, and sufficient annual income was generated to carry out the purposes of the trusts. Since the time many of the trusts were created, however, inflated costs have made it more and more difficult to accomplish the purposes intended with the income received. Also, interest rates have increased substantially. It can be noted that during 1974 even short-term Government borrowings, for example, short-term Treasury bills, were at rates of interest near 8 per centum per annum.

The Library's trust funds deposited with the Treasury have been limited by the 1925 law to an annual interest rate of 4 per cent. S. 2619 would amend the law to allow a rate of interest to be determined by the Secretary of the Treasury, the Chairman of the Library of Congress Trust Fund Board, taking into consideration the current average market yield on outstanding marketable obligations of the United States.

This bill would allow a rate of interest equal to that of similarly situated trust funds, such as the Railroad Retirement Fund, the Civil Service Retirement Fund, and the permanent fund of the United States Soldiers' and Airmen's Home. It also protects the return on the permanent loan funds from falling below the level of return provided in the present law. It continues the rate of interest at 4 per centum per annum if the formula rate should fall below 4 per centum per annum. The 0.25 per centum per annum reduction in the rate of return in the formula rate is to provide a trade-off for the establishment of a floor of 4 per centum per annum on the investment's return. It is necessary to maintain this floor, because much of the trust fund is controlled by trust instruments that require investment in a permanent loan to the U.S. Treasury bearing interest at the rate of 4 per centum per annum. This reduction in the formula rate of return is an equitable exchange for the guaranteed 4 per cent minimum.

It was only recently, on December 15, 1973, that Public Law 93–185 was approved, which increased the rate of interest paid on similar funds deposited in the United States Treasury by the United States Soldiers' and Airmen's Home. That rate was increased from 3 per cent to the rate proposed by this bill.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY FOR ROUTINE PURPOSES

The resolution (S. Res. 298) authorizing additional expenditures by the Committee on the Judiciary for routine purposes, was considered and agreed to, as follows:

Resolved, That the Committee on the Judiciary is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $25,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 94–490), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Section 134(a) of the Legislative Reorganization Act of 1946 (Public Law 601, 79th Congress, 60 Stat. 812, August 2, 1946) authorizes each standing committee of the Senate to expend not to exceed $10,000 per Congress for routine committee expenditures.

Senate Resolution 298 would authorize the Committee on the Judiciary to expend from the contingent fund of the Senate, during the 94th Congress, $25,000 in addition to the amount, and for the same purposes, specified in said section 134(a).

A joint letter in support of Senate Resolution 298 addressed to Senator Howard W. Cannon, chairman of the Committee on Rules and Administration, by Senator James O. Eastland, chairman, and Senator Roman L. Hruska, ranking minority member, of the Committee on the Judiciary, is as follows:

U.S. Senate,
Committee on the Judiciary,
Washington, D.C., November 12, 1975.

Hon. Howard W. Cannon,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Senate Resolution 298 was reported to the Senate November 10, 1975, authorizing $25,000 in additional funds for the Senate Judiciary Committee under authority of section 134(a) of the Legislative Reorganization Act of 1946.

Of the sum of $10,000 received January 3, 1975, pursuant to the Legislative Reorganization Act of 1946, approximately $7,600 has been expended on reporters fees for nominations hearings and committee meetings.

Sincerely,

James O. Eastland,
Chairman.
Roman L. Hruska,
Ranking Minority Member.

SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON PUBLIC WORKS FOR INQUIRIES AND INVESTIGATIONS

The resolution (S. Res. 301) authorizing supplemental expenditures by the Committee on Public Works for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That section 2 of S. Res. 44, Ninety-fourth Congress, agreed to July 26, 1975, is amended by striking out "$848,600" and inserting in lieu thereof "$868,000".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 94–491), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Senate Resolution 301 would amend Senate Resolution 44, 94th Congress, agreed to July 26, 1975 (the annual expenditure-authorization resolution of the Committee on Public Works), by increasing by $20,000—from $848,600 to $868,600—funds available to the committee for inquiries and investigations during the period March 1, 1975, through February 29, 1976.

An explanation for the request is expressed in a joint letter addressed to Senator Howard W. Cannon, chairman of the Committee on Rules and Administration, by Senator Jennings Randolph, chairman, and Senator Howard H. Baker, Jr., ranking minority member, of the Committee on Public Works, which letter is as follows:

U.S. Senate,
Committee on Public Works,
Washington, D.C., November 14, 1975.

Hon. Howard W. Cannon,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: When S. Res. 44 was introduced it was envisioned that the funds requested therein would be sufficient to provide for orderly operation of the Committee's legislative and oversight activities during the session. The budget accompanying the resolution provided for no increase in staff, nor was provision made for inflationary cost increases in most areas of the Committee's operations.

The Committee budget was approved at $848,000—$26,400 less than that requested in its "bare bones" proposal for this year's operations. In addition to maintaining staff at the previous session's level, no allowances were made for increases in the areas of reporting charges, per diem payments, statutory cost-of-living increases, and the unexpected requirement for a General Accounting Office investigation of a presidential nominee, now in process, and which will probably cost $16,000 in reimbursable to agency charges. Every effort has been made to operate within the budget approved and to absorb the increased costs, but it now appears there will be a short-fall of nearly $20,000.

A review of the first eight months of this session indicates that the Committee carried out substantially more work than during a similar period in the previous session. The Committee has been deeply involved in matters relating to energy because of its jurisdiction over environmental legislation. Considerable time has been expended by Members and staff on investigative and legislative activities in this area. In addition to this concentration on energy and related problems there has been in-depth consideration of proposed major modifications of the Clean Air Act. Extensive hearings were held on general oversight of the Act, as well as on proposed amendments of program authority. Presently, Members of the Committee are involved in almost daily conferences with the other body on two measures involving energy legislation.

Extensive hearings and mark-up sessions also have been held by other subcommittees in the areas of economic development, transportation, water resources, and buildings and grounds.

A review of funds remaining under the present authorization reveals that $289,009.64 was uncommitted as of November 6. The Committee has salary obligations for the remaining four months of this year amounting to approximately $265,000—including the 5% raise authorized to cover cost-of-living and approximately 5.4% of that amount to cover agency contributions.

A breakdown of the remaining funds, anticipated requirements, and areas in which there will be surpluses which can be used to offset shortfalls in other areas follows:

STATUS OF FUNDS, AS OF NOV. 6, 1975

Account	Funds on hand	Additional funds required	Difference
Salaries	$276,022.09	[1] $265,000.00	$11,022.09
Travel	15,647.67	15,000.00	647.67
Office expense and petty cash	(2,313.74)	2,924.00	(5,237.74)
Newspapers and magazines	(638.90)	920.00	(1,558.90)
Communications	(560.24)	2,516.00	(3,076.24)
Hearings	10,655.83	13,304.00	(2,648.17)
Witness expense	(231.06)	688.00	(919.06)
Reimbursable to agencies	[2] (15,000.00)	1,000.00	(16,000.00)
Contingency fund	360.34		360.34
Consultants	5,067.65	5,067.65	
Total	289,009.64	306,419.65	(17,410.01)

[1] 4 mo×$66,250=$265,000 (5 percent raise, plus agency contributions included).

[2] Obligated, but not vouchered.

It is necessary, therefore, to request supplemental funds of $20,000 to cover the expenditures outlined above, through February 29, 1976. This will bring the Committee's operating budget to within $6,400 of the funds requested at the beginning of the year, and is illustrative of the economies practiced to accomplish the program within the limits imposed by the cut.

Your favorable consideration of this resolution will be appreciated.

With kind personal regards and assurance of our cooperative attitude, we are

Truly,

Jennings Randolph,
Chairman.
Howard H. Baker, Jr.,
Ranking Minority Member.

MARGUERITE G. CRONIN

The resolution (S. Res. 309) to pay a gratuity to Marguerite G. Cronin, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Marguerite G. Cronin, mother of George A. Cronin, an employee of the Senate at the time of his death, a sum equal to five months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SHIRLEY M. SCHWEINSBERG

The resolution (S. Res. 310) to pay a gratuity to Shirley M. Schweinsberg, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Shirley M. Schweinsberg, widow of George E. Schweinsberg, an employee of the Senate at the time of his death, a sum equal to seven and one-half months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

101ST AIRBORNE DIVISION MEMORIAL

The Senate proceeded to consider the bill (S. 1847) to authorize the 101st Airborne Division Association to erect a memorial in the District of Columbia or its environs, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 2, line 11, strike "Commissioner" and insert "Mayor"; so to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the One Hundred and First Airborne Division Association is authorized to erect a memorial on public grounds in the District of Columbia or its environs in honor and in commemoration of the men of the "Screaming Eagles" of the One Hundred and First Airborne Division, United States Army, who have served their country in World War II, Vietnam, and maintaining peace.

Sec. 2. (a) The Secretary of the Interior is authorized and directed to select, with the approval of the National Commission of Fine Arts and the National Capital Planning Commission, a suitable site on public grounds in the District of Columbia, or its environs, upon which may be erected the memorial authorized in the first section of this Act: *Provided,* That the site selected is on public grounds belonging to or under the jurisdiction of the government of the District of Columbia, the approval of the Mayor of the District of Columbia shall also be obtained.

(b) The design and plans for such memorial shall be subject to the approval of the Secretary of the Interior, the National Commission of Fine Arts and the National Capital Planning Commission, and the United States or the District of Columbia shall be put to no expense in the erection thereof.

Sec. 3. The authority conferred pursuant to this bill shall lapse unless (1) the erection of such memorial is commenced within five years from the date of enactment of this bill, and (2) prior to its commencement funds are certified available in an amount sufficient, in the judgment of the Secretary of the Interior to insure completion of the memorial.

Sec. 4. The maintenance and care of the memorial erected under the provisions of this Act shall be the responsibility of the Secretary of the Interior, or, if the memorial is erected upon public grounds belonging to or under the jurisdiction of the District of Columbia, the government of the District of Columbia.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 94–494), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

As introduced, S. 1847 would authorize the One Hundred and First Airborne Division Association to erect a memorial on the public grounds in the District of Columbia or its environs in honor of the "Screaming Eagles" of the 101st Airborne Division, United States Army.

This measure would authorize the Secretary of the Interior, with the approval of the National Commission of Fine Arts and the National Capital Planning Commission, to select a suitable site for the Memorial on public grounds in the District of Columbia. Approval of the Mayor of the District of Columbia must be obtained if the selected site is under his jurisdiction.

BACKGROUND AND NEED

In 1958 a similar bill was signed into law by President Eisenhower, Public Law 85–403. This measure which had a five-year limitation authorized the erection of a memorial to the 101st Airborne Division. During the period allowed for establishment of the memorial the Association was unable to collect sufficient funds to erect the memorial. During the Subcommittee hearing, the Association testified that they presently have $100,000 for the project.

LEGISLATIVE HISTORY

S. 1847 was introduced on June 3, 1975 and on November 13, 1975, the Parks and Recreation Subcommittee held a hearing on this measure.

COMPLETION OF MISSION 66 BYPASS AT VICKSBURG, MISS.

The Senate proceeded to consider the bill (S. 2158) to increase an authorization of appropriations in order to complete the Mission 66 Bypass Road at Vicksburg, Miss., which had been reported from the Committee on Interior and Insular Affairs, with an amendment on page 1, line 8, strike "$2,050,000" and insert "$3,850,000"; so to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act entitled "An Act to consolidate Vicksburg National Military Park and to provide for certain adjustments necessitated by the installation of a park tour road, and for other purposes", approved June 4, 1963 (77 Stat. 55; 16 U.S.C. 430h–5), is amended by striking out "$2,050,000" and inserting in lieu thereof "$3,850,000".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 94–495), explaining the purposes of the measure. There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

As introduced, S. 2158 would amend the Act of 1963, "To consolidate Vicksburg National Military Park and to provide for certain adjustments necessitated by the installation of a park tour road, and for other purposes." This bill would raise the ceiling on development funding from $2,050,000 to $3,850,000. The additional $1.8 million would be used to reimburse the City of Vicksburg for the construction costs of the Mission 66 Bypass Road over the park tour road. Local city traffic would use the bypass system provided for by the 1963 Act, thus maintaining the integrity of the park.

BACKGROUND AND NEED

The City of Vicksburg, Mississippi, besieged during the Civil War in a Union effort to control the Mississippi River, is now encircled by the Vicksburg National Military Park.

Following the Civil War, the War Department acquired a relatively narrow semicircle of land around the north, east, and south of the city incorporating the ridge on which the Confederate defense positions and the paralleling line of the Union forces were located. The property was transferred to the Interior Department for administration as a national military park in 1899. With the Mississippi River on the west the remaining three-fourths of the city is encircled by the park.

Until the passage of the 1963 Act, visitors to the park and city residents competed for road use with accesses to the city as well as the park.

To alleviate this problem, land acreage was quitclaimed to the City of Vicksburg for the purpose of creating a local road system. According to the Act, this land must maintain the parklike character or it will revert to the United States.

S. 2158 was introduced July 22, 1975, and on November 13, 1975, the Parks and Recreation Subcommittee held a hearing on this measure.

COST AND BUDGETARY CONSIDERATIONS

The cost of this measure will be $1.8 million which is an increase in the ceiling on development of the act of June 4, 1963.

RECLAMATION FEASIBILITY STUDIES, 1975

The Senate proceeded to consider the bill (H.R. 6669) to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments, which had been reported from the Committee on Interior and Insular Affairs, with an amendment. On page 3, beginning on line 6, insert the following:

(1) A comprehensive resource analysis adequate to determine the feasibility of a geothermal energy utility system for the city of Susanville, California, and to initiate reconnaissance level studies of similar undertakings which may be requested by public entities in the future.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 94–497), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE MEASURE

The purpose of the measure is to authorize the Secretary of the Interior to undertake feasibility investigations of twelve water and/or energy resource projects. This specific authority is required to permit the orderly continuation of the Bureau of Reclamation's program of investigations leading to recommendation for authorization of water and related development projects.

BACKGROUND AND NEED

Section 8 of the Federal Water Project Recreation Act (Public Law 89–72, 79 Stat. 213) provides:

Sec. 8. Effective on and after July 1, 1966, neither the Secretary of the Interior nor any bureau nor any person acting under his authority shall engage in the preparation of any feasibility report under reclamation law with respect to any water resource project unless the preparation of such feasibility report has been specifically authorized by law, any other provision of law to the contrary notwithstanding.

Enactment of H.R. 6669 would provide the authority required by P.L. 89–72 for the feasibility grade studies enumerated in the text of the bill. Under present law, the Department of the Interior has authority to undertake reconnaissance studies and basin surveys without securing specific Congressional authorization. Authority to undertake feasibility studies or to initiate construction of a project, however, requires specific Congressional authorization.

LEGISLATIVE HISTORY

H.R. 6669 was introduced on May 5, 1975, by Mr. Johnson of California and in effect is a consolidation of several House bills which would have authorized feasibility investigations on an individual basis. The measure was reported to the House on September 15, 1975, whereupon it was passed on October 7, 1975.

Companion measures in the Senate which correspond to subparagraphs of H.R. 6669 are S. 1530, introduced by Senator Bellmon on April 25, S. 1686 introduced by Senators Young and Burdick on May 8, S. 1751 and S. 1752 introduced by Senator Jackson on May 15, S. 1902 introduced by Senator Fannin on June 9, S. 1979 introduced by Senator Curtis on June 19, and S. 2013 introduced by Senator Hansen on June 25. The individual Senate bills and corresponding subsections of H.R. 6669 are identified in the section-by-section analysis.

SECTION-BY-SECTION ANALYSIS

Adequate reconnaissance level studies for the potential projects have been made and indicate that feasibility investigations are warranted. The appropriation of funds would be made pursuant to general authority for the investigation program.

The proposed authorizations would include the following: Paragraph (a)—Power Intertie Potentials: This study is designed to evaluate the benefits, revenues, and costs that would result from integrating loads and resources between major river basin transmission systems by means of power interties in the seventeen western States. Power interties have the potential of alleviating future electric power shortages by enabling expanded use of existing and additional generating capacity by effectively utilizing seasonal surpluses or conserving fossil fuels. Total estimated cost of the one year study is $300,000.

Paragraph (b)—Boulder Canyon (S. 1902): This study would investigate the potential for addition of hydroelectric generating units at Hoover Powerplant on the Arizona-California border including both conventional hydroelectric units and reversible pumped-shortage hydroelectric units. Total estimated cost of the three year study is $700,000.

Paragraph (c)—Minidoka: This study would investigate the rehabilitation or replacement of existing hydroelectric generating units at the Minidoka Powerplant in Idaho and the provision of additional generating capacity. Reconnaisance level investigations indicate that a potential increase in generating capacity of 16,600 kilowatts may be realized. The study is expected to cost $200,000 and require 18 months.

Paragraph (d)—Mora River Basin: This study would investigate the potential for multi-purpose water resource development in the headwaters of the Mora River Basin, New Mexico. Included as project purposes are irrigation, fish and wildlife benefits, and recreation. The study will require four years and an estimated $400,000.

Paragraph (e)—Yakima (S. 1751): This study would examine the potential for the integration of three previously studied multi-purpose projects; the Mabton and Toppenish-Simco projects on the Yakima Indian Reservation, and the nearby Ahtanum Creek project, in Washington State. Potential benefits include recreation, fish and wildlife, flood control, and irrigation water to serve over 33,000 acres. The study will require three years at an estimated cost of $350,000.

Paragraph (f)—Columbia Northside (S. 1752): This study would examine the potential for the construction of a major multi-purpose pumped storage site in Washington State which would have as potential benefits an estimated 1,500 megawatts generating capacity, irrigation of up to 20,000 acres, and the provision of municipal and industrial water for the towns of White Salmon and Bingen. Of particular note is the proposal to remove an existing dam thereby opening up 25 miles of stream for salmon and steelhead trout habitat. The study will require four years at an estimated cost of $800,000.

Paragraph (g)—Seward (S. 1530): This study would examine the potential for a multi-purpose dam and reservoir in Oklahoma. Included as project purposes are municipal and industrial water for the rapidly expanding urban area just north of Oklahoma City, flood control, fish and wildlife, and recreation. The study will require three years at an estimated cost of $300,000.

Paragraph (h)—Frenchman-Cambridge (S. 1979): This study would examine the feasibility of alternatives for alleviating water shortages occurring in the 45,000 acre Frenchman-Cambridge Irrigation District in Nebraska. Potential measures include reduction of distribution losses, irrigation management, and development of additional storage. The study will require four years at an estimated cost of $427,000.

Paragraph (i)—Upper Canadian River Basin: This study would investigate the potential for the development of municipal and industrial water supplies for the City of Raton in New Mexico. The study will require three years at an estimated cost of $400,000.

Paragraph (j)—Versippi Unit (S. 1686): This study will examine the feasibility of the potential Versippi Damsite on the Green River in North Dakota as a source of municipal and industrial water for the City of Dickinson. A reservoir at Versippi could provide a firm water yield of 6,000 acre feet annually, estimated to be an adequate supply for the City of Dickinson through the year 2025. The Versippi site could also provide fish, wildlife, flood control, and recreational benefits. The study will require one year at an estimated cost of $100,000.

Paragraph (k)—Muddy Ridge (S. 2013): This study will examine the feasibility of placing an additional 18,000 acres of land under irrigation as an extension of the Riverton unit, Pick-Sloan Missouri River Basin program, Wyoming. The Riverton project was initially authorized in 1918 and construction of various project features have continued to date. The proposed Muddy Ridge unit would be served by existing capacity and regulatory features included in the Riverton unit in anticipation of the proposed expansion. The study will require three years at an estimated cost of $250,000.

Paragraph (1)—Susanville: See "Committee Amendment."

COST AND BUDGETARY CONSIDERATIONS

The estimated total cost associated with the feasibility studies authorized by H.R.

6669 as amended, is $5,227,000. It is estimated that expenditures could occur over a five to ten year period subject to budgetary constraints and Administration and Congressional support for the individual studies.

REFERRAL OF H.R. 7108 TO COMMITTEE ON COMMERCE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 465, H.R. 7108, an act to authorize appropriations for environmental research, development, and demonstration, be referred to the Committee on Commerce for a period not to exceed 60 calendar days.

The PRESIDENT pro tempore. Is there objection?

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I repeat my request.

The PRESIDENT pro tempore. Is there objection? Wtihout objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

(During the call of the roll, Mr. CRANSTON assumed the Chair as presiding officer, and was subsequently relieved by Mr. FORD.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of November 20, 1975, messages from the President of the United States were received on November 21, November 24, and November 26, 1975, submitting sundry nominations.

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT—ENROLLED BILLS SIGNED

Under authority of the order of November 20, 1975, a message from the House of Representatives was received on November 21, 1975, stating that the Speaker had signed the following enrolled bills:

H.R. 2343. An act to designate the new Forest Service laboratory at Auburn, Alabama, as the "George W. Andrews Forestry Sciences Laboratory".

H.R. 3922. An act to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such Act, to prohibit discrimination on the basis of age, and for other purposes.

H.R. 9472. An act to amend section 15d of the Tennessee Valley Authority Act of 1963 to increase the amount of bonds which may be issued by the Tennessee Valley Authority, and for other purposes.

The enrolled bills were signed on November 21, 1975, by the Acting President pro tempore (Mr. METCALF).

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

NEW RESCISSIONS IN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—(S. DOC. NO. 94–137)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred, jointly, to the Committees on Appropriations, Budget, Agriculture and Forestry, Banking, Housing and Urban Affairs, Commerce, Labor and Public Welfare, Public Works, Aeronautical and Space Sciences, and Foreign Relations, pursuant to the order of January 30, 1975, and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose 13 new rescissions totalling $838.6 million in budget authority. In addition, I am reporting 18 new deferrals that total $253.2 million in budget authority and changes to one deferral previously transmitted that decrease the budget authority deferred by $4.1 million.

If we are to avoid excessive Federal spending, the kinds of actions I am proposing today are essential. I believe that both the legislative and executive branches must continually weigh the contribution made by each Federal program against the limited resources available. We must carefully assess new or expanded activities before they are implemented. To make room for necessary new spending, we must eliminate Federal spending for programs that are no longer needed, that duplicate other programs, or that can be financed from other sources.

The details of each rescission proposal and deferral are contained in the attached reports.

GERALD R. FORD.

THE WHITE HOUSE, *November 29, 1975.*

REPORT OF THE SECRETARY OF THE INTERIOR—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States received on November 26, 1975, during the adjournment of the Senate, which was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

In accordance with Section 511(a) of the Federal Coal Mine Health and Safety Act of 1969, I am pleased to submit to you the Annual Report of the Secretary of the Interior.

This report consists of Part 1, detailing the activities of the Mining Enforcement and Safety Administration, and Part 2, describing the mining research activities of the Bureau of Mines.

GERALD R. FORD.

THE WHITE HOUSE, *November 26, 1975.*

ANNUAL REPORT ON THE OPERATION OF THE AUTOMOTIVE PRODUCTS TRADE ACT OF 1965—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States received on November 26, 1975, during the adjournment of the Senate, which was referred to the Committee on Finance:

To the Congress of the United States:

I hereby transmit the Ninth Annual Report on the Operation of the Automotive Products Trade Act of 1965. This report contains information about the United States and Canadian Automotive Products Agreement, including trade, prices and employment in 1974. Also included is other information pertinent to the various provisions of the act.

GERALD R. FORD.

THE WHITE HOUSE, *November 26, 1975.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore laid before the Senate a message from the President of the United States submitting the nomination of John Paul Stevens, of Illinois, to be an Associate Justice of the Supreme Court, which was referred to the Committee on the Judiciary.

The PRESIDENT pro tempore also laid before the Senate messages from the President of the United States received during the adjournment submitting sundry nominations which were referred to the appropriate committees.

(The nominations referred today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2:10 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed without amendment the bill (S. 1245) to amend section 218 of title 23, United States Code.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 9915) to make technical amendments to the Federal Rules of Evidence, the Federal Rules of provisions of title 18 and 28 of the United States Code.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 5900) to protect thee economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. PERKINS, Mr. THOMPSON, Mr. BRADEMAS, Mr. FORD of Michigan, Mr. Clay, Mr. Biaggi, Mr. Miller of California, Mr. Quie, Mr. Ashbrook, and Mr. Esch were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 9861) making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Mahon, Mr. Sikes, Mr. Flood, Mr. Addabbo, Mr. McFall, Mr. Flynt, Mr. Giaimo, Mr. Chappell, Mr. Burlison of Missouri, Mr. Edwards of Alabama, Mr. Robinson, Mr. Kemp, and Mr. Cederberg were appointed managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendment of the Senate to the concurrent resolution (H. Con. Res. 466) revising the congressional budget for the United States Government for the fiscal year 1976; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Adams, Mr. Wright, Mr. Giaimo, Mr. O'Hara, Mr. Leggett, Mr. Mitchell of Maryland, Mr. Landrum, Mr. Gibbons, Mr. Derrick, Mr. Latta, Mr. Broyhill, Mr. Del Clawson, and Mr. Hastings were appointed managers of the conference on the part of the House.

At 4:00 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House has passed without amendment, the bill (S. 267) to designate the Flat Tops Wilderness, Routt and White River National Forests, in the State of Colorado.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

National Commission on Supplies and Shortages—(S. Doc. No. 94–135)

A communication from the President of the United States transmitting a proposed appropriation language change for the National Commission on Supplies and Shortages (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Supplemental Appropriation for Claims and Judgments—(S. Doc. No. 94–133)

A communication from the President of the United States transmitting a supplemental appropriation request of $18,525,116 to pay claims and judgments rendered against the United States (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Supplemental Appropriations for the National Commission on Supplies and Shortages—(S. Doc. No. 94–136)

A communication from the President of the United States transmitting requests for supplemental appropriations for the fiscal year 1976 in the amount of $622,500 and in the amount of $295,000 for the transition quarter for the National Commission on Supplies and Shortages (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Proposed Supplemental Appropriation for the Legislative Branch—(S. Doc. No. 94–134)

A communication from the President of the United States transmitting a proposed supplemental appropriation for the fiscal year 1976 in the amount of $1,292,000 for the legislative branch (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Contract Awards by the Assistant Secretary of Defense

A letter from the Assistant Secretary of Defense transmitting, pursuant to law, a listing of contract award dates for the period November 15, 1975 to February 15, 1976 (with accompanying papers); to the Committee on Armed Services.

Submission by the National Transportation Safety Board

A letter from the Chairman of the National Transportation Safety Board transmitting, pursuant to law, copies of two letters submitted to the Office of Management and Budget (with accompanying papers); to the Committee on Commerce.

Proposed Acts of the Council of the District of Columbia

Two letters from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, copies of proposed acts adopted by the Council (with accompanying papers); to the Committee on the District of Columbia.

International Agreements Other Than Treaties

A letter from the Assistant Secretary of State transmitting, pursuant to law, copies of international agreements other than treaties entered into within the past sixty days (with accompanying papers); to the Committee on Foreign Relations.

Reports of the Comptroller General

Four letters from the Comptroller General of the United States each transmitting, pursuant to law, a report entitled (1) "Factors To Be Considered in Setting Future Policy for Use of Inland Waterways"; (2) "A Case for Providing Pay-As-You-Go Privileges to Military Personnel for State Income Taxes"; (3) "Effective Item Entry Control in the Complex Government Supply System Can Reduce Costs"; and (4) "Effectiveness of Grant Programs Aimed at Developing Health Maintenance Organizations and Community Health Networks" (with accompanying reports); to the Committee on Government Operations.

Report by the Council on Wage and Price Stability

A letter from the Director of the Council on Wage and Price Stability transmitting, pursuant to law, a report by the Council relating to "Criteria and Procedures for Making Route and Service Decisions" recently proposed by the National Railroad Passenger Corporation (with accompanying papers); to the Committee on Commerce.

Notice by the Federal Power Commission

A letter from the Chairman of the Federal Power Commission transmitting, pursuant to law, written notice of its intention to adopt new or intended uses of information in certain of its existing records systems originally published in the Federal Register (with accompanying papers); to the Committee on Government Operations.

Annual Report of the Nuclear Regulatory Commission

A letter from the Chairman of the Nuclear Regulatory Commission announcing that the annual report of the activities of the Commission will be furnished each January for the preceding fiscal year; to the Joint Committee on Atomic Energy.

Report of the Legion of Valor, Inc.

A letter from the Corporation Agent of the Legion of Valor, Inc., transmitting, pursuant to law, the annual financial report for the fiscal year ending April 30, 1975 (with an accompanying report); to the Committee on the Judiciary.

Proposed Rulemaking by the Department of Health, Education, and Welfare

A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a document relating to proposed rulemaking for publishing in the Federal Register (with accompanying papers); to the Committee on Labor and Public Welfare.

Proposed Legislation by the Department of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to revise title VII of the Public Health Service Act (with accompanying papers); to the Committee on Labor and Public Welfare.

Report of the Department of the Army

A letter from the Deputy Assistant Secretary of the Army transmitting, pursuant to law, a list of water resource projects requiring cooperation agreements (with accompanying papers); to the Committee on Public Works.

REPORT OF COMMITTEES

The following reports of committees were submitted:

By Mr. METCALF, from the Committee on Interior and Insular Affairs, with an amendment:

S. 1506. A bill to designate a segment of the Missouri River, Montana, as a component of the National Wild and Scenic Rivers System (Rept. No. 94–502).

REPORTS OF COMMITTEES DURING ADJOURNMENT

Under authority of the order of November 20, 1975, the following reports of committees were submitted on November 26, 1975, during the adjournment of the Senate:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 67. A bill to establish the Nantucket Sound Islands Trust in the Commonwealth of Massachusetts, to declare certain national policies essential to the preservation and conservation of the lands and waters in the trust area, and for other purposes (Rept. No. 94–493).

By Mr. JOHNSTON, from the Committee on Interior and Insular Affairs, with an amendment:

H.R. 7688. An act to amend section 2 of the act of June 30, 1954, providing for the continuance of civil government for the Trust Territory of the Pacific Islands (Rept. No. 94–496).

By Mr. PHILIP A. HART, from the Committees on the Judiciary and Commerce, with an amendment:

S. 1136. A bill to authorize appropriations for increased investigation and prosecution by the Federal Trade Commission and the Department of Justice of unfair methods of competition, restraints of trade, and other violations of the antitrust laws, and for other purposes (together with minority views) (Rept. No. 94–498).

By Mr. HARTKE, from the Committee on Commerce:

S. 2718. An original bill to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes (Rept. No. 94-499).

By Mr. INOUYE, from the Committee on Commerce, with an amendment, and an amendment to the title:

S. 100. A bill to provide a national program in order to make the international metric system the predominant but not exclusive system of measurement in the United States and to provide for converting to the general use of such system within ten years (Rept. No. 94-500).

By Mr. INOUYE, from the Committee on Commerce, with amendments, and an amendment to the title:

S. 2498. A bill to amend the Small Business Act to provide assistance for small business export activities, to transfer certain disaster relief functions of the Small Business Administration to other Federal agencies, to establish a National Commission on Small Business in America, and for other purposes (Rept. No. 94-501).

By Mr. JOHNSTON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 1847. A bill to authorize the One Hundred and First Airborne Division Association to erect a memorial in the District of Columbia or its environs (Rept. No. 94-494).

S. 2158. A bill to increase an authorization of appropriations in order to complete the Mission 66 Bypass Road at Vicksburg, Mississippi (Rept. No. 94-495).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with an amendment:

H.R. 6669. An act to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments (Rept. No. 94-497).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TOWER:

S. 2719. A bill to provide tax incentives to encourage physicians, dentists, and optometrists to practice in physician shortage areas. Referred to the Committee on Finance.

By Mr. BENTSEN:

S. 2720. A bill to amend the act of August 6, 1973 (Public Law 93-83). Referred to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 2721. A bill to amend the Bank Holding Company Act and the Bank Merger Act to restrict the activities in which registered bank holding companies may engage and to control the acquisition of banks by bank holding companies and other banks. Referred to the Committee on Banking, Housing and Urban Affairs.

S. 2722. A bill for the relief of Carlos Juarez-Davila. Referred to the Committee on the Judiciary.

By Mr. BUCKLEY:

S. 2723. A bill to amend chapter 85 of title 28, United States Code, relating to the censure, suspension, and disbarment of attorneys. Referred to the Committee on the Judiciary.

By Mr. BAYH:

S. 2724. A bill to establish a Temporary National Economic Committee, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs, the Committee on Commerce, the Committee on the Judiciary, the Committee on Labor and Public Welfare, the Committee on Government Operations, and the Committee on Finance, jointly, by unanimous consent.

By Mr. TOWER (for himself, Mr. JAVITS, and Mr. BROOKE):

S. 2725. A bill to authorize the Secretary of the Treasury to provide and facilitate seasonal financing for the city of New York. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. TUNNEY:

S. 2726. A bill to create a Department of Natural Resources, an Executive Office of Resource and Materials Policy, a Joint Congressional Committee on Energy, Materials, and the Environment, and for other purposes. Referred to the Committee on Government Operations.

By Mr. STONE:

S.J. Res. 149. A joint resolution proposing a constitutional amendment on the effective date of increases in congressional salaries. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TOWER:

S. 2719. A bill to provide tax incentives to encourage physicians, dentists, and optometrists to practice in physician shortage areas. Referred to the Committee on Finance.

Mr. TOWER. Mr. President, the Subcommittee on Health of the Senate Labor and Public Welfare Committee is currently conducting hearings on health manpower and maldistribution legislation. The diversity of the measures before the committee reflects the wide range of attitudes that exist on what the Federal Government's role should be in the training of health professionals and what the Government should receive in return for the massive investment it makes in aid to colleges and universities which train professional health personnel. Despite the differences in approach, most of us are in agreement that an effort must be made by the Federal Government to attract health professionals to rural and urban core areas that lack adequate medical manpower to serve their needs.

The national health manpower shortage is critical. Rural and inner city areas simply do not have enough doctors and other health personnel to meet the demand for health care. There is probably not one State that does not have medically underserved areas. Conservative estimates indicate shortages of approximately 50,000 doctors, 20,000 dentists, and 10,000 optometrists throughout the country.

In 1971 Congress attempted to address this national crisis when it approved the comprehensive Health Manpower Training Act to increase the number of health professionals and to develop more efficient methods of utilizing their services. At that time, we increased Federal funding to medical schools for expanded facilities and faculties to permit increased student enrollment, and we recognized student scholarship and loan programs to make medical schools a financial possibility for capable and deserving young adults.

Since 1971 the Congress has studied and employed other means as well for a solution to the problem we face, and many of the programs have been successful. Nevertheless, we have only faced a part of the problem. We have not affected the distribution of health professionals once they have been trained. Furthermore, we have addressed primarily the young new doctors, most of whom must serve 2 years of internship and 2 to 3 years in residency before they establish a practice anywhere. We must begin to go beyond the health professional school. We must begin to take a look at the utilization of our health manpower resources. This country possesses a rich potential of skilled health manpower beyond the student level, and we must seek to utilize this resource effectively. We must provide incentives to attract experienced and dedicated health personnel to underserved areas.

I believe that an effective and equitable means of attracting experienced health personnel to underserved areas is through our tax structure. I am introducing a measure which will provide a tax incentive for physicians, dentists, and optometrists to establish their practices in hard-pressed rural and urban-core areas where the need is greatest for health professionals to provide primary medical care. Briefly, Mr. President, this bill would provide for a proportional deduction of taxable income on a diminishing scale for each of the first 5 years that a physician, dentist, or optometrist practices in a shortage area. $20,000 could be deducted for the first year of practice, $15,000 the second year, $10,000 the third year, $7,500 the fourth year, and $5,000 the fifth year. Under the provisions of this bill, these health professionals would be required to practice in a shortage area designated by the Secretary of Health, Education, and Welfare or his delegate in cooperation with the State health planning agencies, for a period of at least 2 years.

This measure would address every practicing physician, dentist or optometrist in the Nation. It provides the needed incentive for voluntary correction of the maldistribution problems we face, and it would be operative immediately. Further, I believe it would in a very short time ease the crisis in thousands of communities—whether small towns or urban ghettos—where there are few, if any, physicians, dentists, or optometrists practicing.

There are countless areas throughout the country that do not have practicing health professionals. Moreover, when health personnel who are practicing in these shortage areas die or move away, they are not being replaced for reasons which I feel are compeling. Younger physicians, dentists, and optometrists have listed the following reasons for resisting practices in shortage areas:

First, environment and cultural factors;

Second, overwork as a result of the lack of adequate support personnel such as nurses;

Third, reduced compensation;

Fourth, insufficient population for specialized practice;

Fifth, little opportunity to stay abreast of medical developments.

Mr. President, I do not feel that anyone can fault a doctor for choosing to practice in an urban area or community where adequate medical facilities are available and the population is affluent. Most of these individuals have spent years in expensive and self-sacrificing health professional schools, internships, and residency programs. They deservedly feel an urge to reap some reward for their hard work. Furthermore, they know that in shortage areas they will seldom, if ever, have an opportunity to take a vacation, read a medical journal, or even get a good night's sleep because they will be working 18 or 20 hours a day with no one to relieve them.

Consequently, I feel that it is extremely important and appropriate that the Congress, in recognition of the health manpower problem, provide adequate incentives to physicians and other health personnel to practice in these shortage areas. I strongly believe that the proposal I am offering today employs one of the best methods of solving the problem of geographical disparity in health manpower distribution. The tax incentive concept creates a financial incentive for the physician, dentist, or optometrist to practice in an area where he can do the most good. It does not, however, dictate the area in which he must practice. My proposal would be existing Government mechanisms. It will not require the establishment of yet another bureaucracy to carry out yet another Federal program. My bill would provide an incentive for practicing in shortage areas at a minimal cost to the Federal Government, and I feel that it is a remedy that my colleagues can eagerly embrace.

Mr. President, despite the fact that the nationwide physician-population ratio is improving as a result of many of the programs that have been implemented by the Congress, the number of physicians serving in rural areas is declining faster than the population is decreasing in those areas. Too, the need for dentists and optometrists in order to provide essential health care is just as great in many instances. The health problems of low income people in rural America and in the urban core areas are profound. Nowhere else in the United States is the need for health services so great, and nowhere is it so inadequate.

I could cite examples all day of the problems associated with health professional shortages and maldistribution. I will not do that at this time, however, as my colleagues are well aware of these critical problems as they are present in their individual States. I will simply urge the Members of this body to consider this bill on its obvious merits and on the basis of their individual commitment to our Nation's disadvantaged citizens.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2719

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by—

(1) redesignating section 124 as section 125; and

(2) inserting after section 123 the following new section:

"Sec. 124. Physicians, Dentists, and Optometrists Establishing Practice in Physician Shortage Areas.

"(a) In General.—In the case of a physician, dentist, or optometrist who engages in the practice of medicine, dentistry, or optometry, respectively, in a physician shortage area during the taxable year, gross income does not include, at the election of the taxpayer, adjusted gross practice income for such year from such practice in such area to the extent of—

"(A) $20,000 during the first taxable year of such practice;

"(B) $15,000 during the second taxable year of such practice;

"(C) $10,000 dufing the third taxable year of such practice;

"(D) $7,500 during the fourth taxable year of such practice;
and

"(E) $5,000 during the fifth taxable year of such practice.

"(b) Limitations.—

"(1) Two-Year Practice Requirement.—The provisions of subsection (a) shall apply to a physician, dentist, or optometrist with respect to practice in a physician shortage area only if he continuously engages in such practice for at least 2 years, commencing with the day on which he first engages in such practice. The preceding sentence shall not apply—

"(A) to a physician, dentist, or optometrist who dies during such 2-year period, or

"(B) with respect to a physician, dentist or optometrist who is disabled for any period during such 2-year period.

"(2) Provisions To Apply Only Once.—The provisions of subsection (a) shall apply to a physician, dentist, or optomertist only once.

"(c) Election.

"(1) In General.—An election to have the provisions of subsection (a) apply shall be made at such time and in such manner as the Secretary or his delegate prescribes by regulations. Such election may not be revoked except with the consent of the Secretary or his delegate and subject to such terms and conditions as the Secretary or his delegate prescribes.

"(2) Designation of First Taxable Year.—At the time of making an election under paragraph (1), a physician, dentist, or optometrist shall designate his first taxable year of practice in a physician shortage area, for purposes of applying the provisions of subsection (a), as the taxable year in which he first engages in practice in such area.

"(d) Definitions.—For purposes of this section—

"(1) the term 'adjusted gross practice income' means gross income from the practice of medicine, dentistry, or optometry less any deductions arising out of such practice; and

"(2) the term 'physician shortage area' means any area within a State certified to the Secretary or his delegate by the Secretary of Health, Education, and Welfare as an area in which there are an insufficient number of physicians practicing medicine to meet the need for medical care of the population of such area.

"(e) Certification by Secretary of Health, Education, and Welfare.—

"(1) In General.—The Secretary of Health, Education, and Welfare shall, before November 2 of each year, beginning with 1976) certify the physician shortage areas (if any) in each State for the following calendar year.

"(2) Certifications Pursuant to State Agency Recommendations.—In making certifications of physician shortage areas for purposes of this section, the Secretary of Health, Education, and Welfare shall accept the determination as to the number and location of physician shortage areas in a State recommend to him—

"(A) (i) by the State planning agency for such State (as designated pursuant to section 314(a) (2) (A) of the Public Health Service Act) if such agency, in making such determination, has sought the advice and assistance of the State medical societies for such State, or

"(ii) if there is no such agency in such State, or if such agency fails to make a determination within a reasonable time prescribed by such Secretary, by any other agency of such State as such Secretary finds to be qualified to make such a determination if the Governor of such State designates such agency to make such a determination and if such agency, in making such determination, has sought the advice and assistance of the State medical societies for such State, and

"(B) if the Secretary of Health, Education, and Welfare is satisfied with the adequacy of the criteria employed by the State agency described in subparagraph (A) to make such determination.

"(3) Other Certifications.—If, in the case of any State, the Secretary of Health, Education, and Welfare does not receive (within a reasonable time as he shall prescribe) a determination with respect to such State which meets the requirements of paragraph (1), he shall (after seeking the advice and assistance of the State medical societies for such State) certify the number and location of the physician shortage areas (if any) of such State on the basis of the most current and appropriate data available to him.

"(4) Effective Period of Certification.—A certification by the Secretary of Health, Education, and Welfare under paragraph (1) of physician shortage areas in a State shall remain in effect for the calendar year for which it is made. With respect to a physician, dentist, or optometrist who engages in practice in an area so certified during his taxable year beginning in such calendar year and who makes an election under subsection (c) to have the provisions of subsection (a) apply, such certification (A) shall remain in effect for succeeding calendar years, and (B) shall be treated as having been in effect for prior calendar years for purposes of determining the number of taxable years of his practice in such area.

"(e) Regulations.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(b) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 124 and inserting in lieu thereof the following:

"Sec. 124. Physicians, dentists, and optometrists establishing practice in physician shortage areas.
"Sec. 125. Cross references to other Acts".

(c) The amendments made by this Act shall apply to taxable years beginning after December 31, 1975.

By Mr. BENTSEN:

S. 2720. A bill to amend the Act of August 6, 1973 (Public Law 93–83). Referred to the Committee on the Judiciary.

Mr. BENTSEN. Mr. President, today I

introduce legislation that will take our system of criminal justice one small but sure step toward fair and swift enforcement of our laws. It has been said that "Justice delayed is justice denied." This is true for the accused. It is also true for the society that must shoulder the heavy burden of an ever-increasing crime rate.

In recent years, there have been experiments with various methods of expediting the administration of criminal justice. One of these innovations has been a success, and the legislation I introduce today will encourage its use. I speak of early case assessment, the process of screening criminal cases as they enter the judicial system. It involves a small staff of experienced prosecutors, who look at the cases shortly after charges are brought, weed out those that could never successfully run the course to prosecution and concentrate on those that could be prosecuted, with emphasis on cases involving repeat offenders and violent crimes.

The advantages of this approach are many. Those cases involving repeat offenders, and especially those involving repeaters who commit violent crimes, should be dealt with as surely and as quickly as possible. Witnesses can be interviewed almost immediately, which will protect against their forgetting crucial details or moving out of the locality, rendering them difficult or impossible to locate.

Cases that should never have been brought to trial can be eliminated. This would save the courts valuable time and the public valuable money. For example, it has been estimated that close to 80 percent of police overtime is the result of court delays. Competent case screening can eliminate a substantial portion of this waste. In localities where this approach has been initiated, 20–25 percent of the caseload has often been eliminated.

Another defect of our system of justice is the high reliance on plea-bargaining forced upon our overwhelmed court system. By screening out useless cases, and emphasizing the more important and winable ones, the abuse of plea-bargaining that has too often taken place can be reduced for those cases involving repeat offenders and violent crimes, where it has been most damaging to our crime-ravaged society.

Furthermore, innocent defendants faced with extremely weak cases would not be put through an ordeal that would eventually lead to acquittal—at the defendants' and the taxpayers' expense.

In recent weeks, I have been in touch with prosecutors in my home State of Texas, and in other districts in other States. All have been in favor of early case assessment, and prosecutors from Houston to New York have found this a valuable managerial technique.

My legislation would add a paragraph 11 to section 301(b), part C, Public Law 93–83. It would require local governments seeking grants to have some plan for early case assessment, if they are populated by more than 250,000 people This would take one step toward making the procedures of justice more swift, sure, and fair. It would take one step toward reducing the reliance on plea-bargaining, and cutting down on wasted prosecutorial, police, and court time.

Crime cannot be reduced by the rhetoric of reaction or by the unfulfillable promise of the demagogue. There are no easy answers. This one program, which has worked, presents one step in the right direction.

By Mr. PROXMIRE:

S. 2721. A bill to amend the Bank Holding Company Act and the Bank Merger Act to restrict the activities in which registered bank holding companies may engage and to control the acquisition of banks by bank holding companies and other banks. Referred to the Committee on Banking, Housing and Urban Affairs.

COMPETITION IN BANKING ACT OF 1975

Mr. PROXMIRE. Mr. President, I am today introducing for reference to the Committee on Banking, Housing and Urban Affairs, a bill to amend the Bank Holding Company Act of 1956 and 1970 and to amend the provisions of the Bank Merger Act of 1966. This bill will accomplish basic reforms in the law governing the structure of banking in this Nation. The bill arises out of a need to restrict the further acquisition of banks by bank holding companies and other banks, and to restrict further the scope of activities that may be engaged in by bank holding companies to insure a safe and sound banking system, responsiveness to consumer needs, and a healthy line of demarcation between banking and commerce.

Mr. President, this bill amends the antitrust laws applying to the acquisition of banks by bank holding companies and to the merger of banks in order to control the concentration of banking resources in the Nation and to bring a measure of increased competition in the public interest to the banking industry. The bill will also amend the laws applicable to bank holding company expansion into what has unfortunately been regarded as permissible "nonbank" activities to restrict permissible activities to those that are "directly" related to banking.

The need to control the concentration of banking resources and increased competition in the banking industry is both undeniable and urgent.

Bank holding companies increasingly dominate the business of banking in this Nation. During the period 1968 to 1974 total bank deposits increased from $434 billion to $698 billion. Over this period the portion of holding company control of bank deposits went from $166 billion—38 percent—to $492 billion—71 percent. One bank holding company expansion, brought within the purview of control under Federal law in 1970, makes up a substantial portion of this growth. I wish to point out for your special note, Mr. President, that multibank holding company control of total bank deposits increased over this period from $58 billion to $280 billion. Bank holding company acquisitions of existing banks accounted for 73 percent of all acquisitions of banks at the end of 1973. These statistics underscore the inexorable movement toward control of our banking system by bank holding companies.

An analysis of the growth of large banking institutions reveals that over the course of the past 25 years, the 10 and 25 largest banking institutions have increased their share of the Nation's bank deposits from 20 percent and 30 percent, respectively, to 29 percent and 39 percent. The 10 largest institutions were responsible for the major portion of this increase in concentration of resources. Moreover, many statewide, local, and major markets have remained highly concentrated.

Make no mistake about it, Mr. President, the concentration of banking resources is not a matter of esoteric academic concern.

Where resources become concentrated, competition is reduced. The consumer, the builder, the small businessman, the homeowner, the municipal borrower, all bear the brunt of decreased competition in the form of higher costs on the money they borrow or in the form of reduced services. In its drive for growth, the focus of the banking system has all too frequently shifted to a high-profit oriented philosophy. We have gone through an unfortunate and debilitating era of "go-go" banking in which sensible rules of prudence have been cast aside in favor of speculation to earn high rates of return.

In the process of funding speculative areas of the economy, banking institutions have all too often misallocated the credit resources of the Nation which they hold in trust in the public interest. The public trust aspects in banking have been much forgotten principles. The fair operation of the banking system is basic to the needs of the economy. The operation of the antitrust laws as presently constituted have not been adequate to the task of increasing competition in the banking industry in the public interest. The antitrust laws relating to banking must, therefore, be revised if we are to cope with the problem of increased concentration, a problem which holds no promise of abating without legislative action.

Bank mergers or holding company acquisitions of a bank would be prohibited under this bill if the resultant company would control more than 20 percent of the banking assets held by banks or holding companies within States in which the company is located. An exception is provided for mergers or acquisitions which have been found to be necessary in order to prevent the failure of a bank and if less anticompetitive alternatives are not available. The Justice Department is given an independent right to seek injunctions in court for mergers or acquisitions which violate the 20 percent standard. Mr. President, this provision is necessary if we are to prevent the Nation's banking resources from coming under the control of oligopolies in individual States. The bill further gives to the bank regulatory agencies the discretion to deny anticompetitive mergers or acquisitions not violating the Sherman Act, the Clayton Act, or the 20 percent standard if the public benefits of such anticompetitive transactions are not clearly outweighed in meeting community convenience and needs. Mr. President, 33 banking institutions holding bank assets of about $107 billion, representing 12 percent of the Nation's deposits, would be covered by the 20 percent prohibitary standard.

Arthur Burns, the distinguished chairman of the Federal Reserve Board has reportedly stated that if he had to do it all over again, he would fight for a toughter bank holding company bill than the Bank Holding Company Act of 1970. Chairman Burns was stated to have expressed a desire for a much more limited legislative scope to the kinds of business a bank holding company could enter.

I agree with these statements which have been attributed to Chairman Burns. There is need to restrict the kinds of business in which bank holding companies may engage. In my view, bank holding companies should only engage in the business of offering banking services. This bill will serve to limit bank holding companies to those activities "directly" related to banking and will preserve the line between banking and commerce.

Bank holding companies are permitted to engage in a number of activities which are not "directly" related to banking. They underwrite certain types of insurance, act as insurance agents, act as investment advisors to real estate investment trusts and lease-and-market automobiles. Such activities are primarily commercial in nature and are not "directly" related to the business of accepting deposits or making loans. Instead of financing business and commerce, banks have themselves engaged in the business and commerce of the Nation.

To some extent, our fragmented regulatory structure has contributed to this situation. We have the example of the Federal Reserve denying a bank holding company permission to engage in a particular activity on the ground that the activity was not closely related to banking and the Comptroller permitting a subsidiary national bank of the holding company to engage in the same activity under the incidental powers clause of the national banking laws. This practice would be specifically outlawed by this bill. The Federal Reserve would be the final authority in such matters. Of course, on a broader level, my proposal for the establishment of a Federal Bank Commission would put such practices to rest once and for all by eliminating this competition-in-laxity among our Federal regulators.

When bank holding companies go beyond banking and engage in commerce, credit is misallocated and the potential for unsafe or unsound banking practices arises. The holding company no longer acts as a source of strength to the banks in the holding company. As a matter of fact, the bank subsidiaries in such situations are often called upon to rescue these nonbank operations from the consequences of their speculations and mismanagement. One need only examine the real estate investment trust experience to see first hand just how badly the public interest has been served by these speculations.

This bill will require the bank holding company and all of its subsidiaries to be adequately capitalized. Bank holding companies will be required to disclose their intra-corporate dealings to protect competition and the public interest.

Many of the industries into which bank holding companies have expanded recently are industries characterized by smaller producing units. In these circumstances, competitors should be given the opportunity to develop a record upon which the Federal Reserve Board will be bound before allowing bank holding companies to expand their services. This bill will require the Federal Reserve to apply the provisions of the Administrative Procedure Act to issuance of regulations and orders in its administration of the Bank Holding Company Act. Before the Board could approve any activity by a bank holding company, it would have to make two findings: first, that the proposed activity is directly related to banking; and second, that the proposed transaction is likely to produce significant benefits to the public which clearly and significantly outweigh possible adverse effects.

Existing bank holding company laws have allowed banking organizations to expand the geographic distribution of their services from coast to coast by establishing subsidiary offices across State lines. Bank holding company entry into nonbank activities under existing law has proliferated in recent years. Entry by acquisition has gone from 6 in 1970 to 806 in 1974. De novo entry into such activities has gone from 71 in 1971 to 524 in 1974. Care needs to be taken that the public interest will be served by such expansion and that existing business relationships will not be altered contrary to the public interest by methods of unfair competition or credit misallocation. This bill will accomplish these public purposes.

By making the Administrative Procedure Act applicable to Federal Reserve Board proceedings, parties in interest, including consumer groups, will be enabled to build a record to determine if the public interest will in fact be served in particular instances. These provisions will require the Board to tailor its orders precisely to the needs of the public. This bill gives the Federal Reserve continuing enforcement authority over its orders. Should the public interest fail to be served at any point, the Federal Reserve could require corrective action. Where the Federal Reserve fails to act, unreasonably, an appeal may be taken to a Federal Reserve to maintain continuous surveillance over bank holding companies and their subsidiaries to insure that their public interest functions will be served.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill, together with the text of the bill, be printed in the RECORD.

There being no objection, the analysis and bill were ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 1. The short title of the bill is the Competition in Banking Act of 1975.

Section 2. This section provides the basic findings and policy declarations relating why this legislation is necessary. Congress finds that the banking resources of the Nation are becoming concentrated into fewer hands and that holding companies have come to control an increasing share of such resources. The line between industry, commerce and banking is being eroded in insurance services and leasing transactions, among other industries. The credit resources of the Nation have been misallocated by the activities of holding companies which have not been adequately supervised by the bank regulatory agencies.

Sections 101 and 201. These sections amend the Bank Merger Act and the Bank Holding Company Act to require more stringent standards for both the bank regulatory agencies and the courts with respect to bank mergers and bank holding company acquisitions of banks. The sections expand existing law to prohibit merger transactions or holding company acquisitions in cases where the resultant bank or bank holding company will control more than 20% of the banking assets held by banks or bank holding companies in States in which the bank or bank holding company is located. An exception to the 20% prohibition is provided where the regulatory agencies determine that immediate action is necessary to prevent the immediate failure of a bank and a less anticompetitive alternative is not available. Technical amendments are provided in sections 102 and 202 to give the Department of Justice an independent right to seek a court injunction for any violation of these prohibitions. Sections 101 and 201 also give to the bank regulatory agencies the discretion to deny anticompetitive bank acquisitions which do not violate the Sherman Act, the Clayton Act or the 20% prohibition where the anticompetitive consequences of such mergers are not clearly outweighed in the public interest by the probable effects of such transactions in meeting the convenience and needs of the community.

Section 301. This section restricts permissible activities under section 4(c) (8) of the Bank Holding Company Act of 1956 to those "directly" related to banking. This section is to tighten both the existing "closely related" test and the "public benefits" test. The section makes explicit the fact that 4(c) (8) activities must meet two tests.

The legislation provides that, in order to be permissible, an activity will have to be "so closely and directly related" to banking or managing or controlling banks as to be "a proper and necessary incident thereto." The effect of the employment of the terms "directly" and "necessary" is to the permissible activities strictly to banking activities.

In addition, section 301 will tighten the existing public benefits test in several important respects. Under the amended public benefit test—

(1) it will be necessary that the activity be "likely" (in lieu of "can reasonably be expected") to produce benefits to the public;

(2) it will be necessary that the activity be likely to produce increased competition over time, not just in the short run as suggested by present law;

(3) it will be necessary that the beneficial effect of the activity "clearly outweigh" adverse effects, not just "outweigh" as provided by present law;

(4) it will be necessary that the activity not have a tendency to lead to an undue concentration of "economic or financial" resources, not just "economic resources" as provided by present law;

(5) it will be necessary that the activity not lead to decreased competition over time, not just in the short run as suggested by present law;

(6) it will be necessary that the activity not risk the financial soundness of the bank holding company or its banking subsidiaries (the present law is silent on this point); and

(7) it will be necessary that the activity not interfere with the primary responsibility of the bank holding company or its banking subsidiaries to provide banking services to the public (the present law is silent on this point). It is intended by item (7) to reestablish the preeminence of banking as the central purpose and function of bank holding companies.

In addition, the amended test will require that, in making a determination under the public benefit standard, consideration must be given to the relative economic size and market power of the bank holding company and those with whom the proposed affiliate would compete.

Section 301 also establishes a grandfather clause under which a bank holding company may continue to engage in those activities in which it was lawfully engaged on a fixed date prior to enactment of these amendments so long as the holding company has continuously engaged in those activities. However, under the grandfather clause, the bank holding company may not permit the scope or size (in terms of volume of business) of the grandfathered activities to expand to any significant degree.

Section 301 would permit the regulatory agency to require a bank holding company to terminate a grandfathered activity under certain circumstances.

Section 401. This section prohibits national banks or their subsidiaries from engaging in activities found by the Federal Reserve Board, after the effective date of this Act, to be prohibited to bank holding companies under section 4(c)(8) of the Bank Holding Company Act of 1956.

The purpose of this provision is to make more sensible and consistent the law relating to permissible activities of banking institutions. Under the law as it exists national banks under some circumstances are permitted by the Comptroller of the Currency to engage in activities which have been found by the Federal Reserve Board, after lengthy hearings and deliberations, to be outside the scope of permissible bank activities. This provision will eliminate competitive permissiveness between agencies of the Federal government which has had unfortunate public results.

The prohibition would apply (1) generally to those activities which the Fed has found, after rulemaking and by way of regulation, to be improper for bank holding companies, and (2) specifically in the case of a particular national bank when the Fed has found by way of an order, that a given activity is unsuitable for the parent bank holding company of such national bank.

Section 401 also makes clear that its provisions do not permit a national bank to undertake any activity prohibited to it under any other provision of law.

Section 501. This section requires that: (1) bank holding companies and their subsidiaries be capitalized and otherwise financed in a safe and sound manner; (2) bank subsidiaries of bank holding companies refrain from discriminating in favor of their parent or their affiliated subsidiaries in the making of loans or in the establishing of terms and conditions of loans; and (3) bank holding companies disclose on a regular basis to the Fed the terms and conditions of all loans to or investments in bank holding company subsidiaries (the Fed in turn will be required to make the information public). These requirements must be imposed in connection with the review of applications to commence section 4(c)(8) activities, and in connection with the continuing monitoring of the activities of bank holding company subsidiaries.

Section 601. This section mandates certain administrative procedures in connection with rulemaking and adjudicatory proceedings under the Bank Holding Company Act. The section applies the provisions of the Administrative Procedure Act (Chapter 5 of Title 5 of the United States Code) to all proceedings under section 4(c)(8).

The effect of the provision is to apply the Administrative Procedure Act (1) in the case of formulation of regulations with respect to what constitutes permissible 4(c)(8) activities, and (2) in the case of issuance of orders in connection with the commencement of 4(c)(8) activities by particular bank holding companies (whether commenced de novo or by acquisition).

This section also provides for suitable discovery proceedings and will prohibit the Board or its staff from engaging in ex parte discussions regarding matters before the Board.

With respect to judicial review, the section provides that all Board orders and rulings (e.g., regulations) will be subject to judicial review by United States Court of Appeals. Under present law, only Board orders are expressly made subject to judicial review.

Section 701. This section provides interested persons with an opportunity to petition the Federal Reserve Board to consider the issuance, amendment or revocation of an order or regulation.

Under the section, the Federal Reserve Board may conduct a public hearing or investigation to determine if the petition should be granted. If the Fed fails to grant a petition, appeal lies to the United States District Court.

Where the Fed grants a petition to commence a proceeding to consider the issuance, amendment or revocation of an order, the proceeding must be conducted in full accordance with the requirements of the Administrative Procedure Act.

Facts which warrant the issuance, amendment or revocation of an order or regulation include (1) a finding that the activities of a bank holding company no longer conform to the scope of the activity for which Board approval was originally given, (2) a finding that such activities no longer conform to new or amended Fed orders or regulations or judicial determinations, (3) a finding that such activities have ceased to produce substantial benefits to the public, or (4) a finding that such activities otherwise violate the standards established under section 4(c)(8).

Section 701 has the dual purpose of (1) providing consumers with a mechanism to call to the attention of the Fed errant behavior on the part of bank holding companies and (2) requiring the Fed to exercise positive responsibility for the ongoing supervision of bank holding company section 4(c)(8) activity.

Section 801. Establishes an effective date for the Act 90 days after the date of enactment.

S. 2721

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SEC. 1. This Act may be cited as "The Competition in Banking Act of 1975."

FINDINGS AND PURPOSES

SEC. 2. Congress finds that—

(a) concentration of the banking resources of the Nation into fewer hands has continued unabated; and

(b) the explosive growth of bank holding companies has resulted in an increasing share of such banking resources coming under the control of those institutions; and

(c) bank holding companies have extended their services into product markets beyond those directly related to banking, thereby eroding the line between banking and commerce in the Nation: (i) in offering insurance agency and underwriting services, (ii) in offering leasing, accounting, travel, and courier services, (iii) in offering management and data processing service, and (iv) in marketing securities; and

(d) credit resources of the Nation have been misallocated by the activities of bank holding companies and the Federal Reserve has not adequately protected the public interest in approving activities in which bank holding companies could engage and the Federal Reserve has not maintained continued oversight over the activities of bank holding companies in a manner which protects the public interest.

STANDARDS FOR BANK MERGERS

SEC. 101. Paragraph (5) of section 18(c) of the Federal Deposit Insurance Act is amended to read as follows:

(5) The responsible agency shall not approve—

(A) any proposed merger transaction which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States, or

(B) any other proposed merger transaction whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless it finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served, or

(C) any other proposed merger transaction if, either as a result of such merger transaction or because of its preexisting assets, the acquiring, assuming, or resulting bank would upon consummation of the transaction hold more than 20% of the total assets held by all banks located in the state in which such bank is located; *provided, however,* that this subparagraph shall not apply to any merger or consolidation of banks in which the responsible agency finds that immediate action is necessary to prevent the probable failure of a bank and that a less anticompetitive alternative is not available.

For purposes of this paragraph, if any company has, or upon consummation of the merger transaction would have, control, as defined in section 2 of the Bank Holding Company Act of 1956, over the acquiring, assuming or resulting bank, total assets held by all banks over which the same company has such control shall be attributed to such bank. As used in this paragraph, the terms "bank" and "company" have the meaning ascribed to such terms in section 2 of the Bank Holding Company Act of 1956.

In every case, the responsible agency shall take into consideration the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served. Nothing contained in this paragraph or in any other paragraph of this subsection shall prevent the responsible agency from disapproving any other merger transaction on the grounds that such transaction would have adverse effects on competition or concentration in any market, region, state or other areas which, although not requiring disapproval under subparagraph (A), (B) or (C) of this paragraph, are not clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

SEC. 102. Section 18(c) of the Federal Deposit Insurance Act is amended by inserting in paragraph (8) after "The Clayton Act," the words "paragraph (9) of this subsection, and"; and by renumbering section "(9)" section "10"; and by adding a new paragraph "(9)" as follows:

"(9) (A) Every merger transaction having the effects set forth in subparagraph (C) of paragraph (5) of this subparagraph is declared to be illegal.

"(B) The district courts of the United States have jurisdiction to prevent and restrain violations of subparagraph (A) of this paragraph, and it is the duty of the United States attorneys, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations. The proceedings may be by way of a petition setting forth the case and praying that the violation be enjoined or otherwise prohibited. When the parties complained of have been duly notified of the petition, the court shall proceed, as soon as possible, to the hearing and determination of the case. While the petition is pending, and before final decree, the court may at any time make such temporary restraining order or prohibition as it deems just. Whenever it appears to the court that the ends of justice require that other parties be brought before it, the court may cause them to be summoned whether or not they reside in the district in which the court is held, and subpenas to that end may be served in any district by the marshal thereof.

"(C) In any action brought by or on behalf of the United States under subparagraph (A) of this paragraph, subpenas for witnesses may run into any district, but no writ of subpena may issue for witnesses living out of the district in which the court is held at a greater distance than one hundred miles from the place of holding the same without the prior permission of the trial court upon proper application and cause shown.

"(D) Nothing contained in this paragraph shall be construed as affecting in any manner the right of the United States or any other party to bring an action under any other law of the United States or of any State, including any right which may exist in addition to specific statutory authority, challenging the legality of any merger transaction which may be proscribed by this paragraph."

STANDARDS FOR BANK HOLDING COMPANY ACQUISITIONS OF BANKS

SEC. 201. Paragraph (c) of section 3 of the Bank Holding Company Act of 1956 is amended to read as follows:

"(c) The Board shall not approve—

"(1) any acquisition or merger or consolidation under this section which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States, or

"(2) any other proposed acquisition or merger or consolidation under this section whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless it finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served, or

"(3) any other proposed acquisition, merger or consolidation transaction under this section if, either as a result of such transaction or because of the preexisting bank assets over which it has control, the acquiring or resulting company would have control over aggregate total banking assets exceeding 20% of the total banking assets held by all banks and bank holding companies located in the state in which such company is located: *Provided, however*, That this paragraph shall not apply to any acquisition, merger, or consolidation transaction in which the Board finds that immediate action is necessary to prevent the probable failure of a bank and that a less anticompetitive alternative is not available."

In every case, the Board shall take into consideration the financial and managerial resources and future prospects of the company or companies and the banks concerned, and the convenience and needs of the community to be served. Nothing contained in this chapter shall prevent the Board from disapproving any other acquisition, merger, or consolidation transaction on the grounds that such transaction would have adverse effects on competition or concentration in any market, region, state, or other area which, although not requiring disapproval under paragraph (1), (2) or (3) of this subsection, are not clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

SEC. 202. The Bank Holding Company Act of 1956 is amended by inserting in section 1849(f) after "(The Clayton Act)," the words "subsection (g) of this section"; and by adding to section 1849 a new section (g) as follows:

"(g) (1) Every acquisition, merger, or consolidation transaction having the effects set forth in paragraph (3) of subsection (c) of section 3 of this chapter is declared to be illegal.

"(2) The district courts of the United States have jurisdiction to prevent and restrain violations of paragraph (1) of this subsection, and it is the duty of the United States attorneys, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations. The proceedings may be by way of a petition setting forth the case and praying that the violation be enjoined or otherwise prohibited. When the parties complained of having been duly notified of the petition, the court shall proceed, as soon as possible, to the hearing and determination of the case. While the petition is pending, and before final decree, the court may at any time make such temporary restraining order or prohibition as it deems just. Whenever it appears to the court that the ends of justice require that other parties be brought before it, the court may cause them to be summoned whether or not they reside in the district in which the court is held, and subpenas to that end may be served in any district by the marshal thereof.

"(3) In any action brought by or on behalf of the United States under paragraph (1) of this subsection, subpenas for witnesses may run into any district, but no writ of subpena may issue for witnesses living out of the district in which the court is held at a greater distance than one hundred miles from the place of holding the same without the prior permission of the trial court upon proper application and cause shown.

"(4) Nothing contained in this subsection shall be construed as affecting in any manner the right of the United States or any other party to bring an action under any other law of the United States or of any State, including any right which may exist in addition to specific statutory authority, challenging the legality of any acquisition, merger, or consolidation transaction which may be proscribed by this subsection."

STANDARDS FOR BANK HOLDING COMPANY ENTRY INTO BANK RELATED ACTIVITIES

SEC. 301. (a) Section 4(c) (8) of the Bank Holding Company Act of 1956 is amended to read as follows:

"(8) shares of any company the activities of which the Board, on the record and after due notice and opportunity for hearing, has determined (by order or regulation)—

"(A) to be so closely and directly related to banking or managing or controlling banks as to be a proper and necessary incident thereto, and

"(B) is likely to produce substantial benefits to the public which clearly and significantly outweigh possible adverse effects. For the purposes of this subparagraph, (i) the term "substantial benefits to the public" includes increased competition over the course of time and greater convenience or gains in efficiency of operation that will substantially benefit the public, and (ii) the term "adverse effects" includes undue concentration of economic or financial resources, decreased competition over the course of time, unfair competition, conflicts of interest, unsafe or unsound banking or business practices, risk to the financial soundness of a bank holding company or its banking subsidiaries, and interference with the primary responsibility of a bank holding company or its banking subsidiary to provide effective banking services to the public. For the purposes of determining in specific cases whether the performance of a particular activity by an affiliate of a bank holding company is likely to produce substantial benefits to the public which clearly and significantly outweigh possible adverse effects, the Board, in addition to its other considerations, shall take into consideration the relative economic size and market power of the bank holding company and that of those with whom the affiliate would compete.

(b) (1) Notwithstanding the provisions of subsection (a), and subject to the provisions of subparagraph (2) of this subsection, a bank holding company may continue to engage in those activities in which it directly or through a subsidiary (A) was lawfully engaged on November 1, 1975 (or on a date subsequent thereto in the case of activities carried on as the result of the acquisition by such bank holding company or subsidiary thereof, pursuant to a binding written contract entered into on or before November 1, 1975, of another company engaged in such activities at the time of the acquisition), and (B) has been continuously engaged since November 1, 1975 (or such subsequent date), except that such a bank holding company shall not permit the scope or size (in terms of volume of business) of those activities to expand to any significant degree.

(2) The Federal Reserve Board by order or regulation, after opportunity for hearing, may terminate the authority conferred by subparagraph (1) on any bank holding company to engage directly or through a subsidiary in any activity otherwise permitted by subparagraph (1) if the Board determines, having due regard for the purposes of this Act, that such action is necessary to prevent undue concentration of economic or financial resources, decreased competition over the course of time, unfair competition, conflicts of interest, unsafe or unsound banking or business practices, risk to the financial soundness of a bank holding company or its banking subsidiaries, or interference with the primary responsibility of a bank holding company or its banking subsidiary to provide effective banking services to the public.

UNIFORM APPLICATION OF STANDARDS GOVERNING ENTRY INTO BANK RELATED FIELDS

SEC. 401. (a) Subject to the provisions of subsection (b), no national bank shall directly or through a subsidiary engage in any activity which is found—

(1) pursuant to a regulation of the Federal Reserve Board issued after the effective date of this Act to be an improper activity for bank holding companies under section 4(c) (8) of the Bank Holding Company Act of 1956, or

(2) pursuant to an order of the Federal Reserve Board issued after the effective date of this Act to be an improper activity for the bank holding company of which such national bank is a subsidiary.

(b) Nothing contained in this section shall be interpreted or construed as authorizing a national bank to engage in any activity prohibited to it under any other provision of law.

STANDARDS FOR SOUND AND COMPETITIVE FINANCING OF NONBANKING ACTIVITIES

SEC. 501. (a) Section 4 of the Bank Holding Company Act of 1956 is amended by inserting at the end thereof the following new subsection:

"(f) In keeping with its responsibilities to administer and carry out the purposes of this Act, and with particular attention to the standards established under subparagraph (8) of subsection (c) of this section, the Board shall require, both in connection with a bank holding company application to engage in a particular activity and in connection with the Board's ongoing supervision of bank holding companies, that (1) bank holding companies and their subsidiaries be capitalized and otherwise financed in a safe and sound manner, and (2) bank subsidiaries of bank holding companies refrain from discriminating in favor of their parent holding company or their affiliated subsidiaries in the making of loans or in the establishing of terms and conditions of credit.

(b) Subsection (c) of section 5 of the Bank Holding Company Act of 1956 is amended by striking out "(c)" and inserting in lieu thereof "(c) (1)" and by inserting at the end of such subsection the following new subparagraph:

"(2) In addition to such other reports as the Board may from time to time require, the Board shall require each bank holding company to submit to the Board each year a report detailing the terms and conditions of all intercompany loans and investments, as between the bank holding company and its subsidiaries and as between any such subsidiaries, made during the 12-month period immediately preceding such report. The Board shall make such reports available to the public."

ADMINISTRATIVE PROCEDURES AND JUDICIAL REVIEW

SEC. 601. (a) The Bank Holding Company Act of 1956 is amended by redesignating sections 9, 10, 11, and 12 as sections 10, 11, 12, and 13, respectively, and by inserting immediately after section 8 the following new section:

"SEC. 9. (a) The provisions of subchapter II of chapter 5 of title 5 of the United States Code (relating to administrative procedure) shall apply with respect to all Board proceedings under section 4(c) (8).

"(b) All Board determinations (whether by order or regulation) under section 4(c) (8) shall be made on the record after opportunity for hearing, and the provisions of sections 556 and 557 of title 5 of the United States Code shall apply with respect thereto. The Board shall give all interested persons an opportunity to participate in any such hearing.

"(c) (1) In connection with any proceeding under section 4(c) (8), no person shall, directly or indirectly, make or attempt to make any ex parte communication in connection with the subject matter of any such proceeding to any member of the Board or any member of the Board staff participating in such proceeding.

"(2) No application made under section 4(c) (8) shall be held or considered to be an application for an initial license within the meaning of subsection (d) of section 554 of title 5 of the United States Code.

"(d) In connection with any proceeding under section 4(c) (8) to which the requirements of sections 556 and 557 of title 5 of the United States Code are being applied, any interested person participating in such proceeding may call upon (1) the Board, or, (2) in the case of the consideration of an application, the applicant, for any information or documents, not privileged, for purposes of discovery or for use as evidence. In addition, in any such proceeding where there is an absence of relevant information, the Board, upon its own motion or that of any interested person participating in such proceeding, shall undertake such studies (and make reports thereon available) as will provide the relevant information required."

(b) Section 9 of the Bank Holding Company Act of 1956 (as in effect immediately prior to the enactment of this Act) is amended (1) by inserting "or regulation" immediately after "order" each place that it appears, and (2) by striking out "as provided in section 2112 of title 28, United States Code" and inserting in lieu thereof the following: "in the same manner as provided in section 2112 of title 28, United States Code, with respect to orders of administrative agencies".

PUBLIC'S RIGHT TO PETITION FOR MODIFICATION OF ORDERS AND REGULATIONS

SEC. 701. The Bank Holding Company Act of 1956 (as amended by section 501 of this Act) is further amended by inserting at the end of the new section 9 thereof the following new subsection:

"(c) (1) Any interested person, including a consumer or consumer organization, may petition the Board to commence a proceeding to consider the issuance, amendment, or revocation of an order or regulation promulgated under the authority of section 4(c) (8). Such petition shall set forth (a) facts which it claimed established that the issuance, amendment, or revocation of an order or regulation is necessary, and (b) a description of the substance of the amendment or of the order or regulation it is claimed should be issued, as the case may be.

"(2) The Board may conduct a public hearing or may conduct such investigation or proceeding as it deems appropriate in order to determine whether or not such petition should be granted. Facts which warrant the issuance, amendment, or revocation of an order or regulation shall include, in addition to such other matters as the Board may from time to time determine to be appropriate, the following matters:

(A) a finding that a particular activity conducted on the part of a bank holding company or its subsidiary fails to conform to the scope of the activity for which Board approval was originally given;

(B) a finding that a particular activity conducted on the part of a bank holding company or its subsidiary fails to conform to new or amended Board orders or regulations or judicial determinations altering the scope of the activity for which Board approval was originally given;

(C) a finding that the continued conduct of a particular activity on the part of a bank holding company or its subsidiary has ceased to produce, within the meaning of section 4(c) (8), substantial benefits to the public which clearly and significantly outweigh possible adverse effects; or

(D) a finding that the continued conduct of a particular activity on the part of a bank holding company or its subsidiary otherwise violates the standards established under section 4(c) (8) for permissible bank holding company activity.

(3) Within 120 days after filing of a petition referred to in subparagraph (1), the Board shall etiher grant or deny the petition. If the Board grants such petition, it shall promptly proceed to determine, on the record and after opportunity for hearing, whether to issue, amend, or revoke such order or regulation. If the Board denies such petition, it shall publish in the Federal Register its reasons for such denial.

(4) If the Board denies such petition, or if the Board fails to grant or deny such petition within 120 days after the filing of the petition, the petitioner may commence a civil action in a United States District Court to compel the Board to grant such petition. Any such action shall be filed within 60 days after the Board's denial of the petition, or, if the Board fails to grant or deny the petition within 120 days after the filing of the petition, within 60 days after the expiration of the 120-day period. If the petitioner can demonstrate to the satisfaction of the court, by a preponderance of evidence in a de novo proceeding before such court, that sufficient facts exist to justify the granting of the petition, the court shall order the Board to grant such petition.

(5) In any action under this subsection, the district court shall have no authority to compel the Board to take any action other than to grant such a petition.

EFFECTIVE DATE

SEC. 801. The Act and the amendments made by this Act shall take effect upon the expiration of 90 days following the date of enactment of this Act.

By Mr. BUCKLEY:

S. 2723. A bill to amend chapter 85 of title 28, United States Code, relating to the censure, suspension, and disbarment of attorneys. Referred to the Committee on the Judiciary.

Mr. BUCKLEY. Mr. President, the courts of this country are charged with one of the highest duties imposed by our Constitution: the just application of the law to our citizens and their government and the settlement of their disputes. For centuries this duty has been admirably performed by our judges, court officials, and our lawyers, who are themselves privileged in the position accorded them as officers of the court. In an atmosphere of rational dialogs men and women have been able to advance the cause of justice in the courts by presenting in an orderly manner the facts and law relevant to individual legal disputes. All of our citizens have benefited from the manner in which our courts and their officials have applied reason, justice, and mercy to settle millions of disputes—large and small—involving citizens and government.

It is a credit to the good will of our citizens and the probity of their attorneys that until very recently there have been no legislated standards of courtroom behavior. Such were thought to be unnecessary among a population which respected the principles on which our system of justice is established. It is a tribute to our citizenry and our courts that through self-restraint and adherence to time-honored standards of behavior, the decorum essential to reasoned argument in the conduct of a trial has been preserved in the operation of our courts.

An ugly mood has in the last several years characterized the behavior of a small number of lawyers before our courts. Not content to base their cases on reason or fact or principle of law, they chose instead to employ any technique or tactic which they could use to disrupt a trial and serve their ends, if not ends of justice. It was not justice that they sought to promote but their personal causes. Thus we have seen the spectacle of courtroom disruption integrated into strategies for defense in criminal trials.

The purpose of defense counsel in such cases appears to be to make the case untriable by orchestrating the activities of the defendant, spectators and themselves to constitute a purposeful interference with the orderly processes of the court. They seek a mistrial, to badger the judge into appealable errors, and to try to convince the jury that their clients are victims of the system—that in the case of a criminal trial the system is the guilty party and not their client.

In recent years, antics by defendants in criminal trials have included the wearing of costumes in court, hanging the national flags of countries at war with our country from counsel tables, circulating obscene photographs before court proceedings, spectator booing of decisions of the bench, and systematic laughter, chanting and name calling. There seems to be no tactic, however base or violent, which a certain few defense counsels will not employ to destroy the ability of the court to function as an impartial forum for the presentation and weighing of evidence and legal arguments in an atmosphere in which reason can prevail. The aim of these counsels is not to secure justice through careful work, patient exposition of facts, and rational argument of the laws established by the people of this Nation to govern all citizens. Their end is to win the case by any means and the canons of professional ethics be damned. If their end is not supportable by reason, justice and mercy then they grasp frantically for violence, chaos, oppression and distortion.

Many of the cases now coming before the courts for adjudication involve novel principles—the establishment of new individual rights, new property rights or new constitutional theories. Often these principles are at variance with principles long established in our law. It is tempting to a few lawyers facing an uphill struggle to attack the courts and established laws as the system. Those few lawyers who cannot find rationality, reason or law to support their cases reject these ideals and reject our democratic institutions which stand for those ideals. They resort to disruption, insults, shouting and assaults—the techniques of violence used by fascists and Communists to destroy democratic institutions and freedoms.

These techniques are used especially in criminal trials—when the case is tough some desperate counsels are tempted to cry political trial and view the courts and our democratic society as on trial rather than their client. Then they set aside the basic standards of decency and good manners and enter the case not as they would a deliberation but a back alley brawl.

These lawyers use violence instead of zeal. They employ disruption rather than reason. They oppress rather than convince. They insult rather than persuade.

Some of the irresponsible lawyers disrupting our courts are merely ill-mannered noisemakers; some seem to be determined to destroy our principles of law and the courts which administer them. Whatever their motivation, lawyers who have mastered the technicalities of the law and legal practice but have not learned how to conduct themselves in public with due respect to their fellow men are a menace to the cause of justice in our courts.

If there is to be reason and goodwill in the courts, there must be adherence to decorum and civility. Democratic institutions require that discussion, debate, deliberation, and adjudication be reasonable, peaceful, and free rather than irrational, chaotic, and oppressive. When men begin to shout, badger, insult, and threaten, then we have arrived at the end of thought and the beginning of tyranny.

Chief Justice Burger has viewed with horror the increasing use of disorder and incivility in our courts. He has observed that the legal profession has been granted a monopoly to charge for an essential service provided to the public. Monopolies are subject to strict regulation, public scrutiny of behavior, and accountability to the laws of the Nation.

The Chief Justice has concluded that some institution, either the courts or the legal profession, should have the responsibility for correcting abusive courtroom behavior and that the powers of discipline should be rigorous.

It is time to end the abuse of our courts by certain attorneys. It is time to restore the dignity that has characterized our courts in the past. It is time to restore reason and order to our courts, and to tell those who reject civility in the administration of justice that they have no role to play in the courts of a democratic society.

I am introducing a bill today to vest in the Federal courts the power to undertake disciplinary measures and to vest U.S. attorneys in the Federal court districts with the affirmative duty to institute and prosecute disciplinary proceedings against lawyers who abuse the courts.

The Administrative Office of the U.S. Courts has recommended legislation to deal with the prosecution of contumacious attorneys. Chairman Rodino of the House Judiciary Committee has introduced a bill incorporating the recommendation of the Administration Office. While my own proposal differs in some respects from that introduced by Chairman Rodino, I think it would be constructive if my bill were to become part of the deliberative process seeking a constructive solution to the problem.

My bill is by no means revolutionary. It is consistent with traditional due process and the right of the accused person to zealous and effective counsel. The procedure is largely adopted from general rule 5 as it was in effect for many years in the U.S. District Court for the Southern District of New York. It was allowed to lapse only when the Attorney General determined a few years ago, that the court did not have the legislative authority to fund its enforcement.

I would draw attention to the following features of my bill:

First, disciplinary proceedings would become a matter of statute applicable nationally and uniformly rather than merely of court rules varying between the courts. The Federal courts exist by virtue of legislation enacted by Congress and Federal judges are appointed with the advice and consent of the Senate. It is appropriate that Congress protect these courts and their judges in the performance of their duties.

Second, it would become the duty of the U.S. attorney to institute such proceedings. The attorney would be required to act only in those cases in which he believes there had been conduct unbecoming a member of the bar of the court. The bill is so drawn that funds would be available for disciplinary action.

Third, the list of offenses for which discipline is authorized is slightly broader than that in general rule 5 so as specifically to include incitement to riot and other similar acts. Experience shows that tactics of disorder in the courtroom and at public gatherings are closely related. Obviously, any discipline for such conduct is subject to the clear-and-present danger rule which the Supreme Court has applied to such limitations on speech.

Fourth, insofar as disciplinary proceedings resulted in the suspension or disbarment of an attorney, it would be effective in all Federal courts and not merely in the court which entered the order.

It should be noted that this bill will not affect the rights of attorneys to practice in State courts but that States could use findings made in the disciplinary proceedings under this bill as they see fit.

Mr. President, the enactment of this bill will show the determination of Congress and our citizens that violence and disorder and uncivilized behavior will no longer be tolerated in the courts of this Nation. Mr. President, I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2723

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. CENSURE, SUSPENSION, AND DISBARMENT OF ATTORNEYS.

"(a) Any United States district court shall have jurisdiction to make an order in a disciplinary proceeding disbarring, suspending, or censuring, or taking such other action as justice may require, with respect to any attorney who is a member of the bar of such court and has:

"(1) been convicted of a crime involving moral turpitude in any State, territory, Commonwealth, possession, or the District of Columbia; or

"(2) is guilty of conduct unbecoming a member of the bar of such court. Without limiting the generality of the foregoing, conduct unbecoming a member of the bar of a United States district court shall be deemed to include fraud, deceit, malpractice, conduct prejudicial to the administration of justice, incitement to arson, riot, espionage, or sabotage or violation of the Code of Professional Responsibilities of the American Bar Association or the bar association of the State in which such United States district court has jurisdiction.

"(b) Whenever it shall come to the attention of the district court by any means that a member of its bar may have been convicted as defined in subdivision (1) or may have been guilty of unbecoming conduct within subdivision (2) of paragraph (a), the court shall refer the matter to the United States attorney for such district. If the United States attorney believes that the attorney has either been convicted as defined in subdivision (1) or has been guilty of unbecoming conduct as defined by subdivision (2) of paragraph (a), he shall proceed against such attorney by a petition setting forth the charges against him. The district court shall make an order requiring the attorney to show cause within thirty days after service thereof on him personally or by mail of the petition and order as to why he should not be disciplined. Upon the filing of such a petition the district court may, for good cause, temporarily suspend the attorney pending the determination of the proceeding. Upon the answer to the petition, the district court may set the matter for prompt hearing before one or more of its judges, or may appoint a master to herein report his findings and recommendation. After such a hearing or report, or if no timely answer is made by the attorney, the district court shall take such action as justice may require.

"(c) In any case in which an attorney is ordered suspended or disbarred under this section, the district court issuing such order shall notify the Director of the Administrative Office of the United States Courts, who shall notify each of the other United States courts, of the action taken. Any attorney with respect to who an order for suspension or disbarment is issued in accordance with this section shall be prohibited from practice before any United States court during the period that such suspension or disbarment is in effect.

"(d) Whenever it appears that an attorney at law admitted to practice in the court of any State, territory, Commonwealth, possession, or the District of Columbia is convicted of any crime, or is disbarred or suspended, in a United States district court, the clerk of such court shall transmit to the court of the State, territory, Commonwealth, or possession where the attorney was admitted to practice a certified copy of the judgment of conviction or order of disbarment or suspension and a statement of his last known office and residence addresses.

"(e) The authority contained in this section shall be in addition to any other authority of any United States court, or judge or justice thereof, relating to the censure, suspension, disbarment, or other discipline of any attorney authorized to practice before such court, or judge or justices thereof.

"(f) Proceedings under this section shall be deemed to be proceedings in which the United States has an interest within the meaning of section 547 of chapter 35 of this title. Any indigent attorney against whom a petition has been made hereunder shall be entitled to proceed in forma pauperis in accordance with the provisions of section 753 of chapter 79 and section 1915 of chapter 123 of this title."

SEC. 2. The analysis of chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following:

"1364. Censure, suspension, and disbarment of attorneys.".

By Mr. BAYH:

S. 2724. A bill to establish a Temporary National Economic Committee, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs, the Committee on Commerce, the Committee on the Judiciary, the Committee on Labor and Public Welfare, the Committee on Government Operations, and the Committee on Finance, jointly, by unanimous consent.

TEMPORARY NATIONAL ECONOMIC COMMITTEE

Mr. BAYH. Mr. President, in April, 1938, Franklin D. Roosevelt sent a message to Congress. It began:

> Unhappy events abroad have retaught us two simple truths about the liberty of a democratic people.
>
> The first truth is that the liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself . . .
>
> The second truth is that the liberty of a democracy is not safe if its business system does not provide employment and produce and distribute goods in such a way as to sustain an acceptable standard of living.
>
> Both lessons hit home.
>
> Among us today a concentration of private power without equal in history is growing.
>
> The concentration is seriously impairing the economic effectiveness of private enterprise as a way of providing employment for labor and capital and as a way of assuring a more equitable distribution of income and earnings among the people of the nation as a whole.

President Roosevelt went on to call for the creation of a Temporary National Economic Committee to investigate the concentration of economic power. Congress heeded the President's request and established the TNEC. For 2½ years, the TNEC conducted the most thorough and detailed study of the structure of the American economy in our Nation's history.

The committee examined the economic, political, and philosophical questions surrounding the issue of concentration of economic power. It exposed unfair and monopolistic business practice. It gathered facts on pricing practices and the plight of the consumer. It developed information on the structure of financial markets. In all the committee produced 43 monographs and 37 volumes of testimony.

Mr. President, the legislation I am introducing today calls for a new TNEC. I firmly believe that it is time for this country once again to look into the depths of its economic soul and to ask some very difficult questions.

In recent years, we have been riding on an economic roller coaster. And as we both dip and climb, the American people are asked to accommodate themselves to higher and higher rates of inflation and unemployment. It is time we stop, and take a good look at exactly where this ride is taking us.

Mr. President, this past month we saw the wholesale price index increase by 1.8 percent. Major factors in the increase were rises in the prices of steel and automobiles. Increased prices, Mr. President, at a time when we are just emerging from the deepest and most severe recession since the Great Depression and are only operating at two-thirds of our industrial capacity.

Steel and auto prices are not the only cause for alarm. We have seen increases in chemical, tire, and aluminum prices. Contrary to traditional economic theory, prices in the American economy remain strong though demand is weak. Why? It makes one wonder whether our free market system is free after all.

A few giant companies control most of our basic and vital commodities. Prices are not set by competition, but rather by administration.

There has been much talk of this phenomenon.

But when one looks for serious research on administered pricing it is very hard to find and far from thorough.

So let us begin, Mr. President. Let us establish a new TNEC. Let us find out exactly how and why prices in oligopolistic industries are set, and what the ramifications are for the American economy and, indeed, our political system.

Mr. President, in the sixties and seventies we have seen the meteoric rise of giant conglomerates. What do these institutions contribute to our society? What effects do they have upon competition? And what dangers do they present to our financial structure?

And further, in an increasingly small and interdependent world, multinational corporations have advanced to center stage. There are serious questions as to what effects these giant corporations have upon international economics and, indeed, their role in the issues of war and peace. I am not certain of the answers, Mr. President, but I know it is time that we ask.

In financing, we have seen the growth of the influence of major banks through holding companies. We have seen the rapid development of mutual funds. There are totally new forms of credit which can be obtained by simply overdrawing a checking account.

Major banking institutions have engaged in speculation to a degree which could not have been imagined a decade ago. The go-go days brought us real estate investment trusts and an incredible proliferation of international banking institutions. Again, Mr. President, what does all this mean for our economic well-being?

The New York City crisis has awakened us all to the financial plight of State and local governments. We are learning that Government financing plays an increasingly important role in the state of our economy. We must examine that role and put it on a sound basis.

Mr. President, one could go on for hours enumerating and discussing the great economic issues facing this country. The simple point I am trying to make, however, is that the time has come to look closely at these issues, in order that we can make some very fundamental decisions about our economy and our political system.

What is the structure of our economy? Who controls it? What does economic plutocracy mean for political democracy? This is where we must start. Then we must determine where the marketplace is working and where it has failed. We must determine what role governmental tax and regulatory policies have had upon our economic structure and performance. And we must decide if the present structure produces the optimum in terms of jobs, goods, services, and economic opportunity. By establishing a new TNEC, we can begin our task.

The bill I introduce today is deliberately modeled quite closely after the legislation which created the original TNEC. It would establish a committee comprised of six representatives from executive branch and regulatory agencies, and five Members of Congress including the chairman of the Joint Economic Committee and two additional Members from the House of Representatives and the Senate.

The committee would examine and investigate the economic issues facing this country and report its findings and recommendations to Congress. The committee would have the power to hire staff, subpena witnesses and would have full cooperation of executive department and agencies.

Mr. President, two business oriented, Republican administrations have refused to ask the tough questions about our economy. While they mouth platitudes about free enterprise, they hold hands with giant oil companies that have not engaged in real competition for generations. We must act now to develop relevant information that will enable us to fashion an economic policy to provide for a sound economy with true competition, efficiency, and job opportunities. I hope my colleagues will join in my call for a new TNEC.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2724

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Temporary National Economic Committee Act of 1975".

ESTABLISHMENT

SEC. 2. (a) There is established a Temporary National Economic Committee (hereinafter referred to as the "Committee").

(b) The Committee shall be composed of the Chairman of the Joint Economic Committee and ten members appointed as follows:

(1) Five members to be appointed by the President, one each from any five of the following:

(A) The Department of Justice;

(B) The Department of the Treasury;

(C) The Department of Labor;

(D) The Department of Commerce;

(E) The Department of Housing and Urban Development;

(F) The Department of Agriculture;

(G) The Council of Economic Advisers; and

(H) The Office of Management and Budget.

(2) One member appointed by the President from among the commissioners of either—

(A) the Securities and Exchange Commission; or

(B) the Federal Trade Commission.

(3) One Member of the Senate appointed by the Majority Leader of the Senate.

(4) One Member of the Senate appointed by the Minority Leader of the Senate.

(5) One Member of the House of Representatives appointed by the Majority Leader of the House of Representatives.

(6) One Member of the House of Representatives appointed by the Minority Leader of the House of Representatives.

(c) Six members shall constitute a quorum, but a lesser number may conduct hearings.

(d) The Committee shall elect a Chairman from among its members.

(e) Any vacancy in the membership of the Committee shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

(f) The Committee may establish such subcommittees as may be necessary to carry out the purposes of this Act.

DUTIES

SEC. 3. The Committee shall make a full and complete study and investigation of all aspects of the American economy including, but not limited to:

(1) the structure of the economy;

(2) the concentration of economic power;

(3) the structure of capital markets;

(4) the concentration of financial control over the means of production;

(5) the organization of business and industry;

(6) the role of transnational business ventures in the international economy;

(7) the structure of Federal, State, and local government finances and the impact of government fiscal, monetary, tax, and regulatory policies upon the structure of the national economy; and

(8) the effects of matters listed in items (1) through (7) of this section upon—

(A) competition;

(B) prices;

(C) inflation;

(D) unemployment;

(E) efficiency;

(F) productivity;

(G) consumption;

(H) economic growth; and

(I) job creation.

POWERS

SEC. 4. (a) The Committee, or at its discretion any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings, sit and act at such times and places, administer such oaths, and require by subpena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Committee or such subcommittee or member may deem advisable. Any member of the Committee may administer oaths or affirmations to witnesses appearing before the Committee or before such subcommittee or member. Subpenas may be issued under the signature of the Chairman and may be served by any person designated by the Chairman.

(b) In the case of contumacy or refusal to obey a subpena issued under subsection (a) of this section by any person who resides, is found, or transacts business within the jurisdiction of any district court of the United States, such court, upon application made by the Attorney General of the United States, shall have jurisdiction to issue to such person an order requiring such person to appear before the Committee or subcommittee or member thereof, there to produce evidence if so ordered, or there to give testimony touching the matter under inquiry. Any failure of any such person to obey any such order of the court may be punished by the court as a contempt thereof.

ADMINISTRATION

SEC. 5. The Committee is authorized to—

(1) appoint and fix the compensation of an Executive Director at the rate provided for Level IV of the Executive Schedule, and such additional staff personnel as it deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title; and

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 per day for individuals.

COMPENSATION

SEC. 6. Each member of the Committee shall serve as a member of the Committee without additional compensation but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the Committee.

ASSISTANCE OF GOVERNMENT AGENCIES

SEC. 7. (a) Each department, agency, and instrumentality of the executive branch of the Government is authorized and directed to furnish to the Committee, upon request made by the Chairman, such data, reports, and other information as the Committee deems necessary to carry out its functions under this Act.

(b) The head of any department, agency, or instrumentality of the executive branch of the Government may detail such personnel and may furnish such services, with or without reimbursement, as the Committee may request to assist it in carrying out its functions.

REPORTS

SEC. 8. The Committee shall transmit to the Congress and the President, as soon as practicable, such interim reports of the studies and investigation it carries out, together with its findings and recommendations thereon, and a final report of its activities together with its final findings and recommendations not later than September 30, 1977.

AUTHORIZATION

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

TERMINATION

SEC. 10. The Committee shall terminate 60 days after the date on which the final report required pursuant to section 8 is submitted to the Congress.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a bill introduced by Mr. BAYH earlier today be jointly referred to the following committees: Banking, Housing and Urban Affairs; Commerce, Judiciary, Labor and Public Welfare, Government Operations, and Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. TOWER (for himself, Mr. JAVITS, and Mr. BROOKE):

S. 2725. A bill to authorize the Secretary of the Treasury to provide and facilitate seasonal financing for the City of New York. Referred to the Committee on Banking, Housing and Urban Affairs.

(The remarks of Mr. TOWER and other Senators on the introduction of the above bill are printed later in today's RECORD.)

By Mr. TUNNEY:

S. 2726. A bill to create a Department of Natural Resources, an Executive Office of Resource and Materials Policy, a Joint Congressional Committee on Energy, Materials, and the Environment, and for other purposes. Referred to the Committee on Government Operations.

RESOURCE POLICY REORGANIZATION ACT OF 1975

Mr. TUNNEY. Mr. President, forces are beginning to dominate our lives and threaten our freedoms that, if unchecked, will destroy our security as a nation and our well-being as a people. The forces in themselves are not necessarily sinister, but are merely the mammoth consequences of our own fantastic growth as an industrial power.

On the one hand is big oil and big businesses, manipulating the economy to their advantage. On the other is big government, increasingly unrepresentative of and unresponsive to the very people it is supposed to serve. Both are struggling to impose some control on the devastating consequences of inflation and unemployment that sweep our land.

But they are doing so in confusion and uncertainty, like blind wrestlers trying to subdue a dragon but just as likely, in their sightless flailings, to attack one another.

Greed and power grapple for control over diminishing supplies, and the result, if the Nation fails to establish some sensible program for resources planning and development, could be further curtailment of freedom. It either could come through the vise-like grip of monopoly control, or it could come in the strangling expansion of redtape by governmental bureaucracies.

Ours is a strong and vital country, but the liberties that thrive here are fragile, and they can easily be trampled by oppressive bigness whether in business or in government.

Already, the freedom of millions of Americans has been affected by shortages. The Arab oil embargo 2 years ago meant the loss of hours of motorists in long lines at gas stations.

The shortages not only of oil but of other essential resources and the resulting dependence on overseas supplies have had a more lasting affect. They have driven prices skyward and forced many businesses to retrench or to close. The consequences have reached into every neighborhood in our country. Senior citizens and others on fixed incomes have had to curtail not only their activities but their daily diets for the simple reason their dollars no longer go as far. And for working men and women, there have been fewer jobs and more lay-offs.

Inflation and unemployment are the real enemies of national security, for they eat at the vitals of personal security, and once a person's confidence is shaken in himself so is it shaken in the state.

Democracy depends on the confidence of its people, and to assure that stability, our Nation, as an absolute priority, must attack both inflation and unemployment. The essential preliminary to a successful, all-out attack means developing a reasonable, far-reaching approach to shortages. A firm policy, based on solid assessments of resources and the technology needed to produce them, and determinedly implemented, will assure that, once again, the public interest shall remain foremost; and will prevent the manipulation of shortages from leading to greater concentration of corporate powers or a more unwieldly—and stifling—bureaucracy of a "great allocator."

Without clear national policy, where representative government perseveres and the will of the governed prevails, shortages do more than play directly into the hands of corporate giantism and government centralization. They also deal away American dollars and independence to overseas centers of power, whether foreign cartels or multinational corporations.

Swift action is needed to give Government the ability to plan, coordinate, and encourage development and resources and alternatives, interweaving domestic capacity with new technology and imports. This means a major restructuring not only of administrative agencies but congressional committees that deal with them.

Periodic reform is fundamental to the continued renewal of our system of government, and Government as presently organized is bogged in bureaucracy and confusion.

Before more millions of men and women must spend days shuffling through unemployment lines, and before more older Americans must deny themselves noon meals, government must be made accountable; for the crisis in natural resources is split among scores of departments and agencies scattered throughout Government so that, in the typical gray doldrum of big government, no one is responsible, and the buck moves silently along.

It is carried on a tide of cynicism that finds its source in a belief that Government no longer cares or is concerned about most Americans. The virulent result is that more and more Americans no longer care about their government and dismiss their vote as worthless.

The buck must be made to stop, and it can only be done so when responsibility is clear cut as to by whom and where in Government decisions are made affecting resources that heat our homes, fuel our factories, light our offices, and move our freight.

Accountability is the binding element in democratic government, and it must be reestablished.

In the 1930's in the crash of depression, Government was restructured not only so it would be more responsible to the needs of hard-pressed Americans but so that it could preserve free enterprise from the greed of selfish interests.

The need for reform of some of our institutions is just as urgent today if we are to preserve our constitutional system and the free enterprise which is its most forceful expression.

We no longer can afford to stumble blindly from crisis to crisis. We must develop ways to plan, not just for the next year and the next decade, but 20 and 30 years into the future.

Vigorous antitrust action is needed to police the capacity of big business, but more than just more vigilant enforcement is required. A comprehensive policy that considers all aspect of supply, from conservation of existing materials to development of new ones, must be undertaken by Government, and it can only be done if we are willing to remodel Government, within, of course, the framework of our Constitution, to the specifications of the latter half of the 20th century.

Assuring sufficient supplies of energy, minerals, water, food and fibre represent a prevailing imperative in determining whether we are to enter the next century with confidence or in chains.

Fragmented and overlapping jurisdictions, inability to plan effectively, insufficient data, and a myriad number of other symptoms betray the present feeble state of our resource policymaking. All too often, our incoherent resource structure has led us to adopt policies based on incomplete, inaccurate or self-serving information. The result is familiar—the Government teaming up to serve not long-term public good, but short-term private interest.

Confusion abounds. The Department of the Interior determines whether and how to develop coal and oil resources on Federal lands. The Energy Research and Development Administration makes policy regarding our alternative sources of energy. The Federal Energy Administration determines supply and pricing policy for oil, the Federal Power Commission for natural gas.

Congress, of course, is caught in its own jurisdictional jungle. The committee system often retards, rather than advances, a coordinated resource policy.

Much of this conflict is inevitable. The problems of making resource policy are too complex and too far-reaching to give any single agency total authority over the multiple facets involved in this equation. Moreover, dividing responsibility for parts of Federal resource policymaking facilitates attention to the particular aspects of the problem. We can and must do better.

Instead of adopting the usual bureaucratic reaction proliferating agencies to deal with particular problems, we must consolidate authority in order, not only to affix responsibility, but to assure efficiency and a consistent policy that includes assessing current supplies, estimating their depletion and providing for their conservation and the development of substitutes and new technology.

Already, some progress has been made in the energy area by creation of the Federal Energy Administration and the Energy Research and Development Administration. But government action is needed across the total spectrum of our resources, not to manage production, as would happen under socialism, but to plan orderly development and greater national self reliance on behalf of the American people under our unique economic system.

Accordingly, I offer today a legislative package which I believe addresses our critical need to reorganize the ability of the Federal Government to deal with threatening shortages. Both Congress and the executive branch require extensive reform of present institutional structure to cope adequately with the crushing demands to sustain our society in the face of diminishing resources. I believe this package will provide some, if not all, of the answers we may need to answer that need. Through my work on the National Commission on Supplies and Shortages, on the Senate Commerce Committee, and on the Joint Committee on Atomic Energy, I plan to pursue both substantive and procedural reform. It is essential that those of us in the Congress, in exercising our roles as guardians of the Nation's present and future well-being, take the first steps toward specific govenmental reform.

Mr. President, I would like to summarize the nature and intent of the reforms which I have today proposed. In the comprehensive bill which I introduce, the Resource Policy Reorganization Act of 1975, and the two resolutions relating to congressional operations, there are a number of aspects. They include the following:

Establishment of a Cabinet-level Department of Natural Resources, which would combine the present functions of the Department of the Interior, the Federal Energy Administration, the Energy Research and Development Administration, and parts of the functions of the Department of Agriculture, and the Department of Commerce.

Establishment of an Office on Resource and Material Policy within the Executive Office of the President. This three-member office, with nominations subject to the advice and consent of the Senate, would coordinate resource policymaking, and serve as the President's primary source of advice and information on resource policy.

Establishment of an 18-member Congressional Committee on Energy, Materials, and the Environment. With members drawn from the Senate Agriculture, Commerce, Foreign Relations, Interior, and Public Works Committees, and from the House Agriculture, Commerce, Interior, International Relations, Public Works, and Science and Technology Committees, the Joint Committee would serve as the chief congressional forum for comprehensive and consistent attention to resource policy issues.

Requirements that the Office of Resource and Materials Policy identify critical materials, and submit an annual natural resources report and plan. The report/plan would specify the foreseeable availability of critical materials during the ensuing 25 years, with yearly reports for the following 10 years, would identify potential policy decisions to insure resource availability along with the potential economic, social, and environmental consequences of such alternative policies, and would make recommendations on policies to be followed. The Joint Committee on Energy, Materials, and the Environment would have responsibility for conducting yearly evaluations of the plan/report, and reporting to the Congress on its evaluations and recommendations.

Requirement that each piece of legislation authorizing Federal financial support for scientific research and development activities be accompanied by a technology evaluation report which could be part of the report of the appropriate committee of the Congress. This report would include descriptions of the technologies funded under the relevant legislation, amounts previously spent on such technologies by the Federal Government, and description of the foreseeable economic, social, and environmental consequences of the development and implementation of the technology.

Changes in Senate rules to require that each legislative committee establish a subcommittee with primary responsibility for legislative oversight of the agencies and policies falling within the committee's legislative jurisdiction. The full committee and the Senate Committee on Government Operations would retain responsibility for performing and coordinating legislative oversight.

Changes in Senate rules to permit multiple referral to Senate committees on a more routine basis. This would enhance the ability of the Senate to formulate and consider multifaceted legislation dealing with resource policy and other complex matters.

Changes in the Senate rules to permit more routine imposition of time limits on legislative committees' consideration of legislation at the time of introluction. Additionally, the Senate would be required to consider the imposition of time limits of 90 days or less on any measure passed by a vote of more than three-fifths of the House.

Mr. President, I ask unanimous consent that the text of the legislation I have introduced be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2776

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that:

SECTION 1. This Act may be cited as the "Resource Policy Reorganization Act of 1975."

TITLE I—GENERAL

SEC. 101. Findings and Purpose.

(a) (1) The Congress declares that the management of the natural resources of the United States and the world will be a primary factor in determining the well-being of the American people and the people of the world during future generations.

(2) The Congress further declares that the domestic and international resource policy of the United States Government is of special significance in assuring the future availability of adequate supplies of critical natural resources.

(3) The Congress further declares that the past fragmentation of jurisdiction and control of natural resource policy within the United States Government in many cases led to conflicting and ineffective development, utilization and conservation of vital natural resources.

(4) The Congress further declares that the consolidation and reorganization of resource policy decisionmaking within the United States Government would contribute to the development and implementation of sound and farsighted policies for the development, utilization, conservation and management of the natural resources of the United States and the world, including energy resources. Consolidation and reorganization of resource policy focus within both the Congress and the Executive Branch is necessary if the United States Government is to pay full and needed attention to the management of natural resources, and is to formulate and carry out policies which will develop and conserve natural resources with full recognition of attendant social, political and environmental consequences.

(b) The Congress finds that the objectives of consolidation and coordination of resource policymaking can best be achieved by the creation of the following new agencies the Executive Branch and the Congress.

(1) A Department of Natural Resources which will have primary cabinet-level responsibility for the formulation and implementation of Federal resource policy, and the daily management of Federal resources. Combining the present functions of the Department of the Interior with related resource policy functions located in other departments and agencies, the Department of Natural Resources will create a focal point for coherent and comprehensive policymaking with regard to energy, materials and other natural resources. It will facilitate the consistent attention of the United States Government to the specific facets of domestic and international resource policy, and to the competing considerations which should be paramount in the formulation of intelligent natural resource policy. Among the functions of the Department will be conservation and development of domestic natural resources, management of Federal lands and resources, the assessment of world and national resource needs and supplies, and continuing research and development in resource-related fields, including meteorology, oceanography, other earth sciences, and energy-related disciplines, and continuing attention to the environmental and social effects of resource policy, including the lessening of negative effects to the maximum feasible extent.

(2) An Office of Resource and Materials Policy within the Executive Office of the President. As successor to the present Energy Resources Council, it will serve as the overseer of natural resource policy, as coordinator of efforts by various Federal agencies in domestic and international resource policy, and as the top advisor to the President on

matters pertaining to natural resources. With this office rests the responsibility for developing resource policy in consultation with other agencies in the Executive Branch, including other related agencies in the Executive Office of the President, and for preparing and disseminating comprehensive reports on the availability of natural resources to the President, the Congress and the American people.

(3) A Congressional Joint Committee on Energy, Materials and the Environment, the agency of the Congress charged with overall attention to natural resource policy. The Joint Committee will have the responsibility for continuous monitoring, evaluation and formulation of resource policy and related problems. It will function as a central forum for Congressional formulation, discussion and review of alternative approaches for assuring availability of critical resources.

(c) It is the purpose of this legislation to insure that the United States Government's role in developing, utilizing, conserving and managing old resources, and in developing new resources is a coordinated, coherent effort which will result in adequate provision of natural resources for the foreseeable future without harmful long-range consequences. The Congress believes that this will be accomplished most readily by reorganization of present agencies and by the creation of new ones which will give the Federal government the capacity to respond to existing and prospective resource questions in a prudent and reasonable manner.

TITLE II—DEPARTMENT OF NATURAL RESOURCES

SEC. 201. There is hereby established at the seat of government an executive department to be known as the Department of Natural Resources (hereinafter referred to as the "Department"). The Department shall be headed and administered by a Secretary of Natural Resources (hereinafter referred to as the "Secretary.") who shall be appointed by the President by and with the advice and consent of the Senate and who shall receive compensation at the rate now or hereafter prescribed for offices and positions at level I of the Executive Schedule [5 U.S.C. 5312]. The Secretary shall supervise and direct the administration of the Department, and shall at all times be responsible for the efficient and coordinated management of the Department.

SEC. 202. (a) There shall be in the Department a Deputy Secretary who shall be appointed by the President by and with the advice and consent of the Senate, and who shall receive compensation at the rate now or hereafter prescribed for offices and positions at level II of the Executive Schedule [5 U.S.C. 5313].

SEC. 203. There shall be created in the Department the following sub-agencies;

(a) a Land and Renewable Resources Administration, to be headed and administered by an Administrator for Land and Renewable Resources;

(b) a Water Resources Administration, to be headed and administered by an Administrator for Water Resources;

(c) an Energy and Non-Renewable Resource Administrator, headed and administered by an Administrator for Energy and Non-Renewable Resources;

(d) An Earth Sciences Administration, headed and administered by an Administrator for Earth Sciences; and

(e) A Resources Research and Development Administration, to be headed and administered by an Administrator for Resource Research and Development.

(f) The Administrators specified in this section shall be appointed by the President by and with the advice and consent of the Senate, and shall receive compensation at the rate now or hereafter prescribed for offices and positions at level III of the Executive Schedule [5 U.S.C. 5314].

(g) There shall be in the Department two Assistant Secretaries and a General Counsel who shall be appointed by the President by and with the advice and consent of the Senate, and who shall receive compensation at the rate now or hereafter prescribed for offices and positions at level IV of the Executive Schedule [5 U.S.C. 5315].

(h) Officers appointed pursuant to this section shall perform such functions as are specified by this Act, as well as such other functions as may be specified by the Secretary.

(i) During any absence or disability of the Secretary, or in the event of a vacancy in the Office of the Secretary, the Deputy Secretary shall act for and perform the functions of the Secretary and in the event of an absence or disability of the Deputy Secretary or vacancy in the Office of Deputy Secretary, an Administrator, Assistant Secretary, or the General Counsel shall perform such functions, in such order as may be prescribed by the Secretary.

SEC. 204. Subject to the remaining sections of this title, there are hereby transferred to and vested in the Secretary:

(a) All of the functions of the Secretary of the Interior, the Department of Interior, and all officers and components of that Department.

(b) All of the functions of the Federal Energy Administration, the Administrator and all officers and components of that Administration.

(c) All of the functions of the Energy Research and Development Administration, the Administrator and all officers and components of that Administration.

(d) Such of the functions of the Secretary of Commerce, the Department of Commerce, and officers and components of that Department as relate to or are utilized by the National Oceanic and Atmospheric Administration.

(e) (1) Such of the functions of the Secretary of Defense, the Secretary of the Army, the Assistant Secretary of the Army for Civil Works, and the Chief of Engineers and the Corps of Engineers of the Department of the Army, as relate to or are utilized for civil works and civil regulatory functions.

(2) All of the functions of the Board of Engineers for Rivers and Harbors, Mississippi River Commission, and California Debris Commission.

(f) Such of the functions of the Secretary of Agriculture, the Department of Agriculture, and officers of that Department, as relate to or are utilized by the Forest Service.

(g) Such of the functions of the Secretary of Agriculture, the Department of Agriculture, and officers and components of that Department, as relate to or are utilized by the Soil Conservation Service.

(h) Such of the functions of the Secretary of Transportation, the Department of Transportation, and officers and components of that Department, as relate to or are utilized for pipeline safety.

(i) All of the functions of the Water Resources, its Chairman and its members.

SEC. 205. The Secretary may organize the Department as he may deem to be necessary or appropriate, subject to the following limitations.

(a) The Secretary may not abolish any Administration of the Department established under Section 203.

(b) The functions of the Federal Energy Administration transferred under Section 204(b) shall reside in the Energy and Non-Renewable Resource Administration, created by Section 203(b).

(c) The functions of the Energy Research and Development Administration transferred under Section 204(c) shall reside in the Resources Research and Development Administration created by Section 203(e).

(d) To the extent necessary or appropriate to perform functions transferred by this part, the Secretary may exercise, in relation to the functions so transferred, any authority or part thereof available by law, including appropriations Acts, to the official or agency from which such functions were transferred.

SEC. 206. Except as may be otherwise expressly provided in this part, all functions expressly conferred by this part shall be in addition to and not in substitution for functions existing immediately before the effective date of this part and transferred by this part.

SEC. 207. The Secretary shall, as soon as practicable after the end of each fiscal year, make a report to the President for submission to the Congress on the activities of the Department during the preceding fiscal year. Such report shall include a statement of his goals, priorities, and plans for the Department together with an assessment of the progress made toward the attainment of those objectives, the more effective and efficient management of the Department, and the coordination of its functions.

SEC. 208. Functions vested by subchapter II of chapter 5 of title 5 of the United States Code in hearing examiners employed by any department, agency, or component thereof, the functions of which are transferred to the Department under the provisions of this part, shall be vested in hearing examiners of the Department.

SEC. 209. In any case in which the head of a department or agency is required to consult or obtain the approval of the head of another department or agency as a condition to his performance of a function and the functions of both with respect to the matter involved have been transferred pursuant to this part, the requirement for such consultation or approval is hereby terminated.

SEC. 210. Except as provided in the next sentence, the personnel employed in connection with and the personnel positions, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from available to or to be made available in connection with the functions transferred by this part are, subject to section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c), correspondingly transferred for appropriate allocation. Personnel positions expressly created by statute or reorganization plan, personnel occupying those positions on the effective date of this part, and personnel authorized for offices and positions at Level I, II, III, IV or V of the Executive Schedule (5 U.S.C. 5312–5316) on the effective date of this part shall be subject to the provisions of sections 306 and 501 of this part.

SEC. 211. Except as provided in section 306, transfer of nontemporary personnel pursuant to this title shall not cause any such employee to be separated or reduced in grade or compensation for one year after such transfer.

SEC. 212. Any person who, on the effective date of this part, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5 of the United States Code, and who, without a break in service, is appointed pursuant to this part to a position having duties comparable to those performed immediately preceding his appointment shall continue to be compensated in his new position at not less than the rate provided for his previous position, for the duration of his service in the new position.

Sec. 213. (a) The Commissioned Officer Corps of the National Oceanic and Atmospheric Administration shall become the Commissioned Officer Corps of the Oceanic, Atmospheric, and Earth Sciences Administration (hereinafter referred to as the "Commissioned Officer Corps of OAESA"). Members of the Corps (hereinafter referred to as "commissioned officers of OAESA"), including those appointed hereafter, shall be entitled to all rights, privileges, and benefits heretofore available under any law to commissioned officers of the National Oceanic and Atmospheric Administration, including those rights, privileges, and benefits heretofore accorded by law to commissioned officers of the former Environmental Science Services Administration and to commissioned officers of the former Coast and Geodetic Survey.

(b) The Secretary may appoint one of the commissioned officers of OAESA from the active list to one of the positions at level IV or V of the Executive Schedule established pursuant to subsection 202(e) of this Act. Such appointment shall create a vacancy on the active list; and while holding such position, the officer shall have rank, pay, and allowances not exceeding those of a vice admiral.

(c) The Secretary may designate two commissioned officers from the active list to serve at any one time as the designated heads of two principal constitutent organizational entities of the Oceanic, Atmospheric, and Earth Sciences Administration, or the Secretary may designate one such officer as the head of such an organizational entity and the other as the head of the Commissioned Officer Corps of OAESA. Any such designation shall create a vacancy on the active list and the officer while serving under this subsection shall have the rank, pay, and allowances of a rear admiral (upper half).

(d) Any commissioned officer of OAESA who has served under (b) or (c) and is retired while so serving or is retired after the completion of such service while serving in a lower rank or grade shall be retired with the rank, pay, and allowances authorized by law for the highest grade and rank held by him; but any such officer, upon termination of his appointment in a rank above that of captain, shall, unless appointed or assigned to some other position for which a higher rank or grade is provided, revert to the grade and number he would have occupied had he not served in a rank above that of captain and such officer shall be an extra number in that grade.

Sec. 214. (a) The Secretary is authorized to prescribe such policies, standards, criteria, procedures, rules, and regulations as he may deem to be necessary or appropriate to perform functions now or hereafter vested in him.

(b) The Secretary shall engage in such policy planning and perform such program evaluation analyses and other studies as may be necessary to promote the efficient and coordinated administration of the Department and properly assess progress toward the achievement of its missions.

Sec. 215. Except as otherwise expressly provided by law, the Secretary may delegate any of his functions to such officers and employees of the Department as he may designate, and may authorize such successive redelegations of such functions as he may deem to be necessary or appropriate.

Sec. 216. The Secretary is authorized to establish, alter, or discontinue and to maintain such State, regional, district, local, or other field offices as he may deem to be necessary or appropriate to perform functions now or hereafter vested in him.

Sec. 217. The Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions, now or hereafter vested in him and to prescribe their functions.

Sec. 218. The Secretary may obtain services as authorized by section 3109 of title 5 of the United States Code, at rates not to exceed the rate prescribed for grade GS-18 of the General Schedule by section 5332 of title 5 of the United States Code.

Sec. 219. The Secretary is authorized to appoint, without regard to the civil service laws, such advisory committees as he may deem appropriate for the purpose of consultation with and advice to the Secretary in the performance of his functions. Members of advisory committees, other than those regularly employed by the Federal Government, while attending meetings of such committees or while otherwise serving at the request of the Secretary, may be paid compensation at rates not exceeding those authorized for individuals under section 5332 of title 5 or the United States Code and, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem, as authorized by section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently.

Sec. 220. (a) Notwithstanding any other provision of law, a member of the Coast Guard, the Commissioned Officer Corps of OAESA, or the Regular or Reserve Commissioned Corps of the Public Health Service may be appointed, detailed, or assigned to any position in the Department other than a position the occupant of which we must be approved by and with the advice and consent of the Senate.

(b) The Secretary is authorized to provide for participation of military personnel in the performance of his functions. Members of the Army, the Navy, the Air Force, or the Marine Corps may be detailed for services in the Department by the appropriate Secretary, pursuant to cooperative agreements with the Secretary.

(c) Appointment, detail, or assignment to, acceptance of, and service in any appointive or other position in the Department under this section shall in no way affect status, office, rank, or grade which officers or enlisted men may occupy or hold or any emolument, prerequisite, right, privilege or benefit incident to or arising out of any such status, office, rank, or grade nor shall any member so appointed, detailed or assigned be charged against any statutory limitation on strengths applicable to the Armed Forces. A member so appointed, detailed, or assigned shall not be subject to direction or control by his armed force or any officer thereof directly or indirectly with respect to the responsibilities exercised in the position to which appointed, detailed, or assigned.

Sec. 221. The Secretary is authorized to pay transportation expenses, and per diem in lieu of subsistence expenses, in accordance with chapter 57 of title 5, of the United States Code for travel between places of recruitment and duty, and while at places of duty, of persons appointed for emergency, temporary, or seasonal services in the field service of the Department.

Sec. 222. The Secretary is authorized to enter into such contracts and agreements, including great agreements, with public agencies and private organizations and persons; make such payments (in lump sum or installments, and in advance or by way of reimbursement, and with necessary adjustments on account of overpayments and underpayments); and generally take such steps as he may deem to be necessary or appropriate to perform functions now or hereafter vested in him.

Sec. 223. Except for public buildings as defined in the Public Buildings Act of 1959, as amended, and with respect to leased space subject to the provisions of Reorganization Plan Numbered 18 of 1950, the Secretary is authorized to acquire (by purchase, lease, condemnation, or otherwise) construct, improve, repair, operate, and maintain facilities and real property as the Secretary deems to be necessary in and outside of the District of Columbia. Such authority shall apply only to facilities required for the maintenance and operation of laboratories, research and testing sites and facilities, quarters, and related accommodations for employees and dependents of employees of the Department, and such other special purpose real property as the Secretary deems to be necessary in and outside the District of Columbia. Title to any property or interest therein, real, personal, or mixed, acquired pursuant to this section, shall be in the United States.

Sec. 224. (a) The Secretary is authorized to provide, construct, or maintain, as necessary and when not otherwise available, the following for employees and their dependents stationed at remote locations:

(1) emergency medical services and supplies;

(2) food and other subsistence supplies;

(3) messing facilities;

(4) audiovisual equipment, accessories, and supplies for recreation and training;

(5) reimbursement for food, clothing, medicine, and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons;

(6) living and working quarters and facilities; and

(7) transportation for school-age dependents of employees to the nearest appropriate educational facilities.

(b) The furnishing of medical treatment under paragraph (1) of subsection (a) and the furnishing of services and supplies under paragraphs (2) and (3) of subsection (a) shall be at prices reflecting reasonable value as determined by the Secretary.

(c) Proceeds from reimbursements under this section shall be deposited in the Treasury and may be withdrawn by the Secretary to pay directly the cost of such work or services, to repay or make advances to appropriations of funds which do or will bear all or a part of such cost, or to refund excess sums when necessary: *Provided,* That such payments may be credited to a service or working capital fund otherwise established by law, and used under the law governing such funds, if the fund is available for use by the Department for performing the work or services for which payment is received.

Sec. 225. (a) The Secretary may, under regulations prescribed by the President, enter into contracts or other agreements with any concessioner to permit the use, under such terms and conditions, at such rates, and for such periods not exceeding thirty years, as the Secretary may deem to be in the public interest, of any real property (or any facility, structure, or other improvement thereon) under the custody and control of the Secretary.

(b) The Secretary may, under the terms and conditions of such a contract or other agreement, require the concessioner to recondition and maintain to a satisfactory standard, at the concessioner's own expense, the real property (or improvement thereon) subject to such contract or agreement. In the case of any concessioner who enters into a contract or other agreement under subsection (a) with the Secretary—

(1) such concessioner shall keep (for such period as the Secretary may prescribe) such records as the Secretary may prescribe to enable the Secretary to determine that all terms of the contract or agreement have been and are being faithfully performed, and the Secretary shall, for the purpose of audit and examination, have access to such records and to other books, documents, and papers of the concessioner pertinent to the contract or agreement; and

(2) the Comptroller General of the United States shall, for the purpose of audit and examination at any time until the expiration of the three-year period beginning on the date the contract or agreement terminates have access to any books, documents, papers, or other records of the concessioner pertinent to the contract or agreement.

SEC. 226. The Secretary is authorized to acquire any of the following described rights if the property acquired thereby is for use by or for, or is useful to, the performance of functions vested in him—

(1) copyrights, patents, and applications for patents, designs, processes, and manufacturing data;

(2) licenses under copyrights, patents, and applications for patents; and

(3) releases, before suit is brought, for past infringement of patents or copyrights.

SEC. 227. Whenever the Secretary determines it necessary for the performance of his functions, he may (1) conduct research and development programs, directly or through contracts or grants, and (2) disseminate technological information through demonstrations, cooperative arrangements, and information programs.

SEC. 228. The Secretary is authorized to engage in joint projects of a research, developmental, or experimental nature with nonprofit or public agencies or organizations and to perform services on matters of mutual interest. The cost of such projects or services shall be apportioned equitably, as determined by the Secretary, who may, however, waive payment of any portion of such costs by others, when otherwise authorized to do so.

SEC. 229. (a) The Secretary is authorized, upon his own initiative or upon the request of any person, firm, organization, or others, public or private, to make special studies concerning matters within the special competence of the Department; to prepare from the records of the Department special compilations, lists, bulletins, or reports; to furnish transcripts or copies of such studies, compilations, and other records; to provide copies of charts, maps, or photographs; and to provide services incident to the conduct of the regular work of the Department. The Secretary shall require payment of the actual or estimated cost of such special work in accordance with regulations prescribed by the President.

(b) All payments for work or services performed or to be performed under this section shall be deposited in the appropriate service fund established by section 425 of this Act.

SEC. 230. The Secretary is authorized to accept, hold, administer, and utilize gifts, and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts and bequests of money and proceeds from sales or other property received as gifts or bequests shall be deposited in the Treasury and shall be disbursed upon the order of the Secretary. Property accepted pursuant to this section, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift or bequest. For the purpose of Federal income, estate, and gift taxes, property accepted under this section shall be considered as a gift or bequest to the United States.

SEC. 231. The Secretary shall cause a seal of office to be made for the Department of such device as he shall approve and judicial notice shall be taken of such seal.

SEC. 232. The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interests of economy and efficiency. There shall be transferred to the fund the stocks of supplies, equipment, other assets, liabilities, and unpaid obligations relating to the services which he determines will be performed through the fund. Appropriations to the fund in such amounts as may be necessary to provide additional working capital are authorized. The working capital fund shall recover from the appropriations and funds for which services are performed, either in advance or by way of reimbursement, amounts which will approximate the costs incurred, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from the sale or exchange of its property, and receipts in payment for loss or damage to property owned by the fund.

SEC. 233. The Secretary, when authorized in an appropriation Act, may, in any fiscal year, transfer funds from one appropriation to another within the Department: *Provided*, That no appropriation shall be either increased or decreased pursuant to this section by more than 5 per centum of the appropriation for such fiscal year.

SEC. 234. There is hereby established a service fund for the Land and Renewable Resources Administration, the Water Resources Administration, the Energy and Non-Renewable Resource Administration, the Earth Sciences Administration, and the Resource Research and Development Administration. Each such fund shall be available, without fiscal year limitations, for the purpose of providing services on a reimbursable basis for other departments, agencies, and instrumentalities of the Government and for persons outside the Government as authorized by law. The costs of providing such services shall be paid from the appropriate service fund. Proceeds received as reimbursement for services performed with funds from a service fund shall be credited to that fund whenever an advance for services is subsequently determined to exceed the cost of such service.

SEC. 235. The Secretary shall from time to time prepare and publish such compilations of laws and treaties applicable to the various program areas of the Department as he deems to be in the public interest.

SEC. 236. The Secretary is authorized to employ persons who are not citizens of the United States in expert, scientific, technical, or professional capacities whenever he deems it in the public interest.

SEC. 237. Whenever all of the functions of a department, agency, or other body, or any component thereof, affected by this part, have been transferred from that department, agency, or other body, or any component thereof by title III of this part, the department, agency, or other body or component thereof shall lapse. If a department, agency, or other body, or any component thereof lapses pursuant to the preceding sentence, each position and office therein which was expressly created by statute or reorganization plan or the incumbent of which was authorized to receive compensation at the rate prescribed for an office or position at level I, II, III, IV, or V of the Executive Schedule (5 U.S.C. 5312–5316) shall lapse.

SEC. 238. (a) Section 19(d)(1) of title 3, United States Code, is amended by deleting "Secretary of the Interior" and inserting in lieu thereof "Secretary of Natural Resources."

(b) Section 101 of title 5, United States Code, is amended by deleting "The Department of the Interior" and inserting in lieu thereof "The Department of Natural Resources".

(c) Subchapter II of chapter 53 of title 5, United States Code (relating to executive schedule pay rates), is amended as follows:

(1) Section 5312 is amended by deleting "(6) Secretary of the Interior" and inserting in lieu thereof "(6) Secretary of Natural Resources".

(2) Section 5313 is amended by adding at the end thereof the following:

"(20) Deputy Secretary of Natural Resources."

(3) Section 5314 is amended by deleting "(8) Under Secretary of the Interior." and inserting in lieu thereof:

"8(A) Administrator for Land and Renewable Resources."
"8(B) Administrator for Water Resources."
"8(C) Administrator for Energy and Non-Renewable Resources."
"8(D) Administrator for Earth Sciences."
"8(E) Administrator for Resources Research and Development."

(4) Section 5315 is amended by deleting "(6) Assistant Secretaries of the Interior(6)." and inserting in lieu thereof "Assistant Secretaries of Natural Resources(2)."

(5) Section 5315 is amended by deleting "(42) Solicitor of the Department of the Interior." and inserting in lieu thereof "General Counsel of the Department of Natural Resources."

(d) Section 19(d) of, title 3 of the United States Code is amended by deleting "Secretary of the Interior" and inserting in lieu thereof, "Secretary of Natural Resources".

(e) Section 201 of Reorganization Plan Number 2 of 1970 is amended by deleting "Secretary of Interior" and inserting in lieu thereof "Secretary of Natural Resources."

(f) Section 5315 of title 5 of the United States Code is amended by deleting "(7) Administrator, Soil Conservation, Service, Department of Agriculture.".

SEC. 239. The Director of the Office of Management and Budget is authorized to make such additional incidental dispositions of functions, personnel, personnel positions, assets, liabilities, contracts, property, records. and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from available to or to be made available in connection with the functions transferred by this part as he may deem necessary or appropriate to accomplish the intent and purpose of this part.

SEC. 6240. All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal department or agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this part, and

(2) which are in effect at the time this part takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by the President, the Secretary, or other authorized officials, a court of competent jurisdiction, or by operation of law.

SEC. 241. (a) The provisions of this part shall not affect any proceedings pending at the time this section takes effect before any department or agency (or component thereof), functions of which are transferred by this part; but such proceedings, to the extent that they relate to functions so transferred, shall be continued. Orders shall be issued in such proceeding, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this part had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued if this part had not been enacted.

(b) Except as provided in subsection (d)—

(1) the provisions of this part shall not affect suits commenced prior to the date this part takes effect, and

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this part had not been enacted.

(c) No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any department or agency, functions of which are transferred by this part, shall abate by reason of the enactment of this part. No cause of action by or against any department or agency, functions of which are transferred by this part, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this part. Causes of actions, suits, actions, or other proceedings may be asserted by or against the United States or such official as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter any order which will give effect to the provisions of this section.

"(d) If, before the date on which this part takes effect, any department or agency, or officer thereof in his official capacity, is a party to a suit, and under this part any function of such department, agency, or officer is transferred to the Secretary, or any other official, then such suit shall be continued as if this part had not been enacted, with the Secretary, or other official, as the case may be, substituted, curtail, abolish, or terminate his authority to delegate, redelegate, or terminate any delegation of functions.

Sec. 242. If any provision of this part or the application thereof to any person or circumstance is held invalid, the remainder of this part, and the application of such provision to other persons or circumstances shall not be affected thereby.

Sec. 243. (a) The provisions of this part shall take effect one hundred and twenty days after the Secretary first takes office, or on such earlier date as the President may prescribe and publish in the Federal Register, except that any of the officers provided for in title II of this part may be nominated and appointed, as provided in that title, at any time after the date of enactment of this part. Funds available to any department or agency (or any official or component thereof), any functions of which are transferred to the Secretary by this part, may, with the approval of the President, be used to pay the compensation and expenses of any officer appointed pursuant to this subsection until such time as funds for that purpose are otherwise available.

(b) In the event that one or more officers required by this part to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the effective date of this part, the President may designate any officer, whose appointment was required to be made by and with the advice and consent of the Senate and who was such an officer immediately prior to the effective date of the part, to act in such office until the office is filled as provided in this part. While so acting such persons shall receive compensation at the rates provided by this part for the respective offices in which they act.

(e) Final orders and actions of any official or component in the performance of functions transferred by this part shall be subject to judicial review to the same extent and in the same manner as if such orders or actions had been made or taken by the officer, department, agency, or instrumentality in the performance of such functions immediately preceding the effective date of this part. Any statutory requirements relating to notices, hearings, actions upon the record, or administrative review that apply to any function transferred by this part shall apply to the performance of these functions by the Secretary, or any officer or component.

Sec. 244. With respect to any function transferred by this part and performed after the effective date of this part, reference in any other law (including reorganization plans) to any department or agency or any officer or office the functions of which are so transferred shall be deemed to refer to the Secretary or other officials in which this part rests such functions.

Sec. 245. Nothing contained in this part shall be construed to limit, curtail, abolish, or terminate any function of the President which he had immediately before the effective date of this part; or to limit, curtail, abolish, or terminate his authority to perform such function; or to limit, curtail, abolish, or terminate his authority to delegate, redelegate, or terminate any delegation of functions.

Sec. 246. If any provisions of this part or the application thereof to any person or circumstance is held invalid, the remainder of this part, and the application of such provision to other persons or circumstances shall not be affected thereby.

Sec. 247. (a) The provisions of this part shall take effect one hundred and twenty days after the Secretary first takes office, or on such earlier date as the President may prescribe and publish in the Federal Register, except that any of the officers provided for in title II of this part may be nominated and appointed, as provided in that title, at any time after the date of enactment of this part. Funds available to any department or agency (or any official or component thereof), any functions of which are transferred to the Secretary by this part, may, with the approval of the President, be used to pay the compensation and expenses of any officer appointed pursuant to this subsection until such time as funds for that purpose are otherwise available.

(b) In the event that one or more officers required by this part to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the effective date of this part, the President may designate any officer, whose appointment was required to be made by and with the advice and consent of the Senate and who was such an officer immediately prior to the effective date of the part, to act in such office until the office is filled as provided in this part. While so acting such persons shall receive compensation at the rates provided by this part for the respective offices in which they act.

TITLE III—OFFICE OF RESOURCE AND MATERIALS POLICY

Sec. 301. There is hereby established in the Executive Office of the President an Office of Resource and Materials Policy (hereinafter referred to as the "Office".)

(a) The Office shall be composed of three members who shall be appointed by the President by and with the advice and consent of the Senate. The President shall, at the time of nomination, designate one of the prospective members of the Office to serve as Director.

(b) Each of the members of the Office shall be a person, who, as a result of training, experience, and general background, is exceptionally well qualified to participate in the making of natural resource policy by the United States Government; to analyze national needs for renewable and non-renewable resources, including but not limited to, energy, minerals, water, food, and other vital materials; to be conscious of environmental, social, and technological factors involved in the making of resource policy, and to give such factors substantial weight in the policy-making process; to analyze resource policy alternatives, and to formulate and recommend long-range policies which will assure adequate supplies of resources and materials with minimum social dislocations.

(c) Members of the Office shall serve full time. The Director of the Office shall receive compensation at the rate now or hereafter prescribed for offices at level II of the Executive Schedule [5 U.S.C. 5313]. The other members of the office shall be compensated at the rate now or hereafter prescribed for level III of the Executive Schedule [5 U.S.C. 5314].

Sec. 302. It shall be the function of the Office to—

(1) insure communication and coordination among the agencies of the Federal Government which have responsibilities for the development and implementation of resource and materials policy and for the management of resources and materials;

(2) serve as the principal advisor to the President on matters relating to resource and materials policy;

(3) oversee the development of consistent and effective resource and materials policy, and to exercise leadership to insure that domestic and international policies relating to resources and materials are developed and implemented on a timely basis;

(4) insure that sophisticated analytical techniques relating to resource policy and utilizing a full range of available disciplines and technologies are developed both within the Office and by other Federal agencies;

(5) serve as the focal point for aid to state and local governments in the formulation and implementation of resource policy, and to facilitate the coordination of Federal, state and local resource policies so that the goals of each will be advanced.

Sec. 303. The duties of the Office in carrying out its functions shall be as follows: (a) The Office shall formulate policies which will result in Federal agencies identifying critical resources falling within their areas of jurisdiction and responsibility, and maintaining comprehensive statistics and data regarding such critical materials.

(b) The Office shall seek to insure that Federal agencies involved in the making of domestic and international resource policy, including but not limited to, the Departments of Natural Resources, State, Commerce, and Agriculture, and the Environmental Protection Agency, prepare and submit reports to the President and to the Congress at regular intervals. Such reports specify the status of ongoing resource management programs, alternatives for prospective policy decisions, and anticipated occurrences affecting supplies of and demand for critical resources and materials.

(c) The Office shall provide regular reports to the President and the Congress concerning resource policy and potential alternative courses of action to be pursued by the Federal Government in developing, utilizing and conserving natural resources.

(d) The Office shall regularly identify and report to the President on resource policies within the Federal departments which are ineffective, or which conflict with the policies of other Federal departments, or with the policies of units of state or local government, and shall include in such reports recommended courses of action to lessen or eliminate such conflicts.

(e) The Office shall develop independent statistical and information bases, and analytical capabilities. Such informational and analytical capacity shall be used in collecting, analyzing and interpreting data and evaluating and formulating policies for potential long-term application by the United States Government.

(f) The Office shall review legislative recommendations and reports to be sent to the Congress insofar as such proposals pertain to natural resource policy, and after such review, it shall prepare a written report containing its evaluation and position with regard to the contents of the legislation or report. Copies of the Office's report shall be made available to the Congress, the President, and to appropriate Federal agencies.

(g) The Office shall hold public hearings on any report required to be filed by it under this Act on an annual basis, and may hold public hearings on any matter or subject relating to natural resource policy of sufficient public interest to justify such hearings.

(h) The Office shall prepare and submit to the President and the Congress on an annual basis a Natural Resources Plan and Report. That report shall be submitted annually not later than January 1, beginning with January 1, 1977. The report shall include the following:

(1) an identification of resources and materials, which are considered to be of critical importance to the economic and social well-being of the United States at the time of submission of the report and for the foreseeable future;

(2) an estimate of supplies of and demand for critical natural resources during the twenty-five years immediately following the report; (such estimates shall be provided on a year-by-year basis for the first ten years following the year of the report; the subsequent fifteen-year period may be analyzed on the basis of five year increments);

(3) discussions of the assumptions on which supply and demand projections have been based;

(4) descriptions of existing and foreseeable trends in prices, stability of supplies and development of critical natural resources;

(5) description of the current and projected state of the art of existing and future technologies used for development, utilization, or conservation of natural resources, including substitutes for critical resources and materials;

(6) description of current and projected Federal funding for and involvement in research and development of natural resource science and technology.

(7) discussion of Federal options for influencing supply and/or demand for critical materials, including a description of the projected social, environmental, economic, and technological effects of pursuing each potential course of action or a combination thereof;

(8) recommendations for action by the President and the Congress concerning natural resource policy, including but not limited to those concerning—

(A) development of domestic resources;

(B) assurance of foreign sources and reduction of dependence on unstable foreign sources;

(C) conservation of existing critical resources;

(D) development of technologies for conservation, development, and utilization of resources in both the Federal and the private sector, including development of substitutes for and alternatives to existing critical materials;

(E) reduction of negative environmental, social or economic effects of existing or proposed natural resource policy;

(F) improved Federal data, information and analytical capacity by development of new or amended reporting requirements, better monitoring procedures and systems, and expanded and improved systems of analysis;

(G) improved coordination of resource policymaking, and the implementation of effective resource and materials policy by consolidation of existing Federal agencies or the creation of new agencies;

(9) summary of the total cost to the Federal Government of pursuing recommended courses of action, as well as the potential costs of all individual alternative policies discussed.

(i) The Office shall work in conjunction with appropriate Federal agencies in the preparation of the annual plan and report, and is authorized to request or require of any other Federal department or establishment such aid or information as it may require in the preparation of the report.

SEC. 304. (a) To assist the Office in performing its role as overseer and coordinator of Federal executive branch resource policymaking, there is hereby established a Resource and Materials Policy Coordinating Committee. The Committee shall consist of the members of the Office, the Secretary of Natural Resources, the Secretary of State, the Secretary of Commerce, the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, the Director of the Office of Management and Budget, and such other members as the President may designate from time to time.

(b) The Secretary of Natural Resources shall serve as Chairman of the Committee. In his absence, or disability, or in the event of a vacancy in the office of the Secretary, the Deputy Secretary of Natural Resources shall serve as chairman.

(c) The Committee shall meet not less than quarterly for the following purposes:

(1) Identification of potential natural resource policy decisions to be undertaken by Federal agencies;

(2) Coordination of existing and future resource policies between Federal agencies;

(3) Preparation of recommendations for Presidential and Congressional action on natural resource policies.

(d) The Director of the Office and the Secretary of Natural Resources shall be responsible to report to the President not less than quarterly concerning the results of meetings of the Committee, as well as the ongoing resource policy evaluation and recommendations of the Office.

SEC. 305. In the exercise of its functions and duties, the members of the Office shall consult to the maximum degree feasible with representatives from various groups with an involvement and interest in the evaluation and formulation of natural resource policy, including, but not limited to, the scientific community, industry, agriculture, labor, environmental and conservation organizations, State and local governments, and other groups as they deem desirable and feasible.

SEC. 306. The Office may employ such officers and employees as may be necessary to carry out its functions. The Office may also employ and fix the compensation of such experts, consultants or contractors to conduct such research and furnish such information as the Office may deem necessary to assist it in the performance of its functions. The Office may also employ and fix the compensation of such experts, consultants or contractors to the same extent as authorized under Section 3109 of title 5 of the United States Code, but without regard to the last sentence thereof.

SEC. 307. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

(b) Sums appropriated under this section shall remain available for obligation or expenditure in the fiscal year for which appropriated and for the fiscal year next following.

SEC. 308. (a) Section 5313 of title 5 of the United States Code is amended by inserting at the end thereof the following new subsection:

"(22) Director, Office of Resource and Materials Policy."

(b) Section 5314 of title 5 of the United States Code is amended by inserting at the end thereof the following new subsection: "Members, Office of Resource and Materials Policy [2]."

TITLE IV—JOINT COMMITTEE ON ENERGY, MATERIALS AND THE ENVIRONMENT

SEC. 401. (a) There is hereby established a Joint Committee on Energy, Materials and the Environment (hereinafter referred to as "the Joint Committee".)

(b) The Joint Committee shall be composed of eighteen members as follows:

(1) Nine members of the Senate to be appointed by the President of the Senate.

(2) Nine members of the House of Representatives to be appointed by the Speaker of the House of Representatives. Not more than five members appointed from each House of the Congress shall be members of the same political party.

(c) (1) Of the Senate members of the Joint Committee, at least one shall at all times be a member of each of the following standing committees of the Senate: Agriculture, Commerce, Foreign Relations, Interior and Insular Affairs, and Public Works.

(2) Of the House members of the Joint Committee, at least one shall at all times be a member of each of the following standing committees of the House of Representatives: Agriculture, Interior and Insular Affairs, Interstate and Foreign Commerce, International Relations, Science and Technology, and Public Works and Transportation.

(3) No single member of the Joint Committee shall be counted as a member of more than one standing committee designated under subsections (1) and (2) above for purposes of satisfying the requirements of those subsections.

(4) In the event that a vacancy should occur on the Joint Committee resulting in there being no member of the Joint Committee who is also a member of one of the standing committees designated in subsections (1) and (2), the vacancy shall be filled by a member of the standing committee without representation appointed by the President of the Senate or the Speaker of the House of Representatives. In the event that a member of the Joint Committee should change his membership from one of the standing committees designated in subsections (1) and (2), resulting in there being no member of that standing committee on the Joint Committee, the first vacancy occurring on the Joint Committee thereafter shall be filled by a member of the appropriate standing committee appointed by the President of the Senate or the Speaker of the House of Representatives.

(d) Vacancies in the membership of the Joint Committee shall not affect the power of the remaining members to execute the functions of the Joint Committee and shall be filled in the same manner as in the case of the original selection, subject to the requirements of subsection (b) of this section.

(e) The Joint Committee shall select a chairman and a vice chairman from among its members at the beginning of each Congress. The vice chairman shall act in place of the chairman in the absence of the chairman. The chairmanship shall alternate between the Senate and the House of Representatives. During each odd-numbered Congress, the chairman shall be selected by the Senate members of the Joint Committee from among the Senate members of the Joint Committee and the vice-chairman shall be selected in like manner by the House members from among the House members. During each even-numbered Congress, the chairman shall be selected in like manner by House members from among the House members, and the vice-chairman shall be selected in like manner by the Senate members from among the Senate members.

SEC. 402. It shall be the function of the Joint Committee—

(a) To devote continuing attention and study to the development of natural resource policy for the United States Government, including but not limited to matters relating to energy and materials policy and the interrelationship between the development of such natural resources, and the environmental and social impacts of such policies;

(b) To review and evaluate existing and proposed resource policies as they relate to the Congress and the United States Government;

(c) To formulate natural resource policies and to recommend legislation for consideration by the Congress relating to development, utilization and conservation of natural resources;

(d) To monitor and evaluate the coordination and organization of resource policy within the executive branch of the United States Government, between the Congress and the executive branch, and between the United States Government and other governments, both foreign and domestic;

(e) To aid the Congress in the creation of independent and reliable information resources and policy analysis capacity relating to natural resources by working in conjunction with existing Congressional agencies, such as the Congressional Research Service and the Office of Technology Assessment, and by recommending the creation of such new Congressional agencies and resources as it may deem appropriate;

(f) To hold such hearings, and to formulate and issue such reports, legislation and other recommendations relating to natural resource policy, as it may deem appropriate;

(g) To receive and evaluate for the Congress the Annual Natural Resources Plan and Report described in section 302(h), and to submit an independent evaluation and report of the Annual Plan and Report to the Congress not later than June 30 of the year in which the Annual Plan and Report is submitted;

(h) To report to the Senate and the House from time to time (but in no case less frequently than once in every Congress) on its recommendations for Congressional action with regard to natural resource policy.

SEC. 403. (a) The Joint Committee is authorized (1) to sit and act at such places and times during the sessions, recesses and adjourned periods of Congress, (2) to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers and documents, (3) to administer such oaths and affirmations, (4) to take such testimony and hold such hearings, (5) to procure such printing and binding, and (6) to make such expenditures within its appropriations, as it may deem advisable. Subpenas may be issued over the signature of the chairman of the Joint Committee or of any other member designated by him or by the Joint Committee, and may be served by such person or persons as may be designated by such chairman or members. The chairman of the Joint Committee or any member thereof may administer oaths or affirmations to witnesses.

(b) The Joint Committee shall make and publish such rules respecting its organization and procedures as it may deem necessary and advisable, but no recommendation of the Joint Committee shall be reported or printed by the Joint Committee unless a majority of the members assent.

(c) The Joint Committee is authorized to utilize the information, services, personnel and facilities of the departments and establishments of the Government, and to procure the temporary or intermittent services (not to exceed one year) of experts or consultants or organizations, thereof by contract at rates of pay not in excess of the per diem equivalent of the highest rate of basic pay set forth in the General Schedule of section 5332 of title 5, United States Code, including payment of such rates for necessary travel time.

(d) The Joint Committee is authorized to—

(1) Appoint on a permanent basis without regard to political affiliation such professional and clerical staff members as the Joint Committee may deem appropriate;

(2) To prescribe their duties and responsibilities;

(3) To fix their pay at respective per annum gross rates of pay not in excess of the highest rate of basic pay, as in effect from time to time, of the General Schedule of section 5332(a) of title 5, United States Code; and

(4) To terminate their employment as the Joint Committee may deem appropriate.

SEC. 404. (a) The expenses of the Joint Committee shall be paid from the contingent fund of the Senate from funds appropriated for the Joint Committee upon vouchers approved by the chairman.

(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

TITLE V—TECHNOLOGY EVALUATION

SEC. 501. No legislation authorizing Federal support for a program of scientific research and development, whether through grants, loans, loan guarantees or any other means, shall be approved by either the House of Representatives or the Senate unless there shall have been a Technology Evaluation Report included in or accompanying the report of the relevant committee or committees with jurisdiction over the authorizing legislation at the time of consideration by the House or Senate.

SEC. 502. A Technology Evaluation Report shall consist of a report prepared by the committee or committees of the House of Representatives and Senate having legislative jurisdiction over the program of scientific research and development for which Federal support is sought containing the following information concerning the subject program:

(a) description of the current status of the subject research and development program and of individual technologies previously funded or sought to be funded under the program;

(b) summary of amounts of Federal funds previously expended on or committed in connection with the program of research and development, and on individual technologies previously funded or sought to be funded under the program, including yearly summaries for the preceding five fiscal years where applicable;

(c) estimates of the amounts of Federal funding and commitments which will be required to bring the program of research and development to a position of commercial feasibility or such other point as may represent the appropriate end of the initial stage of research and development;

(d) an estimate of the number of years over which Federal support of the subject program may have to be continued;

(e) descriptions of complementary or competing activity by the private sector devoted to research and development of similar or related technologies;

(f) description and evaluation of the potential environmental, social and other effects which could be reasonably expected to result from Federal support of research and development of subject technologies and from the eventual use and commercial application of all or some of the technologies developed under the subject program;

(g) evaluation of potential alternative means for controlling the unfavorable effects of any such technology, including the development of other technologies;

(h) such other information as the committee may deem appropriate and necessary for Congressional evaluation of the subject program.

SEC. 503. (a) The committee charged with legislative jurisdiction of any program of scientific research and development supported by the Federal government is authorized to secure directly from any executive department or agency such information, suggestions, estimates, statistics and technical assistance as it may deem necessary for carrying out its responsibilities for formulation of Technology Evaluation Reports relating to such programs. Each such executive department or agency shall furnish the information, suggestions, estimates, statistics and technical assistance requested directly to the relevant committee upon its request in as expeditious and seasonable a manner as possible.

(b) The committee charged with legislative jurisdiction of any program of scientific research and development supported by the Federal government is authorized and directed to utilize the services of the Congressional Research Service, the General Accounting Office, and particularly the Office of Technology Assessment to provide such assistance as it may deem necessary in the preparation and submission of Technology Evaluation Reports relating to such programs.

(c) The chairmen of the standing legislative committees of the Senate and House of Representatives shall meet with the Technology Assessment Board, the Comptroller General, the Director of the Congressional Research Service, and the leadership from both the majority and minority of the Senate and House of Representatives to provide information relevant to the preparation of Technology Evaluation Reports for the following year. The meeting shall occur within twenty days of the opening of each session of the Congress, and the information provided by the committee chairmen shall include the following:

(1) those programs for which Technology Evaluation Reports would be required which can reasonably be expected to come before each committee during the following year;

(2) the types of information, suggestions, estimates, statistics and technical assistance which can reasonably be expected to be required for the preparation and submission of Technology Evaluation Reports;

(3) the tentative schedule for consideration of various programs requiring preparation and submission of Technology Evaluation Reports by relevant committees during the following year;

(4) such other information as the participants may deem relevant to the orderly preparation of Technology Evaluation Reports and the consideration by the Senate and House of Representatives of relevant legislation for Federal support of scientific research and development.

By Mr. STONE:

S.J. Res. 149. A joint resolution proposing a constitutional amendment on the effective date of increases in congressional salaries. Referred to the Committee on the Judiciary.

Mr. STONE. Mr. President, last July the Congress debated the issue of tying Members' salaries to those of general schedule Federal employees for the purpose of obtaining cost-of-living increases. No one would argue that Members' salaries should not be revised occasionally, but in this instance, when the country was in the grips of recession and everyone agreed Federal spending must be kept to a minimum, the timing and the method could not have been worse. It looked particularly odious to the public to see newly elected, first-term Members voting themselves a raise.

In September, Senator TAFT introduced S. 2386, which would amend the Legislative Reorganization Act of 1946 to prevent Members of Congress from receiving salary increases during the Congress in which the increase was enacted. I have cosponsored this bill and I intend to continue to support it enthusiastically.

Shortly after the bill was introduced and I became a cosponsor, an editorial appeared in the Miami Herald. The editorial mentioned that a constitutional amendment along the lines of the Taft bill had failed of ratification back in the early days of our Nation. With the help of the Library of Congress, I have been able to piece together the history of this amendment.

Nearly 200 years ago James Madison proposed to the House of Representatives a number of amendments to the newly adopted U.S. Constitution. Twelve of these amendments were passed by the House and the Senate and sent on to President Washington in 1791 for transmission to the States. Ten of the amendments were ratified by the requisite 11 States and became our Bill of Rights. Of the two amendments that failed to be ratified one should have been ratified in the opinion of this Senator. The text of that amendment was quite simple and direct. It provided:

> No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened.

Now that a bill has already been introduced on this very subject why should a constitutional amendment be considered? There are several reasons. The first, of course, is the permanence of a constitutional amendment. Only once in our history has an amendment to the Constitution been repealed. Senator TAFT's bill, which would be instrumental in implementing the amendment once it is ratified and which would fill the gap between the time of passage by the Congress and ratification by the States, could be changed as easily as the Federal Salary Act of 1967 was last July.

The second reason is to rectify a mistake made back in the early history of our Nation. Only 6 of the then 14 States ratified the amendment when it was offered back in 1791. The 12 amendments were offered as a group. They were to be a "bill of rights" which many States felt was a necessary addition to the Constitution. The two amendments which failed were not regarded as fundamental individual, personal rights proper for a bill of rights. Additionally, some States did not then think that there should be any amendments to the Constitution because they feared it would endanger the stability of the new Government. Three of these original States did not ratify any of the first 12 proposed amendments until 1939.

My third reason for introducing a constitutional amendment is that the two approaches—statutory and constitutional—are not mutually exclusive, but are complementary. Approaching the problem in two ways makes it more likely that one of the approaches will succeed.

Public sentiment is now clearly antagonistic to Government. When Congress acts as it did recently to tie its salary to general schedule Federal employees for the purpose of obtaining cost-of-living increases, the public has reason to feel distrustful. I do not think that the Congress has often abused its power in this regard, but many people in this country are wary of the potential for abuse. James Madison said it best in his statement of introduction to the amendment in the House of Representatives:

> Perhaps of all the powers granted, it is least likely to abuse; but there is a seeming impropriety in leaving any set of men without control to put their hand into the public coffers, to take out money to put in their pockets; there is a seeming indecorum in such power, which leads me to propose a change.

Time has borne out Madison's sense of the impropriety of the situation. Obviously Congress must always take ultimate responsibility for increasing Members' salaries. My amendment would not take away that responsibility, but it does relieve newly elected Members of having to vote on immediate salary increases for themselves and, theoretically at least, relieves all Representatives of necessarily voting themselves a raise. The amendment removes the belief that there is a conflict of self-interest which inevitably arises in the citizens' minds whenever a salary increase for current Members is proposed.

Mr. President, I ask unanimous consent that the text of the Senate joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 149

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years after the date and final passage of this joint resolution:

"ARTICLE —

"SECTION 1. No law varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened.

"SEC. 2. Congress shall have the power to enforce this article by appropriate legislation."

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1379

At the request of Mr. FANNIN, the Senator from Georgia (Mr. NUNN), the Senator from Hawaii (Mr. FONG), the Senator from Alabama (Mr. SPARKMAN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Kentucky (Mr. FORD), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 1379, a bill to provide for tax credits for certain applications of solar energy equipment, and for other purposes.

S. 2006

At the request of Mr. THURMOND, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 2006, a bill to amend the Internal Revenue Code of 1959 to provide that members of Reserve components of the Armed Forces who are not serving on active duty or as National Guard technicians may establish individual retirement accounts.

S. 2229

At the request of Mr. BAYH, the Senator from New Jersey (Mr. CASE) and the Senator from Iowa (Mr. CLARK) were added as cosponsors of S. 2229, a bill to direct the National Commission on the Observance of International Women's Year, 1975, to organize and convene a National Women's Conference and for other purposes.

S. 2426

At the request of Mr. DOLE, the Senator from Connecticut (Mr. WEICKER) and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 2426, a bill to establish a reduced rate of postage for letters sealed against inspection mailed by private citizens.

S. 2598

At the request of Mr. PACKWOOD, the Senator from Iowa (Mr. CLARK) was added as a cosponsor of S. 2598, the Dairy and Meat Import Inspection and Identification Act of 1975.

S. 2642

At the request of Mr. THURMOND, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 2642, a bill to authorize the Secretary of the Interior to establish the Old Ninety-Six and Star Fort National Historical Park in the State of South Carolina, and for other purposes.

SENATE JOINT RESOLUTION 115

At the request of Mr. DOMENICI, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of Senate Joint Resolution 115, relating to the publication of economic and social statistics for Americans of Spanish origin or descent.

SENATE CONCURRENT RESOLUTION 66

At the request of Mr. HATFIELD, the Senator from Washington (Mr. MAGNUSON) and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of Senate Concurrent Resolution 66, declaring as national policy the right to food.

SENATE RESOLUTION 311—SUBMISSION OF A RESOLUTION RELATING TO TIME LIMITATIONS ON COMMITTEE CONSIDERATION OF LEGISLATION

Mr. TUNNEY submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 311

Resolved, that—

(1) Rule XIV of the Standing Rules of the Senate shall be amended by inserting the following language at the end of subsection 3 thereof: "At any time subsequent to the second reading of a bill, it shall be in order for any Senator to move (a) that the bill be committed to more than one standing committee, with such committees to consider the bill either simultaneously or in a specified order; or (b) that the standing committee or committees to which a bill is committed shall be discharged from the consideration of the bill if the bill shall not have been reported within a specified period of time. Such motions for multiple committal, and for time limits on committee consideration of a bill shall be considered immediately, except that a motion to impose limitations on the duration of committee consideration of a bill shall lie over one day for consideration, unless by unanimous consent the Senate shall otherwise direct.

(2) Rule XXVI of the Standing Rules of the Senate shall be amended by inserting

at the end thereof the following new language: "Such instructions shall include but not be limited to instructions that the bill in question be referred to more than one standing committee or that a limit in duration be imposed on the committee's consideration of the bill in question as provided in Rule XIV, *Provided* that a motion to impose limitations on the duration of committee consideration shall lie over one day for consideration, unless by unanimous consent the Senate shall direct otherwise."

(3) Rule XIV of the Standing Rules of the Senate shall be amended by inserting at the end thereof the following new subsection: "7. When a bill shall be received by the Senate from the House of Representatives which was passed by a favorable vote of more than three-fifths of the members of the House of Representatives present and voting, the Senate, before committing the bill to a standing committee, shall consider a motion that the duration of the relevant committee's consideration of the legislation be limited to a period of ninety calendar days or less. The motion shall lie over one day for consideration after receipt of the bill, unless the Senate shall decree otherwise by unanimous consent. Not later than one hour after the end of the one-day period, the Senate shall vote on whether to limit the duration of committee consideration. The motion shall not be open to amendment, except to specify a limitation on the duration of committee consideration of less than ninety days."

SENATE RESOLUTION 312—SUBMISSION OF A RESOLUTION TO IMPROVE THE LEGISLATIVE OVERSIGHT PROCESS

Mr. TUNNEY submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 312

Resolved, that:

Rule XXV of the Standing Rules of the Senate shall be amended by adding at the end thereof the following new subsection:

8. (a) Each standing committee of the Senate (other than the Committee on Appropriations and the Committee on the Budget) shall establish a subcommittee with primary responsibility for carrying out legislative oversight. Such subcommittees shall study and review, on an ongoing basis—

(1) the operation, application, execution and effect of those laws or policies implemented by the Federal government falling within the legislative jurisdiction of their respective committees;

(2) the administration, operation and organization of those Federal agencies, entities and instrumentalities responsible in whole or in part for the implementation of laws or policies falling within the legislative jurisdiction of their respective committees to the extent that such administration, operation and organization falls within such legislative jurisdiction;

(3) those conditions suggesting the need for revision, modification or other changes in laws, policies, agencies, entities or instrumentalities falling within the legislative jurisdiction of such committees to the extent that such changes would permit the more effective operation of such laws, policies, agencies, entities or instrumentalities;

(4) to the extent practicable, the prediction, and forecasting of those trends, policies, or other results which may reasonably be expected to occur in the foreseeable future as the result of the operation and implementation of laws, policies, agencies, entities or instrumentalities falling within the legislative jurisdiction of such committees.

(b) The establishment of legislative subcommittees shall in no way limit the powers and responsibilities of other subcommittees of standing committees with legislative jurisdiction from carrying out their responsibilities for legislative oversight.

(c) At the beginning of each session of Congress, an appropriate representative of the Committee on Government Operations shall meet with appropriate representatives of each of the standing committees of the Senate to discuss the oversight plans of such committees, with particular respect to the plans of oversight subcommittees of such committees, and to assist in coordinating all of the oversight activities of the Senate during such session. Within 30 days after the opening of each session, the Committee on Government Operations shall report to the Senate the results of such meetings, and discussions, along with recommendations of appropriate action to assure the most effective coordination of oversight activities, and to accomplish any of the other objectives of this section.

(d) No person shall serve as chairman of an oversight subcommittee for a period of time exceeding four years. Once any chairman of an oversight subcommittee has served for four years, or has left the chairmanship of such subcommittee for any reason, that person shall not be eligible to serve as subcommittee chairman subsequently until such time as each member of the majority of the committee at the time of the affected Senator's service as chairman of the subcommittee shall have been given the opportunity to serve as chairman of such subcommittee, *Provided that* this condition shall not apply in the case of any Senator who ceases to be a member of the legislative committee subsequent to the subcommittee chairmanship of the affected subcommittee chairman.

AMENDMENTS SUBMITTED FOR PRINTING

SUSPENSION OF DUTIES ON CERTAIN YARNS OF SILK—H.R. 7727

AMENDMENT NO. 1157

(Ordered to be printed and to lie on the table.)

Mr. JOHNSTON submitted an amendment intended to be proposed by him to the bill (H.R. 7727) to extend for an additional temporary period the existing suspension of duties on certain classifications of yarns of silk.

THE 200-MILE LIMIT FISHING CONSERVATION ZONE—S. 961

AMENDMENTS NOS. 1158 AND 1159

(Ordered to be printed and to lie on the table.)

Mr. STEVENS. Mr. President, during Thanksgiving recess I visited five of the major fishing towns in Alaska to answer questions and gage the support for S. 961, a bill which would establish a 200-mile limit fishing conservation zone. I was fortunate enough to be able to visit with fishermen in Kodiak, Cordova, Juneau, Sitka, and Ketchikan.

During these discussions I found almost unanimous support for the concept of the United States unilaterally extending its fisheries conservation jurisdiction to 200 miles. Most of the questions and comments concerned the proper role of the Federal Government in the fishery management program.

Because of the discussions I had in the State, and in particular with the Kodiak fishermen, I would like to offer two amendments to S. 961. I believe these amendments will help to clarify the proper relationship between competing jurisdictions in the management plan set forth in this bill.

The first amendment pertains to section 101(b) and makes clear that the respective coastal State retains management control over anadromous species within its boundaries. This language is consistent with existing language in S. 961 and clarifies the existing language which is somewhat confusing. Both section 205 and the language of the Commerce Committee report provide that State jurisdiction will not be diminished with their boundary by the implementation of S. 961. Of course, for fisheries management to be effective teamwork will be required between the States and the Regional Fishery Management Councils.

Some fishermen were also concerned over the possibility of the unilateral imposition of a Federal limited entry system by the Secretary of Commerce. While the Commerce Committee in setting up the management scheme envisioned the regional council as the legislative branch for fishery management it did allow for the Secretary to promulgate regulations when an impasse was reached with a regional council.

Mr. President, I believe that this authority would and should only be used in the most unusual and extreme circumstances. Limited entry, however, in my view is not one of those instances. The regional council will be best equipped to make the hard determination of whether a Federal limited entry program is necessary for a particular species and what form this program should take. Accordingly, I suggest amending S. 961 to prohibit the Secretary's authority in this area. This is the type of decision that should be made regionally and not in Washington, D.C.

Mr. President, I ask unanimous consent that the text of my amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1158

On page 38, line 23, insert the following: after "Nation," add: "or within the jurisdiction of any State,".

AMENDMENT NO. 1159

On page 57, line 14, insert the following: after "rulemaking" add: "The Secretary shall have no authority to promulgate regulations establishing a Federal limited entry program as described in section 203(b)(2)."

OMNIBUS DISTRICT JUDGESHIP BILL—S. 287

AMENDMENT NO. 1160

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY. Mr. President, I am today submitting an amendment to S. 287, the 1975 omnibus district judgeship bill. This amendment is cosponsored by the senior Senator from New York (Mr. JAVITS).

The bill, in its present form, would provide for the addition of 45 new Federal district judgeships in 43 judicial districts. Our amendment would, in addition, authorize a new judgeship for the Northern

District of New York, which would otherwise remain at its present level of two judges.

The Northern District of New York is one of the larger judicial districts in the country, consisting of 3 million people scattered over 29 upstate New York counties, including eleven major cities. Since 1927, the northern district has labored under the burden of a burgeoning caseload and a static level of judicial resources. Its two judges now find themselves increasingly unable to cope with the growing workload demands which confront them.

For this reason, the Judicial Conference of the United States recommended that the northern district be authorized an additional judgeship; and the Senate's Subcommittee on Improvements in Judicial Machinery approved of the addition of the third judge. The Committee on the Judiciary, however, deleted the proposed judgeship from the final draft of the bill, citing partially inaccurate statistical information, and misapplying perfunctory standards.

It is our contention that the committee misapplied its own standards in refusing to approve the new judgeship for the northern district.

The standard of need adopted by the committee in deciding whether to recommend additional judgeships required a successful district-applicant to show two out of three of the following circumstances: First, "bench time" averaging 110 days or more per judge per year; second, annual case terminations in excess of 358 per judge; and, third, yearly case filings equal to or in excess of 400 per judge. Although it was in possession of figures dealing with fiscal years 1972 through 1975, the committee chose to rely solely upon 1975 figures in making their determination. In addition, the committee required a showing that the applicant district has made efficient use of existing judicial resources.

The committee's first requirement—that of 110 "bench days" annually—deals with the amount of time spent by each judge at trials, arraignments, naturalization proceedings, sentencings, and hearings of various types. The rationale behind this criteria is that an excessive load of hearing-type activities prevents a judge from devoting sufficient time to deliberation on opinions in cases under consideration. The statement in the report of the Committee on the Judiciary misstates the bench time spent by judges in the northern district. The northern district actually recorded a total of 78 trial days and 39 "court days" per judge in fiscal year 1975. Therefore, the 117 total bench days spent by each of the judges of the northern district in 1975 exceeds the 110 days required by the committee.

With reference to the total number of terminations per judge—the committee's second criterion—the northern district figure of 354 falls short of the committee requirement of 358 by only four cases. Over the 4-year period for fiscal years 1972–75, the court averaged 406 terminations per judge per year—almost 50 cases in excess of the minimal figure. During that period, only 1 of 4 years fell below the standard of need outlined by the committee. Furthermore, terminations steadily increased during the 3 fiscal years immediately preceding 1975. Ergo, it is particularly inappropriate that the committee rely solely on terminations during a year in which terminations were abnormally low and in contradiction to a rising trend.

Finally, there is the question of the number of filings. The Judiciary Committee cutoff point was 400 filings per judge annually. The Northern District of New York recorded a total yearly average of 402 filings per judge between fiscal years 1972 and 1975. Although there has been a temporary slump in the last 2 fiscal years from a high of 467 filings per judge to a low of 365, there are strong indications that this is not indicative of a permanent trend. During the first half of calendar year 1975, for instance, 107 filings were recorded in criminal cases alone. This represents a considerable increase from the number of criminal filings during the first half of the previous year; and, assuming civil filings continue at their present level, will result in a caseload of at least 408 filings per judge during fiscal year 1976. In view of the fact that the temporary drop in filings during the last 2 years has been the result of a lower number of criminal filings, it is particularly significant that the U.S. attorney for the Northern District of New York has indicated that the resurgence of criminal filings during that last half of fiscal year 1975 is more representative of the permanent state of affairs.

In short, an impartial investigation of the filings, terminations, and bench time in the Northern District of New York during the 4 years which have elapsed since the last congressional consideration of the addition of judges leads to the conclusion that the district satisfies all three requirements laid down by the Judiciary Committee as prerequisites to a recommendation for additional judgeships.

There are, however, conditions particularly reflective of an onerous caseload in the northern district which may not be discerned through the application of the committee criteria.

In the first place, the considerable size of the district and its consequent circuit nature place a burden on judicial resources. One of the two judges must travel between Syracuse, Utica, and Auburn during inclement winter months in order to hold trial and motion terms in those disparate locations. In addition, the clerk's office and the U.S. marshal's office are located in Utica—90 miles distant from the chambers of Chief Judge Foley in Albany. Both of these factors place intolerable travel burdens on the judges and their staffs, and could be relieved by the addition of an extra judge to hold court in two of the aforementioned cities.

In the second place, the 4,000 prisoners located in New York State correctional facilities within the district file a disproportionate number of time-consuming prisoner petitions and petitions for habeas corpus. These are not reflected in the committee figures, but have resulted in a substantial drain on judicial time and resources.

Finally, and most importantly, the northern district, unlike 32 of the 40 districts or district-combinations recommended for additional judgeships by the committeee, does not have the services of a full-time magistrate. The committee rightly points out the importance of the magistrate, who, although not permitted to perform some judicial functions, can be of considerable assistance in relieving judges of many of the routine tasks involved during the early stages of litigation. That the omission is crucial may be seen by the fact that the filings per full-time judicial official, that is, judge or magistrate—in the northern district of New York in 1975 exceeded the number of filings per full-time judicial official in 18 of the 40 districts and consolidated districts recommended for extra judgeships by the committee. Hence, it can be seen that, even employing the understated 1975 figures relied on by the committee, the judicial burden on the two judges of the northern district is more severe than that of a substantial number of the districts recommended for judgeships.

The veracity of what has been said can be amply demonstrated by the practical barometer of judicial stress—the "visiting judge time" donated and received by a district. The northern district has consistently relied on the services of visiting judges during the fiscal years 1972–75. In 1975, it received 101 days, amounting to nearly one-half year's work on the part of a visiting judge. Furthermore, unlike many of the districts receiving new judgeships, it has not had the resources to donate any visiting judge time in the past 4 years. In contrast to district courts in Puerto Rico, Miami, Phoenix, and San Francisco, the reliance of the northern district of New York on visiting judges can hardly be attributed to its agreeable climate during winter months.

In summary, both the Judiciary Committee's own standards, fairly applied, and other factors not considered by the committee's limited analysis would demand that the judicial burden on the two judges of the northern district of New York be relieved by the appointment of an additional judgeship to that district. Consequently, we urge support of the amendment.

VOLUNTARY MUNICIPAL REORGANIZATION ACT OF 1975—S. 2615

AMENDMENT NO. 1161

(Ordered to be printed and to lie on the table.)

Mr. TOWER (for himself, Mr. JAVITS and Mr. BROOKE) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2615) to provide for a voluntary reorganization of municipal debt under conditions of fiscal reform, and for other purposes.

AMENDMENT NO. 1162

(Ordered to be printed and to lie on the table.)

Mr. TOWER submitted an amendment intended to be proposed by him to the bill (S. 2615), supra.

RAIL SERVICES ACT OF 1975—S. 2718

AMENDMENT NO. 1163

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY. Mr. President, I am concerned that the proposed Rail Services Act of 1975 does not contain provisions for studying possible ways to improve management and labor productivity.

As for management productivity, an article in the Business Week of September 29, 1975 alleges that the Rock Island Railroad has experienced a dramatic turnaround in its earning power as a result of its current management by operating men who believe in its viability, rather than by lawyers and financiers. If this article is to be believed, the potential savings from improved railroad management could be substantial.

As for labor productivity, the Lehigh Valley Railroad Co. has submitted a statement dated July 16, 1975 to the Senate Surface Transportation Subcommittee which details allegedly costly work rules currently in effect. The railroad work rules controversy is an old one which has received extensive press coverage over the years.

I have prepared an amendment which directs the Department of Transportation to study the problem of labor and management productivity and—if necessary—recommend legislation to implement a plan for reform. This plan would have to provide for ways to protect existing railroad employees. We have very little to lose by financing such a study, which can be discarded if its methodology turns out to be unsound. In view of the Federal Government's $120,000 study of the effects of alcohol on the aggressiveness of territorial fish, it is hard to imagine how this study could be a bad investment.

Mr. President, I send my amendment to the desk and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1163

On page 238, add the following:

TITLE X—LABOR-MANAGEMENT PRODUCTIVITY STUDY

FORMULATION OF PLAN

SEC. 1001. The Secretary of Transportation shall, not later than one year after the date of enactment of this Act, formulate and report to the Congress a study of possible ways to improve labor and management productivity in railroad operations, including recommendations for necessary legislation to implement such plan and protect existing railroad employees.

AUTHORIZATION

SEC. 1002. There are authorized to be appropriated such amounts as are necessary to carry out the provisions of this title.

AMENDMENT NO. 1164

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY. Mr. President, one particular aspect of the proposed Rail Services Act of 1975 gives me grave concern as to its implications for the future. The aspect in question would allow the provisions for rehabilitation and improvement financing in title V of the act to be used to bail out the REA Express Co. I raised the issue of aid to REA Express before the Surface Transportation Subcommittee, but the provisions allowing such aid were retained in the committee print with the frank admission that they might well be used to salvage the company's operations.

By way of background information, REA Express is the motor carrier successor to the old Railway Express Agency, which became defunct when the railroads terminated their express package service and sold the corporation to individuals who wanted to convert it into a motor carrier operation.

However, REA Express traffic has been steadily declining, and it has now become bankrupt. Its annual reports to the Interstate Commerce Commission show that its total operating revenue decreased from approximately $270 million in 1969 to approximately $264 million in 1973—a good year for business. REA Express is nothing more than a motor carrier operation which has been steadily losing business to other motor carrier competitors. Unlike the situation with the railroads, it is lack of a market due to inability to compete which is responsible for the problems of REA Express, and not Government regulations or unequally applied subsidies.

I oppose aid to REA Express for the same reason that I opposed aid to Lockheed. The Federal Government should not prop up business enterprises which have become defunct as a result of mismanagement or natural market conditions. Abusive corporate welfarism can be as bad as abusive individual welfarism.

Of course, it will always be argued that we must aid failing enterprises in order to protect employees. However, while employees can be given unemployment benefits to help them out, there is no reason to subsidize a failing business. Whenever any firm goes out of business due to poor management or a dropoff in demand for its goods and services, an argument can be raised that people will become unemployed, but we obviously cannot keep all such firms in business. There is nothing special about REA that could warrant extraordinary subsidies.

There may be a small number of points which do not have service by REA's competitors—United Parcel, Intermodal Express, and so forth—but this would not justify keeping REA in existence by subsidy. REA's competitors can fill in whatever service gaps may exist, if the Interstate Commerce Commission will permit them to earn renumerative rates.

Accordingly, I have prepared an amendment which will delete express companies from the category of businesses which are eligible for aid under title V.

Mr. President, I send my amendment to the desk and I ask that it be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1164

On page 5, line 14, strike "or express".

On page 73, line 5, strike "express".

On page 73, line 7, strike "express companies and".

NOTICE OF HEARING ON SUPREME COURT NOMINEE

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I wish to give notice that a public hearing has been scheduled for Monday, December 8, 1975, at 10:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

John Paul Stevens, of Illinois, to be an Associate Justice of the Supreme Court of the United States, vice William O. Douglas, retired.

Any person wishing to testify either in support of or in opposition to this nomination shall, not later than 9:30 a.m., December 8, prior to the commencement of these hearings, file with the committee a written request to be heard and a written statement of his proposed testimony.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Richard N. Moore, of Tennessee, to be U.S. Marshal for the Western District of Tennessee for the term of 4 years, vice George R. Tallent, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, December 8, 1975, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

POLITICAL RIGHTS OF WOMEN CONVENTIONS — ANNOUNCEMENT OF HEARINGS

Mr. SPARKMAN. Mr. President, on behalf of the Committee on Foreign Relations, I wish to announce that the committee plans to hold hearings on the Inter-American Convention on the Granting of Political Rights to Women, signed on May 2, 1948 (Ex. D, 81–1), and the Convention on the Political Rights of Women (Ex. J, 88–1), transmitted to the Senate on July 22, 1963. These hearings are scheduled to take place on December 12, 1975.

All persons interested in presenting testimony are invited to communicate with the committee as early as possible.

ANNOUNCEMENT OF HEARINGS

Mr. JACKSON. Mr. President, in accordance with the rules of the Committee on Interior and Insular Affairs, I wish to advise my colleagues and the public that the following hearings and business meetings have been scheduled before the committee for the next 2 weeks:

December 2, full committee, 10 a.m., room 3110, business meeting, pending calendar business.

December 2, House-Senate conference, 2 p.m., room S–126, Capitol, H.R. 49, Petroleum Reserves on Public Lands.

December 2, House-Senate conference, 3 p.m., room H–139, Capitol, H.R. 3474, ERDA authorization 1976.

December 3, Indian Affairs subcommittee, 10 a.m., room 3110, hearing, S. 2010, providing for the improvement of law enforcement and the determination of civil and criminal jurisdiction and law in Indian country and general jurisdictional programs and issues in Indian country.

December 3, full committee, 10 a.m., room 224, RSOB, hearing, to consider recommendations for new compact between the United States and Puerto Rico.

December 4, Indian Affairs subcommittee, 10 a.m., room 3110, hearing, S. 2010, providing for the improvement of law enforcement and the determination of civil and criminal jurisdiction and law in Indian country and general jurisdiction programs and issues in Indian country.

December 5, energy research and water resources subcommittee, 9 a.m., room 3110, hearing, investigation of ERDA contract to Bechtel Corp.

December 9, full committee, 10 a.m., room 3110, business meeting, pending calendar business.

December 11, full committee, 10 a.m., room 3110, hearing, S. 1687 and S. 1688, Alaska D–2 land proposals.

ANNOUNCEMENT OF HEARINGS ON THE WATERGATE REFORM LEGISLATION BEFORE THE COMMITTEE ON GOVERNMENT OPERATIONS

Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Government Operations will continue hearings on the Watergate Organization and Reform Act of 1975 (S. 495) Wednesday and Thursday, December 3 and 4, beginning each morning at 10 a.m. in room 3302, Dirksen Building. The bills before the committee will be S. 495, S. 192, S. 2036, S. 2098 and S. 2295. In addition, the committee will be considering amendments Nos. 813 and 495 proposed to S. 495.

Testimony will be heard from the following witnesses Wednesday, December 3: Michael M. Uhlmann, Assistant Attorney General, Office of Legislative Affairs, Department of Justice; Lloyd N. Cutler, attorney, Wilmer, Cutler and Pickering, Washington, D.C.

On Thursday, December 4: Senator CLIFFORD CASE, Republican of New Jersey; Congressman ROBERT KASTENMEIER, Democrat of Wisconsin; and David Cohen, president of Common Cause.

Those wishing to comment on these proposals are invited to submit their comments or views to the Senate Government Operations Committee. The committee's office number is 224–4751.

ANNOUNCEMENT OF PUBLIC HEARINGS BEFORE THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JACKSON. Mr. President, I would like to announce, for information of the Senate and the public, the scheduling of a public hearing before the Senate Interior and Insular Affairs Committee.

The hearing is scheduled for December 11, 1975, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building. The committee will receive testimony from the Alaska congressional delegation and the Department of the Interior on S. 1687, S. 1688 and S. 2676, three bills which designate certain public lands in the State of Alaska for inclusion in the four national conservation systems in accordance with section 17(d)(2) of the Alaska Native Claims Settlement Act. As you know, Mr. President, these hearings were originally scheduled for November 18, but had to be postponed.

For further information regarding the hearings, you may wish to contact Mr. Steven Quarles of the committee staff on 224–9894.

NOTICE OF HEARINGS ON CERTAIN INDIAN JURISDICTION

Mr. ABOUREZK. Mr. President, I wish to inform my colleagues in the Senate and the Indian community that the Subcommittee on Indian Affairs has scheduled a hearing on Indian jurisdiction and S. 2010, the Indian Law Enforcement Improvement Act of 1975, on December 3 and 4, 1975.

The proposed measure seeks to provide Indian tribes in several States an opportunity to reacquire civil and criminal jurisdiction assumed by the States pursuant to Public Law 83–280. The express purpose of that public law was to grant broad discretionary authority to the States to assume civil and criminal jurisdiction over Indian reservations within their borders.

Since the approval of Public Law 83–280 in the mid-1950's, Indian leaders have opposed its provisions and contend that State assumption of civil and criminal jurisdiction on their reservations has led to deteriorating law and order and justice for Indian people.

The 2-day hearing will be limited to witnesses from the Indian community to provide them with sufficient time to testify on this complex issue and proposed legislation. I intend to schedule further hearings on S. 2010 in the Second Session of this Congress to obtain the views of the administration along with State and local government officials.

The December 3 and 4 hearing is open to the public and will commence at 10 a.m. on both days in room 3110, Dirksen Senate Office Building.

NOTICE OF HEARINGS ON SECURITIES ACTIVITIES OF COMMERCIAL BANKS

Mr. WILLIAMS. Mr. President, I wish to announce that the Subcommittee on Securities of the Committee on Banking, Housing and Urban Affairs will hold 2 days of hearings in connection with its study of the Securities Activities of Commercial Banks. The hearings will be held on December 9 and 10, 1975 at 10 a.m. in room 5302 of the Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

RIPON SOCIETY PRESIDENT OPPOSES BAILOUT OF NEW YORK CITY BY FEDERAL GOVERNMENT

Mr. HARRY F. BYRD, JR. Mr. President, the president of the liberal-oriented Ripon Society wrote an excellent letter to the Washington Post in opposition to a Federal bailout of New York City.

I commend to the Senate this letter by Richard W. Rahn and ask unanimous consent it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONSEQUENCES OF A FEDERAL LOAN TO NEW YORK

Hobart Rowen's recent articles concerning the fiscal plight of New York, and in particular his Oct. 26 column, reveal his compassionate concern for the citizens of New York, but a disturbing lack of understanding of the probable economic consequences of a federal loan guarantee.

There are several facts which ought to be considered. First, New York still has not faced financial reality. It has not yet put together a balanced budget. Productivity among many civil servants, such as the sanitation workers, continues to be appallingly low compared to most other cities. New York is still providing services at little or no cost to its citizens that no other major city in the country attempts. Yet the City is devouring its own property tax base by its failure to abolish rent control.

A federal guarantee of New York City bonds has a good probability of costing all Americans billions of dollars if or when the City defaults. Why should the citizens of the District of Columbia, Maryland and Virginia pay for the inefficiency and generosity that New Yorkers bestow upon themselevs but are unwilling to pay for?

The argument is given that if New York defaults other cities and states will not be able to sell their bonds. This argument assumes that bond buyers are not able to distinguish between high and low credit risks. The evidence is overwhelming to the contrary. For instance, the State of Maryland and Fairfax County, Virginia had no problem selling their bonds recently at very favorable rates.

If New York defaults, there is no reason for the City to collapse. Its underlying economic strength and massive flow of tax revenues will continue. A mechanism does need to be developed, however, to enable the City to set priorities between postponable payments such as interest and principal payments on bonds, payments to nonessential vendors, etc., and those necessary payments, such as salaries to essential employees.

It is also argued that New York is burdened with an unfair share of welfare costs. This is at least a debatable proposition, but the fact remains that the costs were known to the City and should have been properly budgeted for. The issue of federal support of welfare ought not to be commingled and confused with the issue of New York's fiscal mismanagement.

The major beneficiaries of a fiscal bailout of New York will be the big banks and the municipal unions. Banks such as Morgan Guarantee, Chase Manhattan, and First National City Bank are supposed to be experts at evaluating risk. Should they not suffer when they are wrong? The banks and other bondholders will in all likelihood, eventually receive their principal but will suffer the loss of the interim interest payments. This will not lead them into bankruptcy, but will reduce their profits. Justice would be best served by the New York City bondholders suffering a profit loss than by the Iowa farmer enduring higher taxes.

Finally, what will be the consequences of a federal loan guarantee for New York City bonds? If the guarantee is not extended to all local governments New York City bonds will have an advantage in the bond market over all other jurisdictions. If federal bond guarantees are given what will be the incentive to manage local government in a responsible and prudent manner? With some reflection, one can see where the consequences of the proposed "federal" solutions to New York City's problem will, in all likelihood, be more serious than the natural cure to New York's problem.

The real questions are: where do we draw the line concerning governmental fiscal mismanagement and who ought to pay for such mismanagement?

THE OCCUPATIONAL SAFETY AND HEALTH ACT

Mr. CURTIS. Mr. President, it is no great secret that I have been proposing amendments to limit the scope of the Occupational Safety and Health Act since it was passed in 1970.

I think the act is onerous and unfair to small businesses and I can now document the inflationary burden of the act on all consumers in the country and its deleterious effect on the national debt.

I call your attention to an article which appears in the issue of November 24 of the U.S. News & World Report, entitled "Protecting People on the Job; ABC's of a Controversial Law."

In discussing whether OSHA is worth its cost, the article cites:

> The Occupational Safety and Health Administration spent 293.3 million dollars from April, 1971, through fiscal 1975. It has requested 116 million for the fiscal eyar that began July 1. That's small potatoes compared with what OSHA regulation is costing business. One estimate put corporate expenses for compliance at 3.12 billion dollars for this year alone.

And the upshot of all this—a wave of "regulatory" spending which fans the inflationary fires, blowing smoke in consumers' faces. I quote:

> Businessmen say little of this expense adds to efficiency and that much of it will have to be passed to customers through higher prices.

If no other logic appears to my colleagues, let us consider tight revision of OSHA in the fight against inflation and in the battle for a balanced budget and a healthy economy.

Recently, I succeeded in adding an amendment to a Senate Labor-HEW appropriations bill that would have exempted employers having three or fewer employees from requirements of OSHA.

That amendment would have been at least a first step toward rethinking the act to make it fairer to small businessmen. But it was struck out by conferees on the Senate-House versions of the appropriations bill.

A bitter blow to the state of our economy!

And so the burden on small companies grows unchecked. This week's U.S. News and World Report article points out that burden.

> The agency frequently is accused of picking on small companies. The National Federation of Independent Business charges OSHA administrators with using small firms as "guinea pigs" to establish legal precedents and to build up a record of successful cases.
>
> Overburdened small businessmen, the group contends, would rather pay fines than hire attorneys and travel to far-off hearings before review boards.

At the same time, as the article points out,

> More than 300 hazardous conditions were discovered in the OSHA agency's own building in Washington, D.C. Example: The cabinet of a fire extinguisher had no handle and was sealed shut with paint.

The article points to many of the arguments I have been making since the act was enacted in 1970, "after 2 years of all-out lobbying for it mainly by the AFL–CIO and some other labor union groups." Now, say some businessmen,

> The OSHA agency is heavily staffed with union sympathizers.

Well, whoever is staffing OSHA is making it pretty hard to comply with standards which now fill 450 pages.

> An official of the National Association of Manufacturers maintains that soon "there will not be enough medical, clerical and industrial-hygiene personnel within this country to perform the duties required by the standards."
>
> . . . Even the Federation of American Scientists found the language of these edicts "convoluted beyond recognition."

I am happy that a national news magazine has seen fit to suggest that the Occupational Safety and Health Act should be reviewed and revised. I hope we in Congress have the courage to undertake that responsibility.

Mr. President, I ask unanimous consent that the article I have alluded to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROTECTING PEOPLE ON THE JOB: ABC'S OF A CONTROVERSIAL LAW

Important changes are taking place in the Government's costly and much-critized program to make workplaces in America safer and more healthful.

For 4½ years the Occupational Safety and Health Act, known widely as "OSHA," has affected about 5 million firms as well as most federal and State agencies—about 3 of every 4 workers.

Almost every phase of the law's implementation has stirred controversy. It has embittered employes as well as employers. Some detractors call OSHA "a four-letter obscenity."

Now, under pressure, changes are coming. For a look at what is in the works—and for answers to some questions that are being asked—*U.S. News & World Report* went to top authorities.

First of all, what is OSHA?

It's a law requiring virtually all employers to make sure that their operations are free of hazards to workers.

OSHA was enacted in July, 1970, after two years of all-out lobbying for it mainly by the AFL–CIO and some other labor-union groups. Proponents wanted sweeping action by Washington to reduce on-the-job injuries, illnesses and deaths which they claimed had reached shocking dimensions.

The Act, 31 pages in length, went into effect on April 28, 1971. The Occupational Safety and Health Administration was formed in the Labor Department to issue and enforce standards, which now fill 450 pages.

Why do workers complain about OSHA?

Some claim that new rules are silly and that they cramp work styles. Others fear the Government's power to shut down their workplace if it's considered unsafe.

The complaint of labor-union chieftains is different. They say that the Administration enforces the regulations halfheartedly and has moved too slowly in setting additional standards for health and safety.

What irks businessmen about OSHA?

Many things. Businessmen say the law has added vastly to equipment expenses, administrative tasks and management headaches.

Further, many executives complain that the law is stacked against their firms and has been carried out in an irrational, often harassing, manner. They also complain of overwhelming red tape and paper work. An official of the National Association of Manufacturers maintains that soon "there will not be enough medical, clerical and industrial-hygiene personnel within this country to perform the duties required by the standards."

The sheer bulk and complexity of rules torments many businessmen. Even the Federation of American Scientists found the language of these edicts "convoluted beyond recognition."

One set of OSHA rulings goes on page after page, using trigonometric equations, to define "ladder" and "exit."

Among other gripes heard from businessmen:

The OSHA agency is heavily staffed with labor-union sympathizers.

Government officials could use OSHA's broad powers as a lever for extracting political contributions. Allegations of such tactics emerged in the course of the Watergate hearings.

Is the Government doing anything to respond to these complaints?

The word has come down from the top at the Labor Department: Stop being so rough on businessmen. Try to co-operate more with companies that are really trying to improve working conditions.

In the wake of this policy, some OSHA officials have been replaced.

On November 8, the Labor Department even issued a press release praising some firms for "going beyond" OSHA standards.

OSHA officials must now accompany any new standards they devise with a statement on how it is likely to affect the nation's economy, especially inflation. The aim is to make OSHA standards more realistic.

Improvements in current regulations are also being promised.

When OSHA was getting started, the Government adopted en masse several thousand assorted rules, regulations, standards and codes with little regard as to whether they were outmoded, suitable or simply some group's version of what would be ideal.

Revising standards will be a slow process. This past summer the agency held hearings for five weeks with more than 100 witnesses and 1,200 prehearing comments on proposed noise standards. Those standards are not expected to be issued before early next year.

Is anything being done about the unions' complaint that enforcement isn't stiff enough?

Yes. There will be more inspections—from 225,000 this year to 300,000 in 1976.

And inspectors will pay more attention to health perils. Special targets: high noise levels and dangers in handling toxic substances, particularly asbestos, cotton dust, carbon monoxide, silica and lead. Policy, until recently, emphasized accident prevention.

The Labor Department in mid-October

proposed new standards to cut employe exposure to trichlorethylene, a degreasing solvent, and beryllium, a metal used in aerospace products.

What would businessmen like to see?

Some continue to fight for outright repeal of the Act. They claim that the U.S. for decades has had excellent safety records compared with the rest of the industrialized world and that these records were getting still better long before OSHA arrived.

But most businessmen would be glad just to get OSHA modified. They think:

OSHA officers should be permitted to consult with them prior to inspections so that the employers can correct problem areas.

Penalties should be eliminated for minor violations that are found on a first inspection.

Equipment that already is installed should be exempted unless it is a serious hazard.

Interested parties should be notified 90 days before new standards are imposed.

Is Congress moving to amend the law?

Not very fast. There are about 70 bills on Capitol Hill to rescind the Act or limit its scope. Only one is given much chance of getting out of labor committees. It would temporarily allow OSHA officials to consult with managers who wonder whether their work conditions are up to snuff—without immediately subjecting the firm to citations for any violations that are found during the consultation.

Considered most likely to pass: bills to switch the safety of mines and railroads out of other departments and into the Labor Department.

Congress has been watching OSHA. In fact, investigators of the Senate Labor Committee and the General Accounting Office, an arm of Congress, have accused OSHA administrators of severe ineptitude and of devoting "an inordinate amount of time to nonserious violations."

Is OSHA worth its cost?

Proponents of strong safety laws argue that any cost is small when it saves lives and limbs. But OSHA's program is expensive—and it's getting more so.

The Occupational Safety and Health Administration spent 293.3 million dollars from April, 1971, through fiscal 1975. It has requested 116 million for the fiscal year that began July 1. That's small potatoes compared with what OSHA regulation is costing business. One estimate put corporate expenses for compliance at 3.12 billion dollars for this year alone. Much bigger costs are expected once new noise standards are proclaimed.

Businessmen say little of this expense adds to efficiency and that much of it will have to be passed to customers through higher prices.

What good has OSHA done in its 4½ years of existence?

OSHA officials say it's impossible to tell whether the incidence of job-related accidents and illnesses has declined much since the law took effect.

They suspect that employers suddenly became more careful about reporting accidents once the Federal Government entered the picture. This tended to inflate accident rates and thus tossed safety statistics into turmoil.

Firms at least have become more safety-conscious. Most businessmen acknowledge that.

The definite beneficiaries: bureaucrats, lawyers, publishers of newsletters and journals about safety, holders of safety seminars and makers of safety equipment.

Some equipment firms advertise products as "OSHA-required" or "OSHA-approved." Confused corporate purchasers have spent thousands of dollars on such products, only to find some were neither needed nor required.

What are the functions of the safety agency?

It sets standards and rules, conducts inspections, issues citations for violations and imposes fines.

Safety officials can issue charges without indictments from grand juries or without even consulting a lawyer.

A business man can receive a citation and a proposed penalty even if there is no existing standard dealing with a particular hazard spotted by an inspector.

Who does the inspecting?

The OSHA agency recruited the best people it could get when it was formed. The early corps of inspectors was composed mostly of experienced professionals from industry.

But more and more compliance officers are trainees, getting on-the-job experience. Businessmen usually feel they know more about safety in their shops than any outsider. They also complain that federal inspectors barge into offices and plants without prior notice or warrants and waste a lot of time and effort on trivial tasks, such as measuring the height of toilet partitions and checking to see if OSHA posters are properly displayed.

Inspectors are told not to cozy up to businessmen. They are not allowed to advise employers on compliance. Nor can they give dispensation to a manager who corrects a violation immediately after it is pointed out to him.

Businessmen say inspectors become overzealous and petty in an effort to please their superiors.

"They are like traffic cops who feel they have to make out a certain number of tickets or they won't be doing their jobs," comments Charles J. Pilliod, Jr., chairman of Goodyear Tire & Rubber Company.

Can the agency issue citations to workers for violations?

No. Even though a safety violation is caused entirely by a careless or disgruntled worker, OSHA still places blame on the employer.

What are the penalties?

The maximum fine is $1,000 per day per violation, but the average imposed for some 900,000 violations reported to date has been only $25. And fewer than a third of these charges have withstood appeals from employers. However, employers still must pay all their own legal expenses, even when the charges brought by the Government are later found to be groundless.

In addition, there are the costs of altering practices or equipment to satisfy OSHA. Some of the corrections seem to the businessmen to be unnecessary—or even harmful. Examples of these appear on page 70.

What provision is there for appeals from rules or citations that seem to be unreasonable?

The executive branch—which serves as prosecutor, judge and jury in its safety-and-health cases—also controls the Occupational Safety and Health Review Commission. That's the agency created to hear appeals in such cases.

Even the chairman of the appeals commission, Robert D. Moran, has asked that his agency be put under the judicial branch in order to assure its impartiality.

The Review Commission frequently has socked employers with higher penalties than were assessed against them originally.

"This has a chilling effect on an employer's exercise of his right to appeal and is thus a blatant denial of fundamental fairness," complains Richard B. Berman, director of labor law for the United States Chamber of Commerce.

The Review Commission typically takes from 7½ months to two years to decide on an employer's formal objection to an OSHA action.

These periods are expected to stretch out still further as the Commission takes on cases regarding noise levels and toxic chemicals—cases requiring testimony by expert witnesses.

Who has been hit hardest by policing so far?

Safety officials have given special attention to longshoring, meat packing, lumbering, construction, roofing, sheet-metal work and the manufacture of transportation equipment, especially snowmobiles and other types of recreational vehicles.

A higher percentage of inspections have been made of companies having more than 250 employees than of smaller firms. Still, the agency frequently is accused of picking on small companies.

The National Federation of Independent Business charges OSHA administrators with using small firms as "guinea pigs" to establish legal precedents and to build up a record of successful cases.

Overburdened small businessmen, the group contends, would rather pay fines than hire attorneys and travel to far-off hearings before review boards.

Does OSHA apply to the Government itself?

Yes. Government workplaces are required to meet OSHA standards. But the Government's own safety record is not impressive.

The General Accounting Office found that a quarter of the violations reported in four federal agencies were "of such a severe nature that, had they been found in private business, the employer would have been assessed substantial monetary penalties."

More than 300 hazardous conditions were discovered in the OSHA agency's own building in Washington, D.C. Example: The cabinet of a fire extinguisher had no handle and was sealed shut with paint.

Inspections also showed that an OSHA office in Cincinnati had several safety hazards, including blocked fire exits and a collapsing ceiling.

Such revelations have added to OSHA's bad image within American industry. That image—more and more people in Washington are concluding—must be improved if the law is to be a successful avenue for assuring wholesome and safe places to work for America's growing labor force.

HEALTH-AND-SAFETY RULINGS THAT RANKLE BUSINESSMEN

Examples of enforcement of the Occupational Safety and Health Act:

Companies have been ordered to take down guardrails 41 or 43 inches high and replace them with rails exactly 42 inches high.

The guardrails required at one factory forced workers to reach so far that some of them came down with lower-back pains.

One large company had to adjust thousands of fire extinguishers throughout its plants and buildings so that they would be exactly 5 feet from the floor as measured from their highest points. The job was expensive, requiring much drilling through steel.

The manager of another firm provided more extinguishers than necessary and carefully hung them at the required height. He was fined anyway—for setting one extra extinguisher on the floor.

Many businessmen replaced round toilet seats with ones shaped like horseshoes, before it was decided to rescind a special toilet-seat rule.

Another rule that eventually was changed stipulated that separate rest rooms be provided for men and women workers even in small "mom and pop" grocery and variety stores.

Regulations stipulated a shorter turning radius for some fork lifts. Wheelbases were shortened to comply, with the result that the vehicles became dangerously unstable.

One company was required by terms of a defense contract to lock exit doors for security reasons. It was ruled that this practice violated fire-safety requirements—and a fine was imposed by the agency.

Some businessmen had to replace green exit signs with red ones, even though local fire ordinances stipulated green, a color that many fire marshals still prefer.

PAT CADDELL: PUBLIC OPINION ANALYST

Mr. McGOVERN. Mr. President, I had the great privilege in 1972 as a Presidential candidate of coming to know some of the most talented and well-motivated people in America. Some of these people were young, some were older, some were poor, some were rich, some were black or white or brown or red. What stands out in my mind is that together, they comprised a practical idealism that I believe is America's best hope for the future.

Among this group was a young public opinion analyst, Patrick H. Caddell. He did the polling that provided valuable insights to the concerns of the American people. He now heads two companies based in Cambridge, Mass.—Cambridge Survey Research and Cambridge Reports. His partners in these successful enterprises include three other young men who played an important part in my 1972 campaign—Gene Pokorny, Jeff Smith, and John Gorman, An earlier partner with Pat Caddell was Danny Porter, the victim of a tragic murder during a 1973 camping trip.

The current issue of Parade magazine—November 30, 1975—carries Pat Caddell's picture on the cover and an excellent article by the distinguished journalist, Robert Walters, entitled, "Patrick Caddell: Whiz Kid Pollster—What America Thinks."

The article describes not only the success of the Caddell organization, but also gives us a summary of some of the thinking of the American people. But in looking at this article and the picture of the four young men who now comprise the key figures in the Caddell operations, my mind goes back to the long hours of tireless and committed work which they did on behalf of a better America 4 years ago. If they hold fast to the spirit that guided them, then I have no doubt that they will come to occupy a place of growing importance in our national life.

I ask unanimous consent that the article by Robert Walters referred to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PATRICK CADDELL: WHIZ KID POLLSTER—WHAT AMERICA THINKS

(By Robert Walters)

CAMBRIDGE, MASS.—"What we are now reaping in this country is the harvest of 10 years of psychological trauma," says Patrick H. Caddell. "During the past decade, the nation's most basic beliefs have been badly shaken. The result is that America is a very different place from what it was two years ago or five years ago. Much less 10 years ago."

Caddell—at the exceptionally young age of 25—heads one of the nation's most influential and highly respected public opinion research organizations. His firm, Cambridge Survey Research, Inc., conducts in-depth interviews four times a year with 2000 men and women on such topics as credit cards, abortion, Henry Kissinger, school busing, and the Warren Commission Report.

The polls are computer-tabulated and analyzed, then compiled in a massive loose-leaf binder which is a storehouse of information about the nation's political, economic, social and cultural attitudes.

After a year of conducting those quarterly polls, Caddell has concluded that the United States now is in the midst of one of the most profound changes in its history. "Consider the basic values which not long ago were almost inviolate, but in recent times have been seriously questioned, if not destroyed," he explains, rattling through a list in machine-gun fashion.

"CLICHÉS"

"There were the clichés about the Presidency—that the office made the man and that it was, first and foremost, an office of moral leadership—but along came Nixon and Watergate.

"In the decades after the Depression, we convinced ourselves that we had learned how to manage the economy to avoid serious dislocations . . . and now we're going through a period of recession and inflation as difficult as anytime since the 1930's.

"Most of us grew up believing we were the nation of the ballot, not the bullet—but in recent years we've seen an unprecedented wave of assassination attempts, some successful and others not, on our highest-ranking public officials.

"Throughout our history, we told ourselves that America fought only just wars and that we always won them—but the Vietnam War has destroyed that concept.

"Perhaps most important was the overriding belief that we were a nation of special people, that we could always bend events to our will, that things in America always got better. Today, most people no longer accept that cherished notion."

Despite that grim analysis, Caddell, the son of a Coast Guard officer, maintains faith in the nation and its people. "The public often has a better feeling about representative democracy than the politicians who claim to represent the voter," he says, "I come away from each poll with an incredible appreciation for the public."

Caddell has been giving that message to many of the nation's leading politicians ever since he was 21. During the past four years, he has conducted polls for 25 Senate candidates, most of whom won their races, and for dozens of governors, mayors, Congressmen and other public officials.

YOUNG AND RICH

That popularity has made Caddell and three youthful partners wealthy. He declines to discus details, but does acknowledge that gross annual receipts exceed $1 million.

"Actually, we're pretty frugal," Caddell says when asked what he does with his share of the profits. "We plow a lot of it back into the business—and besides, being single helps keep down personal expenses." (None of the four partners is married.)

There are, however, unmistakable signs of newfound fortune. A Tiffany's catalog lies amid the clutter on Caddell's desk, he lives on Boston's fashionable Beacon Hill, drives a Mercedes sedan, frequently dates young women and is on first-name terms with movie stars like Warren Beatty and Shirly MacLane.

His list of clients reads like a "Who's Who" of Democratic politicians: Senators Edward M. Kennedy of Massachusetts, Alan Cranston of California, George S. McGovern of South Dakota, Edmund S. Muskie of Maine, and Birch Bayh of Indiana, as well as Governors Hugh L. Carey of New York, Michael S. Dukakis of Massachusetts and Milton J. Shapp of Pennsylvania.

"I guess it started when I was 17. While I was in high school in Jacksonvile, Fla., I hated math but I loved statistics so I decided to do a project predicting the outcome of local elections," recalls Caddell, whose dark complexion, political savvy and heavy-set, 6-foot-1 frame give the impression that he's years older than 25.

PREDICTING WINNERS

"On election night, I went down to the election office where all the candidates gathered to get the results. While they were counting, I was predicting winners—some of them in very close races and some in contests where nobody believed me until the official returns were posted.

"The local paper did a story about me, then the Speaker of the House in Florida hired me to do some work for him. In those days, I could do a poll for $200 because I'd hire my classmates to help. Later on, I did election night predictions for a Jacksonville television station."

Caddell's fascination with statistics manifests itself in another way: "When I was a teen-ager, I was one of those kids who collected baseball cards and memorized batting averages." Today he enjoys confounding friends with instant answers to questions like: "What was the name of the guy who played center field for the Yankees when Joe DiMaggio went into the Army?" (The answer is Johnny Lindell.)

After high school, Caddell went to Harvard University, where he met two like-minded students. "None of us was ever trained in survey research," he recalls, but by 1970 the trio were doing part-time polling in Ohio, Florida and Massachusetts. In mid-1971, they formally established Cambridge Survey Research, Inc.

The fledgling company's big break came in the autumn of '71, when Caddell was back in Florida and was introduced to Gary W. Hart, then campaign manager for McGovern, who at the time was considering running for the 1972 Democratic nomination but was not taken seriously as a candidate. Hart has since been elected—with the assistance of a Caddell poll—as a member of the Senate from Colorado.

OVERNIGHT FAME

Caddell signed up to do McGovern's polling, and achieved overnight fame among politicians. It was then that he advanced the notion that office seekers had to deal with "a stunning degree of political alienation and disaffection" throughout the country.

One of the three original partners in the firm, Danny D. Porter, was murdered on a camping trip in 1973, but Caddell and John W. Gorman, also 25 years old, remain.

After the 1972 Presidential race, they were joined as senior officers by two organizers from the McGovern campaign, Gene Pokorny, 29, of Schuyler, Nebr., and Jeffrey Smith, 29, a graduate of the University of Pennsylvania.

The young group receives sizable commissions and fees to advise political and business leaders often twice their age—but they're only slightly younger than other top public opinion researchers.

For instance, Peter D. Hart, the other leading Democratic pollster and head of his own firm in Washington, is 33. On the Republican side, Robert M. Teeter is the 36-year-old executive vice president for Market Opinion Research, Inc., the Detroit company which is doing most of the polling for President Ford's 1976 campaign. The other leading GOP pollster—and the old man in the group—is 44-year-old Richard B. Wirthlin, president of Decision Making Information, Inc., a Santa Ana, Cal., company which has conducted surveys for candidates ranging from Ronald Reagan to Nelson Rockefeller.

As in 1972 and 1974, Caddell's firm already has signed up an impressive list of clients for the 1976 campaign, but political customers come and go very quickly, and they are few and far between in non-election years.

To deal with that problem, Caddell and his partners formed another company, Cambridge Reports, Inc., which began in mid-1974 to sell public opinion surveys to non-political clients on a year-round subscription basis. Both firms are housed in the same three-story clapboard building in an alley just off Harvard Square, but the operations of the two organizations are entirely separate.

In its first year of business, the non-political company has built a client list as impressive as its political counterpart. Major corporations such as Sears Roebuck, Westinghouse, Federated Department Stores, and Aetna Life and Casualty pay a handsome fee for Caddell's voluminous quarterly reports on what Americans are thinking.

Those reports are confidential, but Parade has obtained copies of documents which offer a glimpse of what they contain. For example, 52 per cent of the men and women polled this past summer said they think the worst of economic times . . . are still "ahead of us," compared with 36 per cent who believe they are "behind us."

Also, 56 per cent said the nation's energy problems were "primarily the result of greed on the part of the oil companies and will be 'solved' as long as they get their price," while another 28 per cent said the problems "are the result of scarce natural resources and will require massive efforts to resolve them," and 8 per cent said the crisis was "the result of foreign pressure from the Arabs."

A BLOATED BUDGET

In another field, Caddell found that the American public overwhelmingly believes that the entire federal budget is bloated and in need of substantial trimming, but in one category—health care—people actually are willing to pay higher taxes for expanded government services.

When offered a series of four health care alternatives, only 13 per cent of those questioned endorsed "keeping things as they are today," 23 per cent favored "a small system where poor people are given medical insurance and everyone is protected against major illness," another 35 per cent supported "a system of national health insurance which guarantees every person as much care as he or she needs," and an amazing 22 per cent lined up behind the most radical alternative—"a totally nationalized system where not only is everyone guaranteed as much health care as he or she needs, but doctors and hospitals are taken over by the government and prices are regulated."

OTHER POLL RESULTS

"The best way to deal with crime is to impose stiff penalties and punish the criminal severely": 41 per cent; "the best way to deal with crime is to clean up the social and economic problems that cause it": 51 per cent; not sure, 9 per cent.

Caddell says that support for the first alternative has been rising steadily, and by 1976 it may be the more popular position.

On cutting the federal budget: The largest group, 34 per cent, identified military and defense spending as the place to begin. In 1972, defense spending ranked sixth.

On détente: 35 per cent favor it; 9 per cent oppose it; 10 per cent not sure and 43 per cent never heard of it.

Caddell says he isn't surprised by such answers because he has come to expect the unexpected. "I've never done a survey when I wasn't surprised by something we found. The most important thing to understand about people is that they're very complex," he adds. "If there's a secret to our success, it's being creative and openminded. We're posing psychological and sociological problems to the people we interview rather than asking them statistical questions."

MILITARY WEAPONS FLOW CAUSES GROWING CONCERN

Mr. CASE. Mr. President, the Senate Foreign Relations Committee soon will begin marking up the military aid bill and considering various proposals to strengthen congressional control over the increasing flow of American arms overseas.

Of particular concern to many Members is the increasing amount of sophisticated arms being sold to the Persian Gulf states and the possible destabilizing impact those weapons might have on the entire Middle East situation.

As the majority leader, the Senator from Montana, said in his October 26 report on his visit to Saudi Arabia:

> In the unabashed eagerness to cash in on the burgeoning Middle East Arms market, there appears to be an obliviousness to the implications of this vast new spread of weapons for the stability of the region and the peace of the world.

I ask unanimous consent to have printed in the RECORD a statement I made on November 23 as the result of inquiries into the use of American-made jet fighter planes sold to Saudi Arabia and Iran, the exchange of correspondence with the State Department, and some related press articles.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TEXT OF SENATOR CASE'S STATEMENT

The State Department at long last has confirmed the reports that Egyptian pilots have been given flights in American-made Phantom F-4 jet fighters we sold to the Iranian Air Force.

The confirmation of the flights, weeks after informal inquiries were first made with Administration officials about the October press reports, raises serious questions about the controls over our arms sales.

It is clear from the State Department's letter that the U.S. was not informed in advance.

Even if the "demonstration flights"—to use the State Department's characterization—were only a "one time ride", they raise the possibility that they were introductory training flights as originally reported in press stories from Tehran.

Were the flights to demonstrate the combat ability of planes which currently are the backbone of the American and Israeli air forces—or were they demonstration flights for potential buyers of used planes?

Equally disturbing is the State Department's suggestion that such flights are common practice and that U.S. officials, in the words of the State Department letter "would not normally expect foreign governments to inform the United States of this kind of activity."

The Iranian action is another reason to re-examine our relationship and continued sale of sophisticated arms to the Tehran government.

The government already is moving closer to the Arab world. That is its right. But it is also our right to take this into account in trying to assess the future use of American arms and technology and their potential impact on regional balances of power.

Although Iran is not an Arab nation, might it not come under pressures to transfer arms—with or without American approval—to a fellow Moslem nation such as Pakistan or Jordan?

As Assistant Secretary of State McCloskey acknowledged in his letter to me, obviously there is no way we can provide absolute assurances that there would not be unauthorized transfers of military equipment between one Arab country and another, particularly in a period of stress.

The State Department acknowledged that Libya transferred some American produced F-5's to Turkey, a non-Arab Moslem country, despite the Congressionally-imposed embargo.

In his testimony to the Senate Foreign Relations Committee Wednesday, Secretary Kissinger assured us that the Administration would not use the device of permitting other buyers of arms from us to resell them to Egypt as a substitute for direct sales by the U.S. to Cairo.

I welcome that pledge by this Administration and its recognition of the intent of the Nelson Amendment passed last year giving Congress veto power over major arms sales worth more than 25 million dollars.

However, the recent events illustrate the need to tighten up the existing law. Therefore, Senator Nelson and I plan to introduce legislation giving Congress as well as the Executive Branch veto power over third party transfers of weapons.

I also support proposals by Senator Humphrey to give Congress similar veto powers over sales of U.S.-made arms which are not covered by the existing Nelson Amendment. Such "commercial" sales appear to be the trend in arms purchases by oil-rich states.

Some Administration officials do not consider Saudi Arabia in their evaluations of the balance of power situation in the Middle East.

Yet Saudi Arabia used its American-made F-5 jet fighter planes in military exercises in Syria earlier this month with its infantry brigade stationed there.

Such military exercises make it clear that Saudi Arabia contemplates playing an active military role if another war breaks out against Israel.

In an American television interview in September, Saudi Arabia's Minister of State For Foreign Affairs, Prince Saud Al-Faisal commented on the Saudi arms buildup: "It is, I think, for self-defense . . . and we feel forced to do it."

As Secretary Kissinger testified Wednesday, "if Israel were to collapse as the result of armaments supplied by the Soviet Union or anybody else, it would have the profoundest consequences for the survival of democratic governments that depend upon the United States in many parts of the world; it would strengthen all of the radical forces in an area where a great deal of our energy supplies originate and it therefore would have profound consequences for our economy and the future stability of the world as a whole."

The "anybody else" to which Secretary Kissinger referred includes the United States which is the largest arms supplier to the major Persian Gulf oil-producing nations.

It is time to step up efforts to control the conventional arms race in the Middle East and other parts of the world.

A starting point is closer supervision of the weapons we ourselves are selling.

U.S. SENATE,
Washington, D.C., November 12, 1975.

Hon. HENRY KISSINGER,
Secretary of State, Department of State,
Washington, D.C.

DEAR MR. SECRETARY: In recent weeks there have been a number of disturbing reports indicating that Egypt and Saudi Arabia are preparing the ground work for the possible use of American-made aircraft against Israel if another war breaks out.

On Sunday, the Baltimore Sun carried an

item indicating that Saudi Arabian F–5E jet fighters are being deployed in Syria. Are any Americans in Syria to help service the planes?

Also on Sunday, the Washington Star reported from Cairo that Egyptian officials feel they could buy Phantom jet fighters from private arms brokers.

Egyptian pilots are reported receiving training on Iranian Air Force F–4 Phantom Jets. A well-connected Iranian journalist confirmed the Associated Press report in discussions with my staff.

Has the Administration received similar information and what inquiries have been made in the wake of the press accounts?

Was the United States informed in advance that Egyptian pilots were training on Iranian jets and given advance notice of the use of Saudi Arabian jets in Syrian military exercises?

There is a history of jets owned by the "non-confrontation states" being used in Middle East conflicts. Libyan Mirage jet fighter planes made by France were used on the Egyptian front against Israel in the 1973 war.

At least one country, Libya, already has violated the no-transfer clause by transferring aircraft recently to Turkey.

In view of the forthcoming Senate Foreign Relations Committee hearings on the Middle East Aid Program and the already existing provisions of the Nelson amendment, what measures should be taken to ensure that American military equipment sold or given to the so-called non-confrontation states will not be used by Egypt, Syria or Jordan in another conflict? Should the possibility of transfers be considered in evaluating the balance of power situation in the Middle East?

In view of the impending hearings by the Foreign Relations Committee, I would appreciate hearing from you as soon as possible.

Sincerely,

CLIFFORD P. CASE,
U.S. Senator.

DEPARTMENT OF STATE,
Washington, D.C.

Hon. CLIFFORD P. CASE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CASE: The Secretary has asked me to respond to your letter of November 12, 1975, in which you inquired about several recent press reports on the use of U.S.-supplied military equipment in the Middle East. I will answer your questions in turn:

Saudi F–5E's in Syria. The Saudi Arabian Brigade stationed in Syria held a short training exercise in early November. Some Saudi F–5's participated in the exercise. All the Saudi F–5 aircraft remained under Saudi control throughout the exercise, and returned to their home bases in Saudi Arabia immediately after the exercise. To the best of our knowledge, the exercise was entirely a Saudi one. The United States was informed in advance by the Saudi Government of its proposed exercise.

Americans in Syria. No U.S. Government or American contractor personnel working with the Royal Saudi Air Force were involved in this exercise. The Northrop Corporation contract involving F–5's provides only for in-country support.

Egyptian Purchase of F–4's from Private Sector. The Department maintains a close and continuing interest in sales of military aircraft, particularly of advanced-model aircraft like the F–4 Phantom. We know of no way that "private arms brokers" would be able to obtain F–4's without specific U.S. Government approval. Certainly, no such approval has been given.

Iranian Training of Egyptian Pilots in F–4's. We understand that during a high-level visit to Iran, Senior Egyptian Air Force officers were given demonstration flights in Iranian F–4's or other U.S.-supplied aircraft. It is not unusual for one country to show another friendly country some of its aircraft inventory, or to permit a visiting delegation to observe flying operations. We would not normally expect foreign governments to inform the United States of this kind of activity.

Libyan Transfer of U.S.-Origin Aircraft to Turkey. U.S. relations with the Libyan Arab Republic are currently poor. Sales of the F–5's by the United States to Libya were made in 1967 prior to the current change in regime. We presently have virtually a total embargo on sales of military equipment to Libya. Our influence, therefore, on the current regime is limited. We did, however, instruct our Embassy in Tripoli to make a formal complaint on the transfer.

Transfers of Military Equipment Between Arab States. Transfers of U.S.-origin military equipment—without U.S. Government concurrence—would be a serious matter and one that we think any country—Arab or otherwise—would seriously consider before acting. We believe that we have made it very clear that under current legislation—which we believe is adequate—transfers of U.S.-origin military equipment between governments must have U.S. Government concurrence. Obviously, there is no way that we can provide absolute assurances that there would not be unauthorized transfers of military equipment between one Arab country and another, particularly in a period of stress. The possibility of a transfer is one of the factors which we consider in determining whether the U.S. Government will make a particular sale to a particular Arab country. In this respect, however, it is important to note that the United States has worked hard at developing improved relations with the Arab world. We believe this new relationship is reciprocated.

Effects of Military Equipment Transfers on the Military Balance in the Middle East. The United States has stated that it would not permit the military balance in the Middle East to become adverse to Israel. Military transfers of equipment within the area would, of course, be considered in evaluating the balance of power in the Middle East.

I hope that the above information is responsive to your request. Please let me know if I can be of further assistance.

Sincerely yours,

ROBERT J. MCCLOSKEY,
Assistant Secretary for
Congressional Relations.

[From the Sunday Times Advertiser, Oct. 5, 1975]

EGYPTIANS TRY OUT F–4 JETS

(By Edward Cody)

TEHRAN, IRAN.—Egyptian pilots have received introductory training on American-made F4 Phantom jets from the Iranian air force, reliable sources said yesterday.

The familiarization flights underscore a shift by the shah of Iran from deliberate aloofness from the Arab-Israeli conflict to growing support for his fellow Moslems in the Arab world, they said.

In that context they recalled recent reports that the shah also is considering turning over some of his U.S.-made F5 fighters to Jordan as they are replaced by more advanced F14s, due to begin arriving in Iran next year.

The report also emphasized Egyptian hopes of getting American arms following President Anwar Sadat's willingness to accept the second-stage Sinai accord sponsored by Secretary of State Henry A. Kissinger.

Sadat has said several times he plans to ask Washington for arms to complement his Soviet-supplied arsenal. His air force, chiefly Soviet MIGs, has had trouble matching the Phantom-based Israeli air force.

Diplomatic sources said Egyptian air force officers have been visiting Iran for the last six months and familiarization with the Phantoms is believed to have begun during that time. The visits included at least one by the Egyptian air force chief, Air Vice Marshal Mahmoud Shaker Abdel Moneim, they added.

The number of pilots and the extent of training are closely guarded secrets in Tehran. But diplomatic observers expressed the conviction it is a small number and that the training is limited.

"In the best of circumstances—for the Egyptians, that is—they were allowed by the Iranian government to look at the plane close up, to fly in it and to get an idea of what it's like," said one diplomat.

Egyptian Vice President Hosni Mobarak said earlier this week that Egyptian pilots have flown the Phantom in a friendly country. Speculation quickly centered on Iran since it is the only Middle East country other than Israel with a substantial number of Phantoms and a trained air force to fly them.

"Of course it is Iran," said a high Iranian official who asked to remain anonymous. "And we know it has implications for us."

Asked why Iran did not announce the training publicly after Mobarak's statement, the Iranian replied: "We have a Persian proverb that says silence is positive."

Shah Mohammed Reza Pahlevi, flush with oil money, has been buying the Phantom since 1971. He has purchased 138 of the delta-winged jets for more than $580 million.

In addition, his air force is equipped with 141 F5 fighters and he has ordered 80 of the F14s for $1.8 billion. The F14 is the most sophisticated jet in the U.S. arsenal.

Diplomatic sources expressed doubt the shah would seek to transfer Phantoms to Egypt, saying the Iranian air force itself will rely on the Phantoms "at least until the F14s start arriving."

But the Iranian government is giving serious consideration to handing over some of the less advanced F5s to Jordan, apparently with U.S. approval, they added.

[From the Baltimore Sun, Nov. 23, 1975]

MIDEAST ARMS RACE ESCALATING BEYOND 1973 PEAK, ANALYSTS SAY

(By Michael Parks)

BEIRUT, LEBANON.—Despite the relative reduction in tensions between Israel and its Arab neighbors, the Middle East arms race is escalating rapidly with the introduction of vast quantities of new weapons.

Israel, Egypt and Syria have brought their military strength to higher levels than before the 1973 war, replacing all their losses.

All have ordered billions of dollars worth of even more advanced equipment—tanks, warplanes, missiles, electronic gear—for delivery over the next 5 to 10 years in a competition for military superiority.

All three also have adopted strategies that call for swift, decisive—and destructive—strikes at the enemy if a new war breaks out.

The United States Central Intelligence Agency estimates that casualties in a new war would be about three or four times those in 1973 as a result.

"The next war will be far deadlier for both soldiers and civilians than the past four wars were," a British military analyst said after touring the region. "The buildup of arms is frightening. Each side has more weapons with a greater killing power."

Other analysts also view the escalating arms race as undermining the stability achieved so far by interim Arab-Israeli agreements, such as the recent Sinai accord. Several reasons are given:

The increase in arms with an even greater increase in firepower makes small incidents far more dangerous. "With the weapons now being deployed by Israel and Syria, for example, a patrol-size clash could develop into a much bigger battle in a short time," another

European military specialist commented after frontline tours in both countries.

Strategically, the expanding arsenals may tempt one side or another to strike pre-emptively while it retains military equality or superiority. Western analysts fear this may become a particularly acute problem as Israel receives a new generation of American weapons before the Arabs get matching arms.

Psychologically, the arms buildup could slow movement toward a political resolution of the Arab-Israel conflict as one or more countries rely on a military solution. "Military strength is seductive," a senior Israeli official acknowledged recently in Jerusalem, "and it is much easier to fall back on military might if the compromises necessary for peace are too difficult politically."

Despite these dangers, the United States is encouraging the arms buildup, promising $1.5 billion in weapons to Israel annually for the next five years, taking Egyptian requests for arms under consideration and pressuring Britain and France to sell Egypt advanced weaponry.

American officials have explained that Washington thinks that it has little choice: Syria received massive shipments of new Soviet weapons—which Israel needed to match—which Egypt then needed to match.

The American aim, according to U.S. officials, is to maintain the balance of power and buy as much influence for Washington as possible.

European analysts who recently visited both sides in the continuing conflict express doubts, however, that the military balance is being stabilized by the arms build-up.

"The replacement of the 1973 losses was generally completed early this fall," a British military source said. "We now have a further buildup, not only in terms of the quantity of weapons but their quality, their firepower and effectiveness.

"This qualitative change is, in fact, accelerating as both sides race to get the next generations of weapons. . . . It is difficult to say whether the relative balance is being maintained, and that opens the way to serious miscalculations by one country or another."

The net effect of the growing deployment of surface-to-surface missiles by both sides is one of the major unknowns, according to Western analysts.

Israel, which already has its own rocket, the Gabriel, now is receiving American Lance missiles and has asked for Pershings. Egypt and Syria both have the Soviet-made Scud missiles, and Damascus asked Moscow recently for the longer-range Scaleboard missile after the Israeli request for Pershings.

The U.S. and Soviet missiles originally were designed to carry tactical nuclear warheads aimed at military targets on a central European battlefield. In the Middle East, their likely targets would include major cities as well, and few military analysts believe Israeli assertions that it will not fit nuclear warheads to the American Pershings if it gets them.

There is even more intense competition for air superiority now and over the next 10 years as both the Israelis and the Arabs order new warplanes.

Israel already is receiving the new American F-15 fighter-bomber along with laser- and television-guided bombs, and it has been promised the even newer F-16.

Egypt, which already is getting French-built Mirage fighters, has more advanced models on order and is buying 200 British-made Jaguar strike bombers costing $1.2 billion.

The British Royal Air Force advised the Wilson government that the Jaguars would definitely alter the military balance on the Egyptian-Israeli front because of their superiority as strike planes.

The British government, which is selling more than $2 billion in arms to Egypt, was urged by Washington, however, to make the warplane sale, according to British government sources, who said the Americans appeared to be attempting to balance their own weapons deliveries to Israel.

President Ford promised earlier this month to consider Egyptian requests for U.S. arms—a list that totaled about $5 billion to $7 billion and included the F-16, air-to-air missiles, advanced electronic equipment and anti-aircraft missiles—but such sales would likely prove politically difficult.

Syria, meanwhile, continues to get large shipments of Soviet arms including the most advanced Soviet fighters yet deployed outside the Soviet Union.

Recently, it has received 45 of these advanced MIG-23's, 75 additional MIG-21's and a squadron of strike bombers, according to Western estimates.

The Soviet Union recently won Syrian agreement to shift a squadron of its high-flying MIG-25 reconnaissance planes from Egypt to Syria. Their main objective will likely be surveillance of American naval activities in the Eastern Mediterranean, but they also are expected to provide Syria with intelligence material.

President Hafez el Assad of Syria said after a visit last month to Moscow that more Soviet arms would be delivered soon and that future deliveries of more advanced weapons had been assured. "I am confident Soviet arms supplies are available for Syria," he said.

A Syrian-backed newspaper in Lebanon commented that Damascus was now ready to "institute a war of attrition, shelling and bombing against Israelis on the Golan Heights," but added that "an all-out offensive depends on the attitude of Jordan and Iraq."

Other Arab states also have been receiving large arms shipments.

Libya signed a major agreement with the Soviet Union early last summer, its value has been estimated at $800 million to $2 billion, though Egypt charged it was much, much larger. Shipments of jet fighter-bombers, tanks and anti-aircraft missiles have begun arriving, according to Western reports.

Libyan units already have gone to the Soviet Union for training. Soviet engineers are drawing up plans for development of Libyan naval and air facilities, which Soviet forces also will use.

Billions of dollars worth of arms, most from the United States, Britain and France, are pouring into the Persian Gulf region as Iran and the Arab states there spend their oil revenues to build up their defenses.

Iran's military spending has tripled to $10.4 billion, according to the International Institute for Strategic Studies in London, and Saudi Arabia's has increased even more to $6.3 billion.

Iran has been increasingly willing to use its military power—to help the Kurds fight against Iraq for several years, to help the sultan of Oman put down a rebellion and other gulf states also are beginning to flex their muscles.

Overall, Mideast nations are spending an average of 12.4 percent of their gross national product on defense, compared to 6 percent for the United States and an average of 3.5 percent for nations of the North Atlantic Treaty Organization, according to a recent report by the strategic studies institute.

The military build-up goes beyond just arms acquisition to major changes in the readiness of both Israelis and Arabs to fight another war, according to Western analysts.

Israel has completely reworked its defense strategy to concentrate on waging a swift, decisive campaign, inflicting maximum damage.

Israel has rebuilt most of its officer corps, where casualities were high in 1973, by promoting battle-proven commanders and keeping experienced reserve officers on active duty until new officers were trained.

Syrian forces, with 3,500 Soviet advisers as instructors, have developed much more flexible tactics that will give them greater striking power in a new war. They also are making more use of tanks and artillery in their most recent exercises, again reflecting the Soviet influence. They also have greatly strengthened their defenses on the Damascus plain and their anti-aircraft defenses.

Virtually all the 1973 combatants have stockpiled enough ammunition, replacement weapons and spare parts for a full-scale, one-month war.

Even Egypt, which complains almost weekly about Soviet refusal to resupply it on the same level with Syria, is receiving arms shipments from not only European suppliers but also its Arab allies, including Algeria and Kuwait.

[From the Baltimore Sun, Nov. 23, 1975]

SOVIET HELD ARMING SYRIA

(By Charles W. Corddry)

WASHINGTON.—Syria has struck a new arms deal with the Soviet Union calling for provision of 500 tanks, almost a 25 per cent increase in its present numbers, intelligence sources reported here yesterday.

This tangible display of Soviet backing comes at a time of uncertainty about Syria's willingness either to extend the mandate of the United Nations peacekeeping force on the Golan Heights or to engage in negotiations for a further separation of Israeli and Syrian military units on the Golan.

Syria's president, Hafez el Assad, publicly has denounced, with Russian support, the latest Sinai disengagement agreement between Israel and Egypt, which the United States has hoped could be followed by negotiations over the Golan Heights.

As an essential forerunner to such talks, the U.N. Secretary General, Kurt Waldheim, is in the Mideast seeking extension of the mandate, which expires November 30.

The new arms arrangement is believed to have been worked out when Mr. Assad was in Moscow last month. It calls for delivery of the 500 tanks, of the older T-55 type, over a two-year period, United States sources reported.

Whatever Mr. Assad's political intentions may be, the arms deal is viewed here as part of a pattern of Syrian repositioning and improving of military forces—a pattern that also lately has included movement of armored units back to the Damascus area from the Iraqi border and stepped-up training in use of Soviet-supplied, 140-mile range Scud missiles.

At the same time, U.S. sources said, the Russians have been dickering with the Syrians for use of an air base to station a few—probably four to six—MIG-25 Foxbat supersonic reconnaissance planes that would be operated by Soviet pilots.

This would provide an alternate, for Mideast aerial surveillance, to the Egyptian base from which the Russians had operated 4 Foxbats from the time of the October, 1973, war until President Anwar Sadat sent them packing in mid-September.

The intelligence sources saw no reason to expect, at present, that Moscow would put larger numbers of MIG-25's into Syria, as has been reported elsewhere, or that Syrian pilots would fly them.

The MIG's, able to fly 1,320 miles an hour in fighter and reconnaissance versions, is Russia's best and is stationed at only one base—in Poland—outside the Soviet Union.

The new tank deal could raise Syrian armor much closer to parity with Israel's and possibly bolster Israel's case that, even if it gets all it is asking in arms from Washington, there still likely will be a widening arms ratio between Arab and Israeli forces.

Israeli officials say Syria now has 2,100—one-third of them the late-model T-62's. Depending on how many old ones they retire, they thus could have up to 2,600 in two years.

The Egyptians have 2,400 tanks now, the Israelis say.

Israel is known to have about 2,800, an increase of 900 since the 1973 war, and wants an additional 200 from the United States over a four-year period. This request is part of the arms aid legislation pending in Congress.

[From the Baltimore Sun, Nov. 9, 1975]

ISRAEL PROTESTS ON JETS IN SYRIAN MANEUVERS

TEL AVIV.—Israel has protested to the United States that U.S.-built warplanes sold to Saudi Arabia were deployed in recent Syrian military maneuvers, the state-run television said yesterday.

Government sources confirmed that Israel had called American attention to the Saudi aircraft used in the Syrian exercises that ended last week. The message went through normal diplomatic channels, they said.

At least 10 F-5E jet fighters had been transferred from a base in northern Jordan to a Syrian air base, the sources said, and the redeployment to a permanent station in Syria prompted the Israeli protest.

The Saudis also supplied some C-130 transport planes and an unspecified type of U.S.-made helicopter for the Syrian exercises, the sources said.

Israel has complained in the past that weapons sold to peripheral Arab countries are often resold or lent to the Arab states bordering on Israel.

THE ASSOCIATED PRESS, NOVEMBER 17, 1975

WASHINGTON—Russia has agreed to send a squadron of supersonic MIG25 warplanes to Syria where they apparently will be manned by Russian pilots, according to U.S. intelligence reports.

Sources said the planes are probably reconnaissance versions of the MIG25 "Foxbat."

Intelligence analysts said the squadron would be a token Russian presence demonstrating Moscow's backing for Syria against Israel.

The Soviet Union stationed four MIG25s in Egypt from the 1973 Yom Kippur war until the planes were pulled out in September. Withdrawal of the MIG25s was another indication of the estrangement of Russia and Egypt.

During the 1973 war, Soviet-piloted MIG25s reportedly made high-flying reconnaissance passes over the Sinai desert area. The Israeli air force was said to have tried unsuccessfully to intercept a MIG25 on at least one occasion.

The appearance of MIG25s in Syria, particularly if flown by Russian pilots, likely would deepen tensions at a time when the United Nations observer force mandate is due to run out on Nov. 30.

U.S. intelligence also is warning that tensions could be aggravated by unprecedented maneuvers reportedly planned by Saudi Arabian troops in Syria.

According to intelligence sources, elements of a Saudi Arabian brigade stationed southeast of Damascus are due to engage in such maneuvers next week, only a few days before expiration of the authority for keeping the U.N. observer force on the Golan Heights.

A Saudi Arabian air force squadron equipped with U.S.-supplied F5 jet fighter planes is scheduled to join the maneuvers, the sources say.

Adding to the rising tension, the Syrian army recently has been conducting live-fire exercises with its Soviet-made Frog7 missile units near Damascus. These Frogs have a range of about 40 miles.

Meanwhile, U.S. intelligence reports that Syria has concentrated four divisions along the Golan Heights facing Israel after bringing back two of the divisions from positions near Iraq.

The two Syrian tank divisions had been sent to the region near Iraq last summer during a dispute between Damascus and Baghdad over river waters. That dispute has since been settled.

At the outset of the 1973 war, the Israeli air force was credited with stopping Syrian tank columns from overwhelming outnumbered Israeli forces, which had been caught by surprise.

The Syrian air force has been improved since then with some of Russia's most advanced fighters, including at least 40 MIG23 "Floggers."

The Syrians also have installed a powerful new early warning radar network believed effective against supersonic jets operating at high altitudes. U.S. intelligence sources say Syria now enjoys overlapping radar coverage extending across most of Israel.

[From Reuter, Nov. 8, 1975]

U.S. FOREIGN ARMS SALES UP BY $2,700 MILLION IN 1976

WASHINGTON.—Foreign sales of U.S. arms will increase by about $2,700m. this year mainly because of increased commercial sales to Iran and Saudi Arabia according to Pentagon estimates, government sources said Saturday.

The Pentagon on Friday submitted its estimate to Congress showing that foreign arms sales for the 1976 financial year will total nearly $12,000m. compared to last year's figure of $9,300m., the sources said.

The estimate shows that commercial sales—part of the overall foreign arms sales but which at present are not controlled by Congress—will total $2,100m. compared with last year's $600m.

Commercial deals are made directly between U.S. companies and foreign governments.

Congress now requires all military sales worth more than $25m. involving transactions between the U.S. and foreign governments be reported to Congress. Deals between American companies and foreign governments are not required to be reported.

But legislation proposed on Friday by Senator Hubert Humphrey (D., Minnesota) would close this loophole. The legislation would oblige the government to report all foreign sales to Congress, including commercial deals and agreements for producing American weapons in foreign countries.

It would also give public access to every foreign sales contract and require Congress to consider such sales more carefully from the viewpoint of U.S. foreign policy aims.

The sources said that according to the Pentagon estimate, Iran will buy $1,000m. worth of military equipment from U.S. firms this year, compared with $100m. last year. Saudi Arabia will buy $540m. worth, compared with $10m. before.

Saudi Arabia is also expected to buy military equipment costing $4,000m. in government deals compared with $1,370m. last year.

Iran is expected to buy $2,500m. worth of U.S. equipment in government-to-government purchases.

The Pentagon also estimated that Israel would purchase $150m. directly from American firms in addition to $1,000m. in government-to-government sales.

Sources said major government-to-government sales include:

Jordan: $389m.; Wert Germany: $250m.; Kuwait: $150m.

[From the New York Times, Nov. 21, 1975]

HIGH ISRAELI TOLL IN A NEW WAR SEEN

(By Bernard Gwertzman)

WASHINGTON, November 20.—William E. Colby, the Director of Central Intelligence, has surprised Israel's supporters on Capitol Hill by asserting that Israel's military superiority over the Arabs was increasing but that in another Middle East war Israel would probably suffer 8,000 dead, more than three times the 2,500 fatalities in the October 1973 war.

His analysis, made at a closed-door session of the House International Relations Committee on Nov. 12, was disclosed by Congressional sources today, as pro-Israeli members of Congress sought to refute Mr. Colby's estimate that Israel was increasing its forces in relation to the Arabs.

They charged that Mr. Colby had counted only Egypt and Syria as Israel's foes in any future war, whereas Libya, Saudi Arabia, and other Arab states would help Egypt and Syria.

SOME INFER DEFEAT

Moreover, the estimate of 8,000 killed in another three-week war startled many members of Congress who were at the hearing. They insisted today that such a loss would amount to a "defeat" for Israel, given its small population.

Mr. Colby's assertion that Israel was increasing its superiority over the Arabs was mentioned by Senator J. Bennett Johnston Jr., Democrat of Louisiana, to Secretary of State Henry A. Kissinger during a hearing of a Senate appropriations subcommittee.

Mr. Kissinger, who was defending the Administration's $4.7 billion security assistance request, of which $2.3 billion was for Israel, said he had not read Mr. Colby's testimony.

Senator Johnston said that the C.I.A. and the defense intelligence agency had concluded that Israel had sufficient forces to last it through 1980, but Mr. Kissinger pointed out that the intelligence agencies had miscalculated in 1973 when they believed Israel would win easily.

INTER-AGENCY STUDY

Mr. Kissinger also said that the request for $1.5 billion in military assistance for Israel was based on an interagency study, which included Pentagon and C.I.A. representatives.

After the hearing today, Mr. Kissinger told reporters that he was summoning home Malcolm Toon, the Ambassador to Israel, and envoys to Arab countries to discuss the next phase in Middle East diplomacy.

Mr. Kissinger has pressed for a new round of Syrian-Israeli talks, but now seems to be leaning toward asking the Russians to support an informal meeting of interested states to prepare for in Geneva, including participation of the Palestine Liberation Organization.

During a break in the hearing, Mr. Kissinger said that President Ford had asked him to retain the chairmanship of two key White House interagency committees even though he has given up his White House post of national security adviser to Mr. Ford. The committees are the verification panel, which deals with proposals for the talks on strategic arms limitation, and the Washington Special Action Group that is convened at times of international crises.

HE HEADED 6 COMMITTEES

As national security adviser for the last seven years, Mr. Kissinger headed six committees. That gave him, in a sense, power over every aspect of political-military affairs in Washington.

He is turning his national security chief's role to Lieut. Gen. Brent Scowcroft, his former deputy, who will head four of its committees: the 40 Committee, which oversees covert activities; the Defense Program Review Committee; the Senior Review Group; and the Intelligence Committee.

WEST RELYING MORE ON WEAPONS SALES TO MIDEAST

(By Robert B. Semple, Jr.)

LONDON, September 4.—The major weapons-producing nations of the West are relying more and more on arms exports to the Middle East to help offset the increased costs of oil.

This was one of several conclusions expressed today by officials of the Institute for Strategic Studies, which has just published its annual review of the world's armaments and armed forces.

The institute is an international center for the study of security problems. Its reports are generally regarded as authoritative statistical summaries of the deployment and cost of weapons around the world.

The institute noted that two major oil producers—Iran and Saudi Arabia—had vastly increased military expenditures since 1974. It noted that Iran's military spending had tripled in a year, from $3.2-billion to $10.4-billion, and that Saudi Arabia's increase had been more than threefold, from $1.8-billion to $6.3-billion.

OUTSPENDING UNITED STATES AND NATO

Middle Eastern nations, the report said, are spending an average 12.4 per cent of gross national product on military material, compared with 6 per cent for the United States and an average of 3.5 per cent for nations of the North Atlantic Treaty Organization.

Part of this figure was accounted for by large outlays by Egypt and Israel. But these two countries have largely resupplied themselves since the 1973 war, the report indicated, meaning that the most vigorous new arms purchasers in the Middle East are the oil nations of the Persian Gulf.

The chief suppliers of these increasingly eager clients, the report said, were industrialized, oil-consuming nations, mainly France, Britain and the United States. France, for example, is supplying $825-million in tanks, armored cars and antiaircraft systems to Saudi Arabia under a 1974 agreement. The United States is supplying Saudi Arabia with $335-million in tanks and other equipment, and more than a billion dollars in naval equipment, both under 1974 agreements.

Iran, meanwhile, has orders outstanding for 1,900 tanks and 450 fighter aircraft; part of this will be supplied by Britain and the United States under agreements signed within the last year.

OTHER PURCHASES NOTED

Institute officials attributed these transactions partly to "the need of major weapons-producing countries to offset rising energy costs by arms exports," and said their attractiveness to both sides emphasized "the urgency and difficulty of conventional arms limitation but also the scant attention or welcome that is given to it."

* * * * *

Mr. Bertram noted that a large number of Latin-American, Asian and African nations had also bought conventional weapons, and that while most sales originated in Western countries, the Soviet Union had supplied aircraft and tanks to Uganda and Somalia.

Officials also noted a trend toward "indigenous" arms industries in the third world, especially in India and Brazil, and that some smaller nations, notably Israel, Yugoslavia, and Jordan had themselves become arms exporters on a relatively small scale.

Mr. Bertram found some signs of stabilization. He said the quantitative superiority of Warsaw Pact nations and the logistical and qualitative advantages of NATO nations tended to neutralize one another, making conflict in the European theater "unattractive" and unlikely.

The report also disclosed an apparent slowdown in China's nuclear development. China's nuclear weapon stockpile has not grown, the report indicated, from the 200 to 300 weapons estimated last year, nor is China believed to have increased the number of intermediate-range ballistic missiles, estimated 20 to 30 in 1974. Even longer-range missiles have either not been deployed or, in the case of the 8,000-mile-range ICBM, tested. The institute could give no explanation for this apparent slowdown.

[From the New York Times, Oct. 26, 1975]

SOVIET EXPANDS WEAPONS AID TO SYRIA

(By Drew Middleton)

Expanded deliveries of arms and munitions by the Soviet Union to Syria and an expected increase in the number of Russian military advisers there are causing concern among Israeli and United States military sources.

The acceleration of Soviet arms aid followed the visit to Moscow earlier this month of President Hafez al-Assad of Syria. After Mr. Assad's return to Damascus, Maj. Gen. Mustafa Talas, the Syrian Defense Minister, remained in the Soviet capital to work out the details of the military assistance program.

A key element of that program, the sources said, will be the reinforcement of the Soviet military adviser group. Its strength is now estimated at 3,500 officers, noncommissioned officers and technical experts.

Soviet intentions, as assessed by American and Western European experts, are to establish Syria as the primary Arab military power while Egypt seeks arms from the United States and in Western Europe. Moscow can thus demonstrate to other Arab nations that friendly governments can be certain of quick and extensive Soviet military aid.

DIPLOMATIC ATTACK STRESSED

The evaluation is that the Soviet Union is not ready to back Syrian military action against Israel on the Golan Heights but that Moscow will continue to support an aggressive Syrian diplomatic position demanding the return of all the territory occupied by Israel.

The over-all assessment is that the Syrian staff believes that the country is sufficiently strong to defend Damascus against an Israeli thrust or, if necessary, make a limited attack on the forward Israeli positions on the Golan Heights.

Syria, in the words of one well-qualified source, is in position "to institute a war of attrition, shelling and bombing, against the Israelis on the heights; the prospects for an all-out offensive would depend on the attitude of Jordan and Iraq."

The extent of Soviet arms aid to Syria is also causing concern over the possibility of Syrian intervention in Lebanon if the fighting there continues. Experts point out that a cardinal theme of Syrian nationalism is that Lebanon is a part of "greater Syria."

The danger of Syrian intervention, Israeli sources said, is that Israel could not stand idly by and allow Syria to take strategically important areas on her northern frontier.

The emphasis in Soviet arms aid to Syria, according to reports reaching other Middle Eastern capitals, is on advanced equipment. Soviet arms deliveries from December, 1973, through March, 1974, made up for the heavy Syrian tank losses in the October war of 1973.

Since then the Syrians have received 45 MIG–23's, the most advanced Soviet fighter deployed outside the Soviet Union, approximately 75 MIG–21's, raising the interceptor force to around 30 aircraft and 15 additional SU–7 ground-attack planes.

Soviet technical advisers are reported to have increased the efficiency of the Syrian air control organization and to have introduced modern techniques for cooperation among radar stations, interceptors and surface-to-air missiles in defense.

Although the table of organization for surface-to-air missiles has gone unchanged—24 batteries of SA–2 and SA–3 launchers and 14 batteries of SA–6 launchers, the number of missiles available has been increased.

Soviet shipments have also raised the level of the Syrian inventory of surface-to-surface missiles for antitank use, particularly the Sagger, Snapper and Swatter weapons. The names are those given the arms by the North Atlantic Treaty Organization.

Another major arms transfusion has been in the field of armored personnel carriers and the new BMP scout cars.

In a less spectacular but important aspect of military aid, the Soviet Union has attempted to break down the rigidity of Syrian tactics.

SHARPENING TACTICS

A Syrian weakness during the 1973 war was the tendency to repeat attack patterns, employing the same mix of tanks, armored personnel carriers and infantry over the same avenues of approach. Soviet advisers, it is reported, stress tactical flexibility on the offensive and a greater use of artillery to support attacks.

Soviet advisers have also been instrumental in bolstering Syrian defenses on the plain southwest of Damascus. The static defences of surface-to-air missiles, antitank ditches and missiles have been altered to provide greater opportunity for counterattack by Syrian force.

Both the arms shipments and the instruction by Soviet advisers, according to Western reports, have increased the confidence of the Syrian Army and Air Force. The withdrawal of an Egyptian fighter squadron by President Anwar el-Sadat last month did not lessen this confidence, the sources said.

[From the Long Island Newsday, June 22, 1975]

U.S. WEAPONS SALES ARE DOMINATING HUGE ARMS BUILDUP IN PERSIAN GULF

The Persian Gulf is in the midst of an unprecedented arms race—a race dominated by U.S. arms sales.

In the last two years, the U.S. has sold $14 billion in arms abroad. Two thirds of those sales were to Persian Gulf countries. "I think we are creating a military monster," said one arms expert. "And I'm not sure it's in our national interest to do that."

The United States is developing for Saudi Arabia—in some cases creating—an army, a navy, an air force, a coast guard, and air defense system and a national police force called the National Guard. It is building Saudi bases, training Saudi troops, advising Saudi generals and selling the Saudis arms.

The United States is selling Iran more arms—and better arms—than it sells any other country, including Israel. It is selling Iran 80 Grumman Corp. F–14s, the most sophisticated jet fighters in production. It is selling Iran six Spruance-class destroyers—the biggest, fastest, most advanced destroyers in the world. And Iran, in turn, is creating an enormous military machine, the largest in the Mideast, ostensibly to keep the Persian Gulf secure.

The arms race in the Persian Gulf does not stop with U.S. sales, however.

In Iraq, the Soviet Union is selling tanks, planes, ships, and missiles.

In Kuwait, Yugoslavia is building two huge military air bases. Britain is selling tanks, and France is selling jet fighters.

In the United Arab Emirates, France is selling the sheikdom of Abu Dhabi a total of 32 Mirage–5s. Because Abu Dhabi has only two or three native pilots, foreign pilots—Sudanese, Jordanian, Pakistani and British—must be imported to fly the planes.

Even tiny Bahrain, an island state one fourth the size of Rhode Island, is caught up in the race. It is building a $12,285,000 military headquarters base and officers' housing complex, and it is contemplating an air force.

All this is in addition to the *other* arms race in the Mideast, that between Israel and her neighbors, and it has many people worried.

The major complaint is that the United States is selling arms without the customary long-range study on the effects of the sale. Because of that, Sen. Edward Kennedy (D-Mass.) has introduced an amendment to a foreign assistance bill that would require a six-month moratorium on all U.S. arms sales to the Persian Gulf until studies can be made. "We want to get a handle on something," said Robert Hunter, an assistant to Kennedy. "These arms sales appear to be indiscriminate, ad hoc, unconcerned. But are they? Will these sales relieve tension in the area? Or will they create tension? How does this all relate to the flow of oil? How does it relate to the United States and to its needs?"

The answers to these questions are a matter of debate. The State Department, which must approve every military sale overseas, argues that the arms sales protect U.S. access to Persian Gulf oil; that the arms buildup gives the Gulf security and stability; and that if the United States does not sell to the Mideast, then other countries will.

The critics counter that the price of oil has gone up despite the arms sales; that the arms sales create instability, not stability; and that most countries might not buy weapons at all if U.S. arms merchants were not out selling.

The stability issue is the most controversial.

"Iran and Saudi Arabia have continued to share the primary responsibility for stability in the Gulf and in these endeavors have continued to turn to the United States for help in modernizing and strengthening their defensive capabilities," Alfred L. Atherton Jr., assistant secretary of state for Near Eastern and South Asian Affairs, told a House subcommittee last year. "We see what we are doing as a contribution to the fulfillment of what is essentially our position, helping to create a self-sufficient, self-reliant, self-confident community of countries in the Gulf."

The critics, however, see the arms sales as creating the possibility of war and revolution in an area that has had its share of wars and revolutions in the past. "The situation there is very unstable now and weapons have only added to it," said Stefan Leader of the Center for Defense Information, a private research institute in Washington. "The weapons have increased the risk and given the instability." Furthermore, he says the creation of a well-trained officers corps can lead to revolution. "Officers step into politics," he said. "They become unhappy with monarchies. Look at Ethiopia."

A confidential federal report obtained by Newsday suggests the possibility of such a coup in Saudi Arabia. "Some younger, western-trained members of the Royal Family serving in military and civilian government posts are rumored to be critical of [Crown Prince] Fahd's ambition and easy-going ways but have yet to challenge him openly," the report said.

The possibility of revolution in Iran, where there are several anti-Shah revolutionary movements, concerns another arms expert, Dale R. Tahtinen of the American Enterprise Institute for Public Policy Research, an independent, nonprofit foundation in Washington. Tahtinen, who was formerly in the Defense Department intelligence agency, has done several studies on Mideast arms buildups. "The Shah is not going to live forever," he said. "That area is not that stable. When he passes by, what happens to all that equipment? If the country goes radical, it may find its way across the border [the Soviet Union]. I find it unconscionable that we're selling them F–14s."

Defenders of U.S. arms sale policy say the Gulf area is more stable now than it has ever been in recent history. At least a half-dozen disputes have been cleared up in the last two years—including one between Saudi Arabia and the United Arab Emirates and another between Iran and Bahrain. But Kennedy's aide, Hunter, says: "That should be an added reason for not supplying arms. The flow of arms into an area increases instability."

There are several areas of potential conflict in the Persian Gulf that have yet to be resolved. One is the center line in the Gulf. In many cases, it has not yet been determined where Iran's claim to the Gulf leaves off and Saudi Arabia's begins. If oil is discovered near the center, a dispute could break out over who owns the oil. A similar problem exists in the northern Gulf where Iran, Iraq, and Kuwait have not yet worked out the extent of their territorial waters—waters that many believe are over a major untapped oil field. A third dispute concerns Iraq's and Kuwait's borders.

The only shooting war in the area at the moment is in the Dhofar province of Oman where about 16,000 Iranian, Jordanian, Omani, British, Pakistani and Indian troops with partial Saudi backing and U.S. anti-tank missiles are fighting about 1,000 Marxist-inspired rebels who are being assisted by the Yemen People's Democratic Republic, Libya, Iraq and the Soviet Union. The fighting has been going on for 10 years; however, the British commander in charge of the Omani operations says he sees "light at the end of the tunnel."

Each country in the Gulf fears the other to some extent. Here is a country-by-country breakdown on why each major Gulf state country is in the arms race and what it is doing to stay ahead:

The United States is involved in virtually every phase of a Saudi military build-up that U.S. officials call "modernization."

The U.S. Army Corps of Engineers is building two naval bases plus a naval headquarters, several national guard bases plus a national guard headquarters, logistical support facilities for the air force plus an air force headquarters, an ordnance corps headquarters, a headquarters for the defense ministry to be named the Prince Sultan Executive Office Building after the present defense minister, several military hospitals, a school for parachutists, a military academy, at least one army base and an officers club.

The U.S. Navy is now working out the details of an $800 million, seven-year program of ship sales to the Saudi navy.

The Raytheon Company of Lexington, Mass., has installed a $270 million HAWK surface-to-air missile system and now is teaching Saudis how to use it. The Northrop Corp., of Los Angeles received a $750 million order last year for 60 more F–5 jet fighters, bringing to 110 the number it has sold Saudi Arabia in the last seven years. Northrop is now negotiating an $850-million maintenance contract for these planes. The Lockheed Corp. of Marietta, Georgia, is training the Saudis to fly 25 C–130 transport planes. Ten more planes are on order. The AVCO Corp. of Cincinnati has just completed building two coast guard stations, one on the Red Sea and one on the Persian Gulf, and has started training Saudi coast guard personnel to use and maintain their new ships.

The Vinnell Corp. of Los Angeles has recently been hired for $76.9 million to train five battalions of the Saudi National Guard, a national police force of desert bedouins, fiercely loyal to the king. Their principal job is to guard embassies, radio and television stations and pumping stations along pipelines. They will learn to read and write in Arabic, to speak English and to drive armored cars and Dodge trucks in riot-control units. Part of their training will be in large training domes where simulated combat situations will be flashed on the walls and ceiling.

The Vinnell contract will be supervised by about 40 U.S. Army officers and civilians from the Army Materiel Command. The Northrop program is administered by officers from the U.S. Air Force. Other U.S. Army officers advise the Saudi army and U.S. Navy officers advise the Saudi navy. All three Saudi branches send personnel to the United States for training.

No U.S. military sale to Saudi Arabia is permitted without State Department approval. However, American officials deny that they are helping Saudi Arabia to build up its forces. "Our role is not to enlarge but to modernize Saudi Arabia's forces," said a senior U.S. military official in Dhahran, Saudia Arabia. "So it can obtain the right of all countries to be self-reliant."

Military advisers to Saudi Arabia say it is expanding its forces because it perceives threats on all borders. It is expanding its base at Tabuk in the northwest because it fears an Israeli invasion. It is not generally known that Israel has occupied two small islands belonging to Saudi Arabia since 1967 when Israel captured the Sinai peninsula from Egypt. The two islands—Sanafir and Tiran—are near the Straits of Tiran near Sharm el Sheik. Israel says they were used by Egypt in the blockade of the straits that helped precipitate the 1967 war.

Saudi Arabia also fears communism. It borders the Yemen People's Democratic Republic to the south and Iraq to the north. Both Iraq and Yemen are supporting the Marxist-inspired rebels in the Dhofar province of Oman, which also borders Saudi Arabia to the southeast. Saudi Arabia is supporting Oman.

Finally, Saudi Arabia fears Iran. It is afraid Iran is creating an enormous military force in order to expand its empire, perhaps by seizing the oil fields in eastern Saudi Arabia.

Iran will spend about $10 billion on its military this year, according to western military experts in Tehran. That is a fivefold increase from 1973, before the oil prices quadrupled.

Why? "The wealthier you become, the more you need security," said Hasham Hamimi, spokesman for the foreign minister's office. "If you are poor, you can leave your door open. But if you have precious art works in your house, you not only have to use one lock, but to doublelock."

That is an argument for national defense. What some U.S. analysts worry about is the increasing potential for a national offense. They point to Iran's annexing of three small Arab islands on the Persian Gulf in 1971. They point to Iran's support of the Kurds in their civil war against Iran.

And they point to the Shah, who is rekindling national aspirations by evoking the glories of the ancient Persian empire. Take the case of Iraq. "Before the Ottoman Empire, Iraq was part of our country," Hakimi told Newsday one week before Iran's border settlement with Iraq. "How can we deny our history? We cannot do that."

Iran believes its most serious threat is from the Soviet Union with which it shares a more than 1,000-mile frontier. The Soviet Union, which had annexed territory in northern Iran during World War II, did not pull out until 1946. Soviet Mig-15 Foxbats now routinely fly over Iran on spy missions.

It was largely because of these overflights that the Shah decided to buy the Grumman Corp.'s F–14, a $2 billion order for 80 of the fighter-bombers. It is the only plane he could buy that can shoot down the Foxbat at high altitude, since it carries the long-range Phoenix missile, which has a 100-mile range. Military sources in Iran said that the Shah is expected to buy another 40 of the jets.

There have been reports, none confirmed, that the Shah is shopping for an aircraft carrier for the Indian Ocean. Earlier this year he ordered six sophisticated Spruance-class destroyers from the U.S. that contain modern antiaircraft and antisubmarine equipment. The price tag for the six destroyers is $660 million.

The United States is by far the biggest source for Iranian military hardware. In the past two years alone, there have been $5.7 billion in U.S. sales to Iran. But Iran buys virtually anything it wants from any source it chooses. This includes almost $1 billion worth of arms from the Soviet Union, mostly in the form of jeeps, trucks and antiaircraft guns.

Iran's armed forces of 238,000 boasts some of the most sophisticated hardware in the world, including the F–14, which will begin to be delivered in January, and more than 200 advanced Sea Cobra attack helicopters. By 1980, it expects to have more than 500 first-line fighter planes. Its army will have almost 2,000 armored vehicles.

Iran is also worried about stability in the Gulf. It now has a military presence on both sides of the Strait of Hormuz, the shallow, narrow channel through which all Persian Gulf tankers must pass. Oman permitted Iranian troops on the south side of the strait when Iranian troops began helping Oman fight guerrillas in Dhofar province.

To the east, too, Iran sees some potential for trouble. It has allied itself with Pakistan, and sees danger to stability in the area in continuing territorial disputes between India and Pakistan. "We've already told India that any action against Pakistan would have repercussions" from Iran, Hakimi said.

Thus Iran is now extending its military influence to the Indian Ocean. "We don't want to choke ourselves in the Persian Gulf," Hakimi explained. "We want to develop along the Indian Ocean. We're building good roads to give us access to the Indian Ocean."

Iraq does not like the Syrian regime to its west, thinks Kuwait on the south should be annexed and, despite a recent treaty, casts a wary eye on Iran to the east. It also showed with bloody determination during the 1973 October war that it wants Israel returned to the Arabs.

Iraq, not surprisingly, is armed to the teeth. With a standing army of more than 100,000, reserve of 250,000, an air force of more than 200 combat aircraft, advanced surface-to-surface and surface-to-air missiles, it is one of the Mideast's most formidable military powers.

But unlike most of the other Mideast countries it receives no military hardware from the United States, which it does not recognize diplomatically. Russia has been its leading supplier of arms.

During a recent visit to the Iraqi air base at Mosul on the north, Newsday observed at least 40 Soviet-built MIG fighters, ranging from the aging MiG–15s, now used as trainers, to the sophisticated MiG–21s. The authoritative International Institute for Strategic Studies in London says that there are 100 MiG–21s in Iraq.

Until March, when Iraq entered into a border accord with Iran, the bulk of the country's armed forces was tied up on the northeast against stubborn Kurdish guerrilla resistance. At that time, an Iraqi general, Taha Shakarchi, told Newsday that the end of the civil war would allow the Iraqi military to "return to our real mission": preparing for war against Israel.

There are other potentials for armed conflict. Iraq, concerned about its limited access to the Persian Gulf, would like to expand its coast by annexing some Kuwaiti territory. In 1973 it even launched a brief incursion into Kuwait.

Iraq has also launched a vitriolic propaganda campaign against Syria, which it claims abrogated an agreement by cutting off the Euphrates water supply in Iraq with a new dam on the Syrian segment of the river. Few observers feel that Iraq would launch a war on the issue, but they fear that the war of nerves could trigger an unwanted conflict.

Abu Dhabi, the richest of the seven Emirates, is the only one actively in the arms race so far. And its purchases seem the most fatuous of all those in the Gulf. They seem more for show than anything else.

Abu Dhabi bought two air defense systems for example: a British Rapier system and a French Cortal system. Why two? "I don't know," said a western diplomat. "They only need one." The Abu Dhabi Air Force has 18 Mirage-5s and 14 more on order. However, since Abu Dhabi has only two or three native pilots who can fly the planes, it must import its pilots from other countries.

The Emirates feel threatened by both Iran and Saudi Arabia—they have had territorial disputes with both—but at the moment all boundary battles have been settled. Abu Dhabi's ruler, Sheik Zayed Ibn Sultan al Nhayan has said that the jets would go to Egypt in the event of another war with Israel. Until then their only use seems to be in parades.

Kuwait has purchased $492 million in arms from the United States in the last two years, mainly 36 A–4 skyhawk jets from $250 million and a HAW missile system. It has also purchased 36 Mirage fighters from France.

Although the Mirage may very well be sent to Egypt for use against Israel, the rest of the equipment is to protect Kuwait against Iraq. Not that it could hold out very long. It couldn't. Kuwait has an army of only 8,000 men; Iraq's army has more than 100,000. In case of attack Kuwait's strategy is to hold out for a day or two, said a western diplomat, "until someone can come to their aid."

Iraq has never recognized Kuwait's borders and periodically makes a move to seize it. At the moment, however, Iraq might settle for tiny Warba Island and half of Bubiyan Island, which are in the mouth of the channel leading to Umm Qas, Iraq's expanding port and naval base. Iraq wants to deepen and widen the channel, which would involve dredging up part of each island. So far Kuwait has said it would give up Warba in return for Iraqi recognition of Kuwait's borders but negotiations have deadlocked.

For a while the dispute degenerated into silliness. In 1973 Iraq moved into northern Kuwait and surrounded the Kuwaiti border post Al Samitah. To establish itself, Iraq built some prefabricated huts. In reply, Kuwait built a ring of mosques around the huts knowing the Iraquis would never offend a mosque. Iraq, in turn, built more huts around the mosques and Kuwait retaliated with more mosques around the huts. Behind-the-scenes maneuvering brought a ceasefire to the construction battle this March.

THE SCHOOL SEGREGATION ISSUE

Mr. McGOVERN. Mr. President, on November 23 in Louisville, Ky., at the National Democratic Issues Convention, I discussed the issue of integration and school busing. I believed then and I continue to believe that citizens have a right to expect that their public officials forthrightly discuss with them the difficult questions of civil rights, integration, and education facing the Nation today. With this in mind, I ask unanimous consent that the full text of my Louisville address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE ISSUE IS US

In certain places and times, political leaders must talk with the people of things which they might prefer to whisper only among themselves. I believe this city is such a place; this weekend is such a time; that here and now, honest and fundamental things must be said about civil rights, in particular the problem of busing.

I did not decide to give this speech because I desire to be unpopular, or because I dislike applause, or without reflecting on both the dangers of saying anything today, and our duty to say something, about the busing issue. I do not expect all of you to agree with my view or with my decision even to take a position during this conference. I ask only that before you make your judgment, you hear me out and think about the reasons which compel me to accept and assert some difficult conclusions. I believe we must state our case responsibly instead of rationalizing reasons for a political season to evade the question. Our opponents will not permit us to evade it—even if the people would.

As a Senator from South Dakota, I have not felt the full intensity of the anti-busing reaction. But as a candidate for President in 1972, I had to confront the issue and my conscience. I earnestly sought an alternative to busing which would achieve a similar degree of integration and a better level of education. I found that in many cases the only alternative was segregation and bad education. I made a commitment to myself not to exploit or equivocate on busing during that campaign.

So I come to this occasion with a sharp sense of the anguish there is in the word and the reality of busing. But I do not apologize for attempting to respond in a way which I conceive to be both sensible and essential. For even if we do not address the question, others will continue to exploit it. Even if we are shy, they will be shrill. They will offer false hope and deepen the shadows of fear.

Our silence on busing consents only to a longer state of crisis and uncertainty. The sounds of our silence abandon the public dialogue to demagoguery, to be twisted and enflamed. If telling the truth is a promise to be kept rather than a slogan to be broken, then we must speak of busing openly and plainly, even and especially in Louisville, where it is the issue.

Twelve years ago yesterday, John Kennedy was struck down. Those who wrote his epitaph said that perhaps history would most honor him because what he asked us to do for our country was the undone work of civil rights.

Ten years ago last summer, Lyndon Johnson signed the Voting Rights Act. Those who measured the moment said it would be remembered as the worthiest deed of that Democratic President and Congress.

In those days of oppression and liberation, of Bull Connor and Martin Luther King, of church bombings and freedom rides, it was a prideful thing for the Democratic Party to call itself the party of civil rights. We pledged then to overcome the barriers of segregation. But we pause now at the higher threshold of integration, torn between the apparent expediencies of politics and the clear demands of conscience—between the expediencies of politics and that due process of law which is the heart of our Constitution and the hope of our nation. In the long run it is in our self-interest to observe the rule of law even when it is painful. The Courts after all are the final defense of everyone of us. And someday anyone of us may need the protection of a respected court to save our homes, or our jobs, or our business, or our liberties or even our lives.

Yet at the mention of busing, we raise a collective index finger to our lips, closing off the discussion of a constitutional mandate which we cannot bring ourselves to deny. How sad it is to feel that first we have to take some time to justify even speaking on civil rights at all.

Now we must resume the duty of our party, which is the need of our nation. We must reclaim the burden—and the glory—of leadership on this issue which will not pass away. A major issues conference must discuss more than easy issues, economic issues, and fashionable issues—everything in short except the transcendent moral issue of three centuries on this continent. A major issues conference in Louisville must face this major issue, not of Louisville alone, but of Boston, and of other places across the land.

That issue is not whether children should be bused to school. Forty percent of all the pupils in American public schools ride a school bus each day. Only five percent of them are bused for the purpose of desegregation. Indeed for generations, black and white students were transported past each other's schools—and before the invention of buses, the segregationists used buckboards.

The issue is not the method of transportation, but the reason for it. Or in the words of the Reverend Jesse Jackson, "The issue is not the bus; the issue is us." The issue *is* all of us Americans, and the evil we have done to each other, and how it must be undone. Where the law and public authority were misused to separate the races, and where no other means will secure the equality of integration, then under the Constitution some vehicle must be selected to move black and white children to the same schools. Buses happen to be safer than bicycles and cheaper than helicopters.

I know that busing is an inconvenient device, that neighborhood schools are an important value, that most suburbs are exempted while many children in the central cities are expected to board the buses. But I believe the duty of resegregation should be distributed more fairly. But I also understand that no matter what we say or where we search, we will not find an easy means to alter hardened patterns of discrimination and apply the higher principles of a common citizenship.

Before we speak too glibly of "forced busing," we should remember that busing is not the only thing which is forced. Black families do not volunteer to make their homes in slum housing. Black children do not volunteer to be bitten by rats. Older blacks do not voluntarily walk on unsafe streets. Black workers are not voluntarily underpaid and unemployed in disproportionate numbers.

So it has been from the beginning of America: Unlike nearly all the rest of us or our forebears, black people did not even come voluntarily to this land. They did not volunteer to be sold into slavery or emancipated into the serfdom of tenant farming and subsistence labor. What of the forced lashings and the forced lynchings and the malignant neglect of forced hunger and helplessness—all of which came before forced busing?

For all of our history, the black human beings among us have been forced into another, lesser country—and millions of them are still confined in that other America, learning and earning too little, falling sick too often and dying too soon, and forseeing for their children only the same grim and hopless half-life.

In many cities, South and North, local governments have forced busing upon their own citizens by enforcing the segregation of public schools. That was what happened here in Louisville. And in Boston, the School Committee practiced a pervasive discrimination for years prior to the busing order.

The Federal Government itself reinforced the residential segregation which has prevented integrated schools in integrated neighborhoods. The Federal Housing Administration, the largest single source of home financing, recommended from its inception that restrictive covenants be kept and that multi-racial areas be rated at less than fair market value.

Intentionally and systematically, by the power of law and the effect of public policy, we imposed apartheid in America, we South Africanized the workings and institutions of our society.

Now for more than two decades we have been engaged in a struggle to lift the heavy burdens of this oppression. In 1954 the Supreme Court conformed the Constitution to a higher law and ruled that the doctrine of separate but equal had no place in public education. Since then we have proclaimed that it has no place anywhere in American law or life—that people who are artificially separated are not and cannot be equally treated.

That is the heart of the matter, the substance of our choice. Integration is the issue: Whether America will live a lie or make it true that we are one country, with one tax system, and one defense system, and one school system—with one liberty and one justice for all citizens of any race. Do we really pledge allegiance to one flag of one nation indivisible, or will we keep our society in torment and turmoil, divided against itself? Is integration something we applaud only when we watch O. J. Simpson carry the ball?

Recently we heard that busing itself has proved the impracticability of school integration. Research was cited to argue that desegregation in the cities multiplies the flight to white suburbs. But now we are finding from new research that a small increase of "white flight" occurs only for a single year.

Perhaps the desire to flee is a product of fearing the worst and this fear is calmed by the better and bearable reality of integration. We always hear of the disruptions and tensions at the beginning of busing; but in cities like Denver and Jacksonville and Pontiac, Michigan, the shouting and the tumult have faded, the television cameras have been turned off, candidates have stopped running against busing and children have started learning together.

In Charlotte, North Carolina, where an historic busing order was issued by the courts, the schools are now integrated; the expensive private schools are closing; nearly everyone agrees that the quality of education has improved; and the city—black and white—is at peace. Recently parents in Charlotte who at first had opposed busing invited a delegation from Boston to visit and see how well busing has worked in their city. So it is in many communities, although such quiet observances of the law may not attract the media or our attention.

Instead there seems to be a busing opposition in search of an argument. As each argument must be discarded, the next one will do. And for each campaign season, there seems to be another substitute for busing—a slogan or a concept which lacks only three things: Any proof of its effect, any estimate of its cost, or any plan to pay for it.

We have heard about magnet schools, educational parks, different attendance zones and school construction shifts. But the question is whether these are rhetorical tricks or real alternatives. Politicians who offer any of these measures as an alternative should be willing to present a plan of implementation. And they should be ready to prove the sincerity of their purpose by providing that busing will be phased out only to the extent that their program in fact promotes integration.

We have also heard about one-way busing. Now those who have talked about it should explain how to replace all our inner city schools with sufficient space and classrooms in other neighborhoods and the suburbs. Millions of children would have to be transferred; thousands of school buildings would have to be closed; tens of billions of dollars would have to be spent to build new ones. Who would pay the higher taxes, and how much higher would they be?

And there are those who say that school integration should come naturally, as part of the process of residential integration. But that process is working in reverse: Today our cities are more segregated than they were a decade ago. So if the answer is the integration of housing, then let us have the plan and follow it—and then fewer children of any race will be bused because more children of both races will walk to the same neighborhood schools.

Thus we are brought back to the basic questions:

Do we want integration or segregation?

If busing is the wrong answer, what is the right answer?

What substitute will integrate the schools, and how, and when, and at what cost?

Busing is one way to pay the bill for the ancient regime of racism. There may be other ways, but none of them will be painless or priceless. Indeed if we abandoned the goal of integration, if we tried to be separate but become equal, we would have to reduce spending for each student in the suburbs—or we would have to raise those who now have the least to the level of the most expensive public education. I have heard the rhetoric of "quality education" many times; I have never seen an appropriation to make it a meaningful reality for every student in America.

So in a material as well as a moral sense, separation is inherently unequal. The minority who are poor will never be equal if they must always depend upon the charity of a superior majority. That sort of benevolence is a form of tyranny. But when black and white study together in classrooms, they must strive together, each for their own sake, to improve the education of all. Only integration promises a more nearly equal financing regardless of race or economic circumstance.

Many parents say and mean that they object not to busing itself, but to the lesser schools which are at the end of the bus ride. But if these schools are unfit for their children, then they are also unequal and unacceptable for black daughters and sons. Opposition to busing is not necessarily racist, but the cause of busing is deeply rooted in historic racism. There is only one answer: We must move beyond that racism and the negativism of being against busing to a positive commitment to both the integration and the improvement of the entire system of schools. At the end of every child's walk or ride, there should be a good school, a safe school, an open school, and the highest possible standard of education.

Some may reply that this is all well and good, but it is also bad politics—that if we keep our conscience, the Republicans will keep the presidency. But the final and the consoling truth of busing is that on this issue fewer of the people will be fooled another time. More of them now understand that any candidate who says or imples that by supporting him the voters can stop the buses will prove as President to be either a liar or a violator of the Constitution. Twice they heard the deceptions of Nixon and both times his victory was followed by more busing, not less. Does an angry parent feel better because a President a thousand miles away also feels bad about busing—or because he berates the courts while the buses roll?

A Governor cannot stop the buses—and more of the people now understand that. The voters of Florida overwhelmingly re-elected Reubin Askew even though he upheld the courts on busing. The Republican candidate for Governor in Kentucky rode the anti-busing issue this fall—straight down to defeat.

A President cannot stop the buses—and more of the people now understand that. A presidential candidate recently said that he would not mention busing in the Massachusetts Primary because the voters already know where he stands. But many of them also know that on busing it does not matter who sits in the White House.

Busing is not a presidential prerogative to impose or repeal. It is one inescapable remedy of the Constitution for a proven case of segregation of the schools.

It is no answer to call for busing only as a last resort, for that is already the rule of the law. The courts now decree busing only where other means would be ineffective.

It is no answer to be reluctantly for busing in some places—except where the next speech is to be given. For it is a lie to leave Louisville with the impression that if we had our way and our victory the buses would be driven away.

There is one last answer to which few leaders of the national Democratic Party have yielded, to which even Nixon did not bow, and which Congress will never pass. It is to change the American Constitution to outlaw busing. Even many in the Senate and the House who oppose busing will not support this. They will not write the inequality of separated races into the greatest plan for free government in the history of the human race. A document which began with the pledge of a more perfect union shall not become a means to perfect the disunion of America.

That is the question, whether the word is busing or desegregation. It may be the most fateful issue of our time as it has been a fundamental issue through all the time of our history. Today no less than during the civil war, the treatment of races reaches that spiritual depth which is at the ground of our national being. It is a more important measure of America than the gross national product. It affects our national security more than the number of our missiles and the size of our bombs. It counts more than how we are doing materially, but whether America has a meaning beyond mere existence. And in the end, in ways which we may not yet foresee, in a turmoil yet to come, in a fire next time, the flaw of racism may bring down all the rest and the best work of our lives. We cannot permanently endure as a separated minority and a more than equal majority. Every segregated ghetto, every defiance of the rule of law and every instance of impoverished education wounds and weakens the body politic of America.

I have discussed the question of busing today because I want to see a day when this becomes the kind of just and good society where busing will not have to be an answer. If the Democratic Party can stand firm now on the issues which divide us—black from white—the impoverished from the employed—and New York City from the rest of the nation, then we may be able at last to fulfill the larger interests which unite us: Sufficient jobs for all our workers, fair returns for all our farmers, reasonable profits for all our merchants, and open neighborhoods for all our people. In that state of the nation, there will be no longer a need or a crisis of busing; and we will have started to tame the causes of crime and violence.

For ten years many of us were told to temper the truth of our opposition to the Vietnam war. But that terrible war nearly took the soul of America, and we had to take our stand. Now I do not want a great political party which nearly lost its soul in Vietnam to sell its soul on busing.

So I believe that in this election the Democratic Party must make and keep these resolutions:

That we shall not join the naive or cynical anti-idealists in an unrealistic pledge to prevent the busing of students and the integration of schools.

That we shall never consent to a constitutional amendment which would be a Bill of Wrongs for the unwhite and the unwealthy.

That we shall hold to the most solemn of our convenants—that we shall overcome.

And that we shall not nominate for the presidency a person who even before he takes it has perjured the oath of that office to preserve, protect and defend the Constitution of the United States.

All of us should warn any candidate who turns to the tactics of racial division and fear that in conscience we cannot support him even if he is the nominee.

We did not choose this issue. It came to us Americans along with the blessings of our heritage as the greatest burden of our history. We cannot hide from it, or lie about it, or postpone it or pretend that we do not hear or see. In this party, in this country, in this generation and this campaign, we must seek and speak the truth of civil rights. Then our children and their children after them, whatever their color or class will sing together in school with a fuller meaning than ever before:

"America, America, God shed His grace on
thee
"And crown thy good with brotherhood
From sea to shining sea."

THE RUNNING WATER DRAW WATERSHED PROJECT

Mr. DOMENICI. Mr. President, last week I was privileged to attend the dedication ceremonies of the city of Clovis and Curry County's Running Water Draw Watershed project. I would like to take this opportunity to bring this project to the attention of my colleagues, for it is a good example of how local and Federal governmental units can work cooperatively to solve a local problem.

The Running Water Draw Watershed project is a 3,120 acre site, centered around a series of six dams in Curry County, N. Mex., and down to Plainview, Tex.

Site No. 1, the dam we dedicated last week, is specifically located in part of the Clovis Park System and is known as the Ned Houk Memorial Park, named after a late Clovis City Commissioner who was interested in the development of this project.

The project is part of the Small Watershed Act, in which Federal, State, and local governments work together to protect life and property against flash flooding. Department of Agriculture funds are used, while Soil Conservation Service officials at the State level provide technical assistance, and the local governmental units provide easements and rights of way and guarantee the structures' maintenance and upkeep.

Mr. President, this is the kind of program that the Federal Government ought to emphasize, for it puts the Federal Government in the position of merely funding a project, while the exact dimensions and purposes are left for the most part to the direction of local people, who know local needs best.

PRESIDENTIAL CAMPAIGNING

Mr. McGOVERN. Mr. President, one of the Nation's finest and most perceptive journalists is Elizabeth Drew. She has recently completed a lengthy and valuable account of Presidential campaigning in the United States. Her article appearing in the current issue of the New Yorker—December 1, 1975—sheds valuable light on the problems, the weakness and the merits of the Presidential nominating process. Ms. Drew gives special attention to the current campaign of the highly respected and able Congressman from Arizona, Mr. UDALL.

I ask unanimous consent that this thoughtful article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUNNING

(By Elizabeth Drew)

In selecting those who might occupy the most important office in this country—the Presidency—we put our potential leaders through a process that is both strange and brutal. The people who might make crucial decisions about war and peace, about our taxes, who will have enormous effect on the quality of our lives, our social order, the civility of our public discourse, undergo an experience from which few human beings could emerge whole. Some do not. The evidence of the damaging nature of modern political campaigns—the scarred veterans, the burnt-out cases, the bitterness—is all about. "They never come out of it the same," one senator said of colleagues of his who had run for the Presidential nomination or the Presidency.

Moreover, the pressures on those who undertake Presidential campaigns are growing. In 1960, John F. Kennedy ran in only seven primaries. Now, as a result of subsequent political reforms, there are twenty-nine Democratic primaries. In addition, the Democrats' reform rules have led to more open processes for choosing delegates by convention or caucus in the other states. As politics has become more open, the growth in participation has led to growth in demands on candidates. Other developments have added to the strains a campaign imposes on the candidate. One is the growth in the variety and skill of pressure groups. Another is the education of the populace—which is increasingly well informed about politics. Intensified coverage by the press intensifies the stress. One mistake and a candidate can be destroyed. Those relatively modern inventions—television and the jet plane—have added not to the politicians' ease but to the demands that are put upon them or that they put upon themselves. One gets the impression that the entire Presidential-selection process is about to snap, and that new forms and styles must emerge.

Curiously, the questions of why people run and why the race often leaves such deep scars may have common answers. Running for the Presidency appears to have an impact on the ego that is unlike that of any other endeavor. *Homo candidatus* might be said to undergo a unique human experience. There are some exceptions, but many candidates for the Presidency seem to react with strikingly similar emotions—even those who enter the race with the best of motives, who are thoughtful people, who care deeply about their country. They feel an extraordinary exhilaration in making the race—a great lift, an unparalleled expansion of self-esteem. It is as if the limits on ambition and ego were removed.

All this is reinforced by aides and backers who are themselves susceptible to expansion of ego and fantasies of power. They are investors in power, who stand to gain if the candidate wins. The aides and other investors fuel a candidate's ambition and flog him on. After a while, the candidate, caught in a web of ambition (his own and others'), begins to believe that he can win—has to believe it in order to go through what he does—and begins to picture himself in the Oval Office. In the deepest fatigue, he continues to function on an unnatural flow of energy—a kind of high. It is the only way to get through it. Set against this is the devastation of losing—the deflated self-esteem, the bitterness, the sheer physical difficulty of adjusting to the sudden cessation of activity. Two years after his unsuccessful race for the Presidency was over, one former candidate told a Senate colleague, "I still wake up nights campaigning."

Almost every campaign eventually generates uncommon stress: there is infighting among the staff and the reaction of an exhausted candidate to that infighting; failures in staff work (often caused by rivalries); unfair attacks by opponents; the necessity of appealing for money and other forms of help from people whom one holds in low esteem or people who may exact an exorbitant price—not just in commitments to policies but also in promises of federal appointment or demands on a candidate's time. There are constant pressures to take various positions on issues—to win one constituency but do it in a way that does not lose another. There are pressures to be something one is not—to change everything from one's haircut to one's personality. There is pressure to be shallow, sensational, so as to get press attention. Aides grow quarrelsome and suspicious. And all the while the candidate is being asked to undertake more than human flesh can endure.

Understandably, the self-pity that is endemic among politicians—who feel overworked, underappreciated, and misunderstood—reaches great intensity in the candidate for national office. As a result of the pressures, candidates get derailed from their strategies—if they ever had them. Concentration on substance—even for those who wish to engage in it—becomes increasingly difficult. Planning for what one would actually do if one should win the Presidency becomes almost out of the question.

A losing campaign as often as not leaves an atmosphere of bitter recrimination. Political defeat really is an orphan. Former aides and advisers go about telling how it could have been otherwise if this or that piece of advice had been followed. Participants in campaigns write whole score-settling books. Candidates go through self-doubt, rationalization, and examination of the "but fors" that stood between them and victory. The "but for" exercises prompt them, often successfully, to run again; having experienced the stratosphere of a Presidential campaign, many—most, it seems—find it difficult to readjust to previous routines.

Of course, good things also happen to people who run in Presidential campaigns. They can receive a political education that is unequalled. They can learn unforgettable lessons about their country—about issues, about constituencies. They can learn about the mood of the people and the subtleties of that mood. They can gain a better understanding of where they can lead people—if they choose to—of how to lead them by gaining their trust and unlocking their higher aspirations and motivations. And they are given some preparation for the pressures involved in trying to govern a complicated nation. But—in the very nature of contemporary campaigning—the costs seem to outweigh the benefits. Good people can get through campaigns and survive, but at a heavy price—for them and for us. And some good people—after a close look—count themselves out. Campaigns have become a screening process that does not always screen out, or in, the right qualities.

Conversations with former candidates for the Presidential nomination and for the Presidency and with several former campaign aides give one a striking picture of what can happen to a candidate who seeks the highest office. "It leaves scar tissue," one former campaign manager said. "There's no way it can't have a deep impact on the candidate's psyche and physical condition. For a person in public life, it is the aspiration to the ultimate. There is no way a losing candidate can pick himself up and pretend nothing has happened to him. Even though you haven't lost your public position, you feel you're a loser. It hurts. You wonder what you did wrong. There are all the self-doubts. The system rewards success. There is no second place."

Another man who has participated in several campaigns said, "Everyone at the end of a campaign has blown off at his staff every night—thinks his mother is going to vote against him and his wife is trying to subvert him."

"It's the way they lay their egos on the line," said Mark Shields, a heavyset, thirty-eight-year-old man who has worked in several campaigns. "It's a terribly vulnerabilizing experience."

I asked Shields at lunch one day to tell me something about how campaigns work.

"Most of them don't work," he replied. "Everybody in the business is an amateur. Everybody looks at the last campaign. Most people have only one good campaign in them or maybe, if they're lucky, two. It's a total absorption of emotional, psychic, physical energy. It's not like being in the Senate. The Senate is bad preparation for a Presidential campaign. A senator can say 'Let's have hearings on tire safety' or something else and issue a press release and in three months hold hearings and issue another press release. In a Presidential campaign, issues are thrust upon you—a Middle East crisis, a public employees' strike. The press wants to know what you would do. That's more like the Presidency. You get too many easy answers as a senator. A senator can make statements, offer testimony, send a letter to the Internal Revenue Service. He can be for housing, but he doesn't have to say where it's going to be built. He can't do that in a Presidential campaign." Shields continued, "The toughest thing in running for President is to understand the fact that there are millions of people who are going to make a judgment about you who don't know you. And then you have to ask people you don't like for their help—that's tough. How many fools can you suffer in one day? And how many speeches can you give? How many days can you take away from home and still feel good? Can you resist trying to be your own campaign manager? All day, you'll get complaints about those dopes who did this and that. How good are you at raising money? How many people can you be nice to? Can you convince other people that you are worth their time and money?"

Another former campaign manager told me, "The physical, emotional, and energy strain is so staggering that you end up with a person whose emotional and physical level has to be beyond human—it has to be animal. Look at the candidate as a person. Quite often, he's a husband; he's a father; there are problems at home. There are financial problems, if he's honest. Quite often, there are arguments with the family, or there is a distance from the family—an emotional acceptance of a dreadful circumstance. There is a terrible emotional drain on the candidates. They are like an automobile whose lights have been left on overnight—and just maybe you can start it. The whole thing is excruciating. I wish to Christ you could spend just one whole day on the inside of a difficult campaign. At the end of the day, the candidate used to look at me with red eyes and say, *'For what?* How much more do I have to do?' "

"A lot of them go into a Presidential campaign with the idea that the United States might be one big congressional district or state," said a man who was active in the 1972 campaign. "They begin by thinking they can wander around the country the way they wandered around the state. Then the shock sets in. Frankly, what it takes out of them is a great deal. Most normal people can concentrate on only one thing at a time. The candidate has to realize that the only thing he can handle is being an articulate, good candidate. He can't think about whether the mail is going out or the money is coming in. The biggest thing is fatigue. The staff sits around and says, 'Can the candidate do this?' or 'Can the candidate do that?' The candidate can hardly walk."

An aide to one of the current candidates, when I asked him what candidates have to go through, replied, "They have to go through a whole lot of—a lot of running around. You really have to want to be President. We run our guy; we really run him. You just have to come to grips with the fact that your life is not your own for some period of time. We run him a lot harder than we should. He's good about it, but every once in a while it has an adverse impact on his performance. He begins to answer questions too long; his speeches become too long; he becomes less precise."

"Here is a truism about politics," said one former campaign manager. "Candidates' wives hate schedulers and advance men. They always think their husband is being overscheduled."

One day in October, I asked George McGovern to give me some of his impressions of what it was like to go through a campaign. We talked during lunch in the senators' dining room in the Capitol. McGovern began by talking about his experience in 1972. Understandably, he said he thinks that the system of primaries and state caucuses is "pretty good," but he feels that the general election gives all the advantages to the incumbent. "I suppose I reflect the bias of someone who won in the selection process and lost so disastrously in the general election," he said. Still, McGovern has some things to say about running for the Presidency that illuminate what a candidate goes through.

"I think running for the Presidency is different from anything else," McGovern said. "Maybe it isn't that it's so different but that the stakes are so much higher. You always know when you're in a Presidential campaign that a slip of the tongue or an ill-advised statement can be devastating. In a statewide race, you have time to make up for such a thing. But in a Presidential campaign it's as if you were always in the seventh game of the World Series—one error and it could all be over. The sense of excitement and tension is always there—day and night. It's physically exhausting on the one hand and exhilarating on the other. You literally live for months on the flow of adrenalin. I was tired, but I went at a pace that couldn't be sustained at any other time. It couldn't be sustained by the staff, by the press—they had to be rotated. The great weakness is that there is seldom any opportunity for reflection. Even when there is a rest time scheduled, your mind and your emotions are racing ahead, and you're anxious for some scheduler to give you something to do, so you don't have to go through the pain of thinking about what you're doing. And there's always some scheduler with extra things for you to do."

McGovern continued, "One of the cruelest things that go on in Presidential politics is the struggle for the candidate's body. It goes on from the county chairman to the campaign manager. The handshaking tours have to be drastically curtailed. They're really a lot of baloney. They don't add very much to the process in terms of the candidate's security and the candidate's dignity, and they really don't make sense. The candidate arrives at the airport and sometimes spends half an hour shaking hands with the first three rows of people. Candidates do it for two reasons: one, to show how democratic they are; two, to inflate their egos. It's pretty heady stuff to have dozens of people waving their hands in the air to touch you. It makes you feel you're some sort of gift to them. But it really doesn't contribute to the education of the public or the candidate." Candidates also go through the handshaking routine because it gives them a chance to show their popularity to television audiences.

McGovern offered an example of the kind of incident that can cause havoc in a campaign and irritate a candidate's already raw nerves. Toward the end of his election campaign, he decided to interrupt his scheduled appearances in various towns and "media markets" to do some nationwide telecasts. (This decision itself was much disputed within the McGovern campaign. One former McGovern campaign official still talks of it as "disastrous," causing as it did the unmaking of so many commitments, and he blames other McGovern advisers for the decision.) "The first television address was highly successful," McGovern recalls. "It was on the Vietnam war. The second was on economic problems. I had numerous meetings with economists and staff members who were travelling with me, and I cleared it at one o'clock in the afternoon, and we dispatched it back here to be put on the TelePrompTer at the Capitol, in time for the taping at nine o'clock. Well, when we landed and I was all made up and ready to go at seven o'clock, there was nothing on the TelePrompTer. The staff back here had decided they didn't like the speech and were fighting about it. So, after fuming for an hour, I said, 'I want that speech I cleared this afternoon.' But there was no time to rehearse or go over it. I was mad; I was exhausted; I was unnerved. That kind of thing happened a dozen times; it draws every ounce of energy out of you."

Edmund Muskie now has sufficient seniority in the Senate to have an elegant hideaway office in the Capitol—actually, Sam Ervin's former hideaway. As we sat there—in a highceilinged room with chandeliers, brown leather furniture, and a spectacular view of the Mall leading to the Washington Monument—Muskie, relaxed, sometimes with one of his long legs slung over an arm of his chair, talked about his 1972 campaign for the Democratic nomination. He offered a number of insights into the experiences of a candidate.

"The most difficult problem—and I wish I'd seen it in advance as well as I do in retrospect—is for the candidate to control his campaign and be himself and be sure the campaign reflects that," Muskie said. "People don't buy an organization—they buy a candidate, his philosophy, his character, his goals. But the campaign starts to overwhelm the candidate." Referring to his role as Vice-Presidential candidate on Hubert Humphrey's ticket, Muskie continued, "In 1968, I went in at the top. It was a new experience, a liberating experience, and the organization responded to me pretty well. It was a pretty good start. Odd as it may seem, the bad start for 1972 was the Election Eve speech"—the televised speech he gave on the eve of the 1970 congressional elections, which was in sharp contrast to a poorly delivered speech on law and order by Richard Nixon, and increased the talk of Muskie as the probable candidate in 1972. "All of a sudden, I was the front-runner—without the resources, without the organization.

"There was a tidal wave of people wanting to respond, to be involved, and we didn't have the physical capacity to handle it. Being front-runner made me defensive, overprotective, and too damn structured. I suddenly got up there on a high wire and wasn't sure enough of myself to take it and handle it naturally. People have reported that my staff acted as if I were already President." In a characteristically different perception, or assessment of blame, some members of Muskie's campaign staff say that it was Muskie who acted as if he were already President. Muskie remarked, "People in Maine say, 'You weren't the Ed Muskie we knew.' I suspect that's still some of my problem in Maine." Muskie is up for reelection to the Senate in 1976. This is seen as a reason for him to remain out of at least the early primaries next year, even if, as many people believe, he would like another chance at the Presidency. If he does not face substantial opposition in seeking reelection to the Senate seat and if the situation seems opportune, he could still enter some of the later Presidential primaries. In the meantime, he can stand apart from the melee and win national attention as chairman of the Senate Budget Committee while other Candidates battle it out.

I asked Muskie what his major problem was in 1972.

"The pressures on your time and energy," he replied. "That's always the problem—so many people seeking access to the candidate. And then there is the physical need to get around the country and get exposure. Those are the pressures that the staff sees and responds to. They have a very useful tool—the white space on the calendar. When the white space is full, they've done their job. The candidate has his own priorities in regard to where he should go and whom he should see and finding time to think through a program for the country.

The staff doesn't consider this. Their candidate is a mechanical man who can find the time to think through his positions on abortion and the gay movement, on the economy. These are the things the candidate doesn't get time to think through. I look at these guys who are running now, and wonder how they can do it. The press wants instant responses to everything, and if you don't give them instant responses they believe that you haven't thought it through, that you don't have any answer. Those are the kinds that frustrated me. Unless you've got the time to think, to formulate your own policy, you've missed the essence of it, the excitement of it, and you've become a frenetic thing moving around the landscape proving you've got more energy, more charisma, more instant answers than anyone else."

Muskie paused, and then continued, "The exposure to crowds is exhilarating, and is useful if you don't overdo it. I can understand why President Ford likes it; he probably didn't have much as a congressman from Michigan. It gives you some feeling that people respond to you, they think they need you, they can believe in you. There's nothing like that to give a man the adrenalin flow that permits him to believe in himself. But we do overdo it. We need to change the balance, to get more of a dialogue. Think back to Franklin D. Roosevelt and Al Smith. We didn't have the jet plane. There wasn't this constant rush to get around the country and get near the people. It was so much more leisurely and there was so much more communication. F.D.R. and Truman travelled on trains; they didn't plunge through crowds. Television is supposed to reduce the expenditure of energy. It seems to have done the opposite. I wonder whether, if the candidates could get together and agree on a pace and a style, it wouldn't work just as well. Or if one candidate did it—reduced the running around—I'm not sure it wouldn't take."

I asked Muskie about the problem of raising money.

"That's going to continue to be a problem," he answered. Like several politicians, Muskie has misgivings about the new law to reform financing of campaigns, which limits individual contributions to a thousand dollars and requires Presidential candidates, in order to get federal matching funds, to raise at least five thousand dollars, in contributions of no more than two hundred and fifty dollars, in each of twenty states. (The new law, which is under review by the Supreme Court, also sets limits on how much may be spent in each state.) It was far easier for some politicians to go to fewer contributors for larger sums—which is precisely what the new law is designed to prevent. Therefore, while from some politicians' point of view the old money-raising system had its difficulties, some of them don't like the new one much better. "It costs a lot of money to raise money from the grass roots," Muskie said. "The methods, such as mass mailing, can be overused and lose their productiveness. You'll have every candidate in the land sending letters." Muskie laughed, and added, "We'll have to raise the postal rates." Of his own experience in raising money in 1972, Muskie said, "I'd spend days and days going to see one individual—travelling to New York, travelling to Chicago, to see one guy who was a potential contributor. Being the front-runner was very costly. We had to keep it going for two years. You have a tremendous organization to keep going, and at the first signs of stumbling the money starts drying up. That's what brought us down eventually. The New Hampshire and Florida primaries were tremendously expensive and didn't raise much money. We had to spend money we'd raised in New York and California. Wisconsin was pretty tough. In Illinois you can raise the money, but Pennsylvania—when the outcome of that primary was disappointing we had to fold. It was a classic case of too much too soon, of peaking too soon." Adlai Stevenson—the Democratic senator from Illinois and son of the former Presidential candidate—"used to say, 'Cut off and run from the Senate floor.' That would be easier to do this year than then."

I asked Muskie why, given the strains he had described, people run for the Presidency—especially more than once.

"It's a very heady business, really, to suddenly find yourself near the top, and to breathe constantly the atmosphere of those who simply take it for granted that you're going to be the next President of the United States—not just the staff but also the press and your foes," Muskie replied. "It does things to you. You begin subconsciously to believe it yourself. You begin to consider the heavy responsibilities you have before you announce your position on something. It was the source of a lot of my difficulty, I fear, but at the same time it was a rather wonderful feeling. It would be nice if you could go through an experience like that on a trial-run basis—psychologically, mentally, physically—before you actually do it. In so many ways, I could do it much better now. But that's true of so much of life—you can't live it twice. The really invigorating parts of a campaign are the exposure to crowds and the all too scarce opportunities that you have to actually sit down with people and thrash out policies for the country—the chance to get into it and get good brains you can bounce off of. And so much of what we did of that ended up in the Democratic platform in 1972. I know I was perceived as not being issue-oriented, but I think the problem was that we tried to cover too much. We weren't identified with *an* issue, and people want to associate you with one issue or stand. George McGovern created that; George Wallace created that. What I was trying to do apparently isn't doable. I was trying to project the image of someone who could reach out to all segments of the Democratic Party and establish a common cause with them. I managed to come out second with all of them."

Muskie laughed, and continued, "I came out fourth in the Florida primary. A Yankelovich survey a couple of days later showed I was the only one who could get more Democratic votes than Nixon there. And I'll tell you a historical footnote about New Hampshire. There was this game about the percentage by which I had to win New Hampshire. After starting out with sixty per cent, the press settled on fifty per cent. I got forty-six per cent, and it was decided I'd lost. Later, it was found that I actually got forty-nine and nine-tenths per cent of the vote. I just found that out this spring. I got some satisfaction out of that, but it wasn't of any practical use."

Muskie continued, "Right after the Manchester *Union Leader* incident, I was not aware that it bore the seeds of disaster." His public display of emotion when, shortly before the New Hampshire primary, he attacked the *Union Leader* for printing a story taken to be critical of Mrs. Muskie and broke down and, according to some press reports, cried, was considered nearly fatal to his election chances. "As a matter of fact, my understanding as I went through New Hampshire was that it made a very favorable impression," Muskie told me. "I thought it was a bit of a triumph. That shows you how the candidate's perception can be off. I also found out later that the press had a different perception of what happened from mine. The press thought I cried. I didn't. I was madder than hell, and I choked. Up to that point, I was perceived as able, controlled, disciplined, stable, strong, and the image of that incident undermined what had been my basic strength. Which comes back to my basic point—you have to be yourself and have to be seen as that, or you're sunk. The more people there are who see what you are and decide they're for you, the firmer your base is. There's a lot of accident to it. Take my 1970 Election Eve speech. That did more than anything in my political life, but there was a lot of chance to it—the juxtaposition with the President. Unless there is that kind for fortuitous circumstance, then I guess you have to run around to get known, unless someone comes out of the first primary with a big margin. Then the press will give him big coverage—and he may become another George McGovern, or an Ed Muskie and stumble. The press is another problem. It's so easy to become defensive, guarded, suspicious about the press, and also to regard it as conspiratorial in a loose kind of way. And I'm sure I felt all those things in 1972. But that's a mistake. A candidate tends to overlook the fact that most of the members of the press never get a chance to meet him and talk to him and get to know him, so they write what they can or pay attention to those they believe to have access, or they want to be sensational and get attention for themselves. It must be very difficult for reporters to cover this passing scene. They don't have as direct access as we do to the facts on which we have to act."

Muskie returned to talking about the 1972 primaries. "We decided to start in New Hampshire and Florida on successive days," he recalled. "It was tough to do both states well. In Florida I never could catch up, and in New Hampshire it was an effort to get up to the standard the press had set. I was discouraged the night of the Florida primary, and sort of had a feeling that the whole thing had ended. Illinois, the next week, was a great primary. We never got credit for it." Muskie defeated Eugene McCarthy, his only real challenger, in the Illinois primary. "We did consider bypassing Wisconsin. The governors and senators who were supporting me met and opposed that. I think my instincts were right—to avoid another vulnerable situation, with Humphrey and McGovern coming from neighboring states. And I did not do well in multicandidate races. So Illinois was the only good primary, and now, historically, New Hampshire. Really, anyone who can do fifty per cent in New Hampshire—especially in a five-candidate field—is doing pretty goddam well."

Walter Mondale's face gets a pained expression when he is asked about his experience as a potential Democratic candidate in 1976. Reelected in Minnesota to his Senate seat by a wide margin in 1972, proclaimed a Presidential candidate by Hubert Humphrey that Election Night, Mondale spent a year exploring his chances as the Democratic nominee. On November 21, 1974, he announced that he was withdrawing, because he said, "I found that I did not have the overwhelming desire to be President which is essential for the kind of campaign that is required." The interesting thing is that he was taken at his word. In the rather cynical community, the word might well have been that Mondale had pulled out because he wasn't getting anywhere, but it was widely accepted that no such conclusion about his chances could yet be drawn and that Mondale had pulled out for exactly the reason he said he did—that he couldn't stand it.

One day this fall, I asked Mondale to talk about his excursion into Presidential politics. He had been talking easily about other matters, and it was clear that he would have preferred to continue to do so. But he agreed, reluctantly, to cooperate with my inquiry into the Presidential-nominating process.

"The Presidency is the most important office in the world," Mondale said. "The nominating system was unstudied and unanticipated by those who wrote the Constitution. There has been almost no study of it by a President, by Congress. It has just grown. Its growth has been malignant, almost. It's anarchy."

I asked what the process does to a candidate.

"Lots of things," Mondale replied. "One, fatigue. Look at the schedules, travel times, time changes, the absence of weekends for rest. It's not just the physical fatigue; it's the emotional pressure of it all. At every event you have to do exceedingly well—good isn't enough. You might never be seen there again. You have to be up for every meeting, be properly briefed, speak well. So the emotional, psychological pressure, which is hard to define, is worse than the physical fatigue, which is terrible. I was going through the easy, nice time when you can pick your schedule. What are these characters going to do when they get to the primary and caucus time—one primary or caucus on one coast and one on another? One on the Canadian border and one on the Mexican border—all with different rules?"

Mondale went on, "Then, you have the problem of money. You spend days and days and days pleading for money—answering questions, trying to make a good impression on people who have it. Even with the new limits on contributions, you have to do this. You need movers and shakers who can go out and help raise money in thousand-dollar quantities. When you get through with all this, you've got the conflict between what you have to do to be nominated and what you have to do to be a decent President. Some of it's the same. Some of the conflict and emotional pressure is a necessary test for the Presidency. I'm not for the greenhouse approach. You can't be inaccessible and be a candidate, and by being accessible you may learn more than you'll ever learn again. But the way you spend your time is irrelevant to issue development. It's a different life style. Politicians have to be persuasive and able to move people, but when you get to the national scene it's theatre. When you're running for the House or the Senate, you have to grow well on a number of people. When you're running for President, it's like a series of one-night stands in vaudeville—you have to have a good act every night. The good act may carry you farther than the good program."

Mondale continued, "The feeling that bothered me more than anything else was that we were in the control of events we were unable to stop or do anything about. Experts are coming and telling you what you have to do, what positions you have to take—usually it's what they want. Then there are the people who want you to get a speech coach and cut your hair differently. None of that's very important.

What's really important is that the goddam news media won't pay you much attention until you've become big. You have to spend years on the road until you get enough percentage points in the polls. The national media won't give you a break until then, and their eyes turn glassy when you talk to them about it. They don't want to hear about it. That's because their business isn't electing Presidents—it's competing with their competitors. The result is that the nation is denied a look at new leadership. If you want to get on the evening news, you have to escalate your rhetoric in order to merit the time. If you're saying something rational and restrained, that's not news. That's one of the reasons politicians look so bad. They're always saying something wild. The news programs don't want to put someone unknown on, because their competitor might be putting someone well known on. It's understandable, but why shouldn't there be some national forum where our next President might be considered and among those considered are those who are not well known but who have great merit? Now there's no adequate forum for that. So what I had to ask myself was whether I wanted to go through all that was involved not just for two years but maybe for ten years—to get on that lifetime Presidential cycle that some get on. I didn't want to do it. I had to think about whether you should also have some time to be with friends, family, to fish, to have a little balance in your life, or whether the oneness of purpose should consume your life."

One man who has run for Presidential office said to me, "Rich people—you have to go to rich people. These were the worst, most humiliating experiences of my life. There is a certain feeling that they know best, that they're expert. Here I've spent twenty years in government, and some jerk whose father made a lot of money is lecturing me. He doesn't know up from down and he's lecturing me on everything. One time, I was talking with a car dealer. He said, 'You have to smash through with an issue.' I said, 'What issue?' He said, 'I'm not going to get into that.' He makes a lot of money, so he's a political expert. You spend too much time listening to people who have money. Not that they shouldn't be listened to, but they shouldn't have that special access to a politician's ear."

A manager of one 1972 campaign, when I asked him what campaigns were really like, was fairly vehement in his response.

"You start with the basic proposition that, regardless of appearances, campaigns are, by their nature, disorganized, impossible to control," he said. "The better you appear to be doing, the more you attract the parasites, the so-called professionals, for whom you grow to have enormous disdain. There's no such thing as a professional in this business.

"Campaigns generate a king-of-the-mountain atmosphere: a contest to see who can become closest to the candidate—at the expense of someone else, which is the only way to do it. The interests of the candidate diminish at the hands of the staff. This has been true of every campaign I've heard about. The candidate has zero time; his life is no longer his own; he doesn't own his soul. Everyone is telling him what to do. The media managers tell him they need more time. You can't attract the kind of support and ideas you need from intellectuals without giving them time. The fund-raisers demand time. The speechwriters are in constant dispute. The upshot is that long-range planning is impossible. I've left out the constituencies that demand access—labor groups, women's groups, blacks, state leaders. And I haven't mentioned the grass-roots people or the schedulers. You have inherent chaos and conflict among all these warring groups, all of whom see in the candidate their tool to power, and want access, so that when Armageddon is won they will be up there with the heavenly angels."

I asked this man what to watch for in campaigns.

"Look for the obvious gap between the desire for an appearance of harmony and the undertones of conflict," he said. "This is symptomatic of all campaigns. There are always people on the edge of departure because they don't have access to the candidate. That's what matters. Then, there are the professionals, the hustlers. They hire out for pay, but they don't give any pleasure. They don't give a damn about the candidate. They bounce from one campaign to another. They flood the office with memos, and the memos just happen to leak out.

"There is an enormous distance between having a strategy and having the ability to carry it out. Things aren't what they appear. The successes, failures; the harmony, disharmony; getting money, not getting money; having grass-roots followers or not—campaign managers always want to give the impression that they are on top of all of that. The truth is that they are not. The difference is whether they are or not is marginal and accidental."

I asked this man whether he or his candidate had had much time to stop and think.

"The problem amounts to more than that," he replied. "The problem is the system in a country as large as this, with differences in the rules of each state. It's the uncertainty about your allies and the question of whether they have their own axes to grind—whether they are using the candidate. You have to look at the local staff as well as at the national one. You get involved in the selection of campaign posters and pictures. It's a great shell game. It's a silly-ass system."

I asked him if it is possible to run a campaign and think through a program for governing.

He said, "No. No one knows what's going on. No one can monitor a campaign, because it is moving too fast. Almost every campaign tries to set up a system for gathering information—someone responsible for organized labor, a group responsible for blacks, and so on. You do that in the headquarters and in the states. The financial community is a constituency that has to be serviced—they have their views on how to run absolutely everything. If you try to get endorsements from political figures, you do it at the cost of also getting enemies, and then the endorsers want to run your campaign in their own communities, and do it in a way which may be in their own interest instead of the candidate's. It would be almost impossible to describe the day of a campaign manager. To say it's enervating understates the case badly. You feel like a punching bag that Muhammed Ali has been using for two weeks. You're pummelled by staff, by grass-roots, local people. To see to noon the next day is a feat of uncommon accomplishment. When someone asks at 11 p.m. 'What did you do today?' it's amazing if you can remember ten minutes."

Picking up an earlier theme, he continued, "I've overlooked the other constituencies—young people, the elderly. And you can't go on the assumption that labor's labor. There are all sorts of divisions within what is referred to as 'labor.' There's another constituency of the Democratic Party—the 'elderly statesmen.' They drive you bananas. It's devastating. They can be ignored only at the staff's peril or the candidate's peril. They're the Washington lawyers who have been around, and there are also people in every state—an ex-Party chairman, ex-governor, ex-university president. Multiply this by every city and county in the United States and you begin to get the picture. They have something to offer, but they are not involved in the campaign. Some take you back to a campaign twenty years ago and insist that that's the way yours should be; some think everything you're doing is wrong."

I asked this man what effect all these elements had had on his candidate in 1972.

"As it grew clear that we wouldn't win, he became very concerned about what it meant to his capacity for continuing in public life," the campaign manager replied. "He would ask. 'Can I continue to be effective?' He would say, 'I've let people down.' It took an enormous toll. He wondered what his old constituents would think. There was lost time with the family to be made up. You either win or lose. That's all there is to it. You win because you're brilliant or clever or had superb media or great staff. He who lost had a lousy campaign, lousy staff, bad media. You start out saying, 'What does it take to get the voters to vote for me in New Hampshire, and what does it take to get them to vote for me in Florida the following week, and what will it take in Wisconsin?' By and large, people in Democratic primaries vote their strongest emotions, their insides: 'Send them a message.' What a way to pick the leader of this country! The whole system stinks. Crazy. Crazy. Crazy."

Power struggles and ego bruises occur in any competitive situation—a business, a university, a church hierarchy—and perhaps it is only fitting that they seem to be most intense where the stakes are the highest: in the race for the Presidency of the United States. But their intensity seems to have grown—as have other problems, such as candidate fatigue—with the changes that have taken place in Presidential campaigns since 1960. In 1960, styles changes, and after that so did the rules—formal and informal. The dilemma is that many of the changes are for the better, but at great cost to the candidate's time and energy. In 1960, John Kennedy won the nomination by having won a few primaries and having had major states "delivered" at the Convention by those who controlled the states' Party machinery: John Bailey and Abraham Ribicoff in Connecticut; David Lawrence and William Green in Pennsylvania; Michael DiSalle in Ohio; Richard Daley in Illinois. The Party bosses could not deliver to a candidate with no support or stop a candidate with overwhelming support, but they were in a position to have a decisive effect on the outcome of a Convention. It was probably the candidacy of Barry Goldwater for the Republican nomination in 1964 that began to change the rules of the game. Goldwater's grass-roots organizing—a kind of guerrilla action by private individuals against the Party hierarchy—showed new ways to win state caucuses and primaries, and established a model that was followed by Eugene McCarthy in 1968 and by George McGovern in 1972 and is being adopted by a number of the current Democratic candidates.

At the same time, after its 1968 Convention the Democratic Party began to establish ground rules for state caucuses and primaries. One result is that the processes are more open and democratic, and invite more participation by citizens. Another is a drastic change in the nature of campaigns.

In recent campaigns for both the nomination and the election, a number of practices have developed. To win in the primaries or the caucuses, candidates must—or think they must—build extensive organizations of people who will attend the caucuses, canvass, and get out the vote. In order to become known or to get coverage, candidates chase from "media market" to "media market"—perferably hitting three in one day, with at least two of the three in different states. If there is no particular reason for a candidate to turn up in an area, a reason must be devised. Finding the reason for a candidate to appear in Pittsburgh a fifteenth time can require some imagination. If there is doubt that the media will see fit to cover what the candidate has to say, or if he has nothing new to say, a "media event" may be concocted: the candidate rushes into a supermarket, holds up a package of hamburger, and decries the rise in the price of meat; the candidate milks a cow, descends into a coal mine. During his 1972 Presidential campaign, George McGovern stopped at a farm in Iowa so that he could be photographed on the porch of an old farmhouse discussing farm problems, and then, for good measure, proceeded, with the camera crews, to the farm's cornfield and pigpen, to be photographed there. What such events do to the dignity of the candidates and also of politics, and how much they contribute to the enlightenment of the electorate, is questionable. In any case, they are part of what consumes a candidate's time, drains his energy, and exposes his nerves.

In late September, I had a talk with Kenneth O'Donnell, who was one of John Kennedy's chief political advisers. O'Donnell is now a businessman in Boston, but, like so many who have been in politics, he still hears its siren song.

"We entered only seven primaries in 1960," O'Donnell pointed out. "It was a very different ballgame. We had religion as an issue, age as an issue, and an incumbent Vice-President as our opponent. Then we had a beautiful candidate. Geez, we had a candidate. Now you're in a different situation. You have to divide the candidates into different groups. There are those who can wait for the Convention. Teddy Kennedy can, Muskie can, Humphrey can—they're known. Then, you have guys like Sargent Shriver, Morris Udall, Birch Bayh—they have to run. Henry Jackson is in that position."

Shifting back to the subject of campaigns, O'Donnell said, "You know what they care about in the Party? Who's going to be sheriff. If I'm sitting with Richard Daley, I'm looking for a candidate who helps the ticket—who elects me attorney general. I care about who's going to be the sheriff, the judge, the D.A. Do you know how much they cared in West Virginia who was going to be President? Zero. Now everybody's talking about SALT and détente—nobody cares about that in Boston. They care about busing and about jobs. About themselves. It's a terrible, horrendous course, you know. People expect you to do things every day. I don't think the fact that you went to three hot-dog plants in the morning makes you a better President. We did it, and it was almost embarrassing. John Kennedy opened his Wisconsin campaign at five o'clock in the morning at an Oscar Mayer plant. Do you think anyone cared? But if you don't do it people think you're lazy and arrogant. If you do it, it means you're willing to work, that's all. Estes Kefauver began it. But people do want to see the candidate and ought to see the candidate."

I asked O'Donnell where he would draw the line.

"I don't know," he replied. "There's a great deal of talk about the question of whether there should be a national primary or regional primaries. That's something we have to think more about. First, you have to get name recognition. The average guy in the street says, 'Who's Birch Bayh?' People say, 'Who's Scoop Jackson?' That's what the problem is. Everybody knows Ted Kennedy's name. They don't know if he's Jack Kennedy or Bob Kennedy or Ted Kennedy. In 1960, between Kennedy and Humphrey, it came down to who could lead the country. We haven't had that since. In 1968, the war was the issue, and Humphrey was trapped. In 1972, McGovern beat Humphrey in the primaries, but he did it in a way that lost him the election. This is a brand-new situation and nobody knows what it's about. As of now, nobody knows anything."

Among the truisms heard currently is that within the Democratic Party in 1968 and 1972 the Vietnam war was a galvanizing issue, which stirred people into working for Eugene McCarthy and George McGovern, but that no such issue exists now. In those years, it was the cause more than the personalities that defined the Democratic struggle; at present there is no similar compelling cause. It has been the case that those wings of the major parties which are most driven by ideology—for the Republicans, the right; for the Democrats, the left—work hardest in the primaries and caucuses, and thus the results are skewed toward those wings.

It was this phenomenon that caused the Republicans to nominate Goldwater, the Democrats to nominate McGovern—each losing disastrously in the general election. Nixon won the Republican nomination in 1968 by spreading himself across the "middle" of the Party, and now several Democrats are trying to figure out how to win the nomination without committing what has come to be known as "the McGovern mistake." The search is for a potion that will arouse non-ideological passion.

Fred Dutton is a Washington lawyer who has been involved in the Presidential campaigns of Adlai Stevenson, John Kennedy, Robert Kennedy, and George McGovern. During the Kennedy Administration, he worked in the White House and the State Department. He is an unconventional man, and tends to think about politics in terms of mood and style rather than of mechanics. He is one of the people in Washington who are consulted by politicians and journalists for a sense of what to do or of what is going on. Over lunch one day, I asked Dutton to talk to me not about "who's ahead" but about campaigns.

"The present campaign styles were set by Nixon and Kennedy in 1960," he said. "Both were bright young politicians at the top of their form. The Eisenhower period had burned itself out. Robert Montgomery, as an adviser to Eisenhower, had been toying with TV. Kennedy and Nixon set the new style: standing at microphones, no heavy podium—all sorts of new techniques. They recognized that the idea was to sell themselves, to put across a style. We are still in the dregs of 1960. There is nothing creative.

The current candidates are rote figures, automatons, responding in a hack way to 1960. The big changes came when Roosevelt made effective use of the radio, and Kennedy and Nixon used their new techniques in 1960. In fairness, campaign styles haven't changed very often. The early Presidents—Jefferson and the others—offered themselves to the voters in a lofty manner; they spoke from on high, were relaxed, cool. The first big change in style was by Andrew Jackson after he lost in 1824; in 1828 he campaigned like crazy, and personalized contact with the public.

In the process, he expanded the electoral base. National political conventions began early in the eighteen-thirties, and then we started to get the bunting, the torchlight parades, keynote addresses. That was the beginning of P.R. in politics; of slogans—guys like William Henry Harrison and Zachary Taylor running on slogans. It was one of the most creative periods in politics, but it came about because the candidates couldn't come to grips with the emerging issues—the diverging economies of the North and the South, slavery. The slogans and the hoopla were to divert attention from substantive questions.

In 1896, Mark Hanna, trying to get William McKinley elected, organized county chairmen and outside groups and sent them out on trains to Ohio to see McKinley. Mark Hanna is generally considered the first expert in organizational politics. Roosevelt was the first guy who used the radio effectively; TV wasn't really used with any imagination until 1960. Kennedy and Nixon pulled out all the stops, and we got to the jet-planing and the three stops a day. The problem is that style—the communication of the implicit—has become self-conscious. Everything has become organized, unspontaneous. The implicit and the explicit, the word and the picture should go together. What has happened is that they have diverged, and there is so much that is clearly phony. It is as if Kennedy, instead of relying on his good looks, had worried about getting his picture taken in front of the Statue of Liberty, as Lyndon Johnson did. The Statue of Liberty is a good thing. The Statue of Liberty with a politician in front of it is a phony. By the time Scoop Jackson makes a tour in California, all the humanity and spontaneity are gone. Everything is overorganized. It's the bureaucratization of politics. My guess is that in the next round we're 'going to get back to substantive people. Someone is going to have to get himself across as a real person. Campaigns should change. The country is going through a withdrawal. It's tired. I tell potential candidates, 'Don't be frenetic. Don't run around the country. Don't do three stops a day. You may have to get around and see power brokers and groups, but take the heat out of it. It's too frenetic.' Then they ask how they would get on television and in the papers. I tell them, 'Get some ideas; get good people around you.' They don't need the daily TV or press story. The real political animal needs to see his name in the paper. They lose all quality control. If they get on Cronkite or Chancellor three times a year with something classy it's better than fifty times a year."

Dutton continued, "People are looking for more spiritual qualities in their leaders. The guy who is going to break through is going to have fresh proposals, and is not going to fit the political stereotypes. All that the candidates are doing now, at a time when people hate politicans, is acting like politicians. These guys are staying above the battle—the Hubert Humphreys, the Muskies, the Gaylord Nelsons—are being smarter. Mondale was very shrewd. He saw what kind of person he did not want to be, that he would get cut up by the meat grinder, that it was a demeaning process that would make him a lesser man. His was a shrewder judgment than people thought. The best strategy now is to say out of it and take the chance that nobody will emerge from the primaries and caucuses in a position to win the Convention. Muskie and Humphrey can sit it out, make thoughtful speeches. Like de Gaulle in 1946, going off to the side and waiting to be called. It's one of the oldest tricks in politics."

Early this November, Humphrey, who was being widely touted as the possible Democratic nominee—as was Muskie four years ago—told Jules Witcover, of the Washington *Post*, "It's my judgment that right now the person that has no ambition, no declared ambitions, is more credible," and he added, "He's freer. You don't have to go around weighing every word as you inevitably do when you become a candidate. . . . The minute you get in it, you're just another one of them."

Dutton went on, "I favor the reform rules, but they are making politics more organizational, when what we need is more free form. And if the result is that apathy and cynicism become even greater, we may be worse off than ever. You have more midgets, more faceless people, surrounding campaigns. And the kinds of people you have around in the campaign can determine much more about a Presidency than you think. Nixon ran a Byzantine, secretive campaign and the same kind of Administration."

I asked Dutton if that was not a question of the character of the candidate himself.

He replied, "It's the individual verifying himself in the campaign and then in office. How good is he at putting together a staff? Can he move from state politics to shark-infested national politics?"

I asked Dutton if he felt that campaigns call for the wrong qualities in people.

He replied, "The White House operation is more like a campaign than people think: the number of hardball questions come in to a President every hour; how much thought goes into a speech. Campaigns are highly imperfect schools for the White House. They are learning exercises. You learn that some issues go and some don't. You don't go out there to preach at people, you go out there to lead. You have to find out where you can lead them. How much stamina do you have? How much can you take the stress of a complicated society? The White House is a hurly-burly job. If you can't stand the strains, you shouldn't be in that league; you should do something else—be a senator, a preacher, a philosopher. A campaign is a frenetic, superficial, compulsive, neurotic process. Can you come across on current technology—not by being handsome but by coming across? Do you understand the mood of the country? The good candidate learns how far he can go, what his stamina is, what the good camera angles are. If you can't reconcile differences within your campaign staff, can't make decisions, you probably can't do those things in the White House. If you can't slow down the pace of a campaign, you can't slow down the pace in the White House. If you can't structure your emotional or decisional process in a campaign, you can't do it in the White House.

Ninety-five to ninety-nine per cent of those who run don't think beyond the point of winning; they don't think about accumulating the authority and power to do things once they are in office. Just winning the election is not enough; you also have to come out of it with the power to govern. The candidates run as if they were running for sheriff, yet the next day one of them is going to take over the White House. Eventually, we'll move to new political forms, and then those will become trite, too."

During the month of October Henry Jackson was in Pittsburgh; Columbus; Cleveland; Syracuse; San Francisco; McAfee, New Jersey; New York City; Seattle and Grand Coulee, Washington (where he dedicated a new powerhouse of the Grand Coulee Dam); Los Angeles; Las Vegas, Phoenix; Denver and Pueblo, Colorado; Sioux City, Cedar Rapids and Dubuque, Iowa; Springfield, Worcester, New Bedford, Braintree, Boston (where he visited a service station that was selling gasoline at 1973 prices, and denounced the Organization of Petroleum Exporting Countries), and Waltham, Massachusetts; St. Louis; Des Moines and Ames, Iowa; Minneapolis; and Wilmington.

Birch Bayh was in Detroit; Des Moines, Cedar Rapids, and Waterloo, Iowa; Kansas City, Missouri; Manchester, New Hampshire; Syracuse and Suffolk County, New York; Lorton, Virginia; San Francisco; Hyannis, Massachusetts; Ridgewood, Teaneck, and East Brunswick, New Jersey; New York City; Philadelphia; Pittsburgh; Boston; Los Angeles; San Diego; Keene and Claremont, New Hampshire; Cambridge, Quincy, and Braintree, Masachusetts; Evansville, Indiana; Chicago; Dubuque, Davenport, and Vinton, Iowa; Youngstown, Ohio; Anderson, Muncie, Fort Wayne, Terre Haute, Shirkieville, Indianapolis, Bloomington, and South Bend, Indiana; Topeka; Ames; Nashua, New Hampshire; Cincinnati; Charles Town, West Virginia; and Detroit and Lansing, Michigan.

Sargent Shriver was in Moscow; Paris; Boston; Manchester; Syracuse; Chicago; Los Angeles; Denver; New York City; Annapolis; Ottawa, Illinois; Worcester and Needham, Massachusetts; Miami; Grand Rapids; Des Moines; Ames; Springfield, Illinois; Hyannis; and Green Bay, Wisconsin.

Lloyd Bentsen was in Centre County and Altoona, Pennsylvania; Syracuse; Pittsburgh; San Francisco; Los Angeles; Houston, Pasadena, and Dallas, Texas; Wichita, Kansas; Columbia and Jefferson City, Missouri; Chicago; Annapolis; Miami; Scranton; Kansas City, Missouri; San Antonio; New York City; Jersey City; and Fort Worth.

Jimmy Carter was in Durham, Manchester, Newport, Claremont, Hanover, Londonderry, and Rindge, New Hampshire; White River Junction, Vermont; Boston; Chicago; Des Moines, Marshalltown, and Ames, Iowa; Los Angeles, Long Beach, Brentwood, Hollywood, Sacramento, Fresno, Pebble Beach, San Carlos, Atherton, San Francisco, San Jose. Palo Alto, Berkeley, Walnut Creek, and San Rafael, California; Albany; Bennington, Vermont; La Grange, Savannah, and Columbus, Georgia (Carter's home is in Plains, Georgia, his campaign headquarters is in Atlanta, and there were several stops in these two places during the month); Jackson, Greenville, Oxford, and Clinton, Mississippi; Tampa, St. Petersburg, Sarasota, Belleair, Titusville, Palm Beach, Fort Lauderdale, and Miami, Florida; St. Louis and Ladue, Missouri; and Tallahassee, Daytona Beach, De Land, Gainesville, and Homestead, Florida. As a rule, the candidates made more than one appearance on each stop.

I decided to take a look at what goes on in such a campaign for the Democratic nomination, and so between Sunday, October 19th, and Tuesday, October 21st, I accompanied Representatives Morris K. Udall to breakfasts, brunches, lunches, coffees, meetings, press conferences, receptions, and dinners in New York City; Worcester, Massachusetts; Buffalo and Rochester, New York; Boston; Nashua and Salem, New Hampshire; and, again, New York City. In the week preceding this trip, Udall had been in Memphis and Birmingham, then had gone to his home in Tuscon, where he stayed for two days, and then had flown in a privately chartered plane to New York—an all-night flight. After this three-day trip, Udall was to return to Washington, where on Wednesday he would work in his office and then attend a fund-raising dinner in his honor; then, on Thursday, he would be off to Pennsylvania, Arkansas, Iowa, Wisconsin, New York, and Massachusetts—and would return to Washington the following Monday night.

Udall is an intelligent man with a sense of humor, and he is relatively candid with the press. His problem, as a member of the House of Representatives and not a known national politician, was that he had to get "recognition" and to build an organization. This fall, the press began to realize that he had built an organization in New Hampshire, where, as usual, the first primary was to be held, and it began to take his candidacy more seriously than before. The early primaries are of special importance to those candidates who are less well known, for they provide the opportunity to "break through"—to establish "momentum." Momentum, in Presidential politics, is considered crucial, and can be a self-fulfilling thing.

The candidate who is perceived to have won the early primaries wins press attention, campaign workers, allies, and money. Lyndon Johnson won the New Hampshire primary in 1968 and Edmund Muskie won it in 1972—but neither did it by the percentage that the political press corps had deemed necessary, and thus Eugene McCarthy and George McGovern were judged to be the "winners," each "victory" having fateful consequences for the rest of the nominating process. (Shortly before the 1968 New Hampshire primary, a study sponsored by the University of Michigan Survey Research Center found that most of those who intended to vote for McCarthy were more hawkish on Vietnam than those who said they would vote for Lyndon Johnson.) There is an absurdity in the significance attributed to the New Hampshire primary—fifty-five thousand people voted in the 1968 Democratic primary and about ninety thousand in the 1972 Democratic primary, and the state's population is more white and rural than that of the country as a whole. Yet because its primary is the first it is still considered to be of great importance. The people of New Hampshire are aware of their role and expect the politicians to respect it. One former candidate said, "New Hampshire isn't a primary, it's an ambush. They don't want to just see you, they want you to come out to the house and stay overnight and have breakfast. They exact what they can from you in exchange for their vote." In 1976, the Massachusetts primary will follow New Hampshire's by one week (in 1972, the Massachusetts primary was in late April), so the effect of the New Hampshire primary may be blurred this time around. At one point, Massachusetts had scheduled its primary to take place on the same day in 1976 as New Hampshire's, so New Hampshire, ever watchful over its place in American politics, rescheduled its primary to a week earlier. The proximity of the two primaries in both time and location permits candidates to hopscotch between Massachusetts and New Hampshire and to use some of the same "media markets" for the two events. Also, New York is scheduled to hold its primary on April 6th in 1976, instead of in June, as in 1972, and so that state will be of far greater importance than before the candidates. Thus Udall's itinerary for October 19th–21st.

A few weeks earlier, I had dropped in at Udall's office, in the Longworth House Office Building, on Capitol Hill. Standing in a corner of an outer office were Udall's older brother Stewart, the former Secretary of the Interior; Stan Kurz, an old friend of Morris Udall's from the Army who is now an attorney and an accountant in New York and is Udall's finance chairman; and Terry Bracy, his legislative assistant. Stewart Udall, who has the title of campaign director, was rocking back and forth on his feet and appeared tense. "Only four months until the Iowa caucus," he said. "Wisconsin is seven months from now. By then, either we're out or we're in the final stretch." The Udall organization, after some reshuffling, was essentially under the direction of a twenty-seven-year-old man named Jack Quinn, in offices several blocks away from the Longworth Building. By September, the campaign staff consisted of twenty-six full-time workers and about fifteen volunteers, and the offices were filled with people, posters, papers; the telephones were busy, and the atmosphere was one of an organization with hopes. On a wall of Quinn's office was a chart, similar to charts in other campaign offices around Washington, indicating the dates of various primaries and caucuses and the deadlines for filing in them. Under Quinn's direction were five regional desks (which he hoped to increase to eight), headed by people who were working with coordinators in each state. Within each state, the goal was to have an organization in each congressional district and, by the time of the election, in each precinct. Theoretically, the state and regional coordinators control Udall's schedule in their areas, but they have conflicts not only with each other but also with members of Udall's staff in Washington—with Quinn and others trying to mediate the competing claims on the candidate's time.

When I talked with Udall in his office, I asked him about his attitude toward running for the Presidency.

"I find that I went through stages," he replied. "There's a real arrogance in saying, Nixon-like, to a nation of two hundred and ten million people, 'I am the one.' After some House members signed a petition asking me to run, my reaction was apologetic—'Shucks, some of the guys have asked me to run.' In the second stage, you get a little more confidence. You say, 'If this is the field, I'm just as good. I'm just as good as Fred Harris, Scoop Jackson, Jimmy Carter, for God's sake.' Finally, you reach the third stage, where you've been to all the states, and you've been tested and tried, and you have a lot of confidence.

When you travel around, you not only get a chance to educate the country—the country educates you. You have a keener idea of what the country's all about—its diversity. Either you learn to knit together a coherent pattern out of all these diverse threads or you don't. You do change. The Hugh Careys and the Frank Churches who are waiting to be drafted don't have to go through this. There has been so much said about the 'imperial Presidency,' the 'lonely burden,' the 'gruelling experience' of campaigning. There's a tendency to overromanticize the 'lonely burden,' to overblow the 'gruelling campaign.' A lot of it is fun. Someone found that there have been only ninety men who got more than a hundred votes at a Convention. An opportunity to enter that company is a rare one. There's some exhilaration and some satisfaction—if you've been in public life—at being in these big events. It's like starting out in high-school football and ending up playing in the Super Bowl. While others are clucking and being sympathetic, some of us are kneeing and knuckling each other out of the way so as to be part of this 'arduous' experience. Some of it is arduous, but don't overdo it. I've always had a feeling that the 'workoholics'—the Lyndon Johnsons and the Richard Nixons—are the worst Presidents. They don't have other interests. Maybe the best Presidents would be the gentle Phil Harts"—the Democratic senator from Michigan—"and the Walter Mondales. Thoughtful men. But they can't go through this kind of thing. So maybe you need someone in between—thoughtful men who can also go through this. The absence of desire to be President may be a problem in a man, too."

Udall paused, and then said, "I went to Milwaukee last weekend. There's a headquarters there, with all these people in the streets, and I wondered what they were doing. You get out of the car and say to yourself, 'I'm the person these people are all waiting for.' You see yourself as a national candidate. That was may first experience with that. I've taken the view that if I'm going to put in fourteen, sixteen hours a day, the most desperate time is the ten minutes before I make a speech. You have to clear your head, and there's always some idiot beating on you to read this piece of paper or asking you if you know old Aunt Sophie from Phoenix. Hell, over a million people live there. So I've begun to schedule an hour of rest—to return desperate calls, rest, go to the john, call my wife. That's the time that always gets cut out. It's frustrating when it occurs, and I shout at my staff when it does."

I asked Udall when he gets the time to think, to come up with programs. He has been what is known as an issue-oriented congressman, and for his campaign he has set up a research staff headed by Jessica Tuchman, a daughter of the writer Barbara Tuchman. Like other candidates, Udall can also call on lawyers, economists, and others, in and out of Washington, who are pleased to give their advice to a would-be President. Still, there is the problem of time.

"This is frustrating," Udall replied. "It's really bugged me. I'm supposed to give a foreign-policy speech in San Francisco a week from today. I haven't the foggiest idea as I sit here what I'm going to say. I always take pride in writing my own speeches. The plain goddam fact is that if I spend fifteen minutes on that speech, I'll be lucky. One of the real tests is: Can you put together an organization and put together your life so that you can give a foreign-policy speech and meet a labor group earlier that day and get together with some fund-raisers that Harold Willens is arranging in Los Angeles later that night?" Harold Willens is a California businessman and a member of what is known as the Malibu Mafia—a group of wealthy liberals who as an avocation back candidates and raise money for them. "There are the coups within your own staff. These are the kinds of things that test whether you can be President. You have this constant turmoil between your field staff and your Washington staff. A guy is trying to win the Wisconsin primary for me and he has three days of my time. He has promised to produce me if volunteers show up at a certain hour. Jessica Tuchman wants to talk to me about an issue. Tom Rees"—the House Democrat from the Southern California district that includes Beverly Hills—"told someone that he might help me in his area. That's a real breakthrough; I'm going to see him. I had a visit with George Meany last week. He has not anointed a candidate and has turned his people loose, so we woo the hell out of everyone we can. I'm leaving Washington at five this afternoon"—that was a Wednesday—"and I won't be back until one Sunday morning. There are more events than should be scheduled; it's really too much. We had a long meeting yesterday to see how these things get started. We're trying to get hold of this. John Seiberling"—a Democratic representative from Ohio—"saw I was coming to Ohio and said, 'Could you go out the night before and talk to a labor official?' It isn't really 'the night before;' it ends up making you leave the afternoon before. It wreaks the afternoon, and I can't see Tom Rees. But that's the process. It becomes a test of your ability to say no. You have to be able to say no to John Seiberling.

Otherwise, what you're trying to do takes a back seat to the goddam scheduling. I would like to spend more time here with issues panels. I want Jessica to put together panels that I could talk to about the issues. Meanwhile, I'm bouncing around Boone, Iowa. Fortunately, I've been working on some of the issues for years. Issues will come along—like the Sinai accord, and decontrol of oil prices—but if you have your fundamentals down, you can adapt yourself to these things."

I asked Udall how much of his time is devoted to raising money.

"A hell of a lot of it," he replied. "The crunch is now. Twenty, thirty per cent of my time is devoted to that—going to cocktail parties where fat cats are, and some skinny cats, and making phone calls. A big McGovern backer sat here for an hour and said he'd give me five hundred dollars now and five hundred later if I got going. Big deal. It was a waste of time. He lectured me about his business. If I took an hour, I ought to be spending that time putting together a reception in Beverly Hills."

As a result of the new rules on fund-raising, candidates are increasingly turning their attention to people who not only will contribute a thousand dollars but can reach other people who might do so. Robert Keefe, Jackson's campaign manager, recently put it like this: "You have to go after money in a totally different way. In the past, a thousand-dollar contribution wasn't a tip, but it wasn't a big chunk of money. Before, you had to find the key twenty or thirty guys who could contribute or lend or perform the various tricks of the trade. Now you have to find tens of thousands of people. It takes a lot more time and effort." Udall, using "targeted" lists—environmentalists, peace groups—has made successful use of direct-mail solicitation of contributions. But he also goes to fund-raising gatherings, and seeks out the contributors who can reach other contributors. "You've got to use the old leverage principle," he says.

Wednesday, October 19th: New York. Udall is at the first of two lunches held by members of the New Democratic Coalition, a group of liberal non-"regulars" which grew out of the McCarthy campaign. Only one brunch was on the schedule, but since the Lexington Democratic Club of the N.D.C. has so many members, and since some N.D.C. members who support Udall wanted him also to meet West Side N.D.C. members, a second brunch was added to the schedule. It is a rainy day, and because of the bad weather Udall landed in New York—having flown all night from Tucson—more than an hour late.

Therefore, an hour's "private time" scheduled at Stan Kurtz's apartment has been cancelled, and now Udall is here at Sharon Lauer's apartment, on Central Park West. Casually dressed young and middle-aged couples—about a hundred people in all—are drinking Bloody Marys and munching bagels, cheese, and coffee cake. The second brunch will be at Bruce Slovin's apartment, also on Central Park West. The N.D.C. is to meet to endorse a candidate on December 6th—or to vote to withhold an endorsement. The N.D.C. endorsement is considered important for creating momentum and rallying workers for New York's April primary. Robert Abrams, the Bronx Borough President and an important member of the N.D.C., has endorsed Birch Bayh, and Udall backers are concerned that this will create momentum for Bayh in the N.D.C. Fred Harris and Bayh have also been meeting with N.D.C. members. Ramsey Clark is at the brunch to lend his support to Udall. Udall, a tall, slender man, stands on a chair to make himself heard. Nearby are Secret Service agents. (Right after the second attempt on President Ford's life, in San Francisco, Secret Service agents were offered to Presidential candidates—earlier in the process than usual.) Udall tells the group that the "shakeout" of the Democratic candidates "is already under way," and that the N.D.C. endorsement "is a very critical part of that operation." He tells his listeners that "there are good men in this race," and then he suggests some criteria by which the listeners should make their decision. "First is the basic issue of honesty," he says, and he tells them of his record as one of the first members of Congress to disclose their income and assets, and as a backer of the law to reform campaign financing. He suggests "courage" as the second criterion, and tells the assembled brunchers that he opposed the Vietnam war while his brother was in Lyndon Johnson's Cabinet, and that he fought "this miserable seniority system that dominated the House." And then he tells the group that the nineteen-seventies are going to be a different time and a "tough time," and that the nation will need new ideas. Finally, he says, there is the issue of "electability." He tells them, "In order to be a great President, you've got to be great and you've got to be President."

The group, which has been listening intently, laughs when he says this. Udall refers to a story in the previous Friday's *Times* that told of his trip to Birmingham, where he tried to appeal to the Southern liberal tradition. (The *Times* story, headlined "IN LION'S DEN OF SOUTH, UDALL IS A LIBERAL DANIEL," has been reproduced and distributed by the Udall staff.) "I laid it on the line about George Wallace," Udall tells the N.D.C. members, and he explains that he said he would not want George Wallace on his ticket and would not run on George Wallace's ticket. "I believe I can bring all the diverse elements together without comprising things the N.D.C. believes in," he says. He is asked questions about corporate crime, New York City's financial problems, his economic program, public employees' strikes, NATO, arms sales abroad, pending legislation to revise the criminal code, aid for Israel, and the redistribution of wealth. Then he proceeds in a motorcade (the Secret Service has one car in front of the candidate's and one behind) to the second brunch, where he makes several of the points he made at the first one, and is asked similar questions.

Sunday afternoon: Udall has had lunch at the apartment of Henry Loeb, of Loeb, Rhodes & Company, and is now seated, along with Loeb, on a dais at the Barbizon-Plaza Hotel for an awards ceremony of the American Council for Emigrés in the Professions, one of Loeb's pet projects. The Council provides training and assistance to immigrants who were professionals in their homeland. Udall sits stiffly as four awards are presented, and then, after being introduced by Loeb, makes a speech in which he discusses "the troubles of New York City." He criticizes President Ford for opposing aid to New York City, and says that he thinks there was mismanagement at Lockheed and mismanagement in Saigon, too. This gets a laugh. "It was not Abe Beame's decision" to make Puerto Rico a commonwealth and enable its citizens to emigrate to New York, he says, nor is it Abe Beame's fault that there are such disparities in the welfare system throughout the country. Udall says that he favors, over the long term, federalization of the welfare system, federal creation of more jobs, and national health insurance, and then he offers some short-term proposals for helping New York City. He talks of the necessity of facing up to new realities of the nineteen-seventies and nineteen-eighties—that the Cold War is over, that the "imperial Presidency" must be ended, that there will be no more cheap resources or cheap energy. And he calls for more trade with the Soviet Union, in exchange for more concessions, and for a broader policy for political refugees. He closes by saying, "America is great because America is good. If America ever ceases to be good, America ceases to be great."

Paul Tully, Udall's regional coordinator for New York and New England, is standing in the back of the room, perspiring. Tully, a friendly, beefy young man, who worked as an advance man for George McGovern and Sargent Shriver in 1972, has been trying to figure out a way to get Udall to Worcester this evening. The weather has become so bad that the Worcester airport is closed, and, for the same reason, the pilots of Udall's chartered plan will not fly it to Boston. The plans have been changed several times—many calls have been made between Washington, New York, and Worcester—and it has finally been decided that we are to take the shuttle to Boston and drive to Worcester where Udall will address a meeting of the Small Business Service Bureau. There is some feeling among the Udall entourage that Worcester should be skipped, because the weather promises to continue bad and the candidate is scheduled to be in Buffalo at eight-thirty tomorrow morning, and there is the question of how we can get to Buffalo from Worcester. But it has been decided that Udall will proceed to Worcester, because Worcester is one of the largest cities in Massachusetts, the state that will have the second primary; because several state legislators will be at the meeting, including State Senator John Conte, who has indicated that he will support Udall; and because the Udall coordinator for central Massachusetts, Iris Jacobson, thinks it is important for Udall to appear in Worcester tonight. Moreover, Sargent Shriver is going to be there. In the meantime, Jo Baer, a slim, quiet woman who is the New York State coordinator, has arranged for Udall to meet with some important N.D.C. leaders and other Democrats at the Barbizon-Plaza—another event that was not on the schedule—after the reception following the awards ceremony for the Council for Emigres in the Professions. (Jo Baer is a New York member of the Democratic National Committee; she worked for McGovern in 1972.) At the reception, people approach Udall tentatively. One woman calls him "Senator" and asks him what he thinks about the price of gasoline. Another woman asks him, "What is your relationship to Stewart?" Udall replies, "He's my brother." Someone asks him if he is going to be a candidate for President. "I've been running for several months now," Udall replies politely.

At the reception, Loeb tells me that he has made no decision on the candidates but that he is "very impressed" with Udall "as a human being." Loeb says that the only other candidate he has met is Henry Jackson. He adds that he agreed with most of what Udall said today but not with everything Udall had said in Alabama. (In Alabama, according to the *Times*, Udall had talked about breaking up large corporations.) "We talked over all these things at lunch," Loeb says.

Udall retreats to a suite for a few moments and then after an hour-long meeting with the N.D.C. leaders, travels in a five-car motorcade through heavy Sunday-afternoon traffic to LaGuardia Airport, where, at the last minute, after running through the airport with the Secret Service clearing the way, we catch the six-o'clock shuttle to Boston.

On the plane, his long legs stretched out in the aisle, Udall goes over his speech for the small-business group, makes some marginal notes, and scratches out entire paragraphs. I ask him if he has seen the speech before. "No," he says, and he continues, "Shriver's going to be there. I think I'll make more points by giving a short speech than a long one." Udall's schedule calls for him to arrive at the Sheraton-Lincoln Inn in Worcester by six-forty-five, in time for a reception, and to make his remarks at eight o'clock. It is now six-ten, and the pilot announces that we are eighth in line for takeoff. "I doubt that we'll get there by eight," Udall remarks.

A memo prepared by a member of Udall's staff and attached to the speech tells him that the group he will speak to tonight consists of businessmen, "with just five employees or less for the most part," and goes on, "In addition, there will be a good number of state legislators from the Northeast in the audience." It goes on to tell him that Shriver is to be there, and that "you will speak first." It continues, "The dinner is to honor Kevin Harrington, who is president of the Massachusetts State Senate. The attached outline should provide you with some serious points to make about the economic situation and small businesses in particular. I think you should hit the competition aspect pretty hard, i.e., how concentration of economic power stifles the growth and development of small businesses."

Udall tells me, "I was really elated about the trip to the South. And we got the Evans-Novak column saying we had good organization in Iowa and Michigan and so on. Ken Galbraith endorsed me. These are signals to the liberals. The New Democratic things today went pretty well. Some think it is significant that these things are happening early. If word gets around that someone is *the* candidate, people tend to jump. I've felt for some time that someone would emerge as the candidate of the campuses. I've spoken—all in the last month—at the N.Y.U. Law School, the University of Michigan, the University of Nebraska, American University, and Samford University, in Birmingham. I came out of them with a real feeling I could get the college crowd. I told the staff we should step up the campus appearances. The students are ready to move if they can find someone to believe in.

On the campuses, the difference between generations seems to be erased—at least for me. Thirty to forty per cent of the audiences are town people. One of my staff people got up a memo saying that when we organize a campus we should organize the communities. I came out of these last ten days feeling that this could be done.

Then Udall talks about his meeting this afternoon with the N.D.C. leaders. He says, "There is excitement with the new guy, Bayh. Bayh's people have been adroit at pointing out that he's acceptable to labor. So I hammered pretty hard on the theme that I'm acceptable to labor. The Bayh people are using a bandwagon psychology. I made the point that no major labor leader has endorsed Bayh; Meany isn't going to endorse him; Jackson has considerable labor support. This says something about the Democrats' chances of winning in 1976. The liberals are now saying, 'We've got to win. That means that while we want somebody who'll give us eighty-five per cent of what we want, we want somebody who doesn't lose George Meany in the process.' Liberals are interested in electability this time. There were the usual gripes that I hadn't been to Brooklyn enough and I wasn't known. I said I get a little put out at not being considered as liberal as Fred Harris. I made a strong point that I was electable. I was commenting on how trendy everything is, and how the N.D.C. trend toward Bayh was based on the fact that he is a senator and the new boy in the ballgame always looks good. If Hubert Humphrey came in, people would say, 'Oh, yes, here's our answer.' The question in '75 is how well do you last—how do you do when you come back the fourth and fifth time—and I thought I had passed that test. It's funny: when I first started coming up here, six, eight months ago, they didn't want to talk strategy. They wanted to talk issues in great depth—income redistribution and so on. Now all of a sudden the focus is on electability, who can win, 'How can we get together?,' being practical. It's kind of all switched around."

I ask Udall what he is finding out about running that he did not expect.

"Not a hell of a lot," he replies. "I knew the physical end of it—the long days, rain, delays. I know political people well enough to expect disappointment by the guys who sit next to me and make all kinds of soothing noises and then endorse Birch Bayh. I've learned to expect that."

I ask him about the scheduling.

"I've begun to insist that we sit down every month and go over the next month, so I can consider carefully the big decisions—once you've told them you'll be in Buffalo tomorrow there isn't a hell of a lot you can do to get out of it," Udall says. "I was desperate last week for someone to give me a briefing on the Humphrey-Hawkins bill." The reference is to a bill sponsored by Senator Humphrey and Democratic Representative Augustus Hawkins, of California, to provide jobs for everyone. Udall continues, "The Evans-Novak column said I was weak on the details. I wanted to get sharpened up. But I left Washington last Tuesday for Memphis and Birmingham and won't get back until Tuesday night. Wednesday will be a brutal day. So when do I get briefed? I probably don't."

I ask Udall if he is having any fun.

"It's kind of a mix," he replies. "A lot of it is fun. If I could schedule at a rate of seventy per cent, I think it would be all fun. But it's also being tired, too many meetings, too much pressure. I was handed this afternoon's speech yesterday. It was too long. As you could probably tell, I was boiling it down as I went along. If I'd had an hour, I could have improved it. The schedule had been to get to New York two hours early and shave and shower and take a nap and work on my speech. As it turned out, I had to take a cold-water shave on the plane and go straight to the first meeting."

As our plane goes into a fifteen-minute hold over the Boston airport, Udall accepts some proffered chewing gum.

"This is probably all I'll get to eat tonight," he says. People who have been around campaigns follow a rule that when food is available, eat it, because one never knows when that might happen again. "What have I had to eat today?" Udall says. "An old sandwich on the plane coming in from Arizona. Then we dashed to the first brunch and I had a bagel and orange juice and coffee. Loeb's lunch wasn't very heavy, and we won't have dinner at this meeting tonight. I can't eat at receptions, because I have to have a hand free to shake hands. Sometimes the hostess sends a box of hors d'oeuvres along when you leave. When you get to an airport at 6 a.m., the coffee shop isn't open."

I ask Udall if he is in the process of finding themes and appealing lines.

"I realize I'm constantly honing and refining and adding new things, and dropping others. And you have to keep up with events. For a while, the first question was about whether we should send the two hundred men to the Sinai. Now that's going away. Today, I got the question about aid to Israel. I guess that's the new question. At the same time, we keep fighting last year's battles and we keep using last year's rhetoric. Journalists talk about whether you're with the McGovernites or the Meany-ites. I don't think that's relevant. The issues are different and the people are different. You go in stages. The luck of the draw is that unless I do very well in New Hampshire, Massachusetts, New York, Wisconsin, I'm through. So I emphasize those parts of my program that appeal to a liberal audience. And in Alabama and Iowa I say the trick is to beat an incumbent President and don't let them divide us—we need the Mayor Daleys and the women and the minorities. This goes over very well, but the fact of my life is that the next sixty days are going to be consumed by the need for money and the need to solidify the people in New Hampshire and Massachusetts and New York and Wisconsin who are going to get the bodies out and get support in order to keep the candidate alive. Then there's the Iowa caucus, which will have great psychological impact. I'll be spending most of my time in those states, plus occasional forays into Ohio and a little time in California—to raise money and establish a presence and find workers. California is a key showdown state. But you have to do the other ones in order to get to California. We're going to Worcester because State Senator John Conte is coming on board for me and it was important to him for me to be there. It was thought important to broaden my visibility in Massachusetts. We're organizing Massachusetts district by district, and he's a popular comer. So I thought we could just bank in here. I have to stay somewhere tonight. Since I was on the road anyway, I figured what the hell."

Udall continues to talk about the problems of the schedule. "There are so many imponderables that you do tend to get off schedule sometimes. I've got to where I roll with it. There isn't a damn thing you can do about it, and the people are usually very understanding. When the weather got so bad, I said we could miss this thing tonight. My staff said, 'What will you do?' I said, 'Get a hotel room and try out something called sleep.' I sometimes find myself thinking what a relief it will be to get to the end of the road—one way or the other. Although I want to win, and think I've put together a strategy that might work, I'm looking forward to that Convention or that last primary where it's settled—one way or the other."

Worcester: The Sheraton-Lincoln Inn. It took the motorcade an hour and fifteen minutes to get here from the Boston airport. As the motorcade made its way along the Massachusetts Turnpike through the rain and the dark, the blinking blue light on the state-police car ahead of the candidate's had an almost hypnotic effect. At this gathering in Worcester, a sizable number of mostly middle-aged, middle-class men and women are seated at tables, where they have been served drinks and pretzels. Sargent Shriver and Art Buchwald, who are on the dais along with a number of Massachusetts state politicians, have already made their speeches. Despite the long day, Udall is able to pump some vigor into his remarks. (In the car on the way here, he said, "You have to get the adrenalin going before a speech—to feel you have something to say, so that people think you do. Otherwise, you come across dull.") Udall, assessing his audience and the time of the evening, makes little jokes about Congress and President Ford, and about the fact that the rain has postponed the World Series game in Boston, and says, "In the Udall Administration, the damn rain will be called off." He talks about New York City. His Massachusetts press aide, Charlie Doyle, has advised him to do so, because Kevin Harrington, tonight's honoree, has referred to it, saying that he thought the candidates would address themselves to the problem of New York City, and Shriver has not. Udall talks about the importance of "competitive enterprise" and of his concern about the movement toward conglomerates, and he talks again about how the nineteen-seventies and the nineteen-eighties are going to be different, and about the shortage of resources, and he criticizes the Presidents energy program and the power of the seven major oil companies. He talks for about fifteen minutes. Then, after meetings with John Conte and other Massachusetts politicians, Udall, though he is tired, unwinds in his suite with members of his staff until about midnight. He seems to need to do this. We have been informed that we will be awakened at five-thirty tomorrow morning in order to get to Buffalo. But at this point no one knows how, or whether, we can get in Buffalo.

Monday, October 20th: Buffalo. Mercifully, Udall's plane did not arrive in Boston until eight, after which it had to be serviced, so we were not awakened until seven-forty-five. The pilots had not wanted to fly the plane to Boston during the night. Some of Udall's staff members were up most of the night talking to people in New York and Washington, rearranging plans several times. One staff member says that a hairdressers' convention beginning today in Buffalo made it impossible to arrange for a commercial flight there. On his way out of the hotel this morning, Udall was interviewed for a Worcester television station.

After driving to Boston, we boarded the candidate's chartered plane, and are now arriving in Buffalo at twelve-fifty, over four hours late. Normally, Udall's plane—called Tiger, after the candidate's nickname for his wife—makes it easier for him to get around. The plane, an F–27 twin-engine turboprop, seats sixteen and is comfortably appointed. It costs fifteen thousand dollars a month to lease. Udall can afford the plane now, because when he travels he is accompanied by anywhere from six to ten Secret Service agents, whose way is paid by the government. The Secret Service agents are also helpful in making it easier to get to and from airports, on and off planes, and through traffic, and in various other ways.

Udall has already missed a meeting with labor leaders and a press conference in Buffalo, and as we arrive, in fog, no one knows whether the political activists who were invited to attend a Udall-for-President luncheon that was to begin at eleven-thirty (so that Udall could get on to Rochester) are still there. During the plane ride to Buffalo, Udall wrote a note to John Conte, read a pamphlet on "Inflation, Unemployment, and Social Justice," and went over the text of the speech he is to give tomorrow night in New York to the American Friends of Hebrew University. There has been some controversy within the staff over what, exactly, he should say about the Palestinian problem. (Udall went to Israel in August.) Paul Tully studied the schedule and shook his head. Some consideration was given to skipping the Buffalo appearance—stopping just at the airport to pick up those who were to join us there, and going on to Rochester. But it was decided that if those who had come to the lunch had waited for him, the candidate must show up, and the private time set aside for him in Rochester this afternoon would have to be abbreviated. Jo Baer, who meets us at the airport, tells us that some of the luncheon guests have waited, and so a motorcade rushes the candidate off to see them.

As Udall arrives at Plaza Suite, the Buffalo restaurant where the luncheon is being held, he is greeted by television lights and three microphones are thrust in his face (making the Secret Service very tense), and he is asked questions about George Wallace, New York City, and taxes. At the lunch, he gives a talk, first telling jokes about the weather and President Ford and football, and then growing serious and attacking Ford's economic policy, referring to the high unemployment in Buffalo, talking about the need for preserving resources, attacking arms sales, and saying he backed a loan guarantee for New York City and, as long-range solutions, the Humphrey-Hawkins bill, federalization of the welfare system, and national health insurance. Then he talks of the importance of bringing the various segments of the Democratic Party together.

He answers questions on New York City, foreign policy, the construction of nuclear-power plants, public financing of campaigns for Congress, Israel. On his way out of the building, Udall is interviewed by one more television correspondent. Paul Tully has managed to get sandwiches for the candidate and his entourage to eat on the way back to the Buffalo airport. The staff is pleased that the television interviews took place, since the press conference this morning had to be cancelled. The purpose of this part of the trip is to "establish a presence" in upstate New York—to have Udall seen by those who might be active in the campaign and by the public. He is scheduled to do Schenectady and Syracuse next week. He is also scheduled to make another trip to New York City in ten days. Tully says that a major difference between campaigns now and those in 1972 is in the amount of territory to be covered in the early months; he estimates it to have increased more than three times. For McGovern, he says, there were only the two congressional districts in New Hampshire, a few in Florida and Illinois in which it seemed worth running, and the nine districts in Wisconsin. By the first week in April of 1972, he says, McGovern had run primary campaigns in twenty districts. This year, he points out, by April 6th, when the New York and Wisconsin primaries are scheduled to take place, Udall will have had to organize—and will have personally visited most of—the two New Hampshire congressional districts, the twelve districts in Massachusetts, the thirty-nine in New York, and the nine in Wisconsin. As if matters are not complicated enough for the candidates, the dates of both the New York and Wisconsin primaries remain subject to change.

After a twenty-five-minute flight from Buffalo to Rochester, Udall is met at the airport by Larry Kirwan, the Monroe County Democratic chairman; Richard Wilson, a son of the founder of Xerox, who is minority leader in the county legislature; and Louise Slaughter, who is running for the county legislature in the state elections on November 4th. Mrs. Slaughter, a lively woman who says she is a direct descendant of Daniel Boone, lost by eleven votes the last time. She has been active for Udall in her area. She is on the board of the National Women's Political Caucus and is a member of the New York State Democratic Committee. Tonight, Udall will attend a reception in her honor. At the Monroe County Democratic Committee's headquarters, where Udall holds a press conference, Kirwan remarks that he would meet any of the candidates at the airport, but that the main interest in his area now is in the forthcoming local elections.

Monday afternoon: The Sidney Hillman Health Center, a small, modern, somewhat elegant building in Rochester. Udall's rest time at the hotel was cut still more, so that he could come here for a private meeting with Abe Chatman, international vice-president of the Amalgamated Clothing Workers and manager of the Rochester Joint Board of the A.F.L.-C.I.O. The meeting was not listed on the schedule and appeared to cause some friction among the staff. This private meeting was to precede a scheduled one with several local labor representatives at the Health Center. (Udall is reaching around the labor leadership in Washington to its troops in the field.) At about five o'clock, the labor representatives—from the Amalgamated Clothing Workers, the Communications Workers Local No. 1170, the *Labor News*, the United Auto Workers, the Plumbers Local No. 13, the Carpenters District Council, the Laborers Local No. 435, the teachers' association, the operating engineers, the meat-cutters, the retail clerks, and the A. Philip Randolph Institute—begin to gather in the recreation room. There are about forty people; several of them are in shirtsleeves. A bar has been set up. After a while, Udall enters the room with Chatman, a white-haired gentleman who does not come up to Udall's shoulder, and who smiles a lot. "I have the pleasure to present to you a congressman who has a chance to become President of the United States," Chatman tells the assembled group.

The union representatives cluster in a corner, holding their drinks, and Udall, one hand in his jacket pocket, stands before them and speaks. He tells them, "If you're a United States senator and under seventy and not under indictment, you're a candidate for President," and they laugh. He tells them a slightly off-color joke and they laugh, and then, having warmed them up, he goes on, "We're in real trouble as a country and everyone knows it." He tells the labor representatives that he supports the Humphrey-Hawkins bill to "carry out Harry Truman's dream of jobs for everyone." He pokes fun at Ford, talks of the difficulty of defeating an incumbent President, and says that the last incumbent President who was beaten was Herbert Hoover. Then he says, "I think we may have another Herbert Hoover on our hands if we handle it right." He refers to the fact that there are so many Democratic candidates, and says, "Don't let anybody tell you it's bad news that we have so much talent." It must be hard to stand in front of a group and sell yourself like that, but this is something politicians learn to do. "I spent time with George Meany last month," Udall tells the group, and then he adds, "I had a big breakfast with the U.A.W. people in Detroit a few days ago. I've been in forty states.

This is a pretty rough go. It tests your stamina your ideas. He also tells them, "I played professional basketball one year, if that's important to you sports fans." He tells them that he was worked to "clean up the seniority system" in Congress, that he has been involved in foreign affairs and the environmental movement," and that the A.F.L.–C.I.O.'s Committee on Political Education has given him a score of ninety per cent in support of labor's position on issues before Congress, and he points out that it isn't easy to have that kind of score when one is from Arizona, a conservative state.

After Udall has completed his remarks, Chatman guides him around the room to meet the labor representatives, and he is asked questions about the stopping of construction projects by environmentalists. Udall says that the environmentalists have to be "realistic," and that they and labor "ought to get together on mass transit," and that there ought to be a decision-making process for working out whether construction projects can go forward. One young U.A.W. worker, holding a paper that shows how members of Congress voted on issues of interest to labor, questions Udall closely on a vote he cast against labor's position on a trade bill in 1973. Udall studies the paper and then tells the young man that"labor was divided" on the issue, that this was only one vote in two years, and that he is from Arizona. Udall adds. "I think that as President you take a national view. As a congressman from Arizona two years ago, maybe you take another view." The young man responds, "O.K., that's fair enough," and seems to go away satisfied. One man tells him, "I like you because you look like Lincoln." Another asks him what would be the first thing he would do to provide more jobs if he were President. He is asked about Social Security, national health insurance, imports. And then, as he leaves the reception, Udall drapes an arm around Chatman's shoulder and says, "You have done me a very great honor, and I shall not forget it." Dave Hull, who is organizing the Twenty-seventh through the Thirty-ninth Congressional Districts in New York for Udall, has obtained a list of those who attended the meeting, and each of them will receive a letter from Udall. This is routine procedure. At WXXI, the public-broadcasting station in Rochester, Udall tapes a half-hour addition to the schedule, tapes a brief radio television interview and then, in another interview with the station's environmental reporter. As Udall starts to leave the station, Tully, who is on the phone, calls to him. Ron Pettine, who is in charge of scheduling, is on the line from Washington. After twenty-five minutes of phone calls, Udall leaves.

The French Quarter at the Village Mall, a shopping center. A cocktail fund-raiser (ten dollars a person) for Louise Slaughter. Udall, wearing a large button that says "ERA SPELLS EQUALITY" (a state equal-rights amendment is on the New York ballot November 4th, and Jo Baer has urged him to stress E.R.A. here), is guided around the room and introduced to people by Louise Slaughter. The ever-present Secret Service men watch the room carefully. One of his two advance men hovers close to Udall's side. One of the advance men will go to Iowa tomorrow. The local organizers make the initial contacts with the groups to be seen, arrange the logistics—cars, hotel rooms—and collect information for the candidate and his staff about the people whom the candidate will meet. The advance men then come into the area to see that what is supposed to happen on a trip actually happens. When the travelling party arrives, the trip director—in this case, Tully—takes charge. The trip director, in Tully's words, "has the minute-by-minute decisions: when it's time to split, whether to bag an event, when to stay longer; to deal with the unplanned contingencies—like whether we should go to Buffalo."

Larry Kirwan introduces Mrs. Slaughter ("the first lady of politics in this region") and talks of the importance of her winning this time, and then Mrs. Slaughter introduces Udall. Udall tells the group, "This is the first time I have ever come to a party to raise money for a race for county government," and he adds (joking, "if the national press will get their pens and pencils out"), "I'm about to endorse Louise Slaughter formally." He says that he was "out in Abe Lincoln country the other day," and tells a Lincoln story, and then he talks about the importance of the New York primary and the difficulty of defeating an incumbent President, and says that the Democratic Party (a "big conglomerate") can do it if it gets together and if the Democrats are "gentle with each other." Udall tells the group, "I've been reading John Kennedy history. Sometimes I feel I'm plowing some of the same ground that he plowed." He talks of having been in Alabama last week and of how he told people there that "the glue" that holds the Democrats together is the issue of the economy. "I'm proud to wear the E.R.A. button," he says, and he is applauded, and one lady cheers loudly and pounds the wall. Udall remarks, "I'm going to sign her up." Then he returns to his theme of how the nineteen-seventies and the nineteen-eighties are going to be a different time, and how "we're going to have to adapt." He says, "We're a good country," and goes on, "I get accused of having a sense of humor. You need one in this job. I take my country seriously—but I hope I never take myself too seriously."

Then he tells a few more light stories, reminds them that he is for Louise Slaughter, and says that after the local elections he hopes they'll turn their attention to the Presidential race and perhaps "get carried away and want to work for a tall, rangy candidate who looks like Abe Lincoln." He adds, "But I can't split rails very well." The crowd likes him. He seems to have read its mood. He knows that the cocktail hour is no time for a long, heavy speech. This has been one of his most successful appearances. Udall mingles with the crowd for a while.

Monday evening: Louise Slaughter's house. It is eight-ten, and this is another stop that was not on the schedule. But Mrs. Slaughter has invited some "key people"—an assemblyman, a state committeeman, city leaders—to meet and question the candidate. Udall makes phone calls and retreats into the den to eat a dinner that she has had prepared for him, and meanwhile the group, about two dozen people, gathers. Then, as Udall, sitting on a wooden settee in the living room, talks to this group, offers his credentials, one can see his fatigue. This is his seventh performance of the day. He begins to ramble a bit, but he manages to make his basic points, and he concludes, "Here I am. I'm at your mercy. I need your help. I hope I make some converts tonight." He is asked questions about Ford's vulnerability, about the extent to which he supported McGovern after Muskie pulled out, about New York City, about how he differentiates himself from the other candidates, about nuclear-power plants, about the pending bill to revise the criminal code. At nine o'clock, when he was to leave for the airport to fly to Boston, he is still here, answering questions. Tomorrow, Udall's staff will make some calls to see how he did with this group. As Tully explains it, the idea is to build a candidate's organization and support in a series of concentric circles, beginning with those who can organize an area, then moving out to those who are activists or who can be important in spreading the word of mouth about a candidate, then to those who can work to get out the vote, then to the public. The trick, Tully says, is "to expand the flow of information and energy out from the candidate as a result of every one of his appearances." He adds, "The trick is not so much having a broad base and going forward; it's turning people on who have time or energy. The important thing is to have follow-up after people meet the candidate—not the meeting itself, or when it is. The important thing is the follow-up with people a day later, finding the people who are willing to work."

Louise Slaughter and Larry Kirwan ride to the airport with Udall. A ride in the candidate's car is a favor the staff distributes carefully. The press aide tries to get the seats in the candidate's car for the press; the political aides try to obtain them for the politicians. After we board the plane, at 9:45, the pilot announces that it will take about an hour and forty minutes to reach Boston. Udall remarks, "This plane has a built-in head wind."

En route, Udall talks about the day. "I think we established a presence in upstate New York," he says, and he adds that Louise Slaughter has agreed to organize Monroe County for him after the forthcoming election. He says that he is not tired. ("I feel pretty good now. I can no more make a speech and go right to sleep—the adrenalin goes for about an hour later.") He says that having a chartered plane has made a big difference in his scheduling and permits him to be at home three nights a week. "I forget where I'll be this weekend," he says.

An aide tells him that he will be in Arkansas, Iowa, and Wisconsin.

Udall tosses down some papers and says, in mock dismay, "I withdraw."

After talking awhile, Udall lowers the back of his seat, tucks a pillow under his head and places a blanket on his chest, and sleeps.

At eleven-twenty, the candidate's plane lands in Boston.

Tuesday noon: The Howard Johnson's Motor Lodge in Nashua, New Hampshire. After breakfast in Boston with about twenty labor representatives and being interviewed by the *Real Paper* and a feminist writer, Udall drove here to speak at a Rotary Club luncheon. The day is bright and clear; the leaves are turning. Today, Birch Bayh formally announces his candidacy for the nomination, and tomorrow he will be in Boston and New Hampshire. (Bayh's strategy, according to one of his aides, is to "knock out Udall really early" and to narrow the field of viable candidates to Bayh, Jackson, and George Wallace. Thus the candidates are circling each other in this territory. Jimmy Carter, Fred Harris, and Sargent Shriver have also spent time in New Hampshire.) Udall is in the process of getting "name recognition" in New Hampshire, and he says that he is about to increase the amount of time he spends in the state, and he will start "pretty soon" to "work plant gates," and will run one-minute radio spots beginning in January.

In mid-November, Udall workers will start to canvass for Udall voters. This is Udall's tenth visit to New Hampshire since he formally announced his candidacy there in November of 1974, and his second trip here this month. At the Rotarian lunch, he sits at the head table while the Rotarians hear someone read news bulletins, and go through their joking and friendly rituals of finding people and introducing guests. After half an hour, Udall is introduced. Dressed in a navy-blue suit and wearing glasses now, he says that he is here for three reasons: "The leaves are changing; there are a lot of friendly folks here; you have seventeen delegates to the Democratic Convention. A Udall staff member says that perhaps only one-fourth to one-third of this audience of men, mostly middle-aged, is Democratic. But when a candidate comes into an area it is preferable that he have somewhere to go, an event to attend, and so today Udall is lunching with the Rotarians. As David Evans, Udall's New Hampshire state coördinator, put it, the lunch "gave a structured situation for media coverage." While Udall speaks, his shoulders seem to slump a bit—another sign of fatigue. He talks about the changes that are taking place in America, criticizes President Ford's energy program, and says that the major oil companies should be broken up, but that he is not anti-business, and thinks there has been too much regulation. He proposes a "bold, imaginative program to rebuild the railroads." He talks for almost half an hour. He answers questions about New York City, the federal deficit, and people who will not accept jobs. Then he holds a press conference in the V.I.P. Suite of the Motor Lodge, answering questions about Bayh, Humphrey, Wallace, a deadlocked Convention, busing, a third party, food stamps, Edward Kennedy, and why Congress takes so many vacations. He gives a ten-minute interview to a radio reporter, and then he rests for about forty-five minutes. He is to spend part of the rest time working with Aaron Edelman, a young man who has come up from New York to help with the speech to the American Friends of Hebrew University tonight. The Palestinian question apparently is still not settled.

David Evans worked on the McGovern field staff in 1972; he is from Rhode Island, and has been living, and working for Udall, in New Hampshire since August. Joanne Symons is the state organizer for the Second Congressional District, where we are now. She is assistant minority leader of the New Hampshire House of Representatives, and, like Evans and Dudley Dudley—a woman who is also a state representative, and the organizer for the First Congressional District—worked for McGovern in 1972. Maria

Carrier, who was for Muskie in 1972, is Udall's New Hampshire state chairperson. Evans says that they have been recruiting people who will work for Udall (going to homes, holding meetings, sending information), have compiled a mailing list of ten thousand potential Udall supporters, and have established coordinators in all ten countries and committees in the "top twenty-two communities," which account for sixty-three per cent of the anticipated turnout in the Democratic primary.

Three-fifteen: Udall and several members of his entourage are in the small, old-fashioned office of J. Herman Pouliot, who is the publisher of the Nashua Telegraph, an evening paper. Pouliot, a gray-haired man, remains silent and expressionless while Udall answers questions from the paper's editorial board. Along the office wall that Udall faces are large photographs of Gerald and Betty Ford; of Richard Nixon and Chou En-lai eating with chopsticks; and of David Eisenhower comforting his wife, Julie, as Richard Nixon takes off in a helicopter from the White House for the last time. Udall answers questions about his railroad proposal, import tariffs, détente ("I think Nixon was right to go to China"), Henry Kissinger, nuclear-power plants, the military budget, American troops in Europe, restructuring the executive branch. After a while, Joanne Symons cuts off the interview, and then she rides with Udall to brief him on his next appearance—in Salem, New Hampshire, half an hour away.

David Evans explains that we are going to Salem to attend a meeting at the home of Mr. and Mrs. Donald Pucci. Donald Pucci's parents, Vic and Phyllis Pucci, are said to be very interested in Udall, and so are several of their eight children. The Puccis, who supported Muskie in 1972, make a decision as a family about whom to support, and can be very important in organizing Salem, the fourth-largest community in New Hampshire, with three per cent of the state's registered Democrats. Phyllis Pucci is a state committeewoman, and Vic Pucci is active in fund-raising for the Democratic Party. Evans says that Salem is hard to organize, because it is a "bedroom community" and relies on Massachusetts media, and "you have to do a lot of hunting and a lot of groundwork." Mrs. Udall and three of the six Udall children will attend a dinner dance in Salem on Saturday.

Inside the Pucci home, a rambling brown frame house, about twenty people are gathered. Phyllis Pucci, who is wearing a peach pants suit, introduces Udall to members of her family. Several elderly people are here; the "senior citizen" vote is considered very important in New Hampshire, which has the second-highest percentage of retired people in the country (after Florida). Udall, seated in a leather chair in the living room, talks about his trip to Alabama, the necessity of defeating Ford, the difficulty of defeating an incumbent President. His feet crossed, his hands clasped in his lap, Udall says, "You're entitled to ask 'Why Mo Udall?'" And then he talks about his acceptability to various elements of the Party, his vision of the nineteen-seventies and the nineteen-eighties, his support of the Humphrey-Hawkins bill. (One of the advance men is on the phone in the Pucci kitchen, talking to Ron Pettine about scheduling.) "I think I can offer vigor and imagination and new ideas to pull the Party together," Udall says, and he adds, "I don't want to spend two years in this rat race for nothing." He answers questions about the energy crisis, New York City, food stamps, property taxes, national health insurance, Social Security. Phyllis Pucci, holding a grandchild on her lap, asks him his views on busing. One of her daughters, a tall, attractive young girl, puts a number of questions to Udall—about the size of the bureaucracy, about taxes, about people who don't want to work. "You're the smart one," Udall jokes, and then, thinking better of it, remarks, "I'll lose some votes," and says, "You're the forward one." The audience laughs. Coffee, sandwiches, and cupcakes have been spread on the dining-room table. Udall stands and chats for a while with members of the group. Phyllis Pucci says that Jimmy Carter is coming to Salem, and adds, "We feel we should welcome all the candidates and let people see them. Our family hasn't decided yet."

On the plane to New York, Udall works on the speech for this evening. The staffs is pleased by the news, relayed by Jo Baer this afternoon, that two New York City Democratic leaders who were believed to have been "leaning" to Bayh and who had met with Udall late Sunday afternoon, have told her that they plan to come out for Udall. One aide says they like to give Udall news such as this when he seems particularly tired. According to the schedule, the plane is to land at LaGuardia Airport at six-fifty-five, and, by some miracle, Udall is to reach the New York Hilton twenty minutes later. Udall looks tired as he works over his speech. He has already been "on" six times today, and still has a dinner and a speech, after which he is to fly back to Washington, arriving sometime before midnight. His face is a bit gray now, his jaw set. I plan to leave him at LaGuardia and return to Washington earlier. Just before we get out of the plane in New York, Udall remarks to me, "It has been a long day." I ask him if he ever gets tired to selling himself, of making speeches. He replies, "Yes, there are times, but I don't think you can let it show. You see faces, and you can keep going."

IN DIVERSITY WILL BE YOUR STRENGTH

Mr. DOMENICI. Mr. President, I rise today to praise the words of Dr. David Poling, of First United Presbyterian Church, in Albuquerque, for they express the tremendous loss America experiences at the passage of so great a citizen as Senator Clinton P. Anderson. Dr. Poling, in his eulogy on November 12, 1975, summarizes Senator Anderson's great love of life and strength of character.

The text of Dr. Poling's message focuses on those qualities that enabled Senator Anderson to set high goals and to devote his life to pursuing those goals. The title of the address, "In Diversity Will Be Your Strength," is appropriate, for it was not from only one source that Mr. Anderson drew strength, but from many aspects of his rich background that Mr. Anderson summoned the courage and wisdom to live as he did.

I join with Dr. Poling in salute to a great statesman and beloved human being, whose contributions are marked forever in our memory. Mr. President, I ask unanimous consent that Dr. Poling's text be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

IN DIVERSITY WILL BE YOUR STRENGTH

We gather in this place to thank God for life, to praise Him for the joy and fulfillment of human existence, to remember with warmth and large satisfaction the boundless spirit of Clinton P. Anderson.

In many ways we honor ourselves by being here: by wanting to be close to the Anderson family; by expressing our appreciation to God for revealing so many vital and enduring achievements in the life of one man; to understand more fully the phrase of Scripture which states, "their works do follow them."

Men and women of biblical times must have had some Clinton Andersons in mind when they wrote The Apocrypha Books—these holy writings which bridge the period between the Old and New Testament.

In Ecclesiasticus 44, a theme finds expression:

"Let us now sing the praises of famous men the heroes of our nation's history, through whom the Lord established renown, and revealed his majesty in each succeeding age. Some held sway over kingdoms and made themselves a name by their exploits.

"Others were sage counsellors, who spoke out with prophetic power.

"Some led the people by their counsels and by their knowledge of the nation's law;

"Out of their fund of wisdom they gave instruction. Some were composers of music or writers of poetry.

"Others were endowed with wealth and strength, living peacefully in their homes;

"All these won fame in their own generation and were the pride of their times."

Clinton Anderson claimed fulfillment out of life when many would have seen only gloom and bare fragments of hope. His days of youth seemed terminal, his aspirations chocked by tuberculoses—the medical judgment in 1917 was that he had six months to live. Bleeding and praying, he arrived in Albuquerque that Fall and facing all the uncertainty that illness creates, he found here, hope and life and a future.

Not only was he caught up in the majesty and deliverance of the Southwest, but through the years was swayed by its unending beauty and grandeur, its panorama of people, and its promise of energy secrets for the world. It continually appears that in his public life, Clinton Anderson brought out of his own experience and that of his neighbors and fellow New Mexicans, gifts and treasures that helped and supported people everywhere.

This closeness to the land gave him special skills in agriculture and respected hearing with farmers and ranchers across the nation. As Secretary of Agriculture and later his leadership in the world food projects, he brought vision and implementation to the feeding of millions of people.

The technological advances of our society found Senator Anderson championing the new fields of atomic research and space exploration. The New Mexico pioneering spirit was everywhere evident in the depths of the seas and the far-reaches of outer space. He was among the first to advocate the medical benefits of atomic research, with special attention to cancer research.

As we have noted out of his own experience, his own suffering, his own recovery, he gathered the resources of the government to address the needs of the sick, the hungry, the aged. Medicare could easily have been named Andersoncare, for he pursued with the determination of a long distance runner the sponsorship of bills, putting the Federal government in medical assistance for its people. One who had overcome sickness and suffering never forgot those who everyday must struggle with the same lethal forces.

In diversity there is strength—as well as laughter, excitement, good fellowship and the unending joys of family life. These were his investments. He loved his lodge and the work of the Shrine. Early he was recognized by Rotary as an international president, and often he turned to Rotarians for participation and support of major programs. Scouting was important to him and so were the thunderous games in The Pit. He was at home in the world, visiting easily with farm hands or playing bridge with a President or asking a grandson about the horses.

People were continually impressed with the broad grasp that he had of the pressing issues of our time, his concerns for national preparedness and his untiring advocacy of wilderness projects and the deeper commitment that revealed about the West as well as the wilderness.

Thoreau, a hundred years before had written:

> "The West of which I speak is but another name for the wild.
>
> "And what I have been preparing to say is, that in wildness is the preservation of the world."

Clinton Anderson had absorbed that treasure of the West—the life-giving sun, the polar-blue sky, the eternal company of mountain and valley and river. His long-time friend, Paul Horgan, writing in The Great River surrounded some of the same sensations that belonged to the Spanish settlers and later flowed into the personality of the Senator from New Mexico when he wrote:

> "What they preserved was their distinction and grace . . . all about them was a land whose forms of mountains, desert and valley seemed to prefigure eternity. The brilliant sky called out life on the hacienda by day, and at night, with tasks done and reviewed with prayer and promised for tomorrow, all seemed as it should be . . ."

If his attachments and interests were diverse, his beliefs were broad and ecumenical. His Lutheran origins were supplemented by a Dakota Wesleyan education and these historic religious traditions were to be seasoned by the Scottish Presbyterian notions of Henrietta McCartney, his bride from South Dakota and his life's companion, counsel, and mother of his children.

The author of Ecclesiasticus was right—there are those times when we want to "praise famous men . . . sage counsellors, who spoke out with prophetic power." And we praise God for the life of Clinton P. Anderson, for this moment in our day, when because of his life and his diversity, we have seen a funeral service become, by God's grace, an early Thanksgiving Day.

Let us pray:

Gracious God, Father of Our Lord Jesus Christ, we pray your blessing upon this people, these friends and this family. May a time of sorrow and mourning yield swiftly to days of thankful remembrance, to moments of quiet celebration for the life of Clinton Anderson. As he died in peace, may we live in the serenity of your promise for each of us revealed in Jesus Christ—the great pioneer and promiser of our faith.

And now: May the grace of our Lord Jesus Christ, the love of God, and the followship of the Holy Spirit be and abide with you all, both now and in the life everlasting. Amen.

NO WATERWAY USER CHARGES

Mr. JOHNSTON. Mr. President, in the recently published statement on national transportation policy, a proposal is made for implementing user charges on our Nation's inland waterway traffic. I believe the imposition of such a new tax on floated commerce would be contrary to the best interest of American consumers. I know that many Senators will share this view ,and I think that it is important for those who oppose waterway user charges to make their position clear to the administration.

Therefore, I have drafted a letter to the President expressing opposition to the implementation of any new charge for the use of inland waterways. At this time, I would invite Members of the Senate who agree that such new charges are unnecessary and ill-considered to join in sending this letter to President Ford. I ask unanimous consent that the letter to the President be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

The PRESIDENT,
The White House
Washington, D.C.

DEAR MR. PRESIDENT: We are writing at this time to express our objection to the implementation of user fees for traffic moving on the nation's inland waterways. As you know, such a proposal has been made as a part of the recently published National Transportational Policy. We believe that the imposition of a new tax on inland waterway traffic would be contrary to the best interest of American consumers. We would urge that such a change not be made.

Members of the Senate are all aware of the special advantages that are offered by moving freight on our system of National waterways. Floated commerce has proven to be the most cost efficient form of transportation. Also, water transportation is the most energy efficient means of moving the goods we produce.

It is also clear, we believe, that the costs of maintaining our nation's waterways should be a national investment rather than the contribution of some number of private companies. The funds that are invested in our waterways each year contribute to a number of purposes other than commerce. Recreational opportunities along waterways are broadened with Federal funding. Wildlife management and flood control require such Federal investments.

At the same time, we recognize that many industries have established new facilities along our inland waterways in reliance on the availability of low tariffs for floated commerce. Thus, the patterns of regional economic development in our country reflect the long tradition of the Federal government's maintaining the current low cost of waterway commerce.

We are convinced that if a program of waterway user charges were adopted, the additional taxes would be passed directly to the consumer. This would raise the cost of fundamental commodities that are shipped in bulk, and it would be only a short time until the cost of hundreds of goods also increases. We are also certain that the taxpayer would not enjoy any commensurate modification of his tax burden.

We are all serious about the need to restore price stability to our economy. We are equally serious in the commitment that it is wrong to make changes where an institution is strong and working well. That is the case with our national waterway system and the over 1800 carriers that operate on it. For that reason, we believe that the imposition of new charges can only have undesirable effects, and we strongly believe that such a change is not in the best interest of a strengthened national transportation system.

THE NEW MEXICO TASK FORCE ON SEX CRIMES

Mr. DOMENICI. Mr. President, those of us who believe that local community resources can best attack local problems and that citizens are often ahead of their Federal Government in devising solutions to local problem areas, should be heartened to learn of the excellent work of the New Mexico task force on sex crimes.

In an effort bringing together a wide range of professionals concerned about the victims of sex crimes, this task force can point to some solid accomplishments in the last year.

I should note that New Mexico, thanks in large part to the work of the task force on sex crimes, the Albuquerque City Police Department, the University of New Mexico Police Force, Bernalillo County Medical Center, and both the city of Albuquerque and Bernalillo County officials, has made great strides toward treating the victims of sex crimes with greater efficiency, greater dignity, and with increased sensitivity.

As a cosponsor of legislation that would establish a national center for the prevention and control of rape, I am especially proud of the work people from throughout the State are doing in the important area of aiding victims of sex crimes. An important outgrowth of this work has been an increased sensitivity to the needs of victims of sex crimes on the part of police, prosecutors, and medical personnel.

The task force on sex crimes includes professionals in medicine, criminal justice, law enforcement, psychological counseling, education, law, and corrections from all areas of New Mexico. This task force's work has led to drafting and passage by the State legislature of a criminal sexual conduct code. It has paved the way toward increased medical care for victims, especially those who are from lower income brackets. It has served as a coordinating point for law enforcement, medical, legal, and counseling agencies in the field. Female police officers, and district attorneys have become more prominent in the serving of victims.

Definitive procedures have been established for sex crime cases by the Albuquerque Police Department, Bernalillo County Sheriff's Department, UNM Campus Police, Bernalillo County District Attorney's Office, and the Bernalillo County Medical Center—thanks in large measure to the efforts of the task force on sex crimes.

Several sex crimes workshops have been offered by the task force to increase awareness by all sectors of the State of the trauma and destruction caused by sex crimes.

I call this statewide effort to our colleagues' attention today so that they may pass on to interested citizens in their States information about the New Mexico Task Force on Sex Crimes. New Mexico's pioneering work may aid other States in meeting this particularly vicious problem.

It is not possible to mention everyone who has helped with the task force's program. However, Mr. President, I commend Dr. Arthur Kaufman, assistant professor of family, community and emergency medicine at the University of New Mexico School of Medicine; Jeanne Wagner, counselor for the youth development project and cochairperson of the task force; UNM Police Officer Pat Cristo, also cochairperson of the task force; and the many students, professionals, and other concerned New Mexicans who have made the task force's efforts so successful to date.

I ask unanimous consent, Mr. President, that at this time the names of the members of the New Mexico Task Force for Victims of Sex Crimes be printed in the RECORD, and that a series of newspaper articles on the work being done by citizens in my State also be printed at this time in the RECORD. Much of the interest and community support for the task force's approach has been generated by excellent publicity by local papers, and these articles indicate the different aspects of the task force's initiatives. I know that the whole task force joins with me in thanking Betty Childers, Pat Kailer, and Denise Tessier, of the Albuquerque Journal newspaper, and former Journal reporter Scott Beaven, for their fine stories about rape, rape victims, and efforts to ease the pain sex crime victims suffer.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEW MEXICO TASK FORCE FOR VICTIMS OF SEX CRIMES

MEMBERSHIP LIST (**DENOTES EXECUTIVE COMMITTEE MEMBER)

Baca, Mary Louise, RN, Coordinator, Crisis Unit, Bern, County Mental Health Center, Albuquerque.

**Blackwell, Peggy, Asst. Prof. and Sr. Invest. ISRAD/MAGE, Bandelier (west) Univer. of New Mexico, Albuquerque.

**Caristo, Patricia, Police Officer, Univer. Of New Mexico Police Univ. Of New Mexico, Albuquerque.

**Carver, Joanne, Asst. District Attorney, Bernalillo County Court House, Albuquerque.

**Foraker-Thompson, Jane PhD, Criminal Justice Specialist, Albuquerque.

**Kaufman, Arthur, MD, Asst. Professor, Family and Community Medicine, Univ. Of New Mexico, Albuquerque.

Bromberg, Shirley; Gerety, Meghan; Glover, Dianne; Family/Comm. Medical Interns.

Martin, Robert, Asst. District Attorney, Bernalillo County Court House, Albuquerque.

McCreary, Linda, Victim Counselor, 211 Solano NE, Albuquerque.

McClelland, Ann H. Registered Nurse, Albuquerque.

Read, Betty, Attorney, 801 Tijeras NW., Albuquerque.

Vander Meer, Jo, Victim Counselor, 1131 Pennsylvania NE, Albuquerque.

**Vinson, Gail, Coordinator, Rape Crisis Center, Albuquerque.

**Wagner, Jeanne, Counselor, Youth Development Center, Albuquerque.

Tye, Carolyn, Police Officer, Bernalillo County Sheriff's Dept., Community Services, Albuquerque.

Paskind, Lynn, Admin. Asst, Special Programs Div., Bernalillo County Medical Mental Health Center, Albuquerque.

Baca, Mary Dolores, Police Officer, Albuquerque Police Dept.

Martinez, Pat, Sgt., Albuquerque Police Dept., Albuquerque.

Rich, Lynn, Police Officer, Albuquerque Police Department.

Bradford, Hazel, Job Corps, Albuquerque.

Crowe, Wally, Counselor (offender), Alternatives, Inc., Albuquerque.

Levy, Jerome, MD, Asst. Chairman, Dept. Psychiatry, Univ. of New Mexico.

Sister Monica Ann, St. Joseph's Hospital, Albuquerque.

Price, John, Police Chaplain, Albuquerque Police Dept.

Rada, Richard, MD, Asst. Professor, Psychiatry, Univ. of New Mexico.

**Roll, Samuel, Assoc. Professor, Psychology, Univ. of New Mexico, Albuquerque.

Saylor, Dennis, Chaplain, Presbyterian Hospital, Albuquerque.

Shaw, Dorothy, Detective, Sex Crimes Unit, Albuquerque Police Dept.

Sterling, Joanne, PHD, Assoc. Director, Bernadillo Co. Mental Health Center, Albuquerque.

**Clark, Fran, Director, Bridge Crisis Intervention Center, Las Vegas, New Mexico.

**Evilsizer, Tom, San Juan Mental Health Service, Farmington, NM.

**Hedges, Rose Ann, Program Director, Crisis Line Inc., Hobbs, NM.

**Luck, Ben, Director, Div. of Psychology, Eastern New Mex. Univ., Portales, NM.

**Matis, Shelbee, Rape Line, Rt. 4, Box 94G, Santa Fe, NM.

**Trujillo, Margaret, PhD, PO Box 1599, Taos, NM (87571).

**Walker, Fran, Director of Consultation, Education, Training, Southwest Mental Health Center, Las Cruces, NM.

**Vinsant, Mozella, Health Department, Roswell, NM.

[From the Albuquerque Journal, Nov. 17, 1975]

RAPE EVIDENCE KIT AIDS PROSECUTION

(By Denise Tessier)

Rape victims in Albuquerque are well-treated, an assistant district attorney says, and a criminal evidence packet distributed by city police known as a "rape kit" has contributed to that good treatment by making prosecution of sexual offenders easier.

Other communities around the state will soon have the benefit of these kits as well, as time and money are being donated to assemble other kits, modified according to testing facilities available in these communities.

"Doctors and people in general need more education in connection with rape. They need to understand what evidence is necessary for prosecution and have some reasonable means at hand for collecting it for the state," Asst. Dist. Atty. Joanne Carver says.

The kits, put together by Albuquerque police criminalist Arnold Bentz, contain everything needed to collect evidence for prosecution of a sexual offender—from an acid phosphotase solution for typing seminal fluid to a small comb for removing the offender's hair from the pubic area.

"A victim in Bernalillo County is well-treated," Ms Carver says. There's crisis counseling available, evidence can be promptly and efficiently collected and the police are trained to treat a victim with understanding."

"It's the rest of the state that's really in bad shape," she says.

However, she said, the District Attorney's Assn. is "trying to turn New Mexico into a model state as far as sex crimes."

Recently, the Pregnancy Testing Clinic, 107 Girard SE, donated the cost of one abortion, $300, to make up kits for communities in the state other than Bernalillo County.

This money has been turned over to the governor's Rape Crisis Task Force, which in turn is being given to the N.M. District Attorney's Assn.

"The association will provide wages for someone to assemble the kits," Ms Carver says.

Detective Dorothy Shaw of the Albuquerque Police Dept. says the kit contains cotton swabs, a plastic bag for clothing which might be used as evidence, a vaginal wash vial, a vial to gather blood to determine the victim's type, a packet of microscopic slides, plastic bags for scrapings, the comb, and complete instructions for the doctor.

These kits are taken by field investigators who investigate a rape call to the hospital, Det. Shaw says.

"The kit isn't foolproof, but it is certainly tremendously helpful," Ms Carver says. "Unless this evidence is collected there's just no hope for prosecution."

She emphasizes the identifying evidence that can be established through use of the kit can "just as easily exonerate an accused who maintains his innocence" as it can convict another.

"One of a prosecutor's problems is the attitude of doctors toward rape," Ms. Carver says.

"Fingerprints may be picked up at the scene of one assault but another victim may only know the assailant's height and a vague description."

Gail Vinson of the Rape Crisis Center at the University of New Mexico says she thinks the problem with doctors in relation to rape cases is that "they don't know what they're doing. They're afraid they're going to look foolish in court.

"My feeling is they're going to like the medical evidence kits. The doctors here (in Albuquerque) do," she says.

The kit, which Ms Carver says costs about $2 to make, contains a vial to hold blood taken from the victim to determine the blood type. "The tubes for running blood samples can also be used in testing for gonorrhea," she adds. "Very often sexual criminals leave victims with venereal disease."

Pubic hair can also be typed, she says, which makes the collection of hair very important in prosecuting a case.

"Doctors outside of Bernalillo County especially get upset about combing the hair," she says. "One doctor in Portales won't do it. He thinks the whole idea is very nasty.

"But hair samples are very useful as a means of identification."

Ms Carver notes she always uses the term "victim" rather than "she" when referring to assaults because "men are also the victims of sex crimes."

In spite of the advances made with the rape kit, Ms Vinson of the Rape Crisis Center expressed concern that these kits are no longer taken to the hospital by female officers.

Their presence, however, was mainly for the purpose of later testifying in court they were present when the doctor made his findings and placed them in the kit, he says.

"What's the point (of sending the women out after a full working day) when the doctor is going to have to go to court and testify to the same thing?" he says.

The practice of sending women out at night was terminated about two weeks ago, he said. Now a woman could go out if she happens to be on a night shift.

"The uniformed officer will just ask about the incident and for a description of the offender," Sutton says.

"We treat victims as gently as we can."

The following day, a victim can report to the police further statements about the incident, Detective Shaw adds.

The victim "does not have to go into detail with a male officer in the field," she says.

Ms Carver adds steps are currently being taken to create a kit for use on the sexual offender if he can be picked up in a reasonable amount of time in relation to the assault.

"The prosecution of sexual offenders is very serious," she says.

"Sex crimes are not crimes of passion—they are crimes of violence."

[From the Albuquerque Journal, July 30, 1975]

BCMC FOLLOW-UP TEAM COUNSELS RAPE VICTIM

(By Betty Childers)

A hospital emergency room—no matter how new or attractively furnished, it's still a dreaded place. For victims of automobile accidents, heart attacks, broken bones, knife and gunshot wounds, and rapes, it is the usual point of entrance into the medical system.

Among this group of victims, the calmest may be the one who has just been raped. "The majority of the rape victims I have seen in the emergency room on the surface have been very calm," said Meghan Gerety, a member of the Bernalillo County Medical Center rape follow-up team.

"But upon questioning, you find out that is a very surface phenomenon. Most of them look at the experience as unreal in the emergency room. It is like it happened to someone else. It is only within the next couple of days that it begins to hit them that it happened to them."

Her report of initial clamness of many rape victims is supported by the other three team members—Dianne Glover, Shirley Bromberg and Susan Fullam. All are second-year students at the University of New Mexico School of Medicine. While they received grants from the medical school for their work this summer, their counseling of rape victims will be done on a volunteer basis during the school year.

The victim may need counseling during the days following the rape more than immediately after the attack. "Seeing her within two days is important. That is when she is hitting the emotional trauma," Ms. Glover said.

When Dr. Arthur Kaufman came to Albuquerque last year, he learned that treatment of the rape victim by BCMC (which sees about 80 per cent of all reported rape cases in Albuquerque seeking medical care), the police and the Rape Crisis Center was much better than he had known in New York as a medical resident.

But medical follow-up was lacking. After being seen in the emergency room by the gynecology resident, she was given an appointment in the obstetrics-gynecology clinic six weeks afterward to repeat the blood test for syphilis. Only four (eight per cent) of the 50 victims seen between September 1973 and January 1974 kept this appointment.

"The amount of money involved was prohibitive. It approached about $80 for the ER visit and the follow-up clinic visit," said Dr. Kaufman, an assistant professor with the UNM department of family and community medicine.

To alleviate the burden of this, the City of Albuquerque agreed, beginning in April, to pay $50 for every victim of a rape occurring within the city limits. This charge takes care of the emergency room examination and up to two follow-up visits in the family practice clinic at BCMC. Anonymity of the victim is preserved since the city is only billed for the number of cases treated and no names are given.

Dr. Kaufman and his department perceived the counseling provided by the rape follow-up team as a means to introduce good medical care to victims and their families, many of whom do not have physicians.

After the rape follow-up team began counseling victims in September 1974, 43 (86 per cent) of the first 50 patients kept their follow-up appointments in the family practice clinic. Also, in more than half of the first 50 cases, family members received care for both rape-related and non-rape-related problems, according to Dr. Kaufman.

A new protocol was set up to handle rape victims in the BCMC emergency room. The victim is to be seen as soon as possible by both the gynecology resident and a member of the rape follow-up team.

While the resident examines the woman and gathers evidence for the police, the team member describes what is being done and why. She explains that the intramuscular injection of procaine penicillin is necessary to prevent venereal disease and that if she does not have contraceptive protection, she must take Diethylstilbestrol (DES—otherwise known as the morning-after pill) orally twice daily for five days, She is told this medication may make her nauseous.

Also present in the examination room, if the victim wishes, may be a counselor from the Rape Crisis Center and a female detective from the sex crimes unit of the Albuquerque Police Dept.

Although the team member encourages the victim to report the rape to the police, they do not force her to. It is her decision, stressed Dr. Kaufman.

"We explain that one of the important preventions of rape is catching the rapist. By reporting, they can give vital information that may ultimately lead to the apprehension of the rapist, while they don't necessarily have to go through the experience of testifying in court . . . You can decide at any time that you don't want to press charges."

At the first follow-up visit two to four days later, the same team member who saw her in the emergency room explains the results of her pregnancy and venereal disease tests.

"You can reassure them much more quickly about their medical problems than their emotional problems," Ms. Glover said.

If the team member feels she needs help in counseling, Dr. Kaufman and psychotherapist Peter DiVasto are available at the clinic.

Although care paid for by the city is limited to the emergency room and two clinic visits, the team members keep in touch with their patients either by telephone or home visits.

"It is like psychological insurance that any time they want they can call or come back any time they hit a snag. . . . We are like a thermometer. When we say, 'Really you're doing a lot better,' then they know they're making improvement," said Ms. Bromberg.

[From the Albuquerque Journal]

NEW SEX CRIME ACT SHIFTS EMPHASIS

(By Pat Kailer)

The new sex crimes act, in effect since June 20, shifts emphasis in cases of rape and other sexual attacks where it rests in other violent crimes—onto the person who commits the crime—says the assistant coordinator of the Rape Crisis Center on the University of New Mexico campus.

"It's not going to eliminate rape or sexual crime but there will be a lot less hassle for the victim who chooses to prosecute. It's certainly going to make our work easier," says Sandy Ramsey.

In addition to changing prosecution procedures, the new law: broadens the old law to include as criminal in addition to rape, any type of sexual penetration or conduct in which force is used.

Grades criminal sexual behavior according to the severity of attack and injury.

Eliminates statutory rape (sexual penetration of a female under 16) as a crime.

Eliminates the section on sodomy (carnal copulation with a member of the same sex or with an animal or unnatural carnal copulation with a member of the opposite sex).

Considers men as well as women may be victims.

"What we've done is de-sex the sex laws," says Bob Martin, an assistant district attorney and chief of the violent crimes division.

The new law (which never uses the word rape since other behavior and men are included) looks at sex crimes first and foremost as crimes of violence, secondly as crimes that happen to involve sexual contact.

The old law and enforcement of it carried an emphasis on rape as first, a crime of passion, and secondly, as a crime that might involve violence.

As such, the focus of a case was not always on whether the attack had indeed taken place, but whether there had been provocation.

The tone of the defense was often an implication that, since passion was involved, somehow the woman's past reputation was responsible, that perhaps she even "asked for it," says Ms. Ramsey.

As a result, the path of recourse seeking justice was often obscured. Victims hesitated to report cases let alone go along with prosecution when the state felt it had a case.

"How could you explain the unexplainable, that you would be put on trial if you went through a prosecution," asks Ms. Ramsey.

The new law, worked out by many individuals and groups, states the victim's past sexual conduct may not be brought up at all unless it is material to the case and "its inflammatory or prejudicial nature does not outweigh its probative value."

Further, such evidence may not be introduced at all unless the defendant files a motion to that effect prior to the trial, says Martin.

Then, at an in camera hearing (in the judge's chambers) such evidence is reviewed by the judge to determine whether it is admissible.

Another section of the new law states the testimony of a victim need not be corroborated in presecutions and that it shall be entitled to the same weight as testimony of victims of other crimes.

While the old law did not state evidence of victims must be corroborated, some courts ruled it had to be and sometimes that there must be proof the victim had tried to resist, says Martin.

Martin stresses the importance of reporting a case and explains it does not necessarily mean prosecution.

By grading sexual crimes according to severity of attack and injury, the new law makes the punishment more nearly fit the crime as with other violent crimes.

Previously juries had only one choice in a rape case whether it was a sex act by force with no apparent bodily harm or the victim beaten within an inch of her life.

The charge was always second degree felony with a 10 to 50 year sentence and juries were reluctant to place that kind of charge on cases in which there did not appear to be great personal injury or bodily harm.

Now in two separate sections, one on criminal sexual penetration and one on criminal sexual conduct, the charges range from petty misdemeanor to first degree felony, penalties from minimal (up to six months or $1000) to life to take care of both extremes and everything in between.

The definition of criminal sexual penetration includes intercourse, cunnilingus, fellatio, or anal intercourse, or penetration of the genital or anal openings with any object.

"The sodomy section was aimed at harassing homosexuals but the facts indicate that more often homosexuals are victims of criminal sexual attack."

"An attack on a man by a man is not any more indication of his homosexuality than rape is an indication of his heterosexuality. Again, the point is that someone has violently attacked another person."

The idea of statutory rape—a third degree felony with a two to 10 year penalty—was "a long time ago undoubtedly intended to keep an older man from taking advantage of a young woman," says Martin, but in practice, according to both Martin and Ms. Ramsey, the law was often abused.

It brought law enforcement into family problems because parents tended to use the charge to punish a daughter, or her boy friend, or to protect her reputation.

There was discrimination against both male and female in the statutory provision, the man suffering most legally—someone charging rape in cases of consenting teenagers having intercourse—and the girl discriminated against because the law did not consider consent for her.

"It implied the girl had no right to say yes, that that was the parents' right. It was really outdated," says Ms. Ramsey.

Protection of minors is provided in the new law with sexual penetration of a child under 13 a first degree felony and, on a child 13 to 16, a second degree felony when the perpetrator is in a position of authority (such as parent, relative, teacher, employer), and uses the authority to coerce.

Otherwise, a minor 13 or older is treated as anyone else, someone who may consent to a sexual act or someone who may be forced and harmed in the process.

Sexual molesting of children other than by penetration is under a criminal sexual contact of minors provision with varying degrees of felonies according to the victim's age and such factors as force, weapons, position of authority, injury.

The assistant coordinator of the rape crisis center who notes that the center right now desperately needs volunteers from minority groups ("often victims who are from minority groups prefer women to whom they can relate culturally"), feels the new law is a very important first step.

"But we have a long way to go toward changing society's underlying attitudes which distort relationships between men and women and which perpetuate, even encourage sex crimes in movies, novels, pornography of all kinds.

"The thing that seems to be different about rapists as a group is that they don't have a good close women friend—wives, lovers, yes, but not a good friend.

"We teach the mechanics of sex but not in the perspective of the whole relationship and as something that can be used for both good and bad."

The assistant coordinator said the volunteer staff on duty 24 hours a day at the center averages a call and a half a day currently.

Volunteers offer information and, if desired, counseling, and will accompany victims for a medical exam and to law enforcement agencies if desired.

[From the Albuquerque Journal, Dec. 10, 1974]

Rape: Fact and Fiction

(By Scott Beaven)

Women who are raped ask for it: They wander deserted alleys at 3 a.m., dressed in short skirts, wearing too much makeup. The men who rape them are hunchbacks in trench coats. Right?

Wrong.

Fact: Of all the rapes investigated by former policewoman Carolyn Tye, only one of the victims was even wearing a dress. She was 78 years old.

Fact: The average age of those who commit rape is 24.5 years.

Fact: The rapist is usually a person known to the victim—not necessarily a close friend, but an acquaintance.

Fact: The victim may not be a woman. Warned University of New Mexico policewoman Pat Caristo Monday: "The victim could be your wife, your daughter, your son, your sister, your mother—even you."

Fact: Rape is no fun for the victim. "There is nothing," Dr. Arthur Kaufman of the UNM Medical School said, "pleasurable about it whatsoever."

The facts were aired during the First Statewide Governor's Conference on Sex Crimes and the Citizen conducted Monday at Albuquerque's Convention Center. The conference was called to dispel myths about sex offenses and to recommend action to control the offense.

Gov. Bruce King opened the morning session by observing that someone is raped every 10 minutes in the United States and by admitting that New Mexico "is not any different than the rest of the country. Hopefully, we are not any worse off."

"There is no difference between being raped and run over by a truck," former policewoman Tye said. "Except that afterwards men ask you if you enjoyed it."

And until the attitude that the victim somehow deserved it changes, and until laws are changed to make rape cases easier to prosecute, "sex crimes will increase in volume and violence."

As conferees viewed the issue, there were problems in the way police officers, district attorneys and physicians deal with victims, problems which exacerbate the trauma of rape.

"There is a great need for more extensive training of the young officer who makes the initial response (to the victim's call)," Deputy Albuquerque Police Chief Lucius Powell said, noting the officer may be between 21 and 24 years old and may be a virgin embarrassed about sexual matters.

"He can do a great deal in his initial response, if handled properly, to ease some of the trauma and make a better case."

Once the proper evidence is obtained from the victim, New Mexico's 82-year-old law comes into play.

"We do need," Powell continued, "a proper and reasonable revision of the law. The ability to press a case in court to a successful conclusion is practically impossible."

New legislation which would offer different punishments for different types of rapes and make prosecution of rape cases more feasible is being drafted for introduction to the State Legislature's next session.

Gail Vinson, a counselor at Albuquerque's Rape Crisis Center, estimates that in the women's groups she addresses, fully 20 per cent of the women have been raped.

Most of those violations will not have been reported. The FBI estimates the rate of reportage as one case in 10. And "incestuous rape of young children is a lot more common than people thought it was," Ms. Vinson said.

Crimes should be reported and prosecuted, attorney Joanne Carver said, because the majority of rapists repeat the offense until apprehended. Ms. Carver is employed by the Bernalillo County District Attorney's Office.

Dr. Kaufman, who helped change handling of rape cases in the Bernalillo County Medical Center emergency room, said he previously worked with victims in New York City and, on coming to Albuquerque, "was quite delighted to find the relatively advanced care given here."

However, he said that normally, "rape victims are a bureaucratic nuisance" and "doctors are not trained to handle legal problems. The rape victim has to be a priority victim."

Modern medicine, he said, can at least give injections to guard against venereal disease and offer the so-called "morning after" pill to prevent pregnancy. Dr. Kaufman said, the "pill" is 50 pills taken five days in a row.

Linda McCreary, another counselor, described rape as "a sexist assault. It is an outgrowth of a sexist society that condones this aspect of male behavior. At the same time, it (society) places the burden of proof on the victim."

There is also the assumption that women "enjoy" the rape, several speakers stressed, but this assumption is purely a male fantasy; just because a woman is not covered with bruises or lacerations does not mean the rape was any less traumatic or painful.

Juries do not at times take such things into consideration and there is a tendency to judge the woman's morals instead of the germane question: Did a forcible sex act take place?

As Ms. McCreary charged:

"A woman does not get raped because of the way she dresses, but sometimes the defendant gets acquitted because of the way the woman dresses, (during the trial)."

Dr. Jerome Levy, a UNM Medical School psychiatrist, took issue with Ms. McCreary on one point: Rape he feels, is not basically "sexism, although sexism is a part of it. It has a total antihuman quality."

After listening to panel discussions, the approximately 90 participants divided into discussion groups and reported to the group at the end of the day. Among recomendations approved were the formation of a Governor's Task Force on Sex Crimes, support for proposed changes in the state's rape laws, a follow-up conference involving more young people and a renewed effort to "educate the public" to let the reality about rape receive wide exposure.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, once again I wish to bring to the attention of the Senate the prolonged debate on the treaty on the Genocide Convention. The crime of genocide has become a matter of international concern. Human suffering and social degradation should not be tolerated. The intent to destroy an entire group of individuals because of their national, ethnic or religious affliction is a deep moral injustice.

The executive of the Jews by Nazi Germany resulted in the effort to prevent any future immoral and antihuman actions through the establishment of an international Convention on Genocide. Our Nation established high ideals-through the Bill of Rights to our Constitution. The Genocide Convention supports and upholds this high standard morality for the world.

I urge the immediate and careful consideration by the Senate of this treaty. American ratification is essential to the establishment of fundamental principles of law, justice and morality on the international scene.

CLIFTON E. CUSHMAN, GRAND FORKS, N. DAK.

Mr. YOUNG. Mr. President, one of the most tragic cases I have dealt with in all my years in the Senate has finally come to an end.

Quite a few years ago, I became acquainted with Clifton E. Cushman, an outstanding athlete at Grand Forks High School—Grand Forks, N. Dak.—who later became a Silver Medal winner in the 1960 Olympic games in Rome while he was a student at the University of Kansas. This fine young man became an Air Force fighter pilot. Shortly after being assigned to South Vietnam, he was shot down north of Hanoi in September of 1966.

Mr. President, the Air Force, after 9 years, has now changed Cliff Cushman's missing-in-action status to killed-in-action, which while tragic in itself, does bring to a close the years of anguished uncertainty and suffering that his lovely wife, their young son Colin, and his parents have gone through.

Cliff Cushman became a legendary figure in North Dakota, and all over the Nation, particularly in athletic circles. After winning the Silver Medal as a high hurdler, he was determined to again qualify for the U.S. Olympic Team in the 1964 Olympic games, despite the demanding pressures of performing his primary duties as an Air Force officer and pilot. He trained nights, weekends and every spare moment he could. In the final trials for the Olympic Team, Cliff Cushman was in the lead, but tripped over the last hurdle and sprawled into the cinder track. He had failed.

But, following that unfortunate event, he wrote a letter to young people in Grand Forks and to athletes in general urging them to overcome their disappointment at failure and to keep trying. This letter received extensive circulation and served as a great inspiration to thousands of other young men like Cliff Cushman. He was one of the finest young Americans I ever knew.

Mr. President, with the change in Cliff Cushman's status, a very good friend of mine and columnist at the Grand Forks Herald, Marilyn Hagerty, recently wrote an excellent column about this man. I request unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CLIFF CUSHMAN "RAN FASTER, FLEW HIGHER"

(By Marilyn Hagerty)

They say he ran faster, flew higher and lived better than anyone else. He was an Olympic Silver Medical winner before he became the center of a cause for Prisoners of War and Men Missing in Action.

Last week his status was changed from MIA (Missing in Action) to KIA (Killed in Action).

In life, as in death, Cliff Cushman—for whom the city's high school football field and track are named—has become a legend.

But his friend, Rev. Larry LaVelle, who was here for services Wednesday, asked that Clifton Cushman be remembered as a human being. A very real and very beautiful human being.

He was, as Rev. LaVelle said, a "straight arrow."

He said Cliff Cushman was also a fellow who liked to tease. It was always hard to know when he was kidding. Cliff Cushman had a sense of daring about him that led him to try anything. He dared to excel.

Rev. LaVelle—a close friend of Cushman's at Paine Field in Washington—said Major Cushman was a young man with fears and concerns. He said Cushman had concerns about the war and could have avoided that trip to Vietnam—his service time was almost up.

But, LaVelle said, that was not the nature of Cliff Cushman. On the day in September, 1966, when he was shot down north of Hanoi, Major Cushman had a job to do. "And," said LaVelle, "he did it."

It was a well planned military service at Wesley United Methodist Church this week. The Civil Air Patrol and men from Grand Forks Air Force Base took part.

There was a somber sense of release about the service. It was the end of the road for a family that had kept a vigil for nine years—always waiting, always hoping, always wondering. Knowing some day it might end like this.

In the background, the trumpet sounded taps. Cushman's ten-year-old son, Colin, stood there with his mother holding an American flag.

Friends and family went away remembering the words of Rev. LaVelle:

"Clifton Cushman has tossed you a baton. Will you take it?"

WIRES TO KREMLIN ON BEHALF OF SAKHAROV

Mr. JACKSON. Mr. President, in two separate initiatives, 37 U.S. Senators and 33 Nobel laureates have cabled Soviet leaders to urge them to honor Dr. Andrei Sakharov's request to receive the Nobel Peace Prize in person in Oslo next week.

I ask unanimous consent to have printed in the RECORD the text and signatories of these cables.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NOVEMBER 24, 1975.

His Excellency LEONID BREZHNEV,
General Secretary of the Communist Party of the Soviet Union, the Kremlin, Moscow, U.S.S.R.:

We call upon you to permit Dr. Andrei Sakharov to travel to Oslo, Norway, to receive the Nobel Peace Prize that has been awarded to him. Dr. Sakharov's right to travel is clearly within the scope and provisions of the Helsinki Accords which you personally signed on behalf of the Soviet Union. Indeed, in our judgment the Sakharov case is an important test of the intentions of the Soviet Union with respect to the implementation of the Helsinki Accords. Continued refusal to permit him to travel to Oslo and to return to his home can only lead us to the unhappy conclusion that the Soviet Union is not prepared to honor its commitment to the spirit of Helsinki. The resulting decline of confidence in the solemn undertakings of the Soviet Government can only deepen the divisions between East and West that the Helsinki Accords were intended to bridge.

Senator Birch Bayh, Senator Lloyd Bentsen, Senator Joseph R. Biden, Jr., Senator Bill Brock, Senator Edward W. Brooke, Senator James L. Buckley, Senator Dale Bumpers, Senator Clifford P. Case, Senator Frank Church, Senator Alan Cranston, Senator Pete V. Domenici, Senator Thomas F. Eagleton, Senator Jake Garn, Senator Philip A. Hart, Senator Jesse Helms, Senator Hubert H. Humphrey, Senator Henry M. Jackson, Senator Jacob K. Javits, Senator J. Bennett Johnston.

Senator Russell B. Long, Senator Gale W. McGee, Senator Warren G. Magnuson, Senator Walter F. Mondale, Senator Edmund S. Muskie, Senator Gaylord P. Nelson, Senator Bob Packwood, Senator John O. Pastore, Senator William Proxmire, Senator Abraham Ribicoff, Senator Richard S. Schweiker, Senator Richard Stone, Senator Robert Taft, Jr., Senator Strom Thurmond, Senator John Tower, Senator John V. Tunney, Senator Lowell P. Weicker, Jr., Senator Harrison A. Williams, Jr.

NOVEMBER 10, 1975.

N. V. PODGORNY,
Chairman, Presidium Supreme Soviet, the Kremlin, Moscow, U.S.S.R.:

The undersigned Nobel laureates appeal to you to permit Andrei Sakharov to receive the 1975 Nobel Peace Prize in Oslo on December 10.

Luis W. Alvarez, Kenneth J. Arrow, Julius Axelrod, David Baltimore, John Bardeen, Hans Bethe, Walter H. Brattain, Rene Cassin, Owen Chamberlain, Richard P. Feynman, Murray Gell-Mann, Donald A. Glaser, Gerhard Herzberg, Robert Hofstadter, Robert W. Holley, Arthur Kornberg, Polykarp Kusch.

Simon Kuznets, Willis E. Lamb, Marshall W. Nirenberg, Lars Onsager, Linus C. Pauling, Edward M. Purcell, Isidor Isaac Rabi, Paul A. Samuelson, Julian S. Schwinger, Glenn T. Seaborg, Emilio G. Segre, William H. Stein, Charles H. Townes, George Wald, James Watson, Eugene P. Wigner.

ILLEGAL FISHING WITHIN ALASKA'S 12-MILE ZONE

Mr. STEVENS. Mr. President, I invite the Senate's attention to a recent incident in Alaska which once again emphasizes the need for an effectively enforced 200-mile fisheries zone.

A Japanese fishing vessel, the *Eikyu Maru No. 35*, was recently found fishing illegally within Alaska's 12-mile contigous zone near Juneau. The Coast Guard promptly pursued the vessel, boarded it, and returned it to Juneau. The captain of the *Maru* entered a guilty plea to the charge of illegal fishing; and the U.S. district court, on the recommendation of U.S. Attorney G. Kent Edwards in Anchorage, yesterday levied a $600,000 fine on the ship.

The Coast Guard did a good job of efficiently dealing with the violation, and Mr. Edwards is to be congratulated on his role in the imposition of the fine on the Japanese ship.

The seizure of the *Maru* was not an isolated incident because in the past Japanese vessels have been found fishing illegally within Alaska's 12-mile limit and have been severely dealt with by the U.S. district court in Alaska. The action taken by the Coast Guard, Mr. Edwards, and the U.S. district court shows that Alaska's waters can be protected. A 200-mile zone legislation is enforcable. The Coast Guard has assured me that they would be able to enforce a 200-mile zone if they have the fisheries patrols capabilities of only a limited number of additional planes and vessels. In addition, fines such as were levied against the *Eikyu Maru No. 35* are notice of the consequences of illegal fishing in our 200-mile zone.

Most important, under the 200-mile legislation, if foreign fishing fleets ignore our laws by fishing within the 200-mile zone without regard for our conservation policies, they may be prohibited from any fishing in that zone. The Japanese now fish for 20 percent of their world catch within 200 miles of U.S. coastlines, and they would have too much to lose to risk such a total prohibition from activity within our zone.

This latest incident of illegal encroachment by foreign vessels off Alaska's coast emphasizes that we must act now to protect our fisheries by immediately enacting the 200-mile zone before it is too late.

SENATOR ABOUREZK AND THE BEEF CONSUMER EFFORT

Mr. McGOVERN. Mr. President, last August, Senator ABOUREZK invited seven representatives from national consumer organizations to visit South Dakota to get a firsthand look at family farming and particularly the plight of the livestock producer.

After 4 days of visiting farms and ranches throughout the State, the consumers came away from the trip with the realization that farmers and consumers should not regard each other as adversaries, but rather as allies in an effort to get fair prices at the livestock market as well as the supermarket.

One of the consumer leaders, A. V. Krebs, from the San Francisco Consumer Action group, wrote an article in the organization's newspaper which recalls the trip to South Dakota and relates the lessons learned about the difficulties family farmers are facing today.

I ask unanimous consent that the article from the San Francisco Consumer Actions on the "Reverse Beef-in" trip be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONSUMER ACTION JOINS SOUTH DAKOTA "REVERSE BEEF-IN"

(By A. V. Krebs)

Consumers and farmers—often characterized as enemies or at best competing forces in the nation's food economy—are rapidly learning that the interests of each group can be best served by organizing together in behalf of the many concerns they share.

This was the overriding impression that I and six other representatives of national consumer organizations and public interest groups came home with after an intensive four-day fact-finding trip to the beef producing and farm areas of South Dakota.

U.S. Sen. James Abourezk (D-S.D.) had invited us to participate in a "Reverse Beef-In" at the end of August.

I was joined by:

Carol Foreman, executive director of the Consumer Federation of America;

Midge Shubow, CFA information director;

Ellen Haas, of the Maryland Citizens Consumer Council;

Dorothy Shavers, coordinator of the Self-Help Action Center of Chicago;

Dan McCurry of Chicago, representing the National Consumers Congress.

Susan DeMarco, co-director of the Agribusiness Accountability Project.

FOLLOW-UP EVENT

The event was arranged by Abourezk as a follow-up to a 1974 trip to Washington, D.C., by South Dakota beef producers seeking to draw national attention to their plight.

We traveled to all four corners of the state, talking with both large and small beef producers, state agricultural officials, and grain farmers.

We each spent two short days living on farms, participated in consumer-farmer teach-ins and press briefings, were the guests of the South Dakota State Fair in Huron, and later were installed as "honorary citizens" of the state.

Throughout our trip, as we discussed the current conditions in the food industry with our hosts, it became clear that there was general agreement among us that the food middlemen were making untold profits at the expense of both farmer and consumer.

The fact that the farmer in this country, unlike other sectors of our economy, is unable to set a price on his own products, was pointed out to us repeatedly.

CORPORATE MIDDLEMEN

He is left almost totally to the manipulations of the corporate middleman. He must buy all his goods and services at retail prices while at the same time selling the fruits of his labor at wholesale prices.

Lloyd and Eunice Fox of Redig described to me how the S.D. beef producers took their beef to Washington in 1974, only to have Secretary of Agriculture Earl Butz dismiss the protest and actually bar the doors to them at the U.S. Department of Agriculture.

Butz told the press that if the meat those producers were selling directly to the consumer "off the back of the truck" had been dressed and shipped by union labor, the price would have been considerably higher.

The S.D. beef producers followed Butz' suggestion and had prepared a cut of their choice meat for hamburger to be sold in Washington.

The price to the consumer totaled 63¢ per pound. At the same time inferior cuts being used for hamburger in Washington area supermarkets were selling for between $1.09 and $1.14 per pound.

ECONOMIC PROBLEMS

At the Madden's Livestock Market Inc. in St. Onge we saw vivid illustrations of the serious economic problems these beef producers are facing daily.

Cattle are brought into the auction ring where both local feed lot operators and outside buyers bid on the animals. We say hereford yearlings being sold for no higher than $215–220 a head. The costs to the farmer of producing a steer (depending on its age) vary between $275–295 a head. (See box.)

This selling price translates into about a 37¢ per pound return to the producer for hamburger. Remember that figure the next time you go shopping for ground beef at your supermarket.

As I noted in a short talk to the audience at the market, consumers are beginning to realize that the farmer should not be the object of their anger over high food prices.

A JUST SHARE

I recalled that a recent Food Task Force questionnaire showed that consumers were willing to pay higher prices for food than in past years if they knew the farmer was getting a just share of the food dollar.

After what we witnessed at the auction it was no wonder we noticed many petitions being circulated with hundreds of signatures calling for Butz's immediate removal as agricultural secretary.

These ranchers and farmers realize, like so many consumers are beginning to recognize, that Butz does not serve anyone's best interests except the large corporations with whom he has so long been associated with.

BOYCOTT BITTERNESS

In some areas of South Dakota we encountered the residues of the anger and bitterness from the meat boycott.

But as Haas, one of the organizers of that boycott in Maryland, explained:

"Meat takes up the largest portion of the food dollar, so it was chosen. It wouldn't have done us much good to boycott stringbeans."

She admitted to the producers, however, that the only apparent good the boycott did was to raise the issue of high food prices.

"Let the consumers off the hook," DeMarco told one forum at the Myron Williams ranch in Farmingdale.

"The boycott was not effective in lowering prices. What's responsible for high prices is the fact that you've got buyers who can set prices. The system between you and the consumer is out to make a large profit."

PARTNERS

She added, "Consumer groups want to be your partner. It's important that urban representatives understand that these two groups will be working together in the future."

Many of the farmers and beef producers I spoke to admitted that given the nature of the current economic squeeze they find themselves in, some of that fierce independence which has always been the hallmark of the American farmers will have to be surrendered if they are to survive.

This will mean working together with their urban neighbors.

Survival is today a crisis issue throughout rural America. With over 1,000 farms and some 300 rural businesses closing down every week in this country there is deep concern about the future. In 1974 alone over 1,000 farms folded in South Dakota.

Added to this alarm is the realization that the agency of government which was established to protect and assist the farmer is more part of the problem than part of its solution.

USDA CUTOFF

Recently the USDA announced that farms which had less than $1,000 per year in off-farm sales would no longer be considered farms in future agricultural census figures compiled by the department.

This move not only "eliminates" approximately 25% of all the nation's farms, cutting off many small farms from valuable government aid programs and thereby creating dire economic and social consequences in some areas of the country (see box), but the cut will also conveniently and dramatically boost the average farm income figures for an election-year conscious Ford administration.

Discussing these problems and others with people like John and Nyla Amundson and their Webster neighbors made me realize that if rural America is allowed to be destroyed in the name of corporate greed, this country will pay severely in terms of social and economic consequences.

As Carol Foreman told one reporter during our trip, "our feeling that farmers are not getting rich at the expense of the consumer has been reinforced.

"The trip also reinforced the feeling that family farms are more in the interest of the consumer than are corporate farms."

Amundson owns 400 acres and rents 500 acres with his brother in the eastern part of South Dakota, typical for this region.

Besides wheat, corn, barley and flax seed he raises about 100 head of cattle (each head utilizing about three acres of rich grazing land).

Last year this farming operation grossed between $50,000–60,000. However, the net income figure was only around $7,500, mainly due to the sale of his grain.

FAMILY FARM

When one figures in the work Amundson, his wife and their three small children contributed to the farm's operation, all without any salary while having at the same time to live within the current inflationary/recessionary U.S. economy, a rather clear and deeply disturbing picture begins to emerge.

USDA figures show that between 1963 and 1973 the average return on investment for the American farmer was 3.9%. One does not need the new math to realize that the farmer could invest his money in a bank passbook savings account and get a better return.

The key to survival for families like the Amundsons and Earl and Lorraine Fero, who owned the other farm I lived on for a day, is land ownership.

The Feros, with 3,800 acres in the northwestern part of the state, raise some 175 head of cattle (each steer utilizing about 20–25 acres of sparse grazing land). In addition, they raise some hogs, chickens, alfalfa, barley, corn, oats and vegetables, mostly for their own use on the ranch.

Without their land as equity the losses in cattle production in recent years would drive the Feros and others out of farming.

LAND REFORM

As consumers begin to understand how valuable land is to these people and how it enables them to continue their livelihoods while at the same time providing this nation with efficiently produced food, there will develop a genuine and nationwide effort on behalf of land reform.

There are already several efforts around the country to begin such a process.

Sen. Abourezk has introduced the Family Farm Anti-trust Act of 1975 (S. 1458) which will prohibit corporations with more than three million dollars in non-farm assets from engaging in farming.

The act also requires divestiture within five years for those operations currently over this three million dollar limit.

Some states, mostly in the midwest where corporate agriculture does not yet control the farm economy (unlike California), already have passed some form of family farm act legislation.

WESTLANDS

In California, efforts are underway to make the nearly 580,000 acres of the richest farm land in the world, which lie within the Westlands Water District in the San Joaquin Valley, available to small farmers ("Senate To Hold Westlands Hearings," CA NEWS, August, 1975).

Berge Bululian, a small farmer from Sanger, California, and a leader of National Land for Peope, the Fresno group seeking to open these Westands to small farmers, sums up the thoughts of most small farmers across the nation:

"Efficiency has to do with the relation between input and output. No, the big agribusiness firms are not efficient except in farming the government, and even if they were, do you think that this efficiency will be translated into lower prices to the consumer when and if a small handful of agribusiness giants control agriculture?

"And if they do give you food for a lower price, what about the social costs involved in the out-migration of people from the rural farms and towns?

"There are many costs that must be considered and most of them will not be paid at the corner supermarket."

Flying over the heartland of America most people are unable to comprehend or relate to the costs that Bulbulian speaks of. They see only the large patches of strange land.

But when one travels through these areas as we did in South Dakota for four days and meets the people who live and work that land, suddenly their concerns, their abiding passion for quality in the lives of their family and their nation become very important to your own life, and you leave these people profoundly touched by your all too brief visit.

J. PALMER GAILLARD, JR.

Mr. THURMOND. Mr. President, it is all too seldom that people have the opportunity to justly pay tribute to those who have served the public with excellence and who continue to render their service for the common good. Such a man is the Honorable J. Palmer Gaillard, Jr., Deputy Assistant Secretary of the Navy for Reserve Affairs. He came to that important job last summer after 15½ years as mayor of Charleston, S.C.

When he left the mayor's office to come to Washington near the end of his fourth term, his record of progress and achievement was outstanding. Under his leadership, the city moved forward in a number of fields while the accomplishments of his administration were the product of unity and harmony within the community. Furthermore, the fiscal integrity of the city was always maintained in a sound and strong position. Today, as a result, Charlestonians enjoy the fruits of his policies and his efforts.

In tribute to these sterling qualities of leadership, the new city administration of Charleston on November 20, 1975, dedicated their municipal auditorium to this man and renamed it the Gaillard Municipal Auditorium. Indeed, it was a fitting move because Palmer Gaillard, as mayor, was the driving force in the development of this magnificent facility.

It is my purpose today to add my voice to those of the citizens of Charleston in paying tribute to him for his selfless years of public service. The excellent record he compiled as mayor is the product of foresight and hard work which were applied for the benefit of everyone. These are the same qualities which he is now applying so effectively to his administration of Naval Reserve affairs and I am pleased to salute him for his continuing dedication to the public good.

Mr. President, at the time of the dedication ceremony renaming the Charleston Municipal Auditorium in honor of J. Palmer Gaillard, Jr., a resolution proclaimed by city council was read and published in the program of that event. I ask unanimous consent that both the resolution and the program be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Resolution

Whereas, J. Palmer Gaillard, Jr. served as Mayor of Charleston from December 14, 1959 until August 19, 1975, and

Whereas, Mayor Gaillard's administration resulted in many new public facilities, improvement in many existing facilities, public service efficiency of the several city departments, fiscal responsibility and sound economical operation of the city, and

Whereas, these accomplishments improved the lives and well being of the citizens of Charleston without respect to sex, race, creed, and ethnic origin, and

Whereas, these accomplishments helped maintain the recognition of Charleston as a city of culture and civility and one in which its citizens can live, prosper, and receive the blessings of a sound municipal government devoted to their needs in a sound, progressive and proper manner, and

Whereas, largely through the efforts of Mayor Gaillard, the land was obtained and the new auditorium built and dedicated on July 15, 1968, and

Whereas, it is proper that the City Council of Charleston should recognize in a tangible way the many contributions made to Charleston by former Mayor J. Palmer Gaillard, Jr.

Now, therefore be it resolved that in recognition, appreciation, and admiration for the services of former Mayor J. Palmer Gaillard, Jr., to the citizens of Charleston, the Municipal Auditorium be and the same hreby is named and designated as J. Palmer Gaillard, Jr. Auditorium, so that his name will be perpetuated in Charleston and associated with the culture and civility of the City.

Dedication Ceremony Program

Master of ceremonies, Dr. Clarence W. Legerton, Jr., Alderman, Chairman, Auditorium Committee.

Invocation, The Reverend Canon Samuel T. Cobb, St. Philip's Episcopal Church.

The National Anthem, Mr. James C. Edwards, Director of the Choraliers Music Club and Assistant Principal of Rhett School.

Welcoming remarks and introduction of guests, Arthur B. Schrimer, Jr., Mayor of Charleston.

History of auditorium, Dr. Clarence W. Legerton, Jr., Alderman, Chairman, Auditorium Committee.

Unveiling of portrait of J. Palmer Gaillard, Jr., Mrs. Frances L. Bennett, Artist; Mrs. Vince Moseley, Donor.

Unveiling of bust of J. Palmer Gaillard, Jr., Willard Hirsch, Sculptor.

Unveiling of auditorium plaque, Mrs. J. Palmer Gaillard, Jr.

Response, J. Palmer Gaillard, Jr., Secretary of the Navy for Reserve Affairs.

Benediction, Reverend Mack E. Sharpe, New Tabernacle, Fourth Baptist Church.

Music by the Ceremonial Unit, Charleston Navy Band, Under the direction of Chief Musician, Eduaro Buan.

U.S. PROBATION SERVICE RETIREES IN ALABAMA

Mr. SPARKMAN. Mr. President, on December 31, 1975, three public servants will be retiring from the U.S. Probation System in Birmingham, Ala. Upon their retirement, these three men culminate 110 years and 6 months of dedicated service to the probation system.

W. Foster Jordan, chief U.S. probation officer in Birmingham, Ala., completes 40 years and 5 months of service; John W. McIntosh, supervising U.S. probation officer, completes 33 years and 8 months; and Ezra E. Nash, probation officer, completes 36 years and 6 months. Each of these officers has contributed immeasurably both to the system in the northern district of Alabama where they have been working and to the whole U.S. Probation System.

Under the leadership of Foster Jordan, the Birmingham office pioneered the development of the presentence investigative report all Federal probation offices use today. Jordan also conceived the idea for the FBI fingerprint flag notice which identifies Federal probationers arrested in any part of the country.

Because of the dedication of these three men, as well as the entire Probation Service, the percentage of those parolees in Birmingham who satisfy their probation terms is greater than the national average. In fact, judicial officials nationwide have told me that the U.S. Probation Service in Birmingham is recognized as one of the best. The retirement of Foster Jordan, John McIntosh, and Ezra Nash will be a loss not only to their colleagues in Birmingham, but also to the entire U.S. Probation Service.

I join my fellow citizens in Alabama in offering my congratulations on a job well done.

PRESIDENT FORD'S TRIP TO CHINA

Mr. GOLDWATER. Mr. President, I am sure it comes as no surprise to the Members of this body that I have been something less than enthusiastic about President Ford's visit to Communist China—especially since his plans do not include a stop-off at Taiwan.

Now that the trip is actually underway I believe it might be well for us to reflect upon what could or could not result from this dubious trip to the Red Giant of the Far East.

To assist us in these reflections I ask unanimous consent that an article by the UPI's Charles Smith, written some time before the President began his trip, an editorial of some weeks back from the Arizona Republic and a Gallup poll showing that 70 percent of the American people favor continuing relations with Nationalist China be printed in the Record at this time.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From UPI News Service]

Ford's Coming Visit to China Is an "Exercise in Futility"

(By Charles Smith)

President Gerald Ford's visit to China—if it comes off—will be little more than an exercise in futility. The Chinese only invited him at the behest of US Secretary of State Dr. Henry Kissinger.

They have stated clearly on numerous occasions that the American president is welcome, of course, but they do not expect his trip to produce any concrete results.

If that was not clear before, it should be after Kissinger's last visit to Peking in October. That trip was little short of disastrous, according to Peking-based diplomatic sources.

Kissinger and his Chinese hosts found "absolutely nothing" of substance on which they could agree, according to one of these well-placed sources. "They found so little common ground they could not produce even a bland joint communique when he left," another diplomat said.

When Kissinger went to Peking, Sino-American relations were at their lowest point since former president Richard Nixon signed the Shanghai Communique during his February 1972 visit to China. That document set the guidelines for relations.

The big issue in Sino-American relations is Taiwan. Relations between Peking and Washington cannot be normalized until the United States breaks diplomatic ties with the government in Taipei. Ford cannot do that before the 1976 elections and the Chinese know it. So they are not pressing that issue at the moment.

What Peking is more concerned about now is American relations with the Soviet Union. The Chinese leaders have denounced Soviet-American detente in the strongest terms. They assert repeatedly that this is only a facade, a cover-up for contention and building up spheres of influence.

Although there has been no direct response from China, there are clear indications that Peking's concern has been heightened by Ford's shake-up of his cabinet, particularly the firing of defense secretary James Schlesinger.

Chinese leaders have told many visitors, including Americans, that Schlesinger's views on detente and towards the Soviet Union were much more in line with theirs than was Kissinger's.

What the Chinese are asking now, through editorials in communist papers published in Hongkong, is whether the cabinet shake-up means the American position towards the Soviet Union is becoming even more soft.

If it is, Ford's visit can serve no useful purpose, especially when election politics make it virtually impossible for him to make any concessions on Taiwan, according to some diplomatic analysts.

[From the Arizona Republic, Nov. 5, 1975]

Ford Should Visit Taiwan

Secretary of State Henry Kissinger was received with obvious coolness on his recent trip to Peking. Although he has not revealed what he heard during an audience with Mao Tse-tung, Kissinger undoubtedly was advised that Red China does not in any way approve of the American policy of detente with Red Russia.

Still, because he doesn't want anything to interfere with President Ford's upcoming visit to Peking, Dr. K. assured the world that Chairman Mao was in complete command of himself and that his talks with Mao and Chou En-lai had been "useful." That diplomatic adjective indicates an exchange has not achieved anything but that another exchange is hoped for.

It hardly seems likely that President Ford will score any more brownie points with Mao than Dr. Kissinger did. The rift between Peking and Moscow is deep and perhaps unbridgeable. The Chinese Reds fear Russian "hegemony" as much as they once feared Japan's "Co-Prosperity Sphere."

So naturally the Peking government resents anything Dr. K. may do to relax tensions between Russia and the United States.

Communist China also wants to pressure the United States into breaking off relations with Nationalist China. Whether the coolness in Peking has moved Kissinger in that direction remains to be seen. Rep. John M. Ashbrook of Ohio this week claimed the State Department was discouraging American oil firms from entering joint ventures with Taiwan and Korea to discover offshore gas and oil fields.

Such a policy will, of course, work to the advantage of Red China, which has some oil of its own and has, in fact, exported some as part of its economic warfare plans.

President Ford should go to Peking, in the interests of world peace, but he also should allow U.S. oil firms to enter joint ventures with the Nationalist Chinese to develop energy resources in the free world.

In fact, Sen. Barry Goldwater recently gave Jerry Ford a good piece of advice. The Senator told the President he should visit Taiwan in order "to acknowledge this country's debt to Nationalist China for its friendship and support over these many years."

We can think of nothing that would bring Peking to its senses more quickly than for President Ford to announce he was going to visit Taipei on his trip to or from Red China.

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1. Now that the United States has ended its involvement in Vietnam, do you think this has or has not led other Asian nations to doubt the value of American treaties and guarantees in Asia?

	Percent
Yes	58
No	25
Don't know	17

2. There has been talk of the United States establishing diplomatic relations with the People's Republic of China—Mainland China. Would you favor or oppose our establishing diplomatic relations with Mainland China?

	Percent
Favor	61
Oppose	23
Don't know	16

3. We now have diplomatic relations with Nationalist China on Taiwan. Do you favor or oppose continuing formal relations with Nationalist China on Taiwan?

	Percent
Favor	70
Oppose	14
Don't know	16

4. The People's Republic of China—Mainland China—insists that before the United States can establish diplomatic relations with that country, it must first break off formal relations with Nationalist China on Taiwan. Do you think the United States should or should not withdraw recognition from Nationalist China in order to establish relations with the People's Republic of China?

	Percent
Should	10
Should not	70
Don't know	20

5. We now have a mutual defense treaty with Nationalist China, approved by Congress in 1954. Do you think the United States should continue to stand by this treaty to defend Nationalist China in the event of an attack?

	Percent
Yes	47
No	31
Don't know	22

CREDIT FOR YOUNG FARMERS

Mr. McGOVERN. Mr. President, on October 30, 1975, I, together with a number of my colleagues, introduced the Young Farmers Homestead Act of 1975. It has brought a spontaneous and positive reaction not only from my State but from many other States in the Midwest.

Quite coincidentally, the National Association of State Departments of Agriculture wrote to me on November 11, 1975, enclosing a copy of a resolution adopted earlier on October 9, 1975, at its annual meeting in Charleston, W. Va. Since the resolution in principle closely resembles the aims of the legislation I introduced, I ask unanimous consent that the text of the letter from the association's executive vice president, J. B. Grant; and the position of the association on family farms be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

The National Association of State Departments of Agriculture,
Washington, D.C., November 11, 1975.

Hon. George McGovern,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator McGovern: Enclosed is a policy position which we adopted at our recent annual meeting. The subject matter of this position will be of interest to you.

We would like to have your comments and/or suggestions regarding the implementation of this resolution.

Yours very truly,

J. B. Grant.

Enclosure.

Family Farm

The family farm is in the best interest, socially and economically, of the United States. The continuation of family farms is in jeopardy because it is becoming increasingly difficult for young people to replace retiring farmers. Young farmers are vital if the family farm is to continue in existence.

Many of the problems encountered by young people trying to start farming are financial. They have difficulty obtaining sufficient financing; and secondly, if they do secure financing, they are usually so deeply in debt that they are highly vulnerable to foreclosure if they suffer crop failures, livestock losses or very low prices during their first few years of farming.

Resolved, that the National Association of State Departments of Agriculture in convention at Charleston, West Virginia, October 9, 1975, does hereby call on the Congress of the United States to make more liberal credit available to beginning farmers; and to institute a system for postponing principal payments during the first five years of operation if a beginning farmer is unable to make the principal payment because of crop failure, livestock losses or very low prices.

SPEECHES ON THANKSGIVING AND CHRISTMAS BY MRS. JULIA N. MOORE

Mr. THURMOND. Mr. President, at this time of the year, between Thanksgiving and Christmas, we have much from which to draw strength and reassurance. These two holiday periods serve to remind us of the deeper meanings of life and the blessings which we in America enjoy.

It is beneficial for each of us to know the festive backgrounds of these very special periods in our national life. From one generation to the next the observances of Thanksgiving and Christmas, while basic in form, have been expressed in many ways. The important fact, however, is that each generation has renewed its faith at this season of thankfulness and generosity.

In a recent address on the subject of Thanksgiving, Mrs. Julia N. Moore of Aiken, S.C., traced the roots of this festive observance. It was similar to a scholarly presentation which she made on the festivities of Christmas 2 years ago. Both of these addresses were informative and interesting accounts of the people who established some of our traditions, and the conditions which helped create them for this holiday period.

Mr. President, in order that my colleagues may also share in this wealth of information about the customs of Thanksgiving and Christmas, I ask unanimous consent that these two addresses by Mrs. Moore be printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

THANKSGIVING CELEBRATIONS

(By Julia N. Moore)

NOVEMBER 6, 1975.

The Pilgrims, who in 1621 observed our initial Thanksgiving holiday, were not a people especially enthusiastic about the celebration of festivals. In fact, these austere and religious settlers of America would have been dismayed had they known of the long and popular history of harvest festivals, of which their Thanksgiving was only the latest. It seems that wherever man has tilled the soil, he has paid homage to the heavenly being who has permitted him such good fortune.

The harvest festival, with its attendant rites, seems to have spread out from a relatively small area of land, from Egypt, Syria, and Mesopotamia. The first or the last sheaf of wheat was offered to the "Great Mother", or the "Mother of the Wheat"—for the earth-power was essentially a feminine force. Astarte was the Earth Mother of the ancient Semites; to the Phrygians she was Semele; under the name of Demeter she was worshiped by the Greeks; and Ceres, the Roman goddess of corn, presided over the October Cerelia.

The Jewish people celebrate two harvest festivals: Shavuot, the Feast of Weeks in the spring, and Sukkot, the Feast of Booths, which is in the fall.

In medieval times Germany, France, Holland, England, and the countries of central Europe observed the Feast of St. Martin of Tours, Martinmas, on November 11.

In our own hemisphere, the Aztecs of Mexico each year beheaded a young girl, a representation of Xilonen, the goddess of the new corn. The Pawnees also sacrificed a girl. The Cherokees of the American Southeast danced the Green Corn Dance and began the new year at harvest's end.

English fishermen in Newfoundland in 1578 had a Thanksgiving Day, and along the coast of Maine, in 1607, the Popham Colony set aside a day for giving thanks. Nevertheless, our present American November Thanksgiving finds its direct origin in the Pilgrim Fathers of Plymouth, Massachusetts, who, indeed, almost did not come to America.

When they chose exile from England rather than persecution for their beliefs, the Pilgrims escaped to Holland. They took their religious difficulties with them, divided into quarreling sects, and even found fault with the doctrines of the Dutch Reformed Church. Their religious and financial problems drove them to the decision to leave Holland. They voted on a destination. Guiana in South America was considered, but the prosperity brought to the Virginia Colony by the new commodity tobacco led them to select North America.

Forty-six "Saints", as those who held to their religious rigors were titled, sailed from Holland in July 1620 on the old and erratic ship Speedwell. At Southampton, England, they joined up with their other ship, the Mayflower, and met the English emigrants who had been recruited by the joint stock company.

After three hundred miles the Speedwell began to ship water. Plymouth was the port of call this time and it was necessary to leave her there. The Mayflower was not big enough to accommodate the passengers of both ships, so some eighteen of the total of one hundred and twenty passengers returned to their homes.

The Mayflower was a good-sized ship of one hundred and eighty tons. There were one hundred and two passengers, of whom forty-one were Saints—seventeen men, ten women, and fourteen children. The other passengers were called "Strangers" by the Saints. They were not religious dissidents, but rather economic opportunists who found the Church of England quite to their liking.

Incidentally, the three most posthumously famous of those on the Mayflower—John Alden, Priscilla Mullins, and Myles Standish—were Strangers. They are immortalized in Henry Wadsworth Longfellow's poem, The Courtship of Miles Standish.

There were also eighteen servants on board, most of whom belonged to the Saints. Their period of indenture was normally seven years, during which time they were fed, clothed, and housed by their masters. They were not paid, did the hardest work, and could be bought and sold.

On November 11, sixty-six days out of Plymouth, ninety-eight out of Southampton and almost four months out of Holland, they came into what is now Provincetown harbor.

Before landing, the Mayflower Compact was drawn up, and a governor, John Carver, was elected by vote of the freemen.

The site which the Pilgrims chose for colonization was Plymouth, named in 1614 by Captain John Smith who was exploring the coast for the Plymouth Company. December 21, Forefathers' Day, commemorates the day the colonists first set foot at Plymouth.

The most telling stroke of luck the Pilgrims had was in befriending an Indian, Squanto. Without him the Pilgrims might never have survived their first winter.

Because of the bitter winter months, the inadequate diet, scurvy, and pneumonia, forty-seven members of the tiny community were buried in unmarked graves to prevent hostile Indians from knowing the number of dead. In April, the first governor, John Carver, died at fifty-nine years of age. He was succeeded by thirty-two-year-old William Bradford who was to continue in that office, with only an occasional break, for more than thirty years.

In the winter of 1620-21 Squanto had helped in the construction of houses. Now that fair weather had set in, his knowledge of agriculture guaranteed the colonists' livelihood. He also taught the Pilgrims to build weirs in the streams to trap the spawning herring.

By most standards, the first harvest was very mediocre. But the only meaningful standard in Plymouth was whether there was enough on which to survive. A holiday was decided upon in the small town which now numbered seven private houses and four communal buildings.

The first Thanksgiving lasted for three days and was celebrated with enthusiasm. Captain Myles Standish paraded his group of soldiers in a series of maneuvers. Blank volleys were fired and bugles sounded. Stool ball, a kind of croquet game, was played. Massasoit, chief of the Wampanoags, was invited and came with ninety braves who competed against the settlers in racing and jumping games. The Indians showed their venison, duck, goose, seafood, eels, white men exhibited their skill with firearms. The celebrants are even reputed to have played games of chance.

The menu was extensive and the food abundant. The Indian braves had added five deer to the store of meat already brought in by a four-man shooting party. They had vension, duck, goose, seafood, eels, white bread, corn bread, leeks, watercress, and a variety of greens. Wild plums and dried berries were served for dessert. The very sweet and strong wine they drank was made from wild grapes.

Although turkeys were plentiful, there is no record that they were eaten on this first Thanksgiving holiday. The word "turkey" was familiar to the Pilgrims from their days in England where it meant a guinea fowl. This bird was imported into England by way of Turkey and acquired the name of the country. The resemblance between the guinea fowl and our native bird caused the latter to be called "turkey." Benjamin Franklin thought the turkey a better symbol of America than the bald eagle.

Those other favorites of the modern Thanksgiving, cranberry sauce and pumpkin pie, were certainly available in their raw state, but were not listed as part of the meal.

While Thanksgiving Day got off to a glorious start, it could easily have been a one-time celebration. For it was two years before the Pilgrims held another. The winter of 1622–23 did not see such wholesale death as the first one, but a two-month drought destroyed the meager crops. A day of fasting and prayer was set and for nine hours the people prayed for relief. Rain fell the next morning. Shortly after this, Myles Standish brought news that the Ship Anne, laden with supplies, was nearing port and carrying as passengers many of the Saints who had returned to Holland from England when the *Speedwell* proved unseaworthy. For the blessings of supplies and rain and the arrival of their friends, Governor Bradford issued a proclamation naming July 30, 1623, as a day of thanksgiving and prayer.

Records of following Thanksgiving celebrations are rather sporadic. The inhabitants of the Bay Colony in Boston publicly held a day of Thanksgiving on February 22, 1630, when they were replenished with provisions and friends from Europe.

From 1644 the New Amsterdam Dutch observed "Thank Days". The first of these was in gratitude for the safe return of their soldiers from a battle with Connecticut Indians.

There are records to the effect that in 1665 in Connecticut the last Wednesday in October was appointed as a Thanksgiving Day.

During the Revolutionary War, the Continental Congress recommended days of Thanksgiving. The return of peace was the object of a day decreed in 1784.

The first national Thanksgiving proclamation was issued by George Washington in 1789, the year of his inauguration. President Washington called for another Thanksgiving Day in 1795, the same year that John Jay, governor of New York, endeavored to have the day observed throughout his state. The ancient problem of coordinating the season of the herdsman with the season of the farmer made it difficult for various communities to accept a common date. And the Puritans refused to recognize even a civil judgment which tried to set the date, for they believed in a more spontaneous show of thanks, prompted by tangible and immediate signs of well-being.

Even the men in the presidential office were not of one accord as to the worth of the day. President Thomas Jefferson actively condemned it during his two terms. In 1815 President James Madison asked the nation to observe a day of Thanksgiving and peace in remembrance of the War of 1812.

New York officially adopted the day in 1817. In other states the day continued to be celebrated according to regional preferences. It was still largely a religious observance, and in the early nineteenth century some governors considered it an example of state interference with religion and so avoided it.

Soon, however, a very concentrated and forceful movement was under way, a one-woman movement, propelled by Mrs. Sarah Josepha Hale, to have Thanksgiving Day celebrated across the nation. Mrs. Hale started her crusade in 1827 while editor of the Boston Ladies' Magazine and continued it with mounting success until the victory was won.

At the time of Mrs. Hale's early writing, the day was observed mostly in the North. However, many of the southern states later followed the lead of Virginia which, in 1855, officially designated Thanksgiving as a holiday.

On October 3, 1863, shortly after Mrs. Hale's last editorial, President Lincoln issued his Thanksgiving Proclamation, after which Thanksgiving became a national holiday observed on the last Thursday of November. Lincoln's document is a clear reminder of the great North-South conflict which prevailed when it was written.

Officially, each President has, by proclamation, set the Thanksgiving Day date each year, the last Thursday in November (or the fourth Thursday when there happen to be five in the month). There are two exceptions—November 23, the third Thursday, was celebrated as Thanksgiving in 1939 by order of President Franklin Delano Roosevelt. The reason given for the change was that the store owners wanted to extend the time between Thanksgiving and Christmas to better prepare for the Christmas shopping rush. The following year the third Thursday was also set as Thanksgiving. The people of the country were not about to let a long-standing custom slip by so easily and the protests were vehement. The fourth Thursday saw as many gobblers roasted as did the third.

A Congressional Joint Resolution in 1941 settled the dispute and now Thanksgiving Day is always the fourth Thursday in November. It is proclaimed by both the President and the governors of the states. It is a legal holiday in all states and possessions.

Among the many peoples who immigrated to America for religious or political reasons, the Schwenkfelders of southeastern Pennsylvania Dutch communities are alone in adhering to a separate Thanksgiving Day—September 24. Bread, water, and apple butter are traditional foods on this day for them.

Various customs have through the years become associated with Thanksgiving Day. Some have died out while others flourished. In New England in the nineteenth century a raffle of fowls was traditionally held on Thanksgiving morning. The shooting match goes back to the first Thanksgiving when Myles Standish and his stalwarts put on a show for the Wampanoag Indians. Raffles are still conducted each year, not only in New England but throughout the country. They are sponsored by every sort of organization imaginable.

Also in the nineteenth century, in the large cities of the eastern seaboard, poor children used to go about the streets in costume begging fruit, vegetables, and money.

Thanksgiving was once a more religious holiday than it now is. The urbanization and the swift industrialization of our country, in removing the majority of the people from a farm-oriented life, must have had much to do in secularizing the day.

The playing of sports has been a Thanksgiving custom from the beginning—from the stool ball of the Pilgrims, to the bicycle races of the past century, to the football games of the present.

In Plymouth, Massachusetts, there is a full-dress re-enactment of the first Thanksgiving. The quaintly attired citizens march to Burial Hill, the resting place of the victims of that first dreadful winter, and there hold a memorial and Thanksgiving service.

Schools and church classes around the country also use the Thanksgiving theme as a basis for playlets and episodes put on to educate the children in American history.

In some of our cities, long and elaborate parades are held, not only to portray the Spirit of Thanksgiving but also to welcome in the Christmas season and the arrival of Santa Claus. Since 1924, the most famous of these parades, Macy's of New York City Thanksgiving Day Parade, has made its way down Broadway on Thanksgiving morning. It features giant balloons, floats, and marching bands.

A unique church service which has been held since 1909 in St. Patrick's Catholic Church in Washington, D.C., is a solemn mass attended by the representatives of the Latin-American countries. The idea for this "Pan American Thanksgiving celebration" was conceived by the rector of St. Patrick's the Reverend Dr. William T. Russell. President William Howard Taft and members of his Cabinet were present at the first mass.

In recent years, Thanksgiving has become an even more popular holiday, as a prelude to the Christmas season, as a gala sports occasion, and as a time for families and friends to enjoy getting together for what is often a long vacation weekend. Gifts of fruit and flowers are not uncommon. And the custom of sending greetings especially suited to the occasion is widespread.

I am sure many of you could add different customs followed in your families over the years. Many Thanksgiving hymns and poems have been written.

I shall conclude with an old favorite poem of mine:

THANKSGIVING DAY

(By Lydia Maria Child)

Over the river and through the wood,
  To Grandfather's house we go;
    The horse knows the way
    To carry the sleigh
  Through the white and drifted snow.

Over the river and through the wood,
  Oh, how the wind doth blow!
    It stings the toes
    And bites the nose
  As over the ground we go.

Over the river and through the wood,
  To have a first-rate play
    Hear the bells ring,
    "Ting-a-ling-ling!"
  Hurrah for Thanksgiving Day!

Over the river and through the wood,
  Trot fast, my dapple-gray!
    Spring over the ground
    Like a hunting hound,
  For this is Thanksgiving Day.

Over the river and through the wood,
  And straight through the barnyard gate.
    We seem to go
    Extremely slow . . .
  It is so hard to wait!

Over the river and through the wood—
  Now Grandmother's cap I spy!
    Hurrah for the fun!
    Is the pudding done?
  Hurrah for the pumpkin pie!

Reference: Celebrations—A complete Book of American Holidays by Robert J. Myers, 1972, Doubleday & Co., Garden City, N.Y.

THE ORIGINS OF CHRISTMAS

(By Julia N. Moore)

Surely there can be no season of the year more filled with beauty and joy than Christmas: its roots run deep in the long tradition of Western culture. Through the ages it has gathered unto itself a rich heritage of customs and folk-lore from many lands and peoples, all transformed by the spirit of love enshrined at the heart of the Christmas story. Intangible and indestructible, Christmas survives among men as a symbol of light and life, the gracious gifts of God.

Scholars tell us that to find the origins of the Christmas feast as we know it today, we must go back to the very earliest day of Christian history. The truth is that we do not know exactly when Jesus was born. As early as the 3rd century A.D., St. Clement of Alexandria had suggested May 20. By the late 4th century Christ's birth was widely celebrated, but no single date had won general acceptance.

An almanac of ecclesiastical events at Rome compiled by an unknown writer, tells us that December 25 was observed in Rome by 336 A.D. as the anniversary of Christ's birth. The custom gradually spread from Rome to all parts of the Western Church, but in the East, Christians celebrated January 6, the Feast of the Epiphany, which became associated also with Christ's Nativity. (The Epiphany itself commemorated the journey of the Wise Men to the Christchild.) In Jerusalem the Christian Churches observed January 6 as Christmas until the 6th century, and it is still so observed in the Armenian Church.

It is interesting to speculate as to why December 25 established itself so securely in popular favor. It is more than probable that one of the main factors was the old Roman celebration of the feast called "Natalis Solis Invicti," December 25, when the sun enters the sign of Capricorn.

It was not surprising that Christians deliberately chose December 25 in order to inspire people to turn away from worship of a material sun to the adoration of Christ. In this way the customs of pagan religious piety were transformed and, so to speak, baptized into Christ.

The popular observance of the Christmas feast was marked early by the joys and merry-making which had been characteristic of the old Roman feast of the Saturnalia, a time of carnival and wild revelry in honor of the field-god, Saturnus. Houses were decorated with lights and greenery, as today, and the opening of the festival was celebrated by processions, the ancient version of the modern Christmas Parade. The Church eventually suppressed the Saturnalia, but something of its spirit survived among the people and became associated both with Christmas and the "Calendae Januariae," the civic New Year rites. And so we have "Happy New Year"!

In northern Europe lights and fires were also associated with the Yule, the December celebration of the Winter Solstice, marking man's struggle against the darkness of winter and his affirmation of fertility, life, and light.

So the evergreen tree, which had symbolized life among pagan religions, came to signify Christ bringing new life to the world after the longest dark, cold day of winter. In the 16th century Martin Luther is believed to have begun the practice of decorating the Christmas tree set up in the home as the center of the family circle. It is said he was taking a walk and saw a star shining through the branches of an evergreen tree, which was the inspiration for putting candles on the tree. The use of a tree spread very slowly in northern Europe and was introduced into Vienna in 1816 and into Paris in 1840. The greatest influence in shaping our presentday Christmas celebration, however, emanated from the examples of Prince Albert, Queen Victoria's German-born consort, and Charles Dickens, the greatest English novelist of the Victoria era. In 1841 Prince Albert set up a Christmas tree at Windsor Castle, and the custom was taken up rapidly throughout the

English speaking world. Apparently it spread to America as early as 1832 when Charles Follen, a German professor at Harvard College, provided a tree for his son. In 1851 in Cleveland, Pastor Henry Schwan placed the first Christmas tree in a church. Today, the Christmas tree is probably the most popular custom of the season in homes, churches, and communities. There is even a National Living Christmas Tree lighted each year by the President near the White House. History may record that the trees were replaced by artificial trees and the lighting was discontinued in 1973 because of the energy crisis.

The first hymn of the Nativity was written in the 4th century. The earliest German Christmas lieder dated from the 11th century. The French songs and the English carols were first sung in the 13th century.

The use of fireworks on Christmas is common in Italy, France and Spain. The French settlers in Louisiana introduced this custom in America and it spread to many other Southern States. The Northern States shoot fireworks on the 4th of July instead of on Christmas.

The wassail bowl, the forerunner of the punch bowl, was filled for Christmas in England and the English brought it to America where it frequently serves its ancient purpose.

Incidentally,.it was the Christmas revels of the Hessians in the British army at Trenton in 1776 which made the victory of Washington easier than it would have been. Washington crossed the Delaware on Christmas night, found the British army sleeping off the effects of the celebration and took it by surprise.

The Christmas card is purely an English invention. In the early 1800s it became the custom for English school children to write and decorate "Christmas pieces" for their parents. In 1843 Sir Henry Cole and John Hersley created a more professional version of the Christmas pieces and thus the Christmas card was born. The custom of exchanging cards soon spread to America.

The use of mistletoe is without doubt traced to the Druids who considered it magical and mysterious—a bestower of life, fertility, healing and protection. The Druid priests cut it from oak trees with a golden sickle. It was placed on altars and hung in the homes. Whenever enemies met under the mistletoe, they would drop their arms, forget their enmities and embrace. From this grew the custom of kissing under the mistletoe. A sprig is fastened to the chandelier and the "youth" regard it as their privilege to kiss any pretty "girl" who intentionally or unintentionally stands under it. There was a time in England when it was hung only in the kitchen and the youths who kissed a girl standing under it plucked one of the white berries for every kiss.

The poinsetta originated in the Spanish countries of the new world where it was known as the Christmas Flower. Americans cultivated it as the flaming Star of Christmas that we know today. It is named after Dr. Joel Poinsett, our first minister to Mexico who brought the plant to the United States in 1836.

In the "old days" it was customary to pray: "Peace on earth; good will to men." In 1973, according to the Women's "Lib" movement, we must pray: "Peace on earth; good will to people."

Christmas cards, the Yule log, the atmosphere of festive cheer, family reunions, the exchange of gifts—all of these were forever associated in the public mind with the keeping of Christmas by Charles Dickens, thanks to his "Pickwick Papers" in 1836–1837 and, above all, to the fame of A Christmas Carol in 1843.

The mythic figure of Santa Claus took his present shape from mingled Dutch, German, and English traditions. Santa Claus is known throughout the world by many different names such as Father Christmas, Pere Noel and Kriss Kringle. The history of Santa Claus goes back to a real Saint Nicholas, the bishop of Myra, a city in Asia Minor. This saintly figure was devoted to children and, on Christmas Eve, carried a basket of gifts for good children and birch rods to punish the naughty ones. The Dutch contracted his name to Sinter Klaas and brought his tradition with them to the new world. The Dutch legend of Saint Nicholas, patron of children, was adapted by Washington Irving and transformed in the jolly, chubby fellow riding his reindeer-drawn sleigh through the air. This was celebrated and immortalized by Dr. Clement Moore, an Episcopal clergyman in New York City, in 1822, in his "A Visit from St. Nicholas", also known as "The Night Before Christmas". Thomas Nast in 1863 gave the white-bearded bearer of gifts his red, fur-trimmed coat.

Innumerable are the ways in which Christmas has been observed by people of goodwill in every age and throughout the world. The origins of Christmas as we know it are lost in the mists of antiquity. But its central and abiding message is the unfailing Good News of God's loving and redemptive purpose in Christ. Beneath the merrymaking and festivity there is ever heard the angelic chorus, heralding the blessed birth:

"What babe new born is this that in a manger cries? Near on her lowly bed his happy mother lies. Oh, see the air is shaken with white and heavenly wings—This is the Lord of all the earth, this is the King of Kings."—R. W. GILDER.

References: Faith—Nov.–Dec. 1973, The Origins of Christmas, by Walter Jarrett; Mankind, Vol. 4, No. 4.

THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE OPPOSES TAKEOVER OF MADISON MEMORIAL BUILDING BY HOUSE OF REPRESENTATIVES

Mr. CANNON. Mr. President, on October 29 and November 18 I called the Senate's attention to editorials in the Washington Star, the Washington Post, and the New York Times, all expressing strong opposition to the proposal that all or any part of the unfinished Library of Congress James Madison Memorial Building be diverted or converted into an office building for use by the other body of Congress.

In view of widespread reports of early impending—but as yet unannounced—action by our friends across the way toward this objective—and I hope these rumors are unfounded, or, if true, that the project will be reconsidered and abandoned—it is timely to note that the Presidentially appointed National Commission on Libraries and Information Science on November 20 adopted a resolution "urging that the House of Representatives not deny the Library of Congress occupancy of the new James Madison Memorial Library Building," and that Congress "move quickly" to provide funds necessary to complete the building for Library purposes.

Mr. President, this Commission was established by law "as an independent agency within the executive branch," and its major responsibility is to "advise the President and the Congress on the implementation of national policy" with respect to library and information science needs and resources.

I ask unanimous consent that a letter dated November 26 which I have just received from Mr. Alphonse F. Trezza, Director of the National Commission on Libraries and Information Science, and the resolution adopted by the Commission, be printed at this point in the RECORD.

I also ask unanimous consent that an editorial on this subject from the November 26 edition of the Washington Star and an article from Roll Call be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE,
Washington, D.C., November 26, 1975.

Hon. HOWARD W. CANNON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CANNON: The National Commission on Libraries and Information Science, at its Commission meeting on November 20 and 21, 1975, adopted the enclosed resolution urging that the House of Representatives not deny the Library of Congress occupancy of the new James Madison Memorial Library Building.

The design of the building, the costly provisions for special floor loading levels to support book stacks, and other features especially needed for library structure militate against its use as an office building.

There is no question of the need for additional office space for the House of Representatives, but neither can the acute space problem of the Library of Congress be denied. Growth of the collection and demands for expansion of services to the Congress and citizens of the United States over the past twenty years—without any additional space being made available—were major factors in the decision of the Congress a few years ago to authorize the James Madison Memorial Library Building. There has not been any lessening of the acute need for additional space; in fact, the situation is even more serious.

The National Commission, in its national program document, "Toward a National Program for Library and Information Services: Goals for Action," carefully and specifically spells out the Library of Congress' role, not only as the library for the Congress, but as our National Library. It can only meet these obligations adequately if additional space is available soon for its growing collection and its expanding service role to the libraries of the nation.

We respectfully submit the enclosed resolution and urge you to vote the funds necessary for the Library of Congress to complete the James Madison Memorial Library Building.

Sincerely,

ALPHONSE F. TREZZA,
Director.

RESOLUTION

LIBRARY OF CONGRESS JAMES MADISON MEMORIAL LIBRARY BUILDING

Whereas, the National Commission on Libraries and Information Science assembled in Washington, D.C. on November 20, 1975, realizes the extreme importance of the Library of Congress to the services and economy of libraries and information centers throughout the United States, and

Whereas, the National Commission on Libraries and Information Science is charged by law with developing and recommending to the Congress and the President overall national plans for libraries and information services in this country, and

Whereas, in the report "Toward a National Program for Library and Information Services: Goals for Action," the National Commission describes the Library of Congress as the "hub of the nation's bibliographic apparatus for monographs and serials," and

Whereas, the Library of Congress' ability to provide these services depends upon adequate space to house its staff and collections, and

Whereas, the Library of Congress has been seeking and planning for additional space for its national services and collections since 1958, and

Whereas, Congress approved in 1965 the construction of the Library of Congress James Madison Memorial Library Building as a living memorial to our fourth President and subsequently passed legislation that it not be used for general office building purposes, and

Whereas, large amounts of Federal funds have already been spent in the design and construction of this Memorial building, especially for library purposes, and

Whereas, the speedy completion of the James Madison Memorial Library Building is extremely urgent if the Library of Congress is to continue to serve the Congress and the nation effectively and efficiently,

Now, therefore, be it resolved by the National Commission on Libraries and Information Science: That the Congress move quickly to approve funds for the final phase of the construction of this as a library building and that no action be taken to jeopardize the occupancy by the Library of Congress of the James Madison Memorial Library Building.

[From the Washington Star, Nov. 26, 1975]

The House's Heist

The House of Representative's greedy grab for the Library of Congress' new annex was bluntly characterized by Senator Howard W. Cannon the other day as "shameful and irresponsible." Even that is understatement.

And, you may well bet, the judgment will not in the slightest constrain House Speaker Carl Albert and his colleagues from trying to put the snatch on the Madison Annex, nearing completion on Independence Avenue. The House's appetite for Capitol Hill real estate is insatiable. The Speaker, it is said, is tired of listening to the complaints of over-crowding from his flock and is intent on quieting the members' mutterings by picking the pocket of the Library of Congress.

The House, of course, is ever solicitous of its own care and feeding, and what the House wants it usually gets. There are three reasons why the House (and, of course, the Senate, too) can so blatantly pull off most of the heists: 1. The deeds are perpetrated by "the House"—seldom do pay raises or increases in allowances or expansion offer an individual target for anyone's anger, but are accomplished by a noun; 2. The deeds are always attempted with great stealth, attracting attention after the fact; 3. Issues such as the library annex hardly can be expected to evoke much opposition in Texas or Montana or Illinois.

It is particularly outrageous for the House to covet the Library of Congress space to ease its pains. There is both real and symbolic grandeur to that institution and what it represents. The House's excuse for wanting the annex is suspect. The over-crowding is as much apparent as actual: a number of congressmen and senators recently have shown how space can be found for staff—by stationing a good number of their employes, such as case workers, in the home district. There is little point in having many, perhaps most, of their assistants in Washington and, it can be argued, it is even a liability in making staff members unhelpfully remote from constituents seeking aid.

In the case of the Madison Annex, we must repose our main hope to discourage the imperialism of the House in the Senate. And it appears that opposition to the conversion of the library addition to a fourth House office building is growing. There is a modest sentiment in the House, under the auspices of Representative Lucien Nedzi, D-Mich., to keep the library annex a library annex. But it is whistling to hold back a wave—the House is expected resoundingly to approve the takeover when it returns from the Thanksgiving recess.

This is not a parochial issue. The Library of Congress needs the annex, deserves it and should not be the victim of the House's incessant drive for Lebensraum.

[From Roll Call, Washington, D.C., Dec. 4, 1975]

Tug-of-War Over Madison Building

(By Myron Struck)

Although the tax cut bill, energy crisis legislation and federal aid to New York City loom as major issues before the Congress next week, the House leadership is expected to attempt to push through a proposal which would take over the James Madison Memorial Library annex as additional House Office space—turning that issue into a forerunner of attention.

Congressmen are feeling crowded, as additional staffers, additional committees and subcommittees and staffs, and the necessity to have more research and information sources available in The Hill offices has taken up more and more space. The Senate, with the bright prospect of adding the Dirksen Office Building extension to their domain by 1979, is not as worried as the House. The lower-chamber is out of room.

The James Madison Memorial Library complex, rising slowly south of the Library of Congress and east of the Cannon House Office Building, would be "ideal," and "the best possible choice." For Library of Congress officials, workers and users, as well as Congressmen supporting the original use of the new building, it is the "worst possible expansion of House offices."

Running short of space in 1974, the House began to look for expansion. In 1974, Rep. H. "Pete" Stark (D-Calif.) circulated a petition to fellow members, collecting 230 signatures requesting the leadership of the House to draw up legislation to begin take-over of the Madison complex. The petition, on the heels of a massive letter writing campaign by Library of Congress supporters, fell by the wayside. This year, Rep. Stark has reinstituted his petition drive, collecting 75 signatures thus far.

Since the 1974 Stark proposal to take over the Madison complex, other Congressmen have brain-stormed many proposals to solve the space shortage: including: acquiring District of Columbia blocks 693 N, 693 S and 694 (South Capitol Street to 1st Street and D to E Streets, S.E.), using the old-FBI building at 2nd and D Streets, S.W. (vacated when the FBI's new building was completed recently); building two levels on top of each of the two House parking garages; building an underground House Office Building between the row of House Office Buildings and the Capitol, razing the old Congressional Hotel and building on that tract, and taking over the Madison Library complex.

Most provisions were deemed either "inadequate or just stopgap measures," says one source in the Architect's office.

Congressional leaders, including Speaker Carl Albert, House Majority Leader Thomas O'Neill, and House Minority Leader John Rhodes are apparently ready to back a measure to change the construction plans for the Madison Library complex from being a support building for the Library of Congress to a full-fledged fourth House Office Building.

The current Library of Congress buildings (a main building and one annex) claim "more books on the floor and documents of American history being mistreated than any other major library in the world," says Mrs. Mary Lithbridge, a public information spokesman from the Library. "We are currently storing some material in Arlington (maps), Crystal City (copyright information) and in various other locations in the District. When we got the Madison Library complex completed, we could, once again, centralize."

Opponents to the take-over of the Madison Library in the House are led by Congressmen Lucien N. Nedzi (D-Mich), Richard F. Vander Veen (D-Mich), Joel Pritchard (R-Wash) and John B. Anderson (R-Ill). The four Congressmen have circulated a "Dear Colleague" letter seeking unified support to oppose the Library's takeover. (Nedzi is chairman of the Joint Congressional Committee on the Library of Congress.)

"The House of Representatives would not be well served by a takeover of any portion of this building for office space," the letter states. "If we need additional office space, then let us build an office building. But let us not sabotage the research capacity of an institution that has served Congress so well."

The discussions about 'building' a fourth office building are apparently stalemated behind two points: 1) the development of a master plan, by the Office of the Architect in conjunction with a study by the Commission on Information Facilities (Chairman, Rep. Jack Brooks, D-Tex); and, 2) a location.

"We're (the House) desperate," says Eugene Peters, executive director of the Joint Committee on Congressional Operations (which staffs the Commission on Information Facilities). "We need help, and we need space now. The suggestions that Rep. Brooks stands behind are to use the new HEW building and to take over the Madison Library for additional House office space."

The Brooks Commission report, due in December, 1976, is a similar, less inclusive, effort to the master plan of Capitol land-use, being prepared by the Architect.

"It cannot be overemphasized how important it will be to the future of this area, that we undertake to complete the master plan and follow its guidelines before going on tangents of stop-gap building," Elliott Carroll, AA to the Architect said. "The plan will be completed in 18 months, and I hope that the Congress can see fit to hold off taking action that could have an ill-effect on the area until then."

The building (Madison Library) became a subject of controversy recently because the fourth (and final) phase of construction needed additional appropriations to meet the low bid. The proponents of a "take-over" sensed the timing right to act.

The discussion over the additional funding was referred to the House Public Works and Transportation subcommittee on Public Buildings and Grounds chaired by Rep. Teno Roncalio (D-Wyo).

Rep. Roncalio, who was in Wyoming for the Thanksgiving recess and unavailable for comment, apparently has two "notions" of what the bill should say. They stem from the House leadership itself.

One version would appropriate funds for the Madison Library to be completed as it is, and to authorize a study for a new House Office building.

The other version would appropriate funds to convert the Madison Library into a House Office building and to authorize funds for a study to locate a new Library complex (as well as provide for immediate, temporary measures).

Sources in Rep. Roncalio's office, the Public Buildings and Grounds subcommittee and the Office of the Speaker, Carl Albert, were all fairly tight-lipped about which bill would be reported out. Apparently, the issue is regarded as "touchy" enough, that the leadership would present a bill which had the votes behind it to either pass or fail, depending on their way of thinking.

Neither the opponents nor the proponents of the take-over were ready to speculate on the head-count of votes.

Steve Excell, LA to Rep. Pritchard, though, said that their office had indications that the leadership would want to avoid a roll-call vote.

"We've gotten the impression that this amendment is so sensitive that if a roll-call vote were taken, then it would be rejected—members just would not want to be associated with having officially agreed to take over the Library complex," Excell told Roll Call. "It's just a little too early to tell exactly what's going to happen when Congress returns Dec. 1."

Other anti-takeover sources said that the leadership may try to tack the takeover legislation as a rider to a bill that the Senate "badly wants passed." The reason? Sen. Howard Cannon (D-Nev) chairman of the Rules committee has vowed to bottle it up, and see that it fails. As part of another bill, it would be more difficult to handle.

BAYH STAFFER ELECTED TO THE BOARD OF DIRECTORS, AMERICAN JUDICATURE SOCIETY

Mr. BAYH. Mr. President, it is with great pride that I bring to the attention of my colleagues the recent election of Mary Kaaren Jolly, the editorial director and chief clerk of my Subcommittee to Investigate Juvenile Delinquency, Committee on the Judiciary, to the Board of Directors of the American Judicature Society. The AJS is the only national organization in the United States devoted exclusively to working for a better judicial system.

Ms. Jolly has been a staff member of the subcommittee since 1969. In 1966 she was selected to work with the Honorable James H. Lincoln of the Wayne County Michigan Juvenile Court where she served as a juvenile court counselor until the winter of 1968. During early 1969 she assisted the Department of Labor in a manpower training project and was house administrator to Mrs. Robert F. Kennedy.

Mary is currently a second year law student at the International School of Law, where she is a member of the Student Bar Association and treasurer of the Women's Law Association.

Mary is a graduate of the University of Michigan where she was recording and corresponding secretary of the student government council and president of the Young Democratic Club. Presently she is a member of the Washington Council of Lawyers, the National Legal Aid and Defender Association, National Council on Crime and Delinquency, National Women's Political Caucus, and the Capitol Hill Women's Political Caucus.

One of Mary's most prized memberships, however, is her recent election to the board of directors of the American Judicature Society. This year is the first year that law students were eligible for the two available law student positions on the AJS Board and Mary was the first and only woman elected to this post of high honor.

Following is the complete listing of the AJS Board of Directors 1975:

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Oklahoma: Jack R. Givens, Lowe Runkle. Oregon: James C. Dezendorf, Richard L. Unis. Pennsylvania: Arlin M. Adams, Frederick H. Bolton, Robert M. Landis, Henry T. Reath, Bernard G. Segal, John Q. Stranahan. Puerto Rico: Arturo Negron Garcia. Rhode Island: Thomas H. Roberts. South Carolina: Robert G. Currin, Jr., Lois Eargle, Harold W. Jacobs. South Dakota: Alan L. Austin. Tennessee: William Leech, Jr., Laffitte Howard, James M. Manire. Texas: Ralph W. Brite, Cecil E. Burney, Leon Jaworski, C. Raymond Judice, Latimer Murfee. Utah: Scott M. Matheson. Vermont: John M. Dinse, Sterry R. Waterman. Virginia: James S. Cremins, Daniel J. Meador, Andrew P. Miller, Rayner V. Snead. Washington: Grant Armstrong, Charles Horowitz. West Virginia: Wilson Anderson. Wisconsin: John A. Kluwin, Horace W. Wilkie. Wyoming: R. R. Bostwick, E. J. Herschler, Carol Toussaint. Foreign: Arthur L. Goodhart, Edson L. Haines, George Keeton.

Past Presidents (Ex Officio Directors): William J. Jameson, Albert E. Jenner, Jr., Cecil E. Burney, Sterry R. Waterman, Henry L. Woolfenden, Herbert Brownell, Gerald C. Snyder, Elmo B. Hunter, Robert H. Hall, John S. Clark.

Past Chairmen of the Board (Ex Officio Directors): Thomas F. McDonald, Laurance M. Hyde, Bernard G. Segal, James C. Dezendorf, William J. Brennan, Jr., Tom C. Clark, Elmo B. Hunter, Earl F. Morris, Maynard J. Toll.

The American Judicature Society was founded on July 15, 1913, by the late Herbert Lincoln Harley and a small group of leading attorneys and jurists.

Its original objective was to promote the effective administration of justice. That objective remains unchanged today, but on all other fronts there has been progress and expansion.

The society grew slowly but with ever-increasing momentum. Even into the 1940's, Harley worked with a staff of less than half a dozen persons.

Membership in the society has grown steadily over the years. In 1934, there were only about 500 members. Ten years later, about 6,000; by 1964, more than 21,000. By 1974, the society registered a membership of more than 45,000 outstanding attorneys, judges and laypeople in all 50 States, Canada and 58 other countries.

It is not often that I am able to formally enunciate the achievements of my staff; however, in this instance I believe Mary's achievement is noteworthy, especially in light of her dedicated, indefatigable efforts both here in the Senate and in law school. I am particularly pleased that Mary was able to be elected at the annual AJS meeting in Montreal where our distinguished ranking minority member of the Committee on the Judiciary, ROMAN L. HRUSKA, was the keynote speaker.

Every day our courts touch the lives of more and more people.

Every day the law grows through legislative and court action, as society struggles to deal with our increasingly complex and sophisticated way of life.

Every day the courts are called upon to rule on regulatory procedures which govern the way we live and do business, on environmental issues that affect our health and welfare, and on many other matters which touch all of us directly or indirectly.

Undeniably today there is increasing public dissatisfaction with some weaknesses in our court system. Congested dockets, long-delayed trials, the need for more and better judges, disparity in sentences, cumbersome and conflicting court systems—all are drawing their share of the public's displeasure.

Business and professional men and women are penalized expensively by delayed regulatory decisions. Citizens are caught up in a time-wasting web of outdated procedures, whether as litigants, jurors, or witnesses.

The judge wields a wooden gavel and wears a black robe and the judge's constitutional powers are awesome. Their decisions determine life and death, freedom and imprisonment, poverty, and wealth. The judge is the guardian of our liberties and enforcer of our laws. The judge is expected to be wise, impartial, dignified, compassionate. Instead the judge is too often overworked, underpaid, harassed by inefficient management, hampered by insufficient funds, struggling to administer modern justice in an archaic system. The American Judicature Society has pledged its resources to changing this state of affairs, to improving the quality of justice through education, information, study and research.

Mr. President, I hope that you and my colleagues will join me in heartily congratulating Ms. Jolly on her election to the AJS Board of Directors.

A NEW REASON FOR ABORTION

Mr. BUCKLEY. Mr. President, my attention has just been called to an article that appeared in the New York Post, October 9, 1975, with the headline, "Pickiness: New Reason for Abortion?" The article stated, in part:

> Pregnant women are beginning to ask genetic counselors for tests to determine the sex of their unborn child with the thought of an abortion if it is not what they want.
>
> So far Dr. C. Thomas Caskey of Houston, head of medical genetics at Baylor College of Medicine, is not aware of any abortions being performed for this reason but predicts they will occur . . .
>
> "Most of the requests have come from mothers who have their fill of consecutive boys or girls and want the other sex," he said in an interview. "Eventually we are going to find it just as reasonable for a family to decide to abort the pregnancy for a particular reason, such as determination of sex."

Mr. President, I believe this article has brought us face to face with the logic of abortion on demand. For a moment allow me to outline what I understand to be the basic argument of those who favor permissible abortion, if only to show where the logic of such an argument leads:

The abortion-on-demand lobby has been telling us that the question of an abortion is one that is solely and absolutely between a woman and her doctor, implying a health-related reason for killing the fetus. The Supreme Court, in its decisions of January 22, 1973, maintaining the illusion of a concern for the mother's health although a careful reading reveals that it considers the mother's right to an abortion to be absolute, at least during the first 6 months. But whenever the abortion lobby and its supporters in the Congress make their argument, it is always made on what might be called the "hard cases," that is, rape, incest, poverty.

To listen to the abortion debates in this Chamber, one would think that those favoring abortion on demand are concerned only with those problems. But now we are beginning to see the arguments for permissive abortions run their natural course: Women will be requesting abortion because they do not like the sex of their unborn child.

I have heard Senators in this Chamber state that while they were "personally opposed" to abortion, they did not want to deny a woman the right to get an abortion. When that argument is made, the only examples offered for abortion are rape, incest, and poverty. Mr. President, the time has come for every Senator to answer a simple question, yes or no: Does he favor granting a woman the right to abortion solely because she does not like the sex of her child?

That is the question, Mr. President. No sophistry, no convoluted, legalistic argument, no appeal to "hard cases" can get anyone off the hook on this question. It places the issue in its true context: Is unborn life of so trivial value that it may be sacrificed to a woman's whim over the sex of the next child she will bring into the world?

I ask unanimous consent that the article in the New York Post be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Post, Oct. 9, 1975]

Pickiness: New Reason for Abortion?

(By Arthur J. Snider)

Chicago (CDN).—Pregnant women are beginning to ask genetic counselors for tests to determine the sex of their unborn child with the thought of an abortion if it is not what they want.

So far Dr. C. Thomas Caskey of Houston, head of medical genetics at Baylor College of Medicine, is not aware of any abortions being performed for this reason but predicts they will occur.

Some requests have been made for the screening by mothers who want only boys in the family, he said. So far there have been none that wants a family of girls only.

"Most of the requests have come from mothers who have their fill of consecutive boys or girls and want the other sex," he said in an interview.

Sex can be determined by amniocentesis, a procedure in which a hollow needle is injected into the uterine cavity and the amniotic sac and fetal cells withdrawn. The chromosomes in these cells are then analyzed for sex.

"I am not opposed to amniocentesis for determining sex," he said. "It is only that we have a limited capacity for handling those pregnant women who are at high risk of carrying a genetically defective child and we prefer to focus our attention on these rather than families that are interested for nonmedical reasons.

"But eventually we are going to find it just as reasonable for a family to decide to abort the pregnancy for a particular reason, such as determination of sex."

Dr. Caskey, former head of medical genetics at the National Heart and Lung Institute, was interviewed after he spoke to the American Academy of Family Practice convention here on identifying inheritable diseases.

He said there was a need for more women over 35 who are pregnant to be told of the greater risk of giving birth to a child with an inheritable defect, particularly mongolism.

"They should have explained to them what the risks are, the use of amniocentesis, and the availability of an abortion if the fetus is shown to be a mongoloid," he said.

"In Houston, there are no more than 10 or 15 per cent using prenatal diagnosis. We find many have had to ask their physician rather than the physician initiating the information."

CONGRESSMAN KEN HECHLER

Mr. McGOVERN. Mr. President, for many years I have greatly admired the work and the character of Representative Ken Hechler of West Virginia. He combines high intelligence with absolute personal integrity in a manner that is all too rare in public life.

The fine qualities of this West Virginia public servant have been eloquently stated by Mr. Colman McCarthy in a feature article in today's Washington Post. To win the approval of so discerning a commentator as Colman McCarthy is in itself a worthy achievement.

I ask unanimous consent that Mr. McCarthy's thoughtful article on Representative Ken Hechler be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Ken Hechler: Refusing the Vow of Obedience

(By Colman McCarthy)

Logan, West Virginia.—The two politicians walked from the main entrance of the new hospital that both had come to help dedicate. They had lunched inside with the directors and were now moving to the outdoor platform for speeches. One, Ken Hechler, the local congressman, was approached by a disabled miner who carried black lung papers and wanted help figuring them out. The other was Robert Byrd, the state's junior senator and a local boy who (as he reminded the crowd in his speech) was now a mighty power in Washington; he spotted the 150 spectators and bolted for them to shake hands.

For the next few minutes, two styles of American politics were at work. Hechler offered the people no other commodity than his own availability. He stood on the pavement in one place, fearless of what congressmen home for the weekend dread most: being motionless. His message to the people that he was approachable was quickly perceived. People surrounded him. Most were coal miners or widows who had gotten nowhere with the local or federal government with one claim or another—social security, welfare, black lung, food stamps—and were now appealing to Hechler. He took their forms and documents, filling his pockets with them, and promising to act on returning to Washington.

The other political style was Byrd's. He was the eager ground-gainer, the believer in the political maxims that no idle hand of a voter should go unpumped and that no banter could be too trivial. He worked the crowd, row by row, mixing chumminess with senatorial dignity. But when he climbed to the platform, his pockets—unlike Hechler's—contained no forms or papers. None of the citizens had asked him for anything.

That a small state like West Virginia is large enough to support two such dissimilar politicians as Hechler and Byrd is one of Appalachia's ongoing mysteries. The deepest puzzle is Hechler. Unlike most mountain politicians, he is an apostate who has never taken a vow of obedience to the coal and energy companies. His own district in the southern border of the state contains more coal than any area in the country. Coal may be king, but for Hechler the powers behind the throne can be wily and dangerous, with a record that he occasionally calls "diabolical."

The devil is a metaphor the mountain people understand because notions like evil, sin and damnation have not been brushed aside as casually as they have been in the cities. If Hechler's district is a classroom and lessons can be applied to other parts of the country, one truth is clear: it is possible to run against unaccountable corporations and not only win but thrive. Hechler's record suggests that the voters may be far ahead of the politicians and will gratefully embrace anyone halfway daring enough to expose corporate manipulators with their slush funds, cash envelopes and hunting lodges.

Hechler first ran for office in 1958, shortly after coming to West Virginia from Washington. He worked in the 1956 Stevenson campaign. He was born on Long Island, took a Ph. D. at Columbia and should have been the kind of person—the egghead outlander—who West Virginians traditionally ignore. He endeared himself to the voters, however, not by seeking office but by having it pushed upon him by his students at Marshall University. "I was teaching government and telling the youngsters why they should get involved, when suddenly they began telling me to get involved. So I tried for Congress as a longshot, and made it. The students virtually ran my campaign. It was probably a combination of their honesty and my enthusiasm that won the election."

Either way, in a state where political corruption looms over the citizens as imposingly as the mountains, Hechler was a fresh voice. In time, he made it fresher. He helped organize the coal miners into a force that demanded—and received—the 1969 Coal Mine Health and Safety Act. He was the only member of Congress to stand with Joseph Yablonsky in the latter's doomed struggle against the Boyle mob. He has been the only one in Congress to consistently call for a total ban on strip mining.

After a few years of this kind of insolence, the boys in the board rooms and the back rooms had had enough. In 1972, "coincidence" saw to it that Hechler was redistricted, ever the convenient stake at which to burn a heretic. His primary opponent was James Kee, a strip mining cheerleader, considered unbeatable. Hechler beat Kee and won the fall election so decisively that two years later he had no opponent at all, a luxury mostly enjoyed by Southern segregationists and other immovable objects. Wryly, Hechler says that having no opponent in 1974 made life dull. "I had no one to debate the issues with. For the first time, no one stood up to defend strip mining or the coal companies. I guess they figured it was better not even to remind the voters there were issues to be decided."

Hechler is 61, unmarried, physically fit and the owner of a folksy manner that disguises much of the zeal and wrath within him. If there is any perverseness to him, it is the delight he shows in driving eastern reporters around his district in his jeep. A litte roughing it won't hurt the press, Hechler says. This jeep is but a cut above a four-wheeled contraption. Hechler's vehicle was once a campaign issue. His opponent said the jeep demeaned the dignity of West Virginians because the people deserved a congressman who rode in a limousine, like all the other champions of the people.

The national press isn't poking round West Virginia these days for hints of "the national mood." The state hasn't been nationally significant since John Kennedy came here in 1960 to prove that religion is not a political issue. Hechler's success may not be as dramatic as Kennedy's 1960 victory, but what it suggests could be as politically significant: that accountability is now a major concern of the voters. Too many corporations, governmental agencies and institutions have been heedless of anything but their own interests, with little concern about victimizing citizens. America is not yet totally captured by the special interests the way that many in West Virginia are dominated by company towns. But if any of those now seeking national office want to learn about a style of politics that succeeds by responding to voter resentment of vested-interest domination, they ought to hitch a ride with Hechler in his jeep. Nowhere are these vested interests more dominating and nowhere is there a politician whose boldness in opposing them is more appreciated.

EDUCATION APPROPRIATIONS

Mr. BAYH. Mr. President, on April 16 the education appropriations bill passed the House of Representatives by a voice vote. On June 27, the bill passed the Senate by a vote of 64–12. On July 16, the House accepted the conference report on the education appropriations bill by a vote of 370–42, and a day later, the Senate agreed to the report by a vote of 80–15.

Despite this overwhelming display of support, President Ford vetoed the fiscal year 1975 education appropriations bill on July 25, claiming that the issue was one of "fiscal discipline."

On September 9, the House of Representatives voted to override that Presidential veto by a margin of more than 9 to 1. The following day, the Senate overrode the veto by a margin of more than 7 to 1.

The Congress has spoken loudly and clearly on the issue of education. Yet, the President, on November 16, transmitted to the Congress six proposed recissions to cut education programs by $1.3 billion in the current fiscal year.

Senator WARREN MAGNUSON, chairman of the Labor-Health, Education and Welfare Appropriations Subcommittee, on which I serve, has called the President's actions on Federal aid to education a "merry-go-round of contradictions." I could not agree more.

In his veto message of the appropriations bill, President Ford said that,

> Education is one of the foundation stones of our republic. But that is not the issue in this appropriation bill.

The President is wrong. Education is the issue.

The role of the Federal Government in education is to provide financial assistance to hard-pressed local school districts The Federal role has not been, and should not become, one of dictating educational policy. I agree with the vast majority of my colleagues in the Congress, and with the vast majority of American parents, that the Federal Government should maintain its role in strengthening American public education by extending financial assistance out of general revenues.

The President's largest action in trying to avoid spending education funds is ironic. President Ford designated November 16–22 as American Education Week, saying that:

> The greatness of this country depends upon the education of our children.

Then, on November 16, he commemorated the beginning of American Education Week by asking for a massive cut in aid to education.

He proposed to cut back more than $440 million in elementary school aid—much of it set aside for needy children. He proposed to cut back nearly $800 million in college student aid and $36 million for assistance to handicapped students.

I happen to agree that education is a foundation stone of our republic, and I agree that the greatness of this country depends upon the education of our children. I do not agree that the way to strengthen this country and educate our children is by cutting Federal assistance to a level significantly lower than last year's.

Mr. President, America's future depends on the education of its citizens. But talk is cheap—and education is not. The Federal Government, through its resources and commitment to America's future, must help eradicate educational inequity and provide quality education to all. Only then can each child attain his or her maximum potential as a human being, become a self-supporting member of our economic community, and be prepared as a voter to decide the increasingly complex issues facing government today.

This is a large order. Yet, in these years of recession combined with inflation, State and local resources are depleted. State and local jurisdictions face rising public service costs and declining revenues as a result of unemployment. At the same time, educational costs—particularly fuel costs—are rising sharply.

Yet, while the need is clear for increased Federal assistance, the opposite has been true. Federal outlays for elementary, secondary, and vocational education, which were 1.6 percent of the total Federal budget outlays in 1969–70, declined to 1.3 percent in 1974–75.

The appropriation contained in this year's bill—which the President persists in trying to cut—represents an actual decrease in education spending compared to last year in terms of the purchasing power of the dollar.

This is not a "fiscally irresponsible" action by the Congress, as President Ford has charged. Indeed, it may be that Congress should have done more, not less, to assist hardpressed school districts.

I am confident that Congress will not approve the recissions which the administration has proposed.

Nevertheless, I am concerned about this latest administration tactic for stalling on the release of education funds.

Congress has acted in a timely and responsible fashion; it took up a separate education appropriation bill earlier than other Labor-HEW appropriations because of the need to let students and school officials know at the earliest possible date how much Federal assistance would be available in this school year.

It is now December, and we in the Congress are fighting the same battle which began back in April when the administration submitted a totally unrealistic budget for education.

With so many pressing concerns before us—unemployment, energy, inflation, the fiscal plight of New York City and other urban governments—the administration's tactics of delay and negative thinking are not only counterproductive, but, I believe, irresponsible.

I urge my colleagues to maintain the congressional commitment to educational excellence, and to refuse to concur in the proposed rescissions of appropriations.

THE ADMINISTRATION REFUSES TO USE INTERNATIONAL LAW TO PROTECT OUR COASTAL FISHERIES

Mr. WILLIAMS. Mr. President, I doubt there is any Senator or Member of Congress who is not by now aware of the serious problems confronting America's coastal fish stocks and her fishing industry from Maine to Alaska. This situation is directly attributable to the fantastic increase in recent years of foreign ships fishing off our shores and over-exploiting our valuable fish resources. We have seen the rise and fall of optimism that has accompanied successive meetings of the United Nations Law of the Sea Conference, first in Caracas, then Geneva, and next in New York. These will not in fact result in a new internationally accepted Law of the Sea in anywhere near sufficient time to avoid further irreparable damage to our fish stocks and to the livelihoods of many American fishermen.

Last year, the Senate passed a bill to require unilateral American action in declaring a 200-mile extended fisheries jurisdiction for the protection of threatened fish and fishermen. The current Congress is rapidly moving toward final consideration and passage of similar legislation to establish such a zone unilaterally, even if the President vetoes this legislation, it is still quite likely to be enacted into law.

The administration has consistently opposed such unilateral action and the related authorizing legislation for three broad sets of closely related reasons. On the one hand it is claimed such unilateral action is in violation of existing international law and it would be recognized as such by the preponderance of the world community. The administration also claims such unilateral action by a major power could sabotage the Law of the Sea negotiations and ruin the chance for getting a total package of international agreements. These agreements would include a host of oceans-related subjects including fisheries, mineral development, national defense, and scientific research. Thus, we are asked to be patient, to accept the judgment of the administration, and defer further congressional action pending ultimate negotiation, acceptance, and ratification of a new Law of the Sea. Finally, the administration position has been altered somewhat recently with the claim that the emergency situation created by overfishing is being remedied by new agreements negotiated by this country.

In support of this last contention the administration points with pride to a 42.4-percent reduction in overall fish quotas for foreign nations under the Northwest Atlantic Fisheries meeting this September.

It also announces, triumphantly, that two new agreements with the Soviet Union and Japan will substantially reduce the foreign catch in other areas.

I would like to point out that the problem of enforcement still has not been resolved; the quota reductions relate to only 3 of the 20 fisheries agreements to which we are a party; the reduction is a direct result of Congress's action to impose the threatened 200-mile fisheries limit; and, finally, the reduced quotas still result in a substantial amount of over-fishing by foreign countries.

On one hand the State Department says the problem is being solved. But, on the other, the National Marine Fisheries Service says the new agreements will still result in depletion of additional stocks. We are often still allowing foreign fishing to take in excess of the maximum sustainable yield. It seems that the new fishing agreements which so impress the administration with its own negotiating ability, actually, institutionalize excessive fishing. Agreeing to overfish less will still aggravate the alarming situation facing our commercial and sports fisherman, and an agreement on a "biomass quota" does not solve the by-catch problem nor does it protect individual stocks.

It is difficult to believe the administration is really serious about protecting this valuable, renewable resource off our coast. The Department of State admits that satisfactory fisheries management requires extension of jurisdiction throughout the range of coastal species. And an extension to 200 miles is generally accepted principle in the Law of the Sea negotiations.

But it also claims that the manner in which the Congress proposes to act is in violation of international law. I should like to emphasize here that the President, without any congressional action, has an international treaty which he can use to impose conservation measures within a fisheries management zone. The "Convention on Fishing and Conservation of the Living Resources of the High Seas," which we ratified and which went into force in 1966, provides that a coastal State may "adopt unilateral measures of conservation appropriate to any stock of fish."

I ask unanimous consent that article 7 of that Convention be printed at this point in the RECORD.

There being no objection, article 7 was ordered to be printed in the RECORD, as follows:

ARTICLE 7

1. Having regard to the provisions of paragraph 1 of article 6, any coastal State may, with a view to the maintenance of the productivity of the living resources of the sea, adopt unilateral measures of conservation appropriate to any stock of fish or other marine resources in any area of the high seas adjacent to its territorial sea, provided that negotiations to that effect with the other States concerned have not led to an agreement within six months.

2. The measures which the coastal State adopts under the previous paragraph shall be valid as to other States only if the following requirements are fulfilled:

(a) That there is a need for urgent application of conservation measures in the light of the existing knowledge of the fishery;

(b) That the measures adopted are based on appropriate scientific findings;

(c) That such measures do not discriminate in form or in fact against foreign fishermen.

3. These measures shall remain in force pending the settlement, in accordance with the relevant provisions of this Convention, of any disagreement as to their validity.

4. If the measures are not accepted by the other States concerned, any of the parties may initiate the procedure contemplated by Article 9. Subject to paragraph 2 of Article 10, the measures adopted shall remain obligatory pending the decision of the special commission.

5. The principles of geographical demarcation as defined in Article 12 of the Convention on the Territorial Sea and the Contiguous Zone [2] shall be adopted when coasts of different States are involved.

Mr. WILLIAMS. Mr. President, since the administration insists that Congress' approach is in violation of international law, I am very curious to know why it does not act to protect our fishermen and ocean resources in a manner which is clearly authorized by an international agreement. It is noteworthy that when John Morton Moore, chairman of the National Security Council Interagency Task Force on the Law of the Sea, testified this past March before the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the House Committee on Merchant Marine and Fisheries on the proposed fishing jurisdiction, he stated that he felt the proposed extension to 200 miles would be illegal under present international law. He also went on to say,

> I think if the legislation were based on some other approach, let us say on article 7 of the Geneva Convention on Fishing and the Conservation of the Living Resources of the High Seas that the international legal case would be very different.

It seems to me that this same advice could have been addressed to the administration in which Ambassador Moore serves.

Even if the administration does not accept the interpretation that the proposed "200 mile" legislation is legal under international law, it is clear that article 7 of the Geneva Fisheries Convention gives the President ample authority to act unilaterally to protect our fish stocks from continued overexploitation and depletion. I submit, while there are possible problems in our taking unilateral action, it still is completely unrealistic to expect Congress and America's wounded fishing industry to continue to do nothing that would assure foreseeable relief.

It is also incredible that the legality of congressional action is being challenged when the only administration alternative offered is to do nothing that might be effective. The credibility of the administration's position suffers even more when we realize how little it is willing to use the existing international law which it claims is in danger of being violated.

A prompt resolution of the overfishing issue is imperative. Congress is being given no choice but to act pending the adoption of a comprehensive, equitable, and enforceable law of the sea agreement granting preferential fishing rights to coastal States. While administration action under the Geneva Fisheries Convention might not be adequate to protect the interests of our fishermen at this late date, it would be an indication that it is serious about the problem.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

BEEF RESEARCH AND INFORMATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 7656, which will be stated by title.

The legislative clerk read as follows:

> A bill (H.R. 7656) to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products.

The Senate proceeded to consider the bill (H.R. 7656), which had been reported from the Committee on Agriculture and Forestry, with amendments on page 10, line 2, strike "may" and insert "shall";

On page 10, line 4, after "members" insert "who are broadly representative of the industry,";

On page 11, line 12, strike "and to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry";

On page 11, line 13, strike "their" and insert "his";

On page 11, line 18, after the period insert "The Beef Board shall also submit copies of such budgets to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry.";

On page 15, line 2, strike "The Secretary shall establish a procedure whereby all known cattle producers are notified of the referendum and the time and place of balloting and qualified producers may register with the Agriculture Stabilization and Conservation Service in person or by mail to vote in such a referendum during a period ending not less than ten days prior to the date of the referendum.";

On page 15, line 10, strike "(1) that votes were cast by at least 50 percentum of the registered producers, and (2)";

On page 15, line 13, after "referendum" insert the following:

> or by a majority of the producers voting in such referendum if such majority owned not less than two-thirds of the cattle owned by producers voting in the referendum. For purposes of determining the number of cattle owned by producers voting, each producer shall be credited with the largest number of cattle owned on any one day during the representative period

On page 15, line 22, strike out the following:

> Eligible voter lists and ballots cast in the referendum shall be retained by the Secretary for a period of not less than twelve months after they are cast for audit and recount in the event the results of the referendum are challenged and either the Secretary or the Courts determine a recount and retabulation of results is appropriate. Prior to the holding of the referendum, sureties shall have posted a bond or security, acceptable to the Secretary, in an amount which the Secretary shall determine to be sufficient, to pay the costs, such as printing ballots and preparation and mailing procedures of the referendum, should the order fail to gain the approval of the producers.

The PRESIDING OFFICER. Time for debate on this bill on Monday, December 1, 1975, is limited to 2 hours, to be equally divided and controlled by the majority and minority leaders, or their designees, with 30 minutes on any amendment, debatable motion, or appeal, and any votes on this bill ordered on Monday to be put over until Tuesday.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the majority leader, I allot the time under his control to the control of the distinguished Senator from Alabama (Mr. ALLEN).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute, without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION—REMOVAL OF INJUNCTION OF SECRECY: EXECUTIVE I, 94TH CONGRESS, 1ST SESSION; EXECUTIVE J, 94TH CONGRESS, 1ST SESSION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Agreement on the Conservation of Polar Bears, done at Oslo, November 15, 1973—Executive I, 94th Congress, first session—and the Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance—Rio Treaty—signed at a special conference of plenipotentiaries at San Jose, Costa Rica, on July 26, 1975—Executive J, 94th Congress, first session—which were transmitted to the Senate today by the President of the United States.

I also ask unanimous consent that the treaties with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages from the President are as follows:

To the Senate of the United States:

I am pleased to transmit for the Senate's advice and consent to ratification the Agreement on the Conservation of Polar Bears, done at Oslo, November 15, 1973.

I am also transmitting, for the information of the Senate, the report of the Department of State with respect to the agreement.

This agreement, negotiated by the five circumpolar nations, the United States, Canada, Denmark, Norway and the Soviet Union, provides a plan of protection for polar bears consisting of a prohibition of hunting, killing or capturing the mammals subject to specified exceptions. It also provides for the countries involved to cooperate and consult with each other on research involving management and conservation of polar bears.

This agreement implements one of the mandates of the Marine Mammal Protection Act of 1972 which, in Section 108, calls for development of bilateral or multilateral agreements for the protection of marine mammals, including polar bears. No legislation is necessary to implement the agreement, since the protections of the Marine Mammal Protection Act of 1972 exceed the requirements of the agreement.

In addition to being the first international agreement to focus on the conservation of polar bears, this agreement is the first to be negotiated by the circumpolar nations exclusively. I recommend that the Senate give early and favorable consideration to this agreement.

GERALD R. FORD.

THE WHITE HOUSE, *November 28, 1975.*

To the Senate of the United States:

I am transmitting for the Senate's advice and consent to ratification the Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance (Rio Treaty) signed at San Jose, July 26, 1975. I also am transmitting, for the information of the Senate, the report of the Department of State with respect to the Protocol.

The signing of the Protocol of San Jose was a major development for the Inter-American System and a reaffirmation of the importance of our own relationship with the countries of Latin America. The Amendments, taken as a whole, do not alter the Rio Treaty's fundamental thrust; rather, they are for the most part constructive changes which will make the Treaty more flexible and politically viable in the years ahead.

The San Jose Conference of Plenipotentiaries for the amendment of the Rio Treaty constituted the final step in a process which began in April 1973 when the General Assembly of the Organization of American States, with the support of the United States, began an effort aimed at modernizing the instruments of the Inter-American System so as to make them more responsive to today's needs. The Protocol thus represents the end product of a conceptual and drafting process which began more than two years ago.

The most significant changes embodied in the Protocol in the Rio Treaty are (1) a provision for lifting sanctions by majority vote rather than the two-thirds vote required for all other decisions under the treaty; (2) specific provision for nonbinding recommendations and for conciliatory and peacemaking steps as well as for binding measures; (3) a narrowing of the geographic area in which the "attack against one, attack against all" applies, eliminating Greenland and some high-seas areas, and limiting its applicability to attacks against other States parties (instead of all "American states"); (4) the incorporation of a more complete definition of aggression than appeared in the original treaty, following the lines of the definition approved in 1974 by the General Assembly of the United Nations; and (5) the addition of an article providing that "collective economic security" shall be guaranteed by a special treaty (a provision to which the United States submitted a reservation at the time of signature). While the inclusion of an article on collective economic security represents an unfortunate detraction from the Protocol's balance and good sense, on the whole, the amendments improve this basic instrument of inter-American security and peacekeeping.

It is significant from the point of view of the United States that many other proposed changes were *not* embodied in the Protocol. For example, a proposal supported by some that would have limited the "attack against one, attack against all" concept to attacks coming from within the hemisphere was soundly defeated. Similarly, efforts to limit the authority of the Organ of Consultation to deal with a broad range of acts which could endanger the peace of America were unsuccessful. The result, in our view, was a reaffirmation of the basic principles of the Rio Treaty rather than a weakening of them. Nevertheless, I believe the protection of interests of the United States with respect to its position on the concept of collective economic security requires a formal reservation to that article when the United States deposits its instrument of ratification along the lines of the reservation made at the time of signing.

The various amendments to the treaty are dealt with in detail in the enclosed report by the Department of State and the summary of amendments.

I strongly believe that it is in the national interest of the United States to ratify the proposed amendments. I therefore urge that the Senate give its advice and consent to ratification by the United States of the Amendment to the Rio Treaty contained in this Protocol, and that it do so as promptly as possible consistent with its constitutional responsibilities.

GERALD R. FORD.

THE WHITE HOUSE, *November 29, 1975.*

BEEF RESEARCH AND INFORMATION ACT

The Senate continued with the consideration of the bill (H.R. 7656) to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

(At this point Mr. HARRY F. BYRD, Jr., assumed the chair.)

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator may proceed.

Mr. ALLEN. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture and Forestry be permitted to be present on the floor during consideration of H.R. 7656, including all rollcall votes thereon:

Michael R. McLeod, Carl P. Rose, Dale L. Stansbury, William A. Taggart, Forest W. Reece, and Steven Storch.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I ask unanimous consent that the committee amendments be agreed to and that the bill, as so amended, be treated as the original text for subsequent amendments, and that no waiver of any right of any Senator to offer an amendment shall take place.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. Mr. President, reserving the right to object, do the committee amendments appear anywhere here on the desk?

Mr. ALLEN. They appear in the bill itself, and also they appear in the committee report, that is, an explanation of them.

Mr. ABOUREZK. Would the entire bill be identical to H.R. 7656?

Mr. ALLEN. Yes. The bill, as printed and now in the Senator's hand, will be the bill that we have if this request is agreed to.

Mr. ABOUREZK. I have no objection.

The PRESIDING OFFICER. That the bill as reported, the Chair might say, be the original text?

Mr. ALLEN. That is the request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ABOUREZK. Mr. President, will the Senator from Alabama yield for a unanimous-consent request?

Mr. ALLEN. Yes.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that two members of my staff be entitled to floor privileges during the consideration and voting on this bill today and tomorrow: Thomas Daschle and Allan C. Burke.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Will the Senator yield for that purpose?

Mr. ALLEN. Yes.

Mr. ABOUREZK. How much time is set aside for debate on the bill today and the debate on the bill tomorrow?

The PRESIDING OFFICER. Two hours have been set aside, 1 hour to each side, 30 minutes on amendments.

Mr. ABOUREZK. To whom has the opposition side been designated for time?

The PRESIDING OFFICER. The minority leader or his designee.

Mr. ABOUREZK. And on tomorrow, is the same thing true?

The PRESIDING OFFICER. The same tomorrow.

Mr. ALLEN. Mr. President, I yield such time as I may require.

Mr. President, H.R. 7656, the Beef Research and Information Act was ordered reported unanimously by the Committee on Agriculture and Forestry on November 5.

H.R. 7656 authorizes the Secretary of Agriculture to issue a national order providing the mechanism for producers to vote on establishment of a Beef Board consisting of not more than 68 members, or their alternates.

The Beef Board would develop, subject to the Secretary's approval, a program of research, producer and consumer information, and promotion designed to strengthen the cattle and beef industry's position in the marketplace, and maintain and expand domestic and foreign markets and uses for U.S. beef.

The program would be financed from assessments paid by cattle producers.

Mr. President, I ask unanimous consent that a short explanation of the major provisions of this bill be printed in the RECORD.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION

H.R. 7656, as amended by the Senate Committee on Agriculture and Forestry, authorizes the Secretary of Agriculture to issue a national order providing for the establishment of a Beef Board consisting of not more than 68 members, and alternates therefor.

(1) The Beef Board would develop, subject to the Secretary's approval, a program of research, producer and consumer information, and promotion designed to strengthen the cattle and beef industry's position in the marketplace, and maintain and expand domestic and foreign markets and uses for United States beef. The program would be financed from assessments paid by cattle producers. The Beef Board shall appoint from its members an executive committee, consisting of not less than seven nor more than eleven members broadly representative of the industry, to employ a staff, and conduct routine business, within the policies determined by the Beef Board.

(2) Members of the Beef Board would be cattle producers appointed by the Secretary from qualified nominees representing producers from each beef-producing geographic area.

(3) Approval by referendum among cattle producers engaged in the production of cattle, during a representative period as determined by the Secretary, would be required before the order could become effective. The order would not be effective unless the Secretary determines that it is approved or favored by not less than two-thirds of the producers voting in the referendum, or by a majority of the producers voting in the referendum if such majority produced not less than two-thirds of the cattle owned by producers voting in the referendum.

(4) The order could be terminated or suspended by the Secretary if he found that it obstructs or does not tend to effectuate the purposes of the bill. The Secretary may conduct a referendum at any time, and shall hold a referendum on request of 10 percent

or more of the number of producers voting in the referendum approving the order, to determine if the producers favor the termination or suspension of the order.

(5) Funds to carry out the beef research and promotion program formulated by the Beef Board would be collected through a "value added" assessment system. Each buyer of cattle would collect an assessment from the producer-seller (based on the value of the cattle involved), and pass it on to the next buyer, with the slaughterer required to remit the assessment to the Beef Board. (If no sales transaction occurs at the point of slaughter—such as a producer taking his own animal to a locker plant for slaughter for home consumption—a fair value is to be attributed to the cattle at the time of slaughter.

The Beef Board may exempt from or vary the assessment on breeding animals until time of slaughter.

—The rate of assessment would be prescribed in the order, and the assessments are to cover all expenses of the beef research and promotion program, including the expenses incurred by the Secretary in conducting the referendum and otherwise administering the bill.

(6) The Secretary could sue any person subject to the order for collection of any assessments not voluntarily paid. Producers not favoring the program would, however, have the right to obtain refund of the assessment if requested not more than 60 days after the end of the month in which the sale or slaughter of the cattle occurred. The Beef Board is to make a refund of the assessment within 60 days after the request is made.

(7) Persons failing or refusing to collect any assessments required of them (or otherwise violating any provision of the order issued by the Secretary) shall be liable for a penalty of not less than $1,000 nor more than $10,000.

(8) The Beef Board is to submit to the Secretary, for approval, all plans and projects. The Board is to submit its fiscal year budget to the Secretary for approval. Copies of the budget are also to be submitted to the House Committee on Agriculture and Senate Committee on Agriculture and Forestry.

Mr. ALLEN. Mr. President, H.R. 7656 is quite similar to S. 772, on which the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture and Forestry held hearings earlier this year. It was a companion bill to H.R. 7656.

At these hearings there was broad support for this type of legislation by representatives of the cattle industry as a way to reduce somewhat the wide swings in beef price and supply, and for producers to work themselves out of the cost-price squeeze they have been in for over 2 years.

The Department of Agriculture, at that time, voiced concern about the assessment procedure from an administrative point of view. This problem has been resolved in H.R. 7656.

Mr. President, the program that H.R. 7656 would set up is voluntary and democratic.

The program would become effective only if it is approved by two-thirds of the producers voting in referendum, or by a majority of those voting if this majority owned and produced two-thirds or more of the cattle.

In addition—and I think this is very important and most significant—any producer who does not wish to participate may request a refund and the Beef Board must return to him all the assessments he has paid within 60 days of the request.

Under this procedure, Mr. President, the nonparticipating beef producer would pay nothing, but yet would get the benefits of the program. So it is a procedure for setting an assessment, but the assessment has to be voluntary. He would have to pay at the time he sold his beef, but he could apply then for a refund and he would have 60 days from the last day of the month in which he sold his cattle to make application for the refund. It is not in the discretion of the Beef Board as to whether they make the refund, they must automatically make the refund.

So the nonparticipation producer would have the benefits of the program without the cost to him.

It is an entirely self-financing venture. The Beef Board will reimburse the Government, out of its collections from producers, for any administrative costs. including the cost of any successful referendum.

It would have to be limited to successful referendum, Mr. President, because unless the referendum is successful, there would be no fund available. So that would seem to be a fair provision.

Concerns have been expressed that the money collected would be devoted to advertising and not for the research and other purposes noted in the preamble. It should be pointed out that the Secretary of Agriculture would approve the Beef Board budget and program, and assure that the law will be executed faithfully. Likewise, the two Agriculture Committees of the Congress will be consulted in this regard. I believe that a balanced program will be developed and much of the money collected by the Beef Board will be invested in research and education projects that are consumer-oriented.

This would be true even without the safeguards of administration and congressional review. Forward-thinking leaders in the cattle industry are aware that when they help consumers along these lines they are also helping producers. They believe, and I agree, that a program to help stabilize beef supplies and beef prices will help consumers and producers alike and be in the best interest of the Nation.

Mr. President, on behalf of the Committee on Agriculture and Forestry, I recommend that H.R. 7656, the Beef Research and Information Act, be passed.

I might state again that the bill was approved unanimously by the Committee on Agriculture and Forestry on November 5.

Mr. President, I reserve the remainder of my time.

Mr. DOLE addressed the Chair.

Mr. ALLEN. Mr. President, I yield the distinguished Senator from Kansas (Mr. DOLE) such time as he may require.

Mr. DOLE. Mr. President, I think I have been designated to control the time for the minority.

I appreciate the statement of the distinguished Senator from Alabama and I join him and the chairman of the committee in support of H.R. 7656, the Beef Research and Information Act.

Throughout the history of America, the beef cattle producers of this country have been recognized as a group of rugged individuals known for their spirit of free enterprise, their self-reliance, and their abilities to fight adversities—all without asking for Government subsidies or special Government programs.

This bill that we are considering is nothing more than enabling legislation. The cattle producers are asking for a referendum to determine whether producers want to uniformly assess themselves a modest amount for a self-help program. It is not a mandatory program by Government, as some have erroneously charged—and the distinguished Senator from Alabama just pointed that out very clearly. Every cattle producer will have an opportunity to vote on whether he wants such a program. Even then, after approval, if he chooses not to participate, he can request and receive a refund of deducted contributions.

It is important—important to producers, to consumers and to the Government—that the beef industry remain strong and viable. This was demonstrated in the last 3 years when the industry was subjected to outside forces that financially threatened many and severely damaged others. I refer to beef boycotts, to eat less beef campaigns, to increased beef imports, to increased grain exports, to sky-rocketing feed costs, to an increasing number of regulations that reduce efficiency and increase costs, and to price controls that singled out the beef industry and triggered losses that are estimated at $2.75 billion. Evidence of this damage is further supported by the inventory value of all cattle, as reported by the USDA, which dropped from $40.9 billion on January 1, 1974, to $20.9 billion on January 1, 1975.

These staggering losses have forced many cattle producers to get out of the business and countless others to reduce their herd size. The slaughter of cows, a sure sign of declining productive capacity, has been at a record rate in recent months and could total an unprecedented 11 million head in 1975. The slaughter of a cow means that it will not be around to produce replacement calves to supply the consumer demand in the months and years ahead.

The purpose of this bill is to provide the mechanism whereby the cattle industry can develop a program which would stabilize beef prices; which would stabilize the supply of beef; which would assure consumers beef at reasonable prices during the coming years.

That is just one of the needs that this program can help serve. Others include expanded research on nutrition, health, new beef products, marketing, and distributions. At a time when the Government is cutting back on research, the cattle producers, through this legislation, are willing to spend their own money to expand their own areas of research. They are willing to do it because no one else is and because they believe that helping consumers in this way will help producers, too.

In recent months, we have heard reports about the possible ill effects of beef on human health. These reports, I am assured, are not based on thorough and sound research. If indeed there is a health problem with beef, the cattle producers want to know it and want to know how to correct it. Again, because no one else is sponsoring adequate research in this area, the cattle producers are willing to do it and to publish the facts.

There is an information and education job needed, too. Some scientists say that our pigs and chickens are fed better diets than are most children. Nutritionally this may be true, but let us remember that those pigs and chickens are raised in a controlled environment with a rigidly controlled diet. Fortunately, people still have freedom to choose what they want to eat. The cattle producers want only an opportunity, such as we have provided other commodity groups, to inform and educate the public—the consumer—that beef is one of the highest protein foods and in conjunction with the other basic food groups contributes to a well-balanced diet.

The cattle producers propose that most of the funds collected under this program should be used for consumer information and education. This would include youth education as well as adult education—on subjects such as basic nutrition, on purchasing economics, on how to get more for your food dollar, on how to select and prepare the most economical beef cuts, and other pertinent topics beneficial to consumers.

As I said earlier, H.R. 7656 is enabling legislation. The cattle producers are asking for a referendum to determine if they want a self-help program. While it is endorsed by an impressive list of 80 State and national organizations of cattle producers, we will not know whether a majority of producers favor such a program until we have a referendum.

I ask unanimous consent, Mr. President, that this list of endorsing organizations be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

NATIONAL BEEF ORGANIZATIONS

1. American National Cattlemen's Assn.
2. American National CowBelles.
3. Associated Milk Producers, Inc.
4. Competitive Livestock Marketing Assn.
5. Livestock Laws Reform Commission.
6. National Livestock & Meat Board.
7. National Livestock Feeders Assn.
8. National Livestock Dealers Assn.
9. National Livestock Producers Assn.
10. U.S. Beef Breeds Council.
11. United Dairy Industry Assn.

NATIONAL BREED ASSOCIATIONS

1. American Angus Assn.
2. American Brahman Breeders Assn.
3. American Hereford Assn.
4. American International Charolais.
5. American Polled Hereford Assn.
6. American Red Angus Assn.
7. American Simmental Assn.
8. International Brangus Breeders.
9. International Maine Anjou Assn.
10. North American Limousin Assn.

STATE BEEF COUNCILS

1. California Beef Council.
2. Colorado Beef Board.
3. Idaho Beef Council.
4. Illinois Beef Industry Council.
5. Kansas Beef Council.
6. Michigan Beef Industry Commission.
7. Minnesota Beef Research and Promotion Council.
8. Montana Beef Council.
9. Nebraska Livestock Foundation.
10. North Dakota Beef Council.
11. Ohio Beef Marketing Program.
12. Oregon Beef Council.
13. South Dakota Beef Council.
14. Washington State Beef Commission.
15. Wyoming Beef Council.

STATE CATTLEMEN'S ASSOCIATIONS

1. Alabama Cattlemen's Assn.
2. Arkansas Cattlemen's Assn.
3. Arizona Cattle Feeders Assn.
4. Arizona Cattle Growers' Assn.
5. California Cattlemen's Assn.
6. Colorado Cattle Feeders Assn.
7. Colorado Cattlemen's Assn.
8. Georgia Cattlemen's Assn.
9. Idaho Cattle Feeders Assn.
10. Idaho Cattlemen's Assn.
11. Illinois Livestock Assn.
12. Indiana Beef Cattle Assn.
13. Iowa Cattlemen's Assn.
14. Kansas Livestock Assn.
15. Louisiana Cattlemen's Assn.
16. Maryland Cattlemen's Assn.
17. Michigan Cattle Feeders Assn.
18. Minnesota Livestock Feeders Assn.
19. Mississippi Cattlemen's Assn.
20. Missouri Cattlemen's Assn.
21. Missouri Livestock Feeders Assn.
22. Montana Stockgrowers Assn.
23. Nebraska Livestock Feeders Assn.
24. Nebraska Stockgrowers Assn.
25. Nevada Cattlemen's Assn.
26. North Carolina Cattlemen's Assn.
27. North Dakota Stockmen's Assn.
28. Ohio Cattlemen's Assn.
29. Oklahoma Cattlemen's Assn.
30. Oregon Cattlemen's Assn.
31. Pennsylvania Cattlemen's Assn.
32. South Dakota Stockgrowers' Assn.
33. South Dakota Livestock Feeders Assn.
34. Tennessee Livestock Assn.
35. Texas Cattle Feeders Assn.
36. Texas & Southwestern Cattle Raisers.
37. Utah Cattlemen's Assn.
38. Virginia Cattlemen's Assn.
39. Washington Cattle Feeders Assn.
40. Washington Cattlemen's Assn.
41. Western Montana Stockmen's Assn.
42. Wisconsin Cattlemen's Assn.
43. Wyoming Stock Growers Assn.
44. Florida Cattlemen's Association.

Mr. DOLE. Mr. President, the only opposition I have heard in the Senate is over minor technicalities on how the referendum should be conducted. We have established procedures for conducting referendums—procedures that have worked well in referendums for the wood program, the cotton program, the potato program, the egg program and others. The voting procedures in H.R. 7656 as reported by the Committee on Agriculture and Forestry are patterned after the provisions for these other commodities.

Mr. President, the Beef Research and Information Act has many good points and very few drawbacks. It will benefit consumers, and it will cost the Government nothing.

Therefore, I urge my colleagues to carefully consider the measure from the standpoint of the producer, the consumer, the Government and any others who might be interested, and pass the measure.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. I yield such time as the distinguished Senator from South Dakota may require.

Mr. ABOUREZK. Mr. President, I wonder if, out of fairness, the minority leader designate would be willing to allow me to control the time in opposition to this bill, since I appear to be the only one in the Chamber opposing the bill at this time. I ask unanimous consent that I be given the right to designate the time in opposition to this bill both today and tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Reserving the right to object, and I shall not object, the Senator is assuming that we will be acting on the bill tomorrow. Is it not possible that we might pass the bill today?

Mr. ABOUREZK. The agreement said there would be no votes today, and I believe many Senators are relying on that in not being here.

Mr. DOLE. It could pass by a voice vote. Are you suggesting record votes?

Mr. ABOUREZK. Yes; that is correct.

Mr. ALLEN. I have no objection, but I wish the Senator would confine his request to today so that that might not complicate the possibility that we might act on it today.

Mr. ABOUREZK. Then permit me to modify the request to include that if there is further action tomorrow, I would control the time.

Mr. ALLEN. I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Senator from South Dakota may proceed.

Mr. ABOUREZK. I thank the Senator from Alabama and the Senator from Kansas for the courtesy shown.

I have a number of questions of the sponsors of this bill in order to try to establish some interpretation of some of the phraseology of the bill.

Mr. ALLEN. I certainly have no objection to seeking to answer the questions. I would hope that the distinguished Senator from Kansas (Mr. DOLE) would also make himself available to answer questions with regard to the bill.

Mr. ABOUREZK. Am I correct, first of all, in assuming that the Secretary of Agriculture would appoint all the members of the Beef Board? That is, that the power of appointment is in his hands?

Mr. ALLEN. That is my understanding. I am sure that the appointments would be made on the recommendation of the cattle-producing industry.

Mr. ABOUREZK. But that assumption does not say which segment of the cattle-producing industry would have impact or influence on the Secretary insofar as who he names?

Mr. ALLEN. I do not believe it states any specific requirement in that connection.

Mr. ABOUREZK. So it is essentially in his discretion if a cattle-producing organization or an individual cattleman recommended some name. He does not have to accept that name.

Mr. ALLEN. That would be my understanding, that he would have some little discretion, as I think he should have.

Mr. ABOUREZK. I understand the bill to say that the Secretary has to approve any significant action of the Beef Board or its executive board.

Mr. ALLEN. How does the Senator mean to approve any significant action?

Mr. ABOUREZK. That is in the bill. In other words, any action taken by the Board would either be subject to veto or approval.

Mr. ALLEN. The Senator is now talking about the Beef Board that is to be set up rather prior to their appointment?

Mr. ABOUREZK. Yes.

Mr. ALLEN. That is my understanding, yes.

Mr. ABOUREZK. So far as a definition of a producer is concerned, the language in the bill says any person who owns or acquires ownership of cattle. That would mean the Safeway chain store feedlots. Would they be eligible? Would they be defined as a producer under this bill?

Mr. ALLEN. The language which the Senator has referred to would seem to indicate that anyone who owns or produces, who owns cattle on the hoof, would be covered by the term "producer."

Mr. ABOUREZK. Then that does not exclude Safeway chain store association, does it?

Mr. DOLE. Mr. President, will the Senator yield at that point?

Mr. ALLEN. Yes, I am happy to.

Mr. DOLE. I think the Board members are to be those who are primarily interested in beef production. I refer to page 12 of the report, section 15. I would quote one sentence——

Mr. ABOUREZK. If I might invite attention to H.R. 7656, on page 4, line 9, we have the definition:

> The term "producer" means any person who owns or acquires ownership of cattle: *Provided*, That a person shall not be considered to be a producer if his only share in the proceeds of a sale of cattle or beef is a sales commission, handling fee, or other service fee.

Is there any other section that might include Safeway or any other chain store corporation that owns cattle?

Mr. ALLEN. I do not believe that the bill contemplated that a store which might possibly own cattle as they were moving them to slaughter to be used in their store would be considered a producer.

I am glad that the distinguished Senator has asked the question, so that we can provide some legislative history. I would not feel that a large chain store could be considered a producer, unless they actually produced.

Mr. ABOUREZK. Of course, chain stores have their own feedlots and they do own cattle, and they acquire ownership of cattle. That is what I am trying to get straightened out; according to my interpretation, it is pretty clear that a producer under this language——

Mr. ALLEN. They would have to pay the assessment, of course.

Mr. ABOUREZK. Yes; but they would be represented on the Board, and be entitled to vote according to the number of cattle they own in this referendum. They could be represented on the Board, and they could have an impact on the nature of advertising.

If the Senator sees anything different in this bill that I have missed, that would preclude Safeway from engaging in all those activities, I hope he can point it out.

Mr. ALLEN. That is the only section that applies to producers.

Mr. ABOUREZK. Does it exclude Safeway or any other chain store?

Mr. ALLEN. If they can qualify under the definition of producer, obviously, they would not be excluded.

Mr. ABOUREZK. One further question. I can find no limit on the amount of assessment for each head of livestock in this bill. It only makes reference to "based on the value of the livestock itself."

Mr. ALLEN. That is correct. That would be a speedy test by the Secretary of Agriculture.

Mr. ABOUREZK. Presumably the upper limits would be governed more by political considerations than by anything else. I am assuming that the Board would not want to set a fee too high.

Mr. ALLEN. I do not think they would want to set it too high, but at the same time I think they would want to set it high enough to bring in enough revenue to accomplish the research and promotion functions that the Board is set up to perform.

Mr. ABOUREZK. Should the Board decide to raise some $60 million in the first year of operation and then set a budget of some $60 million the second year, based on what they have received from the first year's income, if cattle prices dropped in the interim, would they have to raise the amount per head to try to meet their budget?

Mr. ALLEN. Well, I think we are going a little bit far afield here. I think we would have to recognize that the Secretary and the Board would use ordinary business judgment and prudence in the operation of this program. We can think up all sorts of scare stories that might possibly take place, but I think we are just going to have to assume that this board and the Secretary are going to operate in a careful and prudent fashion.

I might say this: The assessment is established in the order that producers vote on; so the Board cannot alter the assessment level. It will have to remain the same, and if it did not produce enough money, they would have to drop some of the less desirable purposes or functions of the Board. I do not believe what the Senator has reference to would ever take place.

Mr. ABOUREZK. But it is possible; is it not?

Mr. ALLEN. No, because the assessment is provided in the order that they vote on. So it could not be increased without another referendum on the order.

Mr. ABOUREZK. Would there have to be a referendum each time that an assessment is made?

Mr. ALLEN. It would be my judgment that there would have to be a referendum if there were a change in the assessment rate. I do not think they could raise it arbitrarily.

Mr. ABOUREZK. That was not my understanding, but let me go on; I may want to come back to this point later.

Mr. DOLE. Mr. President, will the Senator yield there?

Mr. ABOUREZK. I yield.

Mr. DOLE. I have reference to $30 million based on an anticipated assessment of three-tenths of 1 percent, based on the gross income from cattle and calves, for the past 2 years, and what that would raise, based on each one-tenth of 1 percent assessment, which would reach about $26 million. At the end of the first year they would anticipate about $30 million.

Mr. ABOUREZK. But it is not mandatory in the legislation, that they raise any amount of money.

Mr. DOLE. No.

Mr. ABOUREZK. If they want to raise $60 million, that is open.

Mr. DOLE. That is to be described under the terms of the order, guidelines for which begin on page 6 of H.R. 7656.

Mr. ABOUREZK. There is nothing in the bill that would restrict the Board, once established, from raising $60 million or $100 million, for that matter, is there, except that if, as the Senator from Alabama says, the amount of the assessment each time must be approved by a referendum vote. Would that be the only limitation?

Mr. DOLE. That is the understanding of this Senator, unless the order provides for a range of assessment level.

Mr. ABOUREZK. So the $30 million figure the Senator used is just an estimate, like the $60 million figure that I used?

Mr. ALLEN. I believe the $60 million is based on 100 percent participation by producers, whereas the $30 million figure starts off with the same assessment figure, but contemplates or projects only 50 percent participation.

Mr. ABOUREZK. The $60 million is an arbitrary figure. In effect so is the $30 million, because at this point nobody knows what kind of assessment the Board would decide upon.

Mr. ALLEN. They are assuming three-tenths of 1 percent of the sales price; and, based on the 1973 sale price of cattle, that was $2.8 million.

In 1974, it had dropped to $18.4 billion. That points out right there the need for this Board.

Mr. ABOUREZK. That is assumed by whom?

Mr. ALLEN. We had a drop of $4.4 billion in 1 year in receipts from the sale of cattle. Averaging that out over the 2 years then at $20.6 billion and then the three-tenths of 1 percent based on that would be $61.8 million. Then figuring a 50-percent participation, that would cut it down to approximately $30 million.

Mr. ABOUREZK. May I ask by whom is that assumption made? Do you refer to the staff of the Agriculture Committee?

Mr. ALLEN. That is the staff of the Agriculture Committee based on their study. I guess the 50 percent would be conjectural.

Mr. ABOUREZK. That is my point. There is no mandate in the legislation that 0.3 percent is going to be the figure if it would be lower or higher. It is wide open in the bill.

Mr. ALLEN. The Senator might offer an amendment if he sees fit.

Mr. ABOUREZK. No. I am only asking: It is wide open in the bill; is it not?

Mr. ALLEN. The bill does not set that figure.

Mr. ABOUREZK. So $30 million is an estimate.

Mr. ALLEN. What we are talking about here though is cattlemen assessing themselves. So I think the fact they are paying this bill themselves would certainly constitute some sort of ceiling on the amount that they would assess themselves.

I might point out another thing: Something here that would be done under this bill is research in diseases of cattle. The Senator probably recalls that the Committee on Agriculture and Forestry approved and the Senate and the House both passed a bill setting up a research program on animal diseases. It provided, I believe, for appropriation of about $40 million a year. It was pointed out at the hearings in connection with this bill that the owners of animals in this country—and I assume that would include cattle, sheep, poultry, horses, and mules, possibly—estimate that from diseases of animals the producers of those animals sustained a loss of more than a billion dollars a year through deaths from disease of animals. This $40 million was to be used for a research program in this area. The President saw fit to veto the bill, and it was not passed over his veto.

There we had a $40 million program to be paid by the taxpayers. But here we have a program that could be as much as $30 million or as much as $60 million being paid for by the cattle producers themselves because they have in a referendum indicated that they wanted to assess themselves for that purpose, for many other research, and for promotion purposes.

So I think that this program will not be put into effect unless it is approved by the people who sought to be assessed themselves.

Mr. ABOUREZK. I wish to come to that.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ABOUREZK. Yes.

Is the Chair dividing the time evenly here? I am happy to yield on his time.

The PRESIDING OFFICER. The Chair informs the Senate the time up to this point has been on the time of the Senator from South Dakota.

Mr. ALLEN. Mr. President, I ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I wish to point out one section that I think is very important, section 10 in the bill, "Suspension and termination of orders." As pointed out in the report accompanying this bill, section 10 provides for the Secretary to terminate or suspend operation of an order or provision in an order if he finds it does not effectuate the policy of the act—

> The Secretary may conduct a referendum at any time, and shall hold a referendum on request of 10 per centum or more of the number of producers voting in the referendum approving the order, to determine whether such producers favor the termination or suspension of the order, . . .

I bring that up at this time to indicate that the producers are going to be in almost total control. If they think the chain stores have taken over the Board, which I do not think will happen, if they believe that the assessment is unreasonably high which again I do not think the producers would tolerate, then 10 percent of those voting in the referendum could demand another referendum on whether or not the producers favored termination or suspension of the entire program. So that in itself, I believe, does provide some protection for the very genuine concern the Senator from South Dakota has.

Mr. ABOUREZK. Does the Senator from Alabama have anything more he wishes to add? I want to move on to another question.

Mr. ALLEN. I call the Senator's attention to page 5 of the House report.

Mr. ABOUREZK. Of the House report?

Mr. ALLEN. The House report, yes. The Senate passed that. The Senator was concerned a moment ago about whether an increase in the amount of the assessment would have to be approved in a referendum. On page 5 of the House report it is stated that:

> It is expected that any substantial increase, however, such as beyond 0.5 percent could be made only if the need arises and only if it is approved by the producers in a referendum.

So there is some safeguard there on the amount at which the assessment can be levied.

Mr. ABOUREZK. I do not have the House report. I was unable to follow the Senate on that, but I will take a look at it later.

Mr. ALLEN. Yes.

Mr. ABOUREZK. I understand the bill to read that anyone who refuses to pay the assessment established by the Board can be sued by the Secretary no matter how small the assessment. The person refusing to pay the assessment would also be subject to a fine of not less than $1,000 nor more than $10,000 for each violation.

Mr. ALLEN. That really does not seem to present too much of a problem if he pays it. We have to have some sort of uniformity in collection. We could not have one man saying: "I do not approve of this. I am not going to pay it." The procedure is to pay it and ask for it back. So everyone would be governed by the same rule at the outset.

Mr. ABOUREZK. But, as I understand the language of the bill, if someone does not wish to take part in this program and he wants his money back, once it is coerced out of him, he has to file an application for refund within 60 days every time he pays it.

Mr. ALLEN. No. Sixty days. In other words, he could go to market every day in the month, but he would not have to apply each time. He can cover a period of 60 days plus whatever time remains in the month of his sale subsequent to that time. So it would be from the time of the sale to the end of that month plus 60 more days. So he could carry all of his cattle to market in that period and make only one application.

Mr. ABOUREZK. If a producer sold cattle once a month, for example, every 60 days, he would have to fill out an application for refund for both of the times he had gone to market before that.

Mr. ALLEN. I believe that is correct; yes.

Mr. ABOUREZK. So in a year he would have to fill out six applications for a refund.

Mr. ALLEN. If he is selling cattle every month of the year it is a little unusual.

Mr. ABOUREZK. When I was in the cattle business, I used to live from day to day. I would have to sell cattle almost every day, just to try to make ends meet.

Mr. ALLEN. The Senator had a lot of cattle, I would say, if he were selling a head every day—a head or more every day. He would be very affluent, it seems to the Senator from Alabama.

Mr. ABOUREZK. Not if it all goes out at the same time.

Mr. ALLEN. We are trying to fix it so that he will have more coming in. He will not have to go to market every day.

Mr. ABOUREZK. With regard to the refund application procedure, I foresee, under this kind of procedure, that perhaps tens of thousands of small producers might not want to take part in this operation and would consider the amount every 60 days to be so small, and perhaps the bookkeeping to be so complicated, that they would just forget about it. Yet, that, multiplied over several thousand, would amount to quite a windfall for this operation. I think the Senator would agree with me on that point; would he not?

Mr. ALLEN. It could be. It boils down to how much of a burden this assessment would be on the cattle producer. He would determine that himself. If he felt that the assessment was so small that it was not worth applying for, obviously that would be something for him to determine.

Mr. ABOUREZK. In writing this bill, I imagine that the reason the authors intended it that way—that you would first have to sort of coerce the money out of the cattle producer and then, if he decides to fill out an application for a refund, give it back to him later—was that they would get more income out of this method than they would if somebody just elected out in the first instance. Otherwise, I assume the bill would say that anybody who did not want to take part would not have to.

Mr. ALLEN. I think that those who are interested in the passage of this bill have patterned the bill somewhat after similar programs that are already in effect. I believe a similar program is in effect as to cotton and eggs and potatoes and possibly other commodities. They have the same feature. I believe the distinguished Senator from Kansas gave a list of the other commodities that are covered by a similar program.

So this is not the first time this approach has been used. It is one that has been tried and tested.

Have any commodity producers under the other programs complained to the

Senator that they are being coerced into participating in the program?

Mr. ABOUREZK. Some milk producers have mentioned this.

Mr. ALLEN. No demonstrations or mass meetings or hangings in effigy—anything of that sort?

Mr. ABOUREZK. Not as yet, not at this point.

With regard to voting in the referendum, I do not know that this bill is exactly similar to the other commodity programs that the Senator has spoken of—in cotton, for example, and others. I am referring to the method of voting in this referendum. Traditionally, this kind of referendum would require basically a two-thirds vote of the people involved, before the force of law would be put behind a procedure by which there would be jurisdiction in the courts to collect and coerce money out of people. But the proposed legislation, if I understand it correctly, says that it can be voted upon either by a two-thirds majority or a simple majority, provided it represents two-thirds of the cattle in this country.

Mr. ALLEN. The cattle producers are paying the assessment. If the owners of two-thirds of the cattle, among those participating in the referendum, say that they want the assessment imposed on them, why would that not be fair and democratic?

Mr. ABOUREZK. In my view, it would go beyond the principle of one man one vote and get into the area of one cow one vote; and that would be the first time that this principle has been applied in this country. I do not know whether it is constitutional or democratic, for that matter. We might have to test the whole procedure in the Supreme Court.

Mr. ALLEN. The Senator is welcome to do that.

Where we have a program designed to put assessments on cattle owned by producers, if certainly seems fair that if a man owned 100 cattle, that should be taken into account, as opposed to one who has only a smaller number.

Mr. ABOUREZK. But does not that in fact weight this whole program very heavily in favor of the extremely large cattle feeder and the supermarket chains who feed great numbers of cattle?

When the Senator talks about the amount of the assessment and whether or not the whole board is going to be established, does not that really give more weight than one should to the large producers rather than to the small ones? I know that the Senator from Alabama consistently has agreed with me in my efforts for and in behalf of the small farmer and the small cattle producer in this country, because I know that he represents a great many small producers in Alabama.

I simply point out that this program is very heavily weighted in favor of the larger producers as opposed to the smaller ones.

Mr. ALLEN. It is the same procedure that is in other promotion programs. The staff advises me that that is correct.

Mr. ABOUREZK. For example—I am not aware of this—in the cotton program, does it provide for two-thirds of the cotton production with the majority of those voting, or is it a straight two-thirds majority on a referendum?

Mr. ALLEN. I am not sure of that, but I am advised by the staff that that is correct. There are five such bills, and I am advised that all five have the same referendum procedure.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ABOUREZK. I yield.

Mr. DOLE. This referendum is patterned after the egg research program, and it is identical with respect to the number of producers and those owning the required percentage of laying hens.

In any event, if I may comment briefly on the referendum, there has been opposition from the American Farm Bureau Federation and others concerning the referendum. I can understand the opposition of any general farm organization when some commodity group seeks to help itself with a program of this kind. They have opposed similar programs.

As I said at the outset, we find cattle producers very seldom ask for any Federal assistance, other than occasional assistance in flying in feed during a severe blizzard in South Dakota, Kansas, or some other State. When we look at the support of this bill by the Cotton Council and the National Milk Producers Federation and the support of other commodity organizations, I think that on balance it is a good program.

The questions being raised by the Senator from South Dakota are legitimate questions. I trust that in the legislative history, we can clarify the matter or provide adequate answers to the Senator and others who may be in opposition to the bill.

Mr. ABOUREZK. Before asking another question, I want to call the attention of both Senators here to the time, a year or two ago, when we talked about the retail farm price spread, when the price of beef cattle was either going down or remaining stable and the price of beef in the supermarket continually went up. There was a lot of talk about investigation as to where that spread was going and who was getting it. That really brings us to this point: the promotion aspects of this bill would go only toward retail beef. Of course, that is probably the only place we can promote beef, because it would not do much good to promote wholesale beef to anybody. They know where their markets are and they are established and they are pretty much inelastic.

If we are promoting retail beef and taking money from small cattle producers around the country, as well as larger ones, to promote retail beef, there is no guarantee in this legislation of any kind. Is there anything that will guarantee that the price spread might be closed down, or is there a guarantee that a producer himself—just a producer; not the chainstore that also markets beef—will make one more penny out of the promotion of retail beef?

Mr. ALLEN. No, there is no guarantee, of course. How could we guarantee anything in the realm of the economy? Who is to say what the economy is going to do? This would, in my judgment, provide a program for research and promotion that would be calculated to allow the producers to produce beef at a lower cost to them and it would promote the consumption of beef. These factors would go hand in hand with making a profit, a greater profit, for the producer. No one could guarantee the success of the program, but, based on the steadily declining price of cattle, something needs to be done. This is what cattlemen say will help them. It is something that they say they are willing to pay, themselves, out of their own pockets.

The Senator is talking about the cost spread between what the producer gets and the retail price. I should assume that that is something that would be subject to research by this board, to see what causes that, to see what can be done to remedy that.

I think the Senator has put his finger on a very sensitive issue here. I think the research provided by this program would enable the Beef Board to check into what causes it, who is getting this add-on to the price of cattle as it is sold at retail.

I think the Senator points up the need for research in this area.

Mr. DOLE. Will the Senator yield?

Mr. ABOUREZK. Yes.

Mr. DOLE. I would like to add to that section 7 does provide something on that order. It is not limited to promotion. It includes provisions for research and market development projects, consumer information, distribution, and marketing plans.

At this point, I might address a question to the Senator from South Dakota.

Mr. ALLEN. I do not quarrel with the question being asked by the distinguished Senator.

Mr. DOLE. It will help clarify the intents and purposs of the legislation. If this is, as it is intended to be, a purely voluntary program, what are the objections of the Senator from South Dakota?

Mr. ABOUREZK. First of all, I think we ought to remember it is not purely a voluntary program. If it were a purely voluntary program, then that list of 60 organizations that the Senator put into the RECORD in support of this bill would raise their own money through their own check-off plan. That would be a purely voluntary program.

This one is, in a way, coercive. I am not saying that is all bad, because there are many programs throughout this country that became somewhat coercive in an effort to achieve an objective. For example, the open-shop labor unions, and the South Dakota Bar Association, for example. In order for me to be a member of the Bar Association and practice law, I have to pay dues. That is coerced out of me, but I am very happy to do it, because that is the way I made my living, before I came to Washington. They upheld certain standards and ethics, and of course, they upheld the fees, too, which is beneficial to any lawyer practicing.

This particular legislation contemplates, not a voluntary program, but a coercive program, where they are hopeful that people will not apply for the refund if they do not want to take part in the program. If the supporters were not worried about those people not bothering with the refund, there would be an allowance in this bill for the people to elect out in the first instance. I think the Senator will agree with that.

Mr. DOLE. It is essentially a voluntary program. I have some concern, too, that they have to make application for a refund, but I do not know of a better way to administer the program. In essence, if they do not want to participate, they make application that their deduction be returned. If there is some other way we can devise to make certain that it can be done on an annual basis, or a one-time basis, I should certainly be responsive to any suggestions.

Mr. ABOUREZK. I wonder if the Senators might accept an amendment—which would allow anybody who does not want to participate to elect out in the first instance and not have anything to do with the program at all if he does not want anything to do with it?

Would the Senators accept that kind of amendment?

Mr. DOLE. I am not certain, speaking only now for the Senator from Kansas, that I would be able to accept that. I certainly would be willing to take a very careful look at the proposed amendment if there should be one proposed, or if one is proposed informally. If one is now drafted, I shall take a look at it.

Mr. ABOUREZK. It is not drafted. It is merely a suggestion.

Mr. DOLE. If it is drafted, we can have the committee or the staff of the committee look at it. If it weakens the bill, I should not like it, but if the bill is strengthened, I certainly should not object to it.

Mr. ABOUREZK. Also, I understand that the language of the bill does not include consumer representation on this board, on either the executive board or the Beef Board itself. Is that correct?

Mr. ALLEN. I do not believe that is provided for. This is an assessment on producers, who, of course, are consumers just like every other citizen in the country. This is not an assessment on consumers. This is an assessment on producers. The consumer is not given representation on the Board, because he is not paying this assessment. It is the producer who is paying the assessment.

Mr. ABOUREZK. But it can be argued, and I think very easily, that the force of Federal law is behind this legislation so far as collecting the assessment, so far as what is done with the money. We have the Secretary of Agriculture involved, we have the Federal courts involved, we have Congress and the President involved, through the passage of this legislation. We cannot really talk in terms of this being a voluntary program, because I know no one would object if the American National Cattlemens Association were to have their own check-off program. Nobody could possibly object; there would be no grounds for it. But once we have put this in the public area, as we have with this legislation, consumers are going to be the target of the promotion in one way or another, and they really should have some kind of representation, both on the general board and on the Executive Board.

If you do not have it there, while you are propounding this legislation, putting the force of law behind, the enforcement of the Federal court behind, this program, then you have left out a major segment of our population who ought to have some kind of voice on the Board.

Mr. ALLEN. The Senator is certainly at liberty to offer any amendment he sees fit. That is what the bill on the floor is about now, to consider the bill and possible amendments.

Mr. ABOUREZK. I understand that.

Mr. President, how much time remains for the debate today and who has time remaining?

The PRESIDING OFFICER. The Senator from South Dakota has 15 minutes. The Senator from Alabama has 11 minutes.

Mr. ALLEN. Was there not a 2-hour limitation?

The PRESIDING OFFICER. The Parliamentarian advises it is 60 minutes to a side.

Mr. ABOUREZK. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, I yield to the Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from South Dakota.

The PRESIDING OFFICER. Will the Senator from Alabama yield for a clarification on the time?

Mr. ALLEN. Yes.

The PRESIDING OFFICER. The Senator from Alabama has 25 minutes remaining; the Senator from South Dakota has 29 minutes remaining.

Mr. ALLEN. I yield myself 15 seconds.

I ask unanimous consent that page 5 of the Senate committee report be inserted at this point in the RECORD. It gives a full explanation of the research and promotion it is contemplated will be done by the Beef Board.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

H.R. 7656 would make funds available for market research to determine consumers' needs and desires as they pertain to beef. This will allow the beef industry to meet their specifications for different types of beef products and new or better ways to use them. There is also a need for production research and development—to do more in the development of new and different beef products. The program might devise new techniques of canning, freezing or freeze drying or otherwise preparing or preserving fresh meat; techniques that are desirable to the consumers and cost savers for the beef industry. It is important that there be continued nutritional research to increase existing knowledge of the nutritional value of beef and beef products. Today, consumers are growing more aware of the importance of good meat and are demonstrating their concern by wanting to know nutritional information about the food they eat.

The program authorized by H.R. 7656 will also enable production research on cattle and forages to be carried out so that beef can be produced more efficiently and economically. There is a need to conduct research on cattle diseases, cattle feed rations and efficiency, genetics and environmental considerations. At the moment the industry is facing a standstill in developing new means to increase production—with little Federal money committed to further agricultural research in this important area.

The program will also help develop better means of product distribution. There is a need to move beef from the point of production to the point of consumption as efficiently as possible—improving processing, transportation, storage and handling. Such improvements could be a factor in lowering retail prices. The Beef Board may at its discretion supply producers with current and projected supply and demand statistics. This will help producers in the prices they receive for beef and consumers in the prices they pay for beef. However, the Beef Board is expected to refrain from any attempts to control or manipulate the production and marketing of beef in order to artificially increase beef prices.

One of the critical needs of the industry is to develop foreign markets to allow production to be maintained at full capacity and provide a climate of stability for the industry. The benefits to the U.S. balance of payments that would accrue from increased marketing abroad is important to the domestic economy. The Committee expects that the Beef Board will give strong emphasis to this activity in the projects which it carries out.

Mr. ABOUREZK. Mr. President, I wish to make a motion to recommit this legislation, and I ask to be recognized.

The PRESIDING OFFICER. The motion is debatable. The Senator from South Dakota is recognized.

Mr. ABOUREZK. Mr. President, the agreement under which the debate was structured on this bill provides that there will be no votes on the measure today.

The PRESIDING OFFICER. The agreement was no rollcall vote.

Mr. ABOUREZK. Since we have that agreement, and I do want a rollcall vote on the motion to recommit, I ask unanimous consent that the vote on that motion be put over until tomorrow at which time I would like to ask for the yeas and nays, and that the time remaining for either side today be put over until tomorrow.

The PRESIDING OFFICER. Is the request of the time over on the motion to recommit or the time remaining on the bill?

Mr. ABOUREZK. Both.

The PRESIDING OFFICER. There is provision in the order for 3 hours on the bill tomorrow.

Mr. ABOUREZK. Yes. I still make the same request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ABOUREZK. Mr. President, I yield myself 10 minutes on the motion to express the reasons why I think the bill should be recommitted.

During the dialog today with the Senator from Alabama and the Senator from Kansas we have established a number of points which, I think, ought to be brought up now as a summary, and which provide, I think, excellent reasons why this bill should be recommitted.

First of all, the Beef Board, as the subject of this legislation would consist of 68 members. The members would be appointed by the Secretary of Agriculture presumably from candidates who share his point of view, making the board subject to the political whims of whomever is in office, Democrat or Republican.

Second, the Secretary of Agriculture is given the authority under this legislation to approve all the significant actions of the executive and general Boards.

One of the more important points that was brought up during the debate is who can take part in this action. In the referendum as well as being members of the Board, the beef producer, the cattle producer, is determined as the person who can both serve on the Board and take part in the voting on the referendum. The producer is defined as any person who owns or acquires ownership of cattle.

Of course, it was made obvious by the debate earlier today, that corporate chains, which own feedlots, can be defined as producers and could take part in voting on the referendum, and it is made especially more significant, Mr. President, by the fact that there is not a regular majority or a two-thirds majority controlling whether or not this Board is set up or whether prices are based on the assessment. The voting requirement provides that it can be a simple majority of the cattle producers voting as long as they represent two-thirds of the cattle in the country, which means organizations like Safeway, or the huge feedlots that you see in some parts of the West, would have more of a voice in how this Board is established and whether or not it is established than would small cattle producers throughout the country.

It is weighted heavily in favor of the large cattle feeders, the large feedlots and the supermarket chains.

There is no limit placed on the assessment to be made by the Board. As the Senator from Alabama has pointed out a referendum must be initiated on any change of assessment. But, if we are in a situation where the large feedlot owners and the supermarket chains have more influence on this Board and have more influence in a referendum than do the small producers, and if the supermarket chains see where this promotion is benefiting them, even though it might not be of benefit to the small cattle producer—and we have seen that situation many times—then the influence they have by virtue of the way the voting is weighted would give them the right to increase the assessment.

I think that this is most unwise.

This is not a voluntary program, as has been argued by the supporters of the bill. If it were a voluntary program there would be no requirement for legislation.

What it really boils down to is that there will be a forced assessment on every single cattle producer in this country, no matter how large or how small. In order for somebody to elect out of the program, he has to apply for a refund, he cannot elect out in the first instance.

This is another of the many undesirable features of this bill. It is coercive, and I know that its authors contemplated that it would be much more profitable for the beef board to force people to pay in the first instance, hoping they would forget about electing out in the second instance, thereby making it far more profitable.

The last point I wish to make today, Mr. President, is that while consumers are the object of the advertising and promotion, our beef consumers have no voice of any kind, no representation on the executive board or on the general beef board.

Since the consumers comprise everyone in this country, if we are putting the force of law behind this legislation, then I think it is only right there be some sort of consumer's voice on this bill if it is going to become law.

Mr. President, I reserve the remainder of my time, and, once again, state to the Senator from Alabama that when we take up debate again tomorrow, I would like to ask for the yeas and nays on this motion to recommit.

The PRESIDING OFFICER (Mr. DOMENICI). Who yields time?

Mr. ALLEN. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum with the time not to be charged to either side.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that I may have printed in the RECORD at this point some information with reference to this bill, including certain tables; response to the question posed by the Senator from South Dakota, and perhaps others, on consumer representation on the Beef Board, the Beef Board membership; response to any questions someone might have on the referendum itself; response to the possible question of undue authority of the Secretary; and to the tax on livestock producers.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

The following table indicates the cattle population of each State and the Board membership projected for each State.

BDT BOARD MEMBERS

[Each major cattle State has 1 board member plus 1 additional member for each additional 3,000,000 head of cattle over 1,000,000]

State	Number of cattle (in millions)	Major State	Additional members	Total number of members
Alabama	2.24	1		1
Arizona	1.39	1		1
Arkansas	2.14	1		2
California-Hawaii	5.49	1	1	1
Colorado	3.74	1	1	2
Florida	2.49	1		1
Georgia	2.10	1		1
Idaho	2.03	1		1
Illinois	3.25	1	1	2
Indiana	2.10	1		1
Iowa	7.66	1	2	3
Kansas	6.99	1	2	3
Kentucky	3.22	1	1	2
Louisiana	1.75	1		1
Michigan	1.59	1		1
Minnesota	4.24	1	1	2
Mississippi	2.61	1	1	2
Missouri	6.20	1	2	3
Montana	3.38	1	1	2
Nebraska	7.41	1	2	3
Nevada	.66	1		1
New Mexico	1.62	1		1
New York	1.79	1		1
North Carolina	1.07	1		1
North Dakota	2.64	1	1	2
Ohio	2.15	1		1
Oklahoma	6.02	1	2	3
Oregon	1.47	1		1
Pennsylvania	1.83	1		1
South Carolina	.63	1		1
South Dakota	5.00	1	1	2
Tennessee	2.69	1	1	2
Texas	16.25	1	5	6
Utah	.83	1		1
Virginia	1.61	1		1
Washington-Alaska	1.38	1		1
West Virginia	.51	1		1
Wisconsin	4.40	1	1	2
Wyoming	1.60	1		1
New England [1]	.77	1		1
Maryland, Delaware, New Jersey	.56	1		1
Total				68

[1] Includes Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut.

QUESTION ON BEEF BOARD MEMBERSHIP

Charge:

There are no guarantees that the board of directors will be free of domination by chain stores and corporate feedlot interests.

Fact:

The act requires the Secretary of Agriculture to appoint members of the board from among nominees submitted by eligible producer organizations. The act spells out specific considerations in certifying organizations, including the extent to which the membership participates in setting organization policy.

Mr. President, the general farm organizations have consistently opposed the actions of commodity producer oriented groups. This is a logical position as they openly indicate their future and power as diversified farm organizations are threatened by legislation such as this which is oriented to a specific commodity producer.

Our general farm organizations have opposed research and promotion efforts for other commodities in the past, and we expect their opposition in this legislation. With due respect, however, we feel these cattle producers who have seldom asked for any Government assistance (other than occasional assistance in flying in feed for cattle during severe blizzards) should be granted their request to assess themselves for funds to research, promote and inform the public of the benefits of the protein in beef. This is a reasonable request and should be supported as we have for cotton, wool, potatoes and eggs.

The Beef Research and Information Act has general support from a number of other commodity organizations, including the National Cotton Council, National Milk Producers Federation, United Dairy Industry Association, National Association of Wheat Growers, National Potato Council, National Wool Growers Association, Poultry and Egg Institute of America, and the National Peach Council.

All provisions of the program will be outlined in the referendum before a vote. Any future changes in the procedure would require an additional referendum. And even after a referendum is passed and the program is operational, if a producer does not wish to participate, he may request and receive a refund of the money deducted from the sale of his animals. In drafting this legislation, we have tried to be as fair as possible to all producers concerned.

The opposition to the referendum procedure is unfair. Instead of violating an American principle, it in fact emulates such a principle. No order can pass unless it has majority support; however, it recognizes the right of a simple majority who produce two-thirds majority of cattle to levy an assessment upon themselves.

This closely resemble the wisdom of our Founding Fathers in setting up Congress, and it is why South Dakota has two Senators and two Representatives while California has two Senators and forty-three Representatives.

QUESTION ON UNDUE AUTHORITY TO THE SECRETARY

The concern about undue powers being delegated to the Secretary of Agriculture are unfounded. Someone has to be given this administrative responsibility, and the Secretary of Agriculture is the obvious choice just as he has been designated in other similar programs. There are many built-in safeguards, however, including the beef board's authority to develop any program that is to be implemented, the right of producers to either accept or reject the secretary's order in referendum, the oversight and consultation activities of Congress and, finally, the right of producers to demand a refund if they do not want to support any program developed by the beef board under an order.

QUESTION ON TAX ON LIVESTOCK PRODUCERS

Section 12 specifies that any producer may request and receive a refund of his assessment. This is definitely not a tax but a voluntary assessment.

Mr. THURMOND. Mr. President, as an original cosponsor of S. 772, the Senate counterpart to H.R. 7656, I am pleased to lend my support to passage of this bill, the Beef Research and Information Act.

Too often Congress has enacted legislation which takes from one sector of society what is rightfully theirs and gives it to another group which neither appreciates nor deserves such assistance. I am proud to say that this bill is not of this nature. It is a self-help authorization, which would allow cattle producers to decide for themselves in a referendum whether or not they desire to finance a research and educational promotion program that can improve the efficiency and profitability of the beef industry.

Mr. President, this bill has been carefully drafted by a broad coalition of cattle industry representatives, working in close cooperation with USDA and the Agriculture Committees of this Congress. The referendum procedures and the entire concept of a "check-off and promotion program" are closely modeled after highly successful research and promotion programs already in effect for cotton, soybeans, eggs, and other agricultural commodities. The beef industry has not had the benefit of a coordinated, national program of this sort.

Furthermore, in the past 2 years, the cattle industry has faced serious financial difficulties, and the producers of beef calves are still receiving prices far below their cost of production. This proposal is neither an immediate bail-out nor a guarantee of future success for cattlemen. Yet, if approved by cattle producers, it will provide funds to finance research and promotion programs which can focus on these production and marketing problems that have periodically plagued cattle farmers for decades.

Critics of this proposal have charged that the plan will fail; that it will be nothing other than a multimillion-dollar bonanza for Madison Avenue advertising firms; and that the cost of the program will inevitably be passed through to consumers. However, past experience with similar self-financing commodity research and information programs, plus the carefully drawn language of this bill, and the economic structure of the cattle industry, all argue strongly against these claims.

Progressive-minded cattle farmers well know that they are utterly dependent on consumer acceptance of their product. It would be self-defeating for the beef industry to think they can achieve financial success by bombarding consumers with advertising gimmickry and irrelevant information. Rather, the limited amount of promotional programs contemplated by cattle industry leaders under this plan would be designed to benefit consumers and cattle farmers. Both consumers and cattlemen would gain from research and dissemination of useful information on new and better ways to use more economical and nutritious cuts of beet. Cattle producers need to know how consumer tastes and preferences are changing, and a portion of the funds generated by assessments on cattle sold would finance this type of market research.

Other benefits and purposes of the fund are to help expand foreign marketings of beef, develop new methods of beef processing and different beef products, finance production research on cattle and forages to enable beef to be produced more efficiently and economically, and to improve product distribution.

I think this latter point is particularly important and could help lower retail beef prices. Neither farmers nor consumers are happy with the widening spread between what farmers receive for cattle on the farm and what housewives have to pay for beef in the stores. Again, this bill offers no magic solution, because there is no quick and easy one. However, it is the intent of beef industry leaders to use some of the funds collected to find methods of improving processing, transportation, storage, and handling efficiency.

Mr. President, it should be clear to all that this bill is simply enabling legislation. It authorizes the Secretary of Agriculture to issue a national order establishing a Beef Board, consisting of up to 68 representatives of cattlemen's associations from all across the Nation, and allows this assessment and promotion plan to be put into effect only after the entire concept is approved by cattle producers in a referendum. The plan must be approved by two-thirds of the cattle producers voting in a referendum, or if a majority of those voting own two-thirds of the cattle owned by all those participating in the referendum, the plan can become operational upon approval by a simple majority of those voting.

Cattle industry leaders and organizations have assured us that they will undertake a vigorous educational program to familiarize producers with the program before the referendum. There are adequate safeguards to insure that no assessment program can be put into effect without broad-based agreement among cattle farmers. They are the ones who will pay for the program, and they should have the opportunity to decide for themselves if they want this program. It should also be pointed out that any cattle farmer who desires not to participate in the program, even if it is approved by majority vote, can apply for a full refund of assessments collected on his cattle. The amount of the assessment will be very small—only 0.3 percent of the value of cattle sold in the first year—but it should generate some $30 to $40 million nationally for research and educational programs. The cost of the referendum, and subsequent Government administrative costs, will be refunded to the U.S. Treasury from the assessments collected from cattle producers. Thus, the program will be completely self-financing.

Mr. President, I am pleased to say that this legislation is endorsed by the South Carolina Cattlemen's Association. It is a good plan that can be of great benefit to the entire cattle industry and to all consumers of beef products. I hope the Senate will approve this enabling legislation and put the question to the cattle farmers themselves for their consideration.

Mr. CURTIS. Mr. President, I am pleased to add my support to H.R. 7656. As an original cosponsor of the Senate bill, S. 772, I am well aware of the grass-roots support for this legislation. This bill was not the "brainchild" of some politician but came from an extended effort by beef producers themselves to find a means to halt the financial roller coaster of their industry.

To indicate the importance of the beef cattle industry to my State of Nebraska, I would point out that in the latest year for which statistics are available Nebraska ranked first in commercial cattle slaughter, second in fed cattel and calves marketed, and second in the value of cattle and calves on farms.

Mr. President, I have not received one negative comment from any Nebraska beef producer with reference to this bill but have received a great number of letters and telephone calls in support of it. These are the people who will be assessed to pay for the activities of the beef research and information group if it is approved by two-thirds of the producers voting or a majority if that majority owns two-thirds of the cattle registered.

Mr. President, passage of this bill will cost the taxpayer nothing and in the long run could mean a savings to the taxpayer in his role as a beef consumer through the research that the assessment to be paid by producers will fund.

It is my hope that the Senate will give speedy approval to H.R. 7656.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator from Kansas indicate on whose time the quorum call will be charged?

Mr. DOLE. Mr. President, I suggest that it be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the Senator from Oklahoma (Mr. BARTLETT) be permitted to speak out of order, and that the time used be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. GRIFFIN. To be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I ask unanimous consent to speak out of order and not to have the time charged to either side.

The PRESIDING OFFICER. Under the previous order, the Senator is to speak out of order and the time to be equally charged to both sides.

The Senator from Oklahoma may proceed.

Mr. BARTLETT. I thank the Chair.

NEW YORK CITY

Mr. BARTLETT. Mr. President, President Ford's proposal for Federal assistance to New York City could create more problems than it might solve. The program is an unfair, poorly thought-out plan, which could establish several bad precedents, would increase New York's indebtedness, and might not work at all. Before Congress buys a pig-in-a-poke, I believe that there are several problems which must be carefully considered.

Has New York, as the President insisted, "bailed itself out"? I think it is clear that it has not. President Ford gave the indication that the city had come up with an immediate balanced budget; however, later analysis of the program shows that, in fact, the city will be deeper in debt at the end of 3 years than it is today.

The only assurances for a balanced budget are the promises of New York officials and the will of the President and Secretary of the Treasury to enforce the provisions of the loan—and even then, not until July 1, 1978. This looks very much like the same debt rollover scheme which New York City practiced throughout the 1960's and which brought it to its present bankrupt position. New York City leaders are once again merely pledging anticipated future tax revenues against the Federal loans just as they have done for several years against private borrowing. Serious questions have, in fact, been raised over the accuracy, legality, and propriety of past New York City revenue estimations. What assurances are there in this difficult job of estimating tax revenues and expenditures that these projections are and will continue to be accurate?

Throughout the plan proposed by Governor Carey and embraced by the President, there is a persistent lack of safeguards. New York State's mandated debt moratorium is a de facto default and de facto bankruptcy which mainly saves face, provides some of the advantages of reorganization in a Federal court, but most importantly, not the support safeguards and guarantees of the court available in bankruptcy.

The bond moratorium poses legitimate constitutional issues and may not be upheld in the courts; if this happened, the whole house of cards could come tumbling down and the American taxpayer would be stuck footing the bill.

Reorganization under the municipal bankruptcy statutes, which needs strengthening by Congress, would provide assurances, free from the pressures of political expediency, that this city would have a balanced budget. It would not be a question for speculation. Such reorganization would provide protection for the plan from an endless stream of lawsuits, some of which have already been filed.

I am concerned that during the debate on this matter over the past several weeks, those who have opposed Federal intervention have often been accused of being insensitive, if not downright hostile, to the concerns of the poor and needy in New York. In fact, nothing could be further from the truth. Municipal reorganization would assure the continuation of vital city services, which have been jeopardized by irresponsible city administrations. The Carey plan, on the other hand, protects the same vested interests which have been in control in New York City for many years. The municipal unions, with their pension money being an integral part of the plan, would be in a stronger position to resist successfully any major changes in the number of personnel, their salary and pension benefits, which must be drastically reduced to achieve a balanced budget containing sufficient revenues to amortize all or most of the existing debt. Despite the moratorium of the Carey plan, the banks are assured of reduced interest and principal payments. Under municipal reorganization, the bankers would have to wait in line like everyone else.

There is a basic issue of unfairness involved in the proposal, also. It is patently unjust to pass a bill to help only one American city. We cannot vote money to allow New York to spend beyond its means and then turn around and deny it to Philadelphia, Detroit, or Anadarko, Okla., which has defaulted on some municipal bonds and is seeking to take part in the New York City program. If we draft legislation to help every city which would desire Federal funds, we would be entering a bottomless pit.

Even the interest rate provision of the Federal funds being proposed for New York City may be a penalty against those cities which practice fiscal responsibility.

A loan with the interest rate the same as the Federal Government pays to borrow its money plus a maximum rate of a 1-percent penalty could mean that New York City would borrow funds at a rate less than other American cities which have not engaged in irresponsible and deceptive financial dealings.

President Ford is to be commended for his position up to this point, for he has certainly forced the leaders of New York City to make decisions and to take steps which they previously said could not be done. But there are still more tough decisions to be made before a solution will be assured. That solution is a balanced budget.

How should we in Congress answer this proposal by some of the leaders of New York?

We should keep their feet to the fire so they will come up with a workable solution—a balanced budget. This would not require Federal loans or loan guarantees.

RECESS UNTIL 3:55 P.M.

Mr. BARTLETT. Mr. President, with authority of the majority and minority whips, I ask unanimous consent that the Senate stand in recess until 3:55 p.m. today.

There being no objection, the Senate, at 2:53 p.m., recessed until 3:55 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. THURMOND).

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

DESIGNATION OF PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, there be a period for the transaction of routine morning business not to extend beyond the hour of 10:30 a.m., with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF THE UNFINISHED BUSINESS TOMORROW—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. I ask unanimous consent that at the hour of 10:30 a.m. tomorrow the Senate resume the consideration of the pending business, the Beef Research and Information Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that beginning at 10:30 a.m., there be 15 minutes allotted to the Senator from Alabama (Mr. Allen) and 15 minutes allotted to the Senator from South Dakota (Mr. Abourezk), and that at the expiration of the 30 minutes the vote occur on the motion to recommit.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that following the vote on the motion to recommit, there be a limitation of 1 hour for continuation of debate on the measure, that time to be equally divided between and allotted to Mr. Allen and Mr. Abourezk.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL BUDGET, 1976

Mr. MUSKIE. Mr. President, as in legislative session, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 466.

The PRESIDING OFFICER (Mr. Thurmond) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the concurrent resolution (H. Con. Res. 466) revising the congressional budget for the U.S. Government for the fiscal year 1976, and directing certain reconciliation action, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MUSKIE. I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Muskie, Mr. Magnuson, Mr. Moss, Mr. Mondale, Mr. Hollings, Mr. Cranston, Mr. Bellmon, Mr. Dole, Mr. Beall, and Mr. Domenici conferees on the part of the Senate.

EXTRADITION TREATY WITH AUSTRALIA; EXTRADITION TREATY WITH CANADA; PROTOCOLS FOR THE FURTHER EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT, 1971

The PRESIDING OFFICER (Mr. Thurmond). The hour of 4 p.m. having arrived, the Senate will immediately proceed to vote on the resolutions of ratification of Executive F, Executive G, and Executive C.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the treaties.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will state the first resolution of ratification.

TREATY ON EXTRADITION BETWEEN THE UNITED STATES OF AMERICA AND AUSTRALIA

The resolution of ratification of Executive F was read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty on Extradition between the United States of America and Australia, signed at Washington on May 14, 1974 (Executive F, 93rd Congress, second session).

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification on Executive F, 93d Congress, 2d Session, Treaty on Extradition Between the United States of America and Australia?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Kentucky (Mr. Huddleston), the Senator from Minnesota (Mr. Humphrey), the Senator from Washington (Mr. Magnuson), the Senator from Wyoming (Mr. McGee), the Senator from New Mexico (Mr. Montoya), the Senator from Wisconsin (Mr. Nelson), the Senator from Montana (Mr. Mansfield), the Senator from Delaware (Mr. Biden), and the Senator from New Hampshire (Mr. Durkin) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Inouye), the Senator from New Hampshire (Mr. McIntyre), the Senator from North Carolina (Mr. Morgan), and the Senator from Utah (Mr. Moss) are absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan), the Senator from Washington (Mr. Magnuson), and the Senator from Minnesota (Mr. Humphrey) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Hawaii (Mr. Fong), the Senator from Idaho (Mr. McClure), the Senator from Ohio (Mr. Taft), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii (Mr. Fong), and the Senator from Ohio (Mr. Taft) would each vote "yea."

The yeas and nays resulted—yeas 79, nays 0, as follows:

[Rollcall Vote No. 529 Ex.]

YEAS—79

Abourezk
Allen
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Mathias
McClellan
McGovern
Metcalf
Mondale
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—0

NOT VOTING—21

Baker
Biden
Bumpers
Church
Durkin
Fong
Gravel
Huddleston
Humphrey
Inouye
Magnuson
Mansfield
McClure
McGee
McIntyre
Montoya
Morgan
Moss
Nelson
Taft
Weicker

The PRESIDING OFFICER. Two-thirds of the Senators present and voting, having voted in the affirmative, the resolution of ratification is agreed to.

TREATY ON EXTRADITION BETWEEN THE UNITED STATES AND CANADA

The resolution of ratification of Executive G was read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty on Extradition between the United States of America and Canada, signed at Washington on December 3, 1971, as amended by an exchange of notes of June 28 and July 9, 1974 (Executive G, 93rd Congress, second session).

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification on Executive G, 93d Congress, 2d Session, the Treaty on Extradition Between the United States and Canada? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr.

Gravel), the Senator from Kentucky (Mr. Huddleston), the Senator from Minnesota (Mr. Humphrey), the Senator from Washington (Mr. Magnuson), the Senator from Wyoming (Mr. McGee), the Senator from New Mexico (Mr. Montoya), the Senator from Wisconsin (Mr. Nelson), the Senator from Montana (Mr. Mansfield), the Senator from Delaware (Mr. Biden), and the Senator from New Hampshire (Mr. Durkin) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Inouye), the Senator from New Hampshire (Mr. McIntyre), the Senator from North Carolina (Mr. Morgan), and the Senator from Utah (Mr. Moss) are absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan), the Senator from Washington (Mr. Magnuson), and the Senator from Minnesota (Mr. Humphrey) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Hawaii (Mr. Fong), the Senator from Idaho (Mr. McClure), the Senator from Ohio (Mr. Taft), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii (Mr. Fong) and the Senator from Ohio (Mr. Taft) would each vote "yea."

The result was announced—yeas 79, nays 0, as follows:

[Rollcall Vote No. 530 Ex.]

YEAS—79

Abourezk
Allen
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Mathias
McClellan
McGovern
Metcalf
Mondale
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—0

NOT VOTING—21

Baker
Biden
Bumpers
Church
Durkin
Fong
Gravel
Huddleston
Humphrey
Inouye
Magnuson
Mansfield
McClure
McGee
McIntyre
Montoya
Morgan
Moss
Nelson
Taft
Weicker

The PRESIDING OFFICER. Two-thirds of the Senators present and voting, having voted in the affirmative, the resolution of ratification is agreed to.

PROTOCOLS FOR THE FURTHER EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT, 1971

The resolution of ratification of Executive C was read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocols for the Further Extension of the Wheat Trade Convention and of the Food Aid Convention, which together constitute the International Wheat Agreement, 1971, formulated by a Conference of Governments at London on February 14, 1975, and open for signature in Washington from March 25 through April 14 (Executive C, 94th Congress, first session).

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification on Executive C, 94th Congress, 1st session, Protocols for the Further Extension of the International Wheat Agreement, 1971? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Kentucky (Mr. Huddleston), the Senator from Minnesota (Mr. Humphrey), the Senator from Washington (Mr. Magnuson), the Senator from Wyoming (Mr. McGee), the Senator from New Mexico (Mr. Montoya), the Senator from Wisconsin (Mr. Nelson), the Senator from Montana (Mr. Mansfield), the Senator from Delaware (Mr. Biden), and the Senator from New Hampshire (Mr. Durkin) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Inouye), the Senator from New Hampshire (Mr. McIntyre), the Senator from North Carolina (Mr. Morgan), and the Senator from Utah (Mr. Moss) are absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan), the Senator from Washington (Mr. Magnuson), and the Senator from Minnesota (Mr. Humphrey) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Hawaii (Mr. Fong), the Senator from Idaho (Mr. McClure), the Senator from Ohio (Mr. Taft), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii (Mr. Fong) and the Senator from Ohio (Mr. Taft) would each vote "yea."

The yeas and nays resulted—yeas 79, nays 0, as follows:

[Rollcall Vote No. 531 Ex.]

YEAS—79

Abourezk
Allen
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Mathias
McClellan
McGovern
Metcalf
Mondale
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—0

NOT VOTING—21

Baker
Biden
Bumpers
Church
Durkin
Fong
Gravel
Huddleston
Humphrey
Inouye
Magnuson
Mansfield
McClure
McGee
McIntyre
Montoya
Morgan
Moss
Nelson
Taft
Weicker

The PRESIDING OFFICER. Two-thirds of the Senators present and voting, having voted in the affirmative, the resolution of ratification is agreed to.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SCHLESINGER, KISSINGER, AND SOLZHENITSYN

Mr. HELMS. Mr. President, last month, in protesting the dismissal of Dr. James Schlesinger, I suggested that the President perhaps had chosen the wrong man to fire. I suggested that he might have looked instead at his Secretary of State, as a man who had fumbled détente with the Soviet Union, who had sealed the doom of the free Vietnamese, and who had escalated tensions in the Middle East in the name of peace.

Those who have shown concern over how our Nation looks to our friends abroad—and indeed to our enemies in the world—should continue to show concern over the image of instability we present in such incidents. The failure of American leadership in foreign policy, our seeming unwillingness to back up our own interests or the interests of freedom with a resolute defense system, and our lack of understanding of Soviet intentions and accomplishments has created the image abroad of a floundering nation.

This morning's New York Times carries an article by Alexandr I. Solzhenitsyn in which he gives his impressions of the impact which the Schlesinger firing had abroad. For the first time, Mr. Solzhenitsyn also gives his analysis of the diplomacy conducted by the U.S. Secretary of State. It is an analysis that carries with it not only Solzhenitsyn's great moral force, but also his intuitive understanding of Soviet and Communist psychology, an understanding which is obviously lacking to our Secretary of State.

In the article in this morning's New York Times, Solzhenitsyn says:

> I dispute not only that Mr. Kissinger has the life experience necessary to understand the psychology of Communist leaders, and as a result sits at the negotiating table as if blindfolded. I also dispute that he is on the high diplomatic intellectual level ascribed to him.
>
> It is not diplomacy to negotiate with a preponderance of power behind one's back, with an abundance of material means in one's pocket, to submit to all participants in the negotiations, to pay them all off and thereby to create unbalanced and temporary grounds for transition to further concessions.

Mr. President, I commend to the earnest consideration of all of my colleagues who may happen to see it in the Congressional Record tomorrow morning this article, published this morning in the New York Times, by Alexandr Solzhenitsyn. I ask unanimous consent that this article be printed in the Record at the conclusion of these remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Dec. 1, 1975]

SCHLESINGER AND KISSINGER

(By Alexandr I. Solzhenitsyn)

Zurich.—I shall never forget, when President Kennedy was assassinated, the pain we felt for America and the bewilderment and disillusionment experienced by the many former soldiers in World War II and former inmates in Soviet camps and prisons.

It was all the worse because of the inability or the lack of desire by the American judicial authorities to uncover the assassins and to clear up the crime.

We had the feeling that powerful, openhanded and generous America, so boundlessly partial to freedom, had been smeared in the face with dirt, and the feeling persisted. Something more than respect was shaken—it was our faith.

Despite the dissimilarity of events, I had a very comparable feeling at the time of the abrupt dismissal of Secretary of Defense James R. Schlesinger, a man of steadfast, perceptive and brilliant mind. Once again, the feeling was that America had been insulted.

I realize that President Ford acted in full conformity with the Constitution. But woe betide a system in which it is sufficient and expedient to govern guided only by one's personal or party's election interests.

There is something higher than jurisdiction, and that is decency. There is something beyond juridical right, and that is good sense. There should at least be decency toward one's allies. After all, the Secretary of Defense is not merely a member of the American Government. He is in fact also responsible for the defense of the entire free world.

It would have been a friendly act first to have received consent from the allies. As for good sense, this involves the way things are handled. A leap-frog succession of officials in such a post can only impair the defense of the country. (It was noted who was pleased by the dismissal.)

There were rumors that the dismissal was linked to another name. It is an irony of history that the two names almost rhyme.

When I was in the United States last summer, I avoided direct questions from the press on assessing the character of Secretary of State Henry A. Kissinger. But his present triumph and the blinding misinformation being spread to this day about his activities compel me to speak out bluntly.

Defending his policy of unending concessions, Mr. Kissinger repeats the one and same argument almost like an incantation: "Let our critics point out the alternative to nuclear war!" More than anything, it is this phrase that exposes the nature of Mr. Kissinger; in particular, it exposes that he is *least of all a diplomat.*

"Alter" in Latin means "other (of two)." An alternative is a choice between two possibilities. This is a scientific concept, but even scientific situations often allow a much broader choice. But diplomacy is not a science. It is an art, one of the arts concerning the nature of man. To construct diplomacy on an "alternative" is to put it on the lowest and crudest level.

An art does not recognize alternatives within itself; it would fall apart if it developed only on the basis of two possibilities. No, in every instance art has a thousand choices. Every art has a *spectrum,* a keyboard of possibilities. From ancient times to the present, the art of diplomacy has consisted of playing on this keyboard.

How many great diplomats of the past have won negotiations even with empty hands or backed by inadequate power, in circumstances of military weakness, conceding nothing and paying nothing, defeating the opponent only by intellectual and psychological means. That is diplomacy.

Mr. Kissinger endlessly deafens us with the threat ". . . but otherwise, nuclear war." He obscures the fact that this same nuclear war hangs *equally* over the head of his opponents (at least as of today, until new successes by Mr. Kissinger).

And in these equal circumstances, under the same threat, his opponents are always *winning* and he is always *yielding.* Let him learn something from his opponents—how is it that they operate so successfully in the nuclear age? The answer would be: They study the psychology of Mr. Kissinger.

What an absurdity: The United States was the first to introduce nuclear weapons to the world. Should it *because of this* have become weaker, and should it *because of this* surrender its position in the world?

I dispute not only that Mr. Kissinger has the life experience necessary to understand the psychology of Communist leaders, and as a result sits at the negotiating table as if blindfolded. I also dispute that he is on the high diplomatic intellectual level ascribed to him.

It is not diplomacy to negotiate with a preponderance of power behind one's back, with an abundance of material means in one's pocket, to submit to all participants in the negotiations, to pay them all off and thereby to create unbalanced and temporary grounds for transition to further concessions.

The celebrated Vietnam agreement, the worst diplomatic defeat for the West in 30 years, hypocritically and very conveniently for the aggressor prepared the way for the quiet surrender of three countries in Indochina.

Is it possible that the prominent diplomat could not see what a house of cards he was building? (The Soviet press, in its rage against Andrei D. Sakharov, damned his Nobel Prize as "the ultimate in political pornography." The press aimed in the wrong direction and was three years too late. This abuse would have been more suitable for the Nobel Prize shared by the aggressor and the capitulator in the Paris agreement.)

A similar alarming feeling of shakiness is aroused by the Middle East agreements of Mr. Kissinger (as far as I know, many Israeli leaders do not regard them any higher), although there has not been the kind of open capitulation to which Vietnam was doomed by the same pen.

Mr. Kissinger does not concede that any concessions whatsoever are being made. Thus, it appears: "The Western countries have not set a goal of ideological détente" (that is, they have not even tried to eradicate the coldest aspect of the cold wars, so what is their goal?). Or as he said on Aug. 15, 1975: "It is not we who were on the defensive in Helsinki." Three months have passed and we ask: If it was not you, who was it?

The very process of surrender of world positions has the character of an avalanche. At every successive stage it becomes more difficult to hold out and one must yield more and more. This is evident in the new conditions across entire continents, in the unprecedented encroachments by the Soviet Union in southwestern Africa and in votes in the United Nations.

Mr. Kissinger always has an emergency exit available to him. He can transfer to a university to lecture to credulous youngsters about the art of diplomacy. But the Government of the United States (just as those youngsters) will have no emergency exit.

There is another favorite argument by Mr. Kissinger: In the nuclear age, we shall not forget that peace, too, "is a moral imperative." Yes, that is true and not only in the nuclear age (indeed, this nuclear age is an obsession for Mr. Kissinger) but only if one correctly understands *peace as the opposite of violence* and does not consider Cambodian genocide and Vietnamese prison camps as the attainment of *peace.*

But a peace that tolerates any ferocious forms of violence and any massive doses of it against millions of people—just so long as this does not affect us for several years yet—such a peace, alas, has no moral loftiness even in the nuclear age.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC BROADCASTING FINANCING ACT OF 1975

Mr. PASTORE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 6461.

The Presiding Officer laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 6461) to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. PASTORE. I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agree to; and the Presiding Officer (Mr. Thurmond) appointed Mr. Magnuson, Mr. Pastore, Mr. Hartke, Mr. Baker, and Mr. Beall conferees on the part of the Senate.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President,

I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BEEF RESEARCH AND INFORMATION ACT

The Senate continued with the consideration of the bill (H.R. 7656) to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that none of the time consumed following the vote on the treaties be charged against the time allotted to the Beef Research and Information Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

(At this point Mr. Griffin assumed the Chair.)

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEW YORK CITY SEASONAL FINANCING ACT OF 1975—S. 2725

Mr. TOWER. Mr. President, over the past several months, the financial plight of New York City has received a great deal of attention. Some people have argued that the Federal Government should choose a set of revenue and spending measures which New York would be required to accept in order to avoid bankruptcy. Now, however, New York State officials themselves have selected a financial plan embodying fiscal measures that will equate New York City's revenues with its spending.

The New York financial plan emphasizes debt restructuring and new taxes. Thus investors holding over $4.4 billion of debt issued by, or on behalf of, New York City will experience a reduction in interest earnings and/or a delay in the repayment of their principal. New or increased taxes will be imposed in New York City on personal income, banks, cigarettes, personal services, and estates.

While the financial plan will enable New York City to equate spending with revenue over the course of a fiscal year, the city still will experience intrayear, cash-flow problems. These will arise because, during some months of each year, the city's expenditures will exceed revenues. But since the city's budget will be balanced on a fiscal-year basis, deficits in some months must be offset by surpluses in other months.

This cash-flow pattern is experienced by many cities. They, in turn, borrow funds in the credit markets during deficit months and repay the borrowings during succeeding surplus months. Credit markets view this type of borrowing as legitimate. But because of past financial irresponsibility, New York City cannot even go to credit markets for this type of legitimate borrowing.

Last week President Ford proposed Federal Government loans to New York City as a substitute for legitimate short-term borrowing in the credit markets to bridge intrayear, cash-flow discrepancies. This is an approach similar to that which Senator Brooke and I unsuccessfully supported as an alternative to the Federal bailout legislation reported by the Committee on Banking, Housing and Urban Affairs.

Today I am introducing legislation which would implement the President's proposals. This does not constitute a Federal bailout of New York City. A bailout would enable New York City to escape taking the tough steps needed to put its financial house in order immediately. A bailout also would enable investors to escape sharing the burden. I reject the bailout approach categorically.

Under the legislation I am introducing, short-term loans would be extended to New York City, or to a State agency for the benefit of New York City, only to enable the city to continue providing essential services to its citizens during those months when expenditures exceed revenues. All loans would mature no later than the last day of the city's fiscal year in which they are issued. This would prevent the loans from being used for any purpose other than meeting legitimate credit needs relating to intrayear, cash-flow problems.

The Secretary of the Treasury would be authorized to require such security as he deemed necessary for the loans. He also would be authorized to withhold payments from the Federal Government to New York City in order to offset any claims the United States might have against the city under the legislation. At no time could the outstanding loans exceed $2.3 billion. Failure to comply with the terms of a loan would prevent the city from receiving additional loans. Authority to extend loans would expire on June 30, 1978.

Mr. President, I urge prompt acceptance of this legislation by the Senate.

I am submitting it in two forms, one in the form of an amendment in the nature of a substitute to S. 2615, which is already on the calendar, and the other in the form of an independent bill.

Mr. President, I ask unanimous consent that the bill and the section-by-section analysis be printed at this point in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 2725

Whereas it is necessary for the City of New York to obtain seasonal financing from time to time because the City's revenues and expenditures, even when in balance on an annual basis, are not received and disbursed at equivalent rates throughout the year; and

Whereas the Congress finds that at the present time the City is or may be unable to obtain such seasonal financing from its customary sources; and

Whereas the Congress finds that it is necessary to assure such seasonal financing, in order that the City of New York may maintain essential governmental services.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "New York City Seasonal Financing Act of 1975".

Sec. 2. Definitions.

The words and phrases used in the Act have the following meanings:

(a) The terms "City" and "State" mean the City and State of New York, respectively.

(b) The term "Financing Agent" means any agency duly authorized by State law to act on behalf or in the interest of the City with respect to the City's financial affairs.

(c) The term "Secretary" means the Secretary of the Treasury.

Sec. 3. Loans.

(a) Upon written request of the City or a Financing Agent, the Secretary may make loans to the City or such Financing Agent subject to the provisions of this Act, provided that in the case of loans to a Financing Agent, the City and such Agent shall be jointly and severally liable thereon.

(b) Each such loan shall mature not later than the last day of the fiscal year of the City in which it was made, and shall bear interest at an annual rate determined by the Secretary at the time of the loan, based upon the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturities of such loans, adjusted to the nearest one-eighth of one percentum, plus one percentum per annum.

Sec. 4. Security for Loans.

In connection with any loan under this Act, the Secretary may require the City and any Financing Agent and, where necessary, the State, to provide such security as he deems appropriate. The Secretary may take such steps as are necessary to realize upon any collateral in which the United States has a security interest pursuant to this section to enforce any claim the United States may have against the City or any Financing Agent pursuant to this Act. Notwithstanding any other provision of law, the Secretary may withhold any payments from the United States to the City, either directly or through the State, which may be or may become due pursuant to any law and offset such withheld amounts against any claim the Secretary may have against the City or any Financing Agent pursuant to this Act.

Sec. 5. Limitations and Criteria.

(a) A loan may be made under this Act only if the Secretary determines that there is a reasonable prospect of repayment of the loan in accordance with its terms and conditions. In making the loan, the Secretary may require such terms and conditions as he may deem appropriate to insure repayment. The Secretary is authorized, without regard to Section 9, to agree to any modification, amendment or waiver of any such term or condition as he deems desirable to protect the interests of the United States.

(b) At no time shall the outstanding amount of loans hereunder exceed in the aggregate $2,300,000,000.

(c) No loan shall be provided under this Act unless: (i) the City and all Financing Agents shall have repaid according to their terms all prior loans under this Act which have matured, and (ii) the City and all Financing Agents shall be in compliance with the terms of any such outstanding loans.

Sec. 6. Remedies.

The remedies of the Secretary prescribed in this Act shall be cumulative and not in limitation of or substitution for any other remedies available to the Secretary or the United States.

Sec. 7. Funding.

For the purpose of making any loan or the payment of any expenses under this Act, the Secretary is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include the making of such loans and payments.

The Secretary authorized to sell, assign or otherwise transfer any note or other evidence of any such loan to the Federal Financing Bank and, in addition to its other powers, such Bank is authorized to purchase, receive, or otherwise acquire the same.

SEC. 8. INSPECTION OF DOCUMENTS.

At any time a request for a loan is pending or a loan is outstanding under this Act, the Secretary is authorized to inspect and copy all accounts, books, records, memoranda, correspondence, and other documents of the City or any Financing Agent relating to its financial affairs.

SEC. 9. TERMINATION.

The authority of the Secretary to make any loan under this Act terminates on June 30, 1978. Such termination does not affect the carrying out of any transaction entered into pursuant to this Act prior to that date, or the taking of any action necessary to preserve or protect the interests of the United States arising out of any loan under this Act.

SECTION BY SECTION ANALYSIS OF NEW YORK CITY SEASONAL FINANCING ACT OF 1975

Section 1. Definitions. This section defines certain terms that are used in the bill. The term "Financing Agent" means any agency authorized by State law to act on behalf of the City with respect to its financial affairs.

Section 2. Loans. This section authorizes the Secretary of the Treasury to make loans to the City or a Financing Agent, subject to the provisions of the Act. Loans will mature no later than the last day of the City's fiscal year in which they were issued and will bear interest at a rate of one percent over the cost of the Treasury for comparable borrowings.

Section 3. Security for Loans. In connection with any loan, the Secretary may require the City, any Finance Agent and, where necessary, the State, to provide such security as he deems appropriate. The Secretary may take such action as may be necessary to realize upon any collateral to enforce any claim the United States may have against the City or any Financing Agent. Notwithstanding any other provision of law, the Secretary may withhold any payment owing under any law from the United States to the City, either directly or through New York State, and offset such withheld payments against any claim the United States may have under the Act.

Section 4. Limitations and Criteria. A loan may be made only if the Secretary determines that there is reasonable prospect of repayment. Loans will have such terms and conditions as may be established by the Secretary to insure repayments. The Secretary may agree to modify any such term or condition. At no time may the outstanding loans under the Act exceed in the aggregate $2.3 billion. No loan will be provided under the Act unless the City and all Financing Agents have repaid in accordance with their terms all loans made under the Act which have matured and unless the City and all Financing Agents are in compliance with the terms of any such outstanding loans.

Section 5. Remedies. This section provides that the remedies prescribed in the Act are cumulative and not limitations of or substitutions for any other remedies available to the Secretary or to the United States.

Section 6. Funding. This section provides that the Secretary of the Treasury may use the proceeds from the sale of securities under the Second Liberty Bond Act to make any loans under section 2 or any payment of expenses. The Secretary is also authority to sell any note or other evidence of any such loan to the Federal Financing Bank and such Bank is authorized to purchase the same.

Section 7. Inspection of Documents. This section authorizes the Secretary to inspect the books and records of the City and any Financing Agent in connection with loans under the Act.

Section 8. Termination of Authority. The authority of the Secretary of the Treasury to enter into any new loans under the Act will terminate on June 30, 1978. Such termination does not affect the carrying out of any transactions entered into pursuant to the Act prior to that date or the taking of any action to preserve or protect the interests of the United States thereunder.

Mr. TOWER. Mr. President, I introduce this legislation for myself, Senator JAVITS, and Senator BROOKE.

Mr. JAVITS. Mr. President, I have joined in this measure which has just been proposed which represents the President's recommendations for dealing with New York.

Mr. President, I think I can report about New York, that if this legislation becomes law it is just breathing. Whether it is actually alive or not we will have to find out as time goes on.

This is the very minimum that can possibly be done to save the city from a fate which I believe, and have stated here many times, would have involved the United States in very serious economic difficulties—and the world, as in the eyes of the world the financial capital of the world is New York.

It would materially have affected our confidence in our country and in world economic affairs if we could not at least have saved and kept breathing our premier city.

I can report to my colleagues—and we will debate this in due course—that services in the city are manifestly very materially decreased. I state to my colleagues that if they go to New York they should allow a minimum of twice as much time to get to the airport as they used to. We have lost enormous numbers of police in terms of traffic and other facilities of movement through the city.

We have lost essential services in many other areas. We will tighten up very materially. We still have an over $700 million deficit which we have to conform to because we have committed—and we will keep our commitment—to balance the budget within 3 years.

We have to look for—and this is something which people like myself will have to work on very hard—a really monumental business effort to enable the city to renew itself even at the minimal basis, which a great satellite New York has to do or it will die, because I am convinced, and I believe most of the people in New York who make things happen are convinced, that our access to the credit markets is hardly to be depended on for the very minimum of 3 years, and perhaps twice or three times that in the future.

Had we defaulted, I think that we would have been done as a great city forever, and others in due course would have taken our places, although it is very hard to see how that much concentration of activity—important to the United States—could be developed in a Houston, or Fort Worth, with full respect for what has been done down there, or a Los Angeles, Atlanta, Chicago, or whatever or wherever it may move in the quarter of a century left of this century.

But, be that as it may, the President in the very last moment has enabled us to breathe. I hope my colleagues will understand that very completely, we have a great problem. There are those in this Chamber who are determined that even this shall not pass, just as we who feel strongly about it are determined that it will.

I hope very much that Members will have an opportunity to orient themselves to our situation. The time is relatively short and however they may feel about individual legislation, though I believe this legislation is very minimal legislation, this means a majority in this Chamber will allow us the opportunity to vote on it and not be frustrated so that all of this labor and dedication is undone by a filibuster which we are unable to conclude.

Finally, Mr. President, I would like to report to my colleagues that I stirred up, worked on, and developed an outstanding citizens committee, now chaired by the distinguished editor in chief of Newsweek, Oz Elliot, assisted by Dennis Ali, one of our very gifted younger New Yorkers, which has a remarkable citizen base, on which I worked with Senator BUCKLEY, my colleague, the Governor, the mayor, the head of the congressional delegation of both parties, Congressman DELANEY, of New York; the comptroller of the State, Arthur Levitt, and many, many others. I believe we can do our part by filling in with volunteers—it will take thousands—for the services which we have so reduced as to really endanger the city, and which will be reduced some more.

I can only hope that these words of mine and those of others, the Governor, the mayor and others, addressed to our business community, which has a great deal at stake but which is not bound to our city by anything but their own convictions, their own interests, and their own civic patriotism, may take heed that if New York is really to be saved—the President has allowed us to breathe but if we are to be saved—it will be because of the herculean efforts of a highly effective, well organized, and determined business community.

I would like to express to Senator TOWER who started, like the President, feeling that this is not the business of the United States, my appreciation for one thing which I consider to be the most gifted quality of any man. That is those words, "I am persuaded."

It may be on the most minimal basis, but this is an attitude of mind which is something I believe we all strive for and, in this case, in the case of the President, of Senator TOWER, and some others, it took a lot of time and a lot of thought. I do not believe any of them will be sorry.

I thank my colleague very much for generously joining me.

Mr. TOWER. I thank my colleague.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today. The Senate will adjourn shortly.

The Senate will convene at 10 o'clock tomorrow morning. After the two leaders or their designees have been recognized under the standing order, there will be a brief period for the transaction of routine morning business not to extend beyond the hour of 10:30 a.m., with statements therein limited to 5 minutes each.

At the hour of 10:30 a.m., the Senate will resume consideration of the Beef Research and Information Act, with one-half hour of debate on a motion to recommit. The half-hour will be divided between Mr. Abourezk and Mr. Allen, with a vote to occur at 11 a.m. on the motion to recommit. If the measure is recommitted, the Senate will immediately take up S. 2718, a bill to improve the quality of rail services in the United States.

On the other hand, if the Beef Research and Information Act is not recommitted, there will be a 1-hour limitation on debate on the measure, with a time limitation on any amendment of 30 minutes. Rollcall votes would then occur on amendments and on the passage of the Beef Research and Information Act at some point during the day.

Upon the disposition of the Beef Research and Information Act, H.R. 7656, the Senate will take up Calendar Order No. 486, S. 2718, a bill to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing. Rollcall votes are expected to occur on amendments thereto and it is anticipated that final action on the railway bill will probably occur on Wednesday. Final action is not likely tomorrow. So there will be rollcall votes tomorrow.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 a.m. tomorrow.

The motion was agreed to; and at 4:53 p.m. the Senate adjourned until tomorrow, Tuesday, December 2, 1975, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate on November 21, 1975, pursuant to the order of November 20, 1975:

Department of Defense

Richard A. Wiley, of Massachusetts, to be General Counsel of the Department of Defense, vice Martin R. Hoffmann, elevated.

Law of the Sea Conference

T. Vincent Learson, of New York, to be an Ambassador at Large and the Special Representative of the President of the United States for the Law of the Sea Conference and Chief of Delegation.

Executive nominations received by the Senate on November 24, 1975, pursuant to the order of November 20, 1975:

Department of State

William E. Schaufele, Jr., of Ohio, a Foreign Service officer of the class of Career Minister, to be an Assistant Secretary of State.

In the Army

The Army National Guard of the United States officer named herein for appointment as a reserve commissioned officer of the Army under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Salvador Monserrate Padilla, [redacted].

Executive nominations received by the Senate on November 26, 1975, pursuant to the order of November 20, 1975:

In the Navy

The following-named officers of the Navy and Naval Reserve for temporary promotion to the grade of commander in the line subject to qualification therefor as provided by law:

Ablowich, Dean Allen
Ackerman, William Crandall
Adolph, Herbert Richard
Aldinger, Robert Waugh
Alexander, Dale Eugene
Alexander, Edward Harrison J.
Allen, Benjamin Earl, Jr.
Alvarado, Robert Joseph, Jr.
Amantea, Thomas Richard
Ames, Richard Earl
Andersen, Craig Neil
Anderson, David Carl
Anderson, Gerald Duane
Anderson, Thomas Harry
Andrilla, Joseph John
Ansley, James Henry
Arnold, Frederick James
Arnold, Robert Judd
Asher, Charles Eugene
Ashley, Roger Trabue
Auer, James Edward
Ayre, Donald
Bacon, Barton Elijah III
Badgett, Robert Samuel
Bailey, Ian McDonald
Bailey, Stanley Jefferson, Jr.
Bailey, Thomas Fitzgerald
Baker, Willard David
Baldwin, William Earl
Ballard, James Oliver, Jr.
Ballou, Charles Lawrence
Bancroft, William Paul
Bardeschewski, Walter Paul
Barfield, Henry Jackson, Jr.
Barnaby, Kenneth Allen
Barnes, William George
Barnett, Roger Wayne
Barnhill, Hugh Kimbley
Barnicle, Paul Edward
Barns, David Wallace
Barr, Thomas Hammond
Barrett, Robert William
Barry, Kenneth Randolph
Barta, Arnold Francis
Bartels, Albert Ludwig
Bartholomew, Charles Arnett
Bass, William Frederic
Bates, William Roger
Battaglia, Carmen Charles
Batterby, Robert Edward
Bearse, Laurence M.
Beck, Brian Kay
Beck, Gary Laurence
Beebe, Bruce Addison
Beedle, Ralph Eugene
Beguin, Larry William
Bell, Ronald Kenneth
Bender, Thomas Jacob
Benford, Eddie
Bennett, John Faber, Jr.
Benshop, Edwin Charles
Benson, George Martin
Benson, Perry Southall
Benter, Harry William, Jr.
Bently, Donald Keith
Berklite, Ronald Betts
Berkowitz, Ross
Berry, Niles Walter
Bessey, Roland Bruce
Best, James Bruce
Bianco, John August
Bickel, Michael David
Birtwistle, Richard III
Bishop, William Richard
Bissell, Allen Morris
Black, Jerry Hall
Black, Phillip Ray
Black, Robert Steven
Black, Rudolph Richard
Blackburn, John Ogburn
Blackmon, Thomas Lester
Blaha, Douglas Dean
Blockinger, Alvin Francis, Jr.
Blunden, Alec Reginald
Boer, Westinus II
Boggs, Dallas Benjamin
Bolden, David Richard
Bonham, Charlie Leonard
Boose, Donald Edwin
Booth, Albert James
Boufford, Francis William
Bowman, Jack Bletz, Jr.
Bowman, Peter Bruce
Bowman, Robert James
Boyd, James Sherwood
Boyd, William Thurston III
Boyle, Francis Joseph
Boyle, Patrick Lawrence
Braden, Morse Shelton
Bradick, Andrew Albert
Bradley, Michael David
Brady, John Beecher
Braendle, John Edward
Branch, Thomas Allen, Jr.
Brandon, John Raymond, Jr.
Brandquist, Roland
Brannan, John Joseph
Bransom, Frank Harper
Breckenridge, Donald Roger
Brent, Gerald Page
Brenton, Robert Jackson
Bright, Calvin Fred
Broadwell, William Russell
Brookes, Edward Allen
Brooks, Charles Edwin
Brown, Edward Ernest
Brown, George Ronald
Brown, Harold Eugene
Brown, Lorin W.
Brown, Robert Hadley
Brugman, Thomas Cletus
Bruno, Marco Joseph
Bruntlett, Carl Eugene
Bubeck, Charles Rodney
Buchans, James Curtis
Buehler, Roy Robert
Bulkley, Peter George
Bullock, James Paul
Bunce, Ronald Lynn
Bunch, Harold Anderson, Jr.
Bunnell, Robert Terrell
Burgess, Donald Elliot
Burke, David Valentine, Jr.
Burkette, Jerry Wayne
Burroughs, Eugene Scott III
Bush, Thomas Oliver
Butler, Warner Lewis
Butts, Maurice Richard
Butz, Will Alan
Byrne, Barry James
Byrnes, Joseph Leo
Cagle, Lonnie Francis
Cain, Richard Leroy
Callahan, James Francis
Cameron, David Duncan, Jr.
Campbell, Arlington Fichtner
Cangianelli, Leo Anthony
Carlburg, Ernest Gordon
Carlson, Patrick John
Carlson, Roger Eugene
Carman, Jesse Logan
Carns, Neil Sherman
Carpenter, John Donald, Jr.
Carruthers, David Glenn
Carter, Floyd Winston, Jr.
Carver, Donald Richard

Carwin, Paul Lawrence
Case, Calvin Wayne
Cassels, Bertrand Beasley, Jr.
Castellano, William Joseph
Caswell, Gordon Charles
Cauthen, Halle Rivers
Caverly, Donald Edward
Chadwick, Stephen Kent
Chandler, Thomas Robert
Chapin, Robert William, Jr.
Chappell, George Charles
Chase, Malcolm Withington
Chasko, Gerald Joseph
Cheaure, Alfred Lothar
Chelton, Edward Ernest
Chenard, John Henry
Cheshire, Leonard Pascal, Jr.
Chiles, Henry Goodman, Jr.
Chrans, Larry J.
Claman, John Sydney
Clapper, Gean Paul
Clark, Frank Elwood
Clark, Rolf Hans
Cleveland, Donald George
Cogdell, Gary Brugh
Cole, Edward Fiscus, Jr.
Cole, Joseph Demmitt
Coleman, Jessie Verlon
Condon, John Robert
Conjura, John Edward
Conley, Charles H.
Cook, Charles Irving
Cooper, Michael Bryant
Cooper, Paul William, Jr.
Cooper, Robert Lee
Cornia, Howard
Cotterman, Andrew Gustav
Courtney, Wallace Christian
Covell, Michael Averill
Cowen, Wayne Edward
Cowles, David Eugene
Cox, Charles John
Crabbs, Edward Hamilton, Jr.
Craig, Edward Coleman
Crigler, Charles Hunter
Criste, David Murray
Crowder, Kenneth Lynn
Curley, Everette Patrick, Jr.
Curtiss, Daniel James
Dahlgren, Charles Elmer
Daily, Roger Morgan
Dalrymple, John Robert, Jr.
Daniels, Gene Leroy
Darwin, James Ray
Davis, Alden Adams
Davis, Edwin Albert
Davis, George Washington, VI
Davis, Robert Thompson, II
Davis, Vibert Hillis
Deffet, Thomas Lewis
Dehaemer, Michael Joseph
Dehler, John Deignan
Delvecchio, John Richard
Demarco, Anthony Robert
Dempster, Duncan Ferguson
Denike, Daniel Joseph, Jr.
Denis, Robert Richard
Devins, Gerald Lee
Dewalt, Ralph Frederick
Dewhirst, George Harness
Dix, Donald Walla
Dobes, Joseph Charles
Dobrosky, John
Dodge, Ronald Wayne
Dodson, Richard Eaton
Dooley, John Joseph
Dooley, William James
Dougherty, Dennis Vincent
Dougherty, Francis Joseph
Dowell, George W., III
Doyle, John Francis
Drustrup, John Michael
Dubois, Denis Robert
Duff, Franklin Duane
Duff, Robert Dwayne
Duffy, Francis Kevin
Duffy, James Francis
Duffy, Philip Fredrick
Duich, Stephen James
Dunkle, Robert Alexander
Dunn, Gerald Leo
Dunn, James Michael
Durkin, Wallace Martin
Dutton, Bruce Maine
Dvornick, Eugene Steven
Earle, Joseph Todd
Eberlein, Bernard Earl
Eckert, Thomas Richard
Edwards, David Richard
Elliott, Jon Knox
Ellis, Gary Hugh
Embry, Hugh Collins
Emmerich, William Stanley
English, Charles Robert
Eppling, David Charles
Erdei, Elmer Alexander
Esau, Anthony Christopher
Evans, John Allman
Evans, William Robert
Famme, Joseph Bortner
Farber, Frederick Albert
Farmer, Michael Obrien
Farnan, George Francis
Farnan, Robert Leo
Farren, Manus Gerard
Fay, Frederick Oliver, Jr.
Fedor, John David
Fee, Jerome John
Felger, Daniel G.
Fenn, Michael Robert
Ferbrache, Ray Leroy
Ferguson, Michael Blackburn
Ferranti, Nicholas Anthony
Ferrier, Donald Robert
Ferro, Nicholas Anthony
Fidlar, Richard Alan
Fields, Floyd Harrison, Jr.
Finkelstein, Milton Mordecai
Firebaugh, Millard Sherwood
Fisher, David Phillip
Fisher, Robert Augustus
Fitch, Robert Stuart
Fitzpatrick, Donald Joseph
Flanagan, Alan Brian
Flournoy, Robert Alexander
Flynn, Robert James
Foberg, Raymond Howard
Forthman, Ernest Almer
Fox, William Clement
Frame, Lee Hudson, Jr.
Francis, William Charles
Fred, Robert Henry
Frederick, William Edmund
Freehill, Robert Louis
Freeman, Michael Harry
French, Dana Page, Jr.
Friedsam, Bruce Alexander
Fromholtz, Richard John
Frost, David Eugene
Frothingham, John Carey
Fry, Michael Scott
Fuscaldo, Robert Patrick
Gadsby, Donald Francis
Gaedecke, Walter Richard
Gagliano, Sam Joseph
Galbraith, Elmer Joseph, Jr.
Gamba, Robert Victor
Gander, John Peter, Jr.
Garden, Leon Bernard
Garfield, Peter Jack
Garrison, Grant Richard
Geskell, Lawrence Charles
Gasser, Robert Eugene
Gastrock, Barry Allen
Gauthier, David Pierre
Gavlak, Michael William
Geck, Robert Lee
Geeding, Robert William
Geer, David Winston
Germany, Holmes Billy
Gerstel, Donald Arthur
Giauque, Larry Lee
Gilchrist, Orville Lee
Gill, David Chaloner
Gill, Thomas Edward II
Glenn, Walter Lewis, Jr.
Glover, Robert Patrick
Goggins, John Joseph, Jr.
Golden, Mark Melvyn
Gordon, Bradley Wells
Graf, John George
Graffman, Joel Ross
Grafton, Jay Troy
Graham, Robert Lewis
Grayson, Arthur Loring
Greenberg, Abe
Gregor, Richard Allen
Grice, John David
Griffin, Robert Noble
Grimes, Elmer Ray
Gros, Joseph Edward, Jr.
Groth, John Frank
Grunstra, James
Gustafson, Kurt Allen
Hackett, Douglas Myron
Hagenlocker, Richard Henry
Hale, Frederick Girvin
Hall, James Wayne
Hall, Jay Hardenbrook
Hall, Thomas Forrest
Hallmark, John Bobby
Hallmark, Samuel Neil
Hallowell, Benjamin H., Jr.
Halpin, Hugh
Hames, William Jewell
Hamilton, James Bartin
Hamilton, Leonard Anderson
Hamilton, Ted Allen
Hancock, James Everett
Hand, William Raymond
Hankins, Jack Thomas
Hansen, Eigil Lund, Jr.
Hansen, Kirby Walter, Jr.
Hansen, Richard Carl
Harden, Jon David
Harlett, John Charles
Hart, Edward Melvin
Harter, Gary Lee
Hartman, Gary Walton
Hartman, William Albert
Hassel, Rolland Roger
Hastie, William John
Head, Thomas Arthur
Healy, Kevin Michael
Heck, Jerome Ronald
Heckman, Ronald Wayne
Hedley, Peter Fraser
Heintz, Harvey Louis
Heinz, William John
Helmann, Jack Eldred
Hemmer, John Kenneth
Henderson, Jimmy Don
Henrizi, John Taylor
Henson, Jarrell Neal
Herbst, Martin William
Herring, J. Michael
Herting, Thomas Joseph
Hertzler, Gerald Ray
Hess, Ronald Arthur
Hicks, Gerald Dennis
Hicks, Jack Andrew, Jr.
Hightower, Charles Vernon
Hilder, Lewis Edward
Hill, Aimo Walfred, Jr.
Hill, William Joseph
Hinchy, Frank Thomas
Hinkel, Ronald William
Hinman, Kendall Goddard, Jr.
Hipper, Ira Mark
Hitchborn, James Brian
Hixson, Richard Michael
Hoadley, Garrick Little
Hoag, Robert Wyman II
Hoffman, Joseph Francis, Jr.
Hoffman, Paul Mylton
Hofford, Robert Francis
Holben, Neil Edward
Holifield, Allison James, Jr.,
Holland, John Deal
Holmes, Stacy Vernon
Holt, Richard Harold
Holtel, Kenneth Paul
Holtz, Robert Sidney
Hood, J. V.
Hopkins, Howard David
Hopper, John Ford
Hopper, Robert Allison
Horn, Frank Gordon
Horna, Gerald Francis
Horsch, Arthur Richard
Howard, Albert Oscar, Jr.,
Howard, Robert Metcalf
Howell, Frederick Junior

Howson, Richard Ira
Hubbard, Charles Walter, Jr.
Hugo, James Walter
Huhn, John Henry
Huke, George Edwin
Hulbert, Bruce Wheelon
Humphrey, William Brownell
Hunt, Frank Martin, Jr.,
Hunter, Harold Culp
Huth, Vincent James
Hutt, Thomas Epes, Jr.
Hux, Edgar Douglas
Hyde Walter John
Ianucci, Robert Joseph
Inderlied, William T. III
Inman, Walter Ernest
Innes, Henry Edgar
Isenberg, William, Jr.
Jackson, Warren Barnett, Jr.
Jacobsen, Kenneth Chester
James, Ronald Edward
James, Stephen Robert
Janes, Walter Albert, Jr.
Jeffries, William H., Jr.
Jenkins, Wendal Lamar
Jensen, James Leroy, Jr.
Jerding, Frederick Noel
Johannes, Richard Nelson
Johannesen, Robert Edward
Johnson, Albert Parrent, Jr.
Johnson, Gary Robert
Johnson, James Richard
Johnson, Kenneth Albin
Johnson, Larry Dean
Johnson, Ralph Borkland, Jr.
Johnson, Robert Cecil, Jr.
Johnson, Ronald Bruce
Jones, David Lynn
Jones, Jerry Scott
Jones, Keith Shannon
Jones, Raymond George, Jr.
Jones, Robert Charles
Jones, Thomas Price, Jr.
Jones, Wallace Edward
Jones, Wayne Alton
Julian, Franklin Donald
Kahler, Robert Charles
Kaiser, Theodore Joseph, III
Kalb, David George
Kanady, Garland Harold, Jr.
Kane, Robert Mattison
Karcher, Victor Anthony
Kay, Francis Daniel
Keating, Arthur Louis
Kelley, Thomas Gunning
Kelly, Robert Francis, Jr.
Kelsay, Leslie Rufus
Kenny, John Joseph, III
Kephart, Robert Max
Kesler, Gene Paul
Kettinger, Joseph Paul
Kiel, Joseph Alan
Killinger, Edwin Earl
King, William Walter
Klee, Charles William, Jr.
Klein, Donald Craig
Kline, Robert Leroy
Klinger, David Calvin
Klosky, Lowell Harold
Knapp, Edwin Jackie
Knepell, Thomas George Will
Knight, Euodias Falcon, Jr.
Knorr, David James
Koch, Larry Neil
Koehler, Thomas Clinton
Kohler, Robert Wilmer
Koontz, Ronald Lee
Korsmo, Thomas Brock
Korzensky, George Joseph, Jr.
Kozlowski, Stanley Clare
Kramer, Harvey Fred
Kristensen, Gail Albert
Krulisch, Alan Henley
Kubishen, Michael Andrew
Kuester, Arland Wilmer
Kuhhirte, William Fred
Kulesz, James John
Kurz, Robert
Laack, Dennis Raymond
Lamb, Jay Walter
Lambach, Carl Ernest
Lamey, Paul Emile
Lammers, Lennis Larry
Lamporte, Richard Arthur
Lane, Glynn Quinton, Jr.
Lang, James Richard
Lang, Joseph McCarty, Jr.
Langen, Joseph Henry
Lapean, James William
Lasko, Paul Gilbert
Law, James Lawrence
Law, Wilburn Patrick
Leahy, John Francis, III
Lee, James Raymond
Lee, James Stanley
Leeper, James Reed
Lees, Michael James
Leichtweis, Donald Lewis
Lemoyne, Irve Charles
Leslie, Robert Curtis
Lesuer, Wallace Tompkins
Lettington, Thomas Floyd
Levin, Frederick Wylie
Lewis, Frederick Lance
Lewis, John Howard
Lewis, Porter, Jr.
Lickfold, Frederick R., III
Lindsay, Gene Harris
Lindsey, James Allen
Linstedt, Gerald Lewellyn
Livingston, Ira Eugene
Lloyd, Roger William
Loftus, Thomas Joseph
Logue, William Ralph
Long, William Camielle
Lord, Norman Craig
Loving, Howard Hayden, Jr.
Lowack, Frederick John
Lowry, Bernard Franklin, Jr.
Lubbs, Larry Lee
Lund, Jon Robert
Lynch, Edward Thomas, Jr.
Lynch, James Richard
Mack, Jacob Arthur, III
Mackay, George William
Mackin, John William, Jr.
Macpherson, David Gregory
Madden, Michael John
Mahoney, John Timothy
Malla, Richard John
Malone, John Patrick
Maness, Anthony Ray
Manning, William Squires
Marburger, George Gerald, Jr.
Mares, David Lee
Marquis, Richard Irving
Marsh, Frank Joseph, Jr.
Martel, Sinclair Smyth
Martin, Clifford Irwin
McCrovk, John Clinton, Jr.
Martin, David Laurence
Martin, Owen Carmin, Jr.
Martin, Richard Willis
Martin, William Francis
Mason, Ronald Richard
Matheny, James Tim
Mathews, Drexel Loy
Maticko, Eugene Robert
Matulka, Robert Dale
Mayer, Roderick Lewis
Maynard, Michael Damon
Mayo, John Blount, Jr.
Mayo, Lester Myrl, Jr.
Mays, George Glennon
Mazzan, Carl Anthony, Jr.
McAbee, John Tolbert
McAfee, Robert S.
McBride, James John
McCammon, Peter Leverich
McCann, Wilford Dale
McCaskill, Charles Edward
McClelland, Michael Dwight
McCloskey, Terry John
McCoy, Jimmy Hurst
McCrork, John Clinton, Jr.
McDonell, John Gordon
McDowell, Thomas Niles
McEntyre, Harry K.
McFillen, Roger Leroy
McGee, Wyatt Hudson
McGinley, Edward Stillman II
McGoldrick, Henry Joseph
McGonegal, William Frederick
McIntire, Lloyd Gilman
McKenne, Donald Charles
McKeown, Edward James, Jr.
McKinney, James Bradley
McLaughlin, James Francis
McLaurin, John Coleman, Jr.
McManis, Robert Bruce
McNabb, John Michael
McNamara, John Joseph
McNicholas, Thomas Michael J.
McTighe, John Terence
Meardy, Ronald Ross
Mears, Ronald Thomas
Medara, Don Winsor
Medaris, William Winston
Meese, Harry Evan
Meinicke, Thomas Alfred
Menikheim, Douglas Karl
Mensch, George Herbert
Mercado, Carlos Edward
Mermagen, Peter Julian
Merriman, Gene Dale
Metcalf, Robert Edward
Metzler, Charles Paul, Jr.
Midas, Michael Thomas, Jr.
Middents, Paul Willby
Middleton, David Dean
Mills, Richard Bruce
Mims, Norman Wells, Jr.
Mims, William Jackson
Mitchell, Frederick Gerard
Mitchell, Martin Ralph
Mitchell, Richard Floyd
Mitchell, Robert Ervin, Jr.
Mock, Sanford Norman
Monoghan, Charles W.
Moore, David Keith
Moran, Maurice Joseph
Morgan, Ronald Dennis
Morgan, Thomas Leeroy
Morris, Charles Ward
Morris, Edward Wiersma
Morris, John Elsworth
Morrison, Harlan Langtry
Morrison, Lawrence Alexander
Morrissey, Jon Edward
Morse, Carl Samuel
Moses, Paul Davis
Mosser, John Henry
Mouns, Albert Lebeau
Mowery, Gary Willis
Muckenthaler, John Loren
Mueller, Joseph Brian
Mulhall, John Lawrence
Mullen, James Joseph
Mullen, Ronald Edward
Murphy, Arthur William, Jr.
Murray, Edward Paul
Murray, Roger P.
Murray Tom Reed II
Needham, William Ray
Nelson Gerald Archibald
Nelson, Thomas Lane
Nelson, William Jerome, Jr.
Nemer, James Joseph
Newman Roger Lee
Newman, William Edward
Nichols, Christopher Owen
Nichols, James Larion
Nichols, Roger Alan
Nitschke, Richard Neal
Nolan, Donald Edward
Norfleet, Ashley Curtis II
Norton, Lafayette, Ferguson
Nowotny, Lionel Jerome
Nystrom, Robert Eric
Oakes, Dudley Glen
O'Brien, Edward James III
O'Brien, George Donoghue, Jr.
Ogles, Homer Cecil
Okeson, James Clifford
Oliver, Herndon Albert III
Oney, Warren Wayne
Onoratt, Roger Peter
Onslow, Vincent Leroy
Ord, George D., Jr.
Ortega, Manuel, Jr.
Ortengren, Ralph William, Jr.
Ostrander, Gary Lyle
Ott, Keith Montgomery

Page, Earl Daniel
Painter, Floyd Charles
Parnell, Charles Lavelle
Partington, James Wood
Patton, James Howard, Jr.
Paul, Ronald V.
Paulsen, Thomas Dean
Pavelko, John
Payne, Joseph Carroll
Pearce, Robert Guy
Pearl, John Mitchell
Pearson, John Davis
Pellett, David Andrew
Pelton, Joseph Earnest
Pendleton, Reid, Jr.
Penn, Buddie Joe
Persell, Robert Alexander, Jr.
Pestorius, Frederick Michael
Peters, Victor Lee
Peterson, Christopher Bailey
Pethick, John Alvin, II
Philbrick, James William, Jr.
Phillips, Henry Lemle, Jr.
Phimister, Stephen
Pickett, Walter Curtis, III
Pigeon, Norman Brown
Pitt, William Matthews
Pizinger, Lawrence Clifton
Plaugher, Charles Edward
Poe, William Henry
Pommer, Edward Parker
Poole, Richard James
Pope, Rex Arvis
Post, Jerry Lee
Powell, William Llewellyn, Jr.
Powers, Byron Lippincott, Jr.
Prehn, Robert Lloyd
Presnell, Lawrence David
Pressler, William Raymond, Jr.
Prose, Nelson Mack
Proshek, Robert Mealey
Quarterman, John Maye, Jr.
Quinn, Michael Edward
Raggett, Michael Mark
Raines, William Albert
Ramsey, William Frank
Randall, Robert Hudson
Ransom, Edward Arthur
Rasley, Roger William
Rauth, James Arthur
Raymond, Robert Wall
Redmond, Robert Mize
Reese, Evan Price
Reese, Ronald Malcolm
Replogle, Hugh Butler
Repsher, Boyd Francis
Rhodes, Edwin Olliff
Richards, Tilden David
Richardson, James Clarke, Jr.
Richmond, Frederick James
Richter, Herbert Bailey
Ricketts, David Lynn
Ridder, Wendell Clayton
Riffle, Earl Robert
Ringelberg, John Michael
Robbins, Christopher Brooks
Roberts, Charles Keith
Roberts, Donald Arthur
Roberts, Ernest Paul
Robison, Kenneth Gerald
Roche, James Gerard
Rochells, Andrew Jerome
Rodriguez, William Joseph
Rogers, Elmer Earle, II
Rogers, Theodore Fleming, Jr.
Rollins, David John
Roome, Jack Verne
Roper, John David
Roper, Lidge B.
Ross, William Cotter
Ross, William Morgan Jr.
Roth, Michael Charles
Rothert, William Carl
Rowe, Arthur Earl Jr.
Rowley, Charles Dana
Russell, Jerry Curtis
Ruth, Paul Arthur
Ryals, James Fayne
Ryan, Charles Edward
Ryan, Larry Eugene
Ryan, Thomas David
Rybarczyk, Anthony Mark
Saari, Colin Henry,
Salisbury, Herbert Douglas
Salo, Kenneth Walter
Sanders, Leslie Allen
Sandidge, Edward Dabney
Sands, Robert John
Saunders, Franklin Harwood
Sawhook, James Leith
Schlegelmilch, Charles Robe
Schmidt, Henry Jr.
Schneider, Clinton Dunn
Schneider, Edward Joseph
Schneider, George Fredrick
Schreiber, David Ervin
Schriefer, Luther Frederick
Schuetz, Laurence Noel
Schulman, Richard David
Schweizer, Earle Godfrey Jr.
Scott, Gordon Earl
Seaman, Stewart Russell
Sears, Gilbert Harry Jr.
Seebirt, James Eli
Seeley, James Ray
Segerblom, Ronald Lage
Sestric, Joseph Lawrence
Shaw, Joe Leo
Shawkey, Richard Sutherland
Sheafer, Edward David, Jr.
Sheehan, John Joseph, III
Sherer, Robert Wallace
Sheridan, Robert Emmett
Shew, James Edward, Jr.
Shewchuk, Jon Dennis
Shields, Russell Kingman
Shoemaker, Brian Hall
Shoop, Robin Dexter, Jr.
Shortal, Terence Michael
Shufelt, William John, Jr.
Siebecke, Alfred George
Siegel, William Herbert
Siegfried, Douglas Sherwood
Siepel, Willard Ernest
Sigmund, Jay G., II
Silseth, David Franklin
Simmons, Vernon Pitkin
Sipple, Howard Lawrence, Jr.
Skinner, Garland Frederick
Slack, Charles Edward, III
Slezak, Norman Lee
Smink, William H.
Smith, Albert Joseph, Jr.
Smith, Clyde Christian, Jr.
Smith, Gerald Lewis
Smith, Glen Walter
Smith, Jerome Frost, Jr.
Smith, John Freeland
Smith, Larry Leroy
Smith, Lawrence Jerome
Smith, Peter Daniel
Smith, Raleigh Merritt
Smith, Reid Hessey
Smith, Robert Cortland
Smith, Thomas Charles
Smith, Wayne John
Snyder, Robert William
Sommer, Leroy George
Sonnabend, Jerome Roy
Soupiset, Robert Irl, Jr.
Souval, Paul Tells
Sovey, Paul Louis
Spane, Robert Johnson
Sparks, Paul Whitney
Spear, Sherley Lawrence
Spearman, William Robert
Sprouse, Haywood Galbraith
Srite, David Alan
Stackhouse, Charles David
Standish, Allen Joseph
Stanley, William Martin
Stasko, Nicholas Joseph
Steele, Richard Hubbard
Steele, Robert Livingston
Stefencavage, George
Stevens, Stanley Lincoln
Stevenson, Robert George
Stewart, Edward Lawrence, Jr.
Stewart, Harvey Taft, Jr.
Stewart, Kelsey Smith
St. Jean, Russell Joseph
Stoops, Ronald Rogers
Strache, James Bruce
Strasser, Edward John, Jr.
Striedel, Henry Chris
Stryker, Lyal Maurice
Stuart, Walter Allen
Studeman, William Oliver
Stumbo, Stanley Charles
Sturm Edward John
Sullivan, Dennis Allan
Sunderland, Bruce
Svensen, Stanley Roy
Swavely, David Lee
Sydow, Kenneth Robert
Synstad, Wayne Carl
Tadlock, James David
Tait, Thomas Michael
Taylor, Donald Eugene
Taylor, Herbert Wayne
Teal, Thomas Henry III
Terry, Charles Lance
Therrien, Edward Louis
Thomas, Carlysle John
Thompson, David Stratford
Thompson, James Eli, Jr.
Thomson, John Alexander
Thorell, Charles Scott
Tiernan, Michael Connolly
Tillotson, Perry Sanford
Tindal, Ralph Lawrence, II
Tobin, Byron Eugene, Jr.
Todd, Terrence Stephen
Toland, James Clinton
Tollefsen, Thomas Severt
Townsend, William Justus
Tracy, Leslie Ronald
Traister, Robert Edwin
Tranchini, Joseph
Treacy, Michael Francis
Treanor, Thomas Stanley, Jr.
Triplett, Thomas Terrence
Tupaz, Jesus Bonifacio
Turman, Thomas Wilson
Turner, Alfred Rogers, Jr.
Ulmer, James Edwin
Umberger, Paul Jay
Unruh, Jerry Lee
Vail, Robert Cornell, Jr.
Vallin, Richard Thomas
Vanderwolf, Peter John
Vanmetre, Robert Brian
Vanwormer, Thomas Park
Vaughn, Wendell Dean
Vaught, Clarence Scott
Verona, Francis Michael
Vickers, Robert Irving
Visted, Frank Alexander
Wade, Barton Scott
Waer, Richard Dean
Waggoner, Mark Harvey
Wagner, James Andrew
Waldron, James Leroy
Walker, Edward Thomas, Jr.
Walker, James Robert
Wallace, Ernest Larry
Wallace, John Lloyd, Jr.
Wallis, Walter James
Walsh, Raymond Michael
Walters, Horace Munro, Jr.
Walters, Richard Ralph
Ward, Charles Edward
Wardlow, Louis Bertrand
Wasson, Charles David
Waterman, Larry Wayne
Waters, Franklin Delano
Watkins, James
Watrous, David
Watterson, Rodney Keith
Wax, Gary Nathan
Weber, James Gordon
Weeks, George Roland, Jr.
Welch, Robert Horton
Wells, Elwood Gordon
Welte, James Carl
Wengert, William Henry
Werhan, Kenneth Raymond
West Frederick John
Weston, Robert Meck, Jr.
Wheeler, James Raymond

Whitaker, William Drake
White, Donald Clark
Whitely, John Epes, Jr.
Whitley, William Robert
Whitney, Richard Merrill, Jr.
Wicklund, Robert Montgomery
Wigfall, George H., Jr.
Wilcox, Mack Rudolph
Wilcox, Wayland Edward
Wilder, Wallace Gene
Wileen, Gordon Charles
Wilgenbusch, Ronald Charles
Wilkes, Gilbert Vanburen, III
Wilkinson, Robert Bailey, Jr.
Willenbucher, Marshall R.
Williams, David Arthur
Williams, Douglas Allan
Williams, Hugh Thomas
Williams, Windell Vance
Williamson, Mark Humphrey
Willimon, Henry Jack, Jr.
Willoz, Clifford Paul, Jr.
Willsey, John Michael
Wilmot, Frederick Eugene
Wilson, Ashley Vannorden
Wilson, James Alexander, Jr.
Wilson, James Russell
Wilson, Laurence Woodford
Wilson, Robert James
Wilson, Robert Lawrence
Wiltamuth, Richard Ernest
Winn, Robert Monte
Wishart, Thomas Tinker
Wolfe, James Bryant
Woltersdorf, Leonard Oscar
Womack, Thomas Folts
Wood, James Erastus, III
Woodard, John Sanford
Woodford, Duval Sterling
Worthington, George Rhodes
Worthington, James T., II
Wright, George Frederick
Wright, Hendon O.
Wright, Lindell Wayne
Wyckoff, Roger David
Wynn, Hugh John
Wyttenbach, Richard Harring
Yakubek, Paul Marsik
Yarborough, Jerry Olin
Yeske, Lanny Alan
Yeutter, Phillip Eugene
York, Milton Ward
York, Thomas Andrew, Jr.
Youmans, Richard Walter
Young, Charles Thomas
Young, John Rawstron
Young, Richard Keith
Young, Stephen Grant
Zmorzenski, Frank Peter
Zolman, Richard Ward

The following named women officers of the U.S. Navy, for permanent promotion to the grade of commander in the line subject to qualification therefor as provided by law:

Botzum, Diane
Coye, Beth Frances
Delarot, Anna Marie
Derrough, Lois Albertine
Hazard, Roberta Louise
Hurlbut, Bonny Aloha
James, Mary Catherine
Lee, Linda Marie
Nyce, Barbara Regina
Richardson, Linda Pond
Underwood, Shirley Joan
Weber, Joyce Ann
Williams, Barbara Mary

Executive nomination received by the Senate on December 1, 1975:

SUPREME COURT OF THE UNITED STATES

John Paul Stevens, of Illinois, to be an Associate Justice of the Supreme Court of the United States, vice William O. Douglas, retired.

EXTENSIONS OF REMARKS

C. HOWARD HARDESTY, JR., RESPONSIBLE INDUSTRY LEADER, PRESENTS WELL-REASONED ADDRESS ON ECONOMY AND RELATED PROBLEMS

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, December 1, 1975

Mr. RANDOLPH. Mr. President, recently in his native home city of Fairmont, W. Va., C. Howard Hardesty, Jr., delivered a well-reasoned speech at the annual Rotary Club dinner.

During the Senate recess I have been privileged to read and reread the opinions, convictions, and judgments of this mountaineer whose challenging career has been characterized by personal achievement, corporate responsibility, and public service.

Mr. President, it is my belief that during our Bicentennial year, Americans generally should assess and review the strengths and the shortfalls of our national and individual heritage.

But, Mr. Hardesty correctly calls us to the realities of the 200th year of American independence. He faces the facts and with forthright words said:

> If we are to lead we must shed resistance as a frame of reference and bring to our problems with Government and the public the same spirit of progress and innovation business routinely applies to its problems. We must openly reflect a willingness to work with interested parties to sensibly manage change.

I recall the words of Thomas Jefferson:

> As new discoveries are made, new truths discovered, and manners and opinions change with the change in circumstances, institutions must advance also and keep pace with the times.

And we are strengthened by the words of Abraham Lincoln at a later period of crisis when he declared:

> The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty and we must rise with the occasion.
>
> As our case is new, so we must think anew, and act anew. We must disenthrall ourselves, and then we shall save our country.

Mr. Hardesty spoke these words:

> When a nation despairs about the present and yearns to go back to the past, our moment of truth is running out.

Mr. President, I ask unanimous consent to include the address "Self-Interest and Civic Virtue," in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SELF-INTEREST AND CIVIC VIRTUE

(By C. Howard Hardesty, Jr.*)

One of the many rewards in coming home to a dialogue with friends is the opportunity to take a subject we're not too comfortable with, probe a bit, and look on the rough as well as the smooth side.

My working life has not involved assignments that were blessed with popularity. Service as state tax commissioner charged with instituting a new and unpopular personal income tax and property reappraisal system is a rough road to public endearment. My role as coal industry spokesman on such issues as mine subsidence, acid mine water and strip mining—subjects which are not without controversy and legitimate public concern—created confrontations at every turn. Nor have I found any refuge in the broader energy field. Oil spills, automotive emissions, offshore drilling, rising prices, obscene profits, and energy shortages have engendered strong adversary feelings and dominated headlines and prime time. Perhaps one of these days I'll find a role not filled with controversy. Secretly I hope not because then the challenge of problem-solving and resultant progress would be missing.

In planning my remarks, I reflected on the many national issues which concern all of us, seeking one most appropriate. I thought of the readjustments which we and our children are making in a rapidly changing world. I thought of the eroding public confidence in business, in government, in the Church, and, in fact, in all institutions around the world. "To dwell upon the portents of doom," said *Newsweek*, "has become fashionable." The magazine coined a term for doomsaying—"Apocalypse Chic"—and I nearly fell into it.

This month, U.S. News & World Report interviewed people in all walks of life across the nation. What those people are saying speaks for many:

"The system's not working."

"Our country has been wrong on several scores."

"The country needs a good shaking up."

"I wonder if private enterprise can survive."

"Where can we turn for help?"

These representative feelings make it a real temptation to look in some other direction. That many are doing just that was pointed out by Energy Administrator Frank Zarb. "Broadway musicals and some Hollywood movies," he said, "have profited from the public's longing for an uncomplicated past."

Recently I saw the Broadway musical Shenandoah. That show, you may recall, is about a proud Virginia farmer who refuses to send his sons off to die in the Civil War because of his strong convictions of right and wrong. Though tragedy strikes, the story is a triumph of convictions. You come out feeling, "Oh, if we could only return to and hold on to the clear-cut values of yesterday."

So, if we don't stumble into the Apocalypse trap, the nostalgia trap is there waiting for us.

When a nation despairs about the present and yearns to go back to the past, our moment of truth is running out. To face truth, you don't need to be a pessimist or an optimist, but just a realist. So, I'll try and steer clear of doomsaying and daydreaming, and seek to realistically probe the problem of disaffection with the American system.

Maybe we can think of some ideas for turning around America's flagging faith in itself, its institutions . . . and in the process exchange some ideas on a subject with which I live everyday: America's energy future and its impact on our lives.

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*Vice Chairman, Continental Oil Company. Remarks to Fairmont Annual Rotary Club Dinner, Fairmont, West Virginia, October 28, 1975.

Henry Grunwald, Managing Editor of Time, in a recent essay concluded, "Freedom, like the Declaration of Independence itself, is not a gift but a permanent demand on us to keep giving. Perhaps in our minds we need to insert in the Declaration some words like these, '... that all men are endowed by their Creator with certain inescapable duties...'"

Grunwald postulated three dangers to the great American promise which we envisioned in the Declaration of Independence. First, there has been a decline of our belief in place" as a determinant of supply and ingly substituted emotion for reason. We have glorified feeling over thought, desire over reflection, violence over politics, and instant satisfaction over anything else. A second threat lies in the present interpretation of "all men are created equal," an essential cornerstone of any just society, but the desire to achieve that goal instantly results in the disappearance of incentives to create the very capital and income that we work so hard to redistribute.

However, the threat to the American promise that I, as a businessman, want to dwell on involves a conflict over the true meaning of "self-interest." Author-Editor Irving Kristol has pointed out that the founders' basic idea was that the pursuit of every man's "self-interest" was the most reliable motivation—a constant driving force—to build a political system provided it was rightly understood. The concept requires a "civic virtue" which means a willingness to suspend, or redirect, the pursuit of self-interest at a point where it would not serve the common good. It is this "civic virtue"—the right balance between self-interest and common good—that seems to have eluded our grasp as we enter the bicentennial.

There is evidence all around us of the growing numbers fighting for their immediate purposes and gains without regard for the impact on or the broader goals of society:

The certain bankruptcy of New York where special interest groups have pursued their demands without regard to their destructive impact on the whole fabric of the City.

The circumventing of ethical standards and laws by representatives of business in search of some special advantage.

The abdication by leaders in all walks of life of accepted long-term public needs for the short term political expediency.

The special interest groups which pursue their laudable goal of a perfect world without regard to impact on other important segments of society.

Let me be more specific by applying my concerns over the pursuit of single-minded self-interest to the U.S. energy picture as it is unfolding today. Our national energy posture continues to deteriorate. There are certain basic truths about energy that cannot be ignored:

First: There need not be an overall shortage of energy in the next decade. On a worldwide basis there are adequate supplies of energy materials. If there is a shortage, it will be of our making due to political factors, national and international, and our failure to develop a national energy policy. To be sure, there will be shortages of particular fuels, such as natural gas, but the impact of such shortages can be minimized by planning and prudent action.

Second: There will be no return to wonderful, nostalgically remembered low prices for energy which we enjoyed just a few years ago. OPEC will not break up. World oil prices will move upward with general inflation. There will be no major price increases such as we witnessed after the embargo in 1973. There will be minor fluctuations of crude prices around Gulf marker crudes to adjust for quality differentials and transportation costs.

Third: Decontrol of crude oil and petroleum product prices will not cause double digit inflation, or retard economic recovery. Talk about $1 per gallon gasoline prices by the end of 1975 is political nonsense. Decontrol and removal of tariffs would result in an increase of only 3–4 cents per gallon. In my opinion, these increases would not take place immediately because of competitive market forces. The world will not come to an end as a result of increased prices for energy. McGraw-Hill finds that, in a typical year, consumers spend as much on tobacco, toilet articles, and toys (in total) as they spend on gasoline and oil; and they spend 12 percent more for alcoholic beverages than they spend for electricity and gas. So there is ample flexibility in the average consumer's budget to maintain energy consumption at higher prices if he chooses to do so.

Fourth: We must recognize that total U.S. energy independence is not attainable within the next decade. There are many things we can do to achieve an acceptable level of independence. How close we get to it depends on several factors:

a. Will we reach an intelligent compromise between our environmental desires and energy needs? Involved are such burning issues as offshore oil and gas exploration, leasing of western coal lands, surface mining legislation, nuclear power plant sitings, and pollution regulations for autos and stationary sources. We cannot adequately increase domestic supplies of energy and maintain an uncompromising attitude on all environmental issues.

b. Will be turn from our present "burn it up" way of life to one in which all Americans diligently strive to use all forms of energy more efficiently? I'm not talking about our present half-hearted efforts. I'm talking about major changes in our style of life as we run our businesses, build our homes, factories and offices, and move from place to place.

c. Will industry and government continue as adversaries, or will they at last join as cooperating partners in an effort to formulate and implement a sound national energy policy?

Fifth: There is a capital shortage in the energy sector. If this nation is to move toward self-sufficiency, it must double its annual expenditures for energy. While there is no dispute about the need to increase the pace of our energy effort, Congress continues to move in a counterproductive way of increasing taxes and holding prices at a level which restricts cash flow needed for investment. The public is being deceived by those who wave a banner of low prices without spelling out the real cost of future energy shortages.

Sixth: We have learned little from the 1973 oil embargo. As each day passes we are becoming increasingly dependent on the Middle East. Domestic production has declined and imports from that part of the world have increased. Our only offset to this trend—and the only price bargaining tool we have—is to step up production of domestic resources. Coal is the strongest card in our hand. U.S. coal reserves can provide more energy than all known Middle East oil reserves and they constitute an energy equivalent 15 times greater than our oil reserves. For the longer term, research and demonstration facilities in oil shale, solar, geothermal and other exotic sources must be pursued at a greatly accelerated pace. Uncertainty and an absence of direction slow the pace.

Seventh: Oil and coal do mix to the advantage of the consumer. There is an understandable concern over the question of whether an oil producer should also be permitted to produce coal. In my opinion, competition and production have been stimulated by the association of the two industries. Because of low degrees of concentration and the highly competitive nature of both industries, no company can play one fuel against another and affect prices in any way. On the other hand, as an executive for about six years in each industry, I have witnessed the synergistic effect of merging two talented groups. The association of Conoco and Consolidation Coal Company has worked in the public interest through greatly expanded research, advancements in production methods and safety techniques, and a broader capital base on which to build for the future. It has been exciting to witness a case where $2+2=5$.

Eighth: The international or foreign efforts of the oil companies should not be discouraged. Oil is a world commodity. The discovery of each new barrel, particularly in non-OPEC countries, provides continuing downward pressure on prices. As a nation we will continue to rely on offshore sources for at least one-third of our petroleum requirements. Therefore, we should stimulate this activity rather than discourage it by tax measures which make U.S. industry noncompetitive. It is to the advantage of all Americans to have their companies strategically positioned in the world energy fields.

Ninth: With sensible planning, national economic growth need not stagnate for lack of energy.

Why are we not engaging in sensible planning? Is pursuit of self-interest at the expense of common good an accurate answer? Let me enumerate a few of the special interest groups which have answered themselves to the energy crisis and its many ramifications:

Big and little businesses that seize upon confusion and rapid change to increase profits for personal gain rather than public good.

Politicians who see an important complicated issue which in simplest terms can be ridden to national prominence—if not the Presidency.

Consumer groups who can use the era of rising prices and inflation to create vast federal bureaucracies to replace the "marketplace" as a determinant of supply and demand.

Opponents of the American economic system who seize upon a variety of world events to argue that only big government can shepherd us through these troubled times.

Environmentalists who use this period of uncertainty to condemn all atomic power, all offshore drilling, all surface mining, and all growth.

Protectionists who would cripple trade between nations and the multinational company in the vain belief that we can survive in isolation from the rest of the world.

Such forces, by their loud voices and sensationalism, have buried the efforts of sincere dedicated groups which seek to fulfill their responsibilities—pursue their self-interests—in a way that reflects civic virtue and serves the public interest. If you accept this premise, what then are our "inescapable duties?"

I will not waste your time by pontificating about what others should do. Permit me to admonish my field of endeavor and list a few things that business must do if it is to survive.

First: Business must convince you—the public—that it has the ability and the desire to effectively move the nation forward in a manner benefiting society as a whole. It must, by its actions, convince you that it is an open, viable force for the common good and that it is the most effective and efficient tool we have to achieve our goals.

What does this imply? It does not mean that we forsake the profit motive. Now more than ever before profits are needed to keep the system working, expand capacity, provide more jobs and raise standards of living. Unless you want government to perform the same job, by fueling itself with ever increasing tax burdens, the American economic system—envied and copied by the rest of the world—must be permitted to prosper and attract your investments. There is no question that a vast educational effort is needed before my expressions are widely understood and accepted. All of us should participate in the process.

However, the role of leadership does clearly imply that business approach today's challenges in a different way. It must evaluate and handle its relations with the public and with government in the same way that it approaches its internal business problems—openly, frankly and with a genuine willingness to innovate, adjust to, and propose change. Because of the concern, if not fear, that we are drifting away from principles that have made this country great, business urges status quo and resists change. A legitimate fear of creeping socialism casts the supporter of free enterprise and the marketplace as an opponent of change. We are thus cast in a reactionary image—as "do nothing" capitalists who have scant regard for the masses. When regulations are opposed, rarely do we distinguish between needed or unneeded regulations, between workable or unworkable laws, between policies the nation can afford and those it can't. All too frequently I hear the astute businessman say: "Some changes are needed, but if we make any concessions the door is open to destroy us."

Yet day in and day out we spend most of our time making changes in our businesses as we try to improve a process, increase efficiency, innovate, improve quality, enhance productivity, clear lines of communication, and visualize those changes which will make our activities a model for others to follow. Unfortunately, our public pronouncements do not reflect this vision, or our willingness to bring about change resulting in common good—"civic virtue" if you will. We are afraid of the political processes and run from them rather than roll up our sleeves and work to make established processes intelligently responsive to needs of all.

Thus, if we are to lead we must shed resistance as a frame of reference and bring to our problems with government and the public the same spirit of progress and innovation business routinely applies to its business problems. We must openly reflect a willingness to work with all interested parties to sensibly manage change. If others perceive us as a moving, rather than a resisting force, I think they will join and work with business leadership and earnestly seek to balance self-interest with public good. Only in this way can we reverse the negative attitudes toward business.

Second: Business must remove that growing concern you have about our ethics and our morality. When Lou Harris says that only 16% of the public has a high degree of confidence in business he is reflecting your proper reactions to the headline disclosures of illegal political contributions, questionable dealings with foreign governments and conflicts of interest. I have lived in the arena of dealing with governments worldwide, and I sincerely believe that violations constitute the exception. I know they are not the rule.

As a guideline, for years our company has sought profit with decency. Just this past weekend, it was my pleasure to attend the inauguration of the chair at the Harvard School of Business dedicated to our former board chairman John McLean. The principal thrust of the McLean chair will be improvement and perpetuation of the highest standards of ethical conduct in business. Our management sponsored the chair and is committed to this goal. We cannot tolerate less and assume a roll of leadership.

In closing, I wonder if I could have said all of this in just a few words. The Declaration of Independence imposes certain inescapable duties. The performance of these duties requires all of us to pursue self-interest in a manner that reflects civic virtue and achieves common good. Properly oriented, business has the capacity to lead all interested parties in this direction. If successful, the current national malaise could be replaced by an eagerness for a future we know will be better than the past—and that is what the American promise is all about.

FOR PEACE: SHOULD WE ABOLISH THE MILITARY OR THE DIPLOMATS?

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. ZABLOCKI. Mr. Speaker, it was my distinct pleasure and honor to participate on Monday, November 24, 1975, in a program sponsored by the University of Wisconsin-Milwaukee Institute of World Affairs at which the Honorable Fred C. Ickle, Director of the Arms Control and Disarmament Agency, was the main speaker.

While conceding there have been "frustrations and delays" in negotiating arms control agreements, Dr. Ikle argued that much can be done for arms control without formal agreements. He recommended steps "to make the balance of mutual deterrence less dangerous." Deterrence, Dr. Ikle explained, has serious problems: First. Because it is based "entirely on theoretical hypotheses . . . we can never let our assumptions—our calculations—be tested." Second. It is constantly being disrupted by advances in science and technology. Third. It can't prevent accidental outbreak of war. And fourth, it doesn't deal with the worldwide spread of nuclear weapons.

The relevance of Dr. Ikle's remarks on that occasion was more than reflected in the warm and enthusiastic response provided by the Milwaukee audience. However, the far-reaching significance of his comments deserve wider circulation. I am therefore pleased to insert his remarks and my introduction of Dr. Ikle at the Institute of World Affairs in the RECORD at this point and recommend his views to the full and careful reading of my colleagues and the general public.

The introduction and comments follow:

INTRODUCTORY SPEECH

(By Hon. Clement J. Zablocki)

It is always a privilege and pleasure to participate in programs conducted by the University of Wisconsin, Milwaukee, Institute of World Affairs. Tonight it is a personal privilege and special honor to introduce to you—the distinguished Director of the Arms Control and Disarmament Agency, Hon. Fred C. Ickle.

As Chairman of the House of Representatives' International Relations Subcommittee having prime oversight responsibilities for the Agency and its activities, I have had frequent interactions over the past few years with Dr. Ikle. I therefore feel particularly qualified to commend his distinguished career and his contributions toward achieving the ultimate goal of the United States—that of providing for "a world free from the scourge of war and the dangers and burdens of armaments."

Dr. Ikle was appointed Director of the Arms Control and Disarmament Agency in July, 1973. Prior to that, he was known primarily for his research study and writing in the area of reducing the risk of war. His work has been highly instrumental in analyzing ways to protect against (1) accidental or unauthorized use of nuclear weapons, (2) how nations negotiate, and (3) the adequacy of strategy of nuclear deterrence. I can personally say that the Director has made distinguished contributions to my Subcommittee and the entire Congress. Because of his dedication, competence, and his fortitude in dealing with some of the most crucial issues facing the U.S. today, this nation and the world have been made safer and more peaceful.

Specifically, I particularly refer to the issues of Chemical and biological warfare, negotiations on SALT, and more recently, dealing with the problem of an ever-growing spread of nuclear weapons.

It is my distinct privilege and honor to present to you, my friend and the friend of all who seek peace, Dr. Fred C. Ikle.

FOR PEACE: SHOULD WE ABOLISH THE MILITARY OR THE DIPLOMATS?

Keeping peace in the world today is a fearful and complicated business, and I would like to tell you about some of the difficulties we face.

We seem surrounded by paradoxes: We buy expensive weapons that will serve their purpose only if they are never used. We make agreements to reduce certain arms at the very time that we are inventing new ones that might take their place. Our diplomats work long and hard over the fine details of some arms control treaty, yet the treaty covers only a fraction of the arms that fill the world.

No wonder we are tempted to simplify: Why get enmeshed in all the subtleties and seeming contradictions? Why not get rid of the negotiators and simply rely on our military forces to prevent war and defend our freedoms? Remember the old Latin saying, "If you seek peace, prepare for war"?

Or, maybe we should do the opposite. "Armaments lead to war"—that's another saying—so why don't we get rid of their horrible weapons of mass destruction and preserve peace by diplomacy?

In fact, diplomacy and military strength must, and always have had to work hand-in-hand. Benjamin Franklin's diplomacy in Paris was just as important as the American army when it came to saving the new American republic.

The nuclear age has not changed the nature of man or the wish for simple solutions; but it has changed the nature of war. And this makes the link between diplomacy and military power more critical than ever before. Nuclear weapons are so destructive that no country can defend itself against a major attack. And nuclear war would be so awful, so unpredictable, that it can't possibly be a way for nations to achieve their purposes. Our nuclear missiles and submarines exist not to win wars but to avert them—not to repel attack, but to deter it.

Our policy must fit the fact that today we can no longer protect ourselves by military strength alone. Arms policy has to seek out and build on the self-interest of adversaries, to make sure they will never use nuclear bombs and missiles. In short, nations must learn arms control.

Arms control is vital to make the balance of mutual deterrence less dangerous—and it is our only chance to move beyond this grim confrontation, this tense, brutal interlock that makes Americans and Russians hostages to each other.

Let me talk for a few minutes about some problems of deterrence—five of them, in fact.

First: Nuclear strategy is based entirely on theoretical hypotheses. We can never let our assumptions—our calculations—be tested. Indeed, some recent studies suggest that the effects from large numbers of nuclear explosions are largely unknowable—

what they would do worldwide to climate and to crops, let alone to people.

Second: Deterrence depends on having military forces that can survive an attack and strike back. The problem is that today's science and weapon technology have such momentum that they are constantly changing the survival conditions for deterrent forces. At one turn, new technology upsets the balance by creating some deadly new weapon that makes deterrent forces more vulnerable—the invention of multiple warheads for intercontinental missiles—MIRVs—for example. At another turn, technology may come up with a way to make deterrent forces more survivable; for example, the missile carrying submarine that can hide in the oceans. Deterrence is at the mercy of technology.

A third problem of deterrence is in the concept of "retaliation" itself. If a nuclear attack should ever occur, what purpose would be served by destroying the cities of the nation which launched the attack? What would be accomplished, at that point, by killing and maiming millions of men, women and children who had no part in the decision to attack? Is such retaliation a rational response to a limited nuclear attack? For example, an attack against some of our military forces overseas? And if it doesn't seem rational, can we count on it to deter the enemy? Our government has come to recognize this fundamental problem and it has taken steps during the last few years to see that our forces have a broad range of choices for responding to nuclear attack. This gives us a more credible deterrent against all levels of aggression.

A fourth problem—and it is a terrifying one: Deterrence, even if successful, does not eliminate all risks of nuclear war. The threat of retaliation helps to ward off only a rational, calculated decision to attack. It can't prevent an unintended outbreak of nuclear war. Accidental war cannot be deterred!

As if these four problems of deterrence were not enough, a new one may be about to break. Nuclear technology is spreading around the world, and this can give many more nations the potential to make nuclear bombs. Nuclear technology has this dual nature: reactors that produce energy also yield the material required to make nuclear bombs. Ask yourself, what does this mean for the deterrence we depend on to prevent nuclear attack? The only way we now know to ward off nuclear attack is based on two ideas: first, that we have to be concerned with only one or two nuclear adversaries; and second, that the nuclear weapons in such countries will always be controlled by men who care that their country should survive. In a world of many more nuclear powers, these two essentials will no longer be true. How could we retaliate against an attack if we weren't sure where it came from? How could we deter and retaliate against a small group of fanatics or criminals?

And how are we to curb nuclear arms competition by international agreement? It's hard enough to negotiate agreements between two countries because of their differences in national interests, in geography, and in military forces. Think how complications will multiply when we try to get agreements among many nuclear armed nations.

So you see, I told you we do have serious problems in depending on deterrence to preserve the peace. I wanted to give you a feeling for how complex the situation really is. So long as we rely on deterrence, our arms control efforts must take its shortcomings into account.

Now let me turn to something else arms control must cope with. Arms control agreements can improve the chances for peace—but, and it is an important "but"—we must be sure the agreements are observed. We can't depend on trust alone when our country's security is at stake. So for most such agreements we insist on verification—on having ways to tell if all parties are living up to the terms.

In fact, verification has three purposes: First, it provides evidence that violations may have occurred—a warning of possible cheating that might threaten our security.

Second, verification helps to deter violations, because it increases the risk of being found out and it complicates any schemes for cheating.

Finally, verification helps build confidence in arms control, by showing the parties are really living up to it. So it encourages trust and helps the climate for further progress.

But like deterrence, verification is no simple matter either. It has technical and political complications.

For one thing, verification must often involve secrecy and advanced intelligence techniques. The deterrent value of verification may be based on the fact that a possible violator does not know precisely how he is being checked.

Furthermore, verification is not a simple question of black and white, as many suppose. It often depends on delicate judgments based on a great deal of different kinds of information. How well a certain agreement can be verified may depend on the kind of restrictions and kind of weapons involved. For example, a total ban is generally easier to verify than a limit on the number of weapons allowed. If mobile missiles were banned, seeing even a single one would be enough to show the ban was violated. But it would be much harder to determine if a limit on numbers were violated; one would have to find and count all of them—or at least up to the limit and just beyond.

Obviously, large stationary objects, like ballistic missile silos, are easier to keep track of than small and mobile objects—like soldiers or bombs. That's why agreements to limit strategic weapons have focussed on the launchers that deliver them—the silos, the submarines, the heavy bombers.

Agreements that restrict weapons quality or technical characteristics, are harder to verify than limits on quantity. The number of strategic missiles, for example, is easier to verify than the type of warhead those missiles have.

Insisting on good verification doesn't necessarily mean we are questioning the good faith of those involved. Evidence is often ambiguous. Questions of whether a party is complying can arise from actions that are entirely innocent. And no matter how much care goes into drafting an agreement, different interpretations can arise. Nonetheless, history does not lack examples of treaties deliberately violated.

If ambiguities are promptly identified and questions of violation can be settled, arms control agreements will continue to be effective. Otherwise they are likely to degenerate into empty ceremony.

Difficulties of verification have become one of the main obstacles to progress in arms control. We could rapidly agree to more arms limitations if we only knew how to make them verifiable. Take the case of chemical weapons, for example. Virtually every country seems to want them banned, but no agreement has been made because we don't know how to verify such a ban.

Verification also limits the kinds of agreements we can have on strategic arms. You may have read about the cruise missile—a missile like a small pilotless aircraft. These cruise missiles are particularly hard to verify for a SALT agreement.

The news stories these days are rather pessimistic about the progress of the Strategic Arms Limitation Talks—SALT; and the negotiations to reduce the forces in Central Europe (the MBFR) have been moving very slowly.

Despite these frustrations and delays, formal, negotiated agreements are worth striving for. They help countries take coordinated steps they would not take on their own. They help avoid misunderstandings about what each side can expect from the other.

But we and other nuclear powers should not confine arms control efforts to formal agreements. There is much we can do in the management of our *own* forces to reduce the danger of nuclear catastrophe.

First, the designers of our strategic armaments have to do a better job. Today, our deterrent forces depend far too much on arms that have to be used quickly lest they be destroyed—"use them or lose them," as some military men have described the situation. But this dilemma of "use them or lose them" is just what could push the world, in time of an acute crisis, over the precipice. We now depend on alert missile forces, instantly ready, day and night, year after year, controlled by fragile and far-flung command links. But this structure is so complex that nobody can check out all the places where human or technical error might cause disaster. We must not let the fate of our nation, the fate of the world, depend for the indefinite future on such a dangerous contraption. With all our brains and resources, we should be able to devise deterrent forces that can ride out an attack, and so avoid any need for hair-trigger response.

There is a second front where we can move ahead without waiting for agreements; pay more attention to the human implications of nuclear arms. The horror of Hiroshima and Nagasaki was once vivid for the world, but it has long since faded from our minds. Too many people have lost the sense of proportion as to what is needed—and what is morally justified—to deter nuclear agression. To have effective deterrence we need not guarantee to kill millions of innocent people—people who could never influence the decision we wish to deter. Rather, for fundamental morality, we should not rig our forces in such a way as to cause mass killing—totally unnecessary killing—in any nuclear war. If the war had been caused by accident, what would be the sense of such "retaliation"? We should never lock our own forces into a posture that would make us the first to use nuclear weapons in a crucial and wanton way. We should not be the first to launch indiscriminate attacks against cities.

Fortunately, the evolution in United States nuclear policy, initiated under President Nixon and continued since, is moving us in the right direction. Those interested in arms control should give this evolution their whole-hearted support.

There is a third front: the battle to prevent nuclear weapons from spreading throughout the world. We are taking several actions here.

As Secretary Kissinger announced in the United Nations, we are trying to get other countries to join together in setting up multinational centers for managing and storing their nuclear reactor fuel. Such centers can provide cheaper fuel through economy of size. But more important, they can give greater safety against the chance that peaceful nuclear fuel might be diverted to make weapons.

We are seeking new ways to manage the growing traffic in nuclear fuels between nations, so they cannot be hijacked or otherwise stolen. And we are also seeking new ways to protect the increasing accumulating stockpiles of these dangerous fuels.

We have to explore better intelligence techniques to cope with nuclear proliferation. Techniques to tell where a nuclear explosion comes from, might be important.

Human intellect created the atom bomb, but unfortunately, it has not yet found a safe way to live with it. Yet, we have been learning. Today we have a far deeper understanding of deterrence and arms control than, say, twenty years ago—or even ten. Our ambition should not be stunted by temporary frustrations and setbacks. Our goals must remain ambitious.

VANIK REPORT

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. HARRINGTON. Mr. Speaker, an article in the November issue of Public Citizen People & Taxes has recently come to my attention.

The subject of the article is a study conducted by Representative CHARLES VANIK which demonstrates that the 48-percent corporate tax rate is, in reality, a hoax.

It seems absolutely incredible, given the current economic pressures squeezing us all, that multimillion-dollar corporations are allowed to continue to manipulate the tax structure to avoid paying any Federal tax.

According to the study, 110 corporations paid over $13.9 billion to foreign governments compared to only a little more than $8.3 million to the U.S. Treasury in corporate income taxes. In the study, Congressman VANIK stresses the fact that giant U.S. corporations have become transformed into worldwide organizations and subsequently progressed past the stage of control by any single government.

Mr. VANIK's revealing study makes it abundantly clear that some form of international cooperative control is a prerequisite to reach a goal of equitable worldwide taxation of multinational companies.

I strongly recommend that my colleagues take a moment to read about the results of Mr. VANIK's study.

The text of the article follows:

VANIK REPORT

The downward turn in the tax rate paid by some of the nation's largest corporations continued in 1974, according to a study released in October by Rep. Charles Vanik. The fourth annual study released by the Ohio Democrat, reported that the average effective federal income tax rate of the 102 industries studied was only 22.6%—down from 23.6% in 1973.

The study prepared by the staff of the Joint Committee on Internal Revenue Taxation (JCIRT) reported that in tax year 1974 eight corporations, with profits totaling approximately $844 million, paid no federal income tax. In addition, Vanik found that another 18 corporations with profits of approximately $5.3 billion paid an effective tax rate of less than 10%.

LOW TAX PAYMENT

The total tax bill paid by these 18 corporations was only $220 million. Had these companies and the eight who paid no taxes paid the 48% corporate rate, their taxes would have been approximately $2.96 billion.

In presenting his report to Congress, Vanik said, "Although some 'tax relief' is available to individual taxpayers in the form of personal deductions—and tax rebates and reductions from the Tax Reduction Act of 1975—it is minuscule when compared to the opportunities that America's corporations have to reduce their taxes."

For the first time Vanik's report listed payments to foreign governments. The 110 corporations listed paid over $13.9 billion to foreign governments and only a little more than $8.3 million to the U.S. Treasury, in corporation income taxes.

Vanik said, "The study reveals the pervasive involvement of America's giant corporations in overseas operations. The giant corporations are no longer U.S. corporations—they are worldwide organizations possibly beyond the control or supervision of any single government or other public agency."

In the report Vanik singled out oil companies, banks and the utility industry as receivers of undue tax favoritism. He said figures released by the JCIRT show the petroleum industry paid no net U.S. tax on foreign source income. The congressman said this is because oil companies are allowed to treat foreign oil royalties as a foreign "tax" and thus qualify for the foreign tax credit.

BANK CONTROL

In his remarks on the House floor, Vanik expressed his growing concern that banks are becoming the controlling force in the nation's economy. Through the use of a large array of tax breaks—many of which are not available to non-financial corporations—commercial banks have been able to lower their effective tax rate from 38.3% in 1961 to 11.7% in 1974. He urged Congress to look into the tendency for large banks to become multinational concerns.

Vanik disputed claims supporting the utility industry's need for an increase in the investment tax credit. "Since utilities are regulated monopolies and assured a fair rate of return through their governing public utility commissions, federal subsidization through the tax code is a highly debatable question."

DECLINE IN CORPORATE TAX PAYMENTS

	Approx mate effective tax rates paid by selected corporations, 1974						
Corporation	Approximate adjusted net income before Federal and foreign income tax[1] (thousands)	Approximate current Federal and foreign income tax (thousands)	Approximate adjusted net income before Federal income tax[2] (thousands)	Approximate taxes paid to foreign governments * * * (thousands)	Approximate current Federal income tax (thousands)	Approximate effective worldwide tax rate (percent)	Approximate U.S. effective tax rate on worldwide income (percent) *
INDUSTRIAL CORPORATION LIST							
General Motors Corp	$1,493,391	$399,130	$1,366,294	$126,916	$272,214	26.7	19.9
Exxon Corp						(4)	(4)
Ford Motor Co	534,200	101,400	351,900	351,100	(56,700)	19.0	
General Electric Co	928,900	336,600	858,600	74,500	262,100	36.2	30.5
International Business Machines Corp	3,434,639	1,687,044	2,668,039	791,200	895,844	49.1	33.6
Mobil Oil Corp	3,718,412	2,526,265	1,107,099	2,467,765	58,500	**68.0	5.3
Chrysler Corp						(5)	(5)
Interational Telephone & Telegraph Corp	655,906	304,169	353,344	246,301	57,868	46.4	16.4
Texaco, Inc	2,627,283	1,231,900	1,383,671	1,186,500	45,400	**46.9	3.3
Western Electric Co., Inc	579,754	195,835	579,754	0	195,835	[3] 33.8	33.8
Standard Oil Co. of California	966,822	720,300	318,622	640,500	79,800	**74.5	25.0
The LTV Corp	170,118	1,800	169,718	400	1,400	1.1	(6)
Standard Oil Co. of Indiana	1,677,309	720,336	1,198,193	410,857	309,479	**43.0	25.8
The Boeing Co	102,432	22,100	102,432	0	22,100	21.6	21.6
E. I. duPont de Nemours & Co	660,300	224,900	607,700	41,300	183,600	34.1	30.2
Shell Oil Co						(4)	(4)
General Telephone & Electronics Corp						(4)	(4)
RCA Corp	190,300	40,200	168,100	16,900	23,300	21.1	13.9
Goodyear Tire & Rubber	289,201	94,841	215,453	61,425	33,416	32.8	15.5
Esmark, Inc. (Swift & Co.)	63,488	28,400	54,588	6,300	22,100	44.7	40.5
Union Carbide Corp	892,400	328,300	692,500	183,100	145,200	36.8	21.0
Procter & Gamble Corp	590,979	248,535	515,817	66,271	182,264	41.1	35.3
Bethlehem Steel Corp	584,216	230,000	562,216	22,000	208,000	39.4	37.0
Eastman Kodak Co	1,101,769	452,550	970,919	122,150	330,400	41.1	34.0
Kraftco Corp	169,294	67,809	150,680	18,614	49,195	40.1	32.6
Greyhound Corp	86,928	34,885	86,928	0	34,885	40.1	40.1
Atlantic Richfield Co	919,736	434,095	539,055	377,455	56,640	**47.2	10.5
Continental Oil Co	914,389	558,301	420,785	496,162	62,139	**61.1	14.8
International Harvester Co	178,308	91,942	117,115	59,172	32,770	51.6	28.0
Lockheed Aircraft Corp	34,900	5,100	29,800	5,100		14.6	
Tenneco, Inc	564,079	153,783	534,663	28,924	124,859	27.3	23.4
Rockwell International Corp. (North American Rockwell)	230,000	77,800	209,500	17,300	60,500	33.8	28.9
Litton Industries, Inc						(7)	(7)
United Aircraft Corp	198,641	82,139	196,579	1,272	80,867	41.4	41.1
Firestone Tire & Rubber Co	271,947	100,353	225,126	45,132	55,224	33.9	24.5
Phillips Petroleum Co	711,938	328,022	506,091	200,469	127,553	**46.1	25.2
Occidental Petroleum Corp	785,808	483,887	307,450	478,887	5,000	**61.6	1.6
General Dynamics Corp	87,979	32,030	77,222	6,441	25,589	36.4	33.1
Caterpillar Tractor Co	339,800	134,000	312,700	29,800	104,200	39.4	33.3
The Singer Co						(7)	(7)
McDonnell Douglas Corp	172,499	15,028	171,188	375	14,653	8.7	9.1

DECLINE IN CORPORATE TAX PAYMENTS—Continued

Corporation	Approximate effective tax rates paid by selected corporations, 1974						
	Approximate adjusted net income before Federal and foreign income tax [1] (thousands)	Approximate current Federal and foreign income tax (thousands)	Approximate adjusted net income before Federal income tax [2] (thousands)	Approximate taxes paid to foreign governments * * * (thousands)	Approximate current Federal income tax (thousands)	Approximate effective worldwide tax rate (percent)	Approximate U.S. effective tax rate on worldwide income (percent) *
General Foods	----	----	----	----	----	(3)	(3)
Continental Can Co., Inc	$208,986	$72,418	$182,345	$10,298	$61,490	34.7	33.7
Monsanto Co	543,500	209,200	487,200	50,500	158,700	38.5	32.6
Sun Oil Co	748,304	352,600	487,128	255,196	97,404	**47.1	20.0
Honeywell	102,247	8,460	98,881	10,678	(2,218)	8.3	----
W. R. Grace & Co	246,893	106,789	170,307	65,983	40,806	43.3	24.0
Dow Chemical Co	984,764	452,700	797,964	179,500	273,200	46.0	34.2
International Paper Co	427,300	178,700	373,600	49,500	129,200	41.8	34.6
American Can Co	166,606	68,907	151,761	14,845	54,062	41.4	35.6
Borden, Inc	151,708	59,900	140,508	8,500	51,400	39.5	36.6
Rapid American Corp	----	----	----	----	----	(3)	(3)
Burlington Industries, Inc	168,659	75,459	162,767	5,392	70,067	44.7	43.0
Union Oil Co. of California	465,126	219,000	321,526	136,900	82,100	**47.1	25.5
R. J. Reynolds Industries, Inc	750,965	422,358	527,068	230,187	192,171	56.3	36.5
Sperry Rand Corp	----	----	----	----	----	(3)	(3)
Xerox Corp	698,314	276,340	495,353	172,793	103,547	39.6	20.9
Boise Cascade Corp	161,611	62,807	145,379	11,055	51,752	38.9	35.5
Cities Service Co	282,167	88,500	271,367	10,800	77,700	31.4	28.6
Minnesota Mining & Manufacturing Co	539,368	223,500	452,368	87,000	136,500	41.4	30.2
Consolidated Foods Corp	123,985	46,922	110,018	12,875	34,047	37.8	30.9
Gulf Western Industries, Inc	109,344	63,300	57,544	51,800	11,500	57.9	20.0
Textron, Inc	175,670	59,094	167,668	5,062	53,492	33.6	31.9
American Standard, Inc	73,669	26,570	58,646	16,386	10,184	36.1	17.4
Signal Companies, Inc	290,365	106,614	277,672	12,693	93,921	36.7	33.8
Ashland Oil, Inc	159,929	44,200	137,325	13,860	30,430	**27.6	22.1
Owens-Illinois, Inc	129,014	41,495	104,739	24,275	17,220	32.2	16.4
United Brands Co	----	----	----	----	----	(3)	(3)
CPC International, Inc	186,770	76,733	138,502	42,418	34,315	41.1	24.8
Standard Oil Co. of Ohio	190,045	45,818	161,757	28,288	17,530	**24.1	10.8
Republic Steel Corp	278,131	107,276	277,591	540	106,736	38.6	38.5
Champion International Corp	142,355	35,264	123,662	11,139	24,125	24.8	19.5
FMC Corp	76,201	16,669	70,829	5,372	11,297	21.9	15.9
American Home Products Corp	439,167	181,700	380,529	58,638	123,062	41.4	32.3
The Coca-Cola Co	356,485	152,624	241,487	112,569	40,055	42.8	16.6
TRW, Inc	177,105	66,055	149,656	22,919	43,136	37.3	28.8
Armco Steel Corp	344,529	122,243	309,358	35,171	87,072	35.5	28.1
Beatrice Foods Co	250,336	110,778	223,916	24,868	85,910	44.3	38.4
Ralston Purina Co	164,391	67,300	151,991	12,400	54,900	40.9	36.1
Uniroyal, Inc	80,746	27,892	61,912	18,495	9,397	34.5	15.2
Aluminum Co. of America	286,425	107,114	254,130	30,754	76,360	37.4	30.0
American Brands, Inc	277,452	128,845	235,310	37,736	91,109	46.4	38.7
The Bendix Corp	144,200	63,000	119,200	21,000	42,000	43.7	35.2
National Cash Register Co	----	----	----	----	----	(4)	(4)
Raytheon Manufacturing Co	103,880	39,929	101,160	2,720	37,209	38.4	36.8
Warner-Lambert Co	260,873	101,393	198,221	62,652	38,741	38.9	19.5
Genesco, Inc	30,583	17,798	26,860	3,723	14,075	58.2	52.4
Allied Chemical Corp	222,887	54,973	206,878	17,164	37,809	24.7	18.3
National Steel Corp	311,595	129,150	311,595	0	129,150	41.4	41.4
Weyerhaeuser Co	405,197	138,145	382,617	24,645	113,500	34.1	29.7
U.S. Industries, Inc	25,320	4,572	17,920	7,400	(2,828)	18.1	----
Getty Oil Co	592,755	279,024	383,282	209,473	69,551	**47.1	18.1
Teledyne, Inc	122,816	48,000	118,316	4,500	43,500	39.1	36.8
Colgate-Palmolive Co	----	----	----	----	----	(3)	(3)
B. F. Goodrich Co	----	----	----	----	----	(4)	(4)
Georgia Pacific	252,850	58,500	252,850	0	58,500	23.1	23.1
Whirlpool Corp	36,208	13,101	36,208	0	13,101	36.2	36.2
Gulf Oil Corp	4,047,000	2,831,000	1,358,000	2,641,000	190,000	**70.0	14.0
United States Steel Corp	1,081,700	351,000	934,500	79,700	271,300	34.5	29.0

** Footnotes not supplied.

YOUTH OF AMERICA

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. STEIGER of Arizona. Mr. Speaker, I rise to speak in praise of the youth of America, and to say that in spite of the many troubles which beset this Nation, I am extremely optimistic about the future.

I will keep my brief remarks to specifics, but I believe those specifics tell more of the real American youth than an hour of oratory.

Recently, in the Glendale Elementary School District, which is in my congressional district, a new school was dedicated. In an exercise in democracy and freedom of choice, students and parents were asked to submit names for the new educational plant.

The students, numbering approximately 560, voted on the final name selection after a screening committee had narrowed the choices to five.

The winning name was "Bicentennial" and the official name of the ninth school in the district is now the "Bicentennial Elementary School."

The mascot of the school, by which the athletic teams will be known, is "The Patriot," and the school colors are red, white, and blue.

The spirit and patriotism which made the United States the greatest Nation in the world still persists, and in fact, is growing stronger as we approach our 200th year. I believe this is clearly evident from the actions of the students of the Bicentennial Elementary School in Glendale, Ariz.

I would like to recognize the student council, as well as District Superintendent Glenn F. Burton and Principal Richard G. Thomas. Members of the student council are: Rebecca Marshall, president, 7th grade; Marcel Spaulding, vice president, 7th grade; Lisa Messner, secretary, 7th grade; Ronnie Chisholm, Jr., vice president, 5th grade; and Joni Catrina, Jr., vice president, 5th grade.

A TRIBUTE TO C. ALEX HARVIN, JR.

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. JENRETTE. Mr. Speaker, it gives me great pleasure to announce the selection of C. Alex Harvin, Jr. of Summerton, S.C., as a winner of the Farm Bureau's Distinguished Service Award for 1975.

As the highest commendation which the organization gives, the award is more than a tribute to the host of Mr. Harvin's achievements in leadership and service—it is the humble thanks of many to a man who has sincerely dedicated his life to the enrichment of his community and Nation.

There is not one endeavor in which Alex Harvin has not excelled. Besides being a good-sized farmer, Mr. Harvin represents the profession on many distinguished agricultural organizations. He is on the board of directors of the South

Carolina Farm Bureau, was a past president of the Cotton Ginner's Association, both in the State and for the Nation, and has served on the National Cotton Council for more than 20 years.

But beyond his devotion to agriculture, Mr. Harvin is an astute businessman, and as an officer of no less than 12 corporations, has done much to stimulate commerce in the State.

With this demand upon his time and energies, Alex Harvin has still managed to devote a lifetime to civic and community activities. As president of the Pee Dee Area Council, he makes scouting a reality for over 10,000 boys, and his 32 years as deacon of his church are equally as impressive as his post as president of the South Carolina Mental Health Association, and as chairman of the Summerton Bicentennial Commission.

It is only possible to imagine this exceptional degree of accomplishment when we consider the man himself. Industrious and personable, Mr. Harvin set the pace for his active life when he became the youngest corporation president in the State at the age of 21. His ability to assume responsibility is only exceeded by his utter versatility in every possible field of endeavor.

When we scan this Nation's past, we find that it is men like C. Alex Harvin that give us pride to be Americans. In him, there is that rare pioneer spirit that sees the unknown and the impossible, but sets out to conquer them. It is with deep gratitude that I extend my most heartfelt congratulations to Mr. C. Alex Harvin, Jr., for receiving this auspicious award.

SECOND CONCURRENT BUDGET RESOLUTION

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. DODD. Mr. Speaker, the second concurrent budget resolution for fiscal year 1976 represents a fundamental step in the Congress reassertion of its control over the Nation's finances.

The power of the purse, granted to the legislative branch by the U.S. Constitution, has been relinquished to the executive for far too long.

The new budget process was initiated to provide Congress with an institutional machinery capable of formulating a congressional budget and of increasing our control over Federal spending.

This machinery seems to have successfully weathered its first hard test. Next time around, the process should be finalized and we will not have to include for the next fiscal year any additional Presidential packages or spending bills submitted to the Congress after March 15. of ceilings for Federal revenues and expenditures.

From then on, the prior determination of ceilings for Federal revenues and expenditures and for the size of the deficit and the public debt will have at least two positive results:

First of all, we can look forward to a better management of the Federal budget. And second, we will be able to make better public policy decisions since they will be based on a more cohesive and comprehensive economic framework.

In this respect, we must keep in mind the necessity of looking ahead—not 1 year ahead, but several years ahead—since many of the programs we are approving entail long-range expenditures and have an extended impact on the country's economy.

The second concurrent budget resolution is not only important in terms of its general and projected significance.

There is also much to be said for the actual contents of this year's resolution.

It is the result of a serious effort to put forth measures of direct stimulus to relieve the burdens of an ailing economy. The double condition of recession and inflation has placed enormous strains on those with low or fixed incomes as well as on the unemployed. The extension of the Tax Reduction Act of 1975, the supplemental appropriations for public service jobs, public works projects, summer youth jobs, and the greater assistance to State and local governments should provide direct relief to those who need it most.

The projected unemployment rate of 7.5 percent for fiscal year 1976 persists as a national tragedy, but with the additional help of Mr. O'NEILL's amendment, still more jobs will be created.

The projected deficit of $72 billion is higher than it should be. But these are hard times, and this is the price we must pay if we are to attend to the human problems faced by a large percentage of the American population.

If the economic stimulus is successful and the recovery goes as planned, we should be able to reduce the amount of this deficit spending and thus deal more effectively with our galloping rate of inflation.

I would like to emphasize that with this resolution Congress has renewed its traditional commitment to social and humanitarian assistance. Given the economic realities, a reasonable reordering of priorities was called for.

The defense budget, while remaining one of the two largest items on the entire budget, has been cut by approximately $8 billion, a reduction of almost 10 percent. This in itself is a decisive step toward greater fiscal responsibility.

In short, while the budget resolution has not solved our Nation's problems, it represents more than a move in the right direction. It is encouraging testimony of the Congress pledge to serious and effective financial planning.

ONE NEW YORKER DEFENDS HER CITY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Ms. HOLTZMAN. Mr. Speaker, at this time when my colleagues are debating the question of assistance to New York City to avert a default, I would like to share with them a poem, "New York City," written by my constituent, Ms. Dorothy Goldberg. The text of the poem follows:

NEW YORK CITY

Our city is a great lady
Who always has been there,
Whenever anyone needed her
And that's why it's not fair,
That now when she has troubles
And her economy isn't well,
Our own Federal Government
Tells her to go to hell.
Though whenever a foreign dignitary
Visits the U.N.
The person requires protection
And New York provides the men,
And the Government in Washington
Never refunds a cent,
So the city's budget
Has sustained another dent.
And think of the poor people
Who came here from other states,
Because our welfare system
Pays them higher rates.
Though our Federal Government
Pays us a smaller percent
Than they give most parts of the country
And there goes another dent.
And how about the people
Who migrated here to be free,
And all our city's visitors
What sticks in their memory?
Do they consider New York sinful
Because perhaps they met a tramp,
Or do they really remember
The lady who holds the lamp?
And even now we don't want charity
It's justice which we seek,
For without it our fair city's
Whole future will be bleak.
For no longer can we afford
To subsidize the whole nation,
With the minuscule pittance
Which has been returned as our ration.
So it's time our leaders realized
That New York's a precious gem,
And that they need us
Quite as much as we need them.

ANTINUCLEAR GROUPS TARGET BARNWELL

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. McDONALD of Georgia. Mr. Speaker, more than 1,200 opponents of nuclear-generated electrical power gathered in Washington, D.C. November 16–18, to participate in a conference, Critical Mass '75, the "second national gathering of the citizen movement to stop nuclear power." The Critical Mass '75 conference, called by Ralph Nader, provided a warm and enthusiastic response to the resolutions offered by admitted nuclear saboteur Sam Lovejoy which called for "civil disobedience" and "direct action" to stop nuclear power. Lovejoy's call for unity of the antinuclear power movement with the détente and disarmament groups operating in support of the Soviet Union's foreign policy tactics also met with acclamation from the assembled antinuclear activists. A detailed report on those aspects of the Critical Mass '75 was provided in the CONGRESSIONAL RECORD of November 19, 1975, page 37523.

However, Lovejoy's resolutions for "direct action" were not the only ones offered to the Critical Mass '75 conferees who paid $10 per person to attend the exhausting schedule of panels and workshops.

Following a series of warnings issued by Ralph Nader in his role of environmental white knight that any interest in the antinuclear movement by the nuclear power industry, its trade associations or by law enforcement could be considered "illegal interference" and an invasion of the right to privacy which would be "relentlessly exposed," Nader introduced Lovejoy, the successful saboteur, and Brett Percy from the Barnwell project in South Carolina.

Nader remained on stage while Lovejoy and Brett Percy read their resolutions to the acclamation of the crowd. While Nader's expression could not be seen as he kept his hands pressed to the sides of his face, he made no statement contradicting the activists' calls for direct action tactics to stop the operation of nuclear power facilities.

Lovejoy's resolutions we have already discussed, but the Barnwell project group deserve attention in their own right.

The Barnwell project, operating from 221 Pickens Street in Columbia, S.C., seeks to prevent the opening and operation of the nuclear fuel reprocessing plant near the town of Barnwell, S.C. The reprocessing plant will be the only one in this country which has been without a fuel reprocessing facility for some time.

The Barnwell resolution clearly sets forth the rationale of the antinuclear generated electrical power groups for placing a priority on stopping the Barnwell reprocessing facility by "direct action" tactics. As read by Barnwell project spokesman Brett Percy to the Critical Mass '75 conferees it stated:

> Whereas the Barnwell reprocessing facility is a dangerous and deadly machine, and whereas fuel reprocessing is presently the jugular vein of the atomic industry, and whereas stopping Barnwell will effectively shut down nuclear power in America, be it resolved that all nuclear opponents put their immediate attention and energy to stopping Barnwell from receiving spent fuel, from reprocessing waste or becoming a mass storage facility for radioactive waste.
>
> To implement this resolution:
>
> 1. Nuclear opponents from every state should immediately make themselves aware of any shipments of radioactive waste destined for Barnwell, and stop them within their own nuclear sites.
>
> 2. Letters of solidarity and information on any radioactive shipments should be sent to Barnwell Project, 221 Pickens Street, Columbia, South Carolina 29202. Information on shipments destined for Barnwell is vital. If time does not allow information to be mailed, call us collect at 803/771-9353 to let us know. Localities with nuclear plants should look into the possibility of getting the health departments in the county where the plant is located to pass an ordinance banning the shipment of the nuclear waste which would effectively trap the waste in its present location.
>
> 3. Organize support delegations across the country to join nuclear opponents from across South Carolina for demonstrations and possible direct action to keep Barnwell inoperative.

It is clear that what the Barnwell project activists are trying to do is set up a nationwide antinuclear power intelligence network to determine when shipments will be in transit to the Barnwell reprocessing plant. The possibilities for extremely dangerous "direct action" scenarios are strong. They could include blockades of the public roads or of the plants shipping the fuel for reprocessing; they could include attempted takeovers of nuclear power plants or of the Barnwell facility; and they could include what the environmental extremists call "ecotage"—destructive acts in support of the antinuclear power movement.

And it is also possible that an extremist attached to the anti-nuclear movement could attempt to cause a minor accident or spillage to dramatize the antinuclear cause.

Lovejoy stated that his act of sabotage was a "modern first step" in the campaign against nuclear generated electrical power which "entered the issue of civil disobedience into the environmental movement."

Nader and his supporters who so warmly received the Barnwell and Lovejoy resolutions have their constitutional right to criticize nuclear power for peaceful purposes, but when they applaud the potential lawbreakers who call for "direct action" and "civil disobedience," they offer their movement as a cloak to screen conspiracies which may endanger many.

This being the case, we must call upon all of the appropriate agencies of our Government, both Federal and local, to closely monitor the activities of these groups in order to insure that in this volatile area neither the public safety nor our internal security is subjected to threats of violence.

KEN HECHLER: REFUSING THE VOW OF OBEDIENCE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. DRINAN. Mr. Speaker, there are too few occasions when all of us can read something that makes us increasingly proud to be a Member of the Congress. An article in the Washington Post on December 1, 1975, about our colleague, Congressman KEN HECHLER of West Virginia, will make every Member of the House proud to be associated with this devoted colleague.

The article, written by the able and skilled Washington Post columnist, Colman McCarthy, follows:

KEN HECHLER: REFUSING THE VOW OF OBEDIENCE

(By Colman McCarthy)

LOGAN, W. VA.—The two politicians walked from the main entrance of the new hospital that both had come to help dedicate. They had lunched inside with the directors and were now moving to the outside platform for speeches. One, Ken Hechler, the local congressman, was approached by a disabled miner who carried black lung papers and wanted help figuring them out. The other was Robert Byrd, the state's junior senator and a local boy who (as he reminded the crowd in his speech) was now a mighty power in Washington; he spotted the 150 spectators and bolted for them to shake hands.

For the next few minutes, two styles of American politics were at work. Hechler offered the people no other commodity than his own availability. He stood on the pavement in one place, fearless of what congressman home for the weekend dread most: being motionless. His message to the people that he was approachable was quickly perceived. People surrounded him. Most were coal miners or widows who had gotten nowhere with the local or federal government with one claim or another—social security, welfare, black lung, food stamps—and were now appealing to Hechler. He took their forms and documents, filling his pockets with them, and promising to act on returning to Washington.

The other political style was Byrd's. He was the eager ground-gainer, the believer in the political maxims that no idle hand of a voter should go unpumped and that no banter could be too trivial. He worked the crowd, row by row, mixing chumminess with senatorial dignity. But when he climbed to the platform, his pockets—unlike Hechler's—contained no forms or papers. None of the citizens had asked him for anything.

That a small state like West Virginia is large enough to support two such dissimilar politicians as Hechler and Byrd is one of Appalachia's ongoing mysteries. The deepest puzzle is Hechler, Unlike most mountain politicians, he is an apostate who has never taken a vow of obedience to the coal and energy companies. His own district in the southern border of the state contains more coal than any area in the country. Coal may be king, but for Hechler the powers behind the throne can be wily and dangerous, with a record that he occasionally calls "diabolical."

The devil is a metaphor the mountain people understand because notions like evil, sin and damnation have not been brushed aside as casually as they have been in the cities. If Hechler's district is a classroom and lessons can be applied to other parts of the country, one truth is clear: it is possible to run against unaccountable corporations and not only win but thrive. Hechler's record suggests that the voters may be far ahead of the politicians and will gratefully embrace anyone halfway daring enough to expose corporate manipulators with their slush funds, cash envelopes and hunting lodges.

Hechler first ran for office in 1958, shortly after coming to West Virginia from Washington. He worked in the 1956 Stevenson campaign but came to the mountains to clear his head of abstractions. He was born on Long Island, took a Ph.D. at Columbia and should have been the kind of person—the egghead outlander—who West Virginians traditionally ignore. He endeared himself to the voters, however, not by seeking office but by having it pushed upon him by his students at Marshall University. "I was teaching government and telling the youngsters why they should get involved, when suddenly they began telling me to get involved. So I tried for Congress as a longshot, and made it. The students virtually ran my campaign. It was probably a combination of their honesty and my enthusiasm that won the election."

Either way, in a state where political corruption looms over the citizens as imposingly as the mountains, Hechler was a fresh voice. In time, he made it fresher. He helped organize the coal miners into a force that demanded—and received—the 1969 Coal Mine Health and Safety Act. He was the only member of Congress to stand with Joseph Yablonsky in the latter's doomed struggle against the Boyle mob. He has been the only one in Congress to consistently call for a total ban on strip mining.

After a few years of this kind of insolence, the boys in the board rooms and the back rooms had had enough. In 1972, "coincidence" saw to it that Hechler was redistricted, even the convenient stake at which to burn a heretic. His primary opponent was James Kee, a strip mining cheerleader, considered unbeatable. Hechler beat Kee and won the fall election so decisively that two years later he had no opponent at all, a luxury mostly enjoyed by Southern segregationists and other immovable objects. Wryly, Hechler says that having no opponent in 1974 made life dull. "I had no one to debate the issues with. For the first time, no one stood up to defend strip mining or the coal companies. I guess they figured it was better not even to remind the voters there were issues to be decided."

Hechler is 61, unmarried, physically fit and the owner of a folksy manner that disguises much of the zeal and wrath within him. If there is any perverseness to him, it is the delight he shows in driving eastern reporters around his district in his jeep. A little roughing it won't hurt the press, Hechler says. This jeep is but a cut above a four-wheeled contraption. Hechler's vehicle was once a campaign issue. His opponent said the jeep demeaned the dignity of West Virginians because the people deserved a congressman who rode in a limousine, like all the other champions of the people.

The national press isn't poking round West Virginia these days for hints of "the national mood." The state hasn't been nationally significant since John Kennedy came here in 1960 to prove that religion is not a political issue. Hechler's success may not be as dramatic as Kennedy's 1960 victory, but what it suggests could be as politically significant: that accountability is now a major concern of the voters. Too many corporations, governmental agencies and institutions have been heedless of anything but their own interests, with little concern about victimizing citizens. America is not yet totally captured by the special interests the way that many in West Virginia are dominated by company towns. But if any of those now seeking national office want to learn about a style of politics that succeeds by responding to voter resentment of vested-interest domination, they ought to hitch a ride with Hechler in his jeep. Nowhere are these vested interests more dominating and nowhere is there a politician whose boldness in opposing them is more appreciated.

AMENDMENT OFFERED TO H.R. 10481

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. REUSS. Mr. Speaker, when H.R. 10481 is read for amendment, it is anticipated that an amendment will be offered in the nature of a substitute in conformity with the views of the President. The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the New York City Seasonal Financing Act of 1975".

CONGRESSIONAL FINDINGS

SEC. 2. The Congress makes the following findings:

(1) It is necessary for the City of New York to obtain seasonal financing from time to time because the City's revenues and expenditures, even when in balance on an annual basis, are not received and disbursed at equivalent rates throughout the year.

(2) At the present time the City is or may be unable to obtain such seasonal financing from its customary sources.

(3) It is necessary to assure such seasonal financing, in order that the City of New York may maintain essential governmental services.

DEFINITIONS

SEC. 3. The words and phrases used in the Act have the following meanings:

(a) the Terms "City" and "State" mean the City and State of New York, respectively.

(b) The term "Financing Agent" means any agency duly authorized by State law to act on behalf or in the interest of the City with respect to the City's financial Affairs.

(c) The term "Secretary" means the Secretary of the Treasury.

LOANS

SEC. 4. (a) Upon written request of the City or a Financing Agent, the Secretary may make loans to the City or such Financing Agent subject to the provisions of this Act, providing that in the case of loans to a Financing Agent, the City and such Agent shall be jointly and severally liable thereon.

(b) Each such loan shall mature not later than the last day of the fiscal year of the City in which it was made, and shall bear interest at an annual rate determined by the Secretary at the time of the loan, based upon the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturities of such loans, adjusted to the nearest one-eighth of one percentum, plus one percentum per annum.

SECURITY FOR LOANS

SEC. 5. In connection with any loan under this Act, the Secretary may require the City and any Financing Agent and, where necessary, the State, to provide such security as he deems appropriate. The Secretary may take such steps as are necessary to realize upon any collateral in which the United States has a security interest pursuant to this section to enforce any claim the United States may have against the City or any Financing Agent pursuant to this Act. Notwithstanding any other provision of law, the Secretary may, to the extent authorized in Acts making appropriations, withhold any payments from the United States to the City, either directly or through the State, which may be or may become due pursuant to any law and offset such withheld amounts against any claim the Secretary may have against the City or any Financing Agent pursuant to this Act.

LIMITATIONS AND CRITERIA

SEC. 6. (a) A loan may be made under this Act only if the Secretary determines that there is a reasonable prospect of repayment of the loan in accordance with its terms and conditions as he may deem appropriate to insure repayment. The Secretary is authorized, without regard to section 10, to agree to any modification, amendment or waiver of any such term or condition as he deems desirable to protect the interests of the United States.

(b) At no time shall the outstanding amount of loans hereunder exceed in the aggregate $2,300,000,000.

(c) No loan shall be provided under this Act unless: (i) the City and all Financing Agents shall have repaid according to their terms all prior loans under this Act which have matured, and (ii) the City and all Financing Agents shall be in compliance with the terms of any such outstanding loans.

REMEDIES

SEC. 7. The remedies of the Secretary prescribed in this Act shall be cumulative and not in limitation of or substitution for any other remedies available to the Secretary or the United States.

FUNDING

SEC. 8. There are authorized to be appropriated such sums as may be necessary (1) to make loans authorized under section 4 of this Act, and (2) to pay any expenses incurred in the administration of this Act.

INSPECTION OF DOCUMENTS

SEC. 9. At any time a request for a loan is pending or a loan is outstanding under this Act, the Secretary is authorized to inspect and copy all accounts, books, records, memoranda, correspondence, and other documents of the City or any Financing Agent relating to its financial affairs.

TERMINATION

SEC. 10. The authority of the Secretary to make any loan under this Act terminates on June 30, 1978. Such termination does not affect the carrying out of any transaction entered into pursuant to this Act prior to that date, or the taking of any action necessary to preserve or protect the interests of the United States arising out of any loan under this Act.

JUSTICE WILLIAM O. DOUGLAS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. BROWN of California. Mr. Speaker, the many thousands of words of tribute that have been expressed since Justice William O. Douglas announced his retirement hardly leave room for added comment. This man was truly of the same caliber as those who signed the Declaration of Independence in 1776, and as he demonstrated by his life and his words, he believed in the same values as those great men who founded this country.

What is perhaps lost in most analyses of the record of Justice Douglas is his firm belief in conservative values. He has been called a "liberal" by most observers, yet the values he espoused are perhaps perceived by the public as "conservative."

In his well-known book, "Points of Rebellion," Justice Douglas wrote of two great tasks that face this country. The first task he described was the problem of reallocating our resources. This is the area that could, perhaps, be considered his liberal side, but that label should not obscure the fact that in an age of diminishing resources, reallocation is an inevitable situation that requires an equitable solution.

The second great task described by Justice Douglas could have been taken from a page in some speech by any self-described conseravtive. Let me quote from "Points of Rebellion":

> Our second great task is to control the American bureaucracy. As the problems of the nation and the states multiplied, the laws became more prolix and the discretion granted the administrators became greater and greater. Licenses or permits are issued if the agency deems it to be "in the public interest." Management of national forests and national parks is left to federal agencies which in turn promulgate regulations governing the use of these properties but seldom allow a public voice to be heard against any plan of the agency.
>
> The examples are legion and they cover a wide range of subjects from food stamps, to highway locations, to spraying of forests or grasslands to eliminate certain species of trees or shrubs, to the location of missile bases, to the disposal of sewage or industrial wastes, to the granting of off-shore oil leases.

These words can easily stand alone without any need for interpretation from me. I would, however, like to add one more tribute to the RECORD, one which appeared in the Washington Post. In the following article, Justice Douglas' love for the land is described. We could all learn from his example.

The article follows:

A PIONEER OF THE LAW AND THE LAND

(By Carrie Johnson)

"Come with me . . . Walk the 185 miles to Cumberland . . . Hear the roar of wind in thickets . . . Discover the glory there is in the first flower of spring, the glory there is even in a blade of grass . . ."

So wrote Supreme Court Justice William O. Douglas in the 1954 letter to The Post that sparked the hike which launched the long campaign to save the Chesapeake and Ohio Canal.

In the many tributes to Douglas after he retired from the Court this month, environmentalists have cited his crusades for the canal and other parks about as often as civil libertarians have quoted his impassioned defenses of free speech. But Douglas' love of liberty and his love for the land should not be put in separate chapters or paragraphs. The two are actually inseparable. The unifying concept is the necessity for space, a cause that Douglas has championed with equal fervor on the trail and on the bench.

To Douglas, ample space—legal and geographical—is vital for diversity, for creativity, for what he once called "a flowering of man and his idiosyncracies." Individuals must have room to roam, to stretch their muscles and their minds.

"Freedom of movement," Douglas once wrote, "is the very essence of our free society . . . Like the right of assembly and the right of association, it often makes all other rights meaningful—knowing, studying, arguing, exploring, conversing, observing and even thinking." This is the declaration of a civil libertarian, and the conviction of a hiker too.

In Douglas' view, the expanses of nature are as precious as the liberties protected by the First Amendment. Therefore the claims of nature should be equally recognized in court. This reasoning seemed to lie behind Douglas' famous dissent in Sierra Club v. Morton, also known as the Mineral King case—an opinion which many lawyers regard as quixotic, and which many environmentalists have memorized.

In that case, Douglas argued that natural resources such as rivers, valleys, meadows, and even clean air should be accorded legal standing "to sue for their own preservation." If a river or woodland cannot plead its own case, then those who "frequent it, or visit it merely to sit in solitude and wonderment are legitimate spokesmen for it."

Douglas has been just such a spokesman, arguing for natural space as much as for personal privacy, the domain of ideas, and other zones of autonomy that government and society should not invade. In his volumes of writings, many of the most eloquent statements have been those protesting some intrusion—a wiretap, a police raid, a radio on a streetcar, or a highway, or a dam, or military planes flying too low over a chicken farm.

In most of these instances, Douglas' target has been the government: overzealous police, intolerant legislators, or agencies such as the Forest Service and the Corps of Engineers which, in his view, have become "great despoilers," serving special interests instead of the public interest. But Douglas has not opposed assertive government entirely. Public authority can and should be used, he has maintained, to gain more dignity and opportunity for individuals—to help the poor, to enforce equal justice, to promote economic competition and to combat wretched living conditions which suffocate the spirit."

Douglas spelled out this view emphatically when writing for the Court in Berman v. Parker, the 1954 decision that upheld the District of Columbia's ambitious Southwest renewal plan. "The concept of the public welfare is broad and inclusive," he said. "The values it represents are spiritual as well as physical, aesthetic as well as monetary. It is within the power of the legislature to determine that the community should be beautiful as well as healthy, spacious as well as clean, well-known as well as carefully patrolled."

Increasingly, however, communities' desires for calm and spaciousness are colliding with individuals' choices of living styles. In such conflicts, one might expect Douglas to defend the right of individuals to live anywhere and any way they like. But Douglas went the other way last year when the Court upheld, 7-2, a zoning ordinance in Belle Terre, New York, that barred the occupancy of homes by more than two unrelated people and thus restricted rentals to student groups.

Writing for the Court, Douglas said that the ordinance would be suspect if it barred poor people, blacks, all transients, or unmarried couples. But Belle Terre did have the power to regulate sheer numbers of boarders in order to combat congestion, traffic problems and noise. Citing his opinion in the D.C. renewal case, Douglas held that the police power "is ample to lay out zones where family values, youth values, and the blessings of quiet seclusion and clean air make the area a sanctuary for people."

Thus preservation may involve exclusion: sanctuaries may be maintained by keeping out the crowds. It is a strain that runs through much of Douglas' conservation work, and one of the few areas in which he has failed to reconcile the ideas of liberty and mobility with the interests of the land.

Douglas may have given priority to space instead of settlers partly because he has seen areas of calm and solitude being eroded rapidly—while personal freedom in other respects has been advanced. In his autobiography, Douglas complained that his beloved valley in Goose Prairie, Washington, has been invaded by campers, water pollution, snowmobiles and sonic booms. And in a pessimistic passage in the Mineral King dissent, he wrote that perhaps the lakes and mountains "will not win. Perhaps the bulldozers of 'progress' will plow under all the aesthetic wonders of this beautiful land."

But to an impressive extent, Douglas' own efforts have belied his fears. Many of the regions that he wandered and wrote of are now parks; many of the libertarian stands that he first staked out in dissents have become the law of the land.

In reviewing this record, it is easy to fall back on the obvious metaphors and praise Douglas for his judicial pioneering, pathfinding and trailblazing. The images are accurate to some extent, for Douglas has served most happily and effectively as a scout, restlessly exploring the terrain ahead of other men. Yet it is crucial to recognize that when Douglas has invited people to join him on a march, it has really been an invitation not just to visit a place, but to enter into a process—the process of discovery and testing and affirmation that is available to free people in a spacious land.

SMC ROADRUNNERS WIN NATIONAL JUNIOR COLLEGE TITLE

HON. EDWARD HUTCHINSON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. HUTCHINSON. Mr. Speaker, it is with great pride that I call the attention of my colleagues to another national title won by a sports team in my district. I would like to express my hearty congratulations to the Southwestern Michigan College cross country team, the "Roadrunners", for their recent victory at Rochester, Minn., in the NJCAA Cross Country Championships. This marks the third consecutive time that the SMC team has won the nationals, a new NJCAA record.

The team is ably coached by Mr. Ron Gunn, who must be called the architect of this dynasty of cross country running. At the national meet on November 8, 1975, the Roadrunners broke the 1974 record by five points. Scoring 39, they had also set the 1974 record. Team Captain Joe Ofsansky won the meet with the outstanding time of 24:26:4 over a 5-mile course. Three members of the team finished in the top seven, five more in the top twenty, and the entire team in the top 31 out of a starting field of 278. The team has six All-Americans, which is also a new national record.

This is truly a great Michigan team, and their hallmarks of team spirit and individual performance have set high standards for those who follow. I know my congressional colleagues join me in sending the Roadrunners congratulations and best wishes for continued success.

FEDERAL EMPLOYEE SAVES TAXPAYERS MONEY

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. WHITEHURST. Mr. Speaker, I take this occasion to cite for my colleagues the case of a Federal employee who has successfully found a way to make a substantial saving for the American taxpayer on her job.

Mrs. Grace L. Gatewood is employed at the Norfolk Naval Air Rework Facility. Some time ago, she took a long look at the delay which was occurring in the repair and overhaul of automatic pilots. Her desire to do more than just her job led to a suggestion on how both time and costs could be cut. I am inserting an article written by Pat Franklin, which appeared in the Tuesday, November 25, 1975, edition of the Norfolk Ledger-Star, which tells the story of Grace Gatewood's ingenuity.

Mr. Speaker, in a time when so much is being said about waste in Government, it seems to me that we ought to remember that there are many employees who are interested not only in eliminating that waste but in cutting costs as well. Mrs. Gatewood reflects the highest traditions of Federal service. I am proud to have her as a constituent and pleased that I can take this occasion to make known her accomplishments to my colleagues. The article follows:

HER INGENUITY SAVES THE TAXPAYERS' MONEY

(By Pat Franklin)

NORFOLK.—Grace L. Gatewood is saving the taxpayers $14,375 annually. She has done it by cutting down on the number of rotors the Norfolk Naval Air Rework Facility throws away.

For her alertness, NARF recently gave the aircraft instrument mechanic $660 under the facility's Beneficial Suggestion Program. It was the highest award ever presented to a woman artisan by the program.

Mrs. Gatewood has worked in the Rotor Room, Avionics Division, for five years. After awhile, she realized work was slowing up on the automatic pilots. She found that it was because the rotors, an internal part of the automatic pilots, were getting scarce. That was because they were classified as irrepairable and were being discarded.

She checked out the rotors which had been thrown away and found they worked. By taking pieces from some to repair others, and ordering two additional pieces, almost half those previously thrown away can now be used.

"I feel very good about the fact that we saved this money," said Mrs. Gatewood. "And it has been successful, it really has.

"It was time-consuming," she said of the process of working through her idea. "But I felt I had enough experience so that I was highly qualified to make a judgment on it, otherwise I wouldn't have taken the time to work it through."

She spent 1½ months developing her idea, then submitted it in 1973. It took this long for the parts to come in for the beneficial suggestion board to verify her figures, test the idea and put it into practice.

She was cheered on in her efforts by one of the supervisors (not hers) at NARF, William DeLoatch.

"He encourages all employes to actively search for the ways and means to economize," she said. "At the same time, he stresses equal employment opportunity. I feel that my success was due largely to his encouragement."

This is not the first time Mrs. Gatewood has been a pioneer for the government. During her 3½ years in the Navy from 1943 to 1946, she was assigned to the team which set up the Naval Electronics School in Gulfport, Miss.

She and her two sisters, who were also in the Navy at the time, made personal appearances throughout the country and on radio to recruit other young women to the Navy life.

"The three sisters in the Navy was unique, so they picked it up. We really enjoyed it and there were a lot of advantages in the service."

Her other jobs have included everything from window dressing and saleslady to collecting and selling antiques. She has also served as union steward for the local lodge of the International Association of Machinists and Aerospace Workers.

Her husband, Martin, is also employed by NARF.

LIST OF PARTICIPANTS IN LATIN AMERICAN TEACHING FELLOWSHIPS

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. O'NEILL. Mr. Speaker, I have served for the past 6 years as a member of the National Advisory Board of the Fletcher School's Latin American Teaching Fellowships—LATF—program. LATF, since its inception less than a decade ago, has sent over 300 young professors to Latin America to teach for a period of from 2 to 4 years. I am inserting into the Record a list of the LATF participants on the program as of July 1, 1975. Members will note that the participants, the great majority of whom are U.S. citizens, come from throughout the country. LATF is a national program although based in Somerville, Mass.

There are two short comments that I would like to make that are brought to mind by the LATF program. First, the United States has created a number of great research universities during the past 100 years. One of the primary purposes of these universities is to train young men and women to the doctoral level in a variety of disciplines. Recently, because of a tight employment situation for individuals trained to the doctoral level, there have been suggestions that we ought to dismantle much of the graduate level educational structure that has been developed at such great cost and effort over the past several decades. I think that such suggestions are premature. The experience of the LATF program may be very instructive. LATF has many more opportunities for qualified individuals than the number of applicants available.

David Wilson, a very insightful journalist who writes for the Boston Globe, has been filing some highly interesting articles from the Middle East. The major focus in the Middle East is on the need for development which automatically means training which in turn means qualified teachers. And the biggest single source of that training in technology and techniques is available from American instructors. And those instructors get their primary training, whether it is management sciences or zoology, from our research universities. So, LATF, operating in this hemisphere has developed a program that puts very significant numbers of Americans into teaching assignments that enable them, on the one hand, to use their training while at the same time making a crucial contribution to the development process. LATF has implemented this process with distinction. It is a process that meets the real needs not only of the recipients but also of the participants. And that is the real significance of the LATF program.

The list follows:

LATIN AMERICAN TEACHING FELLOWSHIPS—FELLOWS ON THE LATF PROGRAM AS OF JULY 1, 1975

Name (citizenship)	Field/U.S. university	Latin American institution	City, country
John Aram (United States)	Management/MIT	Escuela de Negocios	Valparaiso, Chile.
Julie Arazi (United States)	TESL/University of Illinois	Universidad de Oriente	Cumana, Venezuela.
Edgar Ariza- Nino (Colombia)	Develop. economics/University of Wisconsin	I.T.E.S.M	Monterrey, Mexico.
Leonardo Atencio (United States)	Economics/University of New Mexico	CAPES, U. of Brasilia	Brasilia, Brazil.
Peter Bartlett (United States)	Biology/University of California at Riverside	I.T.E.S.M	Monterrey, Mexico.
Yves Bizien (United States)	Economics/Tufts University	National School of P. Adminis	Port-au-Prince, Haiti.
Eric Blankmeyer (United States)	Economics/Georgetown University	I.T.E.S.M	Monterrey, Mexico.
Barry Bogin (United States)	Anthropology/Temple University	Universidad del Valle	Guatemala, Guatemala.
Richard Bosson (United States)	J. D./Georgetown	UNIANDES/Assoc. Representative	Bogota, Colombia.
Raymond Bourne (British)	Dairy science/Michigan State University	Federal Univ. of Lavras	Lavras, Brazil.
Thomas Breen (United States)	Educ. research/University of Connecticut	Pontificia U. Catolica	Sao Paulo, Brazil.
Stephen Bunker (United States)	Sociology/Duke University	U. Federal do Para	Belem, Brail.
Victor Carlson	TESL	Instituto Pedag. Ex. de Maturin	Monagas, Venezuela.
Carl Castleton (United States)	Entomology/University of New Hampshire	U. Fed. do Minas Gerais	B. Horizonte, Brazil.
Ray Chesterfield (United States)	Education/UCLA	U. Fed. do R. Grande do Sul	Porto Alegre, Brazil.
Zoher Chiba (Pakistan)	Mech. eng./University of California at Berkeley	Univ. Metropolitana	Caracas, Venezuela.
Dewayne Coambs (United States)	TESL/University of Illinois, Urbana	Universidad de Oriente	Cumana, Venezuela.
Stanley Connell (United States)	Lang.-linguist./Georgetown University	Univ. de los Andes	Bogota, Colombia
Wyn Courtney (British)	Education/Syracuse University	Univ. Federal do Para	Belem, Brazil.
Thomas Dalglish (United States)	Law/University of California	CAPES, U. of Brasilia	Brasilia, Brazil.
Oldrich Dittrich (United States)	Economics/Tufts University	IBM	Mexico City, Mexico.
Margaret Dix (United States)	Biology/Harvard University	Universidad del Valle	Guatemala, Guatemala.
Michael Dix (United States)	Biology/Harvard University	Universidad del Valle	Guatemala, Guatemala.
Roy Heriberto Dixon (United States)	Business/University of Pittsburgh	UNIANDES	Bogota, Colombia.
Peter Eaton (United States)	Economics/University of Florida, Gainseville	U. Federal do Ceara	Fortaleza, Brazil.
Wayne Enders (United States)	Econ. Geography/University of Texas	U. Fed. Rio Grande do Sul	Porto Alegre, Brazil.
Kjell Enge (United States)	Anthropology/Boston University	Universidad del Valle	Guatemala, Guatemala.
Pamela Eoff	Communications	I.T.E.S.M	Monterrey, Mexico.
Richard Feldman (United States)	TESL/University of Illinois	U. Nac. Autonoma de Managua	Managua, Nicaragua.
George Flowers (United States)	Journalism-Comm/University of Florida	Univ. de Costa Rica	San Jose, Costa Rica.
Larry Foreman (United States)	Physics/University of Colorado	Univ. Experimental de Tachira	S. Cristobal/Venezuela.
Arthur Foster (United States)	Mech. eng./Yale University	Escuela Politecnica Nacional	Quito, Ecuador.
Hira Lal Fotedar (India)	Metall. eng./University Washington	Instituto de Engergia Atomica	Phiheiros, Brazil.
Ellen Frank (United States)	Industrial psycho/Purdue University	I.T.E.S.M., Sabritas de Mexico	Mexico City, Mexico.
Faustino Garza (United States)	Business/Stanford University	UNIANDES	Cali, Colombia.
Enrique Gaynor (Argentina)	O. behavior/Michigan State University	U. Nac. del Pacifico	Lima, Peru.
Mirta Gaynor (Argentina)	Education/Michigan State University	U. Nac. del Pacifico	Lima, Peru.
Paul Gibson (United States)	Economics/University of Washington	Universidad del Valle	Guatemala, Guatemala.
Richard Goetz (United States)	Law/University of Illinois	U. Catolica Andres Bello	Caracas, Venezuela.
Frederick Golden (United States)	Chem. Eng./University California at Berkeley	Univ. Iberoamericana	Mexico City, Mexico.
Robert Graffam (United States)	Economics/Columbia University	Maizena, S.A./UNIANDES	Bogota, Colombia.

LATIN AMERICAN TEACHING FELLOWSHIPS—FELLOWS ON THE LATF PROGRAM AS OF JULY 1, 1975

Name (citizenship)	Field/U.S. university	Latin American institution	City, country
Rafael Grasso (Uruguay)	Business admin./Columbia University	Univ. Fed. do Minas Gerais	B. Horizonte, Brazil.
E. Richard Greene	Bio. eng	Univ. Iberoamericana	Mexico City, Mexico.
Hartmut Guenther (Germany)	Social Psycho./University of California, Davis	U. Fed. do Rio Grande do Sul	Porto Alegre, Brazil.
Arthur Gut (Switzerland)	Math/Swiss Federal Inst. of Tech	Univ. of the Americas	Puebla, Mexico.
Manju B. Hertzig (India)	TEFL/School for Int'l. Training Vermont	Inst. Pedagogico Ex. de Maturin	Monagas, Venezuela.
Robert J. Hertzig (United States)	Int'l. Adm./Sch. Int'l. Training Vermont	Inst. Pedagogico Ex. de Maturin	Monagas, Venezuela.
Ernesto Herzberg (Argentina)	Economics/New Sch. Soc. Research/New York	DuPont, Inst. Tec. de Monterrey	Mexico City, Mexico.
David Hill (United States)	Mathematics/University of Oregon	Univ. Ex. de Tachira	S. Cristobal/Venezuela.
David Hoelscher (United States)	Economics/University of Pittsburgh	Escuela de Negocios	Valparaiso, Chile.
Martha Huggins (United States)	Sociology/University of New Hampshire	Fed. U. of Pernambuco	Recife, Brazil.
Kathleen Idoine (United States)	TESL/School for Int'l. Training/Vermont	IGA–U. San Carlos de Guate	Guatemala, Guatemala.
Margaret Jenks (United States)	Pol. Science/Duke University	Pont. Universidade Catolica	R. de Janeiro, Brazil.
Thomas Jennings	Economics/Rice University	I.T.E.S.M	Monterrey, Mexico.
Lloyd E. Johnson (United States)	Physics/University of Iowa	UNIANDES	Bogota, Colombia.
Richard Jolly		Inst. U. Ex. de Maturin	Monagas, Venezuela.
Jeffrey Jones (United States)	Business admin./University cf Texas	Dixie, S.A	Sao Paulo, Brazil.
Vivekananda Kandarpa (India)	Metall. eng./Ohio State University	Instituto Tec. de Enseada	B. Calif., Mexico.
Edward Kapinus (United States)	Education/University of Houston	CAPES, Univ. of Brasilia	Brasilia, Brazil.
John Kerwin (United States)	Business-planning/University of West Florida	U.S. Marcos/Backus & Johnson	Lima, Peru.
Harold Koch (United States)	Int'l business/University of Iowa	Univ. del Norte	Baranq/Colombia.
John Kraft (United States)	Int'l marketing/Florida State University	I.T.E.S.M	Monterrey, Mexico.
Gerhard Kutsch (Germany)	Education/Syracuse University	U. Federal do Para	Belem, Brazil.
David Lamar (United States)	Social science/Syracuse University	Inst. Tecnologico de Caracas	Caracas, Venezuela.
Howard Lambert (United States)	Math/University of Utah	Universidad de Oriente	Cumana, Venezuela.
Robert Link (United States)	Educ. psycho/University of Oregon	Universidad del Valle	Guatemala, Guatemala.
Francois Lombard (France)	Business/Wharton School, University of Pennsylvania	Universidad de los Andes	Bogota, Colombia.
Carlos Maeztu (United States)	TEFL/School for Int'l Training/Vermont	IGA-U. de San Carlos	Guatemala, Guatemala.
Gerald Maginnity (United States)	Library science/University of Western Ontario	I.T.E.S.M	Montrrey, Mexico.
Jose Manduley (United States)	Int'l dev. educ./University of Pittsburgh	U. Federal do Rio G. do Sul	Porto Alegre, Brazil.
William Martin (United States)	Psychology/University of Illinois, Urbana	Univ. Fed. do Para	Belem, Brazil.
Breen Murray (Unted States)	Anthropology/McGill University	U. de Monterrey	Monterrey, Mexico.
Beth McCammon (United States)	Animal science/Univerisity of Illinois	U. Centroamericana	Managua, Nicaragua.
Richard Norwood (United States)	Mech. eng/M.I.T	Escuela Politecnica Nacional	Quito, Ecuador
Elizabeth Noto (United States)	Educ. anthro./New York University	Fed. U. of Ceara	Fortaleza, Brazil.
Richard Oberc (United States)	TESL/University of Illinois	Inst. Pedagogico Ex. de Maturin	Monagas, Venezuela.
Paul Oquist (United States)	Pol. science/University of California at Berkeley	UNIANDES	Bogota, Colombia.
John Patterson (United States)	Elec. eng./University California at Berkeley	U. San Marcos	Lima, Peru.
Carroll Perry (United States)	Int'l econ./SAIS, J. Hopkins University	Bank of Boston	Sao Paulo, Brazil.
Cary Perry (United States)	MA nursing/New York University	Escola Paulista de Enfermagem	Sao Paulo, Brazil.
Juan Pozo-Olano (United States)	Neurophysiology/University of San Marcos	U. de Monterrey	Monterrey, Mexico.
Jaime Rabi (Chile)	Chemistry/Washington University	Univ. Fed. de R. de Janeiro	R. de Jan./Brazil.
Brian Reynolds (United States)	Library Science/UCLA	U. Centroamericana	Managua, Nicaragua.
Joe P. Richmond (United States)	Chemistry/M.I.T.	Univ. Ex. de Tachira	S. Cristobal/Venezuela.
Margaret Riisness (United States)	Linguistics/University of Michigan	I.T.E.S.M	Monterrey, Mexico.
Alvaro Salgado (Colombia)	Finance/New York University	ICASA, UNIANDES	Bogota, Colombia.
Carlos Scheel (Colombia)	Computer eng./University of Michigan	I.T.E.S.M	Monterrey, Mexico.
Jack Schuster (United States)	Botany/University of Florida	Universidad del Valle	Guatemala, Guatemala.
Laura Schuster (United States)	Botany/University of Michigan	Universidad del Valle	Guatemala, Guatemala.
Arnaldo Sehwerert (Venezuela)	Organiz behavior/Cornell University	Inst. de Est. Super. de Admins	Caracas, Venezuela.
David Shinder	Communications	I.T.E.S.M	Monterrey, Mexico.
Peter Singlemann (Germany)	Sociology/University of Texas	Univ. Autonoma Metropolitana	Mexico City, Mexico.
E. Maria Sordo (United States)	Bus admin./University of Florida	UNIANDES	Bogota, Colombia.
Allan Spencer (United States)	Sociology/University of Pittsburgh	U. de Nuevo Leon	Monterrey, Mexico.
Bernard Spinrad (United States)	Economics/UCLA	Universidad Nacional	San Jose, Costa Rica.
James Talbot (United States)	Biology/USC	Inst. de Ciencias Basicas	Asuncion, Paraguay.
Margarita Tseng (Taiwan)	Lan. educ./School for Int'l Training	U. Centroamericana	Managua, Nicaragua.
John Uggen (United States)	Interamerican studies/University of Miami	Univ. de Oriente	Cumana, Venezuela.
Manuel Uriarte (Peru)	Finance, int'l bus./American University	U. Federal de Lavras	Lavras, Brazil.
Robert Vargas (United States)	Math/University of Texas, Austin	Univ. de Carabobo	Valencia, Venezuela.
Luis Vega (Peru)	Oceanography/University of California, San Diego	Univ. de San Marcos	Lima, Peru.
Florindo Villa-Alvarez (United States)	Sociology/University Nac. Colombia	Universidade Fed. do Lavras	Lavras, Brazil.
William Voxman (United States)	Mathematics/University of Iowa	Escuela Politecnica Nacional	Quito, Ecuador.
Robert Walker (United States)	Educ. research/University of Mass	Pontificia U. Catolica	Porto Alegre, Brazil.
Zimarian Walker (United States)	Educ. research/University of Mass	Pontificia U. Catolica	Porto Alegre, Brazil.
John Ward (United States)	Economics/University of Oklahoma, Norman	Federal U. of Ceara	Fortaleza, Brazil.
Sidney Wax (United States)	Elec. eng./Stanford University	U. Iberoamericana	Mexico City, Mexico.
Frederick Whitam (United Stares)	Sociology/Arizona State University	Univ. del Valle	Guatemala, Guatemala.
Harvey Williams (United States)	Sociology/Vanderbilt University	U. Centroamericana	Managua, Nicaragua.
Thomas Williamson (United States)	Elec. eng./University of New Mexico	U. Iberoamericana	Mexico City, Mexico.
Lorna Wilson (United States)	Linguist./Michigan State University	Inst. de Tec. de los LLanos	Calabozo, Venezuela.
Johanna Wilson (United States)	Linguist./University of Michigan	Inst. de Tec. de los LLanos	V. Pascua/Venezuela.
William Wiltbank (United States)	Agriculture/University of Florida	Federal Univ. of Lavras	Lavras, Brazil.
Frantisek Wolf (Czech.)	Math/University of California at Berkeley	Universidad del Valle	Guatemala, Guatemala.
Warner Woodworth (United States)	Psychology/University of Michigan	Pontificia U. Catolica	R. de Jan, Brazil.
Mario Yepes-Baraya (United States)	Education/SUNY at Buffalo	I.T.E.S.M	Monterrey, Mexico.

ZIONISM CALLED A WAY OF LIFE

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. BRODHEAD. Mr. Speaker, the House has overwhelmingly condemned the U.N. anti-Zionist resolution. We have thus affirmed our strong belief that Zionism is not equivalent to racism. I would hope that all of us would take this opportunity to learn more about Zionism.

In an effort to describe what it is, the Detroit News of November 15, 1975, contained an eloquent letter from a constituent of mine, Mr. Louis Panush, which gives his view of Zionism. I wish to share that letter with my colleagues:

ZIONISM CALLED "A WAY OF LIFE"

To the Editor:

George F. Will's Opinion Page column on Zionism was rational and sympathetic, yet it was short of describing Zionism in its historic perspective and magnitude.

Zionism had its inception thousands of years before Theodore Herzl wrote his Judenstadt and called into being the modern, political movement. When exiled from their land in the 7th century, the Jews sat by the rivers of Babylon and exclaimed, "If I forget thee, O Jerusalem . . ." That was Zionism.

It expressed itself in their return from the Babylonian exile, rebuilding the Temple and reestablishing the Jewish commonwealth. It was also Zionism that inspired the Jews to resist the forces of the Roman Empire and to fight for their independence, both in the 1st and 2nd centuries.

The Jewish tradition throughout the 2,000 years of dispersion employed ceremony and prayer, personal and collective occasions to Zionize the Jew by reminding him of his link to the land of Israel. In the silent prayer (the Amidah), recited three times daily, the Jew prayed and prays—"May our eyes behold Thy return to Zion in mercy," and he blesses God, "Who restores His divine presence to Zion."

The aspiration for the return of the Jewish people and for its independence in Israel was not limited to prayer and ritual. It expressed itself in activities and movements throughout the centuries—constant pilgrimages to the Holy Land, a number of messianic movements, the Jewish Legion in World War I, the Jewish armies that fought on the side of the Allies in World War II, etc.—all with the yearning and striving to reestablish a Jewish sovereignty in the land of their fathers.

Herzl, the founder of political Zionism, envisioned the Jews as a people, one people, a historic entity with a rich heritage, a common destiny and a message to the world. This people must return to its homeland, the

Jewish state, and there live fully and creatively and make a distinctive contribution not only to its own growth, development, culture and values but to humanity and the world.

Zionism was and is not only a great international struggle for Jewish self-determination and for Jewish human rights. It is the world's oldest anti-imperalist movement; it aims at securing for the Jewish people the rights possessed by other nations.

Zionism is a philosophy of Jewish history, a way of life, a revolutionary approach to secure the future of the Jewish people, both inside and outside of the state of Israel. It is the expression of the destiny of the Jewish people. Zionism is a badge of honor and the marshaling of the Jewish will and resources to live.

LOUIS PANUSH.

SOUTHFIELD.

NEW FOCUS URGED IN CANCER BATTLE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. FLORIO. Mr. Speaker, with the full Committee on Interstate and Foreign Commerce beginning its consideration of the Clean Air Act Amendments of 1975, I would like to bring to the attention of my colleagues an article which appeared in the New York Times on November 19. I feel this article accurately represents the danger that pollutants present to the health of the citizenry. The article follows:

NEW FOCUS URGED IN CANCER BATTLE—ADVISER ASKS SEPPED-UP STUDIES OF ENVIRONMENT

(By Horld M. Schmeck, Jr.)

WASHINGTON, November 18.—A member of the nation's top Advisory board on cancer research today urged greater emphasis on the search for environmental causes of the disease, noting that these are widely agreed to be the main causes of cancer in man.

The speaker, Dr. Philippe Shubik, said the National Cancer Institute was currently testing about 500 commonly used chemicals to see whether they are possible causes of cancer and that it might be necessary to test 1,500 at a time in the foreseeable future.

He said there was an urgent need to double the number of scientists at the institute who are studying the prevalence of cancer, its distribution geographically and in the population and other factors in the patterns of its occurrence.

Such studies are the province of epidemiology, a field of research in which the cancer institute has, at most, about a dozen scientists.

Dr. Shubik, director of an institute for cancer research at the University of Nebraska, said epidemiologists were the first line of defense in detecting new potential cancer hazards that might be missed by laboratory programs to screen chemicals for cancer risk.

At a meeting of the National Cancer Advisory Board today, he reported on deliberations of a board subcommittee on causes of cancer in the environment.

The board is the main advisory body to the National Cancer Institute, which oversees the Federal Government's broad $600-million-a-year program of cancer research.

SCREENING AND TESTING

Several members of the board, including Dr. Shubik, agreed that the entire budget of the institute might be engulfed in programs to screen and test chemicals as cancer hazards if that effort became the institute's top priority.

Benno Schmidt, chairman of the president's three-man panel of advisers on cancer, said it was important for the institute to define its proper role in attacking the environmental cancer problem so that this could be coordinated with other agencies that were involved. These include the Food and Drug Administration, the Environmental Protection Agency and the National Institute for Environmental Health Sciences.

Dr. William O. Baker, president of Bell Telephone Laboratories, said future efforts to manufacture synthetic liquid fuels from coal would lead to the production of cancer-causing byproducts that must be kept out of the environment.

Dr. Shubik favors the establishment of six-to-12 special centers throughout the country to conduct research on particular aspects of the problem of environmental causes of cancer. He said it was obviously not feasible to mount a crash program of chemical testing.

"I do feel, however," he said, "that this board may find itself faced with a situation in a year or so where it may have to consider vigorous action to meet national needs in a field that acquires more and more public attention each day."

In a written report to the board today, scientists of the cancer institute's epidemiology branch said they had found no evidence to support the view that fluoridation of water supplies in the United States was a cancer risk.

"No significant excess mortality from cancer could be detected up to 5 years after fluoridation in areas where 95 percent of the population had been abruptly and continuously exposed," said the report. The scientists also discounted the possibility that there might be a cancer effect delayed beyond 15 years.

The study was done because of a report published in The Congressional Record in July that said a link could be seen in cancer statistics between fluoridation and excess cancer risk.

That report was written by the National Health Federation, a private group that has long opposed fluoridation.

NO BUSINESSMAN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. DERWINSKI. Mr. Speaker, as new developments occur in the saga of New York City's request for greater Federal financial support, I direct to the attention of the Members an article by Patrick Buchanan in the Tuesday, November 25, 1975, edition of the Chicago Tribune which we all ought to read carefully before making our decisions on whatever version of the New York City plan comes before us:

NO BUSINESSMAN IS BEAME

(By Patrick Buchanan)

NEW YORK.—Passing through here a week ago and reading of the "cynically cruel and reckless game" President Ford was supposedly playing with the city, the thought occurs:

What if New York Mayor Abe Beame had been a corporate executive instead of a liberal politician? Suppose he and John Lindsay, his predecessor, had run a $12-billion corporation into the ground the way they did one of the world's great cities.

Assume for a moment that businessman Beame went before Senators Humphrey [D., Minn.], McGovern [D., S.D.], Jackson [D., Wash.], and Kennedy [D., Mass.] with the same story Mayor Beame brings today. To wit:

"Gentlemen, our situation is desperate. True, there has been mismanagement on a colossal scale of our firm's finances over the last 10 years. Capital budgets were milked for operating funds. Bonds were issued for which we had, heh-heh, no real revenue backing. But let's let bygones be bygones.

"Today, Amalgamated stands on the brink of bankruptcy. And unless this Congress bails us out of this mess, with billions in loan guarantees, there will be riots in the streets, economic ruin in the country, and [so George Ball warns us] communism will flourish."

If businessman Beame tried to peddle Mayor Beame's story to the 94th Congress, he would find himself being dragged, at the head of a swarm of newsmen, from one committee room to another, to be ridiculed and denounced before the TV cameras by the ambitious politicians on Capitol Hill.

Following which he and businessman Lindsay would be made to explain to a federal grand jury how it is they conspired to unload hundreds of millions of dollars in X-rated bonds on investors, financial institutions, and banks.

How do they get away with it? Why are the liberal Democrats of Fun City being allowed to get away with the murder of one of the world's great communities, when any corporate executive who did to General Motors what Beame and Lindsay did to New York would be facing 2–20 in the Greybar Hotel?

Even though he was the chief accountant for the city when all the fiscal hanky-panky was going on, Mayor Beame is allowed to posture as a scrappy fighter for the city's survival.

David Rockefeller, chairman of the Chase Manhattan Bank, is permitted to cast himself as corporate statesman, fighting for the beleaguered city, when what he is battling for is federal guarantees for the hundreds of millions of municipal bonds stacked up in the vault of his bank.

How the dominant Democrats of Capitol Hill fell upon Clement Haynesworth, Richard Nixon's nominee for the Supreme Court, when they learned that one of his decisions may have benefited a subsidiary of a company in which he held a few shares of stock. "Conflict of interest," they screamed, and turned him down.

But no charge of conflict-of-interest is being leveled against the spokesman for New York City's panicked banks, as he roams the Hill pressuring one congressman after another to get the banks' chestnuts away from the fire.

For a decade now, businessmen have been the favored whipping boy of the politicians on Capitol Hill. Not a week passes without some new allegation of how our business leaders have gone and corrupted the virginal oil sheiks of the Persian Gulf or the politicians of Seoul.

How many times have we read of the "corporate contributions" which malevolent businessmen have forced into the wallets of honest and appalled politicians?

Perhaps, business deserves the weekly caning it receives from politicians and the press.

But when you reflect upon it, it was not businessmen who lost the war in Viet Nam, who ran the nation $200 billion in debt over the last decade, who ignited the double-digit inflation that ate up America's savings and pensions and produced the worst recession since the 1930's. No, that was the work of our politicians.

Indeed, I find myself reasonably satisfied with the quality and variety of the autos, freezers, TVs, lawn mowers, refrigerators, cooling systems, houses, apartments, ice cream, food, cigarets, booze, books, and ball games available. This is what business provides.

Business runs the telephone company; the government runs the post office. Which of the two is the disaster area? Religious organizations and private institutions run our parochial and private schools; government runs the public schools. Which of the two is the failure?

Business' first responsibility is to provide the American people with quality consumer goods and services. It does tolerably well. Government's first responsibility is to protect the average citizen from domestic violence and crime. Need we say more.

The disdain of the politician in Washington for the businessman is more than an ideological animosity; it is the contempt which failure often exhibits for success.

LAWMAKERS URGE RICHARDSON MAKE ANTIBOYCOTT VOW OR BE REJECTED

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. ROSENTHAL. Mr. Speaker, 28 of our colleagues today joined me in urging the Senate Commerce Committee to reject the nomination of Elliot Richardson to be Secretary of Commerce unless he specifically commits himself to cooperating with the Congress in opposing the Arab boycott and related discriminatory trade practices.

The present Secretary, Rogers Morton, has been cited for contempt of Congress by a House subcommittee for his refusal to comply with a subpena for documents concerning boycott requests made by foreign countries to American firms.

Several other congressional committees—including the House Government Operations Subcommittee on Commerce, Consumer and Monetary Affairs, which I chair—have been frustrated by Department evasion and unresponsiveness in requests for other information regarding the cooperation of the Department of Commerce and U.S. industry with Arab boycott demands.

President Ford's recent Executive orders regarding foreign discrimination against U.S. citizens underscore the need for new legislation to combat this problem and emphasize the importance of the Congress having the information it has requested. The President's actions are very narrow in scope and, the White House concedes, do not deal directly with the Arab boycott.

The material requested by the various committees is essential if the Congress is to determine whether the statutes on restrictive trade practices and the civil rights of U.S. citizens are being violated and whether new legislation is required. By denying the Congress crucial information regarding the execution of the law, Secretary Morton has jeopardized our constitutional mandate to oversee and legislate.

The 1965 Export Administration Act declares U.S. opposition to boycotts imposed by certain foreign countries against others friendly to the United States.

Nevertheless, the Commerce Department has circulated among American firms trade offerings from Arab League nations which contain boycott demands. Department practice under Secretary Morton has been to recite—not enforce—the law to companies and then assure them it would not be illegal to comply with the boycott. Rather than work to abolish the boycott and related practices, the Department has reinforced them by seeking to help U.S. firms get around or comply with them.

The House Commerce Subcommittee on Oversight and Investigations recently found Secretary Morton in contempt after he repeatedly refused to provide subpenaed information concerning boycott requests made by foreign countries to American firms. The fulll Commerce Committee will be asked to approve the contempt citation December 2 and send the matter to the full House.

In a letter to Senator WARREN G. MAGNUSON, chairman of the Commerce Committee, we are asking the Senate to secure from Mr. Richardson commitments to:

First, comply with all congressional committee requests for the information requested from Secretary Morton and the Department in order that Congress may perform its constitutional function;

Second, end the circulation of trade offerings which contain boycott demands;

Third, bar all acts of discrimination by the Department of Commerce and U.S. industry against U.S. citizens;

Fourth, encourage higher ethics in international trade by U.S. firms;

Fifth, bar all acts of discrimination against U.S. businesses which may be Jewish owned or operated, or may employ Jews;

Sixth, refer to the Department of Justice for criminal prosecution all cases of U.S. companies and individuals who comply with the Arab boycott in apparent violation of antitrust, securities and other U.S. laws, and

Seventh, revoke or recommend revocation of subsidies and grants to U.S. companies and entities which comply with the Arab boycott.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 27, 1975.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee,
Washington, D.C.

DEAR MR. CHAIRMAN: President Ford has nominated Elliot Richardson to be the Secretary of Commerce, which requires the advice and consent of the Senate. While we believe Mr. Richardson to be an able and distinguished public servant, there is one serious question in our minds regarding this nomination.

We are gravely concerned about the Commerce Department's policies regarding the Arab boycott and related discriminatory trade practices. On November 11, 1975, the House Commerce Subcommittee on Oversight and Investigations found Commerce Secretary Rogers Morton in contempt for his refusal to comply with a subpoena for documents concerning boycott requests made by foreign countries to American firms. Several other Congressional Committees have been frustrated by Department evasion and unresponsiveness in their requests for other information regarding the cooperation of the Department of Commerce and U.S. industry with Arab boycott demands.

The documents and information the subcommittees have requested are essential if the Congress is to determine whether the statutes on restrictive trade practices have been violated and whether new legislation is required. They are also needed to determine the extent to which the civil rights of U.S. citizens are being abridged. By denying the Congress crucial information regarding the execution of the law, Secretary Morton has jeopardized our constitutional mandate to oversee and legislate.

The 1965 Export Administration Act, which the Commerce Department is mandated to enforce, states that the United States opposes boycotts imposed by foreign countries against nations friendly to the U.S. and will actively discourage American companies from furthering or supporting them. Nevertheless, the Department has circulated among American firms trade offerings from Arab League nations which contain boycott demands. Department practice under Secretary Morton has been to recite—not enforce—the law to companies and then assure them it would not be illegal to comply with the boycott. Rather than work to abolish the boycott and related practices, the Department has reinforced them by seeking to help U.S. firms get around or comply with them.

Notwithstanding our Nation's formal opposition to the boycott, the practical effect of the Commerce Department's policies in promoting trade in this manner is both to further the effectiveness of the boycott and to undermine our ability to impede it.

With the nomination of Ambassador Richardson as Secretary of Commerce the opportunity is at hand to reverse these disturbing policies within the Department. We respectfully request that the Senate Commerce Committee secure from Mr. Richardson during his confirmation hearings commitments to:

(1) comply with all Congressional Committee requests for the information requested from Secretary Morton and the Department in order that Congress may perform its constitutional function,

(2) end the circulation of trade offerings which contain boycott demands,

(3) bar all acts of discrimination by the Department of Commerce and U.S. industry against U.S. citizens,

(4) encourage higher ethics in international trade by U.S. firms,

(5) bar all acts of discrimination against U.S. businessmen which may be Jewish owned or operated, or may employ Jews,

(6) refer to the Department of Justice for criminal prosecution all cases of U.S. companies and individuals who comply with the Arab boycott in apparent violation of antitrust, securities and other U.S. laws,

(7) revoke or recommend revocation of subsidies and grants to U.S. companies and entities which comply with the Arab boycott.

We respectfully urge that, should these commitments not be forthcoming, the Senate Commerce Committee reject Mr. Richardson's nomination.

We very much hope the Committee and Mr. Richardson will be responsive to the concerns we raise. We would be pleased to supply the Committee with further information for the record on this matter.

Sincerely,

Jerome Ambro, Jr., William M. Brodhead, George E. Brown, Jr., Yvonne B. Burke, Charles J. Carney, Robert F. Drinan, Dante B. Fascell, Hamilton Fish, Jr., Donald M. Fraser, Michael Harrington, Edward I. Koch, Clarence D. Long, Matthew F. McHugh.

Toby Moffett, John E. Moss, Robert N. C. Nix, Richard L. Ottinger, Thomas M. Rees, Robert A. Roe, Benjamin S. Rosenthal, James Scheuer, Stephen J. Solarz, Fortney H. Stark, James W. Symington, Morris K. Udall, Charles A. Vanik, Henry A. Waxman, Sidney R. Yates.

Members of Congress.

DESTROYING THE MYTHS ABOUT FOOD STAMPS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. RANGEL. Mr. Speaker, the poor in America are always the target of abuse. When a city decides to cut its budget—whether by choice or by need—it is programs for the poor which are slashed first. When the President calls for a $28 biliion reduction in Federal spending, he is talking about reducing the budget for people-oriented programs. When private industry reduces its workforce, it is those who earn the least who find themselves at the head of the line in the unemployment office.

Now the recipients of food stamps are under attack as well. Few political leaders point to the fact that food stamps are set at a level far below what a family, especially one with growing children, needs to survive. Instead, the focus is on the relatively few cases of abuse. Nobody criticizes the Agriculture Department for failing in its repsonsibility to actively seek out those Americans who are eligible for food stamps. Instead, they refuse to recognize that growing unemployment in this Nation is a logical reason for an increasing number of families benefiting from the food stamp program.

In its October 30, 1975, issue, the Oklahoma Eagle had a hard-hitting editorial which I would like to share with my colleagues in Congress:

THE FOOD STAMP RED HERRING

Sometimes one almost wishes that the conservatives could have their way and cut out all of the social programs. The results would be as interesting as Marie Antoinette's 'let'em eat cake' campaign.

Take the food stamp controversy. Here we have at least 8 million people out of work (depending upon whose statistics you are using—some place the total at double that number) but what is our dear government doing about this massive breakdown in the system? Why they are out in the boondocks trying to find out if Joe Blow is trying to cheat the government out of $10 worth of food stamps. Nevermind those cost over runs by our precious armament makers. Would you believe a destroyer could start out costing $400 million to build and wind up costing $600 million to complete? Oh but thats only the tip of the iceberg and thats what the food stamp battle is really all about. To keep fair minds off the big rip-offs that are occuring everyday involving billions of taxpayers dollars.

What better way to do it than to throw the poor to the wolves. They don't have any high powered lobbyist up in Washington who can take the mental incompetents we elect to office out to dinner where some Fanne Foxe is putting on a road show. The only thing that they can do is bear the burden that falls heavily on their collective backs.

The harried taxpayer who watches the bureaucrats slice his paycheck into rat bait doesn't give a hoot who gets the ax, all he wants is to hang on to more of his money.

So whatever victim is thrown to him by conniving politicians and bureaucrats is hastily squashed like an offending cockroach.

The politicians and the bureaucrats know this and when things get rough they pick out the choicest victim available and throw them out a piece at a time. You can bet one thing, however, its always somebody who can't fight back.

The William Simons of the world know this which is why they are not afraid to sail outright lies across the nation like paper airplanes letting them fall where they may.

After all who's going to dispute them. Presumably they are sitting astride all of the facts so they should know what they are talking about.

The fact that they may be talking off the top of their colossal ignorance or maliciously distorting the facts or projecting biased presumptions into areas which they consider politically expendable is a thing that seldom dawns on the victim-hungry taxpayer. Moreover, these striped pants fakes know that once a lie is out it is almost impossible to lay it to rest.

For one thing there are so many shallow-minded politicians who have never had an original thought in their lives who can be depended upon to take up the cudgel to any helpless victim that the taxpayers frown on in order to earn some brownie points.

Facts are unimportant to this crowd. It gives them a headache. All they want is a statement by some bureaucrat and they are off to the races.

Because William Simon lied about the food stamp program being a "haven for cheaters and rip-off artists," without providing any supporting facts beyond his enormous imagination, some 20 million people who desperately need the help are now in danger of being cut from the food stamp rolls if some of the eager beaver bills now pending before Congress become law.

There are three basic charges against the food stamp program: "(1) the families of 4 earning $16,000 a year are eligible for food stamps, (2) that the food stamp program is out of control and (3) that the food stamp program is filled with cheaters and chiselers." What are the facts? A report put out by the Community Nutrition Institute of Washington, D.C. quotes official Agriculture Department figures which show that (1) 100 percent of the households receiving food stamps have annual incomes of less than $10,000 per year, (2) nearly half of the families earn less than $3,000 a year and that only 12 percent of the families have incomes of over $6,000 per year. Moreover, most of the families in the $6–10,000 bracket are large families with five or more persons in the family.

What are the reasons for the growth of the program? Is it out of control? There are three reasons (1) Many counties began a food stamp program for the first time ever in the late 1960s, (2) there has been a shift of nearly 2,000 counties away from the old surplus commodity food program to food stamps and, (3) because of the sharp rise in unemployment in 1974, many family incomes are brought down to levels that make them eligible. Moreover, the Agriculture Department's own predictions are for a reduction in the size of the program as the economy improves.

But what about the cheaters? The Agriculture's own figures show that only 0.08 percent of the households receiving stamps do so fraudulently". That's a long way from a $200 million dollar "mistake" on the cost of a destroyer.

TITLE XX ELIGIBILITY

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. EDGAR. Mr. Speaker, today I am introducing into the RECORD a report I received from Mr. John F. Bauer, executive director, Services for the Aging, in my district in Pennsylvania. Mr. Bauer, through firsthand experience, points out the added administrative costs that implementation of the "means test" has incurred, as well as its tendency to discourage participation by senior citizens in necessary social services.

Mr. Speaker, the "means test" as a viable method of determining eligibility has backfired. In short, it does more harm than good and should be eliminated. I believe that my colleagues will find the following memorandum informative:

To: COSA Advisory Council
From: John F. Bauer, Executive Director, Services for the Aging
Subject: Title XX Eligibility

As requested I have prepared this memorandum outlining many of the administrative problems inherent in implementing the Title XX eligibility determination regulations.

I think it important to stress the emotional context in which we have to administer these regulations. You are aware that many older persons consider this "means test" to be degrading and an invasion of privacy. Many have refused to have their eligibility determined. Many persons have been misinformed about what the Title XX eligibility determination is and many others have been confused by our integrated funding concept where Title III or VII Older American Act funds are combined with Title XX funds to extend services.

While integrated funding is confusing to many, it has allowed us to maximize available services to those ineligible for Title XX and also to those who would be eligible for Title XX but refuse to complete the eligibility forms.

Before I detail many of the administrative problems we have encountered, I also want to stress that there is no objection to the intent of these regulations, that is to insure that the limited funds available for these services are directed to those low-income individuals or families who are most in need of the service and least able to obtain it.

The major problem we have encountered in implementing these regulations is the documentation of income. This is extremely difficult for an older person as there is no check stub with an SSI or Social Security check. It is not practical to see the check since everyone receives their check on the same day; in most cases the checks are deposited or cashed immediately so it is not possible to see the check.

Many persons now have their check sent directly to the bank which has been recommended to avoid the danger of theft. In almost all cases, clients have been unable to produce letters notifying them of their most recent Social Security benefit amounts.

For those people on Social Security we must ask them to sign a consent form authorizing the Social Security Office to release the amount of their benefit to the County Board of Assistance to document their income. This is a complicated procedure as it involves another form and the signature of both the beneficiary and spouse, if applicable, the claim number and other identifying information. Four agencies (the provider agency, Area Agency on Aging, Social Security Office and County Board of Assistance) may now be involved in helping this client establish eligibility.

It would appear that few Social Security benefit amounts for persons over age 60 would exceed the Title XX eligibility levels of 80% of the states median income per family size. In Pennsylvania these amounts are $464 per month for one and $606 for two persons. Where Social Security is the only source of income, the amount of verification required is far in excess of any benefit to be derived from screening out ineligibles. I would question if the Social Security maximum benefit levels are in excess of Pennsylvania's Title XX eligibility levels. If there are benefits in excess of these amounts they would be an insignificant percentage of the total number of beneficiaries.

Since there is no way of investigating an individual's claim that Social Security is their only source of income, the resultant verification process seems awfully expensive since we know that an exceptionally high percentage of these cases will be eligible. It would appear cost effective to certify this eligibility automatically where Social Security is the only source of income.

Redetermination of eligibility is now required at six month intervals, while this is better than the three month interval originally proposed, it would seem that a one year interval for persons over 60 would be more realistic as used to be the case in Title VI. In almost all cases of persons over 60 requesting services, they are on a fixed income and the income is unearned. It would not tend to fluctuate.

We are also required to notify clients of both eligibility and ineligibility for the service and of their right to an appeal and fair hearing if denied service. When eligibility is denied, this notice provides due process; but what is the point of notifying the client, in triplicate, of eligibility for a service they are currently receiving.

These procedures have created additional demands on already over-burdened staff as well as increasing costs for supplies. I have had to request the additional position of a Records Manager be created to handle the necessary paperwork for Title XX eligibility.

While the intent of the eligibility determination process is to insure that limited funds are directed to those persons most in need, these procedures are diverting funds from services. The additional costs of eligibility determination must be drawn from these same limited funds. From our experience, I must question whether the costs of certifying eligibility as required by current procedures can be substantiated by those who would be determined ineligible. I believe they can not be.

RIPON SOCIETY STATEMENT ON NEW YORK CITY FINANCIAL DISTRESS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. FRENZEL. Mr. Speaker, early in November, the New York State Chapter of the Ripon Society developed a specific set of proposals to remedy the distress of New York City.

The proposal is pretty tough, calling for a 1 year balancing of the New York City budget rather than the 3 year period favored by the President, the Governor and others. However, the proposals specify that, if New York made the hard decisions necessary, Federal guarantees should be available to prevent default.

The New York Ripon Chapter offered recommendations for expense reductions which are more drastic, but at the same time, more responsible, than others published by either the friends, or the enemies, of New York City.

In general, the Ripon statement is a first-rate blue print for retrieving New York City from the brink of its attempted fiscal suicide.

The Ripon proposal follows:

RIPON STATEMENT ON NEW YORK CITY

The New York City fiscal crisis is more of a failure of nerve and common sense than a fiscal failure. The City is immensely rich, notwithstanding its obvious problems and has the ability to maintain its standard of service and compassion for its poorer citizens out of its own resources—but such potential cannot be realized without the exercise of the nerve and common sense which has been sorely lacking.

In issuing this statement, the Society would like to stress several points.

Despite the current conventional wisdom that budget balancing should take place over three years, we feel that a one year balancing is required, with symbolic tax cuts taking place in the second and third years. The long term problem of the decline in the number of jobs in the City must be addressed, and addressed in a way other than by press releases. Just as investor confidence has declined to the point that the capital markets will not absorb the City's offerings, so the confidence in the City by business has also declined. Action on this is crucial.

Some of our proposals are only symbolic, while others bring with them an impact of magnitude. Such symbolism is required, we feel, to make convincing to investors that substantial change has been made.

There will be people fired by the proposals we have made, but on balance we feel that such hardship is a lesser evil than the decay of the City. We call for action nonetheless to alleviate the personal difficulties of those laid off by requiring all City hiring (including Board of Education and other non-mayoral agencies) go through a central clearinghouse so that those terminated have the first chance to be considered for all new positions and vacancies in the future.

Our approach is closely allied to National Ripon Society's call for federal guarantees to prevent default which could take place even in the face of the balancing of the budget on current basis. If the City chooses to make the hard decisions we call for, we feel that default could still come, and that this should be prevented. If the City does not take the steps we outline, then default should not be prevented.

New York Ripon's plan to meet this condition, set forth in outline below and in detail (with analysis) in the Appendix attached, is comprehensive, covering expenditure, management, income and the basic City economy. The proposals require little time to implement and little or no complex implementation.

REDUCTION OF EXPENDITURES

1. Eliminate six to eight municipal hospitals, transferring patients, and medical and nursing staffs to other units.
2. Impose tuition at City University or shrink the University substantially.
3. Contract out a substantial portion of garbage pickups.
4. Eliminate agencies or agency functions which duplicate services performed by the private sector or by Federal or State programs which are as effective, such as, WNYC, WNYC–TV, The Human Rights Commission, Consumer Protection Agency (advocacy and legislative functions), City Mitchell-Lama program and Housing Development Corporation.

INCREASES OF EARNINGS

1. Return to Vacancy Decontrol, to induce owners to stay with rental residential property and pay real estate taxes now in default.
2. Have the State collect the City income taxes.
3. Raise Mitchell-Lama rents to the amounts necessary to remove projects from default, providing direct appropriations to subsidize needy cases.

MANAGEMENT

1. Retain the superagencies, but eliminate all commissioner positions under superagency administrators, and vest them with the commissioner's powers.
2. Reduce all multimember paid boards to three members (e.g., Board of Education, City Planning Commission, Board of Standards and Appeals).
3. Invest what is necessary to make the welfare-Medicaid data processing system work.

GENERAL ECONOMIC PROBLEMS

1. Make the hiring of illegal aliens a crime, if done knowingly or under circumstances where the employer should have known. Require a question of such status on all welfare applications and require all City agencies to report illegal aliens to the immigration service.
2. Repeal all blue laws so that the City can do business on Sunday.

Our recommendations are not the only changes necessary. The usual list of labor excesses, financially unsound pension systems and examples of mismanagement have been well documented elsewhere and should also be faced and attacked.

Our suggestions can be implemented immediately and without violating any collective bargaining contract. We call upon the City (and the State where necessary) to adopt this program.

For further information, please contact either Dr. Edward Goldberg at his office (212/262–3550), or Lewis Bart Stone, Esq. at his office (212/986–3131).

ST. LOUIS POST-DISPATCH ENDORSES HATCH ACT REFORM

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. CLAY. Mr. Speaker, on October 21, 1975, the House of Representatives, by a vote of 288–119, overwhelmingly approved H.R. 8617, the Federal Employees' Political Activities Act of 1975. There were no weakening amendments added and it was referred to the Senate. Favorable action is anticipated by our colleagues there.

By taking this action, the House approved legislation which will modify the Hatch Act by permitting 2.8 million Federal civilian and postal employees the right to participate voluntarily and as private citizens in the political life of this Nation so long as those activities do not even appear to compromise the integrity of the merit system or the impartial administration of the functions of Government.

I am now pleased to report that the St. Louis Post-Dispatch, whose independence and integrity is well known, has provided its editorial endorsement to H.R. 8617. It is with pleasure that I share this editorial with you.

[From the St. Louis Post-Dispatch,
Nov. 10, 1975]

AMENDING THE HATCH ACT

In 1939 in order to prevent federal employes from being coerced and organized into a political machine, Congress enacted a measure officially titled "An Act to Prevent Pernicious Political Activities." Now after 36 years, including at least a decade of agitation for change, the House of Representatives has approved a substantial modification of the so-called Hatch Act, which prohibited most political activities by federal employes.

The main argument of opponents of the House bill (H.R. 8617) is that it will allow the politicalization of the federal public service. The chief argument of its supporters is that it will relieve federal employes of an unfair restriction on their enjoyment of the same free speech and association rights that other citizens have. While we concede that the concerns of opponents are not unreasonable, we think the proponents of change have made a persuasive case for the bill that the House has approved and sent to the Senate, where it is now being considered by the Post Office and Civil Service Committee.

As pointed out by Missouri Representative William Clay, chairman of the House subcommittee which handled the bill, circumstances have changed since 1939. At that time only 32 per cent of the federal work force of 950,000 was under the merit system, which means that 68 per cent of all federal workers then might have been subjected to political pressure. Today almost 70 per cent of the 2,800,000-member federal work force is under the merit system. The merit system has been strengthened and institutionalized under Civil Service.

Although H.R. 8617 would allow federal employes to engage in political activities without specifying what activities, the bill contains safeguards to prevent them from utilizing their federal positions in ways that might interfere with nonpartisan public service. The measure would prohibit all federal employes, including Cabinet secretaries, from engaging in political activity while on duty or in a federal building; would prohibit the solicitation of political contributions by superiors; would require federal employes running for full-time elective office to take a leave of absence without pay from their jobs at least 90 days before an election; would set penalties—including removal, suspension or other discipline—for violations of the law; would make it a federal crime to use official authority, influence or coercion to affect the result of any election, or affect any individual's right to vote or not to vote. The Civil Service Commission would be empowered to investigate complaints; and a three-member presidentially-appointed independent board, whose decisions would be reviewable in the courts, would be established to hear cases involving alleged violations.

Revisions of the Hatch Act seem necessary not only because of its rigid restrictions on the political rights of nearly 3,000,000 citizens but also because of its imperfections and unforeseen effects. For example, thousands of administrative rulings have resulted in ambiguities. A federal employe may now express his political opinion publicly but may not address a political gathering. Because of the Hatch Act restrictions, many able people, according to one committee member, refuse to work for the Federal Government; and many of those who do are afraid even to work for nonpartisan organizations such as Common Cause.

When the Hatch Act was enacted, it was intended to prevent coercion of and kickbacks by federal employes. The House bill is not perfect, and some of its provisions may turn out to require improvement in the Senate. But basically it would remedy the 1939 act's undesirable effects while imposing restraints against abuses the Hatch Act was originally designed to avert.

LONG TERM CARE AN INTEGRATED COMMUNITY APPROACH TO OUR SENIOR CITIZENS

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. HEINZ. Mr. Speaker, today I am introducing a bill entitled the "Long Term Care Amendments of 1975" which establishes under medicare a new section, part D—Long Term Care Service. It also contains major new provisions which I believe will significantly increase the involvement of senior citizens in planning for their own care needs. My colleague, the Honorable GLENN BEALL, Republican of Maryland, has just introduced this legislation in the Senate on Thursday, November 20, 1975.

It is with great satisfaction that I introduce this bill before you today, because I believe it represents the beginning of a process that will result in passage of legislation for the elderly which at last, lives up to our oft-stated commitments to them. Let me remind you of some of these important commitments, made in reference to their health care needs, repeated by Congress and the White House in numerous task forces, white papers, House, Senate and administration reports. We have said that a coordinated integrated delivery system for comprehensive health services should be made available to all the elderly.

We have said that this system should be developed, financed and implemented to insure continuity of both short and long term care for the aged. We have called for increased opportunities for our senior citizens to express their own needs for care and to actively participate in decisionmaking and evaluation activities which affect the quantity and quality of care available to them. We have recognized that neither the present medicare system nor the medicaid system as currently conceived, are designed to provide the kind of long term care the elderly require.

We are just beginning to recognize that a concerted effort is needed to bring together a continuum of care services for the elderly at the community level through some form of organization that will be responsive to and accountable for meeting the long-term care needs of the elderly. Finally, we know now that care for the elderly involves both medical and non-medical services in careful coordination.

Mr. Speaker, I believe that this bill provides the needed followup on these commitments and recognizes the care needs of the elderly. I am asking that the bill which I am introducing today and the legislative analysis produced by the Library of Congress be printed in the RECORD.

Mr. Speaker, allow me to briefly describe some special features of this bill:

First, it creates a five-man Federal Advisory Council on long-term care, whose designated Chairman is the Commissioner of the Administration on Aging and whose functions are to provide advice and recommendations to the Secretary and to approve all long-term care regulations of the Secretary before they become effective.

Second, it establishes a simplified enrollment process for the elderly which among other things, enables persons already enrolled under part B of medicare to be simultaneously enrolled under a new part D—the long-term care services program.

Third, it creates a State long-term care agency which will designate service areas within the State and assist the organization of community long-term care centers.

Fourth, it establishes a Federal long-term care trust fund. This fund would be derived from individual premiums, and general revenues of Federal and State Governments—with the State contribution set at 10 percent.

Fifth, the community long-term care centers would function as providers, certifiers, evaluators and guarantors of service. These centers would have a governing board composed of a majority of individuals who are enrolled or eligible to be in the program. This form of governance would promote local control, accountability and the formation of a unique partnership of providers and recipients of care. The center will carry on a continuous followup with each individual who receives benefits under part D.

Sixth, the bill provides a $36 per year increase in supplemental security income benefits which will cover the $3 per month premium established by part D.

Seventh, the bill will amend the Public Health Service Act to provide for the training of personnel, to implement this system.

Mr. Speaker, I want to stress that this bill represents only a beginning in our attempts to formulate a health care system for the elderly which is comprehensive, responsive and cost-effective. We know that our elderly citizens are not well served by the medical care system which serves the general population. However, we do not know whether we should, as we consider the form of a national health system, include both long term care and acute care as part of this system or whether the national health system will be of such scope to preclude such coordination.

We know too that almost a quarter of those who are in need of long term care are not elderly persons. But we do not know whether a long term care program can be properly designed to serve the various needs of such persons as the handicapped child, the mentally impaired adult, and the chronically ill elderly person.

I anticipate that the Subcommittee on Health and Long Term Care of the House Select Committee on Aging, of which I am the ranking minority member, will soon initiate studies that will furnish Congress with responses to these and other issues.

Mr. Speaker and my fellow colleagues, allow me to close with a section from a paper delivered by Elaine M. Brody on May 10 of this year at the National Conference on Social Welfare:

> Estimates of the proportion of older people who require long-term services vary, depending on the nature of services included in the estimate. Data from Shanas' broad studies show that one-fourth of all persons 65 and over who live in the community require home care services (1974). Adding those who require service because of mental impairments and environmentally-imposed disabilities, S. Brody states the target population may be one-third of the elderly (1973). Neither of those estimates includes services for socialization or constructive use of time. Pfeiffer's community study provides evidence of "significant impairment" (i.e. moderate to complete) for an overall total of 41% of older people when economic, social, and self-care functioning are included (1973). Preliminary data from the Philadelphia Geriatric Center's local survey places the percentage at 27% (Gottesman, Moss, and Worts, 1975). To all of those estimates must be added the 5% of all older people who are in institutions at any one time.
>
> The number of those 75 or over is growing much faster than the 65–74 group. Projections indicate by 1990, 40% of the 28 million older people or about 11 million individuals, will be 75 or over. Since impairments and therefore service needs increase with advancing age, a conservative estimate of the number who will require long-term service in 1990 is about 10 million individuals.

When we couple this data with the consistent and interesting findings that myths to the contrary, families do not dump their elderly family members in institutions except as a last resort; after great expenditures of time, money, effort and emotional stress; and only after exploration of the at present limited alternatives to institutionalization fails, we can see the need for a system that permits the older person himself as well as his family to explore and find services which match this level of need for both care and independence. My dear colleagues, now is the time for us to put our hearts and our heads together to solve this problem, I believe that the bill I have introduced is a proper vehicle for our efforts.

TAX REFORM ACT OF 1975

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. WIRTH. Mr. Speaker, the Congress will soon take up consideration of the Tax Reform Act of 1975 (H.R. 10612). The Ways and Means Committee has labored long and hard over the past several months, conducting hearings, absorbing vast quantities of data, and wading through the quagmire which is our current Federal tax law. I compliment them for their endurance; however, I must confess considerable disappointment with the legislation before us.

I have advocated meaningful tax reform with two specific objectives in mind. First, it is clear that the current laws provide the means for wealthy people to avoid, delay payment, and reduce the amount of taxes for which they are liable. This is demoralizing to the great majority of middle- and low-income taxpayers who suffer in each paycheck from the bite of the withholding tax. It is easy to condemn wealthy taxpayers for avoiding taxes, but we should honestly admit that the loopholes they are using are what the Congress calls tax preferences when we write them into law. The Congress must seek other innovative means to achieve its end than these tax preferences, which usually end up distorting the flow of investment income, reducing Federal revenues, and subverting the progressive intent of the original income tax law.

Second, the law has become hopelessly complicated. More and more private citizens, even those who are well educated, are seeking the services of professionals. Businesses, even small ones, are dependent on tax lawyers and accountants to guide them through the maze of loss carryovers and carrybacks, rollovers, allocations, recoveries, and depreciation at any of several rates. It is predictable, but unfortunate, that efforts to close loopholes take the form of another layer of complication. This is the case with the limitation on artificial losses—LAL. One wag, after studying the LAL portion of the committee report—see pages 28–85, suggested changing the name of the bill to "The Tax Accountants' Benevolent Act of 1975."

Having said all that, it is my intent to support the passage of this bill. I shall also support those amendments offered by Mr. FISHER and others which have the effect of strengthening its tax reform features. The tax reductions included will aid our struggle to recover from the recession we have suffered. The bill also makes important simplifications in the law; the removal of 225 pages of obsolete language is a laudable achievement. It is my hope that the Ways and Means Committee will benefit from the active support of all Members in its future efforts to recommend meaningful and comprehensive tax reform proposals.

LARGE USERS OF ELECTRICITY SHOULD PAY MORE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. LEHMAN. Mr. Speaker, electrical energy is indispensable to modern life. It is the lifeline of necessary resources that sustains virtually every American household.

Energy troubles that first hit at the gas pump are now skyrocketing our utility bills. As a result, as evidenced by statistics compiled by the Federal Energy Administration, consumers have curtailed their consumption where they were not already using electricity at subsistence levels.

Industrial consumers, given the most favorable rates because it costs less to deliver large amounts of electricity to a single customer, have not similarly reduced their consumption in proportion to residential consumers.

Thus, utility rates have actually promoted increased consumption by one group while they penalize smaller users by charging a greater share of the cost for lower usage.

The smaller user is not straining the capacity of generators or forcing new construction; it is the larger user, consuming the most power at the lowest rate per kilowatt-hour, who creates excess demand.

Recently, I introduced legislation to reverse this pattern. The current system rewards higher levels of electrical usage with more favorable rates, and the highest usage and best rates belong to the industrial class. This was good policy during times of unrestrained growth and easy delivery of energy to all consumers, but the same circumstances do not prevail today.

Our pricing system, therefore, must respond to the new situation and be inverted to encourage conservation, not consumption. I believe my bill meets that objective.

This legislation, H.R. 10839, requires that a State authority which has jurisdiction over electric utility rates prescribe a residential rate for a subsistence quantity of electrical energy which does not exceed the lowest rate per kilowatt-hour charged to any other class of consumer. The regulatory authority would determine the subsistence level appropriate to the State or region affected, and would be directed to consider seasonal fluctuations in demand. As rates were increased through time for other classes of consumers, the residential charge set under this bill would not be permitted to exceed the average of residential rates in effect as of December 31, 1975. I anticipate that this stipulation will serve to stabilize residential rates by freezing them at current levels, if they are not actually dropped. For a period of not less than 5 years, the current average would serve as a ceiling above which the price of at least the bare electrical essentials could not go.

Mr. Speaker, conservation of our limited energy resources has become a goal willingly embraced by the vast majority of Americans. Many, many citizens are making every possible effort to limit their consumption, but there will remain, until some new technology frees us from our dependence on fossil fuels, a minimum level of electrical consumption necessary for the maintenance of civilized life in our society. The assurance of at least this minimum to all citizens in their homes is a worthy goal, and one my bill will attain.

The text of my bill follows:

H.R. 10869

A bill to reform residential electric utility rates

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this

Act may be cited as the "Lifeline Rate Act of 1975".

PURPOSE

SEC. 2. It is the purpose of this Act to reform electric utility rate charges to residential customers by providing for a more equitable distribution of electric utility rate charges among classes of electric energy users by requiring electric utilities to prescribe minimum rates and charges to residential users of electric energy in order to meet their basic necessities of modern life which will encourage the wise and prudent use and conservation of scarce energy supplies.

LIFELINE RATES

SEC. 3. (a) No rate schedule of an electric utility shall provide for a rate under which the charge per kilowatt-hour to a residential electric consumer for a subsistence quantity of electric energy in any month for such consumer's principal place of residence exceeds the lowest charge per kilowatt-hour to any other electric consumer (within the jurisdiction of the regulatory authority which has ratemaking authority with respect to such rate schedule) to whom electric energy is sold by such utility (or any electric utility which controls, is controlled by, or under common control with, such utility). Such rates shall not exceed the average residential rates in effect as of December 31, 1975.

(b) For purposes of this section, the term "subsistence quantity" means a number of kilowatt-hours which the regulatory authority determines is necessary to supply the minimum subsistence electric energy needs of residential electric consumers at their principal place of residence for the following end-uses: heating, lighting, cooking, cooling, and food refrigeration. In determining the minimum electric needs of residential consumers the regulatory authority shall consider seasonal fluctuations in climate and consumption patterns.

ENFORCEMENT

SEC. 4. (a) No electric utility may sell electric energy except in accordance with a rate schedule which has been fixed, approved, or allowed to go into effect by a regulatory authority. No regulatory authority may fix, approve, or allow to go into effect any rate schedule which violates section 3.

(b) If any person alleges that a regulatory authority's action, or failure to act, violates subsection (a)—

(1) in the case of a regulatory authority which is a Federal regulatory authority (or which is a State regulatory authority whose action or failure to act is not reviewable by a State of competent jurisdiction), such person may obtain review of such action or failure to act, insofar as it relates to violation of subsection (a)—

(A) in any statutory review proceeding which is otherwise applicable to such action or failure to act, or

(B) if there is no such statutory review proceeding applicable to such action or failure to act, by commencing a civil action in the United States court of appeals for any circuit in which the utility sells electric energy, which court shall have jurisdiction to review such determination in accordance with chapter 7 of title 5, United States Code; and (2) in the case of a regulatory authority which is a State regulatory authority, such action, or failure to act, insofar as it relates to a violation of subsection (a)—

(A) may be reviewed by any State court of competent jurisdiction, and

(B) if such action is reviewable by such a State court, may not be reviewed by any court of the United States, except by the United States Supreme Court on writ of certiorari in accordance with section 1257 of title 28, United States Code.

EFFECTIVE DATE

SEC. 5. The provisions of this Act shall take effect ninety days after enactment and remain in force for a period of not less than five years thereafter.

SCHLESINGER SUPPORTED

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. DICKINSON. Mr. Speaker, many of us in the Congress were disturbed over the recent dismissal of the Secretary of Defense James Schlesinger. Dr. Schlesinger was, in my opinion, an extremely capable Secretary of Defense, one of the best we have ever had, and was not reluctant to express his feelings on our defense posture.

From our vantage point here in Washington we in the Congress sometimes have difficulty in assessing the feelings of the people "back home" on such an important matter—particularly if we do not get mail along these lines. Fortunately, our local newspapers generally have their fingers on the pulse of the people. One such weekly in my district, the Union Springs Herald, made some rather pertinent comments about what has been termed "The Sunday Night Massacre." The Union Springs Herald, edited and published by Mr. W. H. Garner, is an excellent weekly newspaper which usually reflects the thinking and feelings of the people of Bullock County. I would like to share this editorial with other Members of the House and I am pleased to have it reprinted in the RECORD at this point:

THE SUNDAY NIGHT MASSACRE

The firing of Secretary of Defense James Schlesinger strikes a heavy blow to the intellectual quality of the Ford Administration. In a government not particularly noted for its brilliant thinkers, Schlesinger stood out as a bright beacon. He alone within the administration dared to stand up to the monumental ego of Henry Kissinger, and he alone, from all indications, dared to take issue with the powerful Secretary of State on some of the basic premises of detente.

As Secretary of Defense, Schlesinger had the responsibility for the military security of the nation. He found nothing reassuring in the massive Soviet military build-up which continues even under the existing strategic arms limitation agreement. And he displayed no sympathy for the kind of congressional defense cuts which threaten to give the Soviets an even greater edge over the United States. Both privately and publicly Schlesinger voiced a lack of trust in Soviet intentions and sounded repeated warnings against a form of detente that gives the Soviets much but the U.S. very little in return.

Schlesinger's views and operating manner apparently irritated many in Congress, but we doubt that this is the major reason Ford sacked him. Far more likely was Schlesinger's clash with Kissinger. We don't know at this point whether Kissinger delivered Ford something in the nature of a "him or me" ultimatum, but he must have made his displeasure known in the various emphatic ways for which he is well known. Perhaps the President decided he could not live with such clashing views from two such powerful personalities.

In any case, the departure of Schlesinger is a major defeat for the principle of balance within the government. If he is replaced in the Pentagon by a syncophant who will shape his military views to conform to "higher national policy" as determined by Kissinger, then it will mean that there is no major figure in Washington to sound a voice of warning against policies which may be heading the nation on the road to disaster.

We hope the "Sunday night massacre," as it is being called, is not intended to clear the way for major new U.S. concessions to the Soviets in the SALT negotiations. But we are deeply apprehensive that this will be the most immediate result.

COMMENTS ON THE PASSAGE OF H.R. 9019

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. DODD. Mr. Speaker, I would like to comment on the passage of H.R. 9019, the Health Maintenance Organization Amendments of 1975.

The concept behind the Health Maintenance Organization Act of 1973, Public Law 93-222, was to provide access to prepaid health care plans to all individuals regardless of their age, income, or health status.

With the passage of H.R. 9019, the spirit of the original legislation has been violated. HMO's will now be allowed to offer selective and limited access to their services.

I feel that such a characteristic may be legitimately displayed only by private health care services—and not by federally subsidized ones.

I appreciate the need to ease the requirements for the establishment and operation of HMO's so as to encourage their more rapid development. But I also question the wisdom of the solutions that we have settled upon.

We have retained the provisions for HMO's to enroll individuals who are representative of the various age, social and income groups within the areas they serve.

We also have retained the provision that insures that no individual will be refused reenrollment on the basis of his health status.

But we have abolished the mandatory 30-day open-enrollment period, when membership was granted to all individuals who applied for it.

I question the necessity of this decision since the original legislation already included a provision allowing the open-enrollment clause to be waived for a period of up to 3 years if the HMO could demonstrate that it was being forced to enroll a disproportionate number of high-risk and high-cost cases.

A limited waiver of the community rating requirement—which in the original bill dictated an even distribution of costs among all members—would have been preferable. It would have eliminated one of the primary obstacles to the economic viability of HMO's by giving them the time they need to spread their costs.

I fear that the impact of deleting the open-enrollment requirement will be to encourage the selection of healthy, middle class members. We are taking the risk that those groups, such as the elderly and the poor, who most need the services of HMO's, may not have the opportunity to receive their benefits.

I will be watching the program closely and following the progress of the HMO's. If indeed their membership tends to reflect any preference for healthy, middle class people, we will once again need to review this legislation to insure that decent health coverage be available to all Americans.

AX FINALLY MAY FALL ON OBSOLETE SELECTIVE SERVICE BUREAUCRACY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. DRINAN. Mr. Speaker, I was pleased to read yesterday that the Office of Management and Budget has recommended, and President Ford has agreed, that the Selective Service System should be pared down to a skeletal agency costing approximately $6 million per year to operate. The continued existence of Selective Service as a large and expensive bureaucracy has been without justification since June 30, 1973, when its authority to induct Americans into the Armed Forces expired. Since that time, the agency has fought to secure as large an appropriation as possible despite its virtual absence of responsibilities. As recently as fiscal year 1975, this agency spent $45 million to "stand by" and await the day when it might again be utilized as a mechanism for military conscription. It was the American taxpayers, of course, who paid the bill for that extravagance.

Earlier this year, on June 24, the House engaged in an extensive, bipartisan debate on the level of funding for Selective Service in fiscal year 1976. In the course of that discussion, a number of points were made to justify a reduction far below the $37.5 million eventually approved by the House. It appears that those convincing arguments have been accepted by the administration. Indeed, the recommendation of OMB apparently goes nearly as far as legislation which I introduced last June—H.R. 6761—along with 28 cosponsors, to abolish this do-nothing agency altogether. Although the Selective Service System will still exist in name if the OMB's suggestion is adopted by the Congress, the low level of funding will finally be commensurate with the agency's low level of responsibility. I applaud the recommendation of OMB and urge the House to implement it when the fiscal year 1977 appropriation for the Selective Service System is considered next year. The newspaper report follows:

FORD TO REDUCE DRAFT STAFF

(By Jeremiah O'Leary)

President Ford has given his approval for a drastic reduction in the budget and paid staff of the Selective Service System.

The reduction will in effect turn America's draft mechanism over to an automated data system supplemented by unpaid volunteers and a handful of headquarters staffers.

"We're going into a deep zone defense," said one official wryly. Another said the recommendation, which was made to Ford by the Office of Management and Budget, makes sense because none of the 2 million young men who register every year are being inducted.

The OMB recommendation, which Ford is expected to announce publicly soon, will reduce the Selective Service System's budget from the present $28 million to about $6 million.

The agency was already in the process of reducing its national paid staff from 2,500 to 1,400 by July 1, 1976. The expected reduction to $6 million will pay the salaries of only a handful of caretaker and computer employes.

The White House decision will clean house on the estimated 250 paid employes at Selective Service headquarters at 1724 F Street N.W. and the computer center in Alexandria. Samuel R. Shaw, legislative officer for Selective Service Director Byron V. Pepitone, said he had not heard of the White House decision, but he said that if it is carried out the national draft machinery will have to go on "deep standby" status with only a skeleton career staff.

It was emphasized that the White House decision does not eliminate the nation's draft machinery or the obligation of young men to register when they become 18 years old. It is also anticipated that the annual draft lottery, usually held in February, will continue to be used to select 19-year-olds for potential drafting in their 20th year in event of national emergency.

Shaw said Selective Service is now in the midst of a major computer test of a practice call-up to be certain the system will function in the event it is needed. Under the current budget, Selective Service is in the process of turning more and more of its operation over to the automated data system.

Shaw said Selective Service does not keep files on young men once they reach the age of 23. The documents and files on men 23 and older are now being turned in to federal records centers around the country, where they can be retrieved if needed.

The Selective Service system has been shrinking for years. The drafting of young men for military service ended in 1973, when the all-volunteer armed service concept became operational.

AMERICA'S THIRD CENTURY

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. HARRINGTON. Mr. Speaker, with recent administrations graciously distributing nuclear power like transistor radios to governments perched between total dictatorship and the threat of coup d'etat, the capacity for self-preservation both in a regional and global sense has become seriously impaired. And citizens have more to fear than fanatical dictators when available published material easily affords all the information necessary for a do-it-yourself atomic bomb.

Our future, writes Norman Macrae, will depend upon maximisation of gross world product and the embourgeoisement of the bottom half of the world to the point where the reality of a pleasant life and comfortable retirement might be a strong enough incentive to dissuade individuals from blowing the whole thing up.

Crime—on global and local levels alike—is a problem that will require fundamental changes in the structure of society and serious reconsideration of what Macrae calls "the ages of man: childhood, adolescence, rat race and retirement."

The following is the sixth part of a series entitled "America's Third Century"—Economist deputy editor Norman Macrae's thoughts on the future of this country. In an earlier installment published in the RECORD of Wednesday, November 12, Macrae predicted that world power would soon pass out of the hands of the United States and massive destructive capabilities will then be deposited in less sophisticated hands.

The text of the sixth installment follows:

[From the Economist Oct. 25, 1975]

BOMBS FOR EVERYBODY?

Real needs: a plan for gwp, and a recognition that control over killing power will become dangerously more difficult, while control over people's brains will become dangerously (?) easier.

One thermonuclear warhead can now release more energy than all the gunpowder and TNT exploded in all the wars of history. So far nuclear weapons have been in the hands only of countries mature enough not to want to blow their neighbours up. But a raw young Massachusetts postgraduate student showed last year that anybody can now work out from published material how to make atomic bombs. All countries and some criminals will eventually be able to knit their own.

The leaders of more than half the world's 150 governments nowadays go to bed each night knowing that they might conceivably be executed after a violent coup d'état tomorrow. This does not make for a calm and unexcitable mind in the lower half of what will be the nuclear-trigger-minders' profession. Within recent memory only one black civilian African government has democratically handed power to an opposition after an election; that was Somalia, now a military dictatorship like the rest.

It is clear that the world's rich north must devise a new policy towards its poor south, and that the policy cannot be that of keeping troops in all poor countries to stop them blowing the world up (ie, cannot be colonialist). It had therefore better be economic, aimed at maximisation of gwp, and America had better set the pace. Some will say that maximisation of gwp will be pollutant (at a time when nine out of ten humans still lack sanitary disposal?) and disruptive (in a world where most of those on annual incomes under $200 are black or brown?). These stagnationists will also quote more and more black and brown dictators on their side.

The dictators who rule most poor countries may increasingly not want industrial development because their main interest, understandably, is to delay the day when they will be murdered during their successor's coup d'état. Industrialisation adds two new classes (an internationalised merchant class, an urban working class) to the two (the army and the political colleagues) who organise these 3 a.m. revolutions. The dictators of today's poor countries can best be regarded as like the monarchs of pre-industrial Europe, but dependent for succession on palace revolutions instead of on the (for pre-industrial countries) more convenient because more peaceful absurdity of primogeniture. American liberals would be unwise to suppose that many of these present dictators will be as progressive as the monarch under whom leadership of world economic advance began. George III.

PLAN FOR GWP

Nevertheless, the right geo-political-economic target for the next 30 years is definable. It should be to repeat what has luckily happened with Russia in the last 30 years. The Russians had an Idi-Amin-type leader in Stalin in 1945, and it then seemed rather likely that they would blow up the world. They now probably will not do so because there is a broad enough stratum of people in or near the decision-taking cadres in Russia who have a tolerably pleasant life, and do not intend to allow Mr. Brezhnev or any immediate successor to incinerate it. As nuclear plants will proliferate, it will be advisable similarly to embourgeois the bottom half of the world in a devil of a hurry.

The best mechanism would be something like this. At present nearly all big industrial countries look forward to what their gnps may be a year ahead, and pump in extra spending power if there looks like being underdemand. The rich countries should start instead to look forward to what gwp may be a year ahead, and must often pump any desirable extra spending power initially into the hands of the poorer countries (extra SDRs created so they can expand their imports?). Their use of this would then mop up unwanted unemployment in the world's rich north.

The objective should be to raise ever more countries to the sort of income level where their governments will be composed of people who think of themselves and their political opponents as heading slowly towards comfortable retirement, instead of racing to get their brothers-in-law to the firing squad first. Probably the best definition of the sort of government that will not start nuclear fighting is: any government where the decision-makers assume that they personally will end their lives in the local equivalent of Southern California, a dacha outside Moscow, or the House of Lords. This seems usual at gnps per head over about $1,000 a year.

CRIME PREVENTION

The uppermost thought of members of the Baader-Meinhof or Manson gangs, of teenage paranoiacs and of professional kidnappers is not that they are likely to end their years in the House of Lords. But both mass-killing-power and more selective-killing-power are going to come into their sorts of hands.

Some time there is likely to be a demand from some small organisation that society do something intolerable or else a megadeath weapon will be exploded in some big American city or hurled in on the next world summit meeting. Organised crime will increase its present rather low technological efficiency. Murder from a distance will become much easier—such as by telephoning a victim from anywhere and exploding down the wire a device loud enough to shatter his eardrum.

There will have to be redefinition of the objectives of criminal justice, in ways that may look gruesome. Just as one frightening technology is bringing the world to a stage where some criminals will have an explosive power a million times greater than strong lunatics have ever had before, another frightening technology is going to make it possible to control their brains and minds and moods. Electrodes planted in the brain—and eventually able to switch themselves on and off—are going to be able to control irrational aggression; while love-inducing, placidity-inducing, apathy-inducing mood pills are going to multiply by the million. It is almost certain that governments will use these, on the grounds that "some crimes are diseases which can best be treated by drug therapy."

Outpatient treatment for those with records of violence may involve a great loss of privacy. Data on felons will be readily available for tracing the most likely criminal when there has been a mugging in Central Park with a left-hand downward blow at an angle of 77°, and for suggesting the right medicament for him. Police cars hurrying to an incident will have direct access to these computerised data banks. TV cameras already watch some high crime streets in America; this will be extended. Some clients of the probation and parole services (which will be merged) will have to carry electronic identifying instruments around with them so that there can be checks on where they are. Frighteningly, tests have shown that even closely-watched laboratory rats become perturbed (and more deviant) with loss of privacy; but these will be outpatients who might blow up the world.

It has become fashionable (chiefly because of America's own protests and determination to clip its CIA) to portray the organizations and institutions of the United States as unfitted to handle these horrible social innovations that are likely to be forced on mankind. My own view, as will become apparent through the rest of this survey, is that America will have a better chance of lighting the way forward, while keeping going the vital continuing debate on civil liberties, than anyone else. American government does keep open most of the possible routes of appeal, in Byron's phrase, from tyranny to God.

AGES OF MAN

America may also have the best chance of tackling the next big problem, because its experience of the problem is most advanced. It has become clear that there is something dreadfully wrong with the handling of the present four ages of man: childhood, adolescence, rat race and retirement.

Citizens of most countries spend the first and most formative 15 years of their lives under the haphazard control of untrained parents, in a grim lottery according to whether they have drawn a parent who rears a delinquent or a paranoid or an integrated human being.

The first of two new horrors lately added through good intentions is that medical advances have pushed the opening age of rebellious adolescence down well below 15, while governments have been pushing the age to which such kids must be kept behind small desks above 15. The second is that for the next age-group—from 15–24—the rich countries under American leadership have made a noble and massive and plainly disastrous experiment during this last half of the American century, during 1925–75.

At the beginning of the half-century, the great majority of the 15–24 age group were in paid work. Now very many in America and its imitators are in school on state aided funds even after the age of 18. In an era when the social sciences are an exploding growth recreation, one might expect the last three decades observed results of this experiment to be constantly re-assesed. They are not assessed, because they are sociologically inconvenient.

The observed results in most rich countries are a huge rise in the crime rate in the 12–24 age group (which now commits most of all industrial countries' most worrying crimes), a devastating impact on family relationships especially among the urban poor and the surburban rich, an increased difficulty in handling the problems of puberty and adolescence, a flight by teenagers to pot, and the assumption by employers that anybody who leaves education before 23 belongs to the dimmer half of society (so that American business is being reorganised to ensure that full-time jobs for under-23s dry up). When efforts are made to counter this by pushing still more of the rejected minority (especially black minority) into college, this (a) causes the now-slightly-smaller but still large minority left out to be regarded as still-more-obviously-unemployable, and (b) breeds a catastrophic failure rate among the new undergraduates, so that they congregate in separate groups which defy integration while inferiority complexes among them mount.

In the third age of man, after age 24, males (and some women) have 40 years of climbing up the seesaw of a career, usually having least time to spend with their children just when they should be doing most to bring them up. Then at the age of 65 they are suddenly stripped of all status—and, in an inflationary age, of a large part of their spending power—until they die 10 or 15 years later, although with the unpleasant prospect that this period may soon be incontinently extended. When it is extended, I suspect (see the preceding article) that mankind will be right to accept a system of planned death.

A main task for the early years of the 1976–2076 century will be radically to reshape these wrong ages for human lifestyles. There is no possibility that the right new shape will be decided by the liberal central governments of major powers. Their efforts so far have greatly worsened the mess. The best hopes will lie in experiments by competing governments, or competing communities, within some great society. And that, see the next two articles, is another reason why it will be a pity if world leadership passes from America in present mid-torrent.

DEEPENED AWARENESS OF PALESTINIAN QUESTION IN MIDDLE EAST CONFLICT IS CONSTRUCTIVE SIGN OF CHANGE

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. ZABLOCKI. Mr. Speaker, those genuinely interested in bringing about a truly meaningful peace in the Middle East have long recognized that the Palestinian question is at the heart of the conflict. Unless and until that question is faced squarely and objectively by all sides in an unemotional manner, the chances of securing a lasting peace settlement will remain virtually nil.

To the extent that the United States has assumed such a dominant and more direct role in the area, our attitude toward the Palestinian question is particularly crucial. It was therefore reassuring to read the November 12 testimony of Deputy Assistant Secretary of State Harold H. Saunders before the House International Relations Investigation Subcommittee chaired by the distinguished gentleman from Indiana, Hon. LEE HAMILTON.

As Rowland Evans and Robert Novak noted in their Washington Post column of November 25:

> The Saunders testimony staked no new ground (but) the mere fact that he was permitted to delve deeply and publicly into some of the political implications of the Palestinian question was in itself new.

Much the same theme was struck by Stephen Rosenfeld in his Washington Post article of November 28. As Mr. Rosenfeld notes:

> The real significance of the Saunders statement, however, lies in its potential for bringing the United States into the middle of deliberations on the Palestine question—the "heart" of the Arab-Israeli conflict—as it is already in the middle, however uncertainly, of other aspects of the conflict.

As a means of furthering a calm, deliberative, and enlightened discussion on this important issue I am inserting the Evans-Novak column and the Rosenfeld article into the RECORD at this point and recommend them to the full and careful reading of my colleagues:

THE PALESTINIAN PROBLEM: 'HEART OF THE CONFLICT'

(By Rowland Evans and Robert Novak)

The fact that the U.S. still holds the whip hand in the Middle East is stunningly clear from Syria's soon-to-be-announced decision to renew the Golan Heights cease-fire with Israel.

Indeed, the reversal in Damascus of indications early this month that the United Nations Disengagement Observer Force (UNDOF) might not be renewed in the buffer zone between Israel and Syria points to this conclusion: Despite vicious attacks on Egypt for making a separate, U.S.-sponsored deal with Israel on the Sinai peninsula, Syria is still committed to Secretary of State Henry Kissinger's mediation diplomacy in the Middle East.

The reason? Fear of Israel's military power, which is subject only to restraints from Washington coupled with the subtle but momentous change in political emphasis the U.S. is now placing on the Palestinian question.

Since Israel's new Sinai agreement with Egypt raises at least a danger of Syria fighting virtually alone in any new combat on the Golan Heights, the Syria government—considered moderate by historical standards—wants above all to keep its Washington connection strong.

But the Ford administration's careful new public policy that the Palestinian question is "the heart of the (Mideast) conflict" is at least as important, and potentially much more so. That policy statement, delivered 10 days ago to a House International Relations Subcommittee by Deputy Assistant Secretary of State Harold H. Saunders, spelled out the U.S. position in detail for the first time. The decision to do so was made by Kissinger after consultation with President Ford because of explosive election-year politics involved in any change or refinement of U.S. policy in the Middle East.

The agonized reaction to Saunders' testimony in the regular Israeli cabinet session last Sunday (Nov. 17) fully confirmed the administration's decision to approach the matter gingerly. The authoritative Jewish Telegraphic Agency reported that the Israeli cabinet "angrily denounced" Saunders' testimony that the West Bank of the Jordan River might become a separate Palestinian state if the Palestine Liberation Organization recognized Israel's permanent existence.

Although State Department diplomats claim the Saunders testimony staked no new ground, the mere fact that he was permitted to delve deeply and publicly into some of the political implications of the Palestinian question was in itself new. Indeed, the Saunders testimony was hailed by a top official of the Syrian government last week as a constructive sign of change.

Arab diplomats here, agreeing, were particularly pleased because Saunders treated Yassir Arafat's PLO as a serious political organization, not just a band of terrorists.

Syria's decision to stay close to Kissinger's mediation game in the Arab-Israeli struggle has consequently been rewarded by Saunders' congressional testimony, even though the reward is far more important as symbol than as concrete change in U.S. diplomacy, or in actual U.S. acceptance of the PLO as representative of the Palestinian people. There is no sign yet, for example, that Arafat is ready to recognize the state of Israel and to renounce his "dream" of a single Palestinian state composed of both Jews and Arabs.

Until he does, the next stage in Kissinger's diplomacy—informal meetings among all the parties in search of an overall settlement formula, as Syria desperately wants—cannot even start. But the indications of new flexibilities in the U.S. approach to the Palestinian question are now likely to be used by Syria in persuading Arafat to abandon his quixotic, emotional and impossible demand that Israel commit suicide. The Saunders testimony, moreover, is not the only sign of this new flexibility. A high-powered study group named by the Brookings Institution, with several prominent American Jews as members, will soon finish a major report on the Middle East that comes to precisely the same conclusion as the Ford administration: that an independent Palestinian state on the West Bank of the Jordan River is one alternative political solution to the Arab-Israeli struggle.

Indeed, some highly-regarded leaders of this country's Jewish community say privately that Israel's angry response to Saunders' testimony is not only self-defeating but dangerously wrong. For the U.S. to pretend, as Israel has long pretended, that the Palestinian question is not the "heart" of the conflict would hasten eventual Arab return to Moscow for restoration of Palestinian rights, ending Kissinger's dominance over the tangled diplomacy of the Middle East.

A PATH FOR PALESTINIAN NEGOTIATIONS

(By Stephen S. Rosenfeld)

The United States has stopped mumbling barren and unhelpful evasions of the Palestinian question and has begun a tentative but promising search for a diplomatic framework in which negotiations including the Palestinians might get under way.

This effort, announced in House testimony by Harold Saunders of the State Department two weeks ago, has already had some practical secondary effects. It has taken some of the Arab heat off Egypt for making its me-first Sinai agreement; Sadat can now reply that he evoked movement on the Palestinian question from Washington. It is there for Syria to cite as evidence that, by extending the United Nations force, Damascus is not abandoning its Palestinian brothers.

The real significance of the Saunders statement, however, lies in its potential for bringing the United States into the middle of deliberations on the Palestine question—the "heart" of the Arab-Israeli conflict—as it is already in the middle, however uncertainly, of other aspects of the conflict.

The argument for doing this is that unless the United States gets in there, agitates the issue, and cajoles and squeezes concessions out of both sides, the Palestinian problem will simply fester and perhaps even ignite another war.

The argument for not doing it is that a Palestinian solution requires changes of policy and politics so deep on the part of both Palestinians and Israelis, that no American initiative can hope to produce more than embarrassment, frustration and possible backfire—so why try?

In this case, an administration eager to keep up the Mideast momentum seems to have decided on an initiative at once useful to American and other diplomats who wish to fish for change, but retractable if it kicks up too great a diplomatic or political storm. The ball was given on first down, so to speak, to a middle-level State Department officer, with the Department, plainly fibbing, assuring anxious Israelis that Kissinger did not clear the statement and that it represented no policy change.

The statement breaks new ground in three fields. It involves the U.S. government in public exposition of the political aspect of the Palestinian problem. It indicates certain conditions—acceptance of Israel, abandonment of terror—by which the Palestine Liberation Organization might qualify in American eyes as a diplomatic partner. And it suggests as a "first step" the discovery of "a diplomatic process which will help bring forth a reasonable definition of Palestinian interests—a position from which negotiations on a solution of the Palestinian aspects of the problem might begin."

In other words, the immediate task is to elicit from the Palestinians—presumably by dialogue with Arab states already committed at least formally to an Israeli settlement—a "reasonable definition" of their interests. Meanwhile—again presumably—the United States would be working on Israel. Only then could and would Palestinian-Israeli negotiations begin.

It is easy enough to understand why some Israelis are nervous as cats. The government does not yet seem ready politically, or the people ready psychologically, to regard the Palestinians as a separate people with a claim to set up their own nation on territory Israel now controls. To the extent that most Israelis view Palestinians as anything other than terrorists, they view them as Jordanians.

Yet now Saunders hints—or so Israelis read it—that Washington intends to press them to cough up the West Bank and Gaza to the Palestine Liberation Organization, an outfit which few Israelis believe capable of the reforms the State Department professes to seek. The PLO's Arafat has arched some eyebrows in Israel recently by his conspicuous solicitude for Beirut's small Jewish community and, beyond that, by his efforts within certain limits to cap the continuing social explosions in Lebanon. But officially he remains anathema to the Israeli establishment.

And how have Palestinians, or the PLO, reacted to the Saunders gambit? If to Israel the new initiative represents a potential diplomatic crisis at some point down the road, to the Palestinians it poses an intense and immediate political challenge. For the United States is demanding of the Palestinians that they depart from the calculated ambiguity which shelters both the realists and the extremists among them, and that they embrace coexistence with Israel as a permanent end.

The PLO has yet to speak publicly on the matter, though its friends say that it is seriously chewing on it. One of the 14 members of the PLO executive committee who was in Washington this week to report on Palestinian grievances against Israel, told reporters that he had not even heard of the Saunders statement. Whether he was ducking the question or whether he truly was out to lunch was unclear. What will be the PLO's response?

THROUGH A GLASS DARKLY: THE AMERICAN IDEA

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. MORTON. Mr. Speaker, on Monday, November 18, it was my privilege to attend the third annual equal opportunity dinner hosted by the Rochester, N.Y., chapter of the Urban League. It is typical of the quality of service performed by the Rochester Urban League that this event was a landmark experience in terms of its substantive focus on the condition and future of human relations and human opportunity in American society.

Thanks in large measure to the leadership and the dedication of Urban League president, J. Richard Everett, and of Bill Johnson, the Rochester chapter's executive director, the Urban League's programs, research, and advocacy make a very significant contribution to the development of public policies and attitudes in the Rochester area which seek to forge progress in human relations and human opportunities locally.

The equal opportunity dinner, however, had significance far beyond the greater Rochester area. The keynote address at the dinner, delivered by Dr. James E. Cheek, president of Howard University, was one of the most stirring and incisive discussions of the future of American society that I have heard.

Mr. Speaker, it is with a great deal of commitment to Dr. Cheek's message that I ask for it to be printed at this point in the RECORD for the benefit of my colleagues and the public:

THROUGH A GLASS DARKLY: THE AMERICAN IDEA IN THE POST-MODERN WORLD

(By Dr. James E. Cheek)

Mr. Johnson, members of the Rochester Urban League, distinguished guests, friends and supporters:

For all of us who are gathered here I would hope that this occasion will represent a brief moment when we paused, not only to enjoy good fellowship, but also to reflect seriously on the state of our society, its current issues and problems, its future prospects and possibilities.

The latter half of the decade of the 1970's promises to be one of the most historic, but at the same time, most turbulent periods in American history. It will be a period when our nation will be required to re-examine its historic character, to re-evaluate its historic commitments, to consider anew its historic purposes and missions in the world. Also, during the remainder of this decade, we will be forced as a society, a nation, and a people to come to terms with the fundamental issues that affect the future destiny of all mankind, and to make hard and difficult choices: the choice between noble life and ignoble death; between social disorder and social stability; between racial conflict and racial harmony; between world war and world peace; between national survival and national destruction.

The 1970's will be a time of true testing, when no serious individual will be allowed to remain apathetic, aloof, indifferent or insensitive about issues, questions and problems that touch and affect our individual lives and destiny, but whose definition, answers and resolutions will affect the lives and destinies of millions of people, and the future life and ultimate destiny of the whole American society. We are now in the fifth year of this new decade and we are beginning to discern the emerging signs of a "time of troubles."

We have already lived through one turbulent decade in the 1960's. But it began as a decade of great hope and promise. It began with the promise of a new American frontier; it began as an era of unparallelled hope. Laws deeply entrenched were changed. Customs rooted in centuries of historical experience were uprooted. Attitudes and characteristics of behavior sanctioned by time and hallowed by tradition were in the process of being altered. The 1960's gave witness to the emerging of a new beginning; and Americans of all kind, despite the turbulence of social change, were caught up in the spirit of the remarking of the American society.

But as the 1960's ticked away, there began to emerge a sinister and omnibus character of our society: a president was assassinated, and his assassin murdered before our eyes, civil rights leaders were brutalized and murdered; a prophet of Black Liberation had his voice silenced; a preacher of love and non-violence was cut down by hate and violence, and a candidate for president was removed before our very eyes in a deed still too awesome to accept as real. Major cities were engulfed in rioting and civil disorder. A Presidential Commission issued its report to the nation in somber terms:

"This is our basic conclusion: Our nation is moving toward two societies, one black, one white—separate and unequal."

The dire and grim warnings of the Kerner Commission in 1968 fell on deaf ears, and one year later, a national organization could report that matters had gotten worse rather than better.

The 1960's ended and the 1970's dawned, and in the first year of this new decade there could be discerned signs of a new and greater turbulence which in relation to the turbulence of the 1960's could possibly be the turbulence of a typhoon in comparison with that of a windstorm.

It is not my purpose in this address to indulge in prognostication; such efforts have always been hazardous and at best fortuitous. But prudent men who mind the public business are required from time-to-time to conduct their affairs in the present with some appreciation of the past and with some attempt to read the future. The importance of such a posture lies principally in the fact that the past can be instructive for the present and what is done in the present can and often does create and shape the future. And although we can sometimes view the past with the 20/20 vision of hindsight, our looking to the future is almost always a vision that sees through a glass darkly. But though that which is to come is seen dimly and not clearly, we nonetheless understand that the future to come is as much a part of human reality as the past that has gone.

To speak of the turbulence to come, therefore, is simply to record what appears—a forecast, so to speak, based upon present conditions and present trends. But such conditions and such trends as now exist are not fixed and inexorable. They have come about as the result of past actions and past decisions. What men who have gone before us have believed and done have set the stage for us who have come after them. And what those of us who live in the present believe and do will shape and create the future that is before us.

II

I have given this address the theme: "The American Idea in the Post-Modern World." I cannot say in these few minutes all that should be said. But I have chosen this theme for this occasion because first, I believe it is important for us to realize and recognize that the time in which we now live can no longer be accurately described as the "modern age." Ours is a period when the "modern age" is receding and the "post-modern world" is emerging. Future historians will be better equipped to determine at just what point in time the "post-modern age" began to dawn. But in my judgment, we are both witnesses to and participants in a decline of the old and the rise of the new.

And it is important to emphasize that the new is not yet fixed. What is to be has not yet been totally shaped. Neither the form nor the substance has yet been molded and cast. We who live and work at this point in historical time are, therefore, privileged with the opportunity to shape an era and to influence a destiny.

And secondly, I have called your attention to the "American Idea" because I believe that the issues that are inherent in the "American Idea" will constitute the major issues in the affairs of men, not only in this country, but also around the world.

In the "post-modern world" the "American Idea" will be challenged by three major conflicts: The conflict between East and West; the conflict between democratic capitalism and communistic socialism and the conflict between black and white. The cultural conflict and the political conflict will surely challenge the "American Idea." But only the racial conflict—the conflict between black and white—will challenge the validity of the "American Idea," and on the resolution of that conflict the fate of both the "American Idea" and the American society depends. For it is in the conflict between black and white that the moral foundation and the moral assumptions and the moral claims of the "American Idea" are called into question. The profound contradictions between the "American Idea" and the "American Reality" are made clear and unequivocal in the issue of race. The "American Idea" is one of equality of all men deriving their equality from the Sovereign Lord of the Universe. The "American Reality" is the domination, control and oppression of some men by other men purely upon the basis of the color of skin, national origin and religious profession.

The "American Idea" is that all men are endowed by their Creator with certain inalienable rights, among which are the right to life, to liberty, to pursuit of happiness. The "American Reality" is that rights of citizens are at the sufferance of those in power; that some men are to be free, others are to be enslaved and happiness is to be *awarded* to those whom those in power decide should have it.

The "American Idea" is that "resistance to tyranny is obedience to God." The "American Reality" is that those who resist tyranny practiced in the name of law and order are traitors and criminals and deserve the fate of traitors and criminals.

The validity of the "American Idea" and the validity of the American society will not be decided by foreign wars such as Vietnam, nor by our generosity in aiding the underdeveloped nations of the world. Both will be decided and determined at home.

From the time that this Republic was founded—almost two centuries ago—it has been handicapped and prevented from being faithful to its beliefs, from fulfilling its promises and from realizing its goals and dreams because of the conflict, which it created before its birth, between black and white.

The hypocrisy patent in our historic beginnings has lingered on and has shaped and colored the American experience over a period of two centuries.

At the beginning of this century, W. E. B. DuBois, the black educator, was to write: "The problem of the 20th century is the problem of the color line." DuBois was both right and wrong. Color was indeed the problem of the nineteenth century. But in he context of twentieth century America, color was to become during the first half, not an American problem, but in the words of Myrdal, an American dilemma. Now, in the last third of this century, color or race is becoming an American crisis.

The historical racial conflict, in this century, in its evolution from racial problem. To racial dilemma to racial crisis has always presented a profound challenge to our nation's doctrines, its ideals, its beliefs, its laws and its institutions. But never before until now has the racial conflict challenged and threatened the very existence and survival of the American society.

Everything that is now being laid bare about the disregard for human rights and civil liberties, the suspension of constitutional protections, and the contempt for the rule of law is deeply rooted in our nation's or people's easy accommodation of themselves to a social, economic and political system that sanctioned and perpetuated the doctrine that some men have a right to oppress, repress and hold dominion over other men.

When our nation was still relatively young and groping its way toward fulfilling its promise, Abraham Lincoln, in 1858, warned his countrymen that the ultimate destiny of this society would depend in large measure upon the nation's resolution of its treatment of and attitudes toward black people in a manner consistent with the principles of freedom, justice and fraternity. And in a letter dated April 6, 1859, he wrote:

"This is a world of compensation; and he who would be no slave must consent to have no slave. Those who deny freedom to others deserve it not for themselves, and under a just God, cannot long retain it."

Our nation and our people have been lulled into apathy and indifference about racism and its consequences by the widely circulated reports that during the 1960's we have made such tremendous progress toward changing the nature and condition of life for black Americans that we can be at peace, extend congratulations to ourselves and stand up and cheer. From the "benign neglect" of Moynihan, we are likely now to have a "malignant neglect" from the work of Wattenberg and Scammon. I do not deny that some things have improved, but I do contend that as long as there is any inequity and disparity between black and white in family income, educational opportunity and achievement, employment, housing, election to public office at every level and in all other areas of American life, I am not prepared to be at peace, extend congratulations or stand up and cheer.

Until now, the racial conflict has largely been in the form of a struggle for Civil Rights. Throughout the first half of this century and into the decade of the sixties, the central issue has been that of gaining the rights of citizenship. And the object of that struggle has been primarily one of changing the laws and gaining the equal protection thereof.

As a social movement, Civil Rights was largely a reform movement. Although it created turbulence and was marked here and there by violence (violence brought on largely by resisting its efforts) it did not create tremendous social upheaval. While it dramatized the issues sometimes in the streets, its major battleground took place in the courts and around negotiating tables.

But as the sixties receded and the decade of the seventies dawned, the racial conflict began to assume the form of a struggle—not for Civil Rights, but for *Social Justice*.

And it is the evolution from a "movement for Civil Rights" to a "struggle for Social Justice" that has made the issue of race not a "problem" or a "dilemma," but a *crisis*.

There are several reasons why the language of *crisis* is an accurate description of what is emerging and of what is in prospect.

While Civil Rights was a movement of reform, Social Justice is a revolutionary struggle.

Civil Rights raised the issue of where men can eat; Social Justice raises the issue of whether men *shall* eat. Civil Rights was concerned with where men can work; Social Justice deals with the issue of *whether* men shall work. Civil Rights was concerned with where men may live; Social Justice engages the issue of *whether* men may live. Civil Rights sought for men the right to vote; Social Justice seeks for men the right to self-determination.

Civil Rights sought as a goal the *integration* of Negroes with whites. Social Justice has as its goal, the *liberation* of some men from the domination and control of other men.

It should be clear, therefore, that the struggle for Social Justice is more basic, more fundamental, more existential. It strikes at the heartbeat of the American system. It goes beyond the simple question of racial prejudice and racial bigotry and aims its lance at the principle ingredient that characterizes our nation, namely, *institutionalized racism*.

It heightens the contradictions between American doctrines and American deeds; between American ideals and American realities; between American beliefs and American practices; between the American future and the American past.

But the struggle for Social Justice, as a revolutionary struggle, captures and brings into the living present the revolutionary themes and revolutionary character of the living past. And it is a struggle whose time has come; the rebirth of an idea in this decade when we as a nation shall attempt to celebrate and honor the two hundredth anniversary of the original American Revolution for justice.

It is frequently forgotten that "justice" was the foundation stone on which this Republic was founded. The centrality of justice in the American concept was eloquently stated by Madison and Jay in the *Federalist* when they wrote:

"Justice is the end of government. It is the end of civil society. It ever has been and ever will be pursued until it be obtained, until liberty be lost in the pursuit. In a society under the forms of which the stronger factions can readily unite and oppress the weaker, anarchy may as truly be said to reign, as in a state of nature where the weaker individual is not secured against the violence of the stronger."

I believe that this is as true today of the America of the 1970's as it was of the America of the 1770's when it was conceived and made real in the first American Revolution.

III

If Social Justice means equity and parity in access to, and participation in, all of the opportunities, rewards, benefits and powers of our society, it should be recognized that such an objective will not be realized by marching in the street or even simply by actions in the court.

We face in this task something more than the dramatization of issues and of simply changing the law. A way must be found to mobilize all of our national institutions to a firm and unequivocal commitment to use its resources and influence to bring about an alteration of the present *status quo;* to eliminate the imbalances, the injustices and the inequities in every area of American life.

If, as a nation in 1960, we could make the commitment of our will and resources to landing a man on the moon before the end of the decade and accomplish it, we can also now make a commitment of our will and resources to standing men on their feet before the end of this decade and accomplish that too.

To accomplish the task we face in this decade the best efforts of all of our citizens will be required.

For the first time in our national history since the Civil War we have become a society in fragments, lacking both clear and decisive moral leadership and assurance as to whether we wish—as a people—that the "American Idea" become the "American Reality."

Our crisis today is primarily a moral crisis. There is no clear sense on the part of large segments of the American people of what is clearly right, what is clearly just, and what is clearly decent. Having existed for almost two centuries as a racist society, we are quickly becoming a genocidal society in which we are not only capable of oppressing, repressing and suppressing the human spirit, but we are also developing the capacity and the willingness to destroy human life.

What our nation needs and must have is not only courageous and bold moral leadership, unequivocally committed to leading the nation in translating the "American Idea" into the "American Reality," but we also need and must have enough citizens willing to respond and support such leadership.

History has no predetermined and inexorable laws. History is the doings of men and what history is, what history means and what history represents depends upon what men decide to do with their conscience, with their decisions, and above all, with their acts and deeds.

The future now darkly seen, can be made crystal clear if we decide that the world we shall make be better than the world we have known and experienced.

As I have said, we stand, as it were, at the point of intersection where two eras meet: the "moden age" and the "post-modern world." Few generations before us have been afforded the chance to create the future about which we have dreamed and the social order for which we have longed.

We as a nation stand before the world as perhaps the last expression of the possibility of man devising a social order where justice is the supreme ruler and law but its instrument; where freedom is the dominant creed and order but its principle; where equity is the common practice and fraternity the common human condition.

Possessing as we do in our mortal hands the power to destroy, we must move to possess in our immortal ideas the power to reconstruct.

What we do in the months before us as we begin to celebrate and recall our humble but noble beginning will fix the future more solidly than what we have done in the months and years behind. We have both time and opportunity to make our nation not only supreme in its ability to destroy, but without a peer in its ability to create.

IV

I opened these remarks by calling your attention to the fact that we are now halfway through a fresh new decade, filled with promise and hope and that before us stands an emerging new era. It stands before us as another chance: another chance for us to balance the scales of justice and make them equal; another chance for us to confront the doors of opportunity and make them open; another chance to seize the chains of bondage and break them free.

In the harbor that leads to our nation's largest city, there stands a monument—a gift to America by a foreign people as an expression of their gratitude for what this nation is and for what it stands. Sculptured in copper is the figure of a woman rising 152 feet above the level of the sea. In her right hand she holds a burning torch and in her left hand a book of law. Broken shackles lie at her feet as she steps forward. They called it the "Statue of Liberty."

On the side of its pedestal they inscribed some words through which the nation's voice is eloquently sounded:

"Give me your tired, your poor,
Your huddled masses yearning to be free.
The wretched refuse of your teeming shores,
Send these the homeless, tempest-tossed to me.
I lift my lamp beside the golden door."

This monument, given by the French people on the occasion of this Nation's one hundredth anniversary of the Declaration of Independence, was an expression of their faith and hope in the American possibility. For almost a hundred years it has stood as a testimony to freedom.

Now, in just a few weeks, again we shall begin to celebrate the anniversary of our national independence. This time the two hundredth.

As we look toward that event, your generation and mine can give to the world a greater monument than that given to America by the French in 1876. During 1976, we can begin to erect a monument to justice. Not in the form of a statue, but in the form of a Nation, united in will and purpose. If we are courageous, if we are bold, if we are daring, we can in fact create a society in which all of its citizens are truly free, in which all of its people are bound together in fraternity and in which all men are awarded equal justice under the law.

And just as the Statue of Liberty, standing in the harbor of New York, seeks to inspire the world, so America, standing between the Atlantic and the Pacific, the Gulf of Mexico and the Borders of Canada, will not only inspire, but will lead all mankind to the reality of freedom under God where there will exist true liberty and true justice for all.

This is our inheritance from the past. Let us now make it our bequest to the future.

CONTINENTAL WALK TO PROPAGANDIZE FOR DISARMAMENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. McDONALD of Georgia. Mr. Speaker, a coalition of militant, pro-Marxist so-called "peace" groups is planning a "Continental Walk for Disarmament and Social Justice" in an attempt to drum up support across the country for such issues as U.S. disarmament and détente. The Continental **Walk is to begin in San Francisco on January 31, 1976, and end in Washington, D.C., some 7 months later.**

The call for the Continental Walk for Disarmament and Social Justice—the word "social" was recently added lest the public mistakenly conclude that these activists were concerned with equal justice under law rather than with Marx's plan for "social justice" in a "classless" Communist society—initiated with the War Resisters League.

The War Resisters League—WRL—equates the principal causes of war with the existence of private property and the free enterprise system—capitalism—as do the Marxists. In their view, therefore, true "peace" will only be achieved with the abolition of private property and capitalism in a "classless" society. The WRL's principal activity in support of this Marxist definition of "peace" during the past 15 years has been its work on behalf of the North Vietnamese Communists and their Vietcong guerrilla terrorists.

Cosponsors of the Continental Walk include the American Friends Service Committee, the Catholic Peace Fellowship, The Catholic Worker, Clergy and Laity Concerned, the Fellowship of Reconciliation, SANE, the Southern Christian Leadership Conference, Women Strike for Peace and the Women's International League for Peace and Freedom. International endorsers include the International Confederation for Disarmament and Peace and the War Resisters' International.

Continental Walk organizers are planning for participants to cover approximately 35 miles every 2 days, with as many teachins, speakouts, demonstrations, and other actions as possible. To date over 50 people have expressed an interest in walking the entire route.

A southern feeder march is being organized with the Southern Christian Leadership Conference—SCLC—whose leader, Rev. Ralph Abernathy, is a member of the praesidium of the World Peace Council, the Soviet Union's principal international propaganda apparat.

The SCLC feeder march is to travel from New Orleans in April and travel through Montgomery, Ala., and Atlanta, Ga., on its way north to Washington where it is scheduled to arrive in September 1976. A planning conference for this southern feeder march will be held in Atlanta on December 12–13. Organizing is being coordinated by Steve Froemming from 404/881-6666.

Targets of the march will include military installations, Federal buildings, military contractors, and nuclear power plant sites. The Continental Walk coalition is already involved in the antinuclear power for peaceful purposes movement. Nuclear saboteur Sam Lovejoy was a featured speaker at the War Registers League's annual conference, and other coalition members such as Women Strike for Peace, which works very closely with several international Soviet-dominated Communist fronts, protested the peaceful use of nuclear energy earlier this year on the anniversary of the Hiroshima bomb.

States the Continental Walk organizers:

> There are already over 500 nuclear reactors operating in 45 countries. One by-product of nuclear power, besides the enormous environmental hazards, is plutonium, which can be used to manufacture nuclear weapons.

The reactors pointed to with horror by the radicals range from those used for scientific and medical research to those producing electrical power. And as iron can be used to make nails or knives, so plutonium can be used to generate more nuclear fuel or to make a bomb. Potentiality equals actuality for the antinuclear extremists.

In general, the issues to be raised during the Continental Walk are of two kinds—local and international. Local issues will be determined later but can be expected to include protests against local companies who have accepted Defense Department contracts, and protests against military bases, missile sites, and nuclear power plants.

International issues will include a call for the United States to unilaterally disarm, and a call for a simultaneous shift of economic priorities "from militarism and toward meeting domestic and global human needs and removal of the causes of war."

It is of more than passing interest that the Communist Party, U.S.A., launched an exactly parallel campaign in September 1974. Through its nationally active front, the National Coalition to Fight Inflation and Unemployment—NCFIU—and through its spring National Conference for a Drastic Cutback in Military Spending organized by CPUSA activist Pauline Royce Rosen, head of the U.S. section of the World Peace Council, the Communist Party has argued that with the détente in trade and cultural relations must come a military détente and disarmament.

The second point to the Communist Party program is that détente and the withdrawal from Southeast Asia should be used to urge that a strong U.S. defense capability is no longer needed, and that the economic recession requires massive Federal make-work programs such as proposed by H.R. 50. The Communist Party has been urging for almost a year that the money for these expensive Federal job programs be taken from a slashed military budget.

Continental Walk organizers list eight purposes of the endeavor which are:

First, to raise the issue of disarmament through unilateral action as a first step toward pushing disarmament to the top of the public agenda;

Second, to educate about nonviolent resistance as a means superior to armaments in defense of all people;

Third, to demonstrate how our global and domestic and economic problems are interconnected with militarism and the causes of war, and how solutions to these problems must include dealing with the problem of sexism, racism, militarism, and other causes of war;

Fourth, to recast the significance of the Bicentennial in light of the arms race and related problems;

Fifth, to encourage cooperation among people working for peace, social change, and sexual, racial, and economic justice;

Sixth, to encourage inquiry into the deepest connection between sexual, racial, and economic violence and the violence of war;

Seventh, to listen to the voices of people across the country who suffer because we have not disarmed; to seek ways to help their voices be heard, at the local and State level, as well as at the national level; we will collect grievances from people for presentation to Government officials; and

Eighth, to encourage a renewal of demonstrations and intensified action around the country and eventually around the world on the issue of disarmament.

The call for the Continental Walk, distributed from the War Resisters League offices at 339 Lafayette Street, New York, N.Y. 10012, concludes:

> Today, * * * the revolutionary act is disarmament. The revolutionary act is to identify and eliminate the causes of war, which lies in the sexual and social and economic structures of our societies. * * *
>
> We believe that disarmament is the greatest and most urgent challenge facing humanity. We will begin walking to meet that challenge in early 1976. We hope that you will join your steps with ours.

The call is signed by a broad range of détente supporters who were previously noted for their support of the sort of "peace" practiced by the Vietcong on anti-Communists in South Vietnam. The signers include:

SIGNERS FOR CONTINENTAL WALK

Ralph Abernathy, Bella Abzug, Robert Alpern, Michael Anania, Joan Baez, Richard Barnet, Norma Becker, Daniel Berrigan, Philip Berrigan, Elizabeth McAlister Berrigan, Robert Bly, Julian Bond, Kay Boyle, Harry Boyle, Anne Braden.

Millen Brand, Robert McAfee Brown, Stephen G. Cary, Joseph Chaikin, Noam Chomsky, William Sloan Coffin, Dorothy Day, Karen DeCrow, Dave Dellinger, Ron Dellums, James Douglass, Martin Duberman, Barbara Ehrenreich, Daniel Ellsberg, Richard A. Falk.

Sissy Farenthold, Mimi Farina, Jules Feiffer, W. H. "Ping" Ferry, James H. Forest, Larry Gara, Allen Ginsberg, Mike Harrington, James Haughton, Dorothy Healey, Nat Hentoff, Donald Kalish, Honey Knopp, Bernard Lee, Shirley Lens.

Sin Lens, Brad Lyttle, Dwight Macdonald, David McReynolds, Seymour Melman, Joe Miller, Grace Paley, Sidney Peck, Charles Rangel, Marcus Raskin, Muriel Rukeyser, Benjamin Spock, Dorothy R. Steffens, Gloria Steinem, I. F. Stone, Ethel Taylor.

Studs Terkel, Jean Claude van Itallie, George Wald, Arthur Waskow, Beverly Woodward, Cora Weiss, Margaret Wright, Andrew Young, Ron Young, Frank P. Zeidler, Irma Zigas

KEN HECHLER: REFUSING THE VOW OF OBEDIENCE

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 1, 1975

Mr. ALEXANDER. Mr. Speaker, the Washington Post carried an editorial today, December 1, 1975, by Colman McCarthy that deserves the notice of our colleagues. The article was complimentary but it failed to state that Congressman HECHLER is, in addition to his constituent popularity, a frequent spokesman in the arena of national debate. I submit a copy of the column for the RECORD:

KEN HECHLER: REFUSING THE VOW OF OBEDIENCE

(By Colman McCarthy)

LOGAN, WEST VIRGINIA.—The two politicians walked from the main entrance of the new hospital that both had come to help dedicate. They had lunched inside with the directors and were now moving to the outdoor platform for speeches. One, Ken Hechler, the local congressman, was approached by a disabled miner who carried black lung papers and wanted help figuring them out. The other was Robert Byrd, the state's junior senator and a local boy who (as he reminded the crowd in his speech) was now a mighty power in Washington; he spotted the 150 spectators and bolted for them to shake hands.

For the next few minutes, two styles of American politics were at work. Hechler offered the people no other commodity than his own availability. He stood on the pavement in one place, fearless of what congressmen home for the weekend dread most: being motionless. His message to the people that he was approachable was quickly perceived. People surrounded him. Most were coal miners or widows who had gotten nowhere with the local or federal government with one claim or another—social security, welfare, black lung, food stamps—and were now appealing to Hechler. He took their forms and documents, filling his pockets with them, and promising to act on returning to Washington.

The other political style was Byrd's. He was the eager ground-gainer, the believer in the political maxims that no idle hand of a voter should go unpumped and that no banter could be too trivial. He worked the crowd, row by row, mixing chumminess with senatorial dignity. But when he climbed to the platform, his pockets—unlike Hechler's—contained no forms or papers. None of the citizens had asked him for anything.

That a small state like West Virginia is large enough to support two such dissimilar politicians as Hechler and Byrd is one of Appalachia's ongoing mysteries. The deepest puzzle is Hechler. Unlike most mountain politicians, he is an apostate who has never taken a vow of obedience to the coal and energy companies. His own district in the southern border of the state contains more coal than any area in the country. Coal may be king, but for Hechler the powers behind the throne can be wily and dangerous, with a record that he occasionally calls "diabolical."

The devil is a metaphor the mountain people understand because notions like evil, sin and damnation have not been brushed aside as casually as they have been in the cities. If Hechler's district is a classroom and lessons can be applied to other parts of the country, one truth is clear: it is possible to run against unaccountable corporations and not only win but thrive. Hechler's record suggests that the voters may be far ahead of the politicians and will gratefully embrace anyone halfway daring enough to expose corporate manipulators with their slush funds, cash envelopes and hunting lodges.

Hechler first ran for office in 1958, shortly after coming to West Virginia from Washington. He worked in the 1956 Stevenson campaign but came to the mountains to clear his head of abstractions. He was born on Long Island, took a Ph.D. at Columbia and should have been the kind of person—the egghead outlander—who West Virginians traditionally ignore. He endeared himself to the voters, however, not by seeking office but by having it pushed upon him by his students at Marshall University. "I was teaching government and telling the youngsters why they should get involved, when suddenly they began telling me to get involved. So I tried for Congress as a longshot, and made it. The students virtually ran my campaign. It was probably a combination of their honesty and my enthusiasm that won the election."

Either way, in a state where political corruption looms over the citizens as imposingly as the mountains, Hechler was a fresh voice. In time, he made it fresher. He helped organize the coal miners into a force that demanded—and received—the 1969 Coal Mine Health and Safety Act. He was the only member of Congress to stand with Joseph Yablonsky in the latter's doomed struggle against the Boyle mob. He has been the only one in Congress to consistently call for a total ban on strip mining.

After a few years of this kind of insolence, the boys in the board rooms and the back rooms had had enough. In 1972, "coincidence" saw to it that Hechler was redistricted, ever the convenient stake at which to burn a heretic. His primary opponent was James Kee, a strip mining cheerleader, considered unbeatable. Hechler beat Kee and won the fall election so decisively that two years later he had no opponent at all, a luxury mostly enjoyed by Southern segregationists and other immovable objects. Wryly, Hechler says that having no opponent in 1974 made life dull. "I had no one to debate the issues with. For the first time, no one stood up to defend strip mining or the coal companies. I guess they figured it was better not even to remind the voters there were issues to be decided."

Hechler is 61, unmarried, physically fit and the owner of a folksy manner that disguises much of the zeal and wrath within him. If there is any perverseness to him, it is the delight he shows in driving eastern reporters around his district in his Jeep. A little roughing it won't hurt the press, Hechler says. This Jeep is but a cut above a four-wheeled contraption. Hechler's vehicle was once a campaign issue. His opponent said the Jeep demeaned the dignity of West Virginians because the people deserved a congressman who rode in a limousine, like all the other champions of the people.

The national press isn't poking around West Virginia these days for hints of "the national mood." The state hasn't been nationally significant since John Kennedy came here in 1960 to prove that religion is not a political issue. Hechler's success may not be as dramatic as Kennedy's 1960 victory, but what it suggests could be as politically significant: that accountability is now a major concern of the voters. Too many corporations, governmental agencies and institutions have been heedless of anything but their own interests, with little concern about victimizing citizens. America is not yet totally captured by the special interests the way that many in West Virginia are dominated by company towns. But if any of those now seeking national office want to learn about a style of politics that succeeds by responding to voter resentment of vested-interest domination, they ought to hitch a ride with Hechler in his Jeep. Nowhere are these vested interests more dominating and nowhere is there a politician whose boldness in opposing them is more appreciated.

SENATE—*Tuesday, December 2, 1975*

The Senate met at 10 a.m. and was called to order by Hon. WENDELL H. FORD, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the Psalmist:

The Lord is my light and my salvation; whom shall I fear? the Lord is the strength of my life; of whom shall I be afraid?

Wait on the Lord: be of good courage, and He shall strengthen thine heart: wait, I say, on the Lord.—Psalms 27: 1, 14.

Praise be to Thee, O God, for days of high hope and great expectation—hope and expectation grounded in our faith in Thee. Prepare us in mind and in soul for Thy coming again in power and in love for the redemption of mankind. Help us to hold fast that which is good, to correct that which is wrong, to act for justice, to support the weak, and to live at peace with all men.

And may Thy blessing be upon us and remain in us, through Him who is the Way, the Truth, and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the

Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., December 2, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WENDELL H. FORD, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. FORD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, December 1, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order Nos. 452 and 453.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF THE IMMIGRATION AND NATIONALITY ACT

The Senate proceeded to consider the bill (H.R. 568) to grant an alien child adopted by an unmarried U.S. citizen the same immigrant status as an alien child adopted by a U.S. citizen and his spouse, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert the following:

That section 101(b)(1)(F) of the Immigration and Nationality Act (8 U.S.C. 1101 (b)(1)(F)) is amended to read as follows:

"(F) a child, under the age of fourteen at the time a petition is filed in his behalf to accord a classification as an immediate relative under section 201(b), who is an orphan because of the death or disappearance of, abandonment or desertion by, or separation or loss from, both parents, or for whom the sole or surviving parent is incapable of providing the proper care and has in writing irrevocably released the child for emigration and adoption; who has been adopted abroad by a United States citizen and spouse jointly, or by an unmarried United States citizen at least twenty-five years of age, who personally saw and observed the child prior to or during the adoption proceedings; or who is coming to the United States for adoption by a United States citizen and spouse jointly, or by an unmarried United States citizen at least twenty-five years of age, who have or has complied with the preadoption requirements, if any, of the child's proposed residence: *Provided*, That the Attorney General is satisfied that proper care will be furnished the child if admitted to the United States: *Provided further*, That no natural parent or prior adoptive parent of any such child shall thereafter, by virtue of such parentage, be accorded any right, privilege, or status under this Act.".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

CONSUMER GOODS PRICING ACT OF 1975

The Senate proceeded to consider the bill (H.R. 6971) to amend the Sherman Antitrust Act to provide lower prices for consumers.

Mr. BROOKE. Mr. President, on the 27th of January, 1975, I reintroduced legislation I originally introduced in the 93d Congress on December 3, 1974, to repeal those exemptions in the Federal antitrust statutes which are commonly known as the fair trade laws. I wish to express my appreciation to Senators PHILIP HART and ROMAN HRUSKA, the chairman and ranking minority member of the Antitrust and Monopoly Subcommittee of the Senate Judiciary Committee for the full and complete hearings they accorded S. 408 on February 18, 19, 20, and 21, on April 9 and 10, and on May 12. The two-volume hearings of the subcommittee are a tribute to the thoroughness with which the members examined the question of fair trade. At the conclusion of the hearings, the subcommittee unanimously favored adoption of the bill, and so reported to the full Judiciary Committee.

Meanwhile, identical legislation was introduced in the House by Congressman ROBERT MCCLORY and Congresswoman BARBARA JORDAN. Hearings, at which I testified, were held by the House Subcommittee on Monopolies and Commercial Law of the House Judiciary Committee on March 25 and April 10. Once again, there was unanimous support by the subcommittee and by the full House Judiciary Committee. On July 21, the House passed H.R. 6971 by a vote of 380 to 11. It is important to note that one technical change was made by the House Judiciary Committee, namely, to add a sentence renumbering paragraphs of the Federal Trade Commission Act to number those paragraphs consecutively after the deletions provided for in S. 408. Otherwise, the House bill is identical to S. 408.

I was pleased that, in favorably acting on S. 408, the Senate Judiciary Committee has substituted H.R. 6971 so that, upon passage of the bill today, it may go directly to the President for his signature.

When I first introduced this legislation late in the 93d Congress, double-digit inflation was haunting the American consumer. In the nearly 11 months that have elapsed since then, some progress has been made nationally at bringing inflation under control, or at least under the double-digit range with which we had been afflicted earlier. However, in the last weeks, a rise in the wholesale price index could well indicate that inflation is heating up once again. And unemployment, which had also increased to the double-digit range and then decreased as economic recovery began, has again this month taken an ominous rise. In my own State of Massachusetts, the latest unemployment rate is 14 percent. These bitter legacies of recession, inflation, and unemployment appear likely to remain with us much longer than we had anticipated.

This situation of double-digit economic stagnation is costing our country dearly. In economic terms alone each year we are losing more than $170 billion in production.

While most solutions offered by our economic advisers either dampen inflation by fostering recession, or enhance economic activity by stoking the fires of inflation, the repeal of the so-called fair trade laws is simultaneously anti-inflationary and antirecessionary. The repeal of these laws alone will not curb inflation, nor will it provide employment for all, but it is one positive step in both directions. As was so clearly illustrated by the automobile rebate program, the lowering of prices does stimulate consumer demand. Demand which is then translated into increased production and more jobs.

The repeal of the fair trade laws has been strongly supported by the President of the United States. President Ford considers this legislation as an important element in our economic program to combat inflation and return our country to the path of stable growth and prosperity. This measure also has support from the business community, from consumers, and from both political parties. It is interesting to note that with the favorable public and press reaction given to my repeal bill, and the general expectation that Congress would act affirmatively in this session to repeal fair trade, 15 of the 36 States which had fair trade laws prior to February of 1975 have already repealed their own State statutes this year. They are: Arkansas, California, Colorado, Connecticut, Florida, Iowa, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Tennessee, and Washington all ended fair trade within their jurisdiction. I believe it is reasonable to conclude that many of our colleagues in the State legislatures, was as the case with our colleagues in the House of Representatives, agree that fair trade is an idea whose time has passed.

Fair trade is legalized price fixing by which the owner of a brand name or trademarked article determines the price charged by the retail merchant. Fair trade statutes are State laws which amend State antitrust statutes so as to permit intrastate price-fixing agreements. The Federal fair trade laws—specifically the Miller-Tydings Act, 1937, and the McGuire Act, 1952—permit the interstate use of fair trade by manufacturers in States which permit its intrastate use. Without these Federal statutes, these interstate price-fixing conspiracies would be in violation of the most basic of our antitrust laws—the Sherman Antitrust

Act and the Federal Trade Commission Act.

The roots of fair trade can be traced back to the Great Depression of the 1930's. After the stock market crash in October of 1929 and the ensuing decline in economic activity, interest revived in price fixing. Retailers, mistaking falling prices as the source of the economic depression rather than the result of the depression, lobbied vigorously for the fair trade laws. Trade associations representing independent retailers, along with the National Association of Retail Druggists, led the fight.

In 1931 California became the first State to establish fair trade laws. They exempted from the State's antitrust laws any contract between a manufacturer and a retailer wherein the seller of a branded product bound the buyer, when reselling it, to charge the price that the former specified. However, the act was found to be virtually unenforceable because those retailers who refused to sign the fair trade contract could still sell at any price they chose. Therefore, in 1933 California amended its fair trade laws so as to permit the nonsigner provision. This coercive provision has been called by some, "the enforcer of fair trade." It permits manufacturers to bind all sellers of its product within a State to the price stipulated in the fair trade contract if any one retailer agrees to sign the contract.

These actions taken by California stimulated other States to pass similar legislation and by 1941 45 of the 48 States had fair trade statutes. In their headlong rush to pass these laws, 40 of the 45 States did not even hold hearings. Those few States that did failed to keep adequate transcripts.

While State statutes permitted manufacturers and retailers to engage in intrastate fair trade, when these contracts were made across State lines, they were found to be in violation of the Federal antitrust laws. Under pressure to rectify this situation, Congress in 1937 passed the Miller-Tydings Act as a rider to an appropriations bill for the District of Columbia. This Federal enabling legislation amended section 1 of the Sherman Antitrust Act so as to permit manufacturers to engage in interstate fair trade in those areas where its intrastate use was legal.

In 1951 the Supreme Court dealt a blow to fair trade in the Calvert Distillers case. The Court ruled that retailers not signing the fair trade contract could not be forced to abide by such contracts as signed by other retailers. This decision brought swift demands for Congress to enact overriding legislation. It did so in 1952 by amending the Federal Trade Commission Act with the McGuire Act so as to permit the use of the coercive nonsigner clause.

Regardless of the background of this unfortunate legislation, the two criteria on which we should now judge whether or not it should be repealed are: First, what effect does fair trade have on retail prices? Second, what effect would the repeal of fair trade have on retail firms and manufacturers?

Two studies by the U.S. Department of Justice, one published in June 1963, and the other published in June 1970, have determined that fair trade does significantly increase the retail price of goods. The earlier and often quoted study found that fair trade increased retail prices by 19 to 27 percent. The more recent study found that these laws increase prices by as much as 37 percent on many items. Testimony produced during the Judiciary Committee hearings on my bill produced many specific illustrations of the price differentials on particular products.

Individual fair trade costs to the consumer are easier to determine than the broad statistics. These few nationwide studies that do exist are at least a few years old. Many are older. Nevertheless, the Library of Congress, at my request, has been researching the annual cost of fair trade. On the basis of recent calculations on inexact data, they estimate that fair trade laws cost American consumers enormous sums. Their middle-range estimate being an annual cost of $3 billion or more.

In testimony before the California State Attorney General's hearings on fair trade, in January 1975, Mr. Lawrence Shepard of the University of California estimated that fair trade costs consumers even more—$6.5 billion each year. He states that this means that fair trade costs each family on the order of $120 per year and he finds that "it is hard to conceive of any monopolistic conspiracy of similar proportions." Compare this figure to this year's tax rebate of about $8 billion and the true impact of a repeal of the fair trade laws is clear.

The proponents of fair trade argue that this license to engage in price fixing is needed to protect firms and manufacturers—particularly the small and weak—by providing them with a fair profit. They base their argument on two beliefs. First, they believe that the additional revenues obtained as a result of the increased retail price are "captured" by the retail firm. Second, they believe that consumers are insensitive to the retail price and, consequently, higher prices will not mean a lower sales volume. Both the economic theory and the empirical evidence refute these propositions.

While higher retail prices and increased profit margins may provide the retail merchant with windfall profits when fair trade is first introduced, they will quickly be eroded by nonprice competition. It is axiomatic in business that if competition based on price is prevented then competition based on service will be extensive.

It has been established by a U.S. Department of Justice study prepared by Dr. Leonard Weiss in 1969, that stores in fair trade States almost universally have a significantly lower volume of retail sales than stores in free trade areas. The study notes that "these results suggest, as economic theory would predict, that sales volume per store is systematically lower under fair trade.

However, the crucial test of the effect of fair trade on retail and manufacturing firms is whether or not firms in fair trade States have a lower level of bankruptcies and failure than do those in free trade States.

Dr. Steward Munroe Lee of Geneva College investigated firm failures between the years of 1933 and 1958. Using census data he found that "the best data available—does not support the contention that the enactment of fair trade laws lessens the number of retail failures or bankruptcies or increases the number of retail stores." Instead, he found that firms in fair trade States have a significantly higher rate of bankruptcy than firms in free trade States.

In an Office of Management and Budget—OMB—study of small business survival patterns data is presented which confirms Dr. Lee's study. A Federal Trade Commission analysis of this data prepared by Dennis Murphy, Assistant to the Director of the Bureau of Economics of the Federal Trade Commission, on February 13, 1975, finds that "there is simply no evidence to support the contention that the survival of small business in America depends upon fair trade. A Library of Congress analysis of the same data found that between 1956 and 1972 the rate of growth of small retail stores was 32 percent higher in free trade States than in fair trade States.

This evidence is also supported by a 1962 Justice Department study and by other data in the 1975 Library of Congress study. In the Justice Department study it was found that States with fully effective fair trade laws had nearly a 150 percent higher rate of firm failures than free trade States. The Library of Congress analysis found that this pattern continued in 1972; in that year fair trade States had a 55 percent higher rate of firm bankruptcies than free trade States.

What, then, can we expect when we repeal the fair trade laws?

Turning first to the case of Rhode Island which repealed its fair trade laws in 1970 we find, that just as would be predicted, prices fell, but firms did not suffer. In a study by the Marketing Science Institute published in August, 1974, entitled, "The Effects of Fair Trade Repeal: The Case of Rhode Island." on the effects of the repeal, they found that among other things:

First. Four out of nine product lines investigated exhibited a decline in prices.

Second. The decline in prices for these product lines ranged from 20 percent to 40 percent.

Third. 74 percent of the retailers who responded unequivocally indicated that the repeal has not substantially adversely affected them.

Fourth. Only one manufacturer out of the nine interviewed had actually encountered a decline in its sales after the repeal.

The experiences of both Canada and Great Britain confirm these conclusions. Both of these countries used fair trade extensively and both have repealed it: Canada in 1957 and Great Britain in April, 1965. The March 29, 1969 issue of The Economist analyzes the changes in the 4 years following the repeal of fair trade in Great Britain. They found that, contrary to the arguments used by proponents of fair trade prior to repeal, small retail firms were not driven out of business and the examples of so-called predatory price cutting were rare. The major change noted by The Economist was an upgrading and modernizing of the practices and techniques of both wholesalers and retailers. Where retailers wished to compete on price, they were able to do so and it was the consumers who benefited.

The Canadian experience has produced similar results. The August 1964 issue of Economica, published by the London School of Economics, contained an analysis of the results of ending fair trade in Canada. The first conclusion was that prices did, in fact, come down. Methods of distribution became more dynamic and efficient and, as in the case of Great Britain, examples of predatory price cutting were few.

We may then conclude that the marketplace will look much the same, but that price competition will be restored in areas in which it has been absent. In addition, a new vigor will be evident on all levels of our system of distribution. It will be both the American consumer and businessman who will be the beneficiary.

It is not only goods legally fair traded that will be affected, Mr. President. Individuals from every part of the country have written to me detailing subtle costs of fair trade that are not so easily identified. For example, manufacturers whose products are not and never were legally fair traded, act as if they were. Indeed, the merchandise arrives with the manufacturer's price tags already affixed. The price list is headed, "Fair Trade Price." Retailers are told which items may be reduced for sale at the end of the season and how much the reduction may be. What we have then is a frame of mind in the marketplace that subtly labels price reductions as improper, if not illegal. We have seen developed an attitude and a practice that suggest price cutting must be avoided at all costs—that somehow reducing the price of product reduces its quality. To repeal fair trade will destroy this illusion.

I believe, just as our forefathers believed, that the only means to insure the American consumer a fair deal is to insure that competition, not conspiracy, dominates the retail market. Competition forces retailers, wholesalers, and manufacturers to provide the consumer the most for his or her money. We cannot on the one hand celebrate the beauties of free competition and then squelch it at the moment it benefits consumers.

It is for these reasons that I support the repeal of the so-called fair trade laws, and I urge my colleagues to join me in this effort.

REPEAL FAIR TRADE LAWS

Mr. **HRUSKA**. Mr. President, I rise in support of the pending bill, H.R. 6971, an act to repeal enabling legislation for fair trade laws.

President Ford has urged its passage with these words:

> This legislation allowing fair trade laws is one of a number of laws for which recommendations for change will be considered in the coming months as important elements of the President's economic program.
>
> (Fair trade laws have)—the effect of eliminating price competition and raising costs to the consumer on numerous commodities.

The Council of Economic Advisers and many other economic, legal, and Government experts also have urged the enactment of this bill.

Mr. President, by repealing resale price maintenance acts, competition would be encouraged resulting in a lowering of consumer prices. Evidence submitted to the Senate Subcommittee on Antitrust and Monopoly establishes numerous instances of significant price savings—for specific products—in nonfair trade States, in comparison to the price for the same products in so-called fair trade States.

So-called fair trade laws, also known as "resale price maintenance" or "quality stabilization" laws, have been enacted by the Congress, State legislatures, and many foreign governments.

Briefly, such laws allow a manufacturer to enter into an agreement with a retailer to set minimum prices at which his identifiable product may be sold—hence legalizing price-fixing.

California passed the first State fair trade law in 1931 and many states followed that pattern. However, the question of state law on this matter conflicting with certain provisions in the U.S. Constitution precipitated the passage of the Miller-Tydings Act by the Congress in 1937. This act exempted State fair trade laws from the Federal Sherman Antitrust Act.

Again legal questions arose, necessitating the Congress to pass in 1952 the McGuire Act, exempting State fair trade laws from the Federal Trade Commission Act, hence, legalizing nonsigner provisions. These nonsigner provisions, enacted in a number of States, permit a manufacturer to sign a single resale price maintenance agreement with one retailer, and then proceed to enforce the agreement against all of the nonsigning retailers in the State.

The bill we consider today will repeal the Miller-Tydings Act and the McGuire Act. One of the stated purposes of these fair trade laws is to protect retailers from predatory pricing, cut-throat competition, and loss-loader selling. Proponents of fair trade laws contend that these laws are necessary to save small retailers from extinction.

Mr. President, however true that may have been in 1931, when California passed its law, or in 1937 when Congress passed the Miller-Tydings Act—because of the depressed economic condition of that time—the opponents of fair trade laws point out that the seriously depressed economy of the 1930's exists no longer and the laws should now be repealed to aid the consumer, and the country's battle against inflation.

The Senator from Massachusetts (Mr. Brooke), said on December 3, 1974, as he introduced S. 4203—the predecessor bill to S. 408—that the reasons for enacting the Miller-Tydings Act in 1937 are no longer applicable. He cited statistics and arguments from experts to show that now is the time to repeal the Federal fair trade laws. He said they have shielded similar State laws, and have prevented competition in the marketplace.

A basic reason for repealing the Miller-Tydings Act and the McGuire Act is that many of the 36 States which originally enacted the fair trade laws have reconsidered the issue and have become convinced that they are not in the best interest of their citizens. In fact, 15 have repealed fair trade laws this year. Those States are: Arkansas, California, Colorado, Connecticut, Florida, Iowa, New Hampshire, New Jersey, New York, New Mexico, North Carolina, Ohio, Oregon, Tennessee, and Washington. My home State of Nebraska has not had a fair trade law for many years.

I commend the Senator from Massachusetts and Representative McClory of Illinois for sponsoring the legislation we consider today. Senator Brooke and Congressman McClory, both of whom testified before the Senate Subcommittee on Antitrust, persistently followed the progress of this bill.

Since the House was in a position to act first, the Senator from Michigan (Mr. Philip A. Hart) and this Senator, urged the Senate Judiciary Committee to accept the substitution of H.R. 6971 for S. 408 to expedite passage of this important legislation. Without this action, S. 408 would have had to be considered by the House after Senate approval, delaying the implementation of this important legislation.

Mr. President, although I was not a cosponsor of the Senate bill, I served as chairman for 3 of the 7 days of hearings before the subcommittee at the request of the chairman, hence I am familiar with much of the testimony and arguments of the witnesses.

On the fourth day of the hearings, at the request of a witness who opposed the bill, I urged the granting of 2 additional days of hearings so that persons opposing the bill would have an opportunity to testify. Those hearings were held on April 9 and 10, 1975.

This is noted, Mr. President, so the record will show that every effort has been made to hear all sides of the issues as fairly as possible. There is no doubt that the witnesses who opposed repealing the fair trade laws made some significant points. Many small retailers wrote to the subcommittee opposing the bill and their letters were placed in the printed hearings.

After due consideration, the subcommittee and the full Judiciary Committee voted—without an objection—that the bill become law.

Mr. President, so the record on this bill will not be misunderstood, there was another issue raised late in the proceedings by certain major newspaper publishers who wished to be exempted from the bill we consider today. In my judgment such an exemption would not be wise or desirable.

When the Senate Judiciary Committee met to discuss the bill, however, no amendment pertaining to this proposed exemption was offered.

Mr. President, on balance the best interest of the public will be served if H.R. 6971 is favorably acted upon by this body.

The bill was ordered to a third reading, read the third time, and passed.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Michigan is recognized.

QUORUM CALL

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the consideration of routine morning business for not to extend beyond the hour of 10:30 a.m., with statements therein limited to 5 minutes.

THE FBI AND THE ASSASSINATION OF MARTIN LUTHER KING, JR.

Mr. ROBERT C. BYRD. Mr. President, the Federal Bureau of Investigation has rendered invaluable service for many years as the primary law enforcement agency in the United States. The late J. Edgar Hoover was especially responsible for the general reputation for efficiency and propriety which the FBI earned for itself.

However, recent discoveries have raised a number of questions concerning the functioning of the FBI in the past several years. Disturbing have been the disclosures that FBI agents apparently acted as agents provocateurs in some criminal activities and destroyed material relevant to the assassination of John F. Kennedy without sharing it with the Warren Commission.

Most damaging have been reports of the efforts of Mr. Hoover to involve the FBI in a campaign to discredit Dr. Martin Luther King, Jr. This project apparently led the FBI to wiretap Dr. King illegally, as well as to harass and intimidate him and his family. The image which many people possessed of Dr. King was shaped to a high degree by information furnished by the FBI.

So serious has been the nature of Mr. Hoover's obsession with discrediting Dr. King that Attorney General Levi has ordered a review of the Federal Bureau of Investigation's inquiry into Dr. King's assassination. The implication of this order is that the Bureau's hostility toward Dr. King may have affected the thoroughness with which the assassination was investigated. Indeed, some people have suggested that James Earl Ray may have been part of a wider conspiracy in the death of Dr. King, which the FBI ignored.

Attorney General Levi is to be commended in his prompt reaction to these recent disclosures concerning the relation of the Federal Bureau of Investigation to Dr. King. However, at a period of time when some citizens believe that every Government investigation of itself results in a cover-up, I question that the Justice Department alone should be responsible for examining the behavior of the FBI in the investigation of the King assassination.

Rather, I urge that the Senate Select Committee on Intelligence Activities conduct a thorough review of the FBI's handling of the murder of Dr. King. I do not question the integrity of the Justice Department or the competence or dedication of its personnel. However, the fact that the Federal Bureau of Investigation is part of the Justice Department could leave any review and subsequent investigation of the King assassination which it might make, open to doubts in the minds of some people concerning the effectiveness and thoroughness of its efforts.

Too many questions have been left unanswered concerning the assassination of Dr. Martin Luther King, Jr. The citizens of the United States need to know that the official resolution of this case was indeed complete, just, thorough, and fair. The findings of the select committee could go far to establish that degree of credibility and to restore faith in law enforcement generally.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Ford) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

APPROVAL OF BILLS

A message from the President of the United States announced that he had approved and signed the following bills:

On November 28, 1975:

S. 2195, An act to establish a National Center for Productivity and Quality of Working Life; to provide for a review of the activities of all Federal agencies including implementation of all Federal laws, regulations, and policies which impede the productive performance and efficiency of the American economy; to encourage joint labor, industry, and Government efforts to improve national productivity and the character of working conditions; to establish a Federal policy with respect to continued productivity growth and improved utilization of human resources in the United States; and for other purposes.

On November 29, 1975:

S. 6, An act to amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes.

S. 1517, An act to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes.

MESSAGES FROM THE HOUSE

At 12:45 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills with amendments in which it requests the concurrence of the Senate:

S. 313. A bill to authorize an exchange of lands for an entrance road at Guadalupe Mountains National Park, Texas, and for other purposes; and

S. 1800. A bill to amend and extend the National Foundation on the Arts and the Humanities Act of 1965, to provide for the improvement of museum services, and to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes.

The message also announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 6949. An act to make the film "Wilma Rudolph Olympic Champion", which was produced by the U.S. Information Agency, available for certain limited use within the United States in conjunction with promotion of the 1976 Olympic Games;

H.R. 9883. An act to amend the joint resolution approved December 28, 1973, providing for the establishment of the Lyndon Baines Johnson Memorial Grove on the Potomac, and for other purposes; and

H.R. 10727. An act to amend the Social Security Act to expedite the holding of hearings under titles II, XVI, and XVIII by establishing uniform review procedures under such titles.

ENROLLED BILLS SIGNED

The message further announced that the Speaker has signed the following enrolled bills:

S. 267. An act to designate the Flat Tops Wilderness, Routt and White River National Forests, in the State of Colorado.

H.R. 6692. An act to authorize appropriations for the period July 1, 1976, through September 30, 1976.

H.R. 10027. An act to authorize the Secretary of Agriculture to enter into cooperative agreements which benefit certain Forest Service programs and to advance or reimburse funds to cooperators for work performed, and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. Ford).

At 2:05 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House has passed the bill (S. 364) relating to certain Forest Service timber sale contracts involving road construction, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 8773) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Yates, Mr. McKay, Mr. Long of Maryland, Mr. Evans of Colorado, Mr. Murtha, Mr. Duncan of Oregon, Mr. Mahon, Mr. McDade, Mr. Regula, and Mr. Cederberg were appointed managers of the conference on the part of the House.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the enrolled bill (S. 1245) to amend section 218 of title 23, United States Code.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. Ford).

PETITIONS

The ACTING PRESIDENT pro tempore (Mr. Ford) laid before the Senate the following petitions which were referred as indicated:

A resolution adopted by the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTIONS MEMORIALIZING THE UNITED NATIONS, THE PRESIDENT AND CONGRESS OF THE UNITED STATES TO OPPOSE FURTHER DISCRIMINATION ACTIONS AGAINST THE STATE OF ISRAEL, THE JEWISH PEOPLE AND ZIONISM

"*Whereas,* The striving of all nations must be for a society of free and independent states, who shall coexist in harmony together; and

"*Whereas,* In our lifetime, there has been reestablished not only the historic Zionist dream of the Jewish people for a free and independent State of Israel which shall continue to make contributions to mankind in a tiny, yet precious land of less than 10,000 square miles; and

"*Whereas,* Through the political efforts of surrounding Arab nations, a United Nations Committee, on October 17, 1975, has sadly declared the dream of Zionism to be a form of "racism and discrimination" which is an affront to the Jewish people who have for 2,000 years been among the chief victims of such uncivilized conduct and which action is an affront to the very basic concepts of humanity for which the United Nations stands; and

"*Whereas,* The Commonwealth of Massachusetts, as one of the thirteen original colonies of the United States, recognizes the rights of all peoples to live in freedom and dignity; therefore be it

"*Resolved,* That the Massachusetts House of Representatives deplores the vote of the United Nations Committee of October 17, 1975, which, in effect, declared the historic Zionist goal of a Jewish State of Israel to be a form of "racism and discrimination"; and be it further

"*Resolved,* That the Massachusetts House of Representatives affirms and applauds the action of the delegations of the United States and other freedom loving nations who vigorously supported the State of Israel and the Jewish People in opposition to the United Nations Committee action which seriously harmed the cause of independence of the State of Israel; and be it further

"*Resolved,* That the United Nations take positive steps to insure the cessation of hostile military, economic and political action against the State of Israel and bring about the full recognition by all states within the United Nations of the rights of the State of Israel as a sovereign, free and independent nation entitled to live in peace and harmony with all other nations of the world; and be it further

"*Resolved,* That a copy of these resolutions be forwarded by the Clerk of the House of Representatives to the Secretary General of the United Nations, the United States Delegation to the United Nations, the President of the United States, the Secretary of State of the United States and to the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

Resolution No. 181 adopted by the Legislature of the Territory of Guam; to the Committee on the Judiciary:

"RESOLUTION No. 181

"Be it resolved by the legislature of the Territory of Guam:

"Whereas, the Congress now has before it House Joint Resolution 280; and

"Whereas, the resolution proposes to amend the United States Constitution to provide that the people of the District of Columbia shall elect two Senators and the number of Representatives in Congress to which the District would be entitled if it were a state; and

"Whereas, adoption of this resolution will recognize that all citizens of the United States should be treated equally with respect to the principle of having voting representation within the legislative branch of the Federal government; and

"Whereas, this Legislature recognizes the political impossibility of carrying the aforementioned principle to the point of also establishing two senatorial seats for the people of Guam, but does believe that the establishment of a voting seat in the House of Representatives for the people of Guam is demanded by the principles of justice and equity; now, therefore, be it

"Resolved, that this Legislature does respectfully petition the Congress of the United States to amend House Joint Resolution 280 to provide that it also provide that the people of Guam shall elect one voting member to the House of Representatives; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to Congressional Delegates Walter Fauntroy and Antonio B. Won Pat, to the House and Senate Committees on Judiciary, to the Speaker of the House and the President of the Senate of the U.S. Congress and to the Governor of Guam."

Resolution No. 166 adopted by the Legislature of the Territory of Guam; to the Committee on Interior and Insular Affairs:

"RESOLUTION No. 166

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, the people of Guam have expressed their desire to have the Legislature apportioned into legislative districts; and

"Whereas, the Legislature is desirous of responding to this desire of the people; and

"Whereas, the Legislature is handicapped in taking action because Section 10 of the Organic Act mandates that any apportionment 'shall be based upon the then most recent Federal population census of Guam'; and

"Whereas, the high number of transients on Guam, particularly those who come here on military assignment, distorts the legislation apportionment based on the Federal census; and

"Whereas, the transient population is generally not inclined to forego voting rights elsewhere in order to participate in Guam elections; and

"Whereas, the matter of electing public officials of Guam is uniquely a matter of local significance; and

"Whereas, apportionment could be better accomplished if the Legislature were permitted to rely on figures derived from the number of registered voters present on the island; now, therefore, be it

"Resolved, that the Congress of the United States is respectfully petitioned to amend Section 10 of the Organic Act to provide that the Legislature of Guam may be apportioned on an equal protection basis without utilization of Federal census figures; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the Senate and the Speaker of House of Representatives of the United States Congress, to Guam Representative Antonio B. Won Pat; to the Secretary of Interior and to the Governor of Guam."

A resolution adopted by the Municipal Council of Saipan, Mariana Islands; to the Committee on Interior and Insular Affairs:

"RESOLUTION No. 25–2–1975

"Whereas, the United States of America enacted Public Law 92–39, the Micronesian Claims Act of 1971, 85 Stat. 92, in order to provide, inter alia, for the exgratia payment of compensation to the people of the Trust Territory of the Pacific Islands for damage to or loss or destruction of property, personal injury, or death caused by military or civilian employees of the United States Government arising out of accidents or incidents between the dates of the securing of the various islands of Micronesia by the United States Armed Forces and July 1, 1951; and

"Whereas, the sum of $20 million was authorized by the said Act for the payment of claims under Title II of the said Act for the purposes herein before set forth; and

"Whereas, as of September 26, 1975, some 60 to 70% of all claims arising Under Title II of the Act had been adjudicated, and $16,860,730.00 awarded to successful claimants thereunder; and

"Whereas, it is projected that the possible total of awards which will be made under Title II of the said Act will amount to $30 to $42 million; and figures, Micronesian Claimants will receive only 48 to 67% of the amounts awarded to them by the Micronesian Claims Commission; and

"Whereas, the United States of America has appropriated only $1.4 million of the $20 million authorized by Title II of the Act to be appropriated for the payment of Title II claims, making payment of such claims even more remote; and

"Whereas, it is the sense of the Saipan Municipal Council that the damage caused by the United States and its personnel in Micronesia ought to be fully compensated; and

"Whereas, Section 2 of House Joint Resolution No. 549, which is presently under consideration by the United States Congress, would authorize the appropriation of funds sufficient to pay all of Title I and Title II Claims at full value; now, therefore,

"Be it resolved by the Twenty-Fifth Saipan Municipal Council Third Regular Session, 1975, that the United States Congress is hereby respectfully urged and requested to enact legislation authorizing and appropriating sufficient funds to provide for the full payment of all Title I and Title II claims under the Micronesian Claims Act, as provided in Section 2 of H.J.R. 549, and

"Be it further resolved, that the United States Congress is further urged and requested to appropriate funds sufficient to provide for the full payment of all such claims; and

"Be it further resolved, that certified copies of this Resolution be transmitted to the President of the United States Senate, to the Speaker of the United States House of Representatives, to the Chairman of the Senate, and House of Representatives Committees on Interior and Insular Affairs and the House of Representatives Subcommittee on Territorial and Insular Affairs, to the Chairman of the Senate and House Committees on Appropriations and of their respective Subcommittees on Interior, to the Secretary of the Interior, to the Director of the Office of Management and Budget, to the Chairman of the Foreign Claims Settlement Commission, to the Director of the Office of Territorial Affairs, to the Chairman of the Micronesian Claims Commission, and to the High Commissioner of the Trust Territory of the Pacific Islands."

Three resolutions adopted by the North Carolina League of Municipalities; (1) relating to general revenue-sharing, to the Committee on Finance; (2) relating to the Federal-Aid Highway Act of 1975, to the Committee on Public Works; and (3) relating to counter-cyclical assistance, to the Committee on Finance.

A resolution adopted by the Education Commission of the States relating to general revenue sharing; to the Committee on Finance.

A resolution adopted by the Chambers County, Texas, Commissioners Court relating to general revenue sharing; to the Committee on Finance.

A resolution adopted by the County Council of Harford County, Maryland, relating to general revenue sharing.

A resolution adopted by the Kalamazoo, Michigan, County Board of Commissioners relating to general revenue sharing; to the Committee on Finance.

A resolution adopted by the government of Grayson County, Texas, relating to general revenue sharing; to the Committee on Finance.

A resolution adopted by the Board of County Commissioners of Geauga County, Ohio, relating to general revenue sharing; to the Committee on Finance.

A resolution adopted by the Hawaiian Philatelic Society relating to the issuance of a special Captain James Cook Commemorative Stamp; to the Committee on Post Office and Civil Service.

A resolution adopted by the Democratic Party of Dallas County, Texas, relating to busing; to the Committee on the Judiciary.

A resolution adopted by the Board of Commissioners of Shiawassee County, Michigan, relating to general revenue sharing; to the Committee on Finance.

A resolution adopted by the Temple Judea, Laguna Hills, California, relating to United Nations actions concerning Zionism; to the Committee on Foreign Relations.

ANTITRUST AND MONOPOLY SUBCOMMITTEE ACTIVITIES REPORT, 1974—S. REPT. NO. 94-503

Mr. PHILIP A. HART, from the Committee on the Judiciary, submitted a report entitled "Antitrust and Monopoly Subcommittee Activities Report, 1974," which was ordered to be printed.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, December 2, 1975, he presented to the President of the United States the following enrolled bills:

S. 267. An act to designate the Flat Tops Wilderness, Routt and White River National Forests, in the State of Colorado.

S. 1245. An act to amend section 218 of title 23, United States Code.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 6949. An act to make the film "Wilma Rudolph Olympic Champion", which was produced by the United States Information Agency, available for certain limited use within the United States in conjunction with promotion of the 1976 Olympic Games; to the Committee on Foreign Relations.

H.R. 9883. An act to amend the joint resolution approved December 28, 1973, providing for the establishment of the Lyndon Baines Johnson Memorial Grove on the Potomac, and for other purposes; to the Committee on Rules and Administration.

H.R. 10727. An act to amend the Social Security Act to expedite the holding of hearings under titles II, XVI, and XVIII by establishing uniform review procedures under such title; to the Committee on Finance.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MAGNUSON (for himself and Mr. Pearson (by request):

S. 2727. A bill to amend the Commercial Fisheries Research and Development Act of 1964, as amended, to change certain procedures so as to provide for more efficient program operation. Referred to the Committee on Commerce.

By Mr. BEALL:

S. 2728. A bill to provide for the establishment of a national cemetery in the State of Maryland. Referred to the Committee on Veterans' Affairs.

By Mr. BENTSEN (for himself, Mr. Randolph, Mr. Baker, Mr. Montoya, Mr. Gravel, Mr. Burdick, Mr. Morgan, Mr. Buckley, Mr. Stafford, Mr. McClure, and Mr. Domenici):

S. 2729. A bill to amend the Internal Revenue Code of 1954 to continue the present rates of certain taxes used to provide revenue to the highway trust fund for an additional two years, and to amend the Highway Revenue Act of 1956 to continue such fund for the same period. Referred to the Committee on Finance.

By Mr. BURDICK:

S. 2730. A bill to extend the protection of section 1114 of title 18, United States Code, to officers and employees of the Indian Health Service of the United States. Referred to the Committee on the Judiciary.

By Mr. ABOUREZK:

S. 2731. A bill to establish an Office of Congressional Legal Counsel to revitalize the constitutional separation of powers by enabling the legislative branch of the Government to represent its interest in litigation before the judicial branch of the Government. Referred to the Committee on Government Operations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 2727. A bill to amend the Commercial Fisheries Research and Deveolpment Act of 1964, as amended, to change certain procedures so as to provide for more efficient program operation. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend the Commercial Fisheries Research and Development Act of 1964, as amended, to change certain procedures so as to provide for more efficient program operation, and I ask unanimous consent that the letter of transmittal and statement of purpose and need be printed in the Record together with the text of the bill.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2727

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Commercial Fisheries Research and Development Act of 1964, as amended (78 Stat. 197; 16 U.S.C. 779, et seq.), is further amended as follows:

(a) By inserting in section 5(a) in the second sentence after the words "receive an", the word "initial", and by inserting a new sentence at the end thereof to read as follows: "A State receiving the maximum 6 percent apportionment would be eligible, however, for funds voluntarily released by one or more States for reapportionment."

(b) By striking all of the language in section 5(b) and inserting in lieu thereof the following: "(b) So much of any apportionment for any fiscal year which is not obligated during such year remains available for obligation to carry out the purposes of this Act until the close of the succeeding fiscal year and, if unobligated at the end of that year, the sum need no longer be considered as apportioned to that State and shall thereafter remain available until expended to carry out the purposes of this Act as determined by the Secretary of Commerce without regard to the provisions contained in subsection (a) of this section."

(c) By inserting in section 6(c) in the first sentence after the word "completed," the words "or where he otherwise deems it appropriate," and by striking the second and third sentences therein.

The Secretary of Commerce,
Washington, D.C., November 7, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
U.S. Senate,
Washington, D.C.

Dear Mr. President: Enclosed are four copies of a draft bill "To amend the Commercial Fisheries research and Development Act of 1964, as amended, to change certain procedures so as to provide for more efficient program operation."

This Department recommends the early enactment of this legislation for the reasons set forth in the statement of purpose and need for the legislation which is also enclosed.

This proposed legislation has been reviewed by the Department in the light of Executive Order No. 11821 and has been determined not to be a major proposal requiring evaluation and certification as to its inflationary impact.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our drift bill to the Congress from the standpoint of the Administration's program.

Sincerely,

(Signed) Rogers Morton,
Secretary of Commerce.

Statement of Purpose and Need

The purpose of this legislation is to provide additional support for research and development of the commercial fisheries resources of the Nation by amending certain sections of the Commercial Fisheries Research and Development Act of 1964, as amended, to provide for more efficient management of the program.

The proposed bill amends section 5(a) of the Act which presently stipulates that no State can receive more than 6 percent of the apportionment in any fiscal year under section 4(a) of the Act. Section 5(a) as it exists, does not allow a State which is initially apportioned the 6 percent maximum funds, to receive funds voluntarily released by States which are unable to use all of the funds apportioned to them. It is proposed to amend section 5(a) to provide for a maximum initial apportionment of 6 percent and therefore allow States to receive Federal funds in excess of 6 percent derived from funds released by other States which cannot use their initial apportionment.

Additionally, section 5(b) presently states that apportioned funds remain available to the States for two fiscal years after which time unobligated funds are returned to the Treasury of the United States. In virtually every case where funds were returned or reverted, they could have been used to further programs under the Act. The proposal provides that so much of any apportionment for any fiscal year which is not obligated during such year remains available for obligation to carry out the purposes of the Act until the close of the succeeding fiscal year and, if unobligated at the end of that year, such sum need no longer be considered as apportioned and shall thereafter remain available until expended to carry out the purposes of this Act as determined by the Secretary of Commerce. The amendment will give the Department greater flexibility in dealing with State governments.

The present Act does not provide for advance payment to States receiving Federal assistance through grants. This is inconsistent with Federal Management Circular 74-7 that implements the Intergovernmental Cooperation Act of 1968. Accordingly, so as to correct this situation, section 6(c) of the Act is amended by inserting in the first sentence the phrase "or where he otherwise deems it appropriate", after the word "completed", and by striking in section 6(c) the existing second and third sentences. This amendment will allow the Secretary to authorize advance payments on projects approved by him when requested by a State.

By Mr. BENTSEN (for himself, Mr. Randolph, Mr. Baker, Mr. Montoya, Mr. Gravel, Mr. Burdick, Mr. Morgan, Mr. Buckley, Mr. Stafford, Mr. McClure, and Mr. Domenici):

S. 2729. A bill to amend the Internal Revenue Code of 1954 to continue the present rates of certain taxes used to provide revenue to the highway trust fund for an additional 2 years, and to amend the Highway Revenue Act of 1956 to continue such fund for the same period. Referred to the Committee on Finance.

Mr. BENTSEN. Mr. President, I am today introducing, along with 10 of my colleagues on the Public Works Committee, a simple 2-year extension of the Highway Trust Fund. This action coincides with the recent action of the committee in reporting out a 2-year authorization bill for the highway program.

This short-term extension is intended to lay the foundation for a thorough review of the trust fund by the revenue committees of the Congress over the next several months. Several proposals have already been advanced: the administration bill would retain only one cent of the Federal gasoline tax in the fund in order to complete the Interstate System; other proposals call for a unified transportation trust fund, with highway users, rail, air, and water all contributing proportional shares; still others want to retain the fund as it presently is.

By introducing the bill, we reserve judgment on the merits of the various proposals. We recognize that a review of the financing structure of the highway program and other modes of transportation will have to be made; however, for practical purposes, at this late date in the session, it is important that we move on the interim bill.

It is imperative that the highway program be allowed to proceed while the Congress debates the future of the trust fund. As of September 30, some 35 States were either out of Interstate money or running dangerously low; 31 States were in similar circumstances on primary and secondary highway funds.

A substantial slowdown of the highway program would impair the financial condition of the States and lead to heavier unemployment in the already hard-pressed construction industry.

We believe that this interim measure deserves congressional approval prior to the time Congress adjourns this month.

I ask unanimous consent that the text of this measure be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2729

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4041(c)(3) of the Internal Revenue Code of 1954 (relating to rate of tax on aviation fuel used in noncommercial aviation) is amended by striking out "September 30, 1977" each place it appears therein and inserting in lieu thereof "September 30, 1979".

(b) Section 4041(e) of such Code (relating to rate reduction of special fuels tax) is amended by striking out "October 1, 1977" and inserting in lieu thereof "October 1, 1979".

(c) Section 4061 of such Code (relating to imposition of tax on motor vehicles) is amended by striking out "October 1, 1977" where it appears in subsection (a)(1) and in subsection (b)(1) and inserting in lieu thereof "October 1, 1979" in each such place.

(d) Section 4071(d) of such Code (relating to rate reduction of tax on tires and tubes) is amended by striking out "October 1, 1977" and inserting in lieu thereof "October 1, 1979".

(e) Section 4081(b) of such Code (relating to reduction of rate of tax on gasoline) is amended by striking out "October 1, 1977" and inserting in lieu thereof "October 1, 1979".

Sec. 2. Section 209 of the Highway Revenue Act of 1956 (23 U.S.C. 120 note) is amended—

(1) by striking out "October 1, 1977" each place it appears in subsections (c)(1), (c)(3), (f)(1), (f)(3), (f)(6), and (f)(7) and inserting in lieu thereof "October 1, 1979",

(2) by striking out "September 30, 1977" each place it appears in subsection (c)(3) and inserting in lieu thereof "September 30, 1979",

(3) by striking out "June 30, 1978" in subsection (e)(1) and inserting in lieu thereof "September 30, 1980", and

(4) by striking out "July 1, 1978" each place it appears in subsections (c)(3), (f)(3), (f)(4), and (f)(7), and inserting in lieu thereof "July 1, 1980".

By Mr. ABOUREZK:

S. 2731. A bill to establish an Office of Congressional Legal Counsel to revitalize the constitutional separation of powers by enabling the legislative branch of the Government to represent its interest in litigation before the judicial branch of the Government. Referred to the Committee on Government Operations.

SEPARATION OF POWERS REVITALIZATION ACT OF 1975

Mr. ABOUREZK. Mr. President, I am today introducing S. 2731, a bill to establish an Official of Congressional Legal Counsel. I believe that this bill will do much to restore the principles of separation of powers which has been seriously eroded as a result of recent court action. This legislation seeks to assure that the interests of the legislative branch will be vigorously represented in future proceedings before the judicial branch.

That such legislation is necessary is evidenced by the fact that Congress is increasingly the subject or initiator of litigation. The decisions which have been reached in court cases involving Congress have already adversely affected the fundamental principles upon which Congress constitutional prerogatives are based. Consequently the independence of Congress, and its ability to function as a coequal branch of Government, as envisioned by our Founding Fathers, has been seriously underminded.

Despite the importance of the issues being raised in these court cases, Congress presently has no established capacity to assure that congressional interests are vigorously represented. The Congress has increasingly come to rely on the Justice Department to serve as counsel for the Congress. This reliance itself raises serious separation of powers issues, especially when the congressional powers the Department is asked to defend are simultaneously being exercised by Congress in disputes with the executive branch. Similarly, Congress cannot rely on the executive branch to initiate legal actions against itself. Indeed, the Justice Department disputes the power of Congress to initiate any litigation to enforce its powers.

The Separation of Powers Subcommittee, under the chairmanship of my predecessor, Sam Ervin, was established in response to a need to protect the powers, duties and prerogatives of each branch from encroachment by another. Indeed, the first hearing held by the subcommittee in 1968 focused on a proposal to establish a Counsel for Congress. Regrettably, recent events have demonstrated that the need is now acute.

I have carefully reviewed the record of the subcommittee's work in this area, applicable court decisions, and the various legislative proposals made to date on the Counsel for Congress. The measure I propose today embodies what I believe to be the most current thinking on this concept.

The bill creates an Office of Congressional Legal Counsel which would be strictly controlled by the Congress. It could not bring or defend any civil action except at the request of at least one House of Congress. Because Senate committees have been given the power to bring civil legal actions to defend their constitutional powers, the counsel could represent Senate committees in these cases. The counsel is also authorized to intervene or appear as amicus curiae in cases in which Congress is not a party, however, this authority is also to be strictly supervised by the Congress.

The bill contains provisions which will assure that Congress has standing and that the courts have jurisdiction in any of these cases.

This bill contains a number of new provisions. Section 10 sets forth certain substantive standards which require that whenever the counsel is authorized to provide representation, the counsel must always defend the constitutionality of statutes and all congressional powers, Section 11 provides a mechanism for the counsel to resolve any conflicts or canons of ethics issues which arise in the course of a litigation. Where a conflict arises, which prevents the counsel from providing legal counsel, this section provides that Congress may choose to reimburse a Member who must thereby retain private counsel. The Bill also contains numerous refinements on previous bills on this subject. All of these refinements have the effect of assuring that the counsel will be strictly supervised by the Congress, without at the same time disabling the counsel in performing the vital functions of this office.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2731

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Separation of Powers Revitalization Act of 1975".

FINDINGS OF FACT

SEC. 2. (a) The Congress finds that—

(1) Congress is granted specific powers and responsibilities under Article I of the Constitution of the United States;

(2) Congress is in need of representation by professional legal counsel in cases and controversies involving such powers and responsibilities;

(3) presently Congress largely relies on the executive branch of the Government to provide such counsel;

(4) the executive branch of the Government is unable to represent Congress in cases and controversies involving the powers and responsibilities of Congress and the executive branch in a manner consistent with the constitutional concept of separation of powers.

DECLARATION OF PURPOSE

SEC. 3. It is the purpose of this Act to establish within the Congress an Office of Congressional Legal Counsel to represent the legislative branch of the Government in cases and controversies involving the powers and responsibilities of the legislative branch of the Government to insure the continued equality of the legislative executive, and judicial branches of the Government.

ESTABLISHMENT

SEC. 4. (a) (1) There is established as an office of the Congress, the Office of Congressional Legal Counsel (hereinafter referred to as the "Office"), which shall be under the direction and control of the Congressional Legal Counsel. The Congressional Legal Counsel shall be appointed jointly, by the President pro tempore of the Senate and the Speaker of the House of Representatives from among recommendations jointly submitted by the Majority and Minority Leaders of the Senate and the House of Representatives. Such appointment shall become effective upon approval, by concurrent resolution, of the Senate and the House of Representatives.

(2) The Congressional Legal Counsel shall be appointed for a term which shall expire at the end of the Congress following the Congress during which such person is appointed except that the Congress may, my concurrent resolution, remove the Congressional Legal Counsel for misconduct, incapacity, or incompetence. The Congressional Legal Counsel may be reappointed at the termination of any term of office.

(3) The Congressional Legal Counsel shall receive compensation at a rate equivalent to level III of the Executive Schedule under section 5314 of title 5, United States Code.

(b) (1) (A) The Congressional Legal Counsel shall appoint and fix the compensation of such Assistant Congressional Legal Counsels as may be necessary to carry out the provisions of this Act. The Congressional Legal Counsel may delegate authority for the performance of any function imposed by this Act to any Assistant Congressional Legal Counsel except any function imposed upon the Congressional Legal Counsel under section 7(a) or 8(b) of this Act. Any Assistant Congressional Legal Counsel shall serve at the pleasure of the Congressional Legal Counsel.

(B) The Congressional Legal Counsel shall appoint and fix the compensation of such other personnel as may be necessary to carry out the provisions of this Act and may prescribe the duties and responsibilities of such personnel.

(C) For purposes of pay (other than pay of the Congressional Legal Counsel) and employment benefits, rights, and privileges, all personnel of the Office shall be treated as if they were employees of the Senate.

(2) In carrying out the functions of the Office, the Congressional Legal Counsel may procure the temporary (not to exceed one year) or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946.

(c) Any appointment made under subsection (a) or (b) of this section shall be made without regard to political affiliation and solely on the basis of fitness to perform the duties of the Office. Any person appointed as Congressional Legal Counsel or Assistant Congressional Legal Counsel shall be learned in the law, shall not have been a candidate for or holder of elected local, State or Federal Government office for five years prior to or at the time of the appointment, and shall not engage in any other business, vocation, or employment during the term of such appointment, nor for a period of five years after such term, engage in any activity requiring such person to register under section 308(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 267(a)).

(d) The Congressional Legal Counsel shall cause a seal of office to be made for the Office, of such design as the President pro tempore of the Senate and Speaker of the House of Representatives shall approve, and judicial notice shall be taken thereof.

(e) (1) The Congressional Legal Counsel may make, promulgate, rescind, amend, and shall publish in the Congressional Record such rules and regulations as may be necessary to carry out the provisions of this Act. Such regulations shall take effect after 10 calendar days of continuous session of Congress following publication unless the Congress, by concurrent resolution, disapproves, amends, or supplements such rules and regulations

(2) For the purpose of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 10-day period.

REPRESENTATION UPON REQUEST OF EITHER HOUSE OF CONGRESS

SEC. 5. (a) The Congressional Legal Counsel, upon the request of either House of Congress or in a civil action involving a joint committee, office or agency of Congress, upon the request of Congress, shall—

(1) defend such House, any joint committee, office or agency of Congress, any committee or subcommittee of such House, a Member of such House, or any officer, employee, office, or agency of such House in any civil action pending in any court of the United States or of a State or political subdivision thereof to which such House, joint committee, committee, subcommittee, Member, officer, employee, office, or agency is made a party defendant and in which there is placed in issue the validity of—

(A) any proceeding of, or action taken by such House, joint committee, committee, subcommittee, Member, officer, employee, office, or agency; or

(B) any subpoena directed to such House, joint committee, committee, subcommittee, Member, officer, employee, office, or agency; or

(2) bring a civil action on behalf of Congress, either House of Congress, any joint committee, office or agency of Congress, any committee or subcommittee of such House, a Member of such House, or any officer, employee, office, or agency of such House without regard to the sum or value of the matter in controversy, in any court of the United States—

(A) to require an officer or employee of the executive branch of the Government to act in accordance with the Constitution and laws of the United States; or

(B) to secure a declaratory judgment concerning the validity of any subpoena directed to Congress, or such House, joint committee, committee, subcommittee, Member, officer, employee, office, or agency.

(b) Representation of a Member, officer, or employee under this section shall be undertaken by the Congressional Legal Counsel only upon the consent of such Member, officer, or employee. A request by either House of Congress that the Congressional Legal Counsel represent a Member, officer or employee may specify that the Congressional Legal Counsel limit such representation to constitutional issues relating to the powers and responsibilities of Congress.

REPRESENTATION UPON REQUEST OF EITHER HOUSE OF CONGRESS, A JOINT COMMITTEE OF CONGRESS OR A COMMITTEE OR SUBCOMMITTEE OF EITHER HOUSE OF CONGRESS

SEC. 6. The Congressional Legal Counsel, upon the request of either House of Congress, or any joint committee, office, or agency of Congress authorized by Congress to make a request under this section, or a committee or subcommittee of either House of Congress authorized by such House to make a request under this section shall—

(1) bring a civil action to enforce, or secure a declaratory judgment concerning the validity of, any subpoena or order issued by such House, joint committee, committee, subcommittee, office, or agency; and

(2) defend such House, joint committee, committee, subcommittee, office or agency, or Member, officer, or employee thereof, in any civil action pending in any court of the United States or of a State or political subdivision thereof to which such House, joint committee, committee, subcommittee, office or agency, or Member, officer, or employee thereof, is made a party defendant and in which there is placed in issue the validity of any subpoena or order issued by such House, joint committee, committee, subcommittee, office or agency.

RECOMMENDATIONS

SEC. 7. (a) The Congressional Legal Counsel shall make, upon request of either House of Congress, any joint committee, office or agency of Congress, any committee or subcommittee of such House, or at least three Senators, or twelve members of the House of Representatives, recommendations whether or not to bring a civil action under section 5(a)(2)(A) of this Act. Such recommendation shall include consideration of any determination made by the Comptroller General relating to such matter, an analysis of the merits of such action, a statement of the probable result of such action, and an analysis of the availability of any alternative course of action, including enactment of legislation.

(b) Any recommendation rendered by the Congressional Legal Counsel under this subsection may be published and made available under such rules and regulations as the Congressional Legal Counsel may promulgate.

INTERVENTION OR APPEARANCE

SEC. 8. (a) The Congressional Legal Counsel shall, upon the request of either House of Congress or pursuant to subsection (b) of this section, intervene or appear as amicus curiae in any legal action pending in any court of the United States or of a State or political subdivision thereof in which—

(1) the constitutionality of any law of the United States is challenged and the United States is a party to such action, or a Member, officer, or employee of Congress does not consent to representation by the Congressional Legal Counsel under section 5 of this Act; and

(2) the powers and responsibilities of Congress under Article I of the Constitution of the United States are placed in issue.

(b) (1) The Congressional Legal Counsel may intervene or appear as amicus curiae in such action upon the determination that such intervention or appearance is necessary to carry out the functions of the Congressional Legal Counsel under this Act. The Congressional Legal Counsel shall notify the President pro tempore of the Senate and the Speaker of the House of Representatives of, and have published in the Congressional Record on the earliest date possible, any such determination to intervene or appear as amicus curiae at least one week prior to the filing of any documents necessary to effectuate such intervention or appearance. The Congressional Legal Counsel may proceed with such intervention or appearance after ten calendar days of continuous session of Congress unless by concurrent resolution or, if only one House of Congress has an interest in the pending matter, by resolution of such House, such intervention or appearance is disapproved or limited. Any determination made by the Congressional Legal Counsel pursuant to this section shall not be reviewable in any court of law.

(2) For the purpose of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 10-day period.

ADVISORY AND OTHER FUNCTIONS

SEC. 9. (a) The Congressional Legal Counsel shall advise, consult, and cooperate—

(1) with, and upon request of the Comptroller General to represent, the Comptroller General in any civil action brought pursuant to section 1016 of the Impoundment Control Act of 1974 (31 U.S.C. 1406);

(2) with the United States attorney for the District of Columbia with respect to any criminal proceeding for contempt of Congress certified pursuant to section 104 of the Revised Statutes (2 U.S.C. 194);

(3) with the Joint Committee on Congressional Operations in identifying any court proceeding or action which is of vital interest to Congress or to either House of Congress under section 402(a)(2) of the Legislative Reorganization Act of 1970 (2 U.S.C. 412(a)(2)); and

(4) with the Comptroller General, General Accounting Office, the Office of Legislative Counsel of the Senate and House of Representatives, and the Congressional Research Service.

(b) The Congressional Legal Counsel shall perform such other duties as either House of Congress may request.

DEFENSE OF CERTAIN CONSTITUTIONAL POWERS

SEC. 10. In performing any function under sections 5 through 9 of this Act, the Congressional Legal Counsel shall defend when placed in issue—

(1) the constitutional privilege from arrest or from being questioned in any other place for any speech or debate in either House under Article I, section 6 of the Constitution of the United States;

(2) the constitutionality of statutes enacted by Congress;

(3) the constitutional power of each House of Congress to be judge of the elections, returns and qualifications of its own members under Article I, section 5 of the Constitution of the United States;

(4) the custody and control of either House of Congress over any memorial or other paper presented to such House; and

(5) any other constitutional and statutory power of Congress.

CONFLICT OR INCONSISTENCY

SEC. 11. (a) In the carrying out of the provisions of this Act, the Congressional Legal Counsel shall notify the House, joint committee, committee, or subcommittee, Member, officer, employees, office or agency of Congress represented or to be represented pursuant to such functions and the President pro tempore of the Senate and the Speaker of the House of Representatives of the existence and nature of any conflict or inconsistency between the performance of such functions and the carrying out of any other functions of the Congressional Legal Counsel under this Act, or, compliance with professional standards and responsibilities.

(b) In the event of the existence of any such conflict or inconsistency, the President pro tempore and Speaker shall inform the appropriate House. Upon receipt of such notification, and either or both such Houses shall, by resolution, instruct the Legal Counsel as to the action to be taken. If the appropriate House or Houses do not so instruct the Legal Counsel within 30 days from receipt of notification, the Legal Counsel shall take such action as may be necessary to resolve the conflict or inconsistency.

(c) The appropriate House of Congress may reimburse any Member, officer, or employee who is denied the representation of the Congressional Legal Counsel under this subsection or who declines to be represented for costs reasonably incurred in obtaining representation. Such reimbursement shall be from funds appropriated to the contingent fund of the appropriate House.

FORM OF REQUESTS

SEC. 12. (a) Requests made pursuant to sections 5, 6, 7, 8, and 9 (a)(1) of this Act shall be made as follows:

(1) Requests made by either House of Congress pursuant to sections 5, 6, 7, and 8 (a) of this Act shall be in writing and authorized by passage of a resolution of such House;

(2) Requests made by a joint committee, committee, or subcommittee of Congress pursuant to section 6 or 7 of this Act shall be in writing and authorized by majority vote of the members of such committee or subcommittee; and

(3) Requests made by Members of Congress pursuant to section 7, or the Comptroller General pursuant to section 9(a)(1) of this Act shall be in writing.

(b) (1) A resolution introduced pursuant to subsection (a)(1) of this section shall not be referred to a committee and shall be privileged business for immediate consideration of the resolution. Such motion shall be highly privileged and not debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) If the motion to proceed to the consideration of the resolution is agreed to, debate thereon shall be limited to not more than two hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(3) Motions to postpone, made with respect to the consideration of the resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to the resolution shall be decided without debate.

(5) The provisions of this subsection are enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such, such provisions shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the House in case of resolutions described under subsection (a)(1) of this section; and such rules shall supersede any other rule of each House only to the extent that such rule is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

ATTORNEY GENERAL RELIEVED OF RESPONSIBILITY

SEC. 13. Upon receipt of written notice that the Congressional Legal Counsel has undertaken pursuant to this Act to perform any representational service with respect to any designated action or proceeding pending or to be instituted, the Attorney General shall be relieved of responsibility and shall have no authority to perform such service in such action or proceeding except at the request or with the approval of the Congressional Legal Counsel or either House of Congress; except where the Congressional Legal Counsel intervenes or appears as amicus curiae under section 8 of this Act.

PROCEDURAL PROVISIONS

SEC. 14. (a) Permission to intervene as a party or to file a brief amicus curiae under section 8 of this Act shall be of right, without regard to the requirements for standing as set forth in any provision of law, and may be denied by a court only upon an express finding that such intervention or filing is untimely and would significantly delay the pending action.

(b) Where an actual case or controversy exists, any person making a request under section 5(b) of this Act shall have the right to obtain judicial review of the conduct in question notwithstanding any other provision of law.

(c) In the trial or review of any action under this Act, with respect to which the Congressional Legal Counsel has undertaken to carry out the provisions of this Act, and has so notified the Attorney General pursuant to section 13 of this Act, the Congressional Legal Counsel shall have all powers conferred by law upon the Attorney General, any subordinate of the Attorney General, or any United States attorney to conduct all legal proceeding except the power to conduct grand jury proceedings or bring and prosecute criminal actions under section 515(a) or 547 of title 28, United States Code, or any other law.

(d) The Congressional Legal Counsel, or any designated Assistant Congressional Legal Counsel, shall be entitled for the purpose of performing the functions imposed by this Act to enter an appearance in any such proceeding before any court of the United States without compliance with any requirement for admission to practice before such court, except that the authorization conferred by this paragraph shall not apply with respect to the admission of any person to practice before the United States Court.

(e) Nothing in this Act shall be construed to confer standing or jurisdiction on any party seeking to bring any action, civil or criminal, against either House of Congress, a Member of Congress, a committee, subcommittee, or joint committee of Congress, or any officer, employee, office, or agency of Congress.

(f) In any civil action under section 6 or 7 of this Act, the court shall assign the case for hearing at the earliest practicable date and to cause the case in every way to be expedited. Any appeal or petition for review from any order or judgment in such action shall be expedited in the same manner.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 15. (a) Section 3210 of title 39, United States Code, is amended—

(1) by striking out in subsection (b)(1) "and the Legislative Counsels of the House of Representatives and the Senate" and inserting in lieu thereof the following: "the Legislative Counsels of the House of Representatives and the Senate, and the Congressional Legal Counsel"; and

(2) by striking out in subsection (b)(2) "or the Legislative Counsel of the House of Representatives or the Senate" and inserting in lieu thereof the following: "the Legislative Counsel of the House of Representatives or the Senate, or the Congressional Legal Counsel".

(b) Section 3216 (a)(1)(A) of such title is amended by striking out "and the Legislative Counsels of the House of Representatives and the Senate" and inserting in lieu thereof the following: "the Legislative Counsels of the House of Representatives and the Senate, and the Congressional Legal Counsel".

(c) Section 3219 of such title is amended by striking out "or the Legislative Counsels of the House of Representatives or the Senate" and inserting in lieu thereof the following: "the Legislative Counsels of the House of Representatives or the Senate, or the Congressional Legal Counsel".

(d) Section 8 of the Act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and sixty-six, and for other purposes", approved March 3, 1875, as amended (2 U.S.C. 118), is repealed.

(e) Section 1016 of the Impoundment Control Act of 1974 (31 U.S.C. 1406) is amended by adding after the word "selection" the following: "including the Congressional Legal Counsel,".

(f)(1) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. Congressional actions

"(a) The District Court for the District of Columbia shall have original jurisdiction, without regard to the sum or value of the matter in controversy, over any civil action brought by either House of Congress, any committee or subcommittee of such House, or any joint committee of Congress, to enforce, or secure a declaration concerning the validity of, any subpoena or order issued by such House, committee, subcommittee, or joint committee to any officer, including the President and Vice President, or any employee of the executive branch of the Government or to any natural person or entity acting or purporting to act under color or authority of State law to secure the production of documents or other materials of any kind or the answering of any deposition or interrogatory or to secure testimony or any combination thereof.

"(b) Either House of Congress, any committee or subcommittee of such House authorized by such House to bring suit, or any joint committee of Congress authorized by Congress to bring suit, in addition to any other available remedies, may commence and prosecute a civil action under subsection (a) of this section in its own name or in its own name and in the name of the United States in the District Court for the District of Columbia to enforce or secure a declaration concerning the validity of any subpoena or order issued by such House, committee, subcommittee, or joint committee against any officer, including the President and Vice President, or any employee of the executive branch of the Government or to any natural person or entity acting or purporting to act under color or authority of State law to secure the production of documents or any other materials of any kind or the answering of any deposition or interrogatory or to secure testimony or any combination thereof.

"(c) Any House or committee commencing or prosecuting an action under this section may be represented in such action by such attorneys as it may designate.".

(2) The analysis of such chapter 85 is amended by adding at the end thereof the following new item:

"1364. Congressional Actions."

AUTHORIZATION OF APPROPRIATIONS

SEC. 16. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. Amounts so appropriated shall be disbursed by the Secretary of the Senate upon vouchers signed by the Congressional Legal Counsel, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 337

At the request of Mr. CRANSTON, the Senator from California (Mr. TUNNEY) was added as a cosponsor of S. 337, for the relief of Viola J. Stewart, Lois Souby, Jane Robertson, and Norma Jean Ridgeway.

S. 772—WITHDRAWAL

At his own request, the Senator from Maryland (Mr. MATHIAS) was withdrawn as a cosponsor of S. 772, a bill to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer education, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products.

S. 1353

At the request of Mr. WILLIAMS, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 1353, the Consolidated Farm and Rural Development Act.

S. 1776

At the request of Mr. HUGH SCOTT, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 1776, a bill to establish the Valley Forge National Historical Park in the Commonwealth of Pennsylvania.

S. 2098

At the request of Mr. HASKELL, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 2098, a bill to limit potential or existent conflicts of interest on the part of elected and appointed officers and employees of the Government, to require financial disclosure, and for other purposes.

S. 2250

At the request of Mr. MONDALE, the Senator from Washignton (Mr. JACKSON) was added as a cosponsor of S. 2250, the Family Research Act of 1975.

S. 2356

At the request of Mr. BUCKLEY, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 2356, a bill to amend the Internal Revenue Code of 1954 to allow a deduction for amounts paid by a taxpayer for tuition to provide an education for himself or for another individual.

S. 2484 AND S. 2485

At the request of Mr. PACKWOOD, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 2484 and S. 2485, to remove lending limitations on certain watershed and conservation programs administered by the Farmers Home Administration.

S. 2524

At the request of Mr. MCINTYRE, the Senator from Massachusetts (Mr. BROOKE) and the Senator from Maryland (Mr. BEALL) were added as cosponsors of S. 2524, to require that the Secretaries of the military departments be kept fully and currently informed regarding matters considered and acted upon by the Joint Chiefs of Staff.

S. 2578

At the request of Mr. PHILIP A. HART, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Colorado (Mr. HASKELL) were added as cosponsors of S. 2578, a bill to provide assistance to farmers who have suffered financial loss because of toxic chemical contamination to their livestock or animals through no fault of their own.

S. 2631

At the request of Mr. McIntyre, the Senator from Massachusetts (Mr. Brooke) and the Senator from Rhode Island (Mr. Pell) were added as cosponsors of S. 2631, a bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes.

S. 2677

At the request of Mr. Biden, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of S. 2677, the Regulatory Agency Responsibility Act.

SENATE CONCURRENT RESOLUTION 77

At the request of Mr. Curtis, the Senator from Arizona (Mr. Goldwater), the Senator from Nebraska (Mr. Hruska), the Senator from Wyoming (Mr. Hansen), and the Senator from North Dakota (Mr. Young) were added as cosponsors of Senate Concurrent Resolution 77, relating to the authority of the Federal Trade Commission to prescribe rules preempting State and local laws.

SENATE RESOLUTION 313—SUBMISSION OF A RESOLUTION DISAPPROVING DEFERRAL OF BUDGET AUTHORITY FOR THE NORTHEASTERN APPALACHIAN REGIONAL FRUIT CROP LABORATORY, KEARNEYSVILE, W. VA.

(Referred to the Committee on Appropriations and the Committee on the Budget, jointly, pursuant to the order of January 30, 1975.)

Mr. ROBERT C. BYRD submitted the following resolution:

S. Res. 313

Resolved, That the Senate disapproves the proposed deferral of budget authority (Deferral No. D 76-68) for the Northeastern Appalachian Regional Fruit Crop Laboratory, Kearneysville, West Virginia, set forth in the special message transmitted by the President to the Congress on December 1, 1975, under section 1013 of the Impoundment Control Act of 1974.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask for its appropriate referral.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

Mr. ROBERT C. BYRD. Mr. President, the purpose of this resolution is to disapprove Executive deferral message No. D-76-68 which proposes to defer $7,570,000 appropriated in Public Law 94-122—the fiscal year 1976 agricultural appropriations bill—until June 1976.

I am submitting this resolution to disapprove this proposed deferral because additional delays—beyond what have already been experienced with this facility—will only serve to further escalate the ultimate cost.

This facility has been carefully considered by the Appropriations Committee for the past 13 years and I believe that congressional approval of this facility indicates the support for the Northeastern Appalachian Fruit Crop Station.

Mr. President, I wish to urge the Senate Budget Committee and the Senate Appropriations Committee to take expedited action in considering and reporting this resolution.

AMENDMENTS SUBMITTED FOR PRINTING

AMENDMENT OF THE AGRICULTURAL ADJUSTMENT ACT—S. 700

AMENDMENT NO. 1165

(Ordered to be printed and referred to the Committee on Agriculture and Forestry.)

Mr. THURMOND. Mr. President, I am today submitting an amendment in the nature of a substitute for S. 700, a bill I introduced earlier this year.

This revised legislation would amend the Agricultural Adjustment Act of 1938 to allow producers of type 13 tobacco in South Carolina to decide via a referendum whether or not they desire to lease tobacco quotas or allotments across county lines within the State to owners or operators of farms that already have a tobacco quota of the same type.

Hearings were held on S. 700 on May 13, 1975, by the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Senate Agriculture Committee. At that hearing, the bill received wide support from tobacco farmers, economists, and USDA. Based on hearing testimony, I am asking that the Senate Agriculture Committee promptly consider and favorably report this amended bill, which makes the following changes in S. 700:

First. Provides for a referendum among South Carolina type 13 tobacco producers to decide whether or not a majority favor cross-county leasing.

Second. Specifies that leases can only be made to farms which already have a type 13 tobacco quota or allotment.

Third. Excludes type 13 tobacco grown in North Carolina.

As I stated when I introduced S. 700 on February 17, and in my testimony before the subcommittee, I have no objections to further amending this bill to include other types of Flue-cured tobacco. However, I will leave this decision up to the Senate Agriculture Committee.

Mr. President, this legislation is intended to promote greater efficiency in tobacco production, and there is virtually no cost to the taxpayers involved. The cost of conducting a referendum among type 13 tobacco producers in South Carolina would be negligible, and the referendum could be readily handled through the Agricultural Stabilization and Conservation Service County Offices. I hope this bill will be promptly enacted so tobacco farmers can proceed with production plans for the 1976 crop.

RAIL SERVICES ACT OF 1975—S. 2718

AMENDMENT NO. 1166

(Ordered to be printed and to lie on the table.)

Mr. BEALL submitted an amendment intended to be proposed by him to the bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes.

ANNOUNCEMENT OF HEARINGS ON ECONOMIC PROBLEMS OF SMALL BUSINESS AND FARMS IN THE MIDSOUTH

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will hold public hearings on the economic problems of small business and farms in the midsouth. The hearings are scheduled to be held on December 15, 1975, in Chattanooga, Tenn., beginning at 9 a.m. in the Bankruptcy Court Room, U.S. Post Office and Court House, Georgia Avenue at 9th Street, and in Memphis, Tenn., at 1 p.m. in the tax court, 1007 Federal Building, 176 North Main Street.

The Chattanooga hearing will be cochaired by the Senator from Tennessee (Mr. Brock) and the Senator from Georgia (Mr. Nunn). Cochairing the hearing in Memphis will be the Senator from Tennessee (Mr. Brock) and the Senator from Alabama (Mr. Sparkman).

Further information on the hearings can be obtained from the Committee offices, 424 Russell Senate Office Building, telephone 224-5175.

ADDITIONAL STATEMENTS

THE NATIONAL MESS WE ARE STILL IN

Mr. McCLELLAN. Mr. President, I recently received a copy of a thoughtful and perceptive speech from a constituent regarding the problems facing our Nation which I would like to share with my colleagues.

The remarks delivered by Charles R. Black, Jr., of Corning, Ark., at the annual meeting of the Arkansas Forestry Association, constitutes a clarion call for a return to a responsible fiscal policy and for renaissance of the ideals that made America a great Nation.

In view of the current disarray in our national affairs, I believe that Mr. Black's remarks are worthy of the consideration and study by all Members of the Senate.

Therefore, Mr. President, I ask unanimous consent that Mr. Black's remarks to the Arkansas Forestry Association be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

The National Mess We Are Still In

(By Charles R. Black, Jr.)

Members of the Arkansas Forestry Association, guests, and friends, last year at about this time we spoke to you about the National Mess we were in, because we felt the future well being of the Arkansas Forestry Association was dependent on, and intertwined with, the fiscal health of the United States, which is the only Country you and I have.

Last year we tried to pinpoint some of our National problems, the history of these problems and what all of us could do to help solve these problems. Apparently we haven't done enough because I must report in all frankness that this Country is still in a terrible National Mess with no clean up squad in sight.

The Federal debt which was nearly 500 billion dollars last year is now approaching 600 billion dollars and Congress refuses to read the handwriting on the wall and continues to appropriate money for social programs we should never have instituted and certainly can't afford. These programs have grown from pilot-plant undertakings to full-fledged annual budget expenditures of mountainous size. For example, the food stamp program was started on a trial basis in a single Tennessee County about 1968 and today 18,000,000 U.S. citizens are receiving food stamps. Federal welfare spending in fiscal 1975 totaled 157 billion dollars.

44,000,000 Americans, about 1/5 of the entire population, receive a Federal check every month, to say nothing of State welfare and State unemployment checks. I often hunt or fish with a good friend who is a rural mail carrier and he tells me that at the first of every month his mail deliveries increase 30% to 40% because of Government checks, with some individuals receiving two or even three checks and one boxholder he has, receives four checks. He further states that most every farmer on his route, past the age of 65, receives a Social Security check but continues to live on, and work the farm.

My concern is that we have reached the point in this Country where 50% of the people are producers and 50% are non producers. This 50% that produces the necessities of life now supports our entire population. How long will the industrious 50% agree to furnish a living for the indolent 50%?

Recently, I had a Certified Life Underwriter use the annual Social Security payments presently being made by a 26 year old son and a 33 year old son, who are in business with me, in order to determine how much ordinary life insurance these payments, plus equal Company payments, would buy, and what annual income could be derived from these policies after these sons reach age 65. The combined Social Security payments of each son would buy $147,000.00 of ordinary life insurance for the 26 year old and give him a monthly income of $1,092.00 for life, after he reaches age 65, or a cash value of $131,565.00. The 33 year old son would have $116,000.00 of ordinary life insurance, and a monthly income of $757.00 for life, after reaching age 65, or a cash value of $91,292.00. Now how long do you think it is going to take young people to figure out that the Social Security payments they are making are a poor investment compared to the security they could buy from a regular Life Insurance Company. This is not all. The present Social Security fund is actuarially unsound and supervised by a Congress that has increased benefits so rapidly, without regard to incoming payments made, that the entire system is on the brink of insolvency.

Held before you is the help wanted section from this past Sunday's Arkansas Gazette. On these three pages there are approximately 340 ads offering over 500 jobs ranging from a Go Go dancer to a sawmill plant manager. There are six ads for situations wanted. 500 job openings, and six people looking for jobs, yet the unemployment rate for Pulaski County is presently recorded at 10.5%. At our own plant, we run a continuous help-wanted ad in the local newspaper because we can't get enough competent employees. Something must be seriously wrong when over 10% of our State work force claims to be unemployed but is not seeking or filling the job openings that obviously exist.

A few months ago our local doctor moved his office to a nearby town but did not take his office help with him. Last week Mrs. Black met the doctor's former receptionist at the grocery store and asked the receptionist if the doctor's two former nurses had been able to get jobs and the receptionist said the nurses weren't looking for work just now, as they were still drawing their unemployment. Can you imagine an unemployed nurse today? How can we expect people to work and produce when our State and Federal Government make it more lucrative to do nothing than to work at a job.

Everyone in this room that owns or manages a business knows how difficult it is to hire good employees at most any price, let alone, at a price that will permit you to manufacture your products at a profit. The will to work and necessity to produce is being eroded by a beneficent Congress that continues to "Spend and Spend and Elect and Elect." 37¢ of every dollar you earn today is going to support state, local and federal government and if present spending trends continue, within 15 years, it will take half of everything you earn to support your governments. But even if taxes are so raised, we will still be unable to balance the Federal Budget if present spending programs are not drastically cut and if the Democratic Congresses we have had for the past 40 years do not mend their profligate ways. The 27 billion dollar public debt incurred under Franklin Roosevelt's administration before World War II has now multiplied over 22 times in the last 30 years.

Now, what will result if Congress continues its spending spree, year after year, and our public debt continues to rise at the rate of almost 70 billion per year? At least that is the estimate of Secretary of the Treasury Simon. The predicted deficit for fiscal 1975 is 60 billion. Well, many things could happen and no one can be completely sure what all of them might be, but of one thing we are absolutely certain, such spending and deficits cannot go on forever. A day of reckoning such as now faces New York City, will come as surely as the sunrise and then who will bail out our Federal Government when it defaults on Treasury Bonds, Treasury Notes and other government obligations? Certainly not England, France, Italy, Sweden, Argentina or Israel—they are all in financial difficulties themselves. Certainly not Russia or China, they want our scalp and have declared we will fall like an apple from the tree without a shot being fired. They could be right.

There are three possibilities. We will come to our senses before it is too late, stop promoting Federal give-aways and elect a responsible Congress that will cut Federal payrolls by 20% and start a systematic reduction of all Federal debts. Or the printing presses will be started to print fiat money until inflation becomes completely uncontrolled with all its grim consequences. Or popular support could put a dictator in charge of the United States in hopes of obtaining something better than democracy has seemed to offer. Many British writers are now predicting that only a dictator can save England from impending disaster.

It is frightening to contemplate what will happen to our country if a more responsible and conservative Congress cannot be elected and soon. We have had forty-three years of almost continuous Democratic controlled Congresses—only three Congresses since 1932 have been controlled by Republicans. I am not trying to make a political statement here because if I were I would point out that under every one of the last five Democratic Presidents, beginning with Woodrow Wilson, the United States has been in a serious war and two of these wars were finally ended under Republican presidents after previous Democratic Administrations had pursued no-win policies.

It is illegal to take your own money and go out and buy votes in an election but our National politicians have no qualms about using taxpayers' money to finance welfare programs, pet local projects, roads, buildings, medicare, food stamps, dams, golf courses and what-have-you, in order to get elected. They have even voted and over-ridden a veto, to buy your children's breakfast at school if you make $9500.00 per year or less.

Congress has created a monstrosity of bureaus and agencies, so numerous and so complex that even Congress itself cannot get an accurate count on their number, much less, control their actions. Occasionally Congress investigates one of its bureaus but the biggest bureaucracy of all, Congress, has never been investigated by Congress. Congress has voted laws that punish winners and reward losers, laws that destroy the character and self-respect of people that once expected to work, laws that destroy business incentive, laws that encourage idleness. In short Congress is directly responsible for many of the ills that beset this country today. Congress has created a society where 71 million wage earners in private industry support 80 million government workers, military personnel, disabled, unemployed, retired, and welfare recipients.

A recent public opinion poll shows 85% of the people in the United States today have no confidence in Congress. Why then, do we keep sending many of the same law makers back to Washington, year after year, when these politicians were instrumental in getting us in this National Mess in the first place? For instance this country could well do without Senator Hugh Scott, a Republican and minority leader who recently condemned the Ford Administration Food Stamp overhaul measure because, "it will present an undue hardship for millions of Americans who have a legitimate right to and a desperate need for food stamps." Just who has a legitimate right to anything our government can't afford and who but Congress created the desperate need? Why not promote a Constitutional Amendment that would limit Senators to two six year terms and Representatives to two four-year terms? This would help prevent the Hell-Bent-For-Election syndrome that influences every vote Congress takes.

Congress has approved legislation that has made labor unions the most powerful political force in today's America and at the same time one of the most inflationary because these unions have jacked up labor prices consistently over the years until the cost of housing and many manufactured articles have reached unsaleable levels.

Congress recently and blatantly raised its own wages at a time when deficit spending is reaching a crisis. Congress has lowered taxes at a time when it should have either raised taxes or reduced Federal spending so as to put the budget in balance. Congressmen, in hordes, take unnecessary and unproductive foreign junkets each year at taxpayers' expense. Long and frequent Congressional adjournments have become a public joke. The House of Representatives has had 53 days of vacation, not including week ends, already this year and the Senate nearly as many. The usual legislative work week is from Tuesday noon to Thursday noon. It now costs over 346 million dollars a year just to finance Congress itself.

Congress has become corrupt in the most sophisticated manner and within the letter of the law which it alone controls. Someone owns every Congressman we have. They will all deny and resent this but it's true. The very minute a Congressman accepts a sizeable campaign donation, an honorarium, an expense paid vacation or week-end, just that quick he becomes beholden to the donor. You can say it has always been that way, but I say back to you it will not be this way forever, because unless things change, there will be no Country as we know it, to indulge such political chicanery.

How does all this happen in one of the most enlightened and best informed countries in the world? Mostly because you and

I let it happen. All of us promote Congressional favor because we want our piece of the cake. We run over ourselves trying to get money from Washington. We want highways, matching funds, Federal grants for water and sewer, public housing, work training funds, revenue sharing, hospital grants, housing subsidies, more veterans pensions, more social security benefits, more forestry funds, more national parks, more fish and wildlife preserves, more lakes—more—more—more all because it seems to be free and we want our part while the getting is good. What we fail to realize is that we are destroying the heritage of generations to come and sending the finest Country ever built into a tailspin toward oblivion.

Wake up Arkansas Forestry Association! Wake up America! Let us never have to say, "Why didn't someone tell us?" We are telling you now before our federal government follows England, New York City, Illinois and Massachusetts into financial crisis. Get in touch with your Senators and Representatives now. Tell them you expect federal expenditures to be cut now, 20% or more in such areas as food stamps and welfare programs, and eliminated altogether in such areas as OSHA and EPA. Congress will balance the budget and start paying off the National debt the minute they realize that their election depends on it.

GUN CONTROL

Mr. FANNIN. Mr. President, my good friend and colleague from Arizona, Senator BARRY GOLDWATER, wrote a very fine article, "Why Gun-Control Laws Don't Work," which appears in the December 1975 issue of Reader's Digest. His is a well-reasoned statement pointing out the failure of existing firearms control laws to prevent crime. The futility of State and Federal gun control laws to deter major crime are described and documented in the article.

Senator GOLDWATER's conclusion that strict legal sanctions such as mandatory and separate, nonconcurrent sentences are the most effective deterrent to criminal activity, is right to the point. I ask unanimous consent that the article, "Why Gun-Control Laws Don't Work," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY GUN-CONTROL LAWS DON'T WORK

(By Senator BARRY GOLDWATER)

Let me say immediately that if I thought more gun-control laws would help diminish the tragic incidence of robberies, muggings, rapes and murders in the United States, I would be the first to vote for them. But I am convinced that making more such laws approaches the problem from the wrong direction.

It is clear, I think, that gun legislation simply doesn't work. There are already some 20,000 state and local gun laws on the books, and they are no more effective than was the prohibition of alcoholic beverages in the 1920s. Our most recent attempt at federal gun legislation was the Gun Control Act of 1968, intended to control the interstate sale and transportation of firearms and the importation of uncertified firearms; it has done nothing to check the availability of weapons. It has been bolstered in every nook and cranny of the nation by local gun-control laws, yet the number of shooting homicides per year has climbed steadily since its enactment, while armed robberies have increased 60 percent.

Some people, even some law-enforcement officials, contend that "crimes of passion" occur because a gun just happens to be present at the scene. I don't buy that. I can't equate guns with the murder rate, because if a person is angry enough to kill, he will kill with the first thing that comes to hand—a gun, a knife, an ice pick, a baseball bat.

I believe our only hope of reducing crime in this country is to control not the weapon but the user. We must reverse the trend toward leniency and permissiveness in our courts—the plea bargaining, the pardons, the suspended sentences and unwarranted paroles—and make the lawbreaker pay for what he has done by spending time in jail. We have plenty of statutes against killing and maiming and threatening people with weapons. These can be made effective by strong enforcement and firm decisions from the bench. When a man knows that if he uses a potentially deadly object to rob or do harm to another person he is letting himself in for a mandatory, unparolable stretch behind bars, he will think twice about it.

Of course, no matter what gun-control laws are enacted—including national registration—the dedicated crook can always get a weapon. So, some people ask, even if national registration of guns isn't completely airtight, isn't it worth trying? Sure, it would cause a little inconvenience to law-abiding gun owners. And it certainly wouldn't stop all criminals from obtaining guns. But it might stop a few, maybe quite a few. What's wrong with that?

There are several answers. The first concerns enforcement. How are we going to persuade the bank robber or the street-corner stickup artist to register his means of criminal livelihood? Then there is the matter of expense. A study conducted eight years ago showed a cost to New York City of $72.87 to investigate and process one application for a pistol license. In mid-1970 dollars, the same procedure probably costs over $100. By extrapolation to the national scale, the cost to American taxpayers of investigating and registering the 40 to 50 million handguns might reach $4 billion or $5 billion. On top of that, keeping the process in operation year after year would require taxpayer financing of another sizable federal bureau. We ought to have far better prospects of success before we hobble ourselves with such appalling expenditures.

Finally, there are legal aspects based on the much-discussed Second Amendment to the Bill of Rights, which proclaims that "A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed." The anti-gun faction argues that this right made sense in the days of British oppression but that it has no application today. I contend, on the other hand that the Founding Fathers conceived of an armed citizenry as a necessary hedge against tyranny from within as well as from without, that they saw the right to keep and bear arms as basic and perpetual, the one thing that could spell the difference between freedom and servitude. Thus I deem most forms of gun control unconstitutional in intent.

Well, then I'm often asked, what kind of gun laws *are* you for? I reply that I am for laws of common sense. I am for laws that prohibit citizen access to machine guns, bazookas and other military devices. I am for laws that are educational in nature. I believe that before a person is permitted to buy a weapon he should be required to take a course that will teach him how to use it, to handle it safely and keep it safely about the house.

Gun education, in fact, can actually reduce lawlessness in a community, as was demonstrated in an experiment conducted in Highland Park, Mich. City police launched a program to instruct merchants in the use of handguns. The idea was to help them protect themselves and their businesses from robbers, and it was given wide publicity. The store-robbery rate dropped from an average of 1.5 a day to none in four months.

Where do we go from here? My answer to this is based on the firm belief that we have a crime problem in this country, not a gun problem, and that we must meet the enemy on his own terms We must start by making crime as unprofitable for him as we can. And we have to do this, I believe, by getting tough in the courts and corrections systems.

A recent news story in Washington, D.C., reports that, of 184 persons convicted of gun possession in a six-month period, only 14 received a jail sentence. Forty-six other cases involved persons who had previously been convicted of a felony or possession of a gun. Although the maximum penalty for such repeaters in the District of Columbia is ten years in prison, half of these were not jailed at all. A study last year revealed that in New York City, which has about the most prohibitive gun legislation in the country, only one out of six people convicted of crimes involving weapons went to jail.

This sorry state of affairs exists because too many judges and magistrates either don't know the law or are unwilling to apply it with appropriate vigor. It's time to demand either that they crack down on these criminals or be removed from office. It may even be time to review the whole system of judicial appointments, to stop weakening the cause of justice by putting men on the bench who may happen to be golfing partners of Congressmen and too often lack the brains and ability for the job. In Arizona today we elect our judges, and the system is working well, in part because we ask the American and local bar associations to consider candidates and make recommendations. In this way, over the last few years, we have replaced many weaklings with good jurists.

We have long had all the criminal statutes we need to turn the tide against the crime wave. There is, however, one piece of proposed legislation that I am watching with particular interest. Introduced by Sen. James McClure (R., Idaho), it requires that any person convicted of a federal crime in which a gun is used serve five to ten years in jail automatically on top of whatever penalty he receives for the crime itself. A second conviction would result in an extra ten-year-to-life sentence. These sentences would be mandatory and could not be suspended. It is, in short, a "tough" bill. I think that this bill would serve as an excellent model for state legislation.

And so it has in California which, last September, signed into law a similar bill requiring a mandatory jail sentence for any gun-related felony.

Finally, it's important to remember that this is an area of great confusion; an area in which statistics can be juggled and distorted to support legislation that is liable to be expensive, counter-productive or useless. The issue touches upon the freedom and safety of all of us, whether we own firearms or not. The debate over gun control is an adjunct to the war against crime, and that war must be fought with all the intelligence and tenacity we can bring to it.

SECURITY AND FREEDOM: THE SENSITIVE BALANCE IN A DEMOCRACY

Mr. CRANSTON. Mr. President, I wish to draw to my colleagues' attention an eloquent essay printed in the back pages of the report on alleged assassination plots, recently released by the Senate Select Committee To Study Governmental Operations with respect to intelligence activities. It was written by the junior Senator from North Carolina, ROBERT MORGAN, a member of the select committee.

Senator Morgan has penned one of the most concise, judicious statements on the competing claims of security and freedom I have read. I quote from one passage:

> Although we must have intelligence, we also must preserve our open society, for to destroy the latter for the sake of the former would be a complete perversion of our goals.

It is important to note that the Senator from North Carolina does not spare either the executive or legislative branches in insisting upon the accountability of the intelligence agencies in a society that is based upon the rule of law. I look forward to hearing his recommendations for reforming the FBI and other agencies.

I ask unanimous consent, Mr. President, to have printed in the Record the views of Senator Morgan to which I have referred.

There being no objection, the views were ordered to be printed in the Record, as follows:

Additional Views of Senator Robert Morgan

Our Nation needs a strong, secure, and effective intelligence community. Our memory of Pearl Harbor and testimony taken in hearings with regard to that catastrophe as well as testimony taken during these hearings clearly establish the need for a central intelligence agency to coordinate the intelligence gathered by our various agencies of Government. If the United States had had a coordinating intelligence agency in 1941, the disaster at Pearl Harbor would, in my opinion, have been averted. That we have now, and continue to have, such an agency is essential if we are to avert any future threats to our national security. Our national security is, after all else, of paramount importance.

We must recognize, however, that our national security can be subverted by overzealous governmental action as well as antagonistic domestic or foreign agents. Our Nation cannot remain intact if we ourselves subvert our own ideals; consequently, it is as important for our government to abide by them. In the words of U.S. Supreme Court Justice Louis Brandeis:

"Decency, security, and liberty alike demand that governmental officials shall be subjected to the same rules of conduct as the citizen. In a government of laws, existence of the government will be imperiled if it fails to observe the law scrupulously. Our government is the potent, the omnipresent teacher. For good or for ill, it teaches the whole people by its example. If the government becomes a lawbreaker, it breeds contempt for the law; it invites every man to become a law unto himself; it invites anarchy. To declare in the administration of [a democracy such as ours] the end justifies the means * * * would bring terrible retribution. Against that pernicious doctrine, [we] resolutely set [our] face."

It is argued, and in many cases justifiably so, that in dealing with our national security, and especially with hostile or adversary forces abroad, extraordinary means are necessary. So long as the Soviets maintain KGB agents around the world, we must maintain an effective intelligence gathering capability. However, this report deals with a particular activity of the government, which in the absence of armed conflict, would, if true, shock the conscience and morals of most Americans. That this investigation was necessary was unfortunate, but it was made so by the broadly circulated and printed reports of alleged assassination plots, some of which were given credence by public statements by various officials. It was my belief in the beginning, and still is, that it would be far better to ascertain the truth as far as possible, and clear the air, to the end that our intelligence agencies could get back to their assigned tasks.

I have weighed in my own mind for many days and nights how much of the information contained in this report should be made available to the American public and thus to the world, including our potential adversaries. That the public has a right to know is incontrovertible, but whether that right extends to information which could damage our image and national security is not so easily determined. Is it satisfactory for the members of the Congress, the duly elected representatives of the people, to hold such information in trust for the people? In some cases of national security the answer can and must be "yes", and in the future, such information must be held by competent and aggressive oversight committees.

In the present situation too much water has gone over the dam for such secrecy and to refuse to make as full and complete a disclosure as is consistent with the safety and protection of our present intelligence personnel would only add to the intrigue, and the issue could not be put to rest. So though I have in some instances voted with some of my colleagues to retain much information in executive session, I have concurred with the issuance of this report after being assured that the release of it would not violate any law with regard to classified matter and after the respective agencies have had another chance to recommend exclusion of extremely sensitive matters.

Throughout the hearings one issue has remained paramount in my mind. If the alleged acts happened, were they the result of overanxious, overzealous intelligence agents who were acting like "a rogue elephant on the rampage", or, were they basically the acts of responsible, well-disciplined intelligence agents acting in response to orders of "higher authority"? To me the conclusion is important. If the first is true, then the agencies must be revamped or possibly dismantled and new agencies created to replace them. If the second is true, then clearer lines of authority must be established and stringent oversight by the duly elected representatives of the people must take place.

During the course of these hearings, I have been impressed by the belief held by the principals that those illegal and immoral acts engaged in by our intelligence agencies were sanctioned by higher authority and even by the "highest authority." I am convinced by the large amount of circumstantial evidence that this is true. Although illegal and immoral activities carried out by our intelligence agencies cannot be justified by any argument, it is, I think, important to note that these actions were carried out in the belief that they were sanctioned by higher authority, even though this Committee has been unable to establish whether or not presidential authority was given. Some of the acts conducted by these agencies could have been, and probably were, beyond the scope of the projects authorized. In addition, the agencies may have conducted other activities which, in spite of this investigation, are still unknown to this Committee. Thus, they cannot be absolved of all the blame.

Since our intelligence agencies act on both a compartmentalized and need-to-know basis, it is difficult to establish in retrospect who was informed and what authority was given. It is also difficult to establish what was told to those who were informed since circumlocution was also a standard practice within the chain of authority. The practice was, after all, adopted to insure official deniability as well as to acquire consent. And the effectiveness of these techniques of "need-to-know" and "circumlocution" is attested by the fact that this Committee not only has been unable to establish whose consent was given but has also been unable to establish who was not involved. We have been able to establish neither responsibility nor innocence. In this situation, the presumption of innocence cannot be applied without question, since the mere willingness to participate in circumlocutious briefings implies a willingness to deny responsibility at crucial times. Consequently, I also believe that responsibility for the illegal actions of our intelligence agencies must be shared; it should not be carried entirely by our intelligence community.

In drafting legislation to circumscribe the activities of intelligence gathering agencies, I would stress the need to guarantee their ability to function effectively in our complex and dangerous world. The effectiveness of our intelligence agencies must not be limited solely by sound and practical applications of law drafted with clear objectives in mind. We must know what we want our intelligence agencies to do and what we do not want them to do. Then we can confidently allow them to function in the knowledge that they will not only defend the law but abide by it. Only in that way can we be certain that our society will be preserved as an embodiment of our openly democratic ideals. Although we must have intelligence, we also must preserve our open society, for to destroy the latter for the sake of the former would be a complete perversion of our goals.

While we may realize that investigations of this nature into sensitive governmental actions in effect strengthen our country, we would be foolhardy to think for a moment that our enemies, and perhaps even friends, will openly acknowledge this significant accomplishment. We can assume, for instance, that our opponents will go to great lengths to publicize and distribute propaganda based on this report inimical to the best interests of the United States. That this, in fact, will be done only serves to reinforce my belief that we need, and must have, as strong an intelligence capability as possible. And while this Committee is charged with the responsibility of investigating and reporting on the misdeeds of the Central Intelligence Agency, we cannot reveal the details of the many meaningful accomplishments of the Agency which without a doubt have been beneficial to our country. That we have such an agency now, that we maintain our intelligence potential in these times of continuing international tension is essential to our society and continued existence as a nation.

The release of this report, based on the public's right to know, does not compromise our right to be secure. The report details only the actions of Agency employees in the cases under investigation and does not unnecessarily reveal confidential intelligence sources and methods. One can, however, successfully predict the impact the report will have in the news media. A review of previous revelations concerning assassinations which have appeared in the press have gone a long way towards sensationalizing this country's involvement in assassination plots. This report confirms some prior public allegations while it disproves others. While some may shudder upon learning that the events related in the report actually took place, we can all take great pride in the ability of this country to look frankly at problems within our system of government, and accordingly, in our ability to govern ourselves. History will undoubtedly record our ability to openly reveal and discuss improper, unpopular governmental actions as one of the basic elements in the continued existence of our free society and the general ability we, as a nation, have achieved to subject ourselves and our government to the rule of law.

NATIONAL CENTER FOR PRODUCTIVITY AND QUALITY OF WORKING LIFE BILL SIGNED INTO LAW

Mr. PERCY. Mr. President, last Friday, November 28, President Ford signed S. 2195 into law creating a new National Center for Productivity and Quality of Working Life.

The new center will replace the existing National Commission on Productivity and Work Quality, and give the productivity effort upgraded status in the Federal Government.

The center is to help establish a national policy on productivity, to support research in this regard, to coordinate Federal agency activities in this area, and in general to be the major Federal agency in trying to improve productivity in the private sector and in the Federal Government itself. Other Federal agencies are to keep the center informed of their efforts in improving productivity—both efforts they fund on the outside and efforts they undertake within their own agencies to improve productivity.

I attach particular importance to the work of the center as improving productivity in the United States is of the utmost importance. Currently, inflation continues to sap our economic vitality while rising unemployment works also to greatly diminish the standard of living. We must, therefore, not fail to make every reasonable effort to boost productivity in order to improve our real standard of living.

Mr. President, I wish the new center good fortune in its expanded efforts and I will be closely monitoring the work of the center to make sure that it lives up to the high expectations that the Congress has for it.

PRESIDENTIAL SPENDING POWER

Mr. CRANSTON. Mr. President, Louis Fisher has done the Congress and the country an invaluable service.

Mr. Fisher is a specialist in government affairs with the Congressional Research Service of the Library of Congress. His new book, "Presidential Spending Power," was recently published by Princeton University Press. I commend it to the attention of my colleagues.

The author aptly describes the problem of control over the Federal budget when he notes:

> We fix upon the appropriations process, watching with great fascination as Congress goes about its business of making funds available to agencies. What happens later—the actual spending of money—rarely commands our attention. Billions of dollars are impounded, transferred, reprogramed, or shifted one way or another by the President and his assistants. Billions more are used in confidential and covert ways, without the knowledge of Congress and the public.

Reading Mr. Fisher's book, I began to note first paragraphs, then pages, and finally chapters that I wished to include in the Record for the attention of my colleagues. My list rapidly grew to unmanageable proportions.

I would like to point out, however, several chapters of particular interest:

INTRA-ACCOUNT TRANSFERS REPROGRAMING

Chapter 4 provides valuable insight into the widespread use by the executive branch—particularly the Department of Defense—of the process of "reprograming" congressional appropriations.

Using this technique, executive officials have achieved some latitude in shifting funds from one program to another within an appropriations account.

A recent agreement between officials and the authorizing and appropriating committees has achieved at least advance notification to those committees of some of the reprogramings—averaging about $2.6 billion per year.

But Mr. Fisher makes clear that this is only the tip of the iceberg—that this reprograming statistic does not reveal the significant magnitude of so-called below-the-threshold actions carried out internally by the Department of Defense without any committee notification or approval.

INTER-ACCOUNT TRANSFERS

In chapter 5, Mr. Fisher describes the intricacies of transfers between the various appropriations accounts funding the Department of Defense. Using this mechanism, agency officials take funds Congress has provided for one purpose and place them in another account where they may be used for a different purpose. Mr. Fisher cites President Nixon's transfer of $100 million from foreign assistance accounts to finance the Cambodian invasion of 1970 as an example.

COVERT FINANCING

Chapter 9 of this fascinating and helpful book discusses funding of activities by the executive through confidential and secret accounts.

The author concludes that—

> We have reached the point where probably $10 billion to $15 billion in the Federal budget is obscured because of confidential funds, secret funds, or cryptic budget justifications.

EXECUTIVE AGREEMENTS

Another technique for executive evasion of congressional control over the budget is through the use of executive agreements.

Mr. Fisher notes that from 1963 through 1973, executive agreements accounted for 278 violations of the Antideficiency Act, having a total value of $188 million. The Pentagon was responsible for 216 of these violations, worth $165 million.

CONGRESSIONAL CONTROL OF THE BUDGET

The Senate has just passed the second concurrent resolution on the budget, thereby nearing the completion of the first full cycle of the congressional budget process.

This new process provides the legislative branch with the means to regain its constitutional role in controlling funding totals and budget priorities. Establishing this process is an essential first step if Congress is to get a firm grip on Federal spending. Yet, as Mr. Fisher notes:

> Only a systematic exploration of the entire area of budget execution, followed by the necessary statutory and nonstatutory controls, will assure Congress a decisive voice in shaping the budget and determining how public funds shall be spent.

Robert Lekachman reviewed Louis Fisher's book in the New York Times on November 16, 1975. Mr. President, I ask unanimous consent that it may be printed in the Record.

There being no objection, the review was ordered to be printed in the Record, as follows:

[From the New York Times, Nov. 16, 1975]

"PRESIDENTIAL SPENDING POWER"

(Book Review by Robert Lekachman)

Testifying in 1973 before the Senate Appropriations Committee, Elliot Richardson, then Secretary of Defense, told his auditors that even if Congress denied the Pentagon its modest $500-million appropriation for continued Cambodian bombing, "We will consider that we have the authority to do it anyway. We can find the money to do it anyway. . . . We could invoke section 3732 authority." What on earth, even a Senator might wonder, was section 3732 authority?

In this extraordinarily valuable inquiry into the growth in the capacity of American Presidents to thwart Congress' constitutional control of public spending, Louis Fisher, a Library of Congress specialist, traces the Pentagon's extraordinary autonomy to a 1799 statute, known as the "feed and forage law." The measure, originally enacted to serve the convenience of isolated frontier units, authorizes purchase of needed supplies without prior recourse to the normal Congressional appropriation process.

Since 1799, Congress has actually broadened the scope of allowable spending, and only in 1966 did the lawmakers require the Pentagon at least to report on its use of Section 3732 authority. However, in 1975 Defense officials are still free to obligate funds, to present each action as *fait accompli* to Congress and to leave its members no alternative except appropriation of the funds required to honor Government commitments.

Cambodia is a spectacular example of executive willfulness, but the feed and forage anachronism is only one of a very large number of devices available to masterful Chief Executives. Funds can be shifted within accounts and between accounts in ways that even Mr. Fisher is not certain he has completely fathomed. When Congress extends spending authority over more than one year (multi-year appropriations) or an indefinite period (no-year appropriations), Defense officials are free to enter into escalating weapons arrangements whose ballooning costs Congress is trapped into meeting. Indeed the fact that Congress sets the Pentagon budget at a given total is not a guarantee that actual spending be within $10-billion of the appropriated sum. The Pentagon is always well-supplied with funds derived from earlier no-year or multi-year appropriations, not to mention Section 3732.

Opportunities to evade the Congressional will abound. Since 1790, Congress has granted each President and a widening list of Cabinet agencies confidential funds for which no detailed invoices are required. The Department of Defense's confidential funds in 1973 amounted to $4.3-million. At least Congress knows that these funds exist. By contrast, secret funding of the variety that finances the C.I.A. and other intelligence agencies is, in Fisher's words, "covert at every stage: from appropriation straight through to auditing." The 1949 statute that spawned the C.I.A. permitted its resources to be "expended without regard to the provisions of law and regulations relating to the expenditure of 'Government funds.'"

It is bad enough that Congress has lost control of the intelligence budget, estimated (but not known) to be at least $6-billion. Since the intelligence dollars flow from a wide variety of civilian and military appropriations that have been secretly inflated in order to facilitate transfers to intelligence agencies, Congress never quite knows whether the sums allocated for other purposes in non-intelligence agencies are genuinely spent on designated objectives, or, instead, used to finance secret war in Laos, destabilize foreign governments or subsidize friendly foreign politicians.

Impounding is yet another area of implicit Presidential legislation in defiance of Congress. Although Richard Nixon was not the first President to refuse to spend money Congress had appropriated, he was here, as elsewhere, an overreacher. As Fisher summarizes the Nixon record, "impoundment had been used for decades without precipitating a major crisis. But during the Nixon years restraint was replaced by abandon, precedent stretched past the breaking point, and statutory authority pushed beyond legislative intent."

The trouble was that "the Nixon Administration never demonstrated an understanding of what lies at the heart of the political system: a respect for procedure, a sense of comity and trust between the branches, an appreciation of limits and boundaries." Thus, when on Jan. 5, 1973, Mr. Nixon imposed an 18-month moratorium on subsidies to four housing programs, he in effect repealed for at least a year and a half policies Congress wished to continue and activities for which it had allocated funds. As Fisher puts it, "It was a familiar doctrine by the Nixon Administration: a proposal by the President enjoyed a status superior to a public law enacted by Congress."

Although the Nixon years bulk large in this volume, it is no more a Watergate book than Raoul Berger's two valuable inclusive inquiries, "Impeachment" and "Executive Privilege." Like Berger, Fisher began his research years before the most celebrated third-rate burglary of the century. If, as some flickering signs suggest, Congress reasserts its institutional role, the country may yet have occasion to be grateful to Richard Nixon. Right now Presidents have accumulated enough power to thwart both Congress' specific authority over individual appropriations and its general responsibility to manage economic policy. The autonomous Federal Reserve and the semi-autonomous President have between them the power to negate the stimulus to economic recovery Congress intended by increased spending and diminished taxes.

Fisher has been in Washington too long to be foolishly optimistic about the prospects of Congressional revival. Bureaucrats are cunning: "Take away the power to make transfers and agency officials pad their budgets. Eliminate discretionary authority altogether, and agencies declare deficiencies." And so on. Particularly since some executive discretion is an essential element of competent administration, Congress can never afford to relax its oversight. However, since the cry for executive flexibility is also a way of "hiding much mischief," Fisher identifies a need for much more information as well as an institutional mechanism to collect and analyze it in concise enough form to be usable to Members of Congress. Better techniques of accountability and sterner punishment of offending officials are other esentials of vigorous Congressional supervision of spending. Fisher's proposals and hopes are both modest.

Although the theme of the study is unavoidably technical and the details of public administration are rarely fascinating, I found this book continuously interesting. What, a reader keeps wondering, will our ingenious, power-greedy officials think of next? Fisher's explanation are almost invariably lucid and economical. Without doubt, this is the most important study of the American political process I have encountered in a very long time. It is worth more than any half dozen memoirs of repentant Watergate sinners or any number of retellings of the grisly events of 1972–74.

THE ENVIRONMENTAL PROTECTION AGENCY

Mr. BROOKE. Mr. President, 5 years ago today the Environmental Protection Agency was born with a charter "to organize rationally and systematically the activities of the Federal Government which relate to the environment" by centralizing responsibilities for the major Federal pollution control programs, then located in three Cabinet departments, one independent agency and two interagency councils.

It probably could not have been foreseen, while the bloom was on the rose, that the course of EPA would read like the voyage of Ulysses, and that the burden which the Congress placed upon this agency would be so onerous and so awkward. We have, of course, since learned that some of the deadlines which were built into the Clean Air and Water Pollution Control Acts may be unrealistic, due either to the failure to develop adequate technology or to the rather harsh economic situation which we are presently experiencing. Nevertheless, I believe that the Environmental Protection Agency deserves tremendous credit for having made so much progress these past 5, difficult years.

EPA, through its municipal waste water treatment construction grant and industrial permit programs has made positive strides in river cleanup in the State of Massachusetts. For example, since passage of the Federal Water Pollution Control Act Amendments of 1972, EPA has awarded millions of dollars for construction of sewage treatment facilities to towns along the Millers River and due to this massive infusion of funds, the river seems to be well on its way to restoration. Other grants are helping to reduce the pollutants flowing into the Nashua River, thus helping it to become once again suitable for recreational boating and as a habitat for fish and wildlife. In addition, we have been assured by EPA's Regional Administrator John McGlennon that, "By 1978, there is going to be an incredible improvement in the quality of the Merrimack" which has been one of our Nation's filthiest rivers. "There is no place in New England that we are putting more money into than the Merrimack," McGlennon recently said.

Under the authority of the Safe Drinking Water Act, the EPA is moving to develop national primary and secondary drinking water regulations. Nothing could be more important to historic Massachusetts communities with antiquated water supply systems, than to have to study their water problems and meet high standards.

EPA is also undertaking a program of technical and program assistance to the States, and research and development on the effects of water quality on human health. For example, in late October of 1973, EPA awarded a grant to Dr. Dorothy Worth of the New England Medical Center Hospital in Boston to study the relationship of blood lead levels to lead in household drinking water. Although Dr. Worth has not yet completed a final report on the results of her study, preliminary results of this and other EPA studies appear to indicate that there may be a demonstrable difference in blood lead levels of residents in households where levels of tap water exceed the Public Health Service drinking water standards and in households where lead levels in tap water are below these standards. Such results, if finally confirmed, will, of course, greatly assist EPA in acquiring the solid data upon which to establish its final drinking water regulations. More important, they provide our best hope for combatting insidious lead poisoning which so sadly affects our children.

I would also mention, Mr. President, that a successful EPA research, development, and demonstration program to recover wastes has been underway for the past several years. Basically the program has emphasized the recovery of municipal solid wastes from major urban centers, where disposal problems are greatest. In the metropolitan regions of the Bay State, these difficulties have reached crisis proportions in recent years.

Resource recovery demonstration projects across the country, hold great promise for the future in helping to solve the problem of disposing of municipal refuse with minimal environmental impacts. In the future, this EPA program is being expanded to include research into developing techniques to use wastes as supplemental fuel in smaller communities and industrial boilers, and to co-fire wastes and oil, which could offer even greater dividends to energy-poor New England.

In October 1974, I expressed my concern that increasing numbers of persons in Federal Government, industry and the public, erroneously believe that environmental protection programs and pollution control expenditures are a significant part of our inflationary and other economic problems. I believe the critical issue is the economic damage of pollution, both in terms of public health, and destruction of agricultural real property, estimated to be approximately $12.3 billion annually in air pollution alone. The long-term effects of environmental destruction will be severe and perhaps irreversible.

I do not think that the American people expect that the costs for correcting serious environmental damage will be low. On the contrary, a recent survey on air pollution commissioned by the Federal Energy Administration presents evidence that most Americans are committed to cleaning up the environment and that they are willing to pay reasonable amounts of money to provide for protection and preservation of our natural resources. Results of this survey can be found in the CONGRESSIONAL RECORD of November 4, 1975.

The significance of the National Environmental Policy Act in systematic planning should not be underestimated;

it serves as an important link in the establishment of national environmental policies, by providing for planning and coordination. The Environmental Protection Agency, of course, performs these vital functions and implements NEPA.

Mr. President, the Environmental Protection Agency should not only be commended for its past efforts, during very tough times, but should be encouraged to continue with the mandate which the people, through the Congress, have given to it.

A REVIEW OF THE RECENT U.N. VOTE ON ZIONISM

Mr. RIBICOFF. Mr. President, a recent article in the U.S. News & World Report emphasizes some particularly interesting and relevant facts about the shocking vote in the U.N. condemning Zionism as a form of racism and racial discrimination.

The article highlights how seriously such votes threaten the continued usefulness of the U.N. as a force for international cooperation and development.

I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIBICOFF. Mr. President, the article makes a number of interesting points:

Only 14 of the 72 members of the U.N. who voted for the resolution were true democracies.

Of the 35 nations voting against the resolution 27 were democracies.

In 1972 the United States provided $478 million to the U.N. This was almost 38 percent of all the money contributed by nations to the U.N. that year. In 1973 the United States provided $405 million or 31 percent of all contributions. In all, the United States has contributed $5.5 billion to the U.N. since 1945.

Of the 142 votes in the General Assembly of the U.N. 105 belong to nations that are considered part of the third world.

The bloc of Arab countries at the United Nations account for only 3 percent of the world's population. Yet their oil revenues of $63 billion a year are bigger than the total output of all goods and services in the 110 poorest nations of the world combined.

These facts illustrate how extremely important it is for this country to take a careful look at the structure and purposes of the United Nations and other international organizations.

The true purposes and ideal of the United Nations must not be distorted by what has been called "the tyranny of the majority." Nor must they be distorted by a few countries with enormous wealth, and an enormous ability to pressure other, poorer members.

As the Senate recognized last month when it approved Senate Concurrent Resolution 73, the Congress must play an active, constructive role in any reappraisal by this country of the makeup of the U.N.

I commend this article in the U.S. News & World Report to the entire Senate.

EXHIBIT 1

AS SPLIT WIDENS AT THE U.N., U.S. STARTS HITTING BACK

The immediate issue: A vote on Zionism that rubbed many the wrong way. But look closely and it's clear that U.N. woes are deep-rooted.

Once again the United Nations is in serious trouble—perhaps deeper than at any time since its founding in 1945.

At the core of the latest crisis is a General Assembly resolution branding Zionism as "a form of racism and racial discrimination."

The move on November 10 produced a storm of emotional protests across the United States and Western Europe—and a unanimous vote of the U.S. Senate calling for an official reassessment of America's future role in the U.N.

Accounting for the unparalleled intensity of Western reaction against this latest development in the world body are two factors.

First is widespread uneasiness that the resolution—engineered by the Arabs as an anti-Israeli move—will revive broadscale anti-Semitism. In the words of the U.S. Ambassador to the U.N., Daniel Patrick Moynihan:

"A great evil has been loosed upon the world. The abomination of anti-Semitism . . . has been given the appearance of international sanction."

Second is resentment that Israel, a practicing democracy, is the target of the United Nations resolution while the coercive racial, religious and political practices of numerous nondemocratic member countries are overlooked.

Immediate effects. Underlying the latest crisis is a widening split in the U.N. that could have far-reaching and damaging consequences. Already, in the view of many knowledgeable observers, the vote of November 10 has—

Further diminished the U.N. as a forum in which to settle international disputes calmly and rationally.

Demonstrated the power of small, largely backward nations to dominate the General Assembly through a "tyranny of the majority."

Exposed the ease with which rich Arab oil-producing nations can turn the U.N. into a potent weapon.

Complicated U.S. efforts to mediate a Mideast peace agreement by stiffening Israel's resolve to stand tough in negotiations and by casting doubt on the sincerity of expressed Arab desires to reach a settlement.

Stirred the Ford Administration and the U.S. Congress into taking a second look at American participation in the U.N.—or at least at its substantial financial contributions to the body.

Passage of the resolution was not unexpected. Hard-line Arab nations—including Kuwait, Syria and Iraq, plus the Palestine Liberation Organization—had been lobbying hard for the measure ever since they failed in two attempts last summer to win backing for Israel's expulsion from the General Assembly.

Yet the size of the Arab victory startled some delegates. Of 142 U.N. members, 72 voted for the anti-Zionist resolution, 35 against, 32 abstained, and 3 were "not present."

U.S. "WILL NOT ABIDE"

Ambassador Moynihan put the U.N. on notice that the U.S. "does not acknowledge, it will not abide by, it will never acquiesce in this infamous act."

Despite the Arab propaganda coup, authorities on the U.N. note that the General Assembly is mainly a "show window" with moral force but no legal authority. Only the 15-member Security Council can issue legally binding orders, and only the five permanent Council members—the U.S., Britain, France, China and Russia—have a veto.

Nevertheless, experts say, passage of the resolution shows the growing power of "third world" countries in the U.N., which has skyrocketed from the 51 charter members of 1945 to today's 142. Of the 142 current members, 104 are considered part of the third world, many with one-man rule or governed by an elite few.

Each member of the General Assembly has just one vote—whether it be the U.S. with its 214 million population or tiny Sao Tomé e Principe with 76,000. Also, disregarded is the money each country gives the U.N. and its associated agencies and special programs.

The U.S. put up 478 million and 405 million dollars in 1972 and 1973, compared with 792 million and 897 million from all other members combined. In 1974, the U.S. gave 420 million, bringing its total contributions since 1945 to more than 5.5 billion.

With its overwhelming majority in the Assembly, the Arab-third world-Communist bloc combination has frequently forced its will on the wealthier, more developed minority.

In recent years, the U.N. has ousted Nationalist China and admitted Communist China, suspended South Africa from the Assembly because of its apartheid policies pushed Israel out of some U.N. agencies, invited PLO leader Yassir Arafat to address the Assembly with chief-of-state honors.

Arab nations have had little trouble lining up support among have-not countries for their anti-Israel campaign with promises of financial assistance—or by threats of economic reprisals.

REAPPRAISAL URGED

"The U.S.," says one American expert, will have to consider a more muscular attitude in countering the influence of the Arab bloc among the third-world nations—even among pro-Western states who fear another oil boycott.

"What's needed is a thoroughgoing reappraisal of the makeup of the U.N. and its vulnerability to pressure and economic blackmail."

Immediately after the anti-Zionist resolution was passed, a number of prominent Americans in private life and in Congress demanded that the U.S. pull out of the United Nations and cut off all American assistance to countries that voted in favor of the measure.

Ranking U.S. officials insist, however, that it's easier to talk about retaliation than to implement it. The United States, they say, faces this dilemma:

How to demonstrate to a country that voting against the U.S. on one particular issue invites countermeasures, without damaging American relations with that same state in other crucial areas.

"America's power and global interests are so widespread," says one authority, "that attempts to blunt either the Arab oil weapon or runaway voting by third-world countries in the U.N. are extremely complicated."

But high-level officials within the Government make it clear that the U.S. is looking for ways to offset the unequal power of Arab and third-world nations in the U.N.—if it can be done without damaging American interests.

WARNING BY KISSINGER

Secretary of State Henry Kissinger recommends caution in dealing with the U.N. Yet he also warns that White House patience is not endless. He told a news conference in Pittsburgh on November 12:

"If the U.N. continues this sort of action—this sort of arbitrary action—it is bound to have serious consequences for the relationship of the United States to the U.N. and for its viability as a world organization."

THE POWER THAT SWAYED HALF THE UNITED NATIONS

The bloc of Arab countries at the United Nations, by some measures, is relatively small—

Total population: 137 million, just 3 per cent of the world's people.

Total output: About 100 billion dollars a year, not even a tenth of the output of the United States alone.

Yet the burgeoning oil wealth of the Arab bloc gives it enormous leverage to influence the decisions of other nations, particularly poor or developing lands—

Oil revenues: 63 billion dollars a year, bigger than the total output of all goods and services in the 110 poorest nations of the world combined.

Oil export: 16 million barrels a day, or 55 per cent of all shipments by major exporters. Control of so much oil gives the Arab nations life-or-death power over nations that cannot turn elsewhere for oil.

Gold and other reserves: 34 billion dollars, or 15 per cent of all the world's monetary reserves. Amassed through sales of oil, these reserves can be used for loans, grants and other aid to win countries over to the Arab side.

Basic data: U.N., U.S. Agency for International Development, Morgan Guaranty Trust.

On the Zionism Issue . . . It Was Democracies Versus Dictatorships

VOTING FOR THE RESOLUTION: 72 MEMBERS

Afghanistan, one-man rule.
Albania, Communist dictatorship.
Algeria, one-party rule.
Bahrain, sheikdom.
Bangladesh, martial-law dictatorship.
Brazil, military dictatorship.
Bulgaria, Communist distatorship.
Burundi, military dictatorship.
Byelorussia, Soviet republic.
Cambodia, Communist dictatorship.
Cameroon, parliamentary democracy.
Cape Verde, parliamentary democracy.
Chad, military dictatorship.
China, Communist dictatorship.
Congo, military dictatorship.
Cuba, Communist dictatorship.
Cyprus, mixed rule.
Czechoslovakia, Communist dictatorship.
Dahomey, military dictatorship.
East Germany, Communist dictatorship.
Egypt, one-party rule.
Equatorial Guinea, one-party rule.
Gambia, parliamentary democracy.
Grenada, parliamentary democracy.
Guinea, one-party rule.
Guinea-Bissau, one-party rule.
Guyana, nominal democracy.
Hungary, Communist dictatorship.
India, emergency one-woman rule.
Indonesia, military dictatorship.
Iran, absolute monarchy.
Iraq, one-party rule.
Jordan, kingdom.
Kuwait, family dynasty.
Laos, Communist dictatorship.
Lebanon, parliamentary democracy.
Libya, military dictatorship.
Madagascar, military dictatorship.
Malaysia, parliamentary democracy.
Maldive Islands, parliamentary democracy.
Mali, military dictatorship.
Malta, parliamentary democracy.
Mauritania, one-party rule.
Mexico, parliamentary democracy.
Mongolia, Communist dictatorship.
Morocco, kingdom.
Mozambique, one-party rule.
Niger, military dictatorship.
Nigeria, military dictatorship.
Oman, absolute monarchy.
Pakistan, nominal democracy.
Poland, Communist dictatorship.
Portugal, military rule.
Qatar, sheikdom.
Rwanda, military dictatorship.
São Tomé, e Principe, parliamentary democracy.
Saudi Arabia, absolute monarchy.
Senegal, parliamentary democracy.
Somalia, military dictatorship.
South Yemen, leftist dictatorship.
Soviet Union, Communist dictatorship.
Sri Lanka, parliamentary democracy.
Sudan, military dictatorship.
Syria, one-party rule.
Tanzania, one-party rule.
Tunisia, parliamentary democracy.
Turkey, parliamentary democracy.
Uganda, military dictatorship.
Ukraine, Soviet republic.
United Arab Emirates, sheikdoms.
Yemen, military dictatorship.
Yugoslavia, Communist dictatorship.

Of the 72 members voting for the resolution, only 14 were true democracies. The other 58 were run by dictators, strong men or elite groups.

VOTING AGAINST THE RESOLUTION: 35 NATIONS

Among these nations, which included the U.S. and most nations of West Europe, were 27 democracies and only 8 countries run by dictators or strong men.

Democracies: Australia, Austria, Bahamas, Barbados, Belgium, Britain, Canada, Costa Rica, Denmark, Dominican Republic, El Salvador, Fiji, Finland, France, West Germany, Honduras, Iceland, Ireland, Israel, Italy, Liberia, Luxembourg, the Netherlands, New Zealand, Norway, Sweden, U.S.

Others: Central African Republic, Haiti, Ivory Coast, Malawi, Nicaragua, Panama, Swaziland, Uruguay.

Note.—32 countries abstained, and 3 were "not present."

THE ENVIRONMENTAL PROTECTION AGENCY

Mr. PERCY. Mr. President, I am gratified to see that the American public and Congress as well have not only become aware of the problems facing our very existence in the area of environmental quality, but have attempted to provide the tools with which damage to our environment can be undone and future damage prevented. Back in 1970 one of the positive steps the administration and Congress took to deal with our environmental management activities involving pollution control was the establishment of the Environmental Protection Agency. This agency consolidated major antipollution programs that previously were scattered among existing Government agencies.

Today, the Environmental Protection Agency celebrates its fifth anniversary. It is time for reflection and celebration. In reflecting on the last 5 years, I do not believe that EPA has solved all of our pressing pollution control problems. However, I do believe it has begun to take the essential initial steps necessary to insure a clean and healthy environment for us as well as future generations.

Recently, I received from EPA a list of what it considers its prime accomplishments in region V of which Illinois is a part. I should hope that these accomplishments will be expanded throughout the country.

Mr. President, I ask unanimous consent that the Environmental Protection Agency's region V success stories be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

November 11, 1975.

Region V Success Stories—5th Anniversary of EPA

The Great Lakes.—One of the major accomplishments in environmental cleanup in the last five years has been in the major rivers and streams that feed into the Great Lakes. The Cuyahoga River, the Detroit, the Rouge, and the Calumet all have shown significant improvement due to efforts by the Federal government, the States, industry and citizens throughout the Great Lakes basin. This has resulted in a significant reduction in the flow of pollution into the Great Lakes. Oil, dissolved solids, oxygen demanding wastes and phosphorus have all been significantly reduced. Proof of this cleanup can be seen in the return of high quality sports fishing to these areas. A few years ago, the few people fishing the Detroit River would be taking carp. Now they're talking perch, walleye, channel catfish and even muskie. Coho chinook salmon and steelhead trout have been planted in the Detroit River. The bright orange color of the Rouge River is gone.

In Cleveland, businessmen are committing $48 million to development on the banks of the Cuyahoga River, which five years ago was known as a fire hazard. Significant cleanup by industry has accounted for much of the improvement. Jones and Laughlin Steel, for example, is close to finishing an $11 million water pollution cleanup program which will reduce its discharges from 32,213 pounds of waste a day to 1,764 in the near future. In September, J&L was honored by the EPA for its commitment to pollution cleanup.

Major municipal cleanup programs are underway in Detroit and Cleveland with over a billion dollars in Federal, State and local funds committed to making Lake Erie's inshore waters swimmable and fishable.

Chicago officials who monitor the city's drinking water say they now use 40 per cent less chemicals than they did in 1970. One of the reasons for this has been cleanup of the Calumet River which no longer is grossly polluted with oil and grease. Badgers have even been seen recently along the river banks.

DDT concentrations in Lake Michigan chub have decreased since 1970 by around 60 per cent and in Lake Michigan salmon by 50 per cent in that time period.

By the end of 1975 sixty per cent of the sewered population on the Great Lakes will have at least secondary treatment and 95 per cent will be served by 1978.

Since the enactment of the Clean Air Act, 60 per cent of the over 2,000 major stationary sources of air pollution in the Midwest Region have been brought into compliance with federal and state air pollution regulations.

The most significant improvements in air quality are the reduction of unhealthy levels of sulphur dioxide fumes in large cities. Chicago has reduced its SO_2 levels by 55 per cent in the last four years. A 33 per cent improvement has occurred in Cleveland. Particulate matter in Gary, Indiana still exceeds the national standards, but its SO_2 levels have been reduced and are within the national air quality standards.

Solid Waste.—Thanks to EPA's technical assistance to communities, a growing number of cities like Akron, Ohio are saving up to $2 million per year through improvements in refuse collection. Similar programs are being helped in less populous areas. In Oakland County, Michigan $220 thousand is being saved a year.

THE ARMS RACE

Mr. CLARK. Mr. President, in recent years, we have witnessed an alarming proliferation of military arms—in this country as well as in others. Our failure to reach any really effective agreement for limiting the arms buildup, arms sales and particularly, nuclear proliferation, does not bode well for the future of world peace.

The United States should be exercising an international leadership role in arms control, particularly since we are the source of so much of the world's weaponry. But unfortunately, many people in this country—including many of our leaders—have not yet accepted the premise that enormous military might is not necessarily the road to increased U.S. stature abroad, nor to world peace.

A world filled with hundreds of countries, each trying to outdo the other in acquiring weapons, is a frightening prospect, but that, unfortunately, is where we are today. Many of these countries lack the great resources of the United States, but they buy large amounts of arms anyway—pushed on by buildups by their enemies as well as by aggressive arms sales by this country. Unfortunately, pouring these dollars into military might means taking them away from human needs, and even the relatively rich United States is finding out it cannot really afford both.

My colleague in the House, Representative BERKLEY BEDELL, stated these views in a guest editorial in the Des Moines Sunday Register on November 23. I ask unanimous consent that the entire editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

URGES NEW FOREIGN POLICY BASED ON NUCLEAR REALITY

(By Berkley Bedell)

Time was in the history of man when the strongest man with the biggest club could impose his will upon those not so strong. Might made right. With the advancement in weapons through clubs, spears, arrows and finally guns, a small person could pull the trigger of a gun just as easily as a giant, and leadership came not from brute strength but from one's ability to lead.

The strong men who failed to recognize this change ceased to be leaders, and those who wasted their resources on more and bigger clubs and spears were the fools of the time.

Time was when those nations with the largest armies could impose their will upon weaker nations. The Turks and the Greeks and the Romans ruled by the power of their armies, and might made right. With the development of weapons through the spear, the arrow, the gun, and finally the nuclear bomb, nations are coming to the place where one nation's ability to destroy another is no longer dependent upon the size of its army but whether or not it possesses nuclear weapons.

The development of nuclear weaponery by nations is to the family of nations what the development of the gun was to the family of man. Just as a gun enables a person to destroy another regardless of their relative power, so possession of nuclear weaponry gives one nation the power to destroy another regardless of their relative military might. One Poseidon submarine carries enough nuclear warheads to destroy more than half of Russia's industrial capability.

Dinosaurs no longer walk the earth because they could not adapt to the changes of the world. History is a record of those who have fallen because of their failure to recognize changing times and adapt to them. I pray that America will not make this mistake.

American foreign policy still is dictated by those who fail to recognize the realities of the nuclear bomb. They fail to realize that with the coming of the nuclear age, brute strength can no longer be used as a tool for persuasion.

In a gun duel the quality of one's gun and ammunition are important, but when one loads himself down with so many guns and so much ammunition that he depletes his strength in carrying the load, he fools no one but himself.

Today with the new realization of the magnitude of America's economic problems there are those who point their finger at our generals and admirals for their insatiable appetite for more and more weaponry.

I would suggest that we point that finger at America's political leadership, and, indeed at the American people for a foreign policy which fails to recognize the new realities of the nuclear age and is based upon the outdated concept that our influence in the world of tomorrow will be dependent upon how many clubs we own, and how many times we can destroy another nation.

For the bicentennial year I suggest a new foreign policy that recognizes the reality that once one has the ability to destroy any possible enemy, piling on more and more weapons weakens rather than strengthens. This new policy must also recognize that nuclear weaponry to nations, like guns to individuals, will tend to equalize the possessors, be they weak or strong by previous standards.

We can then move forward with a defense policy that strengthens rather than drains America, and a foreign policy that helps to build a better world through negotiations, leadership and example.

EPA'S FIFTH ANNIVERSARY

Mr. JAVITS. Mr. President, it is now 5 years since Executive Reorganization Plan No. 3 set up the Environmental Protection Agency as a separate agency within the executive branch. This, in my view, was a most important development in our era, and it should continue to be regarded as an agency with a mission as important to our national well-being as any that exists. In a way, its establishment has ushered in a new era in protection of our citizens from harms that sometimes are not immediately apparent, but that if left unrestricted by public concern could surely lead to grave danger to irreplaceable environment.

The EPA has begun to mature over these past 5 years, as has Congress on environmental matters. When the Clean Air Act of 1975 was passed, we barely stopped to consider the feasibility of implementation or the long lead times necessary to complete the cleanup. Similar thoughts pervaded our passage of the water pollution control amendments in 1972.

We now know that cleanup of our environment, principally the air of our cities and the water in our lakes and rivers, will take time and cost money. But that cleanup is clearly worth the price. And it is a cleanup that must be continued with vigor and haste so that an entire generation of Americans do not lose the benefits of this grand and beautiful Nation.

Abatement of pollution is only the first step in environmental protection, and the EPA is just now beginning to move toward areas of environmental concern that are equally serious, but perhaps not quite as noticeable. I will cite three of these areas that I consider to be of primary concern, and as to which I believe the EPA should devote major attention within its statutory limits, and about which Congress should continue to investigate to determine whether further legislative initiative may be necessary.

NOISE

Noise control is the only completely new EPA program activity, there being no program in existence at all prior to 1970. In just a few years since the Noise Control Act of 1972 was enacted, noise control is beginning to be established as a major environmental concern and priority.

EPA has laid a solid foundation with extensive documentation of the adverse health and welfare effects of noise, proceeding from this basis to regulate in general priority or order the major sources of noise. It has proposed or issued regulations for trucks, air compressors, railroads, and various regulations for aircraft noise control through requirements for aircraft technology and flight procedures.

Much more must be done to alleviate the burdens caused by noise polluting machinery and equipment which affect millions of persons each year. Both on the job and in the home people are bombarded daily with high decibel cacaphony that is not only deleterious to their health, but seriously adverse to their enjoyment of life.

This, as is air pollution, is primarily a problem of the cities, and it must be tackled as fully and comprehensively. There is no doubt that our technology can produce quieter products and machines: Directing modern technology in this direction will make our factories more pleasant places to work and our urban areas, especially near every airport in the country, more satisfying places to love and raise a family. It is this task to which we must now address ourselves.

SOLID WASTE

In recent years, as the society has become so consumption-oriented, we have been moving toward a "throw away" society—only very recently have we realized we cannot afford such waste. Under the pressure of growing shortages of energy and other resources and the skyrocketing prices of almost all materials, we are beginning to see basic changes in our attitudes toward waste and its management.

By 1985, 10 years from now, it is estimated that the mixed solid wastes generated by our major metropolitan areas will amount to nearly 400,000 tons a day. Converted to energy, that is the equivalent of some 400,000 barrels of oil per day, which is nearly a fifth of the Alaska pipeline's projected flow. These same wastes could also provide 7 percent of the iron, 8 percent of the aluminum, 5 percent of the copper, 3 percent of the lead, 19 percent of the tin, and 14 percent of the paper consumed each year, and in so doing would consume far less energy than virgin materials would.

Demonstration projects are underway in several cities to show that trash can be converted to fuel for heating and electric power.

In St. Louis, the "trash-to-kilowatts" demonstration program of burning garbage with coal has pointed the way to a major opportunity for communities to both reduce waste disposal costs and expand energy supplies while cutting pollution. By 1980, at least 25 major American cities will be involved in some form of resource recovery from municipal trash.

Through an action campaign to reduce waste, Federal facilities are undertaking a recycling program to use returnable beverage containers and recycle high-grade waste paper.

But this is only the very beginning if we are to utilize the enormous potential of energy and resources that go into our landfill and our rivers. In the near future, with EPA and ERDA leadership in this issue, every city in the country should be converting its waste into usable recycled materials and energy.

PESTICIDES

In 1971, when EPA first established a regional pesticides program, there were as many as 10 or more agencies in some States with authority to deal with pesticides problems. Subsequently, regional officials have met with Governors, State legislators, and State and local government program officials at all levels to launch and improve pesticide programs, to review existing legislation and to get new legislation passed, and to convince States to better focus on pesticide responsibilities in a single unit. As a result, EPA now has a strong, workable pesticide program which seeks to protect public health against harm from pesticides while also strengthening the ability of the agricultural community to deal with the pests, diseases, and other threats to their crops and our food supply.

And 50 States and territories have assumed full pesticides responsibilities under the 1972 Federal Insecticide, Fungicide, and Rodenticide Act and have nominated a State lead-agency.

Thirteen States have acceptable pesticides legislation, 22 have enacted new or amended legislation, and the remainder are expected to have approved legislation by 1976.

EPA has a massive registration program under which it has registered 40,000 pesticides to date. This program provides EPA a substantial data bank from which to gather information about the adverse effects of pesticides to the environment as well as their benefits to society.

This program has only recently begun to provide the agency with the sound information it needs to determine whether a pesticide will be labeled "unrestricted" for universal use, "restricted" for use by certified applicators, or simply banned because the risks to society and the environment far outweigh the benefits.

Those risks must not be discounted because they are long term and subtle. As long as a pesticide is proven to be carcinogenic, there is no economic argument that should allow its use in the United States. EPA has only very recently been using its cancellation powers effectively, and I hope it continues to pursue this critically important environmental area despite the obvious pressures to allow use of any pesticide because it is convenient or economical.

ENJOYING THE PLEASURES OF RETIREMENT

Mr. RIBICOFF. Mr. President, the books and the arts column written by Joseph A. Owens for the Bridgeport Post has commended many fine books and cultural events to the people of Connecticut over the years. Time and time again, Mr. Owens has demonstrated his sensitivity, taste, and judgment in this column.

Recently, Mr. Owens wrote a review of a book by another distinguished Connecticut journalist, Alan Olmstead. Mr. Olmstead's book, entitled "Threshold," focuses on a subject of vital concern to all of us, postretirement. Mr. Olmstead examines the questions, the problems, and rewards of that part of life that receives so little public attention and that still remains so significant. With perception, compassion, and realism, Mr. Olmstead traces the first 6 months of his own adjustment to a new way of life.

I commend both the article by Mr. Owens and the book by Mr. Olmstead to our colleagues and to all Americans for their humanity and for their insights and sensitivity.

Mr. President, I ask unanimous consent that the article by Mr. Owens entitled "Enjoying the Pleasures of Retirement" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Enjoying the Pleasures of Retirement

(By Joseph A. Owens)

For nearly three decades Alan H. Olmstead analyzed happenings in the world, frequently complying a scholarly approach and often highlighting an unusual aspect of an event whether it be a Summit meeting or a purely local matter. As editor of The Manchester Evening Herald, Mr. Olmstead wrote the editorials and these commentaries were among the most respected opinions published in the Northeast.

It is not surprising that he has written an excellent book utilizing a different approach to describe the problems and the opportunities of retirement. Appropriately the book is entitled "Threshold."

NOTES EACH DAY

Mr. Olmstead stepped across the threshold which separates the daily routine of work and retirement in September of 1972. For years he had enjoyed a pleasant relationship with the Ferguson family, owners of The Manchester Herald. When the Fergusons sold their daily newspaper to a chain controlled by Midwestern interests, Mr. Olmstead realized he could not comfortably make the required compromises and resigned. He decided to keep a diary, noting each day some of his thoughts as well as his actions.

The record of the first six months is the basis for "Threshold." No one should think this is syrupy "Dear Diary" Book. The author has skillfully written 180 short stories, each an account worth rereading and reflection on.

Mr. Olmstead shares his thoughts about a life beyond this experience on earth, his impressions when visiting the burial grounds of poets (Mark Van Doren, Archibald MacLeish, and Robert Frost), his adherence to a busy daily schedule, the need for the Olmsteads to alter their lifestyle because their income has been drastically reduced, and yes, there are a few lines about politics and politicians.

As a political columnist in Connecticut, Mr. Olmstead has long been admired by others in the profession not only because of his way with words but also because of his ability to perceive the reasons the dramas are played out as they are on the political stage.

On election day, 1972, he launched with Sen. Abraham Ribicoff. Of the social meeting Mr. Olmstead writes, "Today the conversation is philosophical and mellow and relaxed between friends who are taking this election day off and who take each other for granted. The interplay between the rising politician and the political columnist is almost over, now, and those instances in which one of us may have disappointed the other are fading in importance. All in all, he remains the best-balanced, most intelligent, most responsive political figure I have known."

The next day not to be confronted by a plain sheet of paper and the necessity to fill it with an interpretation of what happened at the polls the day before, turned out to be a luxury for Mr. Olmstead.

This is only one of the countless benefits this native of Bridgeport, who grew up in Newtown, discovered in his new life. The time to prune a branch from a dogwood tree which had gotten in his way for years whenever he mowed the lawn is another. The chance to enjoy the antics of a new puppy, the satisfaction obtained from selling Christmas trees which had been planted as seedlings many years earlier, the rewards of reading, and the joy of watching an autumn sun sink below the western line of hills which can be viewed from the Olmstead home and former farm on the outskirts of Manchester are among the many other treasures he discovered.

There may be more comprehensive books offering advice on how to meet the tests which retirement demands, but none is likely to be more human in conveying the emotions which a highly talented and active man must control.

"Threshold," while a chronicle of Mr. Olmstead's first six months away from the office and work he cherished, is also a revealing and warm study of human nature, a book whose appeal is by no means restricted to people of retirement age. The vignettes that the author has culled from a difficult period in his life have meaning for people of every age. This book exposes Alan H. Olmstead as a man who loves to work with words and who loves the simple pleasures of life.

THE OCTOBER–SEPTEMBER FISCAL YEAR

Mr. PERCY. Mr. President, I am pleased that the Senate has taken swift action on three pieces of legislation necessary to smooth the transition to the new fiscal year and to provide for the transition quarter in 1976.

Passage of H.R. 6692 by the Senate, thus clearing it for the President's signature, authorizes appropriations for the transition quarter for all programs and activities authorized on June 30, 1976, and for which transition authority is not provided for in any other law. Committees of the Senate are providing in most cases for authorization authority for the transition quarter in legislation they pass this year, but H.R. 6692 is a backup bill to provide authorization for programs and activities for which committese may not have provided authorization authority.

S. 2444, the Fiscal Year Transition Act, prescribes the transitional operation of programs and activities which are based, by statute, on the fiscal year. This legislation is designed to continue operations of programs during the summer of 1976 without disruption or uncertainty because of the altering of the fiscal year. It is now cleared for House action.

S. 2445, the Fiscal Year Adjustment Act, makes changes in existing law to conform to the new fiscal year dates.

This bill is mainly to make permanent date changes in laws which are necessary, or appropriate, because of the October–September fiscal year which we will be moving into next year. It also is now cleared for House action.

I hope that the House of Representatives will take swift action on S. 2444 and S. 2445 as their passage will help OMB to work with other Federal agencies to make the transition to the new fiscal year in 1976 as smooth as possible.

POLITICS AND HUNGER

Mr. CLARK. Mr. President, the Committee on Agriculture and Forestry, of which I am a member, has recently completed hearings on legislation to reform the food stamp program.

During the 2 weeks of hearings, hundreds of witnesses from throughout the country provided us with their views on how the program could be improved. Their input will certainly be valuable in the efforts to shape legislation that adequately responds to the needs of those who are in need of assistance.

In the weeks and months ahead, the committee and the Senate will be weighing the various viewpoints on how the program ought to be modified. It is of utmost importance that we be guided by reason, and not by rhetoric that disregards the evidence.

On Thursday, November 20, the New York Times included a useful article entitled "Politics and Hunger." This article, written by Ronald F. Pollack of the Food Research and Action Center, successfully destroys three myths that have been promoted by those who wish to dismantle the program.

Using the U.S. Department of Agriculture's statistics, Pollack points out that the program primarily serves the poorest of the poor, that the growth of the program in the past few years has been largely due to the increase in unemployment, and that fraud in the program has been kept to a miniscule level.

I would hope that the coming congressional debate on the future direction of the food stamp program proves false Mr. Pollack's closing comment that the politics of hunger has changed "from a commitment to help the poor to a campaign to exploit them."

Mr. President, I ask unanimous consent that the New York Times article of November 20 be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 20, 1975]

POLITICS AND HUNGER

(By Ronald F. Pollack)

Many misleading myths have been propagated to distort the debate over the Agriculture Department's food-stamp program. Though thoroughly rebutted by facts contained in official Agriculture Department reports, these half-truths and untruths are still being disseminated by ultraconservative associates of Ronald Reagan and by several Cabinet members in the Ford Administration.

Myth 1: Many middle-class families are participating in the food-stamp program.

This myth originated in a full-page magazine advertisement last June that asserted that households with $16,000 in annual income were receiving food stamps. This misinformation has been seized upon and cited as fact on numerous occasions, particularly by Treasury Secretary William E. Simon and proponents of Senator James L. Buckley's drastic food-stamp-cutback bill. The ad—which was referred by the Agriculture Department to the Federal Trade Commission as allegedly misleading, and is now being reviewed by a Federal District Court for the same reason—seriously distorts reality.

In the department's food-stamp-program report to the Congress this summer, the department said that 45 percent of all families receiving aid had after-tax incomes of less than $3,000 a year; 65 percent had incomes below $4,000; and 92 percent had incomes under $7,000. The report also showed that, for statistical purposes, 100 percent of all the families in the program lived on less than $10,000. The department concluded then that food-stamp recipients "tend to be the poorest of the poor."

The department also provided statistics on all four-person households in the country to determine the percentage of families, in each income class, who were aided by the program. The department's report said that whereas 58 percent of all such households with incomes under $3,000 a year received food-stamp relief, only 1.3 percent of the households in the $7,000–$7,999 range, and 0.2 percent in the $9,000–$9,999 range, participated.

Zero percent in the $10,000 and higher category get food stamps.

Therefore, it is evident that "the highest rates of participation are shown by the extremely needy," and middle-class families are not receiving food stamps.

Myth 2: The food-stamp program is "out of control."

Secretary Simon made this assertion in a speech last summer, citing program growth of 47,000 percent since 1962. A widely circulated booklet prepared by Mr. Reagan's former Social Welfare Department director, David B. Swoap, in support of Senator Buckley's food-stamp bill, professes shock at the "incredible increase of 4,227 percent" in the number of program participants since March 1965.

These charges are very misleading. At the end of fiscal year 1962, the program was operated on a pilot basis in only eight counties and was not enacted by Congress until Aug. 31, 1964. Thus, it is not surprising that only seventy counties offered food stamps as of March 1965. At that time, almost 1,900 counties operated the commodity distribution program, but over 1,100 counties provided no Federal food assistance at all.

Program growth in the late 1960's occurred as counties started one of the two Federal food programs, and subsequently as counties switched from the commodity-distribution to the food-stamp program. From the end of 1971—when almost every county provided food aid—to August 1974, participation rates in the two programs remained stable at 15 million persons.

Between mid-1974 and May 1975, however, unemployment rates jumped from 5.4 to 9.2 percent. That factor—and the addition, during that period, of 1.5 million food-stamp recipients in Puerto Rico, Guam and the Virgin Islands—brought the program to its all-time participation peak of 19.3 million persons.

Thereafter, as unemployment rates began to recede, participation fell to 18.5 million. Thus, the only thing "out of control" were charges by the program's adversaries. The number of people participating in the program merely reflected the unfortunate conditions of the nation's economy.

Myth 3: There is rampant fraud in the program.

Secretary Simon, in his speech, declared that the program "is a well-known haven for the chiselers and rip-off artists." Senator Buckley also branded the program "a public ripoff."

Agriculture Department statistics demonstrate that these charges are grossly exaggerated. During a June 1973 hearing before the Senate Nutrition Committee, former Assistant Secretary of Agriculture Clayton K. Yeutter testified that the program was "remarkably free of fraud." He cited department data demonstrating that "the percentage of fraudulently participating households, as related to total participating households, equaled 24 thousandths of 1 percent."

A more recent report concludes that in 1974 only eight out of 10,000 families receiving food stamps obtained them fraudulently. Consequently, the well-publicized attacks on the integrity of needy people amount to little more than empty rhetoric. They reflect a change in the politics of hunger, from a commitment to help the poor to a campaign to exploit them.

BLUEPRINT FOR DISASTER?

Mr. BUCKLEY. Mr. President, the Washington Post, November 22, 1975, carried a news report headlined: "Blueprint in Ulster Set To Fail." The story stated, in part:

> Ulster's Protestant politicians have just cranked out a blueprint for a new constitution in the blood-spattered province and it is undeniably an accurate representation of their constituents' thinking.
>
> It calls simply for a return of the old-style government that ensured Protestant domination over jobs, housing, police and everything else for nearly 50 years. It even urges the return of control over British troops to such a regime. It makes no concession to the existence of Ulster's Catholics except for a meaningless offer of seats on powerless legislative committees.

It is inconceivable that after years of bloodshed, after irrefutable evidence of bigotry and prejudice shown against the Catholic minority in Ulster, that these politicians should continue to support such a disastrous policy. As I have stated since I first entered the Senate in 1971, the only rational and achievable goal for the Irish people is a free, united, prosperous, and peaceful Ireland. The "blueprint" referred to in the Post article is a blueprint for disaster.

Mr. President, I ask unanimous consent that the Post article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Nov. 22, 1975]

BLUEPRINT IN ULSTER SET TO FAIL

(By Bernard D. Nossiter)

LONDON.—November 21.—Ulster's Protestant politicians have just cranked out a blueprint for a new constitution in the blood-spattered province and it is undeniably an accurate representation of their constituents' thinking.

It calls simply for a return of the old-style government that ensured Protestant domination over jobs, housing, police and everything else for nearly 50 years. It even urges the return of control over British troops to such a regime. It makes no concession to the existence of Ulster's Catholics except for a meaningless offer of seats on powerless legislative committees.

The document contends that there are not two communities in Ulster, only Ulstermen.

This Protestant view is as myopic as that of the Irish Republican Army, the killers who are trying to bomb and shoot Ulstermen into a union with the Catholic republic to the south.

The IRA simply ignores the fears and aspirations of Ulster's one million Protestants. The Protestants, led by Ian Paisley, are equally blind to the fact of 500,000 Catholics.

The blueprint has been handed to London's proconsul for Ulster, Merlyn Rees, who will almost certainly file it in the wastebasket. Prime Minister Harold Wilson, whose government tries to run the place from London, has said he will give back home rule to Ulster only if its politicians come up with a scheme satisfying both communities.

There is a touch of myopia in this too. Ulster is a zero-sum game. What satsisfies one community will enrage the other.

There can be little doubt that the Paisley constitution represents the overwhelming view of the Protestant majority, even after eight years of uninterrupted violence. Protestants had a clear choice last spring in picking delegates to the constitutional convention, a choice between Paisley-type hardliners and compromisers like Bryan Faulkner who favored some sharing of power with Catholics.

The Paisley forces won 46 seats and to Faulkner's five, a margin of more than nine to one.

Rees, Wilson's Northern Ireland secretary who is likely to be dropped next year, insists he is not finished. His last best hope is William Craig, the cold, strange lawyer who earned a reputation as the hardest of hardline Protestants. Craig, however, appreciates that London will not let go of Belfast until some concession is made towards protecting Catholics. So he has now come out in favor of a temporary 6 Protestant-Catholic coalition government, and the Catholic politicians are interested.

Craig could be ignored as another Faulkner, another Protestant politician doomed to destruction because he flirted with compromise, except for one remarkable ally. The leader of the biggest private Protestant army, Andy Tyrie of the Ulster Defense Association, has publicly anounced his support for Craig. (To be sure, Tyrie may be murdered himself, but that is the risk any Ulsterman runs.)

So Rees plans to call the delegates back to Belfast for another try. He hopes Craig will carry enough hardliners with him to join the Catholic politicians and a splinter nonsectarian party, producing a majority for a shared-power rule.

That could be the end of a happy story anywhere except in Ulster, where power is held only intermittently by elected officials. The killer squads of both denominations have a vested interest in continued violence, an interest that is social and pecuniary. Whatever a second convention produces, the killers are almost certain to ignore.

This is so regardless of their lack of popular support. The IRA is clearly going downhill in the Republic. In a recent by-election there, a law-and-order government candidate trounced a politician whose opposition party suddenly endorsed the IRA's goal.

The IRA is not overly loved these days among Ulster's Catholics either. In recent weeks, the two wings, Provisional and Official, have been murdering each other with rare abandon, frequently gunning down foes in front of their wives and children.

But the IRA does not worry overmuch about popularity. As long as well-heeled Irish-Americans send money and Colonel Qadaffi in Libya and other arms merchants will provide guns, the IRA killers can survive in the back streets of Belfast and along the wild border with the Republic.

SENATOR CHURCH AND THE INTELLIGENCE COMMITTEE

Mr. RANDOLPH. Mr. President, the Charleston, W. Va., Gazette recently published an interview with the Senator from Idaho, FRANK CHURCH. He discussed in some detail and with clarity the work of the Select Committee to Study Government Operations with respect to intelligence activities. As chairman of that committee, his thoughtful and instructive comments are informative as we begin to contemplate the dilemma of how to cope with secret agencies in an open society.

Senator CHURCH was in Charleston to address the annual meeting of the Mountain State Businessmen's Association. On that occasion, he was interviewed by members of the Gazette editorial board and staff. The questioners were: Editor Harry G. Hoffman; Associate Editor L. T. Anderson; State Editor John G. Morgan; and Staff Artist Taylor Jones.

Mr. President, there is much food for thought in the reasoned responses given by Senator CHURCH to a series of probing questions. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATOR CHURCH'S VIEWS: FROM COAL TO THE CIA

HOFFMAN. Sen. Church, the select committee which you head was given broad powers to determine whether the CIA, FBI, or any of 58 other U.S. law enforcement and intelligence agencies had engaged in illegal, improper or unethical activities as widely charged. What in your opinion are the most flagrant activities of this nature unearthed by your committee to date?

CHURCH. First of all I should think it would be the involvement of the CIA in murder plots and murder attempts directed at certain foreign leaders. The details concerning these will be made public when the committee issues its report. We presently expect to disclose the findings of the committee to the Senate in a secret session which is tentatively scheduled for the 18th of this month after which the committee will make its report public.

Apart from the assassination matter we have uncovered a full series of unlawful and unethical and improper activity which extends over a very broad front—20 years of the opening of mail in which 250,000 letters have been photographed contrary to law, interception of telegrams, cables and other international communications by the thousands, the use of the Internal Revenue Service for conducting tax investigations of citizens for the purpose of harassment where no tax delinquency was suspected, and the flagrant effort that was made at one time by the FBI to discredit and spy on and harass citizens during the wartime period whose only offense was disagreeing on policy which the laws and constitution entitled them to do. All of these disclosures I think fall within the category you have mentioned and I think as a result of this investigation we will recommend changes in the law and better oversight procedures that will protect against abuses of this kind in the future.

HOFFMAN. Is the exposure of the assassination plots the main thing that President Ford is urging to be kept secret?

CHURCH. As we move toward the climax of this investigation we seem to face increasing resistance on every front. The request of the President to suppress the assassination report is just one example. I think it comes with ill grace from a President who has promised an open administration and from the very man who turned over to the committee the responsibility for conducting this very investigation. It's been known for months that the committee intended to issue a report of its findings. At my insistence the committee held all its hearings behind closed doors so that the investigation would have the minimum fallout effect and would do the minimum damage.

If we had held public hearings it would no doubt have been the greatest political box office in the century. But such hearings lasting for weeks with over a hundred witnesses testifying before television cameras with a telecast of their appearance to the four corners of the earth—this would have done the country grave damage. So we have undertaken to conduct this investigation with a high sense of responsibility, and the President has known from the beginning that it was the intention of the committee to issue a report to the American people of its findings once the investigation was complete.

ANDERSON. Senator, you mentioned an oversight a few moments ago. Can you give us an idea what sort of oversight you envision? For instance, do you advocate full disclosure of the CIA budget?

CHURCH. I personally think that the budget of the CIA and the intelligence community in general should be handled publicly, though in aggregate figures, not in ways that would specifically reveal particular intelligence activities. I doubt very much that the present procedure is even constitutional since the Congress is really without knowledge of what it's appropriating in public funds for intelligence.

ANDERSON. Yes, I'm not sure what the present procedure is. I wonder if Congress is sure?

CHURCH. The best studies by constitutional scholars persuaded me that the present procedure is quite unconstitutional. I see no national security need for it since we publicly debate at great length the military budget, including all newly proposed weapons systems. I really don't think that the argument that everything connected with the money appropriated for intelligence must be secret is one that will bear up under close scrutiny.

MORGAN. Senator, you're on record as stating that United States involvement abroad should be limited to areas where the vital interests of the United States are at stake. Are there very many of these areas and could you identify them please?

CHURCH. I think that statement was made in connection with military interventions abroad and as one who opposed our involvement in the war in Vietnam from the early days. That is an illustration it seems to me of a very unwise war, fought to an inconclusive result at great expense to the country in a region of the world where we had no vital interest at stake. Indeed we had no economic interests there, we had no previous presence there, we had no post colonial responsibilities there and the kind of government that the Vietnamese finally established as a result of that long civil war was not one that could ever pose a real threat to the security of the United States.

Therefore, I think it was a tragic mistaken war which not only cost the country dearly in the lives of many young Americans but was the principal stimulant of the inflation that now afflicts the economy. I believe we've been much inclined to intervene in places where it was quite unnecessary and I hope that we have learned from the lesson of Vietnam to be very careful in the future to avoid unnecessary wars.

ANDERSON. Do you think an American vital interest was involved in Chile when the CIA undertook to destabilize that government?

CHURCH. I do not. What is Chile but a dagger pointed straight at the heart of Antarctica? Santiago is further from Washington than Warsaw.

ANDERSON. You say let the South Pole spies work that territory?

CHURCH. The interests there had less to do with our own national security than it had to do with American business investments. Large multinational companies have investments in Chile which they wish to protect. But we maintain an insurance program for such investments and there was never a sufficient reason in my judgment to attempt to undermine and overthrow a government that has been elected by the Chilean people.

Understand, I disliked the Allende regime and I never had any sympathy for it. But from the beginning that was a Chilean affair. If we assert the right to secretly intervene in foreign countries, where our vital national interests do not require it, to bring down governments that are lawfully chosen by foreign people, then where do we draw the line? And by what right do we assert that other countries could not claim for their own? What would we think if our government, lawfully elected by the American people, were undermined by a covert operation conducted by some foreign government against us?

Morgan. Senator, what criteria would you follow to determine where our vital interests are really at stake?

Church. Well, first of all I think this gets down to the preservation of the United States and the free system we want to maintain here and the safety and wellbeing of the American people. We don't have to act as a policeman, judge and banker for the whole world. It's obvious that we haven't the resources to do this and our experience in Vietnam demonstrates the limits of military intervention in wars that are essentially indigenous.

And I think we have to learn that we are living in this world in a period of ferment with many new developing countries that have unstable political systems and there will be much upheaval in the world between now and the end of the century. The important thing is to understand that we can live with it and not exhaust ourselves, bankrupt ourselves and bleed ourselves white in an attempt to squelch the fires of every revolution or upheaval wherever it occurs.

Morgan. Would you draw a line somewhere this side of Vietnam? If so, where would you draw it?

Church. If it comes to the lines of defense that have to do with our own national security, then I would draw those lines in places that make the most military sense. For example, we have never been a country that maintains a vast army of many millions of men. Our permanent standing armed forces largely consist of naval and aerial power, so the line that we should draw is the one that we can best maintain.

In the Pacific it would be a deepwater line. There never has been any military necessity. Indeed there has been little rationality in attempting to maintain permanent military conclaves on the continent of Asia. And yet, for 20 years that was the policy which finally ended in the debacle of Vietnam, and indigenous forces at last were successful in forcing us out even to the indignity of the taking of the American ambassador by helicopter in order to achieve his escape. A policy that leads us into these consequences is insane.

Anderson. Is it possible that we're heading for a similar situation in Korea?

Church. We could be. And the questions that we should ask ourselves in Korea are these. First of all, what vital security interest does the United States have in South Korea? Ask yourself that question and you're hard pressed to find a plausible, persuasive answer.

Anderson. Some real commitments have been made there, more real than those made in South Vietnam.

Church. The commitments, however, never contemplated that the United States would maintain a permanent presence in South Korea. We could commence the process of disengagement by modernizing and helping to equip the South Korean forces. South Korea has an army much larger than that of its northern neighbor. It has an economy that's two and a half times as large as the economy of North Korea. It has every physical, economic, and military capability by which it should be able to defend itself against its northern neighbor without involving the United States in another war.

Anderson. It doesn't have a democratic government?

Church. No, and all the more reason why we should commence an orderly disengagement there. Neither the Chinese nor the Russians constitute a threat to South Korea and it's very likely that neither one would let the other get very much involved. So there's no reason except this notion that wherever we are we must stay by virtue of commitments made years ago when the situation was a very different one.

We must disenchant ourselves with these old delusions and Korea is a place where we could do this gracefully and leave South Korea in a dominant position to defend itself. Nevertheless, if there's the will in South Korea to defend the country against its northern neighbor, the means are there. It's unnecessary to retain American forces in South Korea to do their fighting for them.

Hoffman. How do you assess our national security interests in relation to the Middle East?

Church. I think that in the Middle East we have a strategic interest by virtue of the vast oil reserves of the area, the fact that it has been an historic crossroads and because of the continuing Russian interest to achieve a dominant position in that resource-rich region. So I have supported the efforts that Secretary Kissinger has made to move Egypt and Israel and the other Arab countries along step by step in the hope that it might avoid another war and create a kind of momentum that will eventually take them to Geneva for a final settlement.

I think that this is a policy that makes sense for us so long as we avoid sending military forces into that area or come to believe that somehow our military intervention there would contribute to a solution of the problem. I think that would be disastrous.

Anderson. Sen. Church, do you believe that the national security is endangered by the continued existence of Fidel Castro?

Church. Certainly not as long as Cuba is not a base for Russian missiles. There was a short period when the presence of Russian missiles there created a serious crisis and I think that President Kennedy reacted to that presence properly and with the removal of the missiles. Castro was no security threat to the country. Other governments in the hemisphere are re-establishing normal relations with Castro.

Our two principal neighbors, Canada in the north and Mexico in the south have never broken off relations with the Castro regime and clearly the embargo that we attempted to maintain against Castro has not succeeded in undermining his regime. It's become a sieve with the passing years as more and more of the world chooses to disregard it and if we don't begin to change our own policy, we'll be left isolated, rather than having isolated Castro. I think we have to recognize policy failures when they occur and not persist in them until the ultimate debacle that finally occurred to us in Southeast Asia.

Hoffman. Do you think that your committee's investigations had anything to do with President Ford's dismissal of William Colby as CIA director?

Church. I don't know for certain. I do know, however, that Mr. Colby recognized the necessity for the investigation in view of the many serious charges that have been made against the CIA, and he cooperated with the committee in furnishing us the facts that we had to obtain. He was truthful with us and forthright with us, and the committee never had a complaint to make against Mr. Colby. I think it's unfortunate in a way that he became the fall guy since the wrongdoing that we have investigated occurred before he even became director. He was the one who had to take heat. He held up well. He acted, I think, in a very praiseworthy way under great difficulties.

I think it's most unfortunate that the President chose to remove him before the investigation could be completed. Indeed, the President now has had to backtrack on that and has gone to Mr. Colby and asked him to remain as director for the next few weeks during which time our investigation will terminate. I think the active phase of the investigation will probably be completed sometime before the end of the year.

Anderson. I see by the papers that you say that giving the CIA directorship to George Bush is much like the old political plum of postmaster general and that you won't vote to confirm Bush. Do you foresee that he will have some difficulty with the confirmation?

Church. Yes, I think he will have some difficulty. How much is hard to say because everybody likes George Bush. I like him. He's not the man for this job. I can think of many poltical jobs that he could handle very well. I think he handled his position as ambassador to the Peoples Republic of China in a commendable way. However, if we're going to have a CIA, and I think we need one, then it must be independent and professional and nonpartisan, and if we're going to choose a director from outside the agency, then he has to be a man who has established his independence in his past career and has demonstrated that he can stand up to all the pressures that are constantly on the agency, pressures from the Pentagon, pressures from the White House itself.

A man who has the stature and the nonpartisan posture to say at times, "Mr. President, the policy you are about to embark upon could lead to disaster. I disagree with your assumptions. And it is my responsibility to tell you that the facts as we see them at the agency are quite different than the facts as you perceive them. Or as they are perceived at the Pentagon." I can't imagine the past national chairman of the Republican Party in 1976, the year of the national campaign, standing up to a Republican President under those circumstances and saying that to him. Yet that's the job of the director of the CIA. That's what he's supposed to be there for.

Jones. Do you think it would be good to have as director of the CIA someone outside the CIA?

Church. I don't maintain that you must draw a director from inside the agency. Unless you find a man of exceptional strength and professional capability, I think you don't have to make a rule one way or the other. You may find the best man within the agency. You may find such a man from outside the agency. An Elliot Richardson, for example, has demonstrated that at times he had the strength to stand up and disagree even with the President. So, the criteria for selecting a director should be the very criteria for which the CIA was established in the first place. A man who can protect its professional, its independent and its nonpartisan status.

Morgan. Senator, I wonder if you, as chairman of the Senate subcommittee on energy research, water resources, and also senator from Idaho, could tell us whether you think Western coal is a serious competitor to West Virginia coal?

Church. I think that there's going to be room for all the coal we can mine, from the West and from the East, wherever we find it. I described West Virginia as the Saudi Arabia of coal in this country. It is the largest coal producer, I believe, of any state, and I think there's going to be a market for all the coal that we can produce in the years ahead. We have to find a substitute for oil and the most plentiful fossil fuel that we possess is coal. What we need to do is to find better means to convert it to other forms, such as gas and even gasoline so that we can utilize it for generating electricity and in place of the oil that we are now importing.

And I think that the government should play a much more aggressive role in developing these new technologies. I was amazed when the administration, after all the rhetoric about establishing Project Independence and moving along with the development of alternative sources of fuel, came up at the beginning of this year with a program that called for only one demonstration plant in the conversion of coal. As a result of the work of the subcommittee that I chaired, we have expanded that program to five demonstration plants which would be of commercial scale and I hope that we can accelerate this program because here is the place in the short term that we can make the most progress.

HOFFMAN. Senator, it's not easy to keep track, but I think at last count there were nine or ten announced candidates for the Democratic nomination for president. What are your plans?

CHURCH. Well, I've said from the start of this investigation that I wouldn't consider entering the race for the presidency until the active phase of the investigation has ended. I expect that will be in December when we conclude public hearings. Then, if the investigation brings me out in a posture where it looks like I might have a crack at the nomination and if no one among the 10 or 12 who will by that time be in the race has gained the kind of momentum that would make a late entry into the race impossible, I'll give a look at it.

ANDERSON. Let me take you back to the investigations committee, Senator. Have you learned anything since the committee has been conducting hearings that shakes your belief, if indeed it was your belief, that Lee Harvey Oswald was the only murderer of John Kennedy?

CHURCH. I really don't know that I have ever had a conviction on that score. I have accepted the findings of the Warren Commission. There is nothing that we have uncovered that in my judgment is sufficient in itself to warrant setting those findings aside. It's never been the job of my committee to investigate or reinvestigate the assassination of President Kennedy. That falls outside the mandate, but insofar as we do have the responsibility to investigate such agencies as the FBI and the CIA, wherever we find that they may have failed to give information to the Warren Commission which in the judgment of the committee should have been given, we will make that public, in the final report or in some suitable way. And, if that kind of evidence accumulates sufficiently that Congress thinks a new investigation into the Kennedy assassination is warranted, that will be a decision to be faced.

JONES. Do you think the United States really needs a CIA? Could we do without it?

CHURCH. I think that we could not do without something like the CIA, though I'm not endorsing the scope of its past activities, and I believe that a new law needs to be written to more clearly define its mission in the future. But we need an efficient intelligence gathering apparatus for many reasons. We need it for the purpose of conducting an informed foreign policy. We need it if we are going to make any further progress on the SALT talks tempering the nuclear arms race in order to ascertain whether the Russians are in fact keeping their part of the bargain.

This is still a dangerous world and we don't want to be left groping. So, we have to have as much intelligence as we can get. Now there is no way to guarantee that a president will accept that intelligence information. The estimates, assessments that are made based upon that information. There's no way to guarantee that the agency will always be infallible in its estimates. It has made serious mistakes in the past, but I'm intending to make a speech in the Senate on Tuesday in the interests of an objective and fair investigation of the agency, pointing out the number of times it's been correct in national estimates of great importance to the country. So that the people don't get the impression that it's always been wrong.

I'm a little bit afraid that from the publicity that's been given some of the mistakes that the public may get the impression that none of its work is of any value. That isn't so. And I think someone in my position should make that clear to give balance and perspective to what we are trying to do. The final answer to the question is, yes we do need intelligence and we must make certain that in the future any organization that undertakes to gather that intelligence operates strictly within the law, and under the effective control of the people who are elected to determine the policy.

I should also mention that a pertinent example of the indispensable value of the CIA, or any agency of similar nature, goes back to the time when we were debating the ABM system in the Senate and the question was whether we should invest $100 billion in a massive program to try and provide us with a shield against intercontinental ballistic missiles. And if we had only the Pentagon data to look at and only the military experts to listen to, I think we might easily have been convinced that this system was in fact a shield that could protect us against nuclear attack. But because we had a separate agency with great expertise to provide us with counter data concerning the effectiveness of such a system before the debate was finished it was evident that the ABM system was not a shield as much as it was a sieve which could easily be overcome by various devices that would enable the enemy's missiles to penetrate in sufficient numbers to destroy the country.

So the CIA was able to get us that data simply because it had no vested interest in inaugurating a $100 billion program which would have loaded the military budget for years to come. The Pentagon has an ax to grind in these matters and it will naturally tend to take the most extreme view of enemy capabilities and the most friendly and optimistic view of the capabilities of new and highly expensive weapons systems. It's in its interest, really, to come to such conclusions. I don't mean by that that they're fraudulent. I simply mean that they have a natural disposition in this direction, given the importance of large budgets, and new weapons programs to the military bureaucracy.

So that's why the CIA was set up in the first place, so the president would have some other place to look. And that's why I think it's so very important that it be kept nonpartisan and professional and independent. I think the Congress should set up a committee that is really designed to do the job of oversight. And the Congress has failed to do that adequately in the past. If this were not so there never would have been a need for the present investigation.

HOFFMAN. Getting back to one last political question. Do you find any sentiment in the Senate for Bob Byrd on the national ticket?

CHURCH. Well, that's hard for me to answer because Bob Byrd is such an established Senate figure. And there is great respect for his work within the Senate. I have a high regard for him as I do for Jennings Randolph, who incidentally supplied me with this West Virginia tie tonight.

And I think that Bob Byrd can handle most any responsibility that came to him. If there is little perception of him in the Senate as a potential figure on the national ticket, it's probably because he's done his job in the Senate so well that he's looked upon as a potential majority leader of the Senate.

HOFFMAN. Thank you very much, Senator.

DR. MANA-ZUCCA, AMERICAN COMPOSER

Mr. JAVITS. Mr. President, American composer Dr. Mana-Zucca was recently awarded a scroll to mark her 50th year of membership in the American Society of Composers, Authors, and Publishers. Her distinguished career is a mark of the importance of art in American life.

Dr. Mana-Zucca's accomplishments have recently been noted in the Miami Herald, and I think it appropriate on the occasion of her 50th anniversary in ASCAP to offer this article for inclusion in the RECORD. Her distinguished service to music is another evidence of the cultural vitality for music as an American art form.

Mr. President, I ask unanimous consent that the article referred to above be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MANA-ZUCCA'S NEVER WITHOUT A SONG

(By Eleanor Hart)

Although composer and pianist Mana-Zucca recently was awarded a scroll marking her 50th year of membership in ASCAP (the American Society of Composers, Authors and Publishers) she says she "should have been a charter member and could have been."

"When I was 13 or 14, Victor Herbert (one of the founders) wanted me to join." But G. Schirmer, the company which published her first composition, a violin piece written when she was nine, and was subsequently to publish 400 more of her compositions—discouraged her because, she says, they didn't know anything about ASCAP.

Twice described in the Congressional Record as "grande dame of Miami music," "child prodigy still going strong" and "dynamo of the ivories" Mana-Zucca is a legend in her own time, a span that stretches from the career of Victor Herbert to that of Elton John.

One of six children of Jeannette Deneau and Samuel Shepard Zucca-mana, she was born on Christmas day in New York City, but now in her seventh decade, Mana-Zucca frowns on specific dates.

"Father wanted to name me Jesula but Mother didn't, so they compromised with Gizella. I never used it. As a child it was terrible."

Later she turned her surname around and legalized "Mana-Zucca" when in her teens and attending a music school in Berlin.

Her first musical notes were struck on a toy piano, at age three. "I happened to hit on a tune in G major and I couldn't find F sharp. The black keys (sharps and flats) were just painted on. I was looking under the piano for that note and crying, 'This piano's no good.' One of our guests, Jacques Danielson, husband of the novelist Fannie Hurst, said, 'Lord, that child has absolute pitch. She's unhappy because she can't find that sharp!' "

Lessons on a "real" piano followed and at age four Mana played in her first recital. By the time she was eight, she was ready for her first large concert in Carnegie Hall with the New York Philharmonic. "I was like Shirley Temple. Everyone knew me as a child prodigy."

Composing music came naturally. "I always have but I didn't know it was composing at first. I write quickly," and songs always to fit lyrics, "the right way to do it."

Her hallmark, of course, is "I Love Life," published in the early '30s and most famous of her 1,100 published works. She considered it "a cheap little song" at the time but has since changed her mind because of its success. John Charles Thomas made it a hit and Nelson Eddy, Lawrence Tibbett and Rosa Ponselle all made it part of their repertoires.

Her husband, Irwin M. Cassel, who died in July 1971, wrote the lyrics. She had stopped writing for a period after their only child, Marwin Shepard, a Miami attorney, was born in 1925.

"He (Irwin) suggested that I start writing again. I wrote several pieces, 'Prelude' and 'Poem' but he said 'No, that's not what I mean.' I said, 'You write the lyrics and I'll write the music." She did—in 30 minutes. "I Love Life" was ironically the only one of her songs to be turned down by her publisher.

"I have others just as famous," she insists. "Composers don't like it when the public only associates them with one number. Rachmaninoff used to hate his 'Prelude' because that's all people remembered. But I've been lucky, I've had four big hits—'Big Brown Bear,' 'Nichevo' (Nothing Matters) and 'Valse Brilliante,' a piano number."

She recalls with zest one of the many "I Love Life" anecdotes. A plane approaching Denver developed engine trouble and when the pilot announced the fact, a terrified passenger started singing "Nearer My God To Thee." He was drowned out by another who sang "I Love Life." The plane landed safely and a friend who was aboard called Mana to report the incident.

People rather than things or events inspire her, she says. For example, pianist Artur Rubinstein inspired her "Bolero de Concert."

Most recent publications from her reservoir of 1,000 unpublished works which include an American-Chinese grand opera—"I'm holding back. I don't want to crowd myself"—are "Love's Dart" and "It Was No Dream," and a piano number, Sonata No. 3. "My best work, but it will probably take 20 years before it gets known. So much will be produced after I'm gone," she says.

Musical comedy days included playing in Rudolf Friml's "High Jinks" operetta, dancing with Clifton Webb, playing daughter to Will Rogers in "Town Topics," on Broadway, and touring with the comedy team Gallagher and Sheen.

"People," Mana reflects, "always think I'm older than I am." She recalls meeting a woman who was amazed "that I was alive. 'You were a friend of my grandmother,' she exclaimed. Well, I was, when I was five and the grandmother was 70! Older people were all I knew. I never played with children."

Life is quieter now in the Miami Beach home moved into shortly before her husband died. They had been married 49 years.

Gone are the days of Mazica Hall, her former showplace home at 410 NE 17th St., that could accommodate an audience of 300 and where more than 500 concerts were given. The house was sold, and razed to make room for Jordan Marsh.

But musical atmosphere still prevails in her comfortable living room with her collection of more than 200 miniature pianos and a pair of grand pianos, a Steinway and a Baldwin, which provides the setting every spring for piano teachers' recitals.

THOSE AMAZING WASHINGTON REDSKINS

Mr. McGOVERN. Mr. President, in recent years, I, like thousands of other fans, have become increasingly interested in the fortunes of the Washington Redskins. This team, its players, its coach, its spirit mean more to my personal enjoyment and morale than I had ever thought possible.

It has been my pleasure to come to know many of the Redskins as personal friends. A number of them led by guard Ray Schoenke campaigned with me for the Presidency in 1972. Others who disagree with me politically are still my friends.

In any event I admire this great team and I am glad they are based in the Nation's Capital. I believe they are the most exciting team in football today.

Mr. David Israel has written a sensitive piece about the Redskins in the Washington Star of December 1, 1975. This article includes an eloquent tribute to the team and to Coach George Allen by Ray Schoenke—a great athlete and a great citizen. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A RELIGIOUS EXPERIENCE CALLED THE REDSKINS

(By David Israel)

The Washington Redskins should be chronicled by a theologian. This year they are more than a football team, more than a National Football League franchise, more than a multi-million dollar business. This year the Washington Redskins are a religious experience.

Each week, it seems, their faith is tested under the severest of fires. Each week they must demonstrate a willingness to sacrifice their children, each week they must eat coals. And only on some weeks are they rewarded.

Yesterday, the test was the greatest so far. The difficulties they encountered were more trying than those found in games against Dallas, St. Louis and Oakland. Because yesterday if the Redskins did not come up with that 31–30 miracle to defeat the Minnesota Vikings, the previously 10–0 Minnesota Vikings, the season would have been over. They would have been two games behind both Dallas and St. Louis with three to play.

When the game was completed, after they had been rewarded at the most critical of times, the Redskins were professing their faith—their faith in themselves and their faith in their leader, George Allen.

Most times, you can dismiss all the never-say-die talk of winners as so much tripe. All that stuff about pride and desire and faith usually means nothing. Take a few guys who can run faster than the speed of light, a few guys who hit harder than Sherman tanks, a few guys with better hands than Venus fly-traps, and a quarterback with some nerve and some brains, and you have yourself a contender for the NFL title.

The Redskins are not like that, however. When they talk about pride, tests, desire, determination, devotion, it all somehow has meaning. They are not a collection of great physical specimens. They are, rather, a collection of discards. They are those mostly, who were deemed unworthy by other authorities. They are the lame, the meek, and the aged. And they know, in their hearts, that if they go out on a football field and play on emotion to demonstrate their faith, they will, in the end, inherit the earth, or at least that part of it that's important—the Super Bowl trophy.

And so after a game like yesterday's, they tell you that they knew all the time it was going to happen. They tell you that it shows quite clearly what this team is made of. They tell you that the last three weeks—weeks of final-play decisions—have been draining, but fulfilling.

"It sure would be nice to get a game where we'll get ahead and stay ahead and be able to relax a little bit," Allen said. "But each week I'm so proud of this football team. We've had the three overtimes and today, in which we showed as much character as any football team I've been associated with."

It's been said a million times by a million coaches. It is embarrassingly trite. But the Redskins believe that stuff, they really do. And it works for them. Just listen to the talk in the dressing room:

"When we win these games, it is exhilarating, and it is agonizing when we lose," said cornerback Pat Fischer. "We don't think about it happening like this during the week. There wasn't any thought that in the last quarter we were going to feel a sudden surge of adrenalin flow and come back to win after blowing a lead."

Someone asked Fischer if there might not come a time, like with a few minutes remaining when Minneosta scored its go-ahead touchdown, that a football team which has lost two overtime games in a row might say the hell with it.

Fischer was insulted.

"You're asking me why this team wouldn't quit, why it wouldn't give up. You're asking me that," Fischer said. "You can use any adjective you want to answer that."

Pat Fischer is a true believer.

"It all makes you rise a little bit higher," said center Len Hauss. "You go out there in the final couple of minutes and you have a certain challenge to rise to meet, and you do. That's how it works, we're all in this together. We all believe in the same things."

Ray Schoenke, the left guard who plays next to Hauss, believes in the same things.

"I said somehow we needed a miracle," Schoenke said, "and we got that miracle when we got the ball back with 1:51 left. When that happened, I knew we were going to win. I went out there and said, if you're ever going to block in your life, baby now you're going to block.

"In a way it's a credit to Allen, because he's the man who selected the professionals, the people who were going to go out there and do the job. You can say whatever you want, but I think Allen is a super coach. He has a tremendous commitment, he has good football sense, he is good for the players, he has a tremendous love for us. And he's smart as hell. You ask anyone in the league and they'll tell you that this is the best place to play."

Fischer, Schoenke and Hauss were not alone. In all corners of the Redskins' locker room last evening, converts were talking about believing and desire.

George Allen must be a regular maharishi.

EPA—CELEBRATING ITS FIFTH ANNIVERSARY

Mr. MATHIAS. Mr. President, December 2 represents the fifth anniversary of the Environmental Protection Agency. The primary purpose of creating this Agency was to place, under one roof, a variety of functions heretofore scattered amongst several departments and agencies. Along the road, the Congress has continued to pile additional statutory burdens upon the Agency and I believe it is appropriate at this time to commend it for a record of solid achievements in improving the quality of our environment. The burdens which we have imposed on this Agency have not been easy ones and criticism of its efforts can be heard from some quarters. But our air is getting cleaner, the quality of our waterways is steadily improving, and pesticides are being regulated in a manner intended by the Congress—to protect the health of farmworkers and the general public alike, so that a child even before birth will not carry into the world the seeds of devastating disease.

Perhaps the progress has been slower than some of us would like to see, but I would hope that this impatience might be reflected in efforts to encourage the Agency to continue that progress. We should recall the admonition that "The journey of a thousand miles begins with one step." EPA has taken several giant steps for mankind. Let us wish her "God speed."

One common goal which EPA's able Administrator, Russell Train, and I have long shared is the establishment of new procedures to make our political processes work in a manner permitting far-sighted scientific planning. In this connection, I was pleased to see that he was in the forefront of the efforts to establish an Office of Science and Technology within the Executive Office of the President. A bill creating such an office was recently approved by the other body and is presently being considered by the appropriate Senate committees.

In my own State of Maryland, the EPA has been critically important to upgrading sewage treatment and curtailing the flow of industrial waste in Maryland waters. Congress, at my request, is now calling upon EPA to serve as the coordinator for an important new study of the Chesapeake Bay. EPA is charged with the responsibility of providing an action program that will correct the abuses that have too long occurred in the Chesapeake Bay. The fulfillment of this responsibility will be of great importance to the Nation, and indeed to the world, since the Chesapeake Bay provides a substantial percentage of the world's fishery resources. Based on EPA's record over the last 5 years, I have high hopes that Congress has chosen wisely in designating EPA to shoulder this responsibility.

Mr. President, I look forward to many more years of working with Russell Train and the other dedicated members of the EPA staff toward the achievement of a clean, safe, and healthy environment that we can share with future generations of Americans and I want to take this opportunity to congratulate the EPA on its 5 years of progress in this area.

THE ENVIRONMENTAL PROTECTION AGENCY

Mr. GARY HART. Mr. President, 5 years ago today, the Environmental Protection Agency embarked upon a course of positive action to combat this Nation's evergrowing pollution problems. The task was clear from the start—primarily to clean up America's air and water and make our environment a healthier place in which to live.

Within the past 5 years Congress has passed major legislation which will enhance environmental protection for years to come. The Federal Water Pollution Control Act amendments, the Clean Air Act amendments, the Solid Waste Disposal and Resource Recovery Act, the Safe Drinking Water Act and the Noise Control Act all serve as the legal framework through which the Environmental Protection Agency has the power and approval of the people to make this country healthier and cleaner for all Americans.

The challenge given to EPA has not been easy to surmount, but the first 5 years are only a beginning. With any regulatory agency, there is a constant need to balance opposing interests while seeking the appropriate solution. The recent controversy surrounding the pesticides debate on the extension of FIFRA—Federal Insecticide, Fungicide and Rodenticide Act— is an example of how agricultural and environmental interests came into conflict, but more importantly it proved that such differences can be resolved to reach workable solutions.

Such compromises, however, must never subvert our ability to protect and preserve our natural resources, the air we breathe and the water we drink. The Environmental Protection Agency must never stray from that specific course for our survival depends upon its diligence in abating all sources of pollution.

EPA's effort to establish high standards has benefited all of us. Colorado has cooperated with EPA in the administration of the NPDES permit program which sets strict compliance procedures to clean up our polluted waters. State implementation plans under the Clean Air Act have also been carried out in partnership with EPA.

Unfortunately, the hazards of modern life all too often become widespread before their inherent danger is recognized. Such is the situation with the alarming appearance of PCB's—polychlorinated biphenyls—in water from diverse areas of the country. We must work not only to pass an effective toxic substances control law, but also take any immediate action necessary as embodied in the provisions of the Clean Water Act.

Pollution is universal in scope whatever form it may take. To eradicate totally the mistakes we have made in the past by allowing the degradation of our environment is impossible; but to correct our errors, create effective controls, and educate the American public on the need to do so is a task that is not only possible, but is mandatory. I commend the work of the Environmental Protection Agency for its past efforts and offer my cooperation in helping it meet the ever-present challenge.

FEDERAL ASSISTANCE TO LOCALITIES

Mr. YOUNG. Mr. President, the distinguished senior Senator from Oregon (Mr. Hatfield), a former Governor of his State, voted against the Revenue Sharing Act of 1972, as did I.

Senator Hatfield recently delivered a speech to the Association of Oregon Counties on the subject of revenue sharing, which I know will be of interest to all our colleagues. I ask unanimous consent that Senator Hatfield's speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Federal Assistance to Localities

(By Senator Mark O. Hatfield)

Two major developments have turned the attention of State and local officials to Washington. One is the expiration of the general revenue sharing program at the end of 1976, which will require some congressional action well in advance of that time. The other is the concern about the financial problems of New York City. Local officials are anxious to see what, if anything, Congress will do about the impending bankruptcy of that urban giant.

In preparing remarks to this group I am particularly conscious of your concern about the revenue sharing issue, especially since I have been an opponent of that approach to Federal financing of local government endeavors. In order to explain my stand on that issue, I want to place it in the context of the numerous other ways in which the Federal Government channels funds to local areas.

Historically, the relationship between the Federal Government and the State and local governments has been defined by the political concept of "federalism." The delegates to the Constitutional Convention struggled at length with the division of power between the Federal and State governments.

They were able to draw fairly clear lines of distinction among the powers and obligations of the levels of government at that time. But since that time, urbanization, population growth and the proliferation of new types of local government have caused the former definitions and distinctions of federalism to become outmoded. Above all, the limits on the powers and functions of the Federal Government have become eroded. Repeatedly the Congress has passed legislation which has pressed local governments into service in enforcing and complying with Federal law.

It is in the fiscal relationships that federalism has undergone the greatest change. One of the earliest instances of Federal involvement in local finances was the Land Ordinance of 1785, which set aside a portion of each township for schools. Then in the Nineteenth Century, cash grants were given for carrying out other local functions thought to be in the national interest—for example, strengthening State militias, building canals and developing agricultural extension programs.

Not everyone was pleased with this Federal assistance. President Franklin Pierce vetoed a bill in 1854 which would have provided Federal assistance for the mentally ill. He said it was contrary to the American political system to begin such programs of Federal assistance. Congress and the American people tended to agree, for the volume of Federal grants during the Nineteenth Century totaled no more than $5 million a year.

The major shift occurred during the 1930's, of course, with the combination of the Depression and an Administration which implemented a much more extensive role for the Federal Government. Those of us who lived through that profound change in the Federal Government have our own feelings about its consequences. But I for one do not accept the inevitability of further growth of Federal control over all public processes and all of society. We need to step back and ask ourselves, "Where are we headed in the Federal financing of local functions?"

There are four general ways I see the Federal Government involved in channeling funds to specific localities. These are:

1. Federal projects, which involve activities carried out by local branches of Federal agencies, in cooperation with units of local government.

2. Categorical grants, which are highly directional programs, designed to serve specific goals.

3. Block grants, which provide Federal funds for use in broad functional areas, without detailed program regulation.

4. General revenue sharing, which is the allocation of Federal funds to State and local governments, essentially without strings.

In considering the financial needs of local governments across the country and particularly in our own State, it is important to look at all of these channels. Allow me to review some of the ways in which I have attempted to facilitate the flow of funds to Oregon through these channels.

First of all, since I am a member of the Senate Appropriations Committee, a major share of my efforts have been in overseeing and facilitating the flow of funds for Federal projects to the State. The Corps of Engineers, Bureau of Reclamation, Bonneville Power Administration and Soil Conservation Service investigate, plan, design and construct energy and water resource projects that have a big impact on our communities. Let us note some examples. The Columbia River hydroelectric power system represents a $4.3 billion Federal investment in our region, providing more than half of our electrical power supply, plus navigation capability from Astoria, Oregon, to Lewiston, Idaho. The most recent construction start was for the second powerhouse at Bonneville Dam, to cost an estimated $328 million. Next will be a second powerhouse at McNary Dam, to cost $318 million.

Other examples of recent Federal projects involving energy and water resources are:

1. BPA high voltage electrical transmission system, worth $1.4 billion.

2. Willamette, Umpqua and Rogue Basin flood control systems, a $584 million federal investment in Western Oregon so far.

3. Reclamation projects throughout the state, a present investment of $180 million in twelve counties, and two major new projects in planning.

4. Navigation channels, turning basins and jetties serving our entire waterborne commerce, having cost $165 million, and improvements underway.

5. Nine small watershed projects and three resource conservation and development projects in fifteen counties, worth $22 million, and fifteen new projects in planning.

Additionally, millions of federal dollars are appropriated annually for resources development of the federal lands in Oregon. This includes the development and management of timber, forage, minerals, energy and recreation. Reforestation policies of the federal government have been a concern of mine ever since coming to the Senate, and the picture has improved greatly since appropriations leverage has been applied in recent years. Other federal projects have involved research facilities and the construction of government facilities such as the Coast Guard stations.

The second major channel of federal funds is the categorical grant. There are an estimated 450 separate categorical grant programs, administered by more than 30 different departments and agencies. The recipients include units of local government, along with private agencies and individuals. The past two decades has been the immense expansion of grant programs, followed by their gradual decline. All of you to some extent have become involved in the game of grantsmanship, the ground rules for which are found in the Catalog of Federal Domestic Assistance.

My role as your representative in the Congress has been to provide information about programs which might meet your needs and to occasinally help expedite grants being processed. For example, the City of Astoria was ruled ineligible for assistance with their waste treatment facility because of a technical problem involving the date of groundbreaking for their plant. After several exchanges between my office and the Environmental Protection Agency, we reached an agreement on interpretation of the law which allowed Astoria to qualify. I had argued that EPA regulations covering the waste treatment program did not reflect a reasonable interpretation of the statute that created the program.

A similar case was the Hood River waste treatment facility just recently dedicated. In this case the City was not turned down at any point, but to prevent problems developing I met with officials of the Economic Development Administration, the City of Hood River and Diamond Fruit Company, the largest source of waste and also the major employer in the area. The result of these contacts and patient staff work was a $2 million EDA grant that allowed the plant to be built and the company to continue in operation.

The block grant approach to federal financing is a less costly and newer technique. Since greater discretion is provided to the local level, there is not as great a need for the members of Congress to act as intermediaries between local and federal officials. In one case recently, however, this was necessary. When many programs of the Department of Housing and Urban Development were converted from categorical to block grants, the city of Eugene found itself on the short end of the funding formula. The formula was based on grants received during the 1968 to 1972 period, and Eugene's major HUD assistance had come just prior to that time. When efforts to adjust the formula were unsuccessful, I worked with HUD to assure that discretionary funds would be channeled to Eugene to fill the gap. This meant an additional $491,000 annually for Eugene.

The fourth major channel of federal funds is the general revenue sharing program. In 1972 Congress created a five-year program, which is distributing $6 billion a year to a total of 38,000 units of state and local government. Evaluations of its success vary, but the message is coming to Congress loudly and clearly that local governments are very anxious that these allocations not be cut off.

There are two major variables among these four channels of federal funds, the degree of federal control and the resulting administrative overhead. On the one end is the federal project, totally controlled by the federal government and involving extensive federal personnel and administrative cost. Categorical grants involve less control, in that a nonfederal entity actually carries them out in conformity with federal standards and guidelines. Administrative cost is still substantial, often involving special agencies for coordinating the funding efforts, such as councils of government established midway between the states and counties.

At the other end of the spectrum are block grants and revenue sharing. Block grants are operated under general objectives and often according to plans submitted by local agencies. The ultimate in local discretion and low overhead, of course, is revenue sharing, the product of the "new federalism" of the Nixon administration.

We come then to the question of the hour, "What will Congress do about extending the general revenue sharing program?" While I can't predict what all of my colleagues will do, I can explain what I intend to do about this question.

To begin with, I should go back to 1971 and recall for you the reservations I had about general revenue sharing at that time. I was skeptical about the "new federalism." While it promised to preserve and strengthen local governments, I felt it would erase the legitimate distinctions between the separate responsibilities of the federal and local government. At that time, there were hints of the financial troubles yet to come for local governments. It seemed to me that revenue sharing was not a solution for these problems, but a postponement of the needed revisions of local financing which must be made. It bothered me that the federal government was so willing to step in and use a taxing capacity over which local citizens had no control to finance local projects which might or might not be priorities for the citizenry. Meanwhile, the targets for tax protest, the needed local budget increases, would continue to go down in defeat. Moreover, the individual citizen would have no control over the inflationary effects of financing revenue sharing by increasing the annual federal deficit. Six billion dollars in a $360 billion budget may not seem so large until you measure the effects of withdrawing that amount from the capital supply.

Still other questions were not answered to my satisfaction during the revenue sharing debate four yars ago. With low overhead and low accountability goes the problem of the wise use of these tax funds. Only the broadest of categories were offered and the sketchiest of reports required. This has certain advantages, but leaves the concept of accountability almost entirely out of the picture. Above all, it seemed to me that revenue sharing would create an unavoidable dependence on the federal government once the newness of revenue sharing wore off and jurisdictions got "hooked" on these funds. The recent experience with planeloads of local officials descending on Washington asking for an extension of revenue sharing bears this out.

So I voted against revenue sharing in 1972, along with 19 other Senators. This was not without an appreciation for the financial needs of local government. It was the tool, not the objective, with which I disagreed.

Today we must ask ourselves to what extent the program has achieved its objectives. The sponsors and promoters of revenue sharing promised that the program would bring government closer to the people, help end federal red tape and encourage reform and modernization of state and local government.

It is my contention that these objectives have not been achieved satisfactorily. The program represents a trend toward centralization, though it masquerades as decentralization. It accelerates the pattern of shifting the lion's share of total tax activity to the federal government, far out of range of individual citizens. In 1930, the states collected more income tax than the federal government. Now the federal government collects twice as much tax as the other jurisdictions.

One of the specific objectives of general revenue sharing was to give local jurisdictions some breathing room from their immediate financial needs to undertake local tax reform. This goal has apparently not been achieved. No states have added income taxes, the one tax most correlated with ability to pay. The state income taxes in effect today yield only about one-tenth the amount collected in federal income tax, so the burden in the states remains on property and sales taxes. Thus, property tax revenues have jumped 47% in the past five years, hitting retired persons very heavily. A recent study showed that the low-income elderly pay 16% of their income for property taxes. As long as local tax efforts remain haphazard and inequitable, federal assistance will only postpone the need to deal with fiscal calamity.

These shortcomings of revenue sharing, however, should not be considered outside of the context of 1975's serious realities. The major problem to be dealt with, of course, is the financial one. When the revenue sharing program was brought into being, local governments had generally balanced budgets. This is no longer true. Overall deficits were $7.9 billion for state and local governments in 1974 and undoubtedly will be higher this year. New York City alone accounts for a large pool of this red ink. This is not to say that local governments have not made adjustments, for $1.5 billion in new local taxes and $1.4 billion in local spending cuts are expected this fiscal year. Tax increases just voted in New York state will add even more to these adjustments.

To a certain extent, the financial problems of local governments are more the result of the weakness of the entire economy during the past year than any fiscal mismanagement on the part of their officials. Unemployment has steadily pushed upward, eroding revenues and escalating the need for welfare services. Since state and local governments have become major employers, budget cuts have meant payroll slashes, adding to the vicious circle of recessionary pressures. To cut off revenue sharing now without a viable alternative would be to force some jurisdictions to make even further slashes in their work force.

Another reality which must be faced is a procedural one. Congress has essentially forced itself to renew the program before the end of this year. To delay the decision into 1976 will subject the action to the new requirement of waiting for passage of the First Budget Resolution in May. That delay would be harmful and unfair to the jurisdictions involved. Since funds run out on December 31, 1976, the plans for the last half of that fiscal year within the local governments have to be made very soon and certainly cannot wait until next summer. Delay would probably require passage of a temporary extension to continue the program at current levels into the following year, but this would short circuit the debate many in Congress feel is necessary.

With these considerations in mind, I intend to take these preliminary steps in regard to revenue sharing. First of all, I will urge my colleagues in the Congress to make some disposition of the renewal of revenue sharing before the end of this year. It is pointless to delay for the sake of obtaining more information. Revenue sharing has been studied to death. The National Science Foundation alone funded 18 studies of it.

Secondly, I intend to support an extension of the program for an interim period until there can be some action on alternatives to revenue sharing. A logical extension would be that provided in Congressman Fascell's bill, H.R. 10319, through Fiscal Year 1979, which would be 2¾ years. Any extension beyond that time should only be in the nature of a transition to alternative programs.

Thirdly, I will support some changes in general revenue sharing for this interim period. As a model for these changes, I turn again to the Fascell bill. The bill would add two categories for allowable uses—comprehensive planning and citizen participation. Allocations would be altered to account for need, which would be accomplished by shifting part of the formula to reflect the number of people below the poverty level. A greater emphasis would be given in the formula to State tax effort, to reward those States with income taxes. The present system of minimum and maximum allocations would be changed to achieve greater equity. The 20% per capita minimum payment would be dropped, since this unnecessarily helps some limited-function local governments, such as Middle West townships. The maximum payment would be increased from 145% to 300% to assist with the more costly and more intensive services required in the large cities.

Apart from these short-term actions, I intend to challenge my colleagues in the Congress to work together in developing some sound alternatives. While I do not claim to have a finalized proposal at the present time, here are some of its possible ingredients. At the end of Fiscal Year 1979 general revenue should be terminated. The assistance now given to local jurisdictions could be channeled to the States by the Federal assumption of some welfare costs, which now amount to about $9 billion. These welfare programs would still be State-administered with basic Federal standards, as at the present.

A share of this $9 billion channeled to the States would be passed on to the cities and counties to compensate for the loss of revenue sharing funds. The resulting "state revenue sharing" program would allow the targeting of areas of greater need as determined within the state. For example, if there were an urban area in acute crisis as in New York State, greater aid could be channeled in that direction. At least four states already have state revenue sharing systems and Oregon has a precedent in its liquor and gasoline tax distributions.

Additionally, I would like to see some other features added to this alternative package. A portion of state revenue sharing should be made available to local units which do not fit the present definitions of eligibility. I am thinking especially of neighborhood corporations, which have shown great promise for participatory democracy in urban areas. The present deduction from federal income tax for state income taxes should be converted to a tax credit, to hasten tax reform where it still has not been attempted. Consolidation of categorical grants should be undertaken and limits placed on adminstrative costs, to deal with the high overhead of these programs. Whenever possible, categorical grants should be converted to block grants to allow greater local involvement and greater flexibility. Moreover, Congress should make every effort to adhere to the timetables of its new budgeting procedures, to prevent the uncertainties faced by local recipients of federal funds today.

The State of Oregon has been a pioneer and leader in a great many governmental innovations, earning the respect of those concerned for progressive and honest government. Moreover, Oregon's 6% limit on budget increases has forced Oregon jurisdictions to spend responsibly. Although this has caused repeated trips to the polls to obtain consent for budget increases, it has avoided the hazards of deficit spending now being practiced in some states that are following an impossible federal example.

Instead of resting on these laurels, I call upon you who are on the front lines of local government financing in Oregon to work with me in developing some sound alternatives to revenue sharing. Probably you can offer variations of those I have suggested.

Instead of going to Washington with your hand out this year, I invite you to offer, by way of letters, telephone calls and suggestions to your national organizations, some constructive options for the future. The last thing I want is to have you cut off from funds you badly need. I am not advocating the cold turkey treatment. But instead of allowing you to become totally addicted to revenue sharing, let's work out a methadone treatment, kick the habit and be able to maintain the independence and fiscal integrity of local governments in the future.

THE GENOCIDE CONVENTION AND FREE SPEECH

Mr. PROXMIRE. Mr. President, one of the principal objections raised against the Genocide Convention is that the treaty might infringe upon the first amendment guarantee of freedom of speech.

This is absolutely not true. It is important to examine the critics' charge in detail. Their case is built around the fact that article III of the convention prohibits the "direct and public incitement to commit genocide." They argue that this violates basic fundamental first amendment principles.

What they overlook, however, is the fact that not all speech is protected by the Constitution. Years ago in Brandenberg against Ohio, the Supreme Court drew a distinction between "advocacy," which is protected by the first amendment and "incitement," which is not. The Justice recognized that any American has the right to support and publicly speak in favor of any philosophy he chooses. However, speech is not held to be protected when it is directed toward inciting or producing illegal action with the means to carry out such action being present. There is a clear difference between these two cases. The Genocide Convention is in complete accordance with our legal tradition.

The fact stands clear that the United States is prohibited by the Constitution from becoming party to any treaty which would supersede the supreme law of the land. The Genocide Treaty would not abridge the freedom of speech guaranteed under the Constitution.

Mr. President, I urge the Senate of the United States to ratify the Genocide Convention without delay.

ENVIRONMENTAL PROTECTION AGENCY

Mr. WEICKER. Mr. President, the Environmental Protection Agency began its commitment 5 years ago today to clean up our air and water and protect all Americans from the health hazards of pollution imminent with a fast-paced economy.

The mandate for specific action has gained substance and momentum over the past 5 years with the passage of major environmental legislation such as the Clean Air and Water Acts, Noise Control Act, Solid Waste Disposal and Resources Recovery Act, and most recently the Safe Drinking Water Act. These laws serve as the cornerstone of our national effort to clean up the environment. However, the job is far from complete.

In this Congress we face major legislative challenges to continue the fight for a more livable world. The Clean Air Act amendments are currently before the Public Works Committee in markup sessions. For a long time, I have advocated that we should not relax auto emission standards to meet the energy crisis. The National Academy of Sciences has reported that the strict statutory standards can be met without a substantial fuel penalty. Insubstantial short-term energy and economic gains are not worth the price of further destroying our already fragile environment.

Before the Commerce Committee is legislation proposing control over toxic substances. It is obvious that controls are necessary to prevent the marketing of harmful chemicals, however, such legislation must be workable from an administrative standpoint and that regulations not impose an unreasonable hardship on the manufacturer. The alarming rate at which PCB's—polychlorinated biphenyls—are being discovered in our Nation's waterways is reason enough to enact some form of legislation in this area before it is too late.

Connecticut has been a leader in cleaning and protecting the environment. In cooperation with EPA, we were one of the first States to administer the NPDES permit program through the State department of environmental protection to clean up our rivers and lakes.

Contrary to what many vocal minorities around the country advocate, a recent poll by the Opinion Research Corp. indicates that 60 percent of the total public is willing to pay higher prices to protect the environment rather than run the risk of more pollution. More important, 86 percent of the public feel we are paying now for the mistakes we made in the past. That indication alone should rally our spirit to change our habits and protect future generations from past errors and short-sightedness.

EPA does not work against us, but for us. In the last quarter of this century, we must strive to manage our natural resources prudently and avoid the excesses of former years as we take care not to impair the health of Americans and people all over the world.

The timeliness of Theodore Roosevelt's observation is worth noting on this day:

> The nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased and not impaired in value.

The ultimate cost of pollution in its numerous forms is our individual lives. The record of the Environmental Protection Agency attests to its concern and dedication for the betterment of all mankind. The challenge of the future is to continue that progress with the support of the Congress and American people. On this occasion, I take pleasure in joining my colleagues to congratulate Bill Ruckleshaus and Russell Train and all employees of EPA for their commitment to a cleaner and healthier environment.

WILLIAM E. DAVIS RETIRES

Mr. SPARKMAN. Mr. President, William Davis will retire on December 31, 1975, from the U.S. district court in Birmingham, Ala., after serving 22 years as chief clerk.

Bill Davis is an old and dear friend of mine whom I have known for many years. He grew up in my hometown of Huntsville, Ala. He graduated from the University of Alabama Law School which is also my alma mater. Bill and I became good friends in Huntsville where we both practiced law. Bill also served two terms in the Alabama Legislature during this time.

Bill Davis was appointed clerk in 1953, and he has served continuously in this capacity with distinction. In his tenure he has seen the U.S. district court in Birmingham increase from 2 judges and 10 employees to 5 active judges, 3 senior judges, 2 magistrates, and 24 employees.

In addition to his service with the court, Bill continues to be active in his community. He is a member of the Shades Valley Presbyterian Church, the Vestavia Country Club, the Optimist Club, the Quarterback Club, Aubudon Society, Pi Kappa Alpha Fraternity, University of Alabama Alumni Association, Veterans of Foreign Wars, American Legion, and Sons of the American Revolution. He is also a member of the Alabama Bar Association, the Birmingham Bar Association, Federal Bar Association, Phi Delta Phi Legal Fraternity, and the Federal Court Clerks Association of which he is a former national president.

Although Bill Davis will be missed in the court, I am sure that his presence now will be felt even more in service to his community.

Also retiring from the U.S. district court in Birmingham are Dan C. Strong, chief deputy clerk with total service of almost 36 years; and Margaret M. Hoehm, deputy clerk with more than 16 years of service.

Bill Davis has been a great public servant. I know that many of the people who have had business with the district court of north Alabama will remember with gratitude his service through the years and will be wishing for him a most happy retirement.

ENVIRONMENTAL PROTECTION AGENCY FIFTH ANNIVERSARY

Mr. STAFFORD. Mr. President, today marks the fifth anniversary of the Environmental Protection Agency. It is appropriate on this day to reflect upon the basic mandate of EPA to protect not only our own generation, but future generations as well, from those adverse changes in the environment which affect our quality of life.

Five years ago, America was awakening to the fact that our health and very survival were being challenged by the daily excesses of our 20th century economy. Our Nation's air and waterways were being polluted at such a rate that the continued well-being and health of the American people could no longer be taken for granted.

The Environmental Protection Agency was created to coordinate a national effort to prevent further degradation of our physical environment. Clean air and water were no longer birthrights to abuse and forget, but instead valuable resources to protect and preserve.

Such a challenge has not been an easy one for EPA. At all times it must continue to establish a balance between what is necessary for the protection of our environment and what is feasible for the strength of our economy. In the process, EPA and the Congress have coordinated their efforts to see that legislation such as the Federal Water Pollution Control Act, Clean Air Act, Safe Drinking Water Act, Noise Control Act, and others were passed and signed into law. These laws are the foundation and tools with which our Government combats and controls the ravages of pollution.

Vermont has always been known for its natural beauty and clean physical surroundings. In recent years, however, more and more people have come to Vermont on vacation and perhaps to live permanently. With an increased population there follows a greater demand upon the natural resources we so desperately need to protect.

The example of the Federal Environmental Protection Agency is one that Vermont has followed at the State and local level through our Environmental Conservation Agency. Vermont is a partner with EPA in administering the NPDES permit program which establishes a strict compliance schedule to clean up our rivers, lakes and streams. We also have coordinated with EPA under the State implementation plans of the Clean Air Act to insure the right of clean air for all Vermonters. Only when one has experienced fully the beauty of clear unpolluted water and air, as we have in Vermont, can one truly appreciate the need to preserve this kind of environment for future generations.

On the occasion of EPA's fifth anniversary, I commend the efforts of such able Administrators as Bill Ruckelshaus and Russell Train and the thousands of EPA employees for their dedication over the past 5 years. I urge all Americans to join together in this year of the Bicentennial to continue this standard of excellence in making our native environment a cleaner and healthier place in which to live.

GORDON RULE SPEECH INDICATES NEED FOR PROCUREMENT REFORMS

Mr. PROXMIRE. Mr. President, there are few Government employees with more courage or insight than the Navy's Gordon Rule. In a government that is often stifled by a "go-along attitude," when the prevailing atmosphere is "don't make waves," there is a greater need for candor and free speech.

There are few in government today who possess the conviction and courage to speak out on controversial issues when their careers are at stake. Gordon Rule is one of the exceptions.

Repeatedly he has made his views known on various matters affecting the Navy. The Navy has attempted to silence his independence, to discipline him, to transfer him to a make-work job. And yet he has survived each encounter with undiminished courage. He continues to speak out when his conscience demands it.

How much better our Government would be with 10 Gordon Rules or a thousand. We would be a stronger nation. Our fighting forces would be better equipped at more reasonable prices. Defense contractors would be operating on higher level of effectiveness. Gordon Rule stands as an example that even one man can make a difference.

Mr. President, I commend to our colleagues a recent speech by Gordon Rule before the Navy Procurement Officer's Seminar in Washington on October 30 of this year. I ask unanimous consent that this speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF GORDON W. RULE

Ladies and gentlemen:

When I receive an invitation to talk with a group of young Navy supply corps officers who are all in the LT and LT(JG) brackets and all involved in Navy procurement, I consider it both a duty and a pleasure to accept that invitation.

Why? Simply because I feel that at my age and with my experience in spending the taxpayers money I have a responsibility to people of your age who (I) are newly minted in Navy procurement, (II) are at an age when you haven't yet been irrevocably moulded to attitudes and practices of cynicism and accommodation, (III) have the potential of becoming the future business type military leaders in Navy procurement and (IV) may just turn out to be the catalytic age group of young people who can find the courage and determination to restore credibility to the manner in which the Navy handles the taxpayers defense dollar.

Bluntly put, my hope is that some of my experience and efforts can rub off on you ladies and gentlemen. First let me warn you that in order for you to restore credibility to the Navy's track record of estimating, cost growth, overrun experience, etc., you must set your moral and professional standards and goals a great deal higher than you ever imagined would be necessary.

I say this because, in my opinion, the moral climate in this great country of ours, and in this great Navy of ours is so eroded today that we are headed for national disaster.

I believe there is one basic philosophy and one basic reason that has brought about this moral climate.

The basic philosophy was accurately described by the late General MacArthur when he said what was wrong in our country was that people were trying to see how little work they could do for how much money they could get.

The basic reason is the amount of money available today for defense procurement. The very size of today's defense budget is corrosive and corruptive, in the absence of wage and price controls and don't you forget for one second that the only people directly responsible for the prudent spending of those defense dollars are those of us in procurement. Every other category of individuals in the weapons system acquisition arena, with the possible exception of the lawyers, have other primary objectives than prudent contracting.

Secretary of Defense Schlesinger has recently lamented about cuts in the defense budget. I keep wondering why the Secretary won't face up to what is happening to the taxpayers defense dollar due to the direct inflationary effect on the defense budget of no wage and price controls in our country which results in so many dollars being required. England and Canada have found it necessary to impose such controls, as you know.

Navy contracts today include labor and material escalation provisions, some of which even protect a contractor after his contract delivery dates, regardless of whose fault the late delivery may be. Additionally, defense contractors are asking—and getting—labor rate projections of up to 20% per year on the grounds that labor agreements are to be negotiated and coverage is therefore demanded in the contract for rate increases.

For the first nine months of 1975, 612 labor contracts were negotiated covering 2.5 million workers. These contracts averaged 10.3% increase for the first year of the contract compared with 9.8% for contracts signed in 1974. For the bigger contracts—those covering more than 5,000 workers—the first year average increase was 11%. Last year first-year wage settlements trailed the rise in the cost of living, while so far this year the settlements are far in excess of consumer price rises.

It really doesn't take a great brain to realize that when the labor unions know the extent to which the Government has protected the contractors against wage increases, there really won't be much hard bargaining at the negotiating table on the part of the protected contractors.

Our leaders must know this, but apparently they do not have what it takes to face this very real cause of inflation because it would be politically unpopular. These same leaders have no hesitancy in freezing wage increases for Government workers at 5% while workers in the defense industry are covered by the Government for whatever amount is negotiated with the unions.

Let me just say this, it is my considered opinion that our taxpayers defense dollars are being ripped off shamefully and until or unless this country reimposes wage and price controls—at least on the defense sector—we, as a country, will continue to head downhill to disaster or to another form of government than that which exists today.

Multimillion dollar defense contracts have now become multi-billion dollar contracts and I suggest that corporate, political and individual morality reached the choke point with all these billions of the taxpayers money being up for grabs.

All one has to do is look around and see the conflicts of interest, the officers leaving the Navy for jobs with defense contractors or officers retiring and being rehired as civilians or obtaining contracts with the Navy.

Another indication of course, is what you read in the papers every day about defense contractors who admit to bribes—or kickbacks as the chairman of Lockheed prefers to call them—when attempting to obtain contracts from foreign countries and entertainment of officers—mostly flag—in this country.

I would like to ask you ladies and gentlemen at this point, if any of you believe that these defense contractors who have admitted illegal campaign contributions in the United States and bribes, kickbacks, etc. abroad have a double standard of corporate morality which precludes them from improper and/or illegal practices in this country when trying to obtain defense contracts. In short, do you believe for one minute that they have one corporate policy within the United States and another that takes effect the minute they leave our shores? I don't believe it and neither do you. The Northrop story shows it isn't so.

I am sorry to say that I do not believe our Department of Defense will take the affirmative, punitive action against these defense contractors or the admirals and/or generals who appear to have violated the clear intent and meaning of the DOD conflict of interest regulations. Letters of admonition or censure for poor judgment put in their files after they retire is silly, in my opinion. The Secretary of Defense says belatedly that the services should discipline their own people. Where has the Secretary been?

Let one of you young lieutenants be on the Northrop list of duck hunters at the Eastern Shore and I guarantee you've had it and positive disciplinary action would be taken promptly. It would be cynical to advise you to keep your noses clean until you reach flag rank and then you may act with impunity, but the course record certainly points in that direction.

I have long contended that defense procurement would be sanitized by permitting defense contractors to go into bankruptcy if they fail to meet their contractual commitments and obligations. The DOD would obtain our contracted for procurements if a company goes into bankruptcy and such action can result in needed management changes. We all know however, that the Lockheeds, Grummans, Northrops, et al, are sacred cows for the politicians and the defense heirarchy with the result that corporate morality is all but forgotten.

These corporations who do business with the DOD on their terms are not even subjected to enlightened trade association disciplines in their industry. Even voluntary codes of ethics and fair trade practices are either non-existent or non-enforced and collectively they laugh at efforts to require them to be truly accountable for their spending of the taxpayers defense dollars.

Similarly, I have long contended that if one admiral or general—or any other officer—was court-martialed and dismissed for conflict of interest violations, the entire procurement operation, as well as Navy credibility, would be immediately enhanced. Continued reminders of what SECNAV and DOD instructions and directives say about standards of conduct and conflicts of interest are patently ineffectual. Bold, positive, disciplinary action is required by our leaders, but don't hold your breath until you see such action.

Unfortunately, the system doesn't work that way today and that is where you come in. I say to you sincerely, albeit with genuine sorrow, that you must face the very real challenge, you must undertake to make the system better by your complete dedication to honesty, integrity and challenge of wrongdoing, cover-up or appearance thereof at all times and at all levels or you should get out of procurement. Either you must strive to change the system so that (1) honest convictions are permitted to be held and articulated, and (2) the strength of those convictions are encouraged or you should face the fact that you don't have the guts to stand up for what the Navy needs and get out. You must also realize that the present system is insidious and without your being conscious of it, you will be moulded into an aye, aye, sir type. Please don't let this happen to you.

I am not talking about an elite corps or a spy corps, I am talking about a corps that will become known throughout the Navy and DOD as a group that can be relied upon to tell the truth at all times as you move ahead. Not 98 or 99% but 100% of the time. More than you realize, the Navy needs that kind of a corps and I hope you will deliver that need for the betterment of the Navy and the taxpayer.

I fully realize what I am asking you to do when you have families and your future to consider. I suggest however, that your own self respect comes first and unless you cultivate and assure that, you will not gain the respect of others with whom you come in contact.

One last point I would like you to think about. Because the Navy's cost credibility with the Congress and the public is not exactly enviable—and here I do not include the fleet—I suggest it would prove salutary to require all Navy personnel who testify before the Congress on costs of ships, etc. to do so under oath. It is the taxpayers money they are testifying about and today the truth is sometimes handled carelessly. I suggest that if a witness in a police court on a traffic accident must raise his right hand and take an oath to tell the truth, etc., every officer and civilian should similarly be required to do the same when testifying about a billion dollar aircraft carrier, submarine, airplane, etc.

I also would require all officers and civilians who testify before DSARC, to do so under oath. Upcoming is a DSARC III for the PF's (now FFG). This is a multi-billion dollar expenditure of the taxpayers money and I believe the proponents of this program—no dissents will be heard by DSRC—should be placed under oath when trying to sell the program.

Testimony under oath before congressional committees, DSARC, etc. may not be the total answer to Navy credibility, but I will guarantee that it will make persons think twice before making incorrect or disingenuous statements.

I suggest it would also preclude a recurrence of the situation recently when Defense Department personnel testified before the Congress on the F18 aircraft and when the transcript of the testimony was sent for the usual minor editing, the testimony was so substantively altered that Senator Weicker felt compelled to have both the original testimony and the revision thereof printed to clearly show the alterations and substantive differences.

Three pleasant notes to conclude:

(1) Sterling institute has been asked to prepare a course for midshipmen at the Naval Academy to provide them with knowledge of the producer side of the Navy to assist them when they later get assigned to jobs on the beach as distinguished from the fleet. This I have long advocated.

(2) The emphasis both Admiral Kidd and now Admiral Michaelis place on efforts to obtain for the fleet reliable and maintainable hardware and software. These outstanding efforts are being conducted by Mr. Wil-

loughby, MAT 06, and that gentleman is deserving of the highest praise for his relentless devotion and efforts to make R&M in the Navy real and not fanciful.

(3) Last, but by no means least, the retention on active duty of Admiral Rickover who, no matter what anyone thinks of him, knows exactly what he is doing and does it well.

Thank you very much for inviting me to talk with you.

DÉTENTE

Mr. WILLIAM L. SCOTT. Mr. President, the December issue of the Virginia Legionnaire has a column by its department adjutant, Phil Grimm, entitled, "Let's Get Down to Brass Tacks," expressing concern that détente with the Soviet Union may not be working in the interest of the American people. I believe this discussion is well worth reading by my colleagues and ask unanimous consent that it be printed in its entirety in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LET'S GET DOWN TO BRASS TACKS

(By Phil Grimm)

Last weekend news leaks indicated President Ford had fired Secretary of Defense James R. Schlesinger. On Monday, in a televised press conference, the President confirmed that action and announced other high-level changes in government posts. The avowed reason for the changes, the President said, was to form his "own team." That may be.

According to most news analysts, however, it appears that Mr. Schlesinger was fired for two basic reasons. First, because of his adamant opposition to the $7 billion reduction of the DOD appropriation bill by the House and second, because he has been, and is, an outspoken critic of Secretary of State Kissinger's design for and pursuit of détente with the Soviet Union.

I am personally convinced that détente, if continued as it is now being pursued by Secretary of State Kissinger, will most certainly affect our lives and the lives of our children in the future. Thus, the purpose of this column is intended to provoke thought on both the foreign relations and national security aspects of the subject. My thanks to Past Department Commander Joseph L. Hodges, a member of the National Security Commission of The American Legion, for prompting an article on this subject. His request for an article on détente (made over a month ago) is even more timely now.

What follows is an excerpt from the October 1975 issue of the American Security Council "Washington Report," published monthly by the American Security Council of Washington, D.C., John M. Fisher, Editor and Publisher. The excerpt contains only the conclusions portion of an Estimate by the Defense Intelligence Agency of the Department of Defense which was first classified confidential but has just been declassified.

DETENTE IN SOVIET STRATEGY

Detente generally connotes a relaxation of tensions and a process whereby this climate is reinforced. But whereas in the U.S. detente tends to be seen as an end in itself, in the USSR it is seen as a strategy for achieving broader Soviet strategic objectives as well as tactical aims without fueling the sorts of concern that might galvanize the West into serious counteraction. According to the Soviets, detente—or peaceful co-existence—has become possible because the West has been forced to recognize the changing correlation of forces (1) and is therefore accommodating to rising Soviet power.

Soviet long-term strategic objectives, which the detente strategy seeks to promote, can be generalized under the heading of "dominance" and include: the breakup of Western alliances; the eviction of the American military presence from Europe and the achievement of Soviet dominance there; and the establishment of Soviet political, military, technological, and economic superiority worldwide. Soviet detente policy has facilitated Soviet strategic nuclear expansion and the canceling out of U.S. superiority, without provoking extensive Western counter-efforts.

A major tenet of Soviet detente policy is to avoid strategic nuclear war. Although this was more imperative when the U.S. enjoyed strategic nuclear superiority, the Soviets have elevated it to a guiding principle for superpower relations. At the same time they seek to neutralize those areas of power competition where superior U.S. technology puts the USSR at a disadvantage.

Moscow's tactical goals of the detente strategy include changing regional balances of power in Soviet favor. The USSR further seeks through detente to isolate China, pending possible opportunities for Soviet exploitation when the current Chinese leaders leave the scene. Detente also serves the Soviet need to avoid a simultaneous confrontation on both eastern and western fronts.

In the Soviets' view, detente has moved them closer to their strategic and tactical goals. They believe they have going for them:

A continuing shift in the world wide correlation of forces in their favor;

A strategic posture vis-a-vis the U.S. that diminishes the likelihood of general nuclear war and, at the same time, holds the possibility of a politically meaningful strategic edge;

A steady development of Soviet Conventional military capabilities concurrent with a trend in the West to reduce general purpose force strengths;

A political environment in which they can win substantial concessions from the West in the various East-West negotiations on arms control and security;

The recognition of the USSR's World War II gains in Europe;

A growing disarray and disunity in the West on strategic policy and security matters; and

A somewhat freer access to Western trade and technology.

The Soviet interpretation of detente requires that the West continue to accept certain conditions; the West cannot interfere in Communist states and other areas where the Soviet political position outweighs that of the U.S. In Soviet terminology, there can be no export of counterrevolution. More generally, the West is expected to act with prudence in any crisis that could lead to superpower confrontation. The Soviets, however, are prepared to exploit crises in pursuit of their objectives to the limits of U.S. reaction, if necessary by threatening military intervention.

While there are differences over specific aspects of detente, there is a broad consensus on the effectiveness of the strategy within the Soviet leadership. This concensus notwithstanding, and despite the favorable consequences of the policy to date, Soviet detente strategy can change. If anticipated gains at Western expense by other means appear sufficiently attractive in Soviet calculations, Moscow will compromise on detente or discard the policy and adopt the indicated alternative course. Furthermore, Soviet detente policy could change with Brezhnev's passing from power and the emergence of new leadership.

So far, detente has served Soviet purposes well. For this reason the Soviets will not lightly jettison their detente strategy. Therefore, as long as the USSR is committed to detente, the U.S. can step up its demands in negotiations with the Soviets and need not hesitate to demand a clearly comparable price for every concession the U.S. or the West is prepared to make.

(1) A Soviet term denoting world balance of power in all its aspects—political, military, economic, etc.

GENERAL REVENUE SHARING

Mr. MONDALE. Mr. President, amid our crowded legislative schedule, we often are unable to take up bills until the last moment. The rush of events forces us to be present minded. Today I would like to direct the Senate's attention to an issue that might at first seem not to be pressing for resolution, but which, in fact, deserves prompt action. I am referring to the general revenue-sharing program. While the act does not expire until December 31, 1976, I believe that Congress must act promptly and favorably on extending this bill.

The case for acting early seems compelling to me. For many State and local governments the fiscal year begins in the spring or early summer. Each State and local government must submit a balanced budget. If, by early spring, Congress has not extended revenue sharing, then these governments must reduce their revenue estimates for the second half of their fiscal year. If current programs are to be maintained, State and local taxes would have to be raised. Barring that, many programs would have to be cut. Higher taxes or terminated programs—that would be the State and local governments' only choice if we do not act promptly.

And these would have to be significant cuts. For example, Martin Sabo, Minnesota's able Speaker of the House of Representatives, has testified that the following kinds of alternatives would have to be considered in order to compensate for the funds that Minnesota receives from revenue sharing:

First. Increase individual income tax by 11.4 percent;

Second. Increase corporate income taxes by 71.2 percent;

Third. Increase sales taxes by 30.1 percent;

Fourth. Reduce aid to local governments by 86.5 percent;

Fifth. Eliminate public welfare aid to families with dependent children;

Sixth. Reduce aid to local governments by 86.5 percent.

Seventh. Eliminate all legislative, judicial, and executive departments, general fund expenditures; or

Eighth. Allow local governments to raise property taxes by 10 percent, combined with a 4-percent increase in individual income tax.

I do not believe that governments in Minnesota, or any State's governments, should be faced with choices like these.

Revenue sharing has been a successful Federal program. It has helped maintain and promote this Nation's progressive tax structure. It has targeted its benefits to the most deserving governments: those with low per-capita incomes and reasonable tax efforts. And this new fiscal strength has invigorated and given new meaning to our federalist system.

The current law is an excellent one.

That is why I have become a cosponsor of the current revenue sharing bill, which, for the most part, continues the present program. However, I believe this bill can be improved in two aspects. First, I hope that this program can be extended for 10 years rather than 5. I believe that revenue sharing should be extended for this relatively long period of time in order to facilitate flexible planning by State and local governments. It is only natural for governments not to instigate new public programs, no matter how worthy they may be, if the State and local officials are uncertain that the programs can be continued. I believe that the officials should be able to be sure that the revenue sharing funds will be available for long-term projects, so that these can be pursued with confidence.

Second, I want to make a small change in the distribution formula. Currently, in one of the two interstate distribution formulas, there is a ceiling on the incentive for States to use income taxes. In the past Minnesota's allocation has been reduced by this ceiling. In the future, Wisconsin and Oregon, as well as Minnesota may see their allotments reduced because of this ceiling. Since many of us who fought for revenue sharing wanted to encourage the use of income taxation by States, I do not believe that the ceiling serves a good end. So, I will offer an amendment to raise this ceiling so that no State's share will again be constrained.

In short, I believe that the facts compel us to take early, affirmative action on this excellent program. Even given the many other important issues calling for our attention, I believe we should soon consider and pass a lengthy extension of general revenue sharing.

FIFTH ANNIVERSARY OF ENVIRONMENTAL PROTECTION AGENCY

Mr. HATFIELD. Mr. President, on this fifth anniversary of the Environmental Protection Agency, I would like to call to the attention of others two environmental efforts of particular interest to Oregonians.

The first instance is the clearing up of Oregon's Willamette River, a success story that merited a chapter in the 1973 report of the Council on Environmental Quality. In that report CEQ said that:

> Oregon's experience demonstrates how a major river can be restored if the people are determined, the government committed, and the legal tools available.

That river, the Nation's 12th largest, has been transformed, once again a clean river where thousands regularly swim and fish, water ski, boat—and where Chinook salmon again ascend to spawn in the fall. Oregonians are justifiably proud of their efforts and point to restored Willamette as a mode for other areas struggling to reclaim "lost" rivers.

Another matter—again of special interest to Oregon—is the cleaning up of litter along roads and highways. Oregon was the first State to legislate against the nonreturnable bottle. The Oregon experience proves that this is a sound idea which others, such as the States of Vermont and South Dakota, and various municipalities, are beginning to adopt. It is encouraging that EPA has now come forth with its proposed guidelines to deal with beverage containers on Federal facilities. I commend the Agency for its forthright position on what has become a highly controversial issue.

Specifically, I would like to commend Russell Train on the excellent job he has done during the 2 years he has been Administrator of the EPA. Mr. Train and I have worked closely on several issues affecting Oregon's environment, and I know him to be a capable and innovative Administrator.

The next 5 years should be challenging times for EPA. I wish the Administrator and his staff well on this "fifth birthday"—and I trust they will continue their good work.

FIFTH ANNIVERSARY FOR EPA

Mr. CLARK. Mr. President, today, the Environmental Protection Agency marks its fifth anniversary. These first 5 years have been marked by successes, as well as controversies, and I think it is safe to say that we have reached a crossroads now as far as the environment is concerned. During this next year, we will be called upon to make some very important—and difficult—decisions about environmental issues.

We have come a long way since the EPA was established by Presidential Executive order in 1970. During the late sixties, concern for the environment was at an all-time high as public attention became sharply focused on the quality of our environmental surroundings. It was in this atmosphere, that the EPA was created as an independent government agency whose sole responsibility it was to develop policies for protecting the environment.

The Agency brought together existing elements of other executive agencies—the Federal Water Quality Administration in the Department of the Interior; the National Air Pollution Control Administration in the Department of Health, Education, and Welfare; and the Pesticide Registration Division of the Department of Agriculture. Combining these various elements into a single agency with one predominant mission—environmental protection—was certainly one of the most important steps this Government has taken to protect the country's future.

The increase in technology coupled with population growth is making environmental protection even more vital to our future. The growth of the world population threatens to outstrip our ability to produce the necessities of life.

Small wonder that environmental protection is in the long run one of our most crucial goals, and has become one of the principal issues of the day.

The Environmental Protection Agency has authority to act in several areas: water, air, pesticides, noise, radiation, and solid waste. Other legislation is presently being considered by the Congress, principally governing toxic substances. These broad areas affect a large part of our national economic life, and point up the fact that environmental protection carries a price tag.

I do not think the price is too great, and I think it is well worth paying. Recent successes of the Agency's programs illustrate what can be accomplished: restoration of Lake Erie is well underway and we have seen a reduction in sources of pollution there; fish and shellfish are returning to Escambia Bay in Florida for the same reason. These are well-known success stories, but the Agency has a congressional mandate for, and is moving on to, broader fronts: upgrading the quality of air in urban areas, cleaning up the Nation's waters through enforcement and assistance of State programs, reducing noise levels in factories as well as large residential areas, and many other programs.

Thus, this fifth anniversary comes at a time when many of the mandates provided by Congress are well underway—but by no means can we say "mission accomplished." It is an important mission, and probably a permanent one, as the Agency will always have to strike the balance between environmental concerns and the demands of changing technology. I want to wish the Environmental Protection Agency well in its endeavors.

EPA REACHES FIFTH ANNIVERSARY

Mr. HANSEN. Mr. President, just 5 years ago today, the Environmental Protection Agency was established in recognition of the fact that man's environmental problems were very real and global in scope. There may be some people who believe we are caught in a struggle of our own making, in what appears to be a conflict between social needs and environmental needs. In truth, it is not a conflict at all, but different facets of the same problem: in improving the quality of life on this planet, we need clean air, clean water, and less noise.

We also need a vital growing economy that can provide job opportunities and support education, health and social services. We cannot afford to ignore these needs. Neither can we afford to delay attempts to find solutions while we argue or point blame. Needless confusion and confrontation can only harm serious efforts to meet our national objectives.

Robert O. Anderson, chairman of the board and chief executive officer, Atlantic Richfield Co., recently said in his speech entitled "Energy and Environment Need Not Be in Conflict":

> The point is that environmental protection is a permanent feature of our society, not a passing fancy. Technology and ecology are by no means at war; it is merely that they have suddenly discovered each other.
>
> Perhaps it will help to note some examples of environmental adjustments that are already well along. Over 3,000 Federal agency and department actions have been the object of environmental impact statements now on file with the Council of Environmental Quality. The range of projects and actions which have had the benefit of this federal and public examination goes from dams and harbor projects to sewage treatment plants and highways. Clearly most, if not all, fed-

eral officials and business leaders are now having to think more carefully about the environmental impact of actions being proposed.

Many major corporations have already placed the environmental protection function at a key policy point in both staff and line operations. The day of the corporate vice president for environmental affairs has arrived, and he is not a figurehead but a substantive policy making officer.

I agree with Mr. Anderson that energy and environment need not be in conflict and I am sure that our EPA Chairman Russell Train holds this same belief. He and his staff are to be congratulated for the progress made over these past 5 years.

ADVISORY COMMISSION ON THE RIGHTS AND RESPONSIBILITIES OF WOMEN

Mr. TUNNEY. Mr. President, I would like to take this opportunity to commend HEW Secretary David Mathews on his selection of Ms. Lily Lee Chen to serve on his Advisory Commission on the Rights and Responsibilities of Women.

Ms. Chen is particularly well qualified for this position. At 17 she represented "Asian Youth" to the National Social Welfare Assembly sponsored by the United Nations, and she also traveled around the world with a goodwill tour. In California, Ms. Chen served as director of medical social services in the Los Angeles County Hospital system. When a specialized program providing services to the Asian community was established, she was recruited to act as its program chief. From this position she assumed directorship of the Services Planning and Resource Development Office of the Los Angeles County Department of Public Social Services. Ms. Chen was honored in 1973 with the Central City of Los Angeles "Angel of Distinction" Award.

Ms. Chen received a bachelor's degree from San Francisco State College, and completed her education at the University of Washington, where she received a masters degree in social welfare. She is married to Paul Chen, a research engineer, and has a young son and daughter.

Let me express my full support to Secretary Mathews for the activities of his advisory committee. The committee was chartered in 1972 to advise the HEW Secretary on policies, programs, and other activities of the Department relating to the status of women. The 17 public members have an expertise in the programs and policies of the Department, represent various ethnic and minority populations, and are specifically concerned with efforts to elevate the status of women and eliminate sex discrimination. Ms. Chen will be an invaluable addition to this committee; again, I congratulate the Secretary on his choice.

DAV MAGAZINE SUPPORTS H.R. 9576

Mr. HANSEN. Mr. President, I was pleased to read in the November issue of the DAV magazine, a clear and concise statement on terminating peacetime eligibility for the GI bill educational training program.

The analysis is contained in Capitol Report by Charles L. Huber, national director of legislation for the DAV.

For the benefit of my colleagues who are interested in knowing the views of disabled veterans across the country on this issue, I ask unanimous consent that this analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

[From DAV magazine, November 1975]

CAPITOL REPORT

(By Charles L. Huber)

On October 6, 1975, the House of Representatives passed H.R. 9576, and, in so doing, voiced approval for placing a termination date on Veterans' Educational Benefits under Chapter 34 of Title 38, U.S. Code—the current GI bill program. Termination of these benefits is proposed by one of the several provisions of the bill.

A lengthy, and at times, spirited debate on this aspect of the measure finally culminated in a vote of 286 yeas and 111 nays. Senate action on the bill is expected within a relatively short period of time.

DAV SUPPORTS TERMINATION OF PRESENT GI BILL

The official position of the Disabled American Veterans is in support of the termination of the present GI bill program. A National Executive Committee stand on this issue, taken last spring, was recently affirmed by the delegates to our 54th National Convention through their approval of Resolution No. 351. Accordingly, the DAV National Department of Legislation has so testified during hearings conducted by the Education and Training Subcommittees of the House and Senate Veterans' Affairs Committees.

At first glance, it may seem paradoxical that we, as a veterans organization, would support the termination of a VA benefit program. However, upon placing the concept of this particular VA benefit in its proper perspective, and upon consideration of the primary mission of the DAV, the position taken by our organization is seen to be completely and logically justifiable.

The basic premise upon which the original World War II, and later, Korean Conflict, GI bill programs was founded was to provide the restoration of educational advancement opportunities lost or postponed due to involuntary and/or wartime military service.

Both of these educational programs were highly successful, and their inestimable worth in educating an entire generation of American servicemen and women has been universally acclaimed. However, this fact did not prevent the Congress from realizing that termination of the World War II and Korean Conflict eras also terminated the need for which these educational programs had been created. The Congress, therefore, brought them to a close.

The situation existing today is very similar. The present GI bill program (P.L. 89–358, enacted 3/3/66) was initiated by the Congress to benefit those inductees and enlistees who served in the military during the Cold War period—1955–65, and during the Vietnam Era Conflict. Today, the circumstances under which this program was established—the existence of the military draft and U.S. involvement in a military conflict—no longer exist. (President Ford on May 7, 1975, issued his proclamation ending the war in Southeast Asia.)

It is the feeling of the DAV that inasmuch as the GI bills that benefited veterans of World War II and the Korean Conflict were terminated, the current educational program should similarly be brought to an end. The substantial amount of funds no longer necessary to administer these benefits—$1.4 billion during the next five years—can be well-used in other VA programs that serve America's wartime service-connected disabled veteran, his dependents and survivors.

I would here emphasize that H.R. 9576 in no way affects the VA's vocational rehabilitation program, which is, of course, a primary concern of the DAV. Eligibility for this program, which is based on the incurrence of a service-connected disability, will continue unchanged for those veterans presently eligible or for those veterans who in the future may become eligible.

The position taken by the DAV on this issue is, therefore, seen to be completely in step with the primary obligation of our organization—protecting and improving the best interests of America's wartime disabled.

FOUR MAIN PROVISIONS OF H.R. 9576

The main provisions of H.R. 9576 would accomplish the following:

Current GI bill benefits will no longer be available for personnel entering active military service on or after 1/1/76. The final cut-off date for use of any benefit entitlement by any eligible veteran is set at 12/31/87.

Increase the maximum amount of GI bill entitlement from 36 months to 45 months (includes both undergraduate and postgraduate training).

Terminate the 5-point Civil Service veteran's preference for those whose service commenced on or after 5/8/75 (the date ending the Vietnam War Era). Ten-point veteran's preference for those who incur a compensable service-connected disability *will continue*.

Authorize the continuance of the VA Home Loan program and, for the first time, grant eligibility for a VA loan to those veterans whose military service occurred during the period 7/27/47 to 6/27/50.

This measure will have an increased benefit cost of $112 million during its first year (due to 9-month extension), but will produce an overall long-term 5-year savings of $1.1 billion (due to termination of GI Bill).

MISS KATHARINE HEPBURN

Mr. TUNNEY. Mr. President, One of the greatest artists of the American stage and screen, three times honored by the American Academy Motion Pictures Arts and Sciences as best actress of the year, Miss Katharine Hepburn is appearing in our Nation's Capital in a play at the National Theater, our Nation's oldest legitimate theater. I would like to take this opportunity to pay tribute to her. Miss Hepburn, appearing in a new play, "A Matter of Gravity," continues to contribute her remarkable talents to the heritage of the American theater. It is altogether fitting that Miss Katharine Hepburn, whose professional credits are too well established to enumerate, be recognized not only as a fine actress, but also as an outstanding humanitarian. Miss Hepburn's name is synonymous with the quality that has made California the motion picture capital of the world. Through her roles in film and theater, she has brought innumerable hours of happiness to people throughout the world.

As a longstanding admirer of her work, I thank her for the joy she has brought so many.

THE U.S. ENVIRONMENTAL PROTECTION AGENCY'S FIFTH ANNIVERSARY

Mr. PACKWOOD. Mr. President, the fifth anniversary of EPA comes at a time when the Agency has had much media attention on its efforts to do something about litter along the highways. My own State had the good sense and courage to deal with the nonreturnable bottle problem in 1971, and I am heartened that EPA is moving within its limited authority to do something about the problem. I refer, of course, to the November publication of Beverage Container Guidelines for Federal Agencies. After months of seemingly endless delays—during which 10 other Senators joined me in urging the Administrator to go forward—the guidelines have been published. Not only will such action reduce unsightly and unsafe litter, but it can result in needed energy savings. The prediction is that the 5-cent deposit on beverage containers—on Federal facilities—can give us an energy saving equal to 3,000 barrels of oil per day. This is one of the benefits which was often neglected in what had become a heated campaign to prevent publication. Now, we have the proposed guidelines before us and all who are interested can comment on them, giving the Agency needed information on which it can base final action in this area.

I am convinced that this is a sound environmental measure and that EPA's leadership can stimulate others to start cleaning up their own litter—and providing energy savings which results.

I hope final guidelines will insure that we continue to build on the successes of Oregon and Vermont, and that we, as a nation, begin to change our "throw-away" mentality and examine every unwanted item to see if it can be recycled into beneficial uses.

The first 5 years have been exciting, and sometimes frustrating, for EPA. I am sure the next 5 will be equally demanding for this young and vigorous Agency. I wish them well.

EPA—OUR HOPE FOR THE FUTURE

Mr. MONDALE. Mr. President, the genesis of an environmental movement on this continent begins with the American Indian whose intimacy with nature fostered reverence and awe. Although later arrivals came to this country confident of their ability to surmount obstacles to "progress" with Yankee ingenuity, the scientific method and mechanical devices, Jefferson and Ralph Waldo Emerson were among those whose writings about conservation attracted considerable attention. In "Man and Nature," George Perkins Marsh first suggested that the vast resources of this land were not inexhaustible.

Just over a century later, the Club of Rome and others warned we are quickly approaching the upper limits of key material resources upon which the societies of the technological age are dependent. Critical review has, of course, demonstrated that the pessimistic forecast of "Limits to Growth" may not be realized if further technological innovation and the multiple recycling of resources becomes feasible.

Possibly our Nation's most significant contribution to realizing this vital hope for the future has been the development of a coordinated national approach to the restoration of our air, water and land resources, through the establishment of the Environmental Protection Agency. In partnership with the States, the EPA administers a program to place every source of direct wastewater discharge into the Nation's waters on a compliance schedule for meeting two uniform national treatment goals—one in 1977 and one in 1983. I am proud that my State of Minnesota, with a profusion of high quality and scenic water bodies, was among the first to assume the authority for operating this National Pollution Discharge Elimination System pursuant to the Federal law.

The Clean Air Act depends upon the cooperation of the States in the development of the measures necessary to meet minimum health protective standards. The revelation that airborne pollutants can migrate for hundreds of miles to cause crop damages and threaten public health is a matter for concern in primarily rural States not just the megolopolis. It illustrates that pollution problems cannot be thought of as local problems, or even regional problems. They respect no artificial boundaries drawn on a map—not even national borders.

Scientists are just beginning to understand the magnitude of the hazards posed by polychlorinated biphenyls—PCBs. When this substance was put into wide use many years ago it was not known to cause problems in the minute quantities which now cause grave concern about cancer and genetic damage. Accidents, discards, and casual release of this chemical during production apparently explains its widespread presence in most aquatic basins here, the Great Lakes, and abroad.

In addition to its important work on domestic pollution clean-up, the Environmental Protection Agency and its Administrator are directly involved in cooperative international efforts to monitor and minimize such threats to the delicate biological and chemical balance which is the life-support system of spaceship Earth.

We have hope that through such efforts as the recently concluded environmental agreement with Japan—which has experienced the realization of the full horror of human exposure to high levels of PCBs—we can continue and expand the excellent progress which EPA has made in its first 5 years. The demands of man upon nature since the days of exclusive settlement by the Indian are phenomenal. Only return to the traditional respect accorded to the processes of nature by our forebears can assure that technology remains the constructive tool of our prosperity and does not become the means for our destruction.

ENVIRONMENTAL PROTECTION AGENCY

Mr. ROTH. Mr. President, on this fifth anniversary of the founding of the Environmental Protection Agency I would like to comment briefly on the Agency's efforts to improve water quality in the middle Atlantic region.

Since a large share of the Nation's oil imports are handled in region III, which includes my own State of Delaware, oil prevention and cleanup is a major program. EPA has monitored or actively participated in the cleaning operations of over 1,000 spills in the past year. Inspections of over 300 facilities for compliance with spill prevention regulations has resulted in identifying 83 violations. It is encouraging that the Agency is noticing a decline in violations, an indication that industries are seeking to comply with the regulations.

EPA continues to wrestle with the problem of disposal of waste through ocean dumping. Under the Marine Protection and Sanctuaries Act, interim permits have been issued to the cities of Philadelphia and Camden and to a chemical facility at Edge Moore, Del. However, it has been demonstrated that there are viable alternatives to disposal of sewage sludge in the ocean and the Agency has required all three permit holders to submit plans to phase out ocean dumping by 1981.

In making that welcome announcement in September, EPA Administrator Russell Train acknowledged the broader significance of the problem. He said:

> We must begin to take a harder look at how we are going to accommodate the ever-increasing amounts of sludge produced by our sewage treatment plants. As with all materials, we must readjust our "throw away" mentality and examine every unwanted item to see if it can be recycled into beneficial uses.

There also are international implications to this decision. The United States has been a major force in the development of the Convention for the Prevention of Marine Pollution by Dumping of Wastes and Other Matter—London, 1972—an international agreement intended to reduce the deliberate disposal of wastes at sea. This decision is in keeping with the spirit of that agreement and could influence other nations to prevent unnecessary dumping of wastes into oceans.

I commend the Environmental Protection Agency for its leadership in improving water quality and I hope it will continue to maintain strong stands for protection of public health and the environment.

FIFTH ANNIVERSARY OF EPA

Mr. HOLLINGS. Mr. President, as recently as 5 years ago, America the beautiful was no longer beautiful. Some of its rivers, covered by oil slicks and saturated with industrial and municipal wastes, were afire. One Great Lake was pronounced biologically dead. The air of its great cities threatened the health of its citizens. With the delicate harmony between man and nature so obviously destroyed, Congress, motivated by the youth of this Nation and the consciences of its Members, made a moral commitment to restore and protect the beauty of America. This commitment gave birth to the Environmental Protection Agency.

Today, the Environmental Protection Agency celebrates its fifth anniversary. All is not yet blue sky and sparkling water, but under the leadership of EPA, America is on its way to cleansing its environment. While day-to-day progress seems painfully slow, gains are striking when viewed in the perspective of a few years' time.

Many of the rivers and streams are significantly cleaner than they were 5 years ago. Gone are the oil slicks and rust colored wastes which covered the Cuyahoga River in Cleveland, the Detroit River and Chicago's Calumet River. Ninety-seven pecent of industries and municipalities are following definite cleanup schedules to control their discharges into the country's waterways.

Lake Erie, Florida's Escambia Bay, and several other "dead" bodies of water have been resurrected. Today, they are supporting varieties of fish their waters have not seen in years.

Fish kills have been reduced by one-fourth in the past 5 years. An Atlantic salmon was recently spotted in the Connecticut River for the first time in 100 years.

We are making progress, but the most difficult time is ahead. Ever increasing energy demands and growing population are placing greater demands upon the environment. Offshore oil and gas operations, deep water ports, refineries, and urban sprawl are a particular threat to the fragile ecological systems of the coastal zone which will bear the burden of much of the anticipated energy related development. My own State of South Carolina finds itself in a sensitive position between the sometimes conflicting demands of a strong economy and a clean environment. It would be easy to repeat the mistakes of the past and allow uncontrolled development without consideration of the degradation of the environment. However, we in South Carolina realize that little profit will be gained if new jobs and growth are allowed to poison our clean air and water.

Our past commitment to the environment cannot be forgotten. On behalf of the citizens of South Carolina, I thank EPA for its diligent efforts to protect our precious heritage for future generations of Americans.

THE FIFTH ANNIVERSARY OF THE ENVIRONMENTAL PROTECTION AGENCY

Mr. DOMENICI. Mr. President, I wish to associate myself with my colleagues' remarks on the occasion of the fifth anniversary of the Environmental Protection Agency. I have had the honor to serve on the Senate Public Works Committee since I came to the Senate in January of 1973. I have necessarily worked closely with Administrator Train and other EPA officials during that time. I think the Agency is in good hands. I have been impressed by the candor, skill, and enthusiasm of EPA's leadership.

It has been a difficult time for the Agency beset first by the energy crunch and more recently by the economic turndown. Mr. Train has guided the Agency skillfully through those shoals, making clear to critics and friends that the environmental movement is responsible for neither set of difficulties and doing his best to address and respond to both.

Mr. President, this important work must go on. We have been the beneficiaries of great gifts from the dawn of our country: rich and abundant land, vast natural resources, and other natural wealth beyond measure. The industry and the genius of our people transformed those gifts into the rich and vital and varied society we have today, making it possible for ordinary citizens to enjoy a measure of prosperity the world had never before considered possible. What the EPA is basically charged to do is to control the harmful byproducts of our complex society in various media—air, water, solid waste, noise, radiation, pesticides. The EPA is not at war with progress or prosperity—nor should it be. The EPA is not at war with growth—nor can it be. It has been charged to do a great deal in a very short time. And to date its accomplishments have been many.

The best analogy I can think of for environmental protection is the law of trusts. A trustee, under our system, is a person or institution who holds property for the ultimate benefit of another. The trustee is held strictly accountable for the corpus within his care. He cannot squander or diminish it. He must pass it on intact to the beneficiary when the term of the trust has expired.

That is the way I view our collective obligation to the natural environment. It is the corpus entrusted to our care for a period of time. When the term is run, we must pass it on intact to our children and heirs. We cannot squander, debase, or diminish what has been entrusted to our care. As trustees, we—this generation of Americans—are going to be held strictly and personally accountable for our stewardship.

We have the brains and the wherewithal to protect our trust; we must resolve to make sure that we have the will to do what is right.

As a nation, I think we are now on the right road to curing the ills of the environment. The first 5 years show what can be done. Let us pause on this happy anniversary to resolve that we will continue to faithfully carry out our trust and pass to our children an environment that is healthy, sound, and pure.

We should also use this occasion, Mr. President, to recognize and to acknowledge that there are many who have legitimate criticism and justified concern about certain of the actions of the EPA. It is my impression, however, that this in no way detracts from the admirable efforts of the EPA to achieve the mandate set for it by the Congress. As simply the instrument by which public policy regarding our environment is to be accomplished, the EPA has received a disproportionate amount of criticism, whether justified or not.

In these short 5 years we in the Congress have set goals which were simply unattainable; we have given the Agency more to do than could realistically be accomplished with the resources provided; we have caused a proliferation of litigation in which the EPA has been prosecuted both for going too far and for not going far enough to protect the environment; and we have refused to face these difficult issues through a failure of our oversight responsibility, particularly as to those areas where so much has been left to the discretion of the Agency. All these observations add up to a conclusion that a major part of the criticism leveled at the EPA is, in fact, misplaced and should be directed at the Congress which, after all, sets the public policy that the EPA must implement. For my part, I intend to do all I can to see to it that in the future the Congress shoulders that part of the criticism which has thus far been so misplaced, not only regarding the EPA, but all agencies in that uncomfortable position.

FIFTH ANNIVERSARY OF THE ENVIRONMENTAL PROTECTION AGENCY

Mr. MUSKIE. Mr. President, I want to join my colleagues today and express my own congratulations to the Environmental Protection Agency and its employees on the occasion of its fifth anniversary. It is also, I think, an appropriate occasion to take account of what has been accomplished thus far and what remains to be done.

And, I want to pay tribute to Administrator Russell Train for his leadership and initiative in guiding the Agency successfully through a period of great difficulty.

When I became chairman of the Subcommittee on Environmental Pollution, Federal pollution abatement programs were buried in the bureaucracy of the Department of Health, Education, and Welfare and other Federal agencies. There was little identity and no real regulatory responsibility.

Cognizant of the lack of a coordinated Federal environmental program, I introduced legislation to create an environmental agency and shortly thereafter the President's Executive order creating the Environmental Protection Agency was submitted for congressional approval. I supported that Executive order but I raised some points which bear repeating on this occasion. I stated:

> Removing environmental regulatory authority from promotional agencies was the goal of my proposal, and it is the primary importance of the President's reorganization plan. At the same time, concentrating environmental protection programs in one independent agency should give our environmental quality efforts a measure of stability and coordination they have never known.
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> Few Federal programs and executive agencies have undergone the constant change in a relatively short period of time that has marked our environmental efforts. Few Federal "wars" are being fought with as much room for administrative improvement. Without a thorough reorganization—of the kind that the President and I have proposed—the pursuit of environmental quality will never achieve preeminence in the Federal Government. . . .
>
> An independent agency, charged with responsibility for developing and implementing Federal environmental quality standards, supporting basic research on problems of environmental quality and providing technical and construction assistance to State, interstate, and local agencies would reflect the national commitment we need if we are to avoid ecological disaster. . . .

Mr. Chairman, I would like to emphasize

that I have gone into the final aspects of this problem and this program because I fear that this reorganization may be regarded as a sufficient commitment to the problem of environmental quality. The reorganization of our efforts is important, but I hope what we are doing is simply taking the first step, which must include additional transfer of programs and sufficient funding if we are truly to do this job. And it is on that basis, and on the assumption that Mr. Train, at least, is committed to this kind of an objective that I look with favor upon this reorganization plan.

Under Bill Ruckelshaus and Bob Fri, and now Russell Train and John Quarles, the Environmental Protection Agency has tried to do that job. The people in EPA have performed ably against much adversity and uncertain support—both political and financial. I doubt that any Federal agency has been called upon to do so much in so little time impacting the lives of so many people except in wartime. That EPA has not carried out all of its obligations is a fact, not a criticism. The fact that EPA has moved ahead with vigor, commitment and a sense of responsibility is worthy of praise.

Mr. Train and his able staff have carried out their responsibilities well. While I have not always agreed with every Agency decision, I am satisfied with the sincerity, integrity, and dedication that Mr. Train and EPA's management have brought to the environmental arena.

When Russell Train was nominated to be EPA Administrator, I asked him:

> With respect to the decisions with which you are charged under the statutes which are your mandates, with respect to the judgments and policies that you recommend to the administration in this field, EPA, I think more than any other agency of the Government, is the voice of those who seek to protect the environment, in my judgment. I wondered if you wanted to comment further on that and then I will get into some more specific questions.

Mr. Train replied:

> I agree completely with the concept which you have expressed, Senator Muskie, with respect to the role of EPA. I believe we must be sensitive to the broad range of concerns of the American people in the formation of Government policy. At the same time, I am particularly sensitive to the fact that EPA was created and exists for the purpose of giving leadership to the protection of the environment—and, as you have said, more than the protection of the environment, the enhancement of the environment, because there are many areas in which we do not want to stop where we are, but wish to improve the existing situation dramatically. So EPA has a leadership role in this respect.
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> We should be the spokesman within the executive branch at all times for environmental quality. We should be the spokesman of the Federal Government to the public for environmental quality. There should be absolutely no equivocation on this point.
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> It would not be our job, as I see it, to try to represent within EPA all of the other interests represented within Government. It is important that we communicate with those interests—the business interests, the agricultural interests, the labor interests, and so forth. But in the final analysis our job is to carry out the statutes, to protect and enhance the environment of the Nation. That is our primary responsibility, our overriding responsibility.

In light of that commitment, I am especially pleased with the Administrator's strong resistance to the two popular but entirely specious arguments which are irresponsibly bandied around by critics of environmental action. These false arguments are related, indeed are sometimes used interchangeably by those critics. I refer to the notion first, that environmental protection is harmful to the economy; and secondly, that environmental controls somehow have brought about the energy crisis.

I think it is important, Mr. President, to stress that programs to protect the environment did not generate either the economic crisis or the energy shortage.

Environmental controls do not destroy jobs; on the contrary, those programs which we have mandated EPA to carry out create jobs, generate taxes, and insure economic progress. Environmental programs increase the rate of economic growth nationwide.

The Supreme Court ruled on February 18 of this year that President Nixon's impoundment of $9 million in contract authority authorized by the Federal Water Pollution Control Act was unlawful. That unlawful impoundment of moneys set back EPA's wastewater treatment construction grant program more than a year and a half. Now that those funds have been made available for obligation to the States, we can expect—and we are getting—substantial, hard, new economic benefits. That $9 billion will ultimately create 360,000 new jobs directly, half of those in the construction industry alone. The indirect benefits will also be substantial. This program is of tremendous importance to the construction industry nationwide where unemployment rates range from 9 percent to, in some areas, more than 20 percent.

EPA's detractors suggest that costs of environmental cleanup are disproportionate to the benefits. I regard that charge as utter nonsense. How much is a human life worth? I would not presume to place a dollar value on an individual life. But I am absolutely prepared to insist that it is sinful to have an estimated 15,000 Americans die each year from sustained exposure to filthy air, and to have tens of thousands made ill as well.

And this is really what we are talking about—human lives and safety, and the health of our children. The basic protection we seek is for human beings who live in cities and towns and villages around the country, people who have a right to expect—and demand—the intervention of their Government on their behalf to protect their lives, safety and health.

To the businesses in the country who have suggested that environmental controls are too costly, I assert that there are no private property rights in waters of the United States and the fragile envelope of air that surrounds us. The air and water belong to all of us. And the day has passed when our rivers can be used as cost-free sewers and our air as a free disposal site for the poisonous emissions of plants and factories. I insist that the free ride is over. Yes, the costs of clean-up are great. But, yes, emphatically yes, the clean-up must continue.

To those who say we are going too fast, I assert that we are going too slowly. The first set of deadlines commanded by the Clean Air Act Amendments of 1970 passed in May of this year with many important goals unrealized. Very many important deadlines contained in the Federal Water Pollution Control Act Amendments of 1972 have passed with necessary actions incomplete or imperfectly performed. However, in spite of missed deadlines and unrealized expectations, EPA has done much that is commendable and worthwhile in its first 5 years. My hope is that EPA will keep the pressure on the industries and municipalities, on individual dischargers and sources.

I congratulate the Agency and its employees on this important anniversary. If the task that remains is great—and it certainly is—I would hope that Agency continues its collective enthusiasm and determination. I hope the Agency's tenth anniversary will find it and the Nation healthier, economically and environmentally, and all of our citizens enjoying improved standards and quality of human life.

EPA FIFTH ANNIVERSARY

Mr. BELLMON. Mr. President, we are now observing the fifth anniversary of the creation of the Environmental Protection Agency. It is important that we pause to reflect on some of its achievements, and the reasons for them, and some of its problems, and the reasons for them. From this, we should learn something about the ways to maximize the chances for success of the Agency in the future and to minimize its potential for creating nuisance or worse, for our citizens and our economy.

Also, it is a time to reflect on what the Agency means to us and to our States. By observing where and how the Agency touches the lives of our constituents we may have a rough index of its effectiveness in meeting our Nation's needs.

Standing foremost among the reasons for the Agency's successes has to be the outstandiing leadership it has been fortunate enough to have. Both Bill Ruckelshaus and Russ Train are outstanding public servants.

Mr. President, chief among the reasons for the Agency's problems have been the almost impossible legislative mandates foisted on it by a Congress panicked by the very real environmental problems that faced the Nation 5 years ago. We imposed unrealistic standards and worse yet, impossible timescales for meeting them. We insisted on forcing some technologies for cleaning up the environment and presumed the existence of technical data in a number of health-related areas that justified standards for some pollutants and pesticides that imposed unnecessary costs on the economy for dubious benefits. We are now reaping a bitter harvest of badly impacted producers and consumers who are paying a heavy, frequently unnecessary and—now that needed major improvements have been made—entirely out-of-proportion price for these benefits.

This leads directly to the point that more dollars invested in research prior to the premature adoption of new or stricter standards would pay handsome dividends. I am proud that Oklahoma plays a significant role in EPA's research and development effort through the location there of the Robert S. Kerr Environmental Laboratory in Ada, Okla. I look forward to the expansion, evolution, and greater utilization of this fine facility to meet the new goals and challenges of the Agency's next 5 years.

Finally, it is worth noting the point frequently made that there is no inherent nor irreconcilably basic conflict between our energy, environmental, and economic goals. While there are hard choices to be made and while we will have to learn to be more patient in progressing toward those goals, I believe that any temporary conflict can be adjusted wisely. A good example is the area where the Agency touches most of our constituents' lives through the construction of wastewater treatment facilities. By the end of fiscal year 1977, EPA expects to obligate nearly all of the $18 billion authorized for construction of wastewater treatment facilities. It has been estimated that for every $1 billion in construction outlays, 20,000 to 25,000 onsite jobs are created as well as an additional 20,000 to 25,000 offsite jobs in industries supplying materials. That means that, when fully obligated, these construction grants will be enabling hundreds of thousands of Americans to earn a good living by improving the quality of life for millions more in this country.

Mr. President, what we need is a restoration of perspective, so that long-term goals do not become compromised by short-term expedients. It is with this hope that I commend the efforts of EPA and its past and present Administrators.

THE POWER BEHIND THE POWERS

Mr. MORGAN. Mr. President, some of the most important work presently underway in the Senate is being conducted by the Select Committee To Study Governmental Operations With Respect to Intelligence Activities. The work has proven to be an arduous and difficult task with much of the testimony having to be taken behind closed doors. The committee has just finished and presented to the full Senate an interim report on assassinations. That report, as well as hearings on the entire intelligence community, have been made possible by the untiring work of those behind the scenes, the members of the staff. I have been very impressed with the quality of work done by the staff, the sense of dedication to the assigned tasks it has demonstrated, and most of all, by the responsible manner in which it has performed, with only one leak being attributed to the staff despite its work on highly sensitive and classified matters.

The man most responsible for the assembling of the staff, and who has provided the staff, as well as committee members, with proper direction and guidance is Mr. William G. Miller. In Sunday's Washington Post, an article appeared in Parade magazine, which discusses Mr. Miller and his work with the committee. The article is highly complimentary of Mr. Miller and reflects my own opinion of his work. I, therefore, ask unanimous consent that in recognition of his fine performance as staff director of the Senate Select Committee To Study Governmental Operations With Respect to Intelligence Activities, that that article, entitled, "The Power Behind the Powers" by Connecticut Walker, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Parade magazine, Nov. 30, 1975]

MR. MILLER GOES TO WASHINGTON—THE POWER BEHIND THE POWERS

(By Connecticut Walker)

WASHINGTON, D.C.—What is power in Washington?

Little known but increasingly influential is the Congressional aide who advises the officeholder, tells him what questions to ask at public hearings and often drafts the bills that become law.

In the wake of Vietnam and Watergate, with the legislative branch reasserting itself over the executive, these aides—or "staffers," as they are known—are important figures in Washington.

One of the most important and certainly most impressive is William G. Miller, staff director for the Senate Select Committee on Intelligence, which is investigating and trying to reform the CIA, FBI and other intelligence agencies.

A dark-eyed, soft-spoken, boyishly handsome 44-year-old, Miller works under the 11 Senators who make up the committee. But none of them spends full time on the investigation. Miller does. He also has hired and now supervises the 110-person staff which carries out the day-to-day work of the committee. He presides over a high-powered task force of professional investigators, veterans of the Watergate probe, systems analysts, a former ambassador and CIA station chief, academics, and some aggressive young lawyers headed by Frederick A. O. Schwarz, toy-fortune heir. As a group, they have a license to dig deeper into this country's official secrets than any other "outsiders" in history.

BIG ROLE

So Bill Miller, who earns $36,000 a year, probably knows as much about American spying as anyone not in the espionage trade. More important, as a major writer of the committee's final report and recommendations, he'll have considerable say over what sort of CIA and FBI the U.S. will be left with after the present controversy runs its course.

Miller is a stern critic of the intelligence community, but he does not see himself as out to get the CIA.

"We're really interested in returning to the notion that the intelligence agencies are going to operate under the Constitution and the law," he says. "In the area of intelligence, we're dealing with the operations of vital and powerful government agencies whose purpose is to defend the country. But because they have to operate in secrecy, they pose a great threat to an open society and to individual liberties."

Miller is outraged by many of the abuses that have come to light, especially the illegal spying by the FBI and CIA on U.S. citizens who opposed the war in Vietnam—as Miller himself did (he quit the State Department in protest against the war and became a Congressional staffer in 1967). But he is sympathetic to many of the career intelligence officers who now find themselves under attack or in disgrace.

"You've got people who served their country honorably for 25 or 30 years and who are now faced with the stigma of things they thought they were doing in a patriotic spirit. They're being criticized by people who used to approve of what they were doing. I find that very moving. It's something that tempers the initial criticisms. While there's no question that some spying activities have hurt the country, a way has to be found to sort the problem out without tearing these agencies to bits.

TWO-SIDED JOB

"It's a hard thing to do," he concedes. "We're both investigating these agencies and cooperating with them. We're calling everything they do into question and at the same time trying to restore and rebuild them, and inspire confidence in the very necessary work they do.

"That's really the basic purpose of our committee—to give a new legitimacy through statutory charter to these agencies and to try to rid them of the abuses that have become so evident."

For all its importance, Bill Miller's role is scarcely acknowledged outside the stuffy, windowless converted auditorium in a Senate office building that serves as headquarters for the committee staff. By definition a Congressional aide is supposed to keep a low profile. Generally, a staffer is seen whispering in the ear of his boss, the Senator or Congressman, but not heard publicly—especially if his boss is a would-be Presidential candidate. Miller's boss is Committee Chairman Frank Church (D., Idaho), who may well declare for the Presidency next year when the committee finishes its work. It was only after persistent requests from Parade, and permission from Church himself, that Miller agreed to be interviewed.

Miller is accustomed to giving his all in campaigns labeled with other, better-known names. For five years he was foreign policy and defense adviser to the former Republican Senator from Kentucky, John Sherman Cooper, now U.S. ambassador to East Germany. During the Johnson and Nixon Administrations, Cooper waged a frustrating but eventually effective fight in the Senate to limit this country's Antiballistic Missile (ABM) system.

The key Senate staffer behind Cooper's four-year struggle was Bill Miller. "Partly as a result of that battle," he says, "the Senate has become relatively fearless now. The Senators are no longer afraid to question Administration proposals they don't understand. They demand that defense systems be explained to them. They won't dismiss them as too complicated and just summarily approve them anymore. It was marvelous to see Senator Cooper, then a man in his 60's, still willing to sit down and learn things that were hard for him. It was a great act of courage on his part."

HIS NEXT JOB

After Cooper's retirement from the Senate in 1972, Miller became staff director of the little-known but important Senate Committee on the Termination of the National Emergency, which has produced a bill that would strengthen Congress' checks and balances on the President's power to declare a national emergency. The bill should come to a vote later this year.

Miller believes that the four major problems he has tackled—Vietnam, the ABM, national emergencies and now the CIA–FBI abuses—are really one problem: "These issues all arose because the legislature granted to the executive enormous powers that it should have retained and been responsible for itself. There are vast areas, particularly involving national security and foreign policy, where the Administration's actions aren't even recorded for review by the Congress, to say nothing of availability to public scrutiny. This is clearly a great danger."

Miller knows about the power of the executive branch because he has worked on that side of the government, too. Before quitting the State Department over Vietnam, he was a foreign service officer in the Middle East and North Africa. His two sons, William, 15, and Christopher, 11, were born in Iran, where Miller and his wife Suzanne were stationed for five years. Now, with the Intelligence Committee taking up so much of his energy, Miller finds it hard, but not impossible, to spend time with his family. The Millers make a point of not owning a TV set. Whenever possible, they read aloud to each other in the evenings. Miller also writes poetry.

Miller's colleagues on the committee find him admirable but puzzling. "Bill doesn't have driving personal ambition like so many people on the Hill," says Pat Shea, a lawyer on the staff. "He doesn't engage in strong-arm tactics or pressure plays. He's not cynical and he's never dictatorial. What's more, he's a generalist; he's not just an expert at drafting bills. His education at Williams College, Oxford and Harvard was in history, literature and philosophy. From his time in the State Department, he knows how the executive branch works and can provide an overview of the situation. He's one of the few people I've come to admire more after working with him than before."

RUN FOR OFFICE?

What will Bill Miller do next February or March when the work of the Intelligence Committee is done? Run for office, perhaps?

"I've thought about it in the past," he answers, "but I really don't have a base. You have to be a part of a community for a long time first to do a good job and second to get elected."

Would he like to head the CIA? Miller laughs: "I don't think so. I really prefer a more open life. I like to talk about my work. Even my present job creates strains for my family and friends because I can't talk about many of the ideas and much of the information I'm working with. I have to be careful about every word I say if it has anything to do with the work of the committee. It's a discipline I really don't enjoy."

Does he think of himself as a free-lance public statesman, a problem-solver for hire? He shrugs off that definition:

"I don't consider myself that. I've thought of everything I've done as an apprenticeship. I'm still learning a lot. I haven't really thought much about what I'm going to do next. I suppose I should."

His boss, Sen. Frank Church, who thinks a lot about the future these days, says of Miller, "He's a senior staff man of splendid reputation, which is like being a senior Senator in a way. He's in a position to make a career of it."

EPA ANNIVERSARY

Mr. SCHWEIKER. Mr. President, today marks the fifth anniversary of the Environmental Protection Agency, and I want to take this opportunity to comment on the efforts of Congress and EPA in seeking solutions to provide the kind of clean, wholesome environment to which every citizen is entitled.

I am proud to have supported major bills that passed Congress to set up safeguards preventing further contamination of our environment. Implementation of this legislation, however, has not been easy. First the energy crisis, then economic recession slowed progress toward achieving important goals in this area, and immediate concerns of some sectors of the economy have sometimes been at odds with certain concerns of the environmental movement. As we renew our efforts toward economic improvement and continue taking steps to solve the Nation's energy problems, we must also reemphasize our united commitment to cleaning up our air and water.

I am confident that the efforts of Administrator Russell Train and EPA will enable us to reach essential environmental goals mandated by Congress, and I look forward to continued constructive national dialog on environmental issues.

Happy birthday to you,
As you clean up the goo
And the smog and the sewage.
Happy birthday to you!

THE GEORGIA CARPET INDUSTRY: FROM RUGS TO RICHES

Mr. TALMADGE. Mr. President, there appeared in the current issue of Elements magazine, a publication of the Dow Chemical Co., an excellent article on the Georgia carpet and tufted textile industry in Dalton in the northwestern part of the State. This is an excellent article which traces the history of the industry from the time that the stretch of highway in that part of the State was called "bedspread alley," to the booming rug and carpet industry of today that has made Dalton the virtual "carpet capital of the world." In fact, as this article points out, two-thirds of the 800 to 900 million square yards of carpeting made in the United States each year come from the Dalton area.

The tufted textile and carpet industry in Northwest Georgia is prospering proof of what can be accomplished through hard work and free enterprise, and Georgians are very proud of the important role this industry plays in the economy of our State.

I bring this article to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GEORGIA CARPET INDUSTRY: FROM RUGS TO RICHES

(By Shirley Tolleson)

(Not so very many years ago, on old U.S. Highway 41 from Chattanooga, Tennessee, down through Dalton, Georgia, and on to Atlanta, there was one art form you could buy by the yard. Tufted art, that is: chenille bedspreads and robes and rugs. Up until the mid-1960s, Route 41 was the major thoroughfare from the Michigan-Ohio-Illinois area to the sunnier, warmer climes of the Florida peninsula. The steady stream of tourists who traveled it made the roadside "art galleries" profitable indeed. In fact, that stretch of highway was called, back then, "Bedspread Alley.")

But now a broad, new, limited access highway, Interstate 75, has bypassed old Route 41, and with it a lot of local color—including the bedspread shops. Most of them are gone now. A few remain, sandwiched in between houses, fruit stands, and other small businesses—their colorful wares displayed in shop windows or outside, on clothes lines, for all to see: You can still buy a chenille robe in half a dozen bright colors, or a bedspread, resplendent with strutting peacocks, bright bluebirds, colorful flower baskets, or befeathered Indian chiefs.

The heyday of Bedspread Alley is past, but those tufted cotton rugs and other articles were the genesis of a national industry that is booming in northwest Georgia, centering in and around the city of Dalton.

Dalton, which is about 30 miles southeast of Chattanooga and 90 miles northwest of Atlanta, dubs itself the "Carpet Capital of the World." And so it is—for in the Dalton area is produced about two-thirds of the total of 800 to 900 million square yards of carpeting made in the United States annually.

The tufted art works on which the industry was founded were local products, manufactured in that corner of Georgia since the turn of the century. They are the progeny of a needlework form known as candlewicking (the art of hand tufting as opposed to chenille, or machine tufting).

The candlewicking art, the hobby of one Georgia girl, led not only to the machine tufting of bedspreads and houserobes, but finally to the beginning of the American tufted-carpet industry. It is a fascinating story that began back in 1895, when young Catherine Evans needed a wedding present for a friend who was about to be married. She couldn't afford to buy an expensive gift. Times were hard in the South; Georgia, like the rest of the Confederacy, had not fully recovered from the Civil War. The solution, then, was to make the gift. It would be, she decided, a cotton bedspread—one such as she had seen at the home of a relative.

Tufting was almost a forgotten art in this country. It had been popular in Colonial times, and up to the Civil War. Basically, it consisted of pushing thread through the back of a sheet with a needle, forming a loop, and going back through the sheet. When the work was completed, scissors were used to shear the tightly-spaced loops, leaving a soft-pile finish.

Miss Catherine stamped her pattern on bedspread sheeting and went to work. The result was an immediate local hit, and Catherine was soon teaching others her new-found skill. She even made one spread on commission for a neighbor. The price: $2.50.

Some enterprising women made arrangements to sell their spreads through large department stores, and the mail orders began to pour in. Soon Catherine, and other townspeople like her, who were working alone at their new trade, could not fill the orders single-handedly, and so the work began to be farmed out to the people in the area who lived in the mountains.

"Haulers" delivered the necessary thread, along with the spread-size sheeting stamped with a design. Later, the finished spreads were picked up and new ones left to be worked. Candlewicking was sometimes a family affair. The father, the mother, and the children all did tufting. Payment was by the piece—usually 10 cents to 25 cents a spread, but sometimes, for a densely-tufted spread, the price was as high as one dollar.

The business grew to such an extent that during the late 1920s some 10,000 people were tufting spreads in their homes. Cabin Craft, one of the major carpet companies, took its name from this origin.

When government regulations decreed that workers must be paid not by the piece but on an hourly basis, candlewicking by the handcraft method became too expensive. Because necessity really *is* the mother of invention, inventiveness took a hand, and by 1930 several crude but workable tufting machines had been developed. They were installed in the small towns of the region and a change in lifestyles began. There was an exodus from rural to more urban areas, as the mountain craftsmen followed their work into town.

Dalton, located on the Conasauga River, is in a beautiful area—clear streams—mountains—rolling hills. One 19th Century historian described the city this way: "It is environed by mountains, from the summits of which the eye is regaled with the grandest scenery." Its mountains afford a view not only of Georgia but of Alabama and Tennessee as well.

This area was the last bastion of the Cherokee Nation and was settled only in the mid-1800s after the U.S. Government moved the Indians to territories further west.

Dalton became a moderately prosperous Georgia town, boasting a candle factory, a large candy manufacturing facility, a cooperage, a church, a newspaper, and all the establishments attendant to small town life. In 1845, the county of which it was a part had a population of less than 7,000.

In its infant days, Dalton listed among its major amusements cockfighting, gander-pulling, and bear fights. Today's citizens are more sophisticated. Excellent recreational facilities are available, and a Creative Arts Guild teaches music, dancing, and painting to anyone interested. The Dalton school system has been among the top ten in the state, and a fine new junior college is largely responsible for the fact that 80 per cent of the town's high school graduates go on to higher education. Of special pride to the people of Dalton is a well-equipped hospital complex, recently expanded. Now Whitfield County numbers some 50,000 people. About 35,000 of them live in and around Dalton, the county seat.

The growth of the area can be tied directly to the growth of the tufting industry there.

The early tufting machines were simple goose-necked, single-needle affairs. Later, additional needles were added. By the early 1940's new wide machines, capable of turning out 40- to 50-inch materials, were being used. They represented the first step toward modern carpet making. They could turn out continuous rolls of tufted fabric for robes, and could tuft bedspreads in straight or wavy lines in 120-inch widths. By 1950, 9- and 12-foot cotton carpeting was being made.

Now, complex machines use from 250 to almost 1800 needles in tufting a 12-foot width of carpet. Photoelectric cell pattern-drums control the machines manufacturing patterned carpet, and printed carpet is turned out on rollers, much like the printing of newspapers.

Until 1954, cotton was almost the only fabric used for tufted carpeting. Then came rayon, wool, nylon, acrylics, and now the newest synthetics, polypropylenes and polyesters.

About one hundred plants (many still individually owned) produce carpets and rugs and employ, at times, upwards of 20,000 people. An equal number of service industries (fiber producers, dyers, latex manufacturers, etc.) are located in the area.

Jobs have been so plentiful that until the economic recession began to affect the carpet industry, unemployment in Dalton was only two per cent. The work force includes an unusually large number of women—in fact, in some mills, females account for up to 85 per cent of the total employees.

Most of the residents will agree that "it's a mighty fine place to live." Racial conflicts do not constitute a problem, nor do there exist many problems between social or economic classes. And the fact that less than 10 per cent of the area's workers are organized attests to the young industry's success in handling its labor-management problems.

Dalton is a place of steepled churches, of fine old homes—and fine new ones. The city estimates it has 50 to 60 millionaires.

There's a reason. In the early 1950s, 90 per cent of the world's carpets were woven and only 10 per cent tufted. By 1968, the ratio was reversed. Tufted carpeting then had 90 per cent of the market and woven only 10 per cent. Today the figure is more like 95 per cent to five. A year or so ago, the U.S. Department of Commerce listed the carpet and rug industry as the fastest growing consumer-oriented industry in the nation.

Why?

Well, for one reason, the tufting industry is comparatively new. There has been room to grow. For another, the people who run this industry are strong entrepreneurs. They are young-thinking, willing to change, to innovate, to accept challenges, to take risks. And more times than not, the risks they have taken have paid off.

This free-enterprising spirit, combined with the latest techniques that science and technology can offer, has kept the industry's profits climbing while the cost of carpet to the consumer has gone down.

What effect has this almost unbelievable boom had on northwestern Georgia? Obviously, the economy has been tremendously improved.

Dalton is home to the impressive new structure which houses the Carpet and Rug Institute. Formed in 1969 through a merger of the American Carpet Institute and the Tufted Textile Manufacturers Association, the Institute's membership consists of about 125 manufacturers of carpets and rugs and other textile products produced by looms, tufting machines, knitting machines, and needle-felting and flocking processes. Another 250 members come from companies supplying these industries.

It was the carpet industry which brought Dow to Dalton late in 1965 for the construction of its largest latex plant. When a presently authorized expansion has been completed, the Dalton plant will be the *world's* largest styrene-butadiene latex plant. Styrene-butadiene latex is a synthetic adhesive used throughout the carpet industry as a precoat to lock tufts of carpet in place and to adhere the primary backing, on which the carpet is tufted, to the jute, synthetic scrim, or latex foam used as secondary backing.

More than 80 per cent of the latex produced in the Dalton plant goes to the carpet industry there; the remainder goes to the paper industry, nonwoven applications and other specialty markets in the textile industry. The plant custom-tailors latex to its customers' needs, and over a 12-month period, some 20 to 30 different formulations may be made.

While the Dalton plant was still in the planning stage, Dow engineered the ability to recycle and reuse the process water, to handle and treat wastes, and to minimize the chemicals in effluents as integral parts of the plant's design—not afterthoughts. This initial care in plant engineering, along with later improvements, has paid off to the company's economic advantage and to its credit as a good industrial neighbor.

The waste system that evolved consists of a concrete-trench network, tanks holding water-treatment chemicals, four 1.5 million gallon clarifying ponds, and a final 5.5 acre holding pond for clarified water. Clean water collected in the settling ponds is pumped back into the plant for reuse.

The plant, situated in a remote rural area, must have its own fire-fighting equipment, and water stored in the reservoir may be used for this purpose, too.

Next door to the latex plant, Dow built a sales office and a Technical Service and Development laboratory, the first time it had established such offices strictly to serve one particular industry. They serve only the carpet manufacturers of the area and like the vanishing country doctor, they *do* go on house calls to make their technical know-how, expertise, and help available to their customers and to stay closely attuned to the needs of the carpet industry. The TS&D group, for example, has come up with a couple of new ideas which could be real boons to the industry: Halogenated latexes with increased fire resistance, and a new urethane sponge carpet backing. The new latex is a major commercial success in the market.

The urethane sponge carpet-backing project represents a revolutionary idea within the carpet industry. Urethane paddings, for installation under carpeting, are available, but until now the market offered no urethane sponge-backed carpet.

After testing with a major carpet manufacturer, the urethane sponge backing appeared to have a number of advantages over latex-foam backings, with which it competes.

Urethane sponge is applied directly to the carpet back. It provides a stronger bond to the carpet than latex-foam backing. Its energy requirements during the manufacturing process are lower because urethane sponge needs less finishing-oven time and lower oven temperatures. The latex precoat step is eliminated.

To the consumer it offers carpet of greater resiliency which will last longer, look better. And for the do-it-yourself installer, it is a snap.

Marketing of urethane sponge-backed carpeting began in the summer of 1975.

In 1733, James Oglethorpe, leader of the first English colonists in Georgia, had a dream when he settled there. His new colony would be a re-creation of the Garden of Eden. It would grow all manner of exotic trees, flowers, plants, fruits, and herbs, and emissaries were sent all around the world to bring back the needed seeds and cuttings. Silk worms would be imported from the East, and the colony would produce all the silk Mother England needed, thus freeing her of the need to import from foreign countries. So serious was this intent that the silk worm was placed on the seal of the Trustees of Georgia. But the dream died. Nature was not kind, and the exotic plants gave way to more common but more practical types, including cotton. And the silk-growing empire which Oglethorpe envisioned never came into being, for the climate was unfriendly to the silkworms.

Agriculture, cattle raising, and fur trading sustained the young colony, and over the next 50 years, the Georgia territory became one of the 13 original states and took its place in that part of the American culture which came to be known simply as "the South."

Georgia's cotton plantations, worked by black slaves, supplied vitally-needed cotton to "the North" and Europe. (Oddly, Oglethorpe's charter had expressly prohibited African slavery.) Cotton, it was said, was King.

In Georgia, as elsewhere in the South, Southern aristocracy bloomed and came to flower—a way of life peculiar to that certain time and that particular area. Gracious and pleasant—at least to those affluent enough to afford its pleasures—and paternalistic in many cases toward those whose labors made it possible, it was, by the mid-1800s, a doomed society. The Civil War brought about its final demise.

Important battles and other significant military events took place in and around Dalton in that war, which ended the reign of King Cotton in "the South." But then cotton came back in a tufted art form in northwest Georgia and pioneered the way for petrochemical and chemical fabrics even more luxurious than the silk that the silk worms Oglethorpe dreamed of could have produced.

The Georgia climate for the growth of these fabrics is very friendly and encouraging.

So perhaps that part of Oglethorpe's dream only changed form, for our whole country walks today on fabrics spun in Georgia. True, the silkworms didn't last long—but it looks as if Georgia's carpet-tufting machines are here to stay. And if they are replaced someday, by some more advanced, more economical method, it probably will be the people of the Georgia carpet industry who make it happen—to their advantage.

They are that kind of people.

MAURITANIA

Mr. HARTKE. Mr. President, in recent months we have heard about Spanish Sahara and its final disposition. One of the countries that has pressed for a peaceful solution to the problem is the Islamic Republic of Mauritania, whose borders traverse three-fourths of the terrain of Spanish Sahara.

The Islamic Republic of Mauritania has begun a systematic development of its natural resources with a goal of developing a society that will benefit all of its citizens.

In the past few years Mauritania has suffered heavy losses both in human misery and in its agricultural sector, because of the drought that affected the Sahiel nations.

This year there has been a steady improvement in coping with the draught. New strains of cattle have been introduced and increased production of the natural grains has taken place.

Mauritania is rich in phosphates, iron, and gypsum, and is steadily increasing her efforts to invite joint ventures into her economy.

Mr. President, Mauritania celebrated her national day on November 28, 1975, and such a peace loving country and a worldwide good neighbor demands our applause and our best wishes.

GALBRAITH SPEAKS COMMONSENSE

Mr. McGOVERN. Mr. President, there is no more perceptive and witty commentator on the American political economy than Prof. John Kenneth Galbraith. I have always considered it my good fortune to know him as a friend and as an adviser. I am grateful that he openly supported me for the Democratic Presidential nomination in 1972—long before the pollsters conceded me any chance of winning the nomination.

But more significantly he writes in a most compelling manner on economic issues. I am especially impressed by his recent effort entitled "Democrats, Economics and the Conservative Majority Syndrome." I ask unanimous consent that it be printed in the Record and I urge my colleagues of both parties to read it.

There being no objection, the paper was ordered to be printed in the Record, as follows:

DEMOCRATS, ECONOMICS, AND THE CONSERVATIVE MAJORITY SYNDROME

(By John Kenneth Galbraith)

My thought in this paper is to identify and comment in a scientific way on one of the notable political phenomena of our time. That is the powerful and wonderfully persistent devices by which recurrently we are persuaded that conservatism is the wave of the future. These instruments of persuasion are brought to bear at all times and with much success on the Congress. And once every four years, at about this time in relation to the election, they are directed at the Democratic Party and the nation at large.

The purpose is always the same. It is to persuade all susceptible citizens, but Democrats, their legislators and the candidates in particular, that the country has, at long last, moved sharply to the right. Specifically, it seeks to persuade them that, politically speaking, there are no poor, no aged, no sick, no black, no other minorities, no people seriously squeezed by inflation, not many for whom unemployment is a major issue, no one whatever whose health, education, food, shelter, protection from economic abuse or exploitation or even survival itself depends on the services of government. Instead there are in this Republic only indignant taxpayers deeply angry about the willful idleness of the unemployed. The only sophisticated policy is their appeasement. The prime enemy of the people is the state, save only as it involves itself in the exigent needs of national defense and bankrupt corporations. The ultimate tendency (and hope) of our politics is to two equally conservative parties competing for the great conservative majority.

We should have a name for this phenomenon; I propose that it be called "The Conservative Majority Syndrome." In an earlier time it would have been called "The Dayton Housewife Discovery"; that was its last manifestation. That excellent woman, you will recall, was also unblack, unpoor, definitely uninterested in anything as unrefined as women's rights and, you can be sure, deeply concerned about taxes. I have always thought that both she and Dayton were greatly libeled.

II

The success of the conservative syndrome depends on four motivating factors, all powerful in our time. The first is the susceptibility of much of our political comment and many of our political commentators and sages to the rediscovery of the wheel. Its special manifestation is the recurrent discovery, offered each time as a breathtaking revelation of only slightly less than scriptural impact, that people of means would rather not pay taxes. This is not combined, unfortunately, with the companion revelation that people of means are infinitely more articulate than anyone else, their spokesmen and intellectual sycophants alone excluded. So it is not noticed that, by its sheer volume, the voice of the relative affluence in our land gets mistaken for the voice of the masses. If you are in doubt on this point, recall how many welfare recipients you have heard on the question of the profligacy of New York City. Compare this with the volume of expression emanating from Chase Manhattan, Lazard Freres and Secretary of the Treasury William Simon. The Westchester County budget, it was announced in mid-November, will rise by twenty-two percent in 1976. That, in those mostly pleasant precincts, was the result of changing population structure, inflation and recession. In New York it would be caused by the idle and the unions. And, of course, John Lindsay and Abe Beame.

The second support to the conservative syndrome is related: It resides in the deep desire of politicians, Democrats in particular, for respectability. All seek to inspire confidence, convey an aspect of sound judgment. And what is the test of sound, confidence-inspiring judgment? It is, broadly, whether speech and action are consistent with the comfort and well-being of the affluent, including, needless to say, the people who lead the great financial institutions, man the large corporations. A radical is anyone who causes discomfort or otherwise offends such interests. Thus, in our politics, we test even liberals by their conservatism. Alfred Marshall, the great founder of neoclassical (and now conservative) economics, once said that there is nothing an economist should so fear as applause. Certainly nothing should be so damaging to a Democrat as an approving editorial in The Wall Street Journal or the most primitive nod from Evans and Novak.

The self-reinforcing character of our conservatism works with particular force in Washington. There some public official to whom Andrew Mellon would seem advanced identifies an action as likely to cause pain to the privileged. He forthrightly communicates his alarm to Messrs. Evans and Novak. These scholars tell of the intended action, note that it is a potential cause for popular indignation, maybe even mass anguish. The original progenitor reads their story and is affirmed in his fears. So are others. It is, I believe, the only successful closed-circuit system for recycling garbage that has yet been devised.

III

The third strength of the conservative syndrome lies in the superb tactical position of the Republicans when they are in power—as now. For they can attack government for indifference, callousness or incompetence and then justify the attack by making it so. This is the history of the last seven years. When Republicans attack government, let us be sure as many as possible know that the government of Richard Nixon or that of Gerald Ford or—let me be nonpartisan—that of George Wallace in Alabama is not our model. Government was not thought callous or indifferent or even incompetent in the days of Roosevelt or, for that matter, Lyndon Johnson.

Let us not, above all, allow anyone to believe that we take the economic management of William Simon and Alan Greenspan—men, as I've often said, who see progress as escape to the eighteenth century—as our model of what intelligent macroeconomic management of the economy can accomplish.

I must add a special word here. Even those, and I am one, who are celebrated for our patience, our kindly tolerance of human frailty, must be discouraged at the reception which the prophets of the respectable view accord the Simon-Greenspan achievement. These statesmen have, we know, only one remedy for inflation. That is unemployment and recession. Having achieved a recession, they are then allowed to attribute the recession to natural cyclical causes, and they are further forgiven for its not preventing the inflation. Had men of similar competence been in charge of the space program, we would now be digging the boys out of the Grand Canyon. And had the same standards of judgment been brought to bear, the failure would be accepted as a natural manifestation of the law of gravity.

We must never minimize the importance of good public management and administration. This is a dull but important business, one that must always be part of our claim to govern. It has not had the attention from Democrats that it deserves. But let us not join in the currently fashionable tendency to defame either government or those who work for government. The civil service of the United States is as honest, effective and perhaps even as innovative as that of any other country. It was stubbornly honest people in the Department of Justice, the FBI, the IRS and elsewhere who frustrated the tax evasion, obstruction of justice, subornation of perjury and constitutional subversion of Richard Nixon and the less imaginative felonies of Spiro Agnew. Had our public servants not been honest, our case would have been hopeless.

IV

The final buttress to the conservative syndrome is those whom we may perhaps call the liberal-establishment economists. Here I must proceed tactfully; I am speaking of the work of conscientious and intelligent men, excellent citizens, good friends. But, alas, time, in its ineluctable march, has made them also pillars of the conservative edifice. This is because some inevitably yearn for the establishment applause, test their performance by its volume. Alfred Marshall's warning has been forgotten even here. Some inevitably are confined by the institutions they serve. This is a subtle but powerful influence in our time. Most economists serve within an institutional framework; some additionally are sustained visibly and directly by the banks and corporations they assist or advise. Out of this comes a largely innocent and natural desire to avoid embarrassing one's colleagues and institutions by urging policies that are at odds with the respectable view. And out of the service to corporations comes the rather less innocent desire to protect one's income. Much of what was once called liberal economics has become very conservative in our time.

The conservatism of contemporary economics manifests itself in two major matters, both vital for the Democratic position.

The established economics can, in principle, treat unemployment. It cannot in its accepted form deal with such part of the inflation problem as is caused by the wage/price spiral in the industrial sector of the economy. No one, or not many, doubt the importance of this spiral. Not having a cure for inflation, the accepted economics minimizes it as a problem, asserts that at any given time the real economic need is for more growth, more jobs. The result, so far as this guidance is accepted, is to divide our political life between conservatives who prefer unemployment over inflation but do not say so and liberals who prefer inflation to unemployment but do not say so.

There is no political future for Democrats in such a debate. Unemployment hurts a smaller number of people a lot; inflation hurts a larger number of people a little. We cannot defend either. It is not possible to persuade people—as some economists would—that inflation is an overrated evil. For the person wondering how to stretch limited income or savings over urgent needs, who is in anguish that on the next trip to the supermarket there will not be enough in their pocket, inflation is not an overrated evil. In any case, we must take people's dislikes as they are. We know they dislike inflation.

Most of you will be aware of the conclusion to which this leads me—there must be direct intervention on incomes and prices in the organized sector of the economy. Next time it must be done seriously; it cannot be again, as it was in 1971, for the purpose of getting a Republican president by an election. And you will notice that I use the word incomes. We have a labor movement in the United States which, on this issue, is quite possibly more reasonable, modern and non-theological than any other in the world. It will, as George Meany has reiterated, accept such a policy as long as it is fair and general—as long as it applies equitably to all incomes. It must also keep living costs effectively stable or otherwise protect real wages. Any trade union leader is right to insist on these conditions. The problem for Democrats is not whether to have such controls; this the circumstance of economic power in the economy has already decided for us. The question is how to meet the required conditions of their equitable application and effective administration. For so long as the established economics ignores the problem of controls, and its counsel is followed, Democrats are left with no viable alternative to conservative mismanagement of the economy.

V

The second support to conservatism from the established economics, a very urgent matter, lies in its formula for expanding the economy, for curing unemployment. In recent years its remedy has become the reduction of Federal taxes. It is offered all but automatically whenever the economy is operating at less than full capacity, which of late has been all the time. This remedy—I speak very deliberately—is a liberal and Democratic disaster. Nothing in recent times has so played into the hands of conservatives.

There was always the danger that tax reduction would be seized upon by conservatives as the excuse for limiting public expenditures—always excluding defense and those in which business has a prime interest. That danger Gerald Ford has now made explicit. He has made acceptance of tax reduction conditional on expenditure reduction, promised the requisite vetoes if the spending reduction is not made good. Those of us who had feared this result must be grateful to him for clarifying a difficult point. We should also be grateful to my friend, Professor Milton Friedman, a man of great if inconvenient honesty, who also has made the conservative position wonderfuly clear. In a Newsweek column on October 27, he could not have been more forthright: "I am in favor of a Federal tax cut at all times—as the only way to exert effective pressure on Congress to keep down Federal spending." The reduction in spending inevitably affects the services and support of the poor, for defense and business needs are always exempt. And if it succeeds, it also means—much more than incidentally—that there is no expansive effect at all from the tax reduction. There would be contractive effect, in fact, for the tax savings are not as reliably spent as the proceeds of the outlays so curtailed.

It is Federal taxes that are reduced. These in substantial though not exclusive part are on middle- and upper-income brackets of the personal income tax and on corporations. This reduction comes at a time when states and cities, in consequence of the recession the tax reduction is to cure, are being forced to raise their taxes, and these invariably are taxes on the poor. While the House Ways and Means Committee was discussing the extension of the cut in income taxes this autumn—now I agree inevitable—Secretary Simon, in one of his typically compassionate moods, was urging New York City to raise its sales tax to ten percent. Highly regressive taxes were raised. And the services of a city already deep in public squalor have been ruthlessly curtailed. In the same week that the Committee reported out the tax-cut bill, the Commonwealth of Massachusetts agreed on a tax increase of $364 million, all of it in relatively regressive taxes for no others were available. (Two hundred and eighteen million dollars would be from taxes on sales and on meals.) The Boston Globe, noting the juxtaposition of these events, said they made no sense. How right. And again there is no economic stimulation in a shift from progressive Federal to regressive state and local taxes. If anything, the reverse. There is only joy for the affluent.

We are learning, finally, that Federal tax reduction, taken by itself, is an inefficient form of stimulation. In the second quarter of this year there was a big bulge in private savings. Its source was the tax reduction and refunds. People who didn't need the money were not using it. This would not have been the case if the money had gone instead to employ people on useful work, maintain or improve public services, provide help to the large cities, prevent lay-offs, ease the burden of state and local welfare costs. That money would have been spent. In buying tax reduction as the magic of the establishment economists, Democrats have bought a slightly modified version of the Hoover trickle-down doctrine. And the trickle is as unreliable a recovery instrument now as it was then. As I've said, next year's tax policy is over the dam. Thereafter let us spend instead for needed services as a substitute for regressive taxes by states and localities.

Thus the lesson: Liberals can become conservatives, Democrats can become Republicans, we *can* have not one conservative party but two. We have only to test our policies by the affluent applause, seek respectability before all else, assume that government must be as bad as under Nixon and Ford and be guided on controls and taxation by the established economics. We are, I venture, well on the way. The only problem is that if Democrats continue on course they will have deserted their natural constituency. We won't be worth electing. Nor will we be elected. For, as Harry Truman once observed, given the choice between two conservative parties, people will always choose the one that is honestly and deliberately so.

JUDGE THOMAS P. THORNTON

Mr. GRIFFIN. Mr. President, when a Federal judge reaches the age of 70 he become eligible to retire at full pay—without the work but with all the benefits enjoyed by an active judge. This fortuitous condition has been characterized by one judge as being "like going to Heaven without dying."

However there is a Federal judge in Detroit who has an altogther different conception of what "Heaven" is all about. He is U.S. District Judge Thomas P. Thornton. Known as Tiger Tom to his friends—and there is a considerable number of such people—Judge Thornton has served on the bench in the Eastern District of Michigan since 1949.

Seven years ago he turned 70—but rather than take a well-deserved retirement, he chose instead to be a senior judge—and to go right on trying cases.

Judge Thornton continues to be an active and respected member of one of the most able and hardest working courts in the United States.

Highly regarded for his competence on the bench, Judge Thornton is also famous for his wit; he is a master at one-liners. Judge Thornton's humor reflects no disrespect for the high office in which he has served so well for 26 years. Rather it is just a prime ingredient in his concept of what life is all about. To Judge Thornton, the worst thing we can do in this life is take ourselves too seriously.

As he has thoughtfully stated:

> Life holds nothing dearer than laughter and the love of great friends.

Mr. President, I am pleased to salute Judge Thomas P. Thornton and to share with my colleagues a delightful article about him which appeared recently in the Detroit Free Press. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Detroit Free Press, Nov. 30, 1975]

He's a Master at One-Liners

(Federal Judge Thomas (Tiger) Thornton knows his law, but always has a good quip handy too. When a woman on trial claimed "the Lord told me what to do," Judge Thornton asked the prosecutor, "Are you sure you've indicted the right defendant?" With his daily dosage of crime dealings, the judge prefers "laughter and the love of friends.")

(By Eileen Foley)

Windy circumlocutions, arguments dulled by repetition, legal briefs that never end and other contributions to the law's delay get short shrift in one federal courtroom in Detroit.

There the wit of U.S. District Court Judge Thomas B. (Tiger) Thornton, 77, demolishes foolishness, foibles and pomposity and sometimes arcs spontaneously, like summer lightning, just to clear the air.

A former U.S. attorney who made his mark in Detroit prosecuting war fraud cases and delicately handling an investigation of Michigan Republican campaign funds in the '40s. Thornton was appointed to the federal bench by Harry S. Truman in 1949.

Professionally, Thornton has a reputation as a fine trial judge whose reversal rate on appeal is low and who hands out relatively long jail sentences.

Personally he is known for his formidable attraction to football, sweets (including his wife, Honey) and boats, and, of course, his wit.

"He's a master at one-liners," said Michigan Appeals Court Judge Vincent J. Brennan, who once worked as a bailiff in Thornton's court.

"Thornton's the best international wit on the bench in this district," said assistant U.S. Attorney Gordon S. Gold.

One day Thornton was hearing arguments in a case challenging the constitutionality of Michigan's abortion law when an attorney orating on behalf of unborn children asked rhetorically:

"Your Honor, you wouldn't want the sheriff standing next to you while you are performing the marital act?"

"Not unless he brought his violin," quipped Thornton, bringing down the house.

Another day a woman charged in a bad check case entered the courtroom moaning, raising her hands over her head, bowing from the waist and muttering, "The Lord told me what to do. The Lord told me what to do."

"Are you sure you've indicted the right defendant?" Thornton deadpanned to the U.S. attorney.

In a trial years ago, the defendant, a corporate executive, appeared to have had a heart attack in the courtroom, rattling his attorney's already frayed nerves.

Thornton recessed the case until the defendant's condition became clear. When the afternoon session of the court opened, it was obvious the nervous lawyer had drunk rather than eaten his lunch.

Toward midafternoon the lawyer asked the court: "May I rise to make one rather dry remark?"

"If you do," snapped Thornton, "it is the only dry one you have made since lunch."

On another occasion an aged bank robber was appalled at the long sentence Thornton meted out to him.

"I'll never make it, I'm too old," he protested to the judge.

"Well, just try," ruled the judge dryly, not even trying to look benign.

One day a lawyer arguing a motion wouldn't shut up and was wearying everyone with his tedious speechifying.

He unwittingly gave Thornton a chance to cut him off when he said, self-effacingly, "Now, Your Honor, I don't mean to be a prognosticator . . ."

"That's perfectly all right, I'm a Catholic myself," interrupted Thornton.

Wit bites. To be decent, a fellow who turns his wit on others must not back off from nipping at his own heels now and then.

Thornton is quite capable of taking off after himself.

"Contrary to popular belief, I wasn't appointed a federal judge in the Harding administration," Thornton said recently as he led into a speech at University of Detroit.

The wit comes naturally, says Thornton, who likes to blarney about his Irish heritage in his Boston Irish brogue.

"The Irish don't take themselves too seriously and I think no one else takes them seriously," he says, "so what's the sense of getting worked up about it, you know.

"Like the old lady in the west of Ireland said, 'Here my life holds nothing dearer than laughter and the love of friends.' I think that is a pretty good application of the kind of life that we ought to live," he adds.

To interject a remark during court proceedings is to let lawyers know you are awake and aware of what's going on, Thornton says.

Thornton turned to law after finding dental school at Tufts, outside his home town of Boston, just impossible.

He made his way to Fordham Law School and then, following Horace (Go West Young Man) Greeley's advice half-way he ended up in Detroit at the University of Detroit's law school, playing football.

He is the only football player who played on scholarship while he was in law school, a colleague said, introducing him at a testimonial recently.

The team Tiger Thornton joined at U-D in 1922 as a quarterback and fullback was a famous one, and it included several men destined for judgeships, among them the late Recorder's Court Judge Joseph Gillis and Wayne County Circuit Court Judge Frank Fitzgerald.

The Tiger is still a football freak, traveling with his wife (former Detroit school teacher Margaret Presey) to South Bend to watch Notre Dame play Michigan State and Southern California and to Ann Arbor for U-M home games.

The lure of the game is evident even in the courtroom.

In a robbery conspiracy case last July the Judge stopped a Dallas policeman from leaving the witness stand with, "Wait a minute officer, while you're still under oath, how will the Cowboys do this season?"

The cop, no mean wag himself replied: "I take the Fifth."

Thornton, born in Boston, has always had a seacoast native's love for the water.

Soon after he and Honey married, they summered on their cruiser moored at the Detroit Yacht Club. They still own a boat and generally take a couple of months off in the summer to go around Mackinac Island on it.

Though he has been on a retirement half-load schedule since 1966, Thornton still works long hours daily.

"A half-load is a full docket," he says, not complaining a bit.

"I love the slam bang of trial work. I like to be in the courtroom listening to good lawyers," he says.

The drama of the courtroom is so high that Thornton can't bear to watch the phony stuff.

"I never go to moving picture shows. What you get in the courtroom every day, you don't have much time for fiction. I don't read escape literature either."

Basically an optimist about the times and the American capacity to overcome all problems. Thornton finds the swearing of new citizens in naturalization proceedings the most pleasant work he does.

"I think the making of new citizens is a healthy thing for the country," he says, "it is the only place in the world I know where it is happening week in and week out."

Retirement?

Well, total retirement will happen, he imagines, but he has no idea when.

"Retirement is an arrangement I have with my wife," he explains. "I have told her when she feels I am losing my buttons to tell me, and I think there have been occasions when we have a little argument, she thinks I have reached that point.

"But the thing you have to watch is the time when you can't do your work properly."

BEEF RESEARCH AND INFORMATION ACT

The PRESIDING OFFICER. The hour of 10:30 having arrived, the Senate will now resume consideration of the unfinished business, H.R. 7656, which the clerk will state.

The second assistant legislative clerk read as follows:

> A bill (H.R. 7656) to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. There will be 30 minutes of debate on a motion to recommit, the time to be equally divided and controlled by the Senator from South Dakota (Mr. ABOUREZK) and the Senator from Alabama (Mr. ALLEN) with a vote thereon to occur at 11 a.m.

The motion to recommit is pending. Who yields time?

Mr. ALLEN. Mr. President, I ask unanimous consent that I might suggest the absence of a quorum, with the time to be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I wish to respond to some of the concerns raised by the distinguished Senator from South Dakota (Mr. ABOUREZK), who is not presently in the Chamber, but the questions were raised during the general debate yesterday.

One concern that was of interest is that there was more or less an allegation that Safeway and other chain stores would take part in the Beef Board and on the Executive Committee since Safeway feeds large numbers of cattle.

Today our staff checked with the Department of Agriculture and was informed that to their knowledge Safeway does not feed or own any cattle.

The staff went a step further—they called the Safeway headquarters in Oakland, Calif. I have a statement telecopied by Safeway, which says that Safeway does not own any feedyards and does not own any cattle.

How, then, could Safeway possibly get a representative on the Beef Board? Section 8(b) of the act, page 10, lines 8–11, states that the Beef Board "shall be composed of cattle producers appointed by the Secretary from nominations by eligible producer organizations."

No producer organization is going to nominate a nonproducer to represent them on the Beef Board. And if they did, the Secretary could not honor that nomination.

Such an assumption suggests that both the local producer organization and the Secretary would be irresponsible when it comes to appointing the Beef Board.

In checking with the Packers and Stockyards Administration about Safeway, we found that while Safeway did not own or feed cattle, in 1973 two other chain stores did own 40,484 head of cattle and in 1974 only one chain owned 25,200 head of cattle. This can be compared to the 36 million head of cattle slaughtered in the United States last year.

In addition, 9 of the 10 largest meat packers owned 434,900 cattle. That is 1.2 percent of the total cattle slaughtered in the Nation last year, a rather insignificant figure and certainly does not represent control or major influence.

Mr. President, I ask unanimous consent that the total statement from Safeway be printed in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

SAFEWAY STORES, INC.,
Oakland, Calif, December 2, 1975.
Senator ROBERT DOLE,
Senate Agriculture Committee,
Washington, D.C.

DEAR SENATOR DOLE: It has been brought to our attention that in Senate debate considering H.R. 7656, Beef Research and Information Act, held on December 1, 1975, in Washington, D.C., Safeway was mentioned as an example of a food retailer that might own cattle or operate feed lots.

I thought that my statement before the Domestic Marketing Consumer Relations Subcommittee, House Agriculture Committee, November 19, 1974, would be of interest to your Committee.

The statement is as follows: "To start with, and as background, we are buyers of USDA Choice Grade Beef, supplemented by purchases of boneless cow and other lean beef for grinding. Mostly we purchase choice beef in carcass form. We purchase from packers: we do not own, feed, or slaughter any cattle ourselves. And over 99½% of our purchases are of domestic product."

We feel this information will be of value in terms of our Company's position regarding feed lots or the slaughtering of cattle.

Sincerely yours,
W. S. MITCHELL.

Mr. DOLE. Mr. President, in addition, it was indicated that the referendum described in the legislation would violate the so-called "one man, one vote" rule enunciated by the Supreme Court just a few years ago.

I think the question is; Does it really violate an American principle?

I think we would all agree that cattlemen are businessmen and this is a business proposition for cattlemen. In the American free enterprise system, businessmen usually have a voice in proportion to the money they have invested. Take away this principle and we have socialism or communism, or some other type of economic system that we do not desire in this country. Since the cattle producer who owns 100 cows will be contributing 100 times as much as the cattle producer with one cow, I think it does make sense that the man putting up more money would have more voice, just as stockholders in a corporation vote the shares of stock they own.

Furthermore, the referendum procedure in this act is consistent—it is identical—with the procedure that is followed in other commodity research and promotion acts, such as for cotton, wool, potatoes, and eggs. Should we back up and change these acts? If not, why should we discriminate against beef producers, who comprise the largest segment of American agriculture?

If we change this act, we ought to back up and change the other acts. I do not suggest we do that, but I suggest this legislation is nondiscriminatory.

There was a further question about the composition of the Beef Board, alleging that the Beef Board may be dominated by the chainstore interests and suggesting that there should be consumers on the Beef Board.

Is the Beef Board likely to be dominated by chainstore interests? Hardly. I think I have answered that question previously. Members of the Beef Board will be cattlemen, nominated by existing cattlemen's organizations. I think it is ludicrous to suggest that cattlemen would nominate or tolerate anyone who would not represent them and their interests.

It is in the interest of cattlemen and the American government and the taxpayers.

Of course, there are no consumers on the Beef Board, because consumers are not putting money into the program.

But, I would point out, the farmers of this country are the producers, whether it be livestock or feedgrains or whatever, and are, perhaps, the greatest consumers in America.

The Beef Board, I am assured, will seek consumer input through advisory committees, counselors, home economists, nutrition researchers and the like.

There has been concern indicated over the tremendous power given the Secretary of Agriculture under the bill.

This is a concern I have had through the years that I have been in the Senate and the House.

The only power given to the Secretary of Agriculture under this act is to assure that the program is conducted by the Beef Board in accordance with the law. The Secretary cannot initiate plans or projects on his own. He can only approve or reject plans originated by the Beef Board.

It was indicated that the Beef Board would be subject to political appointments by the Secretary. I again point out that section 8(b) of the act, beginning on page 10, line 8, states that "the Beef Board, and alternates therefor, shall be composed of cattle producers appointed by the Secretary from nominations submitted by eligible producer organizations." Then section 15, beginning on page 20 of the act clearly spells out the eligibility requirements for an organization making nomination.

So the Secretary cannot appoint anyone who is not nominated by bonafide producer organizations. Further, I am advised that during the 8 years of the Cotton Research and Promotion Act, under four different Secretaries of Agriculture, Democrat and Republican, the Secretary never has failed to nominate the choice of the respective cotton organizations.

So I indicate that that might resolve any question about improper political use.

There has been some question raised about the rate of assessment that is not spelled out in the legislation and I think, again, we must remember that this act is merely enabling legislation, calling on the Secretary of Agriculture to publish an order and to conduct a referendum. The rate is not spelled out in the act for two good reasons:

First, the rate will be prescribed in the order and it is the order on which producers vote—they will not vote on the act but they will vote on the order. In other words, producers will determine the rate of assessment and, if it is too high, I am confident that they will not approve it.

Second, by not including the rate in the act, producers will not have to come back to Congress if the industry desires to make a small change in it and if the Secretary agrees that it should be changed.

The parameters of the assessment rate are clarified in the House report by the Committee on Agriculture, page 5—attached. The initial rate would be three-tenths of 1 percent. Any rate over three-tenths of 1 percent must be approved by the Beef Board—comprised of producers—and by the Secretary of Agriculture; and any rate over five-tenths of 1 percent must be approved by producers in another referendum.

Mr. President, I ask unanimous consent this language from the House report be printed in the Record.

There being no objection, the language was ordered to be printed in the Record, as follows:

The rate of assessment is to be set forth in the order. The Committee intends for certain parameters to be set on the rate of assessment in the order on which producers will vote in the referendum. The Committee received testimony that a reasonable program would involve the expenditure of $30–$40 million per year. The rate of collection to raise this sum is estimated at 0.3 percent of gross sales. The order could provide for such an assessment with authority in the Board to vary the rate slightly, such as to five-tenths percent (0.5 percent). It is expected that any substantial increase, however, such as beyond 0.5 percent could be made only if the need arises and only if it is approved by producers in a referendum.

The ACTING PRESIDENT pro tempore. The time of the Senator from Kansas has expired.

The Senator from South Dakota has 3 minutes.

Mr. ABOUREZK. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. ABOUREZK. I was not here at the time the debate resumed this morning. What was the situation then? We had a half-hour.

The ACTING PRESIDENT pro tempore. At the hour of 10:30, the absence of a quorum was suggested, the time to be charged equally to both sides, and there was an order that the vote come on this question to recommit at 11 o'clock.

Mr. ABOUREZK. And the other side has had 3 minutes?

The ACTING PRESIDENT pro tempore. That is correct, and the Senator from South Dakota now has 2 minutes.

Mr. ABOUREZK. I would like to get the yeas and nays on this motion.

Mr. President, I ask unanimous consent that the time for the vote be delayed until we can get the yeas and nays.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I have no objection to the Senator putting a specific limitation on it, but I would not want that open-end limitation.

Mr. ABOUREZK. Well, no later than 11:15.

The ACTING PRESIDENT pro tempore. The Senator would have a right to get a quorum to order the yeas and nays.

Mr. ROBERT C. BYRD. Yes, I know; but no later than 11:15?

Mr. ABOUREZK. Yes.

Mr. ROBERT C. BYRD. All right.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ABOUREZK. A further inquiry, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. ABOUREZK. We can use time on the bill itself to go on until 11:15, if necessary, can we not?

The ACTING PRESIDENT pro tempore. The order was for a vote on the motion to recommit at 11 a.m.

Mr. ABOUREZK. But I thought we abrogated that now, to make it until 11:15.

The ACTING PRESIDENT pro tempore. Yes, 11:15, if necessary, to get the yeas and nays, was the understanding of the Chair. It is now 11 o'clock.

Mr. ABOUREZK. I wonder if the Chair would respond to my question? Can we use time on the bill until 11:15?

The ACTING PRESIDENT pro tempore. The Chair says "No." The Chair has responded to that question. The vote is at 11 a.m. We are delaying until 11:15 in order to get the yeas and nays. It is now 11 a.m.

Mr. ABOUREZK. Mr. President, I have not had a chance to speak on this bill this morning.

The ACTING PRESIDENT pro tempore. The question now is on the motion to recommit.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that each side be given 7.5 additional minutes to speak on the bill, until 11:15.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered. Each side now has 7.5 minutes.

Mr. ABOUREZK. Mr. President, I want to speak just briefly on this bill in the time that is allotted to me.

You could say this bill is a wolf traveling in sheep's clothing, but it might be more accurate to say it is a chainstore pretending to be a steer in a bullish market that means more profit for the chainstores and a new tax for livestock producers.

It is interesting that beef promotion legislation came up at the same time many of us in Congress were trying hard to come up with some kind of emergency Federal action to help the ailing livestock industry.

The crisis in the cattle industry, evidenced by low prices paid to producers while retail prices failed to drop any significant amount, warrants the consideration of any positive proposal that might help bring about a solution.

That is one reason beef promotion legislation has seemed attractive to many people. It is something that could be done through Federal legislation to presumably ease the conscience of Congress and, at the same time, throw out a crumb to those in the cattle industry who want to get into the advertising business.

Unfortunately, the lofty goals of those promoting the Beef Research and Information Act are inconsistent with the contents of the bill. The bill is touted as a cure-all for the financially troubled livestock industry, while it is, in fact, a new tax to be levied on producers.

There is a basic assumption made by the concept in this legislation. That rather shaky assumption is that if producers pay $40 million or $60 million or more for advertising, somehow the price paid to beef producers will go up.

I know of nothing that substantiates that claim. Beef producers now have absolutely no way to set the price on their cattle. If producers are taxed to the tune of $60 million and that money—all of it—is spent on advertising to convince the American people they should eat more beef, there is still no guarantee and no evidence to suggest that the price paid to producers will go up.

It does not take any fancy research to know that retail price is an important, if not crucial, consideration of consumers, especially as they choose food products in an inflation-ridden economy.

Television commercials and fancy ads hanging in stores do not put money in the pockets of beef producers, and they do not do anything about the interest of consumers in price or about their limited spending power. Retail price is a real thing. It is printed right on the packages of meat. No amount of slick advertising is going to convince consumers that a price is not "high" if it is or that a price is not "low" if it is low.

Another facet of the argument about the merits of producers bankrolling an advertising campaign aimed at retail sales of beef is that imported beef is sold right alongside American beef.

Mr. President, I ask for the yeas and nays on the motion to recommit.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

The yeas and nays were ordered.

Mr. ABOUREZK. Mr. President, there is no easy way for a consumer to know if meat is domestic or imported. That means that the advertising would be promoting imported as well as U.S. beef.

Beyond that is the fact that beef imports can be a threat to the prices paid to producers. There is no guarantee at all that increased beef consumption, if it were possible to cause a meaningful increase through advertising, would not result in increased beef imports competing with U.S. producers.

I want to point out more of the camouflage on this bill.

The Secretary of Agriculture is set up in H.R. 7656 as some kind of advertising dictator. This bill is often called a "self-help" program for the livestock industry. It looks more like increased Government involvement in an industry that has shied away from the Federal Government in the past.

Consider the power of the Secretary of Agriculture in this program. He appoints the board of directors. He determines the parts of the country and the industry to be represented on the board. He sets the tax rate, which is unlimited in the bill. He must approve all significant actions of the board. He even determines what producers will vote on in the referendum.

Now, that does not sound like a self-help program to me, when the Secretary of Agriculture holds sway over how millions of dollars taxed from livestock producers will be spent, and how they will be taxed from livestock producers.

With the Secretary appointing the board, a board which should perhaps be elected, one can only conclude that chainstores, corporate feedlots, and giant packing houses could dominate the membership of the board of directors. If you read the definition of what a producer is according to this bill, most anybody could qualify by bothering to own some beef cattle.

I would say the chances of the smaller producer, the so-called cow-calf man, having much voice in this program would be very slim indeed.

The referendum is even weighted against the small rancher. To pass, the program need only get a majority of the votes cast so long as that majority owns two-thirds of the cattle. I thought our leaders settled the issue of "one man, one vote" a long, long time ago. Under this proposal, a corporate cattle baron's vote would be worth more than the combined votes of dozens of ranchers.

My conclusion is that H.R. 7656 falls far short of providing any meaningful help to livestock producers.

The only thing this bill would do for sure is to provide millions of dollars of income for Madison Avenue advertising agencies and power for high-paid staff members and the Secretary of Agriculture who will dole out the millions of dollars taxed from the livestock industry.

I am sure the corporate boards of the giant chainstores are looking forward to having somebody else pay for their advertising.

I do not share the enthusiasm that some people share for this bill, and I urge my colleagues in the Senate to prevent this multi-million-dollar rip off from taking place.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. NUNN). Who yields time?

Mr. ALLEN. Mr. President, I yield myself such time as I may consume.

Mr. President, I oppose the motion to recommit H.R. 7656.

H.R. 7656 has received extensive review by both the Senate Committee on Agriculture, by the House Committee on Agriculture as well as the whole House. Extensive hearings have been held and extended public debate has occurred. Recommittal would only mean repeating what already has been done.

The need for this legislation supersedes such time consuming exercises. In addition, the time of this body is much too important to be used rehashing all the arguments associated with H.R. 7656.

H.R. 7656 represents sound legislation. It is based on other commodity programs that have proved successful.

I refer to the cotton program, the wool program, and the egg program, which all have similar referenda provisions.

There is no need to debate the basic form or premise which would be the reason for recommittal.

If there are some unforeseen weaknesses, these should be corrected—but such corrections can easily be achieved by floor amendments. However, before we rush into amending H.R. 7656, permit me to respond to some of the principle questions raised yesterday by Senator ABOUREZK.

First is the question of how much money will be raised. In 1973, USDA estimates that the value of cattle and calves slaughtered was about $15 billion. This past year, this level probably fell to around $12 to $13 billion. At these income levels a 0.3 of 1 percent check-off would potentially raise from $36 to $45 million.

However, using the average refund rate of 10 percent, as is the case for cotton, actual collections would probably fall in the $30 to $40 million range.

These refunds would go back to every producer who does not desire to be a part of the program.

He would have to pay an assessment at the time of the slaughter, but he can apply for every cent that he has paid, apply for that money back, and he has a period of 60 days plus the remainder of the month in which he paid his assessment in which to do so. So it would not produce the full $36 million to $45 million; it would probably be in the range of $30 million to $40 million.

This is an extremely modest amount. On a per producer basis, it is less than $20—but on a per animal basis, it comes to only about 25 cents per head for the total U.S. cattle herd.

As for the method of referendum, the committee amendment restores the voting procedure that was in the original Senate bill, S. 772. This makes the voting procedure in H.R. 7656 consistent with those used in other commodity programs, such as the Cotton Research and Promotion Act of 1966, the Potato Research and Promotion Act of 1971, the National Wool Act of 1954, and the Egg Research and Consumer Information Act of 1974.

This approach is soundly based on precedent and reason. In no case can an order be passed by less than a democratic majority. However, it also recognizes that the man subject to larger assessments should have a proportionate say in setting up the program.

I am well aware of the current concern about the welfare of consumers. However, consumer representation on the Beef Board is hardly appropriate. The money is being raised by producers and they are the only group that has the right to determine its use.

The idea that Federal enabling legislation deprives them of self-determination is a fallacy. However, producers have conceded some control already. First, the Secretary of Agriculture has the final say on any program that the Beef Board develops and second, there are two congressional committees that are going to have oversight on these programs.

If this is not adequate guarantee for consumer welfare, a consumer member on the Board would not be able to achieve much. However, the greatest assurance is the awareness of beef producers that their long-term interests lie with their customers—the American consumers.

The Senator's concern about undue influence by large food chains and processors who own cattle is not a problem when we look at their position in the industry. Of the cattle on feed, packers own less than 2 percent and retailers own less than 7 thousandths of 1 percent.

As for undue political pressure on the Beef Board. I am sure the Senator from South Dakota is well acquainted with the hardheaded independence of cattlemen. But of greater importance is the nominations come from the producers themselves. The Secretary's only authority is to choose from among the nominations he receives. I am sure the nominations will, in all cases, reflect the thinking of producers and not necessarily that of the Secretary of Agriculture.

Finally, the question of limit on assessments is not a major problem. The bill clearly specifies that the rate shall be prescribed in the order that is put up for a referendum. No assessment can be charged unless passed by producers. But, if producers disagree or find the assessment too high they can request a refund and in the event producers in general are dissatisfied a petition by 10 percent of those voting in referendum can request a new referendum.

Mr. President, I believe most of the concerns raised against H.R. 7656 are, in fact, unfounded and that the motion to recommit should be denied and the bill should be passed.

Mr. President, I ask unanimous consent to have printed in the RECORD a comparison of methods for estimating the value of cattle slaughtered, together with a cover letter, from the United States Department of Agriculture Economic Research Service; a table entitled "Levels of Assessment and Potential Collections under H.R. 7656", and prepared answers to certain charges by Senator ABOUREZK.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
ECONOMIC RESEARCH SERVICE,
Washington, D.C., November 20, 1974.

Mr. CHARLES E. BALL,
Executive Vice President, Texas Cattle Feeders Association, Amarillo, Tex.

DEAR MR. BALL: Enclosed are a comparison of three methods for estimating the value of cattle slaughter for 1973 and an estimate of the value of cattle and calf slaughter by year 1964–73 with 10, 5 and 3 year averages. The first method, simply multiplication of commercial slaughter (liveweight basis) by the average cost of F.I. slaughter, appears to be a close approximation of the result from method III, build up from components. Note the assumption needed for build up from components. Method II, adjustment of cash receipts, yields an estimate 4.3 percent higher than Method III.

Since the price used in Method I includes some marketing costs, you may wish to reduce it 3 percent which would result in $14,351.3 million. Note that an assessment of 0.3 percent would raise $43–44 million from any of these 1973 estimates.

I trust these data will be of value in your committee deliberation.

Sincerely,

RICHARD J. CROM,
Program Leader, Meat Animals Program Area.

COMPARISON OF METHODS FOR ESTIMATING 1973 VALUE OF CATTLE SLAUGHTER ONLY

I

Commercial slaughter (liveweight) × average cost/cwt of FI Slaughter (p. 91, 1973 supp. SB 522) (p. 74, 1973 supp. SB 522), 35,143 (mil. lb.) ×$42.10=$14,795.2 mil. $

II

Cash receipts from marketings minus estimated interstate shipments of non-slaughter cattle.

Cash receipts (p. 24, 73 supp., SB 522) = $22,738.9.

Inshipments which on nat'l level equal outshipments (p. 24)—24,400,000 head.

Feeder steer prices average=$48.80 cost/cwt.—8 mkts., p. 110.

Interstate non-slaughter value—24,400,000 ×650×48.4=$7,676.2, assuming 650 pound weight.

Value of slaughter=$22,738.9−$7,676.2= $15,062.7.

III

Build up slaughter value from components.

Assumption:

1. Grade consist of 4% prime, 60% choice, 16% good and 20% comm. and below.

2. F.I. slaughter consist of 54.4% steer, 25.1% heifer, 18.5% cow and 2% bull hold for com. slaughter.

3. Slaughter wts=7 mkt av. (p. 86, 87) + cows=1,000, bulls=1,100.

Data:

1. Com-cattle slaughter=33,686,800 head (p. 57).

2. Prices slaughter steer and heifer, 7 mkts—cow (Util. Omaha) p. 113, 117.

Steers—Prime=44.39.

Heifers—Prime=43.02.

Steers—Choice=43.64.

Heifers—Choice=42.41.

Steers—Good=41.96.

Heifers—Good=41.04.

Cows=32.82.

Bulls=use cow price.

1. Allocate com. slaughter (33,687) to Grades:

Price (4%)=1,347.

Choice (60%)=20,212.

Good (16%)=5,390.

Com. (20%)=6,738.

2. Assuming all steers and heifers grade Good or better, .544/.544+.251=.684 are steers.

Prime steers=921.

Prime heifers=426.

Choice steers=13,825.

Choice heifers=6,387.

Good steers=3,687.

Good heifers=1,703.

And cows=.185/.185+.20=.90 of cows and bulls.

Cows=6738×.9=6064.

Bulls=6738×.1=674.

3.—LIVEWEIGHT AND VALUE

	Weights, p. 86 and 87		Adj. (2½ percent .9763 high)	Price (cents)	Value
Prime steers	921- 1,171	1,078	1,052	44.39	$467.0
Prime heifers	426- 993	423	413	43.02	177.7
Choice steers	13,825- 1,130	15,662	15,247	43.64	6,653 8
Choice heifers	6,387- 967	6,176	6,028	42.41	2,556.5
Good steers	3,687- 1,158	4,270	4,168	41.96	1,748.9
Good heifers	1,703- 960	1,635	1,596	41.04	655.0
Utility cows	6,064- 1,000	6,064	5,918	32.82	1,942.3
Utility bulls	674- 1,100	741	723	32.82	237.3
Com. slaughter	33,687-(1,069)	[1] 36,009	35,145		14,438.5

[1] (35,143 rept).

SUMMARY OF VALUE CALCULATIONS

I. Weight times average SI cost	$14,795.2
II. Receipts minus estimates	15,062.7
III. Buildup from components	14,438.5

Year	Commercial cattle slaughter (live weight) P 179 (million pounds)	Average cost per hundred-weight FI slaughter	Commercial calf slaughter (live weight) P 179 (million pounds)	Average cost per hundred-weight FI slaughter	Value of slaughter (millions)
1964	31,440	$19.71	1,665	$19.87	$6,527.6
1965	32,316	21.37	1,687	20.99	7,260.0
1966	34,085	23.34	1,563	25.51	8,354.2
1967	34,538	23.43	1,354	25.94	8,443.4
1968	35,515	24.63	1,249	27.40	9,089.6
1969	35,806	$27.25	1,147	$30.91	$10,111.7
1970	36,260	27.79	994	33.06	10,405.3
1971	36,588	29.98	919	34.57	11,286.8
1972	37,126	33.50	767	41.67	12,756.8
1973	35,143	42.10	576	52.17	15,095.7

	Amount (millions)
Average value of slaughter:	
10-yr average, 1964–73 ($40÷9933.1×100=0.40 percent)	$9,933.
5-yr average 1969–73 ($40÷10,111.3×100=0.40 percent)	10,111.
3-yr average, 1971–73 ($40÷13,046.4×100=0.31 percent)	13,046.
15 yr, 1973 ($40÷15,095.7×100=0.26 percent)	15,095.

Note: 1973 was the largest year in history.

LEVELS OF ASSESSMENT AND POTENTIAL COLLECTIONS UNDER H.R. 7656

1. Value of slaughter cattle and calves:

	Billions
1969–1973—5 year average	$10.1
1974	12.4

2. It is estimated that the assessment in the initial order would be set at .3% and, if adjusted in future years, could be adjusted to .5% if approved by the Secretary. The following table projects the amount that could be generated based on **80% and 90% participation by producers.**

ASSESSMENT RATE—POTENTIAL COLLECTIONS AT VARIOUS LEVELS: LEVELS OF PARTICIPATION

[In millions of dollars]

	Maximum		90 percent		80 percent	
	5-yr average	1974	5-yr average	1974	5-yr average	1974
Percent:						
0.1 of 1	$10.1	$12.3	$9.1	$11.1	$8.1	$9.8
0.2 of 1	20.2	24.6	18.2	22.1	16.2	19.7
0.3 of 1	30.3	36.9	27.3	33.2	24.2	29.5
0.4 of 1	40.4	49.2	36.4	44.3	32.3	39.4
0.5 of 1	50.5	61.5	45.5	55.4	40.4	49.2

[1] Anticipated level of assessment.
[2] Maximum.

3. Therefore, .3% assessment based on 90% participation would generate $27.3 million based on the 5 year average. Projected 1974 value of slaughter would be $12.3 million and would have generated $33.2 million. It is reasonable to assume that the funds available would be between $25 and $30 million.

ANSWERS TO THE CHARGES BY SENATOR ABOUREZK

Charge—The appointment of the Beef Board is subject to the political whims of the Secretary of Agriculture.

Answer—It is altogether appropriate that the Secretary of Agriculture appoint the members of the Board; however, he does not have unlimited discretion in this regard. The members of the Beef Board must be cattle producers appointed by the Secretary from qualified nominees representing producers from each beef-producing geographic area.

Charge—The Secretary of Agriculture has authority under the bill to approve all significant actions of the Beef Board and its executive committee.

Answer—The bill lays down guidelines which the Beef Board is to follow in carrying out research and promotion programs. It is altogether fitting that authority be vested in the Secretary to assure that the actions taken by the Board are in accordance with the purposes of the Act.

Charge—The initiation of the program would be subject to a referendum. The order establishing the program would not be effective unless the Secretary determines that it is approved or favored by not less than two-thirds of the producers voting in the referendum, or by a majority of the producers voting in the referendum if such majority produced not less than two-thirds of the cattle owned by producers voting in the referendum.

Answer—The referendum procedure provided in the bill is consistent with the provisions of other research and promotion programs.

Charge—There is no limit placed on the assessment to be made by the Board.

Answer—It is true that the bill places no limitation on the amount of the assessment; however, the rate of assessment is to be prescribed by the order which is subject to approval in the referendum. While the order could provide for some variation in the rate of assessment, any substantial change in such rate would be subject to a new referendum. Any substantial increase in the rate of assessment would constitute an amendment to the order. Section 11 of the bill specifically provides that the provisions applicable to orders shall be applicable to amendments to orders.

Charge—The beef research and promotion program is not a voluntary program.

Answer—The program is voluntary for the reason that the initiation of the program itself would be subject to a referendum. Moreover, any cattle producer not wishing to participate may secure a refund of the assessment he pays.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired. The Senator from South Dakota has 30 seconds remaining.

Mr. ABOUREZK. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the motion to recommit. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Montana (Mr. MANSFIELD), and the Senator from Wyoming (Mr. MCGEE) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Vermont (Mr. LEAHY), and the Senator from Utah (Mr. MOSS) are absent on official business.

I further announce that, if present and voting, the Senator from Vermont (Mr. LEAHY), and the Senator from New

Hampshire (Mr. Durkin) would each vote "yea."

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), the Senator from Ohio (Mr. Taft), and the Senator from Texas (Mr. Tower) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. Taft), and the Senator from Texas (Mr. Tower), would each vote "nay."

The result was announced—yeas 38, nays 45, as follows:

[Rollcall Vote No. 532 Leg.]

YEAS—38

Abourezk
Beall
Biden
Brooke
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Culver
Eagleton
Glenn
Hart, Philip A.
Hartke
Hathaway
Jackson
Javits
Magnuson
Mathias
McGovern
McIntyre
Metcalf
Muskie
Nelson
Pastore
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stevenson
Symington
Weicker
Williams

NAYS—45

Allen
Bartlett
Bellmon
Bentsen
Brock
Burdick
Cannon
Chiles
Clark
Cranston
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Griffin
Hansen
Hart, Gary
Hatfield
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Long
McClellan
McClure
Mondale
Montoya
Morgan
Nunn
Packwood
Pearson
Randolph
Sparkman
Stennis
Stevens
Stone
Talmadge
Thurmond
Tunney
Young

NOT VOTING—17

Baker
Bayh
Church
Durkin
Fong
Goldwater
Gravel
Haskell
Humphrey
Inouye
Kennedy
Leahy
Mansfield
McGee
Moss
Taft
Tower

So the motion to recommit was rejected.

The PRESIDING OFFICER. The time for debate will be limited to 1 hour, to be equally divided between and controlled by the Senator from Alabama (Mr. Allen) and the Senator from South Dakota (Mr. Abourezk), with 30 minutes on any amendment, debatable motion, appeal, or point of order.

Who yields time?

The Senate will be in order. Senators will please take their seats and clear the well.

Who yields time?

Mr. STENNIS. Mr. President, will the Senator yield me one-half minute for a unanimous-consent request?

Mr. ABOUREZK. I yield.

Mr. STENNIS. I thank the Senator.

S. 961—EXTENSION OF TIME FOR COMMITTEE TO FILE ITS REPORT

Mr. STENNIS. Mr. President, S. 961, a bill reported by the Committee on Foreign Relations, involving the 200-mile jurisdiction limitation, is before the Committee on Armed Services. We were to report back today. We have held hearings, and we have run into a little difficulty on some of the testimony.

I ask unanimous consent—I am joined in this by those who are interested in the bill—that the committee be allowed until Friday of this week to file its report.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

BEEF RESEARCH AND INFORMATION ACT

The Senate continued with the consideration of the bill (H.R. 7656) to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products.

Mr. ABOUREZK. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> Beginning on page 17, delete Sec. 12 through the proviso on page 18, line 1 and insert the following substitute therefor:
>
> Sec. 12. Notwithstanding any other provisions of this Act, any cattle producer who does not wish to participate in the program promulgated under this Act will be exempted from participation at the point of sale by so specifying on the bill of sale and no assessment shall be collected or remitted. Further, any producer against whose cattle any assessment is made and collected from him under authority of this Act and who is not in favor of supporting the programs as provided for herein shall have the right to demand and receive from the Beef Board a refund of such assessment: *Provided*, That such demand shall be in writing submitted not more than ninety days after the end of the month in which the sale or slaughter of said cattle occurred and upon submission of proof satisfactory to the Board that the producer paid the assessment for which refund is sought, and any such refund shall be made within thirty days after demand is received therefor:

Mr. ABOUREZK. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the vote on this amendment occur no later than 11:55.

The PRESIDING OFFICER. The Senator requests what time?

Mr. ABOUREZK. No later than 11:55.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, would it also include that the time between now and 11:55 be equally divided?

Mr. ABOUREZK. Yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ABOUREZK. Mr. President, this amendment provides—and I will read briefly from it—that:

> Notwithstanding any other provision of this act, no cattle producer who does not wish to participate in the program promulgated under this act will be exempted from participation at the point of sale by so specifying on the bill of sale and no assessment shall be collected or remitted.

The remainder of the amendment provides that if a collection is made, there shall be a refund to that cattleman prior to the expiration of a 90-day period.

I will be very brief in this, and we might be able to vote before 11:55, if everyone is agreeable.

This is to make it the voluntary program that the Senator from Kansas already described it as being. At present, it is not a voluntary program.

Mr. STENNIS. Mr. President, may we have quiet, so that the Senator can be heard?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ABOUREZK. Under the measure we are considering, the program becomes mandatory if a two-thirds majority of cattlemen voting agree with it or if a simple majority agree, provided that two-thirds of the cattle in the country are represented in that simple majority. That is one cow, one vote. It is not one man, one vote.

This amendment would provide the exemption at the point of sale for any cattleman who does not want to be included in this program and who does not want to have the money coerced from him at the time he sells it. I think it is fair in this case, where the voting procedure is unevenly and unfairly distributed as it is in the bill, that we allow ranchers, cattlemen, and cattle producers to exempt themselves, rather than forcing them to apply for a refund after the money has been coerced from them.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. I yield myself 5 minutes.

Mr. President, this amendment, of course, would kill the bill; and I say that is what the distinguished Senator from South Dakota wants to do. If this amendment is adopted, the bill would be dead. This amendment goes contrary to the provisions of four other similar product promotion and research laws which Congress has enacted. It goes contrary to the Cotton Act. It goes contrary to the Wool Act. It goes contrary to the Potato Act. It goes contrary to the Egg Act. All these programs call for an initial assessment. But if the producer does not wish to have his money so used, he has a period in excess of 60 days to apply for his money back, and it is sent back to him without question. The reason I say it is more than 60 days is that he not only has 60 days but also has the remainder of the month in which he pays his assessment.

He is well protected. It is an anomalous situation, Mr President, that a man who does not want to participate in the program can get his money back and it will not cost him a dime; yet this very fine program for his benefit is being carried on at the expense of other producers. So the producer that the distinguished Senator from South Dakota is trying to protect is better protected under the terms of the bill. He can get his money back and still get the benefit. So heads, he wins, tails you lose. It is made to order for the man who does not want to participate.

The second feature of the amendment says that any man who is dissatisfied with the program they are putting on under this research and promotion program, if he does not like this program, can then get his money back. Whoever heard of such a thing as that? If there is an agency set up to carry on a program and some fellow says, "Gee, I do not like that program"—he might approve of 25 phases of the program, but he might not approve of one—he can write in and get his money back then.

Mr. President, under this plan, it is a value-added situation. The producer who produces the cattle in the first instance, when he first sells, then the assessment would be made on the value at that time. Then the next step might be to the feedlot. That sale would have the value added at 3 percent. So this producer may have already collected something down in the chain of command. Then, when he goes to sell, himself, the final sale under this amendment, having collected all up the chain, he can say, "Well, I do not want to pay," and he would be able to pocket the amount that had been paid up to his purchase.

If we are going to have the bill, let us have it without this amendment, because this amendment would leave us with no bill.

I reserve the remainder of my time.

Mr. YOUNG. Will the Senator yield?

Mr. ALLEN. Yes, I yield such time as the Senator requires.

Mr. YOUNG. Mr. President, the distinguished Senator from Alabama has explained very well the crippling effect this amendment would have on the whole purpose of this program. This is one way to kill it. Unfortunately, farm organizations and commodity groups have always been divided in their thinking as to how to help farmers. It has been discouraging to me as a farmer. Commodity groups have been very helpful to farmers. The title of this bill explains very well what the Act is all about. It says: "To enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products."

Mr. President, we have a similar situation for wheat which works out very well. I was a cosponsor of the Wool Research Promotion Act, which is working out very well, helping the wool producer. I was the principal sponsor of the potato research bill, which is very similar. That is working out very well. We have a cotton program which is working out very well. It helps the producers in a way that no general farm organization can.

A big farm organization, sprawled all over the United States, has to consider the interests of all producers, and I think, in a way, they are a little bit jealous of the commodity groups. The commodity group cannot help all their farmers, but it can help better than general farm organizations in the commodity that they are sponsoring and trying to help.

Mr. President, I hope that there will be no crippling amendment to this bill and that it will pass.

Mr. ABOUREZK. Mr. President, I only have about a minute or two more to speak on this particular amendment. The legislation we are considering has been traveling under the pretense that it is a voluntary program. If it, indeed, is a voluntary program, then I ask, what is wrong with allowing farmers to either volunteer or not volunteer at the outset—that is, at the point of sale, where the cattleman or farmer is selling? Why is it necessary, if this is a voluntary program, to take the money from him first and then require him to apply for a refund? Let me answer that question, if I might.

The answer is that the reason that the money should be taken from the farmer first and then allow him to apply for a refund is that the sponsors of this bill and its supporters know that a great many small producers will not apply for the refund. They will not take the trouble. Therefore, it will amount to a windfall for those people who are running this advertising program. If it is, indeed, a voluntary program, then this amendment would make it totally voluntary. It would allow the farmer and the cattleman to elect out at the point of sale. It would allow him to say whether he wants to give the money or not.

I am ready to yield back my time.

Mr. ALLEN. Will the Senator yield on my time?

Mr. ABOUREZK. Yes.

Mr. ALLEN. The Senator realizes that at the time of the final sale to the slaughterer, this head of cattle may have been owned by successive owners in the feeding out of the cattle. The small farmer might buy a calf when it is just a few weeks old; then he pays at that time—the producer pays at that time—and the farmer gets the benefit of that. Then he keeps the head of cattle for several months, adding poundage to it. Then he sells it to a feedlot man. At that time, he pays the producer there, selling to the feedlot, pays the assessment.

Then the Senator would have this ultimate seller to the slaughterer say, "I am not going to pay this assessment," even though at the time he purchased the cattle, he collected an assessment from the then owner. How would the Senator's amendment apply in that connection?

Mr. ABOUREZK. Do I correctly understand the bill to read now that the assessment is collected at the point of sale?

Mr. ALLEN. Yes.

Mr. ABOUREZK. It is not collected prior to the point of sale.

Mr. ALLEN. It is taken out of the check, collected in that sense.

Mr. ABOUREZK. When one rancher sells to another, there is no assessment made there, is there?

Mr. ALLEN. Yes.

Mr. ABOUREZK. How is that collected, then?

Mr. ALLEN. It is taken from the check. In other words, if the purchase price were $10,000 on a herd of cattle, we will say, then they would take from the check three-tenths of 1 percent.

Mr. ABOUREZK. But under the existing legislation, on a private sale from one cattleman to another, there is no collection made from anybody there, is there?

Mr. ALLEN. No collection, but a deduction, which is a collection.

Mr. ABOUREZK. Is there a deduction made at that point?

Mr. ALLEN. Yes.

Mr. ABOUREZK. My understanding was that it was made only from the sale point to the final point.

Mr. ALLEN. The Senator is wrong, because it is a value-added assessment, each step of the way.

Mr. ABOUREZK. Then the bill is worse than I thought. If there is going to be an assessment made every time the cattle change hands, it is much worse.

Mr. ALLEN. It is an assessment made on the value added. That is what it is. The Senator would have this seller to the slaughterer say, "I am not going to pay for this assessment," even though he has already added to the others in the chain.

Mr. ABOUREZK. It makes it a worse ripoff than it ever was.

There is no requirement in the legislation, as I understand it, at least, that the final, the last owner, before he sells to the sale barn, keep the money. He would have to turn that money in, anyhow, would he not? Is that not what the Senator is saying?

Mr. ALLEN. The Senator is saying he is not going to have to pay that assessment.

Mr. ABOUREZK. He does not have to pay his assessment; not the others.

Mr. ALLEN. Yes, he does, because it is all merged.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired. The Senator from South Dakota has an additional 5 minutes.

Mr. ABOUREZK. I am going to yield myself an additional 30 seconds.

Mr. DOLE. Will the Senator yield to me?

Mr. ABOUREZK. Yes, I yield 1 minute to the Senator from Kansas.

Mr. DOLE. Mr. President, I think the Senator from Alabama wanted to discuss the procedure.

I just believe an exemption at any level would disrupt the system, but I wanted to make the point that the Senator from South Dakota repeatedly referred to this as an advertising program. The report itself says on page 6 that is not the primary purpose of this program. It is not an advertising program and it is not a media program. We are talking about research into health and techniques for expanding and going into new markets. This is, in effect, a helpful program to the consumer, and I want to correct the impression that we are just setting up the program that is going to collect millions of dollars for advertising. That is not the purpose of the program at all.

Mr. ABOUREZK. I just want to close this out by saying if you want to make it a voluntary program then you should support this amendment. If you want to make it a mandatory program then you would be against the amendment. So I think the cattle producers of this country, who have been remarkably free of Government intervention and Government influence, most of them do not want the bill. Most of the cattle may want this bill but most of the cattle producers do not want it. So I yield back the remainder of my time.

Mr. ALLEN. Mr. President, will the Senator yield for just one question? The Senator's one phase of the amendment says that any producer who is not happy with the program of the Beef Board can at that time call for his money back; is that not correct? That is what it says anyhow. I am just asking the Senator if that is not similar to——

Mr. ABOUREZK. That is absolutely correct.

Mr. ALLEN. Is that not similar to a taxpayer who is dissatisfied with some of the government programs and refusing to pay his taxes?

Mr. ABOUREZK. That would be if you established this mandatory system that the Senator is trying to establish. The Senator is absolutely right. It would be an identical parallel.

Mr. ALLEN. Yes. I thank the Senator.

Mr. ABOUREZK. I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

All time having been yielded back, the question is on agreeing to the amendment of the Senator from South Dakota.

The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. (CHURCH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. HART), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Montana (Mr. MANSFIELD), the Senator from Wyoming (Mr. McGEE), and the Senator from North Carolina (Mr. MORGAN), are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Vermont (Mr. LEAHY), and the Senator from Utah (Mr. MOSS), are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Hawaii (Mr. FONG), and the Senator from Ohio (Mr. TAFT), are necessarily absent.

The result was announced—yeas 41, nays 44, as follows:

[Rollcall Vote No. 533 Leg.]

YEAS—41

Abourezk
Bayh
Beall
Biden
Brooke
Buckley
Bumpers
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Case
Culver
Eagleton
Glenn
Hart, Gary
Hartke
Haskell
Hathaway
Jackson
Javits
Magnuson
Mathias
McGovern
McIntyre
Metcalf
Mondale
Muskie
Nelson
Pastore
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Stafford
Stevenson
Symington
Weicker
Williams

NAYS—44

Allen
Bartlett
Bellmon
Bentsen
Brock
Burdick
Cannon
Chiles
Clark
Cranston
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Long
McClellan
McClure
Montoya
Nunn
Packwood
Pearson
Randolph
Sparkman
Stennis
Stevens
Stone
Talmadge
Thurmond
Tower
Tunney
Young

NOT VOTING—15

Baker
Church
Durkin
Fong
Gravel
Hart, Philip A.
Humphrey
Inouye
Kennedy
Leahy
Mansfield
McGee
Morgan
Moss
Taft

So Mr. ABOUREZK's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MUSKIE. Mr. President, I call up my amendment and ask for its immediate consideration.

The legislative clerk proceeded to read the amendment.

Mr. MUSKIE. Mr. President, I move that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, line 21, add the following new subsection (r):

"(r) The term 'consumer' means any person not engaged in the commercial production of cattle or the sale, promotion, or distribution of cattle, beef or beef products, but excluding any activities which a person may be engaged in as a member of the beef board."

Page 10, strike line 9 and substitute in lieu thereof the following: "for, shall be composed as follows: (1) fifty percent shall be persons who are appointed by the Secretary from nominations submitted by the membership of bona fide consumer organizations, who shall be knowledgeable and experienced in issues relating to food and nutrition policy, who are specially qualified to represent the interests of consumers, and who shall have no interests directly or indirectly in any food industry corporation, association, partnership, or other organization, and (2) fifty percent shall be cattle producers appointed by the";

Line 11, after the word "associations," insert the words "general farm organizations,".

Line 22, after the word "redesignate," insert the word "producer".

Mr. ROBERT C. BYRD. Will the Senator yield for a question?

Mr. MUSKIE. Yes.

Mr. ROBERT C. BYRD. Does the Senator intend to ask for the yeas and nays on this amendment?

Mr. MUSKIE. Yes. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Will the Senator yield again?

Mr. MUSKIE. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any rollcall votes ordered on amendments beginning with the amendment of the distinguished Senator from Maine begin at 2 p.m. today and that any rollcall votes that are ordered subsequent to the rollcall vote ordered already on the amendment by the Senator from Maine be backed up and the Senate would vote on them in sequence with a time on each separate rollcall for 10 minutes.

The PRESIDING OFFICER (Mr. BUMPERS). Is there objection? Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. MUSKIE. I yield.

Mr. HARRY F. BYRD, JR. I ask unanimous consent that Howard Segermark, of my staff, be allowed the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, I ask that there be order in the Chamber.

The PRESIDING OFFICER. The Senators will please take their seats or retire to the cloakroom. The Senate will suspend until we have order.

Senators are still conversing in the Chamber. Will they please retire to the cloakroom or take their seats.

Mr. MUSKIE. Mr. President, I yield to the Senator from Wisconsin for a unanimous-consent request.

Mr. NELSON. Mr. President, I ask unanimous consent that Mr. Warren, Sawall of the Labor Subcommittee be permitted the privileges of the floor during the consideration of this pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. I ask unanimous consent that Mr. Richard Bayard of my staff have the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the name of the Senator from New York (Mr. JAVITS) may be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO TAKE CERTAIN ACTION—S. 2533

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the bill (S. 2533) to provide that the reservoir formed by the lock and dam referred to as the "Jones Bluff lock and dam" on the Alabama River, Ala., shall hereafter be known as the R. E. "Bob" Woodruff Reservoir.

The PRESIDING OFFICER. Without objection, it is so ordered.

BEEF RESEARCH AND INFORMATION ACT

The Senate continued with the consideration of the bill (H.R. 7656) to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products.

Mr. MUSKIE. Mr. President, I ask unanimous consent that my amendment be considered enbloc. There are two sections to it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, this is a very straightforward amendment. Its purpose is to provide consumer representation on the Beef Board. I do not know of anyone who has more beefs than consumers these days. It would seem to me they ought to be represented on a board which gives them some influence upon what will be the result to their pocketbooks in the marketplace.

The amendment provides very simply, Mr. President, that the board shall be composed as follows:

One, 50 percent shall be persons who are appointed by the Secretary from nominations submitted by the membership of bona fide consumer organizations, who shall be knowledgeable and experienced in the issues relating to food and nutrition policy, who are specially qualified to represent the interests of consumers, and who shall have no interest, directly or indirectly, in any food industry corporation, association, partnership, or other organization, and 50 percent shall be cattle producers.

Mr. President, I listened to the discussion which involved the distinguished Senator from Kansas (Mr. DOLE) a moment ago in rebuttal to an argument that was made in behalf of the previous amendment. He emphasized the point that this was not just an advertising program, but that it was designed to benefit the consumer as well. He emphasized that very strongly. That stimulated my interest and I turned to the committee report on the bill, which reads in part as follows, on page 6:

> The Committee believes that the major emphasis of the program authorized by H.R. 7656 should not be on advertising and paid media promotion, but rather on consumer information and education programs along with research into health and techniques for expanding and developing new markets. This approach will enable such programs to help both producers and consumers.

Mr. President, with this heavy emphasis on the consumer interests in this program and in this bill, it seems to me there is one thing lacking: There is no provision for representation of consumers to have that interest on the Beef Board.

When one considers that the Board will be selected by the Secretary of Agriculture, and that the policymaking decisions that will be made under the bill will be dominated by the Secretary and by the big producers, the need for this kind of representation, it seems to me, is self-evident.

Mr. DOLE. Will the Senator yield?

Mr. MUSKIE. I yield.

Mr. DOLE. This committee report speaks for itself. This is not an advertising program and neither would it have the producers at the mercy of the consumer groups. I assume that if the Senator suggests this consumer provision for the beef program, he would want the same provision put into the potato program.

Mr. MUSKIE. May I say there is a significant difference between the Maine potato program and this beef program. Maybe that one ought to be modified to include consumers to the extent that decisionmaking is controlled, as this one could be, by a relatively small handful of the big producers, which includes chainstore interests whose interests surely are not always consistent with the interests of the consumers who must pay their prices and accept their service.

To the extent that any similar program contains those ingredients, it would seem to me this kind of representation might well be in order.

Second, that the Maine potato program was established years ago under an entirely different environment than this one is being considered today. Consumers are up tight about consumer prices where there is the danger of passthroughs of costs and added costs that would simply exacerbate the consumer's problems.

I suspect that if that legislation were being considered today, it, too, would be subject to modification along the lines of my amendment.

Mr. DOLE. Will the Senator yield further?

Mr. MUSKIE. Yes, I yield.

Mr. DOLE. The Potato Research Promotion Act of 1971 provides for the establishment of the National Potato Promotion Board, now commonly known as the Potato Board. The Board is authorized to collect an assessment on all Irish potatoes handled in the 48 contiguous States. The funds collected are used for advertising, promotion, and marketing research, and development for potatoes and potato products, which is almost identical to the language in the report to which the Senator just referred. The current assessment is 1 percent, not 0.3 percent or 0.5 percent but 1 percent, per hundredweight and is paid by the designated handler, who generally is the first handler. The handler may pass the assessment cost along to the producers. Any producer paying an assessment who does not want to support the program can request a refund from the Board.

We went through that previously in the Abourezk amendment.

Potatoes grown by producers on fewer than 5 acres are exempt from the plan. The total assessment which began September 15, 1972, to and through June 30, 1973, is about $1.6 billion.

Membership on the Potato Board is calculated in such a way that each State receives one member for each 5 million hundredweight of potato production, based on the average of the 3 preceding years. All Board members are potato producers. There is nothing in the Potato Research and Promotion Act to provide for consumer representation on the Board. If the Senator would be willing to amend that act to provide for a 50-percent consumer membership, maybe we could agree on this amendment.

Mr. MUSKIE. Mr. President, if the Senator will yield to me, I have only 15 minutes, I understand. If the Senator wishes to offer an amendment to the potato program, we will consider it at the proper time.

Under the potato program, all growers with less than 5 acres of potatoes would be exempt from the program, which means that the potato program would be paid for by 17,000 of the total of 310,000 producers. That is a significant difference.

Mr. DOLE. How many consumers are on the Potato Board?

Mr. MUSKIE. Could I finish at least a sentence? This is my time. That is a significant difference from the pending legislation which we are considering.

If I may continue the explanation——

Mr. HANSEN. Mr. President, will the Senator yield to me for a question?

Mr. MUSKIE. I have just 15 minutes to explain the amendment, and I have already yielded a very significant portion of that time. Let me finish my explanation, and then I will be happy to yield, if I may say so, to the Senator from Wyoming.

There is an interest on the part of the consumers in this bill. Supporters of the bill have conceded that, and indicated it.

More than that, the consumers are going to pay for this program. The notion that producers are going to absorb the costs and not pass them on to consumers is unrealistic as can be.

This is a mandatory kind of thing. It is imposed across the board. Any relief to small producers, as the Senator from South Dakota has indicated, is theoretical and not practical. So this is, in effect, a tax on the consumers.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. MUSKIE. And the consumer has a right to be represented in a program designed to serve him better, in the words of the sponsors, through doing research into his health needs and developing his tastes and his marketing convenience.

If all of this is to be done to the consumer under this program, then it seems to me he has a right to be represented.

I yield to my good friend from South Dakota, who is a cosponsor of this amendment.

Mr. ABOUREZK. For 1 minute. The problem of this bill is that it is heavily weighted toward the large cattle producer, and not the small producer or the consumer. It is aimed at the consumer, but it is not weighted toward the consumer.

When the Senate rejected the amendment making it voluntary last time, it was with knowledge on the part of the supporters of this bill that the large producers would have the bookkeeping apparatus available to apply their reforms.

Mr. DOLE. Mr. President, will the Senator yield there?

Mr. ABOUREZK. Let me finish. The small producers did not have it. Likewise on this amendment, the consumer, who is going to be the target, and who is a part of the political force behind the force of law which gives this organization legitimacy, is not being represented on the board, and I think it is absolutely essential that there be consumer representation.

Mr. HANSEN. Mr. President, I would make two points.

The PRESIDING OFFICER. On whose time? Does someone yield to the Senator from Wyoming?

Mr. ALLEN. I yield the Senator such time as he may require.

Mr. HANSEN. First, if the Senator from Maine, in order not to be subjected to the consistency of having the same rules applied to the potato program as he seeks to impose upon this cattle program, would be willing, I personally would have no objection to excluding from the application of this bill those cattlemen with not more than 5 acres. He says that is the rule with the potatoes. I think that we could agree on that, as far as cattle go.

Mr. MUSKIE. May I point out——

Mr. HANSEN. I make the second point—if I may, because I have just a little time from the Senator from Alabama——

Mr. MUSKIE. All right.

Mr. HANSEN. I make the second point that I do not understand what the Senator from South Dakota means when he says this is targeted at the consumer. It is in no way targeted at the consumer. It is hoped that through the application of this act, more beef can be produced, that the operations of the typical cattle rancher can be more successful, and that he will indeed be able to stay in business. I happen to be in this business, and I think I know a little bit about it. The facts are that unless something can be done to make the typical livestock operation more profitable, there will be more and more farms and ranches sold out in this country, to be put to other uses. Lands are going to be subdivided, and we are going to go into other businesses, simply because the cow business has not been all that profitable.

Mr. ALLEN. I yield for 2 minutes to the Senator from North Dakota.

Mr. MUSKIE. Mr. President, I do not yield the floor, but I yield to the Senator from North Dakota. I have not concluded my presentation of the amendment, but if the Senator wishes to rebut it before he knows what it is, I yield.

The PRESIDING OFFICER. The Senator from Maine has only 1 minute of his 15 minutes time remaining.

Mr. YOUNG. Mr. President, I know enough about the amendment already to be opposed to it. We in the principal potato-producing areas, North Dakota, Maine, and Idaho, fought for years to get a bill such as this. The Senator from Maine was one of the sponsors of one of these bills.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. YOUNG. The potato growers would never have accepted an amendment like this. They would have preferred no bill at all.

Mr. MUSKIE. Will the Senator yield?

Mr. YOUNG. Yes.

Mr. MUSKIE. Let me point out a couple of very important distinctions between the potato bill, which the Senator from North Dakota and I both supported, and this bill.

In this bill, all that goes to referendum is the order establishing the Beef Board. That is all. Under the potato program, the referendum applies to the promotion program. Promotion plans under the potato bill would have to be approved by the Secretary after public hearings. There is no such thing provided in the pending bill. Then in addition, the promotion program—not the appointment of the board, but the promotion program—must then be ratified by at least two-thirds of the growers under a referendum to be conducted by the secretary.

That is a much greater degree of public involvement in behalf of the consumer than under the pending bill. This beef bill provides nothing with respect to consumers except the tender mercies of those who have control of the board, and they are likely to be the big producers and the chain store interests. There is no provision for public hearings and no provision for referendum on the promotion program.

That is a vast difference between this bill and the potato program.

Mr. YOUNG. Am I yielded to on my time or his?

The PRESIDING OFFICER. The time yielded to the Senator from North Dakota has expired.

Mr. ALLEN. I yield 3 minutes to the distinguished Senator from Kansas.

Mr. DOLE. I am very pleased that the Senator from Maine——

Mr. ABOUREZK. Mr. President, will the Senator from Kansas yield to me for 30 seconds?

Mr. DOLE. I yield.

Mr. ABOUREZK. We originally had 3 hours set aside for debate on the bill today. One of the hours was used last night without my knowledge. I ask unanimous consent that we once again extend that to 3 hours, to be equally divided between myself and the Senator from Alabama.

Mr. DOLE. I object to that. Maybe we can work it out later, but at the present time I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOLE. I have been reading about the Potato Act. There are 83 members on the Potato Board, and not a single consumer representative. We are going to prepare a little amendment which would do the same thing to potatoes, wool, eggs, and other commodities. If you want to have the consumers run the potato program, we will have the consumers run the potato program. The referendum is no different on the potato program than on the meat program; it is no less and no more democratic.

I just happen to believe this will help the consumers.

The activities carried on by the Potato Board include advertising and promotional efforts. That is the first thing mentioned in the potato activities: advertising and promotional efforts in a variety of media dealing with nutritional value and calorie content of potatoes. They are very good media efforts. I have seen some. There are no calories in potatoes. It is only the butter and other things one puts on the potato.

Distribution of free potato cookbook, formation of a National Nutritional Exchange to provide nutrition information to State and local nutrition councils; and research projects.

In effect, they are the same activities to be carried on under the Beef Board, and there is no difference between the Potato Board and the Beef Board.

I suggest to the Senator from Maine, who is very objective and fair, that he probably wishes for the same program to apply to his potato growers that he wishes to apply to my cattle producers, or to Senator HANSEN's cattle producers, or others who may be concerned.

As to the amendment that I have, which is a technical amendment, I would add as an amendment to the amendment of the Senator from Maine:

> Notwithstanding any other provision of law, the membership of any Commodity Research and Promotion Board authorized by law shall be composed as follows: Fifty percent shall be persons who are appointed by the Secretary from nominations submitted by the membership of bona fide consumer organizations.

Is the Senator from Maine willing to accept that amendment?

Mr. MUSKIE. No. I think the Senator from Kansas can offer that amendment.

Mr. DOLE. I am going to offer it. I wish to know if the Senator from Maine will accept it. If so, we could avoid any further discussion.

Mr. MUSKIE. No. The Senator from Kansas may offer it as he wishes. But the Senator chooses to ignore the distinctions.

Mr. DOLE. There are none.

Mr. MUSKIE. There are distinctions.

Mr. DOLE. Potatoes are different from beef.

Mr. MUSKIE. The fact that the Senator brushes them aside does not make them nonexistent.

The PRESIDING OFFICER. The 3 minutes of the Senator from Kansas has expired.

Mr. MUSKIE. The fact is there is nothing in the pending bill that extends any sensitivity to consumers.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, could I have a few additional minutes?

Mr. ABOUREZK. Mr. President, I yield 2 minutes on the bill.

Mr. MUSKIE. There is nothing in the pending bill, except bland rhetoric. I heard the Senator from Kansas pay obeisance for the consumer interest, and he urged it with some vigor in the rebuttal of the previous amendment. All I am trying to crank into this bill is sensitivity to consumer interest of which there is none in this bill and of which there is considerable in the potato bill.

Mr. DOLE. Mr. President, is this on my time or his?

Mr. MUSKIE. No. I have 2 minutes.

The formula in the potato bill for cranking in the public interest is different than the amendment I have offered to this bill, but it is substantial and it is significant.

If the Senator wishes to offer his amendment, of course, that is his prerogative.

Mr. DOLE. I point out that we do provide notice of hearing, page 6, section 5:

> Whenever the Secretary has reason to believe that the issuance of an order will tend to effectuate the declared policy of this Act, he shall give due notice and opportunity for hearing upon a proposed order.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield 2 minutes.

The PRESIDING OFFICER. Two minutes are yielded to the Senator from Kansas.

Mr. DOLE. So there is that protection. There is nothing in this. I point out that this bill did pass the Ag Committee by unanimous vote. That is the Committee on Agriculture and Forestry. Everyone on that committee is concerned about the consumer. But it is pretty hard to stand up at this point and oppose this bill on the grounds of applying for a refund. When I read about 83 members of the Potato Board, there is not a single consumer on that Potato Board, and it is weighted toward the big producers. The Senator from South Dakota argued against this bill, arguing they have to apply for their refund as they do in this bill. For those who oppose this bill it is difficult to oppose it on those grounds because they are the same. There is a referendum, and that referendum is the same.

If we are going to say we have to have a consumer representative on this board, I agree we ought to have some consumer representation, but it ought to be across the board. It ought to apply to eggs. It ought to apply to cotton. It ought to apply to wool. It ought to apply to potatoes. It should apply to beef or any other commodity program. But it seems to me to be a little disconnected to suggest we do it in an effort to kill this bill.

The only reason the original amendment was offered is to kill this bill.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. DOLE. If the Senator has a good question, yes.

Mr. ABOUREZK. Will the Senator be willing to support an amendment that would put consumer representation on the cotton program and the egg program, as well as the potato program and this program? I understood he said that he would.

Mr. DOLE. Yes. I will support an amendment to put consumer representatives on those boards but not giving them controlling interest.

Mr. ABOUREZK. What would the percentage be that the Senator would go along with?

Mr. DOLE. I have not really thought about that much. We could do that during a quorum call.

Mr. ABOUREZK. I will be happy to do that then.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Who yields time?

Mr. ABOUREZK. I yield myself 1 minute on the bill.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABOUREZK. I am happy to draw an amendment up right now if the Senator will support that and urge our colleagues to do so as well.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. MUSKIE. I say to my good friend from South Dakota I join in that amendment, if the Senator will do likewise.

Mr. DOLE. And withdraw this little devastating thing the Senator has there?

Mr. MUSKIE. Not until I see the substitute that I accept.

Mr. DOLE. We will end up with mashed potatoes.

Mr. MUSKIE. What is that?

Mr. DOLE. We may end up with mashed potatoes.

Mr. ABOUREZK. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, how much time remains?

The PRESIDING OFFICER. Six minutes.

Mr. ALLEN. Is there not time available from the time allotted to the bill as well?

Mr. PRESIDING OFFICER. Yes.

Mr. ALLEN. I thank the Chair.

Mr. President, there might be some justification for this amendment if this were taxpayer money that was financing this Board. If the cattlemen of the country were coming in asking for appropriation of $30 to $40 million to support this Board, there might be some justification for having consumer representation.

But here we have a program that is being paid by the producers. They pay every single portion of the expense, including the cost of any successful referendum.

So, the program is being paid for by the producers, and they should not be called on to share the responsibility for implementing this program with consumer organizations.

This is supposed to be an age of consumerism, and an amendment of this sort has some appeal when it is recognized that the consumers are not financing this program; that it is being done by the producer. They should have the say as to how their money is being spent. They should not have to share that responsibility and that prerogative with 50 percent of the membership consisting of consumers.

The distinguished Senator from Maine made a point about the stores and retailers, possibly, certainly the big trade organizations, having a whole lot to do with this program, but the statistics show of cattle that feed packers own less than 2 percent and retailers own less than 7,000ths of 1 percent.

Mr. President, we know that there is a wide disparity between the amount that the farmer, the rancher, or the producer gets for cattle and the retail price. So it has been argued that the consumer ultimately will pay this. Of course, that is not correct. The consumer does not pay it because there is no showing whatsoever that the amount paid for the cattle has any relationship whatsoever to the ultimate sales price because we see beef on the hoof going down, down, down, and down in price, and we see the cost of beef at the supermarkets and the retail level going up, up, and up. So there is no connection there between the price that the rancher gets and the price that the retailer charges.

As I heard the distinguished Senator from Maine, he spoke of the fact that this referendum only set up the Beef Board and did not set the rate of assessment in order that the producers might know what they are going to have to pay.

The Senator apparently did not read page 12, starting with line 23.

> The rate of assessment shall be as prescribed by the order and shall provide for such expenses and expenditures, including provision for a reasonable reserve . . .

and so forth.

But the order does prescribe the rate of assessment that the producer will have to pay.

So this amendment certainly is designed, as the Senator from Alabama sees it, to kill this bill. Incidentally, the producers are not coming in here and asking for a Federal subsidy. I have to admire the independent spirit and the free enterprise beliefs of the cattlemen. They do not seek Government subsidies. They are willing to pay the entire cost for this program themselves and to benefit their occupation and their business and to have this research and promotion program financed by the producers themselves. So this amendment would just make the whole program a farce. I feel that if it is adopted and stays in the conference committee, it will cause the defeat of the bill.

Mr. DOLE. Will the Senator agree that it would militate against this program as compared to the others in operation, including the potato program, the wool program, and others?

Mr. ALLEN. I think we should have a uniform system. I would prefer that we adopt the unanimity we already have in these four programs.

Mr. DOLE. I do not recall any consumer organization attacking the Potato Promotion Board or the Wool Board or the Cotton Board or whatever board it might be, in their efforts to promote and to advertise and to do research and to provide consumer information and to provide nutrition information. I do not really know of any organized consumer complaint against any of these boards. If there are complaints, we ought to adopt a uniform percentage. I do not know what percentage—some fair percentage—but not to the point where those interests might control the board.

Mr. ALLEN. I certainly agree with the distinguished Senator.

The PRESIDING OFFICER. The time of the Senator from Alabama on the amendment has expired.

Mr. ALLEN. I yield myself 3 minutes on the bill.

We do not see any consumer organizations, so far as the Senator from Alabama knows, bemoaning the plight of the cattlemen. They take considerable satisfaction from the fact that beef prices on the hoof are low. So I do not think we would see too much effort on the part of consumers to improve the status and the financial rewards of cattlemen. On the contrary, I think they would be more interested in beating the price down, rather than seeing that the cattleman stays in business. Many of the cattlemen are on the verge, right now, of going under on account of the low price of beef on the hoof.

Mr. ABOUREZK. Mr. President, will the Senator yield on my time, on the bill?

Mr. ALLEN. I yield.

Mr. ABOUREZK. Mr. President, at this time, I wonder if it might be appropriate to ask unanimous consent that the remaining time for debate on the bill be set at 3 hours, the time to be equally divided between the Senator from Alabama and I, as was originally ordered.

Mr. ALLEN. Mr. President, reserving the right to object—and I do not object—I would prefer that the distinguished Senator clear this with the leadership, since it was the leadership that cut the time down. In the absence of the leadership, I do not feel that we should make this agreement, because they might have other things scheduled for this afternoon.

Mr. ABOUREZK. I advise the Senator from Alabama that the original order was 3 hours, equally divided, and it was cut down last night without my knowledge.

Mr. ALLEN. I am sorry that it was not cleared with the distinguished Senator. The request was made by the leadership.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ABOUREZK. I yield.

Mr. DOLE. I have no objection. I think that perhaps we can do it in less time than that. But, based on the objection of the Senator from Alabama, I think we should touch base with the leadership. On this side, we have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ABOUREZK. Mr. President, I yield myself 3 minutes on the bill.

Mr. THURMOND. Mr. President, will the Senator yield me 10 seconds?

Mr. ABOUREZK. I yield.

Mr. THURMOND. Mr. President, I ask unanimous consent that John Steer, of my staff, have the privilege of the floor during the discussion of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, I wish to respond to the Senator from Alabama, who said that he did not see any consumer organizations worrying about cattlemen and that perhaps it was in their interests to beat down the prices of beef on the hoof.

This summer, I accompanied to South Dakota, for a series of meetings with cattle producers in that State, the executive director of the Consumer Federation of America, another one of the executive officers of the Consumer Federation, and representatives of several other consumer groups in Chicago, in Maryland, in New York, and in San Francisco. We had a series of meetings with cattle producers out there, at which time all the consumer representatives indicated in public statements that it was not their desire to beat down the price of cattle on the hoof. It was their desire to find out where the farm retail price spread was going, because they felt they were being hurt as bad as the cattlemen.

Second, the consumer representative from Chicago, a woman named Dorothy Shaffers, also made arrangements with the South Dakota cattle producers, a group called the Meat Promoters of South Dakota, to make direct sales of beef to ghetto and inner city residents in Chicago.

In fact, yesterday, when we were preparing for this bill and discussing the matter with the Meat Promoters, we found out that most of them had gone to Chicago with their first load of beef, which they were taking in and selling directly. They are bypassing the packing houses and the chainstores. The result of that direct program is that the farmer is going to receive a premium price. He is going to get a higher price than the packing houses pay for his beef, and the consumer in Chicago is paying a lesser price for the beef after it is processed in Chicago.

That is one of the things that can be done voluntarily. It does not require a Government program of any kind to effect, and it dispels the notion that consumers, themselves, are in direct opposition to the interests of ranchers.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ABOUREZK. I yield on the Senator's time.

Mr. ALLEN. What is the purpose, then, of having a consumer representation of 50 percent of the entire board? What good would they do? What useful purpose would they serve?

Mr. ABOUREZK. They would be able to provide their advice and their suggestions as to how consumer information should be put out. They should have some say. Since the organization that the Senator is attempting to set up would have the full force of Federal law and the Federal courts and Federal enforcement behind it, I think that consumers, who represent a good part of the Federal Government, who are constituents, should have that kind of say-so.

Mr. ALLEN. Would they be seeking to devise assessments whereby the cattle producers could enjoy higher income from the sale of their product?

Mr. ABOUREZK. It might bring about improved programs, such as the Chicago program I described. In fact, that might be one of the more beneficial aspects of consumer representation.

Mr. ALLEN. The Senator spoke of the consumer worry about the difference between the price of beef on the hoof and the retail price and the question of why that was so. This is something the Beef Board could have research on, to find out why there is this wide discrepancy. I point that out as one way that the Board could serve in this area, and it could result in lower retail prices rather than higher retail prices.

Mr. ABOUREZK. I think it would be done better if we had more consumers on the Board, as well.

Mr. ALLEN. Why do not the consumers set up a board? The producers are setting up this Board, for which they are paying, which regulates their industry, and it provides for research and promotion programs that benefit their product. What concern does the consumer have in that?

Mr. ABOUREZK. The consumer has a great deal of concern, as the target of this program as well as someone who stands behind the force of law that gives incentive to this program.

The Senator said that this regulates the beef industry. I am afraid he is right. That is one of the dangers of this entire program.

Mr. ALLEN. I say to the Senator that no one deplores more than the cattleman the wide discrepancy between the price he gets for beef on the hoof and the price that the retailer gets. So the cattleman is not trying to increase retail prices. Far from it. He is trying to have greater use of his product, more promotion of the product, research and development programs, research on disease of animals. The Senator doubtless will recall that Congress passed an animal disease research bill.

We appropriated some $40 million to carry that on. That was vetoed and the veto was not overridden. So here was a taxpayer-financed program that was vetoed. Here, these producers come in and offer to set up a program of that sort at their own expense. So the Senator is trying to inject consumers in here who would tell these beef producers how to spend their money.

Mr. ABOUREZK. If the beef producers are going to do it at their own expense, they can very easily do that by voluntarily collecting the money from the members of their own organization.

Mr. ALLEN. The Senator knows better than anyone how difficult that would be.

Mr. ABOUREZK. If they want to do it voluntarily, difficult or not, if the Senator is saying they want to do it themselves, that is the way to do it. But it is not the way to do it to force and coerce the money out of small producers, who may not want to be involved, who do not want to set up the bookkeeping to try to get a refund every time, and who would find themselves in great difficulty because of this. And it would not raise the price of beef on the hoof 1 cent, I am convinced.

Mr. ALLEN. They could still get it back by request and still get the benefits of the program, can they not?

Mr. ABOUREZK. If everything worked perfectly, as the Senator says it will, but it will not work perfectly, because the small producer will not set up the bookkeeping necessary to get the refund.

Mr. ALLEN. What bookkeeping would it take to have a tax receipt or an assessment made and send that in for a refund?

Mr. ABOUREZK. It takes more bookkeeping than most cattle producers want to take part in. I know.

Mr. ALLEN. I thank the Senator.

Mr. MUSKIE. Will the Senator yield 2 minutes to me?

Mr. ABOUREZK. I will yield 2 minutes on my time.

Mr. MUSKIE. The distinguished Senator from Alabama has raised the question about what are the consumers' interests in this bill. I read from the committee report as follows:

> H.R. 7656 would make funds available for market research to determine consumers' needs and desires as they pertain to beef. This will allow the beef industry to meet their specifications—

Whose? The consumers'—

> for different types of beef products and new or better ways to use them. There is also a need for production research and development—to do more in the development of new and different beef products. The program might devise new techniques of canning, freezing or freeze drying or otherwise preparing or preserving fresh meat; techniques that are desirable to the consumers and cost savers for the beef industry. It is important that there be continued nutritional research to increase existing knowledge of the nutritional value of beef and beef products. Today, consumers are growing more aware of the importance of good meat and are demonstrating their concern by wanting to know nutritional information about the food they eat.

This is from the committee report. Some of the sponsors have indicated the consumer interest. There is a consumer interest.

The Senator's argument would lead to another conclusion: If the producers are the best judges of the consumer interests, then why not make it an entirely consumer board and entrust the producers' interest to the consumers? Obviously, each group has its own interest that can be best advanced by its own representatives. That is all that this amendment undertakes to do. I shall be most interested in pursuing the suggestion raised by the distinguished Senator from Kansas earlier, with respect to applying this same principle across the board.

Mr. ALLEN. Let me ask a question, if I may: What financial contribution to this board would the consumers make?

Mr. MUSKIE. Higher prices.

Mr. ALLEN. I am talking about carrying on the Board.

Mr. MUSKIE. Well, let me read what I understand to be the nature of the tax that would be imposed, as I understand it, it would be an assessment on each producer on the value of each head of cattle sold. The consumer is going to pay this tax.

Mr. ALLEN. I reserve the remainder of my time.

Mr. ABOUREZK. I reserve the remainder of my time.

Mr. DOLE. Will the Senator yield?

Mr. ALLEN. I yield such time as the Senator from Kansas needs.

Mr. DOLE. Mr. President, the Senator from Kansas has been pursuing some resolution with reference to consumer interests. We find that there are 20 members of the Cotton Board, 15 members on the Egg Board, 68 on the proposed Beef Board. We are checking on how many are on the Wool Board, but I assume it is a relatively small number. Potatoes lead the field at 83.

It seems to me that, if there should, in fact, be consumer representation, it ought to be done based on some intensive study and investigation, not done by amendment on the floor in 10 or 15 or 20 minutes of debate, without any hearings. I am suggesting what may or may not be an acceptable compromise: an amendment which would be in the nature of a substitute, which would direct the Secretary to study the desirability to include a consumer representative on commodity research and promotion boards across the board—not just this one, but across the board. In making such a study, he shall consult with bona fide consumer organizations and members of existing commodity research and promotion boards. Then he is directed to make his findings and report to Congress within 90 days after enactment of this legislation.

The Senator from Kansas understands that the easiest thing to do is have a study, but I suggest that in this amendment, it is a sincere effort to resolve the problem, to come to grips with the very real problem raised by the Senator from Maine and underscored by the Senator from South Dakota. We are directing the Secretary to consult with members of bona fide consumer groups, to consult with members of boards of research and promotion groups, and see what the complaints are from the consumers' standpoint, see if they have led to higher prices. This might be some resolution.

Certainly, if we are going to say on the floor, arbitrarily, that 10 percent of the board should be from consumers' groups, or 20 percent or 30 or 40 percent, we may, in effect, be negating any benefits that now flow from the various boards.

It seems to me, as I read the Facts About Research and Promotion Programs of Farm Products, which is a publication of the Agricultural Marketing Service, November 1975, in every case, whether it be wool or eggs or lamb or mohair, or whatever, whether it is a marketing order or some promotion board, one of the prime purposes, of course, is advertising; it is promotion.

But it also extends beyond that into research and nutrition and the consumer interests. And, of course, if those consumer interests are not met, perhaps, we have already observed, in the very close votes on the floor, what could and probably should happen at that point.

I am wondering now if, based on the legislative history and the discussion by Members present, we cannot agree upon some bona fide study and report to Congress within 90 days and perhaps take some action that will apply across the board. It seems to this Senator that it is not fair to single out the baby, the Beef Board, which is in the process of being established, and turn our back on every other board that may have been in existence, whether it is the Cotton Board or Potato Board or whatever.

I offer this as a suggestion, rather than arbitrarily stating that it ought to be 10 percent or 40 percent on each and every research and promotion board.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. The Senator from Maine might want to respond.

Mr. MUSKIE. Yes; I yield myself time for the purpose of responding. Frankly, I just think that approach would be the end of the idea. I think the best approach is to establish the principle with the latest of these promotion proposals and then build on that to extend the principle to the already-established boards, or to try to do it across-the-board.

I do not think the principle is that difficult. It is clear from everything that is written in the committee report and everything that has been said on the floor that there is a legitimate consumer interest. I am willing to discuss the question of what the proportion of consumer representation ought to be. That is a legitimate question, which I am perfectly willing to discuss.

I would suggest to the Senator we do either of two things: We either agree on a percentage for this bill or a percentage for an across-the-board bill, and then give some leeway to the conference, which there probably would be, to work out the wrinkles if they develop, rather than to begin with the study now. I would think that would have the effect of killing the thing.

The pressure to do something is now when the bill is created.

Mr. DOLE. It would seem to me the best suggestion would be to do it across-the-board, and then we are not singling out one commodity. But again it is not clear to me how we agree on a percentage.

Mr. MUSKIE. I think if you add, say, a 25- or 30-percent number that would come close to being a reasonable percentage to start with.

Mr. DOLE. Could we say "some"? Would it be a big percentage?

Mr. MUSKIE. "Some" could be one.

Mr. DOLE. It ought to be at least two.

Mr. MUSKIE. I would not be satisfied. I would not want to be one of the two in a board of 68.

Mr. DOLE. Or a board of 83, such as the Potato Board.

Mr. MUSKIE. I think 25 percent, which applies to any number provided for in the number of those three boards, is a satisfactory solution. I already have my staff, incidentally, getting the necessary references to the other programs so that we can quickly put an amendment together.

(At this point Mr. HATHAWAY assumed the Chair.)

Mr. DOLE. It would seem to me that that approach, although I agree with what the Senator from Alabama has said, that these members will contribute nothing, that they would direct policy, have a role in policy or a voice without contributing 1 cent. It seems that this is not in the total interest of research and promotion of potatoes or for wheat or beef or whatever.

I do understand there is a consumer interest, and maybe the added expense of having the consumers on the board could be passed onto the consumer. That is probably what would happen. But in an effort to work out some compromise that might be a possibility.

Perhaps in the interim we could move onto some other amendment.

Mr. MUSKIE. Mr. President, for the moment, I suggest the absence of a quorum, a very brief one.

The Senator from South Dakota is working on a proposal, and he might offer that at this point to trigger a compromise.

The PRESIDING OFFICER. On whose time is the quorum call?

Mr. MUSKIE. I ask unanimous consent that the time for the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the Senate be in recess until the hour of 2 p.m.

There being no objection, the Senate, at 1:08 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PEARSON).

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator——

Mr. ABOUREZK. Mr. President, have the yeas and nays been called for?

The PRESIDING OFFICER. The yeas and nays have been ordered.

The clerk will call the roll.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll for a quorum.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendment by Mr. MUSKIE may be laid aside temporarily for not to exceed 10 minutes, and the Senator from South Carolina (Mr. THURMOND) may call up his amendment at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND) proposes an amendment:

On page 12, line 18, following the colon after the word "slaughter," insert the following:

"Provided further, That cattle slaughtered for his own home consumption by a producer who has been the sole owner of such cattle shall not be subject to assessments provided in this Act:"

Mr. THURMOND. Mr. President, I am sure there is no objection to this amendment because it simply provides that where a farmer produces his own cow and slaughters it for his own home use and consumption that the tax will not apply.

I have taken this up with the manager of the bill, the distinguished Senator from Alabama, and he indicated he was agreeable.

In order to clarify the record, I would like to ask the distinguished Senator from Alabama this question: In a case where an individual farmer produces or raises a cow or cattle from birth and slaughters such cattle for his own home consumption, would he be required to remit any assessment to the Beef Board?

Mr. ALLEN. Under the bill as it now stands, I believe technically he would be subject to this assessment and, for that reason, I would be willing to accept, on behalf of the committee, the amendment of the distinguished Senator from South Carolina because it does exempt the producer who has owned the cattle from birth, who has been the sole owner of the cattle, to slaughter it or have it slaughtered, for that matter, for his own home consumption, and not go into the channels of trade.

I think that is the true intent of the bill even though it is not so stated in it. For that reason I believe the amendment would be a constructive amendment.

Mr. THURMOND. Mr. President, I wish to thank the distinguished Senator from Alabama.

Mr. ALLEN. We are ready to accept it.

Mr. THURMOND. That is the reason I am offering this amendment because there is some question as to whether this amendment is necessary. Rather than to run any risk, we are offering this amendment to provide where a farmer produces his own cattle and slaughters his own cattle for his own home use then this tax would not apply, and I am sure everyone would want that done, the public, the farmers, and all concerned.

I think the amendment is self-explanatory, and I have nothing else to say about it.

Mr. ALLEN. On behalf of the committee, we are willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

Mr. ABOUREZK. Mr. President, at this time, I ask unanimous consent that an additional 2 hours of debate be provided on the bill that is under consideration today, the time to be equally divided between both sides, between myself and the Senator from Alabama.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Reserving the right to object, the time to be equally divided between the Senator from South Dakota and who else?

Mr. ABOUREZK. Senator ALLEN.

Mr. ROBERT C. BYRD. The Senator from Alabama.

Mr. President, would the Senator object to including in this request a provision that final action on the bill would come no later than 7 p.m. today?

Mr. ABOUREZK. I would hesitate to do that because I do not know when I will be finished with the amendments.

Mr. ROBERT C. BYRD. Mr. President, I will not object, but the Senate will complete action on this bill today. The leadership will make every effort to complete action on this bill today even if it takes until 10 o'clock, 11 o'clock, or 12 o'clock tonight.

I do not know that any Senator intends to and I do not mean to imply that any Senator intends to go that long, but we have been on this bill now beginning with yesterday and with the amount of work that remains to be done, I do not think the Senate can afford to stay on the bill into tomorrow.

So I will not object to this request.

Mr. DOLE. Reserving the right to object, I did not hear the request of the Senator from South Dakota.

Mr. ABOUREZK. An additional 2 hours of debate on the bill, equally divided.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Out of whose time?

The PRESIDING OFFICER. Is there objection to the time being charged equally to both sides?

Mr. ABOUREZK. I ask unanimous consent it be charged to neither side.

Mr. ROBERT C. BYRD. Neither side?

Mr. ABOUREZK. To neither side.

Mr. ROBERT C. BYRD. Mr. President, I will not object in this instance, but if we are going to continue to put in quorums I think we ought to charge the time to both sides.

I will not object in this instance.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that I may withdraw my earlier amendment.

The PRESIDING OFFICER. Is there objection?

This will be withdrawing the pending amendment?

Mr. MUSKIE. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I call up a substitute which I have left at the desk.

The PRESIDING OFFICER. This is an amendment offered ab initio since the other one has been withdrawn?

Mr. MUSKIE. Yes.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. MUSKIE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, proposed by Mr. Muskie, on behalf of himself, Mr. Abourezk, and Mr. Javits, is as follows:

On page 10, line 11, after the word "associations," insert the words "general farm organizations,".

On page 10, line 22, after the word "redesignate," insert the word "producer".

At the appropriate place in the bill, insert the following:

Sec. . Notwithstanding any other provision of law, at least 25 percent of the members of any board provided for under orders of the Secretary of Agriculture (1) under section 8 of the Egg Research and Consumer Information Act, (2) under section 7 of the Cotton Research and Promotion Act, (3) under section 308 of the Potato Research and Promotion Act, (4) for the purpose of representing the interests of wool producers or the wool industry, or (5) under section 8 of this Act, shall be persons who are appointed by the Secretary from nominations submitted by the membership of bona fide consumer organizations, who shall be knowledgeable and experienced in issues relating to food and nutrition policy, who are specially qualified to represent the interests of consumers, and who shall have no interest directly or indirectly (A) in any food industry corporation, association, partnership, or other organization or (B) in any person or entity engaged in the commercial production of the product or commodity promoted by the board or in the sale, promotion, or distribution of such product or commodity.

Mr. MUSKIE. Mr. President, this amendment is offered to implement the agreement that was discussed earlier between Senators Abourezk, Allen, and Dole. Its purpose is to implement the principle of the amendment I have just withdrawn to the Beef Board and to similar boards under the Egg Research and Consumer Information Act, the Cotton Research and Promotion Act, the Potato Research and Promotion Act, and a similar board representing the wool producers or the wool industry.

The percentage of consumer representation required on those boards by the terms of this amendment would be 25 percent—reduced from 50 percent in the amendment I have withdrawn. So that 25 percent of the members of the Beef Board in the pending legislation would be consumer representatives, and on the other boards as terms expired—as terms expired for members now serving on those boards—positions would be filled by consumers up to 25 percent of the membership on those boards.

Mr. DOLE. Will the Senator yield?

Mr. MUSKIE. Yes, I yield to my good friend from Kansas.

Mr. DOLE. I appreciate the comments of the Senator from Maine with reference to who may be filling positions on other boards now in operation.

It is my understanding, the legislative history is perfectly clear, that as terms expire on various boards they would be replaced by someone nominated by bona fide consumer groups until that percentage reaches 25 percent on any given board, is that correct?

Mr. MUSKIE. The Senator is correct.

Mr. DOLE. I thank the Senator.

Mr. MUSKIE. I think all four Senators who have contributed to the development of this compromise are in agreement.

I yield to my good friend from Alabama.

Mr. ALLEN. I would like to ask at this point, on the terms as they expire, would that mean that the Secretary or the appointing authority would have to name exclusively—until the level of 25 percent consumer representation had been reached—from consumer groups?

In other words, they have none now, would that mean that as 25 percent of them saw their terms expire, the first 25 percent would have to be consumers?

Mr. MUSKIE. I think that would be the effect, yes. I understand what the Senator may be driving at, but I think that would be the effect.

Mr. DOLE. Mr. President, I would like to further question, in some cases, I am not certain just how it operates, whether the terms of the Cotton or Potato Board, or whatever, if they all expired at the same time, then I assume only 25 percent consumer representation would be permissible, but where they expired on staggered terms, one expired this year, one in 2 years, one in 3 years, then it is my understanding that those terms would be filled with someone recommended and nominated by bona fide consumer groups until the percentage of 25 percent was reached.

There are other considerations, that might be geographic representation, and that might present another problem, depending in which geographic area the term might expire.

It ought to be made clear in the legislative history that we are not trying to do damage, but we are just trying to make certain that in due time these interests are represented.

Mr. ABOUREZK. Will the Senator yield?

Mr. MUSKIE. Yes.

Mr. ABOUREZK. Under the legislation that we are considering, the Secretary has the absolute discretion to select areas from which representation comes. So it is not a problem, at least in this bill. I do not know about the other laws the Senator is talking about.

Mr. DOLE. Perhaps the wool bill might be a problem, someone suggested. But it seems to me that as long as the Secretary moves as soon as practicable in these areas, if, in fact, this becomes a law, that would satisfy the sponsors of the amendment.

Mr. MUSKIE. I think that is right, may I say to the Senator.

In addition, I believe this could be refined further in conference where it would cover any other problems which may exist in this formula. We do not want to create an impossible situation. We do want to move in the direction referred to. I believe the refinements can be developed in time to be resolved in conference.

Mr. DOLE. The Senator from Kansas believes that the geographic representation on the Beef Board might have to be further clarified in the conference.

Mr. MUSKIE. I think that is a legitimate concern.

Mr. ALLEN. I believe there is one possible problem that might be of concern. On some of these boards there might be various segments of the industry represented by a given fraction of the whole number. By the luck of the draw, so to speak, or by the terms, we might have one phase of the industry completely wiped out by these consumer nominees or members. How would that be taken care of or met?

Mr. MUSKIE. I do not believe that would be met by the language we are considering now, but I suggest that that, too, is a problem that we can work out in conference if it develops as a problem.

Mr. ALLEN. The Senator then would understand there could be some wide latitude with the conferees on the refinements of the language.

Mr. MUSKIE. I would expect that, I will say to the Senator.

Mr. ALLEN. That being true, I feel that this carries out the concept that the distinguished Senator from Maine is projecting here and insisting on, that there be consumer representatives on this board being created under the pending bill. His amendment calls for a 50–50 division between producers and consumers. The present amendment would not only apply to the Beef Board, but it would also apply to the Egg Board, the Cotton Board, the Wool Board and the Potato Board, I believe. Is that correct?

Mr. MUSKIE. The Senator is correct, with the exception of his understanding of the ratio between consumers and producers which would be 25–75, rather than 50–50.

Mr. ALLEN. I would have no objection to the amendment as a substitute, in effect, for the amendment which the Senator has withdrawn.

The PRESIDING OFFICER (Mr. Garn). The Senator from Kansas.

Mr. DOLE. On behalf of the minority, I am willing to accept the amendment, Mr. President, based on the understanding that I have from the colloquy we have had. There are geographical considerations. In the proposed Beef Board, for example, there would be one representative for each State and one representative for each district of three million head of cattle. Those representatives would number 68. As the Senator from Maine has pointed out, if it is necessary to clarify the legislative history, this could be done in conference. We would have ample time. On the basis that this would apply across the board to all commodity boards and groups in their promotion and research efforts, I am perfectly willing to accept the amendment.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. MUSKIE. I yield back the remainder of my time.

Mr. ALLEN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ABOUREZK. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. ABOUREZK) proposes an amendment:

> On page 12, line 24, insert in 8(e) (2) after "order" in the second line "except the aggregate rate shall never exceed one-half of 1 percent".

Mr. ABOUREZK. Mr. President, there is an error in there. It should read one-tenth of 1 percent. I move to modify the amendment to read in that fashion.

The PRESIDING OFFICER. The Senator has the right to modify his amendment. It will be so modified.

The amendment, as modified, is as follows:

> On page 12, line 24, insert in 8(e) (2) after "order" in the second line "except the aggregate rate shall never exceed one-tenth of 1 percent."

Mr. ABOUREZK. Mr. President, this amendment insures that there will be a maximum limitation of the assessment levied upon each unit of livestock coming under this legislation. Under the existing language, there is no limitation whatsoever and the discretion is entirely up to the Secretary.

Mr. President, I suggest the absence of a quorum and ask unanimous consent that it not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, I will ask for the yeas and nays on this amendment, and I wish the cloakroom people would try to get enough Senators in the Chamber for a second.

In the meantime, I will restate what this amendment does. It places the top limit of 0.1 percent on the assessment that can be levied against each unit of livestock, and the reason for that is very simple. The bill places no upper limit or upper restriction on the amount that can be levied, and I think that for the protection of the people involved and for the protection of the minority rights of the cattle producers there should be some kind of limitation by statute.

Mr. President, I shall read from an analysis of the Beef Research and Information Act which was prepared by an agricultural economist. It has a number of very revealing points in this analysis.

OBJECTIVE

The objective of the Beef Research and Information Act (H.R. 7656) is to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products. These are laudable goals. But are they realistic? Will promotion programs for cattle and beef accomplish enough to pay for their costs to producers and the addition of still another, not insignificant, element of "red tape" into the marketing system for cattle?

The proposed marketing tools—research, information dissemination, and promotion—are effective when used with the right product. But there are a number of factors that lead this analyst to the conclusion that, for cattle and beef, such programs will not accomplish the stated objective. They may even be counter-productive.

WHY IS BEEF DIFFERENT?

Beef is the most popular source of protein in the United States. Consumers already consider beef to be a superior product. It is a food for which demand has grown rapidly.

Between 1959 and 1975 per capita consumption of beef in this country increased by almost 50 percent, from 81 pounds per head to 120 pounds. Over the same period, there was a drop in per capita consumption of pork, lamb and mutton, veal, eggs, and dairy products. Thus while beef consumption was moving sharply upward without promotion, consumption of most competitive foods declined despite considerable market promotion.

UNSUCCESSFUL PROGRAMS

With a few exceptions, generic advertising has not been very successful. Costly generic advertising over a long period of years by the dairy industry failed to halt a steady decline in the total consumption of milk in this country and, with the single exception of cheese, every dairy product of significance. The result of two decades of promotion of lamb and wool was a steady decline in the use of these products. Per capita lamb and mutton consumption dropped from 4.8 pounds in 1959 to an estimated 1.8 pounds in 1975. Per capita wool consumption declined by three-fourths in the past twenty years. A high-powered and costly cotton promotion program has been accompanied by a steady decline in consumption of this fiber in the United States.

SUCCESSFUL PROGRAMS

However, under certain circumstances generic promotion programs do pay off. Successful promotion programs have been carried out for avocados, prunes, and cranberries; but each of these are little-used products of which a high percentage of consumers are hardly aware. But all consumers are aware of beef—the "boycott" of 1972–73 proved that. The citrus industry is another that has apparently reaped dividends from generic promotion, but mainly for processed items.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ABOUREZK. Yes.

Mr. PASTORE. I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ABOUREZK. Mr. President, I continue reading.

PROBLEMS CONFRONTING CATTLEMEN

The conditions facing cattlemen are quite different from those that faced producers of avocados, citrus, cranberries, and prunes.

There are three main causes of the cattle producers' current problems: (1) a rapid buildup in herds resulting from producer enthusiasm in the early 1970's combined with an upswing in the cattle cycle, (2) the economic recession (U.S. and worldwide) that cut into consumer ability and willingness to buy beef, (3) speeded-up inflation that brought on a sharp and continuing rise in cattlemen's cost of production, and (4) inability of producers to exert influence over rising wholesale and retail marketing costs for beef. A generic beef-promotion program cannot solve these problems.

FINANCING

The program would be financed by check-off payments assessed on the value of each head of cattle sold. Not only when the payment is made, but ultimately, the entire cost of the program will, almost undoubtedly, be borne by cattle producers. The check off would amount to a tax taken from the market price paid by the producer.

The bill places no ceiling on the amount of the assessment.

Mr. President, that is what this amendment would attempt to do.

This would make it tempting, and easy, for administrators to continually push for increases in the assessment.

The record keeping necessary to comply with this bill would be onerous and, would represent an additional cost for slaughters. Again, almost unquestionably, this cost would be passed back to the cattle producer, still further reducing his return.

WHO WOULD BENEFIT?

Advertising agencies and market researchers would clearly benefit, but there is little reason to believe this program would benefit any other group. For advertisers it would be a "plum" that has long been sought. Although the beef industry is the largest single segment of American agriculture, it is virtually untapped by advertisers.

OTHER CONSIDERATIONS

There are three final considerations that reinforce the above arguments against the wisdom of the proposed program. First, there is nothing that prevents producers from having a market research and promotion program without getting the government involved. They just haven't had an interest in supporting such a program. Second, is the impact on beef substitutes. If the beef promotion program were successful it would force pork, dairy, and poultry producers to step up their promotion programs in an effort to recapture markets lost to beef. Third is the danger of the beef industry losing some of its credibility with consumers through unwise propaganda and misleading advertising. Unless programs of this kind are on very firm ground, they can be counter-productive.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield myself such time as I may use.

Mr. President, this amendment which would limit the assessment to be charged a producer on the sale of his cattle to one-tenth of 1 percent of the amount of the sale is unsound and unwise. The industry is talking about three-tenths of 1 percent, and in all likelihood that will be the amount that is set in the order.

It is estimated that the three-tenths

of 1 percent would bring in some $35 to $40 million, if there were no applications for refunds. Based on the 10-percent experience rating on the cotton program, where the 10 percent in amount of the assessments was applied for a refund, this would cut the amount that would be available under this program at the three-tenths of 1 percent down to a level of around $30 million.

If the amendment of the Senator from South Dakota is adopted, obviously that would cut it down to $10 million; because if three-tenths of 1 percent would bring in $30 million, one-tenth of 1 percent would bring in $10 million. That is not adequate to support this program and to carry on the constructive efforts for the research and development and promotion of the beef industry. The cattle producers, themselves, have estimated that it would take at this time some $35 to $40 million to carry on an effective program.

It is not quite correct to say that there is no limit in the present bill, because it would take an additional order to get the amount of the assessment over one-half of 1 percent.

So the distinguished Senator from South Dakota again is seeking to kill the bill by offering an amendment. It is a time-honored practice, and I find no fault with the distinguished Senator from South Dakota for offering amendments that, in effect, would kill the bill. The Senator from Alabama, on occasion, has offered such amendments to measures on the floor of the Senate. I do not object to his offering amendments, but I point out that it is just an indirect way of killing the bill.

Suppose the bill were passed in this fashion and it quickly became apparent that the one-tenth of 1 percent was not enough to fund this program. Then we would come back to Congress and get this figure raised.

I think it is significant that the amendment offered by the distinguished Senator from South Dakota and read at the desk calls for a limit of one-half of 1 percent. I feel that that would be more in reason. The amendment was modified, I believe, to its present one-tenth of 1 percent. So, when the time on this amendment expires, the distinguished Senator from Kansas (Mr. DOLE) and I plan to offer an amendment to the pending amendment which would go back to the one-half of 1 percent as the limit. I believe that would be a complete answer to the charge that no limit is provided in the bill. Let us provide a limit, but let us provide a reasonable limit.

With the industry saying that it must have three-tenths of 1 percent to start with, we certainly would not be serving the best interests of the cattle producers to cut that two-thirds. So let them start at three-tenths of 1 percent and then have a ceiling. No matter what they provide in the order, no order could have a provision for less than one-half of 1 percent as the assessment.

While I think the one-tenth of 1 percent is far from being adequate, I feel that the one-half of 1 percent, being slightly more than is being contemplated to start the program, would be reasonable. Since it would be somewhat above what the industry plans to start with, it would allow some little room for growth and building up a program making it more useful and more serviceable to producers and consumers.

When this amendment is offered, changing the assessment rate to a maximum—we do not have to go that high, and I do not believe they would go to three-tenths of 1 percent to start—I believe that if we adopt a limitation of one-half of 1 percent, we will be yielding to the distinguished Senator from South Dakota in his contention that there should be a limit. I agree with him. I think there should be a limit. However, to cut the projection of the cattle industry by two-thirds is just a little too much of a cut. So let us provide for the one-half of 1 percent when the time comes.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. ABOUREZK. Just 1 minute.

When the Senator from Alabama refers to the industry wanting three-tenths of 1 percent, he does not refer to all of the cattle industry; because a great segment of the industry is opposed to this bill, to any mandatory assessment at all.

In that regard, I point out that my amendment is one-third above what a good segment of the industry wants, rather than two-thirds below what the other segment wants. The National Farmers Organization, the National Farmers Union, the Independent Stockgrowers of America, the South Dakota Farmers Union, the South Dakota Farm Bureau, the National Meat Promoters, and the American Bureau Federation are all very much opposed to this legislation.

I know that the Senator from Kansas inserted in the RECORD yesterday the names of a number of cattlemen's organizations which are described as being in support of this bill. The only problem is that, when talking about interlocking directorates, if we take a look at that group of organizations, they all sort of intertwine. They tend to be the larger cattle producers, the giant cattle producers, in the country. So I think it would be more fair to say that only part of the industry wants three-tenths of 1 percent.

I reserve the remainder of my time.

Mr. DOLE. Mr. President, as the Senator from Alabama has indicated, at the appropriate time I will offer an amendment which, in effect, would be the original Abourezk amendment, because his amendment did set the one-half of 1 percent that was submitted; and apparently from the time of submission until now, there has been some change in position.

The Senator from Kansas points out two areas: One, of course, is that if it is too high, the referendum probably will be defeated. If the producer feels it is too high, he does not have to participate. There are a couple of guarantees for the producer.

It seems to me that by agreeing to some limit—and I agree that there should be some limit in the bill—one-half of 1 percent is not excessive. The assessment on cotton is $1 per bale; on potatoes, 1 cent per hundredweight; on wool it is not specified, but it is deducted from support payments, and on eggs it is 5 cents per case. So in all these programs there is some flexibility.

It seems to the Senator from Kansas that the issue is clear. If we want to starve the program before it ever reaches its potential, we can take the Senator's amended amendment. If we really believe that we want a program to help the producer, the consumer, and the taxpayer of this country, we can adopt the Senator from South Dakota's original amendment—one-half of 1 percent, which now has been adopted by the Senator from Kansas and the Senator from Alabama.

I say again to the Senator from South Dakota, who has several amendments, that it seems to me that in the interest of good legislation, we could work out some resolution of all these amendments; but we cannot just work out the ones on which he agrees and then vote on the others.

There is still that possibility. We are in the same ballpark. I think the parameters are clarified in the House report. At any rate, it must be approved by the Beef Board. At any rate, over five-tenths of 1 percent must be approved by producers in one referendum if we adopt what we will introduce at a later time. For that reason, I am opposed to the amendment, in its present form, of the Senator from South Dakota.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I yield back the remainder of our time.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. ABOUREZK. I am prepared to yield back, except I want to get the yeas and nays on the amendment of the Senator from Kansas.

I ask unanimous consent that it be in order to ask for the yeas and nays on the Dole-Allen amendment to the Abourezk amendment.

The PRESIDING OFFICER. Is there objection?

The Senator may ask for the yeas and nays.

Is there objection to the unanimous-consent request?

Who yields time?

Mr. ALLEN. We yield back our time on the Abourezk amendment.

The PRESIDING OFFICER. All time has now been used or yielded back.

Does the Senator from Alabama send his amendment to the desk?

Mr. ALLEN. Yes, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Strike out the words "exceed one-tenth of one percent" in the second line of the amendment and insert in lieu thereof the following: "exceed one-half of one percent".

Mr. ALLEN. Mr. President, I yield myself such time as I may consume.

This amendment, offered by the distinguished Senator from Kansas (Mr. DOLE) and myself, would have the effect of placing a limit upon the amount of the assessment that can be charged a cattle producer on the sale of his cattle. It puts one-half of 1 percent as a maximum. The bill contains no maximum. It was contemplated that the assessment would be set in the order at three-tenths of 1 percent and that that would bring it in the neighborhood of $30 to $40 million. The 3 percent would be an assessment, on the average per producer basis, of less than $20, but on a per annum basis, it comes, then, only to about 25 cents per head for the total U.S. cattle herd: with the half of 1 percent, that would increase these figures slightly.

The one-tenth of 1 percent would destroy the program, because it is projected that the program would cost a minimum of $30 to $40 million per year and, as the program develops and they take on more research, there is a limitless amount of research that can be done in the field of animal diseases. It has been estimated that the owners of animals lose over a billion dollars a year as a result of diseases of animals. So this is something that the Board could do. This could cost, in itself, more than the $10 million a year that the distinguished Senator from South Dakota would limit the assessment to.

So, under the bill as it now pends before the Senate, it will start out, as contemplated, at three-tenths of 1 percent, and if it went higher than one-half of 1 percent, then it would take a new order to be voted on. But it could be moved up to the one-half of 1 percent without a new order. What Senator DOLE and I are seeking to do is put a reasonable limit, a limit that would provide for—we must bear in mind that this is written into the law and any change would take a new bill and new hearings. This is an amendment that is going to stand for years and years, in all likelihood. So, to have some little room for expansion in the program, it would seem that one-half of 1 percent would be reasonable, indeed, as the limit. Certainly, the one-tenth of 1 percent provided by the Abourezk amendment is inadequate and would destroy the program before it ever gets started.

Mr. DOLE. Will the Senator yield?

Mr. ALLEN. Yes, I yield such time as the Senator requires.

Mr. DOLE. I do not think it will require much time. We have been over this ground now for some time.

The issue, as stated by the Senator from Alabama, is very clear. I commend the Senator from South Dakota. We have adopted his position before he changed it. We are now in accord with placing a limit. We agreed it should be one-half of 1 percent. That is really what it is all about. We were all in agreement before lunch, but since that time, there has been a change.

I suggest that the amendment offered by the Senator from Kansas and the Senator from Alabama does what the Senator from South Dakota and others who may be concerned about a limit proposed to do and wanted to do and would do and now cannot do.

The PRESIDING OFFICER. Who yields time?

Mr. ABOUREZK. Mr. President, I want to read some figures I have on agricultural research that has been funded. The Agricultural Research Service spent, in 1975, $215,323,000. The coop State research stations spent $101,749,000. Within the Agricultural Research Service budget, the amount of money spent on research for livestock is $38.6 million. Research on market use in agriculture products, which includes livestock, is a portion of $67.3 million, and in the CRSC, a portion of $101 million appropriated for them is used for livestock research.

In all, the figures that have been provided to me show that something over $300 million per year in tax dollars is spent on agricultural research. To think that we can add a tax program on small farmers and small ranchers, controlled by large ranchers, large feedlots, and large chain stores—to think that that is going to add anything to the research capability is purely illusory. What it really amounts to is that these people have found a way to make the small producer pay for their advertising budget. That is all, simply, that it amounts to. No matter what the smokescreen is that is laid over the top of this, it boils down to that.

There is plenty of research money available in the U.S. Department of Agriculture. There will be nothing added to that from this legislation if it is passed. There will be a great deal added to the profits of Madison Avenue and, most likely, the chain stores and packinghouses.

Mr. President, I was hoping we could get a sufficient number of Senators in the Chamber for a rollcall vote on this matter.

I suggest the absence of a quorum, and I ask unanimous consent that it be charged to neither side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, I ask for the yeas and nays on the Allen-Dole amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ABOUREZK. I yield back the remainder of my time.

Mr. ALLEN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

(During the call of the roll Mr. CURTIS assumed the chair as Presiding Officer, and was subsequently relieved by Mr. GOLDWATER.)

Mr. ROBERT C. BYRD. I announce that the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. MANSFIELD), the Senator from Wyoming (Mr. McGEE), the Senator from Mississippi (Mr. STENNIS), and the Senator from Iowa (Mr. CULVER) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Vermont (Mr. LEAHY), and the Senator from Utah (Mr. MOSS) are absent on official business.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. DURKIN) would vote "nay."

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Hawaii (Mr. FONG), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

The result was announced—yeas 50, nays 34, as follows:

[Rollcall Vote No. 534 Leg.]

YEAS—50

Allen
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Clark
Cranston
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Hart, Gary
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
McClellan
McClure
Mondale
Montoya
Morgan
Nunn
Packwood
Pearson
Randolph
Scott, William L.
Sparkman
Stevens
Stone
Talmadge
Thurmond
Tower
Tunney
Young

NAYS—34

Abourezk
Bayh
Biden
Brooke
Bumpers
Case
Eagleton
Glenn
Hart, Philip A.
Hartke
Hathaway
Jackson
Javits
Kennedy
Magnuson
Mathias
McGovern
McIntyre
Metcalf
Muskie
Nelson
Pastore
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevenson
Symington
Weicker
Williams

NOT VOTING—16

Baker
Chiles
Church
Culver
Durkin
Fong
Gravel
Humphrey
Inouye
Leahy
Long
Mansfield
McGee
Moss
Stennis
Taft

So the Allen-Dole amendment to the Abourezk amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from South Dakota.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the yeas and nays be vacated.

The PRESIDING OFFICER. Will the Senator wait just a moment?

The question now recurs on the amendment of the Senator from South Dakota, as amended.

Now the Senator from South Dakota.

Mr. ABOUREZK. I ask unanimous consent that the order for the rollcall be rescinded on the amendment, as amended.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question is on agreeing to the amendment.

(Putting the question).

Mr. ABOUREZK. Mr. President——

The PRESIDING OFFICER. The Chair will ask for a division.

I do not know whether I heard more yeas or more nays.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask that this be a 10-minute rollcall vote. It is virtually back to back.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senate will be in order. The clerk will not continue with the rollcall until there is order in the Chamber.

The second assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. MANSFIELD), the Senator from Wyoming (Mr. MCGEE), the Senator from Mississippi (Mr. STENNIS), and the Senator from Iowa (Mr. CULVER) are necessarily absent.

I further announce that the Senator from Utah (Mr. MOSS), the Senator from Vermont (Mr. LEAHY), and the Senator from Hawaii (Mr. INOUYE) are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "yea".

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Hawaii (Mr. FONG), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

The result was announced—yeas 52, nays 34, as follows:

[Rollcall Vote No. 535 Leg.]

YEAS—52

Allen
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Clark
Cranston
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Hart, Gary
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Magnuson
McClellan
McClure
Mondale
Montoya
Morgan
Nunn
Packwood
Pearson
Randolph
Scott, William L.
Sparkman
Stevens
Stone
Talmadge
Thurmond
Tower
Tunney
Young

NAYS—34

Abourezk
Bayh
Biden
Brooke
Bumpers
Case
Durkin
Eagleton
Glenn
Hart, Philip A.
Hartke
Hathaway
Jackson
Javits
Kennedy
Mathias
McGovern
McIntyre
Metcalf
Muskie
Nelson
Pastore
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevenson
Symington
Weicker
Williams

NOT VOTING—14

Baker
Church
Culver
Fong
Gravel
Humphrey
Inouye
Leahy
Long
Mansfield
McGee
Moss
Stennis
Taft

So Mr. ABOUREZK's amendment, as amended, was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABOUREZK. Mr. President, I call up another amendment of mine which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The clerk will cease the reading of the amendment.

Will Senators please be seated and be quiet?

Mr. ABOUREZK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 4, strike out line 9 and all the language preceding the colon in line 10 and insert in lieu thereof the following:
>
> (f) The term "producer" means any person who is directly engaged in breeding, raising, fattening, or marketing livestock in the United States and who derives more than one-third of his income from and devotes the major portion of his time to farming or ranching operations, provided that no representative of a food chain store or packing and processing firm is entitled to be appointed to the Beef Board.

Mr. GRIFFIN. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. ABOUREZK. Mr. President, I ask that the yeas and nays be ordered on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

Mr. ABOUREZK. We are not ready.

Mr. President, I yield to the Senator from Michigan.

Mr. GRIFFIN. Mr. President, on behalf of the Senator from New Mexico (Mr. DOMENICI) I ask unanimous consent that Mr. Frank DuBois of his staff have access to the floor during the remainder of the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. I yield to the Senator from Ohio.

Mr. GLENN. Mr. President, I ask unanimous consent that James Humphreys of my staff be accorded the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I move that the vote by which the Abourezk amendment, as amended, was agreed to be reconsidered.

Mr. TALMADGE. I move to lay that motion on the table.

The PRESIDING OFFICER. It will take unanimous consent to make the motion to reconsider since another amendment is pending.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator be allowed to make that motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

The motion to lay on the table was agreed to.

Mr. ABOUREZK. Does anyone else have any requests?

This amendment attempts to define the term "producer".

It says that—

> "Producer" means any person who is directly engaged in breeding, raising, fattening, or marketing livestock in the United States and who derives more than one-third of his income from and devotes the major portion of his time to farming or ranching operations.

And it specifically excludes from the Beef Board any representative of a food chainstore or a packing or processing operation. It is a very simple straightforward amendment to accomplish what the sponsors of this bill say that they want, and that is for the cattle producers to run this board. That is exactly what this amendment will do.

Mr. ALLEN. Mr. President, I have not had an opportunity to see the amendment. I certainly would wish to be furnished with a copy of the amendment before calling on a vote on it.

The PRESIDING OFFICER. Does the other side yield their time?

Mr. ALLEN. Does the Senator have a copy of the amendment?

The PRESIDING OFFICER. A copy will be available in just a few moments.

Mr. HANSEN. Mr. President, may I be yielded time?

Mr. ALLEN. Yes. I yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I ask the distinguished Senator from South Dakota if it is his purpose to deny this Board the expertise and the knowledge that may be vitally important to its successful achievement of the goal of trying to enhance research and investigation in the total periphery of the livestock industry which could be very beneficial.

Mr. ABOUREZK. No.

Mr. HANSEN. Then why does the Senator think that anyone with expertise in the area that he has referred to should be excluded?

Mr. ABOUREZK. We are not talking about hiring an advertising research staff.

Mr. HANSEN. I did not mention advertising.

Mr. ABOUREZK. We are talking about who is going to be on the Board.

Mr. HANSEN. That is what I thought.

Mr. ABOUREZK. I am specifically attempting to exclude representatives of food chains and of packinghouses and processing firms.

If they have any expertise that is needed in the beef industry, it is for selling food at the retail level and packing and processing. If the Senator wishes that kind of thing, I would suggest he limit this bill only to packers and processors.

Let me ask the Senator a question. Why does he wish to get out of the realm of the cattleman himself?

Mr. HANSEN. I did not hear the question.

Mr. ABOUREZK. The Senator is attempting with this legislation to expand the operation of this Beef Board beyond the realm of the cattleman himself. Why does he wish to get it outside of the area of the cattleman? Why does he wish people other than the cattleman involved?

Mr. HANSEN. I did not say we are trying to get it outside of the realm of the cattle industry.

As one who has had a little experience in the cattle industry, that is very much in the cattle business, it is all right and well and good to raise cattle, but that bottom line is getting that beef marketed.

I should think if there is experience we could draw upon that would be gained from persons whom the Senator's amendment would attempt to exclude from the application of the bill that that certainly is moving in the wrong direction.

Mr. ABOUREZK. If they collect some $60 million or $80 million a year, which will be collected under this one-half of 1 percent ceiling that has just been established, let me suggest to the Senator they can hire anyone they wish out of any packing plant or chainstore in the country. So they are not going to be denied any expertise at all.

All the Senator is doing is trying to deny the influence of the chainstores and the packinghouses on this board.

Mr. HANSEN. Mr. President, I had the privilege of serving on advisory——

Mr. ABOUREZK. Mr. President, excuse me. Will the Senator take his time out of the opposition's side?

Mr. HANSEN. I have been speaking on time yielded to me by the Senator from Alabama. I presume the Senator from South Dakota was speaking on his own time and not speaking on time that was yielded to me by the Senator from Alabama.

Mr. ABOUREZK. That is fine.

Mr. HANSEN. Fine.

Mr. DOLE. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. That motion is not in order until time on the amendment has expired or has been yielded back.

Mr. DOLE. I am going to yield back the remainder of our time unless the Senator from Alabama has a discussion.

Mr. ALLEN. Yes. I am willing to yield back the remainder of our time.

The PRESIDING OFFICER. Does the Senator from South Dakota yield back the remainder of his time?

Mr. ABOUREZK. No.

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. ALLEN. Mr. President, I ask unanimous consent that I might suggest the absence of a quorum with the time to be charged against time allotted to the bill.

Mr. ABOUREZK. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Who yields time?

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. DOLE. To be equally divided.

The PRESIDING OFFICER. The Senator from South Dakota has all the time remaining.

Mr. ROBERT C. BYRD. Mr. President, does the Senator from South Dakota object to a quorum being charged against the time of the Senator from Alabama?

Mr. ABOUREZK. No, I do not object to that.

Mr. ROBERT C. BYRD. On the bill?

Mr. ABOUREZK. If it is taken out of their time, I have no objection.

The PRESIDING OFFICER. There is no time remaining.

Mr. ABOUREZK. There is time on the bill.

Mr. ROBERT C. BYRD. There is time on the bill.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. Mr. President, is that the request that time be taken from their time on the bill?

The PRESIDING OFFICER. That is correct.

Without objection, it is so ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, I yield to the Senator from Alabama.

Mr. ALLEN. Does not the Senator first want to yield back the time on the amendment?

Mr. ABOUREZK. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. GOLDWATER). All time on the amendment has been yielded back.

Mr. ALLEN. Mr. President, I have an amendment to the amendment at the desk. I ask that it be stated.

The PRESIDING OFFICER. The amendment is not at the desk.

Mr. HANSEN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. HANSEN. Were the yeas and nays ordered on the motion to table the amendment proposed by the Senator——

The PRESIDING OFFICER. No, the yeas and nays were ordered on the amendment. This is an amendment to the amendment. It is in order.

Mr. HANSEN. The Senator from Alabama is now proposing an amendment to the amendment offered by the distinguished Senator from South Dakota. Is that the situation?

The PRESIDING OFFICER. That is correct.

The amendment will be stated.

The legislative clerk read as follows:

On page 4, strike out line 9 and all the language preceding the colon in line 10 and, in lieu of the language intended to be proposed by the Senator from South Dakota, Mr. Abourezk, insert the following:

(f) The term "producer" means any person who is directly engaged in breeding, raising, fattening, or marketing livestock in the United States and who derives more than 33⅓ per centum of his income from or devotes the major portion of his time to farming or ranching operations; provided that no representative of a food chain store shall be appointed to the Beef Board.

The PRESIDING OFFICER. The Chair inquires, is this offered as a substitute for the Abourezk amendment?

Mr. ALLEN. Yes.

The PRESIDING OFFICER. The Chair thanks the Senator from Alabama.

Mr. ALLEN. This is a substitute to the Abourezk amendment. The Senator, in defining the word "producer," means any person who is directly engaged in breeding, raising, fattening, or marketing livestock in the United States and who derives more than 33⅓ per centum of his income from and devotes the major portion of his time to farming or ranching operations. This changes that figure to 33⅓ per centum.

He goes on and says that no representative of a food chain store or a processor or packer should be appointed to the Beef Board. This amendment leaves out the processors and packers as being excluded from representation on the Board. It does continue the prohibition against the representative of a food chain store. I hope the Senator is willing to accept it.

Mr. ABOUREZK. Mr. President, we have discussed this particular modification, or the substitute. I have indicated that I shall accept it. I wish, at the appropriate time, to ask consent to withdraw the yeas and nays on my amendment, once this is adopted as a substitute.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

Mr. DOLE. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. Yes.

Mr. DOLE. Does it read that no representatives of a chainstore shall be nominated to the Board? Is that the intent of the amendment?

Mr. ALLEN. My amendment leaves that in. It does not seek to strike it out. It does strike out the prohibition against packers and processors' being excluded from the Board.

Mr. DOLE. On that basis, I have no objection to accepting the amendment.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. HELMS. Will the Senator yield?

Mr. ABOUREZK. I yield to the Senator from North Carolina.

Mr. HELMS. The Senator from North Carolina does not want to nitpick, but would the Senator, just for the purpose of my understanding, define what is meant by a representative of a food chain? Is that a stockholder?

Mr. ABOUREZK. It would not necessarily be a stockholder unless he is——

Mr. HELMS. The Senator is saying an officer or employee of a food chain and does not relate this necessarily to a stockholder who owns five shares of stock, or something like that?

Mr. ABOUREZK. I certainly do not intend that, no.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. ALLEN. From the time on the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I withdraw my amendment, because it does not carry out the purpose intended to be accomplished by the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. ALLEN. Mr. President, I should like to address the Abourezk amendment on the time allotted under the bill.

Mr. ABOUREZK. Mr. President, we have not yet withdrawn the yeas and nays on my amendment, have we?

The PRESIDING OFFICER. That is correct.

Mr. ABOUREZK. They are still in effect?

The PRESIDING OFFICER. They are still in effect on the Senator's amendment.

The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, this amendment of the distinguished Senator from South Dakota (Mr. Aborezk) would exclude from the operation of the bill, both from the standpoint of voting and the standpoint of paying the assessment, all those producers who derive less than 50 percent of their income from and devote the major part of their time to farming or ranching operations. Mr. President, what this would do would be to exempt the producers who derive less than 50 percent of their income from cattle operations.

Mr. ABOUREZK. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. ABOUREZK. I have changed that to one-third.

Mr. ALLEN. One-third would be the same. We would be exempting from the operating of the act one-third of the producers. So those who spend two-thirds of their time under this amendment would be the only ones who are assessed under the bill.

They are the only ones who vote under the bill. So, as a result, Mr. President, we would have the dirt farmers, the dirt ranchers, paying for this program, and those who devoted less than one-third to cattle operations, derive less than a third of their income from cattle operations, would be exempt, so they would be "Big Mule" cattlemen who would be exempt from paying assessments or being given the privilege of voting. This would exclude the "Big Mule" ranchers, you might say, so it ought to be withdrawn.

Mr. STONE. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

Mr. STONE. Does the Senator mean this would exclude those who frequently engage in cattle raising as a tax shelter as opposed to the commercial farmers who make a living out of it?

Mr. ALLEN. Gentleman ranchers, so to speak.

Mr. STONE. Gentleman farmers.

Mr. ALLEN. It would be the little man who would carry the load, and I am surprised this amendment has been offered.

Mr. DOLE. Mr. President, if the Senator will yield, at first blush I think it would look plausible. But, on further study, I think the Senator from Alabama is exactly right, this would—and so is the Senator from Florida—do what he says, and it is on that basis that the amendment should be rejected.

Mr. ALLEN. I reserve the remainder of my time.

Mr. ABOUREZK. Do I have any time remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. ABOUREZK. The Senator from Alabama is partially right. The amendment would exempt people who derive one-third or less of their income from cattle producing, except that it would also preclude packinghouses, processors, and food chainstore representatives from serving on the board of directors and from determining how much money is to be raised, from determining how that money is to be spent, from determining the entire future of the cattle industry.

Once again, if this is a program designed for cattlemen, let us keep it restricted to cattlemen. Let us keep out all the outside external influences.

I would like to see that done, and that is one reason why I offered the amendment.

I am ready to yield back the remainder of my time.

Several Senators. Vote! Vote!

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from South Dakota. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Iowa (Mr. Culver), the Senator from Alaska (Mr. Gravel), the Senator from Minnesota (Mr. Humphrey), the Senator from Montana (Mr. Mansfield), the Senator from Wyoming (Mr. McGee), the Senator from Louisiana (Mr. Long), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Inouye), the Senator from Vermont (Mr. Leahy) and the Senator from Utah (Mr. Moss) are absent on official business.

I further announce that, if present and voting, the Senator from Vermont (Mr. Leahy) and the Senator from Minnesota (Mr. Humphrey) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Hawaii (Mr. Fong), the Senator from New York (Mr. Javits), and the Senator from Ohio (Mr. Taft) are necessarily absent.

The result was announced—yeas 34, nays 50, as follows:

[Rollcall Vote No. 536 Leg.]

YEAS—34

Abourezk
Beall
Biden
Brooke
Case
Clark
Eagleton
Glenn
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Jackson
Kennedy
Mathias
McGovern
McIntyre
Metcalf
Mondale
Muskie
Nelson
Pastore
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Stevenson
Symington
Williams

NAYS—50

Allen
Bartlett
Bellmon
Bentsen
Brock
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cranston
Curtis
Dole
Domenici
Durkin
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Magnuson
McClellan
McClure
Montoya
Morgan
Nunn
Packwood
Pearson
Randolph
Scott, William L.
Sparkman
Stafford
Stevens
Stone
Talmadge
Thurmond
Tower
Tunney
Weicker
Young

NOT VOTING—16

Baker
Bayh
Church
Culver
Fong
Gravel
Humphrey
Inouye
Javits
Leahy
Long
Mansfield
McGee
Moss
Stennis
Taft

So Mr Abourezk's amendment was rejected

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ABOUREZK. Mr. President, I have an amendment which I send to the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. Abourezk) proposes an amendment.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Delete the following from Sec. 8(e)(1):

"In the event no sales transaction occurs at the point of slaughter, a fair value shall be attributed to the cattle at the time of slaughter for the purposes of determining the assessment: *Provided*, That the Beef Board may exempt from or vary the assessment on transactions of breeding animals or classes of breeding animals until time of slaughter:"

Add a new Section:

EXEMPTIONS

SEC. 12. The following shall be exempt from specific provisions of this Act under such conditions and procedures as may be prescribed in the order or rules and regulations issued thereunder:

(a) Any producer whose basic cattle herd of mature animals—brood cows, serviceable bulls, and breedable heifers—is not over 25 animals.

(b) Any producer whose principle cattle enterprise is the production of breeding stock.

(c) Any producer whose principle cattle enterprise is the production of milk.

Renumber all subsequent Sections.

Mr. ABOUREZK. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent, Mr. President, that the time on any further amendments today be limited to 20 minutes, to be equally divided between the author of the amendment and the Senator from Alabama (Mr. ALLEN).

The PRESIDING OFFICER. Does that include the pending amendment?

Mr. ROBERT C. BYRD. Including the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on any further rollcall vote today be limited to 10 minutes, with the warning bell to be sounded after 2½ minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, this amendment provides exemptions from this act, first of all, for any producer who owns breed cattle or any kind of cattle not exceeding 25 animals. In other words, that is the small cattle producer who would be exempted from this act.

Second, it exempts any producer whose principal enterprise is the production of breeding stock.

Third, it exempts any producer whose principal cattle enterprise is the production of milk.

It is a very straightforward amendment. There is not much need for any further explanation.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Alabama has 10 minutes.

Mr. ALLEN. Mr. President, I yield myself such time as I may use.

Inasmuch as I do not have a copy of the amendment, and the Senator explained the amendment, I do have a draft copy here which had an item (d), producer-owned cattle for own home consumption. Has that been eliminated?

Mr. ABOUREZK. Yes. That was accepted earlier, having been offered by Senator THURMOND.

Mr. ALLEN. Mr. President, we have gone from one end of the scale to the other. The last amendment that was defeated by a vote of 50 to 35 would have exempted the wealthy producers from coverage by the act because it would have provided that a producer, as defined in the act, would have to be someone who dealt in cattle, marketing, breeding, selling, slaughtering, and derived more than one-third of his income from such operation. So that would have exempted the wealthy cattle owner. They could not have voted and they would not have been required to pay the assessment when they sold their cattle.

That having been defeated, the distinguished Senator offers an amendment that would make the program much harder to implement and to carry on because of this multitude of exemptions:

Any producers whose basic cattle herd of mature animals—brood cows, serviceable bulls, and breedable heifers—is not over 25 animals.

One can imagine the slippage there and people contending that they did not have 25 head of cattle. It would pave the way for much evasion of the provisions of the act.

I call attention, too, to the fact that these people who are sought to be exempted here have a perfect right to apply for their assessment back. These are substantial citizens with substantial investments:

(b) Any producer whose principal cattle enterprise is the production of breeding stock.

That would prevent him from paying an assessment when he bought breeding stock. Everybody else would have to pay when they bought cattle, but this breeder would not have to pay under this amendment. And then:

Any producer whose principal cattle enterprise is the production of milk.

That lets out a tremendous segment of the cattle economy, of the industry.

To add all of these exemptions merely makes the act difficult to enforce. They have the opportunity to get their assessment back anyhow. There is no need for the amendment.

Mr. HANSEN. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. HANSEN. Is it not a fact that the people in the dairy business derive a significant amount of income from the sale of veal calves?

Mr. ALLEN. Yes.

Mr. HANSEN. Do they have a very real interest in the purposes we seek to accomplish by this bill?

Mr. ALLEN. They certainly do.

Mr. HANSEN. I thank my colleague.

Mr. ALLEN. Mr. President, I reserve the remainder of my time.

Mr. DOLE. I believe we have discussed this enough. I believe the amendment should be rejected.

The PRESIDING OFFICER. Who yields time?

Mr. ABOUREZK. Mr. President, let me summarize by saying that while the Senate did not exempt those people with incomes from cattle operations of less than one-third their total income, the sponsors of this legislation claim that this will benefit small producers. The fact is, however, that it is weighted heavily toward large producers, large corporations, large operations.

What these exemptions will do is to provide a very fair and equitable exemption for small operators who own or control less than 25 animals, for dairy farmers, and for those who simply take part in the breeding of livestock animals. Those three exemptions are the ones who ought to be entitled to exemptions, those are the ones that this legislation exempts, and those are the ones who ought not to be forced to pay the assessments as provided in the legislation.

I am ready to vote.

Mr. ALLEN. Will the Senator yield for a moment?

Mr. ABOUREZK. Yes.

Mr. ALLEN. The exemption on breeders would seem to overlook the fact that breeding stock sells a whole lot higher than cattle for slaughter. These people are dealing in large sums of money. These are big producers. I believe it would certainly be wrong to exempt those who are engaged in breeding. One might sell a bull for $50,000. That would be exempt under the Senator's amendment.

Mr. ABOUREZK. If the Senator is willing to accept the amendment, I will modify it to take out the bull.

Mr. ALLEN. No. The Senator has plenty in there already.

[Laughter.]

The PRESIDING OFFICER. Who yields time?

Mr. ABOUREZK. I am ready to vote.

The PRESIDING OFFICER. Is all time yielded back?

Mr. ALLEN. I yield back the remainder of my time.

Mr. ABOUREZK. I yield back the remainder of my time.

The PRESIDING OFFICER. The yeas and nays have been ordered and the clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho, Mr. CHURCH), the Senator from Iowa, Mr. CULVER), the Senator from Alaska (Mr. GRAVEL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. MANSFIELD), the Senator from Wyoming (Mr. MCGEE), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Vermont (Mr. LEAHY), and the Senator from Utah (Mr. MOSS) are absent on official business.

I further announce that, if present and voting, the Senator from Vermont (Mr. LEAHY), and the Senator from Minnesota (Mr. Humphrey) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Hawaii (Mr. Fong), the Senator from New York (Mr. Javits), the Senator from Maryland (Mr. Mathias), and the Senator from Ohio (Mr. Taft) are necessarily absent.

The result was announced—yeas 39, nays 44, as follows:

[Rollcall Vote No. 537 Leg.]

YEAS—39

Abourezk
Beall
Biden
Brooke
Buckley
Bumpers
Byrd, Robert C.
Case
Clark
Durkin
Eagleton
Glenn
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Jackson
Kennedy
Magnuson
McGovern
McIntyre
Metcalf
Mondale
Muskie
Nelson
Pastore
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Stevens
Stevenson
Symington
Weicker
Williams

NAYS—44

Allen
Bartlett
Bellmon
Bentsen
Brock
Burdick
Byrd, Harry F., Jr.
Cannon
Chiles
Cranston
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Hart, Gary
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
McClellan
McClure
Montoya
Morgan
Nunn
Packwood
Pearson
Randolph
Scott, William L.
Sparkman
Stafford
Stone
Talmadge
Thurmond
Tower
Tunney
Young

NOT VOTING—17

Baker
Bayh
Church
Culver
Fong
Gravel
Humphrey
Inouye
Javits
Leahy
Long
Mansfield
Mathias
McGee
Moss
Stennis
Taft

So Mr. Abourezk's amendment was rejected.

Mr. ABOUREZK. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. GOLDWATER. Mr. President, will the Senator yield for 1 minute?

Mr. ABOUREZK. Yes.

Mr. GOLDWATER. Mr. President, these votes are supposed to be 10 minutes. That last one took 14 minutes.

I suggest that when 10 minutes come by we chop it off.

The PRESIDING OFFICER (Mr. Stone). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. Abourezk) proposes an amendment.

The amendment is as follows:

On page 6, line 2, delete the period at the end of Sec. 4 and add ", except no provisions of this Act or orders promulgated under this Act shall be applicable to producers or slaughterers in States where the referendum fails to pass in compliance with Sec. 9 of the Act."

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. ABOUREZK. Mr. President, I yield to the Senator from Wyoming

Mr. HANSEN. Mr. President, I ask unanimous consent that Patty Howe of my staff be accorded privilege of the floor during the debate on this bill and all amendments and votes thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, this amendment provided for something that the Senator from Kansas, the Senator from Alabama, and a great many other supporters of this legislation advocate. It provides something that they have been in favor of for many years, and that is States rights.

In fact, I wish to hear how the Senator from Alabama (Mr. Allen) argues against this amendment. I think it is going to be highly interesting.

It exempts from the operation of this act any State in which the referendum does not carry according to the provisions of the act. So, therefore, if the referendum were held nationally and if the State of Alabama did not vote under the provisions of the act either a two-thirds of majority or majority of cows, then the State of Alabama would be exempted from the provisions of this act.

That is States rights pure and simple.

I know Senator Helms will support this as well as Senator Allen and Senator Dole.

Mr. President, I reserve the remainder of my time.

Mr. DOLE. Mr. President, the amendment speaks for itself. I think it will destroy the program. The program is designed to help the American beef producer, the American consumer, and to save the taxpayers some money. I think that it is proper to dispose of the amendment.

Mr. ABOUREZK. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. Mr. President, the Senator from Alabama has not advocated an amendment of this sort nor a principle of this sort, and that is to let the people of the State decide whether or not they would pay taxes. It is as if we pass an income tax law, submit it to referendum, and say that the citizens of States that do not approve the income tax will not have to pay the tax.

So this is an assessment nationwide, and it is, in effect, as the distinguished Senator from South Dakota said many times, a tax, and we could not have one State not pay a tax and another State paying a tax.

Certainly no principle of this sort has ever been advocated here in the Chamber of the Senate so far as the Senator from Alabama knows.

Mr. President, I reserve the remainder of my time.

Several Senators. Vote.

The PRESIDING OFFICER. Do all Senators yield back the remainder of their time?

Mr. ABOUREZK. I yield back the remainder of my time.

Mr. ALLEN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment of the Senator from South Dakota. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Iowa (Mr. Culver), the Senator from Alaska (Mr. Gravel), the Senator from Minnesota (Mr. Humphrey), the Senator from Louisiana (Mr. Long), the Senator from Montana (Mr. Mansfield), the Senator from Wyoming (Mr. McGee), the Senator from Mississippi (Mr. Stennis), the Senator from Missouri (Mr. Symington), and the Senator from Colorado (Mr. Haskell) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Inouye), the Senator from Vermont (Mr. Leahy), and the Senator from Utah (Mr. Moss) are absent on official business.

I further announce that, if present and voting, the Senator from Vermont (Mr. Leahy) would vote "yea."

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Hawaii (Mr. Fong), the Senator from New York (Mr. Javits), the Senator from Maryland (Mr. Mathias), and the Senator from Ohio (Mr. Taft) are necessarily absent.

The result was announced—yeas 29, nays 52, as follows:

[Rollcall Vote No. 538 Leg.]

YEAS—29

Abourezk
Beall
Biden
Brooke
Bumpers
Case
Clark
Durkin
Eagleton
Glenn
Hart, Philip A.
Hartke
Hatfield
Hathaway
Kennedy
McGovern
McIntyre
Metcalf
Muskie
Nelson
Pastore
Percy
Proxmire
Ribicoff
Roth
Schweiker
Stevenson
Weicker
Williams

NAYS—52

Allen
Bartlett
Bellmon
Bentsen
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cranston
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Hart, Gary
Helms
Hollings
Hruska
Huddleston
Jackson
Johnston
Laxalt
Magnuson
McClellan
McClure
Mondale
Montoya
Morgan
Nunn
Packwood
Pearson
Pell
Randolph
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stevens
Stone
Talmadge
Thurmond
Tower
Tunney
Young

NOT VOTING—19

Baker
Bayh
Church
Culver
Fong
Gravel
Haskell
Humphrey
Inouye
Javits
Leahy
Long
Mansfield
Mathias
McGee
Moss
Stennis
Symington
Taft

So Mr. Abourezk's amendment was rejected.

Mr. ABOUREZK. Mr. President, final passage should occur within 5 minutes.

I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ABOUREZK. Mr. President, I call up my amendments which are at the desk.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk proceeded to read the amendments.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the reading of both amendments be dispensed with, and I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments are as follows:

On page 7, after line 8:

Add to the end of Section 7(a) "No such advertising, consumer education, or sales promotion programs shall make use of false or misleading claims in behalf of cattle, beef, or beef products, or false or misleading statements with respect to qualify, value, or use of any competing product."

On page 19, lines 19 and 20; Section 14(b):

Insert "willfully" before "violates" and before "fails or refuses."

On page 19, line 22, delete "less than $1,000 nor more than $10,000" and insert in lieu thereof "more than $1,000."

Mr. ABOUREZK. Mr. President, may we have order?

The PRESIDING OFFICER. Senators will kindly be in order. Will Senators clear the well and take their seats?

Mr. ABOUREZK. Mr. President, the other part of the amendment is inserted in section 14(b). The other part of the amendment changes the fine for violation of this law from $1,000 to $10,000, down to a maximum of $1,000. That is the maximum upper limit of the fine for each offense that may be levied against anyone who violates this particular law. The sponsors of the bill have indicated their acceptance of this amendment.

I reserve the remainder of my time.

Mr. DOLE. Mr. President, I certainly have no objection with reference to the first amendment. I think that is properly within the jurisdiction of the Federal Trade Commission, which I am learning more about daily.

Second, I think the second amendment may not be designed to, but it may, help the large cattle operator, if that is what the Senator from South Dakota wishes to do. I have no objection to that.

Mr. ALLEN. Mr. President, these amendments were discussed with Senator DOLE and myself. They actually were part of S. 772, the companion bill to the House bill. I feel that both of them are good amendments. One merely says that there shall be no advertising campaign that has any false or misleading information, or that made false statements about any other product. Certainly, we would expect the board to hew to that line without the amendment.

The reduction of the fine down to $1,000 can still be a tremendous fine, because it does apply to every offense, so that if the slaughterer or the processor failed to remit the assessment or failed to collect the assessment, there would be a violation as to each one of these happenings, or these violations. I believe this also is a good amendment.

On behalf of the committee, with the permission of the chairman, we are willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

Is all time yielded back?

Mr. ALLEN. Yes, sir.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendments en bloc.

The amendments were agreed to en bloc.

The PRESIDING OFFICER. If there are no further amendments——

Mr. ABOUREZK. Mr. President, I yield myself 1 minute, just for a summary for the vote on the bill itself, if I may have order in the Senate Chamber.

The PRESIDING OFFICER. The Senators will be in order. The Senators and the staff will take their seats.

Mr. ABOUREZK. Mr. President, the legislation we are considering today is weighted so unfairly and so heavily in the direction of the large, corporate, conglomerate cattle producer, the processors, and the food chainstores, that it is not a bill which will assist the cattle industry. It is a bill that will assist only the advertising industry, mostly located on Madison Avenue, New York. It is a bill that will assist the chainstores. It will do nothing for the small cattleman except forcibly levy a tax on him, a tax that he does not want.

The evidence of that is the number of organizations which represent small cattlemen and small farmers who are opposed to this bill. We find only those organizations favoring the bill that represent gigantic landholders, gigantic cattle operators, feedlot operators, and other large operators of that nature. I urge the Senate to reject this bill because I think it is a tragic mistake, that will do nothing to promote the sale of beef and raise the price of beef on the hoof. I am willing to yield back the remainder of my time.

Mr. RANDOLPH. Mr. President, will my colleague yield?

Mr. ABOUREZK. Yes.

Mr. RANDOLPH. I wonder what the able Senator's feeling will be when I express the conviction of the secretary of agriculture of a rural State like West Virginia, the second most rural in the Nation, who strongly supports this legislation and has so advised me as I sought counsel from him. That man is Gus Douglass, himself a cattle raiser and a farmer and an elected official.

Douglass does not represent the gigantic landholders and the gigantic cattle operators.

Mr. ABOUREZK. I would not change my view on the bill at all.

Mr. RANDOLPH. But the Senator could not make the sweeping statements of where the support comes from for the legislation. It does come from people like Gus Douglass. It comes from the West Virginia Cattlemen's Association, an organization of cattlemen. They are not large cattle people; they are small in comparison with the characterization of cattle operators the Senator has given. I say this in all deference to his opposition to the measure.

Mr. ABOUREZK. I do not know how large cattlemen get in West Virginia. I do know how large they get in South Dakota and "large" out there means large; I mean really big. Not as big as cattlemen in Texas, I suppose, but nevertheless, I find in South Dakota and nationally that this bill is vehemently opposed by organizations that represent, for the most part, the small farm operators—the Farmers Union, the National Farmers Organization, and the Meat Promotors and others. In fact, even the Farm Bureau Federation, which sometimes tends to represent larger farmers, has come out in opposition to this bill.

Mr. RANDOLPH. Will the Senator yield for a further observation?

Mr. ABOUREZK. Yes.

Mr. RANDOLPH. I repeat, I respect the conviction of every colleague in positions taken in the Senate. I only state that as to this bill's purpose I went into it rather extensively to determine the issues before us.

My good father was a cattle shipper through most of his life, as part of a career as an attorney-at-law and an oil and gas producer. He loved the land, the rolling hills, and the fine beef that grazed on verdant bluegrass. We have more such grass than Kentucky. I have literally taken up hundreds and hundreds of carloads of cattle. I have weighed them up in the countryside. When I was a youth, I drove them over the dusty roads, into the pens along the B. & O. Railroad. In those days we did our shipping by rail to Jersey City and to Baltimore. Today we have stock sales in scores of communities. Cattle and lambs are moved to markets farther away by trucks. So from this background and a desire to understand the West Virginia picture, I went thoroughly into the bill and the reaction for and against the measure in our State. Please understand that those who support the bill will in no wise do it because of some so-called larger or corporate interest.

Mr. ABOUREZK. If I might respond——

Mr. DOLE. Will the Senator yield for 1 second?

Mr. ABOUREZK. May I respond first?

I respect very much the feelings and sentiment of my colleague from West Virginia, of the Secretary of Agriculture of that State, and of the other people in West Virginia who have indicated support. My response would be that if the people of West Virginia want to levy a tax upon cattle producers, they do it upon themselves and not tax the cattle producers of South Dakota. I think it is unfair that they should urge and coerce the cattle producers of South Dakota, or Nebraska, or whatever State, coerce an amount of money out of them that they may not want to pay, simply because a majority of people in the Senator's State want to. We have enough of that kind of thing. We have a national income tax and it serves a lot of good purposes and a lot of bad purposes. Nevertheless, I think the people of West Virginia ought to respect the rights of the people of South Dakota in that regard. I hope that the Senator from West Virginia will acknowledge that as one of the indications of nonsupport for this bill.

Mr. RANDOLPH. Yes, West Virginia folks are friendly and helpful when possible.

Mr. HANSEN. Will the Senator from South Dakota yield me 30 seconds?

Mr. ABOUREZK. I should like to do so. We promised a number of people we would vote on passage.

Mr. HANSEN. The Senator from West Virginia has spoken very eloquently for the people of Wyoming and I believe for the people of this Nation.

Mr. ABOUREZK. Perhaps Wyoming and West Virginia could both have the program and still exclude South Dakota.

Mr. HANSEN. I believe we are going to.

Mr. DOLE. I want to commend the distinguished Senator from West Virginia (Mr. RANDOLPH) for his awareness of the needs of his constituents. His remarks testify to his obvious concern for the welfare of the cattle industry in his State and the Nation.

His personal background indicates a deep sense of the rugged individualism the cattlemen still represent in this Nation.

My thanks to the Senator for his support.

SEVERAL SENATORS. Vote.

The PRESIDING OFFICER. The bill is open for further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. TALMADGE. Mr. President, I rise in support of H.R. 7656, the Beef Research and Information Act.

The beef industry is the largest sector of American agriculture and is vital to the economy of this country. Nearly 2 million farmers and ranchers are engaged in the production of beef cattle. In addition to these producers, several million more Americans depend upon beef for their livelihood—farmers who produce the feed for the cattle; factory workers who manufacture machinery, pharmaceuticals, and other inputs used by cattlemen; meat processors who slaughter, pack and transport beef; meat cutters and retail clerks who prepare and sell beef; and many more.

Beef is one or our premium foods and it is a basic source of protein. It is enjoyed by nearly all of the 68 million households in the United States. Most of our consumers would like to eat more beef, if more beef were available and at prices they could afford.

This is the objective of cattlemen who have devised this program—to provide consumers with more beef and at prices they can afford. In addition, they want to provide consumers with information about how to better utilize beef in their diets.

Let me explain how this program was developed. It was developed by a group of 15 cattle industry leaders, who represented 8 national cattlemen's organizations and who were known as the Beef Development Taskforce. These organizations include the American National Cattlemen's Association, National Livestock Feeders Association, National Livestock and Meat Board, United Dairy Industry Association, Competitive Livestock Marketing Association, National Livestock Dealers Association, Central Public Markets and American National CowBelles.

Over the past 18 months, the Beef Development Taskforce conducted scores of meetings all over the country—consulting rank-and-file cattlemen on what they wanted in a program, how they wanted it financed, and how they wanted it run.

From every meeting, the message came back loud and clear. Cattlemen want a self-help program—they do not want government subsidies.

Cattlemen want a program that is fair to big and little producers alike—they want every producer to pay his fair share.

Cattlemen want a program that will benefit consumers—they know a program will not last unless their customers—the consumers—are helped, too.

Developing such a program required much innovation, hard work and compromising. But this taskforce has come up with a plan that will work. The plan will help cattlemen through market development and production research. It is also a plan that will help consumers by providing better information about beef and how to use it, plus assuring stable supplies of beef.

This is a plan that cattlemen need and want. Never before has there been such unity among cattle organizations as there is for this program. A total of 80 State and national cattlemen's organization have endorsed the Beef Research and Information Act. Gentleman, when this many cattlemen want a self-help program—a program which will cost the Government nothing—I believe we should assist them in getting it.

Mr. President, I want to briefly address a few areas of controversy in regard to this bill. The first concerns the voting procedures in the referendum. The committee amendment to H.R. 7656 requires that before an order goes into effect, it must be approved in referendum by two-thirds of the producers voting, or by a majority of the producers if these producers own two-thirds or more of the cattle owned by the voting producers.

This restores the voting procedure that was in the original Senate bill, S. 772. This makes the voting procedure in H.R. 7656 consistent with those used in other commodity programs, such as the Cotton Research and Promotion Act of 1966, the Potato Research and Promotion Act of 1971, the National Wool Act of 1954 and the Egg Research and Consumer Information Act of 1974.

This approach is soundly based on precedent and reason. In no case can an order be pased by less than a democratic majority.

Second, there is the question of who will bear the cost should the referendum fail. Cattlemen have agreed to reimburse the Government for the cost of the referendum, the reimbursement to come from 1st-year assessments, should the referendum pass. As we think it will. But to require a bond before a referendum could prevent producers from ever having a referendum.

This is unjust. While USDA estimates that they would be reimbursed about $320,000 for administering the referendum—the expected real or out-of-pocket costs are below $10,000. The remainder are costs for ASCS staff time that will be paid by the Government regardless of whether there is a beef referendum or not.

This procedure is used for the egg research referendum and it has proved satisfactory. Any change from this established procedure would be unfair to the beef producers.

There is also a question about how the referendum should be conducted. The Senate bill provides for simultaneous registration and vote. This seems desirable because our farmers are faced with severe time pressures and different sign-up and voting times would probably reduce the number of producers who could vote on a referendum.

It should also be recognized that the Secretary of Agriculture has the administrative authority to establish the referendum to assure its fairness. In addition, the importance of this issue will assure that producers are well aware of the issue long before the referendum. Beyond the official announcement by the Department of Agriculture, the beef organizations, general farm organizations, farm press and land-grant universities will all be active in informing farmers and ranchers of the impending referendum and the issues.

Mr. President, the Beef Research and Information Act is fair, it is based on tried experiences of other commodity programs, it will cost American taxpayers and consumers nothing and could yield far-reaching benefits. I believe this bill warrants the support of the Senate and that it should be passed.

Mr. HRUSKA. Mr. President, the legislation before the Senate is of considerable importance. The beef industry is asking the Congress to allow it to establish a self-help program for the benefit of cattlemen and consumers. It is a case of people banding together in an effort to arrive at solutions to common problems. Such commendable initiative should be encouraged. I urge my colleagues to join in support of the Beef Research and Information Act.

NEED FOR A PROGRAM

The events of the past few years point up the need for a program of the type proposed by H.R. 7656. Agriculture is the single largest industry in the Nation. When the agricultural economy suffers, so does our national economy. The beef industry is the largest segment of agriculture. In the past 2 years it has experienced serious financial difficulties. It has been estimated that cattlemen have lost between $2.75 and $5 billion. Losses in equity have been estimated at an incredible $20 billion.

The impact of these losses has been felt sharply in my State of Nebraska. Nebraskans take a great deal of pride in the agricultural industry of the State.

On January 1, 1975, Nebraska ranked third in the Nation in total number of cattle on farms with some 6.9 million head. Yet, in 1974 it has been estimated that Nebraska cattle producers suffered operating losses of nearly $260 million.

Such losses have a devastating effect on Nebraska's economy. Rural businesses are dependent upon the farmer's buying power for their existence. Banks and other lending institutions rely on the huge capital requirement of farm operations. When the farmer and cattlemen lose money it is felt in the whole economy of the State.

PURPOSE OF THE BEEF RESEARCH AND INFORMATION ACT

In an effort to improve this situation, the cattle industry has worked diligently to arrive at the plan now under consideration. It is basically a self-help program, initiated by, operated by, and financed by the cattle industry. It will be a program of research and information—research to increase efficiency of production, distribution and marketing and to improve nutrition and human health; information on the economics of buying beef, how to select and prepare the most economical cuts, and how to get the most out of the food dollar. It will provide needed information to cattlemen and consumers.

ASPECTS OF THE PROGRAM

Mr. President, this program was conceived by representatives of the cattle industry. It has the support of 81 State and national cattlemen's organizations. Meetings with cattlemen were held in nearly every State. Modifications were made to fit the needs and desires of beef producers.

This self-help program would be initiated by a referendum of beef producers conducted by the Secretary of Agriculture. All producers who own or acquire ownership of cattle in the 12-month period prior to the referendum would be eligible to vote. This is as it should be. The program will not become a reality unless the individual members of the beef industry vote to establish it.

If the referendum is approved by the beef producers, a national Beef Board would be established to carry out the programs and purposes of the act. The Board would be made up of cattle producers nominated by the members of various producer organizations within geographical areas of the Nation. In this way each producer is entitled to help select his representative on the Board.

The Beef Board is empowered to conduct the programs and projects of research and information desired by the beef producers. Since the Board is made up of 68 members, a provision has been made for it to appoint an executive committee from its membership. The executive committee would employ a staff and conduct business within the policies determined by the Board.

The programs of the Beef Board would be financed by a value-added assessment or checkoff, levied on all beef producers at the time of transfer of ownership of cattle. There would be no cost to the taxpayer or the Government. It is to be totally financed by beef producers.

Provision has been made to allow producers to obtain a refund of their assessment should they not agree with the programs and policies pursued by the Beef Board. In this way, the program is voluntary. A producer who does not want to participate in the program is not forced to contribute to it.

CONCERNS WITH THE PROGRAM

Mr. President, while I wholeheartedly support the concept of a program of this type, there are some concerns that should be mentioned as well. Several commodity programs of this nature are already in existence. Most of them have been successful and a significant help to the economy. Some, however, have been the subject of criticism due to a lack of strict accounting procedures. While assessments of the type provided for in the Beef Research and Information Act are not "tax" funds, as are those collected by the Government, they still represent a public trust. If the referendum is approved, the Beef Board will have control of a public trust of cattlemen's funds of approximately $30 million annually. The Beef Board will be entrusted with a great public responsibility and should realize the necessity of being accountable thereto.

Fears of abuse have been substantially minimized by the provision in the act that requires the Beef Board to make periodic accountings to the Secretary of Agriculture of all funds received and expended. The provision requiring the Secretary to approve contracts or agreements of the Board for carrying out its activities is another safeguard. Submission of fiscal year budgets to the Secretary for his approval and to the House and Senate Agriculture Committees for their review is also a sound procedure. It is my hope that the Secretary will be most diligent in requiring timely and full accounting from the Beef Board. In this way the integrity of the Board and its programs can be maintained.

The program has been criticized as a "Madison Avenue advertisers' ripoff." The promotional aspects of the program are in keeping with the overall purpose of the act. It would, however, be unfortunate if the program placed too great an emphasis on this aspect. It is my hope that the Board will keep in mind the marketing and beef product research areas of the program, and will pay close attention to the needs and desires of the producers they represent.

Mr. President, in summary I am encouraged by the effort put forth by beef producers in seeking this self-help program. Through collective action, the economic position of the cattleman and the consumer can be improved. Beef producers should have the opportunity to determine whether they want to implement such a progressive undertaking. They have proposed to organize, operate, and finance a program they feel is necessary to their business. They should be afforded this opportunity.

Mr. McGOVERN. Mr. President, as a Senator from one of the most agricultural States in the Nation, I have always supported measures and programs aimed at promoting the distribution, research, and sale of agricultural products. I supported the egg checkoff program, and have looked with favor on programs to expand wheat sales, sheep and wool promotion, milk marketing tools, and export sales. Earlier this year the Agriculture Committee held hearings on S. 772, legislation much like that on the floor today and there was almost unanimous agreement that the legislation was meritorious and had the support of those who had a legitimate interest in its purpose.

However, as the Beef Research and Information Act proceeded through the legislative process in the House, it became evident that many of those who originally looked with favor on the legislation were having second thoughts and raised many questions. This closer examination has resulted in most farm organizations in my State opposing its enactment. I have received letters or telegrams from the South Dakota Farmers Union, South Dakota National Farmers Organization, South Dakota Meat Promoters, South Dakota Independent Stock Growers, the South Dakota Farm Bureau, and the Amalgamated Meat Cutters and Butcher Workmen, all urging me to oppose the enactment of the legislation. I am also advised by the National Rural Electrification Administration that all contacts made with the national office by its members have been in opposition to the bill.

The combination of these organizations far outweighs those who support its provisions and thus I felt that in order to properly reflect the views of the major numbers in my constituency I must cast my vote in opposition.

Let me say, Mr. President, that I do this with reluctance. I have studied the House-passed version carefully and have noted its requirements for registration and a two-thirds majority of those voting—the so-called Melcher amendment. Had these provisions been a part of the legislation before us, I would have had to give serious consideration to supporting it. It is difficult not to view the House-passed bill as an expression of the democratic process because it provides for registration, challenges, and requires a two-thirds majority of the producers.

Though I still want to record my support for promotion and research of agricultural products financed by the producers themselves, I must respect the numbers of my constituency who oppose, at least, this version of an otherwise meritorious concept.

Mr. BARTLETT. Mr. President, I was an original cosponsor of S. 772, the Senate version of H.R. 7656, and am pleased to support H.R. 7656.

As the representative of one of the Nation's largest cattle feeding states, I am wholeheartedly in favor of any self-help efforts that cattle producers may desire to undertake.

With regard to the consumer representation on the Beef Board, it seems obvious that such proposed representation would have little basis. The membership of the board will be made from those producers contributing to the funds to be disbursed. Their interest, indeed, one of the major reasons for this act, is to combat the "boycott beef" efforts of some groups several years ago which had disastrous impact on producers. Instead of lowering beef prices as the proponents had projected, the number of cattle have been reduced and prices have climbed due to the disruption from that and other artificial infringements on the supply and demand procedures. Only in the past 2 months have we seen an increase in the placements of cattle into feedlots after a 2 to 3 year general decline. It has taken that long to restore cow herds after their liquidation and for those reproducing cows to produce beef cattle to place in the final finish feeding stage.

It is important that this story be told. That is why these businessmen, these cattle producers, are willing to contribute their money to inform the consumer. Their board would be made up of those who pay the bill. I am confident this board will seek out the advice of consumer groups for their recommendations on what they want from beef and the beef industry.

Mr. HANSEN. Mr. President, the Beef Research and Information Act is intended to provide a means for cattle producers to pool their own money in order to finance programs which will enhance public knowledge about their product and their way of life, and increase and expand markets for cattle and beef products.

Much of our time in the Congress is spent debating bills that would spend large amounts of taxpayer's money for various purposes. This time, we are considering a bill that would involve only a small initial expenditure of about $350,000 by the Federal Government, and that only if the referendum fails. If the referendum is approved the cost will be borne entirely by the Beef Board. Thereafter, any program approved by the livestock producers would be totally financed by them.

The Beef Research and Information Act has been called self-help legislation, and this is an appropriate term both for describing this bill and the history of the livestock industry. The industry traditionally has not been involved in Government farm programs and its members have not been the recipients of Federal subsidies, as were commonplace under past programs for other segments of agriculture.

This legislation will not, of course, provide solutions to all of the industry's problems, most of which are the result of national economic factors that have affected all segments of business and industry. But this program would permit development of comprehensive, national programs aimed at better informing both producers and consumers of beef and beef products, and aimed at expanding the market for these products.

This bill would authorize the Secretary of Agriculture to develop a program of research, producer and consumer education, and promotion, to improve, maintain, and develop markets for cattle, beef, and beef products, and to provide an adequate and steady supply of high-quality beef to consumers at reasonable prices.

The Secretary would be required to conduct hearings to seek input from the industry on proposed programs, and then to seek final approval by livestock producers through the conduct of a referendum. Approval by two-thirds of those voting in such a referendum, or by a majority, if that majority owned two-thirds of the cattle owned by those voting, would constitute ratification of a proposed program.

The program would be financed by money from members of the industry, but any producer would have the right to request a refund of his or her assessment within 60 days after the sale of the cattle. The refund would have to be made within 60 days. Similar programs are in effect for other agricultural commodities, such as wool and cotton.

Mr. President, beef is a very basic and natural source of human protein which is consumed, to some extent, by nearly every household in America. Beef production is the largest sector of American agriculture, and is essential to the economies of many States and hundreds of small, rural communities. Millions of Americans not directly engaged in livestock production are dependent on the industry for their livelihood—farmers who grow grain and other feed for cattle; factory workers who manufacture equipment used by the industry; meat processors who slaughter, pack, and transport beef; meatcutters and retail clerks who prepare and sell beef; and more.

Particularly in the arid West, where vast areas of land remain under Federal ownership, cattle can convert renewable resources which are not usable by humans into high-quality protein. According to the House Agriculture Committee, cattle and other ruminant animals make economic use of about 890 million acres of pasture, grass, and grazing land—39 percent of the total land area of the United States.

In recent years, the effects of our national economic problems have hurt livestock producers as they have hurt everyone. Inflation has discouraged beef consumption at a time when livestock numbers were high. A major contribution of the Beef Research and Information Act could be to develop reliable information on supply and demand, so that producers can increase production to meet demand, thereby benefiting both the industry and consumers.

Another major contribution of this program could be to open up new markets abroad, so that livestock producers might share in America's vital agricultural export program.

I believe the program will better enable the livestock industry to recover from the current cost-price squeeze, and will aid in the reduction of the current oversupply of beef.

Mr. ROBERT C. BYRD. Mr. President, under the order previously entered, upon the disposition of this bill——

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. I yield time to the Senator from West Virginia.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, under the order previously entered, upon the disposition of the pending measure, the Senate will take up Calendar No. 486, S. 2718, a bill to improve the quality of rail services in the United States.

I have talked with both Mr. Weicker and Mr. Hartke. They expect to make their opening statements tonight. They would not anticipate any rollcall votes. This will be the last rollcall vote today.

The PRESIDING OFFICER. Does the Senator from Alabama yield back his remaining time?

Mr. ALLEN. Yes; we yield back the remaining time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Iowa (Mr. Culver), the Senator from Alaska (Mr. Gravel), the Senator from Minnesota (Mr. Humphrey), the Senator from Louisiana (Mr. Long), the Senator from Montana (Mr. Mansfield), the Senator from Wyoming (Mr. McGee), the Senator from Mississippi (Mr. Stennis), and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Inouye), the Senator from Vermont (Mr. Leahy), and the Senator from Utah (Mr. Moss) are absent on official business.

On this vote, the Senator from Rhode Island (Mr. Pastore) is paired with the Senator from Mississippi (Mr. Stennis). If present and voting, the Senator from Rhode Island would vote "nay" and the Senator from Mississippi would vote "yea."

On this vote, the Senator from Minnesota (Mr. Humphrey) is paired with the Senator from Vermont (Mr. Leahy). If present and voting, the Senator from Minnesota would vote "yea" and the Senator from Vermont would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Hawaii (Mr. Fong), the Senator from New York (Mr. Javits), and the Senator from Ohio (Mr. Taft) are necessarily absent.

On this vote, the Senator from Ohio (Mr. Taft) is paired with the Senator from New York (Mr. Javits). If present and voting, the Senator from Ohio would vote "yea" and the Senator from New York would vote "nay."

The result was announced—yeas 47, nays 36, as follows:

[Rollcall Vote No. 539 Leg.]

YEAS—47

Allen
Bartlett
Bellmon
Bentsen
Brock
Burdick
Byrd,
  Harry F., Jr.
Cannon
Chiles
Clark
Cranston
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Hart, Gary
Hatfield
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
McClellan
McClure
Mondale

Montoya
Morgan
Nunn
Packwood
Pearson
Randolph
Sparkman
Stevens
Stone
Symington
Talmadge
Thurmond
Tower
Tunney
Young

NAYS—36

Abourezk
Beall
Biden
Brooke
Buckley
Bumpers
Byrd, Robert C.
Case
Durkin
Eagleton
Glenn
Hart, Philip A.
Hartke
Haskell
Hathaway
Jackson
Kennedy
Magnuson
Mathias
McGovern
McIntyre
Metcalf
Muskie
Nelson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stevenson
Weicker
Williams

NOT VOTING—17

Baker
Bayh
Church
Culver
Fong
Gravel
Humphrey
Inouye
Javits
Leahy
Long
Mansfield
McGee
Moss
Pastore
Stennis
Taft

So the bill (H.R. 7656), as amended, was passed.

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. Stone) appointed Mr. Talmadge, Mr. McGovern, Mr. Allen, Mr. Clark, Mr. Leahy, Mr. Dole, Mr. Young, and Mr. Bellmon conferees on the part of the Senate.

Mr. ALLEN. Mr. President, I ask unanimous consent that the Senate bill as passed be printed and that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RAIL SERVICES ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2718, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes.

The Senate proceeded to consider the bill.

Mr. HARTKE. Mr. President, I ask unanimous consent that during the consideration of S. 2178 the following members of the staff of the Committee on Commerce have the privilege of the floor: Michael Pertschuk, S. Lynn Sutcliffe, Art Pankopf, Malcolm Sterrett, Tom Allison, Paul Cunningham, Geoffrey Baker, David Clanton, Edward Cohen, Robert Joost, Kevin Curtin, Tim Lynch, Loyal Snyder, Chris O'Malley, Arlene Sidell, John Stafford, and Barbara Peter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HARTKE. Yes.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that John I. Brooks of my staff be granted privileges of the floor during consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that Arthur Pankopf, Malcolm Sterrett, Geoffrey Baker, John Kirtland, and David Clanton of the minority staff of the Commerce Committee be granted the privilege of the floor during the consideration of S. 2718, the Rail Services Act of 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

Mr. HARTKE. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

Cloture Motion

We, the undersigned members of the Senate, in accordance with Rule 22 of the Standing Rules of the Senate, hereby move to close debate upon S. 2718, a bill to improve the quality of rail service in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes.

Vance Hartke, Warren G. Magnuson, John V. Tunney, George McGovern, Philip A. Hart, Edmund S. Muskie, Adlai E. Stevenson, John Glenn, Lowell P. Weicker, Jr., James B. Pearson, Charles McC. Mathias, Jr., Edward M. Kennedy, Edward W. Brooke, Bob Packwood, Hugh Scott, John A. Durkin, Harrison A. Williams, Jr., Jennings Randolph.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me for a request?

Mr. HARTKE. I yield.

ORDER FOR CONVENING TOMORROW AT 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the convening hour tomorrow morning be 9 a.m. rather than 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ROTH AND FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized tomorrow under the standing order, Mr. Roth be recognized for not to exceed 15 minutes, after which there be a period for the transaction of morning business of not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RAIL SERVICES ACT OF 1975

The Senate continued with the consideration of the bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes.

Mr. HARTKE. Mr. President, I intend to make an opening statement. Also, the Senator from Connecticut intends to make an opening statement. At this time, I yield the floor to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. WEICKER. Mr. President, I thank my distinguished colleague.

Mr. President, I urge my colleagues in the Senate to give more careful consideration to the pending bill, entitled the "Rail Services Act of 1975."

At first encounter, this omnibus rail legislation is imposing and costly.

The scope of the bill is truly comprehensive—nine titles designed to improve the quality of rail services in the United States through essential regulatory reform, national transportation studies, expedited merger procedures, the establishment of a Rail Rehabilitation Trust Fund, implementation of the USRA final system plan for the reorganization of the bankrupt Northeast railroads, implementation of the Northeast Corridor project for high speed rail passenger service, and a program of operating subsidies to maintain local rail services over abandoned lines.

The overall authorization of appropriations is $8,456,057,956 plus $1 billion in Federal loan guarantees.

However, we must not delude ourselves that there is some simple, fairly painless answer to the problems facing our Nation's railroads.

The simple fact is that these problems are long-standing, complicated and costly in terms of solutions.

And a simple alternative remains—nationalization.

I know many of my colleagues cringe at even the thought of nationalization. But unless we face up to the deterioration of rail track and facilities, to the inequities of present regulation, and to the importance of continued rail service to many communities across the Nation, we will one day soon find there is no alternative left but nationalization.

I believe the pending bill offers positive steps toward the revitalization of the national rail system. Unless we make a strong commitment to a healthy and profitable rail system now, we can only expect a nationwide collapse down the road.

Mr. President, I am in strong support of the Rail Services Act of 1975 as reported by the Commerce Committee.

Mr. President, what we need now is not confrontation or division but a united commitment to build from scratch the best rail transportation system in the world.

Mr. ALLEN. Has the Senator yielded the floor?

Mr. WEICKER. Yes, I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, a cloture motion having been filed with respect to the pending bill, as a routine matter I would like to ask unanimous consent that if cloture is successful on Thursday all amendments that have been filed at the desk at the time of the cloture vote will be held to have complied with the reading requirement as to those amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I thank the distinguished Senator.

Mr. HARTKE addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. HARTKE. Mr. President, I am pleased to bring to the floor of the Senate the Rail Services Act of 1975. This bill represents the culmination of literally years of work by my subcommittee, the full Senate Commerce Committee, the U.S. Railway Association, the Department of Transportation, and countless other groups and individuals. The most basic proposition of the legislation is quite simple: either the railroad system of the United States of America must become healthy in the private sector, or we must face the inevitable prospect of nationalization. There is one thing that everyone can agree upon: Continued rail service is absolutely essential to the workings of a modern society. The question for the Senate to consider as it reviews the provisions of this bill is whether or not that essential rail service should be provided by the private sector or not.

As all my colleagues here in the Senate know, the majority of the industrial countries have nationalized railroad systems. There is no reason why this could not also be true for the United States. We already have nationalized passenger service, in essence. Our highway system is nationalized. Our waterways are publicly owned, as are our airways. There is one consequence that I hope the Members present today keep in mind, however. Nationalization is an expensive proposition. The legislation before you today is not based on the theory of nationalization. Like the 1973 act, this legislation is premised on the assumption that the railroad industry can be made profitable and healthy in the private sector of the economy.

The 1973 act and this act is premised on the assumption that the railroads can be reorganized in a procedure based on section 77 of the Bankruptcy Act. Titles VI and VII of the bill before you today implement provisions of the 1973 act. Title VI of the bill before you today will implement the largest industrial reorganization ever attempted. It funds the start up of the Consolidated Rail Corporation. This new company will acquire the properties of the bankrupt railroads now operating in the Midwest and Northeast sections of the United States that were designated in the final system plan of the U.S. Railway Association.

The present owners of these properties will receive stock and other securities of the new company, just as they would in any other reorganization. The Federal Government will partially fund the rehabilitation of the properties of the new carrier, and will receive stock and securities of the new company. These securities will be designed to repay the Government's investment. When combined with the other titles of this bill, this should give the new railroad a good chance of becoming successful in the private sector. If it does not, there will be no alternative but nationalization. One of the things that could contribute to the failure of the new company is the lack of proper implementing legislation. That is the reason that I am recommending this bill to the Senate today. Simply stated, it is the cheapest possible alternative to improving rail service in the United States.

Fifty years ago, the railroads were the Nation's chief source of commercial transportation, and the United States possessed one of the world's finest rail transportation systems. Most of the country's intercity passengers were moved by rail, and the industry was in excellent financial health. This health has not been maintained.

As competing technologies matured and the public policy accommodating those technologies came into being, the railroad industry was unable to respond fully to changing economic trends. During the post-war period the growth of the railroads has lagged behind the economy in general. In 1947 the railroads carried nearly two-thirds of the intercity freight; by 1973 that share had dropped to 39 percent. During the same period, when the gross national product grew approximately 170 percent—after adjusting for inflation—and while industrial production grew 219 percent, total U.S. rail revenue ton-miles grew only 30 percent, while ton-miles carried in the eastern district actually declined 17 percent. Today, railroads move less than 40 percent of the intercity freight ton-miles and only a fraction of the intercity passengers. Since World War II revenue passenger miles have declined 80 percent.

Sluggish traffic in revenue growth has depressed the railroads' financial performance. Railroad earnings today are only three-quarters of their 1947 level, after adjusting for inflation. For many years the cash generated by the American railroads has not been sufficient to meet capital requirements of the industry, and the return on investments has not been sufficient to enable the railroads to finance capital expenditures by selling stock or by incurring additional debt. The rate of return on rail investment has been less than the cost of capital to finance that investment for many years.

This decline has been the result of a number of factors. For example, Government regulation at both State and Federal levels has hampered the development of the industry. The cumbersome, slow process of making rates, adjusting rate divisions, and processing merger proposals and other matters vital to the industry has drastically slowed change needed in the industry and discouraged innovation and investment in the industry.

Government investment policy has also significantly affected the railroads.

The Federal Government's basic policy has been to promote the development of several different modes of transportation. In this century, the railroads and pipelines are the only competing forms of transportation which have not benefited substantially from public expenditures to improve rights-of-way and facilities. This approach has significantly changed the relationship between the railroads and their competitors.

Large-scale public support has promoted the development of auto, truck, barge, and airline technologies. Innovations in trucking and the development, with Government support, of modern highway systems have enabled carriers to capture 23 percent of total intercity freight ton-miles. The water carrier industry has matured with the development of extensive waterway improvements and modern efficient barge technology. According to the U.S. Railway Association, Federal obligation levels amounted to over $20 billion per year in early 1970's for highways; about $500 million annually for airways; $1 billion for mass transit; approximately $16 billion through 1971 for waterways; and over $500 million for the maritime industry. By contrast, the railroads build, maintain and pay taxes—if they are not already in bankruptcy—on their right-of-ways. Until recently, however, the Federal Government obligations for the railroads were minimal and almost all aid given was designed to meet emergency, not long-term, needs. According to the Government Accounting Office, between July 1, 1969 and June 30, 1975 about $1.5 billion had been obligated to assist the railroads, including the emergency assistance required by the Congress for the Northeast-Penn Central problem, an average of less than $300 million per year.

For a variety of reasons, there have been insufficient internal funds to maintain and upgrade railroad facilities which, coupled with a lack of private capital or public funds, has resulted in deferred maintenance and further diminished the railroads' ability to provide services required by the public.

The railroad industry has been unable to adjust to changing market conditions because its facilities are fixed in place, because the regulatory climate constrained management's ability to merge facilities and abandon obsolete properties and lines, and because traffic has been lost to other modes of transportation. Public policy has also prevented the rail industry from developing unified systems of transportation using many different modes to move goods.

The importance of railroads to our Nation's economy cannot be overemphasized. Even after decades of expanding truck, air and barge operations and a deteriorating rail industry, railroads are still the leading carrier in terms of freight ton-miles. The more than 850 billion ton-miles moved in 1973 represent approximately the same volume as all other carriers combined, except pipelines.

Another indication of the importance of railroads is the specter of what would happen if railroad service was curtailed in the Northeast. A study by the Indiana Department of Commerce predicted that a shutdown of the Penn Central alone would produce unemployment in that State of 24 percent during the first month. A 60-day shutdown would cause the Indiana industrial economy to suffer a 25-percent reduction in its capacity. The entire economy of the United States would also suffer drastically if railroads in the Northeast and Midwest shut down operations. A widespread rail transportation crisis in the Northeast and Midwest would most certainly precipitate economic chaos of major proportions in the many States that send cars to the region each day.

The health of rail service in the Northeast and Midwest region, the largest market area in the country and the world, affects the service and financial positions of railroads throughout the Nation. The Nation's rail system is made up of many interconnecting railroads; only a system in which all of its parts are healthy can provide adequate and economical service.

Virtually every State in the Union is dependent upon the railroads in the Northeast and Midwest. For example, Wyoming relies heavily upon the availability of a strong and efficient national system of rail transportation which has the ability to provide the access essential to its continued economic growth. In 1972 Wyoming shipped by rail to markets in the Northeast and Midwest 673,400 tons of chemicals, 14,000 tons of refined petroleum and coal products and 914,500 tons of clay, concrete and stone products. Wyoming is also the beneficiary of many rail shipments from the Northeast. Most of these shipments originate on one or more of the bankrupt carriers. In 1972, for example, Wyoming received by rail from the Northeast and Midwest 2,000 tons of clay, concrete, glass or stone products, 43,100 tons of primary metal products, 5,200 tons of machinery and 2,000 tons of electrical equipment.

Wyoming itself has almost 2,000 miles of railroad track. However, these railroads do not operate in a vacuum. They depend on one another not only to provide the necessary access to sources of raw materials and destination points, but also to provide a source of extra added income, which they receive from the transfer of forwarded freight. That means that the railroads of Wyoming and other States depend on the service being provided by other railroads in other market areas. This dependency on the service and the revenues generated by other railroads help determine the degree of efficiency and to what extent service can be provided to the industrial and consumer interests of the State.

Agriculture also plays a vital role in Montana's economy, but the recent growth of mineral production and a rapidly-growing group of manufacturing industries are of increasing importance to the growing economy of Montana. As a result, Montana will continue to rely, more heavily than in the past, on the availability of a strong and economically efficient national system of rail transportation which has the ability to provide the access it needs to new sources of raw materials and to new expanding market areas essential to continued economic growth.

By 1972, Montana was ranked 6th in its number of sheep and 13th in cattle, along with large crops of wheat, barley, rye and oats. Farm receipts were put at a total of $75,249,000. In that same year, Montana relied on rail service to transport over 9,000 tons of its farm products and over 19,700 tons of its food and allied products to markets in the northeast/midwest region. In 1972, Montana shipped by rail to the Northeast/Midwest about 48,000 tons of nonmetallic minerals; 38,000 tons of clay, concrete, glass, or stone products, and over 228,000 tons of primary metal products. Montana's important forestry industry, which is valued at $300,000,000 a year, shipped over 337,200 tons of lumber or wood products, and some 17,000 tons of pulp, paper or allied products to the Northeast/Midwest in 1972.

However, the importance of rail service in the Northeast and Midwest to Montana does not end with the availability of the markets they provide. Rather, these bankrupt carriers are important to Montana in providing access to the raw materials on which its manufacturing depends and the other goods on which its consumers depend. For example, in 1972, the Northeast and Midwest Region shipped to Montana some 25,400 tons of petroleum and coal products; 3,300 tons of primary metal products; 4,000 tons of fabricated metal products, 4,000 tons of machinery; 5,000 tons of electrical machinery, and 23,200 tons of transportation equipment.

Montana has 5,084 miles of railroad track. Its railroads depend on each other, not only as a means of providing access to markets and raw materials for the producers they serve, but also as sources of extra added income that they receive from the transfer of freight between one another. Together these railroads employ approximately 6,260 persons who are residents of Montana with an annual payroll of over $89,110,100.

The health of the railroads in the northeast and midwest region affects the efficiency and health of the railroads servicing the producers of Montana. They affect the ability of those railroads to continue to generate the financial resources necessary to meet their own heavy financial and service responsibilities.

The dependence of these States upon the Northeast and the Midwest railroads is representative of the dependence of every State in the union upon the railroads of the northeast and midwest region. The railroads in any region are dependent on one another not only to provide the necessary access to sources of raw materials and destination points, but also to provide a source of extra added income, which they receive from the transfer of forwarded freight. This means that while the industrial and consumer interests in the various States depend upon the availability of efficient rail service, the railroads that service those States themselves depend on railroads in other market areas. This dependency on the service and the revenues generated by other railroads determines the degree of efficiency and the extent of service that can be provided to the industrial and consumer interests of the State. Certainly then, the health of rail service in the Northeast and Midwest, the largest market area in the country and the world, will effect the service and financial position of railroads in all the other States. The health of rail service will also affect the industrial producers in terms of their competitive position in the marketplace, and the consumer interests in terms of the higher prices they must pay for goods.

All the States in the Nation have a very real and special interest in the final system plan as of the U.S. Railway Association for solving the present crisis in the northeast and midwest region, and in the provisions of this bill designed to implement that plan and assist the revitalization of all railroads. Employment levels, net industrial and agricultural incomes, the cost of living to consumers, and indeed, the very social and economic development of every State will be affected by changes in the availability of an efficient rail system to and from the region. Access to essential raw materials and market areas for consumer goods produced outside each State will continue to be a necessity just as the continued availability of low-cost rail transportation of these goods will remain important. The solution of the rail crisis in the Northeast is not an isolated problem but a problem that affects the entire Nation, and requires decisive action.

The problem of deteriorating rail facilities is by no means limited to the Northeast and Midwest. In the last 15 years, for example, maintenance-of-way expenditures on a nationwide basis outside of the Northeast and Midwest have not been sufficient to keep pace with the deterioration of railroad rights of way.

According to a recent Federal Railroad Administration study, in 1972—the latest year for which appropriate data were available—the class I railroads would have had to lay an additional 115,000 tons of rail and some 5 million ties in order to meet normal replacement rates. At 1972 cost levels, this work represents an additional $140 million that should have been spent to keep pace with roadway repair. Instead, this maintenance was deferred.

Prior to 1972 a large number of ties and rails that should have been replaced to avoid deterioration was not. If the class I railroads had undertaken a concerted effort in 1972 to correct this maintenance deficit, and if they had amortized the cost of this effort over 10 years, the additional cost in 1972 for ties and rail would have been some $318 million—at 1972 prices.

Recent projections by the staff of the Interstate Commerce Commission, the Federal Railroad Administration, the First National City Bank and the Office of Technology Assessment all indicate that there will be a $3.6 billion shortfall in cash needs for the industry over the next decade if deferred maintenance were to be eliminated. The work done under contract for the Department of Transportation indicates that there will be a financial need of $21.1 billion over the next decade that the railroads will not be able to provide if deferred maintenance were to be eliminated. The Office of Technology Assessment, at the request of the committee, analysed the previous work and has reported that while internally generated cash may be sufficient to hold maintenance at today's levels, there does exist a significant problem with respect to eliminating deferred maintenance, and that Federal financial assistance will be needed to correct this problem. The OTA also concluded that, in assisting the railroad industry, it is important not to create more debt—with its resulting interest. Any program designed to bring health to the railroad transportation system of America should be designed to provide the flexibility to give various types of aid in various situations. Requirements for interest and amortization of debt can double the size of the financial need.

Mr. President, I would like to address the issues raised by title VII of S. 2718. As many of my colleagues here in the Senate are aware, this title would implement the long overdue Northeast Corridor Project.

Implementation of improved high-speed rail passenger service in the heavily populated eastern seaboard represents the culmination of well over a decade of detailed examination of the best possible means to handle the increasing amount of intercity travel between the major urban centers of the Northeast.

In the early 1960's, trends in population patterns, travel demand, and transportation operations converged to mandate a massive Federal study of intercity service along the northern Atlantic seaboard. With the growth of the suburbs and the eclipse of the core cities in this most densely populated region of the country, demographic patterns were creating a corridor, a virtually continuous urbanized strip, from north of Boston to south of Washington.

Congestion at airports in the corridor is causing ever-worsening delays, on the ground and in the air; facilities like the Baltimore Harbor Tunnel, far from facilitating traffic, are in themselves becoming bottlenecks under normal week-end loads. Whenever weather problems exacerbate the effects of holiday peak demand, massive dislocations loom. Yet to effectively relieve the highway and air pressure-points along the corridor would be not only prohibitively expensive but would also have unfavorable environmental impacts. The $6 billion price tag for a completed Interstate 95 from the District of Columbia through Massachusetts—estimated by the respective highway departments in 1972—illustrates the cost constraints; the difficulties in locating a fourth New York airport exemplifies the resistance on environmental grounds.

The Northeast Corridor main line from Washington to Boston constitutes a unique national resource, a reservoir of transportation capacity which can return very useful results for a minimal investment. This realization, in the face of the ongoing transportation crisis, brought about Federal action in the form of the Northeast Corridor Transportation project—supported by demonstrations authorized by the High Speed Ground Transportation Act of 1965.

In 1970, a demonstration program was undertaken to determine whether, with significant improvements in speed and frequency, the rail mode could win back ridership. For demonstration service between New York and Washington, a fleet of sophisticated, high-acceleration multiple unit electric cars—"metroliners"—was procured by the Penn Central Railroad; certain track and electrical improvements were made; and two suburban stations were built, so as to provide a 3-hour center-to-center run between the terminal and vastly accelerated service to intermediate points. Metroliner operations proved instantly successful, grew in frequency, and by 1971 had succeeded in leveling off the decline in total rail passengers in the southern half of the corridor.

Together, the analytical and experimental results of the NEC study suggest an optimal, cost-effective mix of facility and service improvements which could open up the transportation bottlenecks of the corridor. For the 1970's, the 1971 report laid out an action program, the most significant aspect of which was the improvement of high speed rail service, primarily by reducing line haul time with new modern equipment, but also through improving passenger amenities, and increasing departure frequencies and schedules.

Largely owing to the Northeast Corridor study and the ensuing DOT reports, the Regional Rail Reorganization Act explicity recognized the Northeast Corridor as a unique resource for passenger transportation. One of the mandatory goals of the final system plan—FSP—"the establishment of improved high speed rail passenger service, consonant with the recommendations of the Secretary in his report of September 1971, entitled Recommendations for Northeast Corridor Transportation."

Since there can be no substantial disagreement over the merits of the Northeast Corridor project, let me turn instead to the area where a question has been raised—the area of costs. The first area of cost that should be addressed is the cost of delay. This proposal was first recommended by the Department of Transportation in 1971. It was recommended again in 1973. Now Congress is on the verge of requiring it. What has the cost of foot dragging on the part of the administration been over the past several years? One obvious cost is inflation, which has increased the cost of this project by approximately 100 percent since 1971.

While it is gratifying that the administration has decided to go ahead with public support for rail passenger facilities in the Northeast Corridor, there is some doubt, however, that the administration's proposed funding would do more than return the roadbed to its condition in 1970 at which time improvements to the rail passenger system in the corridor were first proposed. In the more than 4-year period which it has taken the administration to make up its mind about improving the corridor, the railroad has experienced accelerated deterioration which will now require more than $500 million to correct. I wish to be clear on this. The costs of delay by the administration, quite aside from inflation, even after it was made overwhelmingly apparent in 1970 that improvement of the corridor line would be economically sound, are equal to at least $500 million.

The administration now proposes to eliminate deferred maintenance of $680 million as part of its $1.2 billion proposal. The cost of such maintenance between 1970 and 1975 if it had been done regularly each year would total about $180 million in 1975 dollars. Now because the property was allowed to deteriorate, its cost will be $680 million. If such deferred maintenance is carried out over a 4-year period, in the future it will be subjected to inflation and the cost will rise by another $200 million. Hence, close to $900 of the administration's $1.2 billion program will be spent in getting back to where we were in 1970.

The Northeast Corridor rail passenger system existing today has been allowed to deteriorate to a point where a major investment is required just to restore the railroad so that it can serve the public reliably on its present schedule. Unfortunately, such a major investment, if it only restores the present railroad, would be insufficient to generate the additional ridership that would be needed to repay the capital costs of such an investment. The basic investment for maintaining the existing plant, which is required if rail passenger service is going to be maintained at all in the Northeast Corridor, is over $1 billion. Amounts greater than this are necessary if any improvement is going to be made in the existing facility. Additional amounts will provide improvements in service levels that would shift travelers from the congested auto and air modes to the more efficient rail mode. The effect of additional investments is therefore twofold: First, it permits the capital cost to be repaid; and second, it reduces the need for Federal investment in highways and airports over the next several decades within the corridor.

Significant improvements to the Northeast Corridor rail facilities would bring about sufficient increased levels of ridership to not only cover all operating costs, but also to provide an operating profit which could be utilized to pay back the original capital investment. The many years of study and research on the future of the Northeast Corridor transportation facilities by the Department of Transportation and the committee's own work in this area strongly suggest that it would be shortsighted only to improve the railroad to a stay-even point with the deterioration of its physical plant, when an investment that is small when compared to Government investment in other modes in the Northeast would bring about a significant improvement in travel through a highly congested and densely populated area.

The added attractiveness of having the improved rail system repay a significant portion of its capital cost indicates that it is less expensive to make significant improvements in the rail passenger facilities of the Northeast Corridor rather than simply to eliminate the large backlog of deferred maintenance. The rail system proposed by the Secretary of Transportation in his 1971 report is not an unrealistic, high-cost technological achievement, but will instead enable the most densely populated portion of the United States to transport its citizens in a more cost-efficient, convenient manner similar to that already enjoyed by the citizens of Japan, England, Italy, France, Germany, and other countries. If significant improvements are not made, financing will have to be on a grant basis, and the need to invest further funds in more highway and airport facilities will not be avoided. The question is not whether we will spend money on intercity passenger transportation in the Northeast. We are spending over $1 billion a year now on other modes. The issue is how to best spend the money. Title VII is the answer.

Mr. President, I would like to say that in my judgment this legislation is not alone necessary, but it provides the only alternative to nationalization. More important than that, this bill is a result of probably one of the most meticulously carried out decisions in the field of planning, not alone in the final system plan itself, in the taking care of all of the various competing interests, providing for the Nation, hopefully, one of the most modern railroad systems in the world.

There has been some criticism. Criticism is not one of basic criticism of the philosophy or underlying ideas of the bill. The criticism deals with procedures inside the bill. I am hopeful that we will be able to take care of the amendments which have been presented in an expeditious manner so that the implementation of this program can go forward.

Mr. ALLEN. Mr. President, I call for the yeas and nays on passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. ALLEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I ask unanimous consent that the following technical amendments which I send to the desk, which have been agreed to by the minority and majority staff, be stated by the clerk and after they are adopted, that the bill as thus amended be regarded as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, the clerk will state the amendments.

The legislative clerk read as follows:

The Senator from Indiana (Mr. HARTKE) proposes certain technical amendments.

The amendments are as follows:

On page 51, line 1, strike "$2,000,000" and insert in lieu thereof "$500,000".

On page 99, strike all after the comma on line 17 through line 18 and insert in lieu thereof the following: "for the fiscal year ending June 30, 1976 and the transitional quarter ending September 30, 1976, not to exceed $2,000,000; and for the fiscal year ending September 30, 1977, not to exceed $2,000,000".

On page 166, strike line 19 and insert in lieu thereof the following: "Interstate Commerce Act. The powers and duties of the Commission under section 77 of the Bankruptcy Act shall continue in effect (1) if the railroad in reorganization continues to operate any line of railroad, or (2) if a plan of reorganization has been approved, in whole or in part, by the Commission as of the date of enactment of the Rail Services Act of 1975".

On page 59, line 14, at the end thereof insert "or rates".

On page 59, line 15, after "a period" insert "or periods".

On page 61, line 22, after "appropriate" and before ". The" insert the following: "to the conduct of this study of government aid and assistance to transportation".

On page 62, line 1, strike "relevant." and insert in lieu thereof the following: "appropriate to the conduct of this study of government aid and assistance to transportation.".

On page 176, line 24, after the dash and before "There is" insert the following: "(1)".

On page 176, line 25, strike "National Railroad "pas-".

On page 177, line 1, strike "senger Corporation" and insert in lieu thereof the following: "Northeast Corridor Improvement Corporation".

On page 177, line 7, strike "designated" and insert in lieu thereof ";".

On page 177, strike line 8.

On page 177, line 9, strike "in the final system plan;".

On page 177, line 14, strike "; and an amount not to exceed $20,000,000, to remain" and insert in lieu thereof "."

On page 177, between lines 14 and 15, indent for a new paragraph and insert the following:

"(2) There is authorized to be appropriated to the National Railroad Passenger Corporation an amount not to exceed $20,000,000, to remain".

On page 178, line 4, strike "No funds appropriated under".

On page 178, between lines 4 and 5, indent for a new paragraph and insert the following:

"(3) No funds appropriated under".

On page 81, line 4, strike "probable" and insert in lieu thereof the following: "contribution to the".

On page 104, line 4, strike "service capability of any affected railroad.", and insert in lieu thereof the following: "ability of any affected railroad to transport passengers or freight.".

On page 129, lines 21 through 25, strike the words "The Association shall not be required to make any finding pursuant to subsection (b) (2) or (4) of this section, except as a reason for deciding not to purchase securities of the Corporation. If the Association makes such a finding,", and insert in lieu thereof the following: "If the Association decides not to purchase securities of the Corporation in accordance with subsection (b) of this section,".

On page 171, line 13, strike "immediately".

On page 171, line 13, insert after "Corporation" and before "shall" the following: "; on the date of conveyance under section 303 of the Regional Rail Reorganization Act of 1973, as amended (45 U.S.C. 743),".

On page 119, between lines 10 and 11, insert the following new subsection:

(c) Section 208 of such Act (45 U.S.C. 718) is amended by adding at the end thereof the following new subsection:

"(d) The provisions of the Association's Official Errata Supplement, dated December 1, 1975, to the Final System Plan, including all designations made therein, shall be treated for all purposes as if they had been included in the Final System Plan adopted by the Association and reviewed by the Congress and the Final System Plan shall for all purposes be deemed to be approved, as modified and amended by such Supplement."

On page 150, line 9, after "as assignee" and before ", shall" insert the following: "or as lessee".

On page 150, line 11, after "assignment" and before "to," insert the following: "or conveyance".

On page 150, line 16, after "assigned" and before ", notwithstanding" insert the following: "or conveyed".

On page 180, lines 1 and 2, strike "National Railroad Passenger Corporation" and insert in lieu thereof "Northeast Corridor Improvement Corporation".

On page 180, lines 3 and 4, strike "National Railroad Passenger Corporation, as provided in the Final System Plan," and insert in lieu thereof the following: "Northeast Corridor Improvement Corporation for the properties designated for transfer pursuant to section 206(c)(1)(C) of the Regional Rail Reorganization Act of 1973, as amended (45 U.S.C. 716(c)(1)(C)),".

On page 118, line 18, insert before the words "a subsidiary" the following: "the Corporation or to".

On page 124, line 14, strike "such".

On page 128, line 11, strike "an amount" and insert in lieu thereof "amounts".

On page 130, line 3, strike "the" and insert in lieu thereof "to".

On page 130, line 4, strike "by the Association of".

On page 142, lines 18 and 19, strike "section" and insert in lieu thereof "title".

On page 142, lines 20 and 21, strike "section" and insert in lieu thereof "title".

On page 143, line 4, strike "which may be guaranteed" and insert in lieu thereof the following: "to be deposited pursuant to section 303(a)(1) of this title".

On page 143, line 8, strike "The certificates" and insert in lieu thereof the following: "Certificates".

On page 152, line 23, insert after "affiliates" and before "shall" the following: ", nor any profitable railroad".

On page 25, line 23, strike "of" and insert in lieu thereof "or".

On page 26, line 5, after "rate" insert ", allowance,".

On page 26, line 17, insert "or" after the semicolon and insert a comma after "class".

On page 26, line 18, strike the semicolon and insert in lieu thereof a comma.

On page 26, line 20, insert "and joint line routes" after "routes".

On page 27, line 1, insert "allowance, or charge," after "rate,".

On page 31, line 10, strike "tariff: *Provided*, That the" and insert in lieu thereof "tariff. The".

On page 31, line 11, "time;" and insert in lieu thereof "time.".

On page 31, line 12, strike "a notice" and insert in lieu thereof "A notice".

On page 32, line 1, strike "tariff: *Provided*, That the" and insert in lieu thereof "tariff. The".

On page 32, line 2, strike "time; a notice" and insert in lieu thereof "time. A notice".

On page 88, line 20, strike "title: *Provided*, That" and insert in lieu thereof "title, except that,".

On page 89, line 23, strike "stock: *Provided*, That" and insert in lieu thereof "stock, except that,".

On page 92, line 1, strike "determine: *Provided*, That the" and insert in lieu thereof "determine. The".

On page 151, line 8, strike "and 304 (e)".

On page 151, line 14, strike "and" the first time it appears.

On page 151, line 15, strike "; and".

On page 152, line 6, insert after "plan" and before "designates" the following: "or an order of the special court under section 303 (b)(1) of this title".

On page 152, line 7, after "Corporation" and before ", under" insert the following: "or any subsidiary or affiliate thereof".

On page 155, line 5, strike "paragraph" and insert in lieu thereof "paragraphs".

On page 155, line 8, strike "Act." and insert in lieu thereof "Act; and".

On page 154, line 5, strike "in clause".

On page 154, strike line 6.

On page 154, line 7, strike "tion,"; (2.) amending clause" and insert in lieu thereof the following: "at each place where such term is used the words "or any subsidiary or affiliate thereof", and insert after "Corporation or any subsidiary or affiliate thereof", as so amended, in paragraph (2.) thereof the following: ", to the National Railroad Passenger Corporation,"; (2.) amending paragraph".

On page 164, line 1, strike "final" and insert in lieu thereof "preliminary".

On page 213, line 11, strike "subsidy" and insert in lieu thereof "payment".

On page 214, at lines 2, 4, 7, and 14, insert "or any subsidiary or affiliate thereof" after Corporation.

On page 166, line 21, delete "before".

On page 166, line 22, before "the effective" insert " " ".

On page 166, line 23, strike "after the" and insert in lieu thereof " "the".

On page 172, line 16, strike "three" and insert in lieu thereof "five".

On page 172, line 22, strike "and".

On page 172, line 24, strike the period at the end thereof and insert in lieu thereof "; and".

On page 172, between lines 24 and 25 insert the following new paragraph:

"(4) two neutral members who shall be selected by the Chairman of the National Mediation Board.".

On page 47, line 14, after "following" and before "new" insert "three".

On page 47, line 15, strike "paragraph" and insert in lieu thereof "paragraphs".

On page 48, line 4, strike " ".".

On page 48, between lines 4 and 5, insert the following two new paragraphs:

"(13) Any formal investigation proceeding which is instituted by the Commission after the date of enactment of this paragraph shall be concluded by the Commission with administrative finality within 3 years after the date on which such proceeding is instituted. Any such proceeding which is not so concluded by such date shall automatically be dismissed.

"(14) Within 1 year after the date of enactment of this paragraph, the Commission shall conclude with administrative finality, or it shall terminate, any formal investigation proceeding which was instituted by the Commission on its own initiative and which has been pending before the Commission for a period of 3 or more years following the date of the order which instituted such proceeding.".

On page 66, lines 18 through 21, strike the words ", at which representatives of the Antitrust Division of the Department of Justice and the Federal Trade Commission are present,".

On page 194, line 10, strike "fully allocated costs" and insert in lieu thereof "avoidable cost".

On page 195, line 15, strike "fully allocated costs" and insert in lieu thereof "avoidable cost".

On page 196, line 14, strike " ".".

On page 196, between lines 14 and 15, insert the following new subsection:

"(j) As used in this section, the term—(1) 'avoidable cost' means all expenses which would be incurred by a carrier in providing a service which would not be incurred, in the case of discontinuance, if such service were discontinued or, in the case of abandonment, if the line over which such service was provided were abandoned. Such expenses shall include all cash inflows which are foregone and all cash outflows which are incurred by the carrier as a result of not continuing or not abandoning such service. These foregone cash inflows and incurred outflows shall, where foregone or incurred, include, but are not limited to, the market value of the land; the salvage value of the properties; the tax benefits from retirement of the properties from rail service; working capital; required capital expenditures; expenditures to eliminate deferred maintenance; and the current cost of freight cars, locomotives and other equipment; and "(2) 'reasonable rate of return' means the applicant's cost of capital after allowance for applicable Federal and State income taxes.".

On page 154, between lines 2 and 3, insert the following new subsection:

"(j) Section 303(b)(4) of such Act (45 U.S.C. 743(b)(4)) is amended by (1) inserting after "is made assumes" and before "all of the terms and conditions" the following: "all future liability under such lease and"; and (2) adding at the end thereof the following new sentence: "Notwithstanding any contrary provision in any lease, the conveyance of such lease and the assumption of liability by the Corporation or such profitable railroad shall not be deemed a breach, an event of default, or a violation of covenant of any lease so conveyed.".

On page 178, line 5, after "pursuant to" and before "the Rail" insert the following: "section 601 of".

On page 180, strike lines 10 and 11 and insert in lieu thereof the following: "of; and (2) deleting the second".

On page 135, between lines 13 and 14, insert the following new subsection:

(m) Section 213 of such Act (45 U.S.C. 723) is amended by inserting at the end thereof the following new subsection:

"(c) PAYMENTS ON PREVIOUSLY DEFERRED INTERLINE BALANCES.—A trustee of a railroad in reorganization may not make any payment on account of interline balances, which were due and owing prior to the date of enactment of this Act but which were deferred, if such trustee has received financial assistance under this section (other than for improvements to properties designated in accordance with section 206(c)(1)(C) of this title) within 90 days prior to date of the proposed payment, or if the court having jurisdiction over such railroad in reorganization finds that such trustee is likely to be in need of such assistance within 90 days after the date of such proposed payment, notwithstanding any prior agreement or any order of any court.".

On page 135, line 14, strike "(m)" and insert in lieu thereof "(n)".

On page 163, between lines 3 and 4, insert the following new subsection:

(g) Section 509 of such Act (45 U.S.C. 779) is amended to read as follows:

"SEC. 509. The Corporation, the Association (where applicable), and acquiring railroads, as the case may be, shall be responsible for the actual payment of all allowances, expenses, and costs provided protected employees pursuant to the provisions of this title. The Corporation, the Association (where applicable), and acquiring railroads shall then be reimbursed for the actual amounts paid to, or for the benefit of, protected employees, pursuant to the provisions of this title, not to exceed the aggregate sum of $250,000,000, by the Railroad Retirement Board, upon certification to such Board, by the Corporation, the Association (where applicable), and acquiring railroads, of the amounts paid such employees. Such reimbursement shall be made from a separate account maintained in the Treasury of the United States to be known as the Regional Rail Transportation Protective Account. Neither the Regional Rail Transportation Protective Account nor the Corporation nor an acquiring carrier shall be charged for any amounts of benefits paid to a protected employee under the provisions of the Railroad Unemployment Insurance Act or any other income protection law or regulation. There is authorized to be appropriated to such protective account annually such sums as may be required to meet the obligations payable hereunder, not to exceed the aggregate sum of $250,000,000. There is further authorized to be appropriated to the Railroad Retirement Board annually such sums as may be necessary to provide for additional administrative expenses to be incurred by the Board in the performance of its functions under this section.".

On page 64, line 9, strike "6151" and insert in lieu thereof "1651".

On page 73, line 16, strike "Rail Trust Fund" and insert in lieu thereof "Railroad Reorganization and Improvement Trust Fund".

On page 74, line 3, strike "Board" and insert in lieu thereof "Association".

On page 74, lines 7–8, strike "(hereafter in this title referred to as the "Fund")".

On page 95, line 14, strike the period.

On page 100, strike lines 9 and 10 and insert in lieu thereof "equipment. Each guarantee of an obligation shall be made in ac-".

On page 237, line 16, strike "section" and insert in lieu thereof "title".

On page 237, strike line 21 and insert in lieu thereof "ber 30, 1978.".

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc and, the bill as thus amended, will be considered original text.

Mr. ALLEN. Mr. President, I ask unanimous consent, since these amendments are quite voluminous and other amendments will be presented, in order to assist in the drafting of other amendments, that the bill as amended, which has become the original text, be printed.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ADDITIONAL STATEMENT SUBMITTED ON S. 2718

Mr. BAYH. Mr. President, I rise in support of the Rail Services Act of 1975. The distinguished chairman of the Commerce Committee (Mr. MAGNUSON) and the very capable chairman of the Surface Transportation Subcommittee, my distinguished fellow Hoosier (Mr.

HARTKE) deserve great appreciation for addressing rail reorganization in the prompt, decisive, and yet comprehensive manner urgently required at this time.

As the chairman of the Transportation Appropriations Subcommittee, and as a Senator from one of the 17 States directly affected by the northeast and midwestern rail reorganization, I am deeply concerned that the forthcoming Federal initiatives proposed here today meet two critical criteria.

First, we must do much more than place new bandages over old wounds. America's railroads will regain their rightful role in the national transportation network only when the Federal Government has dealt very directly with the fundamental causes of the industry's current problems. Without this long-range reappraisal and commitment to action I am convinced several years and billions of dollars will be expended on an undertaking which will only wind up where it started.

Second, our efforts must be timely and thorough, because the toll of indecision or incompleteness would be tragic. We have an obligation to resolve rather than contribute to the uncertainty facing shippers, railroad employees, and the countless other Americans who will be directly affected by rail reorganization. In addition, I am particularly concerned about the possible nationwide economic impact of a failure to act promptly.

This bill meets both criteria, and I support it. Mr. President, let us look at some of the bill's key provisions:

First, it permits the full implementation of the Final System Plan. It puts the Consolidated Rail Corporation into business, and provides sufficient resources to make genuinely possible a successful outcome of the reorganization.

Second, it accomplishes desperately needed regulatory reforms, placing railroads on an improved standing with competitive modes of transportation. The Rock Island merger case is a well-known example of the counterproductive way in which the rail industry has been regulated by the Federal Government. It took the ICC nearly 12 years to approve the Rock Island merger application. By that time, the Rock Island was in bankruptcy proceedings and no longer represented an attractive partner for other carriers. This bill takes major steps to eliminate the wasteful and drawn-out regulatory procedures which have smothered American rail carriers in redtape. At the same time, it retains necessary regulatory protection for the shipping public.

Third, this measure provides mechanisms, including the establishment of a Public's Counsel's Office at the Interstate Commerce Commission, to protect the public interest as the rail reorganization progresses. The reorganization has been marked to date by substantial public participation. This must continue, and if an independent Federal consumer advocacy agency is eventually established, it could encompass this function.

Fourth, the bill establishes a nationwide program to assist the industry with the sorely needed rehabilitation of its facilities. The airline industry would not attract many passengers if it was still flying DC-3's between airports with quonset hut terminals. The rail industry will never regain its share of freight traffic unless it offers the improved services shippers need and want.

Fifth, the act requires the formulation of a comprehensive long-term national transportation policy. This is desperately needed to prevent future crises in the rail and other transportation industries, and to assure the most effective use of our limited energy and financial resources in the years ahead.

Sixth, title IX of this bill creates a program to promote the participation of minority businesses in the reorganization and rehabilitation process. It establishes a new National Railroad Minority Resource Center which will play an active role in fulfilling this commitment to minority businessmen. The Booker T. Washington Foundation and the National Business League deserve a great deal of credit for the development of title IX and for the authorization of this seed money.

It is the inclusion of this last item, which I proposed to the Commerce Committee, that perhaps best demonstrates the thoroughness of this measure. It does much more than offer superficial, short-term solutions, and it is innovative in ways that are most encouraging.

Nonetheless, I am concerned about four important aspects of the bill.

First, the act establishes a railroad rehabilitation trust fund for use by railroads throughout the country. The need for rehabilitation has been well demonstrated, and I support the funding level in the bill. However, for the time being, the so-called trust fund is in fact to be funded out of general revenues. I seriously question whether a complex trust fund mechanism needs to be established to distribute general revenues. More fundamentally, I am not convinced that the rail industry should have its own version of the highway and airway trust funds. Certainly other alternatives, including the establishment of a single national transportation trust fund, or none at all, should be considered and evaluated. If national transportation policy is to be balanced among the several modes, individual trust funds could be counterproductive.

Second, the bill provides $3 billion in no-interest loans to improve the right-of-way along the so-called "Northeast Corridor," from Boston to Washington. The administration recommended $1.2 billion for this purpose. It is my understanding that the figure in this bill will allow passenger travel times to be reduced to 2½ hours between Washington and New York and 3 hours between New York and Boston. The administration level, I am told, would permit travel times of 3 hours between Washington and New York and 4 hours between New York and Boston.

In considering the expenditure of $1.8 billion to achieve the additional reduction in travel time, my distinguished colleagues should be aware that the cost would have been far less had the administration not repeatedly blocked this project since it was first proposed in 1971.

Costs have skyrocketed not only because of inflation, but because the condition of the right-of-way has continued to deteriorate during the last 4 years. As the chairman of the Transportation Appropriations Subcommittee, I offer assurance that the full amount authorized in the bill will be appropriated only after sufficient data has been presented to confirm that the benefits of the reduction in travel times, in terms of passenger revenue, fuel costs, and other positive factors, justify the higher figure.

Third, light density line subsidies in this bill are not what I believe to be required. The provision of a 100 percent Federal subsidy permits the avoidance of some hard decisions that should be made in the course of this reorganization. I continue to believe that a 3-year Federal subsidy, providing 90 percent during the first year, 80 percent during the second year, and 70 percent during the third year, constitutes an adequate balance between the needs of the public and the economic viability of the railroads.

Fourth, the bill protects existing commuter services affected by the Final System Plan. It requires the Secretary of Transportation to financially assist State and local agencies which must reimburse ConRail, Amtrak, or the trustees of bankrupt carriers for continued commuter operations following conveyance. The Federal share is 100 percent during the first year, 90 percent during the second year, and assistance beyond this period can be provided at a 50-percent level.

The funds will be provided through existing Urban Mass Transportation Administration contract authority. I support the long-run protection and growth of commuter rail services and fully agree that existing lines affected by the reorganization should be protected during a reasonable transition period. It is appropriate to question whether the provisions of this section are consistent with its transitional intent. A program designed to protect the status quo in the wake of the reorganization should not function as a substitute for existing nationwide rail commuter assistance programs. I would be most willing to consider improvements in the existing programs which promote commuter services, but that is not the intent of this section.

It is my understanding that the administration continues to threaten a veto of this measure if certain major changes are not made. I, too, have some questions about the act. However, a prompt, orderly takeover by ConRail is essential to the immediate interests of virtually every American, and in the long run it is imperative that the far-sighted revisions encompassed in this measure be implemented as quickly as possible. I hope the administration will avoid subjecting the American people to yet another round of brinksmanship in connection with this measure.

The economic health of our Nation requires the prompt enactment of the Rail Services Act of 1975. I urge its decisive approval by the Senate, and I urge the administration to demonstrate a willingness to cooperate with the Congress as the bill moves to enactment, bearing in mind that through experience we will learn how this legislation can be strengthened in the future.

It is my understanding that the staffs of the Appropriations, Budget, and Commerce Committees are presently working on an amendment to resolve the concerns expressed about the railroad rehabilitation trust fund established in this bill. I am optimistic that we will be able to reach a satisfactory agreement, and cite this effort is further evidence of the Senate's willingness to make appropriate changes in the bill. Again, I urge the President to demonstrate the spirit of cooperation so sorely needed at this time.

Mr. ALLEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST FOR DAILY RECESSES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that daily through Friday for the remainder of this week, when the Senate completes its business it stand in recess until the hour of 9 o'clock the following morning.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I reserve the right to object, and I am constrained to object at this point.

The PRESIDING OFFICER. Objection is heard.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow morning at 9 o'clock, following a recess.

After the two leaders or their designees have been recognized under the standing order, the Senator from Delaware (Mr. ROTH) will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes.

The Senate will then resume the consideration of the pending measure. There has been an order previously entered whereby the House bill on the New York question will be held at the desk when it comes over, and the leadership is authorized to call up that measure at any time and make it the pending business for the Senate.

Rollcall votes may occur during the day tomorrow on the Railway Act, and a cloture vote will occur on Thursday on the Railway Act.

It will be the intention of the majority leader to offer a cloture motion on the House-passed New York bill tomorrow, in which event a vote on cloture on that measure will occur on Friday.

ORDER FOR LIMITATION ON STATEMENTS DURING THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Without objection, statements during the period for transaction of routine morning business tomorrow will be limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The Senate will come in early each day this week, and a Saturday session can be anticipated. The Senate has a great deal of work to complete before it adjourns for the year. I would anticipate that a target date of December 19 or 20 would be a realistic date, looking at it from this point. Hopefully the Senate may be able to complete its work before the 19th or 20th of this month.

There remains before the Senate whatever the Senate wishes to do on the pending Railway Act, and action on the New York question. If an appropriation is to come forward in relation to the New York matter that would also have to be acted upon, and if a conference between the two Houses is required that would have to be acted upon. It is obvious that filibusters could occur at any of several points in connection with the New York matter. Conceivably there could be as many as four filibusters or more in connection with that matter alone.

The energy conference report remains to be acted upon once the House has acted upon it, and foreign aid is still waiting in the wings. In all likelihood, a continuing resolution will also have to be acted upon. Furthermore, extension of the tax cut must be enacted.

There are various and sundry lesser measures on the calendar, and other conference reports to which I have not alluded, which may be acted upon.

So, with this kind of an agenda in mind, I should think that Senators would be well advised to plan for possible Saturday sessions from here on out, with long daily sessions perhaps a necessity, and rollcall votes to occur daily.

I would anticipate that the Senate will come in every day as early as 9 a.m.

Would the distinguished Senator from Alabama object to my getting unanimous consent to come in at 9 on Thursday?

Mr. ALLEN. Would it be an adjournment or a recess?

Mr. ROBERT C. BYRD. A recess.

Mr. ALLEN. I would not agree to that, because I think we need to see what the status of the parliamentary procedure is at that time. We might want to adjourn.

Mr. ROBERT C. BYRD. Well, it is conceivable that we might want to adjourn, so we will just take it day by day.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and at 6:17 p.m. the Senate recessed until tomorrow, Wednesday, December 3, 1975, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate December 2, 1975:

DEPARTMENT OF AGRICULTURE

John A. Knebel, of Virginia, to be Under Secretary of Agriculture, vice J. Phil Campbell, resigned.

COMMODITY CREDIT CORPORATION

John A. Knebel, of Virginia, to be a member of the board of directors of the Commodity Credit Corporation, vice J. Phil Campbell, resigned.

DEPARTMENT OF THE INTERIOR

H. Gregory Austin, of Colorado, to be Solicitor of the Department of the Interior, vice Dale Kent Frizzell, elevated.

THE JUDICIARY

Patrick E. Higginbotham, of Texas, to be U.S. district judge for the northern district of Texas vice Sarah T. Hughes, retired.

DEPARTMENT OF JUSTICE

Nickolas P. Geeker, of Florida, to be U.S. attorney for the northern district of Florida for the term of 4 years vice William H. Stafford, Jr., resigned.

Marion J. Callister, of Idaho, to be U.S. attorney for the district of Idaho for the term of 4 years vice Sidney E. Smith, resigned.

Thomas A. Olson, of Montana, to be U.S. attorney for the district of Montana for the term of 4 years vice Otis L. Packwood, resigned.

IN THE AIR FORCE

The following officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be brigadier general

Col. Christopher S. Adams, Jr., [redacted] FR, Regular Air Force.

Col. Bernard Ardisana, [redacted] FR, Regular Air Force.

Col. William J. Becker [redacted] FR, Regular Air Force.

Col. Emil N. Block, Jr. [redacted] FR, (major, Regular Air Force) U.S. Air Force.

Col. Robert M. Bond, [redacted] FR, Regular Air Force.

Col. Richard T. Boverie, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Donald J. Bowen, [redacted] FR, Regular Air Force.

Col. Bill V. Brown, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. George M. Browning, Jr., [redacted] FR, Regular Air Force.

Col. John T. Buck, [redacted] FR, (major, Regular Air Force) U.S. Air Force.

Col. Louis C. Buckman, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. George C. Cannon, Jr., [redacted] FR, Regular Air Force.

Col. Gerald J. Carey, Jr. [redacted] FR, Regular Air Force.

Col. William E. Carson, [redacted] FR, Regular Air Force.

Col. Robert W. Clement, [redacted] FR, Regular Air Force.

Col. Philip J. Conley, Jr. [redacted] FR, Regular Air Force.

Col. Harry S. Creedon [redacted] FR (lieutenant colonel Regular Air Force) U.S. Air Force

Col. Harry J. Dalton, Jr. [redacted] FR, Regular Air Force.

Col. James S. Creedon [redacted] FR (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Joseph B. Dodds [redacted] FR, Regular Air Force.

Col. Jay T. Edwards, III, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Herbert L. Emanuel, [redacted] FR, Regular Air Force.

Col. James C. Enney [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Harry Falls, Jr., [redacted] FR, Regular Air Force.

Col. Billy B. Forsman [redacted] FR, Regular Air Force.

Col. Clyde H. Garner [redacted] FR, Regular Air Force.

Col. Paul T. Hartung [redacted] FR, Regular Air Force.

Col. William W. Hoover, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Robert E. Kelley, [redacted] FR, (major, Regular Air Force) U.S. Air Force.

Col. George J. Kertesz [redacted] FR, Regular Air Force.

Col. James E. Light, Jr. [redacted] FR, Regular Air Force.

Col. George C. Lynch [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Frederick L. Maloy, [redacted] FR, Regular Air Force.

Col. James H. Marshall [redacted] FR, Regular Air Force.

Col. David M. Mullaney, [redacted] FR, Regular Air Force.

Col. Cornelius Nugteren, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Waymond C. Nutt [redacted] FR, Regular Air Force.

Col. Earl T. O'Loughlin, [redacted] FR, Regular Air Force.

Col. John W. Ord, [redacted], Regular Air Force, medical.

Col. Leighton R. Palmerton, [redacted] FR, Regular Air Force.

Col. John L. Piotrowski [redacted] FR, (major, Regular Air Force) U.S. Air Force.

Col. James N. Portis, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. John T. Randerson [redacted] FR, Regular Air Force.

Col. Berry W. Rowe, [redacted] FR, Regular Air Force.

Col. John P. Russell, [redacted] FR, Regular Air Force.

Col. Walter C. Schrupp [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Richard V. Secord, [redacted] FR, (major, Regular Air Force) U.S. Air Force.

Col. William L. Shields, Jr., [redacted] FR, Regular Air Force.

Col. Herman O. Thomson, [redacted] FR, Regular Air Force.

Col. Jack L. Watkins [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Charles E. Woods, [redacted] FR, Regular Air Force.

Col. Clifton D. Wright, Jr. [redacted] FR, (major, Regular Air Force) U.S. Air Force.

HOUSE OF REPRESENTATIVES—*Tuesday, December 2, 1975*

The House met at 12 o'clock noon.

The Right Reverend Bishop Papken, St. Mary's Armenian Apostolic Church, Washington, D.C., offered the following prayer:

Our Father in Heaven, Creator and Judge of all, we beseech Thee to grant Thy light and truth to the leaders of our beloved country. Strengthen the Members of the House of Representatives with Thy divine guidance.

For the right things left undone, and for the wrong things done, we humbly ask Thy forgiveness. Give us Thy wisdom, Thy grace, and will power to keep clean and beautiful the land, the sea, and the air of this country Thou hast given to us.

Help us not to desecrate the majesty and the beauty of the nature; save us from the love of money and power, teach us to appreciate small things and not to worship big things, grant to our hearts compassion toward human suffering, make us kind and understanding individuals.

O Lord, Thou knowest our needs better than we understand.

And now, shine Thy light and grant Thy truth to heal our national wounds, renew our hearts, give strength to our minds to serve Thee faithfully, to love Thee sincerely, to live wisely and to fulfill our calling.

In our Saviour's name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 5197. An act to authorize the employment of certain foreign citizens on the vessel *Seafreeze Atlantic*, Official Number 517242;

H.R. 6692. An act to authorize appropriations for the period July 1, 1976, through September 30, 1976; and

H.R. 10027. An act to authorize the Secretary of Agriculture to enter into cooperative agreements which benefit certain Forest Service programs and to advance or reimburse funds to cooperators for work performed, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 5272. An act to amend the Noise Control Act of 1972 to authorize additional appropriations; and

H.R. 6669. An act to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 6461) entitled "An act to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. PASTORE, Mr. HARTKE, Mr. BAKER, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the concurrent resolution (H. Con. Res. 466) entitled "A concurrent resolution revising the congressional budget for the U.S. Government for the fiscal year 1976, and directing certain reconciliation action," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MUSKIE, Mr. MAGNUSON, Mr. MOSS, Mr. MONDALE, Mr. HOLLINGS, Mr. CRANSTON, Mr. BELLMON, Mr. DALE, Mr. BEALL, and Mr. DOMENICI to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 190. An act for the relief of John Oakason and H. F. Mulholland;

S. 1847. An act to authorize the 101st Airborne Division Association to erect a memorial in the District of Columbia or its environs;

S. 2158. An act to increase an authorization of appropriations in order to complete the Mission 66 Bypass Road at Vicksburg, Miss.;

S. 2220. An act to authorize and direct the Secretary of the Interior to reinstate oil and gas lease New Mexico 18302;

S. 2444. An act to provide for the orderly transition to the new October 1 to September 30 fiscal year;

S. 2445. An act to provide permanent changes in laws necessary because of the October–September fiscal year;

S. 2533. An act to provide that the lake formed by the lock and dam referred to as the "Jones Bluff lock and dam" on the Alabama River, Ala., shall hereafter be known as the R. E. "Bob" Woodruff Lake;

S. 2619. An act to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States by the Library of Congress Trust Fund Board;

S. 2620. An act to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States pursuant to the act of August 20, 1912 (37 Stat. 319);

S. 2709. An act to extend certain authorizations under the Solid Waste Disposal Act, as amended; and

S. 2710. An act to extend certain authorizations under the Federal Water Pollution Control Act, as amended.

CERTIFICATION OF ELECTION OF REPRESENTATIVE-ELECT CLIFFORD ALLEN

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
December 2, 1975.

Hon. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: This is to advise that I am in receipt of the Certificate of Election for the Honorable Clifford Allen, who was duly elected Representative in Congress, Fifth Congressional District, State of Tennessee, to fill the unexpired term caused by the resignation of Richard H. Fulton, in a Special Election held on November 25, 1975.

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

HON. CLIFFORD ALLEN

The SPEAKER. Will the duly elected Member of the House, the gentleman from Tennessee (Mr. ALLEN) please present himself in the well of the House and take the oath of office.

Mr. ALLEN presented himself at the bar of the House and took the oath of office.

RIGHT REVEREND BISHOP PAPKEN

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, today our guest chaplain was His Excellency, Bishop Papken, Diocesan Legate of the Armenian Apostolic Orthodox Church of North America and the Bishop of Washington, who has held those offices since 1968.

In 1950, Bishop Papken received the doctor of divinity degree from the Episcopal Theological Seminary in New Haven, Conn. Thereafter he served as a member of the faculty of the seminary of his church in Beirut, Lebanon, and was also general director of Middle East Sunday Schools of that church.

He served as bishop of California from 1957 until 1963, with offices in Los Angeles, Calif. Thereafter, he was bishop of Philadelphia from 1963 to 1968.

Bishop Papken is much loved by the communicants of his church and all who know him. His goal has always been to promote the ecumenical spirit. He has worked to bring about greater cooperation between all people and all denominations without regard to creed, or ethnic or cultural or national origins.

He has a very progressive attitude, promoting good will and love between all people, as well as the communicants of all churches.

APPOINTMENT OF CONFEREES ON H.R. 8773, MAKING APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES, 1976.

Mr. YATES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8773) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? The Chair hears none, and appoints the following conferees: Messrs. YATES, McKAY, LONG of Maryland, EVANS of Colorado, MURTHA, DUNCAN of Oregon, MAHON, McDADE, REGULA, and CEDERBERG.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON JOINT RESOLUTION MAKING FURTHER CONTINUING APPROPRIATIONS, 1976

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the joint resolution making further continuing appropriations for the fiscal year 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the good chairman of the committee tell us why this is so urgent; why it cannot be brought up next week?

Mr. MAHON. Mr. Speaker, I am asking unanimous consent to file a report on the continuing resolution. If this request is granted, I propose to ask that it be in order to bring up the continuing resolution for consideration on Thursday, or any day thereafter, of this session of Congress.

It is necessary that we provide for the handling of legislation that will not be completed, handling of matters for the Government that will not be completed for this fiscal year, and that they be extended. The proposed continuing resolution provides for only a change in the date of the present continuing resolution—from sine die adjournment to March 31, 1976. It seems to be time to be moving, because we are trying to get out of here next week, if possible, and certainly the week after that. Also, the Senate will need time to conduct whatever hearings or proceedings it may desire to take.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, can the gentleman tell us whether there are any unusual surprises in this continuing resolution that we can be made aware of at this time?

Mr. MAHON. No. It makes no change whatsoever in the present continuing resolution which has been in effect since June 27. It makes no change whatever, except it substitutes for "sine die" the date "March 31, 1976." There are no unusual or unique provisions with respect to the proposed continuing resolution, as we plan to report it.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's remarks, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas

There was no objection.

MAKING IN ORDER CONSIDERATION OF A JOINT RESOLUTION MAKING FURTHER CONTINUING APPROPRIATIONS FOR FISCAL YEAR ENDING JUNE 30, 1976, ON THURSDAY NEXT OR ANY DAY THEREAFTER

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order in the House on Thursday, December 4, or any day thereafter, to consider a joint resolution making further continuing appropriations for the fiscal year ending June 30, 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CALL OF THE HOUSE

Mr. CEDERBERG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 725]

Abzug
Andrews, N.C.
Annunzio
Bergland
Bolling
Breaux
Collins, Ill.
Conyers
Diggs
Duncan, Oreg.
Eckhardt
Esch
Eshleman
Evins, Tenn.
Fraser
Gaydos
Guyer
Hagedorn
Hansen
Harsha
Hébert
Heckler, Mass.
Hefner
Hightower
Hinshaw
Hungate
Jarman
McDade
Matsunaga
Moorhead, Calif
Nichols
Patman, Tex.
Randall
Rodino
Rostenkowski
St Germain
Santini
Sarbanes
Scheuer
Stokes
Talcott
Teague
Udall

The SPEAKER. On this rollcall 391 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

BOULOS STEPHAN

The Clerk called the bill (H.R. 1391) for the relief of Boulos Stephan.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

KEVIN PATRICK SAUNDERS

The Clerk called the bill (H.R. 1645) for the relief of Kevin Patrick Saunders.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

GABRIEL EDGAR BUCHOWIECKI

The Clerk called the bill (H.R. 1647) for the relief of Gabriel Edgar Buchowiecki.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

LEONARD ALFRED BROWNRIGG

The Clerk called the bill (H.R. 2399) for the relief of Leonard Alfred Brownrigg.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

JULIET ELIZABETH TOZZI

The Clerk called the bill (H.R. 1425) for the relief of Juliet Elizabeth Tozzi.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

VALERIE ANN PHILLIPS, NEE CHAMBERS

The Clerk called the bill (H.R. 4046) for the relief of Valerie Ann Phillips, nee Chambers.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

MITSUE KARIMATA STONE

The Clerk called the bill (H.R. 4113) for the relief of Mitsue Karimata Stone.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

NORTH CENTRAL EDUCATIONAL TELEVISION, INC.

The Clerk called the bill (H.R. 2493) form the relief of North Central Educational Television, Inc.

There being no objection, the Clerk read the bill as follows:

H.R. 2493

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to North Central Educational Television, Incorporated, the sum of $26,231.92, in full settlement of all its claims against the United States for reimbursement of additional expenses incurred as the result of administrative error by personnel of the Federal Communications Commission in connection with that corporation's application for a television station.

With the following committee amendments:

Page 1, line 6: Strike "$26,231.92" and insert "$23,288.92".

Page 1, after line 11, insert:

"SEC. 2. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CMDR. STANLEY W. BIRCH, JR.

The Clerk called the bill (H.R. 8027) for the relief of Cmdr. Stanley W. Birch, Jr.

There being no further objection, the Clerk read the bill as follows:

H.R. 8027

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Commander Stanley W. Birch, Junior, of Virginia Beach, Virginia, is hereby relieved of all liability to repay to the United States the sum of $1,406.42, representing overpayments of active duty compensation received by him for the period of April 10, 1944, to May 18, 1967, while he was employed by the United States Navy, such overpayments having been made through administrative error in violation of the Act of July 31, 1894, as amended (5 U.S.C. 62), and which were received in good faith by him.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Commander Stanley W. Birch, Junior, an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the liability to the United States specified in the first section.

SEC. 3. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5: Strike "$1,406,42" and insert $1,513.69".

Page 1, lines 9, 10 and 11: Strike "in violation of the Act of July 31, 1894, as amended (5 U.S.C. 62), and which were".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

RANDY E. CRISMUNDO

The Clerk called the bill (H.R. 8863) for the relief of Randy E. Crismundo.

There being no objection, the Clerk read the bill, as follows:

H.R. 8863

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Randy E. Crismundo may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by John E. and Rogelia S. Burroughs, citizens of the United States of America, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that further reading of the Private Calendar be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE EPA'S FIFTH BIRTHDAY

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, 5 years ago today the Environmental Protection Agency was born. Its creation, under Public Law 91-190, came in the wake of a dramatic outpouring of national interest in the environment and the quality of life. As most of us recall, Earth Day, 1970—on April 22 of that year—was a grand and glorious occasion, with hundreds of thousands of Americans showing their environmental concern.

In response to the growing concern dramatized by Earth Day, Congress enacted the legislation establishing the EPA. The 5 years during which the Agency has been coming of age have been difficult ones, with environmental issues increasing in number and in complexity. The road has not been smooth, and the EPA has had some very trying times. Some have accused it of overreacting to situations; others have said it has dragged its feet.

On balance, though, the EPA, has been an extremely useful addition to the executive branch. With proper continued authorities and guidance from Congress, and with a recognition that the American public is, genuinely, concerned with the quality of life, the EPA should look ahead to a productive next 5 years, and to its 25th birthday just before we enter into the next century.

Mr. Speaker, I wanted to take this opportunity to extend my birthday greetings to the Environmental Protection Agency, and to commend its Administrator, Russell Train, for his excellent work in what has so often been a difficult and delicate job.

SENSE OF THE HOUSE REGARDING STATUS OF THE BALTIC STATES

Mr. FASCELL. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 864) expressing the sense of the House of Representatives that the signing in Helsinki of the Final Act of the Conference on Security and Cooperation in Europe did not change in any way the longstanding policy of the United States on nonrecognition of the Soviet Union's illegal seizure and annexation of the three Baltic nations of Estonia, Latvia, and Lithuania.

The Clerk read as follows:

H. Res. 864

Whereas the three Baltic nations of Estonia, Latvia, and Lithuania have been illegally occupied by the Soviet Union since World War II; and

Whereas the Soviet Union appears to interpret the Final Act of the Conference on Security and Cooperation in Europe, signed at Helsinki, as giving permanent status to the Soviet Union's illegal annexation of Estonia, Latvia, and Lithuania, and

Whereas, although neither the President nor the Department of State issued a specific disclaimer in conjunction with the signing of the Final Act at Helsinki to make clear that the United States still does not recognize the forcible conquest of those nations by the Soviet Union, both the President in his public statement of July 25, 1973, and the Assistant Secretary of State for European Affairs in his testimony before the Subcommittee on International Political and Military Affairs of the House Committee on International Relations stated quite explicitly that the longstanding official policy of the United States on nonrecognition of the Soviet Union's forcible incorporation and annexation of the Baltic nations is not affected by the results of the European Security Conference: Now, therefore, be it

Resolved, That notwithstanding any interpretation which the Soviet Union or any other country may attempt to give to the Final Act of the Conference on Security and Cooperation in Europe, signed in Helsinki, it is the sense of the House of Representatives (1) that there has been no change in the longstanding policy of the United States on nonrecognition of the illegal seizure and annexation by the Soviet Union of the three Baltic nations of Estonia, Latvia, and Lithuania, and (2) that it will continue to be the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union.

The SPEAKER. Is a second demanded?

Mr. WINN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of the resolution is to reaffirm the sense of Congress that by signing in Helsinki the Final Act of the Conference on Security and Cooperation in Europe, the United States did not change in any way its longstanding policy on nonrecognition of the Soviet Union's illegal seizure and annexation of the three Baltic nations of Estonia, Latvia, and Lithuania.

Mr. Speaker, our committee held hearings on this subject. The resolution has been cleared by the administration; they have no objection to its passage. The administration testified at our hearings that the policy expressed in this resolution is the policy of the United States. This resolution indicates that Congress joins the administration in the statement of policy.

Mr. WINN. Mr. Speaker, I rise in support of House Resolution 864. I want to commend the chairman of the subcommittee, the gentleman from Florida (Mr. Fascell), and I particularly want to commend the gentleman from Illinois (Mr. Derwinski) for the many laborious hours that he has spent in bringing this to the attention of the subcommittee and to the full House.

At this time I yield such time as he may require to the gentleman from Illinois (Mr. Derwinski).

Mr. DERWINSKI. Mr. Speaker, as a chief sponsor of House Resolution 864, reaffirming the sense of the House that the United States does not recognize Soviet incorporation of the freedom-loving Baltic republics—Estonia, Latvia, and Lithuania, I am pleased that at long last it is being brought to the House floor. I am grateful to the chairman of the International Relations Committee, Dr. Morgan, and to our distinguished colleague from Florida, Mr. Fascell, chairman of the Subcommittee on International Political and Military Affairs, for the support and assistance they have given on this resolution.

Mr. Chairman, the Baltic peoples have a long history as separate and distinct nationalities. They succeeded in establishing their respective independent nations due to substantial encouragement from the sentiment for national identity that swept Central and Eastern Europe when the Czarist Russian Government collapsed and the central powers—Germany, Austria-Hungary—were defeated in World War I.

I would also like to point out that our concern for the right of the Baltic peoples to self-determination has deep historical roots—beginning with President Wilson's support for self-determination of national groups. When the Soviet octopus occupied the Baltic republics in 1940, after the Nazi-Soviet pact, the administration of President Roosevelt deplored the action, and six successive American administrations have upheld the right of the Baltic States to self-determination and independence.

We have been assured by the State Department in hearings before the Subcommittee on International Political and Military Affairs that American policy would not be changed when the United States signed the Final Act of the Conference on European Security and Cooperation.

There can be no doubt as to the administration's policy. In a statement made at a special White House meeting on July 25 with American Eastern European leaders, the President stated as follows:

> I can assure you as one who has long been interested in this question, that the United States has never recognized the Soviet incorporation of Lithuania, Latvia and Estonia and is not doing so now. Our official policy of non-recognition is not affected by the results of the European Security Conference.

Mr. Speaker, the House of Representatives should go on record as supporting the continuation of that policy, because, as the committee report observed:

> Throughout the free world, hundreds of thousands of Baltic peoples look upon their homelands in sadness that the light of self-government has been extinguished by the Soviet Union . . . It is partly in sympathy with these dispossessed, and partly because America has always valued the principle of self-determination and national liberty, that the Committee recommends that the House of Representatives reaffirm American policy toward the Baltic republics.

Mr. Speaker, I urge all my esteemed colleagues to support this resolution and the vital principle which it represents.

Mr. Speaker, on January 14, 1975, I first introduced House Concurrent Resolution 11, and as new cosponsors developed, overwhelming sentiment was shown in the House for the passage of this resolution.

I insert as a continuation of my remarks, the names of the Members who cosponsored previous resolutions which have resulted in the adoption of House Resolution 864.

89 MEMBERS COSPONSORING BALTIC RESOLUTIONS SPONSORED BY REPRESENTATIVE DERWINSKI

Addabbo, Joseph (D., N.Y.)
Ambro, Jerome (D., N.Y.)
Anderson, John (R., Ill.)
Annunzio, Frank (D., Ill.)
Aspin, Les (D., Wis.)
Badillo, Herman (D., N.Y.)
Bafalis, L. A. (Skip) (R., Fla.)
Bauman, Robert (R., Md.)
Beard, Robin (R., Tenn.)
Bedell, Berkley (D., Iowa)
Bell, Alphonzo (R., Cal.)
Biaggi, Mario (D., N.Y.)
Broomfield, William (R., Mich.)
Brown, Garry (R., Mich.)
Buchanan, John (R., Ala.)
Burke, J. Herbert (R., Fla.)
Burke, James A. (D., Mass.)
Burke, Yvonne (D., Cal.)
Carney, Charles (D., Ohio)
Cotter, William (D., Conn.)
Coughlin, Lawrence (R., Pa.)
Crane, Philip (R., Ill.)
D'Amours, Norman (D., N.H.)
Dingell, John (D., Mich.)
Downey, Thomas (D., N.Y.)
Eilberg, Joshua (D., Pa.)
Erlenborn, John (R., Ill.)
Esch, Marvin (R., Mich.)
Fascell, Dante (D., Fla.)
Findley, Paul (R., Ill.)
Fish, Hamilton, Jr. (R., N.Y.)
Fraser, Donald (D., Minn.)
Frenzel, Bill (R., Minn.)
Gaydos, Joseph (D., Pa.)
Gilman, Benjamin (R., N.Y.)
Grassley, Charles (R., Iowa)
Gude, Gilbert (R., Md.)
Guyer, Tennyson (R., Ohio)
Hagedorn, Tom (R., Minn.)
Hannaford, Mark (D., Cal.)
Harkin, Tom (D., Iowa)
Harrington, Michael (D., Mass.)
Helstoski, Henry (D., N.J.)
Hicks, Floyd (D., Wash.)
Holt, Marjorie (R., Md.)
Horton, Frank (R., N.Y.)
Howard, James (D., N.H.)
Hyde, Henry (R., Ill.)
Jacobs, Andrew (D., Ind.)
Kasten, Robert (R., Wis.)
Kelly, Richard (R., Fla.)
Kemp, Jack (R., N.Y.)
Koch, Edward (D., N.Y.)
Lagomarsino, Robert (R., Cal.)
Lent, Norman (R., N.Y.)
Long, Clarence (D., Md.)
McClory, Robert (R., Ill.)
Macdonald, Torbert (D., Mass.)
Madden, Ray (D., Ind.)
Maguire, Andrew (D., N.J.)
Moakley, Joe (D., Mass.)
Murphy, Morgan (D., Ill.)
Murtha, John (D., Pa.)
Nix, Robert (D., Pa.)

O'Brien, George (R., Ill.)
Price, Melvin (D., Ill.)
Richmond, Frederick (D., N.Y.)
Riegle, Donald (D., Mich.)
Rogers, Paul (D., Fla.)
Rosenthal, Benjamin (D., N.Y.)
Rousselot, John (R., Cal.)
Russo, Martin (D., Ill.)
Ryan, Leo (D., Cal.)
Sarasin, Ronald (R., Conn.)
Sarbanes, Paul (D., Md.)
Sikes, Robert (D., Fla.)
Spence, Floyd (R., S.C.)
Stanton, James (D., Ohio)
Stratton, Samuel (D., N.Y.)
Vigorito, Joseph (D., Pa.)
Walsh, William (R., N.Y.)
Waxman, Henry (D., Cal.)
Whalen, Charles (R., Ohio)
Winn, Larry (R., Kan.)
Wolff, Lester (D., N.Y.)
Wydler, John (R., N.Y.)
Yatron, Gus (D., Pa.)
Young, C. W. (R., Fla.)
Zablocki, Clement (D., Wis.)

Mr. Speaker, again I wish to express my appreciation to the chairman of our full committee, the gentleman from Pennsylvania (Mr. MORGAN) and the chairman of the subcommittee, the gentleman from Florida (Mr. FASCELL) for their cooperation in expediting this resolution.

There is one item I wish to call to the attention of the Members, Mr. Speaker. That is a typographical error on page 2 of the committee report, in the fourth paragraph. I would like to read the paragraph in full to correct the typographical error and an omission. It reads as follows:

> In 1939, Nazi Germany and Soviet Russia diabolically conspired to deprive the three nations of their liberty. The Molotov-Ribbentrop Pact of August 23, 1939, with the protocol of September 23, 1939, provided that the Soviet Union take control over the hapless Balts while Nazi Germany shared in the spoils to the West. As a result, in 1940 the Soviets invaded and occupied Estonia, Latvia and Lithuania and these noble people lost their independence.

Mr. Speaker, this resolution reaffirms the policy of the United States in not recognizing in any way the annexation of the Baltic states. I believe it is a reaffirmation of the policy that was first adopted by President Franklin Roosevelt and carried on by the six succeeding Presidents. Its overwhelming support on the floor this afternoon indicates it does have the strong support of the American people.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of House Concurrent Resolution 864 which expresses the sense of the House that the Helsinki agreement has not altered the U.S. policy of nonrecognition of the illegal seizure and annexation of Lithuania, Latvia, and Estonia into the Soviet Union.

Down through the centuries, the Baltic Nations have struggled to maintain national independence. Their efforts for achieving freedom have been exhausting and as history shows, often not successful. Yet, these nations' desire for independence has remained constant, even though hopes of reaching that goal at times appears fruitless.

Since the Soviet Union forcibly incorporated the Baltic Nations into its domain 35 years ago, the United States has held firm to a policy of nonrecognition of this annexation. However, when the United States signed the resolution supporting the status quo of the present European boundaries at the July Conference of Security and Cooperation, interpretations were made that the U.S. policy toward the illegal occupation was weakening. Therefore, it is of the utmost importance that the House pass the pending resolution to confirm to all nations that the United States does not intend to waiver on its longstanding policy.

During the Bicentennial celebration each of us in this Chamber will be addressing our constituency extolling the principles of the democratic process. We will be repledging our commitment to uphold the basic freedoms of liberty for our country. However, if we are going to hold true to this commitment, we cannot turn our backs on other nations which are struggling for independence. That is what we will be doing if we do not adopt House Concurrent Resolution 864.

Mr. WINN. Mr. Speaker, I yield to the gentleman from Ohio (Mr. WHALEN) such time as he may consume.

Mr. WHALEN. Mr. Speaker, as one of the cosponsors of House Resolution 864, I rise in support of this resolution.

It is unfortunate that our Government failed to make it explicit at the time of the signing of the Final Act of the Conference on Security and Cooperation in Europe at Helsinki that this did not constitute a change in the longstanding policy of the United States with respect to the nonrecognition of the illegal seizure and annexation by the Soviet Union of the three Baltic nations of Estonia, Latvia, and Lithuania.

In the face of indications that the Soviet Union is attempting to use the Helsinki Agreement as international acceptance of its illegal occupation of the Baltic States, it is essential that we make it clear that our view of the status of the Baltic nations remains unaltered.

Notwithstanding the spirit of détente and our desire to reduce international tensions, this Nation cannot bear witness to any attempt to legitimize the illegal use of force by the Soviet Union to culturally assimilate and geographically incorporate the Baltic States. I, therefore, urge my colleagues to approve House Resolution 864 which makes this fact clear.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Speaker, I rise in support of the resolution.

As the Speaker and the Members know, every year in cooperation with the gentleman from Illinois we conduct here a program having to do with the captive nations. This resolution is consistent with that program we have conducted for many years, in which we maintain the independence of the captive nations as we set forth in these debates year after year.

So, Mr. Speaker, I support the resolution.

Mr. KOCH. Mr. Speaker, I rise in wholehearted support of House Resolution 864, which reaffirms the Congress support for the independence of Estonia, Latvia, and Lithuania. This Congress wants to make it clear to the administration and to the Soviet Union that self-determination is a principle that applies to all nations. New independent states emerge from under the yoke of colonialism in Asia and Africa, and the world cheers. Is there then any conceivable justification for our acceptance, tacit or otherwise, of the Soviet Union's subjugation of the Baltic States. Resounding adoption of this resolution will give the Soviets our answer: "No."

The Helsinki Conference and subsequent resolution should be construed by more as a recognition of the legitimacy of Soviet aggression. The incorporation of the Baltic States into the Soviet Union violated every precept of international law, and should be condemned at every opportunity. There is no reason to abandon the sound American policy so clearly enunciated by Adlai Stevenson at the United Nations on November 25, 1962:

> The Soviets took advantage of the turmoil of the Second World War to continue the process of colonial subjugation of its neighbors. The Soviet territorial aggrandizement included the independent states of Estonia, Latvia, and Lithuania. These are outright annexations of territories and whose people are as enamored of freedom and as fully entitled to their rights as are the peoples of Africa, Asia, and the Americas.

Détente is an admirable goal, but we need not—and should not—forsake the truth or acquiesce in oppression in our quest for better relations with the Soviet Union. If we acquiesce in the illegal incorporation of the Baltic States, are we not as guilty of cynical expediency as Russia and Germany were when they originally divided up this area of Eastern Europe in their pact of 1939? It can do us only harm to accept and legitimize brutal aggression by the Soviet Union. What is the purpose of our foreign policy if it is not to encourage self-determination and democracy around the world?

Some would say that sufficient time has passed that we should put these instances of aggression behind us in our quest for détente. But I must ask: is there any statute of limitations on cases of international lawlessness, in particular, the subjugation of the Baltic States? The Members of this House will answer this question by their vote on this resolution.

Finally, Mr. Speaker, I want to say that I was delighted to be attacked by the Daily World, successor to the Daily Worker, for having been one of those to lead the Ukrainian Day parade in New York City and for saying to those assembled on that occasion, "I will march with you until all of us are free." Should the Daily World stop attacking me, I will begin worrying about my position on freedom and self-determination. After all, the most oppressive country, having killed more of its own citizens than any other country since that of Hitler's Nazi Germany, is the Soviet Union.

Mr. BOLAND. Mr. Speaker, I rise in

support of this resolution. I really do not think there is anyone in this Chamber who disagrees with this resolution. In it, the House of Representatives reaffirms its long-held position that the Baltic States of Latvia, Lithuania, and Estonia should be free nations. These states are not now free. What we are saying here today is that treaties, accords, documents do not change our feelings about freedom for all peoples.

I do not have to remind my fellow Members of the many, many contributions that citizens of these states have made to the United States. But we do not consider this resolution merely for those citizens of Latvian, Lithuanian, and Estonian descent. We mean by this resolution to express to the world that this body does not waiver in its commitment to freedom throughout the world. We can do no less for liberty.

Mr. GILMAN. Mr. Speaker, I rise in support of this measure, House Resolution 864, which I was pleased to have cosponsored, expressing the sense of the House that the signing of the Final Act of the Conference on Security and Cooperation at Helsinki did not change in any way the longstanding policy of the United States of nonrecognition of the Soviet Union's illegal seizure and annexation of the Baltic Nations of Estonia, Latvia, and Lithuania.

The peoples of Estonia, Latvia, and Lithuania are well known for having separate, distinct nationalities and a strong, enduring nationalistic spirit. Even though they were subjugated by more powerful neighboring states for hundreds of years, these Baltic States were able to emerge as independent states after the empire of the Russian Czar's collapsed in 1917. In the brief period between 1918 and 1940 these Baltic people enjoyed self-government. After successfully defending themselves against the Red armies, these three Baltic States were active participants in the League of Nations. They formed educational systems and initiated republican forms of government, all in a short period of only 20 years.

In 1939, in signing the Molotov-Ribbentrop Pact, Nazi Germany and Soviet Russia conspired to deprive these Baltic States of their precious liberties. The Soviet Union soon completely and fully took over these states.

After the 1944 takeover, hundreds of thousands of Estonians, Lithuanians, and Latvians were deported to the U.S.S.R. The remaining citizens were subjected to the Soviet's occupation of their soil and countless acts of aggression.

The United States has never granted any recognition to the forceable incorporation of the these three Baltic States. Our Presidents, from the time of President Franklin Roosevelt, have consistently reaffirmed America's recognition of the right of Estonia, Lithuania, and Latvia to a separate and free national existence.

The United States has actively supported programs of cultural importance to these countries and only recently appropriated funds for Radio Liberty to continue their broadcasts in the native languages of these countries.

By adopting this resolution, we will be demonstrating our support for the freedom-loving citizens of the Baltic States who are still living under Soviet domination and we will be showing the world that our Nation has a high regard for self-determination and liberty for all oppressed peoples.

Mr. BROOMFIELD. Mr. Speaker, I rise in support of this resolution concerning the Baltic peoples which has the support of many distinguished Members on both sides of the aisle. I am glad to see this timely matter brought to the floor of the House.

Mr. Speaker, I am proud to be a cosponsor of House Resolution 864, which reaffirms the sense of the House that the United States has not changed its longstanding policy on nonrecognition of the Soviet Union's illegal seizure and annexation of the three Baltic nations—Estonia, Latvia, and Lithuania. Also, I applaud my colleague from Illinois (Mr. DERWINSKI) for his leadership in bringing this resolution to the floor. We share a deep concern for those peoples of the world in whose hearts still burn the fire of national pride, despite denial of self-government and religious freedom. We must not, indeed we cannot, forget the Baltic peoples.

House Resolution 864 is a reminder that we must not seek accommodation at the price of principle. I would not deny, and in fact I believe, that we should explore ways in which we can achieve a reduction in tensions between the United States and the Soviet Union, provided that it is done on the basis of mutual respect and does not reflect adversely upon our national integrity. But we must never forget the rights of those people in smaller nations who live in the shadow of our decision.

While the Soviet Union claims to be a champion of national identity for those nationalities that are subject to its decrees, its record would prove otherwise. Vigorous efforts at Russification have been made in the Baltic nations, with large numbers of Balts moved to Siberia and replaced by Asiatic Russians. It is a tribute to the tenacity of the Baltic peoples that they have retained their cultural identification, their own languages, and their religious faith.

In recognition of the importance of retaining the separate national languages of the Baltic nations, the Congress has provided funds by which Radio Liberty can broadcast several hours daily in Estonian, Latvian, and Lithuanian. These broadcasts demonstrate our continued interest in the cultural survival of each of the three nations.

President Roosevelt was the first of seven consecutive Presidents who have insisted upon the right of the Baltic States to self-determination. Our former colleague, President Ford, continued this policy on July 25 of this year, when he assured a group of ethnic leaders that—

> The United States never recognized the Soviet incorporation of Lithuanian, Latvia, and Estonia and is not doing so now. Our official policy of non-recognition is not affected by the results of the European Security Conference.

Mr. Speaker, our natural sympathy for the plight of the Baltic peoples together with our inherent need to deal firmly with the Soviet Union, requires this body to stand firm on the issue set forth by this resolution. It is the least we can do for the Baltic nations and for ourselves.

Mr. WOLFF. Mr. Speaker, I rise in strong support of House Resolution 864, a measure which I am proud to have cosponsored.

I feel that it is most important for our Nation to continue to adhere to the principle of nonrecognition of the forcible Soviet annexation of Estonia, Latvia, and Lithuania. The Soviet Union is apparently attempting to interpret the final Act of the Helsinki declaration as granting permanent status to this annexation. We must take this opportunity to express our strong belief that this is not the proper interpretation of the agreement and that the U.S. will continue to consider these states to be illegally occupied.

Many of the people in these states continue to strive for a return of the freedom that was so brutally taken from them during World War II. Our Nation has an obligation to continue to provide these people with the moral encouragement they richly deserve. Approval of this resolution would be a clear sign to these people that the United States continues to support their desire for freedom.

I urge my colleagues to give this resolution the overwhelming support it deserves.

Mr. LONG of Maryland. Mr. Speaker, the consideration of the Baltic resolution, House Resolution 864, offers an opportunity to express our admiration for the brave peoples of the three small, occupied Baltic nations. The long period in which these peoples have been denied their basic freedoms should not be accepted in resignation; we must continue to convey to them our every encouragement, spiritual and tangible, for the restoration of their liberties. Indeed, America's Bicentennial year is an especially apt time to reaffirm our support of the same fundamental rights of national self-determination that we declared for the American people 200 years ago. The invaluable contributions made to our own Nation and to mankind by leading Americans of Baltic origin—such as Latvian-born Composer Alfred Kalnins, Lithuanian-born Philanthropist Bernard Horwich, and Estonian Count Herrmann Keyserling, the prominent lecturer and scientist—serve as inspiring reminders of the drive and spirit of those distinguished Baltic States, so long held in captivity.

Mr. FRENZEL. Mr. Speaker, House Resolution 864, reaffirming U.S. nonrecognition of the forcible incorporation of the Baltic Republics—Estonia, Latvia, and Lithuania, is a worthwhile measure. As a cosponsor, I believe that we are making this statement in support of self-determination and political freedom at a time when it is most needed. We are simply reaffirming, in the light of the Helsinki Conference, our faith in the Baltic peoples and their desires for political freedom.

Since 1917, when all three of these states became free and independent nations, we have supported their goals and aided their efforts. From the Wilson administration's 14 points through to the present administration our position as a nation has been clear. I simply urge the Members of this House to reaffirm this principle, and to join Representative DERWINSKI'S fine efforts and pass House Resolution 864.

Mr. MADDEN. Mr. Speaker, House Resolution 864 sets out that the U.S. Government still maintains its longstanding policy of recognizing the nations of Estonia, Latvia, and Lithuania as independent freedom-loving nations. It also sets out that the United States has not changed its long-standing policy of nonrecognition of the illegal seizure and annexation by Russia of these three Baltic nations.

Estonia, Latvia, and Lithuania have been the victims over the centuries of aggression from time to time by more powerful neighboring nations in Europe.

The vast majority of the people residing in these countries are descendants of many generations of freedom loving, independent, law abiding, and religious people who are peaceable and enjoy the friendly contacts of our nations and have been unfortunate victims of aggression.

These three captive nations have always demonstrated their capacity and ability for self-government during their hours of independence.

In 1953, during the 83d Congress, I was elected by the Speaker of the House as a member of the special congressional committee to investigate Communist aggression in Lithuania and the other Baltic States. Our committee held hearings in Washington, New York, Chicago, and also in Europe. The committee took the testimony of over 300 witnesses and recorded several hundred exhibits at these hearings. We did a major service in aiding captive nations by exposing to the world the unlawful methods used by Stalin and Khrushchev and other Soviet leaders in enslaving Lithuania, and Latvia.

The Soviet Pravda and its satellite newspapers, radio, and television denounced our committee many times during our hearings in Europe. It was the first time the Communist propaganda machine was placed on the defensive. They were without an answer to the explosion of the malicious criminal methods they used to enslave free people. Our Nation, as the leader of the free world, has made great contributions through financial sacrifice and also on the battlefield to stop the aggressive march of the Communist tyrants in their conspiracy to enslave other free nations throughout the world.

I do hope that this resolution will pass the House as an expression of our great free Nation toward Estonia, Latvia, and Lithuania one day having their independence and freedom restored.

Mr. KETCHUM. Mr. Speaker, June 15, 1940, marks the date that Lithuania was forcibly annexed as one of the republics of the Soviet Union. Since that time the Lithuanian people have continuously struggled to reject the oppressive Communist system from Lithuanian soil.

In 1967, Secretary of State Dean Rusk reaffirmed the U.S. policy toward the Baltic peoples for self-determination and national independence. I believe these same remarks bear repeating as they reflect my sentiments exactly. His words follow:

> United States support of the Lithuanian people's just aspirations for freedom and independence is reflected clearly in our refusal to recognize the forcible incorporation of your country into the Soviet Union and in the warm sympathy manifested by the American people in the Lithuanian cause.
>
> In continuing to look resolutely toward a free and independent existence, the Lithuanian people both here and abroad have established a firm foundation for the hope of free men everywhere that the goal of Lithuanian national self-determination will ultimately be realized.

Sometimes, we as Americans tend to forget the hardships and the day-to-day fears that face those freedom-seeking people of the world who are subject to Communist rule. However, the brave people of Lithuania and those natives of the other Baltic States have never lost their determination to fight for this freedom. Over 30,000 people have lost their lives between 1940 and 1952 alone. These peoples are a strong and convicted people, determined to fight for the freedoms denied them: religion, political belief, and human rights. They continue to risk and sacrifice their lives in order to attain that which is inalienable to all men.

We, as Americans, must never lose sight of our continued commitment for freedom, and we must never turn our backs on the freedom-loving people of the world who have the fortitude to continue their struggle against oppression. For these reasons I maintain my firm conviction to view the Soviet annexation of the Baltic States to the U.S.S.R. as illegal, regardless of any interpretation which might be tacked on the final act of the European Security Conference of 1975. House Resolution 864 has my full pledged support.

Mr. LAGOMARSINO. Mr. Speaker, as a cosponsor of House Resolution 864, I would like to reiterate what several of my colleagues have already said about the Baltic States. There has been a lot of talk about détente and what it means. Helsinki signified, it is said, the spirit of peaceful coexistence.

But for the people of Latvia, Lithuania, and Estonia, coexistence has a different meaning. Since World War II, their countries have ceased to have independent existence. They were forcibly annexed to the Soviet Union.

It is easy to forget the plight of small nations when you speak of global powers. But 6 million people is not a small number. For the people of the Baltic States, Helsinki must not be allowed to stand as the sole signpost of U.S. intentions. This resolution is needed to put on record the fact that we do not assent to such aggression. The plight of these nations is a constant reminder of the need to temper peace with strength, and strength with wisdom. It would be a tragedy if we failed to learn this lesson.

Mr. ASHBROOK. Mr. Speaker, one is hard pressed to deny that one of the attributes of the policy of détente is that the free world is on the defensive. The tragedy of the nations of Southeast Asia is but the latest example. It is not surprising, then, that we are discussing here today a resolution which affirms this Nation's position on the nonrecognition of the Soviet Union's incorporation of the Baltic States. It is also a sign of the times that we have to tell the White House and the State Department that at least here in the House we will tolerate no longer the further sacrificing of freedom-supporting policies.

Many of our young people today do not appreciate the extent to which the Soviets brutalized innocent people in Estonia, Latvia, and Lithuania before the outset of World War II. A House committee set up in 1954 to investigate Communist aggression heard over 200 witnesses and some actual victims of Communist inhumanity in the various countries of Eastern Europe. Anyone who wants to learn more about the treatment of peoples from the Baltic States should consult these extensive hearings.

As I have indicated, the forces of freedom are in retreat. To take the initiative in a modest way, I am intoducing a proposal to request the President to take steps through our Ambassador to the U.N. to have "placed on the agenda of the General Assembly at the next regular session any measure or measures which would guarantee internationally supervised free elections by secret ballot in the Baltic States, and to press for early approval of such measures."

The text of the proposal follows:

CONCURRENT RESOLUTION

Whereas the subjection of peoples to alien subjugation, domination, and exploitation constitutes a denial of fundamental human rights, is contrary to the Charter of the United Nations, and is an impediment to the promotion of world peace and cooperation; and

Whereas all peoples have the right to self-determination; by virtue of that right they freely determine their political status and freely pursue their economic, social, cultural, and religious development; and

Whereas the Baltic peoples of Estonia, Latvia, and Lithuania have been forcibly deprived of these rights by the Government of the Soviet Union; and

Whereas the Government of the Soviet Union, through a program of deportations and resettlement of peoples, continues in its effort to change the ethnic character of the populations of the Baltic States; and

Whereas it has been the firm and consistent policy of the Government of the United States to support the aspirations of Baltic peoples for self-determination and national independence; and

Whereas there exist many historical, cultural, and family ties between the peoples of the Baltic States and the American people: Be it

Resolved by the House of Representatives (the Senate concurring), That the President of the United States is hereby authorized and requested to instruct the United States Ambassador to the United Nations to demand, at the earliest possible date, that (1) the United Nations enforce its charter provisions which guarantee self-determination to all peoples; and (2) the Soviet Union be made to abide by its United Nations membership obligations concerning aggression and colonialism by ordering the withdrawal of all Soviet troops, agent, colonialists, and controls from the Baltic States and returning to their respective homelands all political prisoners and exiles now in slave labor and prison camps.

SEC. 2. The President of the United States is further authorized and requested to instruct the United States Ambassador to the United Nations to take steps to have placed on the agenda of the General Assembly at the next regular session any measure or measures which would guarantee internationally supervised free elections by secret ballot in the Baltic States, and to press for early approval of such measures.

SEC. 3. The President of the United States is further authorized and requested to use all the diplomatic, treaty-making, and appointive powers vested in him by the Constitution to augment and support actions taken by the United States Ambassador to the United Nations in the interest of self-determination for the Baltic States.

Mr. BIAGGI. Mr. Speaker, I rise in full support of House Resolution 864 legislation which expresses the sense of the Congress in opposition to the Soviet Union's 34-year illegal annexation of the Baltic States of Estonia, Latvia, and Lithuania. As a cosponsor of the earlier Baltic States resolution I feel its passage is imperative if we are to demonstrate our solidarity with the captive peoples of the Baltic States in their quest to achieve self-determination.

This legislation in many ways has been prompted by the unfortunate actions of this administration this past summer when they signed the so-called Helsinki agreement, which put the United States on record of accepting Soviet hegemony over Eastern Europe and the Baltic States. I was highly critical of the administration actions and felt it was a betrayal of the people of Eastern Europe who had come to rely on our leadership and guidance in their struggles to free themselves from the oppressive yoke of the Soviet Union.

Since the initialing of the Helsinki pact, there has been an increasing call for a reevaluation of our détente policy with the Soviet Union. It has been alleged with some justification that détente was becoming a concessionary policy from the United States viewpoint from an economic, military and political standpoint. The latter was proven with the signing of the Helsinki pact, this legislation today seeks to reverse this trend and provide new hopes for equality in détente as well as new hopes for the people of the Baltic States.

Mr. Speaker, I consider this resolution to be a very important statement of policy by this Congress. Since 1941 the peoples of Latvia, Lithuania, and Estonia have lived a life of persecution and oppression. Yet throughout, the fires of freedom have burned in their hearts. Passage of this legislation today would have great symbolic effects on these peoples and all of Eastern Europe. It is appropriate as we enter our own Bicentennial celebration, we should pass this legislation which so affirmatively expresses our belief in the rights of all men to be free.

Mr. ANNUNZIO. Mr. Speaker, as one of the cosponsors of House Resolution 864, I rise in strong support and urge the support of my colleagues in the Congress for this resolution to put the House of Representatives on record that there has been no change in the long-standing policy of the United States on nonrecognition of the illegal seizure and annexation by the Soviet Union of the three Baltic nations of Estonia, Latvia, and Lithuania, and that it will continue to be the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union.

The Baltic States received their independence at the end of World War I, and for the next generation, the resourceful and creative peoples of these three small nations proceeded to order their own national and cultural destinies without outside interference for the first time in centuries. Each of these countries immediately took steps to insure to their people all the rights and liberties found in democratic countries.

Subsequently, however, the Stalin regime, on June 15, 1940, took over these republics by force, despite several nonaggression pacts in 1919 and 1920 agreeing to respect the sovereignty of the Baltic peoples. Since that time, thousands of people from those countries have been forcibly deported to Siberia and other parts of the Soviet Union, and in addition to many, many outright murders and massacres, tens of thousands have died as a result of these brutal actions by the Kremlin tyrants.

To its credit, the U.S. Government has steadfastly refused to acknowledge the Soviet occupation of the Baltic States. But beyond this, the United States must continue to call attention to the issue of Baltic independence in every available forum, and we must strive to influence other democratic nations to exert pressure on the Soviet Union to give the Lithuanians, Latvians, and Estonians the fundamental rights for which they continue to struggle and which they deserve.

On August 1, 1975, President Ford signed the Final Act of the Conference on Security and Cooperation in Europe on behalf of the United States. The signing of the Helsinki agreement has been interpreted as giving permanent status to the illegal annexation of the Baltic States. Alexandr Solzhenitsyn, the Nobel Prize-winning Soviet writer, regards the document as a betrayal of Eastern Europe. Certainly, from the Russian point of view, "inviolability of frontiers" is the key phrase, because it indicates official endorsement of the absorption of the three Baltic States. The formal recognition of these militarily imposed boundaries has been a constant aim of Russian diplomacy since the end of World War II, and with the signing of the Final Act of the Conference on Security and Cooperation in Europe, the Soviets have achieved at least a symbolic ratification of those conquests and additions to the Communist empire, even though all parties agreed that the Helsinki accord is not a treaty, and is not enforceable as such.

Mr. Speaker, the courageous Baltic peoples have demonstrated time and time again, at great risk to their individual safety and their family security, that they steadfastly refuse to recognize themselves as Soviet citizens, or their nations as Soviet socialist republics. Thousands of staunch Baltic patriots have made public their resistance to Communist attempts to restrict the exercise of their religion and the pursuit of their cultural heritage. Through a policy of deportation and "Russification" the Soviets have attempted to brutally snuff out all nationalistic and resistance movements within the Baltic States. During the last 35 years of occupation, the Soviets have deported millions of Estonians, Latvians, and Lithuanians from their native lands to remote parts of their empire, and at the same time, have introduced large numbers of Russians into the Baltic States "to Russify" them further. The Baltics must even resist attempts to discourage the use of their native languages.

Mr. Speaker, the United States of America, with its great heritage of liberty and freedom of conscience, cannot lend its prestige to any document or any action which will dampen the hopes of the captive peoples for eventual liberation from tyranny. The long-suffering citizens of these captive nations have always turned to this country for inspiration, and all freedom-loving people hope that they will eventually be able to throw off the Russian yoke and take their rightful place among the independent nations of the world. The U.S. Congress, as the voice of the American people, must go on record today with the passage of House Resolution 864 to dispel any doubts, by either friend or foe, that this country still stands firm in its commitment to the aspirations of the captive people in the Baltic States for freedom and self-determination.

I fear that the current détente policies are weakening the determination on the part of the United States and its allies in the spiritual struggle with Communist totalitarianism and the Congress must make its will known now that this Nation shall not undermine the precious spiritual values of democracy and free-will and shall continue to strengthen the morale of the heroic Baltic peoples as they persist in their struggle to regain their national sovereignty and their rights to religious, cultural, and personal self-determination.

Mr. MINISH. Mr. Speaker, I rise in support of House Resolution 864, a resolution reaffirming U.S. policy with regard to Estonia, Latvia, and Lithuania.

As one who sponsored a similar resolution prior to this summer's European Security Conference, I want to commend the International Relations Committee for bringing this measure to the House floor in the wake of that conference.

The three Baltic nations of Estonia, Latvia, and Lithuania have been illegally occupied by the Soviet Union since World War II. The United States has not and must never acquiesce in this blatant violation of human rights and national self-determination.

Through the passage of House Resolution 864 in the House today, we will effectively refute any Soviet interpretation that the Helsinki Conference last July gave legitimacy to the Baltic annexation.

The resolution clearly states that—

> There has been no change in the long-standing policy of the United States on nonrecognition of the seizure and annexation by the Soviet Union of the three Baltic States of Estonia, Latvia, and Lithuania.

Mr. BELL. Mr. Speaker, as a cosponsor of this resolution and as the author of a similar, related resolution, I rise in strong support of House Resolution 864, and to commend my friend, Mr. DERWINSKI, for his efforts in bringing this important measure to the floor.

The United States cannot allow the 6 million people of Lithuania, Latvia, and Estonia to be swallowed up by the Soviet system.

Some might oppose such an effort by saying that the United States has no right to interfere in the "internal affairs" of another nation. But when we speak of the relationship of the Baltic States to the Soviet Union, we are speaking of international affairs, not the internal affairs of Russia.

As do most European nations, the Baltic States have histories dating back many hundreds of years. Estonia and Latvia were independent nations until the 13th century when a militant Germanic order conquered the two countries. Later, in the 18th century, as a result of a war between Sweden and Russia, czarist Russia absorbed Estonia and much of Latvia. Eventually, all of Latvia came under Russian rule.

Lithuania remained independent throughout the 13th century. Through confrontations with the Mongol-Tartars from the east, and wars with the Germans from the west, Lithuania grew into a vast empire which reached from the Baltic Sea to the Black Sea. In 1386 it united with Poland to become the Polish-Lithuanian Commonwealth which lasted until 1795 when it was absorbed by Russia during the third partition of Poland-Lithuania. Throughout the subsequent 125 years of Russian occupation, the Lithuanians rebelled many times, although never successfully.

Taking advantage of the unstable situation existing in Europe in 1918, all of the Baltic States regained national independence and became autonomous republics. In 1922, having been convinced of the stability of the new governments and of their popular support by their people, the United States recognized the three republics. This policy continues today. The three republics also entered the League of Nations, thereby gaining official international recognition as autonomous republics .

During the many years of Russian occupation, the czars tried unsuccessfully to Russify the Baltic States. Their stern measures included the deportation of thousands of Balts, the elimination of books and of the publishing of books written in the native languages, and the attempted conversion of the Catholic Lithuanians and the Protestant Latvians and Estonians to the Russian Orthodox faith.

Unfortunately, the Republics of Lithuania, Latvia, and Estonia were situated between the Soviet Union and Nazi Germany, a highly unenviable position in 1940. Having signed the Molotov-Ribbentrop Pact of 1939, Joseph Stalin and Adolf Hitler neatly divided eastern Europe between themselves; consequently, since 1940, the Baltic Republics have been occupied by the Soviet Union.

In July of 1940, the Soviet Union organized elections in the Baltic States, claiming that the people overwhelmingly voted to join the Union of Soviet Socialist Republics. TASS reported this news, which was published in the London Times one day before the elections were over.

For the past 35 years, the Russian-dominated government in Moscow has attempted to snuff out all nationalistic and resistance movements within the Baltic States. One such method has been the mass deportation of the Baltic people to Siberia. According to the third interim report of the Select Committee on Communist Aggression, in the House of Representatives, 83d Congress, 2d session:

> It has been calculated that altogether 124,467 persons had been either executed, deported or forced to leave for Russia from the Baltic countries during one year of Soviet occupation in 1940–41. Of these losses, 59,732 fell on Estonia, 34,200 on Latvia and 30,485 on Lithuania.

The cumulative effect of these deportations on the Baltic States has been devastating.

Mr. Speaker, those who would oppose such a measure as House Resolution 864 might contend that since the Soviets have occupied the Baltic republics for more than 30 years we should forget them. But I do not believe, and most Americans do not believe, that there should be any statute of limitation on the freedom of peoples to self-determination.

I urge my colleagues to give this resolution the strong support of the House of Representatives to demonstrate that fact to the world.

Mr. MORGAN. Mr. Speaker, I wish to express strong support in behalf of the resolution before us today, House Resolution 864, which will reaffirm to the world our policy of nonrecognition of the illegal Soviet seizure of Estonia, Latvia, and Lithuania.

The invasion and forcible occupation of these brave Baltic nations has been a dark chapter in the history of mankind. I commend the steadfastness of America's policy over the years in refusing to countenance this repressive act. House Resolution 864 will again underline the firmness of our resolve.

The desirability of an overwhelming vote for passage of House Resolution 864 at this time derives from misinterpretations which some have sought to place on the outcome of the recent conference on security and cooperation in Europe. This measure makes clear beyond question that we do not accept any claim that the final act of that conference gives permanent status to the unlawful annexation of the Baltic nations.

I wish to affirm, further, my continuing admiration for the distinctive cultures and the love of liberty shown by the peoples of Estonia, Latvia, and Lithuania. These are manifestations which no suppression can snuff out.

We on the International Relations Committee unanimously approved the resolution before the House today. We acted in sympathy with our Baltic friends who have been dispossessed, and because we have always valued the principle of self-determination and liberty. I urge the entire House to join in passing this measure.

Mr. AMBRO. Mr. Speaker, I rise in support of House Resolution 864, a piece of legislation of which I am proud to be a cosponsor. This resolution reaffirms the traditional U.S. policy of nonrecognition of the illegal seizure and annexation by the Soviet Union of the three Baltic nations of Estonia, Latvia, and Lithuania. The freedom of these three small countries was brutally violated in 1940, after Soviet dictator Josef Stalin thought that he had insulated his Nation against the war that was raging in Europe by signing a nonaggression pact with Nazi Germany. Although Germany occupied the Baltic States, when it violated its areement in 1941, the Soviet Union resumed domination at the end of World War II. In the 35 years that have passed since Russian seizure of the Baltic States, the United States has wisely refused to recognize the forced incorporation of these three independent nations into the so-called Union of Soviet Socialist Republics.

Unfortunately, this firm stand for freedom and against aggression and enslavement appears to be eroding because of actions taken by the Ford administration. I am specifically referring to the declaration adopted by the European Conference of Security and Cooperation held in Geneva this past July which recognized all of the present boundaries of the participating countries. Thus, after 30 years of the Soviet Union's insistence, recognition has been accorded to the status quo of the present boundaries of Europe meaning that the United States and 43 other states have apparently legitimized the illegal incorporation of the Baltic States of Estonia, Latvia, and Lithuania into the Soviet Union.

Although our State Department has issued a series of ambiguous and contradictory statements regarding the question of our recognition of Soviet rule in the Baltic States, it seems to me—and I suspect to the Russians themselves—that the "frontier inviolability" agreement means the acceptance of Soviet territorial conquests before and after World War II. This is an insult and a shocking disappointment to the brave, freedom-loving people of the Baltic States and to those of Latvian, Lithuanian, and Estonian background presently living in the United States.

And so, Mr. Speaker, today we are debating House Resolution 864 which declares loudly and clearly—for all the world to hear—that it is the sense of the U.S. House of Representatives that "there has been no change in the longstanding policy of the United States on nonrecognition of the illegal seizure and annexation by the Soviet Union of the three Baltic nations of Estonia, Latvia, and Lithuania." I am proud to be a cosponsor of this resolution and I hope that my colleagues will join me in voting for its approval.

Mr. RUSSO. Mr. Speaker, I rise in support of House Resolution 864. As a cosponsor of this legislation, I believe we would be doing a disservice to the brave people of Lithuania, Latvia, and Estonia and to our fellow Americans of Baltic origin if we were to remain silent as long as the slightest doubt remained concerning the full implications of the Helsinki Accords.

This House cannot allow the Soviet aggressor of these 35 years to point to the August agreement as indication that the United States has recognized the legitimacy of its domination of the Baltic States.

During the Second World War the Nazis hordes of Hitler and the Red Army of Stalin crossed and recrossed the northeastern corner of Europe in bloody contravention of the rights, history and culture of the Baltic nationalities. The final sweep of the Russians occurred in 1944 and these three small but heroic states have since been subject to Soviet occupation and aggression.

The United States has never recognized the forceable incorporation of the three Baltic nations into the Soviet imperial sphere, and seven Presidents, from Franklin D. Roosevelt to Gerald R. Ford, Democrat and Republican alike, have consistently affirmed America's recognition of the right of Lithuania, Latvia, and Estonia, to seperate and free national existence, apart from the Soviet Union. Within a few days of the first Soviet occupation of the countries in 1940, Acting Secretary of State Sumner Welles deplored the "devious pressures" by which the "political independence and territorial integrity of the three Baltic Republics" were "deliberately annihilated," noting that the United States had supported the Balts' "admirable progress in self-government" from the first day of independence. As World War II began its grim course, President Roosevelt reaffirmed in the Atlantic Charter the American commitment to the "right of all peoples to choose the form of government under which they will live;" and called for the restoration of "sovereign rights and self-government to those who had been forcibly deprived of them."

President Ford echoed F.D.R.'s policy when he told a group of concerned ethnic leaders in Washington on July 25 of this year:

> I can assure you that the United States never recognized the incorporation of Lithuania, Latvia, and Estonia and is not doing so now. Our official policy of nonrecognition is not affected by the results of the European Security Conference.
>
> Each of these nations has a long and distinct history and a culture unique unto itself. The Balts are religious people—their faith in the face of tragic adversity has been a living tribute to the spirit of man and to the presence of God in the affairs of nations.
>
> But if anything—above all else—sets these nations apart, it is their burning desire to be free.

Thus, in the final analysis it is because of this and because the American people have always valued the principles of self-determination and national liberty and have honored those who have struggled to achieve and maintain these great ideals, that I call upon my colleagues of the U.S. House of Representatives to resoundingly approve House Resolution 864 and thereby reaffirm the American commitment to the Baltic people.

Mr. WINN. Mr. Speaker, I have no further request for time.

Mr. FASCELL. Mr. Speaker, I have no further request for time.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. FASCELL) that the House suspend the rules and agree to the resolution, House Resolution 864.

The question was taken.

Mr. O'BRIEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 407, nays 0, not voting 27, as follows:

[Roll No. 726]

YEAS—407

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C,
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—27

Annunzio
Bolling
Diggs
Downing, Va.
Duncan, Oreg.
Esch
Fraser
Gaydos
Guyer
Hagedorn
Hansen
Hébert
Hightower
Hinshaw
Hungate
Johnson, Colo.
Moorhead, Calif.
Nichols
Patman, Tex.
Pepper
Randall
Rostenkowski
Sarbanes
Stokes
Teague
Udall
Wilson, C. H.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Diggs.

Mr. Hébert with Mr. Esch.

Mr. Gaydos with Mr. Guyer.

Mr. Teague with Mr. Downing of Virginia.

Mr. Udall with Mr. Hinshaw.

Mr. Stokes with Mr. Fraser.

Mr. Sarbanes with Mr. Duncan of Oregon.

Mr. Patman with Mr. Hagedorn.

Mr. Pepper with Mr. Hightower.

Mr. Nichols with Mr. Moorhead of California.

Mr. Rostenkowski with Mr. Hungate.

Mr. Charles H. Wilson of California with Mr. Hansen.

Mr. Randall with Mr. Johnson of Colorado.

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PARLIAMENTARY INQUIRIES

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, clause 1, rule VIII, of the Rules of the House of Representatives reads:

> Every Member shall be present within the Hall of the House during its sittings, unless excused or necessarily prevented; and shall vote on each question put, unless he has a direct personal or precautionary interest in the event of such question.

It is my understanding that no Member of the House, under this rule, is to cast a vote if he or she personally benefits from the legislation on which the vote is cast.

My purpose at this point is to inquire of the Chair if, under this rule, it would be proper for any Member of the House who, either personally or whose spouse, owns bonds or other securities by the city of New York or who is indebted to any bank which holds bonds of the city of New York or who is personally receiving a pension or other payments from the city of New York, to cast a vote on H.R. 10481, the pending legislation, or any amendments or procedural questions relating to this bill, in view of the fact that if the passage of this bill occurs, that Member's own personal financial interest would be advanced?

Would a vote, Mr. Speaker, on this legislation constitute a conflict within the rule relating to conflicts of interest?

The SPEAKER. The gentleman from Maryland (Mr. BAUMAN) has addressed an inquiry to the Chair on the application to pending legislation of rule VIII, clause 1, providing that each Member shall vote on each question unless he has a direct personal or pecuniary interest therein. Specifically, the gentleman inquires whether under rule VIII Members holding obligations of the State or city of New York and agencies thereof, or having other financial interests dependent upon the fiscal affairs of New York, are required to refrain from voting on H.R. 10481, authorizing emergency guarantees of obligations of States and political subdivisions thereof, and for other purposes.

The Chair has researched the application of rule VIII, clause 1, in anticipation that the inquiry would be made, and desires to address two fundamental issues. The first is the nature of a disqualifying interest under the rule, and the second is the responsibility to enforce its provisions.

The Chair would first note that H.R. 10481, as reported to the House, is general legislation affecting all States and their political subdivisions. While it may be urged that the passage of the bill into law in its present form would have an immediate effect on only one State, the reported bill comprehends all States and territories. The Chair recognizes, however, the possibility that the bill may be narrowed by amendments to affect a more limited class of private and governmental institutions.

The general principle which the Chair would like to bring to the attention of Members is cited at volume 8, Cannon's Precedents, section 3072, as follows:

> Where the subject matter before the House affects a class rather than an individual, the personal interest of Members who belong to the class is not such as to disqualify them from voting.

Speaker Longworth held on that occasion that Members holding stock in nationwide corporations possibly affected by the pending bill belonged to a large class of persons holding such stock, and could not, therefore, be disqualified from voting on the bill. The Speaker cited with approval a similar decision by Speaker Clark, noted at 8 Cannon's Precedents, section 3071. The legislation in issue in both rulings affected not one corporation or institution but many spread across the country, as does the pending bill in its reported form.

The Chair cannot anticipate what amendments may be offered to the pending bill, but would suggest that Members seeking further guidance as to the nature of a disqualifying interest consult the detailed decisions of Speaker Blaine, carried at volume 5, Hinds' Precedents, sections 5952 and 5955. The question as to the enforcement of the disqualification clause has been squarely addressed in the precedents heretofore cited.

Speaker Clark held that the question whether a Member's interest was such as to disqualify him from voting was an issue for the Member himself to decide and that the Speaker did not have the prerogative to rule against the constitutional right of a Member representing his constituency. Speaker Blaine stated that the power of the House to deprive one of its Members of the right to vote on any question was doubtful.

The Chair has been able to discover only two recorded instances in the history of the House of Representatives where the Speaker has declared Members disqualified from voting, and the last such decision occurred more than 100 years ago.

Because the Chair severely doubts his authority to deprive the constitutional right of a Member to vote, and because he has attempted, in response to this inquiry, to afford information for the guidance of Members, the Chair finds that each Member should make his own determination whether or not his personal interest in the pending bill, or in any amendment thereto, should cause him to withhold his vote.

The Chair accordingly answers the parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, I have a further parliamentary inquiry.

Based on the Chair's ruling, would it then be the case that if an amendment of substance is offered narrowing down this bill so as to make it apply only to New York City and New York State bonds, obligations, and loans, a question may then arise regarding a conflict of interest of an individual Member who has such an interest and attempts to vote?

The SPEAKER. Under the ruling the Chair has made, that is a determination for the individual Member. All the precedents the Chair has been able to find for more than the 100 years last past follow that line.

Mr. BAUMAN. A further inquiry, Mr. Speaker: Then I assume that a point of order made by any individual Member against another Member who may have such interest and attempts to vote would not lie?

The SPEAKER. The Chair would not sustain the point of order if he were in the Chair, but the Chair is not going to pass on what might happen in hypothetical situations during the 5-minute rule.

Mr. BAUMAN. I thank the Chair for his indulgence.

PROVIDING FOR CONSIDERATION OF H.R. 10481, INTERGOVERNMENTAL EMERGENCY ASSISTANCE ACT

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 865 and ask for its immediate consideration.

The Clerk read the resolution as follows:

> H. RES. 865
>
> *Resolved*, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(6), rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10481) to authorize emergency guarantees of obligations of States and political subdivisions thereof; to amend the Internal Revenue Code of 1954 to provide that income from certain obligations guaranteed by the United States shall be subject to taxation; to amend the Bankruptcy Act; and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, two hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Currency and Housing, and one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. No amendment to title II of said bill shall be in order except amendments recommended by the Committee on Ways and Means, and said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from New York (Mr. DELANEY) is recognized for 1 hour.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, this resolution makes in order consideration of H.R. 10481, the Intergovernmental Emergency Assistance Act of 1975. It provides for 3 hours of general debate.

> . . . Give me your tired, your poor,
> Your huddled masses yearning to be free,
> The wretched refuse of your teeming shore.
> Send these, the homeless, tempest-tossed to me,
> I lift my lamp beside the golden door!

Mr. Speaker, this inscription is engraved at the base of the Statute of Liberty that lights up the harbor of New York.

As though they could hear this clarion call, so they came—16 million strong—of every race and from every land, my forebears and yours. They came into the port of our great city, into the rich heritage of this Nation. They were accepted with wide and generous heart and from there, they spread to every corner of our land.

Sixty percent of our Nation's population, of the people you and I represent, can trace their first steps in America, their very survival, to the port of entry—New York City.

But now, this great and generous city is faced with a severe financial crisis.

We are not unaware of the many factors which have contributed to our present dilemma. The stinging lash of inflation, the loss of thousands of jobs, the erosion of our city's economic base and the overwhelming costs of municipal services and human services to sustain the less fortunate, the rapid expansion of our capital investments, the need to maintain these investments. In the past, there have been abuses—poor judgments, overspending, political opportunism, and often inefficient management. Many have been corrected, and the rest will be corrected. And in that correction, there has been, there will be much human suffering. But the city of New York cannot go back. In its efforts to provide public services, New York was always a leader, and we must continue to go forward. We must retain our rapidly expanding, badly needed municipal services—police and fire departments, schools, hospitals, libraries, senior citizen centers, child care facilities, nursing homes, transportation, and sanitation.

For many months now, we who live in New York City have experienced crisis. In our families and neighborhoods, we have suffered—increased unemployment, decreased services, physical and social deterioration in our local neighborhoods. In the last 20 years, 3 million of our more prosperous residents have moved from the city to the suburbs. They have been replaced by many who came as foreign visitors, but were determined to remain even illegally. This has created additional burdens.

For so long we accommodated groups of every nationality and provided for their essential needs, but now, we find ourselves embarrassed financially. The suddenness of this realization did not give us time to cope with this situation. But we 8 million New Yorkers have and will pull together. We are proud of the contributions we have made, we are making, we will continue to make to this Nation. Those in control, the elected officials of New York City and New York State, are doing everything possible to correct our present situation, but time is what we need—and a little assistance.

This body has authorized well over $270 billion in U.S. Federal Government assistance to foreign countries since 1946. Many of these countries can hardly be called our allies. H.R. 9005 alone, passed by the House on September 10, authorized expenditures of over $3 billion during the next 2 years. And now we are planning to give away some 424.5 million U.S. dollars in-grant aid of military weapons to foreign countries during the Bicentennial year.

Mr. Speaker, the Committee on Banking, Currency, and Housing states clearly for all to see that the bill we present you with today will cost little—in fact, it is expected to have a counterinflationary impact on our national economy.

We New Yorkers do not want a huge handout. We do not ask that the rest of the American people sacrifice their hard-earned tax dollars. We bare our souls to you and ask only the opportunity to "put our own house in order."

Default is unthinkable. It puts us in a situation from which it will be extremely difficult to recover, in which no further moneys will be available to us. In 40 of the 50 States, once our issue has defaulted, we would be barred for 10 years from selling future securities.

The effects of a default would be unduly harsh on both the city and the Nation. Municipal services would be paralyzed. Assistance to the poor and dependent, the young and the aged, the sick, and the infirm who need this help so desperately would all but cease. The shock waves of default would be felt across the Nation; across the country other cities and communities would experience the same hard plight with which New York City is confronted.

Mr. Speaker, the crisis we confront is not a crisis of New York finances alone. It is not alone a crisis of the Nation's economy. It is a crisis of the American spirit.

As we approach the 200th anniversary of 1776, all of us, now as then, must pull together to keep our dream a reality: the farmboy and the cityboy, the rich and the poor, the old and the young, working together to keep this a great Nation. No American can turn his or her back on a fellow countryman because he happens to live on a different side of the city line. The moment has come to think big and act greatly.

Mr. Speaker, fellow Members, I am asking you all for an expression of confidence in our Nation's future.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, to say the least, let me say that we are to be engaged in some unusual procedures today. Every Member received under dateline of December 1 a Dear Colleague letter signed by the gentleman from Wisconsin (Mr. REUSS) the gentleman from Ohio, (Mr. ASHLEY) the gentleman from Ohio (Mr. J. WILLIAM STANTON) and the gentleman from Connecticut (Mr. MCKINNEY) along with a copy of a bill to be proposed as a substitute to the legislation this rule makes in order.

I might say since I came on the floor today I learned that the bill the Members received under dateline of December 1 has had some changes made in it. Although we really do not know what we are going to be debating, I will try to explain as much as I know about the shortened bill previously planned as a substitute. I might say that it is a little better bill in some regards than the bill we had before the Committee on Rules, because the shortened bill applies only to New York and the bill that was reported out could apply to all municipalities in this Nation.

I understood from testimony before the Rules Committee that some six or seven other cities of the United States now find themselves in a position comparable with New York. Let me say even though this Congress might pass this shortened bill, we would be setting a precedent and we will soon have these other cities standing in line with their individual bills to bail them out from the effects of their spendthrift ways. Let me at the outset make it unmistakably clear that I shall not support a taxpayers' bailout of New York nor a bailout for any other city of this Nation.

First let me say something about the legislation being proposed. It is a very short bill. We have been led to believe that it will force New York City to put its house in order. Let us take a look at the language in the proposal to be offered as a substitute. Section 3, security for loans, reads as follows: in connection with any loan under this act the Secretary may require the city and any financing agent and where necessary the State—as I said earlier we are speaking about New York—to provide such security as he, meaning the Secretary of the Treasury, deems appropriate.

What kind of security could the city of New York or any other city for that matter put up for a $2.3 billion loan? Are they going to put up their streets as security? Their water lines? Their sewage disposal plant? The hospitals that are 25-percent unoccupied, or perhaps I should put it the other way, 25-percent overbuilt? Are they going to put up as security the colleges in New York which students attend without paying tuition?

I might say in my home town of Bowling Green we have Bowling Green University and students attend by paying their fees and not for free.

But without being facetious, what are the proponents talking about here? If New York has the security as set forth in section 3, why is the city not now using that same security to get loans through the regular and ordinary channels? Why? I cannot answer this question.

Perhaps during the general debate, if we get that far, we might have some explanation as to what security the Secretary will deem appropriate under these provisions.

Following in this same section 3, it states the Secretary may—it does not say he shall but that he may—take such steps as are necessary to realize upon any collateral in which the United States has a security interest pursuant to this section, et cetera, et cetera, et cetera. Being a lawyer, I can understand that means only one thing, that if New York defaults the Secretary may foreclose or take such steps as are necessary to foreclose. On what? On what collateral?

I do not know. Maybe we will learn something about this during general debate.

Section 4 on limitations and criteria states in (a) that a loan may be made under this act only if the Secretary determines that there is a reasonable prospect of repayment of the loan in accordance with its terms and conditions as he may deem appropriate to insure repayment.

Well, now, if there is a reasonable prospect of repayment of a loan, why can't New York use the regular channels for raising this money?

I do not see how the Secretary could possibly in good conscience fulfill the responsibility being put upon him under section 4.

Would the gentleman from Louisiana like to answer that?

Mr. TREEN. I cannot answer that. I asked the gentleman to yield for a question.

My recollection is that the President in his remarks on national television the other night, I think this was in response to a question from a reporter, said that the Federal Government would have first claim on the revenues of the State of New York for security. I reread the President's prepared remarks, not the answers to the reporters, and could find no statement in that regard.

Can the gentleman from Ohio enlighten us whether this bill provides any mechanism for the State of New York or the city of New York pledging any of its revenues to the Federal Government?

Mr. LATTA. Mr. Speaker, I do not see any prior liens on New York revenues whatsoever in this legislation, unless there is to be a new provision inserted in the substitute bill.

The U.S. Government would not have any prior claims. It says that no loans shall be provided under this act unless—and this is really meaningless—the city and all financing agents shall have repaid according to their terms all prior loans under this act—under this act—which have matured to the city and all financing agents shall be in compliance with the terms of any such outstanding loans—and such outstanding loans applies to loans made under this act.

Mr. WOLFF. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Speaker, the gentleman has asked what priority the Federal Government has as to New York's revenues. I might remind the gentleman that the Federal Government already has a great priority on the revenues of the city of New York. Some $21 billion goes to the Federal Government each year and we only get a little over, about $3.6 billion. I imagine some little part of that does come to Ohio as well.

Mr. LATTA. Let me say in response to the gentleman, we could use the same argument with every municipality in the United States.

Mr. TREEN. Mr. Speaker, will the gentleman yield further?

Mr. LATTA. I yield to the gentleman from Louisiana.

Mr. TREEN. Mr. Speaker, my question was not argumentative, but to get some information. Does the gentleman recall the President saying that there would be a claim against the revenues of the State of New York and, if so, can the gentleman explain what he had in mind? Is there something coming which will clarify the kind of security that he said we would have?

Mr. LATTA. Let me say to the gentleman in all candor, the President, as we know, has changed his position somewhat from the first initial statement he made to the American people on this subject. I have to refer to the bill itself and answer there is nothing in this bill at this moment which provides any prior claims to the U.S. taxpayers after they put up the $2.3 billion, as provided for herein.

Mr. TREEN. I thank the gentleman.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, the gentleman has made a very good point, that most of us have not had the privilege of seeing the language of the substitute that will be offered later this afternoon, until last night. I think it was slid under my door about 7:30 when I was in the office working. As the gentleman indicates, right until the wee hours they were still amending it.

The gentleman from Ohio has put his finger on the problems inherent in section 4. This section contains a loophole big enough to drive the New York City Council and Mayor Beame through. As I read it, this allows the Secretary on his own whim to extend these loans beyond the 3 years as limited in title VIII. All he has to do, is to make up his mind to extend this $2.3 billion ad infinitum and there is no guarantee that this will be limited to 3 years.

That is a good reason for defeating this rule and bringing it back when we have had a resonable chance to look at this latest bill.

Mr. LATTA. I wish to thank the gentleman for his contribution and just add to it that this same section provides:

> The Secretary is authorized without regard to section 8 to agree to any modification, amendment or waiver . . .

I emphasize—"waiver of any such term or condition as he . . ." meaning the Secretary, "deems desirable to protect the interests of the United States."

It is all a matter of judgment on the part of the Secretary.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Speaker, if the gentleman will read further and also read section 5, it specifically sets security for the loans, and there will be appropriations which will have to be approved by the House. The Secretary may, to the extent authorized in acts making appropriations, withhold any payments from the United States to the city, either directly or through the State, which may be or may become due pursuant to any law and offset such withheld amounts against any claim the Secretary may have against the city or any financing agent pursuant to this act.

So, they hold at ransom any future grant or revenue sharing that would be coming to the city or State.

Mr. LATTA. I thank the gentleman for his contribution. Let me read section 5 which the gentleman refers to. We have a copy of the proposed substitute, and there might be an attempted amendment to it, I do not know, but let me read section 5.

> Remedies. The remedies of the Secretary prescribed in this act shall be cumulative and not in limitation or of substitution for any other remedies available to the Secretary or the United States.

My earlier question reoccurs: What if they do default and the Secretary really gets tough and does not exercise the waivers I have already indicated he has the authority to use? Does he go out and try to levy on the streets of New York or the water system or the sewage treatment plant?

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman yielding to me.

First of all, the gentleman in the well is quoting from the proposed substitute that is to be offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON). Is that not correct?

Mr. LATTA. That is correct.

Mr. ROUSSELOT. Maybe that is part of the confusion of my colleague from New York. We have had several versions of the bill, and we should understand that even the rule speaks to a different bill. We are talking about a substitute that is to be offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON), so again this points up the necessity of having a better understanding of what we will really be voting on.

Mr. LATTA. I might just comment on this matter of the substitute. As I understand it in talking to the gentleman from Ohio (Mr. J. WILLIAM STANTON), an additional amendment will be offered that will eliminate the backdoor spending now in the proposal that was circulated to the Members under the dateline of December 1. With the amendment to the proposed substitute to be offered, all appropriations would have to go through the regular appropriation process.

Mr. J. WILLIAM STANTON. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to my colleague from Ohio.

Mr. J. WILLIAM STANTON. Mr. Speaker, I appreciate my colleague yielding to me. I am sure he will tell the House, in all fairness, that when he came on the floor here today he did have a copy of the proposed substitute that was sent about by four of us yesterday.

I think the gentleman also would tell the House that as soon as we got a corrected copy made up, that I gave him one before. I regret that what he has done is that he has quoted from the copy of yesterday rather than the copy of the bill that is at the desk, and which I intended for him to be given. If he will get the corrected copy, he will see that section 5 has been changed materially from the earlier version. I regret the lateness of that.

Mr. LATTA. Will the gentleman correct me if I am in error? Did not the gentleman tell me that the only change in the proposal that was going to be submitted to us today was in the matter of financing through the Appropriations Committee rather than backdoor financing? Is that not correct?

Mr. J. WILLIAM STANTON. That is absolutely correct, and I felt that was the most substantial change.

Mr. LATTA. Are there any other changes?

Mr. J. WILLIAM STANTON. I gave the gentleman in the well a copy of the amendment that is at the desk.

Mr. LATTA. I know, but as I walked down here from my seat, I did not have a chance to read the bill, but let me just ask the gentleman, are there any other substantial changes in the bill he is going to offer as a substitute other than the one I had previously mentioned?

Mr. J. WILLIAM STANTON. The answer is no.

Mr. LATTA. I thank the gentleman.

Mr. J. WILLIAM STANTON. The gentleman does have section 4. He has the copy in front of him.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I will yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, this just points up the absurdity of the House trying to legislate, when this substitute alone has gone through three revisions in less than 24 hours.

Mr. Speaker, there is no way we can tell our constituents that we intelligently voted on this matter, which has been pending all this time, when one bill which is 3 weeks old is the subject of the rule, and there are three different substitutes floating around to replace this bill.

It is just incredible that, on an issue of this depth, which sets a precedent extending far beyond the city of New York, we should be debating under these circumstances. It is the best argument I have heard to defeat this rule.

Mr. J. WILLIAM STANTON. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. I thank the gentleman for yielding.

Mr. Speaker, I heard the gentleman say earlier that when we get to general debate we will have ample time to take the time the House needs to analyze the bill section by section, line by line, and sentence by sentence. I will be glad to go forward at that time.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

Mr. Speaker, I have great admiration and respect for the gentleman from Ohio, but I think, in fairness to the Members of the House, the response to the question of the gentleman from Maryland a little while ago was not quite accurate.

There is another substitute, and we do not know what the language of the substitute will be yet. So we are talking about something that will come later on.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, is there still a fourth substitute? Is there going to be a phone call from China in midafternoon to rewrite it again, or what?

Mr. WYLIE. If the gentleman will yield, I know the gentleman is being facetious.

Mr. BAUMAN. No, I am not. I expect anything around here.

Mr. WYLIE. Mr. Speaker, will the gentleman yield further?

Mr. LATTA. I yield to the gentleman.

Mr. WYLIE. Mr. Speaker, in section 8 it says:

> The authority of the Secretary to make any loan under this act terminates on June 30, 1978.

Section 4 says that the Secretary under this act, could terminate, without regard to section 8, money which is authorized to be expended.

The language in section 4 has been deleted in the new bill, because there might be some ambiguity. But the termination date is very specific.

I think the gentleman from New York a little while ago, when he made the statement that New York City pays in a lot more money than it receives and that Ohio might indeed get some of that money, should not have made that statement because Ohio—and the gentleman from Ohio could have said that Ohio is 50th in the amount of money which it receives in return for the amount of money it pays in to the Federal Government. We are 50th among all of the States.

But that is not the issue, as I see it here today. The issue is the security the Secretary is going to require. Somebody said, "Is it going to be the Statue of Liberty?" The security will be the appropriations which this body would otherwise make to the city of New York, which can be withheld if New York does not pay its debt.

I happen to think that this is a responsible position that has been taken by the President. There are 8 million Americans in New York City who are in distress, and I do not think we should visit the sins of their errant leaders on them and turn our back on them and say that we will not do anything. But I do think there is some confusion about proposed language which should be erased on a bill of this importance.

Mr. LATTA. Mr. Speaker, I thank the gentleman for his comments.

Let me address myself to one point. We have heard about some moral obligation the taxpayers of the United States have to the people of the city of New York.

Let me say that I stand in this well without any moral obligation to the people of New York City whatsoever, and I do not think people living outside of New York City were responsible for the fiscal irresponsibility of this city nor have they in any way contributed to the mess in which it now finds itself. They did not vote for the leaders who put New York City in the mess it is in today. It was the people of New York City who did it, they enjoyed the "credit card benefits," and it is the people of New York City who should have been calling their leaders for an accounting during the past several years. No, they elected to take all the benefits they could get today and not worry about tomorrow.

So the taxpayers of the Nation should feel no moral responsibility for the condition in which the people of New York City now find themselves as they chose their own course of action.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Mississippi.

Mr. LOTT. Mr. Speaker, I thank the gentleman for yielding.

I would like to comment for just a minute on this matter and discuss with the gentleman from Ohio (Mr. LATTA) the rule itself and not necessarily the merits of this bill.

In the 93d Congress this body defeated several rules—I think probably around a dozen, obviously because there was something defective or something wrong with the rule. I think this is a classic example of that when this body is asked to consider a rule on the floor of the House as a vehicle for the passing of legislation that we obviously are not going to even consider. We are going to consider the substitute in reality.

The rule we are granting is on a bill that has a title I and a title II that is closed because it came from the Committee on Ways and Means and a title III on which we have never had any report. I think we ought to stop and look at the bill we are voting on.

The argument is made that maybe the bankruptcy provision will be forthcoming later on in this act. My answer to that is that if that is the case, we could consider this whole piece of legislation in a more orderly fashion when we have had an opportunity to consider the substitute.

The issue before us is not a new one. Are we going to attempt to write another bill on this complex issue on the floor of the House of Representatives? That is what we are faced with here. We are going to open it up and use a substitute, and yet no Member knows what is involved under the rule we have here.

Mr. Speaker, the proposal here contains a rule reported from the Committee on Banking, Currency and Housing on November 6 and a rule from the Committee on Ways and Means on November 13. The rule proposes to make in order title III which deals with the Bankruptcy Act, but that part of the rule never made it.

Mr. Speaker, even though the chairman of the Committee on the Judiciary told us the bankruptcy rule came out of the Committee on the Judiciary with a

32 to 0 vote, during the course of the testimony it was withdrawn.

All of us are interested in the bankruptcy provisions, including the New York delegation. The President has expressed his interest in those provisions, and yet it is not going to be a part of what we vote on today.

In addition, we got a "Dear Colleague" letter yesterday talking about a substitute that we are going to consider this afternoon. We do not know what is in that; we just heard that there are going to be changes in it.

I believe, Mr. Speaker, that we have something coming up here that involves legislation that concerns the Committee on Appropriations, the Committee on the Budget, and even possibly the Committee on Government Operations, not to mention the Committee on the Judiciary and the Committee on Ways and Means. I think this rule makes a mockery of the Rules of the House of Representatives, and I would like to urge the Members to think seriously about stepping up and defeating this rule, so that we can consider this in an orderly fashion tomorrow or the next day.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I will ask the gentleman this: Is this not an open rule?

Mr. LATTA. Mr. Speaker, I will answer that question in just a second.

Under the rule being proposed here, on page 2 there is a provision that no amendment to title II of said bill shall be in order except amendments recommended by the Committee on Ways and Means, and such amendments shall not be subject to amendment.

Let me say that will have no force and effect, so to speak, if we adopt this substitute. Many Members have raised the question as to whether or not this is a partially closed rule. When the substitute comes on for consideration, we will have an opportunity to amend the substitute. This provision will not be in the substitute.

Does that answer the question the gentleman raises?

Mr. WYLIE. I am not sure it does, Mr. Speaker.

My specific question was to the fact that it was my understanding this would be an open rule.

Mr. LATTA. It is, with this exception.

Mr. WYLIE. With what exception?

Mr. LATTA. With the exception as to title II of the original bill. However there will not be a title II in the proposed substitute. We will then have, in effect, an open rule on the substitute after it is proposed.

Mr. WYLIE. The Stanton substitute would eliminate title II, would it not?

Mr. LATTA. The gentleman is correct.

Mr. WYLIE. And title I would be subject to amendment at any point, so it is an open rule?

Mr. LATTA. That is correct.

Mr. WYLIE. Mr. Speaker, I thank the gentleman.

Mr. DELANEY. Mr. Speaker, I have no further requests for time.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. Wiggins).

Mr. WIGGINS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I take the well to urge a "no" vote on the rule. I do not do so out of any conceptual opposition to the bill which is going to be considered as a substitute. Indeed, I might be prepared to support that bill, but I am not sure.

What troubles me is the interrelationship between this proposed legislation and the Bankruptcy Act. There has been no time for the Committee on the Judiciary to consider that issue.

Mr. DELANEY. Mr. Speaker, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from New York.

Mr. DELANEY. Mr. Speaker, I understand that the chairman of the Committee on the Judiciary is applying for a rule for the committee on the Bankruptcy Act tomorrow before the Committee on Rules, and that he will not call up or offer anything under title III.

Mr. WIGGINS. That may be, but that is not my concern. My concern is that the Committee on the Judiciary has not had an opportunity to consider the proposed substitute in terms of the Bankruptcy Act.

Mr. DELANEY. Mr. Speaker, is that not a matter for the Committee on the Judiciary? The chairman of the committee is going to offer or attempt to offer that amendment, and that has nothing to do with the rule.

We are working under an open rule. The only thing modified by the open rule would be title II, and title II has to do with the Committee on Ways and Means, and they are not going to call it up.

Mr. WIGGINS. Will the gentleman yield me further time, if necessary?

Mr. DELANEY. I will yield the gentleman from California (Mr. Wiggins) whatever time I take in this colloquy, yes.

Mr. Speaker, I yield 1 additional minute to the gentleman from California.

Mr. WIGGINS. Mr. Speaker, I wanted the additional time to make a statement so the Members will know what my immediate concern is.

It is assumed that the adoption of this legislation will forestall a municipal bankruptcy, but that is not certain. The United States may well advance $2.3 billion and find that thereafter the city of New York files a petition under chapter 9 in bankruptcy. If so, the question which ought to concern all of us is: What is the status of the United States as a creditor in that brankruptcy proceeding?

Mr. Speaker, let me say to the Members that I am not sure, and the members of the Committee on the Judiciary cannot be sure, because we have not had the opportunity to carefully consider that question. It is a $2.3-billion question.

Mr. Speaker, one of the problems which bothers me is whether or not the United States will be in a priority position as a creditor of the city of New York in the event the city of New York files a petition under chapter 9, either as amended or not. I will only represent to the Members that the law is unclear in that regard.

Moreover, this legislation purports to give the Government of the United States a right to assert a setoff for moneys that would otherwise be due the city of New York in the event of a default on the part of the city of New York.

Under bankruptcy law, however, the right of a creditor to assert a setoff against a municipal brankrupt debtor is now subject to some doubt. There is some doubt under the normal provisions of the Bankruptcy Act, but there is especially doubt under chapter 9 as to whether or not the setoff provisions are authorized at all.

Mr. Speaker, I do not want to take the position that this legislation should be defeated. I think some legislation is in order for the city of New York.

The SPEAKER. The time of the gentleman from California (Mr. Wiggins) has expired.

Mr. DELANEY. Mr. Speaker, I yield 1 additional minute to the gentleman from California (Mr. Wiggins).

Mr. WIGGINS. To continue, Mr. Speaker, I do think that it would be an act of responsibility for us to defeat the rule, only for the purpose of buying 3 or 4 more days. Even if the rule is adopted, Mr. Speaker, I hope that the Speaker would consider pulling this bill off the calendar for consideration today so that the responsible legislative committees of the House can take a look at these troublesome questions. We have not had the chance, and we are not going to have the chance, to do a careful job in the next 2 or 3 hours.

For those reasons, Mr. Speaker, I urge a negative vote on the rule.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. WIGGINS. Yes; I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I thank my colleague, the gentleman from California (Mr. Wiggins), for yielding.

I would just like to point out briefly that there is no law right now that would permit New York City or any other municipality to go into bankruptcy without 51 percent of its creditors agreeing. Consequently, the chances of that happening are virtually nil.

Thus, the interests of the United States are not jeopardized by any bankruptcy law at this time. Second, there is adequate time, it seems to me, if the bankruptcy bill comes to the floor, to consider the impact of this legislation on that bill at that time. I would suggest that that would be the appropriate time to review any problems bankruptcy would create, and that we would not jeopardize this bill in the process.

Mr. WIGGINS. Mr. Speaker, I am not suggesting that the bill be jeopardized in any way. I am suggesting a day or two. I wish I had the time to answer the other questions of the gentlewoman from New York.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. J. William Stanton).

Mr. J. WILLIAM STANTON. Mr. Speaker, the Subcommittee on Economic Stabilizaton of the Committee on Banking, Currency, and Housing has been working on this legislation for many,

many weeks. We will soon debate separate legislation that has come up, but I think the cruelest thing we could possibly do and the most irresponsible act that this House could take this year would be to allow this rule to be defeated so that this substitute could not be adequately and fully debated.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. Kelly).

Mr. KELLY. Mr. Speaker, as a member of the Committee on Banking, Currency and Housing, I would like to call to the attention of the Members of this House that the Governor of New York in his testimony before that committee said:

> We have tapped every financial resource available within our state.

An on another occasion he said:

> Unless the House and Senate can pass a bill and have it on the President's desk by early November, any help you might consider will be too late to be of consequence.

Since they have dipped down into their resources and have come up with a little more, I believe that commonsense would indicate that before we start dipping into our resources that we find what else they have in theirs before we dip into ours. I believe the committee should look into the question as to whether or not this is too late since the Governor of the State of New York has testified before a subcommittee of this House that if he did not have it by November 1, it would be too late.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Speaker, as a member of the committee I rise in opposition to the rule because it is clearly a different ball game than it was when this rule was drafted several weeks ago.

Although I did not favor the bill presented by the gentleman from Ohio (Mr. Ashley), I can assure the Members that that particular legislation was more carefully considered than the substitute will be because even as we sit here right now we do not know what is in the substitute. There are substantial changes going on right this second.

At least the Ashley bill, although as I say I disagreed with it, was more carefully considered in committee as to the total ramifications on the Federal Treasury.

My colleague, the gentleman from California (Mr. Wiggins) who is a member of the Committee on the Judiciary, has responsibly raised the issue as to what the impact would be on the substitute as it relates to possible default or bankruptcy procedure.

So, Mr. Speaker, I hope that my colleagues will vote down this rule. I believe it is the most responsible course that we can follow.

Mr. Speaker, it would be, at best, inappropriate to accept the proposed rule on H.R. 10481; and it is more likely that any vote we would take would be a farce.

Our real concern, and the proposal that would take up our time, would be the President's recommendation that we provide up to $2.3 billion in seasonal loans to New York City.

However, there could be no better illustration of uninformed and unenlightened decisionmaking, for a variety of reasons. Aside from the fact that New York is not faced by merely a seasonal problem—at least not until we legislate major changes in the calendar—an educated decision on a bill whose specific wording was not printed in the Record until this morning is certainly difficult.

For a number of weeks, we have considered proposals centering on loan guarantees, protection of investors, and legal processes surrounding bankruptcy, and we are in a position where we are relatively competent to evaluate such proposals. Circumstances strongly encourage us to do so in the very near future.

But it is hardly reasonable to shift our attention to a completely new proposal—for direct, short-term loans—when such a proposal has not received our attention in committee hearings, nor in the discussion of the Rules Committee on H.R. 10481. In short, to accept the rule would be to agree to debate something completely different from the bill for which the rule was initially granted. This sort of decisionmaking process is one which we should clearly avoid.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appear to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 297, nays 118, answered "present" 1, not voting 18, as follows:

[Roll No. 727]

YEAS—297

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carr
Carter
Cederberg
Chappell
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Tenn.
Forsythe
Fountain
Fuqua
Giaimo
Gilman
Gonzalez
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Holland
Holtzman
Horton
Howard
Howe
Hughes
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kemp
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Long, La.
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Preyer
Price
Pritchard
Railsback
Rangel
Rees
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
Whitehurst
Wilson, Bob
Wilson, C. H.
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—118

Abdnor
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bevill
Bowen
Brinkley
Broomfield
Brown, Mich.
Burgener
Burleson, Tex.
Byron
Carney
Casey
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Conlan
Cornell
Crane
Daniel, R. W.
de la Garza
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
Early
Emery
English
Flynt
Frenzel
Frey
Gibbons
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Haley
Hammerschmidt
Harris
Hechler, W. Va.
Heinz
Hightower
Hillis
Holt
Hubbard
Hutchinson
Ichord
Johnson, Colo.
Jones, Tenn.
Kasten
Kastenmeier
Kazen
Kelly
Ketchum
Kindness
Lagomarsino
Landrum
Latta
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
Mahon
Milford
Miller, Ohio
Montgomery
Moore
Myers, Ind.
Myers, Pa.
Obey
O'Brien
Passman
Poage
Pressler
Quie
Quillen
Regula
Risenhoover
Roberts
Robinson
Rousselot
Runnels
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shuster
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Stephens
Stuckey

Symms
Talcott
Taylor, Mo.
Thone
Treen
White
Whitten
Wiggins
Wirth

ANSWERED "PRESENT"—1

Breckinridge

NOT VOTING—18

Annunzio
Bolling
Ford, Mich.
Fraser
Gaydos
Hagedorn
Hansen
Hébert
Hinshaw
Hungate
Moorhead, Calif.
Patman, Tex.
Randall
Rostenkowski
Spellman
Stokes
Udall
Wilson, Tex.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Randall.

Mr. Hébert with Mr. Hungate.

Mrs. Spellman with Mr. Charles Wilson of Texas.

Mr. Udall with Mr. Moorhead of California.

Mr. Stokes with Mr. Hansen.

Mr. Rostenkowski with Mr. Gaydos.

Mr. Patman with Mr. Hagedorn.

Mr. Ford of Michigan with Mr. Fraser.

Messrs. HUTCHINSON, FRENZEL, and LONG of Maryland changed their votes from "yea" to "nay."

Mr. SKUBITZ changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ASHLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10481) to authorize emergency guarantees of obligations of States and political subdivisions thereof; to amend the Internal Revenue Code of 1954 to provide that income from certain obligations guaranteed by the United States shall be subject to taxation; to amend the Bankruptcy Act; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. Ashley).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10481, with Mr. O'Hara in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Pursuant to the rule, general debate will continue for not to exceed 3 hours, 2 hours to be equally divided and controlled between the chairman and ranking minority member of the Committee on Banking, Currency and Housing, and 1 hour to be equally divided and controlled between the chairman and ranking minority member of the Committee on Ways and Means.

Under the rule, the gentleman from Ohio (Mr. Ashley) will be recognized for 1 hour; the gentleman from Connecticut (Mr. McKinney) will be recognized for 1 hour; the gentleman from Oregon (Mr. Ullman) will be recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. Schneebeli) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. Ashley).

Mr. ASHLEY. Mr. Chairman, I yield 7 minutes to the distinguished chairman of the committee, the gentleman from Wisconsin (Mr. Reuss).

Mr. REUSS. Mr. Chairman, the substitute bill proposed by the minority is worth accepting, on the premise that half a loan is better than none.

Cool heads in the administration have prevailed. No longer do we hear demands that the penitent don the hairshirt before being absolved of sin. On the central issue—that New York City must be saved from bankruptcy—all now agree. For this we may credit the prompt and decisive action of Governor Carey and the State legislature, and also the openminded, conciliatory attitude of the President, the minority leader, and other leading Republicans.

But in passing this legislation, we should not harbor the illusion that the problem is solved. The President has chosen to minimize the commitment of Federal funds—at the cost of a greatly increased danger that the plan will not work at all. The President's bill rests on two precarious assumptions:

First. The success of the President's proposal depends on court action to uphold the $1.6 billion moratorium on repayment of New York City notes which the State legislature has imposed. Deep legal doubts surround the moratorium legislation, involving the constitutional prohibition of State action which impairs the obligation of contracts, and the reservation to the Federal Government of the exclusive right to legislation on bankruptcy. If the courts invalidate the moratorium legislation, the President's New York aid package will fall far short of the city's needs.

Even if the courts sustain the moratorium, however, the market may take revenge on other cities and towns in New York State, on the State agencies, and on the State itself. All of these entities must issue billions of dollars of seasonal debt between now and next spring if they are to survive. The moratorium bill will stand as an ominous signal of all potential purchasers of that debt: they too may be subject to future moratorium legislation. Such fears may make this vital seasonal financing unsaleable on the market.

Second. The President's bill relies on a commitment of $2.5 billion from the municipal pension funds to meet the accumulating deficit and the capital requirements of the city. That commitment may be subject to legal challenge on the ground that the funds may have violated the "prudent man" rule in making this investment. If successful, legal action could bring all construction in the city to a halt, even though the city's strictly seasonal needs were fully taken care of.

The extraction of $2.5 billion from the municipal pension funds is unsound for another important reason as well. New York's pension funds are terribly underfunded. Recently, some steps have been taken to put the funds on a more secure actuarial basis, and further measures are expected. To force the funds to sell millions of dollars of corporate securities, at a loss, is hardly a sensible way of contributing to a resolution of the pension fund problem. On the contrary, it only makes the future financial problems of the funds that much worse.

The bill which I proposed at the outset to deal with New York's insolvency would have avoided these problems. To be sure, the commitment of Federal guarantee exposure would have been greater—$5 billion rather than $2.3 billion, and the city would have had 5 years to make repayment. But that bill would not have been subject to the possible adverse decision of the courts on so many strategic points. It would not have risked the destruction of the credit of the State, as the moratorium may do, and it would not have accelerated the decline of the pension funds, as the President's program probably will. Given proper management, the original proposal before this House would have provided an opportunity for a solution.

Today's substitute is merely a stopgap. With it, we can be sure that the problem will come back to haunt us, certainly in 2 years, but perhaps as soon as the middle of this winter. I support the substitute, but let us be aware of what we are and are not doing.

There are other reasons why this bill represents an inadequate attack on the New York problem, even if the shaky package of which it is comprised survives for the full 2½ years foreseen. It will further erode the tax base of the city, driving businesses and the middle class in increasing numbers to the suburbs. It will force an increase in unemployment, and increased Federal, State, and local expenditures for unemployment compensation and welfare. It will produce a decline in the quality of services and a further decline in the standard of living in New York City, the effects of which will be felt most sharply by the poor. It does not address the problem of New York City's crushing, State-inflicted burden of taxation for welfare. It does not provide relief from the costs of health care, higher education, and the courts, which the Federal or State governments should assume. It does not provide for a necessary sharing of the costs of local government between residents of the city and commuters, both within and without New York State.

In short, what is needed is a new urban policy for the Nation. This is precisely what past administrations have failed to provide. Since 1969, New York City has lost over 400,000 jobs—a decline of 11 percent at a time when employment in the Nation overall has expanded by 7 percent.

The urban problem is a national problem. Its solution will require the commitment of national resources on a realistic scale.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman and my colleagues, on behalf of the New York delegation, I take this time to commend the chairman of the full committee, the gentleman from Wisconsin (Mr. Reuss), and the chairman of the subcommittee, the gentleman from Ohio (Mr. ASHLEY) for their great and diligent work in bringing before this House this bill.

Mr. Chairman, it is with regret that we must accept a substitute, a substitute which will be a great burden to the people of New York; but we of New York, under the leadership of our Governor Carey, will be supporting the substitute.

At this time I commend the chairman for his diligent work on behalf of this most worthy legislation, legislation which is not solely for the benefit of the people of the city of New York, 8 million people in the second largest State in the Union, but is actually for the benefit of all of the people.

Mr. REUSS. Mr. Chairman, as they say in Harlem, "De nada."

Mr. ADDABBO. Mr. Chairman, I rise in support of H.R. 10481, the Intergovernmental Emergency Assistance Act, which will provide Federal aid to New York City to stave off bankruptcy.

I would like to commend Chairman REUSS and Subcommittee Chairman ASHLEY and all of the members of the Banking and Currency Committee for their efforts in devising a compromise bill that helps meet the desperate needs of the city and allows that city to work its way back to fiscal solvency, while at the same time, protects the interests of the Nation's taxpayers. I believe the committee has acted prudently under the most difficult circumstances.

As a Representative from the proud city of New York, I must say that all of us who love New York are deeply saddened by the plight the city now finds itself in. We know that given time and proper care, the city will once again continue as the greatest city of this Nation, a city larger than 42 States and paying $21 billion in Federal taxes and receiving a return of only $8 billion. But despite the enormous efforts made throughout the last few months, at both the city and the State level to end the years of some fiscal gimmickry and wasteful practices which have led us to this sorrowful time, the city needs time to repair the damage that has occurred over many years of fiscal abuse.

The residents of New York City are, as I have told this House before, the most abused and highly taxed people in this Nation. Before the crisis assumed the proportions it presently occupies, life in New York City was close to intolerable in many ways, with the highest rates of State and city income and sales taxes. The citizens of New York City will pay heavily in new taxes with reduced services in the years to come. We have always paid our bills and we shall do so again. I plead for the House of Representatives to pass this bill so that we may do so without incurring even more stringent penalties that will impose decades of hardship upon 8 million citizens of this land.

I think it should be noted that one of the reasons this bill as it will be amended will call for guarantees of $2 billion plus as opposed to the $7 billion originally in this bill is due to the efforts of the people of New York to extricate themselves as much as possible from the humiliation of asking others to help them. I say to you that the sacrifices of all of the people of New York have been great—from the working men and women to the senior citizens who may be forced to do without even the most modest of city senior citizens centers.

We have seen day care centers and libraries closed. We have seen thousands arbitrarily lose their livelihoods. We have seen police and fire protection pared to the minimum in a city which, at best, requires more, not less of those services.

We have seen for the first time in America the enforced abrogation of contracts won through the collective bargaining process. We have seen elected officials of the city forced to give away their constitutional powers so that the city can continue to function.

Thankfully, we have seen the Congress act in the best interests of this Nation in bringing this bill to the floor for debate. It has done so in the face of unilateral opposition to any form of assistance by the Ford administration, up until the last several days when even the White House realized the seriousness that a New York default would have on this Nation's economy.

The New York fiscal crisis has been a controversial and greatly publicized issue throughout the country for many months now. Much has been said and printed on all sides of the matter, much of it untrue or misunderstood. But that is of little importance now. Today we stand on the brink of passage of this bill. The House holds in its power the future of 8 million American citizens. I believe the House will act in the best traditions of American history and pass this bill. I believe that passage is good, not only for New York, but for the Nation and its people. I believe that by helping New York, but giving its people a chance to rectify the mistakes of the past, we confirm our belief in our Nation's future.

Mr. Chairman, the subcommittee I chair on Small Business Administration oversight of the House Committee on Small Business, recently issued a committee report, after holding hearings on the possible effects of a New York City default on small business.

The following conclusions from the report by the subcommittee I believe will be of interest to you, my colleagues, as they will affect each and every congressional district:

> The subcommittee cannot compute with mathematical certainty the effects of a New York City default. The present experience of New York City is unique in our Nation's history. Our conclusions, therefore, do contain varying degrees of speculation. However, our speculation is tempered by the most reliable information made available to the subcommittee. With this caveat in mind, the subcommittee concludes:
>
> 1. As of September 30, 1975, total indebtedness of the City of New York was approximately $12.5 billion. Of this amount $4¾ billion is short-term debt due on or before September 10, 1976. The long-term debt of $7¾ billion is due between fiscal year 1976 and fiscal year 2147. (See appendix A).
>
> 2. At least 271 nonmember banks insured by the Federal Deposit Insurance Corporation hold 20 percent or more of their reserves in New York City obligations. These banks are located within 34 States. (See appendix B.)
>
> 3. The Comptroller of the Currency has determined that, as of the week of August 18, 1975, 1,746 national banks (member banks) held New York City obligations with par value of $1,753,525,000. Of this number 153 banks were holding New York City obligations which exceeded 20 percent of their gross capital funds.
>
> 4. The City of New York estimates that about 90 percent of its debt is held by other than New York City banks. There is no means available to determine the full extent of holdings by all the Nation's banking and lending institutions in New York City obligations.
>
> 5. A default by the City of New York will seriously impair the liquidity of numerous banks and lending institutions across the country. Lending policies will be affected. Marginal small business borrowers will face the most severe cut-back in the availability of credit and financing opportunities from these banks.
>
> 6. Minority business has traditionally been hardest hit by the illiquidity of banks and restrictive money markets. A default by the city would reverse the progress thus far achieved in fostering minority entrepreneurship. This is especially true for those Section 8(a) subcontractors who also do work for the City of New York. There are at least 20 8(a) subcontractors in New York City who presently hold receivables from the city.
>
> 7. There is no way to compute how many SBA loan recipients also perform work for the City of New York. However, the SBA New York District does have outstanding 681 loans for over $50 million to businesses located in New York City. It is possible that a number of these businesses also have contracts with the city. To the extent this is true, the Federal investment in such businesses will be placed in jeopardy in the event of a default.
>
> 8. The construction industry in New York State is already an extremely depressed industry. Given the fact that many construction contractors in New York State have pledged New York City bonds as a guarantee for performance, a default by the city can lead to the abrogation or cancellation of numerous construction contracts. In this event, it is possible that hundreds and perhaps thousands of people may be put out of work. Since 32 States permit the pledging of municipal bonds as guarantees of performance, this effect may, in fact, adversely influence other parts of the country. However, there is no means to determine the extent of this condition at the present time. In any event, a default by New York City can bring a virtual halt to, or at least a serious curtailment of this multi-billion dollar industry in New York.
>
> 9. The unemployment rate in the City of New York is presently on the increase. Layoffs by the city have already resulted in a 1 percent rise in the city's unemployment rate. Such unemployment is not only detrimental to the city's small businesses but also increases Federal outlays through unemployment compensation and welfare benefits.
>
> 10. As a result of increased unemployment, many people may be forced to withdraw funds from their savings accounts for necessary living expenses. A substantial unemployment rate can produce a drain on the assets of many banks, thereby further impairing their ability to make loans.
>
> 11. Certain large businesses will be severely and adversely affected by a city default. This may have a "ripple effect" on those many small businesses within and without the State who are the suppliers of the larger firms. For example, New York City is the biggest customer of Consolidated Edison. A city default can result in delinquent or delayed payments to Consolidated Edison, and this can, in turn, reduce Consolidated Edison's ability to pay its smaller suppliers.
>
> 12. A default by the city will have a serious

adverse effect on the municipal bond market. The ability of cities to raise capital through this medium will decrease and the costs of debt service will rise. The President's proposed plan, calling for a reform of the bankruptcy laws, would allow municipalities in default to marshal their debt payment priorities in such a manner as to exclude, at least temporarily, payment due on their bonds. This may make investors reluctant to invest in municipal bonds since they would have no assurance of repayment. Such a serious disruption in the municipal bond market will be felt throughout the economy and, once again, small business, which is especially vulnerable to economic changes, will be primarily affected.

13. It is conceded by New York State officials that a New York City default may also force the State into default.

14. In the event of default, the SBA will be the sole line of defense for the great majority of small businesses.

15. The resources allocated to the New York Region of the SBA are already overstressed by present economic conditions of recession and inflation.

16. Since the advent of New York City's fiscal crisis most New York State banks have decreased their participation in SBA's guarantee program. This decrease has amounted to approximately $69.5 million when statistics are compared for the fiscal years ending June 30, 1974 and June 30, 1975.

17. SBA does not have an emergency plan to be implemented in the event of a default even though there is a substantial Federal investment in small business in the Greater New York area and a default will place significant portions of that investment in extreme jeopardy.

18. Given all factors recited above, a default will have a significant national impact on this Nation's economy which is already weakened by recession and inflation.

Mr. McKINNEY. Mr. Chairman, I yield such time as he may consume to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Chairman, we are considering today a bill which will ease the financial crisis of our largest metropolis, New York City.

I think this is an important issue, and we should make it very plain that this is certainly not a bailout bill; it is a stretchout plan aimed at giving the city and New York State time to make necessary adjustments in spending and revenue-raising and to balance its budget so that the city can meet its obligations and maintain its cash flow.

Any measure dealing with the complexities of municipal fiscal finance on the scale of New York City certainly cannot please everyone. Some would consider it too restrictive, others will see it as falling short in generosity, and others fear it will set a precedent that may lead to an endless parade of Federal assumption of municipal obligations.

I believe that under the circumstances this bill is fair, both to the taxpayers of the Nation and to the people of New York. It recognizes the fiscal follies of the past and suggests tight controls for the future. President Ford has stated that "New York has bailed itself out." This bill we consider today will not end the financial challenges facing New York City and its parent, New York State. It will point a way out of its financial peril. It will require sacrifices from its residents, firm control over city hiring and benefits, and assistance from the State.

The bill provides a "first call" protection for the Federal Government on future revenues and withholding of Federal payments in the event of failure to repay the loans. It will not go the back-door spending route. The funds will undergo the regular Federal appropriation process accorded other outlays from the Treasury. It applies only to New York City and does not establish any kind of Federal agency or commission to handle municipal appeals in general. The act is self-terminating on June 30, 1978.

Mr. Chairman, none of us can take any kind of smug satisfaction from the financial crisis in New York City. It is a sobering development when a great metropolitan center with vast power to raise revenues faces obligations of some $10 billion it cannot meet. The gap between income, outgo, and obligations is still to be filled. This bill today will stave off immediate default. It provides a $2.3 billion cushion which in actuality just staves off immediate disaster. The leadership and the residents of New York still must face the reality of curbing excessive employee benefits and unrealistic payrolls. Above all, it will curb the borrow-against-tomorrow policies that have rolled up this huge load of debt.

This bill avoids the handout approach. It also does not set up a preferred class of municipal bonds backed by Uncle Sam. It is a cooperative effort between the Federal, State, and city levels of government.

In addition, I am pleased that the House Committee on the Judiciary, I am told, will bring the bankruptcy bill to the floor later this week or the first part of next week. While we are earnestly working to avoid default, we must act responsibly to have this necessary backstop in place to avoid chaos and assure order should bankruptcy occur. We must consider all alternatives and act accordingly.

Mr. Chairman, I do not think any of us expects New York City to have to go into bankruptcy. On the other hand, I think it is important that those who must negotiate with New York City in the areas of union contracts, in the areas of pension plans, and in the areas of debt stretchout should realize that there is an alternative. In order for it to really be an alternative, it is absolutely necessary that the bankruptcy legislation which the Committee on the Judiciary has prepared be brought up and passed just as soon as possible.

I might also say, Mr. Chairman, that here we are dealing with the city which has committed fiscal follies and which has, therefore, come to the brink of bankruptcy. There are other cities in this country which might fit into the same pattern and the same description.

I might also say that the Federal Government probably should take some notice of the fact that this has happened to New York City and compare what has happened to New York City, the things that have caused it, with things which we have done to the Federal Government itself over the past many years.

President Ford once said, "If we go under, who will bail us out?" The answer is that nobody will bail us out.

Therefore, Mr. Chairman, let us all take cognizance of the fact that we are here today to try to save a very important city of this country, but we also have something very, very important to save: the Federal Government itself. Mr. Chairman, I hope that in the years to come and in the months to come we will take this very much into consideration.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, the gentleman from Arizona (Mr. RHODES) has advocated adoption of this bill which authorizes the loan of $2.3 billion. Where will that money come from?

Mr. RHODES. Of course, the gentleman from Maryland (Mr. BAUMAN) well knows that it will come from the General Treasury.

This is not the usual type of loan in that it has to be liquidated at the end of the New York City fiscal year. The money which is borrowed will bear interest, and as the gentleman knows, the bill provides that the interest paid is not only the amount which the Federal Government must pay on its own borrowings, but 1 percent in excess.

Mr. BAUMAN. The Federal Government itself, however, will have to borrow this money on the full faith and credit of all of the taxpayers of the United States, with some attendant increase in inflation and other economic impact; is that not correct?

Mr. RHODES. I doubt very much that this will result in increased inflation.

I assume that the city of New York will have had to spend the money in some way, and it will have the same impact on the economy as any other loan would have.

Mr. BAUMAN. Would this also not remove capital from the private sector, increasing private interest rates, as all Government borrowing does?

Mr. RHODES. I can only say to the gentleman that if the money is spent and the Federal Government borrows it, I do not think there is any great amount of difference with respect to the availability of capital from private enterprise. Whether we borrow it or whether New York City borrows it from some other source, the result is still the same. It is spent through that part of the public sector made up of the city of New York. It is only for the city of New York itself.

Mr. BAUMAN. I would like to suggest to the gentleman that the spending of money the Federal Government does not have is an important consideration, at least to the gentleman from Maryland.

Mr. RHODES. In answer to that question, I think the gentleman is comparing apples and oranges.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. RHODES. Yes; I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, I think it would be appropriate to point out that the gentleman is correct: Of course, the money comes from the General Treasury. The money will be lent to New York at 1 percent over and above what we borrow money for. In addition, of course, that 1 percent of $2.3 billion amounts to quite a few millions of dollars which will be going back to the Treasury, and under the substitute it is definite and specific. It does go back into the Treasury as receipts.

Mr. RHODES. Of course, I think the gentleman from Maryland also would agree with me that the funds which are spent on beach erosion projects in the gentleman's district also come from borrowed funds and that there is no return of those funds as such.

Mr. BAUMAN. If the gentleman will yield further, I might say that one of the very learned gentlemen from New York just said to me privately that he is opposed to the latest bill in principle but he has to be for it because it is the only game in town. It was his opinion that the city of New York will be back for still more financial assistance very soon.

Does the gentleman from Arizona also share that view?

Mr. RHODES. No. And that is why I insisted and do insist, and have the word of the chairman of the Committee on the Judiciary that the bankruptcy bill will be brought up and passed by this House—of course that gentleman cannot guarantee that it will be passed, but that it will be brought up. I assume the House will pass it. Because, as far as I am concerned, this is the last word. If this does not work then I do not see any other alternative for the city of New York but eventual bankruptcy.

Mr. BAUMAN. So then the gentleman assumes that bankruptcy may occur even if this bill passes?

Mr. RHODES. I do not assume that it will occur and I hope it will not occur. But I think it is necessary to have the bankruptcy act correspond with the action we take today in case this does not work. This is as far as I am willing to go as far as support for this city or any other city.

Mr. BAUMAN. That gives the gentleman from Maryland some small comfort.

Mr. KELLY. Mr. Chairman, if the gentleman will yield for a question, did the gentleman get a commitment from the chairman of the Committee on the Judiciary that the bankruptcy bill that would come out of that gentleman's committee would provide for the abrogation of and the renegotiation of the union contracts that are bankrupting the city of New York?

Mr. RHODES. As far as I know, such a provision would be a little bit unusual in a bankruptcy bill. Those are things which the referee in bankruptcy might well accomplish and could accomplish with the present bankruptcy laws, as I understand it. I am not sure it would be wise or even necessary to put such a provision in such a bill.

Mr. KELLY. If the gentleman will yield further?

Mr. RHODES. I do.

Mr. KELLY. It is the understanding of the gentleman from Arizona, then, that it is not customary in bankruptcies for the referee and the court to have the authority to abrogate union contracts and the renegotiation of union contracts.

Mr. RHODES. I said exactly the opposite to what the gentleman from Florida just said, and I will say it again that our present bankruptcy laws, as I understand them, do give the bankrupt State or city the authority to renegotiate such contracts as the gentleman from Florida mentioned.

Mr. KELLY. If the gentleman will yield still further, is there any reason why we do not take up the bankruptcy portion of this bill at the same time, the way the subcommittee designed the bill, or that we do not take up the bankruptcy portion of it first.

Mr. RHODES. The bills come from different commitees, of course. I, as the gentleman from Florida knows, am only the minority leader and have nothing to do with the scheduling of legislation.

Mr. KELLY. I thank the gentleman for yielding.

Mr. ASHLEY. Mr. Chairman, I yield myself such time as I may consume.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, I want to compliment the gentleman from Ohio (Mr. REES), the gentleman from California, the chairman of the committee and all the members of the Committee on Banking, Currency and Housing, as well as the ranking minority member and the minority leader of the House for their support of this legislation.

Over the past weeks an increasing number of Americans both in and out of public life have come to understand the necessity of avoiding a default by New York City. It has become clear that such an event could have catastrophic repercussions on the whole world's economic structure. I am greatly relieved that so many of my colleagues are now prepared to join us in the New York delegation in supporting a loan bill in the House. Without these loans, New York City's future would be bleak. The actions taken at the city and State level would be of no use, because, in themselves, even the painful cuts already implemented and the future sacrifices being planned, would not be sufficient to restore "investor confidence."

Yet, even with this measure, the city's future is far from assured. The President has reduced the loans to the lowest possible amount. Representative HENRY REUSS and others have questioned whether the amounts and conditions of the loan provide enough margin for the city to meet all expenses on a current basis. The loan includes a surcharge on already high interest rates which enable the Federal Government to make money off the city's misery. I also view with extreme trepidation some of the open-ended provisions of the New York City Seasonal Financing Act. It provides a blank check for Secretary of the Treasury William Simon. He can fill in any preconditions that he feels appropriate prior to approving even the smallest loan.

Already, the city is virtually controlled by the State's emergency financial control board, a group that the people of the city had no role in choosing. However, at least some of our elected officials are members of that body. Now we face new dangers. Over the past few months, William Simon's attitude toward New York City has been punitive. We have no way of knowing to what use he may turn his new lender's powers. Many New Yorkers are worried that such essential programs as rent control and the municipal hospital system, which are already under strong attack, will become part of Washington's new phaseout list. New Yorkers must begin now to persuade the rest of this Nation that these institutions cannot be abolished without irreparable damage to the health and welfare of citizens.

The city is obtaining only a reprieve. New York's long-term future will be determined by the way retrenchment measures are implemented. Cuts can happen in two ways: dramatically, painfully, and irrationally, or carefully, logically, and keeping in mind the needs of the city's people. A punitive and ill-considered series of measures could seal the city's future by removing any reason for the middle class to remain in the city and by depriving the city's poor of the few remaining "bootstraps" available.

Already there are indications of irreparable damage from cutbacks. The President had pledged to see that "vital services are preserved in New York City." The American people need to know the truth about the situation in health care in our city; essential services are already being phased out. It is a complete fiction that a careful distinction has been made between expandable care and life supporting services. Many health clinics, such as those for family planning and venereal diseases, which avert great costs in the future for individuals and for society by providing preventive care, are being closed. The fact that some of these clinics are even self-supporting has not stopped the fall of the ax. Cuts are occurring in day care centers that enable women to work rather than to receive welfare.

In other cases, cutbacks are undertaken with no control over the resulting loss of State and Federal matching funds. The Community Council of New York estimates that the recently-announced $200 million cutback of city funds will deprive the city of $120 million in Federal and State funds. Clearly at this time, the city should make every effort to avoid such a drastic "reverse multiplier" loss. The city is now caught between two difficult alternatives. It can forego matching funds, thereby abandoning certain national objectives for levels of services: or New York can tailor cuts to preserve matching funds. The resulting uneven cuts will be inequitable and will neglect the city's special local circumstances and needs.

I have already received strong support for a readjustment in unjust Federal sharing formulas, as I have proposed in H.R. 9652, the Uniform Federal Welfare and Medical Assistance Reimbursement Act. In the near future, we should also consider finding means to insure continuity in Federal matching funds. The Federal maintenance of effort matching requirements were designed to assure increased services. In a time of retrenchment their effect is contrary to their original purposes and the result is windfall sums to other levels of government.

Many of the cutbacks in construction are similarly self-defeating. Surrendering seed money for projects already underway, where costs could be paid back in a few years through real estate taxes alone, precludes the creation of the new jobs essential for the city's recovery. The time for drastic cutbacks to generate favorable national publicity is over.

In the past weeks, I have suggested that the city's banks had the most to lose from a default. They have recognized the extent of their vulnerability, and have agreed to scale down some of the usurious interest rates they obtained on city and MAC bonds in recent months. This is only reasonable. Accepting slightly lower interest on bonds is a modest and self-interested contribution on their part. Overall, the city/State/Federal package has saved New York's banks—at worst, from massive losses, at best, from years of instability, uncertainty, and costly litigation. These concessions do not compare to the sacrifices made by other New Yorkers: A 50-cent fare; schools without security protection; guidance counselors and with up to 50 students per teacher; services in senior citizens centers sharply reduced; many other facilities curtailing operations; new city taxes already passed; and heavy taxes imposed on the city by the State, under pressure from the White House.

Most of the solutions to New York City's problems are not to be found at the local level. They are inextricably linked with the national economy, with the need for tax reform and full employment, and with the revision of inequitable Federal funding formulas.

The executive protective service bill, providing for a Federal reimbursement of extraordinary costs of protecting foreign diplomats, would begin a reallocation of costs borne by city governments which the Federal Government should assume. It is most unfortunate that the President has vetoed this measure, which passed both Houses with overwhelming support. Congress must now prepare to override this veto, not just because of the amount of money involved, but also because of the symbolic importance of this bill. It could be an affirmation of our intention to take seriously urban problems generated by costs related to national problems.

The Federal loan bill we are now considering must be a first step in our rededication to the cities of our Nation. It is not a question of blaming anyone anymore. It is a question of giving a priority commitment to solving the problems which will not go away, which are the problems of an urban society.

Mr. ASHLEY. Mr. Chairman, at the outset I would like to take just a moment to thank the members of my subcommittee and the members of the full committee who have brought us this far. I particularly want to pay tribute to the gentleman from Connecticut (Mr. McKinney), the ranking minority member of the subcommittee, for his really tireless activities on the subcommittee. Also the chairman of the full committee, the gentleman from Wisconsin (Mr. Reuss), and the gentleman from California (Mr. Rees), they are all included in my words of praise and thanks.

Mr. Chairman, the circumstances that surround us this afternoon are not the most favorable, but I do think that they are manageable. We have heard comment which is quite understandable that what we are going to be dealing with is not H.R. 10481 but instead a substitute, and there have been complaints that this substitute has not been made available for the study that it warrants and requires. I am sorry about this, and I mean just that. It is too bad, but the fact remains that we are operating under a rather dire emergency situation.

It really was not until last week, let me say parenthetically, that the President felt in a position to strongly recommend to this body adoption of legislation to assist New York City prior to default and bankruptcy. Basically, the situation that we are confronted with today, the issue that we are confronted with today, is absolutely clear. Either we act in a positive fashion today, or our largest and greatest city will go into default and bankruptcy in about a week's time.

The bill before us is the legislative vehicle to accomplish this assistance. Let us not get hung up on the substitute. There is no great difference really between the substitute and the bill that we have worked so hard on for the past month or so. One provides for direct loans—the President's bill—as against guarantees in H.R. 10481. The administration bill would limit assistance to $2.3 billion in direct loans. Our bill with the committee amendments would have provided for a limitation on assistance at a $3 billion level. Both measures call for the United States to be secured in its loan or guarantee activities. Both measures would authorize appropriations with no backdoor spending.

The expiration date of the President's measure, as with ours, is June 30, 1978.

Mr. Chairman, a great deal has happened since the President's Press Club speech of some 3 weeks ago, a speech in which, as we all remember, he said that he would veto any bill that would bail out New York City. What has happened in those intervening weeks that has caused the President to view the legislation before us as other than a bailout? Let us just look at some of the actions that have been taken—not by this Congress, not by the administration, but by the officials, including the Governor, of the State of New York, the mayor of the city of New York, the banks in that city, the unions in that city, the Municipal Assistance Corporation, the emergency financial control board, and by the pension funds. Let us look at some of the things that they have accomplished to bail themselves out of their financial dilemma.

The State legislature just this week has voted over $200 million of additional taxes which will be imposed on the citizens of New York City. The city contributions to the pension systems have been shifted to the employees by legislation on an annual basis. This will save the city of New York some $85 million. The city has laid off or retired some 36,000 municipal employees since the beginning of this year.

A partial wage deferral has been imposed on municipal employees.

We hear a great deal about the free higher education in New York City, but the City University has been cut by $32 million this year.

The transit cost of 35 cents no longer exists. It is now 50 cents in the city of New York.

Nor is this all. Moratorium legislation has been enacted with respect to $2.6 billion of the city's short-term notes. An exchange offer has been approved by the MAC board for an exchange of 10-year, 8-percent MAC bonds for $1.6 billion of New York City notes held by the public. The New York banks and the pensions systems have agreed to take 10-year, 6-percent securities in exchange for $1 billion of the city's notes. The New York banks and the pension systems have agreed to take 10-year, 6-percent notes in exchange for $1.7 billion of bonds bearing higher interest rates at shorter maturities. The New York City pension systems have agreed to purchase an additional $2.5 billion of new MAC and/or city securities over the next 3 years. Finally the municipal assistance corporation, MAC, has provided some $3.5 billion of financing to the city of which $1.5 billion is refinancing for short-term debt.

These are enormously significant steps, Mr. Chairman, that have been taken by the principals involved. What these steps mean is that the exposure which we were estimating at $7 billion has been reduced to less than $2.5 billion.

There has been no picking of figures out of thin air. Not at all. The $7 billion a month ago was based on the facts and the conditions that obtained at that time. These steps which I have just enumerated have taken place since that time and the consequence is that the exposure, whether it be by loan or guarantee by the Federal taxpayers, has been reduced by nearly $5 billion.

So when people say: "Well, what is New York City doing or what has the State of New York done for itself?" the answer is right here in the list of actions I have just recited.

There should be no question in anybody's mind, Mr. Chairman, that we are here this afternoon in large measure because of the fiscal mismanagement of a great American city. There is no question about that. But there is more involved than that. We have seen in the last decade, exacerbated in the last 5 years, the flight of industry not just out of New York City but also from every major city in the United States that is anywhere close to the size of New York City. We have seen an eroding tax base in New York City and our other large American cities at the same time that there has been an increase in the cost of essential public services.

This is a fiscal collision course that haunts not only New York City but other cities as well. It is a condition that has been fostered in part by actions that have been taken right here on this floor, by the Congress, and by the White House over the past decade. So when we look for the culprit, when we look for the sinner, when we insist on a public flogging, let us think twice about where the culpability lies.

In the final analysis, Mr. Chairman, the issue before us is whether there are greater risks involved in preventing a default or bankruptcy on the one hand or whether the greater risks are found in allowing bankruptcy to take place.

This is the most serious question, perhaps, that this Congress will address itself to in many, many years.

Let me conclude by saying that on the basis of the overwhelming weight of the evidence that was adduced by our subcommittee in its hearings and deliberations, I am convinced that there are very significant and demonstrable consequences of a New York City default with respect to the national economy. I am convinced that there would be international ramifications that simply cannot be measured, but which are frightening in their implications.

Mr. Chairman, there is a Federal responsibility to assist New York City in the dilemma and the conditions in which it finds itself; not a handout, not a bailout, but a program to help New York City work itself out of its difficulties, so that it can be restored to financial respectability.

New York City and, indeed, New York State, have lost access to the money markets. This is the problem that we are addressing in the measure before us. What is needed, the essential ingredient, are the loans or the loan guarantees in order to meet the seasonal imbalance between revenue and expenditure in a city with an annual budget of some $12 billion. This is all that we are concerned with, Mr. Chairman.

I submit in closing that the case is overwhelming, that we can look our constituents straight in the eye and explain to them why it was the best course to take, the most prudent course in their best interests to support assistance for the city of New York.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I want to congratulate the gentleman from Ohio for his fine work on this legislation, as well as the chairman of the full committee, the gentleman from Wisconsin, and congratulate the gentleman from Ohio as well for the fine statement the gentleman made.

Mr. Chairman, the city of New York—the Nation's financial and commercial capital and the home of more than 8 million Americans—is on the brink of a total economic collapse and bankruptcy.

Should New York City go bankrupt, there will unquestionably be major national and international repercussions. There is every likelihood that one city after another will collapse in its wake. Investor confidence in all municipal bonds will surely be shaken. Communities of all sizes throughout the country will have to bear the burden of billions of dollars in increased interest costs—which has been estimated at $14 for every man, woman, and child in the United States. Hundreds of thousands of workers will be forced out of jobs and onto unemployment and welfare rolls. Critical public services will be seriously jeopardized, curtailed, or suspended. Many small bondholders who have invested their savings in municipal bonds will be endangered.

Just the prospect of a possible New York City default has already cost billions. The municipal bond market in New York State has all but dried up and other communities throughout the country are finding it more difficult to market their paper. In my district of Westchester County, N.Y., for example, the town of New Castle, with the highest possible town credit rating, encountered a great deal of difficulty in selling a $1.5 million bond anticipation note in early October and finally had to agree to a 10.7-percent interest rate. The rates for general revenue bonds of Westchester County government rose from 3.8 percent to 6.5 percent in one recent 4-month period, even though the county has an AAA rating. The national municipal bond rate average has increased 109 points.

Another example of the ripple effect of permitting New York City to go to the brink also can be found in my own district. The city of Yonkers—New York's fourth largest city—has had to pay 8.5 and 9.25 percent on two issues of bond anticipation notes, almost twice what it had to pay previously. Even more critical, Yonkers has been unable to sell its bonds—failing to market $9.2 million of $11.5 million in bond anticipation notes to various banking institutions—and, last month, it just barely averted a default by enactment of special legislation by the New York State Legislature which provides, in return for State help, that the city must raise its sales tax by 1 cent on the dollar, impose a wage freeze, raise the property tax to the legal limit, take steps to eliminate a $6 million deficit next year, and turn over ultimate responsibility for the conduct of its affairs to an emergency financial control board. The State, on its part, paid off $21 million in notes due and provided $4 million in operating expenses.

Unfortunately, however, Yonkers must raise $4.5 million more by December 11th, just 9 days from now. The likelihood that this will be possible seems to be increasingly remote. The State resources are stretched to the limit and the credit markets are closed to the State, too. As a consequence, Yonkers again faces the specter of imminent default unless some form of emergency assistance is provided. By mid-March Yonkers must meet a total of $61.5 million in bond anticipation notes and long-term bonds and the city comptroller reports that, over the next 3 years, Yonkers' total debt will amount to $107 million. It is unreasonable to expect Yonkers to cope with this enormous financial burden itself and one can hope that current efforts to secure aid from various banks will prove successful.

Contrary to the claim or the intimation of some, including, I believe, the President, this legislation is not a bailout. Neither New York City nor New York State at any time have ever requested a handout or any type of Federal grant. City and State officials have consistently endeavored to resolve their problems themselves and have only sought Federal support and guarantees in order to buy additional time in which to take those necessary steps to put the city's fiscal house in order. As amended, H.R. 10481 is certainly no panacea—in fact it does not deal at all with the horrendous long-term problems of New York and every other city—but it will at least allow New York to continue the financial recovery process.

The administration substitute will certainly not be an inexpensive proposition. Assuming the $2.3 billion loan limitation at an annual 8-percent rate is reached, New York City will have to pay over $500 million in interest over a 3-year period. Further, some very difficult management, personnel and political decisions will have to be made involving additional manpower reductions; the curtailment of numerous programs in health, education, social services, recreation and housing; and the termination of many capital improvement projects. Beyond any question, Mr. Chairman, the bottom line has been reached, indeed, surpassed. Additional sacrifices will have to be made in coming months in return for the short-term, seasonal loans which the administration has indicated it is reluctantly willing to provide. No other choice is open to it.

New York City's fiscal crisis is not a partisan issue nor is it a regional one, despite the efforts of some to make it so. I have been encouraged in recent weeks by the bipartisan activity to develop a workable bill as well as by the statements of many of our colleagues from all parts of the Nation, urging support for legislative aid to New York. I believe the majority of those in this Chamber concur with the Washington Star's editorial observation that "the main concern is to save the Nation the uncounted billions a New York collapse could cost."

Mr. Chairman, beyond this measure lies horrendous problems for New York, shared to a greater or lesser extent by every city in the country. Our cities rapidly are becoming deteriorated warehouses for the poor, the aged and the disabled. The tax base of middle-income people and businesses are fleeing, leaving the cities with more services to provide and less revenues with which to provide them. These problems for New York City, Yonkers, and the other cities of New York and vicinity will be greatly aggravated by the taxes that have had to be imposed by New York City and which will have to be imposed by New York State as the conditions imposed by the Ford administration to support even this limited assistance to prevent a default.

If all this Congress does for our cities is pass this emergency assistance for New York, we will be derelect, indeed, inviting serious problems in the future for New York City, New York State, our national economy, and cities throughout the country. It is urgent—very urgent—that we address ourselves immediately to a constructive urban revitalization effort.

The Federal Government should take the initiative in helping to rebuild our cities, to provide jobs for the thousands of urban unemployed and particularly the unemployed young people who are growing up on the streets of our cities, without an opportunity to acquire work skills or habits, destined to become welfare parasites or worse, participants in drug trafficking and other crimes as an imperative for their survival. The Federal Government should reform our outmoded welfare system and take over its financing to prevent a further flow of poor people into our cities. It should at the least reverse the Federal policies that have contributed so significantly to creating the problems in which our cities find themselves.

Mr. Chairman, I support this bill, even though I recognize it as only the niggardly minimum the Ford administration will allow, because it is essential to the financial health of the Nation. But we must recognize it for what it is, a bare bones expedient to tide New York over its immediate crisis and prevent a nationally and internationally disastrous bankruptcy.

We should all devote ourselves, immediately upon the passage of this bill, to the even more important task vital to the financial and physical health of the country, to the revitalization of our cities where now reside a majority of the American citizenry.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, at last, the awesome New York legislation is before us.

The mountain has labored mightily; the countryside has trembled; all our financial priests and prophets and pundits have spoken solemnly. Now we have unveiled the legislative product of all this wrathful labor. It appears to be a mouse, probably a pocket mouse. It is not so big that anyone could call it a rat, and a rat in any case qualifies for Federal help already. It is a mouse—furtive enough to frighten the timid, but not so big as to threaten anyone else.

The bill that has been unveiled is not one of the many versions studied by our capable committee. It is not one that anybody seems to have thought much about at all. It is said to have the virtue of being at least something. Its other appeal seems to be that it is not what the President has said he is against; it is something that he can deny is a bailout. It is a bill that may postpone the New York crisis for a while, so we can say that we have acted responsibly. But is it a solution to the problem?

New York City will need a great deal of cash to get through the balance of this fiscal year. This bill would merely tide the city over the "dry" spells of winter and early spring, until the green cash flows again in the fourth quarter. As I understand it, even if New York were to pay no interest at all on its debt, its cash needs for the balance of this year would amount to $1 billion. According to the figures of the Joint Economic Committee, those cash needs will be $1.2 billion.

The joint committee also tells us that the city will have a cumulative cash deficit at the end of this fiscal year of about $391 million. This bill says that any loan advanced to cover the "dry" spells that everyone knows will occur every month from now to April, must be repaid at the end of the fiscal year.

If the cash deficit is indeed $391 million, we have to ask if the taxes levied by New York would produce enough new revenues to cover the difference. As I understand it, those taxes will produce only $195 million or so. That is assuming that their yield is as great as advertised. That still leaves a large gap. What assurance is there that New York can, in fact, close that gap? If it cannot, then there is no way that the bill before us could be of any help whatever. It would advance cash, which is desperately needed, but under terms that seem extremely difficult for the city to meet, even with the best efforts—even with a flat default on its interest obligations.

It is possible that during the Thanksgiving period, all the numbers have changed. They have changed with astonishing speed throughout the last several months. But what assurance do we have that this bill, in fact, meets the needs of New York?

We are beyond the stage of arguing about whether New York can save itself without Federal help. The President's about-face shows clearly that even he, for all his stern talk, now believes that help is essential. The question before us is not whether New York needs assistance, but whether this bill presents anything like useful help.

What assurance of this do we have? Nothing I have seen in the record has ever indicated that New York could benefit much from short-term loans of the nature endorsed by the President. In fact, as I have said, the record suggests that such loans might only compound the city's problems.

The record indicates that New York City must reduce its debt load. This could be done by stretching out many existing obligations and rolling over a good part of the current short term debt, refinancing this with longer term loans. Presumably, the people who can take care of the rollover and refinancing are all committed to do so. The people who own various obligations are being told that they have to exchange those obligations for longer term notes. Aside from the fact that this latter proposition is of dubious legal merit, the question is whether New York can buy enough time with the short term loan proposal we now have, in order to perform its fiscal miracles.

Nothing I have seen shows that this short-term loan idea was part of the calculations or one of the assumptions that went into the Thanksgiving financial brew. Is this the right ingredient? What assurance of this do we have? If it is the wrong ingredient, we may buy a certain amount of time for New York, only to be presented with a still graver crisis a few months hence.

It is possible, of course, that this direct loan was thought up and negotiated in secret, so that the President could come up with a package that has the kind of label he likes, and which also works. Is that the case? If it is, we are given a strange way of legislating. We are supposed to be responsible adults with powers equal to the Executive; we are not supposed to be stagehands for a magic show.

If we suppose that New York cannot pay on its direct Treasury loans, we have to examine how the Federal taxpayers are supposed to get their money back. The answer, in the bill I have seen, is that the Treasury would be instructed to withhold Federal payments from New York and seek other, undefined remedies. But which Federal payments? Would we, perhaps, deny medical assistance? Would we elect to halt subsidy payments to the city's subway and bus system? Might we choose to cut off unemployment payments? I suggest that none of these remedies is practical, because none could be applied without creating an urban disaster. New York City is, after all, not Lockheed. We might sell off old airplane factories, but it is out of the question to sell Central Park.

If the loan package is sufficient to meet the crisis, then there is no need to worry about security. If it is a good loan, it will be repaid. That brings us back to the question. Is this proposal sufficient to do the job? I hope that during the course of the debate, my colleagues will enlighten me on this, the crucial question.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, I think we have listened to an extraordinarily able and very eloquent statement of why at the proper time when the substitute is offered, the substitute should be adopted.

I want to thank publicly the gentleman from Ohio for the work he has done before today on the Committee on Banking and Currency and for the cooperative attitude he has displayed.

I wonder if the gentleman would not agree that in addition to all the imponderables to which he has called attention that might attend a total bankruptcy, a total default on the part of New York City, that perhaps the saddest facet of all of such an experience would be that it would, in effect, be a demonstration of political bankruptcy and inability on the part of this Congress, on the part of the Federal Government, to act in a situation as fraught with peril and danger as this one is.

Mr. ASHLEY. Mr. Chairman, I quite agree with the gentleman. In this Bicentennial year that is coming up, we are looking very carefully at the nature of our Federal apparatus. What a tragedy, as the gentleman from Illinois suggests, what a tragedy it would be if in our 200th year and in examining the Federal relationship, we would see before our very eyes the kind of catastrophe in which a city suffers the agony, the humiliation of bankruptcy because the Federal Government was unable to assist a creature State; what an awful irony that would be.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, if the distinguished gentleman could unwrap himself from the flag for just a moment, I would like to say I have a great deal of respect for his expertise; in fact, I think if he had been permitted to take part in all the deliberations regarding this legislation, we would have come to a resolution much sooner, and one which probably would be far better than we have before us in the pending legislation——

Mr. ASHLEY. I think the gentleman is probably right.

Mr. BAUMAN. I would like to ask the gentleman, while he has made an excellent disquisition on a philosophical point of view which I do not happen to share, is anyone going to explain the substitute during the general debate, or must we wait until the 5-minute rule and be under the restrictions that places on us in order to get a detailed explanation of a substitute amendment which most of us did not see until an hour ago?

Mr. ASHLEY. The gentleman protects the House very well, indeed. Of course, there should be an explanation. An amendment in the nature of a substitute is going to be offered by my associate from Ohio (Mr. J. WILLIAM STANTON), and I think it would be appropriate and fitting for him to have an opportunity to explain it, as indeed he will.

Mr. BAUMAN. I thank the gentleman.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I thank my colleague for yielding to me. I would like to compliment him on his extraordinary and able leadership in bringing this bill forth. I would also like to compliment the chairman of the full committee (Mr. REUSS) and the distinguished minority leader, the gentleman from Arizona (Mr. RHODES) and all the others who have been helpful in bringing this legislation forward.

Ms. HOLTZMAN. Mr. Chairman, I rise in support of H.R. 10481, as passed by the Committee on Banking, Currency and Housing, which would prevent a default by New York City by providing loan guarantees.

In the past few months it has become clear that a New York City default would have the gravest consequences for New Yorkers and for all Americans. The people of New York, of course, would be hit hardest, but the impact of a default would extend throughout the Nation's economy.

As a result of the New York fiscal crisis, increased interest rates on municipal borrowing to finance government construction are already estimated to have cost local taxpayers across the country $3 billion. If New York defaults, interest rates will rise even more steeply, increasing the cost to municipal taxpayers of constructing schools, hospitals and other public buildings.

Banks throughout the country hold New York bonds and notes. If the city defaults, what will happen to these banks and their depositors?

In an attempt to determine the likely impact of a New York default on the Nation's economy, I chaired a special hearing of the House Budget Committee. Prominent economists testified that a New York default would increase the Federal deficit by $2.8 billion to $4 billion. They also predicted that default would cause an additional 430,000 to 500,000 people to lose their jobs and reduce the gross national product by $10 billion to $14 billion.

This country is only now slowly recovering from the most severe economic crisis we have endured since the Great Depression. Leading economists, as well as the Chairman of the Federal Reserve, have acknowledged that a New York default could jeopardize that recovery. Certainly, America's economic health depends on the financial strength and soundness of the entire country, including its largest city.

There are other considerations, in addition to dollars and cents, which make a New York City default unthinkable. New York was the first capital of this Nation. It is this Nation's greatest city. What a sorry reflection it would be on our Bicentennial for this Congress and this country simply to cast New York aside and condemn it.

It has been argued that New York got itself into this fiscal mess, and therefore that the Federal Government should not help it out. This is simply untrue. While mismanagement and fiscal dishonesty on the part of New York officials have aggravated the city's problems and brought the current crisis to a head, New York's problems are rooted in national policy and they are shared by cities throughout the country.

Nearly every major city in this Nation faces a shrinking economic base and increased costs for social services largely as a result of Federal actions and inactions. At the same time that Federal neglect of mass transit, housing and other urban needs made cities less desirable places in which to live, Federal highway construction and mortgage insurance encouraged and facilitated the flight of the middle class to the suburbs. Generations of discrimination in employment and education in the rural South brought millions of poorly educated, low income persons into the cities of the North, as did Federal immigration policy and lax enforcement of the immigration laws. The absence of a Federal welfare policy placed the major burden for caring for these people upon city taxpayers. Finally, the disastrous Nixon-Ford economic policies produced nationwide unemployment, concentrated in the big cities, further reducing their tax base and increasing welfare expenditures.

New York City's fiscal crisis, thus, has its root causes in Federal mismanagement and shortsightedness.

The bill introduced by Mr. ASHLEY and passed by the Banking, Currency and Housing Committee would have allowed New York breathing space, time in which to straighten out its finances while awaiting more comprehensive help for the underlying problems. The substitute forced on us by the President, however, may allow New York to stave off default, but at the cost of severely aggravating the problems that created the crisis in the first place.

Municipal services in New York, which have already been cut back drastically, will have to undergo further reductions as a result of this bill. The increased city taxes that President Ford demanded before agreeing to Federal aid, only add to the burden for New Yorkers, already the most heavily taxed people in the Nation. In the face of increased taxes for reduced services, it is inevitable that many more middle class, taxpaying New Yorkers will flee the city, reducing our tax base even further.

It is not even clear that the President's bill will allow New York to avoid a default. There is simply no leeway for the city, living on a month-to-month budget, under the eye of Secretary of the Treasury Simon. The same William Simon who as a top municipal bond salesman and adviser to Mayor Lindsay on municipal finance played a role in the fiscal irresponsibility he today so vehemently condemns. If default can be avoided, however, I fear the price demanded by the President—the additional budget cuts and taxes solely as political cosmetics—may simply be too high.

I would, therefore, urge my colleagues to realize that the action we are taking today in no way represents an answer to the problems of New York—or of any other major municipality in this Nation. Unless the Federal Government begins to deal with the root causes of urban deterioration, the legislation we are considering today will serve only to trade the immediate chaos of a New York default for the death of most American cities on the installment plan.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. MCKINNEY).

Mr. McKINNEY. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I thank the gentleman from Connecticut for yielding me this time.

I rise in support of the substitute to be offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON). I think President Ford has arrived at a responsible position, and I will support the substitute language offered by the administration in the form of a substitute to be offered by the gentleman from Ohio.

I have spoken up previously in opposition to a bailout for New York, but I do not regard the President's loan plan as a bailout. When Mayor Beame first came to the President of the United States about this problem, he asked for a Federal grant of $9 billion. That would have been a bailout. Then, the bond guarantee arrangement was suggested and was reported from the full committee. That, in my judgment, would have been a bailout, and I respectfully disagree with my colleague from Ohio (Mr. ASHLEY), who does not see too much difference between the bill which the Committee on Banking, Currency and Housing reported out and the bill which is before us today.

I think a guarantee arrangement such as that, which would have been contemplated by the bill which was reported out of the Committee on Banking, Currency and Housing, would have given New York City an unfair competitive advantage over cities that pay their bills. The full faith and credit of the Federal Government in such a Federal guarantee of New York City bonds would have made New York City's bonds and notes more attractive than those of credit-worthy cities. As I say, I regard that as a bailout.

It would seem to me that there is, with this bill, and with the additional taxes which the New Yorkers have voted on themselves, and with the reduction in spending, New Yorkers are now prepared to take painful measures to put New York City's fiscal house in order.

That leaves the immediate problem of day-to-day cash flow to pay current bills which are now due to maintain essential governmental services. The U.S. Government will have to borrow the money, since it is operating at a deficit, and the intervention in the private sector to borrow that money does bother me.

I do think, however, we are not establishing a precedent which other cities would follow because other cities can get rates in the marketplace at a lower percentage than 8 percent the city of New York would have to pay, which is 7 percent of the present market rate plus the 1 percent additional provided for in the bill.

Indeed, the city of Columbus offers a good case in point. Early last month, it sold $18 million in municipal notes at the very low rate of interest of 4.46 percent because of its record of good money management and credit worthiness. And while I have said the U.S. taxpayers should not bail out New York City, New York City's problems have become a national problem. President Ford has moved to a possible solution short of a bailout of a problem which, for the 8 million Americans living in New York City, must be resolved. I will vote for the substitute to relieve the impending hardship for 8 million Americans, many of whom are victims of a bad political system, and to avert bankruptcy with its risk of damage of the banking system, mentioned by the gentleman from Ohio (Mr. ASHLEY) and to our national economy, with possible harmful effects on all Americans. I think it is in the best interests of the citizens of all of the cities of the United States and the citizens of all of its States to pass the substitute bill which will be offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. ASHLEY. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman and members of the committee, New York City technically is already in bankruptcy and financial affairs are being handled by the State of New York through an emergency financial control board of eminent financiers appointed by the Governor. The mayor has one vote on this board, and that is all. What we do not want is to have New York City to go formally into bankruptcy. Here is the largest city in the country, here is perhaps the financial capital of the world, and if the city were to formally go into bankruptcy under chapter 9, the fact is that this bankruptcy could cause financial disruption in all of the financial markets in the United States and perhaps the world. The Members must remember that the Big Five banks of New York City are among the largest of the world's international banks. If we have several billions of dollars of Big MAC notes and city notes and city bonds go under, which are held by these banks, it would also mean that other shaky paper, such as real estate investment trust paper, would be in jeopardy, and I suspect that a great many financiers throughout the world who had short-term, 30-day, "hot money" CD's would start taking them out of the two other New York banks and invest them in other securities such as treasuries. This would cause a liquidity crisis not only here, but abroad, and this at a time when we have had an increase in our GNP of 11 percent in the last quarter and when we are coming out of the worst recession we have had since World War II.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. REES. I will yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman on his leadership on this bill and also to commend the chairman of the subcommittee, the chairman of the full committee and the leadership on both sides of the House for all they have done to bring this bill to the floor.

Mr. REES. Mr. Chairman, the bill that we have before us is not a bill that I am particularly happy with as I think the committee came up with a lot better bill. Under this bill it is a loan and not a guarantee and, therefore, has budget impact. I am a great believer of the Federal system, and if the city gets into trouble, part of the problem might be the State. As the State creates local units of governments such as cities, therefore, the city should go to the State for aid first before they come to us.

Also, Mr. Chairman, we are charging New York City 1 percent on this loan in this bill, and we only charged Lockheed a half a point. It just seems to me we ought to give New York City the same rate we gave Lockheed Aircraft.

But this is what we have to take. Despite the fact several of us on the committee tried to negotiate with the administration, this is what we got yesterday, and the ultimatum was that we had to take it or leave it. Indeed we had to take it because we cannot afford to allow the largest city in our country and the world's financial capital to go into bankruptcy.

Mr. Chairman, I am looking at this bill, or rather the administration's substitute, I note that it authorizes loans. The city goes to the Secretary and says, "Look, we cannot make our short-term cash flow situation. We cannot borrow in private markets."

If the Secretary says, "Approve the request," then the Secretary can authorize Federal loans, but these Federal loans, all of them, have to be paid back before the end of the current fiscal year of the city. So if the Secretary loaned New York City *x* amount of dollars, all of these dollars would have to be paid back by June 30 of next year, which I understand is the end of the fiscal year of the city of New York.

But because of the nature of the cash flow, because of the time of tax collections, the city could do that because they would have the surplus at that time. However, because New York City only collects its property tax, for example, once a year, it means there is a long, dry period, and then they come into an area where they peak and they have a positive cash flow.

This is basically what this bill is for. It is a line of credit to pick up these valleys during the normal 12-month cash-flow period of the city of New York.

The CHAIRMAN. The time of the gentleman from California (Mr. REES) has expired.

Mr. ASHLEY. Mr. Chairman, I yield 1 additional minute to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, I would like to ask the chairman of the subcommittee, the gentleman from Ohio (Mr. ASHLEY), two questions that I think are very important in terms of the power of the Secretary of the Treasury.

Do I understand correctly from the preamble of the administration bill I was just discussing and from its statement of purposes that the authority of the Secretary of the Treasury under this legislation is to be limited to providing and facilitating the seasonal financing of the city of New York?

Mr. ASHLEY. Mr. Chairman, if the gentleman will yield, that is the direct language, and I do not think it could be misinterpreted.

Mr. REES. Fine.

Mr. Chairman, with regard to section 4(a), which gives the Secretary the power, do I understand correctly that the authority of the Secretary of the Treasury with regard to attaching terms and conditions to loans under the legislation is limited to making terms and conditions designed to insure repayment, and that his authority in this area is in no way intended to allow the Secretary of the Treasury to involve himself in the day-to-day management or the governing of the city of New York?

Mr. ASHLEY. Yes, that is exactly correct.

Mr. Chairman, what we are contemplating here is the Federal Establishment putting itself in the position of a creditor. A creditor under normal circumstances does not involve himself in the activities of the debtor, nor is that contemplated in this instance. In short, the responsibility of the Secretary of the Treasury is to insure repayment, and that is what this language is aimed at.

Mr. REES. Mr. Chairman, I thank the gentleman.

Mr. BINGHAM. Mr. Chairman, the Thanksgiving eve statement by President Ford brought to an end the first round of suspense in the drama of New York. If the Congress now votes its approval of the Thanksgiving "compromise"—and it can hardly do otherwise—New York City will continue to meet its obligations to its bondholders, will hand out good checks on payday to its remaining employees, and will be on the road to a balanced budget. The drama of default will be over.

The end of the immediate threat of a New York City bankruptcy should be a cause for gracious thanksgiving throughout the country. The dread national "ripple effect" of default, which was foreseen so glumly by economists, bankers, mayors, and industrialists, will not take place: 500,000 jobs, nationally, will not be lost; hundreds of small banks will not go broke, or be crippled; municipalities will not lose $3 billion in unnecessarily exorbitant interest charges; $4 billion in added unemployment and welfare costs will not be added to the Federal budget; American taxpayers will not have to spend their tax dollars to pay New York's police and firemen; and our hesitant national economic recovery will not be utterly destroyed before it has even really begun. In short, most Americans—from an objective point of view—should be deeply grateful that New York City will not default.

It has been precisely these points that I—along with other New Yorkers, and so many other clear-sighted Congressmen of both parties, and from all regions of the country—have been arguing vociferously for the past 2 months. A New York default, we have been saying, would be a severe and unnecessary blow to our national economy. A program of loans, or loan guarantees, we have said, would spare the Nation this disaster, without costing non-New York taxpayers a penny. It appears that this view finally prevailed with President Ford: Having used his veto threat to squeeze every cent possible out of New York City—and State—taxpayers, he has at last recognized how pyrrhic a victory the bankruptcy of New York would have been for him. His lending his support to the loan program now before us spares the Nation an economic disaster.

The President's support for averting a New York default makes it possible, finally, for representatives of New York City to turn our attention from the interests of the Nation to the interests of our own city: We can stop trying to convince our colleagues of the national ramifications of a New York default, of the fact that it would be a disaster for your constituents; we can stop apologizing for the peccadilloes of our municipal bookkeepers; and we can turn our attention to the interests and needs of our own constituents, and to the current state of New York City.

It does not take a good deal of that attention to know that passage of the bill that we are debating today will cause no joy to New York: A sense of relief, yes, because the chaos of bankruptcy has been avoided; but no cheers will float down the east coast from Gotham to greet this vote. There is no feeling in New York that either Congress or the President has acted either graciously or adequately toward New York; instead, there is the perceptive conviction that, behind the veil of a "bailout," or a "stretch-out", or at least a substantial favor, the ripping off of New York City continues.

The figures to back up this conviction have merged with clarity during the last two months. We have cited them, repeatedly, in order to show that, despite our fiscal sins, we were more sinned against than sinning, and thus were undeserving of the purgatory of bankruptcy. It is time to begin emphasizing these figures again—only this time with the hope of eliminating the unjust national policies that the figures represent, and not just as a context for a plea for loan guarantees.

The Nation's unjust welfare system is at the heart of our complaints. More than 1 out of 10 New Yorkers is now on welfare; yet New York City, depleted of wage earners, must bear one-quarter of its massive welfare expenses by itself—and in this is unique among American cities. The Federal Government pays only 5 percent of New York State's welfare costs, while it pays 80 percent of those costs in Mississippi; yet many of our welfare citizens came to New York from elsewhere as a result of federally financed economic policies. This not even to mention those who were thrown out of work by the foolish economic policies of the Nixon/Ford years, or by the departure of businesses from New York in search of cheap, nonunion labor.

It should be mentioned that a Federal takeover of welfare expenses would have ended our budget crisis long ago—$823 million are annually taken from the city's overtaxed citizens to help pay our $2.8 billion social services budget; this equals the city's budget deficit for fiscal year 1975.

The welfare situation is repeated with medical care. From its own funds, the city must spend $190 million annually on medicaid and assistance to private hospitals—the Federal Government adds $211 million to this, the State $184 million. The municipal hospital system absorbs another $261 million of the city's own tax dollars annually. Thus, nearly half a billion dollars must be spent by the city on basic medical care—which every other national government in the civilized world provides as a matter of right to its citizens.

In the field of mass transit, New York City was a pioneer long before the phrase "energy conservation" was even coined. We began paying for our subways in the 19th century, before Federal subsidies for such construction were ever dreamed of. I am proud that today 40 percent of America's mass transit users are citizens of New York City. I feel aggrieved, however, that only 15 percent of mass transit aid goes to our city. That injustice, however, pales when compared with the real problem in transportation: for while New Yorkers have paid endlessly for the highways that have drained the middle classes from all our cities, total Federal expenditures for mass transit in the United States have been negligible. We in New York—and in all cities—have been financing our own decline.

Finally, the fiscal crisis has emphasized the extent to which the Federal Government acts as an agent of regional redistribution of wealth. Taxation laws in the United States are uniform; but taxes are not spent equally in all areas. Twenty-four States receive more from the Federal Government than they pay to it; these are headed by Alaska—2.7 times more than it pays—and Mississippi—2.3 times more. New York State, on the other hand, receives only 47 percent of its tax money back—Illinois, Michigan, and Delaware do even worse. Thus, New York finds itself bailing out the rest of the Nation, rather than vice versa.

The policies that have placed undue burdens on our central cities must be ended, and must be reversed. The burden of welfare and medical care can—and must—be shared nationally. Transportation expenditures must reflect the needs of the 1970's, rather than the obsolete dreams of the 1950's. Civilian industry in older States cannot be made to endlessly support the bloated military industry elsewhere—look not to New York's poor if you are searching out parasites, but at the builder of the $6 billion, obsolete ABM system.

When the needless and unjust drains on New York's economy are replaced by sensible and just national policies, then New Yorkers will join the rest of the Nation in celebrating. Until then, though thankful for the exercise of self-interested good sense through which the Congress is on the way to averting New York's default, we cannot celebrate. Rather, we will simply grit our teeth and prepare for the numerous added daily difficulties that we all—but especially the poor, and the working poor—will be experiencing.

"Balanced budget" may be a magic elixir for Gerald Ford and bankers looking for bonds that are as safe as they are tax free. But for New York's citizens in the absence of changed national priorities, balanced budget will mean—mainly—classes of 60 students; long waits for police assistance, when immediate aid is required; closed libraries, and hospitals shut down. We New Yorkers cannot forget this; and it is now our job to not let you, my colleagues, forget it.

Mr. Chairman, I should like to conclude with a brief remark about the suggestion made earlier today that New Yorkers should not vote on this bill because they may have a personal stake in the outcome of the vote. As the Speaker made clear in his ruling on the parliamentary inquiry, the question of whether or not a Member has a conflict of interest in a matter before the House is a question that each Member must individually decide. For myself, let me say that of course I have a personal stake in the future of New York City—my wife and I live there, we own a home there, and we own bonds issued by State and city agencies. Perhaps more importantly, I am tied to the city by important bonds of loyalty and affection. I doubt if there is one of my colleagues who does not feel the same way about his home community and who not only votes for, but fights for, legislation that he believes will serve the interests of his constituency. I will proudly do the same, and I ask my colleagues to do likewise.

Mr. McKINNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have already spent so much of the time of this House discussing the problems of New York City that I will not take too much time today. I wish to thank the chairman of my subcommittee for his continual responsiveness, for his concern, and for the amount of work he has done on this difficult subject.

I believe he has covered for the benefit of all of us the greatest objection that any Member in this House seems to have concerning helping the city of New York, and that is this: What has New York done?

I would suggest to the Member that New York has done so much at this point that I would in my own personal opinion consider it to be regressive and potentially very dangerous for the future health of both the city and the State. The fact of the matter is that, with the long list of actions taken by the State house and the senate and by the city of New York and by the emergency financial control board, the city has brought itself about to the point where it will have a balanced budget and, with hope, perhaps a slight surplus.

There is no getting around the fact, though, that even if we forget all notes, all interest, and everything else that New York City owes outside of its current operating expenditures, there will be a current operating anticipatory shortfall in December of $141 million, in January of $324 million, in February of $310 million, and in March of $550-odd million.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Ohio.

Mr. ASHLEY. That anticipatory shortfall really occurs because taxes are collected downstream; is that not correct?

Mr. McKINNEY. The gentleman is absolutely right.

Mr. ASHLEY. Therefore, this does not reflect mismanagement in and of itself; this is the kind of condition that other cities and other units of local government and other States face on a regular basis; is that not correct?

Mr. McKINNEY. That is right. I think that what the gentleman points out is true of my State, is true of his State, and is true of most cities, where we must borrow on the short-term basis, waiting for the tax dollars to come in.

Mr. ASHLEY. Precisely. That really gets to the heart of it, does it not, because what we are talking about is the ability to borrow for the seasonal shortfalls that are of real consequence. It is the inability to borrow that has put New York City in the straits that it is in at the present time; does the gentleman agree with that?

Mr. McKINNEY. The gentleman agrees with that completely.

As the chairman well knows, I would have preferred the Ashley-McKinney banking and currency substitute. What the President has proposed is what we are going to get, and that is that the United States Government will become the short-term creditor to fill in the revenue gaps until taxes are collected, and that will be repaid with a service fee to the Federal Government.

All of the obligations and movements of the city and of the State will be necessary if this is to work. In fact, I might point out to the gentleman that there is a surplus that will start to flow after March into the city's treasury, so that the situation can become less onerous within the next anticipation period of waiting for taxes.

Mr. ASHLEY. This surplus will offset the shortfalls in the early months; is that not correct?

Mr. McKINNEY. That is absolutely right.

I think, members of the committee and of the House, that what we are faced with here is a very simple problem. We are faced, like everything in life, with our past, with our present, and with our future.

We can all stand here and we can hit, slam, and talk about irresponsible, profligate politicians. Then everyone can go home with a good feeling that we really have had a good time beating the City of New York to death. It is a marvelous feeling, particularly when we are beating the United States of America to death with $70 billion-odd deficit. But we forget that the city of New York does not have the printing press that we have here in the Congress of the United States, so, thereby, we can have our good times and really feel that we are doing a pretty substantial job when we go home, but the fact of the matter is that that is past.

What is present? The present is what should concern this House, and I think presently is what has concerned the committee, not what the risks may be, whether they are announced by Mr. Simon, the Secretary of the Treasury, who says that he does not know what financial endangerments to the Nation or to the world there are, or what endangerments there are to the western monetary standing of this country and others and the psychological risks which he states and which all other Administration people have stated may exist.

The question is, What will it do to our economic recovery? What will it do to our entire economic picture as far as the mind-set of Americans is concerned? Will they spend their money to continue with an economic recovery, or will they say if New York City, the second biggest city, the second biggest governmental entity in the Nation, and one of the biggest cities in the world, fails, how can we possibly count on anything surviving?

It would seem to me that the Stanton substitute and this bill together will be facing up to the crisis of the present.

Mr. Chairman, I would just like to simply say, Let us look ahead to the future in this body, because the problems that have driven New York to the wall due to the very magnitude of New York City's size are the problems plaguing every single city in the United States of America, from my district to straight across the country.

Eventually, sooner or later, they will haunt every city in the United States of America. If we cannot learn from the past that we have criticized and from the present that we see, face up to the problems of the future before they become another crisis, we have failed the people of this country and we have failed in our oath which sent us here to protect the people of this country, to look ahead and to answer the problems of this country before they become a crisis. That is now the present New York situation.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Minnesota.

Mr FRENZEL. Mr. Chairman, I congratulate the gentleman from Connecticut (Mr. McKINNEY), the gentleman from Ohio (Mr. ASHLEY), and all of the members of the committee.

Mr. Chairman, I rise in support of the McKinney-Stanton substitute and, after its adoption, in support of H.R. 10481.

The substitute is the President's proposal of November 26 with the single change of using the standard appropriation process rather than "back-door spending." It is not a perfect solution to the problems of New York City, but it may be an adequate one. And it surely is as far as I would go in risking the money of the general taxpayers of the United States. I think the President has done a good job in forcing the leaders of the city and State of New York to come to grips with reality. It also should be mentioned that the Congress played the same role, since it is doubtful that H.R. 10481 could have been passed by this body without the substitute amendments.

After the adoption of the substitute, the bill cannot be termed a "bail out" bill. There is still an element of risk in the bill, but no one is being bailed out. Nobody gets a handout. The bondholders, the employees, the taxpayers, the contractors and all the citizens of New York City will do some suffering. So will all the politicians who have played a part in this adventure.

What makes the amended bill acceptable is that it is based on a real effort by New York to begin to put its fiscal house in order. I don't believe that New York has gone far enough in expense reductions, but it has gone far enough so that the risk of the Federal loans has been minimized.

New York could do much more to reduce expenses in its vast system of municipal hospitals. The same is true of the system of higher education, the whole municipal hiring system, the pension system, the trash collection system, and the general accounting system.

Another good feature of the President's proposal is that it is a loan, rather than a guarantee. While we hope, in the bankruptcy bill, to give our loans seniority in case of default, the position of the United States is far better as a creditor than a guarantor.

I voted against the rule on this bill because I believe it should be passed simultaneously with the bankruptcy bill. I am not among those who thought a bankruptcy of New York City would be a catastrophe, and I still do not. The city may still not make it. We definitely need the bankruptcy bill. In fact, I would vote against this bill were it not for the assurances of the House leadership that the bankruptcy bill will be passed this week.

Other important features of the substitute, the President's proposal, are, first, the safeguard of using future Federal grant payments to New York to guarantee, or secure, the loan, and, second, the extra percentage point of interest which will accrue to the United States for its part in helping to sustain New York.

But important questions remain. The New York fiscal plan is such that it just barely covers what's left of the budget and the interest payments, as extended. This bill, and the New York fiscal plan, will just keep the city afloat. Any major problem, any further recession, could flatten New York again. The moratorium, or stretch out of interest and principal has been challenged in court. In the event of an unfavorable court ruling, which now seems likely, New York would likewise be flattened again. It could also be flattened by poor management, and the record is replete with examples of poor management.

In summary, Mr. Chairman, this bill will work no miracles, but it represents a responsible effort by the Federal Government based on a responsible effort by the city and the State. It is not complete. It needs the bankruptcy bill as a complement. It is not a bail-out. It is not a perfect solution, but it is a pretty good solution, and it is the only solution. I hope the substitute is adopted. I hope the bill is then passed. And finally I hope the bankruptcy bill is then promptly passed.

The one favorable aspect of this whole sordid affair is that New York City has finally focused the attention of the American people on fiscal irresponsibility. America has seen in the New York mess the fact that the free lunch has a price tag after all. We are beginning to understand that before we decide whether fiscal policies shall be liberal or conservative, we decide they are sound. If we really learn this lesson, all of New York's travail will not have been in vain.

Mr. ASHLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, since what is at stake is not just the survival of New York but the survival of our entire economy, I want to join with my other colleagues in expressing appreciation to the leadership of the House and for the leadership of and the members of the subcommittee who did so much to make it possible to bring this bill to the floor for a vote.

Mr. Chairman, I am a New Yorker born and bred. I love the city from which I come and believe it to be one of the best and certainly the most exciting city in the world. I do not rise, however, to speak on behalf of the particular and parochial interests of the city in which I live. I rise to speak on behalf of all Americans—for what is at stake here is not just the survival of New York, but the future of our entire economy.

If New York City goes under, the fiscal repercussions will not be limited to our own town alone. The chances are that such a default would soon force New York into bankruptcy as well—thereby endangering the value not only of the $12.3 billion in bonds issued by the city but the $12.5 billion in bonds issued by the State. In addition, over 200 banks around the country are so heavily invested in New York securities that their operations too would be severely damaged if the city fails to meet its obligations.

Should both New York City and New York State fall on their fiscal faces, the consequences for the country as a whole would be catastrophic. Estimates are that a collective collapse by both the city and State would cost the country almost $30 billion in lost production and somewhere in the vicinity of a million jobs. Indeed, there is reason to believe the economy of the entire world itself could be endangered—which is why so many foreign leaders have urged the federal government to act while a financial disaster can still be avoided. Indeed, it is a sad day for America when the Nation's largest city appears to get more sympathy from the Chancellor of West Germany than from the President of the United States.

Under the circumstances, I find the position of those opposing this legislation hard to understand. How they can be more concerned about containing the consequences of a default rather than preventing a default in the first place is difficult for me to comprehend. But what is, perhaps, most disturbing is the impression which has been created that we want the Federal Government to bail New York out with national resources from its present difficulties and deficits. Nothing could be further from the truth. What we want is not a bail-out but a loan. And given the assurances and collateral the city would have to offer in order to obtain such a loan, it is virtually inconceivable that the Federal Government would even lose a single cent as a result of it.

There are those who contend that if the Federal Government saves New York—even though it will not cost Washington anything in order to do so—it will somehow create a precedent resulting in the ultimate federalization of our cities. This too is a dangerous distortion of reality. The fact is that Federal loan guarantees are as American as apple pie. Last year alone, the Federal Government guaranteed somewhere in the vicinity of $15.2 billion in domestic loans and, believe it or not, $295 million in foreign loans. It seems to me that if we can provide loans for Cairo the least we can do is to provide them for New York.

Nor are direct loans by the Federal Government to prevent bankruptcies unprecedented either. In 1971, the Congress bailed out Lockheed with a loan of $250 million and, in 1974, the Federal Reserve Board saved the Franklin National Bank from total collapse with a loan of $1.75 billion. For the Federal Government, after having come to the aid of these corporate behemoths, not to give New York City any assistance would be an act of incredible insensitivity. One would think that the obligation of the Federal Government to the Nation's largest city is at least as great as its obligation to the big banks and giant corporations.

It has also been said that there is more the city can do on its own to prevent a default. The facts are that the city of New York has already laid off 22,000 employees and plans to reduce the work force by 40,000 more by 1978. The wages of the remaining 263,000 workers have been frozen, transit fares have been increased by 45 percent, taxes have been increased by over $500 million, a halt has been called to almost all new capital construction, there have been cutbacks in essential services such as police patrols and garbage collections, subsidies to the city university have been reduced by $32 million, and a large portion of the city's contribution to the pension plans of the principal workers has been shifted back to the employees themselves.

There is a limit to how much further the city can go without completely undermining the quality of life in New York—and given the realities of the bond market today, even if the city did engage in further cuts, there is no way it could restore the confidence of the investment community, thereby enabling it to sell its own securities, without the backing of a Federal loan to finance the city's seasonal budget.

The irony here is that it will probably cost the Federal Government much more if it permits the city to go under than if it enables it to stay afloat. In view of the fact that the city must submit a genuinely balanced budget in order to qualify for a loan, the chances of a default once the loan has been granted is virtually nonexistent. But if the city does go bankrupt, because a loan has not been issued, it will undoubtedly cost the Federal Government billions of dollars in taxes which it otherwise would have been able to collect. Even then, a Federal loan or guarantee will probably be necessary in order to enable the city to raise the revenues needed to maintain essential services after it has gone into bankruptcy. Consequently, if loans or guarantees will be necessary even after default, it would seem to make sense to make them available before default, thereby making default unnecessary to begin with.

This bill is no gift to New York nor is it a bailout. The truth is clearly the reverse. The Federal loans will cover only 25 percent of the $10 billion the city must borrow over the next 3 years. The cost to the Federal Government is nothing. In fact, by charging a higher interest rate to loan the money than it will have to pay to borrow the money the Federal Government will actually make money.

Let us hope that we learn from this crisis and recognize that the Congress must support legislation which will relieve the cities of financial burdens they can no longer afford. We must shift the welfare burden from the cities and States to the Federal Government. We must provide funds to combat unemployment. And we must act quickly to establish a program of national health insurance which, by providing quality health care to all Americans, would free the cities from the costs of medicaid and other costly medical programs.

In the absence of such legislation, I fear that even if we win the battle against a New York default, we will have lost the war for the survival of our large urban centers.

The time has come for us to act on the basis of truly national interests rather than on the basis of purely local interests—and on this basis, Mr. Chairman, I urge my colleagues to support this important and vitally needed legislation.

Mr. ASHLEY. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. LAFALCE).

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from New York.

Mr. SCHEUER. Mr. Chairman, I want to congratulate the leadership of this great committee for the intelligent work they have done.

Mr. Chairman, since the beginning of the 94th Congress, New York's financial plight has been hovering like a storm cloud above the Congress and the Ford administration.

President Ford's so-called bail-out program which offers us up to $2.3 billion in Federal loans for the next 3 years comes to the Congress today primarily because President Ford has become convinced, months after the fact, that New Yorkers have been struggling sincerely to help themselves. He points to the New York State Legislature's recent imposition of an additional $200 million in taxes on the city of New York as a determined effort to reestablish the city's "fiscal integrity."

Mr. Ford does not point out, however, that this additional burden of $200 million, plus the $331 million in new taxes levied last spring, will have the inevitable effect of accelerating the flight of middle-income citizens from New York which has played such a damaging role in creating the fiscal crisis over recent years.

My fear is that Mr. Ford's "bail-out" stipulations may serve to aggravate our problems. Instead of restoring "fiscal integrity," we may be encouraging fiscal hemophilia.

Both the State and the city of New York have been working with great urgency and desperation this year to straighten their financial affairs. But the abuses of many years cannot be rectified within a few weeks or months.

Since the first of the year, the State has taken many steps in an effort to prevent default by the city. About $800 million of future State aid was delivered to the city, while the 1975–76 State budget provides for an additional $400 million for the city. A loan of $750 million was provided to help the city cope with its cash flow problems. And to impose discipline and some hard decisions, the Emergency Finance Control Board was established last September, effectively withdrawing the city's authority over its own finances. The board's authority includes receipt and dispersal of revenues, approval of contracts, and the establishment of a wage freeze through fiscal year 1977.

The city has also taken drastic steps in order to meet the crisis. Since the first of the year, there has been an elimination of earlier budgetary practices which obscured the city's true financial plight. About 31,000 workers have been cut from the payrolls, and $32 million has been slashed from the budget of the city university system—a cut which is equivalent to the revenues which could be derived from charging tuition.

The mayor has established a new board to evaluate administrative processes and recommend new methods of increasing productivity. A freeze on wages for the next 3 years has been imposed. The subway fare has been increased from 35 cents to its present 50 cents, over treble the 15-cent rate of a decade ago.

The new taxes imposed by the legislature last spring amount to $331 million. They include the new bond transfer tax which will yield $25 million next year, an increase in the sales tax which will yield $28 million, a 50-percent hike in the general corporation tax which will yield $147.5 million, a hike in the financial corporate tax which will yield $80.6 million, and an increase in the stock transfer tax to yield $50 million.

But President Ford was unimpressed by the tax hikes of last spring and our other efforts to stabilize New York's finances, and by his inaction in the weeks prior to Thanksgiving, he blocked congressional legislation which would have guaranteed New York's bonds.

Now, another $200 million in taxes on the city have been imposed—that is more than half a billion dollars in new city taxes within 9 months. There are few cities in America that can bear this sudden stress—and I have strong doubts that New York will be able to do so.

These new taxes include a 20-percent increase in personal income taxes for city residents—to yield $75 million next year; a 2-percent increase in the bank tax—$40 million; a 33-percent increase in the cigarette tax—$15 million; a 4-percent hike in the personal service tax—$15 million; and combined new personal and corporate taxes which will yield $15 million. There is even a new 50-percent surcharge on the estate tax—further certifying that only the poor can afford to die in New York City.

But still the city of New York needs more help if it is to avoid default. We welcome, of course, the offer of as much as $2.3 billion a year in loans, plus interest. But these loans are an aid to prevent default and bankruptcy—not a bail-out or a guarantee against default. Similarly, massive increases in taxes will do nothing in the long run to help New York or any other American city.

We cannot kid ourselves any longer about the municipal tax structure of New York City—indeed of many older, urban centers. New York's tax system encourages the continued erosion of its tax base by perpetuating the high cost of living, working, and producing in the city. Already there are higher per-capita municipal taxes—$648 per man, woman, and child—weighing on New Yorkers than in any other municipality in the Nation.

I regret that this legislation arrives only in the wake of increased taxes for the State and the city. I strongly believe that all city and State taxes must be frozen immediately until we can revamp the tax structure downward, in order to retain what business and industry still remains in New York and attract the new industries that are capable of growth here in a viable economic environment.

The galloping disincentives for survival and growth in New York City have taken a devastating toll. For example, the heavy taxes on the nonmobile utilities in New York have worked to create an inhibiting economic climate.

Consolidated Edison is New York City's biggest taxpayer, and Con Ed's tax bill of $449 million last year was 20 percent higher than the $347 million it paid in 1973. As a result of these increased taxes and other factors, Con Ed has to charge excessively high rates to its consumers.

Does it really make sense to make the cost of electricity prohibitively high to industrial users? Already the monthly electricity bills to industrial users in our city are 50 percent higher than in Connecticut and 35 percent higher than in New Jersey, Maryland, and Massachusetts.

Our stock exchanges and the securities industry and the financial and banking communities that are supported by them are perennially threatened by increased taxes on the purchase and sale of securities here. For years, top officials in New Jersey have been unabashedly wooing the exchanges, promising them a free tax haven. Recently, one of the largest brokerage houses in the city, Weeden & Co., announced its decision to relocate more than half of its operation to Jersey City because of the increase in the city's securities tax.

Since the early days of the New Deal in the mid-1930's, we have engaged in a gradual redistribution of the national income—partly by progressive changes in the Federal tax structure, more so by the social security, welfare, housing and other social programs. The redistribution process goes on, decade by decade, and for those hurt by it there is no escape, no tax haven except for the few who flee abroad.

But on the municipal level, the process of income redistribution would not work. People, capital, and enterprise organizations can opt out—and do so continuously.

In the last 5 years, the city of New York has lost 340,000 jobs. Last year alone, the city lost 115,000 jobs, most of them to other markets. One-half of the jobs lost since 1970 have been in the field of manufacturing.

When the steadily increasing costs of doing business in New York City appear to justify the expense and dislocation of moving out of the city, the businessmen move. Questions of civic obligations and fairness do not enter their calculations of costs and benefits. Until the day comes when businessmen conform to a different standard of motivation than that of profit and loss, we had best avoid political rhetoric and concentrate on creating the financial environment that will keep them at home. It can be done. But not by approving legislation which results in intolerable levels of taxation.

High corporate and personal taxes

have spurred this exodus not only from New York City but also from Northeast and Midwest cities. In the South and Southwest, other manufacturers find lower construction costs, large tracts of inexpensive land, ample port facilities, and abundant sources of inexpensive energy.

Although New York City has not experienced a major loss in population, it has experienced an exodus of middle and upper-middle class individuals—while at the same time acting as a magnet for the poor. Between 1950 and 1970, according to the Congressional Budget Office, the percentage of city families below the national medium income has risen from 36 percent to 49 percent. In addition, the U.S. Department of Justice estimates that there are 1.5 million illegal aliens living in New York City. That is one in every six New Yorkers. They do not pay taxes, but they do make extensive use of city services.

In the last 10 years, the welfare rolls of New York City tripled, causing an unbearable burden for the city. Yet, our Government still refuses to accept welfare as a national problem—to be shared by all.

Mr. Chairman, despite the economic realities of today, we still favor the South and Southwest over New York City and the cities of the east coast and Middle West when we allocate Federal revenues. The current Department of Defense military construction authorization requests are a good example. For the Northeast and Midwest corridors where more than 85.5 million people live, the allocations for the coming fiscal year totaled $102 million. At the same time the Southern States, with fewer than 54.1 million people, are assigned $800 million. For every dollar of military construction spent in a State the multiplier effect results in an increase in the payroll of that State of approximately $2.50.

The picture is similar for the Federal civilian pay check. Between 1970 and 1973, we find that the States of Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma and Texas gained 8,000 Federal civilian employees at the same time the Eastern and Great Lakes States lost 34,000 Federal civilian jobs.

In 1973 according to the U.S. Department of Commerce, military and civilian paychecks made up 10 percent of the total payroll dollars of the 15 fastest growing States of Arizona, Florida, Colorado, Alaska, Nevada, Idaho, Mississippi, Utah, Arkansas, Virginia, Hawaii, South Carolina, North Carolina, Tennessee, and New Mexico. During that same time period, in the five States which were declining the fastest, New York, Connecticut, Massachusetts, Ohio, and Illinois the Federal military and civilian paychecks only accounted for 2.5 percent of the total payroll dollars of those States. A reallocation of the Federal dollar seems to be only equitable—especially in view of the destabilizing effects of the present situation on New York City and other older cities of the East and Middle West.

Mr. Chairman, during this entire year of financial crisis in the Nation's largest city, President Ford and his administration never attempted to arrive at solutions to the problems which afflict all of urban America. The elected officials and administrative leaders of our cities are grappling with these issues today at their convention in Miami, while President Ford is defending détente in Peking.

Recently, the city of Hartford, Conn., focused attention on the crucial issue of how Federal policies of funding effectively destabilize urban communities while attempting to aid suburban communities. The city of Hartford filed suit against the Federal Department of Housing and Urban Development to block seven suburban areas from receiving HUD grants.

Some very perceptive observations on the nature of the urban American crisis were included in an editorial published in the New York Times of Sunday, November 30, 1975, regarding the Hartford lawsuit.

> The City of Hartford charges that the suburbs have failed to provide or plan for the low-income housing and economically viable communities that were the intent of HUD's legislation, and that the urgent needs of the city, such as shelter for the poor and the elderly, should have priority over suburban roads, parks and sewers. The suburbs have struck back by calling Hartford's stand a raid on their treasuries.
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> The point that Hartford is making, going far beyond the question of open housing, is that federal practice, based on present grant procedures, is exacerbating the decline of the city by strengthening and enhancing the suburbs at the city's expense. When, for example, funds go to the suburbs for industrial development that will help destroy the city's economic base while no suburban housing is built for the workers—thus leaving the city with the housing load—federal aid becomes counterproductive to cities. It hastens the deterioration of the city and deepens its financial and social plight.

The New York Times editorial goes on to point out that the Hartford lawsuit raises "very serious and unavoidable considerations of intense concern to the older city's survival—chiefly whether current Federal practice must be revised to give the cities the real aid, or hope, that is currently in tragically short supply."

> Win or lose, Hartford's suit forces an issue of the utmost significance to this country's future. Federal assistance programs must be keyed to the overall needs of a metropolitan region. If national policy not only worsens the plight of the cities but adds fuel to the struggle between the city and its surroundings, examination of such policy is clearly overdue.

Mr. Chairman, I believe that the Hartford suit and these editorial observations focus on an increasingly critical national concern. The rancor and recriminations of the past year must be quieted while the total needs of the people of this country—be they rural, suburban or urban—must be equitably balanced through redesign and refocus of the last panoply of Federal aid programs.

My colleagues and I will be formulating a series of legislative efforts during the next session of the 94th Congress aimed at dealing with the problems I have outlined above. We trust that the lessons of the past year will have convinced all Americans of one emerging fact of our lives: that we shall all hang together or we shall all surely hang separately.

Mr. **LAFALCE**. Mr. Chairman, there has been much rhetoric on the issue of New York City. Unfortunately, I think the rhetoric very often has been misguided, but it has existed on both sides of the question, both from the proponents of Federal involvement and the opponents of such involvement. It has far exceeded the bounds of reasonable argument. It has well suited the desires of the demagogs.

Mr. Chairman, we are faced with a very bad situation. It is not a situation to which we can just close our eyes. Admittedly, no solution we come up with is going to be a good solution, but that does not mean that we should bury our heads in the sand.

If we were interested in assessing blame, there would be plenty of blame to toss around. There is plenty of blame to be shared, and that blame should be shared certainly by the city officials who for years and years engaged in the most outrageous fiscal practices, bordering on the fraudulent; it should be shared by the State officials who very often concurred in the mismanagement practices or legislatively ratified them; and it certainly can be shared too, I think, by Federal officials, representatives of the banking community, public employees unions, and the public at large.

But the question we face today, Mr. Chairman, is not who deserves the most blame, but, what do we do about the mistakes that all have made in the past? What do we do to limit the harmful consequences that have come about and will continue to come about? What do we do?

There are some who say: Let the city go into bankruptcy. Others would propose a different solution. Let us examine first the option of bankruptcy.

Bankruptcy, if anything, is the big bailout. Bankruptcy is the route that would permit the obligations to the creditors to be discharged. Bankruptcy is the route that would lose for the Federal Government billions of dollars in the first year alone in tax writeoffs. Bankruptcy is the route that would require the Federal Government to expend hundreds of millions of dollars in Federal moneys in order to provide essential services.

Most importantly, the bankruptcy of New York City, in the eyes of the rest of the world would not merely be the bankruptcy of one city, it would not be the bankruptcy of just New York State, but to the rest of the world it would be the bankruptcy of America, and the bankruptcy of the capitalistic system.

We have heard testimony from George Ball on how the Communist Party has been proselytizing the public employees of foreign countries, trying to get them to join their organizations rather than the ones friendly to the capitalistic system because of the New York City problems and what they were terming—not the bankruptcy of New York City—but the bankruptcy of the capitalistic system.

We have many approaches that we

could follow, but bankruptcy is the worst possible approach. The chairman of my subcommittee, the gentleman from Ohio (Mr. ASHLEY) its ranking Republican member, the gentleman from Connecticut (Mr. MCKINNEY) the chairman of my committee, the gentleman from Wisconsin (Mr. REUSS), the gentleman from Ohio (Mr. J. WILLIAM STANTON), the gentleman from Arizona (Mr. RHODES), and virtually every member of the Banking Committee and House leadership, both Democrat and Republican, exerted virtually every single minute of their time for the past 2 months or so to come up with a reasonable solution. We think we came up with, not a desirable solution, but the best approach under the circumstances—an approach that would limit the harmful consequences. We were certainly willing to engage in great compromise.

We have before us such a compromise today. And today we are called upon to decide the fate of the largest city in this country. It is a city which has been plagued by mismanagement of the highest order. I deplore the irresponsible machinations, the outrageous accounting systems, and the outright spending spree that have led to the current financial fiasco that the city has brought on itself. The question the Congress faces today is whether to cast the city of New York adrift or whether to grant temporary assistance to avert the harmful effects of a default on local governments throughout the State and the rest of the country.

In Buffalo, N.Y., the city has been forced to float bonds at 8½ percent instead of 5 percent; the city of Niagara Falls, N.Y., has had to sell bonds at 10½ percent instead of 6 percent; at the Amherst campus of the State University of New York, all new construction has been halted. This is just a sampling of the toll that New York City's financial instability has taken in my congressional district in upstate New York.

Municipal bond investor confidence has not been at a lower ebb since the Great Depression, and examples of skyrocketing interest rates directly linked to the fortunes of New York City abound throughout the rest of the country. During the course of hearings before the Subcommittee on Economic Stabilization, on which I have the privilege to serve, it became apparent through a substantial body of testimony that the factor of uncertainty that New York City's situation had forced onto the Nation's municipal bond market has already cost taxpayers additional millions of dollars in increased interest rates.

The impact of the city's fiscal mismanagement on the bond market, affecting school districts, towns, cities, and all kinds of capital improvement projects throughout the country, and the harm that could well ensue if the city were to default, is only one side of the coin. The other side of the coin is the toll that would be taken on the Federal Treasury in the absence of Federal assistance prior to default.

On absolutely no occasion have those forces previously opposed to Federal assistance offered any constructive estimates of the costs to the Federal Treasury that would ensue in the event of default. It is quite likely that the Federal costs of preserving essential services after the city has entered bankruptcy would far surpass the potential loss of loan funds advanced in order to avert default. In fact, under the terms and conditions set forth in both the original House and Senate versions, the Federal Treasury stood to receive a substantial profit.

I think the need for Federal assistance is now well-established. This need is reinforced by the actions of a President who in the past refused to "bail out" the city of New York. But nobody ever proposed a "bail out." President Ford has now come full circle, from an outright refusal to entertain any responsible measures to avert default, to a proposal that is more of a bailout, if anything is, than either House of Congress has been willing to consider up to now. While this reversal in itself should underscore the chronic need for Federal assistance, it should also be pointed out that the President's "afterthought legislation" does not go to the heart of the problem, and that his game-playing over the last few weeks has yielded a solution that could have been considerably more far-reaching than it is.

Let us examine for a few moments the product of intensive scrutiny on the part of the House and Senate Banking Committees, and compare that product with the proposal that President Ford has presented to the Congress and the Nation.

Congressional legislation called for the establishment of a Federal board, composed of various department heads and the Chairman of the Federal Reserve Board. The mere establishment of the Board as set forth in the proposed legislation would in no way have obligated any assistance to the city. Most people missed that essential point. Further, the Board would have had the authority to exact compromises from the city as preconditions to granting any aid whatsoever. The clout that the Board would have and the vigilance it could exercise would have insured that the city would take the harsh but essential steps necessary to return to fiscal integrity, prior to any guarantee being given.

There seems to be an abundance of misunderstanding throughout the country on this point alone. President Ford earlier refused to deal responsibly with the New York situation, and particularly, when he issued a much touted threat to veto the loan guarantee legislation the House Banking Committee had devised, and termed it "irrelevant." It is precisely because the Federal Board created in the legislation had discretionary authority to implement loan guarantees or not, and authority to impose essential preconditions to any such guarantee, that the House legislation could safely and should have been passed weeks ago. The city would still have had to meet whatever conditions the President, acting through his Cabinet members on the Board, saw fit to impose as preconditions for any Federal guarantee.

If the President had been listening to his economic advisers instead of his political advisers, he might well have agreed to the terms of the House legislation which was a much tougher bill. I have recommended for some time the passage of the loan guarantee mechanism as well as amendments to the bankruptcy statutes that would provide for the orderly default of the city. Under this approach, the Federal Board could determine whatever steps it deemed practical to get the city of New York back to a balanced budget, and impose these steps as preconditions to a loan guarantee. If the city complied, it would receive Federal loan guarantee assistance. If it did not meet the preconditions of the Board, then assistance would be refused and the city would at least be able to default in a fashion that would cause less havoc.

But the President was more intent on gaining votes than in gaining a responsible mechanism with which to approach the problems of the city. He held back, he threatened vetoes, and when he finally woke up to the consequences of his actions, he devised an escape approach—a bill providing, ironically, for direct Federal loans. It is unfortunate that we have no other option because of the extreme time constraints other than to accept the President's legislation.

Among other things, the President is putting Federal money on the line to the tune of $2.3 billion. The money that would be forwarded under the Ford scheme will be in direct Federal loans, an option the congressional Banking Committees considered and then rejected as too risky a commitment of taxpayers' funds. Instead, the congressional legislation called for a system of loan guarantees under which the Federal Government would stand behind a responsible State agency's issue of bonds. With the Federal backing, the bonds would be easily sold in the private market, and private, not public money would be used to meet the short term cash needs of the city to avert default.

I think the most important distinction between the President's proposal and the proposals developed by the Congress is one of breadth. The sole criterion on which direct loans will be made available to New York City under the Ford scheme is the city's ability to repay the loan. The congressional legislation called for stringent collateral arrangements, but went much farther in terms of requiring the City to make the kind of adjustments that will restore sound fiscal practices and investor confidence.

Let us examine the prerequisites set forth in the congressional legislation. First, Mayor Beame would be reduced to a ceremonial figure with the entire city budget under the discretion of the State's Emergency Financial Control Board. A detailed plan would have to be submitted to achieve a balanced budget within 2 years, and if either the city or its supervisory State body departed from the plan, it would be grounds for the immediate discontinuance of Federal loan guarantees. The city would be forced to convert to an accounting system established by the Federal Board, and the city's budget would undergo the intensive scrutiny of General Accounting Office periodic audits.

The congressional legislation would have enabled the Federal board to examine existing benefits for New York City's labor unions. Indeed, the congressional legislation would have required renegotiation of pension agreements so that the city would have been forced into the difficult but necessary position of reducing its contributions to its employees' pensions as a precondition for a loan guarantee. The New York City unions opposed this provision, and the President went along with their wishes.

There are many other difficulties I have with President Ford's bill. First, it is completely dependent upon the successful outcome of several court cases testing the constitutionality and legality of certain State actions. As you know, the New York State Legislature enacted a moratorium on the repayment of New York City notes totalling $1.6 billion. There are grave doubts concerning the constitutionality of the moratorium legislation. These doubts have to do with the ability of a State to impair the obligation of contracts under the U.S. Constitution. Many argue that only the Federal Government, under the U.S. Constitution, has the right to impair contractual obligations, and that even then, it must be done under the bankruptcy laws. If the courts should rule unconstitutional the State imposed moratorium, President Ford's aid bill will simply not be comprehensive enough to prevent default.

Further, there is another challenge to the State package that was put together—the commitment by the New York City pension funds to use $2.5 billion from their funds to meet both the deficit and the capital requirements of New York City. There is a "prudent man" rule under the law requiring the trustees to invest their funds in a very prudent manner. This means that they should not invest too much of their money in any one obligation, and the courts have ruled on this many, many times. If the court action against the commitment of such large amounts of money is successful, all construction in New York City will be brought to an immediate halt, essential services will be jeopardized, and again, President Ford's plan will not be adequate to the task.

Further, it is ironic that the pension funds were tapped for $2.5 billion when it is well known that they are most unsound. In order to come up with the $2.5 billion it was necessary for them to sell hundreds of millions of dollars of securities they held at a terrible financial loss. This contributed to their actuarial unsoundness, and exacerbated an already excruciatingly difficult problem.

However, the President has left us no alternative. He has said that he would veto any other legislation that would come before him. Regrettably, the course he has chosen is the only course available, and, fraught with danger as it is, it is better than doing nothing.

I also want to take this opportunity to give some cautionary words to my friends in New York City. There are many difficult decisions that remain ahead of them, yet those decisions must be made. Greater efforts must be made to cut expenditures. I have to wonder, when there is money in the budget of New York City appropriated for a police officer training center, when we are told there are to be no new recruits to the force for 3 years. I have to wonder about the cost-cutting intentions of nonmayoral city agencies when I see outpatient clinics, serving thousands of New Yorkers, closed while less critical, indeed, undercapacity hospital facilities remain open. I have to wonder when, despite the city's cut in CUNY's budget appropriation, CUNY does not institute tuition charges. I have to wonder when the city included in its fiscal year 1975 budget, income to be derived from "excessive interest" on the city's pension funds, even though it is well known that the city's pension funds are exceedingly underfunded.

I have to wonder when I see a continuation of the budgetary juggling miracles that have brought the city, and as a result the State, to the brink of financial disaster. Employees, hired by some departments through the use of CETA funds, are loaned to other departments, and all efforts of outsiders to determine where full-time employee deductions have been made without rehire somewhere else are severely hampered. In the city budget there is no breakdown of the use of Federal and State aid funds so as to avoid, at the very least, excessive State payments to the city based on distorted Federal-State-local share formula. And, quite frankly, I doubt that all of those items have been removed from the budget; rather, I suspect they are covered over by the gloss of an extremely complicated budget system.

I am most concerned by the inclusion of $800 million in advance State aid listed in the revised New York City budget as anticipatory revenues. This has been approved by the State Emergency Financial Control Board, and yet it is the type of budget gimmickry that we must get rid of. There is no assurance that this amount is forthcoming, because the State itself is in the most dire financial condition. This single practice encourages, indeed mandates, that the State engage in borrowing schemes which clearly contravene sound fiscal practices in order to give such assurances. It is highly indicative of the type of fiscal reform effort so greatly needed.

It is precisely the above type of practices that could have been eliminated, as preconditions to any loan guarantee, that make me sorry we are faced with the alternative of simply accepting or rejecting the President's bill rather than proceeding with a bill that would have permitted Federal involvement, but only if those shoddy fiscal practices were cured in advance.

Mr. Chairman, the President has established the course of action that we must take. I will go along with that course of action, but I deem it regrettable that we were thwarted in our efforts to take a much better approach.

Mr. McKINNEY. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. Mr. Chairman, I can probably state with a certain element of humility that during consideration of the legislation that came out of our committee over a period of approximately 6 weeks that nobody can take the well of the House today for any remarks that probably would be made that have not already been made, or made by me against the original committee bill. I say this to all of the Members because I think in essence it was obvious last week there were maybe a majority of the Members of the House who still were opposed to what we call long-term guaranteed aid to New York City, or a bailout bill per se.

Let me say, though, that I want to compliment, first of all the members of the subcommittee, and the chairman of the subcommittee especially, my colleague, the gentleman from Ohio (Mr. ASHLEY) for the fairness with which these hearings were conducted. From the minority side and those who were in opposition, we have no complaints. Ample time was given to answer all of the questions that we had, and for this in a degree of fairness we are, indeed, most thankful.

Second, let me express publicly as the person who has been opposed to this legislation my thanks and my respect for the Governor of New York, Governor Carey, for the truly outstanding work that brings us to the legislation that is here today. In all fairness to whatever one hears about the comparison of this bill to the President's bill that I will introduce under the 5-minute rule, it would not have been possible without the concerted and combined efforts of the Governor of New York, the State Legislature of New York, and hundreds of people involved in the city of New York. For this reason it makes appropriate this legislation today as the responsible thing to vote for because of the actions of all of these people.

The President has stated that the bill that was previously before our committee he would have vetoed for many reasons, but one is this fact of the timing. For weeks many meaningful legislative efforts went on between the Governor of New York and his committee and the financial advisers of the Treasury and of the President. There was give and take, but in essence the State of New York, primarily because philosophically the city is a child of the State, combined with the financial institutions that they created, has brought us today to the point where we do have today a default situation.

It is a controlled default. It is a voluntary, controlled default. And to these gentlemen and to all of them I pay my highest respects.

When the 5-minute rule begins I will get in depth into the substitute. It is made possible not only because the President said yes or no but also because of the efforts of all these people I previously mentioned. They are all in agreement: The State of New York, the city of New York, the pension systems, the banks, the unions. What we have today is the final count and agreements between the President and his Treasury Department and the people I have named to bring us down to this final link.

Mr. Chairman, this is the most important link. It is the final one that triggers all the other actions. So I sincerely hope the Members will listen to the substitute when it is presented.

Once again, I think it is the responsible thing today to vote for the substitute.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. The gentleman is absolutely correct.

Mr. QUIE. I was interested in the answer of the gentleman from Ohio (Mr. ASHLEY) to the gentleman from California (Mr. REES) who asked a question in regard to the Secretary, and I have read the substitute, with respect to where it states that the Secretary may require such guarantee as he deems appropriate to require payment. It is my understanding if the Secretary felt it would be wise in order to insure that for the city to begin charging tuition for the city university or if he felt it was wise, as we see it in the report, to have the cost of collecting garbage not be as great or that it be collected by another system, such as private collecting, that the State could not or we could not require it of the city.

Mr. J. WILLIAM STANTON. The gentleman is correct in what he heard of the colloquy before. It was done deliberately that way. A tremendous amount of time was spent in our subcommittee and a greater amount of time or an equally great amount of time was spent on it within the Presidency, but the sole purpose of that was this. Originally in our bill we did not want the control in the Treasury or HUD of going in and telling New York City how to run its business. What the President wanted was for them to come from the city through the State of New York to insure they had a balanced budget. Once they say that is done, we will help their cash flow problem. That was specifically done. I fully agree with the President that we do not want this Federal Government involved in the day-by-day operations of the school board of the city of New York.

Mr. QUIE. But if the gentleman will yield further, in the case of the Farmers Home Administration making a loan to farmers, the farmers can say to me that all they have to do is to assure that they can repay this loan, but if the supervisor goes into the situation he can take action and tell them how to operate their business. If the Federal Government can do that to the farmers, why not to the city of New York?

Mr. J. WILLIAM STANTON. The parallel the gentleman is drawing is not inapplicable. No. 1, the farmers the gentleman has in Minnesota come in and apply for their loans, then they are investigated, and they are told that if they do this or that they will be given the loan. I think in essence that is what this bill does. It is exactly that. They have said they will do these things. They have got to do them.

Mr. ASHLEY. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I would like to pursue that with the gentleman from Minnesota if he will give me his attention for a moment.

Mr. QUIE. Yes.

Mr. ASHLEY. I think it should be understood that the fiscal affairs of the city of New York are being managed by an emergency financial control board. In other words, the city is in effect in receivership. This means that in the relationship between the Secretary of the Treasury and the city we have intervening a control board which is dominated by officials appointed by the Governor of the State of New York. In other words, it is a State body.

This is relevant I think because the gentleman is interested in knowing whether certain terms and conditions, such as no-longer-free tuition, such as layoffs, such as curtailment of public services, could be mandated by the Secretary of the Treasury.

Very definitely, that is not contemplated. What is contemplated, as the loans become due and owing and as new ones are about to be entered into, is that the Secretary will be in a position dealing with the Emergency Financial Control Board to assure himself that there are adequate funds to assure repayment and that really is the extent of his responsibility.

I think the gentleman goes too far to suggest in the Federal-State relationship that there should be the ability on the part of the Secretary of the Treasury as the management officer for this arrangement to dictate the precise terms, the actual relationships, that obtains in the city; that goes too far in the view of administration officials and in the view of those of us on both sides of the aisle that have looked at this question.

Mr. McKINNEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I support the substitute bill, even though I opposed the original bill from the Committee on Banking and Currency, which I felt would have made unnecessary the tough decisions of Government which should be the responsibility of New York City's leaders with respect to the city's problems.

I also would have opposed mandating preconditions to Federal aid which would have in effect improved a Federal solution on local officials desperate for Federal aid.

I am not opposed to the kind of tiding over here involved, which clearly leaves the responsibility for local government with those in the State and city elected to assume that responsibility.

I do not believe anyone wants to see New York City go bankrupt, and there is much concern, and should be, about the implications of such a bankruptcy.

As I read this bill, New York City will still go bankrupt, unless long-term solutions are sought and enforced loudly.

I hope the necessary steps now well advanced will be followed through. The alternatives are grim. The tough decisions are the real decisions of Government, and they should not be made by the Secretary of the Treasury, a bankruptcy judge, the President of the United States, or anyone else but the people elected to govern New York. The formula of this bill will keep responsibility where it belongs, which the original bill would not have done.

Mr. ASHLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. McHUGH).

Mr. McHUGH. Mr. Chairman, I would like to add my compliments to those already expressed for the very fine and thorough job done by the subcommittee and the entire committee in bringing this responsible bill to the House floor.

I would certainly hope all my colleagues will support the substitute to be offered during the 5-minute rule.

Mr. ASHLEY. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Chairman, I echo the commendations already offered to all who are responsible for today's consideration of this very, very important piece of legislation. It is often said that there is some good in everything. I think it is fair to say that that quotation applies in this instance.

Certainly the financial debacle endured by the State and city of New York, I believe, has transmitted a message to all States and communities across this Nation with regard to the essentiality of prudence from the standpoint of administration. I do believe that this has been accomplished. I think that from this point on we are going to see some rather drastic changes in the policies, that is, the fiscal policies of all our States and of all our cities.

Much in the way of pro and con will be said during the course of the debate on this bill here today. I want to emphasize just two points on the effect of affirmative action on the bill with regard to the economy itself. As we know, the fundamental associated with a good or bad economy relates heavily to the unemployment percentage.

The unemployment percentage in our Nation is around the 8½-percent mark. All of us know that once that percentage advances beyond 4 percent, the cost to the U.S. Treasury—that is, the taxpayers of America—is $14 billion per percentage point. Should we not move in the direction of affirmative action with regard to this problem, obviously our unemployment percentage would stand to expand considerably, resultant from the reluctance of States and communities and other bodies to go to the bonding market to fund capital improvement projects.

Thus, across this great Nation thousands and thousands of capital improvement projects would stand to be shelved, and along with them thousands and thousands of jobs which, of course, would expand upon that fundamental employment problem. It would increase the cost of administering unemployment benefits which cost about $2 billion per percentage point. Hopefully, we are going to avoid that expansion by adoption of the legislation before this body today.

The other point I want to make relates to the effect of the passage of this bill on property taxes in virtually all communities of America. Certainly, the bond market, the interest on bonds in America through the course of the last several months have increased anywhere from 3 to 5 percent. I think I have an excellent case in point here. I have a letter from the mayor of the city of Oneida, which is located in my congressional district, and that mayor is pleading with the Congress to take affirmative action, as we will hopefully do here today.

I quote from his letter, and I believe it is the best illustration I know of the effect of negative action on the property taxes of communities throughout America:

> In the fall of 1974 the city of Oneida borrowed $3 million with a bond anticipation note at an interest rate of 6.5 percent interest. This past week we had to reoffer another bond anticipation note for $2.8 million. Unfortunately the bids were to be opened on Thursday, October 30, which was the day after the President's speech regarding the New York City situation. We had expected three bidders to make offers for the anticipation notes but only one offer was received and that was from a local bank which felt committed to support the city. As you are well aware of, the financial market that day October 30 was in chaos and so the bid we received was 10.9 percent. This is approximately $120,000 more interest than we had to pay in 1974.

The outcome of that was that this community was forced to pay 10.9 percent, which is approximately $120,000 more interest than they had to pay on their previous issue. That means, in turn, that all of the taxpayers, the local taxpayers in that community, will have to digest that additional $120,000, and so be it with virtually every community in America should default of New York City be effective.

With the help of God, it will not.

Mr. GRADISON. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. KELLY).

Mr. KELLY. Mr. Chairman and my colleagues, this whole discussion is a monstrous fraud on the people of this country. Now, New York is in financial difficulty. Over 50 percent of its budget deals with payrolls, so it would seem as though, if that is where the fat end of the budget is, that is where we would start to do something about it. So, logically we would go to the unions who are paid the highest municipal wages in the United States of America and say, "We are going bankrupt and we need some relief, we need some help."

Clear across this Nation, every community in the land can go to its people and say, "Work on fire departments for free.

"All we want you to do is just cut your wages down to that which we can afford."

Sanitary workers across the country are picking up garbage for $2.50 an hour, $3 an hour, and those people are being asked to give their tax money in order to pay garbage collectors—excuse me, sanitary workers—in New York $15,000 or $20,000 a year.

Those people in New York do not contribute to their pension fund. The people who are working for $2.50, $3 an hour, if they get any pension do contribute.

Mr. Chairman, it is just nonsense to go to the taxpayers of this country and ask them to support New York City in this arrangement. The union bosses in New York City caused the people there to fear that their city will shut down if they do not accede to illegal strike threats, that their transportation will be shut down and they will not be able to get to work, that their city will not be protected by fire and police departments, that their schools will be shut down.

What kind of sense does it make for us to support a system which has bankrupted New York City, caused its people to live in fear? If the Federal budget now supports this system, it will spread throughout the land. How are we going to keep the people of other cities throughout this country working for the wages they are working for if the unions tell them, "We have a direct tap to the public till, and if you go with us we will give you the same kind of wages they are paying in New York City and the taxpayers of the country will pay for it and support it"? It will cause everybody in the country to be fearful. It will shut down the whole Nation if the unions will it.

This is what this is really all about. We might just as well face up to it. This is what we are talking about.

New York City could save itself. They said they could not, but they did. They did it enough to turn the President of the United States 180 degrees after they said they had done all that was humanly possible.

Mr. WINN. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I yield to the gentleman from Kansas.

Mr. WINN. I thank the gentleman for yielding. I am just wondering if the gentleman is aware that the city of New York has been notified that the rental cost for Madison Square Garden for the city for the 1976 National Democratic Convention will be $900,000 higher than the original $1.5 million estimate for both leasing and renovation. I just wonder if maybe the chairman of the committee will care to comment on that, if they have taken that into consideration.

Mr. KELLY. I thank the gentleman for the question. I think the taxpayers will pay for that, as well.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I yield to the gentleman from California.

Mr. REES. I think we might move the convention down to the facilities at Orlando, Fla. I think we might get a better price down there.

Mr. KELLY. The gentleman might not get the taxpayers to pay for it down there.

In the final analysis, this is all the bill is about. It is extending to the entire country a practice which has bankrupted New York City. It is a bad system there. It is going to be a bad system everywhere. It is not fair to the taxpayers.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I yield to the gentleman from California.

Mr. REES. I thank the gentleman for yielding. Is it not true that all of these loans have to be paid back at the end of each fiscal year by the city, and if the loans are not paid back fully by the end of the fiscal year by the city, the Secretary of the Treasury can attach revenue sharing funds which are due the city or any other Federal funds which are due the city through a Federal program? Is that not true?

Mr. KELLY. There is not one scintilla of truth in that, in my judgment.

Mr. REES. If the gentleman will yield further, would the gentleman like me to read it for him from the bill?

Mr. KELLY. No. I would like to explain it. I can read all right. If the gentleman can listen as well as he can read, he will understand the explanation.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. GRADISON. Mr. Chairman, I yield 1 additional minute to the gentleman from Florida (Mr. KELLY).

Mr. KELLY. Mr. Chairman, the answer to the gentleman's question is clearly this: It would be this Congress, it would be this Government that would have to say to New York, down the road when they are further in difficulty, "We are going to withhold your funds from revenue sharing."

In addition, if we do not have the guts to withhold $2.3 billion of the taxpayer's money to bail them out of this mess, what makes us think we are going to withhold Federal charity from the same people?

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, let me ask this:

When we are talking about Federal revenue-sharing funds, is it not true that that program expires next year?

Mr. KELLY. Mr. Chairman, the gentleman from California (Mr. REES) did not read that part to me. [Laughter.]

Mr. REES. Mr. Chairman, if the gentleman will yield further, I would like to read the bill, referring to page 2.

The CHAIRMAN. The time of the gentleman from Florida (Mr. KELLY) has expired.

Mr. ASHLEY. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, if I may continue, on page 2 of the bill, under (4)(B), it says that:

> Each such loan maturing not later than the last month of the fiscal year in which it was made shall bear an interest rate of 1 percent per annum.

It also says that:

> The Secretary may, to the extent provided in the Act making appropriations, withhold any payments from the United States to the city either directly or to the State which may be or may become due pursuant to any law and offset the amount of such withheld payments against any claim the Secretary may have against the city or any financing agent pursuant to the Act.

That is what the language is in the bill.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, the gentleman will notice that the language says, "may."

My suggestion to the gentleman is that if the Government is not willing to cause them to do clearly what they should do now, I wonder what makes us think they are going to do it then? The fact is they are obviously going to be in worse shape then than they are now.

Mr. REES. Mr. Chairman, I have been reading Secretary Simon's rather Draconian statements in respect to this matter. It seems that this legislation will, according to the writer, be like delivering a heretic to Torquemada. I would suspect he would squeeze the last bit of blood from them if he had the opportunity.

Mr. McKINNEY. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, I do not presume that many of the Members have read the report on this bill, because reports usually go somewhat unnoticed. I would respectfully request, though, that the Members read my additional views in the report, since a reading of those views might cause them to believe that I am somewhat of a prophet.

I objected to the legislation that the President proposed since he advocated only a general amendment to the bankruptcy law but one which would make every community over 1 million eligible for general relief under the law. In turn the bill we passed out of committee originally provided, under some kind of an intergovernmental financial relief title, that every community would be eligible and in effect made every municipality eligible to come in and get a guaranteed loan. Contrary to these general proposals, I think we are only talking about one problem, the one specific problem of the city of New York.

So I am really in somewhat of a dilemma. I have mixed emotions, because what we are doing here under the substitute is adopting a bill for the city of New York, and we are doing substantially that which I had suggested. Although we talk about direct loans, we really are advancing general revenue sharing, welfare funds, et cetera, since, to the extent the direct loans are not repaid, we can withhold such funds.

So, Mr. Chairman, I applaud those who have taken part in the putting together of the substitute, because finally they have their heads on straight and we are approaching the problem the way we should. We are doing something for New York and we are not cluttering up the whole municipal finance picture by the adoption of general laws to take care of a specific problem.

However, Mr. Chairman, my purpose in coming to the well is a little more specific. In section 5, in the third sentence, we have language that attempts to establish a clear priority in the Federal Government to claim any funds due to the city of New York under any Federal program. In effect we want to make sure that the Federal Government preempts the right to such Federal moneys vis-a-vis any other creditor.

However, with respect to formula programs, I want to say this: Here I am talking about general revenue sharing, community development programs, et cetera, where Federal funds are given to communities and communities become entitled to them under a formula in the authorizing legislation, the actual amount to be received depending on the total level of appropriations made by the Committee on Appropriations.

For instance, when the Committee on Appropriations passes $5 billion for fiscal year 1976 for general revenue sharing, it does not specifically appropriate x million dollars to New York, x million dollars to Chicago, et cetera, but, rather, by the appropriation of the total sum, a formula amount becomes an entitlement of the community under the authorizing legislation. I think at the time that that appropriation bill is passed, appropriating $5 billion for allocation under the general revenue-sharing law, New York City becomes entitled to its formula share. I do not think that the Secretary can step in and say, "I have a prior claim."

This is attempted to be taken care of apparently in this way: In this third sentence in section 5 it says:

> To any extent provided in acts making appropriations, the Secretary may . . .

If we are referring to the appropriations act, it clearly has to nullify the formula insofar as it applies to that city and to the extent that it does, it impairs, to an extent, the authorizing legislation.

Therefore, Mr. Chairman, I respectfully suggest that this language needs to be reworked, that sentence, to make sure that we bring under it the authorizing legislation so that it covers formula programs as well as programs where there are specific appropriations, where clearly the Committee on Appropriations has the authority to appropriate only x number of dollars to New York without having any need to relate to the authorizing legislation or include legislation in an appropriation bill. In any event, with respect to formula programs, I think we have to do more than we have done in this language.

Mr. Chairman, I would be glad to have the comment of anyone on the other side with respect to this problem.

Mr. McKINNEY. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Chairman, the single most important fact before the House is that default and bankruptcy by New York City is not in the public interest. It is not in the best interest of the depositors of the 546 banks large and small all over the country which hold New York City obligations. It is not in the best interest of enterprises all over our Nation under contracts with the city amounting to $1 billion, nor of the Federal Treasury expecting billions in tax revenues from the city. It is not in the national interest to damage our economic recovery by increasing unemployment, increasing the Federal deficit and reducing the gross national product and Federal tax revenues.

During the past several weeks, the fiscal mismanagement of New York City has been laid bare. No one disputes this, and blame is attributed up and down the line. For some in the Congress, a hesitancy to embrace a Federal response stems from fundamental concepts of federalism. Others believe that corrective measures can only be instituted in bankruptcy—that matters have gone too far and that only in bankruptcy can the fundamental illness of the city be addressed.

Specifically, our colleagues demand New York City achieve a balanced budget; that the fringe benefits and pensions of municipal unions be brought in line with those of comparable cities; that banks not profit; and that New York must not become a ward of the Federal Government. I agree.

I propose to show that the changes sought can be undertaken without bankruptcy, and that bankruptcy is not, as some think, the panacea under which changes will come about.

All agree that New York City must achieve a balanced budget. A balanced budget is mandated in the 3-year financial plan for New York City approved by the State's emergency financial control board. This will end the high living which has characterized the city's past.

Three billion dollars in short-term obligations come due from December 1975 to June 1976. In addition, there is at least a $1.3 billion cash shortage during this period. Many have justifiably raised the question of whether New York City can realistically reach a balanced budget by the fiscal year beginning June 1977.

The answer to this doubt is found in the action that has been taken by the city and by New York State. New York City has recently announced cuts of $200 million from its operating budget, and as part of the State plan, will raise taxes by $200 million. These latest efforts come on top of laying off 36,000 city employees since the first of the year, closing many city hospitals, raising taxes this past summer by $300 million, and imposing a 43-percent increase in the city's transit fare. And the city has reduced its subsidy to the City University by $32 million.

A moratorium with respect to $2.6 billion of city short-term notes has been enacted, and the public will be offered an exchange of 10 year, 8 percent MAC bonds for the $1.6 billion of city notes they hold. I think these steps demonstrate the city is on the right track.

One of the principal obstacles New York City faces centers around the municipal union pensions. Yet action has been taken in this area as well. Legislation at the State level has shifted a portion of annual city contributions to the pension systems to the employees. The savings to the city annually will be $85 million and will cost the employees $107 million.

The pension systems will play an integral part in the effort to enable the city to meet its financing requirements. Pension trustees have agreed, along with New York banks, to take 10 year, 6 percent city securities as part of the moratorium in exchange for $1 billion of city notes, and to take 10 year, 6 percent MAC bonds in exchange for $1.7 billion of MAC bonds bearing higher interest rates and/or shorter maturities. Further, the pension systems have agreed to buy $2.5 billion new MAC and/or city securities over the next 3 years.

Many Members of Congress understandably have concluded that only in bankruptcy will municipal employee contracts be opened up. But is this the case? In the case of retirees, it is not, and it is doubtful with respect to others. The vested rights of pensioners are protected by New York State's constitution. The proposed amendments to the bankruptcy law gives a Federal court the right to reject an executory contract but not the right to modify its terms. The pension rights of retirees are not executory, and therefore cannot be reached in bankruptcy.

Clearly, New York has demonstrated that it does not expect a "bailout," and that it is willing to do all that is possible to get its own financial house in order. Yet with all that has been done, New York will still not have adequate funds in the coming months to meet its day-to-day operating expenses because the credit market is closed to the city and it is unable to borrow.

The Stanton substitute provides for Federal short-term loans to the city or an agency designated by the State to act for the city, in an aggregate outstanding amount not to exceed $2.3 billion. The city estimates that the amount of such Federal seasonal assistance it will need will reach a peak of nearly $1.3 billion in fiscal 1976, $2.1 billion in the next fiscal year, declining somewhat in the third fiscal year. The maturity date of these loans will be not later than the last day of the fiscal year of the city in which the loan was issued.

Finally, what realistic alternative is there to Federal assistance? It is more than likely that outright cash payments would be needed after a default or bankruptcy to enable the city to provide essential services. And assistance coming after a default or bankruptcy would truly be a bailout. What we are asked for now would allow the city to get back on its feet without having to go through the trauma of default or bankruptcy.

Estimates of what a New York City default would cost the Nation vary with the econometric model used, but are basically consistent. Data Resources, Inc., a consulting firm used by private corporations and by the President's Council on Economic Advisers, has estimated that a New York City default would cost the Nation $14 billion in lost national production and 500,000 jobs. The econometric group at the Wharton School of Finance of the University of Pennsylvania estimates a loss in national output of $10 billion and a loss of 430,000 jobs. Less optimistic assumptions would roughly double these amounts. And should New York State default after the city, a likely scenario, the costs would double again.

And what of the effect of default on New York itself, The city would be unable to borrow for years as 30 States forbid fiduciaries from investing in the obligations of a bankrupt for up to 10 years. It would be faced with a drastically shrinking tax base as business migrates from the area. As revenues decrease and reliance on the Federal Government for essential services and growing welfare costs increases, New York could truly become a long-term ward of the Federal Government. This is what must be avoided and what can be avoided.

Before us today is a sound mechanism for assisting New York City. And it will insure that New York City does its part since the President has indicated that only if the city keeps its belt tightened by adhering to its new economic regimen will he continue this seasonal Federal assistance. And finally, it would give the city the opportunity to meet its obligations while remaining a viable revenue-producing component of our Nation.

Mr. ASHLEY. Mr. Chairman, I yield such time as he may consume to the delegate from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. Mr. Chairman, I rise in support of the H.R. 10481, the Intergovernmental Emergency Assistance Act as it is offered and in reluctant support of the amendment in the nature of a substitute. I would have much preferred to be able to see this House pass the legislation which we, in the Banking and Currency and Housing Committee, labored long and hard to create because I believe that legislation would have adequately met the capital requirements of New York City, offered the time by which the city could restructure its finances, and imposed the kinds of conditions which would encourage the city to make the hard decisions that will give it a balanced budget.

The substitute which we have before us will not do these things. It will not help New York City restructure its finances, it will not enable it to renegotiate any of its contracts, pensions, or debt. Its birth has come only as the result of higher taxes which New Yorkers have had to impose upon themselves to avert a default, and after much moralizing by the administration.

Whatever one may think of the policies that have given rise to the need for this kind of legislation, one thing ought to be abundantly clear—a default by New York City or New York State as a result of an inability to raise money at any price through the issuance of tax-exempt obligations is an event that will have severe repercussions that will impact upon every municipality in this Nation, upon the slow economic recovery that we are having from the recession, and upon the domestic and international monetary markets of a nature that we cannot adequately foretell or perhaps control.

Both New York City and New York State have taken a series of actions which they had hoped would avert a default; but, it appears that these actions are not adequate in light of the market's interpretation of the city's ability to repay its borrowings. Services have been cut, employees have been fired, the arts have been curtailed, capital projects and nonessential maintenance have been deferred, and user charges have been raised wherever possible.

While some of these actions were long overdue, they are overdue in New York at no greater a rate than they are overdue in the cities and towns of any of the communities in our own districts. Some of the actions can favorably affect the current problem, but only at the costs of affecting the quality of life which New York has been able to offer the whole Nation. Others of these actions can only exacerbate the difficulties of living in any large urban area. The long-term result is that while we save pennies today, we will spend dollars tomorrow in an effort to restore the neglect that must accompany any delay in so many allegedly nonessential undertakings.

As the Representative from an urban district which depends very much upon the Federal Government for its financial livelihood, it is unthinkable to me that we could allow the city to fail in maintaining its functions. It is unthinkable, indeed, to foreign governments that we could allow a great city like New York to fail. The comments that were made to your Committee on Banking, Currency and Housing by witnesses intimately familiar with the thinking of major foreign leaders reflects a belief that our disinterest in the plight of New York results from a lack of confidence in ourselves, our political and economic system, and our institutions. If this is, in fact, their belief, one must realize that to permit a default will be to permit foreign confidence in our economic and political institutions to decline.

I am told by economists that a failure of New York may result in increased pressures on the dollar, apprehension over the integrity of American paper whether or not it is issued by the Federal or local levels of government, a fall in stock and bond prices, and great rises in interest rates. I am told that there is no way to isolate these events since few people, except some Americans, view the failure of New York as an expected and calculable function of a market economy system.

I am not as pessimistic as some that a default may affect our relations with those nations that have tended to left-leaning government, or which have strong Communist parties. Nonetheless, I am persuaded that a failure will be trumpeted by those of our adversaries as additional evidence that market economy nations cannot survive in an era of increasingly complex relationships between all sectors of the economy and of government.

You will hear arguments that these facts alone should not warrant the Federal Government's intervention into a local financial disaster. They will tell you that the financial markets have made their peace with the possibility of a default. This is not true.

New York label paper has not been marked down to the extent that analysts inform me will occur if a default is permitted. Certainly those municipalities and States that seek to borrow have not seen the higher rates that will be charged to compensate for the risk of failure of an up-to-now absolutely secure offering. I cannot predict what the rates will become because the event which will presage their coming has not ever been visited upon us. We have no guidelines. The price failure has not yet occurred because no one believes that we could ignore the plight of eight million Americans living in the city that has been the entrance point for so many persons who have made this land their land, their Nation.

Whether we ultimately decide that we should have a direct loan program in the amount of $2.3 billion or a loan guarantee as envisioned in the original bill is a decision that must be made on the merits of other arguments that you will hear today because I do not wish to engage in any lengthy discussion on the mechanics of this bill and the substitute.

I do wish to say, however, the idea that a city must seriously consider the use of scrip to pay its employees, close its schools, lock up its art galleries and libraries, and fire tens of more thousands, has to be viewed as the actions of a morally bankrupt society if allowed to come about. This Nation is not bankrupt financially or morally. It is not weak in the spirit, though I must admit that the flesh seems to sometimes be wanting. This is one of those times. If we allow the flesh to wither and die in even one place, the spirit which supports the body will, in not too short an order, also die.

Ours, today, is the job of reviving the flesh to enable the spirit which is in New York to do the job of paying its own bills. This will happen if we will aid New York in putting its financial house in order so that they will once again have access to the capital markets. In doing this, your committee had sought to assure itself that no city is going to seek to rely upon the Federal Government unless it has fully exhausted all of its resources. The creation of the Intergovernmental Emergency Assistance Board, the conditions and limitations surrounding a guarantee, and the set-off rights, which the Federal Government would reserve to itself to protect against any unforeseen outlays resulting from the guarantee make this proposal far more onerous than I thought could be possible.

Thus, Mr. Chairman, while I urge support for the substitute, I do so only because I know that no other legislation could possibly be acceptable to the administration even though other legislation could accomplish the tasks at smaller costs in a more responsible way.

Mr. McKINNEY. Mr. Chairman, I yield 3⅓ minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I wish to commend Chairmen REUSS and ASHLEY, the ranking minority Member from Connecticut, Mr. McKINNEY and the members of the Banking and Currency Subcommittee on Economic Stabilization for their diligent and expeditious consideration of this important legislation.

I rise in support of the substitute amendment which will be offered by the gentleman from Ohio (Mr. STANTON) which is the administration's proposal to assist the city of New York during its financial crisis.

This proposal is not, as some have inaccurately labeled it a "bailout" or a "handout." Rather it is a careful, cautious commitment by the Ford administration to provide a source of short-term loan money for the city of New York.

Under the proposed legislation, Federal loans to New York City will not be automatic. Such loans will be subjected to the close scrutiny and determination by the Secretary of the Treasury that there exists "a reasonable prospect of repayment of the loan in accordance with its terms and condition." The Secretary of the Treasury is authorized "to agree to any modification, amendment or waiver of any term or condition as he deems desirable to protect the interests of the United States." This discretionary authority is further extended in that the Secretary may require New York City and, where necessary, the State of New York, to provide such security as he deems appropriate. Federal financial assistance to New York City is limited to $2.3 billion at any one time and the authority of the Secretary of the Treasury to make any loan under this bill terminates on June 30, 1978.

Mr. Chairman, the issue is clear. Will the Federal Government provide a short-term loan to the city of New York in its critical hour of need? Is it appropriate for the Federal Government to assist New York City—before the city enters default or after? It is my belief that it is sounder economically to provide this kind of financial assistance now—before any default, to enable New York City to start up the road of helping itself out of its financial crisis. If the Congress can save Lockheed Aircraft and if the Congress can help the Penn Central Railroad and can spend billions of dollars in economic and military aid to foreign nations, then we can certainly provide a loan to New York City in order to prevent its default. If New York City defaults, the full faith and credit guarantee that is inscribed on municipal, State, and Federal bonds virtually becomes an illusionary guarantee and a meaningless phrase. The effects of a default by New York City would undermine investor confidence, and it could irreparably harm citizen confidence in governmental institutions.

Several weeks ago, I joined a bipartisan delegation of New York State Congressmen who traveled to Chicago, Cleveland, Grand Rapids, Milwaukee, and Des Moines to rally support for Federal financial assistance to New York City. The results of that trip indicated to me that the citizens of this country believe as I do, that aid for New York City is not a provincial concern but is in the best interests of the entire Nation.

A default by New York City would undoubtedly invite substantial, unanticipated Federal costs: in direct assistance, in maintenance of essential public services, in welfare and unemployment compensation, in lost taxes, and many other costs all adding to an already strained budget.

A default by New York City could cost the Nation $14 billion in lost national production and over 500,000 jobs.

In addition to the erosion of credit, there is a real concern for the $13 billion in publicly held New York securities, only one-third of which is held by some 300 banks. The rest is in the hands of small private investors spread throughout the Nation.

A default by the city would make it difficult for other municipalities to borrow, thereby reducing local government spending and slowing down a sorely needed economic growth. Already the ripple effects of New York City's fiscal crisis are being felt within the State of New York, in large metropolitan areas and in other parts of the country. School authorities in my district report that if the current economic situation in New York State persists they will be forced to sell their bond anticipation notes at a 12 to 13 percent yield, thereby jeopardizing other school programs. I have been informed that interest rates on municipal bonds in Philadelphia and in Detroit have risen to 8 percent and 9 percent, respectively, as a result of the fallout from the municipal debt situation in New York City.

Mr. Chairman, I urge my colleagues not to turn their backs on our Nation's largest city, but in the interest of a sound national economy, to act expeditiously in passing this critical legislation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASHLEY. I reserve the balance of my time, Mr. Chairman.

Mr. McKINNEY. I yield 3⅓ minutes to the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, it is certain the Federal Government will help New York City. It would be unconscionable to act otherwise. To let 8 million Americans "stew in their own juice" would be cruel and inhuman treatment. Once we are over that hangup, it is merely a choice of what help we will provide and when we will provide it. There are only two choices: seasonal financing for essential services before bankruptcy, or direct assistance after bankruptcy. I strongly support seasonal assistance before bankruptcy. I think there is an excellent chance it would be far less expensive. The results are predictable. It represents an orderly rescue mission. The injury to innocent bystanders is minimized. There is a minimal impact on the money markets in the United States and abroad and it certainly will help our economic recovery, Mr. Chairman, to know that the financial capital of the world is on sound fiscal ground.

I greatly fear the alternative of some sort of nebulous assistance after bankruptcy. It is a trail fraught with dangerous imponderables. We have never taken the trip before. No one knows the final destination or detours or obstacles en route.

However, many are predicting the effects on America. The Wharton School of Finance, in the University of Pennsylvania, estimates the loss of our national output at $10 billion, and the job loss at 430,000. Data Resources, Inc., guesses a drop of $14 billion in lost production and a loss of a half million jobs. It is not axiomatic that should the city default, the State will also, but there is a strong chance that will happen, and the grim predictions would prove even more bleak.

Just the uncertainty alone would cause indecision and concern in investors' minds in the Nation's as well as in the world's financial markets. All would suffer. The issue would not be settled for many years. There would be mass confusion and phenomenal litigation costs.

Imagine nearly 180,000 institutions or individuals are owed some $14 billion. The city has nearly 1,000 separate bank accounts. Would all of them be attached? Who would be paid before whom? What are the constitutional questions involved? How many years would it take to settle the case—10? Twenty? What would the city do in the interim? No one knows.

We have some good indicators. The Penn Central reorganization is still going on. It has taken 6 years so far and it still is not settled. In the southern district of New York, reorganization cases average 8 years. Many are not resolved in that period. How unthinking, how insensitive, to go that route when there is a sound, orderly, sensible plan available, especially if there is an excellent chance this one will not cost anything and the other one is an unknown quantity.

I contacted more than 35 Congressmen individually in seeking support for New York City prior to bankruptcy, and one common complaint was that the city had not done enough to put its fiscal house in order, that the changes it incorporated had not cut deeply enough. That was a valid criticism 2 months ago, but it is not a valid criticism any longer. The list of the changes is long and impressive and is contained in a release from the White House dated November 26, 1975, entitled: "The White House, New York City's Fiscal Situation." I would recommend this highly as required reading for anyone who is going to vote on this bill. I will not take the time of the House now to go through the laundry list of the steps that have been taken but I do intend later on to ask unanimous consent that this be a part of my statement at this point of my remarks in the RECORD.

The statement reads as follows:

ACTIONS BY NEW YORK CITY AND NEW YORK STATE

Governor Carey and Mayor Beame have informed Administration officials that the actions listed below are being implemented. New York State and City officials are delivering documentation verifying such actions for the Administration to review.

The following actions are designed to insure a balanced city budget by June 30, 1978:

a. The three-year Emergency Financial Control Board (EFCB) plan will produce a modest surplus in the City's expense budget by fiscal year 1977–78.

b. The State Legislature has voted over $200 million of additional City taxes which will be imposed by the EFCB.

c. A portion of annual City contributions to the pension systems has been shifted to the employees by legislation. On an annual basis, the savings to the City would be $85 million and the impact on the employees would be $107 million per annum.

d. The City has laid off about 22,000 employees since January 1 and increased taxes over $300 million this past summer. Additional personnel reductions of over 40,000 employees are contemplated in fiscal years 1977–1978.

e. A partial wage deferral was imposed this fall.

f. The City has reduced its subsidy to the City University by $32 million.

g. The New York City transit fare has been increased from 35¢ to 50¢.

The following actions are designed to enable New York City to meet its financing requirements:

a. Moratorium legislation has been enacted with respect to $2.6 billion of City short-term notes.

b. An exchange offer has been approved by the MAC Board for an exchange of 10-year 8% MAC bonds for the $1.6 billion of City notes held by the public.

c. The New York banks and pension systems have agreed to take 10-year 6% City securities as part of the moratorium in exchange for $1 billion of City notes.

d. The New York banks and pension systems have agreed to take 10-year 6% MAC bonds in exchange for $1.7 billion of MAC bonds bearing higher interest rates and/or shorter maturities.

e. New York City pension systems have agreed to purchase $2.5 billion of new MAC and/or City securities over the next three years. This commitment is subject to appropriate trustee indemnification.

f. MAC has provided about $3.5 billion of financing to the City, of which $1.5 billion is refinancing of short-term debt.

The City and State have implemented the following management changes:

a. Creation of MAC and EFCB control mechanisms.

b. Extensive management changes are being made in the City, including a new Deputy Mayor for Finance and a new Chief of Planning.

The following proposals have been made to reform the New York City pension program:

a. The EFCB has passed a resolution directing the City to terminate the practice of using, for budgetary purposes, all income of the pension systems in excess of 4% per annum. In the year beginning July 1, 1976, this will result in approximately $138 million per annum of additional income to the pension systems and a commensurate increase in the City's expenses. The EFCB has also directed the City management to take action and report back within 30 days with respect to termination of the practices resulting in the abuse of overtime in the last year of employment, thereby creating excessive pension burdens on the City.

b. Governor Carey has directed Mr. Richard Shinn, President of the Metropolitan Life Insurance Company, to report to the EFCB by December 31 on the actuarial soundness of the City pension funds. The EFCB has directed the City to prepare and submit to the Control Board such legislative requests and other amendments as may be necessary as a result of the Shinn study to put the funds on a sound actuarial basis and to have those recommendations to the Control Board no later than January 31, 1976.

Summary of State Financial Plan to eliminate cash deficit for period December 1, 1975 through June 30, 1976:

Estimated cash deficit as of 10/29/75*—$3.95 billion.

Less effect of Carey plan to reduce deficit:

New city taxes—$100 million.

State advance—$800 million.

Debt moratorium, exchange offer, and restructuring—$2,450 million.

Employee contribution to pension funds—$50 million.

Pension fund loans to New York City—$550 million.

Current estimate of cash deficit—0.

New York City seasonal cash flow needs:

New York City has estimated its seasonal cash flow needs as follows:

CUMULATIVE NEEDS

[In millions o. dollars]

	Fiscal year—		
	1975–76	1976–77	1977–78
July		$1,100	$1,041
August		1,462	1,413
September		1,197	1,237
October		1,585	1,293
November		1,614	1,325
December	$141	2,063	1,670
January	465	2,062	1,697
February	775	2,017	1,645
March	[1] 1,275	[1] 2,120	[1] 1,994
April	941	1,528	1,369
May	596	1,103	996
June	0	0	0

[1] Peak.

Be assured services have been drastically reduced. They are rapidly approaching a dangerous level of services reduction.

In conclusion, those of you who said New York City leaders mismanaged the fiscal affairs of the city are absolutely correct. They are guilty of nearly every sin of fiscal irresponsibility one can imagine—and probably some we have not heard of. But that is over and done with. That is ancient history. The question is, where do we go from here?

We now have both the mechanism and the plan to insure fiscal integrity in the future. We also have tough, experienced, determined people to insure the financial soundness of New York City.

Let us not punish millions of innocent bystanders for the irresponsible acts of a few. That is not the American way. Such a self-righteous, holier-than-thou attitude is both unnecessary and unwise. Let us not gamble with a bankruptcy procedure that poses huge question marks—that casts long, dark shadows. Let us take the predictable, responsible, least expensive, seasonal financing route.

Mr. Chairman, I urge my colleagues in the House to support H.R. 10481 with the Stanton substitute. It is the only game in town worth playing.

Mr. ASHLEY. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I take this time this afternoon to speak as the second most senior Member of the New York delegation and also as a Representative from upstate New York. I think often it is forgotten that New York State consists of more than just the city of New York. There also are other areas in New York State and many of these areas share the same love/hate relationship toward New York City which the gentleman from Florida (Mr. KELLY) exhibited here in the well a moment ago. We too have had some hesitation about the kind of assistance that ought to be provided to the city of New York, but generally we have come around to recognizing that such aid is important and essential—not only the Members of the New York delegation who do not represent the city of New York but also the people in our areas.

As a matter of fact, last September, after hearing the Mayor of the city of

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*Estimate of New York City, New York State, and congressional committees.

New York, I developed a brief aid plan for New York City which I thought was the only one we could get through this House. I showed it to my colleagues and many of them thought it was too tough. Surprisingly enough it is very close to the substitute which is going to be offered on the floor in a few minutes when we get to the 5-minute rule.

The reason of course that there has been this change of viewpoint in upstate New York and in other parts of the country is that we have come to recognize that default is not going to be something that will affect only the city of New York but is something that could also affect all of us in the State of New York as well as people in many cities elsewhere in the country.

So, gradually, distinguished officials, including Arthur Burns and Secretary Simon and most economists, have also recognized that while there was some doubt as to how serious a full bankruptcy might be, it was still an unpredictable situation and they finally agreed it would be better to help New York before default occurred rather than after. An ounce of prevention, in other words, would be much more valuable than a pound of cure.

We can argue as to whether the substitute that is going to be offered this afternoon is the best bill. We can also argue as to whether the President should have indicated some weeks ago that he was prepared to support help on certain specific conditions. But that is all water over the dam now.

The fact of the matter is that there has been a massive effort in these past few weeks on the part of the State and of the city of New York to deal with this situation. The very things that the gentleman from Florida (Mr. KELLY) was complaining about a moment ago are already underway and they are going to continue.

Indeed, I think the Governor of the State of New York, Governor Carey, our former colleague in this body, deserves a massive share of thanks and credit for the initiative and leadership and the stick-to-it-iveness that he demonstrated in coming up with new ideas and new proposals on the New York City problem when everything else seemed to get kicked down.

The bill we have before us does four essential things: It provides temporary loans; it requires the city to balance its budget before help is made available; it provides a measure of indirect Federal oversight to see that the balanced budget shall be adhered to; and it does not cost the Federal taxpayers anything.

That does not mean it is going to be cost free. It will cost the city of New York a great deal, which will be felt deeply and painfully in the months ahead.

But the most important thing of all about this bill was pointed out a minute ago by the gentleman from New York (Mr. HANLEY).

And that is that in passing this legislation we will be calling the attention of many cities and many legislative bodies around the country who are facing problems similar to those which New York City is facing, that it is important not only that we should be helping New York City over this immediate crisis, but even more that we should begin at once working to develop ways of preventing this kind of thing from ever happening again, to other cities or other governmental entities in our country.

Mr. McKINNEY. Mr. Chairman, I yield such time as he may consume to the distinguished minority leader, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, we heard a great deal, just a year ago, about how wonderful this 94th Congress was going to be, policy initiatives were going to be made here, on Capitol Hill for a change.

Congress was going to act, to innovate, to do things, not just sit around and wait for the President to come forth with proposals which it would then affirm or deny. It was going to be one of those points in history when the balance of power between the branches of Government made a subtle shift in favor of the legislature. This was going to be the year of the Congress, under the leadership of its gigantic Democratic majorities.

Well, it has not worked out that way, and that fact is no more clear than on the issue of the New York City financial collapse. The massive Democratic majority became suddenly afflicted with palsy when it came time to bail out their party's mishandling of the municipal government of New York. Oh, a number have talked a good game, but in the end, those in command turned tail and pleaded with the President to take the lead. Whatever happened to all that talk about congressional initiative? Why hasn't the Democratic Caucus done something? Why can't the Democratic Party, with two-thirds of the votes here in the House, solve the problem? If Gerald Ford is such a do-nothing President, as many on the majority side keep saying when they get out on the stump, how come he is the only one who could put this package together?

Well, let me tell you this. I think the American people, and yes, the people of New York City especially, ought to go to bed tonight with a little prayer of thanks for a man like Gerald Ford. And let me tell you why.

He did not cave in when the greedy grovelers of Gracie Mansion demanded—yes, demanded—that the Federal Government reach into its already depleted pocketbook and come up with the cash to pay for New York's profligacy.

The President is unalterably opposed, and so am I, to that kind of a bailout. If New York wants to be paid off so it can go on living in the unconscionable style to which it has become accustomed, it could do as well to go to the Shah of Iran or Santa Claus. Because it is unjust, unreasonable, and unrealistic to tax garbage collectors in Peoria, who make a starting salary of $6,240 in order to pay the garbage collectors of New York their average salary of $15,924.

That is unreal. The President would not stand for it. I cannot stand for it and the people of the United States would not stand for it either.

But the New York issue is far more complex than that. And the deeper we go into examining its complexity, the wiser President Ford looks, and the more statesmanlike.

Consider the domino theory, which is perhaps even more applicable in this sort of thing than it was in Southeast Asia, where it has most certainly been vindicated. It operates in two ways: First, if New York is forced into bankruptcy, will other cities shortly follow: If that is true, then New York ought not to be forced into bankruptcy, and they would not under the President's plan. Second. If New York is permitted to continue as it has, spending like a drunken sailor on short leave, will not other cities been couraged to do the same? If that is true, then New York must, in effect, be "taught a lesson." She must not be subsidized for her fiscal irresponsibility. And that is just what the President has refused to do. In the words of the Wall Street Journal, "The President's offer makes it clearer than ever that the city and state must solve this problem on their own."

The President's proposal then tips neither domino. Moreover, the means he has used in arriving at, and announcing, his offer, have done much to attack the problem in one of its most important dimensions, the symbolic dimension. In any economic matter, public perception of a problem is almost as important as the problem itself, since individual economic decisions are based on those perceptions. Thus, it was important for the people of the Unted States to have their consciousnesses aroused on the New York issue, something that has been done with great skill by the President. He has, in my opinion, demonstrated real leadership and this entire scenario has been orchestrated exceptionally well when one considers the political facts of life around this place.

The people now know that municipal budgets do matter. They now know something about bond ratings, which Lord knows they did not heretofore, and they may thus pay more attention to the borrowing policies of their own local communities. They are now more aware of the futility of constantly caving in to outrageous labor demands and noncontributory pension funds.

Public reaction to this issue across the Nation has been so strong that a President who wished to do the purely political thing might well have simply stonewalled it, might indeed have made the recent headline on the New York Daily News accurate instead of shamefully demogogic. The headline read "Ford to City: Drop Dead." If President Ford had really said that, it would have been a politically popular thing for him to do. But his statesmanship is such that he would not pander to such sentiment. Instead he did the right thing; he offered the proposal which is before us today.

It is not a bailout. Because no bailout would be responsible. But it is an assist. Simply put, it is a short-term loan which has as its sole purpose and effect the smoothing out of seasonal variations in the city's receipts and spending patterns.

All the money loaned must be repaid in full by the last day of each fiscal year. And it is only good for 3 years, at that.

It is a sound program which does not bail out greedy labor union bosses or those bankers who were foolish enough to invest in New York bonds. It does not for 1 minute relieve the mayor of New York and the other city and State officials concerned of their urgent responsibility to straighten out their budget, and bring it into balance, either by raising revenues or lowering expenses or both.

If they do not do that, New York will go under, and the city fathers will not be able to blame Gerald Ford. But, if they are as wise and responsible as he has been on this issue, then New York will survive. Indeed, it can find a new vitality and strength and prosperity. If that happens, then the city fathers will come in for their fair share of the plaudits that now are for the President who in measured time put it all together.

I urge my colleagues to support this well-reasoned and carefully considered substitute bill. It is right for the city of New York and right for the Nation.

Mr. McKINNEY. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. KINDNESS).

Mr. KINDNESS. Mr. Chairman, I have no emotional rhetoric, no discussion of how we got here, no dark echoes of the past, no grim projections of the future, but only to cast some light on another consideration that is not before us today. What has been said about bankruptcy today is certainly more "hokum" than helpful, more emotional than reasonable.

Mr. Chairman, H.R. 10481, in any form heretofore or presently under discussion, is very likely to be found to be unconstitutional in whole or in part—but probably in total.

Under the doctrine of separation of powers as between the Federal Government and the States there is no room for the sort of intrusion into the affairs of the city of New York that is contemplated by this bill even under the proposal emanating from the White House. The spirit of the 10th amendment is grossly violated by such an intrusion. Granting or withholding loans might even be so construed.

What happens if this bill in either form, passes and becomes law? The $2.3 billion would be loaned to New York. Then the Supreme Court should properly hold the act unconstitutional. Then what happens? There is no control or sanction to protect the interests of the taxpayers of the rest of the Nation. This bill—and the substitute—contain nothing.

What better course can be pursued? None of us are illogically bent upon causing or allowing New York to wallow around in the hopeless financial morass it presently inhabits. The bill, which has been ready for several weeks, to amend the bankruptcy law, could provide a better, safer and constitutionally sound solution to this legislative problem.

That bill does not require a default before the city could seek the protection and help of the bankruptcy court. Bankruptcy is a logical, reasonable procedure for the handling of such fiscal problems. Bankruptcy is not a punishment—it is a means of providing relief in an orderly way.

The bankruptcy bill apparently has been intentionally delayed in coming before this House—perhaps because it is likely to provide the solution to this impasse—without a direct loan or guarantee of a general nature.

The bankruptcy bill contains a provision under which the petitioner—the city of New York for example—may issue certificates of indebtedness in order to raise moneys necessary to overcome cash flow difficulties such as those postulated for the city of New York.

Why don't we add to that bill a mechanism to make those certificates of indebtedness more marketable—establishing a Federal corporation such as the Reconstruction Finance Corporation of the 1930's, but limited to municipal bankruptcy cases and limited to certificates of indebtedness issued in bankruptcy cases. This "Little RFC" would be empowered to underwrite, purchase, broker or sell these debt certificates with the backing of the United States of America.

However this "Little RFC" would be able to work with the city of New York on the covenants and conditions to be included in the certificates of indebtedness, and upon the procedures and protections for the United States and the taxpayers of this Nation.

There would be no substantial conflict with the 10th amendment.

The only problem with this proposal is that it is offered at a late hour and it does require us to overcome an excessively emotional reaction to the idea of bankruptcy.

It is ridiculous to argue that the financial community would look less favorably upon the plan being discussed, involving the bankruptcy court, than the proposed lending of $2.3 billion to the city. That loan will supposedly come due in June—and the problem will still be with us. It will only be 6 months later. The financial community only seeks some degree of certainty with respect to the payment by the city and State of New York of their obligations.

There will be no dark and ominous series of happenings if New York City seeks the protection and the certainty of bankruptcy proceedings.

I plead for commonsense to prevail. Let us defeat this bill, and come back with a sound sensible approach that will adequately protect the interests of the taxpayers and citizens of the rest of the United States.

Mr. McKINNEY. Mr. Chairman, I yield the remaining 2⅓ minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, I thank the gentleman for the time and the honor of ending this part of the debate on our side.

Mr. Chairman, I want to speak to one issue that has deeply disturbed me in this legislation and that is the issue dealing with the interest rate. Now, I know we are aware that what we are basically talking about is an 8-percent interest rate on $2.3 billion.

This figure will come to well over $160 million a year in interest. At the proper time during the amendment process, I am going to discuss this argument, but very quickly in the minute I have left, I am sure the Members are aware that under many programs we now have, such as the Farmers Home Administration, we lend money at 5 percent. Under the Small Business Administration, until just this year we lent money at 5 percent, but it is now 6⅝ percent.

Under foreign country loans, long term dollar credit, we lend money on the basis of a 20-year period with the first 2 years a grace period at 2 percent interest, and then the balance of the 18 years at 3 percent interest. This is money lent to foreign governments. Under the so-called convertible local currency sales, Public Law 480, we lend money for a period of 40 years at interest rates of 2 percent.

I am just trying to suggest that, in fairness, we might consider a reasonable interest rate here, because if we can even reduce this 8 percent by 3 percent, bringing it down to the same level that we lend money under the agriculture loans, this means a saving of over $60 million a year. I think $60 million a year at a time of financial crisis for the city of New York can be the difference perhaps between being able to survive this problem or not survive it. I am going to urge the consideration of the Congress during the 5-minute process.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. ASHLEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. ROSENTHAL).

Mr. ROSENTHAL. Mr. Chairman, I think the merits of the legislation have been adequately discussed, and I do not want to go through that again. I shall support the amendment, somewhat reluctantly. I want to take time to pay homage and honor to two distinguished colleagues of ours, the gentleman from Ohio (Mr. ASHLEY) and the gentleman from Wisconsin (Mr. REUSS).

We cannot say enough on this floor for the perseverance, the perspicacity, the diligence, the wisdom and loyalty to this Nation that these two colleagues of ours have shown. I do not take their performance lightly. We, not only in the city and State of New York but the entire Nation, are in their debt. Most importantly, to us who take a parochial view of this, they were with us from the beginning. They understood the nature and the complexity of the problem. They understood the dimension of the distress that would have been suffered had that problem not been resolved.

They were compassionate and they were understanding, for more than I have the ability to explain here on the floor.

We are also extremely indebted to the gentleman from Connecticut (Mr. McKINNEY) who also understood the dimension and complexity of the problem, and to him we owe a great debt of gratitude. We in the city of New York are extraordinarily grateful to our brethren from upstate New York, Mr. FISH, Mr. McEWEN, Mr. HANLEY, Mr. MITCHELL, Mr. AMBRO and many, many others who have been sympathetic and understanding. I can only tell all of those I have mentioned—I am sure I have forgotten others—that this is a day of appreciation; appreciation that this Nation is a great Nation; appreciation to a multiplicity of groups and communities around the country.

I am not happy with this resolution of the problem. But, I can only express on behalf of myself and my colleagues, the 8 million people from New York City and the 16 million people from the State of New York the great personal debt and gratitude and honor we owe men such as the gentleman from Ohio (Mr. ASHLEY), the gentleman from Wisconsin (Mr. REUSS), and the gentleman from Connecticut (Mr. McKINNEY). We shall remain in their debt; we shall remain their servants forever.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to my colleague from New York.

Mr. OTTINGER. Mr. Chairman, I associate myself with the sentiments the gentleman has expressed. I think we should honor and thank the gentleman from California (Mr. REES) who initially introduced this bill.

Mr. ROSENTHAL. Indeed we should. The gentleman from California (Mr. REES) has been in the forefront of those who wanted to find a resolution of a very difficult problem.

Mr. ASHLEY. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Chairman, I rise in support of H.R. 10481. Mr. Chairman, H.R. 10481, the Intergovernmental Emergency Assistance Act, is a good bill. I intend to vote for it and I hope that an overwhelming majority of the House will do the same.

At the same time, I think it should be said that the measure reflects a tunnel vision approach to what is becoming a national problem—the problem of adequate credit on reasonable terms for State and local governments and other priority areas of our economy.

We are in effect being asked to consider New York City and State as the only units of government in the Nation which have the problem of raising capital in the money market and that enactment of H.R. 10481 will solve this problem in its entirety.

Frankly, I feel this is a head-in-the-sand position that must be abandoned. Although it does not say so specifically, the Intergovernmental Emergency Assistance Act is tailored to take care of New York and New York alone. No one has indicated that this measure can or will be used to aid any other State or municipality that finds itself with a severe money problem.

The fact of the matter is that implementation of H.R. 10481 will serve as a green light for similar assistance to every unit of government in the Nation that has been or is being squeezed out of the money market through its own fault or because of generally unsettled, tight money conditions that now prevail in the municipal bond market.

Why should not all the school districts, all the municipalities, all the State agencies that find it impossible to float long-term debt issues because of high interest rates or lack of bids come to Congress and say, in effect, that they need Federal financial assistance as much or more than New York. Indeed, I would find it surprising if State and local units of government did not demand such help from Congress.

We had better not kid ourselves into thinking that the problem will vanish as soon as New York is helped. The New York Times reported:

> While interest rates on all issues have risen over the last few years as a consequence of the Federal Government's tight money policy, rates on tax-exempt state and local bonds have climbed disproportionately. A year ago, the average municipal obligation paid only three fourths of the rate paid on taxable securities; it now pays better than 90 percent, or a rate of more than 7 percent tax free.
>
> The impact has been greatest upon our cities. Because they are exerting maximum fiscal efforts and because their needs are so great, major cities are deemed less creditworthy and must, therefore, pay an interest surcharge or forego desperately needed capital. Newark, to cite one example, was forced to withdraw a recent bond offering rather than pay 9½ percent interest.

The Times article goes on to point out that commercial banks, once the best customers for municipal bonds, are no longer buying these obligations at anything approaching former volume. As recently as 1970, banks purchased 71 percent of new tax-exempt paper, but by last year, the figure had declined to only 25 percent and no one can be relied on to fill the gap.

The only other types of major financial institutions having the potential for large purchases of State and local government bond issues are private pension funds and life insurance companies which pay little or no income taxes and, therefore, have little incentive to invest in tax-exempt obligations.

As a result of these market conditions, we now have an appalling situation in which high income taxpayers can dabble in the tax-exempt market and make investments having an effective yield of 32 percent.

The rich are getting richer at the expense of our States and local governments struggling to finance urgently needed public works and facilities.

H.R. 10481 IS A NEW YORK EMERGENCY SOLUTION; H.R. 10452 WOULD BE A LONG RANGE NATIONAL SOLUTION TO CREDIT PROBLEMS

Mr. Chairman, I am pointing out these circumstances to emphasize the need for a broad, effective legislative approach to what is a national problem. Rather than a narrow bill aimed exclusively at New York, we must have legislation that establishes an agency which will hold itself not only ready to make loans or guarantee the obligations of all State and local governments which cannot obtain adequate credit on reasonable terms in the open market, but to provide financial assistance to other priority areas of our economy, such as small and medium size business and industry and moderate income family housing.

This need can be met by H.R. 10452, the Emergency Financial Assistance Act of 1975, which I have introduced with 16 cosponsors. In essence, this bill would set up a Federal corporation to be a lender of last resort for these priority area borrowers who cannot obtain credit on affordable terms in any other way. In effect, the emergency financial assistance corporation would stand as a shield for priority area borrowers who are periodically starved for credit because of recurring tight money-high interest rate conditions.

This proposal is not simply a response to the effect New York is having on the municipal bond market. The history of fluctuating economic conditions during the past 4 years alone should be more than convincing proof that such an agency should be established on a permanent basis.

H.R. 10452 would provide loans and loan guarantees to State and local governments. It would make direct loans to small and medium size business and industry and for moderate income family housing. The bill provides for initial capitalization of $1 billion through the sale of stock to the Treasury. Loan funds could also be raised through the sale of fully guaranteed corporation obligations in the open market. The maximum indebtedness of the corporation, including loan guarantees, would be $20 billion.

Mr. Chairman, the precedent for such an agency has been firmly established by the Reconstruction Finance Corporation which went into operation in 1932 when the Nation was economically strangling in the Depression. Before it went out of existence 20 years later, the RFC had disbursed more than $40 billion as it played a major role in restoring the Nation's economy and marshaling the financial resources necessary for its defense during World War II.

There was literally no area of our economy which did not benefit directly or indirectly from the efforts of the RFC. It provided loans to State and local governments, to business and industry, to financial institutions and for the construction of low- and moderate-income housing. It did all of this and still managed to end its operation in the black.

I am by no means suggesting that current economic conditions are equivalent to those of the Great Depression. But by the same token we must recognize that priority areas of our economy are perennially starved for credit on reasonable terms and that as a result health, education, transportation, and other vital public works and services are not funded by State and local governments, and small- and medium-size business and industry—a segment of our economy which employs roughly half of our work force—and housing are closed out or nearly closed out of the financial marketplace.

The action we take today regarding New York should be seen as the first step in an effort to establish a new RFC-like agency, the Emergency Financial Assistance Corporation, which will meet these urgent priority credit needs on a continuing basis.

Mr. Chairman, it is my hope that once New York's problem is behind us the

Congress will address itself to the overall priority credit problems of the Nation as a whole.

Mr. ASHLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Koch).

Mr. KOCH. I thank the gentleman for yielding.

Mr. Chairman, I first want to thank the manager of this bill, my friend Lud Ashley, and also the chairman of the Banking and Currency Committee, Henry Reuss, and Tom Rees, a member of that committee. All three have worked so valiantly in support of legislation to assist New York City.

Mr. Chairman, the bill we are passing today is important to New York City, but it must be recognized that it is not generous nor is it in fact equitable. Members of the New York delegation are voting for this bill—many of us without great enthusiasm—because the Governor of our State has asked us to do so. He has concluded that this is the best bill that can be passed and receive Presidential approval.

This bill of short duration deals with New York City's cash flow problem and will permit the city to borrow moneys for brief periods of time over a 3-year period at interest rates that at best can be considered nonusurious. We provide better interest rates to many of the countries of the world and how shameful it is that our own National Government should decide that we do less for one of our own cities. The restructuring of New York City's long-term debt which could only really take place in a massive way through Federal guarantees is not covered by this legislation. Therefore the problems resulting from the city's inability to raise moneys through long-term bonds will continue with us.

How long, Mr. Chairman, will we have to wait before New York is treated equally with other States in the Union? How long before the Federal Government assumes the full cost of welfare for the 1 million citizens of the United States residing in New York City who are on welfare with half of the cost being borne by the State and city of New York and the city's share approaching $1 billion? How long, Mr. Chairman, before the formulas which divide the national moneys provided the cities and the States are changed so as to make them equitable and place them where the need is greatest? How long, Mr. Chairman, must we wait before some note is taken that New York City provides $15 billion a year to the Federal Treasury in taxes and receives back $3 billion in Federal aid while for every dollar South Dakota gives to the National Treasury it receives in return 3 Federal dollars? And how long, Mr. Chairman, will Mississippi receive a 78-percent Federal contribution toward the cost of welfare in that State while New York receives only 50 percent?

Mr. Chairman, at times I believe that the President of the United States and his administration have embarked upon a war against the city and State of New York. How long, Mr. Chairman, will such divisive tactics be employed, pitting the Nation against her premier city, who for so many years has extended her hand to persons immigrating from the South and Puerto Rico as well as foreign lands giving them jobs and opportunities?

Mr. Chairman, I also want to take special note of the bipartisan efforts made in the New York delegation to obtain support for legislation that would have assisted New York City as it should be assisted. I refer of course to the original legislation that was on this floor shortly before we adjourned for Thanksgiving recess and which the President said he would veto. In my own delegation there were five Republicans with whom I worked very closely—and only one of them having any part of his district in the city of New York—and all of whom did yeoman work in supporting the delegation. They should be referred to as the Valiant 5. As secretary of the bipartisan delegation I know how much work they did and I want to thank them. They are Frank Horton, Peter Peyser, Hamilton Fish, Jr., Benjamin Gilman, and Don Mitchell.

The entire New York Democratic delegation was for the bill but I think it only fair to specially mention those Members who did not come from the city of New York and yet spent every waking moment here talking with our colleagues from other States urging their support of the legislation which would help "the Premier City of the Country." Those Democrats who happen to be freshmen and who undertook enormous efforts are Jerome Ambro, Thomas Downey, Edward Pattison, John LaFalce, Stephen Solarz, Frederick Richmond, Richard Ottinger, James Scheuer, Leo Zeferetti, Henry Nowak, and Matthew McHugh.

Mr. ASHLEY. Mr. Chairman, I have no further requests for time and I reserve the balance of my time.

The CHAIRMAN. Under the rule, the gentleman from Oregon (Mr. Ullman) is recognized for 30 minutes, and the gentleman from New York (Mr. Conable) is recognized for 30 minutes.

Mr. ULLMAN. Mr. Chairman, because of the parliamentary situation it will not be my intention to use the time allotted to me, but I will yield myself 3 minutes.

Mr. Chairman, the parliamentary procedure now will be for the offering of a substitute that will be accepted that will leave title II unnecessary in the bill. In order to follow an orderly procedure and not to establish a very faulty parliamentary precedent, it will be my intention, as soon as we begin reading the bill so recognized by the Chair, to ask unanimous consent that title II be stricken from the bill. This then would leave the substitute a substitute for title I, both of which are in the same jurisdiction. If we left title II in, it would establish a precedent of a substitute for a matter not within the jurisdiction of the committee and could possibly lead to some bad consequences subsequently.

So that would be my intention. I hope the committee will agree to that procedure, and then we can go on with the orderly consideration of the substitute.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Wisconsin.

Mr. REUSS. I thank the gentleman for yielding.

Mr. Chairman, I thank the distinguished chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. Ullman), for his very lucid explanation, and I hope that no one will object to the unanimous-consent request because it is an orderly way of performing a technical perfection of the bill.

Mr. ULLMAN. I thank the gentleman and I commend the gentleman from Wisconsin (Mr. Reuss) and the gentleman from Ohio (Mr. Ashley) for their very thorough, prolonged consideration of this matter.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I will yield to the gentleman from New York (Mr. Conable).

Mr. CONABLE. I thank the gentleman for yielding.

Mr. Chairman, I would like to say that this is the proper solution to an unfortunate precedent otherwise, and I thank the gentleman for having worked it out.

Mr. ULLMAN. Mr. Chairman, I reserve the balance of my time.

Mr. CONABLE. Mr. Chairman, I have discussed with the chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. Ullman), the hour of time that was yielded our committee, and I think he has taken an admirable precedent in yielding it back. However, there was inadequate time on our side to take all of the people who were covered, and by agreement of the chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. Ullman), I agreed to yield back all of the balance of my time except 10 minutes, which I would like to yield to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Mr. Chairman, I would like to recall to the House the words of another great Republican spoken only a few weeks ago, when he said "there can be no doubt where the responsibility lies." And I quote further:

> When New York City now asks the rest of the country to guarantee its bills, it will be no surprise that many other Americans ask why. Why, they ask, should they support advantages of New York that they have not been able to afford for their own communities? Why, they ask, should all of the working people of this country be forced to rescue those who bankrolled New York City's policies for so long, the large investors and big banks?

Mr. Chairman, in my judgment no one has yet given these questions a satisfactory answer.

In my judgment, Mr. Chairman, in all of the debate I have listened to today, which has been heavily weighted in favor of the legislation pending, no one has given the gentleman from Maryland a satisfactory answer to the questions raised by the President of the United States.

We do come to this point in a very unusual parliamentary situation. It is unusual in the fact that H.R. 10481 is the bill before us, but we are told that it will be completely scrapped and a bill bearing little or no resemblance to its particulars will be presented in the form of a substitute offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON).

But we also have another parliamentary question, and that is the question of whether or not Congress needs to have a Committee on Banking, Currency and Housing, whether there is any necessity for a House of Representatives, or for the other body, or whether legislation has to now be written on the backs of envelopes or on handy pieces of paper and sent down in the dark of the night. That is not an unreasonable question since three or four versions of this bill during the last 24 hours have been presented to us.

The question of executive usurpation of legislative power is one that the liberals in this Congress have addressed repeatedly. They have told us that the administration, the executive branch, has robbed us of our powers as a legislative body, and that under a former President of recent unhappy memory our powers were continually usurped. But here we are being asked to accept sight unseen legislation setting serious precedents that could be very dangerous to us in the few years we may or may not have left as a nation.

Some of us, parliamentarily, would have liked to have voted on the bankruptcy substitute, and the President in his most recent expressions on this issue told us he wanted to do that and insisted that we do that. But we will not do that today. We are prevented from doing that today. Some have advanced the theory that revenue-sharing funds to which the city of New York might be entitled should be paid to them in advance as an immediate solution.

But in a larger sense we have before us today the classic case of political liberalism and liberal economics in action. Both have been shown to be an abject failure.

New York City is only a microcosm of what is happening to the United States of America and, with this legislation, will happen still further. The city of New York has been borrowing for operational costs, not for just capital improvements. They have allowed the distortion of all sorts of spending safeguards written into State and municipal law. This economic attrition has been presided over by former Governors and even Vice Presidents, as well as former mayors, including Republicans and Democrats, members of both parties. All of these politicians were working together to give more free services, increased welfare, public housing, and free college tuition. That is a luxury that my State does not have today. Now, all these acts of mismanagement have come home with force, all tied up in an unwanted bundle laid on our Federal doorstep.

As one of the gentlemen from New York said a few moments ago—and these are not my words; they are his words—this amounts to action bordering on fraud. Fraud is a criminal act in many States. It is a criminal act even in the State of Maryland, and some Members may be surprised to learn that.

Now, what do we need in the way of legislation in order to accomplish the particular goals that the President of the United States only a few days ago talked about? He set up what I will call the "President's test."

First of all, he said—and I quote:

> It must maintain essential public services for the people of New York City. It must protect the innocent victims of this tragedy.

And it is a tragedy.

> There must be policemen on the beat, firemen in the station, nurses in the emergency wards.

Mr. Chairman, this bill may accomplish that for a very short time, but I suggest it will not last very long, and very quickly, I think I can almost predict with certainty, the city of New York and the State of New York will be back again seeking the aid of the Congress of the United States and the taxpayers of the United States. So let us grant that this bill may meet the first part of his test.

Second, the President said:

> The solution must assure that New York City can and will achieve and maintain a balanced budget in the years ahead.

Now, no one, I think, is going to argue that the plan that has been suggested here is going to really balance the budget of New York City. The underlying assumption is that there will not be any increase in welfare. Is that realistic in a city with a welfare record like this?

It also assumes there will be no increase in Medicaid. That is hardly probable.

It assumes there will be no increases in the salaries of city employees. That may be possible at this point with the dire circumstances of the city, but what happens when the strikes begin?

This bill does not address the pension liabilities that are increasing. It assumes the savings of about $600 or $700 million over the next 3 years by politicians which have driven this city into deeper debt now nearly $12 billion in total. This bill assumes a whole host of regressive taxes that will drive taxpayers out of the city of New York, increased estate taxes and increased bank taxes, if any bank can make a profit in that city. Revenues will thus decline, not increase.

And all these financial devices are under attack in legal suits. The pensioners are suing, and the debt holders under moratorium are suing. So this house of cards will collapse very quickly. So I think the President's second test is clearly not met.

"And third," the President said, "the entire solution must guarantee that neither New York City nor any other American city becomes a ward of the Federal Government."

Mayor Kevin White speaking in Miami, only a day or two ago, said that Boston is next. The State of New York may well be waiting in line.

The mayor of Cleveland, one of my own political brothers, has said that we need a national reinsurance program so that all municipalities can dip into the Federal Treasury to accomplish their ends; so that they can go on as they have in the past, spending at will.

Mr. Chairman, this is the classic case of handing a quart of bourbon to the alcoholic on his shaky promise that he will not drink any more.

The bribe will not work, and I do not think this supposed solution is going to work.

However, in a larger sense, we are destroying the federalism created 200 years ago. We ought to recall the Bicentennial, as the gentleman from Ohio so aptly did when this debate opened. But some would have us destroy the federal system so that every municipality and every State will become wards of the Federal Government and their powers will be taken away from them. Ultimately the entire country will be run, apparently, not by the Congress of the United States, but by those who have the power to dole out tax moneys to local governments who have become mere appendages of Washington.

New York City has received $8.5 billion in direct Federal outlays, spent in the confines of that city in the last fiscal year for which I have final figures, 1975. Think of it: $8.5 billion in 1 year. The taxpayers of America have indeed helped New York.

But now we have come to the day of George Orwell's prediction. Hate is love and ignorance is wisdom and bailout is not bailout.

The President has said that it is not a bailout. The President is an honest man. It must not be a bailout if the President said it was not a bailout. He only said that a few days ago before he went off to China.

Mr. Chairman, I suggest that there are human solutions to this problem. This calamity is not an act of God. It is an act of man. It is not a flood or a fire or a famine. It may be characterized as infestation of politicians totally lacking in principle and willing to fool the New York electorate as long as they can. We, by our action here today, very well may prolong that fooling; but I do not think that many of us are going to fool the taxpayers of the other 49 States when we impose upon them, in addition to an $80-billion deficit, a $600-billion-plus national debt, more debt, more inflation, more costs, and the horrendous precedent which this legislation will set.

Mr. Chairman, I hope that the Members of the House will reject the substitute, and I hope they will also reject the bill and permit us to go ahead with passage of what the President originally asked for. President Ford did have a good idea. That was the passage of the bankruptcy legislation.

Otherwise, Mr. Chairman, we may very well be facing the day of reckoning ourselves, and then who will bail out the Federal Government?

Mrs. BURKE of California. Mr. Chairman, as we debate the relative merits of Federal assistance to New York City, I am concerned that much of the debate has focused on the financial and economic consequences of default to the city and to the Nation. Equally important, I think, are the citizens of New York City and the necessity to continue providing essential municipal services. Essential city services include not only police and fire protection, but sanitation, health and other vitally needed social services for a city's population which totals more than the population of several of our States.

What will be the effect of default on the citizens of New York City, the overwhelming majority of whom are honest, decent, hardworking taxpayers? What will be the effect of default, if the day to day operations of the city are placed in the hands of the Federal Judiciary in a bankruptcy proceeding? What will be the effect on the citizens of New York and the cost to the Federal Government if direct Federal intervention is needed to provide essential services? These are questions which focus directly on the people of this great city and should also be considered in intelligent debate on this issue.

It is now reluctantly admitted in certain quarters that the financial consequences of default could have a disastrous effect on the economic recovery of this Nation. We already know that the potential of default by New York City has increased the cost of borrowing by States and municipalities. California, a State which enjoys an excellent bond rating, has had to pay three-fourths of 1 percent more on recent issues than previously on long-term offerings. State officials feel that the increased cost was directly traceable to New York City's fiscal plight. An added consequence, and totally unneeded at this time, has been the difficulty in financing housing projects by State and municipal housing agencies. The Secretary of HUD has recently admitted as much.

The possible consequences of default will continue to be debated until default occurs or is prevented by passage of legislation now under consideration. However, many authorities believe that New York City's financial crisis already has become a burden to this Nation's homeowners and taxpayers. This ripple or spillover effect is costing the Nation in terms of added interest rates on bond issues. There has been ample and well documented evidence to substantiate this fact. Prof. Edward F. Renshaw of the State University of New York has estimated that New York's crisis will cost municipal and State governments an extra $3 billion—spread over the life of newly issued notes and bonds—for a single year of borrowing at swollen rates—or $14 for every American taxpayer.

Equally important, however, is the extent of human suffering as a consequence of default. For example, default by the city will have a catastrophic effect on 83 voluntary hospitals and their patients. The interruption of regular payments by the city to these hospitals for medicare, mental health, ambulatory care, and addiction services will force many of these institutions into bankruptcy. The plight of city owned hospitals is equally dismal. An interruption of cash flow to these institutions would make it impossible for the city to operate its 12,500 hospital beds.

The extent and impact of human suffering in the event of default is admittedly an unknown factor. But the implication and the potentially tragic impact on the lives of the city's sick, elderly, poor, infirmed, disadvantaged, and thousands of individuals attempting to overcome the ravages of heroin addiction is too great for anything less than equal concern with financial consequences. Numerous private voluntary and Government supported eleemosynary institutions will be forced to cease operations in event of default.

New Yorkers not reliant upon health, welfare or social services will face a daily environment of "sharply curtailed police and fire protection, elementary and secondary schools for their children with shortened terms, dangerous reduced hospital emergency and patient care, transportation cuts creating less timely public transportation and more traffic jams, the closing of parks, museums, libraries, and other supposedly nonessential city functions."[1] Other estimates foresee the possibility of an additional 100,000 municipal layoffs, and the disappearance of 15,000 to 60,000 private sector jobs.

Are the citizens of New York City to be denied assistance simply because they are New Yorkers? The price of denying the city assistance is surely too high, when we have proposed legislation before us, which will not cost the Federal Government a penny, and at the same time maintain the continuity of essential services. The citizens of New York City are not guilty of or responsible for the fiscal plight of the city. As elected representatives, we must not lose sight of our purpose, which is to serve the people of this Nation. New York has long been a reminder to the rest of the Nation that we are a nation of various racial, ethnic, and religious backgrounds. New York City has been and continues to be the gateway to America, offering new opportunities, new hope and fulfillment of untold dreams. Is New York to be denied because it has provided these opportunities to millions of Americans and continues to do so, despite insurmountable odds. As His Eminence, Terence Cardinal Cooke stated:

> New York City is not just a place. New York City is home to 8 million people whose ancestral roots spread all over this globe. The plight of New York may currently be a popular target for cartoonists and humorists, but no one should forget that our city has served this state, the Nation and the world for many brilliant years and with open arms has received the poor and tempest tossed of every land and race, and from many parts of this Nation.

The consequences of New York defaulting on the people of this great city and their need for the continued delivery of essential services should not be overlooked in these debates. Ultimately, the American people, and we as their representatives, must consider the total cost of default on each of us. America stretches from New York to Hawaii, Alaska to Florida, its citizens are Americans. New York and her citizens are part of this Nation. They are asking this Nation, not for a bailout, but only a loan guarantee. It is not an unreasonable request to America from Americans.

Mr. GRASSLEY. Mr. Chairman, it is difficult for me to understand New York City's need for help—because I come from a State that has no such fiscal problems and has a history of fiscal prudence as substantiated by these facts:

First. Iowa has no debt;

Second. Iowa—State as well as cities—must constitutionally operate under a balanced budget.

Third. Iowa has a $250,000,000 surplus in its State treasury. This surplus is a "rainy day fund" so if we ever have economic difficulties like New York City we will have something to draw on.

Besides the above—Why is it difficult for me to understand New York City's financial plight?

First. Iowa's public employees pay $3\frac{1}{2}$ percent of their wages into a retirement system, New York City employees pay nothing.

Second. Iowa employees do not have a 4-week vacation during the first year of employment as New York City employees do.

Third. Iowa University students have to pay tuition—New York City university students do not.

Fourth. Public employees in Iowa earn much less than public employees in New York City.

Fifth. New York City has proportionately many more employees than Iowa or its cities.

Sixth. When Iowa and its cities do go in debt it is for a capital expenditure that will have something lasting to show for the expenditure—like a new building. A large share of New York City's deficit stems from daily operations of municipal services—there is nothing left to show for the borrowings. In the meantime the residents of New York City were living "high on the hog" while leaving the bill to future generations to pay. The citizens of Iowa believe that if they use a government service presently they should pay for it now.

Seventh. The Supreme Court has ruled out residency requirements for welfare, so both Iowa and New York are responsible for the needy within their borders. However, New York decided of its own free will to pay its welfare recipients the highest payments in the Nation. Iowa chooses to pay a lesser amount and consequently does not understand why New York welfare recipients should be paid more than their counterpart in Iowa especially since New York has financial difficulties.

For these reasons New York City is in financial trouble today, and I cannot support the bail out.

Mr. BADILLO. Mr. Chairman, it is with a singular lack of enthusiasm that I shall vote for the bill before us. We have been through a frustrating, exhausting—and in the end, totally unsatisfying struggle to reach a resolution for the devastating problems facing New York. It is a resolution, not a solution, that is, at its best, weak, and at its potential worst, a continuation of the cliff-hanging situation the city has been in since the crisis began.

We have been treated like children by the President, we have been vilified with jingoistic slogans by those who needed a scapegoat. We have been bargained over like a piece of inanimate property, and gossiped about as though we were not in the room. We have been pushed to the ground and made to beg, and our herculean efforts to help ourself have been treated as childish play. And now that it is over—at least for the present—we are left with something that may work—or may not—to save the city as a financial entity, and will do little to benefit the millions of people who make up the fabric of the city. We are being told that we should pass the bankruptcy legislation, in the event this does not work. We are told that we have to behave ourselves, and we will be rewarded by being allowed to pay the Treasury Department usurious interest rates. And still no one is coming to grips with the real problem—what indeed are we going to do with those millions of people who live in New York?

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[1] New York City Fiscal Crisis, An Overview, City of New York Washington Office, November 12, 1975.

It has often been said in this body that many of us from New York City have districts larger than some States. And we have taken on the responsibilities of providing for each of those citizens. And we have provided for those who have come from other places, other States within our country, simply because they have chosen to come to New York. We have gotten a lot of advice during the past months—cut welfare, charge tuition at the city university, increase the tax burden we already bear. And it is true—we support 19 municipal hospitals; we have a city university that has provided America with greatness through the years, and stands as hope to break the cycle of poverty for our young citizens; and we even provide welfare payments that are large enough to enable those receiving them to survive. And we do it mostly by ourselves. We even have assumed the responsibilities of being an international city, as the President's veto of the bill that would have provided additional funds for the executive police points out very, very clearly.

The President has complimented the State and the city for accepting primary responsibility for our own well-being. And I guess you can say that is true—we pay $1 a day to go to work on the subway, an ever-decreasing number, may I add, as joblessness continues to increase as a result of this crisis; we are about to pay $0.09 tax on every dollar we spend in New York, and the city income tax is about to be increased 25 percent—that, I repeat, is a city income tax. How much more can we endure?

Nothing in this legislation addresses itself to the real problem. The problem is that we pay and pay and pay—the Federal and State tax burden placed on New York is enormous. And we are just not getting back our fair share. Perhaps New York is unique, and must be treated uniquely. But one thing is certain, the State and the Federal Government must begin to assume some of their responsibility as well. The question of long-term planning must be addressed. It must be attacked frontally, and solved boldly and creatively. And the only way that will happen is if there is a commitment at every level of government to the equitable allocation of resources and revenues, and an acknowledgment that New York is not a stepchild of the United States, but one of its glories. In other countries in the world, it has been unthinkable that the Government would let New York default, out of political expediency and parochial malice. We cannot allow these demeaning notions to continue to dominate Federal and State policies toward New York in the years to come.

Mr. BOLAND. Mr. Chairman, the issue before us today is one which has inspired intense rhetoric. Important questions have been raised about the responsibility of elected municipal officers, on the future of sound municipal government in this country and even the possibility of a bankruptcy at the State level. No Member in this Chamber today can seriously doubt that these issues have an importance far beyond that of the conditions of New York City's finances in 1975. So it has been with much study and thought that I have reached the decision that the Federal Government should come to the assistance of New York City.

While it is important to emphasize, as many have today, that a vote for this loan package is not a vote of confidence for the mismanagement of the city's finances over the past, it is also unquestionably true that without assistance, New York City would default on its obligations. The repercussions of this event would not only involve the curtailment of the essential public services to the citizens of New York and the loss by investors, large and small, on New York City securities, it would also create a ripple effect throughout the entire municipal financing markets of this country. Indeed, the financial fallout of New York City's and New York State's predicament has already caused other cities and States to either postpone or rearrange their financial operations. In my own State of Massachusetts, the Massachusetts Home Financing Agency faces every prospect of being unable to continue its operations because of the lack of bond sales. I cannot emphasize too strongly how serious this development and countless others like it could be to the entire framework of State and local government.

Mr. Chairman, the bill before us today would authorize loans by the Federal Government to the city of New York to help it rearrange its financial position. Basically, the bill authorizes $2.3 billion a year in short-term obligations which would allow the city to restructure its obligations on a long-term basis and to balance its budget within several years. The authorization for these loans would expire on June 30, 1978. It does not take a financial expert to recognize that this kind of assistance is only short term and would not otherwise solve the city's problems unless it is matched by a continuing effort on the part of the city and State of New York to exert the kind of fiscal control that has been sadly lacking in New York City for some time. Further, the kinds of security which the Federal Government will require as a necessary condition for loans to New York under this act will absolutely insure full recovery of any Federal moneys lent to the city. As everyone in the Chamber is aware, the President was and is opposed to loans to New York under any other circumstances.

Mr. Chairman, I wish the need for this bill did not exist. I do not join those who exculpate the city of New York for various problems that are uniquely its own.

I repeat, Mr. Chairman, that the problems and consequences that will surface in New York and elsewhere if this Congress fails to pass this proposal are too dangerous, too dire to reject the bills that we are now considering.

The substitute proposal that we will be asked to vote on goes a long way in meeting objections to varied recommendations that have been advanced in the crisis facing the great city of New York. A summary of the proposal deserves to be emphasized and I do so here:

It would authorize, subject to action by the Appropriations Committee, loans to New York not to exceed $2.3 billion a year. Authority to make such loans would expire June 30, 1978. The committee bill would establish an Intergovernmental Emergency Assistance Board authorized to guarantee New York obligations to prevent municipal default—see Whip Advisories Numbers 339 and 354 for further details.

Major provisions of the substitute include the following:

Federal loans would mature no later than the last day of the city's fiscal year in which they were issued and would bear interest at a rate of 1 percent over the cost of the Treasury for comparable borrowing.

The Secretary of the Treasury would be empowered to require any security he deems appropriate and to withhold any Federal payments to the city under any law to offset unpaid claims.

The Secretary would be empowered to establish terms and conditions to insure repayment. Additional loans could not be made unless previous matured loans had been repaid.

Necessary funds would be authorized to be appropriated both for loans and to pay expenses incurred in the administration of the act.

Authority to inspect the city's fiscal books and records would be given the Secretary.

Mr. AMBRO. Mr. Chairman, this afternoon we are being treated to a parliamentary maneuver to be executed on the House floor whereby H.R. 10481, providing low-risk loan guarantees to New York City will be called up, and a substitute amendment—the "New York City Seasonal Financing Act of 1975," the President's plan—will be offered in its stead. This scenario has been carefully orchestrated by an administration that has painted itself into a corner by its mindless rhetoric keyed to the phrase "bailout," and avowals that essential services will be provided New York City residents regardless of bankruptcy or default occurring.

I will reluctantly vote for the measure as it appears to be the only solution to New York City's dilemma within the realm of the possible given the congressional climate which has been nurtured by an insensitive administration. Realizing this, Governor Carey's office has also urged the New York congressional delegation to support speedy passage of this legislation this week, while acknowledging that the bill differs substantially from the Governor's own recommendations.

Personally, I am less than happy with this remedial legislation, and would have much preferred low-risk loan guarantees. The latter would not have cost the Federal Government a cent of the taxpayer's money, contrary to the President's oft-repeated, emotion laden phrase: "bailout." Ironically, the President's own plan involves a specific financial outlay. Events, however, have so converged that the Ford proposal appears to be the only road open to us.

The level of debate on the subject of a New York City default has been characterized by "cheap shots," a popular vote-getting technique, and flim-flam huckstering by the administration. The Governor and mayor of New York State and city respectively, and several other prominent officials from in and out of New York State have testified eloquently before a variety of Senate and House subcommittees in the recent past, but their statements go unheard by most Members, and ostensibly fell on deaf ears in administration quarters. Bailout continues to be the most popular, most often mouthed term around here, and even the people employing the phrase to dismiss the crisis do not fathom the extremely serious economic "ripple effects" of a possible New York City default, much less the depressive tidal wave that would hit this Nation if the President's first bankruptcy proposal were followed.

Moreover, there has been little understanding or appreciation of the Draconian measures already imposed by the city, little sense of the national and international ramifications of default or bankruptcy, and the impact of either on the bond market, banks, on investors, on pension funds, on other State, city, county and town governments, on school districts, on business—and only a belated desire to explore these implications to their natural conclusions. I can only attribute this phenomenon to the fact that the White House has steadfastly maintained that default might be the best thing for New York City and of no consequence to the Nation as a whole.

Given the preconditioned antipathy toward New York by those who repeated the simplistic phrases gushing from the White House, a recitation of the traditional generosity of New York City as the great lady who has welcomed, housed, sustained and educated millions upon millions of immigrants since the mid-19th century, never complaining and never seeking any special Federal assistance, also falls on deaf ears.

For example, some of the stringent measures undertaken by New York City, which its detractors chose to ignore, are:

The sum of 31,176 employees cut from the police, fire, and sanitation departments, and other city agencies, including schools and hospitals.

A $1 billion reduction in municipal services.

A fare increase from 35 cents to 50 cents on mass transit.

A $32 million cut in financing higher education.

Firing every single school crossing guard.

Reducing school security personnel.

Closing a number of public elementary schools, libraries, and hospitals.

Terminating senior citizen and health programs.

Further, New York State actions to date include; but are not limited to:

Increase and advance of revenues: $400 million to city in April; $800 million in advance of next year; authorization for the city to increase taxes by $300 million—this, is the highest taxed city in the highest taxed State in the Nation; creation of MAC to convert some of the city's short-term debt into long-term borrowings; authorization for MAC to borrow up to $5 billion; loan to the city $750 million; imposition of strict controls over city's operations and finances.

No other city in the history of this Nation—other than one other that was actually bankrupt—has given up so much of its autonomy. Clearly, when viewing the mismanagement and profligate spending patterns of the past, this city had to.

H.R. 10481, would provide authority for a limited Federal guarantee of State obligations issued to prevent or mitigate the effects of a municipal default. The bill was aimed at the current fiscal crisis in New York City and establishes an Intergovernmental Emergency Assistance Board. The bill limits the amount of obligations which could be guaranteed at any one time to $5 billion in the period from the date of enactment to 1989, and to $3 billion from 1989 to 1999. It also permits a guarantee of a total of $2 billion in short-term obligations—less than 11 months. In view of all the efforts of New York City and State, I preferred the House bill as the most reasonable alternative which would enable New York City to ultimately honorably acquit itself at a minimum risk and probably no expense to the American taxpayers. The President's plan on the other hand means direct payments from the Federal Treasury in the form of seasonal loans not to exceed $2,300,000,000 in the aggregate outstanding at any given time. This measure, apparently, is the administration's ill-conceived gesture to get the President off the hook and permit him to get out of the dilemma he created for himself.

Questions of morality, wisdom, and ethics aside, it seems to me, that plain old commonsense dictates the national imperative for a helpful gesture toward New York City.

Since this is our only realistic alternative, I will support it and I urge my colleagues to do likewise.

Mr. ICHORD. Mr. Chairman, New York City is a great national asset of the United States to which all the people of the United States are indebted. It is not only the financial center of our country; it is the financial center of the world. Its contributions to the United States and to all of western civilization are immeasurable. New York over the years has shaped the culture of our country. It has written most of our music, produced most of our drama, created our fashions and fostered and promoted a large measure of our art.

But recently it has spent money like it is going out of style and the question is whether this body as representatives of all the people should either borrow more money or print more money to relieve the city of the embarrassing and harmful consequences of its profligate spending. We are told if we do not, innocent men, women, and children in New York will endure great hardship and suffering, the municipal bond market may be damaged beyond recovery, our banking system will be irreparably damaged, our economic recovery will be seriously set back and America's international standing will be severely impaired. There was even testimony before the committee that our failure to take this action will help the Communists.

If all this were true and loans by the United States were the only way to avoid such consequences I would be among the first to support this measure. The truth is however that the financial situation of the city of New York is so complex that there is no way of accurately predicting the consequences of either a loan or a guarantee or a default and ensuing bankruptcy proceedings.

I am greatly concerned about the consequences of this bill which would disturb the historical relationship between the Federal and city governments by making Federal officials responsible for the details of New York City's finances. If the Federal Government did not possess the power of the printing press the financial problems of the Federal Government would be more serious than those of New York City. Where do we draw the line in the future? Do we only step in to assist New York because it is America's largest city? Will the Federal Government step in to correct the irresponsible spending practices of officials in other cities who might get themselves in the same mess?

It appears to me, Mr. Chairman, that bankruptcy procedures are the best way for the city and the State of New York to reorganize the city government and its financial structure. Normal city functions and services can be continued in receivership. True, investors and creditors will experience loss. This is the usual consequence of bankruptcy proceedings. But investors, or speculators if you wish, who bought New York City bonds at a discount will not be allowed to profit as will be the inevitable consequence under the provisions of this bill. In my opinion, New York City will be a greater city in the future if we leave New York State and the city government to straighten out their own financial affairs.

Mr. KASTEN. Mr. Chairman, in October, I stated my firm opposition to a Federal bailout for New York City. Today, I reiterate my position. I will vote against H.R. 10481 for one basic reason: The $2.3 billion Federal loan proposal does not get at the root of New York City's problem. It treats only the symptoms.

Excessive spending is the problem. New York City, while taking steps to increase tax revenues, has demonstrated insufficient resolve to substantially reduce the city's lavish spending level.

A favorable vote for the Federal loan

proposal is a refusal to let the lessons of profligate spending be learned from New York City's example. The city has not yet taken the necessary actions to warrant Federal aid. New York City has not bailed itself out.

I share President Ford's surprise that New York City's leaders have come as far as they have in trying to put the city's finances in order—but they have not come far enough.

New York City runs 18 municipal hospitals. On an average day, 25 percent of the hospital beds are empty. The city spends millions to pay the hospital expenses of those who use private hospitals.

Yet, the city has offered no plan to cut back on the services of its municipal hospital system, or to consolidate and reorganize its public hospital system to maximize its use, or to compel those on public assistance to use municipal hospitals.

New York is the only U.S. city which runs a university system free of a charge for tuition. It is one of the largest university systems in the world.

Yet, the city has offered no plan to charge tuition or set up a scholarship fund for poor students, which would cost the city only a fraction of what the city pays for tuition-free education to all.

Although apartments are a third of New York City's tax base, rent control laws have reduced the growth of the tax base. Ownership of buildings becomes unprofitable when a landlord cannot raise rents to cover costs. As a result, last year about 36,000 apartments were abandoned—enough to house the populations of Waukesha, West Bend, and Watertown, Wis.

Yet, no attempt has been made to end rent control.

Instead of drastically cutting the city's expenses by making these necessary reforms, the city's leaders boast of raising taxes by $200 million to pay its bills, as if there were no limit.

The city's leaders seem to forget that low taxes are not the problem. New York taxes are already high. Spending is the problem.

Simply raising taxes is unacceptable as a long-term strategy to end the city's financial difficulties. Increased taxes, among other consequences, will drive more people and businesses from the city, which will act to further erode the city's tax base.

Welfare spending in New York is expensive and out of control. One in 10 New York welfare recipients may be legally ineligible for welfare assistance. New York City's lavish welfare-related spending annually amounts to $3.5 billion, about one-third of the city's total expenditures.

Yet, no proposal has been offered to reduce the city's welfare budget.

The President has been quoted as saying not long ago that if New York City submitted a believable plan to balance its budget by 1978, "it hardly seems necessary for the Federal Government to get involved." I agree.

The people of Wisconsin and elsewhere in the Nation should not be expected to support the President's high-risk proposal to aid a city which spends at the rate of $1,223.68 per resident per year. According to the Tax Foundation, that spending rate is more than four times the average annual per capita spending of $295.48 for all other American cities.

The people of Wisconsin should not be expected to risk their hard-earned dollars to help a city beleaguered and teetering on the edge of insolvency—so it can continue its massive university system where tuition is free, and shoot more money into its massive municipal hospital system.

It is said that the Federal Government will make money from interest on loans to New York City. Yet, it is the Federal Government—with the taxpayers' money—that will be taking a risk for New York City, assuming for all Americans a burden that is not their own. Our Nation, itself deep in debt, will be granting a high-risk loan to a city that even the most financially solvent banks will not assist.

The Nation will be risking billions of dollars, gambling that it may make a little, and assuming that a lesson will be learned.

Federal loans will achieve only an easing of seasonal variations in the city's receipts and spending, and some have asserted that the $2.3 billion level is inadequate to realistically guarantee the objectives of H.R. 10481.

And let us not forget that the precedent for Federal loans to New York City will be remembered when other municipalities throughout the Nation face similar circumstances.

H.R. 10481 poses yet another problem. It does not include the revisions in bankruptcy laws recently approved by the House Judiciary Committee. And Federal loan should be incorporated in one measure with a bankruptcy provision to indicate the total Federal response which may be expected in the New York City situation.

The State of New York is attempting a legislated default providing by statute for a moratorium on city payments on its notes. If this approach fails to survive a legal challenge, an actual default would occur. We could then expect another plea by the city for further Federal aid. Coupling the loan and bankruptcy provisions would help to define the parameters of Federal aid which could be anticipated by the State and the city in the event that the present legislated default becomes a legal default.

Again, New York City has not bailed itself out—it has not done enough to earn Federal assistance. And what little it has done is certainly not enough for any important lessons to be learned. Passage of the bill would serve only to demonstrate that Congress will reward a city that creates the illusion of fiscal responsibility.

Mr. FUQUA. Mr. Chairman, I rise to voice my opposition to this bill. But in doing so, I am compelled to add that the task of rescuing New York City from bankruptcy has fallen heavy upon this Congress. The dilemma is one of the toughest ones this Congress will face.

For if the consequences of a default on this Nation as a whole are as adverse as some of the supporters of this measure would have us believe, the results could well be devastating.

I concede that default will certainly be costly. The impact on New York City itself will be great. But it is my conviction that averting default would be in reality refusing to face up to the real problem of fiscal irresponsibility and in the long run could hurt even more by setting a bad precedent.

It is not my intention at all to criticize, attack or condemn fiscal management of New York City. Mine is rather a message that Federal Government can ill afford to become the de facto government of New York or any other city. It is my conviction that Federal intervention would pose a serious and dire threat to the relationship among Federal, State, and local governments. We cannot set this precedent.

It would be like a doctor prescribing a corset for a bad case of obesity. When in reality what we really need is some fiscal exercise to keep us in shape. Granted, if you will pardon the cliche, it is a harder row to hoe, but in this particular case we are going to have to take our medicine to cure the illness.

Mrs. HECKLER of Massachusetts. Mr. Chairman, since the proposal of Federal aid was first put forth, I have had serious doubts that the Federal Government should rescue from default another government that has been so profligate in its spending. I believe that a government, like an individual, must bear the consequences of its actions, and it has been hard for me to justify in my own mind making an exception in this case. I consider New York City's borrowing for operational expenses particularly irresponsible.

However, my own study of the situation has led me, as I expect it has other Members of the House, to the conclusion that there is simply no other alternative, not just from New York's standpoint, but also in terms of the national interest. Default by the city, the quickest and, for some, the fittest, denouncement, would leave thousands of creditors across the country with unpaid bills. Many of these are small businesses, a number of which are located in Massachusetts. They are depending on payment, and they do not deserve to suffer. Further, the network of financial institutions that has kept New York afloat—in more than one sense of the word—would feel severe strain. That is a risk that we dare not take.

I am also persuaded by the argument that the people of New York cannot be left without essential services. The U.S. Government has helped many foreign countries in times of disaster, and has sent billions of dollars abroad in foreign aid. Certainly we owe our own citizens no less.

Therefore, in view of the consequences of default for a number of innocent parties, and the dangers for our financial system, I feel that the amended bill we have before us is justified.

Indeed, this can hardly be called a "giveaway" to New York. The loans will carry an interest rate sufficient to cover the cost of the funds to the Federal Government, and they must be repaid promptly at the end of each fiscal year. No loans may be made after June of 1978. In addition, the Federal Government has full power to demand sufficient collateral and other safeguards to effectively protect the Federal Government's position. These provisions, in sum, constitute a carefully drafted proposal that meets the requirements of those of us who want to avoid any possibility of a long term Federal subsidy of New York.

It is important that neither New York, nor the Nation, consider our action here today as condoning New York's past extravagances. We are acting to avoid a national disaster, and to give the city's government an opportunity to reduce its spending in an orderly way without subjecting the residents of the city to the specter of no municipal services.

Mr. Chairman, this bill is a workable plan to save New York. I support it, and I hope that my colleagues will as well.

Mr. MURPHY of New York. Mr. Chairman, although the hour is late and time is running short, there are Members of Congress who are willing to meet the crisis confronting the city of New York, America's premier city and a vital link in the chain of American government.

There has been, and will continue to be, ample time for recriminations and assignment of blame for the present fiscal state of our largest city. The list of oversights, omissions, and transgressions is widely known, and well advertised, and needs no repetition. Since April of this year, New York City has laid open its financial record books, and publicly admitted its errors. We can be thankful that ours is a system of government which deals with situations of this type in the daylight of full disclosure.

Today the House of Representatives meets its responsibility to the 8 million Americans who happen to call New York City their "home." Today we face a potential bankruptcy, and act to enable New York to avoid its disastrous impact: the grinding to a halt of the most massive urban government in the Nation.

The President's proposal for $2.3 billion worth of seasonal loans meets New York City's short term needs. With the State legislature's actions of last week as a complement, we have fashioned a remedy which will restore long-term solvency and provide stability.

Governor Carey and Mayor Beame are to be commended for their forceful advocacy, and herculean efforts. It is no understatement to say that we have acted today to save New York.

Mr. WIRTH. Mr. Chairman, 10 weeks ago, when discussion of the financial crisis of New York City first became front-page news, the idea of some sort of Federal assistance to the city was about as acceptable in Colorado as putting the Rockefeller family on welfare—which, indeed, is pretty much how many Americans saw the idea. The inflammatory cries of "bailout" drowned out genuine discussion of the issue, which was—and is—the nationwide impact of a default by the city on its debts.

Since then, the roar of the crowd has died down somewhat, and voices of reason can occasionally be heard. Financial and community leaders across the country have come to understand the implications of New York's financial problems; apprehension has replaced a relative indifference. In my own Second District of Colorado, members of the business, banking, labor, and political spheres have registered with me their concern over the bond and employment markets that so deeply affect them all. Slowly but surely, public opinion on aid to New York seems to have turned around.

Increasingly, my conversations with Colorado people have been marked by a readiness to rescue New York, but only under certain conditions. First, tight strings would have to be attached to any aid program, requiring the city to put its house in order. Second, Federal aid could not take the form of direct payments, or a "bailout." Third, the provisions should be drawn in such a way as to serve notice on other cities that there is no such thing as a free lunch, that they should not expect to line up behind New York at Uncle Sam's door.

These conditions made sense. And they characterized the bills reported out of the Judiciary Committee—bankruptcy law reform—and the Committee on Banking and Currency—the Intergovernmental Emergency Assistance Act. I commend my colleagues on those committees, and I was prepared to support their work. I believe that I had obtained the consent of my constituents to do so.

Imagine my surprise—indeed, my disappointment and frustration—when I came back to Washington to find that the bill before us is not the Intergovernmental Emergency Assistance Act at all, but some entirely new measure. This is not the bill that I had been talking about with the people of the Second District, not the bill that had received such thoughtful hearings in the House.

It is, instead, a bill providing direct Federal loans rather than loan guarantees; a bill that therefore directly and immediately would increase the size of the Federal budget; a bill that completely lacks the stringent conditions imposed by the earlier proposal; a bill that gives near-total control to the Secretary of the Treasury, without appropriate congressional responsibility and oversight; a bill that does not address the broad question of Federal-municipal relationships nationwide, which the earlier proposal wisely did.

Mr. Chairman, we are being asked to support a bill that came up to us only last night, that had been hastily thrown together by the administration in an abrupt about face. We are being asked to support it without benefit of 1 minute of hearings, it having been brought to the floor under a rule granted for an entirely different—and far superior—bill.

And this parliamentary maneuvering is what is being called leadership today. There has been no leadership on this issue, at least not since the committees finished their work. There has been no leadership on the broader national issues of urban decay, of the growth of demand for municipal services accompanying a shrinkage in municipal tax bases, of the pervasive uncertainty of the municipal bond market coast to coast. The proposal before us seeks to escape executive and congressional responsibilities in these areas.

Mr. Chairman, I believe that Congress is selling itself short today, again demonstrating its weakness for short-term, politically expedient action. After a good start toward sound legislation, we have copped out. I do not want to be associated with this display of shortsightedness, and I vote "no."

Mr. BIAGGI. Mr. Chairman, I rise to give my support of the substitute legislation as proposed by the administration, which will provide $2.3 billion in Federal loans to the city of New York through 1978, to avert default. We have traveled a long and difficut road to reach this point today, and it has, largely through the yeoman efforts of the New York congressional delegation, compromises between the administration, the Congress, and the New York State Government, that the 8 million residents of the city of New York will be spared from the ravages of default.

It would be less than candid for me to say that this is the best possible legislation which could be passed. The bill in many ways, imposes very stringent conditions for the issuance of Federal loans to aid the city. The city will be forced to surrender much of its sovereign control over its fiscal affairs, and must make fundamental reforms in their expenditures for basic services. However, in this unprecedented situation we must look at the alternative to this legislation being default, and the ultimate fiscal collapse of this Nation's largest city. When viewed in this context, this legislation or any legislation which will provide the necessary Federal assistance to the city, must be accepted.

For the residents of New York City, the price has been high for this legislation. New taxes have been imposed on city residents who already own the distinction of being one of the most heavily taxed citizens in this Nation. New taxes, coupled with the drastic cutbacks in services and thousands of job layoffs have proven dramatically, that New Yorkers have made the necessary sacrifices. New York will and must suffer, but it cannot be allowed to die.

Not one of us who represent the city of New York in Congress will dispute the fact that the city government has been guilty of poor fiscal management. They are today paying dearly for their excesses. Consider the extent of the budget cuts implemented by the city. Out of $6 billion which they directly control, the city has cut $1.2 billion. They have been forced to lay off more than 35,000 employees and may be forced to lay off an additional 9,000 workers before the end of the year. Just this past week, it was announced that all new construction in the city has been halted, throwing additional thousands of construction workers out of employment. The budget cuts have been felt in the areas of education and health, as well as public safety, which has been jeopardized by the layoff of almost 3,000 police. These are shocking statistics, particularly the layoffs, for theirs can be measured only in terms of the human misery involved. Many of the laid off workers were government employees, many with career status, who were abruptly dismissed and sent out into an uncertain job market to face certain poverty. Those fortunate workers who were not laid off, have been forced to accept a wage freeze at a time when the cost of living is rising at an annual rate in excess of 10 percent. They, and all other city residents, have been forced to swallow $500 million in new taxes already in 1975.

I am gratified that the administration has recognized the severe consequences which default would have, not only for New York City but for the Nation's economic health as well. There are at least 40 other cities nearing default, and to allow New York City to go under could have a snowball effect. In addition, the Federal Government would be forced to absorb new costs to maintain city services, and would be paying increased unemployment compensation and public assistance benefits.

While this legislation may help pave the road to fiscal responsibility for New York, much more must be done. The Federal Government must work to find solutions to the present recession which has, in some ways contributed to New York's calamities. We must work to pass legislation to control the problem of illegal aliens. There are presently more than 8 million illegal aliens in this Nation occupying 1 million jobs and creating, according to the immigration service, a tax burden of $16 billion. New York has an illegal alien population in excess of 1 million with more than 100,000 employed. This is another fiscal headache which can be remedied through Federal legislation.

Although it may be tempting to stand here and pass the blame around for New York City's fiscal problems, our time would be far better spent working for the passage of the legislation before us today. Six months ago, it would have been inconceivable to any of us to have such legislation ever reach the House floor. However, an unprecedented compromise effort between the Congress and the administration, as well as the outstanding leadership of the Governor of New York, the Honorable Hugh Carey, as well as the efforts of Mayor Beame, has permitted this legislation to not only come before us for consideration, but also stands a good chance of being enacted.

Mr. Chairman, the case of New York City is now before us. Do we allow New York City to continue as a viable entity, or do we force its collapse and humiliation. New York City residents are worthy of considerate treatment by their Government. They work, they pay taxes, they contribute to the betterment of this Nation just as any other American does. The only difference is that by an unfortunate combination of factors, some within their control and others totally outside their control, they are now in desperate need of Federal assistance. They have not come looking for a bailout, but rather a guarantee on their obligations, or a Federal loan either of which will in the long run, actually provide new revenues for this Nation as well as save New York City.

Our decision today may spell the difference between recovery and disaster, between a future of prosperity and one of despair for 8 million of our countrymen. New York has suffered enough, there has been enough acrimony and divisiveness on the subject already. It is now time to act. The challenge is before us. I most fervently hope that it is a challenge which we have the courage to meet.

Mr. UDALL. Mr. Chairman, I strongly supported this bill as the committee reported it for I am convinced the Federal Government must act to assure that New York avoids default. I will support the substitute measure offered here today, but I do so with certain reservations.

First, I am not convinced that the President's last minute plan will be adequate to do the job. It is hastily conceived and raises the distinct possibility that we will have to act again 6 months or a year from now. The committee bill was the product of weeks of thoughtful work, of negotiation, and of compromise, and I still find it far preferable to the President's proposal.

Second, behind the President's rhetoric, his irrelevant scoldings, and very faulty economic judgment, is one other central truth: We have no national urban policy to deal with the growing problems of our cities. And New York City is the first but by no means the only victim.

Let me set forth what I think should be the key elements of a national urban policy which should be given priority by the administration:

First, a solid national commitment to rebulid, reinvigorate, and revitalize our Nation's cities. We can again make our cities livable—places where Americans want to work and live.

We need changes in the tax laws to promote rehabilitation of neighborhoods rather than continuing the present incentive for destroying neighborhoods. Neighborhood preservation and rehabilitation is essential and long overdue. Essential too is a commitment to ending red lining by lenders in inner city neighborhoods.

Second, New York would not be in this mess if we had an administration pledged to full employment. The fiscal problems at every level of government cannot improve when millions of people are out of work, consuming public services and paying no taxes. An economy of full employment is obtainable; not just an idle dream.

Third, we must federalize the welfare system. The duty of caring for the Nation's poor is a national responsibility; the present system has overburdened those jurisdictions which attempt to provide adequate levels of support. We need legislation to establish a uniform 75 percent Federal share for States' medicaid and aid to families with dependent children. This would recognize the Federal responsibility for a welfare burden over which the States have little or no control. If we can pay 90 percent of the costs for new highways, we can do this much for the needy.

Fourth, we need national health insurance. This is the only way to make decent health care available to all—and it will stabilize and control costs among the Federal, State, and private concerns. I am tired of apologizing for the fact that we are the only major industrialized country without it.

If we had federalized welfare and national health insurance New York would be showing a surplus this year instead of fighting off a default.

Finally, we need to make some adjustments in our general revenue sharing program. The per capita ceiling and the per capita floor should be repealed, so that more funds would go to the most desperate cities, rather than to more prosperous communities. Indeed, under the existing program, coupled with the Nixon-Ford cutbacks in categorical aid programs for social services, jurisdictions are now spending less than half of 1 percent on programs for the elderly—and only 4 percent of revenue sharing funds are expended for all services for the poor and elderly combined.

These are the long term policy changes I see as necessary, for the problems of New York are the problems of every city—they are not the problems only of New Yorkers, but of every American.

New York and the fate of all our cities is important to us as a Nation. It is important to people in Arizona, to those in Iowa, and to those in Wisconsin.

As our colleague from Wisconsin, Congressman OBEY put it recently:

> It would be inconsistent and, in a sense, hypocritical of me not to bring the same national view to the problems of New York which I ask other Members to bring to the problems of dairy farmers.

Congressman OBEY represents dairy farmers—and he expects his friends from New York to understand their problems and their need for Federal help from time to time. And I hope my colleagues from Western States who represent, as I do, ranchers and copper miners and farmers will also support this legislation. Just as it is in the interest of New Yorkers to aid Western counties that also have a weak tax base because the land is owned by the Federal Government and is in national parks or national forests, Westerners must understand the tax problems of their fellow citizens in the cities.

So we have mutual concerns and we must work together. The President would like to divide us North against South and West against East, farmer and suburbanite against city dweller, but I think the President misread the mood of the Americans on this issue. The early polls correctly reflected that most Americans are opposed to a "Federal bailout" for New York City. But as the purpose and the provisions of this legislation have become more widely understood, the American people have rallied behind the essence and the spirit of the legislation before us today. In part, this growing support is due to an understanding that the fate of New York City means a great deal to the rest of the country. It is also due in part, I suspect, to a truly American spiirt of national pride and generosity. The American people would certainly rather support a guaranteed loan to the people of New York City than to

Lockheed, and they would much rather commit the Federal Government's credit to see New York City through this crisis than to send millions to shore up dictators or to guarantee loans for foreign countries.

We have all lived with this uncertainty long enough. Strong Presidential leadership would have avoided weeks of needless delay and false charges. New York needs to know and the rest of the world needs to know that the country will do what has to be done to save its cities.

Mr. ASHLEY. Mr. Chairman, I yield myself 2 minutes to close debate.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Chairman, throughout the world the American city best known to everyone is New York City. In many respects New York represents that which is best, as well as that which is worst about our Nation. It is a city of great successes and great failures. It is a great citadel of culture based on a racial and ethnic mix of peoples that, together, make our Nation "a composite and cosmopolitan" people. But it is also a city heavily in debt, suffering, though perhaps more seriously, all the afflictions that seem to plague other big cities.

All over the world, people are now watching whether New York City will be allowed to go down the drain. Whether we like it or not they will consider what happens to New York City as a preview of what will happen to the United States. We must demonstrate to them that our Nation is not on a deteriorating course. We must demonstrate that the United States is still a vibrant and idealistic Nation. As an ethical matter, the Federal Government must come to the aid of New York City.

As a practical matter, as well, the Federal Gvernment cannot afford to let New York City default. The economic effects would be disastrous. Our banking system and bond markets would stagger under the burdens of a New York City default. And the millions of people who actually live in the city would be in danger of losing even the most basic municipal services such as police and fire protection, and sanitation pickups.

There can be no doubt that a substantial share of the blame for New York City's economic situation falls squarely on the city itself. It is also true that the city suffers because of its unique status as a county and a city. These points are, however, incidental to this debate. The point at issue here today is if the Federal Government will, after forcing the city to act responsibly, step in to help New York City stand on its own feet once again. This measure will not excuse, or even permit, continued spendthrift policies by those who manage the city's budget. In fact, it will impose harsh budgetary requirements on the city. Without requiring any new Federal spending, this bill will help the city and the Nation avoid the cost and consequences of the impending city default.

Mr. Chairman, the American people are aware of the merits of providing loan guarantees to New York City. According to a Hamilton poll taken nationally between November 1 and November 9, the American people favor Federal assistance by a 67 to 18 percent margin. I hope that my colleagues will show the same good sense as their constituents and vote for this bill.

Mrs. HOLT. Mr. Chairman, I cannot support this bill (H.R. 10481) for the following reasons: First, it is patently immoral to encourage individuals or municipalities in their natural desires to live beyond their means; second, the people of the United States and certainly of my district have not expressed support for this legislation; and third, the legislation gambles with the economy of the United States when things are looking up.

President Ford, a month ago, made a stinging and brilliant speech on this subject before the National Press Club. It was the proper note at the proper time and I commend him for it since then. Now we are told that there is no bailout to be provided by the Federal Government, that the city has bailed itself out. This is fanciful and inaccurate and I would like to spend a moment looking at the actions of the New York legislature last week.

New York City has not balanced its budget. It has not had the cooperation of its hundreds of employees—bureaucrats, and teachers. It has not cut its welfare payments. It has increased taxes on already overburdened city taxpayers. Mr. Chairman, personal income taxes have been raised an incredible 25 percent. But the voters cannot "get" the politicians since the legislators and the Governor are not available for reelection soon. Governor Carey has promised to take responsibility for tax increases but in the meantime those beleaguered taxpayers of Gotham look to us in Washington. They have turned to the Beame-Lindsay administrations and been rebuffed with gigantic boondoggles, they have turned to their representatives in Albany who have ripped them off in the form of taxation, now they turn to us. I do not believe that we act responsibly if we lend money to New York City as the President now proposes.

To be fair, Mr. Chairman, the President has sent us the best of an unsavory menu—aid of this kind in the most palatable format. But I cannot support it and I say so sadly. The taxpayers must have control of government returned to them and their representatives. Their representatives must be accountable. Because New York City officials, the legislators, and the Governor are not now accountable, we acting in concert are asked to cushion their grave responsibilities for fiscal profligacy. Because taxpayers of New York, sadly, have no control of their government we are asked to make the taxpayers of the United States responsible for it.

When any government spends beyond its means, it is the responsibility of its government and its citizens to pay the price. H.R. 10481 discourages that responsibility and I cannot support it.

Mr. HYDE. Mr. Chairman, it is very difficult to debate the merits of legislation we have barely seen and about which no hearings have been held. It would seem to be a minimal concession to procedural integrity to a least permit the Banking and Currency Committee to conduct 1 day of hearings so Secretary Simon could answer questions.

A few things must be said concerning New York's plight as it affects not only New York but the rest of the Nation. Many of us feel very strongly that the "good life" that New York's politicians have sought to bestow on their city's employees and college students, regardless of the fiscal irresponsibility inherent therein, deserves the strongest sort of rebuke from this Congress. Self-indulgence on the part of New York's City fathers received classic expression when former Mayor Robert F. Wagner, in his last budget message in 1965 stated,

> I don't propose to permit our fiscal problems to set the limits of our commitments to meet the essential needs of the people of the city.

This sort of philosophy may have been great politics but it has proven to be a disastrous policy. Every municipality in the country would like to "love not wisely but too well" as the apologists for New York's profligacy have so pretentiously claimed, but fortunately not many local governments are so economically illiterate as to pretend that there is no bottom to the financial "cookie jar."

I take no provincial delight in reciting the litany of New York's mistakes. I do insist, however, that the significance of New York's trauma be driven home to all Americans so that the conscious abuse of borrowing power and the unrestrained surrenders to every pressure group can be seen for what it is: political cowardice disguised as compassion, irresponsible, utterly foolish and a gross imposition on every taxpayer who must ultimately ante up the necessary dollars. Theodore White has written that,

> The problem is not simply the bankruptcy of one city . . . but a crisis of our civilization, of how we govern all our cities.

It is important that any action we take to minimize New York's plight not destroy incentive for fiscal reform. Nothing we do should confirm and ratify the maladministration of New York's financial affairs.

Those of us who for years have been opposing wild spending programs that have no relation to tax revenues have been lampooned as people "without a heart and soul," as being hardhearted nay-sayers compared with those more enlightened liberals whose programs and policies have dominated American politics for years. The legacy we are compelled to live with includes a gigantic, inefficient fraud-ridden welfare system and a proliferating bureaucracy which is a law unto itself. Now, the sobering up period begins, and to judge from the rhetoric of this legislation's supporters, the patient is not yet ready to take "the pledge."

The lesson of Great Britain's economic woes has been lost on those in authority both in New York and in Congress. As New York sinks into the quicksand of budget gimmickry and overborrowing, are we still to learn nothing.

There has beeen a curious silence on the part of those whose consciences were outraged by Watergate. How incensed they were by the cover ups and how they lamented the loss of confidence in Government that those responsible for the betrayals of Watergate created. I suggest that the fraudulent bookkeeping and fiscal deceptions practiced by New York's government has undermined faith in Government in a far more fundamental way than Watergate ever did. The personal failures of Watergates can be and largely have been overcome. But the failure of New York has been institutional rather than personal, and can only generate deeper cynicism on the part of a deceived and abused public.

I suggest our indignation at dishonest government, dishonest budgeting practices and the cover ups that made the public deception possible for so long demands a congressional inquiry every bit as vigorous as that which exposed Watergate and every bit as persistent as our present investigations into the CIA and the FBI. Surely such institutional fraud involving so much harm to so many people deserves the searching, relentless attention of an official congressional inquiry. However, since the objects of such an investigation would be largely members of the majority party, it goes without saying that such an investigation will never occur.

If ever there existed a group of citizens deserving of our prayerful sympathy, it is the taxpayers of New York City. Having run out of resources to meet its promises, the city has some of its citizenry paying four income taxes: Federal, State, city and a fourth called "unincorporated business tax" paid by self-employed unincorporated persons. Also an 8 percent sales tax, the Nation's highest, plus real estate taxes that border on confiscation. Now a city inheritance tax has been imposed guaranteed to drive those who have any assets to bequeath up to Connecticut or across to New Jersey. New York's taxation has given new meaning to the law of diminishing returns. Fewer and fewer will be left to support more and more in a lifestyle Teddy White describes as "a wild excess to good will."

We are told that New York has taken giant strides to get its house in order, to curb its predatory pressure groups and to move in a well-defined direction of sensible, reasoned financial stability. I do not believe this. The State has yet to absorb the city's university system, or at least significantly share in its financing, and both must combine to enact sensible admission standards and some sort of tuition, however nominal. A rational welfare policy, with the State assuming a more equitable share of the burden and renegotiating the municipal employees' pension, vacation, retirement benefit and salaries has yet to be done.

With reference to the legislation we are asked to vote on, it must be said that New York City still has nowhere near a balanced budget and has no specific plans for paying off some of its short-term indebtedness other than the wistful hope that it can regain access to the financial markets in the next few years. We are still faced with an unbridgeable gap between the city's revenues and expenditures for this fiscal year. This gap amounts to a staggering $724 million. We are told that 14,000 municipal employees have been laid off and another 21,000 jobs have ended by attrition. We do not know how many of these have been rehired. Despite claims that 4,000 teachers are said to have been dismissed, the board of education has not issued any statistics as yet.

The present legislation is a stop-gap measure which involves a very substantial sum of taxpayers' money but provides no assurances that the difficult internal political and fiscal decisions are being made that will lead New York back to the financial markets so it can borrow again.

I am very unwilling to repose in the Secretary of the Treasury—a man for whom I have complete admiration and respect—the vague and heavy responsibility this bill requires. So many ambiguities exist that could have been resolved by hearings that I think it is extremely unfair to require us to vote on this bill at this time. For example:

First. What agencies are or may be authorized by the State to act on behalf of the city?

Second. What security is available to the Secretary and under what circumstances would he feel the necessity for requiring it?

Third. What specific steps are available to the Secretary to realize upon such collateral?

Fourth. What factors would the Secretary take into consideration in determining that the city is reasonably likely to repay the loan?

Fifth. What terms and conditions might the Secretary deem appropriate to insure repayment by the city?

Sixth. What expenses of administration does the Secretary foresee?

Seventh. Does the Secretary have the legal right, in the event of a default, to withhold revenue sharing funds?

The Wall Street Journal on December 1, pointed out that the crisis in New York is far greater than simply adjusting to seasonal patterns of revenue but rather that they have built a mountain of short-term debt. There are only two ways this problem can be solved: Increasing revenues or cutting expenses so that the budget is honestly balanced. Because of new borrowings from the State and the pension funds and a moratorium on existing debt a fragile balance is projected over the next 3 years. But this is based on the unreasonable assumptions that there will be no increased cost of welfare and medicaid and no increases in salaries of city employees. Revenue estimates are guesses at best, particularly in view of the new taxes that are being imposed. The taxes that are suffocating New York City are those that discourage private enterprise, thus reducing jobs and eroding the tax base. No one can accurately predict what the courts will do concerning litigation now pending against pension fund trustees, and against the moratorium. New York State has its own budget crisis and is about $700 million in the red exclusive of $800 million in loans to the city.

Thus the Congress is asked to blindly accept the projections of revenue and the success of the litigation and assume that the State and city will muster sufficient political courage to cut their expenditures. Then we are still left with a city deeper in debt than it is today.

I certainly do not want grass to grow on the streets of New York. I recognize that we are one nation and that the problems of our big cities are unique and demand special attention by those forces that exercise the responsibility of Government. But I am saddened and depressed by the complete failure on the part of the majority party, which controls both Houses of Congress and the major cities in our country, to recognize the indispensable requirement to avoid deficit financing which is as fatal to cities as once was the plague.

This sad fact was vividly demonstrated at the Mayflower Hotel Tuesday, December 2, when 9 of the 10 Democratic candidates for President paraded before a meeting of their party's Governors and, as reported in the Washington Post:

> Under persistent questioning on their anti-inflation policies from Nebraska Gov. J. James Exon, all nine of the Democratic hopefuls said the best way to reduce government deficits was not by curbing spending but by curbing unemployment.

Here we have the leaders of the Democratic Party repudiating the idea of curbing Government spending. If the experience of Great Britain, if the trauma of New York City does not teach them anything at all, then perhaps their ignorance is not willful but rather invincible. To support this legislation in the face of no recognition by the majority party that spending must equal revenues is to be an accessory in the eventual demise of every city in the Nation and this I cannot do. I reluctantly cannot support the Intergovernmental Emergency Assistance Act.

Mr. GUDE. Mr. Chairman, when the possibility that New York might default on its obligations became apparent, I made clear to my constitutents that I felt the city's problems were of its own making and that I could not support Federal assistance unless two conditions were fulfilled: First, the city would make those reforms in its fiscal management policies to insure the same sorry sequence of events would not occur again; and second, the assistance plan developed would be at no cost to the taxpayers.

The bill under consideration today meets both those conditions. In respect to the first condition, the bill does not require Federal assistance; it permits it only as approved by the Secretary of the Treasury. The Secretary is further empowered to set terms and conditions to insure repayment, and he may demand appropriate security. As a further lever to insure repayment, the Secretary is authorized to withhold any payments of Federal funds due the city in order to compensate for loans not repaid.

Further, this legislation has been endorsed by the President only after a long series of measures taken by New York City and the State of New York to balance the city's budget. Those measures, already approved, include a $200 million increase in city taxes; a partial shift of city contributions to its pension systems to its employees; substantial employment reductions by the city—22,000 this year and some 40,000 anticipated in the next 2 fiscal years; a partial wage deferral imposed this fall, a reduction in the subsidy to the City University of New York by $32 million; an increase in the transit fare from 35 to 50 cents; the imposition of a moratorium on $2.6 billion of the city's short-term notes; agreement by city banks and pension systems to exchange short-term high-rate existing notes for longer term bonds with a lower interest rate; the approval of a similar exchange offer by the MAC board for notes held by the public.

In addition, the city has undertaken administrative reforms as well as budget reforms which have resulted in the Emergency Financial Control Board's three plan which should produce a surplus fiscal 1977–78. The effect of all these actions is, essentially, to create a balanced budget for the city, with the only remaining problems being one of irregular cash flows—too little revenue to meet obligations over the next several months, and a revenue surplus in the spring when taxes are paid. It is the purpose of this bill to meet that cash flow problem through a system of short-term loans.

In respect to the second condition, the bill provides for short-term loans to be made and repaid during the same fiscal year, no succeeding loans to be made until the previous one is fully paid off. All such loan authority will end on June 30, 1978. Since the city will pay interest at 1 percent above the Treasury borrowing rate, there will be no cost to the taxpayer's whatsoever.

Let me make clear that in supporting this bill, I do not buy all the arguments of its proponents. I continue to believe the city's problems are its own and that it is desirable that the city retain responsibility for them. I do not believe the city's default would have a lasting significant effect on municipal bond markets because I believe investors in municipal obligations are sophisticated enough to distinguish the New York case from others.

Obviously, other cities that are in a weakened fiscal condition will have problems selling their bonds, but that would of the past few months is replete with examples of municipalities and States which sold their obligations at low rates, in some cases the lowest in years. In addition, I continue to be concerned that providing Federal assistance to New York will be a precedent that will encourage irresponsible behavior on the part of other cities, although the provisions of this bill are sufficiently stringent to inhibit such an effect.

Having rejected those arguments, there are still two compelling reasons for support of this bill. First, I think it is clear that in its present position the city will not be able to avoid default without Federal assistance. Recent action by the State enables us to reduce the amounts originally included in this bill, but it is clear that State action alone will not be sufficient to deal with the cash flow problem. Second, I think it is also clear that if the city were to default, the Federal Government would inevitably be dragged into the situation, if only to assist in providing essential services and maintaining order, at a far greater cost to the taxpayers.

Default under such circumstances would inevitably be perceived as an emergency along the order of a natural disaster, and I fear the pressures for Federal assistance at that point would be irresistable; yet the climate at that time would be the least conducive to the development of a sound bill. The result would be worse for the citizens of New York City and worse for the Nation's taxpayers. Thus, I feel that the only responsible position at this time is support for a moderate bill with stringent conditions imposed on the city to insure future responsibility without cost to the rest of the Nation. This bill fulfills those conditions, and I will support it.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I rise in support of H.R. 10481, the Intergovenrmental Emergency Assistance Act. This landmark legislation will provide the Federal Government with the necessary legal authority to deal with the New York financial crisis.

The decision on whether or not to render Federal assistance to New York has generated vigorous and heated debate in this Nation. But, notwithstanding the attempts of the Ford administration to obfuscate the compelling economic ramifications of a default situation, it would appear that a growing majority of American people now believe it would be in the best interest of the United States to take such action as will be required to avoid the complete financial collapse of New York.

In a recently-conducted Harris poll, the American people indicated support for federally-guaranteed loans to New York City by a margin of 69–18 percent.

I believe the results of this Harris poll reflect a broad understanding of the fact that default by New York will have effects on the Nation as a whole. The Joint Economic Committee issued an evaluation report on November 3 which indicated that our economic recovery process could be slowed by this default, with a subsequent increase in the number of unemployed Americans—300,000 is the additional unemployment figure set by the JEC.

Rate of growth in the GNP would be reduced by 1 percent, and this combination of slower growth rate and higher unemployment would also lead to an enlargement of the Federal Government's budget deficit. Receipts would be reduced by approximately $3.5 billion; and expenditures for unemployment compensation, food stamps and other related programs would rise by more than half a billion dollars. Thus, the JEC report concludes that the total addition to the Federal deficit resulting from one reasonable default scenario is approximately $4 billion.

The banking community has also expressed grave concerns about the implications of New York default, and rightly so. Surveys of the Federal Deposit Insurance Corporation and the Comptroller of the Currency indicate that more than 450 banks in nearly two-thirds of the States have invested in New York City and State bonds and notes to a level of 20 percent of their capital. It is estimated that 30 national banks would be in serious financial difficulty, because their capital investment levels in New York City and State bonds exceeds 20 percent. Additionally, it has been projected that nine of these banks will become insolvent.

The New York financial situation is already costing American taxpayer's billions of dollars. Added interest rates on bond issues are already running at a rate of $2 billion per year. Municipal and State governments face additional interest charges spread over the life of newly issued notes and bonds that could reach $3 billion.

While higher interest rates are troublesome enough for the Nation's municipalities and millions of taxpayers, even more serious is the contraction in the bond market caused by the lack of investor confidence. This development could prevent many of the Nation's cities and towns from being able to market bond issues. If these municipalities are unable to sell bonds, they, too, could be forced into a default situation.

Mr. Chairman, there is the additional problem of the contractors around the Nation who are doing business with New York City. I have received a list of major contracts—those over $25,000—which New York City has with business firms in my own State of New Jersey. In the 14th Congressional District which I represent, New York City has over $4 million worth of contracts with local businesses. I understand that the city has contracts with more than 600 firms in 36 States outside New York. Obviously, New York City has generated a demand for products and services that reach far beyond its borders. The implications of a default obviously include the possibility that some of these contracts might not be fully honored, and that employment opportunities in other communities might be adversely affected.

Of course, being in close proximity to New York City has added implications for those municipalities that are New York's neighbors. Many of the people in my district work in New York, and they are very much concerned about the effects that default will have on their jobs.

Mr. Chairman, I would also like to remind my colleagues that New York's financial crisis is more than a national issue—it is the cause of grave concern among leaders in the international community.

West German Chancellor Helmut Schmidt and French President Valery Giscard D'Estaing have publicly expressed concern that New York City default could precipitate a worldwide financial crash. These distinguished international leaders have compared New York default with the collapse of Austria's credit an—Kreditanstalt—STALT Bank in 1930—which has been blamed for causing the onset of the worldwide depression.

Mr. Chairman, it is not an act of leadership to simply condemn New York City for past fiscal profligacy. Leadership requires the ability to lend counsel and cooperation as well as criticism. It is clear to me that the Nation must look to the Congress for this leadership—as it has had to do on numerous occasions already when complex issues demanded positive action.

The legislation we have before us today has been carefully constructed to safeguard taxpayers' interests while at the same time providing substantive assistance to New York City that will allow it to put its financial house back in order. This is not a bail-out bill that will encourage fiscal irresponsibility in other municipalities, nor is it a give-away program to reward fiscal profligacy. It is a hard-nosed piece of legislation designed by our hard-working colleagues on the House Committee on Banking and Currency and Ways and Means. Credit is due our colleagues, including those on the Judiciary Committee who have been working on companion bankruptcy legislation which should reach the floor by next week. This was not an easy bill to develop, and it is truly landmark legislation. This bill is a symbol of congressional leadership. It amply demonstrates that while others can simply criticize, Congress constructs remedies for national problems. These legislative remedies reflect careful study and a spirit of compromise between conflicting interests. But most of all, these legislative remedies demonstrate that Congress does not retreat from responsibility, even when the issues are complex and far-reaching. We do not hide behind a curtain of demagoguery. Instead, we work on the sound foundation of logic and compromise.

Mr. Chairman, I commend my colleagues for their efforts in developing this comprehensive legislation, and I urge my colleagues to join with me in supporting H.R. 10481.

The eyes of 200 million Americans and, indeed, the entire world are riveted upon this body today. Let us demonstrate once again our responsibility, our resourcefulness and our ability to take the tangled skeins of politics and economics and weave with them the strong fabric of effective public policy.

Mr. HUGHES. Mr. Chairman, the question of Federal aid to New York City is one of the most difficult decisions I have made since coming to Congress. This was not an easy vote for those of us from small towns and rural areas to cast. After careful consideration of the effects of a default by New York City, however, I decided to cast my vote for legislation designed to prevent this catastrophe.

Prominent financial analysts and economic advisers agree that a default by New York on its bonds would wreak havoc on the Nation's bond market. Already municipal and State authorities are having tremendous difficulties marketing their securities. Only this July, the Toms River School District postponed a $5.5 million school building bond issue and a Ventnor City issue of $2 million for various projects was delayed. These are but two of the scores of projects cancelled in New Jersey and across the country. Those localities that are fortunate enough to find buyers for their securities are forced to pay outrageous interest rates. For example, it has been estimated that it will cost New Jersey an additional $5.2 million in interest charges next year, assuming the State floats the average number of bonds. A default would also prove detrimental to those New Jersey businesses who have contracted with the city of New York for $77 million in goods and services.

New York City has made serious efforts to put its house in order. Thousands of city workers have been laid off. Legislation recently passed by the New York State Legislature imposes an additional $200 million in city taxes. Administrators of the city's pension funds have agreed to lend the city money over the next 3 years and employees are now required to contribute to their own pensions. New York City banks have agreed to a delayed repayment schedule at lower interest rates than carried on the city obligations. Further actions which I believe will follow to insure New York City's solvency include renegotiation of high wage contracts and the maintenance of a balanced budget.

No one has been able to accurately estimate the negative impact of a New York City default on the Nation's economy. Surely it would disrupt the bond market, cause hardships for businesses that have contracts with the city, and be an absolute disaster to the smaller investor in New York City obligations. It is true that New York has spent funds with reckless abandon in the past. But the hard experience of near default, of a tremendous increase in taxes, and drastic cutbacks in city workers and corresponding expenditures has been a sobering one. Now we have a framework within which to help New York City help itself.

In an about face, President Ford set forth his program to aid New York City by providing $2.3 billion in direct Federal loans, thereby rejecting Congress' plan to provide loan guarantees. I believe that the congressional blueprint attacked the problem more directly by providing a simple loan guarantee. By contrast, the President's legislation requires both the authorization and appropriation of $2.3 billion—a direct use of taxpayers' dollars. Without Federal intervention, a default will occur on December 11. I have reluctantly supported Mr. Ford's proposal despite its backdoor approach.

In any event it is better than turning New York City over to a Federal Bankruptcy Court. Can you imagine the chaos that would occur in America's largest city, not to mention the tremendous cost? And it would be our tax dollars that would end up running the city and picking up the inevitable deficits.

We must caution other cities and towns looking to Washington for financial assistance that this action to save New York City from certain financial ruin is not an experience which will be repeated. The time has come for every level of government, be it city, State, or Federal, to guard its resources by prudent financial management. All of us need to recognize that the Federal well is not bottomless—and begin to get our Federal house in order as well.

Mr. FISHER. Mr. Chairman, the issue before us in dealing with New York's financial crisis is the reorganization of a great city and the restoration of its financial integrity. There appear to be two serious alternatives. The city could be premitted to declare bankruptcy and the Federal Government, through its courts, could administer the operations of the bankrupt city or the Federal Government could extend assistance sufficient to permit the city, under watchful eyes, to make the hard decisions necessary to restore its economic good health. While neither alternative is entirely satisfactory, a choice must be made.

After much thought I have reached the conclusion that Federal Government assistance, carefully conditioned on responsible actions by New York City to put its financial house in order, is the right course to take. I prefer the solution offered in the bill presented to the House by the Committee on Banking, Currency, and Housing (H.R. 10481) which provides for Federal guarantee of loans on behalf of the city, should they be required, and calls for an acceptable plan of stringent actions by the city to balance its budget within 3 years. Under this proposal, no Federal outlays would be required unless there were later default by both city and State.

But the proposal before the House is a substitute for the committee bill proposed by the President. It provides direct, repayable short-term Federal loans to assist New York City's cash flow during the critical spring months before tax collections come due. This solution appears to me to be inferior to the committee's original proposal. Nevertheless, I am supporting it because apparently this is the only version for which the necessary support can be enlisted. And I am convinced the city does need some help.

As so frequently happens in legislative matters, the second best is preferable to nothing—in this case bankruptcy for New York City. I do not like to see the Congress and the President play "eyeball to eyeball" with the future of our largest city. And I do criticize the President severely for proclaiming so loudly and so long that bankruptcy is the only route he would countenance, and then suddenly reversing his field and going for a direct Federal bailout loan. The conditional guarantee route which I favored would have been safer, more certain to bring financial reforms to New York City, and probably less costly to the Federal Government and the Nation's taxpayers. In addition, the course I prefer would have brought the resources and responsibility of the State of New York more definitely into the picture by confirming the Federal guarantee to the State acting on behalf of the city.

I want now to discuss briefly the merits and difficulties of the two basic approaches to the New York City problem: bankruptcy and Federal help.

Opponents of assistance prior to bankruptcy contend that the Federal Government should not be responsible for bailing out New York City. Instead, the city should be allowed to default and bankruptcy proceedings begun. Those taking this position contend that the national and international repercussions would be minimal, there would be only a temporary impact on the municipal bond market and little effect on economic recovery. They contend that Federal assistance in any form will relieve the city from making the difficult but responsible decisions affecting New York programs. In short, Federal support is seen as too easy and as creating bad precedent for other cities which might be encouraged to look to Washington as a way of rescuing a municipal budget. Their alternative is to wait for the city to default and then to use a set of newly enacted bankruptcy provisions to administer the recovery period federally. Legislation to establish the guidelines for such an unprecedented bankruptcy is currently being considered by the House Judiciary Committee.

Those favoring assistance prior to bankruptcy believe that there would be serious repercussions if New York City defaulted. The municipal bond market would be shaken, further increasing the difficulty of New York and other cities to borrow money, thereby slowing new construction even further, precipitating more work lay-offs, and generally retarding economic recovery. The credit of the State of New York might be endangered. The repercussions would extend to other States and cities as well.

The House Banking Committee originally recomended a bill which provided Federal guarantees of State-issued bonds up to a certain dollar amount. Section one of the bill called for the creation of a federal board, composed of key administration officials, to authorize the issuance of federal guarantees once certain conditions are satisfied: the city had to submit a plan for a balanced budget to be achieved within 3 years; the State had to assume responsibility for the city's fiscal policy; the State would have been obligated to pay up to one-third of the city's operating deficit; outstanding city obligations were to be renegotiated in order to convert them into long-term notes at lower interest rates, and the city was to renegotiate its pension fund and wage obligations. Such renegotiation is of utmost importance not only for the reestablishment of the city's financial soundness and the integrity of both pension plans and wage contracts, but also to meet the legitimate concern of millions of Americans all over the country who are convinced that the New York sleigh ride must end.

Section two of the bill provided that bonds issued under the guarantee program be subject to Federal taxes. The third section of the bill amended the bankruptcy act to allow large municipalities to declare bankruptcy.

My own position on this, as set out earlier, reflects a deliberate process of studying events, conferring with persons who have expertise in various aspects of the problem, and analyzing the proposals put forth. I had reached the conclusion that some level of Federal guarantee of State obligations was necessary. The evidence is clear that default will adversly affect the municipal bond market. Hundreds of banks hold significant amounts of city bonds and in part depend upon them as an economic base for their operations. Bankruptcy by a major city would entail risks and employ a law not yet passed.

The course I preferred, embodied in H.R. 10481, would not be a bailout. Given the circumstances, it would be an honorable and a prudent course. As a nation we would not be abandoning our largest city and we would be backing up the many Americans who hold New York City and State bonds, accompanying that support with strict built-in requirements that the city put its financial and budgetary house in order. Wisely, the bond guarantees would have gone to the State of New York on behalf of the city, thereby involving the faith and credit of the State as well. There can be no absolutely fail-safe arrangement, of course, but the limited and conditional guarantee would have offered a responsible and prudent route for the Federal Government to follow.

But, as I have said, the choice before the House appears to be the direct, short-term, bail-out type loan or nothing. Under the circumstances I am supporting this as second best but still, I hope, adequate even though I believe the loan guarantee to the State acting for the city would be the more prudent course. Let us hope this help, accompanied by much self-discipline on the part of New York City, will shortly put the city back on its feet.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from New Mexico.

Mr. LUJAN. Mr. Chairman, today the Federal Government is being asked to rescue New York City from its financial crisis. It is not my intention to belittle the seriousness of the problem.

I do, however, have great fears that any proposal of Federal guarantees to New York's financial crisis will boomerang and create problems for every other city in the Nation attempting to sell bonds.

Should the precedent be set where the Federal Government guarantees solutions to a municipality's problems the final outcome will be that Albuquerque, Tampa, Seattle, and every other city will have to have a Federal guarantee before they will be able to sell bonds.

I feel very strongly that Federal guarantees will destroy the Nation's bond market. Such a serious prospect should not be tampered with. If one city's bonds are going to be guaranteed, who, in the future would buy municipal bonds without a similar guarantee?

A more businesslike and pragmatic approach should be taken on this problem. I see no better solution at this time than to let New York City default, declare bankruptcy and reorganize just as any business or individual would have to do in a similar situation.

There is daylight at the end of the tunnel. I still have faith in the original suggestion that New York's best potential is to put its present indebtedness on the back burner for a while and pay off its debts as soon as possible while tightening its belt and staying within its income.

New York's annual income is $12.2 billion. At first they said they needed $8 billion to get over the hill and now they say they need $2.3 billion. There are too many inconsistencies. New York's proposed tax increases and a 10- to 15-percent cutback in spending would be more than enough to produce the $2.3 billion they need.

I have not seen a budget yet that did not contain at least 10-percent fat that could not be trimmed and we all know New York's budget is riddled with extra fat and unnecessary luxuries. New York's plight is a very serious one. It should not have happened in the first place, but since it did I do not think we are taking the proper approach by jeopardizing every other city in the Nation.

Mr. ASHLEY. Mr. Chairman, I think it is clear from the debate, which has been a good debate, one that I think reflects credit on this body, that what we are dealing with today is the consequences of mismanagement, local, State, and Federal—consequences which, as far as the city of New York is concerned, have produced a short-term debt amounting to some $3 billion.

How can we best treat these consequences? Is there a Federal responsibility to prevent the default and bankruptcy of New York City or is there not? I think that there is, but it may be a close call.

By that I mean that there are strong views on both sides. Next year I will go back to the district I represent, just as each of the other Members will, and I will have to explain why I thought that it was the better course to put their money on the line as far as New York City is concerned.

Why do I think that I can do this and do it convincingly? Because I will tell them that had we not authorized an exposure of $2.3 billion, default and bankruptcy would have been certain. Would there then have been any Federal responsibility? The answer to that is absolutely yes, and the President has so acknowledged. The responsibility then would be to make whatever provision is necessary in the way of Federal funds to assure the continuation of essential public services in New York City: Fire, police, sanitation, health, child care, assistance for the aged, education, welfare—right across the board.

There can be no question in anybody's mind about that. Of course we would do this.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASHLEY. Mr. Chairman, I yield myself 1 additional minute.

The question then is whether we do it before default or after. If we do it before, there is the chance, and a rather good chance, that this city will return to financial responsibility. That it will have learned from its lessons of the past, and that it will have the opportunity to continue to lead the way in so many areas of our social and economic life, because New York has been a marvelous asset in this Nation of ours.

But if we insist on the course of bankruptcy there can be no question but that the credit markets will remain closed to New York City for the best part of a decade. I state that on the testimony of Arthur Burns and even by Secretary Simon.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. ASHLEY. Mr. Chairman, I yield myself one-half minute.

Does that suggest a prudent course? Clearly not. Because if the credit markets are to be closed to the city of New York for a period of a decade, then where, and only where, will that city be able to look for the necessary funds to assure essential public services? The answer is clear: Right back to this Congress.

Mr. Chairman, I urge the adoption of the substitute on final passage and I yield back the remainder of my time.

The CHAIRMAN. Under the rule the bill shall be read for amendment by titles, and title II of the bill shall not be subject to amendment except amendments recommended by the Committee on Ways and Means and said amendments shall not be subject to amendment.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

§ 1. Short title

This Act may be cited as the "Intergovernmental Emergency Assistance Act".

Mr. ULLMAN. Mr. Chairman, I ask unanimous consent that title II be stricken from the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. J. WILLIAM STANTON

Mr. J. WILLIAM STANTON. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. J. WILLIAM STANTON: Strike all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as "the New York City Seasonal Financing Act of 1975".

FINDINGS AND DECLARATIONS

SEC. 2. The Congress makes the following findings and declarations:

(1) It is necessary for the city of New York to obtain seasonal financing from time to time because the city's revenues and expenditures, even when in balance on an annual basis, are not received and disbursed at equivalent rates throughout the year.

(2) At the present time the city is or may be unable to obtain such seasonal financing from its customary sources.

(3) It is necessary to assure such seasonal financing, in order that the city of New York may maintain essential governmental services.

DEFINITIONS

SEC. 3. As used in this Act:

(a) "City" and "State" mean the city and State of New York, respectively.

(b) "Financing agent" means any agency duly authorized by State law to act on behalf or in the interest of the city with respect to the city's financial affairs.

(c) "Secretary" means the Secretary of the Treasury.

LOANS

SEC. 4. (a) Upon written request of the city or a financing agent, the Secretary may make loans to the city or such financing agent subject to the provisions of this Act, but in the case of any loan to a financing agent, the city and such agent shall be jointly and severally liable thereon.

(b) Each such loan shall mature not later than the last day of the fiscal year of the city in which it was made, and shall bear interest at an annual rate of 1 per centum per annum greater than the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturities of such loan, as determined by the Secretary at the time of the loan.

SECURITY FOR LOANS

SEC. 5. In connection with any loan under this Act, the Secretary may require the city and any financing agent and, where he deems necessary, the State, to provide such security as he deems appropriate. The Secretary may take such steps as he deems necessary to realize upon any collateral in which the United States has a security interest pursuant to this section to enforce any claim the United States may have against the city or any financing agent pursuant to this Act. Notwithstanding any other provision of law, the Secretary may, to any extent provided in Acts making appropriations, withhold any payments from the United States to the city, either directly or through the State, which may be or may become due pursuant to any law and offset the amount of such withheld payments against any claim the Secretary may have against the city or any financing agent pursuant to this Act.

LIMITATIONS AND CRITERIA

SEC. 6. (a) A loan may be made under this Act only if the Secretary determines that there is a reasonable prospect of repayment of the loan in accordance with its terms and conditions. In making the loan, the Secretary may require such terms and conditions as he may deem appropriate to insure repayment. The Secretary is authorized to agree to any modification, amendment, or waiver of any such term or condition as he deems desirable to protect the interests of the United States.

(b) At no time shall the amount of loans outstanding under this Act exceed in the aggregate $2,300,000,000.

(c) No loan shall be provided under this Act unless (1) the city and all financing agents shall have repaid according to their terms all prior loans under this Act which have matured, and (2) the city and all financing agents shall be in compliance with the terms of any such outstanding loans.

REMEDIES

SEC. 7. The remedies of the Secretary prescribed in this Act shall be cumulative and not in limitation of or substitution for any other remedies available to the Secretary or the United States.

FUNDING

SEC. 8. (a) There is hereby established in the Treasury a New York City Seasonal Financing Fund to be administered by the Secretary. The fund shall be used for the purpose of making loans pursuant to this Act. There is authorized to be appropriated to such fund the sum of $2,300,000,000. All funds received by the Secretary in the payment of principal any loan made under this Act shall be paid into the fund. All income from loans and investments made from the Fund shall be covered into the Treasury as miscellaneous receipts. Moneys in the fund not needed for current operations may be invested in direct obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States or any agency thereof. After all loans made pursuant to this Act have been repaid, the balance of the fund shall be returned to the general fund of the Treasury.

(b) The Secretary is authorized to sell, assign, or otherwise transfer from the fund any note or other evidence of any loan made pursuant to this Act to the Federal Financing Bank and, in addition to its other powers, such Bank is authorized to purchase, receive, or otherwise acquire the same.

(c) There are authorized to be appropriated such sums as may be necessary to pay the expenses of administration of this Act.

INSPECTION OF DOCUMENTS

SEC. 9. At any time a request for a loan is pending or a loan is outstanding under this Act, the Secretary is authorized to inspect and copy all accounts, books, records, memorandums, correspondence, and other documents of the city or any financing agent relating to its financial affairs.

TERMINATION

SEC. 10. The authority of the Secretary to make any loan under this Act terminates on June 30, 1978. Such termination does not affect the carrying out of any transaction entered into pursuant to this Act prior to that date, or the taking of any action necessary to preserve or protect the interests of the United States arising out of any loan under this Act.

Mr. J. WILLIAM STANTON. Mr. Chairman, I plan to present this bill section by section. For that reason I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BAUMAN. Mr. Chairman, I have a point of order against the substitute amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. BAUMAN. Mr. Chairman, I make a point of order against the present consideration of the substitute for the bill on the grounds that it is not germane as an amendment to this particular legislation. For authority I cite chapter 28, section 6.1 of Deschler's Procedure, which says:

> In order to be germane, an amendment must not only have the same end as the matter sought to be amended, but must contemplate a method of achieving that end that is closely allied to the method encompassed in the bill or other matter sought to be amended. (116 Cong. Rec. 28165, 91st Cong. 2d Sess., Aug. 11, 1970.)

Also I cite chapter 28, section 6.2 of Deschler's Procedure, which says:

> To a bill drafted to achieve a purpose by one method, an amendment to accomplish a similar purpose by an unrelated method not contemplated by the bill, is not germane. (113 Cong. Rec. 21849, 90th Cong., 1st Sess., Aug. 8, 1967.)

Mr. Chairman, I have examined the two bills, although I am under the disability of having had the substitute amendment in my possession only for 2 hours, but title I of H.R. 10481 states first of all in its scope that the bill applies to all States and subdivisions of the United States. Until the recent unanimous-consent request by the gentleman from Washington, the bill also amended the IRS code and in one of its titles it sought to amend the U.S. Bankruptcy Act. The substitute proposes only to apply to New York City.

Title I of the bill sought to be amended creates an Intergovernmental Emergency Assistance Board to administer the legislation. There is no such creation of a Board in the substitute, but the Secretary of the Treasury is given authority to administer the legislation.

The entire thrust of the bill sought to be amended, H.R. 10481, is a guarantee of State obligations which the State issues. The entire thrust of the bill now offered by the gentleman from Ohio will direct Federal loans to two given entities, New York and New York City.

As provided in the bill which originally came before the House under the rule there was a method for avoiding default and there were eligibility requirements by which various States and subdivisions must be met and it also allowed State loans to municipalities. There are no such provisions in the substitute. It speaks only of fiscal problems of New York and New York City.

The bill before us limits guarantees to $5 billion over a 13-year period and $3 billion over a 23-year period. The substitute speaks only of $2.3 billion and creates a revolving guarantee fund over 3 years duration which is terminated in 1978, unlike the bill which is sought to be amended.

Section 111 of H.R. 10481 creates an emergency municipal debt fund. There is no such fund in the substitute. It is completely silent on that.

Section 113 of the original bill speaks of the recovery of sums loaned by the Federal Government and gets specific on remedies. The only remedy section in the substitute is the general provision speaking not at all about any specific recovery means.

Finally the original bill provides for a future audit of New York City or any local or State government applying for these guarantees. There is absolutely no audit provision in the substitute. There is rather only the right to inspect records.

I submit under rulings of the Chair, even though the ends sought are similar, the methods are totally dissimilar and therefore the amendment is not germane.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. J. WILLIAM STANTON. Yes. Mr. Chairman, I do.

I hope the Chair rules against the point of order. The substitute under consideration deals entirely and wholly with the subject matter that has been under discussion here previously and before our committee and these had to do with New York City.

Second, Mr. Chairman, we do not in our substitute in any way expand the authority for this particular aid and in fact, Mr. Chairman, in many ways we in the substitute limit the amount of authority and amount of money that has been given under this particular substitute and in the particular section of the bill.

I think what we have in the substitute is subject matter which is germane and more limited rather than expanding the original bill. I hope the Chair will overrule the point of order.

The CHAIRMAN. Does the gentleman from Maryland desire to be heard further?

Mr. BAUMAN. Mr. Chairman, in response to the gentleman from Ohio, I quote from the CONGRESSIONAL RECORD of August 8, 1967, in which the chairman ruled on a similar situation when a bill presented before the House made grants to States and units of local government for the purpose of fighting crime. An amendment was offered at this particular time by the gentleman from New York (Mr. BINGHAM) which would have expanded this, in which the Chair ruled that it was an unrelated amendment dealing with firearms; but the point is, and I quote, the Chair said:

> But it is a well-established principle of the germaneness rule that a common purpose or objective is not conclusive when judging the germaneness of an amendment.

They quoted as the authority a decision rendered in the 77th Congress, by Chairman Cannon, stating:

> The fact that an amendment and the provision in the bill to which the amendment is offered have a common purpose and are directed toward the same objective is not conclusive. The amendment * * * deals with a subject to which there is no reference in the text to which offered, and is, therefore, not germane to the bill.

In this case, it is a direct Federal loan, versus a loan guarantee for a State obligation. They are totally dissimilar.

Mr. J. WILLIAM STANTON. Mr. Chairman, the substitute before us consists of nothing more than a specific amendment to a general proposition. The Chairman stated that as a specific point. I do not believe that this point of order is valid.

Mr. REES. Mr. Chairman, I would like to add on this point of order as to germaneness. There are two propositions we have before us in the bill as it came out of the committee and the substitute on the floor. The substitute on the floor deals with a loan and the bill coming out of the committee is a loan guarantee; but in essence they are basically the same thing in that the only time the Federal Government would be under a liability would be if there was a default of the loan or the paper that is guaranteed by the loan guarantee. So they are essentially the same; the loan and the loan guarantee provide the exact same liability to the taxpayers and to the Federal Treasury. There is really no difference, if we look at it. We are looking at what the liability is of the U.S. Treasury. There was $4 billion in one bill. There is $2.3 billion in the other bill; but essentially, they are the same. One is a guarantee, the other is a loan. The Treasury loses when there is a default on the loan or a default on the loans guaranteed by the Federal Government; so we are talking about essentially the same proposition.

Mr. ROUSSELOT. Mr. Chairman, I wish to speak to the issue already addressed in the point of order and to emphasize it. H.R. 10481, the bill before us, for which we now have a substitute, states in its purpose:

> To authorize emergency guarantees of obligations of States and political subdivisions thereof;

It is a universal bill. This is a substantial change directed at one city and one State and it is so changed in the title. I believe on the basis of what the gentleman from Maryland has stated that it would be difficult to throw out the previous rulings from the Chair on this issue, because it is clearly a change in the makeup of this bill.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from Maryland has made a point of order that the amendment in the nature of a substitute offered by the gentleman from Ohio is not germane to the bill.

Now, several points have been raised in connection with this point of order. First, the point has been made that the bill by its terms extends loan guarantees to all States and municipalities, whereas the amendment in the nature of a substitute directs itself only to the problems of the city and the State of New York. With respect to that particular point, the Chair would like to call the attention of the gentleman from California and the gentleman from Maryland to volume 8 of Cannon's Precedents, section 3004, which stands for the principle that:

> To a proposition general in its nature an amendment specific in character is germane if within the same class.

This was pointed out by the gentleman from Ohio (Mr. J. WILLIAM STANTON). It goes on to state:

> To a section of the river and harbor bill making a lump-sum appropriation for the maintenance of river and harbor projects an amendment designating specifically the projects on which the sum should be expended was held to be germane.

The further point is made that a different agency is involved in the carrying out of the particular program. The Chair would call the attention of the gentleman from Maryland to section 6.21, chapter 28 of Deschler's Procedure in the House of Representatives, that to a proposition to accomplish a result by regulation by a particular Government agency, an amendment to achieve the same fundamental purpose by another governmental agency was held to be in order.

Finally, with respect to the difference between the methods sought to accomplish the common result—loan guarantees in the bill and loans in the amendment, there is no quarrel, the Chair does not believe, over the applicable principles. As was pointed out by the gentleman from Maryland (Mr. BAUMAN) in order to be germane an amendment must not only have the same end as the matter sought to be amended, but must contemplate a method of achieving that end that is closely allied to the method in the bill sought to be amended. To a bill drafted to achieve a purpose by one method, an amendment to accomplish a similar purpose by another method not contemplated by the bill is not germane.

The question, therefore, is whether or not the amendment in the nature of a substitute proposes to accomplish a similar purpose by a method that is closely allied to the method encompassed in the bill. That question is a factual one of whether or not the loan mechanism in the amendment in the nature of a substitute is a closely allied manner of seeking the same end as the provisions of the bill containing the loan guarantee approach.

The Chair, after listening to the discussion of the point of order, would have to agree that the method proposed by the amendment in the nature of a substitute is closely allied to the method proposed by the bill since the concept of repayment or recoupment of Federal outlays is contained in both approaches. The Chair therefore overrules the point of order.

The gentleman from Ohio (Mr. J. WILLIAM STANTON) is recognized for 5 minutes in support of his amendment.

(By unanimous consent Mr. J. WILLIAM STANTON was allowed to proceed for 5 additional minutes.)

Mr. J. WILLIAM STANTON. Mr. Chairman, members of the committee, I wish to repeat a couple of points I made in general debate. No. 1, nobody over the 6-week period has stood against long time loan guarantees to New York City more than the gentleman in the well at this particular time. I did it in principle, Mr. Chairman and members of the committee, under the fundamental proposition that I could never explain to the constituents in the 11th Congressional District of Ohio that in no way and at no time should the Congress of the United States aid the city of New York until the city of New York—and since the city is a child of the State—the State of New York have done everything in their financial power to help themselves.

On the position of the minority, there were many with me. We paralleled totally the position of the President of the United States. The President had stated before the City Club that under no circumstances for the human needs of New York City would he allow them to go unfunded.

What has happened, Mr. Chairman and members of the committee, is that our committee has discussed aid to New York City, and to the people in New York State and New York City. Then officials of the State and the assistants to the President of the United States combined their efforts to develop an approach based on the things that were said in our committee.

"You go home and you put yourself in such a default position without bankruptcy. You go home and you tell the unions, tell the schoolteachers, tell the Legislature of the State of New York that they have to help. You go home, rearrange your financing to such a degree that, when you can see yourselves in a controlled default situation in which by 1978 you can have a balanced budget, we will talk to you."

Mr. Chairman, I am here today to present to the Members of Congress the legislation that the President of the United States has asked me to present to them, and I do it wholeheartedly and I do it with the full satisfaction that if he had not asked me to, I would still stand before the Members today, look all of them in the eye, and say the most responsible thing: The city and the State of New York have helped themselves to the maximum financial degree possible.

Mr. Chairman, the legislation that the Members have heard read is based on that premise.

Members of the Committee, there should be no choice. There should be no more kicking of the city of New York or the State of New York.

While we have not had this bill until just recently, we have had a message from the President of the United States—and every Member of Congress has had it for several days—in which he outlines that there have been some 20,000 employees laid off this year and that there are almost 20,000 more who have to be laid off. It is a very sad thing for those people.

We have discussed this situation in our committee. We felt compassion for them but nonetheless, for the reasons I stated, we could not come here today until they had done all of the things they possibly could do.

What we have, Mr. Chairman and Members of the Committee, is a bill based on the premise that the essential human services of this city must continue until they can get a balanced budget. There are cash-flow shortages during certain months within a given year. We have a bill that would be administered by the Secretary of the Treasury. We have a bill that is direct loans, rather than loan guarantees, for a couple of reasons. Primarily, it is cleaner. With the other things being done, a direct loan does not allow a third party to enter into the situation, there are no bonds, no people to deal with in the market. It is a cleaner, better way to do it.

What we do have is the agreement of the city and State officials and the financial organizations that they will borrow seasonally, but at the end of each fiscal year they will balance the books. It is an agreement that is as stringent as I can think of. As I said during general debate, I give great credit to Governor Carey and the Republican State Legislature and whoever has worked to help themselves.

With this package that has been put together we are down to the final link, to the final time for the Congress to seasonally adjust the cash-flow shortages.

Mr. Chairman, I cannot tell the Members how essential it is that, if we are going to act responsibly here this afternoon, this legislation has to be passed. I say it from the bottom of my heart, knowing what many on my side of the aisle know, and I stand with them, that this is the responsible thing to do.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Wisconsin.

Mr. REUSS. I thank the gentleman for yielding.

Mr. Chairman, I congratulate the gentleman for his very able statement. I fully support his amendment. It is the only way we can get meaningful legislation through, and I urge those on both sides of the aisle to support the amendment and then to vote for the bill as amended.

Mr. J. WILLIAM STANTON. Mr. Chairman, I want to explain and maybe partially apologize for one particular element here, that this is not the standard substitute. We do know where the particular substitute came from. I want to say to the gentleman from Maryland (Mr. BAUMAN)—and I love to listen to him—we had several different amendments before us. We had one amendment that came originally a couple of days ago from the White House.

Then we had an amendment that we made some changes in. Our committee staff tried to comply with the views of the House, and that was done. Then we had the fact that we checked with the Committee on Appropriations on the problem of back-door spending that the gentleman from California insisted on, and that was on the desk at the time the gentleman from Ohio (Mr. LATTA) was on this bill. We had three bills before him.

I gave him the proper bill, the one we had read. I enjoyed the fun we had on this, but I want the Members to know, first of all, that we did not see the bill; I only saw it last Friday. I had input in this legislation, to be very honest, and I knew about it last week, but the chairman of the committee and others never saw this bill until yesterday morning. Then the first thing they did was to circulate it to every single Member of the House.

So. Mr. Chairman, I say in all candor that I apologize, and I hope the Members do not blame us individually.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I do not think the gentleman needs to apologize about rewriting bills from the Committee on Banking, Currency and Housing on the floor. We do it all the time, and it is really not a new procedure.

I think all we were trying to do is to make sure that we had an understanding of the total ramifications contained in the gentleman's substitute.

Mr. J. WILLIAM STANTON. I appreciate that.

Mr. ROUSSELOT. I wonder if the gentleman could give us some idea about this:

The substitute provides that all direct loans under this bill or under this substitute come due at the close of the fiscal year for New York City, which I understand is June 30 of any given year; is that correct?

Mr. J. WILLIAM STANTON. The gentleman is correct.

Mr. ROUSSELOT. So that whatever money New York City and its financial agents or the State come in to borrow under the gentleman's substitute will fall due on June 30 of next year; is that correct?

Mr. J. WILLIAM STANTON. Any money that is handed out this particular year, starting with the $141 million next week has to be repaid and accounted for by June 30.

Mr. ROUSSELOT. Mr. Chairman, New

York City also has a substantial number of obligations obviously besides this potential loan which it must meet. According to the New York Times and many other publications, including the Wall Street Journal, the city of New York is scrambling desperately to meet all these obligations. Suppose it cannot meet those requirements by June 30. Will the Congress then be called upon to roll this amount over, or is the matter strictly up to the Secretary of the Treasury?

Mr. J. WILLIAM STANTON. Mr. Chairman, I am going to give my friend, the gentleman from California, the best answer I know to his question.

If they do by June 30 next year have to come back, I will personally assure the Members that this Member will not be in this well to promote it. That is the only thing I can honestly tell the gentleman.

Mr. ROUSSELOT. I appreciate that assurance.

Mr. J. WILLIAM STANTON. I am telling the gentleman that from a personal point of view.

Second, we must know that millions of people are involved in this thing and thousands of questions as to whether or not some of the legitimate steps taken by the State legislature may be challenged in the courts. So my personal opinion is that this is all we could ask for today.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. J. William Stanton) has expired.

(By unanimous consent, Mr. J. William Stanton was allowed to proceed for 5 additional minutes.)

Mr. J. WILLIAM STANTON. So I am telling the Members that all we can do is our honest best, and if this final link, as I say, is not there, and then there will be consequences down the road, and it would be my understanding that the additional package that has been put together will no longer be able to be held together.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's commitment that he will not be in the well in June when we are asked—and I am sure we will be—to act in some other financial emergency for the city and State of New York. I must say that my colleagues from New York have been very adept in getting other Members to change their minds on this legislation.

Mr. Chairman, I would like to ask one more question, if I may, if the gentleman will yield further?

Mr. J. WILLIAM STANTON. Surely, I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, the substitute says that any "financial agent" of the city or the State may make application for any direct loan under the conditions of the bill.

How many financial agents are there who would be eligible to make application for the city of New York; does the gentleman know that?

Mr. J. WILLIAM STANTON. Yes; I would say this: as the gentleman well knows, the financial control of the city of New York is no longer in the hands of the mayor.

Mr. ROUSSELOT. Yes, but there are many financial agents. There are all kinds of funds in New York City. How many financial agents are there?

Mr. J. WILLIAM STANTON. There is one State financial control board that has control over the finances of the city, and that is what this legislation directs itself to.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, I would really like to have an answer. I wonder if there is any Member from New York City who can tell me how many financial agents there are who can apply under this substitute bill. I suggest that we hear from somebody from New York.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. Yes, I yield to the gentleman from California.

Mr. REES. Mr. Chairman, I have the information right here. When it says the city and the State, it means the city and State of New York. "Financing agent" means any agency duly authorized by State law to act in behalf of or in the interest of the city with respect to the city finances.

Mr. ROUSSELOT. If the gentleman will yield further, how many agents are there?

Mr. REES. One; the Emergency Financial Control Board has been duly authorized by the State legislature to act on behalf of the city of New York because they have control over the finances of the city.

Mr. ROUSSELOT. How about the comptroller of the city of New York? Could he make an application?

Mr. REES. No. It has to be through the board that has the specific authorization through State law to act on behalf of the city of New York.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman.

Mr. REES. Mr. Chairman, will the gentleman yield further?

Mr. J. WILLIAM STANTON. Yes, I yield to the gentleman from California.

Mr. REES. Mr. Chairman, there were several questions asked about the cash flow.

In the information sheet issued by the White House there is an estimate of the cash-flow needs of the city of New York. The estimate for the month of June, fiscal years 1975–76, 1976–77, and 1977–78 is that the cash flow projected is zero because they will be coming into their revenue, so that by June 30 they should be at zero.

The gentleman asked the question about what would happen if they were, say, $100 million short. I would suspect that under the relationship between the city and the Emergency Financial Control Board, the Emergency Financial Control Board, through the vehicle of the Big MAC issue, which is soaking up the cyclical short-term anticipation notes of the city, they would then come and pick that up.

There would be absolutely no reason for the Emergency Financial Control Board to say, "Tough luck, New York City," because then New York City would go into default. The State does not want the city to go into default, and under the State law creating this board, then the Emergency Financial Control Board could authorize Big MAC to pick up any deficit, if there were a deficit.

However, from the figures here from the White House sheet and also from the State of New York and from the Emergency Financial Control Board, the cash-flow deficit would be zero for June of each of the 3 years to be covered.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's answer, but I am afraid that I do not read his response in the same way, that in this language there can be only one financial agent; that is, the one appointed by the State, because it says "financial agents." I am willing, however, to accept this good-faith statement that there will only be one financial agent eligible and that is the State control board?

Mr. Chairman, I wish to commend the gentleman on his projections as to cash flow. Nonetheless, I hope that these cash flow figures are not the result of projections by any city officials because I have heard many members of the New York delegation tell me that one cannot rely on the projections of New York City officials. They have been wrong time and time again.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio (Mr. J. William Stanton) has expired.

(By unanimous consent, Mr. J. William Stanton was allowed to proceed for 2 additional minutes.)

Mr. J. WILLIAM STANTON. Mr. Chairman, we will, I am sure, get into many other points in this legislation, but with respect to the last couple of minutes, just let me reiterate my strong personal conviction that the time has come for this House to act responsibly.

The State of New York, in my opinion, has aided the city of New York to the fullest financial degree possible, and I state that without this legislation, the dire consequences that probably would come down the line without the unraveling of the package that has been put together would be, in my personal and humble opinion, just too much of a gamble to take.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I want to commend my very good friend and colleague, the gentleman from Ohio (Mr. J. William Stanton).

I think it is fitting, in many respects, that he is the sponsor of this substitute. It is one, frankly, that I am not overwhelmingly happy to support, but it certainly is one that I intend to support.

I say that because I am concerned that we may be putting New York City into too much of a straitjacket.

Many will say that is not possible.

Mr. J. WILLIAM STANTON. That is a possibility.

Mr. ASHLEY. The gentleman from Connecticut (Mr. McKinney) touched on this. We are shaving it very thin when we say that the seasonal requirements of

New York City shall be no more than $2.3 billion. We know it is anticipated that it will be $2.1 billion in 1977 and 1978. Let me just remind the Members again that the most stringent steps have already been taken by city and State officials, and these steps are only starting to raise the real question as to whether New York City will continue to be a livable city. It is possible that the essential public services can be so decimated in the city that there will be a continued outflight of the more affluent to the suburbs and a continuation of the outflight of industry, business and commercial interests from the city.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent, Mr. J. WILLIAM STANTON was allowed to proceed for 5 additional minutes.)

Mr. ASHLEY. Mr. Chaiman, if the geneleman will yield further, if that happens, if there is a continuing outflight of business and commerce, industry and citizens from that great city, then the tax resources will not be what they have been projected. Frankly that is why I would be more comfortable with a 5-year workout period, even a greater taxpayers' exposure, to assure we can get the results we need without the risk of wrecking the city.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I rise in support of the Stanton substitute to H.R. 10481. Despite a number of provisions about which I have reservations, I believe it offers the only available hope to avert the harsh consequences of default for New York City and quite possibly for New York State as well.

My colleagues should be aware that this bill represents a bitter pill to swallow for the people of the State of New York—particularly those who do not even live in the city. This bill does not mark the beginning of a happy march into the sunny uplands of prosperity for the people of New York City and New York State; it is by no means a giveaway, or even a free lunch. What it does do is offer the beginning of an opportunity for profound reform in the fiscal management of the State and city, a beginning of a time of wrenching changes. These changes and reforms are timely, even overdue, but they will still be difficult.

Some of my colleagues, in their comments on this bill, have expressed a virulent disdain for the fiscal mess that we have on our hands in New York, and they stop just short of suggesting that mass flogging is in order. I agree that the road to this crisis seems to have been littered with misrepresentation, falsehood, negligence, and just plain stupidity. I agree that there is a pressing need for a thorough examination of this crisis and how we came to it, and I believe a complete investigation of possible wrongdoing is imperative.

However, we need an investigation, not a literal post-default post mortem, for surely no purpose is served by making New York State a corpse. When the San Francisco earthquake destroyed that city, Congress voted assistance and President Theodore Roosevelt, a Long Islander from Oyster Bay, approved the bill without hesitation.

If, today, a hurricane, tidal wave, or earthquake devastated New York City, President Ford would not hesitate to declare it a disaster area, and Federal assistance would pour in. But a natural disaster would not produce the same adverse consequences as a default.

Suppliers and manufacturers who are New York City's creditors would not be paid. Thousands of firms with New York City contracts could go broke. The jobs of thousands of Long Island citizens who work or have businesses in New York City would be jeopardized. More than 160,000 individual citizens who hold New York City obligations—many of them retired, with their life savings at stake—would not be paid.

Mr. Chairman, default could precipitate an economic tidal wave that could engulf the Nation and destroy the national economic recovery now underway.

For these reasons, I am gratified that President Ford has indicated his willingness to act with the same compassion toward New York as a President from New York displayed in response to disaster in California in the early years of this century.

What has happened to New York City could happen to any one of a thousand other municipalities across the Nation. The fact that it has happened serves as a kind of early warning to all cities and States, and as a sobering reminder to citizens everywhere that the price of demanding everything of Government is the apocalyptic likehood that Government will wind up unable to do anything.

Many communities in the vicinity of New York City have been given a glimpse of what the loss of confidence in government securities can mean. On Long Island, two school districts have tottered on the edge of default because of the New York City crisis which has closed the credit market to them. Other Long Island school districts and municipalities—some with triple-A bond ratings—have been forced to sell their bonds at incredibly high interest rates. These side effects of impending default by New York City will burden millions of our citizens throughout the country with increased property, income, sales, and other taxes, unless we act today to remove the uncertainty from, and restore rationality to, the municipal credit market.

I believe that, in addition to the President, the sponsors of this bill, and the distinguished chairman of the Committee on Banking, Currency and Housing, Congressman HENRY REUSS, are deserving of our gratitude for their swift and incisive handling of this problem. I want to personally commend them and all the members of the committee.

Mr. Chairman, the problem of New-York must not be allowed to become the economic problem of the Nation. I urge my colleagues to act in that same spirit of empathy which the 16th century English preacher John Bradford voiced when he said, watching a prisoner being taken to his execution, "There but for the grace of God goes John Bradford." Except we recognize the lesson, solve the problem, and resolve to learn from the experience, all this suffering will go for nothing. We must remind ourselves that but for the grace of God, every other city in America would go the same way.

I ask my colleagues to join me in voting for the Stanton substitute to this bill.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, although I was an early critic of Federal bailout plans for New York City, I wish at this time to express my support for the intergovernment emergency assistance bill and in particular the substitute.

It is true that New York's problems are, to a large extent, of the city's own making. The city has been generous to its residents, and especially—almost incredibly—generous to its public employes.

It is also true that, while there is nothing wrong with generosity, people who live in Vermont or other parts of the Nation should not bear the costs of the generous benefits which we do not receive.

And, it is true that it would be disastrous for the Federal Government to subsidize, and thereby encourage, the carrying out of politically pleasing promises in a single municipality. If we were to do that, we would remove any incentive for local governments to keep their fiscal houses in order.

But, despite all those truths, it is important that we pass the present bill as amended.

New York City and State have recognized the urgency of the present situation. The State legislature and the governor, in particular, have taken some very tough steps. They have risen to the situation, and made some politically difficult decisions.

Our action on the present legislation will not, in any way, preempt the responsibility of New York City and State to continue on a stringent fiscal course. All we are doing is giving them a realistic chance to carry out that responsibility.

We are doing this not only for the residents of New York, but for all Americans. Certainly the outcome of this crisis will have at least some effect on the ability of other cities and States to market their bonds under reasonable conditions.

I might add that I have been moved by the plight of the small investors, some of whom have put most of their savings into New York's bonds.

Mr. Chairman, given the actions taken by New York, and given the protections which are now included in this legislation as amended, I believe the only responsible course of action would be for us to approve it.

This is not a bailout bill. Certainly, no reasonable person could suggest that this legislation, in its present form, would encourage any other municipality to expose itself to a similar situation.

By passing this very restrictive legislation, we will be protecting not only the interests of New York, but the interests of the Nation as a whole.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. J. WILLIAM STANTON. With pleasure.

Mr. BAUMAN. Mr. Chairman, my question is addressed to section 6 entitled "Limitations and Criteria." In this section we find language which permits the Secretary to require such terms and conditions as he may deem appropriate to insure repayment."

Based on the remarks of the gentleman from Ohio now in the well, Mr. J. William Stanton, and his earlier remarks, and also the earlier statement of the gentleman from Ohio (Mr. Ashley) I am confused as to whether this does give the Secretary of the Treasury some degree of control over internal affairs in the city of New York such as requiring steps to produce a balanced budget so that repayment can be made at the end of the fiscal year.

Mr. J. WILLIAM STANTON. I will be glad to clear that up once again. Certainly no one can doubt but that this bill gives him full degree of control as far as the city of New York needing Federal aid. If the Secretary of the Treasury is not happy he can show them that he is not happy, he does not have to pay anything. All he has to do, if they will not meet the criteria, is withhold the funds for the next month. That is where the control is, in the pocketbook. It is just the same as in a family or a city or a state or a nation, it is the pocketbook that has the control. So that is the degree of control we were talking about. We felt very strongly in the committee, on the authority proposition that this would do it, not that the Secretary of HEW will run the school board in New York City.

Mr. BAUMAN. I think the gentleman has responded to my first question. The other question that I have is about the language in the same section which in effect authorizes the Secretary to make "any modification, amendment, or waiver of any such term or condition as he deems desirable to protect the interests," and so forth.

Does this mean the Secretary could, in the third year, extend the payment beyond the 3 years and can he waive any other requirement in this legislation?

Mr. J. WILLIAM STANTON. No. This legislation would expire on June 30, 1978.

But I think the gentleman will be interested, and I know he will gladly support an amendment that is going to be offered by the gentleman from Virginia (Mr. Butler), to this particular bill which will insure that the first money in and the first money out in case of bankruptcy of this city comes to the Federal Government. I would suggest the gentleman direct questions to him on that particular point.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from New York.

Mr. WYDLER. I thank the gentleman for yielding.

There has been some question raised here about whether this bill is generous enough for the city of New York. I think this record should show that this bill is based on the written request of the Governor of the State of New York which was made to the Department of the Treasury. They specify there exactly how much money they need a month for cash flow purposes. They have made their requests specific for each year and what their requirements were. This bill meets each and every one of those requirements; is that not a fact?

Mr. J. WILLIAM STANTON. That is a fact, but I think what the gentleman from Ohio was alluding to was that whoever among the parties talked to the Governor and the State Legislature and the White House drove such a hard bargain that they are down to their last dollar when they say they need $141 million. I do not know why it was $141 million and not $150 million. They are on as tight a ship as possible. The gentleman from Ohio agrees with that. He says it looks too stringent, but the Governor agrees with it, and he is going to accept it.

Mr. WYDLER. If the gentleman will yield further, I would like to ask one other question. I think again something that should be made clear here is that when we talk about the money being paid back by the end of the fiscal year, it is not the intent of this legislation that the money has to be paid back on the 30th of June and then reborrowed on the first or second day of July. The intent, as I understand it, is that that year's expenses should be paid back, and the budget of the city should be in a balanced condition so that they will start borrowing the next year only for seasonal purposes. Is that not the purpose of the bill?

Mr. J. WILLIAM STANTON. That is exactly the premise, and it is outlined here in the President's agreement, and the Governor has agreed to it.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Ms. Holtzman, and by unanimous consent, Mr. J. William Stanton was allowed to proceed for 3 additional minutes.)

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I am concerned about the response the gentleman gave to the gentleman from Maryland (Mr. Bauman) with respect to the language at the bottom of page 3 of the substitute regarding "the terms and conditions" that the Secretary may require in connection with the making of the loan. It would be my reading of this language, I will say to the gentleman from Ohio, that the terms and conditions that the Secretary can impose really relate solely to the time, the manner, and the circumstances of repayment, and that the Secretary would not be authorized by this language to impose as a condition of making a loan that the city, for example, fire a certain number of people, or lower wages, or abolish free tuition, or impose rent control, or in essence impose conditions affecting the daily affairs of the city of New York. Am I correct in that?

Mr. J. WILLIAM STANTON. May I say to the gentlewoman from New York that in my opinion she is absolutely correct in principle. It is not the purpose of the Secretary of the Treasury to be involved with the day-to-day operation. On the other hand, what they have implied is that they are going to have to go forth with a balanced budget in 1976. They have to do it. That is up to the people of the city of New York. It is the results that count.

Ms. HOLTZMAN. That is right. What I understand the gentleman is saying is that the Secretary is not mandated to provide loans to the city of New York, but that if he does agree to provide loans, he cannot impose conditions that affect the daily operations of the city, however. Am I correct?

Mr. J. WILLIAM STANTON. Yes.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I thank the gentleman for yielding.

I think, to amplify the gentlewoman's point, that what she is really saying is that the Secretary of the Treasury is going to look at the financial plan imposed by the Emergency Financial Control Board. He is going to either accept or veto it. If he vetoes it, logically, then they would say, "What do we have to do?" He would then say, "Here is what you have to do," and they will go do it. He is going to be accepting or rejecting what Felix Rohatyn of the Emergency Financial Control Board says.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Rousselot, and by unanimous consent, Mr. J. William Stanton was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I would like to try to ask again the question about whose cash flow projections these are. Are these the projections of the city of New York that are included in the President's report or are they from the State of New York? I tend to agree with many of my colleagues from New York City who have warned that we really cannot count on the auditing figures of the city of New York? Are we talking about the figures from the State's audit?

Mr. ASHLEY. Mr. Chairman, if the gentleman will yield to me, these figures come from the Emergency Financial Control Board, which is a State agency responsible for the fiscal affairs of New York City at this time, as the gentleman knows.

Mr. ROUSSELOT. I thank the gentleman.

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from New York.

Mr. RICHMOND. Mr. Chairman, I want to take this opportunity to address my rural colleagues about the plight of New York.

Rural America has a stake in New York City. I have often said that farmers and consumers have much in common: They share the same hopes, the same fears, and have the same goals and dreams. Yet many people do not realize what a city like New York means to our farmers and rural residents throughout the country.

There is a New York City that no one ever talks about: A city of half-mile long grain elevators, feedlots filled with thousands of heads of Angus and Hereford, stands of sugar cane, nut trees and blueberries, herds of dairy cows, and millions of acres of prime vegetable fields and grazing lands.

Many people do not know it takes a full acre of tilled land and over 3 acres of pasture and grazing land to support each and every resident of New York City—or any other urban area.

Dr. Georg Borgstrom has called these 4 acres "ghost acreage" and has rightly expressed his concern about the misconceptions people have about New York City's role in the business of agriculture.

New York City has 8 million people.

This means that this "ghost New York" spreads out over more than 32 million acres of the best land in the United States that are absolutely essential to feed us all. This "ghost New York" spreads its arms around an area equal to the total tilled acreage of Delaware, South Carolina, New Jersey, Maryland, Pennsylvania, Massachusetts, Rhode Island, Connecticut, Vermont, New Hampshire, Maine, Alaska, and West Virginia.

It is here that our farmers and small towns share a common interest and a common fate with New York City.

As the distinguished chairman of the Agriculture Committee so aptly put it, New York City and rural America are part of the same economic continent. We cannot cut off New York without dragging rural America down, too. Agriculture depends on New York's financial institutions to supply credit and financing for our railroads, farm machinery, food processing, and more. And dozens of banks in major agricultural States such as Illinois, South Dakota, Nebraska, Iowa, Kansas, and Texas have millions of dollars invested in New York City obligations.

If New York defaults on its obligations, the losers will not only be residents of the city; the losers will be farmers, livestock producers, and small townspeople all over the country.

Therefore, I urge my rural colleagues to recognize the interdependence of urban and rural America, and vote to help New York City avoid default.

The answer to fiscal responsibility is not to punish a city that, with all its extravagances, has still been responsible for taking in the world's tired, poor, huddled masses, feeding, clothing, housing, and educating them at great expense, and sending them across the country to help make this land a little better for all of us.

The answer is to accept our responsibility as American citizens, as farmers and consumers, and as urban people and rural people, to insure the continued fiscal integrity of our largest city and our largest industry. Urban America and rural America must support and assist each other if we are to be truly one people.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, the gentleman gave a response which has many facets and which seems to change every time. The gentlewoman from New York raised the same question I did. If the city of New York after it receives its initial loans faces the possibility of renewing or receiving further amounts, and for instance if there is a teachers' strike or a sanitation strike, and the city offers salary increases or starts meeting the demands of labor unions with money loaned by the Federal Government, the Secretary of the Treasury has no power to advise the city of New York regarding those actions?

Mr. J. WILLIAM STANTON. He does in an indirect manner, which I believe the gentleman from Connecticut alluded to, and that is the understanding today that these loans are given on a month-to-month basis. He is going to get figures from the Financial Control Board and that Board has full financial control over the city of New York and the Mayor no longer has that. So if the Secretary of the Treasury sees, as the gentleman said and as certainly the gentleman from Connecticut said, such processes, he will say: "What goes on? Where are we on target this month or next month?" This legislation in this language applies to that. And if the Secretary does not agree he will withhold.

Mr. BAUMAN. Lastly, can the gentleman from Ohio give us any guarantee as to how long the present Secretary of the Treasury would remain in that office?

Mr. J. WILLIAM STANTON. The gentleman knows better than to ask that question.

Mr. BAUMAN. I thought I would ask it to give some assurance to the Members.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I have read the substitute and as I understand it the Secretary can withhold payments to New York City almost on a month-to-month basis. He can evaluate the creditworthiness of the city of New York on a daily basis, so I think the Secretary does have a right under this bill and I submit he is mandated to ascertain whether New York City is meeting its fiscal responsibilities.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. J. WILLIAM STANTON was allowed to proceed for 2 additional minutes.)

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, I thank the distinguished gentleman from Ohio for yielding.

I have here in my hand the committee print, page 2, which I presume is an exact copy of the substitute which the gentleman has offered.

Mr. J. WILLIAM STANTON. I have my doubts on that, I am sorry to say to my friend. We got into that just before the gentleman came to the House. The substitute has made two or three changes, but I am sure the gentleman from California can give the gentleman a correct copy.

Mr. WAGGONNER. I think this is the same thing, after consulting with the gentleman from California (Mr. REES) about it.

If the gentleman will turn to page 2, subparagraph (b), beginning in line 22, the language begins:

> Each such loan shall mature not later than the last day of the fiscal year of the city in which it was made . . .

That is rather ambiguous language and I know this has been done rather hurriedly. Earlier there is a definition section, section 3, which defines "City" as meaning the city of New York and with the usage of the term "State" it means or it is made clear we are talking about the State of New York. This language would indicate that some other city other than New York City would be eligible for participation in this act because it does not refer to the end of the fiscal year for the city of New York. I question the wisdom of not clarifying this year at this point in time. Can the gentleman do that for the RECORD.

Mr. J. WILLIAM STANTON. I will be certainly pleased to try. I say to my friend, the gentleman from Louisiana, that one of the advantages of not being a lawyer himself is to rely on the great expertise we have here in the committee, with all the counsel and assistant counsel to the President of the United States. After every direction possible to limit this sole, purpose of the legislation to the city of New York, I do not see how in any conceivable way we can possibly mean anything but the city of New York. That is a layman's point of view.

Mr. WAGGONNER. Well, I am a layman, too. I am not an attorney; but this does need some clarification. It is the intention of the committee that we are talking only about the city of New York and the fiscal year for the city of New York; there is under no condition any intended use of this act by any other unit of government at any point in time?

Mr. J. WILLIAM STANTON. The gentleman is absolutely correct.

Mr. WAGGONNER. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(At the request of Mr. BAUMAN, and by unanimous consent, Mr. J. WILLIAM STANTON was allowed to proceed for an additional 1 minute.)

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I ask unanimous consent that on page 2, line 23, the word "in" be changed to "to", so that it reads, "the city to which it was made," rather than, "the city in which it was made."

The CHAIRMAN. The Clerk will report the modification to the amendment.

The Clerk read as follows:

> On page 2, line 23, that the word "in" be changed to "to", so that it reads, "the city to which it was made," rather than, "the city in which it was made".

The CHAIRMAN. The gentleman from Maryland (Mr. BAUMAN), has asked unanimous consent that the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON) be modified.

Is there objection to the request of the gentleman from Maryland?

There was no objection.

AMENDMENT OFFERED BY MR. BUTLER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. J. WILLIAM STANTON

Mr. BUTLER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. BUTLER to the amendment in the nature of a substitute offered by Mr. J. WILLIAM STANTON: On page 3 of the amendment in the nature of a substitute, immediately after line 19, add the following sentence: "With respect to debts incurred pursuant to this Act, for the purposes of section 3466 of the Revised Statutes (31 U.S.C. 191) the term 'person' includes the City or any Financing Agent."

Mr. BUTLER. Mr. Chairman, this is a perfecting amendment. Its purpose is to protect the priority of the U.S. Government in the event of a municipal bankruptcy by New York City. The municipal bankruptcy legislation which we may have before us on Thursday provides in section 89 for a priority of debts going to any person or entity which by the laws of the United States are entitled to priority. Therefore, this gentleman is anxious that the priority of the debt herein created be clear.

Revised statutes, section 3466, of the United States Statutes establishes a priority for obligations of any "person" indebted to the United States. While I have no doubt about how the courts would ultimately rule on the question, I am advised that there is no case law to establish that a municipality is a "person" under the provisions of this statute.

The amendment which I have offered reads that: With respect to debts incurred pursuant to this act, for the purposes of this section 3466, which I mentioned, the term "person" includes the city or financing agent.

The effect, therefore, is to establish the priority of this indebtedness in the event of the municipal bankruptcy of New York City.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, the gentleman is very fair in bringing this amendment to the attention of the committee. A long time ago the gentleman checked with many sources, checked with the Justice Department.

Mr. Chairman, I see the intention of the amendment and I am pleased to accept the amendment.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I would like to concur in the expression of my colleague, the gentleman from Ohio. The gentleman from Virginia has done good work to perfect his amendment. It is one that is needed, particularly in view of the upcoming legislation.

Mr. Chairman, we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. BUTLER) to the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON).

The amendment to the amendment in the nature of a substitute was agreed to.

Mr. SYMMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this legislation to bail out New York, or any municipality for that matter, that does not live within its means.

Mr. Chairman, I have no ill will toward the people of New York, nor do I lack sympathy for them at this time. But, let us look at just what happened here and then consider the implications that this legislation will have on the future of the entire Nation. New York was the birthplace of the tax and tax—spend and spend—elect and elect politicians beginning with Franklin D. Roosevelt and then Rockefeller and so on. For years now, politicians in New York and elsewhere have been buying votes with government giveaway schemes for temporary political gain. Now since Government cannot give anything that it first does not take away from someone else somewhere, all of these vote buying schemes have been at the expense of the producing end of the New York economy. Those who were working in the productive sector were being taxed more and more to support those in the nonproductive sector to the point where now there are more riding in the wagon pulling it.

New York has more people on welfare than any place in the Nation—with the possible exception of Washington, D.C., assuming one accepts the proposition that non-essential Government employment is a form of welfare—it has the most lucrative welfare payments; its public service employees are by far the highest paid in the Nation, to a point where this alone is a major factor behind its financial crisis. And, to cap this off, the Mitchell-Lama subsidized middle-income housing program run by New York State is so abused that these subsidized housing units are available to families with income of $50,000 to $60,000 per year, according to an editorial in Barron's dated November 10, 1975. So it would appear that New York State may not have its house in order either.

What is happening in New York City today is the end result of piling more Government debt on top of debt while hoping that "tomorrow" will not come; but "tomorrow" has come. The important thing to keep in mind, however, is that the politicians at the Federal level have been doing exactly the same thing for 40 some years now. So, I think we have to ask, Mr. Chairman, who is going to bail out the Federal Government when we end up in the same fix as New York City? Actually, the Federal Government's day of reckoning would have already come were it not for the fact that Washington has a printing press and more people to tax.

The lesson to be learned from the New York situation is that the natural laws of economics apply to governments just as they do to individuals, contrary to some popular beliefs that Government debt does not matter because we "owe it to ourselves." Ultimately, we must face reality.

This, Mr. Chairman, is of prime consideration in considering this legislation. It is my opinion that it would be morally wrong for us to bail out New York. I say this for several reasons. For one, if we take the politicians off the hook with a Federal loan guarantee then it will prevent both the people in New York and in the Nation from seeing firsthand the consequences of Government extravagance and the price of vote buying giveaway programs. The day of reckoning for New York City is really a warning of what will happen to the whole country if we do not change our ways. So, I feel that the humane thing to do, for the well-being of America in the long run, is let New York face reality today and let the people of that city, and State, hold accountable those responsible.

Second, it simply is not right to require the people of Idaho or any other State to bear the burden for the irresponsibility that went on in New York over the years. This would be just another Government-imposed wealth redistribution scheme much the same as those in New York that led to this problem in the first place.

Third, under our constitutional Federal system the State of New York, not the Federal Government, should take the responsibility that we are being asked to assume. But, apparently due to unsound fiscal policies over the past years, they are not able to do so. Now, I would like to touch on a situation that has come to my attention. According to Barron's (November 19, p. 8) New York State's constitution flatly prohibits the issuance of debt unless legislation authorizing it "shall, at a general election, have been submitted to the people and have received a majority of all the votes cast." But in their zeal, the State's do-gooders, headed by former Governor Rockefeller, violated the intent, if not the letter, of the law in their attempts to solve problems with bigger and bigger government and more and more money. In the view of Leon E. Wein, assistant professor of law at the Brooklyn Law School:

> Former Governor Rockefeller, advised by John Mitchell (former U.S. Attorney and Nixon campaign manager) and assisted by a compliant legislature, has illegally borrowed almost seven billion dollars on the credit of the state. The peope have not approved these projects. The Constitution's requirement of a voter referendum has been evaded.

Again, this can be found in the November 10 issue of Barron's. Could it be, Mr. Chairman, that this is why New York State is unable to come to the aid of its largest city? Now, it is not my intention to attack personaliites here or cast undue blame on any one person, but these problem areas must be identified if the people of this Nation are to avoid mistakes like this in the future.

Finally and most importantly, Federal aid to New York, regardless of the conditions under which it is given, is a de facto sanction of the irresponsible policies that brought this mess about; and it would be an open invitation to politicians in other municipalities to engage in the same kind of reckless spending with an eye to a Federal bailout when the going gets tough. It would be an invitation to militant public service employee unions to make extortionate wage demands on more municipalities under the impression that they could get aid from Washington if needed. And, perhaps worst of all, it would once again lull the people of this Nation into thinking that omnipotent government can defy the natural economic laws—for a while longer.

In conclusion, Mr. Chairman, I must marvel at a paradox that the New York situation brings to mind: many people believe that we must have central government planning—land-use planning, economic planning, social planning—if we are to have an orderly society; planning by politicians that is. But, the New York disaster shows just how capable politicians are at orderly planning—they can only plan as far as the next election. It is for this reason that a "planned society" becomes a controlled or non-free society in due time. New York's plight seems to indicate that a stable society can result only through freedom from Government intervention by vote-buying politicians. Thomas Jefferson once said:

> To preserve our independence we must not let our rulers load us with perpetual debt.

The people of New York are beginning to understand his wisdom.

AMENDMENT OFFERED BY MR. MARTIN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. J. WILLIAM STANTON

Mr. MARTIN. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Martin to the amendment in the nature of a substitute offered by Mr. J. William Stanton: Renumber section 10 as section 11, and insert after section 9, the following new section:
>
> "AUDIT
>
> "Sec. 10. No later than six months from the date of the making of the first loan under this Act, the Secretary shall complete or cause to be completed an audit of all accounts, books, records, and transactions of the City and, if the borrower is a Financing Agency, of such Financing Agency. Such audit shall cover all fiscal years beginning on or after January 1, 1970, and the results of such audit shall be reported to Congress. In the making of such audit, the Secretary shall inquire into any allegations made to him of violations of federal law or regulations by officials of the City and Financing Agencies relative to the handling of any revenues or receipts thereof, and shall transmit to the Attorney General all results of all inquiries into all such allegations."

Mr. MARTIN. Mr. Chairman, my amendment will impose upon the Secretary of the Treasury an obligation to audit the financial records of the city of New York if it seeks and receives assistance under this legislation; to analyze those records and report any results of such an audit to the Congress. The amendment in the nature of a substitute presently authorizes the Secretary to examine such records, but makes no requirement that any findings be disclosed to Congress or to the public. Without such a requirement, it seems to me the bill is deficient.

In the report of the Committee on Banking, Currency, and Housing which accompanied the original bill H.R. 10481, the first area of inquiry which the committee was to study was:

> 1) What is the current financial situation in New York City, and how did this develop?

I repeat, "how did this develop?" The report goes on to analyze the financial condition of the city, but is silent on the question, How did this develop? The report presents summaries of testimony as to the probability of default and its consequences, but not as to the subject of how did this develop.

The question is, does the committee not know? It seems to me, Mr. Chairman, the question must have an answer; that the answer deserves examination.

The most direct way to achieve this is to direct the Secretary of the Treasury to find out, and to report it to us. Merely to authorize him to look at and copy those records is nice, but we should specify that an analysis of how this great city got into its present shape should be shared with all of us. In this way, the real lessons will be given to leaders and officials of other cities so that they can better avoid the same difficulties.

Mr. Chairman, this amendment will not impede the timely operation of the financial assistance sections of this bill because those steps can proceed while the audit is being made. The loan would not have to wait upon the audit. But, the audit would be made and without impeding the aid that is sought to be offered. It further provides that the Secretary shall inquire into any allegations made to him of violations of Federal law or regulations, and that he would transmit those to the Attorney General for further consideration.

Mr. Chairman, I believe this is a worthy and practical amendment, and I ask for its adoption.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, we are all sympathetic, to a degree, with the intention of this amendment since we are committing Federal loan money, Federal moneys. However, as I read the gentleman's amendment, it says "Shall complete or come to be completed an adult" of all fiscal years beginning after January 1, 1970, this would cover all accounts, books, records and transactions of the city of New York.

I just do not know what an expensive item the gentleman is going to get into. I admire the gentleman's intention to protect our money, but he is spending more on this audit than we are giving in aid.

I think what I should tell the gentleman, and in all fairness tell the committee, that the Secretary of the Treasury has told me personally that he looks forward hopefully, when the city gets its money. Moreover, considering the troubles we have had in the past where we have had these particular banks and lending institutions going in and auditing the city's books, he will do the same in this case.

I think he has things like that in mind, and I would be glad to have that cleared up. But to pin it down, as the gentleman has, I am afraid we are getting into an extremely costly thing, which I cannot go along with.

Mr. MARTIN. I thank the gentleman for sharing with us his views of the Secretary of the Treasury. But as the earlier colloquy indicated, we certainly do not know who the Secretary of the Treasury will be next month if there are some changes in the administration.

Mr. J. WILLIAM STANTON. If the gentleman will yield further, the GAO turned down an audit of the District of Columbia, figuring it would be an expensive thing, told Senator Eagleton he ought to get some outside help to do it.

I am afraid the gentleman is getting into an area that the gentleman is not sure of.

Mr. MARTIN. I think it is an area that needs to be gotten into.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. I think the expense will be minimal for an audit, compared to the kind of dollars we are being asked to loan here. I think the gentleman's amendment is worthwhile. I think we had a similar amendment in the bill offered by the gentleman from Ohio (Mr. Ashley). It is somewhat different because the gentleman's bill called upon the General Accounting Office, rather than the Secretary of the Treasury, to conduct the audit. But I think it is the responsibility of this Congress to ask that there be a genuine audit since we are being asked to put up this kind of money.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I very much hope that this amendment is voted down. Its purpose may be laudable; but its methodology is not.

Why, I wonder, does the proponent of the amendment insist on going back to the year 1970 for this audit?

It has been stipulated by those of us who have conducted the hearings that the mismanagement of the fiscal affairs of New York City goes back considerably before that time. Why does the gentleman pick it up in 1970?

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman.

Mr. MARTIN. I thank the gentleman for yielding. The main thing I wanted to avoid was picking a time more recent so that we could avoid looking into previous administrations. It would seem to me that would be subject to a charge of partianship, which I did not want to get into. Therefore, I chose an earlier date. This time spans the administration. If there is any other date the distinguished chairman of the subcommittee would care to offer, I am sure it will be given consideration.

Mr. ASHLEY. No. I think there will be offered by the gentleman from California (Mr. Rees) an amendment to the substitute at a later period which will be the audit section which was in my bill, H.R. 10481. I do not agree that an audit in order to be effective has to go back to the year 1970. What the Secretary will find helpful is the authority to review the documents and the books of the city of New York to assure that there will be repayment of the loan that has been advanced. That is the purpose of the audit and the ability to command documents and to inspect the documents.

But I have a further objection to this amendment because it says, in the second part:

> . . . the Secretary shall inquire into any allegations made to him of violations of Federal law or regulations by officials of the City and Financing Agencies relative to the handling of any revenues or receipts thereof. . . .

Is that the job of the Secretary of the Treasury, to look into any and all allegations of wrongdoing that might be advanced?

Not the way I see it. That is the job of the Attorney General, if the allegation is of a Federal nature.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. Yes; I yield to the gentleman from North Carolina.

Mr. MARTIN. I thank the gentleman for yielding. Of course, what this contemplates is that there is less likelihood, in making this audit, that the allegations will be brought to the attention of the Secretary of the Treasury.

What this amendment states is that he will refer these to the Attorney General's office which, as the gentleman in the well is suggesting, is the more appropriate situs for those allegations to be dealt with.

Mr. ASHLEY. Mr. Chairman, if the gentleman will allow me to say so, this amendment is a chase for wrongdoers and criminals, and I do not think that is the job of the Secretary of the Treasury. His job is to act as a manager on behalf of the Federal Government of the loans that are advanced on behalf of the American taxpayer.

I do not think it is really becoming or appropriate to insist that he take on a second role, one of chasing such thieves as may be abroad in the neighborhood.

I would urge that the amendment be voted down so we can address ourselves to the amendment which will be offered by the gentleman from California (Mr. Rees). That amendment will be offered anon, and it is, as I say, to section 110 or H.R. 10481.

That is a very direct kind of audit provision which states that no loan may be made for the benefit of any State, or city, unless the General Accounting Office is authorized to make such audits as may be deemed appropriate by either the Secretary of the Treasury or the General Accounting Office of all accounts, books, records, and transactions of the State, the political subdivision, if any, involved, and any agency or instrumentality of such State or subdivision.

Mr. Chairman, here we are fastening the audit responsibility where it belongs, on the General Accounting Office. That body is responsible to the Congress. That is the proper kind of auditing provision, and I would urge that this amendment be defeated.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Ashley) has expired.

(On request of Mr. Martin and by unanimous consent, Mr. Ashley was allowed to proceed for 1 additional minute.)

Mr. MARTIN. Mr. Chairman, will the gentleman yield for a question?

Mr. ASHLEY. I yield to the gentleman from North Carolina.

Mr. MARTIN. Mr. Chairman. I was seeking to determine whether it is the intention of the gentleman from Ohio (Mr. Ashley) and the gentleman from California (Mr. Rees) to subsequently introduce an amendment along the lines which the chairman of the subcommittee has just described.

Mr. ASHLEY. Yes, it is, and it will be offered at a time when it is parliamentarily possible. It may be offered as a substitute for the gentleman's amendment, and if that is not possible, it will be offered separately.

Mr. MARTIN. Mr. Chairman, I was going to say that if it is the intention of the gentleman from Ohio (Mr. Ashley) and the gentleman from California (Mr. Rees) to in fact offer this amendment, I will be perfectly happy to withdraw my amendment so that that may be done.

At the time I drafted my amendment, there was no such amendment pending, and I quite agree with the gentleman, and I note the fact that the gentleman has made the statement that he understands the intent of my amendment.

Mr. ASHLEY. I do so. I think the amendment was motivated with the best possible intentions.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Ashley) has expired.

(On request of Mr. Martin and by unanimous consent, Mr. Ashley was allowed to proceed for 1 additional minute.)

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. REES. Mr. Chairman, I think the gentleman will agree that the parliamentary situation is that we have an amendment pending to a substitute, so if there is any attempt to amend the amendment to the substitute, it would be ruled out of order as an amendment in the third degree.

Therefore, the parliamentary situation would be that we should vote no on the amendment offered by the gentleman from North Carolina (Mr. Martin), and then I will introduce my audit amendment.

Mr. ASHLEY. Mr. Chairman, will the gentleman from North Carolina ask unanimous consent to withdraw his amendment if he has the assurance that this amendment will be offered?

Mr. MARTIN. Mr. Chairman, if the gentleman will yield, it is my understanding that the gentleman from California (Mr. Rees) has an amendment which he was prepared to offer while I was in colloquy with the gentleman from Ohio (Mr. Ashley).

I, therefore, ask unanimous consent to withdraw my amendment to clear the way for the amendment which has been drafted by the gentleman from California (Mr. Rees) and which will be offered by him.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina (Mr. Martin) that he be permitted to withdraw his amendment?

There was no objection.

Mr. MARTIN. Mr. Chairman, I thank the gentleman.

AMENDMENT OFFERED BY MR. REES TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. J. WILLIAM STANTON

Mr. REES. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Rees to the amendment in the nature of a substitute offered by Mr. J. William Stanton: Page 6, line 22, renumber section 10 as section 11 and insert after section 9 the following new section:

Sec. 10. (a) No loan may be made under this title for the benefit of any State or city unless the General Accounting Office is authorized to make such audits as may be deemed appropriate by either the Secretary or the General Accounting Office of all accounts, books, records, and transactions of the State, the political subdivision, if any, involved, and any agency or instrumentality of such State or political subdivision. The General Accounting Office shall report the results of any such audit to the Board and to the Congress.

Mr. REES. Mr. Chairman, I appreciate the fact that the gentleman from North Carolina (Mr. Martin) has referred to bringing up this amendment. It was in our original legislation.

We were full of fear and trepidation that if we changed a semicolon or a period in the legislation that was sent to us by the White House, it might be vetoed.

If it seems to be the consensus that this body would like to go along with the Committee on Banking, Currency and Housing in asking for a General Accounting Office audit of the city of New York, I would very much, then, like to urge an "aye" vote for this amendment, because, as I say again, it was our problem of not knowing where we could go with a substitute that concerned us.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I have discussed this amendment with administration officials, and they have indicated that they would have no objection to it.

On that basis and because it would not, therefore, appear to present difficulty as far as a possible veto is concerned, I would urge that the amendment be adopted.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, the gentleman from Ohio (Mr. ASHLEY) is correct. I would think that the only one who would have objection to it is General Staats himself of the GAO. I say that in all seriousness.

A little while ago he told the District of Columbia and Senator EAGLETON that the office is becoming too big and too expensive for him to handle.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's offering this amendment. I think it is a good amendment.

I would like to make a suggestion. The last sentence, if I heard the gentleman's amendment read correctly, said that the General Accounting Office shall report the results of any such audit to the Board.

Should that not be to the Secretary?

Mr. REES. Mr. Chairman, I ask unanimous consent that the word "Board" in my amendment be stricken and the word "Secretary" be substituted therefor.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, as the gentleman has pointed out, the first sentence of the amendment reads: "No loan may be made under this title for the benefit of any State or city."

Again, we are referring exclusively to New York State and New York City, are we not?

Mr. REES. Yes; in the definition of the section, I think that has been made very clear. However, if the gentleman wishes to make legislative history, that is the basic intent of this amendment.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from North Carolina.

Mr. MARTIN. Mr. Chairman, I merely want to commend the gentleman from California (Mr. REES) for the amendment which he has offered. Needless to say, I am for it completely.

Mr. ASHLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would ask the gentleman from California (Mr. REES) whether he would agree to change the word "title" to "act" in the first line of his amendment?

Mr. REES. Mr. Chairman, I would agree to that.

I ask unanimous consent that the word "title" be stricken and the word "act" be substituted therefor.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from California (Mr. REES) to the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON).

The amendment, as modified, to the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. J. WILLIAM STANTON

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Michigan to the amendment in the nature of a substitute offered by Mr. J. WILLIAM STANTON of Ohio: On page 3, lines 13 and 14, strike "the Secretary may, to any extent provided in";

And, on line 14 after "appropriations" strike the "," and insert: "may provide for the";

And, on line 15, strike "hold", and insert: "holding of", so that the first part of the 3d sentence of section 5 shall read as follows:

"Notwithstanding any other provision of law, Acts making appropriations may provide for the withholding of any payments from the United States to the city" (et seq.).

Mr. BROWN of Michigan. Mr. Chairman, I offer this amendment as a clarifying amendment. I think it can be accepted by both sides and trust that it will be. The amendment refers to the language in section 5, line 14, where it says "to any extent provided in Acts making appropriations".

This language was added at the request of the Committee on Appropriations because that committee felt that it should have some say with respect to the question of recoupment where there is an outstanding obligation from the city of New York to the Federal Government. Prior to that request of the Committee on Appropriations the language read that the Secretary may withhold and gave the Secretary total discretion as to whether or not to withhold. That created some legal problems and, as I say, it flew in the face of the prerogative of the Committee on Appropriations to determine whether or not there should be a withholding of general revenue sharing funds, or welfare funds, community development funds, et cetera, where there is an outstanding obligation from the city of New York.

What my amendment does is that it says and puts the action where it should be, with the Committee on Appropriations so that the Committee on Appropriations therefore can withhold if that committee decides to do so.

In any case, even with the present language, the Committee on Appropriations would have to take some action to authorize the Secretary. If that became discretionary with the Secretary then I think one could raise a problem of the creditors' rights as to whether or not discretion had been properly exercised.

I think the amendment clarifies this and carries out the intent of the bill, following the amendment proposed by the Committee on Appropriations.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, may I say to the gentleman in the well that as the gentleman knows, he brought this to the attention of the committee and spent quite a while on it with them. It was discussed thoroughly with the members of the committee and with the members of the staff, and, although there was some question at first, that has now been changed, and we on this side will accept the amendment.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, the gentleman from Michigan has done well to advance this amendment and we are delighted to accept it on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. BROWN) to the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON).

The amendment to the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. WYLIE TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. J. WILLIAM STANTON

Mr. WYLIE. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. WYLIE to the amendment in the nature of a substitute offered by Mr. J. WILLIAM STANTON: On page 2, line 23, strike out "or the city to" and insert in lieu thereof "in" and insert "city's" after "the" in line 23 on page 2.

Mr. WYLIE. Mr. Chairman, this is in the nature of a clarifying amendment.

The gentleman from Louisiana came in a little while ago and made an inquiry as to meaning of the language in line 23 on page 2 meant which says: "the last day of the fiscal year of the city in which it was made".

He asked: What does that mean if the loan was made in Poughkeepsie?

Obviously the answer is that "in" does not refer to city. "In" modifies the words "fiscal year," and we wanted to be sure that a loan which was made in a fiscal year is paid in that fiscal year. That is the whole purpose of the quoted language. We got off the track when in response to the inquiry by the gentleman from Louisiana, the gentleman from Maryland (Mr. BAUMAN) offered an amendment which struck out the word "in" and inserted in lieu thereof the word "to" which means that "to" modifies the words "of the City," the word "in" as originally in the bill was to define or refer to the fiscal year in which the loan is made. My language would simply say that each such loan shall mature not later than the last day of the city's fiscal year in which it was made.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from New York.

Mr. J. WILLIAM STANTON. I thank the gentleman for yielding.

The gentleman's amendment does end with the word "to" in the original amendment. What he is doing is taking the word "to" out and putting in "in".

Mr. WYLIE. I am striking out the words "of the City to" and inserting the word "City's" after the word "the" in line 23, page 2, and inserting "in" before "which" so it would read: "day of the City's fiscal year in which it was made," and this would make it quite clear that we are referring to the fiscal year in which the loan was made and that the loan must be paid off in that fiscal year, which is the whole purpose of the language in the first place.

Mr. J. WILLIAM STANTON. If the gentleman would yield further, for the purpose of saving time, we accept the gentleman's amendment.

Mr. ASHLEY. Mr. Chairman, we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. WYLIE) to the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON).

The amendment to the amendment in the nature of a substitute was agreed to.

Mr. GRADISON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the substitute to the committee bill. As a member of the Economic Stabilization Subcommittee, so ably chaired by the gentleman from Ohio (Mr. ASHLEY), I recognize fully the gravity of the New York City financial situation and more specifically the city's present need for seasonal, short-term, self-liquidating loans. It is not at all clear that the Federal loans are needed to meet the need for such credit for 3 years.

The substitute, has defects which make it unacceptable to me:

First, it runs for 3 years, entirely too long a period of time. One year would be ample for the city and State to restructure revenues so that they are collected more evenly throughout the year, rather than being concentrated in the months April, May, and June.

Second, the peak amount of Federal loans of $2.3 billion is excessive, and can be reduced by shifting the collection of revenues to earlier periods. Throughout the committee consideration of this entire issue—from the time Mayor Beame said that a $9 billion Federal loan was needed and the time Governor Carey asked for a $5 to $6 billion guarantee—there has been evidence that the State and city had not done all they could. This is still the case: The State and the city can do more to reduce the seasonal cash shortfall, and there is no reason it should take 3 years for the city to balance its budget.

Third, the substitute, unlike the committee bill, is limited to New York City. If the Federal Government is going to meet seasonal credit needs of one local government which "may be unable to obtain such seasonal financing from its customary sources"—to quote the language of the substitute—I do not see how we can ask all the Nation's taxpayers to permit their Government to borrow billions for this purpose without extending the same privilege that New York City would receive to every State or political subdivision in the country.

Finally, I believe this substitute should include the revisions in bankruptcy laws recently approved by the Judiciary Committee. I accept, of course, the assurance of the able chairman of that distinguished committee that a separate bill dealing with the bankruptcy question will reach the floor in the next few days. But I feel the House should insist that any loan or guarantee be incorporated in one measure with the bankruptcy provision so as to indicate the total Federal response which may be expected in the New York City situation.

The State of New York is attempting a legislated default providing by statute for a moratorium on city payments on its notes. If this fails to withstand the present court test, an actual legal default would occur, triggering, no doubt, an appeal for further Federal aid. Tying together the loan and bankruptcy provisions would help make clear the limitations on Federal aid which should be anticipated by the State and the city in the event that the present legislated default becomes a legal default.

Mr. Chairman, for these reasons—and with the highest respect for all who have worked so hard to resolve this issue—I cannot support the substitute and if it is adopted, will vote against the final bill.

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, earlier in the well I had made reference to offering an amendment that would change the interest rate that is being charged under this bill, which will be 8 percent for the city of New York. After further discussion with a number of the Members who are equally interested in the welfare of the city, the conclusion was reached that this amendment could be harmful to the final passage of the bill and could be harmful as far as the President signing it. For that reason, Mr. Chairman, I am withdrawing that amendment even though I feel that there is a perfectly logical reason for having offered it.

But I would also like to say that those who are criticizing now the substitute as it stands I frankly feel do not understand the implications of what is happening in New York City and in New York State, and without again going into the many facets of this problem that have been mentioned by many of the Members, I would simply urge a strong vote and a positive vote for 8 million of our fellow Americans and a city that has made tremendous contributions to our country and still will make tremendous contributions to our country.

So I urge passage of the substitute and urge that we move on that particular bill.

Mr. WYLIE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want again to express my support for the Stanton substitute and commend the gentleman from Ohio (Mr. J. WILLIAM STANTON) for his responsible and persistent effort in bringing this substitute to the floor. I have studied his substitute bill in some detail and feel that it is the best alternative, given the time we have before us in which to avert a default.

This is only a temporary stop gap measure with numerous protective strings attached to it. The Secretary of the Treasury can ask for any security or collateral that he deems appropriate. He can also withhold payments. The Secretary of the Treasury can reevaluate the credit-worthiness of the city of New York almost on a daily basis under this bill. New York will have to live on a subsistence budget with the whole world looking over its shoulder to see that it is keeping its promises of austerity. The Secretary of the Treasury will make these loans only if there is a prospect of repayment and may alter the terms and conditions to insure repayment.

Finally, if the city of New York does succeed, the U.S. Government will reap a fair return for these loans.

In the final analysis, I believe that this bill offers protection to the U.S. taxpayer while giving the city of New York a fair chance to get its own financial house in order.

I support the substitute.

Mr. DEVINE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not like to disturb this love feat. I am not one of the Ohio fellows who was never in New York. I have been there and I worked there 4½ years and I recognize some of the problems. I worked in the bowels of this city, from the Staten Island Ferry slip in lower Manhattan up to the Harlem River; North River and the East River and the Bronx and I know what Buttermilk Channel is, and Governor's Island and Brooklyn. I know where Ellis Island is, where everybody came into the United States from Europe.

We have some New York problems here. These people have been on a drunken spending spree for years, a drunken financial spree. They call it the "Big Apple" and everybody is supposed to love it. They call it "Fun City" and they engage in all of these excesses. Now they turn to the rest of America and say: "You help us out. It is your moral responsibility."

Unlike the prodigal son, we did not see even any act of contrition on the part of New York City until the President took a hard-nosed position, and finally the New York State Legislature decided they would increase taxes by $200 million to show us they had some concern, but they tried at the same time to turn it around, to show us the President was a bad guy because he was against "the good guy," the city of New York, living it up.

Well, I resent the fact that they tried to place the responsibility on who was bad and who was good down here in Washington, just because the networks happen to be housed in New York City and the New York Times lives in New York City.

Well, they made this token effort. They passed this legislation in Albany as a token gesture, and they say, "Come on, Washington, take care of the problem."

I am concerned, number one, about the precedent this action will set. Who comes next with hat in hand? Will it be Philadelphia, will it be Detroit, will it be Chicago, will it be Louisville? Who, we do not know; but when we take this action today, I do not care whether it is the substitute or the original bill out of the Committee on Banking and Currency or the amendments offered; the other people that have financial problems, like San Francisco, will be coming to Washington and saying, "Look, we are next. You have set this precedent."

I think that is dangerous. Normally, when we try to help someone out, when we talk about a guaranteed loan, we look to see whether they are a good risk. I would say the city of New York could not come before the Small Business Committee. They could not qualify because they have such a miserable record, credit-wise. I do not think there is any security really for the loan guarantee or the other financial arrangements we are trying to make or for the city of New York; so I just want to make it clear, although we have four Ohio Members on the Committee on Banking and Currency, and I associate myself with the remarks of the gentleman from Cincinnati (Mr. GRADISON) in his position, he is the only one that appears to have serious reservations about what action we are taking here today.

Mr. Chairman, I do want to say that I oppose the bill and I intend to vote against it.

Those who say we help foreign countries, so we must help our own troubled city make a spurious rationalization as far as I am concerned. I have voted against foreign aid for 17 years.

And this whole exercise can be compared to two drunks trying to help each other across Times Square. Washington, or the Federal Treasury, owes a public debt of over $550 billion—so how can we really guarantee anything? It is a real mess.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Stanton substitute to H.R. 10481.

There has been a great deal of discussion of the potential losses which would probably be suffered by holders of New York City and State securities in the event of a New York default. It is to be hoped, of course, that massive losses will not occur, but, to place this matter in its proper perspective, it is important to bear in mind the fact that there are legions of investors in this country who have suffered grievous losses through no fault of their own, except that they made investment decisions which turned out to have been mistaken.

Those who invested in New York securities should not have been lacking for information concerning the risks which were involved. Extensive prospecti were available, and they contained some extremely interesting information. For example, the prospectus which accompanied a September issue of $755 million worth of New York State bond anticipation notes, tax anticipation notes, and revenue anticipation notes backed by the full faith and credit of the State contained a thorough review of the State's financial situation. This material drew a distinction between full faith and credit obligations and the notorious "moral obligation" securities:

> The State also has other types of commitments with respect to debt of public authorities. In certain instances, the State guarantee of public authority debt has been approved by the voters, and thus carries the explicit State full faith and credit guarantee. In other instances, the debt has not been approved by the voters, but instead carries a so-called "moral obligation".
>
> The "moral obligation" derives from the language of the pertinent laws, the expressions of the financial community regarding these obligations, and the use to which the funds are put. The applicable laws generally provide that the State will apportion to the various debt service reserve funds or rental reserve accounts the amount necessary to assure that the funds will be sufficient to meet the immediate debt service needs. These payments are permissive, rather than mandatory, since they are subject to annual legislative appropriation. However, in the words of a major bond rating service, "it is expected that the State of New York will remain under strong moral suasion to maintain its schedule of charges and programs of aid to the end that these bonds will remain in good standing." (Pp. 9–10.)

Of course, history records that, at least in the case of the State's Urban Development Corp., the "moral suasion," though strong, was not quite strong enough to prevent default, but it must be admitted that the State has made a full disclosure of the nature of the device, and the extent of the use of the "moral obligation" device was also disclosed. The accompanying chart, which appeared on page 17 of the same prospectus, listed more than $5 billion worth of "moral obligation" bonds of notes outstanding as of June 30, 1975.

With respect to the "moral obligation" securities themselves, it was not necessary to dig deeply into the prospectus to learn the precise nature of the commitment which was being made. Each "Big Mac" prospectus contained a legend similar to the following, which appeared on the front page of the prospectus which accompanied an August issue of $275 million worth of "Big Mac" bonds:

> The 1975 Series B Bonds of the Corporation are payable out of any revenues of the Corporation, including revenues derived from certain sales and compensating use taxes imposed by the State of New York within the City of New York and, under certain conditions commencing with the State's fiscal year beginning April 1, 1976, the State stock transfer tax. The State is not bound or obligated to continue the imposition of such taxes or to make the necessary appropriations of the revenues received from such taxes. The corporation has no taxing power. The 1975 Series B Bonds do not constitute an enforceable obligation, or a debt, of either the State or the City and neither the State nor the City shall be liable thereon. Neither the faith and credit nor the taxing power of the State or the City is pledged to the payment of principal of or interest on the 1975 Series B Bonds.

My purpose in bringing this information to the attention of my colleagues is to point out that those who purchased more than $5 billion of New York "moral obligation" securities knew or should have known that they were participating in a financial program which was designed to avoid the normal process of voter approval by referendum of State bond issues and that neither the city nor the State of New York pledged its full faith and credit to back these issues. I therefore see no reason why this Congress should change the rules of the game and provide the backing of the full faith and credit of the Federal Government to debts where the city and State governments which have already had the use and benefit of the funds raised by these issues have chosen not to provide such backing.

PROGRAMS WITH MORAL OBLIGATION PROVISION, AS OF JUNE 30, 1975

[In millions of dollars]

	Total authorized	Authorized but unissued	Amount of debt outstanding		
			Bonds	Notes	Total
Housing Finiance Agency:					
Municpal health	$800	$305	$451	$42	$493
Senior citizens	50	48		2	2
Youth facilities	100	80		20	20
General housing			344		344
Non-profit housing	2,100	465	583	174	757
Urban rental			163	325	488
Equity loan				1	1
Hospital and nursing homes	1,950	1,116	574	256	830
Mental health and retardation facilities	100	83		17	17
Dormitory Authority: Community colleges	(1)		195	79	274
Medical care facilities:					
Finance Agency:					
Municipal health	1,000	1,000			
Hospital and nursing homes	2,000	1,892	62	46	108
Municipal bond bank	$1,000	$1,000			
Urban Development Corp	2,000		$1,065		$1,065
Project Financing Agency	700	560		$140	140
N. Y. S. Mortgage Agency	750	345	393		393
Battery Park City Authority	700	500	200		200
Atomic & Space Development Corp	(1)		10		10
United Nations Development Corp	75	20	55		55
Environmental facilities	(1)		3	28	31
Job Development Authority (pollution control not State guaranteed)	75	70	5		5
Municipal Assistance Corp.[2]	3,000	2,900		100	100
Regional transportation authorities:					
Capital District	(1)				
Central New York	(1)				
Metropolitan	(1)				
Niagara Frontier	(1)			2	2
Rochester-Genesee	(1)			1	1
Total			4,103	1,233	5,336

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[1] No limit.

[2] As of Aug. 31, 1975 the Municipal Assistance Corp. had bonds outstanding in the amount of $1,840,000,000. The notes of the Municipal Assistance Corp. outstanding on June 30, 1975 were prepaid in July 1975.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be happy to yield to my colleague, the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, the gentleman from California has made a point that for the Treasury to engage in direct borrowing would limit money available to others who go to the money market and borrow. That point is well made.

However, I think it can equally as well be said that should the Federal Government engage in guarantees, that the Federal Government conceivably then could jeopardize others in the bond market who do not have guaranteed bonds and the net effect would be to drive all the money into the guaranteed bonds and those who have handled their affairs quite well would not have access to any money.

So, it is not one sided here. What I am really trying to say is that this is not an all black or an all white issue. There is a lot of gray in between.

Mr. ROUSSELOT. I could not disagree with my colleague more. I started out by saying that I did not support the committee bill either, but I felt that the Ashley bill itself was structured in a far more responsible way, and I still believe that. I am really saying that this program of direct loans immediately forces the Treasury into the marketplace to borrow for whatever amounts of money the Treasury is required to borrow as a result of New York City and/or the State of New York in its massive requirements.

Now, of course nobody likes to face this. Other cities have to face it. A major way that could have been accomplished is, of course, to cut expenditures, but nobody likes to cut anything in Government today. That is always unpleasant, but we have made other cities do just that. They have had to go through the process of cutting their expenditures when revenues were inadequate. They have done it many times in the past, and I think it is unfortunate that we treat this city, although it is the largest city in the country—it is unfortunate that we treat this city differently than we do all other cities. I rise in opposition to the substitute.

Mr. TAYLOR of North Carolina. Mr. Chairman, I move to strike the last word.

Mr. Chairman, while I sympathize with the New York City financial problems and realize that default there will have an adverse effect on bond sales for all units of local government, I still have reservations concerning goth the New York aid committee bill and the substitute bill proposed by the President.

All American cities have financial problems and the larger the city the greater the problem. By approving the legislation before us, are we not saying to all of these cities, "Continue spending more money than you have and when you have reached the end of your borrowing power Uncle Sam will come to your rescue?"

I fear that a dangerous precedent is being set which will haunt us as city after city, facing financial problems will be expecting special Federal assistance.

Is the Federal Government which is operating this year with a $72 billion deficit prepared and able to rescue the cities in America which find themselves in trouble?

Mr. WOLFF. Mr. Chairman, I move to strike the last word.

Mr. Chairman, today we have the opportunity to lend our support to our Nation's largest city. In my mind there is no question but that this assistance must be given. The administration has let the city of New York stand on the brink of bankruptcy and default too long. The American people realize what many of us have been saying for a long time: A default in New York City will seriously impair the economic stability of not only countless municipalities across this Nation, but the Nation itself.

While I, and I am sure a good number of my colleagues, would have preferred to see H.R. 10481—the well-thought-out committee loan guarantee legislation—be enacted by this body, I recognize the urgency of the situation and the need to enact into law the substitute bill. This bill represents the final piece in the solution to this crisis: it will provide the vital short-term cash needs of the city. Without this legislation it will be but a matter of days before bankruptcy and default occur.

While we debate the merit of Federal assistance to New York City we cannot and must not lose sight of the grave implications of a New York City default. A study prepared by Data Resources, Inc., a consulting firm used by the President's Council of Economic Advisers, clearly states that a New York City default will cause unemployment to increase by half a million persons. Loss in terms of gross national product will be some $14 billion. I should point out that these figures are based on the most optimistic course of events. Less optimistic assumptions cause these figures to fully double—a million Americans jobless, a $28 billion loss to our GNP. Unacceptable as they may be, the figures tell but half the picture. We must all recognize that if New York City defaults, there is serious doubt whether New York State can itself escape bankruptcy and default. The reason is simple: New York State has committed billions of dollars to try to avert a New York City default. The risk of a New York State default cannot be ignored. The plain fact, again, is that if New York State defaults the figures I have already quoted will at least double. But if the estimates are based on the less optimistic assumption, then the net result is a quadrupling of these figures: 2 million unemployed persons and a loss to the gross national product of $56 billion. A deadly economic spiral will set in. Federal revenues will plunge dramatically as tax collections decrease; Federal expenditures, on the other hand, will significantly increase in terms of unemployment and welfare assistance.

As bad as all this would be for the economy as a whole, we cannot lose sight of the fact that, contrary to what many have said, some 75 percent of New York City debt is held by individuals. Only 25 percent is held by the so-called institutional investors. What this means is that many thousands of American citizens stand to see significant amounts—and in some cases all—of their life savings decrease sharply in value. Many of these persons are elderly pensioners who depend on New York City income for their economic survival. When we help New York City we are helping these people. Of the 25 percent of New York City debt held by institutional investors, much of this is held by banking institutions throughout the Nation.

Over 300 nonmember FDIC banks, located in 40 States, have over 20 percent of their net worth invested in New York City and State debt. Eighty-eight of these banks have over 50 percent of their net worth invested in New York City and State debt. And the fact is that these banks are not solely New York banks: 10 or more are located in the States of Alabama, Arkansas, Florida, Illinois, Louisiana, Mississippi, Missouri, Tennessee, and Texas. Furthermore, 546 commercial banks in 45 States and Puerto Rico have over 20 percent of their capital in New York City and State debt. One hundred seventy-nine of these banks have over 50 percent of their capital in New York City and State debt. Obviously, if New York City and New York State default the liquidity of these banks will be seriously jeopardized. Such an occurrence will not only affect the thousands of depositors, but also the customers who depend on bank funds to sustain their business and individual activities. When we help New York City we are helping these people.

It is also clear that the New York crisis has bred an unprecedented instability in the municipal credit market. Municipalities are now being forced to borrow funds at interest rates unparalleled in their history, if they are able to borrow at all. The cost to the American taxpayer in terms of increased interest rates is staggering. For each single percentage point municipalities are forced to pay for the use of funds, the American taxpayer is forced to incur costs of $1.84 billion. If we do not act, and permit this upward pressure on interest rates to continue, local taxes will rise dramatically. At a time when it is clear that economic recovery and sustained prosperity demand tax reductions, we can ill-afford to permit this trend to continue. When we help New York City we help every American taxpayer.

Ours is an interdependent economy. No one part of our Nation can supply its own needs alone. This fact is particularly illustrated in New York City, which contracts for the purchase of goods and services throughout the country. The same holds true for virtually each and every municipality in this Nation. Drastic reductions in municipal spending, which are and will continue to be caused by increased borrowing costs, will reach into every corner of the country. Once again the deadly downward spiral will take effect as the countless businesses which derive substantial income from municipal purchasing will suffer greatly, as in turn will the thousands of employees of these firms. When we help New York City we help these businesses and the people they employ.

We must all realize the gravity of a New York City default. I have tried to outline some of the more serious implications. There can be no doubt that the national interest requires our immediate action to avoid a New York City default. While the substitute bill is a means to this end, the underlying causes of this crisis remain and continue to threaten the entire structure of urban government in this country. It is clear to me that many of the complex causes of the New York City problem are not unique to that city, and that those persons who seek to place the entire blame solely on what they term "mismanagement in city government" lack a basic understanding of the growing urban crisis in this Nation. Passage of this bill, while a solution to the immediate problem, offers no solution to what is now threatening the stability of our country. We must now undertake to examine these causes and develop a responsible Federal policy to insure that this Nation is not again threatened by the inability of local governments to meet the needs of the people.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as amended, offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON).

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 71, nays 31.

So the amendment in the nature of a substitute, as amended, was agreed to.

Mr. J. WILLIAM STANTON. Mr. Chairman, I offer a technical amendment.

The CHAIRMAN. The Chair will advise the gentleman from Ohio that inasmuch as the amendment in the nature of a substitute has been agreed to, no further amendments are in order at this time. The amendment sent to the desk by the gentleman from Ohio would be in order in the House after the committee has risen.

Mr. J. WILLIAM STANTON. I thank the Chairman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. O'HARA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10481) to authorize emergency guarantees of obligations of States and political subdivisions thereof; to amend the Internal Revenue Code of 1954 to provide that income from certain obligations guaranteed by the United States shall be subject to taxation; to amend the Bankruptcy Act; and for other purposes, pursuant to House Resolution 865, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 213, nays 203, answered "present" 2, not voting 16, as follows:

[Roll No. 728]

YEAS—213

Abzug
Adams
Addabbo
Allen
Ambro
Anderson, Ill.
Annunzio
Ashley
Aspin
Badillo
Barrett
Beard, R.I.
Bedell
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Brodhead
Brown, Calif.
Brown, Mich.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Daniels, N.J.
Danielson
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fary
Fascell
Fenwick
Fish
Fisher
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frenzel
Giaimo
Gilman
Green
Gude
Hall
Hanley
Hannaford
Harkin
Harrington
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Heinz
Holtzman
Horton
Howard
Howe
Hughes
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jordan
Karth
Kastenmeier
Kemp
Koch
Krebs
LaFalce
Leggett
Lehman
Lent
Litton
Long, La.
McCloskey
McCormack
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Matsunaga
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Peyser
Pike
Price
Rangel
Rees
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Rodino
Roe
Roncalio
Rooney
Rosenthal
Roush
Roybal
Ruppe
Russo
St Germain
Sarasin
Sarbanes
Scheuer
Seiberling
Sharp
Simon
Sisk
Smith, Iowa
Solarz
Spellman
Stanton, J. William
Stanton, James V.
Stark
Stratton
Studds
Symington
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Wiggins
Wilson, C. H.
Wolff
Wright
Wydler
Wylie
Yates
Young, Ga.
Zablocki
Zeferetti

NAYS—203

Abdnor
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bell
Bennett
Bevill
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Derrick
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Emery
English
Esch
Eshleman
Evans, Ind.
Findley
Fithian
Flowers
Flynt
Fountain
Frey
Fuqua
Gibbons
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Haley
Hamilton
Hammerschmidt
Harris
Harsha
Hechler, W. Va.
Hefner
Hicks
Hightower
Hillis
Holland
Holt
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Ketchum
Keys
Kindness
Krueger
Lagomarsino
Landrum
Latta
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCollister
McDade
McDonald
Madigan
Mahon
Mann
Martin
Mathis
Mazzoli
Milford
Miller, Ohio
Mills
Mollohan
Montgomery
Moore
Mottl
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
O'Brien
Passman
Perkins
Pettis
Pickle
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Risenhoover
Roberts
Robinson
Rogers
Rose
Rousselot
Runnels
Ryan
Santini
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Waggonner
Wampler
White
Whitehurst
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Yatron
Young, Alaska
Young, Fla.
Young, Tex.

ANSWERED "PRESENT"—2

Henderson
Maguire

NOT VOTING—16

Conlan
Erlenborn
Gaydos
Hagedorn
Hansen
Hébert
Helstoski
Hinshaw
Moorhead, Calif.
Patman, Tex.
Rostenkowski
Staggers
Stokes
Udall
Whalen
Whitten

The Clerk announced the following pairs:

On this vote:

Mr. Udall for, with Mr. Henderson against.

Mr. Patman for, with Mr. Hébert against.

Mr. Rostenkowski for, with Mr. Erlenborn against.

Mr. Stokes for, with Mr. Conlan against.

Mr. Helstoski for, with Mr. Whitten against.

Until further notice:

Mr. Gaydos with Mr. Whalen.

Mr. Staggers with Mr. Hansen.

Mr. Moorhead of California with Mr. Hagedorn.

Mr. HENDERSON. Mr. Speaker, I have a live pair with the gentleman from Arizona (Mr. UDALL). If he had been present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENT OFFERED BY MR. J. WILLIAM STANTON TO THE TITLE

Mr. J. WILLIAM STANTON. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Amendment offered by Mr. J. WILLIAM STANTON to the title: Amend the title so as to read: "A bill to authorize the Secretary of the Treasury to provide seasonal financing for the City of New York."

The title amendment was agreed to.

A motion to reconsider was laid on the table.

REQUEST FOR PERMISSION TO MAKE CORRECTIONS IN THE ENGROSSMENT OF H.R. 10481

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make corrections in punctuation, section numbers, and cross-references in the engrossment of H.R. 10481.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

GENERAL LEAVE

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE ROBINSON-PATMAN ACT: EQUAL OPPORTUNITY OR PRICE DISCRIMINATION—WHICH WILL IT BE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, on November 6, 1975, the House Small Business Committee's Ad Hoc Subcommittee on Antitrust, the Robinson-Patman Act, and related matters, of which I have the honor to serve as chairman, held hearings regarding the Robinson-Patman Act. During the course of those hearings, I was amazed by the large number of businessmen and others who came forward and testified in support of the Robinson-Patman Act. Representatives of scores of trade associations of businessmen included statements in that testimony.

Mr. Speaker, I include in the RECORD at this point the following statement which includes the names of national associations and the statements made on their behalf in support of the Robinson-Patman Act:

LIST OF SUPPORTERS OF THE ROBINSON-PATMAN ACT

Associated Retail Bakers of America, 731–735 West Sheridan Road, Chicago, Ill. 60613.

Automotive Warehouse Distributors Assoc., 633 E. 63rd Street, Kansas City, Mo. 64110.

Independent Shoemen Inc., 14 Clover Road, West Yarmouth, Mass. 02673.

Infants' and Children's Coat Assoc. Inc., 450 Seventh Avenue, New York City, N.Y. 10001.

Menswear Retailers of America, 390 National Press Building, Washington, D.C. 20045.

National Assoc. of Music Merchants, 222 West Adams Street, Chicago, Ill. 60606.

National Assoc. of Retail Druggists, 1 East Wacker Drive, Chicago, Ill. 60601.

National Assoc. of Retail Grocers of the U.S. Inc., 2000 Spring Road, Oak Brook, Ill. 60521.

National Assoc. of Tobacco Distributors Inc., 58 E. 79th St., New York City, N.Y. 10021.

National Beer Wholesalers' Assoc. of America Inc., 6310 North Cicero Avenue, Chicago, Ill. 60646.

National Candy Wholesalers Assoc., 1430 K Street, N.W., Washington, D.C. 20006.

National Congress of Petroleum Retailers, 2021 K Street, N.W., Washington, D.C. 20006.

National Electronic Distributors Assoc., 3525 W. Peterson Avenue, Chicago, Ill. 60659.

National Food Brokers Assoc., 1916 M Street, N.W., Washington, D.C. 20036.

National Home Furnishings Assoc., 1150 Merchandise Mart Plaza, Chicago, Ill. 60654.

National Independent Dairies Assoc., 1225–19th Street N.W., Washington, D.C. 20036.

National Independent Meat Packers Assoc., 743–15th Street, N.W., Washington, D.C. 20005.

National Liquor Stores Assoc., 339 Main Street, Worcester, Mass. 01608.

National Newspaper Assoc., 491 National Press Building, Washington, D.C. 20004.

National Retail Hardware Assoc., 964 North Pennsylvania Street, Indianapolis, Ind. 46204.

National Screw Machine Products Assoc., 2860 East 130th Street, Cleveland, Ohio 44120.

National Small Business Assoc., 1225–19th Street, N.W., Washington, D.C. 20036.

National Tire Dealers and Retreaders Assoc., Inc., 1343 L Street, N.W., Washington, D.C. 20005.

Photo Marketing Assoc., 603 Lansing Avenue, Jackson, Mich. 49202.

Retail Floorcovering Institute, 405 Merchandise Mart, Chicago, Ill. 60654.

Retail Jewelers of America, Inc., 10 Rooney Circle, West Orange, N.J. 07052.

Society of American Florists and Ornamental Horticulturists, 901 North Washington Street, Alexandria, Va. 22314.

Sons of Bosses International, 1040 Broadway, Westville, N.J. 08093.

United Infants' and Children's Wear Assoc. Inc., 520 Eighth Avenue, New York City, N.Y. 10018.

Wine and Spirits Wholesalers of America, 7750 Clayton Road, St. Louis, Mo. 63117.

Christian Booksellers Assoc., 2031 West Cheyenne Road, Colorado Springs, Colo. 80906.

THE ROBINSON-PATMAN ACT: EQUAL OPPORTUNITY OR PRICE DISCRIMINATION—WHICH WILL IT BE?

INTRODUCTION

From time to time in its 40 year history the Robinson-Patman Act has come under criticism. Recently officials of the Department of Justice have issued statements attacking the need for the law to protect the competitive system.

This statement is a response to such criticisms for the purpose of presenting a reasoned case showing that a strong public policy against price discriminations serves the public interest.

BACKGROUND

On June 19, 1936, Congress approved the Robinson-Patman Act by an overwhelming vote. Earlier investigations had shown that equality of opportunity in business was being denied small business by large competitors gaining discriminatory price advantages from manufacturers.

In March 1936, the House Judiciary Committee reported to the Congress—

"Your committee is of the opinion that the evidence is overwhelming that price discriminatory practices exist to such an extent that the survival of independent merchants, manufacturers, and other businessmen is seriously imperiled and that remedial legislation is necessary." [1]

After investigation, the Federal Trade Commission found that the ability of a few large distributors to purchase merchandise at a lower cost than their smaller competitors was an outstanding feature of the growth and development of excessively powerful merchandisers. The Commission's report stated—

"These lower costs have frequently found expression in the form of special discounts, concessions, or collateral privileges which were not available to smaller purchasers." [2]

Frequently preferences were granted by suppliers only after powerful buyers pressured them into such action. In 1934, the Commission reported—

"There were interviews with 129 manufacturers in the grocery group, 76 of which admitted that preferential treatment in some form was given. Thirty-three of the manufacturers interviewed stated positively that threats and coercion had been used by chain-store companies to obtain preferential treatment. . . . There were 88 manufacturers interviewed in the drug group, 36 of which admitted price preferences were given to chains. . . . Of the 26 tobacco manufacturers interviewed, 16 admitted that price preferences are given by means of extra discounts, rebates, or other allowances. Where threats or coercive measures to force discounts and allowances were employed, some of the manufacturers yielded rather than risk the consequences of their failure to meet the demands of these powerful buying organizations." [3]

Actually the beginning of Congress' efforts to ban harmful discrimination in commerce predated the Robinson-Patman Act by almost fifty years. In 1887, the Interstate Commerce Act was passed to ban the practice of railroads giving preferential freight rates to favored shippers by means of rebates and similar means. Three years later the Sherman Act was passed to prohibit contracts, combinations, or conspiracies in restraint of trade, and monopolization and attempts to monopolize. The overall aim was to remove roadblocks in competitive trade channels.

But the country and Congress soon learned that the Sherman Act was inadequate to deal with the evil effects of price discrimination on competition. In 1914, the Clayton Act was passed, section 2 of which attempted to prevent harmful price discriminations. This statute soon proved so weak as to render it "inadequate, if not almost a nullity." [4] The need for stronger legislation became apparent and the stage was set for the Robinson-Patman Act. Years later, the Supreme Court found—

"Enforcement of the Clayton Act's original declaration against price discrimination was so frustrated by inadequacies in the statutory language that Congress in 1936 enacted the sweeping amendments to that Act contained in what is known as the Robinson-Patman Act. . . . Chief among the inadequacies had been express exemption of price discrimination in the sales of different quantities of like goods, an exemption that was interpreted as leaving quantity-discount sellers free to grant discounts to quantity

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Footnotes at end of article.

buyers that exceeded any cost savings in selling to such buyers. . . . In an effort to tighten the restriction against price discrimination inimical to the public interest, Congress enacted two provisions bearing on the issues in this case. It made price discrimination in the sale of like goods unlawful without regard to quantity, although quantity discounts, like other price differentials, could still be justified if they made "no more than due allowance" for cost differences in sales to different buyers. Congress in addition sought to reach the large buyer, capable of exerting pressure on smaller seller, by making it unlawful 'knowingly to induce or receive a discrimination in price which is prohibited by this section.' "[5]

The Robinson-Patman Act was born out of earlier unsuccessful efforts by Congress to deal with the evils of price discriminations. Its purpose, as stated in the words of its Congressional creators, was "to restore, so far as possible, equality of opportunity in business by strengthening antitrust laws and by protecting trade and commerce against unfair trade practices and unlawful price discriminations and also against restraint and monopoly for the protection of consumers, workers, and independent producers, manufacturers, merchants, and other businessmen."[6]

Behind this legislation was an overriding fear that unless powerful enterprises were prevented from abusing their superior economic power in such a way as to injure the competitive capabilities of smaller competitors, irreparable harm may be done to the competitive system.

ATTACKS ON THE LAW

Critics of the Act contend sellers should be given a free hand to give price-cuts, rebates or discounts on a discriminatory basis to favored purchasers. Some opponents of the law would draw the line where the evidence clearly establishes an illicit intent to destroy competitors on a scale sufficient to create a substantial restraint of trade. Others who advocate repealing the Robinson-Patman Act contend that in no event should predatory pricing be a public concern, even when used by a seller holding monopoly power.[7]

All manner of accusations are made against the law. Some opponents of the Act distort its terms by asserting that the statute requires all prices for the same commodity be identical and that any difference in price is automatically illegal unless the seller can prove that the price variation reflects a difference in cost.[8]

The general theme accepted by those who want to do away with the Robinson-Patman Act is that discriminatory price reductions given to favored purchasers should be encouraged regardless of what form they take, or how long they have been in effect, and irrespective of the amount involved. Critics of the Act theorize that eventually some of the price reductions may filter down to smaller disfavored distributors.

RESPONSE TO ATTACKS

The answer to these charges is first that they constitute no more than unsubstantiated allegations. Based on untested assumptions, the accusations against the Act lack any foundation in fact.

The Robinson-Patman Act has been law for almost 40 years. During this long time the Act has been applied throughout the economy. If the Act inflates prices and is so flagrantly anti-competitive, as its critics contend, it should not be difficult to prove such adverse effects by the convincing empirical data. Nevertheless opponents of the law have consistently failed to adduce any market experience in support of their allegations. The logical inference is that they have no proof and cannot substantiate their charges.

It has not been demonstrated that the Robinson-Patman Act is responsible for seller maintaining higher price levels. Despite the long period the law has existed, no case history has been developed showing the Act has led to the preservation of anti-competitive prices. The criticism of the law by some economists lacks any semblance of extrinsic support.

The fact of the matter is that in several important respects it has become much more difficult to prove an illegal price discrimination under the Act. The jurisdiction of the law has been narrowed, and statutory defenses have been broadened allowing a wider and more extensive range of discriminatory conduct by sellers. For example, under a recent Supreme Court decision, the reach of the Robinson-Patman Act was confined strictly to persons and activities in interstate commerce so that in the case of price discrimination, at least one of two or more sales transactions must cross a state line.[9]

The Act also contains several statutory defenses to a charge of price discrimination including that of meeting competition, which provides an absolute defense for a discriminatory practice which would otherwise be unlawful.[10] Even where an injurious price discrimination has been shown to have occurred, the Act provides that the discriminator may not be held accountable for a violation of the Act if "his lower price . . . was made in good faith to meet an equally lower price of a competitor . . ."[11] Furthermore, the Federal Trade Commission has held that the meeting competition defense is available to a seller which beats the price of a competitor rather than merely meets it.[12] To say that the Act has been rigidly and strictly applied, that it forces price uniformity, ignores four decades of experience.

EFFECTS OF PRICE DISCRIMINATION

In judging the public need for the Robinson-Patman Act, one central fact stands out. Special allowances, discounts, rebates, and other forms of price discriminations are invariably received by buyers with superior market power. Small firms, including those entering a market for the first time, are rarely the recipients of discriminatory price reductions. Price discriminations confer greater advantage on firms already advantaged by superior market power and tend to harm the competitive system by causing further concentration of economic power.

Price discrimination favoring larger concerns in a market have the effect of handicapping new and smaller competitors. Size and power, rather than services and efficiency, become determinants of economic success.

In highly competitive markets where profit is frequently only a small fraction of the selling price, firms compelled to pay higher discriminatory prices for their merchandise have a severe competitive disadvantage. When price discriminations are permitted to prevail under these circumstances, smaller firms must either develop their market power to the point where they can obtain advantageous price reductions from suppliers, or face the prospect of eventual elimination from the market.

THE ROBINSON-PATMAN ACT AND THE CONSUMER

Is the giving of discriminatory price reductions to a few favored purchasers of benefit to consumers? The best answer was provided by Erma Angevine, former executive director of the Consumer Federation of America in these words:

"I have heard it said by the champions of emasculation that the real effect of the Robinson-Patman Act is to effect price rigidity and to preclude aggressive competition. Taken literally, there is a measure of truth in these assertions. Without the Robinson-Patman Act, I can readily envision an abbreviated period of aggressive price wars. I said abbreviated, because the competition will last only so long as it takes the corporate giants to free themselves of competition, who will be left without alternative sources."[13]

The consumer is best served by having numerous competing businesses in a market none of which is permitted to gain an unfair competitive advantage because of superior market power. Effective competition depends on many firms sufficiently strong to compete vigorously with each other on equal or near equal terms. Discriminatory competitive advantages unfairly strengthen powerful firms and debilitate their smaller rivals. Consumers gain no advantage by according unfair competitive protection to the large and powerful while depriving small enterprises a fair chance to compete.

HOW TO KILL A LAW

An interesting aspect of current efforts to repeal or emasculate the Robinson-Patman Act is that critics of the law have already succeeded in substantially undermining its public enforcement.

The best evidence of this is the sharp decline in the number of Robinson-Patman Act cases brought by the Federal Trade Commission.

In 1960, the Commission filed 130 Robinson-Patman complaints and 45 orders. The number of complaints dropped to 100 in 1961, and to 41 in 1962. In 1963, Robinson-Patman complaints increased to 219. This was followed in 1965 with 13 complaints and 21 orders. In 1969, the Commission filed 8 Robinson-Patman complaints and 9 orders. In 1972, 5 complaints and 2 orders were issued. More recently, Robinson-Patman Act enforcement by the Commission has declined further with only 2 complaints and 3 orders entered in the year ending June 30, 1975.

Section 3 of the Robinson-Patman Act which is directed to predatory pricing and price discrimination for the purpose of destroying competition has fared even worse at the Department of Justice. In the forty years since this provision has been in effect, the Department has yet to successfully prosecute a litigated case under Section 3.

Public enforcement of the Robinson-Patman Act by the Federal Trade Commission and by the Department of Justice has seriously declined. It must also be expected that voluntary compliance has suffered. Meaningful efforts to bring about compliance with the law are especially needed now.

The Robinson-Patman Act needs no legislative overhaul, repeal, or amendments. It simply needs to be enforced by the agencies of government charged with that responsibility.

FOOTNOTES

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[1] H.R. Rep. 2287, 74th Cong., 2d Sess. 3 (1936).

[2] S. Doc. No. 4, 74th Cong., 1st Sess. 24 (1934).

[3] Id. at 24 and 26.

[4] H.R. Rep. No. 2287, 74th Cong., 2d Sess. 7 (1936).

[5] *Automatic Canteen Co. of America* v. *FTC* 346 U.S. 61, 64 (1953).

[6] H.R. Rep. No. 2287, 74th Cong., 2d Sess. 7 (1936).

[7] Task Force Report on Productivity and Competition (Stigler Report)—BNA ATRR No. 412 (June 10, 1969).

[8] Testimony by Joe Sims, Special Assistant to the Attorney General Before the Subcommittee on Activities of Regulatory Agencies, Committee on Small Business, House of Representatives, July 10, 1975.

[9] *Gulf Oil Corp.* v. *Copp Paving Co.* 419 U.S. 186 (1974).

[10] *Standard Oil Co.* v. *FTC* 340 U.S. 231, 251 (1951).

[11] 15 U.S.C. § 13 (b) (1973).

[12] *Matter of Beatrice Foods Co.*, 76 F.T.C. 719 (1969).

[13] H.R. Rep. No. 1617, 91st Cong., 2d Sess. 44 (1970).

AGRICULTURAL COOPERATIVES HELP BOTH CONSUMERS AND FARMERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEGGETT) is recognized for 5 minutes.

Mr. LEGGETT. Mr. Speaker, coming from a district with many farmers and a wide diversity of agricultural pursuits, I have a deep interest in the functioning of agricultural cooperatives and the place of this unique institution in the American food and fiber industry. I believe the agricultural co-op has played a key role in enabling the family farmer to survive in the face of the great power of the agribusiness giants.

Yet the cooperative movement in agriculture has been subject to allegations of unjust enrichment going almost back to enactment of the basic Federal legislation more than 50 years ago. It is said that agricultural co-ops are monopolistic and noncompetitive, or that they are too big, drive up prices and contribute to the inflationary economy.

The National Council of Farmer Cooperatives has recently published a series of advertisements which, in my view, effectively answers many of these allegations. The council posed and answered six basic questions about the role of the co-ops, in the hope of getting the facts across to the American public.

Are the co-ops too big and powerful?

In actuality, only 28 percent of our food output is marketed through co-peratives, the balance through noncooperative firms. Moreover, noncooperative agribus sales increased almost 10 times as much in this decade of the 1960's as farmer cooperatives' sales.

Do co-ops raise food prices?

They help farmers get a fair price, but there is no way they can fix prices through monopolistic action, even if they wanted to. The American food industry is simply too diverse and competitive for any one producer, even an agribusiness giant, to control the market and set prices.

Do the Federal marketing orders used by co-ops have an inflationary effect on the national economy?

These orders help us avoid the roller coaster conditions of severe food shortages and surpluses, with the attendant chaotic effects on prices. The marketing orders help to maintain a stable and dependable long-term market for food and benefit both consumer and farmer alike.

Is the Capper-Volstead Act out of date and in need of revision?

This legislation has provided the statutory framework allowing farmers to organize their own cooperatives for over 50 years. But while the act exempts farmers from certain restrictions in the Sherman and Clayton Acts, permitting farmers to form co-ops, Capper-Volstead certainly doesn't insulate farmers from the antitrust laws. They are still prohibited from price gouging and other antitrust violations just as are other types of businesses. What this law really does is allow small family farmers to work together and do business on something like an equal footing with the large corporations.

Does co-op growth pose a threat to fair competition?

On the contrary, co-ops enhance competition. They don't restrain it. Co-op growth has largely occurred in response to the far greater growth of big agribus. The growth of cooperatives has given small farmers more collective strength so they can deal with the large-scale firms from a position of some market power.

The last question is the ultimate one. Do today's farmers really need co-ops? The answer, in essence, is another question. Do we want the small to medium size farmer to survive as a significant element of our food and fiber industry? If so, co-ops are clearly more necessary than ever. The trend toward progressively more large-scale control of our agriculture can only be halted if traditional American farmers can deal in the marketplace with the economic strength that only collective action can give them.

I have also noted that a lack of awareness of the answers to these questions about the role of the agricultural cooperative seems unfortunately to be as prevalent in our Nation's Capitol as it is in other American cities. I have just learned that the Federal Trade Commission has recently issued a report highly critical of the operation of agricultural co-ops. The FTC apparently has alleged that co-ops regularly conduct monopolistic and other practices that are clearly illegal under the antitrust laws. I am disturbed that the Commission would publicize allegations or insinuations that are so much at variance with the facts as I know them. I understand, moreover, that the FTC did not even peruse much of the material it collected from agricultural cooperatives in the preparation of its report on the subject.

I think we have a right to expect much more in the way of objectivity in its analysis and public relations efforts from one of our independent regulatory agencies. I would urge the Commissioners to reexamine their position with a view to taking a more even-handed and fair approach to this problem.

At this point I would like to include in the RECORD a letter to FTC Chairman Engman on the subject from Robert L. Gibson, president of California Canners and Growers, one of the leading agricultural cooperatives in my home State. Permit me also to put in the RECORD the advertisement setting forth the facts on agricultural cooperatives that I analyzed above.

The material follows:

CALIFORNIA CANNERS AND GROWERS,
October 23, 1975.

Mr. LEWIS A. ENGMAN,
Chairman, Federal Trade Commission,
Washington, D.C.

DEAR MR. ENGMAN: I am writing to protest the issuance by the Bureau of Competition of the document entitled, "A Report on Agricultural Cooperatives" which was released to the press on September 30.

The suggestions offered and conclusions drawn in this report are reminiscent of other highly debatable attempts to "analyze" the position of agricultural cooperatives in today's economy. The report offers nothing new. Unfortunately it also fails to offer for the education of those at whom it is allegedly aimed the mass of easily available data that run contrary to the authors' rather obvious bias. The public and your staff are entitled to a more even-handed treatment of this important subject. The handling of the matter encourages my scepticism as to whether the report was truly intended as "a contribution to understanding of the issues" as it is described.

My scepticism is further encourage by the report to me that information recently requested from a large number of cooperatives and supplied by them was not included in preparation of this report. I am further informed by one of those named in the report that not only was information he had supplied not considered in developing the report, he actually discovered through a personal visit to FTC that it still remained in the sealed envelope in which it was mailed months before! It leads me to wonder what type of game is being played.

I am moved to ask why, if the purpose of the report was simply to make "a contribution to the understanding of issues," presumably by FTC staff, it was necessary to print up the report in quantity, make it available to the press, and invite the interest of the public through a press release.

Furthermore, the press release itself contained implications of improper business practices by cooperatives which are totally unjustified. I refer you to the second page of the release, starting with the words, "According to the report it should therefore be unlawful for agricultural cooperatives to engage in such monopolistic practices, as," etc. It then proceeds to list practices which your staff must know are at present as illegal for cooperatives as for other types of business. The release manages to leave the implication that cooperatives are now permitted to engage, and do engage, in such practices with impunity. Whether this implication results from ignorance, incompetence, or intent on the part of those who prepared, and those who must have approved, the release is a question you might as Chairman be anxious to investigate.

In summary, the report itself appears not to represent an effort to obtain the best information on the subject and present it fairly. On the contrary, it appears to have been prepared with the objective of creating all possible doubt concerning the position and business practices of agricultural cooperatives, as well as the competence and integrity of the U.S. Department of Agriculture. The attempt to link the fortunes of cooperatives with the operation of marketing orders appears to be particularly labored.

It is unfortunate that the public release of such a report should be permitted not only to provide a distorted view of agricultural cooperatives, but also to have the effect of calling into question the motives of the Federal Trade Commission, an agency to which we in business are accustomed to look for utmost integrity and judicious action.

Sincerely,

ROBERT L. GIBSON,
President.

FARMER COOPERATIVES DO MORE FOR AMERICA THAN YOU MIGHT THINK—AND THE ANSWERS TO A FEW QUESTIONS PROVE IT

Here are six probing questions that some of you have asked about farmer cooperatives. We've answered them—with facts that just might help you understatnd co-ops and the work they do.

1. Are co-ops too big and too powerful?

While farmer cooperatives have experienced considerable growth in recent years, the plain truth is that the nation's co-ops haven't come close to the size and power of the big noncooperative corporations with which they must deal and compete.

A financial comparison for the decade ending in 1970 proves this point. During those 10 years, *noncooperative agribusiness sales* increased by $45 billion, *total assets* by $50.2 billion, *net worth* by $21.9 billion, and *net assets* by $2.4 billion. At the same time, *farmer cooperative sales* increased by only $5.5 billion, *total assets* by just $2.8 billion, *net worth* by a comparatively small $900 million, and *net assets* by a relatively insignificant $100 million.

In other words, noncooperative agribusinesses are growing at a rate far greater than cooperatives. And the non-cooperative growth rate shows no sign of slowing in the future.

That's why noncooperative firms are the organizations that actually dominate the food industry. A full 72% of America's farm output is marketed through them; only 28% moves through co-ops. In the dairy market, for instance, the combined 1974 sales of all American dairy co-ops were less than the individual sales of the nation's largest noncooperative dairy firm.

And here's another interesting statistic: in 1973, the combined sales of all farmer cooperatives in the United States totaled $19 billion. During the same period, General Motors alone racked up a sales total of $28 billion.

Farmer cooperatives—even the biggest ones—have worked hard to make the gains they've achieved in recent years. Their members know that growth is the only way to gain maximum efficiency and hold on to their hard-won marketing strength. And their growth efforts have met with some success.

Today, co-op penetration varies greatly in individual food industry markets and in most markets co-ops are competing effectively—which means positive benefits for both farmer and consumer.

2. Do co-ops raise food prices?

Farmers join marketing co-ops for one reason: to get fair prices for their products as other businesses do. But cooperatives can't get more than the fair price for their products because of supply-demand and legal restrictions.

Farmer cooperatives compete in the market place, they don't control it. To even attempt to set the price of any one farm product, a co-op would need full control of production and marketing. Today, no co-op controls the market for any commodity. And the Capper-Volstead Act assures the customer that no cooperative can "unduly enhance prices."

But even if one firm could monopolize a particular commodity, it still couldn't fix a price. It's a proven fact that when the price of any food item goes too high, consumers switch to other foods. The food market is simply too diverse to monopolize; the only effective way to dictate the price for one commodity would be to dictate prices for all commodities.

It's true that co-ops, like other businesses, do sometimes gain price increases, but these increases are actually in the public interest because they help keep farmers in business, thus assuring a stable food and fiber supply.

If the charge that co-ops unduly enhance prices were true, then recent food market history would have been much different. Between February, 1974 and February, 1975, USDA figures showed that the farm value of a market basket of 65 representative foods fell 9.9%. During the same period, the retail price for that same market basket rose 10%. Thus, consumers saw their grocery bills going higher each week while farmers were actually taking a beating.

Are co-ops the cause of high food prices? Obviously not.

3. Do federal marketing orders used by co-ops have an inflationary effect in the national economy?

To date, all indicators show that federal marketing orders work very well for both farmers and consumers. In fact, a commission ordered in 1974 by President Ford recently found that federal marketing orders had overall benefits for consumers rather than adverse effects on the economy.

Marketing orders benefit both farmers and consumers. They help America avoid the chaotic pricing conditions which could result from severe food shortages or surpluses, and assure farmers a dependable long-term market—one in which price increases, when they occur, are gradual and moderate.

Marketing orders help the nation to enjoy a reliable supply of good food products at prices that don't fluctuate wildly with varying levels of supply and demand. And marketing orders, which are used for only a minor part of our nation's food supply, are generally designed to provide for orderly marketing of highly seasonable and perishable foods; for most commodities, quality standards and promotional efforts are the central elements of these orders.

Abuses of federal marketing order authority are very uncommon—for several reasons. First, these orders are issued only after public hearings at which all interested parties have the opportunity to be heard. Based on all these views, the Secretary of Agriculture proposes an order which he judges to be mutually beneficial to consumers, food processors and farmers.

Furthermore, the orders are issued only when *two-thirds of all farmers* in the commodity area covered agree on these provisions. Thus, the interests of a consenting majority, not a few powerful individuals, are served.

Finally, the Secretary of Agriculture reviews these orders periodically to assure that they are continuing to serve the public interest as prescribed by law. If changes are needed, he can then go back to more public hearings and farmer referendum to effect such changes.

If these requirements seem stiff, there's a good reason: a marketing order must be *in the public interest* in order to become law.

4. Is the Capper-Volstead Act outdated and in need of revision?

Even though it was passed in 1922, the Capper-Volstead Act is far from outdated. It provides today—just as it did 53 years ago—the framework that allows farmers to organize their own marketing businesses—farmer cooperatives.

But some people feel that Capper-Volstead insulates farmers from antitrust laws . . . and this *simply isn't true*.

While it does remove certain restrictions in the Sherman Antitrust Act and the Clayton Act that prevented farmers from working together in marketing their products, Capper-Volstead requires prosecution of any farmer cooperative that engages in undue price enhancement. Nor does Capper-Volstead protect co-ops from other anti-trust violations.

Farmer cooperatives have been especially important to the family farmer ever since they were first created. Before the passage of the Capper-Volstead Act, the family farmer had only two ways to market his products: sell them himself at a roadside stand or take the prices offered by the large non-cooperative corporations.

In either case, his return for the long hours of labor he put in was minimal . . . and often insufficient to cover expenses.

By providing the legal means to enter into cooperative business associations the Capper-Volstead Act gives farmers a way of working together to help themselves gain a more equitable return for their labor, management and investment. It gives them a chance to do business on an equal footing with large corporations and allows them to draw upon specialized resources, like research programs.

Instead of monopolizing agriculture, farmer cooperatives have encouraged more competition—competition which has forced non-cooperative agribusiness to provide improved products and services at reasonable prices.

In short, Capper-Volstead works. It benefits both farmers and consumers, and by letting farmers organize marketing alternatives to large, non-cooperative businesses it also permits long-range planning that insures higher quality products and freer markets for years to come.

5. Does co-op growth pose a threat to fair competition?

Economic experts from the National Commission on Food Marketing indicate that fair competition has been *enhanced*, not weakened by cooperative growth. And it should be pointed out that this growth, which is now leveling off, was largely necessitated by even faster growth in noncooperative agribusiness.

Noncooperative corporation expansion and merger have created large conglomerates with a finger in virtually every business pie—including agriculture. By calling on the collective strength—both numerical and financial—of their members, farmer cooperatives have narrowed the gap. As a result, independent family farmers now have some power in dealing with large-scale firms.

And remember that cooperatives are operated at cost to provide dependable markets for their farmer-members. Money left over after expenses from co-op activities is distributed proportionately among the members. This is because individual farmers, by joining a co-op, express their desire to maintain a financially sound farm operation and their willingness to help others too.

"At cost" operation keeps co-op marketing and processing expenses to a minimum. This makes them vigorous competitors in the marketplace. For example, co-op food brands compete side-by-side against labels from noncooperative processors.

Removing the co-op presence from the food and fiber market would hurt competition. It's that simple.

6. Do today's farmers really need co-ops?

Today, as they have been for five decades, farmer cooperatives are a constructive force in the American food industry. And agricultural leaders feel that the importance of co-ops to farmers—and consumers—will actually *increase* in the years ahead. Farmers need co-ops today more than they ever have before.

The United States boasts the world's most productive farmers; Americans are the best-fed and best-clothed people in history. And farming in the U.S. didn't achieve its present high level by accident; our agricultural progress is the result of an unusual combination of cooperative and other private enterprise efforts along with helpful government policies.

Today, American agriculture balances on a foundation created by three influential forces: The large noncooperative agribusiness firms; the Department of Agriculture; and farmer cooperatives. These groups act like the three branches of our federal government; they work together in key areas and provide a system of economic checks and balances that keeps the power to administer American farming out of the hands of any single group.

Critics of farmer cooperatives would, if successful, destroy the complex and delicate balance that American agriculture has attained. Market power would shift into the hands of non-cooperative business and the government—and make price domination much easier while leaving the independent family farmer, who is most dependent on co-ops for his financial survival, in a very weak bargaining position.

The family farmer has always been the cement that holds our agricultural system together. Without farmer cooperatives, many would have already gone under—and many more will if co-ops are hamstrung by unwise legislation.

And remember, co-ops help consumers by providing much-needed food industry competition. It is difficult for big corporations to dominate any sector of agriculture in which cooperatives operate. In addition, co-op presence has significantly improved quality and nutritional value for many food items.

The influence of noncooperative agribusiness corporations is expanding, and farmer cooperatives must also broaden their influence if they hope to survive. If they aren't severely crippled by unwarranted government "wing-clipping", co-ops will continue to serve America well.

Farmer Cooperatives. They're doing the Country a lot of good. This message was brought to you by over a million farmers through their cooperative associations and organizations. For more information, contact the National Council of Farmer Cooperatives, Kenneth D. Naden, President, 1129 20th St. N.W., Washington, D.C. 20036. (202) 659-1525.

NEED FOR STRENGTHENING OF MINIMUM TAX AND CORRECTION OF DATA ON MILLIONAIRES WHO PAID NO TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, earlier this year, when the "Statistics of Income for Individuals, 1973," was released, my staff checked with officials at Treasury to determine how many millionaires paid no Federal income taxes in 1973. They were informed that the number was 24, and I stated this in a speech in the House of Representatives on September 9, page 28260.

I have since been informed that this was a misinterpretation of the data in the "Statistics of Income." I regret the error.

There are "only" seven millionaires who paid no tax.

The remaining 17 individuals—the difference between the original figure of 24 and the final figure of 7—paid tax only because of the minimum tax on wealth provision. From page 23 of the "Statistics on Income," it can be seen that there were 17 individuals who had no additional tax obligation after all deductions and credits were claimed. However, because of the minimum tax on wealth, these 17 individuals paid $1,501,000 in a total of $32,606,000 in adjusted gross income, including $16,077,000 in so-called preference income.

In other words, these individuals had an average of $1,900,000 in income but paid an average in Federal income taxes of $88,000 for an effective rate of 4.6 percent.

The minimum tax on wealth prevented these individuals from totally escaping taxes—but it is a mere light feather dusting. Most working American families paid a rate of tax 400 to 500 percent higher than did these millionaires.

These statistics are an incredibly strong argument in support of strengthening the minimum tax provisions included in the Ways and Means Committee's tax bill now pending before the House.

Presently, the minimum tax is figured on nine "preferential" sources of income after reducing that income by $30,000 and by all regular income taxes paid. A tax of 10 percent is then calculated on this amount. As the statistics show, the minimum tax is indeed a minimum tax.

The committee's bill increases the minimum tax's percentage rate from 10 to 14 percent, reduces the $30,000 exemption to $20,000 and phases out the exemption as preference income rises above $20,000, so that the exemption is completely phased out by the time preference income exceeds $40,000. In addition, only 50 percent of the amount of regular income taxes paid can be subtracted from preference income and the carryover of excess deductions of income taxes paid is eliminated. Finally, the committee's bill expands the list of preferential income items included in the computation of the minimum tax. In all, the amendment is estimated to raise $707 million in 1976 and between $777 million and $1.1 billion per year over the next 5 years.

In addition, an amendment will be offered to strengthen the minimum tax by completely repealing the exemption for regular taxes paid—instead of allowing 50 percent reduction for regular taxes paid. I strongly support this provision. Just because a person pays "regular" taxes like everyone else is no reason to exempt them from tax on any portion of their "preference" income. The adoption of this amendment will raise an additional $376 million per year and will provide an important reform in our Nation's tax laws.

While even more needs to be done, these changes in the minimum tax should help eliminate the spectacle of 17 millionaires paying an average of $88,000 on an average of $1,900,000 in adjusted gross income.

EAGLES NEST WILDERNESS AREA IN COLORADO TO BE CONSIDERED BY SUBCOMMITTEE ON PUBLIC LANDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, the subcommittee on Public Lands of the Committee on Interior and Insular Affairs will hold a markup session on December 12 on various pending bills pertaining to designation of the Eagles Nest Wilderness, Arapaho and White River National Forests, in the State of Colorado.

The Eagles Nest Wilderness proposal has been under active consideration by the Subcommittee on Public Lands for over 2 years. Three hearings were held by the subcommittee during the 93d Congress—November 8, 9, 1973, and September 19, 1974—at which time the wilderness proposal, including various alternatives to boundary locations were thoroughly investigated. In this Congress, a field hearing was held April 3, 1975, in Glenwood Springs, Colo. Thus, full opportunity for all persons interested in this matter to express their views has been provided by the subcommittee over an extended period, exceeding 2 years. Members of the Colorado congressional delegation, representatives of Eastern Slope and Western Slope of Colorado Water Board, stockmen, miners, conservation organizations, and individual citizens have provided the subcommittee with testimony on this proposed wilderness area.

Mr. Speaker, our Subcommittee on Public Lands believes that nothing new can be learned concerning the Eagles Nest Wilderness and, accordingly, has decided to move ahead with legislative consideration of the proposal. As chairman of the subcommittee, I have invited each Member of the Colorado delegation to attend the subcommittee meeting on December 12 to offer their advice or comments in person or, if they prefer, to submit a written statement for consideration by the subcommittee and which I will ask to be made part of the RECORD. Should any Member of the House seek further public hearings on Eagles Nest Wilderness designation, I am certain the subcommittee would review that request sympathetically.

RIGHT TURN ON RED: AN IDEA WHOSE TIME HAS COME

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. MEYNER) is recognized for 5 minutes.

Mrs. MEYNER. Mr. Speaker, 29 States now allow motorists to make right-hand turns at red lights. The legislation that I am introducing today would encourage the remaining 21 States to do likewise in the interest of conserving vital fuel and energy resources.

The Highway Users Federation reports that allowing right turns on red would reduce delay and save fuel without sacrificing safety. The Federation estimates that the current delay at red lights in States that prohibit right turn on red amounts to .175 gallons per thousand cars per second. The Commonwealth of Virginia recently completed a study of right turn on red and estimates that 3.1 million gallons of fuel could be saved annually in Virginia alone if legislation like this is enacted.

Also, aside from the very real potential savings in fuel, right turns on red could also lead to a decrease in rear end collisions at affected intersections.

Mr. Speaker, I urge that this legislation be given immediate favorable attention.

The bill follows:

H.R. —

A bill to amend title 23 of the United States Code in order to conserve vital fuel and energy resources

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Chapter 1 of title 23 of the United States Code is amended by inserting at the end thereof a new section as follows:

"§ 156. Traffic signals

"(a) The Secretary of Transportation shall not approve any project under section 106 in any State after June 30, 1976, which does not have a State law or laws (1) permitting drivers of motor vehicles on the public highways, roads, or streets of such State to turn right at steady red light traffic signals, after such vehicles first come to a complete stop and yield to pedestrian and vehicular traffic, and (2) authorizing municipal, county, and other local governments to permit motor vehicles on the public highways, roads, or streets of such State to turn right at steady red light traffic signals, after such vehicles first come to a complete stop and yield to pedestrian and vehicular traffic: *Provided,* That such State law or laws shall require that the appropriate State transportation agency shall adopt regulations and guidelines to assure the safety of pedestrian and vehicular traffic in such State which are at least as effective as regulations and guidelines promulgated by the Secretary and referred to in subsection (b) hereinbelow.

"(b) The Secretary is hereby directed to adopt such guidelines and regulations as may be necessary to assure the safety and pedestrian and vehicular traffic on public highways, roads, and streets in such States which authorize right turns at steady red light traffic signals.

"(c) For the purposes of this section, 'steady red light traffic signals' shall mean circular red light traffic signals other than flashing signals, which hold the red light signal for five seconds or longer. Other terms used in this section shall have the same meaning as in section 101 of title 23, United States Code.

"(d) Notwithstanding the provisions of section 120 of title 23, United States Code, sums apportioned to any State under section 104 of title 23, United States Code, shall be available to pay the entire cost of any modification of the signing of the Federal-aid highways, roads, or streets directly attributable to the requirements of this section.".

SEC. 2. The table of contents of chapter 1 of title 23 of the United States Code is amended by inserting at the end thereof the following:

"156. Traffic signals.".

SECURITY CLASSIFICATION ABUSE NO. 1

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 30 minutes.

Ms. ABZUG. Mr. Speaker, I am deeply concerned about Federal agencies continuing to use unrealistic and unjustifiable security classification markings as a reason for withholding documents from citizens who make requests for them under the Freedom of Information Act.

The effect of the first exemption in the FOI Act is to permit an agency to withhold an item of information only if: First, a determination is made within the procedures and criteria of Executive Order 11652 that its unauthorized disclosure could reasonably be expected to cause damage to the national defense or foreign policy; and, second, the information is currently properly classified pursuant to such Executive order. However, there is considerable evidence that the "damage" factor in Executive Order 11652 is either disregarded or is not understood by many officials who deny requests for documents bearing classification markings.

Here is one example of how Federal agencies insist on using classification as a means of controlling information for self-serving reasons, rather than to protect the national defense or foreign policy.

On March 31, 1975, the State Department denied a request for access to four volumes of the study entitled "United States-Vietnam Relations, 1945–1967." They contain a history of the efforts that were made from 1965 through 1967 to start negotiations with North Vietnam to end the war in Southeast Asia.

The Department of State based its denial of the request on the view that release of all or any one of the documents "would damage the ability of the United States to conduct its foreign affairs."

Accordingly, the Department claimed that the information is required by Executive Order 11652 to be kept secret under a security classification since an unauthorized disclosure of it could reasonably be expected to cause damage to the national security.

Mr. Speaker, those four documents are part of the "Pentagon Papers" that Daniel Ellsberg was charged with mishandling. The documents had the classification marking "Top Secret" when he was indicted in June 1971, and retained that classification when they were introduced into evidence at the trial in January 1973.

The trial judge expressly ruled before the trial started that if the documents were introduced into evidence they would become public records. After their introduction, the judge expressly ruled that they had become public records and were available for review and copying by any individual on the same basis as any other public record. In fact, the documents were reviewed by reporters and other individuals throughout the 5-month trial. Further, various prosecution and defense witnesses quoted from the documents while testifying before the jury about the information contained in them.

After the trial ended, however, the executive branch was permitted to regain possession of the copies of the documents which had been used as evidence, and the Department of State considers the "Top Secret" classification markings on them to be as valid now as before they became public records.

Mr. Speaker, this apparent misuse of a security classification by the State Department in an effort to prevent people from obtaining an official record is one of many such cases that have come to my attention. Whenever possible, I shall discuss them in this manner, and I invite my colleagues to do the same. These examples make it painfully clear that the present security classification system is inadequate and subject to much abuse by the executive branch.

MARSHALL C. McGRATH, AN ABLE, DEDICATED SPOKESMAN FOR THE FOREST INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. JOHNSON) is recognized for 5 minutes.

Mr. JOHNSON of California. Mr. Speaker, I rise to pay tribute to one of the most able spokesmen of the forest product industries I have known in many years.

Marshall C. McGrath, whose life and career was tragically ended by a fatal heart attack, was a man dedicated to service to his company and to the industry he represented here in the Nation's Capitol.

A native of New Hampshire, Marshall McGrath attended public schools in that State and received his bachelor's degree in economics from Clark University in Massachusetts. Subsequently, he did graduate work at the University of Bridgeport in Connecticut.

Marshall joined the International Paper Co. in 1951, at the company's mill in Chisholm, Maine, where he was engaged in personnel work. Two years later he moved to New York to assume responsibilities for industrial relations in the company's single service division, and ultimately he became a member of the corporate industrial relations staff there.

It was during this period that he became involved in the company's plans to establish its first formal government relations program. In 1962 he was assigned to this program. Five years later he was named its director. In 1971 when International Paper Co. opened its Washington Corporate Affairs Office, McGrath was named the director here and has been representing the company since that time.

Although born and raised a New Englander, Marshall had a broad view of the national and international scope of the forest products industry. Shortly after he became involved in the governmental relations program, I met Marshall, and was impressed with how fast and thoroughly he had learned the problems of the Western timber industry. He spoke with authority and knowledge on all aspects of this industry and those of us who worked with him learned quickly to trust his word and his knowledge.

It is always tragic when people such as Marshall McGrath are struck down. Our loss is great because he had so much to contribute to the better understanding of the industry which he so ably represented. At these sad times, we can only express our appreciation of the contributions which he made in such a brief time.

My wife Albra joins me in sending my deepest sympathies to his wife and their family.

NEED TO REMOVE TORT LIABILITY LIMITS IN PRICE-ANDERSON ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) is recognized for 5 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, the House will soon be considering legislation to extend the Price-Anderson Act. This is a controversial law which sets a liability limit of $560 million for damages suffered in a nuclear powerplant disaster. Of course, the rationale for setting the original liability ceilings in 1957 was the need to provide some temporary protection for the fledgling nuclear industry.

The industry today can hardly be classified as embryonic. It is a $80 billion industry with 56 operational reactors. One hundred reactors in operational order are projected by 1980. Yet, despite this tremendous capital growth, the nuclear industry still enjoys a significant competitive advantage in this limitation on tort liability. Surely this industry is now in a position to assume responsibility for unlimited tort liability. In additional to its size and considerable capital assets, the safety of the industry has been repeatedly touted by prestigious reports that claim that the chances of an individual being killed in a reactor accident are about 1 in 5 billion, compared to a chance of death in an automobile accident of 1 in 4,000.

Surely, with this impressive safety margin, the industry should be able to obtain insurance coverage at reasonable rates.

If the nuclear industry is unwilling to assume responsibility for unlimited tort liability, it reflects a lack of confidence in the safety of its own operations. Quite frankly, I believe that an industry that will not take responsibility for itself in the important area of liability is an industry that is unsafe for American society as a whole.

Mr. Speaker, this morning's New York Times contained a thoughtful editorial on the Price-Anderson Act extension.

The editorial underscores many of the points I have already made, and endorses a proposed amendment to the legislation that will be offered by a number of our colleagues. The amendment removes the ceiling on liability limits, and thus places the nuclear industry on the same free-enterprise footing as other American industries—including those perceived to be hazardous, such as the explosives industry.

Mr. Speaker, I believe my colleagues will be interested in the editorial from the New York Times on this very important subject. The editorial follows at this point in my remarks:

NUCLEAR SAFETY

An awkward inconsistency underlies the policy recommendations of those manufacturers and utilities who champion nuclear power as the best answer to this country's energy needs. First they argue strenuously about how safe today's nuclear power plants are, compared with so many other technological facts of life that the public takes for granted.

But they nevertheless have long insisted that the nuclear industry needs special protection, in the form of a statutory limit to public liability in the unlikely—but not impossible—event of a catastrophic accident.

Congress plans this week to consider renewing for a third time the Price-Anderson Act, first enacted in 1957 when the nuclear industry was young and relatively untried, which sets a liability limit of $560 million for damages suffered in a nuclear disaster. Government estimates of the damage that could be caused, at least theoretically, in a nuclear power plant accident range between $6 billion and $17 billion.

The odds of such a catastrophe are indeed slim. Last month the major Government inquiry into nuclear reactor safety, directed by Norman C. Rasmussen of the Massachusetts Institute of Technology, issued its final report. Assuming 100 nuclear plants in operation, the number projected for this country by 1980, the Rasmussen report calculated the chances for an individual to die in a reactor accident at one in five billion; death in air travel, by contrast, is one in 100,000 and the chance of death in an automobile accident is one in 4,000.

Professor Rasmussen's methodology has been loudly challenged by critics of the nuclear industry, and his three-year study reached no conclusion on dangers from sabotage or the transportation or disposal of radioactive material. But taking his limited safety assurances as the best available, the obvious question arises why the nuclear industry any longer needs liability protection. As Dr. Rasmussen noted, the airline and drug industries, for example, long ago accepted full financial responsibility for the apparently greater risks involved.

Representative Bingham of New York is proposing an amendment to the Price-Anderson Act which would remove the liability limit for nuclear power companies. If the maturing nuclear industry is genuinely confident in its safety assurances, it should willingly accede to the removal of this special protection.

THE RIGHT TO COUNSEL IN GRAND JURIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BADILLO) is recognized for 5 minutes.

Mr. BADILLO. Mr. Speaker, I am today introducing a bill that will provide the right of counsel to witnesses inside the grand jury chamber.

The right to an attorney is basic to our adversary system of justice. None of the legal safeguards our judicial system guarantees to every American mean very much without the presence of an attorney to breathe life into them. The notion that every citizen, no matter how poor, is entitled to representation is firmly implanted in American jurisprudence.

Yet there is an exception to this rule, a niche in our judicial system where citizens are explicitly denied the presence of counsel. That exception is the grand jury chamber. A witness appearing before a Federal grand jury cannot have a lawyer present.

The grand jury prohibition against the right to counsel is an archaic holdover from the days when the grand jury was an independent body that shielded individuals from politically motivated or overzealous prosecutors. Today, the grand jury rarely performs that function.

Instead, the modern grand jury acts as a rubberstamp for prosecutors. Witnesses who appear before a grand jury find themselves completely dominated by the prosecution. It can be a frightening experience. The proceedings are closed to the outside world, and the prosecutor is free to ask essentially what he or she pleases. As Charles Ruff, now the Watergate Special Prosecutor, stated last June:

> (T)he only restraints imposed on the prosecutor's use of the grand jury are those which he imposes on himself as a matter of his personal and professional morality or which are imposed on him as a matter of policy by his superiors.

If a witness does not choose to answer the prosecutor's questions, current statutes give prosecutors the power to penalize the witness. A prosecutor can "immunize" a witness who exercises his fifth amendment rights, then have the witness jailed for contempt if he continues his silence.

Any American in the face of such jeopardy should be entitled to the assistance of an attorney, but as matters stand now, a grand jury witness can only obtain legal advice by requesting permission to leave the grand jury chamber to consult with his attorney waiting outside.

Clearly, this is no substitute for the presence of counsel inside the grand jury chamber, especially since prosecutors have been known to harass witnesses who try to leave the grand jury chamber. This exchange, for instance, occurred during the testimony of Harvard Prof. Samuel Popkin before a Boston grand jury investigating the release of the Pentagon papers in 1971.

> Professor POPKIN. May I see my lawyers?
>
> PROSECUTOR. Mr. Popkin, as you know, a witness has the right to see his lawyers only on serious questions. You have been out of the room twice already for periods as long as ten minutes. You are now asking permission to leave the room for a third time. Is this necessary?

Later, to another Popkin request to see his counsel, the Government replied:

> Mr. Popkin, you are stretching things for this grand jury. Your exits from the room have been ranging about five minutes. This is being an inconvenience for the grand jury.

Simple fairness demands that any American who feels the need for an attorney in the grand jury chamber should have one, and I am glad to see that a number of States are moving in this direction. Seven of our States, including most recently Illinois, allow some form of witness representation in the grand jury chamber. In my own State of New York, the legislature passed a bill that would have given some grand jury witnesses the right to counsel, a bill that was, unfortunately, vetoed by Governor Carey.

Leading bar groups are also calling for the extension of counsel to grand jury witnesses. At its Montreal convention last summer, the American Bar Association passed a resolution backing reforms to "entitle every witness called to testify before a grand jury to have counsel present in the grand jury room in order to advise the witness of his or her rights in connection with the appearance before the grand jury." The prestigious American Law Institute in Philadelphia is one of several other legal bodies that have taken similar positions.

California Supreme Court Justice Stanley Mosk recently noted that—

> Far more safeguards protect prison inmates at disciplinary hearings and parole recission hearings than are permitted free and presumptively innocent persons before the grand jury.

Let us begin to remedy that situation by insuring Federal grand jury witnesses the fundamental right to counsel.

At this point I include the referred to bill:

H.R. 10947

A bill to provide the right to counsel to grand jury witnesses in order to better protect the constitutional rights of such witnesses

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 215 of title 18, United States Code, is amended by adding immediately after section 3328 the following new section:

"SEC. 3329. Every witness subpenaed to appear and testify before a grand jury or to produce books, papers, documents, or other objects before such grand jury shall be entitled to have the assistance of counsel, including assistance during such time as the witness is questioned in the grand jury room; such counsel may be retained by the witness or, may, for any person financially unable to obtain adequate assistance, be appointed in the same manner as if that person were eligible for appointed counsel under section 3006A of this title. The witness' counsel is authorized to disclose, outside the grand jury room, matters which occur before the grand jury while such counsel is present in the grand jury room.".

THE SPREADING MENACE OF PCB

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, this week's edition of Sports Illustrated carries an excellent article discussing the national problem of PCB's. I have been increasingly concerned with this problem for the past few months especially since the Hudson River has recently been shown to suffer a greater PCB concentration than any other body of water in the country.

The article, entitled "The Spreading Menace of PCB" by Robert H. Boyle explains the persistence of the chemical in our waterways, our fish and our birds and the result of danger to human life. The EPA estimates that 50 percent of the American population have from 1 to 3 parts per million in their fatty tissue. In Japan PCB's have caused stillbirths, undersized infants, bone deformities, chlorinated acne, and various neurological deformities. It has caused liver cancer in rats.

PCB discharges into our waters is a horrendous national crisis. I commend this article to my colleagues:

The Spreading Menace of PCB

(By Robert H. Boyle)

There was ironic laughter in the coffee shop of Chicago's Pick-Congress Hotel last Friday when Nathaniel P. Reed, Assistant Secretary of the Interior for Fish and Wildlife and Parks, glanced at the menu and said, Ah, fresh salmon sandwich!" Only an hour before, at the concluding session of the National Conference on Polychlorinated Biphenyls (PCBs), Reed had delivered a blistering speech on PCB contamination of fish, including Great Lakes salmon.

"The problem is a national problem," Reed had emphasized to some 400 scientists, bureaucrats and conservationists. "I am deeply shocked by the pervasiveness of PCBs; they are literally everywhere. I am very troubled by the exceedingly high levels found in fish in an our drainage systems, and I do not mean just the Hudson and the entire Great Lakes system, but the Merrimac and Connecticut rivers of the Atlantic Coast, the Mississippi and Ohio rivers of the Midwest, the Columbia River system in the northwest, the Sacramento in the West, the Rio Grande and other Gulf Coast streams . . . even the Yukon in Alaska."

Reed called for the elimination of all sources of PCBs in the U.S. environment within three years. With a candor unusual for a federal official, he criticized the sponsor of the conference, the U.S. Environmental Protection Agency, which has done little protecting, and the U.S. Food and Drug Administration, which has established a "tolerance" level of five parts per million of PCBs in fish for human consumption.

"Quite frankly," Reed ended his speech, "I am thoroughly disgusted by the gnashing of teeth, wailing and rubbing of hands. To the agencies which have the enforcement responsibilities, a word on behalf of the bewildered but concerned American people—*get on with it!*"

PCBs are chlorinated hydrocarbon compounds used by industries throughout the world because of their resistance to heat. More durable than DDT, PCBs are a proved menace to animal organisms, ranging from invertebrates to man (SI, Sept. 1). In 1968 an estimated 1,200 Japanese came down with *Yusho* disease after using rice oil heavily contaminated with PCBs. The clinical effects included stillbirths, undersized infants, bone and joint deformities and various neurological disorders including loss of libido.

In this country, in a recent experiment on laboratory rats, PCBs caused liver cancer. Last week in Chicago the scientist in charge of that experiment, Dr. Renate D. Kimbrough of the U.S. Public Health Service, delivered a paper in which she warned, "Because of these findings in experimental animals, ingestion of PCBs in humans must be curtailed." The EPA estimates that about half the American public now carries around with it from one to three parts per million of PCBs in its fatty tissues.

Another speaker at the Chicago meeting was Dr. James R. Allen of the University of Wisconsin Medical School, who fed eight female rhesus monkeys a diet that included 2.5 ppm of Aroclor 1248 (one of the nine trademarked PCB compounds made by the sole domestic manufacturer, Monsanto Industrial Chemicals Company) for six months. They were then bred to normally fed male rhesus monkeys. Two females resorbed their fetuses, one suffered a stillbirth, and the five infants born were all undersized. Two of the infants died while nursing. The three survivors are now eight months old, and although they have been on a PCB-free diet for four months, preliminary observations by Dr. Diane H. Norback, a colleague of Dr. Allen, indicate that the youngsters are hyperactive.

The PCB problem, which has been growing for years, began to receive nationwide attention last summer when Ogden R. Reid, commissioner of the New York State Department of Environmental Conservation, warned the public against eating striped bass from the Hudson River or salmon from Lake Ontario. Reid issued his warning after receiving a report from EPA scientists who noted that two General Electric plants at Hudson Falls and Fort Edward were discharging at least 30 pounds of PCBs per day into the river. In September, Reid brought action against G.E. to force the company to reduce its discharge to two pounds a day by Dec. 31 and to zero by Sept. 30 of next year. The action is now before a state hearing officer, and G.E. is contesting it all the way. It is worth noting, however, that in response to a state interrogatory before the hearing began, G.E. admitted, "During the past 15 years, 49 employees have reported to the dispensaries complaining of allergic dermatitis, diagnosed as having been caused by contact with PCBs."

No one really knew that PCBs were present in the world environment until 1966 when Sweden's Dr. Soren Jensen isolated and identified the compounds that had been baffling researchers working on DDT residues. PCBs were then commonly used in a wide variety of everyday products, such as paints, sealants and caulking compounds. In 1971 Monsanto announced it would restrict sales of PCBs to use in so-called "closed cycle" systems, such as capacitors and transformers. U.S. industry turns out more than 100 million capacitors a year, including those for home air conditioners. When junked, such an item is commonly taken to a dump, where the chance exists that PCBs can leach through the soil to bodies of water. In western New York state several companies have been draining PCBs from old transformers, mixing them with crankcase oil and selling the gunk to municipalities to put on roads as a dust suppressor. There is also a report the PCBs have been spread on airport runways in Maryland to prevent skidding in wet weather.

Beyond such practices, there is the danger that transformers can rupture or leak. According to EPA records available in Chicago, a transformer leak occurred on April 16, 1974 on a railroad train running between Philadelphia and Paoli, Pa. From 10 to 100 pounds of PCBs were spilled. The same type of spillage occurred on July 5 of last year from a transformer leak in Stamford, Conn.

On March 8, 1973, a truck developed a leak in Kingston, Tenn., and 630 gallons of PCBs were spilled. The contaminated soils were recovered in 11,500 drums and sealed in concrete at a cost of $1.7 million. It was paid by G.E., which was shipping the chemical. Local residents also brought damage suits against G.E. and last October a judge awarded them a total of $120,000.

The U.S. Department of Defense was involved in a Catch-22 PCB episode with other government agencies in Seattle. On Friday, March 13, 1974 an electrical transformer destined for an Air Force radar station in Shemya, Alaska fell on a pier in Seattle and 265 gallons of PCBs bled into the Duwamish River. Defense refused responsibility; so did the U.S. Coast Guard, which has the primary obligation to clean up oil and other harbor spills. The Coast Guard said PCBs were not among the chemicals it was required to recover. The EPA had to hire divers who brought up 70 to 90 gallons of the compound, and in February of this year the Defense Department finally agreed to pay the cost, $148,000.

But recovery from the Duwamish spill is far from ended. EPA officials estimate 60 to 80 gallons remain in the riverbed, and Defense has assigned the job to the U.S. Army Corps of Engineers. The Corps is scheduled to begin dredging 30,000 cubic yards of river bottom sometime around the first of the year. Estimated cost of the project is between a quarter and half a million dollars.

Although the U.S. Food and Drug Administration allows up to five parts per million of PCBs in fish, the U.S. Fish and Wildlife Service regards the presence of a *half* part per million (.5 ppm) in a fish egg as a sure sign of trouble in a waterway. According to Charles R. Walker, Senior Environmental Scientist with the Service, who delivered two papers in Chicago, trouble spots on the Atlantic Coast range from the Merrimac River in Massachusetts to the St. Johns in Florida. On the Gulf Coast afflicted rivers extend from the Rio Grande east to the Apalachicola in the Florida panhandle. The Mississippi-Missouri system has its hot spots. On the West Coast, the Sacramento, Rogue, Columbia and Snake rivers have problems and they abound in the Great Lakes region and in the St. Lawrence. Last week, Canadian officials announced they were dropping edible fish tolerance levels from 5 ppm to 2 ppm and might well close the eel fishery in the St. Lawrence.

Obviously, some rivers are in worse shape than others. Here are some PCB values for fish sampled by the U.S. Fish and Wildlife Service: carp, Cincinnati, Ohio River, 133 ppm; two channel catfish, Marietta, Ohio, Ohio River, 38–77 ppm; walleye pike, Natrona Heights, Pa., Allegheny River, 35 ppm; white perch, Camden, N.J., Delaware River, 19 ppm; gizzard shad, Elizabethtown, N.C., Cape Fear River, 23 ppm; small-mouth buffalo, Redwood, Miss., Yazoo River, 73 ppm; yellow perch, Lowell, Mass., Merrimac River, 98 ppm; goldfish, Poughkeepsie, N.Y., Hudson River, 213 ppm.

The Fish and Wildlife Service does not sample every stream in the country—it extends itself to maintain even the 100 monitoring stations in existence—but research by other agencies reveals other trouble spots. Half the lake trout analyzed from Lake George, N.Y. have more than 5 ppm. And eggs of striped bass taken in 1972 from the Nanticoke and Choptank rivers on the supposedly unspoiled eastern shore of Maryland had PCB levels that ranged from 2.8 to 20 ppm.

For a number of years the Fish and Wildlife Service also has been monitoring birds. Every starling tested has contained PCBs. Examination of mallard and black duck wings show the Atlantic Flyway has the most severe problems, at least for waterfowl. The mean value for black duck wings is 1.36 ppm, while mallards averaged 1.26 ppm. The values are slightly lower for the Mississippi Flyway, and lower still for the Central and Pacific.

For all the damning data produced in Chicago, some bureaucrats acted in bizarre fashion when their turns came to speak. Walter C. Barber, director of the Standards and Regulations Evaluation Division in the EPA, said, "I don't know what we're going to do." Dr. Albert C. Kolbye, associate director for Sciences, Bureau of Foods, FDA, said, in all seriousness, "We are the straight men in a bad joke." Dr. Kolbye is the FDA official who sets the PCB tolerance levels for human foods.

The weeks ahead doubtless will reveal even more grim news about PCBs. A hearing by the House Subcommittee on Fisheries and Wildlife Conservation and the Environment is scheduled to start this month in Washington; and in New York, Ogden Reid continues to push his state hearing.

If there is any measure of comfort in all this, it is that Soviet bureaucrats must be more inefficient than most of ours. Just recently a delegation of Soviet scientists visited one of the finest labs in this country. They were shown everything the lab had on PCBs and left loaded down with papers. Before returning home, they stopped at the Soviet embassy in Washington, where all the papers were taken away from them.

THE U.N. SECURITY COUNCIL AND THE PLO

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I rise to express my distress over the recent move by the U.N. Security Council which enables the Palestine Liberation Organization—PLO—to participate in next month's debate on the Middle East. I am equally concerned over the failure of the Ford administration to take the necessary initiatives to prevent this action and fear that this may be interpreted as a reversal of the U.S. position vis-a-vis the PLO.

There is little question that the status of hundreds of thousands of homeless Palestinians is one of the root causes of persistent and deep tensions in the Middle East. This is an issue which warrants the fullest discussion and debate with a view toward reaching a just and equitable solution. However, the cause of a meaningful peace in the strife-torn Middle East is ill served by having a terrorist organization—dedicated to the annihilation of Israel—participate in any talks. How, in good conscience, can the world community forget the wanton slaughter of countless innocent men, women, and children, such as those massacred at Maalot and Kiryat Shmona?

The extension of the mandate for the United Nations peacekeeping force on the Golan Heights Syrian-Israeli border must be an entirely separate issue from the question of the future of the Palestinians. Although the participants in Sunday's vote are now engaged in a game of semantics, I simply cannot believe that the State Department was unaware that the Security Council's decision would be interpreted as a de facto recognition of the PLO by the United States and a clear violation of the spirit of the interim agreement with Israel. Acceptance of the existence of Israel and adherence to Security Council resolutions 242 of 1967 and 338 of 1973 were the conditions that any group had to meet before the United States would agree to deal with them as representatives of the Palestinians. To date the PLO has not done so and there just can be no basis upon which the United States can legitimately deal with it.

Mr. Speaker, I strongly believe that this latest development exacerbates the already complicated and divisive conditions in the Middle East. I feel that the United States must promptly and fully clarify its position on the scope of next month's debate and the participation of any organization which neither represents any recognized government nor has any official standing in the world community. Finally, I believe it is imperative that the President reaffirm this Nation's current opposition to the PLO and clearly restate those conditions which must be met before we will have any dealings with that or any other Palestinian group.

MORE ON SYRIA

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on November 10 I placed in the Congressional Record an article which had appeared in the New York Times travel section of November 9 entitled "Encounter—A Synagogue in Damascus." The article described a visit that our colleague Joseph Early from Massachusetts and I made to the Jewish quarter of Damascus during our factfinding trip to Syria.

I attempted in my article to describe conditions exactly as I saw them without hyperbole and without introducing into the article the observations of others concerning the plight of the Jewish community in Syria. I would hope those interested would read that article.

In this last Sunday—November 30—New York Times, the Syrian Ambassador to the United States, Dr. Sabah Kabbani has a letter in which he denounces my article and the New York Times carried my reply. Because of space limitations, the reply that was carried was excerpted and so I am going to append Dr. Kabbani's letter, the excerpted response and my letter in full.

And for those who I hope will be interested in the plight of Syrian Jews, I am also placing in the Record the story of a young woman who escaped from the Damascus ghetto. The article appeared in Hadassah magazine, September 1975 edition. That article responds better than I can to Dr. Kabbani.

It is not my intention to carry on a combative correspondence with Dr. Kabbani. Indeed I would hope that if he becomes convinced that the facts are other than he now believes that he would use his good offices to facilitate the exodus of those Jews in Syria desiring to emigrate. The correspondence and article follow:

[From the New York Times, Nov. 30, 1975]

LETTERS: SYRIAN CALLS KOCH ARTICLE BIASED

To the Editor:

It is unfortunate that Congressman Edward Koch (Democrat, N.Y.), who visited Syria with a fact-finding Congressional delegation, was so lacking in objectivity in his article "Encounter—A Synagogue in Damascus" (Travel Section, Nov. 9).

Within the context of his bias Representative Koch succumbed to over-dramatization in an attempt to deliver his prejudiced and misconstructed concepts. However, he flagrantly contradicts himself in the process. His article reads like the opening chapters of a thriller novel. We are told that upon wishing to undertake a trip to a synagogue in Damascus, his colleague "volunteered" to join him, as though such a trip were to involve perils and fantastic traps.

Indeed, he jokes crudely to his companion that, on the morrow, they will be found murdered with their "passports stuffed into their mouths." What an ironic comment about such a hospitable city, that has received and welcomed millions of tourists—many of them Americans—who have never in any way been harmed on its streets. Considering the crime rate of American cities, Mr. Koch should be more fearful of assault in Manhattan than in Damascus.

For a person holding as responsible a position in American life as Mr. Koch's it is most irresponsible to assume that Syria is an "unfriendly" country, because of preconceived notions. Mr. Koch seems to forget that the Jews he joined in prayer were Syrian citizens above all else, and when they asked him to tea, they were extending to him a hospitality that any Syrian would have extended regardless of his faith and not as an expression of their gratitude for his "concern" over their "fate," as the article implies. The Syrians of Jewish faith he met had no dark secrets to divulge to him, as Mr. Koch's vivid imagination leads him to believe. If they had any other words to share with him, they would have done so, "uninhibited" by their fellow Syrians.

Despite Mr. Koch's zealous attempt to infer that the Jewish community in Syria is repressed and persecuted, his very own article implies the opposite and proves that they are not subjected to any harassment.

Mr. Koch's report tells us that the Syrian Jews have freedom of worship and that they have numerous synagogues in which to do so; in fact he visited three in a row. Also, that they attend schools and are not denied learning as rumor would have us believe. Indeed, they live peacefully with their families and neighbors.

The "adventure" of Mr. Koch was not an adventure at all. His hopes for being regarded as some sort of a hero by his constituents for merely walking the streets of Damascus will surely be unrealized after they read his fanciful account.

St. Paul had a revelation on this very road to Damascus. Perhaps Mr. Koch would have had such a revelation if prejudice had not clouded his vision.

Dr. Sabah Kabbani,
Ambassador of Syria.

Embassy of the Syrian Arab Republic,
Washington.

[Congressman Koch replies: *Amabassador Kabbani does not dispute what I said happened. Nor does he try to justify the three Palestinians entering the synagogue and aggressively demanding an explanation as to why we were there. Their actions could not be construed as hospitable. Dr. Mohammed Imadi, Minister of Economy and Foreign Trade, when informed about what happened, agreed that to be so accosted would be intimidating, particularly for someone other than a Member of Congress accompanied by a Syrian official. He noted the incident and said* *he would see to it that it did not happen to others.*

[Notwithstanding the Ambassador's protestation, unfortunately the fact remains that Syrian Jews are subject to harassment and do not have the freedom of other Syrians. Syrian Jews are denied the right to emigrate. Syria requires notation of a Syrian Jew's religion in his internal passbook. I would suggest that Syria do what Iraq did—allow those remaining Jews wishing to emigrate to do so.]

NOVEMBER 1975.

To: Editor, New York Times Travel Section.

(Response by Rep. Edward Koch to Ambassador Sabah Kabbani's Letter to the Editor.)

Ambassador Sabah Kabbani does not dispute what I said happened. Undoubtedly the Syrian guide from the foreign ministry who accompanied Congressman Early and me confirmed what I said. And to his credit, the Ambassador did not try to justify the three Palestinians entering the synagogue and aggressively demanding an explanation as to why we were there. Their actions could not be construed as hospitable particularly when taking place in a near deserted building in Damascus at 6 A.M. Could Ambassador Kabbani contemplate three Jews entering the Omayyid Mosque which I visited the same morning and making the same demand?

Ambassador Kabbani should know that Mr. Mohammed Imadi Minister of Economy and Foreign Trade, and the highest Syrian official with whom we met, when informed about what happened, agreed that to be so accosted would be intimidating particularly for someone other than a Member of Congress accompanied by a Syrian official. He noted the incident and said he would see to it that it did not happen to others.

Perhaps Jews go to Syria more mindful than others of evidence of harassment and intimidation of Syrian Jews. Several years ago General Lucius D. Clay, Jr., reported on the plight of Syrian Jews. One also knows that Syrian Jews are denied the right to emigrate. One also knows that Syria requires notation of a Syrian Jew's religion in his internal passbook. Interestingly when I raised this with Dr. Imadi he denied that it is true. Later when I saw him in Washington and told him I had confirmed the Jewish identification requirement, he simply shrugged his shoulders.

When I met with United States Ambassador Murphy in Damascus I asked whether he had visited any Syrian synagogue. He said no explanining that if he did so it would be grounds for his being recalled. Dr. Kabbani would suggest that he would have no such fear. Unfortunately the fact remains that Syrian Jews are subject to harassment and do not have the freedom of other Syrians.

I would suggest that Syria do what Iraq did—allow those remaining Jews wishing to emigrate to do so. I am inviting Dr. Kabbani to lunch to pursue this. I hope he accepts.

Sincerely yours,

EDWARD I. KOCH.

[From Hadassah magazine, September 1975]

[The Jews of Syria live in mortal terror—a terror that pervades every moment of their existence. The cold fear follows them everywhere—even when they have managed, by some miracle, to escape from Syria.

[When Ilana Herman—an Israeli free-lance writer and frequent contributor to these pages—recently interviewed a young woman who had just escaped to Paris from the Damascus ghetto, that same fear almost sealed the lips of the witness. But the story had to be told . . . .]

(By Ilana Herman)

L. is a fugitive from the infamous ghettos of Syria, one of the few Jews who has managed to escape in recent years. She had agreed to an interview, but when I entered her room on one of the side streets of Paris she glared at me grudgingly. Dressed in a blue flannelette nightgown sprinkled with tiny blue flowers, she seemed poised for flight. Her large dark eyes narrowed with suspicion and dread.

"I have nothing to tell you," she stammered in halting English. "I'm sorry, but I really haven't got much time to talk."

Then, all at once, confused and embarrassed by her lack of courtesy, she bade me sit down and offered me something cold to drink. We switched to French and made small talk about work, cooking, and clothes. Slowly she unfolded, at times laughing with happiness, at times wide-eyed with fear, her face stamped with the recollection of haunted memories. "We are slaves in the twentieth century," said L., her eyes blazing, "playthings for the whims of every Arab. We are subjected to all sorts of indignities and treated like animals."

L. (who refuses to reveal her name lest revenge be taken against her family still in Damascus) was forced to live in the ghetto, like all the other Jews of Damascus. "The streets leading out of the ghetto are constantly guarded by the secret police," she explained softly. "We are not permitted to go anywhere which is more than two and a half miles past the ghetto's boundaries. Any Jew wishing to travel beyond those limits has to apply for a special permit. Travel permits are granted only on rare occasions, so most young Jews have never seen anything outside the Jewish quarter. This claustrophobic existence was suffocating. Ever since I was a child I dreamt of escaping. I couldn't wait to grow up so I could flee."

Things had not always been this way, L. knew. There had been better times. Today, the very mention of Syria evokes bitter memories of savage ruthlessness and cruelty towards Israeli prisoners of war and an all-consuming hatred of Jews. Yet, the relationship between Jew and Moslem in Syria was not always one of antagonism. Ever since the days of King David, the Jews had been worthy and respected citizens of the country. In the fifteenth and sixteenth centuries, Jews who had fled from Spain found sanctuary in Syria.

There were occasional flareups of anti-Semitism (such as the Damascus blood libel of 1840), and the economic position of the Syrian Jews declined during the last years of the nineteenth century. But things began to improve steadily after 1900, and many Syrian Jews prospered.

In the thirties and forties, however, the feelings of many Syrians towards their Jewish citizens changed. In the minds of many Syrians, Jews were identified with the French "enemy" during the struggle to free Syria from French domination. Later, the Syrian Jew became the symbol of the "loss of face" resulting from Syria's defeat by Israel. This hatred festered and erupted into violence during Israel's War of Independence in 1948, when the Syrians, incited by their leaders, rioted in the streets, burned synagogues, and threw leading Jewish personalities into prisons. Many Syrian Jews, fearing for their lives, emigrated en masse; of a thriving community of some 45,000 Jews only 4,000 remain today.

After Israel's victory in the 1967 war, all Jews still remaining in Syria were officially declared public enemies, and harsh measures were taken against them. Herded into ghettos guarded by secret police, the Jewish minority lived a life of fear and persecution aggravated by every political or military contention between Israel and the Arabs. Always the scapegoat for any anti-Israel feeling, the Syrian Jews were exposed to the revenge of the masses. Today, even Jews who hold foreign passports are denied permission to emigrate, and those trying to escape are caught and severely punished as a lesson to the others. Nevertheless, the deep yearning to flee the life of tyranny and humiliation has become the aim of courageous young Syrian Jews who try again and again to escape despite threats to their lives and those of their families.

Once, the Jews of Damascus were the cream of Syrian society. "When I was small," L. recalls, "the district where many of the Jews lived was made up of beautiful, large homes. After the Six-Day War, the area became a ghetto. Most of the streets were blocked off. All the Jews of Damascus were crowded into several houses, and the rest of our homes were given to Palestinian Arabs who became our close neighbors. They never stop trying to make our lives miserable. They throw stones at our windows, deface our walls, and spit at us when we hurry by in the streets."

All telephones in Jewish homes were disconnected, so that contact with the world outside the ghetto was cut off. Not only are Syrian Jews severed from the outside world, but foreigners and visiting journalists are forbidden to enter the ghetto or approach them. On occasion, when visitors attempt to stop and talk to a fleeting figure pointed out as a Jew, the latter will quickly slip away to avoid talking to a stranger—a punishable offense in the Damascus ghetto.

L. shows me her identity card. All Syrian Jews are issued identity cards stamped in red letters with the word *Musawi*, meaning "of the Mosaic faith" or Jew. These must be produced by any Jew entering or leaving the ghetto. Except for doctors and dentists (who are permitted to treat Jewish patients only), all Jewish professionals are barred from practicing their professions. Many of them have taken up menial work to keep their families from starving, while others subsist on charity or are reduced to begging and the peddling of rags and old clothes.

In Aleppo, the Jews live in a ghetto similar to the one in Damascus. In Kamishli, however, the small Jewish community is even worse off than their brethren in Damascus and Aleppo.

Not only are the identity cards of Kamishli's Jews inscribed with the word *Musawi*, but the doors of their houses are also marked with the same word in huge red letters. Because Kamishli is a northern farming community set apart from the nearest town or settlement, the two and a half mile limit on travel makes the isolation of the local ghetto complete. The Jews of Kamishli have almost no access to work or food.

Although Jews in Damascus are not permitted to hold jobs in Government service, public corporations or banks, they are allowed to work in the free trades within the ghetto and the two and a half miles surrounding it. Jews are, in fact, in great demand by the Arabs. "My father, for instance, has more work than he can handle, doing all sorts of repairs; yet he is paid only one-tenth of what a Moslem with similar qualifications would earn," L. related. "Although it was much more difficult for me to find a job, I also finally obtained work in an office. You see, the Arabs like to hire Jews because they can pay them so little and because Jews are conscientious and devoted workers."

Then L. added in a matter-of-fact voice: "The secret police shadows every Jew wherever he goes, lest he try to escape or talk to a foreigner. One sometimes has the impression that the authorities hire a tremendous number of people for this particular purpose."

Although the Jewish community in Damascus has two primary schools within the ghetto, it has no high schools. However, two Jewish pupils with outstanding records are accepted in Moslem high schools every year. "When I went to school," recalled L., "the Jewish and Arab pupils never invited each other home. Still, our relationship with the kids at school was quite normal although their behavior towards us was unpredictable. They could be very friendly and then, for no reason, they would call us 'dirty Jews.' Two or three days later, they would act as though nothing had happened. We, however, still carried the scars within us."

University education is closed to the Jews, although outstanding Jewish pupils are permitted to attend certain lectures at the University of Damascus in return for "donations" to terrorist organizations. Naturally, the Jewish youth prefer to dispense with this honor.

Parallel to the stabilization of the situation in Israel, conditions worsened for the Jews in Syria. Most of their synagogues were closed and the worshipers were afraid to attend services at the remaining synagogues because they were under close surveillance. Jews going to synagogues were often attacked by vandals and accused of conspiring against the state instead of praying. Much of the ancient Damascus Jewish cemetery was destroyed to make place for the building of a highway between Damascus and the airport, leaving a tiny plot for the tombs so that the Jews now have no alternative but to bury their dead on top of existing graves.

During the 1973 October War, L. related, the Arabs' hatred for the Jews reached fever pitch: "Our Syrian neighbors stood on their balconies shouting that they wanted Jewish blood. The Palestinians living in and near the ghetto rushed out into the streets banging loudly on saucepans and hammering on the doors of our homes, shouting for us to come out into the streets so that they could kill us. One Jew, a lawyer, was so terrified that he opened the door. In the scuffle that broke out among the Palestinians trying to enter his home, the lawyer succeeded in escaping. The Arabs broke in and stole everything they could lay their hands on. When the lawyer returned, he died of shock. Although the police finally intervened, we continued to live in a state of terror throughout the October War."

L. closed her eyes in pain at the recollection. "Do you know what they did with captive Israeli soldiers? They killed them and cut them to pieces. I know, because they paraded proudly in the streets of the ghetto dancing and singing with ears, tongues and hands of Israeli soldiers attached to their clothing so as to prove to us that they had won the war."

Unexpectedly, L. smiled. "We had our little revenge, though, a bit later. A plane was shot down not far from the ghetto, and we saw the pilot descending in his parachute. Everyone started shouting: 'Oh, it's an Israeli! It's a Jew! We want to see his blood! Oh, that he should land here so that we can lay our hands on him! Well, when the pilot landed, everyone rushed out to him. Children, old men and women who could hardly stand on their feet, young people—everyone started beating the poor man until police and soldiers arrived and removed the half-dead pilot to the station for interrogation. There they discovered that he was an Iraqi!

"Once, an Israeli plane crashed. The Arabs took it apart and brought the pieces to the ghetto to show us. When the war was over and they realized that Syria had lost, they looked at us with real hatred. But we rejoiced."

After the October War, the Syrian Jews seemed doomed to an even more frightening future, and several desperate young Jews tried to escape. A friend of L.'s had made a run for freedom and was caught. She later described her experience to L. in great detail.

"My friend," said L. "was caught at the border and brought back to an office called the Palestine Branch, where she was interrogated.

"Where were you going?' shouted a high-ranking officer.

"'I lost my way,' whispered my friend.

"Liar! he screamed. 'You were going to Israel! You are all Zionists!' The officer then started slapping the girl and beating her until she wept hysterically. Then they threw her into a dark room without food for three days, after which they put her in prison together with hardened criminals. There she remained for several months, until her father bought her release."

Not long after, on March 2, 1974, the bodies of four Jewish girls were discovered in a mountain cave on the border. They were the three Zeibak sisters (23-year-old Tony, 20-year-old Laura, and 27-year-old Farah) and their 17-year-old cousin, Eva Saad.

The girls had been raped and murdered, their bodies hacked to pieces and burned in acid almost beyond recognition. Not far away, the authorities found the mangled bodies of two Jewish boys who had failed in an earlier attempt to flee.

Despite the great danger involved, L.'s desire for escape grew and she felt that she could not postpone her decision any longer. "I was ready to risk my life in order to escape," she said in a low voice, "because life in the ghetto was more frightening than death." L. had put aside money from her salary, and now she waited for the right moment. When the day for her escape arrived, she left without saying a word to her family. Wearing only the clothes on her back, she walked out of the ghetto never to return.

When queried as to how she escaped, L. refused to answer. She would not, she insisted, incriminate others and spoil the chances of other young Jews who might try to escape.

"All I want now," said L., "is to live a normal life without humiliation and despair. I want to date and go to dances and do things I have never been able to do. Most of all, I want to find an interesting job and a nice boy whom I could eventually marry and with whom I could build a new life without fear."

LEGISLATION TO REMOVE DESIGNATION OF FBI HEADQUARTERS

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. GUDE. Mr. Speaker, yesterday I introduced legislation which will remove the designation of the FBI headquarters as the "J. Edgar Hoover FBI Building" and replace it with the simple designation "the FBI Building."

I have taken this action out of profound shock and dismay at the recent revelations concerning the unwarranted intrusions into the privacy of American citizens directed by the late J. Edgar Hoover. One of the fundamental precepts of this Nation is the right to privacy. The naked and patent disregard for this precept as evidenced by the activities of the FBI at the direction of Mr. Hoover must be condemned in the strongest terms. Moreover, we must reassert our commitment to the preservation of the privacy of the individual by in no way memorializing the person responsible for attempts to diminish its value to our free society.

The unseemly attack on the moral character and reputation of the late Reverend Dr. Martin Luther King, Jr., directed by Mr. Hoover is a very dark chapter in the history of this Nation. Every decent and law-abiding American citizen cannot but feel disgust at this unprecedented act of governmental lawlessness.

Removing the designation of the FBI Building can in no way fully compensate the King family for the personal tragedy that they have had to endure as a consequence of the FBI's actions, nor will it adequately redress the wrongs perpetrated on other American citizens; but it will represent a concrete expression of our commitment that such actions have no place in a democracy.

Mr. Speaker, I know this action will not be without its critics; yet I feel it must be done if we are to remain dedicated to the fundamental principles of our democracy. For if we stray too far from those principles, we lose the very essence of our Government.

I cannot but feel that the people of this Nation expect from us forthright condemnation of any excesses of Government whenever and wherever we find it. The excesses of the FBI at the direction of Mr. Hoover have been well documented. The record speaks for itself. And that record demands just the sort of action which I propose we take by enacting legislation stripping the FBI Building of its J. Edgar Hoover designation.

PERSONAL EXPLANATION

(Mr. SARASIN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SARASIN. Mr. Speaker, because of my participation in a Department of Defense mission to study the situation in the Middle East, I was unavoidably detained from attending the December 1, 1975, session of the House. Had I been present, I would have voted in the following fashion:

Rollcall No. 722—H.R. 10727: Social Security Hearings and Appeals, "yea."

Rollcall No. 723—H.R. 7782: Arts and Humanities, "yea."

Rollcall No. 724—S. 267: National Forests, "yea"

NEW DEVELOPMENTS IN SOLAR TECHNOLOGY

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, I have recently received a letter from a constituent, Mr. Alden Bryant, informing me of recent developments in solar technology. It is with special pride that I am putting his letter into the RECORD, because as he informs us it is a Berkeley scientist, Dr. Otto J. M. Smith, who has come up with the most practicable new design for taking advantage of these developments.

I am sure that my colleagues, worried as everyone is about the energy supplies of the future and the possibility of nonpolluting technology, will be fascinated by these new breakthroughs. For these reasons, I urge the attention of my fellow Representatives to Mr. Bryant's letter.

The letter follows:

To Congressman RONALD V. DELLUMS:

I am writing to you as my congressman, out of a deep sense of respect for the potential of our representative system of government. I am writing to you as a person, from our acquaintance over the last nine years resulting in a strong sense of appreciation for your work on the job, later as my City Councilman, and then as my Congressman.

This letter is to bring to your attention a recent development in solar power plant technology and some of the implications. This development is the design of a 'practical solar-thermal-electric power plant.' We now have available the means to build a basic unit that can catch the sun's energy in fields of reflector mirrors, concentrate the rays, carry the heat to a standard steam-electric plant, and produce 100 megawatts of electric power. The cost is competitive with other energy technologies except for hydroelectric and natural gas when you consider total land used in all stages of the industry, all investment, raw materials operations, transportation, storage, and power producing facilities, both initial investment and annual operating costs. The solar power plant design that appears to best do this job is that of Dr. Otto J. M. Smith of the University of California at Berkeley, a fellow resident and voter in our Congressional District. Dr. Smith's cost estimates are based upon his examination of the cost of equipment available from large corporations using readily purchasable materials and existing technology.

Here is some definition so that we can see what we are talking about. The 100 MW design is the basic unit. Multiple units can be built in one area, linked by transmission lines, for larger power outputs; but each would still have its own power generator plant in order to optimize cost with output. The design includes a storage element on site that would allow 100 MW output 24 hours per day, and would carry the load for a rated 40 hours in case of rain. The design characteristics are for operation in the southwest of the U.S. where sun hours are a maximum over a year as a whole. Land use is a little over one square mile for a standard 100 MW unit with storage. Conservative estimates show a total construction cost of $176 million for an annual output of 832,000 megawatt hours. Comparing all capital costs against annual output gives a figure of around $211 per megawatt hour. Comparing construction, amortization, and operating costs against output gives a figure of just under 2¢ per kilowatt hour over the 30 year estimated life of the plant (at current prices).

In this letter I am not writing to you about solar heating and air-conditioning systems on buildings. This is an important subject, and a kind of general mobilization of all institutions will have to take place by the time the first block of 100,000 buildings has been solarized in California, or any other state. I use the term 'first block of 100,000 buildings' as a planning objective, an implementation goal. The subject of this letter is the other arm of solar power, i.e., practical solar-thermal-electric power plants that can be built now and a large scale national program which can be implemented now.

When looking at power plants, let us take the 'first block of 25,000 megawatts' as the planning objective, the implementation goal. When this is completed in standard 100 MW units with storage, in multiples according to a regional plan for best land use, environmental considerations, and end use of the power, then we will have a new industry supplying megawatt hours per year in the amount of approximately 40% of the current electric needs of the U.S. west of the Rockies.

Let us consider this objective in terms of a growth path. It will entail a total land area equivalent to a square 17 miles on a side, a cost of $44 billion, a ten-year program of an average of $4.4 billion per year. Reaching this first general goal in the new solar industry is a process of going from (a) the first test unit of one 35 meter high tower with its cluster of about one acre of mirrors, to (b) 35 such modules for a 5 MW electric output to (c) a full 100 MW power plant, and finally to (d) an ongoing ten-year growth of this industry. Here is a natural planning objective that will bring massive improvements in our energy picture, in employment, in the stability of our price structure, in technological substitution, and in structural relations among the sectors of our economy where some sectors will decrease and/or shift their emphasis and other will increase. We visualize ongoing responess to this new solar power industry in institutional adaptation as well as changes in the design, manufacturing and construction techniques over the ten years. The first ten year program will provide ample time and findings to assess the changes in our overall energy program, level and mix of industrial production, and emerging way of life closer to renewable natural resources. By that time an upper limit of solar power will be more evident in terms of this country's needs, alternative energy sources, and our relations with the other countries of the world.

Up to now there have been leaders in the solar field, many designers and builders, and thousands of people who have worked on a broad range of solar activities. They have all made their mark. However, the particular 'low-cost available material' design I am writing to you about, that of Dr. Smith, had its first public presentation (its Birthday) in the City of Oakland on October 9, 1975, at a meeting on energy held by the Bay Area Chapter of the Sierra Club. It was born that night without a storage element, but soon developed one in the course of further presentations and discussion.

The implications of our new solar industry are with us now.

1. Which firms will be ready and how many will tool up to participate in building the first and subsequent solar power plants: make and install towers, manufacture and install mirrors, make the components for the concentrators at the top of the towers, provide mechanical and electrical equipment for the power plants. This should be profitable work for firms doing a reasonably good job.

2. The solar industry will be one of the fastest growing industries in the country. Other alternatives for power from wind and biological sources will come along in their own time as planners, citizen groups, and elected officials search for optimum combinations over the coming decades.

3. More than $4.4 billion per year can be spent. It may be deemed appropriate by the federal government to increase the rate of growth in some years to $5 or $6 billion per year. The impact, the multiplier effect, will start through the construction trades and the urban areas of the respective plants manufacturing the solar power plant equipment. These will be centers of considerable new employment.

4. The benefit to persons and families with fixed, intermittent or inadequate income, will come through relatively lower utility costs in the future and lower prices for most goods they buy on a daily basis.

5. Many large companies will no longer have to act like their very existence depends on building other technologies with more cost and environmental problems, on massive public relations campaigns, on spreading partial and questionable information, which in the long run is disturbing and is alienating the general public from these companies.

6. No longer will numerous government representatives be forced to continue making increasingly false statements about other technologies being the 'only way to go' for the next 15 to 25 years. They too can now start respecting the possibilities that are in our hands today!

7. Not one more nuclear plant will have to be built—anywhere. The operating and radioactive waste control problems can be set aside for now. The long run future, the next century, we can leave for those generations to decide without such a dangerous legacy.

8. Here is a resource allocation situation in which solar can replace other technologies and allow a rapid decrease in the use of oil and natural gas. We are expecting a broad and effective program of energy conservation to go with the growth of the new solar industry. The 'solarized building' programs require housing rehabilitation and insulation at the same time.

9. Development of the new solar power industry will reduce some of the toughest competition for oil, and pressure leading to increasing oil prices in the U.S. To the extent marginal economics applies, rather than monopoly control, then the highest priced oil will be purchased less. Possibly the oil sector will no longer be the main one forcing prices up in all other sectors of the economy, and indirectly being one of the largest contributors to the crises in local governments throughout the country, and the declining real level of services provided by public bodies.

10. Federal agencies relating to land use, local governments, industry, and citizen groups concerned with energy can start now on the process of determining what land will be used for the first block of 25,000 MW of solar power plants. Let us consider land use for production sites across a multi-state region and the economic/social/technical aspects of diffusing solar-produced electrical power into the national grid.

11. Transmission costs of obtaining energy from Alaska, Canada, and the Pacific North West will be significantly reduced. The energy source will be closer.

12. States will have various incentives for initiating solar power plant programs. They can insure early start on a first plant, determine the location and size of first construction, in some cases get better interest rates on funds than utilities can obtain, and set rates such as to provide additional income for other state programs.

13. States will have to decide on the price basis to use in selling power to municipally owned utilities, as well as to others.

14. Large counties and cities will be considering their options, when to build their own solar power plants, and where to locate them. If the power production site is in southern sun-maximum areas and the user is far to the north, then what 'displacement', 'banking', and/or 'transmission' arrangements will be made?

15. Utility companies will have the option of using solar technology in the next plants they build, as long as they can arrange to build them in high sun-day areas. San Diego Gas and Electric Company is one example. They can build one or more solar units in their next expansion, which already has approval under the state Public Utilities Commission.

16. In utility companies the few individuals in leadership who are closest to appreciating the economic and other advantages of solar plants, may have a long road to go in convincing their colleagues that (a) here is a design that can be built now with known and available components, no R&D required, (b) their utility does not have to wait for others to build the first plants, and (c) their policies do not necessarily have to reflect primarily the investment and profit objectives of large corporations supplying equipment for other technologies.

17. The immediate development of the solar power industry provides additional basic material to be dealt with under the mechanism outlined in the recently introduced legislation by Senators Javits and Humphrey "Balanced Growth and Economic Planning Act."

18. This is a self-generating kind of program. The more solar plants that are built the more electric power there is available for the production of mirror field and power

plant equipment. Growth of this industry relaxes some of the intensive and excessive emphasis on others.

19. And last but not least, what kind of an evacuation plan do you need for a solar power plant? What kind of a stack monitor and control would you need? What kind of troop training would you have in parts of Europe where they are talking about joint invasion of the Middle East over oil?

The future is here now. Solar power technology is ready to go. I am looking to you, and to Congress, to provide leadership in the organizing of this new industry.

This is far more than an organizing problem, business as usual with a new product. Let us look deep within ourselves. Let our relation to the sun re-emerge with the spiritual and practical essence found by the American Indian peoples, and by more distant civilizations over thousands of years.

In closing I send to you my regards, my hopes, my respect for work, my love of life, and my faith in all of us together.

ALDEN BRYANT.

CONFERENCE REPORT ON H.R. 8069

Mr. FLOOD, pursuant to an order of the House on December 1, submitted the following conference report and statement on the bill (H.R. 8069) "making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes":

CONFERENCE REPORT (H. REPT. No. 94–689)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8069) "making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 5, 11, 12, 14, 15, 18, 21, 25, 26, 28, 29, 30, 31, 33, 35, 37, 38, 40, 44, 49, 51, 54, 74, 86, and 87.

That the House recede from its disagreement to the amendments of the Senate numbered 13, 19, 32, 46, 47, 50, 52, 55, 56, 57, 58, 60, 62, 68, 69, 70, 77, 78, 79, 80, and 81, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$82,410,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$20,602,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$116,221,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted insert: "not to exceed $9,000,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$29,000,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$557,693,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$108,971,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$743,564,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$349,059,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$175,172,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,526,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$45,565,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$129,931,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,705,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$860,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$29,065,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$54,000,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$579,554,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted insert: "$15,003,950,000, of which $52,500,000"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$60,378,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,516,858,318"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$103,266,000"; and the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$494,652,000"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$67,766,000"; and the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,941,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 6, 23, 53, 63, 64, 66, 67, 71, 72, 76, 84, and 85.

DANIEL J. FLOOD,
WILLIAM H. NATCHER,
NEAL SMITH,
BOB CASEY,
EDWARD J. PATTEN,
DAVID R. OBEY,
EDWARD R. ROYBAL,
GEORGE H. MAHON,
SILVIO O. CONTE,
Managers on the Part of the House.

WARREN G. MAGNUSON,
JOSEPH M. MONTOYA,
ERNEST F. HOLLINGS,
BIRCH BAYH,
JOHN L. MCCLELLAN,
MIKE MANSFIELD,
EDWARD W. BROOKE,
CLIFFORD P. CASE,
HIRAM L. FONG,
TED STEVENS,
DICK SCHWEIKER,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF LABOR

Manpower Administration

Comprehensive Manpower Assistance

Amendments Nos. 1 and 2: Appropriate $2,388,400,000, as proposed by the House, instead of $2,394,400,000, as proposed by the Senate, and $597,500,000 for the period July 1, 1976 through September 30, 1976, as proposed by the House, instead of $599,000,000 as proposed by the Senate.

The conferees are agreed that support for national contractors of demonstrated effectiveness should be maintained at not less than current levels.

Although the conferees have deferred consideration of the Community Service Employment for Older Americans appropriation, the Department of Labor is nevertheless directed to permit all States to operate at their full Older Americans Act Title IX formula, or "hold harmless" level, whichever is higher, into fiscal year 1976. In a subsequent supplemental, it is the conferees' intent to provide the necessary funding to at least maintain this level for the remainder of fiscal year 1976. This is not intended to preclude the Department from entering into contracts with organizations such as those serving minority groups seeking to operate new Older American jobs programs. It remains the conferees' intent that this program be handled primarily through national contracts, rather than through prime sponsors.

Grants to States for Unemployment Insurance and Employment Services

Amendment No. 3: Appropriates $81,300,000 as proposed by the House, instead of $82,800,000 as proposed by the Senate.

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment with an amendment which will provide that $1,051,300,000 may be expended from the Employment Security Administration account in the Unemployment Trust Fund, instead of $1,056,300,000, as proposed by the House, and $1,054,800,000, as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The conference agreement includes $15,000,000 for expansion of computerized job matching, instead of the $20,000,000 proposed by the House and $10,000,000 proposed by the Senate.

Amendment No. 5: Appropriates $20,300,000 for the transition period, as proposed by the House, instead of $20,700,000 as proposed by the Senate.

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate with an amendment which will provide that $262,850,000 may be expended during the transition period from the Employment Security Administration account in the Unemployment Trust Fund, instead of $264,100,000 as proposed by the House, and $263,700,000, as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Employment Standards Administration

Salaries and Expenses

Amendments Nos. 7 and 8: Appropriate $82,410,000 instead of $81,560,000, as proposed by the House and $83,643,000, as proposed by the Senate, and $20,602,000 for the transition period, instead of $20,390,000, as proposed by the House, and $20,911,000, as proposed by the Senate.

The additional $850,000 and $212,000 agreed to over the House allowance is intended to provide the funds necessary to continue 74 temporary positions to reduce the backlog of work in the Federal Employees' Compensation Act program. The Administration should submit a supplemental request if additional Federal funds are necessary for administrative costs under the Longshoremen's and Harbor Workers' Compensation Act, without making reductions in any other activities of the Employment Standards Administration.

Occupational Safety and Health Administration

Salaries and Expenses

Amendment No. 9: Appropriates $116,221,000, instead of $108,221,000 as proposed by the House, and $123,221,000, as proposed by the Senate. The increase over the amount proposed by the House includes $4,000,000 for the support of 333 additional positions for compliance officers and associated clerical support and $4,000,000 for consultation services to employers.

Amendment No. 10: Earmarks not to exceed $9,000,000 for consultation services to employers, instead of not to exceed $5,000,000 as proposed by the House, and $10,000,000 as proposed by the Senate.

Amendments Nos. 11 and 12: Delete legal citations inserted by the Senate.

Amendment No. 13: Makes technical correction in language, as proposed by the Senate.

Amendment No. 14: Deletes language proposed by the Senate which would have prohibited use of funds appropriated in this Act for costs incident to the assessment of any penalty of more than $50 for a citation issued for any violation other than a serious violation as defined in section 17(k) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 666(j)) of rules or standards during the initial inspection of any establishment or workplace that has fifteen or fewer employees, that can be inspected under the Act.

Amendment No. 15: Deletes language proposed by the Senate which would have prohibited use of funds appropriated by this Act to pay the salaries of any employees of the Federal Government who inspect firms employing three or fewer persons to enforce compliance with the Occupational Safety and Health Act of 1970.

Amendment No. 16: Appropriates $29,000,000 for the transition period instead of $27,000,000 as proposed by the House and $29,500,000 as proposed by the Senate.

The conferees direct the Department of Labor to take the following actions in the area of occupational safety and health:

(1) Immediate steps to dramatically upgrade the skills of OSHA inspectors through intensive retraining. This retraining should be conducted irrespective of a possible reduction in the number of inspections completed during the coming year and should accomplish the following objectives:

(a) provide each inspector with a clear sense of priorities as to which workplace hazards pose the greatest threat to the health and well being of workers;

(b) provide inspection procedures to insure that citations, fines and abatement orders are based on those priorities;

(c) provide a clear understanding of the meaning of each OSHA standard by all inspectors and develop the technical skills necessary to concentrate enforcement efforts on workplace hazards which pose the greatest threat to the well being of the workers, particularly in the area of health.

(2) Review and simplification of existing OSHA standards and elimination of so-called "nuisance standards" or standards which do not deal with workplace conditions that are clearly hazardous to the health or safety of workers or are more properly under the jurisdiction of State Departments of Public Health.

(3) Redirection of enforcement program to place increased emphasis on problems related to worker health. The conferees note that the overwhelming number of inspections have been in the field of safety despite reports by the Administration that deaths due to occupational health problems exceed 100,000 per year while problems involving safety account for 11,000 deaths a year.

(4) Substantial redirection of inspection efforts away from industries with good worker health and safety records so as to permit increased inspection in industries with the greatest health and safety problems.

(5) Development of fine-free on-site consultation programs which are available to employers throughout the United States, are clearly understood by employers, and are staffed by competent consultants qualified to advise employers of the application of OSHA standards in their workplace. An evaluation of the on-site consultation program shall be completed within three months of the enactment of this bill and shall be transmitted to the House and Senate Appropriations Committees.

(6) The Secretary of Labor shall report in writing to the House and Senate Appropriations Committees at least 30 days prior to the first day of scheduled appropriation hearings on the President's fiscal year 1977 budget request for the Occupational Safety and Health Administration on what actions have been taken to comply with these directives.

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Positions Authorized for Health Agencies

It is the explicit intent of the Conferees that increases in positions shall be authorized and distributed to the various health programs as set forth in the following table.

The additional positions provided over the fiscal year 1975 level are to be used exclusively for research, services, and grants and contracts management—not for the Offices of the Assistant Secretary for Health or of the various directors of the health agencies.

These positions have been clearly set forth in the conference report to insure the continued excellence of health programs and to prevent the dismantling of high priority health programs through the impoundment of positions without the consent of Congress.

The conferees are agreed that the 100 additional positions provided for the Alcohol, Drug Abuse, and Mental Health Administration include 40 for the National Institute of Mental Health and 60 for the National Institute on Alcohol Abuse and Alcoholism.

	1975	Budget request	Conference allowance
Health Services Administration	7,796	6,995	7,797
Center for Disease Control	3,569	3,508	3,648
National Institutes of Health:			
Cancer	1,906	1,836	1,968
Heart	711	691	747
Dental	272	268	282
Arthritis	566	556	588
Neurology	513	510	543
Allergy	593	587	621
General Medical Sciences	155	152	164
Child Health	358	349	377
Aging	175	173	193
Eye	142	132	152
Environmental	240	238	271
Research Resources	75	72	77
Fogarty	51	49	51
Library of Medicine	475	468	472
Office of the Director	549	546	546

	1975	Budget request	Conference allowance
Central services:			
Management fund	3,198	3,198	3,353
Service and supply	732	732	749
NIH total	10,708	10,557	11,154
Alcohol, Drug Abuse, and Mental Health Administration	1,696	1,590	1,796
St. Elizabeths	4,028	4,028	4,132
Health Resources Administration	2,046	2,046	2,066
Grand total	29,843	28,724	30,593

Health Services Administration

Health Services

Amendment No. 17: Appropriates $557,693000, instead of $553,685,000, as proposed by the House, and $560,302,000, as proposed by the Senate. The conference agreement includes the following changes from the amounts proposed by the House:

Maternal and child health research and training	+$2,208,000
Sudden infant death syndrome	+300,000
Medical care standards	−1,000,000
Professional standards review organizations	−2,500,000
Public health service hospitals and clinics	+5,000,000
Emergency medical services	+1,500,000
Program direction	−1,500,000

The conferees direct the Secretary to submit to Congress a report either certifying that the Department is in compliance with Section 818 of Public Law 93-155 or setting out the specific steps which must be taken before he can give such certification within 6 months following enactment of the bill.

Amendment No. 18: Deletes language proposed by the Senate which would have authorized $1,000,000 to be expended for salaries and related costs of fifty new positions.

Amendment No. 19: Appropriates $135,126,000 for the transition period, as proposed by the Senate, instead of $135,501,000, as proposed by the House.

Center for Disease Control

Preventive Health Services

Amendment No. 20: Appropriates $108,971,000, instead of $107,115,000, as proposed by the House, and $112,471,000, as proposed by the Senate. The increase over the amount proposed by the House includes $500,000 for health education, $1,000,000 for training in occupational health, and $356,000 for design of new facilities for the National Institute of Occupational Safety and Health.

Amendment No. 21: Deletes language proposed by the Senate which would have authorized $1,000,000 to be expended for salaries and related costs of fifty new positions.

National Institutes of Health

National Cancer Institute

Amendment No. 22: Appropriates $743,564,000, instead of $703,564,000, as proposed by the House, and $803,564,000, as proposed by the Senate.

The conferees agree on the pervasive nature of the problem of environmental carcinogens and direct the National Cancer Institute to utilize up to $3 million to initiate, through and with the National Institute for Occupational Safety and Health, an occupational carcinogenesis program.

Amendment No. 23: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which will earmark $25,000,000 to remain available until expended for construction and renovation as proposed by the Senate, and will delete Senate language authorizing $1,880,000 to be expended for salaries and related costs for ninety-four new positions. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

National Heart and Lung Institute

Amendment No. 24: Appropriates $349,059,000 instead of $329,059,000, as proposed by the House, and $379,059,000, as proposed by the Senate.

Amendment No. 25: Deletes language proposed by the Senate which would have authorized $1,000,000 to be expended for salaries and related costs of fifty new positions.

National Institute of Dental Research

Amendment No. 26: Deletes language proposed by the Senate which would have authorized $400,000 to be expended for salaries and related costs of twenty new positions.

National Institute of Arthritis, Metabolism and Digestive Diseases

Amendment No. 27: Appropriates $175,172,000 instead of $173,972,000, as proposed by the House, and $176,972,000, as proposed by the Senate.

Amendment No. 28: Deletes language proposed by the Senate which would have authorized $820,000 to be expended for salaries and related costs of forty-one new positions.

National Institute of Neurological and Communicative Disorders and Stroke

Amendment No. 29: Deletes language proposed by the Senate which would have authorized $1,460,000 to be expended for salaries and related costs of seventy-three new positions.

National Institute of Allergy and Infectious Diseases

Amendment No. 30: Deletes language proposed by the Senate which would have authorized $1,320,000 to be expended for salaries and related costs of sixty-six new positions.

National Institute of General Medical Sciences

Amendment No. 31: Deletes language proposed by the Senate which would have authorized $460,000 to be expended for salaries and related expenses of twenty-three new positions.

National Institute of Child Health and Human Development

Amendment No. 32: Inserts legal citation as proposed by the Senate.

Amendment No. 33: Deletes language proposed by the Senate which would have authorized $600,000 to be expended for salaries and related costs of thirty new positions.

National Institute on Aging

Amendment No. 34: Appropriates $17,526,000 instead of $15,526,000 as proposed by the House, and $20,526,000, as proposed by the Senate.

Amendment No. 35: Deletes language proposed by the Senate which would have authorized $400,000 to be expended for salaries and related costs of twenty new positions.

National Eye Institute

Amendment No. 36: Appropriates $45,565,000 instead of $42,608,000, as proposed by the House, and $50,000,000, as proposed by the Senate.

Amendment No. 37: Deletes language proposed by the Senate which would have authorized $600,000 to be expended for salaries and related costs of thirty new positions.

National Institute of Environmental Health Sciences

Amendment No. 38: Deletes language proposed by the Senate which would have authorized $200,000 to be expended for salaries and related costs of ten new positions.

Research Resources

Amendment No. 39: Appropriates $129,931,000, instead of $128,731,000 as proposed by the House, and $131,731,000, as proposed by the Senate.

Amendment No. 40: Deletes language proposed by the Senate which would have authorized $160,000 to be expended for salaries and related costs of eight new positions.

John E. Fogarty International Center for Advanced Study in the Health Sciences

Amendment No. 41: Appropriates $5,705,000 instead of $5,345,000, as proposed by the House, and $6,245,000, as proposed by the Senate.

Amendment No. 42: Earmarks $860,000 for payment to the Gorgas Memorial Institute, instead of $500,000 as proposed by the House, and $1,400,000, as proposed by the Senate.

The Conferees have agreed that all NIH Institutes which provided financial support to the Gorgas Memorial Laboratory during fiscal year 1975 shall continue that same level of financial support during fiscal year 1976 and the interim budget period.

National Library of Medicine

Amendment No. 43: Appropriates $29,065,000, instead of $28,815,000, as proposed by the House and $29,565,000, as proposed by the Senate.

Amendment No. 44: Deletes language proposed by the Senate which would have authorized $320,000 to be expended for salaries and related costs of sixteen new positions.

Buildings and Facilities

Amendment No. 45: Appropriates $54,000,000, instead of $93,000,000 as proposed by the House, and $41,000,000, as proposed by the Senate. The conference agreement includes $25,000,000 for phases I and II of the research facility for the National Institute of Environmental Health Sciences, $26,000,000 for the Lister Hill Center for Biomedical Communications, and $3,000,000 for repairs and improvements to the existing NIH facilities.

Office of the Director

Amendment No. 46: Appropriates $17,896,000, as proposed by the Senate, instead of $19,612,000, as proposed by the House.

Amendment No. 47: Appropriates $4,474,000 for the transition period, as proposed by the Senate, instead of $4,903,000, as proposed by the House.

Alcohol, Drug Abuse, and Mental Health Administration

Alcohol, Drug Abuse, and Mental Health

Amendment No. 48: Appropriates $579,554,000 instead of $557,654,000, as proposed by the House, and $601,998,000, as proposed by the Senate. The conference agreement includes the following changes from the amounts proposed by the House:

Mental health:	
Training	+$10,000,000
Mental health of children	+2,064,000
Drug abuse:	
Project grants and contracts	+1,089,000
Alcoholism:	
Research	+800,000
Training	+500,000
Project grants and contracts	+3,500,000
Grants to States	+3,500,000
Management and information	+1,000,000
Program direction	−553,000

Amendment No. 49: Deletes language proposed by the Senate which would have authorized $4,000,000 to be expended for salaries and related costs of two hundred new positions.

Amendment No. 50: Appropriates $84,104,000 for the transition period, as proposed by the Senate, instead of $84,242,000, as proposed by the House.

Saint Elizabeths Hospital

Amendment No. 51: Deletes language proposed by the Senate which would have authorized $1,000,000 to be expended for salaries and related costs of fifty new positions.

Buildings and Facilities

Amendment No. 52: Appropriates $5,400,000 as proposed by the Senate, instead of $2,500,000 as proposed by the House.

Health Resources Administration

Health Resources

Amendment No. 53: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which will appropriate $347,428,000, instead of $360,709,000, as proposed by the House, and $360,529,000, as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes the following changes from the amounts proposed by the House:

Health Planning and Resources Development	+$4,000,000
Health Professions Student Loans	+4,000,000
Dental Health Activities	+600,000
Nursing Student Loans	+6,000,000
Health Facilities Construction	−25,740,000
Program Management	−2,141,000

Amendment No. 54: Deletes language proposed by the Senate which would have authorized $1,000,000 to be expended for salaries and related costs of fifty new positions.

Amendment No. 55: Inserts language proposed by the Senate which earmarks not to exceed $74,260,000 for medical facilities construction authorized under Title XVI of the Public Health Service Act.

Amendment No. 56: Appropriates $78,255,000 for the transition period, as proposed by the Senate, instead of $78,790,000, as proposed by the House.

Assistant Secretary for Health

Assistant Secretary for Health

Amendment No. 57: Appropriates $20,842,000, as proposed by the Senate, instead of $23,142,000 as proposed by the House.

Amendment No. 58: Appropriates $5,210,000 for the transition period, as proposed by the Senate, instead of $5,785,000, as proposed by the House.

Social and Rehabilitation Service

Public Assistance

Amendment No. 59: Appropriates $15,003,950,000 instead of $15,000,000,000 as proposed by the House and $15,009,400,000 as proposed by the Senate, and earmarks $52,500,000 for child welfare services instead of $50,000,000 as proposed by the House and $55,000,000 as proposed by the Senate. The increase over the amount proposed by the House also includes $1,450,000 for child welfare training.

Amendment No. 60: Inserts legal citation as proposed by the Senate.

Salaries and Expenses

Amendment No. 61: Appropriates $60,378,000 instead of $57,878,000 as proposed by the House and $60,878,000 as proposed by the Senate.

Amendment No. 62: Appropriates $15,219,000 for the transition period as proposed by the Senate instead of $14,470,000 as proposed by the House.

Social Security Administration

Limitation on Salaries eand Expenses

Amendment No. 63: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts language providing that all permanent positions authorized for this appropriation for fiscal year 1976 shall be full-time permanent positions.

Amendment No. 64: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts language providing that all permanent positions authorized for this appropriation for the transition period July 1, 1976 through September 30, 1976 shall be full-time permanent positions.

Assistant Secretary for Human Development

Human Development

Amendment No. 65: Appropriates $1,516,858,318 instead of $1,500,049,000 as proposed by the House and $1,528,758,318 as proposed by the Senate. The increase over the amount Head Start, $2,000,000 for the runaway youth proposed by the House includes $4,500,000 for program, $309,318 for payments authorized by section 110(b) of the Rehabilitation Act of 1973, $3,000,000 for innovation and expansion grants, $500,000 for projects with industry, $1,500,000 for construction of rehabilitation facilities, $4,000,000 for rehabilitation research, and $1,000,000 for special programs for Native Hawaiians and Alaskans.

The conferees view as meritorious the work of the Columbia Lighthouse for the Blind and expect that the Lighthouse will actively participate in the competition for funds provided for planning, construction, and modernization of rehabilitation facilities.

Amendment No. 66: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which will earmark $720,000,000 for activities under section 110(a) of the Rehabilitation Act of 1973, and $309,318 for section 110(b) of such Act, as proposed by the Senate, and which will earmark $1,500,000 to remain available until expended for construction of rehabilitation facilities instead of $2,900,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 67: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment that specifies in bill language that the level of operations for the nutrition program for the elderly shall be $187,500,000 per annum instead of $200,000,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Departmental Management

General departmental management

Amendment No. 68: Appropriates $85,519,000 as proposed by the Senate instead of $87,289,000 as proposed by the House.

Amendment No. 69: Appropriates $22,160,000 for the transition period as proposed by the Senate instead of $22,670,000 as proposed by the House.

Policy research

Amendment No. 70: Appropriates $24,950,000 as proposed by the Senate instead of $26,300,000 as proposed by the House.

General provisions

Amendment No. 71: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which deletes section 205 of the House bill limiting the number of new HEW positions located in the Washington area to the same proportion that existed at the close of fiscal year 1966 and inserts revised language which applies the limitation to the total authorized positions rather than new positions.

Amendment No. 72: Reported in disagreement. The managers on the part of the House will offer the following motion to recede and concur in the Senate amendment with an amendment:

In lieu of the matter inserted by said amendment, insert the following:

Sec. 209. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest or next nearest the student's home, and which offers the courses of study pursued by such student, in order to comply with title VI of the Civil Rights Act of 1964.

TITLE III—RELATED AGENCIES

Action

Operating Expenses, Domestic Programs

Amendment No. 73: Appropriates $103,266,000 instead of $101,313,000 as proposed by the House and $105,623,000 as proposed by the Senate. The change from the amount proposed by the House includes an increase of $2,000,000 for the foster grandparents and senior companion programs and a decrease of $47,000 in travel funds. The conferees expect the agency to place emphasis on such programs as "Sea Ventures" which provides marine education and recreation to underprivileged children.

Amendment No. 74: Appropriates $21,083,000 for the transition period as proposed by the House instead of $25,591,000 as proposed by the Senate.

Community Services Administration

Community Services Program

Amendment No. 75: Appropriates $494,652,000, instead of $474,385,000, as proposed by the House, and $526,452,000, as proposed by the Senate. The conference agreement includes the following changes from the amounts proposed by the House:

Veterans Education and Training Services	+$2,500,000
Rural Housing	+3,000,000
Emergency Food and Medical Services	+3,800,000
Emergency Energy Conservation	+11,000,000
Program Administration	−33,000

In administering the Emergency Energy Conservation Services program, the Director of the Community Services Administration shall coordinate with services of the Federal Energy Administration. The conferees hereby reaffirm their original intent with respect to the administration of this program and direct the Director of the Community Services Administration to submit, within six months of the enactment of this act, a written report concerning his actions taken in this regard to the Appropriations Committees of the House and Senate.

Within the total provided for Emergency Energy Conservation Services, the conferees recommend up to $3 million for a National Center of Appropriate Technology, whose primary purpose will be to work with Community Action Agencies and other appropriate local groups to develop and implement innovative energy technology and energy systems appropriate to the needs of the elderly poor, and near poor.

Amendment No. 76: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which will provide that the appropriation for "Community services program" contained in the Second Supplemental Appropriations Act, 1975 shall remain available until June 30, 1976, instead of December 31, 1975, as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 77: Appropriates $129,746,000 for the transition period, as proposed by the Senate, instead of $144,975,000, as proposed by the House.

Federal Mediation and Conciliation Service

Salaries and Expenses

Amendment No. 78: Appropriates $17,904,000 as proposed by the Senate instead of $17,704,000 as proposed by the House.

Amendment No. 79: Appropriates $4,476,000 for the transition period as proposed by the Senate instead of $4,426,000 as proposed by the House.

National Commission on Libraries and Information Science

Salaries and Expenses

Amendment No. 80: Appropriates $468,000 as proposed by the Senate instead of $409,000 as proposed by the House.

Amendment No. 81: Appropriates $117,000 for the transition period as proposed by the Senate instead of $102,000 as proposed by the House.

National Labor Relations Board

Salaries and Expenses

Amendment No. 82: Appropriates $67,766,000 instead of $67,461,000 as proposed by the House and $68,071,000 as proposed by the Senate.

Amendment No. 83: Appropriates $16,941,000 for the transition period instead of $16,865,000 as proposed by the House and $17,018,000 as proposed by the Senate.

TITLE IV—GENERAL PROVISIONS

Amendment No. 84: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which deletes a provision in the House bill limiting the amount of funds in the bill for contract services for profitmaking consultant firms to the fiscal year 1973 level, and inserts in its place a new provision limiting the availability of funds in the bill to the current fiscal year only unless otherwise specified or except as provided by section 204 of the Supplemental Appropriations Act for 1975 (Public Law 93–554).

Amendment No. 85: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment authorizing the use of funds by the Director of the Federal Mediation and Conciliation Service for official reception and representation expenses not to exceed $2,500 for the current fiscal year and $625 for the period July 1 through September 30, 1976.

Amendment No. 86: Deletes Section 412 proposed by the Senate which would have provided that none of the funds appropriated under this Act shall be used to require any school, school system, or other educational institution, as a condition for receiving funds, grants, or other benefits from the Federal Government, to assign teachers or students to schools, classes, or courses for reason of race.

Amendment No. 87: Deletes Section 413 proposed by the Senate which would have provided that notwithstanding any other provision of this Act, the funds contained in this Act shall be used in a manner consistent with the enforcement of the fifth and fourteenth amendments to the Constitution of the United States and title VI of the Civil Rights Act of 1964: *Provided*, That the funds contained in this Act shall not be used so as to require the transportation of students for reasons of race unless such transportation is specifically required by a final decree of a court of law.

Conference Total—With Comparisons

The total new budget (obligational) authority for the fiscal year 1976 recommended by the committee of conference, with comparisons to the fiscal year 1975 amount, the 1976 budget estimate, and the House and Senate bills follows:

New budget (obligational) authority, fiscal year 1975	$40,696,660,000
Budget estimates of new (obligational) authority, fiscal year 1976	35,157,909,000
House bill, fiscal year 1976	35,979,641,000
Senate bill, fiscal year 1976	36,272,522,318
Conference agreement	36,073,748,318
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1975	−4,622,911,682
Budget estimate of new (obligational) authority, fiscal year 1976	+915,839,318
House bill, fiscal year 1976	+94,107,318
Senate bill, fiscal year 1976	−198,774,000

In addition to the amounts shown above, the bill includes $8,953,070,000 for the period July 1, 1976 to September 30, 1976, an increase of $19,854,000 over the budget estimates.

The conferees are agreed that the earmarking in the Senate report should be used as a guideline in allocating increases over the amounts proposed by the House, except where more explicit instructions are given in this statement.

Daniel J. Flood,
William H. Natcher,
Neal Smith,
Bob Casey,
Edward J. Patten,
David R. Obey,
Edward R. Roybal,
George H. Mahon,
Silvio O. Conte,
Managers on the Part of the House.

Warren G. Magnuson,
Joseph M. Montoya,
Ernest F. Hollings,
Birch Bayh,
John L. McClellan,
Mike Mansfield,
Edward W. Brooke,
Clifford P. Case,
Hiram L. Fong,
Ted Stevens,
Dick Schweiker,
Milton R. Young,
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Addabbo, for 15 minutes, today.

(The following Members (at the request of Mrs. Smith of Nebraska) to revise and extend their remarks and include extraneous matter:)

Mr. Kemp, for 1 hour, today.

Mr. Jeffords, for 10 minutes, today.

(The following Members (at the request of Mr. Evans of Indiana) to revise and extend their remarks and include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Leggett, for 5 minutes, today.

Mr. Vanik, for 10 minutes, today.

Mr. Melcher, for 5 minutes, today.

Mrs. Meyner, for 5 minutes, today.

Ms. Abzug, for 30 minutes, today.

Mr. Johnson of California, for 5 minutes, today.

Mr. Dominick V. Daniels, for 5 minutes, today.

Mr. Baucus, for 15 minutes, today.

Mr. Badillo, for 5 minutes, today.

Mr. Dodd, for 5 minutes, today.

Mr. Wolff, for 60 minutes, on December 3.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Mitchell of New York, to include extraneous matter in his remarks during debate on H.R. 10481.

(The following Members (at the request of Mrs. Smith of Nebraska) and to revise and extend their remarks:)

Mr. Bell in two instances.

Mr. Lagomarsino.

Mr. Ashbrook in three instances.

Mr. Walsh.

Mr. Cleveland in two instances.

Mr. Sebelius.

Mr. Abdnor.

Mr. Moorhead of California.

Mr. Erlenborn.

Mr. Steiger of Wisconsin.

Mr. Brown of Ohio.

Mr. Schneebeli.

Mr. Derwinski.

Mr. Findley in three instances.

Mr. Whitehurst.

Mr. Jeffords.

Mr. du Pont.

Mr. Beard of Tennessee.

Mr. Snyder.

(The following Members (at the request of Mr. Evans of Indiana) and to include extranous matter:

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Dingell.

Mr. Waxman.

Mr. Nowak.

Mr. Drinan.

Mr. McDonald of Georgia.

Mr. Mikva.

Mr. Litton in two instances.

Mr. Ichord.

Mr. Roe.

Mr. Edwards of California in two instances.

Ms. Abzug in three instances.

Mr. Vanik in seven instances.

Mr. Traxler in three instances.

Mr. de la Garza in 10 instances.

Mr. Eilberg in 10 instances.

Mr. Rees.

Mr. Baucus in three instances.

Mr. Sarbanes in 10 instances.

Mr. Harrington.

Mr. Obey in 10 instances.

Mr. Aspin in 10 instances.

Mr. Rodino in two instances.

Mr. AuCoin.

Mrs. Mink.

Mr. Mazzoli.

Mr. Moorhead of Pennsylvania in two instances.

Mr. Murtha.

Mr. Zeferetti.

Mr. Stark.

Mr. Ambro.

Mr. Wolff.

Mr. Dent.

Mr. Preyer.

Mr. Rogers in five instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 190. An act for the relief of John Oakason and H. F. Mulholland; to the Committee on Interior and Insular Affairs.

S. 1847. An act to authorize the 101st Airborne Division Association to erect a memorial in the District of Columbia or its environs; to the Committee on House Administration.

S. 2158. An act to increase an authorization of appropriations in order to complete the Mission 66 Bypass Road at Vicksburg, Miss.; to the Committee on Interior and Insular Affairs.

S. 2220. An act to authorize and direct the Secretary of the Interior to reinstate oil and gas lease New Mexico 18302; to the Committee on Interior and Insular Affairs.

S. 2445. An act to provide permanent changes in laws necessary because of the October-September fiscal year; to the Committee on Government Operations.

S. 2533. An act to provide that the lake formed by the lock and dam referred to as the "Jones Bluff lock and dam" on the Alabama River, Ala., shall hereafter be known as the R. E. "Bob" Woodruff Lake; to the Committee on Public Works and Transportation.

S. 2619. An act to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States by the Library of Congress Trust Fund Board; to the Committee on House Administration.

S. 2620. An act to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States pursuant to the Act of August 20, 1912 (37 Stat. 319); to the Committee on House Administration.

S. 2709. An act to extend certain authorizations under the Solid Waste Disposal Act, as amended; to the Committee on Interstate and Foreign Commerce.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 267. An act to designate the Flat Tops Wilderness, Routt and White River National Forests, in the State of Colorado; and

S. 1245. An act to amend section 218 of title 23, United States Code.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 6692. An act to authorize appropriations for the period July 1, 1976, through September 30, 1976; and

H.R. 10027. An act to authorize the Secretary of Agriculture to enter into cooperative agreements which benefit certain Forest Service programs and to advance or reimburse funds to cooperators for work performed, and for other purposes.

ADJOURNMENT

Mr. EVANS of Indiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 35 minutes p.m.), the House adjourned until tomorrow, Wednesday, December 3, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2129. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed concession contract for the continued provision of facilities and services for the public at Gateway National Recreation Area for a term ending December 31, 1984, pursuant to 67 Stat. 271 and 70 Stat. 543; to the Committee on Interior and Insular Affairs.

2130. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on the programing and obligation of international narcotics control funds during the quarter ended September 30, 1975, pursuant to section 481(b)(1) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

2131. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112 (b) of Public Law 92–403; to the Committee on International Relations.

2132. A letter from the chairman, board of directors, Future Farmers of America, transmitting a report on the audit of the accounts of the organization for the fiscal year ended June 30, 1975, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

RECEIVED FROM THE COMPTROLLER GENERAL

2133. A letter from the Comptroller General of the United States, transmitting a report on Federal funding for materials research and development; jointly, to the Committees on Government Operations, and Science and Technology.

2134. A letter from the Comptroller General of the United States, transmitting a report on personnel management in the Small Business Administration, pursuant to section 13 of Public Law 93–386; jointly, to the Committees on Government Operations, Small Business, and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONES of Alabama. Committee on Public Works and Transportation. H.R. 9348. A bill to name a building in Temple, Tex., as the W. R. Poage Federal Building (Rept. No. 94–687). Referred to the House Calendar.

Mr. MAHON: Committee on Appropriations. House Joint Resolution 733. Joint resolution making further continuing appropriations for the fiscal year 1976, and for other purposes (Rept. No. 94–688). Referred to the Committee of the Whole House on the state of the Union.

Mr. FLOOD: Committee of conference. Conference report on H.R. 8069 (Rept. No. 94–689). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KARTH:

H.R. 10926. A bill to amend the Internal Revenue Code of 1954 to clarify and confirm the application of section 72 and the non-application of section 1232 to face-amount certificates; to the Committee on Ways and Means.

By Mr. ARCHER:

H.R. 10927. A bill to abolish certain Federal regulatory agencies and to bring about the abolition of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; jointly, to the Committees on Government Operations, and Rules.

By Mr. BAUCUS (for himself, Mr. BEDELL, Mr. BLANCHARD, Mr. BOLAND, Mr. D'AMOURS, Mr. DERWINSKI, Mr. DUNCAN of Oregon, Mr. EDGAR, Mr. OTTINGER, Mr. RUSSO, and Mr. CHARLES WILSON of Texas):

H.R. 10928. A bill to amend the Congressional Budget Act of 1974 to require a budget surplus whenever the national unemployment rate drops below 4½ percent; to the Committee on Rules.

By Mr. BOLLING (for himself and Mr. MATSUNAGA):

H.R. 10929. A bill to establish rules and procedures for the congressional review (and possible disapproval) of biennial balanced economic growth plans, and for other purposes; to the Committee on Rules.

By Mr. BOWEN:

H.R. 10930. A bill to amend section 7(e) of the Cotton Research and Promotion Act to provide for an additional assessment and for reimbursement of certain expenses incurred by the Secretary of Agriculture and to repeal section 610 of the Agriculture Act of 1970 pertaining to the use of Commodity Credit Corporation funds for research and promotion; to the Committee on Agriculture.

By Mr. BURGENER (for himself, Mrs. BURKE of California, Mr. HINSHAW, and Mr. WAXMAN):

H.R. 10931. A bill to guarantee to every resident of any long-term care facility receiving Federal assistance, or providing care to federally assisted patients, a fair administrative hearing prior to his or her removal from such facility; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. CORMAN:

H.R. 10932. A bill relating to the income tax treatment of certain expenses of the estate of a decedent; to the Committee on Ways and Means.

By Mr. D'AMOURS:

H.R. 10933. A bill to amend title 38 of the United States Code in order to exempt tax-supported public educational institutions which offer vocational courses from placement record requirements as a prerequisite to approval by the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. DUNCAN of Tennessee:

H.R. 10934. A bill to provide that, for purposes of the civil service retirement provisions of title 5, United States Code, cost-of-living adjustments allowed to officers and employees of the Postal Service shall be considered to be part of the basic pay of such officers and employees; to the Committee on Post Office and Civil Service.

By Mr. FITHIAN (for himself, Mr. BEDELL, and Ms. ABZUG):

H.R. 10935. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide financial assistance for alternative educational and security plans to reduce delinquency and crime in and against the public schools of the Nation, and for other purposes; to the Committee on Education and Labor.

By Mr. GIBBONS:

H.R. 10936. A bill to provide for the income tax treatment of amounts received on the sale of property the cost of which was deducted as a business expense; to the Committee on Ways and Means.

H.R. 10937. A bill relating to the computation of underpayments of estimated income taxes; to the Committee on Ways and Means.

By Ms. HOLTZMAN (for herself, Mr. RODINO, Mr. COUGHLIN, and Mr. WOLFF):

H.R. 10938. A bill to amend title 18 of the United States Code to prohibit certain forms of economic coercion based on religion, race, national origin, sex, or certain other factors; to the Committee on the Judiciary.

By Mr. LaFALCE:

H.R. 10939. A bill to amend the act of August 16, 1973 (Public Law 93–100) to extend the moratorium on State taxation of federally insured depository institutions; to the Committee on Banking, Currency and Housing.

H.R. 10940. A bill to give a preference in the awarding of Government contracts to contractors located within areas of high unemployment; to the Committee on Government Operations.

By Mr. LITTON (for himself and Mr. Schneebeli):

H.R. 10941. A bill to amend the Food Stamp Act of 1964 to prohibit any individual from receiving food stamps who receives at least one-half of his income from any other individual who is a member of another household which is ineligible for food stamps; to the Committee on Agriculture.

By Mr. McCORMACK (for himself, Mr. Cleveland, Mr. Goodling, Mr. Vander Veen, and Mr. Yatron):

H.R. 10942. A bill designating the apple blossom as the national flower of the United States; to the Committee on House Administration.

By Mr. NOLAN (for himself, Mr. Fraser, Mr. McCormack, Ms. Chisholm, Ms. Abzug, Mrs. Spellman, Ms. Keys, Mr. Heinz, Mr. Cleveland, and Mr. Baucus):

H.R. 10943. A bill to amend the Domestic Volunteer Service Act of 1973 to provide that developmentally disabled children receiving services under the foster grandparent program may continue to receive such services as adults; to the Committee on Education and Labor.

By Mr. ABDNOR (for himself and Mr. Brinkley):

H.R. 10944. A bill to amend chapter 37 of title 38, United States Code, to provide for continuation of the direct loan revolving fund; to the Committee on Veterans' Affairs.

By Mr. ANDERSON of California (for himself and Mr. Bedell):

H.R. 10945. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

By Mr. ANDERSON of California (for himself and Mr. Young of Georgia):

H.R. 10946. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. BADILLO:

H.R. 10947. A bill to provide the right to counsel to grand jury witnesses in order to better protect the constitutional rights of such witnesses; to the Committee on the Judiciary.

By Mr. BEARD of Tennessee:

H.R. 10948. A bill to direct the Secretary of the Army to grant permanent and transferable easements for the construction and use of certain boating facilities located on property under the jurisdiction of the Army Corps of Engineers; to the Committee on Public Works and Transportation.

By Mrs. BURKE of California (for herself and Mrs. Meyner):

H.R. 10949. A bill to provide for the establishment of multipurpose service programs for displaced homemakers, and for other purposes; to the Committee on Education and Labor.

By Mr. DON H. CLAUSEN (for himself, Mr. Armstrong, Mr. Frenzel, Mr. Lagomarsino, and Mrs. Pettis):

H.R. 10950. A bill to amend chapter 29 of title 18, United States Code, to prohibit certain election campaign practices, and for other purposes; to the Committee on House Administration.

By Mr. GIBBONS:

H.R. 10951. A bill to prohibit banks and certain other financial institutions from maintaining any account (including a numbered account) which conceals the identity of the owner of the account; to the Committee on Banking, Currency and Housing.

By Mr. HEINZ (for himself, Mr. Dent, Mr. Flood, Mr. McDade, Mr. Morgan, Mr. Schneebeli, Mr. Vigorito, and Mr. Yatron):

H.R. 10952. A bill to authorize the creation of a fossil fuel rail bank to assure the preservation of rail trackage, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LITTON:

H.R. 10953. A bill to provide that the terms of office of the Director of Central Intelligence and the Director of the Federal Bureau of Investigation shall be 10 years and that no individual shall hold either such office more than once; jointly, to the Committees on Armed Services and the Judiciary.

By Mr. McDADE:

H.R. 10954. A bill to authorize the creation of a fossil fuel rail bank to assure the preservation of rail trackage, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MANN (for himself, Mr. Davis, Mr. Derrick, Mr. Holland, Mr. Jenrette, and Mr. Spence):

H.R. 10955. A bill to amend section 2107 of title 10, United States Code, to allocate a minimum number of Reserve Officers' Training Corps scholarships to designated military colleges; to the Committee on Armed Services.

By Mr. MICHEL (for himself, Mr. Burleson of Texas, Mr. Burke of Florida, Mr. Byron, Mr. Davis, Mr. Haley, Mr. Milford, Mr. Stephens, and Mr. Wydler):

H.R. 10956. A bill to reform the Food Stamp Act of 1964 by redirecting resources to those with the greatest need, by making program administration more effective, by making more realistic eligibility requirements, and by tightening accountability, and for other purposes; to the Committee on Agriculture.

By Mr. PREYER (for himself, Mr. Hamilton, Mr. Symington, Mr. Brodhead, Mr. D'Amours, and Mr. Santini):

H.R. 10957. A bill to provide for affording equal educational opportunities for students in the Nation's elementary and secondary schools; to the Committee on Education and Labor.

By Mrs. SCHROEDER:

H.R. 10958. A bill to reassert the intentions of Congress in enacting the Postal Reorganization Act of 1970 as they relate in postal ratemaking cases to the attribution of costs to the various classes of mail; to the Committee on Post Office and Civil Service.

By Mr. VANDER JAGT:

H.R. 10959. A bill to amend the Internal Revenue Code of 1954 to provide that certain losses from shoreline erosion shall be deductible for purposes of the individual income tax; to the Committee on Ways and Means.

By Mr. VANIK (for himself, Mr. Anderson of California, Mr. Baucus, Mr. Downey of New York, Mr. Fraser, Mr. Harris, Mr. Hawkins, Mrs. Heckler of Massachusetts, Mr. Mikva, Mr. Moakley, Mr. Moffett, Mr. Neal, Mr. Ottinger, Mr. Pattison of New York, Mr. Rosenthal, Mr. Ryan, Mr. Santini, Ms. Schroeder, Mr. Seiberling, Mrs. Spellman, and Mr. Weaver):

H.R. 10960. A bill to provide for the safeguarding of taxpayer rights, to restrict the authority for inspection of Federal tax returns and the disclosure of information derived from such returns, to clarify the authority of the Comptroller General to oversee the administration of the internal revenue laws, and for other purposes; to the Committee on Ways and Means.

By Mr. McCLOSKEY:

H.J. Res. 738. Joint resolution providing for Federal participation in preserving the Tule elk population in California; to the Committee on Merchant Marine and Fisheries.

By Mr. WINN (for himself, Mr. Edwards of Alabama, Mr. D'Amours, Mr. Gilman, Mr. Bowen, Mr. Johnson of Pennsylvania, Mr. Whitehurst, Mr. Ketchum, Mr. Yatron, Mr. Burgener, Mr. Bevill, Mr. Lloyd of California, Mr. Anderson of Illinois, Mr. Sisk, Mr. Derrick, Mr. Perkins, and Mr. Ichord):

H.J. Res. 739. Joint resolution authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of each year as National Beta Sigma Phi Week; to the Committee on Post Office and Civil Service.

By Mr. WINN (for himself, Mr. Santini, Mr. Abdnor, Mr. Riegle, Mr. Hall, Mr. Fuqua, Mr. Cornell, Mr. Pepper, Mr. Duncan of Tennessee, Mr. Long of Maryland, Ms. Keys, Mr. Edgar, Mr. Baucus, and Mr. Cochran):

H.J. Res. 740. Joint resolution authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of each year as National Beta Sigma Phi Week; to the Committee on Post Office and Civil Service.

By Mr. ASHBROOK:

H. Con. Res. 496. Concurrent resolution to request the President of the United States, through the U.S. Ambassador to the United Nations, to take steps to have placed on the agenda of the United Nations the issue of self-determination for the Baltic States; to the Committee on International Relations.

By Mr. HELSTOSKI:

H. Con. Res. 497. Concurrent resolution indicating the sense of Congress that every person throughout the world has the right to a nutritionally adequate diet; and that this country increase its assistance for self-help development among the world's poorest people until such assistance has reached the target of 1 percent of our total national production (GNP); jointly, to the Committees on Agriculture, and International Relations.

By Mr. QUIE:

H. Con. Res. 498. Concurrent resolution indicating the sense of Congress that every person throughout the world has the right to a nutritionally adequate diet; and that this country increase its assistance for self-help development among the world's poorest people until such assistance has reached the target of 1 percent of our total national production (GNP); jointly, to the Committees on Agriculture, and International Relations.

By Mr. STUCKEY (for himself, Mr. Roe, Mr. Thone, Mr. Jacobs, Mr. Chappell, Mr. Sikes, Mr. Breaux, Mr. Forsythe, Mr. Hubbard, and Mr. Charles Wilson of Texas):

H. Con. Res. 499. Concurrent resolution relating to the authority of the Federal Trade Commission to prescribe rules preempting State and local laws; to the Committee on Interstate and Foreign Commerce.

By Mr. DENT:

H. Res. 894. Resolution relating to an election contest in the 10th Congressional District of the State of Illinois; to the Committee on House Administration.

H. Res. 895. Resolution relating to an election contest in the First Congressional District of the State of Maine; to the Committee on House Administration.

H. Res. 896. Resolution relating to an election contest in the 40th Congressional District of the State of California; to the Committee on House Administration.

H. Res. 897. Resolution relating to an

election contest in the 21st Congressional District of the State of Ohio; to the Committee on House Administration.

H. Res. 898. Resolution relating to an election contest in the Third Congressional District of the State of Nebraska; to the Committee on House Administration.

By Mr. MOSS (for himself and Mr. DINGELL):

H. Res. 899. Resolution providing for the appointment of a special counsel to represent the House and the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce in certain judicial proceedings; to the Committee on House Administration.

By Mr. THOMPSON:

H. Res. 900. Resolution providing salary adjustments for the official reporters of debates and official reporters to committees; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

277. The SPEAKER presented a memorial of the Legislature of the State of Michigan, relative to the dumping of taconite tailings into Lake Superior; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARMSTRONG:

H.R. 10961. A bill for the relief of Wojciech Konstanty Podleski; to the Committee on the Judiciary.

By Mr. DIGGS:

H.R. 10962. A bill for the relief of Olive M. V. T. Davies and her children; to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 10963. A bill for the relief of Ralph W. Clayton; to the Committee on the Judiciary.

By Mr. WEAVER:

H.R. 10964. A bill for the relief of Paul W. Williams; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

326. By the SPEAKER: Petition of the Gaston Baptist Association of North Carolina, Gastonia, N.C., relative to the advertising of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

327. Also, petition of Esther M. and Leon E. Loftus, Jr., relative to redress of grievances; to the Committee on the Judiciary.

328. Also, petition of Dorothy Shinder, San Francisco, Calif., relative to redress of grievances; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 8631

By Mr. JEFFORDS:

Page 7, line 12, strike out "1987" and insert "1982" in lieu thereof.

Page 7, line 15, strike out "1987" and insert "1982" in lieu thereof.

Page 7, line 20, strike out "1987" and insert "1982" in lieu thereof.

Page 10, line 7, strike out "1987" and insert "1982" in lieu thereof.

Page 11, line 2, strike out "1983" and insert "1981" in lieu thereof.

EXTENSIONS OF REMARKS

JUSTICE DOUGLAS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. HARRINGTON. Mr. Speaker, Justice William O. Douglas always argued that individual freedoms require preferred status in the matrix of constitutional priorities. By so doing, it seems to me, Mr. Justice Douglas himself attains a preferred position in the history of the Supreme Court.

The Supreme Court weighs a variety of crucial interests in its decisions, including the security of person and property, the proper operation of governmental institutions, and the maintenance of a healthy system of commerce. All these factors are considered relative to each other and, of course, to the Constitution. All are of vital importance to the Nation's well being. But our civil rights must occupy a special place in Supreme Court decisionmaking, as the most fragile, the most crucial, and indeed the defining aspect of our democratic state. The Supreme Court is our strongest defender of individual freedom when it wants to be. When the Supreme Court Justices lean toward other interests in their decisions—as was often the case during Justice Douglas' term of service—the solitary citizen is left with virtually no other recourse within our political system.

Justice Douglas never lost sight of the singular importance of civil liberties. His decisions consistently protected the first eight amendments and especially the first amendment, from the political and social pressures of the day. He never sacrificed free speech upon the altar of the prevailing viewpoint. In 1949—Terminello against Chicago—he wrote the majority opinion overturning the conviction of a provocative right-wing speaker, noting that—

> A function of freedom of speech under our system of government is to invite dispute.

Two years later, he reiterated the theme on behalf of the 11 leaders of the U.S. Communist Party:

> The First Amendment makes confidence in the common sense of our people and in their maturity of judgement the great postulate of our democracy. Its philosophy is rarely, if ever, stopped by denying civil liberties to those advocating resort to force.

Here, however, Justice Douglas was in dissent—Dennis against United States.

The wilderness of the Pacific Northwest that Mr. Justice Douglas loves so well has become a symbol for his longevity, consistency, and fundamental importance to this Nation. I wish the symbol could be extended to the philosophy he has so eloquently espoused. For William O. Douglas was not served by the title "Justice." It was Justice that was served by him.

BUFFALO NEIGHBORHOOD CENTER LIVES ITS MOTTO: "WE CARE"

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. NOWAK. Mr. Speaker, earlier this year I had the opportunity to visit the Neighborhood Information Center, which provides assistance to needy persons on the east side of Buffalo, N.Y.

During that visit, I was very impressed with the sheer determination of the many volunteers involved in the day-to-day operation of this facility. The community it serves cries out for help and I believe the NIC is genuinely living up to its motto: "We Care."

Recently, the Buffalo Evening News contained an article discussing the work of this center, which was founded by Sister Mary Desponsata, a Felician nun. The type of work being done by the Neighborhood Information Center deserves imitation. In that spirit, I would like to share with my colleagues the following article from the Nov. 26, 1975 edition of the Buffalo Evening News:

NEIGHBORHOOD CENTER OFFERS OPEN DOOR TO SOCIETY'S LONERS

(By Margaret Hammersley)

A 19-year-old boy sleeping in drain pipes.

An old man bedded down in a storefront doorway.

A deaf-mute evicted from the home where he lived for 40 years and his support checks gone astray.

A woman clogging her house with curbside junk.

The characters could have stepped from a Charles Dickens novel a century ago, but all belong to 1975 and to Buffalo.

All were discovered and are being served by the Neighborhood Information Center at 1170 Broadway. The center concentrates on the area east of Fillmore Ave. between Clinton and Sycamore Sts., but similar problems may be found in other neighborhoods.

The aim of the center and its founder, Sister Mary Desponsata, is to help loners who have sifted to the fringes of society.

Lack of mental ability complicates the problem for many, Sister Desponsata said.

"Today in America if you don't have an IQ over 115, you're in trouble," said the Felician nun. "Systems are so complicated."

Sister Desponsata and Mrs. Patricia Courtney, the center's assistant director, agree there is a segment of the population below normal intelligence but somewhat above the retarded level which desperately needs help.

Care of the intellectually slow is often in the hands of the operators of cheap boarding houses, they observe.

Sister Desponsata characterizes some operators as "both gods and devils."

"These people take tenants other people won't take," she said. "The tenants become indebted for a junk bed and a roof overhead."

The center believes there is a need for a group of responsible citizens to protect the mentally slow and to help them cope with welfare bureaucracy, bills and budgeting.

For instance, the boy who slept in drain pipes lost his welfare assistance because he forgot that as an employable adult he had to report monthly for an interview for a possible job.

Mrs. Courtney, a mother of six, took him home one weekend.

"He had been on his own since he was 14," she said. "His parents were alcoholics and divorced. I think he may have had his first family-type, home-cooked meal in years."

Sister Desponsata added: "Perhaps it is the first he ever had."

Today the center is staffed by eight workers paid through Comprehensive Employment and Training Act funds and an executive director, Daniel A. Swiatek, salaried by Model Cities. Five of the workers began as volunteers. Sister Desponsata describes them as "people who don't count hours."

"In many situations the only thing we accomplish is to let them know there is someone who does care," said Mrs. Courtney.

The center believes this message registered with a 90-year-old illiterate man, living in a condemned house without a bathroom. Sister Desponsata took him to the YMCA for a bath and then to a hospital.

Mrs. Courtney hopes to impart the message to a retarded girl alone in a rooming house where moral standards are questionable.

NOW IT IS UP TO US

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. DINGELL. Mr. Speaker, by permission previously granted, I insert in the CONGRESSIONAL RECORD at this point an editorial from the Hartford Courant newspaper entitled "Now It Is Up To Us."

The article follows:

NOW IT'S UP TO US

Congress and President Ford have at last reached all but formal agreement on a major energy bill. This is a compromise measure which hardly deserves the grand public-relations title of "national energy policy." But it should serve the purpose.

One must accept the fact that the energy crisis cannot be cancelled by act of Congress. The current bill would do, in acceptable if not outstanding fashion, nearly everything we can reasonably expect of the federal government.

The bill's most important provision is a 40-month extension of crude oil price controls. This is a sensible compromise between the extreme Congressional and Presidential positions on an oil price policy, and the initial average price of $7.66 a barrel is probably close to that which a free market would produce were it not for the distortions caused by the Arabs. The control system would thus serve its most legitimate purpose.

Another important section establishes some means of self-protection from future embargoes and shortages. It will set up a strategic reserve supply to tide us over, and provides the authority, if necessary, for gasoline rationing.

The bill also sets efficiency standards for automobiles and appliances. Cost-conscious consumers are demanding such efficiency in any event.

The bill will do neither much more nor much less than earlier price rises have already done to discourage oil consumption. Oil producers will no doubt complain that it lacks "incentives" for expanded production. Consumers will complain that fuel prices are still too high.

But this measure should disappoint only those who expected that the government would somehow come through with quick relief and instant miracles. Such hopes were not realistic. Congress has, in fact, done nearly everything we can realistically demand of it, and its critics can no longer complain that it has done nothing at all.

Legislation alone will not curb this country's runaway consumption of fuel. We the people must continue the healthy trend we have started through such means as turning down our thermostats and buying more economical automobiles.

Much more must still be done, but with only a few exceptions it cannot be done by Congress. The rest is up to us.

WHY THE BLACKOUT?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. McDONALD of Georgia. Mr. Speaker, it should be evident to everyone that all the so-called newsmakers—New York Times, CBS et al. are ignoring Southeast Asia now. During the fighting there they made a career of reporting every little defect, real and imagined, of America's allies in Southeast Asia. Now while the bamboo curtain is coming down over these countries and refugees are reporting all sorts of incredible barbarities by the Communists, why is not the New York Times deploring the lack of democracy there? Why is not CBS preparing a documentary on Communist atrocities in Southeast Asia. One wonders?

Robert Morris, in his column "Around the World" recently raised some of these questions in a column released on October 22 for publication. I commend it to the attention of my colleagues:

WHY THE BLACKOUT?

(By Robert Morris)

Rather tumultuous happenings are taking place in Indochina and yet Congress and our press, as well as the Executive branch of the government, are obscuring these events from the public.

There is considerable evidence of mass arrests and disappearances of thousands of South Vietnamese leaders. Dispatches that reach us here through Australia report that in one swoop alone 200 former regime personalities disappeared and were never heard from again. When their wives protested, the government announced that the ninety high officers among them "had been killed in an accident".

At the same time, these killings are arousing the citizenry in their bondage and a substantial resistance movement is developing. It is in the Mekong Delta region—and growing.

Why do we not hear of this?

I encountered a good first hand source of intelligence when General Kham Boussarath visited us a few days after he arrived from Bangkok.

General Boussarath had been a cabinet officer for the Laotian government in charge of intelligence and of economic planning. He is an impressive personality and he holds a doctoral degree in economics. He was in charge of the prisoner exchange for the Allies in Laos in the spring of 1973. He himself fled Laos in May of this year with his large family and has been residing in Bangkok until a few weeks ago when the Laotian Communists notified the Thai government he was persona non grata to them and demanded his expulsion.

He has an intimate direct knowledge of what Communists do to prisoners of war. He also knows a great deal about the drug traffic.

For instance, when he handled the exchange of POWs in 1973, he turned back to the enemy all prisoners—Pathet Lao, North Vietnamese and Viet Cong.

The Communists, in return, instead of doing the same, as agreed, turned back only 40 of the 400 Thais they held, 400 of the 2,000 Laotians and only 3 of the 200 Americans that the General knew had come into Pathet Lao and then North Vietnamese hands. He is a parachutist by training. The 200 Americans were almost all flyers who were shot down. The incidence of survival in such descents, the General points out, is high. He makes a prima facie case against the Communists to produce the prisoners or account for their demise.

But there is no force in Washington—surfaced—that pursues these events. Everything emanating from there reflects that we have called off the campaign for liberty.

When our representatives visit the Chinese Communists who are participants in the current crimes against humanity, they are craven. This despite the fact that the latter have killed and hold in bondage many times more human beings than Adolf Hitler.

The latest spectacle we read about is our Secretary of State congratulating the Chinese Communists for their long insurrectionary march to Yenan where they waged war on our loyal ally, the Republic of China, which was carrying on the struggle against Japanese imperialism.

These signals are unmistakable. They are recognized all over Asia. We are identifying with the aggressors against the forces of liberty.

Meanwhile, because of this posture, our intelligence agencies are being denounced and cannibalized. The primary responsibility for this devolves more on Henry Kissinger even than on Senator Church and his allies.

If the intelligence agencies under Kissinger's control are not allowed to expose the serious infiltrations of the KGB and rationalize and expound the revolutionary tactics of domestic Communists, naturally the impression will grow that counterintelligence agencies are not necessary. And if they are not necessary, why the money? Then why the countertactics? And so it all goes against us—and human liberty.

CASE OF OVERPROTECTION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. LAGOMARSINO. Mr. Speaker, I include the following editorial from the Oxnard, Calif., Press-Courier in the CONGRESSIONAL RECORD:

[From the Oxnard (Calif.) Press-Courier, Nov. 20, 1975]

CASE OF "OVERPROTECTION"

When Congress recently passed a "Child Nutrition Act" that was really an overambitious expansion of the school lunch subsidy program, it showed that bills with a questionable purpose can get through Congress mainly on the strength of an appealing title.

So it appears that is how the "Consumer Protection Act" squeaked through the House in spite of a widespread conviction that it would create a superfluous addition to the federal bureaucracy.

Who wants to vote against consumer protection? We applaud 199 House members who did so, even if 208 of their colleagues went along with creating a new consumer agency with duties that duplicate those already assigned to other federal agencies.

President Ford has indicated he would veto the bill, which has also passed the Senate, and he can do so without being "against" consumer protection. He is very much for it, and has made the deregulation of business and industry to promote competition on the consumer's behalf a cornerstone of his domestic policy.

That is the point which Congress ignores in supporting the creation of a new consumer agency. The network of regulatory and watchdog agencies already active in the federal government all have the ultimate purpose of protecting the interests of consumers in the marketplace.

Where they are failing to fulfill that purpose, the answer lies in reform of their policies—not in creation of a new bureaucracy to complicate the picture even more.

SAGINAW STUDENTS FACE INITIAL ENCOUNTERS WITH BASIC CONSTITUTIONAL RIGHTS

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. TRAXLER. Mr. Speaker, as I have previously indicated to you and my colleagues, I intend to share the development of the constitutional convention being held by high school students throughout Saginaw County, Mich. Today I am continuing my recount of this Bicentennial celebration with another article very capably written by Mr. John Puravs on October 10, 1975, in the Saginaw News.

In this article, Mr. Puravs demonstrates some of the problems that the members of this convention have been facing in their attempts to begin operations. They have had to determine basic questions such as what degree of representation should be awarded to each school. Even though the intent of the schools to work together on common problems has been criticized as "power blocks" by some, these students are working to see that size does not necessarily limit the rights of smaller bodies to effectively represent their individual schools.

These students have been forced to examine the question of the place of religion within government. We are all very familiar with the invocation at the start of each daily session of Congress. It would appear that some of these students, while not criticizing the value of religion, do not believe that in a philosophy of separation of church and state there should be any such invocation. I am certain that all of my colleagues can appreciate the moral significance of the decision which these diligent young people are trying to make.

The members of the Saginaw Con-Con are experiencing some important lessons in dealing with the personalities of the other members and some of the administrators in this Bicentennial event. In every group there must be a leader, and now these students are learning the ways in which they must deal with leaders.

Mr. Speaker, I would hope that all of my colleagues will enjoy as thoroughly as I have the following recount in this newest episode of the Saginaw Student Constitutional Convention:

STUDENT CON-CON FACES SOME OLD PROBLEMS

(By John A. Puravs)

Some things don't change in 200 years.

Like the Founding Fathers of the U.S. Constitution, Saginaw County high school students writing a new model document are embroiled in debates involving voting powers, religion and leadership.

The students' Rules Committee plans a Monday meeting to try to resolve these disputes before 150 delegates from all 19 county high schools assembled for the first time Wednesday at Eisenhower High School to organize for January's student Constitutional Convention.

In the meantime, both students and faculty advisers have been caucusing to outline battle plans.

Again, like the 1787 convention, some individual feathers have been ruffled, some smaller schools feel dominated by larger ones, some personal beliefs have been put on the line.

"If you think of the major issues of 200 years ago," said Robert A. Fitzgerald, the Douglas MacArthur High teacher serving as chairman of the faculty advisers, "those are still with us today.

"This last week has been one of the most exciting times I've had since I've been in education."

Fitzgerald himself has been accused by some students of interfering with student prerogatives in preparing for the Con-Con.

Without naming individuals, Rules Committee Chairman Aaron Moore of Arthur Hill said "some adults are getting into it a little more than we thought they would."

"I've heard about that," responded Fitzgerald. "I have to follow the line between guidance and interference. I try to give them advice when I see things bogging down. Then they can take it or leave it."

The central debate, however, involves students themselves.

Smaller high schools are predicting that schools such as Arthur Hill and Saginaw High, with delegates apportioned according to student population, will take over the proceedings.

According to reports, a private caucus of small schools this week at Bridgeport High led to outlines of a coalition to organize for more voting power.

Among schools reportedly represented at the caucus were Bridgeport, Swan Valley, Birch Run, Buena Vista and Carrollton.

Their reported preference is to decide issues with each school having just one vote.

Thomas A. Ulmer, Bridgeport's representative to the Rules Committee, said the caucus intended to discuss procedural problems.

"But the talk got sidetracked," he said, "and it could have got to the impression that Bridgeport was trying to organize the smaller schools and get more power."

"Some hullaballoo was made by some schools over the big schools dominating," conceded Fitzgerald.

Moore agreed the issue could come up Monday, where each school has one vote on the Rules Committee. He said he would abide by the vote.

Thelvis T. (Bo) Winieckie, faculty representative from Eisenhower, saw signs of a "power struggle."

But he noted that "many feel sectionalism should be abandoned . . . even some smaller schools are going for one-student, one-vote."

However, John E. Cuthbertson, principal of Swan Valley High, who said he entered discussions at the request of his students, called a unit vote "the best way."

But Cuthbertson, Winieckei, Moore and Fitzgerald all discounted earlier reports that larger schools may walk out if voting isn't according to student population.

"There were some conversations along this line," said Cuthbertson, "but I think those were just conversations."

"I don't think the big schools will walk out," agreed Moore.

This debate was a major issue at the 1787 assembly. One history says the question of protecting the interests of all states "nearly wrecked the convention," and was resolved only by the Connecticut Compromise—which assigned different representational methods to the Senate and the House.

The place of religion in the student convention also has become a sore point, with some adults, including Cuthbertson, entering the debate.

The student Rules Committee has haggled over whether to include an invocation in ceremonies Wednesday.

A tentative schedule calls for a minute of silence. Young Moore said he has no objections to that, but added, "I think religion and the state shouldn't mix at all."

In a letter distributed to the convention committee and to member schools, Cuthbertson protested that "many students and adults feel the national anthem, pledge to the flag and a time for a prayer are an indivisible part of the nation's heritage.

"We don't intend to exclude or debase this heritage because of a person or handful of people who may not be familiar with that part of our heritage," Cuthbertson declared. "We just can't allow it to happen."

"This may be the opening crucial point in the student convention," observed Fitzgerald. "The first conflict in the Con-Con is centered on a very basic conflict in the founding of the nation.

"There must have been some fist-fights on the floor of our original convention," Fitzgerald said. "And now people are excited about it again."

"We have Catholic and Lutheran schools included in this convention," said Cuthbertson, "whose very origin in our United States history goes back to their faith."

The issue was uppermost in the thoughts of the Founding Fathers, if the Bill of Rights is any guide.

The clause barring any "law respecting an establishment of religion" is the first phrase of the First Amendment.

Even the current grumblings about personalities in the current Con-Con harken back to sessions of 1787.

Moore said he is aware of complaints about his use of parliamentary procedure, but rejected suggestions his leadership may be too authoritarian. "In fact, I've been lenient," he said.

Cuthbertson reported the small-school caucus resulted partly from a feeling by Swan Valley students that "they didn't have a chance to study parliamentary procedure, and they felt they got squeezed."

MacArthur's Fitzgerald predicted complaints that the chairman abused power may be talked about Monday.

Winieckie of Eisenhower agreed there have been "misunderstandings," but said these have been resolved.

Meanwhile, Tom Ulmer of Bridgeport said he is unhappy about his school being singled out as home of convention "radicals."

"I'm not a radical," he declared, explaining the impression may have come from "giving radical examples of what the convention could do in order to clarify the ground rules of the convention. That doesn't mean my examples were my positions."

In 1787, too, personalities were part of the proceedings. Alexander Hamilton, according to one history, "expressed his views too strongly for the other delegates," while Benjamin Franklin "inspired other members by his mere presence."

Patrick Henry refused to serve as a delegate. He opposed giving more power to the national government and joined Elbridge Gerry, Richard Henry Lee and George Mason in arguing against ratification.

Rhode Island didn't send delegates at all, fearing loss of taxing power, and withheld ratification until the first Congress started work on the Bill of Rights.

Thus Saginaw County's schools are behaving like states, and some students seem to others like confounding fathers.

But most remain optimistic. "We plan on working out any problems at Monday's meeting," pledged Ulmer.

And Cuthbertson remarked, "Misunderstandings give a chance to work it out and find out what you really feel.

"These discussions are part of the American way."

HADASSAH VICE PRESIDENT BESS KATZ SPEAKS OUT AGAINST U.N. ZIONISM RESOLUTION

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Ms. ABZUG. Mr. Speaker, Bess Katz, vice president of Hadassah, the Women's Zionist Organization of America, speaking on behalf of over 340,000 American women members—the single largest Zionist bloc in the world—recently issued a statement on Zionism in conjunction with a rally held in New York City to protest the vote equating Zionism with racism in the General Assembly of the United Nations. I feel that this statement meaningfully and forcefully puts forth the true spirit of Zionism. I would like to include this statement in the RECORD for the review of my colleagues:

STATEMENT BY BESS KATZ, HADASSAH VICE PRESIDENT

Zionism extols the brotherhood of man as the children of one God.

Zionism is the polyglot faces of Israel representing every racial and ethnic variation conceivable who are united as one people by common spiritual and cultural values.

Zionism rejects exploitation of people and supports social justice and the dignity of all human beings. Zionist Israel has voted for the admission of every emerging nation into the UN, even when it knew that it would join the bloc against her, because Zionist Israel has supported universal membership in the UN if it is to be a true instrument of peace.

"Zionist" Jews the world over are noted for their communal responsibilities wherever they live. The generosity of the Jewish people in support of education, health, welfare and civil rights and civil liberties for all is basic to the ethic of the Jewish people. And Israel, in its support of developing nations has followed the same ethic.

If this be racist Zionism, the world can use more of it.

AID TO HANDICAPPED CHILDREN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. HAMILTON. Mr. Speaker, many children in Indiana suffer handicaps: blindness, deafness, mental retardation, learning disabilities, emotional problems, crippling diseases, et cetera. A problem many parents and guardians face is finding the aid most appropriate for their handicapped children. The following suggestions may be helpful to them:

AID TO HANDICAPPED CHILDREN

(By David Beales)

I. GENERAL SUGGESTION

If a parent thinks his handicapped child could benefit from a particular kind of aid, he should investigate and apply for that aid. The rules for private and public aid programs are complex, and sometimes people find they are eligible for benefits, even though they seem ineligible at first glance. Also, some programs offer financial help to people who cannot afford to pay for the program's services.

II. PEOPLE TO SEE FIRST

1. Doctor: can diagnose health problems and refer patients to special treatment programs and other kinds of special help:

2. County Public Health Department: especially if someone lacks a family doctor, can suggest sources of medical care and other aid.

3. Family Service Agencies: Can help parents and children cope with strains caused by a child's handicap and can make referrals to other kinds of help. Family Service Agencies located in or near the Ninth District are in Bloomington, Richmond, Columbus, and New Albany.

4. Community Agencies: Some 9th district communities have specialized community agencies that offer help to children with particular handicaps and can suggest agencies that offer help to children with other handicaps. These agencies include:

Development Services, Inc., 1541 Hutchins Ave., Columbus, phone 372–0259;

Quinco Consulting Center, Main Office, 2075 Lincoln Park Drive, Columbus, phone 379–2341;

Community Mental Health-Mental Retardation Center, 285 Bielby Rd., Lawrenceburg, phone 537–1302;

Southern Indiana Mental Health Center, 207 West 13th St., Jeffersonville, phone 283–4491;

Eastern Indiana Mental Health Center, (also known as Camilla B. Dunn Mental Health Clinic), 54 South 15th St., Richmond, phone 962–1523;

South-Central Indiana Mental Health Center, 640 South Rogers, Bloomington, phone 339–1691.

Note: the agency closest to your home will either be able to help you or refer you to an agency which can help you.

5. County Public Welfare Dept.: even if a child does not qualify for services, welfare departments often know about local agencies that serve the handicapped.

III. PARENTS GROUPS

Many counties have groups made up of parents of children who suffer particular handicaps. These groups often offer emotional support for parents and, through shared experiences, possible ways of aiding handicapped children. Groups that have local chapters in the 9th district include the Indiana Association for Retarded Citizens, the Mental Health Association in Indiana, and others. The statewide offices of these organizations have the most up-to-date information about local chapters (see section IV.).

IV. PRIVATE STATEWIDE AGENCIES

Concerned with certain handicapping conditions can often provide information about services available throughout the state. These organizations include the Indiana Association for Retarded Citizens, the Mental Health Association in Indiana, the Indiana State Chapter of the National Hemophilia Association, the Indiana Association for the Multiply Handicapped Deaf, American Lung Association, and others. To contact these groups and find out about local chapters, contact The Indiana Commission for the Handicapped (see section V.).

V. STATE GOVERNMENT AGENCIES

1. The Indiana Commission for the Handicapped—State Board of Health: a clearinghouse for matters relating to the handicapped in Indiana. Can provide addresses and phone numbers of agencies serving the handicapped and other relevant information. Note especially the comprehensive booklet entitled *Directory of Services for the Handicapped.*

Address: The Indiana Commission for the Handicapped, Indiana State Board of Health, Division for the Handicapped, 1330 West Michigan St., Indianapolis, Indiana 46206. Phone: (317) 633–5680.

2. Other State Agencies Dealing with Handicapped Children include the Indiana State Dept. of Mental Health (including the Child Mental Health Division and the Mental Retardation and Other Developmental Disabilities Division), the Public Instruction Dept., and the Dept. of Public Welfare (which includes a Division of Services for Crippled Children).

VI. PUBLIC HELP FOR HANDICAPPED CHILDREN

Some Major Programs:

1. Public Schools: All school corporations—alone or jointly—must have available free, comprehensive educational programs for all handicapped children aged 6 to 18. A comprehensive pamphlet on the rights of handicapped children to public education, entitled "Public School and the Special Child" may be obtained from the Mental Health Association in Indiana (1433 North Meridian St., Indianapolis 46202) or the Indiana Commission for the Handicapped (see section V.). The local school corporation should be contacted about what is offered locally.

2. Headstart: a federally-funded pre-school for children from low-income families. 10% of the children in Headstart classes must be handicapped. These Headstart programs serve the 9th District:

Bartholomew, Brown, and Jackson Counties: Human Services, Box 588, Columbus, phone 372–8047;

Clark County: Clark County Community Action Program, 201 National Ave., Jeffersonville, phone 282–0456;

Dearborn, Ohio, Ripley, and Switzerland Counties: Southeastern Indiana Economic Opportunity Corp., 237 Main St., Aurora, phone 926–1585;

Floyd County: Floyd County Economic Opportunity Corporation, Room 122, City-County Bldg., New Albany, phone 945–2349;

Jefferson, Jennings, and Scott Counties: Ohio Valley Opportunity, First and Broadway, Madison, phone 265–5858;

Harrison County: Lincoln Hills Development Corporation, Box 133, Troy, phone 547–8621;

Monroe County: Monroe County Community Action Program, 101 South College Avenue, Bloomington, phone 339–3447;

Washington County: L.O.W. Economic Development Corp., Box 205, Mitchel, phone 849–4457.

Decatur, Fayette, Franklin, and Union Counties have no Headstart program.

3. Reading Material: The Indiana State Library Division for the Physically Handicapped provides braille, large type, and recorded material to people of all ages unable to read conventional print. Contact the Bartholomew County Public Library in Columbus, the Floyd County Public Library in New Albany, or the Indiana State Library Extension Division in Indianapolis.

4. Income Assistance: The Supplemental Security Income (SSI) program, run by the Social Security Administration, will pay benefits to a child who has a handicap that would keep an adult with a similar condition from working. Family income and other factors might be taken into account. Social Security offices serving the 9th District are in Columbus, New Albany, Madison, and Richmond.

5. Medical Care: The Indiana Dept. of Public Welfare helps provide treatment for certain handicapped children from low-income families. For information, contact the county welfare dept. Some state hospitals and other facilities are maintained. The sources mentioned in sections II., III., IV., and V. above can provide information about such programs and programs offered by private groups.

6. Vocational Rehabilitation: The Indiana State Vocational Rehabilitation Services offer training on the job and in special schools to handicapped citizens, as young as 15 or 16 in some cases. For information, contact one of the Vocational Rehabilitation Offices serving the 9th District, located in Bloomington, Clarksville, Columbus, Richmond, Seymour and Versailles.

7. CHAMPA: can help pay medical expenses for children of servicemen who died or became totally disabled as the result of a service-related cause. For information, call 800-382-4540.

8. CHAMPUS: helps pay for medical treatment and rehabilitation for seriously handicapped or moderately or severely retarded children of active duty service personnel. For information, contact a base CHAMPUS representative or write OCHAMPUS, Denver, Colorado 80240.

JUSTICE WILLIAM O. DOUGLAS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. STARK. Mr. Speaker, as we speak today about Justice William O. Douglas, I am saddened for all we will miss in the years to come. But when we look at all that William Douglas has given us over the last four decades, we must indeed revel in respect and awe. His was not simply a gift of service, or of time, or of effort—it was a much more monumental gift—one of boundless spirit and of tireless dedication to the principles so basic to our democracy.

I do not know Justice Douglas personally. I am not even a lawyer, and so perhaps my awe of him is founded on different reasons than those of others who speak today. I know only that he as an American was always able to speak to me as an American. His was a law which respected people, not institutions. It was a law which struck new blows for freedom for those people rather than being bound by legal precedent. In his own way, Justice Douglas explained his rejection of tradition.

He said:

> It is better that we make our own history than be governed by the dead.

It seems to me that that is what Bill Douglas was so very fine at—he made history, he refused suppression, he fought for the future.

Now he is leaving the Court. Gracefully, poignantly, he likens his departure to the end of a canoe trip, nine strangers becoming close friends and then parting at the end. Even this—his most painful decision—he relates to us for all to share and understand.

We regret his departure more than we can say. We thank him for all he has given us and shared with us, and hope that we can in some small way live up to his example.

ZIONISM AND THE UNITED NATIONS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. MURTHA. Mr. Speaker, I have been heartened by the response of citizens in my area who have written to me condemning the action by the United Nations equating Zionism with racism. The people have seen this as the unfounded, politically motivated act that it was. Anti-Semitism deserves to be denounced, and I congratulate the people for seeing through the prejudiced action of many United Nations countries.

In an atmosphere of calm and careful deliberation, I am glad Congress is undertaking a review of the U.S. role in the international body, not with a view toward vindictiveness, but with a view toward evaluating our present and future role in this body.

Mr. Speaker, for the information of the Members, I would like to insert an editorial on the subject which appeared recently in the Johnstown Tribune Democrat:

ISRAELIS SHOULDN'T FRET

Understandably, the Israelis and representatives of some other nations are upset by the adoption by the United Nations of a resolution that labels Zionism "a form of racism and racial discrimination."

The sentiments of reasonable nations were summed up by the U.S. ambassador to the U.N., Daniel P. Moynihan, who said that the General Assembly had perpetrated an infamous act and noted:

"A great evil has been loosed upon the world. The abomination of anti-Semitism has been given the appearance of international sanction."

Repulsive as it is to people of reason, the resolution really should not cause undue fretting on the part of the Israelis and others who see nothing but ridiculousness in the resolution.

After all, it should be remembered that the resolution was passed within the United Nations; and if the U.N.'s performance in hate-perpetuation is no more effective than its record in peace-keeping, then no one has anything to worry about.

CAN EXPERTS LEARN FROM NON-EXPERTS?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. BROWN of California. Mr. Speaker, our reliance upon experts of every discipline to advise us in the areas of their expertise has been a subject that has received considerable comment, some of which is supportive and some of which is critical. One of the most common criticisms of using panels of experts is that they usually do not have a very broad perspective, and they seldom question the assumptions of their field of expertise. This type of criticism makes some sense to elected officials, who must represent all types of people, and by the nature of the job become generalists. We can call upon experts for advice, but unless that advice is presented in a suitable form for congressional use, it may not be truly helpful.

This need for generating expert advice that would serve the Congress has led to the expansion of activity at the Congressional Research Service and the General Accounting Office, and was also a prime reason behind the creation of the Office of Technology Assessment. As a member of the Technology Assessment Board, I have had direct experience with the problems associated with defining an area of study, organizing a balanced panel of experts, and writing a report that is truly useful to the requesting committee of Congress. This whole area of study is evolving, and many different techniques are being tried by OTA in an effort to improve the assessment process.

One of the important sources of advice for OTA has been the Technology Assessment Advisory Council. This council is composed of an excellent group of experts who have done much to assist OTA in its first 2 years of operation. The fact that the Advisory Council has met for many more hours than the Congressional Board perhaps shows the significance of TAAC's contribution.

One of the TAAC members whose work has particularly impressed me is Hazel Henderson. Among the many issues which she has pursued is the steadfast insistence upon making participatory democracy apply to the deliberations of experts. In the process she has broadened the perspective of many panels and improved the quality of the work which has resulted.

The November 28 issue of Science magazine carried an excellent article on Hazel Henderson, who is representative of a great number of people in the country, which I would like to insert into the RECORD at this time.

The article follows:

HAZEL HENDERSON: NUDGING SOCIETY OFF ITS MACHO TRIP

Who's the handsome blonde woman in the Pucci skirt, carrying on from the speaker's podium in emphatic but well-modulated British tones about corporate obsolescense, society's "Cartesian trip," the second law of thermodynamics, and the "decline of Jonesism"?

That's Hazel Henderson, one of the most voluble, eloquent, and increasingly visible of America's spokespersons for social and economic change.

Henderson, who has helped set up a half-dozen citizen activist organizations, has of late been moving in on the world of science policy. She is the only woman on the advisory council of the Office of Technology Assessment (OTA); she is probably the only non-college graduate on the Committee on Public Engineering Policy of the National Research Council; and she has just been invited to be on the policy advisory committee of the National Science Foundation's Research Applied to National Needs program.

In other words, she has no difficulty working within the systems. She simply grabs the available handles and turns them into levers. She is one of those who refuse to be categorized by discipline—indeed, she doesn't have one—who prefer to see themselves as synthesizers of ideas and as advocates not so much of ends as of process. There is an end, of course, which is to see the country undergo a transition into a decentralized, small-technology, resource-conserving, labor-intensive, environmentally sound, recycling, low-growth, democratic society.

The label Henderson is most comfortable with is that of "futurist." "Individual disciplines have become a positive straitjacket," she says, "which is why I like to be in the company of people who call themselves futurists. They've all transcended some discipline—the old disciplines are really not describing reality very well."

Her story is that of a woman who evolved into an activist simply by doing what came naturally. "It all just sort of happened organically, by accident as it were. I just seem to be doing the things that seem to be sensible at the time." Sensibleness, combined with an impressive set of brains and a firm sense of self-worth, have brought her a long way.

Henderson was born in Clevedon, a small fishing village in Somerset, England, the daughter of the director of a paper company in Bristol. She developed her verbosity at an early age in long debates with her father, who also sought her opinions on business matters. Her mother imbued the four children with the belief that there was nothing they couldn't do if they wanted to.

Young Hazel, well schooled but with no university education, went off to New York to seek her fortune in 1957, when she was in her early 20's. There, after a couple of years working as a ticket agent for Pan American Airlines, she met and married Carter F. Henderson, who had just returned from a job in London as bureau chief of the Wall Street Journal. After several years absorbed in wife- and motherhood (they have a 14-year-old daughter, Alexandra), Henderson emerged to find that she definitely didn't like the quality of New York City's air, and set about to do something about it. "Most of the things I've done I've done because I didn't know that you couldn't do that," she says, "As long as you don't know it can't be done it becomes easier."

Having been struck by the hypnotic power of the mass media in America, Henderson read up on the parts of the communications law that relate to the public interest. She also found out there was such a thing as the air pollution index. So she wrote the Federal Communications Commission (FCC) and the presidents of the three major networks suggesting that it would serve the public's "convenience and necessity" to have the index broadcast along with the weather report. Xerox copies of this were sent to every relevant public servant she could think of. She received an encouraging reply from an FCC official which she promptly xeroxed and sent to the network presidents—within 5 weeks, she says, all three were broadcasting the air pollution index. "I thought, Wow!" says Henderson. "This is too much. This is too easy!" So, of course, she contacted a city councilman who was interested in sulfur oxide levels, a meeting was held in his office, and Citizens for Clean Air (an organization that now has 24,000 members) was launched. Next, thought Hazel, What we really need is an all-media campaign. So she cruised up and down Madison Avenue knocking on the doors of all the advertising agencies until at last she found a young one willing to do ads for free. They were so good, says Henderson, that she then wrote to Norman Cousins who was chairing Mayor Lindsay's air pollution task force and asked if she could show them to him and another member, William Bernbach of the advertising giant Doyle Dane Bernbach. The TV ads were screened in Bernbach's office. Everyone was impressed, so Henderson asked them to write letters to various media people requesting that they air the ads as a public service. Naturally she knew that Bernbach's name would have an effect since he was also buying millions of dollars worth of paid advertising. This tactic resulted in $350,000 worth of free time and space for the campaign. "That, I guess," she says, "was my first experience in finding how you could logroll powerful people into helping you." The campaign brought enormous public response, with people sending money and writing letters expressing their private concerns about air quality.

The success of the campaign illustrates Henderson's apparent instinct for latching on to hidden public concerns before they are publicly recognized. "People in a complex society like this have a lot of privatized perceptions about what's going on and it requires some sort of catalytic analysis or concept to make them realize that they're not crazy, that it's real."

Having cut her teeth on clean air, Henderson turned her attention to Campaign GM (General Motors)—the automobile companies, after all, being a root cause of the air problem. Campaign GM, a Ralph Nader enterprise, was trying to get some consumer-minded people on the company's board. Henderson took it on herself to try to round up owners of big blocks of stock to side with them at GM's annual meeting. She took some of the Nader lawyers to some of the big insurance companies where "we told them that it was kind of anomalous that they would have their policyholders' money invested in the stock of a company which was producing 35 percent by weight of all America's air pollution at the same time that their emphysema disability payout rates had gone up 70 percent." Gee, they hadn't looked at it that way, but they would think about it. Henderson sees the GM campaign as primarily a consciousness-raising matter, since even with enormous effort they could only round up tiny percentages of the total stock owned.

But it had become clear to her that with almost all the societal problems she was concerned about, "all roads led to the corporation." Auto pollution, for example, was "simply colonialism from Detroit." It was corporate America, and not City Hall, where the money and knowledge and power lay. The natural progression, then, was joining the board of the Council on Economic Priorities, formed in 1970 (*Science*, 5 February 1971) to evaluate how corporations are rising to their new environmental and social responsibilities. As the consumer movement has expanded and diversified, Henderson has gotten involved with more and more groups. She helped set up the National Council for the Public Assessment of Technology and the Public Interest Economics Center, both of which try to match needy citizens' groups with public-interest-approved experts.

In Henderson's view, corporations are not only central but are symbolic of what's wrong with the way we think about things. When she speaks of the "Cartesian trip" she refers to the constellation of values and structures that have directed "progress" in this century—centralized, hierarchial, huge organizational structures, the commitment to "big-bang, capital-intensive technology," the belief that science and technology are value-free, and over-emphasis on linear, objective, reductionist thought—or, dipping into psychology, what she regards as reliance on the brain's left-hemisphere thinking as opposed to the output of the right hemisphere, which is supposed to be the source of spontaneous, intuitive, emotional impulses.

She believes that recognition that all choices are based on values has fallen out of this rigid and highly compartmentalized system, and that the springing up of public interest groups is one of the signs that the system is beginning to crumble because of its increasing inefficiency in meeting people's needs and the growing social costs incurred. We are still very new at documenting the social costs of our production, transportation, energy, and other systems, says Henderson. Once an accounting is made of their "disamenities" and "diseconomies"—what economists call "externalities" but which she sees as central to the whole picture—net benefits, if any, become marginal.

Henderson believes that what must happen is a "devolution" of all things big and complex, like cities and corporations. Huge corporations she believes, are obsolescent, spending more and more on just transacting with themselves. Big institutions are all suffering a 10-year time lag. "Corporations are producing all the things we thought we wanted 10 years ago"; the lag is evident in education, where students are rushing to study economics (which is becoming irrelevant in its present form) and agriculture (high-technology, non-labor-intensive). It also shows in the women's movement. "The battle is won, almost, at the individual level . . . but the Cosmos Club just voted again to exclude women!"

Mega corporations, says Henderson, are justifying their antiquated structures on the basis that their continued existence supplies jobs. But when they use their roles as employers to justify themselves, "they paint themselves into a corner . . . We can then say: Okay, if we [the taxpayers] have to bail you out so as to produce jobs we have a right to say 'Jobs producing what?' At what social cost?" By artificially keeping them alive, says Henderson, we are choking innovation, preventing the new growth of institutions more fitted to future needs.

Henderson is very keen on debunking the idea that a rising gross national product is necessary to keep down unemployment. On the contrary, she believes that the obverse of high technology and heavy resource depletion is underuse of human resources. "An environmentally benign economy is also a labor-intensive economy." To purvey this message she has recently helped set up a new organization in Washington called Environmentalists for Full Employment.

BIG IS NOT BEAUTIFUL

Henderson also sees the influence of bigness in the way science policy is made—both government and corporations tend to finance research that goes in the direction of "big-bang capital-intensive technology." She sees the difficulty in getting money for solar energy research as an example: "It is in the interests of all the companies to see solar development as a big technology so it will fit into the production configuration of the utility industry . . . a centralized technology so that it will fit into the distribution system." Yet solar energy is best suited as a decentralized thermal technology. The two approaches also illustrate to her the difference between producer-oriented and consumer-oriented technologies. Nuclear power fits into the former category. Henderson would fault a nuclear power plant not only for its potential hazards but because it "dictates" its own social configuration, its centralization makes it vulnerable to sabotage, and it "makes technology more and more inaccessible to the average individual so that he becomes more and more dependent." This kind of technology "concentrates power and wealth and knowledge in fewer and fewer hands at the expense of making the rest of us poorer and more stupid and more powerless." One begins to see why Henderson says, "I fear economic totalitarianism much more than I fear political totalitarianism."

Henderson believes the only way to incorporate awareness of social ramifications into technology assessment is to bring representatives of "impacted" groups into the evaluation process. She sees it as her mission at OTA and in her other advisory positions to open up decision-making processes for some of this common-sense thinking to come through. Boosted to the OTA council through the efforts of a pack of public interest groups, she has succeeded in ensuring that environmentalists, poor people, minorities, and so forth are in on OTA studies from their conception. The OTA has been pretty responsive, she says, much more so than the National Academy of Sciences which is still hung up on the "value-free objectivity of science." Yet "values is the only ballgame in town. We have exhausted the limits of empty techniques," she says.

It is difficult to sum up Hazel Henderson's corpus of thought, because no matter what topic you choose to tap in on—and there is nothing about which she does not have an opinion—you will find it connected to everything else. "I work a great deal out of my right brain hemisphere," she says. It is the mode of thinking that has been labeled "female"; indeed, she says that the most of the social change agents she has met have been women.

Her thinking is supplemented by the work of her husband, Carter, who left a job at IBM some years ago to found the Interracial Council for Business Opportunities which supplies counseling for minority businesspersons. The Hendersons, who moved from New York to Princeton 3 years ago, have incorporated themselves as the Princeton Center for Alternative Futures under whose aegis they carry on as they please, he as an international financial consultant and writer, she as "intellectual gadfly." When not traveling they play host to a stream of kindred souls who sit around and talk all night in their large brown-shingled house. They live handsomely but temperately, do all their own household and clerical work, pick up their furniture cheap at auctions, and are planning to put some fruit trees and easily tendable vegetables in the backyard. Bicycles and jets are their primary modes of transportation.

Hazel Henderson attributes much of her enormous productivity to her freedom, both from routine—she likes to intersperse some bread making or upholstery between "head trips" at the typewriter—and from institutional categorization. Someone offered her an honorary M.S. but she declined. "What I would do is pick up a peer group and they would be telling me what to say, wouldn't they? . . . society at this point needs a few wild cards." Being a foreigner, she believes (she became a U.S. citizen in 1962), gives her a fresh eye for perceiving the absurd. She likes to "take any discipline that is becoming prideful and poke fun at it." Economists are no longer fair game because the discipline is in shambles, but she has noticed of late that the psychologists need to be deflated a bit, what with their notion of subjecting political leaders to psychological testing.

Although the positive feedback Henderson seems to get from every new thing she tries would be enough to make anyone's ego balloon, she doesn't seem to have anything out of proportion. She does not see herself as a crusader, "just a human being trying to act sensibly, and also having a lot of fun."

LIBERALS ARE HARD-HEARTED INDIVIDUALS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. ASHBROOK. Mr. Speaker, one of the biggest myths peddled by the liberals is that fiscal conservatives are hard-hearted individuals. I guess to the liberal mind it is hardhearted to want to hold the line on Federal spending. I guess the liberals feel that it is "unkind" to not vote for every new and costly Government spending program that comes down the pike.

Frankly, I think it is the liberals who are being unkind. The reckless spending policies followed by the liberal politicians have resulted in runaway inflation, high interest rates, and large-scale unemployment. If this is kind, our Nation cannot afford such kindness much longer.

Let me briefly mention how "kind" the liberals have been to retired people and people who someday would like to retire. The massive deficit spending of the liberal politicians—which has been the major cause of our inflation—has seriously eroded the value of the dollar.

This has put our retired citizens in a very difficult position. According to a recent survey by Citicorp, 22 percent say their pensions are inadequate and 31 percent say their pensions meet only minimum needs.

The same survey also showed that 1 out of every 10 Americans will find retirement impossible under the current inflation rate. Seven out of ten say they would find retirement at least "moderately difficult."

It seems hard-hearted to me that the liberals would follow a policy that will make retirement impossible for 1 out of every 10 Americans and moderately difficult for 7 out of 10. It seems very unkind that the liberals would choose a course of action that hurts so many of our retired citizens.

It is a shame that liberals are such hardhearted individuals. Too bad they cannot be like fiscal conservatives.

Following is an article from the October 22 edition of the Washington Star:

RETIREMENT "IMPOSSIBLE" FOR 1 IN 10?

A survey by Citicorp shows that one of every 10 Americans will find retirement "impossible" under the current inflation rate.

The survey, taken among 1,431 persons, asked questions relating to retirement, pensions and Social Security benefits.

Of those surveyed, about seven of 10 said they would find retirement at least "moderately difficult" at today's inflation rate. But about one of every 10 said he would have no difficulty in coping with inflation on retirement, the same ratio as the "impossible" category.

The survey showed that many retired people have financial problems, with 22 percent saying they have inadequate pensions and another 31 percent saying the pensions meet only minimum needs.

RESISTING THE ARAB BOYCOTT

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. BELL. Mr. Speaker, I know that many of my friends in the Congress share my deep concern over the boycott by Arab nations of interests which they consider pro-Israel.

Complicity in such discrimination by yielding to the demands of the Arabs has no place in this Nation, and such pressures must be resisted by U.S. companies.

Fortunately, steps are now being taken by the Federal Government to encourage such resistance.

I would like to call to the attention of my colleagues an excellent editorial on this subject which appeared in yesterday's Los Angeles Times.

The complete text of the editorial follows:

[From the Los Angeles Times, Dec. 1, 1975]

STANDING UP TO THE BOYCOTT . . .

President Ford has begun taking official steps to make life more difficult for the Arab nations' boycott of interests they consider pro-Israel. These steps were badly needed.

Ford's actions are clearly important to Israel and to American Jews. They are just as important to the long-term health of the United States and its economy. A nation so fundamentally opposed to discrimination cannot thrive while it endures the human and economic waste of ethnically inspired boycotts and reprisals.

The Arab boycott is aimed at a list of roughly 1,500 to 2,000 firms, organizations and individuals that have been deemed adherents of Zionism for one reason or another. Most of them are American. And companies that do business with the Arabs are expected not to deal with those on the list.

In this country such a practice has no place.

Ford has directed the Commerce Department not to circulate foreign requests for American companies' bids on projects if the requests stipulate compliance with any boycott. He has instructed the Justice Department to study possible antitrust action against companies that do assist the boycott by discriminating against other Americans.

Now it is up to the President to enforce his newly announced measures as strictly as possible. And it is up to American business leaders to take advantage of the bargaining strength that Ford's firmer stand gives them in combating those aspects of the boycott that government action alone can never eliminate.

There are fuzzy circumstances beyond the law's effective reach—cases where a nod or an oblique remark can signal assent to the boycott, but where nothing is spelled out precisely and nothing is written down. Those situations are common, and can seldom be proved. But they often can be avoided if corporations are willing to make the required effort.

According to knowledgeable people, some U.S. firms that are new to the Middle East have been intimidated into observing the boycott without even being asked directly. They have done so on the bad assumption that they would never get an Arab contract without following the boycott in letter and spirit. In fact some Arab countries make little effort to enforce it.

With the right kind of leadership, American corporations can help diminish the boycott's effectiveness without damaging their own interests. Already many firms have found that Arab negotiators may soften their stand quickly in the face of polite but firm refusal to take part. Ford's statements should encourage more companies to resist in this way.

So should the action of California Gov. Brown. Last week he called off negotiations between the state's Department of Transportation and the government of Saudi Arabia, which had offered to hire Caltrans engineers whose state jobs are about to end. That Brown's action became necessary is regrettable, but the absence of Saudi pledges not to discriminate against Jewish applicants made it the only thing to do.

With continued firm leadership, alert business negotiators stand an increasing chance of being eventually able to circumvent the boycott, of no longer facing the choice between abetting discrimination and sacrificing job opportunities for Americans. That goal is well worth working for.

It is clear that no nation can pass enough laws or adopt enough policies to end the hatred between two peoples. But government and business must combine their efforts to keep America itself from becoming the instrument—and the victim—of the boycott.

THE SPIRIT OF '76

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. FINDLEY. Mr. Speaker, Illinois Secretary of State Michael Howlett recently sponsored a statewide essay contest on "What is the Spirit of '76?" Over 300,000 essays were submitted, and the task of the judges was formidable. After reading the essays, the grand prize was awarded to Don Bishop, a student at Litchfield, Illinois High School. I wish to commend the essay to my colleagues, for in it, Don has captured the essential quality that has made our country the example and hope of freedom for the world:

DON BISHOP'S GRAND PRIZE ESSAY

I am the spirit of '76. Our nation like its people, has gone through times of hope, happiness, and tragedy. From Paul Revere's ride to Neil Armstrong's giant leap for mankind, I have sustained this nation through independence and freedom against its enemies. I have caused revolutions in agriculture, industry, technology and humanism.

I am the inspiration for which American patriots gave their lives and fortunes. I have led your sons into battle from Lexington to Vietnam. At Concord Bridge, I was the motivation behind the shot heard around the world. During the revolution, I saw the sword beaten into plow shares and witnessed the birth of our republic.

I didn't fade into the background after 1976. The hearts of my people made me too strong for this. For two centuries I have been a soldier in war, a civilian in peace, for security and honor. Wherever brave men fight and die for freedom, I am there, that same spirit that sustains the oldest form of government in the world.

I will continue to grow in the hearts of those who support our constitution, obey our laws, respect our flag, and believe in God. Then, now, and forever, I am the spirit of '76.

U.N. ASSOCIATION CONDEMNS ZIONISM RESOLUTION, RECOMMENDS SPECIFIC ACTIONS WITHIN U.N. FRAMEWORK

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. BINGHAM. Mr. Speaker, the United Nations Association is a private, nonpartisan nonprofit organization which works towards constructive U.S. policies in the United Nations. The Board of Directors of the UNA recently issued a statement strongly condemning the resolution passed by the United Nations' General Assembly on November 10, 1975, which equated Zionism with racism. Describing the resolution as a "reprehensible act," the statement warned that it can "only serve to encourage anti-Semitism around the world and prejudice momentum toward peace in the Middle East."

Reaffirming the essential role of the United Nations as an instrument of international cooperation, the Association recommended a series of steps in which the United States could assert its leadership in preventing the paralysis of the UN system "because of the irresponsible behavior of some member nations." Among those steps was a withdrawal of U.S. support for U.N. programs which would include Zionism as a target under the terms of the resolution, bilateral measures against those governments actively supporting the resolution, and emphasis in U.S. foreign policy on questions of human rights. The Association urged the United States not to "hesitate to name specific nations where human rights are threatened or violated."

I commend the following UNA statement to my colleagues' attention:

STATEMENT BY THE BOARD OF DIRECTORS OF THE UNITED NATIONS ASSOCIATION OF THE UNITED STATES OF AMERICA, NOVEMBER 17, 1975.

We totally reject and condemn the provision of Resolution 3379 adopted by the United Nations General Assembly on November 10, 1975, which states that Zionism is a form of racism and racial discrimination. This Resolution can only serve to encourage anti-Semitism around the world and prejudice the momentum toward peace in the Middle East in which U.S. vital interests are involved.

Zionism is a complex historical process expressing many different aspirations of the Jewish people over the years and has many different interpretations, none of which can properly be used to equate Zionism with racism.

We believe that the United States should take the lead in endeavoring to insure that this kind of reprehensible act is not repeated in the United Nations or other international forums, and that the United Nations system is not paralyzed because of the irresponsible action of some member nations.

Because the Decade for Action to Combat Racism and Racial Discrimination now equates Zionism with racism, the United States should not support the Decade in any way nor should the U.S. participate in any other U.N. programs which seek to implement the intent of the Zionism Resolution. The United States should, however, increase its efforts against racism wherever it occurs, in deed as well as in word.

In U.S. bilateral relations with other nations, those governments who supported the Zionism Resolution should be made to feel the displeasure of the Government of the United States and of its citizens who have reacted so strongly against this Resolution.

The United States should continue to press its efforts for a just and lasting peace in the Middle East.

The United States should speak firmly and effectively through its foreign policy in the United Nations and in the world's capitals on questions of human rights and against the "double standards" applied to them. The United States should not hesitate to name specific nations where human rights are threatened or violated.

The United States should make clear the danger of actions such as the Zionism Resolution to the spirit of conciliation necessary to carry forward important initiatives exemplified by the United Nations' Seventh Special Session on Development and International Economic Cooperation.

We commend the United States Government and Ambassador Moynihan for the forthright condemnation of the indefensible action by the General Assembly in adopting the Zionism Resolution. We applaud and support the determination reflected in the statements of Secretary Kissinger and others to reaffirm the U.S. interest in the United Nations.

The principles and objectives of the Charter remain central in our foreign policy and the UN remains an important instrument of international cooperation for peace. We must seek every means of encouraging responsible actions in the United Nations and of strengthening the effectiveness and contribution of the organization.

PRIVATE PHILANTHROPY IN HOSPITAL CONSTRUCTION

HON. HERMAN T. SCHNEEBELI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. SCHNEEBELI. Mr. Speaker, private philanthropy is vital to the health delivery system of the Nation—last year over $4 billion was contributed. Over $700 million was contributed for hospital construction. I am hopeful that if and when a national health insurance program is adopted, there will be provision for protection of the continuation of private philanthropy.

I include the attached statement on the matter in the RECORD at this point, so that my colleagues may have the opportunity to study it. The statement was given before the Subcommittee on Health of the Ways and Means Committee during hearings on national health insurance, by Mr. William Roth, president of the National Association for Hospital Development. Mr. Roth is also the director of development at the Geisinger Medical Center, Danville, Pa. The statement follows:

Mr. Chairman, I am William S. Roth, Director of Development at the Geisinger Medical Center at Danville, Pennsylvania, Vice President of the Institute for Medical Education and Research, and President of the National Association for Hospital Development. The National Association for Hospital Development is a not-for-profit national organization established to serve the interests of those hospital executives in the United States directly involved in fund development, and to fulfill the demonstrated need for a formal association of these individuals. It is governed by a board of directors elected by the membership.

With me today is Dr. S. David Pomrinse, M.D., the Executive Vice President of Mount Sinai Hospital, New York City. Both of us have very short verbal statements to make, and would like to insert additional testimony in the record, if that is agreeable to you.

The members of our association have a relationship to the encouragement of voluntary contributions for medical centers and hospitals throughout the United States. We are very concerned about the role of private philanthropy in the health care system.

Up until recent months, not one of the proposed national health insurance schemes contained protections for the continuation of private philanthropy. We are pleased to note that the Ullman Bill, H.R. 1, for the first time included specific language providing for that protection which will encourage citizens to provide new facilities and rapidly developing technologies. Recently Senator Ribicoff included similar protection in the Long-Ribicoff Catastrophic Health Insurance and Medical Assistance Act, S. 2470. We are pleased with that legislative language as well. We sincerely hope that this Committee, when it begins markup on a national health insurance bill, will include similar protections.

One would think that no one would work to eliminate private philanthropy in the health field. After all, over *$4 Billion* was contributed in 1974 by Americans philanthropically for health and hospitals, and over $700 Million of this was for hospital construction alone. (This means that *private philanthropy* paid for 4% of the national health care costs, and about 19% of non-profit hospital construction costs.)

Total philanthropy in our country last year amounted to $25 Billion and the Filer Commission Report on the future of philanthropy is due to be delivered to the House Ways and Means Committee later today.

Besides the $700 Million for hospital construction, private philanthropy contributed $1.2 Billion for personal health care, $835 Million for health agencies, $780 Million for endowment, as well as $220 Million for medical research. The same kind of research that led to the Salk vaccine for polio.

If there is not protection for private philanthropy, and if state and national administrators of rate setting, planning, and other programs have the opportunity to stifle this giving by their activities, these funds surely will dry up, and the Federal Government will be forced to find the $4 Billion per year additional to take their place.

It is not an unwarranted fear that this will happen. Senator Ribicoff made this quite clear in a recent speech to our Association. As he said October 16th of this year at our national conference:

"Private philanthropy furnishes a kind of 'venture capital' for hospital development. It enables innovations and critical breakthroughs. It also funds capital improvements—new buildings, beds, and equipment. These are the essential building blocks of health care.

"This is why I insisted on including in the Long-Ribicoff bill a specific provision aimed at encouraging philanthropy. The provision applies to the determinations made by the Federal Government of reimbursable costs under Federal aid programs. It would bar Federal officials from deducting unrestricted gifts and endowment income from the reimbursements.

"The provision is necessary, unfortunately, because officials of the present administration at various times have adopted a contrary policy. They have deducted funds from private philanthropy in calculating the operating costs of hospitals. In addition, the administration's economic stabilization program barred many hospitals from raising their rates in response to costs due to inflation. The hospitals had to use endowment and gift income to make up their deficits. This policy undercut the purpose of philanthropy; it was ended only when the economic stabilization program itself was eliminated. We hope that our bill's provision will effectively prevent a repetition of this threat or any similar one."

Senator Ribicoff correctly identified the threat from Federal bureaucrats, and we believe the language would serve as well to assure the state health planners also regard philanthropy in the same way—this will certainly be true if the Medicaid program is Federalized, as many bills suggest should happen.

We are very concerned that state rate setting agencies may injure private philanthropy. Several states are now moving forward rapidly with health services cost review commissions, which are attempting to establish rules and regulations for rate setting in hospitals. Such commissions' policies vary from state to state, and because of regulations regarding restricted and unrestricted gifts, and volunteer operational services, will seriously and adversely affect private philanthropy to hospitals.

A trend is becoming particularly evident regarding regulation of hospital costs and charges. As was noted earlier, the Cost of Living Council caused the rapid erosion of unrestricted endowments of hospitals. We have learned that a similar pattern is being developed by some state rate-setting commissions, and several other devices have been added which threaten to dry up philanthropic funds.

As an example, in Maryland, it was intended that funds obtained through the work of volunteers at hospital gift shops which heretofore have been used to support programs at the hospitals which could not otherwise have been funded would be used to pay for bad debts or other hospital expenses before governmental reimbursements for other costs will take place.

Of course, volunteers who give of time and effort to create needed and favored projects will not work long if they see the benefit of their work simply replacing the reimbursement dollar. This is a small example, but an important one, which would represent a considerable loss in opportunity for voluntary action if such regulations were to be developed nationwide.

Our position has been supported in the past by the American Hospital Association and the Association of American Medical Colleges. We hope that our position will find support in the legislation eventually agreed to by this Committee.

Attached to our written testimony is a copy of a recent special issue of *Hospitals*, the Journal of the American Hospital Association. It deals with philanthropy almost completely, and we hope that you and your staff will have time to study it, particularly the article entitled, "The Complex Face of Charity," beginning on Page 47.

Now Dr. Pomrinse, Executive Vice President of the Mount Sinai Hospital, New York City, who for many years has been a leader not only in New York but nationally as well, in health care delivery will speak from the point of view of an Administrator of a hospital heavily supported by philanthropy—in fact over $100 million contributed in the past five years. Dr. Pomrinse.

THE RETIREMENT OF JUSTICE WILLIAM O. DOUGLAS

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. NIX. Mr. Speaker, it is with the deepest regret that I take note of the recent retirement of Justice William O. Douglas, after a period of service on the U.S. Supreme Court that was remarkable both for its longevity and for its incomparable record of achievement.

He sat on the Supreme Court for more than 35 years, in a period of more rapid change in our society and in our laws than has occurred in any other time in our national history. But far more important than the record-setting length of his service on the court was the brilliant record of contribution to a just society with which he filled those years.

Justice Douglas has always been a believer in the human purpose of the law and of the need for the law to address itself squarely to the human and social problems that are brought before it. In particular he brought an intellectually impressive knowledge of constitutional law to bear in support of his great central theme of defending individual liberty. His inspired and forceful opinions and dissents will long be cherished by all those who love liberty.

Justice Douglas cannot be easily fitted into any category of judicial thought. From his beloved mountains of the Northwest he brought with him an inquiring mind and an openness to ideas that caused him to shun dogma and facile solutions to difficult problems. Combining his gifted mind with a profound knowledge of the law, he constantly probed new frontiers of thought in the complex problems of maintaining and improving a just and moral society in a troubled age.

At a time when other men might easily succumb to the notion that the problems of modern times require a diminution of the rights of the individual, he clung tenaciously to individual freedom as the core of a just society. Freedom of speech and thought were, for him, not desirable goals, but moral and political imperatives. In the face of the growing power of Government and large institutions, he insisted on the need to recognize the boundaries of personal privacy into which no one may intrude without substantial and lawful cause.

Douglas was always the foe of those who would put our free society into the straitjacket of their own particular viewpoint. In 1952 he wrote:

> The democratic way of life rejects standardized thought. It rejects orthodoxy. It wants the fullest and freest discussion, within peaceful limits, of all public issues. It encourages constant search for truth at the periphery of knowledge.

We shall miss Justice Douglas' active participation in the deliberations of the Supreme Court. For a third of a century he has been a bulwark of justice and freedom. It is perhaps trite but true to say that he is irreplaceable. Yet his scores of great opinions during his service are a remarkable and treasured legacy to the American people. All who love justice and democratic freedoms can draw on them for inspiration and support for generations to come.

VA DIRECT LOAN PROGRAM

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. ABDNOR. Mr. Speaker, the Veterans' Administration direct loan program was added to the VA loan program in the Housing Act of 1950, Public Law 81-475. The purpose of the direct loan provisions was to give all veterans an equal opportunity to get homes even though they lived in areas where private lenders were not interested in loan guaranty or had insufficient funds to make such mortgages. The direct loan program, through fiscal year 1975, has provided $3.2 billion in loans to 322,000 veterans. These loans are paid back to the U.S. Government, and this program has, in fact, made money while providing an essential service to veterans.

However, by law, on June 30, 1976, the direct loan revolving fund will have to be deposited into the U.S. Treasury. Although the Veterans' Administration would still retain the authority to make direct loans to veterans through Public Law 91-506, the revolving fund from which these loans are funded would be dissolved as of June 30, 1976.

Therefore, today, I am introducing legislation to amend chapter 37 of title 38, United States Code, to provide for the continuation of the direct loan revolving fund. I am extremely pleased that the Honorable JACK BRINKLEY, chairman of the Housing Subcommittee of the Veterans' Affairs Committee, has joined me in cosponsoring this important bill.

This proposed legislation will remove this time limitation, so that the Veterans' Administration can continue to make loans to those veterans who live in credit short areas, and are unable to obtain funds under the Veterans' Administration guaranteed loan program to finance a home. In 1970, Congress made the Veterans' Administration home loan program a permanent program for all eligible veterans. Therefore, it is necessary that we make permanent the revolving fund for funding these direct home loans.

I am hopeful this proposed legislation can be enacted before June 30, 1976, so that those veterans in credit short areas can continue to obtain Veterans' Administration home loans through the Veterans' Administration direct loan program. The proposed legislation follows:

H.R. 10944

A bill to amend chapter 37 of title 38, United States Code, to provide for continuation of the direct loan revolving fund

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1823 of title 38, United States Code, is amended as follows:

(a) by deleting the last sentence in subsection (a);

(b) by changing the comma following the word "loans" in the third sentence of subsection (c) to a period, and deleting from said subsection (c), "and not later than June 30, 1976, he shall cause to be so deposited all sums in such account and all amounts received thereafter in repayment of outstanding obligations, or otherwise, except so much thereof as he may determine to be necessary for purposes of liquidation of loans made from the revolving fund and for the purposes of meeting commitments under subsection 1820(e) of this title."

NEED FOR DEBATE ON TAX LEGISLATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. ASHBROOK. Mr. Speaker, this body will shortly be considering tax legislation which deserves scrutiny. We as Members of Congress should give thought to what the purposes of our taxing policies are and if they are fulfilling those purposes.

Roger Freeman, a senior fellow at the Hoover Institution, has made a presentation at Hillsdale College on "Tax Loopholes: The Legend and the Reality." As I think that he raises a number of points that should be included in any tax debate, I present excerpts of his remarks from the November issue of Imprimis. His remarks follow:

TAX LOOPHOLES: THE LEGEND AND THE REALITY

(By Roger A. Freeman)

For close to twenty years so-called loopholes in the federal income tax have been the subject of a lively public controversy. They were investigated in several extensive hearings by the two tax writing committees of Congress—the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate. A large majority of Congress as well as the Executive Branch, not to mention the nation's press, television networks and some of the largest organizations supported tax reform, a term that has come to be virtually synonymous with the drive to close loopholes.

It is thus not surprising that the Congress took repeated action to close loopholes in the income tax—in 1969, 1971, and again in 1975. What may be surprising is the fact that every time Congress enacted a tax reform bill, the amount of untaxed income was larger afterwards than it had been before and the percentage of total personal income exempted from the federal income tax as well as the number of Americans paying no income tax had substantially increased. In other words, whenever Congress tightened or closed some loopholes—or acted as if it had—it always opened or widened others more extensively. That strongly suggests that the real aim of the "close the loopholes" drive is not so much to subject more tax free personal income to the tax as to shift the burden of taxation from some economic groups to others—to tax some more lightly and others more heavily. To be specific, the real goal and purpose of the campaign to close loopholes is to redistribute income from some less favored groups—presumably from groups with less voting power—to some with more votes and therefore greater political appeal to office holders and office seekers.

The amounts we are talking about here are huge. All personal income in the United States totalled $945 billion in 1972 (according to the national income and products accounts) of which only $445 billion showed up as taxable on federal income tax returns. In other words, $500 billion—or 53 percent of all personal income—went tax free in 1972, up from $363 billion or 48 percent in 1969. Counting offsetting items—amounts which are taxed although they are not personal income under prevailing economic definitions—untaxed income totalled $563 billion in 1972, up from $414 billion in 1969.

That increase in tax free income is easily explained by the fact that several "tax reform" measures went into effect between 1969 and 1972, especially the Tax Reform Act of 1969, which has since become more affectionately known as the Lawyers and Accountants Full Employment Act of 1969. About $70 billion in personal income escaped federal income taxation in 1972 as a direct consequence of the Tax Reform Act of 1969.

You are probably acquainted with complaints that the property tax and the sales tax permit many exemptions which have eroded the tax base and thereby not only cut the revenues of schools, cities and states but also given advantages to certain favored groups of taxpayers over others. But exemptions in the property and sales taxes equal only between one-fourth and one-third of their respective tax bases. In the federal income tax they total more than half of the base—and it has become the leakiest tax known.

Yet the income tax is by far the most important revenue producer in our fiscal system. While the United States imposed a personal income tax later than most other industrial nations, in 1913, after the adoption of the XVI Amendment to the U.S. Constitution, it now leans more heavily on income taxes—graduated personal income tax and corporate profits tax—than any other major country. Other industrial countries use a general consumption tax as a major producer of revenue for their national government. The United States is the only country not to do so.

Yet it has restricted the personal income tax base to less than half of the personal income. If all exclusions, exemptions, deductions and credits were repealed and *all* personal income were subjected to the tax, the tax rates could be halved—from the present 14 percent to 70 percent range to a 7 percent to 35 percent range. Alternatively, a flat 10 percent tax on *all* personal income would yield about as much revenue as the present rate scale on half the income. Some would favor such a system, But there is not a chance in a million that such a plan could ever be adopted. The simple facts of political arithmetic—of counting where the votes are—rule it out.

Let me quote to you from a recent article by a leading spokesman of the tax reform movement, Stanley S. Surrey of the Harvard Law School, who served as Assistant Secretary of the Treasury for Tax Policy from 1961 to 1969. It appeared in the *New York Times Magazine* for April 13, 1975, under the title "The Sheltered Life":

"To most people, the Federal income tax is a complex system designed to extract large sums from their pocketbooks—about $150-billion, or more than half the Government's total income. Few realize, however, that while collecting these taxes from individuals and corporations, the Government is simultaneously paying between $80- and $90-billion to some of them. It does this by simply not collecting any or all the taxes it might on certain types of activities—those that, because of their claimed value to society, are permitted special tax benefits. If the Government were first to collect this $80- to $90-billion in the regular income tax sweep and then to disburse it again for these benefited activities, we would refer to the process as a subsidy. . . . Since the special tax benefits a person may claim generally increase as his income rises, the poor gain little from them, while the wealthy may utilize them as a major way to supplement their incomes at Government expense."

As ordered by the Budget Reform Act of 1974, the budget volume sent by the President to the Congress with his recommendations for the forthcoming fiscal year now contains a chapter and a table on so-called tax expenditures. (*Special Analyses, Part I F*) But the biggest tax concessions are not classified tax expenditures, only certain selected ones. No total is given and the budget states "Tax expenditure estimates cannot be simply added together to form totals for functional areas or a grand total."

Despite this warning, Surrey and some congressional enthusiasts have added the tax expenditures shown in the budget and came up with a total of $78 billion for FY 1975, a completely unrealistic and meaningless figure.

In his mentioned article in the NYTM for April 13, 1975, Surrey refers to the tax expenditure table in the U.S. budget which he says "explains why some of our wealthiest individuals pay little or no income tax."

Which are the largest items of "tax expenditure" listed by Surrey? The biggest is the deduction allowed homeowners for the property taxes and mortgage interest they pay—$10 billion—which Surrey calls a housing assistance program for homeowners. But homeownership is not concentrated in the top brackets. About two-thirds of American families live in their own homes and the great majority of them are in the middle income brackets.

The next biggest items listed by Surrey are long-term capital gains, which are usually taxed at half the rate of ordinary income and which he estimates at between $7 and $10 billion. Then there is interest on municipal bonds which Surrey places at $4 billion, of which $3 billion is refunded to states, cities and schools in the form of lower interest rates. This leaves $1 billion for investors. Other tax expenditures listed by Surrey are small—$1 billion each or less.

This leaves the big question: where are the items that composed the $563 billion of untaxed income in 1972, or the bulk of the $78 billion tax expenditures claimed for 1975? Mr. Surrey never says. The plain fact is that most of the $563 billion in untaxed income is in the middle and lower income brackets and is broadly distributed through all sections of the American public with only a tiny percentage accruing to high-income persons. The truth is that most high income persons pay very high income taxes.

What then are the big "loopholes," the provisions which account for most of the $563 billion of untaxed income in 1972? By far the largest loophole is personal exemptions—at $750 a head—which total $155 billion.

Tax free income from social benefits—social security, unemployment compensation, public assistance, veterans benefits, employer contributions to pension and welfare funds and other transfer payments account for another $93 billion. Those remedial provisions largely benefit low-income and low-to-middle-income persons. Little of it goes to wealthy families.

The other big item is itemized deductions. They totalled in 1972 $97 billion. But those itemized deductions equalled 55 percent of reported income on returns itemizing deductions in the adjusted gross income (AGI) bracket under $5000, 20 percent in the $15,000 to $25,000 income bracket, and 22 percent in the income class from $100,000 on up. In other words, itemized deductions free a much larger share of the income from taxation in the low brackets than in the high. More importantly, most persons in the lower income brackets use the standard deduction instead of itemizing. Under the liberalized provisions of the Tax Reform Act of 1969, standard deductions went up 218 percent between 1969 and 1972—from $22 billion to $70 billion—while income increased only 26 percent and itemized deductions 21 percent.

Of the $301 billion difference between adjusted gross income (AGI) and taxable income (TI) on 1972 income tax returns only $13 billion was in brackets from $50,000 income on up. That still leaves the possibility open that many rich people pay little or no income taxes. I'll discuss that in detail a little later.

However, the conspiracy theory of tax law—that loopholes are the result of sinister machinations of lobbyists for moneyed interests who either bribed lawmakers or pulled the wool over the eyes of unsuspecting congressman and the public—won't stand up under examination. No public laws are subjected to more painstaking and detailed congressional study, to more open hearings, to more thorough debates, year after year, than the tax laws.

It may be helpful to say a few words about the history of the income tax and the tax reform movement. When first imposed in 1913, the federal income tax was levied at rates from 1 percent to 7 percent and was a minor factor in the fiscal picture. That changed sharply during World War I when rates were lifted to between 6 percent and 77 percent. After the war they were cut to a range from ½ percent to 24 percent.

In World War II the income tax turned into a mass tax, the number of taxpayers multiplied tenfold, and the rate scale was pushed to its highest level—23 percent to 94 percent. Not until 1964 was the scale reduced to between 14 percent and 70 percent, where it now stands.

The huge amounts of untaxed income were first called to broad public attention in 1955. The subject soon caught attention and has been on the public agenda ever since. When in 1961 the most articulate spokesman for loophole closing, Stanley Surrey, became Assistant Secretary of the Treasury for Tax Policy—and thus the highest tax policy official in the land—energetic action on tax reform might have been expected. But neither President Kennedy nor President Johnson would send Mr. Surrey's major recommendation to Congress. On balance, they recommended a widening of tax loopholes. Before leaving office after eight years, Surrey submitted a comprehensive report on tax reform, especially on loopholes, which he called tax expenditures. It soon began gathering dust because President Johnson was no more anxious to open that Pandora's box than was his predecessor.

But then an event occurred that made tax reform the hottest subject in Congress. In the interim period between the resignation of Henry Fowler, President Johnson's Secretary of the Treasury, and the appointment of David Kennedy by President Nixon, Joseph Barr served as Secretary of the Treasury for 31 days. On January 17, 1969, two days before leaving office, Mr. Barr testified before the House Ways and Means Committee with a statement that reverberated throughout the nation's media and stirred the country:

"We face now the possibility of a taxpayer revolt if we do not soon make major reforms in our income taxes. The revolt will come not from the poor but from the tens of millions of middle-class families and individuals with incomes of $7,000 to $20,000, whose tax payments now generally are based on the full ordinary rates and who pay over half of our individual income taxes.

"The middle classes are likely to revolt against income taxes not because of the level or amount of the taxes they must pay but because certain provisions of the tax laws unfairly lighten the burdens of others who can afford to pay. People are concerned and indeed angered about the high-income recipients who pay little or no Federal income taxes. For example, the extreme cases are 155 tax returns in 1967 with adjusted gross incomes above $200,000 on which no Federal income taxes were paid, including 21 with incomes above $1,000,000."

It is understandable that such a sensational story—that the very rich escape paying income taxes—emanating from the Secretary of the Treasury would cause a national stir. There was no taxpayers' revolt brewing *before* Mr. Barr exploded his bomb. But there was one in the making soon afterwards. It prodded Congress into frantic action which, within a few months, produced probably the worst piece of tax legislation ever—the Tax Reform Act of 1969.

For reasons of his own Mr. Barr did not discuss the methods or specific code provisions which enabled some high-income recipients to avoid paying taxes, though he must have known what they were or could easily have found out. Thus it was widely interpreted as an accusation against all rich people as tax evaders and against Congress for permitting such a scandal. It was not until much later that the Treasury made all of the relevant facts public, though some of them had been available right along, especially on the comparative tax burden of the middle class. Recipients of an AGI between $7000 and below $20,000 accounted in 1972 for 57 percent of the reported income and paid 49 percent of the tax. So, clearly they were not overburdened relative to the rest of the population. The real shift is between the groups at the top and at the bottom of the scale: those under $7000 income received 16 percent of AGI and paid 6.5 percent of the tax; those at $20,000 and up received 27 percent of AGI and paid 44 percent of the tax.

For 1972, 22,929 individual income tax returns were filed with an AGI of $200,000 or more; 22,821 of those returns or 99.5 percent were taxable. They reported an average AGI of $414,640, an average taxable income of $302,015 on which they paid a tax of $177,640, or an average rate of 59 percent. There were 108 returns (0.5 percent) with an adjusted gross income of $200,000 or more which reported no *taxable* income.

There were 1030 returns with an AGI of $1 million or more of which 1024 (99.4 percent) were taxable. Each individual involved paid on the average $1,019,577 in income tax, equal to 46 percent of his AGI and 65 percent of his taxable income.

What this means is that well over 99 percent of all high-income returns for 1972 paid high income taxes. Between 0.5 percent and 0.6 percent of the earners of a high *gross* income reported no taxable *net* income because losses, deductions, credits, or other offsetting items exceeded their gross income. Obviously it is only under very unusual circumstances that recipients of a high *gross* income have no taxable *net* income.

The most frequent case of this type is this: a person borrows money to invest at a higher rate of return than the interest he is paying. For example an individual borrows $10 million and earns on it 10 percent, or $1 million. He must report that $1 million as AGI and is classified as a man with a million dollar income. He is of course entitled to an itemized deduction of the interest he paid, e.g., $800,000. That leaves him with a taxable income of $200,000. If the taxpayer has big losses that year or pays high state and local taxes because of a non-recurring high income in a preceding year he may wind up with no federal tax liability for a particular year. There was one case out of every 172 recipients with a *gross* income of $1 million or more in 1972 which showed no *taxable* income.

There were altogether 16.7 million individual income tax returns in 1972 which reported no taxable income—21.5 percent of all 77.6 million returns. Ninety-two percent of the nontaxable returns were in the under $5000 AGI bracket. At $10,000 and above AGI only 0.4 percent of the returns were not taxable.

Many additional Americans have been freed of any tax liability by various "tax reform" laws of recent years and many of them have also been made the recipients of governmental largesse. That division of the American people into two groups—those who support the government and those who are supported by it—has created a dangerously high incidence of "representation without taxation" which in recorded history has more often destroyed free government than "taxation without representation," which the founders of this country fought.

Those who aim at an even stronger redistribution of income by repealing some types of remedial tax provisions while widening those that benefit persons in the low brackets appear to believe that government has a prior claim to all income and that a person is really not entitled to the earnings resulting from his individual effort. There can of course be—and there are—wide differences of opinion of how a fair tax load should be allocated, and whose hardships should be recognized in the income tax. Most of the current provisions that shield some income from the full impact of the rate schedule—or from any tax—were put there not by inadvertence but to meet one or both of these objectives:

(1) to provide equity, horizontal or vertical, among taxpayers and different types and magnitudes of income by taking into account differing circumstances and offering relief for hardships;

(2) to provide incentives to taxpayers to engage in or enlarge activities which are held to be desirable as a matter of public policy. This is done by offering rewards to some and imposing penalties on others.

These two objectives often produce conflicting results when translated into tax policy.

One of the most frequently attacked "loopholes" is the provision to tax long-term capital gains at half the normal rate. Some ask: why should money made from money be taxed more lightly than money made from working? That sounds persuasive but is misleading. Suppose you bought a house ten years ago for $20,000 and now sell it for $30,000. Should you have to pay income tax on the $10,000 you gained? Obviously, that gain is fictitious, a mere paper gain. If you wanted to buy another home of equivalent value you would have to pay at least $30,000. That is why the law exempts such "gains" on the sale of residences under certain circumstances. But the same situation exists with other types of investment except that the owner has to pay an income tax on half the paper gain even if it is fictitious. When you change from one investment to another you may only roll over your money but may have little or no real gain. Capital gains are not included in personal income in the national income and products accounts and the advocates of taxing capital gain as if it were ordinary income must engage in elaborate mathematical gymnastics to adjust their statistics.

The United States once tried taxing capital gains as ordinary income, from 1918 to 1921. What happened was that investments with gains were not sold, only those with losses, so that the Treasury had a net revenue loss. That would happen again if normal tax rates were applied to long-term capital gains. Investments would be effectively "frozen" which could well be the most effective way to assure stagnation in the national economy. This is why most industrial countries either do not tax capital gains at all or tax them at lower rates than ordinary income, usually at lower rates than the United States. Claims that federal revenues would increase $7 to $10 billion a year by taxing long-term capital gains as ordinary rates are sheer demogoguery. The chances are there would be a net loss.

Much of the controversy over loopholes focuses on itemized deductions which in 1972 totaled $96.7 billion:

[In billions]

Deductions for State and local taxes paid	$36.2
Deductions for interest paid	27.3
Deductions for charitable contributions	13.2
Deductions for medical and dental expenses	10.1
Deductions for casualty losses, child care expenses, and other	9.9
Total	96.7

As I mentioned earlier, itemized deductions free a larger percentage of the income in the lower income groups than in the higher. Still, Mr. Surrey has a point when, in the earlier cited article, he charges that a $1000 deduction may mean a net $140 benefit to a person in the low brackets and up to $700 to a person in the high brackets. That is simply the result of our progressive rate scale—from 14 percent to 70 percent. As long as it is regarded to be equitable to tax one person's income at 70 percent and another's at a mere 14 percent, it seems natural that a deduction is more valuable in the higher brackets. Those who want it otherwise appear to believe in the principle: Heads I win, tails you lose.

A correction of the unequal benefits of deductions could be achieved by converting from deductions from the tax base to credits against tax liability. This would be desirable in some cases, such as education.

But to abolish deductions and shift to direct governmental subsidies, as Surrey suggests, would be about the worst that could be done. It would sound the death knell to most voluntary activities and private education, concentrate all power in the federal government, and extinguish much of the freedom that is still left to Americans after the vast expansion of governmental authority in recent decades.

The largest deduction is for state and local taxes paid, with the heaviest concentration in the center of the income scale. Not to allow this deduction would be to levy a tax on a tax or on mere phantom income, not on real and available income. We already impose too much double taxation, as it is. If, for example, a person earns a monthly salary of $2000, about $400 may be withheld for federal income tax, aside from $117 for social security tax, so that he gets less than $1500 in take-home pay (minus possible other deductions). But he is federally taxed on $2000, that is on $500 more than he actually receives. About 30 states do the same: they impose their income tax on the gross income, making no allowance for the fact that in the above cited case the recipient gets only $1500 and not $2000. To curtail the existing—and inadequate—federal deduction for state and local taxes would be a move in the wrong direction and make our tax system even more capricious and unfair than it already is.

The deductibility of interest paid was originally allowed mostly with the thought in mind of borrowing for business purposes, i.e., with the intent of earning income. But interest on home mortgages and for consumer financing now accounts for three-fourths of the interest-paid deduction. Home ownership has tremendously expanded, to a point where now nearly two-thirds of all American families live in their own homes, helped and deliberately encouraged by the deductibility of mortgage interest and real estate taxes. Consumer financing also has sharply grown. To disallow those deductions without an equivalent would deal a severe blow to residential construction and the major retailing and manufacturing activities and to the entire economy. It is inconceivable that Congress would do this. Politically it would be suicidal. Millions of families could not afford to own and furnish their homes were it not for such tax advantages. An extension or carrythrough for renters may at some time be considered. Meanwhile the popularity of condominiums is growing by leaps and bounds, to a large extent because of the tax advantages they confer.

It was particularly the deductibility of charitable contributions which caused Mr. Surrey and others to call deductions "tax expenditures." Instead of allowing a deduction of donations, government could provide direct subsidies to private schools, colleges and thousands of other institutions, as has been suggested. That would, within a short time, bring the end of private education and most other voluntary activities in the United States. That may be the real goal of those who advocate repeal or curtailment of the deduction for contributions. Of course it would be enormously expensive to the taxpayers to educate at governmental institutions the millions of young people who presently attend private schools and colleges.

Disallowance of the charitable deduction would hit churches and all religious activities especially hard. They could not be granted direct governmental subsidies because of the U.S. Supreme Court's interpretation of the "no establishment" clause of the First Amendment to the U.S. Constitution. Could it be regarded as good policy and in the public interest to deal a devastating blow to religious activities in the United States, contrary to a well founded tradition that antedates even the Constitution?

Some regard the joint income tax return—or split-income provision—to be a loophole. Undoubtedly it saves many married couples sizeable amounts in taxes. Between 1948 and 1969 a single person had to pay up to 42 percent more in income taxes than a married couple with the same income. Organizations of single people continued to complain about this inequity and demanded redress. They succeeded in 1969 in having Congress reduce the tax disadvantage of single persons to a maximum of 20 percent. That created another, unexpected and unintended inequity. A man and a woman in the upper-middle income brackets who earn about equal incomes now pay up to 19 percent more in income taxes than if they were not married. They could of course, live together, but they could not get married without getting a sizeable boost in their tax bill. This has been called a "tax on marriage" and a bonus for divorce or "living in sin."

There is a way out of this dilemma that could do justice both to married and single persons. But in the strife of contesting forces, Congress has not seen fit to provide a fair method of taxing single and married persons on a more equitable basis.

IN CONCLUSION

In its allocation of mitigative features—or "loopholes" if you please—the federal income tax shows the same bias which characterizes the entire American tax structure: in favor of consumption and against capital formation and investment, in favor of the low (or no) producer and against the high producer and earner.

That is politically understandable. Four out of every five personal income tax returns in 1972 reported an AGI under $15,000 and 95 percent were under $25,000. On the other hand, only 3 percent of all returns showed AGI of $30,000 or more and a mere 0.8 percent of $50,000 or over. With whom is the vote-hungry member of Congress or candidate going to place his bet—and vote: with the 51 percent who report an income under $8,000 or with the 0.8 percent with an income of $50,000 or more?

But the American people are paying a high price for this bias—in a much lower rate of investment than is enjoyed by other industrial countries, in a smaller rate of economic growth, and in higher unemployment.

Even more ominous is the creation of a growing mass of people who clamor for ever greater benefits from the government to whose support they do not have to contribute. The growing irresponsibility of voting—or representation without taxation—poses a grave threat to the preservation of free government in the United States. History issues a stern warning which we can neglect at our dire peril.

PITTSBURGH LENDERS FORM UNIT TO COMBAT REDLINING

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, in an effort to overcome the allegations of redlining and to insure that qualified borrowers are not turned down for matters unrelated to their credit worthiness or the location of their property, mortgage leaders in my city of Pittsburgh have formed a public citizens mortgage review committee.

Called the Home Mortgage Opportunity Committee, the unit will reexamine every mortgage refusal made in the city of Pittsburgh with an eye toward making that loan if possible.

The Pittsburgh lenders who discussed this idea with me, before it was activated, did not argue about whether Pittsburgh institutions "redlined" or not. They merely looked for ways to respond to the problem and the Home Mortgage Opportunity Committee is their answer.

This unique experiment in urban mortgage lending recently was the subject of an excellent article in the November 24 American Banker, written by Ms. Laura Gross.

I would like to include this article in the Record at this time for the information of my colleagues:

Pittsburgh Mortgage Review Group Formed

Pittsburgh.—Twenty-six of this city's thrift institutions have banded together with three commercial banks and several citizens action groups in establishing a mechanism to guarantee that mortgage loan refusals in the city are not made on discriminatory standards.

They have created a group, called the Home Mortgage Opportunity Committee, that has set up a two-step review process, first by lenders and then by citizens. The committees examine, upon request by borrowers, every mortgage turndown made by participating institutions to judge whether it was based on legitimate financial considerations.

Chairman of both the HMOC and its citizens review board is Thomas A. Jones, executive director of Pittsburgh's Neighborhood Housing Services program. NHS is a nonprofit, foundation-funded community organization which makes loans to homeowners in the inner city.

In a major effort to reach borrowers who feel they have been discriminated against, the HMOC has placed full-page advertisements in Pittsburgh's major dailies and in a weekly minority newspaper. They hope to rouse borrowers through headlines that head "No Pittsburgh neighborhood should be 'redlined'; We propose to make sure that none is."

Posters and placards with the same message, urging consumers who have not been able to secure mortgage funds to come forward, will be placed in all participating financial institutions, and brochures will be distributed at the time of application. Meetings with realtors, appraisers and community groups will spread the message that mortgage funds are available to borrowers in the inner city.

One banking official close to the scene said that he is glad to see the city's thrift institutions "getting themselves into shape," while others expressed concern that the program placed too much responsibility on the borrower for initiating review.

Impetus for formation of the group appears to have come from several sources. Charges of redlining were levied against the city's financial institutions by a city councilman who sponsored a recently passed amendment to the city's banking ordinance that states financial institutions must agree not to discriminate against mortgage loan applications because of the location or area for which funds are intended and must agree to provide mortgage funds for low and moderate income residents in the city. Financial institutions must agree to the above conditions in order to receive city funds, according to the ordinance.

During U.S. Congress hearings on proposed legislation which would require disclosure by census tract or zip code of mortgage lending information, Rep. William S. Moorhead, D., Pa., a member of the House subcommittee on financial institutions, supervision, regulation and insurance which was doing the investigating, found evidence of an inability on the part of borrowers to secure small mortgage loans and a reluctance on the part of lenders to supply funds to certain areas. The subcommittee is part of the Banking, Currency and Housing Committee.

Mr. Moorhead was contacted by lenders in Pittsburgh, his home city, about the best way to deal with these problems. The result was the creation of the HMOC.

Elsewhere, Pennsylvania's second and third largest commercial banks and its biggest mutual savings bank announced last month they had revised their lending criteria to release more mortgage money to neglected areas in the city. The three institutions—the $4.2 billion-deposit First Pennsylvania Bank NA, $2.9 billion-deposit Philadelphia National Bank, and the $3.4 billion-deposit Philadelphia Saving Fund Society—said they hope to meet whatever market demand develops for inner-city loans, rather than establish a specific lending goal.

They acknowledged, however, that "previously held stereotypes and biases" prevent them from making more mortgage funds available earlier. Other financial institutions in the Philadelphia area were invited to join the three.

In New York State, in a move to thwart a legislatively mandated mortgage investment program, the Savings Banks Association of New York State recently announced it will establish a mortgage review fund that will handle applications for loans that have been previously rejected.

And in Massachusetts, the savings banks, again in an effort to prevent forcible legislation, have agreed with Carol S. Greenwald, Commissioner of Banks, to enter a voluntary plan to make more mortgage funds available to inner-city dwellers. Pointing to delay in banks' implementation of the plan, however, the Commissioner has filed antiredlining legislation for consideration next January by the state legislature.

In Pittsburgh, the burden of coming forward for review rests on the borrower and to date, with the program fully under way for about three weeks, no refused applicant has yet appeared to demand review, Mr. Jones said.

He explained that many financial institutions have not yet responded to the committee's requests that they join, and many have not been asked yet, as a result of the short time it has been in existence. Mr. Jones said he is hopeful that the rest of the thrifts in the city will join and that meetings are being held to form a more extensive marketing campaign with plans for more ads to be placed in Pittsburgh's newspapers in December and January.

The group is supported by member institutions on a sliding fee scale based on deposit size, he explained.

Of the city's three largest commercial banks, only one, the $1.42 billion-deposit Equibank NA, has joined the group. The others, the $6.9 billion-deposit Mellon Bank NA and the $2.2 billion-deposit Pittsburgh National Bank have refused to participate in the program saying they do not redline and they have their own individual review boards and procedures for generating mortgage loan applications in the inner city.

Mr. Jones said he "cannot understand why they won't join." He said invitations were extended to as many financial institutions as possible as soon after the inception of the group and that "if these banks don't redline, then they have no reason not to join us." All Federally insured area financial institutions were invited to join in the newspaper ads, he said.

"Perhaps what the Home Mortgage Opportunity Committee is doing is appropriate for them, but not for us, since we have been in this market and are committed to this market in making loans regardless of location or amount. We intend to continue to expand our portfolio in Pittsburgh," Walter R. Miller Jr., vice president and director of marketing for Mellon, said.

Mellon had its own review committee, he said, made up of people from the bank. It was the largest mortgage lender in the region last year with a significant portion of its mortgage loans under $15,000. The bank also provided more than 60% of the home improvement loans in its market area last year, Mr. Miller emphasized.

Mr. Jones explained that the committee will be reviewing all rejected loan applications brought to them by borrowers, including those of banks or thrift institutions which are not members. Mr. Miller said that if a turned-down application was brought back to the bank, it would be reviewed again and if something was missed, the bank would grant the loan. But with the bank's own mortgage review committee assuring that its credit policy of no discrimination based on location, sex, race, color, creed, marital status, national origin or amount of loan, being so strictly enforced, it is unlikely the review board at Mellon would overlook an arbitrary loan denial.

Robert C. Milsom, president of Pittsburgh National, explained that Pittsburgh National did not join the group since the "bank feels if there is a problem that this is not the correct solution." He emphasized that the bank is not afraid of being accused of redlinng—it lists all of its mortgage loans by zip code, he said, and he "thinks we've done well in the urban areas."

Mr. Milsom emphasized that the bank has always had a policy to make mortgage loans available in all the areas it serves. It is true, he admitted, that certain areas do not generate as many applications as others, but the bank is currently trying to stimulate loans in those areas, rather than "taking a negative approach in dealing with complaints."

Pittsburgh National has stepped up its contacts with realtors and citizens groups, Mr. Milsom said, in an effort to make the community aware of the availability of funds. It has tried to make sure all branch managers understand and comply with the bank's nondiscriminatory loan policy and is confident this has been the case.

Mr. Milsom said, however, that the bank might have "felt differently had they come to us initially and let us have an input into the committee and how it should operate."

The five-person public interest review committee, including Mr. Jones, is made up of Roger S. Ahlbrandt Jr., director of Research and Development ACTION-Housing, Inc., Pittsburgh; John H. Adams, executive director of the Pittsburgh Business Resource Center; Sholom D. Comay, vice president and general counsel for Action Industries, Inc., Pittsburgh and former Housing Court magistrate; and Caryl M. Kline, director of continuing education for women of the University of Pittsburgh.

These five will sit in at review meetings held by a lenders review committee, a revolving committee made up of people from the participating lending institutions. The citizens review board will have no vote at these meetings but will analyze the data provided by the lender and the borrower who has brought the proceedings because he feels he was denied a loan on discriminatory standards.

If the lenders review committee agrees to reject the loan a second time, the citizens review board, or public interest review committee, will review it again. If it is decided that there is discrimination, the loan will go back to the same institution to which the borrower first applied, or it may be reassigned to another institution.

Mr. Jones explained the reason for assigning to another institution may be that there are different kinds of loans different institutions can make—some make 95% loans, some 80% loans, some Federal Housing Administration-insured loans and some Veterans Administration loans. If it becomes obvious that one, or more than one, financial institution is continually rejecting loans for one or more policy reasons which are considered discriminatory in any way, Mr. Jones said pressure would be placed on that institution to change its policies. He emphasized this is not an assigned risk pool for mortgage loans and should not be viewed as such.

"Our major concern is that if it's a bankable loan, the consumer gets the funds he needs to finance his home," Mr. Jones asserted.

"If they are good loans and one institution winds up with a lot of the previously rejected ones," in the instance that the review boards reverse first decisions, "what's the difference?" Mr. Jones said, "So what, if they're good loans."

COSTS OF U.S. CONTRIBUTION TO U.N.

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. LITTON. Mr. Speaker, before Thanksgiving I introduced a bill which would, in effect, reduce the contribution of the United States to the United Nations regular budget. This proposal will achieve an equitable and fair assessment of our payment to the operating budget of this body.

When the United Nations Charter was ratified in October 1945, there were 51 member states who agreed that they have a legal obligation to bear the expenses of the organization as apportioned by the General Assembly. A committee on contributions was set up to prepare a scale of assessments based on capacity to pay, which is determined on the basis of national income estimates. Three other factors also were to be considered to avoid inequities:

First. Comparative per capita income;

Second. Temporary dislocation of national economies due to World War II; and

Third. Ability of members to secure foreign currency.

In addition, a 1948 resolution set the ceiling of 33⅓ percent on the assessment of the highest contributor. This figure was reduced to 30 percent in 1957. The minimum rate set at .04 percent in the beginning was lowered to .02 percent in 1972.

Initially, the Committee on Contributions proposed an assessment of 49.89 percent for the United States, but our representative vehemently objected, as this was not an accurate measure of the U.S. capacity to pay, and we were then temporarily assessed at 39.89 percent for 1946. This was at a time when most nations, including our own, though to a lesser extent, were still reeling from the devastating effects of the Second World War.

Over the years, the United States continued to be assessed over 30 percent of the operating budget until 1973, when we were charged 25 percent of the total payment. In dollars and cents, we have contributed over $5 billion—$5,513,997,000 to be exact—to the United Nations and its affiliates since the creation of that body. In fiscal 1976, we will put out another $81.2 million to support the United Nations regular operating budget, plus millions more for all the special programs. All this at a time when our national debt is at an alltime high of $561.9 billion and our projected national deficit will be somewhere between $70 and $72 million.

This year marks the 30th anniversary of the founding of the United Nations. This organization now boasts a membership of 143 nation states. It is appallingly unfair that any one country should pay one-fourth of the budget when the other 142 only carry three-quarters of the total. It is especially so when we consider that the Soviet Union, whose national debt is considerably less than ours, is only assessed 12.9 percent and no other country pays more than 8 percent.

Furthermore, economic indicators in the past few years have shown a marked change in the economies of the nations of the world. Increased demand for oil has boosted the GNP and per capita incomes of oil exporting countries to an unprecedented high. Briefly, this is what has happened in the economies of the oil rich countries between 1973 and 1974: Iran's GNP went up by 16 percent, Saudi Arabia's by 39 percent, Nigeria's by 45 percent, Iraq's by 77 percent, Kuwait by 118 percent—the per capita income of this nation was an unheard-of $10,670 in 1974—and Qatar by a whopping 180 percent.

The scale of assessments for their payment to the U.N. budget is as follows: Iran, .20 percent; Saudi Arabia, .06 percent; Nigeria, .10 percent; Iraq, .05 percent; Kuwait, .09 percent and Qatar, .02 percent. Need I say more? If assessment is according to "capacity to pay" based on national income and per capita income estimates, these countries should be contributing a lot more than the very modest sums they are now paying.

What concerns me most is the fact that many member states are guilty of withholding payment of their assessed funds. As of the end of 1974, 72 nations owed $57,387,139 in assessments, $29,544,951 of which is owed by the Soviet Union and $1,338,121 by Red China, whose membership only went as far back as 1971. As a matter of fact, the U.N. was in such straits financially at the end of that year that Secretary General Kurt Waldheim had to ask the U.S. to pay her 1974 final installment of $100 million in advance, which we did. I cannot tolerate the fact that while we act the part of the overly generous rich uncle, countries such as those in the Communist bloc, which do not have national debts comparable to ours, can withhold their payments at will and yet continue to exercise all the privileges of membership.

Besides the financial and economic considerations, there is also the problem of disillusionment among the American people with the negative results of the actions of the United Nations.

This international organization was founded on the basis of peace and brotherhood. After the holocaust of the Second World War, hope ran high that this body would usher in an era of meaningful dialog and peaceful coexistence. Instead of a forum where mutual understanding can be nurtured, this world body has become more like a marketplace where representatives of member nations hurled insults at each other and where actions of the various members verge on irrationality.

The American people are becoming increasingly skeptical of whether the United Nations would ever become the type of organization its founders meant it to be. As former Ambassador John Scali put it so aptly:

> For years the American people and Congress have provided support for the U.N. generously. But I must tell you that this support is eroding—in our Congress and among our people.

We must now reassess our attitude toward this international body and one of the first things that should be reassessed is our financial support.

I do not feel at this time that we should withdraw from the United Nations despite all our disappointments. In my opinion, there is more of a need now than ever before for an effective international body in which differences among nations can be worked out in a civilized and peaceful manner. We must not react like a spoiled child when faced with adverse situations, nor should the irrational behavior of certain nations cause us to act irrationally also, but we do have to stop playing rich Uncle Sam to the rest of the world. It is high time that the brotherhood of nations realizes that we will only pay what we feel is our fair share of the load. If the other member nations are still interested in supporting this body, they will have to pick up their share of the financial burden. If they are unwilling to do this, then it is just as well to let it die a quiet death.

Mr. Speaker, I would now like to briefly state the major provisions of my bill:

First, to reduce our contribution to the United Nations system's regular budget from one-fourth to one-sixth.

Second, to direct the President to make payments to the U.N. out of funds appropriated prior to such date only to the extent that the total amount of such payments does not exceed one-sixth of the total annual assessment of the U.N. or any affiliated agency.

Third, to direct the U.S. Ambassador to the U.N. to take such steps as may be necessary to assure that the United Nations give serious consideration to the recently acquired wealth of the oil producing member states so that such states are apportioned shares of the total assessment commensurate with their wealth.

A "FINE" STUDY

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. HANNAFORD. Mr. Speaker, a perceptive editorial in Financial World magazine, November 26, 1975, points out that the time is long overdue for Congress to take a fundamental look at the structure and operations of the Nation's financial institutions.

Financial World applauds the way in which the House Banking, Currency and Housing Committee is tackling this complicated subject. Hearings this month on a set of "discussion principles" will provide opportunity for a wide-ranging, free-flowing discussion of problems in our financial structure and the best way to meet them.

It is gratifying to see opinion leaders in the financial community recognizing the urgency of this situation, and in accord with the Banking Committee's approach. The editorial follows:

A "FINE" STUDY

For many months a highly qualified staff, aided by expert outside consultants, has been putting together a document concerning the financial institutions and the nation's economy (FINE). The report was released a few weeks ago on behalf of the House Committee on Banking, Currency and Housing and its relevant subcommittee.

Chairman Henry Reuss has wisely decided to take the staff recommendations and embody them into a series of discussion principles. This relieves Mr. Reuss and the other members of the committee and subcommittee of an advocacy posture. It will allow, we think, the freest and widest discussion of these seemingly arcane and often complex matters.

Some of the tentative staff recommendations are quite sweeping:

There is a proposal to combine all of the banking regulatory authorities into a new Federal Depository Institutions Commission. The study would broaden the definition of banks that come under regulation.

It would remove from the Federal Reserve Board any of its bank regulatory functions.

It would combine all the monetary policy decision-making into the hands of the Board of Governors of the Federal Reserve in Washington, thus consolidating that power which is now diffused into several other bodies such as the various Reserve Bank presidents and the Federal Open Market Committee.

It would change the term of office of a governor of the Federal Reserve from 14 years to 10 years, reduce the number of governors from seven to five and make the chairman's term coincident with that of the President.

It would bring the SEC and the Attorney General's office into banking regulation by representation in the Federal Depository Institutions Commission.

It would subject the Federal Reserve to audit by the General Accounting Office.

It would expand the regulation of overseas branches of American banks.

There are many more recommendations and suggestions in the FINE study, but it should be obvious to all that nothing less than a fundamental reexamination and reevaluation of all aspects of financial institutions will now seriously get underway.

Frankly, it is long overdue. Most of the laws that affect the various banks, savings & loan associations and their regulators were created generations ago. They have been added to, modified, patched up and pinned together, with virtually no one standing back to examine the haphazard quiltwork that has emerged.

Moreover, in this decade we live in a world where our national destiny is no longer exclusively subject to our own needs and desires. Worldwide inflation and recession, depleted resources, shrunken liquidity and a faltering monetary system make it mandatory that at least in this country the banking system and its regulation rest on the soundest foundation.

Of course, like anybody else, we have some strong opinions on some of the issues involved; and we will not be reticent in sharing them with you. But we think Chairman Reuss' approach in creating the stage to initiate a vigorous and widespread national dialogue with all points of view being heard can lead to the wisest ultimate decisions.

We applaud the staff, the Committee and the study.

CHILDREN'S HOSPITAL MEDICAL RESEARCH COMMITTEE OF DELTA DELTA DELTA

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. MOORHEAD of California. Mr. Speaker, in my 22d District of California, the Southern California Philanthropy Committee of Delta Delta Delta has been involved for 28 years in service to Children's Hospital of Los Angeles. Each year in early December this group holds a Delta Delta Delta Sleighbell Day Luncheon, the proceeds of which go to support research at Children's Hospital in the fields of hematology and oncology. I am very proud of this group and feel that their efforts on behalf of all children are most worthy and should be brought to light. Because the welfare of children is of utmost concern and importance, the following article setting forth the purpose and efforts of Tri-Delta in behalf of children deserves the attention of Members of Congress and other Americans:

CHILDREN'S HOSPITAL MEDICAL RESEARCH COMMITTEE OF DELTA DELTA DELTA

Following World War II, Delta Delta Delta Alumnae in the Los Angeles area accepted the challenge presented by the philanthropic programs already started by various panhellenic groups to have their own local philanthropy. In the fall of 1947 it was recommended that medical research at Children's Hospital would be most worthy of their support and the suggestion made that the money be raised for a doctor in medical research, with an ultimate dream of a yearly fellowship.

The Los Angeles Alliance assumed the leadership and was efficiently assisted by Glendale, Pasadena and Valley Alliances. Patronesses were invited to help. The first year, $1,500 for their philanthropy was raised by contributions from Tri-Delta patrons and friends. The following year a benefit fashion luncheon was held with a giveaway prize of a new car. This proved to be a big success and $3,500 was given to the hospital. This plan has been followed and has resulted in the annual Sleigh Bell Luncheon held usually early in December. Their annual donation has grown until it has reached $6,000. To date, they have given the Hospital over $36,000.

The doctor receiving their fellowship is chosen by the Hospital and his study may be in any research the Hospital deems most necessary. The first year the fund was awarded to a doctor engaged in blue baby research. The following two years the doctor was engaged in psychiatric pediatrics. However, in 1951 the Hospital requested that Tri-Delta turn their efforts to the field of hematology and contribute toward the salary and equipment for a doctor, no funds being available at the Hospital for this important research at that time. By accepting the recommendation, a doctor was able to remain at Children's Hospital to start and continue the research, which is perhaps the most significant research being carried on in the entire country.

Delta Delta Delta is proud that they are making this program possible. They are the first group offering material and continuing support for research at Los Angeles Children's Hospital. In this way, they have made a wonderful contribution to children far and near who are afflicted with diseases of the blood—of which leukemia, the anemias, and the RH factor are only the best known.

PLEA FOR PERSECUTED CHRISTIANS IN RUSSIA DELIVERED TO WORLD COUNCIL OF CHURCHES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. McDONALD of Georgia. Mr. Speaker, one of the most neglected issues of our time is the continuing persecution of Christians in the Communist world and in particular those in the Soviet Union. Recently, an 11-page letter was delivered in Nairobi, Kenya, to the World Council of Churches meeting asking for the assistance of this organization. However, the World Council of Churches has traditionally been very disinterested in torture and persecution behind the Iron and Bamboo Curtains, so the plea is likely to be ignored. But we in the free world should not ignore their plea. We should exert pressure on the Soviet Union to permit true freedom of religion. My understanding is that several Members of the Congress are attending this meeting and they might well inquire as to what action is being taken as a result of this plea. The newspaper account from the Daily Telegraph—London—of November 26, 1975, follows:

PLEA FOR PERSECUTED CHRISTIANS BEHIND IRON CURTAIN

(By Gerard Kemp in Nairobi)

A letter appealing for help on behalf of persecuted Christians behind the Iron Curtain has been smuggled to the World Council of Churches fifth assembly in Nairobi by two Russian Orthodox churchmen in Moscow.

The letter, which pleads for action by the council to end "psychiatric torture" of Christians in Russia, was circulating among delegates yesterday, and may well be debated in the council chamber.

Meetings were going on last night to see if this could be arranged.

There has been little reference so far during the assembly conference to the plight of persecuted Christians in Russia and the letter urged delegates to do everything from holding prayer meetings to issuing protest letters to bring this persecution to the world's attention.

The council could help, it suggested, by obtaining permission for "exhausted Christians" to emigrate "somewhere where they would be allowed to work and observe their religion in peace."

It called for action from the council to bring to an end "psychiatric torture" against Russian Christians and asked for help in the "unrestricted distribution" of the Bible.

INTERNAL SITUATION

The letter ran to more than 11 pages and was signed by Father Gleb Yakunin and Mr. Lev Regelson, who are both well known for their protests at world church meetings.

Father Yakunin, 44, was the co-author of an open letter in 1965 which described the internal situation of the Russian Orthodox Church. Earlier this year he published a protest against a decision to declare Easter Day a work day. For this he was threatened with dismissal.

The authors of this week's letter wrote: "The world has not heard the World Council of Churches raising its authoritative voice when the Russian Orthodox Church was half destroyed . . . no indignant protest was heard from the Council when religion was completely crushed in Albania.

The letter also recalled that, in 1961, the Russian Orthodox church joined the World Council of Churches.

"For the Russian Church, that year was marked by an increasing wave of anti-religious terror and by forcible closing of churches, monasteries and theological schools everywhere.

"Protestant congregations were subjected to no less brutal persecution."

The matter of religious persecution ought to become the central theme of Christian ecumenism, the authors said.

GETTING NATURAL GAS TO THE PUBLIC

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. ZEFERETTI. Mr. Speaker, many areas of the country, mainly the Northeast, face major shortages of natural gas this winter. A number of serious questions have been raised as to why these shortages are imminent. A number of suspicions have been raised to the effect that some of the oil and gas companies possibly have been holding back supplies of this vital fuel supply. Other suspicions have been voiced in various quarters that the Federal Power Commission has not been regulating natural gas to guarantee the release of these supplies to consumers who are most in need.

The interstate natural gas market, including New York City and New York State, has been severely affected by increases throughout the past few years of the unregulated intrastate price of natural gas; the natural gas supplies have been increasingly diverted to the intrastate market, away from the regulated and lower priced interstate market.

I believe that the FPC has a duty to protect that interstate market from intrastate diversion of natural gas. Every time the FPC allows gas that should cross State lines at lower prices to stay inside producing States at higher prices, the oil and gas monopoly makes money and the public loses. Eventually, it is the hope of the oil and gas monopoly to make interstate consumers, such as the residents of New York, pay what the intrastate market now pays. What this would mean is at least a tripling or possibly a quadrupling of our utility bills. And, this is not only unacceptable to me, but to the Nation's consumers of natural gas as well.

It is vital that the known and new supplies of natural gas that are deliberately being kept within the States that produce them be forced into the interstate market by the FPC to provide consumers with adequate and reasonably priced supplies of fuel. This is necessary particularly in view of the Supreme Court landmark decision some 60 years ago in the "Shreveport Case," which held that the Interstate Commerce Commission "operating under a statute substantially identical to the Natural Gas Act, has full authority to regulate the intrastate market to the extent necessary to protect the inerstate market."

The Consumer Federation of America, the U.S. Conference of Mayors, and the American Public Gas Association have filed a suit to require the Federal Power Commission to act accordingly to force this gas into the interstate market to aid consumers in the Northeast and other areas of the country. Several Members of Congress have joined in filing a friend-of-the-court brief in support of this recent action. And, I am pleased to have become one of the members to join in filing this brief.

I do not believe that a Congressman can afford to sit on the sidelines in such a situation and do nothing. We know that the gas supplies exist. We know that the pipelines are available to bring that gas to cities like New York which face shortages this winter. And, we know that the power exists to make this gas move to those cities. This court suit is one that is necessary to insure action, and one which I felt I should join in supporting on behalf of my constituents.

COMMON SITUS PICKETING

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. ERLENBORN. Mr. Speaker, in the near future my colleagues in the House will have another opportunity to express themselves on the subject of common situs picketing. It may be of some interest to review briefly the position of the business community, which is overwhelmingly opposed to this measure. Here is a statement by many of the leading representatives of business:

STATEMENT CONCERNING H.R. 5900

We, the undersigned (representing at least 2,654,800 employers), are opposed to enactment of H.R. 5900 as passed by the House and the Senate because of one or more of the following reasons:

1. A legalized secondary boycott applied to an all-union construction site will mean that a strike against one general contractor or one subcontractor will close down the entire job.

2. A legalized secondary boycott will drive out of existence (polarize, in the words of Secretary Dunlop) mixed (a mixture of union and non-union contractors and subcontractors) construction sites. Such polarization will inflate construction costs where mixed jobs are now being performed because the general contractor will no longer be able to accept the lowest responsive bid; he will be forced, if union, to accept the lowest union subcontractor bids and, if non-union, the lowest non-union subcontractor bids.

In short, there will be less competition, less efficiency, and higher prices to the construction user. A construction user such as a manufacturer will pass costs to the public through higher prices for manufactured goods, while higher construction costs to the government will be passed to the taxpayer.

3. A legalized secondary boycott may close down an industrial plant in certain situations where the plant site is also a construction site on which a picket line has been established.

4. Title II of the Senate bill, known as the Construction Industry Bargaining Act of 1975, will in no way offset the irreparable harm which will be caused by passage of the Common Situs Picketing bill and should not be viewed as a trade-off for the Common Situs Picketing bill.

Our opposition to the legalization of the secondary boycott is shared by the editorial writers of the following newspapers, all of which oppose the secondary boycott:

EDITORIALS OPPOSING SECONDARY BOYCOTTS

ALABAMA

Birmingham Post-Herald, Birmingham.
Union Banner, Clanton.

ARIZONA

Arizona Republic, Arizona.

ARKANSAS

Log Cabin Democrat, Conway.

CALIFORNIA

Fullerton Daily News Tribune, Fullerton.
Los Angeles Herald-Examiner, Los Angeles.
The Sacramento Bee, Sacramento.
San Francisco Examiner, San Francisco (4).
Sacramento Union, Sacramento.
South Bay Breeze, Torrence.

COLORADO

Boulder Camera, Boulder.
Ledger-News, Antonito.
The Denver Post, Denver.
Free-Press, San Luis County.
Rocky Mountain News, Denver.

CONNECTICUT

Naugatuck News, Naugatuck (2).

DELAWARE

Delaware State News, Delaware.

DISTRICT OF COLUMBIA

The Washington Post, Washington, D.C.
The Washington Star, Washington, D.C. (3).

FLORIDA

Fort Lauderdale Sun Sentinel, Fort Lauderdale.
Jacksonville Daily News, Jacksonville.
The Miami Herald, Miami.
Sentinel Star, Orlando.
The Pensacola News, Pensacola.
Hollywood Sun Tattler, Hollywood.
Stuart News, Stuart.

GEORGIA

New Era, Jeffersonville.

IDAHO

The Idaho Statesman, Boise.

ILLINOIS

Chicago Tribune, Chicago (3).
Fulton Democrat, Lewistown.
Highland News-Ledger, Highland.
South Suburban Journal, South Holland.

INDIANA

Indianapolis News, Indianapolis (3).
Indianapolis Star, Indianapolis (2).

IOWA

Rapid City Journal, Rapid City (2).
Waterloo Courier, Waterloo.
Des Moines Register, Des Moines.

KANSAS

Wichita Times, Wichita.
Topeka Daily Capital, Topeka.
The Merriam Sun, Shawnee Mission.
Overland Park Sun, Shawnee Mission.
Mission Hills Sun, Shawnee Mission.
Shawnee Sun, Shawnee Mission.
Fairway Sun, Shawnee Mission.
Westwood Sun, Shawnee Mission.
Roeland Park Sun, Shawnee Mission.
Lenexa Sun, Shawnee Mission.

KENTUCKY

Jackson County Sun, McKee.
Lexington Leader, Lexington.
Courier Journal, Louisville.
Scottsville News, Scottsville.
Kentucky Post & Times-Star, Covington.
Action in Kentucky, Louisville (2).

LOUISIANA

Morning Advocate, Baton Rouge.
Cottonport Leader, Cottonport.
Monroe Morning World, Monroe.
State Times, Baton Rouge.
Shreveport Times, Shreveport.
Madison Journal, Tallulah.
The Quachita Citizen, Quachita.

MAINE

Augusta Kennebec Journal, Augusta.
Press Herald, Portland.

MARYLAND

Baltimore News American, Baltimore.
The Daily Record, Baltimore.

MASSACHUSETTS

Capital Journal, Salem.
Gazette, Worcester.
Massachusetts Editorial Foundation, Boston.
Boston Globe, Boston.
Boston Herald American, Boston.
Christian Science Monitor, Boston.

MICHIGAN

Argus, Shepherd.
Farmer's Advance, Camden.

MINNESOTA

Emmons Leader, Emmons.
Pioneer Press, St. Paul.

MISSOURI

Headlight, Stanberry.
People's Guide, St. Louis.
South Kansas City Sun, Kansas City.
The Kansas City Star, Kansas City.
St. Louis Globe-Democrat, St. Louis.
The Sunday Missourian, Missouri.

NEBRASKA

Lincoln Evening Journal, Lincoln.
Niobrara Tribune, Niobrara.
Tryon Graphic, Tryon.

NEVADA

Nevada State Journal, Nevada.

NEW MEXICO

Albuquerque Journal, Albuquerque (2).

NEW YORK

The Wall Street Journal, New York City (4).
The New York Times, New York City (3).
Courier, Brookfield.

OHIO

Examiner, Bellefontaine.
The Cincinnati Enquirer, Cincinnati.
Columbus Citizen-Journal, Columbus (2).
Louisville Herald, Louisville.
The Dispatch, Columbus.
The Plain Dealer, Cleveland.
The Cleveland Press, Cleveland.
The Cincinnati Post, Cincinnati.
The Cincinnati Times-Star, Cincinnati.
Lima News, Lima.

OKLAHOMA

Covington Record, Covington.
Hydro Review, Hydro.
The Sunday Oklahoman, Oklahoma City.
Tulsa World, Tulsa.
Daily Oklahoman, Oklahoma City.

OREGON

Oregon Journal, Portland.
Rainier Review, Rainier.

PENNSYLVANIA

The Pittsburgh Press, Pittsburgh.
Erie News, Erie.
The Evening Bulletin, Philadelphia.
Philadelphia Inquirer, Philadelphia.
Youngstown Indicator, Youngstown.

PUERTO RICO

San Juan Star, San Juan.

SOUTH CAROLINA

South Carolina Farmer, Columbia.
Orangeburg Times-Democrat, Orangeburg.

TENNESSEE

Bulletin-Times, Bolivar.
Byrdstown Press, Byrdstown.
Chattanooga News-Free Press, Chattanooga.
Gazette-Mail, Morristown.
The Knoxville Journal, Knoxville.
The Knoxville News-Sentinel, Knoxville.
Memphis Commercial Appeal, Memphis.
Memphis Gazette Mail, Memphis.

TEXAS

Bellville Times, Bellville.
The Dallas Morning News, Dallas (2).
Fort Worth Star-Telegram, Fort Worth.
Valley Morning Star, Harlington.
Atascosa County News, Jourdanton.
Poteet News, Poteet.
Democrat, Weatherford.
San Antonio Light, San Antonio (3).
El Paso Herald Post, El Paso.
Fort Worth Press, Fort Worth.

UTAH

Millard County Chronicle, Delta.
Deseret News, Salt Lake City (2).
The Salt Lake Tribune, Salt Lake City.

VIRGINIA

Richmond Times-Dispatch, Richmond (2).
Northern Virginia Sun, Arlington.

WASHINGTON

Post Intelligencer, Seattle.
The Daily Chronicle, Centralia-Chahalis.

WEST VIRGINIA

Advertiser, St. Albans.
Record, West Union.

WISCONSIN

The A-Delite, Strum.
Stand Press, St. Croix Falls.
Milwaukee Sentinel, Milwaukee.
Milwaukee Journal, Milwaukee.

WYOMING

Wyoming State Tribune, Wyoming.

Signed by:
American Farm Bureau Federation.
American Retail Federation.
American Road Builders Association.
American Subcontractors Association.
Architectural Woodwork Institute.
Associated Builders and Contractors Inc.
Associated General Contractors of America.
Business Roundtable.
Chamber of Commerce of the U.S.
Council of Construction Employers.
Crane and Rigging Association.
National Asphalt Pavement Association.
National Association of Home Builders of the U.S.
National Association of Manufacturers.
National Association of Plastic Fabricators.
National Association of Plumbing-Heating-Cooling Contractors.
National Constructors Association.
National Council of Steel Fabricators and Riggers.
National Crushed Stone Association.
National Environmental Systems Contractors Association.
National Labor-Management Foundation.
National Lumber and Building Material Dealers Association.
National Ornamental Metal Manufacturers Association.
National Ready Mixed Concrete Association.
National Sand and Gravel Association.
National Slag Association.
National Small Business Association.
National Utility Contractors Association.
Painting and Decorator Contractors Association.
Sheet Metal and Air Conditioning Contractors National Association.
United States Industrial Council.
International Association of Wall and Ceiling Contractors.

FARMERS CAUGHT IN COST-PRICE SQUEEZE

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. SEBELIUS. Mr. Speaker, farmers are faced with consumer demands for an abundance of high quality food at low, stable prices. A farmer can appreciate these sentiments but realizes that achieving these demands are becoming more difficult in the face of high land, machinery, and other production costs.

The following is the ninth in a series of 10 messages sponsored by Far Mar Co. Inc., Hutchinson, Kans., in U.S. News and World Report to stress the importance of a vigorous and reliable market for farm products. The article follows:

CHEAP FOOD COULD STARVE US TO DEATH

> Sure, it would be great to lower food costs. But in the long run, we just can't afford to.
>
> Not if the cost cutting has to be at the expense of farmers.
>
> First of all, to have any appreciable effect on retail prices, farm prices would have to be drastically reduced.
>
> And even at current levels, farmers are caught in a tremendous cost-price squeeze. They're paying more and more for land, equipment, and supplies. In the meantime, the prices they receive for their crops are erratic and unpredictable.
>
> So if we further jeopardize the farmers' chances of making a fair return on their investments, we jeopardize the future of American agriculture.
>
> Realistically, we can't expect farmers to continue producing food that doesn't produce adequate capital to buy the equipment and supplies for the next year's crops. And leave a little to live on.
>
> Since their costs continue to increase, farmers certainly can't get by on lower prices.
>
> Cheap food would be nice while it lasted. But the fact is, it couldn't last for long. And we couldn't live with the consequences.

SOLARZ CRITICIZES TACIT U.S. ACCEPTANCE OF THE PALESTINE LIBERATION ORGANIZATION

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. SOLARZ. Mr. Speaker, while I welcome the U.N. Security Council agreement of November 30 to renew the mandate of the U.N. peacekeeping force on the Golan Heights, I am deeply disappointed by what appears to be the tacit acquiescence of the United States in the proposed participation of the Palestine Liberation Organization in the talks scheduled early next year before the Security Council of the United Nations on the Middle East situation.

It is clear that an ultimate resolution of the conflict between Israel and its Arab neighbors will require a settlement of the difficult Palestine question. It is equally clear, however, that the inclusion in these discussions of an organization that is clearly committed to the elimination of Israel as a sovereign state creates in and of itself a serious obstacle to the achievement of peace. The fact is that the Palestine Liberation Organization is unequivocally opposed to the existence of a Jewish state and even rejects the concept of an independent Palestinian state on the west bank of the Jordan River as a solution to the Palestinian problem.

There has been a lot of loose talk in recent months about the difference between the so-called radicals and moderates within the PLO. But the only distinction between them that I can determine is that the radicals, who constitute the great majority, would like to get rid of Israel all at once, while the moderates, who represent a distinct minority, are willing to wait awhile, on the theory that through the establishment of an independent Palestinian state on the west bank and Gaza, they will ultimately be in a better position, using such an entity as a base, to eliminate Israel itself.

I believe that the true objectives of the PLO are amply demonstrated in the Palestinian National Covenant which is to the Palestinians what the Declaration of Independence and the U.S. Constitution are to us. For instance, article 15 of the covenant states:

> The liberation of Palestine, from an Arab viewpoint, is a national duty to drive the Zionist, imperialist invasion from the great Arab homeland and to purge the Zionist presence from Palestine.

Article 21 goes on in further bleak tones concerning the possibility for a compromise solution in the Middle East:

> The Palestine Arab people, in expressing itself through the armed Palestinian revolution, rejects every solution that is a substitute for a complete liberation of Palestine, and rejects all plans that aim at the settlement of the Palestine issue or its internationalization.

As recently as June of 1974, the National Palestinian Council, which is the supreme body of the PLO, declared that:

> The PLO resists any plan for a Palestinian entity at the price of recognition, peace (sulh), secure boundaries, surrender of national rights and forfeiture of our nation's prerorgative of return and self-determination in its homeland. . . . Any step of liberation is a link in realizing the strategy of the PLO for the establishment of a Palestinian democratic State, as resolved by the previous Councils.

It should be evident to all fairminded people that Israel can hardly be expected to enter into negotiations with an organization which is committed to its elimination as a state. Unfortunately, the adoption of the UN Security Council resolution, and the tacit acceptance by the United States of the invitation to the PLO to participate in the forthcoming talks, encourages the forces of intransigence rather than moderation within the Palestinian movement. Even more important, the UN action in regard to the PLO brings us no closer to a genuine Middle East peace settlement. Not until the Palestinians realize that their acceptance of the legitimacy and existence of the State of Israel is an absolute precondition for a settlement of the conflict, Mr. Speaker, will real progress be made toward the achievement of a just and lasting peace in the Middle East.

PITTSBURGH STILL THRIVING

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, my city of Pittsburgh has stood as a shining example of what local industrial leaders could do together to alleviate community problems and build for the common good.

The story of Pittsburgh's Renaissance is well known. Starting in the early 1950's, Pittsburgh shed its "Smokey City" image, cleaned its air, and developed its downtown core into a delightful panorama of parks, office buildings, theaters, and public sports facilities.

While some suggest that this tremendous rejuvenation has stalled in recent years, the reverse actually is the case.

No better evidence of Pittsburgh's continuing process exists than an excellent speech made by Robert Dickey III, chairman and president of the Dravo Corp., as he accepted the Man of the Year Award from the Pittsburgh Society of Industrial Realtors.

I include Mr. Dickey's remarks in the RECORD at this time for the information of my colleagues:

REMARKS BY ROBERT DICKEY III

> I am grateful, too, to the Western Pennsylvania Society of Industrial Realtors for selecting me as the 1975 recipient of their annual award. It is an honor to be associated with your fine organization, and to join the distinguished group of Pittsburgh businessmen you have cited in the past. You place me in very select company.
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> In accepting your award, I believe it is natural, and not at all immodest, to explore the reasons for the honor you bestow. Thinking about it, I've concluded that, although Dravo Corporation continues to grow and prosper, my selection was probably also influenced by my participation in community affairs. If that is the case, I am being cited for tasks I gladly assume and share with many, many others. I have enjoyed the opportunity to contribute in some degree and to be a part of a widespread commitment to improve the metropolitan environment in which we live and work. That commitment, coupled with an intelligent application of resources, is producing a record of progress that is a worthy descendant of the Renaissance that heralded Pittsburgh's rebirth over two decades ago. This renewal of our Renaissance is the subject of my remarks this evening.
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> If one listens exclusively to some voices, Pittsburgh would seem to have improved little since its "Smokey City" days. You're all aware that a recently released survey of the quality of life in metropolitan communities rates our town no better than 49th in its class. That ranks behind such cities as Detroit, Cleveland and Buffalo, and just one position ahead of our eastern neighbor, Allentown. In the same vein, some Pittsburghers complain that the city has stood pat since the Renaissance of the Fifties.
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> Both assessments are refuted, in my opinion, by an examination of the improvements and additions to our core area in the past five or six years. Actually, a case could be made that the period has been as productive as any in our history. And, excepting the smoke abatement program, these recent developments have influenced our lives as much as the well-known improvements of the Renaissance years.
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> To illustrate, I ask you to consider 1970 as the inaugural year of our current program of renewal. During that year, you'll recall, the Pirates and Steelers moved into Three Rivers Stadium, and the Bell Telephone and Westinghouse buildings were completed. In 1971, three major downtown structures opened for business—Heinz Hall, the U.S. Steel Building and the new Pittsburgh National Bank headquarters. And Allegheny Two was constructed on the near North Side. The list of projects completed in 1972 includes Roberto Clemente Park and the Old Post Office Museum. Last year, the Sarah Scaife Gallery opened and final touches were added to Point State Park. Almost immediately, the park's striking fountain became a symbol of our

city. To date in 1975, we've seen the completion of the Oliver Plaza complex as the Equibank Building went into service, and the opening of the Pittsburgh Public Theatre in Allegheny Center. Before the year is over, the current expansion of Civic Arena seating capacity will make it one of the ten largest facilities of its kind in the country.

A roll call of developments can measure a community's commitment to progress. But, standing alone, it offers no indication of the effectiveness of those developments. In some communities, the products of ambitious renewal projects exist only as reminders of failed dreams. Underused and unappreciated, they breed caution among planners, blighting the future as they recall the past. Here we have been more fortunate. Let's look at the record.

Since moving into Three Rivers, the Steelers and Pirates have been remarkably successful. And they've earned national attention for Pittsburgh as a center of excellence in professional sports. Stadium attendance figures reflect fan enthusiasm for this winning tradition, holding the city's subsidy below anticipated levels, while providing a much-needed traffic builder for downtown commerical establishments.

Remaining in the sports and entertainment area, the Civic Arena greeted its 18 millionth visitor this past weekend. Equally important, the Arena's operation is in the black and has been for eleven straight years. Hopefully, the tennis team will receive support worthy of its record and that, with the new seats, the hockey franchise will also be in the black. I believe you'll agree that the facility has long since outlived the White Elephant label it carried during its early days. As for Heinz Hall, there's little that needs to be said. Aesthetically and commercially, it has fulfilled every expectation. Heinz Hall has established a standard for preservation that others will strive to match. It is the jewel of our downtown. Similarly, the Scaife Gallery has brightened our University Center in Oakland.

The corporate office construction I mentioned a moment ago produced well over four million square feet of new office space. Growth of our business population, the commitment of local companies to remain in our downtown core and, perhaps, just a measure of Parkinson's Law, have combined to fill this new space nearly to capacity. In fact, the rate of occupancy for all downtown office space remains in the 90 to 95% range. This concentration of new construction has increased the city's tax base and improved its skyline. And, in the spirit of the Renaissance, it opened the way for an imaginative approach to a pressing social problem, while preserving some of the city's most distinctive architecture.

Fully 90,000 of Pittsburgh's 500,000 residents are aged 65 or over. In their search for adequate housing for this senior segment of our population, city planners turned to a surprising source of space, the downtown core. By all measures, the federally supported conversion of the May and Keenan buildings to residential use has been successful. It has removed substandard office space from the commercial market, accelerating the occupancy of new buildings. The permanent population of our center city is increased. And, most importantly, the buildings' apartment units are very popular with their elderly occupants. Both sites have a lengthy waiting list of applicants. And the new Roosevelt Arms, formerly the Roosevelt Hotel, though not completed, is already oversubscribed. I am sure we will hear more of this very productive program as development of our downtown continues.

As I suggested earlier, the high level of acceptance and use of these and other downtown projects is testimony to the effectiveness of the planning function that preceded actual construction. The planners involved had a sure feel for the community's needs and wants. And the products of their foresight have helped make Pittsburgh unique among cities of comparable age and makeup.

Other communities have made similar investments in their downtowns, resulting in similar alterations of their skylines. In many of those communities, however, the investments have proven only partially successful. Their core areas are alive with activity during business hours, yet become urban wastelands or even battlegrounds once the commuting population has gone homeward.

Here there is evidence of vitality of a more permanent nature. During 1974, for example, Pittsburgh was one of just two cities to buck a long-standing, nationwide trend in retail shopping. By attracting consumers during evening hours and on weekends, our downtown establishments reported sales which actually topped those of a year earlier. And performance-to-date in 1975 indicates another good year.

The economic health of our after-dark enterprises also runs counter to the national experience. Changing ownerships and closings are relatively common in the restaurant and entertainment business, and Pittsburgh's recent past has contributed its share to those statistics. Currently, however, the stability of our nightlife seems assured. The safety of our downtown streets has created an environment for success, and the quality and diversity of our nightlife has won acceptance among residents and visitors alike.

Nor has the urban region neglected its social responsibilities. The housing and minority entrepreneurial programs established and supported by our business community set the pattern and standard for subsequent efforts across the nation. The National Alliance of Businessmen's continuing campaign to provide jobs for the disadvantaged has one of the highest retention rates in the country. And in 1974, our United Way collected 97½% of the total monies pledged; the best record of all major cities. Additionally, there is brick-and-mortar evidence of our concern, including major additions to Shadyside and Mercy hospitals, and construction of a new facility for the Harmarville Rehabilitation Center.

Credit for our progress during the past several years must be broadly assigned. Certainly, the foundation of the renewal lies in the Renaissance itself. But to locate full responsibility in that earlier era denies the involvement of others who have displayed the Renaissance spirit. There has been an evolution of leadership, politically and within organizations committed to community development. Their contribution deserves recognition as we appraise our city's progress. In that vein, mention of several prominent organizations is appropriate, although the list is certainly not complete: The History and Landmarks Foundation; Penn's Southwest; TRIAD; the Greater Pittsburgh Chamber of Commerce; the Building Owners and Managers Association; the Regional Industrial Development Corporation; Allegheny Conference, the Golden Triangle Association, and certainly our sponsors tonight, the Society of Industrial Realtors. Working with elected officials, county and city agencies, local foundations and corporate management, they have been partners in our city's collective achievement.

Community response to even the most successful improvement programs, however, is often, "Fine, but what have you done for us lately?" Perhaps that's a natural reaction. Excellent performance generally increases expectations. Despite this, I believe the projects underway or in the planning stage will sustain that rate of progress to which Pittsburghers have grown accustomed. I'd like to take a moment to summarize some of them.

The new Exposition-Convention Center which is to open in 1979 will be the most significant addition to our downtown in the latter half of this decade. The Center will permit Pittsburgh to compete for all but a very few of the hundreds of major conventions that occur annually. The resulting convention activity will mean more visitors to our city; visitors who will generate increased business for our hotels, restaurants, theatres and shops. Construction of the Center will provide the impetus for additional building near the Penn Avenue site, extending large-scale renewal to that segment of the central core for the first time.

Although the History and Landmarks Foundation's major emphasis is currently focused on Pittsburgh's neighborhoods, the organization has been involved in three downtown projects that bear much promise. The Pittsburgh National Bank Building at Fourth and Wood will be converted to an indoor mall, housing a collection of small shops, apartments and offices. The Foundation also has completed adaptive use studies anticipating the ultimate conversion of our two large downtown train stations for commercial purposes. Both locations hold enormous potential for imaginative development; I'm sure you share my satisfaction that they are targeted for preservation not as hollow moments, but as useful, functioning city landmarks.

There is also activity under way for further development of the near North Side. The recent opening of the Pittsburgh Public Theatre marked the completion of the renovation of the Carnegie Library building. The Mayor's proposal to return the Farmers' Market to the Allegheny Center area is under consideration; as is conversion of additional Allegheny shore acreage into a public park. The industrial community's contribution to this phase of North Side expansion is a 12-story building for IBM. Seeded by the construction of Allegheny Center 10 years ago, the development of an ever-broadening area has been impressive.

As restoration and new construction continue, the North Side will interface completely with our downtown core. That was precisely the intent of the Renaissance planners all those years ago.

There is also activity beyond the Triangle area, even into the rivers that form its borders. Jones and Laughlin Steel Corporation have announced a 200-million modernization program for its South Side operations. Developers are examining our river islands for commercial and recreational use. The Herrs Island project, proposed last week by the city is one of several imaginative plans involving these underused sites.

My remarks this evening have cited the accomplishments of a very productive period in our history. The mention of failure has been deliberately avoided. My intent is to praise the authors of our success. But I am no Pollyanna. I know well the perils that threaten our progress. And I share with our most critical citizens an awareness of unrealized objectives and missed opportunities.

We've experienced failure even as we've recorded the successes I've described. And we've failed most completely when self-interest or political differences have taken precedent over community service. Those of us who have an opportunity to influence our city's development must clearly define the relationship between the public and private sectors. That relationship should permit full employment of our total resources while appropriately assigning project authority and control. Cooperation is an essential element in achieving our civic objectives. Without it, our task will be unnecessarily difficult if not impossible.

I would caution, too, that there is no accepted formula for success in this difficult work. We cannot be chained to the methods of the past, however effective they may have been in their time. Our efforts must recognize and adapt to the present; and to changing conditions.

I need not remind this audience of the importance of maintaining a vigorous, viable downtown core. I do feel obligated, however, to direct your attenion to the distressing number of American cities in serious trouble. In many communities, mere survival is regarded as an achievement. That is not acceptable here. And, faced with the same conditions that have brought other cities down, we have been successful in reversing the national experience. But we dare not grow complacent. We must continue to work, cooperatively and with our full resources, to combine the glory of Pittsburgh's past with the full promise of its future.

Thank you very much.

ISRAEL BOND DINNER HELD IN BAY CITY, MICH.

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. TRAXLER. Mr. Speaker, this past weekend I had the distinct honor and privilege of attending an Israel bond dinner at the Holiday Inn in Bay City.

This banquet was attended by people interested in the welfare of Israel from northeastern Michigan. We all had the pleasure of hearing Mr. Abraham Tannenbaum, LL.B., speak as the keynote speaker. Mr. Tannenbaum is a noted lawyer, businessman, and American Zionist leader whose long and profound commitment to Jewish affairs and the cause of Israel has placed him among the most knowledgeable spokesmen on the problems affecting Israel and World Jewry.

Rabbi Gerald Kaplan of Temple Beth El, Midland, Mich., gave the opening and closing prayers. I would like to take this opportunity to share his beautiful and touching words with you and my colleagues in Congress:

OPENING PRAYER OF RABBI GERALD KAPLAN AT ISRAEL BOND DINNER—BAY CITY

Almighty God; we thank Thee for the gift of life and the daily miracles of our bodies and minds. We know that the power we feel in ourselves is part of the vitality which Thou hast implanted in the universe.

Help us to sense our kinship with all the world and all men who share this divine gift with us.

We thank Thee O God for the love of dear ones and for the capacity to link ourselves in affection with those whom we cherish. Through love we overcome the distances between men and between lives as we receive streams of blessings and strength from one another.

Help us O Lord to realize that our love is the human counterpart of the divine love Thou hast for all Thy children.

Inspire us to resist all that stifles love as we dedicate ourselves to spread understanding, concern and compassion in whatever we do.

We thank Thee for the food we eat. Help us to translate its nourishment into the power and the will to live by Thy Torah.

We express our gratitude through the words of the traditional blessing.

Boruch ahtoh ahdohnoy ehlohhaynoo mehlech hah oh lohm hahmotzo lechem meen hohohrehtz.

Praised Be Thou O Lord our God King of the Universe who provides us daily with food. Amen.

CLOSING PRAYER

Lord of my Dreams, how I cry, no matter how I hope and try, to see the sun and the sea, shining and flowing so close to me.

Milk and honey shall flow in my land, now there is blood in the sand. I'd give my life to be able to see, my Israel safe and free.

Safe and free, land I love, may there be no more wars, no more wars.

Oh please God, may it be so, may it be so. Amen.

IN MEMORIAM TO THE HONORABLE ISABEL C. HOPPER OF HAWTHORNE, N.J.

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. ROE. Mr. Speaker, last week residents of my congressional district, State of New Jersey mourned the passing of a great lady and good friend, the Honorable Isabel Hopper of Hawthorne, N.J., and I know that you and our colleagues here in the Congress will want to join with me in extending our most sincere condolences to her husband, Norman; daughter and son-in-law, Norbel and Peter W. Van Der Velde, Jr.; sister, Mrs. Raymond L. (Bert) Rhodes; and grandchildren.

Throughout her lifetime, Mrs. Hopper has excelled in everything she has set out to do. The quality of her leadership, standards of excellence and sincerity of purpose have been extended unselfishly, with dedication and devotion in meeting the needs of our people.

With your permission, Mr. Speaker, I would like to place at this point in our historic journal of Congress an excerpt from the Paterson News, one of New Jersey's most prestigious newspapers, providing a capsule report on her lifetime of exemplary public service and personal sacrifice dedicated to her family, friends and community which have truly enriched the quality of life in the Borough of Hawthorne, our State and Nation. The news story is as follows:

MRS. ISABEL HOPPER, ACTIVE IN CIVIC AFFAIRS

HAWTHORNE.—Isabel C. Hopper, prominent in civic, church and political circles, of 65 Diamond Bridge Ave., died Tuesday in Paterson General Hospital, Wayne, after a brief illness.

Mrs. Hopper was the wife of Borough Clerk Norman W. Hopper, former borough Republican leader and deputy county clerk of Passaic County.

In a tribute from the mayor and borough commissioners, Hawthorne Mayor Louis Bay II said:

"Hawthorne has sustained a tremendous loss in the passing of Isabel Hopper.

KNOWN FOR CHARITIES

"This was a woman whose charity went far beyond the knowledge of the people in our town. All you had to do was show Isabel it was for the good of the town and she was there, a million per cent.

"She was absolutely Hawthorne, through and through.

"She loved the town and everyone in it. She gave unselfishly in every civic effort.

"It will be a long time before we know another Isabel Hopper.

EXTEND CONDOLENCES

"The mayor and the commissioners and all the people of Hawthorne extend our heartfelt condolences to her bereaved family."

The former Isabel Rosener, Mrs. Hopper was a life-long resident of Hawthorne and had played an active part in the life of the community. Her most recent assignment was co-chairman of the borough's 75th anniversary celebration.

Mrs. Hooper was a member of the First Baptist Church of Paterson for 39 years, 33 of which were spent as a teacher in its Sunday School and as superintendent of its Nursery and Cradle Roll Departments. She also served on its Board of Christian Education.

Intensely interested in politics, Mrs. Hopper served for 29 years as a Republican County Committeewoman in the 4th District; was a member of the Hawthorne Unit, Passaic County Republican League; chairman of the Child Welfare Board of Hawthorne, a charter member of the Order of Rainbow Girls, Paterson No. 7 and a member of Jeptha Chapter 134, Order of the Eastern Star.

LED CANCER DRIVES

Active in fund-raising campaigns for the American Cancer Society, she was its Hawthorne chairman for over 25 years and served on the board of managers of the Passaic County Chapter, American Cancer Society. Mrs. Hopper had served also on the fund drives of the Passaic County Heart Association, the March of Dimes and the American Red Cross.

She was associated with the Raymond Rhodes Agency in its Real Estate Sales Division.

Services will be Friday at 10:30 a.m. in the Browning-Forshay Funeral Home, 557 Lafayette Ave.

The Rev. Donald Boone, pastor of the First Baptist Church, Paterson, and the Rev. Omar C. Barth, pastor of the Broadway Baptist Church, Paterson, will officiate. Interment will be in Laurel Grove Memorial Park, Totowa.

In addition to her husband, she is survived by a daughter, Norbel, wife of Hawthorne Patrolman Peter W. Van Der Velde Jr.; a sister, Mrs. Raymond L. (Bert) Rhodes, both of Hawthorne, and two grandchildren.

Mr. Speaker, it is indeed my privilege and honor to call Isabel Hopper's good works to your attention and seek this national recognition of her untiring efforts which have left a legacy to the people of our community. We mourn the passing of a great American and trust that her family will soon find abiding comfort in the faith that God has given them and in the knowledge that Isabel is now under His eternal care. May she rest in peace.

AFRICAN STUDENTS SEE RED OVER RACIAL BIAS IN RUSSIA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the U.S.S.R. always is quite concerned over the state of civil rights in countries other than Russia. It always purports to be the champion of the black person, particularly if the person is a Communist such as Angela Davis. However, those black Africans who have the misfortune to study in the Soviet Union find quite a different society, full of prejudice. The New York Post recently summarized a series of typical incidents in this regard which it reported in its Tuesday, November 25 issue. I commend the story to the attention of my colleagues:

[From the New York Post, Nov. 25, 1975]

African Students See Red Over Racial Bias in Russia

(By Robert C. Toth)

Moscow.—Black African students again are complaining about alleged racial discrimination here, with a public militancy not seen in the decade since several hundred marched through Red Square with signs charging that "Moscow is another Alabama."

Given the rapid rise in Third World students here—from 134 in 1957 to about 20,000 this year—and the great cultural differences between theirs and Soviet society, it would be unusual if some incidents did not occur.

But few clashes involving Asian and Latin American students have come to light, while the kind of Soviet remarks about black students—that they are rude, lazy, opportunistic—suggests a special hostility to them.

GROUNDS FOR COMPLAINT

Westerners here have seen incidents that give both Africans and the Soviet side grounds for complaint. But the bitterness expressed by the blacks raises questions of how much friendship the Soviet Union buys in providing free education to them in ordinary Soviet colleges and at the special Lumumba Friendship University here.

Two public protests by Africans occurred recently.

In Lvov early this month, the African Student Union alleged that blacks there "have been beaten up on the streets, in the hostels [dormitories], and in our own rooms, and told we have no right to complain," according to a statement to their embassies.

Among eight violent incidents cited, it charged that three Nigerians were recently expelled for repelling a chisel-wielding Soviet drunk who attacked one of them while he slept in his room.

In Kiev late last month about 500 Africans went on strike at the university and marched on the Czechoslovak consulate there because a Czech girl, just married to an African, had her scholarship rescinded by the Prague government and her residence permit lifted by the Soviet Union. The protest got her fully reinstated.

Blacks from newly independent nations tend to be very proud and very sensitive to slights.

But with up to twice the allowances given Russians ($120 a month compared to $60 to $80 for Soviet students), and with access to hard-currency shops where foreign goods are sold, they usually dress more smartly, have more money to spend and are sometimes "sharp operators," as one Western diplomat said.

Africans shrug off such criticism. "There will always be some students who don't work hard," said a Lumumba student.

At Lumumba, reputedly the only university in the developed world that trains Third World specialists, the Soviet Union offers a totally free education. All costs, including a round-trip plane ticket and a set of warm clothes, are covered.

"We have no racial problems here," said its rector Vladimir Stanis, "because this university conforms to its name—the Friendship University."

ALREADY SYMPATHETIC

Most students come to Lumumba already sympathetic to socialism, Stanis said. "The majority come through Soviet friendship societies in their countries," he said. "They must be from poor families, no bourgeois."

In its graduation statement, Lumumba's class of '75 promised to remain loyal to principles learned at the school. While here, it stated, "We became convinced that in the Soviet Union, the developing countries have a reliable and true friend . . ."

Many in that class may have doubts about those words but the Soviet Union seems to feel that if a fraction really believed them, the expense was justified.

"I think," said one Russian privately, "that if only one in 10 remains grateful, and will remember his gratitude back home at some time in the future, it was worth it."

INNOVATIVE ACTION TO GET PEOPLE MOVING

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. ANDERSON of California. Mr. Speaker, southern California is famous for many things—one of which is its large number of cars and roads. Sixty-five percent of the land in the city of Los Angeles has been turned over to the automobile. Obviously, mass transportation is urgently needed to bring a turnaround in the ever increasing use of cars for basic transportation. Planning studies, proposals, counterproposals, have all been in the works for years, with little prospects of actually easing the situation for years to come.

However, an innovative experiment is set to go into service at the end of January. Because of a belief that it was possible, commuters will be able to travel between San Diego and Los Angels on two new trains on a regular basis. The following article from the Mass Transit magazine for November tells how this system came into being.

I am anxious to see how well these new trains serve the needs of southern California commuters. Hopefully they will be the prods that gets things moving in the direction of widespread mass transit for commuters everywhere.

Riding the Rails Again in LA

(By Ray Hebert)

With 680 miles of freeways at their doorstep, most Los Angeles commuters have forgotten the vast rail network that once crisscrossed the metropolitan area from coastal Santa Monica inland more than 50 miles. That rail system—the Pacific Electric (PE), the "world's largest interurban"—was at its prime from the early 1900s through the end of World War II. The last of the Big Red Cars, replaced by buses, went out of service 15 years ago.

At its peak, the PE operated commuter trains over 1,200 miles of track, carrying 110 million passengers in 1945 when the freeway system was only in the planning stage. Six years later the number of passengers had dwindled to 35 million.

SERVICE REVIVED

Now, after a long lapse, commuter rail service is about to be revived for Los Angeles commuters on a multi-million dollar experimental basis that could reestablish trains as an important part of Southern California's transportation system.

The plan is a unique departure for Los Angeles' freeway-oriented commuters. It calls initially for two new commuter trains to go into service on the heavily-traveled San Diego-Orange-Los Angeles County corridor in late January.

Amtrak—the National Railroad Passenger Corporation—will operate the trains over Santa Fe Railroad owned tracks, but most of the costs will be paid by the three counties. They will share the cost of one train but Los Angeles County will operate the other as its own piece of equipment.

Early this year the county decided to buy its own train after efforts had failed to get the railroads and Amtrak to establish commuter rail service. Cars were not easy to find but the county, prodded by Supervisor Baxter Ward, a railroad buff, scoured the county and found eight old cars stored for the winter at a scenic railroad yard and museum in Cottage Grove, Oregon.

The cars were post-World War II vintage—five Illinois Central coaches, two Milwaukee Road lounge cars and a Western Pacific dome car. The county paid $22,000 each for the coaches, $50,000 for the two lounge cars and $38,000 for the dome car—once a fixure on Western Pacific's route through the Sierra Nevadas east from San Francisco.

Los Angeles County paid the Oregon Pacific & Eastern Railway Company (OP&E). a total of $198,000 for the cars. It seemed like a lot of money at the time but it could turn out to be a profitable investment, should the rail experiment fail, considering the ready market for railroad cars.

Ward inspected each car at OP&E's Cottage Grove headquarters before the county took them over, making such critical notes as:

"All Illinois Central and Milwaukee cars have wheel-type hand brakes in vestibule area. Is there a replacement model?"

"All cars need new floors and side paneling material."

"There were problems with the dome car, a sleeper-lounge. Ward found handrails bent and, as he noted, "many nicks on corrugated side."

The county had trouble in finding a refurbisher. It finally farmed the work out to Hoover Industries, Inc., a Miami, Florida based firm specializing in interiors for the airlines and remodeling for Amtrak. More than 300 pages of specifications, tailored to the county's requirements and Amtrak's, went along when the cars were moved to Miami. The contract was worth $1.6 million or about $200,000 a car, which the county regarded as a good price since present costs for new cars are more than $450,000 and Amtrak has a long backlog on new car orders.

Work specifications were written so that the cars would be virtually new when refurbished. The idea was to turn out a plush train that would be sure to attract fussy commuters accustomed to the comfort of their automobiles. A Los Angeles county official told *Mass Transit* that the planned service is the type that would not attract standees: "This service . . . is designed literally to woo people out of their cars," he said.

Los Angeles County's train will have a seating capacity of 460. The dome car will accommodate 49 passengers. Each of the Illinois Central cars will seat 65 commuters and the Milwaukee cars 43 passengers each.

Los Angeles County originally planned to start the service last July, but the refurbishing problems forced a delay until November and then December. Now the late January date, which allows time for testing the cars and coordinating the schedule with the tri-county train, seems fairly certain.

Under Ward's plan, Los Angeles County will retain ownership of its train. It will be manned and operated by Amtrak but it will be run by the Southern California Rapid Transit District (SCRTD) in the same manner that its buses serve the Los Angeles region.

Equipment for the second train will be provided by Amtrak with the three counties picking up two-thirds of the operating costs and Amtrak one-third. Legislation by state senate president James Mills of San Diego allows the counties to contribute a total of $265,000 in tax revenues for the operating costs.

Similarly, Los Angeles County will put up two-thirds of the costs to operate its own train and Amtrak pays the remainder.

When the two new trains go into service they will increase the number of trains operating on the 2½-hour run between San Diego and Los Angeles to five. Amtrak now has three trains on that 100-mile-plus route, but they are scheduled to provide connecting service to Amtrak trains eastbound and northbound from Los Angeles. None is on a commuter run.

The plan now is to run the Los Angeles County and tri-county trains during commuter hours so they will arrive at Union Station in downtown Los Angeles before 8:15 a.m. or 8:30 a.m. Departures would be between 4:30 p.m. and 5:15 p.m.

Station stops have not yet been set but most will be within Orange County—at such places as Fullerton, Anaheim, Santa Ana and San Juan Capistrano. All, in past years, were once busy stops for intracity commuters on Santa Fe's San Diego-to-Los Angeles route.

But before the final timetable is worked out with Amtrak and the SCRTD, it seems certain other steps will be scheduled, probably at La Mirada and Pico Rivera. Both communities are in the populous southeast Los Angeles County area adjacent to Orange County.

Ward views both trains as the start of a commuter system that also would include Southern Pacific and other Santa Fe mainline tracks leading into Los Angeles. He described the unique venture by Los Angeles County for San Diego-to-Los Angeles commuter service this way.

"This is a pilot program . . . a crucial first step in the use of existing rail lines in Los Angeles County."

STATEMENT OF PRINCIPLES OFFERED BY SECRETARY OF DEFENSE RUMSFELD

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, on November 20, our former colleague, Don Rumsfeld, was sworn in as Secretary of Defense during an impressive ceremony at the Pentagon. After taking oath of office, Secretary Rumsfeld delivered a speech eloquently outlining the principles that will guide him in this most important office.

At the cornerstone of his remarks, Secretary Rumsfeld emphasized the challenge of maintaining our principles of self-government in the face of new and changing circumstances. Beyond calling for a strong national defense capability, the Secretary noted his respect for the members of our Armed Forces, and stressed his commitment to the fundamental primacy of the concept of civilian control.

Mr. Speaker, Secretary Rumsfeld's remarks are noteworthy not only as a statement of the views he brings to the position of Secretary of Defense, but also as a standard to guide all future occupants of that important office. I shall include the text of the speech with my remarks, and I commend it to the attention of my colleagues:

REMARKS BY THE HONORABLE DONALD H. RUMSFELD, SECRETARY OF DEFENSE

Mr. President, Mr. Vice President, Mr. Justice Stewart, Members of the Cabinet, Members of the Congress, Mr. Deputy Secretary, General Brown and the Joint Chiefs of Staff, Members of the Armed Forces and the Department of Defense, Honored Guests:

Profoundly respectful of the leadership provided by the twelve good men who have served as Secretary of Defense, I pledge to you Mr. President and the American people my full efforts to meet the high standards demanded by the responsibilities of this Office.

These are times of stress for nations devoted to the principles of self-government: constitutional procedures, the secret ballot, the right to a fair trial, and the rights of free speech, a free press, and the free practice of religion.

These are times when the principles that characterize political decency are threatened and when democratic leadership everywhere is challenged. Once again we are living the lesson that it is not easy for free people to govern themselves.

It is essential, in fact critical for the survival of political liberty, that we teach ourselves—for there are no other teachers—how to govern and defend ourselves in our new and changing circumstances.

No one knows the answers to all of the problems of the survival of free government, but there are some guideposts.

One essential ingredient of self-government is trust, and it works in two directions. Each public official in America has his power from the people, and from no other source. That power is entrusted under specified terms, as the people determine, to be used only for the good of the people. This is what is meant when it is said that trust is the foundation of self-government—and trust must be earned.

Certainly officials must use their own judgment, often, but ultimately, the people must judge, and it is up to them whether policies and programs stand or fall.

On this base of public trust rest our prospects for success. Our national cohesion and purpose are the source of our leadership in the world—with friends, allies, uncommitted nations, and potential adversaries. The dangers of misperception are obvious and grave.

Consider, for example, that widely misunderstood word, detente. To some detente means that peace is close at hand and that we can cease our efforts to be strong and vigilant. Others suspect it means giving advantages to potential adversaries without gaining corresponding benefits. To some of our allies detente is a sign of hope, to others a sign of danger.

This borrowed word—detente—means, literally, relaxation of tension. No one seeks to relax tension that does not exist. Detente must be seen for what it is—a word for the approach we use in relation with nations who are not our friends, who do not share our principles, whom we are not sure we can trust, and who have military power and have shown an inclination to use it to the detriment of freedom.

With such nations, with vigilance and due caution, with our eyes open, we test to see if there are ways to reduce confrontations, to lessen dangers, to put affairs on a somewhat less precarious footing, to see if there might not be some interests that we share—never forgetting that in many basic things we are fundamentally opposed. On this there should be no doubt.

Finally, I would make four points:

First, the safety of the American people and the hopes for freedom throughout the world demand a defense capability for the United States of America second to none. I am totally dedicated to that mission.

Second, we are rightly proud of the armed forces, older than our nation itself, and I will seek to strengthen that sense of pride among us all. We were born as a nation out of military struggle. We owe our national life to men and women who had the will to fight for independence. The competence and dedication of their successors in today's armed forces will be drawn upon fully.

Third, that special kind of American professionalism that is devoted to the constitutional principle of civilian control, so fundamental to political freedom in this country—is a model for the world. One who has served in the Congress knows how indispensable it is that the defense of our country be a bi-partisan and shared responsibility.

Finally, let there be no doubt among us, or in the world at large, that the continuity of American policy can be relied upon by friend and foe alike. Our defense policies are geared to the interests of this nation.

Mr. President, members of the Department of Defense, I look forward to working with you. America must pursue its goal, as it has throughout almost 200 years, as a guardian of liberty and a symbol by example and deed in the service of freedom.

AN ENVIRONMENTAL PERSPECTIVE ON ENERGY PRICES

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. BROWN of California. Mr. Speaker, the last thing any of us needs is more meaningless or repetitive words on energy prices or energy policy. For this reason, I will make this statement short. Energy production has not been free of controls, either by Government or by industry. With our present laws, and corporate structures, it is unlikely that a free market will ever exist in the energy field. Yet the energy crisis is real, at least in the sense that people cannot obtain or afford the energy source which they desire. Part of the reason for this is the limited acceptability of certain fuels for certain purposes. A larger reason has been our subsidization of energy prices, either directly or indirectly. It is this subject, the need to have energy pay its own way and not be subsidized, which has the effect of encouraging more energy use, which I would like to bring to the attention of my colleagues.

The Natural Resources Defense Council, a respected national environmental, nonprofit research and legal organization, recently presented testimony to the Energy Research, Development and Demonstration Subcommittee of the Committee on Science and Technology. The subject at hand was the loan-guarantee program for synthetic fuels, which is in the ERDA Authorization bill, but the testimony was much broader than that. In fact, this testimony has direct relevance to the bill to deregulate natural gas, which is now before the Interstate and Foreign Commerce Committee. I will only insert excerpts of this testimony in the interests of space:

PART OF THE TESTIMONY OF EDWARD L. STROHBEHN, JR., STAFF ATTORNEY FOR THE NATURAL RESOURCES DEFENSE COUNCIL

II. THE LIMITED UTILITY OF SYNTHETIC FUELS

The expected output of the proposed synthetic fuels commercialization program is of very limited utility in meeting the nation's energy needs—the amount of energy to be produced is miniscule and can be made available only at substantial economic, environmental, and social costs. A brief analysis of the relevant data demonstrates this point.

The United States currently consumes about 17 million barrels of oil per day and imports about 6.2 million barrels. What these figures would be in 1985—the year for which the commercialization program's synthetic fuels production projections are being made—depends critically on what the price per barrel of oil is. For example, the Federal Energy Administration in the Project Independence Report (November 1974) estimated that, with no new domestic energy policy actions, if the price per barrel of oil is $7, imports would reach 12.3 million barrels per day, and if the price were $11, imports would be only 3.3 million barrels per day.

In June of this year, the average well head price for a barrel of U.S. crude oil not under price controls was $11.73; the refiner's cost per barrel of imported oil, including fees and transportation to the refinery, was $14.14; and, since the price of some domestic oil is controlled, the composite price per barrel of all domestic and foreign oil was $10.23. In February, the prices for these commodities were $11.39, $13.05, and $10.09.[2] Thus, if current oil prices continued until 1985, the need for synthetic fuels might be nonexistent, since only about 1.2 million barrels of imported oil would be susceptible to disruption and non-synthetic energy sources could be substituted for this amount at a substantially lower cost than would be required for synthetic fuels.

On the other hand, if oil prices are low and oil needs are high in 1985, then the estimated synthetic fuels production would meet only a very small percentage of the needs and at substantial cost—both economic and environmental. For example, at $7 per barrel of oil, total consumption might be about 24 million barrels of oil per day, import requirements might be about 12.3 million barrels, and imports susceptible to disruption might be 6.2 million barrels. At best, it is estimated that in 1985 the synthetic fuels commercialization program would produce 1 million barrels per day. The Administration's preferred program would undertake to produce only 350,000 barrels per day in 1985 while preserving the option to act in about 2 years time to increase the production capability to 1 million barrels. Since oil shale is currently estimated as being economic to produce only at a price of $13 to $17 per barrel,[3] a subsidy of about $7 per barrel of synthetic oil would be required to provide oil which would meet about 3 percent of our import needs. And estimated coal liquefaction costs exceed those for shale oil.

A similar analysis could be pursued regarding natural and synthetic gas and essentially similar results occur.[4]

Apart from these primarily economic considerations, synthetic fuels production does not warrant subsidized commercialization because the potential total production of synthetic fuels, particularly shale oil, may be very small. In the course of developing the Interior Department's Prototype Oil Shale Leasing Program, various estimates were made regarding maximum production possibilities. What is of importance is that the key constraint was not availability of high quality oil shale, of which there is a large amount, but of water—which is very scarce. Some estimates concluded that scarce water resources might limit the capacity of a mature oil shale industry to 1 million barrels of oil per day. Large amounts of water are also essential for coal gasification. And both of these synthetic fuels production technologies may make demands on common scarce western water supplies.

Finally, domestic oil and gas reserves are limited and are expected to be depleted not long after the turn of the century. It is extremely unlikely that synthetic oil and gas could ever be produced in amounts sufficient to substitute for these supplies. Since the United States has decided to become independent of insecure oil and gas imports, it is highly questionable whether we should prolong or increase our dependence on oil and gas energy sources when we must ultimately utilize other energy sources to meet the energy needs which are currently being met by oil and gas. It is much more prudent to begin developing and using alternative energy sources as soon as possible. It might be wise to adopt such a strategy even if it were more costly than producing synthetic fuels. In fact, there appear to be a number of alternatives which may achieve the goals of the synthetic fuels commercialization program at far less cost—economic and environmental.

III. PREFERRED ENERGY RESOURCE ENHANCEMENT ALTERNATIVES

Three alternative energy enhancement programs which are preferrabel to commercialization of existing synthetic fuels technology are:

A. Price energy at its long-term incremental cost by, for example, decontrolling prices and eliminating subsidies;

B. Stimulate and develop energy efficient technologies and energy conserving practices;

C. Encourage development of energy supply technologies which minimize environmental and social impacts.

A. Price Energy at Its Long-Term Incremental Cost

A basic reason for our current energy problem is the multitude of massive subsidies, direct and indirect, which we have accorded selected energy sources. These subsidies, it must be emphasized, are primarily responsible for our profligate rate of energy consumption, our substantial reliance on oil and gas, our commitment to nuclear fission, and our current inability to develop a rational national energy policy.

Among the subsidies which substantially direct our current energy policy are: (a) controlled prices for oil and gas; (b) tax credits and other benefits which are available for oil and gas production; (c) the nuclear power reactor program, including past direct federal subsidies, current nuclear fuel subsidies, and the liquid metal fast breeder reactor program; (d) utility rate structures which encourage energy consumption. These subsidies have become so much a part of our way of life that they are often regarded as rights which may not be changed or diminished. In addition, the excessive demands for these resources which result from the subsidies strain supplies or the energy production technologies in question and often result in urgent requests for additional subsidies and favored treatment.

For example, our excessive reliance on oil and gas is attributable in substantial part to the controlled prices which apply to these supplies and to subsidies such as the tax benefits accorded intangible drilling expenses. Higher oil prices which have prevailed since the Arab oil embargo have resulted in substantial increases in more efficient use of oil and energy by the federal government and by industry. The federal government has reduced its energy use 20 percent over the past two years. And if the prices are decontrolled, much of the energy problem will be resolved by normal market forces producing changes in supply, demand, and energy production investments.

Another example of the adverse effect of subsidized energy is our increasing reliance on nuclear power. Now, just when the first generation nuclear power fission reactors were supposed to be demonstrating their competitive qualities and practical utility, we find that nuclear reactor producers are seeking substantial additional subsidies simply to remain operational and are experiencing serious malfunctions. For example, Offshore Power Systems (OPS), a Westinghouse subsidiary, which seeks to construct floating offshore nuclear power plants is asking the Federal Energy Administration to purchase four of these plants at a cost of $1.74 billion dollars because OPS cannot obtain orders from the private market for emplacement of plants sooner than the mid 1980's. Public Service Electric and Gas of New Jersey had purchased four plants for earlier delivery but postponed its order for several years due to substantially increased construction costs which the utility could not afford and to reduced demand for electricity.

And the serious nature of the malfunctions which plague nuclear power reactors is demonstrated by an article in the current issue of Newsweek.[5] The article discusses the fire at the Tennessee Valley Authority's Browns Ferry nuclear power plant. The fire was started by an ordinary candle which was being used to check for air leaks. Before the fire could be contained, seven hours had passed, seven out of the plant's twelve safety systems failed, and the radiation monitoring system around the plant was put out of action. Similar deficiencies may exist in other nuclear power plants and the Nuclear Regulatory Commission is now conducting a detailed review of all licensed plants to determine if corrective actions are needed.

Launching a government subsidized synthetic fuels commercialization program may well result in creating another energy industry dependent upon long-term government largesse.

A preferable alternative is to eliminate as best we can all such subsidies and to decontrol prices in order to price energy at its long-term incremental cost. I realize that this is a substantial undertaking which would be extremely difficult to achieve due primarily to the strength of the economic and political interests involved. A number of difficult technical problems are also involved such as eliminating windfall profits and internalizing environmental and social costs, such as the health effects of sulfur oxides emissions. But pricing energy at its long-term incremental cost would do much to resolve our enery problems.

Two caveats are important. First, even if prices were decontrolled and subsidies were eliminated, it is likely that additional government action to reduce energy demands, or increase energy supplies, will be needed in the short-term. We have lived too long under the current subsidy system. But these additional actions would be less substantial than would otherwise be the case. Second, taking action to price energy at its long-term incremental cost does not mean that government research, development, and, in some cases, demonstration programs are not necessary. Government energy research and development programs such as those of the National Science Foundation and ERDA will remain essential and important to meeting our future energy needs.

B. Development of Energy Efficient Technologies and Practices

To the extent that the government attempts to affect directly our use of energy, it should favor actions which will stimulate and develop energy efficient technologies and practices and energy conservation. Moreover, direct federal subsidies should be eschewed or minimized and indirect stimulants, such as mandatory efficiency labelling and mandatory building standards programs, should be favored. Among the reasons for favoring actions which increase energy efficiency and conservation rather than those which would

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Footnotes at end of article.

commercialize synthetic fuels production are:

1. Public and private investments in increasing energy efficiency are likely to realize more Btu's and jobs per dollar as compared with investments in commercial synthetic fuels production facilities.

2. Increasing energy efficiency reduces the rate of growth in energy demand; this provides increased time to wean the nation from its dependence on oil and gas and, in effect, provides for longer use of existing resources. In addition, the benefits from decreased energy demand grow at a rate that is equivalent to the rate of growth in energy demand.

3. Increasing energy efficiency reduces the social and environmental impacts of energy use.

There are a number of energy efficient technologies and practices which effectively increase our energy resources at costs far less than those associated with production of shale oil or coal gas, which would cost approximately $13 to $17 per barrel. For example, an extremely low cost government program of only $80 million dollars is being developed by the Federal Energy Administration. It is designed to identify energy efficient practices for the private market and to disseminate information about these practices. It could save substantially more energy than would be produced by the proposed commercial synthetic fuels program at substantially less cost per unit of energy and probably at less cost to the federal government.[7] The equivalent cost to the consumer per barrel of oil under the energy savings program is from one-third to one-eighth less than the cost per barrel under the synthetic fuels program. Two examples make the point. Getting a substantial number of homeowners to increase their housing insulation could produce energy savings of approximately 100,000 barrels of oil per day in 1977 at a cost of $5 per barrel.[8] By 1985, the savings would be about 1 to 1.2 million barrels of oil per day. Convincing a substantial number of businesses to provide van pooling for their employees so that each vehicle arriving at the plant carries 8 to 10 people instead of 1 or 2 could produce energy savings of 250,000 to 500,000 barrels of oil per day, again in 1977, at a cost of only $2 per barrel.[9] And, again, the savings would be even greater in 1985.

A number of other energy conservation actions were identified by the Federal Energy Administration in the Project Independence Report (November 1974). For example, establishing a mandatory 20 miles per gallon auto efficiency standard would save in 1985 1.9 million barrels of oil if the price per barrel were $11 and 2.7 million barrels if the price were $7. All of these energy savings programs cost substantially less than the commercial synthetic fuel program. And all of these energy savings programs are less risky than the synthetic fuels comericalization program.

C. A Balanced Energy Conservation/Energy Supply Program

Given the benefits of increasing the nation's energy resources by methods which encourage more prudent and efficient use of energy, such as the alternatives discussed in the previous two sections, if a decision is made that actual energy resource supplies should be directly increased by government effort, then any such supply oriented program should include an equivalent energy conservation program.

A very basic and simple reason for adopting this approach is that it permits a test of the effectiveness of each energy strategy. In addition, to the extent that energy supply enhancement policies are justified on the basis of reducing the risk that future energy needs will not be met, a balanced supply/conservation program diversifies the risk and, by reducing the rate of growth in energy demand, reduces directly the needs which determine the magnitude of the risks.

Accordingly, if the proposed synthetic fuels commercialization program receives favorable consideration, then a substantial energy conservation effort should be added to the program.

D. Among Energy Resource Supply Alternatives Encourage Those Which Minimize Environmental and Social Impacts

In those cases where federal aid is provided to encourage directly the development of energy resource supplies, energy sources which cause relatively less environmental and social impacts should be favored over those which cause more. Thus, for example, among the synthetic fuel possibilities, the Stanford Research Institute concluded in a study performed for the Environmental Protection Agency[10] that shale oil was the most damaging of seven energy supply alternatives for increasing domestic crude oil, including coal liquefaction. The purpose of the SRI study was to assess energy/environment trade-offs among alternative fossil fuel energy sources and to provide information helpful in making critical choices among them. Much more of this kind of analysis needs to be done. And efforts by the Environmental Protection Agency and the Council on Environmental Quality to aid decisionmaking in these areas should be encouraged and directly provided for in the legislation.

III. THE PENDING LEGISLATIVE PROPOSAL

At the outset, I emphasize that I believe that congressional action to decontrol prices, eliminate energy subsidies, and stimulate and develop energy efficient and energy saving technologies and practices are preferable to commercializing synthetic fuels production technology. Synthetic fuels have such a limited role in future energy use, are exorbitantly costly, and cause very substantial environmental and social impacts. Moreover, a number of federal programs and a substantial amount of federal funds and resources already are or are soon expected to be committed to the development of synthetic fuels technologies.

One such effort—the prototype oil shale leasing program of the Department of the Interior—has as its principal objective commercialization of a production technology. Thus, in the oil shale area, the proposed bill complicates an ongoing governmental program which required years of government effort to develop. Other efforts in the synthetic fuels area are discussed in ERDA's recent report to the Congress: "A National Plan For Energy Research, Development, and Demonstration: Creating Energy Choices For the Future."

However, assuming for the moment that a synthetic fuels commercialization program will be established, then the best program possible should be developed. The analysis of preferred energy alternatives discussed above provides a basis for choosing among alternative elements of the proposed commercialization program and defines several factors which should be followed in developing such a program: (1) subsidies and other direct forms of federal assistance should be minimized; (a) energy efficiency improvement objectives should be maximized; and (3) environmental and social impacts should be minimized.

Footnotes at end of article.

FOOTNOTES

[2] *FEA Press Release*, dtd. Sept. 5, 1975.

[3] The Oil Shale Corporation (TOSCO) stated that the purchase price in March 1975 dollars of a barrel of oil produced without any government assistance (total equity financing) would be $16.75. This price was presented to the Federal Energy Administration in a draft loan guarantee proposal which was submitted to aid the Administration in developing its synthetic fuels commercialization program.

[4] It should be noted, as well, that the environmental and social impacts—many of which are not included in the costs noted above—are substantial. Further discussion of this issue is at page 12 *infra*.

[5] Oct. 20, 1975, at pp. 113–14.

[7] Since the proposed commercialization program is based on loan guarantees and theoretically requires full payment of administrative costs, it is difficult to estimate what the expected cost of implementing the program will be. It seems unlikely, however, that the federal government could implement a loan guarantee program for such high risk investments as synthetic fuels commercial plants for less than $80 million.

[8] It should be noted that this is the cost per barrel *at the home*. Thus, it should be compared with the cost per barrel of synthetic oil supplied to the home in its converted state, probably as electricity. This equivalent cost may be $20 to $25, or three to four times higher.

[9] The energy savings figure is based on a savings of 25,000 barrels of oil per day for every 1% shift in commuters who have such a choice to make van pooling. Thus a program which achieves only a ten to twenty percent change produces substantial savings.

[10] The title of the study is "Energy and the Environment: The Critical Tradeoffs."

THEY TRY TO RUN YOUR BUSINESS THEN YOUR BUSINESS IS NO GOOD

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. RONCALIO. Mr. Speaker, on my recent Wyoming Thanksgiving recess I received a good deal of information from my constituents letting me know what they want and do not want from Washington.

I was particularly impressed by a letter handed to me by Wyoming cattleman Thomas S. Humphreys. He speaks from 83 years of experience, and I think his comment on the plight of today's ranchers and cattlemen deserves note. I would like to share this letter with my colleagues:

> DEAR FRIEND TENO: You should do something about the cattle business. It's worse than I've ever seen it and I've been in it all my life. I've never seen it this bad. All the cattlemen and ranchers and feeders are going broke—they can't pay their bills. Cattlemen sell their cattle for nothing and can't buy feed to feed them. People that have to buy meat can't afford it.
>
> I am against the Bureau of Land Management. They try to run your business then your business is no good.
>
> If it had not been for our Forefathers, we wouldn't have any Country. I think we should stop importing all this cattle from these other countries. That's not right.
>
> I'm not much of a writer but if they don't do something about this cattle business, there won't be any ranchers. We control about 50,000 acres and are getting more behind. We can't keep paying this higher interest with nothing to pay it with. I am 83 years old and I could always pay my own bills. You can't buy new trucks—can't fix the old ones up. If you see the ranchers side of it now, you can't do much alone, Teno, but maybe you can try. Good luck.
>
> THOMAS S. HUMPHREYS.
>
> P.S. Men that had money ain't got nothing now. They're so far in debt they will never get out.

TRIBUTE TO DR. F. WILLARD ROBINSON

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. REES. Mr. Speaker, I am proud today to call to the attention of my colleagues in Congress the name and the achievements of Dr. F. Willard Robinson.

Dr. Robinson is a man who has devoted his life to the service of others, particularly the youth of our Nation.

His early years were spent in his own education, at Long Beach Polytechnic High School and at the University of Southern California. He achieved high scholastic honors and also distinguished himself on the debating team and on the track and cross-country teams.

As was the case with so many others, Willard Robinson's education was interrupted by World War II. He defended his country as pilot in a carrier-based torpedo squadron, operating in the Pacific area. He served 54 months active duty as lieutenant in naval aviation.

After the war, Willard Robinson returned to the University of Southern California for graduate work in education, to better equip himself for the teaching of young people. He earned the M.S. and Ed. D. degrees in education as well as secondary and general administrative credentials.

Dr. Robinson put his energy, intelligence, and education to good use. He has served as teacher, coach, and student coordinator at Canoga Park High School; vice principal of Mark Twain Junior High School; principal of Airport Junior High School; vice principal, acting principal, and summer principal of Reseda High School; and for the past 16 years, principal of Beverly Hills High School.

Willard Robinson has contributed to the educational process and the educational systems of the State of California and of the United States in many ways. He has worked without respite in the California Association of School Administrators and also in the national organization, as well as on the State Commission Selection, Recruitment, and Retention of Teachers, as adviser to the California Scholarship Federation, as Director of the College of Entrance Examination Board and in countless other ways.

He has been a leader and director in YMCA work as well as teacher, adviser, and ruling elder in the Bel Air Presbyterian Church and the St. James Presbyterian Church of Tarzana. Knowing well the importance of community involvement and support, he has worked in church and youth activities in all parts of the country.

However, since 1959, Dr. Robinson has concentrated most of his efforts at Beverly Hills High School. He has directed and supervised the development of an educational program without equal. He has provided the kind of leadership which is assessed through the steady improvement and broadening of the programs to meet the needs of the students through the most difficult period in the history of education in our country.

He will not, however, rest on his laurels. He leaves us to become curriculum director in charge of program development for the Howard E. Butt & Laity Lodge Foundation.

The strength of a man is permanently etched against the background of his accomplishments. This man's courage has borne him through military fire and pioneer flight to the forefront of education. Nurtured in the heritage of stern religious forebears, a man displays his power to grow as he bends with the times. To change from strict traditionalism to open, people-oriented leadership is a measure of a man's sensitivity and involvement with the future. Climaxing a life with a third career rooted in idealism and dedicated to building models for today's youth is the pinnacle of achievement. Willard Robinson is such a man, a unique human being of talent and integrity.

I ask the House of Representatives to join me in saluting an outstanding American, F. Willard Robinson.

CORPS OF ENGINEERS—GRANTING PERMANENT EASEMENTS FOR PRIVATE BOAT DOCKS

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. BEARD of Tennessee. Mr. Speaker, last December the Corps of Engineers issued regulations designed to implement their lakeshore management policy. A portion of these regulations would prohibit the sale or transfer of private boat docks or easements constructed on property under the jurisdiction of the Secretary of the Army. Today, I am introducing legislation that would rectify that provision.

The corps once encouraged citizens to build homes around corps' controlled lakes and rivers by allowing the construction of private boat docks closely accessible to private property. The attraction of a 5-year automatically renewed license provided to each boat dock owner was quite successful in speeding the sluggish development around the corps' property.

Now, the Corps of Engineers has decided that private docks should be restricted. The corps' plans to accomplish this end by a new regulation which will in effect prohibit the sale or transfer of private boat dock access to those individuals who purchased property under the conditions of a previous corps' regulation.

There is no question that the absence of a private docking facility will deflate the market value of shore property. In addition, the conditions placed on the sale or transfer of this property is clearly an infringement on the property rights of individuals by the Federal Government. The legislation I will introduce today will seek to correct this violation.

HALT INEQUITABLE DISTRIBUTION OF FEDERAL SPENDING

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. NOWAK. Mr. Speaker, the Federal Government has encouraged the economic growth of States outside the northeast by concentrating Federal jobs outside this area.

In a recent private study, researchers reported that Federal payrolls have increased 11 percent more in areas outside the Northeast. Federal military contracts have a value of only $134 per person in this region, versus $196 per person for the balance of the country. These expenditures are a form of income redistribution to the newer, growing States via Government spending policies. I strongly urge the President and Congress to seek ways to halt this inequitable distribution of Federal spending.

Such governmental policies have encouraged people to move out of our cities. I have sponsored today two pieces of legislation which I believe would encourage economic development within cities like Buffalo, by increasing the opportunities for plant and business expansions through the vehicle of low-interest loans.

One program is to increase the limits of loans allowed to be made by industrial development agencies. These agencies have given over $5 million in tax-free loans to businesses inside the 37th Congressional District, which have created over 100 jobs and increased the tax base of our local municipalities. With the concern of business for increased capital formation, this proven program should be expanded from $5 million loan limits to $10 million, so that larger industrial development can take place. In addition, because of the rate of inflation, especially in construction, the present $5 million ceiling is unreasonable.

Another bill which I have cosponsored, with Congresswoman SULLIVAN, will recreate the Reconstruction Finance Corporation.

Almost a half century ago, this country was plunged into the Great Depression. One of the most successful programs of the 1930's, the Reconstruction Finance Corporation had broad powers to act as a lender of last resort to small business, municipalities, banks, and homeowners. I believe that the conditions are ripe today to have a new Reconstruction Finance Corporation. Today, small borrowers have been crowded out of the money markets. Municipalities and agencies like the Buffalo Sewer Authority, which are in fine financial condition, are forced into unreasonable positions because of the paranoia which surrounds the municipal bond market. A new RFC would, as the lender of last resort, take up the slack to help such agencies and governments, in addition to its principal duty to help small business.

The original RFC made loans of more than $38 billion and ended with a net profit exceeding $600 million. A program of similar scope is needed now.

NO SMOKING

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. PREYER. Mr. Speaker, recently some of my colleagues have proposed legislation which would place restrictions on smoking. It might be a good idea as we consider these bills, to take a good look at what has occurred in some of the places where local or State action of a similar nature is already in effect. For that purpose I cite the following article from the December 8 edition of Newsweek magazine:

> MINNESOTA: NO SMOKING
>
> As every pack of cigarettes reluctantly warns, smoking can be dangerous to your health. Because there is increasing evidence to suggest that smoking can be dangerous to other people's health as well, more than 30 states have passed laws aimed at protecting nonsmokers from smokers. And of them all, none is tougher—on paper—than Minnesota's four-month-old Indoor Clean Air Act which makes it illegal to light up in public anywhere in the state unless the place is specifically designated as a smoking area.
>
> So far, however, the new regulations are producing little more than a smoke storm of complaints and confusion. The Minneapolis-St. Paul International Airport, for example, conspicuously posted $1,200 worth of SMOKING and NO SMOKING signs to comply with the rules. Although those who smoke out of bounds are subject to fines of up to $100, the head of the airport police force admits: "We mainly ignore them." One angry traveler whose cigar wasn't ignored wound up grinding it out on the nearest ticket counter and announcing loudly: "This is the last time I'll ever come into a goddam state that wouldn't allow a man to smoke."
>
> TWELFTH HOUR
>
> Unhappier still are Minnesota's restaurant owners, who are now required to provide smoke-free zones for their customers. The provision affecting eating places was tacked on to the bill at what one official of the Minnesota Restaurant Association called "the twelfth hour," and they have been fighting a rear-guard action ever since. Because bars are exempt, many restaurants now label themselves "smoking bars"—among them a Howard Johnsons' in Bloomington, to the vast annoyance of some of its "family-restaurant" clientele. Other eateries have made provisions for nonsmokers, though often grudging and not always choice. A state official, treating his wife to dinner at one of the poshest spots in St. Cloud, asked to sit in the nonsmoking area—and was promptly ushered to a card table in the basement.
>
> Charlie's Café Exceptionale in Minneapolis invested $10,000 in a special oaklined nonsmoking alcove in one of its three dining rooms. But Charlie's clients apparently prefer being where the action is; the management claims that whole lunch times go by when no one asks to sit where the smoke isn't.
>
> Other Minnesota businessmen have complained about provisions of the law requiring segregated smoking areas in offices and factories. If office workers in the Pillsbury Co.'s Minneapolis headquarters had to leave their posts to smoke, the company estimated, it could cost nearly $500,000 a year. Other businessmen argued that it would be discriminatory to permit smoke breaks without providing similar time off for nonsmokers.
>
> To settle the confusion, the State Board of Health has written up sixteen pages of "clarifying" regulations and will hold public hearings this week—a likely theater of war between business lobbies on one hand and organized antismokers on the other. The board will submit its final report to the state attorney general early next year. But in Minnesota, as elsewhere, it will probably be a long time before the smoke really clears.

HONORS A GREAT GENTLEMAN

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. EDWARDS of California. Mr. Speaker, I want to take this opportunity to recognize and honor a great gentleman from the Santa Clara Valley in my congressional district in California.

Mr. I. K. Ishimatsu has received the Order of the Sacred Treasure by the Emperor of Japan for his contributions in fostering better relations between the United States and Japan and also for his work on behalf of his community and of his fellow man.

This esteemed gentleman has lived in this, his adopted country, for 60 years. In the 1940's he scraped for a living for his family. Then the devastating effects of Pearl Harbor seemingly shattered all hope of making his dream of prosperity and achievement come true. He was forced to move his family to Utah where he started anew, raising farm products and establishing a farm nursery. His two sons, Robert and Raymond, were called to serve in the Armed Forces of the United States and did so with distinction.

However, while his sons were serving their country, he and the rest of his family were often the objects of suspicion and hostility in Utah.

Ultimately, Mr. Ishimatsu and his family became respected members of the community which had initially regarded him as a threat to our country. At the end of the war, he returned to California. He continued his efforts in business and became successful in farming and in development of housing complexes. He presently serves as director of the Bank of Tokyo of California. He is a member of the Japanese American Citizens League.

In addition to being a successful businessman, he never refuses when called upon to assist in any worthwhile project and always finds time to encourage and help others. He says:

> We have to participate in the life of the community and in this way we can preserve for ourselves and for the community, a heritage to be passed on to our children . . . whatever we contribute in our own little way for the betterment of our fellow man . . . will surely reflect the positive effects of that contribution.

I. K. Ishimatsu also believes in taking an active part in the political life of his community. He has provided gifted and wise leadership in this area. He believes participation is essential to insure that the political process is not subverted to create a climate detrimental to the civil and personal rights of any ethnic group.

I. K. Ishimatsu is the finest kind of example of what an American citizen might hope to be. He deserves our recognition for his dedicated and continuing efforts to make our country—our world—a better place.

LIMITING THE TERM OF OFFICE OF THE DIRECTORS OF THE FBI AND CIA

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. LITTON. Mr. Chairman, today I am introducing a bill which would limit the term of office of the Directors of the FBI and CIA to a maximum of 10 years.

It is obvious from recent congressional hearings that Directors of both agencies have been guilty of abuses of the powers of their office. I believe it is necessary that the terms of the Directors be limited so as to see that no one creates a power structure so big that Congress and the President are fearful of questioning it.

J. Edgar Hoover served as Director of the FBI from 1924 until his death in 1972. During those 48 years, Mr. Hoover was a law unto himself. The Bureau became his private fief and he was able to do whatever he pleased without question. In a way, Mr. Hoover became the most powerful man in the United States.

I am appalled at some of the information that has recently been revealed about the workings of the FBI during the tenure of the late J. Edgar Hoover. That fact that the Bureau collected data and kept files on Members of Congress, the White House staff and even the Presidents of the United States without so much as a peep out of anyone is enough to send chills down my spine. What is even more appalling was Mr. Hoover's crusade to discredit the late Dr. Martin Luther King, Jr., through the use of bugs, blackmail, and threatening letters. The fact that Mr. Hoover went so far as to try to promote a new national black leader to replace Dr. King further indicates that the buildup of a concentration of power over a long period must be stopped.

While no one has served more than 9 years as Director of the CIA, the same situation could easily develop within this organization.

My bill would serve two main purposes. First, it would prevent anyone from having an autocratic stranglehold on these two key agencies by retaining the directorship for a long period of time. Second, by giving the office a tenure of 10 years, the bill would help to insulate the Directors from political manipulation.

Furthermore, the setting of a 10-year term would also lend a certain stability and continuity to the office that had been lacking when the Directors were appointed for an unspecified period. Even though my bill would not change the constitutional power of the President to remove executive officeholders, the fact that Congress set a specific term would make any President think twice before dismissing a person for political reasons.

Mr. Chairman, on March 17, 1975, the Senate passed a similar bill limiting the term of the director of the FBI to 10 years.

UNITED STATES-CHINA RELATIONS

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. DU PONT. Mr. Speaker, the Subcommittee on Investigations of the International Relations Committee has begun a series of hearings examining current U.S. relations with the People's Republic of China in connection with President Ford's visit to Peking. In the first of these hearings, on November 18, the subcommittee heard testimony by Prof. Alexander Eckstein of the economics department of the University of Michigan concerning Sino-American Trade and United States-China Relations. Professor Eckstein, noting in his excellent statement the recent decline in United States-China trade, attributes the Chinese reluctance to expand trade significantly with the United States to the absence of formal diplomatic relations between the two countries.

Mr. Speaker, I am submitting for the RECORD Professor Eckstein's testimony which clearly analyzes recent United States-China trade and the obstacles which block a further expansion of that trade:

SINO-AMERICAN TRADE AND U.S.-CHINA RELATIONS

(By Alexander Eckstein)

I appreciate being invited to testify at these important hearings on the state of U.S.-China relations. I will address myself primarily to the trade and economic aspects of this relationship.

Foreign trade is a relatively small sector of the economy for any large country. Thus imports and exports combined constitute perhaps no more than 6 percent of GNP in China as compared to 7 percent for the U.S., roughly the same for the Soviet Union, but 22 percent for Japan, and as much as 70 or 80 percent for a small foreign-trade oriented country in Western Europe or in Africa. A small share however, does not mean that foreign trade is unimportant for China's economic development. On the contrary, imports serve as the major highway for the transfer of advanced technology and modern production techniques. The imports of machinery, equipment, and other capital goods as components and as complete plants played a most crucial role in China's industrial development, particularly in the 1950s and 1970s. Similarly, imports of foodstuffs, particularly grain, made a marginal but quite important contribution to China's urban food supply since 1961, thereby easing the burden imposed on the internal transport and distribution network. At the same time, these foods purchases relieved the pressure on the peasantry to increase grain deliveries to the state. Food imports in the Chinese context can therefore be considered as an investment in the maintenance of stability in the urban areas and the improvement of incentives and rising living standards in the rural ones.

The primary interest of Chinese planners is in imports. Exports are fostered as a way of earning foreign exchange with which to purchase capital goods, foodstuffs, and other materials to accelerate China's economic growth. In the 1950s China hoped to accomplish these objectives through a preponderantly Soviet trade orientation. At that time in trade, as in politics, the Chinese followed a "lean to one side" policy evidenced by the fact that 60 to 80 percent of the country's trade was with the Soviet Union and other Communist countries. In fact, within the context of this orientation, China's foreign trade expanded very rapidly; indeed, more rapidly than GNP.

These policies were drastically reversed in the 1960s when as a result of the Sino-Soviet break, the Russians withdrew thousands of technicians and advisors from China very suddenly and thus brought to a virtual halt an extensive program of turnkey (complete plant) projects in which they were involved. Having thus suffered the penalties of overdependence on one dominant trading partner, the Chinese embarked on a self-reliance policy in the 1960s. Therefore, under the impact of slower economic growth and deliberate policy combined, Chinese foreign trade fluctuated in the 1960s around an essentially stable level. Thus if one adjusts for inflationary price rises, the volume of China's total trade turnover did not exceed 1959 levels until 1972.

In effect, following a depression in the early sixties and a mild recession engendered by the disruptive impact of the Cultural Revolution, the Chinese economy has been in the throes of a new wave of expansion since around 1970. Chinese leaders have placed a renewed emphasis on the importance of economic development as illustrated by the fact that they apparently cut back military expenditures between 1971 and 1972 perhaps by as much as 25 percent. In this way, they released resources for investment in the civilian sectors of the economy. This cutback in military expenditures almost certainly reflected a reduced sense of an immediate Soviet threat to China. It also was part and parcel of a broader process of reassessment of all of China's policies—domestic and foreign, economic and political. These policy reassessments of course were closely intertwined with a far-reaching internal power struggle which led to the fall of Lin Piao.

It would seem that beginning around 1969 or 1970, Chairman Mao and Premier Chou En-lai decided to reformulate the Chinese strategy of coping with the Soviet threat. In the short run, the Chinese would seek reassurances against the Soviets by opening relations with the United States. In the longer run they would seek to build a "powerful, modern, socialist country." According to Chou En-lai's "Report on the Work of the Government" in January 1975, this task was to be accomplished by the end of this century. In the same speech, Chou spoke of the need "to accomplish the comprehensive modernization of agriculture, industry, national defense, and science and technology so that our national economy will be advancing in the front ranks of the world."

Actually the short-term and long-term strategies of coping with the Soviet threat can be considered as mutually interrelated and reinforcing. In the process of their policy reassessment, the Chinese leaders clearly recognized that rapid economic development and modernization over the next quarter century will require accelerated technological progress and a much more open trade orientation on the part of China. This view was reiterated again most recently by the Vice-Minister of Foreign Trade in a discussion with a high level American delegation. He reemphasized that China would in the next five years import on a significantly larger scale advanced technology and equipment in order to speed up its domestic development. He underlined that China's trade volume with the world will continue to expand at a rapid rate in the years ahead.

In reality, the Chinese have reinterpreted the concept of self-reliance. In the 1960s it meant import minimization; now it represents a much more active and open foreign trade orientation with the limits defined by China's ability to earn foreign exchange. That is, while in the 1960s China's policy was based on minimizing trade dependence on the rest of the world, it now means minimizing financial dependence. Therefore the new policy and the desire to accelerate industrial development provide a strong incentive to broaden China's trade relations with Japan, Western Europe, and the United States. At the same time, Dr. Kissinger's secret trip in mid-1971 provided an opportunity for opening relations, including trade relations, with the United States.

These new policy considerations happened to coincide with a mediocre Chinese harvest in 1972 which suddenly increased China's grain import requirements. Since the 1950s, China had been an exporter of rice. Up to 1961, the Chinese did not import grains or other foodstuffs in significant quantities. However, under the impact of an acute agricultural crisis in the early 1960s, they began to import about 6 million tons of grain. As the agricultural situation improved in the late sixties, these imports were reduced, fluctuating between 3 and 5 million tons; however, under the impact of the inferior 1972 harvest, they were suddenly increased to seven or more million tons in 1973 and 1974. The U.S. became the principal supplier of this additional grain to China. While we sold them no grain before 1971, we supplied almost a million tons in 1972, 4 million tons in 1973, and almost 3 million tons in 1974. In addition, the Chinese purchased sizable quantities of soybeans and raw cotton in 1973 and 1974.

These sharply fluctuating trends in our grain sales to China have dominated the whole course of U.S.-China trade since its opening in 1971 as illustrated by the following figures (in millions of U.S. dollars):

Why this sudden rise and sharp collapse? China's traditional grain suppliers were Canada and Australia but they were not in a position to suddenly, from one year to the next, increase their grain exports by 2–4 million tons. Therefore the Chinese had to look to the United States. Almost certainly, however, economic and trade considerations were reinforced by political factors. In 1972 and 1973, China was clearly interested in rapidly normalizing its relations with the U.S. A rapid increase in U.S.-China trade stood as a symbol of improved relations and was also probably intended by the Chinese as a token of their earnestness in pursuing normalization. As a result, the U.S. was suddenly propelled into second place as China's leading trading partner.

The collapse too was brought about by interacting economic and political considerations. There is no question that the Chinese found the quality of the grain shipped from the United States greatly inferior to the supplies they were accustomed to receiving from Canada and Australia. U.S. wheat contained many impurities while our corn was so high in moisture content that it arrived in China sprouting. Repeated complaints by the Chinese were ignored by both grain traders and the U.S. government. It is therefore not surprising that when the Chinese harvest improved to the point that total purchases were reduced from a 7 to 8 million ton level back to a 3 to 5 million ton level, U.S. imports were eliminated altogether. There are ample indications that in addition to these problems the Chinese became more and more disappointed at the pace of normalization in the course of 1974 and 1975.

	1971	1972	1973	1974	1975 *
U.S. Exports	0.0	63.5	739.7	820.5	280–300
U.S. Imports	4.9	32.4	63.9	114.7	140
Total trade turnover	4.9	95.9	803.6	935.2	420–440

*Projected.

This disappointment has been reinforced by Watergate and the collapse in Vietnam. These events are interpreted by the Chinese as signs of growing weakness in the United States, both domestically and internationally. Their concern is greatly aggravated by the intensifying rivalry and competition between Russia and China for influence and dominance in Indo-China, following the collapse in Vietnam. In the face of this rivalry, they feel they cannot rely on the United States as an effective counter-balance to the USSR.

In the light of these circumstances, the Chinese see no reason to continue their grain purchases in the United States just to accommodate us, particularly since they could do so only if they cut back on their grain contracts with Canada and Australia. Granting all of this, why did our non-agricultural trade with China increase so little since 1971 when total Chinese imports, particularly complete plants, machinery, transport equipment and other capital goods were rising dramatically? Again, a combination of political and economic factors were at work. Our total exports of all types of industrial goods, including machinery and transport equipment, were about 90 million dollars in 1973, 140 million dollars in 1974 and a projected 140 million in 1975. During the same years, China's imports of these types of goods amounted to about 3–3.5 billion dollars. This means that the United States supplied only 3 to 5 percent of China's imports of industrial goods, with Japan assuming by far the leading role. There is no doubt that Japanese industry enjoys some cost advantages in the China market. These considerations are almost certainly reinforced by Japan's geographic and cultural proximity to China. However Japan also has formal diplomatic relations with the People's Republic while we do not.

Moreover, Japanese corporations and industrial firms are in a position to provide Ex-Im Bank financing for the sale of complete plants, while our Ex-Im Bank is barred from undertaking such financing for a number of reasons. First of all, the recent Trade Act precludes credits to countries with which we have no inter-governmental trade agreements. It is most improbable that the Chinese would be prepared to enter into such an agreement, even if we were willing to, without formal diplomatic recognition. There is also a question as to whether the Ex-Im Bank can make or guarantee loans unless the claims-frozen assets issue is settled. There are ample indications that the Chinese are tying settlement of claims and frozen assets to full normalization. This position was recently reiterated once more by the Vice-Minister of Foreign Trade in his interview with an American delegation. If this were not enough, there are some additional regulations which would bar the Ex-Im Bank from financing or guaranteeing credits to China.

The expansion of our trade with the PRC is also limited by China's ability to market her products in the United States. China's principal exports have been foodstuffs, textiles, miscellaneous consumer manufactures and more recently, petroleum. Except for petroleum, in none of these products do the Chinese have a marked competitive advantage in our markets. Moreover, their position is weakened by the fact that their sales here are subject to full tariff duties, without benefit of MFN. However, preliminary studies would suggest that even with MFN, China's sales may not increase by more than 25 percent, which means that they could be 175 million instead of 140 million dollars in 1975.

The constraints imposed by China's limited ability to sell in the United States market could be removed in two ways. First, if the United States would be in a position to extend large scale credits to China and if China would be willing to accept such credits. Neither of these seems to be the case nor probable under present circumstances. A second possibility would be increasing China's oil exports to the United States.

China exported about 6 million tons of oil last year and is projected to ship about 10 million this year. By 1980, it might supply 30–50 million tons. Thus far, the bulk of this oil has gone to Japan and it seems unlikely that over the next few years any significant quantity would be shipped to the U.S. No doubt, China's oil production and exports could be increased at an even faster pace if the PRC would be interested in entering into some kind of arrangements with the major international oil companies which could provide technical assistance in off-shore exploration and drilling. However, all indications are that the Chinese are determined to be genuinely self-reliant in their oil development, buying equipment abroad but managing exploration and drilling by themselves.

Mr. Chairman, let me conclude by summing up and pulling together these various strands of my analysis. I have tried to show that the evolution of Sino-American trade is constrained by a number of interacting elements.

First, the market for Chinese goods in the United States is limited. Therefore barring large scale U.S. credits to China, our exports could expand only if trade continued to be very unbalanced as indeed it was in 1973 and 1974. But, it is improbable that the Chinese could finance such a large trade deficit year in, year out, unless some trade credits were available. As I tried to show, however, credits are closely tied to normalization.

Credits are also tied to the settlement of the claims-frozen assets issue. Private claims against China amount to about 197 million dollars. PRC assets frozen in the United States are valued at around 76.5 million dollars. It would seem that this problem was essentially settled between the two governments on an "even-steven" basis at least a year ago. That is, we would fully compensate them for their assets and they would compensate us in the same amount. It would seem that the settlement was not consummated because the Chinese did not wish to go ahead without formal diplomatic recognition.

An additional obstacle in our trade is the lack of MFN which further constrains Chinese sales to the United States. This obstacle cannot be removed according to the recent Trade Act unless we were to enter into a formal trade agreement with China. As I tried to show, such agreement is necessarily tied to full normalization.

U.S.-China trade in 1975 will be less than one-half the level attained in 1974. It is improbable that it will significantly expand in 1976. For Sino-American trade to be restored to its peak 1974 level, or beyond, will require either a supreme political leap leading to full diplomatic relations or a step-by-step approach gradually removing the technical, institutional, and economic barriers standing in the way such as MFN, the claims-assets problem, and so on. Apparently, the United States government would like to follow the step-by-step approach, thereby gradually building a momentum which then might lead to full normalization. It would seem the Chinese do not wish to follow this road. They have given ample indication that, barring some quite unusual and unforeseen circumstances, they will not permit a significant rise in trade with the United States short of formal diplomatic relations.

In conclusion, Mr. Chairman, permit me to state a personal view. It seems to me most unfortunate that U.S.-China relations have once more become a football in U.S. domestic politics as they were in the 1950s and 1960s. It is indeed unfortunate that full formalization of diplomatic relations could not be accomplished this year while Chairman Mao and Premier Chou are still alive and politically influential. As they pass from the scene, their successors may find it much harder to compromise, at least initially, until they fully consolidate their internal political position. Therefore, by passing up the opportunity of recognition this year, we are running the risk of maintaining the status quo for a long time to come. Thus our highly anomalous relationship with the most populous nation on earth may be prolonged and greatly complicated.

TAX REFORM LEGISLATION

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. PRESSLER. Mr. Speaker, I wish to express my support for tax reform legislation which will not place restrictive limitations on the amount of losses real estate investors could offset against their income.

In my district, the First District of South Dakota, most of the real estate owners are small investors. Their holdings are not those of a real estate syndicate, or, for that matter, a large corporation. These men and women are investors who spend a good deal of their spare time—weekends and holidays—repairing and maintaining their properties. I contend that the greater percentage of real estate owners in the United States are not much different from my constituents in South Dakota.

As my colleagues are well aware, the housing industry has not enjoyed an upswing, in spite of the efforts made to provide a boost to the industry in the Tax Reduction Act of 1975 and the vetoed Emergency Middle-Income Housing Act. Unfortunately, those hardest hit by this housing crisis are low- and middle-income families. A deperate shortage of single and multi-family dwellings exists across the country today.

Ironically, many of these dwellings are provided and maintained by middle-income individuals who make investments—however small—in real estate. If the tax incentives existing for small real estate investors are eliminated, I seriously believe many of these investors would be forced to liquidate their real estate holdings. I do not think the housing industry or the demand across the country for decent low- to moderate-income housing can sustain any change in the tax law militating against the small investors.

I am pleased by the Ways and Means Committee's decision to allow taxpayers to aggregate the losses on all properties and offset this amount against aggregate real property income. Had the committee followed on the course established by its earlier tentative decisions on this matter, I fear the small real property owner might have been wiped out.

I plan to support aggregation of profits and losses when H.R. 10612 is considered on the House floor, and I urge my colleagues to do likewise.

BIRTHDAY OF DR. SUN YAT-SEN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. DERWINSKI. Mr. Speaker, I am especially pleased that the Illinois State Senate has seen fit to commemorate the birthday of Dr. Sun Yat-sen who founded the Republic of China.

Since the President is just leaving Communist China, I believe the Members would benefit by knowing of the resolution unanimously passed by the Illinois State Senate.

The resolution follows:

SENATE RESOLUTION No. 215

Whereas, On October 10, 1911, the Chinese people, under the leadership of Dr. Sun Yat-sen, revolted against the imperial rule of the Manchu dynasty and established the Chinese Republic in the cause of liberty, equality and fraternity for the Chinese nation; and

Whereas, The People of the Republic of China have been among the most trusted friends and allies of the People of the United States since the founding of the Chinese Republic sixty-three years ago; and

Whereas, The State of Illinois is proud to have a great Chinese community and is cognizant of its accomplishments and contributions to the economic and cultural life of this State; and

Whereas, The Republic of China was a founding member of the United Nations and has always been a law-abiding member of the community of nations; and

Whereas, The Republic of China is of great strategic importance to the defense of East Asia and the Pacific, and has always utilized its military power in the interest of the free world; therefore, be it

Resolved, by the Senate of the Seventy-Ninth General Assembly of the State of Illinois, that we memorialize the President and the Congress of the United States to make no commitment which would in any way compromise the freedom and security of our friend, ally, and business partner, the Republic of China or its People; and be it further

Resolved, That a copy of this resolution be sent to the President and Secretary of State of the United States of America and members of Congress of the State of Illinois and the Ambassador of the Republic of China to the United States, as a formal expression of the views and sentiments of this Chamber regarding this vital international issue.

UNEMPLOYMENT AND THE 1974 TRADE LAW

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. DENT. Mr. Speaker, sad news for every Member of Congress came out during the Thanksgiving recess. The International Trade Commission—formerly the Tariff Commission—refused once more to help an American industry fight for survival against a flood of imports. The most recent victim of the Commission's indifference to the fate of American industry is the fastener industry. Before that the victim was the cigar wrapper industry. And before that it was plywood doors. All three industries asked the International Trade Commission for relief under the escape clause of the 1974 Trade Act. The law is less than 1 year old. In that time the Commission has struck out three industries and given no positive help to any industries. The jobs in those industries are in jeopardy.

The Congress made its intentions clear when it passed the trade law. The law provides for restriction of imports. It broke new ground in its title II, about which I quote from the congressional document, "Summary of Trade Reform Act of 1974." That is a Senate Finance Committee document, dated November 20, 1974, subsequent to which the House accepted Senate language. The summary says:

> The bill would make major changes in the import relief measures provided in the Trade Expansion Act of 1962 for industries. . . .
>
> If the International Trade found imports were a substantial cause of serious injury (or threat thereof) to an industry, the President would be required to provide some form of import relief.

Several forms of relief are made available through this law. One is relief through quotas—that is, unilateral quantitative restrictions fixed by the President. Another is through orderly marketing agreements, which provide a means of negotiating quotas. Other forms of relief are duty increases and tariff-rate quotas. Duty increases have lost their former effectiveness because so many exporting countries can lower price to offset duty increases. The crucial feature of the law is that the Executive is empowered to defend the American industrial worker and the American industry by quantitative restrictions and by orderly marketing agreements.

But the executive shows no indication that it wants to use the law in order to safeguard the job of the industrial worker and no indication that it cares about the survival of American industry. That may be a harsh statement, but it is justifiable because of the repeated refusal to provide relief for the industries that are injured by imports. The International Trade Commission has made no recommendations to the President under title II as to actions he should take to help industry.

In western Pennsylvania, where my congressional district is located, the economies of many communities depend on the specialty steel industry. That industry is endangered by imports. The United Steelworkers of America and 19 companies that produce stainless steel and tool steel have petitioned the International Trade Commission for relief. They do not want to keep the imports out of America; but they want to keep a fair share for the American producer. The union members and the companies operate not only in Pennsylvania but in many other States, such as New York, Ohio, Maryland, Connecticut. Consider these facts:

First. Imports of stainless steel and tool steel are higher in 1975 than they were in 1974. But this year the overall market in the United States is smaller than it was last year.

The imports are taking roughly 25 percent of the market as an average.

Second. The domestic industry accordingly is producing at about 50 percent of capacity.

Third. Employment is down by 25 percent. Man-hours are down by 40 percent.

President Ford was in France recently at a meeting about trade and other economic matters. According to the document, Declaration of Rambouillet, dated November 17, the conferee agreed that the United States and other countries should "avoid resorting to measures by which they could try to solve their problems at the expense of others". The foreign exporters of stainless steel and tool steel are in fact trying to solve their problems of unemployment and low level of orders in the specialty steel industry at our expense by exporting unemployment to Pennsylvania and Ohio and New York and Maryland and Connecticut—not to mention Georgia and California and Wisconsin and other States where these specialty steels are made. The job-destroying imports come from countries that safeguard their employment by forcing unemployment on us. In Latrobe, Pennsylvania, 1,100 specialty steel workers are on layoff. In Baltimore, 1,200 specialty steel workers are on layoff. They have been certified eligible for adjustment assistance—but this is simply a kind of dole or welfare device to save them from starvation. However, except as a last resort we do not want to pay them off because they are not working at their jobs. We want them to keep their jobs.

Congress passed the law just when the recession was reaching its low point and unemployment was moving toward its high point. The provisions of title II are a weapon against unemployment. But the law is not used. Where is the indication that the Executive or the International Trade Commission wants those men and women on layoff to have a chance to work for a living? Nothing in the administration of the Trade Act of 1974 to date shows willingness to follow the will of Congress. The Trade Commission rejects all petitions submitted under title II that prolongs the country's delay in returning to full economic recovery.

All of us here share deep concern for the well being of American labor and American industry and the American community. The good community is endangered by the struggle over trade. We are used to the discussion about what can be done for New York City now that it is on the verge of default. The Government should prevent the coming of a New York kind of economic crisis to smaller communities all over the United States that draw their sustenance from the specialty steel industry and other industries. The effective use of the trade law as the Congress meant it to be used is one essential means to keep those communities healthy. I am anxious to see how the law is enforced.

While the United States suffers from an unrestricted tide of imports, the United Kingdom prohibits the imports of any steel from Spain. The European Common Market countries are restricting steel imports from Japan. That of course encourages Japan to increase its shipments to the United States. The following chart shows the state of the imports to the United States of stainless—which is essential to U.S. defense:

IMPORTS OF STAINLESS (ALL), SEPTEMBER 1975

[In tons]

Country of origin	Month	Year to date, actual	Year to date, extrapolated	1975 quota	1974 total	1973 total
United Kingdom	603	5,415	7,220	....	7,823	5,055
West Germany	147	3,698	4,931	....	5,341	2,141
France	699	9,618	12,824	....	20,415	17,412
enelu x	87	2,976	3,968	....	2,569	3,470
taly	69	768	1,024	....	1,425	1,802
Total, Europe	1,605	22,475	29,967	....	37,573	29,880
Japan	6,493	74,802	99,736	....	78,938	47,783

JUSTICE WILLIAM O. DOUGLAS

HON. MARTHA KEYS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mrs. KEYS. Mr. Speaker, I wish to pay tribute to Justice William O. Douglas who has made such outstanding and honorable contributions to our heritage of individual freedom during the past third of a century. I can think of no better way than to share remarks written by a close personal friend and constituent, Prof. Louis H. Douglas from Kansas State University. He is a person who has inspired me to a commitment to work for that delicate balance between individual freedom and requirements of community necessitated by democracy. Dr. Douglas has been a student of and participant in the political process for many years. These were his words:

The retirement of Associate Justice William O. Douglas from the Supreme Court after 36 years of dedicated service completes one of the great chapters in the constitutional law of the United States, one in which a new constitutional law was built.

As one of the many non-lawyer students of the constitution, I want to voice a special sense of gratitude to Justice Douglas for a clarity of expression and succinct style that left no doubt as to meaning. More broadly, I, with all Americans, am indebted to this great Justice for his defense of our constitutional legacy of just procedures, equal rights, and freedom from harassment and oppression by the state.

If, as has been said, yesterday's dissent is tomorrow's law, Justice Douglas' unflinching commitment to justice will continue to contribute to the building of that "more perfect union" promised in the preamble of our Constitution.

YOU CAN BE HAPPY OR YOU CAN BE SAD

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. HUGHES. Mr. Speaker, the Philadelphia Bulletin on November 9 devoted the pages of its Discover magazine to the joys, the sorrows, and the contributions made by Americans in their senior years.

Featured was a factual and moving account of life in a retirement home authored by Stanley Cryor, news editor for the Sunday Bulletin until his retirement. Now 81, Mr. Cryor continues to write of his experiences with the trained eye of the journalist. The Bulletin chose to publish his article in his own handwriting which added to the impact of his observations. As a member of the House of Representatives Select Committee on Aging and a Congressman who represents the second largest concentration of senior citizen retirees in the country, I very much want to share with other Members the contributions still being made by women and men like Stanley Cryor. I, therefore, commend, Mr. Speaker, "You Can Be Happy Or You Can Be Sad" to the readers of the CONGRESSIONAL RECORD:

YOU CAN BE HAPPY OR YOU CAN BE SAD

(By Stanley Cryor)

A professional newspaperman and editor most of his working life, Stanley Cryor, now 81, served as news editor with the St. Louis Star-Times before joining the old Philadelphia Record as night editor in 1936. In 1974 he became night telegraph editor of The Bulletin and also worked as a news editor for The Sunday Bulletin until his retirement. He is the author of *One Man's Life*, written he says, "just for my family."

I have lived in a retirement home for five years. There is happiness, sadness and boredom here, mostly according to each resident's disposition. Those who keep busy mentally or physically are content. Those who brood or feel neglected are not. Those who sit around doing nothing spend very long days.

My home is beautiful St. Mary's Manor in Lansdale. Most of the residents are widows or widowers. There are some married couples and some who never wed.

Those who are active choose to be. There is no requirement, just opportunity—to create personal programs, to read, to sew, set tables, hear lectures, take handicraft lessons, attend religious devotions, help others, play various games and exercise with walks on the grounds.

Those of us without handicaps are sharply reminded of it by two very independent persons, both blind. Their independence lies in their determination to do all they can for themselves.

One is a former school teacher who has been sightless for 19 years, the result of an accident. She takes part in all activities, dances and often is the life of the party.

"I never think of myself as blind and I am happy," she says. "Being bitter would only make me and the people around me miserable."

A 79-year-old man who became gradually blind during the last decade can go anywhere in the building by counting the breaks in the handrails in the corridors. He had a brush with death after heart surgery recently when pneumonia complicated his condition.

"I fought to live," he says and is back to his normal pursuits.

The blind have free record-players and records from the Library of Congress. On the records the best of voices read entire books and contents of magazines.

There is fascination in the variety of people we are. It's fun to imagine what each was like during his or her career. It is obvious that our optimisms and pessimisms carry over from the lives we have lived.

One outstanding personality was Brig. General James S. Williams who served in the communications center at the Pentagon in the last years of World War II. He came to St. Mary's in 1965 and died in 1973.

Another resident was a 1912 World Series hero, Stephen Gerkes. The Boston Red Sox took the championship from the New York Giants when he batted in the winning run. He is now dead but his widow, whom he married when she was 18, still lives here.

Most of us are ordinary people but doubtless some of those we see every day have also had extraordinary lives we don't know about.

I see one difficulty in the operation of retirement homes, which is no one's fault. It is the pairing of residents in semi-private rooms. Each one is taking a complete stranger into his home. It is not surprising that friction develops in some cases.

The solution, which does not seem economically possible, is a private room for everyone. But this would force costs up and those with smaller incomes would be unjustly eliminated.

A college girl who was sent here to do a paper on the aged wrote: "No matter how nice and pleasant they (homes for the aged) are, no one, after living a given life style, can readapt to a new and unfamiliar environment."

There are, however, many cases where roommates get along very well.

If you plan to enter a retirement home a simple rule will help: resolve to accept any adjustment necessary without complaint. St. Marys does much to make life pleasant. Obviously it cannot serve everyone exactly what he or she wants at each meal but it will make substitutions for things one cannot eat. In general each person receives the same meal.

Here we are still independent. We go and come as we please but register on departure and return so no one need wonder what became of us.

However, we must adhere to schedules and that includes 8 o'clock breakfast. For those who prefer to sleep later it won't work. If you don't appear at the breakfast table an aid will come to your room, wake you up and ask "What's wrong?"

These are small things, weighed against the security and care you now have for the rest of your life.

It is not always easy to leave a private home to reside in an institution. Those who do so on their own initiative do not find it hard. Some whose relatives arrange their entrance may feel they are being "put away." Such cases, I hope, are rare. Other family responsibilities are more likely reasons.

The remedy for unhappiness, which each must learn for himself, is to make new friends and find new interests. After all, this is one big family, destined to be together "until death do us part."

We are familiar with death—not surprising considering that the average age at the Manor is 82. It is tragic only when a husband or wife among the married couples dies, leaving the survivor to go it alone.

Younger people should be realistic, accept the fact that every life has disappointments and be prepared to adjust. The brooders among the old folks have not done that. It would be so much better if, instead of grieving, they would look forward to the not-so-distant reunion with loved ones in eternity.

There are many joyful events at St. Mary's.

Boys and girls from colleges and high and grade schools entertain during the holiday season. Church choirs sing for us and girls from Gwynedd-Mercy Academy have come just to visit us.

Once a year the Verona Guild, an organization of women devoted to the Manor, gives a gala party for the residents. Each August there is a chicken barbecue and carnival on the grounds.

St. Mary's is not a nursing home. Those who become residents must be in reasonably good health but will be cared for the rest of their lives. Nursing service is available around the clock. Each morning the new shift of nurses and aids checks all residents. During a minor illness I was visited by five nurses and eight aids over a 24 hour period. The medical director, who has office hours in the Manor once a week, is always on call.

The Manor is surrounded by many acres of lawn and houses 152 persons on one level. Each room has a back door opening on a tree-shaded patio.

There is a magnificient chapel, a replica of the late Cardinal Dougherty's titular church in Rome. It was built in 1925. The present main Manor building was erected in 1965 and joined to the chapel by a corridor. There is a resident priest.

St. Mary's physical equipment includes an infirmary with 30 beds for the seriously sick and its own staff of nurses and aids. There also are a beautiful dining room, an auditorium, a large recreation room, a full-sized laundry, a canteen, a library, a launderette for personal use, a beauty and barber shop, a handicraft room and a gift shop.

The home, which is operated by the Missionary Sisters of Verona, has 90 lay employes including administrators, secretaries, the nurses and aids, cooks, maintenance people and high school girls who work in the dining room, kitchen and infirmary.

Thus, including the nuns, we are surrounded by youth—any one from 14 to 60 is youth to us—and they add zest to our lives.

QUESTIONS CONCERNING THE PRICE-ANDERSON EXTENSION—A TIME TO BE CAUTIOUS

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. JEFFORDS. Mr. Speaker, I believe Congress should be keeping a close watch on the development of substitutes to our scarce oil resources. We have accepted the responsibility, in creating ERDA, to help stimulate the development of alternate energy sources, but there comes a point in the development of those resources where they have to go on their own and compete on the basis of economics, safety, environmental quality, efficiency and other factors central to a free market economy so that we get sufficient energy development with minimum distortion resulting from government intervention. There are already indications that nuclear power is projected to be a lot more expensive than we thought just a little while ago. Yet we seem to be committing a very large—perhaps disproportionately large—part of the ERDA budget in the nuclear area; and in my view not enough in the areas of Solar, Wind power and Geothermal, as well as technologies for the clean-burning of coal.

Two interrelated trends deserve our careful attention right now: the increasing capital costs of nuclear power vis-a-vis other sources of energy and the heavy skewing of the ERDA proposed budget toward nuclear energy.

Studies recently completed by an MIT group and by a group at St. Louis led by Barry Commoner show the capital costs of nuclear powerplants are increasing at a rate three times as great as coal-fired plants, so that nuclear power will be more costly than coal by 1985 and probably earlier. The trends in the capital costs as between these two sources of energy are such that it seems inevitable that utilities will probably discontinue ordering nuclear units. Indeed, Commoner feels the nuclear industry looks as if it will collapse economically because it is deeply in debt and has lost its ability to generate its own capital. And I would refer my colleagues to the November 17, 1975 issue of Business Week, which did an extensive cover story on the industry that echoes many of Commoner's findings. Business Week quotes Richard A. McCormack, president of the Power System Group of General Atomic, who addressed an Atomic Industry Forum meeting this summer with the following bleak analysis:

> The nuclear business was born in the government and consciously weaned by statutory and administrative policies to grow through an adolescence of government support. But the business was never firmly founded and the magnitude of the problems of getting it established in the private sector were never fully appreciated. . . . Frankly, we are a sick industry.

The Clinch River breeder project cost estimate has increased from $700 million in 1972 to well over $1,700 million in 1974. Private industry has decided not to get into the fuel enrichment industry due to its exhorbitant capital costs without heavy Government subsidies as well.

Mr. Speaker, given this situation it is surprising to see how heavily skewed the proposed fiscal year 1976 ERDA budget is in the direction of nuclear energy. In terms of operating expenditures in direct energy related programs, 56 percent—$791 million—goes to nuclear, while 27 percent—$383 million—goes to fossil fuels and 6 percent—$84 million—goes to solar. In terms of total operating expenditures 45 percent—$2.2 billion—goes to nuclear, 24 percent—$1.2 billion—to national security, 7.7 percent—$383 million—to fossil, and 11 percent for other—most of which is for the high energy physics program directly related to nuclear. Only 1.3 percent—$63 million—goes to conservation. High energy physics comprises 6 times the expenditures as for solar energy. Thus, of total operating expenses, 77 percent goes to nuclear and national security, while 3 percent goes to solar and geothermal.

In terms of obligations requested for plant and capital, $826 million out of a total of $956 million goes to nuclear and national security items, $61 million for high energy physics, none for solar and nearly none for geothermal. Only $3 million is dedicated to conservation technologies. Thus of total plant and capital obligations requested, 93 percent goes to nuclear and national security, and none to solar.

The nuclear industry, unlike the newer ones like solar, is a fairly mature industry. Twenty years ago nuclear power was given to the private sector along with its Price-Anderson immunity from liability for nuclear harm. The legislation was enacted in 1957 to: one, protect the public by assuring the availability of funds for the payment of claims arising from a catastrophic nuclear incident; and two, to remove a deterrent to private industrial participation posed by the threat of tremendous potential liability claims.

We needed Price-Anderson 20 years ago to establish and stimulate an infant industry. Today the industry is an $80 billion reality, with 50 large reactors now in operation, which contribute almost 8 percent of the total electrical generating capacity in the United States. There is certainly an argument that the industry go on its own, take its rightful place in our free market system, buy its own insurance in the open market and accept total responsibility for its actions. The Rasmussen report, widely acclaimed as a even-handed extremely well-informed study has recently been released, in which it concludes the chance for a nuclear catastrophe is still existant, but very very remote. This report took 2½ years to do, cost $4 million and was reviewed by every responsible actor in and out of the nuclear industry knowledgeable on the subject. The report outlines probabilities and consequences of disasters in a number of fields: air travel, the chemical industry and others. In each case, the industry accepts full responsibility for the possibility of catastrophic incidents. It concluded the "possible consequences of potential reactor accidents" are "in many cases much smaller than those of nonnuclear accidents." Yet in each of these industries, management does not buy full insurance coverage for the worst possible case. If insurance companies are willing to insure against low-probability, high consequence accidents in such fields as aviation and chemicals; if these pursuits are able to accept limited insurance but unlimited liability and full responsibility to the public for their actions, and if capital is available from our private markets to finance these pursuits, then why not for the nuclear industry?

Mr. Speaker, according to the American Nuclear Energy Council, within the next 5 years, another 50 or so nuclear plants will come on line. This is a doubling of the present number of plants, it is a doubling of the amount of electricity generated by nuclear power, from the present 8 percent to about 16 percent. Certainly within those 5 years nuclear power will have become a mature industry in every sense of the word. At the same time we will be supporting, hopefully, other alternatives which may turn out to be much cheaper than nuclear power. Certainly it is appropriate that after the next 5 years, and virtual doubling of the size of the industry, we can say enough protection is enough. Let nuclear power be placed squarely in the middle of our free market system and let it sink or swim as it may.

I am concerned that we are supporting economic distortion in regard to investments in energy, that is, if Price-Anderson is extended for 10 more years and the expectation is that it might be extended even beyond that period, then capital might go into nuclear until at some future time we might go back and say this was a misallocation of resources, which might better have gone into other energy sources—coal or solar technologies for examples—but we helped perpetuate the misallocation.

The more prudent course would be to phase out public support to allow as much free marketplace allocation as we can. I do not advocate terminating the Price-Anderson protection now because there is so much money and planning going into the nuclear industry today under the assumption of public protection that it would work havoc in the marketplace to cease the protection too abruptly and it would work an injustice on investors; an orderly phaseout is necessary to give investors the opportunity to rationally compare the investment attractiveness as between energy sources.

Mr. Speaker, the principle of Price-Anderson is phase out of Government support. We have had 20 years of support; this bill proposes another 10. Last year the House passed a final bill extending the act for only 5 years. It was vetoed on a technicality having nothing to do with the 5-year extension. I believe this length extension is again appropriate.

WHEN, OH, WHEN WILL IT END?

HON. JAMES C. CLEVELAND

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. CLEVELAND. Mr. Speaker, I am sure my colleagues have read published accounts of wasteful Government expenditures for research projects of dubious value, and many of us have had copies of these lists forwarded by irate constituents demanding not an explanation but an end to obvious extravagances.

At a time when far too many Americans are unemployed and practically all are being forced to tighten their belts, this evidence that the Federal Government is spending their hard-earned tax dollars so carelessly causes justifiable wrath.

The following editorial by Pat Mitchell, of the Ledger, published in Jaffrey, N.H., echoes the sentiments I have received from a number of constituents. I recommend the following to my colleagues and particularly to those who may not yet have gotten the message:

WHEN, OH, WHEN WILL IT END?

Senator William Proxmire of Wisconsin not long ago gave his "Golden Fleece" award to a government study of airline stewardesses measurements. The study cost $57,800, according to the senator who added, "It seems like a bust to me."

A disbeliever, we sent to our favorite Congressman for a copy of the study. Yes, it exists, and yes there is an in-depth study of stewardesses and, would you believe, the distance from their chins to their ears and the like.

The award went to the Federal Aviation Administration for accomplishing the statistics on 423 young women, ostensibly for the design of safety equipment. And since you, the taxpayer, spent $57,800, you are entitled to know that the stewardesses waistlines range from 21 to 28 inches, their weights from 94 to 145 pounds. Get your money's worth?

A recent letter from a man in Goshen who wrote to us giving his view of claimed expenditures of $151,000 a year for senators free "smiling" photos which home-town newspapers get regularly. Advising taxpayers to wake up, he advises of a $350,000 study to determine that 48 per cent of people believe in the devil. His figures are unconfirmed but, in light of confirmed ones, we wouldn't be surprised if they were true.

Proxmire has also flayed the National Science Foundation for such esoteric studies as that on what is "passionate love." The foundation's director has stated that it never engages in frivolous research. Some of their projects: $174,000 to determine why humans and monkeys clench their teeth; $40,000 for a report on spiders; $36,500 for research of the long learning evolution of parasitic finches.

If you haven't called your local library to reserve your reading of "The Federal Rathole" by UPI reporter Donald Lambro, run don't walk. Lambro is angry about government profligacy and contends that at least $25 billion in taxpayers' money could be saved by abolishing 50 federal programs and agencies that sponsor such as the following:

$31,912 to microfilm the principal archives of Malta;

$300,000 for a study of sex role learning;

$103,000 for a study of the learning differences between infants and toddlers;

$70,000 for a study of wild boars in Pakistan;

$70,000 for a study on Indo-Australian ants;

$15,000 to analyze hitchhiking;

$112,000 to probe African climate in the last ice age;

$13.9 million annually to maintain 300 military golf courses in this country and around the world.

In case you're interested that study of passionate love cost you $260,000. Mr. Lambro suggests that the only way a federal budget slash will replace the horrendous deficits is when informed taxpayers get furious enough to demand it of their elected officials.

How about a letter to Congressman Jim Cleveland today—2236 Rayburn Office Bldg., Washington, D.C. 20515?

And while you're in the mood, or we are, and we usually are, we understand through the Los Angeles Herald Examiner that a new proposal has come to the government from the office of the mayor of New York, to start issuing clothing stamps. This, says the Examiner, comes "hard on the heels of several reports that the food stamp program has become an expensive boondoggle."

The proposal says it is "psychologically destructive" for poor people to wear clothes that are not in fashion, and there is little doubt why the Big Apple is broke!

Our question is, who are the poor people—those who believe it or those of us who still think we are not poor, just burdened? The Examiner suggests a "belt stamp" program for bureaucrats who can't tighten their budgets or harness their expensive pipedreams.

WITCH HUNT VICTIMS

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. AuCOIN. Mr. Speaker, we look back on the Joe McCarthy witch hunts of the 1950's with a sense of disbelief that such things could happen in the United States. Fortunately, the atmosphere in our Nation has changed to the better and innocent people are no longer being victimized as the result of guilt by association or by harmless indiscretion.

Unfortunately, two of the victims of those troubled times still suffer unfairly from events that were well beyond their control. Hamish Scott MacKay and William Mackie, both Americans for as long as they can remember, have been exiled from what they rightly regard to be their native country under circumstances that are highly questionable and would not have been possible except for the circumstances of birth.

William Mackie was brought to the United States while a few months old and Hamish MacKay was born of American parents while they lived in Canada.

Both of these men live as exiles and seem destined to die, lonely and bitter, far from their families and from what they consider to be their home, unless the Members of this Congress are willing to show compassion and to reverse a decision that never should have been made in the first place and almost certainly has caused suffering far in excess of any wrong that may have been committed.

Along with my three colleagues from

Oregon, I have introduced bills to permit William Mackie and Hamish Scott MacKay to return to the United States and to be with their families for their last years of life. I plead with my colleagues to join with me in showing compassion for these unfortunate victims of a national mania that has been put far behind us, and to give these unfortunate men a few years of peace and happiness in what they rightly believe is their home.

For a review of the facts in this case, I call your attention to an article entitled, "Exiles, Like Bills, Languish," which appeared recently in the Willamette Week, a Portland, Oreg., publication:

EXILES, LIKE BILLS, LANGUISH

(By Phoebe L. Friedman)

On Nov. 18, 1960, a few minutes before 9 am, William Mackie, 52, who had lived all but the first 10 months of his life in the United States, stood at the departure gate at Portland International Airport and told a reporter: "I hope the American people will bring me home very soon. This is my country."

Then, his farewells said, he turned away from his solemn 80-year-old father and his sobbing sisters and young niece, and walked through the heavy rain to the plane. The government of the United States, asserting that organizations to which Mackie had once belonged were subversive, was deporting him to Finland, a land he didn't remember, whose language he couldn't speak, and where he knew not a soul.

Later that same day another, more emotional, deportation took place at the Portland Airport. Hamish Scott MacKay, 55, who like Mackie had lived most of his life in the United States, paid taxes, reared a family, served in the armed forces, was being shipped off to Canada. He too had once belonged to organizations considered subversive in 1960.

McKay's departure had been scheduled for 7:40 pm, but that flight was delayed. Therefore, 45 minutes ahead of schedule, and with his family and friends just gathering at the airport, MacKay was hustled to another plane to enable him to make his connecting flight in Seattle. Anna Belle, his wife, was paged and managed to get to the gate in time for a hurried embrace, but by the time his sons, 25-year-old James and 17-year-old Ronald, arrived after a mad dash from the other end of the terminal, MacKay was gone. Ronald, then a Sunset High School senior, was so upset that as he turned from the gate he hit his head on the brick wall and would have collapsed if friends had not caught him.

Mackie and MacKay were victims of the McCarran Internal Security Act of 1950 and the 1952 McCarran-Walter Immigration Act, both products of the anti-Communist fever which carried senators Joe McCarthy and Richard M. Nixon to fame. Indeed, Nixon had been co-sponsor of an earlier bill, the Mundt-Nixon Bill of 1948, which failed to pass, but many of whose provisions were later incorporated in the McCarran Act.

The McCarran Act established a Subversive Activities Control Board (SACB) to investigate and list organizations considered politically undesirable. Such organizations were required to register with the federal government.

The McCarran-Walter Act provided for deporting aliens alleged to be members of groups required to register. The registration requirements of the McCarran Act have since been judged unconstitutional and have been repealed, and the SACB finally passed out of existence, after years of expensive inactivity, when then-President Nixon failed to ask for funding for it in 1973. But all through the '50s, when these two laws were applied most frequently, hundreds of decent U.S. residents were deported for their political views.

Under the McCarran Act, the list of undesirable organizations grew rapidly. Soon some 300 groups were on the roster of the hunted. They included the Communist Party, of course, and a wide variety of labor, civil rights, and fraternal organizations as well. Mackie and MacKay had been active in the workers' struggles of the 1930s. They were ordered deported on charges of membership in the Workers' Alliance of America, and in the Communist Party in the late 1930s.

Both men denied Communist Party membership, but did admit to having been in the Workers' Alliance. MacKay also stated that he had been a member of two other "named" groups, the American League Against War and Fascism, and the International Labor Defense. In any case, according to the government's own charges, the alleged Communist Party membership had ended in 1940 for Mackie, and in 1941 for MacKay, and the other organizations named in the charges had long been defunct by the time proceedings against MacKay and Mackie were begun.

The legal battles were carried to the Supreme Court, where in a 5 to 4 decision Mackie's deportation was upheld. Although the case was fought in Mackie's name, the defeat served to decide MacKay's case as well. A last-minute appeal for a stay in the proceedings, which would have allowed Sen. Wayne Morse time to introduce private bills which he had readied for the upcoming session of Congress in January, was turned down by federal court Judge Gus Solomon.

In a statement this June on the floor of the U.S. Senate, Mark Hatfield referred to Mackie and MacKay as "happenstance aliens" and the phrase is an apt one.

Bill Mackie was born in Finland in 1908 while his parents were on a visit there. Several months later he was brought back to the United States and lived here until his deportation 51 years later. He served in the Army in World War II, was married here and raised a stepson from infancy. He was the only one of his parents' five children who was born outside the United States.

Hamish MacKay was born of American parents in Canada in 1905, but moved back to the United States with his family when he was still in his teens. He married here, reared a family, and served in the National Guard. Both he and Mackie made efforts over the years to acquire citizenship, but their applications never made it to the "final papers" stage.

The 15 years of exile have been difficult for both men, but Mackie has suffered most keenly. Even the initial trip to Finland was a hard one for him. At the London airport, where Mackie was to connect with a Finn Air Lines flight to Helsinki, the plane's departure was delayed, and Mackie was held in jail for 23 hours before he could finally fly to Helsinki. There he was met by a newsman who had followed the case from afar.

He must have appeared a pathetic figure. One report stated: " . . . now he is here—a man without papers or chattels—a penniless refugee in a borrowed coat amidst wintry frosts and blizzards." One of the newsmen took Mackie into his home for a few days, until he could locate a distant cousin and make plans for piecing together a new life.

A painter by trade, Mackie eventually was able to find enough work to support himself in Finland, but his life has been a lonely one, and he has yearned to return to the land he still calls home. He has made three trips to Canada, seeking landed immigrant status, to be closer to his remaining relatives in the United States. Each time, Canada has insisted on his return to Finland.

MacKay, in Canada, has fared better. His wife, Anna Belle, moved up to the Vancouver area shortly after his deportation, and together they established a new home in Burnaby. A carpenter by trade, he was met at the Vancouver airport by members of Vancouver Local 452 of the Carpenters' Union, and by other trade unionists who had followed the legal battles. He soon joined the union himself and although he is now over 70 he still proudly carries his membership card and serves on the union's organizational committee. He is also an executive member of the Burnaby Citizens' Association.

Still, it's not like being home. On rare occasions during these 15 years MacKay has been granted "hardship permits" to visit his mother, now 95 years old. But a son would like to make such visits more frequently, and without all the red tape that such permits require. And he would like to see his children at will, and to frolic with his grandchildren and their children.

This year, the hope Mackie expressed on leaving the United States has been rekindled for him and MacKay. In June, Hatfield and all four of Oregon's congressional representatives introduced bills to permit Mackie and MacKay to return home. But the bills, S 1894 and S 1895 in the Senate and HR 7941 and HR 7942 in the House, presently lie without action in the judiciary committees of the two houses. Peter Rodino of New Jersey chairs the House Judiciary Committee, James Eastland of Mississippi heads the Senate committee. It will take a lot of letters from a lot of people to get those bills out onto the floor of their respective houses.

In his dissenting opinion to the Supreme Court decision which upheld the deportations 15 years ago, Justice William O. Douglas said: "A man who has lived here for every meaningful month of his entire life should not be sent into exile for acts which his record reveals were utterly devoid of any sinister implication." Having done just that, can this nation finally reverse itself?

BUCHWALD AND THE SOVIET AGRICULTURE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. FINDLEY. Mr. Speaker, many of us in the Congress have discussed the importance and method of handling grain sales to Russia. We have not often addressed the question of why Russia has recently become a large international purchaser of grains. Mr. Buchwald's recent column "Détente With a Grain of Salt" is a humorous reminder of the differences between the Soviet and American system of agricultural production. I commend your thoughts to this version of why the Russians are interested in American agricultural production:

[From the Washington Post, Nov. 2, 1975]

MY DEAR COMRADES, DON'T TAKE DÉTENTE WITH A GRAIN OF SALT

(By Art Buchwald)

It must be a terrible blow to the Soviet government to explain to their people that they have had to buy American wheat and corn from the United States because their agricultural plans have failed.

But they're probably up to it.

Let us go to a Soviet school and listen in on a class.

"All right, Comrade Children. Today we shall talk about food. Who is the greatest agricultural country in the world?"

Class in unison: "Soviet Union, Comrade Teacher."

"That's good. Now we will discuss Sputnik."

"Comrade Teacher."

"What is it, Comrade Ivan?"

"Why, if Soviet Union is greatest agricultural country in the world do we buy wheat and grain from the United States?"

"I'm glad you asked that question, you little bourgeois counterrevolutionary Maoist. The reason we are buying wheat and corn and grain from the United States is because of detente. Our leader Comrade Brehznev is bringing peace to the world by accepting capitalist surplus food which we don't need. Detente in English means 'to buy grain.'"

"Comrade Teacher, why does the United States have a surplus of wheat and grain and corn?"

"Because you stupid Ivan, the United States has no five year plan and they grow more than they can eat. In Soviet Union we grow just enough food for everybody, so is no waste. But the capitalists plant wheat and corn whether they need it or not."

"Why do they do this, Comrade Teacher?"

"Is simple. There is no state planning commission to tell them how much wheat and grain they can grow. In Soviet Union we tell farmers how much wheat they should plant. The farmers don't grow a bushel more than what the state planning commission tells them. Now sit down and shut up, Ivan."

"But, Comrade Teacher, if state planning commission tells Soviet farmers how much wheat they can grow, and they grow enough for everyone, what are we going to do with the American wheat?"

"Eat it, you Trotskyite. We are going to eat the American grain to prove to the United States that Communism will get fat on capitalism's mistakes. Can we now discuss Sputnik?"

"Comrade Teacher, would it not be better to refuse to buy American wheat so they will be stuck with it and then they will have a depression and we can bury them?"

"Ivan, you ask stupid questions. If we buy American wheat the price of bread goes up in the United States and then you have depression and finally comes the revolution."

"But you said the United States has surplus of wheat."

"They do unless we buy it. Ivan, I don't want to send you to KGB office, so will you stop asking so many rotten questions?"

"I'm sorry, Comrade Teacher. I was only asking for my mother."

"Why were you asking for your mother?"

"Because she said she couldn't buy me any bread for lunch."

"Is nonsense that your mother couldn't buy bread when Soviet Union has had another bumper crop of grain. Let me see the hands of anyone else in the class whose mothers couldn't buy bread this morning? . . . Put down your hands you fools! Do you want to get us all arrested?"

"What should I tell my mother, Comrade Teacher?"

"Tell her what our great leader Comrade Lenin's wife said when she was told the people had no bread."

"What was that, Comrade Teacher?"

"'Let them eat cake.'"

A CLOSE LOOK AT AMERICA'S SPECIALTY STEEL INDUSTRY

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. ICHORD. Mr. Speaker, I would like to call the attention of my colleagues to a deeply alarming problem confronting America's specialty steel industry today. Mr. Eugene A. March, group vice president of Colt Industries, Inc., recently discussed the decline in the demand for specialty steels at the American Metal Market's Steel Forum in New York. Mr. March persuasively points out that this decline is due to two factors: First, the present state of our economy; and second, the increasing growth in imports of specialty steel to the United States. For example, during the first 8 months of this year, imports took 22 percent of the domestic stainless steel market, 70 percent of the stainless wire rod market, and 60 percent of the stainless steel wire market.

This decline in demand for America's specialty steel has caused severe capital shortages in this industry, which has adversely affected employment in this sector of the economy. Mr. March feels the enactment of a comprehensive capital recovery system would do much to alleviate the present capital shortage. Such a system would include a permanent investment tax credit, more rapid depreciation of plant and equipment at replacement costs, and provision for fast recovery of pollution control expenditures. Now is the time to look several months and years down the road for solutions to the decline in specialty steel production. I commend his views to the attention of my colleagues:

Meeting the Demand

(By Eugene A. March)

A year ago at this time, the specialty steels industry was still in the grips of a heady euphoria brought on by unprecedented demand for its products, solid gains in sales and earnings, a respectable return on equity, and facilities running in excess of their theoretical capacities.

It was the stuff of which a steelman's dreams are made, and we didn't want to be awakened. It was a great year, yes; but great only in comparison with the years that preceded it and the year that followed.

The point to keep in mind is that 1974 is the kind of year this industry ought to have with a reasonable degree of consistency, the kind of year it must have with consistency if it is to generate the funds needed to reinvest in its own future and achieve the return on equity necessary to attract outside investment.

The signs were there in the latter months of 1974 that demand levels and capacity shortages were easing. I recall vividly the reaction when one of our division presidents, whose business is highly responsive to demand in durable goods, injected an unwelcome note of caution at a management meeting in mid-October. The slow-down in new orders he was already experiencing began for the steel industry soon thereafter and has continued through most of 1975. Despite the high level of industry backlogs at the beginning of the year, industry shipments in 1975 will be down. Steel consumption is down. Steel users have been working off inventories. And steel imports are up and taking an increasing share of a decreased domestic market.

I don't think anyone expected the recession to be as widespread as it is, go as long as it has and as deep as it has, or the recovery to be as slow as it is. The prognosis for continued economic recovery is, at best, gradual.

This is true in the consumer goods area and in consumer durables, including transportation and housing starts. In the capital goods area, the prognosis is for a somewhat quicker recovery as expenditures increase for pollution control facilities and energy supplies and as industry responds to the need for longer-life, more cost efficient plant and equipment.

Inventory decumulation has progressed to the point that sales vs. inventory ratios at the retail level seem to be in balance. The sales-inventory ratio at the manufacturing level is approaching balance, with the balance better at the finished goods than at the raw material stage. At the steel service center and steel mill level, sales and inventories are still not in balance; but balance is in sight.

The prognosis for the imports situation is dependent almost entirely on two factors: first, world demand for specialty steels; and, second, action taken by the U.S. government to curb imports of specialty steels.

World demand for specialty steels is presently at a low ebb. Late last month, the European Economic Community asked the rest of the world to trim its steel shipments to Europe. A spokesman for the Common Market Commission was quoted as saying that steel output in the nine-nation EEC was down 25 percent in May, June, and July of this year from the like months of 1974; and that prices were 35-to-45 percent lower than a year ago. Major Japanese steel producers are reported operating at 75 percent capacity, with further cutbacks planned.

If and when world demand increases, it can be expected that foreign producers will sell more to their own markets and have less pressure from their governments to export to other markets, including the United States. This will be true only if demand in their own markets is sufficiently great to occupy their capacity and to offset the lure of American markets.

The United States represents to the foreign producer the largest, freest, least restrictive marketplace anywhere in the world. He can ship product into this market and sell it at prices below his cost of production, and despite rules to the contrary, at prices below what he charges at home. He can systematically, opportunistically, and constantly shift his concentration from one product line to another as it suits his fancy and meets his objectives.

Because our overseas competitor is most probably publicly owned or subsidized, his objectives are usually those of his government. It is the espoused policy of most steel-producing nations to protect their own industries and to invade world markets with the objectives of maintaining full employment at home, maximizing foreign currency earnings, modernizing their own industry facilities, and expanding their production capacity.

Because he is an instrument of his government's politico-economic policy and because he functions under a different economic system, the overseas producer does not play by the same rules of the game as his American competitor. If it suits his government's objectives, he need not earn a profit on the products he sells in the U.S. marketplace. He can charge below book price when supply exceeds demand and premium prices when shortages exist.

He can offer special discounts, negotiate a long-term contract at a guaranteed price, or do whatever is necessary to make a sale—without concern for making a profit. His government provides low-cost loans and fast write-downs of capital expenditures, factors his receivables and inventories, subsidizes his losses and grants a variety of export incentives. While he invades other markets, his government erects effective barriers against import penetration of and foreign investment in his home market.

Where governments permit, encourage or even require rationalization of facilities, there are enormous advantages of scale. Competition in the U.S. marketplace is very often not company-to-company or industry-to-industry, but industry-to-nation. Not all of the circumstances I describe apply to all nations, but the pattern is characteristic of international trade in specialty steels.

There are, on the other hand, some factors that are helping to diminish the advantages of the foreign producer. He no longer enjoys the built-in price advantage of a fixed international monetary system in which an undervalued currency acts as an export subsidy and an import tariff.

Following the devaluations of the U.S. dollar in 1971 and 1973, there was an upward revaluation of the Japanese yen, the German mark, and other currencies. Since then, the floating exchange rate has effectively neutralized the price advantage that had accrued to nations with undervalued currencies.

Wage rates in other countries have been increasing, and inflation rates in many countries are higher than in the United States. Both of these factors have tended to lessen the competitive advantages of the overseas producer.

In this country, the increase in the Investment Tax Credit from seven percent to 10 percent and the support that appears to be building in the Congress for extending or making it permanent at that level will contribtue to increased confidence in the business community and encourage investment in modern, cost-reducing equipment.

And, finally, passage by the Congress of the Trade Act of 1974 and its signing into law in January of this year provides, we hope, the vehicle by which imports of specialty steels can be held to a fair and reasonable level. As it was pointed out in the Escape Clause petition filed with the International Trade Commission on July 16, the level of 1975 specialty steels imports is anything but fair and reasonable.

During the first eight months of this year, imports took 22 percent of the stainless steel market, 70 percent of the stainless wire rod market, 60 percent of the stainless steel wire market, and 30 percent of the tool steel market.

Documenting injury in terms of lost jobs, reduced sales and earnings, and a decreasing viability of an essential industry—the petition seeks immediate mandatory quotas based on historic share of market and the negotiation of orderly marketing agreements that would prohibit dumping and predatory pricing. Under the Escape Clause provision of the 1974 Trade Act, the International Trade Commission has six months from the date of filing to determine the extent of injury and recommend to the President a course of action. Testimony by both sides has been heard by the Commission and its decision is due on January 16.

This petition is the largest ever filed with the Commission, affecting as it would some 65 specialty steels products and 25 exporting countries; and it is the first significant test of the new Trade Act. There is a great deal riding on its outcome, including the ability of the specialty steels industry to meet future demand.

It is only a little more than a year ago that this nation's overriding economic concern was for the materials and production capacity shortages that were apparent in virtually every basic American industry. The rapid fall in demand suddenly and almost completely obscured those shortages. But even with a recession in full force, production capacity shortages were apparent in agricultural, mining, transportation, and construction equipment; and in such energy-related industries as petroleum exploration and refining and electric power generation.

Capacity shortages also continue to exist in a number of other basic industries where the recession is delaying the translation of need into demand. These include chemical and petrochemical processing, food and beverage processing, housing, and household appliances.

These demand pressures are among the factors behind the projections by economists of a domestic, in fact a worldwide, steel shortage in the years ahead. It is estimated that consumption of steel mill products in the United States will increase to some 132 million tons per year by 1980, with the capacity shortfall in this country something on the order of 23 percent or 30 million tons.

World wide, it is estimated that steelmaking capacity will be slightly over one billion tons by 1980, with an estimated capacity shortfall of some 75 million tons. Steelmaking capacity will be added in the next five years in all of the present steel-producing nations, and may also very well be added in such energy-rich and raw-materials-rich areas as the Middle East, Venezuela, Brazil, and Mexico.

Measured against anticipated 1980's demand and in view of the time it takes to bring new capacity on stream, steel industry capital expenditures must exceed $3 billion a year to add needed capacity, replace obsolete equipment, and meet air and water quality standards.

Let me sum up the near-term situation. On the negative side is the overriding fact that the economic and financial world may now be different than in any period in our recent history. Energy shortages and material shortages may or may not be resolved. Inflation here and abroad may or may not be contained. Capital formation may or may not be sufficient for the needs of industry. Imports may or may not be adequately curbed. When I speak of these problems, I am concerned as much about the impact upon our customers as upon our industry.

On the positive side is the fact that inventory decumulation is well on the way to completion, although the situation varies by product and by company. Despite the level of economic activity, there is a basic and growing need for specialty steels in energy production, mining, chemical processing, pollution control, transportation, and food and beverage processing. The technology and equipment in our domestic industry has kept abreast of or exceeds that of any other nation of the world. And we have right here in our own country the largest, most sophisticated, freest market in the world.

In assessing our ability to meet the demand for specialty steels through 1980, we must keep in mind the fact that, from conception to operation, major new equipment installation requires something on the order of two years in our industry. Yet, in the period 1972 through 1974, the growth in shipments of stainless steel offer a good and convincing example of the industry's ability to respond to rapidly increasing demand. In 1972, the U.S. industry shipped 855,000 tons of stainless in all forms; in 1973, 1,134,000 tons; and in 1974, 1,345,000 tons. Thus, the increase in shipments in the two years 1973 and 1974 was 490,000 tons, or 57 percent.

In spite of this, there were shortages in 1974 in some product forms. There is, however, serious question as to the reason for these shortages. To what degree were they the result of price controls skewing the product mix? Or the result of a reduction of imports as foreign producers found other markets more attractive than ours? Or the result of past import penetration tempering U.S. expansion? Or, most importantly, the result of scare buying and hoarding, causing the apparent demand to exceed the actual demand. Let us hope that this combination of factors is never repeated.

Given an orderly growth in demand rather than a super-heated explosion and given the absence of aberrations caused by government actions, the specialty steels industry can be expected to meet the requirements of its customers.

Bearing strongly upon our ability to meet future demand, however, are a number of factors largely beyond our direct control. These include:

1. Continued availability of raw materials, particularly the alloying elements so essential to specialty steels production.

2. An adequate and uninterrupted supply of energy with which to run our mills.

3. An effective curb on specialty steels imports.

4. A sustained level of earnings and a return on equity sufficient to invest in our own future and to attract outside investment capital.

5. Provision in the nation's tax structure for effective investment incentives for both individuals and industry.

The capital formation problem about which so much has been said and written in recent months is not simply a problem for business and industry. It is a national problem affecting every institution and every individual in America; for without adequate capital investment in American industry, we are starving the productive sector of the U.S. economy from which emanates jobs and job stability, improved productivity, the real wealth of the nation, and the wherewithal for continued social progress.

Needed for the national good is a shift in basic philosophy and tax policy from the present emphasis on distribution of income to more emphasis on the creation of income. Tax laws affecting individuals should be so structured as to encourage and stimulate savings and investment by individuals so that they can participate as both jobholders and shareholders in the economic system. This will require basic changes in the tax laws affecting individual savings, dividends, and capital gains.

Similarly, tax law affecting American business and industry must be so structured as to nurture, not starve the income-creating sector of the national economy. There is now no provision in our tax law for an integrated, effective capital recovery system. Such a system would include a permanent investment tax credit, more rapid depreciation of plant and equipment at replacement costs, and provision for fast recovery of pollution control expenditures.

Enactment of a comprehensive capital recovery system would do much to alleviate the capital shortage by more completely and more rapidly recycling the available capital for reinvestment. The impact on the economy would be substantial in terms of higher employment, greater productivity, economic growth, and federal revenue.

Each of the five factors I cite is beyond our direct individual control as business managers. But as knowledgeable and involved citizens and constituents, we can affect their outcome by letting our views be known to our representatives in Washington who are in a position to make the decisions. I urge each of you to do just that.

What must evolve from our efforts is an understanding among our legislators that foreign governments act in concert with the needs of their industries. Our country must do likewise—not through a managed economy or government subsidy, but by rethinking priorities and eliminating the adversary relationship between government and industry. We need to seek out the areas of common interest rather than to look only at areas of conflict. In many industries, unions and managements have achieved that relationship; so should government and business. Jobs in the industrial sector are more valuable to the national economy than are jobs in the public sector.

Most of our elected and appointed officeholders in Washington are sincerely interested in the welfare of the nation. Yet, the demands on their time are so great that they find it impossible to be fully informed on all subjects with which they must deal. They, therefore, need and welcome information and the views of their constituents. For us, this is both an opportunity and a responsibility.

OPPOSITION TO AERIAL WOLF HUNT

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. WHITEHURST. Mr. Speaker, the following letter was called to my attention by Ms. Araby Colton, editor of the Howl, a monthly newsletter for the preservation of wolves, coyotes, and all wildlife which is published in Carmel Valley, Calif.

The letter was written by Ms. Priscilla Nesbit, who is a teacher in the Carmel, Calif., school system, and it is a thoughtful presentation of the issues involved in the proposed aerial wolf hunt in Alaska. I am pleased to share it with my colleagues:

CARMEL, CALIF.

Hon. GERALD FORD,
President of the United States, The White House, Washington, D.C.

DEAR PRESIDENT FORD: I am writing to protest as strongly as I am able against the proposed hunting of wolves in Alaska's Game Units 5, 13, and 20. The Alaska Dept. of Fish & Game proposed a permanent change in the hunting regulations for these three game units, instituting aerial hunting by plane and helicopter for periods to be determined at the discretion of the Commissioner. The number of wolves to be taken is also to be determined at the discretion of the Commissioner. I understand that in Unit 13 all wolves are to be killed, from helicopters. What the "sport" hunters want, the "sport" hunters get, with a total disregard of ecological sanity and of the minimum standards of sportsmanship. Where is the sportsmanship in chasing terrified animals with a helicopter and gunning them down from the air with no chance of escape?

The hunters blame the wolves because there aren't as many moose in the Fairbanks area as there used to be. It is convenient to ignore the effect on the moose population of such human pressures as a tremendous increase in the human population with an attendant great increase in hunting, plus ten years of hunting of female moose permitted by the Alaska Dept. of Fish and Game. Wolves kill their prey—moose, or whatever is available—because, like people, they must eat to survive. They do not kill for fun, and they do not waste what they kill. It takes people to do those things. In nature there is a stable and healthy balance between predators and prey. Man comes along and upsets the balance—and blames the predators. "Get rid of the wolves" cry the hunters, and the Dept. of Fish and Game lets them have the fun of doing it, from helicopters.

How does Alaska get away with such a brazen violation of federal law? Aerial hunting was banned in the United States by P.L. 92-159. Why is this law not enforced in Alaska as elsewhere? Hunting of any animal from aircraft, especially from helicopters, is outrageous, totally indefensible, and illegal.

The time has come for the States and the federal government to realize that sport hunters are a very small percentage of American citizens. There is an ever-increasing number of people deeply concerned about the pressures against which wildlife must struggle for survival, pressures caused by human beings. There is a growing awareness that wolves and all other wildlife have a fundamental right to exist on this planet, entitled to refuges where they can continue to live undisturbed by the rest of us. Many of us who may never see a wild wolf or moose free in its natural environment find it somehow reassuring to know that they are there.

Non-hunters have rights, too. Our native wildlife belongs to us as much as it does to the hunters, and our wish to preserve the wild creatures, and to relieve human-induced pressures upon them should be listened to by those in government with at least as much respect as is the hunters' wish to kill.

Studies of wolves have established conclusively that they are loyal and loving mates, wise and devoted parents, and that within the pack there is affection, discipline, and highly intelligent cooperative behavior. A world without wolves would be a poorer place, and there are not many wolves left.

The projected illegal aerial hunting of wolves which is imminent in Alaska would be a moral and ecological disaster. I most respectfully urge you to stop it.

Sincerely yours,

PRISCILLA NESBIT,

TEMPLE UNIVERSITY TO RECORD DATA ON FOOTBALL NECK INJURIES

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. EILBERG. Mr. Speaker, this year the number of injuries to football players appears to have reached epidemic proportions.

These injuries have not been confined to National Football League quarterbacks who have been receiving virtually all of the attention of the media. There are a growing number of injuries to college and high school athletes and an alarming proportion of these involve the head and neck.

In response to this situation the Temple University Center for Sports Medicine and Science has established the National Registry for Football Head and Neck Injuries.

At this time I enter into the RECORD a copy of the announcement of the establishment of the Registry issued by the Temple University Health Sciences Center. It is my hope that my colleagues will distribute copies of this announcement to athletic officials throughout their districts:

TEMPLE UNIVERSITY TO RECORD DATA ON FOOTBALL NECK INJURIES

PHILADELPHIA.—An increasing awareness of paralyzing injuries to football players has prompted the establishment of The National Registry for Football Head and Neck Injuries at Temple University Center for Sports Medicine and Science.

Dr. Joseph Torg, director of the Center and assistant professor of orthopedics at Temple University School of Medicine, said the purpose of the registry is to get data to the National Collegiate Athletic Association to support rule changes to protect the head and spinal column from undue abuse.

"Over the past 10 weeks we have become aware that six young men in New Jersey and the Philadelphia area have sustained neck fractures and dislocations resulting in paralysis of the arms and legs, and one young man was killed," said Dr. Torg, who also is team physician to the Philadelphia 76ers basketball team, the Philadelphia Atoms professional soccer team and Temple's football squad.

"We feel it is imperative that this problem he accurately defined and to do this we need to know numbers and other pertinent information regarding the nature of the injury and the way it occurred. Right now there is no existing data collecting system, so we are assuming the responsibility because we believe this problem must be solved."

Assisting Dr. Torg in collecting the data are Dr. Raymond Truex, Jr., assistant professor of neurosurgery, and Theodore Quedenfeld, associate director of the Sports Medicine Center.

Dr. Torg indicated the need for the registry was dramatically pointed out when two young men were admitted within a week to Temple University Hospital suffering total paralysis caused by neck injuries sustained while playing football. One was a Rhode Island University player injured making a tackle in a game against Temple. The other was a teenager playing with friends in a pick-up game.

The information being sought involves head and neck injuries occurring at all levels of tackle football that:

Require hospitalization for more than 72 hours.
Require surgery.
Result in permanent paralysis.
Involve fractures or dislocations.
Result in death.

Anyone with information of these injuries occurring between 1971 and 1975 are asked to contact: Football Head and Neck Injury Registry, Temple University Center for Sports Medicine, 3401 N. Broad St., Philadelphia, Pa. 19140.

Dr. Torg said the information should include the name of the injured player, his school or organization, the nature of the injury and when it occurred.

"We strongly suspect this is a very serious problem," Dr. Torg said, "and we want to be able to document the magnitude of the problem in order to stop the use of the head as the primary assault weapon in football."

THE SHORTAGE OF NATURAL GAS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. HAMILTON. Mr. Speaker, I include my Washington Report of November 19, 1975, entitled, "The Shortage of Natural Gas":

THE SHORTAGE OF NATURAL GAS

This winter the nation faces its most severe shortage of natural gas as supplies are expected to fall far below anticipated demand in many parts of the country.

Most experts, but not all, believe that a significant shortage appears certain this year, with the extent of the shortage depending on the severity of the weather, the vigor of the economy, and governmental action. A shortage of natural gas must be viewed as a serious matter because it threatens plant closings and increased unemployment at a time when the nation is seeking economic recovery.

Natural gas accounts for one-third of the total energy used in the United States. It is the most desirable fuel, because it is cheap and clean. It is used in 40 million homes, 3.5 million commercial establishments, and more than 200,000 industrial plants. It is the major source of energy for U.S. industry and provides heat for more than one-half of the nation's homes.

Many reasons are given for the present shortage of natural gas: restricted production caused by oil companies withholding natural gas supplies until prices go up, consumer insistence for low prices without regard to future supplies, over-regulation by the government, soaring demand caused by low prices, and concern for the environment. Whatever the reasons for the shortage, the Federal Energy Administration estimates the country will be about 15% short of natural gas this year.

The Federal Power Commission regulates about two-thirds of the supply of natural gas used in the country which flows through interstate pipelines at an average wellhead price of about 35¢ per thousands cubic feet, although new interstate gas is now selling for about 52¢. Most of the remaining gas which is sold within a state (intrastate gas) is not subject to price controls, and its price ranges from 75¢ to $1.25 per thousand cubic feet.

The shortfall of gas will hit states on the east coast particularly hard. Indiana will probably fare better than many states with an expected shortfall of about eight percent. Overall, the shortage in Indiana this winter should be a little worse than last year.

In the Ninth District shortages will vary from one area to another, depending largely on the amount of gas available to local gas companies. Residential and small commercial customers should be able to get gas, although some industrial customers may not be able to get all the gas they need. Some gas companies will have a greater shortage than others, but in each case gas is delivered to customers on an elaborate priority schedule set by the Federal Power Commission which places residential users first in line.

The critics of regulated prices for natural gas, including the producers of the gas and many independent economists, contend that the artificially low prices have wastefully increased consumption and decreased supply by discouraging the development of new sources. These critics contend that deregulation would not increase prices very much for the consumer, in part because most gas would still be under contract at old prices and the new prices would be felt only gradually. The Federal Energy Administration estimates the average household's yearly gas bill with deregulation would increase about 6.2% in 1976, rising to about 12% by 1980.

Those who oppose the deregulation of natural gas prices point out that the regulated price has almost doubled in the last few years, which they believe to be enough in an economy struggling for recovery. They argue that the industry is not a free market but a monopoly and that letting the marketplace set the price would lead to monopoly pricing and very high prices for the consumers. They also contend that no one really knows how much natural gas remains and that there may not be enough to respond to the price increases.

Most of the experts agree that the country will probably have to live with a natural gas shortage. The solution lies in conservation, new discoveries, and the development of supplemental resources such as synthetic gas made from liquid hydrocarbons, coal, and heavy tars.

To deal with the shrinking natural gas supply, I support a bill which would allow customers to obtain gas wherever they could this winter, including from intrastate sources, where there is presently a surplus at a price three times the present regulated price. The bill would permanently deregulate the price of new natural gas but require that old natural gas remain under federal price controls for residential users, thus shifting the cost burden of the more expensive new natural gas to industrial users.

The natural gas pricing debate is complex, but there is room for adjustment and compromise. The outlook is either for deregulation of prices, phased-in over a period of months, or continued regulation with a provision for higher prices. The one certainty appears to be higher prices for the nation's most desirable fuel.

HAPPY ANNIVERSARY, CIVIL AIR PATROL

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. WOLFF. Mr. Speaker, this week, December 1–7, Civil Air Patrol is celebrating its 34th anniversary, completing more than a third of a century of service to the Nation. As commander of the Congressional Squadron of CAP, I would like to share with my colleagues some thoughts on the importance of Civil Air Patrol.

This worthy organization, composed now as it was then of civilian volunteers, was organized December 1, 1941, 6 days before the Japanese attack on Pearl Harbor. At that time, it was an element of America's civilian defense forces. In a way, it still is—since it is still associated with America's civil defense agencies.

During World War II, Civil Air Patrol—often abbreviated CAP—won its wings by performing a variety of tasks to help win the war. These tasks included coastal patrol mission, patrol along the Mexican border, courier and liaison flights, target-towing for antiaircraft gunners, and a variety of others.

These civilian airmen, most of them ineligible for the armed forces, or otherwise unable to serve, flew millions of miles on these wartime missions, using their own light airplanes, and giving their time, talent, and money for the Nation's good. Some of them gave their lives.

To keep alive this worthy organization after the war's end, the 79th Congress chartered Civil Air Patrol in 1946, as a private, nonprofit, benevolent corporation under Public Law 476, charging it with a number of humanitarian tasks to benefit the Nation.

In 1948, the 80th Congress, through Public Law 557, designated Civil Air Patrol a volunteer, civilian auxiliary of the U.S. Air Force and provided that the Air Force should render it some minimal support.

Today, Civil Air Patrol consists of 8 geographic regions which are subdivided into 52 wings—one for each State plus Puerto Rico and the District of Columbia.

The membership of Civil Air Patrol includes 62,868 men and women, boys and girls in 1,915 CAP units located in every section of the Nation. Included are 35,399 senior—adult—members and 27,469 cadets from grade seven in school through 21 years. These members, young and old, spend their spare time helping others—and enjoying it.

The Civil Air Patrol Corporation is governed by a national board of senior members with a CAP brigadier general as its national commander. National headquarters is located at Maxwell Air Force Base, Ala.

Today, Civil Air Patrol members no longer fly coastal patrol missions, watching for Nazi submarines along America's coastline. Nor does it fly any border patrol missions, alert for spies and saboteurs trying to slip into the country, nor antiaircraft target-towing missions.

But it has other tasks which it performs voluntarily, for the good of the Nation. These are performed without pay, and quite often without thanks. As to the pay, Civil Air Patrol members often dig into their own pockets for equipment, for transportation, and for the opportunity to serve.

Civil Air Patrol is probably best known for its air search and rescue operations at which it is expert. It is the only civilian group organized nationwide and equipped for such a task. Today it is responsible for approximately 80 percent of all Air Force-authorized flying hours spent on inland air search and rescue missions in the United States.

Civil Air Patrol's early records are sketchy and incomplete; so, no one knows for sure just how many lives it has saved over the years. However, the number runs into the hundreds. The highest number of lives saved in recent years is 68, a record set in 1968.

Civil Air Patrol flew 460 Air Force-authorized missions in 1974, putting in 21,773 hours flying time and saving 36 lives.

As of November 16, the volunteers had flown 608 Air Force-authorized missions in 1975, putting in 21,135 hours flying time and saving the lives of 49 individuals.

Civil Air Patrol also responds nationwide to such disasters as tornadoes, hurricanes, snowstorms, forest fires, floods, earthquakes, and many other kinds of emergencies, assisting with rescue and relief—and helping with the cleanup when the emergency is over.

Every year, Civil Air Patrol members pitch in to help their fellowman, donating thousands of hours of their own time. Many times, the people helped don't even know Civil Air Patrol helped them. CAP uniforms resemble those of the Air Force so much that people often think the help is coming from the military.

Other missions Civil Air Patrol performs are not so dramatic, but the benefits are often more long-range. These include Civil Air Patrol's comprehensive cadet program and its aerospace education program.

Through its cadet program, CAP seeks to develop within the cadets—teenagers from the seventh grade through 21 years—an understanding of the total impact of aerospace on our society while also providing training in leadership and citizenship. It is a good program, which will provide benefits for decades to come as these highly motivated, bright young people take their places—as leaders—in communities across the Nation.

Helping motivate and train these thousands of young people are hundreds of civilian ministers and clergymen who serve as Civil Air Patrol chaplains. Civil Air Patrol's chaplaincy corps is larger than that of the Air Force. These, like other CAP members, serve without pay.

Incidentally, these cadets provide a continuing source of volunteer recruits for the Air Force. By joining Civil Air Patrol, the cadets demonstrate their interest in aerospace; the training they receive in Civil Air Patrol further orients them toward the Air Force or a career in aviation.

The net result is that a relatively high percentage of Civil Air Patrol cadets are motivated to join the Air Force. For the record, an average of 6 percent of each entering Air Force Academy class over the past year has been former Civil Air Patrol cadets.

As a proponent of aerospace education for all Americans, Civil Air Patrol has developed instructional materials for aerospace education courses at all levels in the schools of the Nation and continues to seek the interest of educators in such courses. In this connection, CAP each year helps sponsor teacher workshops to train classroom teachers in these subjects.

These programs help develop a continuing and growing public awareness of the importance of aviation and space to the world. This can be of great benefit to the Nation by building a backlog of support for a strong national posture in these fields.

Briefly, that is what Civil Air Patrol does. The question is: How is it able to accomplish all this?

To provide a capability for air search and rescue and other emergency services, Civil Air Patrol has approximately 700 corporate-owned light aircraft, a fleet of some 3,100 various types of vehicles, and more than 17,000 radio stations which are tied into a nationwide network to meet emergency demands.

In addition, more than 5,500 CAP members own their own light aircraft which they use for Civil Air Patrol missions. More thousands use their own vehicles and privately owned radio equipment.

To help defray the costs involved in flying Air Force-directed missions, the Air Force is authorized under Public Law 557 to reimburse individual Civil Air Patrol members for fuel and lubricants used and for communications costs while participating in such Air Force-authorized search and rescue missions, test exercises, disaster relief missions, and civil defense missions.

In addition, Public Law 557, which established Civil Air Patrol as an Air Force auxiliary, also authorized the Secretary of the Air Force to assign personnel from the Department of the Air Force to duty with Civil Air Patrol at national, region and wing—State—levels. Currently, 97 officers, 106 enlisted personnel, and 70 civilians are authorized for this purpose. They are all assigned to U.S. Air Force-Civil Air Patrol and are under the command of Air Force Brig. Gen. Carl S. Miller.

None of these Air Force personnel exercises any direct control over the activities of Civil Air Patrol since their role is restricted to advising and assisting the organization in carrying out its congressionally chartered missions.

Public Law 557 also made Civil Air Patrol eligible to receive excess equipment and supplies from the Department of Defense. Over the years, CAP has received quantities of these materials, including airplanes, but certain items of equipment are in short supply due to the end of the Vietnam conflict, changing military roles, and the change in type equipment the military uses.

Civil Air Patrol, for example, has no use for obsolete jet and large transport aircraft. The small planes it has received are useful but it has cost the organization many thousands of dollars to convert them for civilian use as required by FAA regulations. And after they are modified for FAA airworthiness certification, they are still old airplanes.

Some radios and related communications equipment are obtained from excess military supplies; however, in some cases when the military gets through with such equipment, it is obsolete and is not of much value. Consequently, most of Civil Air Patrol's modern radio equipment has been bought and paid for by its members.

That is the extent to which current law allows the Air Force to support CAP. Not much, when you consider everything involved. Most of Civil Air Patrol's operating funds come from the membership dues paid by those who are in it. Some States appropriate funds on a regular basis for the support of Civil Air Patrol units within their own borders. Other funds come from interest on savings, individual donations, materials sold by CAP bookstore, funds raised by individual units, and sale of DOD excess equipment which has become unserviceable and useless to CAP requirements.

Civil Air Patrol is not the beneficiary of any nationwide fund drive. Its funds are limited and sometimes it is hard-pressed to keep up with its commitments.

Actually, the Nation is getting a bargain in Civil Air Patrol. Who can compute the value, for example, of all the lives it has saved over the years? Or the value of the property it has helped save and salvage when disasters struck? Or the worth of the young people it has motivated and inspired in the last 34 years?

Of course, it costs the Air Force something to operate Headquarters, CAP-USAF. The Air Force has to pay its people who work with Civil Air Patrol. And it has to pay for that gas and oil those little airplanes use on Air Force-authorized missions.

But CAP saves the Air Force and the Nation millions of dollars every year on its search and rescue and other emergency service missions. This is a fact. It would cost the Air Force and the Nation millions more dollars if it had to do what Civil Air Patrol does for it—and for all of us.

We are getting a bargain.

There is another bill relating to Civil Air Patrol now before this Congress. It is H.R. 5828, the Civil Air Patrol supply bill, which is now in the Armed Services Committee. Congressman YOUNG introduced the bill on April 9, 1975.

The measure would enable the Air Force to give CAP the additional support it needs to further assist it in its humanitarian missions. It, too, would cost money. But it would be money well spent. The Air Force and the Nation would still be getting a tremendous bargain.

So, briefly, that is what Civil Air Patrol is all about. It is a unique organization performing unique services for all of us. For 34 years, its volunteer members have gone their quiet way, asking nothing much except the opportunity to serve, in ways they enjoy.

One man, not a member, had some kind words not too long ago about Civil Air Patrol's mission. "Even if I get killed," he said, "I still want somebody to care enough to look for me."

And, if you're ever lost in the wilderness, or if your plane is ever forced down miles and miles from nowhere, you are going to feel secure knowing that Civil Air Patrol cares enough to be out there looking for you.

They deserve more than a passing mention. They deserve our backing and our support.

Happy anniversary, Civil Air Patrol.

GOLDSTEINS HONORED BY YAVNEH HEBREW ACADEMY

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. WAXMAN. Mr. Speaker, on December 15, Alan and Adell Goldstein will be honored by the Yavneh Hebrew Academy of Los Angeles. The occasion is the academy's annual scholarship dinner. This year's dinner is dedicated to raising funds for the education of almost 70 Russian emigre children now enrolled in the academy.

The educational needs of impoverished immigrant students is a cause for which the Goldsteins have very intense and personal feelings. Not so very long ago Alan Goldstein and his brother David were themselves children whose immigrant family could not afford to pay for the parochial school training they wanted their sons to have.

The Goldsteins were one of a mere handful of families who miraculously escaped the fate that befell their fellow townspeople of Erzwelig, Lithuania during the holocaust. Though they arrived in Los Angeles penniless, and had a meager income, they were determined to give their children the intense religious training and secular education available only at a yeshivah—an orthodox Jewish parochial school. The only institution that was willing to offer the Goldstein boys full scholarships was the Lubavitcher Yeshivoth of New York.

Since those early days the Goldstein family has prospered in the rest home and convalescent hospital field—a field in which they were pioneers. Despite their success, they have never forgotten their narrow escape from the Nazis or their difficult early years in this country.

They have been tremendously generous not only with the Lubavitcher movement which befriended them, but with numerous other religious and philanthropic institutions.

The philanthropic work of the Goldsteins has been extended to institutions in Israel and throughout the United States as well as to deserving organizations in their home city of Los Angeles.

Since her marriage to Alan, Adell Goldstein has taken an extremely active role in all the family's philanthropic activities. She is the daughter of Rabbi and Mrs. Benjamin Baim, of Los Angeles.

I should like to insert in the RECORD an excellent article by Gilbert E. Thompson on the Yavneh dinner honoring the Goldsteins. The article originally appeared on November 14, 1975, in the B'nai B'rith Messenger:

YAVNEH DINNER WILL FUND EMIGRE CHILDREN'S SCHOOLING

(By Gilbert E. Thompson)

"Russian Exodus '75—From Darkness To Light," has been set as the theme of Yavneh Hebrew Academy's annual scholarship dinner, it was announced by Claude and Etty Arnall, chairpersons.

This critical fund raising event which will provide funds needed to educate nearly 70 Russian children this year, has been set for Monday, Dec. 15, at the Beverly Hilton Hotel. Honorees of the evening will be Alan and Adell Goldstein.

The Goldsteins have three children attending Yavneh Hebrew Academy, and each has a distinguished record of community service. Alan Goldstein has served as a director and officer of Yavneh for several years. He is an alumnus of Lubavitch of New York, a founder of Chabad House at USLA, and takes an active leadership role at Congregations Shaarei Tefila and Ohel David. He also serves the City of Los Angeles as a commissioner on the Community Redevelopment Agency.

Adell Goldstein, daughter of the beloved Rabbi and Mohel Rabbi Benjamin Baim, has served two terms as president of the Neshei Agudath Israel, and has taken an active role in the Yavneh PTA. Mr. and Mrs. Goldstein are both licensed nursing home administrators and are active in the California Association of Health Facilities and the American College of Nursing Home Administrators.

In accepting the honors accorded by the academy, the Goldsteins cited the critical need of the academy to provide an intensive Jewish education for nearly 70 recently arrived Russian Jewish children, and a similar personal experience, it was noted by Joseph Kornwasser, president of the school located at Beverly Blvd. and Fuller Ave.

Goldstein recalled that "this is history repeating itself." He spoke of the tribulations of his parents, Mr. and Mrs. Harry Goldstein, and his brothers David and Berel, when they arrived in Los Angeles just a quarter of a century ago—refugees from the holocaust of Lithuania—the nazi concentration camps—the DP camps—and the experience of a destitute family trying to build a new life in America.

Goldstein stressed that hard work and a sense of unity carried the family along the tide to success in its chosen field of providing health and geriatric care for countless people in a Jewish environment and tradition. But, said Goldstein, "we will be eternally grateful for the helping hand that was extended to us in our period of resettlement to the United States and we shall never lose sight of our duty to preserve Russian Jews for Judaism.

"To this end we have dedicated our efforts to help insure that the nearly 70 Russian Jewish children at Yavneh this year will be given the opportunity to be drawn into the mainstream of Jewish life."

THE ELOQUENCE OF RABBI POLISH

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. MIKVA. Mr. Speaker, the disgraceful United Nations General Assembly resolution which equated Zionism with racism has been rightfully and forcefully condemned by Congress, and by people of goodwill and understanding everywhere. But nowhere has the response been more compelling and eloquent than that given by Rabbi David Polish of Beth Emet congregation of Evanston, Ill.

For those of us who know him, Rabbi Polish's remarks at a rally at Chicago's Civic Center Plaza on November 20 once again reflected his unusual capacity to articulate the ideals of our Judaic-Christian tradition and to make those ideals a driving force for a more just, humane world.

Mr. Speaker, I would like to share with my colleagues Rabbi Polish's remarks and, at this point, I insert those remarks:

The Political Pogrom against Israel and the Jewish people has revealed the true intentions of Arab leadership. They do not want a peaceful solution. They want a Final Solution. Two months after the interim settlement in the Sinai, even while Israel was complying by preparing to withdraw from the oil fields, the Arab world sabotaged the settlement. Is this Israel's reward for taking risks for peace?

The issue is not the Palestinians. The issue is that the Arab world has served notice of intent to destroy Israel. As long as it clings to this goal, no matter what concessions Israel might make, we will resist.

This anti-Semitic Declaration has made a Zionist of nearly every Jew. Every Jew who wants the State of Israel to live is a Zionist. Every Jew who remembers how the nations of the world turned away victims of the Holocaust, is a Zionist. Every Jew who remembers the expulsion of 800,000 Jews from Arab lands is a Zionist. Every Jew who sees the torment of his brothers in Russia is a Zionist. As long as any bloc of nations still wages war against the Zionist Platform of "an internationally recognized homeland for the Jewish People", Jews will be Zionists.

When John F. Kennedy stood at the Berlin Wall dividing the city, he did not hesitate to declare, "Ich bin ein Berliner". Standing in spirit at the Western Wall with our fellow Jews and all those who make common cause with us, each of us declares "Tzioni Anochi"—I am a Zionist".

Who are those who call Israel racist? The hangmen of Iraq who hunt down Kurdish tribesmen in genocidal fury. The Moslems of Sudan who persecute black Sudanese. The Syrians who murder Jews trying to escape. The Saudis who traffic in black slaves. The PLO which is trying to destroy the Christian community of Lebanon.

Who dares call Israel racist when Arabs sit in Israel's Parliament, attend the Hebrew University in Jerusalem and the Technion in Haifa, and patrol with their Jewish fellow citizens on guard duty against terrorists.

This is a time of challenge for the Jewish people. It is also a time of testing for the Free World, especially the United States. The Communists, the Arab World, the Third World do not want only to bring Israel down. They are succeeding in bringing down the United Nations. They want to bring America down. Their attacks upon the United States through the oil boycotts and in the United Nations are as shrill and vile as their attacks on Israel. Peace and détente mean only one thing to them—a pause during which they tighten the ring around America. They say to America, "Hold still while we fasten the noose". The West failed to listen in the 1930's. The fall of Ethiopia and then of Spain and then of Czechoslovakia while the world stood still, was the beginning of the fall of Europe and of world peace.

What the Arab nations have not been able to do in battle, they now try to do in the U.N. They are trying to cancel out the decision of 1947, which brought the State of Israel into being.

They have only succeeded in stirring the revulsion of the Free World. They have only succeeded in uniting Jews in a covenant of solidarity which will continue as long as Israel is threatened. They have not been able to shoot us out of existence. Neither will they be able to vote us out of existence.

By the foul tag of racism, they hope to make of us what they call us. We, whose sons and daughters died defending the rights of Black people, whose children have fought for the Mexican farm worker. But they will never succeed in making us over in their image, the image of Hitler and Stalin.

We are proud of America for its vigorous resistance to the high-jacking of the United Nations. We are proud of all those who have stood up against a call to genocide. Together we call upon our Government which has made its re-assessment of its relations to Israel, now to re-assess its relations to the United Nations which has replaced the Dead Sea as the lowest place on earth.

If this bloody resolution has done anything, it has succeeded in pushing the Free World to its hour of truth. Its own future, like ours, is at stake. Let the West see what we have seen, that a threat to a single people is a threat to the peace of the World.

A day will come when the oil will dry up beneath the sands of the Arab World. The desert will cover even the memories of those petty tyrants who hold the world for ransom. And Arabs and Jews who truly hunger for peace will again join hands. And this State, Israel, and this eternal people, Israel, will live.

RESPONSIBLE GOVERNMENT

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. SNYDER. Mr. Speaker, those of us who are members of the Aviation Subcommittee of the Committee on Public Works and Transportation have had occasion to become acquainted with the new Chairman of the Civil Aeronautics Board, John E. Robson, during the 6 months he has held the post. I think I speak for all when I say that we are impressed with the manner in which the Chairman has approached his responsibilities and his grasp of the many complex issues confronting the Board.

Chairman Robson commenced his duties with CAB at an especially difficult time for our great air transportation industry. The effects of the recession coupled with the steadily rising cost of fuel brought the threat of financial ruin to many carriers. The Chairman and his associates have responded to these problems effectively—while at the same time taking steps to streamline the procedures of the Board. With Chairman Robson at the helm, we look to the future with confidence.

Mr. Speaker, the Chairman addressed the National Aviation Club on November 13, 1975. While I was not in attendance, I have had an opportunity to review his remarks. In addition to presenting an overview of the problems facing the air transportation industry, Chairman Robson discussed his concept of responsible government. I believe that my colleagues and others will be especially interested in his thoughts on this vital subject.

Mr. Speaker, I insert the full text of the address to be printed at this point.

REMARKS BY JOHN E. ROBSON, CHAIRMAN OF THE CIVIL AERONAUTICS BOARD

It is a pleasure to be here today among so many who share my belief in the importance of aviation and my concern that its future will be as bright as its past.

The great pitcher Satchel Paige once admonished: "Don't look back. Something may be gaining on you." I have always found that to be a useful philosophy. Satchel's rule tells me not that we must flee from all that is past—but that the challenges of today and tomorrow must be met looking forward.

It is a philosophy I have tried to follow since I became Chairman of the Civil Aeronautics Board just over six months ago.

If, however, you will permit me a momentary departure from Satchel Paige's rule, I will say, in all candor, that it has been a tough six months. It has been tough for the Board and tough for the aviation community. Transition is usually unsettling. But we have put together a leadership team of which I am very proud. I have also found myself blessed with a superbly capable and dedicated CAB staff. And, we have launched some initiatives I wanted to get underway. Overall, it has been a difficult, but satisfying period. I have no regrets that I am where I am.

As I look ahead, it is perhaps worthwhile to share with you today some of the perspectives which govern my notions of the nature of my responsibilities and the way I am to carry them out.

I did not come to my present position to be loved. And to the best of my abilities, and always as my own man, I shall call them as I see them and try to do what I believe is wise and right.

Washington is a town inhabited by many cynical storytellers. They devote considerable energy to promulgating as fact their assumptions and speculations about how the Federal world "really" operates. One who dwells in the mists of mistrust, will, not surprisingly, see specters of secret instructions and hidden agenda where there are none in fact. The original misperception soon becomes a conviction that any action is the product of some unseen guiding hand. And very little will then be perceived as it actually is.

The unfortunate victims of this tale bearing are those who are genuinely interested in the substance of what government does or plans to do. For by these cynical speculations they are decoyed into battle with nonexistent foes—and distracted from dealing with reality. And—at least in aviation—reality presents enough difficulties to consume our total attention and energies.

An example of the refusal to accept govgovernment action at its face value is the Board's recent decision to modify and refine some of the methodologies which are employed in evaluating proposals for passenger fare increases. The Board's suspensions of proposed fare increases under the modified methodology led to widely broadcast accusations of politically motivated action and "number juggling" solely for the purpose of reaching some predetermined result.

Reasonable men might argue against the technical merits of the Board's decision. Indeed some have. But it is unfortunate that so much of the criticism has been addressed not to the substance of the Board's actions but has degenerated into speculations as to motivation which simply have no basis in fact.

I recently saw a newspaper story which quoted a political strategist, frustrated in his attempt to find a dramatic simple campaign theme, as saying that it was hard to sell responsible government as "sexy".

He is so right!

Yet, responsible government is the only kind of government the American people want and will tolerate.

The analysis and solution of the array of problems confronting aviation will not be furthered by hip shooting or sloganeering. If a methodical approach to possible change is boring or ambiguous—so be it. Drama and florid rhetoric have their place—but it is on the stage—not in the serious administration of public responsibilities or in the search for sound answers to complex issues.

I am willing to admit that I do not have all the answers to aviation's problems. That may not be fashionable at a time when so many are freely—and with absolute certainty—dispensing their prescriptions for all of aviation's ailments. But, when we are dealing in the real world with the future of an essential transportation service—we need not be embarrassed to hesitate to plunge headlong into the pool until we are sure our bathing trunks are fastened.

I have stated previously my view that we have entered a new economic era for aviation, and my firm belief that we must search out and experiment with new concepts and not fear to implement those policies which we determine will best serve that era. But the cause of responsible change is poorly served by tub thumping or fatuous editorials such as one that just crossed my desk this week making an economic analogy between digital wristwatch makers and the commercial aviation system.

There is a gnawing pressure on public officials to paste a label on themselves—or to make it easy for the rest of the world to do so. I find that to be the situation in my job. It sometimes seems that greater comfort is taken from mentally pushing a public official into one or another philosophic or economic pigeon-hole than from a perception that, as his obligations demand, he takes into account the various interests which may be affected in the resolution of the issues coming before him.

This is peculiarly so in carrying out the Board's responsibilities. The broad legislative objectives under the Federal Aviation Act are several and sometimes in conflict. I do not see that we are licensed to embrace one and ignore the rest. But I am also convinced that we would be faced with the same task of trying to objectively balance various interests even if Congress had not chosen to enumerate some of them in our statute.

That is because we are a nation of special interests. Each legitimately strives for its place in the sun. Each legitimately tries to pull the actions of government in its direction. The competition of economic and social interests for governmental redress was recognized by the founding fathers as a fact of life two hundred years ago. And so it will always be. It seems to me that our duty as public officials requires that we consider and weigh those interests in the actions we take. And I cannot find any persuasive grounds for the view held by some interests that if we do not unequivocally declare our special commitment to you—we must be against you.

That same diversity of interests in our society demands that access to government be open—that public officials be in frank communication with all those who may have an interest in their actions—so that we may add the benefit of their perspectives and views to our own. We simply cannot afford to isolate ourselves.

Since I came to the Board I have met personally with representatives of industry, labor, consumers, the financial world, states and cities, foreign nations, the press, academia and Congress. My door has been open to all and I intend to keep it so. I believe profoundly that people have a right to see their public officials. There are rules forbidding communications which legally infringe upon our quasi judicial functions and which spell our responsibilities if those rules are transgressed. My personal experience is that people are aware of and observe those restrictions.

I have been troubled, however, by the attitude of suspicion which seems to attach to contacts with the outside world—particularly those from the private sector. To shut off those meetings would, in my view, be inconsistent with my public responsibilities. I have, however, considered ways which might help underscore the legitimacy and proper role in a democratic society of contact between government and the private sector. Perhaps there will be some benefit—and the suspicious will be comforted—if what some may see as an air of secrecy surrounding these meetings is dispelled. In any event I should like to try it. And I have decided that, beginning next week, I will each day make available publicly a list of my previous day's meetings with persons from the private sector and a brief indication of the subject of the meeting.

Our work need not be denied the views and contributions of the outside world because we may worry about misplaced criticism.

I might observe that the dangers of isolation are not limited to public officials. Industry has a tendency to talk mostly to itself. How many of you have sought out different perspectives, fresh ideas or engaged in head to head combat with an economist, academician or government official—especially one who disagrees with your notions. Such an interplay of ideas seems essential in an era of change and complexity. If industry is perceived to have made a somewhat pachydermlike response in the current debate on regulatory policy—may it not stem from the lack of analytical and intellectual preparedness?

The tasks which lie ahead are numerous. None are easy.

We will face in the immediate months ahead the difficult and delicate task of trying to grapple with higher fuel and non-fuel costs, while at the same time hoping to see traffic levels, load factors and yields improve and wide economic access to air transport maintained.

If the resolution of energy policy emerges in the form of a fairly long-term graduated decontrol of domestic oil prices, and we experience no sudden skyrocketing of fuel prices, I am hopeful that the problem can be managed without the need to separate fuel from other costs.

We will look with interest at the carriers' thinking on discount fares. In general, the Board has allowed discount fares to be implemented. Fundamentally, these are marketing and financial decisions of management the treatment of which under our ratemaking standards is understood. Personally, I am, within reason, inclined to leave to management's discretion both the decision to introduce or cancel a discount fare.

The use of discount fares has increased significantly over the past year, at a time of general traffic sluggishness which has aggravated the capacity problems of the carriers. Faced with more aircraft than are needed to carry the available traffic at normal fares, management has two basic tools: it can modify schedules and it can attempt to fill empty seats with discount fares.

Since load factors have been relatively flat during this period of increased use of discount fares, it has reflected itself in inadequate bottom line results.

The unknown in the coming months is how carrier managements, as they attempt to solve traffic and load factor problems, will balance the employment of discount fares and more stringent scheduling practices. Attention to both measures would seem important.

On a broader front, we must be moving forward in several other areas.

I have expressed previously my concern that everything possible be done to hasten the Board's decision-making. I am optimistic that a great deal can be done through procedural reforms which we will be considering as a result of the work of our outside Advisory Committee and by the imposition of internal management disciplines. I will confess to some concern, which I hope is groundless, that we will encounter obstruction in implementing changes by those who, while anxious for expedition when they want a decision, are quite prepared to tie us in procedural knots when delay is seen to be in their interest.

In the realm of international aviation there is much to be done—and I intend to say more about these matters in the future. It is my hope that I can contribute to creating a national attitude of insistence on an improved competitive position and fair treatment for U.S. carriers, to some better rationalization of the decision-making structure and process, and to a firmer concept of America's international aviation objectives and how we intend to accomplish them in the real world.

Central to the long range strength and profitability of the aviation industry will be its ability to achieve improved productivity. Management labor, technology, and investment all have critical roles to play. Productivity is, of course, only a measure of efficiency. Yet in a business where both private and public considerations enter into price and service policies, the maintenance of efficiencies becomes absolutely critical. We must all do much more hard and innovative thinking if aviation is to meet this life or death challenge.

Benjamin Franklin once said that, "By the collision of different sentiments, sparks of truth are struck out." You have heard me speak often enough on the need of rigorous examination, debate and testing of regulatory precepts to know I share this view. I would be proud to help lead an attitudinal change—where all of us in the aviation community are determined that the sparks of truth will come out—where a willingness to experiment with new ideas is common—and, most critically, that change is seen not as a threat but as the surest road to meeting the economic realities.

I cannot believe we need to fear that a strong house will be set afire by the sparks of truth.

COMMEMORATIVE CEREMONY ON THE U.S. FRIGATE "CONSTELLATION"

HON. PAUL S. SARBANES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. SARBANES. Mr. Speaker, I would like to take this opportunity to call to the attention of my distinguished colleagues an event commemorating the original 45 Marines who served aboard our Nation's first naval vessel, the USF *Constellation*, which is permanently berthed in Baltimore's Inner Harbor.

In this, the Marine Corps' bicentennial year, it seems particularly appropriate to honor the brave men who served aboard the USF *Constellation* in 1798. The Marine Corps is justifiably proud of its 200-year history, and the commemorative program will be appropriately carried out through the efforts of the Marine Corps Commemorative Committee of Maryland. The ceremony takes place December 7, the anniversary of Pearl Harbor. At that time, the first contingent of Marines who served aboard the ship will be commemorated by a large bronze plaque bearing their names, which are as follows:

Bartholomew Clinch, lieutenant; Alexander Inns, 1 sergeant; Samuel Coleman, 2 sergeant; Edward Mercer, 1 corporal; James Hague, 2 corporal; Thomas H. Dunn, private; Isaac Gardner, private; Hezekiah Owens, private; John Dinin, private; Oliver Arnold, private; Daniel Smith, private; David Griffiths, private; Edward Kenen, private; William Williamson, private; William Rawlings, private; Benjamin Brown, private; Christopher McCormick, private; James Fitzmorris, private.

Stephen Collins, private; George Herbert, private, William Justice, private; Richard Price, private; Borthoy Duffy, private; Michel McEntire, private; James Robb, private; Thomas Murry, private; William Hook, private; James Hambleton, private; Daniel McCarty, private; Michael Reynolds, private; James O'Carroll, private; George Simpson, private; William Nighton, private; James Coughlan, private; Joseph Butler, private; John Shirley, private; John Hunt, private; James Mahoney, private; Timothy Flaherty, private; Aquilla Norris, private; Thomas Hardman, private; Thomas Hall, private; Hirman Chapin, private; Job Swain, private; Walter Commisio, private.

A word about the valiant Marines who first served aboard the U.S. frigate *Constellation* is in order. The nucleus of the Corps was composed of Continental Marines recruited at Tun Tavern, Pa., in 1775. The balance were recruited in April 1798, by Lt. Bartholomew Clinch, USMC, at Fells Point within sight of the present berth of the *Constellation* in Baltimore Inner Harbor.

These Marines were capable marksmen whose services were deemed acceptable only if they could hit the bowl of a clay pipe from 50 paces with their own smooth bore rifles. Their duty was to pick off opponents with musket fire from positions high in the ship's fighting tops, and to board enemy vessels for purposes of capture.

Further, the marines furnished guards and sentinels aboard ship and were expected at all times to protect and sustain the stern discipline of a ship by their organization, distinctive character, and training. The marines were expected to be the force behind the captain in dealing with serious breaches of discipline.

Marines were not required to go aloft; distinct provision was made for their duties at sea. Any role in the sailing of the ship was entirely voluntary on their part. An important duty of the marine sentries on the quarterdeck was to guard the arms chest. When the crew was called to quarters, the marines habitually mustered on the quarterdeck where, in case of emergency, they were armed from the nearby chest.

The U.S. frigate *Constellation* was authorized in March 1794, by George Washington and was launched less than 3 years later at Harris Creek, Baltimore. The shakedown cruise began June 26, 1798.

Her battle history is extensive and impressive. She captured the French frigate *L'Insurgente*, bearing 42 guns, in February 1799. A year later in a famous night battle she defeated the 52-gun French frigate *La Vengeance*. From 1802 to 1805 she operated with the U.S. fleet in the blockade of Tripoli.

During the period 1813 through 1815, although blockaded in the Chesapeake Bay by a large British force, the U.S. frigate *Constellation* prevented the invasion of that area and defeated a British force of 400 men at Craney Island.

In the second war with the Barbary Pirates in 1815, the *Constellation* poured a broadside into the 44-gun Algerian frigate *Mashuda*, causing her to surrender. From 1817 to 1823, under the command of Comdr. Charles Ridgely, she served as flagship and succeeded with the aid of her squadron in suppressing piracy in the West Indies and off the coast of South America.

In 1839, the U.S. frigate *Constellation* was employed in support of land troops fighting the Seminole Indians in Florida. Four years later she was used by her commander. Lawrence Kearney, a diplomat, in obtaining a treaty and open door policy trade agreement with China. She was the first American man-of-war to enter the inland waters of China.

Under Flag Commodore Inman, the *Constellation* patrolled and successfully blockaded the export of Negro slaves off the coast of West Africa. During the U.S. Civil War, she was successful in clearing the Mediterranean and participated in the blockade of New Orleans and Mobile Bay. This was her last combat action.

Henceforward, the U.S. frigate *Constellation* would be used as a training ship and gunnery practice ship. Perhaps her most enduring victory was the one waged in her behalf by the *Constellation* Restoration Committee. The committee fought constantly from 1952 to 1955 to prevent the destruction of the *Constellation* and succeeded finally in getting an act of Congress to protect and preserve this great historic ship.

The commemorative program has been planned by the Marine Corps Commemorative Committee of Maryland: Col. James F. McClanahan U.S. Marine Corps, retired, chairman; Lt. Col. James M. Joyner, U.S. Marine Corps, retired, treasurer; Sgt. Maj. Ralph J. Fletcher, U.S. Marine Corps, retired, secretary; George C. Moran, public relations director. The ceremony will get underway at 1 p.m., December 7, at USF *Constellation* Dock, Pier One, Pratt Street, with James F. Mutscheller serving as master of ceremonies.

The Bicentennial flag will be presented to the USF *Constellation* by Capt. Harry Allendorfer, director of special events for the American Revolution Bicentennial Administration, and will be accepted by Gordon M. F. Stick, chairman of the USF *Constellation* Foundation, Inc.

The presentation of the flag will be followed by welcoming remarks from

Baltimore City Mayor William Donald Schaefer and Baltimore City Council President Walter S. Orlinsky, chairman of the Baltimore City Bicentennial Committee.

The Honorable Louis L. Goldstein, comptroller for the State of Maryland and a former Marine Corps captain, will be the guest speaker.

Following Mr. Goldstein's remarks, a bronze plaque bearing the names of the original 45 Marines who served on board in 1798 will be unveiled, with Brig. Gen. E. H. Simmons, director of Marine Corps History and Museums, presiding.

GROWING PUBLIC PRESSURE FOR TOUGH GUN CONTROL LEGISLATION

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. DRINAN. Mr. Speaker, public pressure for tough gun control legislation is growing steadily. Polls show ever-increasing majorities in favor of restrictions on the availability of handguns and a system of registration and licensing. Local as well as nationally-read newspapers are urging the Congress to enact gun control laws to reverse the increase in crimes of violence.

The Wayland-Weston (Mass.) Town Crier recently contained a guest editorial by Betsy Nichols, president of the League of Women Voters in Weston, and Sue Etelman, president of the League in Wayland. They effectively counter several of the myths propagated by those who oppose firearms control and describe a statewide petition campaign to prohibit the private possession of handguns.

I have introduced legislation which would require the registration and licensing of all firearms and ban the private possession of handguns. I urge my colleagues to acknowledge the will of the people by enacting such legislation.

Article follows:

Why We Must Act To Control Handguns

(By Betsy Nichols and Sue Etelman)

"I need to own a handgun to protect my family and my home." While this feeling is understandable in a period of increasing crime and violence, statistics show the reasoning to be faulty. Ninety-eight percent of all housebreaks are committed when the house is vacant. When the housebreak occurs, the handgun purchased for protection is usually stolen and enters the underworld, thus (contrary to the intentions of the purchaser) contributing to increased crime and violence. Across the country 500,000 handguns are stolen each year.

While waiting to be used against an intruder, the privately owned handgun constitutes a deadly threat to innocent people. The Eisenhower Commission reports that "for every burglar stopped by a gun, four homeowners or family members are killed by a gun." FBI statistics show that 72.6 percent of all homicides in 1972 were carried out by people who were not at that moment involved in breaking the law and who indeed knew or were related to one another. How many of these deaths would not have happened if a gun had not been handy?

If the gun is stored "safely" in order to lessen the risks of accident, what good is it going to be in case of emergency? Can the gun and ammunition be retrieved from their separate locked compartments and assembled in time to be of protective value?

"I have a constitutional right to own a gun." The Supreme Court of the United States has ruled that the possession of private guns is not guaranteed in the Bill of Rights unless the gun is part "of the ordinary military equipment" or "(unless) its use could contribute to the common defense." The National Guard is now the union of the state militias, and thus this body alone, outside the regular armed forces, has the constitutional right to bear arms.

"If we give up our handguns we won't be able to protect ourselves against subversion or invasion." With the sophistication of modern weaponry a serious subversive or invading threat won't be turned aside by the presence of handguns.

"If handguns are outlawed only outlaws will have handguns." While it is true that we cannot expect the criminals to turn in their guns, it is also true that if guns are not sold legally and are not available from home robberies, two major sources of supply have been dried up. Also, if handguns are against the law, then police can arrest criminals simply for the possession of a handgun, thus preventing a future crime.

The Eisenhower Commission calculated in 1968 that there was one handgun for every five people in the United States, one for every 33 people in Canada and one for every 200 in Great Britain. At the same time the total number of gun deaths in the United States exceeded that of all other free nations combined. Since 1968 the production of handguns has been about 2.7 million per year in the U.S. and the number of gun deaths has increased substantially each year despite a levelling of the population.

An initiative petition urging the prohibition of the private ownership of handguns is now being circulated in Weston and Wayland and throughout the rest of the state. The prohibition would not apply to military personnel and law enforcement officers. It would not affect the possession of rifles, shotguns and certain antiques and replicas. The proposal also would not change the existing statutory penalties for unlawful possession, ownership or sale of handguns. The proposal would permit owners of handguns who surrendered their weapons within six months to be compensated.

If 56,000 certified signatures are collected across the state by the end of October, then the issue will automatically go before the legislature. If the legislature fails to act favorably by May 5, 1976, and if another 10,000 certified signatures are collected, then the issue will be on the ballot in November of 1976.

The coalition which is sponsoring this petition—Mass. Council on Crime and Correction, People vs. Handguns, CPPax and the League of Women Voters of Massachusetts—believes that it is time for the people to have a chance to voice their opinion on this issue. Time and again the powerful lobbies in favor of gun ownership have influenced the legislature to turn aside from gun control. Meanwhile public opinion polls and referenda have indicated public desire for such control. For example, Winthrop, Wellesley, Brookline, Newton and East Boston voted 79 percent in favor of a handgun ban on a referendum question in 1974.

We urge you to sign the petition if you are already in favor of gun control. If you are undecided or against gun control, please reread the arguments and think it over again.

AMERICA'S THIRD CENTURY

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. HARRINGTON. Mr. Speaker, citing the disastrous results of the two greatest surges in public expenditure in world history—the defense shift devoting 9 percent of America's GNP to defense spending between 1948 and the mid-1950's, and the welfare shift diverting another 9 percent to helping the urban poor between 1960 and the early 1970's—Norman Macrae urges the United States to lead the capitalist world in a thorough overhaul of its historically inefficient system of public sector spending.

In the seventh installment of Economist editor Macrae's survey of "America's third century," which I have been inserting in the Record over the past few weeks, the author prescribes a remedy for the ills of our Federal spending policies: First, extension of voter participation in defining what communities want from public service, then development of new sorts of market competition to find out who can most efficiently provide it.

I would like to insert this section of Mr. Macrae's article for publication in today's Record. With one-half trillion dollars—and rising—available for Government spending each year, the importance of foresight and a responsible, responsive policy for public sector spending cannot be overemphasized.

The text of the seventh installment follows:

[From the Economist, Oct. 25, 1975]

The Dreamy Monster

America has the right government system for running a free enterprise society; but the wrong one for running the one-third socialist society into which it has meandered.

There are three key points about the way in which the Americans rule themselves, but many Americans have not yet recognized the last two. To begin with the old hat:

(1) The American system is to set up lots of competing governments—both at Washington (as between executive and supreme court and congress and all those task forces and a shifting establishment) and at local level (where the overlapping between the thousands of local authorities is now being compounded by greater overlapping within themselves as they also proliferate advisory committees, etc.). This system has one huge advantage. As Madison saw when he created it, multigovernment saves America from being ruled by a "tyrannous majority". It also has several interesting side-effects, and now one huge but correctable disadvantage.

(2) The disadvantage is that this dreamy monster of American multigovernment is the most inefficient body for spending money on non-specific and non-measured objectives that could be conceived. As it now has more money (about $½ trillion) to spend annually on non-specific and non-measured objectives than the entire annual income of the poorest half of people in the world, this is awkward.

Any Cassandra would have been accused of making a mortally-sick joke if she had forecast what would happen in the past quarter-century after the two greatest surges in public expenditure in world history. After America's "defense shift" (ie, the diversion to defence between 1948 and the mid-1950s of 9% of America's huge and growing gnp), the military establishment thus expensively created managed to lose an unnecessary war to slightly ridiculous North Vietnam. Then after the "welfare shift" (ie, the diversion between 1960 and the early 1970s of another 9% of America's huge gnp to help, in particular, the urban poor) life for the urban poor became unmitigated hell. Crime in their home areas soared, family structures were destroyed, education and other public services rotted, cheery if dirty inner cities became neurotic and dirtier inner cities. At a cost in social welfare expenditure that rose from $24 billion in 1950 to $242 billion in 1974 America sprouted a welfare system that more often crippled than aided its clients and their neighbours.

(3) The Americans are likely to react to this failure of managerial government either mainly in one silly way or mainly in one sensible way. The silly way (at present being widely urged) is to "increase participation": ie, to set up ever more competing units of governments so that all the 5% of people who are interested in government as a hobby can eventually join some local coordinating committees to be coordinated by other coordinators. This would further strengthen America's admirable and already inviolable defences against being ruled by a tyrannous majority, but it would also mean that the volume and inefficiency of government spending of money would grow and grow.

The sensible reform is to reorganise the system in favour of the 95% of people who are interested in governments as consumers of their services, not as would-be participatory producers of them. This (see below) should involve the transfer from bureaucratic to marketplace mechanism of many of today's public services. A great deal for the world will depend on which of these two roads America takes. But consider the other two points first.

SO MANY GOVERNMENTS

The first consequence of America's possession of so many competing units of government is that a marvellously radical range of proposals for every issue is very quickly mooted, but a rather conservative range of proposals is then rather slowly put into effect.

Action on any proposals will impinge on perhaps 20 bodies' bailiwicks, so the eventual decision-maker usually blocks ideas that could be called kooky, both in order to avoid giving offence to the perhaps 10 conservative agencies in his multifold consensus and to avoid giving the encouragement of precedent for their own odd suggestions to his perhaps nine other kooks. The exception is when this long delay in bringing any decision causes (or is deemed to have caused) a crisis. Then the American system is that all the ideas, both the conservatives' and the kooks', are adopted in a bunch. This is how there came about all the three big surges (the "new deal" shift of the 1930s, the "defence shift" of the 1950s. the "welfare shift" of the 1960s), which carried America's peacetime government spending from 11% of gnp in 1929 to today's 33%—in three rushes, and by mistake.

As I believe that domestic decisions made by governments since the war have usually done slightly more harm than no decisions would have done, I did not consider until this trip that the usual delay of decision-making through the multigovernment system had done America any net damage in non-crisis years. But during this trip I began to believe that America's multigovernment system had sprouted, even for noncrisis years, some new disadvantages.

First, it must be a disadvantage that the last two elected Presidents of the United States have been driven paranoid as they sat like spiders at the centre of this multifold web of argumentative and often cleverer people, and felt that they and their own Haldemans or Rostows were beleaguered in a world of traducing enemies from the bureaucracy and establishment and media. My guess is that Humphrey and McGovern are the type who would also have been upset by this. Could it have led them, too, to suppose that bugging and deception and worse were part of the necessary process of government, as both Johnson and Nixon did?

President Ford does not feel paranoid at being regarded as a "footballer who played too long with his helmet off", because he has good naturedly been accustomed to that sort of taunt all his life. But something does seem wrong with an election process when the last presidential election was won with the largest majority in America's 200 years of history by two men who were at that moment chargeable as accomplices of different felons, and when the next election seems liable to be won with a large majority by a president who was elevated by the multifold consensus to the top job in the world largely because the opposing party wrongly thought him too dumb to offer it a threat in 1976.

The great hope is that the American people may be showing much more sense than the participators in political caucuses. Except for John Kennedy the worst sorts of honest man to be American President have probably been those who have been regularly nominated by the main parties since 1960. The voters may now have woken to this. Last year the Democratic party leaders did not endorse Hugh Carey for governor of New York because he could not win, and he then won because they did not endorse him. To a cool decision-maker, with all those ingenious alternative ideas coming in from all those competing sources, the job of President of the United States could now be enormously productive fun—provided only that all parts of American government could get new controls on spending.

THE $500 BILLION QUESTION

America's multi-consensus Madisonian system is now causing the money spent on government to soar and yet be insufficient at the same time. When one body in government gets money for a programme, another body that has been fighting against it has to be given some money for another programme, but economies are usually sought by ensuring that the share available to each is insufficient to carry its particular programme through. Moreover, competition rarely extends to the point where one government body assesses the inefficiency of its rival's achievements, because it is afraid of counter-assessment back. The reliance on Congress for this won't work.

While European democracies were built downward by the gradual forced extension of aristocrats' noblesse oblige, American democracy was built upwards by the elevation into at least a twentieth-century advertising agency's ethics of nineteenth-century precinct-politicians like Boss Tweed. The founding fathers had spotted the danger, which is why they gave America a constitution for governments with few powers and those mostly negative. This and the Boss Tweed tradition are awkward for multigovernments spending $500 billion a year.

The politician's art in America is that of successful negotiation among proliferating organisations, whom he usually promises he will try to get more money for. He often shocks an innocent European by publicly favouring government expenditure for which he admits in private that intellectually there is no case ("politically important to me"). The old tradition of safeguarding the taxpayer's dollar has faded in areas where over a fifth of a politician's wage-earning constituents are often paid by that dollar, where his local big business constituents depend on contracts from it, and where his welfare-drawing constituents make up another large group.

In parts of local government all this has created what Americans call "New York's British disease".

LITTLE BRITAIN IN NEW YORK

"Welcome to your own country" (or something rudely similar), said three of the four prominent New York intellectuals whom I started to question on their city's plight. The pattern is uncosily familiar.

First, rent control predictably destroyed New York's housing market. Then the flight of the property-taxpaying white middle classes to federally-guaranteed or GI Joe mortgages in the suburbs brought their replacement in their now-rotting New York tenements by poor blacks and dark Hispanics. They helped to frighten some New York businesses away. Then the City of New York started during the "welfare shift" to spend on public sector activities a British-style proportion of the gross metropolitan product which the property-taxpayers' flight now made it impossible for it to collect. The first results of this "welfare shift" were that control over New York passed into the hands of the public-sector-trade-unions, who were able to crucify the city with huge pension-and-pay rises and impossibly low productivity. The Americans carry this to extreme. As witness:

After twenty years' service New York city employees can and do move to another job, carrying an unconditional (and periodically-raised) lifetime pension based on their final year's earnings. Results, in a country where most males work for over 40 years: the city is effectively becoming committed to paying for two labour forces of 350,000 people each; in his twentieth year every subway worker puts in a lot of overtime.

Private enterprise carters in New York can make a profit collecting garbage if paid one-third the costs per ton that city garbage collectors show.

Expenditure per pupil in New York City's schools was around $2,250 last year (not much less than total personal disposable income per head in Britain), while in church-affiliated schools in the Archdiocese of New York it was only about one-quarter of that. Reading standards in New York's city schools are lower than in diocesan schools.

The mayor of New York told a conference this year that his bankrupt city has 160,000 employees working for social welfare programmes such as income maintenance, food stamps, medical and housing assistance. Since most welfare workers get salaries above the national average, and since the main observable statistical effect of welfare programmes in New York City has been to increase the number of social workers there, it may, says one American scholar, "be hypothesised that most spending on social programmes designed to eliminate poverty in fact increases income inequality" in New York.

PERFORMANCE CONTRACTS

The economic reasons are now overwhelming for America to lead the capitalist world to total overhaul of its grossly inefficient system of public-sector spending. The logical solution must lie with subjecting more of that $500 billion a year now deployed by American politicians and bureaucrats to various sorts of competition through market mechanisms. Eventually, to quote John Diebold again, the output of every unit in the public sector will have to be assessed (eg, objective measures of "are the streets cleaner?") Then if any body tenders on a performance contract that it could provide greater output at less cost, the citizens should have a chance of engaging it on one of the many devisable systems which would ensure that this particular entrepreneur would have the finance to expand further only if he did improve performance.

The Americans pick the purveyors of the less essential two-thirds of their services and goods (like soapsuds) by competitive consumer choice, and the purveyors of the more essential one-third (like street-lighting) by casting political ballots. At present the mechanism for picking purveyors of soapsuds (free market competition plus mendacious advertising plus independent assessments by consumers' associations) is plainly working better than the mechanism (known as the great democratic process) for picking President Nixons and Mayor Beames. This is not a matter of personalities. Democratic elections are the best way of choosing whom we want to decide on great issues of peace and war, but not the best way of picking what is the best rapidly changing technology with which to run the drains.

The need is to extend voter participation in defining what the community wants from a public service, but then to extend new sorts of market competition to find who can most efficiently provide it. Probably the telecommunications and computer terminal revolution (see next article) will pave the way for this. It should be possible to use cable television for an "electronic town meeting" to discuss, with extensive use of all our computer terminals, the "production function" the citizens want from a public service. The production function chosen for a transport system might be: "ensure that there will be some transport mode by which people can get from the city centre to named suburbs in under 30 minutes at any time of the day". Then competing bids could come for this contract from private firms seeking performance contracts, from the municipal government, maybe from other towns' governments with relevant experience. One contractor might bid: "to fulfil my contract I must be allowed to charge private cars for passage over centre-city streets at times of congestion, but will offer the following car parks, pedestrian precincts, public transport modes". Then the people can choose by majority vote which contractor they want to hire, but with absolute freedom, if the performance contract is not fulfilled, to change to another contractor.

ENTRENCHING THE WRONG POWERS

The mechanisms for changing contractors would not now be difficult (witness changes in ITV contractors in Britain, and the growth of performance bonds in America). The big barriers in the way will be the bureaucrats and the participators.

The bureaucrats will be defending their jobs and freedom from being shown up. The participators—ie. those who think that services should not serve consumers, but instead their own urge for power—are America's disease.

"If you create wealth in America, it fructifies. If you create power groups, they usually go corrupt", I wrote in my 1969 survey in *The Economist* on America ("The Neurotic Trillionaire"). In 1968, President Johnson's "community action programmes", calling for the "maximum feasible participation" of residents in the poor black areas, had led to the election of community groups on the usual tiny participatory turnouts (0.7% in Los Angeles, 2.4% in Boston, 2.7% in Philadelphia), some of which had turned intimidatory and more of which had turned corrupt; this policy had helped to subject black Americans to minority mob rule within their own communities.

In the universities, I described then how student "participation" by tiny strongarm groups on some campuses invited the most direct comparisons with the way that Hitler's brownshirts operated in the Weimar republic: except that these youths used harassment of elderly liberal or conservative academics as the means of excitement of their followers' thug instincts, where Hitler used Jews.

In 1975 participation is much gentler, but revealing fate was to give me on my first morning in America a seat in the stalls of another farce.

FACING YESTERDAY'S FUTURE

America is shaming itself by supposing it is democratic that scholarship should be intimidated by shoddy, pre-cooked populism. Luckily, it will not thus shame itself for long. This should be a last hangover from the fact that both politicians and professors understandably ran scared in the 1960s, when the postwar-baby-bulge was passing through lusty teenagehood in the campuses and ghettoes, and when even a participatory 2% of that lumpy age group looked frightening as it waved banners or sometimes guns.

But now those babies of 1946, who in 1969 were 23-year-old Berkeley postgraduate students holding their passing-out demos, are 29-year-old executives in the Bank of America, where their main participatory actions are demands that stock options should also be available to 29-year-old executives (yes, honestly, for this is a generation not afraid to ask what it wants)—while their younger sisters and brothers born in the mid-1950s try to crowd into the supposedly-safe-job-creating medical schools or law schools, in a mass that will make those anyway-labour-over-intensive occupations deep pools of professional unemployment by the mid-1980s.

America is not now very good at preparing to confront the future with any thoughtfulness. It is better at setting up institutions to study what was thought to be the future in the past. About six years ago all its places of learning got a rush of research funds to study the problems of the cities, the dreaded drift towards megalopolis. All those professors' departments are now just about ready to pour forth their research.

Meanwhile, five years years ago, the trek back to the small towns and rural places began.

THE ANTITRUST OPINIONS OF JUSTICE WILLIAM O. DOUGLAS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. SEIBERLING. Mr. Speaker, by his retirement, Justice William O. Douglas has suddenly brought home to us how much and in how many ways he has touched our lives and, in fact, the lives of two generations of Americans. One of his great qualities as a justice of the Supreme Court was that he did not retreat into an ivory tower but remained involved in the daily lives and concerns of the people of the country and, indeed, of the world community.

In thinking of Justice Douglas, we remember not only some of his ringing legal opinions and his unending commitment to the interests of ordinary people as opposed to the rich and the mighty, whether in or out of government. We also think of some of his inspiring books, such as "Of Men and Mountains" and "Strange Lands and Friendly People." The vision and leadership of William O. Douglas, as a citizen and as a member of the Supreme Court, was such that the ideas he pioneered—including protection of our environment, recognition of our interdependence with other countries, the interests of consumers, equal rights for women and minorities, and law as an instrument of economic justice—have become part of the fabric of our national life.

Most Americans and most Members of Congress, however, are probably unaware of Justice Douglas' profound commitment to the vigorous and strict enforcement of the Nation's antitrust laws. Almost half of the major antitrust decisions of the Supreme Court in the past 35 years have been written by Justice Douglas. He wrote about 30 significant majority opinions for the Court in the area of antitrust, and he wrote several noteworthy dissents.

More than any other Justice in modern history, Justice Douglas shaped and directed antitrust enforcement. His concern for the independent businessman struggling to compete against large corporations is both a reflection of his concern for individual rights and a reflection of his understanding that vigorous competition is the cornerstone of our free enterprise system. More than anyone else on the Supreme Court, Justice Douglas warned of the dangers of concentrating too much economic power in too few hands. Perhaps more than any other Justice, he realized that antitrust violations and anticompetitive conduct can have devastating economic and social consequences.

As an antitrust lawyer for many years, I did not always find myself in agreement with the judicial opinions of Justice Douglas, but I shared his deep belief that, without effectively enforced antitrust laws, free enterprise would become the public's master rather than its servant and, in fact, would destroy itself by paving the way to socialism. The words from some of his antitrust law opinions should be well remembered by legislators as well as lawyers. None are more apt than the following passage from his dissenting opinion in U.S. against Columbia Steel Co.

> We have here the problem of bigness. Its lesson should by now have been burned into our memory by Brandeis. "The Curse of Bigness" shows how size can become a menace—both industrial and social. It can be an industrial menace because it creates gross inequalities against existing or putative competitors. It can be a social menace—because of its control of prices. Control of prices in the steel industry is powerful leverage on our economy. For the price of steel determines the price of hundreds of other articles. Our price level determines in large measure whether we have prosperity or depression—an economy of abundance or scarcity. Size in steel should therefore be jealously watched. In final analysis, size in steel is the measure of the power of a handful of men over economy. That power can be utilized with lightning speed. It can be benign or it can be dangerous. The philosophy of the Sherman Act is that it should not exist. For all power tends to develop into a government in itself. Power that controls the economy should be in the hands of elected representatives of the people, not in the hands of an industrial oligarchy. Industrial power should be decentralized. It should be scattered into many hands so that the fortunes of the people will not be dependent on the whim or caprice, the political prejudices, the emotional stability of a few self-appointed men. The fact that they are not vicious men but respectable and social-minded is irrelevant. That is the philosophy and the command of the Sherman Act. It is founded on a theory of hostility to the concentration in private hands of power so great that only a government of the people

should have it . . . (334 U.S. 446, 535–36, 1948)

Following these remarks is a list of Justice Douglas' major antitrust opinions and dissents. All are majority opinions, except where noted otherwise:

MAJORITY OPINIONS

United States v. Socony-Vacuum Oil Co., 310 U.S. 150 (1940).
United States v. Masonite Corp., 316 U.S. 265 (1942).
Mercoid Corp. v. Mid-Continent Investment Co., 320 U.S. 661 (1944).
Georgia v. Pennsylvania Railroad, 324 U.S. 439 (1945).
Transparent Wrap Machine Corp. v. Stokes & Smith Co., 329 U.S. 637 (1947).
United States v. Griffith, 334 U.S. 100 (1948).
Schine Chain Thertres v. United States, 334 U.S. 110 (1948).
United States v. Paramount Pictures, 334 U.S. 131 (1948).
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Schwegman Brothers v. Calvert Distillers Corp., 341 U.S. 384 (1951).
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A BREAK FOR YOUNGSTERS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. RODINO. Mr. Speaker, on November 20, 1975, I attended the ceremonies at Pier 7 in the Washington Channel marking the agreement between the National Parks Service and Sea Ventures for an expanded program of cooperation between the NPS and this most worthy cause dedicated to bringing to inner city youngsters a taste of fresh ocean winds and sea spray, while offering them a curriculum of scholastic pursuits on board the schooner *Mary E.*

My New Jersey colleague, Senator HARRISON A. WILLIAMS, JR., with whom I have had the pleasure of working for the Sea Ventures program based at Sandy Hook, N.J., put the program in excellent perspective in his speech at the November 20 signing ceremony.

The speech follows:

In the Book of Psalms, it is written: "They that go down to the sea in ships, that do business in great waters, they see the works of the Lord, and his wonders in the deep."

I doubt that Walter Cairnes or the other members of the Board of Trustees of Sea Ventures would claim Divine intervention or inspiration, but whatever their sources of enthusiasm, they have made of Sea Ventures one of the most effective and intriguing programs for helping young people in the nation.

By the numerical standards of some programs, Sea Ventures is not yet a vast undertaking. Its funding is small by most standards, and is purely private. The dedicated and selfless people who devote so much of their own time and skills to Sea Ventures do so from the goodness of their hearts, with no prospect or desire for reward other than the priceless satisfaction and gratification that come from helping others who desperately need that help.

I am a native of a seacoast State, and the sea has always held a fascination for me. Though most of my sailing has been done in political seas, which is roughly equivalent to rounding the Horn in a dinghy, I have always felt that were I a man of means and leisure, a lot of my time would be spent on the ocean.

It is difficult to think of a greater contrast in the human condition than that of a youngster who suffers in the searing, fetid heat and misery of an inner-city tenement, and a youngster who is fortunate enough to be chosen for even a brief time to enjoy the freshness and the freedom of the ocean that are provided by the Sea Ventures program.

The Sea Ventures curriculum includes education in reading, mathematics, hygiene, the dangers of drug abuse, and nutrition. These tangibles are very important. But perhaps even more lasting and valuable are the intangibles—the implanting or restoration of hope and a lessening of the despair, frustration, and anger that inner-city life breeds in the young.

This joint signing today signals an important step toward cementing what we hope will be a permanent coalition between the National Parks Service and a greatly expanded Sea Ventures program on a national scale. The National Parks Service facilities at Sandy Hook, New Jersey, which are currently made available for the Sea Ventures program so ably run by Walter Cairnes, will hopefully be a precursor of similar federal cooperation and financial support in many other parts of the coastal United States.

My New Jersey colleague, Congressman Peter Rodino, and I have been, and will be in the future, strong proponents and supporters of the Sea Ventures program. Senator John Tunney and Congressman John Burton are equally enthusiastic about establishing a Sea Ventures program in San Francisco. I am sure that I can speak for Pete Rodino when I assure Senator Tunney and Congressman Burton that we will give all the help we can, from out of our New Jersey experiences, to insure the success of the California project.

The inner city youngsters who annually benefit from the many hours of unselfish work put in by Sea Venture volunteers are now numbered in the hundreds. I hope that the day is near when they will be numbered in the thousands, or in the tens of thousands.

I am grateful for the invitation to participate today, and I trust that this ceremony will be the genesis of a Sea Ventures expansion that will cover the nation.

"I must down to the seas again, to the lonely
sea and the sky,
And all I ask is a tall ship and a star to steer
her by,
And the wheel's kick and the wind's song and
the white sails shaking,
And a grey mist on the sea's face and a grey
dawn breaking."

Mr. Speaker, I believe the remarks of my colleague, Senator WILLIAMS, were an especially appropriate tribute to the Sea Ventures program which has helped so many of our New Jersey inner city children to a better future through education and outdoor recreation.

I share his enthusiasm for this program and I know that the well over 200 staff aides and Members of Congress who visited the *Mary "E"* during the Bicentennial Sail can understand our strong support for this extremely innovative and successful program. I believe my colleagues will also be interested in reading the following article from the Newark Star Ledger which covered the November 20th event for my constituents in the 10th District of New Jersey.

RODINO PROPELS SCHOONER ON '76 EAST COAST SAIL

(By Robert W. Maitlin)

WASHINGTON.—Rep. Peter W. Rodino, Jr., (D-10th Dist.) yesterday officially launched the Sandy Hook-based schooner "Mary E" on its 3,000-mile "Bicentennial Sail" along the East Coast.

The 53-foot ship, which for the past three years has served as a sea-going educational program for 30,000 disadvantaged inner-city children in New Jersey, will now sail to 20 National Park Sites from Massachusetts to Florida during the next year.

The journey is the result of an agreement signed yesterday between Sea Ventures, Inc., a New Jersey-based nonprofit educational organization that owns the boat, and the National Park Service.

The agreement was signed at ceremonies here by National Parks Service Director Gary Everhardt and Sea Ventures Chairman Walter J. Cairnes of Newark.

Some 50 Asbury Park youngsters who sailed on the ship at Sandy Hook this summer also attended the signing program.

The agreement with the National Park Service to sponsor the educational program is expected to triple the number of young people who have learned about sailing and the seas on the vessel.

Rodino, the keynote speaker at the ceremonies, called the agreement "the first step both in terms of the future of our cities and the future of the U.S."

The congressman said that the Sea Ventures program New Jersey had provided children from low-income families with an opportunity to receive training in areas such as social skills and basic human relations they otherwise could not receive.

Rodino said when he visited the ship at Sandy Hook last summer, he found the young people there filled with enthusiasm over the program.

"They were having fun, but they were also learning important basic skills which will aid then in competing in our fast-paced modern world," he said.

Cairns, who has taken a leave from his business consulting firm to devote full time to Sea Ventures, said he believed the program had "national significance."

"It's the most innovative program for juvenile delinquency in this county," he said. "It not only provides the kids with fresh air, but also gives them a classroom experience beyond the boundary of four walls."

Sea Venture program director Harriet Vanella of Madison said that bringing the students face to face with their environment had great educational benefits.

"You can turn them on to everything out on the water," she said.

And the Asbury Park youngsters who took part in a cruise up the Potomac River yesterday morning clearly indicated the program was working.

Under the guidance of Capt. Ted Charles, the youngsters, who averaged 10 years old, handled the sails and ropes on the schooner with the agility of seasoned sailors.

A smiling Curtis Farris, 10, of Ashbury Park said he liked to sail on the "Mary E" because "They let me steer the boat."

The ship is scheduled to sail for Florida this week and then tour the East Coast before returning to its home base at Sandy Hook to take part in the nation's Bicentennial celebration at the Gateway National Recreation Park site.

Mr. Speaker, I believe the Sea Ventures program deserves our continued interest and support and am pleased that the program will soon be extended to Golden Gate Park in California. Through programs like Sea Ventures, I believe it is not only possible but probable that we can build a better future for America one child at a time.

WE NEED TO BE INSPIRED

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. WALSH. Mr. Speaker, a week or two before the Thanksgiving holidays, it was my pleasure to attend a testimonial dinner in honor of John Arpino, the retiring president of Local 1085 of the Textile Workers Union in Auburn.

No one was more deserving of this testimonial than John Arpino because he has spent his life helping others, a point that was emphatically made by the principal speaker of the evening, the pastor of St. Aloysius Roman Catholic Church in Auburn, Father Edward A. Shamon.

Father Shamon's talk was a moving call to return to the "self-sacrificing idealism" necessary to deter the "gnawing decadence" that afflicts mankind.

I would like to share Father Shamon's thoughts with my colleagues:

WE NEED TO BE INSPIRED

Friends, this is indeed, a unique moment in the history of the labor field in Auburn. I say unique, purposely, because at this moment, this general convocation, to honor one of Auburn's finest labor leaders, John Arpino, brings together men and women occupying, to my mind, some of the most vital positions in the land—positions vital to the labor movement here in Auburn.

May, I therefore, be so bold, as to presume your generosity in extending to me an extra moment or two, to preface my invocation with a brief sharing of thoughts, which I am confident will enhance this invocation and render it more effective and purposeful.

The U.S. News and World Report, one of the 3 major newsweeklies, commented recently on the decadent and perilous situation confronting us here in America as follows:

"Truth is, no one knows really what is causing the current increase in crime (or decadence) or what to do about it". Aug. 4 '75.

Well the U.S. News and World Report can speak for itself on that matter. We certainly know what is causing this alarming decadence and so do thousands of others who have studied decadent patterns in the cultural history of nations.

For centuries this has been done by great and competent theologians and historians, in accordance with what is known about man's inherent proneness to evil, his affection for and vulnerability to sin and selfishness. Man has an innate and intrinsic tendency to lawlessness, a tendency that is greatly accentuated usually by an initial surrender to the enthrallment and lusts of the flesh. It has been stressed again and again by reputable and valid historians like Toynbee, Sorokin and Unwin that this innate proneness to lawlessness and lack of restraint in morals has been the consistent cause of the decay of civilization throughout the centuries. Unwin, in an exhaustive research of more than 80 cultures in all, was brought decisively and scholarly to this conclusion.

These historians, alarmingly, are being proved right in the America of today. Crime is rising and America is decaying through a pernicious permissiveness, the loss of integrity in the field of labor and politics, the X-rated movies, the open perversion, in the realm of the judiciary, the collapse of family life, through divorce, contraception, promiscuity, abortion, the insanity of dope addiction, the infiltration of subversion into our universities and the persistent dilution of patriotism by activists. In this decadence, disorder and chaos prevail and crime flourishes.

The vital and pivotal question, therefore, is what is the root cause of our decadence. The answer—a deficiency in the spiritual life of man and this observation is established by the competent research and surveys of scholars. The source of this deficiency, is its sterile, uninspiring, materialistic educational, social and cultural system foisted upon this nation by a group of shallow men who have deliberately perverted the intentions of our forefathers, in certain prescriptions of the constitution. Men cannot live without ideals and each generation is ruled by its ideals, as the historian Lecky noted. But this generation has been reared without ideals, and we wonder why it is listless, supine, effete, unable to match the magnificent idealism of its forefathers.

Our educational, socio-political system in America in its present status anemic and erroneously divested of all spiritual vitality is a breeding ground for criminals, and it can be nothing else. We, therefore, by some stroke of genius, must return God to our educational, socio-political order and restore to this society, the greatest ideal ever to inspire the mind and heart of man. We must restore to the realm of management and labor, the sublime idealism of Christianity, the vision of a new world order, which lies just ahead of us now and which will initiate a new reign of peace, justice and love throughout the universe and give a bewildered and floundering mankind, the greatest age in its history. We need that devotion, dedication, discipline and loyalty as exemplified, to superb degree, in the man we honor here tonight—John Arpino, in order that this magnificent new social order may be given to the world. This is a time for visionaries, for prophetic voices like Alexandr Solzhenitsyn, the famed writer of Gulag Archipelago—to sound a dramatic call to arms, a trumpet blast that will summon men to fight for the greatest cause that history has known. It is truly and basically a spiritual cause—as Solzhenitsyn has pointed out—a return to God.

This is the real solution to this gnawing decadence—to give our leaders, especially in labor, and our people a self-sacrificing idealism they lack, an inspiration that will elevate their minds far above the false enthrallment of hedonism and that stagnant materialism that can produce only boredom, apathy, ennui.

Heavenly Father, we, therefore, invoke your Special blessing upon John Arpino, this distinguished leader in the field of management and labor, a field, so vital to our society. We thank you for giving us a man of this stature and caliber—a man of sterling integrity, a man of basic love for his fellow man, a responsible man, an honest man, a man of justice and compassion, a man of morals, of faith and trust in God. Heavenly Father, we thank You for John Arpino—such a man. Bless him and his loved ones always. Help all of us who have the role of leader, to treat those entrusted to us as Yours—sons of God destined for a life beyond this. Help us to realize that the ideal kind of leadership is that which goes on outside the formal university classroom, where it is all "show and tell" and few words—almost all teaching by example. Let those in positions of leadership, realize that a spirit is caught, quicker than taught. As a sculptor can take a block of marble and carve from it an angel, so give all men, aspiring to leadership, the qualities exemplified in a John Arpino, the wisdom and insight to draw the best out of those entrusted to their leadership. There will be hard days, let them not be discouraged. There will be happy days, let them not become proud. There will be every day, let them persevere for theirs is a vocation to the trinity of home, church and nation.

Finally, Heavenly Father, let all of us, called to the great task of moulding a nation under God—remember that—

We are all blind until we see that in the human plan
Nothing's worth the making if it does not make the man.
Why build these cities glorious if man unbuilded goes
In vain we build our cities unless the builder also grows.

And he cannot unless he seeks You, the Lord of all creation for help—Amen.

CONFERENCE COMMITTEE ON TAX BILL MUST BE OPEN TO PUBLIC

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. VANIK. Mr. Speaker, during the coming week, the House will be debating H.R. 10612, the Tax Reform Act of 1975. After passage, the bill will go to the Senate where at least some part of it is expected to be approved before the end of the 1st session of the 94th Congress. In particular, title IV of the bill relating to the extension of individual and corporate income tax reductions—some $15.5 billion worth of tax reductions—must be enacted before December 31, 1975. Action within the month is needed in order to prevent a major increase in employee withholding rates, an action which would destroy any economic recovery which may be underway.

Therefore, it appears that there will be a House-Senate conference committee later this month to iron out the differences—which may be substantial—between H.R. 10612 and any Senate passed bill.

If I am a conferee on the part of the Ways and Means Committee, I will move that the conference be open to the public and that a stenographic record be kept of its proceedings.

If I am not a conferee, I will move to instruct the House conferees to vote for an open and recorded conference.

On November 6, the Senate adopted language in S. 5, the Government in the Sunshine Act, to require open conferences. The language reads as follows:

SEC. 103. (a) CONFERENCE COMMITTEES.—The Legislative Reorganization Act of 1946 is amended by inserting after section 133C, as added by section 101(a) of this Act, the following new section:

"OPEN CONFERENCE COMMITTEE MEETINGS

"SEC. 133D. Each conference committee between the Senate and the House of Representatives shall be open to the public except when the managers of either the Senate or the House of Representatives in open session determine, by a rollcall vote of a majority of those managers present, that all or part of the remainder of the meeting on the day of the vote shall be closed to the public.".

(b) Title I of the table of contents of the Legislative Reorganization Act of 1946 is amended by inserting immediately below item 133C, as added by section 101(c) of this Act, the following:

"133D. Open conference committee meetings.".

I am introducing this language as a separate bill in the House of Representatives with additional language requiring the maintenance of an official transcript of the proceedings of each and every conference:

An accurate stenographic record shall be kept of each meeting of a Conference Committee, whether open or closed to the public and shall be maintained in the offices of the Committees of jurisdiction of the matter before the Conference Committee. This record shall be available to the public at reasonable times and places, unless declared an executive record by a rollcall vote of a majority of those managers present. An executive record shall be available for inspection by Members, together with their staffs.

Conference committees are really a third legislative body. The House can pass a bill, and the Senate can pass another bill, and by the time a conference committee gets through with it, you have another, entirely new bill. The final product can look like a legislative Frankenstein—a final product that no one recognizes and no one wants to claim. Because many of the most important conferences resolve their work in the closing days of a Congress, the members of the parent chambers have little or no opportunity to determine what exactly happened and what they are voting on in approving the conference report. The confusion which often accompanies a conference committee and the approval of its work leaves the system open to abuse—to the last minute insertion of new language or language that benefits a particular group or set of individuals.

Open conferences and recordings of the debates and decisions in conferences can help protect the public against these types of abuses.

PERSONAL EXPERIENCE IN CONFERENCE ON TAX REDUCTION ACT

This spring, I had a personal experience with the type of problem I have just described. I was appointed on behalf of the House and the Ways and Means Committee to the conference on the Tax Reduction Act of 1975, which subsequently became Public Law 94–12.

The bill which passed the House did not touch the foreign tax credit provisions of the Internal Revenue Code. The bill was amended on the Senate floor, however, to completely eliminate the foreign tax credit—FTC—for the oil companies. Thus as the bill went to conference, there was wide latitude left to the conferees: they could drop all reference to changing the foreign tax credit—as in the House version—they could eliminate the foreign tax credit—as in the Senate version—or they could provide some modified foreign tax credit for oil and gas production.

The conferees elected to provide a modification of the FTC which placed some limits on its use, but which did not go as far as the Senate in repealing its use for the oil companies.

Where did the language for the modification come from? That was relatively easy. During 1974, the Ways and Means Committee had spent months and months working on energy legislation and oil windfall profits proposals. On April 30, 1974, the committee approved a bill, H.R. 14462, the Oil and Gas Energy Tax Act of 1974. That bill contained a provision limiting the use of the FTC by oil companies. However, for various reasons, this major piece of legislation was not brought to the floor of the House. However, on November 21, 1974, a larger bill containing both energy tax changes and individual tax relief was reported from the committee. This bill, H.R. 17488, included language identical to that in H.R. 14462 limiting the use of FTC by the oil companies. Unfortunately, this bill also died in the closing days of the last Congress.

Since the Ways and Means Committee had twice approved language providing a formula for limiting the oilmen's use of FTC's, the conferees felt that at least this proposal had some support and had been carefully worked out by the legislative draftsmen. So the language from the bills of the 93d Congress was lifted out and put in the Tax Reduction Act.

The bill was brought to the floor under the most hectic of conditions. The Easter recess was beginning and a large number of Members had made irrevocable commitments in their districts. A quorum was rapidly disappearing, so the conference bill was brought to the floor with only 90 mimeod copies of the bill available for distribution to the House Members. Under these conditions, careful scrutiny of the final language was not possible.

But then several weeks later, Prof. J. Reid Hambrick, professor of law at George Washington University and one of the Nation's experts on oil taxation and foreign tax credits, asked me how certain language in section 907 had been added to the bill.

Language for section 907 which deals with the FTC for oil had been drawn from section 202 of H.R. 14462 and from an identical section 122 of H.R. 17488—the two bills which had been approved by the Ways and Means Committee but which had failed to pass the Congress in 1974. But as Professor Hambrick pointed out, there was "new" language in section 907 which had not been included in either the House or Senate passed versions of the Tax Reduction Act of 1975 and had not been included in either of the 1974 bills.

Following is the present section 907(c)(3). I have capitalized the language which was not included in either of the two bills voted on by Ways and Means in 1974:

"(3) Dividends, INTEREST, Partnership, Distribution, Etc.—The term 'foreign oil and gas extraction income' and the term 'foreign oil related income' include—

"(A) dividends AND INTEREST from a foreign corporation in respect of which taxes are deemed paid by the taxpayer under section 902.

"(B) DIVIDENDS FROM A DOMESTIC CORPORATION WHICH ARE TREATED UNDER SECTION 861(a)(2)(A) AS INCOME FROM SOURCES WITHOUT THE UNITED STATES,

"(C) amounts with respect to which taxes are deemed paid under section 960(a), and

"(D) the taxpayer's distributive share of the income of partnerships.

to the extent such dividends, INTEREST, amounts, or distributive share is attributable to foreign oil and gas extraction income, or to foreign oil related income, as the case may be; EXCEPT THAT INTEREST DESCRIBED IN SUBPARAGRAPH (A) AND DIVIDENDS DESCRIBED IN SUBPARAGRAPH (B) SHALL NOT BE TAKEN INTO ACCOUNT IN COMPUTING FOREIGN OIL AND GAS EXTRACTION INCOME BUT SHALL BE TAKEN INTO ACCOUNT IN COMPUTING FOREIGN OIL-RELATED INCOME.

What does the "new" language mean? According to the staff of the Joint Committee on Internal Revenue Taxation, it means about $35 million per year, probably mostly to ARAMCO—the giant consortium of oil companies operating in Saudi Arabia. It appears to ensure that dividends from ARAMCO to its parent companies—Mobil, Standard of California, Exxon, and Texaco—will be counted as foreign source income. This will permit the use of FTCs to offset any U.S. tax which might otherwise be levied against this dividend income.

Where did this "new" language come from? I have written to the members of the conference committee asking if they could recall this special new section. No conferee could recall such a section. Members of my staff have interviewed the offices of the House and Senate legislative counsels. They do not know where the language came from, and they do not recall any discussion of the provision in conference.

This complex new language, fitting deftly into a difficult section of the tax code, did not come from the Easter bunny. At this date, I believe that I may never find out exactly how this "new" language and this paragraph of the tax code was brought to life.

There is no question that it is another tax loophole. I believe that if the full implications of the section had been understood in the conference or in the House, it would have been rejected. But now it is in the code—and loopholes in the code die hard. A month ago I moved in Ways and Means to strike this new language. I lost by a vote of 17 to 19.

I believe that if the conference committee process were opened to the public and a record of conference committee proceedings were maintained, that the type of subversion of the legislative process demonstrated by section 907(c)(3) would be made more difficult and the public's interest would be better protected. A recorded conference is also necessary to provide a legislative history which sets forth and explains the legislative purpose.

For these reasons, I believe we all must work to ensure that the next tax bill conference is an open and recorded conference.

TIME TO STOP DESIRABLE BUT NONESSENTIAL PROGRAMS

HON. JAMES C. CLEVELAND

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. CLEVELAND. Mr. Speaker, President Ford has recently been devoting a great deal of effort trying to get the country to come to its senses and cut back on the large number of programs dishing out Federal dollars.

In doing so, he has generally run into a very reluctant Congress, and an extremely reluctant assortment of interest groups which are fighting to protect their programs.

The editor of the Argus-Champion of Newport, N.H., Edward DeCourcy, is a very widely noted editor. His weekly newspaper is highly regarded, and Ed DeCourcy has won several awards of great prestige for his editorial writing. At the risk of putting a label on an editor of the type editors put on politicians, Ed's politics have been by and large considered "liberal," and often pro-Federal Government.

Therefore, the fact that Ed DeCourcy would use his editorial column to call for an end to Federal programs such as the one which recently gave some money to his town of Newport, N.H., is indicative of the depth of feeling in the country that Washington must come to its senses. Indeed, Ed may be well ahead of the Congress but he is not ahead of the people as results of my recent annual questionnaire indicate my constituents share his view that we must begin saying no to desirable but nonessential programs. In fact, 82 percent of constituents answering my questionnaire feel that Congress should postpone enactment of new or expanded Federal programs this year to hold down Government spending and to permit reevaluation of existing programs.

Ed DeCourcy's expression of his own point of view is more articulate than any that I could put forward. I commend it therefore to the attention of those who are concerned with this issue.

The editorial follows:

[From the Newport (N.H.) Argus-Champion, Oct. 1, 1975]

TIME TO STOP

> Beautifying the center of Newport by removal of some old buildings and landscaping the area around the restored courthouse is worthwhile. It ought to lift our spirits. It can be expected to bring economic benefits, by making downtown Newport more attractive and thus helping local business to flourish.
>
> Completing the Athletic Recreational Complex is worthwhile. Its facilities can be useful in elevating the general level of our physical fitness. They can stimulate wholesome recreation. They can help involve our young people in constructive endeavors, and provide enjoyment for them and older residents as well.
>
> This is why it made sense for the majority of the 80 persons who participated in last Friday's town meeting to vote to accept the federal funds and authorize the Selectmen to spend them.
>
> If Newport had rejected those funds last Friday they would not have been saved. They would have gone to some other community for some other project.
>
> We accepted a third of a million dollars last Friday, and Newport will invest that money wisely, with benefit for the whole community.
>
> But the time has come to stop.
>
> The projects for which we have accepted a third of a million dollars are indeed worthwhile. They are good for Newport.
>
> But the republic will survive without them.
>
> The government has many pressing needs that it must meet if the republic is to survive, but landscaping a courthouse and completing an athletic complex are not among them.
>
> There are literally thousands of towns like Newport in this nation. If each were to get a third of a million dollars for projects like those we have here, however desirable they may be, it would add billions to our already burdensome national debt.
>
> Many of the projects for which Newport has accepted federal grants are justified. The sewers are a case in point. They are essential to our health. They are essential to cleaning up our polluted rivers. The town alone, with its limited tax resources, could not afford to build them.
>
> The pilot bus program, whose purpose is to create a transportation service that will conserve scarce energy supplies, help hundreds of residents to participate in business, civic and social affairs more economically, and in the end be self-sustaining, is justified.
>
> But the time has come to tell Congress to use our financial resources adequately where the need is essential and not at all where it is not.
>
> We need to tell Congress to resist the lobbyists for the desirable but not essential causes by letting it know we are willing to give up the non-essential.
>
> This may be difficult for a nation whose people have been conditioned to the buy-now-pay-later philosophy, but unless we can discipline ourselves there may be no "later" in which to pay.

DR. ARTHUR E. MORGAN

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. BROWN of Ohio. Mr. Speaker, on Sunday, November 16, 1975, Dr. Arthur E. Morgan of Yellow Springs, Ohio, passed away, ending 97 years of life—most of which was spent in service to his fellow man in his own community, in other communities, in the Nation at large, and around the world. This man was a giant in numerous fields, as a scientist, an engineer, an educator, a community developer, and a writer. His death should not be allowed to pass us by without some recognition of what he did with his life.

He was the designer of the Model Miami Conservancy District, the first chairman of the Tennessee Valley Authority and a president for many years of Antioch College in Yellow Springs. In those two roles he made his mark as a nationally recognized authority on water control and as an educational innovator.

Dr. Morgan began his professional life when he took over his father's small engineering practice in St. Cloud, Minn., around the turn of the century. In 1907 he became an engineer with the U.S. Department of Agriculture. Then he opened his own engineering company in Memphis, Tenn. He developed a national reputation as an expert in flood control.

This reputation brought Dr. Morgan to Dayton, Ohio, in the wake of the disastrous 1913 flood which took more than 300 lives. He became a consultant to the Dayton Flood Prevention Committee and designed the flood control system of the Miami Conservancy District, establishing precedents which have become national standards in flood control and prevention.

He came to Antioch College in 1920 as its president. In this 13 years there, he became one of the country's leading educational innovators, developing the work-study approach to education with which we are all so familiar now. This approach reflected Dr. Morgan's practical bent. He was concerned that "the schoolhouse received too much credit and the barn not enough."

His view was that the goal of education "is not primarily to impart information, but to insure to the child the qualities, character, and accomplishments he will need when he is a man."

Dr. Morgan was called away from Antioch to the TVA by President Roosevelt in 1933 because of his reputation as an expert in flood control and because the President had read Dr. Morgan's "Antioch Notes" and said he liked his "vision."

Dr. Morgan did apply his vision to his task at TVA, making it an outstanding example of regional planning and development of hydroelectric dams providing cheap electric power. The example has been studied and followed by many small nations seeking economic development.

Dr. Morgan left the TVA post in 1938 following a power struggle within the TVA which became a controversy of national proportions.

He returned to Yellow Springs, the home of Antioch College, where he founded Community Service, Inc., in which he remained active until his hospitalization in August of this year. The weekly Yellow Springs News reported November 19:

> Here he pioneered research, defined, taught and wrote about what he regarded as the crucial role of the small community in human society and offered continuing assistance to small communities.

Other achievements on an international scale include efforts to help relocate in Mexico many German Jews fleeing Nazi terrorism, helping Finns resettle after evacuating areas annexed by the Russians, helping India develop a series of rural universities which are today an integral part of the Indian educational system and helping Ghana develop power dams and industrial communities on the Volta River.

Irwin Inman, Antioch College Editor, wrote of Dr. Morgan after his death:

> In essence, Morgan was a social engineer. He combined sweeping vision—he was avidly interested in utopias and wrote a life of Edward Bellamy—belief in the values of small communities, great energy and drive, an unusual integrity and ethical conviction, and ability to solve practical problems on a large scale.

He was a prolific writer, authoring books which include "Dams and Other Disasters" and "The Making of the TVA." When a stroke sent him to the hospital in August, Dr. Morgan was working on a book to be called "Wholemanism" which set out his theories on developing all facets of the human being—physical, mental, moral, and so forth.

While he did not finish the work, his moral leadership of all he touched in his long life is one of his most lasting contributions. As a young man, he wrote:

> I am going to try to guide my life in its bearing toward others in the near future by the Sermon on the Mount. I want all I do to be done in a Christian spirit. Not to be seen, nor heard, nor for the purpose of gaining any credit, but to build character.

The people of Yellow Springs and the Seventh Ohio Congressional District and others touched by Dr. Morgan all over the world are going to miss this man who sought neither recognition nor credit, but who sought to and succeeded in building character.

Tributes to Dr. Morgan have come from all over since his death. From President Gerald R. Ford:

> Mrs. Ford and I send our heartfelt sympathy on the death of Arthur Ernest Morgan. He will be long remembered for his distinguished service to education and a grateful nation will always honor his memory. Our hearts and prayers are with you in this time of sadness.

From the acting president of Antioch College, Morris Keeton:

> We remember Arthur Morgan as the first to create a college using work for the liberal education of every student—an education melding ethical concerns with persistent inquiry to make responsible citizens and learners. His vision guides Antioch College still and marks out unmet tasks for all of higher education.

Mr. Speaker, I would like to conclude by inserting at this point the words of the editor of the Yellow Springs News, Keith Howard, who wrote this beautiful editorial for the November 19 edition of his newspaper:

HE INFLUENCED HIS WORLD

Few men have influenced the world in their time more than Arthur E. Morgan. In education, colleges and universities in America are rushing at a greater pace than ever into work-study programs of the sort which he brought first to liberal arts colleges. The rural universities of India, which he urged for that newly liberated nation two decades ago over the opposition of other prestigious educators, are growing in importance. The neighborhoods in Finland and Ghana to which he gave direction at the time of their founding a quarter of a century ago are reported to have benefited from his counseling. Men and women from all over America who are trying to build better, more rational, communities, come to the Arthur Morgan-founded Community Service for help. Kettering Laboratories, for which he sought its first funding, has discovered many of the mysteries of photosynthesis and the effect of air on plants; now it is leading in an effort to make the planet's soil richer through nitrogen fixation and better able to feed its people. Innumerable problems of health have been solved through the research of Fels Research Institute, which Mr. Morgan helped to found, and much light has been shed on how the developing human learns.

The Tennessee Valley Authority, 40 years after Arthur E. Morgan built its dams and helped chart its future course, is still widely regarded as a model of parallel power and community development. The Miami Conservancy District dams, using methods pioneered by Arthur Morgan, have safely protected Dayton from fatal floods for 60 years.

. . . AND HIS HOME TOWN

So it is not surprising that Yellow Springs has many good things too—in addition to Antioch College, Kettering and Fels Institutes—because of Arthur E. Morgan. We would list among these Morris Beam & Co., Vernay Laboratories, Yellow Springs Instrument Co., Antioch Bookplate Co., Wright State's Radiological Research Laboratory, the scores of scientists, educators and executives who have chosen to make their homes here, the Senior Citizens organizations, Senior Citizens housing and the Yellow Springs Community Council.

Our front page story of Mr. Morgan's career relates how he helped bring Morris Bean Co. and Vernay's here, participated in or inspired the founding of Community Council, the Metropolitan Housing Authority and Senior Citizens. But YSI resulted because its founders came to Antioch, because they could use facilities in the Antioch Science Building where they were asked to build scientific instruments. Central State, Wilberforce and Wright State faculty and Wright-Patterson Air Base scientists and engineers have often elected to live here because Antioch, Fels and Kettering personnel who were their friends were here. So all these good qualities are here either directly or indirectly because of what Arthur E. Morgan's projects did to Yellow Springs. It is fitting that we remember this with gratitude.—KAH.

PLAYING POLITICS WITH YOUR GRAIN

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Mr. FINDLEY. Mr. Speaker, I would like to share with my colleagues an opinion expressed by the Editors of the Farm Journal. The article details the shortcomings of the State Department's futile entry into the commodity game. The net effect of the action was to lower the prices paid to American farmers and lower prices paid by the Soviet and Polish Governments. The stated reason for the action was to assure domestic food supply. But as the editorial points out, the embargo stayed on not to assure food for this country but to influence a whole bundle of problems around the world—with the American farmer picking up the tab.

The article follows:

PLAYING POLITICS WITH YOUR GRAIN

Dry, ideal harvest weather; reports that corn yields were "better than they looked;" country elevators full with only 40% of the crop harvested—it all added up to a mockery of the State Department's embargo of grain sales to Russia.

Whatever the ultimate accomplishments of the embargo, they cannot compare to the damage done to farmers. The Ford Administration stands exposed for breaking its earnest promises of honesty and candor.

When they suspended grain sales to Russia last August, they told us it was "temporary" until they could see the next crop report; that their sole concern was for our nation's own food supply.

Yet sales were still suspended after two crop reports had promised not shortages but probable surpluses of wheat and soybeans. Worse, it became clear that the embargo stayed on not to assure food for this country but to solve a whole bundle of problems around the world—with you picking up the bill.

Judging from news reports out of Moscow, the Soviets agreed surprisingly soon to a long-term grain contract. But then Henry Kissinger held up approval while he bargained to: (1) get more jobs on the ships and docks for George Meany's minions; (2) perhaps secure Russia's help in a Middle East settlement; (3) alleviate our energy problems with oil from Russia; and (4) put a squeeze on the Arabs by getting oil at a price below theirs. He insisted all along that the grain and oil deals weren't "linked," then turned right around and admitted that the long-term grain agreement was awaiting a "parallel" oil agreement. Diplomatic double-talk. Government by deception.

We endorse the long-range contract for supplying grain to Russia. As we have concluded in our articles on Russian agriculture (page 31), the Soviets have no real prospect of solving their grain shortage in the immediate future. The contract should benefit both countries. Though six to eight million tons may seem modest, it should help stabilize grain prices.

Secretary Butz made a strong case for the agreement when he admitted at his mid-October press conference that he did "go along with the embargo to the Soviets. We need something in this country to offset this knee-jerk emotional reaction of our public every time we sell anything to the Soviets," he said.

Most of the other things Kissinger was dickering for ranged from the naive to the ridiculous. The oil barter, for instance. Russia does have enormous potential for exporting oil sometime in the future. But right now they are thought to have spare capacity of only 150,000 to 300,000 barrels per day. That is less than 2% of our daily consumption—hardly enough to relieve our pinch.

The State Department is said to have asked the Soviets for a 15% discount on the price of their oil. We were naive to think the Soviets might materially undercut prices set by their Arab friends.

Some State Department sources talked as if they were out to "refurbish" our image as smart Yankee traders and perhaps show up the rubes in the Department of Agriculture who, they seem to think, were "snookered" in the 1972 grain sales. All of which suggests that they considered the Russians desperate.

The Russians aren't at our mercy for grain. During our visit this past summer, we found their people well fed. They can tighten their belts if they have to, and we think they will if the alternative is to let us dictate the terms. Whenever they have run short of grain in the past, they've reduced livestock numbers through slaughter. Latest statistics indicate they already may be doing so. Just as our embargo in 1973 set the Japanese scurrying to grow more soybeans in Brazil, this embargo has certainly cost us in long-term sales.

> Apparently, the State Department has decided to join the rest of the world in playing the commodity game. If they want to play politics with food, next time let them buy it first on the open market so they are wheeling and dealing with *their* grain—not yours.

NEW YORK CITY HOSPITAL CUTS THREATEN LIVES

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1975

Ms. ABZUG. Mr. Speaker, the onerous cuts and reductions in services being forced upon New York City in its current fiscal crisis have gone beyond the point of reason and are actually endangering lives.

The effect of these cuts have been spelled out in alarming detail in a letter to President Ford by Dr. Matthew Brody, chairman, Coordinating Council, First District Branch, Medical Society of the State of New York.

Describing the deterioration of services in New York City's municipal hospitals, Dr. Brody said:

> At the present time, because of lack of personnel, it is impossible to monitor vital life signs (temperature, pulse, respiration and blood pressure) of patients in some hospitals during weekends. Also on weekends, no interpreters are available in hospitals serving bilingual areas. Further, women must deliver in ward beds rather than in delivery rooms because no help is available to move these patients. The Burn Unit was so decimated that at the time of the recent Eastern Airline's plane crash, the company had to send in its own nurses to provide treatment. The Intensive Care Units and Coronary Care Units are so poorly staffed that these critically ill patients cannot get the treatment they need. Ambulance services have been curtailed to the point that response time has been greatly increased despite the fact that in this situation, human life is in the balance and can be affected by differences in minutes. Certain vital life-sustaining pharmaceuticals cannot be obtained because of their costs.

I agree with Dr. Brody when he says:

> It is unfair to expect a City such as New York to be able to solve what is essentially a national problem. No one is against excision of unnecessary fat in the corporate structure of the City. What we are against is the type of budget cuts forced on the City that will result in deaths of the sick poor.

The complete text of Dr. Brody's letter to President Ford follows:

> Medical Society of the State of New York,
> *Lake Success, N.Y., November 3, 1975.*
>
> Hon. Gerald R. Ford,
> *President, United States of America,*
> *1600 Pennsylvania Avenue, N.W.,*
> *Washington, D.C. 20500.*
>
> Dear Mr. President: I am writing to you at the direction of the Medical Society of the State of New York and the leaders of organized medicine of New York City.
>
> The Committee on Interns and Residents has brought to our attention the terrible and serious deterioration in services in New York City's municipal hospitals, which is threatening the welfare and lives of the patients they serve, precipitated by budget cuts. Our great fear is that this situation will be worsened by even more stringent budget cuts.
>
> At the present time, because of lack of personnel, it is impossible to monitor vital life signs (temperature, pulse, respiration and blood pressure) of patients in some hospitals during weekends. Also on weekends, no interpreters are available in hospitals serving bilingual areas. Further, women must be delivered in ward beds rather than in delivery rooms because no help is available to move these patients. The Burn Unit was so decimated, at the time of the Eastern Airline's crash, the company had to send in its own nurses. The Intensive Care Units and Coronary Care Units are so poorly staffed that these critically ill patients cannot get the treatment they need. Ambulance services have been curtailed to the point that response time has been greatly increased despite the fact that in this situation, human life is in the balance and can be affected by differences in minutes. Certain vital life-sustaining pharmaceuticals cannot be obtained because of their costs.
>
> I do not know who is responsible for the mess in New York City. Each political party has valid arguments by which the other is blamed. Part of the problem of urban areas was the unexpected consequence of the federal government's success in fostering increased mechanization of agriculture which has enabled 2 to 4 percent of the population to feed not only the entire country but half the world. This caused a tremendous migration of surplus unschooled and unskilled farm labor to urban areas.
>
> A federal court decision ordered that residency requirements for welfare aid were unconstitutional.
>
> It is unfair to expect a City such as New York to be able to solve what is essentially a national problem. No one is against excision of unnecessary fat in the corporate structure of the City. What we are against is the type of budget cuts forced on the City that will result in deaths of the sick poor.
>
> I have been informed by people who know you that you are a compassionate man and a patriot. If it is necessary in the grand scheme of things to let the City default, so be it; but we are pleading for clemency for the sick poor. If the federal government were to assume the financial burden of Welfare and Medicaid, it would be of enormous help. If New York City were to receive half the money allocated to Lockheed, it, too, would be of enormous help.
>
> Respectfully yours,
> Matthew Brody, M.D.,
> *Chairman, Coordinating Council.*

HOUSE OF REPRESENTATIVES—*Wednesday, December 3, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Speak, Lord; for Thy servant heareth.—I Samuel 3: 10.

O God and Father of us all we pray that Thy blessing may rest upon this House of Representatives and that Thy spirit may move through the heart of every Member. Grant them wisdom to make wise decisions for the good of all. Grant them strength to stand for what is good and true lest they fall for what is evil and false. Grant them faith to face the facts clearly and courage to do what ought to be done for most people rather than what can be done for a few. Let there be not less talking but more thinking, not less working but more worshipping, not less use of pressure but more use of prayer.

Speak to us, Lord, and help us to be responsive to Thee that we may walk the ways of truth and love; for Thy name's sake. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

> H.R. 6971. An act to amend the Sherman Antitrust Act to provide lower prices for consumers.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

> H.R. 568. An act to grant an alien child adopted by an unmarried U.S. citizen the same immigrant status as an alien child adopted by a U.S. citizen and his spouse; and
>
> H.R. 7656. An act to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7656) entitled "An act to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Talmadge, Mr. McGovern, Mr. Allen, Mr. Clark, Mr. Leahy, Mr. Dole, Mr. Young, and Mr. Bellmon to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

> S. 2444. An act to provide for the orderly transition to the new October 1 to September 30 fiscal year.

CALL OF THE HOUSE

Mr. MYERS of Pennsylvania. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 729]

Andrews, N.C.
Ashley
Barrett
Bedell
Biaggi
Burke, Fla.
Byron
Chisholm
Collins, Ill.
Conyers
Derrick
Diggs
Drinan
Duncan, Tenn.
Early
Eckhardt
Esch
Eshleman
Foley
Fraser
Gaydos
Goldwater
Hagedorn
Harris
Harsha
Hébert
Heinz
Helstoski
Hinshaw
Hungate
Jarman
Johnson, Pa.
Jones, Okla.
Kastenmeier
McCormack
McKinney
Melcher
Mills
Moorhead, Calif.
Murphy, N.Y.
Pattison, N.Y.
Pritchard
Railsback
Rangel
Richmond
Riegle
Roncalio
Rosenthal
St Germain
Scheuer
Shuster
Sisk
Staggers
Stokes
Stuckey
Teague
Udall
Weaver
Wilson, C. H.
Young, Alaska

The SPEAKER. On this rollcall 374 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MAKING IN ORDER ON TOMORROW CONSIDERATION OF CONFERENCE REPORT ON H.R. 8069

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that it may be in order to consider in the House on tomorrow the conference report on H.R. 8069, a bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Pennsylvania (Mr. FLOOD) if it is not true that there is a substantial disagreement, at least on the part of some Members of the House, about certain language in this conference report dealing with the subject of busing of schoolchildren for racial balance. I would assume this would come before us if the conference report is allowed to be brought up tomorrow as a result of the request the gentleman has made.

I would only ask the gentleman if he can assure us that those who feel that the strongest possible antibusing language be included would be given full opportunity for debate during consideration of the conference report.

Mr. FLOOD. Yes. Mr. Speaker, if the gentleman will yield, I assume the gentleman is referring to the amendment?

Mr. BAUMAN. That is correct.

Mr. FLOOD. The gentleman is correct.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for that assurance, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AUTHORIZING SECRETARY OF THE INTERIOR TO ENGAGE IN FEASIBILITY INVESTIGATIONS OF CERTAIN POTENTIAL WATER RESOURCE DEVELOPMENTS

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6669) to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 3, after line 5, insert:

"(1) A comprehensive resource analysis adequate to determine the feasibility of a geothermal energy utility system for the city of Susanville, California, and to initiate reconnaissance level studies of similar undertakings which may be requested by public entities in the future."

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. LUJAN. Mr. Speaker, reserving the right to object, I wish to ask the gentleman from California (Mr. JOHNSON) a question.

I might ask the chairman of the subcommittee if this is the same bill that this House passed 2 or 3 weeks ago, or perhaps 4 weeks ago, that contained those original 11 study projects. Is that correct?

Mr. JOHNSON of California. Yes, Mr. Speaker, if the gentleman will yield, I am pleased to offer the following explanation of the amendment of the Senate to the bill H.R. 6669.

This measure, as it passed the House of Representatives on October 6, 1975, provided authority for the Secretary of the Interior to engage in feasibility investigations of 11 separate potential reclamation projects and activities. Subsequent to development of this bill in the Interior and Insular Affairs Committee, and its passage by the House, information has become available from an appraisal study performed by the Bureau of Reclamation of the geothermal potential near Susanville, Calif.

Preliminary data from the reconnaissance appraisal are encouraging and suggest that the geothermal resource may well provide sufficient energy to support industrial applications as well as power generation.

Susanville, Calif., is a small community of about 7,000 people, located in the mountains of northern California. Its economy is dependent largely on the timber industry and some local agriculture. Development of the geothermal resource potential of the area will afford the community an opportunity to diversify while at the same time enhancing the energy supply.

The next needed step is a more complete assessment and evaluation of the resource to determine the feasibility of utilizing the energy for various applications. The Senate amendment to H.R. 6669 provides the authority for the Secretary of the Interior to perform such an assessment and evaluation. The investigation would require about 2 years and the estimated expenditure of $1 million. With these funds a series of test wells, up to 5,000 feet in depth, would be drilled and necessary geophysical and geochemical studies would be performed.

Mr. Speaker, I think it is essential that Congress move boldly to stimulate investigation and development of geothermal resources wherever they occur. The Bureau of Reclamation, in the Department of the Interior, has developed an excellent capability for evaluating and appraising these resources and this expertise should be made available to communities throughout the region where geothermal resources are to be found. By agreeing to the Senate amendment to H.R. 6669 the House will, in effect, be instructing the Secretary of the Interior to proceed more aggressively with such studies.

Mr. LUJAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

NORTH CENTRAL EDUCATIONAL TELEVISION, INC.

Mr. FLOWERS. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the Senate bill (S. 233) for the relief of North Central Educational Television, Inc., and that the Senate bill be amended by striking all after the enacting clause and substituting therefor the provisions of a similar House bill, H.R. 2493, as amended and passed by the House on December 2, 1975.

The Clerk read the title of the Senate bill.

The Clerk read the Senate bill, as follows:

S. 233

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to North Central Educational Television, Incorporated, the sum of $26,231.92 in full settlement of all its claims against the United States for reimbursement of additional expenses incurred as the result of administrative error by the personnel of the Federal Communications Commission in connection with that corporation's application for a television station.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 2493) was laid on the table.

PERSONAL EXPLANATION

(Mr. PATTEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATTEN. Mr. Speaker, on October 28 and November 3, I was necessarily absent from the days' legislative proceedings due to commitments in my congressional district.

Had I been present I would have voted in the following manner:

Truth in leasing, H.R. 8835, vote No. 643, "aye"; Center for Productivity, S. 2195, vote No. 644, "aye"; rules of evidence—criminal procedure, H.R. 9915, vote No. 660, "aye"; patent cooperation, S. 24, vote No. 661, "aye."

GOAL OF COMBINED FEDERAL CAMPAIGN DRIVE LAGGING

(Mr. ANDERSON of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, some weeks ago I accepted, albeit with some reluctance, the assignment as a vice chairman of the Combined Federal Campaign, which corresponds to the Community Chest, the Red Feather Drive, or United Way, which are conducted in communities across the country.

The budget or the goal that was assigned the legislative branch was $258,300. I have the sad duty today to report that although this drive ends on December 5, to date $5,200, or no more than 2 percent of our assigned goal, has been reached—this from a branch of Government that has an annual payroll of $150 million, where the average salary, I believe, of staff employees is $15,400.

Surely, Mr. Speaker, it would not be too much to call on the Members of this body to redeem, at this late hour, the honor of the House of Representatives; and I would implore all Members to call on the members of their staffs and get them together to outline the need to them.

In view of the fact that these dollars go to scores of voluntary charitable agencies operating here in the Capital region, I cannot believe that this is a 2-percent Congress or that this is the full measure of our willingness to respond to this humanitarian appeal.

IMPORTANCE OF HAVING RECORDED VOTE ON SECTION 605 OF H.R. 10612, THE TAX REFORM ACT OF 1975

(Mr. MYERS of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Pennsylvania. Mr. Speaker, it is important that we have an opportunity to cast a record vote both on those portions of section 605 of H.R. 10612, the Tax Reform Act of 1975, which gives U.S. Congressmen a major tax break as well as on the spending ceiling limit to be proposed by Congressman ANDERSON of Illinois.

The wording of section 605 would increase the second home tax deduction for Congressmen from $3,000 to an amount that could easily reach $7,500 or more. The tax break under this section could result in an increase in take-home pay for the average Congressman equal to our recent pay raise. It is unfair to the taxpayers of the Nation for them not to know which Members are in favor of the second raise and which Members are opposed.

Since the rule granted by the Rules Committee will not permit a vote on the spending ceiling or a vote on section 605, I urge your support in defeating the previous question until it will be in order for a substitute rule to be offered which will provide for the addition of both of these amendments to the list of permissible record votes. A vote on this windfall benefit for Congressmen should be made in public.

ISRAELI AIR STRIKE IN LEBANON

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, I rise to deplore the violent Israeli air strike that took place yesterday in Lebanon. I do so first because of the deeply indiscriminate nature of this reprisal. Violence of this nature—disproportionate to the provocation at hand—only weakens the legitimate case of Israel before the eyes of the world.

Equally disconcerting is the fact that this action has been connected to Israel's disenchantment over the recent Palestinian initiative in the United Nations. Outright rejection of all formulas to explore the festering Palestinian problem will serve ultimately only to enhance the case of the extremist elements. All parties must face this fact.

It is painful to speak plain hard truths to friends. But that is the obligation any genuine friendship entails. As I have deplored unwarranted violence by Palestinians, so I deplore unwarranted violence by Israelis. As Israel's oldest friend it is incumbent upon the United States to point out the terrible long-range consequences of diplomatic inflexibility.

CONFERENCE REPORT ON S. 1537, DEFENSE PRODUCTION ACT AMENDMENTS OF 1975

Mr. REES. Mr. Speaker, I call up the conference report on the Senate bill (S. 1537) to amend the Defense Production Act of 1950, as amended, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

Mr. REES (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, could the gentleman tell us whether or not we were successful in maintaining the House position on abolishing the Joint Committee on Defense Production?

Mr. REES. If the gentleman will yield, we were partially successful and I will explain it when I explain the conference report.

Mr. ROUSSELOT. I thought that we might have a reading of the full conference report. But I will repeat, were you successful in maintaining the provision to knock out the joint committee?

Mr. REES. It at least will be finished on September 30 of 1977 and they will have to come up specifically as a joint committee with a request or they are terminated.

The Senator who is now the chairman of the joint committee is in the middle of several very important investigations.

Mr. ROUSSELOT. Was he a conferee?

Mr. REES. And he thought it should not be terminated at this time.

Mr. ROUSSELOT. Was he a conferee?

Mr. REES. He was one of the conferees.

Mr. ROUSSELOT. That explains why you were not able to abolish the joint committee. I withdraw my reservation of objection so we might hear a further explanation of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

(For conference report and statement, see proceedings of the House of November 18, 1975.)

The SPEAKER. The gentleman from California (Mr. REES) is recognized for 1 hour.

Mr. REES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report would extend the Defense Production Act of 1950 to September 30, 1977. The act authorizes programs that maintain the national defense industrial base, prepare mobilizaton programs, provide uniform cost accounting standards and contractors, and examine national policy with regard to materials supplies and shortages.

The conference report is substantially the same as the House bill. The major change is the narrowing of the exemption for open meetings under the antitrust immunity provisions of the bill. The House bill would have permitted waiver for nine matters specified under section 552(b) of the Freedom of Information Act. Conferees limited the exemptions to two of these matters: secret national defense or foreign policy information classified under Executive order; and information specifically exempted from disclosure by statute.

The conference report would authorize the President to request industry, business, finance, agriculture, labor, and other interests to make voluntary agreements to develop preparedness programs and to expand productive capacity and supply. Participants in such agreements would be provided an affirmative defense against antitrust prosecution.

The conference committee adopted the limited antitrust defense contained in the House bill. That defense is only applicable to acts taken in good faith in the course of developing or carrying out a voluntary agreement by persons who have fully complied with the procedural rules promulgated under this section and the terms of the voluntary agreement. Some concern has been expressed by oil industry representatives that the insertion of the term "good faith" in this defense substantially erodes the protection afforded by voluntary agreements. I believe that concern is unwarranted.

As the Banking Committee report indicates, a company could easily demonstrate its good faith by making full disclosure of all relevant documents. If those documents demonstrate the conformity of the act to the agreement, the burden would shift to the other party to show that the act was not done in good faith or was otherwise outside the scope of the voluntary agreement.

Furthermore, while voluntary agreement participants must establish that they have complied with all relevant rules and regulations, an inadvertent failure to comply with a minor procedural requirement would not result in a loss of antitrust immunity. In short, we believe that this defense, while limited, provides voluntary agreement participants with sufficient protection.

The conference report would also revise and clarify the existing authority for the granting of antitrust immunity to participants in certain voluntary agreements in the private sector. The bill would spell out procedures for the making and monitoring of such voluntary agreements, requiring the participation of Federal officials, requiring open meetings, and authorizing the Government to cancel such agreements at any time.

The life of the Joint Committee on Defense Production is extended to September 30, 1977, with the understanding that the Congress will review the renewal of the joint committee at the same time it considers the extension of the Defense Production Act. The House provision terminated the joint committee on July 1, 1976, on the basis of a floor amendment adopted by voice vote.

The Senate conferees were adamant on this point, citing what they term an "ambitious schedule of activities this year" of the joint committee.

The Senate conferees pointed out that the Joint Committee has monitored the performance of the Cost Accounting Standards Board and the enforcement by the Department of Defense of cost accounting standards. The Senate conferees further pointed out that this year the joint committee has reviewed the Department of Defense program to improve its relations with industry and has conducted oversight hearings on the defense priorities system, and has initiated an investigation of the relations between Government contractors and Government procurement officials, and the possibility that some unallowable entertainment costs have been misallocated to Government contracts.

Mr. Speaker, the conference report modifies a House provision adopted on the floor by a vote of 26 to 25 and provides that, in promulgating standards and major rules and regulations, the Cost Accounting Standards Board shall report to the Congress on probable costs of implementation, including inflationary effects, compared to probable benefits, including advantages in the pricing, administration, and settlement of controls.

The House provision would have imposed an onerous obligation to submit analyses, comparisons, and reviews of alternatives in very great detail and precision whenever the Cost Accounting Standards Board proposed a cost accounting standard or major regulation. This obligation would have in effect stalled the progress being made by the Board in its statutory mission of promulgating cost accounting standards. The conference substitute, on the other hand, imposes an obligation to take into account costs and benefits, which the CASB can do as part of its regular research into proposed standards and regulations. The conference substitute, therefore, will not serve to impede the work of the Board.

In its consideration and debate of measures which led to the establisment of the Cost Accounting Standards Board in Public Law 91–379, the Congress decided to create an expert body to promulgate standards in the highly complex and very difficult field of cost accounting. The Congress rejected measures which would have required that cost accounting standards be imposed through legislation, preferring that standards be researched and formulated by an expert board and that the Congress reserve the right of disapproval by concurrent resolution passed by both Houses. The requirement in the House provision for a report on the Board's review of alternatives to a proposed standard is contrary to the congressional intent in Public Law 91–379. Congressional consideration of such a report would to a considerable extent put the Congress in a position where it would be required to exercise judgments about the technical aspects of cost accounting, instead of relying on its experts in the Board for that purpose.

The House provision with its very detailed requirements would have required the Board to make a careful sampling of the entire universe of 20,000 to 25,000 defense prime contractors and subcontractors to determine the principal cost and even the secondary cost and price effects of a proposed standard. Data for such analyses would have to come from selected defense prime contractors and subcontractors, and the process of gathering those data and verifying them would have imposed extraordinary burdens on those contractors.

The cost-benefit analyses required by the House provision would have created confusion and uncertainty in defense contracting, since the CASB's proposal in its final terms would be known, but the cost-benefit analyses, requiring up to 12 months to perform, would delay any application of the Board's proposal until completion of the analysis. The existence of a probable, but not actual, requirement for this long a time would make negotiation between the Government and its potential contractors very difficult throughout that period.

By requiring that by next August the Board submit very detailed analyses of the 11 promulgated cost accounting standards and the major existing regulations of the Board, all of which have the full force and effect of law under the terms of Public Law 91–379, the House provision would have in effect stopped all Board activity looking toward the promulgation of any new standards or regulations between now and August 1976. The Chairman of the Board has undertaken in public testimony to the Congress to give all possible priority to the Board's study of two possible standards, one recognizing interest as a cost of contracting and the second dealing with the impact of inflation on certain contracting costs. The Chairman has also stated that as a result of the Board's Evaluation Conference held in Chicago last June, the Board has established several priority projects looking to improvement in the application and use of the Board's standards and regulations.

None of these measures could have proceeded on schedule if the Board had been required to divert its work into compliance with the requirement for detailed analyses on all of its past major promulgations.

The conference substitute adopts the salient features of the House provision to the extent that they were not already incorporated in Public Law 91–379. These are: First, a specific attention to any inflationary impact of a Board proposal; and second, the extension of the requirement to consider probable costs and benefits of the Board's proposed major regulations. Such a requirement already exists with respect to proposed standards and has been met by specific discussions in the prefatory comments which the Board issues and submits to the Congress in connection with proposed cost accounting standards.

I have asked the staff to pursue this matter further, and I include, for the RECORD, a letter of November 26, 1975, from the Honorable Elmer B. Staats, Chairman of the Cost Accounting Standards Board, treating the points raised by the gentleman from Illinois with respect to the need for oversight hearings and attention to an evaluation conference on the Board's standards and regulations conducted in Chicago earlier this year.

I would like to express my appreciation for the assistance given to the conferees by the House Judiciary Committee and the Senate Antitrust Subcommittee.

Mr. Speaker, the principal provisions of this legislation, passed by the House on November 14 by a vote of 318 yeas, one nay, are those dealing with Section 708 of the Defense Production Act, which deals with the manner in which voluntary agreements on the part of private firms undertaken at the request of the President, may be developed and carried out. As the chairman of the conference, the Senator from Wisconsin (Mr. PROXMIRE) indicated when he submitted the conference report to the Senate, the Senate accepted the basic provisions of the House amendment for section 708.

This sums up what has been a very lengthy but, I believe, worthwhile effort; and I urge adoption of the conference report on S. 1537.

The letter from Mr. Staats follows:

Cost Accounting Standards Board,
Washington, D.C., November 26, 1975.

Hon. Thomas L. Ashley,
Chairman, Economic Stabilization Subcommittee, Committee on Banking, Currency and Housing, U.S. House of Representatives, Washington, D.C.

Dear Mr. Chairman: Mr. Jasinski of the staff of the Subcommittee on Economic Stabilization has asked for the Cost Accounting Standards Board's comments on two matters raised by Representative Anderson in Committee debate on Friday, November 14, on H.R. 10031 of the 94th Congress.

First, Mr. Anderson referred to his letter to you of June 2, 1975, in which he urged that oversight hearings be conducted on the operations of the CASB. As you know, your Subcommittee conducted hearings on May 1, focused on Cost Accounting Standard No. 409. Similar hearings were conducted on April 14 by the Production and Stabilization Subcommittee of the Senate Committee on Banking, Housing and Urban Affairs. As part of my testimony at both the House and Senate hearings, I included a summary of the Board's achievements and activities from its establishment in 1970 through 1974, and this statement is printed as part of the published hearings. The testimony in both the House and Senate hearings touched on significant activities of the Board, such as the Board's research program, and on agency implementation of the Board's rules, regulations and Standards.

Additionally, the Joint Committee on Defense Production, whose membership from the House of Representatives is drawn from the membership of the House Committee on Banking, Currency, and Housing, held hearings on August 20–21, 1975, on Cost Accounting Standards waivers and compliance. That hearing arose from the Board's denial of a request to waive the applicability of Cost Accounting Standards in a subcontract to be performed by United States Steel Corporation; nevertheless, in opening the hearing, the hearing was to focus on the broader question of Department of Defense and contractor compliance with Cost Accounting Standards generally.

The CASB would welcome oversight hearings at any time. We do believe that the three hearings discussed above provided to the Congress opportunities for a general review of the work of the Board and that each of those hearings developed useful testimony on the operations of the Board. Further, the Board submits a progress report to the Congress each year which summarizes the Board's activities. A copy of our report for fiscal year 1975 is enclosed.

The second point which Mr. Anderson made in debate on H.R. 10031 about which our comments were requested was his suggestion to you that a Committee staff person might benefit from attending the Evaluation Conference which the Board conducted in Chicago on June 11, 1975.

The Evaluation Conference was initiated by the Board to provide a specific occasion on which all persons affected by the Board's Standards and regulations would be able to present directly to the Board their evaluation of the effectiveness of Standards and Board regulations and to make recommendations for the Board's consideration. Since the Board was particularly interested in experience gained as a result of using Standards, it requested that those appearing at the Evaluation Conference address themselves to Standards and regulations which had been in effect for at least one year prior to the date of the Conference. Nine organizations appeared before the Board at the Conference. These included representatives of five defense contractors, representatives of three industry associations, and a partner of a public accounting firm. In addition, fourteen other firms and associations submitted written comments for inclusion in the record of the Evaluation Conference.

Almost 300 persons attended the Evaluation Conference. Many of these were Government employees. Although we did not require persons in the audience to identify themselves, our best estimate is that there were few representatives of defense contractors who were not associated with the firms which either made an appearance or later submitted written comments to the Board.

A full transcript of the proceedings at the Evaluation Conference was made, including written submissions to the Conference. A copy of that transcript has been made available to staff members of the Subcommittee on Economic Stabilization.

Our general assessment of the Conference is that it was very worthwhile. The overwhelming majority of the comments presented related, not to the concepts embodied in Board Standards and regulations, but to issues and suggested corrective action concerning the implementation and administration of Board promulgations by the Executive Branch. Some participants believed corrective action should be taken by the relevant Federal agencies clarifying and expanding their implementing instructions to provide better contract administration. Other participants recommended that the Board become more directly involved in the implementation and administration of Board promulgations. Also, suggestions were made that the Board issue interpretive material to resolve some of the matters discussed at the Conference.

At the Cost Accounting Standards Board's next meeting following the Evaluation Conference, the Board established five priority projects dealing with the concerns expressed by industry spokesmen at the Conference. The projects include:

(1) defining the term "cost accounting practice"

(2) possible publication of additional illustrations or interpretations of Board Standards or other Board promulgation on "materiality"

(4) investigation into ways in which the Board may be helpful in working with Executive Branch agencies in their implementation of Board Standards and regulations

(5) consideration of ways in which the Board can either provide or assist others in providing additional training of Government officials in the use of the Board's Standards and regulations.

The Board believes that the successful completion of these several projects will meet the concerns expressed by industry spokesmen at the Evaluation Conference.

If you desire any additional information concerning the operations and activities of the Cost Accounting Standards Board, please let us know.

Sincerely yours,

Elmer B. Staats,
Chairman.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. REES. I will be glad to yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague's yielding.

I want to express my appreciation to those conferees from the House who made the effort to try to retain the House position of just outright abolishing the joint committee. But can the gentleman tell me, since he was a conferee, what great investigations was this joint committee carrying on that are not already being carried on by other committees of the House or the Senate?

Mr. REES. I am not quite sure. They did not go into that much detail. I think they discussed the various turkey and duck preserves on the Eastern Shore of Maryland, and some of the various junkets that had been made there. I have just been handed a document this moment containing 10 items of what the joint committee is now doing or has done. If the gentleman wishes, I could read each of the items, or I could have it placed in the Congressional Record.

Mr. ROUSSELOT. If the gentleman will yield, I would appreciate his reading them. What investigations are they carrying on that other committees of the House and Senate are not already carrying on?

Mr. REES. Mr. Speaker—

1. Investigated and held oversight hearings on the Cost Accounting Standards Board and the Defense Department's failure to enforce Uniform Cost Accounting Standards against defense contractors.

We are also doing that as part of our oversight function on the Committee on Banking, Currency and Housing.

Mr. ROUSSELOT. I thought that was the responsibility of the Renegotiation Board.

Mr. REES. We seem to be cooperating on that. I continue:

2. Investigated and held hearings on the Defense Priority System utilized by the Department of Defense to secure scarce resources and consumer goods, uncovering numerous instances where DOD's priority was improperly exercised.

3. Initiated an investigation of unlawful and improper relationships between Department of Defense officials and defense contractors including entertainment of Federal employees, allocation of such illicit entertainment costs to government contracts, and the adequacy of present Cost Accounting Standards and auditing procedures to identify and recapture such misallocated costs.

That is the duck blind situation—

4. Instituted staff reviews in the following areas:

a. Industry efforts to evade Uniform Cost Accounting Standards.

b. Machine Tool Trigger Order Program.

c. Defense Materials System.

d. Strategic Stockpile Objectives.

e. Programs established by DOD 1975 Management Objective 8, regarding DOD/Industry relations.

5. Conducted investigation into security of national stockpiles of strategic materials.

6. Studied, at the request of the Senate Banking Committee, antitrust exemptions of Intra-Industry Voluntary Agreements authorized by the Defense Production Act.

7. Monitored House and Senate Banking Committee hearings on Defense Production Act extension.

8. Prepared amending and extension Defense Production Act legislation, including provisions authorizing a narrow grant of antitrust immunity necessary to implement the International Energy Agreement.

9. Investigated, at the request of the Senate Banking Committee, allegations of improper exercise of influence in the grant of franchises to operate financial institutions on military bases.

10. Studied the feasibility and desirability of establishing national economic stockpiles of critical materials.

Mr. ROUSSELOT. I appreciate the gentleman's listing of those activities of investigation and hearings that the joint committee has held, but is it not true that many other committees of both the House and the Senate are engaged in precisely the same things?

Mr. REES. I would suspect many of the committees of each House are dealing with these matters but I think the purposes of the joint committee is to cooperate with these committees to try to get some consensus between the two Houses. I know that their staff was of help when we were dealing with the problem of voluntary agreements. The voluntary agreements sessions were very complicated because they dealt with the antitrust laws. It made the conference more understandable to have had the joint committee coordinating the two Banking Committees as well as the Judiciary Committees of the two Houses. We have multicommittees of course in this area and it was good to have the joint committee help us in developing consensus language.

Mr. ROUSSELOT. I am not sure I am wholly convinced on that point.

Do I understand now that this joint committee is going to expire on a given date?

Mr. REES. The committee will expire next year unless it is renewed by specific action of this Congress.

Mr. ROUSSELOT. In 1977?

Mr. REES. In 1977.

Mr. ROUSSELOT. For sure it is going to expire?

Mr. REES. Unless we renew it.

Mr. ROUSSELOT. There is no intention on the part of the gentleman to renew it, is there?

Mr. REES. The gentleman from California (Mr. ROUSSELOT) might become so enthusiastic about the work of the joint committee he might want to renew it.

Mr. ROUSSELOT. No, I do not want to renew it. That is why I supported the effort on the floor to abolish it. But does the gentleman think they are getting the message over there that this thing is about to expire?

Mr. REES. I do not know. As the gentleman knows, Senator PROXMIRE is a very vigorous Member of the U.S. Senate and has been utilizing the committee's expertise.

Mr. ROUSSELOT. There is no doubt about that fact.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Speaker, I would respectfully suggest that the argument the gentleman makes against continuation of the Joint Committee on Defense Production could be made equally against the Joint Committee on Atomic Energy and the Joint Economic Committee. Obviously the subject matters considered by those committees are also under the jurisdiction of individual committees of each House.

Mr. REES. I think we might want to come up with a resolution to have a joint committee to study joint committees and have the gentleman from California as chairman.

Mr. BROWN of Michigan. Mr. Chairman, if the gentleman will yield further, I think it might be better to have abolished the individual committees of both Houses and have the joint committees handle those things.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman for yielding.

I appreciate very much the explanation of the gentleman with respect to the language in the conference report on the amendment which I offered to the bill when it was on the floor of the House pertaining to the Cost Accounting Standards Board.

As I understand the conference report and the explanation that the gentleman has offered, it now clearly will be the responsibility of the Cost Accounting Standards Board to set up criteria and procedures whereby the cost-benefit analyses of cost accounting standards will be made and that although there has been some modification in language, I might say by way of digression, I am touched by the solicitude that the conference committee expresses with respect to the Board, that:

> The substitute does avoid the imposition of the detailed and very time-consuming process set out in section 6 and thus preserves the time and energy of the Board for its task of promulgating cost accounting standards without further prolonged delay.

The reason, as the gentleman knows, for my offering the amendment originally was my concern for the fact that it took a lot of detail and was very time consuming for many small business enterprises to try to comply with the standards promulgated by the Board.

I would hope that in the language changes that were adopted that we have made it clear now to the Cost Accounting Standards Board that before they promulgate and send to the Congress their rule or their regulation, they will have taken into account the cost to the small businessman, as well as the inflationary impact that will result from the added cost that it might put upon small business in this country.

Mr. REES. Mr. Speaker, if I might answer the gentleman from Illinois, this was an open meeting of the conference committee. We had representatives from the Cost Accounting Standards Board attending. We made very clear what the intention of the gentleman's amendment was to prevent undue harassment and to prevent unreasonable cost accounting standards that would be a terrible imposition, especially on small businessmen who would have to completely redo their own accounting systems or go into separate lines.

They stated that they understood what our meaning was. Their explanation of the disagreement in the gentleman's language was they thought they would have to go through the entire universe of 10,000 to 25,000 contractors and make a statement on each one.

We said it was not necessary to go into each of the specific contractors, but they could take a sample of the small, medium, and large, and then come up with the inflationary impact and what it would cost a businessman to translate the new accounting standards into those recommendations of the Board; so I think the Board was not amiss.

Mr. ANDERSON of Illinois. I thank the gentleman for his explanation and also the conferees for preserving, I think, the true spirit and intent of this amendment.

Mr. REES. I appreciate the gentleman's help on the amendment.

Mr. SCHULZE. Mr. Speaker, I have no requests for time on this side.

Mr. Speaker, I would like to compliment the Members involved in the conference committee. It was fruitful. We were able to hold much of the position of the amendments put in by the House and the conferees were amenable to the final solution. We have a package which we can all accept. I would urge its adoption.

Mr. Speaker, I would also say to the gentleman from California that with the expiration date coming on September 30, 1977, that we have to be on our guard and watch that this committee does not go out and generate a lot of committee work and reports and make it appear to be necessary to be continued at that time. We have to be on our guard.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. SCHULZE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I think that was one of the reasons the gentleman and myself were trying to abolish the joint committee, because we felt it had already done enough generating of unnecessary work and that it was time to let it pass into the history books. So I agree with the gentleman; we will have to be aware and alert to be sure that when the joint committee does expire that we do not renew it.

Mr. SCHULZE. Mr. Speaker, I thank the gentleman. We have no further requests for time.

Mr. REES. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FLOWERS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 404, nays 4, not voting 26, as follows:

[Roll No. 730]

YEAS—404

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland

Evans, Colo.
Evans, Ind.
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen,
Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammer-schmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton,
J. William
Stanton,
James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—4

Ashbrook
Bedell
Hechler, W. Va.
Rousselot

NOT VOTING—26

Burke, Fla.
Burke, Mass.
Collins, Ill.
Derrick
Early
Fraser
Gaydos
Goldwater
Hagedorn
Hébert
Helstoski
Hinshaw
Hungate
Johnson, Pa.
McCormack
Moorhead,
Calif.
Nolan
Pritchard
Railsback
Riegle
Roncalio
Ryan
Sisk
Stokes
Udall
Vander Jagt

The Clerk announced the following pairs:

Mr. Hébert with Mr. Burke of Florida.

Mr. Sisk with Mr. Early.

Mr. Stokes with Mr. Hagedorn.

Mr. Riegle with Mr. Johnson of Pennsylvania.

Mr. McCormack with Mr. Derrick.

Mr. Roncalio with Mr. Pritchard.

Mr. Udall with Mr. Goldwater.

Mr. Burke of Massachusetts with Mr. Ryan.

Mr. Gaydos with Mr. Hinshaw.

Mr. Helstoski with Mr. Moorhead of California.

Mrs. Collins of Illinois with Mr. Railsback.

Mr. Fraser with Mr. Vander Jagt.

Mr. Nolan with Mr. Hungate.

Mr. MACDONALD of Massachusetts changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 7656, BEEF RESEARCH AND INFORMATION ACT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7656), to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Washington? The Chair hears none, and appoints the following conferees: Messrs. Poage, Melcher, Bergland, Litton, Weaver, Harkin, Hightower, Wampler, Sebelius, and Thone.

AMENDING THE IMMIGRATION AND NATIONALITY ACT

Mr. EILBERG. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 568), to grant an alien child adopted by an unmarried United States citizen the same immigrant status as an alien child adopted by a U.S. citizen and his spouse, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

That section 101(b)(1)(F) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(1)(F)) is amended to read as follows:

"(F) a child, under the age of fourteen at the time a petition is filed in his behalf to accord a classification as an immediate relative under section 201(b), who is an orphan because of the death or disappearance of, abandonment or desertion by, or separation or loss from, both parents, or for whom the sole or surviving parent is incapable of providing the proper care and has in writing irrevocably released the child for emigration and adoption; who has been adopted abroad by a United States citizen and spouse jointly, or by an unmarried United States citizen at least twenty-five years of age, who personally saw and observed the child prior to or during the adoption proceedings; or who is coming to the United States for adoption by a United States citizen and spouse jointly, or by an unmarried United States citizen at least twenty-five years of age, who have or has complied with the preadoption requirements, if any, of the child's proposed residence: *Provided*, That the Attorney General is satisfied that proper care will be furnished the child if admitted to the United States: *Provided further*, That no natural parent or prior adoptive parent of any such child shall thereafter, by virtue of such parentage, be accorded any right, privilege, or status under this Act.".

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. FISH. Mr. Speaker, reserving the right to object, and I will not object, as the ranking member of the Subcommittee on Immigration, Citizenship, and International Law, I wonder whether the chairman would take this opportunity to explain the differences here, since the Senate differed in its version from the language of the House.

Mr. EILBERG. Mr. Speaker, if the gentleman will yield, the Senate amendment makes three minor changes in the bill that was approved by the House. First of all, they have deleted the requirement that the single adoptive parent must be a person of "good moral character." In place of this provision, they have added language that would clarify the role of the Attorney General in approving orphan petitions. The Senate provision would grant the Attorney General authority to approve a petition in the event he is "satisfied that proper care will be furnished the child if admitted to the United States."

The only other change is the imposition by the Senate of a requirement that the single adoptive parent must be at least 25 years of age.

We believe that these minor technical amendments do not affect the substance of this meritorious legislation, and I would urge concurrence in the Senate amendment.

Mr. FISH. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON RULES TO FILE A PRIVILEGED REPORT

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PROVIDING FOR THE CONSIDERATION OF H.R. 10612, TAX REFORM ACT OF 1975

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 878 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 878

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10612) to reform the tax laws of the United States, and all points of order against said bill for failure to comply with the provisions of clause 3, rule XIII are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed six hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment to said bill in the Committee of the Whole or in the House shall be in order except the following: (1) amendments offered by direction of the Committee on Ways and Means, but said amendments shall not be subject to amendment; (2) the following amendments inserted in the Congressional Record of November 14, 1975 by Representative Mikva on pages 36652–36653 under the headings "Real Property", "Minimum Tax", "Portfolio Investments in United States of Nonresident Aliens and Foreign Corporations", "DISC Base Period", and "Capital Loss Carryback for Individuals" respectively; (3) the amendment inserted in the Congressional Record of November 14, 1975 by Representative Jones of Oklahoma on pages 36656–36660 under the heading "Minimum Tax for Individuals"; and (4) the amendment inserted in the Congressional Record of November 19, 1975 by Representative Smith of Iowa on page 37350, and said amendments shall not be subject to amendment except amendments offered by direction of the Committee on Ways and Means. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as order on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Missouri (Mr. Bolling) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. Anderson), pending which I yield myself such time as I may consume.

Mr. Speaker, this rule is controversial. It was controversial when it was under consideration in the Committee on Rules. These seems to be a difference between the parties on this matter. This was the rule requested by the chairman of the Committee on Ways and Means, with one addition. We added one more amendment to be made in order under the rule, the so-called Neal Smith amendments on agriculture. The others are made clear in the rule.

The rule is a modified closed rule, seven amendments being made in order by description. The Committee on Ways and Means, of course, can offer amendments. None of those amendments are subject to amendment.

We waived the Ramseyer rule. We provided 6 hours of general debate.

Mr. Speaker, I believe I will reserve the balance of my time so that I may discover what my colleagues on the other side are going to do in dealing with this rule.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, as has just been explained House Resolution 878 is a modified closed rule which would permit the offering of just seven Democratic-sponsored amendments to the tax bill, H.R. 10612. This is essentially the rule agreed to and requested by the Democratic Caucus of the Ways and Means Committee with one additional amendment made in order by the Rules Committee. I rise to urge defeat of the previous question on this rule so that I might offer an amended rule which would permit the offering of a spending ceiling amendment to the tax bill, and an amendment increasing personal exemptions from $750 to $1,000. The amendment which my revised rule would make in order would set a $395 billion spending ceiling for fiscal 1977, subject to adjustments through the congressional budget process should changed economic conditions warrant such an adjustment. This is identical to the amendment I attempted to attach to the debt ceiling bill back on November 12. In that instance, the previous question was adopted on a 221-to-185 vote. I would hope that the previous question is defeated this time since the fate of the tax cuts hinges on adoption of such a spending ceiling.

Mr. Speaker, the Rules Committee sat for three days on this rule and heard from some 24 witnesses. Many of those witnesses pleaded with the Rules Committee to make additional amendments in order. Attempts were made by a minority of the majority party, and by all of the Republican members, to further open this bill to those amendments. Specifically, the gentleman from Louisiana offered a package of five additional amendments to be made in order, of which one was eventually adopted. On the Republican side, motions were offered to provide for a completely open rule, a rule which would permit the offering of amendments considered and voted on by the Ways and Means Committee, and a rule which would permit striking out sections of the bill. All of these alternative rules were turned back—many along party-line votes.

Mr. Speaker, I supported all of the alternative rules which I have just described as well as the motion I offered to permit the offering of a spending ceiling amendment. I have great sympathy for those who do have well-thought-out amendments which they would like to offer but cannot under this modified closed rule. I would ideally like to offer as an alternative here today a completely open rule to give the House a chance to fully and freely work its will on this tax bill. But I am a realist and recognize all the arguments which would be marshaled to oppose such a rule. I do think it ironic that we had a parade of liberals coming before our committee urging that we keep this rule as closed as possible—only permitting votes on their favored tax reform amendments which are already protected by this rule. I think the public should take notice that so-called liberal reformers do not necessarily always favor openness; it just depends on whose ox is being gored.

What we are asking on this rule today is that the House simply permit the offering of two additional amendments—one to put a cap on our fiscal 1977 budget and one to increase personal exemptions. I do not think it is too much to ask that the minority not be completely shut out from the amendment process, simply because they do not happen to have a vote on Democratic committee caucuses. Even the Democratic Caucus has been fair enough to set committee party membership ratios at roughly the ratio of overall party representation in the House. And yet apparently this rule of near-fairness does not apply when it comes to amendments. Instead of the 2-to-1 plus 1 ratio for Democratic to Republican amendments, we have here a rule of 7-to-0 Democrat to Republican amendments.

I would therefore appeal to my colleagues on the other side of the aisle to vote for my rule of fairness which will at least permit the offering of two Republican amendments in addition to the seven Democratic amendments made in order by this rule. Keep in mind that your vote on this amended rule does not necessarily indicate your support for the spending ceiling amendment itself. All it indicates is whether you will permit the House an opportunity to fully and freely debate and vote on a spending ceiling amendment to the tax bill.

I would remind my colleagues on the other side of the aisle that the President has made his signing of a tax reduction bill contingent on the adoption of a spending ceiling for fiscal 1977. Moreover, according to a recent Gallup poll, 67 percent of the American people favor the President's call for reductions in both spending and taxes. Your vote on this rule today is a clear sign of whether you think this proposition favored by a majority of the American people should be given serious consideration by the Congress. While this amendment is being sponsored by a political minority in the Congress, it has support from a majority of the public. And if this bill is passed without a spending ceiling, the American people will know just who is to blame for any veto it invites.

Mr. Speaker, last time this issue was briefly considered during debate on the debt limit rule, the argument was raised that we'll get around to considering a spending ceiling sometime next spring when the Budget Committee reports its first concurrent resolution on the budget. It was further argued that to set a ceiling now would be to do violence to that budget process. I say such arguments are sheer nonsense. To argue that somehow all wisdom and power resides in the Budget Committee is to turn the Constitution and the legislative process on their heads. The Budget Committee is a creature and agent of this House, and not vice versa. If the Congress makes an affirmative decision now that it wants to set an overall spending ceiling for the next fiscal year, all we are doing is directing the Budget Committee to work within those limits in its deliberations next year. At the same time, my amendment is drafted in such a way as to preserve the integrity and flexibility of our new budget process by stating that the $395 billion ceiling is subject to adjustment through the congressional budget process, should changed economic conditions warrant such an adjustment. I do not see anything subversive or unreasonable in that concept.

The argument was also made during our last debate on this issue that somehow the barest minimum we could get by on in the next fiscal year was $399 billion unless some basic policy changes are made. The gentleman offering this argument claimed to be quoting from the fiscal 1977 "current services estimates" prepared by OMB. That document, incidentally, nowhere contains the bare minimum figure of $399 billion. But no matter how the gentleman arrived at this magic number, the whole argument begs the question since, as the gentleman concedes, current service estimates for fiscal 1977 are based on "anticipated costs of continuing ongoing Federal programs and activities at current levels without policy changes." So, contrary to the gentleman's contention that those supporting the $395 billion spending ceiling concept are somehow misrepresenting the facts, the fact is that the President has stated and we recognize that this proposal will require policy changes. The whole point of the President's message of October 6, 1975, was that we must curb the tremendous growth rate in Federal spending mandated by programs already on the books. To do so and to return to a balanced budget in 3 years, as the President has advocated, is going to require going back and reviewing those programs and making some policy changes. Nobody's misrepresenting the facts here; nobody's kidding anybody about the tough sacrifices and decisions involved here. But I reject the notion that the Congress is somehow incapable of making those policy changes; that somehow we are a captive of our own past programs and we cannot lift a finger to curb their spiraling growth. If that is the case, then we might as well accept the label of "can't do Congress" now and pack up our bags and go home. I find it a little amazing, to say the least, that many of the same people who were so anxious to demand sacrifice, balanced budgets and fiscal austerity from the city of New York do not think it is realistic to expect the same of the U.S. Government.

Mr. Speaker, I do not want to take more time on this rule to discuss the substantive merits of a spending ceiling. But I, for one, not only think we have the ability, but the responsibility, to curb the dangerous growth in Federal spending. To argue that it is unlawful under the budget act to enact a spending ceiling now is to violate the whole intent of that act to get a congressional handle on spending. We have got a chance here today to begin to prove that this is a "can do" Congress—that we do have the will and the ways and the means to rescue ourselves from this Red Sea of ink in which we are drowning.

I plead with my colleagues on the other side of the aisle to at least give this Congress a chance to debate and vote on a spending ceiling. At least give the minority a chance to offer this amendment which is supported by a majority of the American people. To those who argued against an open rule on the grounds that we would be here after Christmas on amendments, let me caution that the present modified closed rule, without making in order a spending ceiling amendment, poses the same danger of prolonging final action until after Christmas. Vote down the previous question and permit the offering of this amendment so that we can send a responsible and acceptable compromise package to the President before Christmas.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Georgia (Mr. LANDRUM).

Mr. LANDRUM. Mr. Speaker, when one finds himself in a position of having to disagree with the chairman of his committee and with a very slim—very slim—majority of his committee, it is with great reluctance that he comes and asks the Members of this House of Representatives to do something contrary to what his chairman and what that very slim majority of his committee would like.

We spent weeks after weeks after weeks studying and trying to put together a tax reform bill. I wanted to be constructive and help produce a tax reform bill and I tried in every way that I could, but now I come today faced with an unconscionable situation that makes me have to take issue with the chairman on his so-called modified rule.

At the conclusion of the study of this bill, where we had put in this item or that item or kept out this item or the other item by a majority vote of the committee, we find that at the conclusion of that exercise, after the bill had been built and produced, some asked for what is labeled a "modified open rule" allowing specific amendments wanted by a specific group but not allowing the opportunity for the gentleman from Georgia or any Member from any district in the United States to offer any amendment which his constituents might want or might expect him to offer. I simply cannot do it under this rule. So what we have to consider is a rule of whimsical expedience—nothing else.

It allows the committee to offer amendments to take out six items of this bill.

Now, my friend from the Republican side over here has pretended to add on a little more to make it a little more palatable, but, frankly, it is no better.

The only fair thing to do, the only honorable thing, the only responsible thing to do is to vote down the previous question on this rule and open up the rule and give every Member of this House the opportunity that he told his constituents he would take when they sent him here that, "I will go and be your Representative and I will offer amendments where I think it is necessary to protect your interests."

Now, I see my chairman smiling. The gentleman's smile does not disturb me one bit; but what does disturb me is that except for these six amendments, 435 Members of this House are going to be denied the opportunity to represent their constituency on the most important phase of legislation that can come before the Congress, taxes.

We are taking the money that our constituents earn at home and we are saying that no amendment can be offered to disturb what a select few want. How unjust, how unfair, how unreasonable, how unconscionable can we be?

Vote down this previous question. It will not deny us the opportunity to offer the amendments that the committee wants to offer. We can offer them, and in my judgment some of them, at least one, I am sure, will be adopted, one of the amendments will be overwhelmingly adopted. I will not be able to support it, but it will be adopted, nevertheless. Then we will have a tax bill produced by the Representatives of the people and not by a specific group, the hand-picked members of specific organizations.

Vote down the previous question and open this up to every Member of the House of Representatives. That is the fairest thing to do. That is the honorable thing to do. That is the responsible thing to do.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 6 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, Walter Lippman once wrote:

> Popular government has not yet been proved to guarantee, always and everywhere, good government.

H.R. 10612, as it emerged from the Ways and Means Committee, and under the proposed rule, is a blatant attempt by the majority to do the popular thing at the expense of good government.

It is expedient but not provident. At this time of national financial stress it is fiscally irresponsible. Lowering revenues without a commensurate limit to expenditures is a deliberate policy of spendorama and borrow against tomorrow. It is not legislating, it is electioneering, an attempt to sugarcoat budget-busting inflationary spending with the placebo of a tax reduction. It is a direct bid to use the tax system as a political instrument, to avoid responsibility with the expectation that largesse will be reciprocated in gratitude at the voting box.

H.R. 10612 represents the worst kind of so-called tax reform at this time. It presents the pleasantries of reduced taxes and ignores the reality of Uncle Sam's deficit-ridden budget. I know that suggestions of a limit to Federal expenditures send shudders of horror down the spines of the majority. I believe, when we have just witnessed the spectacle of the Nation's largest city, a rich city with a huge tax base, coming to the Federal Government for a bailout, that we should be smart enough to see the handwriting on the wall.

The $395 billion spending ceiling we propose is not a skeletal budget. It still is up $25 billion, mostly due to the pressures of inflation on existing benefit programs. I believe the American people are searching for a show of good faith from Congress. I do not believe they are going to be fooled by any attempt to purchase their allegiance at the price of fiscal irresponsibility.

The bill and the rule represent the bulldozer approach by the majority members. We in the minority had no input in the committee and are studiously ignored by the rule.

This bill would grant $20 in tax cuts for every $1 it picks up in new revenue. It does not deserve the label of tax reform.

I urge my colleagues to vote to amend the rule by defeating the previous question, and to enact a sensible spending ceiling for next year's budget. This unaccustomed exercise in congressional restraint would help restore some of the lost public confidence in the Congress. It also would help provide jobs by easing the strain in the capital markets caused by excessive Federal borrowing to pay congressionally established deficits. A tax cut without budgetary restraint could cost our Nation heavily in future jobs and prosperity. This is not a good trade-off.

We believe that this tax reform bill should, in these times of economic recovery, be both fair to all classes of taxpayers, but also stimulative to the economy, to help provide more jobs.

We, therefore, in addition to the spending limitation, propose that an amendment by Mr. LATTA be adopted. Instead of a tax credit of 2 percent of income up to $12,000 and the $30 credit for each dependent, the Latta provision would increase the personal deduction from $750 to $1,000—$500 each for married persons filing separately—and provide a $1,000 exemption for each dependent. An additional exemption also would be provided for the blind and persons over 65.

This Congress today can take a small step toward fiscal commonsense by voting to amend H.R. 10612 to include a spending limitation of $395 billion for the next fiscal year, and by broadening the tax reduction aspect of this bill to provide stimulus to our economic recovery. I urge my colleagues to approve these two needed amendments to the Tax Reform Act.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I would like to associate myself with the remarks of the gentleman from Arizona. The issue we should be considering here today is **tax reform. I think it is unfortunate** that a tax cut has been put in this bill. The two issues should be separated.

Since they have not been separated, it seems to me the best way to try to salvage this and to protect it from possible Presidential veto, endangering tax reform in that way, is to follow the course that the distinguished minority leader has recommended. I hope that the previous question will be voted down so that the amendments the gentleman suggests can be made in order, and tax reform will not be endangered in the way I have indicated.

Mr. RHODES. Mr. Speaker, as the gentleman from New York has indicated, the President has said that he will veto any tax bill which cuts taxes unless there is an equivalent cut in expenditures. This, I think, is very plain. If we actually want a tax cut and if we are sincere about it—and I think we should be because the economy may need this stimulus to get the rest of the way out of the recession—if we are sincere, we will vote down the previous question, impose a spending limitation and send a bill to the President which he can and will sign.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Speaker and my colleagues of the House, I want to at the outset express my concurrence with the statement made earlier here this afternoon by my friend and colleague, the gentleman from Georgia (Mr. LANDRUM). I want to urge, as he did, that the Members vote "no" on the previous question.

Mr. Speaker, may I elaborate, in the short time which is allowed me, beyond that which he has gone, the reasons for voting "no"?

My friend and colleague, the gentleman from Missouri (Mr. BOLLING) began his remarks, or prefaced his remarks, by saying that this is a controversial rule. Nobody can disagree on that statement. It is an extremely controversial rule. It is going to be controversial for a number of people because there are those who are sitting in this House now who were elected last November under the pledge to come to the Congress and provide for sunshine and let the House work its will, and they were against closed rules; but now some of these people are for closed rules.

Mr. Speaker, why is this rule controversial? It is controversial, as the gentleman from Georgia (Mr. LANDRUM) said, because a limited number of people are able to get consideration for measures which they lost over and over again in the committee. But it is further controversial because it took two members of the minority to go along with the majority in the committee to get this rule.

Mr. Speaker, what kind of a rule have we? We have limited amendments under the provision of the rule, yes. But it is even more limited than one would believe—limited to the extent that when we get to the 5-minute rule it is literally a 5-minute rule, because there will only be allowed 5 minutes of debate on each side for or against the amendments to be allowed a separate vote, and any other debate on the amendment must be conducted during the course of general debate.

So that really makes it controversial.

Let me say to you that the time has to come when this House can work its will and this House must be allowed a vote on an expenditure ceiling. This country wants the Congress to do something about an expenditure ceiling. From my personal point of view, we cannot afford the reductions which are provided for in the way of extensions of existing tax reductions unless we do something about a reduction in overall expenditures in this Government. But unless you vote the previous question down, you are not going to get that opportunity. If you vote the previous question down, I have every confidence that this House will vote for an expenditure ceiling.

But there are many controversial things we can talk about later during general debate.

There is a provision in this bill which provides for something new. It provides for an investment credit for the movie film industry. The film industry is owned by conglomerates in this country today. They are part of conglomerates. In providing for an investment credit, something new and additional, over and beyond anything we have ever had, we provide an investment credit for what is supposed to be personal intangible property. And who among us here today can say that movie film after it is produced becomes personal intangible property? It is an end product.

To compute the 10-percent investment credit which will be allowed, I want you to listen as to how this investment credit is going to be computed. The credit would be based on the total cost of production, including capitalized production costs, a reasonable allocation of general overhead costs. And listen further: Salaries paid for the actors and production crew, costs of first distribution of prints, and the cost of the story being filmed are included.

Mr. Speaker, the investment credit is not only allowed on tangible personal property, the camera, for example, that is used to film with, it is as well allowed on the end product—something totally new and something totally different.

I want those of you who vote for the previous question to realize this, because you are going to have to account for it.

The SPEAKER. The time of the gentleman from Louisiana has expired.

Mr. BOLLING. Mr. Speaker, I yield 1 additional minute to the gentleman from Louisiana (Mr. WAGGONNER).

Pornographic films and their producers will benefit from this investment credit, and that is the majority of that which is shown in America today. So if we allow this provision to become law, we will be voting to allow the investment credit for the pornographic film industry in this country today. How many of us can go back home and brag about that? Not very many, I would say.

A vote for the previous question is a vote against an expenditure ceiling. It is a vote for the investment credit for the pornographic film industry, and the previous question ought to be voted down so that we can open this up and so that we can clean this bill up. The rule should be entirely closed or completely open. We cannot do that unless we vote the previous question down so that we can amend the rule.

So, Mr. Speaker, for the Members who have been for open rules and for change, I want them to be able to explain how they are against giving the Congress an opportunity to vote for an expenditure ceiling and why they are for the pornographic film industry.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 3 minutes to the ranking minority member of the committee, the gentleman from Pennsylvania (Mr. Schneebeli).

Mr. SCHNEEBELI. Mr. Speaker, there appears to be some need to clarify whether the President is actually determined to submit a budget for $395 billion in January. To that end we asked the Director of the Budget to give us information on this point. He happens to be in China, so in his stead the Acting Director sent a letter to us this morning, and I will include at this point the text of that letter:

Office of Management and Budget,
Washington, D.C., December 3, 1975.

Hon. Herman Schneebeli,
House of Representatives,
Washington, D.C.

Dear Congressman Schneebeli: The purpose of this letter is to assure you, in the strongest possible terms, that the President will submit a budget request for Fiscal Year 1977 that meets the $395 billion spending limit that the President urged the Congress to adopt in his message of October 6, 1975.

Specifically, the President is firmly committed to sending a budget request to the Congress next month that will total no more than $395 billion. You may be absolutely certain that the President will meet his commitment.

The President has urged that the Congress join with him in setting a ceiling of $395 billion for Fiscal Year 1977 and take this action as a first step toward balancing the Federal Budget within three years. I should emphasize that the President is not proposing a cut in Federal expenditures in 1977 over 1976, but rather moderating the increase in 1977 to some $25 billion, which is an increase of approximately 7% over 1976. As the President stated, we have to face "hard realities: Our financial resources are limited. We must learn to live within our means."

In the two-month period since the President proposed that the Congress join him in adopting a spending ceiling of $395 billion for FY 1977, all attempts to put this issue to a direct vote by the full House of Representatives have been frustrated.

As you begin your consideration of the tax bill today, we strongly urge that you put aside procedural road blocks that avoid the issue, and bring the spending ceiling proposal before the full House for a vote.

Sincerely,

Paul H. O'Neill,
Acting Director.

Mr. Speaker, we have ample precedent for having a spending ceiling in a Ways and Means Committee bill. In 1968, in a tax bill in which we had added a 10 percent income tax surcharge, there was a spending reduction of $6 billion in that tax bill. This was effected at the insistence of the then chairman of the committee, the gentleman from Arkansas (Mr. Mills), who said we were spending too much money on the Vietnam war.

Again in 1973 there was effected a $250 billion spending ceiling, and I would like to reflect on that. That was a $250 billion spending ceiling in 1973. Now, for 1977, 4 years later, that $250 billion ceiling will be $395 billion, and some Members say this is not enough.

Let me quote from a well known columnist, Roscoe Drummond, writing in the Christian Science Monitor on October 29, 1975:

> It is being argued that Congress can't do what the President asks, that it is impossible for it to set a ceiling on spending until it examines what cuts in the budget would have to be made.* * *
>
> Congress can do anything it wants to do. If the senior Democratic congressmen don't want to cut taxes and spending simultaneously, they should say so. To contend that they can't is fakery.
>
> What, then, is the heart of the fiscal-political issue which President Ford is raising? It is that, in his view, the time has come for the federal government to call a halt on the mounting federal indebtedness if it isn't to end up in the same ominous plight as New York City.
>
> * * * * *
>
> There is visible today all across the country a deepening disenchantment with big bureaucratic government which most people feel does more "to" them than "for" them.
>
> Some liberal Democrats are joining conservatives in sensing this public disenchantment.

Mr. Speaker, this liberal Democratic group about four or five new Democratic Governors, the Governors of Massachusetts, New York, Wisconsin, Colorado, and California, who are all for expenditure cuts.

Mr. Speaker, I rise in support of the motion of the gentleman from Ohio (Mr. Latta) to defeat the previous question on the rule granted by the Committee on Rules for consideration of H.R. 10612, the Tax Reform Act of 1975.

The attempt by the gentleman is a worthy one which should be considered seriously and supported by Members of the House. The reason it should be supported is so that a substitute rule can be offered to the House which would allow a vote on the President's recommendation for establishing a spending ceiling of $395 billion for the fiscal year 1977.

As Members know, the President in his recent tax message to the Congress urged the adoption of a $28 billion tax cut for the calendar year 1976 and at the same time called for the enactment of a spending limitation for the fiscal year 1977, limiting budget outlays for that fiscal year to $395 billion.

Republicans on the Ways and Means Committee made numerous efforts to make the tax cuts contained in this legislation contingent upon enactment of a concurrent resolution by the Congress providing for a spending limitation during fiscal year 1977 of $395 billion. In every case, we were ruled out of order on the basis that the tying of tax cuts to an unrelated contingency was within the province of the Budget Committee and, therefore, nongermane. Even an effort to direct the chairman to write a letter to the Committee on Budget asking that the committee add a new title to the tax bill providing the fiscal year 1977 spending limit, was voted down.

When we were unsuccessful in our attempts to tie the spending ceiling to the tax bill, we attempted to have a separate spending ceiling for fiscal year 1977 attached to the debt limit legislation which recently passed. The Rules Committee refused to grant us a rule making in order such an amendment and our efforts to defeat the previous question on that rule were unsuccessful.

The Rules Committee has refused to make in order an amendment to this bill providing for a spending ceiling despite the fact it has made in order certain other amendments to the bill requested by a select group of Democrats on the majority side. We have no objection to the offering of those amendments on the floor, but we feel it is unfair and inconsistent for the majority to take the position that they can have their amendments considered when we could not have certain amendments which we feel are vital brought to the House for consideration.

For years we have heard from certain members of the committee that we should have an open rule on tax bills so that the House could work its will. Now, when it does not fit their purpose, they have changed their stripes and have taken the position that only select amendments—those they favor—should be considered by the House. Is this letting the House work its will? We think not.

We believe that the crucial issue facing this country today is excessive Government spending. The situation in New York is a clear example of Government extravagance and provides us with a picture of what can happen when there is no attempt to restrain governmental expenditures. The American people are sick and tired of unbalanced budgets, burgeoning bureaucracies and waste in Government. The President has posed a mechanism for restraining Government spending in the next fiscal year. We believe there is nothing in this bill as important as this.

Some have questioned whether the President will, in fact, submit a $395 billion budget for fiscal year 1977. For the information of the House, I would like to read a letter I have today received from Paul O'Neill, Acting Director of the Office of Management and Budget. I include the entire letter at this point in the Record:

Office of Management and Budget,
Washington, D.C., December 3, 1975.

Hon. Herman Schneebeli,
House of Representatives,
Washington, D.C.

Dear Congressman Schneebeli: The purpose of this letter is to assure you, in the strongest possible terms, that the President will submit a budget request for Fiscal Year 1977 that meets the $395 billion spending limit that the President urged the Congress to adopt in his message of October 6, 1975.

Specifically, the President is firmly committed to sending a budget request to the

Congress next month that will total no more than $395 billion. You may be absolutely certain that the President will meet his commitment.

The President has urged that the Congress join with him in setting a ceiling of $395 billion for Fiscal Year 1977 and take this action as a first step toward balancing the Federal Budget within three years. I should emphasize that the President is not proposing a cut in Federal expenditures in 1977 over 1976, but rather moderating the increase in 1977 to some $25 billion, which is an increase of approximately 7% over 1976. As the President stated, we have to face "hard realities: Our financial resources are limited. We must learn to live within our means."

In the two-month period since the President proposed that the Congress join him in adopting a spending ceiling of $395 billion for FY 1977, all attempts to put this issue to a direct vote by the full House of Representatives have been frustrated.

As you begin your consideration of the tax bill today, we strongly urge that you put aside procedural road blocks that avoid the issue, and bring the spending ceiling proposal before the full House for a vote.

Sincerely,

PAUL H. O'NEILL,
Acting Director.

As this letter clearly shows, the President is committed to sending us a budget for fiscal year 1977 which will not exceed $395 billion and I believe it is incumbent upon the House to adopt an amendment doing the same.

Also, we believe the House should be able to vote on at least one other amendment. The amendment would replace the 2 percent taxable income credit in the bill with an increase in the personal exemption from $750 to $1,000. The credit included in this bill is complicated and confusing, whereas the personal exemption is a straightforward and fair provision well known to all taxpayers. It is time that it was increased and if the previous question is defeated, the substitute rule will allow for a vote on increasing the exemption to $1,000. The revenue cost for the increase in the personal exemption is about the same as the credit. Since there is little difference in the cost and since the personal exemption is straightforward and better understood by the taxpayers, it should be adopted in place of the credit in the bill.

As a result, I urge all of my colleagues to vote down the previous question on this legislation so that a substitute rule can be offered making in order the two amendments I have mentioned. Unless we have an opportunity to have a vote on these amendments, I will oppose the entire tax bill and will urge all of my colleagues to do so.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Speaker, this is one of these days when things are not as they seem. People who are getting up here advocating open rules sometimes in the past have been for closed rules, and people in the past who have supported open rules are urging the adoption of this rule.

The gentleman from Illinois (Mr. ANDERSON) said that "only" seven amendments are going to be in order if this rule is adopted.

This is only my third term in Congress, but in the first two terms that I was here, I do not remember any tax bill in which the House had anywhere near as much input in the bill as they will have if this rule is adopted.

It seems strange to me that this, of all of the rules, should be the one that is knocked out as being too closed.

The seven amendments which are to be considered, some weakening, some strengthening, can cause a swing of over $1 billion, not just for 1 year, but for each year; and by 1981 can cause a swing of almost $2 billion. That is the significance of whether this rule is adopted or not, because everybody knows or ought to know that if the previous question is voted down, it is not a case of just having the amendment of my good friend, the gentleman from Illinois (Mr. ANDERSON), adopted. I have heard the discussion here: People are talking about having an open rule, an open rule on a bill of this size, an open rule on a bill which, if one looks at the report of the committee, probably touches on every single important section of the code.

Whether or not the Members of the House can, in fact, digest the full contents of this bill and all the related sections that would be relevant if there were an open rule and all the other things that are in the report between now and the time it is debated, I cannot say. Think how long it will take to be debated. Think how long the debate will go on, if the entire tax code is opened up under an open rule.

No, the argument is not whether there should be an open rule or this rule. The argument is whether or not there shall be tax reform during this session of Congress, because it is well known that if the previous question is voted down and the rule is opened up, that is the end of tax reform in this session.

It may be the end of tax reduction as well, for this session. Mr. Speaker, that is something that I think the members of my party are deeply concerned about, because if this bill does not pass, we do not have a means of continuing the existing tax cut. The other way of saying that is that if we do not continue the tax cut, comes January 1, everybody gets a tax increase.

Can we go home from Christmas and explain to our constituents how that was in the public interest?

There has been an awful lot of talk about a spending ceiling. Let me say that even my good friend, the gentleman from Illinois (Mr. ANDERSON), has to acknowledge that such a ceiling is otherwise not germane to this bill.

If that limit on spending is such a good idea, why has it not been put somewhere else? Why could he not persuade a majority of the House to open up the rule on the debt ceiling, an otherwise worthless control? We might as well put two worthless controls in the same bill. However, he wants to persuade the Members with respect to this bill, a bill that involves the most meaningful attempt at tax reform that we have had since 1939, a bill that gives this House a chance to decide whether we want to be tax reformers or protectionists, a bill that gives the House a chance to continue the tax reduction already in effect, a bill that gives the House a chance to raise upwards of $3 billion in new revenues by closing up loopholes, loopholes that say that some people pay less tax, while other people pay more tax.

Mr. Speaker, that is what is involved, not whether or not we vote for this rule when all the debate is over. The question before the House on the previous question is going to be, Do we want tax reform?

If we want tax reform, we will vote for the previous question and for this rule. If we do not want tax reform, we will follow the lead of my colleague, the gentleman from Illinois (Mr. ANDERSON).

Mr. LANDRUM. Mr. Speaker, will the gentleman yield?

Mr. MIKVA. Yes; I yield to the gentleman from Georgia.

Mr. LANDRUM. Mr. Speaker, my friend, the gentleman from Illinois (Mr. MIKVA), has made the statement that if we should open up this rule, it would cause the bill to be debated too long and that we would be here an interminable length of time deciding this bill.

I would make this observation to my friend, that it is not how long we debate it, but how far we go in protecting the interest of the people who sent us here.

It does not matter whether we are here 1 day or 21 days. If we understand the bill then we have done our job of representing the people.

Mr. MIKVA. Mr. Speaker, I want to say to my good friend the gentleman from Georgia (Mr. LANDRUM) that I am pleased he has gone so far in connection with opening up the bill for debate on the floor of the House. Maybe it means the end of the big bills. Maybe we have to come in one section at a time but clearly, if this bill is opened up under an open rule, the bill will never be adopted.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. LATTA).

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Speaker, it appears that the distinguished Committee on Ways and Means did not in its deliberations on H.R. 10612 recognize the full importance of the Domestic International Sales Corporations—DISC—program to American agriculture and our balance of payments.

The tax deferral benefits of the DISC program importantly help U.S. agricultural exporters to be more price competitive—by offsetting some of the added expense of selling abroad and by other factors—enable them to more frequently extend a little longer credit terms to foreign buyers, provide partial compensation for the greater financial risks involved in selling to foreign buyers and in some foreign import levy and tariff systems which sometimes permit increased import charges while shipments are en route, and furnish funds for plant and equipment modernization and expansion. This export assistance is especially important to the medium and small U.S. firms and cooperatives—many of which are competing with a sizable number of competitor third country exporters receiving export subsidies and other such assistance from their governments.

U.S. exporting firms benefiting in these ways from the DISC program include numerous exporters of dairy and poultry products, tobacco, cotton, some grains, livestock and livestock products, seeds, and other commodities.

About 85 percent of the approximate $1 billion annual U.S. cotton exports are made under the DISC program—much of this by small firms and cooperatives—and practically all exporters of U.S. tobacco and seeds use the DISC program.

All or nearly all of the export-oriented sector of the U.S. livestock and livestock product industry are using it very effectively. Animal fats and hides/leather comprise half or more of livestock and livestock products exports; and for these two segments of the industry, as well as some small firms exporting variety meats and some beef and pork carcass cuts, the DISC program is essential if they are to continue developing foreign markets for their products.

In fact, since about half of the animal fats and hides/leather production is being exported and nearly all of these industry members are small firms which do not have the resources to establish foreign-based export offices, the feeling is very strong that it would seriously impair their overall businesses if the DISC program should be taken away from them. At their recent annual convention, the National Renderers Association, animal fats/protein meal producers, unanimously took a position to this effect. These commodities receive little or no other governmental export assistance.

It would be quite onerous for U.S. exports generally if the entire DISC program were to be terminated; and especially onerous if our agricultural exporters, who must often compete with Government-assisted foreign competitors for these usually fiercely competitive sales, should be discriminated against by their own government removing only agricultural commodities from the DISC program.

Mr. Speaker, I will vote against the previous question on the rule in order that a substitute can be offered allowing two amendments. The first amendment would set a $395 billion spending limit, and the second amendment would increase the personal tax exemption from $750 to $1,000 per person in lieu of the 2-percent tax credit proposal in the bill. I strongly support these two amendments.

Mr. LATTA. Mr. Speaker, I have listened with a tremendous amount of interest to the statement just made by the gentleman from Illinois (Mr. MIKVA) that this is a rule that goes a long way toward permitting this House to work its will on a Ways and Means bill. I would have to respectfully take exception to such a position. It permits six amendments offered by members of the Committee on Ways and Means to be reoffered in this House, and only one amendment, an amendment to be offered by the gentleman from Iowa (Mr. SMITH), who is a nonmember of the Committee on Ways and Means, will be made in order for floor consideration.

So we should understand that this is still a rule, with one exception, which permits only the members of the Committee on Ways and Means to offer their amendments, to the exclusion of the other Members of this House.

I might say, Mr. Speaker, that I have served on the Committee on Rules a number of years and I have just about reached that point that the gentleman from Georgia (Mr. LANDRUM) has already reached, that being, it is time to grant open rules on bills from the Committee on Ways and Means.

The rules of the other body permits 100 Senators to debate and offer amendments to bills from the Finance Committee on the floor, so why not permit Members of this House to do likewise?

I think it is time that we seriously consider such a procedure in this House. But I am a very practical individual and I realize that time is not today. So I support wholeheartedly the effort being made by the gentleman from Illinois (Mr. ANDERSON) in urging the Members to vote down the previous question on the rule so that he can propose an amendment which will make two simple and easily understood amendments, in order: No. 1, a spending limitation of 395 billion dollars for fiscal year 1977. This is vitally important. If we will go back to the RECORD and check what was happening on the floor of this House just a year ago October 11, we will find that the gentleman from Texas (Mr. MAHON) was proposing a resolution on the floor of this House which would have targeted spending for 1975 at $300 billion. So in just a little over a year we see where the spending has gone as the result of the spending by this Congress. It is time to call a halt to such spending. I repeat, it is time to call a halt before we put the Federal Government in a fiscal situation comparable to that now faced by New York City.

I think if other Members are getting back home as I do, they are finding that the people back home want something done to curb this spending. The Members are going to have an opportunity, if the motion of the gentleman from Illinois is agreed to, to vote for a spending ceiling for fiscal year 1977.

Second, it is a very understandable amendment which I will offer, and it is to increase the personal exemption from $750 to $1,000 for a taxpayer and his dependents. The last time this Congress took action to raise the personal exemption was back in January of 1971. The Consumer Price Index has risen 37.2 percent since that time. I do not mean as a member of the Committee on the Budget to reduce revenues below those provided in the bill. No. I expect, with the adoption of my amendment to increase the revenues by $400 million as this amendment would be in lieu of the 2-percent tax credit provision now in the bill. Nobody understands the 2-percent tax credit provision in the bill but they will understand my amendment to increase the personal exemption from $750 to $1,000.

And I repeat, we pick up $400 million in revenues if we adopt my amendment. I regret to say that by so doing is the only way Members of this House, not members of the Committee on Ways and Means and the one member of the Committee on Appropriations, will have any input into this legislation. Therefore, I urge you to vote down the previous question and permit the gentleman from Illinois (Mr. ANDERSON) to offer his amendment containing at least the two provisions I have mentioned.

Mr. Speaker, I think this is a very important piece of legislation. I think most Members of the House wish to see an extension of the tax reduction passed last year. Let me say the only way we are going to get it, if you believe the President of the United States, is to adopt a spending ceiling for fiscal year 1977. By so doing, we can also increase the personal exemption of all taxpayers and their dependents.

Every taxpayer in your district surely understands the difference between $750 and $1,000 and he will take note of that difference when he computes his income tax.

The SPEAKER. The time of the gentleman has expired.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, I rise in strenuous opposition to this rule. It is an unfair, capricious rule; a rule which sets a precedent of control by a small minority of the Ways and Means Committee over this House. It is a rule that precludes the 398 Members who are not members of the Ways and Means Committee from having an impact upon this crucial legislation. This is no way to conduct the people's business, and it is time the people knew about it.

I want to remind my colleagues that this irregular method of procedure has been followed consistently during consideration of this bill. The protection of the rights of the minority party has been nonexistent. The real decisions on this legislation have been made behind closed doors by some of the majority party members of the committee, and shoved through in a charade. Now they are trying to do the same thing on the House floor with this rule.

Where was the decision made to deny the opportunity to link the spending ceiling to the tax cut? In the Democratic caucus of the committee. Where was the decision made not to separate the tax cut from the rest of the bill? In the Democratic caucus of the committee, where only 16 of the 25 members showed up, and where only 10 members were able to impose their will upon the entire 37-member committee. The full committee was not even consulted, although the chairman assured us that we would be. This is a mockery of the committee system.

Where was the decision made to ask for the type of rule that is before us today? In the caucus of majority party members of the committee. And what are the amendments? They have been considered, reconsidered, and re-reconsidered backward and forward by the full committee, and defeated. However, a small minority of the committee extracted this rule permitting them to bring these amendments to the floor as the price for voting this bill out of committee. It is a measure of how awful this bill is that they succeeded, since the majority in favor of reporting was only 21 to 16. So we have this rule courtesy of a handful of Members who only want their amendments considered, and who deny anyone else the same right.

It is obvious to me that there are only three alternatives for considering this legislation: we can have a completely open rule, or a completely closed one. Or, if we are going to bring to the House floor amendments considered in the committee, bring all of them, not one selected by a handful of committee members. By what standard were the amendments limited? What makes these more worthy of consideration than the scores of others offered during markup? Do the amendments offered by the minority party have no right to consideration? Is there any reason for this rule other than legislative strong-arming and legislative blackmail?

I would urge the Members of this House, of both parties, to seriously consider whether this is the type of precedent we want to set. If it is, we may just as well junk the committee system and hand legislation over to King Caucus. Legislation will then be passed when King Caucus acts, since the House is powerless to add amendments of its own.

The Tax Reform Act is a very bad piece of legislation. It is going to do violence to our economic recovery. But the rule being considered here, in its highhandedness and blatant disregard for Members' rights, is so much worse. I earnestly ask my colleagues to vote down the previous question.

Mr. FISHER. Mr. Speaker, I rise to support the rule that has been recommended by the Rules Committee.

I am a new Member this year, as most of the Members will recognize. I suppose when I came here there were very few new members or returning members who would have stood more firmly than I for openness in all affairs of this Congress. But ideals of this sort do get tempered rather quickly around here by practicality. In this matter I acknowledge my debt to some teachers, colleagues of mine on the Ways and Means Committee, and notably some of those who have spoken, such as my dear friend, the gentlemen from Georgia (Mr. Landrum), from Louisiana (Mr. Waggonner), from New York (Mr. Conable), from California (Mr. Ketchum), and others.

I do think that in this rule we have the ideal of openness well combined with the practicality of actually getting on with considering and voting for a tax reform measure.

The seven amendments do offer that opportunity—not fully but, in practical good sense, about right in my judgment. Most of these seven were matters that were discussed in great detail in the committee, argued this way and that, voted first one way and then the other. It does seem to me entirely reasonable that we have a chance to consider these in the full House. They do symbolize whether we are to have a good measure of reform, quite a bit of it, or considerably less. I would stoutly defend the proposition that the House ought to have a chance to debate these amendments.

But to go beyond consideration of the seven amendments recommended by the Rules Committee to an open rule or many more amendments certainly would invite bedlam and no action, no reform, whatsoever.

The principal additional amendments being put forward by the opposition is for a Federal spending ceiling of $395 billion for fiscal year 1977. There is merit is developing a strict spending ceiling but this should not be done by addition to a long and carefully considered tax bill. It should be done as part of the new budget procedures enacted last year by the Congress, in due time after the President submits the administration's budget in January. To put this in the tax bill at the last hour without the careful study given to the tax changes in the bill would amount to by-passing and depreciating the promising new budget process. It would also amount to distorting the tax bill being considered here and probably postponing or killing tax reform in the 94th Congress. At the minimum it is not germane.

I urge support of the rule recommended by the Rules Committee.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. Myers).

Mr. MYERS of Pennsylvania. Mr. Speaker, today in my 1-minute speech I expressed my opinion that the previous question on this rule must be defeated until it is in order to amend the rule to provide for a record vote on the portion of this bill, section 605 which gives unnecessary tax breaks to Congressmen. It is ironical that this body is not going to allow a rule which would make in order an amendment to raise individual deductions from $750 to $1,000, when section 605 is going to give us as Members of Congress deduction increases of nearly $5,000 to $9,000.

Using the calendar year we were just in, I would like to explain how I expect this tax break to work. The IRS has been directed to compute the legislators' travel and living expenses away from home by considering the following three factors: first, the number of days during the calendar year the legislators are away from home, probably including junkets; second, the cost of living at the place where the legislature meets; and third, the cost of living allowances allowed businessmen under some circumstances.

Congress has been in session 160 days and probably will be for 175 days this year. Home is defined as the Congressman's district. It appears about 175 days will be computed, with probably $44 per day allowed for expenses, which will add up to nearly $7,700 in deductions this year which compares to what is now allowed Congressmen of $3,000 a year. For a Congressman who is in a tax bracket in the neighborhood of 50 percent, what that would mean is his actual take-home pay would be increased by about $2,350 per year, which exceeds the increase in the cost of living raise we experienced this year.

I hope this Congress will see the wisdom of providing a rule that would allow us to have a direct vote on that issue. I cannot conceive of doing otherwise. It surprises me that the majority party has neatly tucked this increase in the bill and selectively attempted to protect it from being removed by bringing to the floor this rule making out of order an amendment to remove it.

Members have indicated this is a reform tax bill; I submit the general public will not understand this type of reform.

I ask my colleagues to vote no on the previous question.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Speaker, I intend to oppose the previous question and I hope all Members of this body will do so, too.

I have already spoken at length in the case of the debt ceiling on the need for us to impose a spending ceiling, and on the feeling within this country that Congress must impose some controls upon itself.

I think undoubtedly it is abundantly clear that the Congress, and especially the congressional leadership of this House, is unwilling to make this decision. Therefore, this Congress is going to have to stand before the people in 1976 to explain why it did not make this opportunity available.

Before this bill became a political vehicle for tax reduction, I supported the Tax Reform Act. I will, however, not support it because it will not have a ceiling. If it had a ceiling, or no reduction I would support it again. It is headed for certain veto.

For those who say tax reduction is the only way we can have tax reform this year, I say it is the only way to kill the tax reform bill. The two are bound together because some Members have no confidence that tax reform can stand on its own. The tax reduction is the anchor. It will sink a worthy reform.

Mr. Speaker, I urge a vote against the previous question.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. Martin).

Mr. MARTIN. Mr. Speaker, in a bill designed to close tax preferences, one amendment that ought to be considered is to strike that section 605, which gives Members of Congress a generous new tax benefit. This section would potentially allow us a deduction of somewhere between $6,000 and $12,000 for the hypothetical expenses of working here, for which we are already compensated once, and without having to itemize those expenses, like anybody else has to do. That is bad enough, Mr. Speaker; but it is outrageous to slip it through without voting on it.

Earlier this year we voted ourselves a nice salary increase. It passed by only one vote. Now we are about to bestow an even bigger benefit without the encumbrance of having to vote on it. I expect a lot of people we represent will view this as a slick move.

Who really knows how big a loophole this will be? The Committee on Ways and Means does not know. The Treasury

Department does not know. Nobody knows.

Will the per diem be $44 per day, or $25, or $100? Will it reflect the rental on a palatial apartment, or a modest apartment? Nobody knows.

Will it be allowed only for the days we are actually in session, or will it be more generous and allow the total number of days we are away from our State to attend Congress; including recesses, weekends, and junkets? Nobody knows.

The gentleman from Pennsylvania (Mr. MYERS) has outlined the procedure by which this measure can be deleted from the bill.

I support the effort to defeat the previous question in order to allow a rule allowing a vote on a spending ceiling—without which a tax cut is inflationary.

I also support the gentleman from Pennsylvania (Mr. MYERS) in his effort to defeat the previous question yet again, in order to get a vote to exorcize this self-indulged windfall, special treatment, loophole of a preferential tax cut for all of us legislators.

Mr. BOLLING. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I do not intend to prolong this even a minute. The matter of the $395 billion ceiling was disposed of some weeks ago once. I hope it will be disposed of with a larger majority now. The time to deal with the ceiling is when we deal with our budget process after the President has submitted his budget.

The other arguments speak for themselves.

The previous question should be voted and we should proceed to debate and act on this tax reform and tax reduction bill. This will make that possible. Virtually any other rule makes that impossible.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ANDERSON of Illinois. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 219, nays 197, not voting 18, as follows:

[Roll No. 731]

YEAS—219

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Annunzio
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Giaimo
Green
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hicks
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Preyer
Price
Rangel
Rees
Reuss
Richmond
Risenhoover
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Sarbanes
Scheuer
Seiberling
Schroeder
Sharp
Shipley
Simon
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stratton
Studds
Sullivan
Symington
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whitten
Wilson, C. H.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NAYS—197

Abdnor
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bevill
Biester
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Fenwick
Findley
Fish
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Haley
Hammerschmidt
Hansen
Harsha
Hastings
Heckler, Mass.
Hefner
Heinz
Henderson
Hightower
Hillis
Holt
Horton
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
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Levitas
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McKinney
Madigan
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Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Mosher
Myers, Ind.
Myers, Pa.
Nedzi
Nichols
O'Brien
Passman
Patman, Tex.
Pettis
Peyser
Poage
Pressler
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Roberts
Robinson
Rogers
Rousselot
Runnels
Ruppe
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—18

Aspin
Burke, Fla.
Collins, Ill.
Derrick
Gaydos
Goldwater
Hagedorn
Hébert
Helstoski
Hinshaw
Hungate
McCormack
Moorhead, Calif.
Pritchard
Riegle
Sisk
Stokes
Udall

The Clerk announced the following pairs:

On this vote:

Mr. Udall for, with Mr. Hébert against.

Until further notice:

Mr. Sisk with Mr. Burke of Florida.

Mr. Stokes with Mr. Hagedorn.

Mr. McCormack with Mr. Goldwater.

Mr. Hungate with Mr. Hinshaw.

Mr. Riegle with Mr. Derrick.

Mr. Helstoski with Mr. Moorhead of California.

Mrs. Collins of Illinois with Mr. Aspin.

Mr. Gaydos with Mr. Pritchard.

Messrs. BINGHAM, DENT, and LEHMAN changed their vote from "nay" to "yea."

Messrs. BEVILL, DE LA GARZA, LUJAN, and ASHLEY changed their votes from "yea" to "nay."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO MEET TOMORROW DURING 5-MINUTE RULE

Mr. FLYNT. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct be permitted to meet tomorrow during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

TAX REFORM ACT OF 1975

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

The SPEAKER. The question is on the motion offered by the gentleman from Oregon, Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 10612, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 3 hours, and the gentleman from Pennsylvania (Mr. SCHNEEBELI) will be recognized for 3 hours.

The Chair now recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself 20 minutes.

Mr. ULLMAN. Mr. Chairman, this tax reform measure has been worked through the Committee on Ways and Means with great care and deliberation. It has been a large, difficult job.

It is a package that I am proud to bring before the House today.

The tax reform bill of 1975 is the most important revenue bill to come before the Congress in recent years. Actually, it involves four different types of legislation, all of which are very important to the country.

First, it contains far-reaching tax reforms designed to improve the equity of our tax system at all income levels. The committee believes that this is essential to increase the confidence of the general public in our tax system.

Second, the bill represents a significant simplification of the tax laws and tax forms for the average American.

Third, it extends the emergency tax reductions provided by the Congress earlier this year through the year 1976. The committee believes that this is urgently needed to sustain the recovery begun by the action taken by the Congress early this year in the Tax Reduction Act of 1975.

Finally, the bill contains a series of provisions designed to improve the administration of the tax laws and to strengthen taxpayer rights.

Some have raised questions as to the significance of the tax reform measures which we have included in this bill. I thought the best way to deal with this problem is to place the facts before you and let you make your own decisions. For this reason, I have here, and have also made copies available to the Members, charts showing the revenue effect of the tax reform provisions both combined with, and exclusive of, the tax simplification provisions. I believe an examination of these charts will make it clear that the tax reform provisions are a major revenue source.

The first chart shows that in 1976, the estimated revenue gain from the tax reform provisions is slightly over $2.5 billion. By 1981, this has grown to more than $4.2 billion.

The second chart shows that even after offsetting these revenue gains by reforms and simplifications in the tax laws that reduce tax revenues, there still is a substantial gain. Even on a net basis, tax reform and simplification as provided in the bill still raise revenues by over $750 million in 1976 and by almost $1.6 billion in 1981.

The third chart shows for 1976 the major sources of additional revenue under the tax reform provisions. The biggest revenue gainers in this case are the minimum tax for individuals, changes in the treatment of exporters through the DISC provision, and the provision for tax shelters through the limitation on artificial losses.

As shown by the fourth chart, by far the biggest proportion of the revenue reductions, which partially offset these revenue gainers, are the simplification and expansion of the retirement income credit and the child care provision. These and other closely related simplification measures cost about $750 million. The next biggest cost items in 1976 are the improvements and liberalizations made in the individual retirement account or the IRA provision in the pension bill, as it is popularly known.

The fifth and sixth charts show the same information for 1981 as the two prior charts did for 1976. Here the biggest revenue gainers again are the minimum tax with more than $1 billion in additional revenue, the LAL and tax shelter provisions which combined are expected to increase revenues by about $900 million, and the DISC provision relating to exporters, which by that time is expected to raise about $700 million. The simplification measures—here I refer primarily to the retirement income credit and the child care provisions—are expected to cost nearly $1 billion by 1981. The improvement in the IRA's by that time should cost approximately $600 million.

I recommend these charts to you because I believe they give as accurate a picture as can be presented of the effect of the tax reform and simplification provisions of this bill, and I believe that you will want the opportunity to make your judgments about this bill on the basis of real facts.

A group of amendments which will be offered by individual members of the committee could further raise the net revenue from this bill by almost $900 million in 1976 and by $1.8 billion in 1981. You will have an opportunity to vote individually on these provisions designed to tighten the bill.

Six of the seven amendments you will have the opportunity to vote on were provided for at the express desire of the Ways and Means Committee. In fact, I believe that some of the members voted to report the bill only on the understanding that these amendments would be brought to the floor of the House. In view of these conditions, I do not consider that in the area of these amendments anyone on the Ways and Means Committee is bound either to support or to oppose any one or combination of these amendments. I plan to support some of the amendments myself. In fact, some of these amendments coincide with the way I voted on the measures when they were in committee.

I think you can see from what I have already told you that this is an impressive bill in terms of its tax reform effect. It is important that this effect be kept separate in your minds from the effect of extending the reductions provided for earlier this year through the year 1976. These reductions in terms of 1976 revenue levels are estimated to cost $15.5 billion in 1976, $8.4 billion in 1977, and between $6 and $7 billion thereafter.

In providing for the extension of these tax reductions, the committee is responding to the almost unanimous economic advice we have received by extending the current level of withholding through the calendar year 1976. For individuals, this represents a reduction of about $13.4 billion in 1976 income levels—or $12.7 billion in terms of 1975 income levels. Since the standard deduction changes are made permanent, about $3 billion of this can be expected to represent a permanent revenue loss.

The remainder of the revenue loss in 1976, about $2 billion, represents a continuation of reductions in corporate rates, primarily those affecting small business. Since this is a 2-year provision, this loss occurs also in 1977. In addition, in 1977—but not in 1976—there is a further revenue loss of about $3.3 billion resulting from an extension of the 10-percent investment credit for business. This continues through 1980 at a $3 billion to $4 billion revenue level.

With the economy still in a precarious state with unemployment at 8.6 percent and with the leading economic indicators suggesting that the economy is headed downward at this time, we think it would be a grave mistake to impose a major increase in taxes in January. This is what will happen if we fail to act on this extension.

We have had a relatively rapid improvement in the economy since enactment of the Tax Reduction Act of 1975 in the forepart of this year. I feel sure that the tax reductions and rebates which we provided in that bill have played a major part in the recovery which has occurred to date. However, an important factor in this recovery has been the change in business inventory patterns from a negative, or deaccumulation, level of about $30 billion in the forepart of this year to nearly a balanced situation in recent months. This means that inventories now must be replaced approximately as fast as we have sales of consumer goods. However, there is little prospect of much further improvement in these inventory balances for the months ahead. As a result, the months ahead are particularly critical in any determination as to whether the recovery is to continue or whether we are to remain at our present level, which still involves a very high rate of unemployment, or perhaps even fall back to a lower level of economic activity.

It is for this reason that it is so important that individuals and small businesses not be faced with a tax increase on the first of January. This is what will happen if this bill is not speedily acted upon by the House and by the Senate and signed by the President.

I am fully aware of the Members' concern with our level of Government spending. As most of you know, this is something that I personally have not only been concerned about but tried to do something about over the past several years. It is for this reason that I played a part in getting the budget control legislation started and finally enacted. I feel very deeply that Congress must learn to control Government spending.

At the same time, I know that it is also important to keep Government revenues up to prevent the deficits from growing. While it is wholly appropriate to direct our attention to what can be done about Government spending, it is also important to recognize that in the past 2 years if we had not had a recession our increased revenues would have approximately balanced our budgets for these years. As a result, the continuation and improvement in our economy is vital not only for the welfare of the country as a whole, but also to help us here in Congress find our way out of these mounting deficit problems. That is why we must take every precaution not to upset the recovery which is now underway. That is why we must continue the withholding reductions made earlier this year through the calendar year 1976.

I, for one, will favor stringent action in holding down Government spending levels as soon as we have the information available to us. I will pledge myself to work with the budget committees toward the objective of reversing the trend of larger and larger Government deficits. I must keep insisting, however, that this is a two-way street. We must not only control our spending; we must also be sure that we have an economic recovery which will increase our revenues as well.

Let me outline now what the bill in general does for individuals. First, it makes permanent the increase in the standard deduction provided in the Tax Reduction Act of 1975. As a result, the minimum standard deduction will be $1,600 for single returns and $1,900 for joint returns instead of $1,300 as it was before the Tax Reduction Act of 1975. In addition, the percentage standard deduction will be 16 percent, instead of the 15 percent which it was before the Tax Reduction Act. Also, the maximum standard deduction will be $2,300 for single returns and $2,600 for joint returns, instead of the $2,000 which it was before the Tax Reduction Act. This should keep 7 million tax returns on the standard deduction, instead of itemizing deductions. The revenue cost of these changes is about $2.9 billion.

These cuts are made to make sure the people with incomes below the poverty line are not asked to pay Federal income taxes. If the tax cuts expire, a poor family of four will be expected to pay $222 in income tax, a much too heavy burden in times of high food and energy prices and in a period of mass unemployment.

The 1975 tax cut contained a $30 credit for taxpayers and their dependents. The bill continues this credit for 1976 but provides an alternative "taxable income credit" equal to 2 percent of the first $12,000 of taxable income. The revenue loss from these two credits is about $10.5 billion. The taxable income credit alternative will benefit single people and middle-income taxpayers who received relatively little from the 1975 tax cut.

In the area of tax reform, probably the major concern of the committee has been with tax shelters. These relate to provisions in the tax law which allow taxpayers to accelerate their deductions so that they are received long before the income to which they relate. As a result of these provisions, deductions can be, and often are, used to offset or shelter other salary, professional, or investment income from tax. The procedure often can be repeated with a result that the income can be sheltered from tax for an almost indefinite period of time.

In some cases, it is also possible in effect to convert ordinary income into capital gains in these situations. This occurs when the individual can take the accelerated deductions against ordinary income and then subsequently, when he sells the assets involved, realize capital gain in some future year.

The problem of tax sheltering was illustrated to the Ways and Means Committee when it analyzed the individual tax returns of 37 investors, including those in real estate ventures, cattle feeding and breeding activities, motion picture films operations, and oil and gas drilling fund investments. In 21 of these cases, where full information was available, the equity investment involved was just about $10.5 million. The gross income generated was only $182,000. However, the deductions available to shelter other income amounted to almost $16.3 million. Note that this is more than one and one-half times the equity investment and nearly 100 times the income involved.

With the committee action now complete, we had an opportunity to go back and examine the impact of the bill on 10 of these 37 investors where sufficient information was available to undertake an analysis. These 10 returns include examples of tax shelters in real estate, motion picture films, cattle feeding operations, and an oil and gas drilling fund. The economic income attributable to these 10 returns was almost $1.3 million. Under present law, the total tax after credits was 11.8 percent of this economic income.

After applying the provisions of the bill, the tax after credit is 32.6 percent of economic income. This is a 20.8 percentage point increase in tax, or nearly a twofold increase. It seems to me that this represents a substantial improvement in dealing with tax shelters. At the same time, a 32.6-percent tax on economic income in these cases cannot be viewed as harsh. I think the bill clearly achieves the objective we sought of making a major reduction in tax sheltering.

Next, let me turn to our efforts in this bill to simplify the tax system. The need for simplification is an increasingly serious problem, and I think that if you check with the people back home you will find that this is something they are really interested in. We made a start on simplifying the tax law in this bill by approaching simplification from several different directions.

First, the optional tax tables have been made available to many, many more taxpayers. In addition, these tables have been changed so that they will be far easier to use. Through 1974, they were available only to taxpayers with less than $10,000 of adjusted gross income who take the standard deduction. Under the bill, they will be available to taxpayers with taxable income of $20,000 or less whether they take standard deduction or itemize their deductions. This change should increase the number of taxpayers using the optional tax tables from something like 45 percent to well over 90 percent of all taxpayers.

In addition, the tax tables themselves will be simplified in the sense that there will be only a relatively few tables needed under this new system instead of the many tables you will find in the present tax instructions. This is a relatively simple change, but in terms of helping the average taxpayer, it could well be one of the most important changes in the bill.

We have also approached tax simplification by reviewing present provisions and seeing how they could be simplified. For example, we have greatly simplified the retirement income credit as well as making it more generous. The same can be said for the child care provision, which we have made available not only for those itemizing their deductions but also for those taking the standard deduction as well. These are but two of the examples where we have simplified existing law provisions. There are others in the bill, and we plan to continue reviewing tax provisions and simplifying them in future legislation.

The bill also includes the so-called deadwood provisions. That is, the bill deletes obsolete and rarely-used provisions from the Internal Revenue Code and makes many other changes to shorten and simplify the tax law. Two hundred twenty-six pages of the bill before you are devoted solely to deleting parts or all of provisions in the Internal Revenue Code and making other simplifying changes. In total, we have eliminated or deleted parts of a thousand sections in the tax law. This process must be continued and expanded in future legislation in order to achieve the simplification we must have in our Internal Revenue Code.

The fourth major purpose of the bill is to improve the administration of the tax laws and to strengthen taxpayer rights. This, too, is an area to which we must devote increasing attention in the years ahead. We must not forget that this is a voluntary system and one that won't work properly unless taxpayers come to believe that the laws are administered fairly in their individual cases. The provisions in the bill make it possible to examine returns prepared by those who prepare tax returns for a fee. The bill also provides an orderly process for the disclosure of private letter rulings. In addition, taxpayers are given greater protection in the case of jeopardy and termination assessments, administrative summons and changes made on the returns because of math errors.

Let me conclude by saying, this bill is a large and comprehensive bill. Its complexity in large part arises from the fact that we are removing complexities from existing law or because we are trying to limit taxpayers in their use of tax shelters. This bill is a good bill and one which deserves your support. I do not pretend that in this bill we have dealt with all of the changes needed in the tax laws. That is a long process. But it is a continuation on the problem of tax reform which we began a few years back. It is an area where we must press ahead in this bill and in future legislation if we are to have a tax system which is generally viewed as fair, equitable and simple. These are the objectives that we have sought and which we believe are well exemplified by this bill.

I call your attention again to the fact that this bill also contains the extension of the existing tax reduction which this economy so badly needs to continue. If we do not, taxes will be increased on January 1 at the rate of about $1 billion a month for individuals. This is a tax increase we must not impose. I urge your support for the bill.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the chairman of the committee yielding.

I noticed in the charts a while ago there were several areas which are labeled "closed tax loopholes" which means increasing somebody's taxes. While we were increasing some people's taxes, did we in any way change the burden of the taxes on the Members of the House of Representatives?

Mr. ULLMAN. The one item that came to our attention, primarily because of the problems of State legislators, was the provision which limits the away-from-home living expense deduction for Members of Congress, which has not been reviewed since 1952. As the Members know these expense deductions under present law may not exceed $3,000 a year.

Many of the State legislators around the country are being treated differently by the Internal Revenue Service. In addition, many Members of the House have felt for a long time that our treatment of business expense deductions was not an adequate one. I share that opinion.

What we did first was to review the problem that the State legislators are having with the Internal Revenue Service. This relates to the question of the tax residence of a State legislator. Some Members of State legislatures are treated as though their residences are in their respective State capitals and some in the districts they represent. For example, in California, some Members of the legislature are being treated as though their tax homes are in Sacramento and some in Los Angeles. This seems to be a very inequitable application of the law. What we have done is to make it clear that their homes for the purposes are in the districts they represent.

Secondly, we considered the amount of the deduction which should be allowable for a member of a State legislature as well as reviewed the present amount for a Member of Congress.

In our consideration of what the amount should be, we did not want to establish an arbitrary rule. We wanted to have a rule that was equitable across-the-board. So we developed a formula for determining the amount of the deduction. We had to have a slightly different formula for State legislators than for Members of Congress because they are in a different situation. Essentially, the provision in the bill sets forth a series of criteria for determining the amount of the deduction and requires the IRS to set the amount using the standards provided. In the case of the State legislators the IRS is to determine each year a daily amount allowable for expenses based upon certain factors, such as the amount that businessmen can deduct for living expenses incurred while away from home in pursuit of a trade or business. Therefore, for each day the legislature is in session and the legislator's physical presence is recorded, the legislator will be allowed a deduction for the amount of the living expense, as determined by the IRS.

In the case of Members of Congress, the basic difference is that rather than making a determination on a daily basis, the IRS will make a determination on an annual basis of the amount of the deductions allowable for that particular year. We have given the IRS similar criteria on which to make the determination. The first is the number of days Congress is in session. The second is the cost of living in Washington, D.C. The third is the amount that a businessman would normally be allowed to deduct under similar circumstances. The amount of deduction allowable under the bill may be more than we are now allowed, but the flat $3,000 figure is misunderstood and outdated. A lot of people think this deduction is a cost of living increase which is being granted to Congress. It is no such thing. We are only trying to achieve equity on the question of deductions for expenses incurred while away from home similar to what is generally available to businessmen and members of the press.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. ULLMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I was not addressing myself to the issue of further allowances for State legislators. I certainly think that was an appropriate action to take by the committee. I was merely trying to point out that under this bill, as I read it, where we are closing loopholes or increasing taxes for some people and kind of socking it to them, we are turning around and easing it up for ourselves. Maybe that is what we want to do, but is not that a little contrary?

Mr. ULLMAN. We cannot deal with the problem of State legislators without looking at the similar situation for Members of Congress. What we have tried to do is provide a rule that has been long needed. I think most citizens will agree that this rule is sound and equitable.

Mr. ROUSSELOT. But I am not quite sure what the allowance will be for each Member of the House of Representatives.

Mr. ULLMAN. This is not an allowance. What this is is the amount of away-from-home expenses which are to be allowed as income tax for Members of Congress.

The IRS will make that determination on an annual basis.

Mr. ROUSSELOT. We are going to leave it to IRS?

Mr. ULLMAN. That is right, and they will base that determination on the number of days that Congress is in session, the cost of living, and amounts normally allowed as living expenses of businessmen under similar circumstances.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. ULLMAN. Mr. Chairman, I yield myself 5 additional minutes.

Mr. ROUSSELOT. Could the gentleman tell us whether this allowance, or whatever we call it or whatever the IRS is going to do to us, will include rent on an apartment if we have one, or a mortgage payment?

Mr. ULLMAN. This will not relate to any specific expenses that are allowed or not allowed as business expenses. This will be a flat amount which can be deducted each year.

Mr. ROUSSELOT. A flat allowance?

Mr. ULLMAN. A flat annual amount based upon amounts normally allowed as living expenses for businessmen under similar circumstances while away from home; based upon the number of days that we are in session and based on the cost of living in this area.

Mr. ROUSSELOT. I thank the gentleman.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding.

The thing that troubles me about this, Mr. Chairman, is that we are always put in the position of voting for measures that will benefit us, whether they be tax credits or other ways, we who vote on it. I wonder if the committee had ever considered that it might be easier in all these things if we could vote, not those benefits for ourselves, but for the future Congresses. In other words, for these measures to take effect when the next Congress is voted into office.

Mr. ULLMAN. I think I would concur with the gentlewoman if, in fact, this were an increase in pay. I think that is generally a sound concept, but when it is a tax matter relating to equitable tax treatment, I do not really think that it has a bearing on whether it ought to be this Congress or another Congress. It is either equitable or not equitable.

We think the $3,000 deduction in present law is a poor way of handling the problem and also has been widely misunderstood. This new formula where IRS will make the determination is one that will be far more equitable and one that will stand up under the test of time.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. VANIK. If this bill fails to be adopted, would the individual withholding not increase about 8 percent on January 1? Is that about the right figure?

Mr. ULLMAN. It appears to me that the withholding rates would increase by about 10 percent.

The nature of this reduction is that, first, we have made permanent liberalization of the standard deduction that has a revenue impact of about $2.9 billion. This is a permanent part of the law. If we fail to do this, then there will be many, many people, taxpayers, in this country with incomes below the poverty level who will be asked to pay income tax; and what this liberalization, along with the other tax reductions, will assure us is that people below the poverty level will not be paying taxes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. Mr. Chairman, I yield myself 3 additional minutes.

In reference to the rest of the reduction, we have provided a new formula which we think is equitable. Remember, we put into effect a $30 tax credit per exemption earlier this year. We are continuing that as a minimum. But we are putting in place a credit equal to 2 percent of adjusted taxable income up to a level of $12,000, if this provides a larger credit. This could give taxpayers a tax credit of up to $240.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding. Mr. Chairman, I wonder if the distinguished chairman can tell the Committee the revenue impact of the seven amendments we are going to consider. I would rather have them separately. Perhaps we can get it later on, but I think we should have that in the Committee so that we can determine what effect each amendment would have on the total revenues or losses.

Mr. ULLMAN. All right. On page 454 of the report a number of them are itemized. Providing the property-by-property rule under LAL in the case of real estate, picks up $167 million in 1976, and goes up to $571 million in 1981.

The minimum tax amendment eliminates the regular tax deduction and adds new preference items. This picks up $376 million in 1976 and increases in subsequent years up to the level of $565 million in 1981.

The amendment which would restore the 30 percent tax on interest or dividend income from portfolio investments in United States of foreigners would raise $165 million in 1976, and this would increase up to $240 million in 1981.

The amendment which in the case of DISC would make the base period a moving base period after 3 years instead of after 5 years would have no revenue effect until 1979. Then it would pick up $190 million. This would increase further up to $450 million in 1980 and to $400 million in 1981.

The elimination of the capital loss carryback for individuals which would be added by the bill would pick up $165 million in 1976. Because it is retroactive, the loss is quite large in the first year. Thereafter, the loss would vary from $30 million in 1977 to $38 million in 1981.

The total revenue from these four amendments would amount to $873 million in 1976 and go up to $1.8 billion by 1981. These are significant revenue effects.

The Jones amendment wiping out the LAL provisions and substituting a minimum tax which applies only if higher than the regular income tax would lose $271 million the first year from the level provided in the bill and from $144 million to $178 million in each of the subsequent years. It would involve larger losses if the other amendments were adopted first. Then it would lose $814 million in the first year and up to $1.3 billion in 1981.

The losses from the agricultural amendments are estimated at $6 million in 1976 and $2 million a year in subsequent years.

Mr. VANIK. Mr. Chairman, I thank the gentleman.

Mr. SCHNEEBELI. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I would like to note that the committee vote on this bill was 21 to 16. That was not a very impressive or a very important margin of victory.

However, to be very fair about it, at the outset I would like to say there are some very good points to this legislation. I refer to the committee treatment relative to the limitation of accounting losses known as LAL and the minimum tax changes. I think these are very progressive legislation and very good tax reform. They were initiated by Secretary of the Treasury Schultz and followed up by Secretary of the Treasury Simon. They were supported by the administration. Therefore, some of the tax reform legislation has, I think, great merit. It has been overdue.

So the tax reform area is not totally without merit, as I say, and it should be supported.

Relative to the details of the tax bill, I would like to submit, Mr. Chairman, if I may, a statement going into the point-by-point detail of some of the tax reform legislation being rcommended in this bill. Those Members who were here during the debate on the rule will note that many of us objected to this legislation because we have no compensating spending cut to compensate for the loss in revenue in this legislation.

The net loss of revenue by this legislation because of the tax cuts for fiscal year 1976 means that we will lose $15.471 billion. That is about $15½ billion.

What do we pick up in this legislation through tax reform? What is our net gain? Less than $1 billion. Actually it amounts to $745 million.

Here we have a ratio of more than 20 to 1 in revenue loss compared to revenue income, and this is why we thought it was entirely in order that we should ask that the normal projected increase in spending for fiscal year 1977 should be reduced, that the $53 billion increase should be reduced to $25 billion.

Do we have any precedent with regard to attaching a spending ceiling to a bill from the Committee on Ways and Means? In 1968, in H.R. 15414, during the Vietnam war, when we were spending a lot more money than we were taking in, we thought at that time, a $25 billion deficit was horrible. That was a $25 billion deficit during the Vietnam war.

What are we talking about now? We have two back-to-back $70 billion deficits. They add up to about $150 billion in 2 years. Yet many of the Members on this floor will not support a cut in the expansion of our spending.

In 1968, as I say, under the chairmanship of the gentleman from Arkansas (Mr. MILLS), the Committee on Ways and Means did not act for 6 or 8 months on the requested 10-percent tax surcharge bill because Chairman MILLS insisted on an expenditure reduction of $6 billion.

When it was finally agreed upon, we proceeded with the tax legislation.

More recently, in 1973, H.R. 16810, a debt-ceiling bill, came out of the Committee on Ways and Means. At that time an amendment was adopted to have a spending ceiling of $250 billion for fiscal year 1973. Fiscal year 1973: a $250 billion spending ceiling.

What we are asking for, for fiscal year 1977, 4 years later, instead of $250 billion, is $395 billion, and still we cannot get the majority to support this legislation.

As I said, Mr. Chairman, we are not talking about reducing our present spending. Our present spending is proceeding on the basis of about $370 billion a year. What we are talking about is, Let us limit next year's spending to $395 billion instead of $370 billion.

Is this asking too much? This is a 7-percent increase in our present budget. If we do not do anything about it, it goes to $423 billion, a 15-percent increase.

Perhaps the constituency of some of the Members is different from mine. The people back home ask me, "Why are you fellows spending all this money down in Washington? What are you doing about it?"

We tried to do something about it, and many of us think a 7-percent increase in our spending should be adequate. The answer we get is that we have to wait for the budgetary process. The budgetary process will not address itself to this problem, at the earliest, until May 15 of next year.

Why do we have to take 6 months to make up our minds if we want to reduce our ceiling?

The President said that he is not going to wait that long. The President stated that unless there is a spending ceiling attached to this legislation, there will be a veto. I think the public will sustain him in his position.

What do some of our columnists and editorial writers say about this?

Recently Roscoe Drummond, and I referred to this editorial in earlier discussion, said:

> It is being argued that Congress can't do what the President asks, that it is impossible for the Congress to set a ceiling on spending until it examines what cuts in the budget will have to be made.

It is not impossible. Congress can do anything it wants to do. If the senior Democratic Congressmen do not want to cut taxes and spending simultaneously, they should say so. To contend that they cannot is fakery.

What, then, is the heart of the fiscal-political issue which President Ford is raising? It is that in his view the time has come for the Federal Government to call a halt to the mounting Federal indebtedness if it is not to end up in the same ominous plight as New York City.

Mr. Chairman, I would say, parenthetically, that maybe New York City might have somebody to bail it out, but who is going to bail out the Federal Government?

It is Mr. Ford's conviction that the time has come when the American people must choose whether they want reduced taxes or increased spending. He believes that if they continue to try to have both, the Nation will end up in an economic Dunkirk.

There is visible today all over the country a deepening disenchantment with big bureaucratic Government, which most people feel does more to them than for them. Some liberal Democrats are joining conservatives in sensing this public disenchantment. They are urging their liberal colleagues to stop looking at the past and to begin confronting the present. This is the heart of the issue.

As we were reminded during the committee consideration, the minority tried to bring up two or three amendments which they thought were very worthy of support. The one issue is the matter of the spending ceiling, on which we were turned down.

There were some other areas to which consideration was given, such as increasing the personal exemption from $750 to $1,000.

However, we were not given any encouragement either in the committee or in the Committee on Rules but we did get a little encouragement on the vote, I am glad to say, the recent vote when we were voting on ordering the previous question.

As I referred to them, our deficits which now confront us, from fiscal year 1976 and fiscal year 1975, last year, the two of them will amount to about $150 billion.

I would remind the Members again what I said with regard to our debt ceiling: How much does it cost to fund our debt? Our debt which is now in the area of about $590 billion, I believe, somewhere up there. How much does it cost to fund it? What is the interest on our debt?

If I said $36 billion a year, it flies right over the heads of the people and does not mean too much, it is just too big a figure to grasp, but if I tell the Members that the interest on the debt is $100 million per day then I think it has some relevance. And if we keep up on the present trend it will be $110 million a day.

The President has stated that he will include in his budget to be submitted in January 1976, a specific item-by-item budget that adds up to $395 billion, or less.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, I read a letter earlier today from the acting director of the budget saying that the President has made this commitment and he is going to stand by his commitment so that we have no question that we will have a budget of $395 billion. I hope the Committee on the Budget adopts it. I rather question that it will.

Mr. Chairman, I would say in summary, in view of these facts that have been submitted, the need for a spending ceiling, and the fact that the President properly and rightfully has told us in advance, and he reiterated it just last week on his television discussion concerning the New York City problem, that he is going to veto this bill unless it is accompanied by a spending ceiling. I think to a large degree we are engaged in a fruitless effort because it seems rather obvious that his veto will be sustained.

The first thing I heard on the radio this morning when I got up was that Senator LONG would take the legislation when it goes to the Senate and detach the tax cut from the tax reform and consider only the tax cut. That is what will be submitted to the Senate. That is all the Senate will act upon.

SUMMARY OF SOME OF THE MAJOR PROVISIONS OF THE BILL

For the assistance of the Members of the House, I have summarized some of the major provisions of this very complex bill. Because I have attempted to keep the summary relatively brief, those who wish a detailed description of any particular title or section of the bill should consult the committee report and the committee summary, upon which the following material is based.

TITLE I.—LIMITATION ON ARTIFICIAL LOSSES

Section 101 of the bill deals with the limitation on artificial losses—LAL—which restricts the extent to which losses based upon accelerated deductions can be used to offset income unrelated to the specific type of activity in question. The areas affected by the limitation on artificial losses provisions of section 101 are real estate, farm operations, oil and gas drilling, movies and similar property, equipment leasing, and sports franchises.

With regard to the application of LAL to real estate, all of a taxpayer's real estate operations would be fully consolidated for purposes of applying LAL—the so-called principle of "aggregation"—generally, LAL would apply to commercial and residential property where construction begins after December 31, 1975, with certain extensions in the case of residential property. With regard to governmentally-subsidized low-income housing, LAL would not apply if before January 1, 1979, the taxpayer has a subsidy commitment under section 8 of the U.S. Housing Act of 1937, or a comparable local or state subsidy commitment, and if construction begins before January 1, 1981.

With regard to LAL as it applies to farm operations, the accelerated deductions which would be limited generally include prepaid feed, seed, fertilizer and similar farm supply expenses, preproductive period expenses attributable to crops, animals, trees, or any other property having a crop yield—but not to wheat, alfalfa, barley, oats, rye, sorghum, cotton and livestock other than poultry—and accelerated depreciation of livestock after they have begun to be productive in the taxpayer's business. As with real estate, generally a taxpayer could aggregate all of his farm operations in applying LAL. However, LAL would apply separately for each farm interest in the case of each farming syndicate or similar offering. Also, losses attributable to accelerated deductions from farm operations may be used to offset $20,000 of nonfarm income, which amount is reduced dollar for dollar as a taxpayer's nonfarm income rises above $20,000.

These new LAL rules with relation to farming would apply to accelerated deductions paid or incurred after the end of this year, in taxable years ending after such date.

LAL would apply, in connection with oil and gas, to intangible drilling and development costs on developmental oil and gas wells on a property-by-property basis. Therefore, this deduction could not be taken in any year to the extent that it exceeds the net related income derived in that year from the operation of the same property. LAL would not apply to the intangible drilling and development costs connected with exploratory wells, as defined in the bill. The LAL would apply in this area with respect to costs paid or incurred after December 31, 1975.

The provisions of section 101 also apply LAL to motion picture films and similar property, and equipment leasing, on a property-by-property basis. In the case of movies, LAL would apply to both the so-called "film purchase" shelters and the "production company" shelters. In equipment leasing, LAL would apply to both "net lease" financing transactions and to "operating" leases. The effective dates with regard to both movies and equipment leasing are generally September 10 and 11, 1975, at which time the committee first tentatively reached some decisions in these areas.

Section 101 would also apply LAL to sports franchises, the amount subject to LAL would be that amount paid by the buyer for the purchase of the sports franchise which is allocated to player contracts, less the total of the adjusted basis of the player contracts in the seller's hands and gain recognized as ordinary income by the seller with respect to such contracts. The provision would apply only to those franchises established or transferred after November 4, 1975, except for those franchises established or transferred pursuant to a binding contract which was in existence on that date. Section 102 of the bill would extend the provisions of section 167(k) of the Internal Revenue Code, which provides for 5-year amortization of expenditures incurred in the rehabilitation of low-income rental housing from the present expiration date of December 31, 1975, to December 31, 1977, while at the same time increasing the aggregate rehabilitation expenditures which may be taken into account with respect to any such dwelling unit from $15,000 to $20,000.

TITLE II—OTHER TAX SHELTER AMENDMENTS

SECTION 201—RECAPTURE OF DEPRECIATION ON REAL PROPERTY

Under section 201, in the case of residential real estate, depreciation in excess of straight line would be completely recaptured to the extent of gain realized at the time of the sale of such property. With regard to subsidized low-income housing, the excess depreciation to be recaptured would be reduced by 1 percentage point for each month that the property were held beyond 100 full months—16⅔ years. These provisions would apply to taxable years ending after December 31, 1975.

SECTION 202—GAIN FROM DISPOSITION OF INTEREST IN OIL AND GAS PROPERTY

Gains on the disposition of interests in oil or gas properties would be treated as ordinary income to the extent of the excess of intangible drilling deductions over deductions that would have been allowable had expenses been capitalized. This rule would apply to costs paid or incurred after December 31, 1975, for taxable years ending after that date.

SECTION 203—FARM EXCESS DEDUCTIONS ACCOUNT

Inasmuch as farm losses have been included in the limitation on artificial losses, it would be unnecessary to add to the present farm excess deductions account for any taxable year beginning after December 31, 1975.

SECTION 204—METHOD OF ACCOUNTING FOR CORPORATIONS ENGAGED IN FARMING

Under this provision, accrual and inventory accounting methods would be required for corporations engaged in farm operations—other than subchapter S and family corporations. The provision regarding such accrual and inventory accounting methods would apply to taxable years beginning after December 31, 1975, except that a corporation would be allowed a 10-year period over which to spread the accounting adjustments required by this change.

SECTION 205—TREATMENT OF PREPAID INTEREST

Under this provision those taxpayers using cash method of accounting would in the future be able to deduct interest-prepayments only in the period to which such prepayments would relate under an accrual method of accounting. The changes included in section 205 would apply to prepayment after September 16, 1975, for taxable years ending after such date, except with regard to those amounts paid before January 1, 1976, under a binding contract or loan commitment in existence on September 16, 1975, which required such prepayment of interest.

SECTION 206—LIMITATION ON INTEREST DEDUCTION

Under this section a limitation of $12,000 per year would be imposed on the total nonbusiness interest—including investment interest—that an individual might claim as a deduction. With regard to such interest on loans obtained for investment purposes, such interest would be deductible to the extent of investment income, over and above the $12,000 allowable otherwise under the general rule.

SECTION 207—LIMITATION OF LOSS WITH RESPECT TO MOVIES OR LIVESTOCK OR CERTAIN CROPS TO THE AMOUNT AT WHICH THE TAXPAYER IS "AT RISK"

Under this section, a taxpayer's deduction of losses with regard to movies and similar productions, certain livestock and crops, would be limited to the amount at risk by the taxpayer, which would exclude all nonrecourse loans.

SECTION 208—DEDUCTION FOR INTANGIBLE DRILLING AND DEVELOPMENTAL COSTS ALLOWABLE ONLY TO EXTENT TO WHICH TAXPAYER IS "AT RISK"

As with section 207, in order to deal with the problem of leverage, deductions for intangible drilling and developmental costs on any particular property could not exceed the amount for which the taxpayer were "at risk" with respect to such property.

SECTION 209—PLAYER CONTRACTS IN CONNECTION WITH SPORTS ENTERPRISES

Under this section a portion of the amount paid to purchase a sports team or group of assets which could be allocable to player contracts or sports enterprises would have to be specified, with a presumption that not more than 50 percent of the purchase price could be so allocated to player contracts by the buyer.

Absent a demonstration by the buyer that a greater amount should be so allocated, additionally, amounts allocable to player contracts by purchasers could not exceed the amount of the sales price allocated to such contracts by sellers. Moreover, the provision would make clear that there would be complete recapture of all depreciation to the extent of gain at the time of sale of a player contract or sports enterprise.

SECTION 210—CERTAIN PARTNERSHIP PROVISIONS

This section would revise a number of the present partnership tax rules, including those relating to the allocation of income loss, gains, deductions, or credits among partners and the amount of additional 1st year depreciation which a partnership may pass through to its partners in any taxable year. It would also provide for the capitalization of fees for the organization and syndication of a partnership.

SECTION 211—WAIVER OF STATUTE OF LIMITATIONS IN CASE OF HOBBY LOSS ELECTIONS

In granting a taxpayer an opportunity to determine whether he has satisfied the rule of present law regarding deductions incurred in an activity not engaged in for profit, the waiver of the statute of limitations in such cases would be limited so that the waiver would not apply to unrelated items on the taxpayer's return. This change in the law would apply to taxable years beginning after December 31, 1969.

TITLE III—MINIMUM TAX FOR INDIVIDUALS

SECTION 301—MINIMUM TAX FOR INDIVIDUALS

A number of features of the present minimum tax would be changed with regard to such tax as it applies to individuals, estates and trusts. The rate of minimum tax would be increased from 10 percent to 14 percent. The present $30,000 exemption from the tax would be reduced to $20,000 with that exemption reducing dollar-for-dollar as preference income increased over $20,000, so that the $20,000 exemption would be completely eliminated when preference income reached $40,000. Also, the deduction under the present law from the minimum tax base for regular income taxes paid would be reduced from 100 percent to 50 percent, Among other changes in the tax preference items subject to the minimum tax, itemized deductions in excess of 70 percent of adjusted gross income would be treated as a tax preference item.

TITLE IV—EXTENSIONS OF INDIVIDUAL INCOME TAX REDUCTIONS

SECTION 401—EXTENSION OF INDIVIDUAL INCOME TAX REDUCTIONS

Under section 401, the changes in the low-income allowance and the percentage standard deduction enacted for a 1-year period in the Tax Reduction Act of 1975 would be made permanent. Additionally, this section provides a tax credit equal to the greater of 2 percent of a taxpayer's taxable income up to $12,000 or $30 per taxpayer, spouse, and each dependent. This tax credit would apply to taxable years ending after December 31, 1975, and would cease to apply to taxable years ending after December 31, 1976.

SECTION 402—EARNED INCOME CREDIT DISREGARD

The earned income credit provided in the Tax Reduction Act of 1975 would, under this section, not be taken into account for purposes of determining eligibility for benefits or assistance under any State, local, or Federal program financed in whole or in part with Federal funds.

TITLE V—TAX SIMPLIFICATION IN THE INDIVIDUAL INCOME TAX

SECTION 501—REVISION OF TAX TABLES FOR INDIVIDUALS

The present optional tax tables for individuals would be simplified, based on taxable instead of adjusted gross income and would apply to taxable incomes of up to $20,000, instead of the present limit of $10,000 of adjusted gross income. These tables would be available both to those who itemize and to those who take the standard deduction and would apply to taxable years beginning after December 31, 1975.

SECTION 502—DEDUCTION FOR ALIMONY ALLOWED IN DETERMINING ADJUSTED GROSS INCOME

The present itemized deduction for alimony payments would, under this section, become a deduction from gross income in arriving at adjusted gross income, which would make the alimony deduction available both to taxpayers who itemize and those who take the standard deduction.

SECTION 503—REVISION OF RETIREMENT INCOME CREDIT

The present retirement income credit would be changed to a tax credit for the elderly available to all taxpayers age 65 or over, whether or not they have retirement income or earned income. The maximum amount on which the credit would be computed would be increased to $2,500 for single persons age 65 or over—or married couples filing joint returns with only one spouse age 65 or over—and to $3,750 for married couples filing joint returns with both spouses age 65 or over.

SECTION 504—CREDIT FOR CHILD CARE EXPENSES

The present provision for the child care deductions would be changed so that the itemized deduction would be replaced with a nonrefundable tax credit equal to 20 percent of the employment-related expenses incurred for the care of a child under age 15, or an incapacitated adult, which expenses were paid to enable the taxpayer to work. The amount of expenses which could be taken into account for purposes of the credit would be limited to $2,000 for one dependent and $4,000 for two or more dependents. Therefore, the maximum credit available under this section would be equal to $800 per year.

SECTION 505—CHANGES IN EXCLUSIONS FOR SICK PAY AND CERTAIN MILITARY DISABILITY PENSIONS

The sick pay exclusion provision and treatment of military disability payments for future members of the Armed Forces would be significantly revised. The revised sick pay exclusion would be reduced on a dollar-for-dollar basis by the taxpayer's income—including disability income—over $15,000. The new rules would apply to both civilian and military personnel.

The changes regarding the tax payment treatment of military disability payments would affect payments made to members of the armed services who enlist after September 24, 1975.

SECTION 506—MOVING EXPENSES

A number of the features of the present deduction for moving expenses would be changed. The maximum deduction for premove house hunting and temporary living expenses would be increased from $1,000 to $1,500 and the maximum deduction for qualified expenses regarding sale, purchase, or lease of a residence, reduced by any deduction for house hunting or temporary living expenses, would be increased from $2,500 to $3,000.

TITLE VI—BUSINESS RELATED INDIVIDUAL INCOME TAX PROVISIONS

SECTION 601—DEDUCTION OF EXPENSES ATTRIBUTABLE TO BUSINESS USE OF HOMES, ETC.

Under this section, definitive rules regarding deductions of expenses attributable to the use of the taxpayer's home for business purposes would be established. Except as provided in this section, the taxpayer would not be permitted to deduct any expenses connected with the use of his home. With regard to vacation homes, under this section more definitive rules would also be established regarding deductions connected with the business use of a taxpayer's vacation home. Under section 601, if a vacation home is used by a taxpayer for personal purposes for the greater of 2 weeks or 5 percent of actual business use, then the limitations of the Internal Revenue Code—section 183—regarding deductions connected with an activity not engaged in for profit would apply.

SECTION 602—DEDUCTIONS FOR CONVENTIONS, CONFERENCES, ET CETERA, OUTSIDE THE UNITED STATES

This section would impose a limitation on deductions allowable for the expenses of taxpayers who attend various conventions and conferences outside the United States and its territories and possessions. Deductions would be limited to expenses incurred in attending not more than two foreign conventions a year. With respect to the two allowed conventions, there would be substantial restrictions on the deductibility of transportation and other expenses incurred in connection with such conventions.

SECTION 603—QUALIFIED STOCK OPTIONS

This provision would modify the present tax law regarding such stock options so that generally the value of an option would constitute ordinary income to the employee if it had a readily ascertainable value in the fair market at the time of the grant. Absent such a readily ascertainable value, such option would not constitute ordinary income at the time of grant, but at the time of exercising the option, the spread between the option price and the value of the stock would constitute ordinary income to the employee.

SECTION 605—STATE AND CONGRESSIONAL LEGISLATORS

For purposes of the deduction of trade or business expenses away from home by State legislators, such persons' homes would be established within the legislative districts which they represent. Such deductions would also be limited to an amount determined by the Internal Revenue Service, taking into account factors such as the number of days of legislative participation, cost of living where the legislature meets, amounts normally expended by businessmen in similar circumstances, et cetera. Present law regarding Members of Congress would be changed so that they would receive treatment similar to that accorded State legislators under this provision.

TITLE VIII—INVESTMENT CREDIT CHANGES

SECTION 801—FOUR-YEAR EXTENSION OF 10-PERCENT INVESTMENT CREDIT AND $100,000 LIMITATION ON USED PROPERTY

Under this section, the increase in the investment tax credit from 7 percent to 10 percent—from 4 percent to 10 percent for certain public utilities—provided for in the Tax Reduction Act of 1975 for the period January 22, 1975 through December 31, 1976 would be extended for an additional 4 years through December 31, 1980. Additionally, this section would extend the increase in the limitation on qualified investment in used property from $50 to $100,000 contained in the Tax Reduction Act through the same date.

SECTION 802—INVESTMENT CREDIT IN THE CASE OF MOVIE AND TELEVISION FILMS

Because of uncertainties in present law regarding the computation of the investment credit in connection with movie and television films, a number of clarifications in the law would be effected by this provision, which would apply to taxable years beginning after December 31, 1974.

TITLE IX—CONTINUATION FOR TWO YEARS OF 1975 CHANGES IN CORPORATE TAX RATES AND INCREASE IN CORPORATE SURTAX EXEMPTION

SECTION 901—CORPORATE TAX RATES AND CORPORATE SURTAX EXEMPTION

The changes in the surtax exemption—increased from $25,000 to $50,000—and reduction in the corporate normal tax from 22 percent to 20 percent on the first $25,000 of taxable income, which were contained in the Tax Reduction Act of 1975, would be extended under section 901 for 2 additional years through December 31, 1977.

TITLE X—CHANGES IN THE TREATMENT OF FOREIGN INCOME

SECTION 1101—INCOME EARNED ABROAD BY U.S. CITIZENS LIVING OR RESIDING ABROAD

The present $20,000 exclusion for income earned abroad by U.S. citizens living or residing there would be phased out over 4 years at the rate of $5,000 per year. The present $20,000 exclusion, however, would still be available for employees of U.S. charitable organizations. Additionally, in cases where the full exclusion would not be available, a deduction would be provided for elementary and secondary school expenses of such taxpayers' dependents, as well as an exclusion from gross income for certain municipal type services furnished in a foreign country by an employer.

SECTION 1012—U.S. TAXPAYERS MARRIED TO NONRESIDENT ALIENS

Under this section U.S. taxpayers who are married to nonresident aliens could file joint returns with such spouses if they so elect and additionally elect to be taxed on worldwide income.

SECTION 1013—GRANTOR TRUST RULE FOR FOREIGN TRUSTS

Under present law, U.S. persons can establish foreign trusts for U.S. beneficiaries in tax haven countries to avoid or minimize U.S. taxes. Generally, these trusts have no purpose other than the avoidance of U.S. tax. In order to prevent this practice, the bill provides for current U.S. taxation of the grantor on income realized by a foreign trust established by that grantor for the benefit of U.S. beneficiaries. The provision would apply to those trusts created after May 21, 1974, and to transfers of property to foreign trusts after May 21, 1974, in taxable years ending after December 31, 1975.

SECTION 1014—INTEREST CHARGE ON ACCUMULATION DISTRIBUTIONS FROM FOREIGN TRUSTS

With regard to those trusts other than those covered by section 1013, this section would impose interest charges on the U.S. taxes on any accumulation distributions received subject to such taxes on the U.S. beneficiaries of such foreign trusts. This charge would apply to distribution made after 1975.

SECTION 1015—EXCISE TAX ON TRANSFERS TO FOREIGN TRUSTS AND OTHER ENTITIES

This section would expand the present provision of law which imposes an excise tax of 27½ percent on the unrealized appreciation on stocks and securities transferred to foreign entities so that transfers of all other types of property were covered as well. Additionally, the rate of tax would be increased from 27½ to 35 percent.

SECTION 1031—REPEAL OF THE PER COUNTRY LIMITATION

For taxable years ending after December 31, 1975, generally the per country limitation on the foreign tax credit would be repealed. Certain domestic mining corporations which have been engaged in the extraction of minerals outside of the United States for a period of less than 5 years and which, in at least 2 of those 5 years, have sustained losses and met certain other requirements would be granted a 3-year postponement of this change in the per country limitation, until taxable years ending after December 31, 1978.

SECTION 1032—RECAPTURE OF FOREIGN LOSSES

This section also deals with the foreign tax credit and provides for the recapture of all foreign losses which have been offset against U.S. income to the extent that foreign income is earned in later years. The provisions of this section would apply to losses in taxable years which begin after the end of 1975 but would not affect losses incurred in U.S. possessions in taxable years which begin before 1981.

SECTION 1033—DIVIDENDS FROM LESS-DEVELOPED COUNTRY CORPORATIONS

This section also affects the availability and the amount of the foreign tax credit and requires that U.S. shareholders which receive dividends from less-developed country corporations gross up such dividends in an amount equal to the taxes paid to less-developed countries. This gross up is for the purpose of computing both the foreign tax credit and any related foreign source taxable income.

SECTION 1034—TREATMENT OF CAPITAL GAINS

This section also deals with the computation of the foreign tax credit and provides that foreign source income, for purposes of the credit, would not include capital gains from properties sold outside of the country in which the company in question does most of its business if there has been no substantial foreign tax paid on that income. This provision also provides for new rules regarding netting of any foreign capital gains and losses with domestic gains and losses for purposes of figuring the limitation on the foreign tax credit.

SECTION 1041—PORTFOLIO INVESTMENTS BY FOREIGNERS IN THE UNITED STATES

Under this section, the 30-percent withholding tax under present law which is imposed on dividend and interest income received from the United States by foreign persons would be eliminated. Additionally, the exemption for interest on bank deposits in the United States under present law would become permanent. This repeal of the withholding tax on dividend and interest income is only for so-called portfolio investment, not situations in which foreigners have made direct investments in the United States and are in control of more than 50 percent of the U.S. corporation.

SECTION 1042—CHANGES IN RULING REQUIREMENTS UNDER SECTION 367 WITH RESPECT TO REORGANIZATIONS INVOLVING FOREIGN CORPORATIONS

This provision would eliminate the requirement under present law that in cases involving reorganizations which include foreign corporations an advance ruling be obtained from the Internal Revenue Service under section 367 of the code. This new provision would generally be applicable to such transactions after October 9, 1975.

SECTION 1052—WESTERN HEMISPHERE TRADE CORPORATIONS

This provision would phase out present law with regard to the lower tax rate for Western Hemisphere trade corporations over a 5-year period, the special tax treatment under present law therefore being phased out completely with respect to tax years beginning after December 31, 1979.

SECTION 1053—CHINA TRADE ACT CORPORATIONS

This section of the bill would phase out the provisions of present law which grant to China Trade Act corporations special tax treatment with the result that such treatment would be totally eliminated for taxable years beginning after December 31, 1978.

TITLE XI—AMENDMENTS AFFECTING DOMESTIC INTERNATIONAL SALES CORPORATIONS

SECTION 1101—DOMESTIC INTERNATIONAL SALES CORPORATIONS

This section would make a number of basic changes regarding the qualifications of certain export products for DISC treatment. First, section 1101 would eliminate this treatment for a product sold for use as military equipment and for those agricultural products which are not in surplus within the United States. Second, DISC benefits with regard to taxable years which begin after the end of 1975, would be available only to the extent that the Domestic International Sales Corporation's export gross receipts for the taxable year in question exceeded three-fourths of its gross receipts from exports during its base period. Generally speaking, the DISC base period consists of 3 years, lagged 5 years behind the taxable year in question. Companies which receive DISC benefits in a taxable year of less than $100,000 per year would not be affected by this new base-year requirement, but could continue to compute DISC benefits under present law.

Section 1101 also contains certain provisions regarding the continuation of DISC benefits for taxpayers for whom such benefits were ended under the Tax Reduction Act of 1975 who entered into export commitments under binding contract written after the Domestic International Sales Corporation was established, but before March 18, 1975.

TITLE XIII—TECHNICAL INCOME TAX PROVISIONS

SECTION 1303—TAX TREATMENT OF CERTAIN 1972 DISASTER LOSSES

A taxpayer who, in connection with certain disaster losses sustained in 1972, received income through cancellation of a disaster loan or in settlement of a tort claim could, to the extent that such cancellation or settlement did not exceed $5,000, under this provision receive special tax treatment. The $5,000 amount would be reduced dollar for dollar as the taxpayer's adjusted gross income increased above $15,000 in the taxable year for which the deduction for the disaster loss was taken, with the result that the special benefits would be phased out entirely when the taxpayers' adjusted gross income reached $20,000.

The special tax treatment would in effect permit eligible taxpayers the choice of including such disaster loan cancellations or compensation in settlement of tort claims in their income for the year in which the deduction for the loss was taken or in the year the payments were received. Also, the additional tax could be paid in three equal annual installments over a period beginning April 15, 1976, without an interest penalty on any tax deficiency to April 15, 1976, or on any installment payments due subsequently until the respective due dates thereof.

TITLE XIV—TREATMENT OF CERTAIN CAPITAL LOSSES; HOLDING PERIOD FOR CAPITAL GAINS AND LOSSES

TITLE XIV—TREATMENT OF CERTAIN CAPITAL LOSSES; HOLDING PERIOD FOR CAPITAL GAINS AND LOSSES

Under this section, the amount of ordinary income against which the taxpayer may offset a capital loss would be gradually increased from $1,000 to $4,000. This increase would take place in three equal steps so that the applicable amount would be $2,000 for taxable years beginning in 1976, $3,000 in 1977, and $4,000 in 1978 and thereafter.

SECTION 1402—INDIVIDUALS MAY ELECT 3-YEAR CARRYBACK OF CAPITAL LOSESS

Under the provisions of this section, taxpayers who had capital losses of $30,000 or more in a taxable year could elect a 3-year carryback of such losses against capital gains in earlier years. Those who elect this option would have to recompute their regular tax liability in the earlier years to which such losses were carried back. The provisions of section 1402 would apply to those losses incurred in taxable years beginning after December 31, 1973.

SECTION 1403—INCREASE IN HOLDING PERIOD REQUIRED FOR CAPITAL GAIN OR LOSS TO BE LONG TERM

Under this section, the 6-month holding period in present law for defining long-term capital gains and losses would be gradually increased to 1 year. This increase would take place over a 3-year period by increasing the 6 months to 8 months for taxable years beginning in 1976, 10 months for taxable years beginning in 1977 and to 1 year for taxable years beginning in 1978 and thereafter. This change in the law would not, however, apply to the holding period for capital gains and losses of a long-term nature as it relates to agricultural commodities futures contracts.

SECTION 1404—ALLOWANCE OF 8-YEAR CAPITAL LOSS CARRYOVER IN CASE OF REGULATED INVESTMENT COMPANIES

Under this provision, a regulated investment company as defined in the code would be permitted a capital loss carryover for the 8-year period preceding the loss year in question, for loss years ending on or after January 1, 1970.

TITLE XV—INDIVIDUAL RETIREMENT ACCOUNT AMENDMENTS

SECTION 1501—TAX-FREE ROLLOVER OF CERTAIN AMOUNTS DISTRIBUTED ON ACCOUNT OF TERMINATION OF PENSIONS, ETC., PLAN

Under this section, an employee would be entitled to a tax-free rollover with regard to payments received on account of either termination of the employer's retirement plan or a complete discontinuance under such plan of contributions. In order to qualify for the rollover treatment, the payment from the plan would have to be reinvested by the employee within 60 days in a qualifying individual retirement account. Additionally, the changes affected by section 1501 would apply only to payments made to an employee on and after July 4, 1974.

SECTION 1502—LIMITED EMPLOYEE RETIREMENT ACCOUNTS

Under section 1502, taxpayers who were active participants in qualified defined benefit or contribution plans, or annuity contracts as described under section 403(b) of the Internal Revenue Code, could deduct contributions to individual retirement accounts and their employee contributions to their employers' qualified plans—if such plans were in existence on September 2, 1974. However, the total contributions to IRA's and such qualified plans could not be greater than the present limit of the lesser of 15 percent of earned income or $1,500 on contributions to IRA's, less the amount of any employer contributions allocable to such taxpayers. This provision would not apply to individuals who were active participants in a Government plan for the years of such active participation.

TITLE XIX—REPEAL AND REVISION OF OBSOLETE, RARELY USED, ETC., PROVISIONS

This title contains the so-called "deadwood" bill which has been considered by the Congress in recent years and is basically legislation designed to simplify the Internal Revenue Code by removing from it a large number of provisions which are obsolete or no longer important and seldom used. Title XIX would repeal approximately 150 sections of the Code and amend more than 850 other sections. The "deadwood" bill does not attempt to realize any simplification in present tax law through substantive changes and, therefore, this title does not deal with any serious policy issues in the provisions in question. Generally speaking, the provisions in question have outlived their usefulness in the Code.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, it would appear from what a number of the speakers have just said, including the distinguished gentleman from Oregon, that if we did not pass this bill we would not have a tax reduction, and in that case, our taxes would go up on January 1. Then we have heard, of course, that the President will veto the bill and withholding taxes will be going up anyway. But, is it not true that we have already frittered away so much time that it really makes little difference whether this bill is passed today or tomorrow because the Treasury cannot prepare the necessary tax tables in time?

Mr. SCHNEEBELI. That is correct. I understand that it takes from 6 weeks to a longer time to make the necessary changes in the tax tables.

Second, I am glad the gentleman from Minnesota raised the issue of the tax cut, which we would like to extend at the present time, but which went into effect in March of last year. The change in the withholding taxes was retroactive to July of last year, so we have done this on a retroactive basis previously, and we probably will have to do the same thing this year.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield myself 2 additional minutes.

Mr. FRENZEL. Mr. Chairman, if the gentleman will yield further, so that I can pursue that issue a little more, then all this discussion that if we do not pass this bill right now that withholding taxes are going to go up is a lot of nonsense, Mr. Chairman, because they are going to go up even if we had passed this bill yesterday. Is that correct?

Mr. SCHNEEBELI. I think that is correct.

Mr. VANIK. Mr. Chairman, if the gentleman will yield, we can do it on the basis that we just continue the present tax tables.

Mr. SCHNEEBELI. The present tax tables are not wholly accurate over 12 months.

Mr. VANIK. That may be so, but they are near enough.

Mr. SCHNEEBELI. They will have to be changed. I do not know from what to what.

Mr. VANIK. I think the gentleman will agree that they will not necessarily have to be changed if they are substantially correct.

Mr. SCHNEEBELI. They are substantially correct, but somewhere along in the year, about March or April, the withholding table will be different from what it will be January 1.

Mr. VANIK. Can the gentleman advise the committee whether or not it is his opinion that the President will veto a bill that simply extends the tax cut through next year?

Mr. SCHNEEBELI. I have no idea. He said on television last week that if a tax cut extension is not accompanied by a spending ceiling, he would veto the bill.

Mr. VANIK. His veto would result in an 8 percent increase in individual taxes.

Mr. SCHNEEBELI. But, as I say, we did this last year. We passed a bill last year in March, and the tax cut on the pay checks was not reflected until May. This could be done again. As the gentleman knows, any time before election day, if we have a tax cut, the public is impressed.

Mr. VANIK. Will the gentleman yield further?

Mr. SCHNEEBELI. I yield to the gentleman.

Mr. VANIK. The gentleman knows, as I argued constantly throughout in committee, we gave business a tax cut on the investment credit through 1981, while we gave individuals a tax cut for one year at a time.

Mr. SCHNEEBELI. I think some of us wanted a tax cut longer than that. In fact, I do not understand why it is on a year-to-year basis.

Mr. VANIK. If this bill is adopted, then there is no need to change the schedule.

Mr. SCHNEEBELI. I would like to see a tax cut. At the same time, to be responsible, I would like to see a spending cut as well.

Mr. VANIK. I understand.

Mr. ULLMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. Mr. Chairman, at the outset of my remarks, I would like to commend the distinguished gentleman from Oregon, the chairman of the Committee on Ways and Means for the exceptional effort he has made to bring this bill to the floor. In the early summer, he announced a very ambitious program, including the review of many complex aspects of tax policy and outlined a very demanding schedule for the committee to complete its task. The only deviations that occurred in the chairman's original schedule, resulted from the gentleman's commitment to fairness. In fact, the only criticism that can validly be lodged against the chairman's handling of this most complex piece of legislation is that he has been too fair. For in his desire to insure that tentative decisions remained open for review and modification if so requested by a member of the committee, I believe he often exposed some of the bill's most delicate compromises to repeated efforts at reversal through persistent lobbying efforts. As all of us on the committee will probably now agree, it is not necessary, even in the name of fairness, to three times review tentative decisions made in markup.

On a related procedural point, I believe that many of my newer Ways and Means colleagues for whom this was the first major tax reform bill, now understand why some of us have long argued that procedural reforms alone do not always guarantee substantive reform. For, while open markup sessions do have advantages with which I cannot disagree, they also tend to exacerbate the consideration of complex, controversial issues. I can think of several instances during the committee's deliberations where sound tax reform decisions were later weakened upon reconsideration. I attribute several of these reversals to pressures brought to bear by the present open meeting policy.

Having said that, I would like to comment on several aspects of the committee bill, as reported—to note both some of the bill's strengths and what I believe to be some of its shortcomings.

First I believe that the House should support this legislation because it embodies significant improvements in our present tax system. This legislation will not only greatly simplify the operation of our Internal Revenue laws, it will bring about a greater equity in the distribution of the Federal tax burden. In addition, administrative changes that are included in the legislation would promote fairness and limit much of the arbitrariness that presently exists in the review of individual tax cases.

Although many of my colleagues have stated that without adoption of certain floor amendments this bill does not represent tax reform, I disagree. For while I, too, believe that most of the amendments to be offered tomorrow will help to strengthen this bill, and I intend to support them, I do not feel that the bill as reported is without much merit.

Titles I and II of H.R. 10612 represent the concerted effort of the committee to eliminate many forms of tax shelters that have for various reasons prevented an increasing number of income earners from becoming active taxpayers.

While some will disagree with the approach taken in the limitation of artificial losses—I personally had some reservations about its potential impact on certain industries—it is necessary to adopt such firm evenhanded tax policy if we are to restore much of the dwindling credibility in our voluntary tax system. For while there have been valid accounting reasons why many Americans have been able to skillfully utilize artificial losses to offset real economic income, there are no valid equitable reasons why in our progressive system of taxation, individuals in the top one percent of earnings should pay a lower percentage of tax than an American earning less than $10,000 a year. Through the adoption of the limitation on artificial losses and the improvements made to the existing minimum tax by title III, much of this unjustifiable situation will be rectified.

Although few in this Chamber will question the need to extend the cuts embodied in the Tax Reduction Act last spring, it is, in my opinion, worth noting the form of the cuts in the present bill. In addition to the increases in the standard deduction, the committee bill incorporates a 2-percent tax credit up to a maximum of $240. Use of the tax credit approach will insure that the reduction in tax liability will be much the same for those making $12,000 a year as those making $50,000 a year. Such an approach guarantees that those who will utilize the reduction most will have full access to it.

In the area of tax simplification, the committee's changes in the child care credit will not only simplify its use, but expand its availability. While I believe sound tax policy would better be served by treating this as the business expense it clearly is, the committee's action in transforming it into a credit will have much the same effect as converting it into a business deduction. Making this available to the vast majority of lower- and middle-income families who do not itemize their deductions is certainly a much needed improvement.

In the area of foreign income, while many needed reforms were made, much concern has been expressed about the committee's reluctance to make fundamental changes in the taxation of foreign-source income. In supporting a motion to defer consideration of the key issues of the reform of the foreign tax credit and the deferral of U.S. tax on foreign-source income, I believe that the committee acted responsibly. There is a genuine need to evaluate such sweeping changes as were proposed in the committee. We must not evaluate them in a vacuum. While revenue increases in the foreign tax area would be an admirable goal, I believe that fundamental fairness would be a better one. In reviewing the present taxation of foreign-source income in the next few months, the committee must examine not only the basic tenets of tax policy but also the world situation as well. We must examine the competitive factors that allow our companies to compete in the world market. In tightening the taxation of foreign-source income, we must insure that our treatment of U.S. companies does not make them uncompetitive with foreign corporations fully supported by their governments. Thus, in drafting reforms in this area, we must evaluate the legitimate needs of U.S. multinational business and refute the myths. Such a thorough analysis could not be done in the day allotted to it during the consideration of the committee bill.

On a related issue, though, I was somewhat disappointed in the committee's failure to fully reform the Domestic International Sales Corporation provisions of the Code. As a long-time supporter of DISC, I believe it should be preserved as an export incentive for domestic corporations. However, I readily see that the long-range prospects for DISC are not good unless it is tightened to prevent abuse and allowed to function strictly as an incentive to export additional goods. The incremental approach adopted by the committee is an improvement over existing law and should be supported—but it could be strengthened so that its theory could be better implemented in the years ahead.

Even with the chairman's excellent review of this legislation and with the staff documents available to the membership, a total review of this bill is not possible in 6 hours or probably even 6 days. In fact, in my opinion, the membership of the House is probably considering for the last time, an omnibus tax bill of this nature. The time has come for the committee and the Congress to consider tax legislation of such a sweeping nature in smaller doses. The difficulties involved in effectively reviewing individual areas of the Code in a limited period of time would seem to dictate a change in our policy. I would hope that in the future, the Ways and Means Committee would bring to the floor equally significant tax bills as we have done today. I only hope that they are narrower in scope so that in reviews of tax policy each particular area receives the full attention it deserves. No other type of legislation so totally permeates every aspect of American life. Thus no other legislation requires the exhaustive evaluation of implications of policy as does this. I hope that in the future as the committee strives to continue to meet this responsibility, we can narrow our focus and deepen our review. Such an approach would not mean less tax reform, nor less work, but it would allow for the detailed financial analysis that is becoming increasingly necessary in our complex society.

In closing, I do urge my colleagues' wholehearted support of H.R. 10612. It represents reform—much needed reform of our tax laws—and its passage is urgently needed at this critical time.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield 7 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I voted against the previous question on the rule making this bill in order, because the rule does not allow an amendment which would add a spending ceiling to the tax reduction bill. The previous question was adopted, and because of that I voted against the rule for the same reason.

While I support the tax reform section of this bill, I believe it is of paramount importance that no tax reduction be adopted by this Congress without a corresponding reduction in spending and a fixed ceiling on spending for the coming fiscal year. No problem irritates our constituents more than the problem of our uncontrolled spending. Our $75 billion deficit, and our $600 billion national debt are dramatic testimony to our own lack of self-control.

Despite our wonderful new budget system, which I hope in time will force us to exercise control and set priorities, it is quite obvious that at this time our spending is not subject to any reasonable self-imposed limits. At a time of enormous deficit, when our economy desperately needs a signal that its Government will not continue to run wild in its spending habits, a spending ceiling is the best possible signal. Therefore, Mr. Chairman, I shall not vote for any tax reduction bill which does not contain a spending ceiling.

Until this tax reform bill became primarily a vehicle for tax reduction, and therefore mainly a political exercise, I supported it. I still support the tax reform section of this bill. On balance, I think it is a reasonable adventure in tax reform. It is not a great bill; it is a good bill. It is not a comprehensive bill; nevertheless it is still a major tax reform effort.

One of its principal failings is its failure to do enough in the field of capital formation. Other than the absence of an expense limitation, the failure to provide for greater capital formation is its most serious defect.

On the other hand, I think the committee did an extraordinarily good job of dealing with the proposals to change the tax status of foreign income and income derived from export sales. Here the committee faced some hard choices and made most responsible decisions.

Under the rule seven amendments will be presented. I shall support some and oppose some.

I have received a letter from a State agency, the Minnesota Housing Finance Agency, whose function is to provide better housing, particularly for low-income people in the State of Minnesota. That agency advises me that it opposes the amendment which would cancel the LAL aggregation in real estate, because it is felt that that amendment would be detrimental to its efforts to provide increased and improved housing for the citizens of Minnesota. I support their position in this matter.

They also oppose the amendment relating to the minimum tax on individuals to be presented by the distinguished gentleman from California (Mr. CORMAN), as having the same effect. Again I am obliged to agree with the Minnesota Housing Finance Agency. I believe that both of those amendments would be detrimental to our effort in housing within my State.

However, Mr. Chairman, I think perhaps the most important amendment that will come before this committee and one which I very strenuously oppose, is the amendment to be made by the gentleman from Virginia (Mr. FISHER) which would strike the feature in the bill that eliminates withholding tax on dividends and interest on portfolio investment for nonresidents of the United States.

This particular feature, on which there will be an attempt to strike tomorrow, is one of the few capital formation features in the bill. It is absolutely essentially needed to provide capital and to enhance our economic recovery. The Treasury estimates that this country is going to be $15 billion short in its capital needs in the coming year. That is 1 percent of our GNP. This particular feature cannot be expected to make all that up, but it can make up a good part of it.

The provision enjoyed bipartisan support in the committee. The motion to strike which will be made tomorrow failed by a vote of 23 to 12, almost 2 to 1, in the committee. The provision in the bill was recommended by a staff report of the Subcommittee on International Finance of the House Banking Committee last year.

Not only would the motion to strike severely limit investment in U.S. companies, but it would also prevent an effective secondary foreign market in U.S. securities. Borrowers in this country would be placed at a competitive disadvantage to borrowers in other countries who would have much greater access to captial suppliers. U.S. companies who would be obliged to sell securities subject to withholding taxes to foreigners would pay the extra costs themselves. Our own companies would simply have to pay a higher rate of interest on their debt instruments because of reduced markets which would be available to them.

These foreign portfolio investments generate jobs in America and generate American earnings subject to United States taxes. It is estimated that $1 billion from investments will generate $75 million in U.S. tax revenue. All we need is $3 billion of foreign investments, which I believe is possible if we defeat the motion to strike tomorrow, and that will match the difference in Treasury losses that is anticipated by putting in the provision which is already in the bill.

If we defeat the amendment tomorrow, we will not eliminate the incentive for direct equity investment by foreigners. Right now, in our system, under our various tax treaties, it is more profitable for a foreigner to make a direct investment than a portfolio investment in America. The motion to strike will simply maintain that incentive. The motion to strike will continue to tilt toward short term debt investment. Bank deposits are now exempt, and they would still be exempt if we pass the motion to strike tomorrow.

Sophisticated foreign investors can buy through agents in treaty countries and escape a good deal of the tax. Foreign governments, even OPEC countries, are exempt from that tax. Some investments in the United States are open on a tax-free basis to foreigners. We ought to open our markets to foreign capital on equal terms to all.

I hope the Members of this House will join me in voting to preserve this capital formation feature. I think it is greatly needed.

As a matter of example, Mr. Chairman, under the interest equalization law which expired in 1973, certain securities of this country's corporations were sold free of withholding tax on interest in foreign markets. Prior to the time that feature was effective, these bonds were being sold in the amounts of about $200 million a year in foreign markets, notably in Europe. When the aspects of the interest equalization tax that allowed these bonds to be sold so that their interest was not subject to withholding tax, these sales rose to about $2 billion annually in the next several years. Therefore, it seems to me that we have a proven instrument in the elimination of withholding that can raise significant amounts of capital for American businesses, and that will help stimulate profits, a portion of which will go into our Treasury here.

We should not be in a position of denying worldwide markets for U.S. securities. As it is now, Mr. Chairman, we have treaty agreements with nearly 25 countries.

Twelve of those agreements provide that no interest is subject to withholding. Ninety percent of investment in this country's portfolio investment is done through the treaty countries. That means that foreign investors have an unequal access to our capital market and we have an unequal access to foreign capital. The best way that we can stimulate capital formation in this country, the easiest way, the least costly way, and the way in which we can generate most jobs, is to sustain the committee's recommendation to eliminate withholding on interest and dividends for portfolio investments by foreigners in this country, and defeat the amendment which will be offered tomorrow by the distinguished gentleman from Virginia to strike that feature.

I oppose the change in the DISC base period from 3 to 5 years, because I think it is also not good sense to reduce incentives for U.S. exports at this time.

I do support the capital loss carry back amendment which would reverse the so-called Perot amendment. When this amendment was adopted in committee, there was obviously insufficient discussion and understanding. I personally made a mistake in voting for the amendment in committee and will be happy to vote for its elimination in the Committee of the Whole.

I also oppose the minimum tax on individuals amendment which will be presented by the distinguished gentleman from Oklahoma (Mr. JONES). I think the gentleman from Oklahoma has a good idea, but the amendment itself has some great problems, particularly those relating to the basis. I do not oppose the farm amendments proposed by the gentleman from Iowa (Mr. SMITH).

I shall be making other comments on other amendments when they are presented.

In summary, Mr. Chairman, the tax reform bill is a reasonable bill. It can stand on its own feet. It should not be burdened with the tax reduction bill unless we are willing to set a spending ceiling.

Mr. ULLMAN. Mr. Chairman, I yield 7 minutes to the gentleman from Virginia (Mr. FISHER), a member of the committee.

Mr. FISHER. Mr. Chairman, at the proper time tomorrow I am going to propose amending H.R. 10612 to retain the 30-percent withholding tax on U.S. portfolio income of foreign investors. Repeal of the tax—

Would discriminate against American investors;

Would lose substantial revenue;

Would produce windfalls for foreigners; and

Would not promote capital formation in this country.

The withholding tax on foreigners' portfolio investments in the United States has been in effect for over 50 years. There is no reason to repeal it now.

The tax is imposed on dividends and non-bank-account interest, items on which Americans pay Federal income tax. To repeal the tax on foreigners would excuse them from paying taxes Americans must pay. This would not be fair. Why should foreign oil producers and other foreigners not pay U.S. tax on their U.S. investment income when Americans must?

And why should foreigners not pay U.S. tax on their U.S. investment income when Americans who invest abroad pay foreign tax on their foreign income? Most foreign countries tax Americans on their income from foreign securities.

Repeal of the tax would not only discriminate against the American investor, but also hurt the American taxpayer who would foot the bill. Repeal would lose $165 million of revenue in 1976 and almost $400 million a year by 1981. From 1976 through 1981, the total revenue loss from repeal would be $1.9 billion. This loss would mean higher taxes for all Americans, including those with no investment income of their own.

If Americans would lose from repeal of the tax, who would gain? Foreign investors and foreign governments. Like the United States, most foreign countries allow their citizens to offset taxes paid to other countries against taxes owed at home. If a foreign investor pays only a small tax to his own country, repeal of the U.S. tax would allow him to pay no tax at all—a personal windfall. Typically, however, the foreign investor receives credit for his U.S. tax; in this case, repeal of the U.S. tax would mean that he would still pay the tax—but to his home country instead of the United States. A national windfall.

In other words, by repealing this tax on income from U.S. securities, we would be foregoing revenues so that other countries could collect them. In effect, we would be "revenue sharing" with foreign countries. I believe in foreign aid, but this is too much.

Since repeal of the U.S. tax would not reduce overall taxes for most foreign investors, repeal probably would have little effect in attracting capital to this country. Even if it did attract capital, foreign countries might be forced to lower their own taxes in self-defense, and then no one would win. Moreover, making the United States into a tax haven country could tend to attract unstable money. Long-term investors are interested primarily in asset appreciation, and the United States imposes no withholding tax on foreigners' capital gains.

The withholding tax on portfolio income has been in effect almost as long as the Federal income tax itself and, over the long run, the value of U.S. portfolio investment by foreigners has steadily grown. From 1962 to 1973, the value of such investment more than tripled. Just as the tax has not stunted foreign investment in this country, repeal of the tax would have little or no lasting effect in promoting it.

Mr. Chairman, I would like to address the possibility that investments in the United States by OPEC, the oil exporting countries located principally in the Middle East, might be discouraged by continuing the U.S. withholding tax—what I am proposing. I want to quote from the Joint Committee on Internal Revenue Taxation staff report prepared for the Committee on Ways and Means on "U.S. Taxation of Foreign Source Income and Related Matters. "The report says

> A further argument advanced for exempting interest and dividends is that it will encourage the recycling of OPEC dollars. Most oil dollars are owned by foreign governments, which can invest in the United States without paying tax under present law (sec. 892). A recent IRS ruling (Rev. Rul. 75–298) has broadened this exemption so that foreign central banks who were not previously entitled to the advantages of this exemption apparently may now use it. Thus, the Central Bank of Saudi Arabia apparently may purchase U.S. private securities and be exempt from tax.

So in the case of Saudi Arabia that means that only private individuals there who have investments in this country would, under my amendment, be subjected to the withholding tax. I doubt if there are very many.

Furthermore, such additional foreign funds as might be drawn to this country because of repeal of the withholding would quickly lead to reactions that would largely reduce any temporary advantages to the foreign investors. With floating exchange rates oil country money moving to this country, for example, would bid up the price of U.S. dollars, encourage imports with the United States, and discourage exports—all in the normal course of international financial adjustments. This last, discouraging exports, would tend to offset what the present DISC—special U.S. subsidiary corporations given tax preference so as to stimulate exports—tax provisions aim to do. Ironically the same persons who oppose the withholding tax by and large support DISC.

Mr. Chairman, for the reasons I have outlined in this statement, I urge the House to retain the withholding tax on U.S. portfolio income of foreign investors. A vote for my amendment to retain the tax will be a vote to preserve the tax base and a vote against giving windfalls to foreigners at Americans' expense.

Mr. SCHNEEBELI. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin (Mr. STEIGER), a member of our committee.

Mr. STEIGER of Wisconsin. Mr. Chairman, absent a spending ceiling I cannot vote for this bill, and I must say I find myself in that position reluctantly. By and large, the bill is a good bill.

It is the product of many hours of debate and controversy. It is the product of a committee that worked, I think, quite well on a relatively nonpartisan basis to reach the conclusions that it has, as contained in the provisions of the bill now before us.

I would, Mr. Chairman, want, to some extent, to take issue with my distinguished chairman in the presentation that he made in opening the debate on this bill.

Perhaps the biggest single disappointment that I had as a member of the Committee on Ways and Means was the overriding interest on the part of my colleagues in the question of whether something lost revenue or gained revenue.

That is important. All of us, I think, fully understand that a decision we make on a tax bill of this magnitude ought to be done with at least some understanding as to whether or not it brings in money or may lose money. However, there are, from my perspective, other features that are perhaps equally, if not more, important.

Is it equitable? Does it achieve a policy goal? What are the ramifications of a decision that the Committee on Ways and Means makes, not on whether it raises money, not on whether it loses money, but, rather, on what it does to the economic system of the United States?

The disappointment to me was the failure of the Committee on Ways and Means to enter into what needs desperately to be done and which, at this point, has not been done, which is a debate about the role of the Tax Code, whether something ought to be done through the code as a policy judgment by the Congress to encourage or provide an incentive for a particular kind of function or a particular kind of enterprise, or whether it ought better be done by direct Federal appropriation.

That debate was muffled, at best, and to a large extent, was never really a part of the consideration by the committee on so much of what is contained in this bill. Therefore, my disagreement with my chairman is that the presentation he made related to how much are we raising and how much are we losing by provisions of the bill, and that totally misses some important points.

For example, Mr. Chairman, one can look at title XV of this bill, one title that I have a particular interest in; and it loses money, $405 million in the first year. That is the estimate of what we will lose.

That, it seems to me, is a very, very biased way of looking at that particular title if it is balanced against the issue of whether or not the code is fair. Without title XI the code would be very unfair to many and I hope these provisions will become law before the end of this year.

Fairness, equity, simplicity, all of these words that we have used so often in trying to describe how we look at a tax code, somehow get lost when we look solely at the issue of whether it raises or does not raise money.

Thus, Mr. Chairman, the bill is, on balance, a bill which does a number of very good things. It does provide, in my judgment, greater equity. It does not provide, as I would like it to, more simplicity. In fact, we will have substantially complicated the code in many ways.

It does make more equitable provisions, without which, as contained in this bill, we would create serious inequities in certain aspects of the code's work.

There are some things, however, that I would most especially, Mr. Chairman, either now or in those remarks that I do not deliver but which are extended in the RECORD—and I want to make quite clear that there will be remarks that I do not say which will be a part of my remarks even though they were not said—there are a couple of things that I would like to pay some attention to in my remaining time.

One is the issue that will be dealt with to some extent tomorrow when we deal with the DISC amendment. I understand the gentleman from Minnesota (Mr. KARTH) will present that amendment.

In the committee bill, as we have it before us, we propose the termination of DISC with respect to agricultural products.

That decision, in my judgment, is indicative of an overreaction on the part of some people to recent and unusual agricultural developments, which include grain sales to the Soviet Union, the soybean embargo of 1973, and the temporarily reduced carryovers of some commodities.

This legislation, which would permanently exclude most agricultural commodities and products from eligibility under program, offers a short-term solution to an immediate problem, without consideration of its potentially damaging implications for U.S. agriculture in the long run.

Proponents of the elimination claim that the commodities in question do not require DISC benefits in order to compete in a world marketplace. While this may be true for some commodities from time to time, it is not the rule for most.

Export incentive programs must be predicated on the usual and long-term outlook for U.S. exports, and that clearly dictates the need for continued eligibility those of U.S. agricultural products currently under the DISC program.

In fiscal year 1975, U.S. agricultural exports reached $21.6 billion, while agricultural imports were only $8.6 billion. U.S. agriculture's trade balance of $12 billion easily compensated for the $10 billion trade deficit in nonfarm items, thereby producing an overall trade balance of $2 billion. During the first quarter of fiscal year 1976, agricultural exports of $4.74 billion—6 percent greater than those for the same period last year—have again offset both agricultural imports of $2.4 billion and the nonfarm trade deficit of $1 billion.

In view of the contribution of U.S. agriculture to the U.S. balance of trade, we cannot afford to take any restrictive measures that would jeopadize continued export expansion. The size of this years' grain crop and prospects for even larger harvests in the future, require that we continue to use every tool available to increase our exports, not the least of which is the DISC program.

Although its contribution to U.S. exports is difficult to measure statistically, U.S. exporters have indicated that the DISC program has been very effective in enabling U.S. commodities to compete successfully in world markets. An egg exporter attributes a three-fold increase in its exports over the past 4 years to the DISC program; 85 percent of U.S. cotton exports valued at $1 billion are estimated to move under the DISC program. The cotton industry and related trade groups strongly support the DISC program as an effective means of improving the competitive position of U.S. cotton in the world market as do other trade groups.

The DISC program also enables U.S. exporters to compete in markets with externally restrictive import levies. For example, poultry exporters credit the DISC program with allowing them to continue to export U.S. poultry into the European Community market despite the EC's unpredictable and very protectionist levy system. The program compensates poultry exporters for the financial risk involved in exporting to an area where import levies may increase while the products are en route.

The program also equalizes the status of U.S. exporters who must compete with foreign exporters who benefit from preferential government programs. France, Germany, and Japan provide local exporters with special deferrals on taxable domestic income. The Governments of France, the United Kingdom, Ireland, Norway, Sweden, Austria, Australia, New Zealand, and Japan all provide specific export tax incentives such as deduction for export related expenses, overseas, and interest charged on export losses, and interest charged on export credit.

The advantages of the DISC program, however, extend beyond U.S. exporters and the U.S. agricultural sector into the entire U.S. economy. The receipts retained by exporters of U.S. agricultural commodities are reinvested in the construction of new transportation, storage, and processing facilities and the modernization of those already in use. They are used to purchase new equipment, to finance market research, and conduct export promotion activities. These activities in turn create employment, assist in export expansion, assure farmers of adequate prices and markets for their produce, and improve our balance of payments. The exclusion of certain agricultural commodities and products from the DISC program would be detrimental and unfair not only to the present participants in the program but to the producers of those commodities.

The selective exclusion of certain agricultural commodities from the DISC program would be discriminatory, shortsighted, and seriously detrimental to the continued success of the export expansion effort which is too vital to U.S. agriculture and the economy as a whole.

There is one other provision that I would like to touch on, and, if I can get permission from the distinguished gentleman from Oregon, the chairman of the committee, to raise a question—and I might say that the staff of the Joint Committee has done such an excellent job of working overtime in preparing the material, and especially in getting over their "turkey" doldrums—and the question has to do with the purchase of a sports franchise.

In allocating the purchase price to the various assets such as player contracts and the franchise itself, is my understanding correct that the bill is intended to permit variations from sport to sport depending upon the particular facts in each case? Is that a fair understanding on the chairman's part of these provisions?

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield to me.

Mr. STEIGER of Wisconsin. I will be honored and delighted to yield to the distinguished gentleman.

Mr. ULLMAN. Mr. Chairman, I will say to my friend the gentleman from Wisconsin (Mr. STEIGER) that the answer is basically "yes." The proper allocation of the amount of the purchase price that is allocated to the player contracts must depend on the facts and circumstances of each particular case. The committee recognizes that there are certain factors that bear upon the proper allocation which are peculiar to each sport. As a result, it is not intended that an allocation that is deemed to be proper in the case of a football franchise necessarily be deemed to be proper in the case of a baseball or basketball franchise. In addition, the application of certain factors, although not peculiar to any one sport, will result in different amounts being allocated because of the relative weights assigned to each of these factors in a particular case. For example, if the past revenues and the expected future revenues from radio and television contracts are greater in the case of the sale of a franchise relating to sport A than in the case of the sale of a franchise relating to sport B, this would tend to indicate that the amount allocated to the franchise of sport A would be greater than that allocated to the franchise of sport B.

Mr. STEIGER of Wisconsin. Mr. Chairman, I thank my chairman for that response.

Would it also be fair, Mr. Chairman, to indicate that it is possible that within a particular sport one might find franchises where the factors vary from team to team within the same sport itself?

Mr. ULLMAN. That I would say to my friend the gentleman from Wisconsin is entirely possible.

Mr. STEIGER of Wisconsin. I thank the chairman very much for that explanation.

Mr. Chairman, my bill to allow the withholding of State income taxes from the pay of military personnel is included in the Tax Reform Act on a voluntary basis in section 1205. Military withholding of State taxes is not now permitted under the general withholding provisions of the Internal Revenue Code but has been recommended by GAO and the Advisory Commission on Intergovernmental Relations in two recent studies. My bill also had the support of the National Governors Conference and the National Association of Tax Administrators.

As long as I have been in Congress, I have received letters from persons recently discharged from the military services who have gone home to Wisconsin and been faced with making a large lump-sum payment. That payment is often for several years because the serviceman did not realize they had a State tax obligation and had not been sent the forms. I asked the Wisconsin tax administrator to send me some examples of these cases and the letters he sent were persuasive to the Ways and Means Committee.

Both Federal and State laws provide that individuals do not lose their State residency merely by transfer to another State. The courts have ruled that individuals must be legally domiciled somewhere and that servicemen maintain a state of residence. Wisconsin provides a partial exemption of $1,000 of military pay. Still, there is an obligation to pay tax on the remaining salary even though the serviceman is stationed outside the State.

It is unfair that servicemen and women are not afforded the treatment that most other employees have. Withholding through payroll deductions assists in meeting our tax obligations. Employees of the House of Representatives until recently also could not have State taxes withheld. The House employees recently voted in a straw poll, by a margin of 3,787 to 205, to support a measure providing for withholding.

Our experience with this problem indicates that the vast majority of military persons who are absent from their home State are not fully informed about their State tax obligations and would welcome having payroll deductions. Army Times newspaper of November 5 reported on a survey at five Washington area military installations and over 83 percent of those questioned said they wanted withholding. They cited reasons of convenience and inability to pay in a lump sum. I would like to have this article placed in the RECORD at this point:

TROOPS BACK STATE WITHHOLDING

(By Andy Plattner)

FORT MEADE, Md.—Most military people prefer to have their state income taxes withheld from their pay, an *Army Times* survey of people at three Maryland military installations suggests.

The random survey involved more than 80 soldier, sailors, airmen and marines at Fort Meade, Patuxent NAS, and Andrews AFB.

More than 83 percent of those questioned said they wanted withholding. They cited reasons of convenience and inability to pay a lump sum annually.

All of the respondents were asked their military pay grade, their home state, whether they paid state income taxes and if they would prefer withholding. Those that said they didn't pay state income taxes were asked to assume they would have to pay when considering withholding.

Sailors were the group most in favor of withholding with 93 percent asking for it out of 30 members questioned. Of the 24 soldiers questioned, 83 percent wanted withholding as did 73 percent of 26 Air Force members.

Most of those opposing withholding were officers or senior enlisted people. The standard reason given for opposition to withholding was to prevent a state from drawing interest on their money when they could earn that interest.

The survey also suggested there is considerable confusion among military people about state income taxes. Several servicemen, acknowledging that they were from states that tax military pay, said they didn't have to pay because they were in the service. Others said supervisors told them not to worry about paying taxes while in the military. A few said they thought their state income taxes already were being withheld.

By law, state income taxes cannot be withheld from military pay. However, there are efforts under way to change the law and make withholding mandatory. A bill by Rep. William A. Steiger (R-Wis.) to require withholding will be considered by the House Ways and Means Committee soon.

A report by the General Accounting Office has recommended withholding as has an association of state tax officials. A government commission will meet soon to recommend withholding, according to commission members.

The Defense Department has fought withholding by saying that it would be too costly as well as an administrative burden. DoD officials testified that withholding would cost $6.3 million initially and $1.7 million annually to operate. They also said it would be difficult to deal with 50 state tax laws.

But responses from servicemen indicate military members want withholding. Some of their answers:

"I want my taxes withheld so I'd have a record of what the state got and what I paid," said an Air Force E–5.

"I'd rather have it taken out so the big bang doesn't come at the end of the year," said a Navy E–5.

An Army major from Virginia said: "I have to pay taxes quarterly now. I'd certainly rather have it withheld."

A Marine lieutenant colonel said, "I'd rather have it withheld. I don't have to worry about it that way."

"I would rather do it myself," said an Army lieutenant colonel. "I'm perfectly capable of saving the money to pay at the end of the year. I lose about $240 in interest each year by having to endure federal withholding."

An Air Force lieutenant said, "I get screwed by Maryland annually. I'd rather have them withhold it."

An Army major from Florida said: "I would prefer to have it withheld. That way it would soften the blow."

An Air Force E–2 from Virginia said: "Isn't some withheld now? I'd rather have it withheld."

An Air Force lieutenant colonel from California said: "I don't want withholding because of the way I arrange my finances. I would think it would be good for the average military person though."

"I'd rather manage my own finances," a colonel from New Jersey said. "I don't want withholding."

An E–4 from Virginia said: "I've never filed any tax in my life. They told me they take the tax out of my check before I get it so I don't have to file. I'd rather have it taken out of my check. I don't want to have to do that paperwork."

An E–4 from Kentucky said: "I've never paid because they've never notified me. I guess if I owe something they'll let me know. No one has ever told me anything about taxes since I've been in the service. If I have to pay, I would want them to take it out like with the other taxes."

An E–5 from Maryland said: "I'd prefer withholding. I just got a letter from the state saying I have to pay quarterly and they billed me for $250. Withholding would be less of a hassle. It would make us like everyone else in the civilian community."

Congressional authorization of military withholding of State taxes became necessary on September 27 when OMB, based on its interpretation of the Privacy Act, rescinded Circular A–38. This circular required the military services to send W–2 information on its members to the States. As a result of the rescission, the States now can no longer get the forms to their residents who are serving outside the State and those military personnel will be faced with large lump-sum payments when they return. I have requested GAO to examine the performance of the military services under A–38 as well as their proposal to provide this information anyway because of the Freedom of Information Act.

This bill amends sections 5516 and 5517 of title 5 of the United States Code to eliminate the prohibition against the Secretary of the Treasury entering into agreements with States and the District of Columbia to withhold State income taxes from members of the armed services and provides for such withholding in cases where the members request it. Thus, the Secretary of the Treasury will be required to enter into agreements to provide withholding of State and District income taxes from members of the Armed Forces who request such State and District tax withholding. The Secretary of the Treasury will consult with the Department of Defense and other concerned agencies in designing such agreements in view of the fact that DOD will do the actual withholding since it, not the Treasury, is the paying agent and in view of the special problems that are involved in establishing the residence for tax purposes of military personnel.

I want to make clear that these changes do not in any way affect, or imply any change in, the existing rules which determine the situs for State income tax purposes of a member of the Armed Forces. They do not in any way imply that a State in which a member of the Armed Forces is stationed but of which he is not a resident for tax purposes may assert jurisdiction over such person. In other words, the existing rules for liability for State income tax of members of the Armed Forces are left unchanged but the opportunity for having these taxes withheld from individuals who are members of the Armed Forces and request such withholding is provided.

I am pleased that the Ways and Means Committee adopted this proposal, but I would have preferred it not to be a voluntary measure for three important reasons. First, it does not benefit those persons that I hoped to help, the members of the Armed Forces who do not realize that they have a State tax obligation. Nor will it assist with the A–38 problem because if the person does not elect to have withholding, his State still would not know his whereabouts to get him or her the forms. Finally, voluntary programs do not work where they have been tried, as in pilot efforts for city taxes in Philadelphia, St. Louis, and Louisville.

As the Washington Post editorialized last Saturday, across the board, mandatory withholding is the best remedy, but this bill will insure that members of the military will be treated the same as other taxpayers. Here is the text of the Post editorial:

TAX DELINQUENTS IN UNIFORM

The General Accounting Office has just released a new study of an old problem, the non-payment of state and local income taxes by military personnel. Based on a sampling of records in the District and Maryland, GAO estimates that fully 45 per cent of the service men and women liable for state taxes here have failed to file returns. Some tax administrators think the rate of non-compliance is even higher nationwide. With the total annual military payroll now around $20 billion, the states and cities could be losing hundreds of millions of dollars in sorely needed revenues each year.

Because the armed forces do not withhold state and local taxes, all the initiative falls to the individuals concerned. Some are no doubt confused or uninformed about their obligations to the states, especially where a person claimed legal residence in one place but is stationed somewhere else in the country or overseas. Many taxpayers-in-uniform, however, simply choose to follow the old military maxim—never volunteer. They fail to ante up because they feel no great compulsion to. Most states are quite remiss about enforcing their tax laws agaist servicemen; even where the Defense Department provides useful payroll information, state tax agencies seem to think that chasing down the delinquent taxpayers isn't worth the cost.

One obvious alternative is withholding. Advocates of this approach—including the GAO, the Office of Management and Budget, state tax administrators and the Advisory Commission on Intergovernmental Relations—see no persuasive reason why the military should continue to be exempt from the take-it-off-the-top principle applicable to nearly everybody else. In the private sector, for instance, state and local taxes are withheld from employee's paychecks as a matter of routine. Withholding of state taxes for federal civilian employees (including civilians in the Department of Defense) goes back to the early 1950s. The Treasury Department, as the federal civilian paymaster, now has withholding agreements with 40 states and 41 cities, including a few that require two kinds of local tax to be withheld.

The armed services, however, are still holding out. The Defense Department maintains that the various states' laws on taxing members of the armed forces are so complex that reprogramming the centralized pay systems of the four services would take more than two years and cost $6.3 million at minimum. Furthermore, DOD argues that much of the problem could be solved with less federal effort and expense if the states would collect their own taxes more effectively.

Such arguments are noteworthy but not overwhelming. Experience has shown that withholding is the most efficient and economical way to identify most potential taxpayers and collect at least the bulk of what they owe. If some states' laws are impenetrably tangled, a military withholding program could start with the simpler ones—or DOD could be authorized to withhold approximate amounts. The House Ways and Means Committee, at least, does not seem to think that the technical barriers are insurmountable. The committee's pending tax bill would authorize the services to withhold state taxes at the service-man's request. That is a useful step, but does not solve the real problem created by the many who don't volunteer to pay. Across-the-board withholding is the best remedy, and the great potential gains in states' revenues well justify the fairly modest costs. Congress should direct the armed forces to start cranking the neecssary programs into their computers now.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. CORMAN), a member of the committee.

Mr. CORMAN. Mr. Chairman, first, I will discuss the matter of whether one ought to support this bill without an expenditure limit. All of us who served in the last Congress worked very hard on a bipartisan basic to develop a Budget Committee and to develop a legislative process that would give us an opportunity to bring greater fiscal soundness to our budgetary decisions. Members on the Republican side of the aisle made as great a contribution as did those on my side of the aisle to give birth to a healthy new committee. I am disappointed that they now seem intent on subverting its authority before it is even established.

That may be good reelection politics but it is not a very good way to write tax law.

I sincerely hope that the tax law we write today will not be harmed in any way by this kind of activity which makes it very, very simple for the President to veto tax reform on the grounds that we did not include a spending ceiling in the bill. To attempt to limit spending for fiscal year 1977 would not only be unrealistic, but it would also be highly irresponsible in that it would undermine the authority of our newly created Committee on the Budget.

I will go on to address comments made by my colleague, the gentleman from Minnesota, for whom I have both great respect and affection. If we are ever going to reform unemployment insurance, it will be substantially through his efforts, and I think we are going to do that later in this Congress. He indicated that we have not carefully looked at how we ought to use the Tax Code to affect our economy. I suggest to him that was precisely what we were doing when we went through this whole exercise of closing up tax shelters. These tax shelters have resulted from decisions made oner the last 50 years to provide tax incentives to accomplish economic or social goals. We reflected on this use of the tax code in both the last Congress and this Congress and decided that it was not a very good way to affect the flow of capital. We have reversed some of those decisions in this bill, and that part of the bill we can call tax reform would do that very thing—stop preferential treatment for such activities as hobby-farming, real estate ventures, or investment in pornographic movies. These uses of tax incentives have subverted their original intention of providing aid to the economy.

There is a provision in this bill to extend the present investment tax credit for 5 years. One can argue both ways as to whether the investment credit is a sound way to use the Tax Code to affect the economy, but since it is a very substantial, significant, and broad-based incentive, I suspect that is the best we can do. My own preference would be totally evenhanded treatment, but if we are going to use the Tax Code at all to influence the economy, the investment tax credit is probably one of the best ways to do it.

Tomorrow I intend, to offer one of the seven amendments which has to do with strengthening the minimum tax. As my colleague, the gentleman from Wisconsin, will expand his arguments against it, I will expand in more detail in the record my arguments in support of it.

Let me oversimplify it just a bit to say that the purpose of the minimum tax is to oblige everyone to pay some income tax on his economic income. We have approached this problem from a number of directions.

The limitation on artificial accounting losses was one approach, but at the conclusion of the bill it became apparent to the staff, and to others of us, that we had missed some points. I will propose to extend the list of preferences in the minimum tax so that everyone is going to have to pay some minimum tax on all of his economic income.

The other important part of this amendment is that it disallows the present preference given to people who have both preferential and nonpreferential income. When the Committee on Ways and Means first took up the minimum tax, we did not give credit for income taxes paid on other income as an offset to that portion of one's income subject to the minimum tax. That decision was made in the Senate.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from California.

Mr. CORMAN. That provision was added on the Senate floor. It substantially cut the effectiveness of the minimum tax, and we will reverse that unfortunate decision tomorrow if we pass my amendment on the minimum tax.

Mr. Chairman, the minimum tax was enacted in 1969 to insure that wealthy individuals paid some tax on preference or loophole income, which is used to reduce or avoid the payment of regular income taxes. The minimum tax is now computed on a base of nine preference items including percentage depletion, the untaxed half of capital gain income and accelerated depreciation. Since these preference items are used to shelter taxable income, the minimum tax was designed to impose a tax on the loophole income itself.

In 1969, it was predicted that the minimum tax for individuals would yield about $300 million annually, but in 1973 it yielded only a disappointing $180 million. In fact, in 1973, 622 persons with adjusted gross incomes over $100,000—including seven with incomes over $1 million—managed to pay no regular or minimum tax at all.

The provision in H.R. 10612 to strengthen the minimum tax is commendable, but it still has two weaknesses that the proposed amendment would correct. The first portion of the amendment would completely disallow the deduction for taxes paid. Under present law, a taxpayer can deduct his regular taxes from the list of preference items on which the minimum tax is based. In many cases, this deduction completely offsets his preference income. H.R. 10612 would reduce the deduction to only fifty percent of taxes paid, but this will still allow some wealthy individuals to escape the minimum tax altogether. The fact that a taxpayer might pay regular taxes on other income, does not justify complete nontaxation of loophole income.

A taxpayer with an income of $200,000 a year would pay $123,090 in regular income tax. With preference items amounting to $60,000, he could avoid the payment of the minimum tax since one-half of his taxes paid, $61,545 would totally offset his preference income. Without a deduction for taxes paid, he would be liable for 14 percent of his preference items or $8,400 under the provisions of H.R. 10612.

The second part of this amendment to strengthen the minimum tax would eliminate opportunities for tax shelters that might still exist after the application of LAL. Under present law, the tax preference items comprising the base of the minimum tax include several accelerated deductions. When an accelerated deduction is not covered by LAL it should be subject to the minimum tax. The following items would be added to the list of preference items under this amendment: First, construction period interest and taxes on real estate; second, accelerated depreciation on personal property subject to a lease; third, intangible drilling expenses, including those for exploratory and developmental wells but not for dry holes; and fourth, depreciation on player contracts acquired with a sale or exchange of a sports franchise.

The two parts of this amendment would increase the revenue gain from the minimum tax proposal in the bill by $376 million in 1976 to a total gain of over $1 billion.

Mr. Chairman, I believe that this amendment is one of the most important being offered today. The minimum tax was a good idea in 1969 and with the tightening provisions of H.R. 10612 as amended by this proposal, it should finally be able to fulfill its promise of insuring that taxpayers with a great deal of preference items pay at least a minimum tax.

Mr. SCHNEEBELI. Mr. Chairman, I

yield 15 minutes to the gentleman from New York (Mr. CONABLE) a very valuable member of our committee.

Mr. CONABLE. Mr. Chairman, at this point in the process I expect to vote against this bill because it lacks expenditure limitation and it does include a substantial tax cut. I think the two must be combined if we in this body are to be fiscally responsible.

But that question by itself is not enough to discourage me from talking about the tax reform aspects of this bill which I suspect this body is going to have ample opportunity to pass on later. The Senate is very likely to divide tax cut and tax reform, as we should have done, so that they do not get tax reform tied up in the issue of expenditure limitation. The result is that at some point, probably after the first of the year, a tax reform bill resembling this one without the tax cut-expenditure limitation issue therein involved will come back to this body, and we will have little time now to debate the details of the proposed reform.

I think this bill, to the extent it constitutes tax reform, is worthy of support. It is a modest bill, but modesty is not bad. The general thrust of the bill is constructive, pushing the tax code in the direction of greater equity.

I agree with my friend, the gentleman from Wisconsin, that we do not here strike any blows for simplicity, but that halcyon day when we are able to make both a simple and an equitable code is still some distance in the future, I fear.

I would like to address with respect to this bill three of the specific amendments that are going to be presented for decision of the House as a whole. I do not quarrel with the right of the majority party to modify the rule to make these amendments in order. These amendments were not acceptable to a majority of the committee, but they are apparently desired by a majority of the majority party, and I acknowledge their right to go to the Rules Committee and to get these amendments made in order. I regret that any such modifications of the rule were not generated in a more consensus environment, but the committee is not in a very consensus condition at this point for a number of reasons that are all too familiar to people watching us proceed through a series of mindless confrontations in the Congress as a whole.

Of the three amendments I would like to address, the first is the amendment prohibiting aggregation in real estate. This amendment I think, if it is accepted on the floor, will go beyond the purpose of LAL generally. Let me say I support the principle of limitation of artificial accounting losses. One purpose of the bill as a whole was to try to discourage sheltering other income by front end artificial deductions in real estate, in farming, and in oil. However, with respect to real estate we went beyond the problem of tax attraction of outside investment and have provided even that those whose primary occupation is real estate development will not be able to offset front end accounting losses against the profits of other real estate projects.

I acknowledge that there is always the possibility of multiple real estate sheltering by people outside the business and that multiple sheltering is encouraged by syndication, but while I acknowledge that problem I do think we should not change the basic rules for the real estate industry as such, so I intend to oppose that particular amendment.

Mr. MIKVA. Mr. Chairman, will the gentleman yield at that point?

Mr. CONABLE. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Chairman, I appreciate the candid manner in which the gentleman from New York has explained the amendment which I intend to offer tomorrow.

I might point out that without this rule against aggregation we have sort of created a Trojan horse about sheltering. The Treasury agrees that without the amendment we are going to have a situation where shelter will be sold in two pieces, one winner and one loser. We will have accomplished a cosmetic operation and will have tilted in favor of real estate, which I think the gentleman does not want to see us do.

Mr. CONABLE. Well, I do not think we are tilting in favor of real estate. I think this bill, if the amendment is adopted, will have been tilting against real estate, in fact, because we have not discouraged aggregation in farming or with respect to exploratory well drilling, either.

Mr. MIKVA. Mr. Chairman, if the gentleman will yield further, the exploratory well has been limited.

Mr. CONABLE. Yes, we have limited it. I understand that.

Mr. MIKVA. We also have an exception on real estate for 36 units, so we are really limiting the speculators and discouraging their use of the Tax Code as a substitute for business judgment.

Mr. CONABLE. Not only discouraging such people, but we will discourage the real estate business generally. That is the point I am trying to make.

Mr. MIKVA. I would only point out one last thing, that the Treasury Department has decided that it feels strongly this amendment ought to be adopted and supports the principle of closing up the loophole and prohibiting aggregation.

Mr. CONABLE. I am pleased to see my friend associate himself with Treasury direction. I do not wish to do so in this case.

Mr. MIKVA. Somebody has to. I thank the gentleman for yielding.

Mr. CONABLE. Mr. Chairman, the second amendment that I would like to address myself to deal with the withholding tax on foreign investment in this country. Portfolio investment is the issue here. It seems to me quite clearly that it is in the Nation's interest that we try to encourage foreign investment in this country. I have heard it said that this is a giveway to foreigners at the expense of the American taxpayers. Quite frankly, if foreigners do not invest in this country, the American taxpayer is ultimately going to be the loser. This money possibly coming from abroad, unless it has adequate inducement to produce the tools of labor in this country, is not going to be available to us and to the capitalist system in ways that will be ultimately job producing. It is found money for us if we can encourage foreign investment to come here. There are adequate protections against the abuse of such investment, I feel, available to this country as there are in any sovereign nation.

So I hope we will reject any effort to amend the bill to eliminate the provision in the bill which wisely strikes out the withholding tax on foreign portfolio equity investment in this country as well as for bond or bank deposit investment.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, does the Treasury Department support the gentleman's position in this matter?

Mr. CONABLE. I think the Treasury Department supports my position on this matter. I am pleased they have seen it my way. I regret they have not seen some other things in the same benign light.

Mr. STEIGER of Wisconsin. If the gentleman will yield further, I raise this only because I do not want the Record to be unclear. Our distinguished friend, the gentleman from Illinois, has picked out one amendment on which the Treasury Department takes one view and the gentleman from New York, correctly in my judgment, takes another view. There are going to be other matters and other amendments in which the Treasury Department will not fully concur with the thinking of the able gentleman from New York.

Mr. CONABLE. I thank my friend for these characterizations, however unjustified.

I would like also, Mr. Chairman, to address the issue of the amendment changing the base for computation of DISC benefits. I rise in opposition to the amendment in which is suggested that would change the grace period from 5 years back to 3 years.

Mr. Chairman, under the bill domestic international sales corporation tax deferral benefits in the future would generally be available only with regard to export receipts in excess of 75 percent of the DISC's base period export gross receipts. The base period for the years 1976–80 would be the taxable years 1972–74. Beginning in 1981, this base period would move forward 1 year each year. This amendment would cause the base period to begin moving forward 1 year each year in 1979, rather than 1981.

I believe adoption of this amendment would be a mistake. The committee labored long and hard on this title of the bill. We heard very extensive testimony with regard to domestic international sales corporations and their effects on American export and job levels. The provisions in the bill were adopted based on this testimony and later discussion in the committee.

As committee consideration of DISC proceeded, a number of points became clear to many members of the committee. First, it is obvious that a large part of the more than doubling in the dollar volume of American exports since 1971, when the DISC provisions were enacted, is attributable to a number of factors, including substantial devaluation of the dollar, the general worldwide price inflation, and large price increases in agricultural products which the United States exports in great volume.

However, many witnesses who testified with regard to DISC were of the strong opinion that DISC has also made a significant contribution to this increase in export levels, although they conceded that such contribution was difficult to measure in any exact dollar or percentage terms when considering overall exports. Several witnesses did, however, refer to specific cases relating to their own companies in which DISC had played an important and measurable role.

The examples they cited generally referred to situations in which a number of American and other companies, generally European and Japanese, were competing abroad on very large export contracts. Winning bids often differed only by a very small percentage, as little as 1 percent or less, from the next lowest bids. The American companies' financial analyses showed that in a number of cases where the U.S. company had been the successful bidder, the availability of DISC benefits had made the difference. This often very small difference decided whether or not an American company would receive a contract providing for hundreds of millions of dollars worth of American exports, often over a number of years, with the natural accompanying effect on American export levels and domestic jobs. Such examples helped to clarify the importance of DISC treatment in such cases, where its impact could be quantified, in combating in even a small way the very great export and trade incentives which most of our major trading partners extend to their companies engaged in international business.

On the other hand, it also became clear during the committee deliberations that the annual revenue cost of DISC, which has grown far above that originally projected in 1971, is perhaps unnecessarily high and that substantially equivalent stimulation of exports and jobs creation might be achieved at a lower cost. Under present law, DISC benefits are available to all qualified exports, whether or not most of those exports would take place even without DISC incentives and aside from the question of whether or not the company in question is increasing or decreasing its export level.

Therefore, the committee voted to attempt to make DISC more efficient and cheaper by generally extending DISC benefits in the future only to the extent that they exceed a certain base level. The committee also voted to end DISC benefits on certain products in the military and agricultural areas for which the committee felt no incentives were needed to stimulate export sales.

In my opinion, the ultimate committee decision on DISC, as reflected in the bill, is a balancing of these many factors and constitutes a reasonable compromise among what were some very strong differing opinions in committee regarding DISC. Changing the base period, as the amendment would, could have an unreasonably adverse effect on companies which have engaged in export planning and investment based on reliance on the DISC deferral provisions of present law, and would also upset this compromise position which the committee reached in voting out the bill as written.

I urge that the amendment, in short, be defeated and that we continue the incentives implicit in DISC; that we, at least to the extent the bill provides, agree again that it does result in benefits, and that we stabilize these benefits through a 5-year grace period before any rolling of the average base on which DISC benefits are going to be computed hereafter.

Now, Mr. Chairman, I would like to make one inquiry of the chairman of the committee with respect to a very modest matter which I brought up and which is included in the bill. I am advised that there is some need for clarification, and I would like to do that in the Record at this time. It relates to shipping income, particularly with respect to a company which has been called to my attention which operates between Canadian ports under the Canadian flag, and has to do so under Canadian law, rather than operating in this way for any particular tax reason, any tax advantage otherwise that would occur.

Mr. Chairman, I would like to seek clarification of one point concerning section 1024 of the bill, the provision having to do with foreign base company shipping income. Under that provision income from shipping between two points in the country in which the ships are registered—and the company is incorporated—may be excluded from foreign base company shipping income. It is my understanding that under that provision some or all of the income from the sale of a ship could be excluded from foreign base company shipping income in cases where some or all of the operating income of the company operating the ship has been excluded for that reason. Is this consistent with the Chairman's understanding of this provison?

Mr. ULLMAN. Mr. Chairman, the gentleman is correct. Some or all of the income from the sale of a ship could be excluded from foreign base company shipping income in that case. The amount excluded would have to be computed under an allocation or proration formula. One reasonable way to compute the amount excluded would be based upon the revenues derived from the operation of the ship that is sold.

Mr. CONABLE. I thank my distinguished chairman, my very patient chairman, for his lucid explanation of this information, which I am sure other Members have been panting to receive. I am most grateful to him for his response.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. Stark).

Mr. STARK. Tomorrow, Mr. Chairman, I shall seek recognition to offer my amendment to strike a section which I think has caused a great deal of embarrassment to all of us. It is one that got into the committee bill late at night, without a great deal of thought, and it is one that has been known as the "Wealthy Individuals' Welfare Bill." It is a provision in H.R. 10612 which permits individual investors to carry back capital losses to offset any capital gain taxes paid during the prior 3 years. It would give away $165 million, we estimate, in 1976, and it would in subsequent years give away enough to aggregate about $335 million by 1981.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. STARK. I yield to my distinguished colleague from California (Mr. Ketchum).

Mr. KETCHUM. I thank the gentleman for yielding.

Mr. Chairman, I know my colleague in the well, the gentleman from California (Mr. Stark), is a new member on the Committee on Ways and Means, as I am; but is it not true that this provision, this self-same provision, was in last year's tax bill, as well, and had been voted on by the full committee once before?

Mr. STARK. It is my understanding that it was. It was also rejected by the committee this year, in October.

Mr. KETCHUM. If the gentleman will yield further, I believe the Record should show that that was in the bill before.

Mr. STARK. The rule applies only to people with losses over $30,000, thereby excluding most average taxpayers, and it applies retroactively to allow losses incurred in 1974 to be carried back to 1971 instead of merely applying to future losses, although no claim can be made that this feature will encourage future investments of capital in risky ventures.

These shortcomings should be decisive. But the belated disclosure, due primarily to the fine journalism of Mr. Hunt, of the Wall Street Journal, disclosed that the provision may very well have been initiated by a single individual, a wealthy Texas businessman, who could receive tax refunds of some $15 million or so if my amendment is not passed. This provision may be the largest single individual tax relief bill in the history of this country.

Mr. Chairman, I would submit that if wealthy investors need subsidies, there are proper welfare channels through which they can apply for relief, but the tax code is not a basis for that.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. STARK. I will yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

Mr. Chairman, I certainly want to commend the gentleman for his decision to offer this amendment. I certainly hope and expect that the House will adopt this amendment. I think the gentleman will recognize that when we took this matter up in committee both he and I, as well as a number of other Members, voted against this provision. At that time we had no knowledge of the specific people who would be affected by it. I think the gentleman will admit, that on legislation of this type, one must vote instinctively.

But I want to take this time to refer again to the fact that reporter, Al Hunt, of the Wall Street Journal, did a remarkable job in exposing the weakness of the tax loss provision. His work had a salutory effect in alerting the whole country to this kind of amendment. The language that would normally be discussed in the committee would not reveal or would not likely indicate who the principal beneficiaries or who the incidental beneficiaries of this legislation might be.

I think the Stark amendment ought to pass. I thank the gentleman for bringing up the amendment, getting it on the agenda, and I also want to join in paying proper tribute to a member of the fourth estate who did so much to alert the Congress and the country to a provision that would give a special benefit of this tremendous dimension to one person.

Mr. STARK. Mr. Chairman, I thank my colleague for his remarks. I want to point out that the Treasury and I urge all Members to join with me in voting support for the Stark amendment to straighten out an otherwise unconscionable situation that I think inadvertently has arisen in this bill.

Mr. SCHNEEBELI. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. MARTIN), a member of the committee.

Mr. MARTIN. Mr. Chairman, the bill before us, H.R. 10612, should be defeated, mainly because it loses more revenues than it gains. Without an accompanying reduction in spending projected for next year, it is fiscally absurd to reduce revenues when we otherwise face a $60 billion deficit.

Since all efforts to attach a lid on spending were blocked by 219 Members of the House, the bill is deficient and should be defeated.

There are other defects, principally being the damaging impact on business investments. Despite the testimony calling for encouragement of capital formation, despite testimony that business investment is the best known method to provide jobs—and I mean productive jobs—for Americans, the committee cut present investment incentives by $1½ billion in 1977, and it gets worse in future years.

This bill seeks to encourage the recovery from recession by putting more money in the hands of consumers, which is certainly a popular idea, but it puts less money in the investment sector. Consequently, business expansion will be slow, and increased consumer dollars will simply chase the same level of goods and services, but at a higher price. Thus, the bills is inflationary.

One of the most absurd aspects of this bill is the fact that while it increases the tax liability of other people, it reduces the tax liability of Members of Congress. No matter how we rationalize it, no matter how we conveniently tie this congressional windfall to State legislators' problems, no matter how we obscure the actual benefit by letting the Secretary of the Treasury figure out what the per diem will be, how many days will be allowed, and how much the expenses will be, our people will see this as a slick maneuver.

I do not see why this provision could not be voted on. If a one-vote majority could be mustered earlier to vote for a congressional pay raise worth a couple thousand dollars before taxes, certainly a one-vote majority could be secured for this more generous benefit worth somewhere between $3,000 and $7,000 after taxes. So why not vote on it? Elimination of this immodest self-endowment would not affect the first five significant figures of the annual U.S. revenues.

I want to say a specific word about the tax deferral for Domestic International Sales Corp., the DISC's. This DISC tax break was put in in 1971 to encourage exports of American products. Since that time exports have risen markedly, thus increasing manufacturing jobs for Americans.

This increase was not due to currency devaluations, as some have argued. Currency devaluations result from differences in inflation rates between two countries and have the effect of neutralizing those differences. In fact, the comparison of different countries as to the extent of their devaluation of our currency does show a good correlation with export increases, but the correlation is negative.

The compromise worked out in committee should be allowed to stand. Every effort we make to reduce the incentive for exports will reduce exports of American goods and will instead export jobs from this country. An industry which is not encouraged to export its products to Japan will instead be encouraged to build its factories in Japan and produce goods in that country.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I thank my friend from North Carolina for yielding. I would like to associate myself with his remarks and compliment him for his outstanding views.

I would like to make a comment. The gentleman has made an extremely important point, I believe, identifying the fatal flaw in this so-called tax reform bill which is primarily designed toward increasing consumption as opposed to increasing production. And there is a very great difference, a difference that escaped the attention of the Ways and Means Committee and has only recently come to the attention of Great Britain.

The British Chancellor of the Exchequer, Denis Healey, recently has suggested that the cure for Britain's problems at a time when they are facing a 25 to 26 percent inflation rate and rising unemployment, and in other words recession and inflation at the very same time, is stimulating the productive sector of their economy.

Mr. Healey pointed out that they must turn away from the consumption-oriented economic policies of the past decade or so and back toward the idea of stimulating investment and capital formation in order to create jobs, increase productivity, and fight both inflation and recession at the same time. In other words consumption is outpacing production and the result is catastrophe, the answer is not more of the same.

Therefore, Mr. Chairman, I think the gentleman's comments are extremely appropriate, and I appreciate his efforts to identify the key issues in this tax measure. I would also ask him to comment on the issue of capital formation that is so extremely important to the creation of jobs and the fight against poverty.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. MARTIN) has expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield 2 additional minutes to the gentleman from North Carolina.

Mr. KEMP. Will the gentleman yield further?

Mr. MARTIN. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I would ask the gentleman in the well, since there was so much testimony before the committee on capital formation and capital recovery techniques, could he share with us how much time was spent in committee trying to build into this package incentives for increased investment and savings?

Mr. MARTIN. I would say to the gentleman that despite the testimony which he presented to our committee and the testimony of many other expert witnesses who came and testified as to the need for some $4 trillion in investment capital over the next 10 years, despite all of this, the committee spent 1 day in consideration of amendments relating to capital formation.

During the course of that, the committee did continue the investment tax credit as it was incorporated in the earlier bill, the 10-percent investment tax credit. It did continue the corporate surtax exemption, but in addition, reduced other business investment credits by an amount which would practically neutralize those continued deductions. The net effect relative to the existing tax law is that this bill will reduce the incentive for people to invest in business which, after all, is the best way to provide productive jobs. There are other ways. The Central Government can provide jobs, but business investments are the best way to provide useful jobs, as the gentleman from New York has very ably argued in his treatise on job formation.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, with respect to the business of capital formation, I agree that there ought to be capital formation, but should it not be also created through efficiency and higher productivity? Why must capital formation come so substantially out of the Federal Treasury in the form of reduced taxes?

Does the gentleman want to increase the deficit by increasing the advantages to corporate enterprise through changes in the tax structure, which will come out of the Treasury. We cannot afford that in the present state of the deficit and the public debt.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. MARTIN) has expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield 2 additional minutes to the gentleman from North Carolina.

Mr. MARTIN. Mr. Chairman, to answer the gentleman from Ohio (Mr. VANIK), I would say that one has to take the situation as it is.

Many times in the past a number of decisions have been made by members of our committee and by the House of Representatives and the Congress in general to provide incentives to encourage people to invest, to invest in real estate, to invest in housing for our citizens, to invest in farm operations so that we would have adequate groceries on the table, to invest in oil-well drilling and production facilities so that we would have adequate energy supplies.

Those things were done for a purpose, because there was a priority to encourage production in those areas. Yet, this session of Congress has moved to eliminate and to reduce those tax incentives for that kind of production. Therefore, we go from where we are.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I would also like to reply to the gentleman from Ohio (Mr. VANIK) by saying that his point would be well taken if, in fact, there were not a bias already in the tax system against savings and investment, but the fact is there are such biases now in the law. I mention, for instance, the fact that there is the incentive to consume rather than the incentive to save. Most people recognize that it is the savings of a people that help form the capital necessary to go into investment, into the expansion of the productive sector of our economy, and provide the jobs that I know the gentleman from Ohio (Mr. VANIK) has as much interest in as the gentleman in the well and myself have.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I think we all agree on capital formation, but I want to point out that we have done quite a lot at the expense of the Treasury. At the rate we are going the investment credit will soon reach 27.5 percent, the way it is building up. We have given the business sector increased depreciation, the asset depreciation range, the investment credit and a whole host of things built in the law designed to create capital at the expense of the Treasury.

I think we ought to encourage business to use some of the other methods such as efficiency and productivity.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCHNEEBELI. I yield the gentleman from North Carolina 2 additional minutes.

Mr. KEMP. Mr. Chairman, if the gentleman will yield further, I would like to point out, in answer to the statement of my friend the gentleman from Ohio (Mr. VANIK) is that there is a difference, in a tax cut in the productive sector versus a tax cut in the consumptive sector.

A tax cut in investment or in the productive sector of our economy will result in an increase in revenue to Government through tax producing jobs and income-producing jobs rather than tax consuming jobs such as occur in the public sector.

The deficit would be more than made up by increasing the revenue to the Government and by removing people from unemployment and welfare, reducing the number of food stamps issued, et cetera. That is where the tax reductions should come, just as the British are starting to find out, as evidenced by the remarks made by Mr. Healey just a month or two ago in Britain.

Mr. WAGGONNER. Mr. Chairman, if the gentleman will yield, I think if we are going to make statements on the floor that then we ought to be able to back them up. The gentleman from Ohio (Mr. VANIK) made the statement that the investment credit, the way it is going, would soon reach 27½ percent. There is absolutely no basis for that kind of a statement. The investment credit is 10 percent and there is no basis for saying that it is headed toward 27½ percent. That statement cannot go unchallenged.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, in calling attention to the escalation of the investment credit, I was pointing out trend. I think if the Members will look through the history of this we started off in 1962 with a 7 percent credit. We have been adding to it right along with the accelerated asset depreciation rates, the revised depreciation schedules, now we are moving it up to 10 percent until 1981. The investment credit is making a dramatic increase. The utilities have enjoyed an increase from 4 percent investment credit to 10 percent in this bill, an increase of 250 percent from present levels.

Mr. KEMP. Mr. Chairman, if the gentleman would yield, I would like to make one further point.

Mr. MARTIN. First, Mr. Chairman, I would like to make an observation and that is that it would seem to me that if the gentleman from Ohio is going to cite trends from selected years on the increase in the investment tax credit, then I believe he should also comment on the trend as to the increase in the national debt as well as the increase in the annual deficit.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield 5 additional minutes to the gentleman from North Carolina.

Mr. MARTIN. I thank the gentleman for the additional time.

Mr. Chairman, I would say that I would be very pleased to have a comment from the gentleman from Ohio as to whether or not that gentleman thinks the trend is as to an increase in the annual fiscal deficit in taxes in the future.

Mr. VANIK. Mr. Chairman, if the gentleman will yield, I agree with the gentleman from North Carolina that we do have to face up to realities on deficits and on the debt, but I think we also have to control both by controlling and limiting Treasury losses. For example, we have to reduce public expenditures. We have to control unemployment, and we also have to control revenue losses. As I said in the Committee on Ways and Means, there is no one defending the Treasury.

Whenever there was a gimmick or loop-hole to take money out of the Treasury, there was very little protest from the representative of the Treasury. However, we are getting to the point where the corporate structure is not contributing its fair share to the revenues of the Nation. It is my fear that the corporate sector will be contributing a smaller and smaller percentage of the taxes it takes to run the country. Corporations are citizens, as we are. They must bear a fair share of the burdens of government. Otherwise, individual obligations are going to increase as the corporate sector walks off and becomes more and more a freeloader on our system of government.

Mr. MARTIN. Let me respond to the gentleman from Ohio by saying that with regard to his fears about Treasury losses, the best way to handle the situation is to defeat this bill, a bill that loses more revenue than it makes.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, there are several flaws I think in the argument of my friend from Ohio. When the gentleman speaks of certain trends, let me say that one of the most dangerous trends in America today, especially vis-a-vis our competitors in the world, is the decrease in capital investment as a percentage of our gross national product, which results in a decline in productivity and output per manhour. To the extent that the United States is seventh out of eight western nations in the percentage of its GNP devoted to capital investment. Another fact is that the majority of capital funds needed for modernization and/or expansion of our industrial output are raised not from earnings, or equities, nor depreciation but to a large extent in the debt market to the time of more than 50 percent of their total capital needs.

The resulting trend is downward, in productivity, and upward in unemployment and also upward in inflation. The gentleman talks about trends. I think it is a very dangerous trend that businesses today in America must go further into the debt market to raise their capital.

This morning some of us were having a conversation with the Secretary of the Treasury. He said that right now the private credit market in America today is preempted to the tune of somewhere between 60 and 80 percent, excluding mortgages, by Federal and State borrowing. When businesses and corporations, big and small, must go into the debt market and cannot raise their capital through profits or equities or depreciation, these dangerous trends toward inflation and recession are exacerbated and crowding out problems and bankruptcy problems we are seeing today in America.

Something else that I would point out is that the trend in the investment tax credit has not been up but more up and down. It was put on in President Kennedy's administration; and taken off in President Johnson's administration. We put it back on, took it off again, put it on again, and took it off again. We ought to leave it on. It ought to be permanent, and it ought to be at a rate at which businesses can plan their capital needs for the future somewhere around 12 to 15 percent.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I just want to thank the gentleman from North Carolina for yielding to me so that the gentleman from Ohio (Mr. VANIK) can admit that he made a statement he could not back up, that he was reacting out of fear. I want to say that I hope that his fears are allayed, and if they are not, I would be glad to further allay them for him.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

I want to point out what are obvious trends. I think it is time for this Congress and the Committee on Ways and Means to look at what is going on. I might point out to my distinguished colleague, the gentleman from New York, that a lot of our capital has floated out of this country. It has left America without an exit visa and without paying taxes. It has floated into the Euro-dollar market. Almost $200 billion have escaped the American Treasury, and are floating out in space like a big floating crap game, looking for a place in which to invest and operate without paying anything to the house or the host country. I think this is what is happening to runaway capital. Our capital is drifting out in space, escaping taxation. The free world is going to have to reckon with this problem pretty soon, because this is capital that is really not helping any of us. It is out there gamboling around tax free. It is unfortunate that this tax reform bill makes almost no effort to impose taxation on runaway capital.

Mr. KEMP. Mr. Chairman, will the gentleman yield further?

Mr. MARTIN. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentleman for yielding.

I think it is happening for two reasons. First, the free flow of capital across borders is healthy and always has been. It is also capital that can be and should be and will be coming into our country in investment. That is important to recognize because it also means jobs.

But even more important and second is the point I made a little bit earlier, and that is that there is a bias in our own country against savings and investment. It is that bias that ought to be removed if we want to raise more capital domestically. We ought to be looking toward tax reform to stimulate foreign trade instead of reducing it. After all, the more we export, the more jobs it creates here in the United States.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I thank the gentleman for yielding.

I might say, Mr. Chairman, I am tempted to make a point of order that a quorum is not present. This is the most exciting part of the debate.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCHNEEBELI. I yield 2 final minutes to the gentleman from North Carolina.

Mr. MARTIN. I want to comment on the earlier colloquy regarding the so-called exposé that appeared in the Wall Street Journal and as to the great service that was performed by that staff reporter. I think it would have been a proper courtesy for that reporter to offer us a chance to respond before listing names of Members in a fashion so as to imply that Members who had received a campaign contribution and who had voted in a certain way were thus fulfilling an obligation that was imposed on them by that campaign contribution. The reporter did not state that as a direct charge. He was very careful to skirt the libel laws and merely imply that there was a cause-and-effect relationship between the campaign contribution and the vote that occurred on the evening of Tuesday, November 7. The reporter pointed out that he had made efforts to contact some members of the committee. But I would say to the House and to the members of our committee that had he made any effort to contact my office, had he even made a visual check on the evening of the meeting in question, he would have determined that I was absent, at home in bed, sick with pneumonia, certifiable by the House physician.

I very much personally resent the insinuations which he made in his article. I have written him a nice courteous note to that effect, but I thought it might be instructive also to the Members of the House of Representatives.

I might also say that while my proxy was voted on that evening it was not instructed at that point.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his explanation.

In light of the great fear of the gentleman from Ohio that all these dollars are leaving the country, would the gentleman not suggest to the gentleman from Ohio that a good countermeasure would be to vote against the amendment of the gentleman from Virginia tomorrow so that we could preserve the elimination of withholding tax on foreign portfolio investment so that we could get some of that investment back to the United States?

Mr. KEMP. Mr. Chairman, the importance of genuine tax reform cannot be overstated.

By turning taxation from its original purpose of raising revenue to the purpose of redistributing income, policymakers have brought us a long way from the time when President Washington was portrayed as a "big spender" for having offered a Federal budget of about 2 percent of the national income. The attitudes of those policymakers are totally different from those of our Founding Fathers, such as Benjamin Franklin, who said:

> It would be thought a hard government that should tax its people one-tenth of their time, to be employed in its service.

Today government takes over 43 percent of total personal income, up from 15 percent in 1930, and since 1930 government bureaucracy has grown by 462 percent. Unless these trends are reversed, by 1985 government will take 54 cents from every dollar of personal income. But to reduce taxes absent a spending cutting such as this bill tries to do is unconscionable and will lead this Nation further down the road traveled by Great Britain and New York City.

But let me discuss the overall issue of taxation.

By turning the purpose of taxation from the raising of revenue to redistribution of income, those policymakers created various fiscal constituencies that benefit from higher taxes more commonly on other people, constituencies which—because they had a dollar stake in the outcome of legislation—organized themselves into powerful lobbying organizations. By thus breaking what was once a unified resistance among the people to higher taxes, those policymakers removed the principal constraint which had limited the size of government. When the purpose of taxation has shifted to a redistribution of income—as it has—people are no longer responsible for their own economic welfare. Not only does government, then, increasingly take on responsibilities which once rested with the people, but the opportunity of living on the public purse causes efforts and abilities to be allocated away from productive work and into political action. Some believe this to be the fatal flaw in every democracy in history.

The bill now before us, H.R. 10612, the proposed Tax Reform Act of 1975, is part and parcel of income redistribution as its cardinal principle of tax reform. This attitude has permeated our tax laws for such a long time now that we no longer have to conjecture about its consequences. We have enough evidence before us to assess the effects and to reach obvious conclusions both about the policy and about the bill.

The main economic effects of the redistributive tax policy have been a reduction in the rate at which our economy's productivity increases and the appearance of both high unemployment and inflation simultaneously.

Why?

Redistribution is based on the belief that some have a claim to income that they did not produce. Taking income from those who produce it and giving it to those who do not is not the way to encourage production and real economic growth and in reality severely hurting both the producer and the nonproducer.

Some proponents of income redistribution go even further and claim that for one person to consume more than another is unfair and inequitable.

To them, equity means equal consumption. But people produce unequally because their work abilities, attitudes, and luck vary. Therefore, a tax designed to make people more equal as consumers than they are as producers must be seen for what it really is—a tax on productivity.

There is less produced of anything that is taxed. All economists agree on this point. A tax on productivity means less productivity—because a tax on productivity reduces incentives to work. But, there are other reasons as well.

A tax on productivity not only encourages people to produce less, it encourages them to save less of what they produce. Just as a tax on productivity reduces people's incentives to work and causes them to spend more of their time in leisure and less in work, it reduces people's incentives to increase their productivity and causes them to spend more of their income in consumption and less in saving.

It did not take people long to realize that the way to guarantee having the highest tax bill was to put part of each paycheck away in some form of savings, for savers pay taxes not only on their wages but also on the interest from their savings. People thus learned that they can minimize their tax bill by spending more than they earn—because the interest on their borrowing is tax deductible.

This is the major, pivot point of tax policy decisionmaking, for saving is the basis of capital, and capital is the basis of productivity and jobs. The number of jobs and the level of real wages cannot grow unless productivity grows. Productivity cannot grow unless capital grows. And, capital cannot grow unless savings grow.

A tax on productivity is, therefore, a tax on capital that biases people away from saving and toward consumption and obviously means less capital, therefore, lower productivity, fewer new jobs, and a lower rate of growth in real wages. And, those fewer new jobs mean more unemployment.

Unemployment and a lower rate of growth in real wages are direct consequences of—and setbacks to—the redistributive tax policy. The initial response to a setback is often to go further along the same lines and increase the statutory tax on productivity, but this generates more unemployment and taxpayer resistance.

Although some persist in advocating higher statutory taxes on productivity, most opponents of capital formation do not want to be known as the advocates of—or apologists for—unemployment and high taxes. What was the way around this political dilemma? It was—and continues to be—inflation.

Over the years these policymakers rather quietly, but nonetheless consciously, adopted inflation as a solution to unemployment that would allow them to continue their income redistribution efforts. They discovered they could finance redistributive transfers by overspending revenues and financing the deficit by selling government bonds. But, the bonds have to be bought, and their purchase brings—in addition to inflation—a further reduction in the rate at which the economy's productivity increases.

How?

When these bonds are sold to the private sector of the economy, private investors must reduce alternative forms of investment. Since the Government's expenditures consist mainly of payments which go for current consumption, the bonds transfer funds out of capital formation and into the current consumption that the bonds finance. When the bonds are sold, on the other hand, to the Federal Reserve, they are paid for with newly created money. The money supply increases but the supply of goods does not. Therefore, there is a rise in prices or inflation.

In a progressive tax system that is not indexed, the higher nominal income that results from inflation means higher tax brackets and lower real income. Suppose a person's money income goes up by 10 percent and that the rate of inflation is also 10 percent. In this case the 10-percent increase in money income is purely nominal. It does not let the person buy any more than before, because the prices have also gone up by 10 percent. Before tax his position is the same. But after tax his position is worse, because the 10-percent increase in money income puts him in a higher tax bracket. Inflation combined with a progressive income tax means that people can be put in the position of having to pay higher taxes on the same purchasing power. Indexing the tax system would prevent people from being pushed into higher tax brackets by inflation.

The higher a person's productivity, the higher is his tax bracket before the inflation begins, thus the greater "the hidden tax" of inflation bites into his real income. These policymakers discovered that inflation is a way to increase the effective tax rates without having to raise the statutory tax rates, and for a while they managed to fool the people into believing that they—the people—were benefiting from inflation. People saw a rise in their money incomes before they realized their real purchasing power was eroding.

Inflation also overstates corporate profits by producing phantom inventory profits and understating depreciation costs. Thus, in inflation the proponents of the same kinds of measures as those embodied in the bill before us today found a way of increasing taxes on productivity and increasing Government's share of national income that did not require an increase in statutory tax rates. This is why inflation is often called "the hidden tax."

Initially, inflation brought down unemployment, because the accounting practices used by business caused nominal profits to be mistaken for real profits. But, increasingly, the effective tax on productivity cut further into savings and capital, thus aggravating inflation and unemployment. While more money is being created with which to demand goods, less capital is being created with which to employ labor in the production of goods. The policymakers to which I have referred did not succeed in redistributing income from the more productive to the less productive, but they did succeed in redistributing resources out of investment and into consumption. The result of these prior policies—which today's bill would perpetuate—was to increase past consumption at the expense of present and future income and employment. Another result was a capital shortage—the minimum estimate of which is $575 billion over the next ten years, and a capital shortage of this magnitude means rising rates of unemployment and inflation.

What emerges from this analysis of tax policies over the past 40 years and a comparison of the provisions of the bill now before us? What emerges is the demonstrable conclusion that this bill is not genuine tax reform at all but is instead an extension of the same old policies—an extension which will actually accelerate the process those policymakers set into motion many years ago.

This failure to achieve genuine reform of our tax laws is—given our present economic condition—unforgivable.

This was to be the first major substantive tax reform bill since 1971—in 4 years. The bill before us is the product of countless staff work and sessions of the Committee on Ways and Means during that period. Its specific text was to reflect the more than 20 days of public hearings on tax reform this year and the many days of closed-door sessions during which tentative decisions were reached and then final decisions made.

Yet, there is no genuine tax reform here. This bill continues the policies—mostly discredited—of the past. It is a rehash of the old, the stale, the unimaginative. It is a commitment to the past, not to the future. It is a patchwork effort to simply rewrite tax law—about 100 specific changes—some good, most bad, but almost all unpredictable.

The bill before us stands as a testament to the error of believing that patchwork adjustments—no matter how many in number—to plug up some real and some imagined "loopholes"—will, when added altogether, constitute real tax reform. The simple fact is that it does not.

We expected more from the committee. The people expected more from the committee. We expected at least a change in the premises on which tax reform has been—and apparently continues to be—based. We did not get it.

Our economic growth will be the casualty of this failure to address the issue of capital formation, savings and investment for jobs and increasing productivity.

I trust those committee Members who are responsible for the present text of the bill are prepared to accept the individual and collective, the grave responsibility of having endangered our economic recovery.

There is a better way to proceed with

tax reform, and it is available to us now. And it is genuine tax reform.

The elements of genuine tax reform ought to include no less than these. It should stimulate economic growth over both for the short run and over the long range—starting first with the elimination of the existing biases against economic growth now found in our tax laws, an elimination which would move us further toward the ultimate policy goal of tax neutrality. That neutrality would allow money in the private sector to flow in the most effective directions in response to natural market forces.

There is a moral imperative underlying this type of tax reform, for there is a moral imperative to assuring economic growth, if for no other reason than to improve thereby the standard of living for the disadvantaged. To talk about "limits on economic growth" is to dishearten all the disadvantaged who count upon an improved and sustained economic growth to improve their conditions.

The central challenge we face, therefore, is to insure that the rate of saving and investment will be adequate to meet the capital requirements of our economy. All major issues confronting public policy are dependent on capital formation—creating jobs, maintaining the real level of social security benefits and the solvency of pension funds, meeting energy, housing and mass transit needs and demands for rising real wages, protecting the environment, ability to withstand pressures in the international arena—these and all other public and private goals are constrained by an inadequate rate of capital formation.

Many economists now believe that the rate of capital formation is not adequate to meet the goals of public policy and maintain growth in real wages and employment. But some are reluctant to admit the capital shortage we face is a product of the economic and tax policies which produced the shortage.

Walter Heller, for example, recommends stimulating consumption by deficits and monetary expansion. He believes that deficits which stimulate consumption produce a "full employment federal budget surplus" which will provide public saving to close the gap between capital needs and inadequate private saving. He mislabels measures designed to increase private saving and investment as "tax breaks for business" and claims that deficits which result from these measures produce "annual tax loss."

I believe it is important not only to note that Dr. Heller's economics has a double standard for deficits, but to understand that consumption-stimulative economic policies and tax biases against saving and investment produce capital shortages.

The idea that government deficits ipso facto increase the economy's ability to produce is false. The problem with all deficits is that they must be financed. This is especially a problem with deficits designed to stimulate consumption. I dealt with the effects of those policies a few moments ago.

The result of transferring funds out of current investment and into current consumption, as I indicated then, is a future income level that is lower than it would otherwise have been: tomorrow's living standards are sacrificed for today's. Consumption-stimulative deficits, however they are financed, eat into capital formation and future incomes.

On the other hand, if a deficit is generated by reducing the existing tax bias against saving and investment, we have a deficit which directly stimulates production. The deficit's negative effects on saving are more than offset by the increase in private saving which results from reducing the disincentives to save. There is a larger pool of private saving to withstand the bidding away of resources from, and crowding out of, private investment, and, thus, a greater rate of capital formation. The higher real wages and new jobs which result will generate additional tax revenues that will wipe out the initial revenue loss from the deficit.

Tax incentives to encourage saving, hence investment, are opposed by some on the basis of arguments that do not relate to their economic effect, but which are grounded in what they allege to be violations of equity. But in fact, the existing tax biases against saving violate equity. An intrinsic feature of present income tax systems is that they disproportionately increase the cost of saving compared to consuming. A distortion results because no general tax deduction is allowed for the amount saved, and the flow of future income resulting from the saving is also taxed.

If a deduction is not allowed either for the initial saving or the return to the saving, the tax on the portion of income saved is at a higher effective rate than on the portion of income used for current consumption.

Since what I have just described is exactly what has happened in recent years, the consequences are statistically identifiable.

The following figures relate the rate of investment to economic growth in seven industrialized countries:

THE COSTS OF FAVORING CONSUMPTION

	1960–73 investment as a percentage of real gross national product		1970–73 growth rates			
			Output per man-hour		Real gross national product	
	Percent	Rank	Percent	Rank	Percent	Rank
Japan	35.0	1	10.6	1	10.6	1
Germany	25.8	2	5.8	4	4.7	4
France	24.5	3	5.9	3	5.8	2
Canada	31.8	4	4.4	5	5.4	3
Italy	20.5	5	6.6	2	5.4	3
United Kingdom	18.5	6	3.9	6	2.9	6
United States	17.5	7	3.6	7	4.3	5

Sources: Weekly staff letter, David L. Babson & Co., Inc., Investment Counsel, Boston, Mass., Thursday, June 12, 1975, and "The Need for Productive Tax Reform to Energize Economic Growth and Employment," prepared under the auspices of The Business Roundtable, May 1975.

Mr. Chairman, these figures bring several points to mind.

First, Japan has increased its output per man-hour and its real GNP faster than any other nation. The next four countries are in the middle performance range, while the United States and the United Kingdom, both with low-investment rates, are at the bottom both in terms of productivity gains and economic growth.

Second, nearly all these nations give more favorable tax treatment to capital investment. Unless changed, this means further loss of markets and jobs to these competitor countries, and it means a decline of our world position.

Third, the United States will, moreover, have to provide jobs for 7 million more persons in its labor force by 1980, and upgrade the productivity and earning power of the present labor force. By 1980, it will take an investment of nearly $35,000 to support the average worker with needed plant and equipment, and in some industries the figure is many, many times that.

Fourth, it is estimated that in the period 1977–80, nonfinancial corporations will have to raise and invest about $312 billion each year, compared with $210 billion in 1974. If this is not done, the Nation faces a worsening situation of chronic inflation, unemployment, and stagnation.

How badly biased against savings and investment are our tax laws?

The major sources of Government revenue include, first, taxes on consumption, such as sales taxes and excise taxes; second, taxes on income, such as wages, profits, capital gains, and so forth; and, third, taxes on wealth, largely real property.

The following figures show the breakdown of tax receipts from major sources in nine developed nations for 1972, the most up-to-date information publicly available:

THE TAX BIAS AGAINST SAVINGS AND INVESTMENT

	Consumption		Personal income		Corporate income		Wealth	
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
Canada	29	4	38	6	16	8	4	4
France	35	2	21	9	36	1	1	6
Germany	27	5	41	3	25	4	2	5
Italy	33	3	32	8	27	3	1	6
Japan	20	7	35	7	28	2	5	3
Norway	39	1	39	5	17	7	2	5
Sweden	29	4	49	1	18	8	1	6
United Kingdom	26	6	40	4	15	9	11	2
United States	17	8	43	2	22	5	13	1

Source: Weekly staff letter, David L. Babson & Co., Inc., investment counsel, Boston, Mass., Thursday, June 12, 1975.

Several points are in order with respect to these figures too.

First, the United States obtains more of its revenue from taxes on corporate income and wealth than any other nation shown, except France. By the same token, the United States relies the least on consumption taxes. This relative emphasis, between taxes on production and taxes on consumption, points up the extent to which Federal economic policies have favored consumer demand at the expense of savings and capital.

Second, the United States collects 43 percent of its tax receipts from personal income. The largest part of these earnings—about $4 out of $5—comes from wages and salaries. Another 10 percent is accounted for by capital gains, interest, dividends, and other investment returns, while the remainder is derived from miscellaneous sources.

Third, personal income is taxed largely on a graduated scale in which the top Federal rate on an added dollar of income is 70 percent. Even for middle-income groups, State and local levies can bring the incremental rate up to 35 to 40 percent or more. In addition to hurting incentives, high rate scales make it difficult to accumulate capital out of current income.

Fourth, moreover, as inflation pushes more and more families into the higher brackets, taxes take an increasing share of income without any change in legislation. Nearly 2 out of every 5 families now earn over $15,000 a year, compared to one in 20 in 1960. The faster rise in income taxes than in earnings deepened the decline in average real take-home pay during recent years.

As to this last point, Canada recently puts its graduated income tax brackets on an inflation adjusted basis. This is commonly referred to as indexation, or indexing, and I support it. As prices rise, the boundaries of each bracket go up as well, so that inflationary income gains do not raise the overall tax rate. By removing the extra advantage that Government revenues derive from inflation, this adjustment imposes a little more discipline on public spending policies.

There is a capital shortage in the United States. And, it is not a passing product of the current recession.

During the 1960's, a period which saw much prosperity and most certainly preceded the present recession, the United States had the worst record of capital investment among the major industrialized nations. Correspondingly, our records of productivity growth during this period were also among the lowest of the major industrialized nations.

As other nations have channeled relatively more of their resources into capital formation and have thereby acquired more modern plants and machinery, they have eroded our competitive edge in world markets. The logical consequence of such patterns has occurred: The loss of jobs in the American work force.

Among the industrialized nations, a high rate of capital formation and investment is clearly associated with advances in productivity and real per capita income. Conversely, low rates of capital investment go with sluggish growth and constitute an actual penalty on real labor income.

That the average private investment, as a percentage of the gross national product, has a direct effect on the average annual growth in productivity, measured as output per man-hour, is clearly shown by the following table:

INTERNATIONAL COMPARISONS OF INVESTMENT AND PRODUCTIVITY, 1960–73

	Average private investment as a percent of gross national product (excluding Defense expenditures)		Average annual growth in productivity (output per man-hour)	
	Percent	Rank	Percent	Rank
Japan	33.4	1	10.7	1
Germany	26.2	2	5.8	4
France	24.9	3	5.9	3
Canada	22.4	4	4.3	5
Italy	21.4	5	6.2	2
United Kingdom	18.9	6	4.2	6
United States	18.0	7	3.3	7

Source: Organization for Economic Cooperation and Development and U.S. Department of Labor, as reported in congressional staff briefing on capital formation, NAM, Feb. 20, 1975, p. 1.

Mr. Chairman, it is time our Nation—and this Congress—be more fully concerned with the relationship between capital investment and prosperity.

History and economic theory show true prosperity, measured in real and constant terms, is a direct consequence of increases in capital investment per capita. I have elaborated on this point elsewhere in my remarks.

We have a growing work force. Many things will affect the productivity and real wage rates of that work force.

If we want to maintain the post-World War II ratio between capital and labor, we can project the capital formation growth requirements. If that were all there were to it, we could let the market work it out. But, that is not all there is to it.

We have new capital requirements, required by law as reflections of existing public policy, principally those relating to environmental and occupational safety standards. There has been a very large increment of government-mandated capital requirements. This is the problem—of assuring additional capital growth, beyond the post-World War II levels, to meet these new requirements as well as the old, plus a known growth factor. If we do not, the ratio will be substantially altered against jobs, and the real wage rates will rise more slowly in the future.

Looked at positively, if we find the capital to make up for the potential shortfall of capital, we would reduce poverty by millions, create millions of new jobs and construct millions of new housing units and increase the standard of living substantially. This is an objective well worth the pursuit of the Congress and the Nation.

Looked at negatively, if we fail to find the capital to make up this potential shortfall, we will not see poverty reduced by that level, or that many new jobs created, or that many new housing units built, or that standard of living attained. This is well worth avoiding.

What is the mechanism for making this first important step toward genuine tax reform? It is the Jobs Creation Act, a specific measure that was before the Committee on Ways and Means during the entirety of the deliberations on the bill now before us.

The Jobs Creation Act addresses itself to the real concerns of the people—not with the ideological concerns of a political party's leadership.

The Jobs Creation Act addresses itself to unemployment. It would create millions of new jobs in the private sector—not jobs for bureaucrats—and remove the dependence on government for employment and the fear of unemployment for every American.

The Jobs Creation Act addresses itself to the capital shortage. It would generate over one-quarter of a trillion dollars in new capital outlays over a 3-year period, thus helping our economy catch up with the demands placed on it.

The Jobs Creation Act addresses itself to the need for fiscal responsibility and stable prices. It would generate $45 billion in new Federal revenue over a 3-year period to help offset the deficits caused by the majority in this Congress.

The Jobs Creation Act addresses itself to the government-caused business cycle with results from fighting unemployment with inflation and inflation with unemployment.

This is not conjecture.

A major econometric study undertaken by Norman B. Ture, Inc., of Washington, D.C., which simulates the effects on the economy of the tax reduction provisions of the Jobs Creation Act, concludes that in the first year after its enactment the act would generate increases over what would otherwise occur of $151.4 billion in the gross national product, $74.6 billion in capital outlays, and $5.2 billion in Federal revenues. The second year after enactment would see additional increases of $200.5 billion in GNP, $77.9 billion in capital outlays, and $14.6 billion in Federal revenue. And the third year would see further increases of $248.9 billion in GNP, $81.1 billion in capital outlays, and $25.2 billion in Federal revenue. These are real increases, not increases resulting from higher prices.

How would this increase over a 3-year period of $600.8 billion in real GNP affect employment and real wages? If all of the increased productivity goes into employment—that is, if there is no increase above the trend rise in real wages—there would be increases in employment above trend of 8.7 percent in 1975, 10.6 percent in 1976, and 12.4 percent in 1977. These percentage figures translate into 7.2 million new jobs in the first year of enactment, 9 million new jobs in the second year of enactment, and 10.9 million new jobs in the third year of enactment.

On the other hand, if all the increased productivity goes into higher real wages—that is, there is no increase above the trend rise in employment—there would be increases in real wages above trend of 8.2 percent in 1975, 10.3 percent in 1976, and 12.1 percent in 1977. These percentage figures mean almost $2,000 additional real income for every private full-time equivalent employee in each of the 3 years.

Since some of the increased productivity would go into employment and some would go into higher real wages, it is obvious that the Act would generate millions of new jobs and substantial gains above the trend rise in real wages. These millions of new jobs would be real jobs resting on a larger and stronger capital base. They would be productive jobs, tax-generating jobs instead of tax-consuming jobs. By generating full employment the Act would eliminate unemployment-related Government expenditures, thus further reducing the deficit.

There is no other way to create millions of new real jobs, jobs that are meaningful productive work, jobs which do not result from sharing the work, but which result from creating new work, jobs which are not just another form of Federal transfer payment that benefits the recipient at the expense of the income of others, but jobs which result from the creation of new income.

Some may find these large increases in income and employment striking, even startling. But that is because in the last four decades this country has not relied on the approach embodied in the Jobs Creation Act of fostering full employment and price stability through fostering production.

The Jobs Creation Act addresses itself to the people's need for financial independence. Everywhere people are saying that to put something away for a rainy day requires a longer stretch of good weather than it used to.

The Jobs Creation Act would increase people's ability to save and investors' ability to invest by:

Providing tax credits for increases in qualified savings in commercial or mutual savings banks, savings and loans, building and loans or similar associations, credit unions, and life insurance companies and in qualified bonds and common and preferred stock in domestic corporations including mutual funds;

Enlarging the dollar amount for individual retirement accounts, savings and bonds;

Excluding from gross income the dividends received from domestic corporations;

Excluding the first $1,000 of capital gains;

Reducing the corporate normal tax from 22 to 20 percent on a permanent basis;

Reducing the corporate surtax from 26 to 22 percent on a permanent basis;

Increasing the corporate surtax exemption to $100,000 on a permanent basis;

Increasing the investment tax credit to 15 percent and making it permanent;

Increasing the ADR range from 20 to 40;

Providing for a new alternative system of capital recovery allowances; and

Providing for a 1-year write-off of mandated pollution control facilities.

Other sections of the act help businesses and family farms preserve their operations.

The Jobs Creation Act is a program that benefits all sectors of the economy and all segments of the citizenry—labor, pensioners, small business, farmers, investors, large professionals, corporations. It is not a program of fighting over how a smaller pie is shared, but a program of producing a bigger pie. It encourages work, not political lobbying. It is a program which lets people look to the future without the fear that they will be robbed by Washington of what they produce. The Jobs Creation Act is a program of stimulating production.

All this shows us where we should go—toward tax reform which reduces the burden of existing disincentives to savings and investment. This would be genuine reform, and it rests upon the principle of assuring economic growth through stimulating production, instead of continuing those policies which seek to coax growth through stimulating consumption. The kind of tax reform I am proposing would move us away from the policies of the past 40 years and toward those policies which produced unparalleled growth in this country during the Industrial Revolution and which continue to produce growth rates of 7, 8, 9, even 10 percent and phenomenally low unemployment rates in such countries as Japan.

Yet, by the rule under which this debate is governed—some would say strangled—amendments are not in order to offer the provisions of the Jobs Creation Act or any other similar measure. We are precluded from showing to the Nation through the roll call vote how Members would vote, given the choice between more of the same—the committee bill—or genuine tax reform—a reorientation to accelerate the formation of the investment capital needed to stimulate both jobs and productivity.

The bill before us should be defeated.

Mr. ULLMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Chairman, tomorrow I will offer an amendment in the nature of a substitute to establish a minimum taxable income. This will be a substitute for the LAL provisions in the bill that the committee reported out, and also for the minimum income tax provisions in the committee bill.

I want to explain what this minimum taxable income substitute will do and what it will not do. First of all it is not a new idea. The basic concept of the minimum taxable income was advanced in 1968 by Secretary of the Treasury Joe Barr who was a member of the Johnson administration. It has been considered by the Ways and Means Committee subsequent to that time.

The substitute is not at all intended as a means to subvert tax reform because it is in fact being offered as a tax reform proposal.

Basically the reason for offering the minimum taxable income—MTI—proposal is to accomplish three basic goals. The first goal is to increase tax equity. This MTI proposal would affect 175,000 returns and that compares to 30,000 tax returns which are presently affected under the minimum income tax provisions. It would affect among those 175,000 tax returns primarily taxpayers in the $50,000 a year and up category. So the first goal is to increase tax equity.

One of the major complaints I hear from constituents is their perception of the tax code, which says that not all Americans are paying their fair share of taxes. For instance a blue-collar worker says: "I pay more taxes than the President of the United States or this corporate executive or that millionaire." So the first goal of my substitute will be to insure that every American, regardless of income, does pay some share of the tax burden, so that the perception and reality will be that everybody is carrying that fair share.

The second goal of the MTI substitute is to provide for tax simplification, and as we get into it later this is a more simplified way of figuring the tax than that which is offered in the LAL and minimum income tax provisions of the bill.

The third reason for offering this substitute is to create tax equity and tax simplification without creating a tax disincentive against certain industries. What we have done in the LAL provisions and the minimum tax provisions of the committee bill is to write into the tax code a bias against investment in certain industries, such as real estate, oil and gas, farming, and some others.

Now, this substitute would say that the Tax Code would be neutral on where investments are going to be, and once the American taxpayer is taxed the minimum tax, he has the right to invest those dollars that are left over in any place that the marketplace dictates is the most advantageous.

I know there have been some "Dear Colleague" letters circulated urging defeat of this MTI substitute, primarily on the basis of the revenue loss that would result. Several who signed, or at least some who signed this "Dear Colleague" letter have told me privately that they had favored this approach, but that it had not had a full and complete airing at the proper time in the Committee on Ways and Means. The fact of the matter is it did not go in at the time it ordinarily would have been brought up. I was in the hospital and was unable to bring it up and had my rights preserved to bring it up later; but it is not intended to subvert the bill.

Here is what the revenue estimates are under the bill's provisions. If we combine the LAL and the minimum income tax provisions of the committee bill, $1.1 billion would be raised over the present Tax Code provisions.

My MTI substitute in place of LAL and the minimum income tax will raise $866 million in the first year. That increases up to $1,335 million in 1981; so about $240 million less would be raised under my substitute and under the LAL and the minimum tax parts of the bill.

The fact is that if my substitute is passed and if the Stark and the Fisher amendments are also passed, as I hope they will be, then these three amendments which will be voted on tomorrow would raise more than the two features in the committee bill, the LAL and the minimum tax. Even if that were not the case, I do not think we ought to rely necessarily on the revenue estimates that have been given as to how much LAL will raise for the Federal Treasury, because those investments are based on the assumption that the capital going into those industries, such as real estate, will remain the same. I submit that that will not be the case, that there will be a disincentive to invest capital in real estate, oil exploration, farming, and other resources the country needs.

I would like to quote just in the real estate area from a report by Norman Ture, an economist in Washington who studied the effects of the LAL and the minimum tax and the committee bill on the effects on real estate investment. Mr. Ture says that the combined economic effects would be 350,000 jobs lost, $7.9 billion less real estate investment and $13.9 billion less GNP originating in the real estate industry.

The Federal Government, Mr. Ture says, would lose $3.5 billion in tax revenues; so I do not believe that the revenue estimates of these various provisions are necessarily to be considered as gospel. I think under the previous tax bills the revenue estimates that were mentioned in those were considerably off mark in what the revenue impact actually was.

Mr. MIKVA. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Chairman, is the gentleman aware that the charities are very concerned about this amendment, because they feel the amendment will adversely impact charitable giving. The manner in which it was presented was insufficient to take care of charitable considerations.

Mr. JONES of Oklahoma. I am glad the gentleman brought that point up, because I know there is concern in some parts of the charity field. I think those concerns are unfounded.

The committee bill itself adversely affects charities, because it specifically adversely impacts them through addition of a preferential item of itemized deductions in excess of 70 percent of AGI for minimum tax purposes.

Now, my bill excludes, as a preference item, that feature. As I will explain later in explaining my MTI, we actually subtract from the adjusted gross income a tax preference for charitable contributions. The fact of the matter is, those who criticize my amendment for its possible effect on charities, I think, do so in part on old computer runs based on old MTI proposals, particularly the one Secretary Joe Barr originally proposed, but these figures are not Treasury figures and do not come from the joint committee staff.

Mr. MIKVA. I merely want to say to the gentleman that everybody, such as institutions of higher education, are extremely concerned about the proposed Jones amendment, and have no position on any of the other proposals in the bill because we were very careful in trying to avoid having any impact on charities. That may be wrong, but they think they are going to be hurt quite badly, and I think the record should so show.

Mr. JONES of Oklahoma. I believe they are basing that on the original Joe Barr proposal and not on the Jones amendment, because I do not believe they come out in the same place if they do that. I firmly believe that we ought to encourage charitable contributions. The gentleman may be aware of the Filer report, which has been made public recently, and it goes into great detail on that.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. ULLMAN. Mr. Chairman, I yield 5 additional minutes to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. Mr. Chairman, let me finish my statement explaining the amendment. On the question of charities, I do think the Committee on Ways and Means ought to set up a special task force or subcommittee to study further the Filer report, and study ways in which we can encourage charitable contributions and charitable giving, because I think it is a very important part of our helping society.

Let me continue. I think we ought to consider, when we are considering all these provisions in the committee bill, the economic impact that they will have. Again, I will just zero in on one industry, the housing industry.

I mentioned the comments concerning the devastating impact the committee bill, LAL and minimum tax features are going to have on real estate at a time when the housing industry is already terribly distressed. Housing starts are down dramatically, to perhaps the lowest point since World War II. Multifamily housing starts dropped from over 1 million in 1972 to 300,000 this year. Overall housing starts are projected to be 1.15 million this year, compared to 1.3 million last year and 2.4 million in 1972. In addition, nonresidential construction is off 17 percent. There is an unemployment rate in the housing industry of 18 percent. I think if the committee LAL provisions are continued, that unemployment rate is going to rise even higher in years to come.

There is also a sweeping ripple effect throughout related industries. Portland cement production is down 10 percent at the present time from last year, and 20 percent from 1973. Fabricated structural steel production is down 25 percent since 1973. Softwood lumber production is down 19 percent from last year, 15 percent from 1973. So, I think that in that industry alone, real estate and housing, the committee provisions are going to devastate further an already depressed industry.

Let me explain exactly how my MTI proposal will work and how it is computed. First of all, take adjusted gross income and tax preferences, those in the bill and those in the report, except those dealing with charitable contributions. Add adjusted gross income to these tax preferences and then subtract from that total personal exemptions, and a $10,000 deduction. The purpose of the $10,000 deduction was to exclude low- and middle-income taxpayers.

Subtract extraordinary medical expenses, extraordinary casualty losses, charitable contributions, and investment interest and expenses up to the amount of investment income. On that total, we multiply by 55 percent. That is our minimum taxable income, and we apply regular tax rates to that minimum taxable income.

As I say, if we take this approach we are going to make sure that more taxpayers are paying taxes: 175,000 tax returns will be affected, and that compares to only 30,000 affected under the present provisions. We are going to be raising $866 million the first year, and it will rise up to over $1.3 billion. For these reasons, I hope that this amendment, this substitute, will be agreed to tomorrow.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I will yield to the gentleman from Pennsylvania.

Mr. GREEN. I thank the gentleman for yielding. I have great respect for my colleague, the gentleman from Oklahoma, as the gentleman knows, but I want to ask him a question. The gentleman described his amendment as one providing equity, one that is simple. Let me just give the gentleman an example of what might happen under his amendment. Let us take someone who has $45,000 worth of tax-free income. If that is all he has, $45,000 worth of tax-free income, does he pay tax under the gentleman's amendment?

Mr. JONES of Oklahoma. It would depend.

Mr. GREEN. One hundred percent of his income is tax free. Does he pay tax under the gentleman's amendment, and if so, how much, or how would one compute it?

Mr. JONES of Oklahoma. The gentleman would have to be more specific. Basically, what one would do is to compute it in the manner I just mentioned, or one would compute the regular tax, with all of the exemptions and deductions, and whichever is greater would be the tax he would pay.

Mr. GREEN. If the gentleman will yield further, the fact of the matter is, what he would pay under the gentleman's amendment is about $7,000.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. Mr. Chairman, I yield 2 additional minutes to the gentleman.

Mr. GREEN. Mr. Chairman, will the gentleman yield further?

Mr. JONES of Oklahoma. I yield to the gentleman.

Mr. GREEN. The first $40,000, his total income of $40,000, was all tax free. If he had another $55,000 worth of income—because under the gentleman's amendment one is allowed to have 45 percent of his income sheltered—that person who had $45,000 worth of tax-free income and $55,000 worth of additional income, would pay no tax under the gentleman's amendment.

Mr. JONES of Oklahoma. That is not necessarily true. The $55,000 would be applicable, under present tax laws, to whatever tax he would be charged with under today's tax laws, and I would assume that would be met under the MTI proposal.

Mr. GREEN. If the gentleman will yield further, the fact of the matter is that examples like this can be produced. I think it is important to point out that if we adopt the committee bill and add the Corman amendment proposal, the taxpayer making a greater income will pay less income tax. A person with $45,000 of tax-free income, according to the example I just gave, under the gentleman's proposal would pay $7,000. And under the other, he would pay zero.

Mr. JONES of Oklahoma. As the gentleman knows, one can devise a great number of schemes and a great number of factual circumstances that would allow one under all of these proposals, probably, to escape a great deal of taxes. The point I am getting at is that under my amendment—and I am not saying it is completely foolproof, but I think it is more foolproof than a lot of other plans—the chances are that more taxpayers would pay a fair share of taxes.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. ULLMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. Before we continue this, let me just make a statement on another amendment I would hope we would pass, and this is going to be the Stark amendment, which pertains to the 3-year carryback of capital losses for individuals. I think that individuals ought to be on the same footing as corporations, and corporations are presently allowed this 3-year carryback of capital losses. The problem with this amendment is that it is retroactive, and it would apparently give a windfall to certain taxpayers. Whether it did or did not, I do not think this provision should be adopted in a retroactive fashion. It should be prospective, and I hope the amendment will pass.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the gentleman from Ohio (Mr. Vanik).

Mr. VANIK. Mr. Chairman, I am concerned about the Treasury impact of the gentleman's amendment. Under the amendment I have here it indicates the loss will range, under the bill as it exists or under the law now, from $271 million in 1976 to $174 million in 1981, with a Treasury loss that ranges from $814 million in 1976 to $1,300 million in 1981 if the Fisher-Corman minimum tax amendments and the Mikva amendments are adopted.

I understand that the Treasury estimates of revenue loss are identical with those that I have just cited which I think are prepared by the joint committee.

The CHAIRMAN. The time of the gentleman from Oklahoma (Mr. Jones) has expired.

Mr. ULLMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Oklahoma (Mr. Jones).

Mr. JONES of Oklahoma. Mr. Chairman, let me state a correction. It is not a Treasury loss. It is less revenue gained than under the committee proposal. Less revenue is gained here.

Mr. VANIK. That is what a loss is; is it not?

Mr. JONES of Oklahoma. But it is a gain over present revenue.

Mr. VANIK. Mr. Chairman, if the gentleman will yield further, it is a gain over a loss.

Mr. JONES of Oklahoma. But it is not a loss over what we are now collecting. It is a revenue gain over what we are now collecting.

Mr. VANIK. Does the gentleman dispute the joint committee figures and the Treasury figures?

Mr. JONES of Oklahoma. Mr. Chairman, I do not dispute the fact that the Treasury and the joint committee figures say that under my proposal $866 million will be gained this year and under the committee bill $1.1 billion will be gained.

Mr. VANIK. But the gentleman does not concede the rest of it?

Mr. JONES of Oklahoma. Yes, the rest of the figures, as they go on to 1981. That assumes that the investment in these industries affected by LAL will remain constant. However, I do not believe it will.

Mr. VANIK. Mr. Chairman, if the gentleman will yield further, if the Mikva amendment and the Corman-Fisher amendments are adopted, am I correct in understanding the Treasury loss by 1981 will be $1,300 million? Does the gentleman argue with that estimate?

Mr. JONES of Oklahoma. I will argue with that estimate, yes.

Mr. VANIK. But the gentleman does not have anything to controvert that figure?

Mr. JONES of Oklahoma. No, I do not.

Mr. SCHNEEBELI. Mr. Chairman, I yield 7 minutes to the newest member of the committee, the gentleman from California (Mr. Ketchum), a valuable member of our committee.

Mr. KETCHUM. Mr. Chairman, I rise in opposition to this bill.

There ought to be a truth in advertising bill that applies to legislation, so the Members could have recourse when they are presented with a phony product. There is no "reform" in this bill. Reform means improvement, a change for the better. You are not going to find much reform in this legislative calamity. You are going to find provisions that do a whale of a lot of damage to the private sector, to the Treasury, to employment and to the economy. I can assure you that nothing horrible will happen if we defeat this bill. The proponents of this bill cannot say the same if it passes, for the so-called Tax Reform Act practically guarantees less jobs, less capital formation, less energy and a smaller food supply Take your pick among more appropriate titles for this bill: the Jobs Reduction Act, the Capital Discouragement Act, the Recession-Producing Act, or the Real Estate Destruction Act. But my favorite so far is "the Thanksgiving turkey."

My major objection to this problematic bill lies with the committee's decision to apply the limitation on artificial accounting losses concept to real estate, farm, oil and gas drilling operations. As you all know, LAL precludes application of losses in these fields to outside income. We should direct our attention to the effect of LAL on the real estate and construction industries, which account for more than 15 percent of private sector GNP and over 10 percent of nonagricultural full-time employment. If we remove the tax incentives—a necessary factor in the attraction of capital in this high-risk business where growth encouragement is so desperately needed—we will pull the rug out from under the recovery just beginning to take hold in the real estate and construction industries.

My colleagues in committee would surely join me in commending committee staff for obtaining remarkably precise revenue gain estimates. However, my repeated queries as to the impact of investment in real estate incentives went unanswered. In fact, I could not even discover how much money is invested. It seems amazing that the staff was able to produce accurate figures on revenue gains to the Treasury if the loopholes were closed: If you do not know how much is sheltered, how can you know what the tax gain will be? The effects of the capital shortage created by this bill are a matter for careful scrutiny here today.

Luckily, the Norman B. Ture, Inc. study on real estate in the U.S. economy has provided this vital data for our use, which I wish to share with you now. Dr. Ture's study backs up what I have feared to be the truth: this bill will retard economic recovery, cost thousands of jobs, and lose revenue for the Treasury. According to the Ture tax impact model, which was developed to measure the effects of tax changes on real estate, the minimum tax changes would result in the loss of 53,000 jobs and the reduction of investment in real estate by $1.2 billion. There are no Treasury gains in this action: In fact, the Treasury would lose $500 million if these proposals were fully effective.

There is absolutely no way to gloss over these outrageous facts. The LAL provisions, now in the bill, will decrease investment by $2.9 billion, cost 29,000 jobs, and cost the Treasury $1.3 billion. If the amendment prohibiting aggregation of properties is adopted, the result will be even more disastrous: $6.7 billion of investment gone, 297,000 jobs lost, $3 billion less in revenues. And no one knows the secondary effects that would ripple throughout our economy.

We should also be quite concerned about the effect of LAL application to developmental oil and gas wells. I cannot see how any of us could choose to pass legislation at this time that will hinder domestic energy programs. Yet this section can have no other effect. Even the exemption granted for single exploratory wells is virtually meaningless. We shall have less exploration and drilling of oil and gas, and more dependence upon foreign energy if this section is enacted into law.

Moreover, my mail has chanted in unison for action on another aspect which could have been addressed in this bill: Our most pressing economic need—

capital formation. But the committee has refused to acknowledge this chorus; thus capital formation is glaringly absent from this bill. Many of my colleagues joined me in proposing various measures to encourage capital investment, but they were rejected with a nonchalance that is frightening indeed. We will be nowhere near the projected capital investment figure of $3.25 trillion if this attitude is maintained. Business needs proof of our support, else chances of a sustained economic recovery will be practically nonexistent.

This bill began its life with high hopes. It has generated pages of publicity and months of public and private debate. Everyone connected with it is sorely disappointed in the result. Some have said that it will eventually bring in revenue to offset our disastrous deficits. I hope the figures I have presented just now refute this contention without question.

The CHAIRMAN. The time of the gentleman from California (Mr. KETCHUM) has expired.

Mr. MARTIN. Does the gentleman from California request additional time?

Mr. KETCHUM. Yes.

Mr. MARTIN. Mr. Chairman, in the absence of the ranking minority member, I yield 2 additional minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I think the absence of the ranking minority member shows how few we have left.

It is my sad conclusion that this bill will cause economic chaos of the first order and feed our mounting deficit even more.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. Yes; I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I really cannot let the characterization that the gentleman in the well has made stand.

It does not show the high standards and the high esteem that we have for the gentleman from North Carolina (Mr. MARTIN), despite his comparatively short time in the committee.

Mr. KETCHUM. I would perfectly acknowledge that, I say to my friend, the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I thank the gentleman.

Mr. KETCHUM. To continue, Mr. Chairman, the provisions that are included strike at the present; the provisions so badly needed that are absent doom the future.

Mr. Chairman, I urge my colleagues here to reject this bill.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the Committee on the Budget, the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Chairman, many Members have asked the Budget Committee about the effect of the bill before us, H.R. 10612, on the revenue floor set forth in the second concurrent resolution on the budget.

House Concurrent Resolution 466, the House-passed budget resolution, would establish a revenue floor of $301.8 billion, and it would direct the House Ways and Means and Senate Finance Committees to submit legislation reducing revenues by $5.4 billion to insure that the total is achieved. The House-passed resolution assumes revenues will be reduced $6.4 billion by extending provisions of the tax reduction act of 1975 to keep withholding rates at current levels. It also assumes, however, that these reductions will be partially offset by tax reforms that will increase revenues by $1 billion.

The Senate-passed budget resolution would set a revenue floor of $300.8 billion, and it would direct a net revenue reduction of $6.4 billion.

Mr. Chairman, H.R. 10612, as reported, would reduce revenues by a total of $6.7 billion in the remainder of this fiscal year—fully $1.3 billion more than contemplated in the House-passed budget resolution and $300 million more than approved by the Senate. In short, the tax bill as reported would increase the budget deficit.

Certain revenue-raising, tax reform amendments are in order under the rule just adopted by the House.

These amendments, however, would produce only a small part of the $1 billion in tax reform revenues contemplated by the House in its budget resolution.

For this reason, conferees on the budget resolution yesterday agreed to accept the Senate revenue total—dropping the hoped for $1 billion in reform revenues from our projected budget totals. As a result, the conferees expect to establish a revenue floor that provides for tax reductions of $6.4 billion.

Let me warn Members that even this goal will be difficult to attain at this stage. If the revenue-raising amendments that will be before us are not adopted, this bill—in essence—this shows a reduction in revenues below our modified revenue floor by more than $200 million. If the Congress adopts the budget resolution conference report before congressional action on the tax bill is completed, any Member can raise a point of order against the tax conference report if it threatens to reduce revenues below the floor established in the resolution.

As a result, I urge my colleagues to support those amendments to this measure which would raise revenues and to reject those that would further reduce them. This is vital if the final tax bill is to be protected against a point of order for failure to comply with the congressional budget. A point of order late in the year would be a severe blow to efforts to extend the stimulative tax cuts of 1975 and support our still fragile economic recovery.

Mr. Chairman, I want to compliment the chairman of the full committee, the gentleman from Oregon (Mr. ULLMAN), for the work that he has done, and the fact that the gentleman has gone through what I know has been a very long and difficult session in bringing this tax cut extension to the floor.

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield, I want to commend the gentleman from Washington upon his statement. The Committee on Ways and Means is extremely conscious of our budgetary responsibilities and the jurisdiction of the Committee on the Budget. As the Members well know, we have several of our Members who are members of the Committee on the Budget. I think it is reasonable to say that we did it that way so that there could be a close connection between committees that have this kind of responsibility. So, we are fully aware of this.

I concur with the gentleman that we need to pick up as much revenue as we possibly can.

Mr. ADAMS. Mr. Chairman, I thank the gentleman.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Chairman, a lot has been said about this bill particularly during the spirited debate on the rule. For instance, as I sat listening to the debate on the rule, I heard one Member say that this was an X-rated bill and that it probably could not be sent through the mails because it dealt in favor of pornographic films. I heard that it is a giveaway of tax revenues, and that some people say that it takes more revenue out than it picks up in revenue and other people say just the opposite. I even heard that it was perfection. I heard that we need a spending ceiling to restrain us from going overboard on spending; I heard that the House is so interested in every jot and tittle of this bill that we ought to make every section of the bill open to scrutiny and amendment—because the House really wants to deal with all of the tax problems. Well, on that point, I would suggest that we just take a look around this Chamber and one can see the lack of expertise on that prediction.

Mr. WAGGONNER. Mr. Chairman, would the gentleman yield?

Mr. MIKVA. I would be glad to yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, I would like to say that finally the gentleman from Illinois and I agree on something, because there are only 19 Members present, including the subcommittee members. I do not think it warrants much debate. I think the House has demonstrated, as the gentleman says, that they do not have any interest or concern about this bill. So I do not think there is much need for us to continue the debate. The sooner it ends, the better off we will be.

Mr. MIKVA. I will not continue very much longer.

Let me say to my colleague, though, that I think I understand the reason. This is a 600-some-odd-page bill which, as the gentleman from Louisiana knows, we labored over for months and months. We sat there for long hours, and even sometimes we Members became bored. I do not know about my colleague, but I confess I sometimes let my mind wander from some of the nitty-gritty provisions of this bill. I could not expect all 435 colleagues to be as concerned as some of the people said they would be if we only had an open rule and let them get in their licks. What is true about that is also true about other things which were said in so much earnestness today.

For instance, it is not a give-away of tax revenues, and I am pleased to follow the distinguished chairman of the House Committee on the Budget, who reminded all of us—and I hope those words will at least be read tomorrow since they were not heard by many of our colleagues today—how the questions that are before the House in this bill are just as important as getting up and making Fourth of July speeches about how much we spend, that we hear so much about is just as much affected by how much we raise as by how much we spend.

In fact, I commend to all of my colleagues this week's issue of the Congressional Quarterly on this whole question of this runaway House that is just going bananas with its spending over the President's budget. As I look over the appropriations bills for fiscal year 1976 that we have passed so far, we are $20 billion below what the administration has requested; on every bill except education we have come in below the administration's request. If we need a spending ceiling, it ought not be for our sake; it ought to be for the administration; and if the President wants to put a spending ceiling on what he is going to send in by way of the budget, more power to him. I trust we will come in below what he asks for in any event, as we have this year.

But clearly we have an obligation to preserve the revenue base.

I must say to my distinguished colleagues on the other side that it is the Democrats that are going to have to defend the Treasury position tomorrow on LAL. I hope that some of them will be persuaded to support revenue and support the Treasury and support my amendment which I intend to offer to provide some more revenue.

Mr. SCHNEEBELI. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Pennsylvania.

Mr. SCHNEEBELI. I thank the gentleman for yielding.

The gentleman is referring to the enormous amount of revenue that is being brought in in this bill as presently constituted. I think I pointed out earlier the present bill will net an income of $745 million, while the tax cut amounts to $15½ billion, or a ratio of about 20 to 1. Also I think the Treasury is in opposition to some of the amendments as well. I think they are in opposition to four and in favor of two.

Mr. MIKVA. Sometimes I cannot understand why the Treasury is not in favor of raising revenue.

Mr. SCHNEEBELI. The Treasury initiated LAL, and the Treasury initiated minimum tax income under Secretary Shultz.

Mr. MIKVA. That is right. I hope that there will be some of my good colleagues on the other side of the aisle tomorrow who will be supporting the Treasury and some of the amendments that we propose to offer to enhance the revenue base and close up loopholes and tax preferences.

Mr. SCHNEEBELI. If the gentleman will yield further, some of the Republican Members, as the gentleman from Illinois well knows, supported the LAL provisions in the bill and said we thought we had some very good legislative reform in this legislation.

Mr. MIKVA. Let me say to my colleague, many of those reforms would not be in the bill but for the assistance, support, and initiative displayed by Members on the Republican side.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. I yield 2 additional minutes to the gentleman from Illinois.

Mr. MIKVA. I do not suggest that the Democrats have a monopoly on tax reform. That is not the case.

Mr. SCHNEEBELI. It is very kind of the gentleman to say that.

Mr. MIKVA. I am aware that on most of the issues, the committee was very bipartisan. I hope that some of that bipartisanship continues on tomorrow when some of these important amendments which can more than double the revenue pickup that are now in the bill will be brought before the House.

Mr. SCHNEEBELI. If the gentleman will yield further, I think there will be a large Republican pickup in votes to aid in getting a spending ceiling.

Mr. MIKVA. Again, different people observe where the spending stimulus and impetus is coming from. I only want to say, Mr. Chairman, that without the amendments that are going to be offered by way of strengthening the bill tomorrow, we are in fact beguiling the American people by way of tax reform. With the amendments, it is perhaps the most important and significant tax reform bill that has come before the House since 1939. I think that we have a great opportunity tomorrow to decide whether we are really for reform or just like to make Fourth-of-July speeches about it.

I hope the amendments are adopted that will strengthen the bill and pick up revenue. I hope the others are defeated. If that happens, I think the House can be justly proud of a real significant tax reform victory.

Mr. Chairman, I support the five strengthening amendments to H.R. 10612. With them, the Tax Reform Act of 1975 will truly be a reform act. Without them, the bill is reform in name only, opening as many loopholes as it closes and permitting hundreds of the Nation's wealthiest individuals to continue to shift their fair share of the tax burden to the vast majority of Americans who are neither poor enough nor rich enough to avoid taxes.

In order for tax reform to be meaningful, two goals must be met. First, the over $100 billion in tax preferences now in the code must be reduced. Without the five strengthening amendments, the bill fails miserably in this regard. However, with the five strengthening amendments, the bill would eliminate $1.6 billion in tax preferences in 1976 and $3.5 billion by 1981.

Second, these tax loophole closings must be made in an even-handed manner. To close some but not all the loopholes would result in only a shift in shelter-seeking income, causing a flow of tax avoidance income toward loopholes that remain and away from loopholes that are closed. The result would be tax relaxation, not tax reform.

H.R. 10612, without the five strengthening amendments, does not meet this goal. In its present form, the bill tilts the Tax Code decidedly toward real estate investment and away from the traditional tax shelter investments in movies and oil and gas ventures, which are sharply curtailed in the bill. Unless the real estate strengthening amendment is adopted, all shelter-seeking investment will flow to real estate syndications.

And the Ross Perot provision opens a tax loophole so large that even the Pittsburgh Steelers' "front four" could not close it. The Tax Code should not promote one class of taxpayer over another, or one form of investment to the detriment of another. For this reason alone, the five strengthening amendments should be adopted.

In addition to turning a "tax relax" bill into a tax reform bill, the five strengthening amendments will meet the responsibility the Congress assumed when it adopted the second concurrent budget resolution, requiring the Ways and Means Committee to raise $1 billion in additional revenue in fiscal 1976. As it stands, the tax bill falls far short of that requirement. Only with the adoption of the five strengthening amendments can the House meet its obligation under the budget resolution.

Mr. Chairman, the five amendments I am urging my colleagues to support are not novel concepts. Three of the five were tentatively adopted by the committee. The remaining two concern areas of the code that were fully explored by the committee during its 3 months of deliberations.

I intend to offer an amendment designed to reduce the over $100 billion of tax preferences to curb real estate tax shelters which account for over $15 billion of the code's tax preferences.

This amendment would restore the committee's tentative decision to require the limitation on accounting losses, LAL, mechanism to be applied to real estate on a property-by-property basis. This would prevent syndicates from using artificial losses generated on one property to shelter income from another. The amendment would not curtail the use of tax deduction in order to realize tax-free income from economically sound real estate investments. Hence new and rehabilitation housing and the construction jobs they provide would not be threatened. Moreover, the amendment would not affect corporate developers who do most of the Nation's housing construction. Residential construction would not be affected until 1977; governmentally subsidized low- and middle-income housing will become subject to the new rule in 1979.

This amendment, which is supported by the Treasury Department, will increase revenues by $251 million in 1976.

It has been argued that this amendment would discourage housing development. Nothing could be further from the truth. First of all, there is a generous phase-in provision, over 5 years for certain kinds of housing. Second, and most important, housing development does not and should not turn on tax incentives—witness the poor rate of construction these last 2 years, with the presence of the most generous real estate tax incentives in history. Senator WILLIAM PROXMIRE, chairman of the Senate Banking Committee, has pointed out in a letter to our committee chairman that housing policies should be made outside the Tax Code. Let me excerpt some of his letter:

> The reforms would shift these market incentives in a positive direction. In short, they would require real estate investment decisions to be based less on the artificial tax considerations than on the fundamental economic viability of the venture. This is certainly consistent with our housing goals, and in fact is substantially more conducive to sound housing than the present tax laws.
>
> I also share the view that if subsidy is required in housing as in other areas, it should be legislated directly, and not through tax expenditures. This is particularly true in the housing area, where the existing incentives created by many of the real estate tax preferences are actually at odds with our ostensible housing policy.

The amendment and the bill allow time to make any necessary adjustments in our housing policies.

The second strengthening amendment is designed to reach the 120,000 wealthy individuals who pay little or no Federal income tax. The amendment strengthens the bill's minimum tax provisions in two ways. First it adds four new items to the list of preference items. The second provision of the amendment eliminates the deduction for regular taxes paid which is allowable when computing the minimum tax due. This deduction, which was added on the Senate floor in connection with the 1969 act and is cut in half by the bill, is eliminated by this amendment.

Let me make it clear that the amendment in no way affects charities or charitable contributions. Unlike the Jones amendment which does adversely affect charities, the charities are not opposed to this amendment.

The third strengthening amendment eliminates tax forgiveness for foreign investors. This amendment would allow the U.S. Government to retain the 30 percent withholding tax now imposed on dividends and interest paid to foreigners on portfolio investments in the United States. This tax, which would provide a revenue pickup of $165 million in 1976 and $390 million in 1981, allows the United States to tax foreigners in a manner similar to the way U.S. citizens are taxed on such investments. Without the amendment, the United States will be initiating a "revenue sharing" program with Canada and other countries. These countries presently relieve their citizens of taxes on the dividends and interest when they are taxed in the United States. If the amendment is defeated, however, these countries would collect the taxes, not the United States.

The fourth amendment eliminates the Perot amendment. This will eliminate from the bill a provision which would grant a retroactive tax refund to wealthy investors for large investment losses incurred in prior years. Despite Perot's recent offer to give up any benefit from the provision, he stands to get a refund of $15 million out of the $165 million in revenue that would be lost to the Treasury.

The fifth strengthening amendment cuts back the export subsidy for multinationals. The bill curtails the Domestic International Sales Corporation—DISC—subsidy which has proven to be an expensive subsidy since its enactment in 1971. The amendment would raise an additional $190 million in 1979 and $450 million in 1980.

On grounds of equity and simplification, the complicated Jones weakening amendment would eliminate the tax shelter curbs contained in the bill and in the real estate strengthening amendment. It would also eliminate the current law minimum tax together with strengthening provisions in the bill and in the minimum tax strengthening amendment. Its sponsor says that his "MTI" mechanism would raise $800 to $900 million over present law. The important point, however, is that in 1976 it would lose $814 million over the revenue pickup under the bill as amended by the first two strengthening amendments. The loss in 1981 would increase to $1.3 billion.

In the second concurrent budget resolution, as explained by BROCK ADAMS, chairman of the House Budget Committee in his "Dear Colleague" letter, the House mandated that the Ways and Means Committee report a bill which would raise $1 billion in additional revenue in fiscal 1976. Even if the House is forced to recede from this provision, following the conference on the budget bill scheduled for next week, H.R. 10612, as it stands will fall about $300 million short of the revenue requirement. To raise this amount during fiscal 1976, the bill must be amended to raise close to $1 billion more in calendar 1976. This can be done only by voting for the five strengthening amendments and against the Jones amendment.

Mr. ULLMAN. Mr. Chairman, I yield 7 minutes to the gentleman from Ohio (Mr. VANIK), a member of the committee.

Mr. VANIK. Mr. Chairman, I take this time to discuss administrative changes in the Tax Code which are provided in this bill.

Section XII contains administrative changes which provide for the regulation of tax preparers to prevent glaring abuses which unnecessarily multiplied taxpayer problems. I hope IRS will improve public service and assistance.

SECTION 1201, INCOME TAX PREPARERS

In the tax preparers section I was disappointed that the committee once again failed to include an educational requirement for tax preparers, especially since the Commissioner testified before the Oversight Subcommittee that the IRS could develop and administer an examination for tax preparers similar to the one currently in use by some 20,000 enrolled agents. Additional testimony by a representative of the State of Oregon demonstrated the success of that State's registration program, and there was discussion during the hearings by Mr. ULLMAN and subcommittee members about the feasibility of licensing on a national level and registration on the State level. This is an area which I hope will be considered by the Senate when it takes up this portion of the bill. I am anxious to see how well the new regulations in section 1201 will terminate questionable and illegal practices by tax preparers, and hope that we will consider an educational requirement in a year or two if the need still exists at that time.

Evidence has come to the Oversight Subcommittee that many tax preparers have had refund checks of their clients mailed directly to them, and have taken excessive fees from the check before turning over the check to the taxpayer to whom it belongs. With the earned income credit this year, millions of taxpayers will qualify for a sizable refund. I hope that the IRS will by regulation prevent tax preparers from taking and endorsing taxpayer refund checks. I hope that IRS will publicize this new rule, so that taxpayers will be aware of this prohibition and will be able to report illegal practices.

Section (g) authorizes the IRS to obtain an injunction against the tax preparer if certain conditions exist. This injunction gives the IRS a tremendous power over tax preparers—is this power susceptible of abuse? The Oversight Subcommittee should maintain a close watch to see how this power is exercised.

SECTION 1209, JEOPARDY AND TERMINATION ASSESSMENTS

This section provides for an expedited review of the reasonableness of IRS jeopardy and termination assessments. Under subsection (b), the Tax Court must make a determination of reasonableness within 20 days and may rescind in whole or in part the jeopardy or termination assessment. We should encourage the Tax Court to use flexibility in applying this power by considering the specific circumstances of both the taxpayer and the Government which led to the making of the assessment. For example, assets might be released where necessary to protect the taxpayer or his property, such as where necessary to pay insurance premiums on the property or to pay legal and court costs to properly defend the taxpayer in the IRS proceeding against him.

There was considerable debate during markup of this bill as to the advisability of allowing expedited review of a jeopardy or termination assessment by the district courts as well as the Tax Court. We should maintain close watch on the speed and effectiveness by which the Tax Court will handle these reviews of jeopardy and termination assessments, and possibly reconsider at a later date whether the jurisdiction should be extended to district courts.

SECTION 1211, ADMINISTRATIVE SUMMONS

This section provides for notice to any taxpayer named in an administrative summons and allows that taxpayer to notify the recordholder within 14 days not to comply with the summons. IRS would then have to go to court to enforce the summons.

One practice of IRS is to name the taxpayer under investigation at the top of the administrative summons, and then to request the records of other taxpayers who "may have had transaction with the named taxpayer." These other taxpayers are named in the body of the summons. This section requires the IRS to send notices to all taxpayers whose records are being inspected. It is also my opinion that the IRS is not required to send a notice to a taxpayer under investigation if his records are not being inspected directly although he is named as the taxpayer under investigation at the top of the summons and his transactions are being inspected through the records of other taxpayers.

Subsection (b)(2) requires the taxpayer to direct the recordholder not to comply with the summons within 14 days. A copy of this notice not to comply is then to be transmitted to the District Director of Internal Revenue by certified or registered mail—who is to mail this notice to the District Director, the recordholder or the taxpayer?

Subsection (f) requires a court to authorize the issuance of a John Doe summons; the section requires the Secretary to make a three-part showing to the court before the summons will issue. Is this three-part test in addition to or in replacement of a traditional "probable cause" showing presently required in search warrant cases?

The Commissioner admitted upon several occasions that the IRS keeps no records of the number of summonses which it issues. I would encourage the Service from this day forward to keep more accurate records and make reports of such records available to congressional tax writing committees.

SECTION 1202, DECLARATORY JUDGMENTS FOR 501(C)(3) ORGANIZATIONS

Subsection (b) requires a 501(c)(3) organization to exhaust its administrative remedies before going to court to challenge a revocation or denial of its tax-exempt status. As soon as there is a revocation or denial the 270 days begin to run within these 270 days.

Notice is provided in the IRS weekly bulletin which publishes the list of those who suffer a revocation of exempt status.

Subsection (c) is an important provision preventing an organization's lifeline of public support from drying up while the organization challenges an IRS determination in court. It permits certain contributions made during the litigation period to be deductible even though the organization ultimately loses its tax exemption in court. These contributions are deemed deductible from the period beginning on the date on which the "notice of the revocation is published" to the date on which the court first determines that the organization is not an eligible donee.

SECTION 1212, PUBLIC INSPECTION OF WRITTEN DETERMINATIONS BY IRS

I wish again to point out my disappointment with the section of the tax reform bill relating to inspection of private rulings.

First. First of all, the bill provides the public with less than court decisions to date, by requiring full disclosure of private rulings from September 25, 1975. This is over a year from the time the Commissioner pledged disclosure before a Senate committee. It is over a year from a court of appeals decision which should have alerted the public that disclosure of rulings was imminent; and it is over 8 years from passage of Freedom of Information Act.

Second. The legislation specifically states that rulings are not precedent and are not to be cited as such. Why not upgrade the private ruling to the status of a rational and carefully considered decision in an important body of administrative law? A noted law professor recommends that the IRS make the "private" ruling an institutional interpretative position approved by senior officials, stating essential facts and the legal analysis for the ruling, thus creating a decision on which the public could rely.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, the original income tax law was enacted some 62 years ago. That measure was intended to provide for a progressive tax, one with the burden of taxation based on the ability to pay. In the intervening years this law has been revised, amended, and changed in a wide variety of ways. As a consequence, this statute and the countless regulations issued pursuant to it contain a number of gaping loopholes under which a sizable number of rather wealthy individuals and major corporations—taking advantage of special tax treatment, tax shelters, writeoffs and other devices—avoid paying their fair share. In some instances certain persons avoid paying any taxes at all. Thus, the burden of the Federal taxation system has shifted significantly and now falls, inequitably, on middle- and low-income Americans who cannot really afford it.

Third. Subsection (j)(4) makes prior rulings, with identifying material deleted, specifically contingent on the availability of funds appropriated to IRS for this purpose. Why should a line appropriation be required to comply with court decisions and this bill? Given that IRS promised disclosure of private rulings over 20 years ago, we should not hold our breath for fulfillment of this obligation.

Fourth. I am terribly concerned that subsection (c)(1)(D) authorizing deletion of information in the interest of national defense or foreign policy could be used to withhold information from the public which would shed light on bribery and corrupt practices of American corporations overseas. The Ways and Means Committee should consider an annual executive session to review all private rulings excused from disclosure.

While these administrative changes are less than my hopes and expectations which are included in the taxpayers bill of rights bill which I have introduced in a separate bill, the work of the Ways and Means deserves the support of this body.

The Tax Reform Act of 1969, which I strongly supported in the 91st Congress, represented what was, up to that time, probably the most comprehensive reform of the Federal tax laws since the enactment of the original law. However, a great deal more needs to be done. Although the United States annually collects some $300 billion in revenues—of which $120 billion is from individual income tax—billions more are being lost through existing loopholes and escape clauses. Our tax laws continue to be unfair and there is still a very serious imbalance which must be corrected.

The legislation before us today represents an important step in the right direction. H.R. 10612 closes certain tax loopholes, simplifies a variety of provisions, improves the administration of the tax laws, and supports the rights of the individual taxpayer. The measure will result in some $750 million in new revenues next year and up to $1.6 billion by 1981.

Furthermore, the Tax Reform Act extends the previously authorized individual and corporate tax reductions which will not only further spur the economy but will also insure that the tax withholding rates will not rise on the first of next year, which would have a seriously recessionary effect on an already depressed economy.

Unfortunately, however, H.R. 10612 only scratches the surface and simply fails to approach the objectives of those of us who have labored over the years to achieve meaningful and substantive tax reform. As many of our colleagues have observed, this legislation fails to meet the $1 billion in additional revenues which the House Budget Committee mandated. Major loopholes continue to exist and billions in potential revenue will be lost. As our distinguished colleague from Ohio (Mr. VANIK) observed in his very perceptive supplemental views, the tax reform measure we are considering "does little more than 'reshuffle' tax loopholes and preferences." Although the original legislation would have raised some $2.6 billion in additional revenue next year alone, it was severely crippled during the final markup session. Numerous tax breaks are perpetuated and, in fact, it is reported that one individual would stand to gain some $15 million through one retroactive provision.

I heartily commend the efforts of a number of members of the Ways and Means Committee who have successfully endeavored to have the bill opened up to a limited extent in order that strengthening amendments can be offered on the floor. Certainly Chairman ULLMAN deserves plaudits as well for recommending a modified open rule in order that the full House will have the opportunity to fully debate these welcome amendments which will seek to close undesirable and damaging loopholes and move this legislation closer to a substantive reform measure.

There is one provision of H.R. 10612, and an amendment to be offered by Mr. MIKVA, which I believe deserve special comment. The bill places a limitation on artificial losses—LAL—on real estate which restricts the extent to which accelerated deductions and losses arising from investments can be used to reduce the tax burden on other income. The LAL would apply to accelerated deductions such as interest and taxes during the construction period, although it would not be on a property-by-property basis and would not apply to residential property if construction begins prior to January 1, 1978. The Mikva amendment will further tighten this feature by applying LAL to real estate investments on a property-by-property basis to prevent consolidation. Various groups have estimated that this will raise over one-half billion dollars per year by 1980.

Although I favor the basic intent or thrust of such a reform, I am equally troubled over the consequences which it may have on the drastically depressed building industry, particularly in further restricting the availability of urgently needed funds to construct multifamily dwellings. In a sense, it seems rather shortsighted to place restrictions on real estate LAL's at a time when the housing industry is experiencing catastrophic difficulties and when there is an extraordinarily high level of construction-related unemployment. It is reported that 19.2 percent of all construction workers are on the unemployment rolls nationwide and in my district in Westchester County, N.Y., it is close to 60 percent. Without question, the 873,000 jobless people in the building trades are a significant part of the country's unemployment problem. The supposed national surge in housing starts announced by the Commerce Department for October is not an accurate reflection of the problem builders are confronting and I understand there has been no significant improvement in multifamily rental property development. Some groups claim that if the Mikva amendment is passed it will substantially curtail new ventures by noncorporate developers and that it will also severely damage the small amount of private construction presently underway.

I believe there is little question, Mr. Chairman, that the housing industry has been especially hard-hit by the severe economic dislocations experienced over the past several years. Massive housing legislation should have been passed without regard to this bill—and it was tragic that the President vetoed the bill we passed. Should the Mikva amendment pass, it becomes absolutely imperative that the Congress take prompt and affirmative steps to provide desperately required subsidized loans in order to spur housing construction and to prevent the housing industry from suffering further reverses. Federal subsidies are essential if the housing industry is to survive and we cannot delay further in providing them. I have raised this issue with the distinguished and able chairman of the Committee on Banking, Currency and Housing and I am hopeful that positive action will soon be taken. I will support this legislation only upon his assurance to make every effort to pass immediately a really adequate and effective housing bill.

As I have mentioned, H.R. 10612 contains a number of serious shortcomings and gaps which I am hopeful will be corrected. At the same time, there are features which are welcomed and should prove to be most beneficial. I was greatly encouraged, for example, by the efforts of the Ways and Means Committee in extending the child care allowance to all taxpayers, regardless of whether they use standard or itemized deductions, by replacing the itemized deduction with a credit against income tax liability for a percentage of qualified expenses. This has the effect of extending more aid to taxpayers in the lower-income brackets and is, in my view, more consistent with our tradition of a progressive form of taxation.

This provision of H.R. 10621 also makes the present law more equitable through the simplification of the procedure for claiming a child care deduction, allowing the credit in situations where one spouse works and the other is a full-time student or where both parents work only part-time; and shortening the qualifying period for a deserted spouse to claim child care expenses.

The effort to achieve sound tax reform must continue even beyond the enactment of this legislation and the five strengthening amendments which are to be offered. There are still several tax shelters and loopholes which must be ended. The middle and low income American taxpayers must not bear a disproportionate burden of the Federal income tax and the wealthy individuals and corporate special interests must pay their fair and just share. In order to achieve true tax equity and further economic recovery, additional reforms are necessary.

Among the tax reform proposals which demand full and careful consideration during the future deliberations of the Ways and Means Committee is the question of tax credits for higher education. I am one of 80 Members who recently wrote to Chairman ULLMAN, urging that this issue be placed on the committee's agenda for future hearings.

The devastating effects of our inflation-ridden economy have hit middle-income families especially hard. We may soon see the day when a college education is beyond their means. This is to say nothing of lower-income citizens, who very infrequently have equal access to higher education. I believe that any tax credits which may be authorized should not be limited to colleges and universities. They should apply equally to business, trade, technical and vocational institutions. In addition, there should be a reduction in the amount of credit allowed as income rises, thereby insuring the most help for those with the greatest need.

In my view, H.R. 10612 is essential if we are to recover from the economic doldrums with which we have been saddled for the past several years. Regardless of the President's ill-conceived threat to veto such legislation, we must forge ahead. Even though the basic measure is a far cry from what is required—and even with the perfecting amendments will still fall far short of what can truly be called "tax reform"—I believe we must enact this bill.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Chairman, as a former builder and real estate developer, my extensive experience with real estate tax shelters convinces me that such are not essential to a healthy building industry.

Real estate rents are determined by the free market. An investor does not lower his rents or originate a project because of his tax advantage. He only realizes a windfall of untaxed income because of accelerated depreciation.

The proof is in the pudding. Today the real estate tax advantage is in effect, yet multiple family housing starts have fallen to 15 to 20 percent of all starts, down from a 40-percent average in recent years.

If we wish to create jobs and aid housing, we should do it directly, by massive Federal purchase of mortgages and interest subsidies—not by making the rich richer. It will cost us less in the long run.

I would also like to add that the tax measure that most affects housing and contributes deleteriously to the housing industry is the property tax. If we shift the cost of school finance away from the property tax, we will then have a true and significant boost to our housing industry.

Mr. DRINAN. Mr. Chairman, the House today begins debate on the Tax Reform Act of 1975, H.R. 10612, a bill which is aimed at rectifying the many inequities presently contained within the U.S. tax code. This legislation, in spite of its glowing title, is not likely to bring about sweeping reforms in our tax laws. However, H.R. 10612 represents a good beginning, and if properly amended, the Congress will have registered significant progress in this vital area.

There is a growing realization among middle-income taxpayers that they are increasingly shouldering a disproportionate amount of the tax burden. This feeling is certainly not unjustified, especially when one looks at the Federal budget receipts over the last decade. There, we find that the burden of supporting the Federal Government has increasingly shifted to the individual taxpayer. In 1967, for example, individuals bore 41 percent of the Government's revenue, but by 1973, that load had increased to 44 percent.

While the individual's taxes increase, Mr. Chairman, it will come as little surprise to find that corporate income taxes have decreased during the same period. From 1967 to 1973 corporate income taxes fell from 22.7 percent of the Federal revenue pie to 14.9 percent, an incredible drop. This decrease in corporate taxes can be attributed to the institution of such devices as the asset depreciation range system, domestic international sales corporation, investment tax credit, and foreign tax credits.

I wish that I could say that these dreary statistics told the whole story, but unfortunately, further analysis reveals that the situation is even more inequitable than we might like to think. While tax shelters and loopholes have considerably aided big business and corporations, they have also been a boon to upper income and wealthy individuals who can benefit from the complexities of the tax code. This combined with the fact that social insurance taxes and contributions have dramatically increased over the last decade, means that not only is the individual's share of taxes going up, but it is going up most rapidly for middle-income groups.

Mr. Chairman, I do not believe that the public will allow these dangerous trends to continue. If the middle classes are continually asked to pay a greater than proportionate share of taxes, we are likely to see a taxpayers' revolt.

And such a revolt would not be unwarranted. In the last 10 years the Congress has increasingly used the tax code to bring about many economic and social goals, sometimes without sufficient regard to how they affect the overall structure of the system. When straight authorizations and appropriations should have been made to deal with a problem, the Congress has often yielded to the wishes of special interests by allowing exemptions, deductions and credits to be enacted.

The end result of this legislative tinkering with the tax code is that the system has now become extremely complex, filled with numerous tax preferences and loopholes of questionable benefit to our society as a whole. The loopholes have diminished the progressive notions on which our tax system was instituted, and have eroded the statutorily enacted tax rates for the wealthy and big business. I think it is fair to say that the de facto tax rates are no longer based on the ability to pay. Rather, they depend on the creativity and inventiveness of tax lawyers who have found ways to manipulate the tax code for their clients' individual interests.

Against this distressing backdrop, Mr. Chairman, we now consider the Tax Reform Act of 1975. Although the bill is phrased in terms of "reform," it is in reality legislation which gives something to everyone. While it may be true that the Nation is very much in need of an economic stimulus to bring about economic recovery, I would argue that a tax reform bill is not the proper vehicle for such a measure.

Let us take a look at the so-called reforms which are included within H.R. 10612. The legislation strengthens the minimum tax to some extent from 10 percent to 14 percent. Capital gains and losses are dealt with, so as to discourage undue speculation and windfall profits. A new device called the limitation on artificial losses—LAL—would restrict losses and accelerated depreciation so that they could only offset income from the loss-producing investment. And overseas income earned by U.S. citizens is taxed more closely.

These are some of the major provisions of the Tax Reform Act, Mr. Chairman, but let it be understood that these provisions are indeed very modest. From the very beginning, H.R. 10612 did not attempt to bring about comprehensive tax reform. As the bill has progressed through the Ways and Means Committee, it has been further whittled down. It is my opinion that the bill not only leaves most of the major loopholes in the tax law, but even adds a few new special deductions which benefit giant corporations and the wealthy.

We have already seen that corporations and businesses receive the lion's share of the tax breaks in the present tax code. Yet if we delve into this bill we find that not only are individuals granted a tax cut, but businesses as well. In this so-called Tax Reform Act we find not just an extended 10 percent investment tax credit, but a $100,000 limitation on used property, which can be extended up to 4 years. Although these may seem to be small items, the total price tag to the taxpayer is $2 billion in 1976 and an astounding $5.4 billion in 1977.

Mr. Chairman, it is time that the Congress stood up and finally declared itself openly in favor of meaningful tax reform. Despite the glowing promises which are heard at the beginning of each session, the results are invariably disappointing. In the 93d Congress a major tax reform bill was supposed to come from the Ways and Means Committee. Instead, no bill ever came to the House floor. In the 94th Congress the usual promises were heard, but the end result is much the same. This can best be seen in the last week's consideration of H.R. 10612, when hundreds of millions of dollars in potential savings from tax reform measures were lost from the bill. According to one committee staff, "We lost about $500 million in one night."

While I do feel that the Tax Reform Act as written is woefully inadequate, the House will have a chance to work its will on five major tax reform amendments. In that regard, I am supporting amendments to close real estate tax shelters, tighten further the minimum tax, narrow the application of DISC subsidies, strike the so-called "Perot amendment," and stiffen the tax on foreign investors. If adopted, these amendments would raise an additional $0.8 billion.

If the Tax Reform Act is successfully amended, some progress will have been made in rectifying the worst excesses of the tax code. But at the same time, we must recognize that we will have only touched the tip of the iceberg. The U.S. Tax Code is literally filled with special interest tax deductions and exemptions which must be striken from the law books. Unless the Congress and the House Ways and Means Committee are willing to face the hard truth and purge these loopholes from law, we cannot genuinely claim that true tax reform has come about.

Ms. ABZUG. Mr. Chairman, as chairwoman of the Subcommittee on Government Information and Individual Rights, which has jurisdiction over the Freedom of Information Act, I want to call to the attention of the House a provision of the tax reform bill which would substantially affect that law.

Section 1212 of the bill, beginning at page 343, alters the law as it has developed on the significant matter of access under the Freedom of Information Act to the vast store of private tax rulings issued by Internal Revenue Service. Under present law, as interpreted in the courts, tax rulings and the underlying documents requesting and supporting a ruling may be made available under the FOIA to a person requesting them. In a major recent case *Tax Analysts & Advocates* v. *Internal Revenue Service*, 505 F. 2d 350 (D.C. Cir 1974) the court held that the names of the individual taxpayers involved in the ruling, and the full text of the ruling letter—subject to Freedom of Information Act exceptions—were ordered to be made public. Additionally, background documents submitted by the taxpayer, including the ruling request and all supporting information, along with all communications with outside parties were ordered disclosed.

The pending bill would reverse these holdings. It will make it impossible for newspaper reporters and others interested in matters such as the tax ruling obtained by International Telephone and Telegraph Co. in its merger with Hartford Insurance from obtaining such information. It will make it impossible for people interested in pursuing matters such as the tax rulings obtained by Howard Hughes for the Glomar Explorer from obtaining such information.

Section 1212 of the bill provides that, with respect to pre-September 1975 rulings, the identity of the taxpayer would not be made public. Mr. Chairman, this will effectively prevent anyone from having access to a ruling dealing with a particular transaction. It will be impossible to request a ruling by the name of the taxpayer, since the name may not be disclosed. This is a perfect "Catch-22" situation. If IRS may not disclose the name of the taxpayer, how can it give the citizen making inquiry any ruling dealing with a named taxpayer? It cannot. And the FOIA is foiled.

As to post-September 1975 rulings, the names and addresses will be made public if requested, but the backup documents, such as the request letter will not be available. Mr. Chairman, it is in the request letter that a company such as ITT discloses the details of the transaction. Simply having the ruling available would not suffice for citizen and press investigators concerned with deals such as the ITT-Hartford matter, as ruling letters commonly restate only the general outlines of the underlying requests.

This is a complicated and delicate matter which has been proceeding with care and deliberation by judicial consideration and interpretation of the Freedom of Information Act. No recommendation for such a provision was made by the Ways and Means subcommittee that considered this question. On September 24, 1975, a memo prepared by the staff of the Joint Committee on Internal Revenue Taxation was issued. Shortly thereafter the Ways and Means Committee included section 1212 in the bill. The House of Representatives as a whole ought to be given a chance to express its interest and its will in this matter, but since the rule does not permit this I would hope that the other body will eliminate this section.

This is especially appropriate, Mr. Chairman, since this is not a revenue provision measure. It deals with the Freedom of Information Act. If we allow the Freedom of Information Act to be amended by a revenue act, what is to prevent it from being picked apart by an energy bill or a housing bill? The substance of section 1212 is unfortunate and will weaken the bill substantially. I also think that if we are to legislate on freedom of information matters, then it ought to be done in the appropriate matter, not through the back door of tax legislation.

Mr. BARRETT. Mr. Chairman, I rise in support of H.R. 10610, the Tax Reform Act of 1975. As stated in the report accompanying the bill, the act "is designed to achieve a fourfold objective: to improve substantially the equity of the income tax at all levels, to simplify many tax provisions and delete unnecessary language, to continue for the calendar year 1976 the economic stimulus provided earlier by the Tax Reduction Act of 1975, and to make important improvements in the administration of the tax laws."

Put more simply the act would: First, continue tax reform to help insure that people with high incomes bear a reasonable share of the overall tax burden and increase tax equity at all levels of income, second, simplify tax laws and forms so that the public will have less need of having to rely on professional tax preparers to file tax returns, third, extend the 1975 tax cuts, in the hopes that it will contribute to pulling the economy out of the recession and provide jobs for some of the more than 8 million unemployed; these reductions are also needed for individuals to make sure that families below the poverty level are not asked to pay Federal income tax, and fourth, it would improve the administration of tax laws and strengthen taxpayers' rights.

These objectives are needed and the chairman and members of the committee are to be commended for their efforts.

We have been advised that seven amendments in addition to the committee amendment are to be offered. Some of these have been described as further strengthening of the tax reforms contained in the bill.

Tax reform is intended to increase tax equity—to insure that all people pay a fair share of the tax burden and that it not be possible for high-income persons to avoid paying income tax entirely. Unfortunately, I believe that two of the proposed amendments, which relate to real estate, go beyond the proper limitations for tax reform.

The bill before us has removed the situation where accounting losses from real estate can be offset against income from other sources. The bill restricts the application of real estate accounting losses to income derived from any real estate. Deductions in excess of such income would be deferred against future income from any real estate. A proposed amendment would go further and unnecessarily restrict those losses to the individual project or property itself. It would prevent the aggregation of real estate income.

The committee's proposal removes the abuses of the tax shelter aspects of real estate investment. The proposed amendment would go further and impose a special tax situation in the real estate business. The adoption of this amendment would not only hamper but strongly discourage those in the real estate business from investing in housing, particularly low- and moderate-income housing. It would also restrain and inhibit the recovery of the housing industry which is in such deplorable condition already.

The committee bill postpones the imposition of the restriction on accounting losses in three specific areas: First, real estate construction begun before January 1, 1976, second, residential housing begun before January 1, 1978, and third, low- and moderate-income housing begun before January 1, 1981. The last of these exemptions was approved in order to continue the production of low- and moderate-income housing under the section 8 leased housing program and the various State housing programs during a period of critical shortage.

An amendment will be proposed which will void the effect of the committee proposal. The proposed amendment relates to the treatment of payments of taxes and interest during construction. It would classify these payments as tax preference items thereby making them subject to a minimum tax. Tax preference items have always been benefits from paper losses, costing the taxpayer nothing. The amendment would enlarge the tax preference category to include actual paid expense items. Construction period interest and taxes are not tax benefits. They are cash payments made by a builder in order to get a project constructed and like most other taxes and interest, have always been deductible under the Internal Revenue Code. To classify them as a "tax preference" is unrealistic.

Mr. Chairman, I have outlined the two proposed amendments which go beyond the area of reasonable tax reform. I urge my colleagues vote them down tomorrow when they are offered.

Mr. COTTER. Mr. Chairman, the bill before the House today is a reasonable first step in the area of tax reform. As a member of the Ways and Means Committee, I can attest to the long hours and detailed analyses that went into this bill. However, I must admit that I do not agree with all the committee's decisions and will vote for several amendments to correct what I believe are oversights in the present bill.

First and foremost, there is an overwhelming economic need to continue the individual tax cuts and the business tax cuts for the next year. Although our rate of economic recovery during the third quarter was a brisk 13-percent growth in the real GNP, most recent economic analyses indicate that this rate of growth will slow appreciably in the first several months of 1976. Without this continuation of individual and business cuts, we could slide back into the recession that has gripped our economy for the last several years. We cannot allow this to happen. This $15 billion stimulus in this package is essential to our continued economic recovery.

I mentioned that I disagreed with some of the aspects of the bill. The efforts at tax reform in this bill focused on specific areas—especially real estate that is suffering from an economic condition that can be fairly described as a depression. After initially supporting the concept of LAL to attack what were described as abuses, I became convinced that this approach was, and is, economically counterproductive. I sought to strengthen the minimum tax as an alternative and presently favor the approach of a minimum taxable income—MTI. Unfortunately, the committee did not work to refine this concept enough to assure that wealthier citizens would pay a fairer share of the tax burden. Therefore, I was happy to work with my colleague from Oklahoma, Jim Jones, to strengthen the MTI concept which would raise $866 million over present law and add between 150,000 and 200,000 taxpayers to the tax rolls. Therefore, I intend to support the MTI concept.

Since the Jones amendment will come up after several votes on LAL, I intend to support the committee's approach which would keep out the property-by-property requirement in LAL for treatment of real estate. Under the LAL concept for real estate as presently in the bill, it is important to note, and to stress, that real estate losses can only offset real estate income—not outside income. Given this limitation, which is the key objective of LAL, the property-by-property approach can only put a further damper on real estate investment. Multifamily housing starts have dropped below last year's 1.3 million figure, and nonresidential construction is off more than 17 percent. The unemployment rate in the construction industry is hovering around 18 percent.

I will vote against the individual loss carryback provision, the so-called Perot amendment, as I did in committee. My major objection to this amendment, aside from the revelation that it would aid one taxpayer, is that this approach would favor the very wealthy since only persons with capital losses over $30,000 would be able to carry back these losses for 3 years against their capital gains. This means that only the very wealthy would have this option and this provision has no place in this bill.

During the debate on the withholding of U.S. taxes on the portfolio investment of foreign individuals, I initially believed that the removal of this 30-percent tax would encourage foreign investment. After careful reconsideration of this issue, I now believe that this tax should remain in place and be used as a part of our ongoing effort in our overseas trade negotiations. Therefore, I will vote to strike this provision from the bill.

As I noted before, I favor a strong MTI approach over LAL because it covers more individuals. But, if the House decides to go with the LAL approach, I will support the amendment to strengthen the existing minimum tax. This amendment would remove the deduction for regular income taxes paid and "net it" those preference items that escape LAL. This approach would add over $376 million in additional revenues and would increase the tax liability of the very wealthy individuals.

I do intend to vote for the MTI amendment.

I have mentioned that it will cover more taxpayers and add over $866 million in new revenue. I do realize, however that this is $200 million less than the committee bill, but it is a fairer approach since it does not single out any specific industry. Further, I am glad to see that Congressman JONES has specifically included a deduction for charitable contributions from the computation of the tax preference base. This will assure that our charitable institutions will not be adversely affected by the MTI approach.

During the deliberations of the committee, we spent many hours on DISC. After an extended debate, the committee decided to provide a base year export floor to encourage added exports. Only these additional exports will be eligible for DISC treatment. There is one aspect of the committee's decision that I challenged in committee. On an extremely close vote, 17 to 16, the committee voted to exclude military sales from DISC treatment. The majority felt that military exports were essentially "noncompetitive" and therefore should not be eligible for DISC treatment. I do not agree with this view at all. Some Members may find military export sales—which were over $12 billion last year—abhorrent, but I must hasten to remind them that such sales are carried out under the guidance of our State Department and Defense Department and are in large measure responsible for our favorable balance of trade.

Therefore, it is my position that such military sales, which are competitive with other foreign manufacturers, should be eligible for DISC treatment. Of course, DISC benefits could not be available if the Department of Defense is the sole agent, as they are not under present law—but in areas of true competition where U.S. corporations are competing with foreign corporations there is no legitimate reason to prohibit DISC benefits. Aside from this, I intend to support the committee's original proposal.

On the whole, this bill presents, as I have mentioned, a first step toward comprehensive tax reform. The strong points as I see them are:

Extension of individual and business cuts.

The restructuring of the retirement income credit which will mean over 2.4 million elderly citizens will use this credit.

The strengthening of the existing minimum tax by providing for a rate increase from 10 percent to 14 percent and the limiting of the ability to offset regular income tax against preference income. This minimum tax will raise $1 billion by 1977.

The increase of allowable moving expenses and the tightening of the treatment of business use of home and the deductability of foreign conventions are beneficial additions to the tax code.

The liberalization of the IRA plans to allow workers to participate in an IRA up to the IRA limits if their companies do not do so, is also a beneficial addition to the tax code.

Under the administrative provisions, I worked for the removal of two excise taxes that have been placed against State lotteries, but have never been enforced. Under the new provisions in the committee bill, these taxes will be removed, but at the same time, State lottery winnings over $1,000 will be subject to a 20-percent withholding tax. The State lottery in my State will be essential to overcoming a projected $80 million deficit in our Connecticut State budget and I do not believe that we can allow these excise taxes to jeopardize this source of State revenue.

I am pleased that the committee decided to make available private letter rulings which have been a source of "hidden tax law" for many years. However, I am glad that the committee correctly directed IRS to remove personal information before making such rulings public.

There are a number of other provisions which I do not support but on balance, this bill is a reasonable downpayment on comprehensive tax reform. After experiencing the many weeks of markup in committee, I am now convinced that wholesale tax changes cannot be made hastily and I find myself in agreement with the committee decision to place two of the most complex areas of the tax code—capital formation and the treatment of foreign source income—into two special task forces that would be required to report their findings to the full committee in the near future. I am confident that the Ways and Means Committee will generate additional legislation to clear up inequities in the tax code and that Members in the House will be given every opportunity to evaluate these changes.

Therefore, Mr. Chairman, I would urge my colleagues to support the rule and after voting on the amendments, to support this needed legislation.

Mr. BAUCUS. Mr. Chairman, while the members of the Ways and Means Committee are to be commended for their diligent work on the tax reform legislation before us now, I note that one area is conspicuously absent from the bill. This area is housing.

A recent report in Realtor newsletter indicates that housing starts in the third quarter of this year were off 4 percent from a year ago. And, remember, last year was no bumper crop. Indeed, recent estimates by the National Association of Homebuilders call for 1.2 million housing starts in 1975—the lowest production in 15 years. To add to these troubles, sales of existing single-family homes continue to be the most active segment of the real estate market. This means that prices are forced up for existing housing while relatively little new construction is being started.

More and more people are being priced out of the market. To deal with these problems, I think that the Federal tax structure must, at a minimum, take into account our national housing needs.

I am reluctant to state once again the litany on national housing production. But I feel I must. For, after all, facts are facts, and we are proceeding as if we do not have the benefit of these facts.

The 1968 Housing Act established a 10-year total of 26 million new housing units, or an average annual level of 2.6 million. In no year since the enactment of that goal have 2.6 million units been built. Actually, progress toward that goal is slowing dramatically. As I noted earlier, current projections for 1975 set the figure at 1.2 million—less than half the annual goal.

In my State alone, there are 1,250 timber workers either unemployed or underemployed. In addition, 5 mills have already closed and more are expected to shut down in the near future. Another example of how bad our housing recession is in Montana can be found in the building trades. The other day I learned that 60 percent of the electricians in the State are unemployed.

If Montana reflects what is happening across the Nation, and I think it does, then everything possible should be done to help the Nation out of its economic slump and its depressed housing situation. Moreover, a stimulus to housing production is far less potentially inflationary than general tax cuts.

The tax credit of $2,000 for purchase of new housing, which was provided for in the 1975 Tax Reduction Act, was not extended in the current bill. Apparently, there is some question as to how effective the credit was as an incentive to purchasing homes. Secretary of HUD, Carla Hills, using figures from the Federal Home Loan Bank Board, testified before the Banking and Housing Committee that the tax credit was not at all useful and that only some 35,000 units were sold.

However, the National Association of Home Builders conducted its own survey which showed that 480,000 units qualified for the tax credit and 210,000 of these units were sold.

It is too late in this round for the House to extend the housing tax credit. However, I do hope that the Senate will see fit to do something when it gets this bill. It could extend the tax credit for new home purchases for at least 3 to 5 months so that we can further deplete the surplus eligible units. Or, it could suggest a more uniform tax incentive for housing production.

Whatever is to be done, must be done quickly. Business and labor are retrenching in the housing field. People are transferring their skills and capital out of housing construction into other industries that are less acutely affected by the business cycle. Let us stop this exodus before the housing industry is rendered impotent to meet our national housing needs.

Mr. STARK. Mr. Chairman, at this time I rise to announce my support of the amendment to be offered by my colleague, Mr. CORMAN, to strengthen the minimum tax.

We all probably know by now that the minimum tax was enacted in the Tax Reform Act of 1969 after a departing Secretary of the Treasury revealed that in 1967 there were 155 individual tax returns with adjusted gross income over $200,000 on which no Federal income tax was paid, including 21 nontaxable returns with income over $1 million. Yet, my colleague, Mr. VANIK, still finds it necessary to publicize the fact that, according to IRS figures just released, in 1973, 292 individuals with income of between $200,000 and $500,000 paid no tax and 7 with incomes exceeding $1 million fared the same way.

I am proud to say that our bill contains provisions which should go a long way toward whittling down these persistent, dismal statistics. Even if the bill becomes law, many types of loophole or preference items, as they are called, will still escape tax. Mr. CORMAN's strengthening amendment will complete the task of eliminating the unjustified deduction for regular taxes paid.

This deduction is currently allowable in calculating the sum of loophole items subject to the additional, minimum tax. Adoption of this amendment would produce a revenue pickup of $376 million. This revenue gain will result from tax increases for only about 120,000 wealthy individuals. They represent less than fifteen one-hundredths of 1 percent of all taxpayers.

I want to dispel the confusion that has arisen concerning the additional loophole items that are added under the first part of our amendment to the group of items presently subject to the minimum tax. Basically, the new items are the ones that are not covered by LAL. Specifically, these items are: First, construction period interest and taxes on real estate; second, accelerated depreciation on personal property subject to a lease; third, intangible drilling expenses, including those for exploratory and developmental wells but not for dry holes; and fourth, depreciation on player contracts acquired in connection with a sale of a sports franchise.

Recall that LAL does not repeal special deductions used to create artificial losses; it simply does not allow them to be deducted against unrelated income. These same deductions would still be available, however, to produce tax-free related income. Only to the extent that such income escapes regular taxes because of these special deductions would that income become subject to the minimum tax under the amendment. Thus, contrary to what the Treasury has said, no duplicative effect can result. I see no reason to allow someone to escape a minimum tax on certain items just because that individual is taxed equitably on the balance. Only by eliminating the deduction for regular taxes paid can we have a minimum tax that covers all the loophole items which are supposed to be covered by that tax.

Mr. SCHNEEBELI. Mr. Chairman, I have no further requests for time and yield back the balance of my time.

Mr. ULLMAN. Mr. Chairman, I will take only a minute before yielding back the balance of my time.

Mr. Chairman, let me say that it will be the purpose of the committee now to conclude debate, come back in the morning and proceed with the amendments under the rule. I would urge all the Members to carefully study the record. The rule provides 5 minutes for and 5 minutes against each of the amendments. Therefore, I hope that the Members will carefully study our proposed amendments this evening and in the morning because of the limitation on debate.

Mr. SCHNEEBELI. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Pennsylvania.

Mr. SCHNEEBELI. Mr. Chairman, I take this time to ask the gentleman from Oregon if the gentleman is aware of what the procedure will be; what is the time schedule? Are we up first or where do we stand?

Mr. ULLMAN. The leadership will have to make that decision. It is my understanding, however, that there will be one matter, a continuing resolution before the House first begins on this.

Would the gentleman from California care to respond to this?

Mr. McFALL. Mr. Chairman, if the gentleman will yield, the schedule for tomorrow is that we will have the continuing resolution first and then start and finish this matter now under consideration and take the Labor-HEW conference report. Those are the three matters under consideration.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the distinguished Speaker.

Mr. ALBERT. Before any other arrangement was made, there was agreement with the chairman of the Committee on Appropriations earlier that we would take it up the first thing tomorrow morning. We are hoping to come in at 10 o'clock.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I would like to inquire of the distinguished ranking minority member whether there is any decision made at the present time concerning a motion to recommit.

Mr. SCHNEEBELI. No; I have not consulted with our leadership.

Mr. VANIK. It would be helpful if the Members of the House would have an opportunity to examine that overnight.

Mr. ULLMAN. Mr. Chairman, the Members can rest assured that this bill before us has been carefully considered, carefully drafted, under the very high traditions of the staff of the committee and of the joint committee. The amendments that we will consider have also been carefully considered, carefully drafted, printed in the RECORD. Therefore, this represents a responsible approach, an alternative approach, to taxation.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I rise in opposition to the tax reform bill as it was reported by the Ways and Means Committee. In its current state, it makes a mockery of the word "reform" and does virtually nothing to cure many of the basic economic ills facing our country today. In fact, in several areas the bill serves to make the economic difficulties we are currently experiencing more severe rather than to mitigate them.

One of the most obvious problems with this bill is the absence of a spending ceiling to complement the tax cuts. Such a limitation on expenditures is absolutely necessary. For years, the Federal Government has been living with budgets which have been sinking deeper and deeper into the red. Our public debt has been rising recently in the same fashion, with well-known adverse effects on the capital markets of our Nation, where huge Federal debt offerings compete with the private sector for funds. It is curious to watch how many new governmental programs have expanded in recent years at about the same rate that the revenue base is being eroded. It seems to me that this bill is one more proof that the congressional majority's enthusiasm for making reductions in taxes is matched only by its reluctance to act responsibly in limiting spending and making hard choices among the programs which is implicit in any such limits. Political expediency, it appears, has again taken precedence over sound economic judgment.

The alarming growth in power and influence of the Government and bureaucracy must end somewhere. Sometime the Congress must begin to learn to exercise self-discipline in the financial affairs of our Nation. Mr. Chairman, now is that time.

The President has given us a program that would balance tax cuts with appropriate reduction in Federal spending. This type of program which would limit the growth in Federal spending to $25 billion from fiscal year 1976 to fiscal year 1977 and limit overall Federal spending to $395 billion, is the first step in bringing the burgeoning growth of profligate Government spending and bureaucracy under some control.

This tax bill is dealing with extremely large reduction in a period of time when the Federal Government is already substantially in deficit and is expected to continue in a condition of extreme deficit into next year and probably several years yet to come. We all know that the economy itself is in a very precarious state, and the reported economic recovery is being challenged by many observers. In such circumstances, it is difficult for me to believe how we can consider this type of legislation that calls for large cuts in the Federal revenues without addressing the question of putting similar limits on Federal spending.

Apart from the issue of tax cuts lacking similar reductions in Federal spending, there are other major defects in this bill. One of them is the conspicuous absence of any provisions that would promote capital formation in this country.

Throughout much of this year and indeed throughout the bulk of the Ways and Means Committee hearings on tax reform, much time, energy, paper, and ink were used to discuss the need for capital formation in our economy. Studies by the New York Stock Exchange, the Chase Manhattan Bank, Data Resources Inc., and others have indicated the magnitude of our capital needs in coming years and the serious problems in financing them.

When the Ways and Means Committee began their hearings on this bill, it was thought by all that the 1975 "tax reform" efforts would produce constructive results to alleviate the capital drains on the economy and promote capital formation. Unfortunately, their efforts fell dismally short of this goal. Only 1 day was devoted to capital formation in the markup sessions and even then the provisions for capital formation that were included—extension of the investment tax credit, and the temporary increase in the corporate surtax exemption—only give token attention to this serious problem.

The committee's decision to apply limitations of artificial accounting losses—LAL—to certain industries is also disheartening. Such an action was made with little or no regard for its economic implications. It appears that the majority's zeal for closing so-called tax loopholes or shelters exceeds their desire to understand the role these tax incentives play in stimulating economic growth and creating more revenue. It is beyond belief to consider that the three areas that this bill would subject to LAL provisions—real estate, farm operation, and gas and oil drilling—are precisely the areas where the most encouragement for growth and expansion are needed.

All of these enterprises are very risky operations, particularly farming and oil and gas drilling. The chance for eventual profit is small and as a result tax incentives of the type that this bill would eliminate are desperately needed to provide the risk capital required in these fields. Without such incentives, the capital will certainly dry up; and, as we all know when capital dries up, so does growth, expansion and economic prosperity.

In today's precarious economy, it is difficult for me to support a measure that would further weaken industries that play such vital roles in our economy. Our construction industry, our food supply, and our sources of energy cannot be forced to bear the economic effects that this bill would bring upon them.

In sum, H.R. 10612 is a half-hearted attempt at tax reform, indeed it could be called—as one of my colleagues has said—more of a "tax relax" bill than a tax reform bill. The lack of a spending ceiling, the absence of capital formation incentives, and the biased treatment against farming, gas and oil drilling, and construction are only three of the major problems with this bill. It should be defeated in its present form.

Mrs. HOLT. Mr. Chairman, it is very tempting to vote for a tax cut, especially with an election year coming on, but the relevant question is whether H.R. 10612 is an authentic tax cut.

Early this year, this House approved a large tax cut and then voted repeatedly to increase spending by large amounts. I have voted consistently against this ruinous policy that heaps the woes of inflation on the people.

Now we are asked to consider a $13.4 billion continuation of the tax cut for 1976, but the majority of this House has refused to consider an amendment that would reduce spending by an equivalent amount.

The political game of reducing taxes and increasing spending will cause serious economic damage. The only responsible way to reduce taxation is to cut spending by an equivalent amount. The tax cut only pretends to give the people something. In fact, it offers nothing except more unearned paper that buys less and less.

This is not authentic tax relief. The people will be forced to pay a terrible price for the illusion of a tax cut.

I would be eager to vote for an honest tax cut that reflects a reduction in spending. I cannot vote to cut taxes and increase spending.

The Federal budget deficit is already nearing $80 billion for this fiscal year. It is madness to reduce taxes without cutting spending.

There are certain other ornaments in this tax legislation which are something less than desirable. For example, one wonders why the movie industry is being singled out for special loophole benefits.

Also, there are special new tax deductions that benefit Congressmen, who would be able to deduct their away-from-home living expenses.

Already this year the Congress has voted to include itself in cost-of-living pay raises for Federal employees, charge the taxpayers for constituent newsletters, and increase congressional staff allowances.

I voted against all of these extra goodies for Members of Congress, and I do not think it proper to be giving ourselves a tax loophole. This House is rapidly becoming a special interest group.

Mr. SANTINI. Mr. Chairman, although I am supportive of the concept of tax reform and feel it is important to our economic recovery, I must point out a serious reservation I have about a certain provision of H.R. 10612 which we are considering today.

Section 1207 of this bill contains a provision which would impose a 20-percent withholding tax on all gaming winnings of more than $1,000 when the odds exceed 300 to 1. This affects more than my State of Nevada which has various forms of legal gaming. The provision would also include winnings in horse and dog racing, lotteries, wagering pools, sweepstakes, and many other forms of legal gaming in other States. It would even affect winnings in church and civic raffles, if you can believe that.

This provision, I believe, represents an unwarranted intrusion by the Federal Government into the legal territory of the States. In addition to it being a flagrant example of a Federal power grab, the provision bothers me for another reason. It would force the State or the owner of the gaming establishment to collect the 20-percent tax on the spot. This is unfair for a number of reasons. First, why should Nevada's legal gaming establishments—and for that matter, why should any establishment—be forced into a position of collecting the taxes for the IRS? It is difficult to envision a law in which a private entity becomes the extension of the IRS, but this is what, in effect, this bill would do.

Secondly, a bettor may lose several hundreds of dollars before winning the $1,000 or more. To withhold 20 percent of the winnings on the spot without consideration of losses would be patently unfair. Operators of the legalized gaming operation in Nevada have voiced their strong opposition to this provision because, understandably, it would seriously impair the attraction of legal gambling. Anyone who was lucky enough to hit a $1,000 winning would then be unlucky enough to receive 20 percent less, and be faced with filling out a report on the winnings for the IRS.

The committee report on this section requiring IRS data reads:

> The person who is to receive payment of the winnings subject to withholding would be required to furnish the payor with the name, address, and taxpayer identification number of the person receiving the payment and of each person entitled to any portion of such payment under penalty of perjury.

IRS would no longer accept the information return on such payouts which are filed on form 1099 with the Treasury Department.

There is another reason I strongly oppose this gaming section of the tax bill. There is a serious question whether such a tax would have any impact on the revenue for the Federal treasury. On page 297 of the report on this bill, it is stated:

> Although most wagering transactions have no tax significance since the majority of bettors end up the year with no net wagering gains, the special types of wagers mentioned above represent unique and occasional windfalls that generally produce significant tax liability.

I do not know the authority for this language, as no committee hearings were held on section 1207. One thing I do know is that the majority of bettors end up the year with no net earnings. I also have sound reason to believe that all but 15 percent of the winners of such wagers report their winnings.

If this provision guaranteed millions of dollars per year for the U.S. Treasury—which it does not and cannot—then possibly some Members would be inclined to support it. But even the IRS will admit that the impact on revenue will be negligible.

Finally, this provision is not only unnecessary and burdensome but it is also premature. In 1971 Congress established a Commission on the Review of the National Policy Toward Gambling. Congress appropriated $3 million for the Commission to conduct a comprehensive examination of the implications of all forms of gambling in this country, including the problems of taxation. The Commission—made up of seven Members of Congress—four from the House and three from the Senate—and seven other private members appointed by the President—is to report its findings to Congress and the President in October 1976. Many Commission hearings have been held, the most recent on Nevada where I testified on the abuses of the IRS in overseeing the legal gaming industry. Over 200 witnesses have been heard by the legal gaming industry commission.

I believe any action taken by the Congress this year on major tax legislation affecting the gaming industry would be premature. We should wait for the Commission to report its recommendations.

Because there is an open modified rule on this bill, I regret that there is nothing we can do to alter section 1207 on the House floor. But I wanted to point out to my colleagues the inherent dangers that this section imposes, and to inform them that everything possible will be done on the Senate side to see that this damaging section is eliminated from the tax reform package.

Mr. ASHBROOK. Mr. Chairman, I rise in strong opposition to H.R. 10612, the so-called Tax Reform Act of 1975. It would be irresponsible for the House to approve this legislation.

As my colleagues will recall, I voted against the previous tax reduction bill. It seemed ridiculous that the House would consider a tax cut proposal unless a corresponding cut in Federal spending went along with that proposal. It seemed absurd that we would vote to reduce the revenues of the Federal Government when the budget deficit was already hitting record levels.

H.R. 10612 continues this reckless policy. Once again we are offered a tax cut with no provision for a spending cut. Although the budget deficit is soaring to new heights, this bill completely ignores the need to curb Federal spending. In fact, the House will not even be permitted to vote on a spending reduction proposal.

What we have here is the work of an irresponsible liberal majority. Most of the liberal politicians applaud the idea of a tax cut. They decry, however, cuts in spending. They hold out the false promise of free money for everyone but don't tell us where the money will come from.

I guess the liberals believe that such a stance is politically popular. It may be good political rhetoric, but it is very dangerous economics.

If there are to be any tax cuts, there must be cuts in Federal spending as well. Increasing the size of the deficits will not solve our problems. It will only make them worse.

The anticipated $70 to $80 billion deficit for this year cannot be continued without great cost to every American. Such deficits fuel the fires of inflation. Tax cuts are of little benefit if they add to inflationary pressures. Inflation, after all, is a devastating form of tax. It not only destroys the purchasing power of everyone's dollar today but robs savings of their value for tomorrow.

The Congress should learn from the examples of New York City and Great Britain. Fiscal irresponsibility does catch up with nations and the cost is great.

Also unacceptable is the failure of this bill to address the problem of capital formation. Investment capital is essential for a growing economy. It is a key ingredient in creating new jobs for Americans.

The high rate of Federal borrowing, however, is drying up the capital market. In order to finance its staggering deficits, the Federal sector is borrowing approximately $0.60 out of every dollar being borrowed today. As a result, private borrowers are being crowded out. Not enough money is left for loans to finance business expansion and industrial growth.

If this trend continues, economic stagnation, unemployment, and a declining standard of living will become permanent fixtures in our society. As history has shown, national prosperity is directly tied to increases in per capita investment. We cannot hope to raise our standard of living or provide jobs for our growing population without making increased investments in new and expanded plants and machinery.

We will also find ourselves noncompetitive with the other industrial countries of the world. In fact, of the 11 major industralized nations, the United States has the lowest share of national output devoted to fixed investment.

The problem of capital formation is too important to be ignored. The committee's failure to deal with this issue is extremely shortsighted and will have a very harmful impact on our economy in the years ahead.

I am also disturbed by the way this bill has been brought to the House floor. Frankly, it is a procedural monstrosity. As I mentioned earlier, under the rule requested by the Ways and Means Committee and adopted by the Rules Committee we will have no opportunity to vote on a spending limitation proposal.

In fact, the minority Members cannot offer any amendments to this bill. On the other side of the coin, however, the rule permits seven amendments to be offered by the majority Members. This hardly meets any standard of fairness.

Mr. Chairman, H.R. 10612 is an irresponsible piece of legislation. It is defective substantively and procedurally. I urge that it be soundly rejected by the Members of this body.

Ms. HOLTZMAN. Mr. Chairman, I rise in support of passage of the Tax Reform Act of 1975, H.R. 10612. The tax reductions and simplifications provided for low- and middle-income Americans in this bill are important to help these taxpayers fight inflation and in order to speed the recovery of the economy and reduce unemployment.

I am very concerned that the tax burden on low- and middle-income taxpayers be reduced and that wealthy citizens pay their fair share. I am disappointed that the Tax Reform Act does not go very far toward achieving these goals. The Budget Committee asked that a modest $1 billion in tax loopholes be closed. This bill closes only $750 million in tax loopholes. Much more could and should be done to make our taxes fairer.

There are several good provisions in the Tax Reform Act. The revision of the retirement credit in this legislation will benefit our senior citizens who have been seriously penalized by inflation. The current law is so complicated that it is estimated that only one-half of the eligible elderly people apply for the credit. The Tax Reform Act considerably simplifies the requirements for filing and liberalizes the deduction so almost 2 million more people may become eligible.

In order to qualify for the retirement credit under current law, the senior citizen must have earned $600 for each of the previous 10 years. This requirement is eliminated under the Tax Reform Act. The amount of retirement income on which the deduction may be calculated is raised from $1,524 to $2,500 for a single person and $2,286 to $3,750 for a couple. Currently a person over 65 may only obtain a credit on earned income only up to $1,200 and 50 percent of earned income from $1,200 to $1,700. The revised law would allow a credit of 50 percent of the senior citizen's adjusted gross income up to $7,500.

The bill also provides incentives for working people to get broader pension coverage. It allows persons covered by a pension plan set up by their employer to make tax-deductible contributions to a supplementary individual plan. This revision, however, does not apply to anyone covered by a government pension plan. It is a serious omission which should be corrected.

The Tax Reform Act also helps working mothers by allowing an additional 2 million families to receive a tax benefit for moneys paid for day care. By changing the day care deduction to a tax credit, it will now be available to low- and middle-income taxpayers who use the standard deduction.

Several important provisions protect the civil rights of taxpayers. The IRS must explain to the taxpayer any changes it makes on a tax return when it claims taxpayer error. The IRS is forbidden from selling a person's property seized for tax assessment until judicial review of the case is completed. The IRS must notify the taxpayer if it is requesting information about the taxpayer from others, such as accountants, bookkeepers, and so forth. The taxpayer may notify the person summoned not to respond, and the matter would then have to be determined in a court.

Some needed steps toward achievement of tax equity have been taken in the bill: limitation on the artificial losses that can be set off against other income; closing loopholes for vacation homes, stock options to top executives, deductions for business person's foreign travel, and taxation of income earned abroad.

I intend to support several amendments to eliminate tax loopholes and strengthen this bill: an increase in the minimum tax on rich people's income; deletion of tax giveaways to foreign investors in the United States; elimination of a capital loss carryback that would benefit Ross Perot, one of our richest taxpayers; limitation on large tax benefits given to Domestic International Sales Corps.—DISC's—for income earned on exports.

Although some progress is made in this bill, we still have much further to go in order to achieve true tax reform to see that all income groups carry a fair share of the tax burden, and thereby to lighten the tax load on working and middle class people.

Mr. ULLMAN. Mr. Chairman, when we get back into the House, it will be the intention of the Chairman to ask permission for all Members to extend their remarks. There being no further requests for time, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Mr. ULLMAN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. Natcher, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10612) to reform the tax laws of the United States, had come to no resolution thereon.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that I be permitted to revise and extend my remarks, and to include extraneous matter, and that all Members may have 5 legislative days in which to revise and extend their remarks on the bill on which debate has just been concluded and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. tomorrow, Thursday, December 4, 1975.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE ERDA BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Dingell) is recognized for 15 minutes.

Mr. DINGELL. Mr. Speaker, on Tuesday of this week, the House-Senate conferees approved the ERDA bill—H.R. 3474—authorizing over $5 billion in appropriations for nuclear energy, nonnuclear energy, and nuclear weapons for fiscal year 1976. According to a conference committee summary, substantially less than $1 billion was authorized for nonnuclear energy, as follows:

Fossil energy, $497.8 million.

Solar energy, $172.5 million.

Geothermal energy, $56.3 million.

Energy conservation, $156.2 million.

The bulk of the authorization is for nuclear activities, including nuclear weapons. All of these amounts appear to be very close to those authorized by the House when we approved the bill back in June.

But, Mr. Speaker, two new nongermane provisions, sections 102 and 103, were added to the bill by the other body last July and the conferees have included them, in greatly expanded form, in the conference committe bill ordered to be reported on Tuesday, December 2.

One of these, section 102, is a raid on our Nation's public lands. It changes our mineral leasing laws and lets one company build a commercial operation on public lands free of any bonus payment and free of any rents or royalties during the initial period, which may last several years. In fact, it will benefit only one company—Occidental Oil Shale, Inc., a subsidiary of Occidental Petroleum Corp.—the chief proponent of section 102. This section was never considered by the House or any committee of the House.

But, Mr. Speaker, one section of the ERDA authorization bill which also was never considered by the House or any committee of the House increases the potential cost of that bill by more than $6 billion. This is section 103.

This section authorizes ERDA to provide up to $6 billion in guarantees of obligations to build a dozen or more "commercial" oil shale and gasification and biomass plants which will produce probably less than 350,000 barrels of oil per day or its equivalent.

Who are the chief beneficiaries of this $6 billion giveaway? None other than those great and benevolent giants of our energy supply industry—the oil and natural gas pipeline companies. Those wonderful, consumer-oriented bastions of free enterprise are seeking a $6 billion handout from the Public Treasury to finance ventures that they find too risky to finance themselves out of corporate assets. I mentioned some of them in my November 11, 1975 remarks in the second budget resolution (See Congressional Record pages 35974–35977. But they bear repeating:

> Pacific Lighting Corp. and Texas Eastern Transmission Corp. who want to build a coal gasification plant on the Navajo Indian Reservation in New Mexico. The Wall Street Journal reports that Texas Eastern had a heavy hand in writing the section.
>
> American Natural Gas System sponsors a coal gasification project in North Dakota.
>
> Another possible beneficiary is El Paso Natural Gas.
>
> In the oil shale area, the Colony group, composed of ARCO, Ashland Oil, Inc., Shell Oil Co., and TOSCO, want to build a plant in Colorado. TOSCO also had a heavy hand in the legislation.
>
> Another possible Shale beneficiary is the Paraho Oil Shale Project whose participants are ARCO, Carter Oil (Exxon), Chevron Research (Standard of California), Cleveland-Cliffs Iron, Gulf Oil, Arthur G. McKee, Mobil Research, Phillips Petroleum, Shell Development, Soho Petroleum, So. Calif. Edison, Standard Oil Co. (Ind.), Sun Oil, Texaco, Webb-Chambers-Gary-McLoraine Group.

I think it important to point out that these companies have formed joint ventures and subsidiary corporations whose only assets will be these projects, so that if they fail, the parent company will not be liable for the project debt. Many of them could clearly finance such a project by pledging corporate assets, but they do not want to risk those assets. They want the taxpayer to assume this risk.

Last week, President Ford endorsed short-term loans for New York City, instead of loan guarantees. When asked why, he replied that loan guarantees would give the Federal Government little "control." For the city of New York, the President wants Federal control.

But that is why these oil and gas giants like the guarantee approach. It affords little "control" over their operations.

What is President Ford's attitude to loan guarantees for private enterprise? As I noted last month, he has not spoken for or against this proposal. But, he has endorsed $100 billion in loan guarantees for private energy enterprises and his OMB and ERDA spokesmen are lobbying heavily to pass this $6 billion giveaway.

In addition to the oil and gas companies, who else benefits? The lenders. And who are they? Why they are the bulwark of our financial institutions, the Wall Street investment houses, like Dillon Read and Company, Inc., which is financial adviser to American Natural Gas Co.—which wants to build a high Btu gasification plant and which, through its investment banking relationship with Texas Eastern, is involved in the WESCO project, and the banks like Chase Manhattan. These great institutions have sought and got some considerable changes in section 103 as it passed the Senate according to the November 28, 1975, committee print of the bill made public earlier this week by the conferees

For example, the bill now explicitly pledges the full faith and credit of the United States, provides a revolving fund, authorizes ERDA to borrow from the Treasury, provides liberalized provisions for insuring payment to lenders in case of default, limits recourse to project assets with no recourse to the parent corporation, and authorizes payments of principal and interest in order to prevent default. These provisions, among others, were not in the Senate version of section 103.

To its credit, the House Science and Technology Committee could not swallow section 103 when it passed the Senate and the distinguished chairman of that committee, Olin E. Teague, ordered a series of hearings on the measure. Those hearings raised many more doubts about the wisdom of this proposal and resulted in the introduction of H.R. 10559, which was referred to Chairman Teague's committee and the House Banking and Currency Committee for consideration by the House. That bill contains some safeguards, but also greatly expands the original measure and establishes some new precedents.

The conferees have accepted some of those safeguards for cosmetic purposes and all of the expanded provisions and expanded on them.

One safeguard in H.R. 10559 was a provision requiring ERDA to obtain written comments from the Attorney General and the FTC about the competitive impact of giving, for example, a guarantee for the WESCO project and letting two natural gas transmission companies get a huge leg up in the development and production of artificial gas. The provision added that if either agency recommended against approval of such a guarantee on competitive grounds, ERDA could not approve "without the express approval" of Congress.

The conferees adopted that safeguard in part. They changed the last crucial clause. The bill now provides that if the FTC or Department of Justice recommends against approval, ERDA can still approve the guarantee if the Administrator determines that the project is in the "national interest." No criterion is established for making this determination by an R. & D. agency which has no expertise in competition or antitrust matters. This is clearly outrageous.

One expansion area was the community assistance proposal of H.R. 10559. That bill recognizes that these plants will adversely impact communities and provide guarantees of community obligations and up to 80 percent loans to provide needed public facilities.

The conferees agreed, but now the bill provides up to $350 million, out of the $6 billion, in guarantees of municipal obligations and municipal taxes and up to 100-percent loans with no dollar limit per loan or for total amount of loans, and an interest differential subsidy to communities for the difference between tax exempt and taxable bonds.

Mr. Speaker, the $6 billion provision in the ERDA bill is fiscally irresponsible in times of high Federal deficits. The distinguished Chairman of the House Appropriations Committee, Mr. George Mahon (see Congressional Record of Dec. 1, 1975, pages 37876–37889), clearly recognized this the other day. While there is some control required through appropriations, that control is minimal. Moreover, it is only the beginning. For on October 22, 1975, ERDA sent a draft bill to the Speaker asking for authority to provide up to $4.5 billion in price supports and $600 million in construction grants "for a commercial demonstration program—in conjunction with the loan guarantee incentives of section 103." That bill has not yet been referred to any committee.

Thus, we are in reality being asked to approve the beginning of what could amount to more than an $11 billion giveaway to private enterprise without any prior consideration by this House and without an opportunity to change one word in section 103.

Indeed, we are being asked to approve a major, new program of commercialization of synthetic fuels in an R. & D. bill without any opportunity to amend sections 102 or 103 because the other body and a few industry-government lobbyists want it.

In my judgment, this is wrong and if these two sections cannot be excised on the floor through separate votes, then the entire conference report should be rejected. Remember, it provides little more than $228 million for solar and geothermal energy and $156 million for energy conservation, while providing a whopping $6 billion to produce more energy from finite resources like coal and oil shale with all its associated environmental problems of stripmining and pollution. The contrast is remarkable.

Mr. Speaker, I understand two House conferees, Representative Ken Hechler and George E. Brown, Jr., wisely voted to strike section 103. I commend them for recognizing this giveaway, how fiscally irresponsible it is and what little benefit it will provide in terms of new energy. I hope my colleagues will join them and oppose these sections on the floor.

At this point, I insert a November 1975 ERDA table showing the program cost to be as follows:

ANTICIPATED TOTAL COST TO GOVERNMENT (FISCAL YEARS 1976 THROUGH 2005), 350,000 BARRELS PER DAY PROGRAM

[Millions of dollars]

Financial incentive	Fiscal years 1976–81	Fiscal years 1982–2005	Total cost of program[1] fiscal year 1976–2005
Loan guarantees:			
Defaults (2 plants)[1]		$1,000	$1,000
Fee collected by Government (revenue) (1 percent annually, debt outstanding)[2]	($108)	(720)	(828)
Price guarantees (assumes $11 oil scenario)		1,100	1,100
Construction grants	258	242	500
Administrative (assumes $10,000,000 to $15,000,000 annually)[3]	74	240	314
Total cost to Government[4]	224	1,862	2,086

[1] From exhibit 1, 12 plants require $6,000,000,000 in loan guarantees. If 2 plants default then, at most, $1,000,000,000 would be lost.

[2] See exhibit 4 for fiscal years 1976–81. Calculation for 1982–2005 assumes average annual outstanding debt over the 24 years of $3,000,000,000.

[3] Fiscal year 1976–81 statistic from exhibit 4, and fiscal year 1982–2005 assumes $10,000,000 per year for 24 years.

[4] Fees are subtracted from outlays.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I will be glad to yield to my friend, the gentleman from Ohio.

Mr. VANIK. Mr. Speaker, I certainly want to commend the gentleman in the well for directing the attention of the House to this very intolerable kind of situation we find ourselves in and on which legislation is being drafted in conference and submitted to the House without hearings and without running it through the normal course of legislation.

Mr. DINGELL. I thank the gentleman for his remarks.

Mr. VANIK. Mr. Speaker, I certainly look forward to this future action, on the basis of the gentleman's alert and prompt attention to this matter. I hope that other Members of this body will certainly take part in the discussions before the Committee on Rules to insure that this legislation is returned in a manner that will give the House an opportunity, through its committee structure, to deal with the new areas of the legislation the gentleman has outlined.

Mr. DINGELL. Mr. Speaker, I thank the gentleman, and with his good help I intend to provide exactly that service to my colleagues.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to my friend, the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, could the gentleman enlighten us further? I understand that this Senate provision has been added without any hearings on the House side or without any hearings on the Senate side.

Mr. DINGELL. I am informed there were hearings on the Senate side.

Mr. OTTINGER. Mr. Speaker, if the gentleman will yield further, my information is that there were no hearings held on the Senate side.

Mr. DINGELL. Mr. Speaker, I thank the gentleman from New York for that information. That is certainly an example of the most shoddy kind of undertaking.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield further?

Mr. DINGELL. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my friend's yielding.

If the Senate provision were to pass and these loan guarantees amounting to some $6 billion were to become law, where would that money come from?

Mr. DINGELL. Mr. Speaker, first of all, I will inform the gentleman that $6 billion is the figure.

If there was default, the money would come from the Treasury. I would point out to my good friend and colleague that there is an additional $4 billion in loan guarantees and purchase authorities right behind that, which brings us very close to $11 billion or a little more. There is probably enough coming within the next two Congresses to obligate the Government of the United States to a figure in excess of $100 billion.

Mr. ROUSSELOT. Mr. Speaker, clearly the gentleman from Michigan (Mr. Dingell) is to be complimented for bringing this to the attention of the House and to the attention of the Members in the Chamber and also to the attention of the Committee on Rules, as I know he will.

My question, however, is this: If it were to go through without any hearings on either side, is it not true that under a Government guarantee program the money would have to come from the private market sector someplace to provide the financing?

Mr. DINGELL. The gentleman is correct, in reliance on the guarantee.

Mr. ROUSSELOT. Is it not true that we have just finished rather substantial discussions in this House this year about the fact that the private market money system is already heavily crowed and that this would merely derail money that might go to housing or to other projects?

Mr. DINGELL. The gentleman is fully correct.

Mr. ROUSSELOT. I point that out because it is a Government guarantee, and it might seemingly be more attractive to some of the banks and life insurance companies and other entities to put money in something with this kind of guarantee rather than into housing.

Mr. DINGELL. The gentleman is absolutely correct. It is going to disorient the money markets and give priority to thousands of expenditures the corporations themselves are not prepared to make, and thus it imposes an enormous potential additional liability on the taxpayers.

Mr. ROUSSELOT. I appreciate the gentleman's vigilance in making sure that this is brought to our attention.

I clearly think that we should make every effort to stop this appendage to legislation which has not been thought out and which we have not had time to carefully consider. Clearly, it might derail funding under a Federal Government guarantee program that might otherwise go to housing, to hospitals, and to other things.

Many of our cities are already crying that they are having trouble in getting municipal bonding placed.

Mr. DINGELL. The gentleman from California is correct.

Mr. ROUSSELOT. New York City is having extreme difficulties now in trying to rearrange and restructure its finances. I am sure the New York banks, which are already overburdened, would be called upon.

It is just incredible to me that this would be handled in such a way in the other body.

Mr. DINGELL. Yes, without the orderly processes of the House providing for the proper consideration of the question.

Mr. Speaker, I do commend and I do thank my good friend, the gentleman from California (Mr. ROUSSELOT).

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Speaker, I also commend the gentleman from Michigan (Mr. DINGELL) for bringing this problem to the House.

I have made a statement on the same subject today.

As a member of the Committee on Science and Technology, I join him in his strong opposition to this add-on. I want to tell him that in the Committee on Science and Technology there were many of us who were concerned about this. In the hearings that we held, every time we held a hearing on some aspect of this problem, after the fact we found new problems with it.

There are tremendous environmental problems. There is tremendous disruption to the communities that are going to be doubled and tripled in size, as boom towns are created. There are tremendous difficulties that are anticipated, including the diversion of capital and misdirected environmental priorities.

The cost of the program, as the gentleman has pointed out, is going to be tremendous. This is just the beginning. The administration has asked for $4.5 billion in price supports to make this program feasible, another $600 million in construction grants, $450 million in aid to the impacted communities. Then, of course, $100 billion would go immediately after this for further development.

This is a distortion of energy priorities and capital priorities. If it is considered at all—I do not think it should be, but if it is considered at all, it certainly ought to be subject to the orderly processes of the House.

Mr. DINGELL. I agree with the gentleman, and I commend him.

I would point out that if this program is good and was good enough in the past, then it is good enough to meet the orderly test of the legislative process so as to allow the House to have an opportunity to consider it, allow our committees the opportunity to consider it, and give us the opportunity to study the program, to take testimony upon it, and to consider it in an orderly, proper fashion so that we can find out whether it is in the public interest, how much it is in the public interest, whether the money is going to be wisely spent, whether the taxpayers are going to be fully protected, and all the other questions that comport with our high responsibility to the public purse.

NEW YORK SAYS "THANK YOU"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 15 minutes.

Mr. ADDABBO. Mr. Speaker, as one who represents New York City, I would like to say to my colleagues in the House of Representatives that I am more proud of them at this moment than I have ever been before.

I realize that for many of my colleagues a vote to help New York City was not a popular thing to do. But when the issue was put, a majority of the Members of this House voted in the national interest rather than in a narrow and parochial way. That takes courage, Mr. Speaker, and those of us who make our homes in New York City are grateful.

When the financial problems of New York City first began to surface last spring, the mayor and the Governor came to us in Congress asking for help. We Members from New York were willing to do everything within our power to help, but we told the mayor and the Governor that unless the case were made that helping New York City were in the national interest, the Congress as a body could not be expected to provide assistance not made available to other communities around this land.

In the long months since spring, that case was made to the American people, and in the end, the Congress of the United States, responded to that need. As a New Yorker, I must say that I am deeply saddened that this great city of ours has come to such a state of fiscal disorder. I am saddened by the troubles that face our citizens in the many months of austerity that lie ahead. But I am encouraged too that this time will pass away and that the future will one day shine brightly for the jewel of American cities.

But I am even more encouraged by the action of this Congress. The Members of this House could have sat on their hands and let the city default on its debts. That is what the President had suggested that we do not so very long ago. It would have been the easier course for many Members of this body to take.

But by our action today, the House of Representatives has again proved it is indeed the House of the people. We who serve in this body care about the people we serve, and as long as that holds true in America, we can surmount any difficulty, resolve any problem and hold our heads high.

The fiscal practices of the New York City in recent years and some of the fiscal gimmickry that found its way into use cannot be defended. But I say to all of the people of this land that these things are yesterday's wrongs. They are being eliminated, and in their place are being substituted the basic, open systems of fiscal management that will in time remove the blemishes from New York's affairs.

I have always been proud of the people I serve in Congress. Most of the people who live in my section of New York are hard-working, prudent, family-oriented people who seek only a chance to live their lives in peace and to raise their families with dignity.

The Congress of our Nation exists so that we may assist all Americans in attaining that goal of life. The farmers of America, the miners, those who live in all sections of our Nation deserve that basic right. For a long time now, the 8 million Americans who live in New York listened to the rhetoric coming from Washington and wondered whether they had somehow been removed from the list of good citizens who pay their taxes, vote in their elections, and say thanks every day for the good fortune of having been born in this fabulous land of wealth and opportunity. We felt tarnished because our city governments over the last decade or so had made serious mistakes in their operation of the city. Well, the action of the House today has made it clear to every citizen of our city that we are indeed part of this land. We will pay the price for the years of excesses, be sure of that. We will pay by remaining the highest-taxed people in this country, and we will do without services that are basic in nature, and in the case of the elderly and the working mothers, are a vital part of their daily lives. We shall pay dearly. This legislation will see to that.

But because of the action of this House, my city has a second chance to live.

We who have bitten the bullet so many times in New York will bite it again and again, until our fiscal house is back in order.

But we had asked for a chance, and the House today has given New York a chance. And that is all we need. We New Yorkers are a proud people. We have never had to beg, and we know all too well how much we pay to the Federal Government each year and how little we get in return. I would hope that the events of recent months, and all that we have learned about the all-too-real inequities in the way that Federal tax dollars are distributed, will be addressed by the Congress in the months to come. We deserve a fair shake from this Government of ours away from the emotional trauma of our present circumstances.

But that will come later. For the moment, it is enough that we in New York can say thank you to those Members from around the country who believed enough in our willingness to solve our problems, our determination to do just that, and to address the needs of citizens in desperate need of help.

I believe the House of Representatives deserves a bouquet for facing up to the realities of life, of rejecting the punitive for the objective point of view, of forgetting the narrow and parochial bias that so often keeps people of differing backgrounds from understanding others.

On behalf of my colleagues from New York, on behalf of the millions of people who seek to turn that city into a decent place to live once more, I say thank you to the Representatives of the American people who proved once more that in the worst of times, the best of people will shine through.

EDUCATION AND LABOR, WAYS AND MEANS ANNOUNCE JOINT OVERSIGHT HEARINGS ON PENSION REFORM ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, during the last month, over 100 pages of proposed forms and regulations have been issued by the IRS and the Department of Labor regarding the administration of the Employee Retirement Income Security Act of 1974—ERISA. Many of these regulations have a most serious impact on the costs of administering the Nation's private pension plans, and may be particularly burdensome to smaller plans.

On November 20 the Ways and Means Oversight Subcommittee held a hearing with IRS representatives on IRS and Department of Labor annual report form 5500. Congressman JOHN ERLENBORN of the House Education and Labor's pension task force assisted the subcommittee in its questioning.

As a result of that November 20 hearing, Chairman DENT of the House Education and Labor pension task force and the Ways and Means Oversight Subcommittee have decided to hold a joint hearing on ERISA problems on December 9 beginning at 9:30 a.m. in room 2175, Rayburn House Office Building. Among the witnesses will be IRS Commissioner Donald Alexander and Labor Department Administrator for pension and welfare benefit programs, James Hutchinson.

This joint oversight hearing will primarily deal with the issues of: First, the reporting requirements; second, Revenue Procedure 75-49 dealing with the so-called 4-40 vesting schedule; and third, IRS policy with respect to exemptions from prohibited transactions.

FEDERAL TRADE COMMISSION TAKES GIANT STEP FORWARD IN CONSUMER PROTECTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, every year thousands of Americans spend millions of dollars on cars that do not run, on refrigerators that do not keep food cold, on washing machines that do not clean clothes and on countless other items that were thrown away months before the last payment on them was made.

Suppose a consumer purchases a new car that turns out to be a lemon, or the roof on his newly added family room leaks the first time it rains. If the contract he made with the car dealer or the contractor is still the property of the original company he contracted with, the consumer has the option of refusing to pay until the car has been repaired or the roof fixed.

But in many cases, the businessman has sold the contract to a third party, often a finance company or a bank, known as a holder in due course. This leaves the consumer with sadly limited options. The one lever that could be used to force the dealer to stand behind his product or service—nonpayment—has been removed. In many cases, once the businessman the consumer contracted with has received his money from the holder in due course, he no longer cares if the customer is satisfied.

Very often consumers caught in this unfortunate situation have no place to turn. When they approach the dealer or store they originally contracted with, they hear, "We'd like to help you with your defective refrigerator, but it's not our concern any more. You'll have to talk to the other guy. He owns your contract now." When they approach the other guy—now the holder in due course—they hear, "We'd like to help you, but we don't know a thing about fixing refrigerators. We just take your money. Have you tried talking to the guy that sold you the refrigerator?"

For the first time, the potential for relief from this situation may be coming available to the consumer. The Federal Trade Commission has proposed a regulation that will enable consumers making purchases on credit to stop payment to third-party lenders, or to get refunds when the financed goods or services have failed to meet the retailer's claims.

The FTC regulation which is scheduled to go into effect next May 14, requires sellers to incorporate a notice in all consumer-credit contracts which would subject the holder of the contract to the same claims and defenses that the purchaser has against the seller of the goods or services.

To protect consumers against direct lenders who might omit the required phrasing, the Commission has also proposed that creditors, as well as sellers, be covered by the regulation.

The Federal Trade Commission has stated that it will accept public comment and hold hearings on the regulation, although no dates have been set for the hearings nor a deadline established for the submission of public comment.

The concept of holding the third party involved in a credit transaction as equally responsible for the merchandise or services purchased as the original contractor is a great step forward in consumer protection. It is my belief that the Federal Trade Commission has acted in a very responsible manner in proposing this regulation and I urge my fellow Members of Congress to give it their unequivocal support.

BILLY KILMER—AN EXHIBITION OF OUTSTANDING COURAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, if there is one trait that all Americans admire it is that of an exhibition of outstanding courage. I am sure millions of Americans saw the Washington Redskin-Minnesota Vikings game on Sunday, November 30, 1975, and I am sure those who did could not help but admire the raw courage exhibited by Washington Quarterback, Billy Kilmer, who in a most dramatic fashion produced an almost unbelievable victory in the closing seconds for his team. This effort was made while playing with an injured shoulder and a broken foot. And I join with millions of other Americans in congratulating him on his fine display of sheer determination which might well serve as an example to all of us as to what can be done if the true desire exists. In closing, to Billy Kilmer, I say "congratulations on a job well done."

MEETING THE CHALLENGE AT PANAMA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, for the past 3 months, the State Department has been spearheading a massive propaganda campaign that aims to gain public support for a new Panama Canal Treaty now being negotiated under the notorious 1974 Kissinger-Tack "Agreement on Principles." These principles include provisions for the unauthorized surrender to Panama of United States sovereignty over the Canal Zone and Panama Canal—the most strategic waterway in the Americas.

On Tuesday, December 9, 1975, I plan to address this body of the Congress, providing information of significant character upon the subject and a plan of action for our Government to meet the challenging situation.

Because of the rapidly growing public interest in the subject, I trust that as many Members as possible will be on the floor and participate in the discussion.

THE EFFORT TO GAIN INTEREST ON DEPOSITS OF PUBLIC MONEYS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 15 minutes.

Mr. PATMAN. Mr. Speaker, in the next few days we expect the Banking, Currency and Housing Committee to report legislation which will enable the Treasury Department—for the first time—to obtain a return on the massive sums of public moneys left on deposit with commercial banks around the Nation.

The Domestic Monetary Policy Subcommittee unanimously reported this legislation last month and in my opinion this is a significant step forward in gaining justice for the American taxpayer.

For a number of years, many of us in the Congress have been calling attention to enormous sums left on deposit interest-free in these banks. At times, this has approached $10 billion and in recent years the average balances have been in the vicinity of $5 billion. After much public criticism, the Treasury has reduced these balances substantially, but even today those balances are about $2.5 billion. Indications are that this will grow in coming months.

In any event, under the legislation about to emerge from the Banking Committee, the Treasury will be able to invest these funds in interest-bearing obligations. Thus, the Treasury will receive—for the first time—compensation for the banks' use of public moneys and this sum will flow into the general revenues of the United States.

Mr. Speaker, I want to place in the RECORD two editorials bearing on the pending tax and loan account legislation.

[From the St. Louis (Mo.) Globe-Democrat, Oct. 31, 1975]

WORKING FOR THE TAXPAYERS

Idle hands, as the saying goes, are the devil's workshop. Idle funds, on the other hand, play the devil with taxpayers' dollars when the funds are in the form of goevrnment money.

The State of Missouri recognized this with prodding years ago and began depositing its idle funds in interest-bearing accounts. In the last fiscal year, the state reportedly earned more than $24 million on this money.

This is a financial lesson that the federal government apparently has yet to learn—or to heed, anyway. As of late September, the federal establishment had an estimated $2.5 billion in bank accounts that pay no interest. While the funds weren't making any money for taxpayers, they were making plenty for the banks who were able to invest them.

Now, however, after years of debate, it appears there's a move in Congress to end the fiscally irresponsible practice of allowing banks free use of billions of federal tax dollars. The decade-long drive of Rep. Wright Patman, D-Tex., to end what he says amounts to a huge government subsidy to banks and to get some interest paid on the heretofore idle funds seems to be gaining momentum.

Patman's House banking subcommittee on monetary policy has begun work on legislation which would change this practice by giving the U.S. Treasury some type of interest payments on such deposits. The machinery to funnel interest money to the Treasury could be in place within months if the legislation is pushed through.

The proposed change is said to have strong congressional backing as well as support from the Treasury, which said a recent study found that banks had earned up to $300 million through inevstments of the idle funds. It is time—past time—to put this lazy federal money to work for the taxpayers who supply it.

[From the Orlando (Fla.) Sentinel-Star, Oct. 31, 1975]

CHANGING CAVALIER ATTITUDE

As of late last month the federal government had $2.5 billion in bank accounts paying no interest. While holding the funds the banks were able to invest it and make money.

For more than a decade Rep. Wright Patman, D.-Tex., has been fighting to end this practice, charging it amounts to an enormous subsidy to banks. His House Banking subcommittee is working on legislation to change the practice.

Past administration policy makers opposed changes on the grounds the banks give certain services to the government in exchange for use of the tax funds. Proposed legislation is expected to clear Congress without difficulty and the end of the year may see interest payments being made to the Treasury.

New support for the move came through a study conducted by the Treasury. It indicated tax and loan accounts are necessary, but investments should be made in interest-bearing programs. Banks, according to the study, have earned up to $300 million annually by investing idle money.

It is difficult to argue with Rep. Patman's premise the federal government and taxpayers should be compensated for public money left on deposit for any appreciable period. He points out more and more local and state governments are insisting on interest with the federal government being "the only entity taking such a cavalier attitude about public funds."

IS THE DEFENSE DEPARTMENT VIOLATING THE SPIRIT OF THE PRIVACY ACT?

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 15 minutes.

Ms. ABZUG. Mr. Speaker, the Privacy Act of 1974 which went into effect September 27, 1975, attempts to draw a distinction between the individual's right to privacy and the public's need to know. Unfortunately, the act has been interpreted by some Federal agencies in a manner designed to "play off" these mutually desirable goals against one another. My fellow Congressmen have been most helpful in communicating to me the problems they and their staffs have experienced in agencies blocking the public's legitimate need for information in the guise of protecting privacy.

This is not to deny that a problem exists for the agencies in weighing the individual's rights to privacy against the public's right to know. When does the individual's right to prevent disclosure of information about himself take precedence over the public's interest in the events participated in by that individual? Conversely, when is the public's interest paramount?

The problems with the operation of the act which have come to my attention indicate that the agencies have imposed the issues of individual privacy in instances where it is not appropriate.

The Defense Department, for example, has established a Defense Privacy Board made up of representatives of all components of the Department of Defense to handle any problems about the operation of the act within the Department. The Board is empowered to overrule the actions of any component of the Department if that action is not in concurrence with overall departmental policy or if the action is in violation of the act.

However, the Board has failed to formulate an adequate policy to deal with some of the frequently recurring privacy issues. It has consistently erred by denying access to information when legitimate news events occur involving service personnel. It has done this by using the guise of privacy protection of service people when in fact it wishes to protect itself from ouside scrutiny.

For example, recently the Norfolk, Va., Ledger-Star, heard about an accident on board the destroyer *Spruance*. A reporter went to the public information officer at the Portsmouth Naval Hospital to get the information about the condition of the serviceman involved—information he had routinely received before the implementation of the Privacy Act. The public information officer told him the Privacy Act prohibited the release of any information about the injured individual to third parties without the consent of the injured party.

Surely, the circumstances of the injury are newsworthy since the man was in the service of his government at the time of the accident. Likewise, the seaman's physical condition is of public interest: Will the man live? Is he injured for life? Is the injury minor and will the man recover?

Under present Defense information practices, the Department might have said Lt. William Calley's right to privacy was of paramount interest, that the public's right to know the details of the atrocity committed in the name of the U.S. Government was secondary to Calley's right to maintain anonimity.

Similarly, Chaplain Andrew F. Jensen's court-martial, the first court-martial of a chaplain on a morals charge, might have been hidden by the Navy in the interests of his privacy, when, in fact, the publicity the case received was a factor insuring him a fair trial.

It is imperative that the executive branch agencies recognize the public's interest in the actions of Federal personnel in the performance of their jobs. The Privacy Act certainly does not intend to treat actions performed by an individual in the service of the public as actions which belong to that individual and over which he has discretionary release.

At issue here is the question of the public's right to know newsworthy events which involve individuals in the service of their government. The Defense Privacy Board does not address the problem in its policy guidelines. I have, therefore, asked the Defense Privacy Board to review its actions and to formulate a policy as to how much information will be disclosed about newsworthy events without violating the spirit or intent of the Privacy Act.

THE HARASSMENT OF DR. MARTIN LUTHER KING, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 10 minutes.

Mr. BEDELL. Mr. Speaker, I rise to offer comments on one of the most unfortunate, disgraceful, and abhorrent occurrences of our time: the harassment of the Reverend Dr. Martin Luther King, Jr., by agents of the Federal Bureau of Investigation under the direction of J. Edgar Hoover.

In His wisdom, it is only rarely that almighty God blesses a nation with a prophet of its own, Mr. Speaker, and Martin Luther King was truly one of the few American prophets of this century. The mission of the prophet is not to predict the future, but rather to interpret what is here and now, and to teach us what should be. This Dr. King did with great eloquence of word and action.

As has always been the case with prophets, Dr. King often found acceptance by his own countrymen wanting.

His message was hard: Love your neighbor as much as you love yourself. Much to the frustration of his detractors, his methods attested to the sincerity of his message. Under his leadership nonviolent protest of injustice made a lasting impression across our land, and indeed across oceans to other countries—one of which was to recognize his contribution with an honor which is acknowledged as the highest in the area of man's contribution to his fellow man.

Mr. Speaker, the persecution of this inspired man by an agency of our National Government is unconscionable in the extreme, and I call upon all American men and women of faith to make their own indignation known to their Congressman or Congresswoman.

I will close with a brief quote from one of his books, "The Trumpet of Conscience":

> I still have a dream today that one day justice will roll down like water, and righteousness like a mighty stream. I still have a dream today that in all of our state houses and city halls men will be elected to go there who will do justly and love mercy and walk humbly with their God.

The dreams of Martin Luther King, Jr., still live, Mr. Speaker, and cry out for realization.

JUVENILE DELINQUENTS: THEIR CRIMES AND THEIR TREATMENT

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, juvenile crime is a problem which is increasing in all of its aspects in the city of New York and throughout the Nation. A 1974 FBI uniform crime report found that children between the ages of 10 and 17 who make up 16 percent of the population account for almost one-half of the violent crimes in our country. A study by the New York Times revealed that in the first 6 months of 1975 in New York City violent crimes including murder, rape, assault, and robbery committed by juveniles under the age of 16 increased 20 percent over the same period the previous year. And in New York City alone in 1973–74 there were 64 juveniles under 15 years of age arrested for murder.

In the State of New York at the present time anyone under the age of 16, no matter how grave a crime he or she has committed including murder, cannot be held in an institution for a period exceeding 18 months. The legislature enacted a law (A. 7832B) which would have changed this so as to provide "an extension of time for commitment of certain juveniles." The Governor of the State vetoed the bill on the grounds that "in the absence of any showing that prolonged stays in juvenile facilities contribute to rehabilitation, I see no particular merit in this proposal."

I thought it would be helpful to inquire of the various individuals and agencies having expertise in this matter as to what they thought should be done. Since that inquiry and the responses there has also been a report by a national commission sponsored by the American Bar Association and the Institute of Judicial Administration dealing with the problems of juvenile crime which makes certain recommendations. I believe that it would be helpful since this is a national problem that correspondence and recommendations be brought to the attention of my colleagues.

My own view is that most juvenile delinquents could undoubtedly be placed in existing juvenile facilities or camps where they would be doing work similar to that done in the Civilian Conservation Corps although the CCC was never set up or utilized as a correctional facility and where they would be receiving treatment as well as being detained in a correctional institution. For those few individuals who, because of the danger they represent to others within a juvenile facility, cannot be maintained in it, a more secure facility might provide a viable solution. These changes could be made simply and relatively inexpensively within the existing framework of our juvenile judicial system.

I would like also at this point, Mr. Speaker, to refer to my legislation, H.R. 10383 which where feasible, would enable emotionally disturbed children, not yet engaged in criminal behavior, to receive psychological and other assistance and to remain with their families at home, not institutions. If that legislation were to be enacted, I believe many youngsters who otherwise would ultimately engage in criminal behavior, could be saved.

The correspondence and a summary of the Commission's report as prepared by the New York Times follows:

AUGUST 18, 1975.

DEAR COMMISSIONER: Governor Carey vetoed a bill that would stiffen penalties for youths who commit violent crimes. He indicated that he would introduce a bill next year to deal with the subject.

I would appreciate having your comments on the need for more severe sanctions against juveniles if any and your general point of view on what should or should not be done to deal with a real problem—to wit: ever increasing violence on the part of juveniles.

Sincerely,

EDWARD I. KOCH.

PEER GROUP LEADERSHIP
CRIME ATTITUDE CENTER,
Brooklyn, N.Y., August 26, 1975.

DEAR CONGRESSMAN KOCH: Thank you for your prompt replies to our questions.

As preliminary response to your query of August 21 . . . why the increasing violence on the part of juveniles?

(1) wide cultural acceptance of violence (all visual media, sports, entertainment, print, etc.)

(2) increasing breakup of traditional family unit

(3) dried up job market (esp. for youth minorities)

(4) sense of impotence, non-participation meaningfully in school or society tends towards violent acting-out (sometimes used as "communication" amongst those whose verbal skills are minimal)

(5) indecisive court procedures: youth see the arrested offender almost immediately back on the street corner with enhanced "tough" image

(6) lax follow-up probation infractions; lax or minimal follow-up on thousands of truants city-wide . . . reason cited; insufficient personnel

(7) parental reeducation needed for reinforcement of non-violent behavior during critical early developmental years

(8) continuing youth-gang syndrome; ethnic and racial factors; current phenomenon of youth mugging aged helpless victims

Our Fact Sheet in your possession contains our basic approach towards dealing with problems re juveniles. As to stiffer penalties, we believe that the youth who is professionally classifiable as pathological based on repeated violent offenses, should be separated from society and given valid psychological and medical treatment. Emphasis must be on prevention and reinforcement of positive youth behavior. Rehabilitation has been found to be practically useless; recidivism remains as high as 70%. We will respond further re this entire matter in near future.

Sincerely,

EARL JUNG,
By PHIL ROSEN.

DIVISION FOR YOUTH,
Albany, N.Y., August 28, 1975.

Hon. EDWARD I. KOCH,
The House of Representatives, 26 Federal Plaza, Room 3139, New York, N.Y. 10007

DEAR ED: Thank you for your recent letter to the Director of the Division for Youth pertaining to Governor Carey's veto of Assembly Bill 7832 B in which you requested comments on the need for more severe sanction against juveniles.

First, I would like to point out that the Governor has signed several bills pertaining to the violent juvenile offender and is very much aware of the problem. He specifically referred to this problem in his State of the State message and has already appointed a special panel of distinguished citizens to study the problem and report to him with recommendations. In addition, the Governor signed, during the month, the following bills affecting the violent offender:

1. Assembly Bill 8050 A—This bill, for the first time, authorizes the fingerprinting of juvenile offenders adjudicated for A and B felonies. This would aid in the identification and apprehension of such offenders. The Governor specifically noted that the bill also contained provisions against unwarranted dissemination of these records and for their destruction when no further offenses occur.

2. Senate Bill 6779—This bill prohibits the discharge of juveniles from State institutions when they abscond from those facilities and are not immediately apprehended. As the newly appointed Director of the Division for Youth, I will be developing program approaches to this problem in the months ahead. Juveniles who leave our facilities without authorization certainly place themselves in danger as well as society in general.

3. Assembly Bill 7829 B—This bill provides that juveniles who are alleged to have committed serious felonies may not have their petitions adjusted, thereby diverting the case from the family court, without the specific written approval of the director of probation. In signing this bill the Governor noted that he recognized the advantage of pre-intake diversion in certain cases, but in balancing this with the safety of the community, he felt it appropriate to place responsibility for such serious decisions squarely on the shoulders of the directors of probation departments.

In vetoing the bill to which you refer in your letter, the Governor expressed sentiments which are identical to my own in this area: ". . . In the absence of any showing that prolonged stays in juvenile facilities contribute to rehabilitation, I see no particular merit in this proposal. . . ." The Governor went on to say: "It is my hope that the Temporary State Commission on Child Welfare, the Senate Select Committee on Crime, the Assembly Child Care Committee and my panel on juvenile violence can work together to develop comprehensive legislation addressing the problems this bill attempts to address at the next session of the Legislature."

As Director of the Division for Youth I will be working closely with these groups not only contributing my own ideas, but also considering the proposals advanced by other experts in the field.

One area of primary concern during the last session of the Legislature was the early release of violent offenders from State institutions. It was this concern which in large measure generated the introduction of bills to increase the penalties for all juveniles. In this area I am now considering several options—one involves the development of special procedures and services for children adjudicated for the most violent A, B and C felonies. Another approach, which has been suggested, is the creation of regional release committees which would include professionals in the child care area who are independent of this agency, in addition to representatives of our facilities.

In closing, I would like to say that in my opinion the real answer to juvenile crime lies in improved treatment programs, research which can provide our clinical and child care staff with the keys to reach difficult children, and finally the development of intermediary steps for the reintegration of juveniles leaving our facilities into their communities.

Thank you for giving me the opportunity to present some of my thoughts in this area of mutual concern.

Sincerely,

PETER EDELMAN,
Director.

HUMAN RESOURCES ADMINISTRATION,
New York, N.Y., September 4, 1975.
Congressman EDWARD I. KOCH,
New York, N.Y.

DEAR CONGRESSMAN KOCH: I am severely concerned with the growth of violent crimes on the part of the city's youth, but my concern is more focused around the situations that create this kind of young person, than the penalties to be levied against them. I am not convinced that punitive measures are in any way a solution to the problem. These young people are in the main suffering from severe deprivations either emotionally or socially and economically. Punitive sanctions only exacerbate their problems. Our system of courts and prisons have not shown the ability to find ways of coping with adult persons who commit crimes of violence, much less juveniles who commit crimes of violence. It is our system and our way of life that is producing these young people. After the severest deprivations over many, many, many years, many young people may be damaged beyond our capabilities to help.

There may be a group of youngsters who we might have lost at this point who are so dangerous to both themselves and society that they must be locked up indefinitely under sensitive care. Hopefully, this is not the only alternative. Concurrently, there should be services instituted at the level closest to families in the neighborhoods of cities like New York which strengthen the parent-child relationships and support the socialization processes whereby young people learn to live in relationship to others.

We need further serious examination of the problems of the youth in cities especially New York City resulting from the removal of basic services and supports to families who are attempting to live in the atmosphere of a metropolis.

At this point in time in New York City such organizations are disappearing at a rapid rate with a potential for growth of the problem of the violent youth. Should the direction continue as it is now proceeding, there would not be enough institutions to house the numbers of young people who would have to be incarcerated. It is my hope that a prevention approach will be adopted by the Federal government and the local State and City governments which would provide family oriented centers on the local level which would give supportive services to all youth and their families recognizing this kind of support as a necessary foundation to healthy community life in a city. We must encourage through these centers the development of community identification on the part of families in order to re-establish healthy identification of people to people. All this must also take place within a stable economic framework which is key to the pattern of deprivation and crime now reflected in some communities.

I would find this would be an answer to diminution of violent crime on the part of youth, for we know from daily practice and work in the communities of the City that youth and parents who are involved with their neighbors and their community have a healthy identification with their surroundings, and are not prone to commit violent acts against their neighbors. When one is not overwhelmed by survival needs on an economic level it is then possible to relate to other people—these are goals which I feel the government should support and back with adequate dollars through institutionalized programming on a continuing priority basis. Only in this way can the cities project a healthy future, with responsible citizenry.

Sincerely,

NYRKA TORRADO,
Commissioner.

TED NEIGHBORHOOD HOUSES
OF NEW YORK, INC.,
New York, N.Y., September 10, 1975.
Hon. EDWARD I. KOCH,
Room 3139, 26 Federal Plaza,
New York, N.Y.

DEAR MR. KOCH: I am writing in response to your request for our comments concerning the Governor's veto of the Omnibus Bill (A.7832B) relating to juvenile delinquency, and our own long term concern with the whole problem of juvenile violence.

We support the Governor's veto because we fully agree with his argument that specific requirements included in the bill would not lead to the development of an appropriate program. I should add that we regretted his signature of the bill A.8050A, which included authorization of a system of finger printing of juvenile offenders.

I am enclosing a copy of a memorandum from one of our Agencies, which expresses our point of view, and is based upon the practical experience of the Educational Alliance in operating a relevant youth program. Our long term approach to the problem is based on the belief that youthful offenders would be better served in most cases by deferment programs and the development of alternatives to incarceration. We do not believe that, at the present time, the question of juvenile violence will be alleviated by simple incarceration for long periods, or by transferring responsibility from one Court or agency to another.

Our own experience in operating a program for young offenders—an Alternatives to Detention Program—undertaken in three Settlements and funded by LEAA, has clearly indicated the extent to which rehabilitation can be provided at the community level.

We know that there has been substantial criticism of the operation of several other programs. We are aware that it has become increasingly difficult to obtain funding for the "soft" programs in an atmosphere of public pressure being exerted for the use of available funds on "hard" programs.

In addition to our Alternatives to Detention Program, we operate a youth program, located in the South Bronx, in five Settlements. Initially funded under the Office of Youth Development of HEW, this is basically a crime prevention program in which we work with the various youth serving agencies in the Bronx, to develop a Youth Services System in which leadership is developed for the youth in the community. After one year's experience we are convinced that the potentionl for preventing juvenile alienation and consequent delinquency will be greatly facilitated by the extension of this kind of program throughout the City.

We shall be glad to send you some detailed information about these programs, and to arrange for you to meet with some of the Directors, and some of the juveniles involved in the project.

In general, we wish to stress our belief that preventive service can play a larger positive role in dealing with juvenile crime than extended incarceration. Where incarceration is needed, we feel that at least initially full social services and measures for rehabilitation must be provided in the methods of dealing with juvenile offenders, whether they are 16, or 18, or somewhat older.

We therefore welcome not only the Governor's veto of the Omnibus Bill, but his statement that his new Panel of Citizens and his new Director of the Youth Division would scrutinize the extent to which rehabilitation and prevention services programs can be included in the whole system of juvenile justice.

Sincerely,

THOMAS M. MCKENNA,
Executive Director.

MEMO

To: Tom McKenna,
From: Bob Meltzer.
Re: Governor Carey's veto of change of authority youth bill.

To be as brief as possible, the core issue now is the rise of, and projected continuance of, violent crimes committed by juveniles. Philosophically, one can question the actual level of social concern. Youthful perpetrators of violent crime have long served as an "example" to other youths of what "not to do." There has been little in the way of creative rehabilitation planned for or carried out. One can believe that this young offender is virtually left to become the "hardened criminal," a continuous "repeater" as a means of lending credibility to the axiom that any youthful misbehavior will lead to a life of crime, incarceration, etc., etc. However, the escalation of the amount of crime, the increasing savagery of it, and the projection of its continuation through 1990 (based upon demographic urban age-risk tables) have stirred the storm. The "hard liners" in this debate of what to do have been infuriated by the "turnstile system" whereby the youthful offender can commit virtually any act of violence and receive minimal penalties and be "back on the street" in a matter of months. Those "softer" usually agree it is not a good process but have been stymied by the lack of viable options for the violent youth.

The matter boiled over in the state legislature recently and a bill was proposed to take the serious juvenile offender (15-16 years old) and utilizing the judges' discretion to assign him from family court, with its far more lenient mandates to criminal court. Many opposed the thought of long term jail sentences for a 15-16 year old, and a compromise bill was presented. It called for court review of any Division of Youth decision to release the "serious offender", a decision long in the hands of the Division of Youth. Governor Carey, as you know, vetoed it—probably on the basis that it did nothing to change the system except reduce the power and authority of his appointee to the Division of Youth. He is right in that it changes the authority of decision without changing any of the structure or resources.

I believe that the only solution will rest with the provision of alternate resources for youth who have committed a violent (serious) crime. These items seem clear.

1) More and more youth are "emancipated" or free on the streets, lacking parental or guardian influence.

2) Astute clinicians tell us that the abandonment, the rejection, the way in which

adult society deals with many of its children, has, is and will continue to produce a violence in the child that may be expressed in assaultive crime (i.e. parental drug use, alcoholic, etc.)

3) Many professionals in youth work feel the failure is often a professional failure—the teacher who fails to pick-up the alienated child, the psychologist who sees the pathology and alienation and doesn't complete treatment, the youth worker who "loses track" of the child, etc.

Regardless of fault (or no-fault), programs that offer viable alternatives have had reasonable results with the vast majority of kids who "select" their program. To even begin to help the violently acting out youngsters, there must be some choice—choice for the courts in where to send the child, choice for the child among programs, as it is quite clear that a youngster who "selects" his program often does well there. Literally hundreds of young people with violent histories, who choose Contact (as well as others), do not continue the violent expression of their frustrations. There are some who do not, nor would they want a program like Contact.

There should be other alternate types of programs—some more structured, some less so, emphasising vocational training, career education, some focused on group methods, i.e. sensitivity, others on functional performance, etc. My estimate is, that outside of the actually psychotic youngster—who needs a very special highly theraputic milieu—about 15-20% of the young people we see will not benefit at all from our program. A discussion of why, the interfacing of the adult value system and youth values, the kind of mix and staff needed, etc., would require a long description—perhaps at another time. For this purpose, it is probable that *if* the youngster could select one of several types of program, *if* he could have a "period of adjustment", if he could have a "second choice" if the first didn't work out, *then*, incarceration would probably be unnecessary for *at least* 75% of those who have already committed a serious (violent) crime. These alternatives just do not exist, the youngster has no choice, and, sans choice, becomes a non-voluntary participant in a state run program, which begins his relationship with the program with two strikes against their making it together.

Perhaps the best response one can make is to indicate the need for a large scale demonstration of alternate systems. Expensive, yes, but far less so in actual costs of incarceration (now $13,750. in N.Y.C. per annum) and/or any chance of social rehabilitation. If that is what we really want. Obviously, alternate systems must house, teach, train and virtually "nurture" the youngsters. Part time service is rarely adequate. The youth themselves must and do play a part in its design. (Are we ready to accept the "criminal" playing a role in the program for his rehabilitation?)

Please forgive the hasty preparation. If you need more regarding this issue don't hesitate to call. Hope this helps.

NEW YORK CITY YOUTH BOARD,
New York, N.Y., September 16, 1975.
Hon. EDWARD I. KOCH,
Congressman, 26 Federal Plaza, New York, N.Y.

DEAR ED: Please accept my apology for not responding sooner to your letter of August 15. The reason for the delay is because the Mayor has been restructuring youth services and I have been deeply involved in the process. The enclosed Executive Order and Mayoral press statement indicates the initial result of that effort. I am hopeful that the reorganized Youth Board will now play a stronger role in the planning and coordinating of youth services.

As to your request for information regarding my views on juvenile justice, I am delighted to offer the following information. You may recall that I worked with you when I was a staff member of the Board of Correction. In particular, we worked on the problems related to the new Correctional Institution for Women at Rikers Island. Therefore, I know that you are aware of the inadequacies of our adult institutions.

The specific bill (A-7832-B) which Governor Carey vetoed would have increased the maximum length of incarceration for a juvenile offender from three to four years at the Elmira Correctional Faciltiy. My primary objection to the bill was that it did not provide for any additional treatment for juveniles placed in that facility and my conversations with former inmates of that facility indicates that the treatment of juveniles there is less than desirable, both by the administration and by adult inmates. Apparently, Family Court judges agree on this point since few elect to place juveniles in Elmira rather than a juvenile detention facility. Between January and June of this year, there were only 11 males remanded to Elmira.

However, this particular bill cannot be looked at in isolation. It was part of a whole package of bills submitted during the last legislative session. The most controversial bill called for the reduction in age for criminal prosecution from 16 to 14 years. The idea of placing a 14-year-old in Elmira apparently was not palatable or reasonable to most legislators and compromises were reached to submit only those bills that it was judged would pass both Houses. I testified before the Temporary State Commission on Child Welfare (see enclosed statement) opposing the age reduction bill and also noting the need for a comprehensive analysis of the treatment problem. It is my judgment that solutions cannot be found by determining which bills are most "palatable." We must determine which bills will protect the community as well as the rights and needs of violent juvenile offenders. My testimony noted the possible need for longer incarceration of violent offenders but only if adequate treatment is provided. Certainly the adult facilities do not have such a treatment capacity and the juvenile facilities I have visited, although physically better, do not have sufficient staff to offer any meaningful treatment.

There are other reasons why I oppose the bill which are mentioned in my press statement (enclosed).

(1) The Legislature established the Temporary State Commission on Child Welfare to examine this very problem. It seemed absurd to me that the Legislature should act prior to receiving recommendations of the Commission. In fact, the legislation was passed prior to the issuance of the preliminary report, "The Children of the State," issued by the Commission. This document provides a wealth of information and recommendations which should be considered carefully before new bills are drafted and submitted to the Legislature.

(2) Governor Carey recognized the need for comprehensive legislation to deal with this problem. Therefore, he has established a committee of individuals with expertise in the juvenile justice field to develop legislative recommendations (see enclosed Governor's memorandum and list of Committee members). Hopefully, this committee will be active and develop sound recommendations which the Legislature can adopt.

(3) Governor Carey did sign into law legislation concerning the fingerprinting and photographing of juvenile offenders. While there is a need to identify violent youngsters, I am sure you are aware of the dangers that fingerprinting imports. A youngster may be stigmatized for the rest of his life and it is not unlikely that his file may find its way to employment agencies and other groups for other than law enforcement purposes. In my judgment, the bill signed by Governor Carey did not provide sufficient safeguards to prevent misuse of those confidential records.

(4) Clearly, youngsters between the ages of 10 and 15 who commit violent crimes are often severely disturbed and, in many cases, have been the victims of abuse themselves. There must be provision in any legislation for mental health facilities to be an integral part of any detention facility for youngsters. At present, none of the facilities operated by the State Division for Youth have an adequate mental health component available and only one such facility to be operated in conjunction with the State Department of Mental Hygiene is in the planning stages. Unless we provide such treatment while the youngster is incarcerated, there is not much point in incarcerating him since the period of detention will only exacerbate his problems.

None of the problems mentioned above are subject to simple solutions and there is absolute need for a comprehensive review of what must be done to protect the community and help the individuals involved. There are several hopeful sign that something will now be done. Peter Edelman has recently been appointed as the Commissioner for the State Division for Youth. He is responsible for all detention facilities for juveniles and I am hopeful he will take a fresh look at the treatment of juveniles under his jurisdiction as well as the release policies of his agency which have been the subject of great criticism. The Governor's Task Force as well as the Temporary State Commission should offer some guidance to the legislators. Good government groups, such as the Community Service Society, which have opposed virtually all of the juvenile justice legislation, will also be providing substantive input. The reorganized Youth Board will continue to analyze legislation and submit recommendations to the Mayor.

I enjoyed working with you when I was at the Board of Correction and look forward to initiating a new relationship in my present position. If you have any questions or ideas which you would like to discuss with me, I would be delighted to meet with you at your convenience.

Also, I host a weekly radio program, "Crime and Punishment," on WNYC-AM. The show is broadcast Monday evenings at 9:00 p.m. and deals with issues related to the criminal justice and juvenile systems. I would be delighted to have you appear and discuss these issues. The program can be taped at your convenience.

I look forward to hearing from you.

Sincerely,

KENNETH G. NOCHIMSON.

YOUTH COUNSEL BUREAU,
New York, N.Y., September 25, 1975.
Hon. EDWARD I. KOCH,
Room 3139, 26 Federal Plaza,
New York, N.Y.

DEAR MR. KOCH: I apologize for not replying to your letter of August 18th, however, I was deeply involved with contacts in my own office and unable to acknowledge your letter.

I have reviewed the letter which you sent me, however, I am not familiar with the bill about which you speak. Under the circumstances, I don't feel that I am in a position to make any comments on the good, bad, or indifferent points of view expressed in the bill. If you will be good enough to forward to me a copy of the bill and afford me an opportunity to digest it, I feel I would be in a position to make any statements relating to it.

As to the overall problem of violence and penalties, it seems to me that there are many facets which have to be taken into consideration and that it is not a simple matter of stating that increased violent crimes of necessity require greater legal punitive sanction. I may also point out that if, as you say, "ever increasing violence on the part of juveniles," is a real problem, our agency is not involved with juveniles as such, but if you mean it in a broader sense of the word including older youth, I shall try to respond to your questions to the best of my ability.

Very truly yours,
W. Kenneth Warburton,
Acting Executive Director.

Special Services for Children,
New York, N.Y., November 5, 1975.

Hon. Edward I. Koch,
26 Federal Plaza, Room 3139,
New York, N.Y.

Dear Congressman Koch: I am pleased with the opportunity which you have offered me to express my views on the advisability of more severe sanctions against juveniles who commit serious crimes and how to deal with the increasing incidence of acts of violence committed by young children. These are questions, the answers to which have baffled all concerned citizens, professional and lay alike, and have defied solution.

The Governor's veto of some of the proposed legislation had my full support. We have a proclivity for passing piecemeal legislation in haste on the basis of inadequate information and to spend years repenting and attempting to ameliorate our actions. Rather than trying, at this time, to resolve the problems of juvenile violence by disparate laws, we need reliable statistics on the size of the problem and a more precise definition of what constitutes violent youth. A positive step was taken by the Governor when he announced his intent to appoint a "special panel of distinguished citizens to study the problems of violent juveniles, to balance the need for the protection of society and the rights of juveniles, and to develop specific recommendations for legislative changes and new program approaches by January 1, 1976." Implicit in their charge, I think, should be the responsibility for collecting and analyzing information which can form the basis for sound, coordinated, comprehensive legislation in the interests of troubled children.

In the meantime, it is important that concerned citizens participate by suggesting principles and guidelines which may contribute to the process. The following is a statement of my views on the setting of penalties for youngsters who commit serious crimes and some suggestions as to how we should deal with the problems facing our crime-ridden society.

It is obvious that the juvenile justice system needs improvement, but a number of the proposed legislative proposals would have worsened the situation. For example, I do not believe that the stiffening of penalties—longer sentences—will significantly affect the behavior of our youth. You can understand, then, that I was pleased that the amendment which would have extended the present three-year limitation on the period of commitment of certain specified juvenile delinquents to four years, failed to pass. More important than the severity is that the degree and range of potential of the penalty are public information and that the action to be taken is swift and sure. The salient essentials of an effective deterrent to crime, in my opinion, are that sanctions be imposed quickly and that the consequences of committing a crime are inevitable. I was concerned, therefore, at the passage of legislation which permitted an extension of the commencement of a fact-finding hearing from three to fourteen days, which unnecessarily deprives a juvenile of the right to a prompt hearing and thereby violates his right to a speedy trial.

It is agreed that the single most important problem of today is the lack of coordination, the overlapping and fragmentation of programs. The system as it stands today fails to identify children's problems and take prompt, remedial action even when the problems are obvious at an early age. One has to start with the first act which a child commits and not wait until a pattern develops. We do not know how different or special the programing must be. The objective has to be to intervene firmly with skill in making the first contact with the family and child. No help now is offered until the situation is acute.

No single listing is available which gives current information about the services offered by the programs of existing child welfare agencies which serve families and children, nor is there such a listing for programs in allied fields. New ideas, new services, and new agencies must be tried as we strive to find effective ways of treating and rehabilitating our violent children. New funding approaches and patterns must be explored. Appropriate facilities must be made available.

In order to accomplish these objectives, it will be necessary to overhaul the Family Court Act of 1962 in an orderly and comprehensive manner, most particularly its sections on dispositional proceedings to which the public clamor on waiver and lowering of age jurisdiction pertained. Matters of jurisdiction, such as, P.I.N.S., also should be examined in the context of any comprehensive overhaul of the Act.

The executive, judicial, legislative branches of government, voluntary and civic organizations must all coordinate their efforts, cooperate, and, most of all, come to grips with the central issues confronting the Family Court and the poor and disadvantaged which it serves. Government must meet its obligation to provide preventive services for these families and to provide them and the court itself with the necessary leadership and funds to ensure delivery of services and the equitable execution of justice. This administration has an unique opportunity to bring a halt to this fragmentation and in its stead to create a reasoned, adequately programed and funded system of juvenile justice for which the state, the city, and the country can be justly proud.

I hope that these comments will prove helpful as you proceed in your efforts to improve the services available to our children who are prone to commit violence and their families. My best wishes.

Sincerely yours,
Elizabeth C. Beine,
Executive Consultant on Administration.

[From the New York Times, Nov. 30, 1975]

The following are the major recommendations described in the reports and in Judge Kaufman's statement:

Juvenile offenses would be divided into five classes, three for felonies, two for misdemeanors. A required sentence of two years would be imposed on juveniles who committed crimes for which adults normally would be sentenced to death, life in prison or 20 years in prison. Juveniles could be sent to a secure or nonsecure facility. The minimum sentence for a misdemeanor or crime would be two months. In some instances, conditional freedom could be granted instead of confinement.

The criminal code for juvenile offenders would cover the ages from 10 until a youngster's 18th birthday, an age limit imposed by nearly two-thirds of the states and the District of Columbia. New York, along with Alabama, Connecticut, North Carolina and Vermont, limit delinquency jurisdiction to youngsters under 16.

Certain victimless crimes would be decriminalized—possession for personal use of marijuana and alcohol, gambling and possession of pornographic material.

"Persons in need of supervision," children defined as habitual truants, incorrigibles or ungovernable or beyond the control of parents or other law authority, would be removed from the juvenile court's jurisdiction. The commission points out that these children have committed no crime. They would be cared for in community agencies, including crisis-intervention groups and peer-counseling programs.

Juveniles would be given the right to counsel at every stage of the proceeding.

The most violent 16- and 17-year-old offenders could be an adult court following a hearing in juvenile court. Adult courts could impose a life term in prison for convicted murderers, for example.

THE FATE OF THE JAMES MADISON MEMORIAL LIBRARY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, no Member of Congress needs to be reminded of the indispensable service the Library of Congress performs in the attempt to fashion informed legislation. However, now after 15 years of planning for a specialized structure that would offer the conditions needed to preserve, store, and efficiently use the information in its valuable collections, some would thwart that aim in the final phase of construction. Ironically this would occur in the midst of a sharply escalating demand for its services as indicated by the quadrupling of Member and committee inquiries in the last decade. At the same time staff have been hampered by a makeshift network of 10 temporary sites that requires many to work under deplorable conditions and diverts their efforts to shifting the locations of collections. In addition this situation contributes to the deterioration of source materials.

When this issue comes to a vote, I urge that my fellow Members vote for the completion of the library rather than its costly conversion to an office building. There is a legitimate need for more office space, but that is not the issue since other sites do exist which would not have such destructive repercussions. The findings of two studies being undertaken should provide the needed information to make rational decisions on the amount of space needed and the range of locational possibilities. These decisions should be deferred until the master plan by the Architect of the Capitol including space needs and the study of available information and facilities by the Joint Committee on Governmental Operations are available. Alternate sites include: First, the South Portal Building, located west of the Rayburn House Office Building, designated as new offices for HEW; second, the old FBI fingerprint warehouse at 2d and D Streets SW., part of which is already being used by the CBO; third, open space over two House underground garages—each able to support a two-story building, and fourth, the site of the former Congressional Hotel, now in use as a House office building annex, could be razed and a new office building on the same site using the entire block could be constructed.

If this Congress takes away the new Library of Congress building the public will have every right to view us as a bully taking candy from a child—and it happens to be our child. When I refer to the Library of Congress as a child, I have in mind its physical not its intellectual stature. The Library is powerless to fight back against the Congress, which makes it even more incumbent that the Congress not become a child abuser and the Library a battered child.

HON. MAURICE A. FERRE

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, the B'nai B'rith Foundation of the United States will present its most distinguished B'nai B'rith Humanitarian Award to the Honorable Maurice A. Ferre on Sunday evening, December 14. This outstanding award to Maurice Ferre is presented in recognition of his immeasurable contribution to numerous humanitarian endeavors. Mayor Maurice Ferre is an extraordinary man, with a background of eminent success in business, in politics, in civic leadership, in service to his community, State, and country in many and varied ways.

Born June 23, 1935, Ferre is a graduate of Lawrenceville School in New Jersey and holds a B.S.A.E. degree—bachelor of science in architectural engineering—from the University of Miami.

An activist in civic and community affairs, Ferre has served as fund raising chairman for the board of governors of the Greater Miami Philharmonic Society, president of the Council for International Visitors, a member of the South Florida Council of Boy Scouts of America, chairman of the 1973 Cerebral Palsy Walkathon, and is also a member of the executive committee for the March of Dimes.

He was vice chairman of the Inter-American Center Authority, is director of the Community Television Foundation of South Florida and a member of the Economic Society of South Florida and the Young President's Organization.

He has been the recipient of the Silver Medallion of the National Conference of Christians and Jews, 1968; the Miami Jaycees' Man of the Year Award, 1969; and in 1970, the Miami Jaycees selected Ferre as the Outstanding Young Man of Miami. In 1969, he was Florida's Democrat of the Year, selected by the Young Democratic Club of Florida.

Mr. Ferre is the president and a director of Maule Industries, Inc., and other Ferre affiliated corporations, both in the United States and the Caribbean area.

He and his lovely wife, Mercedes, have six children: Mary Isabel, Jose, Carlos, Maurice, Francisco, and Florence.

In 1967 Mr. Ferre was a member of the Florida House of Representatives in the legislature. On November 6, 1973, Mr. Ferre defeated six opponents in a first primary victory to become Miami's 37th mayor, having served from April 1973 to August 1973 as interim mayor, and on the Miami City Commission from 1967 to 1970. In the recent election Mr. Ferre was overwhelming reelected mayor of Miami.

Mayor Ferre has not only brought outstanding administrative ability to the office of mayor but he has also been a mayor with a high and noble concept of the office of mayor. He has been innovative in programs he has initiated and in his approach to meeting the pressing problems that confronted Miami. He has been a man of deep compassion and concern for the well-being of all the people of Miami, while at the same time bringing to that office his exceptional business ability and the recognition of the role of the city in contributing to the well-being of business as well as to all the people of the city.

But above all else Maurice Ferre is a man deeply dedicated to the public interest. At the local, State, and national level he has played an outstanding part in public affairs. He is highly esteemed by the leaders of the Democratic Party and by the leading officials of our Federal and State governments. Maurice Ferre is an inspiring example of a man who has enjoyed business and political success and has achieved distinction in many walks of life, yet whose great motivation in life is humanitarian service—helping other people to live richer and better lives. So the choice of the B'nai B'rith Foundation of Maurice Ferre as the recipient of its Humanitarian Award for 1975 is a wise and happy choice. I warmly commend the B'nai B'rith Foundation of the United States for making this award and my long-time friend, Maurice A. Ferre, upon being the recipient of this cherished award for humanitarian service.

THE ALTERNATIVE TO THE TAX REFORM ACT: A BETTER APPROACH TO ECONOMIC POLICY AND A BETTER APPROACH TO ECONOMIC ANALYSIS—THE JOBS CREATION ACT AND THE TURE ECONOMIC STUDY

(Mr. KEMP asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KEMP. Mr. Speaker, I have had so many requests for copies of Dr. Norman Ture's econometric study of the effects on the economy of the Jobs Creation Act that I am introducing the entire study into the RECORD at this time.

The Jobs Creation Act is a new approach to economic policy. It comes at a time when accustomed ways of thinking about economic policy are confused and the economy is in disarray as a result of an economic policy based on the "Phillips Curve."

The "Phillips Curve," which was called a "menu for policymakers," turned out to be a phoney menu, because it ignored the effects of people anticipating inflation. The trade-offs between unemployment and inflation turned out not to be there, or to be substantially different from what was thought. As a result of an erroneous policy, the economy has begun experiencing, for the first time, substantial unemployment and inflation simultaneously. The situation has been worsened by the long-term policy of stimulating consumption through Federal budget deficits, which has had the effect of transferring resources out of investment and into consumption, causing an erosion of the economy's growth potential.

The Jobs Creation Act is a sound and creative response to the dilemma of simultaneous inflation and unemployment that has been produced by an erroneous economic policy. The Jobs Creation Act overcomes inflation by greatly increasing the output of goods, and it overcomes unemployment by greatly increasing the number of jobs that have a real, productive base in the economy. After only 1 year of enactment, the Jobs Creation Act will have created 7 million new jobs in which people will be employed in producing an addition to GNP of $150 billion in real terms. The Jobs Creation Act is the only alternative to policies which, if we continue to follow them, will produce higher rates of unemployment and inflation.

Just as the Jobs Creation Act is a new approach to the Nation's economic policy whose time, I believe, has come, Dr. Ture's econometric analysis is a great improvement over the standard kind of analysis that is done by Ways and Means, the Joint Economic Committee, and the U.S. Treasury. The standard revenue estimates of tax changes ignore the feedback responses to the tax changes. The standard estimates are merely estimates of initial impact revenue effects and, as such, tell nothing about the ultimate effect of the tax changes. Dr. Ture's econometric analysis of the Jobs Creation Act takes into account the feedback effects of the tax changes. His analysis is not based on simplistic and misleading initial impact effects. It is the kind of economic analysis that is long overdue in the Congress and the executive agencies.

With the Ways and Means' Tax Reform Act of 1975 before the Congress this week, I would like to take this occasion to underline the defects of initial impact revenue estimates, and forecasts based on them, by critically examining the revenue estimates and forecast contained in the report of the Committee on Ways and Means on the Tax Reform Act of 1975 (H. Rept. No. 94-658, pp. 15-22).

In its report Ways and Means states that the revenue raising provisions of its tax reform program "are substantially in excess of those losing revenue" and that the tax reform program "on net balance raises revenue."

However, the revenue gains predicted from the provisions of the tax reform program are merely what are called "initial revenue impact gains." That is, they are gains that would follow from an increase in tax rates assuming that people do not change their economic behavior in response to the increased taxes.

It is easy to predict revenue gains when the only change introduced into the calculation is higher effective tax rates. But when the adverse effects of the tax increases on the general level of economic activity in the sectors affected are taken into account, the net result may well be revenue losses. Closing loopholes—that is, taking away tax incentives provided by Congress in the past—must have the reverse effect on economic activity. If the incentives encouraged, and thereby increased, economic activity, then removing them must discourage, and thereby decrease, economic activity. When the economic activity is decreased, the tax base is also decreased. Therefore, the loss in tax revenue from a smaller tax base may be greater than the gain from the higher tax rates.

Look at it this way: Eliminating "shelters" reduces the volume of activity in the so-called sheltered areas, and therefore reduces the tax base.

For example, eliminating real estate tax shelters also reduces the incomes from the myriad real estate activities—construction, finance, management, sales, supplies, and so forth. Therefore, the result will be lower tax receipts from those whose incomes are reduced. These tax losses must be subtracted from expected revenue gains before the net effect of the tax change can be known. Ways and Means does not make these calculations. Therefore, their estimated effects on tax revenues of the tax reform program are not correct.

The forecast of economic activity using the Chase econometric model apparently relates only to the extension of tax cuts, and does not relate to the tax reform program. If Ways and Means believes its initial revenue impact figures showing a net revenue gain from its tax reform program, then it should subtract this tax increase from the tax cut to get a net tax reduction. The forecast of economic activity should be based on this net tax reduction. What Ways and Means has done, apparently, is to take into account the positive multiplier effects on GNP of the extension of the tax cuts, but not the negative multiplier effects of the tax increase from the tax reform program.

Since the forecast of economic activity is not based on the net tax reduction, the forecast overstates the stimulative effects on GNP and employment.

Even when overstated, the stimulative effects on GNP and employment of the Ways and Means package are trifling. The predicted increase of $27 billion in GNP by mid-1977 reduces to only $12.8 billion in real terms. Since, according to the Ways and Means report, "the gap between what the economy is actually producing and what it is capable of producing is $200 billion a year," the trifling $27 billion predicted increase does not justify Ways and Means claim that the Tax Reform Act of 1975 "responds to our present economic situation." Neither does the predicted increase of one-half million in employment when "presently over 8 million Americans are unemployed."

As a result of the inadequate analysis underlying the revenue estimates and forecast, it is not possible to know what the impact on the economy would be of the Tax Reform Act of 1975. However, for the sake of comparison with the Jobs Creation Act, we can accept the claims contained in the Ways and Means report. The following table shows the effects on the economy of the Tax Reform Act and the Jobs Creation Act after each has been in effect for 2 years:

	Increase in GNP (1958 prices) (billions)	Increase in employment (millions)	Federal revenue effects (calendar year) (billions)
Tax Reform Act	$12.8	0.5	−$22.4
Jobs Creation Act	206.9	16.2	+19.8

Note: The revenue gain of $19,800,000,000 from the Jobs Creation Act is expressed in constant dollars (1974 prices), whereas the revenue loss of $22,400,000,000 from the Tax Reform Act is expressed in current dollars. If the revenue gain from the Jobs Creation Act is expressed in current dollars. the difference between the revenue effects becomes even greater.

The report of Dr. Ture's econometric study of the effects on the economy of the Jobs Creation Act, most recently reintroduced as H.R. 10538, follows:

ECONOMIC AND FEDERAL REVENUE EFFECTS OF THE JOBS CREATION ACT OF 1975

INTRODUCTION

The Jobs Creation Act of 1975, H.R. 10538, introduced by Representative Jack Kemp (R. N.Y.), contains more than a dozen provisions to reduce the bias against private saving and capital formation in the existing Federal income tax. The bill, if enacted, would drastically reduce that bias. It would dramatically shift the emphasis of tax policy toward meeting the present and prospective requirements of the U.S. economy for a far higher rate of saving and capital formation than has been realized, on the average, over the three decades since the end of World War II.

The effects of the bill's provisions on private saving and capital formation, on employment, and on GNP would, similarly, be dramatic. Full implementation of the proposed provisions would sharply accelerate the increase in capital outlays, employment, and GNP over a three-year transition period during which individual and business savers would adjust their saving and investing plans and behavior to the more nearly neutral tax environment. In the third full year after enactment, GNP originating in the private sector of the economy (measured in 1974 dollars) would be $248.9 billion greater than if present (i.e., 1974) tax provisions are continued. Capital outlays would be $81.1 billion greater than otherwise. Full-time equivalent employment would rise by 10.9 million jobs above levels otherwise attained. Additional significant gains in output, employment, and capital outlays above postwar trend would occur following this transition period, although these clearly would be of smaller magnitude.

Enactment of the Jobs Creation Act would increase rather than reduce tax revenues. Associated with the sharp increases in GNP, employment, and capital outlays in the transition period would be a substantial increase in the bases of the major Federal taxes. The revenue estimates in the summary table take into account these so-called "feedback" effects; the amounts shown for each provision in each year are estimates of the revenue increases generated by the enlargement of the total tax base resulting from the expansion of economic activity, offset in part by the *initial* reduction in effective tax rates or in particular elements of the tax base.

In the last transition year, there would be a net increase of $25.2 billion in Federal tax revenues. Even in the first year after enactment Federal tax revenues would increase—by an estimated $5.2 billion—over the amounts that would otherwise be realized.

The principal provisions of the bill and the estimated economic effects of each provision are presented in the following table:

ECONOMIC EFFECTS OF THE JOBS CREATION ACT OF 1975

[Money amounts in billions of 1974 dollars]

Proposal and years after enactment	Increases in—			
	Private GNP	Employment (thousands)	Capital outlays	Federal revenue
1. Savings tax credit of 10 percent, up to $1,000 ($2,000 for joint returns), not exceeding tax due:				
1	$31.0	$1,780	$22.3	$1.9
2	40.2	2,100	23.3	4.8
3	50.1	2,430	24.3	7.9
2. Exclusion of domestic corporate dividends from adjusted gross income:				
1	20.9	1,200	15.5	0.6
2	28.7	1,510	16.3	3.1
3	35.7	1,740	17.0	5.3
3. Exclusion of $1,000 of capital gain per year:				
1	9.0	520	6.8	1.6
2	12.7	920	7.1	2.8
3	15.6	760	7.4	3.7
4. Reduction of normal corporate tax rate from 22 to 20 percent (with no change in surtax):				
1	11.0	630	7.7	1.1
2	13.7	710	8.1	2.0
3	17.7	860	8.4	3.2
5. Reduction of surtax rate from 26 to 22 percent (no change in normal tax rate or surtax exemption):				
1	20.0	1,150	14.1	2.0
2	25.0	1,300	14.8	3.7
3	32.3	1,570	15.3	5.8
6. Increase in surtax exemption from $25,000 to $100,000 (with present normal and surtax rates):				
1	$11.0	$630	$7.7	$1.1
2	13.7	710	8.1	2.0
3	17.7	860	8.4	3.2
7. Increase in investment credit from 7 percent with limitations to 15 percent for all sec. 1245 property:				
1	23.9	1,370	17.4	4.3
2	31.7	1,660	18.2	6.8
3	39.9	1,940	18.9	9.4
8. Increase in asset depreciation range (ADR) from 20 to 40 percent:				
1	12.9	760	7.0	2.3
2	22.2	1,250	7.4	1.8
3	28.2	1,520	7.7	1.6
9. Optional capital recovery allowance:				
1	55.6	3,400	16.7	8.7
2	70.3	4,070	17.4	11.5
3	82.4	4,550	18.0	14.2
10. Combined effect:				
1	151.4	7,180	74.6	5.2
2	200.5	9,020	77.9	14.6
3	248.9	10,910	81.1	25.2

Note: The estimates with respect to any combination of these proposals are not necessarily equal to the sum of the individual estimates. An estimate will be forthcoming for provisions of the bill which are not included above if adequate data become available.

Estimates for certain of these proposals may differ from previous estimates for similar or identical proposals because of revisions in government data and underlying assumptions. Assumptions used in this table are consistent among alternatives.

Where exact quantification of variables was impossible, conservative assumptions about the values of those variables were employed. A full documentation of the estimating procedure is available upon request.

Estimates are based on changes with respect to the law in 1974 rather than the temporary provisions enacted in 1975. Effects for year 1 are for 1975 and assume that the proposal would have been operative since January 1, 1975. Effects for years 2 and 3 refer to 1976 and 1977 levels of GNP, employment, etc., relative to their assumed trend values had the 1974 law remained unchanged. Note that employment effects are not cumulative; the 40 percent ADR for instance, would lead to an increase of 1,520,000 full-time equivalent employees in year 3 over the number of such employees in the absence of this tax change, not 760+ 1,250+1,520=3,530,000.

SUMMARY OF PROCEDURE FOR ESTIMATING THE ECONOMIC AND REVENUE EFFECTS

The analysis of the effects of the bill's several provisions on GNP, employment, capital formation, and Federal tax revenues begins with a determination of the impact of the proposed tax changes on the cost of private saving, hence the cost of capital in the private sector. The change in the cost of saving is treated as the percentage decrease in the pretax return per dollar of saving and investment required to make that dollar of saving and investment "worthwhile". For this purpose, an investment equation of the familiar discounted cash flow form is used; an investment is considered to be "worthwhile" if the present value of its expected after-tax cash flow over the life of the investment is at least equal to the present value of the outlays made to acquire the asset(s). Since changes in tax provisions obviously affect the absolute amount and/or the present value of the after-tax cash flow, they change the amount of the pretax return on the investment required for it to be "worthwhile".

The second step in the analysis delineates and measures the private saving and investment response to the change in the cost of capital determined in the first step. The lower the cost of capital, other things being equal, the greater will be the amount of capital people will want to own. An explicit relationship between this change in the amount of desired capital and the change in the cost of capital is specified. This relationship then is used to estimate the increase in the desired stock of capital resulting from the reduction in the cost of capital provided by the tax proposal under examination.

A second relationship is specified to estimate changes in pretax returns resulting from changes in the stock of capital. These two relationships are then combined to estimate the increase in the amount of capital which equates the new required pretax return and the pretax return which that amount of capital will actually provide. Through step two, then, the model estimates the effect of various tax proposals on the cost of capital and consequently on the stock of capital.

The third step in the analysis is to estimate the changes in GNP and in employment resulting from the increase in the stock of capital. Achieving the desired increase in the stock of capital obviously requires increasing capital outlays above the amounts that otherwise would be spent. In the period in which the adjustment to the tax changes occurs (assumed to be three years), these additional capital outlays sharply increase GNP and employment. In addition, as the increases in the stock of capital come on stream, they expand production capacity and output. Associated with the enlarged amount of capital are additional demands for labor services, resulting in an increase in employment, in wages, or in both above the increases that would otherwise occur.

The final step in the analysis is to estimate the effects of the tax changes on Federal tax revenues. Each of the provisions in the bill would reduce one or more income tax rates or initially reduce the amount of income to which the tax rates apply. Estimates of these initial effects on Federal tax revenues clearly are unsatisfactory and unrealistic, since they do not take into account taxpayers' responses to the changes in the tax provisions. In addition to these initial impact revenue effects, therefore, it is necessary to estimate the so-called "feedback" effects. These feedback effects are the increases in Federal tax revenues generated by the expansion of the individual and corporation income tax and the payroll tax bases which result from the increases in GNP, employment, labor compensation, and returns on capital, as estimated in step three. If initial revenue effects exceed feedback effects, there is a net reduction in Federal tax revenues; if feedback effects exceed initial effects, there is an increase in Federal tax revenues. The analysis in step four shows that each of the provisions in the bill for which estimates were made would on balance increase rather than reduce Federal tax revenues.

TECHNICAL REPORT: ECONOMIC AND FEDERAL REVENUE EFFECTS OF THE JOBS CREATION ACT OF 1975

PREFACE

The Jobs Creation Act of 1975, H.R. 10538, contains more than a dozen measures to reduce the bias against saving in the existing Federal income tax and to stimulate output, investment, and employment. Norman B. Ture, Inc. was asked to provide estimates of the effects on private sector GNP, capital outlays, and employment, and on Federal revenues, from nine of the bill's most significant provisions taken separately and as a group.

The estimates were derived from a reduced-form private saving and investment behavior model, described in detail in this report. A model of this character is particularly suited to analysis of the effects of tax changes by virtue of the fact that its specifications focus on the effects of such changes on the cost of saving and of capital, the principal impact of the tax changes proposed in the Job Creation Act of 1975. It minimizes the estimation hazards inherent in more elaborate, multi-sector, multi-equation econometric models, in which errors of concept, specifications or quantifications in one or more of the very large number of equations ordinarily used may have an untoward effect on the estimated results. Moreover, it avoids the conceptual ambiguities and pitfalls in the specifications of multipliers and accelerators which are important features of many of the multi-equation models. In the reduced-form model presented in this report, saving and investment behavior is specified as depending on the relative cost of consumption vs. claims to future income, given levels of income; changes in income levels are taken into account by estimation of their trend values and the changes therein resulting from changes in total production capacity in response to the proposed tax changes. In most of the multi-equation econometric models treat saving and investing as functions of disposable income, ascribing insufficient weight or influence to changes in the relative cost of saving and investment.

The model presented in this report is a general equilibrium model in that the basic investment equation on which it relies imposes the constraint of equal returns at the margin on private saving in all forms. Thus, a tax provision which alters the return on saving allocated to a particular outlet results in both a shift in the allocation of total saving among alternative outlets and a change in the aggregate amount of saving.

The quantitative estimates in the report should be viewed as measuring direction and order of magnitude of the effects of the specified tax proposals. While these estimates are sensitive to alternative assumptions about the values of the parameters and variables in the model, we are confident that, as presented, they reasonably represent the results which may be expected from implementation of the tax proposals.

PROCEDURE FOR ESTIMATING EFFECTS OF THE JOBS CREATION ACT OF 1975

A. Overview

The Jobs Creation Act of 1975 contains more than a dozen measures to reduce the bias against saving in the existing Federal income tax and to stimulate output, investment, and employment. Norman B. Ture, Inc. was asked to provide estimates of the effects on private sector GNP, capital outlays, and employment, and on Federal revenues, from 9 of the bill's most significant provisions taken separately and as a group.[1]

The details of the estimation procedure are described below for each alternative; a sketch of the process should clarify the discussion. First, capital stocks, national income, gross product, and employment in the private sector are projected through 1977 under present law using their postwar trend rates of growth. Next, the effect of each proposal on the cost of capital and the increase in the desired stock of capital in response to the lowered cost of capital are calculated. This increase in the stock of capital allows estimation of the increase in capital outlays resulting from a proposal. Associated with the increase in the stock of capital is an increase in employment, hence in national income. The additional investment and higher national income together provide an estimate of the increase in private GNP. The added GNP also increases Federal revenues by raising the tax base; this increase is partially offset by an initial impact revenue loss, calculated by applying the reduction in the tax rates or tax base to the present law levels of income. The net effect on Federal revenues equals the difference between these two revenue estimates.

B. Data

It was assumed that full response to each proposal would take 3 years. This reflects the time required by taxpayers to assess the effects of a provision on the cost of capital, to adjust their saving and investment decisions, and to plan for, order, and install new equipment and structures.

Estimates were prepared for each of the first three years after enactment. It was assumed that the provisions were in effect from January 1, 1975. Thus, year 1 refers to 1975, year 2 to 1976, and year 3 to 1977. Present-law assumptions were based on projections of 1973 values at their 1947–73 trend rates of growth, using the 1974 tax law. (Changes resulting from the Tax Reduction Act of 1975 were not considered.) No attempt was made to forecast the rate of inflation; all money amounts are expressed in billions of 1974 dollars.

The estimates with respect to any combination of these proposals are not necessarily equal to the sum of the individual estimates, since some proposals overlap (8 and 9) or interact (4 and 8). Certain combinations (4 and 5, for instance) are additive, however.

Two approaches are available for estimating the stock of capital in the private sector. The more straightforward and reliable method is to add up the financial claims held by the household sector, pertaining to assets in the private sector. Since governments do not own a share of privately held assets in the United States, and since the aggregate of corporate asset holdings have a counterpart in one or another set of financial claims in the household sector, this approach should provide a complete and unduplicated accounting. According to the Federal Reserve Board, household sector private financial assets total $2,302.3 billion at the end of 1973.

The alternative is to count up the value of physical stocks of equipment, structures, and inventories. There are severe difficulties involved in achieving a complete count and in valuing on a current basis assets of widely varying ages and degrees of obsolescence and deterioration. Nevertheless, estimates by the Commerce Department's Bureau of Economic Analysis for 1973 amount to $2,286.1 billion, remarkably close to the Federal Reserve estimate of $2,302.3 billion.

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[1] Estimates for the effect of increasing the ceiling for contributions to Individual Retirement Accounts from $1,500 to $2,000 per year and of an alternative amortization period for pollution control facilities will be forthcoming if adequate data become available. Economic effects of two other provisions of the bill, relating to extension of time for payment of estate tax and interests in family farming operations, were considered to be of too small magnitude to warrant estimation.

The latter figure was converted to 1974 dollars by multiplying by the ratio of 1974 to 1973 deflators for gross private domestic investment. Values were computed through 1977 by compounding the stock at an annual rate of 3.8%, the postwar trend rate of growth for capital.

Private sector national income and gross product for 1973 were converted to 1974 dollars using the ratio of 1974 to 1973 deflators for gross private product, then extrapolated at their postwar trend rates of growth.

The number of private sector full-time equivalent employees was projected to grow at its 1947–73 trend rate of 1.2% per year. It was assumed that the trend rate of increase in wages would not be affected by any of the proposals and that all resulting increases in labor income above the trend value would be attributable to increases in the number of full-time equivalent employees.

C. Estimation procedure

1. Cost of capital change: The analysis begins with a determination of the decrease in the cost of capital resulting from a tax proposal. This can be represented as the pretax income needed to make a given investment worthwhile under the proposal, less the pretax income needed under present law. An investment may be considered "worthwhile" if the present value from the expected after-tax cash flow over the life of the investment equals or exceeds the initial outlay. It is assumed that the volume of investment when adjustment to the tax change is completed is such that the present value of the net cash flow just equals initial outlay.

For an individual, four types of investment can be distinguished: depreciable and nondepreciable, corporate and noncorporate. An investment equation may be written for each:

1. Investment in depreciable corporate assets

$$I_1=(1-t_p)\ \mathrm{div}(1-t_c)\sum_1^n y(1+r)^{-i}+t_c\sum_1^m(1+r)^{-i}D_i+c(1.12)^{-1}ITC+(1-t_g)(1.12)^{-n}CG$$

2. Investment in depreciable noncorporate assets

$$I_2=(1-t_p)\sum_1^n(1+r)^{-i}y+t_p\sum_1^m(1+r)^{-i}D_i+c(1.12)^{-1}ITC+(1-t_g)(1.12)^{-n}CG$$

3. Investment in nondepreciable corporate assets

$$I_3=(1-t_p)\mathrm{div}(1-t_c)\sum_1^n(1+r)^{-i}y+(1-t_g)(1.12)^{-n}CG$$

4. Investment in nondepreciable noncorporate assets

$$I_4=(1-t_p)\sum_1^n(1+r)^{-i}y+(1-t_g)(1.12)^{-n}CG$$

where
I=amount initially invested;
y=pretax earnings required for each of n years to repay investment of I;
D_i=depreciation in year i on asset I, given depreciable life m;
ITC=investment credit earned in first year;
CG=capital gain realized after n years;
div=dividends received by individuals as a fraction of corporate cash flow;
c=fraction of depreciable assets that are eligible for investment credit;
r=rate at which future income is discounted to present value;
t_p=marginal tax rate on personal capital income;
t_c=marginal tax rate on corporate income;
t_g=marginal tax rate on personal capital gains.

These four equations may be weighted on the basis of corporate and noncorporate ownership of depreciable and nondepreciable assets to yield a single aggregate equation. Weights used were: $I_1=.45$, $I_2=.25$, $I_3=.2$, $I_4=.1$.

Typical asset life was assumed to be 12 years, the average for equipment eligible for the investment credit, according to unpublished Treasury Department data. This is only one component of total asset holdings but is intermediate in life between inventories and structures, the other major components. Data for these components are incomplete or unreliable and no estimate of their average life was attempted.

It was assumed that a depreciable asset with a 12-year life which is eligible for the 20% Asset Depreciation Range (ADR) would be depreciated over 9.5 years at double declining balance rates with optimum switchover to straight line depreciation. Installation at midyear was assumed. Under present law, an effective investment tax credit rate of 5%, rather than the nominal 7%, was assumed, reflecting Treasury estimates of the effects of limitations of net income, useful life, and the reduced credit rate for public utility property.

The amount of capital gains accrued per year were assumed to equal the ratio of undistributed corporate profits to pretax corporate cash flow, an average of .220y for the years 1947–74. Capital gains were assumed realized after the useful life of 12 years, so that realized gains equaled 12×.22y=2.64y per dollar of investment.

Dividends reported on individual income tax returns have consistently averaged 17% of corporate after-tax cash flow. This fraction was used for div. Approximately 70% of depreciable assets are eligible for the investment credit, so this percentage was used for c. A discount rate of 12% was chosen for r.

From Internal Revenue Service *Statistics of Income* data, marginal tax rates were calculated: for personal capital income, .33; for corporate income, .463 (a weighted average of the .22 rate on the 6.4% of income that appears on returns reporting less than $25,000 of taxable income, and the .48 rate for all other corporate returns); for personal capital gains, .21 (one-half the marginal rate for a weighted average of individual taxable returns reporting capital gains).

Thus under present law, the combined investment equation

$$I=(1-t_p)\sum_{i=1}^{12}(1+r)^{i}y[\mathrm{div}(1-t_c)(.45+.2)+(.25+.1)]$$
$$+(.45t_c+.25t_p)\sum_{1=1}^{9.5}(1+r)^{-i}D_i+(1+r)^{-1}(.45+.25)cITC$$
$$+(1-t_g)(1+r)^{-12}CG=.67(6.195)y\ [.17(.537)(.65)+.35]$$
$$+[.45(.463)+.25(.33)]\ (.620)I+.893(.7)(.7)(.05)I+(.79)(.257)(2.64)y$$

This equation is solved for y under present law. For each alternative, the equation is reformulated and solved again for a new y. Then the decrease in cost of capital equals the difference between new and present-law y as a percent of present-law y. The reformulations are described below under the discussion for each proposal.

2. Capital stock change: As the quantity of capital increases, the marginal product (i.e., the pretax return) of capital decreases. The percent increase in quantity of capital associated with a given percent reduction in its marginal product is the elasticity of demand for capital, e_d. It is widely assumed to equal −1. The percent increase in total saving, or equivalently in desired total capital, dK/K, which occurs in response to a given percent reduction in the cost of capital, dy/y, depends as well on the elasticity of supply of savings, e_s, that is on the percent increase in assets that savers wish to hold for a given percent change in the return that they receive. For this study e_s is very conservatively assumed to equal ½, implying that a 1% increase in the return on savings would elicit an increase in the aggregate amount of saving of only 0.5%. (A less conservative estimate would raise all of the estimated effects.) The exact relationship among these variables is:

$$\frac{dK}{K}=\frac{e_d\,dy/y}{1-e_d/e_s}=\frac{1}{3}\frac{dy}{y}$$

That is, a given percent reduction in the cost of capital will raise the equilibrium (post-transition) capital stock above its trend value by one-third as great a percentage. For instance, a 6.9% reduction in the cost of capital (as in the case of the saving tax credit) will lead to a 2.3% rise in the stock of assets. It is assumed that it takes 3 years to achieve this increase in stock, so that by the end of 1977 the stock is 2.3% or $66.9 billion larger than the trend value of $2,910 billion which it would attain in the absence of the proposal. It is further assumed that this increase will occur in 3 equal increments. Hence capital outlays would rise above present levels by $22.3 billion per year beginning in 1975, if the provision were in effect from January 1, 1975. Starting in 1976, there would be an additional increase in outlays to cover replacement of the depreciable portion of the augmented net stock. In recent years, replacement investment for depreciable assets has averaged 4.4% of the previous year's total net stock. Thus, additional replacement investment in 1976 would total about .044×22.3=$1.0 billion, in addition to the $22.3 billion increase in the net stock, for a total of $23.3 billion in incremental outlays in 1976.

3. GNP and employment change: Increases in net stock raise the nation's productive capacity and hence its output. Associated with these increases in capacity and output are additional demands for labor services, which result in a rise in the average wage rate, in the number of employees, or in both.

This study makes two assumptions regarding labor: (1) the shares of GNP going respectively to labor and capital will remain constant (an assumption which has been valid over the postwar period), and (2) the increase in the labor share will be attributable to increases in employment rather than to increases in the general wage rate. These conditions may be expressed notationally as follows:

(1) $rK/wL=c$
(2) $d(wL)/wL=dL/L$,
where
r=price of capital services
K=stock of capital
w=wage rate
L=number of full time equivalent employees
c=a constant

If Q=private GNP, then Q may be expressed as the sum of labor and capital income:

$$Q=rK+wL=cwL+wL=(1+c)wL$$

The percent change in private GNP, dQ/Q, is given by

$$dQ/Q=d(1+c)wL/(1+c)wL=dL/L$$

Private GNP will increase by the same percentage over trend as the increase in capital and labor inputs over their respective trends. In addition, during the three-year transition, in which capital outlays increase in order to raise capital stock to its new growth path, GNP is further increased by the amount of the additional capital outlays and by the additional capital consumption allowances. Employment increases proportionately during this transition period.

4. Revenue Change

The increase in total Federal revenues was estimated as the sum of additional tax receipts from three sources: income taxes on income from capital (corporate profits, interest, rents, and proprietor's income); income and payroll taxes on labor income (wages and salaries); and indirect business taxes (mainly Federal excise taxes). To determine the appropriate marginal tax rates to be applied to each source, it was necessary to divide national income and Federal revenues into the three categories. National income is readily divisible, but since personal income tax and nontax receipts in the National Income Accounts apply to income earned from capital as well as labor, use of a single average tax rate would understate the rate paid by those receiving income from capital who are in higher tax brackets than the population as a whole. Partial segregation of these capital-income recipients is provided by the 1966 and 1969 editions of *Statistics of Income—Individual Income Tax Returns*, which classifies taxpayers by major source of income. In each of those years, the average tax rate (tax after credits as a percent of adjusted gross income) for those whose major source of income was capital (business or professional net profit, partnership net profit, dividends included in adjusted gross income, or net gain from sale of capital assets) was approximately 1.67 times as high for those whose major source of income was salaries and wages.[1] This ratio was used to find the average tax rates on capital and labor income, t_K and t_L in the equation

$T=t_K K+t_L L$, where

T=the sum of personal tax and nontax plus contributions for social insurance,

K=the sum of proprietors' income, rental income of persons, and net interest included in national income, and

L=compensation of employees.

"Personal capital-income" tax revenues, $t_K L$, were added to Federal corporate profits tax accruals. The sum was divided by the sum of personal capital income (K) and corporate profits to yield an overall capital tax rate. These calculations were made for 1971–74. In that period, the capital tax rate varied from .323 to .331 averaging .33. In that same period, the labor tax rate climbed from .166 to .190 (reflecting the rise in social security rates and the effect of inflation in pushing individuals into higher income tax brackets). By plotting the logarithm of the labor tax rate against labor income, the labor tax rate was found to rise, on average, 5.7 percent for every $100 billion increase in employee compensation. The marginal rate, that is, the rate on the increment of labor income, associated with these changes in average rate was found to be .33. Finally, an indirect business tax rate of .019 (the rate in both 1973 and 1974) was applied.

The total Federal tax rate equaled the sum of these three components, or approximately .35, i.e., .33 on both the labor and capital shares, and .019 on the total. This rate was multiplied by the increase in GNP found above. From the resulting amount, an initial impact estimate was subtracted to yield a net revenue figure.

D. Estimation procedure for specific proposals

1. Savings tax credit of 10%, up to $1,000 ($2,000 for joint returns), not exceeding tax due.

The credit would apply to net additions to taxpayer holdings of savings account deposits, federal government debt, investment company shares and other corporate securities, and life insurance reserves. Holdings of these assets amounted to $1,694 billion in 1973. To find out how much the credit would reduce the cost of capital and lead to an increase in asset holding, it was necessary to distribute these assets by income bracket using the Internal Revenue Service's *Statistics of Income—1973 Preliminary Individual Income Tax Returns*. This was accomplished by assuming that the distribution of eligible assets is the same as the distribution of interest reported on taxable returns. A preliminary estimate of the amount of additional saving induced by the credit was necessary in order to find the actual decrease in the cost of capital.

Initially it was assumed that a 10% credit would lead households to increase their stock of eligible assets by 1%, or $16.9 billion. This was added to the actual increase in assets of $88.7 billion reported in 1973. Then eligible savings for each adjusted gross income (AGI) class were estimated by multiplying reported interest income in each class by the ratio of total eligible saving to total interest income. These totals per AGI class were divided by the number of returns in each class to derive average saving per return in each class (joint and nonjoint returns were handled separately). Average tax per return was also computed for each AGI class. Then for each class, the average amount of credit per return was calculated and multiplied by the number of taxable returns to yield the overall initial impact revenue loss and increase in eligible savings. The actual decrease in cost of savings implied by this latter total proved to be 6.9%, rather than 10% as first indicated. This 6.9% decrease in cost of capital translates to an increase of 2.3% in all types of assets.

2. Exclusion of domestic corporate dividends from adjusted gross income: This tax change was incorporated in the overall investment equation of part C by dropping the term $(1-t_p)$ from in front of the dividend term in equations 1 and 3. The resulting reduction in cost of capital equaled 4.8%, implying a 1.6% growth in the 1977 capital stock relative to its present-law trend value.

The implied revenue gain was offset by an initial impact loss computed by multiplying the amount of dividend income in each AGI class by the marginal rate associated with that class and summing all classes. This loss was reduced by 10% to remove dividends from foreign corporations, which would remain taxable, and to allow for the likelihood that for taxpayers with large amounts of dividend income, some of that income would fall in lower brackets and be taxed at lower than the marginal rate. Dividends were distributed among AGI classes according to *Statistics of Income—1973 Preliminary Individual Income Tax Returns;* tax rates per AGI class were derived from the 1972 volume.

3. Exclusion of $1,000 of capital gain per year: This proposal was handled by changing the final term of the investment equation from

$$(1-t_g)(1+r)^{-n}CG \text{ to } (1-.67t_g)(1+r)^{-n}CG$$

reflecting the fact that average capital gain per return is about $3,000, so that approximately two-thirds of all gain would remain taxable. The exclusion would reduce the cost of capital by 2.1%, raising 1977 stock by 0.7%.

The implied revenue gain was reduced by an initial impact loss equal to $1,000 per return times the number of returns reporting capital gains in each AGI class times the marginal tax rate associated with each class.

4. Reduction of normal corporate tax rate from 22% to 20% (with no change in surtax): This proposal would lower the tax rate for all corporations by 2% from a weighted average of 46.3% to 44.3%. Incorporating this change in the investment equation led to a 1.2% reduction in the overall cost of capital, and a 0.4% increase in the 1977 stock.

In calculating the resulting revenue gain, the marginal tax rate on capital income was lowered to reflect the lower rate on corporations. Further, an initial impact loss of 2% of taxable corporate income offset part of the gain.

5. Reduction of surtax rate from 26% to 22% (no change in normal tax rate or surtax exemption): This provision would lower from 48 to 44% the marginal tax rate on the 93.6% of taxable income going to corporations with taxable income exceeding $25,000. Thus the weighted average corporate rate would fall from 46.3% to 42.6%, indicating via the investment equation a reduction in the overall cost of capital of 2.2% and an increase in 1977 stock of 0.7%.

Calculation of the net revenue effect involved considerations akin to those mentioned above under proposal 4.

6. Increase in surtax exemption from $25,000 to $100,000 (with present normal and surtax rates): This change would lower the marginal tax rate from 48% to 22% on the 7.4% of net income between $25,000 and $100,000 reported on corporate returns with taxable income greater than $25,000. This is equivalent to a 1.9% drop in the weighted average corporate rate. When included in the investment equation, this yielded a 1.2% reduction in the cost of capital, the same as for proposal 4.

7. Increase in investment tax credit from 7% with limitations to 15% for all Sec. 1245 property: Currently, taxpayers may claim a 7% credit on Sec. 1245 property (equipment and certain business structures), subject to limitations on net income, useful life, and public utility property. The Treasury estimates that these restrictions lower the effective rate to approximately 5%. The bill would remove these restrictions and raise the rate to 15% for all taxpayers. This would be equivalent to a 5.5% across-the-board reduction in the cost of capital, and would raise 1977 stocks by 1.8%.

The implied revenue gain would be reduced by a 10% increase in the credit applied to eligible investment which would have occurred in the absence of the change in law. The Treasury estimates this loss at about $4 billion per year.

8. Increase in Asset Depreciation Range (ADR) from 20% to 40%: This provision would permit faster write-off of depreciable assets. The tax life for the asset used in the investment equation would be shortened from 9.5 to 7 years, with a concomitant increase in the annual depreciation deductions. The cost of capital would fall by 2.2%, and 1977 stock would rise by 0.7%, compared to present law projections.

Private GNP would be boosted by higher capital consumption allowances as well as by the higher capital outlays and national income effects found with previous alternatives. For example, first-year depreciation deductions for the typical asset used in the investment equation would equal 14.3% of investment cost, rather than 10.5%. For the portion of investment which would have occurred even under present law, there would be an initial impact loss equal to the marginal capital tax rate (.33) times the increase in depreciation deductions.

9. Optional capital recovery allowance: This proposal would speed up write-offs to 5 years for equipment and 10 years for structures. Moreover, a full year's capital recovery allowance could be claimed in the first year, instead of the current half year's allowance. This would lower the cost of capital by 5.2%, and raise the 1977 stock by 1.7%, relative to present law projections. Procedures for estimating effects on GNP and revenue would be the same as those of provision 8.

10. Combined effect: Combining all of these provisions would remove domestic dividends and up to $1,000 of capital gain per year per return from AGI, lower the weighted average corporate tax rate from 46.3% to 39.0%, raise the investment credit from an effective rate of 5% to 15%, and lead to adoption of 5- and 10-year write-offs for depreciable assets. It was assumed that all taxpayers would adopt the optional capital recovery allowances in lieu of the increased ADR; the latter therefore, is not included in the following

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[1] The separation of income sources was nearly but not entirely complete. For those reporting salaries and wages as a major source, other sources supplied approximately 3 percent of adjusted gross income; for those with one category of capital income as a major source, other sources accounted for 17–19 percent of adjusted gross income.

equation. The resulting investment equation would be:

$$I=\sum_{i=1}^{12}(1+r)^{-i}y[\mathrm{div}(1-t_e)(.45+.2)+(1-t_p)(.25+.1)]$$
$$+(.45t_e+.25t_p)\sum_{i=1}^{5}(1+r)^{-i}D_i+(1+r)^{-i}(.45+.25)cITC$$
$$+(1-.67t_g)(1+r)^{-12}CG=6.195y[.17(.61)(.65)+.67(.35)]$$
$$+[.45(.39)+.25(.33)](.787)I+.893(.7)(.7)(.15)I$$
$$+[1-.67(.21)](.257)(2.64)y$$

This results in a 16.2% reduction in the cost of capital, and a 5.4% increase in the 1977 stock.

It should be noted that the combined effects are less than the sum of the nine separate estimates. The principal reason is that certain combinations, such as lower corporate tax rates and more rapid write-off of depreciable assets, are partially offsetting.

EXPLANATION OF AMENDMENT BY MR. SMITH OF IOWA TO H.R. 10612

(Mr. Smith of Iowa asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SMITH of Iowa. Mr. Speaker, under the bill, when individuals engaged in farming have a loss, deductions for normal expenses they pay in that year for inputs for crops that are harvested in the next year, are limited on a tax return which includes income from other sources. In some cases such deductions are completely disallowed. Under those circumstances, these individuals would also not be permitted to deduct for feed purchased in one calendar year which is fed to livestock after the beginning of the next calendar year.

In the case of the crops, the intent of the committee was mostly to prevent deductions for big investments in long-life crops such as orchards where the investment involves several years of outlays prior to the production of income. The committee recognized that ordinary farm crops do not lend themselves to any advantages which justify requiring a change in the law. Therefore, they provided an exception by name for certain kinds of crops; to wit: wheat, rye, barley, alfalfa, oats, sorghum, and cotton. The same rules should apply to other crops where it is normal to have an investment in the fall of one year for the crop which is sold in the following year. In order to make the rule uniform in application to the various crops of this nature which farmers have, the wording would be changed to:

"(iii) to grain, oil seed, fiber, pasture, tobacco, silage, and forage crops (including expenses of planting, seeding, residue processing, fallowing, plowing, or any other soil preparation, and"

With regard to the purchase of feed in the fall which would be consumed the next spring, the committee was trying to cover people who are really not in the farming business but who buy cattle and feed from a custom feedlot. The second amendment provides a way to do this without covering most individual dirt farmers. There is no way for the ordinary individual farmer to save enough by deferring tax payments on prepaid feed to offset the cost of holding the feed for several months. Therefore the only reason the individual farmer buys feed in the fall is because it is a good business practice to buy the feed when it is the cheapest and when it is available. Most of these individual farmers produce 50 percent or more of the feed which they feed to their livestock. The committee really did not intend to cover this kind of farmer.

The third amendment deals with limiting deductions to the amount of risk actually taken. In some industries leverage can be used and less risk is involved than the purchase on the face of it would indicate. Although this does not apply to the raising of grain, oil seeds, and other crops mentioned, it does no harm to include it in order to make it consistent with the rest of the bill. Therefore, the third amendment limits the deductions to the amount of risk actually involved.

I include the following:

NOTE

Under the bill non-family corporations and syndicates will be required to go on the accrual basis, so the exceptions above only apply to individuals.

Also, under existing law, a taxpayer who is not engaged in farming for a profit is not allowed to take any deductions against non-farm income; and that provision is not changed in H.R. 10612. Therefore, almost all of the taxpayers who would be denied full deductions in the year of loss who are affected by the above amendments are individual dirt farmers.

Also, unlike other amendments relative to losses, these crops and supplies are not depreciable nor subject to capital gains treatment. Therefore, the net effect of the amendments is to prevent unnecessary complicated bookkeeping and to treat all such ordinary crops alike. They would not affect overage tax receipts or payments.

AMENDMENT TO H.R. 10612 BY MR. SMITH OF IOWA

On page 15, strike out lines 20 and 21 and insert:

"(iii) to grain, oil seed, fiber, pasture, tobacco, silage, and forage crops (including expenses of planting, seeding, residue processing, fallowing, plowing, or any other soil preparation), and".

On page 16, strike out lines 15 to 21, inclusive, and insert:

"(2) PREPAID FEED, SEED, FERTILIZER, ETC.—

"(A) IN GENERAL.—Any amount paid for feed, seed, fertilizer, or other supplies which are on hand at the close of the taxable year.

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply to—

"(i) any amount paid for supplies which are on hand at the close of the taxable year on account of fire, storm, flood, or other casuality or on account of disease or drought, or

"(ii) in the case of a taxpayer (other than a farming syndicate as defined in section 467 (d)(3)) who, on the average, produces more than 50 percent (by volume) of the feed consumed by such taxpayer's livestock (other than poultry), any amount paid for feed which is on hand at the close of the taxable year."

On page 69, strike out lines 3 and 4 and insert:

"(3) raising or harvesting grain, oil seed, fiber, pasture, tobacco, silage, or forage crops,".

HOW TO SUCCEED IN GETTING A $6 BILLION LOAN GUARANTEE WITHOUT REALLY TRYING (OR SOMETHING FUNNY HAPPENED ON THE WAY TO THE CONFERENCE COMMITTEE)

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, we will be asked in the next few days to swallow whole, without opportunity to amend, a gigantic $6 billion loan guarantee program for synthetic fuel development for the giant energy companies—incredibly, forcing this huge capital diversion down their throats against their expressed will. This program was added to the ERDA authorization by the Senate without hearings and was adopted by the conferees as sections 102 and 103 for presentation to the House as part of the ERDA conference report. The contrast between the administration's rejection of any loan guarantees for New York, even when tied with the most onerous of strings, and this $6 billion subsidization of an uneconomic, environmentally unsound, and unwanted subsidization of the Nation's largest corporations in whose hands far too much power is already vested is just plain unbelievable. It must be stopped.

The principal reasons for opposing the add-on are:

First. The House is being deprived of the opportunity to work its will on this program—which is comparable in magnitude to the TVA project—by its adoption in the conference. No floor amendments are possible. It may not be possible to have a separate vote on sections 102 and 103. If no separate vote is possible we must defeat the whole report, sending it back to the conference with the understanding that we want the synthetic fuels program separated from the ERDA authorization. This could be completed before Christmas.

Second. The $6,000,000,000 program distorts our energy priorities by promoting expensive new fuels rather than emphasizing conservation of energy. The loan guarantees are for the development of synthetic fuels—especially gasification of coal and development of oil shale—even though these technologies are not proven and uneconomical. Authorization to use the guarantees for solar and geothermal development was added at the last minute by the conferees. Based on past ERDA experience it is clear that no more than a pittance of the authorization would be used for the development of these clean, renewable energy resources.

Third. The full environmental consequences are not known. Strip mining, disposal of spent shale, urbanization, air and water deterioration, legal battles over scarce water resources, construction of roads and support facilities, increased incidents of cancer due to the effusion, are all anticipated consequences.

Fourth. Such large Government guarantees will distort the markets for scarce capital. Capital will be diverted from other national priorities and the cost of other fuels is expected to rise as a direct result. The Wall Street Journal in an editorial stated, "Energy executives say they would be forced to compete for Federal grants and loan guarantees, fitting their research and development proposals to the latest bureaucratic and political energy whims and fancies." Loan guarantees will cover the cost of constructing the plant, but price supports will be required to market the expensive fuels. The administration has requested as vital for the success of the program over and above the $6 billion loan guarantees, $4.5 billion in price supports, $600 million in construction grants and $450 million in aid to impacted communities. We are therefore faced with a total price tag which is almost double the amount authorized in section 103.

Fifth. The program will result in increased concentration in the dangerously over-concentrated energy industry.

Sixth. The human impact of this program has not been thoroughly studied. "Boom towns" are expected to result with serious community problems caused by major dislocation of families and expensive school and service requirements. The growth must be planned and orderly to avoid long-term individual, family and community problems.

A program of this scope and consequence should receive thorough study under separate legislation by both Houses of Congress according to established legislative procedure.

The $6 billion add-on should be voted down in a separate vote on sections 102 and 103 if obtainable; if no separate vote is made in order, the ERDA conference should be rejected so that this Senate-added boondoggle can be deleted.

NEW YORK CITY BAILOUT ONLY A BREATHER

(Mr. ROUSSELOT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ROUSSELOT. Mr. Speaker, yesterday, I voted against H.R. 10481 and the Federal Government "bailout" of New York City. In my estimation, this proposal constituted nothing more than a simple stopgap measure that will do nothing more than merely postpone the "day of reckoning" for the Nation's "big apple." The approval of this legislation cannot solve the real financial problems that will continue to plague the city.

Federal loans to New York City will serve the sole purpose of soothing seasonal variations in the city's receipts and spending. New York is in a crisis not simply because it needs money to smooth seasonal patterns, but also because it needs money to fund current expenses. The city has been in this sort of needy situation for several years now. That is why today New York City has a mountain of short-term debt that inevitably collapsed. While we might help the city with the problem of seasonal variations in receipts and spending, the real dilemma of balancing its budget still remains. This underlying problem of New York City can ultimately be solved in only one of two ways. Either revenues must rise, or expenses must fall, until budget outlays match revenues. The solution is as simple as that. For all of the excitement over the President's latest proposal this task has yet to be accomplished.

Mr. Speaker, the following editorial appeared in the Wall Street Journal on December 1, 1975. I believe it gives a realistic picture of the financial problem New York City still has, even in the face of the superficial "panacea" that we approved yesterday.

ONLY A BREATHER

President Ford's proposal for seasonal loans to New York City is a constructive step both economically and politically, but anyone who thinks it has solved the city's crisis is living in a dreamworld.

The federal loans will serve the sole purpose of soothing seasonal variations in the city's receipts and spending. They must be repaid in full by the last day of each fiscal year. The President has in effect offered the city a substitute for the legitimate use of the credit markets. But the real problem has been illegitimate use of the credit markets; the President's offer makes clearer than ever that the city and state must solve this problem on their own.

New York City is in a crisis because it has been borrowing not just to smooth seasonal patterns but to fund current expenses. Thus it built a mountain of short-term debt that inevitably collapsed. The underlying problem can be solved in one of two ways. Either revenues must rise, or expenses must fall, until the budget is honestly in balance. For all the excitement, this task remains to be done.

The President's offer, to be sure, is based on representations by the city and state that the financial house has been put in order. In esssence, the combination of $200 million in new taxes and indefinite postponement of repayment of $800 million in advances from the state is supposed to generate a surplus of revenues over outgo exclusive of debt service. The debt service will be reduced because the big banks have agreed to accept lower interest payments and postponement of the payment of principal, and the same terms are to be forced on other noteholders by the moratorium on existing debt and last week's exchange offer. Of course, that leaves some debt service still to be paid, mostly from $2.5 billion in new borrowings from the city employes' pension funds.

So thanks to new borrowings from the state and the pension funds, everything will balance over the next three years—if you choose to believe the projections. The expenditure estimates are based on the assumption that there will be no increase in the cost of welfare and Medicaid, and no increases in the salaries of city employes. The issue of pension liabilities is not addressed. The estimates project a budget cut of $200 million this year and $270 million in the coming fiscal year and a further $270 million in the following one. This task, to be generous, has barely begun.

Revenue estimates are always chancy, but these are especially so, given the nature of the new taxes being imposed to close the deficit. The city will now have a municipal estate tax, for example, a device supremely calculated to empty the city of its wealthiest taxpayers. One can only guess how the receipts of the estate tax will compare with the loss on the income tax account, but you'd better guess it's a money-loser. Also, there is an increase in the bank tax, if the stretch-out leaves the banks with profits to tax. More generally, the taxes are of the sort that discourage business, reduce jobs and lower the tax base.

But assume the projections do prove out. Next, you also have to assume the plan survives the court tests already under way. A suit against the pension fund trustees, for example, alleges that fiduciary obligations are breached by loans that aren't likely to be paid back. And a suit against the moratorium alleges that the Constitution and federal statutes mean what they say about a state and its subdivisions not abrogating their debt without going into federal bankruptcy court.

And if you assume the court verdicts are favorable, you then have to assume New York State can solve its own budget and borrowing crisis. Its own budget is by the governor's admission about $700 million in the red, not counting the $800 million in loans to the city, or the something over $2 billion in short-term moral obligation notes of the state agencies. This week the spotlight will move to the state crisis, and the crisis atmosphere will quickly return.

But if you assume the projections are right, and if you assume the plan wins in court, and if you assume the state can find ways to cut its expenditures or non-destructive ways to raise its taxes so it can balance its budget, then you have assumed your way through until June 30, 1978. But even if all this happens, on that date the city will be deeper in debt than it is today.

DEATH OF GEN. JOHN C. MEYER, U.S.A.F.

(Mr. PRICE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, it is my sad duty to inform the Members of the House of the untimely death at the age of 56 of Gen. John C. Meyer, former Commander in Chief of the Strategic Air Command.

General Meyer's military career included a variety of assignments. During World War II and again in the Korean conflict General Meyer flew and commanded combat units. Later he served with the Air Defense Command and as a instructor at the Air War College. It was my privilege as a member of the House Armed Services Committee to work with General Meyer in several of his assignments with the Joint Chiefs of Staff and as Vice Chief of Staff of the U.S. Air Force before he was appointed Commander in Chief of SAC in 1972.

In all these many assignments, General Meyer performed commendably and truly earned the trust placed in him by the Air Force and the Nation as a whole. For over three decades General Meyer devoted himself to his country's service and we cannot soon forget or replace so dedicated a man.

General Meyer was born in Brooklyn, N.Y., April 3, 1919, attended schools in New York and graduated from Dartmouth College. He enlisted in the Air Corps in 1939. In July 1940 he was commissioned a second lieutenant and awarded his pilot wings.

General Meyer was truly a great military man and a fine American, and will be remembered as such by a grateful nation. Mrs. Price and I would like to extend our sympathy to his widow, Mary Meyer, and her children at this time of their loss.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Patman, for December 1 and 2, on account of illness.

Mrs. Collins of Illinois (at the request of Mr. O'Neill), for today, on account of a necessary absence.

Mr. Hungate (at the request of Mr. O'Neill), for today and Thursday, December 4, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DINGELL for 15 minutes, today.

(The following Members (at the request of Mr. WALSH) to revise and extend their remarks and include extraneous material:)

Mr. ARCHER, for 60 minutes, on Wednesday, December 10, 1975.

Mr. CLEVELAND, for 5 minutes, today.

(The following Members (at the request of Mr. OTTINGER) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. ADDABBO, for 15 minutes, today.

Mrs. MEYNER, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. PATMAN, for 15 minutes, today.

Ms. ABZUG, for 15 minutes, today.

Mr. BEDELL, for 10 minutes, today.

Mr. KOCH, for 5 minutes, today.

Mr. WOLFF, for 60 minutes, December 4, 1975.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. KOCH, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,001.

Mr. BROWN of California, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $930.

Mr. KEMP, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,359.

(The following Members (at the request of Mr. WALSH) and to include extraneous matter:)

Mr. RHODES.

Mr. FINDLEY.

Mr. ROBINSON.

Mr. WALSH.

Mr. BELL.

Mr. CRANE.

Mr. DERWINSKI.

Mr. HYDE.

Mr. SYMMS.

Mr. WHITEHURST.

(The following Members (at the request of Mr. OTTINGER) and to include extraneous matter:)

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. MINISH.

Mr. MAZZOLI.

Mr. FRASER.

Mr. BAUCUS.

Mr. ADDABBO.

Mr. DINGELL in two instances.

Mr. FISHER in three instances.

Mr. COTTER.

Mr. JONES of Tennessee.

Mr. WOLFF.

Mr. MEEDS.

Mr. ROSE in two instances.

Mr. SIMON in two instances.

Mr. NOWAK.

Mr. BALDUS.

Mr. HOWARD.

Mr. HARRINGTON.

Mr. ROONEY.

Mr. BROWN of California in two instances.

Mr. RANGEL.

Mr. TEAGUE.

Mr. LONG of Maryland in eight instances.

Mrs. LLOYD of Tennessee.

Mr. MILFORD.

Ms. ABZUG.

Mr. CONYERS.

Mr. BLANCHARD.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2444. An act to provide for the orderly transition to the new October 1 to September 30 fiscal year; to the Committee on Government Operations.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1537. An act to amend the Defense Production Act of 1950, as amended.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5197. An act to authorize the employment of certain foreign citizens on the vessel *Seafreeze Atlantic*, Official No. 517242.

H.R. 6971. An act to amend the Sherman Antitrust Act to provide lower prices for consumers;

H.R. 9915. An act to make technical amendments to the Federal Rules of Evidence, the Federal Rules of Criminal Procedure, and to related provisions of titles 18 and 28 of the United States Code.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on December 2, 1975, present to the President, for his approval, bills of the House of the following titles:

H.R. 6692. An act to authorize appropriations for the period July 1, 1976, through September 30, 1976; and

H.R. 10027. An act to authorize the Secretary of Agriculture to enter into cooperative agreements which benefit certain Forest Service programs and to advance or reimburse funds to cooperators for work performed, and for other purposes.

ADJOURNMENT

Mr. OTTINGER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 50 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, December 4, 1975, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2135. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 1–69, "To provide for the issuance of special registration certificates and identification tags for motor vehicles operated by Disabled American Veterans resident in the District of Columbia," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2136. A letter from the Acting Administrator of General Services, transmitting a draft of proposed legislation to amend section 355, Revised Statutes, as amended, to provide that Federal agencies may relinquish all or part of the legislative jurisdiction of the United States over land and interests under their control, and for other purposes; to the Committee on Government Operations.

2137. A letter from the Chairman, Federal Election Commission, transmitting a proposed regulation pertaining to contributions to and expenditures from office accounts of all Federal and State incumbent officeholders, pursuant to section 316(c) of the Federal Election Campaign Act of 1971, as amended (H. Doc. No. 94–313); to the Committee on House Administration and ordered to be printed.

2138. A letter from the Chairman, Federal Election Commission, transmitting a proposed regulation pertaining to the filing of required statements and reports by Federal candidates and political committees, pursuant to section 316(c) of the Federal Election Campaign Act of 1971, as amended (H. Doc. No. 94–314); to the Committee on House Administration and ordered to be printed.

2139. A letter from the Assistant Secretary of the Interior, transmitting the annual report on the Government's helium program for fiscal year 1975, pursuant to section 16 of the Helium Act [50 U.S.C. 167n]; to the Committee on Interior and Insular Affairs.

2140. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with General Electric Co., Schenectady, N.Y., for a research project entitled "High-Gradient Magnetic Separation for Removal of Inorganic Sulfur from Coal," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

2141. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of September 30, 1975, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

2142. A letter from the vice president for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of October 1975, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2143. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

2144. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation, together with a list of the persons involved, pursuant to section 244(a)(1) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

2145. A letter from the Administrator, General Services Administration, transmitting a prospectus proposing a 2-year extension for space presently occupied at 30 West Broadway, New York, N.Y., pursuant to section 210(h)(1) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Public Works and Transportation.

Received from the Comptroller General

2146. A letter from the Director, National Legislative Commission, The American Legion, transmitting the proceedings of the 57th Annual National Convention of The American Legion, the annual report, and the financial statement and independent audit of the organization (H. Doc. No. 94–315); to the Committee on Veterans' Affairs and ordered to be printed with illustrations.

2147. A letter from the Comptroller General of the United States, transmitting a report on the Department of the Interior's financial disclosure system; jointly, to the Committees on Government Operations, Interior and Insular Affairs, and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAYS of Ohio: Committee on House Administration. Supplemental report on S. 95. An act to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens outside the United States. (Rept. No. 94–649, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules, House Resolution 902. Resolution providing for the consideration of S. 95. An act to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens outside the United States (Rept. No. 94–690). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FRASER:

H.R. 10965. A bill to amend the Higher Education Act of 1965 to encourage the establishment of lifetime learning programs, and for other purposes; to the Committee on Education and Labor.

By Mr. HOWE:

H.R. 10966. A bill to amend section 5(c) of the National Trails System Act; to the Committee on Interior and Insular Affairs.

H.R. 10967. A bill to amend section 5 of the Wild and Scenic Rivers Act to designate a certain portion of the Dolores in Utah for potential addition to the wild and scenic rivers system; to the Committee on Interior and Insular Affairs.

By Mr. JONES of Tennessee:

H.R. 10968. A bill to authorize additional levee protection in Lauderdale County, Tenn.; to the Committee on Public Works and Transportation.

By Mr. JONES of Alabama (for himself and Mr. Harsha) (by request):

H.R. 10969. A bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, to implement the International Convention on Civil Liability for Oil Pollution Damage and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, and for other purposes; jointly to the Committees on Public Works and Transportation, Merchant Marine and Fisheries, and International Relations.

By Mr. LEHMAN (for himself and Mr. Sarbanes):

H.R. 10970. A bill to amend title 39, United States Code, to provide that buildings constructed for use by the U.S. Postal Service shall be designed and constructed in a manner making them accessible to the physically handicapped; to the Committee on Post Office and Civil Service.

By Mr. LONG of Maryland (for himself, Mr. Lent, and Mr. Ford of Tennessee):

H.R. 10971. A bill to amend the Internal Revenue Code of 1954 to provide for the payment of interest at a rate of 5 percent on excess amounts withheld from individual's wages; to the Committee on Ways and Means.

By Mr. SYMINGTON (for himself, Mr. Lujan, and Mr. Goldwater):

H.R. 10972. A bill to amend the act of May 23, 1908, and the act of March 1, 1911, for the purpose of increasing the amount of money paid to States and counties under such acts; to the Committee on Agriculture.

By Mr. CHARLES H. WILSON of California (for himself, Mr. Derwinski, and Mr. Ketchum):

H.R. 10973. A bill to repeal the Congressional Budget Act of 1974; to the Committee on Rules.

By Mr. DICKINSON (for himself, Mr. Nichols, Mr. Flowers, Mr. Florio, Mr. Baldus, and Mr. Waggonner):

H.R. 10974. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. HANNAFORD (for himself and Mr. Patterson of California):

H.R. 10975. A bill to amend section 102 of the Flood Disaster Protection Act of 1973 for the purpose of reducing the amount of flood insurance required on buildings and mobile homes which are in areas having special flood hazards; to the Committee on Banking, Currency and Housing.

By Mr. MOAKLEY:

H.R. 10976. A bill to designate the national cemetery at Otis, Mass., as the Camp Edwards National Cemetery; to the Committee on Veterans' Affairs.

By Mr. MOSS (for himself and Mr. Edwards of California):

H.R. 10977. A bill to exercise the power of the Congress under article IV of the Constitution to declare the effect of certain State judicial proceedings respecting the custody of children; to the Committee on the Judiciary.

By Mr. REGULA (for himself, Mr. Abdnor, Mr. Brown of Michigan, Mr. Brown of California, Mr. Burgener, Mr. Collins of Texas, Mr. Duncan of Oregon, Mr. Frenzel, Mr. Gradison, Mr. Gude, Mr. Karth, Mr. Long of Maryland, Mr. McCloskey, Mr. McHugh, Mr. Moorhead of California, Mr. Mottl, Mr. Schneebeli, Mr. Steiger of Wisconsin, and Mr. Whitehurst):

H.R. 10978. A bill to amend the Congressional Budget Act of 1974 to establish in the Congress a zero-base budgeting process, with full congressional review of each Federal program at least once every 6 years; to the Committee on Rules.

By Mr. ROONEY (for himself, Mr. Adams, Mr. Metcalfe, Mr. Hefner, Mr. Santini, Mr. Florio, Mr. Hastings, and Mr. Devine):

H.R. 10979. A bill to improve the adequacy, efficiency, and financial viability of the rail system of the United States by reforming the regulatory process under which such rail system operates, by providing long-term financial assistance for such rail system, and by amending the Regional Rail Reorganization Act of 1973 to enhance and insure the private enterprise character of the Consolidated Rail Corporation; to the Committee on Interstate and Foreign Commerce.

By Mr. JONES of Tennessee (for himself, Ms. Abzug, Mr. Andrews of North Dakota, Mr. Brown of Ohio, Mr. Brown of Michigan, Mr. Phillip Burton, Mr. Dent, Mr. Devine, Mr. Ford of Tennessee, Mr. Harsha, Mr. Hayes of Indiana, Mr. Hays of Ohio, Mr. Howard, Mr. Kindness, Mr. Montgomery, Mr. Patman, Mr. Patterson of California, Mr. Perkins, Mr. Pressler, Mr. Rangel, Mr. Talcott, Mr. Bob Wilson, and Mr. Won Pat):

H. Res. 901. Resolution to authorize the President to issue a proclamation designating the week beginning April 4, 1976, as National Rural Health Week; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 10980. A bill for the relief of Nicholas G. Benoza; to the Committee on the Judiciary.

H.R. 10981. A bill for the relief of Francisco A. Magsino; to the Committee on the Judiciary.

H.R. 10982. A bill for the relief of Virgilio G. Makalalad; to the Committee on the Judiciary.

H.R. 10983. A bill for the relief of Leandro D. Quintana; to the Committee on the Judiciary.

H.R. 10984. A bill for the relief of Rose Marie V. Teehankee; to the Committee on the Judiciary.

By Mr. HIGHTOWER:

H.R. 10985. A bill for the relief of Dr. Reynaldo P. Perez, his wife, Raquel Perez, and their child, Marie Freinde Perez; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 10986. A bill for the relief of James F. Howard; to the Committee on the Judiciary.

SENATE—*Wednesday, December 3, 1975*

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the 91st Psalm:

He that dwelleth in the secret place of the Most High shall abide under the shadow of the Almighty.

I will say of the Lord, He is my refuge and my fortress: my God; in Him will I trust.—Psalms 91: 1, 2.

O God, our refuge and our strength, we would find in this moment that secret place in Thy sacred heart and remain close to Thee every moment of this day. No matter how crowded the hours, how perplexing the problems or vexing the duties, keep us close to Thee. In our work keep us wise and strong. In conduct with our colleagues keep us considerate and kind. In dealing with ourselves keep us honest and without fear. And when evening comes may we find joy and rest in the shelter of Thy love.

Through Jesus Christ our Lord. Amen.

MESSAGE FROM THE HOUSE

A message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (H.R. 10481) to authorize the Secretary of the Treasury to provide seasonal financing for the city of New York, in which it requests the concurrence of the Senate.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, December 2, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Delaware (Mr. ROTH) is recognized for not to exceed 15 minutes.

INDIVIDUAL RETIREMENT ACCOUNTS FOR SPOUSES—S. 2732

Mr. ROTH. Mr. President, I am today introducing legislation to permit a spouse to establish and contribute to an individual retirement account for the other spouse. This legislation will establish for the first time an opportunity to provide expanded retirement security for housewives, the one large group of Americans still not eligible for pension plan protection.

In 1974, Congress enacted a private pension reform law which included a provision to provide tax incentives for the first time to encourage retirement savings for workers not covered by established pension plans. Employed individuals not covered by a qualified pension plan can now establish individual retirement accounts and take a tax deduction of 15 percent of earned income up to $1,500 a year for retirement savings.

With the adoption of the IRA law, the approximately 30 million workers not covered by established plans are now able to provide for their retirement. Both married and single women also have the opportunity to establish IRA's if they are working and have earned income. But a housewife, who does household work valued at between $5,000 and $10,000 a year, has no opportunity to set up a retirement account to provide for her own old age.

Although more and more wives are working, nearly 60 percent of married women are not in the labor force and thus not eligible for retirement protection. Social security is the main source of retirement security for the vast majority of elderly women, and social security is not entirely adequate to provide a decent standard of living for millions of our senior citizens.

According to a recent report prepared by the Task Force on Women and Social Security for the Senate Committee on Aging, the likelihood of being poor is considerably greater for elderly females than for males.

In June 1975, there were 15.8 million women receiving social security benefits averaging $180 per month, compared to the 10.6 million men receiving an average social security benefit of $225 per month. In addition, more than two out of every three poor persons over the age of 65 are women.

Because women are concentrated in low-paying and part-time jobs and because of interruptions for raising children, average social security and pension benefits are considerably lower for women workers. And as the task force report pointed out, there is no social security coverage for a housewife who has worked in her own home for the entire marriage. Since she has had no earned income and no earnings coverage under social security, she must depend entirely on her spouse's benefits. And if she is widowed early in life or is divorced before the marriage lasted 20 years, she could receive very meager benefits or no benefits at all.

Therefore, I believe that Congress should provide an opportunity for housewives to supplement social security to insure a decent standard of living for their old age. I also believe that this legislation to provide tax incentives to encourage retirement protection for housewives is preferable to establishing another expensive Government spending program.

Besides providing greater retirement protection, this legislation will also encourage increased savings in our economy. Under present law, which taxes interest on savings accounts, it is extremely difficult for individuals to save for their own retirement age.

This legislation would not only encourage more individual retirement savings, but it would also increase the total amount of savings in the economy. This would make more funds available for mortgages, consumer and business loans, and stimulate construction and other economic activity.

Mr. President, the adoption of this legislation will allow any worker to establish an individual retirement account for his or her spouse. It is intended primarily to help the millions of housewives who have little or no retirement protection and security. It will provide a tax incentive to promote savings in our economy, and it will enable husbands and wives to better provide for their own old age and lessen their dependence on Government programs.

In closing, I give credit to a constituent of mine, Mrs. William D. Ross, who wrote me last April expressing her concern that housewives were not covered under the new pension program. It was for this reason that we developed and are introducing today this particular legislation.

Mr. President, I ask unanimous consent that her letter as well as the legislation (S. 2732) be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WILMINGTON, DEL.,
April 7, 1975.

Senator WILLIAM ROTH,
Senate Office Building,
Washington, D.C.

DEAR MR. ROTH: Self-employed persons are allowed to invest limited amounts, free of taxes, in funds to be used for their own pensions. This privilege should be extended to Housewives also. Widows rarely receive much, if any, pension from the former employers of their late husbands. Social security provides but a very meager livelihood.

Very truly yours,

MRS. WM. D. ROSS,

S. 2732

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 219(a) of the Internal Revenue Code of 1954 (relating to deduction allowed for retirement savings) is amended by inserting after "benefit" the following: "or for the benefit of his spouse".

(b) Section 219(c)(2) of such Code (relating to special rules for married individuals) is amended to read as follows:

"(2) Married individuals.—In the case of married individuals—

"(A) the maximum deduction under subsection (b)(1) shall be computed separately for each individual, and

"(B) in the case of a married individual who claims a deduction under subsection (a) for payments made for the benefit of his spouse,

"(i) the deduction provided by subsection (a) shall be allowed only if the taxpayer and his spouse elect to file a joint return of tax under section 6013 for the taxable year, and

"(ii) for the purposes of computing the maximum deduction under subsection (b)(1), each spouse shall be treated as having compensation includible in his gross income equal to the compensation includible in their joint gross income for the taxable year.".

(c) The amendments made by this section apply to taxable years beginning after December 31, 1975.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ROTH. I am happy to yield.

Mr. MANSFIELD. Mr. President, the Senator from Delaware has hit upon a weakness in the economic system as it affects the wives of this Nation who do so much and all too often get little or nothing in return.

I wish to have the privilege of being a cosponsor on this legislation with our colleague.

Mr. ROTH. Needless to say, I am delighted and very happy to add the name of the majority leader as a cosponsor, and I appreciate his thoughtful remarks.

Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes with statements therein limited to 5 minutes.

Does the Senator from Montana seek recognition?

Mr. MANSFIELD. Yes, indeed.

Mr. HARRY F. BYRD, JR. Mr. President, will the majority leader yield for a question?

Mr. MANSFIELD. Yes.

ORDER OF PROCEDURE—NEW YORK AND CONRAIL LEGISLATION

Mr. HARRY F. BYRD, JR. Mr. President, I ask the majority leader as to what the intent of the leadership is in regard to the New York City financial legislation.

Mr. MANSFIELD. We intend to call it up.

Mr. HARRY F. BYRD, JR. When?

Mr. MANSFIELD. Within the next 15 minutes.

Mr. HARRY F. BYRD, JR. Does the leadership plan to call it up today and work on it today and tomorrow?

Mr. MANSFIELD. No. There will be no work on it, but it is the intention of the leadership to file a cloture motion as soon as it is called up, and then we shall go back to the ConRail legislation.

Mr. HARRY F. BYRD, JR. Will the Senators have an opportunity to query the managers of the legislation and discuss the legislation?

Mr. MANSFIELD. I am sure that that time will be available.

Mr. HARRY F. BYRD, JR. Is that today?

Mr. MANSFIELD. Yes.

Mr. HARRY F. BYRD, JR. Is it the intention of the leadership, then, to call up the measure now, or shortly, and then file a cloture motion?

Mr. MANSFIELD. That is correct.

Mr. HARRY F. BYRD, JR. And then go back on the railroad bill?

Mr. MANSFIELD. Not necessarily. That would be the usual procedure, but there would be nothing to stop us from laying that aside a little more and getting right on the New York State-New York City legislation immediately.

Mr. HARRY F. BYRD, JR. It is a matter of such consequence that I hope the membership of the Senate will have an opportunity—full opportunity—to develop the facts of this legislation.

The facts never have been developed. It is a new piece of legislation. It never has gone to a committee for example, and the procedure taken by the Senate prevents it from going to a committee. That is water over the dam, and I am not complaining about that. But I think the Senate will need some time to discuss this matter prior to the cloture vote.

Mr. MANSFIELD. The Senator can be assured that the Senate will have a good deal of time to discuss the New York State-New York City matter prior to the first vote on cloture. If the Senator wants a certain amount of time, we will do our very best to see that he gets it.

Mr. HARRY F. BYRD, JR. Yes, the Senator from Virginia would want a good bit of time. But it still is not clear as to how the Senate will handle two major bills in the short period of time between now and the cloture vote.

Mr. MANSFIELD. Well, it is not an unusual procedure for the Senate to operate on what could be considered, in a certain sense, a two-track basis. But I assure the Senator that when the New York legislation is called up, we will not call up the ConRail legislation, which was discussed in part yesterday, but will spend a great deal of time on what then will be the pending legislation affecting New York State and New York City.

Mr. HARRY F. BYRD, JR. I thank the Senator.

The ACTING PRESIDENT pro tempore. Is there further morning business?

NEW YORK LEGISLATION

Mr. HARRY F. BYRD, JR. Mr. President, I think it is highly significant that the House of Representatives last evening passed the New York legislation by only a 10-vote margin—a vote of 213 to 203.

This very close vote occurred even though the measure had the full support and endorsement of the President of the United States, the support of the administration, the support of the Republican leadership in the House of Representatives, the support of the Democratic leadership in the House of Representatives, the near hysterical support and intense lobbying by the New York City bankers, and the intense lobbying by the New York City and New York State officials.

Yet, despite all this, the legislation was approved by the House by a very close vote. A shift of five votes would have killed it.

It is also significant that neither in the House of Representatives nor in the Senate committee, when it considered related legislation, has it ever been brought out as to how many hundreds of millions of dollars the New York City banks will benefit from such legislation.

That is why I think it is unfortunate if any shortcuts are taken in regard to this legislation. What it does is to use Federal tax funds to insure private investment. Hundreds of millions of dollars are involved, and no one knows by how many hundreds of millions or tens of millions of dollars the New York City banks will benefit, as well as other large, wealthy bondholders.

So I again express the hope that the Senate will not rush through this legislation. We have plenty of time, and we should understand what we are doing and should try to ascertain—and ascertain—just who will benefit and to what extent.

MESSAGES FROM THE HOUSE

At 9:02 a.m., a message from the House of Representatives, delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (H.R. 10481) to authorize the Secretary of the Treasury to provide seasonal financing for the City of New York, in which it requests the concurrence of the Senate.

At 12:34 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 8027. An act for the relief of Commander Stanley W. Birch, Junior.

H.R. 8863. An act for the relief of Randy E. Grismundo.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

H.R. 5197. An act to authorize the employment of certain foreign citizens on the vessel Seafreeze Atlantic, Official Number 517242.

H.R. 6971. An act to amend the Sherman Antitrust Act to provide lower prices for consumers.

The enrolled bills were subsequently signed by the President pro tempore.

At 2:15 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the House agrees to the amendment of the Senate to the bill (H.R. 568) to grant an alien child adopted by an unmarried United States citizen the same immigrant status as an alien child adopted by a United States citizen and his spouse.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 6669) to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1537) to amend the Defense Production Act of 1950, as amended.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 7656) to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. POAGE, Mr. MELCHER, Mr. BERGLAND, Mr. LITTON, Mr. WEAVER, Mr. HARKIN, Mr. HIGHTOWER, Mr. WAMPLER, Mr. SEBELIUS, and Mr. THONE were appointed managers of the conference on the part of the House.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 8027. An act for the relief of Comdr. Standley W. Birch, Jr. Referred to the Committee on the Judiciary.

H.R. 8863. An act for the relief of Randy E. Grismundo. Referred to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ROTH (for himself, Mr. MANSFIELD, and Mr. METCALF):

S. 2732. A bill to amend the Internal Revenue Code of 1954 to permit an individual to deduct amounts paid by that individual for retirement savings for the benefit of his spouse. Referred to the Committee on Finance.

By Mr. BAKER (for himself and Mr. BROCK):

S. 2733. A bill to authorize additional protection in Lauderdale County, Tenn. Referred to the Committee on Public Works.

By Mr. CRANSTON:

S. 2734. A bill for the relief of Kendrick Gordon A. Bascem. Referred to the Committee on the Judiciary.

By Mr. DOMENICI (for himself, Mr. MONTOYA, Mr. JACKSON, Mr. FANNIN, Mr. SPARKMAN, Mr. MCCLELLAN, and Mr. TALMADGE):

S. 2735. A bill to redesignate the Gila Wilderness, N. Mex., as the Clinton P. Anderson-Gila Wilderness. Referred to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY:

S. 2736. A bill for the relief of Dr. Abraham Horwitz. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH (for himself, Mr. MANSFIELD, and Mr. METCALF):

S. 2732. A bill to amend the Internal Revenue Code of 1954 to permit an individual to deduct amounts paid by that individual for retirement savings for the benefit of his spouse. Referred to the Committee on Finance.

(The remarks of Mr. ROTH and other Senators on the introduction of the above bill are printed earlier in today's RECORD.)

By Mr. BAKER (for himself and Mr. BROCK):

S. 2733. A bill to authorize additional protection in Lauderdale County, Tenn. Referred to the Committee on Public Works.

Mr. BAKER.

Mr. BAKER. Mr. President, I am today introducing legislation that will assure adequate flood protection for the citizens of northern Lauderdale County, Tenn., an area where serious flooding has occurred several times a year during each of the past 3 years. This bill would assure that the U.S. Army Corps of Engineers constructs an additional levee section, approximately 4 miles in length, along the Forked Deer River and adjacent to a Corps built diversion channel of the Ohio River.

Specifically, this legislation modifies the Flood Control Act of 1946. That act authorized an extension of the main-line levee along the Mississippi River for about 28 miles, from the vicinity of Tiptonville, Tenn., south into Lauderdale County. Approximately 21 miles of levee was completed more than a decade ago, extending it south to the Lauderdale County line.

When the remaining 7 miles are completed, some 87,000 acres of land in Dyer and Lauderdale Counties will be protected from backwater flooding by the Mississippi. But the Lauderdale County portion of the levee will block the natural flow of the Obion River. As a result, the Congress approved as a part of the original project a plan that diverted the Obion River channel around the south end of the main-stem levee and then into the Mississippi.

Section 7 of the River Basin Monetary Authorizatioin Act of 1971 (Public Law 92–222) defined the requirements for "local cooperation" for this future levee work. If this proposed bill is enacted, the requirements for "local cooperation" contained in Public Law 92–222, as detailed in the explanation for section 6 in Senate report 92–506, would apply on this additional work.

As part of the diversion channel work and to protect lands newly endangered by the existence of that channel, the corps had planned to use the material excavated from the new channel to form a protective embankment along the channel. That levee would run along the new channel, as far as the vicinity of Highway 88.

While this embankment will be helpful, it nevertheless appears inadequate. Local officials and landowners believe that the embankment would not provide the full, necessary protection from headwater flooding. They argue for the need of an additional segment, an east-west levee, that extends from the north end of the proposed embankment, near Highway 88, to the bluff near Porter Gap. My bill would correct this deficiency by directing that the corps build the extra segment to the bluff near Porter Gap. The Corps of Engineers, I am informed, estimates that the cost of this extension will run $750,000 to $1,000,000.

It is the intention of this bill that the levee authorized by this legislation be construced to the same standards as construction of the main-line levee.

Mr. President, I believe that this is a sound concept. I believe that it is essential that it be considered and approved soon by the Congress so that work can go forward expeditiously in unison with other authorized programs of improvements.

I am also pleased that my distinguished colleague (Mr. BROCK) has joined me in sponsoring this bill, and that our distinguished friend, the Member of the House from the Seventh District of Tennessee (Mr. JONES), plans to introduce similar legislation today in the House.

By Mr. DOMENICI (for himself, Mr. MONTOYA, Mr. JACKSON, Mr. FANNIN, Mr. SPARKMAN, Mr. MCCLELLAN, and Mr. TALMADGE):

S. 2735. A bill to redesignate the Gila Wilderness, New Mexico, as the Clinton P. Anderson-Gila Wilderness. Referred to the Committee on Interior and Insular Affairs.

CLINTON P. ANDERSON–GILA WILDERNESS, N. MEX.

Mr. DOMENICI. Mr. President, I rise to introduce for the Senator from New Mexico (Mr. MONTOYA), the Senator from Washington (Mr. JACKSON), the Senator from Arizona (Mr. FANNIN), the Senator from Georgia (Mr. TALMADGE), and myself, a bill to redesignate the Gila Wilderness in New Mexico as the Clinton P. Anderson-Gila Wilderness. This bill is to pay tribute to the late Senator Anderson for his work in bringing about the Wilderness System in America. Senator Anderson is known to many as the father of the Nation's Wilderness Act. Because of this and the many other feats the New Mexico lawmaker accomplished during his many years on the national political scene, we feel this is an appropriate way to honor Senator Anderson.

In 1952, Senator Anderson said of the Gila:

> I rejoice that this fine wilderness area was created by the hand of God and preserved by these pioneers, and if I had my way I would lay it down as the law what God and these splendid men working jointly have brought about, let no man put asunder.

Twelve years later, Senate bill 4, introduced by Senator Anderson, was signed by President Johnson and became Public Law 88–577, the Wilderness Act.

The Wilderness Act accepted and established as national policy a Forest

Service program to secure for the American people of present and future generations the benefits of an enduring resource of wilderness. The Wilderness Act describes "wilderness" as:

> . . . where the Earth and its community of life are untrammeled by man . . . retaining its primeval character and influence, without permanent improvements or human habitation . . . generally appears to have been affected primarily by the forces of nature, with the imprint of man's work substantially unnoticeable. . . .

The area known as the Gila Wilderness is one of America's outstanding wilderness areas because of its diverse natural beauty and vast size. Its mountains rise far above the surrounding desert of southwestern New Mexico.

It appears appropriate to us to redesignate this area as the Clinton P. Anderson-Gila Wilderness to reflect the esteem the Nation holds for Senator Anderson and his landmark accomplishments.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 872

At the request of Mr. Hatfield, the Senator from North Dakota (Mr. Young) was added as a cosponsor of the bill (S. 872) to amend title 39, United States Code, to provide that certain State conservation publications shall qualify for second class mail rates.

S. 1385

At the request of Mr. Humphrey, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of the bill (S. 1385) to designate a national network of essential rail lines, and to acquire, rehabilitate, and maintain rail lines.

S. 1847

At the request of Mr. Humphrey, the Senator from New Hampshire (Mr. McIntyre) was added as a cosponsor of the bill (S. 1847) to authorize the One Hundred and First Airborne Division Association to erect a memorial in the District of Columbia or its environs.

S. 2635

At the request of Mr. Hartke, the Senator from Nevada (Mr. Laxalt) was added as a cosponsor of the bill (S. 2635) to amend title 38, United States Code, to modify the pension program for veterans of the Mexican border period, World War II, the Korean conflict, and the Vietnam era and their survivors, and for other purposes.

S. 2662

At the request of Mr. Humphrey, the Senator from Idaho (Mr. Church) was added as a cosponsor of (S. 2662) the International Security Assistance and Arms Export Control Act of 1975.

SENATE RESOLUTION 307

At the request of Mr. Leahy, the Senator from South Dakota (Mr. McGovern) and the Senator from North Carolina (Mr. Morgan) were added as cosponsors of the resolution (S. Res. 307) amending the Standing Rules of the Senate to require committee reports to contain assessments of the language of bills and joint resolutions, in relation to legislative goals.

SENATE CONCURRENT RESOLUTION 66

At the request of Mr. Hatfield, the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of the concurrent resolution (S. Con. Res. 66) declaring as national policy the right to food.

AMENDMENTS SUBMITTED FOR PRINTING

RAIL SERVICES ACT OF 1975—S. 2718

AMENDMENT NO. 1167

(Ordered to be printed and to lie on the table.)

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the amendment I now send to the desk be printed and be considered as read for purposes of rule XXII, an amendment to S. 2718, the railroad bill.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

AMENDMENT NO. 1168

(Ordered to be printed and to lie on the table.)

Mr. FORD submitted an amendment intended to be proposed by him to the bill (S. 2718), supra.

AMENDMENT NO. 1169

(Ordered to be printed and to lie on the table.)

Mr. STONE submitted an amendment intended to be proposed by him to the bill (S. 2718), supra.

AMENDMENT NO. 1170

(Ordered to be printed and to lie on the table.)

Mr. TUNNEY submitted an amendment intended to be proposed by him to the bill (S. 2718), supra.

AMENDMENT NOS. 1174 AND 1175

(Ordered to be printed and to lie on the table.)

Mr. HUMPHREY submitted two amendments intended to be proposed by him to the bill (S. 2718), supra.

AMENDMENTS NOS. 1176, 1177, AND 1178

(Ordered to be printed and to lie on the table.)

Mr. TAFT submitted three amendments intended to be proposed by him to the bill (S. 2718), supra.

VETERANS LAWS TECHNICAL AMENDMENTS ACT OF 1975—H.R. 3350

AMENDMENT NO. 1171

(Ordered to be printed and referred to the Committee on Veterans' Affairs.)

Mr. HARTKE submitted an amendment intended to be proposed by him to the bill (H.R. 3350) to amend title 38 of the United States Code in order to make certain technical corrections therein and for other purposes.

METRIC CONVERSION ACT OF 1975—S. 100

AMENDMENT NO. 1172

(Ordered to be printed and to lie on the table.)

Mr. TUNNEY submitted an amendment intended to be proposed by him to the bill (S. 100) to provide a national program in order to make the international metric system the predominant but not exclusive system of measurement in the United States and to provide for converting to the general use of such system within 10 years.

NEW YORK CITY SEASONAL FINANCING ACT OF 1975—H.R. 10481

AMENDMENT NO. 1173

(Ordered to be printed.)

Mr. ALLEN proposed an amendment to the bill (H.R. 10481) to authorize the Secretary of the Treasury to provide seasonal financing for the city of New York.

NOTICE OF HEARING

Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public that a hearing has been scheduled by the Senate Interior and Insular Affairs Committee on the nomination of Mr. H. Gregory Austin of Colorado to be Solicitor of the Department of the Interior, on Monday, December 8 at 10 a.m. in room 3110, Dirksen Senate Office Building.

Mr. Austin was in private practice in Denver from 1962 to 1973 when he became General Counsel of the Small Business Administration.

NOTICE OF CHANGE IN ANNOUNCEMENT OF HEARING

Mr. CHURCH. Mr. President, I announce for the information of the Senate and the public, a change in the time of a scheduled hearing before the Energy Research and Water Resources Subcommittee of the Senate Interior Committee.

The hearing is scheduled for Friday, December 5, 1975, room 3110 Dirksen Senate Office Building, beginning at 9:30 a.m.

The hearing, which is the last of three scheduled public hearings, will be held in order to receive information regarding a research contract issued by the former Office of Coal Research to Bechtel, Inc., raising a possible conflict of interest.

Witnesses who have been invited to testify will include officials of Bechtel.

For further information you may wish to contact Ben Yamagata of the subcommittee staff on extension 49894.

ADDITIONAL STATEMENTS

GOVERNMENT AND THE ECONOMY

Mr. GARN. Mr. President, at a time of economic uncertainty, economic advice abounds. Unfortunately, most of it seems to come from those whose advice got us into the present mess, and I feel that at a minimum, we should take suggested remedies with a grain of salt. We do in Salt Lake, anyway.

Last week on the news, David Brinkley discussed the impact of the size of Government on our present troubles, warning us that Government can have relatively little influence on wages and prices right now, because it is itself such a significant factor in the economy. He points out that the Government payroll, which is enormous in size, is totally unresponsive to changes in the private labor market. And since so many private wages are influenced, directly or indirectly, by the Federal payroll, private wage scales tend to be equally rigid.

The result is that even in the face of recession, wage rates continue to climb, and when production declines, prices must go up. We have certainly seen confirmation of that observation.

Mr. Brinkley concludes that the size of Government has, in a sense, repealed the laws of economics. I would suggest that that analysis is superficial. The laws of supply and demand continue to operate as always, but the size of Government does introduce serious distortions into the market situation. Liberals are fond of saying that we do not have a free market in America, and for that reason, Government must intervene to prevent abuses. The truth runs the other way. We do not have a free market in America, but Government is the cause of that situation, and not the cure.

In any event, Mr. Brinkley's words are sobering, not least because they were delivered by one not known in the past for warning about big government. They were based on a study by the Brookings Institution, another tribute to their importance. I ask unanimous consent that Mr. Brinkley's remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

In a time of economic stress like this, theories and analyses are so plentiful nobody can read them all. And because they often conflict, nobody can tell which ones are right, if any.

The Brookings Institution in Washington published today its 1976 papers on economic activity. One of its points is that government can do very little to influence prices and wages, even when it tries, because government itself is now so big it is a prime factor in the economy.

Since government wages don't go down in a recession, others don't either. Private wages in a recession remain the same or continue to rise because private employers must compete with government pay.

This is true in all industrial countries, but probably more so in the U.S. because this country has more people on public payrolls. About one out of five working people in America is on a Federal, State or city payroll. That is a huge, fixed, rigid payroll, unresponsive to the labor market, and it tends to keep private pay scales equally rigid.

Which may help explain the recent years when in spite of recession and unemployment, wages continued to rise and prices along with them. The Brookings papers conclude government can't influence wages and prices much, for that reason. About all it can do, when it tries to slow down the economy, is to reduce production. Lower production at the same wage rates means higher prices, along with unemployment and recession.

This might suggest that government in general is now so big, and so rigid, that what used to be thought were the laws of economics have been repealed.

THE NATURE OF ISRAELI DEMOCRACY

Mr. HUMPHREY. Mr. President, in the period since the General Assembly of the United States took the most unfortunate step of declaring Zionism to be a form of racism and racial discrimination, there has been much written and spoken about the nature of Zionism and the nature of the State of Israel. Many Members of the Senate and of the other body have spoken out forcefully and eloquently on the unfairness, the inaccuracy and the sinister implications of that resolution which only adds obstacles to the struggle for peace in the Middle East and which threatens the usefulness of the United Nations itself.

The charge of racism against Israel is so manifestly absurd, one's first reaction is not even to dignify the charge with substantive response. But recent discussions and inquiries make it clear that there is much ignorance and confusion about the nature of Israeli society, the result of massive propaganda efforts designed by Israel's adversaries to support their absurd charges.

To help Americans better understand how this beleaguered State of Israel, even while it has had to be at war or prepared for war throughout all its 28 years of existence, has created a vibrant, democratic oasis in a part of the world that has seen precious little of democracy, the Institute of Human Relations of the American Jewish Committee has prepared a fact-filled memorandum entitled "Israel: A Pluralistic Democracy." It refutes, with facts that are plain to understand and beyond dispute, the false allegations that have been made about Israel.

Mr. President, I ask unanimous consent that the text of this very useful compendium of facts be printed in the Record.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Israel: A Pluralistic Democracy

(A background memorandum on the status of minority groups, including Arabs, under Israeli rule)

At the United Nations and elsewhere, the Arab nations and some of their allies are tarring Israel with the brush of racism. A resolution declaring Zionism to be a form of racism has been adopted by the "Third Committee" (the Social, Humanitarian and Cultural Committee of the General Assembly of the UN) and awaits a vote by the General Assembly as a whole.

The accusation of racism against Israel is a flagrant example of the Big Lie in action. Israel is the only democracy in the Middle East—a nation where civil liberties prevail, and where equality among citizens of all ethnic and religious backgrounds has been realized, to a degree undreamed of anywhere in the Arab world.

The facts below illustrate the status of Arabs and other minority groups in Israel today, the degree of equality they enjoy and the ongoing efforts being made to reduce their remaining disadvantages. This information may be freely used and quoted without attribution.

Size of population groups.—Though constituted as the Jewish homeland and predominantly Jewish in population, Israel is also a pluralistic nation. At the time of the latest census (1972), her 3.2 million population consisted of some 2.7 million Jews (85.1 per cent); some 359,000 Moslems (11.2 per cent), all or nearly all of them Arabs; about 80,000 Christians (2.4 per cent), most of them also Arabs; and about 39,000 Druzes and others (1.3 per cent). Druzes are an Arab group that broke away from Islam in the 10th century.

The Arab community has greatly increased under the State of Israel. In 1949, at the end of the Israeli War of Independence, there were only some 160,000 Arabs. The increase is due partly to natural growth, partly to the readmission of thousands who fled when the Arab states attacked Israel.

Rights and realities.—Israel's basic constitutional document, the Proclamation of Independence (1948), provides complete equality of social and political rights for all citizens regardless of creed, race or sex, and guarantees freedom of religion and conscience, as well as of language, education and culture. It specifically invites Arab people dwelling in Israel to help build the State on the basis of full and equal citizenship and due representation in all institutions.

These are not mere paper promises. There is no institutionalized discrimination against Arabs or other minorities. All groups freely exercise all citizen rights, including the right to vote and to run for public office.

Citizenship.—Anyone who lived in what is now Israel in 1948, the year the State came into being, and has stayed there since, is an Israeli citizen, no matter what his or her ethnic background or creed. So is anyone born in Israel since 1948 who continues to reside there.

Immigration and naturalization are handled much as in other countries. Persons of any nationality or creed (excluding only known criminals and similar undesirables) may come to Israel to live, and may become citizens after a specified waiting period—three years in most cases. However, as the homeland of the Jewish people, Israel offers an expedited procedure for Jews, known as the Law of Return. Any Jewish immigrant from any country will be admitted, and made a citizen if he or she wishes, without waiting.

Language.—As everyone knows who has ever looked at an Israeli postage stamp, the Arabic language has official status along with Hebrew. On the floor of the Knesset (legislature), Arab members speak Arabic; all Knesset proceedings are conducted with simultaneous translation from Hebrew into Arabic or vice versa. Citizens may use Arabic in any court of law or government office.

Cultural autonomy.—In keeping with the guarantees in the Proclamation of Independence, Arabs are afforded every opportunity to maintain their own culture and tradition. Arab children attend schools where classes are conducted in Arabic and where Arab history and culture are freely taught.

Of the country's 24 daily papers, four are in Arabic. Numerous Arabic books and some 20 Arab magazines are published. The radio and TV feature daily programs in Arabic. Israel has no censorship except in matters directly involving military security.

The cultural creativeness of Israeli Arabs, in drama, literature and painting, is high, and is increasingly fostered by Arab-Jewish cultural centers, usually under private auspices.

Religious communities.—In keeping with Middle Eastern tradition, Israel treats religious groups not simply as private associations, the way many Western countries do, but as entities with official standing. Delegated to these communities are such matters of personal status as marriage and divorce. Each group has its own system of courts to deal with these according to its religious law (Rabbinical, Moslem, Druze, Roman Catholic and so on).

The Moslem community, like the others, has far-reaching autonomy, including the power to administer religious endowments. Members of the Moslem clergy (some 200) are paid by the State, like the clergy of other faiths. Regular services are held in some 90 mosques, and Moslem Friday prayers are broadcast on the national radio.

Day of rest.—Saturday, the Jewish Sabbath, is the official day of rest in Israel; but Moslems and Christians have the option, under law, to close their places of work instead on Friday or Sunday, respectively.

Public service and public office.—The number of Arabs in the civil service has been relatively low to date, but is steadily increasing as an ever-rising percentage of Arabs finish high school. There are about 5,000 Arabs among the nation's civil service employees, who number around 70,000.

Arabs and Druzes serve routinely as magistrates.

Of the 120 members of the present Knesset (legislature), four are Arabs and one is a Druze. The present Deputy Minister of Health, Abdul Aziz Zuabi, is an Arab, as was a former Deputy Speaker of the Knesset, the late Seif Aldin Alzuabi. Jaber Muadi, who recently served as Deputy Minister of Communications, is a Druze.

Police.—Bedouin Arabs, Druzes and other minority group members serve in the Israeli Police Force which, besides performing ordinary policy duties, works with the Army in guarding the borders against infiltrators. As of 1973, there were 1,287 Arabs and Druzes in a total force of 13,882 persons.

Armed forces.—To avoid conflicts of conscience, the Israel government has offered blanket exemption from the draft to certain ethnic and religious groups. The Druzes have decided in a body not to avail themselves of this exemption, as have the Circassians, a Moslem sect. Most Arabs, both Moslem and Christian, do make use of the exemption, but individual Arabs are free to volunteer for service, and some do so each year.

Political parties.—In Israel's highly diversified multiparty system, Arabs are represented in a variety of ways. The large Mapam party and the Communist Party have Arabs on their regular slates of candidates. Others, including the Israel Labour Party, the country's largest, offer special slates ("affiliated lists") of Arab candidates. In addition, there are some exclusively Arab parties. However, in Israel as in the U.S., voters frequently cross ethnic lines where it is to their advantage. Thus, many Arab voters cast their ballots for the Jewish slate of the Labour Party, because they feel it can do more for them than any other.

Local government.—Before the State of Israel existed, there was almost no Arab local government; only three towns had local councils. As part of its policy of encouraging local home rule, the Israel government has actively promoted municipal organization of Arab communities. Two municipalities and 46 local councils are now predominantly Arab or Druze. Another 27 Arab villages have representation in councils with mixed Arab-Jewish membership. Over 82 percent of Israeli Arabs live in localities that have some form of home rule.

Freedom of travel.—All citizens—Jews, Arabs and others—are free to travel in all parts of Israel without licenses or permits. They also are free to leave, and return to, Israel with only routine passport requirements.

Although Arab states do not admit Israelis to their territory, Israel allows citizens of Arab states, even of those hostile to her, to enter for pilgrimages, family visits and other purposes. In 1974, approximately 250,000 persons entered Israel on this basis.

Employment.—All workers—Jews, Arabs and others—receive the same wages for the same work. Public employment agencies serve all equally. Social and labor laws apply equally to all.

Some 50,000 Arabs from the West Bank and the other administered territories hold commuter jobs in Israel proper: in agriculture, industry and construction. Thanks to the equal-pay provision, these workers are paid far better than they were when the West Bank was under Jordanian rule, and the Gaza Strip under Egyptian.

Unions.—Nearly 100,000 Israeli Arabs—about 65 per cent of all Arabs holding jobs—belong to Histadrut, the Israel General Federation of Labor, which trains them, protects their professional and social rights, and provides them with the same benefits in the area of labor conditions and medical and social services as all other members.

Agriculture.—Programs for land reclamation, agricultural training, and improvement of farming and marketing impartially benefit Jewish and Arab localities. Under Israeli rule, total acreage tilled by Arab and Druze farmers has increased from 172,000 to 195,000 acres; irrigated land tilled by them from 2,000 to 15,000 acres; agricultural machinery used by them from 5 to over 1,000 units. As a result, the output of Arab agriculture has grown sixfold in the years of Israeli rule, and the farmers' standard of living has risen accordingly.

Community betterment.—Over and above community improvement programs for the population as a whole, the Israeli government conducts ongoing special projects to improve living and working conditions in Arab communities. Thus, between 1967 and 1975, two programs totaling IL 200 million supplied Arab towns and villages with roads, drinking water, sanitation, electricity, telephone service, schools, health services, expanded job opportunities and housing near where the jobs are.

Primary and secondary education.—For Arab youngsters as for others, education is compulsory; free public schools are provided for them and are financed at the same rate per pupil as are schools for Jewish students. Arab-language public schools currently enroll some 144,000 pupils. Another 14,000 are enrolled in private schools, religious or other. In the public schools, Hebrew is taught as a second language from third grade on. Since Israel does not separate religion and the state as sharply as do many Western nations, Arab children in public schools are taught the Koran or the Christian catechism, depending on their faith, just as Jewish children are taught the Jewish Scriptures—the Old Testament.

Arab public education has greatly increased in the 27 years of Israeli rule: from 46 public schools to 644. Attendance among Arab boys rose from 65 to 95 per cent (1973). Among Arab girls, who traditionally received no formal education at all, it rose from 15 to 85 per cent.

Higher education.—Arab students attend all six of Israel's universities and are admitted on the same basis as other students. Because of the traditionally low educational standards of the Middle East, Arabs are still seriously underrepresented among university students—as are Jews who have come to Israel from Middle Eastern countries, rather than from Europe. As of 1975, there were 1,200 Arab students in a total enrollment of about 50,000. The trend has been up for a number of years, but the process of bringing culturally disadvantaged groups up to standard educational levels is slowed by the financial drain of defense needs.

Social welfare.—Of the country's 180 welfare offices, 40 are in Arab or Druze villages, providing the same services as are offered elsewhere—for example, aid to neglected children, delinquent youth, the retarded and the aged; providing food subsidies for those unable to earn a living wage; adoption services.

Integration.—Although Israel remains and will remain a multiethnic, multicultural society, Jews are becoming more conscious of Arab culture and tradition, while Arabs are more receptive to the general cultural atmosphere. Interaction appears to be increasing. Thus, for the last 11 years, a Jewish-Arab summer camp for youth has been held in Akko (Acre). In Haifa there is a Jewish-Arab school, as well as a large center for joint Jewish-Arab sports groups, art groups, meetings and exhibitions.

Nearly all Jewish schools teach at least basic Arabic, and in many of them Arabic is a compulsory subject for several years. The study of Arab history and culture is an integral part of the curriculum in Jewish schools.

ZAIRE NATIONAL DAY

Mr. HARTKE. Mr. President, Zaire, formerly the Belgian Congo, and more recently the Democratic Republic of the Congo, is very anxious to maintain her excellent relationship with the United States.

In the past the United States moved rapidly to aid Zaire in her hour of need, when all else failed, for which Zaire has expressed permanent gratitude. In the past few weeks we have heard of all types of military action in the area of the Zaire borders, but bear in mind that Zaire has no expansion policy and only wishes to live in harmony and have good relationships with her neighbors. Zaire has been described as a country of untold wealth, but to extract this wealth Zaire needs the help of friends and such assistance brings about a viable economy.

Zaire has been a stable country under the able leadership of Gen. Sese Sero Mobuto, who began to guide Zaire to stability in 1966.

We are certainly proud to congratulate Zaire on her national day, which was celebrated November 24, 1975.

FLUOROCARBONS AND OZONE DEPLETION

Mr. GARY HART. Mr. President, along with many members of the scientific community and other concerned citizens, I have increasingly become concerned about the fluorocarbon-ozone depletion issue. Since this issue was first raised about 18 months ago, there have been numerous studies and reports related to the various technical aspects of fluorocarbon-induced depletion of the ozone layer in the stratosphere. This ozone "shield" normally prevents excessive ultraviolet radiation from reaching the Earth's surface and depletion of the shield would lead to adverse effects not only on human health but also on the whole realm of plant and animal life.

Unfortunately, the ozone depletion problem is not one that lends itself to a quick and easy solution. Normal variations in the density of the ozone layer make direct determination of changes in ozone concentration at best a fairly long-term proposal. Given the fact that the full effects of the present level of fluorocarbon release will not be felt until 10 to 15 years from now, Congress is today faced with making a very difficult decision regarding restriction of fluorocarbon emissions. Although evidence that fluorocarbons are depleting the ozone layer—and hence increasing skin cancer rates and decreasing crop yields—continues to accumulate, further confirmation of this relationship will take a number of years. Given the 10–15 year lag time between fluorocarbon emissions and resulting effects, we cannot afford to continue indiscriminate release of fluorocarbons into the atmosphere at the present time.

Evidence to date shows that the potential risk to mankind posed by continued fluorocarbon emissions, in my opinion, far outweighs the convenience provided by many uses of these chemicals. For example, approximately one half of the fluorocarbons produced here in the United States are used simply as propellants in aerosol cans for dispensing personal care products such as hairsprays, fragrances, deodorants, et cetera. In many cases, there are already suitable alternative methods for dispensing such products, and in these cases, prudence dictates we discontinue the use of fluorocarbon propellants as soon as possible.

Another major application of fluorocarbons involves their use in refrigeration and air-conditioning systems. Under ideal conditions, these are "closed systems." With continued design improvements to prevent leakage from new units in conjunction with the establishment of procedures for recycling fluorocarbons during the maintenance of existing units, we can make considerable progress toward minimizing the release of these chemicals into the atmosphere.

In conjunction with these measures, I fully support extending current research programs in order to explore new technologies, as well as continued efforts to monitor and determine the environmental effects, not only of chlorofluorocarbons but also of other synthetic chemicals.

Many of my colleagues here in the Senate share these concerns. The distinguished Senator from Arkansas, Mr. BUMPERS, has recently completed chairing 7 days of hearings on the fluorocarbon-ozone depletion issue. Testimony received during the course of these hearings confirms the potential dangers of continuing unrestricted fluorocarbon emissions, and clearly shows the need for effective action now. I am hopeful that, in the near future, the Senate will address the fluorocarbon-ozone depletion issue with legislation which appropriately reflects the serious nature of this problem.

There is little doubt that public awareness and concern over the fluorocarbon-ozone depletion issue is increasing. In part, this is due to the diligent efforts of many distinguished scientists as well as the objective coverage provided by representatives of the news media. With respect to the latter, there was an excellent article on ozone depletion written by Mr. Jeffrey Tannenbaum in the Wall Street Journal this morning. The title of the article is "Theory That Aerosols Deplete Ozone Shield Is Attracting Support." In this article, Mr. Tannenbaum accurately captures and relates many significant features of the fluorocarbon-ozone depletion issue. I ask unanimous consent that Mr. Tannenbaum's article be printed in the RECORD.

There being no objection the article was ordered to be printed in the RECORD as follows:

MAKING A CASE: THEORY THAT AEROSOLS DEPLETE OZONE SHIELD IS ATTRACTING SUPPORT

(By Jeffrey A. Tannebaum)

NEW YORK—Evidence is mounting in support of a controversial theory that gases spewed out by billions of spray cans are damaging the atmospheric layer that shields the earth from the sun's harmful ultraviolet radiation.

The theory is still unproved. But experiments are tending to support it and nothing so far has been found to invalidate it. More scientists now speculate privately that confirmation isn't far off. Pressure for a ban on use of the suspect chemicals, at least in aerosols, is expected to grow in Congress.

Eighteen months ago, two University of California chemists, Mario J. Molina and F. Sherwood Rowland, advanced their astonishing theory. It concerns the most commonly used fluorocarbons, which are employed in refrigerators and air conditioners and as propellants in the majority of aerosols, including deodorants and hair sprays.

They said flurocarbons, after being released from spray cans and old refrigeration equipment, are being wafted into the upper atmosphere, where their molecules split apart and trigger a complex chemical reaction. The hypothesized result: damage to the shield of ozone, a form of oxygen, that prevents much radiation from reaching the earth's surface.

SERIOUS EFFECTS

In theory, a continuation of such emissions into the atmosphere could increase cases of human skin cancer. Possibly even worse, it might cause awesome changes in the earth's weather and ecology, including damage to wildlife and crops.

Fluorocarbon manufacturers and users, however, insist that the ozone-depletion theory is far from proved. Recent scientific findings "seem clearly to raise enough doubt to warrant making a better test in nature before demolishing a major industry," says James P. Lodge Jr., an atmospheric chemist retained by the industry as a spokesman.

The industry stands to lose big, of course, if the products are banned. The Commerce Department estimates the value of fluorocarbons made in the U.S. at $400 million to $450 million a year and the replacement value of the manufacturing facilities at $300 million. Of the six primary producers, the biggest is Du Pont Co. The others are Allied Chemical Corp., Union Carbide Corp., Pennwalt Corp., Kaiser Aluminum & Chemical Corp. and Racon Inc. U.S. producers account for about half the world production of fluorocarbons, which now approaches two billion pounds a year.

Until recently, nobody suggested that the ubiquitous fluorocarbons were anything but beneficial. The chemicals, which aren't found in nature, are nonflammable end substantially inert in chemical reactions, including degradation, on earth and in the lower atmosphere. They have been used as refrigerants since the 1930s and in aerosols since World War II.

STEPS IN THE THEORY

But in recent years some scientists have pondered what happens to fluorocarbons after release into the atmosphere. Last year Messrs. Molina and Rowland came up with their theory.

The theory's first assumption is that fluorocarbons gradually are lifted by the winds to the layer of the upper atmosphere called the stratosphere, which starts 10 kilometers (about 6.2 miles) or more above sea level. That first assumption has been borne out by research.

"Fluorocarbons are getting to the stratosphere in the predicted amounts," says Arthur L. Schmeltekopf, a physicist with the National Oceanic and Atmospheric Administration's aeronomy laboratory, which measured fluorocarbons in balloon samples of air taken as high as 28 kilometers (17.4 miles).

The balloon-sampling research also confirms the next proposition of the Molina-Rowland theory—that the fluorocarbons are being broken down in the stratosphere. Researchers found that above about 15 kilometers (9.3 miles), the amount of fluorocarbons present diminishes until only traces are left about 40 kilometers (24.8 miles) high. "Something is destroying the fluorocarbons as predicted and at the rates predicted by theory," Mr. Schmeltekopf says.

ROLE OF ULTRAVIOLET LIGHT

In theory, what is breaking down the fluorocarbons is ultraviolet light, which is more intense at high altitudes. Fluorocarbon molecules keep rising into stronger radiation, until finally they are split apart.

Several research groups have confirmed that fluorocarbon molecules split under ultraviolet light and, in doing so, release the highly reactive element chlorine—the next step in the Molina-Rowland theory. "We have proved beyond any doubt that you get chlorine atoms when a photon (a particle of light) is absorbed by the fluorocarbon molecule," says Pierre J. Ausloos, a chemist with the National Bureau of Standards. Using ultraviolet lamps in the laboratory, the researchers demonstrated that each fluorocarbon molecule gives off either one or two chlorine atoms, depending on the wave length of the ultraviolet light.

From here on, the steps of the ozone-depletion theory became harder to prove. The theory says the released chlorine is depleting the ozone by converting it to ordinary oxygen. Among other difficulties in proving this hypothesis is the lack of any simple way to measure the ozone and tell if it is being depleted by chlorines from fluorocarbon pollution. Natural variations in the ozone shield make it difficult to determine whether a change would have occurred anyway.

Nevertheless, a significant depletion of ozone could probably be detected eventually, scientists say. However, many of them argue that the problem shouldn't be allowed to grow big enough to become detectable, for by then, they say, the consequences may be too dangerous.

So rather than measure ozone, scientists are investigating the stratosphere for other substances involved in the ozone-depletion theory. According to theory, each chlorine atom released by fluorocarbons sets off a catalytic chain reaction destroying tens of thousands of ozone molecules. But the chlorine atoms eventually combine with other types of molecules to produce substances such as hydrochloric acid.

With spectroscopic tests using U-2 flights and balloons, scientists at California Institute of Technology's Jet Propulsion Laboratory have confirmed that something in the stratosphere is producing hydrochloric acid. "The results show very clearly that there's a stratospheric source of hydrochloric acid—that it doesn't get there in that form from the earth," says Crofton B. Farmer, an atmospheric physicist at the laboratory. He adds: "The evidence at the moment points very strongly to the fluorocarbons being the cause, but it isn't unequivocally proven."

Measurements of chlorine oxide, a key but short-lived intermediary in the supposed reactions, still are lacking, but University of Michigan scientists think they can make such measurements via balloon samples by next April. Many scientists say the results may be widely accepted as proof or disproof of the whole theory.

MANY SCIENTISTS CONVINCED

But even the incomplete evidence to date has persuaded many researchers to accept the Molina-Rowland theory. "It's surprising how much the theory and the experiments agree," says the National Oceanic and Atmospheric Administration's Mr. Schmeltekopf. "My confidence level now is at least 95% that the ozone-depletion theory is correct." Adds F. Kenneth Hare, a University of Toronto climatologist: "Various professional groups are increasingly impressed with what the Rowland theory has to say. Evidence seems to be confirming it."

It's true, as the fluorocarbon industry points out, that four key chemical reactions in the stratosphere have recently been remeasured and found to be different from those Messrs. Molina and Rowland assumed. However, Mr. Rowland asserts that all the changes in effect cancel one another out, so the net depletion of ozone is the same. He says he stands by his "conservative" assertion last year that fluorocarbons have already depleted ozone by 1% and will eventually deplete it by 7% to 13%, perhaps within 50 to 80 years, if the use of fluorocarbons continues at recent levels.

While there is more evidence than a year ago to support the theory, scientists don't know any more about possible consequences of ozone depletion. As the industry puts it in a recent position paper, "The questions aren't just whether the theory's general premises are valid, but also whether the magnitude of any ultimate effect is meaningful to the quality of the environment and public health."

SKIN CANCER HAZARD

There is only one projected consequence of ozone depletion that scientists agree on: Since the ozone layer shields the earth from much harmful ultraviolet radiation, ozone depletion would enable more radiation to reach the earth and cause skin cancer. Scientists estimate there would be 2,100 to 15,000 more cases of usually nonfatal skin cancer in the U.S. (and many more world-wide) for each 1% depletion in ozone.

Scientists continue to speculate that additional ultraviolet radiation would also harm animal and plant life, including crops. "There could be a detrimental effect on all biological systems," says Kendric C. Smith, a professor of radiology at Stanford University. Unfortunately, Mr. Smith adds, almost no scientific research has been conducted on the effects of ultraviolet light on crops or animals. He blames a lack of federal funding.

Similarly, there is speculation that ozone depletion would alter the temperature structure of the stratosphere, and thus weather patterns on earth. But again, scientists say, there isn't yet any way to know what, if anything, may happen.

But the very uncertainties are fueling calls by some scientists and environmentalists for a ban on fluorocarbons, at least in spray cans. "To my mind, the benefits of using aerosol products are negligible next to the risks we are taking," says Ralph J. Cicerone, an atmospheric scientist at the University of Michigan.

REFRIGERATION PROBLEM

Nobody seriously argues that the world couldn't live without aerosol sprays, which account for perhaps 60% of fluorocarbon emissions. But living without fluorocarbons for refrigeration would be much harder. About two-thirds of refrigeration units in the U.S. use the suspect fluorocarbons, known as F-11 and F-12. However, a different type of fluorocarbon, F-22, is the second most commonly used refrigerant. The extent to which F-22 or other chemicals could replace the suspect ones in existing equipment isn't yet known. Presumably future equipment could be designed for new refrigerants.

Last June, a year after the ozone depletion from fluorocarbons was first hypothesized, a federal task force deemed the chemicals "a legitimate cause for concern." Unless new evidence removed them from suspicion, the group added, the use of fluorocarbons should be restricted to existing refrigeration beginning in 1978.

Currently, all the evidence is being reviewed by an independent scientific panel that is expected to report next March or April. Federal action against fluorocarbons isn't anticipated before then, and foreign governments are considered unlikely to act before the U.S. does. However, the state of Oregon already has adopted a ban on fluorocarbon aerosols, to be effective in 1977, and more than a dozen states are considering restrictive legislation.

Continuing scientific research, meanwhile, also concerns a number of additional possible threats to the ozone, including supersonic aviation, other chemicals such as carbon tetrachloride, and the use of nitrogen-based fertilizers. The fluorocarbon industry itself is sponsoring a multimillion-dollar research program into the stratosphere. The industry argues that withholding restrictions on fluorocarbons for a couple of years until all its research results are in wouldn't have any serious consequences. But Messrs. Rowland and Molina, and others, are calling for immediate action.

GETTING A GOOD START WITH A NUTRITIOUS BREAKFAST

Mr. HUMPHREY. Mr. President, as a member of the Committee on Agriculture and Forestry and the Select Committee on Nutrition and Human Needs, I have long been aware that a lack of food—particularly a good breakfast—is often the cause of poor performance and bad health.

Skipped meals, particularly breakfast, are depriving our population—especially our young people—of the balanced nutrition needed to function properly at work, school, and play.

An article in this month's Saturday Evening Post by John Kelly points out that—

> All of the available surveys of eating habits indicate that children—the group which needs breakfast most—are among the ones most likely to skip it.

In Iowa it was estimated that up to 70 percent of the students arrive at school without an adequate breakfast, and in Massachusetts a department of education survery concluded that only 5 percent of the elementary and 4 percent of the secondary students are eating a nutritionally adequate morning meal.

Indeed, a federally sponsored 10-State nutrition survey shows that children of all ages and economic levels are woefully lacking in vitamins A, B, riboflavin, iron, and thiamine.

The Iowa breakfast studies demonstrated that—

> A basic breakfast of fruit juice, cereal, whole milk, sugar, two slices of toast and butter markedly improved the physical and intellectual performance of school children.

In his article, Mr. Kelly notes these and other authoritative findings and points to recent efforts—some in our Nation's Capital—to educate and encourage our next generation to be more aware of the importance of nutritionally sound eating habits.

I recently participated in the Washington, D.C., program "Stick up for Breakfast," a program designed to acquaint the city's youth with the importance of a good breakfast.

Mr. President, I ask unanimous consent that the text of the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Saturday Evening Post, December 1975]

Stick up for Breakfast

(By John Kelly)

Over the ages, breakfast has meant many things to many people. Morton Schord, a nineteenth-century English man of letters, viewed it as essentially a cold, unsocial meal. "An excellent time," he observed haughtily, "to disinherit a wayward heir." William Howard Taft, however, took a more sanguine view—as might be expected of someone of his outsized girth. Not untypical was the breakfast the President devoured during an official visit to Savannah, Georgia in 1906. As his fellow diners gasped in awe, the 350-pound Taft worked his way through a grapefruit, shrimp with hominy, potted partridge, broiled venison, waffles with maple syrup, and hot rolls.

There have, of course, been a lot of changes in the country's eating habits since the President sat down at that breakfast table in Savannah seventy years ago. And they have affected no meal so greatly as breakfast.

The heroic repeats favored by the hefty Taft, for instance, have virtually disappeared. And while nutritionists are not likely to shed many tears over their demise, these experts are alarmed at the number of Americans who now skip the morning meal completely. Dr. Frederick J. Stare, head of the department of nutrition at Harvard University, for one, is a firm believer in the need for breakfast. "It is," he declared, "an important meal."

Thomas Jefferson would certainly have agreed with this assessment. For the United States' third president, like its twenty-eighth, always started the day with a hearty meal. His typical breakfast included hot breads, cold meats, bacon and eggs, fried apples, and batter cake. Jefferson's predecessor, the dour John Adams of Massachusetts, preferred a lighter morning meal, but this stern advocate of temperance liked to wash his bacon and eggs down with a tankard of hard cider.

Alcoholic beverages, in fact, have been on the world's breakfast tables far longer than orange juice. A sixteenth- or seventeenth-century Englishman wouldn't have dreamed of eating a breakfast that didn't include a generous portion of ale. And as for his morning meal, well, even President Taft would have been envious. A standard breakfast for Elizabeth I and her court consisted of beef, veal, chicken, mutton, rabbit, ale, beer and bread.

As the tastes of Jefferson and Taft demonstrate, our ancestors here in America were no slouches when it came to breakfast. However, as the pace of life quickened in the twentieth century, the morning meal has become increasingly ignored.

Indeed, all of the available surveys of eating habits indicate that children—the group which needs breakfast most—are among the ones most likely to skip it. The School Food Service Director of Iowa recently estimated that between 50 percent and 70 percent of the students in his state arrived at school without an adequate breakfast. And the Massachusetts Department of Education, which surveyed the meal habits of 80,000 students in its system, concluded that only 5 percent of the elementary school youngsters and 4 percent of the secondary school pupils in the Bay State ate an adequate morning meal.

There are, of course, children who don't eat properly for the simple and tragic reason that their families can't afford to feed them. But they constitute only a small fraction of the nation's students. More frequently breakfast is skipped because a youngster says he is not hungry. And as one who has gone eyeball to eyeball over the breakfast table with a truculent eleven-year-old, I can attest to the difficulties involved in getting a recalcitrant child to eat.

Then, too, in the rush to get the children off to school and dad off to work, a mother may not find herself with enough time to prepare an adequate breakfast. What all these facts add up to, however, is the virtual abolishment of breakfast as a family meal. Indeed, food consultant Paul A. Fine told a recent American Medical Association symposium on nutrition that no more than 20 percent of U.S. families currently eat an adequate breakfast.

The nutritional price paid by the other 80 percent of the nation's young is reflected in the findings from the federally sponsored Ten State Nutrition Survey. It reported that children of all ages and economic levels were woefully lacking in vitamins A, B, riboflavin, iron and thiamine.

Several studies have also shown that skipping breakfast seriously affects a youngster's school performance. Consider, for example, the results of the Iowa Breakfast Studies, perhaps the most comprehensive and rigorous scientific examination of the meal ever conducted.

They demonstrated that "a basic breakfast of fruit or juice, cereal, whole milk, sugar, two slices of toast, and butter markedly improved the physical and intellectual performance of schoolchildren." Drs. W. W. Tuttle and K. Daum, the University of Iowa Medical College researchers who conducted them, reported that "the majority of the boys in the study definitely had a better attitude and did better scholastic work when they ate breakfast."

But when they skipped it, they tended to be more listless and careless. The principal of the boy's school agreed with this assessment. He told Drs. Tuttle and Daum that "breakfast was a material asset to his students both in terms of their attitude and scholastic achievement."

Teachers in New York State were equally impressed by the benefits a good breakfast produced. After the inauguration of a School Breakfast Program in that state, teachers reported that they had fewer disciplinary problems and that their pupils were generally more attentive and alert.

It was the same story in Bridgeport, Connecticut. Teachers, coordinators and principals observed the following changes in students involved in a pilot breakfast program. Nearly 40 percent seemed healthier as indicated by fewer complaints of headaches and not feeling well; 52 percent were better behaved; 54 percent took a more active part in games; 55 percent attended classes more regularly; 56 percent had a better attitude toward school work; 60 percent paid greater attention to the lessons being taught; and 70 percent stopped eating empty-calorie snacks like potato chips and candy.

Adults also stand to gain from a nutritionally sound breakfast. But, here again, the figures tell a sad story. A recent national study showed that 16 percent of them skipped the morning meal completely and another 4 percent were content to start the day with simply a cup of coffee.

"Laziness is the principal reason for this neglect," declares Dr. Stare. "Most people would rather catch an extra half hour's sleep than get up and eat." He also thinks many adults skip breakfast in a misguided attempt to cut down on calories. "To a lot of individuals, it seems like a fairly painless way to diet," says the nutritionist.

It isn't, as the experience of Tim Malloy demonstrates. Last March, Malloy, a thirty-three-year-old computer repairman from Medford, Massachusetts, marched into the family kitchen and informed his wife Maureen that he was about to begin a diet and she could forget about getting him breakfast until further notice. "The first few days weren't bad," recalls Malloy, "but after about a week I found myself getting ravenously hungry about 11:00 a.m." The Danish Malloy munched between work stops to quench his hunger didn't help the diet much. Indeed, by the end of the third week he had gained back all the weight he had lost plus an additional two pounds.

Malloy could have saved himself a lot of frustration if he had taken the time to consult a report issued by the Consumer and Food Economics Institute, an arm of the U.S. Department of Agriculture. It declares that the "elimination of breakfast is a poor way to achieve weight control. Drs. Tuttle and Daum came to the same conclusion after testing several experimental diets that excluded breakfast.

"Dropping the morning meal," declared the Iowa researchers, is not conducive to body weight loss. In fact, experience with weight-control diets strongly indicates that the loss of efficiency in the late morning hours and the disagreeable hunger pains put those who omit breakfast at a distinct disadvantage when following a weight-reducing program."

Aside from being self-deceptive, foregoing breakfast materially affects on-the-job performance. In their studies, Drs. Tuttle and Daum found that people who began the day with no breakfast or a cup of coffee had a longer reaction time and did less work during the mid-morning hours than those who had a light breakfast. They were also physically weaker as indicated by their low scores on physiological stress tests.

Presuming that breakfast is a must for everybody—young or old, male or female—the next logical question is what type of breakfast is best?

Dr. William Sebrell, former director of the Institute of Human Nutrition at Columbia College of Physicians and Surgeons, recommends that the average desk-bound adult take between 20 percent and 25 percent of his or her daily caloric intake at breakfast. "This," he says, "would allow for a meal of fruit or fruit juice, fortified cereal, with eight ounces of skim milk and one or two pickles or toast with margarine."

Dr. Stare also favors a breakfast light in calories and cholesterol for adults. And indeed, the Iowa studies show that men and women actually perform better on a lighter morning meal. Thus, in one series of experiments, Drs. Tuttle and Daum discovered that individuals fed a very heavy breakfast scored significantly lower than those who had eaten the kind of meal recommended by Dr. Sebrell.

Youngsters alone of all the groups tested were not affected by this generous-sized breakfast. Yet, a child's need for extra energy to fuel his growth is no excuse for overdoing it. Dr. Sebrell says that elementary school youngsters can safely stand a high-cholesterol breakfast of bacon and eggs a couple of times a week. But once a child reaches adolescence, particularly if he's a boy, Dr. Jean Mayer, Professor of Nutrition at Harvard, feels his consumption of high-cholesterol foodstuffs should be carefully monitored.

"Worrying about a high cholesterol count at forty-five is a little like locking the barn door after the horses have escaped," he warns. "The available evidence indicates that arteriosclerosis begins at a very young age. For instance, the autopsies of soldiers killed in Vietnam and Korea—many of them still in their teens—showed that well over half suffered from arteriosclerosis." A new report by the International Arteriosclerotic Project also indicates that the disorder does not spare the young. Most alarming of all, however, are the findings from the ongoing federally funded study of 5,000 Iowa schoolchildren.

Nearly a quarter of them have signs of atherosclerotic involvement. In addition, 11 percent have serum cholesterol levels that exceeded the 220 danger point.

Nutritionists are in unanimous agreement about one other facet of the breakfast menu; it should include fiber. "A bran cereal is the best source of fiber in the American diet," says Dr. Stare. "But fruits, dark bread and certain vegetables can also help supply the need for bulk."

Dr. Stare's concern about including fiber in the breakfast menu is understandable. Heart disease, gallstones, colon cancer, and even obesity have been linked to a lack of fiber in the American diet.

Evidence that dietary fiber plays a significant role in the prevention of gallstones and and the control of obesity is mounting rapidly. And a number of other studies have uncovered what appears to be an important link between fiber and cholesterol levels. For instance, Danish researchers were able to substantially reduce the cholesterol levels of twenty-one subjects by substituting rolled oats for white bread in their diets.

Most intriguing of all, however, is the link between roughage—or rather the lack of it—in the U.S. diet and the extraordinarily high incidence of colon cancer in this country. The tie itself remains to be scientifically demonstrated, but Dr. Denis Burkitt, a pioneering British cancer researcher, thinks that more than simple coincidence is needed to explain why Africans who eat a highly unrefined diet have a near zero incidence of colon cancer, while Westerners, who eat a highly refined diet, have a very high rate of this disorder.

Dr. Burkitt's hypothesis is based on the fact that refined foods pass through the large intestine far more slowly than unrefined ones, like bran. The speed of transit, he believes, has a great influence on the bacterial population of the colon. And it has been proven that faster transit time prevents the breakdown of bile salts, which have been implicated as possible carcinogens.

One community that doesn't have to be convinced about the importance of bran, or a good breakfast in general, is Framingham, Massachusetts. The town is already well known among doctors as the site of the American Heart Association's famed coronary risk study, a unique decades-long project that has been responsible for identifying the role cholesterol, cigarettes, hypertension and obesity play in heart disease.

But it wasn't until last October 5th that the community won distinction in the nutritional field. With the aid of the Kellogg company, Framingham conducted a unique experiment in nutrition education called "Stick up for Breakfast." The day-long project, the first of its kind in the United States, involved 20,000 residents and consisted of many events, all designed to stress the importance of good nutrition, particularly of the morning meal.

Framingham kicked off the day with a community breakfast attended by 3,000 residents. At the meal's conclusion each of the participants took a pledge to henceforth eat a better, more nutritious breakfast every morning. The next event was a Sport-A-Rama athletic competition for youngsters designed to show that exercise and good nutrition go hand in hand. Other highlights of the program included a parade for nutrition, complete with brass band and floats, and a town fair, which, along with such traditional doings and craft exhibitions and games, featured a nutrition booth where passers-by could get the latest information on nutrition and physical fitness.

William E. LaMothe, president of the Kellogg Company, concedes that the "Stick Up For Breakfast" program represented an unconventional approach to teaching nutrition, but he and the parents and teachers of Framingham couldn't have been happier with the results of the experiment. "Framingham State College conducted a before-and-after study of the program," says Mr. LaMothe, "and concluded that 'Stick Up For Breakfast' succeeded in achieving its main objective—to teach nutrition in a new and dramatic way."

Indeed, the company was so pleased with the results that last November it decided to launch a more ambitious version of the "Stick Up For Breakfast" project in Washington, D.C. Instead of a day, the program ran for a week, during which 72,000 children in the District of Columbia's elementary school system were taught the importance of food in specially designed teaching modules. Local radio and TV stations and newspapers joined in to bring the message about nutrition into every home in the Capital area.

You may not have the resources of a large company like Kellogg or the skills of a trained nutritionist, but there is still a lot you can do to "Stick Up for Breakfast" in your home. If, for instance, members of the family have different morning schedules, you can solve this dilemma by planning breakfast ahead of time. Eggs can be hard-boiled and bacon prepared for late-comers or cooked cereal kept hot until eaten, easy-to-prepare foods or foods that can be served right from the container like juice and cereals are also a must for busy families.

Convenience foods are the best bet for working mothers who don't have the time to prepare elaborate breakfasts. Cheese or cold sliced meats, for example, can be served as an alternative for eggs. Precooked sausage or ham, and canned, oven-ready biscuits or partially baked breads take only a few minutes to prepare, ready-to-eat cereal is another ideal breakfast food that takes no time to prepare at all.

Best of all, with a few touches here and there, you can turn these breakfast staples into more exotic dishes. Fruits, whether in season or from a can, will spice up any cereal. And grated cheese can give eggs an exciting new flavor. A broiled tomato-bacon combination makes another delicious morning meal.

IN MEMORY OF ELDER HUGH B. BROWN

Mr. GARN. Mr. President, yesterday, the Church of Jesus Christ of Latter-day Saints lost two great leaders, Elder Hugh B. Brown who died of natural causes and Elder Elray L. Christiansen who died of a heart attack. I am certain that the Senate joins me in expressing sympathy to the families and friends of these men.

Since Elder Brown was well known to many of the Senators, having delivered the morning invocation for this body on several occasions and having worked closely with many different Government officials, I would like to take a moment to pay tribute to him and to remember the qualities of greatness shared by so many of our elders.

Hugh B. Brown was born in Salt Lake City on October 24, 1883, the 2d son and 5th of 14 children of Lydia Jane and Homer Manley Brown. When he was 16 his parents answered the call of the church and moved the family to Canada where he spent the bulk of his younger life.

In 1908, he married Zina Young Card, a daughter of the founder of Cardston, Alberta, Canada, and granddaughter of Brigham Young. Elder and Sister Brown were the parents of six daughters and two sons. Sister Brown died on December 19, 1974.

Elder Brown engaged successfully in business in Cardston until the outbreak of the First World War. Even at this age he began to receive the responsibilities from the church which were to characterize his entire life. He was called by the Canadian Government to organize a squadron of cavalry during the war and was sent overseas at its head. The squadron was later transferred to the infantry and Elder Brown continued in service, attaining the rank of major.

Following the war Elder Brown returned to Canada, studied law, and was admitted to the bar in 1921. He continued in practice in Lethbridge until 1927, when he returned to Salt Lake City. There he served as counsel to the Homeowners' Loan Corporation and then as the first chairman of the Utah Liquor Control Commission.

In addition to his professional life, Elder Brown served as the president of the Granite Stake until 1937 when he was called to preside over the British Mission. He was in England at the outbreak of the Second World War and directed the evacuation of the church's missionaries from Europe at this difficult time. He was appointed servicemen's coordinator for the church, a position which gave him close contact with the men in uniform engaged in the defense of their countries.

In later life Elder Brown would remember these war years with great fondness. Many of us can recall his retelling of spiritual experiences with the servicemen, and with the religious leaders who supplied the inner strength on which the fighting machine fed. When he told the stories he would choke up, affected in the retelling as he had been by the experience, and as we were in hearing it.

At the conclusion of the war, he again assumed his post as president of the British Mission until 1946 when he became a professor of religion at Brigham Young University. He taught there until 1950 when he returned to Canada to serve as legal adviser to a major oil company. He was serving as president and manager of Richland Oil Co. when he received the call, in 1953, to serve as a general authority of the church.

His life in full-time service to the Lord began with a calling as assistant to the Council of the Twelve Apostles. In 1958 he became an apostle and in 1961 he was called as a counselor to David O. McKay, the president of the church. He served in this capacity until President McKay died in 1970 and then resumed his position in the Council of the Twelve and served there until his death.

It is, of course, from this last phase of his life that he influenced us, and we are right to be influenced. When we think of the accomplishment that such men as Hugh B. Brown packed into their lives we can only be amazed. They combined successful business careers with political service and rounded the whole out with constant religious activity and family life. In all these areas they have set us examples and invited us to follow.

It is in the lives of such men, and they are legion, not just among the Mormons, that we find the cement that binds our society together. We are a disparate people, but the values that underlie the lives of these great leaders are shared values. We have seen them work, we have seen them serve. We have seen them give up sons and daughters in war, as Elder and Sister Brown did, and yet retain their faith in God and country. I am grateful for having known Elder Brown and commend his life to my colleagues, and my children.

U.S. FOREIGN POLICY

Mr. DOMENICI. Mr. President, my distinguished colleague and friend, Senator DEWEY BARTLETT of Oklahoma, has been a leader in attempting to reach sound and logical conclusions about this Nation's foreign policy. His trips abroad have been most useful as we in the Senate struggle to find the correct stance for America in the difficult days and years ahead.

His thoughtful remarks on this subject before the Enid, Okla., Kiwanis Club on November 18 of this year deserve the attention of everyone in this body. The warnings Senator BARTLETT gives us about Soviet military might and Soviet intentions should give us all pause.

I ask unanimous consent that Senator BARTLETT's intelligent and well-researched remarks on this occasion be printed in the RECORD, and I hope that everyone concerned about a strong United States will heed them.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DEWEY F. BARTLETT

The desire for peace fills the hearts of every American, as it does mine. We have just come out of a very costly military adventure in South East Asia, costly both in terms of lives and money. The cries for detente ring in our ears, and negotiations with the Soviet Union continue on strategic arms liimtation. I applaud the efforts being made from meaningful negotiations.

My concern is that the people of the United States should not be deluded into thinking that maintaining a "status quo" in defense preparedness is adequate in our world. I say that maintaining the status quo without continuing efforts in research and development, and ultimately, procurement of vital weapons systems, is not sufficient for our Nation's defense.

I do not believe in "crying wolf" about Soviet capability versus U.S. capability in defense spending. I do believe in being realistic, however.

It is important to assess comparative capabilities of our potential adversary in order to know accurately where we stand as a nation. This is best done by looking at trends in Soviet military procurement and research, development and technology.

Since 1964 the Soviet military forces have experienced a sustained growth characterized not only by substantial increases in the quantity of military hardware, but also by significant advances in the technical sophistication and military capability which these equipments possess. In the most general terms, the annual allocation of resources to Soviet military activity has grown at a steady rate in excess of three percent over the years since 1964, and in 1975 is at least 35 percent above the 1964 level. In contrast, the U.S. baseline defense budget (excluding incremental war costs) has decreased by 20 percent in real terms since 1964. As a result of these contrasting trends, the annual allocation of resources to the Soviet military establishment first exceeded the U.S. counterpart in 1971, and has continued to do so in every year since, reaching, in 1975, a level 35 percent in excess of the U.S. allocation; 45 percent in excess if retiree pensions are excluded from both sides.

For some years the U.S. has been accustomed to the quantitative superiority of the Soviet forces in many dimensions, relying heavily upon superior U.S. technology to maintain the military balance with the Soviets. And it remains true that the U.S. leads the Soviets in practically every realm of military technology. But there is a limit beyond which U.S. quality cannot offset the increasing numerical inferiority which we face relative to the Soviet Union.

We are accustomed to Soviet military manpower superiority: their active duty strength now is more than double our force level which has declined to 2.1 million men, and seems in danger of declining further. But it is less well known that the total Soviet weapons procurement program, when measured in the same constant dollar terms, has exceeded that of the U.S. beginning in 1970 and in every year since, being about 25 percent above the U.S. procurement level in 1974. This Soviet aggregate procurement excess over the U.S. is mirrored in each procurement component for which we have intelligence estimates. In the same constant dollar terms, the initial procurement resources for the new generation of Soviet ICBM's, in addition to a rapid growth in procurement of tactical aircraft, caused a sharp increase in Soviet military investment in 1973, while U.S. procurement of aircraft and missiles has been declining.

As a result, by 1974 the Soviet rate of aircraft and missile procurement stood about 25 percent above the U.S. figure. Soviet resources allocated to military ship and boat procurement exceeded those of the U.S. by a substantial margin over the past decade, and by approximately 33 percent in 1974. And, over the entire 1964–74 period, Soviet resources allocated to land armaments procurement amounted to over 300 percent of the U.S. counterpart. The facts, therefore, are clear in their portrayal of the increasing numerical superiority of the Soviet forces.

But what of the trends in technological advance, that dimension of the military competition wherein a U.S. lead has been relied upon to maintain the military balance? This dimension is particularly difficult to evaluate, and our intelligence estimates concerning this essentially qualitative area are subject to greater uncertainty than are those for other categories of Soviet military activity. However, by our best estimates, over the entire 1964–1974 period U.S. resources allocated to military research, development, testing and evaluation (RDT&E) exceeded those of the Soviets by more than 25 percent. But such aggregate comparisons obscure more significant underlying trends. In the late 1960's the Soviet resources allocated to military RDT&E began to increase both absolutely and in relation to the U.S. RDT&E program, which began to decline. By 1971 the annual Soviet RDT&E effort exceeded ours, as it has in every year since, standing in 1974 approximately 25 percent above the U.S. level. The facts are clear: while the U.S. RDT&E effort has declined, the Soviets have been devoting sufficient resources to build a constantly growing base of science and technology to support future force developments.

Over the past decade, and with increasing tempo in the 1970's, the Soviet emphasis upon qualitative improvement has achieved significant advances in the military capabilities of their weapon systems already operational, or now being introduced into the Soviet forces. Of course, those years have seen most impressive technological advances within the U.S. forces as well. There is nothing surprising in such U.S. qualitative advance: we have expected it and, indeed, relied upon it. What is surprising, and what should cause us serious concern, is to observe the Soviets first matching and now exceeding the U.S. effort to develop and field new military technology. In their extensive number of prototypes, and in new equipment introduced or being introduced into active units, the Soviets exhibit a new level of sophistication, complexity, and military capability.

The military effectiveness of military forces is a complex resultant of many factors in addition to the quantitative and qualitative dimensions of men and hardware. Yet, in these two significant dimensions, our best estimates portray trends which are clear, and which are adverse to U.S. interests. Our nation cannot continue to concede to the Soviets both increasing quantitative superiority and a decreasing qualitative gap without also conceding, in the near future, that U.S. military power will no longer be second to none.

Let's look at Soviet advancement in its Strategic, Tactical Air, Naval and ground forces:

SOVIET STRATEGIC FORCES

From a position of distinct inferiority in ICBM's in the early to mid-1960's, the Soviets have now surpasesd the U.S. in total numbers of operational launchers, adding (since 1966) the equivalent of the entire U.S. ICBM force in numbers, and about triple the U.S. capability in throw weight.

In addition to these massive increases in numbers, the Soviet Union has also undertaken a major modernization of its strategic force. Four new designs, which include improved launch, guidance and reentry techniques, have been flight tested. Three of these designs incorporate MIRV (multiple independently targeted reentry vehicles) technology. There are indications that one design is being developed with the option of deploying it as a land-based mobile ICBM.

In submarine-launched ballistic missiles (SLBM's) the Soviet development and deployment of the SS–N–8 missile, with a range of some 4,200 nautical miles, permits their submarines to target the U.S. from locations much closer to Soviet operating bases, complicating problems of detection and anti-submarine warfare. With a total of 700 SLBM launchers on 52 submarines now, and a current production rate of 6–8 new boats per year, the USSR could have 62 modern ballistic missile submarines by mid-1977.

Manned bombers continue to be an important component of the Soviet strategic force, especially with the recent entry of the Backfire into the operational inventory. With an extended range and the capability for inflight refueling, the aircraft is capable of executing attacks against the United States.

The Soviets have been pursuing a very vigorous program in the realm of strategic defenses as well. Four new interceptor aircraft have been added during the last decade, and these modern aircraft now constitute about half of a force of more than 2,500 air defense operational fighters. An extensive deployment of a family of surface-to-air missile launchers complements the interceptor capability.

These quantitative and qualitative improvements in Soviet strategic forces are evidence of a steady, sustained and significant increase in military capability. They also reveal (as in, for example, the simultaneous development of four new intercontinental ballistic missile systems) a very large, vigorous and well-financed research and development program.

SOVIET TACTICAL AIR FORCES

Since the mid-1960's the quantity of Soviet tactical aircraft (excluding trainers and strategic defense interceptors) has grown both absolutely and in relation to the corresponding U.S. aircraft. In 1965 the Soviet tactical air force, Frontal Aviation, possessed approximately 4,000 combat aircraft, nearly 2,000 less than the U.S. By 1975, Soviet procurement programs have raised the Frontal Aviation combat aircraft inventory to approximately 5,500, roughly equal to the U.S. counterpart.

During this decade of expansion, Soviet tactical aircraft positioned in the Soviet far east along the border with China have increased substantially. Yet approximately half of these aircraft are older models with relatively limited capabilities, many of which were withdrawn from inactive storage. In contrast, a substantial majority of the approximately 4,000 Frontal Aviation combat aircraft oriented against Western Europe are the newer models which became operational in the late 1960's, or are now being introduced.

These new tactical aircraft—late model Fishbeds, Fitter C's, Fencers, Floggers, and the reconnaissance version of the Foxbat—represent the considerable progress which the Soviets have made in overcoming the technological shortcomings of their earlier generation systems. The new systems being introduced are multi-purpose types which embody mixes of more powerful engines, variable wing geometry, considerably increased weapons load capacity, significantly enhanced penetration ability, and all-weather flight capability.

Although these technological advances improve Frontal Aviation's effectiveness in its traditional missions of counter-air and close ground support, the most notable effect is upon the deep strike attack mission. The advances in range, payload, avionics, and armaments convey the ability for Frontal Aviation to strike deep into Western Europe through sudden and unreinforced air operations, thereby increasing significantly the offensive threat which Frontal Aviation presents to the NATO region.

Despite these considerable advances on the part of the Soviets, the U.S. remains superior in practically every specific area of tactical air technology. Nonetheless, the combination of significant quantitative and qualitative increases in Soviet tactical aviation over the past decade has produced a large and thoroughly modern force, increasingly capable of executing the full range of tactical air missions.

SOVIET NAVAL FORCES

Since the early 1960's, the Soviet Navy has gone from a rather ineffective force designed primarily for the defense of the homeland in coastal waters to a major, ocean-going naval force capable of conducting strategic, sea-denial, projection, and peacetime presence missions.

The Soviet Navy, today, contains about 325 submarines, 125 of which are nuclear powered. This fleet includes about 65 anti-ship, cruise-missile firing boats, as well as over 70 ballistic-missile firing submarines. Since 1964, they have introduced eleven new classes of submarines. Of the over 150 new submarines built during this time period, over 100 were nuclear powered.

The Soviet surface fleet today consists of about 220 warships of ocean escort size and larger, about 850 small combatant craft (including 135 antiship missile equipped boats), and close to 100 amphibious ships. Since 1964, they have introduced twelve new classes of surface warships, and built about 110 new combatants of ocean escort size and larger. These ships have been equipped with sophisticated electronics and weapons, including a number of types of anti-ship, anti-submarine, and anti-air missiles. Over this same period of time, the Soviets have built close to seven hundred small combatants, and have modernized their amphibious fleet (now capable of providing lift for the estimated 15,000 Soviet marines).

The Soviet Navy air forces today consist of more than 1,200 aircraft. The naval air arm includes over 100 reconnaissance aircraft, a force of close to 300 anti-ship missile equipped strike aircraft (now being modernized with the addition of the new, sophisticated BACKFIRE), 150 fixed wing anti-submarine aircraft, 300 anti-submarine helicopters, and a new, fixed-wing VSTOL aircraft to be carried by the new KIEV class aircraft carriers for anti-submarine, reconnaissance, and air-defense capability. Most all of these modern aircraft have been introduced and built since the early 1960's.

The expansion of the Soviet Navy has been facilitated by a strong naval R&D program. Soviet Naval R&D has supported the introduction of modern and sophisticated naval platforms, sensors, and weapons. In the weapons area these efforts have been impressive. For instance, they have developed families of long-range and short-range anti-ship cruise missiles which are capable of being launched from surface ships, small combatants, surfaced submarines, submerged submarines, and aircraft. Most recently, they have developed a submerged launched, anti-ship ballistic missile.

SOVIET GROUND FORCES

During the past decade the Soviets have instituted changes in their ground forces which have significantly improved their capabilities to conduct either conventional or nuclear war. These improvements include the introduction of new weapons systems to replace older ones, increases in the number of certain type weapons in their units, advances in support capabilities and operational changes which increase their ability to employ and use these advances on a modern battlefield. Overall, there have been improvements in the three essential areas for success in combat: mobility, fire power, and protection for man and equipment.

New weapons have been introduced into virtually every major category of ground force systems—tanks, artillery, personnel carriers, air defense guns and missiles, anti-tank weapons and helicopters. In most cases these weapons are replacements for less advanced systems. None represent a technological advantage over what the U.S. is capable of developing, but in some cases the Soviet weapons are superior to the U.S. counterparts now in the field with U.S. units. It should be emphasized that these Soviet weapons are currently in their forces and are not experimental systems.

The improved capabilities of new Soviet weapons over their predecessors and their placement in quantity into action units indicate a substantial modernization of Soviet ground forces. The image of them as a relatively crude armed force no longer is appropriate.

I am not an alarmist; I do think I am a realist. If the cold hard facts as I have presented them are reviewed and analyzed, it can be seen that the United States cannot afford cut-backs in its defense spending; but on the contrary, a reversal of that trend needs to be initiated.

SECRETARY KISSINGER RESPONDS ON ARMS SALES

Mr. CULVER. Mr. President, on October 31 Secretary of State Kissinger received a letter signed by over 100 Members of Congress urging a U.S. initiative to convene an international conference of major arms-producing nations in order to seek some rational control and coordination of the current fierce competition in foreign military sales.

On November 28 Secretary Kissinger responded to that letter and expressed the U.S. Government's interest in obtaining international discussions on "the escalating proliferation of conventional arms." The Secretary of State also replied that a full-scale review of possible limitations is being undertaken.

Mr. President, I trust that this review will lead to creative and positive action by the United States to help restrain this dangerous trend in weapons sales. In the meantime, the State Department's willingness to maintain a close liaison with Congress on this vital issue is a welcome sign.

I ask unanimous consent that the texts of this correspondence be printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

OCTOBER 31, 1975.

The Hon. HENRY A. KISSINGER,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: We are deeply concerned about the anarchic and escalating nature of the worldwide rush to acquire new weapons.

The intense competition between the United States and Western European countries in arms sales, particularly in the Middle East, is clearly out of hand. Recent disclosures of huge bribes paid by Northrop, Lockheed, and other U.S. firms to foreign officials and agents underscore the feverish intensity of the global arms race.

In the past two years alone, the United States has sold over $10 billion in weapons to Persian Gulf nations, and France, Britain, and the USSR have also been active. Not only is the United States selling huge quantities of armaments, but to keep up the frantic pace, we are selling our latest and best equipment. We sell tanks and antitank weapons when our own Army is under strength. We sell the most sophisticated aircraft, despite the risks that our technological secrets may fall into hostile hands.

The fierce rivalry for the mushrooming weapons market endangers our friendly relations with our allies; it becomes a destabilizing influence in politically volatile areas such as the Middle East; and the pattern of corruption and the potential loss of technological secrets pose risks to our national security.

As you know, the Congress and the Executive Branch have taken some effective actions to bring our own foreign military sales under a measure of reasonable control. But unilateral actions alone on the part of this country cannot solve the problem. Although the United States accounts for about half of the world's arms trade, several other countries are also deeply involved, in particular the Soviet Union, France, and Britain.

There is an urgent need for some means of moderating the competition and minimizing the destabilizing effects of unlimited arms sales on the military balance in sensitive regions of the globe.

Therefore, we believe that the United States should initiate efforts to convene an international conference of major arms-producing nations to seek some rational control and coordination of what now seems to be pathological competition in foreign military sales.

It may not be politically possible to involve the Soviet Union or Eastern European countries in such an international conference at this time. But we believe that a feasible first step would be for the NATO nations most active in the arms trade to convene an international conference to discuss guidelines for arms sales.

We hope that some American initiatives can be taken in the very near future to forestall the dangerous consequences of the present trends in the global conventional arms race.

Sincerely,

John C. Culver, Patrick J. Leahy, Dick Clark, Thomas F. Eagleton, Philip A. Hart, Mark O. Hatfield, Gale W. McGee, William Proxmire, Harrison A. Williams, Jr., Charles McC. Mathias, Jr.

William V. Roth, Jr., Joseph R. Biden, Jr., Mike Gravel, Gary Hart, George McGovern, Jennings Randolph, Lee Metcalf, Adlai E. Stevenson, Edward W. Brooke, Walter D. Huddleston.

Walter F. Mondale, Dale Bumpers, Gaylord Nelson, Hubert H. Humphrey, Edward M. Kennedy, Vance Hartke, Claiborne Pell, Floyd K. Haskell, James Abourezk, William D. Hathaway.

Joseph P. Addabbo, M.C., Glenn M. Anderson, M.C., Les Aspin, M.C., Les AuCoin, M.C., Max S. Baucus, M.C., Jonathan B. Bingham, M.C., Michael T. Blouin, M.C., Edward P. Boland, M.C., Don Bonker, M.C., William M. Brodhead, M.C., George E. Brown, Jr., M.C., John Buchanan, M.C., Bob Carr, M.C., Silvio O. Conte, M.C., James C. Corman, M.C.

Lawrence Coughlin, M.C., Ronald V. Dellums, M.C., Charles C. Diggs, Jr., M.C., Robert F. Drinan, M.C., Robert W. Edgar, M.C., Paul Findley, M.C., Hamilton Fish, Jr., M.C., Joseph L. Fisher, M.C., Donald M. Fraser, M.C., Bill Frenzel, M.C., Sam Gibbons, M.C., Gilbert Gude, M.C., Lee H. Hamilton, M.C., Mark W. Hannaford, M.C., Michael Harrington, M.C.

Herbert E. Harris, II, M.C., Ken Hechler, M.C., Elizabeth Holtzman, M.C., Allan T. Howe, M.C., William J. Hughes, M.C., William L. Hungate, M.C., Robert W. Kastenmeier, M.C., Martha Keys, M.C., Robert L. Leggett, M.C., Clarence D. Long, M.C., Matthew F. McHugh, M.C., Stewart B. McKinney, M.C., Helen S. Meyner, M.C., George Miller, M.C., Parren J. Mitchell, M.C., Anthony Toby Moffett, M.C., Gary A. Myers, M.C., Henry J. Nowak, M.C., Richard L. Ottinger, M.C.

Edward W. Pattison, M.C., Joel Pritchard, M.C., Thomas M. Rees, M.C., Peter W. Rodino, Jr., M.C., Teno Roncalio, M.C., Benjamin S. Rosenthal, M.C., J. Edward Roush, M.C., James H. Scheuer, M.C., Patricia Schroeder, M.C., John F. Seiberling, M.C., Paul Simon, M.C., Stephen J. Solarz, M.C., Gladys Noon Spellman, M.C., Fortney H. Stark, M.C., Alan Steelman, M.C., Frank Thompson, Jr., M.C., Morris K. Udall, M.C., James Weaver, M.C., James Young, M.C.

THE SECRETARY OF STATE,
Washington, D.C., November 28, 1975.
Hon. JOHN C. CULVER,
U.S. Senate.

DEAR SENATOR CULVER: I have received your letter of October 30 expressing your concern and that of your colleagues with the world wide increase in the acquisition of conventional armaments.

United States policies on several of the issues raised in your letter such as our policies on the Persian Gulf, arms sales, agents fees, and the readiness of U.S. forces have been discussed by various State Department officials before committees of the Congress in the past several months and need not be addressed here. I wish instead to focus on the main point of your letter, the convening of an international conference on conventional arms control.

I share this concern and am in full agreement with your view that unilateral actions by the United States cannot, in themselves, solve the problem of the escalating proliferation of conventional arms. The United States has repeatedly urged consideration of the problem at the Conference of the Committee on Disarmament (CCD) in Geneva. In April of this year, the U.S. representative to the CCD delivered a major statement urging that the Conference give serious and urgent attention to this problem and suggesting certain principles for its consideration.

I regret to report that the other members of the CCD have so far shown very little interest in the U.S. proposal. In our analysis there are several reasons for this lack of interest. Many nations hold the view that the problem of conventional arms is distinctly secondary to the need for nuclear disarmament and discussion of it tends to distract attention from what they regard as the more urgent issue. Secondly, there is a tendency for developing nations, who are of necessity arms importers, to regard measures to limit the conventional arms trade as discriminatory. Additionally, many arms exporting nations regard foreign military sales as essential to their national interest.

You have suggested that the United States initiate efforts to convene an international conference of arms suppliers beginning with the NATO nations as a first step. I am directing that a full-scale review of possible limitations on the traffic in conventional arms be undertaken with a view toward making recommendations as to what further actions might most usefully be taken. Your suggestion will be most carefully considered in the context of this review and you may be assured that we will keep in close touch with the Congress on the matter. Copies of this reply are being sent to the co-signers of your letter.

Best regards,

HENRY A. KISSINGER.

SOLAR HEATING—WITHOUT GOVERNMENT HELP

Mr. HUMPHREY. Mr. President, many of our colleagues share my concern that solar energy is being developed all too slowly by the Energy Research and Development Administration and HUD. The possibility that solar energy may provide a limitless, cheap and environmentally clean power source calls for the greatest possible effort to develop its potential quickly. Yet, we are continually told of deep, even savage cuts by the Office of Management and Budget in solar budget proposals by various agencies. Frankly, the administration's strong solar energy rhetoric has yet to be matched by deeds.

Because of the administration's dilatory attitude toward solar energy, it seems clear that private industry and individuals must be heavily relied on to press for greater solar energy utilization.

One excellent example of individual initiative in using solar energy was recently reported by the Rural Minnesota News. The story in the November 1975 issue referred to installations of solar heating in the homes of Mr. and Mrs. Michael McChesney, of Annandale. It is encouraging to find that private citizens are adopting solar energy home use—that it is being done without Government assistance.

I ask unanimous consent for the article from the Rural Minnesota News, entitled, "McChesneys Install Solar Heat" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MCCHESNEYS INSTALL SOLAR HEAT

Mr. and Mrs. Michael McChesney installed solar heat in their home in the fall of 1974. After one year's operation, Mike is convinced that the system really works.

He has been interested in solar energy since 1965. So when they built their house in 1970, it was designed and orientated so that solar heat could be installed. An oil-fired, forced air, central furnace was installed when the house was built.

During the summer of 1974, McChesney designed and built his own solar heating system. The collector, 8 feet high and 36 feet long, is mounted on the roof of the house and faces south. It has a surface area of 288 square feet. The frame is made of 2 x 4's with a plywood back. The inside of the back of the collector is insulated with one inch styrofoam.

The collector is mounted at a 60-degree angle. To determine the angle of the collector for any given location, you take the latitude plus 15 degrees.

Directly on top of the styrofoam insulation are attached 4 x 8 sheets of corrugated aluminum. The aluminum sheets are chromated, primed and then painted with a flat black paint.

Water is used to transfer the heat from the collector to the storage tank in the basement of the house. A five-gallon-per-minute pump circulates the water. A one-inch black pipe across the top of the collector distributes the water evenly over the collector surface.

Water drawn from the storage tank is at 68 degrees F. and reaches a temperature of between 120 and 135 degrees F. as it passes over the collector's surface. There is a glass covering on the collector to prevent the solar heat from escaping.

The water storage tank in the basement has a capacity of 550 gallons. Also in the tank are 256 cubic feet of rocks. Water is good for storage of heat because it is a good exchange medium. However, it has a short-term heat storage capacity.

Solids, such as rock, hold the solar heat much longer. But if rock is used alone for heat storage, it would require air to transfer the heat from the collector and air is not as efficient as water. That is why a combination of the water and rock is used to store the heat.

In the future, eutectic salts will replace rocks for storage because the salts have greater heat storage capacity per pound.

A duct from the storage tank in the basement is connected to the conventional heating system. As mentioned earlier, McChesney has a forced air heating system. The furnace circulating fan draws the heated solar air from the storage tank and blows it through the house heating ducts.

Mike pointed out that they have used solar heat for only one heating season, and it is still experimental. He will be modifying and improving it from time to time.

For example, he built the collector with the exposed side covered with clear, pliable plastic rather than with glass. The heat inside the collector caused the plastic to become brittle so during the rain-sleet storms of late March, 1975, the plastic was destroyed. At that time, McChesney shut down the solar system. For this coming winter, the collector will have a glass covering.

For the 1974–75 heating season, ending on March 25 (for the reason given above), the McChesneys used 280 gallons of fuel oil. Their home is of split entry design, with 1,092 square feet on each floor. The living-dining-kitchen area has a vaulted ceiling—12 feet to the peak.

Prior to installing the solar heating system, on an average January day, the oil furnace would run from 6 to 6½ hours out of 24. With the solar system, during the same time of year and during the same period of time, the furnace ran for less than two hours.

From research he has done, Mike projects that solar heat, if properly designed, should be able to supply about 40 per cent of the residential space heating needs in the United States.

As a side note on collectors, in regard to how big they need be or how big they should be, Mike said they should be ⅓ to ½ the square footage of the main floor of the house. To size the storage tank, you need 10 to 15 pounds of water per square foot of the collector's surface.

The McChesneys live about 2½ miles southwest of Annandale, on the west side of Goose Lake. Mike has a Master's Degree in Physical Science and teaches chemistry and environmental science at Delano Senior High.

Mrs. McChesney, Carolyn, teaches kindergarten at Annandale. They have one daughter, Michelle, who is nine years old. They are members of Wright Hennepin Electric, Maple Lake.—Jerome E. Specht, Cooperative Relations/Member Services, Wright Hennepin Electric.

GUN CONTROL

Mr. FANNIN. Mr. President, during the past several weeks, I have received hundreds of personal letters from Arizonans who are vitally concerned about Federal legislation to control the ownership of handguns. My constituents are overwhelmingly opposed to gun control legislation. There are various reasons for their outspokenness, and I would like to share a smattering of them with my colleagues.

Arizonans are chiefly concerned with the following issues: the constitutional safeguard to "keep and bear arms," the unquestionable right of individuals to protect themselves against an attack on their person or property, the misconception that additional antigun legislation is needed to reduce our national crime rate and the provisions of some of the major gun bills.

Mr. President, I ask unanimous consent that four very impressive letters be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CITY OF FLAGSTAFF,
Flagstaff, Ariz., November 20, 1975.

Hon. PAUL J. FANNIN,
Dirksen Building,
Washington, D.C.

DEAR SENATOR FANNIN: Please be advised that I am very much opposed to the Rep. Peter Rodino ban on all handguns. I believe it is the right of every responsible citizen to purchase and own guns. In my opinion the Constitution gives every American the right to "keep and bears arms" and I do not believe that we should have to pay an excessive excise tax in order to keep that right. After all the Government does not tax his right to free speech or freedom of religion or any of the other God given rights.

In 30 years of Law Enforcement and on the Bench it is my studied opinion that disarming the citizens of our great country will not have any effect in cutting down the crime rate. If anything the rate will skyrocket.

In other words, sir, I am opposed to the excise tax.

Sincerely,

WM. C. BRADY,
Chief Magistrate.

TUCSON, ARIZ.,
November 28, 1975.

Senator FANNIN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR FANNIN: This letter is being sent to let you know how we feel about our firearm rights.

We are not ardent hunters, nor do we especially enjoy shooting guns, target practicing, etc.

We do, and expect the right to, enjoy our personal rights and freedoms.

We believe that private citizens have the right to own firearms to defend themselves, their families and their property from all criminal attack.

We believe that judges should be required to impose heavy prison sentences on criminals who use guns or other weapons to commit crimes. This most definitely is where the answer lies to the whole problem. There are good existing laws. The judges are too weak in their imposing of sentences. A "slap" on the wrist and a probation period, never did anybody any good. Until the judges decide they are the ones to blame and decide to carry out their jobs to the fullest, this question will never be solved.

We do not believe that a ban on the private ownership of firearms would in any way reduce the number of murders and robberies in our community.

Legal restriction of dope has not prevented its use, nor would it do so in the case of firearms. There again, the answer lies in stronger imposed sentences. The whole answer lies in the lap of the judges! We have coddled these criminals too long!

We do not believe a new law prohibiting all ownership of firearms would make it impossible for criminals to get guns. A new law such as this, would be an insult to any thinking man's intelligence.

Proper imposed sentences on already existing laws are the answer. What in God's name are the judges afraid of??? If they can't carry out their jobs to the fullest, why do they even try to become a judge? Have they forgotten what a judge really is?

Please, Senator Fannin, as our representator do not vote into law any such restrictions such as this firearms bill that will restrict private gun ownership.

Most Sincerely,

JO ANN Y. VITTON,
JOHN J. VITTON.

COTTONWOOD, ARIZ.,
November 19, 1975.

Hon. PAUL J. FANNIN,
U.S. Senate, Dirksen Building, Washington, D.C.

DEAR SENATOR PAUL FANNIN: It has been brought to my attention that a great number of anti-gun bills are pending before Congress. I wish to voice my opposition to any new legislation. I do not feel that we need any further gun control bills on law-abiding American Citizens. If present controls and laws were fully enforced, that would be sufficient.

My two sons and I have had hand guns and rifles most of our lives. We have had safety instruction in their correct use. I feel it is necessary—and our right—to have our guns for the protection of our families.

Please continue your opposition to any new gun control legislation.

Sincerely,

GENE W. PAXTON.

PHOENIX, ARIZ.,
November 23, 1975.

Hon. PAUL J. FANNIN,
Dirksen Building,
Washington, D.C.

DEAR SIR: Today, I wish to convey my thoughts on two issues of vital personal concern.

First, at the risk of sounding redundant, I wish to address myself to subject of pending Gun "Control" legislation.

I understand that there are approximately 100 antigun bills pending before Congress. Close examination of but a few of these indicates that the antigun element is no longer attempting to eliminate the "Saturday Night Special" (whatever that is), but are now in fact working toward the ultimate confiscation of All Firearms, only the first of which are sidearms.

H.R. 9780 introduced by Rep. Conyers would outlaw all manufacture, sale and transfer of all sidearms and after one year would outlaw virtually all private ownership of All Sidearms (handguns).

Rep. Robert McClory's bill H.R. 9763 would place a $25 excise tax on every new handgun and, in addition, would coerce the individual states into passing Federally prescribed state firearms laws under threat of loss of Federal law enforcement assistance funds and cancellation of Federal Firearms Licenses in those states not complying. What ever happened to State's Sovereignty? Probably the most objectionable point in this bill is that it is poorly drafted as to cause a citizen possessing a firearm during infraction of a minor state or local law or ordinance to be subjected to a mandatory prison term. This, in effect, is the error made by the state of Massachusetts.

Other bills such as Senator Bayh's bill, S. 1880, and the Ford Administration's legislation S. 2186 and H.R. 9022 place an unacceptable degree of power in one man, the Secretary of the Treasury.

There is also talk of legislation which would place enforcement of Federal firearms laws under Attorney General Levi's Dept. of Justice rather than under the B.A.T.F. I see no need to create another Federal bureaucracy to be supported by the taxpayers.

I could go on and on pointing up the negatives attendant to pending legislation but that would indeed become redundant, if only in theme. The foregoing indicates thoroughly enough that I and many other fellow Americans (who will not sit down and write a similar letter) are opposed to any new laws which will further encumber our peaceful enjoyment of the right to purchase and possess firearms for lawful purposes.

In past correspondence relative to this issue, I have offered only negative views. That is, I have been opposing proposed firearms legislation without offering any positive suggestions. I have spent considerable time thinking through the problem of coping with crime. Crime control is, after all, the guise behind which the antigunners hide. The antigun element likes to point to England's theory of "equal force" which required that firearms not be carried by the police force except for "special assignments" (which did not reduce the number of crimes involving firearms used by criminals). They, the antigunners, also like to state that Japan has a low incidence of shooting deaths. What they fail to say is that the knife is the chief street weapon in that country and the incidence of stabbing deaths is phenomenal.

I, on the other hand, have turned my attention to the Swiss who require every adult male to own and be proficient with firearms. Whatever their reasons for doing so, the fact remains that they report a minimal crime rate as a result. Instead of passing legislation which would bring one of our most flourishing industries to its knees and throw tens of thousands of people out of work (witness the proposed restrictions on manufacture and sale), why not follow the Swiss example and legislate required firearm possession as a crime deterrent? Détente seems to be effective internationally, why not intranationally? A radical idea yes, but is it any more radical than the concept of total confiscation?

Sincerely,

DARRELL L. ROBINSON.

Mr. FANNIN. Mr. President, the Washington Post and the Arizona Republic were two of the Nation's newspapers which reported on the failure of stringent gun control laws to decrease crime significantly. Both papers referred to the 1974 Massachusetts gun control law which was ineffective to the point of being meaningless. I ask unanimous consent that the editorial from the Arizona Republic, "Massachusetts' Lesson," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MASSACHUSETTS' LESSON

Those who continue to clamor for gun-control laws should take a look at Massachusetts.

Last year, Massachusetts enacted the toughest gun-control in the nation with the support, incidentally, of most of the gun clubs and police associations in the state.

It mandates a one-year prison sentence for anyone caught carrying a gun without a license.

One year, period. No probation. No time off for good behavior.

The law went into effect on April 1.

What has been the result?

So far as the Boston Police Department can figure out, there hasn't been any.

From April through September, 26 of 61 murders were committed by gun.

During the same period last year, 26 of 59 murders were committed by gun.

Armed robberies decreased slightly from 953 to 939 and assaults with guns decreased from 313 to 261.

However, police officials say these decreases are too slight to have any significance. Police Commissioner Robert J. deGrazia, who supported the law, now says it has "no deterrent effect whatever."

He adds: "If someone wants to use a weapon, he's going to use it."

Meanwhile, the American Civil Liberties Union, a leader in the fight for gun control, also has been having second thoughts about the law. The ACLU is preparing to enter the case of Angelo Jackson, 20, who was arrested in Boston for carrying a gun without a license.

Jackson's attorney argued in court for dismissal on the grounds that a mandatory sentence violates the powers of the state's judiciary, is cruel and unusual punishment for simply not getting a license, and deprives the defendant of due process by requiring proof of criminal intent.

The ACLU believes that Jackson's attorney is right.

The Massachusetts Law Reform Institute agrees. The mandatory provision, says Ernest Windsor, a staff attorney for the organization, "perverts the judicial system."

The Ford administration has asked Congress to ban so-called "Saturday night specials" and impose a mandatory one-year prison sentence for federal felonies committed with a gun.

Massachusetts' experience demonstrates that any such law would be meaningless.

Mr. FANNIN. Mr. President, I find the logic of my constituents on the gun control issue most persuasive. Law abiding citizens cannot be expected to accept restrictions on their right to protect themselves when they have no reliable assurance that criminal activity will be controlled under existing laws. In this entire gun regulation issue, more emphasis should be placed on punishing the criminal offender rather than on restricting the legitimate gun user.

Stronger gun control laws are not necessary and I do not believe that they would effectively reduce the crime and violence which is at an unacceptably high rate in the United States. Serious crime will be reduced when criminal offenders are punished consistently and stringently for their disregard of the law.

ON GROWTH

Mr. HUMPHREY. Mr. President, a recent article in the New York Times captured my attention since it was focused on a topic which has been a longstanding concern of mine and one that the Joint Economic Committee is currently examining quite intensively—the long-run economic growth of this country. It is hard to think of a topic of more fundamental importance to all Americans, for if there are limits to growth or even if growth will only be forced to slow down in the future, the economic, political, and social implications are tremendous.

This is why the JEC is drawing on over 50 of the best minds in this country, who have given much thought to this topic, to do research papers for our study on 30 topics related to future economic growth in the United States.

The article is titled "On Growth" and appeared in the New York Times of November 11, 1975. In it, René Dubos, a microbiologist and experimental pathologist, highlights a dimension of the growth debate that I subscribe to: the potential role of human ingenuity in breaking through barriers to further growth. In Dubos' words:

> History shows, however, that evolution continuously drives human activities into new channels and that each age creates the resources it needs.

I firmly believe that this will hold true for America in the years ahead as it has in the past. However, I also believe that optimism should be as well founded as possible. This is why I look forward with great expectation to the in-depth examination of future growth prospects, problems, and patterns that the Joint Economic Committee is conducting. This study should yield specific insights as to what the longer range trends are that will significantly influence both our rate of growth and the way in which we grow.

The "way in which we grow" or patterns of growth sometimes referred to all boil down to the increasingly popular phrase—quality of life. Whether or not that is increasing—not simply the GNP—should be our ultimate consideration. Dubos emphasizes this in the closing sentences of his article:

> The goal is rather to make technology conform to human needs and aspirations. This involves a kind of qualitative growth for which there are no discernible limits, because social evolution is more inventive than biological evolution and more creative of resources really valuable for human existence.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON GROWTH

(By René Dubos)

Much of contemporary gloom concerning the future originates from the belief that there are "limits to growth"—an expression which has penetrated deeply into the public subconscious from the catchy title of a much-publicized book. One of the themes of this book is that the resources of the Earth are limited and that shortages will soon reach critical levels.

Although the phrase "limits to growth" appears self-explanatory, it is in fact deceptive because it hides assumptions and has static connotations that are incompatible with human behavior.

It implies that growth means producing more and more of what industrial societies have been producing at an obscene rate, and that it will therefore require more of the same kind of resources, that were used in the past.

History shows, however, that social evolution continuously drives human activities into new channels and that each age creates the resources it needs.

Resources are not as "natural" as usually assumed. They are derived from raw materials that acquire value only after they have been separated from the earth to serve human purposes.

Gold and copper became resources very early because these metals can be extracted and manipulated by simple techniques. Iron did not become a resource until much later because it requires more complex technologies. Aluminum became a resource only after sophisticated methods had been developed to derive it from bauxite at the turn of the century. And so it goes for other metals.

Agricultural lands, also, had to be created out of the wilderness by human ingenuity and labor. In North America this involved clearing the forests that used to cover a large part of the continent, using the plow "that broke the plains," draining marshes and irrigating semidesert areas. Much of what is called nature was for ages some aspect of wilderness that has been transformed by human efforts.

One kind of growth is simply the exploitation of the materials stored in the earth; another more interesting kind results from the transformation of raw materials into resources through a continuous evolutionary process.

To a large extent, in other words, growth means the evolution of the man-made. The creativeness of social evolution is strikingly evident in the change of attitudes regarding sources of energy.

For millennia, all work was done by human and animal muscles. During the Middle Ages, mechanization began with the use of water mills and windmills. The Industrial Revolution operated its machines first with wood, then with fossil fuels such as coal, petroleum products, and recently uranium.

At present, studies are going on all over the world to determine what sources of energy are best suited for each individual purpose and what are the safe limits in the production and use of energy.

The awareness that the supplies of fossil fuels are limited is now directing thought to renewable sources—for example, nuclear fission and the sun—and to the vital contribution made by the wilderness to the energy balance of the earth.

In any given year, the total amount of energy derived from the sun by the photosynthetic activities of wild vegetation greatly exceeds the total amount used to support human life and to drive technologies. The problem of energy supplies thus leads back to concern about the preservation of nature.

The meaning of the word "growth" has evolved also with regard to human existence. Quantitative growth, for its own sake, is no longer socially acceptable because it threatens the quality of life and of the environment.

In the countries of Western civilization, many members of the upper and middle classes are beginning to recognize the merits of a less-consuming society. Just as this bellwether group led the movement toward smaller families, so it may eventually transmit new social values to the rest of the population.

In matters of growth, the new mentality is more important than advances in science and in technology. The fact that a good environment is now considered one of the "inalienable rights" will probably influence the design of future technologies as much as scientific discoveries have in the past.

Even though the phrase "quality of life" does not define a social philosophy, it symbolizes an attitude that can be contrasted with the following statement from the guidebook prepared for the 1933 Chicago World's Fair: "Science finds, industry applies, man *conforms*."

Today, 40 years after the 1933 World's Fair, no one would dare state that humankind must conform to technological imperatives. The goal is rather to make technology conform to human needs and aspirations.

This involves a kind of qualitative growth for which there are no discernible limits, because social evolution is more inventive than biological evolution and more creative of resources really valuable for human existence.

NATIONAL WOMEN'S AGENDA DAY

Mr. MUSKIE. Mr. President, yesterday, December 2, was National Women's Agenda Day. Women representing a broad-based coalition of over 90 national organizations used that day to present the agenda to their representatives in

Federal, State, and local governments. They urged that action programs to implement its goals be undertaken, and sought to bring home to legislators and officials the need for our Nation to fulfill its promise of equal treatment before the law for all Americans, regardless of sex.

I think this is an excellent opportunity for us to reflect on the difference between promises and action in this field, and for that reason, I ask unanimous consent that, following my remarks, the text of the agenda be printed in the RECORD. I believe it represents a useful and comprehensive outline of goals which the Congress should consider in coming years.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MUSKIE. Mr. President, the goal of ensuring equality of opportunity for all Americans is one toward which we have worked—with varying degrees of success—throughout our 200 years as a nation. For the majority of that time, women's needs and rights were rarely acknowledged and even more rarely understood. Those same 200 years encompassed a period of immense and fundamental social change—change in which the status and work of women experienced the most dramatic upheaval of any group in the Nation.

Yet it has been only in the past decade that Government has begun to deal with the legitimacy and the importance of the issues raised by the women's movement. And public understanding and acceptance has come at the same time.

As with any other great social movement, Americans hold diverse views on it, and the various goals it espouses. That diversity is reflected within the movement itself, where debate over the means of reaching objectives has been intensifying in recent years. It is all the more important, therefore, that we recognize the importance of the agenda as a comprehensive statement of those goals, since it has the approval of such a broad-based and diverse number of interested organizations throughout the Nation.

I know that many of my colleagues will have reservations about specific goals and the means of their achievement. Indeed, I have some reservations myself. But, National Women's Agenda Day marks an opportunity to consider these goals, debate their implementation, and seek a consensus on the priorities.

I hope the concerns set forth in the agenda become an integral part of national and congressional debate in the coming years. I believe they will broaden and enrich that debate.

EXHIBIT 1

U.S. NATIONAL WOMEN'S AGENDA

Preamble: We, women of the United States of America, join together to challenge our Nation to complete the unfinished work of achieving a free and democratic society, begun long ago by our Founding Mothers and Fathers. Join us as we commit our lives, hearts, energies and talents to the attainment of this goal.

In creating the first National Women's Agenda, we are making explicit demands on our Government, and on the private sector as well. Firm policies and programs must be developed and implemented at all levels in order to eliminate those inequities that still stand as barriers to the full participation by women of every race and group. For too long, the nation has been deprived of women's insights and abilities. It is imperative that women be integrated into national life now.

We are women with interests and roots in every sector and at every level of society. Although our programs and goals may vary, still we have agreed upon issues which must be addressed as national priorities so that women will play a full and equal role in this country.

Diverse as we are, we are united by the deep and common experience of womanhood. As we work toward our common goals, we insist upon the protection of this diversity, and call for the simultaneous elimination of all the insidious forms of discrimination, not only those based on gender, but also on race, creed, ethnicity, class, lifestyle, sexual preference, and age.

Full realization of our Agenda also requires commitment to peace as fundamental to a free society, and attainment of the Constitutional guarantees of equal rights. Without these, women's rights in the society will be neither guaranteed nor preserved.

The U.S. National Women's Agenda declares full equality under law, as embodied in the Equal Rights Amendment, to be essential to the equality of opportunity and access for women in all aspects of life, including specifically:

I. FAIR REPRESENTATION AND PARTICIPATION IN THE POLITICAL PROCESS

Election of legislators who support the principles set forth in the U.S. National Women's Agenda.

Encouragement for women to run for elective office, and provision of the necessary resources for women candidates.

Appointment of increased numbers of women to political positions.

Provision of opportunities for women and girls to develop and exercise leadership skills.

Systematic preparation and examination of all legislation taking into account its effects on women.

Rapid development and enforcement of laws and regulations to open the political process to all citizens.

Commitment to and enforcement of equal access and affirmative action rules within political parties.

Education of women regarding the political process and how it affects their lives.

II. EQUAL EDUCATION AND TRAINING

Enforcement of federal, state and local laws which guarantee equal access to and treatment in all educational, vocational and athletic programs and facilities.

Development of nondiscriminatory educational and vocational guidance programs, with equal access for all students.

Elimination of sex role, racial and cultural stereotyping at every level of the educational system, and in educational materials.

Inclusion of realistic curricula on health and human sexuality throughout the educational process.

Equalization of financial aids and research opportunities.

Equity in funding from private and public sources for organizations providing programs, opportunities and services for girls and women.

Development of continuing education programs to meet the needs of varying life patterns, and to assess and give education credits for appropriate life experiences.

Increased numbers of women on faculties, administrations and policy making bodies, at all levels of educational systems.

Incorporation of women's issues into all areas of educational curricula.

III. MEANINGFUL WORK AND ADEQUATE COMPENSATION

Enforcement of legislation prohibiting discrimination at all levels of employment.

Extension of anti-discrimination legislation to cover all governmental units.

Extension of the basic workers' benefits and rights to groups of workers not now covered: household workers, migrant and agricultural workers, and homemakers.

Economic and legal recognition of homemakers' work.

Development and enforcement of affirmative action programs in the public and private sectors.

Assurance of equal access to job ladders, promotion policies, and employer or government funded career development training programs that expand employment and management opportunities for women.

Provisions for flexible work schedules which do not in any way abrogate protections and benefits of collective bargaining agreements.

Recognition of pregnancy related disabilities as normal, temporary employment disabilities.

Increased representation of and participation by women in all levels of union activity.

Attainment of equal pay for comparable work, that is, work frequently performed by women which is equivalent to work performed by men, but for which women receive less pay

Review of widely used industrial designs and machinery which inhibit women's work production.

Development of programs which counter prevailing myths and stereotypes regarding women workers, and which recognize the ability of women and men alike to set goals and to achieve success in work.

IV. EQUAL ACCESS TO ECONOMIC POWER

Establishment of a minimum standard of income and other social benefits for low income and disadvantaged persons, which protect their equity and respect the individual rights and dignity of all women.

Elimination of discrimination in income tax laws and removal of sex bias from the social security system and introduction of coverage to unpaid homemakers.

Elimination of discrimination against women applying for credit.

Elimination of discrimination in insurance, benefit and pension plans.

Comprehensive revision of family laws which relate to the economic status of women.

Elimination of discrimination by sex in inheritance laws.

Removal of all barriers to women entrepreneurs.

Education of women to their actual and potential economic responsibilities and power.

V. QUALITY CHILD CARE FOR ALL CHILDREN

Creation of a comprehensive and adequate system of child care.

Establishment of convenient and responsive child care facilities and programs which include parent involvement.

Inclusion of child care as a tax deductible expense.

Development of programs for the recognition, treatment and prevention of child abuse.

VI. QUALITY HEALTH CARE AND SERVICES

Support for and expansion of convenient and responsive medical and mental health services available without regard to ability to pay.

Implementation of the legal right of women to control their own reproductive systems.

Expansion of private and public health

insurance to provide for women's special needs.

Increased attention to and support for research into new drugs and medical procedures which have special significance for women.

Increased attention to and support for research into the safety of all drugs and procedures which have special significance for women.

Establishment and implementation of informed consent as the right of every patient.

Examination of present mental health services and programs in items of impact on women.

VII. ADEQUATE HOUSING

Elimination of discrimination in the rental of housing.

Elimination of discrimination in the sale of housing and in granting mortgages, insurance and other credit requirements.

Provision of private and public funding programs to assure adequate supplies of low and middle income housing.

VIII. JUST AND HUMANE TREATMENT IN THE CRIMINAL JUSTICE SYSTEM

Repeal of laws which treat women and men differently within the criminal justice system.

Equalization of services for women and men offenders.

Provision of comprehensive health programs and medical facilities for women in institutions.

Creation of effective rehabilitation programs which permit expansion of economic and social opportunities for women offenders.

Elimination of employment barriers to women charged with or convicted of criminal offenses.

Development of programs which provide community support and services for indicted and convicted women and their families.

Provision of community based prevention and intervention programs for juveniles.

Achievement of expanding representation and participation of women in positions of authority in the criminal justice system.

Repeal of laws that criminalize status offenses, that is, offenses which are not criminal if committed by an adult.

Improved treatment of rape victims by personnel within the criminal justice system.

Re-examination of laws pertaining to victimless crimes.

IX. FAIR TREATMENT BY AND EQUAL ACCESS TO MEDIA AND THE ARTS

Encourage increased financial support and wider exposure of women's media and artistic efforts, and expansion of opportunities for the entry of more women into careers in the arts and media.

Encourage increased participation of women in all aspects and levels of the media and communications industries.

End stereotyped portrayals of women and girls in all media, and encourage efforts to portray them in positive and realistic roles.

Encourage treatment of women's issues as regular news rather than as items of interest to women only. Encourage elimination of media formats which segregate women's issues reporting from all other news topics.

X. PHYSICAL SAFETY

Recognition of and respect for the autonomy and dignity of the female person.

Recognition of rape as a violent and serious crime.

Reform of laws which make it unduly difficult to convict rapists and which place victims of rape in the role of the accused in the legal system.

Creation and expansion of support programs for rape victims.

XI. RESPECT FOR THE INDIVIDUAL

Protection of the right to privacy of relationships between consenting adults.

Extension of all civil rights legislation to prohibit discrimination based on affectional or sexual preference.

End to prejudice and discrimination against women who wish to determine their own names.

Elimination of discrimination against women based on marital status.

Recognition that women are individuals with full rights to make the choices affecting their lives.

The U.S. National Women's Agenda is supported by over 90 nationally based women's organizations. The goals presented in the Agenda reflect a determination among these organizations that women must plan and work together, each according to individual styles, capacities and programs, to achieve their collective goal of full equality.

For further information contact: Women's Action Alliance, 370 Lexington Ave., N.Y., N.Y. 10017 (212) 685–0800.

MR. RICHARD MORRISROE OF EAST CHICAGO, IND.

Mr. HARTKE. Mr. President, I would like to applaud a special person. Mr. Richard Morrisroe of East Chicago, Ind., who has been a special advocate and activist in his few 36 years. I think that an article from the Compass, a newspaper in Hammond, Ind., truly relates the experiences of a special person. I would like to share this remarkable story.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Richard Morrisroe's Journey Home: He Lay Bleeding in the Alabama Dust

(By Jim Procter)

East Chicago.—Dick Morrisroe is home.

This afternoon he sits in a second floor office in city hall and at 4 p.m. will attend the city's regular plan commission meeting as a $14,880 a year planning department codirector.

He is one of Mayor Robert Pastrick's department heads and among his peers is water department boss John Krupa, once chairman of the Lake County Democrats, about whom he chuckles and tells this story.

He ran into Krupa not long after both of them had watched a prime-time television show last year about the FBI's true-life search for the murderers of three civil rights activists in the 1960s South.

Krupa, who as county chairman in the 1960s was inclined to call civil rights activists "communists," kiddingly told Morrisroe, "I thought I'd see you on that program."

But Krupa wasn't joking, for 10 years ago today Richard Francis Morrisroe lay writhing in the dust outside a general store in tiny Hayneville, Ala.

He had been shotgunned in the back—along with another civil rights worker and Episcopal seminarian, Jonathan Daniels, who was killed—by a part-time deputy sheriff said to have been offended by the white "freedom riders" helping blacks register to vote in his county.

The incident made front page news in the New York Times on Aug. 20, 1965, getting better billing than President Lyndon Johnson's angry denunciation of the black rioters in Los Angeles' Watts ghetto. Johnson was immediately advised of the Hayneville shooting and ordered the FBI into the case.

Morrisroe, who had been released that day after a week in jail with 26 other civil rights workers—Stokely Carmichael among them—underwent 11 hours of surgery in a Montgomery hospital that wouldn't allow visits from the black people he was trying to help. He was listed in critical condition for several days.

"If they had been tending to their own business, like I tend to mine, they'd be living and enjoying themselves today," the county solicitor in Hayneville said after the shooting.

Morrisroe had been "tending to his business" in August 1965 as Father Richard Morrisroe, a Catholic priest from the archdiocese of Chicago.

Six months later, while still recuperating in a Chicago hospital, he was honored at a dinner given by the Chicago Catholic Interracial Council. The guest speaker was Theodore Sorensen, a former adviser to President John F. Kennedy. He compared Morrisroe to his late boss.

"Clearly, President Kennedy would have saluted Richard Morrisroe as another profile in courage," Sorensen said.

Several weeks before the testimonial, the man accused of shooting Morrisroe and murdering Daniel was acquitted of all charges.

Yesterday, today and tomorrow mesh inextricably in Morrisroe's journey from Alabama to East Chicago. It is a story of new discoveries and re-discoveries, a tumultuous, scenic, frightening trip as priest-activist-professor-city official and in 10 days a 36-year-old law student at Northwestern University.

Morrisroe will be taking a leave of absence from his job as city planner, having decided to make East Chicago his home.

True, he's been "to Selma," but he's also been on the boat from Sarno to Capri, the beaches of Puerto Rico, Acapulco, Freeport-Bahamas. He's gazed out on the beach in Ireland where the movie "Ryan's Daughter" was filmed, a strip of paradise owned by his mother's first cousin.

"When you've been to all those places, you can only soak up so many rays," Morrisroe says. "East Chicago at this time of my life is a chosen city." He understands, too, that many young East Chicagoans "don't feel there's a home for them here any more, that this isn't a place of welcome."

In requesting the leave of absence, Morrisroe told Mayor Pastrick "that my wife and I had chosen to live in East Chicago and that going to law school was not bailing out, even though I know that to go to Northwestern is to open up a pretty wide breadth of possibilities."

His "leave of absence"' to work in the South had not pleased his religious superior, but after recuperating he returned to work in Chicago, not in the black community, but in the ethnic melting pot Near North Side.

Morrisroe had a master's degree in urban studies and was pursuing a doctorate in sociology when he left the priesthood in 1972—"it was less a church problem than a matter of moving on."

Concerning minorities, he had discovered that "some of the resentment, at least in the church community, was that if the Poles were never given too much of a welcome, why was there all this enthusiasm for the Spanish speaking, for instance?"

Later in 1972, while studying in Puerto Rico and planning to marry a girl from the island he had met in 1969, his father died. Morrisroe returned to Chicago for the funeral and, to stay close to his family, took a job teaching sociology at Indiana University Northwest in Gary.

A friend introduced him to City Councilman Isabelino Candelaria, who rented a room to Morrisroe on the third floor of his home at 135th and Fir—a sagging, but still stately Indiana Harbor mansion built for the first superintendent of Inland Steel.

From that third floor loft he fell in love with the city he sees as "a network of villages, of very beautiful, unique villages, territories, worlds if you will."

The city planner in him, though, sees East Chicago as "a city that happened before planning even took place."

"Yet it is the best planned industrial park in Northwest Indiana," he says. "Those who put together the canal, the lakefront, the railroads were brilliant men at planning an industrial park."

Morrisroe and his wife, Sylvia, were married on Easter Sunday, 1973, in Puerto Rico and in June, back home, he read about the resignation of East Chicago city planner John Vasconi, who had guest lectured in one of his classes earlier in the year.

He applied for the job and with Candelaria's help got an interview with Pastrick, who Morrisroe says didn't talk politics.

Pastrick hired him in November, 1973, knowing only that Morrisroe had once been a priest. It wasn't until a year later that the mayor "grew aware" of his new planner's entire background.

"I'm happy he knew me for at least a year as somebody doing business for him rather than coming by with my merit badges," Morrisroe said recently. "The mayor has been very open to my growth and I think that's really why the East Chicago value of loyalty doesn't bother me."

His loyalty was tested in last May's primary, when Candelaria was dumped from Pastrick's "performance team" slate and lost his reelection bid.

It was a difficult time for Morrisroe, days when "village politics" came between friends, though he still will say that "patronage is not totally corrupt, that slating is not without reason."

He should know, growing up as he did in former Cook County Assessor P. J. Cullerton's North Side Chicago 38th Ward, where he wore a Cullerton sweat shirt to grammar school with the likes of current Assessor Thomas Tully.

Morrisroe's ethnic-religious roots are deep in Irish Catholicism—becoming a priest was "part of the bloodstream," joining an uncle, aunt and cousin in religious orders.

Coming of age in Chicago and his baptism by blood, education and an open mind in the 1960s and 70s have given Morrisroe a unique perspective on city life and his role as a public servant.

"I had to go around the world to kind of rediscover P. J. Cullerton's ward," he said, which is at least as light as East Chicago. Politics here isn't that mysterious if you understand village life and inter-village relationships."

"The real problem for the Region is that it's told by the media that it's a stranger to itself," Morisroe theorizes. And things won't change, he says, "until the planning profession, legal and public administration professions, all these highly sophisticated bags of the 1960s and 70s can learn to care about communities like East Chicago and the people there."

Morrisroe is also interested in the Harbor homeowner hamstrung by zoning laws requiring a 3-foot clearance on either side of his 25-foot lot where he wants to build a 20-foot two-car garage. That lot might have been fine for the immigrant family seeking shelter, but Morrisroe is inclined to look the other way when that half-foot difference comes up.

"Retooling the East Chicago of 1975 to make it better is a different kind of thing than simply letting the city happen like it did between 1890 and 1930 when most of it was built," he says.

But has the ex-priest with the almost unnoticeable limp-scar of 10 years ago really changed that much?

After a particularly loud session with the Concerned Latins not long ago Morrisroe was asked if all the shouting bothered him.

"Not really," he said. "I've been on the other side, too."

He and his wife named their first child Jonathan Daniel, after the man who gave his life in Hayneville. And the Morrisroes will soon be teaching catechism classes at St. Mary's Church on East Chicago's north side.

"I still believe a lot in the church," he says. "I think churches in East Chicago have links with all the villages. I told a ministerial group they have access to people's kitchens and lives, their saddest and happiest moments, in ways I never can."

Maybe not as a priest anymore, but before long as a lawyer and a friend of all the villagers.

NEED FOR BETTER LEGISLATIVE OVERSIGHT

Mr. HUMPHREY. Mr. President, I am pleased to join in sponsoring two resolutions introduced by my distinguished colleague from Vermont, Mr. LEAHY, which are intended to further the goals of legislative oversight.

As the Federal Government grows, the Congress needs better tools to improve its oversight and its evaluation. Two of these tools, Senate Resolution 197 and Senate Resolution 307, will further the goals of many farsighted oversight proposals.

Senate Resolution 197 would establish a Select Committee on Federal Responsiveness and Accountability which would study and investigate the responsiveness of executive agencies in dealing with public programs and accountability of employees administering these programs. The select committee would draw attention to the programs of bureaucracy, budget, and the needs of citizens in dealing with their Government.

I have long been an advocate of effective, systematic legislative oversight and have proposed that there be established for each standing committee of the Senate except appropriations a legislative review subcommittee to conduct oversight functions such as this on a continuing basis.

Senate Resolution 307 will aid in determining whether legislation authorizing new budgetary authority will be capable of fulfilling legislative goals. It will help Congress judge its effectiveness when it comes up for appropriation or reauthorization.

In addition to assessments of manageability, we must also be concerned with the economic impact of legislation. To this end, I have introduced the Economic Impact Act which requires an analysis of direct and indirect short- and long-term effects of legislation, including its impact on production, employment, inflation, and real income. Rules and regulations promulgated by the Federal regulatory agencies would be analyzed as well.

With pressure on Congress to cope with new problems by enacting new legislation, the time devoted by Congress to analyzing the potential and actual effects of legislation and the way it is being carried out by the Federal agencies involved has been inadequate.

We devote endless hours to the tasks of considering and debating and passing new laws and programs. But our duty does not end when we pass a law or launch a new program. Our duty is to evaluate, recommend and terminate: To evaluate the laws and programs we pass to be sure they are performing as we intended; to recommend means of correcting deficiencies and shortcomings in their administration and operation; and to terminate those we find have outlived their usefulness.

Enactment of Senate Resolution 197 and Senate Resolution 307 will help Congress fulfill this duty and obligation, and I urge the Senate to consider these and related proposals with all deliberate speed.

KEEPING OF THE PUBLIC TRUST

Mr. HARTKE. Mr. President, Mr. Robert N. Brown, publisher of the Republic, in Columbus, Ind., has brought to my attention some very provocative and interesting points with regard to the keeping of the public trust by elected officials, or persons in high positions of influence in Government, whether elected, appointed, or nominated.

I have received this letter from Mr. Brown which I would like to bring to the attention of my colleagues at this time, as an example of a private citizen's faith in the highest official of the land has been truly shaken.

I ask unanimous consent to have this correspondence printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE REPUBLIC,
Columbus, Ind., Sept. 18, 1975.

Hon. R. VANCE HARTKE,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR VANCE: On Agust 25, 1975, I attended a White House Conference on Domestic and Economic Affairs in Milwaukee, Wisconsin. The Inland Daily Press Association was one of the sponsoring organizations, and as President of the Association I represented them at this conference.

During a press conference which was held before all of the conference attendees following President Ford's address, I asked the following question of him:

"Only this month we have noted members of your administration keeping from the public an important negative study about international atomic safeguards.

"Today Secretary Kissinger is engaged in delicate negotiations in the Mideast which will involve certain commitments on the part of the United States. These commitments and, in fact, others made elsewhere in the world can have profound implications to our citizens.

"My question is: Will you, as President of the United States, assure us that any commitments made here or elsewhere in our negotiations with foreign governments be reported truthfully and in full detail to our citizens?"

In his reply, President Ford intimated that there would not be any secret deals and that Congress would be taken into full partnership with the President in matters of foreign policy.

Based upon recent revelations, it would appear that this is not being done, and that there are, in fact, secret commitments involving enormous sums of money and scarce and valuable equipment and natural resources.

At a time when we desperately need to reduce federal spending and conserve our resources, I strongly disapprove of Mr. Kissinger's commitments to the Middle East, and I do not feel that President Ford has kept faith with his implied assurance that there would be no secret deals.

If government spending is not restricted, domestically as well as overseas, inflation will increase to an incredible level which will, in turn, have a devastating effect upon our own economy.

For these reasons, I urge you to vote against this matter when it comes before the Congress.

Sincerely,

ROBERT N. BROWN,
Publisher.

SOYBEAN SALES DROP

Mr. HUMPHREY. Mr. President, soybean sales constitute a major portion of the income of many American farmers. In Minnesota, soybeans are the second most valuable crop. Last year nearly $673 million from the sale of soybeans was grossed by Minnesota farmers.

However, soybean prices have dropped sharply. On November 12, 1975, Mr. Jon Wefald, Minnesota commissioner of agriculture, reported that the Minnesota price of soybeans this October was $4.94 per bushel, down $3.21 from a year ago. And prices have continued to go down.

One of the major reasons for this drop is the increase in palm oil imports. Over the past year, they have more than doubled. Since 1967, these imports have increased over 600 percent. The reason for this major increase is twofold. It is partially due to a "3 to 15 cents per pound lower production cost than soybean oil." It is also caused by unrestricted import procedures. No duty is imposed on palm oil, although nearly all foreign nations impose a duty on our exports to them.

And now five railroads want to lower the transportation rates for imported palm oil. Unless the ICC acts, this reduced rate will go into effect in early December. This follows the recent embargo which resulted in lost sales for our farmers. Congress should investigate the matter and if no executive action is taken, we should be prepared to take action.

Mr. President, in order to bring this matter to the attention of the Senate, I ask unanimous consent that this release by Mr. Jon Wefald, commissioner of the Minnesota Department of Agriculture, be printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

NEWS RELEASE: MINNESOTA DEPARTMENT OF AGRICULTURE

Minnesota farmers were advised today of a new foreign competing crop by Agriculture Commissioner Jon Wefald, who said federal action could be necessary to alleviate an extremely serious threat to farmers and the domestic economy.

He identified the new crisis as the skyrocketing imports of palm oil, a cheaper edible vegetable oil that is rapidly replacing domestic soybean and cottonseed oils in processed food products, including margarines, shortenings, and some pre-fried foods.

Soybeans are Minnesota's second most valuable cash crop. Last year Minnesota farmers grossed nearly $673-million from the sale of soybeans.

Unrestricted palm oil imports that more than doubled during the past year, exceeded soybean oil exports in July, and which have increased over 600% since 1967, are a major factor in the severe decline in soybean prices, processing industry spokesmen agree. (The U.S. Department of Agriculture recently warned that increasing world output and trade in palm oil may have a significant effect on the national fats and oils economy.)

Commissioner Wefald said that the value of this year's Minnesota soybean crop dropped by over $30-million between the mid-September and mid-October official farm price averages. This October's Minnesota soybean price was at one of the lowest levels in three years at $4.94 per bushel. That was down $3.21 from a year ago and indicated a one-year loss in value of $238-million due to declining prices for this year's 8% larger soybean crop.

Palm oil production in Asia and West Africa and U.S. imports are forecast to double again by 1980. It currently enjoys a 3 to 15 cents per pound lower production cost than soybean oil.

Currently, with one of the largest soybean crops in history just harvested and farm inventories at near-record levels in Minnesota and throughout the Midwest, the processing industry is operating at only 75% of normal capacity

Palm oil also is severely displacing soybean oil in the world export markets. This July, according to one local industry spokesman, more palm oil was imported than domestic soybean oil was exported.

According to soybean processors, palm oil has already replaced soybean oil in the potato processing industry. In Minnesota alone this represents an annual loss of some $30-million in soybean oil market.

Commissioner Wefald said that several courses of action should be taken by the federal government to avert the obviously severe economic consequences beyond those being experienced by American agriculture.

No duty has been imposed on palm oil, although practically all foreign nations collect a duty on our exports to them. A fair duty should be immediately imposed.

The President should use the authority he has under the Agricultural Act of 1956 to negotiate import quotas on palm oil with the governments of the foreign suppliers, principally Malaysia and Indonesia.

Congress should fully investigate the economic consequences of the forecast rate of increase in palm oil imports and be prepared to legislate import quotas in the event the President fails or refuses to use his authority.

The Interstate Commerce Commission must reject as discriminatory the pending application of five railroads: the Southern Pacific, Santa Fe, Burlington Northern, Union Pacific and Western Pacific, to reduce the present freight rate on palm oil imported through the west coast for shipment to the midwest.

The railroads have applied to cut palm oil freight rates by $6.20 per ton or $465 per tank car below the present uniform rates for vegetable oils.

"This is a discriminatory subsidy favoring foreign sellers at the expense of midwest farmers. The timing of the request also is curious, filed September 19, while Congress was debating the desperate financial condition of the nation's railroad system and considering spending billions of taxpayers' dollars to help out that industry," Wefald observed.

He suggested that Congress also should investigate the need for more acute labeling information on agricultural imports, including nutritional values and potential health problems.

Palm oil is classified as a semi-solid fatty oil, a member of the spectrum of animal and vegetable oils that some medical authorities regard as hazardous to the health of consumers who have heart, weight or cholesterol related body chemistry problems.

ESCALATION OF MIDDLE EAST VIOLENCE

Mr. McGOVERN. Mr. President, I believe that the Israeli bombing attacks of yesterday on Palestinian camps in Lebanon represent a dangerous escalation of violence in the Middle East.

I am a firm defender of Israel's rights to independence and full recognition.

I have deplored Palestinian terrorist attacks against Israel.

But I deplore no less the savage bombing attacks by Israeli pilots flying American planes.

Lebanon is already wracked by bloody civil strife.

It is further burdened by the presence of the Palestinian refugees.

Neither Lebanon nor the Palestinian camps within its borders need any more punishing air raids from Israel or anywhere else.

Yet these attacks have over the years destroyed large numbers of innocent people—especially in southern Lebanon.

I fear that Tuesday's Israeli attack, which was reported to have killed or wounded 150 people, mostly innocent women and children, was a temper tantrum designed to punish the Palestinians because they were invited by the U.N. Security Council to participate in the U.N. debate next January.

Indeed, according to dispatches in today's Washington Post, "an Israeli military spokesman said the raid underlined Tel Aviv's policy of fighting Palestinian guerrillas 'only on the battlefield' and not politically in the U.N."

No thoughtful person can visit the Middle East without realizing that if peace is to come in that area, the Palestinians and Israelis must each accept the other's independent existence.

Such acceptance will not come either through Palestinian terrorism or Israeli terrorism.

It will come only at the conference table.

We had to learn that lesson in Vietnam after two decades of needless killing.

The same realities must be confronted in the Middle East.

The alternative is increasing violence that will finally destroy this priceless portion of the human family.

THE NATION'S CONSCIENCE AND SPIRIT

Mr. HUMPHREY. Mr. President, Mr. John B. Oakes, editor of the editorial page of the New York Times, recently delivered a thoughtful speech in which he discussed some important trends in American life which are too often forgotten by those who lead and govern this great nation.

The thesis which Mr. Oakes postulates is an important one. American society has become increasingly urban, Mr. Oakes observes. With greater urbanization, our cities have become, to an ever increasing degree, the dwelling place of the poor and disadvantaged in American society. The presence of these people in the midst of urban America has placed an unbearable strain on the fiscal, political, and social systems of our urban areas. American governmental and community organizations have not had the means or the will to deal with the crisis of urban America. As he says:

> In the America of 1975, the cities not only carry the burden of the nation; we bear the

conscience of the nation; and the nation as a whole is but slowly becoming aware of that fact.

Mr. Oakes sees New York as the Nation's problem. I agree with that statement. As we begin to debate remedies for New York's fiscal crisis, we should not forget that the problems of New York, though extreme, are lurking in the shadows of a majority of America's cities.

To treat New York's crisis as somehow foreign is not only wrong, but it is a type of cruel self-deception which denies the realities of urban America.

Mr. Oakes does not have any easy solutions to the problems he discusses. But he does believe that a greater sense of community and moral commitment by the Nation's leaders would provide a means to begin to tackle the grave problems confronting our democracy.

The "basic mutuality of interests" which Mr. Oakes deems critical to the national spirit at difficult moments in our history cannot be legislated or purchased. It must come from the hearts and the minds of the people and their leaders. More than anything else, it is this community of shared interests which has been the cement of America's pluralistic political and social systems. I don't believe that we have lost this shared spirit which has sustained us in the past and which has enabled us to overcome differences and divisions. It is still very much present in American life. But it must be encouraged and called forth by the leadership of this Nation.

We have a responsibility as national legislators to help foster a rebirth of the national spirit which puts personal and regional differences behind the immediate needs of the Nation as a whole. As Mr. Oakes observes, this type of leadership requires both conscience and courage.

Mr. President, I ask unanimous consent that the editorial, "Conscience of the Nation," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"CONSCIENCE OF THE NATION"

(By John B. Oakes)

Within the past few years, we as a people seem to have lost our way, to be foundering in uncertainty, to be unsure of ourselves in our relations to each other and to the world at large. The optimism and moral drive characteristic of America throughout the decades have been largely replaced by a deep-seated cynicism and disillusionment. We are now in a period of political uncertainty and economic distress, of growing disparity between rich and poor, of sporadic violence and threats of racial conflict—raising the question whether America's social, political and moral structure is responsive and resilient enough to meet the needs of the convulsive society that we have to anticipate—especially in the great cities—in the next few years.

America can no longer afford to be a nation of easy riders. The age of affluence, now ended, permitted us to go slack; we largely lost what sense of social discipline we had. We have suddenly been brought up short with the realization that the new technologies, an expanding population, declining resources, an altered cultural and social environment, constitute a revolution in the external conditions under which we live.

And this in turn may well demand drastic changes in the governmental and social structure—for example, new relationships in the Federal, state and local systems—to cope with radically changing conditions which, in such areas as welfare, have turned formerly local concerns into pressing national responsibilities.

Do we require new kinds of political institutions? Can we cope simultaneously with massive unemployment and massive inflation? Can we exercise enough self-discipline to tailor economic growth to environmental cost? Can social services reach those who need them without destroying initiative and ambition and without bankrupting the country? Is the traditional form of local government obsolete; is regionalism the answer? Is the traditional form of local government obsolete; is regionalism the answer? Are the existing priorities of the Federal budget acceptable in a nation that still has millions of citizens who are ill-fed, ill-housed, ill-clothed and ill-educated?

A very large proportion of those people—the disadvantaged, the dispossessed, the dislocated, the disoriented—are to be found in the great urban complexes that were undreamed of two centuries ago. The challenge not merely to New York's financial structure but, much more importantly, to its social and political structures, is only symptomatic of conditions that exist to greater or lesser degree in every large metropolitan concentration in the country today.

New York's problem is the nation's problem; it is more visible and seems more catastrophic in New York only because New York is bigger and everything that happens here happens on a gigantic scale. As New York's problem is the nation's problem, New York's conscience ought to be the nation's conscience. What is not yet adequately realized in our country is that the cities—the largest cities especially and New York City pre-eminently—have taken on a national role in the last half-century that is something new in our history.

In the eighteenth, nineteenth and even well into the twentieth century, the primary and proper focus of the Federal Government's concern (mandated by the Constitution) for the "welfare" of the people was in fostering first the agricultural and then the industrial and commercial life of the nation. But the United States has shifted from a rural, agricultural, commercial, diffuse and independent kind of society to one that is overwhelmingly urban, concentrated, and totally interdependent. In this shift, the cities have become the magnet for a new kind of immigrant: the in-migrant from rural America (and Latin America), the discarded farm worker, the illiterate from the South, the unemployed and unemployable, the despairing—all attracted by the anonymity and the magnanimity of the great cities, as well as by their opportunity.

In the America of 1975, the cities not only carry the burden of the nation; we bear the conscience of the nation; and the nation as a whole is but slowly becoming aware of that fact.

If in the nineteenth century it was taken for granted that under the Constitution the Federal Government had a responsibility for, let us say, natural disasters that crossed state lines such as floods or drought, why is it so difficult in the late twentieth century to see a Federal—meaning a national—responsibility for the floods of human beings crossing state lines into the great cities in search of relief from the drought of poverty, unemployment and despair?

Democratic government is on the defensive throughout the world today; American democracy, with all its systemic defects, is one of only a handful still operating with respect for the individual and the collective conscience. Particularly in so complex a democratic structure as ours, the cement of moral as well as political leadership is required to hold the stones together—and in fact to prevent a dissolution of the community into fragmented and warring parts.

What is urgently necessary for leadership to provide today is the reestablishment in the American mind of the sense of community and purpose that transcends our differences, the sense that beneath the turbulent surface of our national life is a basic mutuality of interest, a set of commonly accepted values and a collective conscience.

The suddenly adverse economic, political and social conditions in which this country now finds itself may indeed be a blessing in forcing us to look at ourselves, to ask ourselves if in truth we are prepared institutionally to cope with the realities of the 1970's.

Yesterday we walked in the forest; today we walk on the moon. But have our concepts of government and society kept pace with the technological progress of mankind? The new era requires new leadership, new creativity, a willingness to evaluate new ideas and new concepts and new relationships with the kind of courage and conscience that our history and our heritage have bestowed upon us.

THE FIFTH ANNIVERSARY OF THE EPA

Mr. WILLIAMS. Mr. President, December 2, 1975, is the fifth anniversary of the Environmental Protection Agency. EPA was created to draw together the sundry of environmentally related activities scattered throughout the Federal Government. EPA was given a mandate to solve the problems of air and water pollution, pesticides, solid waste, radiation, and noise which beset this country.

EPA faced a monumental task of alleviating the effects of decades of environmental neglect. The growth at any cost, throwaway American society had fouled virtually every significant waterway and poisoned the air of almost every urban center in this Nation. However, during the last 5 years, the enactment of increasingly stringent laws by an environmentally aware Congress coupled with strict enforcement of those laws by EPA have led to impressive improvements in environmental quality.

We need ony breathe our air to realize the marked improvement in its condition from 5 years ago. Sulfur dioxide, a major air pollutant, has been reduced by 25 percent, and levels of dust, smoke, and soot are declining. The American people should take pride in the effectiveness of this effort for it has been a combined effort of all elements of our society—labor, industry, private citizens, and all levels of government. Our automobile industry alone has been able to reduce auto pollution by 80 percent in 1976 models compared with 1967 models without a decline in gas mileage.

Gains in the battle for clean water have been equally impressive. Federal aid dispensed by EPA under the Water Pollution Control Act has helped build 5,300 sewage treatment projects with 1,600 more projects planned. This enormous effort is putting hundreds of thousands of people to work and the tangible results of the program are evident in the water quality of lakes and rivers throughout the country. Lake Erie has been resurrected, Chicago beaches closed because of pollution, were recently reopened and salmon are returning to the Connecticut River after a 100-year hiatus.

In addition to air and water pollution control, the EPA has lead the way in the development of solutions to the solid waste problems which had threatened to bury our Nation under tons of garbage. Many municipalities are now engaging in resource recovery from municipal trash. Presently the Public Service Electric and Gas Co. and State officials of my native State of New Jersey are studying the possibility of constructing plants which will convert municipal waste into methane gas. The waste to fuel process will solve our waste problems while providing a substitute for natural gas which is in short supply.

EPA is deserving of our thanks for its efforts during the past 5 years and it deserves our continued support in the future. As we reflect on our national heritage during the bicentennial anniversary of this Nation, it is important to remember what a beautiful Nation our forefathers have given to us. We have moral obligations to future generations to give them an America that is equally as beautiful. With the continued fine work of EPA, we will fulfill that obligation.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

NEW YORK CITY SEASONAL FINANCING ACT OF 1975

Mr. ROBERT C. BYRD. Mr. President, under the previous order conferring such authority upon the leadership, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 10481.

The Acting President pro tempore laid before the Senate H.R. 10481, an act to authorize the Secretary of the Treasury to provide seasonal financing for the city of New York.

The ACTING PRESIDENT pro tempore. Without objection the bill is considered as having been read twice, and is now before the Senate.

Mr. MANSFIELD. Mr. President——

Mr. HELMS. Mr. President, before the Senator does that, will he yield?

The ACTING PRESIDENT pro tempore. The cloture motion has been filed——

Mr. HELMS. Just a minute, Mr. President. It has not yet reached the desk, and I ask the Senator from Montana, as a courtesy to the Senator from North Carolina, to withhold.

I move that this bill be referred to——

Mr. MANSFIELD. Mr. President, I do not withhold.

The ACTING PRESIDENT pro tempore. Just a minute.

Mr. MANSFIELD. I do not yield for that purpose.

The ACTING PRESIDENT pro tempore. The Senator from Montana has the floor.

Mr. MANSFIELD. Mr. President, I ask that the cloture motion be read.

The ACTING PRESIDENT pro tempore. The cloture motion has been filed.

Mr. HELMS. It had not reached the desk, Mr. President, but the question is academic now.

The ACTING PRESIDENT pro tempore. The cloture motion has been filed. The Chair, without objection, directs the clerk to state it.

Mr. HELMS. Mr. President, with all due respect to all concerned, the Senator from North Carolina is constrained to serve notice that if this is the heavy-handed way the Senate is going to operate, the Senator from North Carolina will be inclined to remember it. The distinguished Senator from Montana, whom I greatly admire and respect, inquired a few weeks ago, "What has happened to comity in the Senate?" I direct the same question to him today.

I do so with no implication of disrespect for the Senator. But I would point out that the distinguished majority leader was able to call up this bill this morning only as a result of a unanimous-consent agreement reached in an unfortunate manner 2 or 3 weeks ago. I know, Mr. President, that this unanimous-consent agreement was not an intentional disregard of a very clear understanding that existed at the time, but it was nonetheless an action that offended the sensibilities of some Senators. It gave the leadership an advantage that would not have prevailed today.

Be that as it may, Mr. President, I certainly bear no one any ill will. But I do think that the majority leader's question about comity in the Senate is as relevant today as it was when he raised it some time ago.

The ACTING PRESIDENT pro tempore. The Chair directs——

Mr. MANSFIELD. Mr. President, the question of a cloture motion is not debatable. It should be read.

The purpose of the distinguished Senator from North Carolina was to put up a roadblock to the normal procedure of the Senate, which is, in all effect, comity.

The ACTING PRESIDENT pro tempore. Any Senator has a right to file a cloture motion at any time. It is not debatable.

The clerk will proceed.

The assistant legislative clerk read as follows:

Cloture Motion

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate upon H.R. 10481, the Intergovernmental Emergency Assistance Act.

> Robert C. Byrd, Henry M. Jackson, Gary W. Hart, Edmund S. Muskie, Vance Hartke, Warren G. Magnuson, Jennings Randolph, John O. Pastore, Alan Cranston, George McGovern, Mike Mansfield, Jacob K. Javits, Walter F. Mondale, John Glenn, Robert Dole, Gaylord Nelson, Stuart Symington, Thomas J. McIntyre, William Proxmire, John V. Tunney, Philip A. Hart.

Mr. MANSFIELD. Mr. President, for the information of the Senate, this will be the pending business, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I now move that H.R. 10481 be referred to the Committee on Banking, Housing and Urban Affairs.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

Mr. HELMS. I ask for the yeas and nays, Mr. President.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 85 Leg.]

Allen
Bartlett
Beall
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Ford
Hansen
Hart, Gary
Hart, Philip A.
Haskell
Helms
Hollings
Javits
Leahy
Mansfield
Metcalf
Percy
Proxmire
Sparkman
Stafford
Stone
Talmadge
Thurmond
Tower

The ACTING PRESIDENT pro tempore. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Baker
Bellmon
Bentsen
Biden
Brock
Buckley
Bumpers
Cannon
Case
Chiles
Clark
Cranston
Curtis
Dole
Domenici
Eagleton
Fannin
Garn
Glenn
Goldwater
Griffin
Hartke
Hatfield
Hathaway
Huddleston
Humphrey
Jackson
Kennedy
Laxalt
Mathias
McClellan
McGovern
McIntyre
Mondale
Montoya
Morgan
Muskie
Nelson
Nunn
Pell
Randolph
Ribicoff
Roth
Schweiker
Scott, William L.
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Iowa (Mr. Culver), the Senator from New Hampshire (Mr. Durkin), the Senator from Mississippi (Mr. Eastland), the Senator from Alaska (Mr. Gravel), the Senator from Louisiana (Mr. Johnston), the Senator from Louisiana (Mr. Long), the Senator from Washington (Mr. Magnuson), the Senator from Wyoming (Mr. McGee), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. Pastore), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Nebraska (Mr. HRUSKA), the Senator from Idaho (Mr. MCCLURE), the Senator from Oregon (Mr. PACKWOOD), the Senator from Kansas (Mr. PEARSON), and the Senator from Pennsylvania (Mr. HUGH SCOTT) are necessarily absent.

The PRESIDING OFFICER (Mr. FORD). A quorum is present. The Senator from Montana is recognized.

NEW YORK CITY SEASONAL FINANCING ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 10481) to authorize the Secretary of the Treasury to provide seasonal financing for the city of New York.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the motion to recommit.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. JAVITS. May we know what we are voting on?

Mr. MANSFIELD. On the motion to table, Mr. President. I ask for the yeas and nays on the motion to lay on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to refer the bill (H.R. 10481) to the Committee on Banking, Housing and Urban Affairs.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. CULVER), the Senator from New Hampshire (Mr. DURKIN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

The Senator from Hawaii (Mr. INOUYE) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) and the Senator from Rhode Island (Mr. PASTORE) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Nebraska (Mr. HRUSKA), the Senator from Idaho (Mr. MCCLURE), the Senator from Oregon (Mr. PACKWOOD), the Senator from Kansas (Mr. PEARSON), and the Senator from Pennsylvania (Mr. HUGH SCOTT), are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. SCOTT) and the Senator from Kansas (Mr. PEARSON) would each vote "yea."

The result was announced—yeas 57, nays 23, as follows:

[Rollcall Vote No. 540 Leg.]

YEAS—57

Abourezk
Baker
Beall
Bentsen
Biden
Brooke
Buckley
Bumpers
Byrd, Robert C.
Case
Chiles
Clark
Cranston
Domenici
Eagleton
Ford
Glenn
Griffin
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Jackson
Javits
Kennedy
Leahy
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Montoya
Muskie
Nelson
Nunn
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Talmadge
Tower
Tunney
Weicker
Williams

NAYS—23

Allen
Bartlett
Bellmon
Brock
Burdick
Byrd,
Harry F., Jr.
Cannon
Curtis
Dole
Fannin
Garn
Goldwater
Hansen
Hatfield
Helms
Laxalt
McClellan
Morgan
Roth
Scott,
William L.
Taft
Thurmond
Young

NOT VOTING—20

Bayh
Church
Culver
Durkin
Eastland
Fong
Gravel
Hruska
Inouye
Johnston
Long
Magnuson
McClure
McGee
Moss
Packwood
Pastore
Pearson
Scott, Hugh
Stennis

So the motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, it comes as a surprise to some of us on the Committee on Banking, Housing and Urban Affairs that this bill is to be discussed this morning. We were told last night that the bill before the Senate would be the railroad bill, so we do not have any prepared remarks.

The PRESIDING OFFICER. Will the Senator suspend? Will Senators take their seats?

Mr. PROXMIRE. I think it is desirable that the Senate get an understanding of this, so I think the leadership was right in taking this action.

This is a very important bill. It involves a great deal of money. It involves, in the view of some, what may be a precedent. For all those reasons, I believe it is desirable that we have a discussion of this bill promptly.

We also have the very serious question of timing. It is rare that the Senate has to act on legislation, if it is to be effective, within a very few days. We feel reasonably convinced that if this measure does not become law by December 11 or a day or two after that, no legislation will help to prevent a bankruptcy of New York City.

Mr. President, the virtue of the proposed legislation before the Senate, the bill that passed the House, is that, in the view of almost everybody who has attended hearings in our committee, in the view of the President's experts, in the view of people in New York State and New York City who are pro or con any Federal assistance to New York, this is the minimum amount of assistance necessary to prevent New York from going bankrupt. Any less would almost certainly result in a bankruptcy by New York City.

Mr. President, it may well be that New York City will not be able to survive with this assistance, because this assistance may be too little. In fact, that was the view of some of us on the committee when we supported a bill that would have provided somewhat more assistance than this and somewhat more discretion for the administration. But we can assure anybody who feels that it is desirable to prevent a New York City bankruptcy that this is the minimum amount that we can provide.

Furthermore, we should be aware of the fact that this is not a grant. This is a repayable loan, with interest well above the market. So when it is repaid—and I am confident it will be repaid—it will cost the Federal Government nothing.

As a matter of fact, this loan is a full 1 percent above the market. The cost of processing and handling this loan will be from one-quarter to one-half percent; so the Federal Government, in my view, in all likelihood, will make money out of this proposal.

The PRESIDING OFFICER. Will the Senator suspend?

Will Senators, if they wish to converse, retire to the cloakrooms or take their seats? The Senator deserves to be heard, and the Chair intends to have the Senator suspend until Senators obey the Chair. That applies to both sides of the aisle.

The Senator may proceed.

Mr. PROXMIRE. Mr. President, some may say, "What is wrong with bankruptcy?" We have had bankruptcy before. Individuals go bankrupt. We had 10,000 firms in bankruptcy last year and many more individuals in bankruptcy. It is a course that is pursued in the normal course of events.

We have had cities go bankrupt in the past. Detroit went the bankruptcy route in the early 1930's. But we never before in American history have had anything like a city the size of New York go bankrupt. All the testimony we have and the record we have—and we have had testimony on all sides of this issue—indicates that it could be a real disaster for the city of New York if they go bankrupt.

No. 1, when they go bankrupt, if they do go bankrupt, there will be a situation in which literally hundreds of thousands of creditors will be suing. If the creditors were to have a meeting, they would fill up more than Shea Stadium in New York. This is not a frivolous assertion. This could well happen. In New York, Shea Stadium could not possibly handle the some 250,000 creditors; because the creditors are not only the noteholders, the bondholders, the vendors, but also the people to whom money is obligated from the pension funds, employees to whom the money would be obligated, and there are a large number.

The top bankruptcy experts we could find testified before our committee that in the event of a New York bankruptcy, a Federal judge would be in a very difficult situation to provide money for essential services. In the first place, he would be confronted with a New York State constitutional situation which would require him to honor the claims of noteholders and bondholders. He would at least have to hear them, and hearing these tens of thousands of creditors would literally take weeks. Meanwhile, funds for runnning New York would not be available.

Where would they turn? Once New York has gone bankrupt, there is no way she could go to the private market. It would be necessary for New York City then to turn to the Federal Government, and not for a $2.3 billion loan to be repaid within a year—$1.3 billion the first year and $2.3 billion the second year. Under those circumstances, the Federal Government would have to make a loan or more likely a grant far bigger than that. I will tell the Senate why it would be far bigger than that.

Once New York has defaulted, once she has gone bankrupt, then in some 30 States of the Union it would be impossible, legally impossible, for New York to sell her obligations. Banks in 30 States could not buy those obligations for 5 years, 10 years—in some cases, 20 years. Trustees could not buy the New York obligations for trust accounts for that number of years. For years to come, once New York has gone bankrupt, it would be very hard to sell these obligations to any individuals, even those who live in New York.

A city the size of New York simply must have capital funds. There is no way you can operate a city of 8 million people, with the capital requirements for water works, the capital requirements for transportation, the requirements for many other things that mandate capital investment, without borrowing money. Where would New York then be able to borrow money? She would have to borrow money from the Federal Government.

As I have talked to people around the country, including people throughout my State, they have taken the time to envision what would happen with New York in bankruptcy. Then they say, "Well, we must follow some kind of policy that will persuade New York to mend her ways, but I think you are right, we should avoid bankruptcy."

Mr. President, this is exactly what this legislation would do. It would require New York to balance her budget, would require her to make a payment in full at the end of a year for the amount that is loaned to her.

It is something to say that we would require New York to do this. How do we know that New York would reduce its spending? How do we know it would increase its taxes? Mr. President, the best evidence is that this is exactly what New York has already done.

It is true that up to about a year or two ago, New York had followed an extravagant fiscal policy, that she had hired more people than she could afford to pay; that she had provided services that could not be supported. In the last year, particularly in the last 6 months, there has been a transformation that has not been appreciated in the country, or even in the U.S. Senate. In that time, New York City has laid off more than 38,000 people. Less than 300,000 were employed, so this is substantially more than 10 percent; it is close to 12 percent of her workers that have already been laid off, including 18 percent of her schoolteachers, including a number of her police officers.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. ROBERT C. BYRD. How many of those that have been laid off have been reemployed?

Mr. PROXMIRE. The best evidence that we have, in terms of numbers, is that virtually none have been reemployed, that this is actually a net reduction. We can show the Senator the precise figures and I shall be happy to do that later on. Although there have been some individuals to be reemployed, the fact is that there has been a net reduction, as I say, of 38,000 plus, and within a year, there will be a reduction of some 70,000 from the situation last January 1. At that point, in terms of comparable municipal functions, New York will have fewer employees per capita than any major city in the country.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. PROXMIRE. This is not something to throw our hats in the air about, because not only will New York suffer a reduction in services; she will suffer unemployment. She already has 12-percent unemployment. We recognize that when people are laid off, some of them have to go on welfare. Some of them get unemployment compensation. The impact is not a good economic impact; it is a sad and miserable economic impact. But it is the only thing New York can do and she has done it.

On the other side, New York has increased its taxes and that is not easy to do. Whether people realize it or not, this is the most heavily taxed city and most heavily taxed State in the Union.

Mr. JAVITS. Will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my good friend from New York.

Mr. JAVITS. I would suggest that one of the most interesting things that Members could be engaged in would be to come up to New York. I think they will find, those who have visited New York from time to time, very visually apparent the very thing that the Senator from Wisconsin is talking about. The traffic situation is now doubly difficult because policemen, even meter maids, are no longer around at all, seemingly, though there are some. The situation of self-help in respect of sanitation is very obvious. People are containing their garbage, it is remaining on the streets for very much longer periods of time. Even in excellent neighborhoods like the one I live in, this is obvious.

In many other ways, it is clear to the casual visitor, who has visited New York before, that there has been a monumental contraction in city services. As the Senator says, whether this city can truly survive as America's premier city is in some doubt. Frankly, this is not the best bill by any means, from the point of view of preserving an enormous revenue source for the United States. But we are living in a pragmatic world. There is nothing much we can do about it. We are left breathing, period.

I shall have a chance, later on, and I am not going to intrude on the Senator's time, to discuss my own view of what is going to happen to America's premier city as a result of this situation and this legislation. But that is neither here nor there. The fact is that we are left breathing; we are not dead. We will be dead if we go into bankruptcy. So it is the best we can do and it must be acceptable to me, to the Governor, to the mayor, and to everybody else.

Mr. PROXMIRE. I thank the distinguished Senator from New York.

Mr. President, I think we should keep in mind that New York has increased its taxes, and that is a painful and difficult thing to do for any city, any State, as all of us know. Nothing is more unpopular with constituents than to increase taxes.

As I said, New York is the most heavily taxed State in the Union; New York City is the most heavily taxed city in the Union. Yet they have increased these taxes. It may be counterproductive because they have increased them so much.

New York has a very high income tax. They have high taxes in their banks, and they have increased taxes just about everywhere they could find to do so.

Mr. President, I think the question we should ask those who are opposed to this legislation is: What do they want to accomplish? What is the purpose of bankruptcy?

Well, when I ask people that, they say that New York will not really be able to straighten up, will not be able to solve its problems unless it goes the bankruptcy route. Mr. President, New York, as I say, has already taken the steps, the effective and practical steps that bankruptcy would require. She not only has reduced spending sharply, but she also has passed legislation—and the President of the United States deserves some credit for this, President Ford—to provide for a moratorium on their notes so that notes that would otherwise have been due over the next several months or in the next couple of years are extended. Those notes will not be paid for some time. They have the option of taking another instrument, an 8-percent instrument that will be due in 10 years. They would stretch them out. This is what bankruptcy accomplishes. It requires the creditors to extend their credit and to take a lower rate of interest.

Some people have been complaining about the unions. It is said that the unions have been too extravagant and excessive in their demands. Perhaps they have been, but I think we have to recognize that the unions, too, have made concessions here. Wages have been frozen in New York for the last year. They will be frozen for some time to come.

The Teachers' Union negotiated a reasonable contract, reasonable compared to the contracts negotiated in other cities, and that contract was turned down by the Financial Emergency Control Board.

It was turned down on the grounds that it would have represented too heavy a burden and made it difficult for the city to achieve its balanced budget on schedule. So it was turned down.

Now, if there is bankruptcy, this is the kind of action that might be achieved, perhaps, but I doubt very much if any Federal judge would be able to go much further than New York City and New York State have already gone under the discipline of trying to avoid bankruptcy. New York State and city have made, really, what I think is a gallant effort and I think it is very, very hard to imagine steps they could have taken that they have not already taken.

Again and again, when the administration proposed steps—the administration has been very tough on this. They deserve credit for having been tough, perhaps, but they have been tough. Again and again, Governor Carey and Mayor Beame and the other officials in New York City and New York State, including the Republican leader, Senator Anderson, agreed to take those steps. Although many cynics felt they would not take them, they did. So any debate on this bill on the grounds that New York has to go through bankruptcy now in order to achieve discipline is just flying in the face of the facts which show that New York has already taken some very, very substantial steps.

Finally, Mr. President, before I yield to my friend from Massachusetts, let me say that this bill before us, while it was not before our committee as such, was fully embraced by the legislation that was before the committee, with the exception of the fact that this is a direct loan instead of a guarantee, and a direct loan is a more conservative effort under the circumstances. The administration could have done everything that they are doing in this legislation by accepting the bill that we had reported out of our committee that was pending on the floor and then acting within the limitations of that bill.

We provided in that legislation that was before us—it was on the calendar—that before providing a loan guarantee any conditions, any other conditions, the administration would want to elicit could be insisted upon. We provided that the $4 billion we had in that bill would be the maximum that would be allowed and, of course, the administration has chosen a lesser amount.

We provided that they could work to secure the participation of pension funds, which is what has been done.

We provided, in effect, that they could require and should require higher taxes on the part of the State of New York, and this is exactly what the President has done.

So I think it is fair to say we have had hearings in effect on the substance of this legislation before us, exhaustive hearings.

In the nearly 19 years I have been in the Senate I have rarely seen legislation which has been more carefully or thoroughly or more comprehensively discussed or debated in this committee than this legislation has.

We have had the experts from New York State, from New York City; we have had the outstanding experts in the country, I might say in the world really, on municipal finance testifying before us. We have had a number of critics. We have had economists, we have had bankers, we have had people who represent virtually every viewpoint who have appeared before our committee, and we have a very substantial record.

Under the circumstances, Mr. President, I do hope the Senate will see its way clear to enact this legislation. The legislation, as I say, is the absolute minimum, in the judgment of virtually everybody, to avoid the bankruptcy of New York City. If New York City goes bankrupt, this Government is going to be far more deeply involved for a far longer time in loans and in various other assistance, perhaps grants, than it would be with this legislation.

Mr. President, I yield to the Senator from Massachusetts.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for one brief question?

Mr. PROXMIRE. Yes.

Mr. HARRY F. BYRD, JR. Will the Senator supply the Senate with a copy of the bill? The Senator from Virginia is informed there is no bill available.

Mr. PROXMIRE. Yes, I have a copy here, and I would be glad to supply it.

Mr. HARRY F. BYRD, JR. Is it available to the Members of the Senate? We are debating a bill when we do not have it before us.

Mr. PROXMIRE. The bill is being printed. It will be available shortly.

Mr. HARRY F. BYRD, JR. But the bill is not yet printed so far as its availability is concerned to the Senate.

Mr. PROXMIRE. It is in the process of being made available, and I think the Senator from Virginia knows that we are not going to have final passage of the bill today, and he knows as well as any Member of the Senate that we will not have final passage tomorrow, and I can assure him before final passage the bill will be printed and available to Senators. As the Senator knows, we are working under a very tough time limitation. If we are going to do it properly, we have got to do it promptly.

Mr. HARRY F. BYRD, JR. Mr. President, it is good news to know that the Senate will have the bill available before we vote on it. I think it would be well to have it available so that we can know what we are debating.

Mr. PROXMIRE. The bill is available. It is here available to any Senator.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. PROXMIRE. Yes.

Mr. HELMS. Even the distinguished Senator from Wisconsin does not yet have in his possession a copy of the bill as passed by the House.

Mr. PROXMIRE. I have a copy of the bill as passed by the House, H.R. 10481, the Stanton-amended bill.

Mr. HELMS. I think the Senator, if he will check, will find to the contrary.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield just for an additional comment, I think it is worth noting the procedure that is being used on this bill. The moment it was called up a cloture motion was filed at the precise moment, yet a copy of the legislation itself is not yet available to the Senate.

Mr. PROXMIRE. I think, in reply to the Senator from Virginia as to why that cloture motion was filed, it is that we have been told for a month now that it was going to be filibustered. We have all known that. The Senator from Virginia is one of the leaders who is going to oppose it. To delay the bill is within the Senator's right. He has every right to do it. But we have known that and, therefore, it is only prudent and necessary to file a cloture motion. We have no option. The Senator would do the same thing if he were in our position.

Mr. HARRY F. BYRD, JR. It may be necessary in the view of the Senator from Wisconsin, but I would point out that this bill benefits greatly various individuals, banks and corporations, and I think when the Senate proceeds in the rapid fashion in which it is proceeding it does raise some questions, but I will get into that at a later date.

I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request?

On behalf of Mr. HANSEN, I ask unanimous consent that Mr. Bill Corbett be allowed the privileges of the floor during debate on this bill and during rollcalls thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Mr. Kenneth McLean, staff director of the Banking Committee, be allowed the privileges of the floor during debate on this bill.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that Mr. William Schneider be allowed the privileges of the floor during the debate and the proceedings thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, similarly, I ask unanimous consent that Mr. Rom Parker of my staff be accorded the privileges of the floor during consideration of this measure and any votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, I ask unanimous consent to have the following members of the Banking Committee staff have the privileges of the floor during the debate on this measure and the rollcall votes: Tony Cluff, Lamar Smith, Jerry Buckley, and Tommy Brooks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield for just a moment?

I ask unanimous consent that Elinor Bachrach and Robert Weintraub of the Banking Committee staff be allowed the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, will the Senator yield for a similar request? I ask unanimous consent that Bill Clark of my staff have the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I ask unanimous consent that Mr. Stanley Marcuss and Robert Russell of my staff be granted the privileges of the floor during the consideration of this bill and all proceedings thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, tomorrow it will be 8 weeks since the Committee on Banking, Housing and Urban Affairs held its first hearing on the New York City fiscal crisis. Throughout its hearings, the committee received testimony from New York City and State officials, bankers, bond sellers, and economic experts. What emerged from those hearings was the picture of a city which had been allowed to drift into financial chaos. As our hearings proceeded, it became apparent not only that the city was in financial trouble but that reliable information regarding the true state of the city's finances was impossible to obtain.

As I questioned the witnesses at our hearings, it became clear to me that no one was ready to take the steps needed to put New York back on a sound financial footing. The mayor had no proposals other than Federal assistance; the Governor demurred to the suggestion that the State of New York might have to raise taxes; the bankers could not see how they could be expected to make any sacrifices to help resolve the crisis; and in the newspapers we read intransigent statements by municipal labor leaders. All would have us believe that the only way to resolve the crisis was for the Federal Government to provide between $6 billion and $9 billion in Federal guarantees for New York City obligations.

The pressure to provide these guarantees was intense. City and State officials were joined by the financial community in supporting the guarantee proposal, and it was no secret that the national media favored assistance.

The transcripts of our markup session in the Banking Committee will make interesting reading for historians. The transcripts reveal great perseverance on the part of our distinguished chairman Senator Proxmire. But most importantly, I think, they show a shared uneasiness about the course we were being asked to follow. The question always lurking in the background was: If New York cannot come to grips with this problem itself, will there ever be an end to Federal guarantees? Where will this lead us?

Mr. President, I proposed an amendment in the Banking Committee to provide seasonal financing assistance to New York on a short-term, self-liquidating basis as an alternative to the bill reported by the Banking Committee. However, the amendment was defeated by a vote of 7 to 6. The committee then reported a $4 billion guarantee bill by a vote of 8 to 5, but the President's promise to veto such legislation effectively stopped the bill in its tracks. And in stopping the debt guarantee bill and insisting that New York move to put its own house in order, I believe the President performed a great service.

Denied Federal guarantees, New York City and New York State were faced with a challenge—either put their own houses in order or default. To the credit of New York's leaders—political, financial, and labor leaders—they rose to the challenge. They developed a plan under which New York City and New York State will pay their own way, and New York City's regular debt will be financed without Federal guarantees.

The major elements of this plan include:

First. A restructuring of $1.66 billion of New York City's short-term debt through voluntary exchanges of notes by current noteholders, and a State-enacted moratorium on payment to noteholders who do not choose to exchange their notes for longer term MAC bonds:

Second. New City taxes generating $200 million in new revenues;

Third. $2.5 billion in new loans to the city from city pension funds;

Fourth. Restructuring employee pension plans by requiring contributions from employees thus reducing city expenditures by $85 million per year;

Fifth. Agreement by New York City banks to roll over $1.6 billion short-term debt in addition to the $1.66 billion mentioned previously;

Sixth. A balanced city budget by fiscal year 1978;

Seventh. Reduction of social service costs; and

Eighth. A balancing of the New York State's budget for the current fiscal year.

However, despite these actions, Mr. President, because New York City is completely denied access to the credit markets, the city will be unable to finance even its intrayear borrowing needs. And it is assistance to finance these needs which the city now seeks.

The bill which the Senate takes up today, the same bill that was passed by the House of Representatives yesterday, provides for short-term self-liquidating loans to assist the city in meeting its intrayear borrowing needs.

It is not a guaranteed bill, Mr. President, and those who opposed the guarantee bill, among them, have not shifted our position in opposition to the guarantee bill reported by the committee. The fact is that New York City has shifted its position. The city is not now seeking nor does this bill provide for a guarantee for municipal debt obligations.

In light of the actions taken by the New York City officials to put the city's financial house in order, I believe that the Federal Government should extend this temporary assistance to the city. That is what the bill before us would authorize. The President has endorsed this approach, and I urge my colleagues to support it.

Mr. President, the President has endorsed this proposal and I urge my colleagues to support it.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Wisconsin yield, so that the Senator from Virginia may address some questions?

Mr. PROXMIRE. I am happy to yield to the Senator.

Mr. HARRY F. BYRD, JR. May I ask the Senator from Wisconsin, the Chairman of the Banking Committee, whether there is available to the Senate the amount of bonds which are held by the various New York City banks?

As the Senator knows, the major bondholders are the New York City banks and I am wondering if the Senator from Wisconsin has information as to the amount of bonds held by each of those banks.

Mr. PROXMIRE. We have figures available that are estimates. They are not directly from the banks, they are not directly from the regulatory agencies, they are from a highly competent brokerage house which has a good reputation. They have made an estimate of the holdings of each of the banks in New York City.

I know the Senator from Virginia is not at all satisfied with this. He wants the banks themselves to own up as to how much they have in New York City notes and mortgages.

Mr. HARRY F. BYRD, JR. Yes.

Mr. PROXMIRE. I might say to the Senator from Virginia that I am sure he understands, as a man who has had good experience in business as well as experience in government for many years, why it is the banks are reluctant to disclose the holdings that they have in New York City obligations when for months now there has been some question as to whether New York City will go bankrupt and those notes might drop precipitously in value.

If that happens, then of course the bank is in a position where there could very easily be a run on the bank where the big certificates of deposit, not covered by Federal insurance, would go out of the bank and move to a smaller bank, and they would be highly vulnerable.

I think the advice of the regulators, including Dr. Burns and others, is that they not disclose this information and, indeed, the Federal Reserve Board, the Comptroller of the Currency, and the FDIC have resisted the inquiries from various Members of Congress for this information.

Mr. HARRY F. BYRD, JR. Is that the advice of the Senate Banking Committee also, that the New York City banks should not make available that information?

Mr. PROXMIRE. There has been no position taken by the committee, as such. The position taken by this Senator is that that information is understandably confidential.

If I were a banker, or the Senator from Virginia were president of one of those banks, he would not want to disclose that. Why should he, when it would put him in a very vulnerable position?

Mr. HARRY F. BYRD, JR. I will say to the Senator exactly why it should be done.

I agree it should not be necessary to disclose provided—provided—those banks do not want to obtain a benefit from the American taxpayer, and that is what they are doing. They are being benefited by this legislation and no one knows to what extent each bank is being benefited.

Mr. PROXMIRE. May I say to the Senator that the banks that have big holdings in New York City notes are taking a very serious beating in those notes right now.

Mr. HARRY F. BYRD, JR. That may or may not be, but——

Mr. PROXMIRE. They put more money into these obligations at the urging of the city and State in order to help New York and they are now in difficulty and are being asked to do several things.

These notes are being extended for 10 years so that they will not come due in the next 6 months or a year. Interest rates are being reduced. The value, therefore, of those obligations is being sharply cut.

These banks are taking a very big loss on those particular investments. They are not benefiting, they are losing—as they should.

Mr. HARRY F. BYRD, JR. They are certainly benefiting by this legislation.

Now, if they are benefiting by the legislation, then I think we are entitled to know to what extent these banks are benefiting.

If they were not seeking Federal help, that would be a different matter, but they are seeking Federal help.

They have been the chief lobbyists for this legislation.

Mr. PROXMIRE. May I say to the Senator from Virginia on that last point, they certainly have not been the chief lobbyists by any means.

I have been approached by a number of people who have an interest in this, pro and con, and the first banker has yet to approach me from New York.

I have not received a word from them, I have not received a note. They have not had any friends see me. Nobody in Wisconsin got in touch with me at the instance of a New York Bank to tell me to do one thing or another. Not word one.

I do not know about any other members of the committee that are here or will be available to the Senator, if he wants to inquire, and I would like to ask him if there are any other members of the committee who have been lobbied in any way by New York banks.

Mr. HARRY F. BYRD, JR. The New York bankers, I realize, have tremendous power, and I said that from the beginning of this fight, going back to last August.

I do not underestimate their power; I do not underestimate the amount of time they have spent around this Capitol one way or another.

All I am asking is for information as to how much those banks will benefit by this legislation. How many bonds do they hold?

Mr. PROXMIRE. I will give the aggregate figures. We do have that, but not broken down by bank: New York clearing house banks have $11 billion in gross capital; total deposits, $102 billion; New York State obligations, $955 million; New York agency obligations, $679 million; New York City obligations of $1.695 billion, or a total of $3.3 billion in New York obligations.

That would be approximately about 3 percent of their total holdings.

In some banks, it would be more substantial. As the Senator may know, the capital of big banks only amounts to 4 or 5 percent of their liabilities and this could be, therefore, a very substantial part of their total capital and put them in a vulnerable position if New York City should go bankrupt.

Mr. HARRY F. BYRD, JR. I just cannot quite see the need for all this secrecy.

As a matter of fact, I think it is wrong from another point of view.

Most of these banks are listed on the stock exchange. The investors ought to know the facts which exist in regard to those banks. The Senator from Wisconsin has just said that if the facts become known, it could have a dreadful effect on those banks. Yet those stocks are being traded on the exchange every day. I would think that the Banking Committee would be particularly interested in having the information known as a protection to the investing public.

Mr. PROXMIRE. May I say to the Senator that I think we have whatever information is necessary for us to act. We do have the total amount that is invested by the banks. We have that verified. We have it verified by Arthur Burns, the Chairman of the Federal Reserve Board, and we can rely on this as being accurate.

We have a breakdown by individual banks estimated by a highly competent expert. This gives us some notion. We do not have the verified word either from Mr. Burns or from any other regulatory agency or from the bank itself. We do not have the official figures.

The Senator, I know, has been very interested in this for a long time. He has been very vigorous in asking me to provide him with that information.

Mr. HARRY F. BYRD, JR. I think it not only would perform a service, but I think it is something that, as a matter of policy, as a matter of practice, as a matter of appropriateness, should be done.

Those banks, as I say again, stand to benefit greatly by the pending legislation. We ought to know how much the taxpayers are benefiting these banks. To me, it is strange indeed that the Banking Committee of the Senate is either unwilling or unable to obtain that information for the Senate.

Mr. PROXMIRE. The Banking Committee is probably unable to obtain it.

We have a good estimate as to how much the banks have. We have an accurate and precise estimate as to how much they have in aggregate. I think this serves whatever legislative purpose we want to achieve. We know the banks will get some benefit out of this legislation as compared with bankruptcy, but they have paid a big price now and they are going along with a very substantial compromise on the basis of what the committee has done and what the President of the United States has done in order to make it possible for this legislation to proceed.

Mr. HARRY F. BYRD, JR. As each of us knows, if the bonds go into default then the bondholders lose the interest on those funds, lose the income, the tax-exempt income, and they lose the principal or have the principal payment deferred.

Mr. PROXMIRE. There is no way we can tell what would happen in bankruptcy. It may well be that the big banks would do well. If there is any sure development when we go to the courts, it is that those who have the money and who can hire the best lawyers come out on top. I think the Senator would agree that the New York banks have the money, would be in a position to hire the best lawyers, and would be in a position to defend their position very effectively.

The little bondholders who do not have that kind of money would be the ones to suffer, those who live in Virginia, Wisconsin, and elsewhere.

Mr. HARRY F. BYRD, JR. Not at all. Under existing law they must be treated fairly and alike. What is happening is, by this legislation, it is preventing a default on the bonds. That means that the banks, and they are the major bondholders. They testified to that before the Senator's own committee, they are having their investment guaranteed and they are getting tax-free income.

They have been getting tax-free income at a very high rate of interest. That is why I think it is very important and very significant as to the amount of holdings of each of these individual banks and as to how many tens of millions, or hundreds of millions of dollars in some cases, they will benefit by the pending legislation.

(Mr. BUMPERS assumed the Chair at this point.)

Mr. PROXMIRE. May I say to the Senator they are not the major holders of New York City obligations. They are major noteholders, but as far as obligations altogether are concerned, those that would be primarily affected by this legislation, they only have about 12 percent of the obligations outstanding. As a matter of fact, now the pension funds, the insurance companies, and other institutions, would in aggregate have more, and individual bondholders would have far more.

Mr. STEVENSON. Will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. STEVENSON. I think in fairness to the Banking Committee, it should be said that that committee was most interested in determining who held the obligations of the city and also the Municipal Acceptance Assistance Corporation, and to what extent those obligations were held by financial institutions in the city of New York.

The reason for our interest was the strong feeling that those financial institutions, including the larger banks, ought to bear their fair share of the burden.

It was not particularly relevant to that inquiry to find out which bank held how many obligations. We developed a pretty good idea of how many, and to what extent, obligations of the city were held by financial institutions in the city. That is why the Senate Banking Committee, among the many conditions it established before any guarantees could be made available, required that the holders of 40 percent of the city's maturing obligations between now and the end of this fiscal year, 65 percent of the maturing obligations of the Municipal Assistance Corporation, had to roll those over, and as they matured accept new, long-term, lower interest rate paper.

That 40 percent was aimed at making the banks and the other investors that the banks and the financial institutions in the city could reach share the burden, accept the loss, and exchange their maturing obligations for new long-term paper. They were not going to get paid off, in other words, at face value.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. STEVENSON. I have one final point. The Senator from Virginia says they are going to get helped.

Under the Senate Banking Committee bill, they would have had to take a beating on those maturing obligations of the city and of the Municipal Assistance Corporation.

The Senate is not now in a position to act on the Senate bill, and through no fault of any Member of the Senate Banking Committee. It is quite evident that to get any legislation passed in time to prevent a default, with all of the consequences, including very substantial Federal assistance for the city of New York, we have to act on the House-passed administration bill. That is the only way we can get any assistance for the city of New York before December 11, before a default.

So we have to act on the House-passed administration bill which does not contain any such conditions. It is much more liberal and open-ended than the Senate Banking Committee bill.

If we were in a different position, we could establish those minimal conditions which would assure that the burden was put on the banks. But it is not through any fault of the Banking Committee that we are not in that position. Those who are opposing this legislation, or any variation of it, would put New York into default, which means that the city could not market its obligations for as long as 20 years, in some States its essential services would have to be financed somehow. A trustee in bankruptcy, even if there was a procedure for the appointment of one, could not market any obligations, at least for some period of time. In those circumstances, the city of New York would have to be placed on a Federal dole. The obligations of the city and of MAC would be written off. The Federal Government, as a result, would lose substantial tax revenues, as well as end up financing essential services.

All of the concerns that were expressed by the Senator from Virginia and many others, including that concern about putting the burden on the banks, were addressed by the Banking Committee. Now we are faced with the necessity of passing the administration's House-passed bill, which does not explicitly address itself to that purpose of putting the burden on those banks.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. STEVENSON. It is quite possible that under this bill the Secretary of the Treasury will do that. We made absolutely certain that he would do it in the Senate Banking Committee bill, but we cannot act on that bill because of the obvious intention of some in this body to delay action on any legislation that would provide loans or guarantees for the benefit of the city of New York.

That being the case, the only way that Congress has now of providing assistance which could avoid default and all of its consequences is by acting on this bill. So with all respect to the Senator from Virginia—and I have the greatest respect for him, and share many of the concerns that he has expressed, including the concern about the power of the New York banks, which I have expressed myself—I have to say that the apparent efforts to delay action in this body are preventing the Senate from establishing by law preconditions to assistance for the city of New York, including the condition that would have put the burden squarely on the banks in New York City.

Mr. HARRY F. BYRD, JR. I thank the Senator from Illinois for his comment, because among other things it confirms my position that New York banks do benefit from this action, and that the legislation itself does not put a requirement on the banks.

The Senator from Illinois mentioned that a voluntary exchange of bonds, I do not know whether the Senator said had taken place or would take place——

Mr. STEVENSON. No, if the Senator will yield, there was nothing voluntary about that exchange. The Senate banking bill——

Mr. HARRY F. BYRD, JR. I am speaking of the bill before us.

Mr. STEVENSON. Required an exchange of maturing obligations for new long-term paper. I think we can reasonably assume that the Secretary of the Treasury, who exercises the authority in this bill before us, would establish similar conditions, but there is nothing in the bill to mandate it, as we did in the Senate Banking Committee bill.

Mr. HARRY F. BYRD, JR. But nothing in the bill that will be before the Senate.

Mr. STEVENSON. That is right. As I pointed out to the Senator, through no design of the Senate Banking Committee, we are forced into this position of supporting the House-passed bill by those who seek to delay action on any assistance for New York, and time is running out.

Mr. HARRY F. BYRD, JR. Does the Senator have information that he could present to the Senate as to what the New York banks have done in the way of exchanging previous bonds or New York City paper for new paper, and how it differs from the original bonds and in what amounts?

Mr. STEVENSON. The only information that I can give the Senator is the information that was embodied in the Banking Committee bill.

Mr. HARRY F. BYRD, JR. We are speaking, though, of the bill before us.

Mr. PROXMIRE. Mr. President, on the basis of the bill before us, if the Senator will yield, we have gotten the agreement, now, of the New York banks to roll over $500 million of short-term obligations, and another $600 million of the longer term MAC holdings. By rolling over, I mean they have agreed to extend the maturity, which automatically drops the value of these obligations by making them less liquid. If they would sell them now, they would sell them at a loss.

Mr. HARRY F. BYRD, JR. Mr. President, could the distinguished Senator explain just what the rollover would be? I do not quite understand——

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. JAVITS. The New York banks and the city pension system have agreed to take 10-year, 6-percent city securities in connection with a moratorium which is being carried through for the nonbank holders, who have $1.6 billion, to the extent of $1 billion in city notes, which are going to be currently due.

Second, the New York banks and the city pension systems have agreed to take 10-year securities in exchange for New York Assistance Corp., which is a State agency, bonds bearing 8.9-percent interest, and having shorter maturities. The maturities are relatively close; this was around 1980.

These were two of the conditions which appealed very much to the President, in respect to what the Senator from Wisconsin has called a rollover.

Mr. HARRY F. BYRD, JR. If the Senator from New York will yield, it is not clear to the Senator from Virginia precisely what the banks have agreed to do.

Mr. JAVITS. I have just stated precisely what the banks have agreed to do.

Mr. HARRY F. BYRD, JR. The Senator got involved with the pension funds.

Mr. JAVITS. No; the point is the pension people are going the same route as the banks. But Senator Proxmire has just stated the matter accurately: that as far as the half billion in city notes are concerned, they are going to take a 10-year obligation and an interest rate of 6 percent.

Mr. HARRY F. BYRD, JR. When are those notes due?

Mr. JAVITS. They are currently due. I will give the Senator exact figures in a few moments. City notes are short-term obligations due within a year. They have bought MAC bonds in order to carry the city to where it is. That is why the hair-raising default dates have been successively passed, because they have bought MAC bonds. Now they are taking those MAC bonds to justify the Federal Government's seasonal loans, and exchanging those for lesser interest rate, 6 percent instead of 8 or 9 percent.

Mr. HARRY F. BYRD, JR. Tax free.

Mr. PROXMIRE. Mr. President, will the Senator back up a little bit? I think he has made a very good point that may have been missed, and that is that the banks took these MAC notes as a matter of accommodation for their city, knowing that it was a risk, knowing it was an obligation that was in some jeopardy. They took that, and deserve credit for taking it. It was a civic and, in fact, now a national service. To criticize them and say they are going to make money out of it, when they are taking a write-down on the very obligations they took in good faith at a higher interest rate and shorter maturity, and now taking a longer maturity and a lower interest rate, I think they should be given credit, and not blamed for that.

Mr. HARRY F. BYRD, JR. Mr. President, I do not think I assessed blame to them. I am seeking facts.

Mr. PROXMIRE. As I told the Senator from Virginia, $500 million in short-term notes that would have been due between now and June 30, 1976, and in addition to that $600 million in MAC bonds that would have been due over the next 3 or 4 years. All these have been extended to 10 years at 6 percent interest, which means, in effect, they have taken a multimillion-dollar loss.

Mr. HARRY F. BYRD, JR. As to the MAC bonds, is it not correct that they also obtained a very high tax-free income from those MAC bonds?

Mr. PROXMIRE. Well, at a very high risk. As the Senator knows, any obligation issued by any municipality is tax free.

Mr. HARRY F. BYRD, JR. The Senator is exactly right. That is a reason for them buying them.

Mr. JAVITS. No, not at all.

Mr. HARRY F. BYRD, JR. It is a reason for buying them.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. HARRY F. BYRD, JR. Yes.

Mr. JAVITS. That is no reason whatever, I say unequivocally. No, they would not dream of touching them. Does the Senator know that the New York banks have been considered by foreign depositors to be in some jeopardy, and that there was grave worry of huge withdrawals of deposits, and deposits in other countries, precisely because they tried to help the city in this way?

I flatly deny that they bought them for the interest. They would be out of their minds if they run that kind of risk in order to gain 2 or 3 points in interest. You can buy so-called triple-A State bonds of various States at 5 percent or 6 percent today.

I could not conceive of a banker buying these bonds for the reason that he is going to get 2 or 3 more percent, running that risk. One could not find a market for those bonds in New York City. One could not find a bidder.

Levanthal and Co., the leading bond house in the city as far as city bonds are concerned, testified to that.

Mr. HARRY F. BYRD, JR. Whether it is a reason or not a reason, the fact is that they bought bonds with a very high tax-free yield, and no one denies that. They bought bonds with a very high tax-free yield, regardless of what the reason was.

What the Senate is preparing to do is to guarantee those bonds, in effect, against default.

Mr. PROXMIRE. It is making them take a loss on those bonds. It is requiring a write-down, a write-down to 6 percent. The Senator from Virginia said they had taken a high yield bond. They are giving a lesser yield, a sharply reduced yield, than the Senator says they can get on AAA bonds.

We do not have to argue about an obligation like this in jeopardy that is going to continue to be in jeopardy no matter what we did with the resolution.

Mr. HARRY F. BYRD, JR. They are depending on the Federal Government bailing them out, and that is what we are doing.

Mr. BROOKE. One point the Senator from Virginia ought to recognize is that the banks were demanding at all times that before they would stretch out $1.6 billion in bonds, New York City must balance its budget. Obviously, New York City was unable to balance its budget prior to that time. They have already agreed to balance the budget by fiscal year 1978. That is part of this agreement. But the banks, even though the city was unable to balance the budget this year as a condition precedent to stretching out the $1.6 billion, went along with a balanced budget by fiscal year 1978. That was taking even a greater risk than they already have. I think that they ought to be given some consideration for that, as well.

I agree with the Senator that when they purchased these bonds they were getting the bonds at a reasonably high yield and getting them at practically no risk.

Mr. HARRY F. BYRD, JR. That is quite correct.

Mr. BROOKE. I agree with the Senator.

I asked questions of the banking community when they were testifying. I asked them whether they saw this coming. They said they were taking the word of New York City officials. To be sure, they were sophisticated bankers, but they say they took the word of New York City officials.

Mr. HARRY F. BYRD, JR. That is quite right.

Mr. BROOKE. They did not think they were taking a great risk. But since that time I think they have performed a sort of public service. They have assumed a greater risk than they already have. In my own State of Massachusetts where we were trying to go into the bond market, the bankers insisted that, before they would buy these bonds, they have a balanced budget. Of course, we had to pass very stringent legislation prior to that time. But in New York City the banks have realized that New York City cannot balance its budget at this time, though they do believe they will do it in 1978, and the bankers have agreed to stretch out the $1.6 billion with that assurance.

I think the Senator ought to know that.

Mr. HARRY F. BYRD, JR. I appreciate that, I say to the Senator from Massachusetts, and I think the Senator from Massachusetts takes a very realistic view as to exactly why the banks did buy those bonds. They did not expect the bonds to go into default.

Mr. BROOKE. Of course not.

Mr. HARRY F. BYRD, JR. They did not buy them as a matter of charity.

Mr. BROOKE. Of course not.

Mr. HARRY F. BYRD, JR. Of course not.

Mr. BROOKE. We all ought to recognize that, of course.

Mr. HARRY F. BYRD, JR. They did it because they thought they were a sound investment for them.

Mr. BROOKE. Exactly.

Mr. HARRY F. BYRD, JR. The bonds turned out not to be a sound investment.

Mr. BROOKE. That is right.

Mr. HARRY F. BYRD, JR. They came down here, along with the New York City politicians and New York State politicians. They said, "Look, we are in bad shape, and we want you to take care of us, Federal taxpayer." That is what I object to.

Mr. PROXMIRE. We ought to make it clear that these bankers came here at the invitation, urging, and request of the Committee on Banking, Housing and Urban Affairs as witnesses period. They have not been haunting the halls. They have not been rapping on doors.

My door would have been one of the first they would have knocked on. Other Members would have told me if they had been lobbied by New York City bankers. They have not been. They have not been lobbying.

It is always great to run against Wall Street. One can do that in Virginia, Wisconsin, Texas, or anywhere. Run against Wall Street. It is argued that Wall Street is rich and arrogant and responsible for all our ills.

But the fact is that, No. 1, Wall Street banks have not been lobbying us; No. 2, Wall Street banks are taking as substantial a loss as any investor in New York City obligations is taking—in fact, they are taking a specific and sure write-down that we have talked about now—and, No. 3, when it comes to evaluating their motives, whether they invested months ago because they thought it was a good investment, or they invested out of civic devotion, patriotism, and some sacrifice, I am inclined to think these are pretty able, intelligent people. They knew it was a risk, and I think the risk they took was tempered to some extent by the fact it was a big yield; nevertheless, they took that risk because their city is taking a risk.

Other bankers have not been rushing in to invest in New York obligations. The New York City banks have had to take it.

If this is such a good risk, why are not Virginia banks, Wisconsin banks, and Massachusetts banks first in line? They could have bought the bonds but they have not.

Mr. HARRY F. BYRD, JR. I will tell the Senator why.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. PROXMIRE. Yes.

Mr. BROOKE. The Senator from Virginia is asking pertinent questions. He is entitled to know, and the Senate is entitled to know what the interest of the banks are, what they stand to derive from this, and what the Federal Government would be doing in order to help these banks out. I think that is good.

But the point that the distinguished chairman of our committee makes is pertinent. I can say, from the Republican side of the aisle, I talked with practically all of our colleagues and there has been virtually no lobbying on the part of the banking community. I have received no calls at all from New York bankers.

I asked the bankers, as the Senator knows, some very embarrassing questions when we had the committee hearings. I received no calls and no objections from them. I believe they answered the questions honestly. They admitted that they had a very deep vested interest in this, and they tried to be as objective as they could, but they admitted that they had an interest, and I think that was healthy.

But there has been virtually no lobbying by the banking community, and I wish to assure the Senator from Virginia of that from our side. The distinguished chairman says that the banks have not pressured him and he certainly would have been the one who would have been lobbied most, I am sure, of the whole committee. I am sure there are Boston banks that have some of this paper, as I am sure there are possibly some Virginia banks and Wisconsin banks. It is not all New York City banks that have some of this paper, as we very well know.

But there has been little or no lobbying, to my knowledge, and I wish to assure the Senator from Virginia of that fact. The banks were invited to testify before us, they answered all the questions very candidly, and everything we have asked them to do they did under the circumstances. The committee and the bankers fully realize that they were a party in interest and so stated before the committee.

Mr. HARRY F. BYRD, JR. The Senator from Massachusetts is very candid in his appraisal that the banks obviously do have a major interest in this matter.

The Senator from Wisconsin says they are very able individuals, and I certainly agree they are among the ablest individuals in our Nation.

As one who believes in the free enterprise system, I feel when an investor invests that he has the right under our system to invest and to reap the benefits if there are benefits from his investment But under our system he also has the right to fail and, if his investment goes sour, I do not think the Federal Government should be called upon to bail him out.

There are Virginia banks involved, as the Senator from Massachusetts said, and what I say in regard to the New York banks applies to all banks. I do not wish to bail out the New York banks. I do not wish to bail out banks anywhere, whether they be in Wisconsin, Virginia, Massachusetts, or any other State.

Mr. PROXMIRE. If the Senator will yield, I could not agree more that when investors invest they take a risk, and, if the enterprise in which they invest proves not to be sound and their judgment has been bad, they should suffer the consequences.

But we cannot ignore the fact that the Senator from Illinois (Mr. STEVENSON) made sure that the bill that we adopted, in the first place, required them to make the kind of sacrifice very similar to the kind of sacrifice they would make if they go through bankruptcy. It is true we do not have that bill before us. We have another bill before us, however. Already we have recognition of the fact that the banks have suffered a write-down, a loss. We have to look at the whole picture: Are we going to require New York to go through bankruptcy because we think the banks ought to be punished a little further than they have been? I doubt if they would be punished very much, because they have awfully good lawyers. They would be right in the front line. When one thinks of the consequences on hundreds of thousands of employees in New York City, the people in New York City, the Federal taxpayer, the fact that we are going to have loans and probably direct grants to New York City for many, many years to come, if we follow this, plus the fact that we shall have our premier city on its knees, with a tin cup out, for years to come, it seems to me it is a terrible price to have to pay because we think there may be some bankers up in New York that may be getting a little more than they ought to get, and that, if we follow the bankruptcy route, they would be punished more and more severely.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. BROOKE. The Senator from Virginia and I have talked several times about this matter, in the corridor and elsewhere, and I know of the Senator from Virginia's very keen interest in and concern about this matter. Actually, the concern that he has is a concern that I share with him, as he very well knows.

I was disturbed about the fact that when you take a risk—you buy a security or you buy a bond—you can profit from it or you can lose; and the banks should be in no better position than John Doe, who might buy a security and assume a risk. If the corporation is suing a security goes bankrupt and is defunct, then the investor loses his investment. There is a right to profit, but there is also a right to lose or to fail. I agree with the Senator. That is the American system, and we certainly do support that.

When the banks appeared before us, I was even further disturbed that they were not at that point ready to make any concessions. They felt that they had done all they should do. I was even further concerned when the New York City officials felt that they had done all they could do. Then, when the New York State officials came in—the Governor—and said, "Look, we have done all we could possibly do," I asked the bankers the same question that the Senator from Virginia asked: "You say you have done everything you can do. Now you want the Federal Government to come in. You say the risk is too great for you to take, but is not too great for the Federal Government to take."

Mr. HARRY F. BYRD. JR. That is right.

Mr. BROOKE. The Senator might then ask how I have changed my position. I have not changed. I think they have changed, as I said in my initial statement. The banks have done more than they said they would do—and, of course, we suspected they would—because they are interested parties. They do have a great stake in this. The city of New York has done much more, with all the new taxes that have been passed by the State legislature, which Governor Carey thought at that time could not possibly have been passed by the State legislature.

All I am saying to the Senator from Virginia is that I think we have exacted from the city officials, from the State officials, from the banking community, and from the municipal labor unions all that reasonably could be expected under the circumstances. If I did not feel this way, I would not be supporting the legislation before the Senate today.

Mr. PROXMIRE. I say to the Senator from Virginia that earlier I had said that New York had increased its sales tax. I was wrong. I believe they were wise not to do so, because they already have an 8 percent sales tax. They have increased their bank tax substantially, a tax on banks in New York City and New York State. It is a stiff tax. This is another indication of what they propose.

Mr. HARRY F. BYRD, JR. How much?

Mr. PROXMIRE. I will have the details on that in a moment.

I respond to the principal query of the Senator by saying that I did write to Dr. Burns on November 22. I have a copy of the letter here—I will make a copy available to the Senator and will put it in the RECORD—in which I ask for the holdings of New York City banks in the issues of New York City and New York State and its agencies. We have not received a response from the Chairman of the Federal Reserve Board.

As I say, I anticipate that I will not receive the breakdown by banks, and I would not be surprised, under those circumstances. But I would not consider that to be a serious oversight, because we have the total amount held. We have a reasonably accurate estimate of what each bank holds; and for all legislative purposes, it seems to me that that should satisfy the Members of the Senate.

Mr. HARRY F. BYRD, JR. How does the Senator respond to the question as to whether the investors are being treated properly? Each of these banks is listed on the New York Stock Exchange. The public trades in this stock every day, in the various bank stocks. Are not the investors entitled to that information?

Mr. PROXMIRE. That is a matter, of course, to be determined by the Securities and Exchange Commission.

Mr. HARRY F. BYRD, JR. The Committee on Banking, Housing and Urban Affairs has a great deal to do with that.

Mr. PROXMIRE. They have that under review at the present time. There is considerable difference of opinion as to that.

The banks are now having great difficulty raising capital. I have been coming down hard, as have other members of the committee, on full disclosure, including this kind of disclosure, and we have had hearings on it.

So far as this bill is concerned, it seems academic and theoretical to hold up the bill on the ground that the individual banks had not given us precisely how much they hold in New York City obligations.

The Senator has a good point. I am inclined to agree with him. But I think it is the kind of thing we can achieve at a later time and not condition this whole bill—which is going to make the difference between whether or not the biggest city in this country goes bankrupt—on whether or not we have this information available within the next few days.

We have to act on it within the next few days or forget it.

Mr. HARRY F. BYRD, JR. Perhaps if the able Senator from Wisconsin and the able chairman of the Banking Committee would communicate with those banks, it would not take them very long to provide the total. That is all the Senators are seeking. I do not think it would take very long to obtain that information and transmit it to the Senator.

Mr. PROXMIRE. We already have done that. We have not received the information.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. Let me clarify this point. The Senator already has communicated with the banks and has asked for that information?

Mr. PROXMIRE. Yes. We have done that through the New York Clearing House, which represents the banks, and we have not obtained the information as yet.

Mr. HARRY F. BYRD, JR. Would it not be appropriate to go to each bank directly and say, "What do you have?" I do not think that is any great problem. They all know what they have. They could give it to the Senator over the telephone.

Mr. PROXMIRE. The clearinghouse did exactly that, and we were not able to get the information from them.

This is something that perhaps can be handled, but it is not an open and shut matter by any means. I may be wrong on it; the Senator from Virginia may be wrong. Both of us want full disclosure. We automatically want that. But we can envision a situation in which that can be very damaging for a particular bank and cause difficulties we would not want to see result, in spite of the fact that I think we can make a strong case that investors should have every detail of the operation of the banks.

This is something we should proceed on carefully and separately. We should take our time about it and not try to rush it through within the next few days.

Mr. HARRY F. BYRD, JR. This matter has been going on since July or August. Certainly, the figures are available.

Mr. PROXMIRE. Yes. We have had hearings on it since July or August. We have had testimony on it. We have had the SEC working on it. We have had the Federal Reserve Board developing their position on it.

As I say, I think it should be done in a deliberate and careful way, and we should not rush in here and establish a precedent which may or may not be inadvisable.

Mr. HARRY F. BYRD, JR. We are establishing a precedent right now by this legislation.

It is a very significant precedent that is being established, and that is one reason why I am forced to oppose it, because it is a precedent. It opens a bottomless pit for the American taxpayer.

Mr. PROXMIRE. Mr. President, I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I now have a chart, which may be of some use in this matter, of the distribution by States of signficiant holdings of the commercial banks in New York obligations. It indicates the number of banks in each State, the deposits in those banks, the New York State obligations and agencies, New York City obligations held, and the percentage of these banks represented by these holdings, by States.

I ask unanimous consent to have this chart printed in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

DISTRIBUTION BY STATE OF SIGNIFICANT HOLDINGS BY COMMERCIAL BANKS OF NEW YORK OBLIGATIONS

[Dollar amounts in thousands]

State	Number of banks	Total deposits [1]	New York State obligations	New York agencies obligations [2]	New York City obligations	Total New York obligations	Number of banks with total New York obligations constituting — 20 to 50 percent of their capital	Over 50 percent of their capital
Alabama	26	$591,335	$7,128	$24,595	$11,999	$43,722	16	10
Arkansas	32	472,273	4,117	1,975	14,899	20,991	19	13
Colorado	4	112,188	500	400	3,035	3,935	4	----
Florida	65	2,501,499	19,001	15,968	90,131	125,100	34	31
Illinois	45	1,057,128	3,437	4,565	27,413	35,415	34	11
Iowa	6	340,952	680	665	14,989	16,334	4	2
Kansas	11	106,333	----	535	2,705	3,240	10	1
Louisiana	21	586,361	4,326	2,795	13,160	20,281	17	4
Maryland	6	2,011,224	24,047	660	18,588	43,295	2	4
Massachusetts	5	322,072	875	4,335	8,380	13,590	3	2
Michigan	7	445,055	6,020	1,875	9,830	17,725	3	4
Minnesota	8	154,189	3,471	530	2,061	6,062	5	3
Mississippi	13	1,070,246	825	3,150	24,749	28,724	12	1
Missouri	39	619,766	8,112	1,622	14,574	24,308	28	11
Montana	6	166,902	171	425	2,700	3,296	6	----
Nebraska	5	43,618	----	----	952	952	5	----
New York	93	86,269,362	1,208,403	875,577	1,399,805	3,483,785	52	41
North Dakota	9	60,012	76	330	2,388	2,794	5	4
Oklahoma	6	102,695	285	540	2,069	2,894	5	1
Pennsylvania	13	5,659,767	32,435	7,465	10,623	50,523	8	5
South Dakota	6	92,155	1,087	140	2,353	3,580	4	2
Tennessee	24	354,459	290	2,175	10,594	13,059	19	5
Texas	21	412,209	576	775	11,886	13,237	17	4
Virginia	7	205,750	1,645	1,815	2,880	6,340	6	1
West Virginia	21	401,917	2,514	1,913	15,936	20,363	13	8
Wisconsin	8	452,977	900	4,050	9,133	14,083	6	2
All others [3]	39	6,141,494	58,856	35,700	66,143	160,699	30	9
Total	546	110,753,938	1,389,777	994,575	1,793,975	4,178,327	367	179

[1] Deposits are as of June 30, 1975.

[2] Data do not reflect agency obligations held by national banks.

[3] Includes 19 States and Puerto Rico.

Source: The data for State member and national banks were obtained from a review of examination worksheets conducted during July and August at the district and regional offices. The data were subsequently verified and updated by telephone contact with the banks. The data for State nonmember banks were obtained from a survey conducted by the FDIC during September and October encompassing a field of approximately 950 specifically selected banks.

Mr. JAVITS. Second, I am constrained to identify myself with the remarks of the Senator from Massachusetts and the Senator from Wisconsin, which I think are very temperate, in the sense that I agree with Senator BROOKE that when the New York banks bought New York short-term notes, it was a business transaction and it was important to their depositors and their stockholders.

However, what I have referred to was the MAC bond purchase, which was strictly a rescue operation—that is, the Municipal Assistance Corporation—and now the rollover, which Senator PROXMIRE has pointed out will cost a minimum of 15 percent and could go as high as 30 percent of the face value of those bonds in the way of a write-down, especially in the absence of any market, and because this particular plan is so minimal in its nature as to raise these questions as to repayment at the end of the time.

The other thing I would like to call to the attention of the Senate is the debate which took place about bank stockholders.

I believe that this a very serious question—as to whether any stockholder or a bank would want to reveal whether that bank is in any trouble because of the holdings of New York City obligations. When a person buys bank stock, his principal interest is in keeping that bank open.

The stock of the Franklin National Bank, it might interest all to know—one was absolutely wiped out very recently.

Therefore, I think it is very proper to question whether this is information which in any really provident sense, even for the stockholder, should be disclosed. I do not say that it is or is not.

I do not think it ought to cast a reflection upon this legislation to make a decision of that character within this framework, especially as we do have figures which indicate the orders of magnitude which are involved by States.

Finally, Mr. President, I think that what needs to be taken into account in this debate, and it bears directly upon the question answered by Senator PROXMIRE, is that we are not doing this because we are bailing out banks or bailing out any other interest. We are doing it because full faith and credit is all that stands behind any obligation in this country of any municipality or State other than the United States. Nobody else can print money, only the United States. So that is the place of last resort. But everybody else, and that represents something in the area of at least a third to a half of the debt which is raised here every year, and all our States and all our municipalities live on it, depends on full faith and credit.

What does that mean? It means that an obligation contracted by the people will not be invalidated by default or will not be invalidated by repudiation. That is why there is a broad public policy which is involved here, too, in addition to the precedent, and I am very conscious of what the Senator from Virginia says, and I wish to assure him that I have the greatest respect for the questions and the debate and his most prying inquiry. The Senator will consult the record and will find that I was just as severe as any member of the Banking Committee, although I sat there by their invitation, as to what my city and my State had to do to qualify for any Federal aid at all.

I was not a bit satisfied with them when they said, very early in the game, well, they had done all they can. I thoroughly agree with that. Now I think we have the horse down to where he is taking so little food that he may very well die. I think he will still be breathing, but that is about all.

I do agree and I respect the inquiries, and I should like to assure the Senator from Virginia, as I am very much involved in the facts and figures, that I shall do my best to supply anything he may wish on this subject.

Mr. BROOKE. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I am happy to yield.

Mr. BROOKE. As I understand, we do have a breakdown by State, we have a breakdown by cities, so we know how much is held by New York City banks. We just do not know, as I understand it, what each individual bank in New York City holds.

Mr. PROXMIRE. We even have a good estimate on that. We have a prominent brokerage firm that breaks it down by the First National City Bank, Chase, Manufacturers Hanover, Morgan Guarantee, Chemical Bank, and so forth. We have that. But I think the Senator from Virginia, when I presented this to him a month or so ago, argued that what he wanted was a direct, authoritative statement from the bank itself or the Federal Reserve Board or some regulatory agency, so he would know.

Mr. HARRY F. BYRD, JR. The same as the able Senator from Wisconsin would require of the Department of Defense or any department, not an estimate from the newspapers, but a statement from the Department of Defense or HEW or any other department.

Mr. PROXMIRE. That is right, but the point the Senator from Massachusetts and the Senator from New York make very well is that we do know now what the dimensions of the problem are. I think the Senator from Virginia has performed a very helpful service in pointing out that the banks do have very substantial holdings, in some cases in excess of their total capital. They stand to be affected sharply by whatever we do here. In my view, they are, by far, not the most important element here at all. I think we have to consider the people of New York City, the people of America, and the employees of New York City, far, far ahead of the interests of the banks, which I think are relatively minor.

Mr. HARRY F. BYRD, JR. There again, it is just the Senator's assertion about one or more banks holding very high amounts of bonds.

That brings up, again, the question which, to my way of thinking, is very important, with people investing every day: Are the investors being treated fairly and properly in this regard?

Mr. PROXMIRE. Let me read this and see if there is anything else the Senator can have which would make much difference. Suppose the banks came in with a little different statement; would it matter? First National City Bank has 45 percent of its shareholder equity, in effect, in—I beg the Senator's pardon. These include REIT papers, which is something else. The amount is substantially less than the figure I had.

I stand corrected. There is no bank in New York, according to this estimate, which has more than half of its stockholders' equity involved in New York City or New York State obligations, combined.

Mr. HARRY F. BYRD, JR. The point I am suggesting is, is that not a fact that should be available to the investing public? The stocks are being traded every day on the New York Stock Exchange.

Mr. PROXMIRE. The Senator is right. As I say, we are holding hearings on it, making progress on it. I think we are going to have a decision on it one way or another so the Senate can decide in the next several months. We are working on it. The SEC is working on it. The House will have an opportunity to decide whether or not this kind of information must be disclosed. But I think it is a separate issue.

Mr. HARRY F. BYRD, JR. It is much more important to disclose that when the taxpayers are being asked to finance the matter than it is where the taxpayers are not involved.

Mr. CHILES. Will the Senator from Virginia yield for a question?

Mr. HARRY F. BYRD, JR. The chairman has the floor.

Mr. PROXMIRE. Mr. President, I yield the floor.

Mr. CHILES. Mr. President, I wish to ask the distinguished chairman, if he has a few minutes, to answer some questions that I have. I have several concerns. One, I note that the amount of money we are talking about now, while it is a direct loan, is considerably smaller than the amount that the Senate committee was working on. I am concerned with whether this is a situation which many of us have seen many times, in which the bank loans too small an amount of money to the fellow who is in trouble and, therefore, it does not take care of the problem. I am worried about that from a sort of twofold standpoint: One, is this too small an amount of money so it is not going to take care of the problem?

Judging by the Senate committee's figures, it looks as if it is considerably lower than that. Again, the problem is still going to be there.

I note from an article that was in the Washington Post this morning about a talk that was made in Florida to the League of Cities that an analyst has said that their needs are $4 billion in June, not the amount that we are talking about. Does that mean that, then, we are not going to take care of the problem?

Or, two, does it mean that this is a foot in the door and that, once we are there, we have no assurance that the money is going to be paid back in a timely fashion or that we are not going to have then to go in and do more, so we do not really have the picture?

What I would like to know is, has the Senator's committee analyzed this bill, the President's proposal, or the House bill that we are now dealing with? I know the committee has held all kinds of hearings on the question. Have they analyzed this bill and does the analysis show whether this will meet the need?

Mr. PROXMIRE. It is clear that the committee did not have an opportunity to analyze this bill as such. This proposal was proposed by the President, the Governor of New York, the mayor and other officials.

The reason that the $4 billion we provided is substantially more than the $2.3 billion that the President's direct loan would provide, the principal reason, is that the $2.3 billion recognizes that there would be a moratorium that would save some $1.6 billion that otherwise would become due in the next 2 years, in the first and second year.

That moratorium makes it unnecessary to provide for $4 billion.

Now, we had a lot of hearings, as the Senator has said. But we did not realize it was possible to get that kind of moratorium. Many people argue it is an effective de facto default. What it amounts to is that obligations coming due that would otherwise have to be paid or the city would be in bankruptcy would have to be deferred or paid at a later time. That was the principal reason why the $2.3 billion was considered to be adequate and why they are operating on a seasonable—able to operate on a seasonable—basis with the loan repaid in full each year.

Mr. CHILES. What kind of assurance do we have, based on analytical work, that there are going to be sufficient funds and they are going to be able to retire this annually, that it is going to give a sufficient cash flow?

Mr. PROXMIRE. Well, we do not have any absolute assurance by any means. We do have the judgment of the Secretary of the Treasury and other top White House officials who have gone into this in some detail and have worked it over very carefully with the Governor of New York and with the mayor of New York, and all these parties seem to feel this would be adequate.

There is a very real reason why the New York officials would have made it very clear if they felt this was inadequate. The President has made it evident he is going to make these loans on a month-by-month basis, and if there is any evidence that they are not making the kind of progress necessary to repay the loan in full, they will cut it off that month, and the loan has to be repaid in full at the end of each year.

We do not, however, have the kind of thorough analysis that the Senator from Florida would like to have or I would like to have.

Mr. CHILES. I note the the president of Standard & Poor said today:

> New York City would have to borrow an estimated $4 billion by June to meet its cash flow needs, well above the $2.3 billion annual limit President Ford set in his proposal. Brenton W. Harries, president of the large securities rating service, told the League of Cities' annual meeting here today that New York State and its agencies will also need to borrow $4 billion during the same period.

So we are now talking about New York City needing $4 billion and New York State needing $4 billion. Have we had a chance to review that? Is that a new statement or have we had a chance to review that?

Mr. PROXMIRE. Well, we have gone over statements of that kind, and we are convinced that that judgment is not correct. They would be able to——

Mr. CHILES. You do not think that Standard and Poor know what they are talking about?

Mr. PROXMIRE. I would not say that. I think Standard and Poor is a very fine, reliable service whose judgment has been excellent in the past. But in this particular case we just think they are wrong. Occasionally, even they make mistakes. In this particular case, we think it does not take into account the moratorium, the rollovers we have talked about, the extension of the debt which they, perhaps, at the time they made their estimate, did not fully appreciate.

I yield to the Senator from New York.

Mr. JAVITS addressed the Chair.

Mr. CHILES. I have the floor, Mr. President.

Mr. JAVITS. If the Senator will yield, Mr. President, I will try to give some facts.

Mr. CHILES. I would be delighted to yield.

Mr. JAVITS. It will be noted that the State of New York is making cash payments to New York City of $800 million, and that additional taxes have been raised to the extent of in excess of $200 million. These are in addition to $330 million in taxes previously raised.

Therefore, although we do not have a breakdown of the Standard and Poor figures, I have talked with the Governor of New York who is here in the Capital, and, as far as the estimate of $4 billion for New York City is concerned, it can be accounted for in this way: That is, the Federal $2.3 billion maximum, plus $800 million which the State has already engaged to pass on to the city and which is part of this package. I am sure the Senator knows, and all Senators should know, every part of the package leans on every other part, including this seasonable financing, it all has to hang together; and, therefore, the roughly $4 billion which were referred to there is made up of three items: Federal seasonal aid, the State's contribution, and the new taxation.

Now, as to the State's situation, the legislature of the State is meeting precisely for that purpose and has engaged in good faith to see that the State gap, which is a gap between its own income and outgo in this fiscal year—the figure, incidentally, being quite controversial between the Governor's estimate and the leaders of the State legislature's estimate. The leaders estimate is about $300 million and the Governor's estimate is about $700 million—but, nonetheless, the President, before he spoke, spoke to the legislative leaders in the State and he was satisfied there would be legislative action to close the gap for the State of New York.

The point that was very important was that he was not saying how they should close it, nor were we. That is something they will decide in a democratic way in the State legislature, but it will be closed.

I have every reason to understand that the President was satisfied. I believe it will be closed, and the Government does because our Constitution demands it, and because the legislative leaders also know it fits in with this total package which I have been describing.

So while I have not any idea as to what was the analysis of the officials of Standard and Poor—and they are not omnipotent either, as was shown by the fact that for a long time they carried New York City bonds at a very high rating. Probably they are excessively cautious now, and who can blame them and, therefore, they are giving us the very outside estimates possible. I have accounted in this brief statement to the Senator for how even those estimates can and will be met.

Mr. CHILES. The Senator is saying on the city's part it is Federal aid and State tax aid, and what was the third?

Mr. JAVITS. And the $800 million in cash loans which the State will make to the city. They have already engaged to do that. That is all settled and done in the law. That is $2.3 billion plus $800 million and $200 million in additional taxes to give you the order of magnitude I referred to.

Mr. HARRY F. BYRD, JR. addressed the Chair.

Mr. JAVITS. I am sorry, I say to the Senator, I thought these facts were necessary.

Mr. HARRY F. BYRD, JR. I just want to read one sentence from the Congressional Record of yesterday, December 2, page 38141, the statement made by the chairman of the House Banking Committee, Mr. Reuss who, I assume, was the floor leader for the legislation. This sentence says this:

> Today's substitute is merely a stop gap. With it, we can be sure that the problem will come back to haunt us, certainly in 2 years, but perhaps as soon as the middle of this winter.

That is a statement by Congressman Reuss who is chairman of the House Banking Committee.

To me that suggests this is just a foot-in-the-door piece of legislation which, if it is enacted, will be for the purpose of getting something on the books and then, after that is done, it will be discovered that, "Oh, no, this really won't take care of the situation. We will need x number more of billions of dollars."

I thank the Senator from Florida for yielding.

Mr. CHILES. I yield the floor, Mr. President.

Mr. BUCKLEY. Mr. President, I think it is terrribly important in connection with the discussion of this matter that we understand that the bill we are discussing now is different in both substance and degree from that which the Senate Banking Committee reported.

Neither the Senator from Massachusetts, as he indicated earlier, nor I could support or would support the Senate Banking Committee bill, and we would not do so for very substantial reasons.

The situation today is different, as the Senator from Wisconsin pointed out. The State and city have, in effect, through legislation and persuasion renegotiated the debt in a manner comparable to what would be done in a bankruptcy proceeding. In fact one of the measures that has been undertaken, a law declaring a moratorium on the payment of $2.6 billion in outstanding notes, is of questionable constitutionality, and could very well collapse the framework of what has been put together by the city and State. This, incidentally, argues the necessity, after we dispose of this matter, for Congress to address itself to amendments to the bankruptcy laws so that the city will have that option should that moratorium, in fact, be declared unconstitutional.

But what we have before us today is totally equivalent to the proposal the Senator from Massachusetts urged upon the committee and which was rejected. It is totally equivalent to legislation which I introduced a few weeks ago to address the post-default situation that the city might find itself in by providing for Federal accommodations in the form of loans or guarantees that would be seasonal and short term in nature, that would be extended on a self-liquidating basis.

The Senate Banking Committee bill was objectionable, it seems to me, on four grounds:

First, it would have imposed stringent conditions on the State of New York and the city of New York in a manner wholly incompatible with constitutional divisions of responsibility within our Federal system. It would also have established a committee of Federal officials to in effect run the city's affairs.

Second, the Banking Committee bill would have had the Federal Government assuming rather substantial risks, it seems to me, as guarantors of $4 billion of city obligations, especially if the Federal Government would not, in fact, have acquired a superior position vis-a-vis other creditors.

Third, the proposal of the Banking Committee constituted, to a very major degree, a rescue not of the city's 8 million citizens, but of the city's creditors.

Finally, by establishing a precedent that might develop into an automatic availability of Federal loan guarantees for long-term debt, we might have found ourselves relieving pressures across the country on city halls to manage their affairs in a fiscally prudent manner.

The bill before us now, unfortunately, is not generally available, but it is substantially identical with what the White House distributed a few days ago. This bill will not impose stringent obligations or conditions on the city or State, it will not establish a Federal czar to run the city's affairs, it does not represent a bail out of city creditors. Finally, it provides a Federal loan in a manner which is totally safe because it is secured by the payments that in the course of time flow from the Federal Government to the city.

I believe then we have a situation that has to be analyzed anew. I urge this on my colleagues who shared my views of the Senate Banking Committee bill. I hope that they will see in this something totally comparable to the kind of assistance that the Federal Government is in the habit of giving to victims of disasters. We have, let us face it, a political disaster and we have 8 million victims thereof.

So I believe this bill is defensible. It is a bill which is made necessary by virtue of the fact that the normal cyclical financing that would be available under normal conditions to a city—is not now available to New York because of the history with which we are all too familiar.

It seems to me that this is a reasonable accommodation for the Federal Government to extend. I, therefore, urge my colleagues—and, as I say, especially those who share my views as to the proper role of the Federal Government in our affairs—to study closely what is before them and to understand that what we are now examining involves a wholly new situation from the one that was before us earlier.

Mr. STEVENSON. Mr. President, I think the record should be made clear about the differences between this bill and the bill that was reported earlier from the Senate Banking Committee.

The fact of the matter is that there are very few differences between these two bills except that the House-passed administration bill contains very few of the protections of the Federal interest that the Senate Banking Committee bill did and which the Senator from New York seeks.

First of all, the Banking Committee bill did contain stringent conditions, preconditions, before any guarantees could be made available for the city of New York. Those conditions required a balanced budget, pension reform, a large contribution by the State of New York to the city, and a rollover of the city's debt and the MAC debt as it matured in order to place a fair burden on the sophisticated investors, the banks, among others, in the city.

The Senate Banking Committe bill did not set up a committee to run the city. The only significant difference between the two bills is that the bill before us reposes the authority to make loans in the Secretary of the Treasury as opposed to a committee of three which was provided for in the Senate Banking Committee bill. That bill made the Secretary of the Treasury the chairman of the committee. In the bill before us, he is the sole authority for the granting of loans as opposed to guarantees for the benefit of the city.

That is another difference, but it is a difference without distinction.

The Senate Banking Committee bill provided for guarantees as opposed to loans. The purpose was flexibility. In effect, it authorized loans because obligations of the city guaranteed by the Federal Government could have been purchased by the Federal financing bank and the effect would have been exactly the same except that the loans would have been from the Federal financing bank under the Senate Banking Committee bill instead of from the Treasury as the bill before us proposes.

The Senator from New York said that the Senate Banking Committee bill imposed substantial risks on the Federal Government. I have to take issue with the Senator.

The conditions that the bill established would, if anything, diminish the risk of the Federal Government. It, too, like this bill, gave Federal Government as a creditor of the city a preferred position. Its guarantees could not have been, by law under that bill, granted for the benefit of the city except with prior lien on all of the revenues of the city of New York.

In that respect, there is very little difference, except that the Senate Banking Committee bill did contain stringent conditions which, if anything, reduced the risks for the Federal Government.

Like the bill before us, it authorized the guarantee of only short term obligations.

It has been said that the Senate Banking Committee bill provided a rescue operation of creditors and not for the citizens of New York.

Again, I must beg to differ with the distinguished Senator, the junior Senator from New York.

The Senate Banking Committee bill, unlike the bill before us, made it clear the guarantees were for the benefit of the citizens, as opposed to the sophisticated large investors. It, among other things, required that 40 percent of all of the city's maturing obligations in the first fiscal year had to be rolled over, exchanged for long-term low-interest paper of the city.

The purpose was to put the burden on the large creditors as opposed to the citizens of New York. Only the banks and the large investors they could reach would be in a position to roll over their maturing obligations.

The poor widows, the orphans, the small investors, were those who could not be located, who could not be in a position to roll over their obligations. That was one assurance in the Senate Banking Committee bill not present in this bill which put the burden on the creditors, and, specifically, the large creditors of the city as opposed to the smaller creditors and the citizens.

It has been said also that the Senate Banking Committee bill provided automatic guarantees for long-term debt. That is not the case. The Senate Banking Committee bill authorized only guarantees of 1 year notes of the city. As I mentioned, those guarantees had to be secured by a senior lien on all revenues of the city.

Mr. President, there are no major differences between this bill and the bill reported by the Banking Committee, except the latter did contain some stringent conditions. This bill does not establish minimum conditions. I think it is reasonable to assume that the Secretary of the Treasury would establish conditions similar to those required as a matter of law in the Senate Banking Committee bill before loans could be made available for the benefit of the city.

The amount is different, and only history will determine which amount was right. The Senate Banking Committee bill established a maximum authority of $4 billion as opposed to $2.3 billion in this bill. Events have intervened, including the moratorium in New York, and also a larger pension fund investment in obligations of the city than we had anticipated.

Mr. BROOKE. Will the Senator yield?

Mr. STEVENSON. It is possible that $2.3 billion will be sufficient. It is also possible, though none of us can say with certainty, that it will not be sufficient. It may yet be proved that a larger amount, $4 billion, was necessary.

About all that can be said with assurance, with confidence, on that point is that the alternative to predefault assistance, whether it is $2.3 billion or $4 billion, namely default and the consequences for municipalities, State governments throughout the United States, for the bond markets, the stock markets, and the Federal Government, and ultimately the necessity of providing emergency assistance to the city in order to maintain the flow of essential services, would be far more expensive than the guarantees or the loans authorized by the bill that is now before us, or the bill that was earlier reported by the Senate Banking Committee.

I yield to the distinguished Senator from Massachusetts.

Mr. BROOKE. I thank my distinguished colleague. I am sorry I was not in the Chamber when the distinguished junior Senator from New York spoke as to the relative merits of the present bill versus the bill that was voted by the Senate Banking Committee.

Mr. President, I have said on many occasions, and I think I said earlier today, that the distinguished Senator from Illinois (Mr. STEVENSON) made a very great contribution to the discussions on the bill reported by the Senate Banking Committee. I, of course, voted against that one.

The problem that I found with the Senate Banking bill, which I do not find with the present bill, is that it anticipated participation by the city of New York, by the State of New York, by the private sector, by the banking community, and by the labor unions, but offered on assurances of such participation. It went on hope. That bill was founded on hope that these things would occur; that New York City would do this; that New York City would do this; that the banks would do this; that the labor unions would do this. I did not feel that we should go on hope. I thought we should have something much more concrete than hope. I believe we now have that something concrete in the bill that is presently before us, the bill that has been passed by the House of Representatives, and in the firm commitments made by public and private parties in New York. We are no longer dependent upon hope. We now have participation by the city of New York. We have participation by the State of New York. We have participation by the banking community and by the labor unions and the pension funds.

So it is no longer based on hope. We are now dealing with reality.

I believe that is the major difference between the bill that ultimately was passed by the Senate Banking Committee and the bill that we now are considering here in the Senate.

But be that as it may, I think that with regard to debating the merits of the two bills, we now are faced with the present legislation that has been passed by the House, and which I believe we all hope will be passed by the Senate and signed into law.

I do want to make it clear that I do not think we would have gotten this far had we not had the participation by the distinguished Senator from Illinois, with whom I have worked. We have had many dialogs back and forth to try to move the legislation in the direction in which we now find it has moved. I wanted to make that clear to the distinguished junior Senator from New York.

Mr. BUCKLEY. I thank my friend from Massachusetts.

Mr. STEVENSON. Mr. President, who has the floor?

The PRESIDING OFFICER (Mr. GLENN). The Senator from Illinois.

Mr. STEVENSON. I thank the Senator from Massachusetts. He has made a noble contribution to this lengthy and very difficult effort in the Banking Committee. I must say it was an effort that every member has approached with the greatest reluctance. It has not been a happy enterprise for any of us.

I think he is right in suggesting, as I believe he has, that the differences now are differences of circumstance, of history, of events which have taken place that simply had not occurred at the time the Banking Committee was considering the subject of assistance for the city of New York.

I also agree that it is not very profitable at this point to be debating the differences between the Senate Banking Committee bill and the bill that is before us.

We have a bill before us now which will be voted up or down. We do not have the Senate Banking Committee bill before us.

I do not want to see the RECORD distorted by misrepresentations, however unintentional, about what in fact the Senate Banking Committee did or required.

I do disagree with the Senator from Massachusetts when he said it was based upon hope. What it did, in fact, was to require certain conditions, including the balanced budget, pension reforms and a contribution by the State, before any guarantees could be made available. It was a tough bill and not intended by any means to be a parsimonious or harmful bill.

On the contrary, it recognized that to help New York we had to provide more than money. We had to provide pressure for both the city and the State under which the various parties could make their accommodations and get the city back on its feet. That required an accommodation, a more accommodating attitude by the banks as well as by the labor unions and the other parties. It required, as a matter of law, a rollover of maturing obligations. It put the burden on the institutional investors.

That can be called a hope. It can also be characterized as a conscientious effort to bring about the very conditions which are now being brought about. It recognized that those conditions might not be fulfilled, so it also provided, alternatively, for emergency, short-term, limited assistance after default. But the conditions themselves were more than warranted as the subsequent history, the subsequent events, have demonstrated.

They are in fact being met, and met by the city, the State, and the banks, right now. So if they were a hope, it was a very realistic hope; and, as I indicated earlier, the only real difference between these bills, except the amounts, is that conditions are not laid out explicitly in this bill, because they have, in fact, many of them, already been met.

Mr. President, I yield to the junior Senator from New York.

Mr. BUCKLEY. Mr. President, I would just like to suggest that there is an extraordinary difference between a bill that directs, in effect, a State to raise its taxes by almost half a billion dollars, that directs a city to renegotiate its pension arrangements, that directs all kinds of other things—and one which simply says that the Secretary of the Treasury is authorized to make loans repayable within a year to fund the seasonal requirements of a city.

I also suggest that the role envisaged for that troika consisting of the Secretary of the Treasury, the Chairman of the Federal Reserve, and the Secretary of Labor in overseeing the management of New York City is totally different from the authority given to the Secretary of the Treasury under the bill before us to negotiate the terms of short-term notes.

The Senator from Illinois stated that I had stated that the Senate banking bill would have provided automatic financing. If I stated it that way, I did not intend that, and I thank him for the correction. Rather, it would open the door, it seemed to me, for this kind of an approach, which would have had the effect of making it easier for city halls to do the politically convenient thing rather than the fiscally prudent thing.

I do not agree with the position of the Senator from Illinois that no purpose is served in pointing to differences between the two bills. I wish to point out the differences in the two bills for the reason that there are Members of this body who have announced their intention to filibuster the bill to death. I would like to try to persuade them that there are fundamental differences which would justify their taking a different position. That is the point I wanted to make.

Mr. STEVENSON. Mr. President, I have no desire to prolong this colloquy. I would suggest that we proceed to a vote.

Mr. JAVITS. Mr. President, we are ready to vote, too. If there is any indication that all of us are ready to vote, I will be glad to yield the floor.

The PRESIDING OFFICER. Does the Senator from Illinois yield the floor?

Mr. STEVENSON. I yield the floor.

Mr. JAVITS. Mr. President, there are a few questions that have been raised that I can answer. Before I do that, I would like to make one thing very clear. For those who are worried about the fact that $2.3 billion may not be enough, Mr. President, as I said a while ago, it just leaves us breathing, but it does leave us breathing, and I would not wish those who are our friends, and wish to see us continue to breathe, to sink us with some idea that they are going to help us.

I am convinced, Mr. President, that this is the last chance for New York to avoid a bankruptcy, and that unless this bill passes as the House passed it, we will be sunk with the vast repercussions for the city, the State, and the Nation.

So we are facing, Mr. President, not an optimum bill, but a reality as to whether we shall continue alive as a municipality at all.

I believe that is a critical point which all Members ought to recognize, and also, as to those who would filibuster the bill—and they certainly declared their intention unequivocally—that is their privilege, but I would hope that other Members would also have something in mind which would run something like this: that whether or not they are for this bill, they certainly should not deny the day in court which 8 million people request, and which they urgently need on the most elementary basis of equity and justice.

I believe that the test vote just taken on the motion to table indicates that the Senate feels that way. I am therefore very hopeful that we may have cloture on the first try.

And that, too, is important. Normally we kind of amble along here, and say, "Well, you know, people do not like to vote for cloture right away; we will try it a couple of times, and sooner or later it will come through." We do not have that kind of elbow room.

Finally, Mr. President, on the adequacy of this package, I have discussed it at great length with the Governor and the legislative leaders. We can just about get by. The parameter may be as low as $10 million, and we are talking about $2.3 billion, in a total operation which runs to well in excess of $6 billion.

I have been a practicing lawyer for many years, and have made many big deals just that way. That is what this is. I am very hopeful, therefore, that the key piece, which is the piece represented by this legislation, will be made to fit in. If it does not, then the whole situation could collapse right before our eyes, and that would be a great tragedy, after having gone as far as we have for the reasons that we have.

Mr. President, there is also talk of a bankruptcy title to this bill. That would be highly premature. We should have a bankruptcy bill, and I shall support one. We should have it very, very soon. But as long as we are on this road of an emergency situation for New York City—and it is a very real emergency; I think Senator BUCKLEY is entirely justified in calling it equivalent to a disaster loan or disaster assistance, which we have deeply embedded in Federal law and in American precedent—as long as we are on that road, we should not hastily adopt a bankruptcy statute, which not only involves all of the municipalities of the United States, with the billions of dollars that they have to raise every year in the public market, but also involves the issue of full faith and credit, which is the basis for the acquisition of these securities by millions of investors.

We should, therefore, be very thoughtful about what we write into a bankruptcy bill, even though we all agree that one is essential. I think we would all agree that if we tried to write a title into this bill, with these time urgencies, it would be a very premature and very hasty job, would hardly be well considered, and would be a disservice to what we are trying to accomplish.

Finally, Mr. President, on the general substantive merits of this bill, I have begun to appreciate and to find myself in agreement with the idea of making this a particularized bill to deal with New York City's disaster. We do not have a generic disaster bill for this kind of situation, as we have, for example, in respect to flood or tornadoes or other similar disasters.

It will be remembered that we need special legislation to assist those who lost some millions of chickens in some of our Southern States, and similarly we have had special bills for disaster relief purposes, when disaster has struck. This is in that tradition, rather than being any precedent as to what we will do about the aggregate urban problems of the United States—and we are going to have to do something, a good deal more than we have done by general revenue sharing; that is very obvious from everything that has already occurred, and from the perilous brink upon which many American cities now stand.

Again, whatever we should do in that regard should be thought through and architected very carefully, and not under the pressure of the tremendous emergency which our greatest city faces. Therefore, I have come to believe that this approach, rather than the generic approach, is the right one.

It does not form a precedent other than the precedent we have always had, which is that Congress will turn to a disaster or an emergency and deal with it on a basis uniquely tailored for its particular problem, and that is exactly what this bill is respecting New York City.

As to the facts and figures, which I promised that I would produce, as many As I could obtain, I point out that the major banks in New York City and the pension funds own $819 million in city notes, and as to these notes: already they have agreed to a 3-year moratium with respect to these particular notes.

They are going to exchange them, according to the latest arrangement which goes along with this bill, for 10-year 6-percent city securities. There will also be an exchange of $1.6 billion in the total moratorium on notes held by individual investors, estimated at 160,000—many concentrated in New York, but many throughout the country as well. It should be noted that the banks are being treated less well than the individual investors in that the banks will take 6-percent 10-year paper with a city as the obligated party, whereas the individual investor will take 8-percent paper with the State agency, to wit, the Municipal Assistance Corp., which has security in certain tax revenue of New York City, receiving that bond which is a superior bond in terms of its security.

Second, the existing notes which are subject to exchange, and these are generally 1-year paper, bear very much higher interest rates than the 6-percent paper that the bank is going to get. The notes, which are due on December 11, the most imminent date, of an aggregate of over $400 million, bear a 9.5-percent rate. Those due on January 12, 1976, bear a 9.4-percent rate; those due on February 13, 1976, 7.55-percent rate; and those due on March 12, 1976, at an 8.75-percent rate. In short, there will be a very material reduction in interest averaging on the exchange about one-third on this particular obligation.

Mr. President, that is about the situation except for one comment which I wish to make, and that is that the President, I am sure, realized—and the committee saw this for a long time, and so did Senator PROXMIRE—that the Federal Government would not let New York City go, that essential services had to be maintained. The President said this all the time, and the key fact to justify this bill is that even if New York paid no debt and no interest, paid no note, no debt, no interest, anything whatever of that kind, it still needs the roughly $2 billion which it simply will not have. Therefore, if we are bankrupt, the Federal Government—because we are all citizens of the United States, not only of New York City and New York State, but of the United States—simply cannot let New York run wild. It will have to step in and do all the things that we do now, and that will not only be a one-shot operation, but it could easily become perennial and could easily make a Federal city of New York.

So we are talking here about very elementary propositions. The State and the city of New York may require Federal officials to maintain security in New York. That has happened with Federal marshals in other places in the country. It might take Federal troops. I have no idea what can explode in a city of 8 million with this kind of a situation, the chaos which has been described to us by the most competent bankruptcy counsel which could and they say would ensue, considering the difficulty of getting the court to be able to move with equity and justice in so complicated and so tremendous a situation as this one.

I believe that is a very important factor to justify what we define as a disaster emergency in New York City now about to reach its crest and which will overwhelm us if we do not act in time.

Mr. President, while, as I say, it only leaves us breathing, it has to be done, and it will be up to the self-discipline of our people, which I think will not be found wanting at all, for their own civic patriotism, plus the efforts of the New York business community which will now have to stand in the place and stead of the municipality itself when it comes to renewing the city which every great city must do or it dies, in order to really save New York. But the United States by this measure, if it becomes law, will at least have given us the opportunity to apply the respirator to a patient instead of to a corpse.

I thank the Chair.

I ask unanious consent that Mr. Charles Warren and Mr. George Krumbharr may have leave of the floor during the debate on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I yield the floor.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the clerk will——

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. There will probably be amendments offered to the bill, but the distinguished Senator from New York has more or less let the cat out of the bag. There will be no opportunity given to any Member of the Senate to seek to shape this legislation along lines that will make the bill a more constructive bill. He has thus foreclosed the possibility of writing into the bill the improvements on the bill that have been pointed out by the distinguished Senator from Wisconsin and the distinguished Senator from Illinois, that are contained in the Senate bill in comparison with the House bill.

The distinguished Senator from Illinois (Mr. STEVENSON) pointed out in colloquy with the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) that the Senate bill had more safeguards for the average citizen than does the House bill; that the Senate put certain requirements in its bill that would require turning, I believe, 65 percent of the long-term debt and 40 percent of the short-term debt in to the MAC and receive long-term evidences of debt.

It is quite obvious that we are facing a steamroller procedure to ram this bill through Congress. I believe this bill will be unique in congressional history if it is allowed to become law. Why unique? The distinguished Senator from Massachusetts (Mr. BROOKE) has been quoted as saying that this bill presents the most important issue that has come before the Senate since the Gulf of Tonkin resolution.

Here is a bill that has never had consideration by a House committee. Let me hasten to say that the vehicle number—the House bill as a vehicle—was before the House committee, but this substitute was added on the floor, which changed completely the thrust of the bill. It changed the bill from a guarantee with some safeguards to a direct loan with practically no safeguards.

So the bill that is now before the Senate never has been to the House committee, it never has been to the Senate committee, and we are told that we are not going to be allowed to obtain adoption of any amendments to the bill. It was not allowed to be shaped on the floor of the House; it is not being allowed to be shaped on the floor of the Senate. It was not allowed to be shaped by the House committee; it was not allowed to be shaped by the Senate committee.

So a bill of this magnitude, which the distinguished Senator from Massachusetts (Mr. BROOKE) called the most important issue to come before the Senate since the Gulf of Tonkin resolution, will have no shaping, no improvement, at the hands of the Senate. It is a take-it-or-leave-it proposition.

Mr. President, I do not believe that I have seen a much more arrogant approach to this problem than the one we have presented here, and the legislative approach to this problem. The bill was intercepted at the desk, not allowed to go to a committee; and within 5 minutes after the bill came from the House, without a single Member, except possibly two or three of the promoters of the bill, having a copy——

Mr. HELMS. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. HELMS. Does the Senator have a copy of the bill now?

Mr. ALLEN. I was able to obtain one, not from the sponsors of the bill, but at the desk.

Mr. HELMS. The Senator is very fortunate.

Mr. ALLEN. They have not been circulating.

Mr. HELMS. Including the distinguished Senator from Alabama, three Senators in this body now have copies of the bill.

Mr. ALLEN. If the Senator does not have a copy of the bill, he is not going to be able to offer any amendments that have a chance of adoption.

Mr. HELMS. I think they have a good thing going there.

Mr. ALLEN. It seems so, but that remains to be seen.

This is an arrogant approach. The U.S. Senate is supposed to be the greatest deliberative body in the world. We are supposed to take legislation through debate and discussion, hammer that bill together, and come out with the best plan for the best interests of all the people of this Nation, but we are not being allowed to do that. These steamroller tactics certainly do not leave a very good impression in the Senate, I dare say.

The Senate is served up a bill and is told, "Here it is. Vote for it. You cannot change it. We are not going to allow any suggestion, no matter how good."

What about the Committee on Banking, Housing and Urban Affairs? The distinguished chairman, Mr. PROXMIRE, and the distinguished Senator from Illinois say on the floor of the Senate, "Our bill is better than the House bill." Yet, they make no attempt to amend the bill and apparently are working hand in hand with those who say, "No amendments must be permitted."

Mr. President, the Banking Committee of the Senate spent weeks conducting hearings on this bill, and the distinguished Senator from Massachusetts (Mr. BROOKE) has said those hearings are going to be of interest to historians in the future. I wonder why, because not one bit of the Senate bill is going to be allowed to be put into the bill that passes in the Senate. I wonder why that would be of interest to historians, when they will not stand up for the bill that was the result of weeks of hearings and that is of great interest to historians.

It was passing strange to the Senator from Alabama that many members of the Committee on Banking, Housing and Urban Affairs, including the chairman and, I believe, the Senator from Illinois (Mr. STEVENSON), voted against this bill going to their own committee. What is going on here? The members of the Banking Committee say, "Our bill is a better bill. The Senate bill is a better bill. We have had all these weeks of hearings. We have made history." Yet, they were not willing to receive that bill and use the results of their hearings in molding a better bill.

If their bill, S. 2615, was so good—it is before the Senate—why did not they vote to receive that bill and put these good provisions in the House bill? They would not have had to change the thrust of the bill. They could have kept it the way the House has it, a direct loan from the Treasury, rather than a guarantee, as they provide. They could have relented or receded at that point. They could have put in these provisions that protect the U.S. Government and the taxpayers of this country.

The House bill just provides for making the loan. It does not have the safeguards that are contained in the Senate bill.

Why, Mr. President, was the Committee on Banking unwilling to receive this bill, keep the thrust of the bill as provided by the House in order to be able to get the President to sign it—I assume that would be their intent—but throw the safeguards around this bill that are contained in the Senate bill? Here we have the Senate bill, 2615, that comes as a result of weeks of hearings, that provides safeguards not contained in the House bill. For what good purpose were the hearings held in the Senate and the Senate bill reported if those who produced the Senate bill are not willing to seek to put some of the better provisions of the Senate bill into the House bill?

Mr. PROXMIRE. Will the Senator yield?

Mr. ALLEN. Yes, I shall yield if the Senator will first answer my question: Why is he not willing now to offer amendments or to receive this bill in committee for the purpose of putting the constructive Senate provisions in the House bill without changing the thrust of the House bill?

Mr. PROXMIRE. That is exactly why I wanted the Senator to yield, so I could answer that.

In the first place, I think the Senator must realize that there are limitations in this bill that were not in the Senate bill. I liked the Senate bill, I supported it. It was a bill that Senator STEVENSON added a great deal to, and except for that, it was my bill. So I thought it was a good bill and that it had good safeguards in it.

I think there are some safeguards in this bill that go even beyond the safeguards we had in the Senate bill. No. 1, there is less money; that is a safeguard. Instead of $4 billion, there is $2.3 billion, maximum.

No. 2, it is a loan that has to be repaid in full at the end of each year. We did not have that in the Senate bill. That seems to me to be the strongest kind of safeguard. We have been assured by the administration that they will administer the bill by providing the money on a month-to-month basis. In the event that the city and the State do not run their operation so that the budget is moving toward balance and so that they can repay the loan in full at the end of the year, the Secretary of the Treasury will make no further loans. I think that that constitutes a genuine safeguard that any banker making a loan would regard as a very strong and useful provision.

It is true, there are other provisions that we had in the committee bill that are not in the pending bill, but I think that on balance, the pending bill will do the job.

Mr. ALLEN. The Senator, then, is willing to toss out the work of many weeks of his committee and the expert draftsmanship of this bill and say that the House bill, then, is preferable to the Senate bill and it does not require any amendment to put in the safeguards that the Senate had.

Mr. PROXMIRE. I should say, in addition to what I have already said, that we are working in a very practical kind of situation. This is really not a House bill; this is the administration's bill. This is a bill that the President of the United States, the Secretary of the Treasury, and his other economic experts say is the kind of bill they want. They drafted the language. The President made it clear that he would veto the Senate bill. There was no way that we could have passed the bill over his veto. Perhaps we could not have passed it at all without the President's support.

Now there is a bill we can pass, a bill that the President will sign, a bill that has strong safeguards. Some might interpret the pending bill as being stronger than the committee's bill. Others might argue the reverse. Regardless, the pending bill is a strong bill because there is less money in it and because the loan has to be repaid in full at the end of each year and because it is tied to seasonal requirements and not any other longer term need of the city.

Mr. ALLEN. Do I understand the distinguished Senator, then, to say that he will neither offer nor support any amendment to the bill that would insert into that bill some of the safeguards contained in the Senate bill?

Mr. PROXMIRE. There is no reason to make any kind of broad statement like that. Of course, there are amendments that I might support.

Mr. ALLEN. I am glad to hear that, because the distinguished Senator from New York said that this bill must not be amended. But I am glad that the chairman made that statement.

Mr. PROXMIRE. Let me say that I think the bill was amended on the floor of the House.

Mr. ALLEN. We are talking about Senate action now.

Mr. PROXMIRE. It had a good provision, providing for a GAO audit which we had in our bill. I hope that the bill is not amended, but I would never make the broad statement that I would oppose all amendments, regardless of their merit. I want to look at amendments.

I do want to state that if we do adopt amendments, we will jeopardize the bill, because it would have to go to conference——

Mr. ALLEN. Not necessarily.

Mr. PROXMIRE. It might have to go to conference, not necessarily; the Senator is right. It would then have to be acted on if we do go to conference with the House and Senate. It could be filibustered. We have a close, cruel deadline of December 11, which is only 8 days away. To meet that deadline, we have to make compromises we otherwise would not want to make.

I do not think the compromises are likely to be significant, because I think this is a pretty good bill. It is a bill that provides what I think are some very strong safeguards.

Mr. ALLEN. I am pleased that the Senator has not ruled out the possibility of amendments. I understood him to say, until he started qualifying it, that there are amendments that he would support.

Mr. PROXMIRE. There may be amendments. I have not seen any I would support, but there may be.

Mr. ALLEN. None have been offered as yet, so far as I know.

Mr. PROXMIRE. I have not seen any amendments.

Mr. ALLEN. I understand, but I have asked if the Senator is willing to take some safeguards—that is, putting into MAC 65 percent of the long-term debt and 40 percent of the short-term debt. That was cited by the distinguished Senator from Illinois as one of the improvements of the Senate bill over the House bill. Would the Senator look with favor on that amendment?

Mr. PROXMIRE. I am not sure; I should want to see the amendment drafted.

Mr. ALLEN. I am just using the language of the Senate bill, which I am sure the Senator is well familiar with.

Mr. PROXMIRE. What I would say, however, is that I think the bill that we are acting on gives sufficient discretion to the Secretary of the Treasury, with whom I disagree on many issues, but I think on this particular issue, he will run a very tight ship, a very disciplined operation, and he will insist that New York take whatever steps that are practical to be taken. He is a man of great experience in New York and New York financial circles. I think Secretary Simon will insist that if the Federal interest has to be protected and can practically be protected, it will be. I think he has sufficient discretion under this bill that he can do so.

Because of that factor, I think that writing in specific amendment language would not be necessary, and because of the jeopardy involved in the possibility of a conference and the possibility of further delay on the bill, I think it would probably be unwise.

Mr. ALLEN. I think I understand the Senator's position. I rather believe, then, that he is not going to look with a whole lot of favor on amendments, though I understand at the outset that there were amendments he could support. However, it is beginning to look like no amendments can be offered with any degree of optimism for their passage against the actions of this steamroller that has been set in motion.

Mr. President, my position in this matter is that this is an area of government activity, a brand new area, upon which the Federal Government should not embark. We know, Mr. President, that New York City has been mismanaged through the years, and it is not just the present administration. The thing that surprises me about Mayor Beame's even running for mayor was that he had been the controller, I believe, of the city. He knew where the bodies were buried, and he knew the true condition of the Senate. He knew that the books had been juggled. He knew that in their budgetary procedure, they had overstated income and understated outgo in order to balance their budget as they were required to do under the law, and, I believe, under the constitution of that State. This problem had its inception at least two or three administrations before.

So this bill would reward wasteful, improper, logrolling, political management of a great city's affairs.

I believe, Mr. President, in my opposition to this measure I am standing for the people of New York, I am standing for the taxpayers of New York.

The Wall Street Journal which, I assume, is the financial oracle or the oracle of the financial community, has long been advocating bankruptcy for the city as the proper and best course for the city to pursue. Why? Well, the Wall Street Journal said if it did not go in bankruptcy these cuts would never be made. If the bailout took place outside of bankruptcy the cuts necessary to continue the operation of New York City would not be made.

Mr. President, I do not have it before me, but several weeks ago Time magazine reported—and if I am mistaken in this recollection I hope I will be corrected—that Mr. Wriston, who is president of the National City Bank of New York, was recommending bankruptcy as the proper course for New York to pursue.

I do not believe it is going to be necessary for New York to go into bankruptcy. I believe they can handle this matter themselves without a Federal bailout. Why come to that conclusion? Well, the House bill, before it was completely doctored by the bill before us now, saw the problem as a $7 billion program. That is what they provided, guarantees of $7 billion; short-term guarantees, long-term guarantees; that was the problem.

The Banking Committee of the Senate, in its wisdom—and I say that in all sincerity, in its wisdom—saw the problem as a $4 billion problem.

Well, New York was willing to go along on a $7 billion solution as proposed by the House; they were willing to go along on a $4 billion solution as proposed by the Senate Banking Committee; they were willing to go along on the $2.3 billion solution that the President offered, cutting it down almost by $5 billion.

Mr. President, I say if the Senate of the United States says there will be no solution by way of a Federal bailout, New York City and New York State can accommodate that situation.

This bill is not needed, in the opinion of the junior Senator from Alabama. Why do I say that? Well, they have got the problem down, it would seem, to a $2.3 billion problem, reduced down from a $7 billion problem, and this problem or the solution to this problem boils down to temporary loans, I believe expiring June 30, 1978, but temporary loans for a year or less, and it would fall due at the end of the city's fiscal year following the date of the loan.

I might ask the distinguished Senator from Wisconsin if he could give me the city's fiscal year period.

Mr. PROXMIRE. The city's fiscal year?

Mr. ALLEN. Yes.

Mr. PROXMIRE. I understand the city's fiscal year is the same as the Federal fiscal year used to be, July 1 to June 30.

Mr. ALLEN. I see. In other words, any loan that would be made now would not be for a year but would be for until July 1 then; is that right?

Mr. PROXMIRE. That is my understanding.

Mr. ALLEN. Yes; that is very interesting.

So that would be a 7-month loan is what we are talking about on the first loan, as I read the bill.

Mr. PROXMIRE. The first loan, as I understand it, would be for a maximum at any time during the first year of $1.3 billion.

Mr. ALLEN. Yes; I understand. I am talking about——

Mr. PROXMIRE. The second would be $2.3 billion.

Mr. ALLEN. I am talking about the due date. It has to be the end of the fiscal year in which the loan has been made, is my recollection of reading the bill just a moment ago when I got a copy.

Mr. PROXMIRE. Yes; the loan will be repaid in April, May, and June; the money would be made available through March. That is when the big seasonal need occurs.

Mr. ALLEN. I understand. That corroborates what the Senator from Alabama said, that it would have to be paid by July 1, which means we are talking about a 7-month loan for $1.3 billion.

So, Mr. President, if New York City and New York State, by some constructive action and some legerdemain, have been able to reduce the problem as it exists between now and July 1 of next year to $1.3 billion, why, they have solved the problem without any aid of the Federal Government.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. ALLEN. Yes.

Mr. PROXMIRE. I have a table here which indicates the difference between the Senate bill and the President's bill that is before us and, frankly, the big difference, as we indicated briefly before, is the fact that New York did provide for a moratorium which saves them, in effect, $1.6 billion. That is most of the difference between the $4 billion and the $2.3 billion.

Now, that moratorium is a very risky proposition. It may or may not work out. It will undoubtedly be challenged in the courts. If the law is held invalid, New York will be in bankruptcy despite this bill. So it is taking a risk. We hope it is taking a measured risk because that moratorium has a precedent. There was a similar moratorium in the depression in the 1930's which was sustained by the Supreme Court. Nevertheless, there are many who feel there is a clear contradiction of the New York constitution, and that the Queens bank may be sustained. But this is the way. It was an extraordinary action, an action that many people felt was unwise and an action that did have only one precedent. It did not occur to the experts in New York until lately.

Mr. ALLEN. I am not talking about the validity of the moratorium. I have not advocated that. I have not said anything about that.

Mr. PROXMIRE. The moratorium is the way they are able to limit their need for Federal aid to only their seasonal financing needs.

Mr. ALLEN. The Senator is holding out the prospect they will be back in here for another $4 billion then if the moratorium——

Mr. PROXMIRE. No, what I am saying is if the moratorium is found to be invalid, then New York will be in bankruptcy.

Mr. ALLEN. I have not offered that solution. That is something the city has done, or somebody else has done. I have not offered the moratorium.

Mr. PROXMIRE. The moratorium is what the city was able to develop which enabled them to save the $1.6 billion, which was able to reduce the $4 billion that the Senate bill had, to approximately $2.3 billion.

Mr. ALLEN. The Senator then would feel that if the moratorium falls that bankruptcy would result rather than an application for more Federal money, is that right?

Mr. PROXMIRE. That is correct.

Mr. ALLEN. I see. That is interesting, to more or less nail down.

The Senator mentioned the New York constitution on the moratorium. I wonder if he has not also considered the U.S. Constitution which says that no State—and I assume that would also apply to a city in the State—no State can enact any law that would impair the obligation of a contract. So I do not know if they are acting wisely or not on the moratorium.

Mr. PROXMIRE. The Senator is right. I think that would certainly be a consideration. They will have to take that into consideration.

I say that they are looking to past precedents to establish the validity of the moratorium.

Mr. ALLEN. I am taking the figures that come to us to justify this bill. Those figures are $2.3 billion.

I assume, if that would not solve the problem, what is the use of having the bill up, what is the use of ramming it through if that will not solve the problem?

I was pointing out, if I might state again to the distinguished Senator, how this problem has faded away, actually, in that the House saw a $7 billion problem and offered a solution, the distinguished Senator's committee saw a $4 billion problem and offered a bill, the President saw and sees a $2.3 billion problem and offers a solution which has been accepted by the Democratic leadership in the Senate and in the House, the Republican leadership in the House, the city and State of New York. They have accepted this as being the solution. Senator JAVITS says that it allows us to breathe, it is going to solve the problem.

But I am just trying to analyze the problem that remains and to see whether this action in the nature of a Federal bailout is essential. If we have boiled it down to a short term loan of $1.3 billion to be repaid June 30 and then starting the new year up to $2.3 billion for the ensuing year, and then having seen that that is all the problem that they have got I suggest that the city and State of New York can solve the problem themselves.

I think that if they have gotten their affairs into such shape that they need only $1.3 billion of temporary financing until July 1, they have got a problem that can be handled locally.

I noticed in The New York Times just the other day, Mr. Paul O'Dwyer—I believe he is president of the council there—was quoted as saying, and this is in substance, that if this is all it is going to be, if this is all the Federal aid there is going to be, it hardly seems worthwhile.

I agree with him in that regard, that the problem now has evaporated down to, really, a problem of only $1.3 billion as between now and July 1. That is what this bill calls for.

If that is all the problem is, we have not got a $7 billion problem, we have not got a $4 billion problem, we have not got a $2.3 billion problem.

Mr. PROXMIRE. Will the Senator yield on that point?

Mr. ALLEN. Yes.

Mr. PROXMIRE. The Senator says that we do not have a $2.3 billion program, but everybody else disagrees with him. The President disagrees with him.

Mr. ALLEN. I said, "problem."

Mr. PROXMIRE. The committee disagrees with him, the House disagrees with him, all the expert witnesses we had from New York City and State would disagree.

It may well be, as I say, nobody knows, but the infinite possibility within the grasp of State and city, it is conceivable they may turn up some other kind of gimmick.

Mr. ALLEN. I think the Senator used the right word there, yes.

Mr. PROXMIRE. It does look very, very, very unlikely.

Mr. ALLEN. Does the Senator——

Mr. PROXMIRE. Very certain, in my view, the city would go bankrupt.

Mr. ALLEN. Let us see, let me pursue that a moment.

The Senator says that this is more of a problem than the Senator from Alabama——

Mr. PROXMIRE. $2.3 billion is not peanuts.

Mr. ALLEN. I understand that.

Mr. PROXMIRE. $2,300,000,000.

Mr. ALLEN. But is not the solution of the problem as proposed by the bill the furnishing of a loan, total amount of loan as between now and the first of July, of only $1.3 billion, is that correct?

Mr. PROXMIRE. That is right.

Mr. ALLEN. Let us whittle the problem down to $1.3 billion of temporary financing.

Mr. PROXMIRE. We cannot satisfy the Senator from Alabama. He certainly was not satisfied with the $7 billion that has been whittled down by the Banking Committee to $4 billion. This moratorium has it down to $2.3 billion and the Senator is still not satisfied.

They have cut the spending very sharply. They have taken a very big risk in the moratorium, which accounts for the last $1.6 billion reduction. They have taken that risk and now the Senator says that it is only $2.3 billion.

Mr. ALLEN. No, $1.3 billion.

Mr. PROXMIRE. Well, the first year.

Mr. ALLEN. That is right.

Mr. PROXMIRE. And the second year it is $2.3 billion.

Mr. ALLEN. Yes.

Mr. PROXMIRE. And $2.3 billion, as the Senator and I both recognize, is an enormous amount of money.

There is no way they can come up with that $1.3 billion this year and $2.3 billion next year in the view of the Governor, the Mayor, the President of the United States, the Senate Banking Committee, House Banking Committee, the House as a whole, the Secretary of the Treasury, and almost everybody else who has looked into the question.

May I ask the Senator from Alabama, because I think he is a man who is not only concerned with the business interest of all concerned, but with the people of New York City.

Mr. ALLEN. I certainly am and I believe——

Mr. PROXMIRE. He would agree with me, as the Senator from New York (Mr. JAVITS) said earlier, if New York goes bankrupt, then they will not be able to cover their essential services to the tune of well over a billion dollars. In that event, I think the Senator from Alabama would not want to have the Federal Government just let these American citizens who paid taxes and served their country in war, just see them in a disaster situation in which they did not have the kind of police and fire protection, education, sanitation, and the other essentials they had to have.

Would he not agree under those circumstances that the Federal Government should then provide at least enough to keep the city alive?

Mr. ALLEN. That is not the problem.

Mr. PROXMIRE. Of course it is the problem. It is the essential problem. That is what we are here for, otherwise this bill would not be before us.

Mr. ALLEN. What I am saying, if we whittle it down to $1.3 billion in a temporary loan, we could go the other step of the way.

The pension funds pledged a certain amount. They are quite affluent—the pension funds are. I should think if it is going to be paid back, and everybody says it is going to be paid back, that the Federal Government will not lose anything, what would there be to prevent the local banks and the pension funds advancing $1.3 billion?

Mr. PROXMIRE. The pension funds have given everything they possibly could already. They have gone farther than many experts would say they should go. After all, it is a pension fund. They hold this in trust for people who have paid into it.

They have it going to them. They have gone very far already in providing everything they possibly can to the city. They have gone far beyond what we thought they would go.

Mr. ALLEN. The bill says that the loan shall not be made by the Secretary of the Treasury unless he is reasonably certain that it is going to be repaid. I would assume he would use the same criteria of good business management in reaching that decision. If it is good enough for the taxpayers of the United States to make this loan—and that is what the Treasury is—why is it not good enough on a short-term basis, 7 months, for the banks and the pension funds to make the $1.3 billion loan, and let us have another look at it 6 months from now?

Mr. PROXMIRE. Because the pension funds have already made available to the city far more, as I say, than we thought they could make available.

Mr. ALLEN. I understand. But the problem has been whittled down now. Instead of this $7 billion plus, that the problem was originally, it has been whittled down between now and July 1 of next year to $1.3 billion.

Mr. PROXMIRE. The pension funds are selling other obligations that they have so that they can provide funds to the city and these commitments are conditioned upon Federal aid to meet the city's seasonal needs. They have no additional cash now. None. Zero. The Secretary of the Treasury, Secretary Simon, who has been a very vigorous critic of New York and of its practices, and who has insisted over and over again that the pension funds can assist them, that there are ways that they can solve this problem, agrees that they must have $1.3 billion. The Secretary of the Treasury affirms and supports this bill. He is for it. If Secretary Simon is for it, after his strong criticism of the city——

Mr. ALLEN. That means nothing to me: what his former criticism was.

Mr. PROXMIRE. It should mean something to the Senator from Alabama.

Mr. ALLEN. His position at one time was entirely different. A changeable position of that sort has no credibility with me.

Mr. PROXMIRE. His position has consistently been that New York should do as much for itself as it possibly can. New York State should then come in and do all that they can. They have done that. They have met the requirements of the Secretary of the Treasury, and they were very stringent requirements.

They have increased their taxes. They have cut their spending. They have dipped deeply into the pension funds. They have done these things. They are still short $1.3 billion. It is not $1.30, not $130 million. It is $1.3 billion. That is far more than the pension funds, additional taxes, or the most excruciating kind of cut in spending can provide.

Mr. ALLEN. I understand. But if the Secretary of the Treasury thinks it would be a loan that would be repaid, why could not the big city banks make this short term loan to the city?

Mr. PROXMIRE. The big city banks are already so heavily into New York obligations.

Mr. ALLEN. Would that not be pretty good insurance for the protection of their present billions of dollars in securities?

Mr. PROXMIRE. They could be sued by their depositors and by their stockholders. They have already gone very, very heavily, too far in some cases, into New York City obligations. As the Senator knows, any kind of a prudent bank has to diversify its investments. They cannot go all the way here. They are in a position where a large proportion of their equity is invested in New York City obligations and New York State obligations. In fact, they have gone as far as they have only on the assurance that the Federal Government will provide the city's seasonal needs. If this bill is defeated, all of these commitments from the banks and pension funds will collapse and the city's cash needs will be far greater.

Mr. ALLEN. The Senator will concede that a solution of the problem, as it is being presented to the Senate, is the lending by the taxpayers of the Nation through the Treasury of $1.3 billion as between now and July 1. That is all there is here. Is that correct?

Mr. PROXMIRE. That is correct, payable with full interest so that the cost to the Federal Government will be zero, and the Federal Government will make a profit on it. The Federal Government will charge 8 percent.

Mr. ALLEN. I understand. The Senator is talking about how much the Treasury is going to make on this thing. We are here to start a safe loan for the banks. That is rather puzzling to the Senator from Alabama.

Mr. PROXMIRE. It is a matter of not diversifying their obligations. Furthermore, the Treasury has this secured with payments which the bank could not provide, revenue sharing payments and other payments.

Mr. ALLEN. The Senator knows any such security of that sort is no security at all, talking about withholding revenue-sharing money from New York. There is no chance in the world for that to be done.

Mr. PROXMIRE. The Treasury has the money.

Mr. ALLEN. Wait a moment. I do not believe the Senator has read the bill that came from the House. It says that appropriation acts can contain this provision, but it is not in the House bill.

Mr. PROXMIRE. I am a member of the Appropriations Committee and I am confident that they will.

Mr. ALLEN. But getting it passed is something else. If the city is desperately in need of funds as the Senator says, can the Senator believe that the Senate or the House will pass a bill withholding funds? They want to give funds, not withhold funds. I do not believe the Senator would feel that the U.S. Congress would withhold money from a State desperately in need of money under acts already on the books calling for a division of certain revenue.

Mr. PROXMIRE. I want to say that it is my firm conviction that this is exactly what the Senate Appropriations Committee is going to do, what the Senate is going to do, and what the House will affirm. We will insist that the Federal Government be protected by withholding the revenue sharing funds due to New York State.

Furthermore, it will insist that New York State itself hold the Federal Government harmless. We are in a far stronger position than any bank that goes out and buys these obligations. We are in a position to protect ourselves and see that we do not suffer a loss.

Let me give an example of this. I remember when I opposed the Lockheed loan guarantee and led the fight against it. I said at the time if this was any kind of a safe risk, why would the banks not take it?

Well, I was wrong on that particular assertion because that has turned out to be a pretty good investment. The Federal Government has made money on it. We have not lost money. In the same way, I predict we will not lose money on this particular investment. We are going to make money on it.

Mr. ALLEN. I would certainly disagree with the Senator in feeling that the national administration, in order to collect this loan, would withhold moneys from a city that obviously needs the money or they would not default on the loan. I do not think there is any likelihood at all that that would ever come to pass. The Senator has a different view from the Senator from Alabama.

As a result of statements of the Senator from Wisconsin, this whole thing was just had with the distinguished Senator from Wisconsin, this whole thing has boiled down to a problem between now and the first of July of next year of needing a loan to come due, to mature, on July 1 of next year of $1.3 billion. I say that if the Secretary of the Treasury thinks that this loan will be repaid, that there is a reasonable chance of it being repaid, why could not the multibillion dollar banks in New York handle this temporary financing. It is temporary financing. It is not like buying a 25-year bond.

I notice the newspaper stating that the Senator from Wisconsin was going to try to hold down on the size of these banks. I wonder whether that is a good idea or not. They need to be pretty big to finance New York City, I say to the distinguished Senator.

Mr. PROXMIRE. May I say to the Senator from Alabama there is a difference between a loan made under these circumstances by the Federal Government and a loan made by a bank.

The Federal Government, with respect to New York City and New York State, is now in a position, under the law, to exact whatever conditions it wishes to exact. We can cut off the loan after a month. I call the attention of the Senator to page 3, lines 5 to 8 in the bill, which reads:

> In connection with any loan under this Act, the Secretary may require the city and any financing agent and, where he deems necessary, the State, to provide such security as he deems appropriate.

It gives great strength and authority to the Secretary of the Treasury to handle this in a way which will safeguard the Federal interest. We give him far more power than a bank would be likely to have in just buying the issues of the city of New York.

Mr. ALLEN. I will say to the Senator, if he envisions the Federal Government foreclosing, so to speak, on New York City, in order to collect this loan, if he sees that as a possibility, he has an opinion in this matter that is different from that of the Senator from Alabama.

Mr. PROXMIRE. What I do see, may I say to the Senator from Alabama, is the Secretary of the Treasury in a position to watch this matter very closely, to see that New York continues to hold down its spending and lay off its excess personnel, to see that they are following the practice of limiting their capital expenditures, and to see that they are moving in the path of fiscal soundness, so that they can repay the loan. They are on top of it, and in a much stronger position, it seems to me, than a financial institution would be.

Mr. ALLEN. How much of a deficit does New York have, anticipatorily, at this time?

Mr. PROXMIRE. For the present fiscal year?

Mr. ALLEN. Yes.

Mr. PROXMIRE. They will have a deficit of $141 million in this month, December; another $465 million in January—cumulatively, I should say. $775 million will be the cumulative deficit in February. The peak will be in March, when it will be $1.275 billion. Then it will decline, and by June it will be zero.

Mr. ALLEN. Does the Senator think they are getting enough, then? As the Senator from Florida said, does the Senator think $2.3 billion will be enough? The deficits run a lot more than the loan, do they not?

Mr. PROXMIRE. This is a cash flow deficit. As I say, the cumulative debt will reach a peak of $1.275 billion in March. That will be the maximum. So they will be close; the Senator is correct. They will have to manage it very carefully.

Mr. ALLEN. The Senator says March alone is over $1 billion.

Mr. PROXMIRE. March is $1.275 billion; very close to $1.3 billion. In April, it will be down to $700 million, in May down to $600 million, and in June it will be zero. In April and March they have revenues that will exceed their expenses.

Mr. ALLEN. What is that cumulative deficit?

Mr. PROXMIRE. The cumulative maximum deficit is $1.275 billion.

Mr. ALLEN. I thought that was in the single month of March.

Mr. PROXMIRE. No, that was cumulative. The single month of December it will be $141 million. The combined deficit for December, January, February, and March will be $1.275 billion.

Mr. ALLEN. I misunderstood. I thought that was the one month.

Mr. President, I yield the floor.

Mr. HELMS. Mr. President, I wish to associate myself with the observations of the distinguished Senator from Alabama. He, of course, is correct. Not only is it unwise for the taxpayers of North Carolina, Alabama, and the other States, to bail out the city of New York, it is totally unnecessary.

What is proposed here is not to bail out the people of New York City, but to bail out the creditors of New York City. I heard the distinguished Senator from New York (Mr. JAVITS), a little while ago, allude to Federal disaster aid to other sections of the country, suggesting that this proposed New York City bailout is merely an extension of that concept.

I agree that the administration of the city of New York, over a long period of time, has indeed been a disaster. That is the problem. As for Federal disaster aid as we know it, it is confined, as the saying goes, to acts of God—floods, droughts, and so on. The disaster of the city of New York is not an act of God; it is the act of imprudent political leadership, overly demanding pressure groups, and knee jerk politicians who have yielded to the expedient with eyes firmly focused on the next election.

As a matter of fact, Mr. President, the city of New York reminds me of the boy who murdered his mother and father. Then, when he went on trial, he pleaded for mercy on the grounds that he was an orphan.

This proposal to bailout the city of New York, Mr. President, is not simply another piece of legislation. It is not just another version of the Federal handouts that have come to pervade our society and, in the process, have led the U.S. Government itself down the road to bankruptcy.

That is something that is overlooked in this question. Here we have a Federal Government that anticipates being in debt more than $600 billion within the next year. The last time I checked, the Federal debt was about $550 billion. The deficit for the current fiiscal year is about $90 billion—and I am speaking of the Federal Government, the Government that is being asked to hand out the billions to bail out New York City—as we will, if this bill becomes law. If anybody believes the fairy tale that this is not going to cost the U.S. taxpayer anything, or indeed that the U.S. Government is going to make money on it, I want to sell him some stock in the Brooklyn Bridge. Of course, it is going to be yet another burden on the taxpayers of Wisconsin and North Carolina and all the other 48 States, because no matter how hard Bill Simon attempts to discipline those people in New York City, the political facts of life are that he will not be successful. So this proposal is indeed a radical proposition, constituting a wide departure from past practices—practices which themselves have been disastrous to the economic stability of this country. Are we now to compound past folly with the worst folly of all?

The proposed New York City bailout poses a very fundamental question, and it provides cause for every Member of the Senate to ponder the very nature of our Federal system of government, indeed of federalism itself. Through gross mismanagement, countless excesses, and devious accounting practices, the leadership of New York City—which knew better; which knew what it was doing all through the years— has of its own political volition placed itself in a fiscally untenable position.

We are told, Mr. President, that by law New York City must operate on a balanced budget. This has been the law and the constitution of that State and that city for a long, long time.

Yet New York City clearly has, and has had, an enormous budget deficit year after year. These deficits over an extended period of years have given rise to a tremendous debt—the debt the city now says they cannot pay unless Washington bails them out.

The city officials, with no apparent hesitation, have asked repeatedly that the hard-pressed taxpayers throughout the rest of the Nation provide the funds to meet these payments.

Mr. President, I sat as a member of the Committee on Banking, Housing and Urban Affairs and heard testimony of officials of the city of New York and State of New York, and I heard acknowledgements that not only had there been imprudence, but there had been corruption.

Is this the kind of disaster relief that the taxpayers of Virginia and other States should be forced to supply against their will? The Senator from North Carolina says no, and he thinks, with some assurance, that he speaks for the vast majority of the people of North Carolina.

The taxpayers of my State, and I believe the other States, are repeatedly asking why should they be taxed to bail out the city of New York.

In North Carolina, the State government and the municipal governments are required by law to operate on a balanced budget, and they do in fact operate on a legitimate balanced budget.

North Carolina taxpayers are experiencing the devastating effects of sustained inflation as are the taxpayers in all of the other States.

In North Carolina the economic recovery is progressing no more rapidly than elsewhere. In North Carolina, we have unemployment. Yet, in my State we have police protection, without policemen threatening to go on strike; we have fire protection, without firemen threatening to go on strike. In North Carolina, the garbage is collected and the essential needs of the poor and handicapped are provided for.

Mr. President, in North Carolina, we have a balanced State budget and we have balanced municipal budgets.

It is true that we do not provide free college education to thousands of students as does New York City. But there are numerous private scholarship programs and some governmental ones that meet the needs of a great many deserving and needy young people.

It is true, Mr. President, that policemen, firemen, and other municipal employees are not paid the kind of salaries that are paid in New York City. We do not pay our garbage truck driver the equivalent of $24,000 a year, when one figures in the fringe benefits. North Carolina is more prudent than that, or maybe we do not have the pressures on us from special interest groups.

But in North Carolina we have fine governmental servants from the State level on down, doing their jobs well and with dedication. They do not stand idly by while cities burn. They do not leave criminals free to work their will on honest hard-working citizens, and garbage is not allowed to accumulate in the streets.

In short, Mr. President, by many tangible or pecuniary standards North Carolinians have less than their counterparts in New York City. But through public concern, good citizenship, hard work, honesty, and fiscal responsibility, I happen to think that they have far more important blessings than the glitter associated with unbounded materialism. They have a system of government that works. They have public officials who manage their cities responsibily and with fiscal integrity. They have good reason to expect that the quality of life in North Carolina will be such that those who are willing to give of themselves and their talents will receive rewards sufficient to provide not only for their needs but for the education of their children so that the next generation may move forward in a productive manner on a solid foundation.

Mr. President, this quality of life has not been easily won. It is the product of many generations of citizens who believe in the dignity of hard work, citizens who believe that it is not so much the kind of work that a person does that is important, but that it be honest work and that he does it well.

There has never been an episode when garbage truck drivers in Raleigh, Greensboro, Charlotte, or any of our other cities, left their garbage trucks parked in the middle of the busy streets on Friday afternoon and went off in protest. No. The emphasis in North Carolina is on individual responsibility. My people strive to make themselves better citizens, better workers, and better parents. They try to pay their bills, and they wonder now why the leadership of New York City comes to Washington with hands outstretched to say "Bail us out, bail us out," at the expense of citizens all over this country.

True enough, Mr. President, the people of my State do not feel the need for vast expansive social programs to remold society in accordance with the concepts of some sociologists' planning board. They do not feel the need of Federal bureaucrats to tell them how to operate their schools, hospitals, and their housing programs. Wisely they realize that such supervision is too often both expensive and tyrannical. Yet they are forced to suffer the tyranny and bear the expense put on them by the representatives of a city that now comes and says, "We must be bailed out by the very people we have been voting to hamstring."

I mentioned housing. On October 28, the New York Times published a lengthy story which, in the judgment of the Senator from North Carolina, was fairly indicative of what has been wrong and what is wrong in New York City. The headline on the story was "Four Luxury Towers to House the Poor Opening in Harlem." As I recall—and I read it in the RECORD on October 28, the same day it was published—the New York Times story was written by Robert Tomasson. The first paragraph was as follows:

> A federally subsidized housing project for the poor is scheduled to open in East Harlem in about two months with luxury features never before included in low-income housing in the United States.

Mr. President, that sentence was an understatement if I ever heard one.

In any case, Mr. Thomasson went on to say:

> Depending on the point of view, the project is regarded as a monument to government compassion or an epitaph on bureaucratic folly.

That is the New York Times, published right there in fun city which now says "Come and bail us out."

Mr. Tomasson's story continued:

> The project is Taino Towers, four 35-story buildings, with a total of 656 apartments, on the block between 122nd and 123rd Streets and Second and Third Avenues.

Listen to this:

> The centrally air-conditioned towers will have an indoor swimming pool, a gymnasium, an auditorium, a theater, a greenhouse, roof laundry rooms and play areas and underground parking, with attendants 24 hours a day.
>
> There will also be 6-bedroom triplex apartments with 11-foot high ceilings and 20-foot long balconies.
>
> Tentative minimum rent for the 6-bedroom apartments is $113.28, including utilities, under Federal subsidy plans, for 40 years.

Good Lord, Mr. President, we have been bailing out those imprudent New York City politicians for too long already.

Then Mr. Tomasson's story went on to say:

> The average construction cost per apartment is $68,597, by far the largest ever in this country for low-income housing.

A $68,597 apartment renting for $113.28.

If the Presiding Officer (Mr. DURKIN) wants a real challenge, I invite him to go to North Carolina or go to New Hampshire and try to explain that to my people and his.

I think this illustrates why the American people are overwhelmingly opposed to this bailout.

Let me now address myself to a little parliamentary skirmish that occurred this morning just after the Senate convened.

A few weeks ago, despite requests from Senators that there be no unanimous-consent agreement in connection with New York bailout legislation, a unanimous-consent agreement was nonetheless achieved under rather interesting circumstances. I do not criticize any Senator who participated in it. But it gave the leadership, in perhaps the prejudiced judgment of the Senator from North Carolina, an unfair advantage, that advantage being the right to call up this measure at any time the leadership chose, without regard to what appears to have been a breach of an understanding.

This morning, the House bill, which was passed by a 10-vote margin last evening, was called up by the leadership. This occurred despite the fact that the Senate Committee on Banking, Housing and Urban Affairs held many days of hearings, consuming many, many hours of committee members' time, to produce a Senate bill which has been on the calendar. Before anyone could say a syllable, a cloture motion was filed on the House-passed bill, completely disregarding the Senate bill on the calendar.

That is what the Senator from Alabama meant when he was talking about the steamroller tactics that are occurring in the Senate. I bear no Senator ill will. I understand the name of the game here. I certainly want to abide by the rules; and when the rules work against the interests of the Senator from North Carolina, I accept the consequences cheerfully.

However, we are considering a bill that I am certain not more than five Senators have even seen, much less studied. It was less than 30 minutes ago that I was able to secure a copy of it. It had not been printed until just a little while ago. Nobody knows anything about this bill. Yet, the leadership—and I say this with the greatest affection—has already made it clear that no amendments to this bill will be accepted.

That is what is aptly called a steamroller. The proponents of this bailout can plead deadlines and all the rest, but anybody who knows anything about finance knows that New York City can handle this problem if it is required to do so. Distinguished bankers from all over this country have written or called me, saying that the Federal Government ought to stay out of this, that we should avoid the dangerous precedent. Some of these bankers, by the way, have New York City bonds in their portfolios. They will take a loss; they will profit from a bailout. Even so, they do not favor this New York City bailout. I am sure that many of New York City's creditors would like to be bailed out by the Federal Government. But that is the very point: This proposal will not bail out the people of New York; it will bail out New York City's creditors, and New York City's politicians. Senators will ignore that at their own peril, because I suspect that the people of America are going to be attentive to how each of us votes on this proposition, and there will be a day of reckoning. I confess that I hope this will be the case.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. HELMS. I am delighted to yield to the able Senator from Virginia.

Mr. HARRY F. BYRD, JR. The Senator from North Carolina has made a very important point. It is one that is not made by the news media. It is one that is not made by the proponents of either this legislation or the antecedents of this legislation.

The fact is that what Congress is preparing to do is to use the tax funds of the United States, of all the taxpayers, to insure the investments of a few people.

Mr. HELMS. The Senator is exactly right, and I thank him for his observation.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield further?

Mr. HELMS. I am delighted to yield to my friend from Virginia.

Mr. HARRY F. BYRD, JR. Debate has been going on now for 5 hours. I have again sought the text of the amendment, which could be put on the desk of each Senator, so that they would know what we are voting on, and I have just been informed that it is not available—after 5 hours of debate.

Mr. HELMS. Apparently I am one of five or six fortunate Senators. I finally obtained a copy of the bill, H.R. 10481.

Mr. HARRY F. BYRD, JR. It seems to me that it just dramatizes that an effort is being made to run this bill through, I suppose, because the less the public knows about it, the less opposition there will be. I do not know why. Certainly, it is rushing through at great speed.

Mr. HELMS. I sometimes feel that we should lay some railroad tracks down the middle aisle of this Chamber so that we can complete the job of railroading with some dramatic impact.

Mr. President, in North Carolina when a city finds itself in financial difficulties—and a few have, over the years—it is the responsibility of the city and its citizens, with the assistance of the State, to resolve the matter. This is a frank realization that municipalities are creatures of the State, not the Federal Government, and it is the responsibility of the State and the citizens of the State to rise to the occasion and provide the needed assistance. No one in North Carolina looks to Washington, D.C., for a bailout. Indeed, I daresay that such an idea never would occur to them.

If this bill is passed, and signed by the President, you can safely assume that the idea of running to Uncle Sam will become prevalent throughout this country. It already is in other matters, and this is no different in terms of attitude, except that it is even more self-defeating and dangerous.

Municipalities all over this country will say, "Well, they did it for New York, why not for Charlotte, N.C., or Raleigh, N.C., or Topeka, Kans., or Manchester, N.H., or Milwaukee, Wis., or Richmond, Va.?" The buck ought not to be passed so easily or so quickly by a Senate that professes, at long last, to be concerned about budgetary matters.

We have a Committee on the Budget. We have Senators going home, making speeches—and, I dare say, Mr. President, no Senator has never gone home and spoken to a Rotary Club or Raritan Club, or whatever, and said, "I am in favor of deficit spending, I am in favor of more bureaus." Oh, no. Senators go home and talk about fiscal responsibility.

I am amazed when I read papers from other States and observe that some of my friends and colleagues in this body have gone home and talked about a balanced budget. I compare what they say with how they vote when a proposal to cut Federal spending comes before the Senate.

These are things that my people in my State understand. Generous and charitable as North Carolinians are, they remain hopeful that their fellow citizens in New York City and New York State will accept the responsibility that is clearly the responsibility of the citizens of New York City and New York State; that New Yorkers will do the job that is before them and will not expect policemen in North Carolina, who earn $7,000 a year, to provide financial assistance to policemen in New York City earning $15,000 a year and, effectively, $20,000 or $22,000 when we ring in the fringe benefits.

The people of North Carolina cannot fathom that the citizens of New York really expect that parents in the State of North Carolina, who are working and saving and doing the best they can to pay their own children's way through college, should, nonetheless, be forced to provide the funds for free college educations in New York City.

Where is equity? Where indeed is equity, Mr. President? In a very simple and direct way, I suggest that any such proposal is manifestly unjust.

Additionally, Mr. President, the question—as I stated it as well as I could at the outset, is a fundamental one. It causes us, or it should cause us, to ponder the very nature of our federal system of government. If federalism means anything at all, it insures that certain areas of government and certain prerogatives—not to mention obvious responsibilities—are reserved to the States. This is sometimes called States' rights. But, Mr. President, with States' rights go States' responsibilities. The solution for New York City is to face that reality and do what North Carolina has done for so many years; that is, bite the bullet and balance the budget and start living within its means. They are still not doing it, despite any glowing reports to the contrary that we may hear in this Chamber during this debate.

The consequences of the city of New York's doing otherwise are painfully obvious, certainly to the Senator from North Carolina, in terms of what this will mean as a precedent.

Now, Mr. President, the distinguished Senator from Alabama raised the question a little while ago about the Senate bailout bill in connection with New York City. That is S. 2615. On November 4, 1975, it was reported by the distinguished Senator from Wisconsin, who is the able chairman of the Committee on Banking, Housing and Urban Affairs. This bill was produced, as I said earlier, after many days and countless hours of hearings and study by the members of the committee. The Senator from Wisconsin, in a colloquy with the distinguished Senator from Alabama, stated that in his judgment, with some minor exceptions, the Senate bill is superior to the House bill now before us, which was passed by a 10-vote margin last evening. If that be so, the Senator from North Carolina fervently hopes that the Senator from Wisconsin will reconsider and let us consider on this floor the Senate bill, which he has said is superior to the House bill. There should be, of course, an understanding that the distinguished Senator from Wisconsin and others will send forward amendments as may be necessary to improve the Senate bill along the lines that he discussed with the Senator from Alabama.

Mr. PROXMIRE. Will the Senator yield?

Mr. HELMS. I shall be delighted to yield, yes.

Mr. PROXMIRE. I think there are certain advantages in the bill that was reported out by the Senate Committee on Banking, but I think that the bill now before us, the House bill, has other advantages which I think we must recognize. It has the advantage of a smaller amount of money, $2.3 billion instead of $4 billion.

Mr. HELMS. With which I would agree. The Senator could amend the Senate bill along those lines.

Mr. PROXMIRE. It has the advantage of a loan which must be paid back at the end of each year. I think the Senator from North Carolina would agree with that. It is only a seasonal loan, therefore.

It is true that we might want to change that if we can, but I think we have to recognize that we operate under circumstances which require us to move promptly. As the Senator knows, December 11 is the deadline. That is 8 days away now, 8 short days away.

On that date they have to have about $140 million. If they do not have that, they go under. There is no other place they can get $140 million on December 11.

Mr. HELMS. Of course, the Senator from North Carolina disagrees with the Senator from Wisconsin about that.

Mr. PROXMIRE. If we modify this, it has to go back to the House. The House undoubtedly would ask for a conference. We have to have a conference under those circumstances. Then the conference bill would be brought out and the Senator from North Carolina and perhaps the Senator from Virginia and the Senator from Alabama would then want to discuss that at some length. I understand why they would want to do that.

In that event, I think the chances are overwhelming that New York would go bankrupt. The whole purpose of this legislation is to give New York a chance to avoid that.

Mr. HELMS. If the Senator will yield, New York is already bankrupt; they just do not want to face the facts. They want us to bail out New York City's creditors and New York City's politicians.

Mr. PROXMIRE. Well, there is a tremendous difference between the present state of the city of New York and the State of New York and what would be involved if they went bankrupt. If they are bankrupt, they cannot sell their obligations for 5, 10, or 20 years in many States. What does that mean? That means that they would have no access to the private capital market. Then where do they get their money? The only place they get their money is from the Federal Government. If the Senator from North Carolina wants to avoid a Federal involvement or minimize a Federal involvement, I plead with the Senator from North Carolina to support this bill. That is the way to do it.

That would be consistent with the Senator's philosophy.

He and I both oppose excessive spending. He and I both are against waste in government. I think the Senator has the judgment to recognize that the Secretary of the Treasury, Mr. Simon, also has taken that consistent position, and very effectively.

Mr. Simon feels very strongly that this legislation is the best we can get. He supports this legislation. Under those circumstances it would seem to me very logical that a conservative like the Senator from North Carolina or the Senator from Virginia, the Senator from Alabama or the Senator from Wisconsin could all agree that this is the way to minimize the Federal involvement, reduce the amount that the Federal Government might become obligated for. Certainly if New York City goes bankrupt, I think the Senator from North Carolina would agree—I have heard other Senators say this who would agree with the Senator from North Carolina on his instant position—under those circumstances we would have to provide substantial assistance to see that the city's life-support services are provided.

I can envision a situation in which you have 1 million New York City schoolchildren on the streets because you cannot keep the schools open.

Mr. HELMS. The Senator thinks worse of the citizens of New York than I do. I think they would bite the bullet and do what is necessary. If they will not, if they refuse to do that, may I say to the Senator—and I say this with the greatest affection for him and with the greatest respect—please do not try to tell me that the financiers in New York City cannot work this thing out if and when they see that there will be no bailout from Washington.

Mr. PROXMIRE. The Senator from North Carolina just overlooks the facts. What are the facts?

Mr. HELMS. Tell me what the facts are.

Mr. PROXMIRE. I will tell the Senator what the facts are.

Mr. HELMS. Good.

Mr. PROXMIRE. The facts are that since January 1 New York City has laid off 38,000 people. They laid them off, they are no longer on the payroll, they are no longer being paid.

Mr. HELMS. That is a non sequitur. I am talking about the ability of the financiers to handle this problem without a Federal bailout.

Mr. PROXMIRE. In the field of capital construction expenditures, except for those 60 percent completed, they have deferred them; they have frozen wages. They have done things—they have taken the hard, tough steps a city would have taken under bankruptcy; and to act as if the city had done nothing, going on in a great way spending money recklessly and hiring people, is just wrong, untrue, and unfair.

This city has made some very serious sacrifices, and I think the Senator from North Carolina has to acknowledge that. Those are the facts.

Does the Senator deny they have laid off 38,000 people?

Mr. HELMS. I do not know. I have not counted them. I doubt that my friend from Wisconsin has.

Mr. PROXMIRE. Does the Senator deny they have frozen wages?

Mr. HELMS. Where does the Senator get the information? From the same folks who prepared the deceptive New York City financial reports?

Mr. PROXMIRE. I got this——

Mr. HELMS. From the same comptroller who covered up the New York City imprudence for so long?

Mr. PROXMIRE. I got this information from the State of New York, and the State of New York has a record in this case of absolute honesty. They have established an emergency financial control board——

Mr. HELMS. Where did the State of New York get it?

Mr. PROXMIRE (continuing). Including some of the top businesmen in the country. The Senator is talking about——

Mr. HELMS. Where did they get this information? From the city of New York?

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I would be happy to yield in just a minute. If the Senator from North Carolina can get the information that they have not laid off the people they say they have laid off I would be most impressed, and I challenge the Senator to get any information contradicting that.

The Senator from North Carolina has the floor, but if he would yield to the Senator from New York he can respond.

Mr. JAVITS. Just for a point of information.

Mr. HELMS. I want to yield to the Senator from Virginia, if the Senator from New York will forgive me.

I have produced no figures. The Senator from Wisconsin is the one who has said with such certainty all of these wonderful things that have been done. I just want to know the original source of his statistics.

In testimony before our committee the Senator will remember the discrepancies. I forget the comptroller's name, I questioned him at some length.

Mr. PROXMIRE. Goldin.

Mr. HELMS. Yes. I questioned him about the practices of recordkeeping and other aspects. I do not know what to believe, may I say to the Senator. I do know the Senator from Wisconsin would not abuse facts in any way. I am not so sure about some of the New York City politicians.

Mr. PROXMIRE. Let me say to the Senator I have gotten this information not only from the officials in New York but the New York Times. The New York Times may be lying about this, but I doubt it. They have documented it. They have shown where these cuts have been. They cut 18 percent of their classroom teachers; they cut 30 percent of their teacher's aids; 60 percent of their paraprofessionals. They have laid off 17 percent of their narcotics agency; have laid off 53 percent of the organized crime unit. They have sharply reduced their firefighters and their sanitation workers. As a matter of fact, they have made cuts, as I say, now that exceed 12 percent.

Furthermore, the comparison by the Congressional Budget Office shows that as of right now of 11 major cities, of the biggest cities in our country, some six cities have more employees per capita in comparable functions; six cities have more than New York has. Furthermore, by the time New York has laid off their 70,000, New York will have fewer employees per capita than any major city in the country. Now, these are figures, as I say, that come from the Congressional Budget Office. It does not——

Mr. HELMS. Where did they get it?

Mr. PROXMIRE. It does not come from the mayor of New York.

Mr. HELMS. Where did they get the figures, may I again ask the Senator?

Mr. PROXMIRE. What is that?

Mr. HELMS. Where did the Congressional Budget Office get its figures? From the city of New York?

Mr. PROXMIRE. If the Senator is saying this is a fantastic web of lies the city has been able to weave that has deceived the President of the United States, the Secretary of the Treasury, the people in the House——

Mr. HELMS. No.

Mr. PROXMIRE (continuing). People in the House, Republicans and Democrats, I would be astonished.

Mr. HELMS. I wish the Senator, my good and able friend, would restrain himself from putting words into the mouth of the Senator from North Carolina.

Mr. PROXMIRE. That is the implication.

Mr. HELMS. That is the Senator's interpretation. He brought up the figures, not I.

Mr. PROXMIRE. I have given the Senator sources. I have given him the State, the city, and the New York Times.

Mr. HELMS. But the Senator has not said where they came from originally. Who kept the figures? Who is keeping them now—the State of New York? But, as I say, that is academic. I did not bring up the figures, and I really do not know what that has got to do with my original statement that the financiers, the bankers and other lenders, the people with money in New York City, you had better believe they can work this thing out if they ever discover that taxpayers all over the country are not going to be forced to bail them out.

Mr. PROXMIRE. It has everything to do with the Senator's statement, because the Senator's argument has been consistently that New York City just has not done very much or has done nothing. My argument is they have done a very great deal. They are moving toward a balanced budget, made great sacrifices, have done everything, it seems to me, you would expect them to do, and everything that any kind of a judge, a referee in bankruptcy, would require them to do, and they have done it and are doing it.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I do not have the floor.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me to ask the Senator from Wisconsin a question?

Mr. HELMS. Yes.

Mr. ROBERT C. BYRD. As the Senator from Wisconsin knows, I intend to support this measure and do everything I can to expedite action on it. But I do have concern, some concern, with respect to what assurance do we have, does the Senator have, and the American taxpayers have, including those in New York, that the economies that have been effectuated thus far by New York City and the State of New York will continue. What assurances does he have that those whose employment has been terminated will not be reemployed; that the pension funds will be renegotiated, labor contracts renegotiated; what assurance do we all have that the corrective actions that have been taken thus far will continue to be taken—and even in larger measure they will have to be because the crisis will not end with the enactment of this legislation—what assurance do we have or what is there in this measure that will provide assurance that New York City and New York State, particularly New York City, will not go back to its old ways once this legislation has been enacted?

Mr. PROXMIRE. We have several kinds of assurance. We had one indication, a very good, strong, wholesome indication, just yesterday. Several agencies requested that they be allowed to restore some of the employees they had and use the $200 million in tax increases to reemploy them. They were denied that.

I think much more reassuring, however, is the fact that we are now proposing that the Federal Government provide only the seasonal financing needs of the city on a month-by-month basis. That loan must be paid back in full this coming June. It must be paid back again the following June, so it is a loan that is made on a yearly basis, with every month the advances made, and the Secretary of the Treasury, having indicated that he will only continue to make these loans in the event he sees that New York is moving on the same basis of reducing its expenditures, maintaining its taxes and balancing its budget.

It is true we have not been able to get legislation that would write this in, in any very detailed way. I think the best reliance probably is the character and the performance and the record of the Secretary of the Treasury, a very controversial man. I disagree with him on many things, but certainly there is one consistent element in Secretary Simon's background, and that is he is insistent that under the circumstances New York live within its budget, that they move toward a balanced budget. He has made it very clear he will cut them off if they do not.

Mr. ROBERT C. BYRD. Well, that is all very true and good. But we have no assurance that Secretary Simon will be Secretary of the Treasury a year from now or a year later, especially in view of the changes that have been going on in the administration where only three of the original secretaries are still in their unmusical chairs. So what better assurance is there than this that New York will not revert to its old way—New York City, and I do not intend to say this in a pejorative sense, but we do have to ask the question, I think. We would not be legislating today if it had not been for mismanagement and the sleight-of-hand bookkeeping at least that I have understood took place. What is the assurance beyond the person of Secretary Simon and the fact that the loan will not be made repeatedly over a 3-year period unless and until the debt is paid at the end of the fiscal year?

Suppose at the end of the 3-year period Secretary Simon is teaching in some university and somebody else is Secretary and New York has reverted to its old ways, and we are going to be confronted again with the same crisis on the part of this largest city or an even greater crisis?

Mr. PROXMIRE. The Senator asks the question——

Mr. ROBERT C. BYRD. What is in this legislation that will provide the guarantee or the protection that we all seek?

Mr. PROXMIRE. Before I indicate what is in the legislation, let me say that there is the record. We have the Financial Emergency Control Board. Of this board, five members are appointed by the State. Three of these members are hard-headed, tough-fisted businessmen. That board has a record. They have a record. It is not a matter of speeches, or pledges, or promises. It is a matter of what they have done. They have a record of having reduced spending.

It can be challenged whether they have done it or not, but all evidence is that they have gone to the police department, fire department, museums, and libraries. They are closed down. They are not providing the services. People have been laid off.

There is no question, they have a good successful record of having done that, and these people will continue to be in charge.

In addition to that, regardless of who is Secretary of the Treasury, this bill does require, it mandates that the loan be repaid at the end of each year.

We have had legislation in this body providing soft loans, grants to countries all over the world. We provided all kinds of easy, soft legislation. This requires that the loan be repaid with full interest to the Federal Government at the end of each year. It seems to me that it is as strong a bill as I have seen, and I am chairman of the committee that deals with credit legislation, as I have seen that has come before us.

This is imposed not on some foreign country, it is imposed on American citizens who pay approximately five times as much in taxes as they get in benefits.

I think, under the circumstances, it is a workable, tough bill.

I have talked with conservative members of the committee who have told me they are going to support this bill now, although they opposed the bill that the committee reported, because this is such a tough, hard bill.

This is a bill, as I say, that is only for seasonal purposes. It has to be repaid monthly.

I think the Senator is perfectly right, we should not rely on the personality or record of this Secretary of the Treasury. Whoever is Secretary will have to act under the law to collect that money at the end of each year.

Mr. JAVITS. Will the Senator yield?

Mr. HELMS. I apologize for delaying the Senator. He has been waiting patiently.

As a matter of fact, Mr. President, I yield the floor to the Senator.

Mr. JAVITS. I thank my colleague.

May I be recognized, Mr. President?

The PRESIDING OFFICER (Mr. CURTIS). The Senator from New York.

Mr. JAVITS. I think the question by

Senator BYRD is entirely proper and well taken. Senator PROXMIRE has answered it and I thoroughly subscribe to his answer as to the Federal legislation.

Now I would like to move to the city and State because that, too, is important.

Here are the built-in guarantees. The State is on the hip, as the saying goes, for a minimum of $800 million, and the State is in very grave danger itself. It will pull out. Its resources are much broader, its liabilities are much less pressing, in the same sense, as New York City.

I think it still has some credit, and this will enable it to have a shred of credit, anyhow. But it is on the $800 million in actual outgrowth.

First, the State board is an excellent one. It has some very good people, Felix Rohatgn has done a great job. The Governor himself has come out of this with tremendous luster, and men like William Ellinghaus, who is president of the New York Telephone Co. and other distinguished men, honorbound to look after the State, let alone the city, because if the city defaults again the State is the one that will be the biggest loser.

Second, the banks, which are now on for 10 years, do not have any short-term base anymore.

Third, the city of New York. Look at what they have put up, $2.5 billion out of their union funds, and they have taken a freeze in pay and a reduction in take-home pay because of the fact that they are now contributing to the pension funds, which was a mandatory requirement.

Then the State legislature will be very vigilant here. It does not want to pick up another section for New York.

But last and very important is the business community of the city itself.

Take a look around New York, with $100 billion worth of real estate. That business community is the highest taxed in the country and they are very deeply invested in New York. It is very hard for them to get out and we will make herculean efforts to keep them there.

I have talked about Government employees and the pension funds. Now, we have 1 million private employees not connected with Government who are represented by the Central Trades and Labor Council, the head man of which is named Harry Van Arsdale. They have lost half a million jobs. That whole aggregation in the last 6 years. They are going to be bulldogs on seeing New York does not slip back.

Finally, in order to balance the budget, New York is going to have to reduce its establishment enormously and we cannot expand an establishment even if we wanted to, having accepted all the restrictions and commitments and being locked in as we are by the State, by workers, by the Federal Government. It just cannot be done.

This could prove to be a blessing to my city. It may very well now be finally on a road that will cause it to have a great renaissance. It was running down before this, as anyone knows who just has to go to see many neighborhoods in New York City itself.

This may give it, now that it is breathing—I think that is the only way to put it—a chance in which the business community, the working community of New York, can make good.

If we can do it, I would like to say to my colleague, this is a very good investment for the United States. We are one of the most productive entities for the production of Federal taxes of anything this country has and one could not replace us. If we go down the drain, you will not replace us. If we become a drawdown instead of a pay-in, we will not be replaced for a quarter of a century.

Mr. ROBERT C. BYRD. Will the Senator yield for a question?

Mr. JAVITS. Of course.

Mr. ROBERT C. BYRD. I agree with the Senator that it may be a blessing in disguise for New York City. It may also be a blessing in disguise for many of the other cities in this country, because they, having seen what is happening in New York City and in New York State, those other cities and other States, may very well be inclined to take a leaf out of the book of history that they are witnessing.

Is the Senator convinced that this legislation, if enacted, will be all that will be necessary insofar as Federal legislation is concerned to see New York City over the 3-year hump?

I read in various newspapers that the taxes that are being enacted by the New York legislature are going to create an additional flight of the more wealthy taxpayers out of the city, thus eroding the tax base, and I am concerned that as a result of the very difficult steps that have been taken by the New York legislature, commendable as they appear to have been, that there may be an even greater problem building for the future if the tax base is being eroded in New York City.

I am also concerned that the State of New York may be approaching a similar crisis. I have just heard the distinguished Senator from New York point to that and say that the resources of New York State being so much broader, of course, than the resources of New York City, he feels that New York State will be able to handle this problem.

But is the Senator convinced that New York City will not be back before the 3 years are up, that New York State itself will not be coming in before the 3 years are up, asking for additional legislation? I say again, the Senator knows I am going to support this legislation and do everything I can to see it become law. I do not want to vote for it, but I think that in the best interest of the capital markets of this country and the other communities of the country, the taxpayers as a whole, the gross national product, the economic recovery, in order to avoid an abortion of the economic recovery, and in the interest of employment in other cities, in the interest of the capital markets of other countries, I am going to support this legislation.

What can the Senator say in response to this question? I know he is much closer to the situation than I am and can offer some assurance, if such can be offered.

Mr. JAVITS. It is my considered judgment, and I say this very advisedly because I realize the Senator is asking me for a personal assessment upon which Members will feel they have a right to act—and I believe the Senator knows I consider that one of the most solemn obligations of my life—that during the period of exposure by the United States, which is 3 years, we will meet the test which the Senator has prescribed.

My reason for that is an assumption, and otherwise this legislation is not going to do anything. It is not going to be put into effect. This whole package hangs together, which is why we have given the power to the Secretary of the Treasury to lend money year by year.

Second, I believe we are pretty well down to hard pan right now on people running away. Whether it is civic patriotism or danger of a depreciating asset as against an acceleration of that, not on but off that asset, the essential business base of New York will probably stay as it is, or perhaps it will slightly improve.

It is a big mixture of self-interest, of civic patriotism, you do not desert a ship that is in trouble, and so on.

I believe also there is an aroused citizenry in New York. I think it would be very interesting if any of my colleagues would have the time to come up to New York, even just for a weekend, and look around the town. In the first place, this is topic A on every street, in every taxi, on every street corner.

People stop me literally by the hundreds, and I can almost says thousands, and say, "Senator JAVITS, are you going to save us?"

I have never had that happen to me before, no matter what has happened in our city. They do not mean me personally. All Senators know that. They mean, "Is the United States going to give us a hand? We are in big, big terrible trouble."

For all of those reasons, I say very solemnly I believe that so long as the United States is exposed to this credit we will hang together, and the credit is good. The great deterioration which could set in will not set in.

Beyond that, I might say to my colleague, we are deeply at the hazard of the New York business community. It is capable by staying there, even undertaking a pledge to stay, which I will seek, together with the Governor, the mayor, Senator BUCKLEY, and others who are properly involved, the congressional delegation, and so on. It is a very desirable thing to do. But beyond the 3-year time in which our plans are pretty well established once we pass this legislation, it will depend on New York's business community.

David Rockefeller talked some years ago about $10 billion as a good investment by the American business community in the American cities. One could almost say it will take $10 billion for New York. It probably will not. Capital will be generated as the degree of confidence begins to be expressed in the city. But the business community can bring about tightening in every direction—in welfare, which is a terrible stone around our necks and yet there is no other way right now until the United States takes some other attitude, as the State is also strained. Most States take care of their municipalities for welfare. New York State only splits it with New York cities. It really is in no position to do any more right now.

If there is business confidence, business investment, a determination to stay where they are, then I think the city can have a very material comeback. I think New Yorkers are going to get very tough on crime. They are going to get very tough on a lot of things. Really, New York's trouble, if I may say to my colleagues as members of the family, is more that its heart was bigger than its purse than anything else. There was just no understanding that New York could not do anything that generosity and humanity required. When we add to that the waste of politics, it simply was unbearable and could not be carried.

Mr. PROXMIRE. Will the Senator yield briefly?

Mr. JAVITS. I yield.

Mr. PROXMIRE. I think the Senator from West Virginia has asked an excellent question, one that bothers many people in my State. I might say in addition to everything that has been said so far, we have to recognize the nature of this particular seasonal loan. Here is a loan in which we know that the loan will have to be made in December, in January, in February, in March. We know that is the peak of it. We know it will go down. We know the schedule on which it will go down. We can watch it very carefully.

We have written into the legislation something I neglected to point out to the Senator from West Virginia. On page 6, beginning on line 5, there is the requirement that the General Accounting Office shall be authorized to make such audits as may be deemed appropriate to make sure that this is proceeding on schedule and proceeding in the way that we intend.

As chairman of the Banking Committee that has oversight jurisdiction, I intend to do my best to see that the audit is made, that that information is made available to the Senate, and that we watch this very carefully.

I cannot conceive of a Secretary of the Treasury who is not able to stay on top of this. Indeed, if he does not, this audit will assure that we can stay on top of it, make sure that these repayments are being made in fact to the Federal Government, that they do pay completely by June, and they make their other repayments on schedule.

Mr. JAVITS. I thank the Senator.

Mr. ROBERT C. BYRD. Will the Senator allow me to ask one further question of either the Senator——

Mr. JAVITS. I would like to keep the floor to yield to Senator SCOTT. I yield first to the Senator from Virginia.

Mr. ROBERT C. BYRD. Will the Senator from Virginia allow me to ask one question?

Mr. WILLIAM L. SCOTT. I yield.

Mr. ROBERT C. BYRD. What about the free tuition system being followed by the City College of New York? This is one of the bones that seems to stick in the craw of a good many. I hear from my own constituents about it, those who cannot afford to provide tuition. We have our admissions system in West Virginia. What will be done in this regard?

Mr. PROXMIRE. May I say to the Senator this is something that annoys the people of Wisconsin, too. We had to abandon free tuition in Wisconsin some years ago. Everybody who goes to the University of Wisconsin has to pay a substantial tuition. I think we have to recognize, however, that those who attend the City College of New York do make a payment. It is not as big as the tuition payments made to State universities around the country, but it is a payment of a kind.

No. 2, the City College of New York has reduced its budget by some $30 million, I believe, which would be the equivalent of a substantial tuition for their students. Further cuts will have to be made in the years ahead.

Nevertheless, in all respect for the city of New York, for the State of New York, and for a very powerful case that can be made for open admission and for free tuition, I think that policy is probably going to have to be abandoned.

In the position taken by the President of the United States and the Secretary of the Treasury, this is the kind of detail that they say must be determined by the elected officials of the city of New York and not imposed on them by legislation or by the executive branch.

I would hope that they would abandon that. I know they treasure it, but I would hope that they would abandon it because, frankly, this is something that does give us a lot of trouble in this situation.

Mr. JAVITS. Mr. President, may I make this observation on that subject: I do not wish to foreclose what will be done, but if my colleagues would remember there are 250,000 students in the city university and there are also roughly 250,000 students in the State university system.

Therefore, the simplistic assumption that the State university system can simply take over the city system is not warranted. It would just be inundated, and both would be destroyed in that case. There must be some intelligent transition, taking account of the fact that in the city of New York, a city of 8 million, many I believe need these facilities. Even with Federal assistance in the form of educational opportunity grants, and so on, it would still not be possible for the young people to get any kind of college education except by this policy.

New York faces a very hard dilemma. It must solve it. It has a 3-year period in which it must solve it, or it will go bankrupt late next fall, or something like that. It must solve it, and it will. All I am praying for is, give us an opportunity to solve it. We are very cognizant of how hard our road has been to get any help from the Federal Government, and this has been one of the deep causes. Wisconsin, West Virginia, and I think most States have felt that way.

We will solve our problem, but give us a chance to solve it in a way compatible with our social problem, which will be very great.

Maybe you are tempted to say, "Cut it out right now," or "the State university should take it over right now." It cannot be done that way. But we must solve it, because we cannot make the grade unless we do. And we will.

I thank the Senator from Virginia for his patience.

Mr. WILLIAM L. SCOTT. I appreciate the Senator's yielding.

Mr. President, I have just had the page make a copy of the bill as passed by the House of Representatives. It even has some penciled amendments apparently passed by the House. I wish to take it back to my office and read it in detail, so I will have in mind the exact provisions of the measure before us.

I might just comment briefly and say, about the City College of New York, that the Governor of Virginia recently made a rather difficult decision, I am sure, in saying that State funds for education within my own State would be reduced by 5 percent this year, so that we would not have to resort to deficit financing. It is difficult for the people of my State to understand why we would cut back on our aid to education in Virginia, and at the same time lend money to the State of New York. But the purpose of my asking the Senator to yield was that I heard the distinguished Senator from Wisconsin, the chairman of the committee, comment a few minutes ago to the effect that New York contributes, in Federal taxes, five times as much as it receives back. Did I correctly understand the Senator?

Mr. PROXMIRE. The figures, as I understand them, are $19 billion paid and about $3.5 billion received.

Mr. WILLIAM L. SCOTT. Roughly five to one.

Mr. PROXMIRE. That is right.

Mr. WILLIAM L. SCOTT. The Senator from Wisconsin also commented about how we had aided nations around the world with foreign aid, and it did not seem reasonable for us to give aid around the world and then to consider denying aid to one of our own, to the city of New York.

It would seem to me, and the Senator from New York might want to comment on this, that New York State would have a greater interest in fiscal responsibility on the part of the Federal Government, inasmuch as it is contributing five times as much as it is receiving back, more than the other States of the Union. We should, at the Federal level, then, be practicing fiscal responsibility, and attempt to reduce or eliminate these foreign aid programs to the greatest extent possible. Would that be in the interest of the people of New York, so that perhaps we might even reduce Federal taxes, and they could have more revenue to keep within the State of New York, that the State could perhaps pick up the slack if we would reduce Federal expenditures?

The thought just occurred to me when I was listening to the distinguished Senator from Wisconsin say that New York is contributing five times what it receives back.

Mr. JAVITS. Mr. President, the Senator might just as well say that it would be to our interest to see if we could cut out all Federal irrigation dams, river power, subsidies to the maritime industry and the airlines industry, and many other things, and cut the defense budget about 50 percent. That would save even more money than the $5 or $6 or $7 billion that we spend in foreign aid.

We cannot say that, because I conceive the word "fiscal responsibility" which is used by the Senator—I would rather strip it of all of those adjectives, and just call it responsibility. Responsibility means that my people in New York are just as deeply interested in peace as they are in the saving of New York. If we believe, and we do, collectively—though the Senator has more than a right to his disagreement—that these programs are essential to the peace and prosperity of the world, then my people cannot say, "Cut out the other and do us."

We have to do our utmost to find a fair measure of justice, and we believe that it is found in this bill, in saying, "Do us and do them, too." We have to find a way to do it, because we are just as much concerned with all of the great projects for which Federal money is spent, with this tremendous budget that we have, as we are in our own municipal survival. I believe that I express the deepest interest of the people of my State in taking that attitude.

Mr. WILLIAM L. SCOTT. If the Senator will yield further, we may have a philosophical difference of opinion in this matter, but it just seems to me that the Federal Government, as well as the State of New York and the city of New York, has to get its fiscal house in order. There are many good things that we are going to have vote "No" on because we cannot afford them, just as the householder has to deny himself something he might otherwise want because he does not have the money to pay for it. It seems to me that this continued deficit spending is fanning the flames of inflation, and that what has happened in New York City, what the distinguished Senator has said could happen in New York State, might also happen to the U.S. Government, unless we start living within our means.

Mr. JAVITS. I would say to my colleague that even by his definition, as by my definition, it is a question of priorities, and of apportioning what we have to what we consider to be the urgencies of our spending.

New York is standing here today and saying that even on a cost-benefit ratio, it is in the highest interests of our country to go this far.

Mr. WILLIAM L. SCOTT. I appreciate the Senator yielding.

Mr. JAVITS. I thank my colleague. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Wisconsin yield for a question?

Mr. PROXMIRE. Yes.

Mr. HARRY F. BYRD, JR. In regard to the so-called moratorium on New York City bonds, does that moratorium apply to all of the bondholders?

Mr. PROXMIRE. It is my understanding that that moratorium applies to the noteholders.

Mr. HARRY F. BYRD, JR. The what?

Mr. PROXMIRE. The noteholders. Perhaps it applies to part of the bondholders. I am not sure. I shall be happy to obtain that information and inform the Senator as to whom it applies. I am sure it does not apply to all of the $14 billion in obligations that constitute the debt of the city of New York.

Mr. HARRY F. BYRD, JR. I do not see how it could.

Mr. PROXMIRE. No, it does not.

Mr. HARRY F. BYRD, JR. Does it apply to all of the short-term paper totaling some, what is it, $6 billion?

Mr. PROXMIRE. It applies to a great deal of the short-term paper, and again I will get that information. I shall be happy to have that available for the Senator within the next few minutes. The staff is not available, but we have that information, I believe, and we can tell the Senator the extent of that. It does apply primarily to the short-term obligations. Of course, there is no reason to make it apply to the longer term obligations that are not due for 5 years or more.

Mr. HARRY F. BYRD, JR. No. There would be no point in applying it to the long-term obligations. I was wondering how widespread it was in regard to the short-term obligations.

Mr. PROXMIRE. It is my understanding the moratorium applies to approximately $1.6 billion of the debt, all of which is short term, maturing before June 30, 1976.

Mr. HARRY F. BYRD, JR. I am quoting Governor Carey in testifying before the Senate Banking Committee:

> The city of New York has $13 billion debt outstanding, six short and seven long, $6 billion of short-term debt.

It does not apply to the short-term debt?

Mr. PROXMIRE. No, it depends on what the Senator means by short-term debt. It applies to short-term debt that is due between now and June of 1976. It does not apply to the debt which is considered short-term because it is due in less than a year but not due before June. Also I understand those figures are older figures. There have been changes since then. The Governor testified some 6 weeks ago, or a month ago.

Mr. HARRY F. BYRD, JR. He testified in October. Are these figures out of date and, if so, how are they out of date?

Mr. PROXMIRE. Some of that debt has already been converted to MAC debt by the action of the Municipal Assistance Corporation. They changed that figure rather substantially.

Mr. HARRY. F. BYRD, JR. Will not the pending legislation apply to MAC debt?

Mr. PROXMIRE. The pending legislation would authorize loans to MAC, that is the Municipal Assistance Corporation, or to the city.

Mr. HARRY F. BYRD, JR. Or to the city.

Mr. PROXMIRE. Either one, at the option of the Secretary of the Treasury.

Mr. HARRY F. BYRD, JR. What we need to do, then, to get an understanding of it is to know what the total debt is, including the MAC debt.

Mr. PROXMIRE. We have that figure.

Mr. HARRY F. BYRD, JR. And the figure given by Governor Carey on October 9, 10, 18, or 23—it does not indicate clearly here—is $6 billion of short-term debt, plus $7 billion of long-term debt.

Mr. PROXMIRE. As I understand the present figure—and, as I say, they have been modified, because there have been some transactions involving MAC—MAC is $3.4 billion, short-term is $2.8 billion, and long-term is $7 billion. That adds up to approximately $13.2 billion.

Mr. HARRY F. BYRD, JR. So it is the same total Governor Carey gave but $3.8 billion of that has been assumed by MAC.

Mr. PROXMIRE. $3.4 billion.

Mr. HARRY F. BYRD, JR. $3.4 billion.

Mr. PROXMIRE. That is correct.

Mr. HARRY F. BYRD, JR. By MAC. But the pending legislation would apply, and the loans could be made to MAC as well as to the city.

Mr. PROXMIRE. At the discretion of the Secretary.

Mr. HARRY F. BYRD, JR. But under the legislation they could be made to either one.

Mr. PROXMIRE. That is correct.

Mr. HARRY F. BYRD, JR. The legislation differs substantially from the legislation reported by the committee in that the committee legislation was general in nature, and this legislation confines itself only to New York City.

Mr. PROXMIRE. The committee legislation was structured so that only New York City could qualify although technically it was general.

Mr. HARRY F. BYRD, JR. It was general in nature.

Mr. PROXMIRE. It was general in nature. The effect of it, however, was really to qualify only New York City.

Mr. HARRY F. BYRD, JR. But this is structured entirely for New York City. It specifies that in the title. It says:

> To authorize the Secretary of the Treasury to provide seasonal financing for the City of New York.

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. HARRY F. BYRD, JR. What is the view of the able Senator from Wisconsin if other cities run into problems? Is it unfair to suggest that Congress would have some obligation to consider the plight of cities other than New York?

Mr. PROXMIRE. I think, if other cities run into similar problems, there are several way stations along the way, as to all of which New York City has touched base and qualified. No. 1, the city would have to make the greatest efforts it could itself within its own resources; No. 2, the State would have made considerable effort to assist the city to solve its problems, and New York City has done that. They have increased their taxes; they have loaned a substantial amount of money to the city of New York. I think that, under those circumstances, the Federal Government should stand ready to assist cities that qualify under those circumstances.

Frankly, I doubt if any city in the next 25 years would qualify but, if they did, I think that we should give very sympathetic consideration.

Mr. HARRY F. BYRD, JR. The Senator mentioned taxes. When and to what extent has New York City recently increased taxes?

Mr. PROXMIRE. I will have the information available.

The State of New York, as the Senator knows, increased taxes that affected all citizens in New York, including the people who live in the city of New York. I have before me an article from the New York Times, dated November 26, which says following are the new city taxes enacted by the legislature on the 25th of November: Personal income tax—An average 25-percent increase for New York City residents only, to yield $75 million a year. In addition, the State will save the city $5 million by taking over the collection process, and so forth. Bank tax—increase in the rate from 11.8 percent to 12.8 percent, to yield $30 million. Cigarette tax—A flat tax of 8 cents a pack, replacing the current 3 cents a pack on "low tar;" and so forth: personal service tax, State tax, minimum tax.

I have the details for the Senator, if he wishes to have them made available. They add up to $200 million in taxes, all of which would be paid by residents of the city of New York.

Mr. HARRY F. BYRD, JR. With a total budget of approximately $12 billion to $13 billion?

Mr. PROXMIRE. It is about $12 billion; that is right.

Mr. HARRY F. BYRD, JR. How does the Senator arrive at the figure of a 25-percent increase in income tax? It means that the city is taking in very little, then, from personal income taxes.

Mr. PROXMIRE. That is correct. Let me give the Senator an example.

For a low-income couple, it would be less than 25 percent. For those with higher income, it would be more. A married couple, for example, with two children and an adjusted gross income of $10,000 a year would pay $91 in taxes, an increase of $9.20.

For a similar family with an income of $25,000, the rise would be $93.20, to $437.45. In other words, they would have an increase that would be greater than the total tax paid by the family with a smaller income.

It would vary, but the average would be a 25-percent increase. The overall increase in revenue would be 25 percent from that source.

Mr. HARRY F. BYRD, JR. I was really interested in the total income tax collections for the city as a whole, rather than by individuals. It appears to me that if that brings in $75 million, the total amount received in income taxes is not very great.

Mr. PROXMIRE. That is right. The total amount would be $300 million.

We should point out that the people who live in New York pay a Federal income tax. They pay a State income tax, and a city income tax is most unusual.

The State of Wisconsin considers itself about as progressive as any State in the Union. We had the first income tax in the Nation. We preceded the Federal income tax. We have a very liberal constituency and officials in the city of Milwaukee. Yet, Milwaukee has no city income tax. I do not know of any other city that has an income tax. There may be others, and I am sure there are some. But it is fairly unique to have an income tax, and in all cases it is quite moderate.

The 25 percent—the Senator is correct—is not a big tax, but it is an increase in a tax which is most unusual in American municipalities.

Mr. HARRY F. BYRD, JR. It is most unusual. I was putting the $200 million in relation to the total cost of government in New York City, some $12 billion. It is quite a small part of the total cost of government in the city—that is, the tax package that was enacted by Albany.

Mr. PROXMIRE. The Senator is correct.

We should recognize, at the same time that the city already is very heavily taxed. It is recognized as perhaps the most heavily taxed in the country. I have said that they have increased their sales tax, but that is in error. They have not. They already have a sales tax in New York City, paid for New York City and State purposes, of 8 percent, which is punishing, and a city income tax and a State income tax and taxes on virtually everything we can imagine—everything that is taxed anywhere else.

So, the increase in taxes—the Senator is correct—is a moderate, limited increase, but I think it is about as much as the city could provide without its having a very adverse, perhaps a perverse, economic effect, which might even be counterproductive, might even reduce their revenues.

Mr. HARRY F. BYRD, JR. That is what Governor Carey said before the Committee on Banking, Housing and Urban Affairs in October. He went further:

> Even if taxes were enacted, I doubt very much, as a matter of reality, if the entire State would accept a tax that would be applied to the benefit of New York City.

That is the Governor of New York State talking about a political subdivision in his State—that the people of his State, as a whole, would not approve of a tax levied against the entire State for the benefit of one city.

This legislation proposes to use $2.3 billion of U.S. tax dollars, from people all over the United States, not just New York State, for the benefit of the people of New York City.

Mr. PROXMIRE. I say to the Senator that the State of New York has made very substantial advances and loans to the city of New York. They have done that in far greater proportion than the $2.3 billion that we are asking the Federal Government to make as a repayable loan, with interest, covering the cost of money to the Federal Government, and then some.

So I think that, in proportion, it is only fair to say that the State of New York has made substantial loans to the city of New York and is continuing to make loans.

Mr. HARRY F. BYRD, JR. Are they repayable loans?

Mr. PROXMIRE. They are repayable loans, and in some cases they are advances on funds that otherwise would be made available, but they have the effect of being repayable loans for that reason.

Mr. HARRY F. BYRD, JR. Do I correctly understand, then, that the State of New York has done that which the Governor of the State of New York said the people would not stand for, and that is——

Mr. PROXMIRE. No. What the Governor of New York, Governor Carey, said, as I understand it, is that the people of New York would not agree to increase the taxes of the people in New York State, to take that tax money and pay it to the people of New York as a grant. However, what the State has done is to lend money, exactly what the Federal Government would be doing, and it has loaned substantial amounts—in proportion, more than 10 times as much as the Federal Government is being asked to loan—to the City of New York.

Mr. HARRY F. BYRD, JR. But the State of New York has a direct responsibility for the city of New York. The Federal Government has no responsibility for the city of New York. It is a creature of the State of New York. Is that not correct?

Mr. PROXMIRE. The Senator is correct. We certainly have no legal responsibility of the kind the State of New York has for its creature. We do recognize, of course, that the people of New York City are American citizens and have paid taxes for years and have served their country in war, and we should do what we can to be helpful.

Mr. HARRY F. BYRD, JR. That is correct. That would be true of Peoria, Milwaukee, Richmond, and every other city and hamlet and municipality and community throughout the country.

Mr. PROXMIRE. That is right. And if any of them are in the situation New York City is in and the State has gone to the extent that New York State has, of lending money to them to help them out, and has assisted in taking over their fiscal management, as the State of New York has done with the city of New York, with the result that they have sharply reduced their payroll and spending and have made progress in this direction, then I think we should give sympathetic consideration to assisting them.

Mr. HARRY F. BYRD, JR. I thank the Senator for that assertion. It bears out my view that this creates a precedent, and no one can tell just where this precedent will lead.

I will read into the RECORD once again Governor Carey's statement on page 278 of the hearings:

> Even if taxes were enacted—

That is, by New York State—

> I doubt very much, as a matter of reality, if the entire State would accept the tax that would be applied to the benefit of New York City.

The Federal Government has no

money other than what it borrows or what it prints.

So if the Federal Government were operating on a balanced budget, which it should be, it would have to increase taxes in order to give this $2.3 billion to New York City.

It is only because the Government is operating on printing press money that the Government is able to do this without increasing taxes.

Mr. PROXMIRE. If the Senator would permit at this point, I would like to include in the RECORD a table which shows the proportion of taxes as a percent of personal income paid by persons who live in New York City.

I ask unanimous consent to have the table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE

TABLE 5.—THE NEW YORK CITY TAX BURDEN

Fiscal year	Personal income (billions)	Taxes [1] (billions)	Taxes as percent of personal income
1975	$50	$5.111	10.2
1974	48	4.506	9.4
1973	45	4.017	8.9
1972	43	3.736	8.7
1971	41	3.178	7.7
1970	39	2.958	7.5
1969	37	2.802	7.6
1968	34	2.626	7.8
1967	31	2.410	7.7
1966	29	2.152	7.3
1965	28	2.193	7.9
1964	27	2.013	7.6

Source: New York City Finance Administration.

[1] Excludes fees and charges, stock transfer taxes and nonresident income taxes.

Mr. PROXMIRE. This is the personal income taxes they pay, plus real estate taxes. Taxes as a percentage of personal income rise from 7.6 percent in 1964, rather steadily, to more than 8 percent in 1972, and to more than 10 percent in 1975. It is an indication of a particularly heavy local and State burden.

Mr. HARRY F. BYRD, JR. It is not what I would consider an enviable record.

Mr. PROXMIRE. It certainly is not, but it is an indication of tax effort. It is an indication that the city is making an effort. It is making an effort to meet its own fiscal responsibility by taxing its own people very heavily.

Mr. HARRY F. BYRD, JR. That brings up a question that was brought up earlier by the Senator from West Virginia in regard to the free college tuition, which all students in New York City are entitled to in New York. I approve of that, provided the people of New York want to do it and provided that the people of New York pay for it.

Mr. PROXMIRE. I agree with the Senator. I approve of it, but I think it is more than they can afford and I think we have found that out. Under those circumstances, I think it is probably desirable that when people get a service like education, they should pay at least a moderate amount for it. They do pay a little bit now, but not very much.

Mr. HARRY F. BYRD, JR. What do they pay now?

Mr. PROXMIRE. They pay fees now.

Mr. HARRY F. BYRD, JR. What sort of fees?

Mr. PROXMIRE. About $125 to $150 for a full-time student, for a year. They are modest. They are far more modest than the tuition charge is in almost every other State. I think this kind of action—I agree with the Senator from Virginia—would be fine if they can afford it, but they cannot afford it, any more than we can in Wisconsin. We would like to do it, but we cannot afford it.

Mr. HARRY F. BYRD, JR. That is the reason that they have this tax effort that the Senator from Wisconsin points out.

Mr. PROXMIRE. That is correct.

Mr. HARRY F. BYRD, JR. Even with that tax effort—and it is a very high tax. Governor Carey says, "We are the highest taxed State in the Nation." He says that on page 78. That is the State, not New York City. New York City is in that category, also, in regard to high taxes.

I say again, I think it is fine to give a free education to everybody, provided that is what the people of a city or State want and provided they can pay for it. Where I part company with them is when they ask the people of Virginia to help pay for the tuition of their children in New York City.

Mr. PROXMIRE. May I say to the Senator that that is why this legislation, to me, makes sense. What it does is provide for limited, 2-year seasonal loans, on the condition that New York continues to move in the direction of balancing its budget and of paying for all of its own expenditures itself, the loans to be repayable with a high rate of interest. That is why, it seems to me, if we do not do that, it is clear to me that New York City is going to go bankrupt, and I do not think anybody wants to see that. I think the difficulties of that would be very, very great, indeed, for the people of New York, and the effects on the country would be adverse.

Mr. HARRY F. BYRD, JR. I say to the Senator from Wisconsin that this bill does not provide for a balanced budget.

Mr. PROXMIRE. Of course, the Senator is correct. He would prefer that. We had the balanced budget as a requirement in our bill. It is not in this bill. What this bill provides is, in effect, a balanced budget, because it requires New York to pay back in full each year the money that is loaned to them. If there is any way they can do this without balancing their budget, I would like to know what it is, under these circumstances. They cannot borrow the money anywhere else. We know that. They cannot borrow it from the State, they cannot borrow it from private markets. The only way to pay this back is to balance the budget. So it is a mandated balanced budget, even though we do not have the language in there. It is, in effect.

Mr. HARRY F. BYRD, JR. I do not agree that it is a mandated balanced budget. I doubt it will not be a balanced budget at the end of the year.

What is the Senator's objection to writing that into the bill?

Mr. PROXMIRE. We require them to pay it back. If they do not, they are in violation. The only discipline we can have, whether we wrote it in or not, is for the Secretary of the Treasury to cut off the loans. He is required to do that if they do not pay the loan back; no more credit for the following year, and the following year, they are likely to need more. I think they will pay this back by June of 1976, because if they do not, they will not get any credit for 1977, when it is needed.

Mr. HARRY F. BYRD, JR. They may not get it back, because Congress can very well vote additional sums, as they likely will.

Mr. PROXMIRE. They may; we shall jump off that ridge when we come to it. Congress can terminate the program and there will be great sentiment for doing that. I think the President of the United States may very well favor that. As the Senator knows, without the support of the President of the United States, no legislation could be enacted.

Mr. HARRY F. BYRD, JR. That is what I understood, and that is why I am disturbed that the President reversed his position on this matter. He took his position as a matter of principle. Now he has reversed that position.

Mr. PROXMIRE. In all fairness to the President—and I disagreed with him, to some extent, on this—it is hardly a reversal. He did secure from the State of New York and the city of New York action which reduces their deficit. He secured action in the terms of a moratorium, which reduces the amount made available. He reduced the security which would have been necessary. All that it means is that the loans will have to be paid in full. Under the circumstances, I think the President can honorably say this is what he had in mind.

Mr. HARRY F. BYRD, JR. I was much impressed with a statement yesterday in the House of Representatives by the chairman of the House Committee on Banking, Mr. REUSS, from the home State of the able Senator from Wisconsin. He said:

> Today's substitute is merely a stopgap. With it, we can be sure that the problem will come back to haunt us, certainly in 2 years, but perhaps as soon as the middle of this winter.

I think that he has sized the situation up accurately. I think that is what is going to happen. I think it is a stopgap.

I think it is a foot-in-the-door proposition.

Mr. PROXMIRE. If the Senator will yield, I think the Senator knows that the chairman of the House Committee on Banking, Representative HENRY REUSS, favored a much more substantial bill, which the Senator from Virginia opposed even more strongly. He favored providing $7 billion for up to 15 or 20 years, that would have to be paid back over a much longer period of time. While the chairman of the House Committee on Banking would feel that this is inadequate, I think that the consistent position here is that if the President proves right—and he has excellent advice. He has some very sage and capable people advising him on this, including the Secretary of the Treasury—the Federal Government will be far better off, risking far less.

Would the Senator from Virginia favor the original House proposal of the $7 billion loan for 20 years?

Mr. HARRY F. BYRD, JR. I certainly would not favor that, and I would not favor the proposal of the Senate Committee on Banking, either. I would not favor either one. I think the chairman of the House Committee on Banking, Mr. REUSS, has sized the situation up accurately when he says the pending legislation is a stopgap proposal. I assume the Senator from Wisconsin disagrees with that.

Mr. PROXMIRE. I think I have great admiration for my colleague from Milwaukee. He is one of the ablest men in Congress. But I think he was wrong on the $7 billion and I think he is wrong in saying that this is necessarily going to be stopgap. I do not feel great security in it. I think it may not work out. But I think it is the best we can get and I think it may work out. It may work effectively. We have some very able, committed people trying to make it work and it takes something like this.

Mr. HARRY F. BYRD, JR. How many billions did the bill of the Senator from Wisconsin provide?

Mr. PROXMIRE. $4 billion.

Mr. HARRY F. BYRD, JR. The Senator from Wisconsin must have thought at that time that it would take $4 billion.

Mr. PROXMIRE. No, the answer here, almost the entire difference, is that after we passed our $4 billion proposal, the administration negotiated with the State officials and found that they would be able to secure the passage of moratorium legislation, which would save the city from having to redeem $1.6 billion of obligation. That $1.6 billion and $2.3 billion adds up to almost precisely the $4 billion that we have here. That is the difference, that $1.6 billion moratorium.

That moratorium may or may not work. I hope it does. It is a risky thing to do. It is being challenged in the courts. It may be found unconstitutional. It may be that New York will be considered to be in bankruptcy and the whole operation will be in vain. But if it succeeds, and I think we ought to give it a chance—there is a precedent that was found constitutional in the thirties—I think it will be the right course to take. It will have limited the amount of the Federal involvement.

Mr. HARRY F. BYRD, JR. It will limit it only if the Senator from Wisconsin is correct and the Representative from Wisconsin is incorrect.

Mr. PROXMIRE. That is right, but it will limit it in exactly the way the Senator from Virginia wants to limit it. It will limit it by requiring the bondholders to take a longer period of time before their obligations are redeemed, and it would require a writedown of their interest rates, which the Senator has consistently argued that they should be required to do and would be required to do under bankruptcy procedure.

Mr. HARRY F. BYRD, JR. I think that still the bondholders—and this is a major point—under this legislation will receive the interest on the bonds.

Mr. PROXMIRE. That is correct, and they probably will receive interest on bonds even if the city was in bankruptcy. The interest, however, would be reduced. What happens, as the Senator knows, under most circumstances is that the bonds are not paid off when they are scheduled to mature. They are extended, interest rates are reduced, usually not eliminated—sometimes they are, but often they are not.

Mr. HARRY F. BYRD, JR. They usually are eliminated.

Mr. PROXMIRE. In many cases, they are not. In this case you have the same effect for a substantial amount of the short-term debt that you would have if you went into bankruptcy.

Mr. HARRY F. BYRD, JR. I disagree with the Senator from Wisconsin that they are not generally eliminated. The only time they are not eliminated is when they have adequate funds to pay a portion.

Mr. PROXMIRE. May I say to the Senator the most significant precedent we have here was the Detroit situation when Detroit went into bankruptcy and paid interest on those obligations when they were in bankruptcy. They simply stretched it out, and the bondholders were repaid in full eventually. It was a tremendous burden on the people who worked for the city of Detroit. They got very sharp reductions in their pay. They were paid in scrip—scrip, mind you, for a year and a half, and they suffered a reduction in their pay of some 20 percent for most of them, others 10 percent. But all the bondholders got paid, and the bondholders would get paid here. Bondholders are in a very strong position in our courts under the circumstances.

Mr. HARRY F. BYRD, JR. The bondholders are in a strong position with the enactment of this legislation.

Mr. PROXMIRE. They would be in strong position anyway.

Mr. HARRY F. BYRD, JR. They would not be in a strong position anyway because, if the bonds are in default and the money is not there to pay the interest, where do they get the money to pay the interest?

Mr. PROXMIRE. It is a matter of what you do with the money that is available. In this case, there was very little money available in Detroit. They did cut the pay very sharply. People with incomes of $4,000 received a 10-percent reduction; $4,000 and up they received a 20-percent cut. As I say, they went for a year and a half without getting any pay in cash. They got scrip, and they could take it to a store and get the essentials of life.

That is the kind of situation a court might impose, and might very well impose this time. In the meantime, the bondholders just got a stretchout, which is what we are providing for here without default.

Mr. HARRY F. BYRD, JR. These bonds which are stretched out, has the stretchout been accomplished?

Mr. PROXMIRE. Yes. The stretchout has been accomplished. It has been agreed to.

Mr. HARRY F. BYRD, JR. Well, the law was not passed until last week, was it?

Mr. PROXMIRE. May I say it depends on what we are talking about. As far as the moratorium is concerned, the law went into effect. In that sense, it has been accomplished. But, in another sense, the Queens Bank is challenging this for a few of the noteholders and, if the Queens Bank is sustained in court, then, of course, all the work that has been done will be undone and New York will be in bankruptcy.

The New York City banks and pension funds have agreed to the stretchout. It has been accomplished in that sense in writing.

Mr. HARRY F. BYRD, JR. On all of the bonds held by the pension funds?

Mr. PROXMIRE. By the New York City banks, correct, and by the New York pension funds.

Mr. HARRY F. BYRD, JR. And the New York City banks have all agreed that all of their bonds would be stretched out?

Mr. PROXMIRE. All the bonds that would fit into this category, that is, be due between now and June 30, 1976.

Mr. HARRY F. BYRD, JR. That is only 6 months.

Mr. PROXMIRE. That is correct.

Mr. HARRY F. BYRD, JR. What about the notes that are due at the period beyond July 1, 1976? They are short-term also.

Mr. PROXMIRE. Well, the short-term that matures before June 30, 1976, has been stretched out, and that is it. That is what the stretchout accomplished. It accomplished that. It did not stretch out debt that was due in a year, 2 years, or 3 years.

Mr. HARRY F. BYRD, JR. How much of the total debt is then due between now and June 30, 1976?

Mr. PROXMIRE. $2.6 billion of short-term debt.

Mr. HARRY F. BYRD, JR. Yes, but the short term——

Mr. PROXMIRE. And about $600 million of long-term debt.

Mr. HARRY F. BYRD, JR. But by short term debt does the Senator mean that is——

Mr. PROXMIRE. That is a maturity of less than a year.

Mr. HARRY F. BYRD, JR. But some of that would mature—would not some of that mature after June 30, 1976?

Mr. PROXMIRE. None of it. It is my understanding none of it would mature beyond June 30, 1976.

Mr. HARRY F. BYRD, JR. Do we have a table as to just when the maturity dates are?

Mr. PROXMIRE. We do not have a table constructed, but we will have it constructed and provide the Senator with it. We will have it later today.

Mr. HARRY F. BYRD, JR. I think it would be helpful to have those facts.

Mr. PROXMIRE. We will be happy to do it.

Mr. HARRY F. BYRD, JR. Those bonds—for the record then, it is those bonds, the stretchout applies to those bonds, which mature between now and June 30, 1976.

Mr. PROXMIRE. Bonds and notes. The Senator is correct.

Mr. HARRY F. BYRD, JR. Bonds and notes.

Mr. PROXMIRE. Yes.

Mr. HARRY F. BYRD, JR. I am using bonds and notes interchangeably.

When does the MAC paper mature?

Mr. PROXMIRE. Well, most of them have a 3-to-4-year maturity. They vary. We cannot be much more specific than that.

Mr. HARRY F. BYRD, JR. They have not been stretched out?

Mr. PROXMIRE. Some of them have been converted to 10-year obligations with a 6-percent interest rate, about $1 billion of them.

Mr. HARRY F. BYRD, JR. Is that tax-exempt?

Mr. PROXMIRE. Yes, it is tax exempt. All of this is tax exempt.

Mr. HARRY F. BYRD, JR. So the bondholder is getting 6-percent tax-exempt money on his MAC bonds?

Mr. PROXMIRE. That is correct. He is getting more than that on some of them and, of course, that is well below the current market rate.

Mr. HARRY F. BYRD, JR. He is getting more than that on some of them?

Mr. PROXMIRE. No. I say the current market rate is higher than that. It is about 7 percent, so they are getting less than the current market rate.

Mr. HARRY F. BYRD, JR. Well, some of the MAC bonds were sold at 11.2 percent.

Mr. PROXMIRE. That is right. They are going to take a very big writedown.

Mr. HARRY F. BYRD, JR. What I am inquiring about is that they are not being stretched out.

Mr. PROXMIRE. Just the big banks and the big pension funds have been stretched out, not the individual bondholders.

Mr. HARRY F. BYRD, JR. The individual bondholder would go along the same as if New York were running a surplus.

Mr. PROXMIRE. He would not be affected, that is correct.

As the Senator can understand there are 160,000 individual bondholders, and to try to get cooperation from them would not be practical.

Mr. HARRY F. BYRD, JR. That is quite right, but I think it is well to recognize that this is what is happening.

Mr. PROXMIRE. That is right.

Mr. HARRY F. BYRD, JR. My guess is that speculators are making a killing on this thing. This thing could blow up into quite a scandal, although it might take 18 months or 2 years before it would come to light.

We do not know what is happening to the bonds and how great the financial gains may be by this legislation.

But what this is doing is insuring private investment with public money. Somewhere in this report of the committee hearings is a discussion of that.

Mr. PROXMIRE. I think the Senator, as a historian, American historian, can recall this kind of debate occurred between Jefferson and Hamilton when Jefferson was opposed to this kind of assumption of debt, and Hamilton insisted on it, in this case State debts. And, of course, what happened was that those who had faith in the country were able to gain considerable profit, and those who did not were not in a position to do that.

There is no question but that some people will be benefitted by this. But, by and large, the big banks—which has been the concern, and a proper concern, of the Senator from Virginia—will not be among those. They will have to take a very substantial writedown.

Mr. HARRY F. BYRD, JR. As a Jeffersonian Democrat I have tried to follow with some consistency the Jeffersonian philosophy. I had not been aware of that until the Senator from Wisconsin mentioned it.

Mr. PROXMIRE. Of course, the quid pro quo would be to locate Washington in Virginia.

Mr. HARRY F. BYRD, JR. I do not know if the Senator is correct.

Mr. PROXMIRE. I am not sure the Senator came out on that one.

Mr. HARRY F. BYRD, JR. Jefferson's was a philosophy of principle in regard to his argument with Hamilton, and I had forgotten about that argument with Hamilton. I did not realize that the Senator from Wisconsin was taking the Hamiltonian point of view, and the Senator from Virginia taking the Jeffersonian point of view.

The committee hearings on pages 366 and 367 discussed, to some extent, the speculation in New York bonds and notes. I think it is important to be aware of just what we are doing. We are guaranteeing the investments of private individuals and private banks with the funds of all of the American taxpayers.

This bill requires an appropriation. This bill will have to be followed by an appropriation if it is to be effective.

Mr. PROXMIRE. In this particular bill, as the Senator knows, it is a direct loan which will have to be appropriated, also.

Mr. HARRY F. BYRD, JR. It will need to be followed, if it is to be implemented, by an appropriation of $2.3 billion of tax funds.

Now, the Federal deficit——

Mr. PROXMIRE. Repayable with interest within a year, less than a year it will be repayable, by June 30 of this coming year.

Mr. HARRY F. BYRD, JR. That is only an assumption that a bankrupt city can make the payment. We are assuming that a city that is in bankruptcy can make that.

Mr. PROXMIRE. The Senator from New York says that New York City is not in bankruptcy.

The Senator knows that this is going to be administered by the administration, which is convinced it is sound, supports it, and it is going to be the Secretary of the Treasury who administers it, and is convinced that the loan will be repaid, otherwise they would not support it.

Mr. HARRY F. BYRD, JR. I am not at all convinced.

Mr. PROXMIRE. I say that the administration is convinced.

Mr. HARRY F. BYRD, JR. The administration may be, but that does not convince the Senator from Virginia that it is sound.

The administration has been saying all along how unsound it is to bail out New York City and the Senator from Virginia concurred with that view. He does not concur with the new view of the administration which favors this direct loan of $2.3 billion.

The Senate, very unwisely in my judgment, just 2 weeks ago today or 2 weeks ago tomorrow, adopted a resolution saying that the appropriate deficit for the current fiscal year is $74.8 billion.

I think that is an appalling deficit. I do not think it is an appropriate deficit at all.

The Federal Government is not in any better financial shape than New York City. The only thing we have got, as Senator JAVITS brought up earlier today, is printing presses. We have printing presses and we can print the money and then turn it over to New York City.

If we were running a surplus, I would have a different view about this, but we are not running a surplus. We are in worse shape than New York City is in but will not admit it.

The accumulated Federal funds deficit for the 6-year period, 1971 to 1976, those 6 years, will equal 35 percent of the total national debt. Yes, 35 percent of the national debt will have been created in 6 years. To me, this is alarming.

Mr. PROXMIRE. The two Senators from Virginia and the Senator from North Carolina may be right. This may not be paid back, perhaps. They may not be able to pay it back. It may be a step in the wrong direction.

But if the President of the United States and the Secretary of the Treasury are right, if the leadership, Democratic and Republican, and the House are right, if the majority of the Banking Committee are right, this will be paid back with interest and with a profit of $20 million for the Federal Government.

Mr. HARRY F. BYRD, JR. And if the chairman of the House Banking Committee is right, it will be a stop-gap proposition, a foot in the door, and will end up—to use use his exact words again—this is Congressman REUSS:

> Today's substitute is merely a stop-gap. With it, we can be sure that the problem will come back to haunt us, certainly in 2 years, but perhaps as soon as the middle of this winter.

Mr. PROXMIRE. May I say, with great respect to the Senator, that I think his vote speaks louder than his words. He voted for the bill and he was a principal champion for the bill, even if it is not the kind he wanted.

Mr. HARRY F. BYRD, JR. Yes, Congressman REUSS voted for the bill. He wanted even a larger bill than this.

Mr. PROXMIRE. That is correct.

Mr. HARRY F. BYRD, JR. But what I am suggesting is that if he is right, and I personally think he is right, that this is only a stop-gap proposal, this is not going to solve the problem, and even the legislation which the Senator from Wisconsin brought in was greater than this, even allowing for some of these maneuverings that took place in New York State.

Mr. PROXMIRE. As we have explained

several times, why the legislation we brought in is different than the legislation the President has, the difference is the moratorium. The State was able to achieve that and saved $1.6 billion. That is roughly the difference between what the committee provided and what is in this bill. That is it. The moratorium may work out to be a constructive achievement.

Certainly, if it is, it means the Federal Government puts up less money and it is right and good.

If we have no faith in the people of New York, of course, there is no purpose doing anything here. But the fact is, the record shows they have cut their payroll, they have cut wages, they have raised taxes, they have agreed to modifying their pension burden sharply, they have reduced their construction spending.

They have done all these things, and they have a record now, an established record, of making progress.

Mr. BROOKE. Will the Senator yield?

What does the Senator fear, I would be interested in knowing, and I ask the question in all sincerity.

What does the Senator fear may happen or may not happen on the part of New York City?

Mr. HARRY F. BYRD, JR. I feel this is not going to solve New York's problem. I think the only way it is going to be solved is by the people of New York themselves.

New York City is a creature of New York State. New York State has an obligation. I do not think the Federal Government has an obligation. Not only that, but I think it creates a precedent for the use of tax funds for cities and States all over the country. That is my belief.

Mr. BROOKE. The Senator fears that the city of New York will not be able to repay the Federal Government's money at the end of the year?

Mr. HARRY F. BYRD, JR. The Senator knows the committee hearings so much better than I do. I have read the hearings and all through there is a demand for far more money, for more money than is in this bill.

I am taking the statement now by the chairman of the House Banking Committee in which he says that this legislation is only a stopgap, it will not solve the problem and it will come back to haunt the Congress of the United States within 2 years and perhaps in midwinter.

All I am saying is that I think Congressman REUSS has appraised it correctly, that New York will be back once they get this foot in the door with this legislation. Then New York will be back for additional sums as the months go by.

Mr. BROOKE. I shared the Senator from Virginia's fears when this bill was before the committee. I think that had we come in, as we were urged to do within the committee, and passed the loan guarantee bill that had been proposed, then the city of New York and the State of New York and the private sector would not have done any more. They would just have come in and taken their guaranteed loans.

In the testimony the Senator has before him, I think a question was raised that Mayor Beame had one figure and I think the Governor of New York had another as to how much money they actually needed to help them.

Mr. HARRY F. BYRD, JR. They really did not know what it was. They could not agree among themselves as to what would be the deficit.

Mr. BROOKE. They could not agree.

Mr. HARRY F. BYRD, JR. I am not sure they know now.

Mr. BROOKE. They could not agree at that time as to what the deficit was. That is certain. Subsequently they were able to get together. I had some doubts that they were talking to each other at that time because they did not seem to agree as to what the figure was. I believe after they came to our committee they did get together, they did talk, and they did arrive at some figures which they thought would be sufficient to help the city of New York to avoid default.

But since that time, which is what gives me hope, it seems to me that the city of New York and the State have done everything that they could reasonably be expected to.

I agree with the distinguished Senator from Wisconsin that they could just not have increased the sales tax any more. The people of New York would not have been able to stand it. It is going to be very difficult to live in New York City now with what has happened, or to live in New York State. The steps they have taken indicate to me that they are trying to help themselves. I believe that is what the Senator from Virginia wants to see, and I believe we all want to see that. They got themselves into this mess, and they ought to do everything they possibly can to help themselves out of it. The question is, have they done all they could reasonably be expected to do to help themselves out before the Federal Government comes in and gives them assistance?

Personally, I have resolved that question in favor of New York, that they have done everything that they could reasonably have been expected to do.

I still believe, and I do not know if the Senator from Virginia was in the Chamber when I had the colloquy with the Senator from Illinois (Mr. STEVENSON), the bill which the Senate Banking Committee initially voted out, which I voted against, was based a lot on hope and expectation which may or may not have been realized. I think since that time we do have positive evidence of city, State, and private sector participation, which I think should be a condition precedent to the Federal Government giving any assistance to the city of New York. I think we have that now.

I am just trying to determine what the Senator's fears are. Do we have any evidence, or does the Senator from Virginia have any evidence or data, which would indicate that New York would not be in a position to repay the Federal Government?

Mr. HARRY F. BYRD, JR. I think if one takes the past history of the city of New York, one has a right to be very dubious that the money will be repaid on June 30.

I might say from reading these 830 pages of the committee hearings I was very much impressed with the sharp questioning by the able Senator from Massachusetts in bringing out facts in regard to the then pending legislation.

I believe it is a guess on anyone's part as to whether this will do the job, whether New York will require additional funds at the end of this period, or whether it will be able to pay back the $2.3 billion next June. I have no proof that they cannot, but the committee has no proof that they can.

Mr. BROOKE. Exactly.

Mr. HARRY F. BYRD, JR. Neither one can prove the point.

Mr. BROOKE. No, but I do think the chairman makes a valid point when he indicates that the moratorium, of course, accounts for that difference of $1.6 billion. I know the Senator from Virginia is somewhat concerned that we have this variance, that we came out with a bill from the Senate Banking Committee for $4 billion and now we are talking about considerably less. Obviously, the question is a very valid question. If they needed $4 billion then, how can they do with considerably less now?

I think the explanation for the $4 billion, at least, is that the moratorium of $1.6 billion which the President was able to get into the proposal accounts for part of the difference. The remainder is accounted for by new tax revenues, a voluntary stretching out of debt by private noteholders, and purchase of debt by pension funds.

The question still in the mind of the Senator from Virginia obviously is: Is this going to be enough? If it is not going to be enough, will they be knocking on the door next year or the year after that? How much are we in for and for how long are we in for it?

Mr. HARRY F. BYRD, JR. My theory is once we become involved in this, where do we stop? If we open the door, if we create the precedent or take the position that we have an obligation in a matter of this type, where do we stop?

Mr. BROOKE. Is the Senator talking about where do we stop insofar as New York is concerned, or where do we stop insofar as other cities and other States in the Nation?

Mr. HARRY F. BYRD, JR. I was speaking of New York, but the same thing would apply to other cities.

Mr. PROXMIRE. Will the Senator yield on that?

Mr. HARRY F. BYRD, JR. Yes.

Mr. PROXMIRE. The real issue is not whether or not we should provide a loan or loan guarantee to New York. The real issue is the circumstances, the timing of when we should do it. Should we do it before or after bankruptcy? There is no question in my mind at all. I think the record is very clear. If we do not pass this legislation, New York will be bankrupt in 2 weeks, flat on its back. Then what happens? I think the Senator from Virginia and others who oppose this legislation should come up with an alternative. What do we do? Nothing?

I get the idea from some that maybe we will provide a grant; maybe we will provide a loan. The important thing to recognize is under those circumstances New York will not be able to get access to the private market in 1977, 1978, probably not until the year 2000. During that period, where do they go for credit? Where can they get it? The only place they can go is the Federal Government.

That means for many, many years to come we will be lending money to a city that is bankrupt. We will be involved in trying to run that city. The State might very well go bankrupt. Their agencies will probably go bankrupt. A number of other cities in the country will be in great danger.

So this is what is really at issue here: under what circumstances do we want to provide assistance to New York? We are convinced if we do this New York will be able to get back into the capital markets, that this $2.3 billion may be enough.

Mr. THURMOND. Will the Senator from Wisconsin yield?

Mr. PROXMIRE. I think the Senator from Virginia has the floor.

Mr. HARRY F. BYRD, JR. I want to make a brief statement and then I will yield.

The statement just then by the Senator from Wisconsin rekindles my fears as to what the Federal Government is getting itself into when he makes the statements he does as to the very bad financial condition of not only New York City but of the State. What a default means is that the bondholders lose their principal temporarily, that there would be deferred payments, and they would lose the income. It is the bondholders who would lose by a default and the bondholders who would be the major beneficiaries of the pending bailout legislation.

Mr. PROXMIRE. It means there is no money for essential services. It means they are $2.3 billion short of providing the money they need for their schools, their police, their hospitals, for the essential services of keeping that city alive and keeping the city moving. Otherwise, we will have to come up with a loan for it or let that city descend into what would be a chaotic situation.

Mr. HARRY F. BYRD, JR. They take in a tremendous revenue. They just have to fit their spending to their revenue needs like everyone else does, like every other city and States does, everyone except the Federal Government.

Mr. BROOKE. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. BROOKE. I think one of the good things that will come out of this whole New York crisis, and the Senator is old enough to remember that every cloud has a silver lining, is that other cities and States across this Nation will recognize that they have to live within their means, just as each of us as individuals has to live within his means.

I also hope that out of this will come full disclosure of municipal financing and of State financing, which we really have not had in the past. Out of it will also come an awareness on the part of the American people of municipal financing, State financing, and town financing in the areas in which they live. So there will be some good that will come out of it.

But the Senator raises the question, what are our options, and I think even our President—who was strongly opposed as to any loan guarantees—in his initial talk on this subject said:

> I will not allow the services for the people of New York to be terminated or stopped.

Of course, he was talking about police, firemen, health, and the like, which meant that the President was ready to come in at all times to give some assistance to the city of New York so that it could continue its vital services to its people, without going the loan guarantee route.

I think what he proposed it, if my recollection is correct, were debt certificates, and there would have been some need for debt certificates to finance necessary spending; I think $1.3 billion was the figure it would cost to continue essential services.

Mr. PROXMIRE. It was something like that, yes. Our experience with Penn Central was that those debt certificates would not be able to be sold, and would have to be guaranteed by the Federal Government, and a direct loan made by the Federal Government in the meantime. The most competent testimony from bankruptcy lawyers was that there would be a period of at least several months in which it would be necessary for the Federal Government to make a grant, to make sure that services were not terminated or sharply reduced.

Mr. BROOKE. I thank the Senator. I was concerned, because if New York City could not sell its bonds, there was some reason to expect that buyers would not be found for these debt certificates without a guarantee. Thus, some Federal exposure would in all likelihood have been required even if default occurred.

But I do not feel that other cities will come rushing in, if they are compelled to do all of the things which New York City has been compelled to do, in order to get this type assistance. I do not think other cities or legislative bodies are going to be anxious to levy such stiff taxes upon their citizens as did the State of New York or the city of New York, for that matter. So I do not think the great fear that "we have opened up the door and now we are going to have 15 or 20 cities and four or five States around the country running in"—I just do not think that is going to happen. If I did, I would certainly agree with the Senator from Virginia that this is probably something we ought not to be doing.

I still do not like to see us going down that road, but I still do not know what the options are. I do not think the Senator from Wisconsin knows what the options are, and I do not think the Senator from Virginia has given us what options we have.

I think we are making the best of a bad situation. No one likes it or wants it. The people of New York do not, and the people of Massachusetts do not. But we have to deal with things as they are, rather than what we would like to have them be.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. PROXMIRE. I stated earlier that I had written to the Chairman of the Federal Reserve Board and asked for information as to the holdings of New York banks in New York City obligations. I have just received Chairman Burns' answer. If the Senator will permit, I would like to read a short paragraph from that. He said:

> The enclosed material does not include the individual bank data which you requested. As Chairman of the Board of Governors, I am obligated to take every action reasonably calculated to assure that individual bank data of this nature, particularly when obtained on a confidential basis, not be disclosed in such manner or under such circumstances as to endanger the financial position of any bank. Such sensitive individual bank data historically have been maintained on a confidential basis by the supervisors of financial institutions. Congressional recognition of the sensitive nature of the type of data here involved, and of the need for restricted access thereto, is found in numerous Federal statutes.

And he quotes them at length:

> In declining to furnish individual bank data, I have given particular consideration to the likelihood that release of data identifying individual bank holdings of specified municipal obligations, unaccompanied by a thorough analysis of a bank's financial condition, can lead to misunderstandings, unwarranted rumors, and possible loss of depositor confidence. I am obligated to take any action reasonably calculated to avoid such consequences.

This is from the Chairman of the Federal Reserve Board. If the Senator will permit, I ask unanimous consent to have printed in the Record my letter to Chairman Burns and his response.

There being no objection, the letters were ordered to be printed in the Record, as follows:

November 22, 1975.

Dr. Arthur R. Burns,
Chairman, Board of Governors, Federal Reserve System, Washington, D.C.

Dear Chairman Burns: There is widespread interest in bank holdings of securities issued by New York City and New York State and its agencies. Therefore, I would appreciate your providing me as quickly as possible the following information:

1. The latest statistics on the holdings valued at par, of a) City; b) State; and, c) State agency securities both by bank and aggregate across all banks and banks classified by state.

2. The latest statistics on assets and capital for banks holding securities, also both by bank and aggregates.

There is particular interest in obtaining the above data for members of the New York Clearing House Association.

If there are reasons why the information cannot be provided, I would like you to explain them in detail.

Sincerely,
William Proxmire, *Chairman.*

Federal Reserve System,
Washington, D.C., December 3, 1975.

Hon. William Proxmire,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

Dear Senator Proxmire: By letter of November 22, 1975, you requested information relating to the holdings of New York City, New York State, and New York agency obligations by U.S. commercial banks. You asked that this information be provided in aggregate form, for banks classified by state, and on an individual basis, by bank name. You further expressed a particular interest in receiving data of the holdings of such obligations by the New York Clearing House Association banks.

Enclosed are data, classified by states, showing the distribution of significant holdings by commercial banks of New York obligations, together with aggregate holdings by the New York Clearing House banks. These data were transmitted by the Board, after joint preparation with the Federal Deposit Insurance Corporation and Comptroller of the Currency, to the House Subcommittee on Commerce, Consumer and Monetary Affairs, Committee on Government Operations, under cover of the enclosed letter of November 12, 1975. In supplying these data to you, I urge that their use be undertaken in light of the explanations noted as to their sources and the specific caveats noted with respect to their interpretation.

The enclosed material does not include the individual bank data which you requested. As Chairman of the Board of Governors, I am obligated to take every action reasonably calculated to assure that individual bank data of this nature, particularly when obtained on a confidential basis, not be disclosed in such manner or under such circumstances as to endanger the financial position of any bank. Such sensitive individual bank data historically have been maintained on a confidential basis by the supervisors of financial institutions. Congressional recognition of the sensitive nature of the type of data here involved, and of the need for restricted access thereto, is found in numerous Federal statutes. (See 12 U.S.C. §§ 484, 1442, 1817(a)(2); 5 U.S.C. 552(b)(8); 18 U.S.C. §§ 1905, 1906). In declining to furnish individual bank data, I have given particular consideration to the likelihood that release of data identifying individual bank holdings of specified municipal obligations, unaccompanied by a thorough analysis of a bank's financial condition, can lead to misunderstandings, unwarranted rumors, and possible loss of depositor confidence. I am obligated to take any action reasonably calculated to avoid such consequences.

At the same time, I am most anxious to cooperate with a duly authorized Committee of Congress and I recognize your need for data that will enable your Committee to carry out its responsibilities. I believe the enclosed data are directly relevant to the Senate's inquiry into this matter and should prove most helpful to you.

Sincerely yours,

Arthur F. Burns.

Mr. HARRY F. BYRD, JR. Mr. President, let me say I think Chairman Burns' reasoning is correct, and that is why I think the Senator from Wisconsin should go directly to the banks involved. The Federal Reserve Board Chairman should not give out the figures; the individual banks should be required to give them out, when the individual banks are going to benefit from the legislation.

Mr. PROXMIRE. That is not what Chairman Burns said at all. He said he would not release the information, and he gave the reason for it. He said it would be unfair to the bank unless we had a comprehensive analysis of the bank's condition in relation to these holdings, and that that would not be available. His clear purpose was that the information should not be disclosed either by the bank or by Arthur Burns.

Mr. HARRY F. BYRD, JR. We should go directly to the banks, rather than the Federal Reserve Board.

Before yielding, I ask unanimous consent to have printed in the Record a page 1 article published in the New York Times of Monday, December 1, which states that New York City will be giving the New York Yankees baseball team $300,000 to buy equipment.

That is fine; I like baseball. It is just one example, however, that New York City can get its financial house in order if it will cut out some of its extravagance.

There being no objection, the article was ordered to be printed in the Record, as follows:

Yanks Get Windfall as City Shifts Plans

(By Martin Waldron)

New York City has quietly dropped its plan to buy and raze rundown businesses abutting Yankee Stadium and is using part of the savings, $300,000, to buy equipment for the Yankees' baseball team.

Upgrading the neighborhood around the Bronx stadium had been one of the major selling points for the project when it was first undertaken, with city officials saying the renovation would make the area safer and more attracting. In October, however, the $2 million program to improve the area was abandoned as an economy move in the fiscal crisis, with only minor subway improvements accomplished, while the stadium renovation proceeds.

Officials argue that because the promise to upgrade the neighborhood had been made to the Yankees, it now 'makes sense" to spend $300,000 on the team. The purchases include a $215,000 tarpaulin to cover the playing field, $65,000 worth of security devices, $14,000 to strengthen the supports of the scoreboard and $7,000 for a carpet or terrazzo floor for the team's general offices.

The city also has agreed to pay for private toilets and "catering facilities" in Yankee V.I.P. boxes. The cost of this has not yet been determined.

The dropping of the neighborhood improvement plan is one of the few instances in which the city has cut back in spending for any part of the huge stadium remodeling project undertaken three years ago when the Yankees threatened to leave New York.

However, at a time when the city is slowing or eliminating construction projects that lack the powerful political backing the stadium has, the renovation is being kept on schedule so the field will be ready when the baseball season opens in April.

An investigation by The New York Times also shows that the direct costs of the stadium rehabilitation project have risen to about $75 million, three times what the public was told it would cost when the deal was made with the Yankee in 1972. And the indirect costs—for such things as parking facilities, interest and tax exemptions—may add $150 million to the bill over the next 31 years.

COSTS ARE DEFENDED

City officials acknowledge that the rising costs of the project have been somewhat "upsetting," but they deny that the costs are out of hand. And they have objected from time to time to newspaper descriptions of the original $24 million figure as an "estimate" of the stadium remodeling.

John T. Carroll, the city's Municipal Services Administrator, called that figure a guess made before plans were drawn. He said costs had risen only about 10 percent over those anticipated after bids on the project were let.

Henry Gavan, a lawyer for the city's Economic Development Administration who became the Yankee Stadium project coordinator after Mayor Beame took office, said that the $24 million figure had been "picked out of thin air" in 1971, and had probably been based on the fact that Shea Stadium cost about that amount to build in the early 1960's.

No one has seriously suggested that Yankee Stadium could be remodeled at today's costs for $24 million, he said. To do so, he asserted, would be a "deliberate lie" or "gross stupidity."

Rebuilding the stadium is a "necessary luxury," essential to civic pride and vital in rehabilitating the Bronx, Mr. Gavan said.

MERCHANTS BACK PLAN

The merchants and residents of the area around the stadium have strongly supported the stadium renovation, feeling it might be one of the crucial steps to stabilize a neighborhood moving steadily downhill.

They have expressed hope that the continued presence of the Yankees in an improved stadium would draw increased numbers of fans, bolstering the economic life of the area and possibly bringing an end to the pattern of muggings, robberies and vandalism that has set in. To that end, they felt that any investment by the city would be justified.

Now that the city has dropped its own neighborhood-improvement plan, city officials are hoping that the stadium remodeling will provide an incentive for private property owners in the area to renovate their own places.

"The owners of those rundown businesses near the stadium are going to see that they are missing a chance to get the baseball crowds into their places, and they are going to do some painting and remodeling themselves," Mr. Gavan said.

COSTS PUT AT $75 MILLION

The cost of the stadium project will be at least $75 million, and possibly more. Direct contract costs for remodeling the 50-year-old stadium now total $67 million. And, depending on the outcome of a pending court case, the city expects to pay Rice University and the Knights of Columbus, the current owners, about $8 million as the purchase price for the stadium and the land. The owners are asking $9.5 million.

The city must borrow all of this money and can expect interest costs of at least $5 million a year, enough to pay the salaries of 400 average full-time city employees.

The city also has agreed to provide 6,900 parking spaces at the stadium, which will cost $60 million over the next 31 years. And, because the stadium parking lots and garages will be publicly occupied, the city will lose an amount estimated at $25 million in real-estate taxes over the 31-year period.

On the other hand, the city says it could earn as much as $2.4 million a year from rent and concessions at the stadium and $1.7 million a year from the parking. These figures, however, assume a substantially heavier patronage of the stadium and its parking facilities than in the past.

The city also had hoped to earn some advertising income from the new stadium scoreboard that it built. But the Yankees exercised their option in 1973 to buy the scoreboard from the city and keep the advertising revenues.

The Yankees are expected to exercise another option, but it is one that will not be costly to the city. They will be allowed to rename a portion of East 157th Street, just south of the stadium, for a player, coach or manager of their choosing.

Despite the extent of the city commitment, the Yankees in an action that has shocked some city officials, are now asking the courts to force the city to pay for damages that the team claimed it suffered because of the stadium remodeling.

The Yankees are demanding payment in a State Supreme Court suit for such diverse items as the playing field at the old stadium, batting cages, therapy tables, goal posts, pitching machines, flag and pennant poles, air-conditioners, field lights, ice makers, football screens, the stadium organ, washers, dryers and chairs.

The list itemizes 1,096 categories, including 64,850 old seats ripped out to make way for new ones now being installed. Among the seats are 5,000 the team bought from the city for $1 each at the end of the 1973 season to sell or give away as souvenirs. During the last two seasons, the Yankees have played their home games at Shea Stadium, which is also owned by the city.

Luis M. Neco, a special assistant corporation counsel who is handling negotiations on the project, said he doubted that the Yankees had any legal or moral claim on many of the items. He noted that Rice University in Houston was the owner of the stadium when the city condemned it in August 1972, and thus was the probable owner of most of the equipment for which the Yankees are claiming damages.

Rice University has filed a claim similar to that of the Yankees.

The original Yankee claim was filed three years ago, but Mr. Neco, a former deputy police commissioner, said it had been dormant in court until last month when the Yankees asked that the claim be paid promptly. Yankee lawyers charged that the city had been dilatory.

Top Yankee officials were not available for comment. Patrick J. Cunningham, the New York State Democratic chairman who is acting as temporary general partner of the Yankees, and Gabe Paul, the Yankee president, were reported by associates to be on short vacations at undisclosed places.

Other Yankee spokesmen said they were unaware that the claim had been pending and that it had been filed before the current partnership had acquired the Yankees.

Although the Yankees are the prime beneficiary of the city's stadium spending, the city will get a return on is investment, and a New York entertainment and business conglomerate, Warner Communication Inc., also will profit.

For Warner, there are three sources of profit—or potential profit—in the stadium project: parking, plumbing and the New York Cosmos, a team in the North American Soccer League.

Negotiations are under way to determine whether the Cosmos, whose home games are played at Downing Stadium on Randalls Island, will play home games at the stadium.

One Warner subsidiary, Kinney Systems Inc., built and owns several parking garages at the stadium and will receive $2 million a year in rents from the city, in addition to a tax exemption on the properties worth about $2 million more.

CHOICE IS EXPLAINED

Mr. Gavan, the Yankee Stadium project coordinator, said Kinney had been chosen to build new garages at the stadium because its operations of parking lots at the city-owned Shea Stadium had proved satisfactory.

The Yankees had demanded 10,000 parking spaces, but later settled for 6,900. The city agreements with Kinney in 1973 provided that New York would pay $1.2 million a year in rent until 2007 on two major garages Kinney was to build. They were to have 2,950 parking spaces.

But last October, the number of spaces in the two garages was increased to 3,501 and the annual rent to $1.5 million.

Mr. Gavan said this figure did not include escalation clauses that allowed Kinney to increase rents by up to 20 percent because of higher construction costs and by 12 percent because of high interest rates on borrowed money. These factors will increase the annual rental to $1,975,000 a year, he said.

Kinney also agreed to remodel a third garage the city owned, with the city paying rent totaling $446,000 over the next four years and then $1 a year thereafter.

As part of the same agreement, the city will pay for repairs and maintenance on all the garages and parking lots, which are to be managed by Kinney.

In addition to its rental receipts, Kenney will get from 20 percent to 95 percent of the parking fees. The contract gives Kinney 95 percent of the first $100,000 in fees, 90 percent of the next $100,000, 85 percent of the next $200,000, 25 percent of the next $350,000, and 20 percent of everything above that.

Mr. Gavan praised the parking arrangement as an "excellent" one for the city, which, he said, could even net a profit.

If all the 6,900 parking spaces were rented at all 75 Yankee home dates next year, the city's share of the parking fees would be $317,000. Kinney's share would be $459,000.

Mr. Gavan said the $1.7 million needed by the city to break even on its rental payments to Kinney could come from 16 Cosmos home games, possibly from New York Giants football games, and from special events such as boxing matches and entertainment affairs.

In addition, he said, the city might get some income from commuter parking on days when no events were scheduled.

Besides the Cosmos and the parking, Warner has an interest in the stadium plumbing. A Warner subsidiary, Wachtel, Duklauer & Fein, obtained a $2,500,000 contract to install new plumbing when the low bidder on the job, B, L & A of New York, was disqualified by the city.

The reason for the disqualification of B, L & A is obscure. Current city officials said they were not sure what had happened after B, L & A submitted a bid almost $1 million less than Wachtel for the plumbing job.

Mr. Gavan said it was his "understanding" that B, L & A was an "unqualified minority contractor" that did not have sufficient experience and had either not understood the specifications or had misfigured its bid.

Kerbert J. Simins, the city's Commissioner of Public Works, said his department had been advised that B, L & A "couldn't cut the mustard."

REJECTED BIDDER HIRED

City records show that Wachtel later hired B, L & A to do a substantial portion of the stadium plumbing. Through October, B, L & A had been paid $342,000 for subcontract work.

The city's hope of obtaining $2.4 million a year in rents on the stadium is based on some shaky assumptions, including projected larger attendance at games and a heavy schedule of events.

As part of the stadium renovation agreement that is to keep the Yankees in New York for at least 31 years, the city each year is to receive 5 per cent of the gross revenues on the first 750,000 baseball fans, 7½ percent on the next 750,000 and 10 percent over 1.5 million fans. The same rate schedule is to apply on concessions.

Mr. Gavan said it was expected that two million or more fans would attend Yankee games in the first year "to see the new stadium if nothing else." In that event—and if the fans buy a lot of beer and peanuts—the city would have an income of $661,250 from the Yankees, he said.

The New York Giants football team is scheduled to move to a stadium being built for them in the New Jersey Meadows, but it is uncertain whether the move will take place late in the season next year or in the following year.

If the Giants play their games at Yankee Stadium next year, they will pay 15 per cent of their admission income and 7½ percent of their concessions to the city, Mr. Gavan said.

If the Cosmos soccer team plays at the stadium, the city will get 12 percent of the first $1.5 million in admissions and 13½ percent above that, plus 7½ percent of concession sales, Mr. Gavan said.

Despite the uncertainties, he added, "This makes a very good investment" for the city.

The original decision for the city to buy Yankee Stadium was made when the Columbia Broadcasting System owned the team. CBS had bought the team in 1964 but did not acquire title to the stadium or to the land under it.

In 1955, when officers and directors of the Canteen Corporation of America were running the Yankees, they sold the stadium and land to John M. Cox of Chicago, the president of General Packaging Corporation.

Mr. Cox sold the land to the Knights of Columbus and gave the stadium to Rice University, his alma mtaer.

Rice had granted the Yankees a 28-year lease with an option for 42 more years at a rental of $180,000 a year. The Yankees also paid the real estate taxes and repairs and maintenance on both the stadium and the land.

Mr. Neco, the special assistant city corporation counsel, said that city taxes on the stadium had averaged 5 to 6 percent of the assessed valuation from 1965 through 1972.

PROPERTY AT $5 MILLION

During that time, he said, the city had valued the property at $5 million for tax purposes each year, but that the city tax commission had lowered these assessments year by year on appeals by the Yankees.

In 1971–72, the stadium and land were valued at $2,875,000, Mr. Neco said. The tax rate in the Bronx that year was 6.032 percent, making the stadium taxes $173,420, he said.

City officials reject the presumption that the Yankees have been treated so kindly by the city because of political pressure.

"I have had absolutely no political pressure brought on me," said Art Wrubel, the deputy director of construction for the city, who is in charge of making sure the stadium work is on schedule.

"It is on schedule," Mr. Wrubel said, conceding that if it were not, he probably would have received some pressure.

Several upper-echelon city officials said privately that the Yankee Stadium project was viewed as being politically blessed and had the highest priority of any city project.

"It doesn't hurt that Pat Cunningham is involved," said one such official.

Mr. Cunningham had been a legal adviser to the team and became acting head when George M. Steinbrenner 3d, a principal owner of the Yankees, was suspended from baseball for two years after being convicted of making felonious campaign contributions to former President Richard M. Nixon and other politicians.

Mr. Steinbrenner and 17 associates bought the Yankees early in 1973 after the city had agreed to buy and rebuild Yankee Stadium, a decision pushed by former Mayor John V. Lindsay, and strongly endorsed by Bronx leaders.

Borough President Robert Abrams of the Bronx said the project was absolutely necessary to start that section of New York on the road to recovery.

Not all New York City elected officials shared this concern.

Matthew J. Troy Jr. of Queens, chairman of the City Council Finance Committee, predicted that the Yankee Stadium remodeling would become a "bottomless pit."

Mayor Beame, who at the time was City Comptroller, said he had "serious qualms" about the wisdom of the city taking over Yankee Stadium, but did not actively oppose it. He did say that he believed that the cost would be more than $50 million, not $24 million.

City officials say they cannot now predict when a final cost of the Yankee Stadium project can be determined.

Mr. PROXMIRE. The Senator has got to be kidding. $300,000; do you know how far that would go?

Mr. HARRY F. BYRD, JR. That is one example.

Mr. PROXMIRE. Well, it is a pretty weak example. They need $1.3 billion. $1.3 thousand million. The Senator is talking about a tiny fraction of one-tenth of 1 percent.

Mr. BROOKE. Mr. President, if the Senator will yield, I do not think we ought to attack the Senator from Virginia on the basis of the amount of money.

Mr. PROXMIRE. Poor old Yankees; they need something.

Mr. BROOKE. Maybe that $300,000 will bring in $3 million in what the city derives from the ticket sales by the New York Yankees. Maybe their team will get almost as good as the Boston Red Sox, for example, and then people will come to see them, so that $300,000 might be a good investment, I might suggest that to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. THURMOND. Mr. President, a few moments ago in the colloquy between the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) and the distinguished Senator from Wisconsin (Mr. PROXMIRE), the question was raised about what can New York do?

New York can do what South Carolina did a few years ago during the depression, during the 1930's. The State legislature passed a law that permitted its cities and counties to issue scrip. That is one thing they did. Another thing they did was cut the expenses down so that the expenditures would come within the revenues.

I think it is highly important that people realize that this situation, though, has been going on for years. There has been extravagance on the part of the officials of New York. There have been expenditures that could have been avoided. There have been excessive salaries. There has been waste. There has been corruption. There has been welfare. One out of every six or seven people in New York City today is on welfare.

I cannot believe that the richest city of the richest State of the richest nation in the world, that 1 out of every 6 or 7 people have to be on welfare.

Mr. President, I only mention that point before I begin to make a few remarks on this subject.

Mr. President, since the question of Federal aid to New York City arose, there has been considerable gloating in some quarters at the prospect of that bastion of liberalism down on its knees begging the Federal Government to help it to its feet. I disassociate myself from that attitude.

I am saddened by the financial plight of New York City and extremely worried at the prospect of Federal intervention. While I, for reasons I shall state presently, am most strongly opposed to Federal aid to New York City, I have much sympathy for those individuals who will most directly experience the difficulties caused by New York mismanagement. This includes bondholders who will have to accept late payment, those who have been and will be laid-off, and those who will have to pay the increased taxes necessary to bring the city's budget into balance.

However, whatever immediate hardships may have to be endured by New York citizens, this is a problem which has grave and far-reaching repercussions and any solution which includes Federal aid must take these national implications into account.

The drastic lack of prudence and circumspection by many who propose Federal aid is most aptly illustrated by the term so often used. I am referring to the term "bail-out." Those who should know better are constantly urging Congress to bail out the city, as if it were merely a question of money. To be sure, that leaky ocean liner is shipping considerable water through several holes, but I do not believe the water is all that deep.

Much more important than the few billions being sought is the fact that the act itself will fundamentally alter the relationship between the Federal Government and State and local governments as set forth in the Constitution.

I cannot imagine anything more offensive to our form of federalism than the national Government to assume the responsibility for a city, which is essentially a creation of State government and, as such, is a State responsibility. There is no way I can be convinced that this proposed action will not be a signal to spendthrift city managers across the country that they need not worry about their profligate ways: The Federal Government will be standing by to bail them out.

I am amazed and appalled at the number of persons who refuse to see the implications. I fully realize that the financial problems of New York are very complex and will not be solved by simplistic action. But sometimes the basic premise is so simple that economists and politicians are baffled by it. The basic underlying principle involved here is that one has to pay for what he buys. Painfully simple, is it not? This crude principle has been completely lost in responsible persons in New York and across the country. The former mayor of New York City, Robert Wagner, set the tone for the city's collapse when he proclaimed 10 years ago:

> I do not propose to let our fiscal problems set the limits of our commitments to meet the essential needs of the people of the city.

In plain language the mayor said that just because New York City may not be able to afford a social program, does not necessarily mean it cannot have it. So, over the years, the city has continued to spend more that it has received. In fact, spending has risen twice as fast as revenues over the past decade.

Of course, rather than let anything so mundane as lack of revenue set limits on spending, the city borrowed more and more money, year after year, finally drying up its credit resources. Now that no prudent lender will advance another dime, it comes to the biggest spender of them all, Uncle Sam, who himself is competing with New York City for the title, "world champion spender," and whose budget has not been balanced but four times in the last 21 years that I have been in the Senate.

This is a momentous juncture in U.S. economic history. This exceedingly dangerous notion that a government can be run indefinitely on paper must be eradicated, along with the politicians who espouse it.

I have seldom heard such a clamor as has been raised by those advocating Federal aid to New York City. If things are as bad as some have predicted, I do not believe there is enough money in the country to avert the apocalypse they envision.

A hard look at the facts does not warrant such alarm. Certainly, the area of greatest impact beyond New York City will be on the municipal bond market. What will happen is that cities desirous of mortgaging the future to pay for the present may find it hard to sell the idea to lenders. I do not find this to be such a horrifying prospect.

In fact, for those governmental entities which have demonstrated a record of sound financial management, there is no difficulty in the credit markets. An article in Forbes magazine of August 15, 1975, points out that the New York City scare notwithstanding, for financially sound cities, the bond market is "booming." Interest rates have risen slightly, making them more attractive to investors. Some may say that cities cannot afford the higher interest rates that will result from a default by New York City; but I say that market forces which tend to restrain Government borrowing are legitimate responses to the reality of the market. If we now, by giving Federal aid to New York City, subvert these natural market forces, we are setting ourselves up for a national disaster that will make New York City's problems seem like a day at the fair.

I believe that, in the opinion of most economists, the market, and the business climate in general, have already adjusted to the problems precipitated by New York City's condition. There is nothing magic about the words default and bankruptcy. The city's disastrous fiscal position is an accomplished fact. In reality the city has already defaulted and business and financial personages are aware of it. The inability of the city to pay its debts is evidenced by the imposition of a moratorium on principal and interest payments on many of their obligations.

The Federal Reserve has indicated that it can and will prevent the failure of any banks threatened by the devaluing of New York City's paper. The State and the city have embarked on a crash program to bring their respective budgets into balance. So why interfere?

Why set a precedent for other financially troubled governments to follow? Only the most naive can believe that more cities, perhaps even States, will not seek safe haven in the Federal bosom. I can see within a few months, a parade of bail-out bills. Now that is something to be alarmed about.

If there are any benefits to be gained from the present painful recession, which we are barely beginning to recover from, it is the realization that unlimited deficit financing only adds to the murderous pressures of recession and inflation. Cities and States throughout the country are finally taking the tough, politically unpopular steps to put their finances on sound footing. Federal aid to New York can only hinder, if not defeat, this imperative process.

These are perilous times that demand courage and foresight. The situation in New York illustrates with frightful clarity the danger we face. The lines must now be drawn: Against political mismanagement and abuse; against tyrannical public employee unions; against the welfare State; against the ever-growing idea that the government is the answer to any and all problems. I am prepared, and I hope our distinguished colleagues are prepared, to draw the line today before it is too late.

I urge our colleagues to defeat this bill now pending before the Senate.

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. BARTLETT. Mr. President, I should like the attention of the Senator from Wisconsin and the Senator from Massachusetts—particularly the Senator from Massachusetts, because of his remarks recently in which he doubted that there would be much interest in many cities in a loan similar to that which is contemplated for New York City.

I will read into the Record a letter to the President by Robert Williamson, mayor of the city of Anadarko, Okla., a copy of which was sent to me, to my colleague, Mr. Bellmon, and to our colleague in the House, Representative Tom Steed:

Anadarko, Okla., *October 31, 1975.*

The President,
Washington, D.C.

Dear Mr. President: The City of Anadarko, Oklahoma, has a population of 6,800 people according to the last census. We generate our own electric power and supply it to our citizens along with sewer, water and sanitation services. We are endeavoring to meet the standards of the Environmental Protection Agency by 1977. Construction has just begun on a fifty bed municipal hospital after a planning period of eight years.

Our city is now and has been for several years unable to meet its bond holders' requirement of a surplus of one and one-half times our bonded indebtedness. It is only with great difficulty that we are able to meet our payments to the Bureau of Reclamation for our water supply. Our Revenue Sharing money has been used for emergency vehicles and capital improvements otherwise unaffordable.

We hereby request that if at such time the City of New York is granted aid from the federal government in the form of loans or grants, our city may also be considered for such assistance as we too are overburdened by great need.

Respectfully,

Robert Williamson,
Mayor.

Mr. President, I inquire of either Senator what his response to Mr. Williamson would be? His city of Anadarko, Okla., for every reason that one would give for viability, is bankrupt, just as New York is bankrupt. He wants to know what consideration there will be of Anadarko's plight in this particular legislation.

Mr. PROXMIRE. I ask the Senator from Oklahoma how large this city is.

Mr. BARTLETT. The city has a population of 6,800, as the mayor says in his letter.

Mr. PROXMIRE. And what is the population of Oklahoma?

Mr. BARTLETT. 2,600,000 people.

Mr. PROXMIRE. What we have done with the New York City situation is that we have required the State of New York to assume a great deal of the responsibility for the city. The fact is that the budget of the city of New York is bigger than the budget of the State of New York.

The New York City situation is so enormous, so many people are involved, the services are so expensive, capital expenditures are so massive, that there is no way in which the State of New York can do more than it has done. It has provided advances of more than $800 million to the city of New York. It has loaned the city $250 million. It has passed legislation to enable the city to increase its taxes substantially. It has provided guidance for the city to the extent of creating an emergency financial control board, on which five of the seven votes are State-appointed people, including the Governor and the State comptroller. These people have exercised great discretion and have made real progress in reducing spending on the part of the city of New York and in reducing the burdens of the pension funds and other burdens they have.

If the State of Oklahoma, which is many hundreds of times bigger than the city of Anadarko, cannot assist the city to meet its problems and makes the same kind of effort, in which they risk their own bankruptcy in doing so—that is what New York State has done, and many experts feel they have gone too far—if they make that effort, and if it is too much, then I think the Federal Government might give consideration. But, in all seriousness, in the case of a town that small, with 6,800 people, in a State that big, with well over 2 million people, the problem should not be beyond the reach of the State, which has the responsibility. As the Senator knows, as a former Governor, the State has the responsibility for its cities. Under those circumstances, I feel that the State of Oklahoma should be able to take care of the situation.

Mr. BARTLETT. The point the Senator is making is he is drawing certain lines and is discriminating against certain cities, based on certain production that he sees on the part of the State, for the intervention of the State.

Mr. PROXMIRE. I simply was trying to say that we have required—at least, in my mind, and I think in the minds of other members of the committee—that New York State make the fullest effort within its resources and within its capability to meet the fiscal problems of New York City; not only that it provide the loans that have been provided and the tax capability that they have provided but also the fiscal advice which has been very helpful to New York City, and that, in effect, they take over the full management of this city—at least, its fiscal management.

Mr. BARTLETT. What I am trying to point out to the Senator from Wisconsin is that I think he is rationalizing, just for the reasons of support to New York City's finances, the loan. He is drawing certain lines here to include New York and to exclude Anadarko.

My points are several. One is that a number of cities will feel that because they, as American citizens, are participating in the financing of New York City, in part, they also are entitled to be included in such financing.

So far as the particular requirements of the State of Oklahoma are concerned, I think the Senator probably will be pleased to find out—and I am pleased to relate to him—that the State of Oklahoma cannot support the cities if they go into bankruptcy, which I believe provides a real safety factor for the rest of the country as well as for the cities themselves, because they know that they have to bail themselves out. So they do not get into the hole that New York City has.

I think that the point that the Senator from Massachusetts was making is not going to be borne out by the facts and the human nature involved, that other people are going to want to receive the same consideration. Each case is not going to have the same supportive information or action by New York City or failures by New York City, but I believe we can cite a litany of decisions that have been made by the State of New York that have led to this problem. So I believe that New York State has a great responsibility here, just as the Senator pointed out that New York State has been of great help to New York City. It also has been the reverse.

I believe that the law in the State of Oklahoma, the constitutional law which forbids the State from bailing out a city, is a very good law. It has resulted in very few bankruptcies; and those cities which have been bankrupt in our State have then, over a period of time, managed their affairs in such a way that they have been able to reinstitute their credit rating.

Mr. PROXMIRE. The Senator from Massachusetts can answer for himself; but so far as I am concerned, it seems to me that the States are, in part at least, under our Constitution, sovereign; that they have the responsibility for creating and abolishing their counties, chartering their cities, deciding what powers the cities have, what powers of taxation they have. They can withdraw or extend whatever powers they wish.

The Senator makes an excellent point, and it is a very appealing point. It makes a great deal of sense that a State should make clear to its cities that "we're not going to help you. If you go into bankruptcy, it's too bad." I can understand that that might have a salutary effect in securing a very susbtantial degree of fiscal responsibility. Nevertheless, it does not seem to me to negate the nature of our Constitution and the nature of the responsibility of the State. While that might be desirable from the standpoint of achieving a degree of fiscal discipline, nevertheless, it does constitute a walking away from this problem, a disowning of its own child by its own parent.

The fact is that the State is the sovereign creator of the city; therefore, the State does have a responsibility. To say, "We're just going to forget about this; we'll leave it up to the Federal Government or let them sink or swim on their own," it seems to me, is a cavalier kind of action on the part of the State, although I can understand the very appealing and sensible aspect of this particular course of conduct.

I do believe that the Federal Government must insist in all cases, whether it is Milwaukee, Wis., or New York City or Oklahoma, or whatever, that the State do everything within its power, including amending its constitution if necessary, to take care of its own cities.

This might be a little far out, but if we had a different kind of world government, it would be the same for us to go to the United Nations and say, we are not going to take any responsibility for New York City or New York State, let the United Nations bail them out. The fact is that New York City is a part of America, just as the Senator's city in Oklahoma is a part of Oklahoma. I do not think we should condone or encourage States to indicate that they do not want any responsibility for their own cities.

Mr. BARTLETT. Let me say to the distinguished Senator from Wisconsin that I think he is confusing things here. Certainly, I favor the State of New York, in the case of New York City, stepping in if, for any reason, there is a strike or some holdup in funds or inadequate financing of the welfare program or the vital services of New York City. If the State of New York or the Governor of New York does not have that capability, then I feel it would fall on the Federal Government; the same with Oklahoma. I do not think Oklahoma, in any way, is guilty of turning its back morally on its responsibility or legally on its responsibility to the citizens of the State when they have such a rule, which I think is an excellent one. They are going to look after the welfare and the well-being of the citizens of Oklahoma, and I think they are doing it better than in the case of New York City.

I think the point that the Senator and I are really vitally interested in, and the charge that I believe we have now in Congress, is to find a solution to the problem. To me, the problem is one of an unbalanced budget, the same as the Federal problem. How do we achieve a balanced budget, or how does New York City achieve a balanced budget? I do not think that the action we are taking aids in that, because I do not think we have seen evidence enough that there is a solution or a balanced budget. In rather vague terms, it is talked about perhaps in 1978—June 30, I believe is the date, or July 1, something in that area. Certainly, I know the intentions of those involved, and the Senators, are the best. Certainly, I hope that, if this legislation passes, it does work out that a balanced budget is achieved by that date, or, hopefully, before. But I feel that the problems that must be confronted are very difficult: problems of establishing wage rates, number of personnel, retirement programs, all the other decisions of cutting back a standard of living, a standard of services that could not be afforded, to bring it into balance—recognizing that, as there are efforts made to raise taxes, this might drive away some of the taxpayers from the city and make the problem that much greater.

What we are talking about, really, is not the moral advantage of this approach compared to the immorality of the position I am taking in objecting to it. I think we both want the services to be performed properly for the city.

I think the question is, Which direction can we best go in to assure that there will be a solution, a balanced budget, operating within those revenues? This is where I disagree, because I do think that the route of reorganizing in the courts, with the support of the courts and with any additional powers or strengths that are necessary to the court, coming from the Federal Government, coming from legislation that we might pass, is very important.

What I am leading to, here, is a question that—as I understand it, the President, in indicating his support of up to $2.3 billion in bonds to the city of New York, still wanted this legislation to move ahead and be reported out. What I wanted to ask either of the Senators is, what is the plan, as far as strengthening the bankruptcy laws is concerned, to provide the kind of reassurance the President asked for?

Mr. BROOKE. Will the Senator yield?

Mr. BARTLETT. Yes.

Mr. BROOKE. First of all, if the Senator will permit, I wish to clarify the statement I made earlier, to which the Senator from Oklahoma referred. I stated, in response to the Senator from Virginia, that it is my opinion that we will not have a deluge of cities running in for Federal assistance as a result of favorable action that, hopefully, the Senate will take and which the House has already taken, on this bill. My reason for saying that was that the criteria which are established in the plan that was submitted, and that the President agreed to, are criteria which cities across the Nation are not going to want to have to meet. I still believe that to be true. I do not believe cities want to give up some of their sovereignty, I do not think they want to impose new taxes as New York City has been compelled to do.

I think that many of the other conditions in the New York plan—I shall not reiterate them; I have mentioned them several times today—are so stringent that we will not find cities eager to avail themselves of this kind of Federal assistance.

I wonder, myself, what would happen if a city in Oklahoma found itself in a similar crisis. Obviously, it would not be of this magnitude. We would not be talking about the same dollar volume, because the cities in Oklahoma, obviously, are much smaller than New York City. In fact, there is no such city in Oklahoma.

But if a city in Oklahoma found itself in a fiscal crisis, due to some mismanagement—I know this is something far beyond the imagination of the Senator from Oklahoma, but just for purposes of debate, if such a city found itself in that condition and came to the Federal Government to get assistance, as did the city of New York, it would appear to me that the first thing that would be required of that city would be that the State of Oklahoma help that city out.

As I understand what the Senator from Oklahoma has said, they have a constitutional prohibition against the State of Oklahoma helping that city out of its financial crisis. So the condition precedent, it seems to me, on the Federal level, that would go the route we are going under this law, would be for a constitutional amendment by the State of Oklahoma so that the State of Oklahoma could first help that city to the best of its ability before it could qualify for Federal assistance.

Mr. BARTLETT. I think, if I may respond to the distinguished Senator from Massachusetts, that the State of Oklahoma is already helping out by having that very clearly established requirement on cities, that they keep their financial house in order, that there is not going to be any kind of bailout by the State of Oklahoma. The cities do know that the State of Oklahoma, however, is going to be solvent and in a strong position, because there is a budget-balancing amendment that prevents a State from operating at a deficit.

Mr. BROOKE. I cannot believe, and I do not think the Senator from Oklahoma believes, and I have heard no testimony from anybody else who believes that the city of New York deliberately got itself into this situation in anticipation of the Federal Government's bailing it out. I cannot believe that Mayor Beame and Mayor Lindsay and the city council, back to Mayor Wagner, that these mayors and city councils of the city of New York deliberately got themselves in this financial crisis and expected that the Federal Government would come in and bail them out. I just cannot believe that.

I only say that because, getting back to Oklahoma, it could happen in a city in Oklahoma, through mismanagement. I am sure that Oklahoma is——

Mr. BARTLETT. Let me say to the Senator that he is not insulting Oklahoma. Oklahoma, back in the late thirties, had very great difficulty in meeting its obligations. It had to issue special warrants in order to pay its teachers, and because of that, adopted the budget-balancing amendment. So the State of Oklahoma learned that this business of living beyond your means catches up with you.

Mr. BROOKE. Let me ask the Senator from Oklahoma, suppose they had, as they do have in Oklahoma—if the magic is to have a constitutional amendment in a State which requires a balanced budget, then every State in the Union ought to have such a constitutional amendment. Suppose such a constitutional amendment was in existence.

What I want to ask the Senator is what would happen if a city violates this constitutional amendment and does not balance its budget? Then what action would the State of Oklahoma take against that city?

Mr. BARTLETT. I think if the services of the State were not being provided, for example, for reasons of finances or for a strike or whatever might be the case, police protection was not provided and could not be provided, the State would step in right away with a highway patrol.

If it was a matter in the welfare area, the State, I think, would step right in. It is involved, of course, in the welfare program, as is the Federal Government. So I think this would happen in New York City. It should happen regardless of which way this goes.

But the point I was getting to in discussing this with the Senator from Wisconsin was the means of accomplishing the goal of balancing the budget. There have to be, as everybody recognizes, some very tough decisions to be made that were not made by the politicians nor the civic leaders nor the bankers during this period the Senator was talking about, and taking the position that certainly the city did not do this on purpose but they did it in a very irresponsible manner nonetheless, as the Senator also said.

The point I am trying to make is that I have great concern that this commission that is now operating the city of New York, and even with other help that I understand may be coming by various task forces, and so on, will be able to make these tough decisions with legal support so that they can balance the budget and to show in advance that they can do that with assurance.

The steps they are contemplating now are very possibly illegal, unconstitutional and, undoubtedly, are being challenged in the court.

If, though, the city is being operated by a reorganization under bankruptcy with court-appointed referees, with the support of the court, then I think there is an assurance it will continue. These things can be challenged, to, but you will have court support for every step of the way. It will be challenged, and if it is, it can be taken to a higher court, so it can be in the way in which the Senator is contemplating in this financing.

But having the court supporting the actions taken by the court-appointed referees gives support that is lacking in this approach. So it further says to me, if I may say to the Senator, that what we have here, what we really have here, is de facto default, in fact default, and what we really have is de facto bankruptcy without the loss of face that accompanies bankruptcy, either for the banks or for the city officials or the State, but also without, more importantly, the support of the court and all that that entails.

So it really bothers me.

Mr. BROOKE. If the Senator will yield, Mr. President, I cannot buy the argument that we actually have a default. Obviously, the city of New York is not fooling anyone. They are not trying to fool anyone. The financial crisis exists, still does exist, and the Senator knows that.

On the other hand, by going the route that has been proposed we are trying to devise a plan whereby the city will not have to default, and that has been done before. I mean, the same thing has been done in private transactions with private corporations where debtors who want to get their creditors to extend their debts over a period of time or reduce the payments on those debts or balloon them, as the Senator very well knows. I think he is a distinguished member of the bar and understands that practice—well, as a distinguished Governor I think he understands it.

Mr. BARTLETT. The Senator flatters me. I am a cornfield lawyer; I am a geological engineer.

Mr. BROOKE. Well, cornfield lawyers sometimes are much better than Philadelphia lawyers. I am not going to say Boston lawyers, but Philadelphia lawyers.

Under those circumstances, what we are trying to do is to give New York an opportunity to get the private sector to extend its loans, to reduce its debts, to renegotiate pensions, and do many other things that have been frequently mentioned in order to avoid default, not just to save face, to be sure, because what we are trying to do is to put New York into a situation where it will at some time in the near future become creditworthy. "Creditworthy" is the key word.

If a city becomes creditworthy then, of course, it can go into the bond market. I never did buy the argument that if New York City defaulted, it meant that other cities would ipso facto not be able to go into the bond market. Cities and States that are creditworthy can go into the bond market no matter what happens to New York because investors have faith in their creditworthiness.

But what we are here trying to do is to put New York City back into a situation where over a period of time it become creditworthy.

The Senator from Oklahoma recognizes that New York City obviously cannot overnight or within a few months turn the situation around so that it can balance its budget. I think 1978 is a realistic time for the city to balance its budget, and that is what we are trying to give them an opportunity to do.

So I do not want the Senator to feel this is just a charade, that New York is actually in default and will go into default. I do not think it is that way at all. I think if we pass this legislation the city will not be going into default, either de jure or de facto default, but will have time, which it needs, to rearrange its financial affairs so it will become creditworthy and be able to go into the bond market, be able to pay off the Federal Government, which has a priority, and then be able to pay off its creditors.

Mr. BARTLETT. The reason I say to the distinguished Senator from Massachusetts that it is de facto default, if I owed the Senator some money and I agreed to make a payment, so much on principal and so much on interest, and I did not make that then I would be in default in that amount to the Senator.

Mr. BROOKE. Technically not, legally not. I mean, it would be between us. If I wanted to extend the Senator's loan to a longer period or to reduce the interest on that loan, the Senator would not have defaulted on that loan.

Mr. BARTLETT. I said de facto default.

Mr. BROOKE. I will not quibble about the semantics of it, but I think we understand each other.

Mr. BARTLETT. But it is also de facto bankruptcy because the city is bankrupt.

The point I am making is I think, as the Senator said earlier, they are surrendering their sovereignty, part of it, not all of it, but a very important part, and they are not arming themselves with the support of the court in order to work their way out.

I know the Senator is aware of the number of cities which did become bankrupt after the big depression and how they worked their way out and did over a period of time reestablish a credit rating.

But I have not seen any evidence to show that the better way to go is to not have the support of the court but to keep it from going into bankruptcy, and certainly have it take longer, owe more money, and have a bigger job to perform in the process. But I do not see where this approach is in any way nearly as good as reorganizing under the bankruptcy laws and then having this body take whatever action it should to strengthen the bankruptcy laws, as the President requested.

I wish the Senator would comment on what he favors and what is planned so far as any accompanying legislation in case this loan does pass that would come from Congress in order to strengthen the Bankruptcy Act.

Mr. BROOKE. I certainly understand the Senator from Oklahoma's position on this.

I favor avoiding bankruptcy when bankruptcy can be avoided, whether we are talking about going into bankruptcy now or later. I think individuals, corporations, businesses, municipalities, anyone who can avoid bankruptcy wants to avoid bankruptcy. There is a certain stigma attached to bankruptcy, as is well known. It is not as much as it used to be in past years, but it still is a source of embarrassment. It means you cannot pay off your debts, and no city, of course, would like to be in that situation if it can avoid it.

I do not know, as the Senator well points out, whether New York City might have to go that route, even if we pass this legislation.

As the Senator has said, the moratorium legislation will undoubtedly be challenged courts, and it could be declared unconstitutional. I just do not know. They may be forced into bankruptcy, but they have tried to avoid bankruptcy, and we are trying to help them avoid bankruptcy.

The Senator points out, what is the difference, what are the advantages of going this route with the Federal Government's stepping in rather than the courts?

The obvious benefit, of course is that we have a chance of avoiding bankruptcy this way while we do not avoid it the other way.

But I do believe, in response to the Senator's question as to what should accompany this legislation, I believe very strongly that we have got to amend the Federal Bankruptcy Act to provide for bankruptcy of municipalities.

We have not done that yet, as the Senator well knows. We need it. We should have it. We should have done it before. I think that this is perhaps one of those other goods that I said might come out of this situation, that we would act expeditiously to pass an amendment to the Federal Bankruptcy Act.

I would propose we pass such legislation in this session of the Congress, that is, before we adjourn this year. I think it is important legislation. I think it should have been done, as I said, and I hope it will be done. I certainly would vote for it and I hope the Senator would, as well.

So that is my response to the Senator's question as to any accompanying legislation.

Mr. BARTLETT. Mr. President, it seems to me that this Congress would have a distinct obligation to pass such legislation on bankruptcy at the earliest possible moment before the Christmas recess just because of the role that the President has taken in this in saying he did favor the $2.3 billion loan, but did also favor a strengthening of the bankruptcy laws for cities.

I think it is a part of his understanding of what Congress is going to do, taking into consideration what the State of New York is going to do and the city of New York, that this is a very key part of the total package from his point of view, the backup position.

Mr. BROOKE. And I think to provide, if I might interrupt the Senator, for the contingency that even, as I said, if we passed legislation, that some court may throw New York City into the bankruptcy situation. We ought to have the law on the books at that time.

Also, to provide for the eventuality, and I hope it will never come to pass, but for the possibility that other cities across the Nation might find themselves in similar financial crises.

Mr. BARTLETT. Mr. President, I might mention this to the Senator from Massachusetts, the Rock Island Railroad a few months ago filed for bankruptcy in the courts. It is a railroad that the Senator from Illinois (Mr. STEVENSON) is familiar with, which tried for some 12 years to merge with two very strong railroads, which was denied by the ICC yea or nay. There was no decision reached one way or the other as to whether they would be permitted to merge or not, and finally an order was rendered recently, but not a final order, and then the whole thing fell apart.

At the same time, some of the other railroads have been given loans and carried along and I think we have another matter before this body that is pending, the ConRail question, which involves rather sizable amounts of money and their bankrupt railroad system.

But it is rather interesting to me that the plight of the Rock Island has improved greatly over the last several months, and part of the reason for this, according to the new president of Rock Island, is the support that they have received because they filed for bankruptcy and the support in the court for actions that they have been able to take.

I was just saying that the Rock Island Railroad has improved its position greatly, partly because of the support and strength of the courts that they received because of the bankruptcy.

The President was extremely pleased to find out all of the supportive situations that exist and existed for him to help them.

So I feel that here is another example of how we have certain railroads that have been financed with loans from the Federal Government and carried along and are in worse shape now than before.

I am just wondering if we are really doing a favor for the city of New York. It is obvious they have a very tough problem. No one can underestimate that. But I am just wondering which is best, to face it now completely or to, in one sense, put part of it off. That is what I am afraid we are doing, that we are putting it off under the guise of a solution.

But if the distinguished Senator would, I would like him to give me the assurance, if it exists, that there is a solution to the problem of New York that has been worked out, that will resolve this, and show me the steps, the arithmetic and the figures, that will show conclusively that there will be a balanced budget by July 1, 1978, and that there will be enough sufficient revenues over and above the operating revenues to amortize the indebtedness.

Mr. BROOKE. Let me just say to the distinguished Senator from Oklahoma that I hope he is wrong, that we are not just prolonging the agony.

I cannot say to him with all assurance that we are not prolonging the agony. I do not think that the fact they would go into bankruptcy and be under the court system, in itself, is going to make it a better situation than the system that has been devised and which is encompassed in this bill.

I also want to point out to the Senator from Oklahoma that if New York went into default, there would still be a need for some loans to help the city to maintain its vital services to the 8 million people who inhabit the city of New-York.

Mr. BARTLETT. Well, if I may——

Mr. BROOKE. After all, this is the United States of America. I just do not believe this country would stand still and see 8 million people denied their vital services, such as police protection, fire protection, health and welfare, and the like. I just do not believe it would happen.

The President of the United States who has been opposed to guarantee legislation, has said that the people of New York would not be allowed to be injured, that these vital services would be continued, and even under bankruptcy, under the courts, under the referees, the President proposed that we would pass legislation to let the city issue debt certificates. These certificates in my opinion obviously would have had to have been guaranteed by the Federal Government if anybody was going to buy them, so that New York could just maintain its services.

So there is no real option, and that is the point that I point out to the Senator. What is the option?

Maybe the Senator is saying that bankruptcy is the option. Let us not fool with the people, let us not say it is something which it is not. Bankruptcy may be necessary but it is not going to solve the problem.

Mr. BARTLETT. The point is that the Senator did not tell me what the assurances are and did not tell me how this commission will solve the problem.

Mr. BROOKE. Let me get to that. I am sorry. I was answering the first part of the question, and certainly the Senator is entitled to an answer.

I wish I could. Obviously, I cannot, but I wish I could say to the Senator from Oklahoma and to all my colleagues that I know specifically that steps 1, 2, 3, and 4 will lead to a balanced budget for the city of New York in 1978. I cannot say that. I do not think anyone can say that.

I cannot even say that my own city of Boston or my own State of Massachusetts will have a balanced budget next year or the year after that. I do not think that the Senator from Oklahoma, even with his constitutional amendment, can say that they will have a balanced budget in all the cities and towns in the State of Oklahoma.

I just do not believe we can say that. What I do say to the Senator from Oklahoma is this: I do believe that we have exacted all that we can reasonably exact from the city, from the State, from the financial community, from the labor unions, and from all in interest in order to put the city of New York on a sound financial basis and to arrive at a balanced budget by the year 1978.

I can go back over all the things, the taxes that have been passed, and list the litany of criteria which the city, the State, and the private sector are meeting, but I do not believe that would satisfy the Senator from Oklahoma.

Mr. BARTLETT. My point to the Senator from Massachusetts is that I do not think the technique or the approach that is being used has any reasonable chance of success.

In the first place, as with the Rock Island Railroad, the President told me that immediately he had the protection of the court in not having to pay certain of his bills, his indebtedness, but was given the opportunity, of course, to accrue his income as he normally had it to take care of certain other things that needed to be done, with court approval.

In the case of New York City, I believe the Senator and I would agree that one of the very difficult areas will be establishing the number of personnel, which calculations indicate is at a level much higher than most cities and much higher than they can afford, much higher than it can be and have a balanced budget.

No. 2, salaries are much higher than in comparable cities.

Mr. BROOKE. Will the Senator yield? We have data that would indicate that both of those statements are not fact; that the city of New York salaries are not higher than comparable cities across the country; that the number of personnel per resident are not higher than in some cities, though the fringe benefits and pensions are out of line.

One of the requirements was that they

cut back in personnel. Senator JAVITS stated in the Chamber today that if one goes to New York now they will see traffic jams caused by the cutback in police. There have been cutbacks on meter maids and other personnel.

As I say, there are some fringe benefits to which I object myself, such as the noncontributory pension plan which the city does have and one of the requirements of the plan we are considering is that these benefits be renegotiated. I believe there has been an agreement to do that.

Even the pension funds have put money in to help New York City out of this plight.

I heard the Senator from South Carolina, for example, say that New York City had so many people on welfare. One of the reasons why New York City has a lot of people on welfare is that people leave South Carolina to go to New York City. Those same people come to Boston, Mass. I do not know if they go to Oklahoma or not. They have been seeking to get higher welfare benefits because the welfare benefits in some States are so low that the people cannot live. So they migrate. That is one of the reasons why I have always favored a national welfare program rather than just having it on a State basis.

New York City has been saddled with many dependent immigrants—and we must admit that. When a lot of people get to New York and never go any further. They get there and stay there. New York City has had to pay them relatively high welfare payments in order for them to survive in the city of New York. As to the cost of living in New York City and the cost of living in South Carolina—I do not want to pick on South Carolina as the Senator is not here but he raised this question—the cost of living is very high in New York City. A welfare recipient who has to live at that cost of living does not live high on the hog. If one has to buy milk and bread, and bread costs more in New York City than in South Carolina, obviously, the city is hit with these high welfare costs.

So they have been saddled with a lot of the problems and ills that have come from other States in the Nation which were not of their own making.

Mr. BARTLETT. The fallacy of the Senator's argument about having welfare payments being the same all over the country is that migration would then go to those States that had the lower cost of living. One of the problems that exists today with this unifying effort across the country on various kinds of programs is because of the different cost of living that exists.

Mr. BROOKE. That might be the healthiest thing that ever happened for this country, that we could shift some of this so that some of these States with the lower cost of living would have some of the welfare recipients.

Mr. BARTLETT. I think some of the States with the lower cost of living have their share.

Mr. BROOKE. Then we would not have States like New York and Massachusetts hit with them. But that is not our argument today.

Mr. BARTLETT. The figures show clearly the cost of operating New York has been much, much higher than other cities. The personnel numbers are high, the retirement programs are higher, and so on.

Mr. BROOKE. I can give you the figures on that.

Mr. BARTLETT. I will be glad to look at the figures the Senator has. I do not have mine with me at the moment. I think it has been shown that there will have to be some drastic action taken in this area as well as other areas.

The Senator used the term "renegotiate." I think there should not be the word "renegotiate," but there should be getting the support of the court for a program for a balanced budget, a court approval of a plan of action, rather than renegotiation with the unions.

I think this is one of the differences in the approach. There is wishful thinking on what can be done as far as reducing numbers, salaries, and retirement programs. I have talked with some people from New York. They are quite concerned that there is certainly no plan or agreement, no solution, for drastic changes that are going to bring about the kind of savings that need to be brought about to bring expenditures in line with revenues. This is what I am talking about, that there is no solution, that it has not been worked out.

Mr. BROOKE. I would agree with the Senator that New York City, and I think New York City is well aware of the fact, is going to bring salaries, personnel, and all these things that the Senator has raised, into line. I think that is very evident. I believe they understand that.

I do not want the Senator to feel that the court has any magic. When one goes into bankruptcy, the court does not just sit there and say, "This is the way it is going to be." The court appoints referees, they meet, bring in creditors, sit down and talk to them to find out what the debt is and how it can be resolved, whether they will take 10 cents on a dollar or 50 cents on a dollar.

I do not want to go into a discussion of the bankruptcy law or procedure, but I do not want the Senator from Oklahoma to labor under some misconception that the courts, merely by presiding over a bankruptcy situation, will solve these problems. If it can be avoided, we should avoid it. That is what most people want to do. If we cannot, and there is a possibility we cannot—a very real possibility——

Mr. BARTLETT. I recognize that. There will be a question about the procedures which have been outlined, with perhaps a court test of those. But I am still very much concerned that there is a solution in going this way. This is the problem that I have, and I think it is the problem a lot of other people have. In talking with quite a few people who are very familiar with this problem, much more so than I, who have studied it for the administration, who have studied it for the city and for themselves, I find real doubt in their minds that this does offer a workable solution to the problem.

By workable solution—again I will define my term—I mean a balanced budget with sufficient revenues in addition to taking care of the services to also amortize the indebtedness and to reestablish the credit.

Mr. BROOKE. Let me just give this assurance to the Senator from Oklahoma: Of course, we are going to have faith, but I am not going to ask him to move on faith alone. I am sure he wants more than that.

It would appear by the House action that we are going to have to go the authorization and appropriation route. The Senator, I am sure, is aware of that. If we pass this legislation, we will still have to appropriate the money. We will have to go before the Appropriations Committee, and come before the Senate for a vote, as with any other appropriation.

So we do have a look at this. We do have supervision of it. If the city does not live up to its obligations, we do have a recourse. So it is not that we are just going to make this loan and then stop. There is going to be Federal supervision of it.

This is what I talked about when I mentioned the fact that the city would be giving up some of its sovereignty. It is going to have to make reports. There will have to be audits made of it.

Mr. BARTLETT. This is, of course, one of the things that bothers me, the giving up, surrendering of sovereignty. Federal supervision does not provide, for me, much additional hope.

I am reminded of a cartoon which appeared in one of our Oklahoma newspapers, showing Mayor Beame in the water, going down the third time, with his nose and mouth barely above water, and in another corner Uncle Sam going down the third time, with his mouth barely above the water, but he said, "You can count on me."

I do not think, from the history of our handling of the finances of Government, that this body, the other body, or the administration have shown any great capability, and I think we have to realize that New York City is not a microcosm, but a macrocosm of the situation here in Washington. By setting an example which could be desired and emulated by many cities throughout the country, I think we are going down a path which will lead to ruin.

Mr. BROOKE. In response to the Senator from Oklahoma, I would just like to say I hope the plan works. First of all, I hope the Senate will pass the legislation, and then that the President will sign it; and, since it is the President's proposal, there is every expectation that he will sign it into law.

Then I hope that it works, first for the city of New York and the State of New York and its people, but also for the Nation.

Then I say to the Senator that we both agree that we ought to amend the Federal Bankruptcy Act; and if the plan does not work, then, of course, we can always fall back on the amended Federal Bankruptcy Act, which is where I presume the Senator from Oklahoma believes we ought to be at this stage. But I do hope that the Senator from Oklahoma will use his good offices and his good influence, and I join with him, to see that we do pass legislation amending the Federal Bankruptcy Act before this session of the 94th Congress adjourns.

Mr. BARTLETT. I, of course, heartily support Congress passing a meaningful bill with the proper provisions for reorganizing cities under bankruptcy. But I am also concerned, even if we do that right away and do it properly, prior to the end of this session of Congress, before the holidays, that the $2.3 billion will not be sufficient, and then there will be many more steps before we will finally get to the point of activating the bankruptcy laws, if we do pass them in the interim.

It is my hope that we do provide this strength, and that, of course, we do vote down this $2.3 billion loan, but that if it does pass, it not be followed by a whole flood of other loans for New York City and other cities.

I strongly believe that if we take care of New York City, we should also take care of Anadarko, Okla., and all other cities which may be in similar straits, though operating under different State laws and having different problems, but nevertheless being bankrupt.

Mr. BROOKE. I hope, again, that the Senator is wrong, that the money that is in this bill will be sufficient to do the job. I am sure the Senator hopes as well that it will be sufficient to do the job, that the city will not have to come back to us once, twice, or several times prior to going into bankruptcy, because this will be sufficient to get them on their way and to balance their budget by 1978.

I want to assure the Senator that if any city in his State gets into a similar financial crisis, and I certainly hope and pray it will not, and meets the criteria that the city of New York has had to meet, they should be able to get the same consideration the city of New York got.

Mr. BARTLETT. I thank the distinguished Senator from Massachusetts for the dialog. I thank also the distinguished Senator from Wisconsin for the discussion I had with him.

Mr. President, I yield the floor.

Mr. BELLMON. Mr. President, will the Senator from Massachusetts yield to me?

Mr. BROOKE. I yield.

Mr. BELLMON. I was not present for all the dialog that has taken place, and perhaps some of this has already been covered, but I am curious to know whether or not the Senator from Massachusetts is convinced that New York City can, within the 3-year period, become a viable economic entity. Can the government of New York City get its house in order in 3 years?

Mr. BROOKE. I cannot, in all candor, say to the Senator that I have any data or any special knowledge that would permit me to give the Senator from Oklahoma that assurance. I can say, though, that I believe we have exacted from the city of New York and the State of New York, and from the private sector of New York, as much as can reasonably be expected of them, and I have faith that, under the figures that have been submitted to the Senate Banking Committee as to what their debt is, what their short-term obligations are, what their revenues are, and what their expenditures are, that they will be able by 1978 to have a balanced budget.

This is not just something that we in the Senate Banking Committee have done. We have had the best experts, the best financial minds we could get to arrive at this. New York City has been working on it, New York State has been working on it, the financial community and many others have been working on it, the Treasury Department, representing the Federal Government, has been working on it, and they collectively believe this is a viable plan.

I also wish to emphasize that the President for many months has been stalwart in his opposition to Federal loan guarantees for the city of New York, and it was not until this most recent plan, which was studied by the Secretary of the Treasury and by all of the President's financial advisors, that they were satisfied that this was a viable plan, and a plan that would work. It was for that reason that the President of the United States endorsed this plan and sent it to Congress in the form of the legislation on which we are now acting.

That is the only assurance I can give to the Senator from Oklahoma: that my personal opinion, believing in the good faith and the expertise of those who have developed this legislation, is that it is a viable plan. I hope the city of New York will be able to balance its budget by 1978.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BROOKE. I am happy to yield.

Mr. JAVITS. Mr. President, I answered exactly the same question for the Senator from West Virginia (Mr. ROBERT C. BYRD). and I will try to repeat exactly what I said. The Senator may compare it in the RECORD.

It is my judgment, and the best judgment I can make to my colleague, realizing that our colleagues will act on the collective judgment of many people here, including myself, that so long as the United States has any exposure in respect of this bill, which is for a maximum of 3 years, for a maximum of $2.3 billion in short-term credit, repayable each year, that it is my belief and it is my conviction that New York will remain viable within that exposure limit, because the exposure is based upon a whole set of things other people must do and if they do not do it there is no deal by the United States or anyone else. So long as we have exposure, in my judgment, New York can make those conditions come true, including the repayments.

The second part of the Senator's question, and I understand it very well, is why should we have this exposure if it will not result in putting New York on some kind of a basis where they will continue to be the top city and a big taxpayer, et cetera. That I answer as follows: Given this opportunity and given the fact that the business community of New York now realizes how bad the situation is, I see the very real likelihood that the business community will take over where the city of New York leaves off because of the fact that it will be very heavily stripped of the ability to go back in the credit markets for a time varying from 3 years to an indeterminant period. I cannot tell which it will be. The business community will step in for the following reasons:

First, their investments are very great in the city. We have $100 billion of assessed value of real estate. In addition, many of these institutions are there so that it would take an enormous uprooting to take them out, whether it is communications, transportation, television networks, stock exchange, and many other things. I believe that they will invest this period of time of 2 to 3 years in order to see whether the situation in New York City can be brought around to where it is viable for them as well. I believe in that respect what has been put together in this package will be self-fulfilling; in other words, the city will have to so constrict its own operations, its own expenditures.

Its trouble has been that its heart has been bigger than its pocketbook, and it just cannot be done. In my judgment the citizens of New York will engage in enough volunteer activities in terms of the demands made upon their municipality. That we will have after the 3 years. I do not think the United States is gambling a penny. I am sure of that from my own analysis of the situation.

But in my judgment, after the 3 years, this ability to survive for 3 years will give us a chance, and we will do our utmost, because I think we have really been beaten up pretty hard on this one, to make it good.

Therefore, I say to the United States and to our colleague as a Senator of the United States, with a conscience for the country, it is worth the investment because it will give us a chance to continue to be the taxpaying entity and the operating entity that we have been and which we showed serious danger of ceasing to be in this situation, and the United States will lose nothing by this exposure.

Mr. BELLMON. If the Senator will yield further—and I am sure going to have to leave the Chamber for just a moment—the argument that businesses now resident in New York City pay substantial taxes to the United States and that they may not pay those taxes if we do not make this loan does not make any sense to me. If New York City can no longer house those businesses and industries they will be operating some place else in the country and be paying the same taxes there as they are in New York City.

Mr. JAVITS. I tell the Senator why I am saying that. That is a very proper and astute cross-examination. I am saying that because New York, being what it is, and other cities in the country are coming along very rapidly, the Houstons, Dallases, Fort Worths, et cetera, but as an actual proposition, one cannot duplicate New York for 25 years and that is what I am talking about. There is a gap. I will not be here; I hope everyone else is, but I will not. I have little doubt we will have other New Yorks or replacements for New York, but there is a lag there. It has to be. I mean, we do not install this kind of infrastructure except over a very long period of time. That is what I am talking about.

Mr. BELLMON. Mr. President, I yield the floor.

Mr. JAVITS. Mr. President, I have just had an opportunity to consult the report of the Congressional Budget Office on New York, and it is very relevant and pertinent to the questions asked indeed by Senator Bartlett and to some extent by Senator Bellmon.

I ask unanimous consent that that section of the report which deals with the question which he asked: Is New York unique, and why is it staggering under these burdens, be printed in the Record so Members may read it rather than detain the Senate by reading this into the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

IV. Is New York Unique?

Are New York's problems simply of a larger magnitude or are they qualitatively different from those of other major cities? Much of the public discussion suggests that New York is very different from other cities, that it has an abnormally large welfare population, an unusually large and well-paid public labor force and has expenditure patterns that are significantly higher than other cities. At the same time, there is the belief that the fiscal crisis being visited upon New York soon will afflict other cities. Generally neither of those contradictary sets of impressions is valid.

In recent decades New York has been buffeted by the same socio-economic forces that have affected other large, older urban centers and has responded to these pressures in a fashion similar to that of other cities. According to most measures, New York's situation is far from the worst in the nation. One composite index of central city disadvantage shows New York in better shape than Newark, Baltimore, and Chicago as well as eight other large urban centers not included in Table 7 (see column 1). A smaller fraction of New York's population receives welfare than is the case in Philadelphia, Baltimore, Newark, or Boston (see Table 7, column 2).

Comparisons of the expenditure and employment patterns of New York City with those of other large municipal governments indicate that New York is far out of line with other jurisdictions (see Table 7, columns 3a and 4a). Yet this is a misleading conclusion which stems from the fact that New York City provides services that in other areas may be supplied by a county government, a school district, or another specialized government. If one compares the New York employment and spending patterns with those of *all* of the local governments providing services to the residents of other large cities, New York appears to be less extraordinary (see Table 7, columns 3b and 4b). While its per capita expenditure and public employment levels are above those of any other major city area, some of the differences with respect to such cities as Boston and Philadelphia can be explained by the fact that welfare is a state function in Massachusetts and Pennsylvania. While New York also spends a great deal more than other cities on higher education, hospitals, and mass transportation, its expenditure on the services commonly provided by municipalities is not out of line with those of other large cities (see Table 7, columns 3c and 4c). With respect to the salaries paid public employees New York is generous but not the most generous of large cities (see Table 7, column 5). Considering that New York's cost of living—as measured by the Bureau of Labor Statistics (BLS) intermediate family budget—is higher than all but that of Boston, its wages are not particularly out of line (see Table 7, column 6).

However, it should be noted that what little reliable evidence there is seems to indicate that New York City provides its employees with considerably more in the way of fringe benefits—pensions, health insurance, etc.—than is offered the employees of other large cities.

While New York's situation in many ways does not differ markedly from that of other large central cities, some of its problems are clearly not shared with other cities. First there is New York's debt situation. On a per capita basis the city has far more debt outstanding than do the local governments providing services in the other central city areas (see Table 7, column 7). This is particularly true of short-term debt in which New York stands alone in its needs continually to enter the market to "roll over" large quantities of notes. Second, New York, as far as can be told, has been the only major city that has chronically run a large current operating deficit in both good and bad economic years. Finally, as was mentioned previously, New York revenues and expenditures are much more sensitive to the ups and downs of the business cycle. All of these peculiar aspects of New York's situation should make one pause before concluding that the city's crisis is but the forerunner of those that will occur widely elsewhere.

TABLE 7.—NEW YORK CITY COMPARED TO OTHER LARGE CENTRAL CITIES

City	Index of central city disadvantage	Fraction of population receiving welfare payments[1]	Per capita expenditures 1972-73			Local government employment per 10,000 population 1974			Public employee average salaries 1974				Cost of BLS's Intermediate family budget (Index 1974)	Debt outstanding per capita 1972-73[1]	
			City Government	All local Governments[1] serving central county		City government	All local governments serving central county[1]		Teacher	Police	Fire	Sanitation		Total	Short-term
				Total	Common municipal functions[2]		Total	Common municipal functions[2]							
			(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)	(d)		(a)	(b)
	(1)	(2)	(3)			(4)			(5)				(6)	(7)	
New York City[3]	211	12.4	$1,224	$1,286	$435	517.1	528.2	242.9	$17,440	$14,666	$16,964	$15,924	116	$1,676	$335
Boston	198	16.9	858	756	441	378.0	465.0	219.2	16,726	14,352	13,844	10,666	117	1,385	364
Chicago	245	11.1	267	600	383	140.0	352.5	208.4	20,891	14,146	15,525	11,956	103	733	119
Newark	422	14.4	692	827	449	391.1	421.5	258.2	16,464	13,282	13,282	8,473	116	616	122
Lus Angeles	105	8.0	242	759	408	162.2	401.1	206.2	15,670	15,833	21,180	13,168	98	650	14
Philadelphia[3]	205	16.2	415	653	395	163.8	414.5	255.2	15,354	14,354	13,869	13,337	103	1,015	101
San Francisco[3]	105	9.1	751	1,073	488	312.5	488.3	224.6	15,743	15,529	17,765	13,023	106	1,225	151
New Orleans[3]	168	11.4	241	431	260	177.3	357.7	217.5	10,458	10,746	10,645	4,170	NA	770	39
St. Louis[3]	231	15.8	310	610	360	241.9	424.6	214.2	17,545	11,748	13,185	9,593	97	731	49
Denver[3]	143	7.2	473	721	375	237.0	410.5	219.3	13,505	12,907	14,198	10,258	95	786	52
Baltimore[3]	256	16.3	806	814	470	434.1	434.1	260.1	12,727	10,098	10,980	8,126	100	609	45
Detroit	210	11.1	357	650	396	194.8	354.3	202.4	22,603	15,636	16,107	13,814	100	658	63

[1] Central county.

[2] Common Municipal Functions include elementary and secondary education, highways, police, fire, sanitation, parks, general control and financial administration.

[3] Boundaries of the city are coterminous with those of the central county.

SOURCES

1. Richard Nathan "The Record of the New Federalism: What It Means for the Nation's Cities." Brookings Institution, 1974.

2. Department of Health, Education, and Welfare, "Recipients of Public Assistance Money Payments and Amounts of Such Payments by Program, State, and County," February 1975 DHEW public No. (SRS) 76-03105 NCSS Report A-8 (2/75). Includes AFDC and general assistance recipients.

3a. U.S. Bureau of the Census, "City Government Finances in 1972-73," GF73, No. 4.

3b,c,7. U.S. Bureau of the Census, "Local Government Finances in selected Metropolitan Areas and Large Counties 1972-73," GF 73, No. 6.

4. and 5. U.S. Bureau of the Census, "Local Government Employment in Selected Metropolitan Areas and Large Counties 1974," GE74, No. 3.

6. Bureau of Labor Statistics, "Autumn 1974 Urban Family Budgets and Comparative Indexes for Selected Urban Areas." (4-9-75).

Mr. ALLEN. Mr. President, this bill, as it pends before the Senate, is said to be the President's bill, and that it must not be altered because it might slow down the passage of the bill or it might result in a veto of the bill.

The President has not only recommended this loan bill, but he has also recommended a revised bankruptcy bill that would enable New York City to avail itself of the bankruptcy provisions more easily and more expeditiously. It seems to the Senator from Alabama that if we did add an amendment, adding the bankruptcy bill as another title of the bill, it would make the bill more palatable, not less palatable, to the President. Since the House saw fit to go along with the President's recommendation with respect to the direct loan bill, there is no doubt in the opinion of the Senator from Alabama that the House would immediately accept this amendment without any necessity of a conference. They would make a better bill out of it.

The distinguished Senator from Wisconsin (Mr. Proxmire) made the statement that this whole effort to solve New York's problem hinged upon several factors, all of which had to coincide. The Federal loan is one of those factors. But he stated, also, in order for the plan to be successful, this moratorium on city debt had to stand up. He stated that, in the event the moratorium does not stand up—and there is some question in the minds of legal authorities, he states, as to whether it will stand up, because it does impair the obligation of contract—it would then be necessary in the event the moratorium is declared to be illegal and unconstitutional for New York to go into bankruptcy.

I asked him the question, if that would be the route that would be followed rather than come back to ask for more Federal money, and he stated in his opinion it would be bankruptcy.

That being true, since there is no chance, I assume, that this bankruptcy bill is going to pass during this half of the 94th Congress, it would seem that we need to tack this bankruptcy bill onto the bailout bill.

Let us see whether the bill has had enough consideration. This modified bankruptcy bill was suggested by the President, himself. It has gone to the appropriate committee of the Senate, the Committee on the Judiciary, and it has been reported favorably by that committee, is now on the calendar, and its provisions can be added to the pending bill.

The present version of the pending bill has been to no committee. It has not been to a House committee. It has not been to a Senate committee. What has become of the committee system?

The leading proponents of the plan on the Banking Committee blithely voted not to send the bill to the Banking Committee, and their whole effort, after weeks and weeks of hearings, has been dumped. Not so with the bankruptcy bill. It has run the gamut of the Committee on the Judiciary. It was referred to a subcommittee headed by the distinguished Senator from North Dakota (Mr. BURDICK). It is now on the calendar. I believe this would give New York City options.

The question has been raised time and time again on the floor of the Senate: Will this bill solve New York City's problems? About the best that has been said is that they hope it will. If hope is not translated into reality and they need to go into bankruptcy, they are not able to do so under the present bankruptcy provisions, because I believe they have to get two-thirds of the creditors to approve of their going into bankruptcy, and they think they cannot do that.

As I understand it, the President's bankruptcy suggestion, as turned out by the Committee on the Judiciary, does set up a system that would enable New York to go into bankruptcy if this effort to bail them out proves insufficient.

So, Mr. President, I call up the amendment I have at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ALLEN. Mr. President, this amendment is precisely the President's plan as acted upon by the Committee on the Judiciary, as appears on the calendar, and it has been there for quite some time.

I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

AMENDMENT NO. 1173

Whereas the Congress finds and declares this Act and proceedings thereunder providing for the composition of indebtedness of, or authorized by, municipalities to be within the subject of bankruptcies under article I, section 8, clause 4 of the United States Constitution; and

Whereas the Congress finds that the impracticability of existing Federal bankruptcy remedies for use by municipalities increases the likelihood of their default and will aggravate the adverse effects thereof; and

Whereas the Congress finds that the financial disruptions and dislocations resulting from default of such municipalities without availability of a Federal procedure to restructure their indebtedness in such fashion as to avoid continuing insolvency would have a substantial adverse effect on interstate commerce within the meaning of article I, section 8, clause 3 of the United States Constitution, by reason of the commercial importance of the municipalities involved.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bankruptcy Act of 1898 (30 Stat. 544), as amended, is hereby amended to add a new chapter XVI thereto reading as follows:

"CHAPTER XVI—ADJUSTMENT OF INDEBTEDNESS OF MAJOR MUNICIPALITIES

"Sec.
"801. Jurisdiction, powers of the court, and reservation of powers.
"802. Definitions.
"803. Eligibility for relief.
"804. Petition and filing.
"805. Stay of proceedings.
"806. Contest and dismissal of petition.
"807. Notices.
"808. Representation of creditors.
"809. List of claims and persons adversely affected.
"810. Proofs of claim.
"811. Certificates of indebtedness.
"812. Priorities.
"813. Provisions of plan and filing.
"814. Voting on acceptance of plan.
"815. Modification of plan.
"816. Standing to object to plan.
"817. Hearing on confirmation of plan.
"818. Effect of confirmation.
"819. Duty of petitioner and distribution under plan.
"820. Dismissal.
"821. Retention of jurisdiction.
"822. Reference of issues and compensation.
"823. Conversion to chapter XVI.

"JURISDICTION, POWERS OF THE COURT, AND RESERVATION OF POWERS

"SEC. 801. (a) This Act and proceedings thereunder are found and declared to be within the subject of bankruptcies and, in addition to the jurisdiction otherwise exercised, courts of bankruptcy shall exercise original jurisdiction as provided in this chapter for the composition or extension of the debts of certain public agencies of instrumentalities or political subdivisions. The court in which the petition is filed in accordance with subsection 804(c) shall exercise exclusive jurisdiction for the adjustment of petitioner's debts and, for purposes of this chapter, shall have exclusive jurisdiction of petitioner and its property, wherever located.

"(b) Upon the filing of a petition the court may, in addition to the jurisdiction, powers, and duties hereinabove and elsewhere in this chapter conferred and imposed upon it (1) permit the rejection of executory contracts of the petitioner upon notice to the parties to such contracts and to such other parties in interest as the court may designate; (2) exercise such other powers not inconsistent with the provisions of this chapter.

"(c) Upon the filing of a petition the chief judge of the court in the district in which the petition is filed shall immediately notify the chief judge of the circuit court of appeals of the circuit in which the district court is located, who shall designate the judge of the district court to conduct the proceedings under this chapter.

"(d) Nothing contained in this chapter shall be construed to limit or impair the power of any State to control by legislation or otherwise, any public agency or instrumentality or political subdivision of the State in the exercise of its political or governmental powers, including expenditure therefor: Provided, however, That no State law prescribing a method of composition of indebtedness of such agencies shall be binding upon any creditor who does not consent to such composition, and no judgment shall be entered under such State law which would bind a creditor to such composition without his consent.

"(e) Subsections 60 (a), (b), (c), section 67, and subsections 70 (c), (e) of this Act shall apply in proceedings under this chapter, except that all functions of the trustee thereunder shall be assumed by the petitioner.

"DEFINITIONS

"SEC. 802. The words and phrases used in this chapter have the following meanings unless they are inconsistent with the context:

"(1) The term 'attorney' means an attorney licensed to practice law by any State and includes a law partnership or corporation.

"(2) 'Claims' shall include bonds, notes, judgments, and demands, liquidated or unliquidated, and other evidence of indebtedness, either secured or unsecured, and certificates of beneficial interest in property.

"(3) The term 'court' means United States district court sitting in bankruptcy, and the terms 'clerk' and 'judge' shall mean the clerk and judge of such court.

"(4) The term 'creditor' means any person who owns a claim against the petitioner and any person injured by the rejection of an executory contract or an unexpired lease pursuant to this chapter or pursuant to a plan under this chapter, and may include such person's authorized agent.

"(5) The term 'lien' means a security interest in property, a lien obtained on property by levy, sequestration or other legal or equitable process, a statutory or common-law lien on property, or any other variety of charge against property to secure performance of an obligation.

"(6) The term 'plan' means a plan proposed in a case under this chapter.

"(7) The term 'person' includes a corporation or a partnership, the United States, the several States, and public agencies, instrumentalities, and political subdivisions thereof.

"ELIGIBILITY FOR RELIEF

"SEC. 803. (a) Any municipality, public agency, instrumentality, or political subdivision of the State is eligible for relief under this chapter, if the municipality is first specifically authorized to file a petition initiating a proceeding under this chapter by the chief executive, legislature, or such other governmental officer or organization empowered under State law to authorize the filing of such a petition.

"(b) Any public agency or instrumentality or political subdivision subordinate to such municipality or whose responsibilities are restricted to the geographical limits thereof, including incorporated authorities, commissions and districts, for whose debts such municipality is not otherwise liable, is eligible for relief as a separate petitioner and a petition seeking relief shall be jointly administered in the same proceeding in which such municipality seeks relief under this chapter if such agency, instrumentality, or subdivision is not prohibited from filing a petition by applicable State law.

"PETITION AND FILING

"SEC. 804. (a) Any entity eligible for relief under section 803 may file a voluntary petition under this chapter. This petition shall state that the petitioner is eligible to file a petition, that the petitioner is insolvent or unable to pay its debts as they mature, and that it desires to effect a plan for the composition or extension of its debts. The petitioner shall file with its petition, or within such time as the court may prescribe, lists of its creditors and of other persons who may be adversely affected by a proposed plan if an identification of all the petitioner's creditors is impracticable, the petitioner shall state the reason therefor.

"(b) The petition shall be filed with any court in whose territorial jurisdiction the municipality or any part thereof is located, and shall be accompanied by payment to the clerk of a filing fee of $100, which shall be in lieu of the fee required to be collected by the clerk under other applicable chapters of this title, as amended.

"STAY OF PROCEEDINGS

"SEC. 805. (a) A petition filed under section 804 shall operate as a stay of the commencement or the continuation of any court or other proceeding against the petitioner, its property or any officer or inhabitant of the petitioner, or which seeks to enforce any claim against the petitioner; as a stay of any act or the commencement or continuation of any court proceeding to enforce any lien on taxes or assessments, or to reach any property of the petitioner; and as a stay of the application of any setoff or enforcement of any counterclaim relating to any contract, debt, or obligation of the petitioner.

"(b)(1) A petition filed by a petitioner eligible for relief under this chapter shall operate to stay recognition or enforcement of the setoff of any claim owing by the petitioner effected or attempted to be effected within three months prior to the date of the petition or thereafter against any obligation owing to the petitioner until the stay is terminated by the court or the case is dismissed. Such stay shall not affect the right of the creditor to withhold payments to or on the order of the petitioner, except when otherwise ordered pursuant to subdivision (2).

"(2) After hearing on notice to the person asserting the right of setoff, the court may order such persons to pay to the petitioner or to its order the amount of the obligation sought to be offset if the stay is not terminated pursuant to subdivision (d). However, the court may require as a condition of the order that the petitioner furnish such protection as will adequately protect the person who is asserting the right of setoff.

"(c) Except as it may be terminated, annulled, modified, or conditioned by the court under the terms of this section, the stay provided for herein shall continue until the case is closed or dismissed or the property subject to the lien is, with the approval of the court, abandoned or transferred.

"(d) On the filing of a complaint seeking relief from a stay provided in this section, the court shall set a hearing for the earliest possible date. The court may, for cause shown, terminate, annul, modify, or condition such stay.

"(e) The commencement or continuation of any act or proceeding other than described in subsection (a) of this section may be stayed, restrained, or enjoined pursuant to rule 65 of the Federal Rules of Civil Procedure, except that a temporary restraining order or preliminary injunction may be issued without compliance with subdivision (c) of that rule.

"(f) A provision in a contract or lease, or in any law applicable to such a contract or lease, which terminates or modifies, or permits a party other than the petitioner to terminate or modify the contract or lease because of the insolvency of the petitioner or the commencement of a case under this Act is not enforceable if any defaults in prior performance of the petitioner are cured and adequate assurance of future performance is provided.

"(g) No stay, order, or decree of the court may interfere with (1) any of the political or governmental powers of the petitioner; or (2) any of the property or revenues of the petitioner necessary for essential governmental purposes; or (3) the petitioner's use or enjoyment of any income-producing property: *Provided, however,* That the court shall enforce the conditions attached to certificates of indebtedness issued under section 811 and the provisions of the plan.

"CONTEST AND DISMISSAL OF PETITION

"SEC. 806. (a) Any creditor may file a complaint in the bankruptcy court contesting the petition for relief under this chapter. The complaint may be filed within thirty days following the filing of the petition.

"(b) The court may, upon notice to the creditors and a hearing following the filing of such a complaint, dismiss the proceeding if it finds that the petition was not filed in good faith or that it does not meet the provisions of this chapter.

"(c) A finding of jurisdiction shall be considered an interlocutory order for purposes of appeal. No appeal pursuant to section 1292 of title 28, United States Code, shall be allowed.

"NOTICES

"SEC. 807. (a) The petitioner or such other person as the court shall designate shall give prompt notice of the commencement of a proceeding or dismissal of the petition under this chapter to the State in which the petitioner is located and to the Securities and Exchange Commission and to creditors. As creditors and other persons who may be materially and adversely affected by the plan are identified, the petitioner or such other person as the court shall designate shall give such persons notice of the commencement of the proceeding, a summary of the provisions of the plan and any proposed modification of the plan, and of their right to request a copy of the plan, or modification. The notice required by the first sentence of this subsection shall be published at least once a week for three successive weeks in at least one newspaper of general circulation published within the jurisdiction of the court, and in such other papers having a general circulation among bond dealers and bondholders as may be designated by the court. The court may required that it be published in such other publication as the court may deem proper.

"(b) The petitioner or such other person as the court shall designate shall also give notice to all creditors of the time permitted for accepting or rejecting a plan or any modification thereof. Such time shall be ninety days from the filing of the plan or modification unless the court for good cause shall set some other time.

"(c) The petitioner or such other person as the court shall designate shall also give notice to all creditors (1) of the time permitted for filing a complaint objecting to confirmation of a plan, (2) of the date set for hearing objections to such complaint, (3) of the date of hearing of a complaint seeking dismissal of the petition, and (4) of the date of the hearing on confirmation of the plan.

"(d) All notices given by the petitioner or such other person as the court shall designate shall be given in the manner directed by the court; however, the court may issue an order at anytime subsequent to the first notice to creditors directing that those persons desiring written notice file a request with the court. If the court enters such an order persons not so requesting will receive no further written notice of proceedings under the chapter.

"(e) Cost of notice shall be borne by the petitioner, unless the court for good cause determines that the cost of notice in a particular instance should be borne by another party.

"REPRESENTATION OF CREDITORS

"SEC. 808. (a) For all purposes of this chapter any party in interest may act in person or by an attorney or a duly authorized agent or committee. Where any committee, organization, group, or individual shall assume to act for or on behalf of creditors, such committee, organization, group, or individual shall first file with the court in which the proceeding is pending a list of the creditors represented, giving the name and address of each and describing the amount and character of the claim of each; copies of the instrument or instruments in writing signed by such creditors conferring the authority for representation; and a copy of the contract or contracts of agreement entered into between such committee, organization, group, or individual and the represented creditors, which contract or contracts shall disclose all compensation to be received, directly or indirectly for such representation, which agreed compensation shall be subject to modification and approval by the court.

"(b) The judge shall, for cause shown, permit a labor organization or employee association representative of employees of the debtor municipality, public agency, instrumentality, or political subdivision to be heard on the economic soundness of the plan affecting the interests of the represented employees.

"LIST OF CLAIMS AND PERSONS ADVERSELY AFFECTED

"SEC. 809. (a) The list of claims filed as required in section 804(a) shall include, to the extent practicable, the name of each known creditor to be materially and adversely affected by the plan, his address so far as known to the petitioner, and a description of each claim showing its amount and character, the nature of any security therefor and if the claim is disputed, contingent or unliquidated as to amount. With respect to creditors not identified, the petition shall set forth the reasons identification is not practicable, and shall specify the character of claim involved. The list shall be supplemented as petitioner becomes able to identify additional creditors.

"(b) If the proposed plan requires revision of assessments so that the proportion of special assessments or special taxes to be assessed against some real property will be different from the proportion in effect at the date the petition is filed, the holders of record of title, legal or equitable, to such real property shall be deemed persons adversely effected and shall be similarly listed.

"(c) The court may for cause modify the requirements of subsections (a) and (b) of this section.

"PROOF OF CLAIM

"SEC. 810. (a) In the absence of an objection made by any party in interest, the claim of a creditor that is not disputed, contingent, or unliquidated, is established by the list of claims filed pursuant to section 809. The court may set a date by which proofs of claim of unlisted creditors and of creditors whose listed claims are disputed, contingent, or unliquidated, must be filed. If the court does not set such a date, the proofs must be filed before the entry of the order of confirmation. The petitioner or such other person as the court shall designate shall give notice to each person whose claim is listed as disputed, contingent, or unliquidated, in the manner directed by the court.

"(b) If an executory contract or an unexpired lease is rejected under a plan or under section 801(b), any person injured by such rejection may assert a claim against the petitioner. The rejection of an executory contract or unexpired lease constitutes a breach of the contract or lease as of the date of the commencement of the case under this chapter. The claim of a landlord for injury resulting from the rejection of an unexpired lease of real estate or for damages or indemnity under a covenant contained in such lease shall be allowed, but shall be limited to an amount not to exceed the rent, without acceleration, reserved by such lease for the next year succeeding the date of the surrender of the premises to the landlord or the date of reentry of the landlord, whichever first occurs, whether before or after the filing of the petition, plus unpaid accrued rent, without acceleration, up to the date of such surrender or reentry. The court shall scrutinize the circumstances of an assignment of a future rent claim and the amount of the consideration paid for such assignment in determining the amount of damages allowed the assignee of that claim.

"CERTIFICATES OF INDEBTEDNESS

"SEC. 811. At any time after a petition has been filed, the court may upon cause shown, authorize the petitioner to issue certificates of indebtedness for cash, property or other consideration, under such terms and conditions and with such security and priority in payment over existing obligations, secured or unsecured and other expenses of administration as the court may approve. Notwithstanding any other provision of law including section 821 of this chapter, the court shall have exclusive jurisdiction of any action which may be brought against petitioner to enforce compliance with the terms of any such certificates of indebtedness.

"PRIORITIES

"SEC. 812. The following shall be paid in full in advance of the payment of any distribution to creditors under a plan, in the following order:

"(1) The cost and expenses of administration which are incurred by the petitioner subsequent to the filing of a petition under this chapter.

"(2) Debts owed for services and materials directly provided within two months before the date of the filing of the petition under this chapter.

"(3) Debts owing to any person or entity, which by the laws of the United States (other than this Act) are entitled to priority.

"PROVISIONS OF PLAN AND FILING

"SEC. 813. (a) A petitioner's plan under this chapter may include provisions modifying or altering the rights of creditors generally, or of any class of them, secured or unsecured, either through issuance of new securities of any character, or otherwise, and may contain such other provisions and agreements not inconsistent with this chapter as the parties may desire, including, but not limited to provisions for the rejection of any executory contract and unexpired leases.

"(b) The petitioner may file a plan with its petition or at such later time as may be prescribed by the court.

"VOTING ON ACCEPTANCE OF PLAN

"SEC. 814. (a) A plan may be confirmed only if, of the creditors voting in writing to accept or reject the plan, those holding two-thirds in amount and 51 per centum in numbers of each class materially and adversely affected have voted to accept: *Provided, however,* That no such acceptance shall be required from any class which, under the plan, is to be paid in cash the value of its claims or is to be afforded such method of protection as will, consistent with the circumstances of the particular case, equitably and fairly provide for the realization of the value of its claims.

"(b) Unless his claim has been disallowed, any creditor who is included on the list filed pursuant to Section 809 or who files a proof of claim pursuant to section 810 is entitled to vote to accept or reject a plan or modification thereof within the time set pursuant to subsection 807(b). Claims owned, held or controlled by the petitioner are not eligible to vote.

"(c) For the purpose of the plan and its acceptance, the court may fix the division of creditors into classes and, in the event of controversy, the court shall after hearing upon notice summarily determine such controversy.

"(d) If any controversy shall arise as to whether any creditor or class of creditors shall or shall not be materially and adversely affected, the issue shall be determined by the judge, after hearing, upon notice to the parties interested.

"MODIFICATION OF PLAN

"SEC. 815. Before a plan is confirmed, changes and modifications may be made therein after hearing and upon such notice to creditors as the judge may direct, subject to the right of any creditor who has previously accepted the plan to withdraw his acceptance in writing, within a period to be fixed by the judge, if, in the opinion of the judge, the change or modification will materially and adversely affect such creditor; and if any creditor having such right of withdrawal shall not withdraw within such period, he shall be deemed to have accepted the plan as changed or modified: *Provided, however,* That the plan as changed or modified shall comply with all the provisions of this chapter and shall have been accepted in writing by the petitioner.

"STANDING TO OBJECT TO PLAN

"SEC. 816. Any creditor or other person materially and adversely affected by the plan may file a complaint with the court objecting to the confirmation of the plan. Such complaint may be filed any time up to ten days before hearing on the confirmation of the plan or within such other time as prescribed by the court. The complaint shall be served on the petitioner and such other persons as may be designated by the court.

"HEARING ON CONFIRMATION OF PLAN

"SEC. 817. (a) Within a reasonable time after the expiration of the time within which a plan and any modifications thereof may be accepted or rejected, the court shall set a hearing on the confirmation of the plan and modifications, and the petitioner and such other persons as may be designated by the court shall give notice of the hearing and time allowed for filing objections as provided in section 807(c).

"(b) Before concluding the hearing on confirmation of the plan the judge shall inquire whether any person promoting the plan or doing anything of such a nature, has been or is to be compensated, directly or indirectly, by both the petitioner and any creditor, and shall take evidence under oath to ascertain whether any practice obtains. After such examination the judge shall make an adjudication of this issue, and if he finds that any such practice obtains, he shall forthwith dismiss the proceeding and tax all of the costs against such person, or against the petitioner, unless such plan be modified within the time to be allowed by the judge so as to eliminate the possibility of any such practice.

"(c) The court shall confirm the plan if satisfied that (1) it is fair, equitable, feasible, and not unfairly discriminatory in favor of any creditor or class of creditors; (2) it complies with the provisions of this chapter; (3) it has been accepted by creditors and provision has been made for nonaccepting creditors as required in section 814; (4) all amounts to be paid by the petitioner for services or expenses incident to the composition have been fully disclosed and are reasonable; (5) the offer of the plan and its acceptance are in good faith; (6) the petitioner is authorized by law to take all action necessary to be taken by it to carry out the plan; and (7) it appears from petitioner's current and projected revenues and expenditures that the budget of the petitioner will be in balance within a reasonable time after adoption of the plan. If not so satisfied, the judge enter an order dismissing the proceeding.

"EFFECT OF CONFIRMATION

"SEC. 818. (a) The provisions of a confirmed plan shall be binding on the petitioner and on all creditors, whether or not they are affected by it, whether or not their claims have been listed, filed, or allowed, and whether or not they have accepted the plan.

"(b) The confirmation of a plan shall extinguish all claims against the petitioner provided for by the plan other than those excepted from discharge by the plan or order confirming the plan.

"DUTY OF PETITIONER AND DISTRIBUTION UNDER PLAN

"SEC. 819. (a) The petitioner shall comply with the provisions of the plan and the orders of the court relative thereto and shall take all actions necessary to carry out the plan.

"(b) Subject to the provisions of subsection (c), distribution shall be made in accordance with the provisions of the plan to creditors (1) whose proofs of claim have been filed and allowed, or (2) whose claims have been listed and are not disputed. Distribution to creditors holding securities of record shall be made to the recordholders as of the date the order confirming the plan becomes final.

"(c) When a plan requires presentment or surrender of securities or the performance of any other act as a condition to participation under the plan, such action must be taken not later than five years after the entry of the order of confirmation. Persons who have not within such time presented or surrendered their securities or taken such other action shall not participate in the distribution under the plan. Any securities, moneys, or other property remaining unclaimed at the expiration of the time allowed for presentment or surrender of securities or the performance of any other act as a condition to participation in the distribution under a confirmed plan shall become the property of the petitioner.

"(d) A certified copy of any order or decree entered by the court in a case under this chapter shall be evidence of the jurisdiction of the court, the regularity of the proceedings, and the fact that the order was made. A certified copy of an order providing for the transfer of any property dealt with by the plan shall be evidence of the transfer of title accordingly, and, if recorded as conveyances are recorded, shall impart the same notice that a deed, if recorded, would impart.

"(e) The court may direct the petitioner and other necessary parties to execute and deliver or to join in the execution and delivery of any instruments required to affect a transfer of property pursuant to the confirmed plan and to perform such other acts, including the satisfaction of liens, as the court may determine to be necessary for the consummation of the plan.

"DISMISSAL

"SEC. 820. The court shall enter an order dismissing the case after hearing on notice: (1) for want of prosecution; (2) if no plan is proposed within the time fixed or extended by the court; (3) if no proposed plan is accepted within the time fixed or extended by the court; or (4) if a confirmed plan is not consummated.

"RETENTION OF JURISDICTION

"SEC. 821. The court may retain jurisdiction of a proceeding under this chapter for such period as it determines is necessary to assure execution of the plan and discharge of the securities issued under the plan.

"REFERENCE OF ISSUES AND COMPENSATION

"SEC. 822. (a) The judge may refer any special issues of fact to a referee in bankruptcy, or special master for consideration, the taking of testimony, and a report upon such special issues of fact, if the judge finds that the condition of his docket is such that he cannot take such testimony without unduly delaying the dispatch of other business pending in his court, and if it appears that such special issues are necessary to the determination of the case. Only under special circumstances shall reference be made to a special master who is not a referee in bankruptcy. A general reference of the case to a master shall not be made, but the reference if any, shall be only in the form of requests for findings of specific facts.

"(b) The court may allow reasonable compensation for the services performed by any such special master who is not a salaried Federal employee, and the actual and necessary expenses incurred in connection with the proceeding, including compensation for services rendered and expenses incurred in obtaining the deposit of securities and the preparation of the plan, whether such work may have been done by the petitioner or by committees or other representatives of creditors, and may allow reasonable compensation for the attorneys or agents of any of the foregoing: *Provided, however,* That no fees, compensation, reimbursement, or other allowances for attorneys, agents, committees, or other representatives of creditors shall be assessed against the petitioner or paid from any revenues, property, or funds of the petitioner except in the manner and in such sums, if any, as may be provided for in the plan of adjustment. An appeal may be taken from any order making such determination or award to the United States court of appeals for the circuit in which the proceeding under this chapter is pending, independently of other appeals which may be taken in the proceeding, and such appeal shall be heard summarily.

"CONVERSION TO CHAPTER XVI

"SEC. 823. (a) A petitioner eligible for relief under chapter XVI who has filed a petition under chapter IX of this Act may at any time file an application to have the case proceed under chapter XVI; *Provided, however,* That any petition filed by a municipality, public agency, instrumentality or political subdivision of the State after the effective date of this Act must be filed under chapter XVI of the Bankruptcy Act as added by this Act.

"(b) After hearing on notice to the petitioner, the Securities and Exchange Commission, creditors, and such other persons as the court may direct, the court shall, if it finds that the case may properly proceed under chapter XVI of the Act, approve the application and order the case to proceed under that chapter.".

SEC. 2. The table of organization of title 11, United States Code, is amended by inserting after the reference to chapter 15, the following:

"CHAPTER 16. ADJUSTMENT OF INDEBTEDNESS OF MUNICIPALITIES"

SEPARABILITY

SEC. 3. If any provision of chapter XVI of the Bankruptcy Act as added by this Act, or the application thereof to any agency, instrumentality, or subdivision is held invalid, the remainder of the chapter, or the application of such provision to any other agency or instrumentality or political subdivision shall not be affected by such holding.

EFFECTIVE DATE

SEC. 4. This Act shall become effective as of the date of its enactment.

Mr. ALLEN. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENSON. Mr. President, the distinguished Senator from Alabama referred a moment ago to this bill as a bailout bill. No one is proposing a bailout for the city of New York except those who oppose this bill. Bankruptcy spells bailout.

This amendment, which would establish a new chapter under the bankruptcy laws for the reorganization of the finances of insolvent municipalities, is long overdue.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I should like to say a few words apropos the amendment offered by the distinguished Senator from Alabama (Mr. ALLEN).

I have informed several Members of the Senate, the Republican leadership, that it was my intention, at an appropriate time, after the New York State-New York City legislation was disposed of, to call up Calendar No. 447, S. 2597, a bill on the calendar, to amend the Bankruptcy Act to provide a new chapter thereto providing for the adjustment of the debts of major municipalities.

I make this statement at this time to put the Senate on notice as to what the leadership's procedure and policy will be relative to this particular legislation, which, in my opinion, really has no place with respect to the legislation being considered at this time.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 9 a.m.

At 10 a.m. the automatic quorum call, under rule XXII, will occur. Immediately upon the establishment of a quorum at about 10:15 a.m. the automatic rollcall vote will occur on the motion to invoke cloture on S. 2718, the rail services bill.

If cloture is invoked on S. 2718 that bill will remain the business before the Senate until action is completed. This would mean that the Senate would go late into the evening, if necessary, to complete action on the rail services bill. Rollcall votes throughout the day can be expected.

If cloture is not invoked on S. 2718, the pending business—H.R. 10481, the New York City bill—will automatically be the pending business and the pending question thereon would be the amendment by Mr. ALLEN. Rollcall votes could occur during the afternoon.

A cloture vote will occur on Friday on the New York City bill, H.R. 10481. Rollcall votes are expected throughout the day on Friday.

A Saturday working session is a distinct possibility, depending upon how well the Senate can expedite the transaction of business tomorrow and Friday.

RECESS UNTIL 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, if the distinguished Senator from Illinois will allow me, and if the Senate will agree, I move that the Senate stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and at 5:27 p.m., the Senate recessed until tomorrow, Thursday, December 4, 1975, at 9 a.m.

EXTENSIONS OF REMARKS

CYPRUS: INTERVIEW WITH MAKARIOS

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. NEDZI. Mr. Speaker, the tragedy of the island of Cyprus continues.

In the several weeks since the U.S. Congress voted to lift the embargo on military aid to Turkey, there has been no progress toward a solution. The communal talks have not been resumed, as the Turkish side has delayed in presenting a specific plan to United Nations mediator Kurt Waldheim.

A key figure in any consideration of the Cyprus situation is President Archbishop Makarios. Recently he set forth his views in an interview with Peter Mellas, Athens correspondent for Newsweek and the Christian Science Monitor. The interview appeared in the October 30 issue of the English-language Athens News.

Under leave to extend my remarks in the RECORD, the interview follows:

EXCLUSIVE INTERVIEW WITH PRESIDENT MAKARIOS

In the flow of history many different people have met on Cyprus in a death embrace. The last two decades have been especially explosive culminating in last year's Turkish invasion which not only left misery and death in its wake but some 180,000 Greek Cypriot refugees, about one third of the Island's Greek population. More than a full frustrating year has passed without resolving this or any of the other tangled issues. Archbishop Makarios has been the dominating personality of Cyprus for the last twenty years. Repeatedly proving his profound courage and exceptionally keen mind he has resolutely maintained his independent and clear judgment in the face of the immense obstacles and pressures he has been forced to confront. Last week in Nicosia President Makarios outlined his latest views in an exclusive interview with Peter Mellas, Athens correspondent for Newsweek, The Christian Science Monitor and ABC Radio News. Athens News presents the full text of this interview.

MELLAS. The lifting of the embargo on U.S. military supplies to Turkey and the Turkish Senate elections were internationally projected as the two stumbling blocks for a settlement in Cyprus. Now that both are behind us has Turkey advanced any reasonable proposals?

MAKARIOS. No they have not. Both President Ford and Secretary Kissinger have been maintaining that the lifting of the embargo would make the Turks more moderate but I am not optimistic. It remains to be seen how this political investment of the Ford administration will fare.

Q. Did Secretary Kissinger make any concrete or implied promises during your recent discussions in the United States?

A. No, he did not. He conceded he did not have either a blueprint or a timetable. But he expressed his belief that a solution could be worked out. I believe he will try hard, he is undoubtedly keen on scoring a victory on the Cyprus issue.

Q. Did you get any assurances that another embargo might be imposed against Turkey if President Ford reports no progress by December third, sixty days after the embargo was lifted?

A. We count on the U.S. Congress to watch the situation closely. Those who shifted their vote in favour of lifting the embargo did so mostly out of concern for the security of the American bases in Turkey, and because they wanted to give their administration greater freedom for fruitful negotiations. I feel they will not hesitate to reimpose a new embargo in the light of new developments. Turkey has been successfully blackmailing the United States with the threat of closing down the U.S. installation there when in fact the bases are as much, if not more, to the benefit of Turkey as they are to the United States.

Q. If then pressure from the United States does not influence a settlement what will your course of action be?

A. It's not easy to say, it will depend on developments. If the de facto situation continues Cyprus will simply remain an open wound. Even though this could be interpreted as a negative attitude I assure you it's also positive. We cannot legitimize or institutionalize aggression and criminal acts. We have lost a great deal but we will not betray our just cause at the risk of losing everything else. It is possible the Turks can occupy the rest of Cyprus but even in such an eventuality we will not give in.

Q. Besides the moral support from the United Nations do you anticipate any positive help from any other direction?

A. We are counting on more support and perhaps some pressure from the United Nations but naturally we have positive and continuous help from Greece which has been increasing with the consolidation of the democratic form of government there. The overall foreign policy of Greece cannot but be greatly influenced by the Cyprus issue and all its consequences. A deterioration here will naturally overflow to Greece and is bound to extend further. Cyprus is a small nation but big problems can certainly start from here. This sore spot should not be allowed to continue in the over-sensitive area of the Middle East. A settlement becomes vital not only to Cyprus but the World in general and the United States in particular.

Q. How about the Soviet Union. Is Alexander Bovin, from the Foreign Affairs subcommittee of the Supreme Soviet, who is presently here, proposing anything new?

A. He is on an exploratory mission. Maybe he will have some suggestions after he completes his contacts. The Soviet Union unfortunately took a rather sympathetic view towards the Turkish invasion. The Turks did a beautiful job in convincing them and most other nations that they were only undertaking a limited operation for the protection of their minority and of all things, the preservation of the constitutional order in Cyprus. Even President Tito who is a great friend of Cyprus admitted that he was fooled in the beginning. The Turks have managed to parlay their oriental bargaining abilities into a veritable and effective diplomatic art. And let's face it, the Soviet Union seems not to be interested in bridging a NATO gap.

Q. Then where do you expect to find the most effective influence for a settlement?

A. I do believe the United States can play the decisive role. Even if positive support were forthcoming from other nations, as I hope it might, the United States may not desire the involvement of other individual powers in view of the existing de facto situation.

Q. Then could you possibly spell out what your present views are for a settlement?

A. They were stated in February when I set forth the nine basic points for a lasting solution. Instead of presenting specific proposals, the Turkish side has been following the old salami method of slicing off advantages and then starting anew for additional concessions. If they insist on a bi-zonal federation then they must also quantify their proposal by adding the exact size of occupied territory from which they would agree to withdraw and touch on the remaining significant points. Then we can have the basis for resuming the bicommunal talks. There can be no practical solution unless the Turkish side limits itself to less than 25% (twenty five per cent) of the Cyprus territory.

Q. You have stated that first and foremost you are a Churchman but there is no escaping that you are also one of the outstanding political leaders in the Hellenic world. Might we therefore look forward to your involvement in mainland Greek politics should conditions and circumstances so demand in the future?

A. A big unequivocal "ochi", definitely not. I am first a priest and always a priest. My strength lies in my weakness, I have no political party. I am the President of Cyprus because the overwhelming majority of the Cypriot people has so ordained. I have been tormented enough and I have "tormented" the people, as some quarters would have it. Greece is blessed with many a capable hand. My ambition is to serve the cause and the people of Cyprus.

EMERGENCY LOAN BILL AIDS THE NATION

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. NOWAK. Mr. Speaker, I certainly hope that the Senate acts with similar dispatch in approving the emergency loan legislation prompted by New York City's fiscal crisis. The debate and the agony prompted by this issue have been prolonged far too long already. In addition to providing a new base leading to the fiscal stability of New York City and New York State, it is the goal of this legislation to instill renewed confidence in the municipal bonding market. That confidence has been shaken noticeably in recent months, as this legislative solution was being debated.

The city of Buffalo and most recently the county of Erie have been victims of this erratic investment climate. The tax exempt investment area has been a sound one for decades. It is also an essential and steady source of funds for the fiscal needs of our State and local governments. The issue we have confronted here, therefore, should not be viewed as confined to curtailing the problems of New York.

This legislation should provide a stimulus for renewed investor confidence, that will be beneficial to every community—large and small—throughout this Nation.

THE APPLE AND THE BICENTENNIAL

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. ROBINSON. Mr. Speaker, I have been requested to bring to the attention of my colleagues a resolution of the International Apple Institute, the trade organization of American apple growers, shippers and processors, proposing that the apple be designated the official Bicentennial fruit.

As I have the privilege of representing a major apple-producing region, and have had a lifelong personal association with the growing and marketing of apples, I have to acknowledge a substantial personal bias in favor of this resolution. I do believe, however, that it deserves serious consideration on its merits, and I brought it to the attention of Administrator John W. Warner of the American Revolution Bicentennial Administration.

Clearly, the apple is the fruit of general appeal which is most widely grown across the United States, and which has strong links to the first colonial settlements.

My understanding is that the resolution was authored by James E. Chaffins, secretary-manager of the Virginia State Apple Commission. I include the text as follows:

RESOLUTION

Be it resolved, that the American Apple Growers, through International Apple Institute, petition the Congress of the United States and/or other appropriate government agency to designate the Apple as the official Bicentennial fruit. Since Jamestown and Plymouth Rock, the Apple has served as food for this nation and has contributed to the economy of this country and much to the folklore of our nation through such a person as Johnny Appleseed,

Further, that International Apple Institute ask and encourage local, state and regional groups, through their Horticultural Societies and/or Commissions, to write their Congressmen on this matter and generally give grassroots support to make the Apple the official Bicentennial fruit, Further, that the Michigan Apple Committee contact the gentleman from Grand Rapids and solicit his support for this project,

Be It Further Resolved, that the trade press be enlisted for publicity to further this effort on behalf of the Apple Growers of America.

(Adopted at IAI Annual Meeting, Phoenix, Ariz. on November 18, 1975.)

THE POTENTIAL OF WIND-POWERED SHIPS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. BROWN of California. Mr. Speaker, a few weeks ago I introduced legislation that was aimed at refocusing attention on a proven technology which could be used for transoceanic cargo traffic, as well as more limited coastal uses. Specifically, I introduced House Concurrent Resolution 444, expressing the sense of Congress with respect to increased Federal efforts to prove the commercial viability of sailing ships. Since the introduction of this legislation, I have received considerable public support as well as Congressional support.

For those who have not had time to consider this legislation, I would recommend that they review pages 33290–33292 in the October 21 CONGRESSIONAL RECORD. If, after review of this material, other Members are interested in cosponsoring this bill, I would welcome your support.

Because of the low visibility of this subject, I would like to insert into the RECORD an article which appeared in the April 1973 issue of "The Naval Architect," which is published by the Royal Institution of Naval Architects in London.

The article follows:

A RETURN TO SAIL?

(By C. J. Edmonds*, BSc)

It has long been recognized that the earth's finite resources cannot meet man's demands indefinitely. Until recently this spectre of exhaustion has been clouded by the relative ease of production. Accessibility has been mistaken for abundancy.

Abundant energy is fundamental to the Western society. It is easy to show that the earth intercepts, in the form of sunlight, far more energy than we shall want. It is difficult though to make use of this directly, and in the past we have drawn our energy indirectly, first in the form of wood and then, coal and oil. These latter forms were built up over an enormous period of time but are being used up in a few centuries.

There are reasons, political and environmental why we should use fuels other than oil. Oil is the resource most necessary to replace. It is too valuable as a source of organic chemicals to be exhausted by use as a fuel. For transport though it is a fuel of enormous convenience and any switch from oil must result from economic pressure.

The publicity that this dilemma has recently received has given impetus to the search for new power sources and the reexamination of older and less convenient sources such as wind and water. For the merchant ship a return to coal or step forward to nuclear power are possible though difficult and expensive. A cheap and easy, though perhaps a less convenient, alternative might be a reversion to sail power.

The sailing ship carried all seaborne trade till, in historic terms, fairly recently. 'Deep Water' sailing ships were still being built in this century on the East Coast of the U.S., and the last square-rigged commercial venture closed only after the Second World War. Some deductions can be made from these old designs, but the action of sails is now more clearly comprehended, and any modern ship must reflect this increase in understanding.

A sail acts as an aerofoil in the same fashion as the wing of an aeroplane or the blade of a propeller. The presence of the sail causes a deflection of the air stream. A reaction is felt by the sail as a 'lift' component normal to the undisturbed flow, and a drag in the direction of flow. These in turn can be resolved into a useful component in the direction of ships heading and a side force that causes the drift known as leeway. This latter force is resisted by the reaction of the water flow over the keel.

TABLE OF MAIN DIMENSIONS

Ship	L	B	d	$L \times d/\nabla^{2/3}$	Sail Area/$\nabla^{2/3}$	Sail area, wetted surface
Cutty Sark	63·72	10·97	4·39	2·26	12·1	1·75
Thermopylae	65·05	10·97	4·77	2·44	12·8	1·80
Lightning	70·36	13·41	4·11	1·84	12·9	1·92
Pola	96·30	14·33	4·85	1·77	10·2	1.56
New design	155·00	24·40	12·20	·08	8·8	1.50

The size of these forces is dependent on the strength and direction of the wind relative to the ship, and on the size, shape and trim of the sails. Some sail shapes are better suited to certain courses. The most critical factor affecting the performance of sails is their aspect ratio. A tall narrow sail (high aspect ratio) is essential for good performance "close" to the wind. A squat low aspect ratio sail such as used by the clippers is superior when sailing down wind.

At first sight it might seem presumptuous to depart radically from past practice, but these ships were a product of yesterday's technology, and it would be senseless to perpetuate their anachronisms. The performance of a sailing ship depends, of course, as much on the wind's strength and direction along its route as on the ship. So the ship must be designed with regard to the conditions it will meet. However, in the past high aspect ratio rigs could not be built for they present difficult structural and design problems. Now these have been overcome and we can design ships to suit a given route rather than choose a route to suit the ship.

Nevertheless some routes and cargoes are more suitable for sail. To narrow the discussion, a particular trade will be considered. The world trade situation during a major energy shortage must change considerably, but the export of grain from North America to Europe is unlikely to disappear. This route is also technically suitable for the application of sail power. The prevailing winds in the North Atlantic blow from the west and, though they vary throughout the year, a reasonable average strength would be 15 knots.

At present this route is serviced by a range of ship sizes, but a common type is 20,000 tonnes. Though the economic size will alter with the type of propulsion, it is not the only factor and it is unlikely that size will fall as low as 5,000 tonnes, which was as large as sailing ships were built. So for a first estimate a ship of 20,000 tonnes was considered.

Extrapolation for a jump in size, of this magnitude, presents problems, but as the speed at which a ship can reasonably be propelled varies as the square root of length, comparisons with old voyage data were made on the basis of $V/\sqrt{L}$. For the new design which is 150m (510 ft long) this gave a voyage of about 14½ days, taking the distance to be 3,000 miles. To see what this meant in terms of average speed through the water, an estimate of 25% allowance for headwinds, etc., was used. So for the 3,000 mile journey, the distance logged might be 3,750 miles. This was borne out by distances logged by contestants in the *Observer* Single-handed Trans-Atlantic Race. For a 15 day voyage the ship would need to average about ten knots. The old sailing ships were forced by the limitations of their rig to follow the Trade-winds along a much longer course to the south. To give the same voyage time, on this route, the ship would need to average about 13 to 14 knots in about the same wind strength. As on this route the wind is usually from astern, that would be virtually impossible.

However, even the 15 days represents an increase of about 50%, and the effect of this on economy will need careful consideration. But it is not all debit as machinery and fuel costs are avoided.

To see how this performance might be achieved consider first the rig. There are three main variables in the rig: Total sail area, size and aspect ratio of individual sails, and the arrangement of these sails to form the rig. To sail the shorter northern route east to west, the ship would need high aspect ratio sails to combat the headwinds. These would be less efficient on the return trip, but a net gain would be achieved as rig efficiency is less critical when sailing downwind. Subdivision of the area into small sails is not so easy when they are of high aspect ratio, but the need to conserve manpower would demand a few large power operated sails. These are problems associated with very large areas of canvas.

The American schooners of this century had to contend with excessive wear and tear to sails caused by a combination of the rolling of the ship and the sails' own weight. This flogging is indicative of the difficulty of maintaining an efficient sail shape. To achieve a satisfactory large high aspect ratio rig one must overcome the limitations of cloth sails. The alternative is to use solid sails—wing-like aerofoils pivoted on the deck. The division of the rig into mast and sails no longer applies; the two functions of propulsion and support are performed by one structure. Apart from being more efficient in terms of lift and drag, they can be made self supporting, leading to a further and significant reduction of drag with the elimination of stays. Much difficult and dangerous manpower could be saved as, in a gale, the foils could be left to find their own angle to the wind. In this mode they offer far less resistance than an equivalent conventional mast and the rigging. The permutations of size, shape and juxtaposition of the sails are numerous and much work needs to be done to discover the optimum arrangement.

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*Mr. Edmonds is a junior member of the RINA presently working for his Ph.D. at the University of Glasgow.

A first estimate showed that about 8,000 m^2 (80,000 ft^2) of sail would be needed. A simple and reasonable division of this area would be into ten equal rectangular sails at equal spacing. To give a suitable aspect ratio these sails should be say 63·3 m by 12·6 m (200 ft by 40 ft). This gives a geometric ratio of 5, but as the foils have only one free end the ratio is effectively doubled to 10. Tapered or elliptical foils might be more efficient than rectangular ones but the advantage could prove small compared with constructional complications.

Wind-tunnel tests were carried out to assess the interference effects in the system. The large size of the intended structures presented scaling difficulties but the results indicated mixed benefits, increasing lift when close to the wind but increasing drag also. The drag increment was assessed from an extension of vortex drag theory.

With these results and the deductions concerning the hull (see Table), a digital computer model of the ship was formed. This showed that the ten knot criterion could be achieved at most angles to the wind. However in the critical region, close to the wind the performance was limited by the ship's ability to resist leeway. This led to a revised estimate for this ship of around 20 days for a transatlantic voyage. Increased sail area and the use of high lift devices such as flaps, could raise the performance for most angles, but the limiting factor for speed to windward would probably be the ship's ability to resist leeway.

Since the close of the sailing era, ships have undergone many changes. As mentioned above they have grown in size, but the proportions have also changed. The ratio of beam to draught has increased steadily over the years. The beam controls the stability of the ship and this ship was stable despite the wind loading and the effect of the heavy masts. Sail weight was estimated from the weight of similar aircraft structures, and proved to be less than the weight of the normal diesel machinery.

The relative decrease in draught moreover has adverse effects as the area that resists leeway is reduced. Further, this area has less effect as the aspect ratio of the hull is also reduced. The forces involved have been studied in relation to ship manouevering, and from these results a draught of 12m (40 ft) was decided upon. To achieve even the 15 day voyage this would need to be increased further. This deepness of draught would cause a serious loss of operational flexibility, though it might be possible to use offshore terminals and pipe the grain to land.

In yachts this problem is overcome by the use of pivoting or sliding keels which can be retracted. The application of this principle to large merchant ships is not impossible, and though rather costly it is probably the key to successful large sailing ships.

It would appear that sailing ships of at least 20,000 tonnes are technically feasible. Their economic viability will depend on the cost of fuel oil and the security of supply. The design would not involve any untried technologies.

There are serious operating inefficiencies but these may be dwarfed by the rise in the cost of oil fuel. But the main attraction of sail power is not at the moment financial. Society is placing, as it must do, a higher value on systems that neither pollute nor squander that which is irreplaceable in our environment.

I also received a thoughtful analysis of House Concurrent Resolution 444 from one of the companies which is pioneering in this field. Because this letter contains much useful information, I wish to insert the letter from the president of the DynaShip Corp. in the RECORD at this time.

The letter follows:

DYNASHIP CORP.,
Palo Alto, Calif., November 25, 1975.

Congressman GEORGE E. BROWN, Jr.,
Rayburn Building,
Washington, D.C.

DEAR CONGRESSMAN BROWN: I recently visited your Washington, D.C. office and had the opportunity to discuss with your staff your proposal that the Federal Government should accelerate its investigation, development, and demonstration of commercial sailing ships (House Concurrent Resolution 444). At the suggestion of your staff, I am forwarding my thoughts on the subject to you.

Your Resolution sets forth many valid and appropriate advantages of commercial sailing ships. I would like to emphasize that sailing ships can be shown to have other advantages, an important one being superior economic performance in many of today's bulk trades. Grain, timber products, and coal are prime examples. A modern sailing cargo ship is slower than its conventionally-powered counterpart (10 to 12 knots versus about 14 knots), but it has higher cubic capacity due to the absence of below-deck engine rooms and large fuel tanks. This greater capacity enables the sailing ship to transport more cargo, particularly lighter cargo like grain, than the same size motor ship.

Auxiliary propulsion on a modern sailing ship uses only about 10 percent of the fuel required on a motor ship. This fuel saving, combined with higher transport capacity in lighter cargoes, more than offsets the slower sailing ship speed and makes the cost per ton of ocean transport less than in a motor ship.

Our firm has analyzed many ship sizes, cargoes, and routes, using simulated ocean passages at different speeds. Using a conservative 10 knots port-to-port speed for the sailing ship, we find significant freight rate savings over the motor ship per ton of cargo transported.

It is important to understand that our studies cover primarily dry bulk cargoes. A sailing cargo ship cannot compete in all trades, particularly the Large Crude Carrier and Fast Container ship trades. However, as our country is called upon to provide more of the world's supply of feed grains, coal, and timber, an American Merchant Marine carrying these bulk commodity exports in modern sailing ships could deliver them at a lower cost than in conventionally-powered ships. Consequently, United States exports delivered in United States ships could become more attractive in world markets.

Sailing ships are centuries old, and the last of them performed exceedingly well, even by today's standards. One of the chief differences between the old "square riggers" and today's modern ships is size. From 1850 to 1900 sailing ships generally carried 2,000 to 4,000 tons of cargo. Those were small compared to today's ships, where the largest number of general and bulk cargo ships fall in the 10,000 to 50,000 ton range. The hulls of today's motor ships are, for practical purposes, very similar to what would be used for modern sailing ships. However, the modern sailing ship would require a much larger rig and sail plan than has ever been built. This is not a difficult technical task, however, because metallurgical, sail cloth and sail handling technology have advanced tremendously in the past 25 years.

Our own mast and sail designs have been wind-tunnel tested for ships in the 15,000 to 20,000 ton range. We believe they can be readily adapted to ships twice this size. The University of Michigan's Department of Naval Architecture and Marine Engineering [1] has designed masts and sails for ships up to 45,000 tons.

With technical and economic feasibility studies essentially completed, the next step in the development of wind-ships should be the demonstration of a full size ship to operate in a specific trade. Direct engineering and construction efforts must now be focused toward this end. Examples of routes where commodities move in sufficient quantity to thoroughly test a sailing ship would be grain from the United States Gulf Coast or East Coast to Europe or wood products from our Pacific Northwest to Japan or northern Europe.

With a relatively small Government financial involvement in a risk-sharing program, we have been led to believe that there are United States shipping companies which would commit to building and operating a modern sailing cargo ship to demonstrate its economic advantages. Existing Government incentives, such as Operating Differential Subsidies, Construction Differential Subsidies, and Construction Loan Guarantees should be maintained. Examples of additional incentives to encourage United States ship operators to build a prototype sailing cargo ship could include:

(1) A suitable cargo hull, if found among the Government's fleet of non-war ships, being made available for conversion to a sailing cargo ship.

(2) A line item in the Maritime Administration's budget which would permit it to underwrite the cost of re-equipping the first sailing ship with engines if it did not perform to a certain standard pre-agreed to by the owner and the Maritime Administration.

(3) Maritime Administration flexibility to modify existing incentives so as to encourage construction of the first sailing ship. Such modifications could be limited so that Government risk would not exceed a given amount.

The only realistic propulsion alternatives for ocean transport, at present and in the future, are fossil fuel (oil), solar (wind) and nuclear propulsion. Fossil fuel is exhaustible, increasing in cost, and under the control of foreign nations. Thus, wind and nuclear power are the only long-run alternatives. Nuclear propulsion has been found uneconomical by the Maritime Transportation Research Board. Their publication, "Nuclear Merchant Ships" [2] concludes:

"(1) Nuclear power is not presently economically superior to, *or even competitive with*, conventional power for commercial ships." (One dissenting opinion to this conclusion.)

"(2) There is great uncertainty as to when, or possibly even whether, nuclear power will become economically competitive for commercial ships. This uncertainty stems mainly from the difficulty of projecting bunker oil prices for conventionally powered ships over the next 20–30 years—a period approximating the construction time (including securing the required regulatory agency approvals) and operating life of a nuclear-powerd merchant ship."

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[1] "Feasibility of Sailing Ships for the American Merchant Marine, No. 168, February, 1975, The University of Michigan, College of Engineering, the Department of Naval Architecture and Marine Engineering: John B. Woodward, Robert F. Beck, Robert Scher, Charles M. Cary.

[2] Prepared by the Panel on Strategy for Developing Nuclear-Powered Merchant Ships, the Maritime Transportation Research Board, National Academy of Sciences, Washington, D.C. 1974.

Given this pessimistic outlook for the nuclear alternative, it would seem prudent for the Federal Government to offer incentives for the private sector to implement what may well be the only long-run ocean transport alternative—the wind.

I would be happy to discuss wind-ships in greater detail with you or your colleagues when or if it becomes appropriate.

Sincerely,

WILLIAM L. WARNER,
President.

A POSSIBLE NEW MAJOR SOURCE FOR PROTEIN

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. SIMON. Mr. Speaker, in the November 1975 Harvard magazine I came across an article about mussels. I do not know that I have ever eaten mussels, but the article suggests that mussels may be a substantial part of the answer to the protein gap which most of the world's population faces.

The article has with it a box comparing 3.5 ounces of raw meat of the common blue mussel and a T-bone steak, choice. I am taking the liberty of inserting that in the RECORD at this point.

MUSSELS VERSUS BEEF

This comparison of mussels and high-quality beef appeared in a Department of Agriculture handbook. According to Graham Hurlburt, Harvard administrator and mussel enthusiast, "the domestic overharvesting of clams, scallops, and oysters will make Americans pay more attention to mussels as a potential food resource."

[3½ oz. of raw meat]

	Common Blue Mussel	T-bone steak (choice)
Calories	95	395
Protein (grams)	14.4	14.7
Fat (grams)	2.2	37.1
Carbohydrates	3.3	0
Calcium (milligrams)	88	8
Phosphorus (milligrams)	236	135
Iron (milligrams)	3.4	2.2
Thiamin (milligrams)	.16	.6
Riboflavin (milligrams)	.21	.13

I know so little about the whole matter that I am not advocating that we massively move into the production of mussels. But I do believe that we have to be looking for realistic alternatives to increasing the protein supply of the world's people. It may be that Sarah and Graham Hurlburt have come across something which is of significance. I am taking the liberty of forwarding this reprint in the RECORD to the Department of Agriculture, to the Food and Drug Administration, and to the AID office of the State Department for any comments they may have. The article, written by Melanie Marcus, follows:

[From Harvard Magazine, November 1975]

MUCH ADO ABOUT MUSSELS: CAN AN UNDERUTILIZED BIVALVE HELP EASE THE WORLD FOOD CRISIS?

(By Melanie Marcus)

With the haunting cry of *Cockles and mussels! Alive, alive, oh!*, Molly Malone, her parents, and eventually her ghost kept Dubliners supplied with nutritious mollusks. Graham and Sarah Hurlburt think the Malones had the right idea.

"Mussels can aid materially in solving the world food crisis," says Graham Hurlburt. These underutilized bivalves, he believes, may find a special place in American kitchens within ten years: "With some good P.R., marketing ingenuity, and public and private participation, we can foresee a completely new source of food and employment."

Hurlburt, a lean man who is director of administrative services at Harvard, has collected and eaten mussels most of his life. For the past five years, he's been doing intensive research on them. His wife, Sarah, is currently compiling one hundred mussel recipes for a book that Harvard University Press will publish.

Last year the Hurlburts studied mussel farming in Spain, France, and the Netherlands. They were struck by the efficiency with which huge quantities of mussel meat can be produced—not only where mussels are commercially grown, but where they occur naturally.

"Judging by the annual mussel rates now being achieved in northwest Spain," says Hurlburt, "it is theoretically possible to produce 43 billion pounds of flesh meat each year from a water area the size of Cape Cod Bay [eighteen by fifteen miles]. We could provide every person in the United States with one ton of meat annually.*

"Every man, woman, and child on earth could get ten pounds of nutritious meat each year. And all from an area of less than three hundred square miles."

Hurlburt grew up in Hingham, Massachusetts, where mussels were abundant. Any beachcombing youngster with a bucket could fill it with the castanetlike, blue-black shells, lined with pearly iridescence and containing an orangey morsel. *Mytilus edulis*, or edible mussels, were served in a variety of forms. Mussels have never been far from Hurlburt's mind. Five years ago, he began combing libraries to learn more about the farming and eating of mussels in Europe. This led to correspondence with commercial growers there. Last year, Harvard awarded Hurlburt a new kind of leave of absence, designed to allow administrators up to one year to pursue special interests. With his wife and three children, he packed off to the mussel farms of Europe.

In Spain, mussels (*mejillónes*) are a staple. Galicia, in northwest Spain, produces the world's largest and fastest-growing mussels. The farming method is to dangle thousands of ropes from wooden rafts. The mussels cluster on the ropes. One acre of water surface can support between three and five rafts. In such densely cultivated areas, says Hurlburt, more than a quarter million pounds of pure meat can be produced annually.

In France, mussels (*moules*) are a delicacy. There they are grown on oak poles, eight to twelve feet in length, driven into the ocean floor. In Holland, mussels (*mosselen*) are cultivated on the bottom of shallow, partially diked seas. They mature to marketable size (three inches) in approximately twenty months.

The method of cultivation matters little to the mussel. Its secret of survival and abundance is its ability to cling to almost anything. Attaching delicate filaments (called byssus threads) to a rope, a pole, or even a sunken golf ball, a mussel naps peacefully even when the ocean is tempest-tossed.

Like other bivalves, the mussel is a filter feeder. When the tide recedes, its shells close. When the tide comes in, the shells part, allowing the mussel to sift floating traffic for nutritious sediment and plankton.

Having enlarged his knowledge of the mussel and how it grows, Hurlburt is back in Cambridge, proselytizing for it. He cites the efficiency with which it converts energy into food (contrasted with the 90-percent energy loss involved in converting grain into animal meat), its high nutritional value, pleasing flavor, and easy cultivation.

The Hurlburts have published a guide to mussel mariculture, which is being reprinted in technical journals. They often entertain mussel enthusiasts from distant parts. And on weekend afternoons, while other East Coasters are contemplating the Dolphins, the Whalers, or the Lobsters, the Hurlburts pull mussel ropes in Duxbury Bay. "We hope we've started the ball rolling," says Hurlburt, toying with a mussel shell. "It's time for me to get back to administrative work."

(*By contrast, says Hurlburt, beef consumption in 1972 averaged 116 pounds per person.)

DISTORTED NATIONAL PRIORITIES AND NEW YORK CITY'S FISCAL CRISIS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. CONYERS. Mr. Speaker, throughout the debate on Federal assistance to New York City attention has been paid almost exclusively to tactics and surface issues. Should aid to New York be extended before or after default? How will the taxpayers of the other forty-nine States react to the "bailout" of New York? How accurate are the deficit figures projected by officials of New York City?

These are not insignificant questions for they affect the health, education, protection, and general welfare of the 8 million Americans who inhabit the Nation's largest city. However, we should be careful not to let the storm and stress of the moment cloud the more fundamental issues. Almost all the debate surrounding the bill granting temporary financial assistance to New York City has asserted that city's fiscal irresponsibility. But we need to ask, Just who is fiscally irresponsible? Is it New York City or a system of misallocated resources and faulty prorities?

Consider. The Library of Congress has estimated that New Yorkers paid a full $20.87 billion into the Federal Treasury in 1974. This is a greater contribution than most States make. What did New York City receive in return for this enforced generosity to the Federal purse? In 1974 New York City received only $8.5 billion in grants and direct payments to its citizens. In other words, the Federal Government is in debt to New York City in the amount of $12.37 billion, and this for 1 year only. Yet the Ford administration has been haggling over the sum of $2.3 billion in short term loans to New York City.

The fundamental question we should be asking is not why New York City cannot afford to give away more than $12.37 billion annually. The fundamental question is, What ever happened to all that money? The answer lies in the system of misallocated resources and faulty priorities. Much of this surplus of $12.37 billion has been siphoned off from the productive uses to which it might have been put and frittered away in senseless military spending. Two billion dollars is not unheard of in military cost overruns. Why then the hue and cry over the loan of a like sum to New York City—which unlike the military will repay the loan? Even more to the point, if that $12 billion had been spent by the Federal Government in creating public service employment, at a minimal 960,000 more Americans—and New Yorkers—would have been working, according to Congressional Budget Office figures. There never would be defaults or near-defaults of American cities if the Congress and the Executive had instituted a full employment policy. Such social policies as national health insurance and a guaranteed annual income too would have gone far toward averting New York City's financial difficulties.

These are the hidden issues in the New York City crisis and it needs to be brought out into the open. Citizens of New York and of other cities have had to pay for military overkill, suburban highway programs and housing developments which encouraged the flight of people and capital, and other goods and services which were more beneficial to others than to themselves. So let us not be misled by a narrow focus on patchwork measures and band-aid approaches to problems that require major surgery. The structural flaws in our economy and distortions in our national priorities are far more urgent and pressing issues. If we begin to solve these fundamental problems, crises such as New York City's are unlikely to occur. If we do not solve or much less, address these fundamental problems, the surface crises will multiply out of control.

For a trenchant commentary on the ways in which this administration and others before it have sacrified our cities to wrong-headed values, I commend my colleagues' attention to the following article by Prof. Seymour Melman of Columbia University and author of "The Permanent War Economy":

[From the New York Times, Nov. 2, 1975]

THE FEDERAL CONNECTION

(By Seymour Melman)

Something is missing from the discussion on New York's financial crisis. The wages of policemen, school-teachers, and the productivity of sanitationmen and of city employes generally, do not explain the debacle. The missing factor is the Federal connection by which New York City and the state are drained of tax dollars while forced to bear extraordinary burdens as a result of Federal policies.

Each year from 1965 to 1967 (the last reported years) the Federal Government extracted from New York State $7.4 billion more than it spent there for all purposes. By contrast, California received $2 billion a year more than it paid to the Government; Virginia got $1.3 billion, net; and Texas received $1 billion net each year.

The Federal Government has been milking the economy of New York State (and Illinois, Michigan, Pennsylvania, Ohio, Indiana, Wisconsin—all of them centers of civilian industry) and transferring capital and purchasing power to the states that are concentrations of military industry and bases.

Of all the states with over $1 billion net drain to the Federal Government, New York State suffered the biggest loss, with Illinois next at $4.4 billion.

Paralleling the direct exploitation of New York State, the Federal Government's policies imposed a set of heavy costs on the city and state. Federal subsidies spurred the mechanization of agriculture in the American South after World War II, producing a castoff-labor force of poor tenant farmers. The former tenant farmers drifted to the great cities of the North, as did a wave of migrants from Puerto Rico, also seeking opportunity.

The Federal Government did virtually nothing to support economic development that would retrain, educate and re-employ these people. The "Great Society" program was never implemented, as the needed resources were funneled off for the war in Vietnam. The city school systems and social services gave modest support for people whose traditional lives had been shattered. As a consequence there grew up in New York and other cities a substantial population of jobless and unemployable people constituting a *lumpenproletariat*. Their depressed condition is accentuated by the racial discrimination toward which the Federal Government practices benign neglect.

A permanently impoverished population is costly to a surrounding community. The very poor use more police and fire services, more courts, more jails, more emergency medical care, more social work, and more welfare resources of all kinds than any similar employed population.

The social cost of a *lumpenproletariat* also appears in the unproduced goods and services lost to the whole society owing to their unemployment and underemployment.

The city government was left to care for the mass of elderly poor who cannot live on the Federal Social Security stipend, owing to the inflation induced by the Federal priority to a permanent war economy.

The Federal Government is responsible for enforcing the laws against importation of hard drugs. The Federal failure to enforce them contributes to the formation of a large addicted population, about half of it collected in New York City. The social havoc that it generates is a Federal responsibility, until now denied and dumped onto the New York cities of the United States.

For thirty years the Federal Government has subsidized the development of suburban communities: by the tax deduction allowed on home mortgage interest; by the Federal highway network that linked the suburbias of the country and gave easy access to central cities. Meanwhile, urban renewal was neglected. So the New York cities developed blighted areas, and city transit was left to decay, deemed unworthy of Federal largesse.

These Federal connections apply to all the major metropolitan centers. Therefore the troubles of New York City are prudently read as an early warning of what awaits the rest. The Federal Government compounds the damage to the New York cities of this country by preempting the cities' tax bases while lavishing our tax dollars on foreign power plays and military adventures.

Consider that the Federal Government's net take from New York State averaged $412 per person for the late 1960's. For the 7.8 million residents of New York City this was a loss of $3.2-billion per year—more than enough to preclude any deficits in the city budget and to support some of the economic development for our own people that successive Federal Administrations have avoided in order to finance their own military economy.

Therefore, the abuse and contempt that the Gerald Fords now heap on New York City serves a serious strategy: to mobilize every sort of prejudice that can divide a large and diverse people; to divert attention from the actual causes of many economic problems; to divide and rule.

STATE OF THE ECONOMY AS VIEWED BY PRESIDENT OF OUTPUT SYSTEMS CORP.

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. FISHER. Mr. Speaker, Mr. Matthew J. Kerbec, president of Output Systems Corp., recently brought to my attention his letter to the Chairman of the Council of Economic Advisers concerning the state of the economy.

Mr. Kerbec's remarks do not necessarily reflect my own point of view; however, I did want to share his opinions with my colleagues.

OUTPUT SYSTEMS CORP.,
Arlington, Va., November 17, 1975.

Hon. ALAN GREENSPAN,
Chairman, Council of Economic Advisers, Executive Office Building, Washington, D.C.

DEAR DR. GREENSPAN: The Wholesale Price Index for October 1975 showed an increase of 21.6 percent on an annual basis and unemployment climbed to 8.6 percent. These trends were clearly identifiable over a year ago when prices for energy and products produced in the basic industries went up an average of 64 percent in one year (see Attachment 1). These unprecedented price increases have gutted the economy and more inflation and unemployment are on the way.[1]

It is time to tear away the dangerous false optimism and look at the economy as it is—not the way we want it to be. The Gross National Product for the year ending September 1975 amounted to about $1.497 trillion. For the same period the Consumer Price Index showed an average annual inflation rate of 10.37 percent. Roughly, this meant consumers and governments (Federal, state and local) lost about $155 billion in buying power for that year due to inflation.

How much of this has been replaced? We have been told that personal income has been steadily increasing and this has been taken as a strong positive sign the economy is improving. It isn't until each item making up the statistic is evaluated that the frightening economic truths hit home. According to the Department of Commerce News Release, BEA-75-74, personal income increased by $92 billion for the year ending September 1975. Of this about $23 billion went to savings accounts, and to pay taxes and interest charges. Actual consumer spending only increased by $69 billion. Fifteen billion of this was due to tax rebates and other bonuses and was not generated by increased production.

The largest and most important item—manufacturing wages and salaries dropped by $2.9 billion in the year ending September 1975. When adjusted for inflation this meant a loss of about $30 billion in purchasing power. Our Nation's strength lies in its ability to mass produce, transport and sell products. When the manufacturing sector is sick the entire economy is sick.

The largest income increase was in transfer payments ($33.8 billion) which includes social, welfare and unemployment programs. This type of income does not help real economic activity although most of these expenditures are necessary. In general, the aged, the poor and the unemployed are barred from long term credit purchases for items such as cars and houses. Most of this income will be spent to pay higher prices for food, electricity, fuel, transportation, clothing and vital medical services.

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[1] Reference: CONGRESSIONAL RECORD, October 11, 1974, page 35315.

The second largest increase was in "personal interest income" which went up by $16.7 billion. Most of this kind of income goes to the rich, who already have all the physical goods they need. The top 20 percent of income group receives over 40 percent of the total income. If this were a boom period much of this money would be used to finance plant expansions. However, in today's economy, only 69 percent of plant capacity is being utilized. Few companies will borrow money to increase production facilities under these conditions. As a result, the greatest part of this money will be used to purchase government securities. The interest will be paid out of taxes—the end result being larger budget deficit.

In September 1974 eight of the most basic industries raised prices an average of 64.8 percent (see Attachment 1). The primary cause was the sudden massive energy price increases. This started the greatest Cost Push inflation in the Nation's history whose "economic ripple effects" are still unwinding.

You have testified many times that these effects were insignificant (see Attachment 2). Let us see what happened to many cities as the result of these "ripple effects." Suppose you were the mayor of a city such as Detroit. It is July 1973 and you are just starting to spend your 1974 budget. This budget was put together in January 1973 when inflation was at 3.7 percent and unemployment stood at about 5 percent. There was no way you could know that inflation was going to increase to 11 percent in a year.

Your first big shock is when you are told that higher prices were causing budget deficits which had to be financed at high interest rates. But, this is only the beginning. The 1974 inflation has drained away buying power. Businesses, faced with dropping sales, institute massive layoffs. This provides a double whammy to your already reeling budget structure. The layoffs have converted tax payers to tax receivers. Practically, this means tax revenues go down at a time when unemployment expenditures have to go up. To compensate you cut spending, increase taxes and layoff policemen, sanitation workers, firemen and teachers which further compounds the problem as these employees are also converted into tax receivers.

Now to complete your basket of woes—as 1975 rolls around your remaining workers want the same 10 to 12 percent wage increases the steel workers received to stay even with inflation. You have only budgeted for a 6 percent increase. The end result of this process is massive labor-management confrontations and financial needs that may well bankrupt cities around the Nation. We are only starting to feel the first phase of this process.

Remember, the foundation for today's economic crisis was laid in 1974 when policy leaders chose to ignore the unprecedented price hikes for basic commodities. Since then higher prices have drained away over $265 billion in buying power between January 1974 and October 1975. Most of this went to industries producing products needed for survival such as food, electricity, fuel, transportation, clothes, rent and other necessities. Little of this money was returned to the economy as higher wages that would maintain purchasing power. An unemployment rate of 8.6 percent is living proof of how much of this money was recycled back into the economy. Even the Federal Government cannot pump money back into the economy at the rate at which inflation siphons it away without gambling on hyperinflation as the Treasury's printing presses continue to print more and more government securities to finance increasing budget deficits.

I strongly suggest a series of nationally televised discussions and Congressional hearings that will tell the people what is really happening to the economy. The overall situation will get worse as there are no price adjustment proposals being mentioned. A word of warning—virulent inflation will be dampened as unemployment continues to grow. There was no inflation in the depths of the depression in the 1930's yet unemployment went to 25 percent.

Sincerely,

MATTHEW J. KERBEC, *President*.

ATTACHMENT 1

CHANGES IN WHOLESALE PRICES FOR BASIC INDUSTRIES (PERCENT CHANGE IN LAST 3 MO—16.1) (PERCENT CHANGE IN LAST MONTH—1.2 PERCENT ADJUSTED) (PERCENT CHANGE IN LAST YEAR—23.5)

	Percent change for—				
Wholesale price index, November 1974	November 1973 to November 1974	November 1974	October 1974	September 1974	August 1974
Coal	*66.5	0.9	6.1	3.9	4.0
Crude petroleum	*65.8	2.1	.4	.1	.4
Gas fuels	**31.9	5.0	8.7	−12.3	1.3
Coke	85.5	1.7	.5	3.9	5.6
Petroleum products, refined	*69.8	−2.5	2.6	−.4	1.9
Electric power	34.6	.8	4.3	1.9	1.8
Industrial chemicals	*80.4	4.5	17.3	3.9	7.9
Agricultural chemicals	*72.6	6.3	2.6	2.3	8.4
Plastic resins and materials	*94.7	1.2	.5	8.6	8.9
Iron and steel	*41.0	.4	−3.1	1.2	2.8
Nonferrous metals	*29.2	−1.9	2.6	−1.7	1.0
Farm products	2.1	.2	12.3	−3.4	4.6
Grains	28.4	−2.6		−6.6	12.4

COMMENT: *These are staggering monthly and annual wholesale and retail price increases in the basic industries. They have yet to pick up the cumulative markups which will result as these prices spread through the intermediate and finished goods manufacturing industries and finally through the wholesale and retail sectors of the economy.

NOTES

1. Price increases for coal, natural gas and refined petroleum products plus first stage price ripple effects alone will siphon about $100,000,000,000 out of the buying power pool in 1974 compared to 1973. Only a small part of this will be recycled back into the lower and middle income families in the form of wage increases and dividends. Survival, not new capital expenditures, is the prime concern of the intermediate and finished goods industries. The basic industries are the last to feel the pinch as buyer resistance backs up through the retail, wholesale, and manufacturing sectors of the economy. Companies which cannot raise selling prices to cover these massive cost increases are desperately trying to borrow working capital and this is one reason for high interest rates.

2. On the average prices for items produced by the basic industries preceded by an asterisk increased by 64.8 percent for the past year and 16.4 percent for the past 4 mo.

3. **Gas fuels include natural gas and propane. According to an estimate by the Federal Power Commission the average contract price for natural gas increased by about 100 percent in the past year (from $0.25 to $0.50 per 1,000 ft.^{3}).

Analysis based on "Superinflation/Recession—Causes, effects and cures," published by Output Systems Corp., 2300 South 9th St., Arlington, Va. 22204.

Source: Wholesale Price Index—November 1974.

ATTACHMENT 2

EXCERPT FROM THE TESTIMONY OF DR. ALAN GREENSPAN BEFORE THE JOINT ECONOMIC COMMITTEE ON FEBRUARY 6, 1975 CONCERNING THE RIPPLE EFFECTS ASSOCIATED WITH THE 1974 ENERGY PRICE INCREASES

Mr. GREENSPAN. "We have looked at that in some detail, and especially in the context of the period during the time of the embargo and immediately thereafter, when we had a very significant rise in oil prices. We found it very difficult to make a case for any significant ripple effect. In fact, one element of this ripple effect is the presumption that profit margins are supposed to rise, or at least hold stable, during the period in which these prices take hold. The increase in oil and gas prices, in and of themselves, is supposed to generate a further increase in the general level of prices.

We looked at the figures after the embargo, and we concluded that, excluding the profits of the oil companies the profit and profit margins went down quite significantly, and this suggested that there was considerable difficulty in passing through the whole system the full effect of the price increase. In that sense, the ripple was a negative ripple and not a positive ripple—so that we concluded, after looking at our numbers in some considerable detail, that this process is something that is unlikely to occur at this time." End Quote.

Dr. Greenspan points out that the energy price increases, in some cases, had negative ripple effects. The conclusion could well be that the increased prices were a beneficial event in that they reduced prices in some cases. The underlying tragedy is that there were and are companies that could not increase prices and maintain either profits or sales. Industries producing products people could do without or postpone buying reacted by instituting massive large scale layoffs. This is easily verified in the real world by looking at the mass firings in the construction, automotive, furniture, appliance, textile, home entertainment and allied service industries.

Actually, there is no question that escalating energy costs cause higher prices. For the past two years the Wholesale and Consumer Price Indexes, more often than not have named fuel and food as the top contributors to inflation and higher prices. Also few people realize when energy prices increase food prices automatically have to go up as energy in large quantities is needed to fertilize, cultivate, harvest, process, transport, refrigerate, package and sell food. These costs are compounded at each stopping point in the marketing chain.

Dr. Greenspan has only considered price ripple effects which is a restricted viewpoint relative to evaluating economic impact in terms of inflation, sales, unemployment, etc. The following is a formal definition.

*Economic Ripple Effects: Based on the proposition that an industrialized profit oriented economic system is made up of a network of interdependent subsystems the concept supposes that variations in costs of: raw materials, wages, selling prices, and other inputs to production will force more changes. These changes create and propagate a new series of effects which include, but are not limited to, changes in prices, sales, wages, employment, interest rates, national security status and possible social and political disorders depending upon where in the system the original cost variation(s) occurred, the magnitude of the change(s), the duration of the change(s), and the rate at which they were applied.

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*Source: Superinflation/Recession—Causes, Effects and Cures; Output Systems Corporation, 2300 S. Ninth Street, Arlington, Virginia 22204; Phone: (703) 521-2300.

EDITORIAL SUPPORT FOR THE BINGHAM AMENDMENT

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. BINGHAM. Mr. Speaker, when the Price-Anderson Act extension comes up next week, I will be offering an amendment that will remove the $560 million liability limit from the bill. This amendment is designed not to cripple the nuclear industry, but to enable it to function exactly as do other industries—chemical, airlines, and explosives—which run small but definite risks of causing multibillion-dollar accidents.

Over the past several weeks, my amendment has attracted the cosponsorship of 32 of our colleagues, and the support of numerous others. I should like to commend to the attention of those of you who are still uncertain about the amendment the following editorial from Tuesday's New York Times:

Nuclear Safety

An awkward inconsistency underlies the policy recommendations of those manufacturers and utilities who champion nuclear power as the best answer to this country's energy needs. First they argue strenuously about how safe today's nuclear power plants are, compared with so many other technological facts of life that the public takes for granted.

But they nevertheless have long insisted that the nuclear industry needs special protection, in the form of a statutory limit to public liability in the unlikely—but not impossible—event of a catastrophic accident.

Congress plans this week to consider renewing for a third time the Price-Anderson Act, first enacted in 1957 when the nuclear industry was young and relatively untried, which sets a liability limit of $560 million for damages suffered in a nuclear disaster. Government estimates of the damage that could be caused, at least theoretically, in a nuclear power plant accident range between $6 billion and $17 billion.

The odds of such a catastrophe are indeed slim. Last month the major Government inquiry into nuclear reactor safety, directed by Norman C. Rasmussen of the Massachusetts Institute of Technology, issued its final report. Assuming 100 nuclear plants in operation, the number projected for this country by 1980, the Rasmussen report calculated the chances for an individual to die in a reactor accident at one in five billion; death in air travel, by contrast, is one in 100,000 and the chance of death in an automobile accident is one in 4,000.

Professor Rasmussen's methodology has been loudly challenged by critics of the nuclear industry, and his three-year study reached no conclusion on dangers from sabotage or the transportation or disposal of radioactive material. But taking his limited safety assurances as the best available, the obvious question arises why the nuclear industry any longer needs liability protection. As Dr. Rasmussen noted, the airline and drug industries, for example, long ago accepted full financial responsibility for the apparently greater risks involved.

Representative Bingham of New York is proposing an amendment to the Price-Anderson Act which would remove the liability limit for nuclear power companies. If the maturing nuclear industry is genuinely confident in its safety assurances, it should willingly accede to the removal of this special protection.

CHANUKAH AND RELIGIOUS FREEDOM

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. BELL. Mr. Speaker, as you know, this week people of the Jewish faith are celebrating the 8-day festival of Chanukah.

In this connection, I would like to recommend for the attention of my colleagues in the Congress a very thoughtful editorial on the festival of Chanukah as it relates to religious freedom, which appeared recently in the Sacramento Bee.

The text of the editorial follows:

[From the Sacramento Bee, Nov. 28, 1975]

Chanukah: Religious Liberty Bell

The eight-day Jewish festival of Chanukah, beginning at sundown tonight, has a historic significance which transcends Judaism. It commemorates what is thought by many historians to be the first recorded instance of a people's fight for their religious freedom and cultural identity.

This is a struggle which has persisted for the Jewish people over the centuries, and the fact of its celebration is testimony to the survival of Judaism despite endless persecutions.

Even today, Judaism, as exemplified in the establishment of the nation of Israel, faces hostile threats from surrounding countries, much as occurred more than 2,000 years ago when the Greeks and the Syrians occupied Judea and attempted to impose their culture and religion on the Jews.

The fight led by the Maccabees to overthrow this foreign domination in the name of religious and cultural freedom was finally won after many years. The small, poorly armed Jewish forces drove the Syrians from Judea and restored the Temple of Jerusalem. Chanukah, also called the Festival of Lights, is not essentially a Jewish religious tradition. There are no special services in temple or synagogue. The feast is observed privately in the home, where for each of the eight days a candle is lit commemorating the small flask of oil found in Jerusalem's temple after the enemy had been driven out. It contained only enough oil to burn for one day, but according to tradition miraculously burned for eight days.

This symbolism, therefore, is not essentially religious, nor confined to the experience of the Jewish people.

It is a light, a beacon, to the concept of religious freedom and the endless struggle to maintain it. This was no small part of the spirit which led to the settlement of America by European immigrants seeking religious freedom.

It is also a fundamental precept of the U.S. Constitution—the guarantee that each person has the right to worship or not worship according to individual choice.

Historically, the Jews are regarded as the first people to hold and fight for this principle. In this sense, Chanukah is an occasion for joyous celebration for all believers in religious freedom.

TAX LEGISLATION

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. WHITEHURST. Mr. Speaker, what I would like to share with my colleagues today is a portion of a letter which I have received from a constituent of mine with reference to the tax legislation which is currently under consideration.

To those of my colleagues who find it fashionable to squeeze every penny possible out of successful Americans, I would say: Please take a moment to read the words of outrage of a self-made man who properly regards certain features of this bill as an attempt to unmake him.

Some will feel that he is a bit subjective, but it is hard not to sympathize with a man who worked hard and earned his way to the top in his industry, dutifully contributing his share to tax revenues along the way only to find that an ever-hungry Government wants more.

The excerpt from his letter follows:

Needless to say, the Minimum Tax on Tax Preferences is another way of saying "to tax money not otherwise taxed,' and even in its present form is unfair. Frankly, I never knew such a tax existed until I sold my companies.

You and I have discussed many times the headlong dash into socialism our Congress has led us, and is leading us into. The only way it can ever really be accomplished is to redistribute the wealth through confiscation of properties and monies, which obviously the House Ways and Means Committee is bound and determined to do. This country cannot survive if there is no ambition left among its people, and believe me, there are less and less reasons for the young to be ambitious and industrious.

I am sure that there are many who would argue that "What the Hell is he hollering about, look what he will have left anyhow!" That is not the point. I have paid taxes on every dime I have earned since I started to work here in 1946 at $25.00 per week. The government has taxed my corporations on every dime they earned. The State has done likewise, the cities, counties and towns have done likewise. The IRS will reap an additional windfall through recapture taxes on the sale of my companies. What is left will be distributed to the stockholders and taxed again up to 35% in my case, and simply because there happens to be something left after that, they are proposing to rape that for $116,000. Then I suppose they hold prayer meetings, wishing I would drop dead, and they could confiscate (estate taxes) another $600,000 to $700,000 to give away in . . . food stamps, welfare, EPA, OSHA, etc., etc., for the "betterment of the people."

I submit to you that unless someone stands up on the floor of the House in the manner of a Patrick Henry and tells it like it is, it will soon be over for all of us.

The whole thing is unreal.

Again, Mr. Speaker, let me urge my colleagues to give some serious thought to my constituent's words.

SOLAR CELL INDUSTRY NEEDS GOVERNMENT SUPPORT

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. ROSE. Mr. Speaker, I was very impressed by the following article in the November 11 Washington Post about the solar cell industry. I hope that my colleagues will find it as interesting as I did.

It seems apparent to me that there must be expanded Government support of the solar industry if the cost of equipment is to become competitive with conventional fuels. As Mr. Morris has pointed out, the nuclear industry has received far more support and encouragement and money than the solar energy in spite of the dangers in the former and the relative harmlessness of the latter.

We might consider, Mr. Speaker, our national priorities in the field of energy. I believe that the use of solar cells could mean clean, efficient, inexpensive, and dependable electricity for our country in the years ahead, and I hope that Government agencies will respond with support as Mr. Morris has urged them to do.

The article follows:

SOLAR CELL ENERGY

(By David Morris)

For over 20 years the United States has had the technology to use sunlight for the production of electricity. There is increasing evidence that within a decade such devices will cost no more than other means of generating electric power and that they could produce significant quantities. Yet government policy seems indifferent.

The devices are called solar cells. Most solar cells are made from silicon which is made of ordinary sand. The cell is wafer thin and produces electricity when sunlight hits it. Developed primarily for the space program, these "power plants" were very costly in the 1960's. Early in the 1970's, however, one small manufacturer began making solar cells for use on earth. Within two years the price had dropped by a factor of five. Although the price is still too high for widespread use (it is now about 17 times the cost of traditionally generated electricity), these cells are being sold, at a profit, for such uses as medical auxiliary stations, radio repeater units, highway warning lights, and weather monitoring stations. They are used in places where it would be more expensive to install electric lines and are supplemented with storage batteries for cloudy days.

Government reports, expert testimony and the manufacturers of solar cells agree that the technology works. In contrast to nuclear fusion or the breeder reactor we have increasing experience with its reliability. The only obstacle to the widespread use of solar cells is their high cost.

Everyone admits that the cost can only be reduced by creating a market large enough to permit the automated production of solar cells. More research and development funds are of no help at all.

At present, the foremost cost component is labor. Yet, solar cells are semi-conductor devices that are easier to manufacture than integrated circuits and that lend themselves readily to automation. Several manufacturers as well as independent consultants have come up with remarkably similar charts that show how prices would drop as sales increased and production methods improved. The conclusion is that if the amount of solar cell produced electricity were tripled each year, the price would drop low enough for residential use within a decade and meet one percent of the nation's electricity. In 25 years they could meet everywhere from 30 percent to 100 percent of the country's need, depending on factors that have nothing to do with the cost or production of cells. The most important of these factors is experienced personnel.

These production tables are not based on romantic visions, but on experience in related industries.

In the early 1950's, the Defense Department was faced with a similar situation with respect to transistor development. The transistor was expensive—some 20 to 100 times more expensive than the vacuum tube. The Defense Department, however, thought it important to develop the transistor for military reasons. With its help the price dropped by a factor of almost 100 within ten years.

Unfortunately there is at present no such commitment on the part of the Defense Department to do the same with solar cells. One would think that national security arguments are even more persuasive in this instance. Increased solar cell use would decrease our reliance on foreign fuels. Solar cell devices can be built efficiently in small power units (as opposed to nuclear reactors which require large market areas) making our power supply less vulnerable to enemy attack. Quite possibly, too, they might halt the proliferation of nuclear plants with their potential for making weapons. Would it not be better to supply foreign countries with solar cells than nuclear reactors?

Why doesn't the Defense Department consider the case for solar cells comparable to that of transistors? Why such lukewarm support?

Last June the Energy Research and Development Agency elevated solar energy to the same status as nuclear fusion and the breeder reactor. Yet funding for the coming year shows a gross disparity among the three. Equal priority is meaningless if solar energy gets only a fraction of the money the others get, if the chief energy official, Frank Zarb, publicly urges that nuclear energy be pushed aggressively, if the government is still intent on building one nuclear reactor a month for the next fifteen years and if the Federal Energy Administration sets up a special office to lobby for nuclear energy within the government.

Yet, the production versus cost tables show that the government could develop solar cells at minimal cost.

The first thing needed is a survey to find existing federal facilities where the use of solar cells would be economically feasible. Coast Guard officials agree, for example, that reliable solar cells could save them money on their 12,000 minor lighting systems and buoys. Their purchase alone would almost double the production of the infant industry and almost surely lead to cost reductions.

The trouble is that big government and big business do not yet know how to deal with the new device. Government reports consistently note that solar cell electricity will first become cost competitive for household and community use. Yet government officials insist that the cell must be proven successful as compared with existing utility works systems.

It also seems clear that the government does not like to deal with small business. Yet it is the small manufacturers who entered the field when the big boys were not interested, who have reduced the cost of solar electric power, who have gained experience and who have demonstrated that solar power is not just a dream.

It therefore makes little sense that recent research and development contracts in the solar cell field have gone to large corporations, such as General Electric and Westinghouse, which have no experience and enough capital of their own to enter the field without government assistance. These contracts are of much greater help to small manufacturers who lack capital but have invested years of effort.

First of all, a bewildered public needs a great deal more honest information about the potential of solar generated electricity as an alternative to nuclear power.

JUSTICE WILLIAM O. DOUGLAS

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. RYAN. Mr. Speaker, Justice Douglas' retirement is one of those shattering circumstances that can occur in anyone's life. Having grown up in the Roosevelt era, I was stunned when FDR died. I had the same reaction as a boy upon the death of Will Rogers and the defeat of James Braddock by the 21-year-old Joe Louis. As another generation passed, the same thing happened when President Kennedy was shot, James Cagney retired, and then my mother retired. No matter how sophisticated one becomes, no matter how inured one becomes to change there are certain eternal verities that remain constant. Justice Douglas has been that to me. Such people are the emotional stars by which we navigate our lives.

I remember when Justice Douglas was appointed. How different the world was then. Not better or worse necessarily—but different. When Justice Douglas came to the Court he had illustrious company, and as the maverick youngster, he was not particularly noticed alongside others who were there. What a contrast is his retirement. I am reminded of Markham's poem on Abraham Lincoln in which he refers to a great tree which falls "and leaves an empty place against the sky." Another image is more accurate. Justice Douglas is a gigantic granite monolith whose very size will remain after lesser mortals are gone.

Some years ago, as a teacher, I mentally blessed his presence on the Court because of my own convictions about the terrible damage done by the hysteria of the time and the laws that were passed regarding loyalty oaths. As if one oath of loyalty could bind any person who had it in his mind to be disloyal. I also remember using his book, "An Almanac of Liberty," in my classes for years. This man, this giant, instructed thousands of youngsters through me in the real meaning of liberty. I have no doubt that one could magnify that number in exponential fashion in other schools around the country.

Even recently, I wrote a stiff letter of protest to a San Francisco television station because they refused to carry the Democratic fundraising telethon. Only two other stations in the country took such action. After badgering them considerably, they finally took refuge behind Justice Douglas and the first amendment—and I guess they were right.

Mr. Speaker, I shall miss William

Douglas because he cared about justice as well as the law. Too many attorneys of all ages take refuge behind the legalities. Ultimately, they become judges. Years ago, after a particularly bitter battle in San Mateo County over the appointment of a superior court judge, I heard the best explanation of the one real qualification for a judicial appointment. "A judge," my friend said, "is simply a friend of the Governor."

True enough and probably pragmatic enough at the time of the appointment. But after the appointment, a judge is something very different. He is, and must be, the cartilage in any free society protecting harder masses of flesh in the body politic from each other. No matter how we legislators condemn judges we believe to be too weak, and no matter how we require judges to limit their discretion according to legislative demand, the fact is that no free society can function except by having opposing and unyielding masses press upon the frail cartilage that is the judge. Justice Douglas is a peer among peers—an acknowledged giant, even for those in his own profession who had different views.

Perhaps John Stuart Mill said it best in the last century—

> If all mankind minus one, were of one opinion, and only one person were of the contrary opinion, mankind would be no more justified in silencing that one person, than he, if he had the power, would be justified in silencing mankind.

The reference is particularly apt because I believe that one of the great trials of Justice Douglas' life was the impeachment effort which was lead by then minority floor leader, Gerald Ford, because of Justice Douglas' "one opinion." In all of that turmoil, Justice Douglas provided an example which all of us must follow in large or small measure. He kept silent because that one man was entitled to his opinion no matter how wrong mankind would ultimately find it to be.

UNNECESSARY FEDERAL JOBS

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mrs. LLOYD of Tennessee. Mr. Speaker, the administration criticizes Congress for unnecessary spending. I suggest that President Ford examine some of the executive agencies under his jurisdiction, such as the Federal Aviation Administration, to do his part in reducing bureaucratic growth and waste.

The FAA has over 55,000 employees. While half of these positions are filled by air traffic controllers, 25,000 FAA employees occupy desk jobs.

There are about 155,000 registered aircraft in our country. This means that we have three FAA employees on Government salary for every one registered U.S. aircraft.

Why do we need so many FAA personnel to occupy desk jobs?

Let us cut out unnecessary Federal jobs and concentrate on positions which directly serve the taxpaying public.

IF MATHIAS COULD ONLY HARNESS ALL THOSE INDEPENDENTS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. DERWINSKI. Mr. Speaker, the political year is starting early, and as usual, most of the Members of the other body are pursuing the Presidency. One of the most interesting campaigns is the one being launched by our former colleague in the House, the senior Senator from Maryland, Mr. Mathias. His political maneuvers are discussed in a very interesting fashion by Frank Starr, Washington columnist for the Chicago Tribune, in that paper's December 1 edition:

> If Mathias Could Only Harness All Those Independents
>
> (By Frank Starr)
>
> WASHINGTON.—Sen. Charles Mathias of Maryland has made a discovery, and he wants very much to go over and sit on it, but he's not sure how to do that.
>
> He has discovered the Great Uncommitted Center in our political population. He has observed that there are now more independents than Republicans and almost as many as Democrats. He has scratched his head and mused, "If only a fellow could harness all those votes, he could be President." And who wouldn't like to be President? There may be a lot of people who wouldn't, but Charles Mathias is not one of them.
>
> So he is getting in contact with people around the country to see how many of them have noticed the same thing and would be willing to help him harness it.
>
> Now, Mathias is a Republican, but he thinks his party, and the other one, too, have become hypocritical and are oriented not toward solving problems but rather toward winning elections. He thinks, however, that maybe he ought to run as an independent or start a third party. He won't enter any primaries, he says, because that would onlv help Ronald Reagan, which he doesn't want to do. But neither will he try to stop Reagan from within the party.
>
> Still, he says, he has not "given up on the Republican Party." And that brings us to the kind of candidate Mathias would be. He calls himself a centrist, drawing on genuine independents as well as Democrats and Republicans. That means taking moderate positions, but it also means offending as few people as possible or taking positions of the least resistance.
>
> The issues of open housing and jobs, he says, encounter less resistance than the issue of busing, and achievement of the former would render unnecessary the latter. He may be in for a big surprise.
>
> But the unrelenting drive to offend as few voters as possible does not appear destined to create great leadership.
>
> When everyone agrees the energy crisis should be solved, for example, but no one wants to use less or pay more, the likelihood of its being solved by a least-resistance program approaches zero.
>
> That Great Uncommitted Center which Mathias wants to harness has been there all along. It used to be called the Silent Majority. Mathias notes that since 1956 Republican numbers have fallen from 29 to 18 per cent and Democrats from 44 to 42, while independents rose from 24 to 37 per cent.
>
> Hubert Humphrey, who has had a bit more experience in such things, doesn't read those numbers as a call for a new party but as a disenchantment with the tradition. So the longer he stays out, the more he can minimize the disenchantment for himself.
>
> Maine's Gov. James Longley, who has had no experience with such things, believed it signaled a thirst for a nonparty, independent candidate, and he won without a party. But he won for reasons far more traditional to politics than the absence of a party. And having won, Longley has found that trying to govern without a party is far more difficult.
>
> If Mathias decides to try it, he will risk being perceived as just another senator trying to become President by offending as few people as possible. But the history of such things does not suggest that the absence of a party or the label of a third party will make him more attractive to independents than a party candidate who is also moderate.
>
> Even Ronald Reagan, whose arrival was heralded by unimaginative headlines like "Enter Reagan, Stage Right," managed to persuade some journalists on his first outing he was a centrist simply by not opposing détente and mentioning "big business" as a source of trouble, even though he could never bring himself to say anything firm against big business.
>
> As Mathias accurately observed, "The center of gravity is in the center."

MISSING IN ACTION

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. MINISH. Mr. Speaker, I rise to pay tribute to a constituent upon the occasion of his 31st birthday.

Capt. Phillip Mascari of Caldwell, N.J., was born on December 3, 1944. He is an MIA in Southeast Asia who has been missing since May 2, 1969.

By honoring Captain Mascari today, I hope in some small measure to focus attention on all American MIA's in order that their plight may not be forgotten by the Congress and by the American people.

Phillip Mascari was a scholarship student and distinguished graduate of Rutgers University. An outstanding cadet in the Air Force ROTC program, he received his commission as a second lieutenant upon graduation in 1967.

After graduation, Phil reported to San Antonio for pilot training. He received his wings on June 3, 1968, and was assigned for training as a Phantom F-4 pilot. Upon completion of their training the Air Force reassigned him to the Forward Air Command as there existed a surplus of F-4 pilots. Phil was trained to fly an O2A plane and sent to Vietnam on February 16, 1969.

After flying 32 missions, Phillip Mascari failed to return from a May 2, 1969, flight over the dense jungle of Laos.

Since that day, there has been no word of Captain Mascari.

Mr. Speaker, as a cosponsor of the resolution which established the House Select Committee on Missing Persons in

Southeast Asia, I am hopeful that this panel will be able to shed some light upon the fate of Captain Mascari and the numerous other MIA's still unaccounted for.

CONSUMER LEGISLATION AND INDUSTRY REGULATION

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. ROONEY. Mr. Speaker, an address given November 19 by Mr. Jack Yohe, Director of the Civil Aeronautics Board's Office of the Consumer Advocate before a seminar/workshop of the Conference Board, an organization of leaders in American business, has come to my attention.

I believe it contains some important thoughts that this body, as well as the Conference Board, should keep in mind during deliberations on consumer legislation and industry regulation, particularly as the latter concerns the consumer.

Mr. Yohe urged, among other things, that business take an open and constructive part in the formulation of consumer-oriented regulation and legislation in the mutual interest of business and the consumer. I ask that Mr. Yohe's remarks be included in the RECORD and invite the attention of my colleagues to them:

ADDRESS BY JACK YOHE

Ms. Wilson, Mr. McGuire, Mr. McLaughlin, Conference Board Members—in short, fellow consumers. I was happy to be invited to participate in this seminar/workshop and delighted when I was assigned my subject, "A Regulator's View of Corporate and Consumer Representation." I believe that I can make a contribution toward clarification of both these kinds of consumer representation in regulatory proceedings which have a broad impact on the regulated entities and on the consumers they serve.

I should state at the outset, however, that in attempting to give "A Regulator's View," I do not presume to speak for the Civil Aeronautics Board or for any of its five Members. I am sure you understand that the views I share with you today must be my own and do not necessarily reflect the regulatory philosophy of any Board Member or Members.

Before I go further, I must take note of a story that appeared in the Sunday New York Times. I think it is timely and pertinent. In a way, it is one of the reasons I am here.

The story was headlined: "Antitrust Bill Stopped By Business." A drop headline elaborated: "Top Executives United in New Group to Block Plan for Suing a Company."

The story went on to tell how a "carefully organized lobbying effort, chiefly directed by a little known organization, whose members are all giant corporations, has succeeded in killing a proposed major amendment to the antitrust laws. Similar efforts against other legislation are in process and planned."

The organization referred to was "The Busines Roundtable," made up of 158 corporate members. I assume this audience is acquainted with the organization.

I said the story is timely. It contains a thought I wanted to discuss today, even before I bought the Times. The story is about the very sort of thing that adds momentum to the growing consumer movement, the movement that you are meeting here to try to fathom. The story is reporting on a possible substitute for dealing directly and openly with consumer dissatifaction and for improving the product to reduce dissatisfaction and forestall legal action. But that is not recognition of and participation in the fruits of constructive consumerism. It is more a game of who is heading off whom at the pass.

A little later I am going to suggest a return to some old values and virtues and you may think me naive for doing so. But I think that 20 years of newspapering, three years on the Hill and 13 years in the public information and consumer affairs of aviation regulation hardly make me a babe in the woods.

I am going to recommend a both-hands-on-the-table approach between the consumer and the businessman who is the provider of his services. But first I want to talk with you about the unique role as businessmen where aid transportation is concerned.

In many regulatory areas, particularly those that deal with environment and user safety, corporate and consumer representatives often find themselves in an adversary relationship. But before the Civil Aeronautics Board, business representation—other than that of the air carriers themselves—is classified with consumer representation in almost any proceeding. The business traveler accounts for a large and important share of all air travel. In air cargo, virtually all of the traffic is business traffic. As businessmen, then, you are among the biggest consumers of air transportation. Therefore, I welcome this invitation to address The Conference Board as an opportunity to talk to you as consumers.

The explanation of my assigned subject area stated that you are interested in (1) the types of inputs that such representation can provide, (2) where they have found it valuable in decision making, and (3) how regulators have viewed representation by both consumer and corporate interests. It was suggested that I might also wish to discuss why regulators—and I quote—"sometimes see advocacy, by both business and consumer groups, as attempts to obfuscate public issues that are not so complicated as they are made to appear."

The types of inputs that corporate and consumer representation can provide are often dictated by the nature of a proceeding, by the parties represented, and by the conditions or limitations of a proceeding as defined by the Board in instituting that proceeding.

Those inputs may make contributions of greater or lesser value to the decisional process. This becomes apparent in the initial decision of the Administrative Law Judge who hears the case and in the opinion and order finally issued by the Board. Similarly, the Board's views of the representations by the various interests parties are often quite clearly expressed in the Board's opinions and orders. This clarity can become quite pointed in opinions from which an individual Member or a minority of the Board dissents. I believe that is something we have in common with most Federal regulatory agencies.

However, it is to the assumption that regulators sometimes see advocacy as attempts at obfuscation that I want to address the greatest weight of my remarks. In order to give my remarks the proper perspective, I should first give you a thumbnail orientation on how CAB proceedings work and how our Office, OCA, fulfills its advocacy function in its representations before the Board.

The Board can institute proceedings on its own initiative, of course, or in response to initiatives by other parties. These parties can be air carriers, civic or municipal interests, or components of the Board's staff—such as its Bureaus of Operating Rights, Economics, and Enforcement, or us, the Office of the Consumer Advocate. The parties also can be consumer organizations. Aviation Consumer Action Project—ACAP—a Nadar-related consumer group, has initiated several proceedings before the Board. So has ASH (Action on Smoking and Health).

If the proceeding involves a hearing, the parties are brought together in a prehearing conference by the Administrative Law Judge in order to define the issues, clarify certain procedural matters and set procedural dates for the rest of the proceeding. This is a great time saver during the subsequent hearing in which the parties, through direct and cross-examination of testimony and exhibits submitted earlier, develop the record they deem pertinent to a proper decision. On brief to the Administrative Law Judge, the parties argue the legal issues as they apply to the facts adduced in the hearing. The Law Judge then issues his Initial Decision which becomes effective as the final order of the Board, unless the Board elects to review it, in whole or in part. On review the Board can examine the record or can hear oral argument on the case before issuing its opinion and order.

The Board also can proceed by rulemaking, in which case it serves notice that it contemplates the establishment of a new regulatory provision or an alteration, refinement or updating of an existing one. It invites initial comments and reply comments by interested parties within given time frames. In any case, all parties are afforded the opportunity to get into the record on which the Board ultimately bases its decision.

Our Office—OCA—for the past year has had the status of a party in proceedings before the Board and can participate in such proceedings as the advocate of the consumers of air transportation. Like any party, OCA can initiate actions before the Board, and can intervene in Board proceedings. In the 12 months since the Board amended its rules to authorize such participation, we have filed nearly 30 documents in about two dozen docketed proceedings. We view our role not as comparable to a public counsel but in the somewhat narrower calling of an advocate of the consumer interest.

In complaints that come to us, we try to see that both the consumer and the provider of the services live up to their respective contractual obligations. In Board proceedings we exercise our advocacy role by representing the broader interests of consumers, which we determine through our correspondence, research, surveys and participation in public seminars and meetings like this one.

Now, with that background, let us look at the question of whether corporate and consumer advocacy are sometimes seen as attempts to obfuscate public issues that are not so complicated as they are made to appear.

I do not see them that way and, without meaning to dilute my earlier disclaimer, I sincerely doubt that the Members of the Civil Aeronautics Board view them in that light.

As I mentioned earlier, corporate entities participate in cases before the Board primarily as users of air transportation. As shippers, your interest may be in air cargo rate cases, in tariff rules, or in matters involving extension of credit. As both shippers and business travelers, you appear in route cases before the Board through your Chambers of Commerce in coalition with municipal governments, airport authorities and other civic groups.

Your representation before the Board in such cases is not in opposition to the consumer representation. It is alongside of it. I am sure, for example, that any of you, no less than ACAP, would like to see fares simplified and clarified. I also think that all of us perceive the rightness and the benefit of fares that are not unjustly discriminatory. The Board, too, under its mandate in the Federal Aviation Act, guards against unjust discrimination in fares and rates.

In cargo matters, recent Board actions have had a significant impact. In cases involving rates in the North Atlantic, agreed upon and submitted for approval by the International Air Transport Association, the Board determined that the agreement discriminated against certain cities and it stepped in to prevent such rates from becoming effective because, in practice, the rates favored shippers in some cities over shippers in others.

Since I am addressing you as consumers today, let us briefly look at what is happening in consumerism and consumer advocacy.

If there be any doubt that consumer advocacy's time is here, we have only to view the trend toward establishment of consumer units in private industry and business, and the upgrading of such units already in existence. We are all aware of the widening appeal of periodic publications such as Ms. Wilson's and of consumer interest columns in our daily newspapers, and the impact of Mrs. Knauer's office which Mr. McLaughlin represents here today. We can cite examples of consumer advocacy-oriented legislation such as "The Consumer Protection Act of 1975," which we will be looking at in our workshops today and tomorrow.

In that view, more consumer protection legislation has been passed in the last several sessions of Congress and state legislatures than ever before. Much of it has had a punitive, "let the seller beware" orientation. That is a fact that should concern you as businessmen and representatives of industry. Much of the consumer legislation that exists today has come into being in a climate in which the businessman has tended to avoid testimony, leaving that to his trade association or other representation while he stays home and runs the business. Yet, consumer legislation, like any legislation, if it is to be effective for both business and the consumer, should have the benefit of testimony on all sides of whatever issues may be involved. As they do in air transportation proceedings before the CAB, so all interested parties must participate constructively in the development of consumer legislation.

The consumer in recent years has broadened and deepened his consumer education. He knows far better today than he did five years ago where to look for what interests him in consumer rights and responsibilities. He writes to the seller of his goods and services when he feels he has not been dealt fairly. When redress is not forthcoming, he writes to the consumer agencies. For example, our agency alone received over 15,000 complaints last year.

In formal proceedings before regulatory agencies, very little that is claimed by the advocates of any cause goes unchallenged.

In a rulemaking proceeding, the corporate or consumer position—in the form of written comments—is laid before the Board for it to examine and compare with all other views presented in the case. It remains for the Board, in its collective wisdom, to select the most effective pertinent ideas and proposals in establishing its final rule.

In any kind of proceeding—to address the second of the three areas you are interested in—regulators can find consumer and corporate inputs valuable. (In this case, the consumer still includes you and the corporate reference is largely to the carriers.)

One case which illustrates the point may already have benefited some of you without your realizing it. The complainant charged that one of the trunk airlines had failed to announce a flight delay, thus causing his daughter, a tourist-class passenger, to miss a connecting flight. He charged that the carrier had discriminated by failing to pay for his daughter's hotel room although it provided such accommodations for first-class passengers, and he asked the Board's Bureau of Enforcement to institute an enforcement proceeding against the carrier. The Bureau Director declined.

The Board denied the complainant's motion for review of the Enforcement Director's decision but it also determined that the Federal Aviation Act and Board regulations required that carrier practices pertaining to the provision of interrupted trip amenities should, prospectively, be contained in the air carrier tariffs. It is essential, the Board said, that the basic rules affecting the kind, nature and distribution of interrupted-trip amenities be made known to the public and to the Board. While neither the complainant nor his daughter benefited retroactively from Board action, his complaint brought to light an area hitherto vague and poorly defined. The Board found it valuable in remedying the situation.

In a broader area, the recent adoption of the One-Stop-Inclusive Tour Charter regulation is an example of the Board responding to a general consumer desire for low cost charter transportation unencumbered by the multitude of restrictive rules which had characterized charter transportation.

For several years, individual consumers and consumer groups have pressed hard for a liberal charter regulation. Consumers and consumer groups wrote to the Board and to my Office, arguing for such a regulation. They articulately made their views known in charter rulemakings before the Board and they let their representatives in Congress know of their desires. In short, they were able to forcefully bring their desires before the Board.

In September, over the objection of the majority of air carriers, the Board adopted the One-Stop-Inclusive Tour Charter regulation. This regulation promises to have a profound impact on the air transportation system in this country and to make air vacations available to millions of Americans who could not otherwise afford them. I think it is fair to say that, given the resistance within the industry, this regulation would never have been adopted, had not consumers, by various means, insisted on it.

The rulemaking process, like that which led to the OTC regulation, is worth examining. If the exchange of comments sheds new light the Board will issue a supplemental notice of proposed rulemaking which invites new comment and reply. Or, the comments may show the problem to be of different scale or nature in the real world and the Board may decide that its proposal is premature or not needed, and withdraw it.

Who is to single out one set of specific criteria more valuable than another in the decisional process? Imagination, foresight, flexibility and courage are among the regulator's vital tools. He also must be able to recognize and acknowledge value in an argument when he sees it.

A hearing case has even more safeguards built in, and these tend to work to isolate any argument or proposal not to the point. The prehearing conference, defining the limits of the issues, is an important screening step.

The adversary nature of the hearing is another safeguard. The Administrative Law Judge's conduct of the hearing screens and expedites the action consistent with the production of a complete record. The Board's review of the Initial Decision, if it sees merit or necessity in such a review, is still a further screen to clear the air, and oral argument before the Board is a refinement of it. When the Board decides the case, if a party or parties dispute the rightness of that decision, they can appeal to the courts.

If a popular impression is that corporate or consumer advocacy attempts to becloud issues that are not so complicated as they are made to appear, let me then debunk that impression. For the CAB, the fact is that, more often than not, a proceeding before it is indeed quite complicated. The advocate's skill, then, is not directed to manufacturing apparent complication from simplicity. Rather, nothing short of his best talents are demanded if he is to distill from such great complexity a relatively clear, simply understood and convincing solution to the problems being addressed.

In proceedings such as the Domestic Passenger Fare Investigation, or the initial rule on denied boarding compensation, or any of its amendments; or in the Domestic Air Freight Rate Investigation; or in matters such as procedural reform or the CAB's proposed experiment in deregulation of air transportation, it is small wonder that the life span of the action is reckoned in months instead of days, and in years instead of months. Small wonder, too, that some of the most skilled and gifted practitioners represent the various interests in such cases before the CAB; men and women whose reputations have been made on their ability to reduce complexity to simple logic. The very diversity of parties and the interests they represent also help to keep the record clear and reasonably efficient.

The Law Judges generally agree that overargument of one's case can produce an occasional element of exaggeration, a tactical shading of emphasis. These are not unexpected and are not peculiar to any party or case. This is the forum in which the facts are developed. Seldom do any of the parties see them from identical points of view.

This is not obfuscation or undue complication and, in any case, it does not go far. What the adversaries do not choose to contest may not be worth contesting and the Administrative Law Judge is trained to analyze the representations and to separate fact from opinion.

This is the free play of ideas and of their support and opposition. Development of accurate facts and statistics is essential to this process. Argument of those facts is no less vital. The whole purpose of the process is to generate light. Occasionally it produces some heat. Almost never does it produce smoke.

In my own office, our best efforts are directed toward promptness and clarity because I believe they are the two main ingredients of our contribution to justice for the consumer. Our commitment to that standard keeps us more effective for the consumer, the carriers and ourselves. Despite our lack of adjudicatory power, our involvement in the consumer's problems has enabled us to recover for him about $29,000 a month.

Dollars and cents are not the whole ball game, however. I believe that our existence—thanks to the concerned Members of the Civil Aeronautics Board—and our performance have had a certain compelling effect on the treatment of air transportation consumers. While airline planning has always centered around their customers' needs, as planning should be in any successful business, I believe that the carriers today put more "up front" thought to the consumer when they plan and propose new or changed services, and when they provide and market them. I attribute at least some of that emerging "up front" consideration to the attention we can be counted on to give complaints. Every complaint letter receives individual attention. I believe that our advocacy role in Board proceedings—a responsibility we have had for just over a year—contributes to that "up front" consideration.

Our effectiveness in both complaint handling and advocacy is owed in large part to the retrieval system we enjoy. Not only does it permit good follow-up in individual cases but it also enables us to spot trends in consumer needs and practices. In one example of this, the Office some time ago issued a so-called "Baggage White Paper," citing case after case that pointed up the need for a change in baggage handling practices. There are now three dockets before the Board which deal with various aspects of baggage problems, some of which the "White Paper" addressed. In another example, the Office has long held that airline tariffs should be simpler and clearer. At least one independent consumer group took much the same position. Tariff simplification is a present concern of the Board.

To summarize my views, I believe, as I always have believed, that giving the customer a fair and open deal in the first place, or making him whole wherever the service he receives breaks down, is still the first and best course of action.

A great deal of consumer protection machinery has already been built through regulatory steps, legislation, governmental and independent consumer advocacy, and the courts. It is unlikely that it could or would be easily dismantled, and I do not believe that it should be. It will continue operating and growing.

I suggest that corporate entities need to participate constructively in the development of rules and laws that consumerism may give rise to. Their advocacy needs to be public and clear and on the record—just as they themselves should be in their dealings with the individual consumer.

The place for such participation is before the pertinent regulatory agencies and on the legislature floor, not in the lobby and not in the higher halls beyond the legislature.

Am I saying that we have had enough of consumer advocacy and that the pendulum should now swing the other way? Hardly. I am saying that consumerism and consumer advocacy exist today because they have shown their reason for being. And I am saying that it is in our common interest as both consumers and businessmen to keep a proper balance. Honest, well thought out corporate participation in consumer matters at all levels is as much in the consumer's interest as it is in the corporate self-interest. The fullest possible participation by all interests will result in good regulation—and only so much of it as is needed—and in good law—and only so much of that as is needed.

If the consumer finds himself "buying" consumer protection through legislation enacted with only his input, will such legislation do—can it do—all that he expects? And will it really help to insure his being a "satisfied customer?"

There is an important message that runs through all sincere consumer efforts. I think the consumer is really asking that the businessman, the manufacturer, the air carrier, the provider of goods and services, "care." I think that is what perceptive regulators and legislators see in consumer advocacy.

Of course, "care" cannot be imposed by regulation or compelled by legislation. They can only assure compliance. But compliance is "after the fact." "Care" comes before the fact of regulation and law and it can make regulation and law easier to deal with. I suppose that I am just naive enough to believe that where "care" exists in sufficient quantity and quality, it could make a considerable amount of regulation and legislation unnecessary.

I sincerely hope I have left some useful and usable ideas with you. I hope I have excited your interest and aroused a desire to participate in matters before the Board. I would hate to be remembered at your next seminar/workshop as "that white-haired gent from the FAA or someplace . . ." because I believe that my Office, the CAB's Office of the Consumer Advocate, is representing your interests as well as those of the discretionary traveler, the annual vacationer, the visitor to Aunt Maude, the charter passenger to Las Vegas or Torremolinos. I would remind you once more that as businessmen you are among the biggest consumers of air transportation today. Your stake in it as consumers is a big one. My own Office and, I know, the Board, welcome intervention in cases by groups of shippers and by business groups representing business travelers. You can help to insure that business, by being well prepared, is able to participate more effectively in these matters of concern to all consumers.

COMPANY IS KILLING LAKE SUPERIOR

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. DINGELL. Mr. Speaker, I am totally dismayed over the continued violations by the Reserve Mining Co. of Duluth, Minn., of environmentally sound solid waste disposal practices resulting in the appalling, unhealthy condition of Lake Superior. This company is killing the lake and endangering the health and well-being of thousands of area inhabitants, be they wild, domestic, or human. It is both indefensible and reprehensible that such conditions persist.

Detailing the series of events leading to the present deplorable condition of the lake, I wish to submit the following article which appeared in the Detroit Free Press of November 29. In addition, I completely concur with the resolution adopted by the Michigan State Legislature, which I am also submitting for the RECORD at this point, urging the Congress of the United States to take immediate steps to halt the dumping of 67,000 tons of taconite tailings daily into Lake Superior, which could be curtailed by the construction of an on-land disposal system.

I sincerely hope that the myopic views of the Reserve Mining Co. will not prevail in the Congress and that appropriate action will be taken with utmost speed to prevent total and possibly irreparable damage to Lake Superior.

The articles follow:

[From the Detroit Free Press, Nov. 29, 1975]

THE RESISTANCE OF RESERVE

Duluth, Minn., has become a community of industrial tasters for the Reserve Mining Co. giant. For a quarter-century the firm has been disgorging its industrial wastes into the once-pure waters of Lake Superior, from which Duluth and other lake communities draw their drinking water.

The ugly taconite tailings—67,000 tons of them daily—were bad enough. The gook clouded the lake waters over a 900-square-mile area; and turned vast surface areas from the deepest blue to a sickly green.

But worse was to come. In July 1973 the Reserve wastes were found to be laced with cancer-causing asbestos fibers. Because the lake water was so clear, surrounding communities had been pumping it unfiltered into their drinking water systems.

After nine months of niff-nawing, District Judge Miles Lord did what hardly anyone thought was possible: He shut Reserve down. Just like that. The company's devious tactics, the judge said, shouldn't be allowed to "substantially endanger the health of the people" involved.

True, the plant stayed closed only two days, until an appeals court ordered it reopened. But the point had been made. The nation's biggest industrial pollution case wasn't a matter of idle debate; it was an emergency of the highest order.

Little has changed, however, in the intervening months. Reserve still is polluting. It still is balking at installing an on-land dispostal system, as it is under court order to do. Duluth residents still are being forced to play taconite roulette with their future well-being.

The National Water Quality Laboratory last week issued a special warning to area residents not to drink unfiltered water. Recent storms had churned the lake waters to such a degree that an "excessively high level of asbestos fibers" had been brought to the surface.

Earlier this year the same situation had occurred, causing Minnesota Lt. Gov. Rudy Perpich to refer to the event as "the day Lake Superior died."

Yet Reserve's corporate arrogance goes on:

The company has composed a new definition of gall by lobbying Congress to get a $250 million tax-free, taxpayer-guaranteed bond issue to build an on-land disposal system—something Minnesota's five other taconite plants already have done, on their own.

Reserve has appealed an order by Judge Lord to pay $100,000 toward the cost of an emergency water filtration system for Duluth and other cities—a system made necessary by the firm's dumping practices.

The company has petitioned the appeals court to order Judge Lord to assume a hands-off attitude in Reserve's negotiations with Minnesota officials over a land disposal plan. The judge consequently has been removed at least temporarily from the case.

Judge Lord hardly overstated the issue recently when he said Reserve's intransigence could result in a "national disaster." The seeds of catastrophe are there, with upwards of 200,000 people drinking directly from the lake, and untold thousands of others in Minnesota, Wisconsin, Michigan and Ontario being affected indirectly.

The nation shouldn't have to wait for dead bodies before putting a plug in Reserve's drainage pipes.

STATE OF MICHIGAN HOUSE CONCURRENT RESOLUTION NO. 292

A concurrent resolution urging the United States Congress to take immediate steps to halt the dumping by Reserve Mining of Minnesota of 67,000 tons of taconite tailings daily into Lake Superior

Whereas, The Reserve Mining Company of Silver Bay, Minnesota, is presently discharging 67,000 tons of taconite tailings into Lake Superior on a daily basis, degrading the quality of a unique and valuable resource which is directly shared by numerous communities, three states, and two countries; and

Whereas, The physical health of many citizens of the Upper Peninsula, as well as the area's economic well-being, is largely dependent upon a clean and environmentally healthy Lake Superior, a resource we cannot afford to lose; and

Whereas, The Reserve Mining Company should be compelled by law to make on-land disposal of taconite tailings similar to the laws covering mining company operations in the State of Michigan which prohibit the dumping of tailings in any Great Lake or natural inland lake; and

Whereas, The low cost method of dumping taconite tailings in Lake Superior by the Reserve Mining Company is a very low cost technical method of disposing of tailings and thereby gives the Reserve Mining Company an unfair competitive position with mining companies in Michigan and other states; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Michigan Legislature does hereby urge the United States Congress to take immediate steps to halt the dumping of 67,000 tons of taconite tailings daily into Lake Superior and does hereby urge the immediate adoption of an on-land disposal system for the tailings of the Reserve Mining Company of Minnesota; and be it further

Resolved, That copies of this resolution be transmitted to the Secretary of the United States Senate, the Clerk of the United States House of Representatives, the President of the United States, members of the Michigan delegation to the United States Congress, the Governor of the State of Minnesota, and the United States Army Corps of Engineers.

WOMEN AND HEALTH INSURANCE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. RANGEL. Mr. Speaker, it is appropriate at this time of hearings on national health insurance that we stress that the United States is the only industrialized nation in the world that does not have a comprehensive health care system. Medicaid and medicare reach only a minimal number of people and with a relatively low level of benefits. A large number of people have no medical plan at all and even those with medical plans frequently do not have regular preventive care. This is particularly true for the poor, blacks, women and other minorities. Women face special problems with current health insurance coverage that stress the fact that they are desperately in need of a national health insurance policy.

A gap exists between the availability of health insurance plans for males and females. According to an article in the Maryland Law Forum, by Jerrietta Hollinger, volume 4, 1974, women cannot participate in 87 of the 276 plans that were surveyed. The plans that do cover women provide them with fewer options for overall coverage and payments. Additionally women must pay substantially higher premiums for disability plans whether provisions are similar to or less than the provisions for male insureds.

On a comparative world wide level, health care in our country is so poor that we trail 11 other countries in life expectancy for women. Cancer of the reproductive system is the largest killer of women between the ages of 30 and 54. If we had a national health insurance policy, all women would be able to have a regular gynecological check up which would detect early signs of cancer. Current health insurance plans do not include this kind of coverage.

Following are three examples that show the discrepancy in health insurance coverage for men and women. First, maternity coverage is generally inadequate when provided to married women, and generally unavailable to single women. Women currently pay higher rates to private companies whether or not maternity coverage is included. Women should not be penalized because it is they who biologically bare children and not men.

Second, there is inadequate coverage of abortion and other fertility related services, including contraception and family planning. When these services are covered they are available under family plans only, which effectively excludes single women. Birth control is a shared responsibility between men and women and current plans do not acknowledge this.

Third, payment for treatment of gynecological disorders is routinely exempted by many insurance policies, while coverage for male problems such as prostate is usually granted at standard rates if there has been no treatment for 2 years. It is imperative to understand that regular gynecological care is not a luxury, but a necessity for all women.

Both the Kennedy-Corman (H.R. 21) and Andrew Young (H.R. 6283) bills which I cosponsored are national health insurance proposals that would alleviate these problems. Both bills provide for preventive care for women and make health care a right for every American. Both bills eliminate deductible and coinsurance charges and include nondiscrimination clauses. For these reasons they are clearly superior, and I urge my colleagues to support them.

"911" HOT LINE FOR EMERGENCIES

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. ROUSH. Mr. Speaker, I would like today to continue my listing of the communities, by State, around the country which now have adopted the "911" emergency telephone number or which have plans to do so in the near future. I would call to the attention of the Members today the District of Columbia, the States of Florida and Georgia. Often I receive letters from other Members' constituents asking how they can secure "911" in their State. As I list these communities I also send this list to each member of the State delegation affected so that they will become aware of the "911" situation in their own State. A.T. & T. officials or Independent Telephone Company officials, whichever are involved, will help you if a constituent writes in about "911."

AMERICAN TELEPHONE & TELEGRAPH

Systems location	Date		Population served (thousands)
	In service	Scheduled	
District of Columbia	January 1972		764.0
Florida:			
Alachua County	July 1974		13.0
Broward County		November 1975.	820.0
Cocoa Beach/ Cape Canaveral.		March 1975	26.0
Fort Pierce St	December 1974.		67.0
Lucie County, Gainesville	December 1973.		70.0
Lower Keys		2d quarter 1976.	42.5
Monroe County		December 1975.	53.0
Upper Keys		4th quarter 1975.	17.4
Georgia:			
Albany	July 1970		89.0
Macon	May 1970		130.0
Thomasville	May 1971		35.0

INDEPENDENT TELEPHONE COMPANIES

Florida:			
Lake Buena Vista (Disneyworld).	July 1971		30.0
Hillsborough County.		December 1975.	490.0
Georgia: Milledgeville.	May 1974		34.0

NEED FOR GUARANTEED EMPLOYMENT PROGRAM

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. BALDUS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial written by Jerry Sondreal, one of my constituents, and a staff member of the Amery, Wis., Free Press, a weekly newspaper in my district. I believe it represents the kind of straight-forward common sense thinking about our current national problems that is being done by a great many people throughout the country. I call it to the attention of this body and urge that we make every effort to take advantage of this kind of enlightened thought:

[From the Amery (Wis.) Free Press, Nov. 11, 1975]

EYES LEFT

(By Jerry Sondreal)

Confused over unemployment . . ? Ever wonder who pays the costs of unemployment benefits? If you said the government, you are right from the standpoint that the state government writes the check. Money to pay unemployment compensation is raised in Wisconsin from 85,000 firms which pay taxes into the program based on wages paid by the firm.

Each business in the state is required to maintain a balance of 8.5 percent of its total annual payroll for covered workers. For example, if I own a business and my annual payroll is $50,000, I would be required to keep a balance of $4250 in account with the state department of industry, labor and human relations. If I laid off an employe, he would have the right to collect unemployment benefits. The value of benefits would be deducted from my account.

At the end of the year, the state would see that my account had diminished and they could tell me to start paying into the fund if any reserves fell below the 8.5 percent of payroll figure. I could be taxed 4.4 percent the first year and this figure would increase by one percent a year until my fund was considered paid up.

Employers are tapped another way by the unemployment compensation fund. State law says that the fund cannot fall below a certain level. Even though contributions are paid by many employers each year, any long term economic slowdown, like the one we have experienced the past three years, creates a severe drain on the fund. As a matter of fact this year, the unemployment fund has paid out over $300 million with only about $120 million paid in by employers.

What happens when an employer's unemployment balance is overdrawn is that the unemployed workers who would normally receive funds from the employers fund, are paid from a balance account. The balancing account is maintained by collecting special one-time assessments from all employers, and this year the state will be collecting up to $67.20 for every worker on the payroll during 1976.

While I am not looking for a crying towel, it should be obvious that unemployment is expensive, not only for the unemployed, but also for the employer and his employes. Most industries and businesses peg a certain amount of money for labor costs. If unemployment is high and the state continues to levy special solvency taxes, then employes also end up paying for the program through smaller increases in wages than they could normally expect.

While the unemployment rate for Polk county has been much improved the last

> several months, the statewide rate is still higher than the national average, and that means that all employers and employes will pay the consequences.
>
> Besides the cost of maintaining unemployment compensation programs, I have been critical of paying persons not to work. Through this column, I have called for a guaranteed work program rather than an unemployment program. The idea is not mine, just one that I think has merit.
>
> Quite frankly as an employer, I would be much happier paying into a program which produced some visible benefits and offered the worker an opportunity to stay employed.
>
> I think this nation has reached a point where any person capable and willing to work should be guaranteed employment. The goal, as I see it, should be to make the private sector of the economy the primary employer. When an industry or business finds it necessary to discharge an employe, he reports for work on a public project of some sort. The employer continues to pay into the unemployment fund, but instead of paying someone not to work, the program will allow an employe to transfer to a new job in the public sector and forego the stigma of unemployment.
>
> I think salaries should be prorated as they are now, but that anyone reporting to work should be given free health insurance. It is my thinking that the employers should pick up the salary costs of the program, the state should pay for the health insurance portion, and local units of government, which would benefit from the public works projects, should pay for supervising and administering the program at the local level.
>
> The keys to success in the program as I see it, are that everyone would be guaranteed work, although salaries on public works projects would be less corresponding to what an employe now makes on unemployment compensation.
>
> Some provision should be made to insure that guaranteed employment persons have the opportunity to look for work in the private sector.
>
> Guaranteed health insurance will erase some of the uncertainties faced by persons who move from private employment into the public sector.
>
> Unemployment is a word which can be obliterated from our vocabulary in our lifetime if we are willing to make the switch. I can't imagine anything more damaging to our society than having the major wage earner in a family sitting home for 65 weeks collecting unemployment checks and then starting to worry over re-entry into the labor market.
>
> This is not a new concept. But to me guaranteeing employment makes much more sense than paying for unemployment compensation.

EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. MAZZOLI. Mr. Speaker, on Monday, December 1, I was enroute home from a congressional visit to the Middle East and thus unavoidably absent from the House.

Had I been present, I would have voted "yea" on H.R. 10727, social security hearings procedures; "yea" on H.R. 7782, the Arts and Artifacts Indemnity Act; and "yea" on S. 267, dealing with national forests in Colorado.

SEASONAL FLOODING

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. JONES of Tennessee. Mr. Speaker, Tennessee's Seventh Congressional District, composed of 15 counties that lie within the northwest corner of Tennessee has been plagued throughout its history with seasonal flooding. This almost perennial influx of water causes a great deal of damage both economically and environmentally to this area; thus, posing a real obstacle to maximum development of the area's natural and human resources.

Already, this body has passed approvingly over the past 40 years several pieces of legislation aimed at stemming this chronic flooding situation. Today I am introducing yet another that will assure adequate flood protection for the citizens of northern Lauderdale County, Tenn. This bill will direct the U.S. Army Corps of Engineers to construct an additional levee section, approximately 4 miles in length along the Obion and Forked Deer Rivers.

This particular area has suffered serious flooding in recent years. Floods have occurred several times annually during each of the past 3 years. My proposal would guard against flooding from the Obion and Forked Deer Rivers.

Specifically, this legislation modifies earlier legislation, the Flood Control Act of 1946, which authorized an extension of the main line levee along the Mississippi River for about 28 miles from Tiptonville, Tenn., south into Lauderdale County. About 21 miles of that levee were completed more than a decade ago extending it to the Lauderdale County line. When the remaining 7 miles are completed, some 87,000 acres of land in Dyer and Lauderdale Counties will be protected from backwater flooding by the Mississippi River.

But the Lauderdale County portion will block the natural flow of the Obion River. As a result, Congress approved as part of the original project, a plan that diverted the Obion River channel around the south end of the main stem levee and then into the Mississippi. To protect the lands newly endangered by the existence of the diversion channel, the corps plans to use the excavated material from the construction of the new channel, piling it up to the south of the new channel to form an embankment along the channel. This embankment will run along the new channel as far as the vicinity of highway 88.

This should be very helpful in protecting that land; however, it appears to be inadequate. Local officials and landowners believe that the embankment will not provide the necessary protection from headwater flooding. They argue for the need of an east-west levee, extending from the north end of the proposed embankment near highway 88 to the bluff near Porters Gap. The Corps of Engineers has told me that this project will cost $750,000 to $1,000,000.

Mr. Speaker, this is a sound concept. My legislation will make the corrections necessary to authorize the construction of an east-west levee. I believe that it is essential that it be considered and approved by Congress so that work can go forward expeditiously in unison with the program of improvements currently authorized.

I am pleased that my distinguished friends in the Senate, Mr. BAKER and Mr. BROCK, are introducing similar legislation in that body today.

THE U.S. POSTAL SERVICE: THE DISAPPOINTMENT OF THE DECADE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. CRANE. Mr. Speaker, a recent editorial from the Seattle Times pointed out that:

> One of the major public service disappointments of this decade is the poor cost and efficiency record of the Postal Service in the five years since the old Post Office Department was reorganized and given independent financial status.

In light of the recently approved postal rate increase which will go into effect after Christmas, and the proposal to eliminate Saturday deliveries of mail, it is increasingly and painfully evident that the postal service's commitment is not to the postal consumer.

The House of Representatives voted recently to return financial control of the Postal Service to the Congress, a step which the Seattle Times labeled "drastic action." The supporters of this amendment convinced the Members of this body that just such action was needed to achieve more accountability. The demonstration of support for this "drastic action" was overwhelming, as Members of the House of Representatives seized the opportunity to criticize the shoddy operations of the Postal Service.

A more effective step, if accountability is the goal, is to repeal the Private Express statutes and permit the private carriage of first class mail. The Seattle Times states:

> There can be no doubt of the need for fundamental changes.

The fundamental change of permitting competition in the carriage of first-class mail would grant to the public the ultimate measure of accountability: the right of choice. A public which is disgusted with the ever-increasing prices and constantly deteriorating service from the United States Postal Service would have an alternative. Presently, the public is a victim of the ill effects of a monopoly system which enjoys the full protection and encouragement of the Congress.

The Seattle Times editorial concludes with the observation:

> One thing is certain: Barring substantial improvement in operation of the mails. Congress and the public have not heard the last of the private-carrier proposal.

Let us take the "drastic action," if that it must be titled, to permit the public the right of choice in the delivery of first-class mail. Let us repeal the private express statutes and establish a true free market system for our postal operations.

The article referred to follows:

[From the Seattle Times, Nov. 7, 1975]

NEW SHAKE-UP NEEDED IN POSTAL SERVICE

"One of the major public service disappointments of this decade is the poor cost and efficiency record of the Postal Service in the five years since the old Post Office Department was reorganized and given independent financial status.

"The 1970 reorganization was designed to eliminate political and congressional influence over the postal-rate-making process and other operations of the Postal Service.

"But as matters have turned out, this was one of those government 'reforms' that look much better in theory than in practice.

"Last week, the House of Representatives responded to mounting complaints about Postal Service inefficiency by affirming a decision made earlier in the session to return financial control of the agency to Congress.

"The vote was prompted by the service's increasing annual deficits, further proposals for postal-rate boosts, and continuing poor delivery service.

"Supporters of the measure argued successfully that drastic action is needed to make the Postal Service more accountable to Congress and the public, and that continuing to give the agency a 'blank check' would only solidify existing inefficiencies.

"The House measure faces an uncertain future in the Senate, but there can be no doubt of the need for fundamental changes.

"The Postal Service is expected to lose a billion dollars next year, despite projected additional rate increases.

"During last week's floor action, the House defeated an amendment to let private carriers compete with the Postal Service for delivery of first-class mail.

"As one congressman who voted against the amendment—Joe Skubitz, Republican of Kansas—observed, its introduction with a respectable measure of support clearly showed 'how desperate some people are to try to get an improved mail service.'

"One thing is certain: Barring substantial improvement in operation of the mails, Congress and the public have not heard the last of the private-carrier proposal."

STRUGGLING TOWARD AN ENERGY POLICY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. HAMILTON. Mr. Speaker, I include my Washington Report of November 26, 1975, entitled "Struggling Toward an Energy Policy":

STRUGGLING TOWARD AN ENERGY POLICY

Two years after the Arab oil embargo against the United States, this country does not have an effective energy policy.

We are even more vulnerable to another embargo: crude oil production inside the country has declined by 8%, even with vastly higher prices; we now pay $24.3 billion for imported oil, instead of the $8.2 billion that we paid in 1973; the average cost of gasoline has increased from 39¢ per gallon to 59¢; natural gas flows have fallen 11%; the production of coal, the country's most abundant energy resource, has only crept up, with further significant increases in production in doubt; and electric utilities have cut back their plans for new generating stations.

So, despite repeated warnings from the President, endless debates in the Congress, volumes of studies, and the often-proclaimed objective of energy independence, there is all too little evidence that we have learned our lesson from the embargo or developed the policy to deal with our vulnerability.

The record, of course, it not all bad. Actual consumption of oil is down, perhaps as much as 2 million barrels a day lower than projected for this year, due to both increased costs and the economic slowdown. Some shifting to sources of oil considered to be more reliable has occurred, with Nigeria now the number one supplier for the United States. Some 2,500 energy-related bills have been introduced in Congress and 38 have been actually passed, although the President has vetoed five and several important energy measures are close to final enactment.

Overall, though, the record of the past two years is discouraging, with potential vulnerability growing, an effective national energy policy still elusive, and strong national leadership lacking.

The main reason no agreement has been reached on a national energy policy is because of a fundamental difference between the President and a majority of the Congress. The President wants to allow the price of fuel to rise, but most Members of Congress want fuel prices to remain steady or even to fall. It has been difficult to reconcile those opposed points of view, even though both sides recognize the seriousness of the energy shortage and the inadequate response of the nation to it so far.

This week the long deadlock between President Ford and the Congress appears to have been broken. A bill which would establish a long-term policy for regulating the price of oil awaits final action in Congress and approval by the President.

The bill has many excellent provisions. These include the establishment of a national petroleum reserve to provide greater protection against another oil embargo, mandatory fuel efficiency standards for automobiles, energy efficiency standards for household appliances, assistance to small coal operators to spur production, federal funds for states which adopt energy savings plans, and improved data on the oil and gas industry.

The heart of the bill is its oil pricing formula. In addition to lifting the $2 per barrel oil import fee, the bill would establish a $7.66 per barrel price ceiling for all production categories of domestic oil taken together, which would amount to a price reduction of over $1 below the current $8.75 average level. Over a 40-month period beginning at enactment, the bill would limit increases in the price of domestic oil to 10% each year for inflation and production development incentives which the President may deem necessary. The President would be able to set prices beyond the 10% level only if Congress does not disapprove them.

All in all, the bill, if enacted, is expected to reduce gasoline prices in 1976, and petroleum prices generally should climb back to 1975 levels during mid-1977.

The chief criticisms of the bill are that it could increase oil consumption, increase American dependence on imported oil for a few years, and slow the rate of domestic energy development. The bill seeks to strike a balance between the undesirable extremes of no controls and permanent controls. To let all controls end abruptly would allow an immediate jump upward of all prices to the world level now at around $11 per barrel, a jolt that could destroy the present economic recovery. But permanent controls could also be harmful over the long pull. Holding prices down means letting imports rise unnecessarily high. The bill, then, tries to prevent any sudden jump in oil prices, but it does commit the country to decontrolling steadily.

The bill, obviously a compromise, will not be the nation's definitive energy policy, but, despite its deficiencies, it should start us toward a comprehensive national energy policy.

REDEFINITION OF FARM HURTS MANY RURAL PEOPLE

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. ROSE. Mr. Speaker, my colleague from Louisiana, the Honorable GILLIS LONG, recently gave the following testimony before my House Agriculture Subcommittee on Family Farms and Rural Development. I hope that our other House Members will read this excellent report and heed its warning:

STATEMENT OF HON. GILLIS LONG

Mr. Chairman. I want to thank the Subcommittee on Family Farms and Rural Development for setting aside this time to explore the consequences of the recent change in the definition of a "farm" and the manner in which that change occurred.

I want to commend you, too, Mr. Chairman, for your continuing commitment to the health and vitality of the small farmer and the residents of rural communities.

Your Committee has done much to identify the consistent and pervasive neglect of rural America; it has pushed for Federal efforts to reverse this neglect; it has watchdogged the administration of existing programs to insure that misguided economies and bureaucratic inertia are not allowed to perpetuate or aggravate the conditions these programs are designed to eliminate.

I would like to point up for the purpose of this discussion a public policy goal set out in the legislative history of the Rural Development Act—and that is the assurance that families on small farms are able to stay there, and make a living because of the fact they are farming.

The extent to which we succeed or fail in developing the right programs to meet this goal will depend upon the availability of accurate, complete and creditable information on the status and changing status of small family farms. And this is where I see a problem arising.

Mr. Chairman, I have come here today out of a deep sense of concern.

I am concerned about the actual definition of a farm and the impact it may have on small marginal farmers, such as those who dot my own Congressional District.

I am concerned about what I perceive to be the prevailing attitude at USDA to favor dollar values over human and social values.

And, I am concerned about the way in which the redefinition decision was made—without any real and substantive consultation with the Congress on what to me represents an important change in determining what kind of information will be available to us as legislators.

REDEFINITION

As you know, a recent change in the definition of a "farm" was jointly made by the Department of Agriculture, the Census Bureau and OMB. The new definition would require selling farm produce of $1000 or more yearly in order to qualify as a farm.

This to me is a substantial departure from the original concept that a man who produced food and fiber was a farmer and that his place was a farm irrespective of the value of the sales from his effort.

I recognize that this concept has been modified over the years to require a nominal amount in sales—$50 and 10 acres of land or $250—but they have increased the amount by 400% and this, to me, really amounts to a qualitative change which—if made at all—should come from a Congress that has properly weighed all the implications.

REASONS FOR REVIEW

One of the things I fear most about the decision to identify these farmers as rural rather than farm population is that the definition will become the reality.

By eliminating the identity of these very small owners and operators of farms, we are insuring their invisibility as farmers for any practical purposes. As a result there may seem even less of a need on the part of USDA to serve them as farmers through farm programs and more of a tendency to channel them toward welfare programs.

There is the danger, too, that in the shift from farm to non-farm status, these people will somehow be lost in the shuffle. If the administrators of farm programs feel less of an urgency to work with a group of farmers whose "farms" no longer appear on agriculture charts or in agriculture figures, there is certainly no reason to believe other non-farm assistance programs will effectively fill in the gaps with services to a group who has never been served before, and who lives in areas remote from the rest of the rural population. We do not have to look far into our history to remind ourselves that unseen Americans inevitably become forgotten Americans.

There is a great potential for this in my own District, which has probably as many or more of these small farmers than any other District in the country. These are small farmers with four or five or six acres on which they grow some hay, corn, rice or sweet potatoes and perhaps raise a couple of cows, a few pigs and some chickens. They are able to make a living this way—often with a little help from one of the family member's full-time or part-time job in the neighboring town.

These are basically poor people, but I think it would be a tragic mistake to overlook the fact that they are important people. They are the key to the stabilization of American society. If they are dislocated because their needs as farmers are not properly addressed, their land, their homes, and their way of life will be lost—and not only they, but society as a whole will be the losers. To ignore a situation is no solution, and in fact we shouldn't kid ourselves that a policy of benign neglect is a neutral policy.

During the 1950's and 60's we first began to disregard the needs of small farmers as farmers in the name of production efficiency. We were lulled into believing that displaced family farmers would find a better place in the growing industrial society.

Instead, experience sadly taught us that disregarding their needs as farmers led to disregarding their needs as people, and the vast majority of those displaced ended up scattered throughout the cities and towns across the country—waste products of an unrelenting and heartless machine.

So, in my own mind, there is much more at stake here than whether the farmers affected by this decision are theoretically eligible for USDA programs, or whether or how they will be economically hurt. At issue is whether the policies, attitudes and the pressures we create at the Federal level will allow these very small farmers to continue their chosen way of life.

PROCEDURE

For this reason, I believe Congress, in its true role as a representative body, must reaffirm its primacy in determining the policies, direction and definitions by which agriculture will proceed in this country. It also must insure that any future census and regulation changes which would alter the commonly accepted concept of farming and agriculture are arrived at only after careful consideration and review.

Mr. Chairman, many people in and out of government, people of all political persuasions, are becoming more and more concerned that the Federal government is promulgating too many rules and regulations with no effective checks or reviews.

And while I am concerned over the specific issue we are discussing here today, I am even more concerned over the big picture—about where we are going as a nation and how we are going to get there.

The census redefinition decision is but one of many made daily by the Federal agencies—many of them sweeping or comprehensive in nature and scope—and I think we have reached that point when the question of consultation between Congress and the Executive branch should be considered.

I am a firm believer in the old adage that "an ounce of prevention is worth a pound of cure," and adequate consultation between the two branches of government would clear up many potential problems before they become actual problems.

For this reason, it seems to me that we may want to seriously consider establishing a structural framework for better advance communications between Congress and the Executive agencies on administrative decisions affecting legislative policy.

Congressmen Levitas and Clawson have both introduced bills which permit Congressional review of rules and regulations proposed by the Executive branch. I strongly support the direction and thrust of these bills. I have testified before a Judiciary Subcommittee on them, and I commend them to the attention of this Subcommittee.

Had we already enacted some form of Federal rule-making bill before the census decision, for example, we would have had in place a thoughtful mechanism for dealing with the situation. The redefinition would not have been made simply by touching base with a few Committee Chairmen to see if anyone strenuously objected. It would have been made in a formal decision-making process that fully explored all the programmatic and policy implications before any action took place, and I believe all of us would have been a lot more comfortable with the outcome.

Again, Mr. Chairman, thank you for the opportunity to testify today.

MOUNT VERNON JUNIOR COLLEGE 50TH BIRTHDAY

HON. LLOYD MEEDS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. MEEDS. Mr. Speaker, a 50th birthday for an institution of higher education would not make much of a ripple in some sections of this country, but in the district I represent, 50 years of consecutive service to education is a mark of considerable distinction. Skagit Valley College—originally Mount Vernon Junior College—is the second oldest 2-year community college in the State.

Started in 1926 from modest beginnings as an adjunct to the local high school and in space provided by that school, the college has grown to an attractive 85-acre campus providing an important focal point for community life. In addition to the expected college buildings such as library-media center, buildings for science, extensive vocational studies, fine arts and general studies, the most recent addition is a lakeside site purchased from student-raised funds and providing for recreational activities as well as fresh water studies.

The college, now part of the comprehensive system of community colleges in the State of Washington, is located on one of the most beautiful campuses in the Northwest. The Cascade Mountains, dominated by Mount Baker, offer year round recreation in skiing, hiking, and climbing. To the west lies Puget Sound, and the Valley is drained by the Skagit River, offering marine sports of all types and both fresh and salt water fishing.

In addition to its educational contributions, the college serves as a cultural center for this largely rural area, providing live drama through SKV Theatre, an educational FM station, and a fine library. One measure of the success of this school-community partnership can be seen in the burgeoning enrollment, currently at a healthy 4,813. This includes a strong continuing education program, as well as a branch campus operated as a cooperative venture with the Naval Air Station at Oak Harbor on Whidbey Island.

In commemoration of the college's 50th year, the board of trustees of Skagit Valley College recently adopted the following resolution:

> Whereas, Skagit Valley College (then Mount Vernon Junior College) was founded in 1926; and
>
> Whereas, 1976 marks the fiftieth year of the founding of the college; and
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> Whereas, such an event marks a significant achievement in the development of the college; and
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> Whereas, such an event should be recognized by the college community and the citizens of the college district; therefore,
>
> Be It Resolved, by the Board of Trustees of Community College District No. 4 that academic year 1975–76 be designated as a year for celebrating the 50th Anniversary of the college. The Board of Trustees pledge their support of the 50th Anniversary celebration and of the events planned to commemorate this important occasion. Furthermore, the Board of Trustees urge all members of the college community and citizens of the college district to support and participate in the 50th Anniversary celebration.

To all this, let me add a personal note of congratulations and admiration to the staff of the college and to the residents of Skagit County who have worked together to build this truly community college. On the numerous occasions I have worked with staff, students, and residents, I have never failed to be impressed with their clear view of the college as a community-based service institution, searching out and filling community educational needs.

Some instances that come to mind are the development of the Oak Harbor community facilities, programs to serve the Spanish-speaking migrant community, sponsorship of parent cooperative preschools as a cross-generational education vehicle, and, of course, a wide range of college transfer and vocational programs specially geared to local needs such as the top-notch park range technology course.

Skagit Valley College is an illustration of some of the best reasons for the strength of the community college movement. I am pleased and proud to make note of this 50th birthday celebration.

AMERICA'S THIRD CENTURY

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. HARRINGTON. Mr. Speaker, in the final installment of Norman Macrae's survey of "America's Third Century," the author allows his imagination to roam through the coming hundred years. Predicting massive growth of telecommunications, "reruralisation" of America and a new predominantly ex-urban lifestyle, Macrae forecasts that the United States will lead the rest of the world to the end of the urban age. But such advances might well be accompanied by the creation of artificial happiness and baby-moulding techniques, says Macrae, mentioning only a few of the horrors possibly looming in the not-so-distant future.

I would like to submit for publication in today's Record the eighth and last part of Economist deputy editor Macrea's recently completed study of the American future. In my opinion, Macrae's article, originally published in the Economist, merits wide exposure. For this reason, I have been submitting it in serialized form for publication in the Record over the past few weeks. The author's extraordinary perceptive world view, embracing the countless possibilities awaiting us in the next century, is unique. In addressing a monumental time span, Macrae has voiced some opinions with which I strongly concur, and others about which I have serious doubts.

But the overall study is an immensely valuable document that demands the close attention of anyone personally involved in the future of this country.

The text of the final installment follows:

[From the Economist, October 25, 1975]

Tomorrow We're Hicks

Without most people noticing this, America's reruralisation has begun. Will it work?

* * * * *

Americans say their "urban crisis" was the temporary result of the huge rural-to-urban migration after Hitler's war. Emigration out of the rural or nonmetro areas (nonmetro means, broadly, a county with no town of over 50,000) was 500,000 a year in the 1950s, just under 300,000 a year in the 1960s. Many Americans castigate the planners and sociologists for foolishly not recognising early what was happening then, while themselves being unaware of what is happening now.

Between 1970–73, the latest years for which there are data, there was a population rise in America's nonmetro (i.e., rural) areas of just over 350,000 a year. Without many people noticing it, the tide is already flowing back from both suburbia and the cities. The next crisis of lifestyles will be that of reruralisation. Early in its third century America will have to create a new ex-urban life style, probably again very suddenly. The crucial topic of discussion should be what it will be. At present this is not widely discussed.

TOWARDS TELECOMMUTERDOM

There are two reasons why I think that America will now lead the world toward the end of the urban age, although I agree that that end may have several false starts.

First, telecommuting is coming. When production is properly automated even in service industries, probably 60% of American breadwinners will be brainworkers. A brainworker can much more easily dispatch his work than himself to the office. Eventually workers will telecommute from their homes, but meanwhile telecommuting from neighbourhood work centres will begin. These will be places which will utilise the broadband two-way channels that are attached to cable TV and where you will buy season tickets to have contact at will by picturephone and telex with all the colleagues and computers with whom you work—to exchange instant written and spoken and visual messages with them. Businesses still do not understand how cheap the marginal cost of all this is going to be. Murray Turoff has calculated that in remote African villages today computer-conferencing-systems based on mini-computers could be made available for the price of a cheap truck.

Businesses also do not realise that productivity will rise most sharply in precisely the fields where for decades face-to-face contact has wrongly been supposed to be most important. Once people are used to it, computer-augmented confravision across continents will be a more sensible way of getting 20 people to make a decision than ordinary face-to-face meetings, because each individual with his terminal can ask questions from a computer and everybody can look jointly at a screen; because views can be entered on the printout at each person's own convenience instead of everybody having to speak hurriedly after somebody else has spoken; because a usual process will be to leave a printout and videotape for executives not at the conference to see, so they can enter their own views within a strict timetable before a final decision is taken; because votes and sometimes inputs can be anonymous, so that all options can be tabled without fears of offending superiors; and because there is a "whispering" capability all through computer conferences, which allows timely subgroup negotiations without other conferees being aware these are taking place. All these at the chairman's volition. Most businesses' filing systems will become very largely computerised. Data will be fed into the computers from on-going conferences, and can be drawn on by a man living anywhere. The dash to the "paperless office" will probably become a fetish in the 1980s. Most of the 8096 of America's first class mail which consists of business items is likely to be sent digitally by 1990, so mailcarrying will go very bust.

By the early 1980s a computer terminal should be as cheap as a color TV set. It will quickly rise to become the principal business tool, and in a later surge will become a household mass durable. Household demand for computer terminals may initially be as an entertainment device. * * * But household computer terminals will soon have more serious roles.

LIVING BY THE SCREEN

Telecommunications will alter society's patterns more profoundly than the previous and smaller transport revolutions of the railway and automobile have done. In tomorrow's scattered communities there will be telemedicare via multiphasic screening, remote physiological monitoring, remote supervision of work by paramedics, computer-assisted diagnosis, your own health record in a date bank; health care will become an efficient information-intensive business, instead of a hit-and-miss labour-intensive one.

OLD ORDER CHANGETH

With both teenager and grandma being driven (by impulse or expulse) away from their own folk earlier, over 60% of Americans at the time of the 1970 census did not live in a nuclear family with earning dad and housekeeping mum and the kids; they were childless couples or post-childrearing couples or single people or lived in other sorts of household. Nearly one in four of American bridegrooms has been married before, so plural marriages (i.e. consecutive polygamy) are more common in America than in many countries which permit polygamy. Among under 25s the old conventions are now rare (single-parent families are growing at three times the rate of two-parent families), and by the time today's 25-year-olds are 35, the 20–35 age group will be 57% of America's adult population.

About 43m Americans move home every year, yet political representation is tied to geographical districts. This skews political action in favour of the minority who do not move (politicians favour rent controls, environmental protection, political action for existing interests but oppose new investment). It unfortunately makes it seem natural to Americans to gear new political action to the groups to which they belong more closely than they do to the home town, but which are also, like Europe's immature nineteenth century nationalisms, selfish and antagonistic and jingoist (the dear old corporation, professional association, trade unions, black power or women's lib). Americans will need instead to gear their political organizations to a situation where they now have the advantages (and some of the problems) of being as free as the birds in the air.

Increasing wealth and technology allow the inhabitants of rich countries to do something totally new in human history; namely, to live according to individual choice instead of in groups. They are therefore naturally throwing away a lot of the old tribal restraints, religious conventions, patterns of obedience to authority, the moods of obsequiousness that were necessary when they lived in groups.

* * * * *

The next 25 years will show whether America is going to lead the world to a totally new and exciting society. At this end of this survey let me suggest only briefly the signposts and dangers to watch on the way.

RULES OF COMMUNITY

The key requirement for civilization is that every individual should be able to make a deliberate choice about which community he wants temporarily to join, with absolute freedom to move to search for variety and with much fuller information than now about the alternative lifestyles available. That will require lots of independent assessments in data banks about how happy people living in particular communities are.

Education will move along the same electronic, audiovisual, individualised road; if some fiend was inventing the worst milieu in which to teach an over-10-year-old, he would invent one of today's school classrooms. Shopping will involve intelligent use of widespread and competitive consumer information retrieval systems (a telecomputerised "Which?", a telecomputerised Sears Roebuck), and instant electronic banking in place of cash deals. The launching of new models of, say, an automobile will be easier because the firm on a distant continent will tele-advertise its model from prototype stage, and offer substantial discounts for orders placed immediately. Consumers who like the thing will push buttons on their computer terminals (thus automatically debiting their bank accounts post-datedly for the day of delivery a declining number of months hence);

and that will be the figure for the first production run. This conquest of initial market uncertainty will make the smaller, imaginative business and "confederations of entrepreneurs" thrive.

Although all types of American nonmetro areas have simultaneously started growing again since 1970 (except the very agricultural, the very military, or the very black), two types have grown most. First, the rich men's outer exurbia—e.g., fishing villages filled on weekdays by fishermen and top bankers' wives, but on weekends also by the bankers themselves, because New York is too far for daddy to commute every day. Urban interests say this shows the nonmetro revival is just suburban supersprawal, but telecommuting patterns will be found more feasible now that the rich live furthest out (provided the rich like their wives). The other big nonmetro growth has been that on coasts, lakes, reservoirs, hills (Upper Great Lakes, Sierra Nevada foothills). Many of these are recreation-based upper-middle-class retirement areas, including part-time job country now that more upper-middle-class people retire early (you can choose to retire from many federal jobs at 55). But they are signs that America still has a surprising number of nice and fairly-empty places to live.

The second reason why I think that the age of increasing urbanisation is over is that much of today's city and suburban lifestyle is now yesterday's hokum. Psychologists say that peole catching up with happiness most usually need (a) social support systems from family or friends; (b) some sense of individual achievement; (c) some material well-being. The American-led century of 1876–1976 has provided one-third of mankind with material well-being, plus a greater width and equality of opportunity for individual achievement than is generally admitted but now with some breakdown in the mechanisms feeding family life and friendships. To quote James Ramey: "In America our entire system of laws, customs, attitudes and human service delivery systems are set up to support the monogamous nuclear family, as though all Americans lived in such a family. But most Americans don't."

As telecommunications will greatly increase mobility, it will probably be right to finance telecommunication facilities much as roads have been financed. Once satellites are tossed into space, the marginal costs of using them do not vary greatly with distance of message sent, so it should become as cheap to telecommute daily to your office in New York from Tahiti as from next door.

While it is fun for the like-minded, perhaps four times a year, to get together, to dress outrageously alike and play around a little (as at a pop festival or a white-tie dinner), a few consecutive months of living only with the like-minded will usually become impossibly contentious except under the sort of strict discipline that is acceptable only to nature's nuns. That is why today's hippy or other artificial communities don't work. Most of their members are too like-mindedly earnest in searching for a lifestyle, while the other 99.9% of us don't think about what we want nearly enough.

On the whole, I therefore discount the fear that the new communities will turn into impossibly inbred cloisters of bankers in one village, fetish hippies in another—although dangers of bigger class-splits arise because the first telecommuters will be the affluent, who may therefore learn less about ordinary people than ever as they work in electronic isolation from the underprivileged. I am less worried by the argument that, after television has stopped us from making friends in our leisure time, so telecommuter terminals will stop social interaction at the workplace, and that all mechanisms for making friends will therefore stop. Small communities are generally matier, friends at the local telecommuter work centre will replace friends at the office (thus usefully eroding single-corporation ties). Americans will use telecommuting to make distant telefriends with whom they will play telebridge (and the data banks of America's third century will voraciously feed this business of computafriend). One of the main reasons for movement into a particular community will be a choice of some particular friend-making leisure activity associated with it (whether golf or boating or music), but not too exclusively.

* * * * *

A free man of the future must have an individual choice between various communities with sharply contrasting lifestyles. It has been an advantage for America that the existence of separate states allows experiments with differing laws, but state boundaries are an anachronism. Decisions about community lifestyles will have to be made much lower. The result in America's third century will probably be a choice between more puritan towns and middle-of-the-road ex-urban telecommuter areas with an interesting range of customs (ranging on the right to groups of citizens who will have hired some small Dutch or Japanese multinational company to run their local government on a renewable performance contract, and on the left to the participatory or the hippy).

SHADOWS BEFORE

This range of choices will be important as the world moves (a) through the stage of psychedelic and mood-affecting drugs, to the point where electronic stimulation of the pleasure centres of the brain becomes a rather easy technology (i.e., to a stage where the manufacture of something which seems to most people indistinguishable from happiness may become artificially-creatable without any hangover); and (b)—here is the horror—where genetic engineering "advances" far enough for us to be able to mold special characteristics into babies and to stimulate artificial intelligence in human beings.

If the leading country in the world is centrally governed as these last push-throughs are gradually made, then its central decision about them is likely to be either too restrictive or too permissive by default. If it is too restrictive, grey markets in artificial happiness and baby moulding techniques will loom up. In the same way as unenforceable prohibition past a certain point probably eventually increased alcoholism and pot-smoking, while robbing governments of respect, so America must be careful not to create Al Capones who bootleg genetic engineering. Worryingly, the 1975 world recession has caused a rush to train more premedic students and even doctors of chemistry than can possibly be employed; they might be the bootleg geneticists. At the other extreme, if legal controls over these approaching horrors are too mushy, changes in the nature of human beings may come about unchecked.

There can have been no period in history when it has been more crucial that the world's leading country should have lots of competing local governments, with a cool federal government sitting on top to decide from gradual experience which systems of adequate control look like working and which systems of overcontrol or no-control don't. The same is true for the reform that is now needed of life patterns. It is obvious that a lot of new experiments are needed to find how best to change society's present mishandling of children, adolescents (especially) and an increasing number of old people.

ENVOI

There are those who say that small-town America cannot possibly lead the world through these next few tumultuous years. They argue that the good-neighbourliness of American small towns, with everybody knowing everybody else, which the visiting foreigner still finds as the most civilised living pattern in the world, is the last harvest from the winning of the west by the madonna of the plains a hundred years ago. They agree that those who fled the villages and small towns in the nineteenth century, hating what Karl Marx called "the idiocy of rural life", may thankfully use the telecommuter revolution to flee back again from the idiocy of American city life. But they deny that Americans of this post-urban age will be well-placed to recreate the conditions whereby, to quote William Irwin Thompson, "mediaeval man dwelled in a village but lived in Christendom".

They have two unflattering reasons. First, sophisticated Americans are running scared. Secondly, both simple and psychotic Americans have too often been dominated by religious liars. These points are worrying.

At this year's World Future Society assembly in Washington there were some people wandering around in a sort of robe from which dangled a convoluted cross. About half the audience found nothing shocking when one of them said from the platform: "Ecology is the first really moral science, because it says 'Either you believe this, or you die.' "

After 2,000 years in which the great ethical advances brought to many societies by Christianity have been intermittently reversed into ethical retreats when zealots have threatened simple people with thunderbolts and eternal rotting in hell unless they believe even those parts of the Bible which every educated man knows to be fairy stories (most of them pinched from earlier religions anyway), half an audience of 2,000 very clever people in the capital of the world now laps up warnings from a fanatical fop that a similar sad fate will befall those who do not believe various schedules of certain commodities' elasticity of supply which any educated economist knows to be innumerate balderdash. At that moment I could see the arguments of those who say that America in its third century is as liable to lead the world back to the ignorance of the dark ages as into the knowledge-intensive age before us.

And yet, in the end, the truth is that in each of their half-a-dozen major crises since their first, when they seemed to have lost their revolution against the British in Valley Forge, the United States have done more wisely than any sane man at the time could reasonably forecast they would do.

There are three main questions. First, will America continue to believe in economic growth? Half the world will remain hungry if it does not, and that half-world may blow us up.

Second, should America believe in participatory producers' democracy in factory and politics, or in extended and informed consumers' freedom in both? Please God, it should believe in consumers' freedom.

Third, does the star-spangled banner still wave o'er the land of the free, and the home of the brave? The stars glitter, but no wise foreigner at this hour will rely wholly on George Washington's order of April, 1777: "Put none but Americans on guard tonight."

"JOBS FOR TEXAS"

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. TEAGUE. Mr. Speaker, recently Mr. Charles L. Brunow, president and chairman of the board for Innocept, Inc., spoke at public hearings for the U.S. Department of Commerce regarding jobs for Texas and how to create new jobs through capital investments, new markets, and new technologies.

Mr. Brunow's remarks about our system of capitalism and his remarks about research and development and technology are worthy of careful consideration by each and every Member of Congress. I commend the comments to you, and the general public.

The remarks follow:

COMMENTS OF CHARLES L. BRUNOW "JOBS FOR TEXAS"

INNOCEPT, INC.,
Dallas, Tex., October 30, 1975.

Potential Alternatives to Capital Acquisition Needs of Small Technology Businesses

Summary

The subject is considered to be one of the most critical needs of the United States today; if the capitalistic system which has helped build this country is to survive. There are potential solutions to providing capital for small technology businesses while can reverse the trends of

1) the current demise of small business,

2) the loss of competitive national productivity,

3) the inadequate flow of technology into our products, and

4) inadequate capital for Technology Service or Research and Development firms.

The solutions, in my judgment, are directly related and achievable within the current Federal budget limitations. They are keyed, however, to the recognition of the importance of small technology firms in all levels of Federal and Private activities, and to the acceptance of the higher productivity of these firms relative to Federal laboratories, non-profits and universities.

Innocept Qualifications

For background, I would like to tell you about my firm Innocept Incorporated.

Innocept, Inc. is a closely held Texas Corporation, incorporated on March 19, 1971 as a broad based management services company to serve clients ranging from individuals to the Federal Government. The basic goal of the company, through innovative concepts in management, marketing and technical service, is to contribute to the growth of its clients and the community. Specifically, Innocept endeavors to act as a focal point for activities involving the universities, businesses and government offices to offer unique independent professional services to local, state, national and international clients in an objective and professional manner.

Innocept is a management consulting firm—we have had extensive experience in counseling with small business concerns through contracts from the Small Business Administration and through direct contract work. We are also a systems study firm, having had contracts with the prestigious National Science Foundation. Our principals and our staff have an extensive, professional background in technology oriented business, technology and systems development in both large and small companies.

Our current assets are what might be called "soft" assets—especially, when related to the hard assets of LTV as summarized by Mr. Thayer's remarks of this morning. Specifically our most valuable current assets are experience, knowledge, ideas, specialized data, brainpower. We need no inventory, no plant or equipment of the magnitude of a manufacturing firm.

Small Business Role

This brings us right into the main stream of the subject—working capital for the small technology firm or how to get a loan. At this stage, I might give you background that may not really be necessary but it certainly should be interesting—that is background of the small business importance to the overall economy of the U.S. As you know, over 90 percent of all businesses are small businesses. Approximately 50 percent of the nation's employees are employed by small business and a significant portion of the Growth National Product is generated by this segment of business, and yet, there really is not an agency or lobby to speak out for that group as a whole. Therefore, I feel this is a good opportunity to discuss some of the problems.

The importance of the capital shortage on small business is so significant that it has reversed a trend of nearly 200 years of growth. For support to this statement, I would refer to a document entitled, "Survival and Growth—The Small R&D Firm" which contains the proceedings of the First National Conference dealing with problems of small firms in research and development industry sponsored by the National Science Foundation, Small Business Administration and the Department of Commerce in June of 1972. There is a section of this report beginning on page 37—

"Most of the nation's businesses are small, but grouped together they are a large part of the business community. There are eight million small businesses, comprising 96 percent of all businesses in the United States. Small business represents a mighty constituency of 36 million workers, producing 37 percent of our Gross National Product.

"In this country, the originator of big industry, the tendency is to consider small business as something bypassed, in fact, the reverse is true. Small business is a growth business. It is not losing ground at all. Bigness, government regulation, lack of credit, unfair trade practices, taxation, and other deterrents have not stopped small business.

"The current annual net growth of small businesses is about 100,000 units per year. Each year, the net growth in number of jobs, sales, and profits increases, and the future of small business appears to be better than ever.

"New technological changes, rapid changes that are already with us and will move swiftly during the 1970's are putting increased emphasis on the individual with technical knowledge. Despite its inherent strength, small business also has its problems. It has special needs, mostly due to its size."

Well, these statements are not true anymore—there are some statistics released by Senator Bentsen's Committee looking at the affects of paperwork requirements of the Federal Government on small business recently, that shows, that in the last five years, there has been a dramatic impact on small business, and I am personally concerned about that on the impact of the country.

"The capital shortages experienced during the past few years are magnified in small businesses, because of the large increase in time that is required to pursue capital needs. Since a small businessman is usually a jack-of-all-trades, he cleans the office, he answers the phone, he looks for funds—so, when you draw away additional time to look for funds you reduce his productivity considerably and the productivity of his whole organization. The capital shortage has virtually eliminated the ability of the small businessman to compete in the technology service segment of the business market. The need for capital in technology developments was well stated in the above referenced document, page 28, "Without adequate capital it is extremely difficult, if not impossible, for the small R&D company to do the following:

"Perform appropriate marketing studies and analyses;

"Maintain the necessary staff in branch offices to conduct sales activities on a broad basis;

"Compete effectively with larger companies;

"Continue worthwhile non-sponsored technical programs;

"Start high-risk, non-sponsored R&D programs that offer the possibility of technology breakthrough;

"Purchase capital equipment needed to support experimental programs properly;

"File patent applications and pursue for the granting of patents;

"Maintain good fringe benefit programs;

"Attract outstanding technical personnel; and

"Attract outstanding consultants or directors who could help the company."

The capital shortage for the small business, in the technology service areas are especially magnified, in my judgment, by the overall capital shortage "domino" effect. First of all, the stock market has failed to act as a money market—I think we all recognize this. Secondly, the direct impact of the disappearance of the so-called "new issue" market has impacted venture funds, which at one time were a ready source of capital for high technology companies. Venture funds were attracted because there was the opportunity to put money into a high technology firm—and in a few years go public with the potential of returns of ten times or more.

The resulting situation is that everyone turns to the bank and competes in the bank market where the big company has the edge—that is the big company and the Federal Government. Many of the funds are put into government issues which are low risk at best. Further, the bank industry has an emphasis on hard assets—they may give you this "bull" about looking at the people, but they don't look at the people unless you have a balance sheet with hard assets. The small firm then turns to the small bank, which is limited by funds, expertise and regulations. The Small Business Administration is guided by the hard asset rule.

Alternatives for Consideration

O.K.—that's the problem—now what are some of the alternatives. There appear to me to be a number of alternative approaches to the current situation, and interestingly enough to me it seems that several could be implemented within the present budget limitations, offering immediate or very short term gains in productivity. The major recommendations concern fiscal guarantees for small technology firms whose main assets are "soft," redistribution of many of the small systems studies and R&D contracts from the heavy concentration in the Washington area and the "Eastern Establishment" overall on a nationwide basis and an increasing role of small businessmen in the Executive Branch of the Federal Government.

Fiscal

1) I think there should be a hard look at the federal loan guarantees—again guarantees not loans, but loan guarantees for technology or soft assets. In other words, if the people can show that the staff, the ideas, and the thoughts merit consideration, do what the venture capitalists did at one time—bet on that organization. Yes, there will be some losers, but surely there is some way to balance those out, because there will be enough big winners to make an impact on the national productivity to offset the risk.

2) I definitely agree with other speakers that there should be consideration to increase the SBA loan guarantee levels, the $350,000 limit was set many years back and it just has not kept up with inflation. There has recently been a re-evaluation of the definition of small business to reflect this situation.

3) We should make some effort to equalize the industry tax payments by graduated tax payments for small businessmen well above the $25,000 to $50,000 limits. I think it is statistically true that large corporations pay an average of the 25 to 30% of their net income in taxes by the time they take all their discounts and allowances and so forth, whereas with the small businessman, he is still paying 40% to 45% of his income.

4) I think there should be some thought in supporting U.S. industry overall in world trade—we need to give some thought to com-

petitive funds and rates—we have had technology and we have allowed it to be taken away from us or undersold because other governments have been willing to furnish funds for capitalizing on those markets at competitive rates. The Japanese practically stole the Far East market for a number of years because of their subsidy of rates.

Redistribution

1) There should be considerable thought given to the redistribution of technology, or R&D study contracts on a national basis. These Federal awards should be disbursed to small businesses throughout the nation from the high concentration in the "Eastern Establishment". It is extremely difficult to bring business and management consulting, or federal policy studies or any other R&D studies to the state of Texas. 99.9% of those studies are let from Washington, D.C. They are usually sent out with a 30-day turnaround—so I get mine four days after the guy located in Washington or Boston picks his up. I also have to mail mine back 24 hours ahead of time because of the distance. Further, being there, he also has known about the study for two or three weeks, or a month or so, ahead of time. This whole situation has gotten us into a position where Washington is getting more and more top heavy. We are doing macro-economy studies in Washington that no more apply to the state of Texas than they probably apply to anyplace else in the country.

If you take the broad national averages of things—you don't really have the kind of studies that are going to be applicable at the local level. So I think there should be some effort at redistribution so more studies are performed by local companies that reflect the knowledge of the subject area. There are companies growing up in areas around Washington which just feed on being out of sight staff for federal agencies—without competition. They are paid out of study money and they are just growing like crazy.

2) So in that sense, I think, there should be a redistribution of technology study and hardware contracts from the industry giants—Ford and General Motors are being funded by ERDA—the Energy Research and Development Administration to design new engines—now, they really need that kind of help from the taxpayer, and they are probably going to design what they were already going to design anyway.

3) Let me go in this context to comment on the role of federal laboratories. I think federal laboratories are the biggest hoax that has ever been perpetuated on the country. Let me tell you how you would increase productivity by giving some of their jobs to small business. There would be a significant increase in porductivity simply because of the reduced number of holidays, sick leave, annual leave, etc. The small businessman cannot survive in that environment and I wonder if we shouldn't ask ourselves if our nation can.

4) Non-profit organizations—why give contracts to non-profit organizations, they are not going to pay it back, there is no incentive for productivity.

5) University staff subsidies—we are pouring millions of dollars of research into universities which is nothing more than subsidizing their staffs. Those people are very highly motivated in a single discipline. At best they produce multi-discipline studies, by their own admission. Very seldom do they even attempt to perform an inter-disciplinary study because you need to knock heads to pull these kinds of things together. I do not believe there would be any impact if it were all cut off because all those professors have jobs already. Why do we need to give them a little something on the side to encourage them to do research, rather than teach our kids, when we have a large segment of people who are unemployed.

Participation

Recognize the small business importance by a greater inclusion in the government process, especially in the Executive Branch. We have representation in the Legislative Branch, but how many small businessmen do you know that hold key jobs in the federal government. First of all, they usually can't give up their jobs, but there are quite a few small businessmen who have a tremendous amount of experience who could sit on Oversight Committees, or on any number of advisory groups, and would love to have that input in order to establish some kind of a balance for this very large segment of business.

It has been a great pleasure to be able to present these thoughts to this public hearing. I feel that ideas are presented with the idea of making a contribution to the overall problem of increasing productivity and employment in Texas and the nation overall. It would be a great pleasure to be able to expand or discuss any of the thoughts further if questions arise.

FLOYD LITTLE: ONE OF THE GREATS

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. WALSH. Mr. Speaker, one of professional football's gentlemen may be about to retire from the game. I speak of Floyd Little, all-pro running back of the Denver Broncos and before that, All-American running back for Syracuse University.

Floyd Little was making a name for himself and Syracuse University while I was mayor of that city. It was then that I got to know him and got to know also what a fine and many-faceted person he really was. Floyd Little is a humble, generous man whose life has been filled with accomplishment for himself and sacrifice for others.

An article entitled, "Little Fades With Class," appeared in the October 28, 1975, edition of the Syracuse Post-Standard and I feel it tells the story of Floyd Little far better than I:

LITTLE FADES WITH CLASS

DENVER.—Back in January of 1967, Floyd Little was bitter toward pro football.

In the first year of the common draft between the National and American Football Leagues he was selected by the Denver Broncos of the A.F.L.

"I was very upset," said the three-time All-American running back from Syracuse. "I had never been further west than New Jersey. I didn't feel it was right they could put me some place where I had no friends, no ties, nothings."

But on his first trip to Denver his ideas began to change. Nine years later, Floyd Little is getting ready to retire from the Denver Broncos and knows what he wants to do.

"You couldn't throw me out of Denver," Little said. "There's no way anyone could get me to move. I love it here and my family loves it here. The people have been great and the surroundings are beautiful."

The love affair is not one-way. He's having trouble getting going this year, having gained only 109 yards in the Bronco's first six games, but for Little's first seven years in Denver he was the Broncos.

He struggled with a poor football team for most of his pro career, getting little blocking from his line but gaining a total of 5,878 yards, including 1,133 in 1971, when he led the N.F.L. in rushing.

The first No. 1 draft choice ever signed by the Broncos, Little holds the team career record for total plays, 1,584; rushing plays, 1,550; rushing yards, 5,987; kickoff returns, 96; kickoff return yards, 2,374; and touchdowns, 51. He played in the Pro Bowl in 1971, 1972 and 1973.

And he did all that for a team that did not enjoy a winning season until two years ago.

Even though he was replaced as a starter by Otis Armstrong last year, Little was voted the offensive team captain by his teammates. He takes it in stride.

"I think it's just because my name is easy to spell," he said. "I remember when Larry Kaminski was still here. I wanted to vote for him to be our team captain, but I couldn't remember exactly how to spell his name and I didn't want to look bad by misspelling it, so I voted for someone else."

But Little has been instrumental in helping a lot of the younger players on the Broncos make the team. He has an attitude that anyone can make a pro football team if he is willing to put in the effort.

"A lot of the young guys will come to my room during training camp and ask me for my opinion on things," Little said. "I guess they know I don't make the decision on whether they stay or not, so they don't mind me being honest.

"I'll tell them if I think they are not putting out an effort or what they are doing wrong. I feel responsible for a lot of these guys making the team."

Little says determination is the key to making it in pro football.

"God gave you two ends, one to sit on and one to think with," said Little. "Heads you win, tails you lose. A guy has to be willing to work to make it in this sport. He has to be totally committed to putting out an effort in everything.

"The guys that really want to make it in pro football are the guys who are volunteering for special teams, volunteering to lead practices, volunteering to do the extra things. You make your own chances in this game.

"You have to mentally get ready and realize when your time has come," said Little. "A lot of guys are bitter because they feel the game has taken something away from them, but they must realize what it has actually given them.

"But then that's a problem in life today. Most people are trying to get something out of it instead of giving. They'd better realize they had the option all along of not playing this game and they'd better realize the opportunities it offered them in the long run."

Little said there was so much more involved in playing football than simple material gains.

"These guys that worry about pensions bug me," he said. "I'm going to be 33 years old when I retire from this game at the end of the current season and I've got 32 years of work ahead of me. If I need to worry about the last 10 years of my life supporting me when I turn 65, I'd better let them start shoveling the dirt right now.

"I guess the old American dream is gone. Everyone wants the other guy to work and then share his success. When I leave this game, nobody owes me nothing. I'm just glad for the chances I got."

One of Floyd Little's coaches at Syracuse was one of the most distinguished figures in the university's athletic history. Roy Simmons was an outstanding boxer and football star during his undergraduate days in the early 1920's. When he graduated in 1925, Simmons joined the athletic faculty, subsequently serving with distinction as head coach of boxing, head coach of lacrosse, and assistant coach of football through a career that ended with his retirement in 1973.

Roy Simmons was also a civic leader, serving several terms as a member of the Syracuse Common Council, including three 4-year terms as council president.

I think it is significant what a man of Simmons' caliber would think so highly of Floyd Little. I asked Simmons his opinion of Little and this is what he said:

> From the time he came to Syracuse, Floyd Little was always the hardest-working boy on our squad. He always gave everything—even the most routine and repetitive drill—that "something extra" that extra ten yards running full speed ahead.
>
> He was the most humble, the most wonderful kid we ever had and I've seen the best. Everyone looked up to him as a tremendous leader, especially the younger boys on the squad who were amazed by his willingness to volunteer for special teams, something unheard of for the star of any team.
>
> He used to campaign with me when I was running for political office, and how the people loved him—especially the kids. He'd autograph pictures by the hour, always putting something personal in his message.
>
> I know he has been grateful to Syracuse for developing his talent, for since graduating and joining the pro's, he has been most generous in giving to his alma mater.
>
> I understand when Floyd hangs up the spikes he plans to continue to be active in youth programs. He's going to law school, and hopes to be a judge someday. I know he'll make it; and I know he'll be a crackerjack.

I am as confident as Roy Simmons that Floyd Little's future will be as successful as his past.

IN HONOR OF WILLIAM O. DOUGLAS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 19, 1975

Mr. EDWARDS of California. Mr. Speaker, many of us are fortunate to have William and Kathy Douglas as dear friends. We will miss their presence here in Washington. However, we know their departure is not an end but the beginning of an important new phase in their lives, which we hope they will share with us.

In closing this special order I would like to point out a not often appreciated area of Justice Douglas's career. As a young lawyer, William Douglas involved himself in a study of the uniform laws of bankruptcy, especially corporate bankruptcy. As a result of this work, he was chosen to conduct a study by the Securities and Exchange Commission into the conduct of security holders' protective committees in corporate reorganizations. His efforts led to a shift in reorganization control from these protective committees to an impartial trustee, culminating in the main features of chapter X of the Bankruptcy Act.

In my own efforts to revise the bankruptcy code, I have come to appreciate thoroughly the quality of his legal thought and drafting in this area. This expertise is yet another example of his extraordinary skill and diversity as a legal scholar. In fact, although it has been recommended that chapter X be revised in terms of organization, the substance of William Douglas's earlier revisions is still relevant and appropriate today.

Mr. Speaker, I am deeply moved and gratified by the participation of so many Members of the House in this tribute to Justice William O. Douglas. It has given us all the opportunity to explore more fully his impact on the lives of all Americans and on the American system of jurisprudence.

It has made me realize the enormous extent to which we have counted on Justice Douglas as the ultimate conservator of the Bill of Rights. Like many others, I never appreciated that a day could arrive when William Douglas would no longer be serving on our Supreme Court. It has arrived, and the void left is immense.

He has influenced our lives not only by his consummate legal expertise, but also by his personal example. Never failing in his courage to defend our individual liberties and rights, he has never failed in the courage to test his own capabilities to the limit in every area of his life. His example is awesome.

His staunch belief in individual freedoms has taken William Douglas to an enormous act of personal courage—the courage to preserve his own individual freedom and health by resigning from the Supreme Court in spite of obvious political and ideological pressures.

We have grown dependent on William Douglas as the protector of the Bill of Rights, and he has provided us with a great legacy. He has showed us the way; in some areas he alone has charted the course; he has taught us—in both his legal and personal writings—how to preserve our selves and our rights, how to use the Bill of Rights as the foremost standard by which to measure the actions and interactions of a democratic society.

Now William O. Douglas, like every other American, is counting on us. It will take many of us to achieve what he so often has done alone. Nevertheless, we owe to him and to ourselves that he not be disappointed.

RESULTS OF THE NUCLEAR SABOTAGE STUDY

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. BINGHAM. Mr. Speaker, two articles from the Chicago Daily News, November 28 edition, are of interest in connection with the issue of the Price-Anderson Act's $560 million limit on the tort liability of the nuclear industry.

The articles reveal the results of a study commissioned by the NRC, and conducted by the MITRE Corp., on the implications of terrorism for the safety of the nuclear industry. The study establishes the fact that sabotage—whether by a foreign government, organized crime, or domestic insurgents—poses a distinct threat to our nuclear reactors, one which may well cause civilian damages in excess of $560 million.

Because the highly touted reactor safety study, by a group led by Dr. Norman Rasmussen, fails to take into account the possibility of sabotage, it almost certainly underestimates the likelihood of a multibillion dollar nuclear catastrophe. In the event of such a disaster, under H.R. 8631 the public would be unable to recover its damages.

The Chicago Daily News suggests that the MITRE report on sabotage may not have been released by the NRC for fear that its release would jeopardize passage of the Price-Anderson Act. I fervently hope that this is untrue; but I hope, too, that members will take into account all probable causes of nuclear disaster before we vote on my amendment to the Price-Anderson Act next week.

The articles follow:

DANGERS GROW WITH NEW FUELING

(By Rob Warden)

Terrorists could sabotage an atomic power plant and release deadly amounts of radioactivity in a populous area, according to a federal study obtained by the Daily News.

The danger will grow steadily in the next few years if the nuclear power industry proceeds with plans to recycle atomic fuel, the study indicates, and it is conceivable that terrorists could build a crude nuclear bomb with stolen materials.

Congress ordered the study last year as part of the law establishing the Nuclear Regulatory Commission (NRC), which awarded the contract for the study to MITRE Corp., a prestigious East Coast think tank.

Although the study says it wouldn't be easy to sabotage a power plant or steal bomb-grade material, it points out that terrorist groups with "substantial capabilities" already exist in Latin America, the Middle East and Japan.

"It is not difficult to imagine that such organizations could recruit members with any needed engineering, scientific or military skills," the study says, adding:

"The acquisition of special nuclear materials by a terrorist group would give it a power of blackmail over the world at large . . .

"This is certainly the type of threat which should be taken very seriously."

The study further observes: "The only prudent prediction is that there will continue to be international operations by most of the presently active terrorist organizations throughout the world; that new ones will spring into existence, sometimes without warning before their first dramatic strike, and that some of these groups, driven by ideology, need for political leverage on the United States, or desperation, may choose the United States, and perhaps licensed nuclear facilities, as a target."

Also, the study warns there is a constant danger of nuclear sabotage by foreign governments, particularly the Soviet bloc, China and Cuba.

The motive for such sabotage, according to the study, would be to weaken the United States economically, politically and socially.

"Since nuclear energy is our only proven alternative to fossil fuels," the study comments, "any of these countries might consider an act of sabotage which, because of its political repercussions, might severely limit the growth of the nuclear industry. . . .

"Given the present volatile character of the nuclear debate in our country, such an act might permanently cut off our nuclear power plant option. . . .

"It would be a very risky venture for any foreign country, but so is the assassination of a foreign national leader, something that seems to be attempted with some regularity by intelligence agencies around the world."

Not even continued detente assures that the Soviet Union would not attempt such sabotage, the study comments, because Moscow "has never shown any hesitation in directing espionage at any country, even vitally needed allies in war."

For instance, the study observes, the Soviets "risked the vital alliance with Great Britain and the United States in World War II by stealing atomic secrets."

Domestic dissidents, the study says, also constitute a threat to nuclear facilities, though a lesser one than posed by foreign terrorists or foreign governments.

Leftist groups in the United States have tried to avoid loss of life in their violent actions, the study says, while right-wing groups' ideologies simply aren't likely to lead to attacks on atomic plants.

Even so, the study envisions one major motive for nuclear sabotage by domestic insurgents: worldwide publicity.

Another threat of nuclear theft or sabotage, according to the study, is presented by organized crime, which has "demonstrated the capacity to execute complicated actions with planning, co-ordination, secrecy, patience and whatever level of force and armament is necessary to accomplish the job."

The study notes that the mob never has been motivated by patriotism or its public image. Just as it is capable of flooding cities with heroin, the study says, so is it capable of nuclear theft or sabotage.

"There is little question that, for a sufficient amount of money, members of organized crime would take a contract to acquire special nuclear material for another party," the study warns.

Because fuel used in existing atomic plants doesn't generally contain bomb grade material, the study suggests that the most serious threat at present is that a plant will be invaded and blown up by terrorists.

This could cause the spread of harmful amounts of radioactivity in the environment, the study says.

The potential for stealing the material to make a bomb won't be serious until fuel recycling begins on a large scale, since nearly all such material now produced is in military hands and carefully guarded, the study indicates.

In the next 15 years, however, the study says, it is estimated that about 40 tons of plutonium will be recycled annually in the United States.

Plutonium is a made-made element produced as a byproduct of nuclear reactors such as those used in generating plants. It may be extracted from spent fuel, reprocessed, mixed with uranium and used as reactor fuel.

The process is efficient, but it poses a major new danger to the public because plutonium is both bomb-grade material and the most toxic substance known.

In the recycling process, it would be taken from the power plant to a reprocessing plant, then to a storage facility, then to a fabrication plant for mixing with uranium and, finally, back to a power plant.

It becomes a serious health hazard only after the initial reprocessing, but from that point on in the recycling chain its potential for destruction and social blackmail is boundless.

The study says that "given the nature and numbers of hijackings," plutonium would be most vulnerable to theft and sabotage when in transit from one facility to the next.

The study offers a series of recommendations for costly security measures to reduce—but admittedly not eliminated—the practical dangers associated with the nuclear power industry. Among them:

Make every nuclear safeguard system "single-failure proof" so no single personnel or equipment failure could breach it.

Establish a close working relationship between existing intelligence agencies and the NRC—apparently requiring a large NRC intelligence unit—to monitor threatening groups.

Enact laws restricting public access to relevant engineering details about nuclear facilities to "keep sensitive information out of malicious hands."

Upgrade the private nuclear industry's security personnel both in numbers and level of training.

Require nuclear facilities to have closed-circuit television monitors, locks and alarms that can't be controlled by one person, and use different color clothing in different areas.

Redesign containers in which nuclear materials are transported to make repackaging impossible without special tools, and keep all such tools in locked repositories.

Work out a police backup system to eliminate the possibility that terrorists could "neutralize" a single police force with diversionary tactics.

Fortify sensitive facilities to protect against attacks with such weapons as bazookas.

No one knows how effective the recommended safeguard improvements would be, however.

"There is unlikely to be any single, simple answer which will assure us of complete safety against malicious action," the study says.

"The threat is intrinsically complicated, being linked to the ingenuity of the threatener. The response must be one of sensible, effective and efficient measures in depth. The fate of nuclear power in our country and the world hinges upon finding an adequate answer."

U.S. AGENCY SUPPRESSES REPORT ON ATOMIC INDUSTRY PROTECTION

(By Rob Warden)

When Congress created the Nuclear Regulatory Commission in 1974 to take over several functions of the Atomic Energy Commission, it also ordered a major study on how to deal with threats, thefts and sabotage involving special nuclear materials.

The new commission awarded a contract for the study to a prestigious think-tank oragnization, MITRE Corp. of McLean, Va., which brought together a dozen of the nation's top experts on nuclear energy, terrorism and various aspects of crime.

Among them were David M. Rosenbaum, a former consultant to the AEC and senior staff member of the Institute for Defense Analysis, and C. Edwin Glass Jr., former head of the FBI's unit that deals with foreign influence, insurgency and domestic security.

Although the Energy Reorganization Act of 1974, which established the NRC, said that the report was to be "promptly transmitted to the Congress by the commisison," the commission has suppressed the report since its completion more than two months ago.

Disclosure of its contents now may have repercussions on a congressional debate opening Tuesday on a proposed 10-year extension of the Price-Anderson Act, which is of vital interest to the nuclear industry.

The act limits the liability of a power company for a nuclear accident to $500 million, although a recent study by the AEC (now NRC) estimates possible damage from an accident could run 10 times that amount.

Part of the importance of the study is that its basically conservative panel corroborates views previously aired only by such controversial figures as theoretical physicist Theodore B. Taylor, whose conclusions have been hotly contested by the nuclear power industry.

Taylor, who designed the largest fission bomb ever exploded, was hardly known outside nuclear circles until last year when his views on the case with which terrorists might steal bomb-grade materials were chronicled in a popular book by John McPhee.

Now, his fears are given considerable credence by the MITRE panel which, in addition to Rosenbaum and Glass, included:

Waldo H. Dubberstein, former professor of international relations at the Defense Department's National War College; William C. Sullivan, assistant director of the FBI under J. Edgar Hoover.

Courtland Joshua Jones, coordinating supervisor of the FBI's Washington field office; Don R. De Halas, general manager of the nuclear fuel department of Babcock & Wilcox Co. of Lynchburg, Va.

Francis J. Stefanak, the FBI's former supervisor of gambling and mob investigations; Angel M. Rabasa, a social scientist who recently has specialized in the role of violence in Latin America.

George C. Moore, a police sicence and industrial security specialist who formerly headed the extremist intelligence section of the FBI; John R. Stratton, an investigator for the House Committee on Internal Security.

Charles C. Brennan, an FBI official for 26 years before joining MITRE this year, and James H. Gale, a retired FBI agent who supervised security for the 1972 Republican National Convention and now is in private law practice.

COMFORT FOR THE COMMUNISTS

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. BAUMAN. Mr. Speaker, liberal politicians are seriously weakening our national defense. Rejecting the complexity of foreign policymaking, they reduce everything to a child's garden view of the world, and they are oblivious to the real world of dangers and international problems.

Their works are many, and we can cite the most recent defense budget for fiscal 1976 as a prime illustration. It is not small, as if any public budget would be as small as we would like. Yet, it is not large or large enough to assure our Nation its continued position of strength. It will not guarantee, as former Secretary of Defense Schlesinger has noted, the continued presence and image of a military arsenal, the deterrent effect of which keeps smaller foreign adversaries from becoming larger and openly war-provoking enemies. As history has shown, weaker powers do not make war against those thought to be clearly more powerful. Over the past decades, the "clearly" in "clearly more powerful" has been less than convincing, and small nations are less afraid to mug America whenever they can, while larger ones more boldly threaten, compromise, and steal those parts of the free world still remaining. American liberals do not appreciate this. They do not know what is really going on in the world, and that is why they are dangerous.

History does not distinguish between developing or developed and nondeveloped nations. It records only those which are successful and those which are not. Keeping our yet free and sovereign Nation from being forceably entered into the second category is what our defense appropriations are all about.

This viewpoint is shared by the distinguished editors at the News American, of Baltimore. Its editorial of November 20, discussing the downgraded defense is characteristically on target. I commend it to the attention of my colleagues:

A Slashing of Muscle

Liberal soft-liners in Congress and their supporters in the press are attempting to describe the pending $90 billion defense budget for fiscal 1976 as a responsible and even generous reaction to world realities. Many people, unfortunately, are likely to accept this hogwash as fact.

It is true that the $90.8 billion Pentagon appropriations bill approved by the Senate last Tuesday—a bill which now awaits only the reconciliation of differences with a House-approval version some $600 million lower—does indeed represent a whale of a lot of money.

It is the largest single money measure in the federal budget. Furthermore, the expected final compromise in excess of $90.2 billion numerically will be the greatest defense appropriation for a single year in United States history. And it is this point which backers of the bill keep trumpeting.

Their sales pitch sounds impressive, and it is—superficially. In 1939 the nation's whole defense budget was only $1 billion. In World War II in 1945 it soared to $80 billion. In 1949, before Korea, it dropped to $13 billion. During the Vietnam war in 1968 it went up to $76 billion and in 1974 it was $79 billion.

These figures, however, are quite deceptive. They do not clearly reflect the tremendously more expensive costs of military hardware in the nuclear age—that a plane, for example, may cost some 20 times more today than in the simpler past. And how do you compare the cost of rifles with nuclear missile delivery systems?

When the factor of inflation alone is taken out of the figures cited above, actual defense programs have been steadily reduced since 1969—and will be the coming fiscal year. The $90 billion budget, in actuality, thus means further slashing of muscle from a national defense capability already gravely sapped to the point of sheer irresponsibility. It also is $7 billion less than the administration requested originally.

The danger of all this is ominously underscored by the continuing Soviet Union build-up of its own land, sea and air forces. Ignoring the whole concept of detente, the Russians now are spending 20 per cent more than the U.S. in overall military research and development, 25 per cent more in procurement and a whopping 60 per cent more in nuclear offensive forces.

The projected U.S. defense budget for fiscal 1976, in addition, is largely devoted to lush operational costs while further whittling the bare bones of its fighting machinery. Only about 30 per cent will go for the research, development and procurement of weapons. The other 74 per cent is earmarked for salaries, transportation, health benefits, maintenance, and the like.

Former Defense Secretary James Schlesinger, a realistic hardliner who was ousted after repeated clashes with pro-detente interests in Washington, has called the pending new military budget full of cuts which are "deep, savage and arbitrary"—and it most surely is.

So, once again, the liberal softliners in Congress are succeeding in their efforts to minimize the vital importance of keeping this nation strong. Far from being responsible or generous, the defense budget being adopted is a dangerous disservice to the American people—a further erosion of this country's already alarming and growing weakness.

It deserves applause solely in the Communist world.

B'NAI B'RITH URGES HATCH ACT REFORM

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. CLAY. Mr. Speaker, on October 21, 1975, the House overwhelmingly passed H.R. 8617, the Federal Employees' Political Activities Act of 1975, by a vote of 288 to 119. This bill would enable Federal civilian and postal employees to participate in political activities so long as they do so voluntarily and in a manner that does not interfere with the effective administration of good government. The bill has been referred to the Senate where favorable action by our colleagues is anticipated.

I am pleased to report that the national executive board of B'nai B'rith Women, at its November 1975 meeting in Washington, D.C., endorsed this landmark legislation. I want to share with my colleagues the text of the resolution of this distinguished organization:

Resolution: Hatch Act Revision

Although B'nai B'rith Women has been sympathetic to the original intent of the Hatch Act of 1939, which restricts participation by governmental workers, as private citizens, in political activities, we recognize that this legislation today places an unfair burden on millions of citizens who wish to participate in their government.

Although many local and state employees were recently freed from Hatch Act restrictions, for thirty-five years, 2.8 million federal civilian and postal workers have been prohibited from speaking out and fully participating in the democratic process. Their rights of free speech and association, therefore, have been restricted. We feel that with the proper safeguards, these rights should be restored—particularly in light of the forth coming Bicentennial celebration, which will underscore the value of our participatory system.

With the important proviso that federal employees would continue to be carefully protected from political coercion and influence by their supervisors (which was the original intent of the legislation), we now support the active efforts in the United States Congress to permit these citizens to voluntarily participate to partisan political meetings, to belong to political organizations, to run for office, volunteer for political campaigns and to engage in other specified activities—so long as they are not held during normal working hours and do not involve the employee's official job-related authority or influence.

We urge the United States Congress to restore these voluntary rights to our federal workers, through passage of pending legislation which would amend Title 5 of the U.S. Code so as to permit federal employees and officers to participate in politics, thus replacing the Hatch Act with legislation that contains adequate safeguards for abuses while granting federal employees their rights to participate as private citizens in American political life.

CONGRESSIONAL INTEREST IN LONG-RANGE PLANNING

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. BROWN of California. Mr. Speaker, we are all aware of the shortcomings of our apparent custom of dealing with problems on a crisis-by-crisis basis. It is only in the field of national security that we have been willing to do long-term strategic planning. Unfortunately, we have been rather narrow in our definition of national security, and have excluded a vast array of issues which clearly relate to it. It has only been in the last few years that the Congress has recognized that the source of our energy or raw materials, the success of our agricultural programs, and the stability of our social order are all closely interrelated to our ability to have a strong and stable society, which is indispensible to national security.

As a consequence of this heightened congressional interest, many committees of the Congress have begun to explore long-term planning mechanisms in the executive branch, the legislative branch, and in the private sector. The most widely publicized area of congressional interest is the Humphrey-Javits "Balanced Growth and Economic Planning Bill" which has been the focus of many hearings before the Joint Economic Committee. This legislation is an extremely useful discussion document, but, as Dr. Otis Graham, a noted scholar of past planning efforts points out:

> There are other matters needing clarification if this legislative proposal is to evolve at all from its first formulation. The stress upon economic planning will prove difficult to maintain. No mention is made in the required national objectives of environmental concerns or of improved race relations. These are social matters, not economic. They will surely be pressed forward when the matter of national objectives is discussed.

The Humphrey-Javits bill, which focuses on economic planning, is not the only legislative proposal that deals with long-term planning. The "National Science and Technology Policy and Organization Act of 1975," which passed the House overwhelmingly recently, deals with this subject in the area of science and technology. The National Environmental Policy Act was an attempt by the Congress to force the executive branch to consider the long-term environmental impacts of Federal policies, with the assumption that the negative impacts would be avoided. Similarly, the creation of the Congressional Office of Technology Assessment was an attempt by the Congress to provide itself with the capability of evaluating new and existing technologies.

There are also other pending legislative proposals. One which has been the subject of hearings is the proposal to create a "National Environmental Policy Institute," which would do long-range planning and analysis in the environmental field.

This interest has led to the formulation of a major study on the structures and mechanisms by which long-range planning and analysis can be done. This study was requested by the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the Merchant Marine and Fisheries Committee, and the Subcommittee on Environment and the Atmosphere of the Science and Technology Committee. The study will be a joint effort by the General Accounting Office and the Congressional Research Service.

The long-range planning activities of five key Federal agencies and several private institutions will be examined and evaluated. In addition, the multiphased work effort has been designed to compare and analyze selected models of structures, processes, and mechanisms for long-range policy planning in Government as well as to evaluate selected forecasting methodologies used to identify futures issues.

The results of the study, which will be completed in two phases, will be available to the entire Congress and should be of interest to several other committees which are considering the Federal role in long-range planning and analysis.

At this time I would like to return to the subject of the Humphrey-Javits bill, and suggest that this legislation should not be automatically accepted or rejected, or, worse yet, ignored. Instead, it should be analyzed, reviewed and discussed. One of the best discussions that I have seen of this legislative proposal is an article by Otis Graham, who will shortly publish a major book entitled "Toward a Planned Society: From Roosevelt to Nixon."

At this time I wish to insert the article by Dr. Graham, which appeared in the November/December issue of the Center magazine. That article follows:

HUMPHREY-JAVITS BILL: PLANNING THE ECONOMY

(By Otis Graham)

Forty years have gone by since the word "planning" could be heard in national policy discourse. In the years just after World War II, the idea of planning became in most American minds synonymous with totalitarian systems, presumably of the socialist variety. The New Deal liberal planning heritage, never strong even in the nineteen-thirties when it had most influence, was forgotten or repudiated in the Cold War setting. The Employment Act of 1946 codified the national consensus at the end of the Roosevelt era. The government was given a statutory mandate to see to the general health of the economy, and a set of new central institutions to assist in economic management—the Council of Economic Advisers, the Joint Economic Committee, the Annual Economic Report of the President.

Liberal planners were not satisfied with the Employment Act. (There were no conservative planners then; not until the Nixon era would it be understood that such people could exist in America and inculcate planning of their own design.) As passed, the 1946 act lacked the specific national goal with which liberals had hoped to force governments to toe the mark—"full employment." It also lacked the proposed Annual National Production and Employment Budget, a paper plan of sorts which would have forecast national economic performance and specified how the government would close any shortfall in private investment plans. But there was hope that the C.E.A. might somehow evolve into an institution taking a whole view of things, and it was claimed that the Employment Act ended any idea that the New Deal might be repealed by a postwar conservative resurgence.

The thirtieth anniversary of the Employment Act will arrive next February. Americans may now look back over three decades of experience with a nonplanning, broker-state system which was the compromise struck at the end of the battles of the Depression era and war. The system has always had critics, but relatively few influential ones until the late nineteen-sixties. After all, the post-New Deal system permitted—perhaps was chiefly responsible for—a period of exceptional economic growth and domestic stability. Then came inflation, domestic unrest, failed government programs, public disillusionment with all branches of the federal government, unemployment, recession, fuel and material shortages, and the other gloom-producing malfunctions which are now our steady companions. Many things were obviously wrong, deeply wrong, with the way the government and the economy reacted in America. The most prominent flaws became familiar enough—a reactive, crisis-oriented quality of policy; a pattern of short-run solutions with side effects rarely anticipated and always surprising; inequities everywhere in policy rewards and burdens. Americans at all levels had come to believe that the state had been captured by private groups, was both large and meddlesome, yet also was too inept to protect the public interest against milk dealers, Russian grain buyers, strip miners, oil companies, the Pentagon, or muggers in the street.

Many people now peddle solutions. A variety of politicians, ranging from President Ford and Ronald Reagan to Governor Edmund Brown, Jr., of California, want the government to do less. Few people seem to want the government to do more, although one may occasionally hear unconnected suggestions for the nationalization of troublesome industries such as the railroads or petroleum.

But the most interesting proposal for a reformed political economy to come along in many years is a suggestion that the government do what it now does in a very different way. This is the Balanced Growth and Economic Planning Bill (S. 1795) submitted by Senators Hubert Humphrey and Jacob Javits and cosponsored by seven other senators last May 22nd. It came, appropriately enough, in the form of an amendment to the venerable Employment Act which set up the system that is now floundering so badly. The Humphrey-Javits bill is not long, but it proposes important changes. It would establish a three-member Economic Planning Board in the Executive Office of the President, charged to prepare biennially a Balanced Economic Growth Plan which would be forwarded through a Council on Economic Planning (a Cabinet body) to the President, then to Congress where it would eventually be promulgated as a concurrent resolution. Then the United States would have a plan.

Nothing like this has been proposed in this country since Senator Royal Copeland of New York tried vainly to set up a planning board for Roosevelt in the mid-nineteen-thirties. Not even the Employment Act as originally drafted in 1945 had gone so far toward a planning system. For citizens who have been concentrating upon nongovernmental concerns of late, preoccupied with parapsychology, organic gardening, or Transcendental Meditation, the Humphrey-Javits bill may arrive not only as a surprise, but as an insignificant one. It deserves a serious reception, not only for what it proposes, but because the climate for planning is much more propitious than might be imagined.

The bill flows rather naturally out of a series of developments which can only be called an emerging planning movement, albeit a not yet potent or particularly self-conscious one. Progress in this direction has been particularly rapid since the beginning of the Nixon era. I have tried to describe this recent evolution in *Toward a Planned Society: From Roosevelt to Nixon*, a book which Oxford University Press will publish in December. During the liberal Presidencies of the nineteen-sixties, without anyone discerning any over-all pattern in events, government officials and the interested intellectual community began to reactivate the pressures for a national planning capacity which had been felt strongly in this country only (in peacetime) in the nineteen-thirties. Presidents Kennedy and Johnson discovered the President's lack of central coordinating institutions, and conducted a resourceful but always frustrating search for help—probing executive branch reorganization, expanding the White House staff, proliferating special task forces and commissions to cope with new social problems beyond the bureaucratic or congressional horizon. A technology assessment movement began in the Congress. Senator Walter Mondale gave legislative expression to the social reporting movement that had come out of the universities. Senators Humphrey and Vance Hartke drafted laws to establish a national growth policy, or a least an apparatus for discovering one. New legislative controls over environmental abuse moved toward enactment, and Lyndon Johnson appointed the first Presidential population committee to determine if national population policies ought to be clarified and directed toward limitation rather than a traditional pro-natalism.

These were parts of a systemic transformation which would have led to national planning had they been carried to their logical conclusion. No one in the late nineteen-sixties was proposing anything so comprehensive, nor really anticipating it, since scattered ideas of this sort are rarely carried to anything like a logical conclusion. But the evolution toward planning, however far it would eventually go, became more rapid in 1969 when Richard Nixon became President. He not only gave planning a series of boosts, but a conservative cast. In the first two years of his Presidency, Nixon had established a central policy-coordinating body—the Domestic Council—in the White House, proposed the most sweeping executive branch reorganization since 1937, agreed with liberals in Congress on an environmental protection law and a national land-use planning bill, appointed the first population commission, and proposed a rudimentary national population policy (access to family-planning information for all citizens), controlled wages and prices, pressed for improved federal statistics, allowed his Department of Health, Education and Welfare to publish a study of social indicators—and used the word "planning" more frequently in his messages to Congress and the public than any President since Franklin D. Roosevelt.

Thus by the nineteen-seventies, both liberals and conservatives were agreed in a lack of confidence in the old post-New Deal system, and were exploring ways to formulate and administer national policy more coherently. Nixon did not get all that he asked along this line, and by 1972 had backed away from much of it. Congressional liberals took the lead thereafter. When Nixon left office in 1974, the energy crisis was only the leading sign that the old reactive system of fragmented and ineffective national policy was still firmly in place. With economic problems becoming more serious than in any period since the Great Depression, the time was ripe for the disjointed evolution toward planning to take on a self-conscious form and become a movement. Gerald Ford's Presidency, however, meant a delay. He would not lead in this direction, as Nelson Rockefeller and any number of Democrats might have. Indeed, Ford decided in his slow, deliberate way, guided by some of Nixon's later advisers, that he wanted to go pretty much in the opposite direction.

So planning pressure surfaced in another place. In February, 1975, a group of academics, union leaders, and business executives formed the Initiative Committee for National Economic Planning, with Leonard Woodcock, President of the United Auto Workers, and economist Wassily Leontief (then at Harvard, now at New York University) as co-chairmen. They promised to draft a planning bill and get it introduced. That same month, Henry Ford II agreed, during questioning by the Joint Economic Committee, that the economic picture had never seemed so alarming and that planning might be the only solution. *The New York Times* endorsed the planning idea.

By May, Senator Humphrey, for some years interested in national growth policy, had shaped the Initiative Committee's bill to his own tastes, and Senator Javits joined him in submitting it on May 22nd. (Humphrey's S. 3050, the Balanced National Growth and Development Bill, was introduced in 1973.) No one expected immediate passage. An air of pronounced caution—almost of apology—surrounded early announcements of the bill's presence in the legislative hopper. Early editorial and journalistic comment, however, was strongly encouraging. The Joint Economic Committee, Humphrey now chairman, held two days of hearings in June, and from all six witnesses came endorsements of the general idea of a more planned governmental interaction with social change. Witnesses and committee members took turns disavowing any notion of planning the economy in a "socialist" way. Those who carefully read the bill had to agree that this was not what it proposed at all. More Joint Economic Committee hearings on the bill are promised, but its political future presumably will depend on the attitude taken by Senator Abraham Ribicoff, chairman of the Government Operations Committee, and of course with the selection of the next President.

What does the bill propose? The new Economic Planning Board, appointed by the President, would have as its main task the preparation, every two years, of a new version of a six-year rolling plan. The plan "shall establish economic objectives . . . paying particular attention to the attainment of the goals of full employment, price stability, balanced economic growth, an equitable distribution of income, the efficient utilization of both private and public resources, balanced regional and urban development, stable international relations, and meeting essential national needs in transportation, energy, agriculture, raw materials, housing, education, public services, and research and development. . . ."

With these objectives in mind, the plan will forecast what the private sector will produce in the specified time period, estimate the impact of state and local governmental policy, and recommend federal policies sufficient to close the gap between projected economic performance and national objectives.

At the mention of planning, most Americans think of a powerful group of scheming technocrats, and have feelings of pronounced hostility. The Humphrey-Javits bill is studded with protestations of democratic spirit, and invites public participation at several points. The planning board is to be assisted by an advisory committee of nongovernmental members, and this committee may itself establish regional or industry subcommittees to participate with it. The President must also send the plan, at the time it goes to Congress, to governors and mayors "and other appropriate state and local officials" so that they may express their views. State and local planning agencies must also be consulted.

Once drafted, the plan is passed upward through a Council of Economic Planning whose membership is essentially the Cabinet, augmented by other officials to a number of seventeen. They speak for the established bureaucracy, but have no staff, and will be at some disadvantage relative to the board, whose staff will be sizeable. Yet they are, at least officially, the President's men in a way that the board may not be. The council is apparently the place where the President will make the changes he wishes and put his stamp upon the plan.

He must transmit the document to Congress no later than April 1st. Here it becomes the charge of the Joint Economic Committee, which accepts comments by all standing committees of both houses, holds hearings, and reports in a concurrent resolution either its approval or disapproval, in whole or in part, along with modifications. The whole Congress must act by concurrent resolution 135 days later. If the plan is not approved at all, the President must resubmit in thirty days. If part is disapproved, he may simply publish the entire plan with his comments. By this time the President will be relatively helpless. The plan will emerge as a concurrent resolution, expressing the sense of Congress. He cannot veto it, but merely publish it. Yet the Humphrey-Javits bill, if it becomes law, requires the Executive to conform the activities of his branch to the plan.

Perhaps this outline of the new planning bill has not sufficiently answered the desire to know exactly what is being put forward by its sponsors. What will anyone have to do differently if the bill is passed? The best answer seems to be: if that person is a private citizen, nothing. The bill moves the country to what in France is called "indicative" as opposed to "imperative" planning. What is envisaged is not a command economy, but forecasts of economic activity which are not binding upon any economic group, goals which are pious hopes and banners of encouragement, and promises as to what the government for its part intends to do to reach stated national objectives. The only coercion in indicative planning comes to bear upon federal officials. State and local officials are free to continue their errant ways, and private citizens are not ordered to do anything new as a consequence of planning. Not so the federal bureaucrat who serves the President. He, and indeed to some extent the Chief Executive himself, will find that planning wraps him in a new discipline—the requirement that explicit objectives and priorities be observed.

The primary agent of the new coordination will be the planning board, which is asked not only to prepare the plan but continuously to "review major programs and activities of the federal government to determine the extent to which such are consistent with any approved plan." The President, too, "shall take appropriate actions to insure that the departments and agencies of the executive branch will carry out their programs and activities in such a manner as to further the objectives of the plan, *and to encourage* [italics mine] state and local governments and the private sectors to carry out their programs and activities in such a manner as to further the objectives of the plan."

Further "the Board may require the head of . . . [any] department or agency to submit a detailed statement to the Board assessing the consistency of . . . [any] proposed budget, legislation, rule, regulation, or other action, with the plan to gether with the reasons for any significant departure from such goals and objectives."

Thus the plan will not command the executives of Exxon or General Motors or First National City Bank, or the citizens of Peoria. It commands the President to command federal bureaucrats to hew to common objectives centrally stated and ranked for the first time. It "encourages" all others—state and local officials and the private sector—to pursue these same objectives.

Indicative planning, when it is understood, presents a benign face. Anxieties are eased. One might well be skeptical that it will be worth the bureaucratic costs of a full-blown planning process. Indicative planning as practiced in other capitalist societies, most notably in France since the late nineteen-forties and Japan since the mid-nineteen-fifties, has a mixed reputation. Both these countries have experienced dynamic growth during the years of planning, and this fact is both taken as an endorsement of planning by some and dismissed as sheer accident by others. There is much evidence justifying skepticism. The projections in every Japanese plan so far—now seven in number—have been found to be greatly in error before the appointed term of five to seven years has elapsed, and often the plan has simply been junked by bureaucrats hastily trying to keep abreast of unexpected events.

Friends of indicative planning concede that the future has continuously outstripped not only their predictive but their manipulative powers, but claim that the effort of planning ambitious economic goals has encouraged private enterprisers to boldness and modernization, ironed out cyclical fluctuations, and developed a national perspective. The planning process also appears to spread information about in a useful way. Capitalists see the best data the government has, learn something of each other's intentions, and through the long months of planning both capitalists and public officials are forced to see the larger picture of the society's potential, its developmental trends, its international situation. The planning *process*, in this view, is more important than the paper result, the plan.

Humphrey and Javits and the bill's co-sponsors clearly believe this. The act of continuous planning will force decision-makers to look to the long term, to adopt policy measures in a comprehensive framework, to consider the interrelationships between all policy instruments—fiscal, monetary, regulatory, antitrust, credit, research and development. It will provide new policy channels where comprehensive consideration is the rule against which isolated and uncoordinated decisions must be measured. At least, this will be its tendency, working against the habits of American national policy-making which have an impressive momentum. Unlike the past, planning will require the formulation of explicit national goals; it will encourage ranking of priorities and the costing out of alternative means to agreed ends. Not just words are directed toward this worthy condition, but new machinery. Both the Planning Board and the Economic Planning Council are charged with the review of implementation of the plan. Much hope rides upon these new institutions and their mission of coherent central coordination.

The bill's sponsors are sure to be told, many times, that man does not yet know how to predict even the economic future, let alone devise the policies appropriate to long-range trends. Unrealistic targets are sure to be projected; experts in a planning establishment will be embarrassed, fumbling, as erratic as the marketplace, and will nonetheless grow in arrogance. These criticisms and warnings have not so far caused any original sponsor to draw away from the bill. The brief hearings in June produced general approval of the proposal, along with warnings against trying to control the economy. They did not produce a careful exploration of the planning process and structure proposed in the bill; its leading ambiguities and questionable features have yet to receive public comment.

Does the bill give us a stronger President? The question is fundamental, the answer far from clear. The drafters rejected an alternative much used in other countries, setting up the planning board in an independent position outside the normal executive authority of the President. This arrangement (one proposed, for example, by Rexford Tugwell in his new model constitution) has the advantage of detaching the board from identification with the political future of the President, and permits it to take on the helpful aura of independent, nonpolitical wisdom. There would be no plumbers in the basement. Humphrey-Javits were presumably swayed the other way, toward placing the board in the executive branch and assigning the President the appointment of its members, by the desire to propose as little change in the existing system and balance of powers as possible. Thus the President would gain a potent instrument for data analysis and coordination of the refractory bureaucracy in the new Planning Board and Council. The Congress is given a Division of Balanced Economic Growth and Planning in the new budget office, but one assumes the staff of the central Planning Board will be larger and more aggressive than any companion congressional arm.

Perhaps the President is strengthened. We must debate further whether it ought to be. But careful readers of the bill may wonder also whether it in fact is—in the proposed language. The President seems pushed to the edge of things. It is nowhere specified that he may have the opportunity or the obligation to shape the emerging plan himself. Charity would suggest that when it passes through the Council—an enlarged Cabinet—the President then has his chance. This is only implied. The concurrent-resolution device makes the final plan an expression of congressional sentiment. It cannot be vetoed.

Will the arrangements for public participation prove satisfactory? The drafters are at pains to express their democratic intentions. The people's President appoints the head planners; the people's representatives shape the final product. Elected governors and mayors are asked for their advice and comment. And a public-member advisory commission backed by a network of regional and industrial committees will have its say. This set of arrangements may not satisfy a nation of activists who are more determined than ever to participate in governmental decisions—at least in the domestic area. But what one most notices is the conventionality of participatory arrangements. This ought in fact to reassure the populists. In Japan and France, large industrialists dominate the planning process which generates both data and the general outlines of acceptable public policy through elaborate industry committees. This was the arrangement, one recalls, adopted by Franklin Roosevelt in 1933 when the National Recovery Administration attempted a sort of national economic planning in the United States. Planning which is originated and/or implemented by special bodies (essentially cartels of former industrial competitors) has a conservative cast, even if consumers and labor are allowed some token representation.

Humphrey-Javits would plan through the executive branch and Congress; new industrial advisory committees are mentioned but given the most marginal role. This feature may generate applause in some quarters. It must be recognized at the same time that consulting the industrialists perfunctorily or not at all gives up the alleged advantages of information circulation, encouragement, and other psychological benefits applied to the skeptical minds of large enterprises. Industrialists will not rally to planning so designed as quickly as they might were their role more central. Presumably in America this is still politically important. Planning has never been done in a capitalist society without the big capitalists doing much of it voluntarily. Humphrey-Javits would apparently try. The issue deserves more discussion.

There are other matters needing clarification if this legislative proposal is to evolve at all from its first formulation. The stress upon economic planning will prove difficult to maintain. No mention is made in the required national objectives of environmental concerns or of improved race relations. These are social matters, not economic. They will surely be pressed forward when the matter of national objectives is discussed. Perhaps the fiction of merely economic planning may be maintained for a time. In the end, a society attempting to plan its future gathers more than strictly economic strands together at the center.

Other questions could be raised here, and will surely arise if searching hearings are held on the planning bill. Its language, however clarified, cannot tell us exactly what will follow from enactment.What will the plan look like? At a recent discussion at the Center for the Study of Democratic Institutions, some anticipated a "slick brochure" resembling the two national growth reports (1972 and 1974), each containing just over one hundred pages of generalities. Others envisioned a massive pile of paper taller than the elephantine budget itself, requiring advanced degrees to interpret. The bill's sponsors ought to hire somebody to prepare a few prototypes to assist in visualizing the plan inside the planning future.

At some point, the doubts about planning will appear less substantial than our doubts about the future under current governing arrangements, and the United States will then legislate planning in some form. This may be quite a distant event, the Humphrey-Javits bill only a primitive, Orville-and-Wilbur-Wright sort of precursor that would barely have flown if the government had decided to buy it. Ideologues of a certain persuasion—those we normally label as "conservative," who disdain human wisdom when it rests in the heads of public officials and trust it when located in the heads of profit-seekers responding to the marketplace—say that planning should never be tried. Others say that planning is an idea not without merit for the distant future, but that in present circumstances the managerial capacities of governments do not remotely measure up to the task. Both would shelve the Humphrey-Javits bill.

Behind the bill are the handful who would plunge in now, learning planning by trial and error. The fall of 1975 is a difficult time in which to gain one's bearing upon anything perhaps especially upon the prospects for planning in a climate which includes both so much hostility to government and so much necessity for united social action. It is not an auspicious time to propose schemes by which the national government may do better. People do not want to hear about their national government, and certainly do not believe that it can do better. These and other factors, perhaps including the re-election of Gerald Ford by a voting public which does not believe in its political leaders and yet always re-elects them, may greatly delay the arrival of planning in the United States.

But the historic advantages of the planning idea must not be minimized. In the long run, it will become increasingly obvious that it is impossible to manage an interrelated planetary society, let alone any advanced industrial society such as our own, either by the orders of the marketplace or the spasmodic, ad-hoc interventionism characteristic of modern broker governments, whether liberal or conservative. This long run may be very short, depending upon luck, the spring crops, Arab sheiks, the next war, and so on.

If time is not generous, the Humphrey-Javits bill may be the primitive craft in which we fly. It has been thoughtfully prepared, but not yet thoughtfully received. If the future is adequately considered now by public decision-makers, if national policy is coherent and responsive to changing reality, if national goals are clearly in mind and serve to discipline bureaucratic activity, then the new planning bill may be ignored. Otherwise—and, of course, the situation is almost diametrically otherwise—it seems a good time to begin.

EXECUTIVE BRANCH DOING LITTLE TO IMPROVE CONDITIONS FOR CONSUMERS

HON. MAX S. BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. BAUCUS. Mr. Speaker, during our congressional recess, President Ford published a large compilation of "consumer representation plans" in the Federal Register. These hundreds of pages of plans reinforce my conviction that the executive branch may be moving toward setting up additional structures for consumer representation but is doing little to actually improve conditions for consumers. The general thrust of all these summaries has been to say "we have always paid attention to consumers and now we will pay even more attention to them." In addition, this collection of consumer representation plans may prove more expensive than one single agency for consumer protection.

Each of the consumer representation plans is different, but they have common features. Nearly all recognize that more information is needed to keep agencies acquainted with consumer needs. Most set up procedures for consumer input, both at the local and national level. Plans are also established to put out information from the agencies to consumers and to consumer groups. Another common feature in some of the plans is that they seek to strengthen in-house consumer protection in narrow, well defined areas in which the agency has generally provided reasonable consumer protection in the past. But these areas are few and far between. Otherwise, the plans contain only rhetoric.

In particular, the plans are weak on almost everything which would naturally follow after the "communicating" stage. Most of the agencies describe how they will listen to consumer complaints and how they will answer them. However, there are no pledges to weigh the consumer side heavily, articulate specific rejections of consumers positions, or even to take action on consumer concerns which rise above individual complaints. Nowhere is the provision of technical resources to consumer advocates. All the technical and managerial resources of a regulated agency plus the agency which regulates it can be marshalled on one side of a question involving consumer interests. The plans do not contain any structural or legal counterforce to domination of a regulatory agency by the industry which it regulates.

These are all problems which a serious well thought out, and truly consumer oriented set of plans might have addressed. In addition to these shortcomings, there are other problems which no plan, no matter how well intentioned or thought out, can hope to address if it is an in-house plan. For example, how can an agency oppose its own decisions that run counter to the consumer's interest even after weighing that interest in the balance? How can it take into account the consumer interest when it runs counter to general administration policies? How can it combat its own foot-dragging, misfeasance, or political subservience to one interest or another? In short, all these plans share the fault of strengthening what is already relatively strong in each agency and either failing to strengthen or being unable to strengthen those areas where the agencies are weakest.

Just because an agency can not self-police all its consumer-related functions does not mean that it is a bad agency. All it means is that policing is not always best done in-house, and that an agency's interest does not always coincide, even when well informed, with the consumers interest.

Because my primary duties on the House Appropriations Committee include the Agriculture Subcommittee and the Housing, Urban Development, and Independent Agencies Subcommittee, I first turned to the consumer representation plans of these agencies to see how closely they match consumer needs. The Agriculture Department, for example, has traditionally given strong support to "the consumer" as an individual who needs canning or buying advice, while brushing aside many consumer needs that run counter to the needs of the food industry.

Its consumer representation plan reflects this dichotomy perfectly. For example, section IV on "consumer involvement" is a mixture of generalities, hopes, and "when appropriates." The way an agency defines the "consumer interest" can often color every approach it takes to advance that interest.

For example, USDA sets up a consumer committee that includes representatives from most of the Department's divisions. It also prints the plans of many of these divisions and explains how they will serve the consumer. Missing from both these places is any mention of the Packers and Stockyards Division. This division, in theory, is responsible for maintaining an open competitive situation in the meat packing and distributing industry. An active and aggressive policing of this industry would certainly be in the consumer's interest. But because it has no direct dealings with consumers or individual consumer problems, it is not considered to be a consumer-related agency. The omission of detailed consumer provisions for an agency that has a direct hand in determining what meat gets to the consumer at what price is an understandable omission, but one that points out the inherent weaknesses of agency self-policing for consumers.

Another problem that the Agriculture Department plan shares with many of the others is its vagueness. Even after this plan is in effect for a few years it will be almost impossible to decide just where and how consumers have been helped by it. One bright spot in this regard is the Animal and Plant Health Inspection Service—APHIS—plan to write all its regulations in clear, simple English. It is quite strong on this point. This hope can be easily measured in a short period of time by watching what they actually do with their regulations. Very few other parts of the plan are as well defined or as easily checked up on. But even here the language simplification goal is merely a goal, not a formal requirement, much less a minimal standard which must be met.

The Department of Housing and Urban Development—HUD—has a good paper plan which includes establishing an Assistant Secretary for Conusmer and Regulatory Affairs. HUD has traditionally done a better job of setting up consumer protection structures than of carrying out its basic mandate of providing well-built, safe, and affordable housing. The problems with HUD's new plan are of two types. First, it says nothing about how to handle either an organized or unorganized consumer position that has lost in lower level decisionmaking. And, second, it does nothing about long-term anticonsumer uses of housing policies, such as trying to stem inflation by cutting off housing starts. The basic problem with the HUD plan, as with most of the other plans, is that it attempts to take a potentially antagonistic interest, that of organized consumers, and claim that it is a nonantagonistic part of the agency's internal decision-making process. This means that once the agency is satisfied that it has adequate input, it can then take that interest into account and disregard it.

This problem can also be seen clearly in the plans submitted by the Food and Drug Administration—FDA. The FDA plays a crucial role in determining which food, drug, and cosmetic substances the public will be exposed to. As such, one would think that its consumer plan would include a strong, wide-open consumer presence, because the stakes are so high for a potential mistake. In fact, it is just not there.

The FDA's consumer program is all input and no checks and balances. It provides multiple channels for listening to individual problems, but no criteria for either weighing these problems or taking action on them.

Even assuming that individual problems can be grouped into a consumer position and that this position is heard, the FDA is still subject to the charge that it is dominated by industry scientists and administrators who are likely to weight the industry data more heavily and not likely to build-in a consumer counterforce. For example, if the FDA had a true consumer orientation it might publicly advocate the banning of such potentially harmful substances as red dye No. 2 because its own studies and others have shown that this chemical may be gravely hazardous to health. The Soviet Union, not known for its emphasis on consumer problems in its 5-year plans, has banned this drug. Even if the scientific evidence is not all in, a consumer-oriented agency would not drag its feet on such a serious matter. The consumer plan put forward by the FDA does nothing to change the agency's basic orientation or approach to consumer problems.

In short, the various consumer representation plans do a little something about giving the consumer a voice in each agency, but absolutely nothing about giving the consumer some clout. Putting aside the question of whether or not consumer clout can be built into a executive agency at all, its absence from these plans points up the need for some sort of independent consumer representation at the Federal level. Whether this representation is achieved by setting up an agency for consumer protection, by Federal funding of consumer groups plus legislative help in giving them standing, or by some other method, these plans show that true representation either cannot or will not be accomplished in the near future by attempting to build it all into each executive agency.

This is why I have come to the conclusion that the various consumer representation plans individually and collectively fall far short of a workable approach for helping consumers. In addition, there is little hope of being able to measure whether or not each agency will actually live up to the generalized promises that it does make.

And the aggregate cost of these plans is unknown and potentially quite high. Congress should not allow the initiative for consumer protection to slip away based on the assumption that the executive branch is picking up the burden. It clearly is not—and perhaps cannot.

IMPRESSIONS OF A VISIT TO CUBA

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. BREAUX. Mr. Speaker, I have just recently returned from a visit to Cuba during which I spent 3 days meeting with various Cuban authorities dealing with agriculture and foreign trade.

First, let me take this opportunity to thank those individuals in the State Department who provided me with valuable background information before my visit and who also provided logistical support and assistance. In addition, I want to express my appreciation to the Swiss Ambassador to Havana and his staff for their help and cooperation.

The purpose of my visit was to see for myself what development has taken place since the Castro regime gained power and what effect the U.S. trade embargo has had on the country of Cuba. In addition, my special and specific emphasis was placed on agricultural interests and a determination of what trade prospects there might be for U.S. products should the embargo be lifted.

I found, as I'm sure did my colleagues

from the House and Senate who have made visits to Cuba previously to mine, a country where, it appears, time has stood still.

Before the embargo, Cuba had a great dependence on the United States. Sixty-five percent of Cuba's imports came from the United States. U.S. investments there were major. Because of the trade embargo, Cuba, for example, has been unable to obtain parts for automobiles or for air conditioners made and installed by U.S. interests. The country has been unable to benefit from the advanced U.S. technology in every field of endeavor.

However, Cuba has developed, to a degree, without the United States. Doubtlessly, the country has suffered due to lack of access to the goods, technology and services available from the United States.

And, until recently, Cuba's main source of support was the Soviet Union. However, with the recent actions by the Organization of American States in allowing each member nation the option of trading with Cuba and with the lifting of third nation sanctions by the United States, Cuba has opened trade with almost every nation in this hemisphere as well as many nations around the world. The effectiveness of the U.S. trade embargo if it is meant to isolate the island has been lost.

There are many observations I could share with you, Mr. Speaker, but the most important, in my own mind, is the observation that it is the United States which is in a position of isolation if we continue the embargo.

I have talked with Assistant Secretary of State for Latin American Affairs, William D. Rogers, since my return and am convinced that the State Department is most interested in resolving the many serious issues which face the two nations.

Numerous public actions have been taken by the United States which indicate this willingness. Cuba has taken actions such as allowing Cuban exiles to return to visit dying relatives which could indicate a willingness to move toward discussions. But on the other hand, Cuban officials sponsor the abominable Zionist resolution, send troops to Angola and further perpetrate the independence movement in Puerto Rico, a move obviously against the wishes of the majority of people on that island. They demand a total lifting of the trade embargo before they will even agree to discussions. This certainly is not an indication of willingness to settle the serious questions dividing the two nations.

Upon my return from Cuba, I proposed a partial lifting of the trade embargo to allow the sale for cash of surplus foodstuffs, including rice, which is a product grown in my congressional district and is a crop which is experiencing record production levels this year as well as last. It is also a crop which has lost markets in Cambodia and South Vietnam in the last few years.

During my visit to Cuba, I received indications from the Cuban officials of their interest in buying rice from the United States to help fulfill the needs of the Cuban people. This, in itself, is an indication to me that their system of production is not working, even to the extent of meeting the basic food requirements of the Cubans. The U.S. has available surplus rice.

An agreement by the Cubans to address the issues dividing us could open the way to resolution of the problems of political prisoners, confiscated U.S. property, as well as entirely lifting of the trade embargo. I feel an arrangement to sell U.S. surplus foodstuffs for cash to Cuba could be a welcome outcome of agreement to discussions between the two countries.

To allow hard and fast demands to prevent all communication as is the present status, is not in the interest of the United States, nor in the interest of world peace nor, finally, in the interest of cooperation among nations which share this hemisphere.

AFL-CIO SUPPORTS ILLEGAL ALIEN LEGISLATION

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. EILBERG. Mr. Speaker, I bring to the attention of my colleagues an article which appeared in an AFL-CIO news publication. This article cites the union's efforts with regard to legislation which has been favorably reported by the full Committee on the Judiciary and provides a penalty for employers who knowingly hire aliens illegally residing in the United States.

The article reports that the AFL-CIO has requested its State and local bodies to express their support for this legislation to Congress. The AFL-CIO endorses the view of this Member that the successful passage of this legislation would assist greatly in reducing the flow of illegal aliens into the United States.

When legislative director Andrew J. Biemiller testified before my subcommittee he indicated that approximately 1 million jobs would be made available for persons legally in the United States if this bill were properly and efficiently enforced. While the unemployment rate in our country continues to plague the lives of American citizens and permanent resident aliens I concur with Mr. Biemiller's efforts to help make job opportunities available for those legally entitled to work.

Without doubt the presence of illegal aliens depresses the wages and impairs the working conditions of American workers.

I wish to insert the article into the RECORD at this point and I hope my colleagues will take the opportunity to review the position on the AFL-CIO on H.R. 8713:

[From the AFL-CIO News, Nov. 29, 1975]

ILLEGAL ALIEN BILL PRESSED IN CONGRESS

The AFL-CIO has asked its state and local central bodies to help prod Congress to reduce the flow of illegal aliens into the United States by cracking down on employers who knowingly hire them.

Legislative Director Andrew J. Biemiller cited an estimate by the Immigration & Naturalization Service that more than 1 million jobs would be opened up for persons legally in the United States if penalties were imposed on employers who "knowingly" hire illegal aliens.

The House Judiciary Committee, in a report approving such a crackdown, concluded that illegal aliens "take jobs which could be filled by American workers; depress the wages and impair the working conditions of American workers; reduce the effectiveness of employee organizations; compete most directly with unskilled and uneducated American citizens, and constitute for employers a group highly susceptible to exploitation."

Similar conclusions were reached in a study made for the Labor Dept., which found that nearly one-fourth of the illegal aliens were paid less than the federal minimum wage and 65 percent earned less than $2.50 an hour.

This supply of "cheap labor," the study noted, comes "at a time of widespread unemployment among disadvantaged legal residents of the United States."

The bill approved by the House committee would eliminate the exemption of employers from criminal penalties imposed on persons who "harbor" illegal aliens.

Under the labor-endorsed bill, an employer who knowingly hired an alien would be warned for a first offense, fined up to $500 for each illegal knowingly employed for a second offense within two years, and subjected to a fine of up to $1,000 and imprisonment for up to one year for subsequent offenses.

The bill authorizes an amnesty for illegal aliens who have lived in the United States since mid-1968 under certain conditions.

Biemiller's letter to central bodies and to AFL-CIO affiliates cited these "formidable problems" created by illegal aliens:

"Their willingness to accept low-paid jobs directly undercuts area wages as well as working conditions, making unionization of nonunion shops impossible.

"Illegal aliens are also often employed as strikebreakers in labor disputes, thus weakening collective bargaining rights of union workers. Those unions shortsighted enough to enlist 'illegals' into their ranks ignore the ability of unscrupulous employers to cajole or intimidate the illegals with the threat of deportation."

Biemiller said a recent study for INS estimated that at least 8 million are still in this country.

PRESIDENT FORD'S VETO OF H.R. 12

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Ms. ABZUG. Mr. Speaker, last week, while most of the Nation was celebrating the Thanksgiving holiday, President Ford chose to veto H.R. 12, a bill designed to ease the financial burden of New York and other cities for the cost of protecting foreign diplomats and diplomatic missions.

New York, in which the U.N., and the largest diplomatic community outside of Washington is located, has been unjustly saddled with the burden of protecting every visiting dignitary who comes to the U.N. or passes through our city. It is unreasonable and inequitable that the Federal Government absorbs the cost of providing this protection in Washington, while at the same time it neglects the costs absorbed by New York and other cities.

It seems ironic at this time, that while the people of New York and other cities struggle against serious financial burdens, making many sacrifices in jobs and services, President Ford would veto this bill. The New York Post has labeled the explanation of the President for his veto as "disingenuous." The security of foreign leaders and diplomats is properly a Federal, not a local, responsibility. Congress recognized this responsibility when it passed this measure.

Mr. Ford has again shown his insensitivity and shortsightedness toward the problems of our urban areas. The New York Post and the New York Times both wrote editorials critical of the President's decision, which accurately reflect the feelings of New Yorkers regarding this veto. I would like to share these opinions with my colleagues:

[From the New York Post, Dec. 1, 1975]

A Parting Shot at New York

Having granted New York a belated and limited fiscal dispensation on Thanksgiving Eve, President Ford apparently could not resist the chance to take a last-minute shot at the city before heading for Peking. In a statement released by the White House as he embarked on his Asian journey, the President vetoed a bill providing federal reimbursement for local police protection of foreign diplomats here and in five other cities.

While Ford appeared to be trying to say that he had no special animus against New York by punishing the other metropolies cited in the legislation, this city was obviously the key target of this small-minded veto. As host to the United Nations, it is New York that pays the largest continuing price to insure the safety of controversial diplomatic visitors, and, indeed, of the permanent UN establishment.

The President's action was peculiarly incongruous and gratuitous in view of the overwhelming Congressional sentiment recorded in favor of the measure. In the Senate it was passed by a voice vote, and not even the most diehard anti-New York members of that body cried out for a filibuster. In the House the margin was 276 to 123.

In announcing his veto Ford said he feared "this bill would be but a first step toward a permanent and wider expansion of the role of the Executive Protective Service." That defense is frail and disingenuous.

By far the heaviest share of the burden of security falls on the city where the UN is located, except, of course, for Washington, where the federal government pays the cost of EPS.

Each day brings fresh evidence of the social and human cost New York faces as a result of current economy programs. Federal payment of the "security" bill would release badly needed funds for local priorities; Ford's veto was ungenerous and unjustified.

The unfairness of the present arrangement (under which only isolated gestures of federal help can be obtained) was clearly apparent to both houses of Congress. There is every reason to hope that this veto will be swiftly and decisively overridden.

It is sad nevertheless that the President should have felt a compulsion to unleash this farewell swipe at New York before embarking on his "goodwill" mission to the Far East.

[From the New York Times, Dec. 2, 1975]

Federal Insecurity

After his sanctimonious lecturing about the necessity to teach the City of New York the need to assume "responsibility for managing its own affairs," President Ford seems determined to have New Yorkers continue to assume responsibility for managing, and paying for, some of the Federal Government's affairs.

Even if it was too much to hope that Mr. Ford would quickly acknowledge how unfair it is to keep the huge burden of welfare payments on the city's shoulders, he might at least have lived up to his lofty standards of fiscal probity by reimbursing New York City for the cost of protecting foreign diplomats and missions. Instead, Mr. Ford chose a miserly veto of a bill which would have provided a maximum of $3.5 million to this city, Chicago, Los Angeles, San Francisco, New Orleans and Houston for such security services.

In trying to justify the veto, Mr. Ford maintained that it would be unwise to expand the Federal Executive Protective Service, with the attendant risks of eroding the distinction between Federal and local law enforcement functions. The President ignored the fact that the vetoed bill provided the option of strengthening the local police by paying for the required special services.

The approximately $2.5 million, plus a retroactive $1.25 million, which would have been New York's share of the total subsidy, would not go very far toward solving this city's fiscal problems. But even so relatively small an amount would make it easier for the Police Department to assign its scarce manpower to the basic task of protecting the public and enforcing the laws—and relieve the city from the need of continuing to shoulder an obviously Federal responsibility. Thus even in petty ways, Mr. Ford carries on his war against New York.

GOVERNMENT SUPPORT OF THE ARTS, A STATEMENT BY DOUGLAS DAVIS

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. BRADEMAS. Mr. Speaker, last week the House Subcommittee on Select Education, which I chair, and the Senate Special Subcommittee on Arts and Humanities, chaired by Senator PELL, held 3 days of joint hearings on H.R. 7216 and S. 1800, the Arts, Humanities and Cultural Affairs Act of 1975.

During these hearings, our panel received extremely useful and stimulating testimony from witnesses of varied affiliations with the arts and humanities representing a range of opinions on Government support for artistic and scholarly work.

At the last day of our hearings, Mr. Douglas Davis, an artist and the art critic of Newsweek magazine gave a provocative and, I think, most significant statement on the nature of public support of the arts.

Mr. Davis, who believes that Government funding for the arts is essential to the health of our culture and society, has raised some important questions about the methods and policies of Federal support for the arts and humanities. His observations are particularly valuable as we consider legislation to continue the work of the National Endowments for the Arts and the Humanities.

I insert Mr. Davis' statement at this point in the RECORD:

Statement by Mr. Douglas Davis on H.R. 7216, the Arts, Humanities and Cultural Affairs Act of 1975

I confess right away to you that I am no detached observer or critic of the matters before you. I am actively involved on three levels: an artist (I received a National Endowment Artist's Fellowship to continue my work primarily in videotape and experimental television this past year), as an art critic for Newsweek and several art magazines, and as a member—some years ago—of a panel dispensing grants for the New York State Council on the Arts. But I am not going to plead any special cause—only a general one. I am going to try to separate myself and you for just a minute from the heated exchange of specific claims, to ask a radical question: Why encourage, support, and fund the arts at all? By "radical" I don't mean anything political, for the moment. The dictionary tells us that it means whatever is at the "root" of a word, or an issue. That is precisely what we need to do now, ten years after the first lonely struggles began in the Congress to support the arts, and one session before we extend that commitment again.

It is a commitment that took slowly but came on fast. Certainly I am right to say that in 1975 the use of tax dollars to seed the cultural is politically acceptable, if not popular. Why? Some pessimist—including several of my fellow artists and critics—put it down to vested interest: now there is an arts bureaucracy (both Federal and state) and an organized arts constituency, which any congress ignores at his peril. But this answer also begs a question: why was legislation in behalf of the arts popular in the first place, before the vested interest or the bureaucracy existed? Why is it popular now—according to recent Harris polls—even among people who are far from its immediate benefits? So I do not entirely agree with the pessimists. Nor am I so optimistic as to believe that we are all engaged in supporting bills like this one for noble reasons, divorced from self-interest. The National Endowments for the Arts and Humanities exist because we want them to exist—for mixed motives—and they are here to stay.

This is a major change in our cultural life, and therefore in the life of the nation. Never mind the comparatively small size of the sums involved: you don't need millions to build a great painting, as you do to build an airplane. Laying the National Endowments onto my field is like laying a multibillion dollar, Federally-sponsored airline onto the transportation industry. To judge from the testimony given here that I have read, you are being told time and again that there is only one problem before you, only one flaw in our record: the government isn't putting enough to the arts. Let me immediately say that the total appropriation is far less important than how it is spent.

More attention must be paid to the long-range implications—yes, the philosophical and esthetic implications—of governments getting into the arts, even a government as open to criticism and as afraid of itself as this one. Instead, we are constantly being compared on a dollar-per-head basis to Denmark, or Luxembourg, as though foreign patterns of public patronage, heavy with bureaucractic implications, is what we need. I say the contrary, in agreement with choreographer, Alwin Nikolais, who told the Associated (state) Councils of the Arts this summer: "I hope you, as champions of the arts and artists, never feel obliged to pattern our patronage after that of the foreign countries.

By comparison even in our infant aid . . . we have far exceeded in accomplishment . . . anything done by any foreign country despite its tradition." I would add only that we have accomplished great deeds in the arts precisely because we are freed from tradition. The infant aid touches sparks because the friction was already there. The cultural vitality in the United States has been and still is present-tense-oriented, concerned with making and doing now, and if possible new, and therefore needs help, not direction or promotion, and certainly not a Ministry of Culture. The function of such ministers—with rare exceptions, like Michel Guy in France now—is normally to preserve what has been: huge sums for the Old Vic, for example, far less for living theater. The triumph of American Painting—to borrow a title from Irving Sandler's book—occurred immediately after the war, with no funding from above.

The visual arts continued to explode, innovate, and to develop a public (as well as an international market) during the same period, not only without government help, but often against the grain of conventional taste. In fact, it is obviously difficult—if not impossible—for any ministry of culture to support an art that opposes the status quo. Yet it is often precisely the negative voice that renews the culture, as Artuad did in the theater and Duchamp and Pollock in painting.

Why fund the arts? I ask the question again. In a context of cultural vitality, the answer must of necessity be different than it is in other contexts. So must the method of funding differ. Often you are told that the cost of creation is going up (particularly in theater, music, and dance) and that is certainly true. But it is not only a matter of need on the part of the creators. The public needs, too. It clearly wants more art (to look at, think about, and even to buy), more services from its museums and theaters, more from the universities and art colleges: the number of students enrolled in the arts (both studio and academic) are on a dramatic upswing, while other areas—some of them bread-and-butter areas—decline.[1]

I often read in the New York Times and elsewhere that the New York neighborhood in which I live—Soho—is filled with rich, chic artists and radical-chic collectors, but the merest glance at the crowd sweeping up and down our streets on a Saturday reveals anything but that: they number every age, every section of the country (and the world), every status and occupation, every color (and needless to say, every opinion). Often we are told by a variety of self-styled "populists" (including, lately, Tom Wolfe, a man of the people if I ever saw one) that "high" or "vanguard" art is an elitist product, without larger reference, or support. To judge by Soho Saturdays there are a great many elitists on the loose. There is always a great danger that he who speaks against difficult or challenging art in behalf of the people is in fact speaking mostly for himself.

Approximately one million people normally attend Documenta, the major international festival of "vanguard" art, held once every five years in Germany. At the Museum of Modern Art in New York the highest attendance on a single day—10,000 people—came to see precisely the kind of art Tom Wolfe tells us is unpopular, the abstract-cubist collection of the late Gertrude Stein. Last year, the exhibition of Diane Arbus' highly controversial and often grotesque photographs also at the Museum of Modern Art, set a record for attendance in that field, far eclipsing the average attendance at the celebrated "Family of Man" in 1952—a "family" show if ever there was one.

Beneath all of this—and other examples I could endlessly cite—is a need. It is a need for every kind of art, from what traditional taste might call "popular" to what it might call "avant-garde," from art that confirms and soothes to art that shocks and enrages. To think otherwise is to presume a sado-masochistic view of man, contradicting a basic behavior pattern of the species: its struggle to survive. Morse Peckham, in his long and impressive book, *Man's Rage for Chaos,* links a dynamic, changing, provocative culture with a progressive, self-modifying society, a society that instinctively requires that its beliefs be challenged. In brief, the arts—along with science at its theoretical edge—are biologically necessary. They are as tightly woven into the fabric of society as education itself. If Peckman is right, we tamper with the arts and with creativity at great peril. To bring it down to practical matters: we would not impose geographic conditions on the disbursement of funds to scientists. Neither should they be imposed on artists.

Other societies have made other decisions for reasons that we cannot even begin to understand. After an unprecedented spurt in artistic innovation during the 1920's the new Soviet government decided—in effect—to clamp down tightly, a policy that prevailed until very recently. This is ironic because the Russians first showed the world that public patronage—as opposed to private patronage—could spur artistic invention, not stifle it. Eisenstein later said of this period: "Every day there was a new movement." Not long afterwards, the movements ceased, the avant-garde disappeared, and a popular art and architecture prevailed. I am glossing over a highly complex and frenetic decade with these words, but the record is available for anyone to inspect, including the public debates between the spokesman for a popular, immediately understandable, and supportive art versus a supposedly unpopular and challenging art. Had I the time I could read to you some of these exchanges, the poet with Mayakovsky—now a national hero in the Soviet Union—arguing a position not very far from my own, and a fleet of opponents speaking for the other side: Tom Wolfe populists to the man, maintaining that anything misunderstood by "the workers" was counter-revolutionary.

We all know who won that battle. We all furthermore know that it is impossible to equate Stalinist Russia either with ourselves or with present-day Russia. But my mission here today is not to write precise history. It is to sound an alarm—in brief, that how we support the arts is far more crucial than to the whole society. To change one is to change the other because the arts are far more than a decoration or refinement of the world; they are the world. You can doubtless guess now that I am about to warn against the dangers inherent in the cultural bureaucracy, and I am, but not without specific qualifications and proposals. It would be naive simply to attack our art bureaucracy: it is not that bad (a) and (b) the artist is always confronted with a middle man, standing between him and the realization of his work. In my case, it is either a dealer, a curator, a television producer, or an editor. But I can always threaten him with an alternative—to go somewhere else. Now I have the government to contend with, the only government I have.

And I say that in art as in science the effective control exercised by so powerful a middle man must be severely limited and watch-dogged. This is the more so because we are not dealing here, to repeat, with an exhausted or vitiated culture that needs propping up and preserving. We are dealing with an energetic culture still defining itself, a culture that should be given its head as much as humanly possible. There is no need in this time and place for a Minister of Culture or for any army of bureaucrats anxious to homogenize, blend, and "popularize" what the creators want to create, in the service of a national image. What is in fact admired about our culture abroad is precisely the reverse: its energy, ingenuity, and diversity. The same is true of American science, of course.

How can we preserve that quality? Here are some recommendations. Though they are couched in general terms, I assure you that they can be specified and organized as realistically as their alternatives. Furthermore, they are far from unique ideas: they make up an amalgam of complaints and suggestions that have been poured in my ear by countless colleagues and friends, most of them artists but also middle men (critics, curators, dealers, and funders) unable as yet to get your ear, or anyone's ear.

First: there must be a huge increase in grants made directly to artists. It is a continuing wonder and scandal to me that both the National Endowment and the New York State Council on the Arts put so little money straight into the hands of the men and women who in fact create the culture. I believe the figure in 1974 was 3.62 million from a total NEW budget of 72 million; the percentages in New York State are not even that good. Instead, our art bureaucracies prefer granting "project money," tied to specific programs, or to cultural institutions. In New York State, the woods are filled with nonprofit arts organizations that never existed before the legislation creating the Council appeared. This is simply indefensible. "The artist has been forgotten," a friend recently wrote to me, though often the legislation is supported and passed in his name. If my first recommendation is not adopted I predict we will see by the year 2000 a comic paradox in this country: a huge bureaucracy of funders feeding on itself. Surely there should be more equity in the figures I just quoted.

Second: instead of creating new arts organizations and bureaucracies to administer projects for artists, use already existing structures. In my own field, there are two main areas of professional competence already in existence, already serving organic functions. First and most important, there are hundreds of excellent university art departments and professional art colleges in the United States. It is they who should be receiving and administering the bulk of the project money in the visual arts—to commission new works, buy previous works, and appoint visiting artists. In addition, the professionary contemporary art galleries—most of whom operate, media to the contrary, at a loss—ought to be eligible to receive Federal help, just as Lockheed or Boeing is eligible. Most important of all, they represent along with the non-profit cooperative galleries (already eligible for aid) a countervailing source of power and decision-making. Their health guarantees a highly desirable decentralization, at the lowest possible cost to the taxpayer.

Third: a proposal related to the last. The easiest, cleanest way to aid visual artists—and cede them at the same time encouragement to follow their own inclinations, rather than a bureaucrat's or curator's—is to buy their work. Again, I say that college art departments and professional arts colleges, as well as contemporary art museums, offer a ready-made body or organized expertise and opinion through which such purchase funds could be channeled.

Fourth: the concept of "experimentation" in the arts ought to be formally recognized in this or any other legislation related to funding the culture. It is as necessary to the arts as it is to science or to business. I might add that our use of new media and concepts in the visual arts is a continuing source of interest abroad—one of our great strengths. Last Spring I participated in the first large exhibition of video art (most of it American) in Latin America, at the Museo de Arte Contemporanee in Carcas, Venezuela. More than 16,000 jammed into the museum on the first day; the total attendance for the entire 2-week exhibition was more than 65,000, imposing totals in a city where the work was largely unknown. But the pace of experimentation is steadily slowing down here now, in response to an increasingly conservative political, economic, and social climate as well as a decline in sympathetic support from American critics, museums, and collectors, who are rapidly being outpaced by their European counterparts. A vital arts funding agency would act against such a trend, if properly encouraged by you.

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[1] Recent HEW statistics tell us that the ten-year trend in 1963–73 undergraduate degrees shows an increase in fine and applied arts that doubles the increase in engineering degrees. The Department of Labor Occupation Handbook based on the 1970 census forecasts that there will be four times as many men and women professionally involved in the arts in 1985 as there will be lawyers and doctors!

Last. There should be a consumer's agency—an ombudsman—in the arts. Jack Kroll (theater critic of Newsweek) has recently and rightly called for more confrontation—via the Endowment—between art and government. But unless there is a formal court of appeal, built into the structure of both Endowments, artists, dancers, composers, and choreographers will be afraid to appeal decisions or to protest policy. Thus the bureaucracy will not be able to correct and modify itself. I must credit this thought to Newton Harrison, one of the leading artists dealing in systems sculpture and also Chairman of the Department of Visual Arts at the University of California at San Diego. It is his contention that no institution—whether it is the NEA or the U.S. government—can prosper without a built-in, established critical function. At the National Endowment, the ombudsman panel should be broadly based including artists and critics from several fields, who are specifically authorized both to criticize and to process criticism from outside.

I doubt that much of what I am saying will make you happy. It will certainly not please the National Endowment for the Arts—which is as fair, intelligent, and admirable a cultural bureaucracy as any I have yet seen. But it is only a bureaucracy, and it must be criticized more openly and frankly than it has to date. Furthermore, it is people like myself—who need and use the NEA as well as create the culture—who must do the criticizing. Rather than listen to me, the Congress would doubtless prefer simply to appropriate the funds to a Ministry of Culture and forget it, as often happens abroad. But that would be a disastrous policy. I go back to the question: Why fund the arts at all? Because the health of the entire culture and society depends upon it. Our decisions in this area have consequences far beyond our dreams. The culture is the result of the work of individuals, not of bureaucracies or of organization. That is why I have insisted on the prime importance of method, rather than money. Your end—your most important end—must be to free the creativity of the individual person, not to perpetuate an organization.

ZUMWALT CHALLENGES KISSINGER ON SALT PROCEDURES

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. SYMMS. Mr. Speaker, on December 2, 1975, Adm. Elmo Zumwalt—retired Chief of Naval Operations—testified before the House Select Committee on Intelligence on the subject of the competence of the intelligence community's evaluations relating to strategic arms limitations during his tenure as Chief of Naval Operations. This testimony sheds additional light on the asymmetries we have agreed to at SALT. I think the time is well passed when this body should have conducted a thorough congressional investigation into the agreements agreed to, the modus operandi used and whether or not there have in fact been Soviet violations of those agreements.

In support of the above recommendation I would like to read Admiral Zumwalt's testimony for the RECORD. Furthermore, I would like to emphasize that this is an issue of profound implications for the security of our country and it therefore crosses party lines. If the charges made by Admiral Zumwalt are in fact true then my Republican colleagues should not try to defend Kissinger's modus operandi or policies just because he is part of a Republican administration. Also, I would like to point out that I view the Zumwalt testimony with special alarm because Admiral Zumwalt has, in the past, been much more supportive of arms control efforts and the nuclear test-ban treaty than other high military officials.

Admiral Zumwalt's testimony is as follows:

STATEMENT OF ADMIRAL ELMO R. ZUMWALT, U.S.N. (RETIRED)

I have been summoned by this Committee to provide my judgment of the competence of the intelligence community's evaluations relating to the strategic arms limitation during my four year tenure as Chief of Naval Operations.

Although I am now a private citizen, I am also a retired naval officer, and I would like the record to show that I have kept the Department of Defense informed of the 3 approaches by this Committee or its staff leading to this appearance. I informed DOD that one major interest of the Committee was one of the articles distributed by New York Times Special Features which I have coauthored with Admiral Worth Bagley, USN (Ret), who was Vice Chief of Naval Operations until 1 July 1975. This particular article appeared in the Washington Star on Sunday, August 10, 1975, and was entitled "Soviets Cheat and We Turn our Backs." The article which is attached to this statement as Tab A, discusses 5 ways in which the Soviets have cheated on the SALT I deal as this was explained to Congress. In view of my military status, I offered to submit to a briefing by DOD prior to my appearance here. The DOD representative with whom I spoke has informed me that it is that department's decision that I should appear here in my capacity as a private citizen, without any DOD briefing.

My statement is therefore being given largely from memory of past events. However, in my capacity as an occasional news analyst, I have acquired information subsequent to my retirement from a variety of sources which I believe to be accurate in updating judgments.

I intend to comment briefly on the quality of intelligence in the field of Soviet conventional maritime capability and in more depth on intelligence in the field of Soviet strategic nuclear capability. In both cases I will give my evaluation of the reasons for the shortcomings in the intelligence field.

II. INTELLIGENCE IN THE FIELD OF SOVIET MARITIME CAPABILITY

I found myself well served as Chief of Naval Operations in this field. During the four-year period I can recall no period when I did not feel well prepared by the highly competent naval intelligence specialists who were responsible for keeping me informed in this field. There were times when these specialists found themselves puzzled by developments, other times when they judged it necessary to put a range of considerable uncertainty on the meaning of their data, but most of the time they expressed reasonable confidence in their judgments and proved to be right. An outstanding example was the willingness of the naval intelligence community to go out on a limb and state flatly that the first Kiev class aircraft carrier, the first true Soviet aircraft carrier, was in fact a carrier many months before the national intelligence community was ready to accept that judgment.

However, I had the University of Rochester's Center for Naval Analyses do an analysis of the performance of the national intelligence community in the maritime field during the early part of my tenure as CNO. They were to examine the intelligence community's early forecasts of what Soviet naval force levels would be, in a given year, in comparison to what these force levels actually were when that year arrived and we could then count the Soviet ships. We found that these forecasts were in almost all cases too low and that the Soviet Navy almost always had more ships when the time arrived than intelligence had estimated. This committee may want to request that analysis to see for itself. I believe that the reasons for these generally low forecasts are: (1) a general and natural human tendency on the part of forecasters to err in favor of lower estimates because of Congressional and press assertions that intelligence always estimates too high; (2) Soviet success in hiding many of their defense expenditures in other budgets and thus misleading us as to their total naval expenditures; (3) an error in CIA's Soviet-defense-cost-estimating model which understated the value of the naval hardware we saw the Soviets deploying and therefore distorted our forecasts for the future; (4) and finally a bias which stems from this Administration's failure to understand Soviet strategic objectives, specifically the objective of achieving overall military superiority over the US and their willingness to expend the resources necessary to achieve it.

III. INTELLIGENCE IN THE FIELD OF SOVIET STRATEGIC NUCLEAR AND RELATED FORCES

Here, I think one must divide the analysis into 3 phases: (1) forecasting before SALT I; (2) forecasting SALT I; (3) forecasting after SALT I.

Forecasting before SALT I

Before SALT I, intelligence in the strategic field had to be almost exclusively derived from traditional sources. These forecasts were in my judgment almost universally understated for reasons similar to those cited for the field of maritime intelligence. In addition, I believe that the intelligence community and the policy community both fell prey to the false assumption that the Soviets would in some way be responsive to frequently expressed hopes of U.S. policy makers that the USSR would not go beyond the U.S. strategic force levels in an effort to work toward mutual deterrence. The fact is that mutual deterrence has never been a part of Soviet strategic doctrine, which as I suggested earlier is one of commitment to military superiority in strategic and conventional forces. The Soviets, of course, have not been responsive to such suggestions and, as a result, their force levels have turned but to be higher than U.S. estimates which may have been biased through optimism. The best unclassified work on the matter of U.S. underestimation of Soviet strategic forces is Albert Wohlstedter's article in the December 1974 Foreign Policy magazine entitled "Is there an Arms Race?" He points out quite accurately that "in spite of the myth of invariable overestimates, we systematically underestimate the number of vehicles the Russians would deploy . . ."

Forecasting during SALT I

During the negotiation of the SALT I agreements the Soviets, though careful to give us no information on their actual or planned deployments, were providing the U.S. with important information concerning their concepts and intentions in the strategic field. This information became available in bits and pieces at all levels of the U.S. and Soviet SALT delegations. All of this information was carefully recorded and reported back to Washington where it was available to both policy makers and intelligence analysts. The information that came to the intelligence analysts in this way was useful, in conjunction with information received from other sources, in evaluating overall Soviet programs and Soviet intentions. Unfortunately, there was another and more important source of information which could have much improved the accuracy of intelligence but which was generally denied the intelligence analysts. This was the large number of exchanges between Kissinger and Dobrynin or Gromyko through back channel traffic or private contacts to which the intelligence anaylsts as well as almost everyone else in government were denied access. I know that the Joint Chiefs of Staff were not informed.

Indeed it is my belief, which should be confirmed with Melvin Laird, that not even the Secretary of Defense was privy to these exchanges. One has only to read John Newhouse's book, "Cold Dawn: the Story of SALT" written using data provided Newhouse from NSC files to which DOD had not been privy, to realize the extent to which key policy makers in the Executive Branch were deceived about the course of policy formulation in the absence of this back channel information and other information. But what that book does not highlight is the extent to which intelligence analysts were misled by being denied material facts and therefore the extent to which their forecasts were made less accurate as to Soviet intentions.

This deliberate decision by senior policy makers to deny information to intelligence analysts meant that the policy maker put himself in the following interesting position. He had to review intelligence estimates prepared without access to data he had withheld. He then had to judge, if he could without being an expert intelligence analyst, how to compensate for these flaws, having in mind the information he had withheld.

The policymaker put himself in an even more difficult position, however, by failing to include responsible officials of government in the negotiating process. There is clear evidence to support the fact that the important officers of the Soviet government whether Foreign Ministry, Defense Ministry, or Missile Production Ministry were fully involved in the decision-making process. For example, on the last evening before the signature of SALT I, when the final critical changes were being negotiated between Kissinger and Gromyko, Smirnov, the senior Soviet missile production man was in the room protecting the options of the Soviet strategic force construction program while Kissinger had not a single defense or technical man there. This session represented the culmination of a series of decisions made on the Soviet side with full technical and defense input and on the U.S. side with systematic exclusion of such input in the final decision-making in the Oval Office or in the disorganized White House office at summit meetings. The exclusion of defense and technical expertise on our side and the inclusion on the other not only gave enormous advantage to the USSR, it further compromised the accuracy of U.S. intelligence estimates because the analysts had to use the technical explanations of non-technical people to interpret what had happened—if they were told anything at all. The differing approach of the 2 countries to the negotiations reflected this difference in objectives I mentioned earlier.

The Soviets viewed the negotiations as a vehicle for advancing them to their goal of strategic superiority and judged it essential to prevent the agreements from interfering with existing plans, for a massive expansion of their strategic force. They succeeded admirably in this. The US, on the other hand, looked on the agreements as an end in itself, agreements to foster the process of detente, and were ill served by them as a result.

Forecasting after SALT I

After SALT I was signed and during the efforts to negotiate SALT II, the job of the intelligence estimator became even more difficult. He still had to contend with the problems of partial information and flawed explanations of technical information. But, now, in addition, he had to deal with the political aspects of the commitment of the administration to the success of SALT I. In my judgment, the political factors led to a series of policy decisions, designed probably to protect SALT I from criticism, but which seriously complicated the job for the intelligence community. For example, in June 1973, the Russians told U.S. personnel in the SCC about an agreed interpretation between the U.S. and USSR concerning the definition of a modern ballistic missile designed to patch up some of the hastily negotiated and ineptly worded language in the interim agreement. On checking with DOD and State, no one knew of the existence of the agreement. Finally, the National Security Council's files produced this secret agreement, signed 11 months earlier. For my purposes today, it is unnecessary to dwell on the fact of a secret covenant so secretly arrived at that not even the Secretary of Defense knew about it. It is relevant to intelligence analysis to state the fact that a gaping hole in this technical agreement, drafted by non-technical people, could have permitted the USSR to justify a large number of additional modern ballistic missiles on their submarines and that the U.S. had to pay something at the negotiating table to close off the loophole. But the most important fact is that for 11 months, the intelligence community had been denied the most valid explanation of what the Soviets were up to with regard to their development of the KY9 or as it later became known SSNX13, a new modern ballistic missile which would have qualified for deployment in diesel submarines under the flawed White House agreement.

Similarly, when we began to pick up information about possible Soviet cheating on the basic agreement and the supporting agreed understandings and that the Soviets were doing things that we had said, in unilateral declarations, we would not accept, the job of the intelligence analyst was hindered by the White House. For example, it is my recollection that in September 1973 a number of us within the Government began to urge that through the SCC and other contacts the Soviet Union be confronted with the evidence of their misbehavior. It is my recollection that in March of 1974, Kissinger received a recommendation that the problem of Soviet cheating be faced up to and that he subsequently received a memo signed by Deputy Defense Secretary Clements which recommended that the issue of Soviet violations be placed on the agenda of the Verification Panel.

It is also my recollection that some fairly unimportant issues concerning cheating were raised within the SCC but SCC was not permitted to distribute the Soviet answers. It is also my recollection that we were led to believe that the more important cheating issues would be discussed between Kissinger and Dobrynin. As of the time I retired, to the best of my knowledge and belief, neither the intelligence community nor the JCS had been kept informed of these private discussions with the Russians concerning these violations. Again, the information which was derived from the discussions, if any, was not, to the best of my knowledge, made available to the responsible intelligence analysts where it could have contributed to their evaluations of Soviet intentions and capabilities.

Finally, one of the most worrisome aspects of the post SALT I phase has been the increasing Soviet interference with the U.S. intelligence collection which Admiral Bagley and I did not discuss in our articles because it had not yet gotten into the public domain. However, now that it has, this interference has to be listed as a 6th form of Soviet cheating. You will recall that the Administration stressed heavily in the hearings urging Congressional ratification of SALT I that both sides were pledged not to interfere with national means of detection and that the U.S. was satisfied that it could monitor the agreement satisfactorily in this way. In order to develop this point more fully, Mr. Chairman, I think we should go into closed session, but let me state publicly that in my judgment there have been significant violations of the SALT I agreements by the Soviets in their interference with our national means of detection which have produced a serious reduction in our ability to check against Soviet cheating. This interference makes it easier for the Soviets to claim they are not cheating, harder for the U.S. to prove that they are, and is in and of itself, the most positive indicator among many positive indicators, that the Soviets are violating the SALT I agreements.

CONCLUSION

It seems to me that there are the following conclusions to be drawn from the foregoing. The intelligence estimator at best, with the benefit of every insight he can acquire, has a tough job. When policy-makers for whatever reason elect to deny these intelligence estimators important insights they have acquired, the intelligence process suffers. When these policymakers exclude from their technical competence in making specific deals, quite apart from the disadvantageous negotiating outcome, the intelligence estimator gets flawed technical insights. And finally, when the policymaker decides that it is more important to carry on the perception that a deal is working satisfactorily than it is to test Soviet performance by tough questions and by using intelligence to test the answers, then the U.S. is bound to be getting less than optimum performance from its investment in intelligence and serious policy errors are likely to occur. Moreover, the lead time the U.S. would have to react to counter Soviet cheating with necessary R & D, force levels or foreign policy actions is reduced.

INTERGOVERNMENTAL EMERGENCY ASSISTANCE ACT—A BAD PRECEDENT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. ASHBROOK. Mr. Speaker, I strongly oppose the passage of both H.R. 10481, the Intergovernmental Emergency

Assistance Act, and the committee substitute, the New York City Seasonal Financing Act. The Federal Government should not assume responsibility for bankrolling the irresponsible liberal spending policies of New York City politicians.

Approximately four years ago I voted against the Federal bailout of the Lockheed Aircraft Corp. As I stated in my August 4, 1971, Washington Report:

> Increasing reliance on the Federal Government as an inexhaustible, bottomless pit of funds is a trend I have frequently deplored. This dependency has eroded individual initiative, as well as local and State Government initiative.

Unfortunately this trend has continued. Now it is New York City that wants to tap the Federal largess. I oppose the practice of putting failing cities on welfare just as I opposed the practice of putting failing corporations on welfare.

H.R. 10481 proposes a $3 billion Federal loan guarantee. The Federal Government would attempt to rescue New York City from its financial difficulties by undertaking this $3 billion obligation. The net result would be to place our Nation's taxpayers in a position of guaranteeing the payment of bills run up by the big spenders in New York City.

The committee substitute is hardly any better. Rather than a $3 billion loan guarantee, it proposes direct Federal loans totaling up to $2.3 billion. These loans would be available on a yearly basis until the act expired on June 30, 1978. In other words, taxpayers of Ohio and the rest of the country would be loaning their money to help pay New York City's bills.

For years New York State and New York City in particular have followed a policy of fiscal irresponsibility. The employees of that city are among the highest paid in the whole country. These employees, moreover, receive fringe benefits and paid retirement costs exceeding 50 percent of base pay.

Welfare benefits are also generous. They are so high that they have attracted people from other cities and States to go to New York in order to receive welfare.

Even the education is free. While parents and students in other parts of the country worry about meeting tuition expenses, City University—one of the largest universities in the world—offers all high school graduates free tuition.

The list goes on and on. Not surprisingly, the cost of providing all these public services is high. In the last decade New York City's budget tripled. Expenses are continuing to run far ahead of tax revenues.

After spending itself to the brink of bankruptcy, New York City now wants the Federal Government to step in. After following a course of action that could only lead to financial disaster, New York City asks the entire Nation to bear the burden of its own folly.

This makes little sense. It is unfair for the citizens of the 17th District of Ohio to have to cover for the mistakes of New York City. It is unfair for other Americans to have to subsidize that city's mismanagement and extravagance. If the Federal Government bails out New York City, what incentive is there for other governments to run their affairs in a financially sound and responsible manner?

The solution must rest with New York City itself. The city's problems have been caused by present and past policies of its leaders. Now it is up to New York City to solve these problems.

It must reduce its public service programs. It must cut spending and balance the budget. It must learn to control itself just like other cities must do, no matter how politically distasteful that may be to some liberal big spenders.

Morally, New York City politics has been chronically corrupt. Its politicians have been notorious in their rape of the taxpayers. From the Tammany Hall days of Mayor Tweed to the present, corruption has been a way of life. We should not underwrite that way of life. The people should rid themselves of their corrupt leadership.

I cannot justify either a $3 billion Federal loan guarantee or a $2.3 billion Federal loan. I urge that both approaches be rejected.

THE LIFETIME LEARNING ACT

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. FRASER. Mr. Speaker, today I am introducing the Mondale Lifetime Learning Act. Introduced by Senator MONDALE on October 8, the bill would amend title I of the Higher Education by encouraging educational institutions to provide expanded learning opportunities for Americans throughout their lifetime. Hopefully, the bill will be included in the Education Amendments of 1975.

In many ways, we stand on the threshold of a new era in education. Our society has traditionally structured and oriented its institutions of formal learning toward the student whose involvement with these institutions will end by the time he or she has reached the age of 25 or 30. Whether it be in course offerings, guidance and counselling services, tuition schedules—which are often markedly slanted toward the full-time student—or any other of a number of services, our schools have too often made little allowance for the student who does not fall within the "normal" age group.

Our society is beginning to feel the effect of certain social pressures which have begun to topple traditional educational assumptions. Increasingly, our schools are responding to these pressures, discarding old biases in favor of more flexible, broad-based approaches to learning. The Lifetime Learning Act would seek to promote such approaches. It would take advantage of and direct four basic social forces affecting postsecondary education:

First, a changing perception of the role of women in our society. Although women now constitute 39 percent of the labor force, an unduly high percentage are clustered in poor-paying, low-status positions which hold little promise for significant advancement. Additionally women whose careers have been interrupted by family and household responsibilities are returning to the job market in growing numbers; many of these women find themselves without the kind of skills which would allow them to move into new careers. Thus, our educational system is faced with the challenges of both furnishing women with the training and educational preparation necessary to lucrative and emotionally rewarding jobs and tailoring its services to meet the needs of those who want to sharpen old skills.

Second, an accelerating rate of technological and social change. The dizzying pace of change in our society makes the updating and reorientation of skills and knowledge extremely important. The difficulties in reentering the job market faced, for example, by an elementary school teacher who has had no training in nontraditional classroom settings or those faced by a machinist who is unfamiliar with new die technologies require little elaboration. The resources of a flexible, responsive educational system are well suited to facilitate these kinds of adjustments—such a system provides vehicles by which individuals can stay in tune with and adapt to rapid change.

In a somewhat related vein, it should be noted that increasing numbers of students are enrolling in part-time courses. Yet, despite evidence that part-time enrollments have far outpaced full-time enrollments over the past 4 or 5 years, educational programing often reflects a bias toward the needs of full-time students. Federal financial aid falls prey to this bias. Course offerings for night and adult classes usually lack the variety of those geared toward traditional student populations. Tuition rates are frequently tilted in favor of full-time enrollment. The Lifetime Learning Act would encourage the kind of flexibility necessary to accommodate the special demands of part-time students.

Third, proportionally fewer of our people are under 18 years of age and proportionally more are over 55. The phenomenon of declining enrollments due to reduced birth rates is familiar. When coupled with the expanded borders of our lifespan and the ever-stronger mental and physical health of our "older" people, this reality demands that we reassess our notions of what roles our educational system should play in the process of growing old. Our society has taken important strides toward meeting our senior population's health needs—through medicare—and toward furnishing seniors with a degree of financial security—through the social security system. These steps alone, however, cannot insure that seniors have the opportunity to enjoy a full and satisfying life.

By expanding seniors' access to educational and community resources, by exploring our schools' potential to meet the special needs of seniors, and by promoting a two-way flow of communication between seniors and younger students, we would move toward bringing into being a truly integrated intergenerational society. Attempts to promote greater senior involvement in all tiers of our educational system would have immeasurable benefits. For the younger students, it would break down stereotypes and result in a fuller awareness and appreciation of the richness and breadth of the seniors' experiences and resources. For the schools, it could bolster sagging enrollments and provide elementary and secondary students with more individualized attention. For the seniors it could erase fears and prejudices felt about schools, furnish them with educational services designed to meet vital needs—for example, retirement planning, fixed-income problems, recreational options, facilitate community service, update knowledge and allow the exploration of career changes, and, perhaps most importantly, enrich their lives by imparting a sense that society does indeed desire to keep them fully incorporated into its economic, political, and social fabric.

The Carnegie Commission on Higher Education underscored the importance of fuller age integration in its 1971 report. "Less Time, More Options":

> Society would gain if work and study were mixed throughout a lifetime, thus reducing the sense of sharply compartmentalized roles of isolated students. The sense of isolation would be reduced if . . . all members of the community valued both work and study and had a better chance to understand the flow of life from youth to age. Society would be more integrated across lines that separate students and workers, youth and age.

A very exciting illustration of the dividends which flow from creative attempts to meet seniors' diverse educational needs is provided by a group of loosely banded schools called the Minnesota Learning Society. Conceived and spearheaded by Dan Ferber, former vice president and dean of Gustavus Adolphus College, the society is a consortium of six educational institutions. Each focuses on a different facet of lifelong learning, each seeks in a slightly different way to bridge the gap between the world of the elderly and the world of the school campus.

The St. Paul Area Vocational-Technical Institute is training paraprofessionals for service in long-term care and nursing home facilities; it intends to disseminate the results of its experience to the State's other vocational-technical institutes.

The University of Minnesota is training individuals at the graduate level in geriatrics and adult education for older persons; it is also looking at ways to meet the needs of established practitioners and compiling a directory of available educational services in the field.

The Minneapolis Public Schools are providing facilities and organizational assistance to 34 senior citizens clubs—with a total membership of over 1,600; the program's central thrust is to furnish seniors as they become involved in school activities with the chance to develop relationships with schoolchildren. Working closely with established volunteer services, the program provides one-to-one senior/student tutoring, senior presentations—hobbies, travel experiences, crafts, et cetera—and senior instruction of classes.

Mankato State College is training volunteers to both identify older people in the community and work with some 40 community-based agencies in extending to these people desired services and activities. The program has come to serve a central planning function—it has brought together and introduced an element of coordination among the various social service agencies serving Mankato's elderly.

The College of St. Benedict has established an "intergenerational living/learning center" in which older persons live side by side with younger students in the college dormitories.

The North Hennepin Community College has involved 2,000 people over 55 years of age in a "seniors on campus" program; one of the program's more interesting features is the senior citizen curriculum committee which suggests to the administration the kind of services they want and need and how these could best be provided.

The Minnesota Learning Society is a particularly innovative and bold initiative in opening educational options for nontraditional students. It does not stand alone, however. The College of Marin in northern California has created a separate college for persons over 55. The New England Center for Continuing Education is experimenting with a regional approach to lifetime learning by coordinating the nontraditional programs of New England's six land-grant colleges. The State University of New York offers free courses to students over 60 and has opened a number of its dorms to seniors. And there are many other examples. These efforts give us valuable models for future attempts to involve seniors more completely in the mainstream of American education.

Fourth, to complete the list of social forces, a renewed interest in the pursuit of knowledge for reasons unrelated to concrete goals of achievement. Although educational preparation geared to the requirements of work advancement will undoubtedly continue to dominate educational programing in the foreseeable future, we are seeing indications that cultural, esthetic, and other personal impulses are spurring more and more people into returning to school. This is not, of course, a novel phenomenon. However, given the increase in leisure time, the expanded number of retirees, and the growing length of creative retirement, this force does promise to significantly affect our country's educational future. In Senator MONDALE's words:

> We may require education for what one distinguished educator has called "the free self," that part of us and of our time which is not beholden to a job or other requirements of subsistence.

Lifetime learning is essential to this kind of demand. The notion that during the course of our life we experience a continually changing spectrum of demands on our time and resources, leads inevitably to the conclusion that our educational system must be flexible, that it must be molded in a fashion which will allow it to meet life's changing needs.

The legislation I am introducing today is a small step toward this goal. It attempts to encourage new approaches to lifetime learning in the following ways:

By coordinating existing efforts in the area of lifetime learning by all Federal agencies;

Providing support for training teachers to work with adults; curriculum development; conversion of facilities to accommodate adults; and development and dissemination of television, cassettes, and other media appropriate for adult education;

Conducting a study of the existing barriers to lifetime learning and how they might be eliminated; and

Evaluating existing programs—including methods of financing—in this country and abroad and determining whether they can be used as models.

The text of the bill follows:

H.R. 10695

A bill to amend the Higher Education Act of 1965 to encourage the establishment of lifetime learning programs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Lifetime Learning Act".

SEC. 2. (a) Title I of the Higher Education Act of 1965 is amended by inserting "PART A—COMMUNITY SERVICE AND CONTINUING PROGRAMS" immediately before the section heading of section 101, by striking out "this title" whenever it appears in section 101 through 113 and inserting in lieu thereof "this part", and by adding at the end of such title the following new part:

"PART B—LIFETIME LEARNING

"STATEMENT OF FINDINGS AND PURPOSE

"SEC. 151. (a) The Congress recognizes—

"(1) the impact of accelerating social and technological change on the duration and quality of life,

"(2) the increasing opportunities for continued personal, vocational, and professional development, and

"(3) the growing interest of governmental agencies, educational institutions, labor, business, and industry to provide formal and informal education to assist individuals to meet the changing demands of life.

"(b) It is the purpose of this part to establish an office of lifetime learning programs in the Office of Education in order to encourage the initiation and expansion of such programs.

"APPROPRIATIONS AUTHORIZED

"SEC. 152. For the purpose of carrying out the provisions of this part there are authorized to be appropriated $10,000,000 for the fiscal year 1976, $2,500,000 for the period beginning July 1, 1976, and ending September 30, 1976, $20,000,000 for the fiscal year 1977 and for each of the four succeeding fiscal years.

"DEFINITION OF LIFETIME LEARNING PROGRAM

"SEC. 153. For the purpose of this part 'lifetime learning' means any program, project, activity, or service designed to meet the changing educational needs of Americans throughout their lives, and includes, but is not limited to, adult basic education, postsecondary education, continuing education, or remedial education special educational programs for groups or for individuals with special needs, job training programs, and preretirement and post retirement training, and education programs for the elderly.

"OFFICE OF LIFETIME LEARNING

"SEC. 154. The Commissioner shall establish within the Office of Education an Office of Lifetime Learning to be administered by a Director appointed by the President.

"LIFETIME LEARNING PROGRAM

"SEC. 155. (a) The Commissioner, through the Office of Lifetime Learning, is authorized to—

"(1) identify, collect, and make available to the public information regarding existing lifetime learning programs carried out or assisted by any department or agency of the Federal Government,

"(2) evaluate existing domestic and foreign lifetime learning programs in order to determine whether such programs can be used for a national lifetime learning program model,

"(3) conduct a study of existing barriers to lifetime learning and how such barriers may be eliminated,

"(4) make grants to and enter into contracts with public agencies and nonprofit private organizations for projects to establish, assist, or expand lifetime learning programs, including—

"(A) research and development activities,

"(B) support for training teachers to conduct lifetime learning programs,

"(C) development of curriculums appropriate to the needs of any such program,

"(D) conversion of facilities to serve adult participants in any such program,

"(E) development of techniques for guidance and counseling of adult participants in any such program,

"(F) development and dissemination of media materials appropriate to adult participants in any such program, and

"(G) assessment of the role of gerontology in related fields to identify educational needs and goals of elderly participants in any such program.

"(b) The Commissioner is authorized and directed after each fiscal year to prepare and submit to the President and to the Congress a report setting forth the programs assisted under this part, together with such recommendations as he deems appropriate. The Commissioner shall make the report required by this subsection available to all interested groups and individuals.

"LIFETIME LEARNING REPORT

"SEC. 156. The Commissioner shall prepare and submit to the Congress not later than January 1, 1979, a report to be known as the Lifetime Learning Report, containing a summary of activities and accomplishments under this part during the period prior to the fiscal year 1979, including the number and nature of grants made and contracts entered into pursuant to clause 4 of section 155(a), together with such recommendations for the development of and assistance to a national lifetime learning program model, including recommendations for legislation, as he deems necessary and appropriate. The report required by this section shall also include information with respect to the status of lifetime learning in the United States, the number and types of lifetime learning programs being carried out, and the needs of Americans for lifetime learning programs.".

(b) The title of title I of such Act is amended to read as follows:

"TITLE I—COMMUNITY SERVICE, CONTINUING EDUCATION AND LIFETIME LEARNING PROGRAMS.".

RUBIN "HURRICANE" CARTER

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. CONYERS. Mr. Speaker, Rubin "Hurricane" Carter was the leading contender for boxing's middleweight title in 1966. He was not only a great prizefighter but also a proud, outspoken man who encouraged black Americans to resist violations of their rights. At the height of his career, he and a companion, John Artis, were arrested, tried, and found guilty of the murder of three men in a Patterson, N.J., bar.

Last year the two key prosecution witnesses recanted their testimony against Carter and Artis. It was also learned the State struck a deal with these witnesses, who were ex-convicts facing stiff sentences for armed robbery. The jury was not informed of the prosecutor's deal. Despite this new information Carter and Artis were denied bail pending their appeal.

The case has received a great deal of attention; the Governor of New Jersey is considering clemency and the State Supreme Court has agreed to review the motion for a new trial in January.

Rubin Carter has been in prison 8½ years awaiting justice. Though he has gone blind in one eye because of poor medical treatment, he has pressed ahead in his struggle for exoneration; and has perceptively addressed himself to the flaws in the criminal justice system with special emphasis on the cruelty of daily prison life. In the following interview, published in Penthouse magazine, Rubin Carter tells us what he has seen and heard during his ordeal:

An Interview With Rubin Carter

PENTHOUSE. For eight years you have been imprisoned for murder. What do you believe is the real reason you're in jail?

CARTER. I'm not in jail for committing murder. I'm in jail partly because I'm a black man in America, where the powers that be will only allow a black man to be an entertainer or a criminal. While I was free on the streets—with whatever limited freedom I had on the streets—as a prizefighter, I was characterized as an entertainer. As long as I stayed within that role, within that prizefighting ring, as long as that was my Mecca and I didn't step out into the civic affairs of this country, I was acceptable. But when I didn't want to see people brutalized any longer—and when I'd speak out against that brutality, no matter who committed the brutality, black people or white people—I was harassed for my beliefs.

I committed no crime; actually the crime was committed against me. All the evidence today shows that the crime was committed against me . . . and still is being committed against me. What has happened in the past and what's happening right now make it a very good bet that it may happen to you tomorrow.

PENTHOUSE. When did the harassment begin?

CARTER. As far as I can recall, it began in January, February and March of 1964. Before that time, I was the Rubin Carter that everybody loved, a good guy. Muhammad Ali and I once had to appear in front of the New York Boxing Commission up in Albany when some people were asking for the abolishment of boxing. Muhammad was the good guy who showed what boxing was doing for him. Then I was put on display as the former bad guy who had come out of prison, and I explained what boxing had done for me. I was the black American pie at that time.

But the moment that I got rid of my manager, Carmen Tedeschi, because he had beaten me out of all this money, then the news media came down on me. They started saying I had left the man who made me—even though each time the bell rang, he grabbed the stool and went and sat down outside the ring.

PENTHOUSE. In other words, you were challenging the boxing establishment?

CARTER. Yes. Before that, I would never say much. My manager would do all the talking. He was a publicity hound, and he would always bring up my past—that "my man was in prison" stuff. I let it go, and that, I believe now, was a mistake on my part. Because the moment I got rid of him and started speaking for myself, that's when people started saying, "He's challenging boxing." From that time on, everybody really started coming down on me.

But my real problems began when the *Saturday Evening Post* printed what I said about the Harlem fruit riot that took place in April 1964. I said that black people ought to protect themselves against the invasions of white cops in black neighborhoods—cops who were beating litle children down in the streets—and that black people ought to have died in the streets right there if it was necessary to protect their children. When a reporter—and a very good friend of mine, or so I thought—asked me about this Harlem fruit riot, I told him how I felt about it. None of this was supposed to be printed, but he saw a story in it and had it printed in the *Saturday Evening Post*. Well, when that came out the police throughout the world thought I had declared war on them . . . and when war is declared, truth is always the first casualty. It was at that point that police throughout the country came down on me. There were times when I was arrested three or four times just to put in the headline "Rubin Carter Against the Police" in the papers. This is a very skillful maneuver to turn the victim into the criminal and the criminals into the victims. Because not only did it alienate me from white people—the papers said I was a racist bent on killing all blue-eyed devils—but it made black people scared of me too. So I was isolated, hung out there. Meanwhile, I'm trying to fight, trying to go on with my carrer, and I'm catching pure hell from everybody.

PENTHOUSE. Were you arrested outside of your hometown, Paterson?

CARTER. Yes, in Hackensack, New Jersey. I was riding down the highway and my car broke down. I pushed it off the road and walked on down the highway hoping to find someone to help me get it fixed. So when this police car came up on the other side of the highway, I jumped over the viaduct and said, "Man, am I glad to see you. Would you take me to a service station?" He said, "Sure, come on with me, get in the car." So I got in the car and he said, "Let's stop by your car to see if we can start it." He had jumper cables in the back. We pulled up to my car and on the side it had my name in silver letters, *Rubin Hurricane Carter*. Well, when we couldn't start the car, he said, "I'll take you down to a telephone booth." But he took me straight to the police station and got me in there with all his buddies. And he said, "You know who this is? This is Rubin Hurricane Carter," and all of them pulled guns on me. Then they locked me up and charged me with breaking into a meat-packing place somewhere in the city. I stayed there about seven or eight hours, knowing that I was going to prison if I couldn't get a message out to anybody. They wouldn't let me make any telephone calls, but that morning a black police officer came into the station, saw me sitting in that cell, and he said, "What the hell are you doing here?" I explained to him and he was angry. He began cussing and finally nobody knew who put me in jail or anything, and they let me go. But that was the type of thing that I was running into constantly.

PENTHOUSE. When you were in Los Angeles for a fight, you were required to report to the L.A. Police Department. You wrote in your book that the police chief, William Parker, told you that the FBI has kept close tabs on you. What about other examples of harassment by the FBI or other federal agents?

CARTER. I had a few friends who were Secret Service men and federal marshals, and they told me about the file they had on me. They were following me around. Each state that I went in to fight, the moment I got into town the police rode down on me, fingerprinted me and mugged me, and I would have to carry this card attesting to the fact that I was an ex-convict. The harassment was steady . . . constant.

PENTHOUSE. When you arrived in various towns, did the authorities come and get you?

CARTER. Yes. They knew I was coming, and someone had to contact them that I was coming.

PENTHOUSE. Do you believe the FBI has a file on you?

CARTER. Absolutely. There is no doubt about it. I remember when I was in Los Angeles and got off the plane that day. I saw this beautiful woman . . . I just happened to look at her and then kept on going. But in the air terminal I saw the woman again. She was always behind me. And when I got to the motel on Olympic Boulevard in L.A., she was at the motel. I didn't connect it with anything, but I kept seeing this same woman. And then, when Chief Parker called me up at the motel and told me I'd better come down to the police station to register as an ex-convict, there she was—trying to hide in his office. That's when he told me that the FBI had been following me every step that I had taken in Los Angeles.

PENTHOUSE. You participated in Martin Luther King's march on Washington in 1963. Yet in 1965, when Reverend King asked you to participate in the march in Selma, Alabama, you didn't. Why was that?

CARTER. Because of threats on my life. I was catching pure hell in the North and the West and all the other places I was going, and I knew that if I ever went to Alabama *nobody* was going to protect me down there. Dr. King was talking about nonviolence, about being peaceful—laying down on the street while police dogs were biting you and horses were stomping on you and cops were beating you over the head. Well, I knew that I could never be nonviolent. I'm a peaceful man, but that doesn't mean I'm nonviolent. If you will be nonviolent with me, then I will be nonviolent with you. But if you are going to put some violence on me, I'm going to whip it right back on you.

PENTHOUSE. In your book, you described a "plan of black mass murder." Would you explain this for us?

CARTER. Each time a civil rights bill was passed, black people died in the streets. In 1964 the civil rights act was passed, and a few days after that you had the Harlem fruit riot. And then riots were proliferating unchecked all over the country. Later, you had the voting rights act signed, and then Watts came up. Every time somebody would say that some kind of rights were going to be legislated for black people in this country, the racist elements in the political system and the police would immediately bear down on black people and show them that even though these rights were signed into law, they didn't recognize that law.

PENTHOUSE. Do you believe that *agents provocateurs* were involved?

CARTER. Well, I really didn't know then. But, yes, I believe it now.

PENTHOUSE. With your beliefs about self-defense, how did you handle all that harassment from the police and FBI?

CARTER. I had to hire an adviser to handle the police. This adviser went with me everywhere, but I stayed out of the country and up in my training camp so much that he got tired. He was married and had children, and his wife got tired of him staying away nine months out of the year. So ultimately he left me too.

They were isolating me. And this was before black people were proud to be black, you know. There was no "Black Power" then, so I was hung out there by myself, and people would say, "Well, that crazy nigger is in the papers again—messing with some cops again." I was seen as messing with all the police forces in the country. During all that time I had to go to other countries to fight because the cops were really coming down hard on me at home.

PENTHOUSE. So you were actually forced into exile in a sense?

CARTER. Yes. I had to go to Africa to fight. I had to go to London, to Paris, to South America—just to stay away from here. It was brutalizing me, mentally, because in fighting if you aren't in shape, both mentally and physically, you're no good.

PENTHOUSE. What were the circumstances of your arrest for the Lafayette Bar & Grill murders?

CARTER. It was about one o'clock in the morning and I was riding down the street—I'm a night man, you know. When you train in the day, you sleep all night; and when you come out of training, your body clock gets all messed up. So I was riding down the street one night. . . . Now, just that afternoon I had seen in the papers that they had police on rooftops allegedly guarding some witness to these murders (that was Bello, I found out later), and everybody knew it—so if I *had* committed that crime I would have been long gone. Well, that night I went to turn a corner, and the next thing I knew there must have been 20,000 police shotguns in my face. Just that quick. Wow! "Keep your hands on the wheel," someone said, so I kept my hands on the wheel until they handcuffed me behind my back and put me in a car.

Now, the police station was only a block away, but they didn't take me there. They took me up into the Paterson mountains—about ten cars of detectives, all with unmarked cars. And I was sitting handcuffed in the back—with two detectives up front and two detectives in the back. They took me up into those mountains, and they parked. Nobody said anything to me. We just sat there. I could hear these loudspeakers . . . these microphones, going back and forth, chattering angrily . . . very angrily. You could see policemen walking around out there with shotguns. No light anywhere, just a dark road. And I thought. "My God, these people are going to kill me!" We stayed there about an hour—just sitting there, nobody saying anything to me. Then, all of a sudden somebody on the car radio said, "Okay, bring him in." It seemed like they were very disappointed, as if somebody had talked them out of killing me—that there would be a big investigation or something if they killed me—which wouldn't have meant shit to me. I would've been dead!

PENTHOUSE. After you were picked up on the night of the murder, and none of the witnesses were able to identify you and John Artis, you took a lie-detector test that proved your innocence. Why wasn't that used as evidence in your trial?

CARTER. At that time, in 1966, the lie-detector test wasn't admissible in court.

PENTHOUSE. Weren't there other white cars that were stopped by the police?

CARTER. Yes. In the court records cops said, "I stopped this car here, I stopped this car there," but mine was the only car that they stopped and brought to the scene of the crime.

PENTHOUSE. During the trial, were any of the defense witnesses threatened?

CARTER. Yes. My God, yes!

PENTHOUSE. Who were they? Can you give us any specific names?

CARTER. John "Bucks" Royster. He was the third person in the car with me on the murder night when the police stopped us.

PENTHOUSE. He was threatened? By whom?

CARTER. By the police.

PENTHOUSE. And who else?

CARTER. My sparring partner, Wild Bill Hardney. He was run out of town. He lived in Newark at the time; and when the Paterson police knew that he was coming as a witness, they got in touch with the Newark police and the Newark police ran him out of town.

PENTHOUSE. Is it true that of 400 potential jurors, only eight were black? And that the only selected juror who was black—a West Indian—was the only one dismissed?

CARTER. Yes, that's right. Ain't that something? You know, those are astronomical odds—that out of fourteen people on the jury the only black man would be taken off!

PENTHOUSE. With the recantations of the prosecution's key witnesses, Bello and Bradley, and all the other facts that have come to light about the suppression of evidence by the police—for instance, discrepancies concerning the time the police turned in the bullet they claimed to have found in your car—and with so much more new evidence crying for a new trail, why do you think Judge Larner turned down your appeal?

CARTER. Well, of course, Judge Larner turned down the appeal because he secured the conviction—and Larner wasn't even a judge before he tried my case.

PENTHOUSE. You mean that was his first case as a judge?

CARTER. That was his first and he wasn't even from the same county I was. You see, in 1966 I was the number-one middleweight contender and an international figure, and everybody in Passaic County—well, everybody in New Jersey—knew that this was a frame-up. None of the judges in Passaic County would touch this case because they knew it was a farce. But they still had to try me, so the governor of New Jersey at that time, Hughes, appointed Larner, at that time a lawyer from Essex County, on September 21, 1966 to go into Passaic County and try my case as his first criminal trial. Now Hughes did this for various reasons, but specially because he knew that Raymond Brown was my attorney. Well, Brown was the best criminal lawyer in the state and a black man. And Larner and Ray Brown were bitter enemies—they had been in cases together before. So they sent Larner in there to hold Brown down and get me convicted. Larner acted like a prosecutor from the bench, and the moment they got me convicted they shipped him back to Essex County. They put him into civil law because he didn't have enough criminal trial experience.

PENTHOUSE. You mean they let him try your case, then they said he didn't have enough experience and sent him back to civil court?

CARTER. Yes, civil court in another county. So therein lie our political implications: Hughes, who was governor of the state of New Jersey at the time and who is now the chief justice of the State Supreme Court. We also have Brendan Byrne, who is the governor of New Jersey right now; he was in cahoots with Larner at that time. When these two criminals testified for the state in 1966, they had nine or ten armed robberies throughout New Jersey to answer for. Well, Brendan Byrne, who was then the Essex County prosecutor, went around to all the judges in his county and had them quash all those indictments because they testified against me. So there you see the political ramifications.

PENTHOUSE. Larner was from the same county as Byrne?

CARTER. Yes. So when you ask why did Larner deny that appeal, well, he's the guardian of that conviction. He said right from the start of the hearing, "Why should the State be deprived of this conviction?" Those were his exact words—not why two human beings should be deprived of their lives because of vicious and prefabricated lies.

Because I will not say that I'm guilty, or act like I'mh guilty, I am a threat to the administration, to the politicians. You know.

there are brutal people in control of these prisons. There is no accountability all the way up the ladder. We are just left here with these people, and they are vicious. There have been several instances in the last four or five months of people being brutalized to death right here in Trenton State Prison. This is the snake pit of the politicians. This is the place where they kill you, and that's why they moved me here after the Rahway rebellion. I have as many problems with the inmates as I do with the guards and the administration. I'm like a man sitting on a high fence at noon. This place is very dangerous for me, from both sides of the fence. If for a moment either the administration or the inmates here felt as though Rubin Carter was weakening in his fight to any degree, they would pounce on me and wipe me out. It's very dangerous for me here.

I'm blind in one eye because of a lack of proper medical attention in this Trenton State Prison, and I know that if I get sick in here I'm going to die. I *know* that because it's what the administration wants. They showed me that very clearly when they blinded me in my eye.

PENTHOUSE. What did happen to your eye?

CARTER. I don't know. When I came into this jail, I had perfect vision—no problems ever with my eyes even when I was a prizefighter going through all that rugged stuff. I never had problems with my eyes. But then I came to this jail, and when I was here about three weeks I had an examination—at that time they gave every person an examination; now they don't give you anything—and the man who gave me the examination said I had a detached retina and that if he didn't reattach it, I would slowly lose my sight in my right eye.

The doctor who operated wanted to take me out to his hospital—St. Francis Hospital here in Trenton, where other prisoners go for major operations—but the administration wouldn't allow me to go. Everybody else could go but not Rubin Carter. They made that doctor bring his tools and his nurses into this slaughterhouse here and operate on me in the butcher shop. After the operation he prescribed different medications that I should take to help heal this eye. But the prison wouldn't give them to me.

PENTHOUSE. You were denied your medication?

CARTER. I was denied my medication, and therefore I ultimately went blind in that eye.

Every month after that I used to go to the eye doctor to have him examine my eye to make sure that my bad eye could never damage my good eye—because all I had now was one eye. When I went to this doctor in February 1974 he looked in my eye and jumped back, flabbergasted. "My God," he said, "you've got stitches in your eye!" All these years my eye used to secrete a lot of mucus, and every time I'd go to sleep and wake up in the morning I'd have to pry my eye open. I thought it was mucus escaping from my eye, but actually it was stitches that they had neglected to take out after seven years.

Right away, I wrote my lawyer. Then the prison administration told me that they were going to take me out to the hospital at Rahway to remove the sutures. They wanted to get me out of the prison quick to get rid of that evidence. So I said, "No, I'm not going for that." But all I really wanted was to be able to see, so when they said they'd reattach my retina, I said okay.

I went to New York's Columbia Presbyterian Hospital, and they took me into the operating room, put me under as if they were going to reattach my retina, removed the sutures, and then sent me back. They didn't even attempt to reattach my retina.

At that point, I saw that if something isn't done here about the constant lack of medical attention, the brutality, the maiming and mutilating of people—then everybody's going to die.

PENTHOUSE. Some years back you befriended an elderly prisoner by the name of Summers. He was being bullied by some inmates and you defended him in a fight. That same night he committed suicide. Your book gives the impression you were greatly affected by his death. What did you learn from that experience?

CARTER. There were many things. Mr. Summers was a great intuitive man who had really lived his experiences. But the very things that were happening to Mr. Summers at that time are the same things that are happening now—frustration, falling into a deep pit of depression. And there's no help for you, so you say, "I can't do it anymore." The other day the very same thing happened. A young boy, nineteen years old, was hanged. You never hear about these things. He hanged himself in that place for "incorrigibles," the Vroom Building . . . in fact, he hanged himself the same day the "Mike Douglas Show" came here to tape me in the death house. The guards had told Mike Douglas, "No, nobody's been killed here in seven years," and this man had just been killed that morning. Lies, you see.

PENTHOUSE. The boy hanged himself?

CARTER. He *allegedly* hanged himself—put it that way. Because nobody ever knows. But the depressions are real, you know. You see guys staying in cells all day or all night long, and they don't get any mail from their families. And they're facing 100,000 years with no hopes of any kind. When you break hope in a man, that man is dead. The average age in this prison is about twenty-three years, and the majority of them are doing 100,000 years. But they come here and they want to finger pop. You can get all the dope you want in this jail—so they stick dope in their arms, drink whiskey, and try all kinds of other foolishness, just to try to escape. But when they wake up in the morning, they're still here. Later, when they go into the streets and have to rise or fall on their own merit, they find themselves totally at a loss. Some are physically fit but mentally destroyed. They find it easier to remain shadows in jail than to live as responsible human beings on the street. That is the crowning achievement of all these prisons.

PENTHOUSE. The administration knows all this is going on?

CARTER. Sure.

PENTHOUSE. Does the prison administration consciously encourage homosexuality?

CARTER. Oh, yes. Anything that would strip a man of his manhood—of any type or form of masculinity. It has only been recently here, about two years I would say, that they allowed men to wear mustaches and beards.

Guys come into jail and they live under this painful passivity for years, they live with the brutality, they live with being killed . . . constantly. And when they walk out of this prison they are very dangerous people. I see guys come in here with a two- to three-year sentence for breaking and entering, and when they walk out that door I *know* they are going to kill somebody.

Everyone knows what is happening in this prison. Everyone knows where all the dope is coming in at . . . who is bringing it in. Everyone knows who are the police bringing the knives in. You know that. But this administration—in order to keep the taxes rising, in order to milk the public out of more money—says the prisoners' families are bringing it in—my wife is bringing it in, my daughter is bringing it in.

PENTHOUSE. Aren't there any investigations into this activity?

CARTER. Yes. From the time I arrived at Trenton State Prison in September of last year, there have been no less than ten suits filed in federal courts about the brutality that is going on here. A newspaper reporter named John Toff from the *Trentonian*, a newspaper here in Trenton, worked undercover in this prison as a guard for about seven months. Then he quit and wrote a series of articles exposing all of the brutalities that were taking place and all of the guards who were deliberately committing them. But his paper is just a tiny paper, and it doesn't go any further than Trenton. So no other communities in New Jersey know about this exposure or anything else. If it had been a national paper, it would have torn this place down.

Yes, there are suits and investigations going on here. But the administration is investigating itself. The politicians that control these prisons are investigating themselves. And you know that *nothing* is ever going to come out of that. There is no accountability here—just exactly like there's no accountability in the street where you are. And we know that accountability is the cornerstone of any democracy. We have no accountability here, and you have no accountability out there, so we have no democracy. We're all living under false pretenses.

PENTHOUSE. During the Rahway rebellion, you stated in your book that, "if there was some kind of list being passed around of whom to get, of the inmates who were definitely slated for the graveyard, as there had been in other riots in New Jersey, I knew that my name would be at the very top." Do you still believe that?

CARTER. Absolutely! It is still so, right here in this prison. In the whole state of New Jersey, Rubin Carter's name is at the top. So if anything happens here, they are going to kill me—and they will be justified in the public mind, because all they have to say is, "He is here for murder." That's all they have to do. It's like the time they came down on me at Rahway at twelve o'clock midnight with shotguns and machine guns and movie cameras. They brought those movie cameras there just to show that if I had balked for a second, they would have shot me down and said, "See, this is why we shot him down, because he is a murderer." And people would have believed that.

PENTHOUSE. You have studied law while in prison. Based on this, what would you have done differently in handling your defense? For example, at your first hearing for a new trial, what did you actually ask your former lawyers from the State Public Defender's Office to do that they refused to do?

CARTER. I asked them to bring in Governor Byrne and the five judges in five different counties who sentenced Bello and Bradley for those other crimes. I wanted to bring in the five prosecutors of these counties because we have evidence—hard evidence—that letters had been sent out by the Passaic County prosecutor to the prosectors of those five counties saying, "Go to court for Bello and Bradley because they got Rubin Carter."

PENTHOUSE. Was one of those Brendan Byrne?

CARTER. One of those was Byrne, and Byrne did go. We have evidence that says that Byrne went, and we have transcripts in which Judge Camarado from Essex County says, "The prosecutor called me up this morning, Prosecutor Byrne, and told me to dispense with this case."

Now, at the hearing, Judge Larner had to decide whether to believe Bello and Bradley, as opposed to the prosecutor. Naturally he was going to believe the prosecutor. So I told the lawyers, "If you bring in Governor Byrne, if you bring in the five judges, if you bring in the five prosecutors, then who is Larner going to believe in terms of credibility? Is he going to believe the governor, the five judges, the five prosecutors, or is he going to believe this prosecutor over there? Make him make a decision—make him make a determination on the credibility of the governor."

But these lawyers [from the State Public Defender's Office] had entered into a stipulation, without either my knowledge or consent, that they would not call in my witnesses—the governor, the five judges, or the five prosecutors.

PENTHOUSE. Who did they make that deal with?

CARTER. With Larner and the Passaic County prosecutor. Now I know about stipulations, so when I found out I told them, "I want you to go back to the court and tell Larner I want that stipulation withdrawn immediately."

PENTHOUSE. Was that stipulation removed?

CARTER. No.

PENTHOUSE. Judge Larner refused to remove the stipulation?

CARTER. Yes. So they did not put Fred Hogan on the stand—Hogan was their man who had investigated this case. They did not put Selwyn Raab [of the *New York Times*] on the stand. They did not put Hal Levitson [of WNEW-TV] on the stand. All those men had made independent investigations of this case. They did not put *anybody* else on the stand—just Bello and Bradley. Just so the judge would only have Bello and Bradley's credibility to deal with. They made it easy for him.

PENTHOUSE. When your appeal was denied by the New Jersey supreme court you said that you were thinking that maybe you shouldn't see your wife and child again. Why was that?

CARTER. Yes, and I still think that way. First of all, the moment that they put me in jail my wife and daughter were cut off from their livelihood. A prizefighter doesn't have much credit. Whatever money you make you have to save, because there are no unemployment benefits or other Social Security benefits to fall back on. Also, I know my wife is young and beautiful and she has human needs. I felt that by my staying in jail I was limiting her life. My wife and daughter come here month in and month out, year in and year out—just to see me grow old and wither away on the vine.

PENTHOUSE. Now that your case is beyond Judge Larner, do you think there's a better chance for a retrial?

CARTER. No, because the case is still sitting right here in New Jersey. The New Jersey judicial system is part and parcel of the thinking of Larner. I don't believe that I will ever get a fair shake in New Jersey—unless the people demand it. The case must go to higher courts and ultimately to the federal circuit in Philadelphia, and then I think I might get a fair shot. But that will probably take years.

PENTHOUSE. What can people outside do for your case?

CARTER. Well, if the people aren't from New Jersey, the political system here in this state isn't going to worry—unless everybody gets together and says, "We demand justice—not because of Rubin Carter but because there is a right and a wrong here."

Open the books—let us all see them. If people would say that about this case too, they would have to do it, and that is all I want. I don't want them to just let me out free and pat me on the back. No, I don't want that. I want to prove that I am not guilty.

PENTHOUSE. What has Governor Byrne's attitude been so far towards a new trial?

CARTER. When this case was first publicized a year ago, there were several articles in the papers, and one quoted Governor Byrne. Someone asked him why he wouldn't appoint an investigative body to look into Passaic County. And he said, "Well, nobody ever got a retrial or a new trial in New Jersey on recanted testimony." And that's true, because that's what the law is in New Jersey; nobody has ever got it because all the recanted testimony in New Jersey has always been codefendants recanting on other codefendants.

But this case is vastly different. First of all, Bello and Bradley were state witnesses, not codefendants. I had never seen Bello or Bradley in my life, other than when they brought me to trial. And they had never seen me before, other than when the police brought me to the scene of the crime on the night of the murders. On that night, they told the police that they could not recognize the people even if they *had* seen them. From the night of the crime up until five months afterwards, the police kept Bello and Bradley locked away in protective custody, grilling them and coercing them, and promising them rewards and leniency on their armed robbery charges—until finally they said, "Okay, it was Rubin Carter and John Artis."

So what we have now are not recanted statements. What they are doing today is actually going back to their original statements.

PENTHOUSE. Does Byrne know this?

CARTER. Of course Byrne knows this! His pet phrase is, "It's in the courts; let the courts decide it." But the courts take years.

Recantation was the very thing that exposed Watergate. Recantation and plea bargaining. That was the only thing that uncovered Watergate—so you see exactly what recantations and plea bargaining really are. First, each of those people, Magruder and all the rest of them, said, "No, we didn't do that," but then they started saying, "Yes, we did do it." That is a recanted statement. And all the federal judges—Sirica and all the rest of them—believed the recanted statements. So why can't they believe the statements here? What's good for the goose is good for the gander. And that's all I ask. I ask for a new trial. I never had a trial, because all I had was a kangaroo court, with none of my peers on the jury, with a misinformed, all-white jury that was in the heat of passion at the time. I just want a trial that is free from perjured testimony and manufactured evidence. That's all. Give me a trial and I'm willing to accept that. I don't want anything else.

APPOINTMENTS TO REGULATORY AGENCIES

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. SIMON. Mr. Speaker, in catching up on some of my reading on that huge pile of newspapers that seem to accumulate very quickly in my office, I came across the following article which is disturbing.

The article is a discussion of the appointments made to regulatory bodies, pointing out that during the past 5 years more than half of the people appointed to nine Federal regulatory agencies came from the very industries they were named to regulate.

Some logical defense of it can be made in the sense that those who know most about a particular area are those who have worked in an industry. But obviously there are serious problems in such a process.

In the article which follows, which appeared in the New York Times, written by David Burnham, Prof. Victor H. Kramer made one suggestion which appears to me to make sense. I would be interested in any reaction my colleagues may have.

We do not want to create Federal regulatory agencies where there is a total lack of expertise and knowledge about an industry. But we also must avoid permitting the Federal regulatory agencies to be captives of the industries they purport to regulate.

[From the New York Times, Nov. 7, 1975]

QUALITY OF APPOINTMENTS TO NINE U.S. AGENCIES SCORED

(By David Burnham)

WASHINGTON, Nov. 6.—More than half of the people appointed to nine Federal regulatory agencies in the last five years came from the industries they were named to regulate and thus faced potential conflict of interest problems, according to a Congressional study made public today.

This was a key finding of the study, made in connection with an unusual joint hearing by a House subcommittee and two Senate committees on the quality of appointments to the Federal regulatory agencies, which have wide power over the health and economic well-being of the nation.

"With noteworthy exceptions, the appointive process as it now exists has consistently failed to provide Federal regulatory agencies with able, energetic and forceful leadership dedicated to the public interest," said Victor H. Kramer, a professor of law at the Georgetown University Law Center.

He is also the author of a separate, more detailed study of the 51 men and women appointed to the Federal Trade Commission and the Federal Communications Commission from 1953 to 1974.

SECONDARY FACTORS

"Partisan political considerations dominate the selection of regulators to an alarming extent," Mr. Kramer said. "Alarming, in that other factors—such as competence, experience and even, on occasion, regulatory philosophy—are only secondary factors."

Although President Ford has said that reform of the regulatory agencies was one of his major goals, the Administration declined in invitation to take part in today's hearings.

Vernon C. Leen, deputy assistant to the President, said in a letter that participation would not be useful because "no one has yet developed objective criteria and techniques to assist the President in making his selections or the Senate in performing its advise and consent function."

Involved in today's hearings were the House Commerce Subcommittee on Oversight and Investigations, the Senate Commerce Committee and the Senate Government Operations Committee.

In preparation for the hearings, the House subcommittee staff obtained biographical information about all of the 120b commissioners and administrators who were appointed to nine regulatory agencies since 128960—a 125-year period all evenly divided between Democratic and Republican Administrations.

AGENCIES ARE LISTED

The agencies were the Interstate Commerce Commission, the Federal Communications Commission, the Federal Power Commission, the Securities and Exchange Commission, the Consumer Product Safety Commission, the Environmental Protection Agency, the Food and Drug Administration, the Highway Traffic Safety Administration and the Federal Trade Commission.

During the last 15 years, the committee study found, 30 percent of the appointed persons came from the industry they were to regulate. The definition of "regulated industry" included employment in companies directly involved in the regulated activity and those working in law firms and consulting companies to further industry interests.

Of the 45 persons appointed in the last five years, 24, or more than half, came from regulated industry, the study said.

Concerning the appointment of the 120 regulators in the 15-year period, the study found that 27 had been practicing law before the commissions before their appointment and 20 were either former members of Congress or former members of Congressional staffs.

Concerning what happened after they left regulatory commissions, the study found "substantial numbers" of commissioners and administrators in the 15-year period studied became employed, either directly or indirectly, by the industry they had regulated.

"SERIOUSLY FLAWED"

"Of the 85 persons who left the agencies during that period, 32 have at some time during the immediately subsequent five years been employed in the regulated industry," the study added.

Mr. Kramer testified that based on the joint study by himself and James M. Graham, a lawyer and former graduate student at Georgetown, he had concluded that regulatory appointments have been seriously flawed at least since the Truman Administration.

"Federal regulatory agency appointments are part and parcel of the patronage system in its rawest sense," Mr. Kramer said. "Powerful connections and political acceptability are the principal elements in the selection and reappointment process."

He offered several possible approaches to improve the quality of men and women chosen for the regulatory commissions. Noting that most Government regulations may not become effective without public comment, he said that "we do not apply the same standard to the people we appoint to administer those laws."

While the selection of regulators is a closed process as far as consumer groups go, Mr. Kramer said that the White House normally cleared such appointments with the affected industry.

In addition to calling for the announcement of candidates for a post before the President makes his final decision, Mr. Kramer also recommended the creation of a permanent office of regulatory appointments within the White House that would compile and maintain lists of qualified individuals and develop criteria for the selection of candidates.

"THE SPIRITS OF MEN WILL FIND IT A HOME"—THE FIFTIETH ANNIVERSARY OF THE COMMUNITY CHURCH OF LITTLE NECK

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. WOLFF. Mr. Speaker, in times when young and old alike are questioning the traditions and values of American society, when worldwide crises draw our attention away from the needs of our closest neighbors, it is strengthening to witness the 50th anniversary of a community church dedicated to spiritual good and the day to day application of their religious ideals.

In October 1925, the Community Church of Little Neck called as their first pastor the Reverend Harold Pattison. Rev. Warren E. Darnell succeeded him, beginning his ministry at the outset of the depression in 1931, and becoming a part of the church's history of growth and aid to those in need.

I had the pleasure of attending the 50th anniversary dinner of the Community Church of Little Neck. I found in the final paragraphs of the program a message of the essence of the church's existence:

> We are proud of the vision, the loyal interest, and the valiant work of the pioneer members of our Church. We are grateful for the continuing and supportive leadership of the officers and the members of the present congregation, 425 of which are resident with us.
>
> The change and the development in the next fifty years of the Church and the Community can neither be measured nor estimated. It is our hope and prayer that this congregation will be led with the faith and vision that has guided us to this day, and that the Holy Spirit of our Lord shall so empower us that we will meet every challenge as an opportunity of service, and every human need as a privilege of ministry; and that we shall not be found wanting in our love of God with all our heart, soul, mind and strength, and never lacking in our love of our neighbors as ourselves. Let the preaching and the practice of the Church be such that the spirits of men will find it a Home, where the heart is fed with the Bread that nurtures unto eternal life.

May recognition also be given not only to the congregation as a body but to the chairman of the 50th anniversary committee, Mr. Carleton Creadick, an elder of the church, and to the charter members who are still with the Community Church of Little Neck and whose very presence brings the founding of the Church even closer to its other members: Miss Florence Aitken, Mrs. Joseph L. Barnitt, Jr., Mrs. William Brown, Miss Ida Fowler, Mrs. William G. Gross, Mrs. Albert C. Musarra, Mr. Charles Thomas, Mrs. Charles Thomas, Miss Ruth Wright, and Mrs. William Wright.

GRAND JURY ABUSE

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. CONYERS. Mr. Speaker, the December 1 issue of Newsweek contains an extraordinary article, entitled "How To Get Your Man." It includes frank statements from official sources as to how the Federal investigative grand jury is abused.

Pointing out that under the Johnson and Nixon administrations the grand jury became a political weapon, the article leaves the erroneous impression that current grand jury abuses are confined only to investigations of organized crime. On the contrary, Federal prosecutors continue to manipulate and misuse grand juries all across the country against a multitude of targets from the American Indian movement to the women's movement, from politicians to trade unions. The article refers to the capability of prosecutors "to burn the Bill of Rights 7 days out of 7." The Bill of Rights can only be burned so many times before there is nothing left but a pile of ashes. I hope this article will provide added push toward grand jury reform in the 94th Congress:

HOW TO GET YOUR MAN

Though law-enforcement officials have labored for decades to break the power of organized-crime syndicates in the U.S., the results for the most part have been disappointing. The criminals corrupt judges, bribe policemen and terrorize or kill hostile witnesses. Perhaps even more important is the ease with which they can hire the most expensive legal talent to take full advantage of every loophole the laws allow to elude prosecution.

But in the past few years, fueled in part by funds from the Law Enforcement Assistance Administration created by Congress in 1968, Federal, state and local prosecutors have been organizing special task forces to combat the estimated $60 billion-a-year business that organized crime represents. In the process, the prosecutors have come up with a host of interesting techniques, stratagems and legal maneuvers designed to see that they derive at least as much advantage from legal loopholes as the criminals do. In brief, what the prosecutors have done is decide that if they cannot convict a major crime figure of murder, say, or extortion, the next best thing to do with him is try to convict him of perjury, bribery or some lesser offense—much as mobster-murderer Al Capone was finally sent to prison for income-tax evasion 44 years ago.

Inevitably, certain of the prosecutors' current practices have caused concern among some civil libertarians. In two jurisdictions, judges have recently lashed out at the prosecutors for exceeding their authority. Nevertheless, most of the lawmen are persuaded that their new action-in-concert is paying off. Last December, 46 state and local prosecutors met in Houston, Texas, for an "Advanced Organized Crime Seminar," sponsored by the National College of District Attorneys and paid for by the LEAA. Newsweek has obtained a transcript of their discussions, which affords a candid and revealing view of how the lawmen work—and of how effectively they seem to have been able to turn the laws to their own advantage.

TERRORISM

Justice Department tax expert James H. Jeffries III, for example, recommended trapping gangsters with a "paper chain" of arcane Federal statutes. "The Federal system," Jeffries said, "is a veritable Christmas shopping catalog of bad things to do to bad people." Robert Ozer, the flamboyant chief of the U.S. Organized Crime Strike Force in Detroit, spoke enthusiastically of "investigation by terrorism." He meant, among other things, swamping crime figures with subpoenas. Baltimore Judge Charles E. Moylan Jr. talked on the often misunderstood subject of grand juries. Strict evidentiary rules do not apply to grand-jury testimony, and jurors can be as hostile as they please. "The prosecutor," said Moyland with a touch of hyperbole, "can violate or burn the Bill of Rights seven days out of seven and bring the fruits of unconstitutional activity to a grand jury. No court in the country has the power to look behind what the grand jury considers or why it acts as it does."

The use of the grand jury for harassment was a favorite weapon of the Johnson and Nixon administration against antiwar protestors and other radicals. By granting immunity to a particular witness, thus stripping him of his privilege against self-incrimination, a prosecutor can force the witness to talk about other people—or face a contempt citation. "In the hands of a competent prosecutor, there are few better tools," said New Jersey lawyer and former prosecutor Martin G. Holleran. ". . . Through what other means can you put hoodlums and gangsters into prison without convicting them of a crime? Think of that."

To illustrate, Holleran cited the case of a man he described as "the chief mobster in New Jersey." (The name is deleted from transcript, but he clearly meant Gerardo Catena, reputed boss of the Jersey branch of the Genovese crime family.) Brought before a state investigation commission, Catena refused to answer a single question, or give his name and address. ("I know where he lives," Holleran noted. "He lives around the corner from me.") For refusing to testify, Catena was cited for civil contempt and jailed for five years. He was finally released last August when the New Jersey Supreme Court ruled that Catena's confinement has lost its "coercive" power.

Most of the prosecutors agreed that their best single weapon is the wiretap—"there is no device as good," said Michael Marcus, a Los Angeles deputy district attorney. Marcus conceded that the public was skittish about the invasion of privacy inherent in wiretaps. But he also reminded his audience that lawmen have harsher legal weapons available. "It is our responsibility," Marcus said, "to inform the public that we now have the right to delve deeper into an individual's personal life through a search warrant than can be done through a wiretap."

TAPS

The speakers were at considerable pains to emphasize how meticulous prosecutors must be in their use of taps—identifying precisely each circumstance and each individual to be spied on when obtaining a court's permission. But they also recommended shopping for amenable judges. One lecturer said that the U.S. Second Circuit, based in New York, "appears to be the most liberal circuit in terms of allowing questionable or potentially excessive eavesdropping practices." Clifford Fishman, a New York State narcotics prosecutor, advised how to co-opt judges. "If you can convince your judge to become a member of the investigative team," said Fishman, "if you can invite him down to the plant . . . then essentially you have gotten his approval of everything you are doing."

As it proceeded, the seminar offered prosecutors a kind of "Dear Abby" list of solutions to their problems:

Problem: Courts will not let you use wiretaps. Solution: Use "pen registers," devices attached to a telephone line that do not intercept messages but do identify the number being called. Or, bug prisoners' cells. Or, place a public telephone in the prisoners' area of a jail and have police officers stroll by to eavesdrop. Some jurisdictions specifically permit the monitoring of prisoners' phone calls and conversations.

Problem: Police undercover cars, often Chevrolets with an antenna, are easily spotted. Solution: Confiscate flashily decorated Thunderbirds or Cadillacs captured from drug pushers—the sort popularly known as "pimpmobiles"—and use those in the inner city.

Problem: Men in hock to criminal loan sharks are afraid to tell the police. Solution: Advertise in the women's pages of newspapers. Women will call in about their husbands' problems.

Problem: Some local policemen are known to be in the pay of criminals and cannot be trusted. Solution: Keep them in the dark until they are needed to make arrests. In New Jersey, a special anticrime unit called in local police at 7:30 a.m. for a raid that was not actually scheduled until 3 p.m. The police were kept locked up in an armory, without even access to a telephone, which could be used to tip off criminals. Breakfast and lunch were brought in, the caterers were locked up. The raid went off smoothly and netted 58 arrests and an estimated $180,000 in cash. It is known as "the catered raid."

However difficult the prosecutors' lot, judges sometimes find their methods too much to stomach. In Detroit recently, strike-force chief Ozer, who successfully prosecuted former Michigan Governor and state Supreme Court Justice John Swainson, heard some harsh words from U.S. Judge Fred Kaess. "You don't run the courts or the grand jury," Kaess barked in open court. "You work for them."

The chief complaint against organized-crime units seems to be that they are able legally to do almost anything they want—to whomever they select as a target. Some officials of the National College of District Attorneys, disturbed by this thought, are dubious about their continued sponsorship of the crime seminars. But they also recognize that fighting organized crime requires extraordinary methods. The question they now are asking themselves is whether the results they are getting justify the means.

OAK PARK'S URBAN DESIGN

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 3, 1975

Mr. HYDE. Mr. Speaker, the village of Oak Park, in Illinois' Sixth Congressional District which I represent, is proud to be the home of Frank Lloyd Wright, whose Prairie School of Architecture has had a significant influence upon American design.

Today, Oak Park reflects that influence in its village planning as it resists high-rise pressures and insures that developments, such as the new Oak Park Mall and the proposed Bishop Mews, compliment the village's overall design.

This achievement is due not only to the high quality of local leadership, but also to a community spirit which wells from the people themselves. Recently, the National Park Service, acting under the National Historic Preservation Act, aided in the acquisition of the Frank Lloyd Wright Home & Studio by the National Trust for Historic Preservation, and has assisted in the restoration of a number of historic Oak Park homes designed by Wright. This is an example of worthwhile Federal support which assists local community goals.

So that my colleagues may gain a perspective and appreciation of Oak Park's community spirit, I include the following article, written by Christian Science Monitor reporter William Marlin and printed in the November 28 edition of the Washington Post:

QUIET OAK PARK TEEMS WITH FORCES OF CHANGE

(By William Marlin)

Christian Science Monitor

OAK PARK, Ill.—The village of Oak Park, settled west of Chicago in 1833, is a compact, conservative kind of place. There are some 62,500 people here, and most of them like life to be polite and predictable—rather like the layout of their tree-lined streets.

Yet Oak Park, as seemingly conservative as it is, has shown itself to be one up on tradition. Rather than being limited by what has gone before, the village is teeming with the forces of change.

In fact, it is using the evidence of that tradition — benchmark buildings, beaten paths—as the basis for an adventuresome program of planning and development. But then what else would one expect from the hometown of Ernest Hemingway and Frank Lloyd Wright?

In an effort to retain its close-knit family feeling Oak Park is keeping its planning and design strategies simple. For instance, the downtown shopping district will not be replaced by a cluster of high-rise towers.

It is being shored up, as is, by a neat mall with granite paving, linden and maple trees, high-color clumps of rhododendrons—all very decently laid out by landscape architect Joe Karr in collaboration with the local architectural firm of Sturr-Young Associates.

On the east edge of the village is a new low-slung village hall, designed by Harry Weese & Associates, one of Chicago's most distinguished firms. Its brick wings carefully embrace a public piazza which is punctuated by an angular council chamber that is poised in a pool. Planted shelves of earth slope gently up to the walls from the surrounding streets.

Architectural civility also characterizes a proposal by the Weese firm for a close-grained eight-acre section in the middle of the village to be called Bishop Mews.

Here the old Bishop Quarters School would be restored for use as a cultural and recreation center in the midst of some 300 town-house, duplex and apartment units. A greensward would amble through the development like an old-time village path, replete with small shops and dining places.

The urban-design principle used in the Mews proposal is also the theme for development through Oak Park. Here, as elsewhere, civic pride and worthy intentions could have gone by the board in the fact of alluring high-rise schemes. But these have so far been beaten back by economic constraints and heated public protest.

Two of the longest, hardest-fought battles here have been the efforts to preserve Frank Lloyd Wright's home and studio—the group of buildings where the revolutionary concepts and personal lifestyle of Wright had their beginnings—and the famed Unity Temple (done in 1906), which was among the first poured-in-place reinforced concrete buildings.

Both works are official landmarks of the United States, and they symbolize, along with the almost three dozen other Wright structures in the Oak Park area, the worldwide influence of this prairie spot because of the architect's rambunctious presence here for more than two decades.

At Unity Temple, a quarter of a million dollars has been spent in the last eight years, under the skilled guidance of architect John Michiels, restoration chairman. But another $300,000 is needed—hopefully to be covered by a matching-grant offer of $250,000 from historian and philanthropist Edgar Kaufman Jr. (His father built Wright's best-known house, "Fallingwater" outside Pittsburgh in the mid-1930s.)

The original home and studio were purchased recently by the National Trust for Historic Preservation in Washington on a matching grant basis with the Frank Lloyd Wright Home and Studio Foundation (National Park Service grants made up the trust's share).

Now an intensive campaign is under way to complete emergency repairs, publish a comprehensive survey of the buildings' history, and gather a permanent fund to cover long-range restoration and operations expenses. Architectural services are being supplied by the firm Bauhs & Dring with the counsel of architect Lloyd Wright, the famous architect's accomplished son.

Beginning with a special dedication on Dec. 7 a full-fledged series of tours and educational programs will take place at the home and studio.

But the love affair between Oak Park and Wright, once severely strained because of his unconventional and often arrogant ways, is strong—especially so, among the young.